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The Statist.

LONDON, SATURDAY, JANUARY 3, 1920.

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The Money Market.

Friday, January 2, 1920.

	Current Rate %	Current Rate Fixed	Previous Rate %	Previous Rate Fixed
Bank of England Rate...	**6**	**(Nov. 6,'19)**	**5**	**Apr. 5,'17**
Deposit Rates:—				
Banks & Discnt. Ho. (Call)	4	(Nov. 6,'19)	3½†	Oct 6, '19
Discount Houses (Notice)...	4½	(Nov. 6, '19)	3¾	Oct. 6,'19

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.

† Foreign and Colonial banks give Special Rates only upon deposits for a year

Discount Rates:—	60 Days. %	3 Mos. %	4 Mos. %	6 Mos. %
Treasury Bills	—	5⅛	—	5⅛
Bank Bills	5⅛	5 3/16-⅛	5⅛-¾	5¾
Trade Bills	—	6-6¼	6¼	6½

WHILE the demand for money during the past week has been quite keen, there has been nothing like the acute stringency which might have been expected. In the expectation of heavy inquiries for loans in connection with payments over the turn of the year, the banks made ample preparation beforehand. The Bank of England did a large business in discounting 15-day bills at 6%, and in 7-day advances at 6½%, but a certain proportion of these loans were not the result of actual scarcity of funds in the market. Brokers, in many instances, merely borrowed at 6% in order to invest the proceeds in three-months bills at 5⅞%, an indication, of course, of the feeling that the high rates now ruling are not likely to last for long, but are merely the normal result of tightness of the market always incidental to settlements at the end of the year. The inquiry for three-months paper was very active throughout the week, and longer-dated bills were also in good request.

Exchange movements during the week have not been encouraging, though there has been an absence of really violent movements. New York declined as low as 3.74½-76½ on Wednesday, while the French, Italian, and Belgian exchanges moved further against those countries. The Paris cheque rose as high as 41.07-41.12 in the course of the week, while the Italian rate touched 50.00-50.25. The German mark was weak, the rate going up to 187-188. Holland, Spain, Scandinavia and Switzerland also moved against us.

The fixation of £320,600,000 as the actual maximum fiduciary circulation of Currency Notes for 1920 imparts a special interest to the Currency Notes returns for the close of 1919. For the week ended December 24 there were issued notes to the amount of £17,433,344, whilst notes cancelled were estimated at £7,575,717. This excess issue affords an excellent measurement of the keen trade demands for currency, following as it did an excess issue of over £5,000,000 in the preceding week. The Currency Note Redemption account was strengthened by the addition of £300,000 in Bank of England Notes, the total of which stands in consequence at £4,000,000. Indeed, one of the outstanding features of the situation has been the persistent growth in this item in the Currency Note Redemption account during December. The last return for November—that dealing with the position for the week ended November 26—recorded a total of £2,350,000 in Bank of England Notes. The subsequent increase of £1,650,000 during December has taken place weekly, and each time corresponded with an issue of Currency Notes over and above those cancelled during the week. For the week ended December 3 there was an excess issue of £1,929,943, and an addition of £350,000 to the amount of Bank of England Notes. The following week witnessed a further excess issue of £3,015,135, and another increase of £400,000 to the Bank of England Notes. Then followed a rise of over £5,000,000 in the Currency Notes and of £600,000 in the total of Bank of England Notes; whilst the return for the week ended December 24 registers an increased issue of Currency Notes to the amount of £9,857,627, and the addition of £300,000 to the total of Bank of England Notes. Viewed from the standpoint of the Currency Notes returns, this policy of backing as far as possible the fiduciary issue by Bank of England Notes is of itself praiseworthy and justifiable. But coinciding in point of time, as it did, with a period which is even in normal times characterised by an expansion of the note circulation of the Bank of England to meet Christmas demands, one effect of this policy was to render the position of the Bank more difficult. This is especially the case when it is remembered that during December the margin between the total gold coin and bullion and silver held by the Bank in both departments over the total of its note circulation was at times exceedingly narrow, thereby rendering it likely that to meet any further increase in the note issue the Bank would have to secure gold which was commanding in the open market at one time as high a price as 111s. 3*d.* an ounce.

Yet another aspect of the return for the week ended December 24 calls for consideration. The outstanding total of Currency Notes and Certificates was £358,230,657. Deducting from this £4,000,000 of Bank of England Notes and £28,500,000 of gold coin and bullion, there remains a fiduciary issue of £325,730,657, whereas the Treasury Minute of December 15 fixes the maximum for 1920 at £320,600,000! The position at the close of the year reveals a slight improvement. In the week ended December 31 the amount of notes cancelled exceeds by over £2,000,000 the amount issued. Consequently the total outstanding has fallen to £356,152,022. At this level the fiduciary issue of £323,652,022 is still in excess of the prescribed maximum for 1920 by over £3,000,000. If the promise made to the House of Commons by the Chancellor of the Exchequer and embodied in the Treasury Minute of December 15 is to be kept, it is evident that unless the cancellations for the first week of the New Year exceed the issue of Currency Notes by over £3,000,000, steps must be taken to back the excess with gold or Bank of England Notes. And the latest return of the Bank of England, which shows that the note circulation is not actually covered by the total gold coin and bullion and silver in both departments, does not render it desirable that any further demands for notes—at least to any large degree—should be exerted from this quarter. Should, however, the first Bank return for the New Year record a large return of notes from circulation, the problem of reducing the fiduciary circulation of Currency Notes to £320,600,000 will be correspondingly simplified.

Comment on the official return of income and expenditure for the week ended December 20 must inevitably centre on one outstanding feature. It appears that during the week the Government borrowed on Ways and Means Advances no less than £165,012,000! Stranger still, they paid back on this account £171,707,000! Analysing the return, there is nothing in it of a nature to justify or explain this extraordinary overdraft. Receipts from revenue were normal, and expenditure, outside a comparatively small increase in Supply Services, showed no violent fluctuations. Treasury bills brought in nearly £11,000,000 in excess of maturities, and were thus instrumental in enabling the repayment of Ways and

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Means Advances to exceed the amount borrowed by over £6,500,000. What the purpose was for which this huge overdraft was sought must remain a matter of surmise. The ordinary observer, however, finds it somewhat difficult to understand the motive for borrowing large sums on one day and repaying them the next.

The return for the period ended December 31 is characterised by an increase in the net borrowings on Ways and Means Advances. This was due in the main to large maturities of Treasury bills, the actual total of £42,776,000 being over £15,500,000 in excess of applications. Consequently whilst £9,575,600 were repaid of the outstanding total, there was borrowed a sum of £28,662,000. The net result is that at the close of 1919 the outstanding balance of Ways and Means Advances is £243,173,400. Adding to this the outstanding total of Treasury bills, which is recorded as £1,105,946,000, the total of the Floating Debt at the opening of 1920 figures out at £1,349,119,400. Viewing the returns for the nine months ended December 31 it is gratifying to note a substantial decline of over £900,000,000 in the expenditure as compared with the corresponding period for 1918, when a total of £2,049,993,606 was recorded, as against the existing amount of £1,125,980,718. Moreover, revenue has also expanded, the present total of £696,251,704 being over £187,000,000 greater than in 1918. Again, during the period under consideration borrowing through the medium of Treasury bills amounted to £2,281,804,000, whilst maturities reached £2,131,982,000; whilst on Ways and Means Advances there were borrowed £1,566,643,600, but repayments were over £200,000,000 higher at £1,778,461,600. The net result was to reduce the Floating Debt during these nine months by £61,996,000. This forms a satisfactory contrast with 1918, when borrowings under these two headings amounted to £4,068,338,458, as against repayments to the extent of £3,683,632,111. Altogether the position at the close of 1919 represents a real improvement over that of 1918, and if the policy foreshadowed recently by the Chancellor of the Exchequer of a slow but steady reduction in the National Debt is carried into execution in the New Year, there is every reason for looking forward to 1920 as a year of genuine financial progress and reform.

BANK OF ENGLAND.

Owing to the Christmas holidays, the Bank Returns for the last two weeks of the year have been issued this week. The first return published was in respect of the seven days ended on Christmas Eve, and disclosed a position which led to quite a deal of discussion in financial circles in the City, and not a little speculation as to what the position would be on the last day of the year. The main feature of the return was a fairly substantial expansion in the note circulation without any addition to the stock of gold, with the result that the reserve declined to an unprecedentedly low amount, and the actual note circulation was not only not covered by the gold coin and bullion in the Issue Department, but exceeded the total amount of gold coin and bullion and silver coin in both departments. The increase in the Bank's note circulation was due to further earmarking for Currency Note Redemption Account. The proportion of reserve to liabilities in this return was only 11.5%, as against 13.4%, in the preceding week, the reduction being due partly to the already mentioned decline in the reserve and partly to an expansion of £8,000,000 in "other" deposits, almost entirely due to a rise of £8,319,000 in the "other" securities.

The Bank return issued to-day (Friday) for the last week of the Old Year shows a slight improvement in the amount of the reserve, due to a contraction of £800,000 in the note circulation; but this improvement leaves the note circulation still not entirely covered by gold coin and bullion and silver coin in both departments. From the point of view of proportion of reserve to liabilities the position is most uncomfortable. The Government added nearly £24,000,000 to its securities, and "other" securities or bankers' loans (doubtless in connection with end-year window-dressing) were raised by over £21,000,000, the net effect of these two movements being reflected in an expansion of over £47,000,000 in the "other" deposits, public deposits declining £1,125,000 to £19,213,000. On account of this substantial expansion of credit the proportion of reserve to liabilities is no more than 9.2%—the lowest for many years past, not excepting the weeks following the outbreak of the War.

SILVER.

During the past week supplies of silver in the London market have been fairly plentiful and the price has receded slightly, despite the low American exchange. To-day's quotations are 75⅞*d.* cash and 74*d.* for forward delivery, representing a fall of 1¼*d.* and 1⅞*d.* respectively below the prices fixed on December 24. The Japanese Government, which is engaged in the reformation of its currency system, is withdrawing from circulation its 10, 20, and 50 sen war emergency notes and replacing them with coins of silver, nickel, and copper. The Dutch Second Chamber has resolved to lower the silver standard to 720 parts in the 1,000 fine; and in Canada also proposals are on foot to reduce the fineness of the silver coinage. In China, currency reforms are believed to be imminent, as the British Legation, following a strong resolution passed by the British Chamber of Commerce at Shanghai, has addressed a Note to the Chinese Government urging the abolition of the present confused currency and the establishment of a uniform system with a standard silver dollar as unit, and subsidiary coins of copper. The Note emphasises the ill effects of the existing bewildering currency, with its discredited bank notes and depreciated subsidiary coinage. The importance of direct control by the Central Government for the proposed new coinage is insisted upon, and the assistance of foreign technical experts is advised. It is hoped that these proposed reforms, which have received the sympathetic consideration of the Chinese Government, will do much towards establishing perfect confidence between China and foreign trading communities

The rate at which China has been absorbing silver during the past year has been a continual source of surprise. It is not really inexplicable, however, in view of the fact that during the years 1916 and 1917 China exported 82,000,000 ounces of silver, largely to supply India's demand for coinage. Since the War ended, the exportation from Chinese ports of large quantities of goods which had been accumulating since the end of 1914 has swung the balance of trade heavily in China's favour, with the result that not alone the silver formerly exported, but further supplies to meet the growing export trade had to be obtained. During the past year shipments from San Francisco to China have amounted to something like £10,000,000, while shipments direct from London have been by no means inconsiderable. India has taken £22,000,000 worth, while the British mint has coined about 3½ millions worth of silver coin.

Stock Exchange.

The turn of the year has been marked by a very buoyant tone in the Stock markets, the Industrial and Oil sections being especially cheerful. The Home Railway market has also been decidedly firm, buying being induced by the announcement of the Government of an increase in goods freight rates, which comes into effect on January 15.

The following table affords a good indication of the course of quotations in representative securities in the old year:—

Name of Stock.	Quotation— Dec.31 1919.	Dec.31 1918.
War Loan, 5%, 1929-47	91½	94½
India 5%	52⅝	60⅛
Canada 4%, Reg. 1940-60	79½	84½
Union of S. Africa 4%, 1943-63	79	83½
Argentine 5%, 1886 ...	90½	98
Brazilian 5% Funding, 1914	69	84
French War Loan, 5%	62	86
Chinese 5%, 1896 ...	85	95
Japan 4½%, 1905 (1st Series)	102	96
Mexican 5%, 1899 ...	46½	76
Russian 4%	25	43
Glasgow and S.-W. Def.	51	54
Great Western ...	93	92½
London & N. Western	96	99⅝
Metropolitan District ...	21½	26
Underg'd Elec. Inc. Bonds	86⅝	92½
Antofagasta Pref. Ord.	81½	95x.
Buenos Ayres Gt. Southern Ord. ...	79½	72
Canadian Pacific ...	170½	176½
Grand Trunk of Canada Ord.	8½	11⅝
Great Western of Brazil	5⅛	5⅛
Guayaquil & Quito 5% Bonds	47	40
Mexican Railway Ord.	19	22
Bengal and N.W. ...	142⅝	129
Anglo-South American (£10, £5 pd.)... ...	11	10¼
Hongkong & Shanghai ($125)	123	102
London City & Midland (£12, £2½ pd.) ...	8⅜	8⅛
Midland of S.A. (£20, £5 pd.)	13½	11⅛
Sudan Plantations ...	7½	8⅜

Name of Stock.	Quotation— Dec.31 1919.	Dec.31 1918.
Watney Combe Def. £100	177½	130½
Allsopp's Ord. (£100) ...	98½	41½
P. & O. Def.	585	421¼
Aerated Bread ...	4¼	3⅞
Gordon Hotels Ord. (£10)	4⅜	3¼
Armstrongs	34 0	38 3
Bengal Iron	38 1½	6¼
Birmingham Sm. Arms	31/0	1⅛
Davis (D.) (5/0) ...	9/0	12/9
Vickers	33 0	41 6
Niger	82 6	51 0
Pekin Syndicate (£2)	33 6	39 0
Rosario (£5)	6½	7½
Burmah	18⅛	7⅝
Mex. Eagle Com. ($ 0 Mex.) ...	10½xd.	84 3x
Shell Transport ...	11	6¾
Trinidad Leaseholds. ...	37½	40/0
Eastern Telegraph ...	167½	157½
Marconi Ord.	4⅛x.	4⅛x.
Bleachers Ord. ...	50 0	22 6
Calico Printers ...	33 6	16 6
Coats (J. & P.) Ord. ...	8¾xb.	7½
Courtaulds	8⅝xr.	8
Fine Spinners... ...	41	39/-
Harrod's Stores Ord....	4⅞	3⅝
Harrod's (B.A.) Ord....	11¼	26/3
Brazilian Tractions ($100)	61	57¾
Calcutta Trams (£5) ...	8	7½
S. Smith & Sons ...	25 0x.	27 0x.
Assoc. Cement ...(£1)	26 3	(£10) 7½
British Oils & Cake Mills	40 0	38 6
Dunlop Rubber ...	10¾	4¼
Nelson Brothers ...	27	28/3
Brt.-Amer. Tobac. Ord.	35/0	18/0

NOTE.—In practically all industrial securities, where a decline in prices is shown it is accounted for by bonus distributions.

During the week the Gilt-edged market has been steady, with fractional rises in a few of the leading descriptions. In the Foreign market French loans sagged in sympathy with the Paris exchange, Japanese 4½ per Cents. were subject to buying from America, Peruvian Corporation issues experienced a sharp advance in the course of the week, but profit-taking caused a reaction later on. Textile descriptions have been prominent among Industrials, Courtaulds providing a marked feature of the market. At an extraordinary general meeting held this week resolutions altering the articles of association were passed without comment. These provide for the creation of 1,500,000 new shares, thus increasing the capital to £4,000,000, the new shares to be distributed among the present shareholders. Bleachers, Fine Spinners, Calico Printers, and Listers were also strong in a market which was buoyant all round. Recent developments in the cotton world, and schemes for developing the British industry in a very large way, are responsible for the great attention which these descriptions have received during the past year, while the great prosperity of textile companies during the War has contributed to make them favourite investments, but in some quarters the public optimism is regarded as being somewhat overdone.

Shipping securities were in good demand. P. and O. Deferred being bought up to 585. Cable descriptions were steady, while Engineering and Iron and Steel shares improved in the course of the week, the improvement in the prospects of settlement of the protracted moulders' strike encouraging the market.

In the Oil Share market business was good during the week, especially in the leading issues. It is reported that Messrs. Kuhn, Loeb, the American bankers, are arranging for the purchase of 500,000 Mexican Eagle Common, at a price roughly approximating to the present quotation, which at the present rate of exchange means a price of about 8½. Last summer Kuhn, Loeb bought 750,000 Shells for the New York market, and the operation proved a complete success.

Mining Topics.

MINING markets ended the year in quite cheerful fashion, and business has been continued on a good scale after the New Year holiday. Among South African gold shares, Central Mining, Crown Mines, and Rand Mines have been particularly prominent on the introduction of Rand Mines share certificates to the New York market, it being thought that this may be the first step towards inducing substantial American investment in the Rand mining industry. The beneficial effect on profits of the maintenance of a high gold premium is also attracting more notice, and in this connection it has to be remembered that the actual effect on earnings has still to be disclosed. During 1919 prices of South African shares as a whole advanced considerably. There are two noteworthy exceptions to this general rule, however, and it may be worth while calling attention to them. They are the Brakpan and Springs Mines, both of which shares commanded slightly lower prices at the end of 1919 than the year previously; and yet these two concerns stand to benefit greatly in the immediate future from the high gold premium, and their large untouched claim areas are indicative of long life and scope for improvement in development disclosures. In the Springs Mines there is the additional fact that the financial position has been completely cleared up by the passing of the December dividend, and shareholders accordingly seem now to have the prospect of a very good return in the New Year. A few Rhodesian and West African Gold shares have advanced slightly in price, but Diamond descriptions appear to have been somewhat neglected. A sharp revival of interest has occurred in the section devoted to Tin-mining shares, the governing influence in this case being the high price of well over £340 obtained for the metal. Pahang have been the outstanding feature, and closed at 16*s.* 6*d.* Among Miscellaneous descriptions Burma Corporation have been prominent, a strong demand raising the price to the further high record of 13⅛.

CHINESE MINING AND ENGINEERING COMPANY, LIMITED.

AGAIN in the year ended June 30 last a further rise in the sterling value of the Hong Kong exchange rate very favourably influenced the profits of this Chinese enterprise, whose coal mines are worked by the Kailan Mining Administration, in conjunction with the properties of the Lanchow Mining Company, the whole being carried on as a joint undertaking in accordance with an agreement dated June 1, 1912. Under the terms of this agreement the combined profits are subject to deduction of 6% interest on £1,200,000 of First Mortgage bonds, of which £1,056,000 are now outstanding; then redemption at the rate of £24,000 per annum has to be provided; and, after provision has also been made for depreciation, the balance of the combined profits is distributable as to about 6% to the Chihli Provincial Government, 45% to the Lanchow Mining Company, and 49% to the British-owned undertaking, the Chinese Engineering and Mining Company. In the year to June 30, 1919, the coal sales of the operating concern amounted to 3,128,677 tons, as compared with 2,996,668 tons in the previous twelve months. Either the price realised was less or expenses were somewhat heavier, for the gross profit is reported as $8,424,101, in comparison with $8,703,355. After meeting bond interest and redemption, the Provincial Government's proportion, and setting aside $1,263,615 for depreciation, a net profit remains of $5,995,735, which compares with $6,211,568 in respect of 1917-18. The Chinese Engineering Company's share of this profit comes out

at $3,162,910, or $137,000 below the high-water mark of the previous year. However, the average rate of exchange was 3*s.* 9¾*d.*, against 3*s.* 2⅛*d.*, and this resulted in the sterling equivalent of the Company's proportion of profits being £602,930, or over £78,000 more than reported a year ago. With interest and sundry receipts added, and office expenses deducted, the net profit to the Company amounted to £652,874, against £568,510, which is equivalent to over 60% on the issued capital of £1,000,000 in £1 shares. Through the Company having a very low pre-War standard for calculating excess profits duty the assessments therefor are extremely heavy. For 1917-18, with an 80% rate in force, no less than £352,000 had to be provided. In respect of the past year, for six months the rate was 40%, and the average for the whole twelve months 60%; hence the provision for this special tax is reduced to £300,000, or not quite half the net profit earned. The Company pays its dividends free of income tax, and for that tax has to set aside £74,441 for the past year. The dividend to shareholders is raised from 15% to 20%, free of tax, which calls for £200,000, or less than one-third of the net profit earned; and a balance profit of £78,433 is added to the carry-forward, increasing same to £293,846. We show the rapid and substantial increase that has taken place in the prosperity of the Company below:—

Kailan Mining Administration Results.

	Years ended June 30				
	1919	1918	1917	1916	1915
	Tons	Tons	Tons	Tons	Tons
Coal sales	3,128,677	2,996,668	2,766,783	2,667,743	2,692,382
	$	$	$	$	$
Gross profits	8,424,101	8,703,355	5,776,339	5,201,094	5,448,606
	£	£	£	£	£
Bond interest... ...	64,080	65,520	66,960	68,400	69,840
Bond redemption ...	24,000	24,000	24,000	24,000	24,000
	$	$	$	$	$
Chihli Provincial Government's proportion of profit ...	361,323	374,536	181,220	124,591	103,316
Depreciation	1,263,615	1,305,503	866,451	780,164	817,291
Net profit	5,995,735	6,211,568	3,731,987	3,177,539	3,286,416
Chines E. and M. Co.'s proportion... ...	3,162,910	3,299,398	2,146,974	1,906,523	1,971,849

Chinese Engineering and Mining Co.

	Years ended June 30					
	1919	1918	1917	1916	1915	1914
Proportion of Kailan Administration's net profit	£ 602,930	£ 524,123	£ 263,899	£ 186,184	£ 156,105	£ 165,065
Interest	67,938	59,475	32,944	19,605	11,349	8,678
Sundry receipts	4,287	4,265	4,115	4,056	4,089	4,065
Total revenue	675,155	587,863	300,958	209,845	171,543	177,809
Office, &c., expenses ...	22,281	19,353	9,396	8,120	12,476	22,150†
Net profit	652,874	568,510	291,562	201,725	159,067	155,659
Deduct:						
Income tax	74,441	54,023	42,031	25,507	12,176	9,245
Excess profits tax ...	300,000*a*	351,909*a*	83,819	13,254	—	—
Dividends*	200,000 (20%)	150,000 (15%)	125,000 (12½%)	100,000 (10%)	100,000 (10%)	100,000 (10%)
	574,441	555,932	250,850	138,761	112,176	109,245
Balance profit	78,433	12,578	40,712	62,964	46,891	46,414
Brought forward ...	215,413	202,835	162,123	99,159	52,268	5,854
Carried forward	293,846	215,413	202,835	162,123	99,159	52,268

* Dividends paid free of income tax.
† Including £11,914 written off preliminary expenses.
(*a*) Reserve for excess profits duty

In the six months that have elapsed since the termination of the financial year the Hong Kong rate of exchange has advanced substantially further, the quotation at the present time being no less than 5*s.* 2*d.*, as against the average of 3*s.* 9¾*d.* at which the profits of the year under review were converted into sterling. For those six months the average rate of exchange works out at about 4*s.* 5*d.*, and if the recent level of over 5*s.* is maintained for the next six months, and there is no falling-off in coal sales, an expansion of about £200,000 in profit may be recorded when the next accounts are issued. We show below how the steadily rising exchange since 1915 has beneficially affected the Company's earnings, and it will be seen that in the past financial year the difference of 7⅞*d.* in the rate, as compared with 1917-18, added £100,000 to the sterling equivalent of the profit earned:—

	Years ended June 30				
	1919	1918	1917	1916	1915
	£	£	£	£	£
Increase or decrease in proportion of profit from Kailan Administration	+78,807	+260,224	+77,715	+30,079	— 8,969
Average rate of exchange ...	3/9¾	3/2⅛	2/5½	1/11 7/16	1/7
Increase or decrease due to exchange	100,500	+117,713	+58,750	+35,250	—29,270
Increase or decrease due to productive work	—21,700	+142,511	+18,965	— 5,189	+20,310

The directors report that the sales of the operating Company during the first five months of the current year have grown rapidly, and in view of the evidences of largely increased demand in the future for China, Japan, and the Far East, steps are being taken to increase immediately the output capacity of the mines, and preparations are also being made for the purpose of opening up an additional mine. The outlook for shareholders in all these circumstances appears to be bright.

The price of the £1 shares is now about £6 *cum* 15% final tax-free dividend. Obviously, therefore, the prospects are discounted, but whether to the full extent remains to be seen.

PAHANG CONSOLIDATED CO., LTD.

THE Pahang Consolidated is one of the largest tin-mining companies of the world, and, with 4,000 acres planted with rubber, has a prospect of becoming a large producer of the commodity, at present in great demand for the rapidly expanding motor industry. The circumstances experienced in the year ended July 31, 1919, were adverse in both departments of the enterprise. In the case of the mining operations the directors—partly on account of the one-time high price ruling for tin and partly owing to the deficiency of the pumping plant—gave instructions for work to be concentrated on the low-grade ore easily mined from the upper levels. Subsequently the price of tin fell heavily, and as a result there was the combination of reduced production and low value of product. The cost of production declined owing to the larger quantity of crude ore treated, but the net result was a mining profit of only £53,735, as against £161,113 in 1917-18. The smallness of the rubber output led to a loss on working of £3,112. With this deducted, and interest and other income added, the total profit is shown by the accounts at £61,086, from which, however, £16,000 is written off for depreciation, leaving a net profit of £45,000, as against £159,000 reported a year ago. The directors evidently considered that the outlook warranted a liberal treatment of shareholders, for the dividends paid are not much reduced, Preference shareholders receiving 12%, against 15%, and Ordinary shareholders 15%, against 20%. There is, however, at this time no allocation to reserve, and the carry-forward, after providing £20,000 for excess profits duty, is reduced from £34,000 to £11,000. We compare the results below:—

Year to July 31	Ore Crushed Tons (2,240lb.)	Output of Tin Oxide Tons (2,240lb.)	Yield %	Value £	Per Ton	Working Costs* Per Ton Crush. £	Per Ton Blk. Tin £	Mine Profit* £	Av. Price of Metall. Tin £	Price Shs. End of Year
1912...	102,797	1,125	1·09	144,333	140¾	22/0	100⅞	37,754	196½	9/9
1913...	127,543	1,366	1·07	197,481*a*	147	21/11	101½	66,689	228	8/9
1914...	137,055	9,015	1·47	216,162*a*	106⅜	25/7	84½	45,816	170½	8/1½
1915...	160,000	2,538	1·58	260,312*a*	103¾	20/1	63½	102,160	—	6/6
1916...	162,200	2,535½	1·56	282,786*a*	113	23/1	73¾	96,851	173¾	11/0
1917...	156,700	2,656½	1·69	327,498*a*	124	24/9	72½	134,922	202¾	11/3
1918...	187,300	1,793	1·06	366,854*a*	183	26/10	103½	161,113	301½	13/3
1919...	236,100	1,815	0·77	298,130	158	20/0	133	53,735	—	15/9

* Profit includes sundry receipts and revenues from alluvial tin won by tributers. Costs include transport and sale charges, royalties, shaft sinking, and total development redemption allowance.
(*a*) Value of output after deduction of tribute and other charges.

Year to July 31	Rubber Results Output Lb.	Rubber Results Profit £	Total Profit £	Depreciation Written Off £	Allocated to Reserve £	Dividends Paid Pref. £	Pref. %	Ord. %	Carried Forward £
1912...	—	—	30,790	5,000	—	—	—	—	18,879
1913...	—	—	58,731	10,000	10,000	52,453	9¼	12½	6,122
1914...	—	—	40,624	12,000	20,000	5,356	7	—	7,367
1915...	75,410	—	99,222	15,403	15,000	68,156	12	15	8,030
1916	207,214	—	95,187	15,247	10,000	68,265	12	15	9,815
1917...	389,101	24,857	168,677	18,890	20,000	89,873	15	20	39,727*
1918...	412,251†	4,437	161,167	12,000	10,000	89,943	15	20	34,351
1919...	364,352†	3,112 *a*	61,086	16,000		68,500	12	15	11,156

* Subject to excess profits duty (£34,631).
‡ Subject to excess profits duty (£20,000).
† Tapping restricted.
(*a*) Loss.

Since the close of the past financial year a substantial rise in the price of tin has taken place, the current quotation being £342. There is also another favourable factor to be noted. The water in the principal mine has diminished, and with additional pumping plant installed the Superintendent considers he will not be taking an undue risk in starting to open up a deeper level; and there is also the prospect that in the current year a higher grade of ore will be fed to the mill. There may, therefore, be a reverse combination of factors to those which pertained in the year past—*i.e.* high price of tin and improved yield of ore, instead of a low price for tin and a poor production. Then, in regard to rubber cultivation, it would seem probable that the expenditure and effort put into this side of the business will at last receive due reward. The production should exceed 700,000 lb. of rubber, and with the market price now ruling at 2*s.* 10*d.* per lb. an average profit of at least 1*s.* 3*d.* per lb. should be obtained, which would bring in about £44,000 additional to the mining profit. On the whole, the prospects do not seem to be too much discounted by the present price of 15*s.* for the 5*s.* ordinary share.

RAND MINING DIVIDENDS.

	1916 Total	1917 Total	1918 1st Half	1918 2nd Half	1918 Total	1919 1st Half	1919 2nd Half	1919 Total
	%	%	%	%	%	%	%	%
Apex	16	12½	5	5	10	5	5	10
Brakpan	45	47½	20	12½	32½	12½	15	27½
Central Mining ...	5	5	2½	3¾	6¼	2½	3¾	6¼
City and Suburban, £4 Shares	12½	10	1⅞	Nil	1⅞	Nil	Nil	Nil
City Deep	45	45	20	7½	27½	10	13¾	23¾
Consolidated Langlaagte	22½	17½	Nil	5	5	5	7½	12½
Consolidated Main Reef	11¼	10	3¾	2½	6¼	2½	6¼	8¾
Consol. Mines Selection	22½	30	—	30	30	—	—	—
Crown Mines	50	40	15	5	20	5	35	40
Durban Roodepoort Deep	2½	5	2½	Nil	2½	Nil	Nil	Nil
Geduld	10	10	5	6¼	11¼	‡	16†	16†
Geldenhuis Deep ...	25	20	5	2½	7½	2½	7½	10
Ginsberg	15	10	Nil	Nil	Nil	Nil	Nil	Nil
Goch	10	7½	Nil	Nil	Nil	Nil	Nil	Nil
Govt. Areas	—	12½	12½	15	27½	17½	20	37½
Heriot	75	55	Nil	Nil	Nil	Nil	Nil	Nil
Johannesburg Con. Inv.	5	5	5	—	5	7½	—	7½
Jupiter	8¾	7½	Nil	1¼	1¼	Nil	Nil	Nil
Kleinfontein	5	5	Nil	Nil	Nil	Nil	Nil	Nil
Knights Deep	17½	5	Nil	Nil	Nil	Nil	Nil	Nil
Langlaagte Estate ...	5	10	5	7½	12½	7½	7½	15
Meyer and Charlton ...	100	110	50	60	110	50	70	120
Modderfontein, £4 sh. ...	32½	35	21⅞	30	51⅞	32½	37½	70
Modderfontein B ...	77½	85	42½	40	82½	45	47½	92½
Modderfontein Deep ...	67½	85	47½	50	97½	50	65	115
Nourse	11½	12½	3¾	Nil	3¾	Nil	3¾	3¾
Primrose	10	‖	Nil	Nil	Nil	5	5	10
Rand Mines, 5*s.* sh. ...	150	145	55	30	85	25	75	100
Rand Selection	27½	30	12½	22½	35	29·4†	10	39·4
Robinson G.M., £5 sh. ...	8	7½	1½	1	2½	25	12½	37½
Rose Deep	26½	30	10	7½	17½	7½	17½	25
Simmer and Jack ...	7½	6½	1½	Nil	1½	Nil	Nil	Nil
Springs Mines	—	—	Scrip	12½•	12½•	Nil	Nil	Nil
Sub Nigel	10	15	6⅝	6	11⅝	5	5	10
Unified Main Reef ...	20	15	5	5	10	5	Nil	5
Van Ryn	35	30	5	5	10	5	7½	12½
Van Ryn Deep	40	42½	22½	22½	45	22½	25*a*	47½*a*
Village Deep	18¾	16½	3¾	Nil	3¾	5	6¼	11¼
Village Main Reef ...	25	20	10	22½†	32½	*b*	10	—
Witwatersrand Deep ...	22½	5	Nil	Nil	Nil	Nil	Nil	Nil
Witwatersrand (Knight's)	50	35	10	5	15	5	5	10
Wolhuter...	15	11½	3¾	2½	6¼	2½	2½	5

• Cash dividends. † Scrip dividend. ‡ Geduld dividend postponed.
(*a*) Also scrip distribution of one New State Areas share for every eight Van Ryn Deep shares. (*b*) Scrip dividend of one Village Deep share for every four Village Main Reef shares.

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TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, December 31, 1919.

Issue Department.

Notes Issued	£108,748,260	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	90,298,260
	£108,748,260		£108,748,260

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£92,469,207
Rest	3,272,195	Other Securities	106,777,576
Public Deposits	19,213,209	Notes	17,398,270
Other Deposits	180,637,913	Gold and Silver Coin	1,043,895
Seven-day and other Bills	12,631		
	£217,688,948		£217,688,948

Comparison with Previous Four Weeks [00,000's omitted.]

Date 1919.	Circulation	Coin and Bullion	Deposits—Public	Deposits—Other	Securities—Govt.	Securities—Other	Reserve	Ratio Reserve to Liabilities	Bank Rate •	Three Months' Bills
	£	£	£	£	£	£	£	%	%	%
Dec. 31	91,3	91,3	19,2	180,6	92,4	106,7	18,4	9·2	6	5
Dec. 24	92,1	91,3	20,3	133,3	68,7	85,1	17,7	11·5	6	5⅛
Dec. 17	90,3	91,5	21·5	125,3	68,2	76,9	19,6	13·4	6	5⅜
Dec. 10	88,6	91,7	20,1	137,7	77,2	77,1	21,5	13·6	6	5⅜
Dec. 3	88,1	91,8	20,8	146,5	84,3	78,8	22,1	13·2	6	5⅛
J'y22,'14	29,3	40.2	13,7	42,2	11.0	33.6	29.3	52·40	3	2⅝

• July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 6%; Aug. 8, 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; April 5, 5%; Nov. 6, 1919, 6%.

Comparison of Bank Returns, Exchanges, Prices, &c.

	Jan. 2, 1920	Jan. 1, 1919	Jan. 2, 1918	Jan. 3, 1917	Jan. 1 1910
Bank of England (in £'s sterling 00,000's omitted):					
Circulation	£91,3	£70.2	£46,6	£39,9	£28,9
Public Deposits	19,2	26.3	32.1	53.1	10,8
Other Deposits	180.6	214.9	158,4	116,4	50,2
Government Securities	92.4	124.3	70.8	62.2	14.7
Other Securities	106,7	106,5	106,5	91.8	41,8
Reserve	18.4	28.2	31.1	33.5	22.2
Ratio to Liabilities	9·2%	11·71%	16·30%	19·76%	36·42%
Coin and Bullion	91,3	80,0	59,2	55,0	32,6
Money:					
Bank of England Rate	6%	5%	5%	6%	4½%
Bank of France Rate	5%	5%	5%	5%	3%
Rate 3 months' Bills London	5⅛%	3⅛%	4%	5%	3⅝-⅛%
Exchanges:					
Paris Cheque	41 12	25 97	27 22½	27 79	25 17½
New York 60 days	3 73½	4 73	4 72	4 72	4 84
Bombay Telegraphic Transfers	2/4½	1/5⅜	1/4⅜	1/4⅞	1/4½
Prices:					
Consols 2½% Cash	51	59	55¼	55½	82⅛
French Rentes 3% Money	59·95	61 55	58 50	61 75	98 77
Silver, London spot oz.	{75⅝d.	48⅞d.	44⅜d.	36⅛d.	24½d.
Wheat, *Gazette* average qr.	72/6	72/3	71/1	75/10	33/1
Cotton, Mid Upland lb.	32·00d.	21·32d.	23 00d.	10·88d.	8·49d.
Iron, Scotch pig ton	166/0	101/0	101/0	—	57/1½

CURRENCY NOTE ISSUE.

Week to	Notes Issued	Notes Cancelled	Notes Outstanding	Gold Coin & Bullion	% of Gold to Notes
	£	£	£	£	%
Dec. 31, 1919 ...	6,403,195	8,481,831	356,152,022	28,500,000	7·9
Dec. 24, 1919 ...	17,433,344	7,575,717	358,230,657	28,500,000	7·9
Dec. 31, 1918 ...	5,379,913	5,783,812	323,240,501	28,500,000	8·8
Jan. 2, 1918 ...	6,789,445	7,120,790	212,450,950	28,500,000	13·4
Jan. 3, 1917 ...	4,428,135	5,801,872	148,770,440	28,500,000	19·2
Jan. 5, 1916 ...	4,838,487	4,923,235	103,040,351	28,500,000	27·6

Balance Sheet, December 31, 1919.

Notes outstanding—	£	Advances—	£
One Pound	275,128,541	Other Bankers ...	250,000
Ten Shilling	46,203,481	Trustee Savings Banks	245,000
Certificates outstanding ...	34,820,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500,000
Total	356,152,022	Bank of England Notes...	4,000,000
Investments Reserve A/c ...	17,182,526	Government Securities ...	337,536,760
		Balance at Bank of England	2,802,788
Total	373,334,528	Total	373,334,548

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

1919 Week to	Revenue	Expenditure	Excess of Expenditure	Loans, Advances, &c.—Cr.	Loans, Advances, &c.—Dr.	Loans, Advances, &c.—Net +	Cash Balance
Dec. 31	£25,969	£37,388	£11,419	£67,686	£55,869	£11,717	£4,171
Dec. 20	20,827	34,497	13,660	214,832	201,216	13,616	3,773
Dec. 13	29,659	32,919	3,260	62,081	59,063	3,018	3,827
275days '19	696,252	1,125,981	429,729	4,686,287	4,256,558	429,729	—8,628
275days '18	509,166	2,049,994	1,540,828	5,408,555	3,880,832	1,527,723	—13,105
Fr. '19-20*	1,168,650	1,642,295	473,645	—	—	473,645	—
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	1,682,049	12,799
Yr. '17-18	707,234	2,696,221	1,988,987	7,499,604	3,616,023	1,983,581	21,030

Principal Items of Revenue and Expenditure.

1919. Week to	Revenue—Customs & Excise	Income Tax, &c.	Excess Profits Duties, &c.	Other Revenue	Expenditure—Int., &c., on Debt	Misc. Expend.	Supply Services
Dec. 31	£6,210	£5,148	£6,506	£8,105	£2,602	£809	£33,977
Dec. 20	11,515	1,404	5,082	2,831	2,425	31,818	34,243
Dec. 13	5,750	914	4,184	18,811	3,416	123	29,381
275 days'19	206,133	137,144	202,826	170,149	272,039	10,344	843,598
275 days'18	116,741	83,385	204,318	104,722	228,452	7,634	1,813,908
Fr. '19-20*	276,000	354,000	280,000	258,650	345,000	16,595	1,280,700
Yr. '18-19	162,220	291,186	285,028	150,587	269,964	11,380	2,297,956
Yr. '17-18	110,033	239,509	220,214	137,478	189,851	11,401	2,494,968

FLOATING DEBT. [000's omitted.]	Treasury Bills	Ways & Means Advances	Total	Natnl. War Bond Rcpts.
Dec. 27, 1919 ...	£1,105,946	£243,174	£1,349,120	£1,732,780
Dec. 20, 1919 ...	1,121,620	224,087	1,345,707	1,732,780
Dec. 13, 1919 ...	1,111,022	230,782	1,341,804	1,732,780
Dec. 6, 1919 ...	1,100,368	245,782	1,346,150	1,732,780
June 30, 1919 ...	796,150	774,237	1,570,387†	1,732,021

• Revised Budget and supplementary estimates. † Highest.

FOREIGN BANKS.

[In £'s Sterling†—000's omitted.]

AUSTRIA-HUNGARY	Cash Gold	Cash Silver	Cash Total	Advances To Public	Advances To Dual Govts.	Note Circulat'n	Bills Discounted, &c.
July 23, '14	£51,578	£12,141	£63,719	£7,772	—	£88,740	£31,993
Oct. 21, '19	10,832	2,374	13,206	371,686	£1,373,083	2,013,363	240,845
Oct. 28, '19	10,832	2,378	13,210	372,119	1,373,083	2,058,464	222,532
Dec. 7, '17	11,000	2,300	13,300	603,990	—	739,300	117,600

BELGIUM.	Gold.	Silver	Total	Discounts	Circulation	Deposits
Aug. 6, '14	£10,977	£633	£11,610	£41,925	£51,800	£6,263
Dec. 18, '19	10,656	1,054	11,710	14,656	187,828	98,810
Dec. 24, '19	10,656	1,057	11,713	14,456	188,513	98,152

DENMARK.	Cash Gold	Cash Silver	Cash Total	Discounts	Balance Abroad	Circulation	Deposits
July 31, '14	£4,100	£341	£4,441	£6,197	£786	£8,693	£47
Oct. 31, '19	10,634	182	10,816	8,954	2,013	26,745	3,666
Nov. 29, '19	11,787	190	11,977	10,426	1,547	26,208	2,393
Nov. 30, '18	10,424	144	10,568	3,826	4,338	24,456	736
Nov. 30, '17	9,922	147	10,069	3,110	2,551	18,098	1,052

FRANCE.	Gold In Bank	Gold Abroad	Total Cash incl'g Silver	Bills	Circulation	Deposits Public	Deposits Private
July 30, '14	£165,654		£190,667	£97,768	£267,327	£15,302	£37,903
Dec. 18, '19	143,986	79,131	234,003	47,772	1,495,137	3,287	127,290
Dec. 26, '19	144,010	79,131	233,862	50,730	1,490,982	3,060	125,084
Dec. 26, '18	137,618	81,484	231,836	41,851	1,209,984	4,467	94,648
Dec. 27, '17	132,577	81,484	223,937	36,478	893,472	10,074	116,550

GERMANY.	Cash Gold	Cash Silver	Cash Total	Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
July 23, '14	£67,843	£16,727	£84,570	£5,279	£40,055	£94,545	£47,198
Dec. 7, '19	54,515	1,115	55,630	496,448	1,638,631	1,623,018	484,436
Dec. 15, '19	54,481	1,052	55,533	504,911	1,718,563	1,643,782	547,684
Dec. 14, '18	115,224	1,015	116,239	224,251	1,213,568	1,000,290	570,296
Dec. 15, '17	120,239	7,565	127,804	54,870	614,123	538,666	308,803

HOLLAND.	Cash Gold	Cash Silver	Cash Total	Discounts	Advances	Circulation	Deposits
Aug. 1, '14	£13,496	£249	£13,745	£13,422	£10,332	£35,660	£1,437
Dec. 20, '19	53,111	563	53,674	17,239	22,400	86,298	8,323
Dec. 27, '19	53,110	509	53,619	18,101	21,863	86,206	8,529
Dec. 28, '18	57,453	712	58,165	21,052	11,626	89,249	7,373
Dec. 29, '17	58,186	586	58,772	7,488	8,954	74,487	4,469

ITALY.	Cash Gold	Cash Silver	Cash Total	Other Cash	Loans & Discounts	Circulation	Deposits
July 31, '14	—	—	£48,456		£25,017	£69,204	£8,887
Oct. 20, '19	£32,201	£3,003	35,204	17,507	82,828	468,370	74,004
Oct. 31, '19	32,200	3,006	35,206	26,417	89,476	478,217	74,473
Oct. 31, '18	32,697	3,078	35,775	5,283	62,386	358,445	56,877
Oct. 31, '17	33,352	3,047	36,399	7,244	45,406	215,568	45,152

JAPAN.	Gold	Discounts	Advances	Notes	Deposits Public	Deposits Private
Aug. 1, '14	£21,867	£1,829	£7,863	£32,722	£13,818	£1,521
Nov. 15, '19	81,289	6,638	32,476	109,011	109,490	3,123
Nov. 22, '19	82,027	8,613	33,908	111,397	108,178	4,476
Nov. 23, '18	68,057	1,976	41,792	84,137	99,141	4,348
Nov. 24, '17	62,582	1,106	29,435	62,498	59,107	5,230

NEW YORK BANKS & TRUSTS	Cash Own Vaults	Aggregate Reserve	Loans, Disc'ts, Invest.,&c.	Net Deposits—Demand	Net Deposits—Time	Net Deposits—Total	Excess Reserve
Aug. 1, '14	—	£89,888	£411,238	—	—	£387,165	£1,720
Dec. 20, '19	21,004†	118,434	1,034,302	833,928	50,188	925,862	7,636
Dec. 27, '19	21,646†	111,890	1,038,290	812,930	50,788	912,822	3,804
Dec. 28, '18	22,032†	109,478	932,522	780,284	26,838	850,636	6,320
Dec. 29, '17	21,846†	110,580	825,746	702,458	38,547	809,550	16,846

NORWAY.	Gold	Balance Abroad	For'gn Govt. Securities	Disc'nts & Loans	Circulation	Deposits
July 31, '14	£2,960	£1,678	£493	£4,868	£6,752	£793
Dec. 15, '19	8,143	4,183	674	19,016	24,526	2,966
Dec. 22, '19	8,141	4,082	674	20,596	26,009	2,916
Dec. 22, '18	6,722	3,682	750	21,992	24,819	4,467
Dec. 22, '17	6,274	4,816	717	21,095	18,330	11,069

PORTUGAL.	Gold	Silver	Total	Discounts & Note Circ. Advances	Circulation	Deposits
Sept. 3, '19	£1,905	£3,924	£5,829	£7,846	£66,556	£6,774
Nov. 12, '19	1,905	3,922	5,827	10,176	75,376	4,892
Sept. 4, '18	1,905	3,742	5,647	10,795	54,450	2,357
Sept. 5, '17	1,904	825	2,729	28,191	36,490	1,245

ROUMANIA.	Cash	Discounts	Advances	Total	Circulation
Nov. 8, '19	£51,341	£8,116	£2,091	£10,207	£153,701
Nov. 15, '19	51,341	8,303	2,320	10,623	153,566
Nov. 22, '19	52,541	9,323	2,301	11,624	157,407
Nov. 23, '18	32,901	4,402	1,710	6,112	96,656

RUSSIA.	Gold In Bank	Gold Abroad	Total Cash incl'g Silver	Loans & Disc'ts	Circulation	Notes in Reserve	Total Deposits
July 21, '14	£160,114	£14,395	£181,892	£76,081	£163,411	£6,589	£109,911
Oct. 29, '17	129,523	230,865	378,205	1,869,559	1,836,217	15,783	345,550

SPAIN.	Cash Gold	Cash Silver	Cash Total	Loans, &c.	Spanish 4%	Circulation	Deposits, &c.
Aug. 1, '14	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,955
Dec. 20, '19	97,439	25,312	122,751	83,373	13,778	153,611	40,262
Dec. 27, '19	97,832	25,220	123,052	88,453	13,778	154,252	41,403
Dec. 28, '18	89,134	25,686	114,820	66,860	13,777	132,649	46,148
Dec. 29, '17	78,672	28,421	107,093	47,348	13,777	111,313	37,751

SWEDEN.	Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
Aug. 1, '14	£5,717	£6,150	£1,555	£7,495	£13,432	£3,903
Dec. 13, '19	15,647	6,709	2,687	27,968	38,558	11,486
Dec. 20, '19	15,630	6,758	2,687	31,048	40,589	13,543
Dec. 21, '18	15,873	6,894	3,083	28,649	45,645	9,585
Dec. 22, '17	13,014	6,973	4,440	16,146	31,037	10,282

SWITZERLAND.	Cash Gold	Cash Silver	Cash Total	Discounts & Advances	Circulation	Deposits
July 23, '14	£7,202	£758	£7,960	£4,817	£10,716	£2,026
Dec. 15, '19	20,737	2,661	23,393	16,828	37,188	8,301
Dec. 23, '19	20,650	2,845	23,495	18,671	38,607	6,684
Dec. 23, '18	15,855	2,318	18,173	23,384	36,862	6,152
Dec. 21, '17	14,224	2,121	16,345	12,485	25,541	3,782

† Not reserve. ‡ Converted at par rate of exchange approximately.

U. STATES FED. RES. BANKS.	Gold Held by Banks	Gold With Agents	Total Cash	Bills Discount'd	Bills Acceptances.	Deposits. Govt.	Deposits. Net.	Deposits. Total.	Circulation
Dec. 22, '19	£155,796	263,366	430,982	399,022	113,254	12,892	322,184		597,778
Dec. 29, '19	143,312	272,374	427,106	438,976	117,042	14,472	340,894		611,530
Dec. 27, '18	143,590	274,464	429,244	340,588	60,734	12,674		310,578	537,048
Dec. 28, '17	173,987	160,239	344,193	191,214	—	—		290,633	249,297

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed		%	Date Fixed
Amsterdam	4½	July 1,'15	Lisbon	5½	Jan. 15,'14
Berlin	5	Dec. 23,'14	Madrid	5	Nov.10,'19
Berne	5	Aug. 21,'19	Paris	5	Aug. 20,'14
Bombay	5	June 12,'19	Petrograd	6	July 29,'14
Brussels	3½	Oct. 2,'19	Rome	5	Jan. 11,'18
Calcutta	5	June 5,'19	Stockholm	6	June 12,'19
Christiania	6	Dec. 19	Tokio	8·03	Nov. 18,'19
Copenhagen	6	Oct. 7,'19	Vienna	5	Apr. 12,'15

III.—FOREIGN EXCHANGES.

LONDON ON—	Jan. 2, '20	Dec. 23, '19	Dec. 19, '19	Dec. 12, '19
Berlin ..... Cable	187½m.	182½m.	182½m.	180m.
Brussels ..... Cheques	40fr. 40c.	39fr. 00c.	40fr. 35c.	40fr. 00c.
Denmark ..... Cable	19kr. 65	20kr. 30	20kr. 57½	21kr. 00
Holland..... do.	10fl. 10c.	10fl. 13½c.	10fl. 15c.	9fl 90c.
Italy ..... do.	50lr. 25	48lr. 50	49lr. 50	50lr. 50
Lisbon and Oporto do.	20d.	21d.	20⅞d.	21⅛d.
New York ..... do.	$3 78	$3 83	$3 74½	$3 75
— ..... Cheques	$3 80	$3 85½	$3 76½	$3 76
Norway ..... Cable	18kr. 60	18kr. 60	18kr. 57½	18kr. 95
Paris ..... 3 mos.	41fr. 45c.	40fr. 60c.	41fr. 82½c.	42fr. 60c.
— ..... Cable	40fr. 85c.	40fr. 00c.	41fr. 90c.	42fr. 00c.
Spain (Bank places) 3 mos.	58⅛d.	58⅛d.	57½	60d.
— ..... Cable	19p. 65	19p. 50	19p. 15	19p. 75
Sweden ..... Cable	17kr. 55	17kr. 80	17kr. 83½	17kr. 90
Switzerland ..... 3 mos.	21fr. 45c.	21fr. 55c.	22fr. 55c.	20fr. 40c.
— ..... Cable	21fr. 15c.	21fr. 55c.	20fr. 84c.	20fr. 10c.

ON LONDON—	Jan. 2, '20	Dec. 23, '19	Dec. 19, '19	Par
Alexandria ..... Sight	97½pi.	97½pi.	97½pi.	97½pi.
Amsterdam ..... Cheques	10fl. 09c.	10fl. 09c.	10fl. 14c.	12·107d.
Athens ..... Cable	25dr. 60	25dr. 60	25dr. 25	25dr. 22½
Bombay ..... Transfers	2s. 4⅛d.	2s. 3⅛d.	2s. 3⅝d.	1s. 4d.
Brussels ..... Cheques	40f. 45c.	39f. 15c.	40f. 60c.	25f. 22½c.
Buenos Ayres ..... Transfers	62⅛d.	61½d.	63½d.	47·58d.
Calcutta ..... do.	2s. 3⅞d.	2s. 4½d.	2s. 4½d.	1s. 4d
Christiania ..... Sight	18kr. 59	18kr. 60½	18kr. 57½	18.159kr.
Copenhagen ..... do.	19kr. 65	20kr. 25	20kr. 46	18.159kr.
Helsingfors ..... Cable	125½m.	126⅛m.	125½m.	25m. 22½
Hong Kong ..... Transfers	4s. 10⅛d.	5s. 2d.	5s. 6d.	—
Italy ..... Sight	50lr. 12½c.	49lr. 13½c.	50fr. 00c.	25f. 22½c.
Lisbon ..... do.	19½d.	21d.	20⅝d.	53½d.
Madras ..... do.	2s. 4½d.	2s. 4⅝d.	2s. 4½d.	1s. 4d.
Madrid ..... do.	19p. 67	19p. 90	19p. 20	25p. 22½
Montevideo ..... Transfers	75½d.	66½d.	67½d.	51d.
Montreal ..... Cable	$4 11	$4 13	$4 05	$4 86⅝
New York..... Sight	$3 76½	$3 86½	$3 81½	—
— ..... 60 days	$3 73½	$3 84	$3 78½	—
— ..... Cable	$3 77½	$3 83⅜	$3 82	$4 86⅝
Paris ..... Cheques	40f. 95c.	39f. 97½c	42f. 15c.	25f. 22½c.
Rio de Janeiro ... 90 days	17½d.	17⅛d.	17⅞d.	16d.
Shanghai ..... Transfers	7s. 9d.	8s. 3½d.	7s. 10d.	—
Singapore ..... Sight	2s. 4⅝d.	2s. 4⅛d.	2s. 4⅛d.	—
Stockholm ..... do.	17kr. 59	17kr. 79	17kr. 87	18.159kr.
Switzerland ..... do.	21f. 12½c.	21f. 15c.	21f. 05c.	25f. 22½c.
Valparaiso ..... 90 days	12½d.	11⅜d.	11⅝d.	18d.
Yokohama ..... Sight	2s. 8d.	2s. 7½d.	2s. 8d.	24·58d.

NEW YORK ON—	Rate Current* Jan. 2, '20	Rate Current* Dec. 23, '19	Par as usually Quoted	Rate July 3.
Amsterdam, sight ...	37c.	38c.	40·20c. for 1 guilder	40·25c.
Bombay, cheques ...	45c.	44c.	32·44c. for 1 rupee	33·00
Buenos Aires, cheques ...	101·90	101·90		
Christiania, cheques ...	20·25c.	20·60c.	26·80c. for 1 kroner	
Copenhagen, cheques ...	19 10c.	18·25c.	26·80c. for 1 kroner	26·85c
Greece, cheques ...	14·80c.	15 25c.	19·295 c. for 1 drachma	
Hongkong, cheques ...	94c.	106c.	74 59c. for Mex. $1	46·4
Italy, sight	13·26l.	12·80l.	5·18½ lire for $1	5·17
Lima, cheques	4·75l.	4·78l.	4·8665 $ for 1 libra	
Manila, cheques... ...	48	48	50c. for 1 peso	49·8
Montreal	8% disc.	7% disc.	Premium per $100	Par
Paris, sight	10 85fr.	10·62fr.	5·18½ francs for $1	5 16fr.
Petrograd, sight ...	—	—	51·46c. for 1 rouble	51·37c.
Rio de Janeiro, cheques	27·50c.	30c.	32·42c. for 1 milreis	
Shanghai, cheques ...	154c.	170c.	52·96c. for 1 tael	83·00c.
Singapore, cheques ...	55c.	54c.	56·77c. for $1	57·12c.
Spain, cheques	19 15c.	19·35c.	19 30c. for 1 peseta	
Stockholm, cheques ...	21·45c.	21·60c.	26·80c. for 1 kroner	
Switzerland, cheques ...	5·62fr.	5·44fr.	5·18½ francs for $1	5·18½fr.
Valparaiso, cheques ...	19·75c	20c.	20 61c. for 1 peso	
Yokohama, cheques ...	50·20c.	49·90c.	49·84c. for 1 yen	49·90c.

* According to Guaranty Trust Company of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount	Inc. or Dec.*	1919 Agg.	Inc. or Dec.*
	1919	[In £'s sterling 000's omitted.]			%
BIRMINGHAM	Dec. 27	£1,900	+ £44	£145.079	+ £19 058 + 15 1
BRISTOL	,, 27	988	+ 229	76,601	+ 21.109 + 38·0
DUBLIN	,, 27	4.546	— 940	386.206	+ 80 314 + 26·3
LEEDS	,, 27	982	+ 69	68.306	+ 13,819 + 25·4
LEICESTER	,, 27	627	+ 13	51.444	+ 11,461 + 28 7
LIVERPOOL	,, 27	9.666	+ 2,122	668,841	+ 186.064 + 38 5
MANCHESTER	,, 27	15.852	+ 5,527	931.551	+ 164.243 + 21·4
NEWCASTLE	,, 27	1.392	+ 112	116.910	+ 29.276 + 33·4
NOTTINGHAM	,, 27	524	+ 154	39.097	+ 6,978 + 21 7
SHEFFIELD	,, 27	742	+ 26	63,087	+ 6,596 + 11·7
LONDON—	1919.				
TOWN	Dec. 31	443.788	+ 203.922	23.214.685	+ 6.276.932 + 37·1
METROPOLITAN	,, 31	24,727	+ 6,645	1.813.929	+ 389.013 + 27·3
COUNTRY	,, 31	41.365	+ 4,547	3.386.768	+ 657.982 + 24 1
TOTAL	,, 31	509.880	+ 215.114	28.415.382	+ 7.323.977 + 34 7

* Compared with a year ago.

V.—FREIGHTS.—According to Messrs. J. C. Gould, Angier and Co.

HOMEWARDS.	1920 Jan. 2	1919 Dec. 23	1913 Jan. 3
Alex. to U.K. ...	42 6	42 6	9/6
Aust. to U.K. ...	105/0	105/0	43/3
Azoff to L.H.A.R.	—	—	14 0
Bombay to p.p.	100/0d.w.	95/0d.w.	22/0
Burmah o.c.	180 0	180.0	d.w. 32 6
Calcut.top.p.(jute)	—	—	d.w. 32/6
Danube to U.K. ...	—	—	10/9
Odessa to L.H.A.R.	—	—	10/3
R. Plate to U.K.	190/0	145/0	24,0

Homewards.—Cont.	1920	1919	1913
U.S.Atl.Ports to Lpl. Jan.2 Dec.23 Jan.3			
(cotton, 100lb.)	—	—	50 0
U.S.(Gulf Ports.)	14 0	14 0	3/1½
Gulf Ports to U.K.Cont. (cotton&grain)...	—	—	22/6
OUTWARDS—Cardiff to			
Aden	—	70/0	—
Colombo	—	—	14/0
Port Said ...	65/0	60/0	13/0
River Plate ...	40 0	40/0	18/0
St. Vincent ...	42 6	42/6	10 0

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VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	JAN. 2, 1920.	1918-19, JAN 3.	JUNE 30, 1914
Iron—Scotch pig warrants ...ton	166/0	101/0	57/0
— Middlesbro' warrants ...ton	160/0	95/0	51/0
— Hematite warrants ...ton	200/0	122/6	61/0
— Staffordshire bars, London ton	£25 --£26	£17	£8 10
— Common bars ...ton	£23	£14 15	£6 16
Steel Rails ...ton	£16	£10 17/6	£6 2/6
Galvanised Sheets ...ton	£39—£40	£29	£16 17/1
Copper—Standard ...ton	£116	£111 10-£112 10	£66
Tin—English Ingots ...ton	£345	£233—£234	£142 15
— Straits ...ton	£348 10	£236—£236 10	£139 10
Tinplates, I.C. Coke, S. Wales...box	53 0	32/6	11/10½—12/0
Lead—Soft Foreign ...ton	£46	£35—£40	£19
Spelter—Ord. Foreign ...ton	£59	£48—£56	£21 7/9
Quicksilver—(75lb.) ...bottle	£23 10	£20	£7
Aluminium ...ton	£150	nom.	£92
Antimony—Regulus Foreign ...ton	£60	nom.	£27 10
— English ...ton	£62	—	—
Coal—(best) Yorkshire ...ton	19/6—20/6	23/6—24/6	17/6
— Steam (best) Newcastle ...ton	46/0—51/0	40/0—45/0	14/6
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b. Chile, per quintal	9/6	nom.	7/4
Soda—Crystals ex ship ...ton	129/0—130/0	87/6	42/6—45/0
Copra—Malay and States ...ton	£64 10	£45 10	£23 15—£24 7/6
Gambier—Good marks ...cwt	48/0	45/0	16/10½
Indigo—Bengal good to fine ...lb.	9/0—11/0	9/0—10/6	3/2—3/8
Linseed Oil—Raw ...ton	£108	£75	£25 5
Linseed—Calcutta, spot ...ton	£52	£37 10	£13 16/9
— Cakes, U.K. made, ex mill...ton	£24 17/6—£25	£19	£7 17/6-£8
Olive Oil—Spanish ...tun	nom.	nom.	£49 10
Palm Oil—Lagos ...ton	£82	£45	£31 10
Petroleum—American ...gallon	1/9	1/4½	7½d.
Rape Oil—Refined English...ton	£111	£71	£32
Soya Oil—Refined ...ton	£106	£75	£24 10
Tallow—Imported ...cwt.	98/0—108/0	68/0	29/3—33/3
Turpentine—American ...cwt.	156/0	105/0	33/7½
Rape Seed—Toria ...ton	£45	£29 15	£13 5
Rubber—Para, spot ...lb.	2/7½	2/7½	2/9½
— Fine plantation (stnd. crepe) lb.	2/7½	2/3	2/2
— World's Production* Nov. tons	31,795	18,701	8,467
Shellac—T.N. Orange, fair ...cwt.	820/0	295/0—300/0	63/0—64/0
TEXTILES.			
Cotton—Middling Upland ...lb.	32·00d.	21·32d.	7·53d.
— Egyptian, good fair ...lb.	52·00d.	27 05d.	8·75d.
— Pernambuco fair ...lb.	35·50d.	27·55d.	7·73d.
— Midland Upl. New York...lb.	39·25c.	32·40c.	13·25c.
— Stock, Liverpool (Dec. 19) bales	828,660	376,220	934,600
Flax—Petrograd, Yarapol ...ton	—	nom.	£28
Hemp—New Zealand ...ton	£54	£96	£25 10
— Manila, Fair ...ton	£58	£100	£26 10
Jute—First Marks ...ton	£65	—	£26 15
— Red SCC ...ton	£55	—	£24 15
Silk—Blue Elephant ...lb.	40/0	22/6	11/3—11/6
Wool—Ft. Philip unwashed av. lb.	5/6	nom.	11½d.—1/0
— Lincoln Half Hogs ...lb.	2 4½	1/7½nom.	1/0½
Hides—Eng. Ox, best, 65lb. up lb.	15½d.—16½d.	9½d.—10½d.	7½d.
Leather—Dressing Hides ...lb.	3/3—3/9	2/5—3/1	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus	125,203,000	183,293,000	34,640,000
— Red, price, N.Y. 60lb....bushel	238c.	237½c.	67½c.
English Gazette, aver. 480lb. qr.	72/6	72/3	34/3
Flour—G.R. ...280lb.	44/3	44/3	28/6
Barley—Eng. Gaz., aver. 400 lb. qr.	105/10	62/3	25/4
Oats—Eng. Gaz., aver. 312 lb. qr.	57/2	50/6	20/0
Maize—N.Y. (new bushel...56lb.	168½c.	nom.	76½c.
— Amer. mixed, Liverpool...480lb.	nom.	nom.	32/4
— La Plata ...480 lb. qr.	65/0	90/0	25/9
Potatoes—Good English ...ton	240/0	175/0	70/0—75/0
Rice—Bassein ...cwt.	26/0	28/3	7/0—7/3
Tapioca—Pearl, medium ...cwt.	35/0	58 0	14/0—17/8
Hay—best ...2,018lb....load	—	160/0	82/6
Hops—English ...cwt.	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs ...8lb.	9/0	9/2—9/6	3/8—3/10
— Scotch sides ...8lb.	10/0	9 6	4/6—5/0
— English ...8lb.	10/0	9/6	4/2—4/5
Mutton—Scotch wethers ...8lb.	10/6	10/0	5/8—6/0
— English wethers ...8lb.	10/6	10/0	4/6—5/4
— New Zealand frozen ...8lb.	10/6	10/0	2/4—3/2
Pork—English and Irish ...8lb.	10/8	10/8	3/6—4/0
Bacon—Irish, delivered ...cwt.	200/6	188/0	60/0—74/0
— Danish ...cwt.	†187/0	—	58/0—68/0
— Canadian, ex Port ...cwt.	†187/0	—	—
— American, ex Port ...cwt.	†187/0	176/6	72/0—74/0
Hams—Amer. long cut, ex Port cwt.	†190/0	170/0	75/0—79/0
— — short cut, ex Port ...cwt.	†190/0	170/0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt.	†198/6	158/0	51/9—52/9
Butter—Danish ...cwt.	†252/0		117/0—120/0
— French ...cwt.	†252/0	Controlled	96/0—108/0
— Australian ...cwt.	†252/0	252/0	98/0—110/0
— New Zealand ...cwt.	†252/0		108/0—114/0
Cheese—Canadian ...cwt.	†145/0	Controlled	66/0—68/0
— United States ...cwt.	†145/0	163/4	—
— Dutch ...cwt.	†145/0		53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Nov. 30 ...cwt.	28,712,904	25,533,988	19,777,254
— Home consump'n. to Nov. 30 cwt.	27,643,426	17,432,358	17,272,000
— In Bond Nov. 30 ...cwt.	6,561,000	8,957,000	6,306,000
— Price, Java, 96° Pol. ...cwt.	60/0	36 0	10/3
— — Yellow crystals ...cwt.	63/6	57/9	12/6—14/0
— — Tate's Cubes, No. 1 ...cwt.	79/0	64/9	18/0
Coffee—Imports to Nov. 30... cwt.	1,016,805	131,715	720,360
— Home con umpt'n to Nov. 30 cwt.	293,909	435,017	141,410
— Exports to Nov. 30 ...cwt.	597,155	25,701	340,250
— In Bond Nov. 30 ...cwt.	723,000	700,000	484,000
— Price, Costa Rica gd. to fine cwt.	153/0—160/0	145/0—155/0	80/0—93/0
— — Brazil (Santos) Good ...cwt.	134/0—135/0	65/9	41/6
Tea—Imports to Nov. 30... lb.	437,286,881	445,769,883	123,230,277
— Home consump'n. to Nov. 30 lb.	360,242,900	289,294,107	155,447,972
— Exports to Nov. 30 ...lb.	27,206,719	2,139,955	26,561,765
— In Bond Nov. 30 ...lb.	184,469,000	122,646,000	78,292,000
— Price, Indian, Pek. Soug. gd. lb.	1/4½	1/4	8½d.
— — Ceylon, Pek. Soug. Ord. lb.	1/4	1/4	8½d.
— — Common Congou ...lb.	1/2½	1/4	5½d.
Cocoa—In Bond Nov. 30 ...cwt.	1,034,000	363,000	309,000
— Grenada, good to fine ...cwt.	126/0—128/0	85/0	52/6—56/0

* Estimated. † Controlled.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific	Nov.	$17,367,000	+2,344,000	$2,850,000	— $549,000
	11 *mos. to* Nov.	159,904,000	+18117000	31,251,000	— 440,000
Grand Trunk	Nov.	£1,251,900	- £15,700	£203,300	- £81 800
	11 *mos. to* Nov.	12,853,900	+1,702,200	1,566,200	+ 104,400

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August* 5, 1914, *the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act,* 1871. *The Irish railways, similarly, were taken over as from January* 1, 1917.

	Week or Month.	Miles Open.	Gross Receipts.	+ or — on Year Ago.	No. Wks	Aggregate Receipts.	+ or — on Year Ago.
INDIAN.							
Assam Bengal	Nov. 22	993	R2,30,535	+ 69,513	8	18,21,126	+ 5,07,553
Barsi Light ...	Nov. 22	118	28,300	+ 10,900	35	9,93,100	+ 4,49,100
Bengal & N.W.	Nov. 15	2,065	5,19,800	— 68,056	8	31,21,240	— 4,70,940
Beng. Dooars	Nov. 29	158	45,488	— 3,501	9	4,79,469	+ 65,664
Beng. Nagpur	Nov. 22	2,695	11,43,000	+ 24,000	34	4,10,26,887	+ 29,33,549
Bomb. Baroda	Dec. 20	2,871	18,75,000	+ 1,29,000	12	2,01,57,000	+ 21,72,000
Burma ...	Nov. 15	1,342	5,97,719	+ 87,964	33	1,72,96,708	+ 18,58,717
Del. Um. Kalk.	Dec. 20	239	86,600	— 2,515	12	10,77,014	+ 7,838
East Indian ...	Dec. 13	2,771	24,60,000	— 66,000	12	2,97,10,000	— 12,38,000
Gt. Indian Pen.	Dec. 20	3,121½	27,81,600	+ 1,01,102	12	2,76,66,400	+ 22,66,762
Madras & S.M.	Nov. 29	3,152	10,40,000	+ 2,589	3	87,75,000	+ 2,52,847
Nizam's Guar.	Nov. 22	900	2,85,801	+ 49,933	8	17,28,337	+ 2,75,944
Rob. & Kumn.	Nov. 22	576	92,243	— 13,074	8	6,40,638	— 2,25,718
South Indian	Nov. 22	1,852½	6,80,307	+ 1,10,170	24	2,53,85,177	+ 20,88,181
South Punjab	Aug.	716	7,01,854	— 3,01,828	5m	35,02,670	— 17,37,370
COLONIAL.							
Can. Northern	Dec. 21	9,588	$1,215,300	— 61,700	49	51,524,199	+ 5,875,199
Can. Pacific ...	Dec. 21	13,388	3,715,000	— 16,000	49	170,195,000	+18,134,000
Grand Trunk	Dec. 21	3,616	£253,779	— 53,291	49	13,649,349	+ 1,622,262
Mashonaland	Aug.	810	65,465	— 7,046	11m	—	—
Mid. W. Aust.	Oct.	277	10,830	+ 293	4m	36,005	+ 3,339
New Cape Cent.	Nov. 29	205	2,558	— 61	48	120,302	+ 12,890
Rhodesia Rlys.	Aug.	1,397	98,984	— 15,059	11m	938,048	— 80,830
Temiscouata...	Oct.	—	$30,562	+ 2,154	10m	304,661	+ 22,504
W. Pass. & Yuk	Aug.	122	—	—	8m	$968,676	+ 31,021
FOREIGN.							
Argentine.							
Arg. N. East...	Dec. 27	752	£ 10,700	+ 2,700	26	309,100	+ 64,200
Arg. Transand.	Dec. 20	111	£ 4,850	+ 780	25	48,696	— 33,784
B. A. & Pacific	Dec. 27	3,536	£ 148,000	+ 42,000	26	3,726,000	+ 789,000
B.A.Gt. South	Dec. 28	3,792	£ 178,000	+ 35,000	26	4,436,000	+ 958,000
Do.	Dec. 28	Net	£ 63,000	+ 26,000	26	1,468,000	+ 842,000
B. A. Western	Dec. 28	1,882	£ 94,000	+ 24,000	26	2,521,000	+ 723,000
Do.	Dec. 28	Net	£ 33,000	+ 19,000	26	896,000	+ 448,000
B. A. Central	Oct.	190	£ 44,533	+ 2,323	4m	182,032	+ 15,661
Cent. Argent.	Dec. 27	3,305	£ 188,000	+ 53,100	26	4,429,000	+ 1,058 000
Do.	Dec. 27	Net	£ 73,000	+ 62,100	26	1,277,100	+ 705,000
Cord. Central	Dec. 27	1,205	£ 60,300	+ 25,950	26	1,557,450	+ 381,870
Entre Rios ...	Dec. 27	831	£ 26,200	+ 5,700	26	594,700	+ 75,800
Brazilian.							
Brazil Gt. South.	Nov.	110	M 45,000	+ 4,900	11m	544,671	— 7,362
Brazil Railway	Dec.	3,530	M 4,859,000	— 141,271	12m	57,772,000	+ 7,619,243
Gt. W. Brazil	Dec. 27	1,010	£ 23,600	+ 6,600	52	1,005,000	+ 188,500
Leopoldina ...	Dec. 27	1,831	£ 63,044	+ 22,929	26	2,246,953	+ 617,109
Mogyana ...	Dec.	1,180	M 1,561,000	— 956,490	12m	22,267,000	— 2,474,651
Paulista ...	Dec.	766	M 2,650,000	— 906,038	12m	32,479,000	— 1,225,892
San Paulo ...	Dec. 28	153½	£ 40,600	+ 13,174	52	1,861,031	+ 279,061
Sorocabana ...	Dec.	1,003	M 1,749,000	— 246,168	12m	21,953,000	+ 976,692
S.of Bahia S.W.	Nov.	52	M 139,000	+ 44,000	11m	1,088,000	+ 121,000
Chilean and Peruvian.							
Antofagasta ...	Dec. 21	838	£ 32,540	— 86,700	51	1,253,595	— 1,067,450
Arauco ...	Nov.	84½	£ 12,000	+ 500	11m	121,300	— 21,700
Nitrate (2wks.)	Dec. 15	390	£ 8,195	— 22,107	48	439,799	— 353,396
Peruvian Corp.	Oct.	1,140	S 1,179,130	+ 88,315	4m	4,386,894	+ 321,259
Taltal ...	Nov.	180	£ 18,322	+ 1,604	5m	71,332	— 27,834
Cuban.							
Cuban Central	Dec. 27	362	£ 27,251	+ 9,422	26	454,344	+ 88,325
Havana Cent.	Dec. 20	70	£ 10,334	+ 2,253	25	252,915	+ 40,432
U. of Havana	Dec. 27	681	£ 72,493	+ 12,155	26	1,469,627	+ 309,039
W. of Havana	Dec. 27	155	£ 10,218	+ 2,929	26	225,273	+ 43,132
Uruguayan.							
Cent. Uruguay	Dec. 20	273	£ 26,979	+ 2,167	25	545,742	+ 46,357
,, (E. Ext.)	Dec. 20	311	£ 6,703	— 302	25	132,936	+ 20,590
,, (N. Ext.)	Dec. 20	185	£ 3,645	— 115	25	90,080	+ 1,863
,, (W.Ext.)	Dec. 20	211	£ 3,526	— 342	25	66,401	+ 3,704
Mid. Uruguay	Nov.	319	£ 20,851	+ 5,281	5m	96,140	+ 16,104
N.W. Uruguay	Nov.	113	$ 7,128	+ 539	5m	32,259	+ 126
Urug. Northn.	Nov.	73	£ 2,713	+ 803	5m	11,185	+ 1,545
Miscellaneous							
Alcoy & Gandia	Dec. 27	33	Ps. 8,500	— 2,000	52	528,600	+ 79,900
Bilbao ...	Nov.	15	£ 2,942	— 202	11m	28,078	— 19,581
Bolivar ...	Nov.	136	£ 8,500	+ 6,253	5m	44,209	+ 11,141
Colomb. Natnl.	Nov.	86	£ 14,960	+ 4,220	11m	153,080	+ 19,200
Costa Rica ...	Oct.	189	£ 26,830	+ 4,938	4m	91,389	+ 1,889
Dorada Ext....	Nov.	70	£ 13,750	+ 5,850	11m	125,650	+ 34,050
Egyptian Delta	Dec. 10	559½	£ 20,046	+ 6,722	35	254,517	+ 2,813
Gt. S. of Spain	Dec. 20	104	Ps. 35,244	— 109,403	50	5,062,009	+ 1,959,802
La Guaira & Ca.	Nov.	22¾	£ 9,670	+ 4,660	11m	96,130	+ 25,820
Ottoman Ry...	Dec. 6	379	£ 9,119	—	—	—	—
Paraguay Cent.	Dec. 20	255	£ 5,140	+ 2,130	25	136,040	+ 46,670
Puerto Cabello	Nov.	24	£ 4,250	+ 1,450	11m	49,375	+ 8,075
Salvador ...	Dec. 27	100	£ 3,158	+ 708	26	73,867	+ 35,229
Santa Fe Prov.							
French Rys.	Oct.	1,181	£ 172,656	— 6,605	10m	1,435,236	+ 58,600
S'm'na & S'ti'go	Nov.	80	£ 7,660	+ 64	11m	130,211	+ 29,712
Zafra & Huelva	Oct.	112	£ 14,590	— 190	10m	103,905	— 23,013
TRAMS.							
Anglo-Argent.	Dec. 23	400	£ 70,086	+ 8,388	51	3,047,777	+ 180,498
Auckland Elec.	June 30	27	—	—	52	292,502	— 2,063
Bombay Elec.	Oct.	39	R. 7,67,296	+ 1,80,215	10m	70,86,404	+ 12,99,004
Brazilian Trac.	Oct.	378½	M 9,980 000	+ 1,928.000	10m	93,539.000	+ 7,757.000
Brisbane Elec.	Nov.	40½	£ 42,960	+ 3,715	11m	432,870	+ 30,991
Brit. Columbia	Oct.	334	$ 710,405	+ 130,051	4m	2,704,611	+ 590,474
B. A. Lacroze	Nov.	51	£ 50,635	+ 7,693	5m	237,705	+ 28,941
Calcutta ...	Dec. 13	35½	R 37,564	+ 14,851	50	42,08,131	+ 5,71,936
Cape Electric	Oct.	42½	£ 26,743	+ 11,115	4m	83,822	+ 1,077
Carth. & Herr.	Nov.	9	£ 2,549	— 439	11m	29,518	— 14,396
Chatham & Dist	Dec. 18	15	£ 1,428	+ 169	50	75,470	+ 10 700
Havana Elect.	July	86	$ 794,763	+ 100,679	7m	5,116,661	+ 402,587
Isle of Thanet	Dec. 24	20½	£ 568	+ 236	13	6,567	+ 2,889
Kalgoorlie ...	Aug.	20½	£ 2,876	- 464	8m	21,533	— 590
Lanarkshire ...	Dec. 18	28½	£ 3,819	+ 329	50	186,306	+ 5,391
Lima Light ...	Oct.	85	£ 50,067	+ 4,590	10m	479,702	+ 44,477
London O.C. ...	Dec. 31	141½	£ 65,527	+ 197	39	3,143,051	+ 546 065
Madras (2wks.)	Dec. 15	15½	R. 47,439	+ 10,167	48	973,981	+ 74,875
Manila Electric	Sept.	55	$ 223,048	+ 18,548	9m	1,833,199	+ 181,918
Pernambuco...	Dec. 28	59	£ 8,859	+ 2,898	52	225,273	+ 43,132
Provincial ...	Dec. 13	21½	£ 2,942	+ 353	11	28,527	+ 5,193
Rangoon Elec.	Nov.	25	£ 7,379	+ 768	11m	—	+ 7,726
Shanghai Elec.	Nov.	26¾	M. $140.000	+ 20.000	11m	1,431,796	+ 214.220
Singapore Elec.	Nov. 22	26½	$ 19 268	+ 5.883	45	733.550	+ 79 829
U. of Montevid.	Nov.	90½	£ 40.308	+ 8.610	1m	40.308	+ 8,610

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The Statist.

LONDON, SATURDAY, JANUARY 3, 1920.

THE IRISH BILL.

The Irish Government and the military in Ireland appear to have completely lost their heads, and to be drifting into chaos. It is of the highest importance, therefore, that English opinion should make itself clearly felt by both, so that something like decent government shall be observed in future. Unfortunately, there is no longer room for doubt that the new Irish Bill is rejected by the Irish people. Moreover, it has disappointed American opinion; and we are sorry to have to add that it has disappointed also the opinion of the Dominions. What is to be the result of this state of things? Of course, Parliament can pass the Bill, assuming that English opinion tolerates the present Parliament and the present Government. But even if it is passed what will happen, suppose the Irish Party refuses to work the Bill? Mr. Lloyd George, with all his ability, has completely mistaken the situation, and has led us into a state of things out of which it will be difficult to escape safely and creditably. In fact, in the present struggle between the Irish Nationalists and the British Government, the Nationalists, for the first time, are showing a knowledge of the situation, and a readiness to take advantage of it which does credit to their skill, and puts the conduct of the British Government in a very unfavourable light. The War has, for the time being, at all events, swept out of existence all the Governments which ruled by force alone, with the exception of that of England only. We have the very questionable reputation of being at the present time the only State which governs by sheer force. At the same time, we have a most crushing debt. We have lost our great superiority as the richest nation in the world. And we see the supremacy of Europe passing away completely from us to the United States. Instead of recognising the seriousness of our positon, and labouring to do what is necessary to recover our old credit and our old popularity amongst the nations, we are taking the position that the other day was occupied by Russia, Austria, Hungary, and Germany. Mr. De Valera and his colleagues are showing that they possess a clear perception of our folly, and that they are resolved to work upon it with advantage to themselves. The year now opening will see the election of a new President of the United States. The election will take place early in November, and President Wilson will know that at midday on the following 4th of March he will have to lay down his office. To all intents and purposes, then, the authority of the President will be more or less ended at the beginning of November, and we shall have to reckon in all great political matters with a new Government, the character and the policy of which we are utterly ignorant of. Naturally, the Republican Party is resolved to recover its position as the ruling Party in the State, and it has already decided that before the present month is ended the Party candidates for the Presidency shall be nominated. To all intents and purposes, then, we are already at the beginning of a very severe struggle between the two great Parties in the United States for the direction of the policy of that great Republic, certainly during the next four years, and probably during the next eight years.

Seeing all this with commendable clearness, Mr. de Valera and his friends are preparing to do what they can to turn American sympathy with the subject party in Ireland to the very best account. Owing to reasons which it is unnecessary to point out here, the Democratic Party has been able to secure eight years of rule for their candidate. Naturally, the Republicans wish to reverse that decision. They are, therefore, early about to nominate a candidate and to make preparations for the decisive vote in November. There are several things which make the Republicans anxious to win. Apart from mere personal ambitions and personal preferences, there are great principles at stake. One of these is: Is the United States to be dragged into an arrangement which violates the last advice of General Washington—to avoid carefully being mixed up in European quarrels? Americans avoided the war against Germany as long as they could. In fact, the Germans so acted as to compel President Wilson to take arms against them. But arms were taken not in the interest of Europe so much as to make certain that American shipping on the sea shall be respected in wartime, cost what it may. The Republicans naturally do not wish to bind themselves to make war in Europe should any country in Europe determine upon beginning a war, no matter on what account. It is a most reasonable feeling. Personally, the present writer believes that it is an honourable and a correct feeling. And it is so strong that it is one of the few cases in regard to which it may be said that nine Americans out of ten would fight to avoid America being bound to make war whether it suited her or not. Consequently, the Irish in America and the Germans in the same country have an exceedingly strong argument for supporting the Republicans, provided, of course, the Republicans respond by promoting the interests of both Irish and Germans. The Irish and Germans together probably number not far short of 40 millions, or, let us say, one-third of the whole population of the United States. And it is a vote which must carry extraordinary weight if it is offered to the Republican leaders. Furthermore, the Republicans destroyed slavery, compelled the seceding States to reorganise their constitutions, and made the slaves free men. For a long time the Republicans, in consequence, were able to depend upon an almost unbroken vote in their favour of the negroes. But the whites have now recovered nearly their old full power. And the South is very much as anti-Republican as it was before the Civil War. Therefore it must be an extraordinary temptation to the Republican leaders to receive a vote of nearly one-third of the population of the whole United States, on condition, of course, that the vote so offered is properly rewarded.

Furthermore, there has been now for an exceptionally long time a state of revolution in Mexico. Mexico is divided from the United States practically by an imaginary line; and beyond that imaginary line Americans complain that they are subjected to all sorts of indignities and worse. During the long period that President Diaz ruled Mexico, he succeeded in maintaining order so well that Americans concluded that the Mexicans had adopted permanently the policy of President Diaz. Therefore, they invested immense sums of money in Mexico, in railways, in mining, in the establishment of great industries, and so on, and now they find Mexico almost as disturbed as she used to be before the reign of Diaz. They have borne the trial with extraordinary consideration towards the Mexicans. But there is a limit to all endurance, and here is an offer which is almost certain to give victory to the Republican Party if they accept it. And then the Republican Party will be in a position to give warning to Mexico that she must behave in future or they

will treat her as they treated Spain in Cuba. It is unnecessary to point out the other advantages which an immense vote like that of the combined Germans and Irish can offer. Enough to say that there are several such, and that the British Government is deliberately playing into the hands of Mr. de Valera and, consequently, is raising up difficulties which may be exceedingly embarrassing to us. And the worst of the whole matter is that the British Government began this present quarrel with Ireland without provocation. If anybody chooses to remind us of the Dublin revolt, we answer that the whole party that rose in Dublin probably did not number 1,400 youths, and that those youths had neither arms, nor ammunition, nor even food. They had to surrender in the end because they could not feed themselves. To talk, therefore, of provocation to England because a number of foolish youths rushed into revolution is to talk nonsense which no sensible man accepts. The responsible leaders of the Nationalist Party in Ireland—Messrs. Redmond and Dillon—offered to raise a large military force to fight in the War, and they were actually prevented from doing so by the War Office, which refused to give commissions to Catholic gentlemen recommended by them. The whole mischief is due, firstly, to those who egged on Sir Edward Carson to begin a criminal campaign in Ulster; and, secondly, to the Ulstermen and the Kildare Street Club which have for the last five years been doing everything they could to create animosity between Ireland and England. If there is any sense left amongst us we shall stop that thing at once, and we shall treat Ireland as we are treating other parts of the Empire which are more feared than Ireland. In spite of disturbances, and in spite of violations of the Law, we shall yield to the Irish demand in full, and give her complete control of her own Government.

COMING AMERICAN ELECTIONS.

We have referred elsewhere to the extraordinary interest that attaches to the electioneering activity that is just about to begin in the United States. A change of Government in a great country is always of interest to those who know how such an alteration may affect the deepest interests even of States that seem to be altogether beyond its influence. But the present election has an interest of extraordinary greatness. Partly owing to jealousy of the late ex-President Roosevelt, and partly to other causes, the Republican party got broken up, and the Democratic party has been able to elect a President who will, at the beginning of March, 1921, have ruled over the great Republic for eight complete years. There seems no reasonable doubt that the Conservatives form a majority of the American people. But, in the first place, the white men in the South have recovered their old influence there, and manage to prevent the negroes from voting with the party to which they are really attached. Furthermore, there are differences of another kind between the leaders of the Republican party. But we take it that nobody who has carefully watched the course of events in the United States, say since the outbreak of the War, can doubt that the Republican leaders have felt that they made a grave mistake in permitting such quarrels amongst themselves as passed the Government of the United States completely out of their hands. Now, everybody who knows the United States will agree with us that there are two great questions which have an overwhelming influence in the United States—which, indeed, would probably induce even the most peaceful of Americans to make war if the great principles in regard to these two were set at defiance, let us say, by Europe. The first of these is that Europe must not interfere in American politics. That question has been settled so conclusively that we doubt if there is a public man in Europe who would venture to challenge America respecting it. When Napoleon the Third was apparently in the zenith of his power he was compelled to withdraw his army from America and to leave the Emperor Maximilian to his fate. Later still, we ourselves were compelled to drop our dispute with Venezuela, although practically we did so under a threat of war. And it is an axiom that is well understood by everybody that Germany has had a strong desire to interfere in Brazil, but did not venture to do so until practically she hoped to have Europe under her feet. Consequently, it is now well understood that no European Power must interfere in American affairs, even though the United States is not itself directly affected by the questions at issue. We take it that this particular doctrine of the United States is so well understood that there is not a Government in Europe that would venture to defy it.

There is a second principle to which Americans are as strongly attached; and President Wilson has with his eyes open violated that principle and endeavoured to induce America to bind herself to fight in Europe if Europe dares to go to war in future. Everybody who is not so hopelessly ignorant as to know nothing about the United States must have seen how strong a feeling has been aroused in the American Senate by President Wilson's conduct. We do not propose to inquire whether the President has been well- or ill-advised. The conduct of the United States on so great a question as a war 3,000 miles away is so grave as to forbid us presumptuously meddling with the decision of America on the matter. But everybody has seen plainly that the proposal to bind the United States to make war at some future time—nobody can guess when—if war, no matter for what purpose, breaks out, has aroused a fierce opposition in the Senate; and we are now entering upon the year when the election of a new President is to be decided, and when, therefore, according to all reasonable probability, feeling will grow infinitely stronger as parties call upon their supporters either to support President Wilson, or to forbid pledging the honour and the credit of the United States to make war for God knows what or God knows when. In the preceding article we have given our reasons for believing that the great majority of Germans and Irish, whether new immigrants into the United States or the descendants of the vast multitudes of both Irish and Germans that have taken refuge in that country since 1848, will offer their vote to the Republican party, of course on terms clearly to be defined, or, at all events, clearly to be understood. Consequently, we incline to believe that the Republicans will win by a large majority, and that they will refuse to accept the League of Nations in, at all events, its present form.

We may add that in our own opinion such a League is quite unnecessary. If the Government of the United States makes it clearly understood that war, except for purposes which the United States itself approves of, will bring down upon the war-maker the whole weight of American opposition, we venture to say that there is not a nation in Europe that will be so mad as to make war in defiance of the United States and such European enemies as it wishes to attack. Peace can always be preserved if Governments act in the true interests of their own subjects. We say deliberately "their own subjects," for Governments are, properly speaking, appointed to take care of the interests of their own subjects, and have no authority to meddle in the private affairs of foreign peoples. But it is perfectly evident that if a Government wishes to do the best it can for its own subjects it will not involve them in war, unless, indeed, some foreign enemy attacks them without provocation. Therefore, the knowledge that the greater Powers are convinced that they have got all that they are likely to rule well is, in our opinion, a sufficient safeguard; whereas to take part in a war, let us say, to determine how the Balkans are to be divided amongst the various Balkan peoples, or to decide whether Fiume is to be Italian or Czecho-Slovakian, seems to us very

little short of actual madness. War is an evil thing under all circumstances, however provoked even the attacked have been. So far as attackers are concerned, it usually is worse than an evil thing. But we fail to see that it is either the duty, or even the business, of a Government to declare beforehand that it will make war upon the aggressor without any knowledge of who the aggressor really is. We know now that in 1870 Germany was the real aggressor, and yet at the time it was believed both in England and in Russia that France was the aggressor. We do not believe, then, that any country can immediately, without fuller information than it is possible it can possess, decide who is the real aggressor; and, therefore, we hold that a war to which the nations are pledged some time or other in the future is a wicked war, and ought to be resisted by every decent man who has respect for human life.

TO TRADES UNIONISTS.

We would again ask our trades unionist friends whether they are exerting themselves with activity to secure a really large representation in the next House of Commons. They see Ireland being lashed into insurrection without any defensible excuse, and they see it done by their own Government. If anybody doubts that we would ask him to read the news from Dublin, not in the Dublin newspapers, which may be supposed to be favourable to the popular cause, but even in the Press which is opposed to the popular cause. Take, for example, the shooting of an officer and a civilian the other night in Phœnix Park. The coroner's jury to whom the inquiry into the circumstances was allotted finds that there was no attack made either upon the Government or anybody representing the Government; that the officer was shot by mistake by one of his own men; and that the civilian was shot by the infuriated soldiers, who thought that they were defending themselves against an armed enemy. So far as the evidence is before us there is nothing to lead us to doubt the justness of the jury's finding, and we see to what a height mere antipathy is carrying people that soldiers, meeting in holiday time a man apparently without evil intent of any kind, shoot him dead and think that they have got rid of a public enemy. Is it necessary to go further than that to see the extent to which feeling between the two parties is at present exasperated? We have an attempt upon the life of the Lord Lieutenant one day, and a couple of nights later we have an attack upon an apparently inoffensive man simply because he is found in Phœnix Park not far from the Lord Lieutenant's residence. The condition of things is absolutely disgraceful. There, happily, now is no other Government in Europe that would be guilty of such atrocities. It is not long ago since Germany, Austria, Hungary, and Russia were ready enough to commit similar offences. But they have been swept away, and now we are exhibiting ourselves to the gaze of the whole world as the one nation that claims to be civilised which has so aroused its own people against itself that when a body of military men meet a single individual in Phœnix Park they shoot him dead without any possibility of proving that he fired.

The thing is as disgraceful as anything we remember to have read in the worst times of Russian or Austrian misgovernment. And we are, apparently, resolved to continue this conduct as long as the present Government is allowed to last. The only party that it is worth while to address is the trades unionists. Those below the trades unions have neither the organisation nor the funds to win seats in Parliament, while the two old parties—Conservatives and Liberals—are to all intents and purposes dead. The Liberals are dead absolutely. A small body calling themselves Liberals may linger on. But the party, as a party capable of governing the Empire, is dead, never to recover. And the Conservative party, or whatever you choose to call it, is a party which exists only for the narrowest and the basest purposes. Firstly, it is pledged to maintain the aristocracy in all their claims of every kind; and, secondly, it is pledged to defend the Established Church, although it is doubtful whether more than a quarter of the people of England belong to that Church. There is only one party, then, that is really organised. The trades unionists tell us that they number more than five millions. And, as we have often pointed out in this Journal, there are agricultural labourers, clerks, teachers, and those who serve behind counters, who can, if they are won over, make the trades unionists the real disposers of power in the United Kingdom. Are they merely a mob associated together to exact as much money as they can, whether rightly or wrongly, or are they good citizens, banded together, of course, to see justice done to themselves and to ensure that equal justice shall be done to all other classes in the community? If they are, then they can win at the coming elections, and they can ward off very grave evils to which we are seriously exposed.

INFLATION.

We have received a little book by Mr. E. Cannan on the Bullion Report and inflation in general. Mr. Cannan, we learn from the title-page, is Professor of Political Economy in the University of London. We sincerely sympathise with the young men who, by way of studying economics, are expected to attend the lectures of this gentleman. We have in various articles recently endeavoured to show that there is no such thing as inflation, and that, as a matter of fact, such a thing is impossible. Of course, we shall be referred to the famous Inflation Report issued while the war against the great Napoleon was going on. To which we answer that we think that report as big a piece of absolute nonsense as it has been our fortune to meet with for many a long day. Money, the reader will always bear in mind, was invented to save buyers and sellers the obligation to waste their time, and perhaps injure their interests, trying to find out in person a man who, in the one case, wanted to buy the particular thing which another man wanted or sell, or, in the other case, equally to waste their time and their patience trying to find the man who was willing to sell what somebody else was willing to buy. Money saved the time, and it did so by making coined money the representative of certain values. Consequently, if one wants to sell he now feels safe in selling when the buyer pays him in lawful money. And, similarly, the buyer is willing to buy and pay lawful money. That is the aim and object of money put in the plainest and simplest words. And money can no more raise prices or lower prices than it can prevent the sun from shining or the moon from giving light at night. There is only one thing that can make wealth, and that is human labour, using the word "labour" to include the labour of the brain as well as the labour of the hand. There is, apparently, no limit to what labour can effect. At any particular time there are very certain and very sharp limits. But invention, happily, goes on from time to time, and invention increases the number of things which can be bought and sold and which men are willing to buy and to sell. There is absolutely no other source of value, absolutely no other source of anything that can serve as material for trade. And in that, perhaps, invention is the greatest contributor to the happiness of the world that can in our present state of ignorance be even imagined. Invention is always and everywhere at work, and, though circumstances prevent inventions from becoming active and practical for a long time, inventions, especially in later times, have been grow-

ing wonderfully frequent, and have been raising the more civilised countries in the stage of life.

If Mr. Canman, or anybody else who wastes his time—and, what is worse, wastes the time of young men who are just preparing to engage in the business of the world—would drop all that stuff about inflation and look at the plain facts of life, they would, perhaps, not be able to render much direct service to the world, but at least they would cease to mislead young men and to prevent them from doing as much as they are capable of doing in the world. We all talk of the great services of education, and undoubtedly true education does render services that can hardly be over-eulogised. But there is an immense amount of so-called education which is more injurious than absolute gross ignorance. The ignorant man at least has the merit of not pretending to know. The man who thinks he knows and does not know is doing mischief all his life. Now, if you take any time in the history of the world—we do not care which—you will find, if you give the time and the patience to the subject, that inflation is an impossible thing—if, at all events, it is attributed to an over-supply of money. There cannot be such a thing as an over-supply of money. It is a contradiction in terms. However worthless a Government may be, however ignorant its members may be, however wicked even its chiefs may be, they do not, at all events, throw away their own money and the money of the people they govern for nothing. They get something of some kind in return for the money. And just as a Government can, as our own did the other day, raise seven millions of men for the Army and the Navy, it can induce manufacturers to alter the very purposes of their factories and to devote themselves, year in and year out, to supplying the Government with what it wants. But, bad as Governments are, they are not so entirely stupid as to throw away their own and the nation's money for absolutely nothing. Consequently, since they paid money to persons poorer than themselves, with an infinity of needs, and with needs that grow as the new wants are gradually satisfied, surely it must be patent to anybody but a downright idiot that the men who receive payment from what a Government exacts from them do need an infinite number of things. The greater the war is which compels the Government to waste the public money, the smaller is the number of people who can devote themselves to providing for the public the ordinary enjoyments of the public. Mr. Asquith tells us that altogether the British Government raised about seven millions of men for the Army and the Navy, and many millions of both men and women were employed also by the Government in making all sorts of things required by the fighting men. Therefore, if the Government spent extravagantly, the money went into the pockets of people who had never before probably been paid on anything like the same scale, and these people—fortunate people, as they deemed themselves to be—instead of being sent to expose their lives, stayed at home in large numbers to work for the Government and to profiteer. And then we are asked to believe, by men who are not ashamed to call themselves Professors of a famous university, that the Government spent money which was not needed and injured the country thereby.

The Government unquestionably ought to have supplied the nation with all the preparations necessary to have crushed Germany in a few months; and when at last it was forced to prepare it spent money lavishly and guiltily. If you propose to punish the Governments that failed to do their duty we shall not oppose. But to say that they actually threw away money for the mere fun of throwing it away, that they got nothing either for themselves personally or for the Government as a body, or for the nation, you are talking nonsense so crank that one has hardly the patience to answer it. Money never raises prices. What raised prices in the late War was that so many men and so many women were drawn from productive employment to unproductive employment, and so many ships were diverted from carrying what honest people desired to have for the convenience, the comfort, and the enjoyment of their various families, that the things could not be obtained. There was not enough of anything. There was not even a pretence that there was enough. The nation looked on patiently while the Government appointed nincompoops to determine what was to be paid for this, that, and the other thing, because silly as the Government men were, at least there could be no doubt that the production of commodities was too small. Prices went up simply because enough of goods were not provided; and the Government was compelled to grant to the fighting men, their wives, their children, and so on, larger incomes than ever before; and, similarly, they were obliged to pay larger sums for all that was done to enable the nation to beat its enemy. They succeeded! Yes, they succeeded at an enormous cost, which might have been avoided if the preparations had preceded, not waited upon, the War. But there was no inflation. There could not be inflation. The passing of money from hand to hand does not consume anything. The thing that is passed remains. The thing that is produced may be fired away, or eaten, or worn out. But the money is there, and continues to be there. The real influence upon markets is the hungry desire of great multitudes to obtain things which in happier times they were in the habit of obtaining, and which they could only hope to get during war-time by paying almost fabulous prices.

THE JAPANESE BUDGET.

A SUMMARY of the Japanese Budget for 1920-21, which is to be introduced in the present session of the Imperial Diet, and a copy of which we have just received, states that it is proposed to establish a proper programme for replenishing the national defence in view of maintaining peace; to ensure measures for the extension and improvement of railways, roads, ports, telegraphs, and telephones; to provide new institutions for middle-class education as well as technical supplementary education, and to grant subsidies to private universities; to increase the expenditure appropriated for encouragement of land cultivation and research of nitrogen, and to establish a plan of state afforestation; and, in view of the possibility of abolishing the War Emergency Account of 1914 after the present financial year, while certain branches of expenditure which have been paid out of that account cannot be stopped at once, these items will be transferred to the normal account.

The estimated revenue is Yen 1,275,000,000 (£127,500,000), of which the ordinary amounts to Yen 1,043,000,000 (£104,300,000), and the extraordinary to Yen 232,000,000 (£23,200,000). Of the expenditure, aggregating Yen 1,275,000,000 (£127,500,000), the ordinary is responsible for Yen 752,000,000 (£75,200,000), and the extraordinary for Yen 523,000,000 (£52,300,000). The extraordinary revenue above mentioned includes Yen 103,000,000 (£10,300,000), being surplus from the preceding year transferred. The ordinary expenditure shows an increase as compared with that for the preceding year, while there is a decrease in the extraordinary section, as the result of rearrangement of the emergency funds and the transfer of the greater part thereof to the ordinary section. The increased expenditure for national defence amounts to Yen 99,000,000 (£9,900,000). According to the new programme, extraordinary expenditure amounting to Yen 486,000,000 (£48,600,000) is to be voted for the Army, to be spread over fourteen years (1920-1933). As to the Navy, the extraordinary expenditure amounts to Yen 863,000,000 (£86,300,000), to be

spread over eight years (1920-1927); and out of this total the approximate amount of Yen 160,000,000 (£16,000,000)—ordinary and the extraordinary together—is to be granted annually in the year 1921 and after.

The principal items and amounts of the new or increased expenditures, other than those for national defence, are as follows:—Increase of staff in official establishments abroad, Yen 529,381 (£52,938); increased subsidy for roads improvements, Yen 2,000,000 (£200,000); increased subsidy for waterworks, Yen 630,000 (£63,000); increased expenditure for irrigation works, Yen 5,941,054 (£594,105); increased colonial expense in Hokkaido, Yen 6,244,191 (£624,419); additional equipment of the Printing Office, Yen 713,000 (£71,300); extension of tobacco factory, &c., Yen 1,056,595 (£105,659); supplementary grant to Governor-General of Chosen, Yen 10,000,000 (£1,000,000); supplementary expenditure for additional equipment of the Mint, Yen 800,783 (£80,078); expenditure for increase in subjects of study and classes in the schools under the direct control of the Government, Yen 835,179 (£83,518); increased expenditure for encouragement of land cultivation, Yen 585,170 (£58,517); public forestry and state afforestation, Yen 587,075 (£58,707); increased services of communications and postal exchange and deposit, Yen 5,865,364 (£586,536); additional establishment and extension of communications, Yen 505,294 (£50,529); increased pensions to Government officials, Yen 1,451,891 (£145,189); increased subsidy to South American steamship services, Yen 1,038,863 (£103,886); extension of telephone services, Yen 25,935,472 (£2,593,547); extension and improvement of telegraphic services, Yen 8,254,595 (£825,459).

As regards the scheme for the replenishment of the national defence, provision will be made by means of an increase in the income tax, estimated in a full year at Yen 78,000,000 (£7,800,000), and in the financial year 1920 at Yen 52,000,000 (£5,200,000), and also an increase in the liquor tax, estimated in a full year at Yen 57,000,000 (£5,700,000), and in 1920 at Yen 5,000,000 (£500,000). The amount which cannot be covered by the above measures will be met by a surplus from the general account and by a temporary suspension of the sinking fund. With regard to this suspension it must be noted that the Japanese Government is now in a position to convert the Sterling Loans, which mature in 1925, inasmuch as the balances held abroad on account of the Government Savings Banks Department reach the total sum of Yen 380,000,000 (£38,000,000), thus supplying the Government with a sufficient reserve fund in view of an eventual redemption of the said loans.

The estimated amounts of the loans or borrowings to meet the capital expenditure for various works and undertakings under the general and other accounts, are as follows:—Subsidy for the improvement of roads, Yen 2,500,000 (£250,000); establishment and extension of various colleges, Yen 3,714,226 (£371,423); extension of telephone exchanges, Yen 40,100,000 (£4,010,000); improvement and extension of telegraph system, Yen 8,000,000 (£800,000); construction and improvement of the Imperial railways, Yen 100,000,000 (£10,000,000); public undertakings in Chosen, Yen 25,000,000 (£2,500,000); public undertakings in Taiwan, Yen 8,000,000 (£800,000); public undertakings in Saghalien, Yen 3,400,000 (£340,000); total, Yen 190,714,226 (£19,071,423). The War expenditure will still be needed in the next financial year, though the exact amount cannot be estimated at this moment. As this expenditure is intended to be met by loans or borrowings, a further loan of something like Yen 150,000,000 (£15,000,000) will be required if we take the figures of the present year, thus making the total amount of loans or borrowings in the next year, Yen 340,714,226 (£34,071,423).

EGYPTIAN COTTON.

The past week has witnessed a series of agitated markets. January futures, which at the time of our last letter stood at $92.30, dropped to $77.75, and subsequently rose again to $96, whilst the highest and lowest prices for March contracts during the same period were $90 and $75.25. Towards the end of the week the tendency was again "bullish," but the misinterpretation of a Proclamation issued to-day caused a sudden slump, and January futures, which opened this morning at $91, under the influence of serious buying orders rose to $92, but declined rapidly to $86, at which price they closed.

The Proclamation referred to really prevents enemy subjects engaging in commerce in Egypt, except under licence. It was interpreted, however, by many local operators as a prohibition of export to Central Europe. Hence the rapid fall above referred to.

Business in the spot market has been on the quiet side, due principally to the weakness of the futures market, but influenced still more unfavourably by the strike of the staff of the principal steam-pressing company, which has lasted since Sunday last.

At the moment of writing it is believed that work is to restart again to-morrow. It must be remembered, however, that strikes in Egypt to-day are not necessarily of an economic nature, but are largely influenced, if not dictated, by political agitation, and the arrival of the Milner Commission last Sunday has naturally been the signal for the most violent propaganda.

Turning to the question of prices, the most noticeable point is the depreciation of values of the Upper Egyptian variety as compared with Sakellarides. To illustrate our meaning we would instance the following:

Date	Official Quotations		Futures
Dec. 4	Uppers, Good $95½	Sakell. Good $99½	Jan. $94
,, 4	,, F.G.F. 92½	,, F.G.F. 96½	,, 94
,, 12	,, Good 88½	,, Good 94½	,, 88
,, 12	,, F.G.G. 87	,, F.G.F. 91½	,, 88

It has previously been pointed out in these columns that the rise in values of the Upper Egyptian variety was due to the exceptional demand from America for this cotton; and whilst we recognise that the very heavy engagements for November shipment to U.S.A. were in large measure responsible for the exceptional rise experienced, it would not surprise us if a similar trend of values reappeared, as we have reason to believe that commitments of this quality are still exceptionally heavy.

Arrivals have been abundant and amount to 3,400,000 cantars, against 2,622,000 and 3,144,000 for the past two years at this date. During the same period exports amount to 2,092,000 cantars, against 944,000 and 1,186,000 respectively. H. C. Thomas.

Alexandria, December 12, 1919.

THE BIRMINGHAM CANALS.

Canal companies have in recent years suffered severely from the subsidised competition of railways, which have been carrying goods at practically pre-War rates. The increase in the costs of carriage brought about the raising of canal rates, but increased costs in the case of railways were defrayed out of the Exchequer instead of being passed on to the public who used the lines. The coastwise trade suffered in like manner from unfair railway competition, and the crippling of these two alternative means of transportation was in large measure responsible for the overloading of the railways and their partial collapse. While railway rates are maintained at the pre-War level it will be impossible to return to peace methods of distribution. The problem of congestion is primarily one of defective distribution, and the only remedy is to increase the inland distributing power of the country. To do this most economically involves the utilisation of our canals.

Among British inland waterways the Birmingham Canal Navigations occupy an important place. The

system comprises four canals which were originally managed by independent companies, and it reaches a total length of nearly 160 miles, with over 550 private basins. The Navigations, though not railway-owned, are to a large extent under railway control, as the London and North Western Company guarantees a dividend of 4% on the Consolidated stock which represents the converted shares of the original owners. Owing to insufficiency of revenue, payments under the guarantee have been made almost continuously since 1874. Despite this, the traffic carried on the canal is considerable and amounts in normal times to about eight million tons per annum. The area through which the canal passes is highly industrialised and includes not only the Black Country in South Staffordshire, but embraces parts of Worcestershire and Warwickshire. Coal and heavy non-perishable articles such as iron-ore, copper, lead and other metals and minerals furnish the chief items of traffic. Factories have sprung up near the banks, and numerous spur-lines and railway sidings provide for the direct transfer of goods from rail to canal and *vice versa*. Industrial undertakings have been encouraged by the permission once freely granted to take canal water for boiler use, and this concession has brought many factories out into the country districts. The canal branches radiating from Birmingham to other industrial centres in the neighbourhood present an almost unbroken line of iron and steel works, collieries, chemical factories, and brickworks along their banks.

The importance of the Birmingham system is by no means purely local. If lines be drawn on the map from London to Liverpool and from Cardiff to Hull, they intersect almost exactly at Birmingham, and that city is thus the key position for developing a scheme of inland water transport to and from the leading ports. The various canals which form the connections are, on account of their intersection, known as "The Birmingham Cross," and any co-ordinated attempts to ensure their development will first entail the purchase of the numerous small companies which own sections of waterway. Otherwise a unified and continuous policy will be impossible. There are no insuperable engineering difficulties in the way of constructing canals capable of bearing 100-ton barges from Birmingham to the Bristol Channel *via* Worcester, Gloucester, and Sharpness, from Birmingham to Liverpool *via* Stoke, Hanley and Crewe, from Birmingham to London *via* Warwick and the Grand Junction Canal, and from Birmingham to Goole *via* Nottingham and Newark. The adoption of such a scheme would revitalise all the canals in the country, as it would tend to direct traffic along natural routes and would, on account of the increase in barge capacity, result in considerable economies in carriage.

Their advantageous position for trade is in some respects a drawback to the Birmingham Canals. Owing to the working of coal and other minerals in their neighbourhood, subsidence is not uncommon, and the cost of maintenance is accordingly very heavy. A further effect of subsidence is to depress the general level of the surrounding country in relation to the canal, and so aggravate the difficulty of securing adequate supplies of water. Lack of water is, of course, experienced in other canals, but it is greater in the Birmingham system by reason of its bigger elevation above sea-level. The mean height is about 450 feet, and this, combined with the subsidence, makes the natural feed from streams exceedingly small. In the event of extensions, the question of water supply will have to be carefully handled.

The Birmingham canals, besides possessing over 200 locks, contain a number of tunnels, the longest of which is 3,800 yards, and these features, while increasing the cost of upkeep, will also present a serious barrier when large-scale developments are projected. The locks can take boats over 70 feet long, with a seven-foot beam, but such boats can carry a maximum cargo of only 35 or 40 tons. The best British canals are at present able to accommodate boats 120 feet long and 14 feet wide, and to bring the Birmingham system up to the standard of these would involve a considerable outlay, especially under existing conditions. The return from the increased traffic would to a certain extent repay such large expenditure, but it is doubtful, in view of past history, whether even a low rate of interest could be earned on all the additional capital expended. It is beside the point to bring forward instances of what has been accomplished in the way of canal development abroad and to claim that we can be at least equally successful. Conditions here and on the Continent are not analogous. Many of the European canals are really canalised rivers. They contain few locks, and this keeps down the cost of maintenance, while it helps to expedite traffic. The geographical contour of Great Britain usually increases the difficulty of water-supply, which on the Continent very seldom occasions anxiety. Around Birmingham not only is the water used at the locks pumped back so as to conserve it, but supplies are also pumped from mines in the surrounding district, and large reservoirs are maintained to eke out existing stocks over dry seasons. In the summer of 1918 a complete stoppage of navigation was threatened owing to the shortage of supplies, and the factories which draw their water from the canal were faced by serious embarrassment. Happily all real danger was for the time averted, but it may recur, and until steps are taken to eliminate completely the chance of its recurrence, it is useless to draw up plans for widening and deepening the canal and increasing the unit size of boats.

In any scheme of canal development for England the four routes connecting Birmingham with the Thames, Severn, Mersey, and Humber must be first attended to, and the Birmingham canals, which constitute the centre of this "cross," must at the outset receive chief consideration. Various possible improvements affecting numbers of canals have been discussed by the Canal Control Committee, and an estimate of the cost involved has been drawn up. Particulars of the estimate are set forth in the adjoining table:—

Route.	Length in Miles	Estimated Cost £
Birmingham and Leicester to London, with branches	348	12,345,151
Leicester and Nottingham to the Humber, with branches	277	6,182,363
Birmingham and Wolverhampton to the Mersey, with branches	157	8,451,184
Birmingham and Wolverhampton to the Severn, with branches	122	6,839,356
Total	904	33,818,054

In this table is included the purchase money for acquiring the different waterways on the various routes, which amounts approximately to six millions. As can be seen the whole proposal contemplates an immense outlay, but even then the figures given are not exhaustive. The provision of inland harbours, wharves, warehouses, and other facilities would call for a further sum of 10 million pounds, entailing a total expenditure of nearly 44 millions. The national finances are not yet in a condition to warrant the undertaking of such a gigantic scheme, and in the meantime the canals in Birmingham and the neighbourhood admit of many minor improvements which are none the less necessary because they will be on a modest scale.

THE RUBBER TYRE INDUSTRY.

For some time previous to the trouble in the castings branch of the iron trade, conditions in the tyre industry had been rather difficult for manufacturers, as it was impossible to keep abreast of orders. The foundry strike, however, completely upset the production programmes of chassis manufacturers, and thereby lessened the demand for pneumatic motor tyres, one of the chief branches of the rubber industry. The shortage, though appreciably relieved, has not wholly disappeared, and as late as the November show a car was exhibited

with cast aluminium tyres so cleverly painted as to deceive cursory inspection. A contributory cause of the shortage has been decreased importation from abroad. Early in the War the United States tyre manufacturers made a determined onslaught on the British market, and in addition handled a large amount of business in foreign countries, whose wants in normal times were supplied from the United Kingdom. Despite their efforts the course of trade since 1913 has been in our favour. The adjoining tables show the imports and exports of various classes of tyres for the past seven years:—

United Kingdom.—Rubber Tyres and Tubes (not imported or exported with complete Cars or Cycles).

Imports.

Year.	For Motors. £	For Motor Cycles. £	For Cycles. £
1913	2,557,485	100,762	112,094
1914	1,892,626	39,708	79,416
1915	2,084,563	105,123	65,154
1916	2,207,210	93,173	113,442
1917	1,161,989	79,722	73,178
1918	602,615	15,573	20,414
1919 (11 months)	1,731,118	34,218	42,064

Exports.

1913	708,924	40,436	411,549
1914	515,545	66,246	330,549
1915	664,998	80,489	431,049
1916	1,199,066	105,068	603,941
1917	1,108,656	134,952	334,855
1918	1,163,623	153,407	260,554
1919 (11 months)	2,183,619	232,212	1,218,847

From these official returns, which give no indication as to quantities, it appears that in 1913 the total imports of tyres were valued at £2,770,339, and the exports at £1,160,909. For the first eleven months of 1919 the figures were respectively £1,807,400 and £3,634,708. The exports in the 1919 period, short as it was, have been more than trebled as compared with the whole of 1913, while the imports have fallen off by approximately one million sterling. The expansion in foreign business has therefore been accompanied by an increase in home trade for our manufacturers.

While the present position gives no cause for anxiety it is expected that competition from the United States will develop as more ample supplies of cheap rubber become available. One of the principal American concerns, the Goodyear Company, recently attained a daily output of more than 30,000 tyres, and the figure is fast mounting up. Our strength, however, lies in the paramount influence of British capital in the raw-rubber industry and in our territorial control of some sources of supply. Even in the War years we were able not only to maintain but to increase our stocks, despite shipping difficulties and increased prices. The figures were as follows:—

Imports of Raw Rubber.

Year.	Centals of 100 Lb.	Total Value. £	Value per Lb. (c.i.f.) s. d.
1913	1,574,439*	20,524,019*	2 7·2
1914	1,515,196*	15,844,428*	2 0·5
1915	1,760,456	19,592,911	2 2·7
1916	1,684,895	22,926,141	2 8·6
1917	1,755,831	23,781,346	2 8·5
1918	1,049,269	12,112,698	2 3·7
1919 (11 months)	2,057,134	21,557,890	2 1·1

* Including waste and reclaimed rubber.

The 1918 imports were far below normal, but the increase in the present year has been very encouraging, and with the improvement in coolie labour and in supervision and machinery a further rise in shipments should take place, especially as the tonnage position becomes easier. The United States will, however, absorb a greatly increased portion of the crop, since its home rubber-manufacturing industries underwent great expansion during the War. The crude rubber imports in millions of pounds from 1913 onwards, reckoning the American fiscal year, which ends on June 30, were: 1913, 113.4; 1914, 132.0; 1915, 172.1; 1916, 267.8; 1917, 333.4. In June 1918 the Federal Government decided to reduce rubber consumption by one-half, and as planters had sold only a fraction of that year's crop for forward delivery, prices fell rapidly, despite the attempts of the Rubber Growers' Association to stabilise the market by curtailing production. Since the restrictions were removed there has been a sharp recovery in the imports of rubber into North America, and rubber tyre exports from the United States will increase accordingly. In the year to June 30, 1918, the tyre exports totalled 15,108,294 dollars, of which 13,977,671 dollars represented automobile tyres.

British manufacturers are not disposed to yield up their markets to America without a struggle, nor, as is common in some other trades, do they regard American superiority as part of the divine order of things. Already the foremost English tyre company has on hand an ambitious scheme for tackling our most formidable opponent in his home market, and thus sharing with the American producers the undoubted advantage which they derive from the width and variety of the local demand. The increase in the number of motor vehicles in the United States has in recent years been phenomenal. The following table shows the estimated number in use on January 1 of each year since 1913:—

Automobiles in Operation in U.S.A.

Year.	Number.	Year.	Number.
1913	1,010,483	1916	2,225,000
1914	1,253,875	1917	3,000,000
1915	1,754,570	1918	3,500,000

The annual rate of increase has jumped from a quarter to half a million, and, allowing for the reduction due to the pressure of army demands last year, the number of cars in the United States on January 1 next will be approximately 4,500,000, or nearly 15 times the British figures. The annexed table gives the latest information as to the number of motor vehicles in other leading countries outside the United States:—

Year.	Country.	Motor Cars.	Commercial Motors.	Motor Cycles.	Total.
1916 ...	England & Wales	117,677	17,201	131,805	266,683
1916 ...	Scotland	22,421	3,530	19,147	45,098
1916 ...	Ireland	10,151	627	9,338	20,116
1916 ...	U.K. total	150,249	21,358	160,290	331,897
1918 ...	Canada	--	--	(not included)	275,716
1914 (?)	France	—	-		108,000
1913 ...	South Africa	- -	- -	(not included)	10,000*
1918 ...	British India	18,680	-	9,082	27,762

* Approximate.

In New York alone 338,682 pleasure and 55,402 commercial cars were registered in 1918, and the total, including exemptions, was 411,567, compared with 310,539 in the United Kingdom. As past attempts to break into the promising American market have been frustrated by the tariff, the only method now possible of competing on equal terms is to manufacture within the country. The disparity in the extent of the two markets is so great that the operations of the new Anglo-American company across the Atlantic may eventually outgrow those of its parent company in England, extensive as are the interests of the latter both at home and abroad. The increased opportunity for trade carries with it, of course, the burden of meeting severer competition, especially as the American companies are now coming to see the necessity of ensuring supplies of the raw material by growing their own rubber. Their plans will of necessity take long to mature, and in the meantime British manufacturers will be able to avail themselves of the keen demand for motor and cycle tyres at home and abroad, and build up for their products enduring reputation which will permanently secure their markets.

WOOL AND WOOL TEXTILES.

THE Committee of London Wool Brokers have announced that the prolongation of the Christmas holidays has not allowed sufficient time for the handling of wools for the next series of auctions, which will consequently commence on Jan. 12 instead of Jan. 5. The total quantity to be offered has also been reduced from 162,000 bales to 140,000 bales. In view of the events which took place during the December series, the course of prices at these first sales in the New Year will be followed with great interest. It will be remembered that during the first week of the last auctions, which opened on December 1, the prices of

fine merino wools advanced 5%, whilst medium material remained steady and coarse crossbreds fell slightly. On Wednesday, December 3, the Government held an auction of tops in Bradford, and the prices obtained were fully 10% below those ruling at the November sale. Subsequent events have shown that this fall in top values was partly temporary and accidental, but its immediate effect, coupled with the depreciation in the value of the franc, was to exert a distinct check upon the prices at the London sales. During the second and third weeks of the latter the prices of all wools were somewhat irregular, but a downward tendency was quite distinct, and the final quotations showed reductions of 10% for fine merinos, 15% for other merinos, 7½% for fine, and 15% for coarse crossbreds. On Wednesday, December 17—three days before the close of the London auctions—the Government held another sale of tops in Bradford, and on this occasion better prices were obtained than at the earlier sale mentioned above. Top values were demonstrated, however, to be still distinctly below those existing in November, and, speaking generally, the prices paid were about equal to topmakers' contracts.

In our last article, published on December 20, we explained why the overtime working of woolcombers, which began in October, had taken so long to satisfy the needs of spinners for immediate deliveries of tops, and to reduce the absurdly high prices which spinners were forced to pay for such material. These Government sales in Yorkshire are confined to material actually combed and awaiting delivery, and the values demonstrated at the last auction confirm our statement that spinners' appetites for supplies had been appeased. The heavy premium which existed previously on immediate delivery has now practically disappeared. It is doubtful, however, whether this highly desirable condition will continue much longer, for no arrangements have yet been made for working overtime on the combs in the New Year. Only one meeting between employers and workpeople on this matter has been reported, and no decision was then arrived at, and it appears likely that the woolcombers' objection to working longer hours will prevail. The operatives state that a number of men, now unemployed owing to the moulders' strike, have returned to the combing sheds, and that, in addition, there is a considerable amount of unemployment amongst practical woolcombers themselves. Whether these statements have any foundation in fact or not, a suggestion has been made for the adoption of the three-shift system in this section of the industry.

A disquieting feature of the situation is the apparent inactivity of the wool-combing employers, and it is greatly to be regretted that, on the eve of the expiry of the old agreement, no decisions have been made for the future. The supply of tops is now at the point at which the early removal of the remaining restrictions on exports would be justified, and it cannot be too strongly urged, both on employers and employees, that any interference with the present rate of output will be a retrograde step against the interests of both the nation and the trade.

The main factors which will influence prices at the forthcoming London sales will now be understood. The extreme prices ruling since September last were mainly due to unrestricted foreign competition, which the Government were forced to permit through this same restriction of output by the combers. Recent movements in exchanges have reduced the operations of foreign buyers, and at the same time the home demand is likely to be curtailed owing to the impossibility of getting the material combed. A further decline in raw wool prices is, therefore, possible, but any such fall will probably coincide with a sharp advance in the values of "spot lots" of tops. Many merchants are of opinion that, in the absence of any substantial recovery of foreign exchanges, the fall in the finer wools will be considerable.

At the beginning of December we predicted that the Board of Trade returns for November and December would show a big increase in the arrivals of wool. The actual returns show arrivals of 257,865 bales in November, compared with 181,416 bales in October. The November figure was the highest since July and the fifth largest monthly import of the year. A report has been received that the Australian woolgrowers are contemplating the formation of a large combine for the marketing of their products when the control of the Imperial Government ceases in June next. The enormous difficulties which such a combine would experience in influencing raw material prices are probably better understood in this country than they are in Australia, and, up to the present, the English trade has shown no disposition to treat the proposal very seriously.

No change has taken place in the market for semi- and fully-manufactured goods. From all centres come reports of enormous demands, impossible of fulfilment, and the usual pressure for articles of the very finest quality. The date of delivery remains the most important part of any contract, and prices are a secondary consideration. It would be to the interest of the consumers and the trade if some interest could be created in the cheaper classes of materials.

OIL FROM HOME-GROWN LINSEED.

In these islands, especially in Ireland, flax has long been grown for the purpose of recovering the fibre, but, apart from experimental tests, little attention has been paid to another objective of the flax-grower, namely, the production of the seed which yields the well-known linseed oil. So far the two purposes have been regarded as incompatible, and in the case of linseed the largest exporting countries are the Argentine Republic, India, and Canada. The Canadian crop has, however, betrayed a tendency to diminish, and, owing to the ready market afforded by the United States, it is only in abnormal years that an exportable surplus is available for Europe. Industrially linseed is capable of very wide application. Agricultural feeding-cake, for example, is the by-product formed when the oil is pressed from the seed, and the increasing use of this commodity in the production of home-grown meat and milk indicates its popularity with the farmer. For the linoleum trade linseed oil is a necessity, for which no substitute has yet been found. The same is practically true of the paint and varnish trade, except that the former employs a certain quantity of soya oil. Linseed oil figures on the soap manufacturer's list, and is also in demand in connection with the splitting of oils for glycerine. Deducting re-exports, our imports of linseed, linseed oil and cake came in 1913 to 105,421 tons, of a value of £7,994,370.

The growth of the flax plant with the linseed in view has never been undertaken to any great extent in the United Kingdom, but the successful results of the trials undertaken in different areas since 1912 may well deserve serious notice from the farmer. At the outset, of course, a natural degree of suspicion will attach to the introduction of a crop produced generally in countries differing in many respects from ours. It must be said, however, that the experiments as detailed in papers issued by the British Flax and Hemp Growers' Society, Limited, appear to have demonstrated the fact that linseed raised in this country was in no way inferior to the imported variety, and that the value and quantity of the oil yielded did not suffer by comparison with imported seed. The trials on the result of which these conclusions were based were spread over a number of years and conducted on different types of soil and under varying agricultural conditions. Of the varieties of seed employed, that coming from South America and known as "La Plata" gave the best return both as regards the yield

of seed per acre and oil content. It is significant to note that the oil content of the English-raised linseed tended to be higher than that of the South American seed imported directly from abroad. It was, of course, natural to make the point that the home-saved seed raised repeatedly in the country would show a steady reduction in oil-bearing properties. This theory appears to have been disproved by the experiments undertaken at Wye in Kent and at Thakeham in Sussex, where the same stock was drawn on between 1913-15. The seed used at these centres was imported in 1912, and its oil content was determined at 38.45%. In no case did the oil content of the home-grown seed fall below 39.1%, and frequently it ascended to over 42%.

The following table, taken from the *Journal* of the Board of Agriculture for July 1919, indicates that so far as size of seed is concerned the English variety does not suffer by comparison with that imported:—

	Weight of 1,000 Seeds Grains	Oil Content %
La Plata seed, 1913: imported seed ...	6,168	38·45
	8,840	42·80
English linseed raised from above imported sample in four different forms	9,264	39·69
	7,512	37·72
	8,744	41·35

A good deal naturally turns on the return of seed per acre, and in this respect the figures obtained during the past four years show that when using "La Plata" a crop of about 15 cwt. dressed seed, containing 40% of oil, may be expected under moderately good conditions. The cost of production, according to the Society's returns, was put at £8 10*s*. per acre, and taking into account subsidiary products, such as straw and chaff, the total value of the linseed crop was estimated at £39 per acre.

From a purely agricultural standpoint the growing of linseed might find favour with the farmer owing to the present scarcity of feeding-cakes, and to the fact that the price of raw linseed oil now stands at £95 per ton. Considerable interest is manifested in Ireland in the possibility of giving this crop a place in the rotation. It is but natural that the Irish farmer would be keenly interested in this product of the flax plant. Flax-fibre cultivation has been more systematically and continuously carried out in Ireland than in any other part of the British Isles. Where, however, the fibre is sought for something more than a purely agricultural problem is involved. The farmer has, in addition, to play the part of the manufacturer to some extent, and after the crop has been harvested it has to be put through the processes of retting and scutching before it is finally delivered to the spinning mills. A plentiful supply of labour is, therefore, indispensable, and it is needless to remark that the agriculturist's difficulties are continually increasing in this connection. The introduction of machinery will ease the situation, but up to the present the problem is not within measurable distance of solution. None of these difficulties arise where the production of linseed is aimed at. In England, as in Western Canada, the crop has been harvested and threshed by the ordinary appliances used for all cereal crops. No special kind of soil is required for the crop; the English experiments indicate that it will flourish well on any good medium land, although the best results are obtained from the heavier types of loamy soils. The seed may be sown on the lighter land towards the end of March, and on the heavier land before the end of April; it is considered the best practice to sow it after a straw crop of some kind. The advantage of early sowing rests on the fact that the crop will be off the land prior to the usual corn harvest, and may allow of a catch crop being taken on the same land. On moderately poor soils the yield of dressed linseed in England amounted to 10 cwt. per acre, on good medium land 15 cwt., and on very good land as much as 20 cwt. Such have been the results tabled after trials spread over four seasons.

There seem to be two well-marked varieties of the flax plant, botanically the same, and practically indistinguishable in the seed. The one preferred for linseed grows about 18 inches high, is much branched, and carries a heavy crop of seed; it is generally sown widely so as to permit of ample branching. The other variety, utilised for fibre, if sown thickly, grows unbranched to a height of about 3 feet and carries comparatively little seed. It has hitherto not been found possible to extract any useful fibre from the linseed plant; the straw is, however, useful for farming purposes. Linseed of a high oil content can be obtained from fibre flax; in fact, practically the only difference between it and the crop grown exclusively for linseed is the yield of seed per acre. In Ireland the fibre is, of course, the objective of the cultivator, but last year he was directed to save a certain proportion of the seed for the sowing of this year's crop. The subject of linseed cultivation might be profitably examined by the various strong organisations of farmers that now exist in Ireland. The question, as a whole, could be adequately explored only in this way, as, amongst other points, the provision of suitable crushing machinery would require serious consideration.

SOUTH AND CENTRAL AMERICA.

NITRATE OF SODA.

On the whole the Chilian nitrate interests, both in Chili itself and in London, have met the difficult position with which they were faced with a large measure of success. The difficulties were serious, and the interests were assailed from various quarters with obstacles which, if they were not successfully overcome, threatened to deprive these various interests of the extraordinary advantages they had attained during the recent War.

It will be within the recollection of our readers that the nitrate industry had been very gradually built up. It is very largely owing to the intelligence and research of German chemists, particularly in relation to the growth of the beet sugar industry, that the value of nitrate as a fertiliser, and its importance to the agricultural world generally, came to be appreciated. For years Germany was the principal consumer of nitrate of soda. Gradually it spread to Austria and the other beet-producing countries of the European continent; and, after a time, agricultural chemists in the United States came to appreciate the importance of the industry which was carried on in the southern hemisphere. Nevertheless, the fact remained that the European beet interests, headed by Germany, were the principal sources of demand for Chilian nitrate. This was so well recognised that when the War broke out, and the British Fleet succeeded in closing German markets to overseas trade, there was a complete break in the market for Chilian nitrate shares, and an impression that until the War was over Chilian nitrate

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interests had practically ceased to exist. For a brief time operations were almost suspended, and the wholesale closing down of the nitrate works was contemplated. As soon as the actual fighting, however, commenced it was realised that there would be an enormous demand for explosive materials, certain constituents of which could most conveniently be obtained from nitrate of soda; and, as a result, the War, far from proving a depressing influence to the nitrate industry of Chili, resulted in an era of prosperity such as, perhaps, the industry never enjoyed except possibly in the earliest period of its existence.

With the end of the War renewed difficulties became apparent. It was evident that with the exchanges both of belligerent and neutral countries so very unfavourable to Germany it would be impossible for Germany, which, as we have said, was the principal customer before the War, to purchase nitrate for the purposes for which it had been formerly obtained. It has now become evident that Germany must be eliminated altogether as a factor in the nitrate market for a very considerable period. Two reasons make it reasonable to draw this conclusion. One is that during the four years of the War German chemists succeeded in manufacturing by various synthetic processes equivalents for the natural nitrate of soda; and the second is that, for the exchange reasons already referred to, it would not be profitable for Germany to purchase nitrate. While the War was going on and the Allied Governments were determined to obtain whatever was necessary for carrying on military operations, prices, of course, were of little or no account. But when any commodity, whether nitrate or anything else, has to be used on a peace basis it can only be purchased at a price which will yield what is commonly called an economic profit. Consequently, the revival of the beet industry, or any other agricultural industry, in Germany or elsewhere can only be stimulated by the purchase of a fertiliser at a price which would make it possible to sell the agricultural product resulting in competition with the rest of the world; and inasmuch as the mark has fallen to a mere fraction of its former value, the price of the fertiliser alone would be multiplied by some hundreds per cent.; and, consequently, it would be impossible to sell beet sugar on such a basis as would enable it to regain the position it formerly held in the European markets.

Although the War had ended and Germany had to be regarded as no longer a probable customer, the Chilian nitrate industry had to devise means whereby it could continue operations. Prices during the War had become so extravagant that it was evident that purchasers either in Europe or elsewhere of nitrate for fertilising purposes would not, and could not, afford to pay the figures demanded. For a time the industry almost ceased altogether; but as it had made enormous profits during the War period a short breathing-space was rather welcomed than otherwise, and made no real difference to the prosperity of the industry. Nevertheless, such a state of things cannot be allowed to continue indefinitely. In Chili, as elsewhere, the cost of living had advanced, and, consequently, the cost of production, wages, and so on had enormously increased, and it was impossible to sell nitrate on anything like the economic basis which had been customary in the years before the War. A somewhat curious and roundabout system was resorted to to get over the difficulties with which the industry was menaced. Doubtless if freightage accommodation had been free, even at an enhanced value, as it was before the War, the industry would have come to some arrangement amongst its various members whereby either restriction of output, or a fixed selling price, or some other agreement, would have been arrived at. As things were, freightage accommodation neither was, nor is, free; and, consequently, the industry decided to approach the Government on the matter. At first, a proposal was made whereby the industry should be entirely controlled by the Chilian Government. But the objections and difficulties experienced by the different industries in the various belligerent countries had amply demonstrated the disadvantages with which Government control was attended, and neither Chilian-owned companies nor foreign-owned companies desired to put themselves entirely in the hands of the Government whereby they could neither raise nor sell a quintal, or, in fact, do anything in connection with the industry without the express approval of the Government at Santiago. It has to be remembered that it was the industry which approached the Chilian Government and not the Chilian Government which came down with the heavy hand of authority upon the industry. Consequently, the Government was in no way to be criticised in the matter; and, in fact, it acted with very commendable discretion in the matter. Of course it has to be remembered that the nitrate industry is the most important single industry in Chili. It furnishes something like two-thirds of the exports of the country, and it supplies the Government, in addition, with half its revenue. Nevertheless, it is only fair to say that the Chilian Government met the nitrate industry in as fair a spirit as could reasonably be expected from a Government which had been approached by an industry for assistance. In the sequel an arrangement was arrived at whereby, under the partial control of the Government, the industry itself formed a kind of central bureau. This central bureau, or committee, controlled the output of the various companies. And, in addition, it arranged with and virtually fixed the selling price of nitrate to the various customers in Europe and in North and South America. Hardly sufficient time has yet elapsed under the new agreement, to which we referred very briefly when it was first mooted some few months ago, to enable us to judge of its effect on the industry. On the whole, whether in consequence of the agreement, or in spite of the agreement, the sales have been very considerable, bearing in mind the difficulties under which they have been carried out. Of course the prices obtained were nothing like the extravagant figures which were realised during the War. But, on the other hand, they have yielded a very fair profit to those companies which are economically managed, and particularly to those oficinas which are favourably situated for obtaining rapid and cheap transportation facilities. Practically the scheme resolves itself into a restriction of output, which, in fact, was inevitable in any case owing partly to the reduction in demand occasioned by the cessation of the War, but also to the difficulty of obtaining adequate freightage accommodation. Supplies both in Europe and in Chili were well above what the probable demand would justify, and any attempt to increase output would have meant congestion at the West Coast ports. Efforts have been made by the Committee controlling output to attract purchasers both in Europe and in North America, and we understand with a large measure of success. At any rate, experience seems to show, as we have just said, that whether owing to the efforts of the Committee, or in spite of the restrictions, sales on the whole have been at least as favourable as could have been expected.

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Financial Notes.

ACCORDING to this week's *Board of Trade Journal*, the total output of coal in Great Britain during the week ended December 20 amounted to 4,910,106 tons. This, it will be seen, is a close approximation to the 5 million tons level, and gives reason to hope that it will soon approach the 5½ million tons which we were accustomed to obtain from the pits in the pre-War period. As we said recently, it is desirable, if possible, that even the pre-War figures should be exceeded, as there is great need of coal, not merely for our own works and for domestic consumption in this country, but for our Allies in Europe. The present is not a time to consider the desirability of exporting coal. It is more important at the moment to assist our Allies in the late War in their difficult period of reconstruction. Moreover, it is of the greatest importance that we should increase our own exports as far as possible, and endeavour to put ourselves into such a position as will enable us to pay off at least some portion of the heavy floating debt which is now weighing upon the market. The funded debt is sufficiently alarming, but we cannot enter into that question here. To obtain means which will enable us to liquidate at least some portion of the floating debt would very materially assist trade, as while the Money market is compelled at constantly recurring periods to renew the various obligations of the Government it is not in a position to assist trade to the extent that would be desirable.

The largest amount of coal raised during the week ended December 20 was obtained from the fields of South Wales and Monmouthshire, amounting to 997,313 tons. The next largest was from the fields of Yorkshire, amounting to 800,147 tons. Then came Scotland, with 679,908 tons; then Durham, with 676,015 tons; and then Derby, Nottingham and Leicester, with 586,998 tons. There has now been a steady increase in the coal output since the middle of October. It will be remembered that in the middle of the summer the output fell to as low as 2½ million tons per week. Early in August this was improved to over 5½ million tons; and although there was a fall again in the middle of August there was a steady increase more or less well maintained up to the end of September. Then came the railway strike, and in the first week in October the coal output again fell to well below 3 million tons per week. There was a recovery in the week ended October 11, and from that date on there has been practically, with one or two exceptions, a steady improvement up to the present time, when, as above stated, the total output amounts practically to 5 million tons per week.

Writing even so recently as last week, we should have said, on the knowledge possessed at that time, that we should have been amply justified in saying that practically this country is wholly dependent for heat and power upon coal. It was necessary to urge all those concerned in the production of this fuel to do what they could to increase the output, and, for that matter, it is still necessary for everyone who can hope to influence public opinion to do what in him lies to increase the output of coal. But the announcement this week by the Chairman and the technical engineers of the English Oilfields, Limited, at the annual meeting of the shareholders, held on Tuesday at the Institute of Chartered Accountants in London, appears to give ground for hope that we may not be so wholly dependent upon coal as a source of heat and power as was felt to be the case even so recently as the time when we went to Press before the Christmas holidays. Of course, the reader will bear in mind that it is very early days to jump to conclusions, and we must warn our readers not to be too optimistic. It will be clearly understood that the discoveries, if they prove to be discoveries, of the enormous shale deposits which the technical experts of this Company believe they have made are still in the experimental stage, and the Company has yet to win the immense quantity of oil which it believes itself to be in a position to do. For the Company, if it is successful, it will, of course, mean a great fortune, and it will enormously benefit its shareholders. But the success of the discovery, if it proves to be justified, is of far wider application than the personal welfare of the shareholders of a particular Company.

The cost of production in every direction in this country is going up, and it is evident that if we cannot find some means which will counteract this tendency our prospects of maintaining anything like the economic position we held previous to the outbreak of the recent European War will be increasingly problematical. Wages have risen in every branch of industry. But it is doubtful even yet if, with certain exceptions, the purchasing power, even of the very high wages which are now paid, give the worker a greater command of actual purchasing power than was the case before the War. Practically, the Treasury note is regarded as about half, or a little less than half, of the value of the old English sovereign, which most of us see so rarely in these times. If that estimate be accepted it is evident that a wage of £2 per week only gives the wage-earner the same command, or somewhat less command, of the power of purchasing commodities as he had for £1 in the pre-War period. His employer, even if he can obtain a profit of 20%, only has the purchasing power which he enjoyed from a 10% profit in the pre-War period. Consequently, a mere increase in wages and profits does not necessarily mean that either the wage-earner or the profit-earner really are better off, in spite of the fact that in money values they have a largely increased income.

What we all want is increased purchasing power of commodities because we cannot eat Treasury notes. Neither are they, even if we had enough of them, suitable for material for the making of garments. Neither wages nor profits can be materially reduced with the present high cost of living. The wage-earner will feel that he may just as well be idle as work for a wage which will not enable him to feed himself adequately, and wear sufficient clothes to keep himself

well protected from the weather; while the employer will have no inducement to enterprise unless his profits are adequate to the outlay and time given in superintendence of the business he undertakes to conduct. Consequently, while the cost of living remains as it is at present, extravagant costs of production are inevitable. Hence it is of the highest importance to find, if possible, some means whereby we can reduce the extraordinarily heavy cost of production which is threatening every industry in this country at the present time.

Just at present the world is recovering from a period extending over nearly five years when production practically ceased, and when destruction was going on upon a colossal scale. Consequently, there is just at present room for production upon a great scale even though production be carried on upon an unsound economic basis. But the reader will readily appreciate that this state of things cannot last indefinitely. To give an illustration of what we mean, we were told quite recently by a well-known manufacturer in a certain industry that during the period of the next eighteen months or two years his customers would have to take practically what it was most convenient for his factory to turn out, so great was the need for this particular material which his factory was able to make. We asked if the public would never be able to get what they really wanted in the particular line in which he was interested. The manufacturer replied that within two years most of the factories, both here and abroad, engaged in the manipulation of this particular industry would be sending out commercial travellers and offering to make almost any variety or pattern which would be likely to attract purchasers. We take it that this remark applies practically to all branches of industry, and is not confined to the one particular trade which we were discussing on that occasion.

When, therefore, the time comes that the world has made up its heavy losses sustained during the prolonged period of the late War, and production has more or less overcome consumption, it is perfectly evident that the country or countries which can produce upon a sound economic basis will forge ahead at the expense of those which are handicapped by high and extravagant costs of production. England owes the position economically which she has so long enjoyed to the fact that in the middle of the eighteenth century she developed cheap power in the form of coal and cheap labour in the form of machinery. We beat France, our only competitor in those days, in the struggle for the trade of North and South America, and also in the struggle for the trade of India and the Far East, and we did it because we had developed power and machinery, as already stated, while France had neglected to do so and had consequently to forego her economic advantages. France has been so preoccupied with political experiments during the past century and a half that even yet she has not fully developed her economic resources. While she has not the coal which is found in this country, she has an extraordinarily cheap source of power in her waterfalls to an extent that we do not enjoy here.

We showed some months ago that since the War very serious efforts have been made to estimate the value of the water-power resources of France, and that to a certain extent advantage has already been taken of these great resources. At present, however, only a small proportion of the water-power of France has been utilised for economic purposes. It is to be hoped that she will now, feeling herself secure from attack from her neighbours, will devote her attention to the development of her economic resources. In this great water power which she possesses she has an asset which should give her enormous advantages in increasing her manufacturing output in the future. If the forecasts of the technical expert of the English Oilfields, Limited, are realised, we have, at any rate in Norfolk, and presumably in other parts of the United Kingdom, an alternative source of power to that derivable from coal. The Managing Director of the Company, Dr. Forbes-Leslie, who is a distinguished geological expert, stated that, in his opinion, there was sufficient evidence already obtained to allow of a conservative estimate—the Doctor added, "a very conservative estimate"—to be made as to the tonnage available for treatment in the property of the Company. Dr. Forbes-Leslie stated that the Company's engineers are working on the seventeenth boring, though it has not yet been completed. But sufficient data has been obtained to enable the engineers to estimate, from the borings already made, that they are within sight of 2,000 million tons of shale, and it is further estimated that this shale has an average content of from 30 to 60 gallons of shale per ton raised.

ECUADOR.

The proposal to build a railway which will not merely connect the Andean region with the coast lands, but will open up the eastern, or Andean, provinces, which, we learn by cable, has been actually approved by the Government provided the money can be found, would, of course, prove of extraordinary advantage to the economic development of the Republic. Ecuador is that little wedge of country which lies between the vast Republics of Colombia and Peru. It partakes of the nature of Colombia and Central America rather than that of what are commonly known as the West Coast States. It is a true tropical region both on its Pacific coast and on the Andean side. The desert regions which are characteristic of its southern neighbour do not affect, and as far as we know never have affected, Ecuador. It is naturally one of the very richest parts of South America, having practically no desert, two regions of exceptionally fertile tropical area, and a plateau region very much in the nature of the great plateau, only, of course, much smaller—of Peru. The capital, Quito, the old capital of the Cara Empire, is situated on this plateau. But apparently in ancient times the whole of Western Ecuador, which is now the scene of the cocoa industry, was quite healthy. Apparently, the ancient people had a very much better appreciation of the importance of dealing with tropical diseases than was the case with the European invaders until the brilliant discoveries of American and British chemists showed us how to deal with malaria and yellow fever. Ecuador possesses in the forest region some remarkable memorials of antiquity. There seems no reason to doubt from the traditions of the remote past, which were preserved by Ecuadorean and Jesuit chroniclers in the sixteenth century, that Ecuador was highly civilised, in the sense that Peru itself was highly civilised, in a period long anterior to the rise of Peruvian civilisation itself. It has to be remembered that when we talk of civilisation, like almost all human institutions, one has to define what one means. Peru, Ecuador, Northern Chili, Colombia, and, in fact, the greater part of the north-west of South America, had made extraordinary advances in civilisation, perhaps in a sense that we are in our day peculiarly able to appreciate. The civilisation was almost entirely confined to the development of the mechanical arts of peace. They were manufacturers, producing fabrics with very little machinery that appear to have been at least equal to anything that we are able to produce at the present time. They appear to have been very successful traders. Traders they were, but with very little of the maritime enterprise which has characterised European and Asiatic traders from remote antiquity, as their very imperfect acquaintance with affairs outside when the Spaniards invaded them amply demonstrates. They were, however, accustomed to travel on the sea,

and the peculiar nature of the Pacific Ocean in those regions enabled them to travel with extraordinary facility in the peculiar kind of boats which they were accustomed to construct, which, in fact, were simply glorified rafts. Those who know the west coast ports will have noticed that the native still uses what we have described for convenience as a glorified raft. Unless the ancient chroniclers exaggerated them, these rafts as used by the well-to-do natives, say in Pizarro's time and for some time afterwards, were very superior to the rafts which we now know. Nevertheless, they were rafts, as distinct from ships; and, as far as we can make out, they had no notion of navigating their ships for any considerable distance except in close proximity to the coast. They had, apparently, no compass, and would, consequently, have been hopelessly lost at any distance from the shore. Moreover, with such a bark as they were accustomed to use it is exceedingly doubtful if they could have got to any considerable distance beyond the shore.

The point, however, to which we desire to direct attention at the moment is the importance of the railway scheme now being considered in the Republic, and for which capital will be sought, no doubt, in Europe as well as in the United States. The total area of Ecuador is a little under that of the United Kingdom. Exactly what the area of the country is it is not possible to say until the boundary disputes with Peru are settled. But it may be said for convenience that the area of Ecuador is anything between 115,000 and 120,000 square miles.

As is the case with nearly the whole of South America, the great difficulty of Ecuador is its inadequate population, and, of course, its lack of transportation facilities. With an area approximating within a few thousand square miles that of the United Kingdom the total population of Ecuador, as far as the census figures can be relied upon, is just under a million and a half, and something like 70% of the population are native Indians. Of course, it has to be remembered that these Indians are descended from the ancient Cara people, who, as we have already said, were amongst the most civilised, most advanced, and most readily adaptable of any people found on the South American continent when Pizarro settled the country in the early years of the sixteenth century. Ecuador had suffered even more than Peru from the civil wars that preceded the Spanish invasion. Doubtless, too, the Ecuadorian people were oppressed. In fact, it can hardly be doubted that they were oppressed, and grievously oppressed, by the Peruvians. But they were still more oppressed by the Spanish invaders. Certain it is that the Ecuadorian Indian, in spite of his ancestry, and in spite of his traditions, has been steadily going downhill for fully four centuries, and there seems very little hope that Ecuador will make any material advance without the assistance of immigrants from overseas. This, of course, will only be practicable when the country is really opened up by means of improved transportation facilities. At present, as we have said, Ecuador is essentially a rich tropical country. It will be readily understood that under such conditions even such roads as exist in Peru do not exist, and could not exist, in Ecuador. Owing to the heavy rainfall they would require an expenditure to maintain which is quite beyond the economic resources of so small a population as that contained in the Republic. There is a railway, such as it is, connecting certain regions between the capital and the coast. No doubt it will be absorbed when the proposed project develops, with the object of opening up the country not merely to trade on the Pacific, but to trade with the Amazon. There is a road between Quito and Guayaquil, but it is not, and never has been in modern times, kept in proper repair. Of course, it has to be admitted that keeping roads in proper repair in a country like Ecuador is a very difficult proposition. Ecuador offers extraordinary advantages to capital, labour, and enterprise. But it offers those extraordinary advantages because, as we have just said, it is a rich tropical country. In order to derive profit from these advantages it would be necessary to make the country sanitary; to have an adequate, and even an abundant, supply of labour and capital to develop the country to a really great extent, which would mean a population many times that which exists in the Republic at present, would mean transportation facilities upon a great scale, and would mean the practicability from an economic point of view of maintaining roads, and so on, without placing an undue burden upon the economic resources either of the individual or of the people of the Republic taken as a composite whole. With a population of some 1,300,000 or 1,400,000, extending over an area bigger than Great Britain, and nearly as big as the whole of the United Kingdom, this is not practicable. Meanwhile, the only practicable project, if it could be carried out, would be the development of a railway system. No known means of transportation is so cheap and so efficient as the railway. Ecuador, of course, is not an easy country for the building of railways, as it involves very steep gradients immediately the coast lands are left.

At present, practically the whole trade of Ecuador is that of cocoa. Ecuador raises a million cwt. of cocoa, a large proportion of which she exports. Until the recent developments in our own colony on the West Coast of Africa, Ecuador was by far the largest individual producer of cocoa. And even now, so far as the Republic is concerned, the production of cocoa is the one thing upon which Ecuador lives. The War has, of course, developed the cocoa industry in Ecuador. But there can be no reasonable doubt that with proper transportation facilities, and, above all, proper sanitary regulations, the cocoa industry in Ecuador is capable of expansion to an extraordinary extent. Cocoa appears to have been grown in Ecuador from time immemorial. The soil appears to be naturally fitted for the growth of cocoa to an extent that can be said of very few other areas of the world. The great difficulty of the planter is the bad sanitary arrangements throughout the cocoa-growing area, and particularly at the port of Guayaquil. Guayaquil is naturally one of the finest harbours in the world. Recently, particularly during the War, serious efforts have been made by the authorities to rid the port both of yellow fever and of malaria. But until quite recently, and certainly before the War, it was a common thing for Guayaquil to be boycotted by steamers for months together because they were in danger of not being received at any other port if it was known that they had entered Guayaquil. How important is the cocoa industry will be appreciated when we say that the value of the cocoa exports amounts to something between 2½ and 2¾ millions sterling, whereas the value of the exports of Panama hats, the next important industry, is considerably under a quarter of a million, and the value of the exports of vegetable ivory, the next in importance, and one which, of course, is capable of very great development, is, according to the figures before us, under £200,000 a year. Owing to the lack of transportation facilities the mineral resources of Ecuador have been hardly developed at all. We believe that an English company is engaged in the working of a petroleum well to some small extent. But the country is rich in copper, in gold, and in coal. It also has rich silver mines, which were worked in ancient times. As we have said, the country is rich in coal, and is also rich in iron deposits. Possibly one of the most promising fields, if the railway project materialises, would be the exploration of the coal and sulphur deposits of Ecuador, which, if the estimates which have been made in the past can be translated into realities, would quickly rival the famous deposits of the island of Sicily.

ECONOMIC AUSTRALIA.—III.

We give below the concluding figures of our series of articles on economic Australia. We have given in previous articles the population and area and the cereal crops raised in the Commonwealth. We give to-day tables showing the livestock, of which, of course, in Australia sheep are by far the principal asset. We give also the wool produced in the Commonwealth over a series of years. Then we give dairy produce, and it will be noted what an extensive business this has become. We show how large is the supply of butter raised in Australia, the aggregate of cheese produced, and the quantity in pounds weight of bacon and hams. In the next table will be found the value of the output of the manufacturing industries. This is followed by a table showing the value of the overseas trade as well as the quantities of the principal exports. We conclude the table with the figures of the amount of taxation raised in the Commonwealth and with the total of the public debt.

What will principally strike the reader is the enormous amount of produce raised, particularly when it is remembered that all this work has to be done by a population which, according to the last census, but slightly exceeded 5,000,000. It may be remembered that last spring we published a series of tables giving the livestock population of the world. These tables were compiled from official figures augmented by information obtained from private sources. They were only, however, completed to the last clear year before the outbreak of the great European War.

In that table we estimated the total world's sheep population at 612,000,000 fleeces. Of this amount at that period, from information we were able to collect, we estimated the total number of fleeces in the Commonwealth at 81¼ million fleeces. If we add the total for New Zealand to the figures we published at that time we get a total exceeding 106½ million fleeces, or roughly one-sixth of the total number of fleeces estimated to exist in the world. It has to be remembered that Australasia, taken as a whole, produces the major part of the world's supply of wool. It is because Australia and New Zealand form part of the British Empire that that Empire enjoys a virtual monopoly of the world's raw production of wool. Roughly, some 80% of the world's total wool production is raised within our Empire. The balance comes chiefly from South America, and mainly from Argentina and Chilian Patagonia. Moreover, the British Empire enjoys the advantage that for the manufacture of higher-grade cloths the use of wool obtained from some part of the British Empire is almost a necessity. It will be seen that the effect of the War was greatly to reduce the production in pounds weight of Australian wool. This, of course, was inevitable as a result of the extraordinary demand occasioned by the War. The European Governments could not rest until they had got as many people fit or unfit into khaki as possible, and since the demobilisation there had been an equal hurry to get them back into civilian clothes again. Such a course was bound to have the most serious influence upon the wool markets of the world, to inflate prices extravagantly, and to reduce the number of fleeces available for the international markets.

Australia is not, of course, a great cattle country, and the figures which we give of some 12,000,000 is slightly less than the cattle population of these islands. Of dairy produce it will be seen that while Australia produced altogether 200½ million lb she was able to export 72¼ million lb. One of the most striking features of the export figures the reader will note is the very large proportion of the total production which the country is able to export. She exported very nearly a quarter of the wheat she produced, and until freightage facilities were withdrawn very nearly two-thirds of the total amount of wool raised in the island continent.

A feature of the table which will strike the reader is the high level of taxation, whether we take it in the aggregate or per head of population. The total debt of some £392,000,000 appears a small sum compared with the vast figures to which European nations have become accustomed as a result of the recent War. Nevertheless, it is a debt that has to be borne by a population not a great deal larger than that of the Administrative County of London. It is half the debt that this country owed at the outbreak of the recent War, and it works out at £76 per head of the Australian population.

Principal Australian Live-stock.

Year.	Sheep.	Cattle.	Horses.	Pigs.
1912	83,263,686	11,577,259	2,408,113	845,255
1913	85,057,402	11,483,882	2,522,776	800,505
1914	78,600,334	11,051,573	2,521,272	862,447
1915	69,257,189	9,931,416	2,377,920	753,693
1916	76,668,604	10,467,737	2,437,157	1,006,387
1917	84,965,012	11,956,024	2,198,940	1,168,989

	Wool Produce (Commonwealth).	Dairy Produce.		
Year.	Lb.	Butter. Lb.	Cheese. Lb.	Bacon & Hams. Lb.
1912	726,408,625	187,194,161	16,160,491	54,192,175
1913	648,851,913	198,758,238	19,743,415	52,673,688
1914	711,131,203	193,970,412	21,240,411	52,574,902
1915	642,734,725	137,672,313	15,829,226	43,130,883
1916	550,604,675	182,470,778	25,408,872	51,374,776
1917	547,702,295	200,497,014	27,430,805	64,911,047

Manufacturing Industries.—Value of Output.

1912	1913	1914	1915	1916	1917
£	£	£	£	£	£
148,775,407	161,560,763	166,450,508	169,086,700	172,574,845	206,386,646

Overseas Trade.

Year.	Imports.	Exports.	Excess of Exports.
	£	£	£
1901	42,408,548	49,685,509	7,276,984
1902	40,678,238	43,915,222	3,236,984
1903	37,811,471	48,250,112	10,438,641
1904	37,020,842	57,485,915	20,465,073
1905	38,346,731	56,841,035	18,494,304
1906	44,744,912	69,737,763	24,992,851
1907	51,809,033	72,824,247	21,015,214
1908	49,799,273	64,311,058	14,511,785
1909	51,171,896	65,318,836	14,146,940
1910	60,014,351	74,491,150	14,476,799
1911	66,967,488	79,482,258	12,514,770
1912	78,158,600	79,096,090	937,490
1913	79,749,653	78,571,769	−1,177,884
1914*	39,777,497	37,930,087	−1,847,410
1914–15	64,431,837	60,592,576	−3,839,261
1915–16	77,521,142	74,778,321	−2,742,821
1916–17	76,228,679	97,955,482	21,726,803
1917–18	60,822,164†	75,035,222†	†14,213,058

* First six months only. † Excluding gold.

Principal Exports—Quantity.

[000's omitted] Year.	Butter. Lb.	Flour. Tons.	Wheat. Bushels.	Wool.— Greasy. Lb.	Wool.— Scoured. Lb.	Mutton & Lamb. Lb	Beef. Lb
1905 ...	55,904	154	24,648	380,420	56,775	86,858	43,525
1906 ...	75,765	166	30,262	415,353	64,889	90,692	41,561
1907 ...	66,076	163	28,784	512,756	72,318	109,227	52,050
1908 ...	51,193	116	15,027	471,832	70,915	91,607	40,711
1909 ...	55,644	129	31,549	529,020	74,082	116,916	71,142
1910 ...	87,894	139	47,761	587,090	78,178	190,229	109,427
1911 ...	101,722	175	55,147	578,823	71,770	129,569	108,786
1912 ...	66,679	168	32,604	557,832	63,254	115,371	142,210
1913 ...	75,795	221	42,922	531,434	64,450	204,931	218,918
1914–15...	54,021	53	4,210	443,953	64,949	193,263	292,066
1915–16...	16,722	146	28,621	408,631	79,879	38,343	114,676
1916–17...	74,878	290	55,278	333,213	56,686	66,912	242,081
1917–18...	72,277	373	22,981	242,901	67,100	19,175	180,249

Taxation.

	1912	1913	1914	1915	1916	1917
	£	£	£	£	£	£
Total C'wealth and States	21,496,261	22,183,041	22,892,742	23,870,991	31,675,275	33,507,483
Total per Head ...	£ s. d. 4 14 1	£ s. d. 4 13 9	£ s. d. 4 14 0	£ s. d. 4 16 7	£ s. d. 6 8 5	£ s. d. 6 17 5

Commonwealth Public Debt, December 31, 1918.

	£
Commonwealth Inscribed Stock (3½%)	4,580,000
Commonwealth Inscribed Stock and Bonds (4½% and 5% War Loan)	185,949,950
Commonwealth Inscribed Stock and Debentures (Loan raised for States), 5½% and 5½%	16,750,000
Commonwealth Treasury Bills	7,142,990
Commonwealth War Saving Certificates	5,110,546
War Loan from British Government	49,082,059
South Australian Debt transferred—	
On account Northern Territory	2,433,108
,, Port Augusta Oodnadatta Railway	1,759,003
Indebted to the Imperial Government for expenses of A.I.F. ...	38,345,000
Total	311,152,656
Value of properties transferred from States	11,202,515
Deferred Military Pay	10,309,908
Total	332,665,079

Debt (all States).

[000's omitted]	1913	1914	1915	1916	1917	1918
	£	£	£	£	£	£
Amount ...	294,172	317,509	342,926	357,814	372,518	392,540
Per Head	61·5	64·5	69·2	73	76·1	78·8

THE IRISH WOOL TRADE.

SHEEP-BREEDING in Ireland does not receive quite the same amount of attention as that devoted to cattle and horses; it, however, possesses the characteristic that it is much more universally carried on throughout the whole of the country. The industry, however, betrays a tendency to diminish in importance, and regarded, at least from the wool factor's point of view, this is a matter of regret. Considered in itself the decline in the sheep population during the War is natural enough bearing in mind the abnormal conditions that prevailed. A glance at the returns, however, indicates that the sheep flocks were diminishing over a long period prior to the War. In 1900 the number of sheep in Ireland stood at 4,286,876; a fall to 3,828,829 was shown for 1912; and, still on the downward grade, the number returned in 1918 was 3,627,178. It is worthy of notice that midland purchasers of sheep had an unpleasant experience in the last-named year, and were forced to dispose of their purchases in the following spring at less than cost price. The abandonment, so far as it has gone, of the rearing of sheep does not apparently arise from the fact that the country is in any way unfavourably situated in that respect. The mildness of the climate ensures a longer grass season than can be calculated upon in most parts of the United Kingdom. In the lambing season in early spring there is rarely the same frost or snow as has to be faced in Great Britain, consequently the lambs do not need much extra care or attention, so far as artificial foodstuffs are concerned, until they are fit for the market. One explanation for the decline may proceed from the fact that, owing to the operations of the Land Purchase Acts, the land is gradually being split up into smaller holdings. Small farmers, it will be easily understood, are not inclined to maintain the same number of sheep as farmers on a larger scale. The latter will be disposed, especially on account of lack of labour, to utilise comparatively poor land for sheep grazing, while the farmer better provided as to labour will prefer to bring his proportion of poor lambs under cultivation. Then, too, the small farmer is not able to give his sheep that "large run" which is so essential for the raising of a healthy flock. Possibly sheep-breeding would extend if the smallholder were better acquainted with the feeding value of such crops as sainfoin and rape. As showing the distribution of sheep and other live-stock per 1,000 acres of total area of the various parts of the United Kingdom in 1916, the following table is instructive:—

	Cattle	Sheep	Pigs
Ireland	214	185	63
England	187	434	62
Scotland	63	370	8
Wales	171	847	40

The amount of wool produced in a country depends in the main upon three factors: the number of sheep, the weight of the fleece, and the yield of the wool. Sheep statistics do not, however, constitute a very reliable guide to wool production; the weight and yield of the fleece are the most important points. It is stated that in some parts of South Africa wool yields as low as 18%, while, on the other hand, some varieties scoured in the same country yield in this country up to 105%—moisture having been absorbed by the wool during the voyage. The yield from British wool varies between 70% and 85%.

The amount of wool consumed annually in the United Kingdom reaches huge proportions; for the two years 1917-18 it was estimated at 680 million lb. The home-grown supply, which was, of course, quite inadequate to fill the huge demand, recorded 120 million lb. last year, the Irish proportion being reckoned between 13 million and 15 million lb. Before the War the desire of producing a good quality wool had been lost sight of to some extent in Ireland owing to the low prices ruling as a result of foreign competition. The uncertainty and scarcity of colonial supplies and the high prices now prevailing for this sheep product will probably cause more attention to be paid to this point in the future. The production of good mutton has, of course, been the first object of the breeder, but this should not preclude him from aiming at an improvement of the size of the carcase and the quality of the wool. Skilful breeding and feeding have generally given the Mountain and Cheviot wools of Scotland an advantage over similar Irish wools in the market. That careful attention to the animals pays is also evidenced by the marked advance brought about in the clothing properties of German wool long before the War. Some of the varieties of wool obtained from the North of Ireland are of a somewhat low grade, and the Border Leicester and Lincoln wool is often considered too long and coarse in texture. Much of the Irish wool is, however, a long-stapled variety and specially adapted for making fine worsted and fine threads; in fact it may be used generally for the finer and lighter woollen textures. It is this long-stapled, bright variety, known as a combing wool, that most of the Irish flocks of any note produce. On the other hand, the short soft staple is used as a clothing wool by many of the Irish manufacturers. The coarser grades of Irish wool are well adapted for the manufacture of carpet, felting, and coarse clothing materials. Largely, however, the production of good mutton is the guiding principle of the Irish farmer. Some of the mountainous districts maintain a breed of small sheep yielding wool of a silky character, which renders it appropriate for all those uses where softness of texture and finish is an advantage. The chief value of such sheep lies in their wool, as naturally their small size makes them of little use for mutton. This branch of sheep-farming is not widely undertaken in hilly districts. In the mountainous areas of the West of Ireland, a great sheep country, the graziers of the lighter lands rear the animals to two or three years old and then sell them to the eastern, midland, or southern graziers for fattening off or for serving as ewes for breeding purposes.

The British market is accustomed to receive every year a considerable proportion of the Irish wool clip. Circumstances are, however, at work modifying the direction of this particular trade. During the past few years the demands made upon the country for clothing for military and civilian purposes were greater than ever before experienced in the history of the textile industry. Woollen manufacture in Ireland received a considerable fillip, and the capacity of the existing factories was taxed to the utmost to fill the many orders received. Raw material was scarce, consequently home-grown wool was utilised on a scale never approached for a lengthy period. In normal times it was estimated that only 15% of the Irish clip was consumed in Ireland; the percentage is now stated to be much greater. The exports of wool from Ireland amounted to 6,618,416 lb. during the eight months March-October 1919. Comparing the periods embraced by July-October 1913 and 1919 the exports have fallen from 4,991,812 lb. in the former period to 3,695,440 lb. in the latter. Comparative data for the three months ended October of the years 1913, 1918, and 1919 are given in the following table:—

Year	August	September	October	Total
	Lb.	Lb.	Lb.	Lb.
1913	1,032,240	841,120	666,984	2,490,344
1918	1,788,220	634,612	1,111,544	3,533,376
1919	1,175,336	826,192	765,104	2,767,632

The above table shows that the export figures for August-October 1919 have increased as compared with 1913. It is, however, generally anticipated that the complete returns for 1919 will indicate a falling off. While the desire to utilise a greater proportion of the Irish wool clip at home is a satisfactory sign of the times, it is needless to point out that the Irish mills will, in the same manner as every woollen-manufacturing country in the world, be always forced to import foreign wools for blending and other purposes.

American Topics.

UNITED STATES CROPS.

According to statistics published by the Crop Reporting Board of the United States Department of Agriculture, the area sown under winter wheat this autumn was 38,000,770 acres. This is 23% less than the revised estimated area sown in the autumn of 1918, when the total area closely approached 50½ million acres. On December 1 last the condition of winter wheat as estimated by the Board was 85½. This compares with 98½ on December 1, 1918, and 79 on December 1, 1917, the 10-year average being 89½. The total area under winter wheat we have already given, but the largest area under winter wheat was in the State of Kansas, where the total acreage exceeded 9 millions, being 79% of the acreage under the same crop last year. No other State had anything like this amount under winter wheat, the nearest approach to it being the State of Nebraska, which had 3 million acres under winter wheat. This was closely followed by Ohio and Illinois with 2,426,000 and 2,404,000 acres respectively. The smallest was the State of Nevada with 3,000 acres. The total acreage under spring wheat was 23¾ million acres. The total of all wheat was 73¾ million acres. The total estimated value exceeded 2,000,000 dollars. The total acreage under all crops throughout the Union amounted to 359,000,000 acres, and the total estimated value of these crops exceeded 14,000,000,000 dollars.

FIRST NATIONAL BANK OF BOSTON.

According to the trade reports of this Bank the exports of the United States have during the past year been at the rate of $600,000,000 a month, while the imports were only about $350,000,000. This favourable trade balance for the United States, says the Bank circular, amounting to nearly $4,000,000,000 during the fiscal year, has been the dominant factor in producing the present foreign exchange situation, sterling having fallen below $3.70 and francs nearly 12 to the dollar. Such rates of exchange in reality constitute a very high tariff on purchases made in the United States by countries having such unfavourable rates.

The Bank clearly realises that such levels cannot be maintained unless the United States or its traders are prepared to make loans to Europe. This is, of course, evident, but it is doubtful if the sound economic policy for Europe would not be to restrict its purchases in the United States to the smallest amount possible.

AMERICAN TRADE IN ASIA.

The National Shawmut Bank of Boston, in its Annual Review, states that during the past four years imports to Asiatic countries have increased by 350%, while the United States has imported goods to the increased value of 250%. Taking China, Siam, the Straits Settlements, Hong-Kong, Indo-China, and the Dutch East Indies, the Bank estimates the area at 80% greater than that of the United States, with a population four times as large. This area presents some of the greatest varieties in climate to be found in the world, while its natural resources are enormous. The Bank estimates the total area of the four principal divisions at 5½ million square miles, the population at 409 millions, and the total trade at $1,500,000,000. During the War the trade of the United States in the Far East has multiplied four times over. The figures for imports in this enormous aggregate represent purchases of various products of the Far East, which before the War were obtained through Great Britain and other foreign countries. The Bank urges that these purchases should be made direct with the countries of origin. This appears at first sight perfectly sound reasoning, but it is not necessarily so from the economic point of view. The period covered was during the European War, when such imports could not be obtained from foreign sources. It does not follow that it will be necessarily sound policy to obtain the goods direct in the future. Provided, of course, United States trading vessels could obtain a cargo both ways it might be sound policy, but if ships had to be sent out to China in ballast in order to bring home goods the policy might prove a very expensive one. The advisability of such a policy will depend upon the price at which mercantile tonnage can be constructed in the United States, and whether the United States trader can or cannot secure cargoes at remunerative rates for the double journey.

Lazard Brothers and Company.—We are asked to call attention to the fact that, as from the 19th inst., the business of this well-known Anglo-French firm of merchant bankers is to be transferred to a private limited Company under the title of Lazard Brothers & Co., Ltd. The house is an old one, having commenced operations in the United States so long ago as 1849. The partners at present consist of Sir Robert M. Kindersley, K.B.E., M. Emile Pusch, and the Hon. R. H. Brand, C.M.G., of London; while MM. Michel E. Lazard, Andrè Lazard, David Weill, and Thibault Cahn control the Paris section of the business We understand that the issued capital of the new Company will be £3,375,000, of which two-thirds will be paid up, leaving £1,125,000 uncalled. The Managing Directors will consist of the three former London partners, with the addition of Mr. Granville Tyser; while the remaining directors will be M. Andrè Lazard (with an alternate director in M. David Weill), of Messrs Lazard Frères et Cie.; and the Hon. Clive Pearson, of S. Pearson and Son, Limited. The head office of the Company will be 11 Old Broad Street, E.C. 2. The Company will maintain its present intimate relations with Messrs. Lazard Frères et Cie., of Paris, and with Messrs. Lazard Frères, of New York; and will in all respects continue business as hitherto. In this connection we may mention that a notice has appeared in the Press to the effect that a new Trust Company, known as "The Whitehall Trust Company," was to be formed, to commence operations in April next. This Trust Company, we are informed, will have a capital of £2,000,000, all of which has been privately subscribed. It is quite distinct from the business of Messrs. Lazard Brothers & Co., Ltd., with an entirely distinct capital. Sir Robert Kindersley, the senior Managing Director of the latter Company, however, will be also Chairman of the new Company.

Molsons Bank.—According to the report just to hand, this Canadian Bank, which is one of the oldest institutions in the Dominion, achieved further substantial progress in the year ended September 30 last. As from the commencement of 1919 the dividend on the paid-up capital of $4,000,000 was raised to a 12% basis. This calls for the distribution of $480,000 per annum. The net profit for 1919 amounted to $818,802, and this has been dealt with as shown below:—

Profits of the Molsons Bank.

Year to Sept. 30	Net Profit.	Taxes.	Dividends.— Amt.	Rate.	Balance.	Special Allow'ns.	Carried Forward.
	$	$	$	%	$	$	$
1919 ...	818,802	85,000	480,000	12	253,802	236,396	275,436
1918 ...	712,485	—	440,000	11	272,485	176,282	248,029
1917 ...	615,515	—	440,000	11	175,515	151,308	151,827
1916 ...	582,356	—	440,000	11	162,356	36,038	127,620
1915 ...	556,194	—	440,000	11	116,194	96,452	61,300
1914 ...	608,196	—	440,000	11	168,196	183,070	67,058
1913 ...	694,357	24,984	440,000	11	229,373	309,269	81,939

The Bank's balance sheet at September 30, 1919, is printed on another page of this issue, but attention may usefully be drawn here to the fact that the total deposits expanded during the financial year from $52,159,000 to $63,520,000.

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CORRESPONDENCE INVITED.

Rubber Topics.

THERE was quite a scramble for Rubber shares at the close of 1919, and on the week substantial rises are to be noted, particularly in the £1 shares of moderately valued first-class estates. The appreciation in the price of the commodity to 2*s.* 10*d.* has been the main circumstance attracting buyers; but it is also apparent that large interests, having now come to the conclusion that the outlook for the industry is bright, are acquiring a substantial stake in anticipation of prosperity in store for the companies.

Sungei Way (Selangor).—Following the lead of other Scottish-controlled companies, the directors of the Sungei Way propose to reconstruct for the purpose of placing a larger capital on the undertaking and one more in accordance with the present value of the estates. A new Company is to be formed with a nominal capital of £234,664, in £1 shares, to take over the assets of the existing concern, by exchanging four fully-paid shares of the new Company for each £1 share of the present enterprise. Stocks of rubber and tin at the date of transfer, also £6,500 from reserves, are to be retained by the present Company, and, so soon as the accounts are received from the East, a final dividend will be paid by the liquidator to the shareholders at such rate as the balance of net profit will permit. In the meantime it has been resolved to distribute a second interim dividend in respect of 1919 at the rate of 40%.

TENASSERIM HEVEA PLANTATION, LIMITED.

THE directors of this Company recommend their shareholders to sanction the acquisition of the plantations of a Singapore Company—the Mergui Rubber Estates, Limited—owning 927 acres planted with rubber, for a cash consideration of £75,000. The Tenasserim Company itself has 781 acres under rubber, of which 701 acres are in bearing, and it has also 120 acres which are in course of being cleared for planting this year. Its issued share capital is £35,073, and there are Debentures outstanding for £9,940, which, besides being convertible into shares, are entitled to have set aside for redemption purposes 25% of the net profits remaining after 5% dividend has been paid. The price of the 2*s.* shares is now 3*s.* 3*d.*, which gives the Company's own estates a market valuation per planted acre of £86, including Debentures at par, and of £93 if the Debentures are converted into shares. The plantations which it is proposed to purchase for £75,000 consist of 740 acres in bearing and 170 acres immature. The price per planted acre is £82. It is proposed to increase the issued share capital to £105,073 by issuing 700,000 additional 2*s* shares on such terms as will enable the purchase consideration to be satisfied and leave £15,000 of cash in hand. Assuming that the present price of 3*s.* 3*d.* per 2*s.* share is attached to the enlarged capital, and that the Debentures are converted, the market valuation of the total plantations of 1,707 acres will work out at about £110. The total production of rubber for 1920, with 1,440 acres in bearing, is estimated at 400,000 lb., indicative of a yield of 280 lb. per acre.

THE PAST YEAR AND THE PRESENT.

WITH few exceptions the shares of rubber-producing companies commanded much higher prices at the end of 1919 than at the commencement of the year. All descriptions—high, medium, and low-priced shares—have more or less moved to the same extent, the usual favourites of course showing the greatest appreciation. Where quotations on paper exhibit a decline it is invariably due to capitalisation of reserves, reconstruction, or distribution of bonuses. It is a most comportable position for investors, and it is but natural that at the commencement of a new year the question should be asked whether the circumstances are still propitious. Twelve months ago the outlook for the industry, though improving, was still very obscure. The War had been over nearly two months, but practically no improvement was discernible in the shipping situation, and the big stocks of unsold rubber accumulated in the East were exerting a disturbing influence on the commodity market. Indeed, it was the slow diminution of the stocks and the time taken by the manufacturing industries to regain their peace footing, that subsequently caused the price of rubber to fall steadily, until in the middle of the year a quotation in London of about 1*s.* 7*d.* only per lb.—the lowest on record—was registered. The rubber share market then had very few friends outside of the regular investors who had bought their interests on the long view. Quotations all round were very low, and, if the appreciation in the last six months alone is regarded, it will be found to have been not far short of an all-round 35 or 40%. But *per contra* one has to remember that the price of first grade plantation rubber has improved now to 2*s.* 10*d.* per lb., and that very clear evidence is available of an enormous expansion in the use of rubber by the motor industry, in the equipment of both pleasure cars and motor trucks. Especially do the reports from America emphasise the extraordinary activity in the motor industry there, and it has to be borne in mind that America, which takes usually something like 70% of the world's gold production, is now by far the wealthiest of the countries, and by reason of the high premium on the dollar can buy rubber at an exceptionally cheap figure. As a matter of fact a London quotation of 3*s.* per lb. for rubber, with the New York exchange at $3.75, is the same to the American manufacturer as a price of 2*s.* 4*d.* at the normal exchange rate of $4.86⅔. In other words, the premium on the dollar saves American manufacturers £75 per ton of rubber at 3*s.* per lb. It is not surprising therefore that tyres are relatively speaking the least expensive item in an American motor car's equipment. On that account alone there is incentive to increased consumption of rubber, and this, moreover, applies to other trade uses for rubber. Particularly is rubber increasing in favour as a substitute for boot-leather, and one may reasonably expect this tendency to gain impetus as the war impoverished and depreciated exchange countries of Europe begin to recover.

On the other side of the shield there is the fact that the production of the plantations this year will show very large expansion. The total world's output, indeed, is estimated to exceed 400,000 tons, in comparison with 350,000 tons for 1919. But that prospective increase of supply is very well known to the trade, and yet manufacturers have been buying rubber one and two years forward at round about the present price. Presumably they know their own business, and can gauge the prospective demand for their products. As regards the working of the plantations,

practically the whole of those in the Far East have to contend with the depreciation of the sterling exchanges, and they have also had difficulty, and incurred some loss, owing to the deficiency in the supply of rice. Following a good monsoon in India there is now the prospect of an improvement in regard to rice; and, as to the labour supply itself, the returns in respect of the Federated Malay States show a very big influx of Tamil labour, which is so much desired on account of its cheapness.

On the whole, there seems no reason to doubt that the year 1920 will be a prosperous one for the rubber plantation industry. The majority of the largest estates have safeguarded their positions by selling a substantial portion of their expected crops under forward contracts. The prices of these sales do not average more than 2*s.* 3*d.* per lb.; but even if they cover one-third of the crops (which is probably far more than the actual proportion) the balance may be saleable at such a price as to make the average for the year 2*s.* 6*d.* Even a 2*s.* 3*d.* average price may be reckoned to give the whole plantation industry a profit of 1*s.* per lb. on production. The average market capitalisation of the companies at the present time is about £160 per planted acre, and if we reckon production this year as equivalent to 350 lb. per planted acre—not per bearing acre—then 1*s.* a lb. profit will be equivalent to 11% on the average market valuation. This is, of course, an all-round average calculation, and it has to be borne in mind that many companies are subject still to heavy excess profits tax. This impost stands at 40% until the next Budget, and the decision of the Chancellor of the Exchequer in, say, April, will be looked forward to by investors with a good deal of interest.

In connection with the progress of the American tyre-manufacturing industry it is interesting to note that the United States Rubber Company claims to have perfected a method of compounding rubber by means of which the "grain" is entirely eliminated. The announcement, made in the American papers in mid-December, states that rubber manufacturers have been experimenting for years to develop such a compound. It is explained that the "grain" in rubber—similar to the grain in timber—is largely responsible for the splitting and cracking of solid tyres, and it is stated that the new rubber compound without grain eliminates entirely any tendency to split. It may, indeed, prove another helpful factor in the development of motor transport, especially in countries where road surfaces are bad.

ANNUAL REPORTS ANALYSED.

SUMATRA PARA.

Issued Capital: £125,000 in 2/0 Shares.

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915–16	3,617	2,418	665,449	275	2/8·4	1/1·36	56,004	52,083	41⅔
1916–17	4,067*	2,418	727,727	300	2/9½	1/3·33	57,847	52,083	41⅔
1917–18	4,067	2,563	864,528	337	1/10½	1/3·56	28,167	26,042	20⅚
1918–19	4,067	—	821,336	—	1/9	1/5	14,538	26,042	20⅚

* Including 450 acres expected to be planted by the end of December.

Price of Shares, 11/9. Market Capitalisation per planted acre, £180.

DESPITE the severe further contraction of profits in the year ended June 30 last, the directors of this Company are able, with the aid of £6,632 refund of excess profits duty and about £5,000 taken from the carry-forward, to maintain the dividend payment at the 1917-18 rate of 20⅚%. The two main factors responsible for the smallness of the earnings were the very low price of only 1*s.* 9*d.* per lb. realised for the output and the high cost, due partly to the restriction of production, partly to higher depreciation provision, and partly to loss on rice supplied to coolies. For the current financial year—six months of which have elapsed—the output is reckoned to be 1,100,000 lb. The cost of production should be considerably reduced, and as the Company has sold forward only 31,000 lb. at 2*s.* 4*d.* per lb., a substantial margin of profit seems assured. A profit of 1*s.* per lb. would bring in a sum equivalent to 44% on the issued capital. Expenditure on capital account in the past year, including upkeep of immature area, was £10,547, but £3,000 of this was provided by the depreciation allowance. This year further capital expenditure has to be met in connection with increasing the factory accommodation, but inasmuch as the balance sheet shows £14,000 of surplus cash resources, including £19,220 of Sumatra Proprietary Debentures, there is no reason to fear curtailment of dividend distributions, unless it be on account of excess profits duty.

BEKOH.

Issued Capital: £105,000 in 2/0 Shares.

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915–16	1,692	1,000*	300,237	300*	2/9·3	1/4¾†	20,862	19,000	20
1916–17	1,723	1,526	450,118	295	2/6·8	1/2¼†	31,185	17,228	20
1917–18	1,711	—	451,958	—	1/10	1/5½	8,832	—	Nil
1918–19	1,694	—	443,860	—	1/9·1	1/4·4	8,920	—	Nil

* Estimated. † Including expenditure on upkeep.

Price of Shares, 5/2. Market Capitalisation per planted acre, £160 (without allowing for interest in Tanah Gemok Estate)

For the second year in succession shareholders of this Company have to be content with the passing of their dividend; but from the fact that the 2*s.* shares are now quoted at 5*s.* 1*d.*, and the planted area of the two estates owned is accordingly valued at nearly £160 per acre, it would seem that little importance is attached to the poorness of the recent results. Still, there is one circumstance, at any rate, to which heed should be given, and that is the high cost of production. The figure of 1*s.* 4.4*d.* "all-in" for the past year, in respect of an output very little restricted, is without any allowance being made for depreciation, and the balance sheet shows that capital expenditure amounted to nearly £10,000. However it is stated that an appraisement of the buildings and equipment shows them to have a higher value than the figures in the balance sheet; and it is necessary to note also that the Company had at June 30 liquid assets exceeding current liabilities by £14,600, exclusive of 10,000 shares of £1 (12*s.* 6*d.* paid) in the Tanah Gemok Rubber Estates. This investment is now 15*s.* per share paid up, and comprises one-third of the issued capital of the subsidiary Company, which is expected to have 911 acres planted with rubber by the end of August next. It is proposed then to float the concern as a public company, and it may be that the investment will show a good profit.

Of the profit earned in the past financial year nearly £2,000 goes in income tax, and, after making an initial allocation of £10,000 to reserve fund, the carry-forward is reduced from £14,940 to £11,902. An interim dividend of 10% has been declared on account of the current financial year, in respect of which an output of 570,000 lb. is anticipated. Forward sales cover 202,000 lb. for delivery in 1920 at 2*s.* 1*d.* and 107,520 lb. at 2*s.* 3½*d.* per lb. for 1921, in each case ex-godown Singapore. The cost of production is expected to be reduced, and, given maintenance of the recent level of price for rubber, it looks as if a fair return will be forthcoming for shareholders. Whether the excess profits tax will permit of such return being sufficient to warrant the premium of 150% on the price of the shares must be left for the future to disclose.

We are informed that Messrs. Hatherill-Mynott and King, of 3 Copthall Buildings, Throgmorton Street, E.C., have been elected members of the Mincing Lane Tea and Rubber Share Brokers' Association.

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Insurance Notes.

LIFE ASSOCIATION OF SCOTLAND.

QUITE a satisfactory report is submitted by the directors of this long-established and popular life office in respect of the operations of its last financial year, which ended April 5, 1919. The new life business shows a very gratifying increase; 1,436 new assurances were completed for £892,879, of which £48,500 was reassured, the net amount retained at the Association's sole risk thus amounting to £844,379. The net total is in excess of the corresponding figure for 1917-18 by £239,802, and is reported as "one of the largest amounts of net new business transacted in any one year" in a history that goes back to 1838. The total net life premium income was increased by £23,322 to £387,182, apart from a sum of £5,975, representing consideration for new annuities granted. The fixed expenses of all life offices have been substantially increased, owing to the enhanced cost of administrative and clerical work, and, apart from this, we would naturally expect a further increase in this respect in 1918-19, on account of the much larger volume of new business transacted, which necessarily must have involved the payment of heavier initial and procuration charges. But the ratio is increased to a scarcely appreciable extent, being 16.9% of the total life premium income (allowing nothing for annuity expenses), as compared with 16.7%. This shows that the business has been conducted with commendable economy, and the result reflects great credit on the management. The other features in the report which have a bearing on profitable development are equally satisfactory. Although the death claims, amounting (inclusive of bonuses) to £349,792, included payments of £18,138 directly due to the War, the rate of mortality is expressed in the annual report as "very favourable." Exclusive of bonuses, the amount of the death claims in 1918-19 was only 83% of those anticipated by the O^{M} Table of Mortality, on which the Association's valuation reserves are based. Endowment assurances matured by survivance to the extent of £77,629, and in these cases the contracts were, of course, completed to the Company's satisfaction. Through the year's operations the life assurance and annuity fund was increased by £51,639 to £5,603,769. The net interest yield (after deduction of income tax) showed a slight increase as compared with the corresponding result in 1917-18, and amounted to £3 19*s.* 9*d.* per cent., as compared with the valuation assumption of 3%.

The small capital redemption insurance account shows a premium income of £516 and a fund amounting at the close of the financial year to £10,141.

Following upon the yearly valuation in the Association's Class A (Old Series) of policies, cash bonuses in that class were declared for the year commencing April 6, 1920, to be applied in part payment of premiums falling due at the same rates as had been allocated for 1919-20, when a sum of £10,365 was applied in this way.

The subscribed share capital amounts to £400,000, of which £87,500 is paid up, in 10,000 shares of £40, on each of which £8 15*s.* is paid. The dividend in respect of the last financial year was declared as payable on November 11, 1919 (under deduction of interim payment made on May 15, 1919), at the same rate as in 1918, viz., £1 1*s.* per share, less income tax.

The total assets of the Association amounted on April 5, 1919, to £5,990,941. About one-fourth of this sum is represented by British Government securities.

LONDON AND SCOTTISH ASSURANCE CORPORATION, LIMITED.

The above title is the new designation of the Company formerly long and honourably known as the "London and Lancashire Life and General Association." An alteration was desirable, in view of the fact that the London and Lancashire Fire Insurance Company, quite a separate institution, has now entered the life assurance field through the acquisition of the Law Union and Rock Companies. The two London and Lancashire Companies were at one time engaged in different spheres But while the L. and L. Company, that formerly restricted its operations to fire and miscellaneous business, has opened a life department, as above stated, the L. and L. Life Office has extended its operations to other insurance spheres, and consequently there must have been considerable confusion in the mind of the public as to which was which while they retained names of such remarkable similarity. It was better that one of the two should change its name, and by an amicable arrangement, involving the payment by the Company retaining the London and Lancashire name of a consideration for possible loss of goodwill, the original life Company has taken this course. The new title is a happy one, for the Company which adopts it has a decided Scottish element, seeing that some years ago it absorbed the Scottish Metropolitan Assurance Company.

Although the Company's new departments are full of promise, its life business still bulks in the accounts to a preponderating extent. The development of this section still proceeds apace. A new life business of £956,166 in sums assured is reported for 1918, the net amount, after deduction of reassurances of £26,550, having been £929,616, as compared with £883,410 in 1917. Of the net total in 1918, £549,319 represented life policies effected within the United Kingdom. The remaining £380,297 related to Colonial business, and most of it is understood to have been obtained in Canada, where the Company has long had an important and flourishing branch. The total net life premium income in 1918 amounted to £429,586, which shows an increase of £24,363 on the corresponding figure appearing in the 1917 accounts. The expenses of management, inclusive of commission, seem to have amounted to about 19.5%. The ratio is higher than usually appears in the accounts of British life offices, but it may be remembered that life business in the Colonies is more costly than is the case at home. The death claims amounted in 1918 to £204,565. The Chairman announced at the annual meeting, notwithstanding the fact that a considerable proportion of these claims were attributable to the War and to the in-

fluenza epidemic, that the mortality experience last year, while less favourable than usual before the War, nevertheless showed a marked improvement over that of any year since 1913. Claims by maturity of endowment assurances amounted to £141,090. Through the year's operations the life assurance fund increased by £112,879 to £4,102,637. The average net yield of interest on the life and annuity funds, less income tax, in 1918 is reported as £4 2*s*. 5*d*. per cent., as compared with £4 0*s*. 2*d*. per cent. in 1917, and with the valuation rate of £3 10*s*. per cent.

The Company's fire account for 1918 shows a premium income of £189,329, which is a great advance on the 1917 figure of £101,395. After adjustment of the reserve for unexpired risks on a 40% basis, a surplus of £3,721 on the year's working of this department was carried to profit and loss account.

The increase in the accident department is not so striking, the premium income having advanced by only £6,429 to £93,106. But the proportionate profit, judged by ordinary standards, is on a higher scale than in the fire account, the departmental contribution to profit and loss account, after the adjustment for unexpired risks, being £6,200, inclusive of departmental net interest earnings of £1,129.

The "Scottish Metropolitan marine insurance account" shows a premium income of £12,713. It appears to be a very recent account, for no claims are debited, and a balance of £12,067, after provision of £646 for expenses, remained in the fund on December 31 last.

Dividends and bonuses to shareholders for the year amounted, as in the preceding year, to 3*s*. per share, less income tax.

On December 31, 1918, the Company's subscribed capital amounted to £333,825, of which £66,765 was paid up, in shares of £5 with £1 paid on each. In the course of the present year a further issue of 53,235 shares of the same denomination, and with £1 paid up thereon, was made, which has the effect of increasing the subscribed capital to £600,000 and the paid-up capital to £120,000. But as the new issue was made at a premium of £2 2*s*. 6*d*. per share, the result is a substantial increase in the Company's reserves, which should enable the Company to develop its business, and more particularly that of its fire and miscellaneous departments, with increased success. The authorised capital was at the same time increased to £1,000,000.

The total assets, as shown in the Company's balance sheet, amounted on December 31, 1918, to £5,097,271.

INSURANCE SUPPLEMENT, DECEMBER 13.

We desire to make the following corrections and explanations:—

NATIONAL INSURANCE COMPANY OF GREAT BRITAIN, LIMITED.

The premium income of this Company in 1918 was £73,230, which is £1,000 in excess of the amount stated in the Supplement.

ROYAL NATIONAL PENSION FUND FOR NURSES.

We are informed that the Sickness and Accident Department of this Company has been discontinued.

VULCAN BOILER AND GENERAL INSURANCE CO, LTD.

The amount of the superannuation fund should have been stated as £13,352 instead of £10,852.

LEGAL INSURANCE COMPANY, LIMITED.

In place of the figures given in the Insurance Supplement the authorised capital at December 31, 1918, amounted to £600,000, of which £300,000 was subscribed and £300,000 paid up.

We are informed that all members of the board do not now belong to the legal profession.

The balance of the revenue account was independent of the reserve for unexpired risks, which amounted to £88,787.

We are informed that the Royal Insurance Company have acquired all the shares of this Company.

WESTERN AUSTRALIAN INSURANCE CO., LTD.

This Company opened an office in 1914 at 50 Cornhill, London, E.C., for the transaction of marine business, and in 1916 additional premises were taken at 1 Queen Victoria Street, London, E.C., when Fire and Accident Departments were opened. In 1918, owing to expansion of business, the Company acquired a lease of the building 45 to 47 Cornhill, London, E.C.

At the same time the Company commenced life assurance business in this country.

London Joint City and Midland Bank.—At an extraordinary general meeting of the shareholders on Tuesday the agreement for a fusion of interests with the Clydesdale Bank was ratified unanimously, and at the same time sanction was obtained for the creation of 1,500,000 new shares of £2 10*s*. each. If all the shares in the Clydesdale Bank are acquired by the Midland Bank, 500,000 of the new shares will be required for the purpose of this transaction. Of the balance it is proposed to issue 500,000 shares to shareholders on the register of the London Joint City and Midland Bank on March 1, 1920, in the proportion of one share for every eight existing shares of both classes. The price at which the shares will be offered is £5 per share, which, in view of their present market value (£8 10*s*.), offers a substantial advantage to shareholders.

The London Life Association, Limited, announce that the total new life business (net) effected in 1919 amounted to £1,514,762, with a premium income of over £61,000, compared with £704,290 and premium income of £34,000 in 1918. The consideration for immediate annuities amounted to £220,272 in 1919, as compared with £93,478 in 1918. Approximately one-fourth of the above new assurances and annuities are reassured with the Clergy Mutual under the agreement with that Society. After allowing for these reassurances the net business retained by the London Life constitutes a record in its whole history.

Perhaps the most useful diary with which we are acquainted is that published by "The Syren and Shipping," called the "International Mercantile Diary and Year-Book." The 1920 edition has just been published, and reflects great credit upon Mr. A. M. Pooley, B.A., who is responsible for its production. As it is obvious that a year-book can never in itself be up to date, the original plan—suspended during the War—is to be reintroduced of publishing a monthly supplement. This will be issued on the first of each month, and will be supplied gratis to subscribers to the Year-Book. It is, indeed, a splendid five-shilling investment, and we congratulate "Syren and Shipping, Ltd.," on its thoroughness.

We welcome the 1920 edition of "The New Hazell Annual and Almanack," edited by Mr. T. A. Ingram, M.A., LL.D., giving valuable information concerning the British Empire, the nations of the world, and all the important topics of the day, together with much astronomical and other useful matter. The price of the volume is 6*s*., and the publishers are Messrs. Hodder and Stoughton, 17 Warwick Square, E.C. 4. Among the features of the new edition are the Peace Treaties with Germany, Austria, and Bulgaria, which are exhaustively dealt with. Maps are given of the new boundaries of the two former States. The new Customs Tariff with its Imperial Preference rates, and the declaration of the Government's policy with regard to trade, are also given. Nine pages contain information not yet generally accessible concerning pensions and separation allowances.

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Commercial.

THE LEATHER TRADE.—II.

THE leather section opened quietly owing to the indecision on the part of operators, based upon a complete lack of knowledge of the intentions of the raw materials department. Such a state of things naturally induced general hesitation, and consequently restricted volume of trade. It was felt that the leather industry was being rather badly treated in the extremely slow rate of progress in lifting control; most staple trades were then in better condition than the leather trade, whilst the action of the American section in openly ignoring international trading arrangements, had given them an immense advantage in their export trade to England and the Continent.

Sole leathers were gradually being released for the civilian trade, which was very active, after about four years of semi-starvation, the better sorts of of medium weights being retained for War-time footwear and the prime sorts and heavy weights for Army requirements. Tanning and trading conditions were both very difficult; the return of pivotal men being very limited, and a great hindrance to output throughout the first quarter. Tanning materials were also under strict control and very high in price, whilst transport facilities were very poor. American sellers of sole leather and offal had been very active since Armistice day, and had placed very important lines of both with merchants and boot manufacturers, assuring them that shipment would soon follow, as they intended to get the embargo lifted very soon. Such sales were on an extremely favourable basis of price, as events transpired—the market proving a steadily advancing one.

The second quarter witnessed a much improved demand under increased consumption in the boot trade. Supplies were restricted owing to the reservation of best English wet-salted bends, shoulders, and bellies for military requirements. Dry hide and foreign bends were in better supply, but the demand ran on better quality leather, which was not always available. The advance in cost of production, due to increased price for market hides and cost of labour, entailed advances of 1½*d.* lb. on wet-salted bends, and ½*d.* lb. on shoulders and bellies, all of which were distinctly moderate, and made them better value than dry and dry-salted, bends, besides being better leather. The continued raw goods advances meant at least 6*d.* lb. advance on "replacement" values, but tanners acted very moderately in fixing the above advances. American offal—bellies—were, at the end of June, fully six to nine cents dearer than December prices. Transport facilities were very poor, whilst freight and insurance landing and storage charges were high and regularly advancing.

From June to September conditions were very active. Government control ceased at the end of June, but gave place to voluntary control under the auspices of the Tanners' Federation in order to prevent prices getting out of hand. Imports were unrestricted in July, but exports were not entirely free. With the further big advances on market hides, sole leather prices were increased from 2*d.* to 6*d.* per lb. Boot manufacturers had purchased very heavily in view of their requirements and the tendency of raw material, consequently the first two months of this period were extremely active, and enabled buyers to feel comfortable and independent for the next few months. Chrome-tanned sole leather, which tanners had been encouraged to produce against their judgement, proved a very slow and unsatisfactory sale, so far as the home trade was concerned, and not very good for export purposes. The reason for tanning same was that it used up light dry hides, which were then in big supply, and unsuitable for Government work, and did not require vegetable tanning material which required importation and freight space that could be more advantageously employed.

The last quarter of the year was noteworthy for the holding, after the War interval, of the Shoe and Leather Fair, and just previously for the railway strike. The effect of the latter was very serious, and would have been more so, but for the fact that consumers had purchased heavily and were well covered. Sole leathers were advanced in October from 2*d.* to 6*d.* lb., according to tannage. The feature of the demand has been that only better grades of sole leather have been wanted, common sorts being a slow and heavy sale. Export trade has been fairly active for the Continent, and under the exchange with America, practical attempts have been made to ship bends to the States. The year ends with a good all-round demand for best tannages, and with the prospect of a steadily improving call for home and export requirements well into the new year. The position of sole leather on this market is very firm at the time of writing, and likely to advance considerably, simply because tanners have much smaller outputs to deal with from now onwards, and also because arrivals from the States are out of the question at the present rate of exchange. Indeed, shipments already on this side are reported to have been re-shipped to America, where the current prices are such as to make it more profitable to pay the freight and expenses both ways rather than accept the prices of a few months back, when the stuff was purchased, at to-day's rate of exchange. It therefore follows that with the great bulk of our imports of sole leather temporarily cut off, supplies on this side must prove inadequate, consequently tanners have experienced already a much improved inquiry and demand for both bends, shoulders and bellies, and have not been slow to arrive at buyers' conclusions. Wet-salted and English bends of 8/10 and 10/12 to 14 lb., also good-class shoulders and bellies have been mostly inquired for, and have every prospect of being an excellent sale during the early months of the New Year.

Upper Leathers.—The chrome upper leather section in the best grades were in very short supply and strong demand from the opening to the closing days of 1919. During the first half all classes of [illegible] chrome and semi-chrome, box and willow calf, hides and sides, were in great request. Production was well

under the demand, but as imports of material and labour increased, the supply improved. In addition, imports were arriving from the United States, Canada, and Australia, added to which, the Government was selling its surplus supply by allocating its immense American purchases through the Boot Manufacturers' Federation. The effect of this was that, owing to the favourable prices at which the leather was bought, or rather the market appreciation since that time, the Department cleared much of it at prices which home producers could not compete with. The result was stoppage of sale of home-tanned upper leathers of similar quality, and intense dissatisfaction, as was only reasonable. Tanners of calf upper leathers refused their weekly allocations of raw skins until the Department reduced prices very considerably. The tanners are now pressing for an undertaking that, in the event of control of raw calfskins being removed, the skins shall not be available for export. The latest phase of the matter is that the British Glacé Kid Tanners' Association have under consideration the intention of advancing the prices of their productions by about 1*s.* per foot, which is about the advance in price of raw skins in the hair during the last two or three months, mainly through difference in exchange, the rupee being somewhere about 2*s.* 4½*d.*, against its normal value of 1*s.* 4*d.*

Semi-chrome descriptions, particularly box-calf, have all been an extremely good sale since the export restrictions were removed at about the end of March for certain lines. Unfortunately the question of exchange has proved a serious obstacle to the sale of these leathers on the Continent, but still large quantities of semi-chrome box-calf have found their way across the water, and will continue to do so as soon as exchange becomes on a more stabilised footing. There should be plenty of scope in the States also for our productions at the rates ruling just now.

East India Kips.—These have been carefully looked after by the Department (Raw Materials), who has very large stocks to dispose of. At the commencement of the year there was a poor demand, as tanners had purchased very liberally and the Government prices were considered too high to speculate in. The best trade has been for the best sorts, which were not always obtainable. Further, the great uncertainty as to the Department's intentions stopped business. During May 7/11 lb. in the Army selections were freed, and all light weights sold readily. During June and July there was heavy buying, under the belief that Government prices would advance. This, however, did not materialise, but in September best were advanced 4*d.* per lb. and "good" 1½*d.* per lb.

The leading item of news in this section during the past quarter has been the big sale of about £2,000,000 worth of kips by the Department to Germany. Just what price they have made or how the Department hopes to get paid is unknown, but the trade consider they have a real grievance in that they might have had the finishing to do and sold the upper leather to "our friends the enemy."

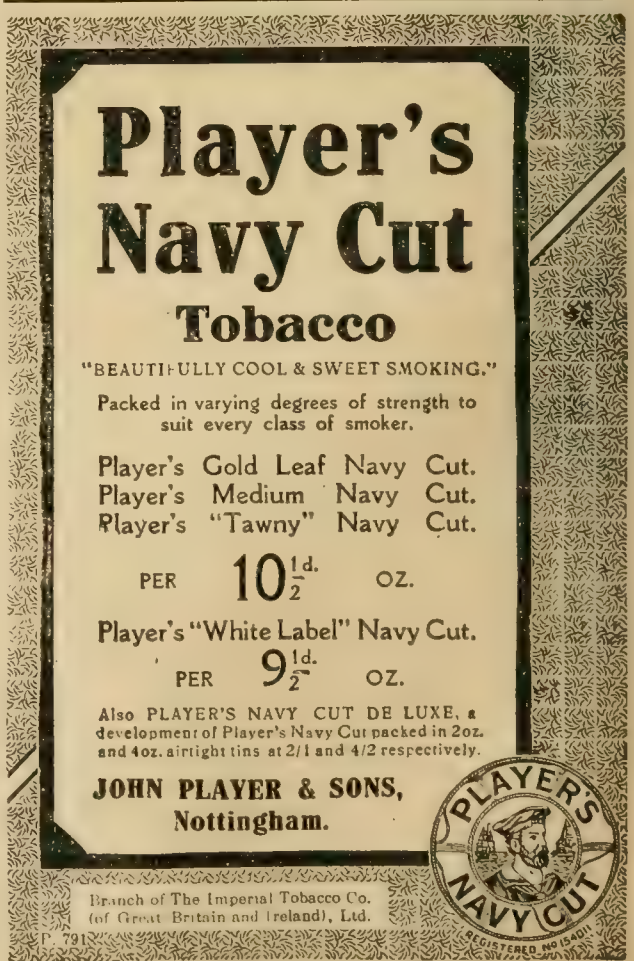
East India Tanned Skins.—Goat and sheep skins have just been offered at public auction—the last for this year—and have sold at advances on last sale prices (October) from 2*s.* to 3*s.* 6*d.* per lb. for prime Madras goats, and 2*s.* to 2*s.* 6*d.* per lb. for good middle class. Sheepskins commenced on the 12th inst., and realised advances from 1*s.* to 1*s.* 6*d.* per lb. on ordinary and inferior, and 1*s.* 6*d.* to 2*s.* per lb. on prime. Demand, however, slackened off somewhat towards the end. The trend of values during the year was, for the first three sales—April, June, and July—prices generally advanced on Trichinopoly 8*s.* to 10*s.* per lb., but September and October witnessed heavy declines. The slight changes—mostly upwards—in the recent sales have brought values nearer to the opening parity, and may be stated to be slightly in excess of April values, which, by the way, were 100% to 250% higher than pre-War values.

Australian Leathers.—Until the import restrictions were removed during the first half there was, of course, very little business possible, but since that time shipments have been arriving very plentifully—sides for the boot trade, Basils and split stock. A somewhat new departure has been the export of glacé kid and sheep for the boot trade. The leather varies in grade and quality, some of it very fair, and some not so good; but the outlook is distinctly promising, provided it can compete with the home trade conditions of production. At the present time Australian sides are rather slow of sale, but with the New Year, and stocktaking out of the way, there is bound to be more doing, particularly in good-grade sides and Basils.

Canadian Sole and Upper Leathers have enjoyed a very good first innings—that is, during the first six months—but the last quarter has witnessed a falling off owing to finance difficulties. It would not be at all surprising, in view of the exchange, to see a very important export trade develop in raw material and leather with both Canada and the United States during 1920.

MANGANESE ORES.

It was not until comparatively recently that the importance of using the products of manganese ores for strengthening steel was appreciated by the iron and steel trades of the world. Although this country was the pioneer in the development, in modern times, of the iron and steel industries, as it was in the building of railways, it was not in this country that the importance of adding manganese to molten steel was developed upon a commercial scale, or even was really appreciated except by a small section of the trade. Iron and steel goods when at all exposed to the atmosphere are liable to rust. In addition, fractures are also liable to develop over various parts of the surface of any fabrics made from iron or steel. The iron trade in this, as in other countries, was, of course, fully alive to these defects and was on the look-out for remedies. In Germany, however, in the period that preceded the



recent War, chemists were employed in large industrial works to an extent that was unusual anywhere else. In this country, and in most others, the chemist was rarely consulted by the heads of industrial establishments, and it was regarded as exceedingly enterprising for a great firm to go so far as to pay a chemist a retaining fee which would enable the firm in question to call him in for consultative purposes when occasions required. In Germany, on the other hand, all the great industrial companies were accustomed to employ a highly qualified chemist as a member of the regular staff. It was in this way that the value and importance of applying manganese to steel products came to be appreciated. Before the War Germany was by far the best customer for the countries which produced manganese ores. It is for this reason that so many of the manganese products bear, even to this day, German names.

Manganese ore is in reality widely distributed through different countries of the world. It exists, however, in many countries rather as a by-product of other metals, in the ores of which it is embedded, than in what, for convenience, we may call its pure state. In this state it is really only worked at present, or was before the War, in three countries in the world—the Caucasus in South Russia, which before the War produced more than two-thirds of the world's total production; in British India, that is Burma and the Central Provinces; and the State of Minas Geraes, in Brazil. The importance and the development of the Brazilian deposits readers who have followed our series of articles on South and Central America, and upon the great Republic of Brazil itself, will be well acquainted with. The deposits, as we have pointed out on various occasions, are of vast extent, perhaps in as pure a form as they exist and unrivalled in any other part of the world. It is generally estimated that on the basis of the world's production of manganese ore, say in the clear year which preceded the outbreak of the great European War, the deposits in Southern Brazil would be sufficient to supply the world's requirements for centuries. The Brazilian deposits were comparatively little developed before the War because they were situated far from consuming markets, and being found in the mining State of Minas Geraes, had to be conveyed over the coast range of mountains of Brazil to a port of shipment. We have said above that Germany was by far the largest consumer and the best customer for manganese ores in the pre-War period, and her supplies came from her neighbour at no great distance. Something like two-thirds of the world's total production of manganese ore known to the international markets was obtained from the Caucasus in Southern Russia.

With the principal consumer and the principal producer located so close together it is evident that deposits found in more or less remote parts could not have such a chance of development as the Russian deposits. It is remarkable that the deposits in British India, as well as those of the Republic of Brazil, were developed to the extent that was actually the case. Moreover, the necessity for developing deposits situated at a great distance from consuming markets did not exist. In the pre-War period the Russian deposits were able to furnish, as already stated, a very large proportion of the world's total production. Moreover, it was a very high grade of ore. Practically, the three great sources of supply, that is the Caucasus, India, and Brazil, all furnished ore of an exceedingly high grade. As a matter of fact, the ore content in each instance is virtually one-half of the total volume. Probably owing to the fact that the Caucasian deposits were best known to the international markets, and particularly to the consumers in Europe, the deposits of the Caucasus were in pre-War days usually known as containing the highest proportion of high-grade manganese. Each of the three great sources of supply we have known do, in fact, produce manganese yielding nearly half its bulk in high-grade metal. Possibly the Caucasian ores do yield a somewhat higher percentage than either the Indian or Brazilian; but this is by no means certain, and in any case the difference ranges only between 4% and 5%.

Manganese is found, as we have said, in various places. It is found in modest quantities and with varying degrees of ore contents in most of the countries of Europe, as well as in the United States of America. Really valuable deposits exist in the sense that we have been discussing in Canada, Central America, and in Chili, but none of these have been worked to any extent. There seems no reasonable doubt, moreover, that really valuable deposits exist in the sense referred to above in the Gold Coast Colony of West Africa, as well as in Queensland, in Australia. It would not be possible to say with any degree of accuracy what is the total production of manganese ore, because, as we have said, it is found in so many countries in a very impure state—in which, in fact, it is really only obtained as a by-product as the result of working for some other metal. The United States, for example, produces probably 100,000 tons a year, obtained as a by-product from various metal workings. 100,000 tons of manganese, however, is a very small matter indeed in the great steelworks of the United States. Although deposits exist in so many countries, practically when the War came to an end there were only two really available sources of supply which could be developed readily to meet the requirements of the Entente Allies. It was a question of making up for a deficiency of something like 1,000,000 tons; but by developing the deposits in India and in Brazil, and by improving transportation facilities in both countries, it was accomplished. The deposits in Southern India have long been known and long worked, but the deposits in Central India, which are the more valuable, were only discovered within the present century. Next to the Russian workings the Indian deposits were fairly well developed before the War, and there were years when the Indian output closely approached that from the Caucasus. Every effort was made during the War period to increase the Indian workings as far as possible. The result was that the munitions factories of this country were almost wholly supplied from India. There remained the demand from the United States. As the reader is aware, as the War progressed, and particularly after the United States entered the alliance towards its close, America became of ever-increasing importance to the Allies as a producer of munitions. It was imperative that the United States should obtain supplies of manganese. Our munition factories were consuming the bulk of what we were able to obtain, and we had, particularly during part of the period, very little to spare. Practically the whole of the supplies needed for the United States came from Brazil, which testifies to the energy and ability of those responsible for the working of these ore deposits in Brazil. The output was increased from about 200,000 tons per annum to practically 600,000 tons, which, with supplies obtained from elsewhere, brought up the quantity available for the steelworks of the United States to some three-quarters of a million tons.

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Issued Capital: £1,069,335, in £753,710 5% Participating Pref. Stock and £315,625 Ord. Stock.
Income Certificates: £24,750 (Sinking Fund, £2,061).
Debentures: 5% Prior Lien, £478,462; 4½% First Mortgage, £1,199,000.

Year to Sep. 30	Gross Profit	Deprecn., Repairs, &c.	Net Income	Debenture & other Loan Charges	Div. on Pref.	Div. on Ord.	Added to Reserves, &c.	Carry-forwd.
	£	£	£	£	£	£	£	£
1914	58,957	20,791	38,166	25,148				13,018
1915	111,294	15,917	65,287	63,156				14,899
1916	155,945	56,402	98,543	73,824			16,000	25,720
1917	232,292	67,512	164,800	115,780			20,000	29,950
1918	300,932	82,247	218,685	138,374	53,917	—	50,000	21,324
1919	346,254	104,864	241,390	89,986	58,125	7¾ 18,148	5¾ 70,000	a21,116

* Including provision for redemption of Certificates of Rights.
† Debenture interest only partly paid.
‡ Profit after providing for income tax and contingencies.
(a) Carry-forward at September 30, 1919, after providing £3,151 for interest and sinking fund for Income Certificates.

The way in which brewery companies have been enabled to regain during the past two or three years a measure of prosperity, which few shareholders contemplated before the War, has been the subject of a good deal of discussion, but too often sight is lost of the fact that comparisons now are made with a period of extreme depression. In the case of the Allsopp Company, which has just issued another very good report to its stockholders, a glance at the capital position is sufficient to indicate the state of affairs recently and even still obtaining. In 1913 a scheme of arrangement had to be resorted to, and Certificates of Rights and Income Certificates were issued to stockholders in lieu of interest arrears. The Certificates of Rights were redeemed by the end of September 1918; but Income Certificates are still outstanding for £24,750, while the Debenture debt stands at no less than £1,677,462, of which about £470,000 is in 5% Prior Lien stock and the balance of £1,199,000 in 4½% First Mortgage stock. How the Company's profits have increased is clearly shown in the analysis given above, and it will be seen that the directors have acted cautiously in the matter of provision for depreciation and reserves. In the year to September 30, 1919, nearly 30% of the gross profit has been earmarked for depreciation and 20% added to reserves. The net income available for capital charges comes out at £241,390, against £218,685 in the preceding 12 months. The sum required for prior charges is £43,000 less, owing to the previous complete redemption of the Certificates of Rights, and the profit available for Preference and Ordinary stockholders amounts to £151,000, in comparison with £85,000. If there were no Income Certificates this sum would have sufficed to pay over 11% on the Preference stock and about 20% on the Ordinary; but £70,000 (or not far short of half the profit available) is placed to reserve. The dividend on the Participating Preference stock is raised from 4½% to 7¾%, and Ordinary stockholders, for the first time for many years, receive a return in the shape of 5¾% on their holdings. Under the scheme of arrangement of 1913 it is provided that in the year 1919, and each subsequent year, one-fourth of the profits remaining after paying 4% dividend on the Ordinary capital and 4% interest on the Certificates has to be set aside as a sinking fund for redemption of the Income Certificates. In the year under review the 4% interest on the Certificates calls for £990, and £2,061 is set aside to redemption fund. The credit balance to profit and loss account carried forward is practically unaltered. It should be noted that the Preference stock is entitled to a dividend of 5% (cumulative only after the full dividend has been paid for two consecutive years, which is not yet the case) and to half of the profits of each year remaining after payment of such dividend and after setting aside such reserves as are deemed to be desirable. Hence the position of Preference stockholders is for the time being considerably better than that of the Ordinary stockholders. On the other hand, the amount of the Ordinary stock is less than half the amount of the Preference stock outstanding, and after the Income Certificates have been repaid the respective positions may well be reversed—provided, of course, that profits continue to be earned on the enhanced scale of the past three years. In this respect it is, of course, quite impossible to speak with confidence, in view of the uncertainty in regard to legislation in the future, increased railway rates, and higher cost of ingredients. But it is obvious that the Company has been able to very considerably strengthen its financial situation. At September 30, 1919, the balance sheet showed the following position, in comparison with previous statements:—

Balance-Sheet Figures at September 30.

LIABILITIES.		ASSETS.					
	Total Reserves, Paid-up Capital.	Carry forward.	Fixed Assets.	Trade Investments.	Stocks.	Surplus Liquid Assets.	Goodwill.	Total.
	£	£	£	£	£	£	£	£
1914	2,767,819	13,018	1,397,123	127,228	265,726	140,790	850,000	2,780,867
1918	2,747,970	160,666	1,163,175	167,854	187,317	390,290	700,000	2,908,636
1919	2,740,800	233,521	1,088,717	200,896	175,685	103,513	700,000	2,974,013

The valuation of £700,000 attached to goodwill is a relic of the past which calls for drastic treatment, but it is to be noted that, on the other side, the reserves and carry-forward now amount to £233,521, and will be automatically increased by the gradual redemption of Debentures as well as by future profit allocations. The Preference stock is now quoted at 82, and the Ordinary stock at 98½, while the Prior Lien 5% Debentures stand at 82 and the 4½% at about 60.

SUNBEAM MOTOR CAR, LIMITED.

Issued Share Capital: £530,000, in 500,000 Ord. and 30,000 6% Cum. Pref. £1 Shares.
Debentures: £350,000 First Mortgage 5% (tax free up to 6s. in the £).

Year to Aug. 31	Net Profit	Div. on 6% Cum. Pref.	Profit for Ord.	Div. & Bonus on Ord. Earned	Free of Tax. Paid	Surplus	Special Allot'ns	Carried F'ward
	£	£	£	%	%	£	£	£
1914	68,064	1,800	66,264	27·61	15	36,000	30,264	12,821	20,111
1915	236,857	1,800	235,057	97·94	25	100,000	175,057	124,000	71,168
1916	45,025†	1,800	43,225	18·01	30	72,000	Dr.28,775	6,100	37,393
1917	110,110†	1,800	108,310	45·13	20	48,000	70,310	—	97,703
1918	89,265†	1,800	87,465	36·44	20	48,000	39,465	50,000	87,168
1919	120,952†	1,800	119,152	23·83‡	10‡	50,000	69,152	105,000	51,320

* † After deduction of (*) one year's, (†) two years' excess profits duty, &c.
‡ Ord. capital increased in 1918-19 from £240,000 to £500,000.

This Company's accounts are presented to shareholders in a form which prevent a really accurate comparison being made with the preceding year's results. The net profit is shown after allowing for depreciation, income tax, and excess profits duty of unstated amounts; and, moreover, in respect of the past year to August 31 last, directors' remuneration, which was £5,000 in 1917-18, is left to be deducted from the carry-forward. The figure shown for net profit is £120,952, which compares with £94,265 for the previous year before paying £5,000 directors' remuneration. The increase thus shown in net profit may quite possibly be more apparent than actual, for the rate of excess profits duty averaged 53⅛%, in comparison with 80% for 1917-18, while, on the other hand, dividends on the Ordinary capital are paid free of income tax, and this tax would operate at 6s. in

the £1, instead of 5*s.* 5*d.*, and necessitate a larger deduction from the true profit. We show above how the profits reported by the Company in the past six years have been dealt with, and it will be seen that a most conservative dividend policy continues to be pursued. Owing to capitalisation of reserves, double the Ordinary capital ranked for dividend for the past financial year; but it is clear that the 10% tax-free distribution absorbed considerably less than half the profit available. The balance of £69,152, plus £36,000 taken from the carry-forward, is added to reserves, including £25,000 to war contingencies fund.

The period covered was, of course, one of transition from war to peace work, and, probably to no small extent, settlements for Government contracts helped the revenue account. When the balance sheet is reviewed it becomes apparent that the top-heavy position disclosed by the 1917-18 accounts has been rectified by the issue of £350,000 Debentures. The additional funds thus obtained, coupled with a reduction of £119,000 in value of stocks, has caused the excess of current liabilities, which at August 31, 1918, amounted to £551,000, to be reduced a year later to £10,802. Including the capitalisation of £250,000 of reserves, the total share and Debenture capital now stands at £880,000, as against £270,000 the year previously. It is remarkable that the value of fixed assets since August 31, 1914, shows an increase of less than £8,000, while the value of stocks has expanded from £172,618 to £851,173:—

Balance Sheets at August 31.

	LIABILITIES.		ASSETS.			
	Total Paid-up Capital	Reserves & Carry-forward	Fixed Assets	Stocks	Surplus Liquid Assets†	Total
	£	£	£	£	£	£
1914	270,000	125,111	207,177	172,618	15,316	395,111
1918	270,000	357,188	211,165	970,137	551,774(Def.)	627,168
1919	880,000*	176,320	215,949	851,173	149,248(Def.)	1,056,320

* After capitalising £250,000 of reserves and including £350,000 of Debentures.

† Excluding value of stocks and stores and allowing for dividend payments.

In noting the relative smallness of the valuation attached to the fixed assets—*i.e.*, works, plant, machinery, &c.—it is necessary to bear in mind that while, on the one hand, substantial amounts have been written off for depreciation, no account is taken of the increased value under present conditions. The Company owns freehold property at Wolverhampton extending to about 40 acres, and its works, plant, machinery, &c., are stated to be all modern and fitted with the latest equipment. Extensions and improvements that have been made during the last seven years, and additions now in progress, will have involved expenditure of over £400,000.

The Company's Ordinary shares are quoted at about £2 *cum* 7½% tax-free final dividend and bonus, and, on the basis of the past year's rate of distribution, yield 7½%, subject to tax. The Debentures are quoted at par, and, allowing for tax at the rate of 6*s.* in the £, give a return of about 7.2%.

New Issues.

GOLD COAST GOVERNMENT 6 PER CENT. LOAN.

The Crown Agents for the Colonies, on behalf of the Government of the Gold Coast, invite applications at 100% for an issue of £4,000,000 of 6% Inscribed Stock, of which £1,500,000 has already been placed. The Loan is secured on the general revenues and assets of the Government of the Gold Coast, and the principal will be repayable at par on February 15, 1970, by means of a sinking fund, the Government, however, having the option of redemption on or after February 15, 1945, on giving six months' notice. Interest will be payable half-yearly on February 15 and August 15, and the first six months' interest will be paid on August 15 next.

The Loan is raised to meet the cost of construction and re-construction of railways and harbour works in connection with the development of transportation in the Colony, the trade of which last year showed considerable expansion. For 1919 the revenue of the Colony amounted to £2,370,000 and the expenditure to £1,848,720. The public debt at the end of the year was £3,409,118. Details as to dates of instalments, etc., will be found advertised on another page.

WILLYS OVERLAND CROSSLEY, LIMITED.

The chief recommendation of this new Company and the one that will appeal most to investors endeavouring to gauge the investment merits of the 1,000,000 10% Cumulative Preferred Ordinary £1 shares, which the British, Foreign and Colonial Corporation, Ltd., are offering for sale at 21*s.* 6*d.* each, is the combination of well-known American and British experience in motor-car manufacturing. Willys Overland Company of Toledo, which has a reputation for big scale production of a medium priced car in America, has formed the new British Company to carry on the manufacture of the Overland car for the home and export markets, combining American methods of mass production with British thoroughness. The Company acquires the Heaten Chappel Factory, built in 1917 and 1918, and equipped on the most up-to-date principles, from Crossley Motors, Ltd., obtains from the Willys Overland Company of America the right to manufacture the Willys Overland Car, and purchases the whole share capital of the Willys Overland British Company, which holds a contract for the exclusive sales of the products of the American Company on the British market. The total purchase consideration payable is £1,050,000 as to £550,000 in cash and £500,000 in Ordinary shares—representing the total authorised Ordinary capital. Crossley Motors receive £625,000 for their factory, including £450,000 in cash, and the Willys Overland Company receive £425,000, of which £325,000 is in Ordinary shares and £100,000 in cash. The American Company, therefore, has control, and its President is President of the new concern. The Chairman, however, is the Chairman of Crossley Motors, Ltd. To investors who agree with the Managing Director of Crossley Motors and with the Vice-President of the American manufacturing company, that the essentials for a highly successful enterprise are present in the new venture, the Preferred Ordinary shares offered for sale will appeal as a high-yielding speculative investment. The issuing house buys the shares for 20*s.* each, but pays underwriting commission of 7½*d.* per share. The American Company and its President have applied for—presumably at par—and will be allotted 300,000 of the Preferred Ordinary shares so that the total issued capital is £1,800,000, of which £500,000 is in Ordinary shares forming part of the vendor consideration. Substantial working capital will be available.

The Bristol Waterworks Company will shortly invite tenders for £300,000 £6 per cent. Perpetual Preference stock at the minimum price of par. This will be a trustee security authorised by the Trustee Act, 1893. The Company's accounts for the year 1918 show that, after providing for working expenses, interest, and dividends on the existing Debenture stock and Preference capital, the balance is more than four times the sum required for dividend on the new issue.

"The People's Year-Book, National and International." The 1920 edition of this work, issued by the Co-operative Wholesale Society, Limited, has just appeared. The price is 2*s.*, and copies may be obtained from the offices of the Society, 1 Balloon Street, Manchester. A wide field of national and international activities has been covered in labour, co-operative, and kindred subjects.

MEETINGS
OF PUBLIC COMPANIES.

LONDON JOINT CITY AND MIDLAND BANK, LIMITED.

Agreement with the Clydesdale Bank Ratified.

Proposed New Issue of Shares.

An extraordinary general meeting of the shareholders of the London Joint City and Midland Bank, Limited, was held at the Cannon Street Hotel, London, E.C., on Tuesday, December 30, 1919, for the purpose of (1) approving a provisional agreement for a fusion of interests between the London Joint City and Midland Bank, Limited, and the Clydesdale Bank, Limited, and (2) increasing the capital of the Company. The Right Hon. R. McKenna (Chairman) presided.

In moving the first resolution, the Chairman referred to the great loss the Bank had suffered by the death of Sir Edward Holden. He then went on to indicate the advantages that would accrue from the arrangement between the London Joint City and Midland Bank and the Clydesdale Bank, not only to the shareholders of those two institutions, but to the general trading community. Already holders of over 83% of the capital of the Clydesdale Bank had given their assent to the fusion. The resolution was seconded by Mr. W. G. Bradshaw, Deputy Chairman, and was carried unanimously.

The second resolution, relating to the increase of £3,750,000 in capital of the London City and Midland Bank to £45,200,000 by the creation of 1,500,000 new shares of £2 10s. each, was then submitted by the Chairman, who, in the course of his remarks, announced that in view of the great increase of the Bank's business the board deemed it advisable further to increase the capital and reserve. In addition to the shares alloted to the Clydesdale shareholders, a further number of about 500,000 shares would be issued and offered to the shareholders of the London Joint City and Midland Bank on the register on March 1 next, in the proportion of one new share for every eight then existing shares of both classes. The new shares would be offered at £5 per share, a price which, in view of their present market value, offered a substantial advantage to the shareholders of the Bank. Following the precedent of the last issue of shares, fractional certificates would not be issued, but arrangements would be made for the shares representing the aggregate of the fractions to be disposed of. The proceeds in excess of £5 per share would, after payment of expenses, be distributed *pro rata* amongst the shareholders, who would otherwise have been entitled to the fractions. This resolution was seconded by Mr. A. H. Goschen, Deputy Chairman, and was carried unanimously.

The proceedings terminated with a vote of thanks to the Chairman for presiding.

COMMERCIAL BANK OF LONDON.

An extraordinary meeting of the Commercial Bank of London was held on December 31 at 6 Austin Friars, E.C., to pass resolutions for the reconstruction of the Company and the reorganisation of its capital. The Right Hon. Sir Charles Hobhouse, Bart. (the Chairman), presided.

The Secretary (Mr. W. Ernest Tilleweek, F.C.I.S.) read the notice convening the meeting.

The Chairman said: Gentlemen,—As you are aware, this meeting is held in accordance with the requirements of the law to confirm the resolutions which were passed at our general meeting held on December 17. As I then went very fully into all the points arising out of the resolutions, and as they were carried with practical unanimity, you will not wish me to go into details again to-day. You will, however, be interested to hear that, in anticipation of the resolutions being carried, all arrangements have been completed for our new issue of shares, which will be offered for subscription on January 8.

The whole issue has been underwritten, and if the applications for underwriting which we have received are any criterion, I can only say that the issue should be a marked success.

I am also glad to be able to tell shareholders that since our last meeting negotiations which were then in progress have been completed, the result of which should be a very substantial addition to our profits during the forthcoming year. Other good business has also been offered to us, and altogether your board are able to regard the future of the Bank with very great confidence.

I have been asked what the position will be after this meeting with reference to dealings in our shares. The answer is that dealings in the shares of the old Company will cease at the close of business to-day, when the Company goes into liquidation.

The dealings in the new shares will commence immediately after allotment, and this will be within a few days of the closing of the list of applications for the new shares, which will be offered publicly on January 8.

I now beg to move the resolutions of which you have received notice, and I will ask Mr. Clarence Hatry to second the resolutions.

Mr. Clarence Hatry (Managing Director) seconded the resolutions, which were carried unanimously.

THE URUGUAY EAST COAST RAILWAY CO., LTD.

The eleventh ordinary general meeting was held at No. 1 Broad Street Place, London, E.C., on December 30, 1919, Mr. G. Grinnell-Milne presiding.

The Chairman, having called upon the Secretary to read the notice convening the meeting and also the auditors' report, said: Gentlemen,—The report has been properly circulated, and I presume that you will, therefore, agree to take it as read. The details given in the report and accounts as to the past year's working and the arrangement made with the Uruguayan Government are so full that I do not think they require any further reference on our part. As announced by circular of November 3, 1919, and the report, the Company has parted with its railway and stores to the Uruguayan Government. Its first duty, therefore, will be to receive and then to deliver the Government bonds, referred to in the report, to the various parties entitled to them. This they are endeavouring—as far as lies in their power—to expedite, and they trust that no longer period will elapse before they will be in a position to exchange the securities. The Government are being pressed to deliver the definitive bonds in exchange for the scrip now in our possession. I therefore beg to propose, gentlemen: "That the statement of accounts for the year ending June 30, 1919, now presented be received and adopted."

This resolution was passed unanimously, Mr. Binder, the retiring director, was re-elected, also the auditors, and the proceedings then terminated.

SUNBEAM MOTOR-CAR COMPANY, LIMITED.

The fifteenth ordinary general meeting of the shareholders was held on Tuesday at the Victoria Hotel, Wolverhampton. In the absence, owing to illness, of Mr. Thomas Cureton (Chairman), Mr. S. Bayliss, J.P., presided.

The Secretary, having read the notice convening the meeting and the report of the auditors,

The Chairman expressed regret at the absence of Mr. Cureton. He said it was a matter of great concern to Mr. Cureton himself because he had not previously missed an annual meeting during the Company's existence. Happily he was getting much better, and hoped to be back again at work before long.

Progress Fully Maintained.

The accounts, which had been circulated, showed that notwithstanding the interruption of trading conditions which followed the conclusion of the War the progress of the Company had been fully maintained, and that it was never in a sounder position than now was evidenced by the balance sheet. It was true that the liabilities were greater, but so were the assets, and the stability of the Company had been in nowise adversely affected. On the liability side there was an item of £350,000, relating to an issue of Debentures, as to which the shareholders would doubtless like to have an explanation. Naturally, after the conclusion of the Armistice, when contracts for war material were cancelled by the Government, there was a great amount of adjustment and squaring-up work to be done by the various Government departments concerned. The Company was in possession of enormous quantities of material, and in addition the Government were debtors for work actually done up to the time of the cancellations, and the settlement of all these outstanding matters was a very lengthy business. As delivery of goods for the Government fell off the amount of cash received also fell off, and as the directors did not care for continued bank overdrafts, in view of the unsettled financial condition of the country, and as further developments of the business were always before them, they had to consider which was the best way of raising a further sum of money. After due deliberation it was thought advisable to issue redeemable Debentures, in order that ideas for the development of the business should not be hampered for want of money.

The Dividends.

Since the last annual meeting the directors had divided the capital and made an issue of bonus shares to the holders of the Ordinary shares, some of whom had twice the number of shares previously held. In consequence of this some of the shareholders might be a little disappointed with the dividends now announced, but, as was pointed out by the

Chairman of the meeting at which the power was taken to increase the capital, the issue of these bonus shares did not necessarily mean an increase on the dividend, because it was not a means of bringing fresh money into the coffers of the Company. The directors felt that in view of certain extensions, and in view of the uncertain position arising out of the prolonged moulders' strike, it was not advisable to increase the dividends this year. In conclusion, Mr. Bayliss moved the adoption of the report and confirmation of the following recommendations of the directors :—

	£	s.	d.
Pay the balance of dividend on the Preference shares	900	0	0
Pay a final dividend of 5%, free of income tax, on the Ordinary shares	25,000	0	0
Pay a bonus of 6*d.* per share, free of income tax, on the Ordinary shares	12,500	0	0
Place to reserve (bringing this account up to £100,000)	80,000	0	0
Place to war contingencies fund	25,000	0	0
And carry forward (subject to such an amount as may be voted to the directors for remuneration for the past year)	51,320	0	4
	£194,720	0	4

Managing Director's Review.

Mr. W. M. Iliff (Managing Director), in seconding the motion, said he thought shareholders would agree that the report and balance sheet showed the Company to be in a peculiarly strong position. Referring to the item sundry creditors, which was somewhat larger than last year, he explained that this was partly due to reserves for claims from the Government for material which they controlled, and for which they were very slow in rendering their accounts, to reserve for excess profits duty, income tax, etc., and certain reserves on capital items for which accounts had not been rendered, while there was also an increase in the ordinary trade purchases, due in part to the increase in prices ruling now as compared with a year ago. On the assets side, land and buildings showed an increase as a result of the purchase of 14½ acres of land adjoining the works, which the directors thought it wise to obtain while it was in the market, and though they had no definite intention of using the land at the moment, it would be available for future developments. The item had also been further increased by an amount expended in the erection of new storage accommodation and other extensions. Plant and machinery actually showed a reduction.

Position as to Government Contracts.

There was a considerable increase in sundry debtors, owing to the fact that the Government were their debtors at the close of the financial year for the settlement of war contracts, and negotiations in connection with the settlement had been very prolonged. These, however, had now been satisfactorily carried through, and with one or two important exceptions their war contracts were cleared out of the way. The exceptions related to engines for use in airships. It was proposed to open a new reserve account, called a war contingencies fund. Owing to the large number of contracts they had had from the Government during the last five years, and to the fact that they had had to deal with so many different Government departments, it was not to be expected that they could sail right through and pick up their money as soon as they had invoiced the goods. There were still certain amounts due to them from the Government on early contracts, and though they did not fear that they would not be paid, yet, owing to the changes that were continually taking place in Government departments, they thought it wise to establish such a fund for a time.

New Repair Factory at Cricklewood.

He went on to say that the Company had secured a repair factory at Cricklewood, only about five miles from the centre of London, where they meant to give to Sunbeam owners the service which had always been forthcoming at the repair department at the works. They had also secured premises for London showrooms in a very accessible position in the West End, and would be able to enter into possession of these very shortly. Regarding the change over from war to peace work, he said it had been satisfactorily completed.

Increasing Output of Cars.

Notwithstanding the disabilities under which they worked, they succeeded within one month of the Armistice in turning out their first post-War car, and although their output of cars for the year had not been up to expectations, not so much owing to labour unrest in their own works as to the general unrest all over the country, which was responsible for delays and difficulties in obtaining adequate supplies of materials, he thought they had reason to be proud of their speedily increasing output. Reports which had reached them from their agents showed that they had been more prompt in their supplies, and nearer to the promised dates of delivery, than apparently any other suppliers had been, and he believed he was correct in saying that more new Sunbeam cars were to be seen on the road to-day than any other British make. A proportion of the Company's output had been allocated to overseas markets, and they hoped as time went on to be able to increase this proportion considerably. He assured shareholders that the directors would watch for opportunities for progress in the development of the aeroplane engine for commercial work, though just at the moment there was not much business to be done in that direction.

Forging Ahead on Sound Lines.

Supporting the motion, Mr. Louis Coatalen (Chief Engineer) said that engineering plants throughout the country had been developed on extensive and elaborate lines to produce munitions of war, and it would seem that the manufacture of motor-cars was to be undertaken on a large scale, which would result in violent competition. For the present season's trade it had been decided to carry on with the manufacture of the 16 h.-p. model, a car of known performance and capability, and a car with which they could expect a definite weekly output from the works, rather than embarking upon the production of a new type. The new model 24 h.-p. six cylinder was now in an advanced stage of production and would take its place with the standard 16 h.-p. in the weekly delivery list. The policy adopted had been one which had enabled them to deliver cars to the public and to set the works to their normal function of making cars, instead of aeronautical engines, while making plans for the future. It was their policy not to make a mushroom growth of the works during the War, with the result that the works had not become unwieldy either mechanically or financially. They were forging ahead on sound lines, increasing their production gradually, maintaining and improving their international reputation, and planning to be in close contact with their cars when they were in the hands of the public.

The motion was passed.

Mr. Capel Cure said he thought the meeting would like to place on record an expression of sympathy with Mr. Cureton. Those who had been shareholders from the beginning knew that Mr. Cureton and Mr. John Marston really started the Company, and the spade work Mr. Cureton put in long before the Company became the prosperous concern it was now largely accounted for the present state of his health. He moved a vote of sympathy to Mr. Cureton, coupled with a hope for his speedy recovery.

The motion was seconded by Mr. Lawley Smith and agreed to.

On the proposition of Mr. Capel Cure, the remuneration of the directors for the past year was fixed at £5,000, free of tax.

The Chairman, in returning thanks, said the directors would do their best to make the Company even more successful than it had been in the past.

Messrs. T. Cureton and S. Bayliss were re-elected to the board, and the auditors, Messrs. B. Smith, Son and Wilkie, were reappointed at a fee of 360 guineas.

BRITISH PLATINUM AND GOLD CORPORATION, LTD.

The annual general meeting of this Corporation was held on December 30 at Winchester House, Old Broad Street, E.C., Mr. Thos. J. Ive, Chairman and Managing Director of the Company, presiding.

The Secretary (Mr. Chas. A. Sack) having read the notice convening the meeting and the report of the auditors,

The Chairman said : Gentlemen,—With your permission I will take as read the report and accounts, which have been in your hands for some days. These accounts have been made up to October 31, and cover a period of 18 months. It naturally follows that some of the fixed charges are larger by 50% than if the period had been the usual one year only. The purchase consideration shown on the assets side is, as you will have seen, £100,000 in 100,000 shares, issued as fully paid. Net cash proceeds of sales of shares acquired under the purchase agreement amount to nearly £52,000. Interest on investments and on bank deposits, less tax, amounts to £2,968. The liquable assets, which comprise National War Bonds, War Loan, and cash at the bank, aggregated, amount to £115,000. With regard to the expenditures in Colombia which are not yet capable of allocation, I should explain that your resident accountant, who only arrived in that country in October last, has not had time to render accounts of those expenditures. It will have been observed that the final payment of £26,000, being the last instalment of the purchase price of the Opogodo property, has been paid. No similar item should again appear in the accounts, which is only one of the results of the new agreement which I was able to make during my last visit on your behalf to Colombia, and to which agreement I shall have the pleasure of referring later. Further, with regard to the accounts, I may again mention what was stated in the report—viz., that as soon as the Treasury restrictions on the issue of new capital were removed the directors exercised the Corporation's option to take up the balance of the unissued capital, 199,930 shares, in Paris (Transvaal) Gold Mines, Limited. These shares remain intact in the coffers of the Corporation. On the other side of the balance sheet

you will have observed, no doubt with satisfaction, that the premium on share account stands at the substantial figure of £18,750.

Platinum and Gold Production Expected to Commence in April.

Deferring the new agreement until later, I will now deal with the work done during the period under review. From the reports you have received it will be obvious that neither your directors nor your engineers have been lax. With regard to the Opogodo property, an area of about 10 square miles, as you will remember, the first dredger ordered by the Corporation is being erected there after considerable unavoidable delays, wholly caused by strikes on the Clyde and in Liverpool, and the actual recovery of platinum and gold on that property is expected to commence in April next. All the necessary buildings, the machine shops, &c., have been completed. On the Cimarronas property, on which, as you will remember, prospecting and surveying operations were commenced in November 1918, the work of your engineers has been advanced sufficiently to enable them to locate the areas most suitable for dredging operations. They comprise various river flats, stretching from the northern to the southern boundary, with a frontage of two miles in the River San Juan, and an average width of about a thousand feet The present prospecting has been confined to these flats, and the engineers have concluded that there are two leads, a shallow and a deep one, the deep lead being the richer in platinum and gold, and the maximum depth of this rich lead being 64 feet. The cubic yards they have proved are 1,439,000, and the average value per cubic yard they have found to be 16.43*d*. But, owing to the want of a power-driven drill to reach this deep lead, the larger number of the assays from which the average value has been ascertained have had to be made from gravels from the shallower and poorer depths, such assays exceeding those from the deep rich lead by about 50%. When the assays from the shallow and deep leads have been equalised—that is, when the power-driven drill has enabled the engineers to reach the bedrock at the deeper depths—the average values should be, and no doubt will be, very considerably increased. The power-driven drill should now be at work. It had to come from San Francisco, where, as everywhere else, there were shipping difficulties. All buildings necessary for the work at present in hand on this property have been erected.

New Dredging Property.

I now come to the new dredging property on the Condoto River, for which a first dredger has been ordered—actually the second dredger, but the Corporation's first dredge for that river. This Condoto property was acquired under the new agreement, which I propose to explain as far as I may later. As your consulting engineers have shown in their report, this property is the bed of the Condoto River for 18 to 20 miles of its length. They believe that further prospecting will prove additional quantities of gravels of much higher values than have been proved to date—that is, than the estimate of 5,000,000 cubic yards of a platinum and gold recovery of 2*s*. per cubic yard. From the first dredger now ordered for this property your consulting engineers estimate an annual profit of £30,000, *plus* £3,375 for each £1, per troy ounce, obtained for refined platinum over and above £14 10*s*. per troy ounce. In this connection I should explain that in all estimates your engineers have throughout based their calculations on £12 per troy ounce for crude platinum mineral, which is the equivalent of £14 10*s*. per troy ounce for refined metal, the latest quotation in New York being $150. I may add that the estimated cubic yardage of 5,000,000 cubic yards on the Condoto is actually a most conservative one, for I anticipate that it will be doubled as to yardage, and very much increased as to values.

Control of about 300 Square Miles of Properties.

Naturally the paragraphs of the directors' report which will be of the greatest interest to you are those that relate to the new agreement, the increase of the capital to £1,000,000, and the pending issue of 187,491 new shares. When I had the pleasure of addressing you at the statutory meeting held on November 27, 1918, I then suggested that I would be making another visit to Colombia in company with Mr. Inder, of Messrs. Inder, Henderson and Dixon, your consulting engineers. I went later, and I am pleased to inform you, as stated in the report, that one of the results of my visit, and the most important, is that I was able to enter into a new agreement on your behalf of a far-reaching character, for whereas you formerly, in addition to the purchased properties, held under option and so controlled about 40 square miles, all of which options would have expired on the 31st of this month—that is, to-morrow—you now, by this new agreement, hold under option and control not only the former 40 square miles, but the original areas have been merged with other platinum and gold-bearing areas, and now you control about 300 square miles of properties which, as your engineers state, are considered to cover vast deposits containing platinum, which properties are known to them, and of whose potential value they have a good opinion. (Hear, hear.) In an important agreement of this nature I do not think in your own interests that it is desirable that I should make public more than a few brief particulars, an outline, so to say, but under it your Corporation will be enabled entirely to avoid any further locking up of capital in the purchase of properties, and will be able to earn dividends more quickly and more—I may say—effectively by utilising the proceeds of the new issue and the capital already in hand solely as working capital and in the acquisition of additional dredgers and other revenue-earning machinery. So far as it relates to the new area on the Condoto River, its terms include no payment in cash for the property, and a division of profits after payment of working expenses and provision of a fund for the amortisation of the dredger and equipment and repayment of the cost to the Corporation. The new agreement embraces much else; it will enable the Corporation to open stores on various rivers where platinum and gold may be bought from the many tributers and to earn additional profits by supplying these people with food. The agreement gives full control to the Corporation in the management and development of the whole of the properties, and I scarcely need state again that the extensive area thus added to the Corporation's properties will provide scope for a multiplication of dredgers. Your engineers are of the firm opinion that all that is necessary to extend further the dredging industry is the intelligent prospecting of the undeveloped areas such as you control in such a large measure. Colombia possesses vast areas of unworked platinum-bearing ground, and all our reports go to indicate that the Choco district is well worthy of the careful prospecting suggested, which can hardly fail to be repaid by the discovery of still increased areas of platinum-bearing ground. That effective dredging is the cheapest form of mining, provided the ground is thoroughly prospected and proved, is now admitted, as also that this form of mining nearer approaches an industry than a speculation.

Increase of Authorised Capital to £1,000,000.

The resolutions which the directors are asking you to approve provide for the increase of the Corporation's capital from £250,000 to £1,000,000—the shares remaining of the same denomination—and the issue for subscription of 187,491 shares at a premium of 5*s*. These 187,491 shares which have been underwritten, added to the present nominal capital, and to the 162,509 shares which it is proposed to issue as fully paid to Paris (Transvaal) Gold Mines, Limited, in payment for that company's interest in the Opogodo property and its other interests in Colombia, will bring the issued capital of the Corporation up to £600,000. You, no doubt, will want to know what is the purpose of this increase of capital. Gentlemen, we own and control together over 300 square miles of land in the Choco district of Colombia, and this large area is confidently believed to comprise and cover the best deposits in the district containing platinum and gold. If you consider this fact in relation to the small amount of capital which the Corporation has issued up to the present time, the desirability the necessity—of the increase should be apparent. It is true we have over £100,000 in hand, but I think most of you will have heard something of the South American Gold and Platinum Company of New York, a company founded by the firm of Lewissohns of that city. This American company has a nominal capital of $10,000,000, of which there has been issued $9,000,000, equivalent at the present rate of exchange to about £2,250,000, or, if the market figure when I was in New York should be taken, to round about £4,500,000 sterling. Compare this capital with our total when the new issue has been made—£600,000. Take into consideration the fact that this American company are our neighbours in Colombia, engaged in the same industry, working on the Condoto River and elsewhere. The large resources of that company are known in Colombia, and this Corporation cannot afford—well, let me say—to take a back seat. We must not lag behind.

The Experience of a Neighbouring American Company.

I do not wish to enter into a comparison as to the extent and value of the areas they hold and the extent and value of what the Corporation holds, but I would remind you that this American Company has already taken over the Anglo-Colombian Development Company with a capital of £250,000, an offshoot of the Consolidated Goldfields of South Africa, and the only other British Company mining for platinum and gold in our district. I have pointed this moral, and the inference should be obvious. What we have we propose to hold, prove, and work, and to work such an extensive area requires, as I have said, and as you have read in the report, a multiplication of dredgers, which, I need not remind you, require capital to correspond. As you will also have seen from the report, this American Company is meeting with considerable success with its first dredger, which, although of a smaller capacity than the one we are erecting on the Opogodo, recovered platinum and gold in 1918, when platinum was much lower in price, of the value of $586,000, and although closed down for repairs for practically two months of this year, earned larger profits in the first eight months than in the corresponding eight months of 1918. The erection of a second dredger is about completed, and I learned in New York that three additional dredgers are in hand. These are straws which show which way the wind is blowing. It should, however, be a satisfaction to you, as it is to me, to

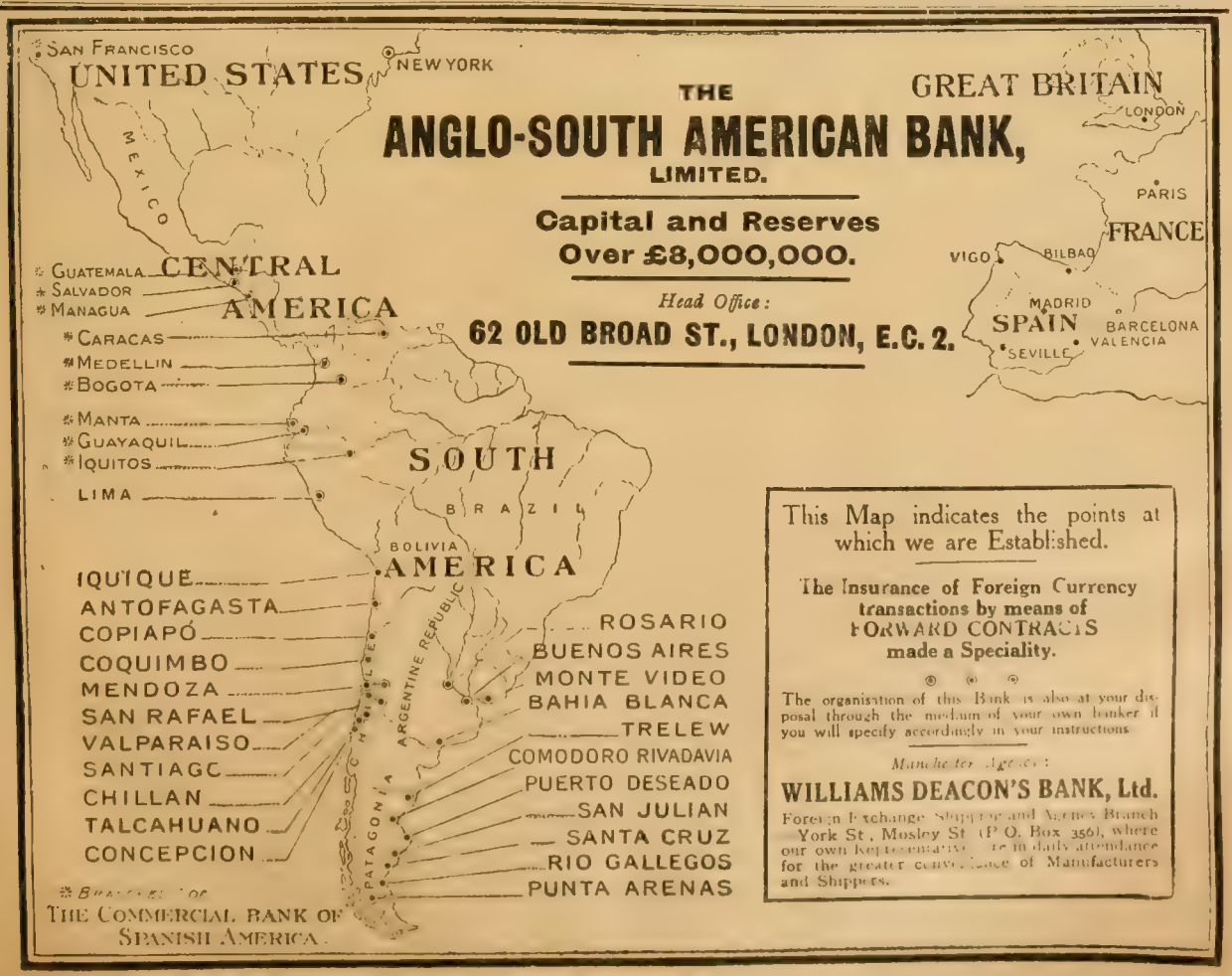
know that this first dredger on the Condoto, the Anglo-Colombian Development Company's dredger was not only erected under the supervision of your Mr. Inder, but he himself personally proved the platinum and gold values of the ground where that dredger is working, and that the actual values recovered have exceeded his estimates.

Proposed Amalgamation with Paris (Transvaal) Company.

I now come to the proposed merger of interests with Paris (Transvaal) Gold Mines, Limited, which, as you will remember, holds a one-half undivided interest in the Opogodo property, on which the dredger is now being erected, and where over 4,000,000 cubic yards have been proved by shafts and bores in the dredging area and 60,000,000 cubic yards in the hydraulicing area, giving an estimated net profit of £1,700,000, the estimated annual profit from the dredger being £58,510, plus £5,560 for each £1 per troy ounce obtained for refined platinum over and above £14 10*s.* per troy ounce. In addition, there are other assets. The new agreement and the large vista which it has opened up have made it essential that, in the interest of both companies, a merger should be effected What has been granted to this Corporation could not have been granted jointly to it and the Paris (Transvaal) Company, and it has appeared to the directors of both companies that the only just, equitable, and business-like way of adjusting the matter would be to amalgamate. Being fully acquainted with all the circumstances, I heartily recommend you to approve the merger. I brought with me from Colombia a few nuggets of platinum from our properties. I have them here, and shall be pleased for you to inspect them at the close of this meeting. One of them is a large one, and a very fine specimen. It weighs over 20 ounces. I should explain, however, that platinum is generally recovered in granulated form, the nuggets being excellent evidence of the richness of the field.

The Industrial Importance of Platinum.

Gentlemen, it is unfortunate for the British Empire, but quite the reverse for this Corporation, that the Empire contains no platinferous areas of any importance; at least, none has been discovered—the most important source being Canada, where a little platinum is recovered from nickel ore and copper matte. It is also certain that but for a certain amount of insight, for which I think I may claim credit without being accused of conceit, the large areas of platiniferous land which this Corporation controls—or, rather, the platinum which will be recovered from these areas—would be lost to British industries, or would only be available for those industries at second-hand. These areas would be controlled by citizens of another nation, who would undoubtedly ship the precious metals we anticipate recovering to their own country, and dole out to this country just such quantities at just such prices as best suited themselves and their home industries. I have dealt so fully at other times and places with the uses of platinum that it may now be only necessary to indicate that in the main they remain the same, the chemical, electrical, and engineering industries requiring constant supplies. There are other important industries which use up quantities of platinum, as dentistry and the jewellery trade, but the present price of the precious metal, ruled as it is by supply and demand, definitely indicates that none of the industries to which platinum is essential is obtaining anything like sufficient. The prices range between £25 per ounce troy and £40 per ounce troy, the price of refined platinum varying according to the locality and circumstances. These are present prices, but you will naturally expect to hear something about future prices. This needs no power of prophecy. There is no mystery about the matter. It is all a question of supply and demand. The prices ruling to-day are the direct consequences of a great shortage of the metal and an ever-increasing demand for new uses—peace uses, for every use connected with the War there has arisen a number of others requiring still more and more of this precious metal, which cannot be supplied at present. You will most of you be aware that, previous to the War, some 90% of the world's production of platinum came from Russia—the Ural Mountains—but some years before the War the deposits had begun to get exhausted. This we have on the evidence of experts, which is certified—proved—by the decline in the output, very marked in the years just previous to the War and during it. Owing to the present chaotic conditions in Russia, the production, for lack of any evidence to the contrary, may be said to have come to an end, or at best to be moribund. The country being in the grip of the Bolsheviks, it is impossible to ascertain what production of platinum, if any, is taking place. To this condition of affairs the present high price is chiefly due, and no one can forecast when it will end, or what will be the condition of the platinum-mining industry in Russia when it does end. It may be years before Russia is able to produce as much as a quarter of its former output, and, unless some new and at present unsuspected source is discovered, it must remain for Colombia to fill the gap. There seems no probability of any such rapid restoration of normal supplies from Russia as would even tend to restore the equilibrium between supply and demand, and so reduce the market value; and even if some new source should be discovered—and it is a fact that, notwithstanding the reports of discoveries of platinum in commercial quantities in various countries, the world has been and is being scraped for such a new source without success—some very considerable time must certainly elapse before the price of platinum would be materially effected. (Applause.) In the meantime the output of Colombia is increasing yearly, but the natives have never, unless in a very few specially favourable situations, been able to work down to the bed-rock, where the richest deposits of platinum are naturally always found. That can only be done by machinery,



and up to-date machinery, which is always expensive. Increased supplies of platinum for the industries of the British Empire can only be obtained by working on a large commercial scale. Referring again to the new agreement which I have made, for which you have paid nothing, and which is quite an unusual one, I would like to say that this shows confidence in British methods and honesty of purpose, and that they are thoroughly appreciated in Colombia. Let me suggest in this connection that money talks as well as honesty of purpose, and in making this Corporation the most important mining company in that rich country, with everything in the way of trading facilities and opportunities that that implies, the increased capital, for which your sanction is asked, will play a most important part. It is with very great pleasure that I now speak of the Corporation's new director. I made the acquaintance of Don Jose Mayolo during my first visit to Colombia, and our relations have been intimate and most satisfactory ever since. It is difficult for a shareholder not possessing my special experience to appreciate properly the value—the importance—of having him as a colleague on the board. His experience and knowledge of our platinum district goes back for years. What I have said with regard to Don Jose Mayolo applies in equal measure, but not quite in the same direction, to Mr. Inder. In their experience of dredging operations generally, and particularly of dredging for platinum and gold in the Choco district of Colombia, your consulting engineers, Messrs. Inder, Henderson and Dixon, stand pre-eminent amongst British mining engineers. Their remarkable knowledge of platinum recovery is not confined to Colombia. It extends to Russia, where the firm have been engaged in this now so important industry, and where their early experience was gained. I may add in conclusion that just prior to coming to this meeting I received a cable from Mr. Inder in Colombia stating that he had shipped 60 oz. of tribute platinum, which is the first fruits of the new agreement to which I have referred. (Applause.) I now beg to move formally the adoption of the report and accounts as presented for the year ended October 31, 1919.

Mr. G. H. Short seconded the motion, and it was unanimously agreed to.

The auditors, Messrs. Deloitte, Plender, Griffiths and Company, were reappointed.

The following resolutions were unanimously carried :

(*a*) That the capital of the Company be increased to £1,000,000 by the creation of 750,000 shares of £1 each.

(*b*) That the purchase by this Company of the undertaking, property, and assets of the Paris (Transvaal) Gold Mines, Limited, at the price on the terms and subject to the conditions contained in a draft agreement intended to be made between the Paris (Transvaal) Gold Mines, Limited, of the one part, and this Company of the other part (which draft agreement has been explained to this meeting), be hereby approved, and that the directors of this Company be directed to enter into such agreement with or without such modifications (made either before or after the execution thereof) as they may approve, and this notwithstanding that the directors of this Company or some or them are or may be directors of or shareholders in the Paris (Transvaal) Gold Mines, Limited.

(*c*) That the directors be at liberty to issue so many of the said new shares to Paris (Transvaal) Gold Mines, Limited, or its nominees, as shall be necessary to carry out the terms of the said draft agreement, and that the remaining new shares be allotted and disposed of as the directors may from time to time determine.

The proceedings then terminated with a vote of thanks to the Chairman, engineers, and staff.

CHINESE ENGINEERING AND MINING CO., LTD.

The seventh annual ordinary general meeting of this Company was held on December 31 at Winchester House, Old Broad, Street, E.C., Mr. W. F. Turner presiding.

The Secretary (Mr. Alfred W. Berry), having read the notice convening the meeting and the report of the auditors, the Chairman said : Gentlemen,—Let me begin by explaining how it is that we are holding this meeting on the last day of the year. The final accounts from China did not arrive until the first week in December, and it was very doubtful whether we should be able to comply with the requirements of the Companies Act and hold the meeting in the course of the present month. We therefore fixed the last day of the month provisionally as the date of the meeting, and by great exertions on the part of all concerned we have been able to issue the report and accounts in time for submission to you to-day.

The Year's Results.

The results for the year ended June 30, 1919, are entirely satisfactory, the net profit for the year, as shown by the profit and loss account, being £652,873, which compares with £576,555 for the preceding year, an increase of £76,318. There has been an increase in the sales of coal, which amounted to over three million tons, and there has been a further rise in the rate of exchange throughout the year. The net profit of the Kailan Mining Administration amounted to $5,995,734, this Company's proportion being $3,162,910. The effect of the continued rise in exchange will be seen when I say that the profit just mentioned, taken at the average rate of exchange for the year—*i.e.*, 3*s.* 9¾*d.* per $—amounted to £602,929, whereas had it been taken at 3*s.* 2½*d.*, the average rate for the preceding year, the figure would have been £502,440. Therefore the year with which we are dealing has benefited to the extent of £100,489 by comparison with the preceding year owing to the rise in exchange. We think it our duty to bring this point prominently before you as we have done in preceding years. Adding to the profit figure already stated the interest in China, amounting to £33,910, we have a credit of £636,840. Interest in London was £34,026, and there are smaller items amounting to £4,287, making a total to the credit of the account of £675,154. On the other side you have the usual expenses and three other items which may be mentioned separately. Subscriptions to British and Belgian relief funds, £2,238; this item will not reappear in the future. Loss on exchange, £5,416; arises on the exchange between London and Brussels. Loss on the sale of Government stocks is £730. The balance of the year is £652,873. The amount brought forward from the last account was £325,367. From this there had to be deducted Brussels office expenses for three years from June 1, 1915, to June 30, 1918, less interest received, £8,045. These figures were not in our possession at the time of the preparation of the last balance sheet, so could not be included. We have also to deduct balance of excess profits due to June 30, 1918, £1,908, and the dividend of 10%, free of income tax, which was paid on December 20, 1918, £100,000, leaving the net amount brought forward from last year at £215,413, making a total credit of £868,287. On the other side, we have income tax, £74,440, and reserve for excess profits duty, which is estimated at £300,000. The excess profits duty for the year with which we are dealing was at the average rate of 60%, the rate for the first half of the year being 80% and for the second half 40%. The net balance available amounted to £493,846. The interim dividend of 5%, free of income tax, paid on May 15, 1919, amounted to £50,000, and the balance carried to the balance sheet is £443,846. The board propose that a further dividend of 15%, free of income tax, be declared to-day, payable on January 5, making a total of 20%, free of income tax, for the year, which is equal to about 28% less income tax. There remains a final balance of £293,846 to be carried forward to the next account, subject, as stated in the report, to any further remuneration which may be payable to the directors.

Directors' Remuneration.

It will be convenient if I refer here to the resolution which is set out in the notice of meeting proposing an alteration in the Company's Articles of Association to the effect that, in addition to the fixed remuneration prescribed in the Articles, the Board shall be entitled to receive in each year, commencing with the year ended June 30, 1919—*i.e.*, the year with which we are now dealing—5 per cent. of the balance of the net profits remaining in each year after the payment of a dividend of 10% on the share capital. The remuneration which is shown in the accounts was fixed five years ago, when the position of the Company was very different from what it is to-day. The profits for the year ended June 30, 1914, were less than one-fourth of what they are for the past year; the dividend for that year was 10%, free of tax, against 20%, free of tax, for the past year, whilst the income tax payable on that occasion amounted to about £9,000, as against the £374,000 which we have had to provide this time; and the balance carried forward was £52,268, against £293,846 shown in the report. The remuneration has proved to be totally inadequate. The directors' responsibilities have greatly increased, and will increase still more in the future, as you will hear presently : hence the proposal which is contained in the notice of meeting.

The Balance Sheet.

I will now refer briefly to the balance sheet. The creditors at June 30 last amounted to £234,000, which is a large reduction compared with the corresponding figure of the preceding year. You will notice that the liabilities for dividend and Debenture coupons and Debentures drawn for redemption to December 31, 1918, which are set out separately, amounted to £351,667, and from that total we deduct payments made on account, £163,056, leaving a balance outstanding at June 30 last of £188,610. We are compelled to deal with the figures in this way for the reason that we are not able to allocate to the various heads the large amount of coupons which were paid in Brussels by the Banque d'Outremer during the War. There has been a great accumulation of these coupons, and it is necessary that they be tabulated and examined and recorded in the Company's books. This is a work for which special arrangements have had to be made, and which will require, with continuous application, twelve months to execute. When that is done these liabilities will appear in the balance sheet in the usual form. The other items on this side of the balance sheet are all of the usual character. As regards the credit side of the balance sheet, the first item is cash at bankers, in transit, and in hand, £228,403. The auditors, in their certificate, remark that the cash balances in Brussels have been converted at the exchange of Frs. 25.20 per £ sterling; that is

a very proper observation, though not of any practical moment. The amount of cash in Brussels at June 30 last was about £27,000. The rate of exchange at that time was about Frs. 30.80, but the conversion to sterling is made only for the purpose of our balance sheet, all payments in Brussels being made in francs. Consequently our profit and loss account is not affected at all. Taking the cash, the War Loan and the 5% National War Bonds and the bills receivable together, we have a total of £990,648. The total liabilities on the other side of the account, including the reserve for excess profits duty and the half-year's Debenture interest accrued to June 30, amount to £566,294. There was, therefore, a cash surplus of £424,354, out of which we have to provide £150,000 for the proposed dividend of 15 per cent. This will leave a cash surplus of £274,354. There is nothing calling for comment in the other items contained in the balance sheet. I may mention, however, that the item of £68,842 which appeared in our last balance sheet, being the Company's balance in Brussels at May 31, 1915, which was sequestrated by the Germans, has now disappeared, the whole of that amount having been repaid.

Coal Sales.

Reverting now to the directors' report, you will find on page 4 a paragraph which deals with the business done by the Kailan Mining Administration during the past year and during the current year so far as it has gone. The sales for the year 1918-19 amounted to 3,128,677 tons. The report states that the sales during the first five months of the current year have grown rapidly. This is quite correct, but on looking into the figures we find that the increase in the sales began in the spring of this year, and has continued down to the present time. It is during the last five months, however, that the increase has been so remarkable, the sales for that period having been 1,569,187 tons, as compared with 1,168,857 tons in the corresponding period of the preceding year, an average increase for that period of about 33%. It is interesting to know that this increase in the sales does not appear to be due to accidental or temporary causes, but to conditions in regard to the demand and the supply of coal, which are of a permanent nature.

Bright Outlook.

In a report made by Major Nathan towards the close of the last working year—that was in June—he said that he anticipated during the coming year a shortage of coal due to the greatly increased demand since the end of the War, that the drop in coal prices, owing to lower freight rates, would lead to the reopening of our old markets to their fullest extent, and cause the development of new markets; that day by day they were turning out of the mines as much coal as possible and were selling the whole output, while he had to refuse contracts owing to the want of stocks; and that the scarcity was felt as much in the inferior grades of coal as in the superior grades. Japan, Korea, and Manchuria were all commencing to use our No. 1 and 2 Slacks, and he had little doubt that these markets would develop rapidly. As to the present position, I cannot do better than give you a quotation from Major Nathan's annual report, written in October last. He says: "I consider the outlook brighter than at any other period of the existence of the Kailan Mining Administration. We have a vast coalfield which will allow us to increase our output to an almost unlimited extent. The coal is of good quality for steaming purposes and the mines are conveniently situated for the transport of our products both by sea and by land. On the other hand, there are few developed coalfields in China which can produce coal in any large quantities suitable for steam-raising purposes, and they are all at a great disadvantage in comparison with ourselves as regards facilities for export. Also, coal in Japan is limited; its output is unlikely to increase, and it may now be said that the stage has been reached when the demand in that country will absorb the entire capacity of its output. Again, there is year by year a notable increase in the demand, and nowhere can coal be obtained as cheaply as from our collieries." He says it behoves us to immediately take steps to provide a sufficient output to meet the increasing demands.

Improved Railway Facilities.

One of the great difficulties during the War was the inadequate supply of coal waggons on the railways. As to this, Major Nathan now reports that his efforts to induce the railways to increase their carrying capacity have met with success. A large new supply of railway engines and cars is at work, and he estimates that the railway is now capable of carrying two to three thousand tons a day more than our present requirements. He is urging the necessity for the doubling of the line between the mines and Chinwangtao, and he trusts that the Chinese Government will shortly see the necessity for this and commence the work.

Steps Taken to Increase Production.

Coming now to the measures which have to be taken to meet this increasing demand for our coal, the urgency of the matter will be seen from the fact that whilst the total production of coal for the past year was, in round figures, 3,400,000 tons, the stock of coal at the mines and at the various agencies on June 30 last was only 206,000 tons, which is almost a bagatelle in such a business. As to the resources of the existing mines, it need only be stated that the coal in sight at June 30 last was 23,450,000 tons. The maximum capacity of the mines as they stand is given as 14,500 tons per day, but Major Nathan, in making his calculations for the current year, after making all allowances, places the output at 4,000,000 tons. It is proposed to develop the output capacity of the existing mines to the extent of producing 4,500,000 tons per annum, which is regarded as their limit of production for practical purposes. To bring the mines up to this figure it will be necessary to sink new shafts at three of the principal collieries. This work, which has already been authorised, will take about two years. The next step is to open a new mine on a scale which, when in full working, will produce a daily output of about 5,000 tons, or, say, 1,500,000 tons per annum. It is estimated that two years will be required before this new mine enters upon the producing stage, and it will take a considerable further period, probably three years, to bring it up to the capacity intended. This work has also been authorised. Prospecting has been going on for some time past, and we expect shortly to hear that the exact site has been located. It is evident, when we consider the prospects in regard to the demand for our coal and the length of time which will necessarily be occupied in the works just mentioned, that the time has already come when we must consider the question of opening a second new mine with a capacity of 5,000 tons per day. Arrangements have therefore been made for the necessary prospecting work to be commenced at once.

A Period of Great Expansion Commenced.

I need not say that the programme which I have briefly described will involve a large capital expenditure. There is, of course, no difficulty on this score. The capital will be required gradually over the next two or three years. As you have seen from the balance sheet, we are in a strong financial position, and able to meet our share of all demands in the near future, but an issue of new capital will sooner or later be required. The subject, of course, concerns the Lanchow Mining Company to the same extent as ourselves, and it will be further considered a few months hence when Major Nathan is in London and we have fuller details before us. There is one other subject to which I must refer briefly. You may have seen in the newspapers a cablegram from China stating that a preliminary agreement has been entered into by the Kailan Mining Administration with the Shansi Government for the working of mines in the province of Shansi. The agreement in question refers to the Tatung Coal Field. It is essentially of a preliminary character, and the effect of it



is that in the first instance a careful investigation will be made of the character and resources of the field, and everything will depend upon the results of that investigation. The position of the field is good; it is situated to the west of Kalgan, and close to the Peking-Kalgan-Suiyuan Railway, approximately several hundred miles to the west of Peking. The coal is said to be of good quality, and to exist in large quantities. It is too early to say anything more on this subject, but there would appear to be large possibilities involved. There are other matters under consideration which are not sufficiently advanced for discussion; I have dealt with those which are of most immediate interest. You will have realised that we have entered on a period of great expansion, and that the future of the business controlled by the Kailan Mining Administration is not only of interest to ourselves and our associates, but is becoming a considerable factor in the industrial development of China. I need hardly say anything expressly in regard to the services of Major Nathan in his capacity of General Manager of the Kailan Mining Administration during the past year. The recognition of his services is implicit in all that I have said concerning the year's working. Perhaps I should add that eighteen members of the staff volunteered for service during the War. They received half-pay during their absence. Two of them were killed; the others all returned to their service with the Administration as soon as their military duties enabled them to do so. (Applause.)

I will now move: "That the directors' report and accounts to June 30, 1919, be and they are hereby received and adopted, and that a final dividend of 15% be declared, free of income tax (making 20% for the year, free of income tax), payable on January 5, 1920."

The Rt. Hon. Lord Southborough, G.C.B., seconded the resolution, which was carried unanimously.

The retiring directors, Mr. Félicien Cattier, Mr. Edmund Davis, and Colonel H. A. Micklem, C.B., C.M.G., D.S.O., were re-elected on the proposition of the Chairman, seconded by Lord Southborough, and on the motion of the Chairman, seconded by Mr. Edmund Davis, the appointment of Mr. Lambert Jadot as a director was confirmed.

Mr. Bernheim proposed the re-election of the auditors, Messrs. Annan, Dexter and Company. This was seconded by Mr. Dixon, and unanimously agreed to.

The Chairman then proposed:

"That there be added immediately after the first sentence of Article 83 of the articles of association the following words, viz.:

"'The board shall also be entitled to receive in each year, commencing with the year ended June 30, 1919, 5% of the balance of the net profits of the Company remaining in each such year after payment to the members of a dividend of 10% on the amounts paid up on their shares.'"

He said: I have only one remark to make in moving the resolution with regard to the change in the articles of association in respect to the directors' remuneration. There appears to be some misapprehension as to what is the meaning of the term net profits in this resolution. It does not mean, and the directors never supposed it could be taken to mean, the net profits before the deduction of the excess profits duty. It means net profits after deduction of the excess profits duty and income tax, which, as you have heard, together amount to £374,000, which is considerably more than half of the net profits shown on the accounts.

Colonel Micklem seconded the resolution.

In reply to Mr. Nicholson, the Chairman said: As I said just now, the term net profits does not mean the balance of £652,000 shown on this account. From that you have to deduct, first, the income tax, £74,000, then the reserve for excess profits duty, £300,000, and then, as stated in the terms of the resolution, 10% on the share capital, which is £100,000. That is to say, you have to deduct £474,000 from the £652,000, and that reduces it to £178,000.

The resolution was carried unanimously, and the proceedings then terminated.

JOHANNESBURG CONSOLIDATED INVESTMENT COMPANY, LIMITED.

The annual meeting was held in Johannesburg on Tuesday, November 25, 1919.

The Chairman (Mr. John Munro), in moving the adoption of the report and accounts for the year ended June 30, 1919, said: It was a great pleasure to your directors to be able to increase the annual dividend from 5% to 7½%, free of tax, and, when I have informed you as to the financial position and standing of the Company, I think you will agree that your directors were fully justified in their action in this direction. I will now proceed to deal with the balance sheet and profit and loss account. Since the close of our financial year the amount of our contingent liabilities has been reduced by a considerable sum. I would beg to draw your attention to the fact that, in the balance sheet now submitted to you, the total amount under this heading only represents about 50% of our liquid assets. Turning to the assets side of the balance sheet, the first item is stocks and shares, £3,525,140. This reflects an increase of £208,082, being the difference between the value of new investments made and of shares realised after allowing for full depreciation on certain of our shareholdings. In accordance with our invariable practice the "book values" of our investments in stocks and shares have been written down to their "market values" as at June 30, 1919. At that date the market value of our investments under this heading showed a very large appreciation over the amount at which they appear in the balance sheet, and at to-day's prices an even greater appreciation is reflected; but no credit is taken for this in our accounts. It will give you much satisfaction when I tell you that the appreciation on our shareholdings at to-day's market prices is not only considerably larger than last year, but indeed constitutes a record in the history of the Company. The financial position of the Company, gentlemen, I can only describe as one of exceptional strength. At June 30, 1919, the total book value of our assets (exclusive of the large appreciation in the value of your "investments in stocks and shares," to which I have already alluded) amounted to £5,403,100, reflecting an increase of over £474,000 on our last year's figures. The total value of our assets shows a surplus of £3,789,438 over our total liabilities to the public, including the dividend of 7½% declared on June 24 and paid on September 26, 1919, and our "contingent liabilities." You will also note that our absolutely liquid assets, amounting to £1,167,740, represent over 72% of the above total liabilities. Turning now to the profit and loss account, you will note that the gross profit for the year under review, after allowing for depreciation written off and a largely increased provision for income tax, amounted to £346,185. Our working expenses, including War donations, staff bonus, &c., totalled £225,720, practically the same as last year. This leaves us with a net profit of £320,464, showing an increase of profit of £120,000 as compared with 1918. To this amount of profit must be added the sum of £161,796 brought forward from last year, making a total of £482,259. After deducting the amount of the dividend—£296,250—we are left with the sum of £186,009 to carry forward, an increase of £25,000. We have thus not only provided for all depreciation out of our profits, but have been able to increase the dividend by 2½% and to increase the carry-forward by £25,000

Diamonds and the Marketing of Gold.

I am pleased to be able to report that under the ægis of the control established by your permanent Chairman (Mr. S. B. Joel) a few years ago, the diamond market has experienced an era of great prosperity. Since July 24, 1919, a free market for the sale of our gold has been conceded, by which arrangement we are able to obtain a considerable premium on the sale of our product over the price hitherto paid by the Bank of England. Exactly how long this state of affairs may continue it is impossible for me to forecast. When the South African Mint and Refinery are established facts the whole position can be again reviewed and other arrangements made if considered more advantageous. What exactly the effect of the establishment of a mint and refinery in South Africa will have on foreign exchange we cannot foresee, and the question is too complex for me to deal with on this occasion.

Subsidiary Companies—Consolidated Langlaagte.

Results on the Consolidated Langlaagte Mines property have been satisfactory considering the difficulties with which we have been faced. Development has been well maintained, and it is gratifying to be able to record the satisfactory improvement in the value of the reef, a feature which you will no doubt have noticed in recent quarterly reports. These values are chiefly due to the opening up of some high-grade main reef leader in the West Deep shaft. At the moment the labour supply is especially low, and with any improvement in this direction we should soon be in a position to show an increase in the tonnage milled and profit.

The Modder Areas Mine.

Government Gold Mining Areas continues to make good progress in practically every direction. The scale of development work has been well maintained throughout the year. There has been a slight falling-off in the percentage payability, but this is more than counterbalanced by the very high values of the reef exposed. As a result of the policy of extensive development which has been steadily followed, the number of workable stope faces has recently been substantially increased, and in general the mine is being steadily placed in a position to give the best results. Although the property is popular with natives, the number available throughout the year has been much below requirements. We are hopeful, however, of a considerable increase in the near future, and this should soon allow of the reduction plant being run to its full capacity. Speaking generally, the prospects of the mine were never so bright as at present. At the end of October the ore reserves amounted to 10,127,000 tons, and in all probability a further increase on this figure, as well as an improvement in value, will be shown at the end of the year. It is obvious that it is unnecessary to continue the present scale of development indefinitely, and any curtailment of this work would have an immediate effect on the costs under this head, which have averaged 2.915s. per ton milled since the beginning of the year, whilst the labour released from this work would be available for general mine production.

Development results on the Langlaagte Estate property continue to show up well in percentage payability, reef width,

and value. The profits for the year, however, have shown a continuous falling off due to the shortage of native labour. At the end of October the number of natives at work underground had fallen to 2,181, the lowest figure reached for the year, or for many years. Shaft sinking is work that cannot be neglected, and at the present time this is a considerable drain on the small number of natives available. There is still a large area of undeveloped ground, and the prospects of the mine generally are quite good.

New Stats Areas.

Sinking at the two shafts on this property is now making good progress. As both shafts are now through the difficult ground a good rate of sinking is confidently anticipated. It will interest you to learn that from information obtained from adjoining properties we shall strike the reef at a lesser depth than I indicated last year, and it is anticipated that the reef will be infersected in both shafts within a year from now. It is our intention to order the first instalment of the reduction plant as soon as the reef has been struck, and every effort will be made to have it erected within twelve months from that date. In view of the satisfactory developments in the adjoining mines, we have every confidence that this Company will prove highly profitable.

Randfontein Central.

The dominating feature throughout the year has been the acute shortage of native labour. Native labour shortage has a very serious effect on this property, because the stopes, being steep and narrow, are quite unsuitable for machine work. A bright feature is the progress made with the new work—namely, shaft sinking, and the new hoisting and pumping scheme. At the end of October the new shafts—the north and south verticals—had reached a depth of 3,406 ft. and 3,331 ft. respectively. In September last the Randfontein Leader was passed through in the north vertical shaft at a depth of 3,210 ft., having a dip of 60 degrees and giving the satisfactory average value of 9.8 dwt. over a width of 48 in. In the north vertical six main stations have been cut, and some excellent progress made in excavating the pump chamber, the settling and storage sumps for the high lift pumping plant at the 2,500 ft. level. The first connection to the Robinson shaft is at this level, and will be connected in the course of the next few weeks. In view of the urgent necessity for bringing the north vertical shaft into operation as early as possible, it has now been decided to stop this shaft at about 4,100 ft. This will enable the shaft to be brought into commission about the middle of next year, and there will then be ten levels on the shaft. The further sinking to the 5,000 ft. level and the opening up of five other levels can be left to a later date. The main pumping plant at the 2,500 ft. level in this shaft is expected to be in operation about the end of April next. The south vertical shaft, however, must be sunk to the 5,000 ft. level before being brought into commission. The first station has been cut, and from now on a station will be cut every few weeks, but it will be well on towards the middle of 1921 before this shaft can be brought into commission. There are on order for these new shafts two electric winders capable of hoisting a five-ton net load from the depth of 5,000 ft. at a rate of 4,000 ft. per minute. They will probably be the most powerful winding engines in the world. As the heavy expenditure necessary to bring the sinking and equipment of these shafts to completion cannot be met out of current profits, the Randfontein Estates Company, which holds the entire Debenture issue, and 2,980,441 shares out of the issued capital of £4,500,000, has undertaken to finance the Randfontein Central Company to enable it to complete this vitally essential work, and your directors, in view of your large holding in both companies, have agreed to advance the Randfontein Estates Company such amounts as may be needed to meet its obligations to the Randfontein Central Company

Van Ryn Deep.

Results from this mine have been eminently satisfactory during the year. There has been a steady increase in the tonnage milled and in the monthly profits. The amount of development work carried out per month has also been increased, whilst the values of the reef exposures have been excellent, and for the last quarter the inch-dwts. of the payable reef exposed have been the highest in the history of the mine. There have been a little capital expenditure on providing the two underground winding engines with new electrical parts. This work has now been completed and the engines are giving every satisfaction. With the increased tonnage now being milled and the improvement in grade, the area of the amalgamating plates is scarcely sufficient. It has, therefore, been decided to add additional plates, increasing the present area by 50 per cent., at a cost of approximately £2,000. Altogether the prospects of the property are excellent.

Witwatersrand G.M. Company.—This property has felt the strain of increased working costs more than most mines. Development continues to expose ore of fair percentage payability and grade, and given a better supply of native labour improved results should be forthcoming.

General Remarks

Mr. G. Imroth seconded the resolution, which was carried unanimously.

PEEK BROS. AND WINCH, LIMITED.

The twenty-fourth ordinary general meeting of Peek Brothers and Winch, Limited, was held on January 1 at Cannon Street Hotel, Mr. Edmund Burke, Chairman of the Company, presiding.

The Secretary (Mr. H. J. Hicklenton) read the notice convening the meeting and the certificate of the auditors.

The Chairman, who was received with cheers, dealt in some detail with the balance sheet, which, he said, the shareholders would agree was the best in the history of the Company. The assets amounted to £1,542,975, including the valuable properties, which had been written down to £230,133, investments standing at £139,295 and Debentures (repurchased) to the amount of £100,000. The amount of the goodwill was unaltered. It was an asset of substantial value, and worth more to-day than when it was originally fixed. Instead of writing this down, a substantial reserve had been set up, the basis of the business had been broadened, and the outputs and profits increased. Other items on both sides of the balance sheet had been affected by the flowing tide of turnover, but the added liabilities were more than balanced by increased liquid assets. Reserves stood at £79,555.

Large Increase in Trade.

The profit of the year amounted to £62,766 18*s.* 11*d.* This has been earned in the first year of peace, and was substantially better than the average of the four War years. That disposed of the talk they had sometimes heard about war profits. As traders were being singled out for excessive taxation, from which all other classes are exempt, the profit which the Company was allowed to retain this year would amount only to a fraction of 1% on the sales, and any further sum earned would have had to pay taxation to the extent of 76%. Its customers, however, had the advantage of procuring their supplies at a correspondingly low margin, in some cases actually less than an average rate of brokerage. The Company's sales, therefore, had shown a large and continuous increase. Its trade was entirely wholesale, and had no connection, direct or indirect, with any retail business.

Exceptional Taxes.

After the payment of Preference and Ordinary dividend a sum of £59,047 odd was carried forward. Out of this excess profits duty would have to be met, and, although the business was five times larger than in pre-War days, the bulk of the earnings must go to the State to swell the stream of official waste and extravagance. The future of labour and capital must largely depend on the repeal of exceptional taxes on trade, and the setting free from State control of transit and other trade affairs. If the Government would only have the courage to "scrap the lot," as Lord Fisher would say, and remove all the other obstructions, legal and illegal, which they have placed in the way of trade, most of the present discontents would disappear. Food would be more plentiful and prices lower. Labour would be more contented, and they might hope for even better results than the very gratifying figures of this past year's balance sheet.

The report and accounts having been adopted, the meeting terminated with a hearty vote of thanks to the Chairman, directors, and staff.

TEBRAU RUBBER ESTATES, LIMITED.

The tenth annual general meeting of Tebrau Rubber Estates, Limited, was held at Edinburgh on December 29, Mr. Frederick Walter Carter (the Chairman of the Company) presiding.

Mr. James Greig, C.A., representing the Secretaries, having read the notice calling the meeting and the auditors' report, the Chairman, in moving the adoption of the directors' report and accounts for the year, said: Ladies and Gentlemen,—Perhaps, as usual, you will kindly hold the report and balance sheet as read. Your directors hoped to have met you to-day with a much better result than the report discloses, but a couple of factors entirely beyond the control of the board have turned the scale adversely.

Exceptionally Poor Prices for Rubber.

One of these was the fact that the first half of the financial year was still under the cloud of war, and the other that during the year in question the prices of rubber dropped lower than ever before known in the history of the industry. In June last the price touched 1*s.* 7*d.* per lb. I am thankful

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to say that to-day—six months later—it is 2*s*. 7*d*. per lb., a rise of 1*s*. per lb., but none of that falls into the year under audit; 1*s*. per lb. on 1,000,000 lb. of rubber—if it remained at that price for twelve months would mean an additional profit of £50,000. Whilst these two factors militated against our profit and loss account, the board have great pleasure in reporting (foot of page 3) that the Manager, Mr. Bradburne, managed to reduce the "f.o.b." costs by 7½*d*. and the "all-in" costs by 10½*d*. per lb. This was highly creditable, and the best thanks of the shareholders and the board are due to Mr. Bradburne for so successfully tackling costs. I sincerely trust that the Manager may be able to reduce these still further. The overhead price received for rubber was 3½*d*. per lb. less than that of the previous year. This, on the market weight of rubber sold, alone shows a falling off of £14,000 on last year's sales, so that the profit of £28,295 is not won by good prices, but chiefly by the substantial reduction in the costs referred to

The Accounts.

Now, turning to the assets side of the balance sheet (page 9), the price and cost of the undertaking to June 30, 1914, when capital account closed, remains the same, at £140,326. The bungalows, coolie lines, factory, and all other erections, valued last year at £5,260, are now reduced by depreciation to £4,220, but are valued by the Manager at a going value of £38,022, or, if destroyed and re-erected at present-day prices, they would probably cost £60,000 to £70,000 to replace, while additions during the year, £1,230, have been entirely written off to profit and loss. The total net cost of the undertaking now stands at £144,546, or £37 7*s*. per planted acre, exclusive of reserves. The liquid assets amount to £81,201, against £46,291 last year, an increase of £34,910, which the board consider satisfactory. All the stock of rubber is now sold, the estimated portion at prices well over the estimate. Taking the liability side (page 8), you will find £17,524 at credit of imperial taxes reserve. To this must be added the balance of profit, £15,584 (page 6), carried forward, making £33,108 held in reserve against income tax and excess profits duty so far as known (see foot of page 5). Creditors at head office (£15,537) include £14,700 of cash received from London agents in advance of account sales.

Profit and Loss Account.

Next, proceeding to the profit and loss account on page 7, which practically explains itself, the only items perhaps requiring explanation are freights, marine and other insurances (£6,096), which were on a war scale to December 31, 1918, and capital expenditure (£1,258) written off, this latter being very moderate. During the year the Company gave £150 as a donation to War funds, and to the coolies £46 to celebrate signing of the Armistice, and £47 for the feast of Hari Raya, a native festival—in all, £243. The net profit (£28,295) equals 22⅔% on paid-up capital of the Company. No credit has been taken for any return of excess profits duty or income tax overpaid to Inland Revenue until same is actually received.

Excess Profit Duty, &c.

At foot of page 5 of report you will find a table showing the very unsatisfactory position of the Company's disputed indebtedness to the Government. The fault lies entirely with the Inland Revenue, who, having in 1918 intimated an appeal to the Law Courts against their own Commissioners' decision, have, so far, taken no further action. More than that, in the face of that adverse judgment, the Department ignored that decision and assessed the Company on the old lines, which their Commissioners had reversed. The position and procedure are most discreditable at the hands of a public department, but it lies with the Government to move first. It is rumoured that the Chancellor of the Exchequer is proposing to repeal the excess profits duty and substitute a compensating tax on more equitable lines, but that will not assist this Company in clearing up the imperial taxes deadlock, as shown at foot of page 5.

Rainfall and Flooding.

The straightening and deepening of the river came temporarily to an abrupt stoppage, owing to a general collapse of the contract coolies (see pages 4 and 5), whilst a new and disturbing factor has arisen—that of silt coming down the river from estates situated higher up and blocking the channel on our property. The result is a constant flooding during heavy rains, and although the rainfall last year (113.64 inches) was certainly better than that of the previous year (124.33 inches), still when the river bed is blocked by silt it causes the manager a great deal of trouble and anxiety. The rain is also responsible for a great loss of latex if it falls immediately before or during tapping operations, and last year the estate was very unlucky in this respect. Moreover, on the undulating portions of the estate the land suffers much from "wash," whereby the surface soil is washed away, exposing the roots of the trees, whilst 2-foot drains very soon widen to 20 feet and become "ravines," and the surface removed assists in blocking the river channel. The Board are taking new expert advice before undertaking further expenditure.

Manager and Staff.

The Manager, Mr. C. W. Bradburne, left the estate, on furlough, in July last, and on his arrival in England came to Edinburgh for three or four days, where he met the Board and discussed all important matters. He appeared well satisfied with the estates and their condition. Mr. Charles Fraser is, during Mr. Bradburne's furlough, acting as manager, and the staff, which was very short-handed, deserve the best thanks of the Board for their loyal attention to duty.

Food Production.

By an enactment of the Johore Legislature, all estates are now required to devote a portion (3%) of their land to food cultivation, so the Manager planted up our new clearing-in field No. 23 (142 acres) with paddy and vegetables, as "catch" crops, which have been greatly appreciated by the staff and coolies.

Future Position of the Industry.

No doubt you will expect me to give you a few words as to this. I am sorry, however, that I do not feel equal to forecast the position of the industry. At present the immediate future certainly looks very bright, and the American demand has stiffened up. I sincerely trust it has come to stay. My friend, Mr. George Croll, the new chairman of Messrs. Harrisons and Crosfield, Limited, in an admirable speech delivered at the annual meeting of that company, in October last, takes a decidedly optimistic view of the position. He is of opinion that during 1920 and 1921 the supply of rubber will not much exceed the demand, and in coming to that conclusion he apparently does not include the possible requirements of the Central European Powers, so that he should have a very safe margin for his most comfortable forecast.

Capitalisation of Reserves.

The Board for some time past have had under their consideration the expediency of capitalising a portion of the reserves, in view of possible taxation in the future and for other reasons. Seeing that the greater portion of the reserves was derived from the premium received on a second issue of shares in 1910, all of which was contributed by the shareholders of that date, and did not come out of profits, the Board are of opinion that it is now expedient to capitalise £25,000 thereof, being in the ratio of one new share (fully paid) for each five shares presently held. This will bring the paid-up capital of the Company to £150,000, the limit allowed in the Memorandum of Association. If this meeting approves of the suggestion, the Secretaries will be instructed to take the necessary steps to carry this out in terms of the Statute and the Memorandum and Articles of Association of the Company.

I will now formally move: "That the directors' report No. 10, dated December 18, 1919, and the balance sheet (with relative profit and loss account) as at June 30, 1919, as submitted to this meeting, be and the same are hereby approved and adopted."

Mr. Thomas Young seconded, and after Mr. T. J. Carlyle Gifford had explained some matters in connection with the excess profits duty, the resolution was put to the meeting and unanimously carried.

The retiring director, Mr. Thomas Young, was re-elected, as were also the auditors, Messrs. Howden and Molleson, accountants, Edinburgh.

After a hearty vote of thanks had been accorded to the Chairman, the proceedings terminated.

HAMPTON PROPERTIES, LIMITED

The annual general meeting of the Hampton Properties, Limited, was held on Wednesday, December 31, at the Edinburgh Office, Mr W. Slater (Chairman of the Company) presiding.

The Chairman, in moving the adoption of the report and accounts, said the report and balance sheet dealt with the affairs of the Company up to the end of last year, and, in the light of what had since taken place in the Company's affairs, they might be regarded as more or less ancient history. Since the administration of the Company's affairs was removed to Edinburgh, one balance sheet very much resembled another; one unique feature characterised them all, and that was the absence of all charges for management. The aim was to keep the Company out of debt, and in this they had succeeded. In following this policy they were to be amply rewarded; the long lean years were now things of the past, the tide had turned, and they could look forward, he thought, to very many years of prosperity.

Additional Capital Raised.

As stated in the reports, they had recently issued 70,000 shares at par, for which they received £70,000 in cash. In addition, they had received a considerable amount of cash in respect of deposits for options on three of the Company's blocks, also in payment of rents and miners' licences. A considerable sum also fell to be paid for townsite blocks which had been sold.

The New Goldfield.

Everything in connection with the new "Gold-Field" was moving in a satisfactory way, and there had been further

confirmation of the opinion that the discovery on their property was the extension of the famous "Golden-Mile." Mr. Honman, the late Government Geologist, had been engaged to make a full report on the new discovery, and a cabled summary of his technical report stated that he "was very favourably impressed with their prospects." The Celebration lode, he stated, is identical with characteristic Kalgoorlie lode, and all field evidence pointed to Celebration being on the actual continuation of the Kalgoorlie ore-channel. This cabled summary was highly satisfactory, and it opened up vast possibilities. Block 50 is something like five miles in length, the Hampton Celebration Mine is right in the centre of Block 50. They had not yet proved the lode for this distance, but he would read an extract from a letter received from their Manager some little time ago. It was as follows :

"Several costeens along the Celebration line of lode indicate that same extends upwards of a mile, and good values have been obtained in almost every costeen. There is a big overburden on O'Donnell's lease, and as the lode is only opened up at one point, it is impossible at present to give any estimate of its length. O'Donnell has now located what appears to be a parallel line of lode some little distance further east, and good values, about 1 oz. per ton, have been obtained in a small costeen a few feet deep."

With every prospect of a long stretch of lode formation the probability of developing many payable mines was almost a certainty.

Options Arranged and a New Company Formed.

So far they had given options on three of their 24-acre blocks. The terms for the south block were that they received £15,000 in cash and a third interest. The ore being developed on this lease was worth over £4 per ton. For the north and west blocks they had already received a deposit of £3,000 in cash, and if the option was exercised they received a further £22,000, and, in addition, a half interest in a company to be formed with £100.000 working capital. They had had many more offers for other blocks, which they had meantime refused. They had ample cash resources of their own, and their policy should now be to do a limited amount of work on the most likely blocks, and if development on these turned out satisfactorily they would then be able to dispose of their leases to much better advantage. The lease on their property, which is called the "Hampton Celebration," has recently been formed into a Company with a capital of £250,000, and this mine had been very favourably reported on by an expert whose opinion carried very great weight. Through their interest as lessors they had been able to secure a block of shares, and these they would shortly offer to the shareholders at par. The Hampton Celebration gave promise of developing into a very big mine, the lodes were of more than ordinary width and the values above the average, and the ore could be treated very cheaply.

With characteristic foresight their manager, Mr. Francis, had located the most suitable position he could find on their property for a town site, which had now been surveyed and laid out as a town; to all appearance it was only a question of time before the Town of Celebration developed into a flourishing city.

He thought he had said sufficient to show how bright their prospects were.

Mr. R. S. L. Hardie seconded the resolution, which was unanimously carried.

KALI GLAGAH (JAVA) RUBBER AND PRODUCE COMPANY, LIMITED.

THE ninth annual general meeting of the members of the Kali Glagah (Java) Rubber and Produce Company, Limited, was held on December 31 at Winchester House, Old Broad Street, E.C., Mr. H. L. Coghlan (the Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said : Gentlemen,—The report and accounts having been in your hands for the prescribed time, I will, with your permission, take them as read. The profit for the year was £5,725 3*s*. 8*d*., against £6,213 5*s*. 3*d*. for the previous corresponding period, and, with the balance brought forward, there is a total of £14,944 17*s*. 1*d*. Of this £3,000 has been placed to general reserve, £1,600 retained for local income tax, and £500 set aside towards the reduction of excess profits duty, leaving an available balance of £9,844 17*s*. 1*d*. Out of this your directors recommend the payment of a dividend of 6% for the year ended March 31, 1919, which will absorb £3,900, leaving £5,944 17*s*. 1*d*. to be carried forward. The estimate for the current year is 235,000 lb. of rubber, of which 136,354 lb. have been harvested to November 30, 1919. The coffee crop for 1919 is 485 cwt., which was sold forward at the very satisfactory price of £5 2*s*. 11*d*. per cwt. spot Java. The coffee crop for the year 1920, according to cabled advices just received, is estimated at 900 cwt., about two-thirds of which we have sold forward at approximately 85*s*. per cwt. spot Java. This is based purely on blossom, and nothing definite can be said until the crop is actually harvested. You are already aware that coffee as an intercrop is in time a diminishing source of revenue, for the reason that when the branches of the rubber trees overshadow the coffee bushes the latter become sterile. By their removal, light and air are let in to the permanent rubber trees, and the latter also obtain the additional benefits accruing from undivided possession of the soil. The remaining area of our estates so interplanted is 478 acres, but of this the visiting agent strongly recommends the cutting out of old coffee bushes over an area of about 190 acres. The board has agreed to this, and the work is now being done. It was very pleasing to receive from two independent experts such satisfactory reports on the estates, particularly in regard to the soil, and in this connection it is not out of place to repeat Mr. Fox's reference thereto. He says :—"The soil throughout is of a rich character, which accounts for the fine growth of the rubber trees, and, generally speaking, I regard these estates as being undoubtedly good ones." Our estates contain over 1,200 acres of rubber, moderately capitalised, and which from an administrative point of view is a very economical unit. Present and forward prices of the commodity are good, and as our cost of production is reasonably low, I think I am justified in saying that this Company has a promising future. Mr. T. W. Simpson seconded the motion, which was carried unanimously.

KILLINGHALL (RUBBER) DEVELOPMENT.

THE tenth annual general meeting was held on December 31 at the registered offices, 7 Martin's Lane, Cannon Street, E.C., Mr. W. Arthur Addinsell (Chairman of the Company) presiding.

The Chairman, in moving the adoption of the report and accounts, said : In considering the accounts which are before you to-day it is necessary to bear in mind that they cover a period dating back to July 1, 1918, a period which was not without its difficulties and anxieties. In these circumstances I submit it is gratifying to find that the available balance we have to appropriate is £15,183, which closely approximates the amount which had to be dealt with at last year's meeting. Whereas your directors then adopted a conservative policy in recommending a distribution of 10% only for that year, they now, with some confidence, recommend that the dividend be doubled ; that the sum of £2,500 be transferred to reserve account ; and that the balance of £5,683 be carried forward to next year, subject to the usual reservations. Although most rubber companies are in the position of having to reclaim a portion of excess profits duty paid in recent years, I regret that the same cannot be said for this Company. Of the amount carried forward, some £2,750 will have to be paid to the revenue authorities in view of the Company's low capitalisation when the excess profits duty was introduced, also the fact that the estate was still in process of development, and therefore had no large pre-War profits to be taken into account when fixing the datum line. The total rubber crop harvested was comparatively poor, due to the fact that for the first six months of the financial year the output was under restriction.

Mr. Edward F. Slade seconded the motion, which was unanimously adopted.

Separate meetings of the holders of the Ordinary and Participating Preference shares were subsequently held to consider resolutions for cancelling the special rights and privileges attached to the Participating Preference shares and their conversion into Ordinary shares, which resolutions were passed.

At an extraordinary general meeting of the Company which followed, resolutions were adopted increasing the capital to £52,500 by the creation of 17,500 new Ordinary shares of £1 each, converting the Preference shares into Ordinary shares, and making certain changes in the Articles of Association preliminary to the submission of resolutions at an extraordinary general meeting to be held on January 15 providing for the capitalisation of £17.500 of the reserve fund and its distribution *pro rata* among the shareholders.



HOLYROOD RUBBER, LIMITED.

THE sixth annual general meeting was held on December 30, at the registered offices, 7 Martin's Lane, E.C., Mr. W. Arthur Addinsell (Chairman of the Company) presiding.

The Chairman, in moving the adoption of the report and accounts, said: When I last had the pleasure of meeting you I foreshadowed the possibility of a new issue of shares with a view to further developing our property as it was at that date. Since then we have considerably increased our area on terms which I feel sure all shareholders will consider extremely favourable, and we have, in addition, acquired an up-to-date factory conveniently situated and fully equipped, which will give this Company the advantage of manufacturing its own rubber entirely, and, in addition, should prove a source of revenue through the treatment of rubber from several neighbouring estates. As you will see, our total area is now over 3,000 acres, with 2,282 acres planted, and we anticipate that the additional capital, to which I will refer later, will not only enable us to bring this area into full bearing, but will also provide sufficient funds to extend the area under cultivation considerably. Of the 818 acres on the two recently acquired estates already planted, about 192 acres are in bearing, the remainder varying from just under two to nearly four years old, so that we may look for a rapidly increasing output from these estates. As mentioned in the report, we have been in possession of this new area since April 1, and the crop obtained has been included in the Holyrood figures, as published each month. The total output from the combined estates for the eleven months of this year has been 100,435 lb.; and, although we have not yet received the Manager's estimates for 1920, I anticipate that these will show a considerable increase on the present year's crop. The Holyrood Estate has been maintained in first-class condition throughout the year, and although Bukit Rhona and Tulloch are not yet quite up to the high standard maintained on the Holyrood property, they are well in hand and will, I hope, be in the same excellent state in a very short time. When the various issues have been made, our total capital will be £60,000, of which we will have in hand, in cash, about £30,000 to provide for further extensions and to bring our present immature area into bearing. Based on the acreage now planted, the capitalisation will be a little over £26 per acre, which figure should be reduced as additional areas are brought under cultivation. As the present market value of the Company's shares is over 90*s.*, the price of £3 per share, at which the new issue has been fixed, will, I feel sure, prove attractive.

Mr. L. R. F. Oldershaw seconded the motion, which was unanimously adopted.

The retiring director and the auditors were re-elected.

ARNOLD, PERRETT AND COMPANY, LIMITED,

THE thirty-fourth annual ordinary general meeting was held on December 22 at the Brewery, Wickwar, under the presidency of Mr. F. C. im Thurn (Chairman of the Company).

The Chairman, moving the adoption of the report and accounts, said they had during the year acquired several properties, and there had been some realisations, but the decrease on balance was to some extent accounted for by somewhat generous treatment in the matter of depreciation. The cost of maintenance of properties and plant had been very heavy, due mainly to the greatly increased cost of labour and material (a condition of things which would appear to be more or less permanent), and partly to the necessity for dealing with arrears which had accrued during the period of the War, when it was well-nigh impossible to get work done. Stocks were up £16,472 0*s.* 3*d.*, and that was due, first, to the great increase in the cost of all materials used in the manufacture of beer and of the beer duty, and consequently of the beer stock; and, secondly, to their having been able since the removal of restrictions upon the manufacture of spirits to replenish depleted stocks in that department. Mortgages and loans amounting to £26,521 4*s.*, which appeared in last year's balance sheet, were paid off last autumn, and the only item of liability under this head now remaining was the small sum of £1,590 1*s.* 11*d.*, which represented cash deposited with them in the way of trade. The licences insurance fund, which stood at £6,000, would be increased by the further appropriation indicated in the report to £7,000. The reserve for contingencies remained at £5,000, but they were proposing to increase the general reserve from £25,000 to £35,000. Trading profits during the current year were likely to be considerably diminished by the price of all materials used in brewing, and by the higher cost of wines and spirits; but he saw no reason, having regard to the unquestioned strength of the Company's financial position and the benefit which they hoped might accrue by way of increased trade, to anticipate that the present satisfactory state of affairs would be affected in any great degree. There had been a relaxation of restrictions upon output to the extent that there was now no limitation as to quantity, but the restriction upon the gravity—that was, the average strength at which beer was permitted to be brewed—still affected the quality, and to some extent the output. They were threatened with a campaign by the Prohibitionist party led by an American, and also with a Local Veto Bill in Parliament. While he did not believe that Englishmen would ever consent to be deprived of their liberties, he would ask all who were interested not to treat these movements with apathy and indifference. Propaganda work adverse to their interests would be in the hands of those who were none too scrupulous in their methods, and the assistance of everyone who desired to maintain his liberty was essential to frustrate the efforts of these enemies of their trade.

Mr. A. S. Cavell seconded the resolution, which was unanimously carried.

GAN KEE RUBBER ESTATE, LIMITED.

THE ninth annual general meeting was held on December 30 at the registered office of the Company, 7 Martin's Lane, Cannon Street, E.C., Mr. W. Arthur Addinsell (Chairman of the Company) presiding.

The Chairman said: Gentlemen,—I move: "That the directors' report and statement of accounts for the year ended June 30, 1919, as submitted to this meeting, be and they are hereby approved and adopted, and that a dividend of 7% for the year, less income tax, on the Ordinary shares be declared and paid, making 7% on both classes of shares for the year." Bearing in mind the fact that voluntary restriction of output was in operation during the first half of the financial year, and that in the same period extremely low prices were ruling for the commodity, I think we may feel satisfied that we are able to maintain our dividend at the same rate as for the previous year and at the same time to carry forward a larger balance. I anticipate, moreover, that in addition to this balance a sum of approximately £2,000 will be recovered in respect of excess profits duty. Since our last meeting the balance of the Preference shares have been offered to shareholders, and I am glad to say these were readily taken up; in fact, the issue was largely oversubscribed. We have, therefore, ample funds in hand for our immediate requirements, and although there will be a certain amount of capital expenditure to be met with for several years to come in bringing the new extensions into bearing I do not anticipate any difficulty in providing for such expenditure by a moderate annual transfer from profit and loss to reserve account. Our estimated planting programme was not quite completed during the financial year owing to unfavourable weather, but good progress was made, and I anticipate that by this time the whole of the new clearings of approximately 200 acres have been planted up. During the present year we hope to plant a further 64 acres or thereabouts, in order to bring our total area under rubber up to 1,000 acres. The labour position has now greatly improved, and we are advised that the manager has ample labour available for all purposes. The estate has been maintained in first-class condition and the new factory has run satisfactorily throughout the year. There would appear every reason to anticipate that the manager's estimate of 193,000 lb. for 1919-20 will be comfortably obtained. This increased crop will mean lower working costs, and with the present brighter outlook for the rubber-producing industry I trust it will be my pleasure to present a still improving balance sheet at our next meeting.

Mr. Edward F. Slade seconded the motion, which was carried unanimously.

KEFFI TIN COMPANY, LIMITED.

THE ordinary general meeting was held on December 31 at Winchester House, Old Broad Street, E.C., Mr. George T. Broadbridge (Chairman and Managing Director) presiding.

The Chairman said, in moving the adoption of the report and accounts: The manager has notified us that we are likely to have a great improvement in output about January. In a mailed report which has come to hand from him he gives us several very interesting particulars regarding the Amari properties and as to the work which has been going on there for a considerable time past. He has practically completed the construction of a main dam, which has a capacity of 2,265,000 gallons of water. He states that the deposit which we have been working on these particular properties originally was a pegmatite flow or dyke carrying rich cassiterite. This dyke varies from 6 inches to 5 feet in thickness. On being opened up another flow or vein was discovered 14 inches in thickness below a covering of from 2 feet to 3 feet of soft mica schist carrying rich values. A third vein of very hard close-grained rock was then discovered carrying fine tin, but this could not be worked, owing to its hardness, without certain plant, which will no doubt have to be provided. He also states that the Government has decided to open up the province in which these areas are situated by railways and motor roads. This will bring all the properties in this district within two days of railhead, which will be a great advantage to the Company, not only in reducing transport charges, but also working costs. With regard to the harder vein I have just referred to, the deepest pit is 28 feet, and at the bottom a very hard granite, rich in tin, is met with, but too hard to be dealt with without plant. This dry season three shafts will be sunk to prove what Mr. Carpenter, the engineer in charge, believes

the case, and the values obtained are anything like the to be the main or mother lode, and if this proves to be results in the outer veins, the values of this property, he states, will be increased enormously. Now, with regard to the financial position of the Company, it is, as you will gather, an exceedingly strong one. For a Company with a nominal capital of only £125,000 to have something like £60,000 in hand is extremely satisfactory, particularly where there is the additional satisfaction of possessing such large and valuable properties.

Mr. Charles Wallington, F.C.A., seconded the motion, which was carried unanimously.

ENGLISH OILFIELDS, LIMITED.

The annual meeting was held on December 30 at the Institute of Chartered Accountants, Moorgate Place, E.C., Sir James Heath, Bart. (Chairman of the Company), presiding.

The Chairman, in moving the adoption of the report and accounts, said: I shall not detain you long, as after the resolution has been formally seconded by the Vice-Chairman, I propose to call upon our geological expert (Dr. Forbes-Leslie), who is one of our managing directors, and upon our chemical adviser (Dr. Burnet) to address you.

The Vice-Chairman (Mr. Charles L. Samson) seconded the resolution.

Dr. W. Forbes-Leslie (Managing Director), who was received with applause, said: When I had the honour to meet you three months ago I gave you to that date the position of the Company from the technical point of view. It was briefly as follows: The drilling programme, which must always be in advance of other sections from the necessity there is to demonstrate geological conditions and to determine the tonnage capable for treatment within each area of your properties, had been carried to a number of points in the general scheme of triangulation. We had reached our seventeenth boring, but had not completed it, nor did we know the value of the shale seams cut therein. But sufficient positive data had been obtained to allow a conservative estimate, a very conservative estimate, to be made as to tonnage available for treatment in your property. It came to the very great figure of 2,000,000,000 tons of shale, having an estimated average content of 30 to 60 gallons per ton raised, and comprehended in seams of a workable thickness. (Applause.) No. 1 mine, West Winch, had been sunk and headings driven upon an 11-ft. seam. The pit was estimated by the mine manager in charge to raise 500 tons per day when finally equipped with headgear, winding engines, pumps, compressors, &c. The present technical statement I have to make is a plain statement of fact, and you will yourselves be the judges as to whether or not you have reason to be satisfied with the results. The mines at West Winch and the scheme of mining development generally will now occupy our attention. No. 1 pit, after having passed through several large seams, has reached a seam of 11 feet in thickness, upon which driving is proceeding at a satisfactory rate. The west drive is now under the site of the upcast shaft, which has been designed to lift 1,000 tons per day. Sinking upon No. 2 shaft is now beginning, and it will be continued down to meet the drive from No. 1 pit, and continued thence to the 250-ft. level, where one of the largest and most productive seams of the whole measures is situated. The equipment for this shaft is on order. All the equipment for No. 1 pit—namely, headgear, winding engines, compressors, &c.—has been purchased and is on the ground or in process of erection. (Applause.) The lay-out between the mine at West Winch and works at Setch to coordinate the two departments is drafted. Aerial ropeways will connect the two, being the means for transporting the shale from the mine to the works through special storage bunkers. The unexpected has again been in evidence in course of development of the mines. The 11-ft. seam, upon which driving is proceeding, has been found to contain a heart of torbanite material, which yields on analysis from 85 to 95 gallons of oil per day. (Applause.) It appears to be a permanent member of the seam. I anticipate that some time before the works at Setch are completed the West Winch mine will be ready to raise 1,000 tons per day. (Applause.)

Drilling Results.

We have now to consider the drilling section. Since the last annual general meeting the drilling section of your geological department has put down eight holes, penetrating into, but in no case piercing the bottom of, the shale measures. (Applause.) The productive shale measures therefore practically prove to be of greater thickness than 500 ft. (Applause.) As one gets deeper into these the free-oil contents become greater and the tools are coated with a thick, yellow, vaseline-looking substance. Gas-pressure is more in evidence, and small blows of oil have occurred. These are all significant indications of the highly saturated condition of the lower measures by free oil. When I had the honour of addressing you last at the extraordinary general meeting, triangulation of your area had reached the seventeenth bore. We had not demonstrated what value in oil the shales in this particular hole carried, nor what was the thickness of the seams. What we had determined was that free oil began to flow at 50 feet from surface and continued at intervals to deeper levels. This hole was continued 300 feet from surface, and the oil flowed at intervals down to the very bottom of the hole. It was ascertained afterwards that the thickness of the shale seams in this boring was greater than in other holes, while their richness in oil was remarkable, reaching as high as 70 gallons per ton. (Applause.) The tools stuck fast at 300 feet in an unknown thickness of waxy beds, and we had to abandon the hole, just as we had to abandon No. 16 hole six miles away, owing to the same occurrence. No. 18 boring on the dip side of your area encountered the shale seams at greater depth from the surface comfortably and in full thickness, so that the farthest borings on the dip and strike of the formation have disclosed the oil shale measures regular in sequence and thickness. A new and important feature has been added to the drilling section by the determination of your directors to institute deep drilling operations. A deep hole on your properties will be one of the most valuable factors towards the clearing up of many important geological problems, and may, incidentally, be of great profit to the Company. We have already secured a rig capable of drilling to 3,000 or 4,000 feet; the derrick is erected, the machinery in place, and drilling has begun on a site carefully located, to pierce what our shallowest drill-holes and geological-survey work, together with a highly-saturated condition of the shale, indicate to be a submerged geological structure. We have purchased 3,500 feet of rods and 12,000 feet of casing. We hope to continue this boring to 3,000 or 4,000 feet, should nothing of value, as in the case of a flowing well, be encountered before that depth is reached, as long as the geological data acquired remain of a favourable character.

Dr. Edward Burnet, B.Sc., B.A. (consulting chemical adviser to the Company), then discussed shortly the commercial possibilities awaiting the final development of the properties. In conclusion he said: After carefully considering the question of the profits to be derived from the oil products alone, and not taking into consideration the chemical and other matters I have mentioned, and after studying the matter in all its bearings, I am confident that the profits will show an enormous return upon your capital.

The resolution was then carried unanimously.

SLATERS, LIMITED,

The twenty-fourth ordinary general meeting of Slaters, Limited, was held on December 31 at the Cannon Street Hotel, Mr. W. E. Catesby, J.P., Chairman of the Company, presiding.

The Chairman, in moving the adoption of the report and accounts, said: Our trading profits are £68,611; an increase of £45,463. The trade not only in the restaurants but also in all the shops has increased to such an extent as to account for the difference in the two years' working. And while on the subject of trading profits, let me assure you that the directors and your General Manager, Mr. Cusack, are quite in agreement that in order to make the profits still larger we are prepared to cut the prices to such a close margin as will not only retain our old customers, but will give us plenty of new ones. I think that is a policy with which we all agree. We do not want to make big profits, but we want a large number of customers and quick turnover so as to make our profits fair and legitimate. We have not been prosecuted for profiteering, although the Act is a very extraordinary one. We have sixty odd shops, and some of the assistants are bound to make blunders somehow or other. If they do and you are caught there is a pretty heavy fine. As to the balance sheet, I do not think that there are many points that call for special comment, but it is pleasing to note that not only is the bank overdraft of £8,681 (which appeared last year)

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completely wiped out, but we have purchased £15,000 Four per Cent. Victory Bonds at a cost of £12,655. Also the last item under the heading of profit and loss account shows £11,314, an amount which I am pleased to state is now completely cleared off. In addition to this, we have had the pleasure of sending to our Preference shareholders two years' arrears of dividend due to them, which was paid before Christmas. I need hardly tell you that it has been a very strenuous time, but, as soon as we found we were making headway against the deficit of £53,262, we were able to breathe a little more freely and immediately to look round for fresh shops, so that we could increase our turnover. Very early in the year we were fortunate in being able to buy the very valuable freehold premises in Kensington—namely, 22-24 Kensington High Street, adjoining the head office—which is, as you know, freehold. The plans have been approved, and the builders are already at work making the necessary alterations. These premises, when completed, will give us considerably more room for the very rapid extending business which is being done in our various departments, which are being conducted at the present moment under very great difficulties. I say difficulties because you know that as soon as you cramp up departments they are not worked so economically as when they have more room.

Mrs. L. Thomson Price seconded the resolution, which was carried unanimously.

SAMUEL ALLSOPP AND SONS, LIMITED.

THE thirty-first ordinary annual general meeting of Samuel Allsopp and Sons, Limited, was held on December 29, at the Cannon Street Hotel, E.C., Sir William B. Peat (Chairman of the Company) presiding.

The Chairman, in moving the adoption of the report and accounts, said: In placing the balance sheet before you, I conclude you will take it and the directors' report as read. The items in the balance sheet to which I think I might call your attention are, first, the Prior Lien Debenture stock, which is automatically reduced by the sinking fund. The amount now outstanding is £472,000, and of that the Company hold as an investment £108,000, which is rather a satisfactory showing as regards our prior lien obligations. The creditors of the Company are up by £354,000; as to £300,000 odd of this, it consists of additional amounts which we owe to the Government in connection with taxation and beer duty. The beer duty, increasing as it has done to 70*s.* a barrel, makes us more than ever collectors on behalf of the Government. The reserve account, you will observe, is up by £50,000, and we are proposing to transfer a further £70,000 to that account, which will make it altogether £150,000. The prior encumbrances are reduced by £22,000, as compared with the last balance sheet, consequent on various cash payments in settlement of prior mortgages. Out of profit and loss account we carry into the balance sheet £205,358, as compared with £181,062 last year. That is an increase of £24,000 of available profit. You will observe that on the debit side of the profit and loss account the first five items are comparable with the corresponding items of last year. The repairs and maintenance item, however, is £72,056, compared with £52,700 last year. All expenditure has gone up to a great extent, and I am sorry to say that there are still arrears of repairs and maintenance which have not been done owing to the shortage of labour and of material and the expense of material for these purposes. The depreciation of brewery premises and licensed properties are as near as may be £33,000, compared with £29,000 for the previous year. Notwithstanding these increased charges to our profit and loss account, we still have, as I said a moment ago, an increased profit to bring into account of practically £24,000. The dividends proposed to be paid I need not refer to, as they are set out in the directors' report. There are two or three matters to which I should like to call your attention. We are up against new matters of unrest. We want the public-house to be a place where the people, for instance, in a village, can meet without anybody watching to see that John Jones went into the "Rising Sun" and spreading the information about the place. We want it to be a respectable house in which all people may meet and discuss the matters to which they attach importance without being asked to drink a pennyworth of ale if they prefer not to do it. I understand, however, that our licensing laws have not enabled brewers to do this, because you could not get authority to build or to extend. It is only in places like Carlisle—which has been peculiarly blessed—where they have been allowed to make what one would describe as decent, respectable houses where respectable people can meet. Therefore, I think that, as far as Mr. Johnson and his "dry" condition of affairs is concerned, our attitude should be to fight, and to fight to a finish, to ask for the thing we want—permission to build our houses better than they have been, and to provide for the people in those houses respectable places where men and women can meet. By that means I think we have a fair chance of defeating the attempt to make England a "dry" country. "Pussyfoot" has an uphill job. The second point that I want to deal with is the cry for nationalisation. I assert with the greatest confidence that, so far as Allsopps is concerned, there is no inflation due to War conditions in the present valuation of our stock. I cannot tell you what the results of operating Allsopps are going to be in the future—that is upon the knees of the gods—but I will say this: we have much difficulty to face in the near future. I would just like to utter a word of caution. If increasing charges, such as additional railway rates, and additional labour bills, are planted upon us, and we are unable to make savings to offset them, it may be that the profits of the current year will not be equal to those of last year. We have felt it our duty as a board to divide the profits of the past year, and to give the Ordinary stockholders the first dividend they have had for 20 years, but with the best will in the world on the part of the directors they may be faced with such increased items of costs as to justify them in giving that one word of caution.

Mr. John J. Calder (Managing Director) seconded the resolution, which was carried unanimously.

RIO DE JANEIRO LAND MORTGAGE AND INVESTMENT AGENCY, LIMITED.

THE fifth ordinary general meeting was held on December 29 at Winchester House, Old Broad Street, E.C., the Earl of Orkney (Chairman of the Company) presiding.

The Chairman, in moving the adoption of the report and accounts, said: This Company has only recently started its activities, and the balance sheet which we now present to you must not be taken as showing a year's working. We were desirous to give the shareholders the earliest possible information as to the actual state of the Company's affairs, and we therefore had the books made up to November 30. With your permission I will take the report as read, and if you will kindly refer to the printed copies which you have in your hands you will see that the share capital of this Company amounts to £500,000. On the other side of the balance sheet the principal item is the cost of shares in Brazilian land companies, standing at £474,995. Permit me first to complete my remarks on the balance sheet and to refer later to our holding in these companies. With reference to sundry debtors and debit balances, amounting to £11,973 1*s.* 8*d.*, I should like to state that by far the largest part of this item is likely to be received within a short time, and thus increase our liquid funds in hand, which otherwise stand as per account, by cash in bank, at call, and in hand, including foreign currency, at £10,904 1*s.* 10*d.* The preliminary expenses, amounting to £1,521 12*s.* 10*d.*, represent registration and legal expenditure incidental to the formation of this Company, the registration fee alone amounting to over £1,300. The further items, such as administration expenses, directors' fees, rents, salaries, interest, and transfer fees, explain themselves.

Two Suburban Estates in Rio.

Returning now to our holding in Brazilian land companies, I wish to inform you that this Company bought the total share capital in the two companies. Each of these Brazilian companies owns a large estate, suitable for building purposes, in the suburban part of the city of Rio de Janeiro, or, as it is commonly called, the Federal district of Rio de Janeiro. Your Company may therefore be considered to be owner of these two properties, the size of which is estimated at nearly 3,000 acres; we are having new surveys made of both properties. Upon the present board of directors assuming office, it was recognised that it would be advisable to deal speedily with these estates, in order to derive profit from their acquisition at the earliest possible moment. We therefore requested a member of our board to visit Rio de Janeiro in order to study, on the spot, what development and what administration would be advisable so as to attain our object. My colleague returned about two months ago. Immediately thereupon we thoroughly went into the whole question, taking all its aspects into due consideration, and have taken steps to develop one of our properties as quickly as possible, and to organise a sound administration for both of them. We are under the impression that we hold a very promising asset in the shape of these two estates, and especially so as Brazil shows signs of a period of greater activity and improvement in its economic life.

The Selling Policy.

One of these properties, known as Boa Esperança, has been selected for immediate development with a view to sell building land in plots of 400 to 500 square metres. We have, however, an open mind in this respect, and if an occasion should present itself to deal with this property, either partly or wholly in another way—I mean to say to sell this land in its present state at a price which we consider adequate, taking all circumstances into consideration—we should certainly do so, and I may add that we have been approached on this subject, and negotiations are now proceeding. This property has good railway communication with the heart of the city, as the main line of the Central Railway skirts a boundary of the estate, and the important station of Marechal Hermes, where many express trains stop, is just on the frontier of the property. Another portion of the estate

is served by a branch line of the Central Railway, which has two stations right on our land. One of these is, at present, in use; we believe that as soon as this part of the estate is in progress of development we shall be able to make arrangements with the railway company to open the second station. The high-tension cables of the Rio de Janeiro Light and Power Company run through the estate. As to water, a main passes through the property, and we are taking steps with a view to tap this supply. The other estate, known as the Fazenda dos Affonsos, lies right along the main road from Rio to Santa Cruz, and has a frontage of approximately two miles on the same road—a most important factor, as building sites on the main road generally command higher prices in Brazil. On this same main road, along the frontage of the estate, run also the water main and the electric current and telephone cables. As soon as the work of development on the Boa Esperança estate is in full swing, we propose to pursue an active policy also in respect of this property. A part of the funds returning to us through sales of land will enable us to take up further business, and I can assure you that the possibility and advisability of extending our sphere of activity is not lost sight of, and has, in fact, our constant attention.

Mr. Robert Logan seconded the resolution, remarking that he was quite sure that the Company possessed good properties which would give satisfactory returns.

The Chairman having replied to questions, the motion was carried unanimously.

SPIES PETROLEUM COMPANY, LIMITED.

THE twentieth ordinary general meeting of the Spies Petroleum Company, Limited, was held on December 31 at Winchester House, Old Broad Street, E.C., Mr. G. Grinnell-Milne presiding.

The Chairman, in moving the adoption of the report and accounts, said: You will observe that a depreciation of nearly a million has been written off the total of leasehold property and buildings, plant, &c., so that the amount of the two standing in the books at the present moment, £828,994 14*s.* 11*d.*, is less than the whole of the depreciation. I would mention the issue of shares which were made by us in the summer and autumn, making up our capital to 2,328,750 shares of 10*s.* each. This issue has furnished us with cash to carry on here and for the replenishing of certain items of the plant on the fields, the power station, and has enabled us to reduce our indebtedness to the bank to the sum of £36,000 and to pay off the interest which had been allowed to run. I would claim your attention for the moment to the position of the Company in Grozny. In the town of Grozny we had four tanks, capable of containing 1,200,000 poods of oil. These were destroyed by shell fire in August 1918. We are reconstructing three of them with a capacity of 900,000 poods, so that the capacity of our tanks will rise to a total of 5,700,000 poods. This is a large storage capacity and a most valuable asset, especially valuable at the present time, when the railway is unable to move stock. In consequence of our having such a large amount of tank accommodation and important pipe lines, we are able to obtain suitable remuneration for use of our tanks from other companies who are not so well situated. Our own stocks of oil were on February 10 over 2,000,000 poods. At present we estimate that there are about 2,500,000 poods in the tanks belonging to ourselves. Another source of future revenue is our electric power plant, from which we are even now deriving returns from the sale of energy for power and lighting. We expect to increase this source of earnings largely in the future, as it is impossible to erect similar stations in our neighbourhood except at great expense of time and money. We look upon our electric power as one of our most valued assets. We have never regretted that we spent about £260,000 upon it, as, in the opinion of the best informed people here and at Grozny, its value to-day should be about three-quarters of a million sterling. The wells, as the report has informed you, were overhauled when we regained control in February, 1919, and regular baling was resumed forthwith as fully and promptly as our greatly depleted numbers would allow.

Mr. Charles J. Palmer seconded the motion, which was carried unanimously.

"The Company Secretaries' Diary and Reference Book, 1920." This work has made its tenth appearance. It is an excellent volume, and Sir W. A. Waterlow, K.B.E., the editor of the Diary, is to be congratulated. The price is 5*s.* and 7*s.* according to diary space and binding.

"A Concise and Practical Manual to the Companies Acts, 1908 to 1917," for the use and reference of solicitors, secretaries, shareholders, directors, and others. By Leonard Mossop, B.A., B.C.L., and Sir W. A. Waterlow, K.B.E. Fifteenth edition. Price 12*s.* 6*d.* (London: Waterlow Brothers and Layton, Limited.).

Mr. J. A. L. Gallard, who was mining editor of the *Financial Times* for nearly 18 years, has joined the staff of the *Mining Magazine* as associate editor, and will take up his duties in February, after a visit to Cornwall.

We have received a neat little booklet from Messrs. Clarke, Nickolls and Coombs, Limited, entitled "The Proof of the Pudding," being notes on the working of the co-partnership and profit-sharing arrangement which has been in operation in connection with the Company since 1890. The object of the scheme, as laid down in the original articles, was "to give the workpeople a direct interest in the prosperity of the Company and to facilitate the acquisition by the employees of the Company's property." Since 1890 the employees have benefited, in one form or another, to the extent of £274,000, a good deal more than the present capital of the Company. The booklet makes good reading, and should prove of value to the heads of many of our industries.

We have received a copy of the 121st annual edition of the "Post Office London Directory"—that for 1920. The peculiar feature of the present edition lies in the fact that it shows that it has proved necessary to make 220,000 corrections and additions, as against about 170,000 in the previous edition. As a matter of fact the number of additional names has proved quite abnormal, which is, of course, due to the fact that whereas little more than a year ago the number of offices in the City which were without tenants seemed to be almost endless, the difficulty now for many months past has been to find any office or any part of one unlet.

The forthcoming January number of the *Hibbert Journal* will contain an article by Prince Eugene Troubetzkoy, Professor of Law in the University of Moscow, which should attract general interest because of the light it sheds on the conditions existing in Russia at the present time. The MS. was despatched in September; the packet was opened and immersed in some fluid which caused the ink to run over the pages and obliterated some portions of the script. But the greater part has been deciphered with much difficulty, and, under the title "Bolshevist Utopia and the Religious Movement in Russia," gives an intensely interesting analysis of the spiritual as well as the social struggle now going on in Russia.

Aurora West United.—Authorised capital £300,000, in 600,000 10*s.* shares; issued, 212,705 shares.

Year ends Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Pr. ton	Expenses Amt. £	Expenses Pr. ton	Profit Amt. £	Profit Pr. ton	Price end of Period
1917 ...	80	177,250	13	212,779	24/0	168,165	19/0	44,574	5/0	12/3
1918 ...	78av.	158,550	8½	178,462	22/6	176,053	22/2	2,409	-/4	10/6
1919.										
Mar. qr.	73	38,700	7.85	37,814	19/7	44,645	23/1	6,751*	3/5*	7/6
June qr.	69	41,100	8.43	43,084	20/11	48,591	23/7	5,507*	2/8*	8/9
Sept. qr.	80	41,700	9.65	44,772	21/5	50,147	24/0	5,375*	2/6*	7/6
October	—	12,350	—	13,131	21/3	16,118	26/5	3,047*	5/2*	8/6
Nov.	—	13,000	—	14,321	22/0	16,697	25/10	2,376*	3,10*	8/0

* Loss.

Brakpan.—Capital issued, 823,600 £1 shares; 160 stamps. Ten tube mills now working.

Year ends Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Pr. ton	Expenses Amt. £	Expenses Pr. ton	Profit Amt. £	Profit Pr. ton	Price end of Period
1917 ...	110	677,500	14½	1,168,454	34/6	694,451	20/6	474,003	14/0	6⅝
1918 ...	111	617,100	13½	1,089,950	35/4	723,643	23/5	366,317	11/11	3¾
1919.										
Mar. qr.	113	134,800	12.09	260,109	38/9	169,335	25 2	90,774	13/7	3¾
June qr.	110	141,800	14.94	268,142	37/10	177,127	25/0	91,015	12/10	3¾
Sept. qr.	110	137,500	—	261,864	38/1	186,139	27/1	75,725	11/0	3⅝
Oct. ...	—	42,000	—	78,785	37/7	60,721	28 11	18,135	8/8	3¼
Nov. ...	—	44,000	—	82,188	37/4	61,859	28/1	20,329	9/3	3½

The fixed charge for development has been increased from 3*s.* 6*d.* per ton as from July 1, 1918.

* Including 1,000 oz. from reserve.

Dividends—1917, June, 22½; Dec., 25 per cent.
1918, June, 20; Dec., 12½ per cent.
1919, June, 12½; Dec., 15 per cent.

THE ROYAL BANK OF CANADA

GENERAL STATEMENT, 29th NOVEMBER, 1919.

LIABILITIES.

To the Public :		
Deposits not bearing interest	$159,656,229.68	
Deposits bearing interest, including interest accrued to date of statement	259,465,169.69	
		$419,121,399.37
Notes of the Bank in circulation		39,837,265.74
Balance due to Dominion Government		14,000,000 00
Balances due to other Banks in Canada	$13,970.88	
Balances due to Banks and Banking Correspondents in the United Kingdom and foreign countries	7,449,852.42	
		7,463,823 30
Bills Payable		806,776 89
Acceptances under Letters of Credit		16,467,978.69
		$497,697,243.99
To the Shareholders :		
Capital Stock paid up		17,000,000.00
Reserve Fund	$17,000,000.00	
Balance of Profits carried forward	1,096,418.74	
		18,096,418.74
Dividends unclaimed	8,203.08	
Dividend No. 129 (at 12% per annum), payable 1st December, 1919	$505,219.12	
Fiftieth Anniversary Bonus 2%, payable December 20th, 1919	340,000.00	
		853,422.20
		$533,647,084.93

ASSETS.

Current Coin	$17,653,879.92	
Dominion Notes	26,735,724.00	
United States Currency	8,746,805.00	
Other Foreign Money	2,545,138.41	
	$55,681,547.33	
Deposit in the Central Gold Reserves	24,500,000.00	
Notes of other Banks	3,462 200.00	
Cheques on other Banks	23,757,240.33	
Balances due by other Banks in Canada	17,103.80	
Balances due by Banks and Banking Correspondents elsewhere than in Canada	18,101,373.08	
Dominion and Provincial Government Securities, not exceeding market value	45,323,698 66	
Canadian Municipal Securities and British, Foreign and Colonial Public Securities other than Canadian, not exceeding market value	33,400,542.77	
Railway and other Bonds, Debentures and Stocks, not exceeding market value	19,414,891.06	
Call Loans in Canada on Bonds, Debentures and Stocks	16,435,614.30	
Call and Short (not exceeding 30 days) Loans elsewhere than in Canada	33,812,751.53	
		$273,908,862.86
Other Current Loans and Discounts in Canada (less rebate of interest)	$143,259,518.47	
Other Current Loans and Discounts elsewhere than in Canada (less rebate of interest)	90,210,271 33	
Overdue Debts (estimated loss provided for)	365 089.66	
		$233,834,879.46
Real Estate other than Bank Premises		1,495,271.00
Bank Premises, at not more than cost, less amounts written off		7,016,444.12
Liabilities of Customers under Letters of Credit, as *per contra*		16,467,978.69
Deposit with the Minister for the purposes of the Circulation Fund		750,000.00
Other Assets not included in the foregoing		173,648.80
		$533,647,084.93

H. S. HOLT, President. EDSON L. PEASE, Managing Director. O. E. NEILL, General Manager.

AUDITORS' CERTIFICATE.

We report to the SHAREHOLDERS OF THE ROYAL BANK OF CANADA : That in our opinion the transactions of the Bank which have come under our notice have been within the powers of the Bank. That we have checked the cash and verified the securities of the Bank at the Chief Office at 29th November, 1919, as well as at another time, as required by Section 56 of the Bank Act, and that we found they agreed with the entries in the books in regard thereto. We also during the year checked the cash and verified the securities at the principal branches. That the above Balance Sheet has been compared by us with the books at the Chief Office and with the certified returns from the Branches, and in our opinion is properly drawn up so as to exhibit a true and correct view of the state of the Bank's affairs according to the best of our information and the explanations given to us and as shown by the books of the Bank. That we have obtained all the information and explanations required by us.

JAMES MARWICK, C.A.
S. ROGER MITCHELL, C.A.
of Marwick, Mitchell, Peat and Co.
J. W. ROSS, C.A., of P. S. Ross and Sons,
Auditors.

Montreal, Canada, 18th December, 1919.

PROFIT AND LOSS ACCOUNT.

Balance of Profit and Loss Account, 30th November, 1918	$535,757.19	Appropriated as follows :	
Profits for the year, after deducting charges of management and all other expenses; accrued interest on deposits, full provision for all bad and doubtful debts, and rebate of interest on unmatured bills	3,423,264.34	Dividends Nos. 126, 127, 128 and 129, at 12 per cent. per annum	$1,866,196.50
		Fiftieth Anniversary Bonus of 2 per cent. to Shareholders	340,000 50
		Transferred to Officers' Pension Fund	100,000.00
		Written off Bank Premises Account	400,000.00
		War Tax on Bank Note Circulation	156,406.29
		Balance of Profit and Loss carried forward	1,096,418.74
	$3,959,021.53		$3,959,021.53

RESERVE FUND.

Balance at Credit 30th November, 1918	$15,000,000.00
Premium on New Capital Stock	2,000,000.00
Balance at Credit 29th November, 1919	$17,000,000 00

H. S. HOLT, President. EDSON L. PEASE, Managing Director. O. E. NEILL, General Manager.
Montreal, 18th December, 1919.

WOOL.

FOR SALE BY AUCTION
at the
WOOL EXCHANGE, COLEMAN STREET, LONDON, E.C.,
by the Committee of London Wool Brokers, on account of the Director of Raw Materials, at the "J" Series, commencing 12th JANUARY and closing 24th JANUARY, 1920,
about 142,000 Bales COLONIAL WOOL, including about 42,000 Bales to be sold "on description" on
Saturdays, 17th and 24th January.

Catalogues may be obtained in due course at the Office of the Committee of London Wool Brokers, 42 Wool Exchange, London, E.C. 2.

BASS, RATCLIFF, GRETTON.

LTD., notify that the Transfer Books of the Ordinary Shares of the Company will be Closed from January 10 to January 19, 1920, both dates inclusive, for the purpose of the issue of new Ordinary Shares.

THE VIRGINIA (CAROLINA) CHEMICAL COMPANY

have Declared the 97th consecutive quarterly dividend of 2 per cent. ($2 per Share) on the Preferred Stock payable January 15, 1920, and the 51st dividend on the Common Stock of 1 per cent. ($1 per Share) payable on February 2, 1920.

THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY.

New York, December 2, 1919.

The Board of Directors has declared a semi-annual Dividend (being Dividend No. 43) on the Preferred Stock of this Company of Two Dollars and Fifty Cents ($2.50) per share, payable February 2, 1920, out of surplus net income, to holders of said Preferred Stock as registered on the books of the Company at the close of business on December 31, 1919

Dividend cheques will be mailed to holders of Preferred Stock who file suitable orders therefor at this office.

C. K. COOPER Assistant Treasurer.
5 Nassau Street, New York City.

CITY OF FORT WILLIAM FOUR-AND-A-HALF PER CENT. DEBENTURES.

The City of Fort William announces that the Coupons falling due February 1, 1920, on the above-mentioned Debentures, may be Presented on and after January 19, 1920, between the hours of 10 and 12 o'clock (Saturdays excepted) at the Bank of Montreal, 47 Threadneedle Street, E.C. 2. Three clear days required for examination. Lists may be obtained on application at the Bank.

CITY OF WINNIPEG FOUR PER CENT. CONSOLIDATED REGISTERED STOCK, 1940-60.

For the purpose of preparing the Interest Warrants due March 1, 1920, the Balances will be struck on the evening of February 2, 1920, after which date the Stock will be transferred ex dividend.

For the Bank of Montreal,
G. C. CASSELS Manager.
47 Threadneedle Street, E.C. 2,
January 1, 1920.

NATIONAL BENEFIT

ASSURANCE COMPANY, LTD.

All classes of INSURANCE, including LIFE, FIRE, MARINE, ACCIDENT, PROPERTY INVESTMENT, EMPLOYERS' LIABILITY, &c., at very favourable rates. PROSPECTUS ON APPLICATION.

ASSETS EXCEED £1,500,000.

MANAGING DIRECTOR: J. FRANCIS, O.B.E., J.P., F.S.S

Head Offices: **NATIONAL HOUSE, NEWGATE STREET, LONDON, E.C. 1.**

Marine Underwriting Rooms: 74 CORNHILL, LONDON, E.C.3.

REFUGE

ASSURANCE COMPANY LIMITED.

Chief Office: OXFORD STREET, MANCHESTER.

Annual Income Exceeds	**£4,700,000**
Assets Exceed	**£15,900,000**
Claims Paid Exceed	**£28,000,000**

Subscription to "The Statist," to include all Special Numbers.

Payable in advance.

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One Year (52 weeks)	*£1 10 0*
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Colonies and Abroad (within Postal Union, Post Free):

One Year (52 weeks)	*£1 17 4*
Half-Year (26 weeks)	*18 8*

Offices: 51 CANNON STREET, LONDON, E.C.4.

The Statist.

LONDON, SATURDAY, JANUARY 10, 1920.

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The Money Market.

Friday, January 9, 1920.

	Current Rate % Fixed	Previous Rate % Fixed
Bank of England Rate...	**6 (Nov. 6,'19)**	**5 Apr. 5,'17**
Deposit Rates:—		
Banks & Discnt. Ho. (Call)	4 (Nov. 6,'19)	3½† Oct. 6, '19
Discount Houses (Notice)...	4½ (Nov. 6, '19)	3¾ Oct. 6,'19

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.

† Foreign and Colonial banks give Special Rates only upon deposits for a year

Discount Rates:—	60 Days. %	3 Mos. %	4 Mos. %	6 Mos. %
Treasury Bills	—	5½	—	5⅝
Bank Bills	5-5⅛	5⅝	5¾	5¾-⅞
Trade Bills	—	6-6¼	6¼	6½

At the beginning of a New Year, just as much as at the end of an old one, the conditions ruling in the Money market must be largely artificial so long as the banks and similar institutions persist in a policy of dressing their assets to present a good appearance in the annual balance sheets. The use to which the national Bank is put for the purpose of the competing joint-stock banks was doubtless a harmless one in pre-War times, when the country held the position of world's creditor; but now that so much more importance is attached internationally to the weekly Bank return, the end-year policy of "pawning" an abnormal amount of securities temporarily, to increase the cash item of balance-sheets, might well be dropped. Besides partaking of the nature of camouflage, it has the effect of unsettling the Money market. For instance, during the past week the reverse influence to that pertaining at the end of the year has been at work, eagerness to place accumulated surplus funds being reflected in a keen demand for bills. In the circumstances the day-to-day movements that have occurred in rates cannot be considered to indicate correctly the position. We may therefore leave the quotations at the head of these remarks without comment and turn to a review of the broad factors governing the immediate future.

The first of these factors is the trade question. Throughout the four years of War, and indeed for a year thereafter, the Government's borrowings were the governing influence in the Money market. Recently, however, as its requirements have diminished, the growing need to finance expanding trade has filled the breach. We are promised that, instead of borrowing, the Government will presently commence the reduction of debt. Will the growth of trade be sufficient, or more than sufficient, to compensate the market for the smaller issues of Treasury bills, decreased borrowing on the credit of Ways and Means, and absence of loans from the public, such as were witnessed in 1919? Conditions are far too abnormal to admit of prophecy. We can but note that the trade returns for the past year, published this week, give good ground for encouragement, especially the expansion, amounting to over 76 million pounds, in exports for the month of December. For the year the value of the total exports comes out at nearly £963,000,000, showing an increase of as much as £430,000,000, or 45% on 1918, while imports, which amounted to £1,316,000,000 in 1918, rose to a value of £1,632,000,000 for the past year. The total volume of trade at £2,595,000,000 showed an expansion of no less than 28½%, compared with 1918. The view held in well-informed quarters is that the trade activity of the country will be increasingly marked as the New Year progresses; but this view, even when expressed in so many words, is prefaced by no-end-less qualifications. We need here only call to mind the shipping position, the great congestion of the docks, transport delays on the railways, the increase in railway rates just decided upon, and the topsy-turvy exchanges.

Still, there is no getting away from the fact that the requirements of manufactured goods, of raw materials, and of foodstuffs are so great that the New

Year ought to be a most active one so far as trade is concerned. There is no doubt that, if labour is fairly treated and content, production will expand. Expansion of production is, in fact, the key to the whole situation—production of ships as well as of manufactured goods, raw materials, and foodstuffs—for only thereby can the deficiency in supplies relative to demand, which is the root cause of high prices, be relieved. So long as production falls short of requirements the money value of commodities must continue high, though one has to remember that at the present time the position is undoubtedly aggravated by the delay in discharging ships at the docks and in clearing warehouses. Elsewhere in this issue it will be seen that our index-number of the wholesale prices of 45 commodities rose a further four points during December, the figure at the end of the year being 235.2, as against 196 at the end of 1918 and 82.4 in July 1914. Superficially, the fall in the American exchange and the rise in the sterling value of the rupee appear to account for a portion of the recent further increase in commodity prices; but it has to be remembered that the adverse exchanges have the effect of restricting consumption, especially for account of Belgium, France, and Italy, not to speak of the Central European nations, which are suffering most severely. A mere rectification of the exchange position, even if that were possible, would not cure their ills, for these can only be relieved as world production gradually creeps up to the level of demand. Demand unchecked by exchange conditions, would tend to aggravate the situation. That, however, is no reason why all possible financial assistance that this country can afford to give to France and to Italy should not be given, and there is no doubt that the £8,000,000 of French Treasury bills which fall due on the 15th instant, and for which tenders for twelve months' renewal are invited, will be readily taken up. The rate of discount will be considerably higher than obtained a year ago—£4 11*s.* 1.98*d.* per cent.—but that is only natural in view of the fact that the Home Government has to issue six months bills on the basis of 5½% discount, while Colonial Governments are paying 6% for long-dated loans. It is much to be deplored that France has again been experiencing such a flooded state of her rivers as to cause grave anxiety and loss of trade, and it is to be hoped that the retardation of recovery on this account will not be serious. Barring this, and the acute coal shortage, reports to hand indicate that good progress is being made with reconstruction, having regard to the circumstances, and especially to the deficient supply of materials.

As regards Italy, the unfortunate events centring round the Fiume controversy have seriously hampered the Government and the reorganisation of the country's finances. We have still to learn the result of the conference this week between Signor Nitti and the British Government. Possibly it is a happy augury that this conference coincides with the issue of a big Italian loan, for which applications from this country are invited.

From Belgium we have very good accounts of progress, which indicate that the returned workers have settled down to hard work, in accordance with their world-renowned industrious pre-War custom.

A factor of importance bearing on the immediate future of the Money market will be the extent of the tax collections in the final quarter of the financial year now current. Usually a very large proportion of the income tax comes in during February and March, and, together with excess profits duty and other taxes, tends to make the Government independent of the Money market. This year, with a reduced rate of expenditure, there may be a considerable surplus for repayment of accommodation previously temporarily obtained. It should not be forgotten, however, that £141,000,000 of 6% Exchequer Bonds fall due for redemption on February 16, and that £50,000,000 of 3% Exchequer Bonds are redeemable on March 24.

Since the opening of the New Year the leading exchanges have been unmistakably weak. New York opened at $3.80 on January 5, but relapsed at the close to $3.79⅝. Thenceforward it weakened steadily to $3.74¾ on January 8. The movements of the franc have been equally consistent. Closing at 40.77½ on January 5, the rate advanced to 41.90 on January 8. Italy remained weak around 50.30. The mark was weaker still. Improving slightly on January 6 to 187½ from 189, it closed at 191¼ on January 8. The Brazilian rate continues at a premium, moving up from 17 23/32*d.* on January 6 to 17 29/32*d.* on January 7. Scandinavian rates have advanced in our favour, Christiania closing on January 8 at 19.03 kr., as compared with 18.85 kr. on January 6. Movements of the Dutch and Swiss rates have been irregular, but the closing quotations on January 8 were not in our favour. The Madrid rate has improved, the quotation, which was as high as 20.04 pesetas on January 5, receding to 19.72½ on January 8.

The Currency Notes Return for the week ended January 7, 1920, reveals the outstanding total of currency notes on that date to be £347,995,732. Taking into consideration gold coin and bullion in the Currency Note Redemption Account to the amount of £28,500,000, and Bank of England notes to the extent of £4,000,000, there remains a fiduciary issue of £315,495,732. Thus the New Year opens auspiciously with an actual fiduciary issue of over £5,000,000 less than the prescribed maximum of £320,600,000. Such an achievement has been rendered possible by the return from circulation of no less than £12,551,717, which had been required to satisfy the holiday demand. Against this, the issue for the first week of the New Year only amounted to £4,395,427. Consequently, cancellations exceeded issues by £8,156,290, whereas an excess of £3,052,022 in the light of the last return of 1919 would have sufficed to have reduced the fiduciary issue to the limit assigned by the Chancellor of the Exchequer in the Treasury Minute of December 15.

BANK OF ENGLAND.

As was to be expected after the turn of the year, the Bank's position has been improved by the repayment of temporary advances obtained by the market in connection with the yearly make-up of annual balance sheets, by the release of "cash" accumulated for the same purpose, and also by a return of notes from circulation following the subsidence of the abnormal Christmas-time demand. The outstanding movement is in "other" deposits, which show a decline of £43,000,000 to £137,296,000. The reduction in the "other" securities was only £10,500,000, but Government securities were reduced by no less than £31,500,000, indicating, probably, repayment of advances out of the funds supplied by a large subscription of Treasury bills. On this point it may be possible to speak with more assurance when the first Income and Expenditure account for the year is published next week. Public deposits show a contraction of £1,200,000 on the week, but it is to be noted that the payment of the final call—15%, representing £28,700,000—on the Victory Bonds issue was not due until the day following the date of the Bank's return.

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As regards the reserve, the increase in this for the week is less than £1,000,000, due almost entirely to return of notes from circulation. The result, however, is that the note circulation, though not quite covered by the stock of gold coin and bullion in the Issue Department, is exceeded by the coin (gold and silver) and bullion in both departments. Owing mainly to the contraction in the deposit liabilities, the ratio of the reserve is up three points on the week at 12.2%.

NEW YORK.

The New York Money market continues to be influenced by the conditions arising out of the recent heavy speculation. The return of the New York Reserve Bank as at the end of last week showed a decrease in the reserve ratio to the new low record of 38.7%, while the first returns of the New Year of both the New York banks and trust companies and the Federated Reserve Banks exhibited a substantial expansion in loans and discounts. At a conference of bankers and members of the Federal Reserve Board on January 6 the Governor uttered a warning to the effect that further increases in Federal Reserve discount rates must be reckoned with by the banks, if the intimate relationship between the Federal Reserve Bank deposits and commercial bank deposits was not to be severed. A day later—on January 7—the Federal Reserve Bank advanced its purchase rate for bankers' acceptances from 4¾% to 4⅞%. In regard to call-money easier conditions have ruled during the week, the rates declining about 6% at one time; but not much importance attaches to this, in view of the circumstances attending the turn of the year.

INDIA.

The extent to which a favourable exchange operates against the export trade of a country in whose favour it is can be discerned in the return dealing with the issue of India Council Bills on January 5, 1920. Tenders were invited for Rs.80,00,000, whereas applications were received only for Rs.57,00,000, as compared with a total of Rs. 1,49,00,000 for the preceding week. This weakness in the demand for exchange on India is not indicated merely by the marked decline in the total of applications, but still more so by the fact that the bulk of the tenders—to wit Rs.50,50,000—only offered a price of 2*s*. 3 15/32*d*. per rupee—the minimum prescribed by the India Office on December 16 last. Immediate telegraphic transfers were in request to a total of 3 lacs at the price of 2*s*. 4¼*d*., for which the minimum rate is 2*s*. 4*d*., and were allotted in full. The demand for deferred telegraphic transfers reached 54 lacs at prices varying from the minimum of 2*s*. 3 15/32*d*. to 2*s*. 4 15/32*d*.; but demands above the minimum only accounted for Rs.3,50,000. The total amount demanded in this section was allotted in full. However, in view of the low price offered, it has been decided to suspend the issue of Council bills here for the present, and consequently no allotment will take place next week. It is believed in some quarters that the temporary cessation of the sale of Council bills in London coincides with the sale of similar bills in India or London, probably in connection with the recent large export of cotton goods to India. It is equally evident that the high exchange has given a stimulus to the remittance of money from India.

SILVER.

The opening of the New Year finds the Chinese demand still the determining feature in the Silver market. Despite considerable selling on continental account, the supply in the main being derived from the melting down of German coin, the price advanced gradually. This condition is attributable largely to the persistent buying from China, where the demand for silver currency continues strong in view of the widespread distrust of the notes issued by the Chinese official banks. Price quotations on January 5 recorded 76⅜*d*. for spot and 74⅝*d*. for future delivery. To-day silver is quoted 78½*d*. cash and 77¼*d*. forward.

Stock Exchange.

The Stock markets started the week in a cheerful fashion, but have ended with some hesitation and a disposition to take profits. There has been quite an appreciable improvement on the week in gilt-edged securities, the 4% tax-free War Loan being particularly favoured. India 3% are 1½ points up at 54. A stimulating factor has been the success of the 6% Gold Coast Loan, applicants receiving only about 50%, and the price of the stock rising to 1⅜ premium. The recent Queensland 6% issue has been strong at 5 premium, and the Nigerian 6% are quoted at 2¼ premium. With this exception, Colonial Government securities have been, as usual, a very quiet market.

With the exception of Mexican Bonds, which for the best part of the week have been supported, foreign Government stocks have exhibited a declining tendency. Mexican 5% (1899) have advanced from 49 to 56, and Mexican railway stocks have also been the subject to considerable buying orders. It is satisfactory for holders that, almost immediately after the disturbing news of extensive earthquake damage in the country, there should come the announcement from the Mexican Consulate in London that the Government is keenly desirous of arriving at a definite understanding with the British Government in order to create a basis for the final settlement of outstanding features in the Mexican situation during the past four years affecting financial interests. An initial step, with this end in view, has been taken by the Mexican Government, whose Special Ambassador, General Candido Aguilar, has arrived in London, together with Senor Rafael Nieto, Official Adviser to the Mexican Government, who comes with the specific purpose of reorganising the Financial Agency in order to resume the long-deferred payments on the external debt and to arrive at a settlement regarding the railways. It is emphasised in the official statement on the subject that the object of the Mexican Government is the protection of all vested interests, whether acquired before or after the adoption of the new Constitution, and that compensation will be retrospective in the case of all foreign companies operating in Mexico.

The Home Railway market commenced the week still under the spell of the increase in railway rates; but, on its becoming apparent that the railwaymen are by no means entirely satisfied with the increased wages proposed to be granted to them, cheerfulness gave way to uncertainty and a general reaction has followed, though not to such an extent as to offset the previous improvement; indeed, at the close of the week there was again a tendency for prices to harden.

It is in the industrial and general sections that speculative business has been greatest. It would seem that the heavy rises previously registered have but

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whetted the appetite of investors, for textiles, shipping, iron and steel, and nitrate shares were the subject of strong demand in the early part of the week. Later, irregularity developed, and here and there quotations have dropped back a trifle. This applies more particularly to some of the textile shares, such as Bleachers, which close at 50*s*., Courtaulds at 7½, and Listers at 52*s*. 6*d*. On the other hand, Slubbers show a further substantial rise to 15*s*. ex.r., and John Barkers have improved on the announcement of the acquisition of the Ordinary shares of Derry & Toms. Among breweries, Allsopps Ordinary have declined substantially to 87. Activity has been most marked in Egyptian securities, and quotations, in the majority of cases, have risen sharply, Sudan Plantations being 9 against 7½, Behera 21 as compared with 18½, and New Egyptians 34*s*. 6*d*. against 32*s*. In the iron, steel and engineering group, Dorman Long have been an outstanding feature of strength, rising from 32*s*. to 36*s*. 3*d*. xd, and there have been numerous other appreciable movements in an upward direction. Buying of nitrate shares, reported to emanate from Liverpool, is reflected in considerably higher prices for the leaders. Lautaro have risen from 10½ to 11½, and Pan de Azucar from 10 to 12¾. Early appreciation in shipping shares has not been held in every case, but Furness Withy are ⅜ up at 3¼; P. & O. show a rise of 35 points at 620, and Royal Mail are quoted at 195, against 186.

Among industrials, Dunlop Rubber, British American Tobacco, British Cyanides, Edison and Swan, Roneo, and Castner-Kellner Alkali, have been the favourites in a generally buying market, the buying of Castner-Kellner being connected with the offer made by Brunner Mond to purchase the ordinary shares.

Speculative activity has continued in the oil share market under the lead of Shells and Mexican Eagles, and, although in one or two cases profit-taking is responsible for a set-back in quotations, these are mainly in unimportant ventures. Mexican Eagles have been the outstanding feature, and a closing price for the Common of 11¼ has been reached, after at one time dipping to under 11. Cable advice has been received from Mexico reporting that on the 5th instant a new well, situated about 2½ miles north of the Naranjos Field, struck oil, giving an estimated flow of 20,000 barrels daily, which has been successfully shut in.

PRICES OF COMMODITIES.

"THE STATIST'S" INDEX-NUMBERS.

(*In Continuation of Sauerbeck's Figures.*)

A FURTHER rise, though not of such marked extent as occurred in the preceding two months, is shown by our index-number of the wholesale prices as at the end of December of 45 commodities, based on the average of the 11 years from 1867 to 1877 taken as being equal to 100. The average figure at the end of the year comes out at 235.2, showing an increase of 4.2 for the month of December, and a rise for the whole 12 months of 39.2, or 20%. It may be recalled that in the first four months of 1919 the trend of values was steadily downward, until at the end of April our total index-number stood at 184.6, or about 12 points below the 1918 level. Then, however, a sudden and sharp upward movement began, and continued without interruption throughout the last eight months of the year. Every one of the six groups of commodities has participated in the further rise, and the only group that does not at the present time stand at a record level is that which includes seven animal foodstuffs.

The increase for December is almost entirely on account of the higher prices quoted for materials, more especially minerals and textiles. In the food group the rise for the month was 1%, potatoes and bacon being the principal contributors. In groceries, which in the previous months had risen in an extremely rapid manner, a check seems to have occurred, a further rise in the price of tea being practically offset by a reduction in the price of Java sugar. An all-round appreciation in the principal metals accounts for a rise on the month of 3.6% in minerals. The average export price of coal was again higher, and, though household coal was appreciably reduced as a result of the Government's orders, this was not sufficient to balance the other movements. Cotton and silk values continued their upward trend, but there was a setback during the month in Australian wool, and the value of flax was a trifle lower. Of the sundry materials, a decline in hides almost counterbalanced a further increase in the price of leather, and, with the exception of a comparatively small decline in timber, other price alterations that occurred were to higher levels, indigo, oilseeds, and palm-oil being prominent.

We append our usual comparison of the index-numbers by groups for the last two months:—

Comparison of War and Pre-War Monthly Index-Numbers.

	Monthly Index-Nos.				+ or − % Nov. 1919 on		
	Dec. 31 1919	Nov. 30 1919	Dec. 31 1918	June 30 1914	Nov. 1919	Dec. 1918	June 1914
Veg. Food ...	187·3	185·2	178·3	66·5	+ ·1	+ 5·0	+ 181
Animal Food	227·3	225·3	229·6	97·5	+ ·9	—	+ 133
Sugar, Coffee & Tea ...	180·3	179·9	126·4	51·8	+ ·2	+42·6	+ 250
Foodstuffs ...	200·5	198·8	186·2	74.8	+ ·8	+ 7·6	+ 168
Minerals ...	259·2	249·8	177·3	96·7	+ 3·6	+46·1	+ 168
Textiles ...	280·5	273·7	217·3	80·6	+ 2·4	+24·4	+ 248
Sundries ...	246·8	243·4	209·2	82·5	+ 1·3	+17·9	+ 199
Materials ...	260·5	254·4	203·1	85.7	+ 2·4	+28·2	+ 203
Total ...	235·2	231·0	196·0	81.2	+ 1·8	+20·0	+ 189

At the beginning of the New Year the question uppermost is whether the value of commodities has now reached its apex and will tend to decline, or whether, on the contrary, the general circumstances warrant the expectation that a still higher level will yet be reached. One can only, in the scope of a general article, view the matter from a broad standpoint. Individual commodities are affected by individual factors; but the governing influences at the present time seem to be reducible to two in number—(1) the extent to which production as a whole can be increased, and (2) to what extent the efforts now being made to improve sea and land transport facilities, and to remove the congestion prevalent at all the principal ports of the country, will be successful. In the Port of London alone there are reported to be no less than 33 vessels lying awaiting the discharge of their cargoes, and so long as such a condition of affairs exists, and supplies are not only withheld from the markets, but have to be financed and insured for unduly long periods, one can hardly expect a reduction in value to the consumer. In the matter of production, it is to be hoped that as conditions become more settled substantial expansion will be witnessed; but it is obvious, too, that achievement of this cannot have full effect so long as shipping is held up and the ports are congested. Moreover, the effect of the increase in railway rates has yet to be seen.

For the purpose of assisting the large number of our readers who are interested in the question of com-

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modity values, we take the opportunity presented at the commencement of a new year of supplying full figures of the monthly index-numbers since the middle of 1914 for each group of commodities comprised in our calculations, and we also furnish a comparison of our annual index-numbers of the past 74 years:—

The "Statist's" Annual Index-Numbers.

Year	Aver. No.	Year	Aver. No.	Year.	Aver. No.	Year	Aver. No.	Year	Aver. No.
1919	205.6†								
1918	198	1903	69	1888	70	1873	111	1858	91
1917	175	1902	69	1887	68	1872	109	1857	101
1916	136	1901	70	1886	69	1871	100	1856	101
1915	108	1900	75	1885	72	1870	96	1855	101
1914	85	1899	68	1884	76	1869	98	1854	103
1913	85	1898	64	1883	82	1868	99	1853	95
1912	85	1897	62	1882	84	1867	100	1852	78
1911	80	1896	61	1881	85	1866	102	1851	75
1910	78	1895	62	1880	88	1865	101	1850	77
1909	74	1894	63	1879	83	1864	105	1849	74
1908	73	1893	68	1878	87	1863	103	1848	78
1907	80	1892	66	1877	94	1862	101	1847	95
1906	77	1891	72	1876	95	1861	98	1846	89
1905	72	1890	72	1875	96	1860	99	1845	159
1904	79	1889	72	1874	102	1859	94	1810	171
								1809	189

* Jevons' numbers adjusted. † Subject to revision.

Comparison of War and Pre-War Annual Index-Numbers.

	Annual Index-Nos.							1919 or	
	1919	1918*	1917	1916	1915	1914	1913	1918	1915
Vegetable food	176	171	177†	133	108	75	69	+ 2·8	+155
Animal food ...	214	207	192	152	126	100	99	+ 3·3	+116
Sugar, coffee & tea	148	138	113	86	70	58	54	+ 7·2	+174
Foodstuffs ...	**184**	**177**	**169†**	**130**	**107**	**81**	**77**	**+3.9**	**+138**
Minerals ...	210	187	172	158	126	99	111	+12·3	+ 89
Textiles ...	228	222	192	129	92	81	84	+ 2·7	+171
Sundries ...	223	202	174	136	109	87	83	+10·4	+168
Materials ...	**221**	**204**	**179**	**140**	**108**	**88**	**91**	**+ 8.3**	**+142**
Total ...	**205**	**193**	**175†**	**136**	**108**	**85**	**85**	**+ 6.2**	**+141**

* Figures for 1918 subject to slight revision. † Revised.

No. of Articles	8	7	4	19	7	8	11	26	15
Month 1914	Ver. Food (Corn, &c.)	Animal Food (Meat & Butter)	Sugar, Coffee & Tea	Food	Minerals	Textiles	Sundries	Materials	Total
June ...	**88.5**	**97.5**	**51.8**	**74.8**	**96.7**	**80.6**	**82.5**	**85.7**	**81.2**
July ...	71·9	101·5	50·0	*78·2*	94·0	83·1	81·7	*85·5*	**82.4**
Aug. ...	81·9	103·6	67·7	*86·9*	98·4	82·0	86·4	*88·6*	**87.9**
Sept. ...	87·2	101·0	66·9	*88·0*	96·1	80·9	93·2	*90·2*	**89.3**
Oct. ...	86·7	100·1	65·0	*87·0*	94·2	82·5	96·8	*91·7*	**89.8**
Nov. ...	90·6	98·1	63·8	*87·8*	97·6	72·2	97·1	*89·6*	**88.8**
Dec. ...	**93.2**	**104.3**	**63.0**	**90.9**	**99.8**	**77.8**	**97.7**	**92.1**	**91.6**
1915									
Jan. ...	102·3	107·0	64·1	*96·3*	105·3	82·4	101·1	*96·5*	**96.4**
Feb. ...	109·3	112·1	66·4	*101·3*	109·1	86·5	105·4	*100·6*	**100.9**
Mar. ..	105·6	123·7	69·7	*104·7*	115·7	87·3	106·3	*103·0*	**103.7**
April ...	109·0	125·0	71·9	*107·1*	118·6	88·4	108·4	*105·0*	**105.9**
May ...	110·1	134·5	72·0	*111·1*	119·6	86·5	107·5	*104·3*	**107.2**
June ...	103·0	127·5	73·4	*105·8*	126·6	90·6	106·2	*106·9*	**106.4**
July ...	105·4	130·3	72·9	*107·7*	121·2	89·6	107·1	*105·5*	**106.4**
Aug. ...	105·6	131·8	71·4	*108·1*	119·6	92·6	107·7	*106·3*	**107.0**
Sept. ...	101·1	129·3	71·5	*105·2*	121·6	98·3	110·2	*109·6*	**107.8**
Oct. ...	110·3	123·4	67·7	*106·2*	123·9	100·2	114·7	*112·7*	**110.0**
Nov. ...	113·3	120·4	68·5	*106·5*	130·9	104·7	119·2	*117·9*	**113.1**
Dec. ...	**117.6**	**128.1**	**69.2**	**111.4**	**136.0**	**111.7**	**123.9**	**123.4**	**118.4**
1916									
Jan. ...	125·7	127·8	72·8	*115·3*	143·1	119·2	128·8	*129·7*	**123.6**
Feb. ...	127·2	137·5	79·0	*120·8*	149·2	‖116·9	131·1	*131·6*	**127.0**
Mar. ...	122·5	147·2	84·8	*123·7*	157·9	118·1	135·5	*135·3*	**130.4**
April ...	133·2	153·1	87·1	*130·8*	159·5	119·0	135·2	*136·7*	**134.2**
May ...	128·4	165·6	89·3	*133·9*	157·0	119·8	135·9	*136·6*	**135.4**
June ...	120·0	152·4	88·2	*125·4*	152·2	122·6	133·7	*135·3*	**131.0**
July ...	120·4	150·4	86·5	*124·3*	151·9	123·8	132·6	*135·1*	**130.5**
Aug. ...	129·4	154·7	85·6	*129·7*	154·8	128·9	133·8	*137·9*	**134.5**
Sept. ...	133·6	146·1	86·9	*128·1*	155·7	130·9	134·1	*138·9*	**134.4**
Oct. ...	152·3	154·1	90·1	*139·9*	157·6	137·0	137·5	*142·8*	**141.5**
Nov. ...	164·0	156·6	91·6	*146·0*	163·8	151·0	150·5	*150·3*	**150.8**
Dec. ...	**173.1**	**168.7**	**95.0**	**155.0**	**158.9**	**150.4**	**152.9**	**153.8**	**154.3**
1917									
Jan. ...	179·1	175·8	96·6	*160·5*	161·1	157·8	156·9	*158·3*	**159.3**
Feb. ...	177·4	184·3	100·2	*163·7*	163·0	167·7	162·5	*164·3*	**164.0**
Mar. ...	187·1	187·6	104·8	*170·0*	165·8	174·4	165·2	*168·2*	**169.0**
April ...	189·9	190·1	104·5	*172·0*	165·6	172·7	179·7	*173·8*	**173.0**
May ...	186·9	197·5	105·8	*173·7*	171·4	180·6	175·4	*176·0*	**175.0**
June ...	189·6	206·0	110·7	*179·0*	170·0	200·1	175·3	*181·5*	**184.0**
July ...	174·1	204·6	107·9	*170·3*	169·9	201·2	175·2	*181·8*	**176.9**
Aug. ...	168·0	193·7	116·5	*166·6*	168·9	198·7	179·1	*182·4*	**175.7**
Sept. ...	162·5	187·7	120·5	*163·0*	167·2	204·1	185·4	*186·2*	**176.4**
Oct. ...	162·9	189·7	131·8	*166·2*	169·6	213·4	188·7	*191·1*	**180.6**
Nov. ...	161·5	191·6	132·5	*166·5*	174·5	216·9	191·9	*191·9*	**182.9**
Dec. ...	**160.3**	**196.7**	**135.1**	**168.6**	**173.9**	**216.5**	**197.8**	**197.1**	**185.1**
1918									
Jan. ...	168·7	199·6	134·0	*172·8*	176·2	222·1	189·8	*196·1*	**186.2**
Feb. ...	170·0	199·6	136·2	*173·8*	178·9	221·8	190·8	*197·1*	**187.3**
Mar. ...	166·0	190·5	138·4	*172·5*	178·8	225·7	193·3	*199·4*	**188.0**
April ...	167·1	202·6	123·7	*171·0*	184·1	222·2	202·3	*203·5*	**189.8**
May ...	167·8	202·6	123·9	*171·4*	182·7	221·4	208·5	*205·5*	**191.1**
June ...	168·0	200·5	124·1	*170·7*	180·5	225·7	212·9	*208·1*	**192.3**
July ...	173·0	200·5	124·2	*172·8*	193·3	219·1	208·1	*207·6*	**192.9**
Aug. ...	178·0	200·5	123·4	**174.8**	191·6	235·6	207·8	*211·4*	**195.9**
Sept. ...	173·8	218·8	124·1	*180·0*	190·6	231·9	205·7	*209·7*	**197.1**
Oct. ...	176·2	229·6	125·2	*185·1*	191·5	223·5	205·1	*207·1*	**197.8**
Nov. ...	178·3	229·6	126·7	*186·3*	185·9	215·6	203·3	*201·8*	**195.3**
Dec. ...	**178.3**	**229.6**	**126.4**	**186.2**	**177.3**	**217.3**	**209.2**	**203.1**	**196.0**
1919									
Jan. ...	173·2	226·3	118·2	*181·2*	176·0	206·4	201·4	*196·1*	**192.1**
Feb. ...	173·5	218·8	119·0	*178·6*	172·8	203·9	196·4	*192·3*	**187.5**
Mar. ...	167·1	204·8	127·6	*172·6*	170·5	197·2	205·9	*193·6*	**184.7**
April ...	168·8	205·1	122·5	*172·4*	169·9	201·2	202·9	*193·5*	**184.6**
May ...	169·9	207·1	126·5	*174·5*	195·8	213·2	215·0	*209·3*	**194.6**
June ...	171·0	207·1	130·6	*178·9*	201·4	217·1	224·5	*216·8*	**199.4**
July ...	178·1	207·1	147·1	*178·5*	223·9	215·9	236·4	*226·7*	**206.4**
Aug. ...	176·9	207·1	171·4	*186·8*	227·3	229·3	256·0	*231·6*	**212.7**
Sept. ...	179·2	207·1	178·1	*186·1*	227·1	241·7	232·5	*233·8*	**214.8**
Oct. ...	180·4	225·3	172·7	*195·3*	245·6	256·2	237·5	*245·4*	**224.3**
Nov. ...	185·2	225·3	179·9	*198·8*	249·8	273·7	243·4	*254·4*	**231.0**
Dec. ...	187·3	227·3	180·3	*200·5*	259·2	280·5	246·8	*260·5*	**235.2**

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Mining Topics.

In practically every section of the Mining markets the past week was commenced in buoyant fashion, and quotations, excepting in the case of Russian issues, appreciated fairly well all round, and in a number of instances to a marked extent. Johannesburg Consolidated and Springs have been outstanding features in the South African section, and among diamonds De Beers, as a result of heavy buying, rose at one time to a fresh high record price, relapsing later, however. In Rhodesians sharp rises have occurred in Falcons and Rhodesia Broken Hills, while Lonely Reef have been a good market on a big dividend declaration. The Rhodesia Broken Hill Company reports very encouraging output results. With the exception of Broken Hills, which continue to be overshadowed by the prolongation of the labour strike, base-metal mining shares generally have been stimulated by sharp advances in the prices of copper, lead, zinc, and tin. Tintos have risen to 50, and a number of tin shares are well up on the week. The introduction of the shares of the Hampton Celebration Company, formed to work a part of the Hampton Proprietary's leases, on which what promises to be a very rich new goldfield was discovered some four months ago, served to increase interest in the West Australia market. Celebration shares, introduced at 1¼, have risen to 1¾, and Kalgurlis have spurted from ¾ to 1⅞. Towards the close of the week irregularity developed in most sections, and Mexicans, which had earlier been dullish, took up the running on the announcement of the Mexican Government with a view to financial rehabilitation. Explorations, Santa Gertrudis, and El Oros have been features of strength.

B

KEFFI TIN COMPANY.

Despite the fact that the price of tin has risen now to over £370—not, apparently, as a result of speculation, but on a strong position as regards demand relative to supply—public interest in Nigerian tin shares has not broadened to any marked extent recently. The apathy of investors thus indicated is really not surprising, however, in view of experience since the first Nigerian boom of ten years ago. There is an old adage which says "Once bitten, twice shy," and it is natural that the degree of shyness, which means in this case scepticism, should bear direct relation to the number of times individual investors have been bitten. Successive spasms of activity in Nigerian tin shares have been based on flamboyant promises of good things to come; but the fact remains that the number of dividend-paying companies working tin properties in Nigeria bears a small proportion to the number of companies for which the public have subscribed capital, and it is difficult to escape the conclusion that promoters, directors, and engineers have persistently failed to preserve a true balance between undue optimism and senseless pessimism. Practically always they have erred greatly on the wrong side. Admittedly to a large extent calculations have been upset by many adverse circumstances, some of which could not have been foreseen; but the unwelcome fact is that experience in that connection continues to be ignored, and calculations, instead of being put before the public with diffidence, are plainly stamped with premature confidence. In view of the speculative characteristics of alluvial tin-mining in a country like West Africa, it would be far better to err on the side of caution. If that had been the policy adopted by engineers and directors in the past, less money would have been transferred from the pockets of the investor to enrich the promoters and insiders; there would have been far fewer mushroom concerns formed and, consequently, investors in mining undertakings would not now be so sceptical of the prospects of the Nigerian tin industry. In these columns we have always held the belief that if the development of the Nigerian tinfields had been undertaken from the start with a view to eventual economical working, rather than, as has so often proved to be the principal aim in the past, as a means of gain on the Share market, the actual achievements ere now would have justified to a far greater extent than is the case at present the employment of the large amount of capital that has been put into the numerous enterprises. The presence of tin in large quantities, easily obtainable and spread over very extensive areas, has been proved to the full, but the deposits, in the form of surface alluvials, have so far been worked individually on a small scale, and, though the reports of the discovery of lodes have been published—and, indeed, trumpeted—from time to time, they have hitherto proved fallacious, or, at any rate, couched in terms not warranted by subsequent exploration results.

It is to be hoped that those responsible for the administration and management of the Keffi Tin Company have allowed a substantial margin for error and unforeseen contingencies in the estimates placed before shareholders, both in regard to the amount and value of the tin-bearing ground estimated to be contained in a portion of their properties, and as to the rich tin-bearing lode reported to have been uncovered. If proper cautiousness has been exercised, then there would seem to be ground for shareholders looking forward to a very successful enterprise being developed, but until one can judge of this it is advisable to look critically on the subject. The Company was formed in 1912, and paid its first dividend—12½%—in December 1918. That was in respect of the year ended June 30, 1918, for which a profit of £15,000 was reported. The capital was then £50,000 in 5s. shares, and it was increased twice last year—first in April to £100,000 for the purpose of providing £50,000 of additional capital, and secondly in August to £125,000 to complete the purchase of additional tin-bearing areas. The profit for the year ended June 30, 1919, was only £1,330, and no dividend was paid on that account. But the 5s. shares now stand at 13s. The properties in respect of which mining rights are owned cover more than 10 square miles. Production of tin so far has been comparatively small, but with substantial capital resources in hand there ought to be big scope for development and expansion of production. In his latest report, dated December 19, 1919, the Manager, referring to the proving of a "very important deposit of tin," says that an effort was made to obtain definite figures, but the rains and other handicaps "made it impossible to complete the work necessary for an accurate statement." Nevertheless, he proceeds to say that he considers the data sufficient to justify him in giving an estimate of the yardage proved. Obviously in doing this he throws real caution to the winds, and it is difficult to think otherwise than that it would have been far preferable to have waited until more extensive and definite information was obtained. In fact, the publication of the report seems to be much too premature at this stage, and we think it inadvisable to repeat here the estimates and conclusions given therein, but rather to reduce the whole to the statement that the indications and disclosures, partial and not complete, seem to warrant a hope that a very profitable enterprise will emerge, not merely in connection with the exploitation of the large alluvial tin areas, but because of the possibilities connected with the development of a rich lode which is reported to have been uncovered. It will be interesting to watch developments.

BRITISH EAST AFRICA CORPORATION, LIMITED.

The report for the year to May 31 discloses a trading profit some £5,000 less than obtained in 1917-18, from which it would appear either that the volume of business declined as a result of the termination of the War, or that the margin of profit was smaller. The directors attribute the falling-off to the acute shipping stringency, which entailed postponement of the sale of much of the produce grown and purchased by the Company during the 12 months. This congestion, it is added, is now being worked off rapidly, and the sale of produce is proceeding at satisfactory prices. It has to be borne in mind that though originally the Company was regarded as a mining concession and landowning Company, it has in recent years developed a general trading and cotton-ginning business. It is mostly from the operations under these two headings that the profits are derived. The land interest belonging to itself and associated companies is understood to cover something like 400,000 acres, upon portions of which plantations of sisal fibre, coffee, and wattle are being developed. Comparatively recently the Company's financial position left much to be desired, but the earnings of the two years to May 31, 1918, were largely devoted to rectifying this state of affairs. Again this year considerable allocations are made to reserve, but as they are not on such a scale as in 1917-1918 the directors are able to pay out an appreciably larger amount in dividend. The rate paid on the Ordinary capital is maintained at 12%, but 460,000 10s. shares rank instead of 360,000 shares. The latest balance sheet shows a weak liquid position, mainly on account of a large expansion in the value of stocks, which at £296,666 compare with £233,008 the year previously. This feature is probably connected with the postponing of produce sales referred to in the directors' report. Still, it is considered advisable to

obtain further cash resources. Favourable opportunities are believed to exist for profitable expansion of the Company's trading in British East Africa, as well as in the territory formerly belonging to Germany, and it has been decided to increase the capital to £500,000, to capitalise reserves of £38,333 by the distribution of one Ordinary share for every six now held, and thereafter to issue 200,000 new Ordinary 10*s.* shares to shareholders at a premium of 5*s.* per share. Further, shareholders have sanctioned the conversion of each of the 20,000 £1 Preference shares into two Ordinary 10*s.* shares, and the giving to Preference shareholders of a solatium of 2*s.* 6*d.* per share in cash (convertible by application into Ordinary shares of 10*s.* each). Provided the conversion is complete, the issued capital, all in Ordinary shares, will presently be £390,833, £150,000 of additional cash capital will be provided, and £50,000 of premiums will be available for addition to reserves. The price of the Ordinary shares at the present time is 22*s.* 6*d.*, which obviously anticipates a substantial increase in the rate of dividend. The following table compares the results of the past six years:—

	Years ended May 31					
	1919	1918	1917	1916	1915	1914
	£	£	£	£	£	£
Trading Profit	50,449	55,727	43,812	23,364	2,572*	20,114
Sundry Expenses less Sundry Receipts ...	4,249	3,607	3,946	1,830	1,279	3,046
Net Profit	16,200	51,720	39,866	21,834	1,851*	17,068
Taken from Reserve ...	—	—	—	—	5,392	—
	16,200	51,720	39,866	21,834	541	17,068
Allocations—						
Depreciation	5,000	7,000	5,000	6,000	4,478	6,000
Gen. Reserve	7,486	15,000	15,000	—	—	—
Tax Reserve	5,000	6,500	3,500	—	—	—
Dividend (Pref.) ...	1,600 (8%)	1,600 (8%)	1,200 (6%)	1,200 (6%)	1,200 (6%)	2,230† (6%)
„ (Ord.)	28,000 (12%)	22,000 (12%)	14,400 (8%)	10,800 (6%)	—	—
	17,486	52,500	39,100	18,000	5,678	15,330
Balance Profit	1,286*	780*	766	3,834	5,13 *	1,738
Brought Forward ...	4,404	5,184	4,818	984	6,121	4,383
Carried Forward ...	3,118	4,404	5,184	4,818	984	6,121

* Deficit. † Including arrears.

West African, Nigerian and General Trust, Ltd.—A new Company with the above title and a capital of £1,000,000 has been formed to undertake West African mining finance business, and a prospectus inviting subscriptions for 250,000 £1 shares at par is expected to make its appearance in a few days. It is stated that no contracts have been entered into, and that the whole of the issue will be available for working capital. It may be doubted if this is a good feature, inasmuch as it merely means that the public is asked to place funds in the hands of the directors for employment at their sole discretion, whereas if the investors knew exactly what contracts had been entered into they could the better judge of the merits of the enterprise.

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TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, January 7, 1920.

Issue Department.

Notes Issued	£108,742,090	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	90,292,090
	£108,742,090		£108,742,090

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£60,941,900
Rest	3,278,447	Other Securities	96,282,226
Public Deposits	21,463,041	Notes.....	18,394,460
Other Deposits	137,296,057	Gold and Silver Coin	988,431
Seven-day and other Bills...	15,572		
	£176,606,117		£176,606,117

Comparison with Previous Four Weeks [00,000's omitted.]

Date	Circulation	Coin and Bullion	Deposits—Public	Deposits—Other	Securities—Govt.	Securities—Other	Reserve	Ratio Reserve to Liabilities	Bank Rate *	Three Months' Bills
1919-20.	£	£	£	£	£	£	£	%	%	%
Jan. 7	90.3	91,2	21,4	137,2	60,9	96,2	19.3	12·2	6	5⅝
Dec. 31	91.3	91,3	19,2	180,6	92,4	106,7	18,4	9·2	6	5½
Dec. 24	92.1	91,3	20,3	133,3	63,7	85,1	17,7	11·5	6	5⅝
Dec. 17	90,3	91,5	21·5	125,3	68,2	76,9	19,6	13·4	6	5⅝
Dec. 10	88,6	91,7	20,1	137,7	77,2	77,1	21,5	13·6	6	5⅝
J'y22,'14	29,3	40,2	13,7	42,2	11.0	33,6	29,3	52·40	3	2⅝

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 6%; Aug. 8, 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; April 5, 5%; Nov. 6, 1919, 6%.

Comparison of Bank Returns, Exchanges, Prices, &c.

	Jan. 9, 1920	Jan. 8, 1919	Jan. 8, 1918	Jan. 10, 1917	Jan. 8 1910
Bank of England (in £'s sterling 00,000's omitted):					
Circulation	£90,3	£70,1	£45,7	£39,0	£28,9
Public Deposits	21,4	28,2	37,9	49,5	9,9
Other Deposits	137,2	140,2	123,5	130,2	49,1
Government Securities	60.9	71,9	56,9	120,3	17,5
Other Securities	96,2	85,5	90,7	42.6	36,2
Reserve	19,3	28.8	31,8	34,9	23,3
Ratio to Liabilities	12·2%	17·12%	19·71%	19·41%	39 40%
Coin and Bullion	91,2	80,5	59,1	55,5	33,7
Money:					
Bank of England Rate	6%	5%	5%	6%	4%
Bank of France Rate	5%	5%	5%	5%	3%
Rate 3 months' Bills London	5⅝%	3⅛%	4 4⅛%	4⅛%	3⅛-⅜%
Exchanges:					
Paris Cheque	41 90	25 97	27 21	27 80	25 18
New York 60 days	3 73	4 73	4 72½	4 72¼	4 84¼
Bombay Telegraphic Transfers	2/3⅛	1/5⅛	1/4⅜	1/4⅛	1/4½
Prices:					
Consols 2½% Cash	51¼	59	55¼	53	82⅝
French Rentes 3% Money	59 95	61 55	58 25	62 50	99 15
Silver, London spot ..... oz.	78⅛d.	48⅞d.	45⅝d.	36d.	24⅛d.
Wheat, *Gazette* average .....qr.	72/7	72/2	71/2	76/0	33/3
Cotton, Mid Upland .....lb.	31·24d.	20·90d.	23·49d.	11·21d.	8·05d.
Iron, Scotch pig .....ton	181/0	101/0	101/0	—	57/4½

CURRENCY NOTE ISSUE.

Week to	Notes Issued	Notes Cancelled	Notes Outstanding	Gold Coin & Bullion	% of Gold to Notes
	£	£	£	£	%
Jan. 7, 1920 ...	4,395,427	12,551,717	347,995,732	28,500,000	8 1
Dec. 31, 1919 ...	6,403,195	8,481,831	356,152,022	28,500,000	7·9
Jan. 8, 1919 ...	4,994,091	10,304,064	317,930,528	28,500,000	9 0
Jan. 9, 1918 ...	3,996,705	4,617,577	211,830,078	28,500,000	13·5
Jan. 10, 1917 ...	3,407,687	6,192,866	145,985,261	28,500,000	19·5
Jan. 12, 1916 ...	3,659,474	5,891,533	100,808,233	28,500,000	28 2

Balance Sheet January 7, 1920.

	£		£
Notes outstanding—		Advances—	
One Pound	271,013,488	Other Bankers ...	250,000
Ten Shilling	45,612,244	Trustee Savings Banks	220,000
Certificates outstanding ...	31,370,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500,000
Total	347,995,732	Bank of England Notes...	4,000,000
Investments Reserve A/c ...	17,286,060	Government Securities ...	330,480,744
		Balance at Bank of England	1,831,048
Total	365,281,792	Total	365,281,792

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

1919 Week to	Revenue	Expenditure	Excess of Expenditure	Loans, Advances, &c.—Cr.	Loans, Advances, &c.—Dr.	Loans, Advances, &c.—Net +	Cash Balance
Dec. 31	£25,969	£37,388	£11,419	£67,686	£55,869	£11,717	£4,171
Dec. 20	20,827	34,497	13,660	214,832	201,216	13,616	3,773
Dec. 13	29,659	32,919	3,260	62,981	59,063	3,018	3,827
275days'19	696,252	1,125,981	429,729	4,686,287	4,256,558	429,729	—8,628
275days'18	509,166	2,049,994	1,540,828	5,408,555	3,880,832	1,527,723	—13,105
*Yr. '19-20**	**1,168,650**	**1,642,295**	**473,645**	—	—	**473,645**	—
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	1,682,049	12,799
Yr. '17-18	707,234	2,696,221	1,988,987	7,499,604	3,616,023	1,983,581	21,030

Principal Items of Revenue and Expenditure.

1919. Week to	Revenue—Customs & Excise	Revenue—Income Tax, &c.	Revenue—Excess Profits Duties, &c.	Revenue—Other Revenue	Expenditure—Int., &c., on Debt	Expenditure—Misc. Expend.	Expenditure—Supply Services
Dec. 31	£6,210	£5,148	£6,906	£8,105	£2,602	£809	£33,977
Dec. 20	11,515	1,404	5,082	2,831	2,425	31,818	34,243
Dec. 13	5,750	914	4,184	18,811	3,416	123	29,381
275 days'19	206,133	137,141	202,826	170,149	272,039	10,344	843,598
275 days'18	116,741	83,385	204,318	104,722	228,452	7,634	1,913,908
*Yr. '19-20**	**276,000**	**354,000**	**280,000**	**258,650**	**345,000**	**16,595**	**1,280,700**
Yr. '18-19	162,220	291,186	285,028	150,587	269,964	11,380	2,297,956
Yr. '17-18	110,033	239,509	220,214	137,478	189,851	11,401	2,494,968

FLOATING DEBT. [000's omitted.]	Treasury Bills	Ways & Means Advances	Total	Natnl. War Bond Rcpts.
Dec. 27, 1919 ...	£1,105,946	£243,174	£1,349,120	£1,732,780
Dec. 20, 1919 ...	1,121,620	224,087	1,345,707	1,732,780
Dec. 13, 1919 ...	1,111,022	230,782	1,341,804	1,732,780
Dec. 6, 1919 ...	1,100,368	245,782	1,346,150	1,732,780
June 30, 1919 ...	796,150	774,237	1,570,387†	1,732,021

* Revised Budget estimate including [illegible]. † Budget.

FOREIGN BANKS.

[In £'s Sterling‡—000's omitted.]

	Cash			Advances			Bills Discounted, &c.
AUSTRIA-HUNGARY.	Gold	Silver	Total	To Public	To Dual Govts.	Note Circulat'n	
July 23, '14...	£51,578	£12,141	£63,719	£7,772	—	£88,740	£31,993
Oct. 21, '19...	10.832	2.374	13.206	371,686	£1,373,083	2,013,363	240,845
Oct. 28, '19...	10.832	2.378	13,210	372,119	1,373,083	2,058,464	222,532
Dec. 7, '17...	11,000	2.300	13,300	603,990	—	739,300	117,600

BELGIUM.	Gold.	Silver	Total	Discounts	Circulation	Deposits
Aug. 6, '14 ...	£10,977	£633	£11,610	£41,925	£51,800	£6,263
Dec. 24, '19 ...	10.656	1,057	11,713	14,456	188,513	98,152
Dec. 30, '19 ...	10.656	1,076	11,732	15,692	190,552	97,345

	Cash			Dis-	Balance	Circula-	
DENMARK.	Gold	Silver	Total	counts	Abroad	tion	Deposits
July 31, '14 ...	£4,100	£341	£4,441	£6,197	£786	£8,693	£47
Nov. 29, '19 ...	11,787	190	11,977	10,426	1,547	26,208	2,393
Dec. 31, '19 ...	12,605	184	12,789	12,803	1,640	27,186	3,995
Dec. 31, '18 ...	10,812	135	10,947	4,473	4,976	25,002	809
Dec. 31, '17 ...	9,622	137	9,759	3,081	2,495	18,770	2,417

	Gold		Total Cash			Circula-	Deposits	
FRANCE.	In Bank	Abroad	incl'g Silver	Bills		tion	Public	Private
July 30, '14 ...	£165,654		£190,667	£97,768		£267,327	£15,302	£37,903
Dec. 18, '19 ...	143,986	79,131	234,003	47,772		1,495,137	3,287	127,290
Dec. 26, '19 ...	144,010	79,131	233,832	50,730		1,490,982	3,060	125,084
Dec. 26, '18 ...	137,618	81,484	231,836	41,851		1,209,984	4,467	94,648
Dec. 27, '17 ...	132,577	81,484	223,937	36,478		833,472	10,074	116,550

	Cash			Treasury & Other Notes	Loans & Discounts	Circula- tion	De- posits
GERMANY.	Gold	Silver	Total				
July 23, '14...	£67,843	£16,727	£84,570	£5,279	£40,055	£94,545	£47,198
Dec. 15, '19...	54,431	1.052	55,533	504,911	1,718,568	1,643,782	547,684
Dec. 23, '19...	54,475	1.039	55,514	525,726	1,742,436	1,706,330	557,348
Dec. 21, '18...	113,131	1.007	114,138	244,990	1,222,954	1,056,216	574,194
Dec. 22, '17...	120,250	8.219	128,469	58,031	630,908	551,302	331,753

	Cash			Dis-	Ad-	Circula-	De-
HOLLAND.	Gold	Silver	Total	counts	vances	tion	posits
Aug. 1, '14 ...	£13,496	£249	£13,745	£13,422	£10,332	£35,660	£1,437
Dec. 20, '19 ...	53,111	563	53,674	17,239	22,400	86,298	8,323
Dec. 27, '19 ...	53,110	509	53,619	18,101	21,853	86,206	8,529
Dec. 28, '18 ...	57,453	712	68,165	21,052	11,626	89,249	7,373
Dec. 29, '17 ...	58,186	586	58,772	7,488	8,954	74,487	4,469

	Cash			Other	Loans &	Circula-	
ITALY.	Gold	Silver	Total	Cash	Discounts	tion	Deposits
July 31, '14 ...	—	—	£48,456		£25,017	£69,204	£8,887
Oct. 20, '19 ...	£32,201	£3,003	35,204	17,507	82,828	468,370	74,004
Oct. 31, '19 ...	32,200	3,006	35,206	26,417	89,476	478,217	74,473
Oct. 31, '18 ...	32,697	3,078	35,775	5,283	62,386	358,445	56,877
Oct. 31, '17 ...	33,352	3,047	36,399	7,244	45,406	215,568	45,152

					Deposits	
JAPAN.	Gold	Discounts	Advances	Notes	Public	Private
Aug. 1, '14 ...	£21,867	£1,829	£7,863	£32,722	£13,818	£1,521
Nov. 15, '19 ...	81,789	6,638	32,476	109,011	109,490	3,123
Nov. 22, '19 ...	82,027	8,613	33,908	111,397	108,178	4,476
Nov. 23, '18 ...	68,057	1,976	41,792	84,137	99,141	4,348
Nov. 24, '17 ...	62,582	1,106	20,435	62,493	59,107	5,230

NEW YORK BANKS & TRUSTS	Cash Own Vaults	Aggregate Reserve	Loans, Disc'ts, Invest.,&c.	Net Deposits—Demand	Time	Total	Excess Reserve
Aug. 1, '14 ...	—	£89,888	£411,238	—	—	£387,165	£1,720
Dec. 27, '19 ...	21,646†	111,890	1,038,290	812,930	50,788	912,822	3,804
Jan. 3, '20 ...	22,380†	117,272	1,054,578	829,794	50,614	928,414	6,996
Jan. 4, '19 ...	22,294†	115,948	940,014	790,768	26,552	853,578	11,404
Jan. 5, '18 ...	22,466†	110,382	825,988	720,240	38,565	815,463	14,324

		Balance	For'gn Govt.	Disc'nts	Circula-	
NORWAY.	Gold	Abroad	Securities	& Loans	tion	Deposits
July 31, '14 ...	£2,960	£1,678	£493	£4,868	£6,752	£793
Dec. 15, '19 ...	8,143	4,183	674	19,016	24,526	2,966
Dec. 22, '19 ...	8,141	4,082	674	20,596	26,009	2,916
Dec. 22, '18 ...	6,722	3,682	750	21,992	24,819	4,467
Dec. 22, '17 ...	6,274	4,816	717	21,095	18,330	11,069

				Discounts &	Note Circu-	
PORTUGAL.	Gold	Silver	Total	Advances	lation	Deposits
Sept. 3, '19 ...	£1,905	£3,924	£5,829	£7,946	£66,556	£6,774
Nov. 12, '19 ...	1,905	3,922	5,827	10,176	75,376	4,892
Sept. 4, '18 ...	1,905	3,742	5,647	10,795	54,450	2,357
Sept. 5, '17 ...	1,904	825	2,729	28,191	36,490	1,245

ROUMANIA.	Cash	Discounts	Advances	Total	Circulation
Nov. 15, '19 ...	£51,341	£9,303	£2,320	£10,623	£153,563
Nov. 22, '19 ...	52,541	9,323	2,301	11,624	157,417
Nov. 29, '19 ...	53,221	9,439	2,184	11,614	158,906
Nov. 30, '18 ...	32,901	4,256	1,639	5,945	98,231

	Gold		Total Cash	Loans &	Circula-	Notes in	Total
RUSSIA.	In Bank	Abroad	incl'g Silver	Disc'ts	tion	Reserve	Deposits
July 21, '14...	£160,114	£14,395	£181,892	£76,081	£163,411	£6,589	£109,911
Oct. 29, '17...	129,523	230,865	378,205	1,869,559	1,836,217	15,783	345,550

	Cash			Loans,	Spanish	Circula-	Deposits,
SPAIN.	Gold	Silver	Total	&c.	4%	tion	&c.
Aug. 1, '14 ...	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,955
Dec. 20, '19 ...	97,439	25,312	122,751	83,373	13,778	153,611	40,262
Dec. 27, '19 ...	97,832	25,220	123,052	88,453	13,778	154,252	41,403
Dec. 28, '18 ...	89,134	25,686	114,820	66,860	13,777	132,649	46,148
Dec. 29, '17 ...	78,672	28,421	107,093	47,348	13,777	111,313	37,751

		Balance	Swed. & For.	Discounts	Circula-	
SWEDEN.	Gold	Abroad	Govt. Secs.	& Loans	tion	Deposits
Aug. 1, '14 ...	£5,717	£6,150	£1,555	£7,495	£13,432	£3,903
Dec. 20, '19 ...	15,630	6,758	2,687	31,048	40,589	13,543
Dec. 27, '19 ...	15,621	6,743	2,687	30,139	40,085	11,438
Dec. 28, '18 ...	15,862	6,974	3,055	24,970	43,933	7,086
Dec. 29, '17 ...	13,580	7,123	4,440	16,751	30,893	11,324

	Cash			Discounts &	Circula-	
SWITZERLAND.	Gold	Silver	Total	Advances	tion	Deposits
July 23, '14 ...	£7,202	£758	£7,960	£4,817	£10,716	£2,026
Dec. 23, '19 ...	20,650	2,845	23,495	18,671	38,607	6,664
Dec. 31, '19 ...	20,630	2,946	23,626	21,764	41,445	7,012
Dec. 31, '18 ...	16,589	2,336	18,925	25,357	39,028	7,348
Dec. 31, '17 ...	14,306	2,073	16,379	16,775	28,092	5,492

† Not reserve. ‡ Converted at par rate of exchange approximately.

U. STATES FED. RES. BANKS.	Gold Held by Banks	Gold With Agents	Total Cash	Bills Dis- count'd	Bills Accept- ances.	Deposits. Govt.	Total. Net.	Circula- tion
Dec. 29,'19 ...	£143,312	272,374	427,106	438,976	117,042	14,472	340,894	611,530
Jan. 5,'20 ..	146,930	265,594	424,258	446,238	114,926	7,784	370,226	599,798
Jan. 3,'19 ...	148,708	269,830	430,730	385,972	58,054	18,264	311,756	529,722
Jan. 4,'18 ...	174,252	168,292	346,606	125,162	54,267	26,201	289,245	250,241

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed		%	Date Fixed
Amsterdam ...	4½	July 1,'15	Lisbon	5½	Jan. 15,'14
Berlin	5	Dec. 23,'14	Madrid	5	Nov.10,'19
Berne	5	Aug. 21,'19	Paris	5	Aug. 20,'14
Bombay	5	June 12,'19	Petrograd ...	8	July 29,'14
Brussels	3½	Oct. 2,'19	Rome	5	Jan. 11,'18
Calcutta	5	June 5,'19	Stockholm ...	6	June 12,'19
Christiania ...	6	Dec. 18,'19	Tokio	8·03	Nov. 18,'19
Copenhagen ...	6	Oct. 7,'19	Vienna	5	Apr. 12,'15

III.—FOREIGN EXCHANGES.

LONDON ON—		Jan. 9, '20	Jan. 2, '20	Dec. 23, '19	Dec. 19, '19
Berlin	Cable	192½m.	187½m.	182½m.	182½m.
Brussels	Cheques	41fr. 70c.	40fr. 40c.	39fr. 00c.	40fr. 35c.
Denmark	Cable	20kr. 65	19kr. 65	20kr. 30	20kr. 57½
Holland.....	do.	10d. 02½c.	10d. 10c.	10d. 13½c.	10d. 15c.
Italy	do.	50lr. 35	50lr. 25	48lr. 50	49lr. 50
Lisbon and Oporto	do.	17d.nom.	20d.	21d.	20½d.
New York	do.	$3 74	$3 78	$3 83	$3 74½
—	Cheques	$3 76	$3 80	$3 85½	$3 76½
Norway	Cable	18kr. 90	18kr. 60	18kr. 60	18kr. 57½
Paris	3 mos.	42fr. 00c.	41fr. 45c.	40fr. 60c.	41fr. 82½c.
—	Cable	42fr. 50c.	40fr. 85c.	40fr. 00c.	41fr. 90c.
Spain (Bank places)	3 mos.	58¾d.	58¼d.	58¼d.	57½
—	Cable	19p. 65	19p. 65	19p. 50	19p. 15
Sweden	Cable	17kr. 70	17kr. 55	17kr. 80	17kr. 83½
Switzerland	3 mos.	21fr. 60c.	21fr. 45c.	21fr. 55c.	22fr. 55c.
—	Cable	21fr. 25c.	21fr. 15c.	21fr. 55c.	20fr. 84c.

ON LONDON—		Jan. 9, '20	Jan. 2, '20	Dec. 23, '19	Par
Alexandria	Sight	97⅞pi.	97¼pi.	97¼pi.	97¼pi.
Amsterdam	Cheques	9d. 95c.	10d. 09c.	10d. 09c.	12.107d.
Athens	Cable	25dr. 70	25dr. 60	25dr. 60	25dr. 22½
Bombay	Transfers	2s. 4½d.	2s. 4½d.	2s. 3½d.	1s. 4d.
Brussels	Cheques	41f. 75c.	40f. 45c.	39f. 15c.	25f. 22½c.
Buenos Ayres	Transfers	62¼d.	62⅜d.	61½d.	47.58d.
Calcutta	do.	2s. 4⅝d.	2s. 3⅝d.	2s. 4½d.	1s. 4d
Christiania	Sight	18kr. 90	18kr. 59	18kr. 60½	18.159kr.
Copenhagen	do.	20kr. 53½	19kr. 65	20kr. 25	18.159kr.
Helsingfors	Cable	120m.	125½m.	126½m.	25m. 22½
Hong Kong	Transfers	5s. 0⅛ d.	4s. 10½d.	5s. 2d.	—
Italy	Sight	50lr. 35c.	50lr. 12½c.	49lr. 13½c.	25l. 22½c.
Lisbon	do.	17d.	19½d.	21d.	53½d.
Madras	do.	2s. 4¼d.	2s. 4¼d.	2s. 4½d.	1s. 4d.
Madrid	do.	19p. 66	19p. 67	19p. 90	25p. 22½
Montevideo	Transfers	67d.	75½d.	66½d.	51d.
Montreal	Cable	$4 05	$4 11	$4 13	$4 86⅝
New York.....	Sight	$3 76	$3 76⅛	$3 86½	—
—	60 days	$3 73	$3 73½	$3 84	—
—	Cable	$3 76⅜	$3 77⅛	$3 83⅜	$4 86⅝
Paris	Cheques	41f. 97½c.	40f. 95c.	39f. 97½c	25f. 22½c.
Rio de Janeiro ...	90 days	17 1/32d.	17 1/16 d.	17¼d.	16d.
Shanghai	Transfers	8s. 0d.	7s. 9d.	8s. 3¼d.	—
Singapore	Sight	2s. 4⅛d.	2s. 4 3/32d.	2s. 4⅛d.	—
Stockholm	do.	17kr. 70½	17kr. 59	17kr. 79	18.159kr.
Switzerland	do.	21f. 27½c.	21f. 12½c.	21f. 15c.	25f. 22½c.
Valparaiso	90 days	11 5/32d.	12 3/32d.	11 3/32d.	18d.
Yokohama	Sight	2s. 8⅛d.	2s. 8d.	2s. 7½d.	24.58d.

NEW YORK ON—	Rate Current* Jan. 9, '20	Jan. 2, '20	Par as usually Quoted	July 3.
Amsterdam, sight ...	37·25c.	37c.	40·20c. for 1 guilder	40·25c.
Bombay, cheques ...	44·60c.	45c.	32·44c. for 1 rupee	33·00c.
Buenos Aires, cheques ...	101·90	101·90		
Christiania, cheques ...	19·90c.	20·25c.	26·80c. for 1 kroner	
Copenhagen, cheques ...	18·10c.	19·10c.	26·80c. for 1 kroner	26·85c.
Greece, cheques ...	14·80c.	14·80c.	19·295 c. for 1 drachma	
Hongkong, cheques ...	106c.	94c.	74·59c. for Mex. $1	46·4c.
Italy, sight	13·42l.	13·26l.	5·18½ lire for $1	5·17l.
Lima, cheques	4·78l.	4·75l.	4·8665 $ for 1 libra	
Manila, cheques... ...	48	48	50c. for 1 peso	49·8c.
Montreal	7·375% disc.	8% disc.	Premium per $100	Par
Paris, sight	11·10fr.	10·85fr.	5·18½ francs for $1	5·16fr.
Petrograd, sight ...	—	—	51·46c. for 1 rouble	51·37c.
Rio de Janeiro, cheques	27·50c.	27·50c.	32·42c. for 1 milreis	
Shanghai, cheques ...	158c.	154c.	62·96c. for 1 tael	83·00c.
Singapore, cheques ...	54c.	55c.	78·77c. for $1	57·12c.
Spain, cheques	19c.	19·15c.	19·30c. for 1 peseta	
Stockholm, cheques ...	21c.	21·45c.	26·80c. for 1 kroner	
Switzerland, cheques ...	5·67fr.	5·62fr.	5·18½ francs for $1	5·18½fr.
Valparaiso, cheques ...	13c	19·75c.	20 61c. for 1 peso	
Yokohama, cheques ...	50·10c.	50·20c.	49·84c. for 1 yen	49·90c.

* According to Guaranty Trust Company of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount	Inc. or Dec.*	1919 Agg.	Inc. or Dec.*
	1920	[In £'s sterling 000's omitted.]			%
BIRMINGHAM ...	Jan. 3	£3,858	+ £783	£3,858	+ £783 + 25·5
BRISTOL	,, 3	1,920	+ 720	1,920	+ 720 + 60·0
DUBLIN	,, 3	8 089	+ 1,683	8,089	+ 1,683 + 26·3
LEEDS	,, 3	1,701	+ 189	1,701	+ 189 + 12·5
LEICESTER	,, 3	1,878	+ 1,020	1,878	+ 1,020 + 118·9
LIVERPOOL	,, 3	17,668	+ 10,485	17,668	+ 10,485 + 146·0
MANCHESTER ...	,, 3	33,028	+ 19,172	33,028	+ 19,172 + 138·4
NEWCASTLE ...	,, 3	3,138	+ 559	3,138	+ 559 + 21·7
NOTTINGHAM ...	,, 3	1,184	+ 532	1,184	+ 532 + 81·6
SHEFFIELD	,, 3	2,205	+ 481	2,205	+ 481 + 27·9
LONDON—	1920.				
TOWN	Jan. 7	645,657	+ 192,085	645,657	+ 192,085 + 42·3
METROPOLITAN	,, 7	46,634	+ 4,611	46,634	+ 4,611 + 11·0
COUNTRY	,, 7	93,519	+ 22,307	93,519	+ 22,307 + 31·3
TOTAL†	,, 7	785,810	+ 219,003	785,810	+ 219,003 + 38·6

* Compared with a year ago. † Record week for total London clearings.

V.—FREIGHTS.—According to Messrs. J. C. Gould, Angier and Co.

HOMEWARDS.	1920 Jan. 9	1920 Jan. 2	1913 Jan.10
Alex. to U.K. ...	42 3	42 6	9/6
Aust. to U.K. ...	105/0	105/0	42/9
Azoff to L.H.A.R.	—	—	12 9
Bombay to p.p.	105/0d.w.	100/0d.w.	21/6
Burmah o.c.	—	180/0 l.w.	33/0
Calcut.top.p.(jute)	—	—	d.w.28/9
Danube to U.K. ...	—	—	—
Odessa to L.H.A.R.	—	—	11/9
R. Plate to U.K.	170/0	190/0	24/6

Homewards.—*Cont.*	1920 Jan.9	1920 Jan.2	1913 Jan.10
U.S.Atl.Ports to L'pl. (cotton, 100lb.)	—	—	50 0
U.S.toU.K.Cont.(gr.)	—	14'0	3/6
Gulf Ports to U.K.Cont. (cotton&grain)...	—	—	22'6
OUTWARDS—Cardiff to			
Aden	—	—	—
Colombo	—	—	13/6
Port Said ...	60/0	65/0	12/0
River Plate ...	37/6	40/0	17/0
St. Vincent ...	37/6	42/6	—

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	JAN. 9, 1920.	1918-19, JAN 10	JUNE 30, 1914
Iron—Scotch pig warrants ...ton	181/0	101/0	57/0
— Middlesbro' warrants ...ton	175/6	95/0	51/0
— Hematite warrants ...ton	220/0	122/6	61/0
— Staffordshire bars, London ton	£25—£26	£17	£8 10
— Common bars ...ton	£23	£14 15	£6 16
Steel Rails ...ton	£17	£10 17/6	£6 2/6
Galvanised Sheets ...ton	£48	£29	£16 17/1
Copper—Standard ...ton	£117 10	£83 10—£94	£66
Tin—English Ingots ...ton	£370	£251	£142 15
— Straits ...ton	£374 10	£252 10	£139 10
Tinplates, I.C. Coke, S. Wales...box	56/0	32/6 ... 11/10½	12/0
Lead—Soft Foreign ...ton	£47 15	£32 10—£40	£19
Spelter—Ord. Foreign ...ton	£59—£61	£45—£56	£21 7/9
Quicksilver—(75lb.) ...bottle	£23 10	£20	£7
Aluminium ...ton	£165	nom.	£82
Antimony—Regulus Foreign ...ton	£63	nom.	£27 10
— English ...ton	£60	—	—
Coal—(best) Yorkshire ...ton	19/6—20/6	23/6—24/6	17/6
— Steam (best) Newcastle ...ton	46/0—51/0	40/0—45/0	14/6
CHEMICALS, OILS, &c.			
Nit. of Soda—f.o.b. Chile, per quintal	12/9	nom.	7/4
Soda—Crystals ex ship ...ton	130/0—140/0	87/6	42/6—45/0
Copra—Malay and States ...ton	£68	£45 10	£23 15—£24 7/6
Gambier—Good marks ...cwt	48/0	45/0	16/10½
Indigo—Bengal good to fine ...lb.	9/0—11/0	9/0—10/6	3/2—3/8
Linseed Oil—Raw ...ton	£107	£75	£25 5
Linseed—Calcutta, spot ...ton	£52	£37 10	£13 16/9
— Cakes, U.K. made, ex mill...ton	£24 17/6 -£25	£19	£7 17/6-£8
Olive Oil—Spanish ...tun	nom.	nom	£49 10
Palm Oil—Lagos ...ton	£96	£45	£31 10
Petroleum—American ...gallon	1/9	1/4½	7½d.
Rape Oil—Refined English...ton	£116	£71	£32
Soya Oil—Refined ...ton	£106	£75	£24 10
Tallow—Imported ...cwt.	103/0—105/0	68/0	29/3—33/3
Turpentine—American ...cwt.	165/0	105/0	33/7½
Rape Seed—Toria ...ton	£45	£29 15	£13 5
Rubber—Para, spot ...lb.	2/7½	2/7	2/9½
— Fine plantation (stnd. crepe) lb.	2/8½	2/7½	2/2
— World's Production* Nov. tons	31,795	18,701	8,467
Shellac—F.N. Orange, fair ...cwt.	830/0	290/0	63/0—64/0
TEXTILES.			
Cotton—Middling Upland ...lb.	31·24d.	20·90d.	7·53d.
— Egyptian, good fair ...lb.	55·5d.	27·05d.	8·75d.
— Pernambuco fair ...lb.	34·64d.	24·62d.	7·73d.
— Midland Upl. New York...lb.	39·25c.	31·85c.	13·25c.
— Stock, Liverpool (Jan 2) bales	856,100	451,970	934,600
Flax—Petrograd, Yarapol ...ton	—	nom.	£28
Hemp—New Zealand ...ton	£56	£96	£25 10
— Manila, Fair ...ton	£60 10	£100	£26 10
Jute—First Marks ...ton	£70	—	£26 15
— Red SCO ...ton	£56	—	£24 15
Silk—Blue Elephant ...lb.	45/0	22/0	11/3—11/6
Wool—Pt. Philip unwashed av. lb.	5/6	nom.	11½d.—1/0
— Lincoln Half Hogs ...lb.	2 4½	1/7½nom.	1/0½
Hides—Eng. Ox, best, 65lb. up lb.	15½d.—16½d.	9¾d.—10½d.	7½d.
Leather—Dressing Hides ...lb.	3/3—3/9	2/5—3/1	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus	122,097,000	184,958,000	34,640,000
— Red, price, N.Y. 60lb....bushel	255c.	237½c.	67½c.
English Gazette, aver. 480lb. qr.	72/7	72/2	34/3
Flour—G.R. ...280lb	44/3	44/3	28/6
Barley—Eng. Gaz., aver. 400 lb. qr.	107 1	62/3	25/4
Oats—Eng. Gaz., aver. 312 lb. qr.	57/8	48/8	20/0
Maize—N.Y. (new bushel ...56lb.	168½c.	nom.	76½c.
— Amer. mixed, Liverpool...480lb.	nom.	nom.	32/4
— La Plata ...480 lb. qr.	65/0	70/0	25/9
Potatoes—Good English ...ton	240/0	187/6	70/0—75/0
Rice—Bassein ...cwt.	26/0	28/3	7/0—7/3
Tapioca—Pearl, medium ...cwt.	37/0	42 6	14/0—17/8
Hay—best ...2,018lb....load	—	160/0	82/6
Hops—English ...cwt.	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs ...8lb.	9/0	9/2—9/6	3/8—3/10
— Scotch sides ...8lb.	10/0	9/6	4/6—5/0
— English ...8lb.	10/0	9/6	4/2—4/5
Mutton—Scotch wethers ...8lb.	10/6	10/0	5/8—6/0
— English wethers ...8lb.	10/6	10/0	4/6—5/4
— New Zealand frozen ...8lb.	10/6	10/0	2/4—3/2
Pork—English and Irish ...8lb.	10/8	10/8	3/6—4/0
Bacon—Irish, delivered ...cwt.	200/6	188/0	60/0—74/0
— Danish ...cwt.	†187/0	—	58/0—63/0
— Canadian, ex Port ...cwt.	†187/0	—	—
— American, ex Port ...cwt.	†187/0	176/6	72/0—74/0
Hams—Amer. long cut, ex Port cwt.	†190/0	170/0	75/0—79/0
— — short cut, ex Port ...cwt.	†190/0	170/0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt.	†198/6	158/0	51/9—52/9
Butter—Danish ...cwt.	†252/0		117/0—120/0
— French ...cwt.	†252/0	Controlled	96/0—108/0
— Australian ...cwt.	†252/0	252/0	98/0—110/0
— New Zealand ...cwt.	†252/0		108/0—114/0
Cheese—Canadian ...cwt.	†145/0	Controlled	66/0—68/0
— United States ...cwt.	†145/0	163/4	—
— Dutch ...cwt.	†145/0		53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Dec. 31 ...cwt	31,949,241	26,113,009	19,777,254
— Home consump'n. to Dec. 31 cwt..	30,656,779	18,824,211	17,272,000
— In Bond Dec. 31 ...cwt.	6,421,000	7,822,000	6,306,000
— Price, Java, 96° Pol. ...cwt.	60/0	36/0	10/3
— — Yellow crystals ...cwt.	63/6	57/9	12/6—14/0
— — Tate's Cubes, No. 1 ...cwt.	72/0	64/9	18/0
Coffee—Imports to Dec. 31 .. cwt	1,055,218	159,304	720,360
— Home consumpt'n to Dec. 31 cwt	315,477	156,278	141,410
— Exports to Dec. 31 ...cwt	629,898	30,181	340,250
— In Bond Dec. 31 ...cwt	706,000	617,000	484,000
— Price, Costa Rica gd. to finecwt	155/0—163/0	145/0—155/0	80/0—93/0
— — Brazil (Santos) Good ...cwt	135/0—137/0	65/9	41/6
Tea—Imports to Dec. 31 ...lb.	510,439,600	463,628,123	123,230,277
— Home consump'n. to Dec. 31 lb.	388,465,533	311,151,409	155,447,972
— Exports to Dec. 31 ...lb.	29,691,495	2,195,234	26,581,765
— In Bond Dec. 31 ...lb.	226,584,000	135,295,000	78,292,000
— Price, Indian, Pek. Soug. gd.lb.	1/3½	1/4	8½d.
— — Ceylon, Pek. Soug. Ord. lb.	1/3	1/4	8½d.
— — Common Congou ...lb.	1/0nom.	1/4	5½d.
Cocoa—In Bond Dec. 31 ...cwt.	901,000	486,000	309,000
— Grenada, good to fine ...cwt.	124/0—130/0	85/0	52/6—56/0

* Estimated. † Controlled.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific ...	Nov.	$17,367,000	+2,344,000	$2,850,000	— $549,000
	11 *mos. to* Nov.	159,904,000	+18117000	31,251,000	— 440,000
Grand Trunk ...	Nov.	£1 251,900	— £15,700	£103,300	— £81 800
	11 *mos. to* Nov.	12,853,900	+1,702,200	1,566 200	+ 104,400

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August* 5, 1914, *the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act,* 1871. *The Irish railways, similarly, were taken over as from January* 1, 1917.

INDIAN.	Week or Month.	Miles Open.	Gross Receipts.	+ or — on Year Ago.	No. Wks	Aggregate Receipts.	+ or — on Year Ago.
Assam Bengal	Nov. 29	993	R2,25,775	+ 69,735	9	20,46 901	+ 5,77,288
Barsi Light ...	Dec. 5	118	32,600	+ 15,900	37	10,25,700	+ 4,58,000
Bengal & N.W.	Nov. 29	2,065	4,78,510	— 52,522	9	35,99,750	— 5,23,129
Beng. Dooars	Dec. 6	158	37,658	+ 1,924	10	5,17,127	+ 66,589
Beng. Nagpur	Nov. 29	2,695	11,72,000	+ 92,000	35	4,24,68,514	+ 32,95,569
Bomb. Baroda	Dec. 27	2,871	17,82,000	+ 36,000	13	2,19,39,000	+ 22,08,000
Burma ...	Nov. 22	1,342	5,29,362	+ 20,505	34	1,78,26,070	+ 18,79,522
Del. Um. Kalk.	Dec. 27	239	86,700	— 161	13	11,63,714	+ 7,677
East Indian ...	Dec. 27	2,771	24,74,000	— 83,000	14	3,21,84,000	— 13,21,000
Gt. Indian Pen.	Dec. 27	3,121½	30,25,500	+ 4,49,600	13	3,10,34,255	+ 30,43,744
Madras & S.M.	Dec. 6	3,162	10,50,000	+ 15,196	10	98,25,000	+ 2,68,143
Nizam's Guar.	Nov. 29	900	3,02,020	+ 70,537	9	20,30,297	+ 3,75,865
Roh. & Kumn.	Nov. 29	576	1,00,300	— 13,798	9	7,40,938	— 2,39,518
South Indian	Nov. 22	1,852½	6,80,307	+ 1,10,170	24	2,53,85,177	+ 20,88,181
South Punjab	Aug.	716	7,01,854	— 3,01,828	5*m*	35,02,670	— 17,37,370
COLONIAL							
Can. Northern	Dec. 31	9,588	$1,731,600	+ 165,400	52	52,255,799	+ 6,040,584
Can. Pacific ...	Dec. 31	13,388	5,403,000	+ 790,000	52	175,598,000	+ 18,924,000
Grand Trunk	Dec. 31	3,616	£385,312	+ 1,987	52	14,034,661	+ 1,624,149
Mashonaland	Aug.	810	65,465	— 7,046	11*m*	—	—
Mid. W. Aust.	Oct.	277	10,830	+ 294	4*m*	36,005	+ 3,339
NewCapeCent.	Nov. 29	205	2,558	— 61	48	120,302	+ 12,890
Rhodesia Rlys.	Aug.	1,397	98,984	— 15,059	11*m*	938,048	— 80,830
Temiscouata...	Oct.	—	$30,552	+ 2,154	10*m*	304,661	+ 22,504
W. Pass. & Yuk	Aug.	122	—	—	8*m*	$968,676	+ 31,021
FOREIGN.							
Argentine.							
Arg. N. East...	Jan. 3	752	£ 12,300	+ 4,000	27	321,400	+ 68,200
Arg. Transand.	Jan. 3	111	£ 5,090	+ 1,010	27	57,016	— 33,764
B. A. & Pacific	Jan. 3	3,536	£ 141,000	+ 38,000	27	3,867,000	+ 827,000
B.A.Gt. South	Jan. 4	3,792	£ 181,000	+ 38,000	27	4,617,000	+ 996,000
Do.	Jan. 4	Net	£ 67,000	+ 25,000	27	1,530,000	+ 867,000
B. A. Western	Jan. 4	1,882	£ 84,000	+ 15,000	27	2,605,000	+ 738,000
Do.	Jan. 4	Net	£ 29,000	+ 15,000	27	925,000	+ 463,000
B. A. Central	Nov.	190	£ 43,048	+ 4,181	5*m*	226,403	+ 21,166
Cent. Argent.	Jan. 3	3,305	£ 186,000	+ 52,300	27	4,615,000	+ 1,110,400
Do.	Jan. 3	Net	£ 70,000	+ 60,200	27	1,347,100	+ 765,200
Cord. Central	Jan. 3	1,205	£ 56,700	+ 20,850	27	1,614,150	+ 402,720
Entre Rios ...	Jan. 3	831	£ 24,700	+ 5,400	27	619,400	+ 81,200
Brazilian.							
BrazilGt.South	Nov.	110	M 45,000	+ 4,900	11*m*	544,671	— 7,362
Brazil Railway	Dec.	3,530	M4,859,000	— 141,271	12*m*	57,772,000	+ 7,619,243
Gt. W. Brazil.	Jan. 3	1,010	£ 25,800	+ 7,700	1	—	—
Leopoldina ...	Jan. 3	1,831	£ 55,761	+ 27,496	1	2,222,956	+ 637,707
Mogyana ...	Dec.	1,180	M 1,561,000	— 956,490	12*m*	22,267,000	— 2,474,651
Paulista ...	Dec.	766	M 2,650,000	— 906,038	12*m*	32,479,000	— 1,225,892
San Paulo ...	Jan. 4	153½	£ 46,142	+ 21,133	1	—	—
Sorocabana ...	Dec.	1,003	M 1,749,000	— 246,168	12*m*	21,953,000	+ 976,692
S.of BahiaS.W.	Dec.	52	M 116,000	+ 22,000	12*m*	1,204,000	+ 143,000
Chilean and Peruvian.							
Antofagasta ...	Jan. 4	838	£ 47,030	+ 4,545	1	—	—
Arauco ...	Nov.	84½	£ 12,000	+ 500	11*m*	121,300	— 21,700
Nitrate(2wks.)	Dec. 31	390	£ 33,475	+ 621	52	473,274	— 352,775
Peruvian Corp.	Dec.	1,140	S 1,310,880	+ 252,890	6*m*	6,982,774	+ 962,059
Taltal ...	Nov.	180	£ 18,322	+ 1,604	5*m*	71,332	— 27,834
Cuban.							
Cuban Central	Jan. 3	362	£ 32,594	+ 13,385	27	486,938	+ 101,710
Havana Cent.	Dec. 20	70	£ 10,334	+ 2,253	25	252,915	+ 40,432
U. of Havana	Jan. 3	681	£ 76,074	+ 15,864	27	1,545,701	+ 324,903
W. of Havana	Jan. 3	155	£ 9,299	+ 803	27	234,572	+ 43,935
Uruguayan.							
Cent. Uruguay	Dec. 27	273	£ 26,731	+ 3,965	26	572,473	+ 50,322
,, (E. Ext.)	Dec. 27	311	£ 7,851	+ 375	26	140,787	+ 20,965
,, (N. Ext.)	Dec. 27	185	£ 3,618	— 387	26	93,693	+ 1,476
,, (W.Ext.)	Dec. 27	211	£ 3,789	+ 680	26	70,190	+ 4,384
Mid. Uruguay	Nov.	319	$ 20,851	+ 5,281	5*m*	96,140	+ 16,104
N.W. Uruguay	Nov.	113	$ 7,128	+ 539	5*m*	32,259	+ 126
Urug. Northn.	Nov.	73	$ 2,713	+ 893	5*m*	11,185	+ 1,545
Miscellaneous							
Alcoy & Gandia	Dec. 27	33	Ps. 8,500	— 2,000	52	528,600	+ 79,900
Bilbao ...	Dec.	15	£ 1,275	— 2,707	12*m*	29,589	— 22,288
Bolivar ...	Nov.	136	£ 8,500	+ 6,253	5*m*	44,209	+ 11,141
Colomb. Natnl.	Nov.	86	£ 14,960	+ 4,220	11*m*	153,080	+ 19,200
Costa Rica ...	Oct.	189	£ 26,830	+ 4,933	4*m*	91,389	+ 1,889
Dorada Ext....	Nov.	70	£ 13,750	+ 5,850	11*m*	125,650	+ 34,050
Egyptian Delta	Dec. 20	559½	£ 13,960	+ 1,028	36	268,477	- 3,841
Gt. S. of Spain	Dec. 27	104	Ps. 43,583	— 95,879	52	5,105,592	+ 1,883,923
La Guaira&Ca.	Dec.	22¾	£ 12,070	+ 5,250	12*m*	108,200	+ 31,070
Ottoman Ry...	Dec. 20	379	£ 9,378	— —	—	—	—
Paraguay Cent.	Dec. 27	255	£ 4,810	+ 420	26	140,850	+ 47,090
Puerto Cabello	Nov.	24	£ 4,250	+ 1,450	11*m*	49,375	+ 8,075
Salvador ...	Jan. 3	100	£ 3,430	+ 300	27	77,297	+ 35,529
Santa Fe Prov. French Rys.	Oct.	1,181	£ 172,656	— 6,605	10*m*	1,435,236	+ 56,600
S'm'na&S'ti'go	Nov.	80	£ 7,660	+ 64	11*m*	130,211	+ 29,712
Zafra & Huelva	Oct.	112	£ 14,590	- 190	10*m*	103,905	— 23,013
TRAMS.							
Anglo-Argent.	Dec. 31	400	£ 20,007	+ 11,343	52	3,127,784	+ 191,841
Auckland Elec.	June 30	27	—	—	52	292,502	— 2,063
Bombay Elec.	Oct.	39	R. 7,67,296	+ 1,80,215	10*m*	70,86,404	+ 12,99,004
Brazilian Trac.	Nov.	378½	M 9,796 000	+ 2,215,000	11*m*	103,335,000	+ 9,972,000
Brisbane Elec.	Nov.	40½	£ 42,960	+ 3,715	11*m*	432,870	+ 30,991
Brit. Columbia	Oct.	334	$ 710,405	+ 130,051	4*m*	2,704,611	+ 580,474
B. A. Lacroze	Nov.	51	£ 50,635	+ 7,683	5*m*	237,705	+ 28,941
Calcutta ...	Dec. 20	35½	R 30,271	+ 7,537	51	47,87,604	+ 5,79,473
Cape Electric	Oct.	42½	£ 26,743	+ 11,115	4*m*	83,822	— 1,077
Carth. & Herr.	Dec.	9	£ 2,923	— 27	12*m*	32,441	— 14,423
Chatham&Dist	Dec. 31	15	£ 1,162	+ 263	52	78,081	+ 11,262
Havana Elect.	July	86	$ 794,763	+ 100,879	7*m*	5,116,661	+ 402,587
Isle of Thanet	Dec. 31	20½	£ 607	+ 209	14	7,174	+ 3,098
Kalgoorlie ...	Aug.	20½	£ 2,876	- 464	8*m*	21,533	— 590
Lanarkshire ...	Dec. 31	28½	£ 3,540	+ 578	52	193,835	+ 6,483
Lima Light ..	Oct.	85	£ 50,667	+ 4 590	10*m*	479,702	+ 44,477
London C.C. ...	Jan. 7	141½	£ 76,469	+ 5,398	40	3,219,538	+ 651,480
Madras (2wks.)	Dec. 31	15½	R. 53,067	+ 9,921	52	1,027,048	+ 84,816
Manila Electric	Oct.	55	$ 241 949	+ 27,051	10*m*	2,075,148	+ 208,963
Pernambuco...	Jan. 4	59	£ 8,646	+ 2,912	1	—	—
Provincial ...	Dec. 13	21½	£ 2,942	+ 353	11	28,527	+ 5,193
Rangoon Elec.	Nov.	25	£ 7,379	+ 768	11*m*	—	+ 7,726
Shanghai Elec.	Nov.	261¾	T. $140,000	+ 20,000	11*m*	1,431,796	+ 214,220
Singapore Elec.	Nov. 29	26½	$ 20,735	+ 7,752	46	754,285	+ 87,581
U. of Montevid	Nov.	90½	£ 40,308	+ 8,610	1*m*	40,308	+ 8,610

The permission of the Committee of the Stock Exchange for dealing in the Shares now offered for sale will be applied for in due course.
The List of Applications for purchase will close on or before 14th JANUARY, 1920.

The Traders & General Insurance Association, Limited.

(Incorporated under the Companies Acts, 1862 to 1900).

CAPITAL £500,000

Divided into 500,000 Ordinary Shares of £1 each, all of which, including the Shares now offered for sale, have been issued and 5s. per Share has been paid up.

DIRECTORS.

A. W. GAMAGE, Governing Director, A. W. Gamage, Ltd., Director, Benetfink and Co., Ltd. (Chairman).
R. W. ALLWRIGHT, Director, Muir Beddall and Co., Ltd., Incorporated Insurance Brokers.
Major General Sir CLAUDE BRAY, C.B., K.C.M.G., late Paymaster-in-Chief, B.E.F., France.
Lt.-Col. O. C. CLARE, D.S.O., M.C., Managing Director George Clare and Co., Ltd., Director, Vauxhall Motors, Ltd. Western Counties Shipping Co., Ltd., etc.
W. A. RAYBOULD, Incorporated Insurance Broker.
OCTAVIUS SATCHELL, Partner, W. Turner, Lord and Co.
H. MUIR BEDDALL, Chairman, Muir Beddall and Co., Ltd., Incorporated Insurance Brokers (Managing Director).

SOLICITORS.—CLIFFORD TURNER AND HOPTON, 80 Finsbury Pavement, E.C. 2.

AUDITORS.—SYDNEY JEFFREYS AND CO., Chartered Accountants, 10 Coleman Street, E.C. 2.

BROKERS.—London: E. B. SAVORY AND CO., Basildon House, E.C. 2. Liverpool: CRICHTON BROS. AND TOWNLEY, 8 Fenwick Street. And Stock Exchanges.

SECRETARY AND REGISTERED OFFICES.—R. W. ALLWRIGHT, 4 Bucklersbury, London, E.C. 4.

Offer for Sale of 430,600 Ordinary Shares of £1 each (5s. paid),

Being part of the above-mentioned 500,000 Shares and ranking for Dividend from 1st January, 1920,

At 6s. 6 . per Share, payable as follows

1s. 0d. per Share on Application.
5s. 6d. „ „ Acceptance.

Total ... 6s. 6d.

The liability of 15*s.* per Share can be called up in calls not exceeding 5*s.* per Share at intervals of not less than two months, but it is not anticipated that any further calls will be made.

Applications for 75,000 Shares have been received from the Directors and their friends, and will be allotted in full on the terms of the Offer for Sale.

GEORGE CLARE & CO., LTD., 9 Old Broad Street, E.C. 2,

will receive applications for the purchase from them of the above 430,600 Shares through their Bankers,

BARCLAYS BANK LTD., City Office, 170 Fenchurch Street, E.C. 3, Head Office, 54 Lombard Street, E.C. 3, and Branches,

and through the Bankers to The Traders and General Insurance Association, Limited.

THE NATIONAL PROVINCIAL AND UNION BANK OF ENGLAND, LTD., Head Office, 15 Bishopsgate, E.C. 2 and Branches.

PARTICULARS.

The Traders and General Insurance Association, Ltd., as shown by the letter from the Managing Director, has successfully passed through those first few years that are usually the most difficult in the history of any Insurance Company and has entered the profit-earning and dividend-paying stage.

It has established a wide organisation entirely out of profits, so that there is no establishment charge, and the Directors between them are able to influence a large amount of insurance business to the advantage of the Company.

The management is in the experienced hands of Mr. H. Muir Beddall, who started in business with the Ocean Accident and Guarantee Corporation, Ltd., in 1899, founding in 1904 the firm of Muir Beddall and Co., Ltd., who are to-day one of the leading firms of Incorporated Insurance Brokers in this country, and with whom are allied Tuck, Beddall and Co., Ltd., of Lloyd's, and Muir Beddall and Van Ommen, of Amsterdam.

The following is the letter above referred to:—

4 Bucklersbury, E.C. 4.
29th December, 1919.

To GEORGE CLARE AND CO., LTD., 9 Old Broad Street, E.C. 2.

Gentlemen,—I submit the following particulars of The Traders and General Insurance Association, Ltd., of which you have acquired from the Company 430,600 Shares at a premium of 1*s.* 1½*d.* per £1 Ordinary Share (5*s.* paid).

The Company was formed in 1907 with a subscribed Capital of £5,180, increased in 1908, when I first became associated with it, to £20,000 and in September last to £41,100. Since then the capital has been increased to £500,000 in order to cope with the many offers of business which the Company with its small capital was unable to accept, many advantageous re-insurance contracts having been refused for this reason.

The Traders and General Insurance Association, Ltd., transacts on non-tariff lines all classes of Insurance and Re-Insurance except Life, and has made good progress on the small Capital hitherto subscribed, building up substantial reserves, a sound Agency organisation and a satisfactory ratio of profits to capital employed.

Branches have been established in Glasgow, Manchester, Derby, and Sheffield; and special Agencies in Holland, Belgium, France, Norway, Newfoundland, and the United States of America. Although certain of these Branches and Agencies have only recently been established, the high quality and volume of business already secured foreshadows important developments now that the Capital of the Company has been increased. It should be specially noted that the whole of this organisation has been built up without any present debit to capital account for establishment charge.

Accounts for 1919 are not yet completed, but at 31st December, 1918, with a premium income for the year of over £64,000, there were Cash, Exchequer, and National War Bonds and Trustee Securities totalling more than seven times the amount of the paid-up Capital, full reserves having been set aside for unexpired risks and depreciation of investments. The Company has thus gained the confidence of insurance men, and to-day receives business from many of the leading London and Provincial brokers, besides re-insurance from several of the principal companies at home and abroad.

In respect of 1918 the Company distributed a dividend of 12½ per cent. for the year on the Ordinary Shares, which was paid out of income from investments, the whole of the underwriting profit being carried to reserve.

The Company is fortunate in having an experienced and efficient staff, including Mr. R. W. Allwright, Secretary, who has 17 years' Insurance experience with the Ocean Accident and Guarantee Corporation, Muir Beddall and Co., Ltd., and this Company, Mr. H. W. Brooks, Home Fire Manager, formerly with the North British and Mercantile Insurance Co., Ltd., late Chief Surveyor, Fire Art and General Insurance Co., Ltd.; Mr. H. E. Baker, Marine Underwriter, who has over 20 years' experience in Marine Insurance, as Deputy Underwriter in the London Office of the Insurance Company of North America, and with Tuck, Beddall and Co., Ltd.; and Mr. A. F. Bailey, Foreign Fire Dept., formerly Sub-Manager, Union Assurance Society.

Agreements have recently been concluded whereby Muir Beddall & Co., Ltd., in consideration of £6,250 and the right (which they have exercised) to subscribe at par for 25,000 shares, rescind the agreement by which they were Governing Directors of the Company, and the Company secures my services as Managing Director.

Muir Beddall & Co., Ltd., will continue to support the Company with offers of business, and now that you—George Clare & Co., Ltd.—have arranged to place through Muir Beddall & Co., Ltd., all insurance you can influence, this connection should prove of still greater value to the Company.

It is still not fully realised how great an opportunity the War has made for British Insurance Companies. Before the War Germany was the chief market for Re-insurance, but to-day London is the world-centre for both Re-insurance and direct Insurance, whilst the general rise in values has greatly increased the amount of the premiums paid.

The recent absorption of many leading non-tariff companies allows The Traders and General Insurance Association, Ltd., to obtain the utmost advantage from its established organisation, its increased capital, and the magnitude of the business offering in the Insurance world.

Yours faithfully,
H. MUIR BEDDALL, Managing Director.

Applications for purchase should be made on the accompanying form, and must be lodged with Barclays Bank Ltd., City Office, 170 Fenchurch Street, London, E.C. 3; The National Provincial and Union Bank of England, Ltd., 15 Bishopsgate, E.C. 2, or Branches, together with a remittance for the amount payable on application.

If any application be not accepted in respect of the full number of the Shares applied for, the surplus amount paid on application will be appropriated towards the amount payable on acceptance, and any balance will be returned to the applicant; and if any application be not accepted, the deposit will be returned in full. Failure to pay the amount due on acceptance will render the amount paid on application liable to forfeiture, and the contract for sale to cancellation.

A brokerage of 1½*d.* per Share will be paid on acceptances in respect of public applications bearing the stamp of a Broker or authorised Agent.

George Clare and Co., Ltd., will procure that all Shares applied for and accepted will be allotted direct to the applicants by The Traders and General Insurance Association, Ltd., and that on payment of the amount due on acceptance the name of the applicant will be entered in the Company's Register of Members as a holder of Ordinary Shares of £1 each (5*s.* paid). Certificates for Shares will be delivered in due course by the Company in exchange for Letters of Acceptance duly receipted for the amounts payable in respect of the Shares referred to therein.

The price which George Clare and Co., Ltd., have paid for the Shares now offered for sale is 6*s.* 1½*d.* per Share, The Traders and General Insurance Association, Ltd., paying a commission of 3 per cent. on 6*s.* 1½*d.* per Share, and George Clare and Co., Ltd., paying underwriting and over-riding commissions on 6*s.* 6*d.* per Share of 2½ per cent. and ½ per cent. respectively. The Traders and General Insurance Association, Ltd., pay £8,000 towards advertising and other expenses of this offer for sale.

Copies of the Memorandum and Articles of Association of the Company, and of the agreements under which the Shares now offered for sale were acquired, and of the agreement appointing Mr. Muir Beddall as Managing Director, can be inspected at the offices of Clifford Turner and Hopton, Solicitors, 80 Finsbury Pavement, E.C. 2, on any day during business hours prior to the closing of the lists.

Forms of Application to purchase can be obtained from Barclays Bank Ltd., City Office and Branches; The National Provincial and Union Bank of England, Ltd., City Offices and Branches; Clifford Turner and Hopton, Solicitors, 80 Finsbury Pavement, E.C. 2; from the Brokers to the offer, and George Clare and Co., Ltd., 9 Old Broad Street, E.C. 2.

Dated the 2nd January, 1920.

This Form may be filled up and forwarded to BARCLAYS BANK LIMITED, 170 Fenchurch Street, E.C. 3, or any of their Branches, or THE NATIONAL PROVINCIAL AND UNION BANK OF ENGLAND, LIMITED, 15 Bishopsgate, E.C. 2, or any of their Branches, together with a remittance for the amount payable on application. No. .....

THE TRADERS & GENERAL INSURANCE ASSOCIATION, LIMITED.

Offer for Sale of 430,600 Ordinary Shares of £1 each (5*s.* paid) at 6*s.* 6*d.* per share.

Form of Application for purchase of shares. 1S

To George Clare and Company, Limited,
9 Old Broad Street, London, E.C. 2.

Gentlemen,—Having paid to your Bankers the sum of £ ....., being a Deposit of 1*s.* per Share on ..... Ordinary Shares of £1 each (5*s.* paid) of the above Company, I/we offer to purchase at 6*s.* 6*d.* per Share that number or any smaller number of Shares in respect of which you may accept this offer, upon the terms of the Offer for Sale dated the 2nd January, 1920, subject to the Memorandum and Articles of Association of the said Company, and to pay the balance due from me/us on acceptance by you as specified in the said Offer for Sale. I/we authorise you to procure me/us to be entered on the register of the Company as the holder of such Shares. I/we hereby declare that this application is not made by or for the benefit of an enemy subject within the meaning of the Trading with the Enemy Amendment Act, 1916.

Dated this ..... 1920.

Usual Signature .....

Name in full (BLOCK LETTERS) .....
(State if Mr., Mrs., or Miss.)

Address (in full): .....

.....

Occupation .....

Please write distinctly.

Cheques should be drawn payable to Bearer and crossed "Barclays Bank Limited"; or "The National Provincial and Union Bank of England, Limited."

Any alteration from "Order" to "Bearer" must be authenticated by the Drawer's signature.

No receipt will be issued for payment on application, but an acknowledgment will be forwarded in due course, either by acceptance of offer to purchase in whole or in part or by return of deposit.

The Statist.

LONDON, SATURDAY, JANUARY 10, 1920.

THE SPEN ELECTION.

The Spen election has accomplished what the whole course of events since the outbreak of the War has been impressing upon the public, but which, nevertheless, Press and public alike refuse to believe. It is now universally recognised that the Labour party has become, if not actually the strongest party in the State, at least immensely strengthened, so rapidly and so decisively that in all reasonable probability it will be able to form a Government when the present Ministry is forced to resign. We have been impressing upon our readers for a long time that this change was taking place, and that before very long the Labour party would be the strongest of any single political association in the country. We do not think it will be necessary to teach that further. What we would like to do to-day is to impress upon the Labour leaders that they have now reached the critical period in their movement; that, therefore, they should increase their activity and should avoid either over-exultation or leisurely tactics. They should, in fact, seize their opportunity, and make sure that whenever the present Government breaks down they will be in a position to take office. In order to do this they must exert themselves to the utmost to increase their voting power. They have attracted a very large number of voters who formerly did not believe in their political competence. Now they have to take care that they not only retain those who have recently joined them, but that they attract still larger numbers from those portions of the population who hitherto have doubted their capacity for administration. There ought to be no difficulty on their part to reconstruct the Agricultural Labour Party. It once played a considerable part under Mr. Arch, and we know of no sound reason why it should not again become strong and active. Still more important is it that it should break down the mere prejudice which exists against it amongst clerks, teachers, and those who serve behind counters. The interests of those three classes are really the interests of the whole body of the qualified trades unionists. And a little common-sense, together with a little judgment in trying to attract, will enable them to multiply their numbers. We doubt whether it is possible just at present to increase their numbers largely by winning over those less skilled than themselves. Whether rightly or wrongly, they are accused by the unskilled of being unduly harsh. We offer no opinion as to whether the accusation is well- or ill-founded. We merely note a fact which clearly exists, and we would remind both the trades union leaders and the classes who bring the charge against the trades unionists that the interests of all labour men are one; that, consequently, it would be of immense benefit to the less skilled if they would organise and join the trades unionists; and that clearly it is equally to the interest of the trades unions that they should be able to say honestly that they speak for, if not all workers, at least so large a proportion of the workers that they can fairly and truly present themselves before the world as legitimate and authorised representatives of the great body of labourers in the country. If they can do that they are certain to be, by-and-by, a majority in the House of Commons; and a majority in the House of Commons must, in the nature of things, govern the State.

It is often asserted by speakers and writers with more audacity than real knowledge that the trades union leaders are not fully qualified to govern because they are not really educated. If that argument is to be used, we would point out that it tells against both Liberals and Conservatives at least as strongly as against trades unionists. What possible qualification does the education that is conferred in Oxford and Cambridge, let us say, bestow upon those who waste both their time and their money in those institutions? There was a time when Oxford and Cambridge fulfilled a function that, rightly or wrongly, was supposed to be necessary for the State. But that anything taught in Oxford and Cambridge is of any earthly use to any human being at the present time will be loudly asserted, of course, by those who look up to those institutions, but by real possessors of knowledge it would be laughed at. Our whole system of education is bad from beginning to end. At the same time, we venture to say that practical instruction in the hardest forms of human life is of infinitely greater value than the false knowledge conferred by Oxford and Cambridge. How many Oxford and Cambridge men really know Greek and Latin? And even those who do know, How are they benefited by a knowledge of languages that for centuries have not been spoken? There is very little value in mere language teaching of the very best kind. There is a use in it, for communication between different peoples requires a knowledge of more than one language. But that there is a training of the mind is absurd to assert. The real business of life teaches men at least what suffering exists and how, to a certain extent, that suffering can be remedied. But knowledge of languages and a superficial acquaintance with even science is of exceedingly little value. Our whole system of education requires to be reformed; and if we have to wait until we are properly taught we fear that our chance of recovering our prosperity is doomed. Therefore, we would urge upon the trades union leaders to exert themselves with even greater energy, if possible, than they have been employing of late, so that whenever the present Parliament is dissolved they may find themselves capable of assuming the Government.

We have so far addressed ourselves almost exclusively to the trades union leaders, because no good Government can exist until the trades unionists are able to speak for the vast majority of the people. Liberals and Conservatives do not speak for the people—very often do not even understand the wants and the wishes of the people, and not seldom, we may allow ourselves to say, are hardly disposed to represent the real wishes of the people in their strongest and truest form. The people must be represented by members of the people, and we never shall have really good government until they are able to carry out some of the most needed reforms. They will make mistakes. But, then, has any party in any country at any time not made grievous mistakes? Of course they will make mistakes. At first, probably, they will make very serious mistakes. But if they honestly strive to benefit the people they will get over their mistakes and carry out real reforms. We want, in the first place, an ending of preventable disease. There are medical men, we gladly recognise, who are qualified materially to reduce preventable disease, and are urging upon the public to set about doing so. But a class, even as influential and as qualified as the medical, can effect little in a popular Government. The people themselves must understand the evils from which they are suffering, and must apply themselves whole-heartedly to remove those evils. Therefore, we say without fear of contradiction from the qualified, that preventable disease will not be got rid of until the great body of the working population recognises the evils following from preventable disease, and, therefore, set themselves whole-heartedly to abolish it. Furthermore, we want [illegible] indeed, the want of these largely contributes to the existence of preventable disease. Again, we want the land restored to the people. Anybody who will drive through England and Scotland will very soon satisfy himself that the land of this country is being absolutely

misused; that the very handsome domains should be broken up; and that the density of population in the towns and villages should be brought to an end by planting upon the land a large proportion of the people. There are many other reforms that are urgently needed. But it would be out of place to run through all of these. Every thoughtful working man knows the worst of these abuses, and if, and when, he gets the power will set about remedying the evil. Enough to say here that it is only those who actually do suffer from preventable abuses of every kind who are fully aware of the urgency of the need for reform, and of the means of effecting that object.

NON-ORGANISED WORKERS.

The working classes who are not organised like the trades unions, who are not so well paid, and who are less educated, form a very large proportion of the whole population of this country. We have frequently in this Journal called the attention of our readers to the very notable fact that the payers of income tax number only about 2,200,000. The figures just given are not strictly accurate, for even the Government itself does not pretend to know exactly how many persons pay income tax. But it is near enough for all practical purposes. According to the last Census, the population of the United Kingdom amounted to, roughly, 45½ millions. Consequently, it will be seen that the number of persons who themselves are in receipt of incomes amounting to £130 a year is little more than one in 20. We may, therefore, say with a near approach to accuracy that the number of persons who receive £2 10*s.* a week, either from labour or from settled incomes, is only about one in 20; in other words, that the number of persons who earn in any way £2 10*s.* a week is miserably small in this country, which before the War used to be said to be the richest in the world. If that be so, what must be the condition of the poorer countries? And, particularly, what must be the condition of the very poor countries? However, we are dealing now with the people of the United Kingdom, and we find that only one person in 20 earns, or in any way receives, as much as £2 10*s.* per week. If, then, the facts are so, what must be the position of that vast proportion of our population which is so poor that even in these times, when we owe something between 10,000 and 15,000 millions sterling, they are not subject to income tax—are so poor, in fact, that the Government despairs of extracting income tax from them? And that, let it be understood, is the condition of the richest country in Europe. Vast as is our debt, and immense as have been our sacrifices during the War, we yet are recognised as being the richest people in Europe. In fact, we are coupled with the United States as the only nationality capable of lending to foreigners on any considerable scale. And never forget that we are so treated and so looked upon as rich although, as a matter of fact, only one person in 20 earns, or receives, £2 10*s.* per week.

Let us, then, try to form something like an accurate idea of the condition of our people. Firstly, we have an attempt by Parliament to extract an income tax from a population of about 2,200,000, and all the multitude who do not earn the modest figure of £130 a year cannot be so taxed. What, then, is their condition? Of course, we have a large number in the workhouses, as they are styled euphemistically, we presume because there is no work done within them. Then we have a vast multitude, whose numbers are unknown, who are in some way or other kept alive in hospitals, places of charity, by doles from the Government, or doles from those under whom they once worked. And, lastly, we have a vast mass living in hovels in country villages, in the back streets of towns, and in the slums of our great cities. These people work or beg, and so manage either to provide themselves with a covering at night and food by day, or else they are locked up in gaols and the like to prevent them from doing perhaps even worse crimes. The vast multitude of our population is sunk in a misery that we who are fairly comfortable cannot even conceive its horrors. It is perfectly clear that the Liberals and the Conservatives have not done their duty. They profess to be the only people capable of governing. Indeed, Mr. Churchill the other day deliberately set himself to prove that the trades unionists are unfit to govern because they are too ignorant and too unpractised. And yet we find, in the face of this rather impudent assertion, that there are less than 2¼ millions of people in the whole of the United Kingdom who, in the opinion of the Government, can be made to pay income tax. We may be asked: Will the conferring of power upon the trades unionists change all at once the condition of those who are not trades unionists, but somewhat poorer and more hopeless? We answer freely and frankly: The mere transfer of power will do nothing, absolutely nothing except the trades unionists and those who work with them—such, for example, we hope, as their employers—have an opportunity to carry out reforms which everybody knows to be desirable, but which the two governing parties have deliberately refrained from carrying out because they were afraid of arousing the anger of the favoured classes. They would not alter the land laws lest they would bring down upon their heads the anger and opposition of the landowners; and they would not increase the freedom of their workers until the workers proved themselves too strong to be held in restraint much longer. What the calling of the trades unionists to power will do is that it will give them an opportunity to improve the condition of all the poorer classes; and it will be hopeful because the trades unionists have an interest in very many, at all events, if not all, of the reforms required to raise those who are poorer, more ignorant, and more distressed than the trades unionists.

The trades unionists will want really wholesome houses. That is clear. And they will reject with scorn a Bill which proposes to confer upon local authorities the raising of funds which can be raised judiciously and cheaply only by the Government itself. We have practically nineteen times as many people who earn less than £2 10*s.* per week as all those who do earn so much. Consequently, the trades unionists will need really comfortable houses, protected, as well as the science of our time is capable of protecting them, against all sorts of preventable diseases which are nourished by improper housing. That much we can reasonably count upon, because, take as low an opinion as you like of the trades unionists, they will at least have a strong interest in providing the whole United Kingdom with healthy houses. Next we can reasonably expect that the trades unionists will study to the best of their power how to provide for the whole people the best education possible. They will make mistakes. Granted. They will make very great mistakes we may add. But they are intensely interested—as much interested as any man can be—for not only the future of each one of them is at stake, but so, also, is the future of every single child they have. The trades unionists, therefore, have the strongest possible interest in providing those who cannot pay large fees for education with as good an education as the circumstances will render possible. The reader may, if he likes, object that the education after all will not be satisfactory. Granted. We do not suppose that even the best living educationist, if some kind of miracle gifted him with the power of endowing the United Kingdom with the best system of education that even he can draw up, would provide a really satisfactory education. We do not claim for the trades unionists any exceptional ability. We simply say they are men of high character who work steadily and hard to maintain themselves and their families; and, being such, they will do the best they can. But if they establish what they and the educationists to whom they look up deem to be the best system now possible, the next

generation will be better educated; and having the experience of a new, and, we hope, a much better system, will be in a position to improve upon what their fathers have done, and so every ten or twenty years or, if you like, longer still, there will come reform after reform, which gradually but certainly will improve the education of the people and qualify classes now below the trades unionists to form trades unions, or something similar, and so will, in the course of time, make this country a country containing a highly educated and intelligent population. So the trades unionists, if they once obtain a real control of the Government, will improve everything around them; will get rid of the existing abominable land-laws; will plant men and women upon the soil; will give a variety of forms of livelihood, and so will make it possible for those who are incapable of raising themselves in slums and alleys to enjoy the blessings of free and pure air; and, no doubt, will after a while give them intelligence enough at least to bring up without assistance from others the children they bring into the world.

A great democratic Government, even if it consists of only the choice members of the lowest classes of the population, will have an interest, which the rich have not, in carrying out reforms; and, furthermore, will have a strong interest in abolishing those abominable laws that have driven the ancestors of the dwellers in the slums from the soil. Therefore, we look upon it as absolutely certain that if the trades unionists can come to satisfactory terms with their employers, and the two together can work harmoniously, then we shall have a series of reforms which will raise the whole body of the population, gradually, no doubt, but also certainly. We shall be told, of course, by our opponents that there is a certain class which is incapable of being elevated. Well, we do not set up to be paragons of universal knowledge. And we will, for the sake of argument, accept their judgment. There are classes, let us say, who cannot be reformed, who are born with an inclination either towards idleness or towards crime, which cannot be overcome. But we would ask in return, If that be so, is it beyond the power of intelligent men to remedy the evil? Is there not a way of preventing the marriage of such hopelessly incurable persons? And if there is, is it impossible for a future generation, who have in their own hands the power of redressing their own grievances, to hit upon some way of avoiding the birth of criminally inclined or mad children? If there is, that is all we need ask for. It will be in the hands of the people themselves to regulate marriage, and so to take such precautions as may be needed to prevent the country from being utterly demoralised. This article, we fear, is growing too long, for we write for busy men who cannot conscientiously, therefore, give up more than a reasonable length of time to read what we set before them. We will satisfy ourselves, then, by saying that if the trades unionists are wise enough and public-spirited enough to control their own desire for power and to work honestly and incessantly for the welfare of the whole Empire, there is absolutely no reason why they should not turn the United Kingdom into a State as well-governed and as happy as in the nature of human life we can reasonably expect ever to be attained in this very mixed world.

THE UNITED STATES.

We have entered upon the year when an election is to take place in the United States which, according to all human probability, will have an immense influence upon the progress, not only of the United States itself, but of Europe as well, and, therefore, upon the whole population of the globe. The election of a candidate by the Republican party is to take place in a very short time, showing how interested the Republicans are in regard to the matter. The party more or less broke up for a time because a certain proportion was rather alarmed by the tendency of the late Mr. Roosevelt. The result was that President Wilson obtained two terms of office, and has been able to play a part in European politics to which no American has ever hitherto attempted to aspire; and, moreover, which runs directly counter to the final advice of General Washington when he refused a third term of the Presidency and advised the American people not to accustom candidates to expect very long reigns, lest the practice should end in a monarchy. There is, therefore, a very natural revolt amongst not only the Republicans, who, of course, desire to put their own party in power, but also amongst Americans who are not fettered to any party, but who vote now with one and now with another as they believe the interests of the United States require them to do. We take it, then, that the election will be a very memorable one, and that it will repay every European who is interested in the political future of the world to give close attention to what is going on. The coming assembly to nominate a Republican candidate will be, perhaps, of but little interest to ordinary Europeans. They do not know the rising men of influence throughout a country so vast as the United States. And, therefore, it is quite possible that whoever is elected will be to them a name and absolutely nothing more. But those who follow American politics closely will be well rewarded if they watch carefully what takes place at the coming Republican meeting, and who are the men that are chiefly favoured, and, especially, who is the man that is singled out for the Presidency. There are grave political interests involved which concern the United States itself rather than directly the rest of the world. They will not at first, perhaps, interest observers. And yet we would advise those who really wish to know what is likely to happen within the next eight years to watch who is nominated and what has been his course of action.

The population of the United States in 1910 was nearly 92 millions. Nearly 10 years have since elapsed, and in spite of the War there must have been a large growth. In the first place, the War was sprung upon Europe so suddenly that there was not time enough for a great many emigrants from Europe, who happened to be abroad in any part of America or elsewhere, to get back in time, and, at all events, reach Germany. Secondly, the United States itself did not enter the War until the worst fighting was over; and, consequently, the American troops who came over were not exposed to extremely bad weather by day and by night; nor were they engaged in many serious actions. For these and other reasons that need not be enumerated we assume that the return of Europeans from the United States has not been so large as materially to affect the growth of population for, let us say, 10 years. Then there is the ordinary national growth. And there must have, even during the War, been some arrival of foreigners in the United States. Upon the whole, then, we are inclined to think that there will be a very material increase of population. Ten per cent. of the population would exceed nine millions, and it will be odd if the growth of population is not larger than that. Anyhow, there will be a considerable increase. The increase will not be as large in foreigners as it was during the 50 years preceding, nor probably will the growth of settled Americans be exceptionally large. There will, however, be a considerable increase in the new arrivals in America, say in those who reached America during the 10 or even 20 years before the War broke out. And there will, also, be a considerable increase in the negro element. Upon the whole, then, we are inclined to expect that the population will be found to exceed 110 millions, and possibly a good deal more. In any event, the population of the United States will be found to be larger than that of any European country, excepting Russia before

the Revolution broke out. What Russia will be by-and-by is an entirely different question. The first thing, then, we have to bear in mind in studying the course of events in the United States during the New Year is that the population is considerably larger even to-day than it was in 1910, and that it is likely to be very much larger in the next 10 years. For, in the first place, we anticipate that the prospects in Europe are such that emigration from Europe will begin again upon a considerable scale; and, in the second place, it will surprise nobody if the course of events in Mexico is not such as will make an absorption of that country by the United States practically unavoidable. The Mexicans have been in a state of revolution for a long time; and remember that Mexico is divided by a merely artificial line from the United States for a very great distance. Furthermore, the people of Mexico are divided into factions. And, thirdly, when they are in such a commotion as at present they are not likely to act with great judicial judgment. Mexico was kept quiet by President Diaz for so long a time that Americans assumed that she was becoming a settled nation of the modern type. Therefore, immense amounts of money were invested by Americans in Mexico, in railways, in land, in the building of towns, in the development of mines, and so on. And during a very long time the interests of America have not been considered as they ought to have been by the warring factions in Mexico. Of late the condition of the country seems to be growing worse; and, therefore, no one will be much surprised if what happened when Spain was unable to suppress the revolution in Cuba, and yet would not yield liberty to Cuba, were to be repeated. In other words, there is a strong probability that Americans may despair of order being re-established in Mexico, and may march in an army and take possession of the country. If so, a new country of immense promise will be added to the United States, and no one will be surprised to find that in 20 years, for example, or so Mexico alone will have a population of at least 20 millions. There are, then, a number of very serious causes all working to light up strong feeling in the United States with regard to Mexico.

Apart from this, there is much in the condition of the United States itself to arouse strong feeling. It was the Republican party, it is to be recollected, which maintained the Union when the South rebelled. And, in consequence, the coloured people have been supporters of the Republicans ever since. But the whites have recovered almost as much influence over the blacks as they exercised before the Civil War, and, practically, the negro vote in the South is silenced, while the whites vote almost to a man with the Democrats. This is a matter that may reasonably be expected to attract much interest on the part of the Republicans, and it will be, therefore, wise to watch not only what is done with regard to Mexico, but also what is done with regard to the black voters in the South. Over and above all this, the action of President Wilson has aroused strong feeling amongst a large proportion of the American people. In the United States, as in every other country, there are many men who do not take the trouble to vote—satisfied in quiet times that the Government will be governed by public opinion, and therefore that it is not worth much trouble to vote. But these same people hold strong opinions nevertheless. They are not party men in the strict sense of the word. But they are Americans to the heart's core, and when they think anything contrary to American interests is in contemplation they come forward in overwhelming numbers. Therefore we anticipate that there will be a large vote; and though we are venturing upon what we regard as by no means a wise course, namely, to give expression to a mere opinion, we yet consider it only fair to our readers to say that we are inclined to think the majority of Americans are with the Republicans, in regard to the League of Nations in particular. It will be recollected that the Americans hold two opinions so strongly that they have frequently made it quite plain that they are ready to fight if those two opinions are set at defiance. The first of these is that Europe shall not interfere with force in America. The Americans, it is notorious, remember that in the war to establish their own independence they were supported by France. They are, therefore, loth to do anything hostile to France. Yet at the end of their own Civil War they practically compelled Napoleon the Third to withdraw his army from Mexico. Furthermore, every reader will bear in mind that when our own Government was in conflict with Venezuela, and seemed about to take strong measures, President Cleveland interfered, and our Government practically gave way before the United States. Finally, it is a matter of notoriety that the Germans strongly desired, while they thought themselves the first military nation in the world, to establish their authority in Brazil, and yet they did not dare to challenge the United States upon that matter. There is no question at all, therefore, that Americans are prepared to fight any nation, or even any congeries of nations, on this question of European interference in America.

The second great question which actuates Americans is not to interfere in European squabbles. When General Washington refused a third term he addressed an advice to his fellow-countrymen which practically came to this: not to meddle in European quarrels, and not to return a man to a long succession of office. Now, until the recent War was forced upon the world by the Germans the United States carefully avoided anything like armed interference in Europe. But President Wilson has pledged his own Government and his own party to fight anybody who makes war in Europe; and this is clearly flying in the face of General Washington's advice. Furthermore, Americans ask, with great reason, "If we insist that we shall not allow any European Power, or Powers, to interfere in American affairs, how can we, with any consistency, or even any regard for our declaration that we are not an aggressive people, make war upon European States which happen to make war, not upon us, but upon their neighbours? The two things clearly are inconsistent. You cannot say it, except you add, 'We have the strength, and we do not care whether it is rightly or wrongly exercised. We will not allow Europe to interfere with us, but we will interfere with Europe when we please.'" The leaders of the Republican party are not prepared to put forward such an argument as that. They say, "If we shut out Europeans from interference in our own continent, we ought, if we are consistent, to shut ourselves out from interference in Europe." Thus there is a really strong case, from the point of view of those who venerate the memory of General Washington, in favour of the suggestion that it is inconsistent of the Americans to uphold the Monroe Doctrine and, at the same time, to insist that they will interfere in Europe whether Europe likes it or not. There are many other exceedingly interesting and exceedingly important points on which Republicans differ from Democrats. But much as we should like to touch upon these, we fear that we have already taken up so much space that we cannot with proper regard for the time at the disposal of our readers enter upon them. We have said enough, we hope, to convince every careful reader that the questions which are to be decided next November will have a powerful influence, not only upon America itself, but upon Europe likewise; and, therefore, that every man who desires to know what the policy of the greatest of existing Powers at the present time is intent upon carrying out should give the very greatest and closest attention.

EGYPTIAN COTTON.

CONTRARY to what we have been accustomed to during the past two months, the past week has witnessed a series of quiet markets, with comparatively small fluctuations. For January futures the highest and lowest prices have been $89.25 and $83.75, whilst the corresponding figures for March were $86.50 and $81.25. The reasons advanced for this change in the aspect of our market are, firstly, the slackness of demand from the consuming centres; and, secondly, the fact that we have again had a strike of workers in the cotton-presses, joined during the last few days by the porters and carters, as a protest against the arrival of the Milner Commission. This agitation, we may mention, is not confined to cotton-workers alone, but is more or less general throughout Egypt. The native Bar has gone on strike for a week, and the native officials in Government Departments are threatening to do likewise.

Business in the spot market has naturally been very quiet, owing to the causes mentioned above. Prices for Sakellarides remain at about the same parity, with futures as when we last wrote; but the decline in the prices of the Upper Egyptian variety, signalled in our last letter, has continued.

Owing to the strike the figures of arrivals and exports are naturally on the small side, and it is fortunate for spinners that there is, we believe, a good quantity of cotton offering in the Liverpool spot market. We certainly recommend those interested to avail themselves of this source of supply, it being likely that the political agitation at present rampant here will continue to interfere with the manipulation and shipping of the crop.

The majority of export firms have ceased making c.i.f. offers for some time past, having received a series of unpleasant surprises when acceptances of their offers arrived, due, firstly, to the lengthy cable delays, and, secondly, to the almost invariable important rise which had taken place meanwhile. It would certainly be both beneficial to the exporter and economical to the English spinner of Egyptian cotton if they would adopt the method of purchase already in vogue in the American market—namely, that, instead of the operation being effected as at present, on a c.i.f. offer at a fixed price, and in which price the exporter has naturally calculated a certain figure to cover himself against an eventual rise in the market, the offer would be made on the basis of futures—so many points "on" or "off" January, for instance. On arrival of the buyer's cable accepting the offer the price would be definitely fixed on the actual quotation of January at the time. It may be objected that the spinner might prefer to keep the cotton on call until he had sold his yarn, but there should be no insuperable difficulty in arranging this.

H. C. THOMAS.

Alexandria: December 20, 1919.

Though our market has been quiet and almost dull since our last report there is nevertheless a strong and upward movement of prices to record. January futures, which stood at $88 when we last wrote, closed on Wednesday the 24th at $95.25, whilst March rose from $84.50 to $93.25 during the same period. The Spot market, though firm, has not been particularly active; but with the exception of the Upper Egyptian variety, full prices have been paid for those lots that changed hands.

The comparative depreciation of the current values of the Ashmouni, or Upper Egyptian, species continues, and goes to show the truth of our contention that the previous abnormal level of prices in this section was due to the very heavy American demand for this quality, and to the fact that many exporters had oversold certain grades of it for November shipment.

The week's statistics show the following figures:—

	From September 1 to date		
1919—Arrivals	...	Crs. 3,810,000	Exports—Crs. 2,462,000
1918 „	...	Crs. 2,992,000	„ Crs. 1,122,000
1917 „	...	Crs. 3,583,000	„ Crs. 1,566,000

In the export figures the shipments to U.S.A. alone call for comment, and we append them:—

	From September 1 to date	
1919—Exports	...	Crs. 679,000
1918 „	...	Crs. 87,000
1919 „	...	Crs. 191,000

Though we do not place any credence in the rumour, we may mention that certain merchants who do business in the interior state that our crop has been over-estimated (it will be remembered that the official estimate is 6,000,000 cantars), and that they do not believe it will exceed 5,750,000 cantars. It must be remembered that rumours of this nature are frequent at this period of the season, and that they may not be altogether disinterested.

H. C. THOMAS.

P.S.—Our futures market, which reopened this morning after the Christmas holidays, shows a further sharp rise. January opened at $98.50, rose to $100, then reacted to $97.50, and at the moment of writing stands at $98.50.

Alexandria: December 27, 1919.

MEXICO.

IT is a remarkable fact that in the history of nations, as in that of individuals, misfortunes rarely come singly. Mexico, which has been so severely tried during the past ten years with various vicissitudes of revolution, accompanied by the inevitable disorganisation of its economic conditions, has, as the reader is aware, been visited this week by earthquake. The first reports, as is not unusual in these cases, appear to have been very much exaggerated. But an earthquake, as those who have ever been within the earthquake zone know, is a terrible visitation even in a mild form. To those actually acquainted with the conditions prevailing in an earthquake area it was evident from the early reports and the comparatively small number of casualties that the earthquake could not have taken place in any of the populous regions of Mexico. Otherwise the deaths would have been of a truly alarming nature and the destruction of property upon a colossal scale. If the earthquake had really spread to Vera Cruz, the great oil port of the Atlantic, a catastrophe would have occurred of the first magnitude. As far as we can understand the facts, what actually happened was that seismic disturbances affecting many villages in the interior and certain regions known to be liable to earthquake, and which are but very sparsely inhabited, little cultivated, and which at no time in the history of Mexico were economically important, were felt at Vera Cruz. Apparently, what is known as a tidal wave visited the oil port; and this in itself is a sufficiently alarming occurrence. Very often it is accompanied by terrible destruction of shipping and very serious loss of life, and even destruction of property upon the mainland. We await further information for details of what actually occurred. But it seems evident that the city of Vera Cruz itself was not visited by an earthquake in the sense that we understand that term in Europe. Certain parts of Mexico are, and always have been, liable to visitations of this nature from time to time. And even Mexico City itself has been partially destroyed within the period of the past four hundred years, since Mexico became known to the outside world. It will be remembered that there were two visitations of earthquake in Central America during last year, the first reports of which were of a most exaggerated character, and had they received credence here in Europe we should have been led to believe that a very large part of the capitals and cultivated area of the two Central American Republics had been wholly destroyed. This, fortunately, as is almost always the case, proved to be a very great

exaggeration of the facts. The earthquakes did undoubtedly cause great damage, but in each case assistance was afforded both from Europe and from the United States, and the devastated areas have been partially, and are being completely, restored to their former condition. So we hope and trust will be the case with Vera Cruz and whatever part of Mexico has been affected by the earthquake. That it was spread over a wide area of the Republic seems certain, as reports by cable state that there was panic in the theatres and in various public buildings in Mexico City on the Saturday night on which the occurrence took place. No deaths, however, were reported from the capital, and it does not appear that there was any serious destruction of property. From the reports to hand we infer that what was taking place elsewhere affected the capital to some extent, and, not unnaturally, caused a panic.

Unfortunately, the Government of President Carranza has not acted in the past in such a way as would enable it to deal as it should be able to deal with a great national catastrophe when such occurs. Were Mexico enjoying the cordial support of the bulk of her own people and, as she ought to be, in friendly relations with her neighbours and with other Powers, she would deserve and receive at such a period the assistance, so far as it could be given, of the whole of the civilised world. Even as things are, if assistance is required in Mexico, there can be little doubt that in the face of so terrible a visitation as an earthquake any assistance which is required and which it is in the power either of her great northern neighbour or of any of the European Powers having ships in the neighbourhood of the Mexican ports to render will, of course, be given. At the same time, it is very much to be regretted that the Mexican Government should have allowed itself to drift into such a position that it is not able to render the assistance to its citizens which it should be able to do in a period of crisis. Naturally Mexico is one of the richest countries in the world, and it has at present so small a population for its enormous area that there should be nothing in the nature of poverty even in the poorer quarters of the cities; and in the country outside there ought to be plenty and abundance for all classes of the community down to the poorest peon. As a matter of fact, there is great poverty throughout Mexico, not merely in the poorer quarters of the great cities like Mexico City and Vera Cruz, but in outlying districts, simply because the country has never been properly cultivated, because it is always being more or less devastated by brigand bands. President Carranza would answer, "What is it possible for me to do? I am not master in my own house." That, of course, is true. But it is only another way of saying that the Government is a totally unsuitable one for the conditions which prevail in Mexico. For ten years now revolution has succeeded revolution, and although President Carranza has, during the past two years, gained a certain ascendency, he has not succeeded, and does not appear to be in a position to succeed, in putting down Villa, the principal rebel, or the lesser bands of marauders, who are devastating a considerable portion of the Republic. Moreover, the relations of Mexico with the United States are very different from what they ought to be. The President complains in his official organs that undesirable elements from the United States constantly cross his frontier, and that he cannot always be responsible for regrettable incidents for which citizens of the United States, or, at any rate, if not citizens, people coming from the United States, are at least as responsible as are his people. This, however, is only a way of excusing the inadequate police furnished by the Mexican Government, because such instances occur on all frontiers, and must necessarily recur. The United States Government is not so unreasonable as to deny that there are, and must necessarily be, in the outlying districts undesirable characters who from time to time may invade Mexican territory. The United States, however, would take whatever measures were necessary to ensure the maintenance of law and order provided Mexico was itself in a position to enforce obedience amongst its own subjects. Such incidents, when they occurred—and, of course, they did occur from time to time—were always readily adjusted during the long period of power enjoyed by the late President Diaz; and so it would be in Carranza's time if Carranza himself were in a position to enforce his own authority within Mexico. The real difficulty which faces President Carranza is that, although he enjoys an enormous revenue, and to obtain that revenue has put himself almost entirely out of court both with this country and with the United States, he has not really the means to carry on a satisfactory Government of any kind. Practically, he is wholly in the hands of the army. And in order to maintain his power he must maintain friendly relations with a certain group of generals, however incompetent and inefficient this group of generals may prove to be. Such a Government is simply inviting trouble. It is clearly the duty of President Carranza either to make one final effort to ensure his authority being respected, or to retire and support some group which is capable of enforcing some sort of order throughout the Republic.

Government apologists argue that the trade of Mexico has increased during recent years. But, inasmuch as the demand for food and raw materials is world-wide, and has been during the period of the past five years, it would be a remarkable fact if the trade of Mexico had not increased, inasmuch as Mexico's trade depends upon her ability to export food and raw materials. The trade of the United States, her northern neighbour, has quadrupled in the past five years for the same reason. The trade of the various Republics of Central America has expanded to an enormous extent. The trade of almost every country in North and South America has increased in at least as great a ratio as that of Mexico, owing to the keen demand for food and raw materials by the belligerents engaged in the late European War. The reader will appreciate what Mexico is capable of doing when we say that Mexico is as big as Central Europe as it existed before the War, with France and the greater part of Spain added; and the population of the whole of so immense a country is under 16 millions. Mexico is capable of growing nearly everything, from tropical products like cocoa and cane-sugar to the cereals and the leguminous plants which we associate with the temperate zone. This is due to the varying altitudes of different parts of the country. In addition, Mexico possesses, besides the rich oil wells, which are familiar to almost every child able to read, rich deposits of minerals of various kinds, spread more or less throughout the mountainous area of the Republic.

Readers will have observed the rise in prices this week in Mexican securities. As is not unusual in Stock Exchange movements, the advance is speculative and premature. But readers interested in Mexico will be well advised to keep themselves informed as to what is going on, as, if expectations are realised, even partially, there are great possibilities.

THE IRISH WOOLLEN INDUSTRY.

Adherents of the industrial revival movement in Ireland have frequently emphasised the advantages which the country affords for the development of woollen manufactures. The Irish wool clip annually reaches large proportions, but the quantity retained by home manufacturers was, at least until recent years, quite insignificant. In 1914 the exports of raw wool amounted to 16,367,232 lb., valued at £860,985; a fall to 14,597,856 lb., valued at £1,094,839, was shown by the 1917 returns, and this year's figures

appear to confirm the belief that the export trade will record another diminution. During the period March-October of 1919 these exports reached 6,618,416 lb., and on this basis it is scarcely likely that the figures for the year will exceed 10½ million lb. There is little doubt that the Irish factories are utilising the local material to a much greater extent than before the War. The shortage of Colonial supplies and the fulfilment of the contracts made for Army clothing made this step imperative, and probably less reliance will be placed in the future on imported supplies. Of course, it will be understood that every wool-producing country finds it necessary to obtain wool from other sources. Two objects are attained by this practice. In the first place, local reserves are augmented, and, secondly, before certain fabrics can be produced wools of different descriptions require to be blended.

The prosperity which shone on the makers of woollen goods in Ireland during the past few years is some slight recompense for the vicissitudes through which the industry has passed in previous centuries. About 1688 the export trade of Irish-made cloth had reached such important dimensions that the Government of the day shortly afterwards decided on its repression. In the reign of Charles I. the export of manufactured Irish wool was forbidden. This measure was primarily aimed at Holland; but in the reign of Charles II. prohibitive duties were laid on the import of Irish woollen goods into England, while other Acts restrained or suppressed trade with the Colonies and the import of dyestuffs into Ireland. The complete destruction of the trade was accomplished by a compact entered into between the Irish and English Parliaments in 1698. By the terms of this agreement Ireland was forced to abandon all export trade in woollens, receiving in return certain compensations as regards linen goods, with which England had no desire to compete.

The handicaps imposed on the free development of the Irish woollen industry by legislative enactments still place it under a disadvantage when competing with the industries of other countries. Where the woollen industry has been allowed to follow a natural line of development, as in England, the skill of the operative is more or less hereditary and skilled labour is, in general, easily procurable. In Ireland, on the other hand, the problem of securing the necessary labour has always to be taken into account. One of the Irish woollen mills, at the outset of its career, was forced to train the local boys and girls in view of the impossibility at the time of obtaining experienced labour from other quarters. The lack of competent designers led in the past to complaints against the quality of Irish tweeds, as facilities for education in this branch of applied art were scanty. It is satisfactory to note that an improvement has now been effected in this regard; mills in Ireland now turn out goods, particularly in cheviots, serges, and tweeds, equal to the finest woollen manufactures of Great Britain.

The woollen factory industry in Ireland is carried on generally throughout the country, and has not become localised to the same extent as the linen industry of the North-east. The most fully equipped mills are found in the midlands, but even thriving mills are placed in the west and in the neighbourhood of the cities of Dublin, Belfast, and Cork, where good local markets exist. Worsted suitings and fancy tweeds are the principal lines for the home trade; there is, however, a large export of woollens of various classes to the United States, Canada, the Far East, and the continent of Europe. In the city and county of Cork there are no less than 20 woollen mills which turn out tweeds, serges, coatings, friezes, and ladies' dress materials. Rugs and carpets of good quality are also produced. The Northern mills do a good business in cheap wool suitings with the ready-made clothiers in the North of England. Some of the processes incidental to the transformation of the raw material into the finished product have hitherto not been undertaken largely in Ireland. Worsted suitings constitute the principal product of the Irish mills, but the users of worsted yarns look to Bradford for the bulk of their supplies. The imports of "wool yarns" into Ireland during 1917 amounted to 3,089,072 lb., of a value of £501,974. The difficulty and uncertainty experienced in obtaining these supplies has been responsible for the determination to start an enterprise near Dublin where the combing and spinning of all classes of wool, home and foreign, is proposed. The scattered distribution of the Irish industry has so far militated against specialisation in its various branches, but this move should make it more self-supporting and draw it more closely together. At Blarney, however, in addition to the usual woollen carding and spinning plant, a complete set of woolcombing and worsted machinery has long been installed, and yarns of all qualities required for weaving are spun as well as hosiery yarns.

The unprecedented demand for woollen fabrics during the War led to a complete overhauling of the equipment of the Irish factories. At the outset this was necessary on account of the conditions laid down for those who desired to enter into contracts with the War Office. Manufacturers are now fully alive to the necessity of keeping in line with modern progress, and works are being enlarged and additional plant installed as far as circumstances will allow. The prosperity of the past few years has without doubt increased the manufacturer's stock of working capital, and has given him an opportunity of greatly increasing his output. It is stated that the machinery at present employed in Ireland consists of 163 carding machines, 80,000 spinning spindles, and 1,345 looms. It is interesting to note that water supplies the motive power of mills in Ireland to a much greater extent than in Great Britain. Many of the Irish mills occupy the sites or premises of disused corn mills, and the impulse to use water-power is, of course, strengthened by the lack of native coal resources. According to the Census of Production, 1907, water was responsible for more than one-third of the horse-power developed in Irish mills, the proportion for Scotland being about one-seventh, while in England but little attention was paid to this source of power. It has, however, been found necessary in some Irish mills to supplement water by steam power.

There is undoubtedly room for a considerable development of the woollen industry in Ireland if manufacturers rise to the occasion. The home market affords opportunities for conquest, the imports of woollen goods alone, without including blankets, carpets, &c., amounting to 90,652 cwt., valued at £3,025,510 in 1917. The scarcity of cloth in Europe opens up prospects of a lucrative foreign trade, which may not be seriously challenged for some years to come. Stores of cheap raw material are at hand, and undoubtedly, if Irish manufacturers made greater use of native wool, they would be in a position to impress on the farmer the desirability of growing a better class of wool and improving the present methods of handling.

London Joint City and Midland Bank.—The directors report that the net profits for the year ended December 31 last, after making provision for all bad and doubtful debts, amount to £3,079,460, which, with £675,098 brought forward, makes £3,754,558 for appropriation, as follows:—For dividends for the year 1919 at the rate of 18% per annum, less income tax, £1,052,503; for salaries and bonus to members of the staff with His Majesty's Forces and bonus to other members of the staff, £475,203; for special "Peace" bonus to staff, £250,000; to reserve for depreciation of War Loans and future contingencies, £1,000,000; to bank premises redemption fund, £250,000; and to carry-forward, £726,852. The dividend was at the same rate for 1918, with appropriations of £1,839,132 and carry-forward £675,098.

THE BANK OF TAIWAN, Ltd.

Incorporated by the Special Charter of the Imperial Japanese Government, 1899.

Capital Subscribed.. .. Y. 60,000,000
Capital Paid up .. .. Y. 37,500,000
Reserve .. .. .. Y. 8,210,000

Head Office .. .. TAIPEH, FORMOSA
London Office .. 58 OLD BROAD ST., E.C. 2.

BRANCHES:—Amoy, Batavia, Bangkok, Bombay, Canton, Foochow, Hankow, Hongkong, Kiukiang, Keelung, Kobe, Moji, New York, Osaka, Semarang, Shanghai, Singapore, Soerabaya, Swatow, Tainan, Tokyo, Yokohama, &c., &c., and Correspondents in every principal town in the World.

The Bank transacts General Banking and Foreign Exchange Business, undertakes Trust Business, and acts as Business Agents for other Banks. Special Facilities are available for Exchange Business on Japan, China, the Straits Settlements and Java.

Financial Notes.

To an exceedingly large circle in the City the death of Lord Cunliffe at the beginning of this week came as a great shock. The Governor of the Bank of England must, in any case, be a conspicuous figure in the London Money market, and, indeed, his influence and advice cannot fail to have its effect upon the whole fiscal arrangements of the country. In the case of the late Peer this was especially so, because he held the office of Governor for a longer period than any of his predecessors, and saw the country through the terribly trying period of the early years of the great European War. A Memorial Service will be held at Southwark Cathedral at 2.30 on Monday.

We are receiving, and we welcome them, the annual reviews which are common at this season of the year of various trades and industries. Recently the banks have adopted the practice of issuing monthly circulars giving information of the state of trade and finance in the various districts in which the several banks operate. We have heartily welcomed this departure ever since it was made. Those who are not accustomed to study these documents can have little appreciation of the immense amount of information they contain, and, provided one's previous study has fitted one to appreciate it, these reports throw a remarkable flood of light upon various industries, many aspects of which it has been difficult to fully understand in the past. Now, if we take the trade circulars giving an account of the various industries like wool, timber, cotton, and so on, in conjunction with the reports furnished by the several banks, a surprising amount of information can be obtained of the economic and financial condition of this as well as of other countries.

Readers will have observed that we publish every week a long list, and sometimes a very long list, of company meetings, with the reports of the speeches of the chairmen of the particular companies concerned. As each of these companies is engaged in some particular industry, the amount of information to be gleaned from reading these reports of what, perhaps, the average reader would call "dry reading" will well repay the trouble and the time necessary to master them. There is a prejudice in private life against "talking shop." But, after all, it is only the man who really does understand some particular branch of his subject from whom it is possible to obtain really valuable information. No one would consult his banker for bronchitis. Neither would he consult his doctor on the foreign exchanges.

Amongst the various reports which we hope to deal with seriatim as time and space permit is the annual circular of Messrs. Chabrières, Morel and Co., of Lyons, being a review of the silk market during the year just ended. In their review for 1918 Messrs. Chabrières, Morel and Co. came to the conclusion that prices of silk were largely dependent upon the fluctuations of a few general factors which they mentioned as responsible for the advance. Of all these, freight and insurance alone are cheaper to-day than a year ago. Rates of exchange, on the other hand, have risen steadily; the value of labour has increased all over the world; and the cost of manufacture has been inflated by taxation, the eight-hour day, increased wages, and the continued acute shortage of coal and transport. A general and considerable advance has taken place, involving all produce, and franc prices for silk are to-day almost three times higher than a year ago.

The greater part of this rise is due to the advance in foreign exchanges, which has been so general and so extensive that it has become almost impossible to establish a safe basis of comparison, the usual standards having themselves varied. Thus, gold is quoted in London at 28% above par, while the relation of gold to silver, which stood at 38 before the War, is now at 17½. At the same time, the tael at 4 m/s has advanced from f.4.50 to more than f.18; the yen, from f.2.90 to f.6.10; the pound sterling, from f.26 to f.42; the United States dollar, from f.5.50 to f.11,50; and the Swiss franc from f.1.14 to f.2, so that in a general review of silk prices, every country ought to be considered separately. In China, prices have advanced 60 to 70%, in Japan, Switzerland and the United States 90 to 120%, while German buyers are paying in marks thirty times as much for silk as they paid before the War.

Measured in money values the prices of silk, we need not add, have advanced enormously since the War period. Italian silk was quoted in the pre-War era at between 40 and 50 francs per unit. This compares with 290 francs last year. Syrian silk was quoted at about the same price as Italian in the pre-War period; but it advance to 235 francs in 1919. Chinese silk, the importance of which to the market we will show immediately, advanced from 50 francs to 350 francs; and Japanese silk from 45 francs in 1913 to 310 francs in 1919. Possibly to the general reader who only buys silk occasionally, the sources of supply from which the world obtains its silk will be of more interest than the fluctuations in the market, whether they are caused by high freight rates, or by the difference in the exchange rates of the several countries.

It may be remembered that we published early in June last an article on the silk supply of the world, in which we estimated the total amount at between 24 and 27 million kilogrammes. According to the figures now before us our estimate was not very far out. The silk supply from all countries, in the clear year before the War, amounted to nearly 27½ million kilogrammes. In 1914-15 it fell to 22¼ millions; in 1915-16 it was nearly 23¾ millions; in 1916-17 it considerably exceeded 27 millions; in 1917-18, 26½ millions; and in 1918-19, it was 25½ million kilogrammes. The estimate for the current year—1919-20—is just under 24 million kilogrammes. Of this total 6¼ millions are obtained from China and 14½ millions from Japan. It will be seen how the Far East dominates the whole silk market. It is interesting to note that in the period that preceded the outbreak of the recent War, practically the whole of the silk trade passed through Europe. In the clear year before the War some 25 million kilogrammes out of a total, as we have said, of 27¼ millions, passed through the hands of Europeans engaged, in some way or other, in the silk trade. But in 1919 this amount fell to 15 million kilogrammes, having been as low as 11 million kilogrammes. In the pre-War period the United States took less than half the world's production; but in the first eleven months of last year, out of a total production of under 24 million kilogrammes, the United States took over 17 million kilogrammes, or at the rate of something over 1½ millions per month, leaving, apparently, only some six million kilogrammes for the rest of the world's consumers.

Another exceedingly interesting circular is that of Messrs. Denny, Mott and Dickson, Limited, on the wood market. The import of teak, say Messrs. Denny, Mott and Company, into the United Kingdom in the year just ended continued to be very restricted owing to Government control and the augmenting difficulty of obtaining shiproom apart from such control. The supplies which came forward had to bear very onerous freight rates, and the f.o.b. cost, both in Burmah and Siam, seriously increased as the year progressed owing largely to the rise in working costs generally, in which the extraordinary advance in the price of silver, as shown by the increase in the tical and rupee by some 45% and 60%, respectively, was an outstanding feature. Nevertheless, such supplies as reached Europe found a quick outlet at prices approximating three times the pre-War cost of teak.

According to the monthly trade report of the National Bank of South Africa, Limited, during the nine months ended with September last, the exports from the Union of wool, hides, and skins were valued at £15,685,706, as compared with £9,160,488 for the corresponding period of 1918. These, of course, it will be remembered are money values; but the Bank circular argues that it is probably due to this large increase in the spending capacity of the community, more especially of the farming class, that the losses resulting from the severe drought, now happily ended, have not on the whole affected mercantile business to any appreciable extent. Trade is reported to be dull in the more remote country districts. This is ascribed to disorganisation of transport owing to the poor condition of oxen. At the coast and large inland distributing centres, however, business is very good, and the turnover generally is much in advance of pre-War figures, after allowing for higher values.

Although imported goods are coming forward fairly well, and the shipping position has improved, there are certain lines which it is still impossible to obtain, and merchants could do a much larger trade if these were available. Labour troubles in England and America are responsible for delays in shipment, the result being that stocks in South Africa are in many instances running low. There is a good demand for wire, both barbed and plain. Cable advices from the United States state that they do not expect to be in a position to resume shipments of these articles until February next. The supply of building material is also below requirements, and consignments are quickly absorbed on arrival. On the Johannesburg Commercial Exchange business is rather quiet, as the mines are using up reserve stocks and exercising the strictest economy. Business in the retail markets in the principal towns in South Africa seems to be very much as active as it is here at home. The milling companies, says the Bank circular, are handicapped by the shortage of wheat, owing to labour troubles in Australia, and also to freight difficulties.

In its monthly review of business the circular of the Irving National Bank of New York says that record prices for nearly all farm produce, coupled with yields well above the average in all crops but cotton and oats, will put nearly 1,500 million dollars more in the pockets of American farmers this year than in 1918, according to the final estimates of the Department of Agriculture issued in the middle of December. The area harvested crops was 2,600,000 acres larger than last year, the total being 359,121,173 acres.

An appeal has been sent to the Press for dissemination on behalf of disabled soldiers seeking employment. It is pointed out that while men may have been discharged as medically unfit for military service, that does not in any way necessarily prove that they are unable to take any active part in civil life. At a time like the present, when there is such great need for increasing production in every direction, there should, one would think, be no great difficulty in finding employment for those men who have deserved so well of the country. We understand that the Ministry of Labour and the various Employment Bureaus are anxious to do what they can to find suitable employment for these men; and employers having vacancies will do well to put themselves in communication with one of these institutions.

The appeal also refers to the case of the ex-officer without means. The position of the officer is, of course, somewhat different, both from the point of view of the employer and from the point of view of the officer himself. On the part of the employer, there is a certain hesitation in offering any position that might be unacceptable to a man who has recently held His Majesty's commission. But we think that any such feeling on the part of the employer would be better met by giving the ex-officer the opportunity of refusing. With regard to the ex-officers themselves, we think that in the vast majority of cases ex-officers will be more anxious to seek independence by trying to earn their living, than by waiting, in the hope that some appointment may be offered them for which their experience in civil life previous to the War has hardly fitted them.

SHIPBUILDING IN CORK HARBOUR.

The unique facilities presented by Cork Harbour for the development of a shipbuilding and ship-repairing industry have only received their due recognition in recent years. The utilisation of Haulbowline as an important Government dockyard was merely viewed as a necessary corollary to the existence of Queenstown as a naval base. A profound belief in the economic advantages of the harbour found expression in the purchase in 1917 by Messrs. Furness, Withy and Company of the Passage and Rushbrooke Docks. In the interval a considerable outlay has occurred and is still going on, with the object of instituting in Cork harbour a shipbuilding and ship-repairing yard of adequate dimensions. At the Passage side of the river lie two docks which have been improved and extended. The Royal Victoria Dry Dock, the length of which is 365 feet, can take a vessel of 50 feet beam with a draught of 16 feet 6 inches of water at ordinary tides, and as much as 18 feet at spring tides. At the end of 1919 it contained the steel barque *Pamelia*, a vessel of 1,438 tons, 244 feet long, and 38 feet beam, which had been in collision in the Atlantic and had put into Cork harbour for repairs. In close proximity to this is the Albert Dock, capable of taking a vessel of 325 feet in length, 52 feet beam, and with a draught of 16 feet 6 inches. Here was to be found the steamer *Lake Eyre*, a vessel of 3,100 tons, which had been sunk during the War in Penarth Roads and raised and sold a little before by public auction. It had been purchased by Messrs. Furness, Withy and Company, and was being repaired in Passage. On the opposite side of the river, nearer the entrance to the harbour, stands the Rushbrooke Docks, which are at present undergoing extensive alterations. This dock, which should be completed by the end of April, promises to be the outstanding feature of the harbour. It will take, so it is estimated, vessels up to 500 feet in length and 70 feet beam, with a draught of 25 feet.

The Passage Docks, which afford regular employment to 1,000 to 1,200 men belonging to the skilled trades, are well equipped with all the modern machinery that is associated with the shipbuilding yards of the Clyde and the Tyne. The motive power is derived entirely from electricity generated on the spot. Coal is imported from South Wales, and this area, in addition to Glasgow, furnishes all the iron and steel required. At the end of 1919 progress in this direction was being retarded by the moulders' strike, which, according to the recent ballot, is still to continue. Timber, which is in much demand, comes from

Glasgow, Liverpool, and Cork, part of the supply from the latter source being of native growth. The engineering shop as now reconstructed can meet all the requirements of ships up to 12,000 tons. Wharfage accommodation extends for nearly half a mile, at which vessels drawing 20-25 feet can lie alongside at low tide. Near at hand are three large granaries with a floor-space of some 80,000 square feet for the storage of large cargoes, whilst vessels are being repaired. It is intended to erect an engineering shop of equal capacity, at least, on the Rushbrooke side.

Hitherto the work mainly carried on at these docks consists of repairs. Lying as it does across the trade route between the Old and New Worlds, the unrivalled position of Cork harbour gives it great advantages for this purpose. Vessels buffeted by the severe storms that now and again sweep over the Atlantic, or that suffer from the effects of a collision in this area, as in the case of the *Pamelia*, find Queenstown a natural refuge. And it is none the less true that it is more economical for them to get repaired there than to go in tow across to Liverpool, South Wales, or any other district. The works at Passage West are now complete and can handle repairs with as much facility as any shipbuilding yard in the United Kingdom. Shipowners who have had recourse to these docks have testified willingly to the efficiency and thoroughness of the work. Only last year the Furness liner *Digby*, which had been taken over by the Admiralty during the War, was sent to Passage and reconditioned there for return to service as passenger and mail steamer between Liverpool and Canada.

Not all the work, however, consists of repairs. Attention has also been directed to shipbuilding. A number of barges of 330 tons, about 100 feet long and 20 feet wide, have been turned out. During 1919 in particular the firm built a large number of lifeboats for general purposes. They are, they maintain, the largest contractors for whalers, cutters, and small boats for the Admiralty, in addition to supplying with boats of like kind some of the principal firms in the mercantile marine. Here again the quality of the work stands unchallenged. Requiring as they do such a variety of highly skilled labour, the firm are in a position to judge the standard of the Irish skilled worker, and it is their considered opinion that his work will stand favourable comparison with that of any other skilled worker. The development of the industry, more especially on the completion of the Rushbrooke Dock, will necessitate an increased supply of the various skilled trades. That such a supply will be forthcoming from local sources is the belief of those who have watched the readiness with which the technical schools in the neigbourhood, particularly the one in Cork, have adapted their courses to the requirements of the industry in order to equip the younger generation with the technical knowledge that is required.

In some quarters there is a tendency to belittle Cork harbour, and reference is made to the alleged difficulties experienced by the Cunard liners *Lusitania* and *Mauretania*, which caused the discontinuance of Queenstown as a port of call in 1913. To ascertain the degree of truth behind this assertion the Harbour Commissioners got Mr. C. S. Meik, of Westminster, to investigate and report upon the suitability of the lower harbour as a port of call for the largest Atlantic liners. The report, dated November 25, 1913, declares the harbour to be suitable from all points of view and at all states of the tide for liners of the type of the *Mauretania* and the *Olympic*, provided they were under engine power. For larger vessels, or in cases where the engine power should break down the following alterations were suggested:—

(1) The improvement of the curve of the western entrance channel by the removal of part of the Turbot Bank.

(2) The widening of the deep-water area of the anchorage up to 2,600 feet.

(3) The removal of the 35-foot patch in the anchorage.

(4) The construction of a groyne at Corkbeg to improve tidal scours.

These improvements, which were estimated to cost £22,000, were already begun when the War broke out in 1914. The Admiralty themselves describe the port thus:—"Cork harbour, one of the most capacious and secure harbours in the British Isles, is navigable for ships of large class from the entrance to Passage, a distance of 7½ miles, and it contains space sufficient for the largest fleets to anchor in moderate depths of water, on good holding ground, and is most effectively sheltered against all winds and seas. It is, moreover, easy of access, and from its western geographical position is most valuable as a rendezvous both for His Majesty's ships and the immense fleets engaged in commerce that continually resort here, both for shelter and to await orders as to their final destination on their homeward voyages." With this description an engineer of such wide experience as Mr. Meik not merely agreed, but added: "In my opinion Queenstown, or, to give it its proper name, Cork Harbour, is one of the best natural harbours in Great Britain . . . I may here mention that I am familiar with all the larger harbours of the British Islands, and with a number of those on the Continent and in the East, and I can with safety say that there are very few, if any, that are superior to Queenstown, in offering accommodation for the very largest class of steamer afloat at all states of the tide." Considered opinions such as these should be sufficient to outweigh casual criticism emanating from sundry sources. The Managing Director of Messrs. Furness, Withy and Company's shipbuilding yard at Passage West confirms this verdict of the capabilities of the harbour, not merely as a port of call, but also as a centre for the shipbuilding industry. Adverse critics fall back on statements such as that made by Admiral Sims, to the effect that Cork Harbour was long and narrow. They ignore, however, the no less vital fact that there is nothing in this to detract from the general utility of the harbour—a fact which Admiral Sims himself tacitly admitted by the extensive use he made of the harbour during his stay in Irish waters. The length and narrowness of the harbour did not prevent him from discharging American cargo ships at the deep-water quay at Queenstown. If, however, full advantage is to be taken of the capabilities of the harbour, not only as a centre for the shipbuilding industry, but also as a port of call for vessels plying between the Old and New Worlds, a lot yet remains to be done. The improvements advocated by Mr. Meik should be carried out as quickly as is convenient, and the wharfage accommodation of the port of Cork, as well as of the lower harbour, should be extended and improved. Equally essential is it that the port should be equipped with the most up-to-date machinery for loading and discharging cargoes. Hitherto the installation of such machinery has been in the main delayed by the mistaken opposition of Labour. Already arrangements have been made for direct communication between America and Cork, the steamer *Lake Gretna* of the Moore-McCormack Line having made its first call at Cork on January 2; whilst it is understood that vessels trading between New York and Antwerp and New York and Hamburg will make Cork harbour one of their ports of call. If the port and harbour of Cork are to retain this connection with America and the Continent which is now opening out before them, they must be prepared to offer to these vessels the same modern facilities for loading and unloading cargoes as are placed at their disposal at New York, Hamburg or Antwerp.

SOUTH AND CENTRAL AMERICA.

ARGENTINA'S TRADE DIFFICULTIES.

Supposing that a tradesman had an important *clientèle*, all of whom had formerly been good customers, and most of whom would at no distant date be excellent customers once more, but for the moment, while each demanded his quota of supplies, very few of them were in a position to pay ready cash—would such a tradesman be prosperous? Argentina at the present time is enjoying, in the sense that we have endeavoured to indicate by the above illustration, great prosperity, if we mean by prosperity that there is a great demand for the principal articles which she has to sell; and it is the business of the great bulk of her population to prepare for the various markets of the world, and particularly for the congested populations of Europe. It is in the highest degree improbable that Argentina would have anything like the population she enjoys, or anything like the transportation facilities which exist in the Republic, were it not for the fact that England during the past two generations was urgently in need of food, and poured in each year vast sums of money which, if we include private as well as public capital invested in the Republic, cannot be less than something between 500 and 600 millions sterling for the very purpose of opening up the Republic and providing food and raw materials upon a sound economic basis. It has to be remembered that on this exceedingly small island of Great Britain, of only some 88,000 square miles in extent, we have a population, according to the last Census, of over 40 millions of inhabitants, and neither our climate nor our soil would admit of our raising the food and the raw materials which would provide the necessary resources to enable such an enormous population to exist. Consequently it has been the policy of our Government to encourage, and of our mercantile and trading classes to find, the means for providing in distant parts of the world what, for convenience, we may call new feeding grounds to supply the ever-growing necessities of the British race. Practically we do in a somewhat different form what the flockmaster does with his fleeces when he transfers them from the feeding-grounds of the plains where they have been browsing during the winter to the highlands in the summer where they find fresh and succulent herbage. We have seen that one result of the War, owing to the fact that investment in new countries has ceased for a period of five years, is that no new feeding-grounds have been provided, and there is a shortage of nearly all commodities throughout the world; and thus people who, like ourselves, dwell in congested areas, incapable of providing sufficient food and raw materials for themselves, have had to face a period of very high prices.

In other words, we have to give a very much larger proportion of such materials as we have to offer, or such services as we are able to render, in order to obtain the necessary food and raiment for our well-being. Whether we call that a general shortage, or whether we say that prices have risen, really does not matter. What is of importance is that we have to give more of what we possess, or a greater measure of services, to obtain an equivalent in food and clothing. Even making due allowance for the difference in money values at the present time and, say, the early years of the 'nineties of last century, it would be apparent to anyone that it is more difficult to obtain bread when wheat is sold, as at present, at 70s. a quarter, compared with, say, 1893 and 1894, when it was obtainable on the London market at under 18s. a quarter. Long experience taught our mercantile and trading classes that if our people were to be fed and provided with the material for their employment it is not merely desirable, but absolutely necessary, that increased areas in different parts of the world should be put under cultivation. It had become evident in the last quarter of last century that if we were to be able to maintain the population that then existed in this country upon an economic basis which would admit of our trading with the rest of the world on favourable terms, the United States of America was no longer in a position to supply us with the food and the raw material to the extent which she had done in the past. Consequently, amongst other countries which were laid under contribution was the Argentine Republic. We have explained on various occasions how this was done, how readily Argentina lent herself to the process, and how prosperous she became as a result in the early years of the present century. We are not again going to enter into the explanation now. Suffice it to say that Argentina did gain great prosperity, that her population grew at an extraordinarily rapid rate, and that she now possesses the most extensive system of transportation facilities which is afforded by any South American State. The position was quite satisfactory while Europe, and particularly this country, was in a position to finance the growing needs of Argentina and to supply her with what she required, while she, in her turn, supplied us with food and raw materials. No other country at the present time is really in a position to take the place that we occupied in the quarter of a century that preceded the outbreak of the recent War. No other country has anything like the population to area accompanied by the accumulated mobilisable capital. The United States can, and is, investing in Argentina. But it has to be remembered that while the United States is twenty-five times larger than the United Kingdom, her population, according to the last Census, is only double that of this country, and consequently she requires a far larger proportion of her own savings for her own economic development; and, as a result, she cannot afford to invest in new countries upon the same economic basis that we could, and did, afford in the pre-War period. Moreover, she has not the need. She does not require the same proportion of materials which new countries like the Argentine Republic are capable of supplying. And, as a result, Argentina so far has been able to find no one capable of taking the place which Great Britain occupied in the two generations that preceded the outbreak of the great European War. The growth in our trade returns, and the improving condition of shipping in this country, give something more than ground for hope that at no distant date we shall be able to resume, in part, the services we formerly rendered to Argentina; and, consequently, there seems no reasonable doubt that we shall be able to liquidate our debt to the Republic at no distant date.

Although this is perfectly true, and Argentine financiers, statesmen, and business men are well aware that it is eminently desirable to maintain their trade relations with England, these considerations do not in the meantime settle the balance; and, consequently, Argentina is placed in a very difficult position. She wishes to retain a good customer; and, in fact, she would require to completely reorganise her economic conditions if she were to completely lose Europe as a customer for the food and raw materials she is accustomed to provide. While no one disputes this part of the proposition, it does not wholly solve the difficulty. We said above that the system on which Argentine prosperity has been built up during the past two generations virtually comes to this—provided Argentina supplied food and raw materials, we supplied her with manufactured goods and the transportation facilities for bringing her produce to Europe and conveying whatever European produce she might desire to obtain through us. While we were able to fulfil our part of the bargain she was quite ready to fulfil hers. But when we ceased to be able to afford the transportation facilities, or to assist in increasing the local transportation services provided in the country itself, her difficulties at once began to grow. Her economic position was founded on the assumption, which had proved correct for two

generations, that something between two-thirds and one-half of her produce should be exported, and facilities for enabling this work to be done would be supplied from Europe. Now, as a matter of fact, during the past five years there has been a steady decrease in all her exports in quantity values with the exception of wheat, and we have only taken an equivalent quantity of wheat in the season since the Armistice in money values. Argentina has acquired very large credits in Europe during the quinquennial period. But the only way in which these credits could be conveniently liquidated would have been of no economic advantage to the Republic. She could, of course, take back securities which were formerly bought from Argentina. But a new country does not require to hold large blocks of securities. On the contrary, her true interest is to use as large a proportion of her savings as she is able to spare for the continued opening up of the country. It has to be remembered that only a very small part of the Argentine Republic is developed in any strict economic sense.

Our inability to fulfil the implied conditions upon which the Argentine economic development has been built up during the War has hit Argentina in two ways. Had we been able to invest in the country during the past five years at the rate, say, of 60 or 70 millions a year, which we were doing before the War, and to afford her adequate shipping facilities, she in her turn would have been in a position to increase her supplies of food and raw materials, not merely to meet our requirements, which of course would have been part of the contract, but to afford an ample surplus for her own home requirements and for other customers, local or otherwise. Inasmuch as our investments ceased at the outbreak of the War, no other country was in a position to take our place, particularly on anything like the same economic basis. Argentina was not herself in a position to increase her production adequately to the demands upon her resources both for home requirements or for the requirements of the belligerents, although, as we have said, they were in a sense reduced. The result is that, while the magnitude of the trade, measured in commodity values, has not increased to the proportion which might have been expected, the increased production has developed even in a smaller ratio. Hence the cost of living in Argentina has increased, while the magnitude of trade, as measured in commodity values, has decreased. In addition, it need not be added that all imported commodities have appreciated, both in real and in money values, to an extravagant extent throughout the Republic.

Anglo-South American Bank, Limited.—Following on the preliminary statement made on July 9 last, the Anglo-South American Bank, Limited, now announce that the new branch at Lima (Peru) was opened for business on January 5.

A YEAR'S TRADE.

It has been evident for some time past that our traders and manufacturers, if left to themselves, might be depended upon to pull Governmental chestnuts out of the fire. The outstanding feature of the Board of Trade returns, now issued for the whole of 1919, shows that the excess of imports over exports has been reduced to 669 millions, as compared with an excess for the whole of 1918 of 783¾ millions. The excess of imports over exports in December amounted to £52,700,000. The imports for the whole year amounted to £1,631,900,000, being an increase of 315¾ millions on the previous year, or say, roughly 23%. British exports, however, amounted to 798¼ millions sterling, an increase of very nearly 300 millions, or equal practically to 60% on the figures of the preceding year. On the whole, as said above, the trade returns must be regarded as highly satisfactory. It is a remarkable fact that in spite of the general shortage of material, the heavy losses we sustained in shipping during the War period, the loss of man power, and the disorganisation of industry occasioned in demobilising the major part of the young men of the country, we should within a period of twelve months have shown clear and convincing evidence that the trade of the country is capable of recuperation, and, provided Government will stay its hand, seems reasonably likely ultimately to pull us out of our difficulties. A more important result even than making good the deficiencies will be to relieve the congestion at the ports, which is hindering, instead of seconding, the laudable efforts which traders are making to build up the trade of the country. When the Government decided to take practically all the small boats engaged in coastwise traffic into its own service, it felt that it was incumbent upon it to carry goods overland at pre-War rates, in the hope that this would check the increased cost of living. As a matter of fact, the hope proved completely illusory, because in effect it meant a complete congestion of the land transportation facilities. The great mistake which the Government made throughout its conduct of the War was to fail to realise that you cannot improvise a system for which no previous preparation has been made. Some 70 million tons of merchandise which had previously been distributed by means of the coastal trade was diverted to the railways, and the result was that the railways proved totally incapable of handling the increased traffic; which, in fact, might have been foreseen, inasmuch as they were not constructed to handle such traffic, and had never been accustomed to do so until they were forced to under war conditions.

We hear of a great deal of extravagance on all hands. But although, no doubt, there is a great deal of expenditure which might be dispensed with, nevertheless the trade returns appear to disclose a very large measure of restraint on the part of our people. Our increased purchases are almost entirely in articles of prime necessity. We have purchased a great deal more food than we were allowed to do during the War period. But inasmuch as the epidemic of influenza seemed to conclusively prove last year that the civil population had been for some time suffering from under-feeding, it was eminently desirable that we should rehabilitate our constitutions by obtaining as far as possible an adequate supply of the best food we are able to afford. The other big items in the growth of our imports are equally satisfactory. Once the people are sufficiently well-fed and well-nourished to be able to work, it is desirable that they should be employed. In these islands we are not able to produce sufficient quantities of raw materials for our manufactures; and, consequently, it is essential that we should import the major part of these. This the trade returns show we have done upon a very large scale; and, as the growth of our exports amply demonstrates, our merchants and manufacturers have lost none of their cunning in their ability to find a market for the raw material when it is converted into the manufactured articles.

Course of Foreign Trade.

[000's omitted]	Dec. 1919 Amount	Inc. or Dec. on 1918	Inc. or Dec. on 1917	12 Mos. to Dec. 31/19 Amount	Inc. or Dec. on 1918	Inc. or Dec. on 1917
	£	£	£	£	£	£
Imports	109,735	+53,492	+84,975	1,631,902	+315,751	+567,737
Re-exports ...	26,160	+23,047	+22,981	164,322	+133,377	+94,645
Net imports ...	113,575	+10,445	+61,974	1,467,580	+182,374	+473,092
Exports	90,858	+52,576	+53,718	798,373	+296,954	+271,293
Excess of imports	52,717	−22,131	+ 8,256	669,207	−114,580	+201,799

Excess of Imports into United Kingdom.

Month	1919	1918	1917	1916	1915
	£	£	£	£	£
Jan. ...	82,615,000	54,202,000	35,301,000	29,348,000	32,103,000
Feb. ...	55,039,000	57,214,000	24,668,000	22,470,000	32,213,000
Mar. ...	43,715,000	68,042,000	29,465,000	39,707,000	37,219,000
April ...	40,382,000	77,621,000	40,244,000	30,805,000	31,512,000
May ...	59,318,000	77,516,000	37,852,000	25,786,000	27,739,000
June ...	46,420,000	64,176,000	35,999,000	30,780,000	33,425,000
July ...	76,068,000	63,525,000	35,703,000	22,515,000	31,593,000
Aug. ...	58,748,000	64,435,000	46,220,000	20,632,000	29,638,000
Sept. ...	66,376,000	56,094,000	39,870,000	26,842,000	30,414,000
Oct. ...	54,783,000	72,768,000	39,405,000	28,781,000	28,684,000
Nov. ...	36,188,000	70,732,000	62,621,000	39,310,000	27,670,000
Dec. ...	52,717,000	74,797,000	44,450,000	29,434,000	28,677,000

External Trade of the U.K.: Last 6 Years (000's omitted).

Year	Imports	Re-Exports	Net Imports	Exports	Excess of Imports
1919	£	£	£	£	£
Dec. ...	169,735	26,160	143,575	90,858	52,717
Nov. ...	143,565	20,267	123,298	87,110	36,188
Oct. ...	153,486	19,642	133,844	79,061	54,783
Sept. ...	148,625	15,749	132,876	66,500	66,376
Aug. ...	148,832	15,311	133,521	74,773	58,748
July ...	153,140	11,757	141,383	65,315	76,068
June ...	122,946	11,964	110,982	64,562	46,420
May ...	135,657	11,495	124,162	64,344	59,818
Apr. ...	112,211	13,347	98,864	58,482	40,382
Mar. ...	105,772	8,949	96,823	53,108	43,715
Feb. ...	107,073	5,119	101,954	46,915	55,039
Jan. ...	134,518	4,560	129,958	47,343	82,615
Year					
1919 ...	1,631,802	164,322	1,467,480	798,373	669,207
1918 ...	1,316,150	30,945	1,285,205	791,419	785,786
1917 ...	1,064,164	69,677	994,487	527,080	467,407
1916 ...	948,506	97,566	850,940	506,280	344,660
1915 ...	851,983	99,062	752,921	384,868	368,053
1914 ...	696,635	95,474	601,161	430,721	170,440

American Topics.

SILK.

WHAT extraordinary prosperity the United States is at present enjoying as a result of the recent European War is, perhaps, in no way better illustrated than in the extraordinary demand that exists at present for articles of pure luxury. Food, clothing, and raw materials for our manufactures we must all have, even if we have to make very serious and sometimes humiliating sacrifices to obtain them. We in this country have built up a very serious debt with the United States during the period concluded with the end of the recent War. We have, however, had to add still further to this debt for the purchase of food and certain raw materials, notably cotton, essential for the prosecution of our manufactures and our ultimate recovery. Our Allies upon the continent of Europe are in still greater straits. They have not the accumulated balances in various forms which we have in the United States and elsewhere, and they are finding the greatest difficulty in obtaining the necessary accommodation for their purchases of food and raw materials. In truth, the period of reconstruction, both in the countries allied with us and in those against whom we fought, is being very materially delayed by the extreme difficulty the various peoples are experiencing in obtaining articles essential for their economic reconstruction.

Very different is the position of the United States. According to an estimate made by the National City Bank of New York, the people of the United States are at present buying silk manufactures at the rate of over 1,000 million dollars a year. Moreover, never in the history of the silk industry have American manufacturers found it profitable to pay such enormous prices; yet they see at present no indication that the ultimate consumer, who will repay them for their outlay, is at all deterred in his purchases by the extravagant prices demanded. The value of raw silk—that is before it is made up into any kind of fabric, or what is known in the trade as silk reeled from the cocoon—imported into the United States during the calendar year just ended is estimated to exceed 300 million dollars. This compares with 180 million dollars in 1918, 156 million dollars in 1917, and 120 million dollars in 1916. It might be assumed that these figures merely relate to extravagant values as expressed in currency, as distinct from economic, or quantity, values. This, of course, to a certain extent is true; but only to a certain extent, because the quantity imported in spite of these high prices is greater than in any previous year. The price of raw silk averaged $8.42 per lb. in October last, which is the highest ever recorded in the United States. This compares with an average of $3.09 per lb. in 1915 and under $2 in the year that preceded the recent War. On the basis of these prices for the raw product as it is imported into the United States, it is estimated that the value of the actual silk fabric as it leaves the factory will approximate three-quarters of a billion dollars, compared with a quarter of a billion dollars in the year before the War. In pre-War years it was found that the value of manufactured silk was between 2½ and 3 times the value of the imported raw product, and it is upon this assumption that the above figures are based. Of course, it has to be borne in mind that all expenses of manufacture, labour, and otherwise, have increased in the interval; and it may be found, therefore, that the total value of the manufactured article bears a still higher ratio between imported raw silk and manufactured silk in pre-War years. From this calculation it will be seen that the manufactured article may not improbably be valued at, as above stated, three-quarters of a billion dollars, or 750 million dollars. In addition to this, it is estimated that the total value of imports of manufactured silk will amount to 50 million dollars, part of which, however, is exported. The bulk of the raw silk imported comes to the United States, as to other countries, from China and Japan, and some from Italy. The whole world is mainly dependent for its supplies of raw silk upon China and Japan.

DIAMONDS.

THERE seems no reasonable doubt that the total value of the diamonds imported into the United States, stated in currency, will be twice as much as that in any preceding year in the history of the diamond trade of the United States. It is estimated that the total value of the imports for 1919 will exceed 100 million dollars. This compares with 52 million dollars in the calendar year 1916, which was the highest previous record. The National City Bank of New York estimates that the aggregate value of the diamonds in the United States exceeds 1,000 million dollars. This calculation is based upon the official figures furnished by the Customs at the values at which the diamonds were declared in various years. The Bank estimates that if this quantity of jewellery were valued at present inflated prices this enormous figure might reasonably be doubled. It is estimated that at the beginning of the century the total value of diamonds in the United States was something between 400 and 500 million dollars. During the present century diamonds to the value of 600 million dollars have been imported; and, consequently, the total value is estimated, as above stated, at 1,000 million dollars. More than half the diamonds of the world are now believed to be owned by citizens of the United States. It is, of course, a truism which has long been recognised, not merely as a result of the recent War, but practically ever since the diamond industry in South Africa became developed in its present form, that the prosperity, or otherwise, of the industry depended almost entirely upon the prosperity, or otherwise, of the United States of America. The bulk of the world's diamonds come from South Africa, which turns out something like nine-tenths of the diamonds produced throughout the world.

THE OUTLOOK ON THE NORTH-EAST COAST.

THE industrial outlook on the North-East coast is decidedly better than it was at the beginning of last year. The holidays of two weeks have been given over, in most establishments, to holidays. It was assumed that after the first half-week the workers would not turn up in strength to begin the second half-week.

but the large muster recorded almost everywhere was an agreeable surprise, and the speedy resumption after the New Year holiday has been equally gratifying.

In the shipyards there are orders for fully two years ahead. Most of this work is at unfixed prices, the agreements being that certain percentages shall be charged above cost price. Shipbuilders readily acknowledge that this system tends neither to economy nor efficiency, and they are very anxious to get back to definite estimates and definite prices. What stands in the way is the uncertainty regarding Labour demands. Efforts are being made to obtain some guarantees as to stable rates for a fairly long period ahead, and the prospect of agreement is certainly better than it has been, but a considerable number of workers still make the fluctuations in the cost of living an excuse for opposing any bargaining far ahead. There is undoubtedly less "jumpiness," and the cases of throwing down tools on account of minor grievances are much less frequent, but the danger of serious disturbances has not yet been wholly removed. There are extremists on both sides who still profess to believe that no settlement is possible without a general battle. Any wide dislocation on the railways or in the coalfields would increase their influence.

And here we touch the chief source of anxiety on the North-East Coast. The shipyards are clamouring for an increased delivery of plates. The steelworks cannot augment their output because the deliveries of coal are still unsatisfactory and because the transport facilities are very defective. Everywhere there is much work to be done, and there would be a keener demand for more workers if the connecting-links were not so defective and the redistribution of labour were not still very imperfect.

During the War a large amount of mechanical reorganisation has been achieved in many steelworks, and it can be truly said about some of them that there is nothing in America, or Germany, or anywhere to compete with them; but when work is stopped for many days at different points on account of a deficiency in waggons or the non-arrival of consignments of coal the difficulty of getting men to make the fullest possible use of the new tools is greatly increased. After all, probably the best attitude is that adopted by Sir Arthur Dorman in the important speech which he delivered at the annual meeting last month of Messrs. Dorman, Long and Company. Considering, he said, the vast dislocations of four years of war and the great uncertainties that prevailed during a year of unratified peace, the wonder is that so much has been accomplished.

At the beginning of last autumn there was in the steel trade an extensive fear of American competition. Some American consignments at nearly £1 per ton below British rates were said to have reached Eastern ports. Whatever there was of real immediate danger in this American push was removed by the big strike in the United States. At the present moment British firms are favourably placed as to competition in most markets. Foreign orders are plentiful. What is lacking is the power to give speedy delivery. The set-back to American rivals is, however, only temporary. The great fact must not be overlooked that, so far as the iron trade is concerned, the Americans have a supply of raw material many times greater than that which is at the disposal of British makers. All the more reason is there, therefore, for a concentration of effort to remove the transport and mechanical hindrances and the deficiencies in the supply of fuel. American competition will reappear, perhaps in a more dangerous form than ever, and it is only by the reduction of waste and waiting to the utmost possible extent that the steelworks of Great Britain can hold their own. And, of course, on their success depends also the competing power of the shipyards.

THE BOOT AND SHOE TRADE.—III.

The past year has been one of great activity for the boot and shoe industry, and for that reason, one of great difficulty, as conditions of production have proved very onerous right from the start. In the first place, the Royal Army boot section was keen upon receiving large and regular supplies, as they felt that it was far safer to be well prepared for any emergency. Another semi-official undertaking which called for the bulk of the production during the first quarter was the War-time boot, the entire manufacture and distribution of which was under careful official supervision. The small remnant of time, labour, and material was given to the ordinary civilian demand, which was very heavy, owing to the practically starved condition of the section during the previous four years. It will therefore be easily seen that there was no lack of orders or work for boot manufacturers.

As regards the means of performing that work, that was where the manufacturers' difficulties came in. Labour, even at the end of March, was very scarce, men were drifting back in fairly good numbers, but the more technical, or pivotal, men, for some strange reason, were not permitted to return so readily as the other men, with the result that work was hindered for the want of them. Another practical restriction on output was experienced in April, when the 48-hour week came into force, and whatever the effect may be in certain factories, the fact remains that the lost time per week represents the loss of production of large quantities of footgear. Another very serious hindrance to output was the shortage of leather—sole and upper—for civilian trade purposes. For Army and War-time work there was, generally speaking, an ample supply under the auspices of the Raw Materials Department, but the officials saw to it that no inducements to make civilian goods were proffered by the release of unlimited supplies of sole and upper leather; consequently, only the commonest and most unsuitable lines were freed for the home and export trades. Such hard conditions were keenly resented by the whole trade, who had loyally done their bit in full measure, by losing their men, advancing money for the various Loans, and making boots for our armies and those of our allies, to the detriment of their home trade, and giving American manufacturers—who hardly knew there was a war on from actual participation—the chance of their lifetime to cut in to our export markets all over the world. That they made excellent use of their opportunity is well proved by the firm footing they have obtained in the South African and Australasian markets.

One of the features of the trade—certainly of a mixed nature—arising out of the general scarcity of sole and upper leathers for civilian purposes was the greatly increased use of substitutes during the first half of the year, many of which proved unsuitable, whilst a good number have survived the ordeal of test in wear and are still in use. The principal substitute, of course, is rubber, which, when well prepared, gives the best results. Mixtures of rubber and fibre, some of fibre alone, others of balata, and mixtures of that and other materials have had a thorough test, and not a few have apparently come to stay—notably the rubber and balata. The unsatisfactory point about the substitute, that is from the leather standpoint, is that they must inevitably affect very adversely the use of leather for repairing purposes. It has been estimated that, roughly, one million people in this country use rubber pieces for soles and heels which effect a saving of two repairs a year. The use of these rubber soles and heels is estimated to reduce the consumption of leather by over 100,000 beads per annum —a not inconsiderable item—whilst, of course, the obvious advantage to the wearer must act as a wonderful advertisement and induce an ever-increasing number of people to wear them.

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Rubber Topics.

THE Rubber-share market has followed the course taken by the Stock markets generally. There was a considerable accumulation of buying orders over the week-end, to which quotations well responded. Profit-taking ensued, however, and left its mark in a noticeable irregularity of price movements. A check after the recent sharp upward movement is to be welcomed as preventive of top-heaviness.

LUMUT RUBBER ESTATES.

WE have in the past remarked upon the economical operation of this Company's estate; but the high degree of efficiency indicated by the latest report, covering such an unpropitious period as the twelve months ended September 30 last, must indeed be surprisingly gratifying to shareholders. Removal of voluntarily imposed restrictions on tapping enabled production to be increased to 1,109,000 lb., as compared with 974,500 lb. in the preceding twelve months. The gross price realised was very little less at 1s. 10¼*d.*, but the "all-in" cost of production, including a liberal depreciation provision, was reduced to under 10*d.* per lb. In consequence of liability for excess profits duty, though the profit earned was equal to 27¾% on a capital of £211,482, the actual distribution to shareholders is restricted to 17½%. This dividend absorbs £37,010, and, of the balance profit of £21,686, £5,000 is added to reserve and nearly £16,686 to the carry-forward, increasing the amount of the latter to £28,329, subject to payment of excess profits duty for the year.

We show five years' progress in the following table:—

	Years ended Sept. 30—				
	1919	1918	1917	1916	1915
	Acres	Acres	Acres	Acres	Acres
Total area	4,018	4,018	4,024	4,037	4,518
Planted area	3,470	3,462	3,347	3,256	3,251
Aver. acreage tapped	2,561	—	2,544	2,035½	1,842
	Lb.	Lb.	Lb.	Lb.	Lb.
Rubber output	1,008,800	974,500	1,075,830	807,900	696,653
Yield per acre tapped	432	—	422	441	378
Gross price realised per lb.	1 10·25	1 10½	2 7·54	2 8·38	2 2·82
"All-in" cost per lb.	9·9	1 0·4	–11·54	–10·5	–11·37
Profit per lb.	1·0·35	–10¼	1/8	1·9·88	1,3·45
	£	£	£	£	£
Value of rubber	92,070	74,553‡	148,816†	116,651	74,957
Total revenue expenditure	34,803	32,689	51,720	38,536	30,105
Profit	57,267	41,864	97,096	78,115	44,852
Sundry receipts	1,128	5,906	3,897	1,420	932
Brought forward	11,643	7,304	2,698	17,364	6,676
Total available	70,339	52,174	103,691	96,899	52,459
Allocations—					
Reserved	5,000	—	—	10,000	—
Income tax	—	2,636	2,000	2,115	—
Excess profits tax	—	13,460	52,091	39,790	3,373
Dividend paid	37,010	26,435	42,296	42,296	31,722
	(17½%)	(12½%)	(20%)	(20%)	(15%)
Carry-forward	28,329	11,643*	7,304	2,698	17,364
	70,339	52,174	103,691	96,899	52,459
Net capital expenditure	2,992	4,701	7,168	3,225	6,755
Issued capital (£1 shares)	211,482	211,482	211,482	211,482	211,482
Surplus liquid assets	34,899*	14,417	17,911	19,512	31,081

* Subject to excess profits duty, if any.
† Including £7,434 realised in excess of value of 1915-16 crop.
‡ Net proceeds, including £4,655, realised in excess of value of 1916-17 stock.

Price of Shares, 62/6. Market Capitalisation per planted acre, £186.

It is important to note that the above results were obtained with little more than three-fourths of the planted area in bearing, and 900 acres have still to add their quota to future production. This financial year the Manager estimates that 1,350,000 lb. of rubber will be harvested, and, as no forward sales have been reported, and the commodity stands at 2*s.* 10*d.*, with a firm market in prospect, there would appear to be good grounds for anticipating a very substantial increase in earnings and dividend return to shareholders, without allowing for any further reduction in costs, though the overhead charges will be spread over a larger crop. The price of the £1 shares is about 62*s.*, and, although this represents a market valuation of £186 per planted acre, it has to be borne in mind, first, that the Company has about 500 acres of reserve land available for extensions; and, secondly, that not only is the cost of production well below the average, but the yield per bearing acre is relatively high at 432 lb. The shares may be fairly characterised as a good investment.

SEMBILAN.

Issued Capital: £88,000 in £1 Shares.

	Results for Years to July 31								
	Total Planted	Area in Bearing	Rubber Output	Av. Yield per Bearing Acre	Price Realised	"All-in" Cost	Net Profit	Dividend Amt.	
	Acres	Acres	lb.	lb.	per lb.	per lb.	£	£	%
1915–16	2,500	1,020	457,603	450	2/8½	1/1·1	35,328	15,600	18
1916–17	2,700	1,153	501,782	435	2/8	1/1½	35,623	16,840	18
1917–18	2,400	1,180	471,080	400	1/5½*	1/1·9†	13,077	10,560	12
1918–19	2,983	—	463,173	—	1/9½*	1/3½†	14,742	17,600	20

* Net price. † Excluding selling, &c., charges.

Price of Shares, 91/0c.d. Market Capitalisation per planted acre, £130xd.

The report of this Company which covers the period to July 31 last, does not disclose results materially different from those reported for the preceding twelve months; but the outlook for the industry has changed greatly for the better of late, and that doubtless accounts partly for the directors' liberality in increasing the total dividend from 12% to 20%, absorbing a sum £3,000 in excess of the profit earned. This difference, however, is almost made good by a recovery on account of 1917-18 of £2,693 in excess profits duty previously paid. There may be a further refund on account of the past year's results, but without doubt cash, debtors, and rubber in stock exceed the sum of creditors and the final dividend payment of 14% by £77,040.

The Company publishes lengthy extracts from the manager's report, with full information with regard to the working and condition of the estates, and it is apparent from the latest documents that excellent progress continues to be made. Production so far has been obtained from less than half the planted area, and many trees have only recently come into the tapping round. The manager estimates a crop of 600,000 lb. for the current financial year, and further substantial annual increases are indicated by the years of planting the immature area—namely, 480 acres in 1913-14, 393 acres in 1916-17, and 620 acres in 1919. Moreover, the Company has 4,450 acres of reserve land, in respect of which a planting programme is in course of being carried out.

The authorised capital is to be increased from £100,000 to £150,000, and £35,000 of the reserve fund, now standing at £50,000, is to be capitalised and the equivalent number of Ordinary shares issued to shareholders fully paid. That will make the issued capital £123,200. If the strong financial and reserve land position is taken into account the valuation of £130xd per planted acre now placed upon the estates appears quite moderate.

Batu Caves.—A new Company is to be formed, with a capital of £216,000 in £1 shares, and on liquidation of the existing Company shareholders are to receive eight shares of the new Company for each share now held. Provision will be made for the payment of a final dividend, or dividends, in respect of the current year.

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Insurance Notes.

RECENT AND FORTHCOMING QUINQUENNIAL LIFE VALUATIONS.

Apart from those life offices which make annual valuations for profit-distributing purposes, one triennial and six quinquennial investigations with this object in view fell to be made at or about the close of the year 1918, and nine quinquennial valuations were due at the end of 1919. In this article a short synopsis is given of the published results of these 1918 valuations, and a subsequent reference is made to the 1919 valuations now in progress.

Valuations of this kind fell due at the close of 1918 in connection with the Abstainers and General Alliance, British Equitable, Liverpool and London and Globe, National Mutual, Scottish Provident, and Scottish Widows Fund Offices.

1. *Abstainers and General.*—The triennial valuation in this office should have been made in ordinary course on December 31, 1918, but it was decided to postpone a valuation, under the special circumstances then prevailing, until December 31, 1920. The last triennial valuation was made on December 31, 1915, by the O^M Table of Mortality in combination with net premiums with 3% interest. No bonus was declared, but a surplus of £42,647 was carried forward in the life and leasehold redemption funds. Interim bonuses are meanwhile being paid on claims under participating policies which have been five years in force at the rate of 21*s.* per cent. per annum in reversionary form. It should be remembered that the premium rates in this life office are somewhat below the average.

2. *Alliance.*—A quinquennial valuation was made on December 31, 1913, by the O^M Table in conjunction with net premiums and 3% interest. No general distribution of bonus was made, but it was announced that interim bonuses would be allowed on a modified scale in respect of claims under participating policies during the now current quinquennium. A surplus of £183,481 was carried forward. The reversionary bonuses declared after the quinquennial valuation on December 31, 1918, were at the rate of 30*s.* per cent. per annum.

3. *British Equitable.*—Quinquennial valuation, January 31, 1919, made by O^M Table, net premiums, and 3%. No general distribution of bonus, but interim bonuses will be provided during current quinquennium on participating policies becoming claims at reversionary rate of 10*s.* per cent. on original sums assured in respect of each premium paid since January 31, 1914.

4. *Liverpool and London and Globe.* — Quinquennial valuation, December 31, 1918, was made for participating policies by the O^M and $O^{M(5)}$ Tables in conjunction with net premiums and 2¾% interest. Reversionary bonuses were declared at the same rate as had been paid since the participating series was opened in 1875, viz. 35*s.* per cent. per annum in reversionary form. An unappropriated balance of £221,591 was thereafter carried forward to the now current quinquennium.

5. *National Mutual.* — Quinquennial valuation, December 31, 1918, was made by the O^M and $O^{M(5)}$ Tables in conjunction with 3% and net premiums. No general distribution of bonus was made, but interim bonuses at the reversionary rate of 25*s.* per cent. in "compound" form (that is upon the original sum assured and existing bonuses) will be paid in cases of claims under participating policies during the now current quinquennium, in respect of each year's premium paid since December 31, 1913.

6. *Scottish Provident.*—Quinquennial valuation, December 31, 1918, made by O^M Table, net premiums, and 3% interest, with strong additional reserves. No general distribution of bonus, but surplus of £366,295 was carried forward, and provision was made for interim bonuses.

7. *Scottish Widows Fund.*—Quinquennial valuation, December 31, 1918, made by $O^{M(5)}$ Table in conjunction with O^M net premiums, 3% interest, and special reserves. No general distribution, but surplus of £758,720 was carried forward and a provision was made for interim bonuses.

It will be seen from the above analysis that only one life office (the Liverpool and London and Globe) valuing at or about the end of 1918 made a general distribution of bonus thereafter, but in all cases some provision was made for interim bonuses. The main reasons for the passing of a general distribution are the losses accruing to life offices during the War in connection with depreciation of securities, war mortality, and increased taxation.

It would not be wise to expect much-improved results from the quinquennial valuations which were to be made as at the close of 1919. But it is to be hoped, after the War losses have been made good, that there may be in subsequent valuations an approximate return to bonus standards.

The nine offices in which quinquennial valuations are now due are as follows: Atlas, Equitable, Equity and Law, Gresham, Guardian, Marine and General, Royal, Scottish Union and National, and Yorkshire.

1. *Atlas.*—Last quinquennial valuation was made on December 31, 1914, by the $O^{M(5)}$ Table in combination with net premiums and 3% interest. Bonuses were declared at the "compound" rate of 20*s.* per cent. per annum, in reversionary form.

2. *Equitable.* — Last quinquennial valuation, December 31, 1914, was made by the O^M Table of Mortality at 2½% interest, assuming net premiums. Reversionary bonuses were declared at rates ranging between 20*s.* and 128*s.* (in extreme cases) per cent. per annum according to ages and entry and duration of policies. An unappropriated reserve of £300,000 was carried forward. This was a very stringent valuation.

3. *Equity and Law.*—Last quinquennial valuation on December 31, 1914, was made for assurances by the O^M and $O^{M(5)}$ Tables, in conjunction with 2¾% interest, and net premiums. The reversionary bonuses declared ranged from 30*s.* to 62*s.* per cent. per annum, according to ages at entry and duration of policies. An unappropriated balance of £32,998 was carried forward.

4. *Gresham.*—The last quinquennial valuation in this office could under ordinary circumstances have been made on December 31, 1915, but in consequence of the War the figures available at that date were incomplete, for the Company transacts a large business in some European territories which were either enemy countries or the seat of hostilities. It was decided, therefore, to make a quinquennial valuation as at December 31, 1914. The basis adopted was the H^M Table, in combination with interest at 3½%, and net premiums, after giving effect to expenses incurred in the first year of the currency of the policies. Annuities were valued by the Government Annuity Tables of 1882 at the same rate of interest. A surplus was shown amounting to £279,353, but in view of depreciation in securities this amount was carried to an investment reserve, and no distribution of profits was made.

5. *Guardian.*—Last quinquennial valuation on December 31, 1914, was made by the O^M Table in conjunction with net premiums and 3% interest. Reversionary bonuses were declared at rates ranging between 21s. and 50s. per cent. per annum, according to ages at entry and duration of policies. An unappropriated balance of £36,621 was carried forward.

6. *Marine and General.*—Last quinquennial valuation was made on December 31, 1914, by the O^M and $O^{M(5)}$ Tables of Mortality, in combination with net premiums and 3% interest. Reversionary bonuses were declared at the rate of 40s. per cent. per annum on all participating policies, excluding the first year of assurance. An unappropriated balance of £4,426 was carried forward.

7. *Royal.*—Last quinquennial valuation was made on December 31, 1914, by the O^M and $O^{M(5)}$ Table, in combination with net premiums based on the Select O^M Table, and 3% interest. Reversionary bonuses were declared at the uniform rate of 30s. per cent. per annum. An unappropriated balance of £118,466 was carried forward.

8. *Scottish Union and National.*—Last quinquennial valuation for the present series of Scottish Union and National policies was made by the O^M Table in combination with net premiums, and 3% interest. It was stated that substantial bonuses might have been declared in certain sections, but that, having regard to the shrinkage which had taken place in the values of securities since the outbreak of the War, and the uncertain outlook as to future values, the Directors deemed it prudent to postpone any declaration of profits until the year following the year in which peace is concluded. Provision was made, however, for certain interim bonuses in cases of policies becoming claims for each full year's premium paid subsequent to December 31, 1909.

9. *Yorkshire.*—Last quinquennial valuation was made on December 31, 1914, by the O^M and $O^{M(5)}$ Tables in combination with net premiums and interest at 2½% and 3%. Reversionary bonuses were declared at rates ranging from about 27s. to about 49s. per cent. per annum, according to ages at entry and duration of policies. An unappropriated balance of £62,400 was carried forward.

Vulcan Boiler and General Insurance Company and the London Assurance.—A conditional agreement has been entered into between the directors of the Vulcan Boiler and General Insurance Company and the London Assurance, under which that Corporation offers to acquire from the shareholders of the Vulcan Company their shares on the basis of four London Assurance Ordinary shares (£2 10s. each, £1 5s. credited as paid) for every three Vulcan shares of £5 each (£2 10s. paid) and a cash payment of 5s. for each Vulcan share, or, alternatively, a cash payment of £16 for each Vulcan share. The arrangement is conditional upon its being accepted by the holders of not less than 90% of the Vulcan shares. The agreement contains provisions securing the continuance in office of the present board and adequately safeguarding the interests of the staff of the Vulcan Company, who are continuing in their present positions. We will deal with this more fully in next week's issue.

The Italian Government have authorised the Banca Commerciale Italiana, the Credito Italiano, and Barclay's Bank (acting as agents for the Banca Italiana di Sconto) to receive subscriptions in the United Kingdom (at the rate of exchange of the day) to a new Italian 5% Consolidated loan, the proceeds of which will be applied to the gradual redemption of Italy's floating debt. The loan, which is issued at 87.50 lire (*i.e.*, about £1 15s. at the current rate of exchange) for every 100 lire nominal capital, is exempt from present and future taxation in Italy, and British subscribers will also be exempt from the Italian levy on capital if the stock remains deposited in this country.

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MANGANESE ORES.—II.

SOURCES OF SUPPLY.

We said recently that it was very difficult to estimate the actual world's production of manganese ores. The reason we gave for this statement was that manganese ore is obtained from various ores primarily worked for the purpose of obtaining other metals, of which the manganese merely forms a by-product. For convenience, however, a rough estimate of the total world's production of manganese ores may be estimated at anything between 2 million and 2½ million tons. Although the United States, as we showed last week, itself produces only some 160,000 tons, and this is obtained as a by-product in the working of other metals, the United States has been recently by far the largest user of manganese ores. It was, in fact, the enormous consumption of the American foundries, in endeavouring to supply the needs of the Allies in the early years of the late War, that drove up prices for this metal to such an extravagant extent, and ultimately resulted in an arrangement whereby Asiatic manganese ore was, for practical purposes, reserved for the use of the munition factories in this country and those of our Allies, while the United States obtained her supply from Brazil.

During recent years the United States has consumed very nearly one-half of the total world's production of manganese ores. Practically throughout the War it may be said that for convenience the balance passed through British hands, and was, in fact, conveyed by British ships. Although it is very doubtful if we use more than about two-thirds of the production in the foundries of this country, it would appear, from what we have said, that the United States and this country between them were virtually the only consumers of manganese ore. This is, however, very far from being the truth. During the War it is true undoubtedly that this country and the United States were virtually the only sources from which these ores were distributed. Virtually the Allied Powers between them distributed amongst themselves, mainly through the instrumentality of England and the United States, such quantities as were required by their munition factories, while they took measures to prevent the enemy from obtaining supplies altogether.

Until comparatively recent times precisely the contrary was the case. Very little manganese was used either by the United States or by ourselves, while Germany was by far the largest consumer of the metal, and the deposits which supplied the German metallurgical factories were the only deposits which were worked to any appreciable extent. The reason of this was that the German Government [illegible] in the service of industry [illegible] any other country. So far, in fact, did they carry out this principle that the great factories in Germany—not merely metal factories, but various kinds of industrial establishments—were [illegible] and maintained the

practice right up to the beginning of the War, or including highly-trained qualified chemists as regular members of the staff, very much as they retained a book-keeper as a member of their staff. Naturally this resulted in various discoveries for the improvement of great staple industries of the country. Manganese added in a molten state to iron or steel products will harden and increase the resiliency of steel. Moreover, it prevents a steel surface from becoming fractured when exposed to the atmosphere, and it also tends very materially to check the process which we are accustomed to call rusting. In the pre-War period the great source of supply was the Caucasus of South Russia.

In the pre-War period the real value of manganese was not fully appreciated outside Germany. It was used by some great firms here, and also in the United States, but the demand, all told, was very much less than it had been during recent years, and its value to the steel industry has only become fully appreciated as the result of the great European War. Moreover, an element that is not always appreciated was the extent to which the Caucasian ore deposits had been developed, owing to the proximity of the German market to the source of supply. As we have said, the value of manganese itself was not fully appreciated, and as the Caucasus supplied such a large proportion of the world's demand there was very little inducement to develop sources of supply situated at immense distances from the world's great consuming markets. It is doubtful if the Brazilian deposits in the State of Minas Geraes would have been developed at all, or, at any rate, to any appreciable extent, were it not that they are the nearest source of supply for the demand of the United States, and that the region where they are situated already had railway facilities which enabled the ore to be conveyed to a port of shipment. Even so, in the years that preceded the recent War the Brazilian deposits, in spite of their great extent and richness in metal contents, were but little developed.

Now the question arises, Would it be practicable to obtain an adequate supply of manganese ore from deposits situated within the confines of the British Empire? The answer will depend upon how we propose to consider various questions. If the question is put in the form of, Are there adequate deposits from which supplies might be obtained regardless of economic considerations? there can be very little reasonable doubt that the deposits are more than adequate. Whether it would be sound economic policy to rely wholly on Imperial sources of supply is quite another question.

We do not wish to be understood as saying that it would not be sound policy, but we do desire to point out that many considerations would have to be weighed before it would be desirable to rely wholly for our needs on the sources of supply situated wholly within the Empire. It has to be borne in mind that in nearly every case with the exception of India transportation facilities would have to be provided. It is not merely a question of developing the ore deposits in the sense of opening up a mine, but it would first be essential to ensure that the ore, when raised, could be conveyed at a reasonable cost to a consuming market, which presumably would be England itself. The deposits are extensive and are situated in various parts of the Empire.

It may not be generally known that an actually larger quantity of manganese ore is annually raised in England than the total amount of tin extracted from the Cornish and Devonshire mines, but the total is so small as to hardly form a subject of serious consideration in the supply of the total amount we require. There are exceedingly extensive deposits on the Gold Coast, on the West Coast of Africa. These deposits have never been worked, and all that we really know about them is a report which was published about the beginning of the War from the Office of the Geological Survey of the Colony. From this it would be gathered that the metal contents are nothing like so high as those contained in the deposits of Russia, Central and Southern India, and of Brazil, which are the world's principal sources of supply at the present time. Of course, it has to be remembered that we are dealing with an experiment made by a Government official. All he could do, or, at any rate, all he could be expected to do, was to obtain samples at no great depth from the surface, and analyse them as to the value of their ore contents. He was not authorised to sink shafts at great depth and make an exhaustive examination of the value of the deposits, as a company proposing to work them for profit would require to do. There are deposits both in Rhodesia and in Natal, but the general opinion regarding them is that they do not yield high metal contents. The Island of St. Helena possesses deposits which are believed to be of good quality. British East Africa contains manganese deposits, but there the varying value of the metal contents is so great that while some samples are regarded as of very high value, others are described as of no commercial value at all. A highly promising field for exploration is the Sinai Peninsula of Egypt. The deposits are readily accessible and apparently would not require extravagant expenditure to convey them to a port of shipment. On the other hand, they have never been worked upon a commercial basis. Consequently we are wholly dependent upon reports by official geologists, who, in the nature of the case, could not be expected to make such an examination as would really determine their commercial value. There seems no reasonable doubt—but here again we are speaking on reports—that there do exist valuable manganese ore deposits near Manchester, at Port Augusta, situated at the head waters of the Spencer Gulf of South Australia, and readily accessible to the sea.

There remains of course the Indian deposits, those of Southern India having been worked for more than a generation, while the deposits of Central India have been developed more or less during the whole of the present century. The Indian ore deposits have yielded immense quantities of the raw material, and, in addition, the metal contents have been very high. If we are rightly informed, however, although we speak subject to correction, indications do not point in the recent workings to a probability that the deposits, as worked at present, would yield a very much larger quantity than they did, say, during the War period. On the other hand, it is to be remembered that the workings are very little better than quarries. Consequently we have yet to learn what would be the result provided the mining engineers of the various interests concerned were furnished with suitable plant and instructed to sink shafts at depth, as is the practice in mining for other minerals. This was not practicable during the War owing to the difficulty of obtaining the necessary plant.

Glyn, Mills, Currie and Company.—The balance sheet of this Company as at December 31, 1919, shows deposits amounting to £30,559,059, as compared with £26,346,874 at the end of 1918.

Williams Deacon's Bank.—The directors announce a net profit for the year to December 31, 1919, of £399,481, making, with the balance brought forward from the previous year, £429,326. A dividend of 12½% per annum, less tax, was paid for the half-year ended June, absorbing £117,187. A further dividend of 1*s.* 3*d.* per share, being at the rate of 12½% per annum, less tax, for the half-year ended December absorbs £117,187. (This dividend is equivalent to that paid last year upon the undivided shares, but is paid upon a larger capital.) Placed to reserve fund, £50,000; applied to write down investments, £100,000; placed to bank premises depreciation, £25,000; carrying forward a balance of £19,952.

Industrial Companies.

INDIA RUBBER, GUTTA PERCHA AND TELEGRAPH WORKS CO., LTD.

Issued Share Capital: £750,000 in 25,000 5% Cumulative Pref. and 50,000 Ord. £10 Shares.
Debentures: £400,000 5%,

Year to Sep. 30.	Gross Profit	Depreciation	Net Profit(b)	Profit for Ord	Div. on Ord. Free of Tax Earned	Paid	Subject to Tax	Special Allocations	Carried Forw'd
	£	£	£	£	%	%	%	£	£
1914	101,964	23,957	17,315	29,815*	—	5	5·32	50,000†	1,033
1915	207,117	24,199	88,155	65,655	13·13	10	11·55	—	18,937
1916	288,937*a*	35,714	147,275	134,775	26·95	10	12·99	50,000	40,216
1917	350,865*a*	28,113	178,817	166,317	33·26	10	13·33	80,000	59,866
1918	388,127*a*	44,807	142,589	131,089	26·22	10	13·7	50,000	90,955
1919	357,768*a*	44,931	71,913	59,413	11·88	10	14·28	—	100,368

* Debit. † Credit. ‡ After providing income tax (£70,000, 1918-19; £39,430, 1917-18.

(*a*) After excess profits duty, &c.

(*b*) After providing for expenses and Debenture interest, the latter as follows: 1907–15, £16,000 per annum; 1916, £18,000; 1917, 1918 and 1919, £20,000.

The fortunes of this Company, which is one of the oldest concerns in the electrical insulation manufacturing industry, having works both in this country and on the Continent, have fluctuated considerably during the past ten years. From 1878 to 1903 inclusive its dividend payments were never less than 10% per annum; in 1904 there was a temporary break to 5%; then 10% continued until 1911, when for the first time for very many years no dividend was paid to shareholders. In the three years following up to the outbreak of war the dividends were 7½% and 5%. Since then the old level of 10% has been maintained. It will be seen from the figures given above that for the twelve months to September 30 last—which, it should be remembered, was a period of transition from war- to peace-work—the gross profit showed a decline compared with the last war year's result of £31,000. The depreciation allowance was maintained at the high level established in 1917-18, and after providing £70,000, against £39,000, for income tax, and also debenture interest and sinking funds, the balance profit available comes out at £59,413, against £131,089. The dividend on the Ordinary capital of £500,000 is maintained at 10% free of tax, but the margin of profit over is only £9,413, which is added to the carry-forward. In respect of 1917-18 the margin of profit was £81,089, or considerably more than twice the amount of the dividend; £50,000 was added to reserve and £30,000 to the carry-forward. During the latter part of the War the Company's works were, to the extent of 90%, engaged on munitions, particular attention being devoted to the supply of Government requirements in the matter of aeroplane wheels. Naturally, when there came a sudden cessation of demand for this class of manufactures, the Company had a difficult task in reorganising its works for peace production. Hence in reality the level of prosperity shown for the financial year is quite satisfactory.

At the meeting of shareholders recently held the Chairman referred to the very high prices now current for all materials (with the exception of rubber) required in the Company's manufactures, and indicated that wages were quite 100% above the pre-war level. In consequence of this and of the fact that very considerable outlays have been made on works account, additional capital is required, and the question of raising this is now engaging the directors' attention. We see the position on turning to the balance sheet. In the five years that have elapsed since the accounts as at September 30, 1914, were issued, the amount of share and debenture capital has remained unaltered at £1,150,000. During the period £180,000 has been written off for depreciation out of profits, but still the value of freehold and leasehold premises and machinery in this country and France has increased from £566,000 to £610,000, the value of stock and work in progress in this country has risen from £305,000 to £518,000, while "cash, stock, debts, &c., at Persan (France) and branches, less liabilities," has advanced from £557,000 to £812,000. Including this last item, but excluding investments (£270,000 at end of September 1919, against £100,000 five years previously), the surplus liquid assets at the date of the last balance sheet amounted to £351,000, as compared with £530,000 at the end of September 1914. We compare the balance sheet figures below:—

Balance Sheet Figures at Sept. 30.

LIABILITIES.		ASSETS.				
Total Capital	Reserve and Carry-Forward	Fixed Assets	Investments*	Stock and Work Unfinished	Surplus Liquid Assets†	Total
£	£	£	£	£	£	£
1914 ...1,150,000	351,032	566,056	99,753	305,209	530,015	1,501,03
1918 ...1,150,000	590,955	576,733	376,203	588,695	200,324	1,740,955
1919 ...1,150,000	600,368	610,061	270,235	518,440	351,632	1,750,368

* Includes "shares in other companies (£100,597 at Sept. 1919, and £99,753, Sept. 1914)."

† Includes "Cash, stock, debts, &c., at Persan and branches, less liabilities (net amount, £811,595 at Sept. 1919; £557,180, Sept. 1914)."

There appears to be great scope for the Company's activities in the several directions of business which it conducts. Particularly, it may be pointed out that there is at the present time great need for extensions, renovations, and renewals of electrical cables, both land and submarine, of all descriptions; for during the War these have almost entirely had to remain untouched. The Company's reputation for this class of work stands high, especially since its success in diverting 1,200 miles of German-African cables lying in several miles' depth of water, so that they now connect France with Morocco. The Company's £10 Ordinary shares are quoted at 17¾, the 5% Cumulative Preference of like denomination stand at 7½%, and the price of the 5% Debenture stock is approximately 93½

Baxter's Leather Company, Limited.—Shareholders of this Company have this week sanctioned the proposals of the directors, which comprise:—(1) The capitalisation of £25,000 of the existing general reserve fund and the distribution of same among the holders, on January 8, 1920, of the 100,000 issued shares of the Company (making one new share for every four issued shares); (2) the issue of 30,000 new Ordinary shares at a premium of 5*s.* per share; and (3) the issue of 30,000 7% Cumulative Participating Preference shares at par.

New Issues.

FRENCH GOVERNMENT STERLING TREASURY BILLS.

Tenders are invited for an issue of £8,000,000 French Government Treasury Bills (in amounts of £1,000 and £5,000) at 12 months' date. The bills, which will be dated January 15, will replace bills for a like amount which were issued a year ago at an average discount rate of £4 11*s.* 1.98*d.* per cent. Tenders have to be made on printed forms and must specify the net amount per cent. which will be given for the amount applied for. Private individuals must tender through a London banker.

HARRISONS & CROSFIELD, LIMITED.

ISSUED CAPITAL £1,808,304

EASTERN AND GENERAL MERCHANTS.

1-4 GREAT TOWER STREET, LONDON.
WITH BRANCHES THROUGHOUT THE EAST.

BIRMINGHAM SMALL ARMS COMPANY, LTD.

A unique issue of new capital has been made by this well-known and highly prosperous Company in the shape of £2,500,000 6½% 12-year notes in denominations of £25, £50, and £100, and the Imperial and Foreign Corporation now offer the notes for sale at 99%. "Good wine needs no bush," and it will be sufficient indication of the investment merits of the issue if we remark that the profits available for dividends in the five years to July 31 last averaged £401,000 per annum. It should be stated that the Company has the right to repay any of the notes at par, by drawings at any time after December 31 next, on giving three months' notice.

COMMERCIAL BANK OF LONDON, LIMITED.

To provide further capital for the rapidly expanding business of this Bank, and to consolidate the capital into one class of share, a new company with an authorised capital of £5,000,000—of which £2,250,000 in £1 shares fully-paid are being issued—has been formed to replace the old company which had an issued capital of £500,000. Holders of this old Company receive 975,000 shares of the new Company, a cash payment of £159,375 and an option at par on 975,000 unissued shares until December 31. Subscriptions are now invited, as per prospectus advertised on another page, for 1,275,000 £1 shares at par, payable as to 2*s*. 6*d*. per share on application, 7*s*. 6*d*. per share on allotment, and 10*s*. per share on February 12. Besides an ordinary banking business which has grown rapidly, it conducts financing and commercial operations on a large scale, and this branch has hitherto proved highly remunerative. The management has earned a reputation for efficiency, and the directorate is composed of well-known business men. For 1918, profits amounting to £207,400 were earned, and the figure for the 9 months to September 30 is certified at £406,683. The excess of assets over liabilities except excess profits duty, amounted to £956,254 at that date, since when the above cash payments to shareholders will have been made and also the purchase consideration of £975,000 in £1 shares of the new Company. Preliminary expenses will amount to £40,000 irrespective of underwriting commission of 4% on the shares offered for subscription and of 1¼% on shares taken firm. As a speculative investment of lock-up description the shares should prove a success.

TRADERS AND GENERAL INSURANCE ASSOCIATION, LIMITED.

An offer for sale made this week by George Clare and Company, Limited, of 430,600 £1 shares (5*s*. paid) of this Company, at a price of 6*s*. 6*d*. per share has been accepted with alacrity by investors, judging from the quick closing of the lists. The Company was formed in 1907 and has for its Chairman the well-known governing director of A. W. Gamage, Limited. The capital was £41,100 in September last but has since been increased to £500,000 in order, it is stated, to cope with the many offers of business which the Company with its small capital was unable to accept. All classes of insurance and re-insurance, except life, are transacted on non-tariff lines.

JACKSON AND STEEPLE (1919), LIMITED.

This Company, which has been formed with an authorised capital of £350,000, in £1 shares, has purchased the business and assets of a concern of the same name owning two cotton-spinning mills and two weaving sheds in the neighbourhood of Mossley, Stalybridge, and Oldham. The value of the property, buildings, and equipment is valued at £208,750, and the Company pays £200,000 for the same, and also £82,231 for stock-in-trade, &c., at valuation. The public are asked to subscribe the whole of the 350,000 £1 shares, and it is estimated that, after providing for the purchase consideration—payable all in cash—a substantial balance will remain for working capital, in addition to that represented in stock, &c. For the first six months of 1919 the trading profits, before charging depreciation, income tax, excess profits duty, and directors' fees, were equivalent to £23,147 per annum, and for the second half of 1919 amounted to £53,814 per annum. These results were obtained upon an output of only about two-thirds of the capacity of the looms, and it may be pointed out that to pay a dividend of 10% on the share capital will require £35,000. Good dividends should be forthcoming so long as the present great activity in the cotton trade continues.

ANGLO-SOUTH AMERICAN OILFIELDS, LTD.

When a new Company appears before the public for the first time with a view to securing financial support, it is highly desirable that the prospectus should give full particulars in regard to vendors' consideration, contracts, &c. In the case of this Company, however, these details are not published, as the shares comprising half its capital of £250,000 have been previously sold to Brazilian Commerce and Industries, Limited, and it is the latter concern which offers them to the public. The Company, which is stated to have been formed as a "parent Company," has acquired, on a perpetual lease from the Anglo-South American Oil Company, 750,000 acres of land situated in the department of Santa Cruz, North-Eastern Bolivia. This information, together with many statements of general character in regard to the oil-producing potentialities of the properties in the region of Bolivia in which they are situated, is contained in a letter from the Chairman of the Company of the Brazilian Commerce and Industries, Limited. It is stated in small letters underneath the particulars of capital on the front page of the prospectus that 249,986 shares have been issued as fully paid up for the property acquired; but there is nothing to indicate whether any cash consideration is payable in addition, and how much working capital will be available for the Company. The full text of the prospectus is advertised on another page.

KINGSBURY ENGINEERING COMPANY, LIMITED.

This new Company acquires as a going concern the engineering business and assets of Barningham, Ltd., whose works at Kingsbury, North London, were largely occupied with munition work during the War and have recently been reorganised for the manufacture, on a large scale, of motor-cars, motor-cycles, motor-scooters, etc. Orders booked and in course of execution are stated to amount to over £1,250,000. The capital is £300,000 in 1,200,000 5*s*. shares, of which 500,000 shares, together with an option to subscribe at par for a further 200,000 shares, comprise the purchase consideration. Subscriptions are invited for 500,000 shares at par.

JOHN WOOD AND BROTHERS (1920), LIMITED.

The cotton spinning and manufacturing business carried on at Glossop, Derbyshire, which this Company has been formed to acquire, was established in 1872, and is claimed to be one of the largest of its kind in the world. A private company of the same title—which, be it noted, has a capital of £125,000—sells its business for £750,000 in cash. The assets are valued at £855,012, including £352,392 for stock in trade, debts, and cash (less Mortgage Debentures for £45,000 and creditors, and £493,120 for the land, buildings, machinery, and plant as a going concern). A capital of £800,000 is authorised for the new Company, divided into 300,000 8% Cumulative Participating Preference shares and 500,000 Ordinary shares of £1 each, all of which are being issued for par. The directors, who are mostly connected with the vendor Company, have applied for 300,000 Ordinary shares. Trading profits are certified to have risen from £24,551 in the year to September 30, 1917, to £96,586 in 1917-18, but it is anticipated that little, if any, liability will fall to be met for excess profits duty presumably on account of the expansion of the capital. Probably both classes of shares will be remunerative investments for a time.

MEETINGS
OF PUBLIC COMPANIES.

BANK OF MONTREAL.

The 102nd annual general meeting of the shareholders of the Bank of Montreal was held on December 2, 1919, in the board room at the Bank's headquarters, Montreal.

On the motion of Mr. R. B. Angus, Sir Vincent Meredith was requested to take the chair.

The Chairman then called upon the General Manager, Sir Frederick Williams-Taylor, to read the annual report of the directors to the shareholders.

The President's Address.

Sir Vincent Meredith, in moving the adoption of the report of the directors to the shareholders, said: General trade in practically all branches has been active and profitable during the year, and the Bank has participated in the general prosperity. The balance sheet shows profits in moderate proportion to the resources employed, and yet, I trust, not unsatisfactory to the shareholders. That reaction from the feverish activities and high prices produced by the vast conflict which so many apprehended has not occurred, nor can it be said to be impending. The feeling as to the future is less optimistic than it has been, but the great pressure on our agricultural and manufactured resources caused by home and foreign demand shows no sign of abatement.

Though marked by a high degree of prosperity, the year has also been one of world-wide labour unrest, with demands for increased wages and shorter working hours, culminating in strikes and disorder, with resultant decreased efficiency, lessened production, and greater cost of output. This unrest may in a measure be attributable to unsatisfactory pre-War conditions, but probably in a greater degree is the result of unsettlement due to the abnormal nervous strain of the Great War.

In one important respect normality has come again—the mercantile seagoing tonnage of the world has been restored to pre-War dimensions, and is rapidly being increased, an accomplishment that should soon permit of regularity in the carriage of overseas trade and in a reduction in freight rates and cheapened cost of commodities

The high cost of living, about which so much is being said and for the relief of which so many remedies are suggested, is a world-wide, not a local, condition. It is due in part to the large volume of currency now in circulation, which to a considerable extent must be regarded as credit expansion largely the result of Government borrowings and the disbursement of the proceeds thereof, together with post-War activity.

Europe's Needs.

The deprivations of the past five years have induced an orgy of self-indulgent expenditure by the general public, to which has been added lavish outlay by many people who amassed fortunes during the War. All these are contributing factors, but they affect to only a limited extent the high costs, which are without doubt the direct result of the pressing demands of European countries for commodities of every nature at abnormally high prices. We cannot, therefore, expect any considerable amelioration in living conditions until the world's demands are satisfied and Europe once more returns to an exporting basis. Every effort is being made to this end, but it must of necessity come gradually. Food and prices will without doubt be the soonest overcome, and I think we may look forward confidently to a reduction in the cost of all commodities both at home and abroad after another harvest, to be followed in natural sequence by a reduction to some extent in the scale of wages; but the process promises to be gradual, and marked and rapid decline in the near future do not seem probable.

Canada's Foreign Trade.

The foreign trade of the Dominion has been well maintained, and the outlook gives no cause for apprehension of an early recession. The latest available figures, those of the seven months ended October 31, show imports to have been $543,670,000 and exports $688,890,000. As compared with the corresponding period last year there was a decline of $16,400,000 in imports and of $31,200,000 in exports, a relatively insignificant decrease, while the favourable balance of trade has this year been $145,200,000. The price index of commodities not having materially varied during the periods under review, the deduction may be made that the volume of our foreign commerce has not greatly changed, although the figures of particular products have fluctuated considerably. Thus, the exports of foodstuffs was larger in value by $114,200,000 this year than last, in the seven months, and the export of wood and wood products, including paper, $25,800,000 larger. On the other hand, miscellaneous exports, which include munitions, show a decrease of $141,600,000.

Gold and Note Circulation.

With the exception of the United States, the gold holdings of all the belligerent countries have been depleted during the War to meet adverse trade balances, and their economic condition has been greatly weakened, the value of the pound sterling, in terms of the American dollar, being reduced to $4.00, the mark to 2½c., the franc to 10c., and our own currency by 4% to 5%. The depreciation of currency, however, is not wholly an unmixed evil, as it acts as a corrective to adverse trade balances by checking imports and stimulating exports. In the absence of gold, large issues of paper money have been made necessary in all countries to meet the demand for a circulating medium in consequence of abnormal business activity, coupled with war expenditures. The effect has been the demoralisation of all exchanges. To restore the reserves of metal and provide an effective gold standard correcting the over-issue of paper money will take time, and can only be brought about by economy and increased exports. The stabilising or pegging of exchange I believe to be inadvisable owing to its prohibitive cost. In any event, it would be futile to attempt to do so until there is a cessation of Government borrowings. The relation of gold reserve to note circulation is a question on which divergent views are held, one school of economics demanding the restoration and maintenance of an effective gold standard and the other contending that goods and services, combined with gold, form an adequate and more elastic reserve. I am not sure that it is not the part of wisdom to depart from old notions of the rigidity of the gold reserve, and recognise that we are justified in enlarging our note-issuing powers to respond to all legitimate business demands in periods of great trade activity or emergency, provided such expansion is based on self-liquidating securities. If used to cover discrepancies in revenue, it is then a form of inflation wholly unjustifiable, bringing with it, as it does, the well-known evil effects of a depreciated currency at home, besides greatly damaging our credit in the eyes of the financial world.

Immigration Policy.

There are three indispensable factors to the upbuilding of Canada—immigration, production, and exports. Immigration during the last five years has been negligible owing to the War. In the first seven months of the current fiscal year new arrivals numbered 82,893, of whom 42,377 came from Great Britain and 35,949 from the United States. While these figures do not represent a large movement as compared with several pre-war periods, they show a gain of 51,734 immigrants, or about 165% over the corresponding months last year. After-the-War emigration of foreign-born has taken place in fairly large volume, the exact figures of which are not obtainable.

In my judgment, it is of vital importance that our unoccupied areas be settled and made productive with as much rapidity as possible, the future prosperity of the country and ability to meet our debts largely depending on increased production. It is believed that nations will not war again in this generation, and the objection to the incoming of alien people is in consequence mitigated. The combing should not, therefore, be made too fine. The economic gain of a large immigration to develop our basic industries cannot be overestimated, particularly at a time when war has left many nations impoverished in food and denuded of commodities which Canada is capable of supplying. There is reason to believe that the policy of the energetic Minister of Immigration will be broad-based, and that its fruits will be manifested in an increasing influx of settlers upon the land of domestic servants, and of artisans and labourers. Indications are already given of a large movement in the spring from the United States into our Western Provinces, attracted by the superior productivity of our soil and its comparative cheapness, and I think we may reasonably hope for a considerable immigration from the countries of our late Allies and from the Scandinavian kingdoms.

National Debt and Taxation.

The state of the national finances deserves a wider and more profound consideration than the subject appears to receive. The net debt, which before the War was $331,000,000, had on October 31 last reached the vast sum, having regard to population, of $1,785,000,000, an increase of more than five-fold in as many years. The debt is still mounting, and by the close of the current fiscal year—that is to say, on March 31 next, will not be less than two thousand million dollars, and probably more. The situation is a serious one, though mitigated by the fact that our debt is largely internal. We cannot go on borrowing indefinitely, and it is a certainty that we shall have to bear a much heavier burden of taxation than formerly for many years to come. To repeat the formula that has been heard so frequently, but to which, unfortunately, sufficient attention has not been paid, relief is to be found in immigration, harder work, greater efficiency, increased production and

thrift. To these agencies must be conjoined rigid economy in all private and public expenditure.

There arises in this connection the question of methods of taxation, which may require readjustment to meet post-War conditions. Trade is being hampered by a somewhat penalising excess business profit tax, and unless this impost is speedily reduced, or abandoned altogether, we cannot meet unencumbered competition on equal terms. Furthermore, enterprise and expansion are stifled and foreign establishments deterred from entering the Canadian industrial field. Taxation should be so distributed that it will not have the effect of making this country too dear to live in, and thereby divert intending residents to other countries. Doing away with many exemptions and imposing taxation on all classes of the community who have the ability to pay and placing a high tariff upon imported luxuries would, I believe, cause little hardship and considerably ease a strained financial situation, besides giving all persons in Canada a more immediate interest in the economical administration of our public affairs. Canada can and will meet all her obligations, and of her ability to do so no more conclusive evidence need be given than the immense subscription to the recent Victory Loan.

With regard to the subject of foreign trade, it is only a matter of time before increased production will overtake domestic demands, and unless preparations are made in advance for finding markets overseas for our exportable surplus of raw materials and manufactured goods our uninterrupted prosperity may be checked. The needs of foreign countries are great and pressing, and profitable business awaits the Canadian exporter, but it cannot be acquired unless long-term credits are provided. Our Government has been far-sighted in giving assistance in this direction, and no doubt is prepared to extend further aid, provided exporters, who reap the benefit, will assume a proportion of the risk. Self-interest alone would seem to dictate that credit facilities be extended to those countries who can demonstrate their ability to pay if given reasonable time, and we would thus avoid the possibility of abrupt changes in industrial conditions and bring about a gradual return of international trade equilibrium.

I cannot close without voicing what, I am sure, is the feeling of every Canadian—that the recent visit to Canada of His Royal Highness the Prince of Wales not only gave abiding pleasure to every class of our population, but rendered a great and memorable service to the Empire in strengthening the Throne in the affection and confidence of the people, and by drawing still closer the ties which bind the commonwealth of nations over which he is destined to reign.

The General Manager's Address.

Sir Frederick Williams-Taylor, the General Manager of the Bank, then made his annual address, as follows: Mr. Chairman and Gentlemen,—The balance sheet to October 30 last, which I now submit for your approval, covers a round period of twelve months following the Armistice.

The economic and financial difficulties that confronted the country during the War have since changed in nature, but have not disappeared by any means. There is an aftermath of problems which Canada must face and in which bankers are vitally concerned. At present there is great trade activity; yet our national debt grows apace, with attendant ills. Therefore, even with a full measure of faith in our country, I find the near future difficult to visualise. We derive a measure of consolation in comparing our lot with that of countries worse off than our own, but contiguity and ambition direct our eyes towards that country to the south which has benefited so vastly by the War.

It is no reassuring reflection that the United States has already reduced its War debt by some $800,000,000, while we confront an increase of $600,000,000 for the current year. It seems obvious, however, that though fate has treated the two countries differently, any prosperity experienced in the United States must be reflected in Canada. Our true comfort, as well as our pride, is that the Dominion did its duty in the Great War as a part of the British Empire. No Canadian would have it otherwise, and therefore we face the cost with stout hearts and the future with watchful serenity.

Capital Increase.

Turning to the special features in our balance sheet and the points of interest arising therefrom, I might say, first, that the absorption of the Bank of British North America has been so smooth and so complete that no ripple appears upon the surface of our affairs. We believe its friends and officers alike feel at home in the Bank of Montreal. Since presenting the last balance sheet there has been an increase in our capital stock of $4,000,000, with a corresponding increase in rest account. Both items now stand at $20,000,000. The increases are primarily in connection with the acquisition of the Bank of British North America. Shareholders of that bank were accorded the option of taking cash or exchanging their holdings into Bank of Montreal shares on a determined basis. After the allotments had been made under this arrangement our own shareholders accepted the opportunity of subscribing for the limited remainder of capital shares to bring the whole up to $20,000,000. Our authorised capital is $28,075,000. Many of our banking transactions during the post-bellum year under review were unusual in character and of special interest. They need not be described in a report of this nature. It will suffice to say that they have added to the strength and prestige of the Bank.

Dividend Maintained: Liberal Facilities to Public.

Our profits for the year have been satisfactory, enabling us to provide the usual return of 12% on capital and make adequate provision for doubtful debts. It seems to me of sufficient importance to bear repeating that there has been no profiteering whatever by the banks of Canada, for the price of money has not been raised. Alone of all commodities, the cost to the borrower of loanable funds of the banking institutions of this country remains unchanged. Not only is this the case, but, speaking for ourselves, it seems only proper for the shareholders to know that in handling business entrusted to us by the several Governments during the War and since our policy has been to charge only the narrowest of commissions and minimum interest rates. In many instances, where the services were of a war character, we have acted free of charge.

The Bank's earnings have been maintained through fuller employment of our reserves, the ratio of our liquid assets to liabilities being 67%, as compared with 71% a year ago.

There has been no restriction of credit to our commercial borrowers. All legitimate applications of this nature have been granted. Also we have loaned freely to subscribers against the security of the various War Loans, and to municipal, provincial, and federal Governments as required.

It is pertinent to mention that, in the ordinary trade of the country, money has been made so easily and with so little risk since 1914 as compared with ordinary times that our Banks, in turn, have operated with unusual freedom from losses. As a measure of prudence, however, we provide for contingencies, a policy with which we feel sure you will be in accord.

The practical evidence of Canada's fortunate trade conditions lies in the fact that the commercial failures for the twelve months ended October 31 were 766, as compared with 904 for the previous corresponding period and with 1,669 in our bank year 1912-1913. That outstanding subject, the high cost of living, has been dealt with by your President, but I might add that the inevitable decline in prices is at least nearer, and it is to be hoped that the delay is not lulling dealers into the erroneous belief that the standards of these last few years will continue indefinitely. Misconception on this point would constitute a menace alike to borrower and banker. It seems certain that food prices will drop presently, and that all commodities must decline in price; therefore great care and scrutiny of credits on the part of bankers and other business men are imperative.

Our savings deposits continue to grow satisfactorily both in volume and in number. The fact that we are custodians of deposits of a special nature inevitably causes our total figures to fluctuate heavily. Our total deposits are $442,000,000, being $27,000,000 less than a year ago. Our deposits 10 years ago were $173,000,000.

The total deposits of all Canadian banks are now $2,360,000,000, as compared with $2,085,000,000 a year ago and $832,000,000 10 years ago.

Our current loans in Canada also vary largely in volume. The total is now $164,000,000, as compared with $146,000,000 at the corresponding date last year.

Our provincial and municipal borrowers continue to exercise caution in the matter of capital expenditure. Loans in this class aggregate $15,000,000.

The Bank's premises account has been reduced by $500,000 through the sale of certain banking properties not required.

Among our assets, the item Dominion and Provincial Government securities, including loans to the former, now stands at $64,000,000. A year ago the total was $46,800,000. The total holdings of all the banks, as indicated by the Government return of October 31, was $361,200,000.

The Exchange Position.

The premium on New York funds, the increase in our national debt and in our Canadian currency circulation, are matters of deep interest, and should be studied by all.

The purchasing power of the Canadian dollar in the United States has decreased, as reflected in the premium on New York funds. A year ago it cost two dollars to send one hundred dollars to the United States of America; to-day the cost is four dollars and seventy-five cents.

Exchange is now a subject which, as an English authority states, "insists on bringing itself to the attention of all kinds of people who hitherto regarded it as a sort of mysterious cryptogram with which they had no practical connection." In elementary terms, more money continues to flow out of Canada than comes in, thus creating a net balance against us after taking all transactions into account. New York being our natural clearing house for transactions with Great Britain and the rest of the world, it is clear that the present extraordinary cost of sending money to the United States would not exist but for the fact that we cannot spare the gold with which to pay the net balance in question against this country, while, in common with all countries, our legal tenders are naturally not current abroad. We should have precisely the

same conditions between our own provinces, were it not that our legal tenders and bank notes are current throughout the Dominion.

It is true the balance of trade was in favour of Canada to the extent of $340,000,000 for the year ended October 31 last, but whereas we paid for all our purchases abroad, we have, in the same period, shipped goods on credit to England and Continental countries to the extent of many millions not easy to estimate, besides sending out of Canada annually about $200,000,000 interest on our recorded indebtedness abroad, mainly to Great Britain and the United States. These factors alone would not create an adverse exchange to the extent that exists, but, in addition, there are the invisible earnings in the Dominion of foreign business corporations, chiefly American, seeking return to proprietors abroad. The disadvantage Canada is under in respect to the premium on New York funds will last until the ebb and flow of such funds are equal. Repayment to Canada of the moneys, aggregating $420,000,000, owed us by Great Britain and the Allies would quickly cause the premium in question to disappear. We naturally shall be repaid in the fulness of time, but it is well to bear in mind that an alleviation of the penalty can as surely be found by diminution of imported luxuries as it is certain that the penalty, in part, is caused by such importations. Also, the situation could be relieved by borrowing in the United States, but this course is to be deprecated and would not be a cure, but merely postponement of payments. As indicated by your President, the true remedy lies in increased production and the economy that would be reflected in resumption of those personal sacrifices of pleasure made during the War. It is here in place to remark that in the eyes of Europeans the people of North America are extravagant and wasteful.

Canadian Finance.

Since the outbreak of war Canada has created fresh domestic credit instruments in the form of bonds of $2,100,000,000. The increase of circulation and of bank deposits followed as a natural sequence.

Our Bank and Government note circulation is now $532,000,000, as compared with $236,000,000 in 1913, an increase of $296,000,000. In the same period the total gold held in Canada has increased $60,000,000.

Canadian provincial government, municipal and industrial public loan flotations during the twelve months under review, were $117,500,000, of which, in round figures, $90,000,000 was placed in the United States. The discount on the Canadian dollar attracted material American buying of such securities, especially of those domiciled in New York.

In Great Britain, the dollar exchange situation is the cause of much anxious thought. Meanwhile, the present low value of the pound sterling in America encourages special operations such as the purchase in London of Canadian and American securities. These operations help to correct the abnormal conditions, and, granted a reasonable attitude on the part of labour, there is ground to justify confidence regarding future financial and industrial conditions.

Considering the time, money continues plentiful in England at moderate rates, and there is no thought on the part of London of surrendering an historic position as the financial centre of the world.

As in the previous years of war, our London office has been cut off from the important business of issuing loans for Canadian borrowers, but, on the other hand, it has increased greatly in importance and utility as an administrative centre for our foreign business, and is steadily growing in value to our branches on this side of the water.

The Dominion Government, in July of this year, borrowed $75,000,000 in New York for refunding purposes. The terms paid by the Government were onerous yet unavoidable. Evidence that the price of issue was in keeping with American market conditions lies in the fact that there has since been no rise in the quoted price. Incidentally it may be mentioned that Canada secured as good terms as in the case of the recent British loan of $250,000,000 in the same market.

A sign of the times is the buying power for first class securities created throughout the Dominion. This is a healthy and desirable condition induced by Government War Loans and War Savings Certificates. It is vital that Canadians should recognise the virtue of saving. As between production and thrift, though they should go hand in hand, the latter is fundamental and leads naturally to the former.

New Branches.

We have opened forty-nine branches during the year. We will open more as and when circumstances justify. Our Paris office is well established in attractive premises, and has already proved its value locally and as a link between our extensive European connections and London, New York, Chicago, San Francisco, and Canada.

Our branch in Trafalgar Square, London, which was opened to provide extra facilities for Canadian soldiers, has been closed, and the business merged in our Waterloo Place office. It is our hope that our many friends who were familiar visitors in uniform at the latter will continue to make full use of our facilities when they revisit London, whether in a military or civilian capacity.

It will interest you to know that on my recent trip to the Pacific Coast, when I travelled 9,000 miles in visiting various branches of the Bank, I met some 110 of our managers, and returned more than ever satisfied with the personnel the intelligent loyalty and devotion of our ever-increasing staff of officers. Such meetings are advantageous to the Bank, and an inducement also to close relations between the Bank and its many friends at distant points.

Ground for Optimism

It is impressive and satisfying to view the Dominion's greatest quick asset, the rich wheat areas of our three Western provinces, at harvest time. While this year the yield was not up to the mark, the Western farmers had much to be thankful for.

In British Columbia, one is struck by the confidence of the people in the future of their rich and beautiful province, with its wonderful climate. It is a healthy sign that the men of affairs in the West hold such sane views concerning the outlook locally and for the Dominion at large. I hope that time may presently permit me to visit other divisions as I did British Columbia and the North-West.

In concluding, I have no hesitation in expressing the belief that the affairs of the Bank have never been in a healthier state. Our domestic business is expanding satisfactorily, our foreign branches and connections have been adequately extended to meet the development of the country's trade, and, what is most important, we are well equipped in point of staff. Altogether, I feel that we are well prepared to meet any conditions and contingencies that may arise.

The General Manager then gave in detail the reports on the conditions of trade, &c., in the various provinces as supplied by the Superintendents.

The report having been adopted, votes of thanks to the President, Vice-President, directors and staff were passed.

The votes of thanks having been responded to by the President and General Manager, the ballot for the appointment of auditors and the election of directors was duly proceeded with, and the meeting terminated.

ROYAL INSURANCE COMPANY, LIMITED.

Extraordinary General Meeting of Shareholders.

An extraordinary general meeting of shareholders in the Royal Insurance Company, Limited, was held on Monday, January 5, 1920, in the board-room of the Company's Head Office Building, No. 1, North John Street, Liverpool, at 12 o'clock noon.

Mr. Thomas Woodsend (Chairman of the Company) presided over a large attendance of shareholders.

The Chairman: Ladies and Gentlemen: You will all have received a copy of the notice convening this meeting. I know your time is valuable and perhaps it will be your pleasure to take the notice as read. (Agreed.) From that notice and from the circulars which you have received, you will be familiar with the reasons for our meeting here to-day.

In the history of this great Company—and I may remind you that on May 31 next we shall complete 75 years of progress and development—it has been the privilege of the Chairman from time to time to make many interesting announcements, and to submit many important questions for the judgment of the shareholders. But I think I can say, without risk or fear of contradiction, that during that long period of threequarters of a century, it has not fallen to the lot nor been the privilege of any of my predecessors to deal with such an important matter as I have to present to you to-day, namely, a proposal for the alliance of interests so vast as those of this Company and of "The Liverpool and London and Globe."

Before I touch upon any other aspect of this important question, I think it well to draw your attention to some outstanding features of interest in the history of the "Royal," because they have paved the way to the present proposal which may regarded, to my mind, as the culmination, if I may so express it, of the Company's policy during the past thirty years.

Success of Past Amalgamations.

The pre-eminent position of the "Royal" to-day is not due to any one particular cause. Its success is the outcome of steady and persistent all round work. But on the present occasion it may be suitable to remark that the outstanding

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feature of the last thirty years of the Company's history has been the highly successful policy of alliances with other companies, which has been followed by the board. In particular I would refer to our first great alliance, that with the "Queen," whose headquarters were in this city. That fusion strengthened our hold upon British business. It placed the "Royal" in association with valuable agencies scattered in all parts of the general foreign field. It made us the premier fire office of the world, and I think it is not inappropriate that I should mention by way of illustration one phase of development and progress that followed the fusion in that case. When we signed the agreement in the year 1891, the "Queen's" North American premiums amounted to £330,000; last year they exceeded one and a-half millions sterling. Now, if there are any "Queen" officials present, they will bear me out when I say that a profit of 10% was considered to be trading of a satisfactory character, and it is easy for any one to calculate what a 10% profit on that larger volume of premium means. Furthermore, our interest income last year from the "Queen of America's" investments amounted to one hundred thousand pounds.

I would like to make reference to one other of our alliances with a Liverpool company. I refer to the "British and Foreign Marine." A more mutually satisfactory arrangement was never made. I think that even if we eliminate, if one must eliminate, the effect of the War influences upon that Company, it nevertheless shows, in every sphere of its operations the most gratifying progress and development. Following our alliance of interests with them, the "Royal" in its own name opened a marine department which operates in all parts of the world, with the result, I am happy to say, that we ourselves, apart from our valued partner, have become an important profit-earning Marine Company. I could expand these observations to very considerable length, but I have purposely confined my remarks to the two great Liverpool companies who are incorporated in and have become part of our "Royal" organisation.

I now come to the proposal which is before the shareholders to-day, namely, the fusion of "The Liverpool and London and Globe" with the "Royal." As I pointed out to you in my letter, the two companies have been friends and neighbours for the long period of three-quarters of a century The "Globe" is the third largest fire office in the Empire. They have, in addition, interests of great value in the marine and casualty fields, and it seemed to be appropriate that the two life-long neighbours and friends should set up housekeeping jointly. It was, therefore, a matter of pleasure and satisfaction to me to be able to advise you that negotiations, which had extended over a long period, had been brought to a conclusion by the signing of an agreement on October 28, which was subsequently embodied in a formal agreement dated November 11. Two essential conditions were embodied in these agreements, firstly, that holders of 80% of the issued shares of the "Globe" should accept the offer, and secondly, that the shareholders of the "Royal" should authorise the creation of the necessary additional capital and the subdivision of the shares. The first of these conditions has been fulfilled, inasmuch as 4,720 shareholders of the "Globe," holding 88.34% of the issued shares of that Company, have signified their acceptance, and have formally executed transfers of their shares in our favour.

Increase of Capital: Subdivision of Shares.

It now remains, therefore, for the shareholders of the "Royal" to take the next step, which is to authorise the directors to increase the capital, and to sub-divide the shares. It is for this purpose that we are met together to-day.

In order that you may understand the financial transaction which is involved in the splitting of the shares and the increase of capital, I will deal with the points in that order. At present our capital of £3,000,000 is divided into 300,000 shares of £10 each. Out of the 300,000 shares authorised 294,468 have been issued, on each of which £2 10*s.* has been credited as paid up. When these shares are split the capital will still consist of £3,000,000, but will be divided into 600,000 shares of £5 each, and the number of shares issued will be 588,936, with £1 5*s.* credited as paid up on each. There will thus be 11,064 of the divided shares unissued. That is the position as it stands to-day, but with reference to the future, the offer which the directors have made to the "Liverpool and London and Globe" is that we should issue one of our divided shares for each "Globe" share, and in addition pay £1 in cash with each divided share. The number of "Globe" shares issued is 531,050, but as we shall have only 11,064 split "Royal" shares unissued, it will be seen at once that we are about 520,000 shares short. For this reason we are recommending to you that you should authorise the directors to double the capital of the "Royal" by the creation of a further 600,000 shares of the same denomination as the divided "Royal" shares, that is, of £5 each. This will then leave about 80,000 shares of the "Royal" unissued after making the allocation to the shareholders of the "Globe." The final result will be that the "Royal" capital will be increased from £3,000,000 to £6,000,000, and will consist of 1,200,000 shares of £5 each, of which 1,119,936 will have been issued with £1 5*s.* credited as paid up on each.

Your directors considered the terms provisionally agreed upon with very great care and thought. They are abundantly satisfied the arrangement is one which they can recommend to you for adoption. In my judgment the new conditions of close co-operation and unity of policy must result in advantage to all concerned, and I may perhaps not inappropriately illustrate what I mean by referring to what happened during the Great War. Unity of command and policy, with alliance of forces, gave our cause greatly increased strength and power. We found that we could learn from our Allies and they from us, whilst the combination placed us in a position to exert our utmost effort.

Mutual Benefits from New Alliance.

Here in Liverpool, a main gateway of commerce, you will have an unsurpassed combination of power and organisation. Two great offices mutually assisting each other, working side by side, exchanging their experiences and views—and what is more to the point, their business—must, in the opinion of the boards of the two Companies, have influences of a far-reaching and favourable character. And in this connection I am sure that you will not overlook the important consideration that as near neighbours it will be possible for us at any moment to confer together and to act in the interests of the Companies without delay.

In many and various ways the citizens of Liverpool have expressed their approval of these two great Companies coming together. They are essentially Liverpool Companies and the products of local enterprise; and we may fairly claim that the combination now proposed, following upon the arrangements previously made with the "Queen" and the "British and Foreign," concentrates in support of one insurance consolidation the most important and representative interests in our community. This city will, we believe, occupy an increasingly commanding position as a financial and business centre, and we shall be able to reap the fullest advantages to be derived from the powerful support of the business men of Liverpool and their world-wide connections, in a degree and with a completeness which would not be possible for the two Companies acting separately.

In the re-organisation of the commercial and industrial activities in this country and elsewhere following the War, we are met on all sides by great combinations allied together with a common policy. The alliance of the "Globe" and the "Royal" should, in the opinion of your directors, place the "Royal" in the forefront of the world of insurance, ready to advance with the progress and developments of the future. They, therefore, confidently recommend the shareholders to confirm their action in signing the agreement of November 11 by authorising the increase in the capital and the sub-division of the shares of the "Royal," and thus to signify approval of the fusion of the interests of these two great Companies. (Applause.)

I have, therefore, pleasure in moving:—

1. That the capital of the Company be increased from £3,000,000 to £6,000,000 by the creation of 600,000 additional Ordinary shares of £5 each ranking for dividend and in all other respects *pari passu* with the existing Ordinary shares of the Company (subject to the subdivision thereof pursuant to the resolution in that behalf to be proposed at the meeting).

2. That each of the existing 300,000 shares of £10 each (of which 294,468 have been issued, each having the sum of £2 10*s.* paid up or credited as paid up thereon) be divided into two shares of £5 each, making, with the 600,000 new shares of £5 each, an aggregate total of 1,200,000 shares of £5 each, of which the number issued will be 588,936, and that upon each of such 588,936 shares of £5 each, the sum of £1 5*s.* be credited as paid up.

3. That the Articles of Association be altered in manner following:—

(*a*) By substituting in Article 2 for the words "three million pounds divided into one hundred and fifty thousand shares of twenty pounds each" (*which shares were subdivided into three hundred thousand shares of ten pounds each by a special resolution passed and confirmed at extraordinary general meetings of the Company held on June* 18, 1907, and *July* 9, 1907) the words "six million pounds divided into one million two hundred thousand shares of five pounds each."

(*b*) By substituting in Article 8 for the words "two directors" the words "one director."

(*c*) By substituting in Article 50 for the words "two thousand shares" the words "four thousand shares."

(*d*) By substituting in Article 64 for the words "fifty shares" (*which number was increased to one hundred shares by resolution passed at an extraordinary general meeting of the Company held on July* 9, 1907) the words "two hundred shares."

Mr. W. R. Glazebrook: I have much pleasure in seconding the resolutions which are before the meeting.

Mr. John Temple, C.B., spoke strongly in support of the acceptance of the proposals.

The Chairman then put the resolutions to the meeting, and they were carried unanimously.

Mr. R. E. R. Brocklebank proposed a hearty vote of thanks to the directors for what they had done, and this was carried with acclamation.

BRITISH MANNESMANN TUBE COMPANY, LIMITED

THE annual ordinary general meeting was held on January 7 at Winchester House, E.C., Mr. Richard S. Guinness presiding.

The Chairman first explained that prior to 1914 the Company was merely an offshoot of the great German Mannesmann Company, every share being owned by the parent concern. With the continuous growth of the undertaking and the increasing demand for the product of the Landore works, the German owners purchased a large site at Newport, Mon., with the intention of erecting new works, but before the plans could come to fruition the War broke out and all extension work was suspended. All the shares of the Company became vested in the Public Trustee, and the Company was operated under Board of Trade supervision. It was a matter of vital importance to ensure that the output of British Mannesmann tubes was maintained, for this output became more and more an essential part of munitions of war. Practically every man-of-war that put to sea was equipped with British Mannesmann tubes; cylinders for compressed gas for aeroplane and other purposes were drawn from the Company's works, while by an irony of fate the projector guns which enabled us successfully to retaliate against the German gas attacks were made in the Company's works by the aid of a German invention. In a word, during the war period their works were in operation day and night helping to carry on the great fight. In 1916 all the shares were acquired from the Public Trustee by a British group into whose hands the control and management of the Company passed. The board of directors was reconstituted, and steps were taken to ensure that for the future this important industry should remain under British control, managed by British subjects and financed by British capital. (Applause.) As soon as the new directors were established in office the urgent necessity of proceeding with the Newport extensions became apparent to them, and in face of every difficulty construction and erection of plant was pushed forward. Owing, however, to difficulties of transport, shortage of raw material, disorganisation of skilled labour, and reduced output of much essential material they were, he regretted to say, many months behindhand in their construction programme. They had hoped to be able to announce at that meeting that their new works had reached a normal output, but this was not the case. He was glad, however, to be able to state that the Company's output was now increasing month by month.

British Replaces German Control.

Dealing with the accounts, the Chairman said that, after payment of the dividend and bonus recommended, £72,769 was being carried forward. He was sure the shareholders would support the board's policy in maintaining a large carry-forward. It was a fund available in times of uncertainty, and it ensured that they had in hand sufficient to meet a year's dividends ahead. The manufacturing profit for the year amounted to £150,144, and was derived from the operation of the Landore Works alone. He hoped the shareholders would not think him too great an optimist if he said that in his opinion they were engaged in what was, and would become more and more, one of the "key" industries of the country. Prior to the War the Company was controlled for the benefit of the German concern; all questions of future development were settled in Germany; its export facilities were restricted to markets where the Germans did not choose to compete. How different was their position to-day! They were free agents, and the whole world was open to them. In addition to developing their organisation for home business, they had extended their tentacles abroad. They had cemented their connections in New Zealand; they had appointed agents of the highest standing in India, Australia, South Africa, Borneo, and the Far East; also in Spain, Portugal, Switzerland, the Pacific Coast of South America, and the Argentine. Their trouble to-day was to supply the overwhelming demands. It was for the shareholders to decide whether, in the British Empire at least, British Mannesmann tubes should be pre-eminent. As showing how universal was the use of tubing and piping, the Chairman said that they found tubes and pipes in their houses for their water, gas and electric light; under the streets for gas and water mains; in the country for well-boring and water supply; in every locomotive, in every boiler, and in every ship at sea; they found them as oxygen cylinders in their hospitals, as gas cylinders for aeroplane work, as high-pressure mains, and as pit-props in mines. The oil industry controlled by British interests and financed by British capital could alone consume more than the entire output of the Company's works. Hitherto—before the War—these demands had been largely supplied from the United States and from Germany. It was the board's ambition that this Company should take its full and fair share in the supply of these various requirements and industries which called for Mannesmann tubes. They wished them to call for British Mannesmann tubes and to be able to get the supplies they needed.

Additional Capital Ensured.

It was to this purpose that they were asking shareholders to authorise an increase of the Company's capital to £2,000,000 in the form of Ordinary shares. At present it was proposed to issue 680,000 Ordinary shares of £1 each, which would be allotted in the first instance to existing shareholders share for share, the issue price being 21*s.* 6*d.* per share. The success of the issue was assured, as their friends, Messrs. Higginson and Co. had contracted to subscribe for any shares that might not be taken up under the prior rights granted to the shareholders. For this obligation the Company would pay them an inclusive commission of 7½*d.* per share on the 680,000 shares to be issued. The proceeds of this issue should enable them to complete the present section of their Newport works, when their total output should be at least double that of 1919.

In further remarks the Chairman said he had asked his colleagues to relieve him of the duties of Acting Managing Director, as they had secured the assistance of Viscount Chetwynd, whose great technical experience was highly valuable to the Company. The eminent services rendered by Lord Chetwynd during the War as Director of the National Shell Filling Factory at Chilwell were well known. He had consented to fill the post of director in charge of technical operation at the Company's works.

The report and accounts were unanimously adopted, and at an extraordinary general meeting the proposed increase of capital was unanimously approved.

Sir Reginald MacLeod said he thought the shareholders would not wish to separate without tendering their thanks to the Chairman for his conduct in the chair, and to the directors generally for the extraordinarily satisfactory report which they had submitted. The shareholders had the satisfaction of reflecting that in making their business prosperous in this country they were operating it for the benefit of the British consumer, the British capitalist, and the British workman, instead of, as formerly, for the benefit of Germany.

The vote was unanimously accorded, and the proceedings terminated.

BAXTER'S LEATHER COMPANY, LIMITED.

AN extraordinary general meeting of this Company was held at Winchester House, Old Broad Street, E.C., on January 8, Mr. Walter Howard (the Chairman) presiding.

The Secretary (Mr. W. J. Fairweather) having read the notice convening the meeting,

The Chairman said: Gentlemen,—Those of you who were present at the former meeting will remember that I said that we want the new capital in order to meet the necessities of a greatly enlarged business. We have been doing a very large business, and the capital is insufficient. It is also necessary that we should have capital to expand and continue to expand; we cannot stand still.

Reasons for Raising Additional Capital.

The capital is not wanted because any of our resources have been wasted. The Company has never been in a more prosperous condition than it is at this moment. One of our shareholders writing to us said, in connection with the former meeting: "We are doing very well. Why don't we leave well alone? Why increase our capital?" I have a great deal of sympathy with that shareholder's views; at the same time we cannot stand still. If we do not keep progressing, we shall certainly go back; we shall lose the position we have gained. Now, when we first went into the question how we should raise the additional capital we wanted, we were not entirely unanimous on the board, and we asked the shareholders for their views of the way in which it should be done, putting before them alternative propositions. One was to raise the new capital by an issue of Participating Preference shares, and the other by the issue of more Ordinary shares. The majority of the shareholders responded in favour of the Participating Preference shares,

SELFRIDGE'S

£20,000 Victory Loan Competition

On December 9th Mr Baldwin, for the Chancellor of the Exchequer in a written reply to a question put by Colonel Wedgwood, stated that the total amount of the Victory Loan and War Savings Certificates sold during the period of the Victory Loan amounted to the total sum of

£780,703,885 9s. 1d.

This is the first official announcement made to include the War Savings Certificates.

We propose, therefore, to ask Messrs. Deloitte, Plender Griffiths & Co. to ascertain the names of those competitors whose calculations entitle them to the Prizes based upon the above figures. The names of the Prize Winners will be announced in "The Times," "Telegraph," "Daily Mail," "Morning Post," "Daily Express," "Daily Chronicle," "Daily News and Leader," and the daily financial papers, on Monday, 19th January.

If a competitor desires to make any protest in reference to this decision, full particulars of claims must be made in writing and delivered to Selfridge & Co., Ltd., by 6 p.m. latest, on or before Wednesday, 14th January, 1920.

SELFRIDGE & CO., Ltd., London, W. 1.

but it was necessary to get a three-fourths majority of those present at the meeting personally or by proxy, and neither proposition secured the necessary majority, so that we could not proceed on either basis. We have since discussed the matter at the board, and are all agreed to submit the resolutions printed in the notice convening the meeting, which will be read to you. Those resolutions meet the desires of the shareholders that we should have two classes of shares Personally, I am very glad to have those two classes, because respectively they will appeal to two classes of investors—the one satisfied with a smaller return, perhaps, but wanting better security; the other wanting the prospect of bigger dividends.

The Board's Proposals.

The proposals then, in consequence of the decisions we came to at the board, are somewhat altered. We first of all ask you to authorise the increase of the capital to the sum of £250,000. This £250,000 will be divided into two classes of shares—£75,000 in 7% Cumulative Participating Preference shares and £175,000 in Ordinary shares. You know that at the date of the last balance sheet (December 31, 1918) we had £41,000 standing to the credit of the reserve fund. The figures for 1919 are not yet completed, but we know fairly well how we stand, and we anticipate that we shall add to that very considerably. Out of this reserve fund we propose to pay to the shareholders a bonus in shares at the rate of 5*s.* per share, or one share for every four held by the present shareholders.

Now we come to the Preference issue. The special rights attaching to these Participating shares are set forth in the resolutions in a rather complex form, but in a form which is legally necessary in order to meet every contingency. The complexity of the arrangement is really more apparent than real. They first of all have priority as to capital in any liquidation. So far as regards dividends the complexity in the proposals arises from this, that we wanted to draw a clear and fair line between the interests of the present Ordinary shareholders and of the new Preference shareholders. We are placing the balance of the reserve fund as it will stand on December 31, 1919, to an Ordinary Shares Reserve Fund account, and arranging that the Participating Preference shares shall participate in all the profits made after that date. But although these profits are carried to a special reserve fund the Preference shareholders indirectly have an interest in them. They are not to have any share of dividends out of the reserve fund, but it is capital in the business which is all the while earning money. They are not to take an interest in any surplus which might be obtained on any sale of the business. Supposing we should sell it to another company and make a considerable profit they are not to take any share of that profit, but they are to have a share in all trading profits which are made in and after 1920. That is the whole sum total of the elaborate explanation of the different interests which the Preference and the Ordinary shareholders have. The issue of Preference shares is to be at par, and the issue of Ordinary shares is to be at 5*s.* premium.

Having given you this short explanation of the position, I move resolution No. 1: "That the capital of the Company be increased to £250,000 by the creation of 150,000 new shares of £1 each, of which 75,000 shall be Ordinary shares ranking *pari passu* with the existing Ordinary shares, and 75,000 shall be participating Preference shares."

Mr. O. S. Lee seconded the resolution.

The Scheme Supported by Shareholders.

Mr. Enos Howes said he wished to offer his congratulations to the directors in submitting what he considered a much more satisfactory scheme for the present shareholders than the one which was submitted at the last meeting. The Chairman had admitted that the reserve fund was practically the undivided profit of the present shareholders. That reserve fund had been built up from money made but not paid out, and from premiums paid by the present Ordinary shareholders. Therefore, to the extent of £25,000 the proposal was certainly much more satisfactory than the one submitted at the last meeting. Then the proposal to issue Ordinary shares at 5*s.* was also more satisfactory. He wished to ask whether it was intended to issue the new shares to the present shareholders and not to the general public, giving them the right to take up their proportion according to their present holding.

The Chairman replied in the affirmative.

Mr Howes said he presumed that there would also be letters of renunciation which would enable the present shareholders, if they did not feel disposed to take up the new shares themselves, to sell them to other people.

The Chairman: Yes.

Mr. Howes, continuing, said that the only objection he had to the proposals was with regard to the issue of Preference shares. He was still of opinion that they should have only one class of shareholder in the Company. The Company had been built up by the Ordinary shareholders, and it appeared to him that it would have been very simple to make an issue of 100,000 Ordinary shares at a premium of 5*s.* It was perfectly useless for him, however, to attempt to propose an amendment, because he knew it would be overwhelmingly defeated.

Mr. H. G. Hills, J.P., said that he agreed with the views of Mr. Howes, but going through life he always found that compromise was necessary; in fact, very often compromise was the essence of progress, and they must recognise the forces against them.

The resolution was carried by the requisite majority.

The Chairman, in moving the other resolutions, explained that the object of resolution No. 2 was to give to the Ordinary shareholders their interest in the profits up to December 31, 1919, and in any surplus which might arise on a sale of the Company's properties, and to give to the Participating Preference shareholders their rightful interest in the profits made from 1920 onwards. The rest of the resolutions were mainly alterations of the articles in order to carry out the scheme which had been agreed upon.

The resolutions were carried, and the Chairman mentioned that the new issue of Ordinary shares would be underwritten, and the Participating Preference shares might be partly underwritten.

A vote of thanks was accorded to the Chairman, on the motion of Mr. Howes, seconded by Mr. Hills, and the proceedings terminated.

KAWIE (JAVA) RUBBER ESTATES, LIMITED.

THE ninth ordinary general meeting was held on January 9 at Winchester House, E.C.

Mr. R. F. McNair Scott presided and, referring first to the balance sheet, said that the amount spent on the Sumatra property would be represented by fully-paid £1 shares in the United Rubber and Coffee Plantations. Limited, a company registered on November 28, 1919, with a capital of £400,000, of which £260,000 had been issued. He had confidence in saying that this should prove a sound and remunerative investment. The estates which the new Company took over were under excellent management, and a point that would interest shareholders of this Company was that their own manager, Mr. K. L. Vogel, was the visiting agent to the United Rubber and Coffee Plantations, Limited. He reported on their plantings and the growth in the highest terms. The Kawie Company's liquid assets, according to the balance sheet, were represented by stocks, £19,683; British Government securities (at cost), £33,750; cash, £14,187; or a total of £67,620, against a capital of £68,000. In order to adjust the capital account the directors proposed to issue the balance of £7,000, represented by 70,000 shares of the value of 2s. Of these, 68,000 were being offered to shareholders at a premium of 4*s.* per share, the rights being one new share for every ten old. The year 1918 was a bad one for the rubber industry, and nine months of that very bad year adversely affected the accounts now presented. The profit for the year was £23,938, against £34,526 in the previous year, and the directors recommended a final dividend of 15%, less tax, making a total distribution for the year of 20%. They were to be congratulated on keeping their dividend at so good a level despite the abnormal times through which they had passed.

There had been a favourable change in the prospects of the industry since their last meeting in May. Then the price of rubber—landed terms—was about 1*s.* 7*d.*, as against about 2*s.* 8*d* now, and even higher forward prices. The directors had therefore confidence in declaring an interim dividend of 5% per cent. for the current year. Recent reports from the Company's estates continued to indicate a satisfactory state of affairs The closest economy was being observed, and he believed they would be able to show an "all-in" cost per lb. of rubber, which would compare favourably with previous years and should maintain the Company's reputation for production at a very low figure. The estimate of rubber for the year ending March 31, 1920, was 600,000 lb., and of this 347,763 lb. had been harvested to November 30 last. The coffee crop for the same year was estimated at 1,000 cwt., and of this 600 cwt. had been sold forward at the excellent price of 103*s.* per cwt. spot Java. With regard to forward sales of rubber they had sold, for 1920. 2 tons monthly at 1*s.* 11*d.* and 3 tons monthly at 1*s.* 11½*d.* per lb. ex-godown Java. No sales had been made for 1921.

The report and accounts were adopted, and the dividend recommended was declared.

ADELAIDE ELECTRIC SUPPLY COMPANY, LIMITED.

THE fifteenth annual general meeting of this Company was held on Friday, the 9th inst., at Finsbury Pavement House, London, E.C., Mr. J. B. Braithwaite, M.I.E.E., Chairman of the Company, presiding.

The Secretary (Mr. W. E. Lane, M.I.E.E., F.C.I.S.), having read the notice convening the meeting, and the resolution providing for the subdivision of the £5 shares into shares of £1 each, was unanimously confirmed.

The Secretary having read the report of the auditors,

The Chairman said: In the balance sheet the most important change is caused by the steps we have thought it prudent to take in raising the additional capital which, in our opinion, is necessary to establish the future of the Company. We have issued during the year, as you know, £250,000 of 5% tax-free "A" Cumulative Preference shares of £1 each. The raising of that additional capital is, of course, reflected on the credit side of the balance sheet. The profit and loss account shows some interesting features, although, of course, you understand that the results of the past year

have been disastrously interfered with by the prolonged strike which took place in Australia, and was only ended just about the close of our financial year. That strike cost us very considerable sums directly and indirectly. We lost 2¼ millions of units, as it reduced our output by that, and in the net result our profit, instead of being, as we had every reason to believe it would be from the results of the first seven or eight months of the year, absolutely a record for the Adelaide Electric Supply Company, was nothing very striking. As it is the revenue has increased by £18,995, which in the circumstances I think we must consider very satisfactory. The number of consumers connected to our mains has increased from 21,917 to 25,049, or an addition of 3,132. That ompares with 2,327 last year. In spite of the strike to which I have already alluded, not only did our gross revenue increase a little, but our units increased to a small extent—463,135. Of the total units 43.5% were sold for private lighting; 46.5% were sold for power purposes—so you will see that the power load had passed the lighting load; other purposes took 6.1%, and public lighting absorbed 3.55%. The extensions to mains during the year have increased by 22 miles of streets, and we are now supplying 500 miles of streets instead of 478 miles as last year.

The actual net profit is that there is a balance left of £58,197, and that enabled us to pay the usual dividend and to carry forward a balance of £1,418 on the operations of the year. Adding to that sum £16,941, which we carried forward from the previous year, we are now carrying forward £18,360 to the year on which we entered on September 1 last.

Now, I ought to say a few words, perhaps, on the new power house at Port Osborne, which we told you last year we were contemplating. We have secured our lease on satisfactory terms, and we are now actively engaged in getting on with the laying out of the power-house. A contract has been let for the piling of the foundations, and certain plant has been ordered, and while, perhaps, I had better not say when we hope to have the power-house running, in view of the moulders' strike and labour troubles of various kinds, at any rate, you may rely upon our pressing on with the erection of the new power-house and its equipment with the utmost possible speed, so that we may reap the advantages we expect to reap at the earliest possible date.

Mr. R. Percy Sellon, M.I.E.E., seconded the motion, and the chairman, having put it to the meeting, it was carried unanimously, and the remaining general business was completed.

Votes of thanks to the local management and to the Chairman concluded the proceedings.

PROVINCIAL BANK OF IRELAND.—The directors of this Bank have declared a dividend at the rate of 13½% per annum, less income tax, for the half-year ended December 31.

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CAPITAL	**£1,000,000**
RESERVE FUND	**500,000**
Current and Deposit Accounts	30,559,059
Cash in hand and at Bank of England	5,467,410
Money at Call and at Short Notice	6,638,750
Investments	9,986,983
Advances, &c.	9,738,371

31st December, 1919.

Managing Partners.

The Hon. A. H. MILLS — MAURICE G. C. GLYN
LORD WOLVERTON — LORD HILLINGDON
LAURENCE CURRIE — General The Hon. SIR H. A. LAWRENCE, K.C.B.

General Manager. — *Secretary.*
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The Statist.

LONDON, SATURDAY, JANUARY 17, 1919.

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The Money Market.

Friday, January 16, 1920.

	Current Rate % Fixed		Previous Rate % Fixed	
Bank of England Rate...	**6**	**(Nov. 6,'19)**	**5**	**Apr. 5,'17**
Deposit Rates:—				
Banks & Discnt. Ho. (Call)	**4**	**(Nov. 6,'19)**	**3½†**	**Oct. 6,'19**
Discount Houses (Notice)...	**4¼**	**(Nov. 6,'19)**	**3¾**	**Oct. 6,'19**

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.

† Foreign and Colonial banks give Special Rates only upon deposits for a year

Discount Rates:—	60 Days. %	3 Mos. %	4 Mos. %	6 Mos. %
Treasury Bills	—	5⅛	—	5⅛
Bank Bills	5¼	5⅜–⅛	5⅜	5⅜–7/16
Trade Bills	—	6–6¼	6¼	6½

To-day comes the anxiously expected announcement by the Chancellor of the Exchequer as to the Government's intentions with regard to the heavy Exchequer Bond maturities in February and again in March. £141,000,000 6% Bonds fall due on February 16, and of the 3% obligations maturing on March 24 about 21½ millions are now outstanding. To meet these it is proposed to issue new Bonds of five years' duration, carrying 5½% interest. They will be issued at par, and facilities will be offered for the conversion of the 6% Exchequer Bonds maturing in February, of the 3% Bonds maturing in March, and of the 5% Bonds maturing in December into the new issue on favour-

able terms. A feature of the new issue which will appeal to many is that holders will have the option each January to give notice requiring repayment a year from that date. Thus repayment would be made possible on February 1, 1922. The new issue, being but a renewal of an already existing debt, will not, of course, entail fresh borrowing from the banks. Nevertheless, considering the economic and financial situation of the country, there is an urgent necessity for a further stimulus to the savings movement. We cannot bring our finances back to *terra firma* until we bend ourselves seriously to the task of increasing production and diminishing unnecessary consumption. The economic situation of the world, as a whole, has given rise to the presentation to the Premier of a memorial, the text of which is available to-day, asking for a conference of financial representatives of the countries chiefly concerned, including Germany and Austria, to consider the world's economic situation and devise means to improve it. It is pointed out that the present practice of spending above revenue and persistent borrowing to cover the deficit is accentuating conditions which will inevitably lead to bankruptcy and anarchy, unless the people of all countries realise that they must work hard and save as much as they can of the product of their work. An increase in taxation to the highest possible limit is advocated in order that revenue may keep pace with expenditure. A system of co-operation is outlined by which those countries with a favourable trade balance and favourable exchanges should give long-term credits on adequate security to less-favoured countries, in order to enable them to reorganise their productive forces and place their currency systems on a sound basis. Nothing can be achieved, however, until each country shows its willingness and ability to bring its expenditure within the limit of its taxable capacity. Emphasis is laid on the urgency of these problems in point of time. An identical memorial was presented to the Governments of Holland, Switzerland, Sweden, Denmark, and Norway, and it is understood that a similar step is being taken in France and the United States.

Not a little surprise was occasioned in City circles on Monday by the failure of the French Sterling Treasury Bills to secure renewal. Tenders were invited for £8,000,000, and the amounts allotted totalled only £1,240,000. Tenders at £93 and above were accepted in full, the average rate per cent. being as high as £6 15*s.* 1.91*d.* Nevertheless, the opinion is prevalent in the City that difficulty will ultimately be found in placing the remainder of these bills.

Money was in good request throughout the week, but there was a plentiful supply available. Day to day loans were taken at 4% on Monday with fresh money available at 3%, unemployed balances being placed at 2½%. Money being in better request later the rate hardened slightly, and continued fairly steady at 3½—4%, closing balances being offered at 3%. On Thursday money was in good request for heavy calls falling due on recent issues, and 4% was paid, but supplies becoming plentiful the market eased later, and afternoon balances were offered at 3%. Short money was steady at 4¼—4½%.

The tone in the Discount market was distinctly firm on Saturday and continued so during the week, while bills were in little request. Sixty-day Bank bills hardened to 5⅛—5¼% on Wednesday with an easier tendency later. Three months' fine bills experienced a similar movement in rates, hardening to 5⅛—5¾ on Wednesday. This tendency was partly due to a good supply of bills offering and partly, perhaps, to the poor reception accorded to the French Treasury bills. Trade paper remained steady at 6 to 6¼% for three months, at 6¼ to 6½% for four months, and 6½% for six months.

In the Exchange market the New York rate opened firm at 3.74⅜, weakening later to 3.73½. It recovered afterwards, but weakened again, declining at one time on Thursday to 3.71½, but closing at 3.72¼ to 3.72⅜. It will be interesting to note that for the first time since the Armistice the mark was quoted in Paris on Monday last. The quotation was about 21. Early in the week the Dutch rate fell sharply to just under 10, and the movement continued later to 9.93. The rate hardened slightly on Wednesday. The Paris and Brussels rates rose steadily during the week and the lira weakened a little in sympathy. Thursday's quotations being: Paris cheque, 42.60-42.70; Brussels, 42.30-42.40; and Italy, sight, 50.50 to 50-60. The Belgian loan in New York, of which the terms are published to-day, will probably strengthen the Belgian franc. The South American exchanges hardened a little in sympathy with the dollar and continued steady. The latest features were a movement in our favour of the Scandinavian exchanges, an adverse Spanish and Swiss movement, and a decline in the value of the mark. On account of the rise in silver the Shanghai rate went up to 8*s.* 3*d.* on Wednesday.

The latest Public Income and Expenditure return to hand shows an excess of £8,054,930 in revenue over expenditure for the first ten days of January, and it is to be hoped that this satisfactory state of affairs will continue. The total receipts for the ten days were £201,638,751, and the total expenditure £201,978,478, thus making a reduction in the balances in Exchequer of £339,727 to £3,831,201. On Treasury bills £134,238,000 was raised—an increase of £107,136,000—while maturities amounted to £95,746,000, thereby increasing the total outstanding by £38,731,000 to £1,144,881,000. £22,000,000 was received on Ways and Means as against £56,100,000 repaid, making the substantial reduction of £34,100,000, which places the present figure at £209,074,000. Thus, while Ways and Means Advances were reduced, there is a net increase of £4,631,000 in the Floating Debt, which now stands at £1,323,955,000. Revenue from Customs and Excise from April 1, 1919, to January 10, 1920, shows an increase of £29,314,000 over the receipts for the period from April 1, 1918, to January 11, 1919. Property and Income Tax receipts show an increase of £52,452,000; Excess Profits duties an increase of £838,000; Income from War Savings Certificates has decreased by £14,800,000. The revenue from taxation and State services has increased by £194,114,802, while the expenditure shows a decrease of £944,786,969.

Taken in conjunction with the current Bank Return, the Currency Notes Return for the week ended January 14 reveals a healthier financial condition. Notes were issued during the week to the extent of £3,567,801, but cancellations amounted to no less than £12,841,169. The net result has been to effect a substantial reduction of £9,273,368 in the total of Currency Notes outstanding, which is returned at £338,722,363. It is due entirely to the contraction

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— LONDON OFFICES: —
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18, ST. SWITHIN'S LANE, E.C.—4.
Special facilities afforded to Traders and Merchants desirous of extending their spheres of activity and influence in South and East Africa.

following upon the rather pronounced seasonal demand for currency which produced, in the closing weeks of last year, the persistent increase in the issue of notes that formed subject for comment in these columns. At the end of November, before this demand for currency had set in, the total notes outstanding amounted to £338,347,567. Thus in the opening two weeks of the New Year the actual contraction of currency notes has counterbalanced the expansion of the five preceding weeks. One other point of interest is that the actual fiduciary issue on January 14 was £306,222,363, or nearly £14,500,000 below the maximum prescribed by the Chancellor of the Exchequer.

BANK OF ENGLAND.

After the very poor weekly Bank statements of the past month or so it is natural that relief, almost a feeling of satisfaction, should be caused by the very distinct improvement of the Bank's position disclosed by the return issued this week. On the one side the amount of the reserve is up over £5,000,000, thanks to an accession of £3,000,000 to the stock of gold and a return of over £2,000,000 notes from circulation, while on the other the deposit liabilities have contracted by £12,500,000. As a result of these movements the ratio of reserve to liabilities has improved by 4.6 points to 16.8%, which is the best showing since November. A decline of nearly £10,000,000 occurred in "other" deposits, which at £127,000,000 are nearly back to the level at which they stood before the Christmas holidays. "Other" securities were also appreciably reduced, the figure of £84,781,000 comparing with £96,282,000 a week previously. The Government was able further to reduce its indebtedness, as denoted by a reduction of £6,000,000 in the amount of its securities held by the Bank, but its deposits were lowered during the week by £2,800,000 to £18,657,000.

NEW YORK.

The Federal Reserve Banks' return shows a decline of $135,240,000 in the total net deposits, of $84,620,000 in note circulation, and of $151,430,000 in rediscounts. Still, the cash has been depleted to the extent of $19,180,000, so that there is only a slight improvement in the reserve ratio to 45.4%. The weekly average statement of the New York banks and trust companies shows an increase of $93,720,000 in Loans, Discounts, Investments, &c., with a decrease in the aggregate reserve of only $2,740,000, the excess reserve being decreased $5,540,000. Market conditions were irregular throughout the week. On Monday the falling of the New Yorks' Federal Reserve Banks' ratio of reserve to the new low record of 38.6% was followed by much liquidation, the rate for call loans rising to 18%. The rate on Wednesday touched 15%, following liquidation caused by expectations of a further increase in the Federal Reserve Bank's rediscount rates. The latest reports from New York, however, bring no definite announcement by the Federal Reserve Board on the question of discount rates. Yesterday's rate for call loans stood at 9%.

SILVER.

The apparently insatiable demand of China for the white metal eased off towards the end of the week. On Saturday, supplies being limited, the price advanced to 79½*d.* for cash and 78¼*d.* for forward delivery. On Monday, as a result of the continuance of the Chinese demand, coupled with a shortage of supplies, a new record was reached, the price being 82½*d.* per ounce cash and 79½*d.* per ounce forward. Later, with larger sales from the Continent and a slackening in the Chinese demand, the price weakened considerably, Thursday's quotations being 79*d.* per ounce cash and 75½*d.* two months. It will be noticed that this difference between the price for cash and that for forward delivery is a record one—3½*d.* per ounce. It is due to the large supplies of refinable silver from Continental, chiefly from German, sources, coupled with the delay in refining the metal here. To-day's quotations are 77*d.* for cash and 75½*d.* for forward delivery.

Should the present high price continue the home Government may have to consider seriously whether they ought to follow India's example, and issue nickel tokens, or perhaps paper money of a lower denomination. The Indian mint is already issuing nickel pieces of four and eight annas in place of silver coins, and the consequent withdrawal of silver currency will probably compel them to issue coins in the base metal of higher denominations.

Gold was fairly steady at 110*s.*, the bulk of the supply going to India. To-day, owing to the weakening of the New York exchange, the price rose to 110*s.* 8*d.* per ounce.

Stock Exchange.

Generally speaking, marked activity has continued in Stock markets, excepting the sections devoted to fixed interest-bearing securities. In the gilt-edged department a heavy tone prevailed during the early part of the week on account of rumours of a new Government loan, but a better feeling supervened when the plans for dealing with the maturity of the Exchequer Bonds became known. In the Foreign market, French loans continued to reflect the weakness of the exchange. Continental selling of some foreign Government bonds was reported.

Home rails have improved in response to the settlement with the men. There have again been many strong features among Industrials. Dunlops have risen to 12¼, and large buying of Guest, Keen and Nettlefolds and Lysaghts has followed the announcement of the proposed amalgamation. The former are quoted 1⅛, and the latter now stand at £3.

The Oil market opened the week in buoyant fashion, Shell and Mexican Eagles being, as usual, strong favourites. Burmahs, Royal Dutch and Scottish Americans also figured prominently in a market which was perhaps the busiest and most excited on record. At the end of the week a sharp reaction

TRADE WITH THE NEAR EAST

THE BANK OF ATHENS extends special facilities for business with the Near East to manufacturers, exporters, and importers.

The Bank has Offices in all the principal towns in GREECE; also in EGYPT (Cairo and Alexandria), in CYPRUS (Limassol), in CONSTANTINOPLE, and in SMYRNA.

INQUIRIES FROM INTERESTED PARTIES ARE INVITED.

BANK OF ATHENS

PAID-UP CAPITAL, £1,920,000. LONDON OFFICE: 22 FENCHURCH STREET, E.C. 3. HEAD OFFICE IN ATHENS.

ensued on profit taking. Burmahs close at about 20¾, Shells at 12⅞, and Mexican Eagle Ordinary at 12⅛.

The British, Foreign and Colonial Corporation, Ltd., 57 Bishopsgate, E.C. 2, have inaugurated a monthly return of investment index figures indicating the rise or fall of investment values. The first return, just published, shows that, after making the necessary adjustments for bonus distributions, new issues of capital, &c., 100 standard investment securities of an agrgegate value on December 31, 1918, of £2,991,000,000, and on November 30, 1919, of £3,008,000,000, had a market value on December 31, 1919, of £3,031,000,000, an increase of 1.33% on the year and an increase of .77% over the quotations on November 30, 1919. Taking the 1918 figures as 100, the percentage totals of the different classes of investments are set out as follows:—

Index Figures

Type	Dec. 1913	Dec. 1918	Nov. 1919	Dec. 1919
Gilt-edged	121.5	100	95.2	95.7
Investment (Fixed interest)	114.1	100	94.1	95.3
Investment (Varying interest) ...	117.4	100	107	110.4
Semi-speculative	101.3	100	127	129.2
Speculative	111	100	146.3	145
	118.34	100	100.56	101.33

It will be noticed, the Return adds, that while the aggregate figures show only a moderate change during the periods covered, this apparent equilibrium results from the heavy fall in stocks of an investment type since the outbreak of war having been balanced by the considerable rise in the quotations of the more speculative stocks. It is noteworthy, however, that for the first time for many months the purely investment stocks show a small gain relatively to the speculative stocks.

Consolidated External Debt of Colombia.—The Council of Foreign Bondholders have received the January instalment of the debt service in respect of the half-year ending June 30, 1920.

Alexanders' Discount Company.—After writing down investments to or below market price, and transferring £15,000 to reserve fund, a dividend is recommended for the final half-year at the rate of 14% per annum on the Ordinary shares, less income tax,

The Council of Foreign Bondholders communicate the following information with regard to the gross receipts of the Council of Administration of the Ottoman Public Debt on account of the Unified Debt and Lots Turcs:—Provisional receipts, seven months (March to September), 1919, £T.3,743,822 (paper); definitive receipts, seven months (March to September), 1918, £T.2,866,894 (paper). For the same period in 1913 the definitive gross receipts were £T.3,182,842 (gold).

Interesting figures are published in the current issue of *The Compendium*, showing the unprecedented rise in the prices of staple commodities which has followed the withdrawal of control. Welsh Admiralty steam coal for export has risen no less than 55*s.* a ton during the year, Newcastle steam coal 50*s.*, Durham coke for export 30*s.*, Cleveland pig iron, No. 3 G.M.B., 65*s.*, common iron bars £5 5*s.*, Staffordshire marked bars £5 10*s.*, steel ship-plates, Cleveland, £7, steel angles, Cleveland, £4 12*s.* 6*d.*, steel boiler plates, Glasgow, £9, Welsh tinplates £1 0*s.*, 6*d.*, spelter £2 10*s.*, soft foreign £5 5*s.*, and new shipping (standard steamers, 5,000 tons d.w.), about £15 per ton d.w.

"Whitaker's Almanack" has now reached its 52nd issue. The work is too well known to need any special description here. Nations which have gained recognition as a result of the War now appear for the first time amongst the foreign countries, while special articles deal with Arabia, German Austria, Czecho-Slovakia, Hungary, Poland, Roumania, and Yugo-Slavia. Further statistics have been added to illustrate the resources of the British Empire. Altogether the new Whitaker is quite up to the standard of past issues. The price is 6*s.* net.

Mining Topics.

Practically every section of the Mining markets this week has worn a depressed appearance, and it is evident that profit-making has been in progress. South African shares particularly have been dull and uninteresting, dealers being influenced by the poor December milling returns and fears of the possible effect of labour unrest. Towards the end of the week a little firmness developed, purchases of Anglo-Americans were reported for New York account, and renewal of rumours of amalgamation with the Rand Selection Corporation caused higher prices to be quoted for both shares. Rhodesians have more or less followed the lead of Kaffirs, with the exception of Rhodesia Broken Hills, and Bechuanaland Explorations, both of which have risen further. Diamond descriptions have tended to decline. There has been very little doing in West African gold shares, and tin shares generally—and particularly Nigerians—have, with minor exceptions, been dull in tone. Exceptional improvements have occurred in the prices of Siamese Tin and Aramayo Francke shares. Broken Hills seemed to awaken in mid-week, but the interest proved to be confined to Broken Hill Proprietary. Among copper shares, Mason and Barry recovered sharply on the issue of an official statement indicating much more favourable prospects than appeared from the annual report issued in October. The rise in West Australians has not continued; indeed, Kalgurlis were lower on the week. The further jump in the price of silver to nearly 7*s.* per ounce has not had any marked effect on American and Mexican shares, and Burma Corporation remained at under 14. Champion Reef have fallen to 3*s.* 3*d.* on the report.

THE RAND IN 1919.

Though as yet no improvement is discernible in the labour situation, which governs working costs, and the high prices that have to be paid for all materials and stores show no sign of declining, nevertheless it looks as if the year 1919 may prove to have been the turning-point in the depression of the gold-mining industry brought about by the War. But if this be so it will be attributable to one factor only—namely, the premium in sterling now being realised for gold, the continuance of which depends upon the exchange situation and cannot, therefore, be looked upon as permanent. For the time being the profitable producing companies are receiving a very substantial accession to their earnings—in some cases, indeed, sufficient to double their dividend payments—and mines recently producing at a loss are showing balances on the right side. Obviously, however, it will be necessary for shareholders to watch the course of the Gold market for signs of diminution or increase in extra revenue which presently is to be included in the monthly returns from the mines. Thus, gold-mining shares have now added to them a speculative interest, which pertained formerly only to base metal mines; but whereas, in regard to the latter, trade activity and favourable balance of exports for this country usually spells prosperity, the reverse may be the case in regard to gold mines, for the premium on the metal will probably tend to move in direct contrast to the New York exchange, which, of course, is largely governed by the trade balance. It is much to be hoped, however, that during the period the mines are receiving assistance from the premium on gold, improvement will be brought about in the labour situation, so that larger scale working and reduction of costs may later act as balancing factors. Nothing has yet been decided by the South African Government in regard to the withdrawal of the restriction on the recruiting of tropical natives. Their employment on the mines some years ago was banned because of the heavy death-

rate from pneumonia; but eminent experts have reported recently that inoculation with Dr. Lister's vaccine, which has been adopted on the mines as the result of scientific research, has reduced the pneumonia death-rate to comparatively small proportions, and is claimed to afford very substantial protection against this dread disease. Hence, it is thought that the Union Government—interested as it is, and as the whole of South Africa is, in the economical working of the industry, and consequently in a large gold output—will accede to the plea of the mining companies for the removal of the ban on the employment of labour from Central Africa, where the supply is immense. With the exception of the rich Eastern Rand properties, few remaining mines on the Rand are being worked to the capacity of their reduction plants, and there is reason to believe that, given a full complement of native labour, at least 20% increase in gold production could be obtained. The results just published for the month of December instance the abnormal effect upon operations of short working time. To a considerable extent the holidays were responsible, but with an ample labour supply the effect of this would be much less noticeable. The gold output of the month was only £2,683,854, as compared with £2,794,348 for November and £2,678,217 for December, 1918; and it is to be noted that the native labour employed on the gold mines at the end of November was 164,671, as compared with 152,606 at the end of 1918. In contrast with these figures it has to be remembered that the full labour complement of the mines is about 210,000, or approximately 30 per cent. more than at present employed.

There is another factor affecting results at the present time. Great difficulty has been experienced in keeping the low-grade mines from the necessity of shutting down, and it is obvious that the directors and shareholders would not have continued operations except for the hope that better conditions would supervene and *enable* more economical working. Before the sale of gold at a premium was permitted in July last, there was no alternative in many cases but to stope the best ore available in the mines. That could not go on indefinitely, and the 20% better price now obtainable for the product has provided the mines with the required opportunity for returning to the selection of average ore.

	Tons Milled and Yield — per Ton — Tons	Yield	Value	Working Costs† per Ton	Working Profit — £	Per Ton	Dividends Paid	Native Labour Roll*
			£				£	
1915 ...	28,314,539	26/4	37,264,992	17/5	11,931,062	8/5	7,619,416	209,438
1916 ...	28,525,252	26/8	38,107,909	18/1	11,630,001	8/2	7,096,066	191,547
1917 ...	27,251,960	27/1	37,017,633	19/2	10,225,638	7/6	6,556,188	172,742
1918.								
1st half...	12,764,768	27/6	17,568,400	20/11	4,001,698‡	6/3	2,738,215	179,028
2nd half	12,157,995	28/4	17,254,617	22/3	3,498,572	5/9	2,405,862	152,606
Total, yr.	24,922,763	27/11	34,823,017	21/7	7,500,270‡	6/0	5,144,077	—
1919.								
Jan. ...	2,167,411	27/1	2,812,867	20/7	703,665	6/4	—	160,599
Feb. ...	1,816,352	28/9	2,638,638	23/2	498,204	5/6	—	172,359
Mar. ...	2,082,469	28/2	2,951,428	22/6	573,582	5/6	—	175,620
Apr. ...	1,993,652	28/7	2,874,447	22/9	573,143	5/9	—	175,267
May ...	2,099,460	28/4	2,999,566	22/3	608,715	5/10	—	173,376
June ...	2,032,169	28/4	2,899,514	22/4	592,361	5/10	—	172,565
July ...	2,134,668	27/10	2,996,869	21/9	611,118	6/0	—	173,613
Aug. ...	2,036,128	28/5	2,916,988	22/11	551,203	5/5	—	170,844
Sept. ...	2,019,109	28/6	2,889,980	22/10	560,979	5/7	—	169,120
Oct. ...	2,108,698	28/3	2,995,979	22/6	612,841	5/10	—	167,499
Nov. ...	—	—	2,794,348	—	—	—	—	164,671
Dec. ..	—	—	2,683,854	—	—	—	—	—
12 mos...	—	—	34,454,478	—	—	—	—	—

* Number of natives employed at end of period.
† Excluding expenditure on capital account, taxation and certain other expense items.
‡ Adjusted total.

THE SUB NIGEL, LIMITED.

We have not heard much lately of the highly optimistic claims of surpassing richness put forward a short while back in regard to the so-called South-Eastern Rand, extending a long way west of the Sub Nigel mine. It will be remembered that time and again valuation comparisons have been made between absolutely untouched ground and the very successful properties at present being worked on the Eastern Rand proper. It would seem now that the recent comparative silence of the South-Eastern Rand enthusiasts is not unconnected with the marked change that has occurred in the development results at the Sub Nigel Mine itself and the further clear evidence of patchiness. The report of the Company for the year ended June 30 is dated Johannesburg, September 20, but printed copies have only just come to hand.

The circumstances appear to be far from happy. The Consulting Engineer, in his report dated September 17, points out that the grade of the ore milled was improved by drawing a high proportion of the tonnage from the rich and easily accessible stopes. In regard to development, it should be borne in mind that so far it is the eastern and upper half of the property that has been opened up, and that the western and deep-level sections are the operating fields of the future. In 1918-19 good reef disclosures on a comparatively small scale continued in the workings served by the two eastern shafts, while the contrary was unfortunately the experience in the deep-level workings to which shafts D and E have been sunk. Indeed, in this connection the Consulting Engineer's report speaks sombrely. He says that the occurrence in D shaft section of dykes, together with erratic development disclosures in their neighbourhood, is viewed with anxiety, because this section is the one nearest to the new vertical shaft. Two months after the Consulting Engineer spoke thus this shaft struck reef at 2,379 feet depth, the average value being 13.9 dwt. for only 9.2 inches wide. The fully developed ore reserves during the year ended June 30 were reduced by 45,000 tons to a total of 342,000 tons, averaging 10.3 dwt.; and it is significant that the Consulting Engineer, referring to the necessity to add materially to the ore reserves before the question of extended plant capacity can be settled, pointed out that the prospect of sufficiently increasing the ore reserves in the near future by extending development, as at present, in the eastern area only, is not promising, and, moreover, he expressed the fear that the programme for expansion will have to be detrimentally modified if the large dormant —but, in his opinion, promising—western area of the mine continues to be neglected.

We show below a contrast of the working results and profit allocations of the past three years:—

Year ended June 30.	1919		1918		1917	
Tons milled	116,000		115,780		110,280	
	£		£		£	
Gold recovered	306,660		284,001		242,907	
Per ton	52/10		49/1		44/0	
Expenses	224,557		192,232		179,477	
Per ton	38/8		33/3		32/6	
Mine profit	82,103		91,769		63,430	
Per ton	14/2		15 10		11/6	
Sundry revenue	1,077		1,532		2,532	
	83,180		93,301		65,962	
Phthisis account	£314		£618		£1,185	
Taxes	13,977		13,596		7,141	
War expenses, gold realisation, &c.	6,658		4,618		2,819	
Dividends	58,750		72,292		53,948	
Per cent.	10		14½		12½	
		79,699		91,124		65,093
Surplus		3,481		2,177		869
Balance brought forward ...		5,822		3,645		2,776
Balance carried forward ...		9,303		5,822		3,645

Ore Reserves.

	Mine Tons	Assay Value
1915	194,000	33/2
1916	214,000	38/8
1917	359,000	44/2
1918	387,000	44/0
1919	342,000	43/9

The capital of the Company consists of 775,000 £1 shares, and 10s. per share on 300,000 shares was only due to be paid up on January 5, 1920. The sum of £150,000 so provided, together with about £80,000 surplus cash and stores at June 30, is considered by the directors to be sufficient only for the carrying out of the existing eastern deep-level development programme, and consequently the recommendations of

the Consulting Engineer in regard to the western area are not being adopted. It is not surprising in the circumstances that the price of the Company's shares has fallen appreciably during the past 12 months, the present quotation of about 21*s.* comparing with recent years' highest and lowest levels as follows:—

	Highest and Lowest Prices				
	1915	1916	1917	1918	1919
Highest	12/6	31/3	37/6	35/7	35/0
Lowest	6/3	5/0	20/0	18/6	18/6

THE NEW AUSTRALIAN GOLD DISCOVERIES.

WHILE as yet too short a time has elapsed for actual development work to enable a definite statement to be made as to whether the recent gold discoveries in and around Hampton Plains, about 25 miles from the well-known Kalgoorlie field, will recover for Australia her former position as a gold producer, still further information to hand certainly emphasises their importance. The Government Geologist, Mr. Gibb Maitland, reports, after two recent visits, that in his opinion "the discoveries on Block 50 [on which the Celebration Lease, recently floated as a public Company, is situated] are not on the south extension of the Boulder-Ivanhoe-Horseshoe ore channel, but on one more or less parallel thereto." This conclusion controverts the view held by Mr. C. S. Honman, formerly Assistant Government Geologist, who states he has no doubt that the Celebration Lease is on the actual continuation of the Boulder-Ivanhoe-Horseshoe ore channel and that the lode is of the true Kalgoorlie type. If the new field is not a continuation of the famous Kalgoorlie lode it may nevertheless prove to be an equally prolific and rich producer of gold, while, obviously, if Mr. Honman is right the gold-yielding possibilities of the intervening 25 miles at once excite the imagination, and it certainly seems significant that official Government advices mention gold discoveries midway between Kalgoorlie and Hampton Plains on a direct line with the Celebration Lease. Furthermore several other new finds have been reported. As to one of these, situated 10 miles south of the Kalgoorlie belt, the Inspector of Mines says that the indications and characteristics show promise of the lode proving another payable ore channel of considerable importance.

We have received Messrs. Mathieson's very useful Annual Supplement to their monthly Mining Handbook, giving six years' record of highest and lowest prices, dividends, capitals, &c., of about 370 mining and kindred companies. The price is 4*s.* net.

Modderfontein.—Capital, £1,400,000, in £1 shares. Fifteen tube mills in use.

Year to June 30	Stps.	Tons Milled	Sort-ing.	Revenue Amt.	Revenue Pr. ton	Expenses Amt.	Expenses Pr. ton	Profit Amt.	Profit Pr. ton	Price end of Period
			%	£		£		£		
1916-17	180	656,700	14	1,423,500	43/4	638,483	19/5	785,017	23/11	2[illegible]
1917-18	195	av. 684,100	8	1,559,177	45/7	725,913	21/3	833,263	24/4	2/4
1918-19	236	920,500	10.41	2,018,901	43/10	929,102	20/2	1,089,799	23/8	26½
1919-20.										
Sept. qr.	236	218,500	11.10	486,723	44/7	235,318	21/7	251,410	23/0	28
Oct. ...	—	78,000	—	169,203	43/5	78,758	20/2	90,445	23/3	30½
Nov. ...	—	77,000	—	173,868	45/2	78,407	20/4	95,461	24/10	31½
Dec. ...	—	75,600	—	173,992	46/0	83,409	22/1	90,583	23/11	35½

Returns include profit from accumulated slimes.

Dividends—1917, June, 16½; Dec., 18¾ percent.
1918, June, 21⅞; Dec., 30 per cent.
1919, June, 32½; Dec., 37½ per cent.

CANADA'S GRAND TRUNK RAILWAY
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F. C. SALTER, *European Traffic Manager.*

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, January 14, 1920.

Issue Department.

Notes Issued	£111,790,245	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	93,340,245
	£111,790,245		£111,790,245

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£54,709,925
Rest	3,370,122	Other Securities	84,780,535
Public Deposits	18,657,215	Notes	23,540,610
Other Deposits	127,434,212	Gold and Silver Coin	946,860
Seven-day and other Bills	13,381		
	£163,977,930		£163,977,930

Comparison with Previous Four Weeks [00,000's omitted.]

Date 1919-20.	Circulation	Coin and Bullion	Deposits Public	Deposits Other	Securities Govt.	Securities Other	Reserve	Ratio Reserve to Liabilities	Bank Rate *	Three Months' Bills
	£	£	£	£	£	£	£	%	%	%
Jan. 14	88.2	94.2	18.6	127.4	54.7	84.7	24.4	16·8	6	5⅛
Jan. 7	90.3	91.2	21.4	137.2	60.9	96.2	19.3	12·2	6	5⅜
Dec. 31	91.3	91.3	19.2	180.6	92.4	106.7	18.4	9·2	6	5⅜
Dec. 24	92.1	91.3	20.3	133.3	63.7	85.1	17.7	11·5	6	5⅛
Dec. 17	90.3	91.5	21.5	125.3	68.2	76.9	19.6	13·4	6	5⅛
J'y22,'14	29.3	40.2	13.7	42.2	11.0	33.6	29.3	52·40	3	2⅝

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 8%; Aug. 8, 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; April 5, 5%; Nov. 6, 1918, 6%.

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (in £'s sterling 00,000's omitted):	Jan. 16, 1920	Jan. 15, 1919	Jan. 16, 1918	Jan. 17, 1917	Jan. 13, 1910
Circulation	£88,2	£69,7	£45,3	£38,8	£28,3
Public Deposits	18.6	28.2	41.4	51.3	6.9
Other Deposits	127.4	124.8	121.6	137.7	45.5
Government Securities	54.7	62.6	56.8	133.9	14.7
Other Securities	84.7	78.9	92.3	37.4	30.7
Reserve	24.4	29.2	31.9	35.7	24.2
Ratio to Liabilities	16 8%	19·15%	19·56%	18·91%	47 54%
Coin and Bullion	94.2	80,5	53.8	56,1	34,7
Money:					
Bank of England Rate	6%	5%	5%	5½%	4%
Bank of France Rate	5%	5%	5%	5%	3%
Rate 3 months' Bills London	5⅛%	3⅛%	4 4⅛%	4⅜–⅝%	3⅛%
Exchanges:					
Paris Cheque	42 60	25 97½	27 07½	27 80	25 18
New York 60 days	3 69½	4 73	4 72½	4 72½	4 84
Bombay Telegraphic Transfers	2/3⅝	1/6⅜	1/4⅜	1/4½	1/4⅛
Prices:					
Consols 2½% Cash	51½	59	55	53⅝	82⅛
French Rentes 3% Money	53·50	62 30	58 25	62 50	99 10
Silver, London spot oz.	77d.	48⅛d.	44½d.	36⅞d.	24⅝d.
Wheat, *Gazette* average qr.	72/6	72/6	71/2	75/8	33/6
Cotton, Mid Upland lb.	30 96d.	20·15d.	23·44d.	10·83d.	7·90d.
Iron, Scotch pig ton	181/0	101/0	101/0	—	57/6

CURRENCY NOTE ISSUE.

Week to	Notes Issued	Notes Cancelled	Notes Outstanding	Gold Coin & Bullion	% of Gold to Notes
	£	£	£	£	%
Jan. 14, 1920 ...	3,567,801	12,841,169	338,722,363	28,500,000	8·4
Jan. 7, 1920 ...	4,395,427	12,551,717	347,995,732	28,500,000	8·1
Jan. 15, 1919 ...	3,793,611	9,708,629	312,015,510	28,500,000	9·1
Jan. 16, 1918 ...	4,280,604	5,369,288	210,741,394	28,500,000	13·5
Jan. 17, 1917 ...	3,644,824	4,319,683	145,310,396	28,500,000	19·6
Jan. 19, 1916 ...	3,608,031	4,774,853	99,641,471	28,500,000	28·6

Balance Sheet, January 14, 1920.

Notes outstanding—	£	Advances—	£
One Pound	264,393,401	Other Bankers ...	250,000
Ten Shilling	44,718,962	Trustee Savings Banks	210,000
Certificates outstanding ...	29,010,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500,000
Total	338,722,363	Bank of England Notes...	4,000,000
Investments Reserve A/c ...	17,342,779	Government Securities ...	321,468,921
		Balance at Bank of England	1,636,221
Total	356,065,142	Total	356,065,142

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

1919-20. Week to	Revenue	Expenditure	Excess of Expenditure	Loans, Advances, &c.—Cr.	Loans, Advances, &c.—Dr.	Net +	Cash Balance
Jan. 10	£40,459	£32,395	£8,064	£161,179	£169,584	—£8,405	£3,831
Dec. 31	25,969	37,388	11,419	67,686	55,869	11,717	4,171
Dec. 20	20,827	34,497	13,660	214,832	201,216	13,618	3,773
286days '19-20	736,711	1,158,375	421,664	4,834,667	4,425,803	408,864	—8,968
286days '18-19	542,597	2,103,163	1,560,566	5,623,228	4,075,079	1,548,149	—12,417
Fr. '19-20*	1,168,650	1,642,295	473,645	—	—	473,645	—
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	1,682,049	12,799
Yr. '17-18	707,234	2,696,221	1,988,987	7,499,604	3,616,023	1,983,581	21,039

Principal Items of Revenue and Expenditure.

1919-20. Week to	Revenue: Customs & Excise	Income Tax, &c.	Excess Profits Duties, &c.	Other Revenue	Expenditure: Int., &c., on Debt	Misc. Expend.	Supply Services
Jan. 10	£7,144	£15,340	£11,205	£6,770	£6,311	£440	£25,643
Dec. 31	6,210	5,148	6,506	8,105	2,602	809	33,977
Dec. 20	11,515	1,404	5,082	2,831	2,425	31,818	34,243
286days '19-20	213,387	152,434	214,031	156,909	278,301	10,782	869,242
286days '18-19	120,973	100,032	213,193	108,399	232,727	7,787	1,852,849
Fr. '19-20*	276,000	354,000	283,000	258,650	345,000	16,595	1,280,700
Yr. '18-19	162,220	291,186	285,028	150,587	269,964	11,380	2,297,958
Yr. '17-18	110,033	239,509	220,214	137,478	189,851	11,401	2,494,969

FLOATING DEBT. [000's omitted.]	Treasury Bills	Ways & Means Advances	Total	Natni. War Bond Rcpts.
Jan. 10, 1920 ...	£1,144,881	£209,074	£1,353,955	£1,732,780
Dec. 31, 1919 ...	1,105,946	243,174	1,349,120	1,732,780
Dec. 20, 1919 ...	1,121,620	224,087	1,345,707	1,732,780
Dec. 13, 1919 ...	1,111,022	230,782	1,341,804	1,732,780
June 30, 1919 ...	796,150	774,237	1,570,387†	1,732,021

* Revised Budget and supplementary estimates. † Highest.
↔ Excess of revenue.

FOREIGN BANKS.

[In £'s Sterling‡—000's omitted.]

	Gold	Cash: Silver	Cash: Total	Advances: To Public	Advances: To Govts.	Note Circulat'n	Bills Discounted, &c.
AUSTRIA-HUNGARY.							
July 23, '14...	£51.578	£12.141	£63.719	£7.772	—	£88.740	£31,993
Oct. 21, '19...	10.832	2.374	13.206	371.686	£1,373,083	2.013.363	240.845
Oct. 28, '19...	10.832	2.378	13.210	372.119	1,373,083	2,058.464	229,532
Dec. 7, '17...	11.000	2.300	13.300	603.990	—	739.300	117.600

	Gold.	Silver	Total	Discounts	Circulation	Deposits
BELGIUM.						
Aug. 6, '14 ...	£10.977	£633	£11.610	£41.925	£51.800	£6,263
Dec. 30, '19 ...	10.656	1.076	11.732	15.692	190.552	97.345
Jan. 8, '20 ...	10.657	1.097	11.754	15.767	192.069	95.609

	Cash: Gold	Cash: Silver	Cash: Total	Discounts	Balance Abroad	Circulation	Deposits
DENMARK.							
July 31, '14 ...	£4.100	£341	£4.441	£6.197	£786	£8.693	£47
Nov. 29, '19 ...	11.787	190	11.977	10.426	1.547	26.208	2.393
Dec. 31, '19 ...	12.605	184	12.789	12.803	1.640	27.186	3.995
Dec. 31, '18 ...	10.812	135	10.947	4.473	4.978	25.002	809
Dec. 31, '17 ...	9.622	137	9.759	3.081	2.495	18.770	2 417

	Gold: In Bank	Gold: Abroad	Total Cash incl'g Silver	Bills	Circulation	Deposits: Public	Deposits: Private
FRANCE.							
July 30, '14 ...	£165.654		£190.667	£97.768	£267.327	£15.302	£37.903
Jan. 2, '20 ...	144.027	79.131	233.788	66.192	1,506,422	3.747	130.821
Jan. 8, '20 ...	144.035	79.131	233.748	64.687	1.520.396	1.534	125.039
Jan. 9, '19 ...	133.208	81.484	232.383	60.924	1,262.674	1.625	97.042
Jan. 10, '18 ...	132.816	81.484	224.144	38.329	919.312	6.261	107.879

	Cash: Gold	Cash: Silver	Cash: Total	Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
GERMANY.							
July 23, '14...	£67.843	£16.727	£84.570	£5.279	£40.055	£94.545	£47,198
Dec. 15, '19...	54.491	1.052	55.533	504.911	1.718.563	1.643.782	547.694
Dec. 23, '19...	54.475	1.039	55.514	525.726	1.742.436	1.708.330	557.348
Dec. 21, '18...	113.131	1.007	114.138	244.990	1.222.954	1.056.216	574.194
Dec. 22, '17...	120.250	8.219	128.469	58.051	630.908	551.302	331.753

	Cash: Gold	Cash: Silver	Cash: Total	Discounts	Advances	Circulation	Deposits
HOLLAND.							
Aug. 1, '14 ...	£13.496	£249	£13.745	£13.422	£10.332	£35.660	£1,437
Jan. 3, '20 ...	53.110	547	53.657	20.432	21.568	89.560	7.069
Jan. 10, '20 ...	52.917	581	53.498	20.876	19.682	87.201	7.892
Jan. 11, '19 ...	57.535	723	58.258	21.140	12.112	90.166	8,143
Jan. 12, '18 ...	58.121	578	58.699	6.224	7.802	73.883	3.533

	Cash: Gold	Cash: Silver	Cash: Total	Other Cash	Loans & Discounts	Circulation	Deposits
ITALY.							
July 31, '14 ...	—	—	£48.456	—	£25.017	£69.204	£8.887
Oct. 20, '19 ...	£32.201	£3.003	35.204	17.507	82.828	468.370	74,004
Oct. 31, '19 ...	32.200	3.006	35.206	26.417	89.476	478.217	74.473
Oct. 31, '18 ...	32.697	3.078	35.775	5.283	62.386	359.445	56.877
Oct. 31, '17 ...	33.352	3.047	36.399	7.244	45.406	215.568	45.152

	Gold	Discounts	Advances	Notes	Deposits: Public	Deposits: Private
JAPAN.						
Aug. 1, '14 ...	£21.867	£1.829	£7.863	£32.722	£13.818	£1,521
Nov. 22, '19 ...	82.027	8.613	33.908	111.397	108.178	4.476
Nov. 29, '19 ...	84.557	19.928	31.333	124.370	108.599	4.414
Nov. 30, '18 ...	72.051	4.315	45.629	93.793	98.199	4,703
Dec. 1, '17 ...	62.286	2.441	22.284	68.702	59.614	2,815

	Cash Own Vaults	Loans, Aggregate Reserve	Loans, Disc'ts, Invest.,&c.	Net Deposits: Demand	Net Deposits: Time	Net Deposits: Total	Excess Reserve
NEW YORK BANKS & TRUSTS							
Aug. 1, '14 ...	—	£89.888	£411.238	—	—	£387,165	£1,720
Jan. 3, '20 ...	22,380†	117.272	1,054.578	829.794	50.614	928.414	6.976
Jan. 10, '20 ...	22.592†	116.724	1,073.322	834.070	50.694	947.458	5,888
Jan. 11, '19 ...	22,964†	125.578	950.340	785.916	28.582	854 423	11,604
Jan. 12, '18 ...	23.334†	112.270	818.163	737.986	39.583	811,616	13.852

	Gold	Balance Abroad	For'gn Govt. Securities	Disc'nts & Loans	Circulation	Deposits
NORWAY.						
July 31, '14 ...	£2,960	£1.678	£493	£4.868	£6,752	£793
Dec. 22, '19 ...	8.141	4,082	674	20.596	26,009	2,916
Dec. 31, '19 ...	8,139	4,100	674	22.354	25,031	5,573
Dec. 31, '18 ...	6,721	3,876	750	23.613	24,039	6.764
Dec. 31, '17 ...	8,414	4.844	717	22,398	17,985	12,179

	Gold	Silver	Total	Discounts & Advances	Note Circulation	Deposits
PORTUGAL.						
Sept. 3, '19 ...	£1,905	£3,924	£5,829	£7,946	£66,556	£6,774
Nov. 12, '19 ...	1,905	3,922	5,827	10,176	75,376	4,892
Sept. 4, '18 ...	1,905	3,742	5,647	10,795	54,450	2,357
Sept. 5, '17 ...	1,904	825	2,729	28,191	36,490	1,245

	Cash	Discounts	Advances	Total	Circulation
ROUMANIA.					
Nov. 22, '19 ...	£52,541	£9,323	£2,301	£11,624	£157,407
Nov. 29, '19 ...	53,221	9,430	2,184	11,614	158,906
Dec. 6, '19 ...	53,621	9,103	2,255	11,358	160.748
Dec. 7, '18 ...	32,901	4,252	1,686	5,938	98,057

	Gold: In Bank	Gold: Abroad	Total Cash incl'g Silver	Loans & Disc'ts	Circulation	Notes in Reserve	Total Deposits
RUSSIA.							
July 21, '14...	£160,114	£14,395	£181,892	£76,081	£163,411	£6,589	£109,911
Oct. 29, '17...	128,523	230.865	378,205	1,869,559	1,836,217	15,783	345,550

	Cash: Gold	Cash: Silver	Cash: Total	Loans, &c.	Spanish 4%	Circulation	Deposits, &c.
SPAIN.							
Aug. 1, '14 ...	£21.804	£29.187	£50.991	£40.572	£13.778	£77.557	£18,955
Jan. 3, '20 ...	97.920	25.169	123.089	90.585	13.773	155.507	43,185
Jan. 10, '20 ...	97.920	25.173	123.093	90.175	13.779	156.065	42,835
Jan. 11, '19 ...	89.140	25.588	114.728	67.983	13.777	135.012	45.219
Jan. 12, '18 ...	78.690	28.296	106.986	47.972	13.777	112,747	37,832

	Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
SWEDEN.						
Aug. 1, '14 ...	£5,717	£6,150	£1,555	£7,495	£13,432	£3,903
Dec. 20, '19 ...	15.630	6,758	2,687	31,048	40,589	13,543
Dec. 27, '19 ...	15,621	6,743	2,687	30139	40,085	11,438
Dec. 28, '18 ...	15,882	6,974	3,055	24,970	43,933	7,086
Dec. 29, '17 ...	13,580	7,123	4,440	16,751	30,893	11,324

	Cash: Gold	Cash: Silver	Cash: Total	Discounts & Advances	Circulation	Deposits
SWITZERLAND.						
July 23, '14 ...	£7,202	£758	£7,960	£4,817	£10,716	£2,026
Dec. 31, '19 ...	20,680	2,946	23,626	21,764	41,445	7,012
Jan. 7, '20 ...	20,678	2,971	23,649	19,090	39,018	6,560
Jan. 7, '19 ...	16,562	2,366	18,928	23,673	36,434	7,903
Jan. 7, '18 ...	14,331	2,102	16,433	15,289	26,386	5,780

† Not reserve. ‡ Converted at par rate of exchange approximately.

	Gold: Held by Banks	Gold: With Agents	Total Cash	Bills Discount'd	Bills Acceptances.	Deposits: Govt.	Deposits: Total Net.	Circulation
U. STATES FED. RES. BANKS.								
Jan. 5 '20 ..	£146 930	265.594	424.256	446.238	114.926	7.784	370 276	599.798
Jan. 12 '20 ...	144,778	233.496	420 470	415.952	114 944	5.563	343.178	582.874
Jan 10,'19 ...	154.222	264,592	432,380	351,616	55,580	7,458	315.468	518.136
Jan 11,'18 ...	179.233	160,273	349.571	115.148	52,533	12,104	290 502	248 856

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed		%	Date Fixed
Amsterdam ...	4½	July 1,'15	Lisbon	5½	Jan. 15,'14
Berlin	5	Dec. 23,'14	Madrid	5	Nov.10,'19
Berne	5	Aug. 21,'19	Paris	5	Aug. 20,'14
Bombay	5	June 12,'19	Petrograd ...	6	July 29,'14
Brussels	3½	Oct. 2,'19	Rome	5	Jan. 11,'18
Calcutta	5	June 5,'19	Stockholm ...	6	June 12,'19
Christiania ...	6	Dec. 18,'19	Tokio	8·03	Nov. 18,'19
Copenhagen ...	5	Oct. 7,'19	Vienna	5	Apr. 12,'15

III.—FOREIGN EXCHANGES.

LONDON ON—		Jan. 16 '20	Jan. 9, '20	Jan. 2, '20	Dec. 23, '19
Berlin	Cable	212½m.	192½m.	187½m.	182½m.
Brussels	Cheques	42fr. 55c.	41fr. 70c.	40fr. 40c.	39fr. 00c.
Denmark	Cable	21kr. 00	20kr. 65	19kr. 65	20kr. 30
Holland.....	do.	9d. 89⅛c.	10d. 02½c.	10d. 10c.	10d. 13½c.
Italy	do.	50lr. 60	50lr. 35	50lr. 25	48lr. 50
Lisbon and Oporto	do.	16d nom.	17d.nom.	20d.	21d.
New York	do.	$3 70	$3 74	$3 78	$3 83
—	Cheques	$3 72	$3 76	$3 80	$3 85½
Norway	Cable	19kr. 10	18kr. 90	18kr. 60	18kr. 80
Paris	3 mos.	43fr. 25c.	42fr. 00c.	41fr. 45c.	40fr. 60c.
—	Cable	42fr. 75c.	42fr. 50c.	40fr. 85c	40fr. 00c.
Spain (Bank places)	3 mos.	61	58⅜d.	58⅛d.	58⅛d.
—	Cable	19p. 35	19p. 65	19p. 65	19p. 50
Sweden	Cable	17kr. 85	17kr. 70	17kr. 55	17kr. 80
Switzerland	3 mos.	20fr. 85c.	21fr. 60c.	21fr. 45c.	21fr. 55c.
—	Cable	20fr. 50c.	21fr. 25c.	21fr. 15c.	21fr. 55c.
ON LONDON—		Jan. 16. '20	Jan. 9, '20	Jan. 2, '20	Par
Alexandria	Sight	97⅞pi.	97⅞pi.	97⅛pi.	97⅛pi.
Amsterdam	Cheques	9fl. 94c.	9fl. 95c.	10fl. 09c.	12.107fl.
Athens	Cable	25dr. 70	25dr. 70	25dr. 60	25dr. 22½
Bombay	Transfers	2s. 3⅝d.	2s. 4⅛d.	2s. 4¼d.	1s. 4d.
Brussels	Cheques	42f. 87½c.	41f. 75c.	40f. 45c.	25f. 22½c.
Buenos Ayres	Transfers	63⅛d.	62⅛d.	62⅛d.	47.58d.
Calcutta	do.	2s. 3⅝d.	2s. 4⅛d.	2s. 3⅝d.	1s. 4d.
Christiania	Sight	18kr. 60½	18kr. 90	18kr. 59	18.159kr.
Copenhagen	do.	21kr. 00	20kr. 53½	19kr. 65	18.159kr.
Helsingfors	Cable	103⅛m.	120m.	125⅛m.	25m. 22½
Hong Kong	Transfers	5s. 0⅛d.	5s. 0⅛d.	4s. 10½d.	—
Italy	Sight	50lr. 55c.	50lr. 35c.	50lr. 12½c.	25l. 22½c.
Lisbon	do.	17⅛d.	17d.	19½d.	53½d.
Madras	do.	2s. 4⅛d.	2s. 4⅛d.	2s. 4⅛d.	1s. 4d.
Madrid	do.	19p. 30½	19p. 66	19p. 67	25p. 22½
Montevideo	Transfers	67d.	67d.	75⅛d.	51d.
Montreal	Cable	$4 02	$4 05	$4 11	$4 86⅛
New York.....	Sight	$3 72½	$3 76	$3 76½	—
—	Cheques	$3 63½	$3 73	$3 73½	—
—	Cable	$3 73	$3 76⅜	$3 77½	$4 86⅜
Paris	Cheques	42f. 60c.	41f. 97½c.	40f. 95c.	25f. 22½c.
Rio de Janeiro ...	90 days	17⅞d.	17⅛d.	17⅛d.	16d.
Shanghai	Transfers	7s. 9¼.	8s. 0d.	7s. 9d.	—
Singapore	Sight	2s. 4⅛d.	2s. 4⅛d.	2s. 4⅛d.	—
Stockholm	do.	17kr. 88	17kr. 70½	17kr. 59	18.159kr.
Switzerland	do.	20f. 43c.	21f. 27½c.	21f. 12½c.	25f. 22½c.
Valparaiso	90 days	13⅛d.	11⅞d.	12⅜d.	18d.
Yokohama	Sight	2s. 9⅛.	2s. 8⅛d.	2s. 8d.	24.58d.

NEW YORK ON—	Rate Current* Jan. 16 '20	Rate Current* Jan. 9, '20	Par as usually Quoted	Rate July 3.
Amsterdam, sight ...	37·375c.	37 25c.	40·20c. for 1 guilder	40·25c.
Bombay, cheques ...	44 125c.	44·60c.	32·44c. for 1 rupee	33·00c.
Buenos Aires, cheques ...	101·90	101·90		
Christiania, cheques ...	19·50c.	19·90c.	26·80c. for 1 kroner	
Copenhagen, cheques ...	17 90c.	18·10c.	26 80c. for 1 kroner	26·85c.
Greece, cheques ...	14·60c.	14·80c.	19·295 c. for 1 drachma	
Hongkong, cheques ...	96c.	106c.	74·59c. for Mex. $1	46·4c.
Italy, sight	13·50⅞.	13·42⅞.	5·18½ lire for $1	5·17⅞.
Lima, cheques ...' ...	4·74⅞.	4·78⅛.	4·8665 $ for 1 libra	
Manila, cheques... ...	48	48	50c. for 1 peso	49 9c.
Montreal	7 625% disc.	7·375% disc.	Premium per $100	Par
Paris, sight	11·32fr.	11·10fr.	5·18½ francs for $1	5·16fr.
Petrograd, sight ...	—	—	51·46c. for 1 rouble	51·37c.
Rio de Janeiro, cheques	27·50c.	27·50c.	32·42c. for 1 milreis	
Shanghai, cheques ...	156c.	158c.	52·96c. for 1 tael	83·00c.
Singapore, cheques ...	50c.	54c.	56·77c. for $1	57·12c.
Spain, cheques	19c.	19c.	19 30c. for 1 peseta	
Stockholm, cheques ...	20·85c.	21c.	26 80c. for 1 kroner	
Switzerland, cheques ...	5 62fr.	5·67fr.	5·18½ francs for $1	5·18½fr.
Valparaiso, cheques ...	20c	19c.	20 61c. for 1 peso	
Yokohama, cheques ...	49·90c.	50·10c.	49·84c. for 1 yen	49·90c.

* According to Guaranty Trust Company of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount	Inc. or Dec.*	1919 Aug.	Inc. or Dec.*	%
	1920	[In £'s sterling 000's omitted.]				
BIRMINGHAM ...	Jan. 10	£3,297	+ £1,050	£7,155	+ £1,833	+ 34·4
BRISTOL	,, 10	1,748	+ 649	3,668	+ 1,369	+ 59·5
DUBLIN	,, 10	10,154	+ 2,901	18,243	+ 4,594	+ 33·8
LEEDS	,, 10	1,370	+ 445	3 071	+ 634	+ 28·0
LEICESTER	,, 10	1,367	+ 543	3,245	+ 1,563	+ 92·9
LIVERPOOL	,, 10	16,513	+ 5,738	34,181	+ 16,223	+ 90·3
MANCHESTER ...	,, 10	30,206	+ 15,607	63,234	+ 34,779	+ 122·2
NEWCASTLE ...	,, 10	2,550	+ 693	5,683	+ 1,252	+ 28·2
NOTTINGHAM ...	,, 10	1,374	+ 604	2,558	+ 1,136	+ 79·9
SHEFFIELD	,, 10	1,362	+ 333	3,567	+ 814	+ 29·6
LONDON—	1920.					
TOWN	Jan. 14	635,976	+ 269,529	1,281,633	+ 461,614	+ 56·3
METROPOLITAN	,, 14	42,277	+ 8,352	88,911	+ 12,963	+ 17·1
COUNTRY	,, 14	80,048	+ 21,738	173,567	+ 44,045	+ 34·0
TOTAL	,, 14	758,301	+ 299,619	1,544,111	+ 518,622	+ 50.6

* Compared with a year ago.

V.—FREIGHTS.—According to Messrs. J. C. Gould, Angier and Co.

HOMEWARDS.	1920 Jan. 16	1920 Jan. 9	1913 Jan.17
Alex. to U.K. ...	-	42/6	9/6
Aust. to U.K. ...	105/0	105·0	42/6
Azoff to L.H.A.R.	—	—	—
Bombay to p.p. ...	nom.	105/0d.w.	22/0
Burmah o.c.	nom.	- t.w.	33 0
Calcut.top.p(cpte)	nom	— d.w.	33·0
Danube to U.K. ...		—	
Odessa to L.H.A.R.	—	—	11/9
R. Plate to U.K.	170/0	170/0	23 0

Homewards.—*Cont.*	1920 Jan.16	1920 Jan.9	1913 Jan.17
U.S.Atl.Ports to L'pl. (cotton, 100lb.)	nom.	—	3/3
U.S.Gulf Ports to U.K. (cotton & grain)	nom.	—	—
OUTWARDS Cardiff to			
Aden	—	—	—
Colombo	—	—	13/6
Port Said ...	60/0	60/0	11/0
River Plate ...	38/9	37/6	17/0
St. Vincent ...	37/6	37/6	10/0

VI.—WHOLESALE PRICES OF COMMODITIES.

	JAN. 16, 1920.	JAN. 17, 1919.	JUNE 30, 1914
METALS, MINERALS, &c.			
Iron—Scotch pig warrants ...ton	181/0	101/0	57/0
— Middlesbro' warrants .....ton	175/5	95/0	51/0
— Hematite warrants .....ton	220/0	122/6	61/0
— Staffordshire bars, London ton	£25—£26	£17	£8 10
— Common bars .....ton	£23	£14 15	£8 16
Steel Rails .....ton	£18 15	£10 17/6	£6 2/6
Galvanised Sheets .....ton	£48	£29	£16 17/1
Copper—Standard .....ton	£118	£92—£93	£66
Tin—English Ingots .....ton	£374	£247—£248	£142 15
— Straits .....ton	£378	£250 10	£139 10
Tinplates, I.C. Coke, S. Wales...box	56/0	32/6	11/10½—12/0
Lead—Soft Foreign .....ton	£47 15	£30—£35	£19
Spelter—Ord. Foreign .....ton	£58 15—£60	£45—£56	£21 7/9
Quicksilver—(75lb.) .....bottle	£23	£20	£7
Aluminium .....ton	£165	nom.	£82
Antimony—Regulus Foreign ...ton	£61	nom.	£27 10
— English .....ton	£63	—	—
Coal—(best) Yorkshire .....ton	21/6—22/6	23/6—24/6	17/6
— Steam (best) Newcastle .....ton	46/0—51/0	40/0—45/0	14/6
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b. Chile, per quintal	13/3	nom.	7/4
Soda—Crystals ex ship .....ton	130/0—140/0	87/6	42/6—45/0
Copra—Malay and States .....ton	£72	£39 10	£23 15—£24 7/6
Gambier—Good marks..... cwt	48/0	45/0	16/10½
Indigo—Bengal good to fine ...lb.	9/0—11/0	9/0—10/6	3/2—3/8
Linseed Oil—Raw .....ton	£107 10	£75	£25 5
Linseed—Calcutta, spot .....ton	£52	£37 10	£13 16/9
— **Cakes, U.K. made, ex mill...ton**	£25	£19	£7 17/6—£8
Olive Oil—Spanish .....tun	nom.	nom.	£49 10
Palm Oil—Lagos .....ton	£98	£45	£31 10
Petroleum—American .....gallon	1/9	1/4½	7½d.
Rape Oil—Refined English.....ton	£116	£71	£32
Soya Oil—Refined .....ton	£108	£75	£24 10
Tallow—Imported .....cwt.	103/0—105/0	68/0	29/3—33/3
Turpentine—American .....cwt.	190/0	105/0	33/7½
Rape Seed—Toria .....ton	£49	£29 15	£13 5
Rubber—Para, spot .....lb.	2/7	2/7	2/9½
— Fine plantation (stnd. crepe) lb.	2/8½	2/0½	2/2
— World's Production* Nov. tons	31,795	18,701	8,467
Shellac—T.N. Orange, fair ...cwt.	880/0	280/0	63/0—64/0
TEXTILES.			
Cotton—Middling Upland .....lb.	30·96d.	20·15d.	7·53d.
— Egyptian, good fair .....lb.	66·0d	27·05d.	8·75d.
— Pernambuco fair .....lb.	34·71d.	22·12d.	7·73d.
— Midland Upl. New York.....lb.	39·25c.	29·85c.	13·25c.
— Stock, Liverpool (Jan. 9) bales	835,000	452,980	934,600
Flax—Petrograd, Yarapol .....ton	—	nom.	£28
Hemp—New Zealand .....ton	£56	£96	£25 10
— Manila, Fair .....ton	£63	£100	£26 10
Jute—First Marks .....ton	£66	—	£26 15
— Red SCO .....ton	£56	—	£24 15
Silk—Blue Elephant .....lb.	50/0	22/0	11/3—11/6
Wool—Pt. Philip unwashed av. lb.	5/6	nom.	11½d.—1/0
— Lincoln Half Hogs .....lb.	2 4½	1/7½nom.	1/0½
Hides—Eng. Ox, best, 65lb. up lb.	15½d.—16½d.	9¾d.—10½d.	7½d.
Leather—Dressing Hides .....lb.	3/3—3/9	2/5—3/1	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus	114,358,000	187,192,000	34,640,000
— Red, price, N.Y. 60lb....bushel	nom.	238c.	67½c.
English Gazette, aver. 480lb. qr.	72/6	72/6	34/3
Flour—G.R. 280lb	44/3	44/3	28/6
Barley—Eng Gaz., aver. 400 lb. qr.	109/7	82/5	25/4
Oats—Eng. Gaz., aver. 312 lb. qr.	57/7	49/8	20/0
Maize—N.Y. (new bushel)...56lb.	173½c.	155½	76½c.
— Amer. mixed, Liverpool...480lb.	nom.	76/0	32/4
- La Plata .....480 lb. qr.	65/0	70/0	25/9
Potatoes—Good English .....ton	245/0	190/0	70/0—75/0
Rice—Bassein .....cwt.	26/0	28/3	7/0—7/3
Tapioca—Pearl, medium .....cwt.	36/6	40/0	14/0—17/8
Hay—best .....2,018lb....load	—	160/0	82/6
Hops—English .....cwt.	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs ...8lb.	9/0	9/0—9/6	3/8—3/10
— Scotch sides .....8lb.	10/0	9/6	4/6—5/0
— English .....8lb.	10/0	9/6	4/2—4/5
Mutton—Scotch wethers .....8lb.	10/6	10/0	5/8—6/0
— English wethers .....8lb.	10/6	10/0	4/6—5/4
— New Zealand frozen .....8lb.	10/6	10/0	2/4—3/2
Pork—English and Irish .....8lb.	10/8	10/8	3/6—4/0
Bacon—Irish, delivered .....cwt.	200/6	188/0	60/0—74/0
— Danish .....cwt.	†187/0	—	58/0—68/0
— Canadian, ex Port .....cwt.	†187/0	—	—
— American, ex Port .....cwt.	†187/0	176/6	72/0—74/0
Hams—Amer. long cut, ex Port cwt.	†190/0	170/0	75/0—79/0
— — short cut, ex Port .....cwt.	†190/0	170/0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt.	†198/6	158/0	51/9—52/9
Butter—Danish .....cwt.	†252/0		117/0—120/0
— French .....cwt.	†252/0	Controlled	96/0—108/0
— Australian .....cwt.	†252/0	252/0	98/0—110/0
— New Zealand .....cwt.	†252/0		108/0—114/0
Cheese—Canadian .....cwt.	†145/0	Controlled	66/0—68/0
— United States .....cwt.	†145/0	163/4	—
— Dutch .....cwt.	†145/0		53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Dec. 31 ...cwt	31,949,341	26,113,009	19,777,254
— Home consump'n. to Dec. 31 cwt.	30,658,779	18,824,211	17,272,000
— In Bond Dec. 31 .....cwt.	6,421,000	7,822,000	6,306,000
— Price, Java, 96° Pol. .....cwt.	60/0	36/0	10/3
— — Yellow crystals .....cwt.	63/6	57/9	12/6—14/0
— — Tate's Cubes, No. 1 .....cwt.	72/0	64/9	18/0
Coffee—Imports to Dec. 31 .. cwt	1,055,218	159,304	720,360
— Home consumpt'n to Dec. 31 cwt.	315,477	456,278	141,410
— Exports to Dec. 31 .....cwt	629,888	30,181	340,250
— In Bond Dec. 31 .....cwt.	706,000	617,000	484,000
— Price, Costa Rica gd. to fine cwt.	155/0—163/0	145/0—155/0	80/0—93/0
— — Brazil (Santos) Good ...cwt.	135/0—137/0	65/9	41/6
Tea—Imports to Dec. 31..... lb.	510,439,600	463,628,123	123,230,277
— Home consump'n. to Dec. 31 lb.	388,465,533	311,151,409	155,447,972
— Exports to Dec. 31 .....lb.	29,693,495	2,195,234	26,561,785
— In Bond Dec. 31 .....lb.	226,584,000	135,295,000	78,292,000
— Price, Indian, Pek. Soug. gd. lb.	1/3	1/4	8½d.
— — Ceylon, Pek. Soug. Ord. lb.	1/2½	1/4	8½d.
— — Common Congou .....lb.	1/0	1/4	5½d.
Cocoa—In Bond Dec. 31 .....cwt.	901,000	486,000	309,000
— **Grenada, good to fine** .....cwt.	129/0—130/0	85/0	52/6—56/0

* Estimated. † Controlled.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific	Nov.	$17,367,000	+2,344,000	$2,850,000	— $549,000
	11 *mos. to* Nov.	159,904,000	+18117000	31,251,000	— 440,000
Grand Trunk	Nov.	£1,251,900	— £15,700	£203,300	— £81,800
	11 *mos. to* Nov.	12,853,900	+1,702,200	1,586,200	+ 104,400

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August* 5, 1914, *the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act,* 1871. *The Irish railways, similarly, were taken over as from January* 1, 1917.

INDIAN.	Week or Month.	Miles Open.	Gross Receipts.	+ or — on Year Ago.	No. Wks	Aggregate Receipts.	+ or — on Year Ago.
Assam Bengal	Dec. 6	993	R2,13,478	+ 47,490	10	22,60,379	+ 6,24,778
Barsi Light ...	Dec. 5	118	32,600	+ 15,900	37	10,25,700	+ 4,59,000
Bengal & N.W.	Dec. 6	2,065	4,17,810	— 33,363	10	40,17,560	— 5,56,492
Beng. Dooars	Dec. 13	158	27,076	+ 3,957	11	5,54,153	+ 70,545
Beng. Nagpur	Dec. 6	2,695	11,65,000	— 26,000	36	4,36,33,514	+ 32,69,645
Bomb. Baroda	Jan. 3	2,871	19,45,000	+ 76,000	14	2,38,84,000	+ 22,84,000
Burma	Nov. 29	1,342	6,01,456	+ 73,178	35	1,84,68,160	+ 19,93,334
Del.Um. Kalk.	Jan. 3	239	80,400	— 13,627	14	12,44,114	— 5,950
East Indian ...	Jan. 3	2,771	24,96,000	— 1,64,000	14	3,46,80,000	— 14,85,000
Gt.Indian Pen.	Jan. 3	3,121½	28,72,700	+ 3,10,100	14	3,39,06,955	+ 30,16,248
Madras & S.M.	Dec. 13	3,152	11,00,000	+ 51,757	11	1,09,25,000	+ 3,19,800
Nizam's Guar.	Nov. 29	900	3,02,020	+ 70,537	9	20,30,297	+ 3,75,865
Rob. & Kumn.	Dec. 6	576	95,923	— 7,571	10	8,36,871	— 2,41,087
South Indian	Dec. 13	1,852½	7,45,364	+ 1,32,475	37	2,75,66,960	+ 25,19,905
South Punjab	Sept.	716	6,04,613	— 2,92,520	6*m*	34,91,972	— 18,71,142
COLONIAL							
Can. Northern	Jan. 7	9,588	$1,040,800	+ 261,400	1	—	—
Can. Pacific ...	Jan. 7	13,388	3,171,000	+ 315,000	1	—	—
Grand Trunk	Jan. 7	3,616	£232,056	+ 25,830	1	—	—
Mashonaland	Aug.	810	65,465	— 7,046	11*m*	—	—
Mid. W. Aust.	Oct.	277	10,830	+ 294	4*m*	36,005	+ 3,339
NewCapeCent.	Dec. 6	205	2,711	+ 277	49	123,013	+ 13,167
Rhodesia Rlys.	Aug.	1,397	98,984	— 15,059	11*m*	938,048	— 80,830
Temiscouata..	Oct.	—	$30,562	+ 2,154	10*m*	304,661	+ 22,504
W. Pass.&Yuk	Aug.	122	—	—	8*m*	$968,676	+ 31,021
FOREIGN.							
Argentine.							
Arg. N. East...	Jan. 3	752	£ 12,300	+ 4,000	27	321,400	+ 68,200
Arg. Transand.	Jan. 3	111	£ 5,090	+ 1,010	27	57,016	— 33,764
B. A. & Pacific	Jan. 3	3,536	£ 141,000	+ 38,000	27	3,867,000	+ 827,000
B.A.Gt. South	Jan. 4	3,792	£ 181,000	+ 38,000	27	4,617,000	+ 996,000
Do.	Jan. 4	Net	£ 62,000	+ 25,000	27	1,530,000	+ 867,000
B. A. Western	Jan. 4	1,882	£ 84,000	+ 15,000	27	2,605,000	+ 738,000
Do.	Jan. 4	Net	£ 29,000	+ 15,000	27	925,000	+ 463,000
B. A. Central	Nov.	190	£ 43,048	+ 4,181	5*m*	226,403	+ 21,166
Cent. Argent.	Jan. 3	3,305	£ 186,000	+ 52,300	27	4,615,000	+ 1,110,400
Do.	Jan. 3	Net	£ 70,000	+ 60,200	27	1,347,100	+ 765,209
Cord. Central	Jan. 3	1,205	£ 56,700	+ 20,850	27	1,614,150	+ 402,720
Entre Rios ...	Jan. 3	831	£ 24,700	+ 5,400	27	619,400	+ 81,200
Brazilian.							
BrazilGt.South	Nov.	110	M 45,000	+ 4,900	11*m*	544,671	— 7,362
Brazil Railway	Dec.	3,530	M4,859,000	— 141,271	12*m*	57,772,000	+ 7,619,243
Gt. W. Brazil	Jan. 3	1,010	£ 25,800	+ 7,700	1	—	—
Leopoldina ...	Jan. 3	1,831	£ 55,761	+ 27,496	1	2,282,956	+ 637,707
Mogyana	Dec.	1,180	M 1,561,000	— 956,490	12*m*	22,267,000	— 2,474,651
Paulista	Dec.	766	M 2,650,000	— 906,038	12*m*	32,479,000	— 1,225,892
San Paulo ...	Jan. 11	153¾	£ 39,033	+ 11,471	2	85,175	+ 32,604
Sorocabana ...	Dec.	1,003	M 1,749,000	— 246,168	12*m*	21,953,000	+ 976,692
S.of BahiaS.W.	Dec.	52	M 116,000	+ 22,000	12*m*	1,204,000	+ 143,000
Chilean and Peruvian.							
Antofagasta ...	Jan. 4	638	£ 47,030	+ 14,545	1	—	—
Arauco	Nov.	84½	£ 12,000	+ 500	11*m*	121,300	— 21,700
Nitrate(2wks.)	Dec. 31	390	£ 33,475	+ 621	52	473,274	— 352,775
Peruvian Corp.	Dec.	1,140	S 1,310,880	+ 252,890	6*m*	6,982,774	+ 962,059
Taltal	Dec.	180	£ 25,785	+ 11,227	6*m*	97,117	— 16,607
Cuban.							
Cuban Central	Jan. 10	362	£ 37,708	+ 14,627	28	524,646	+ 116,337
Havana Cent.	Jan. 3	70	£ 11,727	+ 2,104	27	276,865	+ 45,340
U. of Havana	Jan. 10	681	$ 87,087	+ 14,784	28	1,632,788	+ 339,687
W. of Havana	Jan. 10	155	£ 9,532	+ 1,616	28	244,104	+ 45,551
Uruguayan.							
Cent. Uruguay	Jan. 3	273	$ 23,799	+ 1,953	27	596,272	+ 52,275
,, (E. Ext.)	Jan. 3	311	£ 7,281	+ 1,406	27	148,068	+ 22,371
,, (N. Ext.)	Jan. 3	185	£ 3,048	— 390	27	96,746	+ 1,086
,, (W.Ext.)	Jan. 3	211	£ 2,464	— 409	27	72,654	+ 3,975
Mid. Uruguay	Dec.	319	£ 20,234	+ 177	6*m*	111,204	+ 11,111
N.W. Uruguay	Nov.	113	$ 7,128	+ 539	5*m*	32,259	+ 126
Urug. Northn.	Dec.	73	£ 2,606	+ 310	6*m*	13,791	+ 1,855
Miscellaneous							
Alcoy & Gandia	Jan. 10	33	Ps. 8,000	+ 1,500	2	12,000	+ 1,500
Bilbao	Dec.	15	£ 1,275	— 2,707	12*m*	29,589	— 22,288
Bolivar	Dec.	136	£ 9,000	— 4,936	6*m*	53,339	+ 6,335
Colomb. Natnl.	Nov.	86	£ 14,960	+ 4,420	11*m*	153,080	+ 19,200
Costa Rica ...	Nov.	189	£ 26,930	+ 5,815	5*m*	118,319	+ 7,704
Dorada Ext....	Nov.	70	£ 13,750	+ 5,850	11*m*	125,650	+ 34,050
Egyptian Delta	Dec. 20	559¾	£ 13,960	+ 1,028	36	268,477	+ 3,841
Gt. S. of Spain	Jan. 3	104	Ps. 62,706	— 42,516	1	—	—
La Guaira&Ca.	Dec.	22¾	£ 12,070	+ 5,250	12*m*	108,200	+ 31,070
Ottoman Ry...	Dec. 27	379	£ 6,116	—	—	—	—
Paraguay Cent.	Jan. 3	255	£ 3,320	— 1,500	27	144,170	+ 45,590
Puerto Cabello	Dec.	24	£ 4,500	+ 1,300	12*m*	53,875	+ 9,375
Salvador	Jan. 10	100	$ 3,705	+ 850	28	81,002	+ 36,379
Santa Fe Prov. French Rys.	Oct.	1,181	£ 172,656	— 6,605	10*m*	1,435,236	+ 56,606
S'm'na&S'ti'go	Nov.	80	£ 7,660	+ 64	11*m*	130,211	+ 29,712
Zafra & Huelva	Nov.	112	£ 11,757	— 2,292	11*m*	115,662	— 25,305
TRAMS.							
Anglo-Argent.	Jan. 7	400	£ 67,695	+ 7,628	1	—	—
Auckland Elec.	June 30	27	—	—	52	292,502	+ 2,063
Bombay Elec.	Oct.	39	R. 7,67,296	+ 1,80,215	10*m*	70,86,404	+ 12,99,004
Brazilian Trac.	Nov.	378½	M 9,796,000	+ 2,215,000	11*m*	103,335,000	+ 9,972,000
Brisbane Elec.	Dec.	40½	£ 44,820	+ 6,685	12*m*	477,690	+ 37,676
Brit. Columbia	Nov.	334	$ 733,981	+ 121,088	5*m*	3,438,592	+ 711,562
B. A. Lacroze	Nov.	51	£ 50,635	+ 7,683	5*m*	237,705	+ 28,941
Calcutta	Dec. 20	35¾	R 90,271	+ 7,537	51	47,87,604	+ 5,79,473
Cape Electric	Oct.	42¾	£ 26,743	+ 11,115	4*m*	83,822	+ 1,077
Carth. & Herr.	Dec.	9	£ 2,923	— 27	12*m*	32,441	— 14,423
Chatham&Dist	Dec. 31	15	£ 1,162	+ 263	52	78,081	+ 11,262
Havana Elec.	July	86	$ 794,768	+ 100,678	7*m*	5,116,661	+ 402,357
Isle of Thanet	Jan. 7	20¼	£ 478	+ 107	15	7,652	+ 3,205
Kalgoorlie ...	Aug.	20¼	£ 2,876	— 464	8*m*	21,533	— 890
Lanarkshire ...	Dec. 31	28½	£ 3,540	+ 578	52	193,835	+ 6,483
Lima Light ...	Oct.	85	£ 50,067	+ 4,590	10*m*	479,702	+ 44,477
London C.C. ...	Jan. 14	141¾	£ 76,458	+ 7,047	41	3,296,005	+ 558,536
Madras (2wks.)	Dec. 31	15½	R. 53,067	+ 8,931	52	1,027,048	+ 84,816
Manila Electric	Oct.	55	$ 241,949	+ 27,051	10*m*	2,075,148	+ 208,963
Pernambuco...	Jan. 4	59	£ 8,646	+ 2,912	1	—	—
Provincial ...	Dec. 13	21½	£ 2,942	+ 353	11	28,527	+ 5,193
Rangoon Elec.	Dec.	25	£ 7,517	+ 1,329	12*m*	—	+ 9 055
Shanghai Elec.	Dec.	26¾	M $140,000	+ 28,000	12*m*	1,571,796	+ 242,220
SingaporeElec.	Dec. 6	28½	$ 22,511	+ 8,113	47	776,796	+ 95,694
U.of Montevid.	Nov.	90½	£ 40,308	+ 8,610	1*m*	40,308	+ 8,610

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The Statist.

LONDON, SATURDAY, JANUARY 17, 1919.

PEACE WITH GERMANY.

THE Peace with Germany is signed and sealed, and we are promised an early conclusion of the arrangements with Germany's late Allies. Promises in these matters seem, however, to be made only to be broken. For it will be borne in mind that fourteen whole months have passed since the German Army flung away its weapons and refused to fight any longer; and yet, while the Kaiser and his Heir were seeking refuge abroad, and the army was unwilling to struggle any longer, it has taken fourteen whole months to make a Treaty which ought to have been concluded in, at the outside, as many weeks. The remaining treaties ought not to occupy much time, for practically Austria, as we have known it, has ceased to exist; Turkey is broken up; and Bulgaria has frittered away her great position. However, diplomatists seem to exist only to waste time; and, therefore, we must be prepared for a considerable period to elapse before peace can be said really and truly to be established. Meanwhile, it is incumbent upon us to try to understand the result, so far at least as Europe is concerned, of the arrangement with Germany. Germany was exhausted. That is the main fact to recognise and dwell upon. Her troops were utterly worn out, and, consequently, were not in a position to fight any longer. Therefore, we have reasonable grounds for believing that Germany will not be able to renew war for a very considerable length of time; unless, indeed, such alterations take place in the condition of other countries—say, for example, Russia—or in the attitude of such countries as, let us say, the United States or Japan, as may render another great conflict inevitable. If Europe were left altogether to itself, it is reasonable to conclude that it would be long before Germany would be able, even if she wished, to renew the War. But as things are we should not like to pledge our responsibility to the statement that a renewal of the War with Germany is not possible within, let us say, a dozen years. We have, therefore, a peace which ought to be long-lived, for the simple reason that Germany is utterly exhausted; and yet which may be broken in a dangerously short period because there is so much dissatisfaction everywhere with the mismanagement of affairs by the negotiators in Paris.

To begin with, Germany remains an exceedingly strong Power. No measures were taken to ascertain whether Germany proper wishes, or does not wish, to be dominated by Prussia. Everybody who has any knowledge of the history of Europe during the past two generations must be thoroughly aware that the domination of Prussia over the smaller States of Germany was secured by a war waged by Prussia alone against these smaller States and Austria. The subjection of Germany proper to Prussia was, therefore, secured by war; and yet no attempt has been made to ascertain whether Germany proper desires to remain under the thumb of Prussia, or to recover her old independence. That is a difficulty which we shall be made to feel by-and-by, and deservedly, for our representatives in Paris assured the world that they wished to enable all the combatants to settle for themselves the Government under which they are to live, and those promises have not been carried out. Secondly, the condition of Austria is such that it will be little short of a miracle if it does not provoke war before very long. Even now feeling in the United States is strong that Austria has been altogether ill-treated. Suppose that feeling grows and sympathy with Austria becomes strong, What are the chances that peace will be maintained very long, or that a League to prevent war can be made a reality? Thirdly, the condition of Russia is, to say the least, a threat to the future of Europe. And, fourthly, the prospects of Turkey are, one would think, deliberately planned to keep Asia and North Africa permanently in hot water. So far as we can pretend to understand an arrangement which might not unreasonably be described as a plan for keeping Europe in constant danger of war, the peace we have to expect will be an almost openly declared preparation for a new conflict. Here at home the one Party which really represents this country is displeased with the peace. In all reasonable probability the trades unionists will be in power before very long. Will they enforce the terms against Germany? And will they doom Austria to penury and ruin? If we look abroad, we know that the German Army is dissatisfied with the peace; and though immediately it is not prepared to fight again it is in sympathy with the feeling of the militarists. While if we look to Russia, we are unable to decide whether the great successes of the Bolshevists are not due to German assistance, and possibly even to German leadership, at least to a very considerable extent. If Germany has been instrumental in putting the Bolshevists into power, and if the present feeling in America regarding Germany lasts, what will be the prospect for Europe in an exceedingly short time? Everything our Government touches it spoils. And it has been exceptionally true to its character in regard to the Treaty with Germany. Europe is, in fact, sunk in debt. Our Government refuses even to attempt to pay off the debt. And we see an outcry arising in the United States already that Germany is being treated altogether unjustly.

FITNESS FOR GOVERNMENT.

WITH characteristic self-assurance Mr. Churchill has laid down to his admirers that the trades unionists are not qualified to govern this country. If Mr. Churchill possessed what he clearly does not, namely, a little modesty, he would have hesitated a long time before challenging an opinion as to whether any Government to which he has belonged ever had the slightest claim to be considered fit for the administration of a great Empire. Mr. Churchill was, in the Asquith Cabinet, First Lord of the Admiralty. It was, perhaps, the most important office occupied by any man at that time. Will anybody say that he discharged the duties incumbent upon him in a manner to challenge the verdict of his opponents? The Conservative party was raised to power in the latter part of last century, not by its own strength in the United Kingdom, nor even by the capacity of its leaders, but simply by the fact that men like Mr. Bright and the late Mr. Chamberlain revolted from Mr. Gladstone and brought the Conservatives into power. It would be a mere waste of time to examine the personal reasons which influenced either Mr. Bright or Mr. Chamberlain. It is enough to say that the Salisbury Cabinet could not have existed for any length of time if there had not been a revolt against Mr. Gladstone on the plea that Home Rule for Ireland was objectionable. The Conservatives coming into power began, firstly, by swapping Heligoland for a territory which had been

British a little before, and whose importance nobody considered high. And the arrangement was entered into mainly to obtain Court influence. The result of that swapping was that when the War came and the Germans decided upon invading Russia, they were able to do so without the slightest opposition by the British Fleet. And when an outcry was raised that the British Fleet had done nothing, we were assured by all the authorities that in handing over Heligoland to the Germans we had practically made them absolutely safe in the Baltic. Does anybody, even the most prejudiced in favour of the Tory party, seriously assert that the handing over of Heligoland for the purpose of gaining Court favour at home was an act—we will not say of good statesmanship—but even of common honesty, or common regard for the interests of the Empire? Lord Salisbury passed away, and he was succeeded as leader of the Conservatives by Mr. Balfour. Mr. Balfour found an active and influential agitation to prepare carefully and in time for the coming war with Germany. Lord Roberts was too influential to be pooh-poohed, so a meeting of the leaders of the Navy and the leaders of the Army was arranged, and Mr. Balfour, as President of the Imperial Defence Committee, came down to the House of Commons and declared that he was assured by all the ablest naval leaders that it would be impossible to land more than 70,000 invading troops upon English soil; and, consequently, that the only thing which need trouble us in regard to preparation was the defence of India. We have seen since what the consequence of that statement was; how we were without an Army when War came; and how utterly unfit our officers were to command the armies which actually were raised by Lord Kitchener. Will even Mr. Churchill declare that the Conservative party is fit to govern this country? And if he is not prepared to say so, why does he single out the trades unionists for his attack? The answer clearly is: He is not afraid of the Conservatives; he is wofully afraid of the trades unionists. He has brains enough to see that they are the coming power, and he is trying, in a manner which in the mouth of an aristocrat is familiar to us, to damn those whom he dreads.

The friends of Mr. Churchill may reply that the incompetence of the Tories, first under Lord Salisbury, and next under Mr. Balfour, does not prove that the trades unionists are fit to govern; meaning us to deduce therefrom that there is only one party in the State really fitted to govern, and that is the party, or the Coalition, or whatever he chooses to call it, which is in power at the present time. Very well. Let us see whether the Coalition, or even the Liberal Government that preceded it, has been better fitted. Although the Liberals affected to be quite convinced by the declaration of the leaders of the Navy they were greatly distressed to find that Germany was arming in a manner such as had not been witnessed for many centuries. She raised her army to a strength which promised to make her superior in the field to any antagonists who might oppose her. And then she set to work to build a fleet which, without actually attaining the strength of the British, was to be second only to the British, and to be so armed and so drilled that it would have a reasonable chance to snatch from Britain the command of the sea. Every reader will remember that in the Asquith Cabinet Mr. Churchill was First Lord of the Admiralty, and consequently that to him, more than to any other single man, the naval preparations were committed. Accordingly, we find that the extraordinary preparations of Germany so alarmed the Asquith Government that Mr. Churchill, in the House of Commons, stood up and offered Germany, if she would reduce the number of ships built every year, that he and his Government would make a corresponding reduction in the number of ships built by this country. There was thus clear proof given in open Parliament—indeed, within the knowledge of the whole world—that the Asquith Government saw the danger which Germany was preparing, and yet, through mere fear of losing their offices, refused to prepare the country against the danger. Germany, of course, scoffed at Mr. Churchill's proposal. And then, since open offers in the House of Commons were laughed at, a Cabinet Minister who knew Germany well and had a great admiration for Germany's unquestioned abilities was sent over to Berlin to see if he could not bring about some kind of arrangement. Everybody knows that his visit was absolutely useless. Germany had her own policy cut and dried. She was not to be diverted from it by any cajolery. And accordingly, when what seemed the favourable moment arrived, war was declared; Belgium was invaded; and we all know what a contemptible figure we cut in the war that followed.

Does any reader seriously question this brief summary of the history, first, of the Conservative party; and, secondly, of the Liberal party? And if he does not question it, is there a living man bold enough to say that either party has proved itself, when a great danger threatened, equal to the duty imposed upon it? Our aristocratic parties—for in reality both of them are aristocratic—are nominees of rich men, rich men too idle ever to require to work, but ambitious of power, which enables them to protect their monopolistic privileges. Both Parties are rotten to the core. Both parties are killing the Empire. The real hope of the country is to sweep away both parties root and branch. If we be asked, Are we prepared to say that the trades unionists are fit for the national Government? we answer that men of even moderate judgment and a little regard for their own truthfulness do not profess to believe in a capacity which never has been proved. Nobody knew when the Great Napoleon was appointed at twenty-six years of age to command the French Army of Italy that in fact France had found, perhaps, the greatest military leader the world has ever seen. We have just as little knowledge now respecting the coming men in the trades unionist party as had Frenchmen of all classes, creeds, and beliefs of the real capacity of the Great Napoleon. We have two parties which from time out of mind have exchanged with one another the Government of this country. Each in turn has been the cause of countless wars and unbounded disasters. Each, even to-day, is keeping Ireland in a state of irritation that is blasting her prosperity. We have two parties so incompetent, so mischievous, so wicked that we cannot hope to prosper until we get rid of them absolutely and for ever. And then we are asked to believe that a new party which is rapidly attaining power to carry on the Government shall not be considered competent, and shall be treated as an ignorant pretender. Our policy is entirely different. We say, by all means try the trades unionists. They have had for generations past to play an extremely difficult part. They had the Law, the Court, the Judges, Parliament—all against them. They were in their origin descended from slaves. Could it be possible that they should be admitted to the rights of ordinary British citizens? Everything possible was done to prevent them from acquiring those rights; and yet with the whole power of the State, of Parliament, of the judges, of the juries, and even of their employers against them the trades unionists have raised themselves to a state in which it is perfectly plain that before long they will be in a position, if not to form an exclusively trades unionist party, at least a party so dependent upon trades unionist support that it cannot live a single day if it defies the trades unionists.

The trades unionist party is the one party in the State now nearly strong enough to take office which we have not tried. We say in all seriousness and in all confidence, Try them, support them, give them every chance that a Government has the right to expect from those subject to it. If they really and truly are incompetent, then we fear that our future

is in grave danger. If, on the contrary, they are competent, they will save us, badly as the old parties have wasted all our resources and thrown away all our opportunities. That the trades unionists will make mistakes we are prepared to find. We never knew a case in which either a great man or a great party has not made mistakes. Take, for example, the Great Napoleon, the first soldier, at all events, since Hannibal; and look at the hideous mistake he made when he would not delay for a few months in Poland to prepare that country as a fortress upon which he could fall back if anything adverse happened. He rushed forward believing that the Russians would fly the instant they found he had crossed their frontiers. The Russians did fly, it is true, but before they fled they set fire to Moscow, and the result to the greatest of all historic soldiers was that he died in exile in St. Helena. What befell the Great Napoleon is aways possible to the very greatest men that can be found. We are, therefore, quite prepared for grave mistakes on the part of the trades unionists. Nay, we will go farther and admit that alarming mistakes are not unlikely. But the trades unionists are not a party loaded with privileges injurious to the whole community, and given almost irresistible power to preserve those privileges. Therefore, they are unlike the Liberals and the Tories, whose laws have always been made in their own interests. When by chance either of those Parties did pass a popular law it was because they were forced to do so. It will be different with the trades unionists in this great respect: that the trades unionists are poor men who have to work hard to maintain their wives and bring up their children decently. Consequently, everything they do to benefit themselves will likewise benefit the classes poorer and more ignorant than themselves. They cannot, for example, abolish preventable disease without conferring a blessing almost impossible of measurement upon the whole people, great and small. Again, they cannot provide wholesome houses for the whole community without blessing those poorer and more wretched than themselves. And they cannot raise wages without stirring up the poorer workers than themselves to do what the trades unionists have accomplished so satisfactorily.

THE TRADES UNIONISTS.

We would urge the trades unionists not to waste their time in answering Mr. Churchill or others who may follow in his wake. Argument is of no value, except to the people who have the power of winning and are in danger of throwing away their advantages. You may preach all your life to men without brains, men who will not work, men who are ready to sell themselves for any mean offer. But you can do nothing except with men who know what they want and are resolved to win it if they can. Therefore we would urge upon trades unionists to waste no time in answering Mr. Churchill. He will be abundantly answered if the trades unionists are able to form a Government, which will largely depend upon the trades unionist vote. But if the trades unionists fail all the argument in the world will not prove that they are fit for Government. They have the chance to win the Government. If they win it they prove their fitness. If they fail they prove their unfitness. The trades unionists, then, have the case entirely in their own hands. They ought to remember, firstly, that their interests are, when everything is said, largely identical with those of their employers. Many of the employers refuse to see this. So much the worse for such men if the trades unionists win. Men have had an opportunity to advance the interests of the Empire and the country, and, out of mere perverseness, or out of a silly prejudice against people not as rich as themselves, or through sheer want of brains, they have chosen to throw away their chance. So be it. There will be plenty of men to welcome the trades unionists when they win. There will be very few to console with them, to encourage them, to point out how they may redress their defeat, if they are defeated. It depends, then, upon the trades unionists themselves whether, as a matter of fact, they are fit or unfit. They will prove very largely that they are fit if they are able to defeat the two old parties; and, in spite of grave mistakes, and possibly even of serious blunders, they will prove themselves ultimately fitted, in the true sense, if they raise the condition of the whole people and make us once more the leading nation in Europe. To do this the first thing of all is to let their opponents talk. Cackle never affects opinion. We are all prepared for every kind of nonsense when men feel themselves seriously in danger. Consequently, let the talking go on. It will break no bones, and it will do no harm. On the contrary, the more violent the antipathy to the trades unions the more likely is the public sympathy to increase.

The first thing, then, that the trades unionists should devote themselves to is to reconstitute the Agricultural Labourers' party. It was once powerful. It can be made so again. But it needs help, and it needs leadership. The second thing is to win to their side as many as possible of the teachers, the clerks, and those who serve behind counters. They are a very numerous body. They are not a noisy party; they are heard of less than one would expect. But they are a valuable party—a valuable party who are weak partly because there is too much of the sect feeling, which is one of the great drawbacks to English public life. From the Crown down every class looks down more or less upon the class immediately below it. And the three classes just named consider themselves superior to the trades unionists because they wear broadcloth. It is an absurd and really childish feeling, but it exists. And it requires to be removed. We have reasons for believing that amongst the clerks there is a very widespread feeling of discontent. They are not, as a rule, employed in large numbers under one roof. And, consequently, there is more difficulty in forming a trades union than is experienced by hand workers. If the hand workers will consider the case of the agricultural labourers they will, perhaps, understand better the difficulties of the classes to which we refer. The number of clerks in a great city like London must be enormous. And if we take all the cities in England together the number would be, if they could be actually determined and printed, formidable in the extreme to their employers who look down upon them. We have the best of reasons for believing that there is widespread discontent. Indeed, we may state that a very great American banker once observed to the present writer that the condition of bankers' clerks in London filled him with both surprise and something approaching to concern; that he was not expressing the feeling of an exceedingly acute observer and a man of broad sympathies, but that, knowing England well and sympathising fully with her, he dreaded the consequences in a comparatively short space of time. We believe that the gentleman referred to was absolutely right; that the condition of the clerks in our great towns is quite unsatisfactory; and that unless the trades unionists can succeed in inducing the clerks to join them there will be bad work in this country. Trades unionists are much better skilled than we are as to how best to get a favourable hearing from the clerks. Therefore, we will not be so foolish as to attempt to teach the trades unions how to do their own business. But we would impress upon them, as a student of the condition of the working classes in the United Kingdom, that bad results will follow if the trades unionists cannot be induced to believe that the condition of England makes it possible for clerks to secure for themselves adequate pay and some little personal consideration.

Not less important is it to win over those who work behind counters. They, again, are to a certain extent

divided from the trades unionists by the fact that they wear broadcloth. It is a silly reason, of course, but then it is not our business to teach those who have silly reasons, the folly of being guided by such silly reasons. The silly reasons exist. The silly reasons induce those who work behind counters to put up with much which they could reform if they had common sense. And it ought to be the work of the trades unions to induce them to do so. For, putting aside all the nonsensical arguments about the uselessness of persuading this, that, and the other thing, we come to the broad fact that there exists discontent; that, except in a few great instances here and there, the workers behind counters do not form large bodies, and, therefore, are not skilled in building up powerful organisations. In that the trades unionists have both experience and means of influencing. They have large money resources as well as immense physical resources. And, therefore, the trades unions can, if they act wisely and act determinedly, win over a large part of those who serve behind counters as well as clerks. We come in the last place to the teachers, both male and female. They form a very large, a very influential, and a very valuable body. If they can be induced to join the trades unionists, to inculcate into the children the duty of obtaining the means to live decent and wholesome lives, both the trades unionists and the teachers will perform a work of almost infinite importance. And they will gather together in the House of Commons a body of voters who, if they do not form a majority, will at all events be in a position to render the prospects of the Government almost hopeless. The teachers are not accustomed to public life. It will not be easy to stir them up at first. And although they have many grievances they will not like to come forward to risk their positions and perhaps to face a poverty which they are little qualified to combat. Yet they are men and women of considerable ability. They are open to reason. And some of them in the House of Commons would be very valuable. Besides, it is never to be forgotten that we have hitherto educated, or rather miseducated, our women so abominably that, although their main function in life is to be the mothers of the future generation, yet we give them not the slightest help in learning how to act as mothers when they become such.

Everybody who has given a slight attention to that form of preventable disease which leaves marks upon those who suffer from it, who outlive their childish diseases in large numbers, though great numbers succumb to them, and who either in their sight, or in their hearing, or in maimed limbs, give evidence all through life to the fact that they had suffered in childhood from diseases which could have been prevented if their mothers had known the seriousness of what was occurring, must recognise the seriousness of this matter. Therefore, the duty of the trades unionists is of the very gravest. They, more than the rich—though we are not flatterers sufficient to pretend that the rich are very much better—for many reasons are more exposed to such kinds of ailments, and there is only one way of averting these, and that is by instructing young girls when growing up how to deal with children. Children sin only because they have, perhaps, too much of the vitality of life. The trades unionists, then, if they are to be a blessing to the Empire, must be something more than mere fighters for their rights to sufficient pay. We are not idiotic enough to pretend that good pay is not a most excellent thing, which every capable man should insist upon obtaining. But after all health is superior even to pay; and to allow our children in their very teens to contract diseases which would be a curse to them, however long they may live, is a curse, to put it in plain language, which the trades unionists should address themselves actively and determinedly to end once for all. It would be tedious to run through all the other duties which will devolve upon the trades unionists if they are not merely to gain power, which, after all, would be a stupid thing if it is not properly used. Power properly used is one of the greatest of blessings. Power improperly used is one of the greatest curses. Therefore, if the trades unionists are to deserve the support of the people of this country they must labour, of course, to benefit themselves, but also to benefit the whole population. In the long run, if they insist upon wholesome houses for all the people, the extinction of preventable disease, and the proper caring for children, so that they do not incur such lapses as may, perhaps, blind an eye, or deafen an ear, or lame a leg, or, perhaps, even render necessary the cutting off of a hand, they will at least have done more than all preceding Governments have done; and in a few short years they will earn a reward which will repay them a thousandfold, for it will come to them in the form of happy and healthy children, and a prosperous country which no nation desires to see weakened.

SOUTH WALES COAL INDUSTRY.

The South Wales district, in common with other mining centres, has just emerged from a year of great vicissitudes. In normal times the enforced restriction of productive capacity and the rapidly increasing costs of production would have militated against the prosperity of the various colliery companies, but the intensity of the demand for coal enabled a large share of all extra burdens to be passed on to the consuming interest. Moreover, the last Budget afforded to the collieries what was only a just measure of relief in view of their being essentially "wasting assets." The amount of excess profits that could be retained was increased from 5 to 15%. The concession was naturally of greatest benefit to collieries engaged in the export trade, as high prices could be obtained from foreign purchasers, while selling prices in the home market were strictly controlled. South Wales generally and Cardiff in particular were advantaged by the changes, the former because it is the largest coal-exporting area in the United Kingdom, the latter because it is the largest coal-exporting centre in the world. It was, however, seen that under the new arrangement an injustice was inflicted on mines which, through their inland position or for other reasons, were unable to participate in the export trade, and a proposal was put forward by the Government to limit profits all round to the fixed sum of 1*s.* 2*d.* per ton. This reprehensible attempt to force uniformity on an industry where conditions are so variable, and where continuous development and expansion are essential, was promptly defeated, but some further effort at equalisation of profits will possibly be made in the new session.

The unsettling effect of Government interference in the coal trade last year leaves little room for hope that their interference in the current year will be attended by any happier results. The most important piece of legislation affecting the industry in 1918 was, of course, the Coal Industrial Commission Act. In its first stage this commission, over which Mr. Justice Sankey presided, drew up no less than three Reports, and that signed by the Chairman and three of his colleagues was adopted, though not without reserve, by the Government. The question of control was strictly speaking outside the terms of reference, but the *obiter dictum* on the subject in the Chairman's Report created a *furore* in mining circles. It was stated that even on the evidence already tendered to the Commission "the present system of ownership and working in the coal industry stands condemned and some other system must be substituted for it, either nationalisation or a method of unification by national

purchase and for joint control." Large issues were thus opened up on which controversy has not yet ceased, but effect was almost immediately given to the reduction in working hours recommended in the Report. As from July 16 shifts were curtailed to seven hours, where eight had previously been worked. Piece rates were advanced accordingly and time rates and minimum wages for men and boys were also increased. In Wales costs of production rose and output fell. The surplus available for export diminished, and the seriousness of the position was intensified by the summer strike in Yorkshire on the wage question. Much of the small Welsh supply available for the foreign trade was diverted to home industries or to the bunkering of ships in British ports. The general advance in pit prices of 6*s.* per ton, which had been allowed early in July, acted as a partial compensation for the reduced output. Fortunately enough the amount of coal raised began after a time to increase. The following table indicates the position in South Wales and in the United Kingdom both before and after the enforcement of the Sankey award as to hours and wages:—

Area	Four Weeks ended	Output of Coal Tons	Number of Persons Employed	Output per Person for Four Weeks Tons
South Wales & Monmouth	June 21, 1919	3,495,000	247,041	14·1
,,	Aug. 16, 1919	2,972,900	249,187	11·9
,,	Sept. 13, 1919	3,744,000	251,919	14·8
,,	Nov. 8, 1919	3,925,000	256,859	15·2
United Kingdom	June 21, 1919	17,567,300	1,141,246	15·4
,,	Aug. 16, 1919	12,563,200	996,729	12·6
,,	Sept. 13, 1919	17,425,300	1,145,616	15·2
,,	Nov. 8, 1919	19,011,800	1,166,084	16·3

In the four weeks to November 8 the aggregate output showed a material improvement on the return for June, when an extra hour was being worked per shift. This satisfactory result was due not only to the greater number of men employed, but also to the increased output per worker. Improvement in the latter direction has been maintained, though full recovery was retarded by the railway strike of September-October last and by the acute shortage of wagons. During the strike hundreds of thousands of tons of output were lost owing to the enforced shutting down of practically all the mines. The accumulation of coal at pithead has also held up operations underground, and at some collieries large coal dumps are being made on land adjacent to the working shafts. The adoption of such a device by colliery owners, in their desire to prevent an interruption of production, disposes effectively of the charge that the export trade is being maintained at the expense of home consumers. From December 1 last coal required for household and domestic purposes could be obtained at 10*s.* per ton less than the prices previously ruling, and naturally a diversion of coal to foreign destinations and to industrial purposes at home was anticipated. The anticipation was realised, but only to a negligible extent, and the shortage now experienced in various districts is due in the main to faulty methods of inland distribution by rail and canal.

It is not widely understood amongst those outside the trade that no colliery is free to pick and choose between the home and foreign markets for its products. The allocation of output is entirely in the hands of the District Committee, which acts under the supervision of the Coal Controller. Neither is it remembered that shortage of coal after the Christmas holidays is a yearly recurring feature of the trade, and as the last holiday period was somewhat longer than usual the situation in January was bound to be a little more acute. An improvement in transport is the chief remedy for our *malaise*, and a reform of this kind, besides being immediately beneficial, would ultimately bring about an increase in the Welsh output, which, as may be seen from the table above given, is over one ton per man per month less than for the rest of the United Kingdom.

WELSH TINPLATE.

In the tinplate industry of South Wales the movement towards amalgamation conspicuous in other industries has been much in evidence. During recent years mill-owning companies have, in a number of cases, either combined amongst themselves or fallen into the hands of the great steel-producing concerns. With regard to the latter change, it is noteworthy that the general tendency towards integration in the iron and steel trades has latterly been very pronounced, and from the mining or importation of the ore to the selling of the finished products, in both home and foreign markets, unity of control is regarded as essential by the modern industrialist. Besides coal, the raw materials for tinplate making are steel bars, which are needed in sheet rolling, and tin used for coating the sheet. Collieries, steelmakers, tin smelters and refiners have become increasingly associated with the tinplate trade, and one of the chief objects has been to reduce production costs by eliminating intermediate profits. It is not clear that the object has been attained, as the price of plates has risen to an enormous extent, though the rise has been largely, or perhaps wholly, due to causes outside the control of the plate-mill owners. During the War the price of bars and sheets was fixed in the interests of home and Allied Governments, but subsequent to decontrol working expenses and the price of material rose concurrently, and at the end of last week the price of Welsh I.C. cokes per box was 56*s.*, as compared with 32*s.* 6*d.* on a similar date in 1918, and 12*s.* approximately on June 30, 1914.

In addition to increased cost of materials, the demand has been a factor in raising prices. While the War lasted, the output of the plate mills was almost wholly devoted to military purposes, and our ordinary export markets were denied their usual supplies. The United States could not fill the requirements of our customers, as its pre-War exports, for example in 1912, amounted to only 81,694 tons, as compared with 480,900 tons exported from the United Kingdom. The Armistice set the Welsh mills free to produce for their usual markets, and owing to the long pent-up demand, makers were inundated with orders. Something in the nature of a boom set in, and the volume of inquiry over recent months has been unprecedented, and has led to breaking of all previous price-records. The following table shows the substantial revival in trade during the first complete year of peace since 1913:—

U.K.—Exports of Tinned Plates and Tinned Sheets.

To	1917 Tons	1918 Tons	1919 Tons
Russia	346		1,303
Norway	6,780	4,049	20,164
Netherlands	6,571	-	16,062
Belgium	-	-	8,768
France...	37,877	47,755	34,357
Portugal	2,784	7,735	17,451
Italy	31,729	14,255	6,056
China (including Hong Kong)	1,452	6,181	7,535
Japan	459	205	13,222
United States of America ...	82		254
Argentine Republic	13,880	21,307	5,720
British East Indies	28,052	28,125	33,760
Australia	17,126	14,284	56,230
Canada	1,414	107	500
Other Countries	28,531	49,471	88,400
Total	177,386	223,471	289,761

Supplies to European belligerents, except Belgium and Portugal, have fallen away considerably on account of the cessation of hostilities, but neutral countries, especially Norway and the Netherlands, have received large shipments. Our biggest single overseas market has been Australia, closely followed by France and the British East Indies. Canada has been a failing source of demand, as American competition is proving too strong and a secure foothold has been gained by American interests during the War. In 1911 Canadian imports of tinplates and sheets from the United States surpassed for the first time those

from the United Kingdom. In the following year the margin against us increased, the figures for the two countries in boxes of 100 lb. being 1,054,900 and 163,400 respectively. Latterly Canada has started to manufacture its own plates, and a similar move has been initiated in Australia under British auspices. A considerable time must, however, elapse before our Dominions are able to supply even their home market, and in the meantime their needs must be satisfied from elsewhere.

The United States tinplate industry was severely hit by the steel strike, and this caused a large diversion of orders to South Wales. The American mills have, however, resumed running, but are as yet producing far below capacity. The same is unfortunately true of the Welsh mills, which are held up periodically through labour difficulties and through scarcity of coal, tin, or steel bars. Despite these drawbacks the prospects for the trade in the coming year are very favourable. In the Swansea district orders for no less than 100,000 boxes were recently placed within a few days. Inquiry from Norway has diminished since the end of 1919 owing to the poorness of the Norwegian fishing season, but the general tone of the market remains strong, with a promise of higher prices in the near future. Now that production has been resumed American competition will doubtless make itself felt, especially in our Western markets, but adverse rates of exchange render many foreigners unwilling to buy from America and neutralise the advantage of cheaper production, which American exporters would otherwise be able to turn to good account.

EGYPTIAN COTTON.

As is usual at this period of the season, we have experienced a series of quiet markets, January futures fluctuating between $100 and $102.50, closing at $102.25, whilst the March position varied between $97 and $101, closing at $100.75. In the spot market nothing of particular interest has occurred, prices maintaining the recent parity with futures. The lower grades are much sought after, and very high prices have been paid for them; it is to be feared that, similarly to the lower grades of Uppers, these qualities of Sakellarides have been oversold. Arrivals amount to 4,057,000 cantars, against 3,175,000 cantars for same period of last year. Exports figure at 2,745,000 cantars compared with 1,298,000 cantars. Shipments to the United States amount to 812,000 cantars, against 87,000 cantars at the end of December last year.

H. C. Thomas.

Alexandria, January 2, 1920.

BRAZIL.

INFLUENCES OF THE WAR.

Speaking very broadly, and taking a somewhat comprehensive view, we think we may say without fear of contradiction that Brazil, like the whole continent of South America, has benefited by the War. Of course there are drawbacks, as there were drawbacks in the case of nearly every Republic upon the South American continent. But, as we have said, if we take what are called on the Stock Exchange "long views," we think there can be no reasonable doubt that Brazil has benefited, and benefited most materially, and that the continent of South America taken as a whole has benefited likewise. It could hardly be otherwise. In a sense, ever since colonial days, but more particularly during the past two generations, efforts have been made on a most comprehensive scale to develop the resources of the Republic of Brazil, and of the continent taken as a whole; and the efforts to develop the continent, taken as a whole, have reacted favourably in the development of each of its component parts. Now, inasmuch as Brazil forms practically half the area of the whole South American continent, it follows that every attempt to improve the South American continent as a whole has its reflex influence upon Brazil, which, as we have already said, forms so large a portion of that continent. The principal form the European investments, and particularly British investments, have taken in the past was the assistance of Government and the providing of improved and increased transportation facilities. Now, the object of providing increased transportation facilities in countries like those of South America, which are but very sparsely inhabited, enormously rich potentially, very imperfectly developed, but capable of producing food and raw materials upon an enormous scale, was to obtain these very commodities. South America is the least—indeed, the two, if we take North and South America together, are the least—congested of all the continents, while Europe is the most congested. North America is almost exactly twice the size of Europe, and South America is, of course, only a little smaller. Europe has between four and five times the population of South America, and between twice and three times the population of the two Americas combined. Even worse are the actual facts than the comprehensive statistics would imply. For the bulk of Europe's population is crowded in less than half Europe's territory. In other words, this vast aggregate of human beings is concentrated on an area only about two-thirds of that of the United States of America alone. The United Kingdom is, roughly, one-twenty-sixth part of the size of the Republic of Brazil, but it has a population nearly twice that of the great Southern Republic. Now, it has been estimated by no less an authority than a member of Dr. Pessoa's present Cabinet, that if a real effort were made to develop the trade existing between this country and Brazil, it would be possible to considerably more than double it. We have great advantages in developing trade between this country and the various Republics of South America, and more especially with Brazil. We said above that Brazil, on the whole, has benefited enormously as a result of the War. She has been able to supply ourselves and the various Allied Governments and associates with enormous quantities of raw materials and munitions, such, for example, as manganese needed by the Allies. On the other hand, she was herself a member of the Alliance; and she, consequently, incurred enormous expense in connection with the War, particularly if we remember, as said above, that the population is very small and the area is very extensive. The expenses connected with the War were undoubtedly a heavy drain on the resources of the Republic; but the people of the Republic bore them with exemplary fortitude, feeling that they were serving the true interests of their country, and that Brazil would ultimately benefit as a result of the struggle. Incidentally, the difficulties were aggravated by the mere fact of the War itself, apart from the necessary expenditure incurred, because shipping facilities were denied to Brazil to such an extent that it was not possible for her to derive the large revenue from the Customs to which she was accustomed in the pre-War period.

Returning to the important question of the development of trade between this country and Brazil, we have, as already said, great advantages. A very large proportion of the shipping between South American ports and Europe is in the hands of this country. We have from time immemorial engaged in the trade—in fact, ever since the time of Queen Elizabeth—with South America. Consequently, we know in this country the channels of trade. We have still the major part of the marine insurance, and we still conduct the lion's share of the merchant banking, both for South America and for most other countries. Moreover, we have invested between 200 and 300 millions sterling in the country, and if we include investments in private businesses, advances of one kind or another to the coffee estates in São Paulo, the value

of shipping engaged in Brazil, and insurance, it would probably be safe to say that our investments in Brazil are not less than 500 millions sterling. The interest on those investments Brazil has to pay in any case. Now it happens that this country and Brazil are peculiarly well fitted for engaging in trade with each other upon a comprehensive scale. Brazil has now arrived at that stage of development which enables her to really start upon the improvement of the country upon a great scale. It has to be remembered that a period—and usually a prolonged period—has to elapse before any country is capable of absorbing immigrants upon a great scale; and, particularly, of developing her natural resources adequately. Brazil is singularly fortunate, because it would be almost impossible to die of cold in Brazil, and food is very easily raised. The country for a variety of reasons offers special advantages at the present time. We require here in this country—Europe, taken as a composite whole, and, indeed, the whole world, require—enormously increased supplies of food and raw materials, which Brazil is eminently capable of supplying. It happens that at this particular time, when the whole world is crying out for food, and still more food, and for raw materials, and still more raw materials, that, owing to the exertions of British and American scientific men, the difficult problem of how to live in the tropics without contracting yellow fever or malaria has practically been solved. There are still some half-dozen tropical diseases which have not been successfully, so far, combated by medical science. But the fact remains that the two great alarming dangers of yellow fever and malaria have been effectively combated. Consequently, at a time when we need Brazil more than ever, we have just acquired the knowledge which enables us to open up Brazil successfully. She requires the manufactures and the plant for working up her raw products, for opening up the country, for developing her mines, and for turning to profitable account the vast resources of her forests.

In conclusion, we would sound one note of warning. It has come to our knowledge during the last few weeks that a highly intelligent body of traders in this country, whose intention was evidently of the best, but whose execution left much to be desired, have placed upon the Brazilian market certain catalogues which they have had carefully prepared in what is alleged to be the Portuguese language. Unfortunately, it appears that a translation was prepared by a Spaniard inadequately acquainted with Portuguese. The Spaniard was instructed to translate certain catalogues in Spanish, and certain others intended for the Brazilian market in Portuguese. Now, it appears from the information we have received that these catalogues are absolutely unintelligible either to Portuguese people or to English people. They have ceased to be in English, and they are not in Portuguese. Exactly in what language they are printed appears to be a puzzle. But it is neither in Spanish, nor in Portuguese, nor in English. We have pointed out on many occasions the importance of appealing to the South American market, or, indeed, any market, in a language which ordinary buyers can be expected to understand. As we see every day, there are plenty of educated and travelled Brazilians who speak English as well as we do ourselves; but it is not reasonable to expect that the ordinary tradesman in a small shop in Rio or Santos should be acquainted with our language. Consequently, if we wish to interest him in what we have to sell it is desirable that all catalogues intended for the Brazilian market should be printed in Portuguese; or, if preferred, an excellent plan is to print them in English in one column and Portuguese in the adjoining column. We have seen that done, and it is very satisfactory, as it appeals to both the Brazilians and the English settled in Brazil. Merely printing catalogues in Spanish will not do, because, although more than half the continent of South America is Spanish-speaking, the great Republic which occupies the whole of the centre of the South American continent is Brazilian and Portuguese speaking.

GREATER LONDON.—I.

Few there are even to-day who have anything like an accurate conception of the great commercial and industrial resources of Greater London. To many, and especially to those intent on pleasure, London represents the metropolis of the United Kingdom, and their knowledge of it rarely exceeds the limits of the City of London and the City of Westminster. From the standpoint of international finance, the reputation of London is known far and wide. The bill on London was, particularly before the War, the recognised instrument of international credit; and there is no reason why, under a sound system of financial reconstruction, London should lose its place as the premier money market of the world, though, because of the War, the rivalry of New York has become much more acute. Yet the bulk of this complex machinery of credit that has financed, and will continue to finance, so great a proportion of the trade of the world is localised within the ambit of the City of London—an area of only 675 acres, whereas Greater London covers 443,424 acres. This contrast at once suggests, what a study of the London County Council map of Greater London confirms: that around this nucleus lies an immense area that has in the course of time been absorbed by, and come under the auspices of, the various types of local or central authorities that cater for the needs of London in general. And the growth of this area that has become identified with London has not taken place in accordance with any well-devised scheme of evolution. To quote one of its administrative officials: London, like a well-known character in fiction, has just 'growed'; it has developed under the pressure of circumstances somehow and somewhy. This haphazard process of development is reflected to some degree in the complexities that still characterise London areas of administration. Thus it appears that the Poor-law areas of Wandsworth and Stepney by no means coincide with their respective metropolitan boroughs; whilst in Fulham the Poor-law area differs from the registration district. As an illustration of the anomalies of local administrative areas "Wandsworth" furnishes a remarkable example. The metropolitan borough of Wandsworth is the parish of Wandsworth; but the poor-law area comprises in addition the parish of Battersea. For petty session purposes Wandsworth means practically the ancient parishes of Battersea, Putney, Tooting, and Wandsworth; whilst as a county court district the area includes the metropolitan boroughs of Battersea and Wandsworth, the urban district of Barnes, and the municipal borough of Richmond. No less curious differences exist in areas such as Wandsworth parliamentary borough, Wandsworth county electoral division, and Wandsworth police division. Such anomalies are a necessary consequence of the manner in which London has grown; many of them were swept away by the London Government Act of 1899. If the heavy tasks that face the local authorities in the period of reconstruction are to be carried out with the minimum of friction, the time has come for such further co-ordination and simplification of local areas as will eradicate, or at least reduce to a minimum, the anomalies that still exist.

Greater London, with its area of 443,424 acres, had, according to the census of 1911, a population of 7,251,358, as compared with 6,581,402 in 1901 and 5,633,806 in 1891. What the return of the next census will reveal is problematical; but, taking into consideration the great attractions which draw people to the metropolis from all parts of the United Kingdom, and which induce alien immigrants to settle down there, it would not be unreasonable to expect a population in the neighbourhood of 8,500,000, even allowing

for the ravages of the War. Thus Greater London may be said to contain a population not far removed from the combined populations of Ireland and Scotland. Of an area embracing such a population the industry and commerce can scarcely be of less importance than that of either of these countries. That many of the eight million people who live and move and have their being within this area must engage in various trades and occupations if they are to secure their daily bread seems a self-evident truth. Yet as regards Greater London such a fact is often lost sight of, and this despite the many evidences to the contrary that lie close at hand. London in the main has been identified with finance, and yet, according to the census of 1911, the number of people employed in this calling did not exceed 18,000 out of a total occupied population for Greater London of 3,380,000 approximately. This does not mean that the work of finance is comparatively unimportant, or that the proportion of persons employed therein is anything like a real measure of the proportionate services which scientifically organised finance performs in a modern industrial community. What it does indicate is that the vast majority of the occupied population of Greater London earns its livelihood in some other occupation.

What the nature of these occupations may be falls within the range of observation of the average business man who travels daily to and from the City. To provide the service of trains, tubes, omnibuses, or trams that enable this journey from the suburban residence to the City to be effected so efficiently as it is must involve the employment of large numbers of workers of various trades, from the skilled engineer, mechanical or electrical, who devises and controls the system of trains or tubes, to the official "hustler," who has been recently installed at Victoria and Charing Cross to reduce the stopping intervals of the train to a minimum. Within the confines of Greater London there were in existence in 1914 over 669 miles of passenger lines, of which 161½ miles were operated by local companies, whilst 507½ miles were trunk lines. And these ten important trunk lines, having their termini in London and radiating therefrom to all the cardinal points of the compass, had open over 11,390 miles of line. During 1912 alone these lines carried over 835 million passengers, whilst goods traffic approached a total of 249 million tons. As might be expected, the latter was much more remunerative, yielding gross receipts of £38.8 millions, as compared with £35.1 millions derived from passengers. These figures appertain to the working of the 11,390 miles, as it has not been found possible to decide what proportion should be credited to the 507½ miles in Greater London. They serve, however, to bring out the great importance of London as a railway centre, and give some indication of the extent of employment which such gigantic undertakings must afford within this area. With the 161½ miles of local lines it is possible to deal in greater detail. Of these, in 1914, the Underground system accounted for 77½ miles, the Metropolitan District covering 25.8 miles, whilst the "Tube" system proper extended for 41.7 miles. Catering in the main for passengers—it is credited with carrying in 1912 over 266 million passengers, the total revenue from whom was nearly £2,000,000. The remaining local lines, with a permanent way of 84 miles, catered for 176 million passengers, securing therefrom a gross revenue of £1,100,000 approximately, whilst goods traffic brought in £336,000. Figures such as these again suggest that such services can only be maintained by large permanent staffs. Recently the Underground system advertised the fact that during the fortnight which terminated on December 24, 1919, the number of passengers carried exceeded 63½ millions, and of these nearly 500,000 alone passed through Oxford Circus station. What is true of transport by rail or by tube is equally true of transport by tram and omnibus. In 1914 Greater London could record 348 miles of tramways over which 2,842 electric cars were running. Passengers conveyed during that year exceeded 812 millions, the total fares paid being just over £3,500,000. It is asserted that 1,000 million people utilised the London tramway system in 1919. In 1913 some 3,500 motor omnibuses carried nearly 734 million passengers. In that year alone the passenger traffic of Greater London, as seen from the traffic returns of the local railways, the tramways, and the omnibuses, worked out at 2,007,000,000 persons. And the employment which such transport services must offer is in addition to that arising from the utilisation of waterways like the Grand Junction and Regent's Canal for goods traffic, or from the Woolwich ferry, which is credited with carrying nearly 5½ million passengers and 740,000 vehicles in 1913.

Other evidence of industrial and commercial activity within this area can also be furnished by observation. The large wholesale and retail stores and drapery establishments—not merely in the City of London and the City of Westminster, but throughout the administrative county in general—must afford occupations to an immense number of workers. To get some conception of their number it is not necessary to traverse these businesses in detail. The constant influx of customers for lunch between midday and 3 P.M. on an ordinary week-day into the branch shops of the vast catering firms like Lyons and the A.B.C. will provide a reasonably accurate comparison. And many of these are engaged in distributing to consumers finished products of industry, part of which is obtained from manufactures produced within Greater London itself. Areas like Woolwich, Bermondsey, Stepney, and Kentish Town contain a variety of factories for the production of commodities as widely different as electric cables and soap. For manufacturing localities outside the boundaries of the administrative county it is only necessary to study the excellent Civic Survey of Greater London executed during the War by the Royal Institute of British Architects. There, to take a rather outstanding example, a region like West Ham will be found dotted over with factories for the manufacture of chemicals, soap, preserves, and glass, with ironworks, guano-works, oil-refineries, sugar-refineries, gasworks, and distilleries. Thus even a superficial examination will reveal London to contain industries and commerce of a much more varied character than the average Londoner dreams of. In addition to these comes the recognised fact that London is the greatest centre of entrepôt trade in the world. To London come the products of the Continent and of the East and of the West, and from London these are distributed to the various trading centres of the world where they are in demand. In 1913 the total imports of the United Kingdom were valued at £768,734,739, and approximately 33% of these passed through the Port of London, which handled in the same year nearly 25% of the total export trade, returned at £634,820,326. Despite the adverse influences of the War, especially the diversion of trade to other ports owing to the activity of the submarine campaign, the Port of London has maintained its hold on the foreign trade of the United Kingdom. Whilst only 29% of the imports were registered there in 1918, as compared with 33% in 1913, its share in the export trade increased from 25% to 29.5%, with the net result that it is credited with 29.3% of the total trade alike in 1913 and in 1918. The actual figures for 1918 show that £384,986,093 out of a total of £1,316,150,903 of the imports passed through London, whereas exports from the port amounted to £156,923,209 out of a total of £532,364,078. A further analysis of these figures brings out the important part played by London in the entrepôt trade. In 1913 the total export from the United Kingdom of home products was £525,245,289, and to this the Port of London contributed

£99,104,682, or less than 19% of the total. For 1918 the corresponding amounts were £501,418,997 and £138,045,773, according to which the quota of London had increased to 27.5%. Contrast with this the part played by the port in the re-export trade. The value of foreign and colonial products exported from the United Kingdom in 1913 was £109,575,037, of which the amount despatched from London was £58,868,178. The returns for 1918 reveal the dislocation of continental industries due to the War, as well as the congestion that still hampers the transport services. Exports of foreign and colonial products from the United Kingdom had been reduced to £30,945,081, and the share of London to £18,877,436. But London not merely retained its due proportion of this trade, for, whilst in 1913 it contributed 53.8% of the total, it furnished in 1918 no less than 61%. To cope with this great foreign trade, which in its turn requires an extensive and efficient transport service; to erect and maintain and, when finished, to work the variety of factories that are found within the area of Greater London; to construct, repair, and operate the trains, tubes, omnibuses, and trams which carry the raw material and the workers to the factory, the finished product from the factory to the wholesale and retail stores and to the ships for export, and which carry workers and consumers alike to and from the stores; to provide staffs for these stores and for the catering establishments that supply them with food during the day; to build and maintain the houses which shelter this vast concourse of workers and their families—this it is that furnishes employment for the remaining 3,360,000 inhabitants of Greater London who were returned as engaged in sundry occupations in the Census of 1911, in addition to the 18,000 who were taken up with finance.

PRODUCTION IN WORSTED TRADE.

Some four months ago, when commenting upon the need for increased supplies of tops in the worsted trade, we urged the importance of educating the rank-and-file of the operatives to take a broad view of the national interests and the necessity of our worsted industry re-establishing itself in all markets to ensure a prosperous future. Apparently our remarks should have been addressed equally to the wool-combing employers, for recent events force us to place upon their shoulders the main responsibility for any shortage of tops in the immediate future.

For the information of readers who may not be familiar with the processes and organisation of the wool textile industry, it should be explained that a "top" is a rope of clean, combed wool, which forms the raw material of the worsted spinner. Tops are made by woolcombers, who form a distinct section of the worsted trade. The raw wool is sorted and washed and then submitted to a series of about seven processes, comprehensively termed "combing," with the object of opening and blending the fibres and arranging them uniformly in parallel lines without twist. The actual combing operation forms only one of these processes, but as the others are purely subsidiary to the combs the term "combing" is used to designate the whole of the steps necessary in the manufacture of tops. There are three broad types of firms possessing combing plants—(1) Large firms of wool merchants who comb their own wools and produce various standard qualities of tops; (2) the "topmakers," who usually possess no machinery, but who buy raw wool and sell the tops produced from their own blends and made under their instructions by (3) commission woolcombers, who, as their designation implies, comb wools for anyone at a fixed scale of charges. Many spinners buy raw wools and have them combed on commission, and there is a number of spinning firms who possess their own combing plants. These latter firms are often called "spinner-combers," a term invented by the Government Wool Control Department. The machinery of woolcombers—*i.e.* (1) and (3) above—is run both day and night, but the combing departments of "spinner-combers" are usually run in the daytime only. The principal reason for this is that the bulk of the operatives in a worsted spinning mill are young girls, who are not, of course, employable at night, and it is therefore the established custom to run worsted spinning machinery in the daytime only. Worsted mule-spinning is an exception, with which we need not deal at present. Any worsted spinner setting up a combing department would naturally design his plant to produce the desired quantity of tops in the daytime, if merely to avoid running his engine at night with only his combing machinery working. Such firms produce tops for their own use only, and their plants are accordingly negligible so far as the open Top market is concerned.

Prior to the War the employment of an operative woolcomber was very irregular, and depended largely upon the state of the Wool market and the position of his particular employer in relation to that market. During the War a large number of men were released for the Army, and this, combined with the rigid system of Government control, made woolcombers' employment quite regular. The shortage of male operatives became so acute that it was necessary to employ women at night, in order that essential output for military purposes might be maintained. Early in last year the Home Office decided not to renew the licences for employing women at night unless the applications were supported by the operatives' union. This support was not forthcoming, although at the time there were not sufficient men available to keep the machinery running at its full capacity. The result was, of course, a decline in the output of tops, which in the summer of last year was beginning to cause unemployment in the spinning and manufacturing sections, in addition to having a most disastrous effect upon the prospects of the whole industry. Merchants and spinners had bought large quantities of wool, but as it was impossible to get the material combed the prices of tops rose to ridiculous heights. It was largely in consequence of this restriction of output in the combing sheds that the Government was forced in September to open the London sales for foreign competition, and the high levels of prices since that date must be credited mainly to the heavy Continental buying. In the meantime, after nearly three months spent in negotiations with the combing operatives, arrangements were made for overtime to be worked on day and night shifts until December 31 only, and in the interval steps were to be taken to train additional skilled operatives and to prepare a scheme for giving a bonus on production. The extra hours came into force in the middle of October, but shortage of coal and local troubles over electric power and water supplies delayed unduly the expected improvement in the supply of tops. Early in December, however, the additional output was beginning to be felt appreciably,



and a fall took place in the extreme prices hitherto paid for immediate deliveries of tops.

If any serious attempt were to be made to continue the improved output of tops, it would be expected that some steps would be taken in the matter at the latest by the beginning of December, and that a definite decision should be made some time before the Christmas holidays. It seems, however, that no meeting was held between employers and operatives until December 18, and on that occasion nothing was settled except the duration of the Christmas holidays. On the day before Christmas a letter was sent by the Federation, asking the unions to take a ballot of their members on a proposal that the overtime should be continued for a month in order to give time for drafting a bonus scheme. Normal working hours were resumed on January 1, and on the following day a second conference met, at which the employers were informed that the union officials would not consider any overtime suggestions until the unemployed operatives were absorbed into the industry. It appeared that some 300 workpeople were unemployed, and a further 200 were idle owing to a fire at one of the factories. The employers present realised that nothing further could be done in regard to continuing overtime, and they accordingly proceeded to study the existing bonus schemes of certain individual firms with a view to preparing a scheme for the whole of their section of the trade.

Practically the whole period of the October agreement thus elapsed without any effective steps being taken to continue overtime, or to produce the promised bonus scheme, or to consider the possibility of a "three-shift" system, or, in fact, to make any preparations for continuing output on the scale necessary to the remainder of the industry and to the whole nation. We think that no further details are necessary to show that the woolcombing employers had made up their minds that, for some reason or other, the continuance of a high production of tops was against their interests. The only other deduction possible from the facts would place a totally undeserved slight upon the woolcombers' business abilities.

The unions wish the plants of "spinner-combers" to be run at night in order to make up the deficiency in output and to absorb their unemployed members. Apart from technical reasons, such an arrangement would clearly be difficult to make.

In pre-War times the topmakers lived upon the fluctuations in the Wool and Top markets, and, whatever may be the real cause of the combers' recent actions, they have laid themselves open to the charge of varying the output of tops to suit their own ends. Employers would do well to remember that pre-War methods of manipulating markets cannot be carried on in the same obscurity to-day. Merchants and manufacturers of all kinds are standing in the limelight, and it behoves them to endeavour to avoid incidents which may tend to affect adversely their ultimate interests.

Another point worthy of notice is that the combing employers have now lost the co-operation of the union officials. In September last these officials were firmly convinced by the employers' case for extra working hours, and they stood their ground in a highly commendable manner. More than one meeting of their constituents flouted the scheme, and a ballot of members confirmed the rejection. Even then the men's leaders would not accept defeat, and, after a second ballot, agreement was secured for the employers' proposals. These officials have been badly "let down," and the result is seen in their firm refusal to consider any further overtime in the existing conditions. The employers may, at no distant date, have cause to regret this loss of confidence on the part of their workpeople's leaders.

United British Insurance Company, Limited.—An interim dividend of 12½%, free of income tax, in respect of the year 1919 has been declared.

THE FORD TRACTOR FACTORY, CORK.

In the absence of unforeseen difficulties the year 1920 should witness a great development in the production of the Ford tractor in Cork. During the last quarter of 1919 there has been a steady output of castings from the local foundry. Hitherto about 50% of the standardised parts that go to make the tractor have been imported from America; whilst the remaining 50% have been supplied partly by English manufacturers and partly by the Cork foundry. Recently parts coming from England have been kept back by the moulders' strike, the settlement of which seems as far off as ever. As regards the American supply, the intention is to eliminate it as quickly as possible—a policy which is readily comprehensible, not only in the light of the problem of transportation, but also in the light of the exchange situation. With the New York rate oscillating round $3.80 it is economically wise to restrict purchases in this market to those which are absolutely indispensable. But no matter from what source they are derived the assembling of the parts is carried out in the local machine shop. To speed up the work, not merely of production, but also of the erection of further foundries and machine shops, the entire administrative staff, part of which was formerly domiciled in London, is now situated on the spot. Under energetic supervision it is anticipated that the area under factory buildings will be multiplied threefold before the end of the summer.

The Irish farmers, conservative as they are, are being considerably impressed by the undeniable advantages of the tractor as displayed in the various demonstrations which are taking place, under the auspices of the firm, in all parts of the country. Should this impression persist and the use of the tractor in farming operations be extended, there is every reason to hope for a bright future for agriculture in Ireland. This is the era of machinery, and the sooner the Irish farmer realises that not merely improved seeds and improved manures, but also the most up-to-date machinery is a *sine qua non* for success, the sooner will he become a more efficient producer and the less he will have to fear competition from abroad, not only in his home market, but also in the market of Great Britain. However, the manner in which these demonstrations of the Ford tractor are being attended by the farming community indicates that this fact is being generally realised. The firm, too, expressed themselves well contented with their achievements at the Lincoln trial last autumn, the results of which have not yet been made public. Absolutely confident of the capabilities of their machine, they remain unperturbed by rumours of competition from recently constituted English companies. They maintain that they are placing on the market the most efficient machine at the lowest possible price. If other manufacturers can do better—well, they deserve the trade. At present they find themselves hampered by utterly inadequate shipping facilities. Transport between Cork and Liverpool, and also between Cork and the Continent, leaves much to be desired. Between Cork and America the situation has been eased by the direct connection opened by the Moore-McCormack Line, whose steamer the *Lake Gretna* called at Cork with a cargo for Fords for the first time on January 2. If the lack of shipping between Cork and Liverpool and the Continent continues, the firm will be forced in their own interests to provide their own shipping. This they are reluctant to do so far, as they realise that to do it economically they would have to take up the shipping trade on a large scale as general shippers.

Union Discount Company of London.—After providing £50,000 for depreciation of Government securities, the directors recommend the payment of a dividend for the final half-year at the rate of 14% per annum, less income tax, with a bonus of 1*s.* per share, free of income tax.

THE BANK OF TAIWAN, Ltd.

Incorporated by the Special Charter of the Imperial Japanese Government, 1899.

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Capital Paid up .. .. Y. 37,500,000
Reserve .. .. .. Y. 8,210,000

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Financial Notes.

WHEN the arrangement was made some time ago whereby all nitrate was to be sold through the intervention of a Committee, there was not unnaturally a measure of uncertainty in the nitrate industry as to what would be the outcome. So far as the indications at present show, there seems very little ground for any apprehension. We learn on unimpeachable authority that a very large quantity of nitrate has, during the last few days, been tendered for at a price of over 12*s.* per unit. It will be remembered that when the extravagant demand for nitrate existed in the very height of the War, the price only advanced to a little over 13*s.*, except for a very short period at the commencement of the second year of the War. As the War demand has now ceased, the nitrate interest may be congratulated on the evidence afforded that the various agricultural communities of the world who have benefited so much by the great demand for food are realising the importance of using nitrate for the purpose of improving the condition of their crops.

The decision not to renew the French Treasury bills, at any rate on the terms offered at present, has naturally called attention to the position of the French exchange in particular, and of the various Continental exchanges in general, with relation to this country and with relation to each other. As we write some 42 francs are obtainable for the nominal pound sterling, and many highly competent authorities are of opinion that even more francs may be obtainable in the near future. France is in a very difficult position at the present time. She had to bear the full brunt of the War in a sense that was not true of any other of the Allies. Bearing in mind, moreover, the stationary nature of the French population, her immense losses in killed and wounded have had an influence upon her industrial recuperation which is not altogether appreciated in many quarters. It is pointed out that the French Government hesitates to increase taxation. But it should be borne in mind that the Government is probably actuated by the motive that it is desirable to delay increasing taxation as long as possible in order to give the population an opportunity of regaining their economic strength before additional burdens are placed on them.

There is also a feeling that the period of reconstruction is being unduly delayed in France. This is true of every European country, and is a natural result of the long strain of the War. France is at present purchasing enormous quantities of various kinds of raw materials, and to some extent even of foodstuffs. In fact, she is buying something like eight times as much as she is selling. Consequently the exchange, especially with this country, through whom the bulk of the purchases are made, is bound to be temporarily adverse to France. Against this she is re-selling wool she has obtained in the raw form through us in a manufactured form back to us at a very large profit—a profit which we understand is something like 50%. This is due to the fact that certain processes connected with the woollen manufacture in the North of England either cannot, or at any rate have not, been carried out with the expedition that the urgent demands of our trade at present require; and consequently France is benefiting by manufacturing woollen goods which we are unable to do.

The German exchange is affected by similar influences. Owing to the adverse exchange between this country and France, the French are buying largely in Germany; and the Germans, in order to be able to purchase raw materials through us, and particularly wool, are demanding payment in sterling. This may for the time have a further adverse influence upon the German exchange. But ultimately, as Germany obtains the raw material she requires, she will be able to sell the finished product at a reasonable trade profit, and, in addition, at an enormous exchange profit. Consequently, if she is able to maintain a stable political condition, her economic position should gradually improve.

With regard to France, it should be borne in mind that her industries essentially belong to the luxury class; and it will be some time before she is able to sell really immense quantities of silks, wines, *articles de Paris*, certain woollen fabrics, and other articles for which there is a great demand amongst the classes who are able and willing to purchase with comparatively little regard to cost, provided the article required is forthcoming. Further, France, as we pointed out recently, derives an enormous income from the influx of visitors in normal years. And, owing to the large number of people in various parts of the world who had friends or relatives representing them in the late War, there seems no reasonable doubt that the influx of visitors during the next two or three years not merely from neighbouring countries, but more or less from all parts of the world, will be upon a quite unprecedented scale. The Belgian exchange is still unfavourable; but, if we are rightly informed, the country is increasing its manufactures and improving its exports also at a rate which augurs well for Belgium's future recovery.

An interesting article appears in the current number of the *Bulletin* of the Imperial Institute. The annual production of wheat in the world prior to the War amounted, according to our contemporary, to 110 million tons, or something over 4,400 million bushels, which is, of course, a common estimate. The largest producer in pre-War days was the Russian Empire, which had an output of over 22 million tons, or, say, 800 million bushels, the United States coming next with 19 million tons, or, say, 750 million bushels. The writer in the *Bulletin* says that the production in Europe fell off. Well, according to a common estimate, it fell off by more than 25%, so that this would require a good deal of making up. To some extent this has been the case, as the acreage under wheat in Canada, the United States, Argentina, India, and Australia was 25% higher than the average for the five years before the War. Bearing in mind that we are getting very small supplies from Southern Russia,

it is by no means certain that an increased acreage of 25% over the five-year average for the pre-War period does make up the loss of the Russian product, which, as the writer in the *Bulletin* truly says, was by far the most important contributor to the European supply. In fact, Russia, Hungary, and Roumania were the only wheat-exporting countries in Europe. On the whole, however, there seems to be a sufficiency of wheat, more particularly if we bear in mind that there are large reserve stocks in Australia and in the Argentine Republic.

The writer in the *Bulletin* is on very sure ground when he says that there are large areas of ground suitable for wheat-growing still to be opened up. He illustrates Canada, Australasia, South America, and Siberia. In addition, he points to the fact that the average yield of wheat, taking the whole world over, is only 13 bushels to the acre, which, of course, as we have shown in this country, and as Germany showed more conspicuously before the War, and other countries in Europe have amply demonstrated, is an exceedingly low yield. The position, in fact, that Europe occupied as a wheat-producer—she produced more than half the world's supply of wheat, and as she is, of course, the great wheat-consuming continent—was due to the great improvement which took place in the yield per acre during the past half-century rather than to any increased acreage being sown under wheat.

Mr. Frederick W. Tattersall, in his Cotton Trade Circular, says that on January 3, 1919, Fully Middling American cotton on the spot in Liverpool was at 20.61*d*. The easier movement continued, and by the end of January the quotation was 16.96*d*. There was not very much change in February, but March brought still lower prices, the quotation on the 21st being 15.84*d*., and the month closed at 16.35*d*. An upward movement developed during April, the figure on the 30th being 17.92*d*. The rising tendency was maintained, and by the end of May the price had advanced to 21*d*. The figure of 20.74*d*. was posted on June 30. The course of prices in July was against buyers, and 21.16*d*. was reached on the 31st. August brought rather lower figures, 19.70*d*. being quoted on the 29th. The easier tendency continued during the early part of September, but there was a reaction later and the month closed at 20.64*d*. An advance took place in October and November, while still higher figures prevailed during December. The year closed with a quotation of 30.75*d*.

The season 1918-19 for American cotton was disappointing. The output was only 11,603,000 bales, against 11,912,000 bales in the previous year. The growth in the current season is very unsatisfactory. During the planting period there was an active agitation in the United States in favour of restricting the acreage. The proposal was to cut down the area under cultivation by one-third, but the official estimate of the Government showed a decline of about 8%. The plants made a good start, and there were hopes of a large yield. During the last few months, however, very unfavourable weather has been experienced in most parts of the cotton belt. The growth has been very adversely affected by heavy rains and excessive moisture generally. The output, according to the most recent estimate, is expected to be about 11½ million bales.

Messrs. Wigglesworth and Company, Limited, in their circular on the Fibre Trade during last year say that the position of flax consumers is undoubtedly the most serious in the fibre trade, Russia, upon which the world depended to so large an extent, having now practically ceased her supplies. The Russian peasantry in pre-War days supplied the rest of the world with from three to four hundred thousand tons of spinnable flax, not allowing for the internal consumption of Russia, which brought the total figure to over half a million tons to which must be added over 100,000 tons of hemp. To-day the prospect of restoring these fibre industries seems hopeless, even if Russia were freed without further delay from Bolshevism. The personnel of the industry is scattered, and the organisation that laboriously accumulated supplies, prepared them for the market, and looked after their export has been dissipated. A Government Commission is at present investigating the subject of finding substitutes for flax, but so far attention has been directed mainly to Italian hemp.

The most promising field for development in flax-growing is British East Africa, where experiments have already been initiated. A considerable extension of area is at present being cultivated under flax, the total area being now estimated at something between 15,000 and 20,000 acres, which will probably produce some 2,500 tons. We have satisfactory reports, say Messrs. Wigglesworth, as to the cultivation of this area, and the crops are very promising. All the flax grown in East Africa has met with appreciation on this market, and the best has fetched as high a price as £360 per ton. In Canada, also, the flax industry is making progress. About 10,000 acres have been laid down to its cultivation, and the quality sent to this market is satisfactory. Moreover, Egypt has contributed a quota to the flax production of the Empire, and over £400 per ton has been paid for the cream of the produce of the market.

The cultivation of flax in Britain, France, and Belgium is proceeding under great difficulties, labour being one of the most serious impediments, and no great extension can be expected in the near future, especially as the difficulty of procuring seed is a most serious one. On the question of Italian hemp as a substitute for flax, Messrs. Wigglesworth say this article can undoubtedly be used for many purposes as a substitute for flax. But the question arises, how far can Italy supplement the needs of the flax market? The total annual production of North and South Italy is about 100,000 tons, of which, in normal times, from 50,000 to 60,000 tons were exported, chiefly for the use of twine spinners. A large proportion of the 1918 crop was carried over at the end of the 1919 season, but even allowing that this might have amounted to 50,000 tons, the proportion that can be spared for the flax trade would appear to be quite inadequate for the large requirements of the flax trade. Before the War the imports of flax to this country alone were about 100,000 tons. So far the demand for Italian hemp has been met almost entirely from the higher grades, which have so far been offered fairly freely; but already these are showing signs of exhaustion, and it is obvious that all workable grades will sooner or later be required for this purpose.

CONTROLLED RAILWAYS.

According to a statement issued by the Ministry of Transport, the financial results of railway working in this country for the months of September and October being now available, it has been decided to add these to the figures previously issued in the recent White Paper. The total figures which we give below are those for the first seven months of the current financial year. According to the official statement the figures for the two additional months confirm the correctness of the estimate of a deficit of 45 millions sterling in respect of the financial year ending with March next, which, of course, make no allowance for any increased revenue to be derived from any subsequent advance either in freight rates, which we give below, or, of course, if any should be made, in passenger fares. The statement adds that, inasmuch as it is proposed to increase freight rates as from the 15th inst., a reduction in this deficit may reasonably be expected. The official statement is, of course, issued as a justi-

fication for the proposed advance in rates. It is evident that, in some form or other, industry must bear the charges which have been incurred during the long period of control to which the railways have been subjected. Moreover, it is eminently desirable to relieve the present congestion of the railways, and, particularly, the congestion at our ports, which is tending to steadily increase the cost of living and the cost of all primary commodities, in spite of the fact that we are now a year and two months since the Armistice. It is manifestly unsound policy to carry goods in competition with the coastwise trade at rates which are not economic; and, moreover, it is in the interest of sound policy to encourage the coastwise trade as far as possible, and to relieve the railways from the necessity of carrying goods which on a sound economic basis would naturally go to coastwise steamers.

CONTROLLED RAILWAYS—UNITED KINGDOM.

Revenue Earned and Expenditure—Railway Working—First Seven Months of Financial Year ending March 31, 1920.

	Total 5 months to August 31, 1919	September	October	Total 7 months to October 31, 1919
RAILWAY WORKING:—	£	£	£	£
Receipts—				
Passenger train traffic	44,973,657	8,428,358	7,084,233	60,486,248
Goods train traffic	31,482,238	6,268,236	6,406,349	44,156,823
Government traffic	10,312,423	1,497,507	1,349,000	13,158,930
Total	86,768,318	16,194,101	14,839,582	117,802,001
Less expenses of collection and delivery	4,247,497	875,424	933,023	6,055,944
Total traffic revenue earned	82,520,821	15,318,677	13,906,559	111,746,057
Mileage, demurrage and wagon hire	5,468	1,433	623	7,524
Miscellaneous	718,617	142,842	139,854	1,001,313
Total revenue earned ...	83,244,906	15,462,952	14,047,036	112,754,894
Expenditure—				
Maintenance and renewal of way and works	10,350,928	2,129,212	2,009,973	14,490,113
Do. (Arrears to be carried out)	811,296	223,870	156,682	1,191,848
Maintenance and renewal of Rolling stock	12,784,165	2,509,878	2,845,778	18,139,821
Do. (Arrears to be carried out)	139,603	133,292	45,056	317,951
Locomotive running expenses ...	16,991,004	3,440,261	3,741,434	24,172,699
Traffic expenses	24,259,301	4,761,732	4,818,811	33,839,844
General charges	1,556,906	332,583	344,640	2,274,129
Law charges and parliamentary expenses	106,287	20,132	18,990	145,409
Compensation (accidents and losses)	778,321	140,611	192,088	1,111,020
Rates, Taxes, &c.	2,715,589	552,885	584,654	3,853,128
Payments under National Insurance Act, 1911	186,771	36,735	36,640	260,146
Running powers	Dr. 729	Dr. 56	Dr. 57	Dr. 842
Mileage, demurrage and wagon hire	150,155	32,789	32,295	215,249
Miscellaneous	193,270	42,998	29,435	265,703
Allowances to dependants of men serving with H.M. Forces ...	120,454	16,819	15,017	152,290
Total Expenditure	71,183,331	14,373,741	14,871,436	100,428,508
Balance of revenue earned over expenditure, or expenditure over revenue earned (Dr.) ...	12,061,575	1,089,211	Dr. 824,400	12,326,386
Other Businesses—Balance of Revenue earned over expenditure or expenditure over revenue earned (Dr.):				
Canals	122,359	7,199	Dr. 100,587	28,971
Total—Balance of revenue earned over expenditure, or expenditure over revenue earned (Dr.) ...	12,183,934	1,096,410	Dr. 924,9	12,355,357
Government Guarantee—				
Standard year proportion of net receipts	20,791,000	4,518,000	4,296,000	29,605,000
Interest on capital works brought into use...	455,600	88,000	87,900	631,500
Total	21,226,600	4,606,000	4,383,900	30,216,500

NOTES.

1. The figures are subject to final audit and as regards Government Traffic the rates at which the charges are to be raised are not finally agreed.

2. No sum has been allowed for any liabilities which may attach to the Government in respect of: (*a*) Replacement of stock of stores and materials; (*b*) Abnormal wear and tear; (*c*) Arrears of maintenance other than permanent way and rolling stock.

3. Arrears of Maintenance permanent way and rolling stock are estimated at 1913 cost of ascertained arrears plus 75 per cent. for additional cost of labour and material. The actual cost is not yet ascertainable, but, payments have only been made on the basis of a 15 per cent. addition.

The new railway goods rates, notice of which was given at the end of 1919, have now come into force. The principal changes in the schedule are as follows:—

Description	Increase per Cent.		Additional Flat Rate per Ton
Coal, coke, patent fuel	25		3*d.*
Class A merchandise	30		3*d.*
Class B merchandise	40		3*d.*
Class C merchandise	50		4*d.*
Classes 1 to 5	60		1.0
Rolling-stock	60		—
Live-stock (truck rates)	60	(per truck	1 0
Live-stock (head rates)	60		—
Carriages	60		—
Small parcels	1.0		—
Returned empties	50 and 100		—
Merchandise and parcels by passenger train	50		—
Other traffic	10		—

There are certain modifications in the case of fruit and vegetables, and merchandise and live-stock conveyed to and from Great Britain and Ireland; and there is no increase on the existing rates for milk and fertilisers.

JAPAN.—During December money in Japan continued to be very tight owing to anticipation of increasing demands for money for the clearing-up of the year end. This tightness was strengthened by anxiety as to a further rise in the Bank rate. Under these circumstances, the British 100,000,000 yen Loan, which was disbursed at the middle of the month, had a very slight effect upon the market. Towards the end of the month there was an unusual scramble for accommodation, resulting in very large borrowings at the Bank. Call money ranged from 9.5% to 12.8%. The notes issued and advances by the Bank ran up to 1,563,000,000 yen and 723,000,000 yen respectively on the 30th of the month, reaching a new high level. The Stock Exchange, however, throughout the month was in a speculative mood, though somewhat dull towards the end of the year on account of the stringency of the Money market, in spite of a fair amount of business having been done. Cotton yarns closed at 529 yen, showing a heavy decline of 40 yen, though there was anticipation of something in the nature of a boom in the New Year. With regard to the foreign trade for the year 1919, the total value reached the unprecedented figure of 4,272,000,000 yen, of which exports amounted to 2,099,000,000 yen, an increase of 137,000,000 yen, or 6.98%, and imports amounted to 2,173,000,000 yen, an increase of 505,000,000 yen, or 30.2% on the year 1918. The increase in exports is mainly, if not entirely, in the direction of machinery of all kinds, particularly agricultural. The movement of gold and silver bullion for the year 1919 showed an excess of imports amounting to 322,000,000 yen over exports, an increase of 318,000,000 yen on the preceding year.

The Ideal Home.—This is the title of a new shilling monthly magazine which, if the succeeding issues come up to the standard of that issued at the beginning of the present month, should prove of inestimable value to its readers and highly satisfactory to its proprietors. While the Government and the local authorities have come forward with what are very charitably described by our young contemporary as "excellent schemes," these have in most cases concerned themselves with houses for the working or artisan classes. The policy of *The Ideal Home* is to cater for that wide circle, the middle classes. Every matter of interest, from the designing of the house and garden to its final finishing touches, are to be explained and illustrated in each branch. A special feature is the inclusion in each issue of designs with plans, sections, and elevations giving dimensions and descriptions, while subscribers have the advantage of assistance and advice from the publishers' own architect, who is continuously employed on the designing and planning of ideal homes. The plan presented with the first number is for a thatched cottage by Mr. H. M. Luyken, A.R.I.B.A., drawn to the scale of one-eighth of an inch to the foot. Thatched cottages are becoming very popular, and there is always an eager demand for such whenever they come into the market. Our new contemporary has started well, and we wish it success.

LACE-MAKING AND CARPET-WEAVING IN IRELAND.

THE hand-made lace industry, which gives employment to many hands on the Continent, has made great strides in Ireland since the Famine. The excellence of the work done in many quarters is evidenced by its ready sale, but as machine-made lace is a formidable competitor, it is evident that the prospects of the industry are largely bound up with the maintenance of a high standard. The demand for the hand-made product is liable to vary according to the ever-changing dictates of fashion, and competition with the machine will be only successfully carried on when due care is taken to produce a superior article. Originality, thought and artistic taste can all find expression in the work of the hand, and the development of these qualities will go far to make competition possible against the machine. Many of the Irish lace-making classes are isolated to some extent from the centres of industry, and this makes it incumbent on them to keep in close touch with the demands of the market, to study the requirements of fashion, and to use only the best patterns. Lace-making in Ireland comes, for the most part, under the heading of a "home industry," and in the early part of the last century, when the fabrics were disposed of through the agency of local shopkeepers, production was irregular, and the uncertain nature of the payments received did not encourage systematic and consistent efforts on the part of the workers. On the commercial side, great improvements have since been effected by the formation of wholesale market agencies, which have representatives in the best world markets and keep the Irish lace-workers in touch with the centres where fashions are promulgated and the course of demand determined.

Before the War it was calculated that the annual value of the lace produced in Ireland was not less than £100,000. As the cost of material is insignificant, the greater part of this sum represents earnings by the makers and handlers of the lace. During the past few years the demand for fine crochet lace has steadily increased. The supply during late years was, however, insufficient to meet the increased call, as owing to the extension of tillage operations the women in the agricultural districts were forced to devote their energies to other forms of labour. From the financial point of view the crochet lace industry was one of the foremost home industries in Ireland during the nineteenth century. In Cork City alone it is stated that in the 'sixties it afforded employment to no less than 12,000 women and girls; thence it gradually spread to other parts of the country. Excessive production has on more than one occasion led to the decline of the industry, and the present revival has no doubt been powerfully aided by the efforts made by the various schools of art in Dublin and Cork and the Science and Art Department in introducing fresh designs and better methods of working. Until lately one of the great obstacles to the improvement of the crochet industry has been to find workers capable of translating crochet pattern into work. This difficulty has, it is satisfactory to note, been largely surmounted. The work produced in the Southern districts is more open and contains larger forms than the Northern crochet. The chief centres for the fabric are Cork, Youghal, Kinsale and Clones. Beautiful specimens are also turned out elsewhere. Known as "Point d'Irlande," Irish crochet always commanded a ready sale in Paris, where buyers state that its distinctive character renders it incapable of imitation on the Continent.

Some of the finest lace fabrics of Ireland are produced by country girls in the spare hours not devoted to the ordinary labour of the farm. The guipure and appliqué of Louth and Monaghan, the crochet of Monaghan, Armagh, and Fermanagh are, in large part, manufactured under these conditions. A somewhat different system prevails in the manufacture of the point lace of Youghal, Kinsale, and other districts. The industry here is under the direction of communities of nuns and the workers have the advantage of well-equipped workrooms. Nevertheless a considerable part of the work is done at home. The welcome addition afforded to the peasant's scant income by means of these supplementary labours will be readily understood. Perhaps this is most readily appreciated in the "congested" districts of the West of Ireland, where the institution of classes for lace-making was eagerly availed of. The practice here is to encourage a particular centre to confine itself to the production of a particular kind of lace. The guipure, appliqué, and crochet thus turned out find a ready sale in the best shops in London. The Congested Districts Board assumes the task of supplying the material, marketing the product, and paying to the workers the full market value of their product. The total payments thus made for the period April 1, 1910, to March 31, 1918, totalled approximately £74,000.

The manufacture of run and tambour lace, which originated in Limerick, has spread to Cork, Sligo, Kerry, and Dublin. Care has always been taken to utilise the best net and the finest thread. Carrickmacross lace includes appliqué work and guipure, and both methods are also combined in the same pattern. The process of manufacture of the former is comparatively simple; the pattern is cut from cambric and applied to net with point stitches. Guipure, a later innovation, has met with a very favourable reception. The flat needle-point lace of Youghal and other centres is distinguished by effective design and good technique.

The manufacture of hand-tufted carpets is an example of another industry which has been successfully introduced into the rural districts of Ireland. It is interesting to note the failure of several attempts to establish this industry in Scotland. The root cause of this failure seems to be the difficulty of finding an adequate supply of labour, the women tending to drift away to fish-curing and other occupations. The carpet industry carried on at various places in Donegal is the result of Scotch enterprise. Hand labour is almost exclusively responsible for the production of the carpets, and the workers are reputed to be very quick at picking up designs and recognising fine variations of shade. As Donegal hand-tufted carpets lend themselves easily to an indefinite variation in design, colour, shape, or quality, the requirements of all classes of purchasers can, in all probability, be met. These carpets have been sent to all parts of the world and are well able to hold their own in competition against similar goods produced on the Continent and the East. In 1903 a similar industry was started by the Gaelic League in the county Kildare, and, although its operations were suspended during the War, business is now about to be resumed. The processes of designing, dyeing, and manufacture are here carried out in one factory, and the dyeing plant is of the most modern kind. After the carpets are woven the shearing is done by machinery and the finish is all that can be desired. The Dun Emer Guild since its formation in 1902 has produced carpets and rugs attractive enough to find many purchasers abroad. The production of Irish designs is consistently aimed at, and, so far as decorative effect is concerned, the adoption of this policy has been most successful. Other styles of ornament, however, are not neglected, and the weavers employed in this comparatively youthful enterprise display great aptitude for drawing and colouring. Carpet-weaving in Ireland is also undertaken in a few other centres, and undoubtedly a larger market could be secured if Irish carpets were more widely known. The export trade, which was interrupted by the War, was valued at approximately £83,000 in 1915. The industry now seems to have taken firm root in the country, and there is every likelihood that it will extend. Like lace-making, it is an occupation for which the workers in the country districts of Ireland

have a natural inclination, and in the barren West of Ireland the development of both branches would provide welcome supplementary or alternative occupations for the peasant and his family.

SOUTH AND CENTRAL AMERICA.

DEVELOPMENT OF OIL RESOURCES.

It is practically impossible to estimate, even by the wildest guess, the enormous and, in a sense, visible petroleum resources of the vast continent of South America and the Isthmus of Panama, which we commonly call Central America. For practical purposes the two great continents of North and South America must be included as yielding oil upon a most extensive scale. Mining engineers and geologists who have visited either of the two continents in connection with railway building or mining in almost any form have reported clear seepage indications of the existence of petroleum over—we were about to say the whole extent of these two vast continents, but over so great an extent that it is exceedingly difficult to exaggerate the potentialities of the oil contents of these two vast areas. Indications exist as far north as Alaska, and as far south as Tierra del Fuego. Oil seems to exist more or less in every important political division from the frozen oceans of the north to the approaches of the frozen ocean in the south. It is even said that there are indications of the existence of petroleum in the South Orkneys. Whether these indications have been in any way verified by competent authorities we are not in a position to say; but in any case it is exceedingly doubtful if, with our present knowledge, such resources, even if they do exist, could be worked upon a commercial scale.

We desire to indicate very briefly the extraordinarily extent of the resources of oil in the various South American Republics, including in that term the five Republics of Central America for the purposes of this article. As we have said, it is not possible to estimate the extent of those resources, and we will content ourselves with merely indicating them as briefly as possible. But the point to which we would direct attention is the desirability of seriously considering by what methods it is proposed to develop them, bearing in mind the conditions under which they will have to be worked, if they are to be worked in the immediate future, which is, of course, the point we are considering here. If the working of these rich oilfields is to be reserved for an indefinite period, and under conditions which we are not at present able to appreciate, it would hardly be a suitable subject for discussion in a journal like The Statist. Assuming, then, that immediate steps are about to be taken for the development of the oil resources of South and Central America, what is it proposed to do? It is evident that the various South American Governments are considering the subject, and some of them are drawing up enactments and regulations for the exploitation of the oil in the areas under their jurisdiction which may or may not prove advantageous for the countries, and which may or may not facilitate their development.

Our object here is to suggest methods likely to result in the rapid development of the oilfields of the various countries or political divisions into which the continent is divided. At the present time the United States of America is responsible for nearly 70% of the total world's production of oil. There are, we believe, something like 200,000 wells working in different parts of the United States. But these, all told, do not produce quite a million barrels per day. A barrel of oil is practically 45 gallons. It is evident that from this source alone we cannot hope to derive a sufficient supply of oil to take the place of the vast stores of coal which were formerly accumulated at the different coaling stations throughout the world if it is proposed to supply oil, as distinct from coal, as a means of fuel for the various mercantile fleets of the world. Recent experience both in England and in the United States, the two principal sources of coal supply, has warned all whom it may concern that to depend solely upon coal as a means of fuel for working ships is exceedingly dangerous if the supplies which those ships carry out are to be secured to the different countries needing them. No country in the world is more dependent upon shipping than is the United Kingdom, which has to import—and to import in ships—practically 70% of the food we consume in these islands, and more than 80% of the raw materials needed for the sustenance of our manufactures. Consequently, anything that unduly increases the cost of fuel as a prime mover of ships is bound to handicap British industry very seriously, and to retard, perhaps for a long period, whatever hopes we may entertain of a reduction in the cost of living. To see coal shipped at the prices which prevailed during the early years of the present century, and, indeed, almost up to the outbreak of the recent European War, does not seem at all promising. It may be possible by means of invention or future discoveries to reduce the cost of mining coal to something less than the present high level of prices. But that we shall see fuel produced upon the terms which we were accustomed to obtain it in pre-War days does not seem likely in the immediate future. Consequently, everything that can be done to increase the supply of fuel for use by the mercantile marine should be encouraged, and particularly by the traders and financiers of this country, which depends to the extent we have already indicated upon shipping for the existence of the major part of its population. Oil is being worked to a moderate extent in all the West Coast Republics. There are indications of its existence in immence quantities in Bolivia, in Venezuela, in Colombia, in Peru, in Ecuador, and in Chili. Oil, as of course the reader is aware, has been worked for—and worked for very successfully—in Southern Patagonia and in the Argentine Republic. The Rivadavia fields are turning out a very appreciable quantity of oil each month. That this production will be increased in the near future there seems no reasonable doubt. One of the difficulties under which the fields have been operated has been the extreme difficulty of obtaining plant for working the fields during the war peiod.

We have already said that it has been practically proved that oil exists from Alaska in the north, through the Californian fields, down Western Mexico—which is believed to be by far the richest field on the North American continent, and is believed to be capable of yielding nearly twice as much as the whole annual production of the United States, which, as said above, is the principal source of the world's supply at the present time—along the coast of Central America, through the rich tropical countries of Venezuela and Colombia, the equally rich, although restricted in area, Ecuador, then through the arid regions of Peru and Chili, till one comes to the wind-swept shores of Southern Chili, in Tierra del Fuego; up eastward again, where it is worked in Southern Argentina; and it has been proved to exist in Brazil, although situated in a swampy region which would require to be drained before it could be worked. But there are clear indications that oil exists, perhaps as far inland as Matto Grosso. The greater part of the Northern States of South America are believed to be petroliferous. It is, of course, needless to say that the eastern shores of Mexico and the great Appalachian fields on the shores of the Atlantic prove the value of the oil-wells on the Atlantic, or eastern, side of the American continent.

The point we desire to raise is, how it would be best to exploit these rich fields. One or two of the Republics are apparently contemplating the imposing of restrictions on those who propose to work their fields. Is this a sound policy for countries like the

South American Republics, which have exceedingly small populations, and have no adequate mobilisable capital which would enable them to develop their immense resources? It may be said, and said with reason, that they are simply following the policy we adopted with regard to our oilfields here. But in the case of a small country like England, with a teeming population and considerable—although doubtless somewhat restricted since the War, but still considerable—mobilisable resources, it can afford to make experiments in the development of its oilfields which could only retard the development of those in countries without a large population and with very little realised resources. In England it would be perfectly practicable for the Government to employ competent oil engineers to work the mines at a fixed commission; and, assuming that oil was discovered, and any profit resulted from its sale, the Government might take such profit. But would it be practicable for a South American Republic to attract foreign capital on such terms? In the present urgent need for fuel, obtainable in as large quantities as possible upon the most reasonable economic conditions, it would seem desirable that the Governments of the various Republics in South America should very carefully consider the whole position before imposing restrictions likely to deter foreign capitalists, for it seems reasonably certain that the oilfields of South America can only be developed by means of overseas capital.

THE IRISH HOMESPUN INDUSTRY.

Despite the revolution brought about in the manufacture of woollens by the introduction of mechanical aids, the hand-loom and spinning-wheel have not by any means been relegated to the past, and in parts of the United Kingdom still show that they are well able to meet the competition of modern steam machinery. So well is this recognised in the trade that attempts, more or less unsuccessful, are constantly being made to imitate by machinery the effects of genuine homespun, and power-loom cloths are sometimes even fumigated by peat smoke in order to convey the illusion that they have been produced in a peasant's cottage. These efforts constitute a tribute to the fact that there is still a fairly lucrative market for homespun cloth and that the qualities it possesses appeal to certain sections of the community. Outfits of genuine homespun are much in demand by people who indulge in golfing, fishing, shooting, and motoring. To satisfy tastes which are frequently inclined to be fastidious it is a striking commentary that a family living in some remote glen of the counties of Western Ireland, working under conditions that make them in turn shepherds, dyers, carders, spinners, designers, weavers, is able to produce a material that answers most purposes for which it is required. The preference for handwork may to some degree be accounted for by the fact that the widespread use of machinery tends to confer on it a "scarcity value" which is attractive to a certain class of purchasers. Apart from this, however, there is evidence of a marked individuality in each web of hand-made cloth. It is practically impossible to duplicate the colouring and weaving exactly. The depth of shade given by vegetable dyes varies very widely. It is affected according as dry or wet weather precedes the gathering of the dyestuff. The shade also varies according to the quantity of vegetable dye used in relation to the quantity of wool, and it varies also as regards the temperature and quantity of the liquid in the dye-pot and the duration of its stay in that liquid. Depending on these circumstances, the matching of shades is not very practicable, since the use of devices to secure this end is practically unknown. In power-loom weaving it does not pay to manufacture a pattern unless a very large number of yards is produced. On the other hand, the purchaser of a suit-length from a piece of tweed of 50 yards knows that there cannot be more than six others the same as his. Owing to the coarseness of the yarn and the hand-finishing the tweed produced in the West of Ireland and the Highlands and islands of Scotland gives, it is claimed, a combination of lightness, warmth, and elasticity which is well adapted for exercises in the open air. Of importance in resisting damp, more of the natural oil of the fibre is retained in hand-made tweed than when the wool has undergone all the processes peculiar to a factory. When woven the hand-made piece is still full of the oil that has been put into the wool before carding, and in all probability a certain amount remains when the finishing is complete. Strength and durability have often been associated with hand-made tweeds, the hand-carded variety in particular being often underlined in this connection.

The homespun industry in Ireland is located in the Donegal, Kerry, Mayo, and other districts. Various factors contribute to its maintenance in these localities. Mountain-grazing is to be found for a hardy breed of sheep, lately much improved, which produces a high-class wool. The land is generally of a barren nature, and, as its cultivation does not afford an outlet for the energies of the peasant or his family the whole year round, his or their spare time can be profitably utilised in some other occupation. Those engaged in the production of homespun tweeds are, as a rule, the occupiers of small mountain farms who own a few sheep, and the dyeing, carding, and spinning of the wool claim the attention of the women and the girls, while the weaving is often performed by the men. The aptitude of dealing with wool is hereditary in these regions, nevertheless towards the close of the last century the quality of the cloth produced betrayed many serious blemishes, and in Donegal particularly there appeared to be a distinct decline in an industry which owes not a little of its value to the fact that it imposes a check on emigration. Happily, by the concerted action of various bodies a strong and simple form of hand-loom with fly shuttle and automatic



take-up motion was devised, and arrangements were made to grant loans to weavers desirous of adopting it. At the same time the task of securing the output of a better quality cloth was undertaken and bonuses or prizes, subsequently withdrawn, were distributed for all webs of first-rate quality. The extension of the loan system to spinning-wheels and the facilities provided for the instruction of the workers had the desired effect of bringing back the industry to its former flourishing state.

Each homespun district in Ireland confines its attention in the main to the production of a particular kind of cloth. In Donegal a well-woven, substantial cloth is made, generally dyed in black colours, often with check or striped patterns. Connemara and other parts of Galway turn out a great deal of white flannel, which is sometimes made with thick, loosely spun yarn with the surface teased up. White and grey cloth is a speciality of county Kerry; it is dyed in the piece and sold for dress materials in London and elsewhere. South Donegal is by far the most important homespun district. Here the orders of an outside wholesale market are filled and the industry is organised on businesslike lines. Homespun material for the manufacture of summer suitings and ladies' costumes is exported and finds a ready sale in London. During the past few years the supply has been as a matter of fact unable to meet the demand, and, indeed, the output of most districts is booked up eight months ahead. The market for homespuns is comparatively limited, and there is always a danger of over-production. There is, however, no danger of this eventuality at present, and, in all likelihood, not for the next few years. In the meanwhile a permanently greater market might be secured if a greater degree of specialisation were established, aiming at the production of a succession of fresh and distinctive designs. Without doubt little difficulty would be experienced in disposing of suitable, pleasing and well-made tweeds. While it is admitted that twills, herring-bones, and checks intended for men's wear have made great advances in Ireland, it has often been observed that the plain-textured flannels with their beautiful and characteristic colouring, are often so loosely spun and woven as to be suitable only for ladies' costumes. Complaints have been made also of an increasing use of machine-spun yarn instead of the hand-spun variety. The weaving of the former is not a branch of the homespun industry, as the product is practically analogous to that of the factory and its adoption can only operate to the detriment of the former. Machine-spinning has its adherents, who profess to use it in order to strengthen the warp. The partial employment of machine yarn, accompanied by hand weaving, led, it is stated, to a general decline in the value of all classes of Lewis tweed in Scotland in the years immediately preceding the War, and it was noticeable that the cloth made from the machine-spun yarn was rarely sold as such. The hand-spun and hand-woven cloth is always assured of a market, and retention of these characteristics will always assure a prosperous future to the Irish industry.

Union Bank of Manchester.—The net profits for the half-year ended December 31, 1919, are £147,736, and, including £40,681 brought forward, amount to £188,417. A dividend for the half-year of 5s. per share, £2 10s. paid up (less income tax) has been declared, absorbing £52,500, payable on the 3rd inst. There has been provided £10,000 for premises reduction, £10,000 for pension fund, £50,000 for income tax, and £50,000 placed to "special contingency fund," leaving £15,917 to be carried forward. The sum of £40,000 has been paid to the staff during the half-year to meet conditions arising out of the War; this has been included in the working expenses before arriving at the net profits.

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American Topics.

THE CUBAN-AMERICAN SUGAR COMPANY.

It will be remembered that in writing on this Company last year we said that while, owing to the remarkable demand for Cuban sugar on the part of this country and the Allied Governments, the Company had naturally done remarkably well so far as values were concerned for the products it was in a position to sell, the actual return of sugar, owing to unfavourable weather conditions in that season were not what one might reasonably have expected in a boom period for Cuban sugar. Since, at any rate, early Colonial times, when the sugar-cane first became extensively cultivated in the West India Islands, Cuba has never enjoyed such a period of prosperity as has fallen to her lot as a result of the sugar shortage occasioned by the War, and the long period that shortage has continued since the Armistice. As though the conditions were not sufficiently favourable, for causes over which the Cuban planters had no control, it happened that the representatives of the Allied Governments and those of the United States entered into a convention whereby the whole of the European supply allotted to the Allied Governments was to be obtained from Cuba at a fixed price. That nearly every planter and nearly every Company engaged in the sugar business in Cuba has done well under such conditions the reader will readily appreciate. It is a period, however, in which both sugar companies and private planters should place a large proportion of their resources to reserve, because it is perfectly evident that present conditions cannot be maintained. We hope and believe that the cane-sugar interest, both in British possessions and in the tropics generally, is going to make a great stride compared with what it did in the pre-War period. We think that the development of the tropics at the present time will make for the well-being of the world taken as a whole. We believe that the sugar-cane interest in the warm countries of the world, if handled with prudence and discretion, can hold its own and win in competition with the beet-sugar growing interests of Europe. It is, however, as reasonably certain as anything can be that has not actually happened, that if the cane-sugar planters expect to live in the future under the spoon-fed conditions which have prevailed, especially in Cuba, during the War period they will be faced with a very rude awakening. It is only by using a proportion of the large profits they are making at the present time

for the purpose of bringing up their estates to a very high condition of efficiency that they can hope permanently to hold their own. They will require to instal the very best plant obtainable and crushing machinery capable of extracting the highest percentage which can be got per unit from the sugar-cane, which even on the best-managed estates is certainly not and never has been excessive.

The total production of raw sugar by the Cuban-American Sugar Company during the financial year ended September 30 last was 1,965,600 bags of 320 lb. to the bag, or 314,500 tons of sugar. This is some quarter of a million of bags, or nearly 40,000 tons, in excess of last year's production. In order to obtain this, practically $2\frac{3}{4}$ million tons of cane were crushed, compared with some 2,300,000 tons in the preceding year. The production of raw sugar during the year amounted to, as we have said, 314,500 tons, which was almost 14% greater than the return of the previous crops, although there was an actual decline in the sugar-yielding contents per unit of the cane. Of this amount the Company itself refined over some $186\frac{3}{4}$ million pounds, the bulk of which was refined in the Gramercy refinery of the Company. It will give some idea of the Company's extensive properties when we say that the principal plantation, that of Delicias, yielded over 700,000 bags, while the Chaparra yielded more than half-a-million bags. The net profit of the Company for the fiscal year ended September last amounted to over 7,000,000 dollars after deducting 4 million dollars, the estimated amount of such income and war excess profits taxes as may be finally determined, and placing very nearly a million dollars to depreciation account for renewing buildings, machinery and plant. The population of Cuba is naturally growing, particularly in the richly favoured sugar area. This Company is making additions to its railroad system. The railroad, which has now 425 kilometres constructed, has become an integral part of the Company's system. Additions have been wisely made to the milling machinery, which, it is hoped, will assure the most approved methods to the manufacturing department. Owing to the extravagant price of coal, the Company has had its engines converted to the use of oil for fuel, and in order to insure an ample supply the Company is having oil storage and supply tanks erected on its estates. Regular quarterly dividends of $1\frac{3}{4}$% were paid on the Preferred stock and quarterly dividends of $2\frac{1}{2}$% were paid on the Common stock. During the year 2,000,000 dollars of Prior Lien 6% Gold notes have been paid off.

UNITED STATES FOREIGN TRADE.

According to figures published by the Bureau of Foreign and Domestic Commerce of the Department of Commerce at Washington, the total value of the imports into the United States during the eleven months ended November last amounted to $3,528,000,000. This is an increase of $708,000,000 compared with the first eleven months of last year. The total value of the exports for the first eleven months of the current year amounted to $7,242,000,000. This is an increase of $1,659,000,000 compared with the first eleven months of last year. The excess in the value of the exports during the current year has thus amounted to $3,714,000,000, compared with some $2,763,000,000 during the first eleven months of 1918.

Manchester and Liverpool District Bank.—The balance sheet for the past year has been published. The net profit of £510,878 shows an increase of £42,044 over the net profit for the previous year. An interim dividend was paid for the half-year ended June 30, 1919, of 5*s.* 6*d.* a share, being at the rate of $18\frac{1}{3}$% per annum, subject to the deduction of income tax, and it is now recommended that a final dividend at the same rate be declared for the half-year ended December 31, 1919. Deposits increased during the year from £44,530,512 to £59,108,849.

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Rubber Topics.

The Share market has displayed irregularity, but, on the whole, the trend has been better than last week from the point of view of holders, and a number of fairly substantial improvements are to be noted in the investment descriptions; while towards the end of the week buying of the 2*s.* issues was again in evidence. An outstanding feature is the rise of Tandjong shares to $6\frac{7}{8}$ on the proposed capitalisation of reserves. The price of the commodity is lower at about 2*s.* $8\frac{1}{2}$*d.*

Tandjong Rubber.— Special meetings of the shareholders of this Company will be held on January 20 and February 4 to sanction a proposal of the directors to capitalise £100,000 of the sum of £118,684, standing to the credit of share premium and reserve accounts, and, by issuing two new fully-paid shares for every three shares now held by shareholders, to raise the issued capital to £250,000.

RUBBER POSITION AND OUTLOOK.

In the course of four years of war the Rubber market, and incidentally the plantation rubber industry, experienced extraordinary vicissitudes of fortune; but it is safe to say that the first year of peace not only witnessed the lowest level of depression, but also wonderful recovery. At one time in 1918 the shipping position had become so acute that the bulk of the rubber exported from the Eastern producing estates was being not only shipped direct to the consuming countries, but also sold in the Eastern markets, instead of, as in the past, mainly from London, and on London terms. Indeed, in the middle of 1918, when rubber was selling at little over 1*s.* per lb. in the East, the Singapore market was the governing factor in values, and so big was the volume of direct disposal of rubber that fears became prevalent that London might be permanently displaced by Singapore as the chief market of the world. The ending of the War a few months thereafter, however, materially modified this view, and the statistics now available for 1919 prove that London has gone a long way towards regaining its former predominant position. Much rubber is still shipped direct from Eastern ports, but the market in London again governs the value of rubber, even though the chief consuming country is the United States, whose manufacturers use more than half of the total world production.

There has as yet been no public announcement of co-operation between the big administrative groups controlling British rubber plantations, but there is reason to believe that within the last nine months—since the depth of the depression of the market, in June last, when rubber touched a price of only 1*s.* 7*d.* in London—large-scale selling has been done more in unison than was ever the case in the past. Many of the big producers have protected themselves by selling substantial proportions of their crops

for forward delivery: and obviously, in view of the great increase taking place in production, such a policy is in the best interests of all and safeguards the future of the industry. Moreover, it strengthens the market for the disposal of the remaining supplies of the commodity, and, if the controllers of the big producing groups work together, it is but reasonable to expect that the market will be firmer and subject to smaller fluctuations than if each individual group or producer sells from hand to mouth.

The world's production in 1919 is estimated by Messrs. Rickinson at 327,000 tons, and shipments (including 55,000 tons from 1918) at 382,000 tons. The same authority places the shipment for 1918 at 241,579 tons, and if the 55,000 tons held over is added to that, we get a total of 296,579 tons as the production of that year. It would seem that while production is estimated to have increased by 30,000 tons, or 10%, the actual expansion in shipments has been 85,000 tons, or 35%. We have not yet the complete figures for the year of imports and exports of the various principal consuming countries, from which the amounts of rubber retained can be gauged, and consequently it is only possible to arrive at a rough estimate of the trend of consumption. Messrs. Rickinson's statistics show that rubber retained in the United States, the United Kingdom, France, Canada, and Japan, plus estimates for Italy and other countries, amounted to 251,583 tons in the first nine months of the year; and if we add one-third of this for the remaining three months we get a total of 335,000 tons for the whole of the year. That, of course, does not indicate the amount of rubber actually consumed, for a considerable portion of the amounts retained will have been added to stock, and, moreover, there has to be considered the amount of rubber afloat. The total of this latter it is difficult to gauge, but Messrs. Rickinson estimate the plantation rubber afloat in November at 41,560 tons, against 42,700 tons in June and 48,060 tons—the highest level—in April.

The table we give below shows how rapidly the production of rubber has expanded during the past five years, the extent to which distribution has kept pace with production, the increase in the amount of rubber afloat, and the prices of plantation rubber in London:

	Est. World's Production (Shipments)	Est. Total Rubber Distributed	Average Amount of Plantation Rubber Afloat	London Prices of Plantation Crepe		
	Tons	Tons	Tons	Highest	Lowest	Average
1914 ..	120,380	120,380	—	7/-	1 11½	2 3½
1915 ..	158,702	158,702	12,300	4 1½	1 11¼	2 6¼
1916 ...	201,598	189,740	16,800	4 3½	2 1½	2 10½
1917 ...	265,698	255,675	25,900	3 4½	2 2½	2 9½
1918 ...	241,579*	224,376	26,500	2 6½	2 1	2 3½
1919 ...	382,000*	251,583†	36,500‡	2 7½	1 7	2 1

* 55,000 tons produced in 1918 estimated to have been shipped in 1919, and are credited to latter year.

† Estimated amount of rubber retained by consuming countries in first nine months of the year.

‡ Estimated afloat at end November 1919, 41,560 tons.

In looking at the figures of distribution (which means distribution as between consuming countries) one has to bear in mind that the stocks in the two principal consuming countries—namely, the United Kingdom and America—are fairly heavy. The stock of rubber in London, for instance, at the end of 1919 amounted to 21,683 tons, as against 12,500 tons a year previously. But it would be a mistake to attach too much importance to this fact, for trade on such an expanded scale as is now being carried on, coupled with shipping delays and dock and warehouse congestion, necessitates the holding of much larger stocks for account of both dealers and manufacturers; and there is, in fact, no doubt that a large proportion of what are called stocks really consists of rubber sold but not delivered. Moreover, one has to remember that the recovery of the industry practically only set in last year, and can fairly be said, therefore, to have barely commenced. Particularly does this remark apply to the motor, cable insulation, and other rubber goods manufacturing and raw rubber consuming industries. Their state of activity is known to everyone, and if expansion of production reaches the level planned by the great companies in America, here, and on the Continent, it seems more than likely that the view that the world's requirements will equal production—which Mr. Croll expressed at the Rubber Trust meeting last August, doubtless after full consideration of all the factors—will be borne out by actual experience. Nevertheless, it is to be hoped that speculation in the commodity such as recently resulted in a big failure will not be encouraged; indeed, it will be to the advantage of the industry as a whole if undue speculation can be prevented by the large producing interests. What is required is a stable and remunerative price which will encourage consumption to keep pace with the great growth that is still proceeding in the production of plantation rubber, which is estimated to increase to 355,000 tons this year, and gradually further rise to 500,000 tons six years hence. If this can be achieved we shall have the firm establishment of what has now become one of the great raw material producing industries of the Empire, and a factor of prime importance in the exchange of commodities with the United States.

KAWIE (JAVA).

Issued Capital: £75,000 in 2/0 Shares.

Results for Years to March 31—

	Rubber: Total Planted Acres	Rubber: Area in Bearing Acres	Rubber: Output Lb.	Rubber: Av. Yield per Bearing Acre	Coffee Crop Cwt.
1915–16 ...	1,841	1,213	383,642	315	2,783
1916–17 ...	2,031	1,390	502,185	361	6,369
1917–18 ...	2,037	—	513,570	- -	2,324
1918–19 ...	2,037	—	425,338	—	3,769

	Rubber: Price Realised per lb.	Rubber: All-in Cost per lb.	Coffee: Price per Cwt.	Coffee: All-in Cost per Cwt.	Net Profit £	Dividend £	Dividend %
1915–6 ...	2 3·1†	1/0	49·1	- -	33,566	20,400	30
1916–17 ...	2 5¼†	—	79·8	—	60,042	17,000	25
1917–18 ...	2 0†	—	21·0‡	—	34,527	17,000	25
1918–19 ...	1 4¼†	—	31·7	—	23,938	13,600	20

† Price f.o.b. ‡ Valuation of coffee unsold.

On account of its low capitalisation, this Company, whose estate of over 2,000 acres is one of the best in Java, has been subject to very heavy liability for excess profits duty, and its dividend payments to shareholders have been correspondingly curtailed. Notwithstanding that coffee has been interplanted between the rubber trees and has, in several years, been the principal source of revenue, the rubber yield per acre in bearing is a very good one. For the year to June 30, 1919, restriction of tapping caused a decline of 118,000 lb. in the rubber output, and the total profit comes out at just under £24,000. The price obtained for rubber was only 1*s.* 4¼*d.* net, and the report states that the coffee production of 3,769 cwt. realised about 31*s.* 7*d.* per cwt. only. Nothing is said as to the unsold output of 1917-18, which was taken into account at 21*s.* owing to the temporarily demoralised market for coffee. Presumably this stock was disposed of for a low figure.

It is rather unfortunate that, just when the excess profits duty has been reduced and a very high price rules for coffee, the yield of this culture should be heavily curtailed as a result of drought and ash-rain from volcanic eruption. Of an estimated coffee output of 1,000 cwt. for the current year, 600 cwt. have been sold at 103*s.* per cwt., and of an expected rubber crop of 600,000 lb., about 134,000 lb. have been sold forward at a little under 2*s.* per lb. An appreciably higher price seems likely to be obtained for the balance, and, in addition to the low cost of production, a considerably larger profit than shown for the past year appears a reasonable anticipation.

With the 2*s.* shares priced at 10*s.* 6*d.* the market valuation per acre is nearly £200; but in this connection it has to be remembered that the Company owns 28,140 £1 shares, or about 10%, of the issued capital of the United Rubber and Coffee Plantations, Limited, which has 1,750 acres planted and 3,000 acres in course of development.

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Insurance Notes.

MARINE INSURANCE IN 1919.

Not very many insurance accounts, looking to the large number of companies transacting one kind of underwriting or another, generally make their appearance in the first quarter of the year. A goodly crop of such statements emanating from offices confining their operations to the marine department used to be general in January or early February. These were the snowdrops or crocuses of insurance returns. But the number of these concerns remaining absolutely independent organisations is now very small; in fact they could, indeed, be counted on the fingers of one hand, exclusive of the thumb. Most of the others have been absorbed by great composite companies, and though some of these continue to write business in their own names, the publication of their annual reports shows a tendency to be somewhat longer delayed than used to be the case. Some will, however, shortly come to hand in connection with balance sheets drawn up as at the close of 1919. But they will not, of course, tell a complete story as regards the actual trading results. According to general practice, they will be more concerned with the closing at that date, after fitting adjustments for belated claims, of the underwriting account for the previous year, that is in this case 1918. In fact nobody can approximately forecast at the present date the results of the actual marine underwriting in 1919. All that the accounts for that year will show in regard thereto, as at December 31, 1919, is that so much in premiums has been received, and, after provision for expenses and first year's settlements, that a certain amount of underwriting balance has been carried forward to provide for further claims on this account in 1920 and subsequent years until it is actually worked off.

There is reason to believe, however, that both joint-stock companies and Lloyd's underwriters have done tolerably well, so far as first year's settlements on account of 1919 can be considered as a guide. During the War the underwriters of both classes have fared excellently. They took big risks, and it might easily have turned out otherwise, for they were dealing with unprecedented conditions and with hazards the character of many of which was previously unknown. In regard to the fixing of premium rates there was no sort of satisfactory data to guide them. The effort was doubtless made to be on the safe side, but who, indeed, was to judge what was safe in a dark and untrodden path? The risks run were indeed colossal, and but for the splendid, silent, and fortunately successful, work of our gallant Navy every underwriter in the country might have been irretrievably ruined. It must be remembered that marine insurance business in its past history has shown extraordinarily fluctuating results. There were some very lean years in the business not long ago, when most underwriters and companies had to subsist on their own accumulated fat. It would be wrong, therefore, to grudge the men who took big risks, and in so doing rendered great service to the community, a handsome reward for their courage and enterprise. And it must be remembered that the profits made were much less than would appear to be the case from revenue accounts alone. Very large deductions have to be made for taxation of profits and excess profits duty.

As regards the underwriting operations of 1919, some things are of course well known in the market, apart from actual individual figures, and most of them are fairly satisfactory. The marine premium income received by the companies and underwriters, which probably reached high-water mark in 1917, being then far and away higher than in any previous year in the history of the business, fell considerably in the aggregate in 1918, and on the cessation of hostilities it was generally thought that the subsequent slump in 1919 would be sudden and heavy. This prognostication seems, however, to have been agreeably disappointed. There has been a fall, of course, and one that must inevitably be continued, but it has been of a more gradual character than had been anticipated. For this result underwriters owe a debt of gratitude to the leaders of their market; while they are to be complimented on the way that most of them have acquiesced in the sagacious advice which these experts have given them. Thus the hull agreement in the case of steamers for time remained good during last year, and rates of premium in this section were well maintained. In other sections, such as insurance of freight, total loss, and cargo rates, there has been a general reduction, ranging from 10 to 20% of the premiums. Less favourable features are the deterioration in the average quality of steamers, delays in loading and discharging them, increased losses by theft, and, of course, the enormous addition to the cost of repairs. There was a particularly adverse experience in regard to losses on wooden steamers. Twenty-five total disasters of this kind were reported last year, excluding losses on the Great Lakes of North America, many of these being due to fire, while partial losses from similar causes were serious and very numerous. Claims of this description take a long time for settlement, and their actual amount will not be known till a somewhat distant date. Underwriters cannot expect in any case to come very well out of "the wood." The new American and Japanese wooden steamers have apparently given particularly unprofitable results. The ordinary hull market experience looks as if a fair profit may be expected, apart from the class named. There have been fewer losses due to mines than might reasonably have been expected, some of the worst having occurred after the reopening of navigation between this country and Germany. The good work of the British Admiralty in so speedily and thoroughly clearing mines from trade routes should be gratefully acknowledged and suitably appreciated.

As regards the cost of repairs, it is now estimated to be from three to five times as great as it was in pre-War years, and there seems no early prospect of a general reduction in this respect. It is satisfactory, therefore, to hear that values have been well maintained during the past year; indeed, some owners have recognised the advisability of their covers being increased. One of the most difficult and adverse factors is the long delay in the settlement of outstand-

ing hull losses, owing to the difficulty in obtaining evidence as to actual depreciation and to other causes. It used to be thought, after third year's settlements had been made, that the amount of belated claims was almost negligible, but some claims arising in respect of the underwriting account for 1915 remained to be settled in 1919, and a much larger volume has still to be adjusted in the case of the 1916 account after the close of the fourth year.

One factor which must cause a certain amount of uneasiness to the underwriting market is the greatly increased competition for business which must arise from the number of new entrants into operations in this sphere. The number of new insurance companies who propose to embark in this particular business is unprecedented. Almost every day during the last two or three months of 1919 some new candidate made its appearance. The whole thing has been very much overdone. But although the public has latterly shown considerable discrimination, and although some of the new shares have gone to a discount, such was the response to these appeals that a great many of these companies are fairly well supplied with capital. Then there has been a great increase in the membership of Lloyd's, and a large number of new underwriting syndicates have been formed. During the War almost any underwriter could make money if he followed good names on a slip, because the market held well together and the leaders were correct in their judgment. But this new competition must inevitably tend towards under-quoting and under-cutting on the part of the more reckless and ambitious, and the newcomers, who are keen to push things forward too rapidly, will be a considerable danger to their brethren. If they undercut rashly they will, of course, be the principal sufferers themselves; but the older and stronger syndicates and companies will have to content themselves with a smaller volume of business. Under the new conditions the personal element of the skill of the individual underwriter will come conspicuously into play, and it cannot be doubted, unless the teachings of experience are to be nullified, that a good deal of money will be lost, as well as made, during the next few years in this section of insurance enterprise.

LONDON ASSURANCE AND VULCAN BOILER AND GENERAL COMPANIES.

Towards the close of last week the announcement was made that a conditional agreement had been entered into between the above companies, under which the London Assurance Corporation proposes to purchase the shares in the Vulcan, &c. Company (provided not less than 90% of the shares are so obtainable) on the following terms: four London Assurance Ordinary shares of £2 10*s.* each with £1 5*s.* credited as paid to be given for three Vulcan shares of £5 each with £2 10*s.* paid, and a cash payment of 5*s.* for each Vulcan share, or alternatively a cash payment of £16 for each Vulcan share.

The Vulcan Company's business is of a highly specialised kind. The dividends and bonuses paid to their shareholders for the last nine years have been at the rate of 12*s.* 6*d.* a share, less tax. In 1919 the amount required for shareholders' dividends and bonuses before deduction of tax was £46.875. An analysis of the accounts for 1918 shows that the gross profits in that year, after adjustment for unexpired risks, amounted to £56,850, but £7,500 of this amount was transferred to investments depreciation fund and £2,500 to the superannuation and benefit fund. There are 75,000 Vulcan shares, so on the basis of £16 per share the purchase price amounts to £1,200,000; as against which have to be placed subscribed capital £187,500, general reserve fund £47,500, and balance of profit and loss account carried forward to 1920, £7,912, together £242,912. Deducting these items, the estimated cost of the goodwill would be £947,088. The terms offered to the Vulcan shareholders seem to be attractive.

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Commercial.

BOARD OF TRADE RETURNS.

QUANTITIES AND VALUES OF PRINCIPAL EXPORTS AND IMPORTS.

UNDER the heading "A Year's Trade" we showed last week certain aspects of the international trade of this country during the past year. We showed that while our imports continued to expand, there was a greater proportionate increase in the volume of our exports measured in money values. We showed, moreover, that although the excess in value of exports over imports still exceeded some £660,000,000, there was a reduction in that excess as compared with last year of considerably more than £100,000,000 sterling. In other words, our traders are once more showing their ability to meet, at least in some measure, our excess of imports by a still greater proportional growth in the exports of articles raised in, or prepared in, this country for which there is an international demand.

In continuing the subject we publish to-day a series of tables, which we hope and believe will be of service to the reader, showing the quantities and values of our imports and exports during the year 1913. These quantities and values are compared with similar quantities and values in the year 1918, and also 1919. The reader will be able to appreciate to what extent the apparent growth in the imports and exports, as disclosed in the aggregate figures of the returns, are due simply to enhanced money values, or what we call higher prices. The table deals with all the principal imports of food and raw materials imported for our sustenance and the sustenance of our trade and manufactures. The export figures show all the principal articles which we export, together with the money values we obtained for them.

The total money value of our foreign trade amounted last year to something over £2,500,000,000,

comparing with some £1,400,000,000 in 1913. Volume 79 of THE STATIST will show, if the reader has it by him, after deducting re-exports, we arrived at the conclusion that our excess of imports over exports amounted to a little under £134,000,000. In that year we invested for the purpose of opening up new countries, in the hope of obtaining increased supplies of food and raw materials upon a relatively low basis of economic values, very nearly £250,000,000, at the equivalent of the prices ruling at that time. Last year, as stated above, the excess of imports over exports amounted to over £660,000,000 on the basis of values now ruling. Our re-exports for this year amounted in value to £164¼ millions sterling, on the basis of the present values. It will be seen that if we deduct these figures, as the writer of our trade article did in the year before the War, the excess of our imports over our exports, stated in money value, would amount to something approximating £500,000,000. Six years ago, as the figures we published at the time showed, we were entitled to an excess of imports over exports of practically £380,000,000. Prudently we did not import this immense quantity. On the contrary, in the hope—which was not realised—that we should be able to provide for increased supplies of food and raw products, we invested very nearly £250,000,000 of this sum in foreign lands. It is true that in quantities we have not exported this year anything like what we did six years ago. In coal, for example, we exported in quantity almost exactly half, but whereas we obtained £53,000,000 for an export of 76,000,000 tons of coal in 1913, we obtained £92,000,000 for an export of 38,000,000 tons in 1918.

It will be seen, therefore, that measured in money values prices have approximately doubled. We have already said that in 1913 we were entitled to an excess of imports over exports of virtually £380,000,000. If we assume, taking equivalent values then and now, that we could obtain approximately some £600,000,000, measured in money values, what assets have we to pay for them? In other words, what is the value of what we are accustomed to call our invisible exports? The services we rendered as international shippers in 1913 we valued at approximately £200,000,000 a year. That would leave only £180,000,000 as the annual value of the various services we rendered in addition to acting as the principal world's carriers. Nearly all economic authorities are agreed that this estimate would be very much too low. It has to be remembered that we had at that time some £4,000,000,000 invested abroad, the bulk of which was earning interest. In addition, we did the greater part of the world's marine trade, we were the world's principal merchant bankers, and we obtained a large revenue by acting as agents in various capacities.

We still retain some 70% or more of our investments and the other services we render are on equivalently the same basis as formerly. It seems not unreasonable, therefore, to assume, comparing prices in 1919 with what they were in 1913, that we are, if not wholly, at least to a great extent, paying at the present time for our excess of imports over exports.

Quantities and Values of Principal Imports.

Quantities (000's omitted).

	Dec. 1919	Dec. 1918	Dec. 1913	Years 1919	Years 1918	Years 1913
Cotton, raw (100 lb. centals)	3,060	1,476	3,395	19,583	14,891	21,743
Petroleum (gallons)	60,068	127,837	41,278	723,027	1,324,495	488,245
Wool (lb.)	50,946	23,082	67,366	1,042,399	413,454	802,097
Wood & timber (loads)	489	239	622	6,362	2,328	11,016
Rubber (100 lb. centals)	232	131	131	2,332	1,052	1,574
Flax (tons)	2	2	7	11	25	102
Hides (cwt.)	112	152	106	1,669	1,626	1,454
Iron and steel (tons)	48	28	243	507	337	2,220
Leather (cwt.)	72	88	80	1,973	681	1,176
Hemp (tons)	15	9	15	121	119	145
Pulp of wood (tons)	105	52	109	938	420	978
Nuts and kernels (tons)	62	41	—	500	443	—
Seeds (flax or linseed) (qrs.)	96	192	126	2,765	1,310	3,274
Palm oil (cwt.)	192	141	83	1,893	1,697	1,562
Tin (tons)	1	1	4	23	13	46
Copper (tons)	12	13	12	132	225	146
Tallow (cwt.)	136	65	137	1,767	403	1,933

Values—Principal Imports (000's omitted).

	Dec. 1919	Dec. 1918	Dec. 1913	Years 1919	Years 1918	Years 1913
	£	£	£	£	£	£
Cotton, raw	36,154	15,304	11,439	190,771	150,285	70,571
Petroleum	2,910	6,640	863	36,449	63,933	10,860
Wool	4,449	2,136	2,917	96,889	36,339	34,277
Wood and timber	5,213	3,274	1,655	63,963	25,491	29,879
Rubber	2,674	1,400	1,336	24,347	12,116	20,525
Flax	526	271	365	2,777	3,906	4,771
Hides	1,386	1,115	451	13,701	11,927	5,848
Iron and steel	1,088	669	1,466	11,312	9,708	15,231
Leather	2,058	1,101	816	37,395	9,725	10,572
Hemp	1,032	957	441	8,796	14,072	4,350
Pulp of wood	1,991	1,416	572	15,403	12,783	4,618
Nuts and kernels	2,736	1,111	—	19,411	12,696	—
Seeds (flax or linseed)	869	1,204	279	20,663	8,158	7,195
Palm oil	821	327	128	6,590	3,935	2,327
Tin	406	222	617	5,953	4,056	9,252
Copper	1,112	1,609	691	13,685	26,219	8,969
Tallow	903	243	228	7,626	1,447	3,245

Quantities and Values of Principal Exports.

Quantities (000's omitted).

	Dec. 1919	Dec. 1918	Dec. 1913	Years 1919	Years 1918	Years 1913
Cotton piece goods (yds.)	392,863	207,449	530,692	3,528,756	3,699,252	7,075,558
Coal, coke, &c. (tons)	3,309	2,247	6,526	38,466	34,173	76,687
Iron and steel (tons)	229	123	366	2,225	1,608	4,935
Woollen tissues (yds.)	12,763	5,633	8,957	130,988	67,383	105,957
Cotton yarn & twist (lb.)	14,894	8,720	17,207	162,665	101,711	210,176
Linen piece goods (yds.)	5,952	4,432	19,548	76,865	70,204	193,696
Boots & shoes (doz. pairs)	111	34	136	762	549	1,721
Worsted tissues (yds.)	3,576	2,128	6,407	32,266	31,081	65,512
Oilseed (tons)	9	—	5	102	15	59
Spirits (proof gallons)	436	233	903	3,302	2,937	10,086
Paper (cwt.)	142	36	258	936	565	3,500
Linen yarn (lb.)	954	36	1,163	13,247	1,668	16,337
Woollen & worsted yarn (lb.)	3,136	1,462	4,176	28,684	15,183	54,728
Jute piece goods (yds.)	11,876	1,488	14,277	111,321	31,955	172,386
Soda compounds (cwt.)	671	536	497	6,363	5,752	7,286
Manures (tons)	21	7	29	153	60	325
Beer and ale (barrels)	29	4	63	232	95	656

Values—Principal Exports (000's omitted).

	Dec. 1919	Dec. 1918	Dec. 1913	Years 1919	Years 1918	Years 1913
	£	£	£	£	£	£
Cotton piece goods	20,387	10,238	7,528	178,956	138,516	97,821
Coal, coke, &c.	10,832	3,779	4,592	92,298	52,416	53,659
Iron and steel	6,948	2,890	4,120	63,455	36,843	54,328
Woollen tissues	6,353	2,207	1,151	60,258	22,710	14,467
Cotton yarn & twist	3,403	2,042	1,255	33,911	21,389	15,007
Linen piece goods	709	395	584	7,801	6,394	5,968
Boots and shoes	561	146	351	4,294	2,550	4,447
Worsted tissues	1,263	644	608	11,814	7,757	6,188
Oilseed	898	—	145	9,238	1,198	1,730
Spirits	607	320	358	4,474	3,520	4,188
Paper	480	244	288	4,234	3,203	3,679
Linen yarn	245	4	89	2,932	276	1,215
Woollen and worsted yarn	1,270	665	434	11,949	6,050	5,462
Jute piece goods	573	67	260	4,896	1,101	3,065
Soda compounds	377	362	127	3,745	3,477	1,789
Manures	421	93	380	2,935	921	4,412
Beer and ale	201	26	209	1,535	630	2,136

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P. 791

THE BOOT AND SHOE TRADE.—IV.

With an ever-increasing demand for civilian shoes, it is not surprising that boot manufacturers became heartily tired of the war-time boot, as apparently the great majority of the public did, but failing leather, on the one hand, and labour on the other, the public had to take them. The great fact in connection with the home demand, and one that could not fail to be highly pleasing to the manufacturers, was that it ran on best grades almost entirely, and still does. The reasons for this are not far to seek, *viz.*, the Wartime boot, whilst solid and good value for wear, was not light and so stylish as one would desire. Further, there was, and still is, plenty of money about—or money tokens—and people will have the goods that please the eye, no matter the cost.

The Easter season's trade was one of the busiest on record, and caused manufacturers to be driven at their wits' ends to arrange their output to please the greatest number of customers. Fortunately, men were returning more freely of the skilled description, and the department was more inclined, during the second quarter, in view of the approaching end of control, to release sales of the common grades of beads and offal. Manufacturers and boot repairers were practically begging for leather from the merchants, and it was a most fortunate thing for consumers that prices were strictly controlled. Anything sold at that time, and many had to fall back upon the discarded chrome beads, made from dry hides, to fill up gaps. There is no doubt the public paid very dearly for their repairs, in point of common, spongey leather, which was responsible for a great deal of ill-health.

The opening of the third quarter saw trade conditions assuming a more normal appearance, as control was removed on most lines, and the department busy in disposing of its American and other grades of leather. This business is still proceeding under the auspices of the Disposals Board, and so far as the leather trade is concerned, the supplies could have been all disposed of long ago, and the money in the Treasury—or other coffers—had they been placed in the hands of the Tanners' Federation or the Boot Manufacturers' Association. This would have curtailed the wages and salaries accounts, which possibly is a point not really worth consideration.

A very pleasing experience during July to September was the receipt by boot manufacturers of shipments of Canadian and American sides, bends and offal, also of glace kid, and waxed splits much of which they had bought and paid for much earlier in the year. A fair quantity also was for cash against documents, but even in the case of pre-payments, the loss of interest was as nothing—comparatively—to the great saving in cost, the goods in question having so greatly appreciated meantime, at the same time manufacturers would have been very glad to have had the leather in due course, and so relieved them of worry in finding other lines. There is one thing to be said about it, and that is the value of civilian footwear had appreciated in the interim, consequently the arrival of this material meant a big additional profit to them. The last quarter of the year witnessed the organisation of the Standard Boot Scheme, which was inaugurated in order to supply a good serviceable article at the lowest possible price. Strangely enough, the scheme has been hung up by the Profiteering Department, who have expressed the intention of examining the whole of the costings of the various samples. This unnecessary work has been, we believe, accomplished, but the delay has been sufficient to prevent the goods being made and marketed in quantity during the early winter when they are most wanted.

The month of October—the first few days to be precise—saw the end of the railway strike, a movement which entailed an untold amount of loss and inconvenience to every section of the community. A much more pleasing event, from the leather trade's point of view, was the reopening of the Shoe and Leather Fair after a five years' interval. The railway strike seemed at first to be an insuperable obstacle to the fixture, but, fortunately, the strike collapsed on the eve of the opening day, and, under the adverse circumstances, a very satisfactory gathering of the combined trades took place. As with all other industries, the shoe and leather trades were completely at a standstill so far as receipt and disposal of goods and material were concerned, the worst feature being the lack of storage space as the goods were finished. But this was only another of the difficulties that boot manufacturers had to face, and this, needless to say, was overcome.

The Export Trade.—The overseas trade in footwear has been severely neglected during the War period, and even during the first half of 1919 very little was done officially to assist a section, among many others, the members of which were earnestly preached at to push for all they were worth, in the national interest. Whilst the home trade was so very active, and the goods selling at very satisfactory prices, manufacturers had no incentive to push the export side of their business. The result was that for this reason, and also for want of transport and shipping facilities, the export branch has not made so great headway during the first half-year as might have been hoped for. Of course, there is also the fact that America had all the advantages to get in and keep us out of our own markets to be taken into consideration. From the technical point of view they were able to make progress in their machinery, their men were well-trained, and there was absence of competition in the overseas trade. Now, however, things had changed, and it was now possible, owing to the exchange, to introduce footwear of British manufacture into America. The latest official returns, covering our total exports of footwear, were also far more satisfactory, not only in value, but for quantity—by far the best indication of progress. The principle of collective buying and distribution has recently taken a more practical turn than ever before in the shoe trade, there having been a scheme mooted to purchase leather through a central agency, and distribute same among the members. Another system is that of co-operating to extend overseas trade through a similar central organisation, which receives and distributes the orders for footwear among its members. The latest is an ambitious scheme to benefit the shoe retailers of this country by purchasing footwear from manufacturers, or having its own brands manufactured in bulk, and distributed according to the individual requirements of its shareholding members.

National Discount Company, Limited.—After applying £64,000 to writing down the Company's investments to current prices as at December 31, 1919, the directors recommend the payment of a dividend for the half-year ending December 31 last of 6*s.* per share, subject to deduction of income tax (making, with the interim dividend declared in July last 12% for the year), and carrying forward about £47,000 to next account.

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Yr to June 30	Trading Profit	Deb. Int.	Net Profit	Dividend on Pref. Sh. %	Dividend on Pref. Sh. £	Dividend on Ord.Sh. %	Dividend on Ord.Sh. £	Special Allcns.	Carried Forward
	£	£	£					£	£
1914	20,335	7,000	13,335	1¼	3,750	Nil	—	12,000	2,743
1915	43,213	7,000	36,213	5½	16,500	Nil	—	14,098	8,358
1916	26,609	7,000	19,609	5½	16,500	Nil	—	—	11,467
1917	82,982	7,000	75,982	*	62,700	Nil	—	24,556	194
1918	89,287	7,000	82,287	A 5½ / B 6½	9,900 / 11,700	Nil	—	30,000	30,881
1919	62,768	7,000	55,768	A 5½ / B 6½	9,900 / 11,700	2½	6,000	—	59,047†

* £62,700, after deducting income tax, devoted to repayment of arrears of Preference dividend. † Subject to excess profits duty.

THOUGH the report of this Company, which carries on an old-established and extensive business of tea, coffee, spice, and fruit merchants, for the year to June 30 disclosed a substantial falling-off in profit compared with 1917-18, the directors found it possible, for the first time for 16 years, to pay a dividend on the Ordinary shares, thanks to the liberal allocations to reserve and carry-forward previously made. It was explained to shareholders at the meeting held recently that, notwithstanding the difficulties of changing over from war to peace conditions, the Company's trade showed large and continuous increase. Owing to the low pre-War rate of earnings the excess profits duty takes a heavy toll, the profit which the Company can retain in respect of the past year being estimated at 1% on its turnover, plus 24% of the balance earnings. The rate of excess profits duty to date has been appreciably lower at 40%, and the next Budget may reduce this further, and even remove the tax altogether. In that case, with trade continuing very active, there seems a better prospect before Ordinary shareholders than at any time in the past history of the Company.

The financial position has been appreciably improved. In bygone years the Company has undoubtedly been handicapped by the fact that originally a valuation of £356,000 was placed upon goodwill, which resulted in over-capitalisation under the conditions appertaining before the War. But during the War circumstances have completely altered, and, moreover, the reserve funds totalling £79,555 have been built up. Nevertheless, it would be in the interests of shareholders either steadily to write down the goodwill item in the balance sheet or, on the other hand, to add appreciably out of future profits to the reserves.

Allowing for the dividend payable, the balance sheet at June 30 showed surplus liquid assets of £345,910, including stocks valued at £174,000, and also £100,000 of the Company's Debentures held in trust for it. The whole of the assets, excluding goodwill, exceeded liabilities by £582,600, as against the total share and Debenture capital of £800,000; so that, subject to payment of excess profits duty, the amount of capital represented by goodwill comes out at £218,000. If the excess profits duty is terminated shortly, the directors' task of more firmly establishing the stability of the undertaking will be facilitated, and in that case there ought to be an improvement in the public estimation of its securities. At the present time the 3½% Debenture stock, quoted at about 59, yields not quite 6%, while the 5½% Cumulative "A" Preference shares at 12*s.* 6*d.* and the 6½% "B" non-Cumulative Preference at 13*s.* 6*d.* return over 8¾% and 9½% respectively. The price of the Ordinary shares is 12*s.* 6*d.*, and it will be noted that in respect of the past financial year the profit available for them, before allowing for excess profits duty, was equal to about 14%.

BRITISH BURMAH PETROLEUM.

Issued Share Capital: £789,601, in 8/0 Shares.
Debenture Stock: Outstanding, £524,908 First and £55,657 Second (Sinking Funds amount to £173,139 for First and £27,814 for Second Debentures).

Year to July 31	Gross Profit	Sundry Rev. and Expenses Commis.	Depre-ciation	Deb. Charges†	Net Profit	Div.	Added to Reserves	Carry-forward
	£	£	£	£	£	%	£	£
1914	161,631	4,490	27,385	28,285	70,229	40,222	—	35,000	5,222
1915	143,253	4,023	29,686	40,250	67,605	9,735	—	—	14,957
1916	252,996	5,197	38,577	96,795	67,279	55,542	—	35,000	35,499
1917	292,348	6,778	54,362	72,745	66,602	105,417	7½*	40,737	40,989
1918	371,945	9,354	71,080	48,540	66,523	195,156	12½*	110,000*a*	25,635‡
1919	534,603	35,074	86,186	67,579	70,632	345,281	17½*	200,000*a*	32,720

* Free of income tax. † Interest and sinking fund.
‡ After providing directors' extra remuneration.
(*a*) Including provision for excess profits duty.

For the first five years after its formation in 1910 this Company achieved a degree of prosperity little more than sufficient to pay its Debenture charges. Then, however, a material improvement in earnings set in, and payment of dividends on the share capital commenced in 1917. Now the report issued for the year ended July 31, 1919, discloses a very big expansion in profits—due largely, it would seem, to the high prices obtainable for oil, but apparently also to increased production, improved methods of refining, and economies in working. The gross trading profit is reported as £534,603, as compared with £371 945 in 1917-8, and sundry revenue—thanks to a substantial income on account of exchange—was £35,000, against little over £9,000. After deduction of expenses and commission the net income amounts to £483,491, in comparison with £310,220; the depreciation provision is raised from £48,540 to £67,579; and after meeting Debenture interest and sinking-fund requirements the net profit comes out at £345,281, or £150,000 more than obtained in the previous year. This, however, is before provision for excess profits duty; and apparently also English income tax is not deducted, though the dividends are paid free of tax. Consequently, as much as £165,000 is set aside to contingent reserve account, increasing the amount of same to £197,131. In the previous balance sheet the sum standing to the credit of this reserve was £60,000, so that £28,000 has been paid out on account of the taxation of that year. Altogether £200,000 of the year's profit is allocated to reserve and shareholders receive dividends totalling 17½% free of tax, which calls for £138,196. In regard to the dividend payment of 17½%, this includes the final distribution of 12½% on all shares issued prior to July 31 last. Since then 525,772 shares of 8*s.* each have been issued at a premium of 12*s.* per share, so that the share capital ranking for dividend henceforth will be £1,000,000 instead of £789,691. On the other hand, the new issue of capital has provided £525,772 of additional cash resources, of which £315,463 has gone to swell the reserve fund. On July 31 the general reserve account stood at £150,000, Debenture sinking-fund accounts amounted to £200,954, and exploration and development reserve fund figured at £17,812, in addition to which there was the before-mentioned contingent reserve of £197,131. Over three-fourths of the Debenture sinking-fund reserve has been invested in the Company's Debenture stocks. The balance-sheet position will be seen from the following contrast:—

Balance-sheet Figures at July 31.

	Total Capital	Reserves and Carry-forward	Property and Plant	Stocks	Stores	Surplus Liquid Assets	Total
	£	£	£	£	£	£	£
1914...	1,389,099	71,476	1,253,065	38,510	78,456	90,544	1,460,575
1918...	1,373,789	383,893	1,244,462	139,862	124,978	248,380	1,757,682
1919...	1,370,256	598,617	1,194,471	116,116	238,658	419,628	1,968,873

Besides deriving revenue from the production of oil from its own properties, the Company owns practically the whole of the share capital of the Rangoon Oil Company. The combined crude oil production of the two concerns in the financial year under review was in excess of that of the previous twelve months; but the directors state that the continued shortage of drillers and of material was responsible for a reduction of footage drilled that may to some extent have a prejudicial effect, for a period, upon future crude oil returns. However, shareholders are also told that since the Armistice large quantities of equipment have been shipped to Burma and additional drillers are also going forward, which will enable a more vigorous drilling policy to be proceeded with. Moreover, the directors anticipate that as a result of the employment of additional capital raised last September the ordinary expansion that has taken place in the business may be further enhanced, as various improvements and extensions which have been in contemplation for some time are being carried out, and a scheme for providing electrical power for the principal field is now the subject of negotiations with the Burmah Oil Company. An important factor which has to be borne in mind is that the Company's revenue is obtained mainly from the sale of its refinery products in India, and the sterling value of the rupee has now advanced to 2*s.* 5*d.*, as against 1*s.* 8*d.* at July 31 last. For the purpose of the Company's balance sheet the exchange has been taken at 1*s.* 4*d.* per rupee.

There are obvious indications of good prospects. The excess profits tax in the current financial year will be 40%, unless it is further reduced, or possibly removed, whereas for the past financial year the average rate was about 56%. But with the 8*s.* shares now priced at over £3, a very large increase in dividend is discounted in advance.

THE "ALMANZORA."

A PARTY of guests were entertained at Southampton Docks on Tuesday, by the Chairman and directors of the Royal Mail Steam Packet Company, on board the *Almanzora*, the latest or "A" type of vessel, designed for this Company, for the Brazilian and River Plate trade. The vessel is 15,500 gross tons and is fitted up with every luxury and convenience to meet the requirements of passengers travelling to South America.

The Company was founded in 1839 with the object of providing a mail service between this country and the West Indian Colonies. The *Thames* was the first vessel to be operated, and started from Falmouth, on January 1, 1842.

The visitors on Tuesday were welcomed by Mr. J. Cameron Head, and had a most enjoyable time.

The Acting Chairman in his speech said that when the War broke out the *Almanzora* was being fitted out at Messrs. Harland and Wolff's yard at Belfast, and it was their intention that her maiden voyage should be made in the autumn of 1914. The War broke out, however, and this fine ship was requisitioned by His Majesty's Government as an armed cruiser. She was commissioned at Belfast by Capt. William D. Church, R.N. She joined the 10th Cruiser Squadron on the Northern Blockade Patrol, and met the Grand Fleet returning from the Battle of Jutland. The greater part of her time during the War she was employed on convoy service in various parts of the world. During the whole of the War she steamed 191,949 miles. She has now been transformed from an armoured cruiser to a mail passenger steamer, beautifully fitted and elegantly furnished. She started on Wednesday last to make her first trip for the purpose she was originally designed, with passengers for Spain, Portugal, Brazil, and the River Plate, as the latest of the "A" class of steamers of the Royal Mail Steam Packet Company.

New Issues.

R. E. JONES, LIMITED,

THIS Company was formed in 1895 and acquired the Richard Edwin Jones Cafés, established first in 1879 in Cardiff, and subsequently developed until the business is now claimed to be one of the leading catering undertakings in South Wales. In 1918 the Company acquired the business of R. E. Jones (Garages), Limited, and consequently the enterprise now is carried on in two main departments, one devoted to catering and the other to motor business. To finance the acquisition of additional properties and expansion of trading subscriptions are invited for an issue of 247,534 7½% Cumulative Preference £1 shares, participating to the extent of an additional 2½% dividend after the Ordinary shares have received 25% per annum. The authorised capital of the Company is £1,000,000, divided into 800,000 £1 Preference shares and 800,000 Ordinary 5*s.* shares, of which so far £252,466 of Preference capital and £82,716 of Ordinary have been issued. Including property and premises acquired recently, the total of the Company's freehold and leasehold hotels, restaurants, bakeries, and garages, taken as going concerns, and properties and interests in London, are valued at £621,500. The profits of the Company, after providing for excess profits duty, but before charging



Debenture interest, depreciation, directors' fees, and income tax, have risen from £13,662 in 1916 to £43,296 in 1919, the dividend paid on the Ordinary shares being raised in the same period from 20% to 45%. In view of the smallness of the Ordinary capital the fresh issue of Preference shares has obviously speculative drawbacks; but the management has proved highly successful in the past.

WEST AUSTRALIA GOVERNMENT LOAN.

Applications have been received for an issue of £1,500,000 of West Australia Government 5¾% Inscribed stock at 98%. The loan is raised for the construction and equipment of railways, harbour, and public works, and is repayable at par on September 1, 1940, the Government having the option to redeem on or after September 1, 1930, on giving three months' notice. Interest is payable on March 1 and September 1, the first six months' interest being payable on September 1 next. The stock is, of course, a trustee investment, and it may be noted that the Government's existing 4% Inscribed stock 1942-62, quoted at 74, yields £5 8*s.* 1*d.* per cent., as against the return of nearly 6% afforded by the new security.

BURBERRYS, LIMITED.

The business of Burberrys, which this Company is formed to acquire, is well known and widespread, and is to be run in conjunction with the businesses also purchased—of S. J. Prestwich, of Manchester, and H. J. Nicoll and Company, Limited, of London, Liverpool, and Paris. The share capital is £2,000,000, divided equally into 7½% Cumulative Participating Preference shares and Ordinary shares of £1 each. The public are offered 750,000 of the Preference shares and 250,000 of the Ordinary shares at par. Beyond 7½% Cumulative Preference dividend the Preference shares are entitled, after the Ordinary have received 7½%, to participate *pari passu* in the balance profits until a further 2½% has been paid. It is apparent from the prospectus that a high valuation is placed upon the assets and goodwill.

H. H. AND S. BUDGETT AND COMPANY, LIMITED,

An issue of 154,500 7½% Cumulative Preference shares of £1 each is being made by this Company carrying on an old-established wholesale grocer's and drysalter's business at Bristol. The capital authorised is £450,000, divided into 300,000 £1 Preference and 150,000 £1 Ordinary shares, of which hitherto 95,500 Preference and 50,000 Ordinary have been issued. The balance sheet at September 13 last showed assets valued at £489,393, and after deducting liabilities (including excess profits duty) there would be a surplus of £227,201, as against the capital then in issue of £145,500. Profits for the three years to March 31, 1919, after providing for all charges except interest and income tax, increased from £34,850 to £39,767, and for the half-year to September 1919 the corresponding figure is given at £29,894. The 7½% dividend on the Preference capital that will be outstanding if the present issue is fully subscribed, will call for £18,750 per annum.

SUNGEI SEKAH (F. M. S.) RUBBER COMPANY, LTD.

With an experienced directorate, this Company has been formed to acquire 1,413 acres of land in the State of Negri Sembilan, F.M.S., the estate comprising 980 acres planted with rubber trees 2½ years to 5 months old, 196 acres felled, and 237 acres of jungle. The expert's report on the property is a good one, his net valuation being £39,885, and the Company pays £39,102 in cash. To provide this and working capital, 600,000 2*s.* shares, of 1,000,000 such shares comprising the authorised capital, are offered for subscription at par. It is anticipated that a total of 1,383 acres will be planted and brought to bearing at an inclusive cost of £57 per acre. Production is not expected to commence in any quantity until 1923. As a speculative lock-up plantation investment the shares seem to have attractions in view of the relatively low capitalisation per acre.

CALLOOSE TIN MINES AND ALLUVIALS, LIMITED.

This new Company has been formed to acquire a group of tin mines and alluvial deposits in the Gwinear mineral district of Cornwall, together with what is described as completely equipped plant and machinery with a capacity of 3,000 tons of ore per month. The capital is £125,000 in 5*s.* shares, and the purchase consideration payable to the vendor syndicate is £110,000, as to £30,000 in cash, £15,000 in 6% First Mortgage Debentures, and £65,000 in Ordinary shares. The public is asked to subscribe for 240,000 5*s.* shares at par. The vendor syndicate and parties interested therein seem to have made certain of cover both ways, for, in addition to cash purchase consideration, a Debenture debt is initially placed on the undertaking, and on the other hand any unissued shares are optioned at par for one year.

WEST AFRICAN, NIGERIAN AND GENERAL TRUST, LIMITED

Subscription of the 250,000 £1 shares of this Company (part of an authorised capital of £1,000,000) which are offered this week cannot be considered as other than participation in a blind pool. There are three directors, and no contracts have been entered into, it merely being stated in the prospectus that the Company is being formed to deal in concessions, leases, and other grants of properties in any part of the world, and particularly in West Africa and Nigeria. Experience of such undertakings in the past has been a very doleful one for the public, whatever it may have been for insiders.

UNION MINING AND SMELTING COMPANY, LIMITED.

This is another instance of the public being asked to subscribe capital for a new undertaking which purposes to conduct a general mining, finance, and development business, without any knowledge as to the particular intentions of the directors, beyond the statement in the prospectus that activities are proposed to be confined to this country and that special attention is to be given to the investigation of the mineral deposits in North Wales. The capital is £500,000 in £1 shares, all of which are offered for subscription at par.

THE STATE ASSURANCE COMPANY, LIMITED.

Shareholders in this Company are offered 30,000 shares of £8 each (in the proportion of three new shares for every seven shares held as at January 7, 1920) at £6 per share, of which £1 will be capital and £5 premium to be added to reserve The offer must be accepted on or before February 2. The premium income of the Company for 1918 showed a considerable increase over that for 1917, and for 1919 is expected to show a further gratifying expansion.

The Tata Industrial Bank, Limited, which has its head office in Bombay and branches in the chief centres of India and Burma, has opened a London office at 2 White Lion Court, Cornhill, E.C. 3. Its authorised capital is Rs.12,00,00,000, and the subscribed capital Rs.7,56,00,225.8, of which Rs.1,51,09,515 is paid up. Deposits on June 30, 1919, amounted to Rs.5,83,90,264. The profit earned by the Bank for the half-year ending December 31, including Rs.1,54,836.6.9 brought forward from the previous account, amounts to Rs.8,12,957.10.4.

Barclays Bank, Limited.—The directors report that the net profits for the year ended December 31, 1919, amounted to the sum of £2,122,191, to which has to be added the sum of £278,427 brought forward on December 31, 1918, making a total of £2,400,619. Of this sum, £150,000 is allocated to reduction of premises account and payment for buildings; £100,000 to reserve for staff pensions; and £650,000 to contingency account. Interim dividend paid August 1, 1919, at the rate of 10% per annum on the "A" shares and 20% per annum on the "B" shares of £2 each, £1 paid, less income tax, called for £494,806; and the directors recommend a final dividend at the rate of 10% per annum on the "A" shares and 20% per annum on the "B" shares of £2 each, £1 paid, less income tax, payable on the 2nd proximo, absorbing £497,362. The amount carried forward will be £508,450.

Lancashire and Yorkshire Bank, Limited.—The directors recommend a dividend of 22*s.* per share for the past half-year, subject to deduction of income tax. The reserve fund is raised to £875,000, and £88,866 is carried forward. Government securities and other investments have been taken at or below market price.

THE CUBAN-AMERICAN SUGAR CO.

ANNUAL REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1919.

NEW YORK, December 15, 1919.

To the Stockholders of the Cuban-American Sugar Company:

Your Board of Directors submit the following report for the fiscal year ending September 30, 1919.

The production of raw sugar during the year amounted to 314,503 tons (of 2,000 lb.), which was almost fourteen per cent. (14%) greater than in the crop previous in spite of an average decline of over three per cent. (3%) in the sucrose in the cane.

The tonnage of cane ground and the year's output of raw and refined sugar for the last two years appear in the following table :—

	1918-19.	1917-18.
Cane Ground	2,715,554 Tons	2,334,617 Tons
Raw Sugar Production—	(Bags 320 lb.)	(Bags 320 lb.)
Chaparra	559,503 Bags	521,771 Bags
Delicias	712,733 ,,	624,975 ,,
Tinguaro	275,663 ,,	264,585 ,,
Unidad	83,451 ,,	65,720 ,,
Mercedita	129,716 ,,	110,707 ,,
Constancia	204,575 ,,	138,989 ,,
Total	1,965,641 Bags or 314,503 Tons	1,724,750 Bags or 275,960 Tons
Refined Sugar Production—		
Cardenas Refinery, Cuba	43,163,954 lb.	50,277,888 lb.
Gramercy Refinery, La.	143,589,696 lb.	151,025,592 lb.

The net profit of the Company for the fiscal year amounted to $7,091,296.85, after deducting $4,000,000, the estimated amount of such income and war excess profits taxes as may be finally determined, and $999,021.81 for depreciation of buildings, machinery, and equipment. Ample provision has also been made for doubtful accounts and for the year's proportion of the cost of cane plantings.

At Chaparra we have entered upon an extended and profitable operation of our lengthened railroad line in passenger and freight service. The population in this favoured zone has largely increased. Our railroad with four hundred and twenty-five kilometers constructed has become an integral part of our business: its economical value and general importance will be greatly enhanced in the future. The additions to our milling machinery assure the most approved methods and increased capacity in the conduct of our manufacturing department. Agriculture, the very basis of our business, is being prosecuted with all the diligence necessary to the demands of our general development.

The change of fuel consumption from coal to oil has been practically completed and oil storage and supply tanks are being erected on all the Company's Estates.

Additional boiling facilities at Tinguaro and other factories have been completed, and certain minor machinery has been installed to improve the work of these houses.

Regular quarterly dividends of 1¾% were paid on the Preferred Stock and quarterly dividends of 2½% were paid on the Common Stock.

During the year $2,000,000 of the First Lien Six per Cent. Serial Gold Notes (Series A), which matured January 1, 1919, together with coupons thereon, were paid off.

The $2,000,000 First Lien Six per Cent. Serial Gold Notes (Series B), maturing January 1, 1920, together with coupons thereon, will be paid by the Central Union Trust Company, 80 Broadway, New York, when presented, on and after January 2, 1920.

The season we are entering was prepared for on the most generous plan and our Western Estates have greatly improved during the year's progress. In the East, however, where our new plantings were on the most extended scale, we have experienced adverse weather conditions; notwithstanding this unusual interference our estimates indicate a total output larger than any former year.

Respectfully submitted by order of the Board,

R. B. HAWLEY, *President.*

THE CUBAN-AMERICAN SUGAR COMPANY AND ITS SUBSIDIARY COMPANIES.

CONSOLIDATED PROFIT AND LOSS ACCOUNT for the Year ended September 30, 1919.

Raw and Refined Sugars Produced, less Commissions, etc.	$19,324,349 29	
Molasses Produced	342,474 99	
Interest Received	347,060 81	
Profit on Stores, Cattle, etc.	753,279 46	
		$50,767,164 55
Less: Expenses of Producing, Manufacturing, Selling, etc., of Raw and Refined Sugars		37,721,928 25
		$13,045,236 30
Deduct: Reserve for such Income and War Excess Profits Taxes as may be finally determined	$4,000,000 00	
Provision for Depreciation	999,021 81	
Discount on Serial Gold Notes	108,333 33	
Interest on Serial Gold Notes	270,000 00	
Interest on Bills Payable, Current Accts., etc.	348,651 71	
Loss on Liberty Bonds sold	227,932 60	
		5,959,938 45
Net Profit for the Year		$7,091,296 85

CONSOLIDATED SURPLUS ACCOUNT for the Year ended September 30, 1919.

Balance, October 1, 1918			$16,828,163 47
Add: Premium on Common Stock and Scrip sold		$240 50	
Profit for the year ended September 30, 1919, per annexed account		7,091,296 85	
			7,091,537 35
			$23,919,705 82
Deduct: Dividends on 7% Preferred Stock:			
Paid Jan. 2, 1919, for 3 months to Jan. 1, 1919—1¾%	$138,141 50		
Paid April 1, 1919, for 3 months to April 1, 1919—1¾%	138,141 50		
Paid July 1, 1919, for 3 months to July 1, 1919—1¾%	138,141 50		
Paid Sept. 30, 1919, for 3 months to Oct. 1, 1919—1¾%	138,141 50		
		$552,566 00	
Dividends on Common Stock:			
Paid Jan. 2, 1919, for 3 months to Jan. 1, 1919—2½%	$250,000 00		
Paid April 1, 1919, for 3 months to April 1, 1919—2½%	250,000 00		
Paid July 1, 1919, for 3 months to July 1, 1919—2½%	250,000 00		
Paid Sept. 30, 1919, for 3 months to Oct. 1, 1919—2½%	250,000 00		
		1,000,000 00	
			1,552,566 00
Surplus at September 30, 1919			$22,367,139 82

CONSOLIDATED BALANCE SHEET, September 30, 1919.

Capital Assets:	ASSETS.		
Lands		$9,417,648 50	
Buildings, Machinery, Railroad Tracks, Rolling Stock, etc.		22,108,692 35	
			$31,526,340 85
Goodwill			3,929,340 28
Work Animals, Live Stock and Equipment			1,318,667 81
Current Assets and Growing Cane:			
Planted and Growing Cane		$2,754,304 39	
Advances to Colonos and Contractors (after deducting Reserve for Bad and Doubtful Accounts)		3,817,653 14	
Raw Materials, Supplies and Merchandise in Stores		5,014,332 63	
Raw and Refined Sugar		5,591,856 61	
Accounts and Bills Receivable (after deducting Reserve for Bad and Doubtful Accounts)		2,067,827 91	
Liberty Loan Bonds (par value, $1,220,000)		1,199,240 00	
Cash in Banks, with Fiscal Agents and on hand		2,311,213 08	
			22,756,232 76
Other Assets:			
Advances in connection with Contracts for Future Delivery of Fuel Oil		$576,481 09	
Discount on Serial Gold Notes		51,166 67	
Prepaid Insurance, Taxes, etc.		140,049 68	
			770,697 44
			$60,301,279 14
Capital Stock:	LIABILITIES.		
Common (Authorised $10,000,000), 100,000 shares of £100 each		$10,000,000 00	
Seven per Cent Cumulative Preferred Stock (Authorised $10,000,000), 78,938 shares of $100 each		7,893,800 00	
			$17,893,800 00
First Lien 6% Serial Gold Notes Outstanding: (Due: $2,000,000 on January 1, 1920, and $2,000,000 on January 1, 1921			4,000,000 00
Real Estate Mortgages and Censos			462,192 76
Current Liabilities:			
Bills Payable		$459,554 93	
Bankers' Loans		1,009,699 36	
Accounts Payable		2,206,225 37	
Salaries and Wages Accrued		104,329 84	
Interest Accrued		81,160 36	
			3,920,949 85
Reserve for such Income and War Excess Profits Taxes as may be finally determined			5,398,518 67
Reserve for Depreciation			6,238,078 04
Surplus, per annexed statement			22,367,139 82
			$60,301,279 14

CERTIFICATE OF ACCOUNTANTS.

To the President and Directors of the Cuban-American Sugar Company:

We have examined the books and accounts of The Cuban-American Sugar Company and its subsidiary companies for the year ended September 30, 1919, and hereby certify that the annexed Consolidated Balance Sheet has been correctly prepared therefrom and, in our opinion, sets forth the true financial position of the companies as at that date, and that the relative Profit and Loss Account correctly shows the results of the operations for the period.

The stock of raw sugar on hand has been valued at the selling price fixed by the Sugar Commission, after deduction therefrom of all estimated shipping and selling expenses. All of this has now been delivered with the exception of 7,668 bags, which have been contracted for. Refined sugars have been valued at market or cost, whichever was lower.

LOVEJOY, MATHER, HOUGH & STAGG,
Members of the American Institute of Accountants

55 Liberty Street,
New York City,
December 15, 1919.

MEETINGS
OF PUBLIC COMPANIES.

WESTERN AUSTRALIAN BANK.

THE half-yearly meeting was held on November 5, 1919, at the Banking House, St. George's Terrace, Perth, W.A. Sir E. H. Wittenoom, Chairman of directors, presided.

The Chairman, in moving the adoption of the report and balance sheet, said the directors had been able to maintain an average volume of business, pay the usual dividend, and carry a substantial amount forward to next half-year. This had been accomplished in the face of heavy demands in the way of taxation and calls to subscribe war loans, &c. Deposits were a little less than in March by some £15,000, but were £276,000 higher than in September 1918, while specie, bullion, and Australian notes also showed a small reduction compared with the March figures and an increase of no less than £211,000 compared with those for September 1918. Advances had increased by £28,000 since March, the amount being about the same as in September 1918. He desired to refer briefly to the various industries with which the Bank was associated. The conditions surrounding the wool and meat business had not been universally satisfactory. The season for tropical rains was, however, now approaching, and they hoped, therefore, that an improvement would soon take place. The outlook for selling the wool was cheerful, owing to the British Government again taking it over on the same basis as for the last few years, whilst the prices realised for fat meat were satisfactory. Owing to the timely arrival of the recent rains, the prospects of the coming harvest were good, and at least an average yield was expected. The advance of 5*s.* per bushel on wheat guaranteed by the Government for the proceeds of the coming crop was an encouragement to the farmers. Interest had been revived in gold mining, owing to the recent discoveries and developments at Hampton Plains. The timber industry was still hampered for want of shipping.

Mr. H. Hocking seconded the motion, which was carried, as was one to enable married women to hold shares in their own names.

AFRICAN BANKING CORPORATION, LIMITED.

THE fiftieth ordinary general meeting was held on January 15 at Winchester House, Old Broad Street, E.C., the Right Hon. the Earl of Selborne, K.G., the Chairman, presiding.

The Chairman, in moving the adoption of the report and accounts, said: You will, on looking at the figures, see that our cash is £3,131,996, or £1,159,000 more than last year. The increase is accounted for by the large increase in our current accounts and deposits. The securities are £1,048,255 8*s.*, or about £240,000 more than last year. They are taken in at market prices ruling on the day of balance, all depreciations having been written down. Bills of exchange purchased at £2,148,929 18*s.* 7*d.* are about £280,000 down as compared with last year. These are maturing daily, and, together with our cash and securities, represent about 62 per cent. of our liabilities to the public. Bills discounted, loans and advances at £5,105,154 show an increase of £979,000 over last year. You will notice from the profit and loss account that we have again set aside £10,000 for depreciation of our premises, and all our premises are kept in thorough repair. On the liability side our paid-up capital now stands at £1,000,000 as the result of the issue of 80,000 shares which we made at the beginning of last year. The premium on these new shares—namely, £40,000—together with £30,000 taken from our profits, makes our reserve fund £360,000. Our note issue at £388,584 is slightly down on last year's figure, and this is partly accounted for by restrictions on exchange operations. The amount of our current accounts and deposits, £9,491,526, shows an increase of £1,603,000. Drafts issued are £265,990, and rebate stands at £35,073. The total of our balance-sheet figures is increased by £2,043,038. With the amount carried forward from last year—namely, £36,013—our total profits are £463,486 (or £84,500 more than last year), after deducting interest on deposits, bonus to staff, and providing for income tax and all bad and doubtful debts. Charges are higher at £233,640 (or £41,223 18*s.* 1*d.* more). Rebate is £35,073 3*s.* 9*d.*, and depreciation of furniture £2,107 5*s.* 1*d.* As I have already said, we place £10,000 to premises account and £30,000 to reserve fund; £5,000 is added to the staff guarantee and savings fund; and £20,000 to the pension fund. Out of the balance of £127,665 15*s.* 7*d.* we paid £40,000 for an interim dividend in July, and we now propose to pay a dividend of £50,000, representing a final dividend of 5 per cent., or at the rate of 10 per cent. per annum, making a total dividend of 9 per cent. per annum for the year.

We consider this is a favourable statement to put before you. You may remember that when I last had the pleasure to address you I pointed out that while South Africa had for the past few years enjoyed unprecedented prosperity, yet at the period of the Armistice large stocks were held at high prices, and that in the event of a heavy drop in prices considerable trouble might arise, especially in the cases of those who had not been prudently setting aside a percentage of their profits in reserves to meet any such depreciations. At the same time I indicated that if the situation was met calmly, stocks reduced and imports cut down, and time given for matters to right themselves, there ought to be no great trouble. I am happy to be able to say that that is how things appear to be turning out up to the present, although we have yet to face probably a heavy fall in prices.

Mr. Robert Littlejohn (Deputy-Chairman) seconded the resolution, which was carried unanimously.

BRITISH MOTOR SPIRIT SYNDICATE, LIMITED.

Capital Increased to £1,000,000—A Complete Petroleum Unit.

AN extraordinary general meeting of the British Motor Spirit Syndicate, Limited, was held on January 12 at 117 Victoria Street, Westminster, for the purpose of submitting a resolution increasing the share capital of the Company by £750,000, divided into 750,000 shares of £1 each, bringing it up to £1,000,000. Mr. Alfred Armitage, J.P. (Chairman of the Company), presided.

The Secretary (Mr. H. Birch), having read the notice convening the meeting,

The Chairman, in moving the resolution, said: Since my last report to the shareholders I have pleasure to inform you that we have now made arrangements for our Company to operate a complete petroleum unit, so organised that we share in the profits from the production, piping, and refining of oil, as well as the distribution in the wholesale way. Through the kind assistance of one of the largest firms of bankers in New York we have been able, through their petroleum department, to get in touch with sources of supply and general petroleum distribution that will, I consider, make our Company highly successful. (Applause.)

Production of Oil.

We have been able to secure an output in one of the best fields in America, where the oil is found between 1,700 feet and 3,000 feet, with commencing output of 2,000 to 3,000 barrels a day of oil, now selling at $3.50 a barrel. Our properties lie in the Okmulgee deep field in Oklahoma, and reports by cable this morning state that we get at present over 1,000 barrels a day from the wells on our properties of over 2,000 acres, with room for more than 300 new wells. (Applause.) The net income from this property amounts to £22,000 a month, and I anticipate a material increase during 1920 through the drilling development we have in hand.

Control of Output.

Many shareholders will have read of the large oil outputs which are being secured in the Louisiana field near Shreveport, where several wells have each given over 20,000 barrels of oil a day. In the Pine Island field, Louisiana, we have secured control of 4,000 barrels a day at current market price for our new refinery at Gilliam.

Refinery.

The Company is purchasing a 40% interest in a refinery organisation at Gilliam, in the Caddo oilfield, north of Shreveport. A commercial test of 276,200 gallons of Pine Island crude oil has been made at the Home Petroleum Company's refinery, which shows a profit of over $2 a barrel, and it is estimated that the refinery will be making over $8,000 a day during the coming summer.

Distribution.

Through our production of crude oil and refinery interests we are now in a position to secure ample supplies of all petroleum products, including petrol, kerosene, and lubricants. We have arranged for storage on the Thames, and the wharf we have purchased at Battersea has been passed by the London County Council for sufficient quantities of finished products to meet our original scheme of distribution in Great Britain. Transport arrangements between the refinery at Gilliam and Gulf Ports will only cost 2 cents a gallon for delivery of products for shipment to England, which the directors may make use of should the conditions become normal. There is a market for both crude and refined oils on the spot in U.S.A. and for any part of the products which we may import, and there is a good margin of profit between the market price at refinery and the wholesale price in Great Britain, after allowance has been made for the present very high freights which exist. An example of this can be cited in the case of our lubricants, which are quoted 16 cents a gallon at refinery and 72 cents a gallon in ton lots in London, the transport between these two points being under 20 cents a gallon. I would like to add, finally, that by making these

units part of the British Motor Spirit Syndicate we are placed on the "ground floor" in all the petroleum business we handle, and I am of the opinion that the present large profits will be materially increased during the coming year.

Interests in America and Great Britain have expressed their desire to obtain shareholdings in our Company. It is proposed to issue the new capital in a few weeks, and I have received an offer to underwrite a large portion of the issue. (Applause.)

Captain F. Daniell seconded the resolution, which was carried unanimously.

On the motion of Major J. C. Daniell, seconded by Lord Henry FitzGerald, a cordial vote of thanks was passed to the Chairman and the other directors, and the proceedings then terminated.

BRITISH BURMAH PETROLEUM COMPANY, LIMITED.

The adjourned ninth ordinary general meeting was held on January 13 at Cannon Street Hotel, London, E.C., the Hon. Lionel Holland (the Chairman) presiding.

The Chairman, in moving the adoption of the directors' report and accounts, said: Our gross trading profit, following upon a substantial increase last year, is further substantially increased, and amounts to £534,603, as against £371,945 in the preceding twelve months. Our total gross profits are brought up to £569,676. This figure compares with £318,298 last year. An interim dividend of 4½*d.* per share in respect of the year's operations was paid last July, amounting to £39,484. We now recommend for your approval the declaration of a balance dividend of 1*s.* per share, making a dividend payment for the complete year's working at the rate of 17½%, free of income tax, against 12½% for 1918. Until the closing months of the period under review the shortage in drilling staff and drilling material, which had grown so acute during the last two years of the War, was not relieved. The position, however, is now altogether better. Our general manager, Mr. Trench, intends to go ahead with a programme of vigorous and extensive development, both on the Yenangyaung fields and on our outblocks.

From the year of its formation down to the present time a lack of working capital has somewhat restricted the activities of this Company and limited its scope for development. We came to the decision that the time had arrived to make good the deficiency in our available working capital. Particulars of the scheme of issue were communicated to you by circular. Taking it for granted, as we may, that the whole issue has been taken up, the working capital of the Company will be increased by well over £500,000. In deciding upon this issue of shares we had in view, as our main motive, the provision of capital for the electrification of our plant on the Yenangyaung oilfields. There are three principal companies operating upon the Yenangyaung field—the Burmah Oil Company, with the preponderating interest, ourselves and the Indo-Burma Petroleum Company. Obviously, economy and efficiency would be best served by a single system, a central generating and power station, with transmission lines and distribution mains connecting up with the sub-stations to supply power to all wells in their vicinity, irrespective of the company that owns the wells. The Burmah Oil Company have come forward with a scheme that offers a satisfactory solution, and should result in substantial benefit to all producers on the field. We shall also undertake considerable alterations and additions at our refinery.

Mr. Alexander McNab seconded the motion, which was carried unanimously, and the dividend recommended was declared.

EAST AFRICAN ESTATES, LIMITED.

The adjourned general meeting of this Company was held at Winchester House, London, W.C., on January 16, Mr. M. R. Margesson presiding.

The Chairman said that since the last annual meeting the Company had been fortunate in securing so able and influential a director as Mr. Herbert Guedalla, the Managing Director of the Imperial and Foreign Corporation, Limited. In their leasehold property of 350,000 acres, which for the first time was included in the balance sheet (and at the nominal figure of £1, because it was impossible to say what its value was), the board knew on good authority that the Company had what would prove to be a valuable property, and they were determined to spare no pains to develop it to its utmost capacity. The adverse balance on profit and loss account was due to the War, and the results of the War. As to the adverse exchange—the rupee standing at over 2*s.* 4*d.* to-day, as against a nominal value of 1*s.* 4*d.*—that materially affected working costs in East Africa, but it was hoped that an early solution of the difficulty would be arrived at. Since the period covered by the accounts, steps had been taken to make the Company revenue-earning as soon as possible. Their revised lease was only secured in 1915, and a large part of the concession (Taveta) was only selected in 1918, so that until the present time no progress had been possible beyond establishing plantations, such as sisal, which was already yielding, and coconuts, which took eight years to mature and were now coming into bearing. The most important work is to complete the survey of the Coast and Taveta concessions, which was in the hands of Mr. Barton Wright, who, as a Government land officer for 22 years, had had special experience in such matters. The new Manager for the Coast plantations was doing excellent work. There should shortly be produced a continuous supply of copra, and the decortication of sisal was now to be resumed. Plans for laying out the building site at Likoni had been revised by Mr. Barry Parker, a leading authority on town-planning in that country, and those plans would be submitted for Government approval. An expert cotton planter was going out to Taveta to experiment in cotton growing, and, should the first year's experiment prove successful, operations on a large scale would be undertaken. The proximity of Kilimanjaro—Africa's highest mountain—to Taveta rendered the climate and rainfall suitable for growing cotton and other crops, and there was plenty of labour in the district. To carry out the board's programme, it was obviously necessary to increase the capital of the Company. Particulars of the issue it was proposed to make had been fully set out in the circular letter of December 17 last, and he was sure they would agree that the terms were very favourable to both the Company and the shareholders; for the latter the guarantee of renunciation rights at 7*s.* 6*d.* per share by the Imperial and Foreign Corporation, Limited, was considered a most favourable point. The result of the issue when completed would be to supply the Company with £165,000 with which to carry on the development of the estate.

The report and accounts were adopted, and a resolution increasing the capital to £260,000, by the creation of 140,000 new shares of £1 each, was also unanimously approved.

PYROTAN LEATHER COMPANY, LIMITED.

The second ordinary general meeting of this Company was held at the Institute of Chartered Accountants, Moorgate Street, E.C., on January 16, Mr. William Graham (Chairman of the Company) presiding.

The Chairman, in moving the adoption of the report and accounts, said that the year under review had been one of difficulty from many points of view. Their factory at Godalming was by no means ideal, and though they had acquired the factory at Langport, which had helped them to cope with the considerable number of hides received from the Government to tan, it could not be looked upon as their main centre of operations. They had been looking for a suitable tannery where they could make their permanent headquarters of manufacture on a large scale, and had been compelled to turn their attention to premises which could be adapted. The board, in the circumstances, considered themselves fortunate in having acquired the premises at West End, Hayes, which they were now engaged in laying out in accordance with the best practice in the United States. No avoidable delay had been incurred. All the necessary plant had been purchased and was ready on the spot, and had it not been for the moulders' strike in the first place, and the great difficulties of transport, they would have been in active operation there by this time. They hoped that as soon as the strike was settled the additional power plant would be installed, and that within the next few weeks they would be able to commence operations. The directors were satisfied that when completely equipped they would have a factory at Hayes which could not have been acquired for double the cost at which it would appear in their books. The manufacture on a large scale must of necessity involve the employment of a larger amount of capital in the business of the Company than was now at its disposal, and consequently the directors had determined to ask the shareholders to pass resolutions for an increase in the capital.

Revenue from Foreign Patents.

From the balance sheet it would be seen that there had been a considerable accretion in the capital of the Company. In addition to the nominal capital they had received on capital account £22,725 for premiums on shares, and £36,000 on account of the sale of foreign patents. The foreign patents were acquired by the utilisation of the original capital, and the directors were advised that any sums which might be realised on account thereof should be treated as capital, and it was this capital accretion which had enabled them to acquire and equip the factories at Langport and Hayes, and to provide the working capital which had been necessary for the increased business up to date. It might be that some of the shareholders would be disappointed in not receiving by way of dividend the money coming to the Com-

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pany on account of the sales of foreign patents, but the directors did not consider that moneys so received could be treated as items of divisible profit, and largely in consequence they were proposing to make the issue of additional shares at a price which might be fairly considered as a distribution of capital bonus. The appreciation of the value of the process had been such as to enable them to sell the Nigerian patent, and in adition to secure a contract for the sale of the Argentine patent and the Uruguayan and Paraguayan rights, in regard to which latter a deposit of £5,000 had been paid. The Company had also very promising negotiations for the sale of two Continental patents. In addition to the contract with the Niger company for the purchase of the Nigerian patents they had entered into an arrangement with that company for a joint interest in the rights in the process for Senegal, Liberia, Sierra Leone, Gambia, Gold Coast, Dahomey, and French Congo. The Company also held $350,000 of common stock in the American Corporation, equivalent at to-day's exchange to over £92,000, and they were hopeful that when the accounts were made up to February 29 that Corporation would show satisfactory profits.

Increase of Capital.

It was proposed to increase the capital to £250,000 by the creation of 600,000 5*s*. Ordinary shares. In view of the more certain appearance of the negotiations in regard to foreign patents, and the desire not to increase the Company's capital until actually necessary, it had been determined to offer at the present moment only 100,000 of these shares, which would mean that one such share would be offered for every four shares now held by the existing shareholders. The price at which they had decided to issue the shares was 10*s*. per share. The directors believed that the £50,000, together with the receipts from the sale of foreign patents, would be adequate for the provision of working capital for a large turnover at the Company's works. The Chairman concluded by moving the adoption of the report and accounts.

Lieut.-Col. A. E. Wilson, D.S.O. (Managing Director) seconded the motion. In his opinion, he said, the Pyrotan process was the best in the world. Describing the results of his recent visit to America, he said that they were now turning out there by their process as fine a leather as anything which had theretofore been manufactured in that country. They had demonstrated to the world the advantages of the Pyrotan process, and when they had a factory equal to their requirements the profits would be very large.

The resolution was carried unanimously.

THE ANGLO-SIAM CORPORATION, LIMITED.

The twenty-second (adjourned) annual general meeting of the shareholders was held on January 6, 1920, at the registered offices of the Corporation, 2 Fenchurch Avenue, London, E.C., Mr. J. M. Ryrie, the Chairman, presiding.

In moving the adoption of the report and accounts for the year ended March 31, 1919, the Chairman referred to the satisfactory results for the period under review, and which, in spite of an increase of £56,000 in the capital, result in the Ordinary shareholders receiving dividends and a bonus equal to over 34%, less income tax, as against 30% for the preceding year.

Continuing his remarks, the Chairman referred to the satisfactory outlook for the current year, but uttered a word of warning in regard to the future prospects of the general business in view of the lamentable failure of the rice crop in Siam, whilst he referred to the great advance in the sterling value of the tical, consequent upon the phenomenal rise in the price of silver, and the effect this would have on expenses and profits.

Eastern Staff Increased.

After paying a compliment to the General Manager and the staff in Siam in acknowledgment of their untiring efforts on behalf of the Corporation, the Chairman mentioned that since January 1, 1919, the Corporation had engaged ten new assistants for their staff in the East, of whom eight had served in the War as officers or otherwise.

The directors' report and the accounts were adopted unanimously, and, after placing £30,000 to reserve funds, making these £200,000, £5,000 to income-tax reserve, and £1,500 to the staff provident fund, a bonus of 10%, free of income tax, was declared on the Ordinary shares, leaving £20,609 13*s*. 7*d*. to be carried forward to the current year.

Mr. J. M. Ryrie, who retired by rotation, was re-elected a director of the Corporation, whilst Messrs. Turquand, Youngs and Company were appointed auditors for the current year.

National Provincial and Union Bank of England.—The directors have declared a further dividend of 8%, making 16% for the past year, less income tax, and, after payment of bonuses to the staff, have applied £500,000 to reserve fund, £350,000 to pension fund, £150,000 to contingencies, and carry-forward £630,858.

THE GREAT WESTERN OF BRAZIL RAILWAY COMPANY, LIMITED.

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The Statist.

LONDON, SATURDAY, JANUARY 24, 1920.

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The Money Market.

Friday, January 23, 1920.

	Current Rate %	Fixed	Previous Rate %	Fixed
Bank of England Rate...	**6**	**(Nov. 6,'19)**	**5**	**Apr. 5,'17**
Deposit Rates:—				
Banks & Discnt. Ho. (Call)	4	(Nov. 6,'19)	3½†	Oct 6, '19
Discount Houses (Notice)...	4½	(Nov. 6, 19)	3¾	Oct. 6,'19

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.
† Foreign and Colonial banks give Special Rates only upon deposits for a year

Discount Rates:—	60 Days. %	3 Mos. %	4 Mos. %	6 Mos. %
Treasury Bills	—	5⅛	—	5⅛
Bank Bills	4⅞–5	5⅛–⅜	5⅜–½	5⅝
Trade Bills	—	6–6¼	6¼	6½

THE unprecedented fall in the value of sterling in New York during the week focuses attention once more on the economic situation. On Wednesday the cable transfer rate on New York went as low as $3.61⅝, which is equivalent to 14*s.* 10*d.* for the pound sterling—a depreciation of 25⅜% on the Mint par. The dollar value of the franc, the mark, and the lira also fell to record figures, as well as the sterling value of the mark. It will be remembered that in the memorial which was laid before the various Governments last week, emphasis was laid on the problems considered therein in point of time. The condition of affairs, as revealed by the Foreign Exchange movements during the week, gives point to the demand for early action. When, if ever, the Governments concerned will take action, and what that action will be, is entirely problematical. It is possible that steps may be taken to contract the floating debt and the volume of currency, but, though opinions may differ as to the advisability of this method, there can be no doubt that the real remedy for our economic ills is a speeding-up of production and reorganisation of our export trade, just as there can be no doubt that the weakness in the exchange is mostly due to an unfavourable trade balance. It would be well, therefore, that public attention was directed to this aspect of the matter,

rather than to the financial aspect. It is well known, for instance, that there is great congestion at our ports and on our railways, and in consequence great delay is frequently experienced in the export of goods. The situation could, therefore, be much improved were merchandise enabled to flow freely along the channels of export. Again, with the opening up of trade with Russia and Central Europe, many of the things which we now import from America could be obtained from those countries with advantage to our exchange position. Meanwhile, the Chancellor's speech at Birmingham yesterday indicates an encouraging prospect for the future, and it is to be hoped that we have passed through the worst of the situation.

The tone of the Money market during the week was decidedly easy, supplies of floating credits being almost superabundant. The demand was fairly strong early in the week, but later became irregular. Owing to the slack demand at the end of the week, day-to-day money was available on Saturday last at from 3½% to 2½%, and with a more brisk demand advanced on Monday to 4%—3%, finishing on Thursday at 4% with closing balances placed at 2½%. Seven-day loans remained unchanged at 4¼% to 4½%. The discount market was affected by the small sale of Treasury bills during the week, which was probably due to the new issue of Exchequer Bonds. The market was little affected by the rise in gold and the exchange movements. Business was exceedingly quiet, and on account of the plentiful supply of credits, rates were generally low. On Monday two-months' paper was bought at 4 15/16% and three-months' paper at 5½%. On Tuesday the two-months' quotation was no better than 4⅞%. Later, February and March maturities were in good request by the joint-stock banks, and 4½% and 4¾% respectively were the quotations for these dates yesterday. To-day a transfer is due to the Bank of England of the final instalments of the Victory Bonds and Funding Loan paid a fortnight ago by the holders. Last week-end the New York rate hardened a little and the French franc and lira showed a slight improvement, while the Belgian franc declined. At the commencement of the week, however, a sharp reverse movement set in which continued till Wednesday, when the New York cable rate touched 3.61¾—the lowest point yet reached. The Paris cheque jumped to 43.40-43.55, the Brussels rate reached 43.45 to 44.05, the lira touched 51.25, and the mark 235. Yesterday the New York exchange rallied to 3.62, though the French and Belgian franc, the lira, and the mark declined to 43.59½, 44.26, 51.25, and 245 respectively, these quotations being new low "records." Among other Continental exchanges, the Dutch and Swiss rates moved against us, but it must be remembered that the depreciation of sterling in Switzerland is largely due to the control of the exchange by the Swiss Government. The Spanish rate declined early, but rallied sharply on Tuesday and moved irregularly during the remainder of the week. The Scandinavian exchanges were steady to firm, with a closing movement in our favour. In sympathy with the dollar movement, the Rio and Buenos Ayres exchanges moved against us, yesterday's quotations being 65*d.* for Buenos Aires (T. T.) and 17 7/32*d.* for Rio de Janeiro. On to-day the New York rate rallied further to 3.64.

The public income and expenditure return issued on the 18th inst. reveals a still more satisfactory state of affairs than does that of the preceding week. There is an excess in revenue over expenditure of £9,965,778, against an excess of £8,054,930 for the first 10 days of January, while the floating debt shows a reduction of £7,930,000, against an increase of £4,631,000 for the previous period. The amount raised on Treasury bills is £80,346,000—a reduction of £14,088,000—while the maturities amounted to £94,434,000. Thus, allowing for an increased amount raised on Treasury bills which was not carried to Exchequer within the period of the account—£158,000—it will be seen that the total outstanding has been reduced by £13,930,000, the present figure standing at £1,130,951,000; £24,000,000 was borrowed on Ways and Means Advances, against £18,000,000 repaid, thereby increasing the amount outstanding by £6,000,000 to £215,074,000. Thus the figure for the floating debt is £1,346,025,000. The total receipts for the week were £146,574,509, and the total payments £145,775,279, thus increasing the balances in Exchequer by £779,230 to £4,630,439.

The currency notes return for the week ending January 21 shows a still further reduction in the fiduciary issue. £4,189,877 was the amount of the notes issued during the week, and cancellations totalled £10,318,474—a difference of £6,128,597. The actual fiduciary issue. £4,189,877 was the amount of the £20,506,234 below the maximum set by the Chancellor of the Exchequer in the Treasury minute of December 15. The total of notes outstanding amounts to £332,593,766.

BANK OF ENGLAND.

Another satisfactory Bank return has been issued for the week ended January 21. A further addition of £2,520,000 to the stock of gold (making a total of £5,526,000 in the past fortnight), together with a small contraction in the note circulation, raised the reserve from £24,487,000 to £27,162,000. The ratio to liabilities, however, showed no change at 16.8%, owing to an increase in the amount of liabilities, due mainly to Government borrowing, as shown by an increase of £13,447,000 in its securities. "Other" deposits are nearly £13,000,000 higher at £140,341,000, and public deposits show an increase on the week of £2,815,000, while a trifling alteration only is indicated in the total of "other" securities.

Compared with the corresponding return a year ago, the reserve position is not too strong, for then the amount was £29,716,000, and the ratio to liabilities 19.32. "Other" deposits are higher by nearly £14,000,000 and "other" securities by £5,500,000, while, on the other hand, Government securities stand at a total of £68,157,000, against £62,934,000 on January 22, 1919, and public deposits at £21,472,000, as compared with £27,127,000.

NEW YORK.

In New York the strained credit situation continues to be the dominating factor, and prospects for the future are not regarded as encouraging. In this connection it must be remembered that American exporters to European countries are faced with the necessity of giving long-term credits, so that the requirements for trade purposes of available credit are becoming more and more urgent. The endeavours of the Federal Reserve Board to restrict the supply of bank credits for speculative purposes seem to have met with some measure of success; nevertheless, a further rise in rediscount rates was expected. On the 15th it was announced that the members of the Clearing House had decided to limit the interest on bank deposits to 2¼% (former maximum rate, 3%), and this was believed to be a preparatory step to the Federal Reserve Board raising the commercial rediscount rate.

Call loans commanded 8% early in the week, but an easier tendency was established later, the rate fall-

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ing to 6%, which is lower than it has been for many months.

The weekly New York Bank returns show a decrease in the aggregate reserve of $5,430,000 and in the excess reserve of $2,400,000, and a reduction of $20,020,000 in loans.

The weekly statement of the Federal Reserve Board show a reduction of $64,490,000 in note circulation, an increase of $103,170,000 in total net deposits, and an increase of $2,510,000 in the total gold reserves. The ratio of total reserves to total net deposits and Federal Reserve notes in circulation combined has declined slightly, in consequence of the large increase in deposits.

Yesterday came the expected announcement by the Federal Reserve Board of an increase in rediscount rates, which, though the market was prepared for a drastic step, proved greater than was generally anticipated. The rediscount rate for commercial paper is raised from 4¾ to 6%, the rate for loans and rediscounts secured by Liberty Bonds and Victory Notes is raised to 5½%, and the rate for bankers' acceptance loans and rediscounts is increased to 5%.

SILVER.

Though the melting down of foreign silver coins is prohibited here, there is nothing to prevent coined silver coming here after it has been melted abroad, and this source of supply has been so considerable as to cause a sharp fall in the price of silver in the end of last week. The fall was intensified by a temporary cessation of Chinese buying. Owing to the weakness of the New York exchange, the quotation there was considerably over our parity. Moreover, the Chinese demand was soon resumed, the Shanghai exchange having gone 2*d.* higher, so that the price rallied again. The rise continued throughout the week on the renewed buying orders from China, though fresh supplies continued to come from the Continent. The close was steady. To-day's quotation is 79⅞*d.* per oz. for cash and 78⅜*d.* for forward delivery, being a rise for the week of 2⅞*d.* and 3⅛*d.* respectively. The larger increase in the forward quotation as compared with the cash price is due to buyers taking advantage of the large discount for forward delivery which occurred at the end of last week.

In connection with the reference which appeared in these columns last week regarding the prospect of our silver coinage being replaced by nickel coins and paper money, it will be interesting to note that steps are being taken in Canada and the United States to reduce the quality of silver coins. As is well known, our silver coins, far from being of a fiduciary nature are worth more than their face values, and the Government could with much profit to itself, and with no disadvantage to the public, withdraw the silver issue and replace it by paper money or nickel coins.

Gold was comparatively scarce during the week, the small amount available going chiefly to the East. On account of the fall in the American exchange, record prices were reached nearly every day. Thursday's quotation for fine gold is 114*s.* 6*d.* per oz., a rise of 3*s.* 10*d.* for the week.

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AMERICAN EXCHANGE.

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Stock Exchange.

The Stock Exchange on the whole showed a reaction from the activity of last week, the prevailing tone being steady. Interest was centred chiefly in Oils and Industrials, the favourites in these sections being well supported. The fall in the New York exchange checked a firm movement in the gilt-edged section, and International stocks—notably South American securities—suffered from some Continental selling, due to the depreciation of the mark. The Exchequer Bond issue was well received, and the conversion terms were approved of. The prospect thus afforded of large conversions and a consequent avoidance of disturbance of the market had a good effect on gilt-edged descriptions. On Tuesday the 5% War Loan advanced ¼, the 4½% ½, Consols ⅛, Funding Loan ⅛, and Irish Land stock ½. The West Australian loan being largely over-subscribed, it quickly rose to ½-¾ premium, and most Continental stocks came into favour. Special attention was directed to Australian 5½%, Natal 3½% Inc., N.S. Wales 5½% and 5¾%, New Zealand 4%, and Union of South Africa 4½%, each of which registered a rise of ½ for the week. On the news of the raising of the Russian blockade a sharp advance occurred in Russian and Egyptian securities. Russian Fours advanced 3½ points from 23½, but subsequently declined to 25. Russian Fives (1906) advanced 3 to 37, but lost 1 point later. Egyptian Unified were marked up 7 points to 81, rising later to 81½. Egyptian 5% Preference were marked up 5 points to 66. Belgian Threes weakened on a wrong announcement that the Belgian Government had imposed a tax of 2% on the coupons of its stock, but on the report being corrected later to show that holders domiciled here were exempt they rose to 54. Early in the week there was a slight recovery in Home Rails, due to provincial buying, but the movement did not continue, and the market seems to be awaiting the opening of the dividend season. A slight decline in the "heavy" group is the most recent feature, though dividend expectations are not regarded as unfavourable. In the Foreign Railway market interest was chiefly centred in the Argentine group, which became generally firmer. Oils and Industrials opened actively owing to an accumulation of week-end orders The Oil section was on the whole the most active. Owing to the Allies' change of front towards Russia, Shells attracted a good deal of attention, and met with strong support, but were in less demand towards the end of the week. Yesterday they changed hands at 13⅞ and closed at 13⅞. Royal Dutch advanced to 89 ex dividend. Mexican Eagles, British Burmahs, and Scottish Americans were also well supported. Prices suffered a little yesterday owing to much profit-taking on the part of professionals. In the Industrial section, Imperial Tobaccos, Amalgamated Cottons, Cements, Dunlops, Listers, Courtaulds, Dennis Bros., P. and O.'s Deferred, and Cunards came in for chief attention. Dunlop Rubbers gained ⅞ up to Wednesday but fell ¾ to 12½ yesterday. Imperial Tobaccos advanced by 2*s.* 9*d.* on Monday, but relapsed later owing to the disappointing dividend.

The attention, referred to above, at present being received by Argentine descriptions, on the whole, seems fairly well justified by their prospects. While labour conditions in South America are by no means ideal, unrest is not so prevalent among the working class as in Europe. Thus, while working expenses of the Argentine lines have hitherto been large and dividends in many cases anything but encouraging, the outlook for the future is hopeful. In this connection we submit below a table showing prices and dividends of representative Central and South American lines for the past six years:—

		Highest and Lowest Prices and Dividends Paid						Present Price
		1914	1915	1916	1917	1918	1919	
Antofagasta and Bolivia, Def. Ord.	H	174	133½	131½	135⅞	160	139½	122
	L	144	111	118	120½	130	112	
	Div. (%)	11	8	8	8	10	10*	
Arauco, Ord. (£10 shares)...	H	11 1/16	8⅞	10⅞	12½	16	20½	19½
	L	9⅛	6¾	8⅞	10⅞	11⅞	11⅛	
	Div. (%)	9	7	10	10	10	10	
Argentine Gt. Western, Ord.	H	96⅝	80½	67	59⅜	71½	72½	65½
	L	87½	63½	55	47	47⅝	59½	
	Div. (%)	5	5/6/6	5	35/1	5	5	
Argentine N.E., Ord. ...	H	45½	21	22	20½	27	35½	37½
	L	36	15	15	11⅛	20	24½	
Bahia Blanca and N. Western, 4½% Gtd....	H	91⅞	76	72½	67	68⅜	68⅛	61
	L	82½	64	63½	60½	59½	58	
Brazil Rly. (Receiver Appointed Dec. 1 1920 on Stk.	H	40	9⅞	9 1/16	6	13½	12½	5½
	L	15	5½	3⅜	4⅛	4½	4⅝	
Buenos Ayres & Pacific, Ord.	H	75	54⅞	50⅛	44⅜	64½	71	67
	L	51⅛	40⅝	39½	37⅜	37⅜	48	
	Div. (%)	—	—	20/-	—	—	2	
Buenos Ayres Gt. Southern, Ord. ...	H	120½	97½	90⅛	80⅜	77⅜	86	81
	L	102	72⅝	74	71	66	64½	
	Div. (%)	5	4	4½	4	2	4	
Buenos Ayres Western, Ord.	H	121⅛	99⅝	97½	80½	79⅜	89⅛	82
	L	103½	79½	74	68⅞	64⅛	66	
	Div. (%)	5	5	5	3	2	2½	
Central Argentine Cons. Ord.	H	107¾	94½	89½	67⅝	72½	69⅛	68½
	L	92	74⅛	63	56	55	62	
	Div. (%)	5	5	4	1	2	2	
Do. Deferred ...	H	102	86½	76½	44⅛	55½	56	58½
	L	90	64⅞	45	37¼	36⅛	40	
	Div. (%)	5	5	—	—	—	—	
Central Uruguay Eastern Extensions (£10 shares)	H	7⅞	4 11/16	4⅛	6	8⅛	10⅛	9½
	L	5¼	4⅜	3 7/16	3⅞	6½	6¾	
	Div. (%)	7/6	5/3	5/9	10/0	13/0	18/0	
Central Uruguay Northern Extensions (£10 shares)	H	7⅞	5½	5 5/16	6 5/16	8⅝	10⅛	9½
	L	5½	4⅞	4⅞	4½	6 3/16	7 5/32	
	Div. (%)	8/0	6/0	8/0	10/0	13/0	18/0	
Colombian Northern (£5 shares)...	H	—	—	—	92/6	52/6	80/0	70/0
	L	—	—	—	80/0	50/0	60/0	
Central Uruguay of Montevideo, Ord. Stock	H	99⅜	73	57½	52½	76½	81¾	79
	L	78⅛	55	47	42	51¾	67⅛	
	Div. (%)	2½	—	20/0	—	5	—	
Colombia Rlys. & Navig. (£1 shares)	H	2/6	0/9	0/10½	0/10½	3/1½	2/10½	2/3
	L	1/9	0/4½	0/3	0/3	0/6	0/9	
Cordoba Central 5% Ord. Inc. Stock red. ...	H	49⅝	28½	15½	13½	19¾	18	16
	L	35	14⅞	9	9	9	13½	
Costa Rica stock ...	H	43½	34	32	27	31	29½	24
	L	40	25	24⅞	23	24	22⅝	
	Div. (%)	2	2	2	2	2	2	
Entre Rios, Ord. ...	H	56½	34	30½	24	45½	42½	41
	L	42¼	19⅛	23½	18	23¼	35	
Gt. Western of Brazil, Ord. (£10 shares) ...	H	10¼	7 1/16	6	5 5/16	6½	6	5½
	L	8	4½	3⅜	3⅞	77/2½	60/0	
	Div. (%)	6/0	—	—	—	—	—	
International Rlys. of Cent. America Com. ($100 shares)	H	22¾	12	16⅜	14½	14½	12⅞	8
	L	11	6	9½	10½	8½	7¼	
Leopoldina stock ...	H	76½	43½	41¼	41½	44⅞	46½	43½
	L	40⅝	29½	29⅞	28½	35⅜	31	
	Div. (%)	4½	1	1	—	1½	1	
Mexican, Ord.	H	39½	21	22	22⅜	26½	26½	24
	L	25⅝	13 1/16	13⅞	14½	15⅝	17⅛	
Mexican Southern, Ord.	H	94	—	32½	35⅜	46⅞	45	32½
	L	82	- -	21	27½	25	30	
Mexico N. Western (Com. stock)	H	9 1/16	6	5¼	5	6⅜	5⅜	5
	L	5	1½	2 1/16	2⅛	3	2⅛	
Midland Uruguay, Ord.	H	—	10	9	14½	13½	15½	15
	L	—	5	5	7⅛	8 1/16	11¼	
Nitrate, Ord. (£10 shares)	H	15½	10⅞	12½	13½	14	12⅝	9½
	L	13⅜	7	9	10	11 5/16	8½	
	Div. (%)	13/0	4/0	12/0	14/0	13/0	10/0	
North Eastern of Uruguay Ord. (£10 shares) ...	H	13 1/16	11⅛	10⅝	10 3/16	10⅞	10⅜	10
	L	12	9⅜	10	9½	10	9¼	
	Div. (%)	14/0	14/0	14/0	14/0	14/0	14/0	
North Western of Uruguay, Ord. stock ...	H	—	—	2⅞	7 3/32	7	10/9 3/4	11
	L	—	—	1	2⅝	7	8	
Salvador (£10 shares) ...	H	3 1/16	19/6	30/0	15/0	1½	40/7½	1⅝
	L	3	18/9	18/0	15/0	1½	28/9	
San Paulo (Brazilian), Ord. stock	H	249½	208	196½	191½	202	192	182½
	L	215	158	170	164	177	164	
	Div. (%)	12	10	10	10	10	10	
Tal tal Ord. (£5 shares)...	H	7	5½	6⅜	6⅜	7	6½	5½
	L	6½	3 1/16	93/10½	5	5⅜	5	
	Div. (%)	6/0	6/0	8/0	9/0	11/0	6/0	
United Rlys. of the Havana and Regla Warehouses (£50 Sep. bo. in 1906)	H	86⅜	79½	93⅞	85½	86⅞	95⅛	89½
	L	75	66	75	72⅛	71	77½	
	Div.	£58sep.	£5	£5	£5	£6	£7	
Uruguay Northern, 7% Pref.	H	34	—	—	16½	21½	25½	26
	L	33½	—	—	15	12	18	
	Div. (%)	—	—	2	1	1	3	

* Excluding scrip bonus.

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Mining Topics.

For the greater part of the past week the Mining markets continued in the dumps, resistance to the depression only being shown by some tin shares and a few specialities in other sections. Contraction of quotations was the rule, Kaffir descriptions being especially weak on uneasiness in regard to the result of white labour wages demands. On Thursday a sudden change set in, South Africans leading the way under the influence of advices from Johannesburg indicating settlement with labour, and in sympathy with a further sharp appreciation in the sterling price of fine gold to 114*s.* 6*d.* per oz. Central Mining, Crown Mines, and Johannesburg Consolidated have been prominent in the general recovery. In other markets the movements have been irregular, and on the whole against holders.

THE PROSPECTS OF TWENTY-TWO RAND MINES.

In a few weeks' time the Rand mining companies will commence to publish returns of their operating results and profits, including the sterling premium realisable on the gold produced. Hitherto the official announcements have merely stated that the gold sold since the freeing of the market in July has realised an average of 19% premium in sterling over the mint value of not quite 85*s.* per fine ounce. The market price of the metal is now 113*s.* 6*d.* per oz., representing a premium of about 33%. In the past few months numerous calculations have been published with a view to indicating how the various Rand mines will benefit from the sterling premium on the metal, but such calculations have necessarily been of incomplete character. With the termination of 1919 and the publication of the returns of the final month, however, it is possible

now to make a more thorough investigation. Accordingly, we present the accompanying analysis of the position of 22 of the more important and dividend-paying mines.

We have endeavoured, first of all, to provide retrospective data in regard to the gold premium actually obtained on the production of the last half of 1919, to show to what extent dividend payments for the year have been influenced thereby, and to work out the amount of the extra revenue accruing per annum, assuming continuance of an average 20% premium and gold production on the 1919 basis. But if we did no more than that the result would still be merely a partial reflection of the position. To gain a true insight of the prospects of an individual mine, many factors besides the gold premium have to be considered. In the space of a tabular analysis it is, of course, impossible to indicate all these factors; but we have managed, at any rate, to include the most essential ones. Every shareholder knows that the supply of native labour governs the scale of operations, but not so many remember that when labour is short the popular mines—*i.e.*, the comparatively shallow and also the wide-stope mines—scarcely feel any ill-effects, while the very deep, as well as the poor mines, which, as a rule, have to stope to narrow widths, are badly pinched. Then, too, during the War, while costs have ruled high without any corresponding increase in revenue, the poor mines have had to be worked with a view solely to the prevention of closure. In the process large masses of low-grade ore have had to be ignored and the average extractable gold contents and the life prospects have been reduced *pro tanto*. Now, with ability to obtain increased revenue, the reverse course faces the managements. Are they to continue to mine picked ore or to return to the "average" policy? Obviously the gold premium has the same effect as a reduction of costs—it brings into the pay limit large quantities of ore which recently have had to be regarded as unpayable, and the use of this ore must tend to bring down the grade.

Beyond the necessity the poor mines are under to regain as low a pay-ore limit as is economically possible, there is the fact that in many cases development work has had to be diminished and ore reserves reduced. Mines that come within this category obviously will not be able to take full advantage for production purposes of improvement of labour supply. The full native labour complement of the Rand mines—*i.e.* the number of native labourers required to run the mills at full capacity—is about 210,000, compared with a roll at the end of 1919 of 166,155, showing a deficiency of about 30%. Whether there will actually occur a considerable improvement in the native labour position it is, of course, impossible to say; but the relative immunity now obtainable from pneumonia by inoculation with Lister's vaccine certainly seems to point to the possibility that the Union Government will reconsider its attitude in regard to the employment of tropical natives. But while it is true that practically all the mines have recently had to operate on a scale much below the full capacity of their erected plants, it must not be overlooked that if sufficient labour were available to run the plants to capacity this could be immediately done only by those mines which are prepared to supply the full ore requirements of their mills. To do this it is necessary not only to have a large ore-reserve supply, but a sufficiency of stope faces above the number necessary for the recent reduced rates of output. Consequently, in the analysis herewith we not only compare the tonnage milled by the mines in 1919 with the full capacity of their plants, but we show the number of years' supply at the 1919 rate of milling which the last estimate of ore reserves represented. We need not point out to the expert that mines which have 2½ or 3 years' supply on a much reduced crushing basis will need to employ additional labour, when available, to increase their ore reserves before they can maintain a substantial increase in their milling rate. Moreover, some of the mines are backward with their programmes of shaft-sinking, laid down to facilitate the opening up of untouched areas in depth, and they can hardly raise their rate of milling until the arrears of such work have been made good. The Crown Mines, Randfontein Central, Nourse Mines, and City Deep may be cited as instances of this. But even allowing for these qualifications, there is no doubt that a plentiful supply of native labour must tend to reduce working costs; and for that reason we compare the cost per ton in 1919 with the figures of the mines for 1914, and need merely remark that, considering all the difficulties and circumstances of the past five years, it is marvellous that the increases shown are not far larger. We have left the question of remaining life—which is obviously of paramount importance—to be considered last of all, so that in our table the approximate indications we give (based, be it noted, on full-scale production) may appear in juxtaposition to the ore-reserve supply for the mills on the recent rate of operation.

The reader can see for himself how the figures given show the position and prospects of the individual mines, but we may usefully note the situation of the largest producing mine as an example. The Crown Mines, with a capital of £940,106, produced last year £2,700,000 of gold (valued at 85*s.* per oz.), which is equivalent to nearly three times the amount of the

	Issued Capital £	Year 1919 Gold Output £	Year 1919 Work. Profit £	Approx. Inc. or Dec. on 1918 £	Est. Realised Extra Gold Premium* £	1919 Dividend £	1919 Dividend %	Inc. £	20% Gold Premium per Ann. £	20% Gold Premium per Ann. % on Cap.	Ore Milled 1919 Tons	Mill Capacity Tons	Working Costs per Ton 1914	Working Costs per Ton 1919	Ore Reserve Supply Yrs.†	Appr. Life Years§
Brakpan	823,600	1,038,585	315,436	−50,900	97,000	224,365	27½	−32,743	207,000	23	514,200	900,000	18/6	26/6	4	20–25
City Deep ..	1,250,000	1,180,942	324,744	−122,700	118,000	296,875	23¾	−46,875	236,000	18¾	617,800	900,000	22/5	27/8	5	25–30
Cons. Lang. ..	950,000	638,304	119,742	−35,900	58,000	118,750	12½	+71,250	127,000	13½	507,800	620,000	14/9	27/1	3½	12–15
Cons. M. Rf. ..	1,247,602	861,968	97,000	−21,200	82,000	109,165	8¾	+31,190	172,000	13¾	551,690	660,000	21/2	27/7	2	long
Crown	940,106	2,702,708	460,765	+40,500	270,000	376,042	40	+188,021	540,000	57½	1,845,000	2,700,000	15/7	24/3	4½	long
Geduld	1,151,824	776,468	253,601	+21,200	75,000	184,290	16	+135,790	155,000	12	516,000	530,000	24/5	20/2	5	50
Geldenhuis ..	585,753	660,017	*11,237*†	−14,100	61,000	58,575	10	+14,643	125,000	21½	560,100	700,000	22/10	25/9	2½	short
Govt. Areas ..	1,400,000	2,418,582	995,546	+121,800	233,000	525,000	37½	+140,000	483,000	—	1,361,000	1,600,000	21/4	21/0	8	25–30
Lang. Estate ..	886,500	590,781	87,830	−50,117	52,000	132,976	15	+22,163	118,000	13	475,480	600,000	18/0	21/4	2¼	20
Meyer & Charl.	200,000	479,135	272,329	− 4,700	45,000	240,000	120	+20,000	96,000	45	165,937	180,000	17/4	23/8	2½	short
Modder	1,400,000	1,979,951	1,064,387	+91,800	190,000	980,000	70	+253,750	396,000	28	882,100	1,200,000	15/5	20/9	10	19
Modder B ..	700,000	1,423,827	695,355	+32,000	142,000	647,500	92½	+70,000	285,000	42	649,500	720,000	15/7	22/6	5	20–25
Modder Deep ..	500,000	1,107,372	640,721	+51,000	108,000	563,095	112½	+75,595	221,000	44	507,200	520,000	—	18/5	6½	18–20
Nourse	827,821	604,960	*11,356*‡	−33,600	57,000	31,042	3¾	+ 6,042	121,000	14½	463,100	600,000	20/5	27/0	3½	20–25
Randfontein Cent.	4,500,000	1,990,460	105,876	+18,800	378,000	—	—	—	398,000	8¾	1,729,400	3,000,000	16/7	19/1	2½	long
Rose	700,000	705,251	125,510	−16,000	66,000	175,000	25	+ 52,500	141,000	20	587,000	840,000	16/7	19/9	4½	6–8
Springs	1,193,236	829,286	250,567	−174,000	78,000	Nil	—	−144,188	165,000	11½	434,610	480,000	—	26/8	5	long
Van Ryn	500,000	399,027	60,000	−23,500	38,000	62,500	12½	+12,500	80,000	16	386,220	550,000	15/2	21/0	3½	9–12
Van Ryn Deep ..	1,196,892	1,262,563	658,410	+46,500	125,000	718,135	60	+179,534	252,000	21	668,400	840,000	16/1	21/1	4½	20
Village Deep ..	1,060,671	760,843	25,257	−42,700	71,000	66,291	6¼	+26,516	152,000	14½	678,300	700,000	17/8	21/9	3½	—
Wit. Gold ..	469,625	465,071	55,113	−26,000	43,000	46,962	10	−23,482	94,000	20	396,850	550,000	13/4	20/8	3½	10–12
Wolhuter ..	860,000	430,942	43,738	−23,000	40,000	43,000	5	−10,750	86,000	10	344,250	450,000	16/11	22/10	2	short

* For last six months of 1919 reckoned at 19 per cent. † On 1919 rate of milling. ‡ Loss. § Based on full plant capacity.

NOTE.—Government participation in profit of Brakpan, Government Areas, Modder B, Modder Deep, Nourse, Rose, Springs, Van Ryn, Van Ryn Deep, Village Deep, Wit. Gold, and Wolhuter.

capital. The working profit earned was £460,765, and the premium realised of 19% on the last six months' production would bring in about £270,000. Exclusive of that, the working profit was £40,000 above the 1918 figure, and the dividends paid for the year 1919 exceeded the 1918 distribution by £188,000. At 20% premium the extra revenue per annum on the 1919 rate of production would be £540,000, or 57½% on the issued capital. The tonnage milled in 1919 was 1,845,000 tons, as against a full plant capacity of 2,700,000 tons, and the ore reserves at the end of 1918 represented about 4½ years' supply for the reduced consumption, or about three years' at full scale, while the life indicated by the extent of the untouched area is a long one.

We have not space available to make a comparison of share prices and yields, but that involves very simple calculations, which readers are quite capable of making for themselves.

Crown Mines.—Capital £1,000,000, in 2,000,000 shares of 10s. each; issued, 1,880,212. £573,500 Five per Cent. Debentures. Milling capacity about 230,000 tons per month.

Year to Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Per ton	Expenses Amt. £	Expenses Per ton	Profit Amt. £	Profit Per ton	Price end of Period
1917 ...	660	2,100,000	8¼	2,700,095	25/9	2,026,129	19/4	673,966	6/5	2 3/32
1918 ...	660	1,861,000	9¼	2,528,760	27/1	2,118,055	22/8	410,705	4/5	2¼
1919.										
Mar. qr.	660	424,000	11.15	605,100	28/6	548,282	25/10	56,818	2/8	2 3/16
June qr.	660	490,000	11.09	675,025	27/7	560,913	22/11	114,112	4/8	2 3/16
Sept. qr.	—	531,000	—	721,891	27/2	565,090	21/3	156,801	5/11	2¼
Oct. ...	—	182,000	—	243,928	27/4	189,281	20/9	59,647	6/7	3 7/16
Nov. ...	—	163,000	—	233,021	28/7	183,635	22/6	49,386	6/1	3 5/16
Dec. ...	—	155,000	—	218,743	28/3	194,742	25/1	24,001	3/2	3 3/32
1919 ...	—	1,845,000	—	2,702,708	27/10	2,241,943	23/2	460,765	4/8	3 3/32

Accumulated slimes profits included.

Dividends—1917, June, 20; Dec., 20 per cent.
1918, June, 15; Dec., 5 per cent.
1919, June, 5; Dec., 35 per cent.

Brakpan.—Capital issued, 80 8,0 £1 shares; 160 stamps. Ten tube mills now working.

Year ends Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Pr. ton	Expenses Amt. £	Expenses Pr. ton	Profit Amt. £	Profit Pr. ton	Price end of Period
1917 ...	110	677,500	14½	1,168,454	34/6	694,451	20/6	474,003	14/0	5 5/16
1918 ...	111	617,100	13½	1,089,950	35/4	723,643	23/5	366,317	11/11	3¼
1919.										
Mar. qr.	113	134,800	12.09	260,109	38/9	169,335	25/2	90,774	13/7	3¼
June qr.	110	141,800	14.94	268,142	37/10	177,127	25/0	91,015	12/10	3¼
Sept. qr.	110	137,500	—	261,864	38/1	186,139	27/1	75,725	11/0	3 3/16
Oct. ...	—	42,000	—	78,786	37/7	60,721	28/11	18,165	8/8	3¼
Nov. ...	—	44,000	—	82,188	37/4	61,859	28/1	20,329	9/3	3¼
Dec. ...	—	44,100	—	87,416	39/8	68,078	30/10	19,338	8/9	3 1/16
1919 ...	—	544,200	—	1,038,585	38/2	723,259	26/7	315,436	11/7	3 1/16

The fixed charge for development has been increased to 3s. 6d. per ton as from July 1, 1918.

* Including 1,000 oz. from reserve.

Dividends—1917, June, 22½; Dec., 25 per cent.
1918, June, 20; Dec., 12½ per cent.
1919, June, 12½; Dec., 15 per cent.

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TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, January 21, 1920.

Issue Department.

Notes Issued	£114,346,770	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	95,896,770
	£114,346,770		£114,346,770

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£68,157,438
Rest	3,347,440	Other Securities	84,407,836
Public Deposits	21,472,380	Notes	26,252,515
Other Deposits	140,341,208	Gold and Silver Coin	909,942
Seven-day and other Bills	13,703		
	£179,727,731		£179,727,731

Comparison with Previous Four Weeks [00,000's omitted.]

Date 1919-20.	Circulation £	Coin and Bullion £	Deposits Public £	Deposits Other £	Securities Govt. £	Securities Other £	Reserve £	Ratio to Liabilities %	Bank Rate * %	Three Months' Bills %
Jan. 21	88.1	96.8	21.4	140.3	68.1	84.4	27.1	16·8	6	5⅞
Jan. 14	88.2	94.2	16.6	127.4	54.7	84.7	24.4	16·8	6	5½
Jan. 7	90.3	91.2	21.4	137.2	60.9	96.2	19.3	12·2	6	5⅞
Dec. 31	91.3	91.3	19.2	180.6	92.4	106.7	18.4	9·2	6	5½
Dec. 24	92.1	91.3	20.3	133.3	68.7	85.1	17.7	11·5	6	5⅛
J'y22,'14	29.3	40.2	13.7	42.2	11.0	33.6	29.3	52·40	3	2⅛

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 6%; Aug. 8, 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; April 5, 5%; Nov. 6, 1919, 6%.

Comparison of Bank Returns, Exchanges, Prices, &c.

	Jan. 23, 1920	Jan. 22, 1919	Jan. 23, 1918	Jan. 24, 1917	Jan. 21 1910
Bank of England (in £'s sterling 00,000's omitted):					
Circulation	£88,1	£89,0	£45,2	£38.8	£28.0
Public Deposits	21,4	27,2	41,8	50.7	11.4
Other Deposits	140,3	128,6	124,4	139.2	41.6
Government Securities	68,1	62,9	56,8	133.9	14.7
Other Securities	84,4	79,0	95,2	37.8	29.4
Reserve	27,0	29,7	32,1	36.3	26.9
Ratio to Liabilities	16·8%	19·32%	19·33%	19·10%	50·75%
Coin and Bullion	96,8	80,3	58,9	56.8	36.5
Money:					
Bank of England Rate	6%	5%	5%	5½%	3½%
Bank of France Rate	5%	5%	5%	5%	3%
Rate 3 months' Bills London	5⅞%	3½%	4⅛%	5⅝	2⅝%
Exchanges:					
Paris Cheque	43 55	25 98½	27 15	27 80	25 18½
New York 60 days	3 58½	4 73	4 72½	4 73½	4 84½
Bombay Telegraphic Transfers	2/3¾	1/5⅜	1/4⅜	1/4½	1/4 3/32
Prices:					
Consols 2½% Cash	51½	59½	54¾	56¼	82⅞
French Rentes 3% Money	58 90	63 25	58	62 25	99 12
Silver, London spot oz.	79½d.	48⅞d.	43⅜d.	37 7/16d.	24½d.
Wheat, *Gazette* average qr.	72/6	72/7	71/3	75/8	33/8
Cotton, Mid Upland lb.	29·51d.	19·76d.	23·31d.	10·74d.	7·61d.
Iron, Scotch pig ton	181/0	101/0	101/0	88/6	58/1½

CURRENCY NOTE ISSUE.

Week to	Notes Issued £	Notes Cancelled £	Notes Outstanding £	Gold Coin & Bullion £	Bank of England Notes £	% of Bank Notes & Gold to Notes %
Jan. 21, '20	4,189,877	10,318,474	332,593,766	28,500,000	4,000,000	9·7
Jan. 14, '20	3,567,801	12,341,169	338,722,363	28,500,000	4,000,000	9·6
Jan. 22, '19	4,482,283	8,279,196	308,218,627	28,500,000	—	9·2
Jan. 23, '18	4,386,255	4,984,668	210,142,981	28,500,000	—	13·6
Jan. 24, '17	4,170,443	5,820,111	143,660,728	28,500,000	—	19·8
Jan. 26, '16	3,849,641	5,732,962	97,758,149	28,500,000	—	29·1

Balance Sheet, January 21, 1920.

	£		£
Notes outstanding—		Advances—	
One Pound	261,011,831	Other Bankers ...	250,000
Ten Shilling	43,761,935	Trustee Savings Banks	205,000
Certificates outstanding ...	27,820,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500,000
Total	322,593,766	Bank of England Notes...	4,000,000
Investments Reserve A/c ...	16,824,279	Government Securities ...	314,331,088
		Balance at Bank of England	1,531,957
Total	349,418,045	Total	349,418,045

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

1919-20. Week to	Revenue	Expenditure	Excess of Expenditure	Loans, Advances, &c.— Cr.	Loans, Advances, &c.— Dr.	Loans, Advances, &c.— Net +	Cash Balance
Jan. 17	£39,229	£29,263	£9,966‡	£107,346	£116,512	—£9,166	£4,630
Jan. 10	40,459	32,395	8,065‡	161,179	169,584	—8,405	3,831
Dec. 31	25,969	37,388	11,419	67,686	55,869	11,717	4,171
293days '19-20	775,940	1,187,638	411,698	4,942,013	4,543,115	398,898	—8,169
233days '18-19	569,928	2,142,123	1,572,195	5,731,299	4,171,986	1,559,313	—12,882
*Yr. '19-20**	1,168,650	1,642,295	473,645	—	—	473,645	—
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	1,682,049	12,799
Yr. '17-18	707,234	2,696,221	1,988,987	7,499,604	3,616,023	1,983,581	21,030

Principal Items of Revenue and Expenditure.

1919-20. Week to	Revenue: Customs & Excise	Revenue: Income Tax, &c.	Revenue: Excess Profits Duties, &c.	Revenue: Other Revenue	Expenditure: Int., &c., on Debt	Expenditure: Misc. Expend.	Expenditure: Supply Services
Jan. 17	£8,715	£13,765	£6,820	£9,928	£1,334	£279	£27,650
Jan. 10	7,144	15,340	11,205	6,770	6,311	440	25,643
Dec. 31	6,210	5,148	6,506	8,105	2,602	809	33,977
293days'19-20	222,002	166,249	220,251	166,838	279,685	11,061	896,892
293days'18-19	125,457	113,165	219,871	111,435	233,416	8,058	1,900,649
*Yr. '19-20**	276,000	354,000	280,000	258,650	345,000	16,595	1,280,700
Yr. '18-19	162,220	291,186	285,028	150,587	269,964	11,380	2,297,956
Yr. '17-18	110,033	239,509	220,214	137,478	189,851	11,401	2,494,968

FLOATING DEBT. [000's omitted.]	Treasury Bills	Ways & Means Advances	Total	Natnl. War Bond Ropts.
Jan. 17, 1920 ...	£1,130,951	£215,074	£1,346,025	£1,732,780
Jan. 10, 1920 ...	1,144,881	209,074	1,353,955	1,732,780
Dec. 31, 1919 ...	1,105,946	243,174	1,349,120	1,732,780
Dec. 20, 1919 ...	1,121,620	224,087	1,345,707	1,732,780
June 30, 1919 ...	796,150	774,237	1,570,387†	1,732,021

* Revised Budget and supplementary estimates. † Highest.
‡ Excess of revenue.

FOREIGN BANKS.

[In £'s Sterling‡—000's omitted.]

AUSTRIA-HUNGARY.	Cash Gold	Cash Silver	Cash Total	Advances To Public	Advances To Dual Govts.	Note Circulat'n	Bills Discounted, &c.
July 23, '14...	£51,578	£12,141	£63,719	£7,772	—	£88,740	£31,993
Oct. 21, '19...	10.832	2.374	13.206	371.686	£1,373,083	2,013,363	240.845
Oct. 28, '19...	10.832	2.378	13.210	372,119	1,373,083	2,058,464	222,532
Dec. 7, '17...	11.000	2.300	13.300	603.990	—	739.300	117.600

BELGIUM.	Gold.	Silver	Total	Discounts	Circulation	Deposits
Aug. 6, '14 ...	£10.977	£633	£11,610	£41,925	£51,900	£6,263
Jan. 8, '20 ...	10.657	1,097	11.754	15,767	192,069	95.609
Jan. 15, '20 ...	10.657	1.078	11.735	15.446	193.104	94.545

DENMARK.	Cash Gold	Cash Silver	Cash Total	Discounts	Balance Abroad	Circulation	Deposits
July 31, '14 ...	£4,100	£341	£4.441	£6,197	£786	£8,693	£47
Nov. 29, '19 ...	11,787	190	11,977	10.426	1,547	26,208	2,393
Dec. 31, '19 ...	12.605	184	12,789	12.803	1,640	27,186	3,995
Dec. 31, '18 ...	10.812	135	10.947	4.473	4.976	25.002	809
Dec. 31, '17 ...	9.622	137	9.759	3.081	2.495	18.770	2.417

FRANCE.	Gold In Bank	Gold Abroad	Total Cash incl'g Silver	Bills	Circulation	Deposits Public	Deposits Private
July 30, '14 ...	£165.654		£190.667	£97,768	£267.327	£15.302	£37.903
Jan. 8, '20 ...	144.035	79.131	233.748	64,687	1,520.396	1,534	125.039
Jan. 15, '20 ...	144.045	79.131	233.629	68.200	1,516,024	1,897	121.241
Jan. 16, '19 ...	138.364	81.484	232.523	53.374	1.267.996	865	101.325
Jan. 17, '18 ...	132.881	81.484	224.200	35.533	922.500	1,923	114.283

GERMANY.	Cash Gold	Cash Silver	Cash Total	Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
July 23, '14...	£67,843	£16,727	£84,570	£5,279	£40.055	£94,545	£47,198
Dec. 31, '19...	54,462	1.052	55.514	551,362	2.087.227	1,784,918	853.593
Jan ' 7, '20...	54.433	1,056	55,489	550,371	1,775,473	1,781,650	539,316
Jan. 7, '19...	113.009	969	113.978	265,819	1,298,603	1,116,842	593 484
Jan. 7, '18...	120,290	5.588	125.878	67,211	658,321	567,166	341,521

HOLLAND.	Cash Gold	Cash Silver	Cash Total	Discounts	Advances	Circulation	Deposits
Aug. 1, '14 ...	£13.496	£249	£13,745	£13,492	£10,332	£35,660	£1,437
Jan. 10, '20 ...	52.917	581	53.498	20.976	19.682	87.201	7.892
Jan. 17, '20 ...	52.658	612	53.270	20.669	18.934	86.209	7.793
Jan. 18, '19 ...	57.032	728	57,760	19,330	11 5 9	88.750	6 778
Jan. 19, '18 ...	58.999	586	59.585	6.713	7.529	73.842	4.747

ITALY.	Cash Gold	Cash Silver	Cash Total	Other Cash	Loans & Discounts	Circulation	Deposits
July 31, '14 ...	—	—	—	£48.456	£25.017	£69.204	£8.887
Oct. 20, '19 ...	£32.201	£3,003	35.204	17.507	82.828	468.370	74.004
Oct. 31, '19 ...	32.200	3.006	35.206	26.417	89.476	478.217	74,473
Oct. 31, '18 ...	32.697	3.078	35.775	5.283	62.386	358.445	56.877
Oct. 31, '17 ...	33.352	3.047	36.399	7.244	45.406	215.568	45.152

JAPAN.	Gold	Discounts	Advances	Notes	Deposits Public	Deposits Private
Aug. 1, '14 ...	£21.867	£1.829	£7.863	£32.722	£13.818	£1.521
Nov. 29, '19 ...	84.557	19.628	31.333	124.370	108.599	4.414
Dec. 6, '19 ...	88.052	13.123	32.394	118.832	108.945	4.341
Dec. 7, '18 ...	72.033	2.584	41.979	87.495	100.152	4.208
Dec. 8, '17 ...	62,844	967	22.618	64.758	62,031	5.058

NEW YORK BANKS & TRUSTS	Cash Own Vaults	Aggregate Reserve	Loans, Disc'ts, Invest.,&c.	Net Deposits—Demand	Net Deposits—Time	Total	Excess Reserve
Aug. 1, '14 ...	—	£89.888	£411.238	—	—	£387.165	£1,720
Jan. 10, '20 ...	22.592†	116.724	1,073.322	834.010	50.694	947.458	5,883
Jan. 17, '20 ...	21.276†	115.638	1.069.318	829.960	52.354	933.082	5.408
Jan. 18, '19 ...	21,446†	114.764	951.192	791.454	28,430	865.354	10.052
Jan. 19, '18 ...	22,706†	112.758	814.310	746.290	39,496	811.635	13.254

NORWAY.	Gold	Balance Abroad	For'gn Govt. Securities	Disc'nts & Loans	Circulation	Deposits
July 31, '14 ...	£2,960	£1,678	£493	£4.868	£6,752	£793
Jan. 7, '20 ...	8.138	3,835	673	20.713	23,915	4.983
Jan. 15, '20 ...	8.137	3.831	673	19.766	23,168	4.807
Jan. 15, '19 ...	6,718	3.900	749	21.864	22.872	6.034
Jan. 15, '18 ...	6,413	4.540	739	21,154	17.093	11,920

PORTUGAL.	Gold	Silver	Total	Discounts & Note Advances	Circulation	Deposits
Nov. 26, '19 ...	£1,906	£3.921	£5.827	£11.063	£76.570	£4.635
Dec. 3, '19 ...	1.906	3.920	5.826	10.891	74.948	7.186
Dec. 10, '19 ...	1,906	3.921	5.827	12.838	78.528	6.349
Dec. 17, '19 ...	1,906	3.921	5.827	12.954	80.275	4.880

ROUMANIA.	Cash	Discounts	Advances	Total	Circulation
Dec. 6, '19 ...	£53,621	£9.103	£2.255	£11.358	£160,448
Dec. 13, '19 ...	54.021	8.663	2.295	10.958	161.849
Dec. 20, '19 ...	54.821	8.671	2.218	10.889	163,559
Dec. 21, '18 ...	33,701	4.090	1.663	5.753	97.849

RUSSIA.	Gold In Bank	Gold Abroad	Total Cash incl'g Silver	Loans & Disc'ts	Circulation	Notes in Reserve	Total Deposits
July 21, '14...	£160,114	£14,395	£181,892	£76.081	£163,411	£6,589	£109,911
Oct. 29, '17...	129,523	230.865	378.205	1.869.559	1,836,217	15.783	345.550

SPAIN.	Cash Gold	Cash Silver	Cash Total	Loans, &c.	Spanish 4%	Circulation	Deposits, &c.
Aug. 1, '14 ...	£21.804	£29.187	£50.991	£40.572	£13.778	£77.557	£18.955
Jan. 10, '20 ...	97.920	25.173	123.093	90.175	13.779	156.065	42.865
Jan. 17, '20 ...	97.931	25.258	123.189	89.391	13.779	155.786	43.629
Jan. 18, '19 ...	89.140	25.666	114.806	67.541	13.777	135.216	45.028
Jan. 19, '18 ...	78.711	28.356	107.067	47.770	13.777	112.672	37.576

SWEDEN.	Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
Aug. 1, '14 ...	£5.717	£6.150	£1,555	£7.495	£13.432	£3.903
Jan. 3, '20 ...	15.614	5.834	2.683	30.153	40.462	11.562
Jan. 10, '20 ...	15.601	5.685	2.686	27.782	37.525	11.384
Jan. 11, '19 ...	15.858	6.311	3.034	21.507	41.093	6.332
Jan. 12, '18 ...	13.711	7.239	2.280	13.516	28.902	8.661

SWITZERLAND.	Cash Gold	Cash Silver	Cash Total	Discounts & Advances	Circulation	Deposits
July 23, '14 ...	£7,202	£758	£7,960	£4.817	£10,718	£2,028
Jan. 7, '20 ...	20.678	2.971	23.649	19.090	39.018	6.580
Jan. 15, '20 ...	20.678	3.216	23.894	16.718	36.992	6.600
Jan. 15, '19 ...	16.542	2.428	18.971	21.017	34.444	7.566
Jan. 15, '18 ...	14.389	2.168	16.557	12.582	25.117	4.446

† Not reserve. ‡ Converted at par rate of exchange approximately.

U. STATES FED. RES. BANKS.	Gold Held by Banks	Gold With Agents	Total Cash	Bills Discount'd	Bills Accept-ances.	Deposits. Govt.	Deposits. Total Net.	Circulation
Jan. 12, '20 ...	£144,778	263,496	420.420	415,952	114 944	5 560	343.178	582.874
Jan. 19, '20 ..	157,740	251,036	420,856	426,014	115.136	6,940	363,812	569.976
Jan. 17, '19 ...	145.616	274,896	434.030	320.232	54,726	9.874	319.758	502.594
Jan. 18, '18 ...	182,606	163.287	356.861	120,697	51,560	47.966	299.274	247,759

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed		%	Date Fixed
Amsterdam ...	4½	July 1,'15	Lisbon	5½	Jan. 15,'14
Berlin	5	Dec. 23,'14	Madrid	5	Nov.10,'19
Berne	5	Aug. 21,'19	Paris	5	Aug. 20,'14
Bombay	5	June 12,'19	Petrograd ...	6	July 29,'14
Brussels	3½	Oct. 2,'19	Rome	5	Jan. 11,'18
Calcutta	5	June 5,'19	Stockholm ...	6	June 12,'19
Christiania ...	6	Dec. 18,'19	Tokio	8·03	Nov. 18,'19
Copenhagen ...	6	Oct. 7,'19	Vienna	5	Apr. 12,'15

III.—FOREIGN EXCHANGES.

LONDON ON—		Jan. 23, '19	Jan. 16, '20	Jan. 9, '20	Jan. 2, '20
Berlin	Cable	257½m.	212½m.	192½m.	187½m.
Brussels	Cheques	44fr. 10c.	42fr. 55c.	41fr. 70c.	40fr. 40c.
Denmark	Cable	21kr. 55	21kr. 00	20kr. 65	19kr. 65
Holland	do.	9d. 70c.	9d. 83½c.	10d. 02½c.	10d. 10c.
Italy	do.	51lr. 25	50lr. 60	50lr. 35	50lr. 25
Lisbon and Oporto	do.	17d.nom.	16d nom.	17d.nom.	20d.
New York	do.	$3 64	$3 70	$3 74	$3 78
—	Cheques	$3 65	$3 72	$3 76	$3 80
Norway	Cable	19kr. 60	19kr. 10	18kr. 90	18kr. 60
Paris	3 mos.	44fr. 00c.	43fr. 25c.	42fr. 00c.	41fr. 45c.
—	Cable	43fr. 45c.	42fr. 75c.	42fr. 50c.	40fr. 85c.
Spain (Bank places)	3 mos.	59½d.	61d.	58⅜d.	58½d.
—	Cable	19p. 50	19p. 35	19p. 65	19p. 65
Sweden	Cable	17kr. 80	17kr. 85	17kr. 70	17kr. 55
Switzerland	3 mos.	20fr. 50c.	20fr. 85c.	21fr. 60c.	21fr. 45c.
—	Cable	20fr. 20c.	20fr. 50c.	21fr. 25c.	21fr. 15c.

ON LONDON—		Jan. 23, '20	Jan. 16, '20	Jan. 9, '20	Par
Alexandria	Sight	97⅜pi.	97 1/16pi.	97⅜pi.	97½pi.
Amsterdam	Cheques	9d. 68c.	9d. 94c.	9d. 95c.	12.107fl.
Athens	Cable	25dr. 60	25dr. 70	25dr. 70	25dr. 22½
Bombay	Transfers	2s. 3⅞d.	2s. 3⅛d.	2s. 4⅛d.	1s. 4d.
Brussels	Cheques	44f. 07c.	42f. 67c.	41f. 75c.	25f. 22½c.
Buenos Ayres	Transfers	64⅛d	63½d.	62½d.	47.58d.
Calcutta	do.	2s. 3 1/16 d.	2s. 3⅛d.	2s. 4⅛d.	1s. 4d
Christiania	Sight	19kr. 65	18kr. 60½	18kr. 90	18.159kr.
Copenhagen	do.	21kr. 52½	21kr. 00	20kr. 53½	18.159kr.
Helsingfors	Cable	84¼m.	103¼m.	120m.	25m. 22½
Hong Kong	Transfers	5s. 1d.	5s. 0⅛d.	5s. 0⅛ d.	—
Italy	Sight	51lr. 32½c.	50lr. 55c.	50lr. 35c.	25l. 22½c.
Lisbon	do.	17⅛d.	17⅛d.	17d.	53½d.
Madras	do.	2s. 4⅛d.	2s. 4⅛d.	2s. 4⅜d.	1s. 4d.
Madrid	do.	19p. 49	19p. 30½	19p. 66	25p. 22½
Montevideo	Transfers	79⅛d.	67d.	67d.	51d.
Montreal	Cable	$4 01⅛	$4 02	$4 05	$4 86⅛
New York	Sight	$3 61½	$3 72½	$3 76	—
—	60 days	$3 58⅞	$3 69½	$3 73	—
—	Cable	$3 62	$3 73	$3 76⅞	$4 86⅛
Paris	Cheques	43f. 55c.	42f. 60c.	41f. 97½c.	25f. 22½c.
Rio de Janeiro	90 days	17⅛d.	17 3/16 d.	17 1/16 d.	16d.
Shanghai	Transfers	8s. 1d.	7s. 9d.	8s. 0d.	—
Singapore	Sight	2s. 4½d.	2s. 4½d.	2s. 4½d.	—
Stockholm	do.	17kr. 83	17kr. 83	17kr. 70½	18.159kr.
Switzerland	do.	20f. 20c.	20f. 43c.	21f. 27½c.	25f. 22½c.
Valparaiso	90 days	13 3/32 d.	13 1/32 d.	11 31/32 d.	18d.
Yokohama	Sight	2s. 8⅛d.	2s. 8⅛d.	2s. 8½d.	24.58d.

NEW YORK ON—	Rate Current* Jan. 23. '20	Rate Current* Jan. 16 '20	Par as usually Quoted	Rate July 3.
Amsterdam, sight ...	37·25c.	37·375c.	40·20c. for 1 guilder	40·25c.
Bombay, cheques ...	42·75c.	44·125c.	32·44c. for 1 rupee	33·00c.
Buenos Aires, cheques ...	101·90	101·90		
Christiania, cheques ...	18·70c.	19·50c.	26·80c. for 1 kroner	
Copenhagen, cheques ...	16·90c.	17·30c.	26·80c. for 1 kroner	26·85c.
Greece, cheques ...	13·65c.	14·60c.	19·295 c. for 1 drachma	
Hongkong, cheques ...	94c.	96c.	74·59c. for Mex. $1	46·4c.
Italy, sight	14·12l.	13·50l.	5·18½ lire for $1	5·17l.
Lima, cheques	4·72l.	4·74l.	4·8665 $ for 1 libra	
Manila, cheques... ...	48	48	50c. for 1 peso	49·8c.
Montreal	8⅛% disc.	7·625% disc.	Premium per $100	Par
Paris, sight	12·01fr.	11·32fr.	5·18½ francs for $1	5·16fr.
Petrograd, sight ...	—	—	51·46c. for 1 rouble	51·37c.
Rio de Janeiro, cheques	27·50c.	27·50c.	32·42c. for 1 milreis	
Shanghai, cheques ...	160c.	156c.	52·96c. for 1 tael	83·00c.
Singapore, cheques ...	50c.	50c.	56·77c. for $1	57·12c.
Spain, cheques	18·60c.	19c.	19·30c. for 1 peseta	
Stockholm, cheques ...	20·25c.	20·85c.	26·80c. for 1 kroner	
Switzerland, cheques ...	5·60fr.	5·62fr.	5·18½ francs for $1	5·18½fr.
Valparaiso, cheques ...	20c.	20c.	20·61c. for 1 peso	
Yokohama, cheques ...	49·50c.	49·90c.	49·84c. for 1 yen	49·90c.

* According to Guaranty Trust Company of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week. 1920	Amount	Inc. or Dec.*	1919 Agg.	Inc. or Dec.* %
		[In £'s sterling 000's omitted.]			
BIRMINGHAM ...	Jan. 17	£3,220 +	£699	£10.375 +	£2,532 + 32·3
BRISTOL ...	,, 17	1.928 +	699	5.596 +	2.063 + 58 6
DUBLIN ...	,, 17	9 012 +	1.624	27.255 +	6.208 + 29·5
LEEDS ...	,, 17	2.093 +	998	5.164 +	1.632 + 46·2
LEICESTER ...	,, 17	1.584 +	606	4.823 +	2.169 + 81·5
LIVERPOOL ...	,, 17	17.403 +	5.233	51.583 +	21.456 + 71 2
MANCHESTER ...	,, 17	31.114 +	15.195	94.348 +	50 274 + 114 1
NEWCASTLE ...	,, 17	3.244 +	1.853	8.932 +	2.613 + 42·0
NOTTINGHAM ...	,, 17	1.067 +	424	3.625 +	1.560 + 75·5
SHEFFIELD ...	,, 17	1.293 +	433	3.815 +	605 + 18·8
LONDON— TOWN ...	1920. Jan. 21	613.231 +	232.731	1.894.864 +	694.345 + 57 8
METROPOLITAN	,, 21	44.390 +	11.063	133.301 +	24.026 + 22·0
COUNTRY ...	,, 21	83.920 +	24.209	257.487 +	68.254 + 36 1
TOTAL ...	,, 21	741.561 +	268.003	2.285.652 +	786.625 + 52·5

* Compared with a year ago.

V.—FREIGHTS.—According to Messrs. J. C. Gould, Angier and Co.

HOMEWARDS.	1920 Jan. 23	1920 Jan. 16	1913 Jan. 24
Alex. to U.K. ...	—	—	9·6
Aust. to U.K. ...	105/0	105/0	43/9
Azoff to L.H.A.R.	—	—	—
Bombay to p.p. d.w.	120 0	nom. d.w.	28/3
Burmah o.c.	nom.	nom. d.w.	33 0
Calcut.top.p.(jute)	nom	nom. d.w.	30·0
Danube to U.K. ...	—	—	
Odessa to L.H.A.R.	—	—	11·0
R. Plate to U.K.	195/0	170.0	26/0

Homewards.—Cont.	1920 Jan. 23	1920 Jan. 16	1913 Jan 24
U.S.Atl.Ports to L'pl. Fr. (cotton, 100lb.)	—	—	50 0
U.S.Gulf to U.K.Cont.(gr.)	—	—	3/3
Gulf Ports to U.K.Cont. (cotton& grain)...	—	—	—
OUTWARDS—Cardiff to Aden	—	—	—
Colombo	—	—	13/6
Port Said ...	60/0	60/0	10'9
River Plate ...	37 6	38/9	16'6
St. Vincent ...	40 0	37/6	10,0

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	JAN. 23, 1920.	JAN. 24, 1919.	JUNE 30, 1914
Iron—Scotch pig warrants ...ton	181/0	101/0	57/0
— Middlesbro' warrants ...ton	175/6	95/0	51/0
— Hematite warrants ...ton	220/0	122/6	61/0
— Staffordshire bars, London ton	£25 -£26	£17	£8 10
— Common bars ...ton	£23	£14 15	£6 16
Steel Rails ...ton	£18 15	£10 17/6	£6 2/6
Galvanised Sheets ...ton	£48	£28	£16 17/1
Copper—Standard ...ton	£115	£83—£90	£66
Tin—English Ingots ...ton	£381	£246 -£247	£142 15
— Straits ...ton	£390	£249	£139 10
Tinplates, I.C. Coke, S. Wales...box	67 6	32/6 ... 11/10½—12/0	
Lead—Soft Foreign ...ton	£47	£30—£35	£19
Spelter—Ord. Foreign ...ton	£58 15	£45—£56	£21 7/9
Quicksilver—(75lb.) ...bottle	£23 10- £24	£20	£7
Aluminium ...ton	£165	nom.	£82
Antimony—Regulus Foreign ...ton	£65	nom.	£27 10
— English ...ton	£6	—	—
Coal—(best) Yorkshire ...ton	21/6 -22/6	23/6 -24/6	17/6
— Steam (best) Newcastle ...ton	46/0—51/0	40/0—45/0	14/6
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b. Chile, per quintal	13/6	nom	7/4
Soda—Crystals ex ship ...ton	130/0—140/0	87/6	42/6—45/0
Copra—Malay and States ...ton	£69	£39 10	£23 15—£24 7/6
Gambier—Good marks ...cwt	51/0	£3 0	16/10½
Indigo—Bengal good to fine ...lb.	13/0—16/6	9/0—10/6	3/2—3/8
Linseed Oil—Raw ...ton	£106 15	£75	£25 5
Linseed—Calcutta, spot ...ton	£5	£29 15	£13 16/9
— **Cakes**, U.K. made, ex mill...ton	£24	£19	£7 17/6—£8
Olive Oil—Spanish ...tun	nom.	nom.	£49 10
Palm Oil—Lagos ...ton	£10	£45	£31 10
Petroleum—American ...gallon	1/9	1/4½	7½d.
Rape Oil—Refined English...ton	£116	£71	£32
Soya Oil—Refined ...ton	£113 10	£75	£24 10
Tallow—Imported ...cwt.	105/0 -110/0	63/0	29/3—33/3
Turpentine—American ...cwt.	184/0	105/0	33/7½
Rape Seed—Toria ...ton	£48 10	£26 15	£13 5
Rubber—Para, spot ...lb.	2/6	2/6	2/9½
— Fine plantation (stnd. crepe) lb.	2/7	2/01	2/2
— World's Production* Nov. tons	31,795	18,701	8,467
Shellac—F.N. Orange, fair ...cwt.	880/0	283/0	63/0 —64/0
TEXTILES.			
Cotton—Middling Upland ...lb.	29 51d.	19 76 l.	7·53d.
— Egyptian, good fair ...lb.	63·50d	27 05d.	8·75d.
— Pernambuco fair ...lb.	33·26d.	21·76 l.	7·73d.
— Midland Upl. New York...lb.	39 10c.	25 60c.	13·25c.
— Stock, Liverpool (Jan 9) bales	835.000	446.870	934.600
Flax—Petrograd, Yarapol ...ton	—	nom	£28
Hemp—New Zealand ...ton	£56	£96	£25 10
— Manila, Fair ...ton	£65 10	£100	£26 10
Jute—First Marks ...ton	£65	—	£26 15
— Red SGO ...ton	£56 15	—	£24 15
Silk—Blue Elephant ...lb.	53/0	21/6	11/3—11/6
Wool—Pt. Philip unwashed av. lb.	5/6	nom. ..	11½d.—1/0
— Lincoln Half Hogs ...lb.	2/4½	1/7½nom.	1/0½
Hides—Eng. Ox, best, 65lb. up lb.	15½d.—16½d.	9¾d.—10¾d.	7¾d.
Leather—Dressing Hides ...lb.	3/3—3/9	2/5—3/1	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus	109.018.000	193.630.000	34.640.000
— Red, price, N.Y. 60lb....bushel	nom.	238	67½c.
English Gazette, aver. 480lb. qr.	72/6	72/7	34/3
Flour—G.R. ...280lb	44/3	44/3	28/6
Barley—Eng. Gaz., aver. 400 lb. qr.	110 6	62/3	25/4
Oats—Eng. Gaz., aver. 312 lb. qr.	57/6	50/0	20/0
Maize—N.Y. (new bushel...56lb.	168c.	152c.	76½c.
— Amer. mixed, Liverpool...480lb.	nom.	76/0	32/4
— La Plata ...480 lb. qr.	65/0	70/0	25/9
Potatoes—Good English ...ton	245/0	190/0	70/0—75/0
Rice—Basseln ...cwt.	26/0	28/3	7/0—7/3
Tapioca—Pearl, medium ...cwt.	37/0	40/0	14/0—17/8
Hay—best ...2,018lb...load	—	160/0	82/6
Hops—English ...cwt.	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs ...8lb.	9/0	9/0—9/6	3/8—3/10
— Scotch sides ...8lb.	10/0	9/6	4/6—5/0
— English ...8lb.	10/0	9/6	4/2—4/5
Mutton—Scotch wethers ...8lb.	10/6	10/0	5/8—6/0
— English wethers ...8lb.	10/6	10/0	4/6—5/4
— New Zealand frozen ...8lb.	10/6	10/0	2/4—3/2
Pork—English and Irish ...8lb.	10/8	10/8	3/6—4/0
Bacon—Irish, delivered ...cwt.	200/6	188/0	60/0—74/0
— Danish ...cwt.	†187/0	—	58/0—68/0
— Canadian, ex Port ...cwt.	†187/0	—	—
— American, ex Port ...cwt.	†187/0	176/6	72/0—74/0
Hams—Amer. long cut, ex Port cwt.	†190/0	170/0	75/0—79/0
— — short cut, ex Port ...cwt.	†190/0	170 0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt.	†198/6	158/0	51/9—52/9
Butter—Danish ...cwt.	270/8		117/0—120/0
— French ...cwt.	270/8	Controlled	96/0—108/0
— Australian ...cwt.	270/8	252/0	98/0—110/0
— New Zealand ...cwt.	270/8		108/0—114/0
Cheese—Canadian ...cwt.	†145/0		63/0—68/0
— United States ...cwt.	†145/0	Controlled	—
— Dutch ...cwt.	†145/0	163/4	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Dec. 31 ...cwt	31.949.241	26.113.009	13.777.254
— Home consump'n. to Dec. 31 cwt.	30.658.779	18.824.211	17.272.000
— In Bond Dec. 31 ...cwt.	6.421.000	7.822.000	6.308.000
— Price, Java, 96° Pol. ...cwt.	60/0	36/0	10/3
— — Yellow crystals ...cwt.	63/6	57/9	12/6—14/0
— — Tate's Cubes, No. 1 ...cwt	72/0	64/9	18/0
Coffee—Imports to Dec. 31 ...cwt	1.055.218	159.304	720.360
— Home consumpt'n to Dec. 31 cwt	315.477	456.278	141.410
— Exports to Dec. 31 ...cwt	629.888	30.181	340.250
— In Bond Dec. 31 ...cwt	706.900	617.000	484.000
— Price, Costa Rica gd. to fine cwt	156/0—164/0	145/0—155/0	80/0—93/0
— — Brazil (Santos) Good ...cwt	135/0—137/0	65/9	41/6
Tea—Imports to Dec. 31 ...lbs	510.439.600	463.628.123	123.230.277
— Home consump'n. to Dec. 31 lbs	388.465.533	311.151.409	155.447.972
— Exports to Dec. 31 ...lbs	29.693.495	2.195.234	26.561.765
— In Bond Dec. 31 ...lbs	226.584.000	135.295.000	78.292.000
— Price, Indian, Pek. Soug. gd. lb.	1/1	1/4	8½d.
— — Ceylon, Pek. Soug. Ord. lb.	1/1½	1/4	8¾d.
— — Common Congou ...lb.	1/0 -1 2nom.	1/4	5¾d.
Cocoa—In Bond Dec. 31 ...cwt.	901.000	486.000	309.000
— Grenada, good to fine ...cwt.	129/0—130/0	85/0	52/6—56/0

* Estimated. † Controlled.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific	Nov.	$17.367.000	+2.344.000	$2,850,000	— $549.000
	11 *mos. to* Nov.	159.904.000	+18117000	31,251.000	— 440.000
Grand Trunk	Nov.	£1.251.900	— £16.700	£103.300	— £81 800
	11 *mos.to* Nov.	12.853.900	+1.762.200	1,566,200	+ 104.400

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August* 5, 1914, *the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act*, 1871. *The Irish railways, similarly, were taken over as from January* 1, 1917.

INDIAN.	Week or Month.	Miles Open.	Gross Receipts.	+ or — on Year Ago.	No. Wks	Aggregate Receipts.	+ or — on Year Ago.
Assam Bengal	Dec. 13	993	R2,17,227	+ 48,362	11	25.03.580	+ 6.99.114
Barsi Light ...	Dec. 29	118	54.000	+ 9,900	39	10.79.700	+ 4.74.900
Bengal & N.W.	Dec. 13	2,065	4,46.280	— 40,514	11	44.63.840	— 5.97.006
Beng. Dooars	Dec. 13	153	27,076	+ 3,957	11	5.54,153	+ 70.545
Beng. Nagpur	Dec. 13	2.695	12.17.000	+ 29.000	37	4.48.50.514	+ 32.98.692
Bomb. Baroda	Jan. 10	2,871	20.04.000	- 34.000	15	2.59.87.000	+ 23.49.000
Burma ...	Nov. 29	1,342	6.01.456	+ 73,176	35	1.84.68.160	+ 19.93.334
Del. Um. Kalk.	Jan. 10	239	92.200	+ 290	15	13.17.179	— 24.795
East Indian ...	Jan. 10	2,771	25.06.000	— 2.38.000	15	3.71.86.000	— 17.24.000
Gt. Indian Pen.	Jan. 10	3,121½	27,57.300	+ 2,36.200	15	3.66.64.255	+ 32.46.520
Madras & S.M.	Dec. 13	3,152	11.00.000	+ 51.757	11	1.09.25.000	+ 3.19.800
Nizam's Guar.	Dec. 13	900	3.05.763	+ 28.127	11	26.32.658	+ 4.42.539
Roh. & Kumn.	Dec. 13	576	95.926	+ 884	11	9.32.661	— 2.40.349
South Indian	Dec. 13	1,852½	7.45.364	+ 1.32.475	37	2.75.66.960	+ 25.19.905
South Punjab	Sept.	716	6.04.613	— 2,92.520	6m	34.91.972	— 18.71.142
COLONIAL							
Can. Northern	Jan. 14	9,588	$1,079.000	+ 274.600	2	2.119.800	+ 536.000
Can. Pacific ...	Jan. 14	13,388	3,331.000	+ 440.000	2	6.502.000	+ 755.000
Grand Trunk	Jan. 14	3,616	£252.503	+ 40.916	2	484,559	+ 66.776
Mashonaland	Aug.	810	65.465	— 7.046	11m	—	—
Mid. W. Aust	Nov.	277	11,753	+ 2,365	5m	47.758	+ 5.605
New Cape Cent.	Dec. 20	205	4.395	+ 907	51	130.543	+ 14.365
Rhodesia Rlys.	Aug.	1,397	98.984	- 15.059	11m	938.048	— 80.830
Temiscouata..	Oct.	—	$30,562	+ 2,154	10m	304.661	+ 22.504
W. Pass. & Yuk	Aug.	122	—	—	8m	$968.676	+ 31,021
FOREIGN.							
Argentine.							
Arg. N. East...	Jan. 10	752	£ 8.700	+ 1,800	28	330.100	+ 70.000
Arg. Transand.	Jan. 10	111	£ 4.300	+ 330	28	61,318	— 33,434
B. A. & Pacific	Jan. 10	3,536	£ 135.000	+ 30.000	28	3.999.000	+ 857.000
B.A.Gt. South	Jan. 11	3,792	£ 162.000	+ 40.000	28	4.779.000	+ 1.036.000
Do.	Jan. 11	Net	£ 35.000	+ 17.000	28	1.565.000	+ 834.000
B. A. Western	Jan. 11	1,882	£ 76.000	+ 25.000	28	2.681.000	+ 763.000
Do.	Jan. 11	Net	£ 27.000	— —	28	952.000	+ 490.000
B. A. Central	Nov.	190	£ 43.049	+ 4.181	5m	226.403	+ 21.166
Cent. Argent.	Jan. 17	3,305	£ 188.000	+ 128.000	29	4.986.000	+ 1.298.400
Do.	Jan. 17	Net	£ 71,000	+ 101.000	29	1.487,100	+ 932.200
Cord. Central	Jan. 10	1,205	£ 54.300	+ 16.540	28	1.677.900	+ 428.710
Entre Rios ...	Jan. 10	831	£ 24.300	+ 5.700	23	643.700	+ 86.900
Brazilian.							
Brazil Gt. South	Nov.	110	M 45.000	+ 4.900	11m	544.671	— 7,362
Brazil Railway	Dec.	3,530	M 4.859.000	— 141.271	12m	57.772.000	+ 7,619,243
Gt. W. Brazil	Jan. 10	1,010	£ 27.400	+ 9.700	2	38.500	+ 10.500
Leopoldina ...	Jan. 10	1,831	£ 52.380	+ 22.710	2	72.638	+ 29.606
Mogyana ...	Dec.	1,180	M 1,561.000	— 956.490	12m	22.267.000	— 2,474.651
Paulista ...	Dec.	766	M 2.650.000	— 906.038	12m	32.479.000	— 1,225.892
San Paulo ...	Jan. 18	153¼	£ 40.897	+ 15.567	3	126.072	+ 48,171
Sorocabana ...	Dec.	1,003	M 1,749.000	— 246,168	12m	21.953,000	+ 976.692
S.of Bahia S.W.	Dec.	52	M 116.000	+ 22,000	12m	1.204,000	+ 143,000
Chilean and Peruvian.							
Antofagasta ...	Jan. 11	838	£ 56.820	+ 18.415	2	72.850	+ 13.570
Arauco ...	Nov.	84¼	£ 12.000	+ 500	11m	121.300	— 21,700
Nitrate (2wks.)	Jan. 15	390	£ 54.041	+ 28.736	2	—	—
Peruvian Corp.	Dec.	1,140	S 1,310.883	+ 252.890	6m	6,982,774	+ 962.059
Taltal ...	Dec.	180	£ 25,785	+ 11,227	6m	97,117	— 16,607
Cuban.							
Cuban Central.	Jan. 17	362	£ 39.777	+ 14.714	29	561,423	+ 131.051
Havana Cent.	Jan. 3	70	£ 11.727	+ 2.104	27	276,865	+ 45.340
U. of Havana	Jan. 17	681	£ 11.688	+ 5.923	29	255.790	+ 51.474
W. of Havana	Jan. 10	155	£ 9.532	+ 1,616	28	244.104	+ 45.551
Uruguayan.							
Cent. Uruguay	Jan. 10	273	£ 23.562	+ 2,159	28	619,834	+ 54.434
,, (E. Ext.)	Jan. 10	311	£ 7.542	+ 2,058	28	158,010	+ 26.829
,, (N. Ext.)	Jan. 10	185	£ 3.360	+ 38	28	100,106	+ 1.124
,, (W.Ext.)	Jan. 10	211	£ 2.696	+ 119	28	75.350	+ 4.094
Mid. Uruguay	Dec.	319	£ 20.234	+ 177	6m	111,204	+ 11.111
N.W. Uruguay	Dec.	113	$ 7,234	62	6m	40,155	+ 725
Urug. Northn.	Dec.	73	£ 2,606	+ 310	6m	13,791	+ 1.855
Miscellaneous.							
Alcoy & Gandia	Jan 10	33	Ps. 8.000	+ 1,500	2	12.000	+ 1.500
Bilbao ...	Dec.	15	£ 1.275	— 2.707	12m	29.589	— 22.288
Bolivar ...	Dec.	136	£ 9.000	— 4,936	6m	53.339	+ 6.335
Colomb. Natnl.	Nov.	86	£ 14.960	+ 4.420	11m	153.030	+ 19.200
Costa Rica ...	Dec.	189	£ 15,000	+ 6.200	6m	140.650	+ 40.250
Dorada Ext....	Nov.	70	£ 13.750	+ 5.850	11m	125.650	+ 34.050
Egyptian Delta	Dec. 31	559	£ 17.096	+ 2.538	38	285.567	+ 6.379
Gt. S. of Spain	Jan. 10	104	Ps. 68.075	— 40.700	2	130.781	- 83.216
La Guaira & Ca.	Dec.	22¾	£ 12.070	+ 5.250	12m	108.200	+ 31.070
Ottoman Ry...	Jan. 3	379	£ 20.551	— —	—	—	—
Paraguay Cent.	an. 10	255	£ 4.020	— 360	28	148.170	+ 44.280
Puerto Cabello	Dec.	24	£ 4.500	+ 1.300	12m	53.875	+ 9.375
Salvador ...	Jan. 17	100	£ 5.611	+ 2.394	29	86.613	+ 38.773
Santa Fe Prov.							
French Rys.	Oct.	1,181	$ 172.656	— 6.605	10m	1,435.236	+ 56.600
S'm'na & St'iago	Nov.	80	$ 7.660	+ 64	11m	130.211	+ 29.712
Zafra & Huelva	Nov.	112	$ 11.757	— 2.292	11m	115.662	— 25.305
TRAMS.							
Anglo-Argent.	Jan. 14	400	£ 68,547	+ 44 387	2	136.242	+ 52.015
Auckland Elec.	June 30	27	—	—	52	292,502	— 2.063
Bombay Elec.	Oct.	39	R. 7.67.296	+ 1.80.215	10m	70.86.404	+ 12,99.004
Brazilian Trac.	Nov.	378½	M 9.796 0.0	+ 2.215.000	11m	103.335.000	+ 9.972.000
Brisbane Elec.	Dec.	40½	£ 44.820	+ 6.685	12m	477.690	+ 37.676
Brit. Columbia	Nov.	334	$ 733.981	+ 121.088	5m	3,438.592	+ 711.562
B. A. Lacroze	Nov.	51	£ 50.635	+ 7.683	5m	237.705	+ 28.941
Calcutta ...	Jan. 10	35½	R 95.845	+ 8,326	2	—	+ 11.004
Cape Electric	Oct.	42½	£ 26.743	+ 11.115	4m	83.822	+ 1.077
Carth. & Herr.	Dec.	9	£ 2.923	— 27	12m	32.441	— 14.423
Chatham & Dist	Jan. 8	15	£ 1.534	+ 14	1	—	—
Havana Elect.	July	86	$ 794.768	+ 100.679	7m	5,116.661	+ 402.587
Isle of Thanet	Jan. 14	20½	£ 478	+ 174	16	8,130	+ 3.379
Kalgoorlie ...	Aug.	20½	£ 2.876	- 464	8m	21.533	— 590
Lanarkshire ...	Jan. 8	28½	£ 5.075	+ 813	1	—	—
Lima Light ...	Oct.	85	£ 50.067	+ 4.590	10m	479.702	+ 44.477
London C.C. ...	Jan. 21	141½	£ 78.195	+ 9.177	42	3,374.194	+ 567.708
Madras (2wks.)	Jan. 15	15½	R. 48.883	+ 6.301	2	—	—
Manila Electric	Nov.	55	$ 247.599	+ 33.307	11m	2,320.607	+ 231.136
Pernambuco...	Jan. 11	59	£ 8.781	+ 3.664	2	13.723	+ 4.518
Provincial ...	Dec. 13	21½	£ 2.942	+ 353	11	28.527	+ 5.193
Rangoon Elec.	Dec.	25	£ 7.517	+ 1,329	12m	—	+ 9 055
Shanghai Elec.	Dec.	26½	M. $140.000	+ 28.000	12m	1,571,793	+ 242.220
Singapore Elec.	Dec. 20	28½	$ 20.485	+ 6.192	48	318.921	+ 109.098
U. of Montevid.	Nov.	90½	£ 40.308	+ 8.610	1m	40.308	+ 8.610

The Statist.

LONDON, SATURDAY, JANUARY 24, 1920.

MR. ASQUITH.

Much interest naturally attaches to the Paisley election, where, as we write, Mr. Asquith intimates that he will accept the Liberal nomination and fight the seat for his restoration as leader of the Liberal party. It is a matter of course that the two old parties should be extremely excited over the contest, for while Mr. Asquith has lost ground enormously, yet it is equally evident that his former followers cannot find anyone better suited than himself to lead them; and, therefore, without anything like the enthusiasm they once felt, they are calling upon him to come forward and once more to attempt to make the Liberal party one of the great forces of the country. We ourselves do not believe that the Liberal party can recover ground. It confessed openly that it was incapable of guiding the country through a great war. Therefore, it has admitted that it is incapable of governing. The sooner the fact is recognised by those who formerly composed the party the better it will be for the country and the Empire. There is, as we have often observed in this Journal, a natural demand for the Conservatives. They are, in the nature of things, supporters of every abuse in the Realm, and so long as there is a chance, therefore, of those abuses being maintained, there is likewise a field of action for the reactionaries. But there is no real ground open for the Liberals. They are, when everything is said, merely a little more advanced than other aristocrats; and, consequently, they have no just position in politics. The field belongs to the democracy, or, to put it more accurately, at the present time, to the trades unionists upon the one side, and the supporters of abuses on the other side. Consequently, we would urge upon the trades unionists to put forward all their strength to defeat Mr. Asquith and to represent in his place the important division of Paisley. If they win they will establish so much prestige that they will easily gain other seats, and very soon they will find themselves in a position to challenge the Coalition in the House of Commons. On the other hand, if they fail to exert themselves now they will be thrown back, and we shall have by-and-by, when the present Cabinet is felt to be hopeless, a return of the outworn and useless Liberals.

PEACE?

The Treaty with Germany has been signed by our own country, France and Italy, but not by the United States, which is the most powerful of them all. How long the United States will refrain from signing, or whether the existing Treaty ever will be signed by it, remains to be seen. What is clear at present is that the proposed League of Nations is growing more and more unpopular in the United States. At first it was supposed that the Democrats at the least would support it if only because it was proposed by their own President. Now, however, Mr. Bryan, still an exceedingly popular Democrat, has come forward to propose a modification which would go a long way towards destroying the League of Nations; and, as far as can be judged at present, every day that passes makes the Republicans more and more resolved against the existing plan. We have not yet reached the actual beginning of the agitation for the election of the new President. Therefore, we may reasonably expect that opposition to the League of Nations will become fiercer and fiercer as time passes. And if, ultimately, the League of Nations is rejected, how will Germany then stand? And, furthermore, what will become of the League of Nations? At present Germany has had to submit to the terms laid down by the Paris Conference in the case of our own country, of France, and of Italy. But if the United States will have nothing to do with the League of Nations, and will bargain for a special treaty with Germany, what then will be the condition of Europe? Unfortunately, this is not all. The mismanagement of the negotiations has been such that it looks very much as if it will be difficult to bring about any kind of patchwork which may be ticketed as a peace treaty. The Yugo-Slavs, for example, have rejected all the proposals made regarding Fiume and other towns, while Italy threatens that she may find herself compelled to fall back upon the Treaty of London. So that we may find ourselves confronted some fine morning with the news that war is actually going on between Italy on the one side, and the Yugo-Slavs on the other. Even that does not complete the mess into which the Allies have landed themselves. It is over fourteen months since the German Army broke up, refusing to fight any longer, and yet we have not been able to settle peace even with Germany alone, while, as just pointed out, the Yugo-Slavs on the one side, and Italy on the other, are in a mood which might very easily bring on a new war.

If we turn from all this, we find what remains of Austria in danger of almost starvation. We find Hungary in an exceedingly evil plight. And we find the Balkans in a condition which very easily might also result in war. Lastly, we have Russia in a condition which it is exceedingly difficult to describe accurately. There is an agitation for an invasion of Russia by the Allies. Apparently, if such takes place, it will be bitterly opposed by the Bolshevists; and we are completely in the dark as to whether the Bolshevists are not being supported by Germany both with money and with leaders. Turn what way we will we find mismanagement, doubt, and danger at the end of more than fourteen months of nominal peace, and we find feeling between our own country and certain foreign countries very much less satisfactory than it was only a few months ago. Quite recently the Bolshevists have been winning all along the line, while their antagonists have been losing rapidly. What is the cause of this sudden change in the condition of affairs nobody knows, and yet an agitation is being carried on to induce us to send troops into Russia, though we have not an idea as to whether Russia has given offence to anybody except to certain of her own people. We do not know, for example, whether the successes of the Bolshevists are not really due to the fact that Germany has supplied them with leaders and soldiers, and, consequently, has rapidly turned the tables against those who had tried to restore something distantly resembling the old form of Government. If the Germans are not helping, how has the condition of things changed so rapidly? Is it that the peasants have at last made up their minds to adopt Bolshevism? And, if it is, just fancy the folly of those who would involve us in war with a people so numerous and so determined as the Russians. If there is any other interpretation, nobody knows whether it is right or wrong. All we know is that the Bolshevists, by some means or other, have turned the tables upon their opponents and now are winning all along the line, and that the evil counsellors who have got us into our present mess are urging us to make war upon the Russian people without receiving injury of any kind. It is time that the English people should assert themselves. We have no quarrel with Russia. We have no right to claim any privilege authorising us to interfere in the government of Russia. The Russian people have a right to select whatever Government they wish, and we have no more right to interfere with their choice than they have to interfere with our choice. It is to be hoped, therefore, that the people of this country will assert themselves. Especially, we would call upon the trades

unionists to take steps at once to ensure that we shall not be plunged into another war when we are steeped up to the lips already in debt, and when we have no Army of any kind to fight with.

THE GERMAN SETTLEMENT.

Mr. Asquith's Government when, in the mid-summer of 1914, it went to war with Germany, declared in the most solemn manner that its main object was, firstly, to repel an unprovoked attack; and, secondly, to ensure to all European peoples the privilege of selecting for themselves their own form of Government. There was to be no limitation imposed upon these either because of smallness of numbers or of non-participation in the immediate opposition to Germany. The declaration has been repeated again and again, both by its authors and by the present Government, and yet to show how little we care for the principles we thus laid down we have been governing Ireland ever since in the most high-handed manner. We have been imprisoning her lawfully-elected representatives to Parliament, and we have been interfering with almost every right of the people. We have gone so far even as to prevent fairs held time out of mind for the purpose of enabling careful and industrious people to sell what they desire to sell and to buy what they wish to buy. We have done everything that the most inveterate autocrat could do. And we have done nothing under Heaven to fulfil the promises made by Mr. Asquith. Take, for example, the case of Germany itself. There are very large numbers of our readers who, we are glad to say, can remember the war waged by Prussia in 1866 against the smaller States of Germany and against Austria. Originally, Prussia and Austria had combined to make war upon the little State of Denmark for the purpose of driving the Danes out of Schleswig and Holstein. They succeeded. But the two quarrelled within two years, and Prussia made war upon Austria. The smaller States of Germany had then learned beyond possibility of doubt that the real object of Prussia was to drive the Austrians out of the Germanic Confederation, and to bring the whole of the smaller States under the control of Prussia. It will be remembered that the War lasted only about six weeks, that not only were the smaller German States crushed almost instantly, but that Austria also was hopelessly defeated, so much so that the German armies were in a position to march almost without opposition upon Vienna. The Allies, therefore, had to submit. Austria was driven out of the Germanic Confederation, and the smaller States of Germany were either annexed to Prussia, as, for example, Hanover, or else were made subject to Prussia, as, for example, Bavaria and Saxony; while a large number of still pettier States were bodily swallowed up by Prussia. Yet when the German Army refused in November 1918 to fight any longer and the Kaiser himself fled for refuge to Holland, not a single step was taken to inquire whether the smaller States of Germany wished to be freed from Prussia or desired to remain mere appanages of Prussia.

Nobody who has given attention to the subject can seriously doubt that there is a good deal of dissatisfaction amongst the smaller German States. Certainly Bavaria would earnestly welcome a change which would enable her to play a greater part in the world, and to give emphasis to her real desires. Saxony and the other smaller States have not so clearly made known their wishes. But that there is a strong desire to escape from Prussian control nobody who has studied the subject can seriously doubt. More especially, there is a strong desire on the part of the Hanoverians to recover their old independent condition. The promises of Mr. Asquith and of the present Government surely had bound this country to ascertain what are the real permanent feelings of the smaller States of Germany; and yet the question has never been asked, and, so far as we are aware, no encouragement even has been given to any single German to put in a plea for the right of Germans to determine what shall be their Government. We are not putting ourselves forward as advocates of any State, or any Party, in Germany. We think that the promises given by our Government ought to have been kept, and that every State which had anything like a claim to manage its own affairs was entitled to be consulted. It was necessary that a certain contingent of allied troops should be sent into Germany; and, therefore, there existed the means, if there had been the desire, to consult the people of Germany and to take the steps which would give the best promise for maintaining permanent peace. Our present Government and its predecessor are, and have been, loud in their declarations that they earnestly desire to prevent war in the future. It may be that they are sincere in these declarations. But we can only say that they have chosen an extraordinary way of proving their sincerity. They have not encouraged a single claim on the part of any State, or, indeed, of any individual, in Germany; and they have decided, almost without thinking it worth while to consider, that Germany should be restored as nearly as possible to the state in which she was when war was declared. Now, a student who knows something of the history of Germany, who is acquainted with Germans of great ability; and who can look back upon the Government of Germany to the war-time that made the smaller States mere subjects of Prussia would say, we think with very few exceptions, that it was due to the smaller States of Germany, and we mean the smaller States that existed as such before Prussia entered upon her conquering career in 1864. We say this deliberately, and we think there are few persons who care for the right of peoples to determine their own Governments, who will differ from us that it would have been beneficial both to Germany and to Europe to have allowed the German people to choose their own form of Government.

In the first place, the smaller States are, speaking generally, very largely Catholic, while Prussia is very largely Protestant. Therefore, there are religious differences, which play a considerable part in either uniting or disuniting peoples; and, secondly, there was an extremely difficult and an extremely serious question to be settled at the same time, just outside the borders of Germany. The Congress of Vienna, when the great Napoleon was finally disposed of, decided that, instead of the old Holy Roman Empire, a thing to be called the Confederation of Germany should be set up, and that it should consist of two great States, Austria and Prussia, together with all the smaller States, such as have since been engulfed by Prussia. Now, it would have been a help in maintaining peace in Europe if Catholic Austria had been joined with Catholic Germany, and, on the other hand, that Protestant Germany should be left under Prussian rule, or at all events so connected with Prussia as would not materially destroy the power of Prussia to defend herself. That would have been an intelligible course. It would have been a sound political course. And, according to all real probability, it would have been a popular course. But there was a desire on the part of our Government and that of President Wilson to do as little as possible to injure Prussia; and so Prussia has been benefited at the expense of a very large part of the German population. It is quite conceivable, of course, that nearly half a century of experience had convinced the majority of the peoples of the smaller German States that, upon the whole, union with Prussia was the best for them. It gave them security, in a sense. It gave them security, that is to say,

against attack, for Germany maintained such an army and navy that few persons dared to attack her without provocation. But, on the other hand, it left them absolutely at the mercy of Prussia. She might make war when she pleased. She might dispose of their armies, and consequently of their whole manhood, as she wished. And she might play ducks and drakes with their prosperity. As a matter of fact, she did all these things, and yet President Wilson and Mr. Lloyd George have decided that the interests, the desires, and the settled wishes of the German people must not count, but that attention should be given only to the wishes of Prussia. Now, we think that nobody who carefully studies the works of those Germans who can be regarded as really representing powerful interests in their own country can doubt that the present intention of the militarists, at any rate, is to build up once more the army and the navy and, profiting by the experience of the past five or six years, to act differently when they attack next time.

England, France and Italy having made peace with Germany—cannot now, therefore, with common decency refuse to carry out the terms of the peace. But what will happen if, for example, Russia finds a really capable soldier, and emerges, not stronger—her losses have been too great for that—but more efficient in everything that counts in a great military campaign? What will happen, we ask, if Russia finds a great soldier, and he cultivates Germany and joins her to undo everything that is now being done? What will be the advantage of a League of Nations then, supposing so absurd a thing as a League of Nations lives so long? And, furthermore, what will happen if by that time the friendship between the United States on the one side and England and France on the other cools? It does not appear to have even once occurred to any of our public men that the interests of Russia are real interests, which Russian men of discernment and of strong will may endeavour to carry out to the very letter some fine day. While, as far as can be judged from our own public men and from Mr. Wilson, it has never occurred to them that the Prussian people are a very strong-willed people who believe in force, and who fight gallantly even when they are badly led. The German Army had to give in, partly, because the policy of Germany was a mad policy, and partly because Germany was not lucky enough to find for a second time either a Bismarck or a Moltke. But what will happen supposing that she does in the future find both a Bismarck and a Moltke, and that we and France have nothing to compare with either? Such is the Government under which we are living. They are so eager to add country upon country to the British Dominions that they never stop to think what will happen if those countries turn against us, or still more, if the fortune of war should turn against us. They know that the command of vast areas with numerous populations gives a great foreign trade which silences the trading classes. A great foreign trade enabling immense numbers to be employed in manufactures and giving employment to immense trading fleets puts an end to all remonstrance against both war and conquest. But does it never occur to those foolish people whom we are so idiotic as to entrust with our Government that success is a thing which cannot be assured? It follows some countries with wonderful perseverance as, for example, that of Rome; and then it deserts that country absolutely, so that she disappears utterly. The world is passing through a great change. The old organisation which was introduced by Rome has lasted longer than thoughtful men would think possible if there was not experience to convince them. But the experiment is ending everywhere. Even in the backward communities there is an intensely strong desire for peoples to manage their own affairs. And when peoples do come to manage their own affairs the command of immense Empires will pass away, and disaster will follow prosperity.

IRISH LOCAL ELECTIONS.

The returns of voting for the Irish local governments have not been so carefully and so completely made up as to enable us, as we write, to give a clear indication of the real weight of parties in the sister island. But it is quite plain from them that the Nationalist vote is practically irresistible in the three Nationalist Provinces, while in Ulster the Ulstermen have not been able, indeed, to keep out all Nationalists for, in fact, about one-fourth of the whole are Nationalist; but the voting shows clearly that the Orange party retains the command of the Province. With respect to the three Nationalist Provinces, we would ask our readers to remember that there is not the distinction between certain classes, which would appear from the fact that they are returned under different names. For instance, there is no possibility of disputing that the Sinn Feiners have an immense majority in the three Catholic Provinces, while the Labour party is in a complete minority. Yet there is really an extraordinary increase in the strength of the Labour men which is concealed by the way in which the names are given. What we have to bear in mind is that, for a generation or so, Ireland has been undergoing a complete modification in its opinions, its estimate of national advantages, and its notions as to the best form in which it can frame its operations. Especially, the great famine, firstly, carried away so frightful a number of men, women, and children that it reduced enormously the labouring population; and, secondly, that the landlords in their anxiety to get rid of their tenants and to do what they liked with their lands, evicted their tenants so enormously and so savagely that the population of Ireland now is very little more than half what it was in 1846-7-8. One result of this has been that the scarcity of labour brought about a steady, though at first slow, increase in wages. Recently, the rise in wages has been surprisingly great. Secondly, very many persons who fled from Ireland during, and for some years after, the great famine came back again when they had prospered in the United States. They have settled once more in the old country. They have brought with them more enlightened views than they took away, and there is such a marked improvement both political and economic as in large measure has altered the very appearance of the country. The people no longer live in hovels which were not fit for pigs; the land is to a large extent held by farmers who have bought their lands from their landlords; and there is an increase in self-respect and in diligence which is most promising for the future.

Unfortunately, however, the governing party in Ireland has not shared in the general improvement of the people. It is as ignorant of what good government ought to be as ever it was. It is as bitter in its antagonism to the real inhabitants as it was when it availed itself of the famine to drive millions from their native lands. And therefore it has given rise to a form of political agitation which the law has mischievously interpreted as treasonable. Now, if the English people would deal with Ireland as they deal with England, Scotland and Wales there would be none of the agitation and the revolutionary feeling which has been deliberately cultivated. In reality, the working classes in Ireland have advanced since 1848 even more rapidly than the working classes in England; and that is saying a great deal. Wages are exceedingly high in Ireland, and a large number of wage-earners took the reasonable view that in standing for seats in the local elections they ought to stand as Labour men, and not as mere politicians. It does not matter either to the present writer or to those whom he is addressing whether these men acted wisely or unwisely. Our object is to make clearly intelligible to our readers what is the lesson which those elections convey; and therefore we lay stress upon the fact that there is a large proportion of the working men in Ireland who

are as strongly Nationalist, perhaps, as any, but who believe that when dealing with Labour they ought to call themselves Labourers, and when dealing with politics they ought to call themselves by political names. If our readers will bear this fact in mind they will very much better understand the real information which the elections convey. A great many candidates wished to be returned as Labour men. They thought, for one thing, that they would be better able to deal wisely and judiciously with English Labour men if they were really called Labour men than they could hope to do if called by some objectionable political name. Therefore the reader should not be misled. There is very much less difference between the Labourers and the Sinn Feiners than naturally would be supposed. We will not go so far, of course, as to allege that those who insisted upon standing as Sinn Feiners are not more intensely political than those who thought it would be wiser to stand as Labourers, retaining the right, however, to deal with Sinn Fein as would seem advisable when the time came.

It is always, of course, possible that many Labourers who insisted upon standing as Labourers are not quite sure of the wisdom of everything which Sinn Feiners are doing; and hoped, therefore, if they could get themselves elected in large numbers, that they would be able to modify judiciously what seemed to them dangers, taking everything into account. But it is quite evident that even the Labour men who wished to be able to treat as Labour men could not persuade the majority of their fellow labourers, for the vast majority have succeeded as Sinn Feiners. There is no possibility of doubt, then, that the Sinn Feiners in the three Nationalist Provinces are in a very large majority, while there is also the satisfactory information that even in Ulster all Orangemen attempts to keep out the Labourers have not succeeded, and that there is over one-sixth of the whole returned as Labourers. The main fact, then, is that in three out of the Irish Provinces, the Sinn Feiners, the most extreme form of opposition to the present system of Government, are largely in a majority, and that, even in Protestant Ulster, over one-seventh have been able to get themselves elected as Sinn Feiners. We have dwelt upon this portion of our remarks at the present length because we wish our readers to understand as clearly as possible what the real attitude of the Irish people is.

Turning from that question to another question, which from a different point of view is not less important, we find that the first great experiment made with Proportional voting has proved a very marked success. It was feared that in Ireland politics would swallow up everything else; and that practically, therefore, we should learn nothing of anybody but the Sinn Feiners and the Orangemen. Luckily, we find that there has been absolute fairness displayed towards all Parties. The Sinn Feiners outweigh all the others immensely. But even in the most wild parts of Southern and Western Ireland there are a considerable number of Labourers, while there are men of moderate views who are neither strongly Irish nor strongly English, and there are also men of extreme views who are not Orange, indeed, in the southern and western counties, but are still markedly opposed to Home Rule. If we may judge, therefore, from the first great experiment in Ireland, this form of voting has been a great success. Men who stood almost alone, surrounded by an innumerable majority opposed to them, have, nevertheless, got returned, very often only one at a time; still, they have found voters with pluck enough to vote for them, and those who made up the returns have been fair-minded enough to give every man his due according to the votes. Practically, from this point of view, the Irish elections are as satisfactory as reasonably can be asked for. Men have held their opinions and voted as they thought right. Their votes and those of their supporters have all been recorded, and we have the results fairly and plainly given. We venture to think, therefore, that this Irish election has proved so favourable to Proportional Representation that it will be universally adopted very soon. But, to return to the main facts, they are that three-fourths of Ireland is dead against the whole system of Government now maintained by mere force, and that one-fourth, descended from invaders who hold their lands by conquest and are resolved to keep them, are standing in the way of the other three-fourths. Common sense would tell us that such a thing cannot last. It is contrary to the whole feeling of the world at present. And it proclaims the name of England as a persecutor wherever that name is mentioned. Whether the men who will not make friends with their fellow countrymen ought to be bought out, as we venture to think would be the wisest course, or whether we are to trust to the rapid civilisation even of the Orangemen, and that their sons by-and-by will grow ashamed of the violent party hatred of their parents, and will come to an arrangement with the Catholic party, remains to be seen. But a settlement must be made soon, and therefore, we hope with all the strength of our conviction that the trades unionists will throw themselves with the most earnest vigour into the task of adding to their own strength; will, therefore, get rid of the present Government once for all; and will establish, not in England only, but in the whole United Kingdom, a Government based upon the men who form the real population, and supply us with everything we need.

The following is a complete analysis of the results:—

	Ulster	Leinster	Munster	Connaught	Ireland
Sinn Fein ...	93	206	207	44	550
Labour ...	109	151	110	24	394
Unionist ...	289	57	7	2	355
Nationalists ...	94	69	60	15	238
Reform ...	5	62	37	4	108
Independents ...	33	45	66	17	161

THE PORT OF CARDIFF.

CARDIFF may justly be styled the unofficial capital of Wales, since it surpasses all other Welsh cities in wealth and population. The position of economic importance which it has attained is due mainly to its proximity to the coal deposits of South Wales. The mineral wealth of that area was first exploited on a large scale in the beginning of last century. The second Marquis of Bute, viewing this development in the 'thirties, came to the conclusion that the future of the then small town of Cardiff lay upon the water, and, after obtaining the necessary Parliamentary powers, he constructed the first docks, known as the Bute Dock, which was opened in 1839. The lead that he gave proved invaluable. Trade expanded and further dock accommodation became necessary. To meet the increased needs of the port the East Bute Dock and the Roath Basin and Dock were added. At the same time extra berthage was provided not far from Cardiff, at Penarth and the Island of Barry, where two railway companies opened the Penarth and Barry Docks in 1865 and 1889 respectively. These docks were subsequently included in the Customs port of Cardiff.

The fame of Welsh coal steadily grew abroad as enterprising exporters were ever pushing their wares in new markets. Coal exports rose substantially, and, with the rapid displacement of sail by steam, the demand for the products of Welsh mines at various bunkering ports and coaling stations was multiplied. In 1907 the late King Edward opened the Alexandra Dock, which is so far the most ambitious undertaking in the history of the port's development. The new dock has a water area of fifty-two acres and a depth on the outer sill varying from 32 feet at neaps to 42 feet at ordinary springtides. The entrance lock, 850 feet by 90 feet, is capable of accommodating all but the largest vessels afloat. Inter-communication is furnished by means of a channel between the Roath and Alexandra Docks, and these, taken together, form

a single-walled dock, which is eighty-five acres in extent, and the largest of its kind in the world.

The future of the port centres mainly round the Alexandra dock, which is the most spacious of the Cardiff docks, and also the most easily accessible from the sea. Its north side is devoted exclusively to the import trade, and on the south are erected the cranes and movable hoists needed for coal-exporting. Lewis-Hunter patent cranes are used so as to reduce breakage to a minimum and to secure an even distribution of cargo. These appliances are more satisfactory in every way than the ordinary coaling staiths, especially as simultaneous loading through several hatchways can easily be arranged.

Since the opening of the new dock in 1907 the progress of the port has continued without interruption, and in 1913 19,328,833 tons of coal, exclusive of bunkers, were exported, as compared with 13,241,880 tons in the same year from the Tyne ports and 4,697,702 tons from Hull. The Cardiff figure was 26.3% of our total exports, which amounted to 73,400,118 tons. The position of the Welsh city as the leading coal exporter was maintained during the War, not only as regards the United Kingdom but for the whole world. A coal trade of such dimensions obviously demands the services of a vast amount of shipping, and this is the more easily obtained as import cargoes of foodstuffs, pit-props, iron-ore, and other requisites for the coal field provide return freights. Conversely, the certainty of an outward cargo of coal tends to attract incoming ships to the port, and with this large volume of seaborne trade Cardiff has naturally become both a ship-owning and ship-repairing centre. Many of the ships owned in the city are, however, registered elsewhere, but in repair work Cardiff's interests are concentrated locally. No less than 12 growing docks have been built, of which the largest has an overall length of 870 feet. In the circumstances it is not surprising that the port is usually foremost in the United Kingdom in respect of the tonnage of British and foreign vessels clearing annually with cargo or in ballast to foreign countries and British Possessions. The following table shows the figures for our leading ports over a period of five years:—

Net Tonnage of Vessels Cleared with Cargo or in Ballast.

Name of Port	1912 Tons	1913 Tons	1914 Tons	1915 Tons	1916 Tons
Cardiff	9,168,115	10,182,238	8,639 214	7,164,923	6,163,304
London	8,748,008	9,022,020	7,900,825	6,369,280	5,334,544
Newcastle, N. & S.Shields	7,632,672	8,280.432	7,047,466	5,488,338	5,257,145
Liverpool	7,446.873	7,5 8,210	7,391,416	6,285,697	6,668,381

In 1916 Liverpool headed the list of British ports as regards the tonnage cleared, but the liner companies plainly give the Mersey, and also the Thames, an immense advantage, as compared with Cardiff, where large passenger steamers are rare visitors. The Bristol Channel, like the Tyne, is pre-eminently the resort of medium-sized tramp vessels on the look-out for coal cargoes. In this respect, indeed, Cardiff's development may be said to be a little one-sided, as the prosperity of the city is almost altogether dependent on the coal and patent fuel trade. In 1913, out of total exports valued at £17,212,449, coal, coke, and manufactured fuel accounted for £16,030,983, or 93.1%. The only other exports of importance were iron and steel and manufactures thereof, £685,991; ships and boats, £84,745; and machinery, £41,531.

The import trade, though considerable, has not developed commensurately with the export business. In 1913 the total value of the former was only £6,704,664, or less than 40% of the total exports. The imports are, however, sufficient to maintain several flourishing industries in and around the city. The largest single item on the inwards list is grain; and, as a result of its extensive traffic in foreign wheat, Cardiff has been able to build up a flour-milling industry of no mean proportions. The Cardiff millers, who also deal on the home-grown cereal, have more than held their own since the commencement of the century, despite the severe competition of imported foreign flour. Economical methods of handling and storing grain have even brought about milling expansion; and with the reopening of the Black Sea trade one of the chief burdens laid on the industry during the War will probably be soon lightened. Russian grain will be again exchanged for Welsh coal, and supplies of milling wheat will become more plentiful in Cardiff.

Iron-ore to the extent of three-quarter of a million tons is imported annually and is used to feed the large blast-furnaces in Cardiff and the neighbourhood. Spain is the principal source of supply, and Cardiff interests possess their own mines in that country. From another imported commodity, timber, has arisen a saw-milling and timber-working industry. Furniture hardwoods and veneers are not brought into South Wales, as local requirements are chiefly confined to hewn wood for use in coal mines. In respect of its trade in wood and timber the port of Cardiff advanced from second in the United Kingdom in 1913 to first in 1917. To maintain this high place a development in planning, moulding, joinery manufacture, and other branches of the woodworking industry, would be both desirable and possible, especially as Cardiff's communications, inland and coastwise, make it an excellent distributing centre for all classes of wooden goods.

SHIPPING AND FREIGHTS.

Owing to the interchangeability of ships between a large number of different routes, the Freight market is under normal conditions governed to a material extent by the relation of demand to the tonnage available. After an interval of 14 months since the cessation of hostilities, British shipping has, however, by no means regained its normal poise, and freights are still governed by other considerations. Directed voyages are very numerous, especially from grain ports, and Blue-Book rates are being paid on cargoes from sugar ports and elsewhere. Though the desire of the Government to supply cheap foodstuffs and raw material to the United Kingdom can easily be understood, the position of the shipowners concerned is unenviable, as the increased price of bunkers and the rise in operating expenses tend to make controlled voyages somewhat unprofitable. By taking only the highest freights our shipping competitors have been, and are still, able to pile up large reserves from profits, and so prepare for the competition in ocean transport that must one day be faced, while the full earning capacity of our mercantile marine is restricted. In the circumstances the quantity of tonnage coming forward for fixture in the United Kingdom is not very great, and for this, amongst other reasons, freights are moving upwards. The market is, no doubt, much more plentifully supplied than was the case at the beginning of last year, when the American and British armies had not yet been repatriated, and large stocks of military material abroad were awaiting shipment. It may seem surprising that freights did not fall as the amount of free tonnage increased, but the increase, substantial as it was, was counterbalanced by delays in loading, discharging, and securing bunkers. What was for a ship formerly a matter of days has now become a matter of weeks. The reduced working hours at the docks, the congested condition of the railways, and the difficulties of bunker supply hold out no hope of immediate improvement in the speed of handling vessels, but, as the shortage of wagons and locomotives is made good, some improvement may be looked for. Avoidable delays in port, by reducing the [illegible] existing tonnage, maintain freights at [illegible] high level.

On the supply side general [illegible] a tendency to increase, as the smaller amount of tonnage has been in evidence and as many fast ships are daily coming into service. At the end of 1919 the gross mercantile tonnage of the world was approxi-

mately 10% greater than in 1914, and, as builders in many countries have their yards fully booked up for some years ahead, the addition to the world's fleet will steadily increase. Many of the present ships, from the point of view of hull and engine construction, are inferior to those lost in the War, and, being of wood or other less durable substances, will not last as long as the steel ships which they replaced. Though allowing this contention, and admitting the decreased efficiency of ships for the reasons above mentioned, many shipowners persist in the opinion that the freight market has seen the best part of the rise, and that owners must be prepared for a fall during the current year. While this belief has much to commend it, several considerations may be urged to the opposite effect. In the first place, reconstruction on the Continent is far from completed, and what remains to be done will require the services of a large amount of tonnage. Secondly, the important Baltic and Black Sea markets are about to be opened, and the requirements of European and Asiatic Russia from oversea countries will eventually prove to be enormous. Again, operating expenses are still increasing, and will rise further if the movement in favour of an eight-hour day on shipboard is successful. No doubt, as tedious delays in harbour are reduced, tonnage will become more plentiful, especially when new construction makes itself fully felt, but in the meantime the volume of sea-borne trade will be rising, as production is resumed in various countries, and the demand for shipping room will increase concurrently.

Owing to the expansion in the world's shipbuilding capacity, the present rate of construction surpasses all previous records. Fortunately for us, after the building programme of the United States Government was in part cancelled or suspended and in part completed, few fresh orders were placed with American yards, and at the end of 1919 the tonnage under construction in the United Kingdom exceeded that in the United States. This was a complete reversal of the position in March last, when British and American vessels under construction totalled 2,254,000 and 3,808,000 gross tons respectively. The repair and reconditioning of steamers are indeed monopolising a large share of attention in American yards, and tend to lower the building figures. So far as a comparison is possible, the building capacity on the other side of the Atlantic is greater than here, but the work cannot in most cases be done so economically. Owners are afraid to order tonnage at fancy prices, lest the freight market go against them, and thus the tide of American shipbuilding activity is for the moment stemmed. A recovery is, however, possible, especially as shipbuilding costs in the United Kingdom are still soaring. The question of costs has, of course, an intimate bearing on freights, and from this point of view the additions to the world's merchant fleet, launched recently or under construction, will scarcely be in a position to knock the bottom out of the freight market. Where the outlay has been high earnings must be on a corresponding scale if a profit is to be made. The extent of the increased capital burden which a newly-built vessel has to carry may be gathered from the fact that the price of an 8,000-ton cargo steamer ready for service was over £30 per ton at the end of December last, as compared with £5 10*s*. in June 1914. Costs have been on the up-grade ever since the War period, despite the practical stoppage of naval construction. From £24 per ton in June 1918 they rose to £26 in June 1919, and the rise still continues. Such conditions do not favour a reduction in freights, and in not a few instances vessels have latterly been taken on time charters for a long period ahead at rates equal to those current in the past few months. Such actions testify that, in the view of a large body of expert opinion, we are as yet scarcely on the crest of the freight boom. Ships earning about 4*s*. per ton per month on time charter in 1914 can now make about 26*s*., and the increase, when considered in relation to the rise in bunkers, in operating expenses, and in first cost, does not seem altogether abnormal. Of course, ships built below the prices for construction now ruling are making extra profits, but this is a phenomenon by no means confined at the present day to the shipping industry. With costs everywhere rising, it seems premature to reckon on a fall of freights. The balance of probability appears to lie rather in the other direction, and the prospects are that the earnings of shipping companies during 1920 will eclipse last year's records.

BRAZIL.

TRADE CONDITIONS.

We have received a short *brochure* on trade in Brazil, issued by the young British Chamber of Commerce located at Rio de Janeiro, of which Mr. Arthur Abbott is Secretary. Mr. Abbott is largely responsible for the production, and it gives a mass of interesting information which should be studied by those interested in trade with Brazil, and particularly by those desirous of opening up trade relations with the great Southern Republic. The pamphlet opens with a brief description of Brazil, pointing out its enormous size, modest population, and great potentialities, with special reference to the opportunities afforded at the present time, and particularly in the near future, when freight facilities shall be increased to a very much greater extent than is the case at present. It has to be remembered, as we have said so often, that Brazil is one of the countries that have profited very largely by the European War. It is essentially a country producing food and raw materials, and certain minerals, like manganese, which were absolutely requisite for the conduct of the recent War; and consequently the European demand, particularly by this country as well as that of the United States, for the products of Brazil was upon a colossal scale, and while many countries lost a large part of their trade through their inability to obtain freight accommodation, Brazil was at all times accorded a considerable share of the available freight, because it was essential that the Allies should obtain supplies from her. Of course she was herself one of the Allies; and that means in a country dependent very largely upon the production of raw materials, and having a very small population for its extensive area, a very serious strain on the taxable resources of the country. Nevertheless, the fact that her trade has expanded rather than contracted shows that she will ere long be in a position to write off to a large extent her liabilities incurred during the War, and will have ample resources for the further expansion of her economic development. Naturally a country situated as Brazil is at present, so far as her economic development is concerned, is not a manufacturing country to any appreciable extent. But she has developed a cotton-manufacturing industry to an extent that she has not been able to develop manufacturing, perhaps, in any other direction. Nearly all the States, particularly the Northern States, produce cotton; and owing to the difficulty of obtaining cotton from overseas, she increased her manufacture of cotton to a very large extent during the War period. There is a report, which Mr. Abbott includes in his pamphlet, from one of his correspondents. The correspondent says that there is still a very great demand for cotton-manufacturing machinery, and inasmuch as we in this country are the greatest producers in the world of cotton-manufacturing machinery, he points out the opportunity afforded for the extension of our trade with Brazil in that direction. Those interested in textile machinery and its export will be well advised to pay attention to this matter.

So far as the cotton trade, taken as a whole, is concerned, this will practically resolve itself into Brazil supplying her own requirements for the cheaper kinds of textiles. There is of course a high import

duty on all textile manufactures going into Brazil, but at present conditions do not admit of the higher counts of cotton-goods being manufactured to any appreciable extent in Brazil itself. Consequently it is not likely to affect our exports of the kind of cotton-goods which we have been accustomed to export to the Republic, and indeed of the kind of trade which we are accustomed to do with the various parts of the world. A very large proportion of our customers either rely upon themselves for the supply of the cheaper counts of cotton goods or they obtain them from sources other than those of this country. The policy of the Brazilian Government, says the pamphlet, is to encourage the development of local industries, particularly the increased growth of cereals and the development of the coal and other mineral resources of the Republic. This is surely an advantage, and should increase the demand for British goods rather than tend to diminish our trade with Brazil. It is perfectly true that if the Brazilians develop their coal-mines as they have been endeavouring to do in the recent past, there will be a smaller demand for British coal; but inasmuch as one of the greatest needs of Brazil, as, indeed, of all new countries, is to improve its transportation facilities, the development of their own coal and iron mines will assist in the construction, the extension, and the improvement of their existing railways, and should tend to reduce the rate of freight. This should, in turn, lead to an increase in the internal trade, should lead to the growth of population, and, moreover, should attract immigrants. Few things could be more unsatisfactory for the development of international trade, either between this country and Brazil, or anywhere else, than her former practice of relying almost wholly upon the export of coffee from Sao Paulo, and of rubber from the Amazon region. It is, moreover, all to the good that she should develop her cereal-growing capacity, and that she should not merely supply herself with food, but should export food products upon a large scale. It is quite unsound economically, and, indeed, almost ridiculous, that a country bigger than Continental United States, and with a population of only 25 millions, enjoying, perhaps, taken altogether, one of the richest soils in the world, and a climate equalled by few countries and surpassed by none, should be compelled to import a part of her cereal consumption during each season. No one who has even a slight knowledge of Brazil can doubt that she is capable of growing enormous quantities of cereals, and various kinds of food, both for her own consumption and for export; and inasmuch as she succeeds in not merely feeding herself, but supplying large quantities of food for consumption overseas, the wealth gained by her people will enable them more and more to be good customers of Europe as well as of other American countries. As the reader is aware, Brazil did not export chilled and frozen meat before the outbreak of the recent War. But although she is now capable of exporting between 60,000 and 70,000 tons a year, her demand for goods, both from this country and elsewhere, has increased rather than diminished as a result of her increased production. Moreover, experience shows that all the important South American Republics which have developed their natural resources to any great extent have become increasingly good customers for European goods. Consequently, it is desirable from every point of view that Brazil should develop her natural resources to the utmost extent possible, and be in a position to supply as large a quantity of food and raw materials for the consumption, particularly of the congested countries of Europe, as is possible at the present time.

As a result of the development which is taking place in various directions in the development of the country, there is a great demand for machinery of various kinds. The pamphlet recommends that manufacturers should standardise, as is the custom in the United States. It is pointed out that it is practically impossible for a representative of a manufacturing house to keep an adequate supply of spare parts in Rio de Janeiro. But if the various parts were standardised and numbered it would be easy, should any part wear out or get fractured or otherwise damaged, to cable home that such and such a number of such and such machinery was required in a given quantity. The pamphlet calls particular attention to an aspect of the question which we have pointed out again and again in various articles in these columns. It is that Brazil has prospered to an extraordinary extent owing to the growth in the demand for its products during the past few years. As a result, says the pamphlet, the financial position of most importers is very superior to what it has been in the recent past. The consuming capacity of the country has increased very materially. And owing to the friendly relations established during the War between Brazil and this country there is an exceptional opportunity for developing trade between Brazil and Great Britain, provided always that the British manufacturer will take care to ascertain what are the requirements of the Brazilian trader and of the Brazilian consumer. Every country has its own ideas of what it wants, and in what particular form its requirements should be met. In many cases the details may seem small. But it does not follow that because an article is suitable for consumption in England, or even in various parts of the British Empire, that it will meet the requirements of the Brazilian consumer, and it is essential, therefore, that his tastes should be considered before attempting to place goods upon the Brazilian market. Owing to the fact that the whole world has been more or less diverted from peaceful occupations to producing various articles which, for convenience, we may call munitions of war, or articles pertaining thereto, there is an exceptional demand in Brazil, as elsewhere, for manufactured goods of almost every kind, just as there is in Europe and other great centres of population an exceptional demand for food and raw materials. Consequently, for some time to come, at any rate, producers of food and raw materials on the one hand, and producers of manufactured goods on the other, have very little to fear from competition, because for some time to come as large a quantity of either category as the various countries are able to produce is likely to meet with consumers for whatever commodities they have to offer.

GREATER LONDON.—II.

Greater London is by no means a homogeneous area; generally speaking it may be said to lie within a rather crude circle, with its northern extremity at Cheshunt, its southern boundary at Banstead, and extending from Dagenham, in the east, to Uxbridge, in the west. For administrative purposes it may be regarded as "the combined area of the Metropolitan and City police districts, and comprises all parishes any part of which is within a radius of 12 miles, or the whole of which is within a radius of 15 miles, from Charing Cross, together with all parishes in the Central Criminal Court District, and nine parishes wholly outside the 12-mile radius, and partly outside the 15-mile radius." It is important not merely as an administrative unit, but also as a recognised unit for statistical purposes, many data regarding the social problems of London and the returns issued by the Registrar-General and in connection with the Census being based upon it. Geographically it consists of the City of London, the County of London, and these two united form the administrative county—the administrative County of Middlesex, and certain small portions of the contiguous counties of Essex, Herts, Kent and Surrey. The portion of this area lying outside the administrative County of London is usually designated "Extra-London."

The constituent parts of Greater London, with its area of 443,121 acres, or 692.9 square miles, differ

widely in their extent. In so vast a district the City of London (excluding the Inner and Middle Temples) seems almost insignificant with its area of 658 acres, or 1.03 square miles. The administrative county covers only one-sixth, extending for 74,816 acres, or 116.9 square miles. The bulk of the area—to be precise 368,608 acres, or 576 square miles—consists of Extra-London, the great ring of territory outside the boundaries of the administrative county. To this Middlesex, the whole of which is included in Greater London, contributes 148,701 acres, nearly twice as much as the administrative County of London itself. Next ranks Surrey, with 80,099 acres, out of a total for that county of 461,829 acres, lying within this area. The administrative County of Essex, which is estimated to contain 979,532 acres, supplies to Greater London 60,436 acres. Of Kent, which covers 975,966 acres, some 43,281 acres are included, while Herts adds 36,091 acres out of its total of 404,523 acres.

No less significant is the contrast afforded by a comparison of the population of these areas. The population of Greater London in 1821, which is apparently the earliest date for which statistics for this area were available, was 1,596,351. Each succeeding census revealed a progressive increase, and by 1861 the population had doubled itself, the actual number being recorded as 3,222,720. By a curious coincidence, the doubling process was repeated again in 40 years, the Census of 1901 revealing a total of 6,581,402 persons. The rate of increase was most pronounced in the decade 1871-1881, when the population rose from 3,885,641 to 4,766,661, an increase of 22.7%. At the other extreme lay the last decade, 1901-1911, the increase, from 6,581,402 to 7,251,358, amounting only to 10.2%. Surveying the populations of the constituent parts, some instructive results are obtained. On the occasion of the first Census in 1801 the City of London (excluding the Inner and Middle Temples) contained 127,262 persons. Between this and 1851 there were irregular fluctuations, the Census of 1811 revealing the lowest population of 119,460, whilst the high-water mark was reached in 1851 with 127,533 persons. Thenceforward a gradual but steady decline took place, and the inverse phenomenon to that noticeable over the whole area occurred. Between 1851 and 1881 the population was more than halved, falling from 127,533 to 50,318; the process was almost repeated again between 1881 and 1901, the population at the latter date being only 26,689. The return of the last Census recorded a further decline to 19,395, or, including the Temples, 19,657. Far from indicating a pronounced movement of retrogression in the condition of the City of London, this decline, rightly interpreted, actually furnishes a good measurement of the exodus of the residential population to the surrounding suburbs according as the development of transport facilities opened up efficient communication between them and the City. The fact that this decrease in the population became a regular feature after 1851 is almost in itself sufficient to establish a chain of causation between the development of transport and the decline. For until the 'forties the railway movement in Great Britain partook of the nature of an experiment, and, though progress was rapid in the succeeding decade, it was not really until after 1850 that the full significance of this revolution in transport began to make itself felt. As late as 1844 under 2,000 miles of line were open throughout the whole of the United Kingdom, while in 1858 the total mileage was 9,542, of which 7,001 miles were in England and Wales alone. From this date progress was rapid, and by 1911 the mileage of the railways of the United Kingdom was 23,417, and of this England and Wales contained 16,200 miles. Within Greater London itself, as already mentioned, there were over 669 miles of lines in 1914. It is important, however, to emphasise one point: 19,657 represents what may be termed the residential or night population of the City. Much greater numbers flock there during the day for purposes of business. A day census carried out by the City Corporation showed the City to contain as many as 364,061 people.

The position as regards the administrative county is rather curious. In 1801 it had a population of 959,310. By 1821 there had been an increase of over 50% to 1,379,543. Each succeeding Census revealed a further growth, until by 1861 the return of 2,808,494 indicated that the population had been more than doubled since 1821. The Census of 1891, with 4,227,954 persons, represented an advance of 50% over that of 1861. Thenceforward, whilst the population continued to increase, the rate of increase receded rapidly. In 1891 the percentage rise over 1881 was 10.4. The population in 1901 had only gone up by 7.3% to 4,536,267, whilst the last Census, with its return of 4,521,685 persons, was actually 0.3% below the return of 1901.

With a City population that declined steadily after 1851, and a county population whose rate of increase fell after 1881, it is obvious that the steady increase in the population of Greater London could only have been derived from a continuous growth in the population of that outer ring which has been designated "Extra London." Progress at first was rather slow: between 1821 and 1861 the population of this area only advanced from 216,808 to 414,226. The Census of 1871 recorded an increase of 50%, and this high rate again characterised the returns of 1881 and 1891. The population doubled itself consistently between 1851 and 1871, 1871 and 1891, 1891 and 1911. The last Census showed Extra London to contain 2,729,673 persons, as compared with 2,045,135 in 1901. Confining attention to the Census of 1911, and considering those counties part of which only is included in this outer ring, another striking contrast emerges. The administrative county of Essex had in 1911 a population of 1,350,881, and of this, 849,610, or 63% approximately, was included in Greater London. Yet only 60,436 acres of a total area of 979,532 acres fell within these boundaries. Greater London embraced less than $\frac{1}{15}$ of the area but nearly $\frac{2}{3}$ of the population of Essex. Similarly, it contained nearly $\frac{5}{8}$ of the population of Surrey, but a little more than $\frac{1}{8}$ of its area. Kent and Herts contributed each $\frac{1}{6}$ of their population, but the latter only $\frac{1}{11}$ and the former $\frac{1}{22}$ of its area. This comparison brings out the agricultural nature of the portion of these counties lying outside Greater London, and serves to accentuate the growing industrial and commercial character of such portions as are comprised within this area.

The density of the population varied considerably throughout Greater London in 1911. The average for the whole area was 16.4 persons per acre. In the City it was 29, whilst for Extra London it was as low as 7.4. The greatest density was recorded in the administrative county, which had an average of 60 persons to the acre. The two extremes were constituted by Woolwich, with a density of 15, and Southwark, with a density of 170. This was the maximum density for the whole area. Herts contained the area with the relatively smallest population, in the parish of Northaw, where there was only one person to every five acres. For Extra London, population was most dense at West Ham, with 61.7 persons to the acre. Equally interesting are the other vital statistics of the area. In 1914 the birth-rate in Greater London was 23.7 per 1,000, and the death-rate 13, thereby giving as the rate of natural increase 10.7 per 1,000. The administrative county had a birth-rate of 24.3 and a death-rate of 14.4, allowing a natural increase of 9.9 per 1,000. For the City, the corresponding figures were 10.2 for births and 13.4 for deaths, indicating a decline in population of 3.2 per 1,000. In 1913 it was estimated that the City had the lowest birth-rate of 9.2, whilst Poplar had the highest with 32 per 1,000. Mortality was heaviest at Shoreditch, with a death-rate of 19 in 1912, and

lowest at Epsom with a rate of 5.7 per 1,000. For the same year the natural-increase-rate varied from 2.1 per 1,000 in Westminster to 19.6 in Barking Town, whilst in the City of London itself the excess of the death-rate over the birth-rate was 4.2 per 1,000.

A general indication of the extent of the trade and industries of Greater London can be obtained from statistics recording the assessable value, the taxation and bankers' clearing-house returns for the area. The bulk of the local expenditure incurred in Greater London is met by local rates levied on immovable property. These rates are collected on a measure of the annual value of the property, and the land thus taxed may be utilised for purposes of manufacture or of agriculture, or may contain retail stores or merely residences. Whilst it is not possible to distinguish between land devoted to one of these categories and the other—with the exception of agricultural land—yet the total assessable value of such property furnishes a crude measurement of the industrial and commercial activities of the area. The assessable value of Greater London has increased slowly but steadily since 1905. At that date it was estimated at £54,592,614; whilst by 1914 it had risen to £62,130,577. To this the administrative county contributed an amount which was £41,076,536 in 1905 and thence increased gradually to £45,015,239 in 1914. Included in this estimation is the assessable value of the City which, with the Temples, rose from £5,019,371 in 1905 to £5,759,323 in 1914. It is possible to trace the growth in value of the property of the county for the last half a century. The rateable value of London—the difference between this and the assessable value is technical and negligible—in 1871 was £19,963,285. Not until 1901 was this doubled, when the amount was returned at £39,643,618. By 1911 this had further increased to £44,554,655, and by 1914 to £45,119,500. But contrasting the assessable values for 1905 and 1914, it is seen that out of a total increase of over £7,500,000 for Greater London, property in the administrative county accounted for nearly £4,000,000, thus leaving £3,500,000 to represent the additional assessable value of property in Extra London over this period, which actually increased from £13,516,078 to £17,115,338. Looked at from another point of view, the assessable value of property in Greater London was 13.8% higher in 1914 than in 1905, that of the county was 9.6% higher, that of the City was 14.7% higher, whilst the increase for Extra London was no less than 26.7%.

The returns of the bankers' clearing-house again furnish a fairly reliable index of the trade and industry of Greater London. For the week ended January 14, 1920, the aggregate of London clearing was £758,301,000, and this amount was £299,619,000 in excess of the aggregate for the corresponding week of 1919. To this total, Greater London contributed £678,253,000, the balance representing country clearings. The total for the corresponding week of 1919 was only just over £400,000,000. These gigantic figures afford a far more accurate measure of the services of finance within this area than the meagre total which the Census of 1911 gave of the persons thus occupied. Yet the true end of finance is to direct production into the most profitable channels, and to facilitate an efficient distribution of all those varied commodities from sugar to steel that are required to satisfy human wants. Consequently, these hundreds of millions sterling, which represent the weekly contribution of Greater London to the clearing-house returns, are valuable if silent evidence of the steady and persistent flow of its great stream of industry and trade. And such evidence finds corroboration in the returns of Imperial taxation, so far as they are available for the area. It is to be regretted in this respect that the Treasury are unwilling to furnish figures of the total amount derived in Greater London under the excess profits duty or even under Schedule D. Through the instrumentality of the London County Council, it is possible, however, to obtain for the administrative county a rough estimate of the gross income brought under review for the purposes of the tax. Omitting Schedule C, which cannot be apportioned, the gross income liable to income tax in the county increased from £312,034,076 in 1904-5 to £428,530,484 in 1913-14. For 1911-12 out of a gross income (again ignoring Schedule C) of £1,020,634,156 for the United Kingdom, the share due to the County of London was estimated at £392,030,724. Thus in the County of London was earned in that year 38.4% of the gross income of the United Kingdom as calculated for income tax purposes, whilst if contrasted merely with England and Wales, the ratio was 44.3%. The amount of Imperial taxes actually collected in the United Kingdom in 1912-13 was £154,855,000, and in this was included £29,402,000 from the County of London or 19% of the total. Analysing the figures dealing with gross income for 1913-14 for London, it appears that the gross annual value of property assessed under Schedule A was £49,229,783. An eloquent testimony of the small extent to which agriculture is carried on inside the county is furnished by the total of £20,188 for Schedule B. Salaries of central and local officials returned under Schedule E account for £70,125,085. But nearly three-fourths of the total gross income of the area is included under Schedule D, whose total of £309,155,428 indicates the gross income from all forms of trade, industry, and professions. When the County of London returns a gross income from trade, industry and professions exceeding £300,000,000 in pre-War days; when it actually contributes some £7,500,000 in taxation under Schedule D and in addition £988,000 in super-tax in 1912-13; it is no exaggeration to assume that the manufactures and commerce of Greater London must be on a scale as gigantic as these figures purporting to indicate the gross incomes earned by those therein engaged.

IRISH INDUSTRIAL COMMISSION.—EVIDENCE.—I.

Publication in the Irish Press of the evidence tendered before the Commission of Inquiry into the Resources and Industries of Ireland has been forbidden by the authorities. That the Commission owes its existence to the inspiration of the Dail Eireann, or Sinn Fein Assembly, will be generally admitted. Beyond this, however, it has no connection with Sinn Fein, and is a complete autonomous body. Its members are chosen, not for their politics, but for their abilities, and it administers its own means and designs its own methods of procedure. If we acquit the Irish Government of the accusation that it is bent on deliberately checking the encouragement and extension of the industries of the very country from which its highly-paid members draw their salaries, then the only conclusion we can arrive at is that it is wholly unable to discriminate between bodies with "political" and economic ends in view. The suppression of "political" associations—that is to say, associations bearing the remotest character of a Sinn Fein tinge—is now such an established routine in Irish life that no surprise is evoked in any quarter. But if a Sinn Fein label is liable to be attached to any Irish enterprise, irrespective of the nature of the work on which it is engaged, the Government of the country will become impossible, and the patience of the ordinary citizen, who has most to gain by the maintenance of law and order, will be strained to breaking-point. Clear thinking on the part of the authorities is never more desirable than at the present moment, but what are we to say of the contradictory policy which [illegible] on the publication of the Commission's evidence and at the same time allows it to be hawked by any citizen who takes the trouble to walk into the Dublin City Hall? Or we might ask, Who is the better judge of the reasonable bent of the Commission's deliberations, the Unionist and Orangeman or the Castle? Yet a

number of the former have been already examined, and have furnished valuable information on the existing resources of the country and the lines on which they might be most profitably developed. From a purely material point of view it behoves us as Englishmen, dependent on Ireland for some of the necessaries of life, to watch the latest manifestation of the Cabinet's eccentric Irish policy with suspicion. Interference with the industrial life of the nation has already drawn a vigorous protest from the Unionist gentry of county Clare, where fairs and markets have been practically suppressed for the past three or four months. We may yet have reason on this side of the Channel to re-echo the protest in a manner emphatic enough to make our present rulers account for a policy which threatens to entangle us in every part of the globe.

The terms of reference of the Commission are, briefly, "To inquire into the natural resources and the present condition of manufacturing and productive industries in Ireland and to consider and report by what means those natural resources may be more fully developed, and how those industries may be encouraged and extended." We propose week by week to give a synopsis of the evidence given by the various witnesses appearing before the Commission.

On examination, Mr. R. A. Anderson, Secretary, Irish Industrial Organisation Society, referred to the fact that butter manufacture was the form of dairying which lent itself most suitably to the production of live stock, and pointed out that Ireland was the source from which Great Britain obtains her store-cattle and a large proportion of her butter and cheese supplies. The adoption of cheese instead of butter-making would undoubtedly limit the number of young stock reared, and anything that would disturb the balance maintained at present between the various branches of agriculture would have a disastrous effect all round. The absence of a parity of prices between butter, cheese and whole milk was illustrated. Butter was selling retail in Ireland at 2*s*. 10*d*. per lb. and in England at 2*s*. 6*d*. per lb., while cheese was realising 3*s*. per lb. and milk fetching up to 3*s*. 4*d*. per gallon in Dublin, and from that down to 2*s*. elsewhere. A gallon of milk makes a pound of cheese, but it takes 2½ gallons to produce a pound of butter, and a gallon of milk can be sold wholesale at 2*s*. for consumption as milk. Between cheese-making and the sale of milk there is, therefore, very little to choose. The scarcity of milk in Irish towns is explained in large measure by the preference for cheese-manufacture and the excessive cost of distribution. Many farmers felt disinclined to report cases of contagious abortion, although a preventive course of treatment can be adopted by inoculation of the animals with serum, and this, of course, had an intimate bearing on the milk supply. Changed conditions of labour have been particularly felt by the dairying industry. The big farmer, mostly responsible for the renewal of stock, was particularly affected. He suggested the setting up of a separate department or organisation for agricultural labour, as distinct from industrial labour. Liberty to federate with an industrial labour organisation would not be objected to, but it was clear that the rules of other industries could not be applied to farming. Coming to the actual milk production in Ireland and the possibilities of developing it, there are, roughly speaking, about 1½ million cows in Ireland. On an average these cows would not yield more than 400 gallons of milk during a period of lactation. By a judicious selection of cows and a judicious crossing with the proper kind of bulls, it has been found possible to improve the cows with a poor yield up to a point where they would pay their way. The only means of ascertaining what cows pay best to keep was by the universal adoption of cow-testing associations. By increasing the milk yield by 100 gallons per cow it would bring £7½ millions into the country per annum, and it would be worth while spending some public money to bring about that result. Also relating to the question of an increased production of milk, of which there was an undoubted shortage at present, was the desirability of discouraging the sale of premium dairy bulls before it can be judged whether their progeny are good milkers or not. The problem of winter dairying is complicated by the increased cost of labour and the difficulty of obtaining concentrated foods. To meet the deficiency in the winter milk supply in Ireland, milk powder could be made during the plentiful season.

Pointing out the effect of the introduction of the centrifugal separator and the adoption of the creamery system in Ireland, Mr. T. Lucy, President, Creamery Managers' Association, said that the former caused an increase in the yield of butter of about 20% from the same quantity of milk. The latter, by dealing with the milk of all the farmers in a district within a radius of three or four miles by the use of labour-saving machinery, the employment of skilled workers, and better business methods, turned out a superior and uniform article which satisfied the critical taste of the British consumer, and the butter, freshly made, was sent direct from the producer to the distributor in Great Britain. There were 465 co-operative creameries and approximately 218 proprietary creameries in the country. During the War butter-making suffered from the decline in the milk supply, now arrested, and the development of the cheese industry. Cheese exports for the year 1919 will probably be little less than butter exports, or about 15,000 to 16,000 tons. Very little cheese was made prior to the War. Now the factories for that purpose number 180. All are worked in conjunction with the existing creameries, and are mostly confined to the South. In all likelihood these factories will be maintained, although the possibility of less remunerative cheese prices in view of Continental competition must be taken into account. It is fairly certain that the average milk of Irish cows, estimated at 420 gallons, could be increased 50%, and this would mean an addition of 252 million gallons, worth at least £19 millions. At present most of the cows are neither good beef producers nor good milkers. It is only by the keeping of individual milk records that the above result could be secured. Farmers have, however, been very slow to realise the possibilities of cow-testing associations, but much might be done by undertaking a campaign of enlightenment and by subsidising the associations. The belief that a higher yield of milk was accompanied by a lower percentage of fat had not been found correct. Owing to the scanty cold-storage accommodation in Ireland butter producers were not hitherto able, like the Danish distributors, to hold over their supplies in case of a glut on the market. The country now should secure the adoption of a general system of cold storage for creameries and combinations of creameries. Thus there would be a more even supply of butter the whole year round. Hitherto the farmers have not properly appreciated the subsidiary advantages that accrue from winter milk production in itself. Doubtless the prices paid in the past for butter and milk made the production of milk itself unprofitable, but then the farmer had advantages he did not always realise in the shape of a larger quantity of manure and better and healthier calves. One drawback to winter dairying would be removed by the provision of better housing for the small farmer. On the whole, however, difficulty would be experienced in securing this reform of the dairying industry on account of the conservatism of the farmer.

An official announcement has now been made that the Bank of Montreal has acquired a substantial interest in the Colonial Bank, and that Mr. G. C. Cassels, the London Manager of the Bank of Montreal, has been invited to join the Board of the Colonial Bank, thus ensuring a close working arrangement in the respective spheres of the two institutions.

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Financial Notes.

CIRCUMSTANCES, it is truly said, assist those who are willing to assist themselves. There is a growing opinion amongst those in the best position to be well-informed in the City of London, that of all the countries that suffered severely as a result of the great European War, Belgium promises to recover most rapidly. The Belgians are setting themselves to serious hard work with a determination to reconstruct their industries as rapidly as they can. They seem less troubled by strikes and internal unrest than almost any other of the belligerents, or even neutral countries. As a result they are profiting by the demand which exists, not merely for food and raw materials, which is so keen in this country, but for the manufactured products which Belgium has for many generations been accustomed to supply. The iron-moulders' strike here in England has held up important branches of our industry. The Belgian manufacturers, seeing their opportunity, have sent, considering the circumstances in which they have recently been placed, very large numbers of castings which are being eagerly bought here, and for which naturally very handsome prices are paid. This is all tending to improve the Belgian exchange and to assist our recent Ally in her endeavours to place her currency and her economics generally upon a sound basis.

It will be remembered that before the War Belgium not merely moulded castings, but was an important builder of railway rolling-stock. Those of our readers who live in, or are accustomed to visit, London will be aware that much of the rolling-stock upon the Underground Railways of this city were manufactured in Belgium, of course in the pre-War period. In spite of the terrible sufferings through which Belgium passed as a result of the War, she came out of it with certain advantages. The Germans conquered and occupied the greater part of Belgium from the very outset of the War, and with great ease. Until the very last they retained the hope that they would be able to annex Belgium as part of their territory, and, particularly, to retain the Port of Antwerp. As a result they did not destroy plant for the mere sake of destroying it. In certain cases plant was removed from Belgium to Germany, where it was thought to be advantageous to German industries. But a very large part of the plant which existed in Belgium was allowed to remain in the hope that it would enrich what was expected to be part of the Empire. In the end the retreat of the enemy from Belgium was too rapid to admit of any wholesale destruction. Consequently, the Belgians retain a large proportion of their plant—damaged, it is true, but damaged rather from overwork than from wanton destruction—and with care and the adding of spare parts in various directions, it is, in fact, being largely reconstructed.

The real difficulty with which Belgium is faced, as is the case with nearly all the belligerent countries, is to obtain supplies of the raw materials essential for their manufactures. Belgium, on a small scale, is situated very much as we are ourselves. She is a small country with a very large population for her area, accustomed to live by the practice of various kinds of industry; and, like ourselves, she is dependent mainly upon overseas imports to feed those industries. The fact, however, that the Belgians are showing such real grit and determination in endeavouring to reconstruct their country is inducing those countries which are able to supply raw materials, as well as those countries which, although somewhat embarrassed in their finances themselves, are still able to render some assistance, to do what they can to help the Belgians to help themselves.

In another column will be found a report of the meeting held on Thursday last of the National Bank, Limited. This Bank, although originally an Irish bank, and founded by Daniel O'Connell, does a very large business in England—its head office, in fact, now being situated in Old Broad Street. In addition to the head office, it has fourteen Metropolitan branches, and in the provinces it has branches in Liverpool, Manchester, Salford, Bristol, Cardiff, Newport, Swansea, and Port Talbot. In his speech on Thursday, the Chairman, Sir John Purcell, said the paid-up capital remains at a million and a-half. The "Rest," which stood at £780,000 at the end of June last, has been brought up to £800,000 by adding £20,000 out of profits earned during the past half-year. The special reserve stands at £180,000. Deposit and current accounts, which now closely approach 35 millions sterling, show an increase during the past year of over 6¼ millions sterling. Of this amount more than 5¼ millions have been provided by the Bank's Irish customers.

As illustrating the prosperity of Ireland at the present time, the Chairman said that the notes in circulation, which now considerably exceed 4¼ millions sterling, increased during the past 12 months by £1,128,000. He added that he believed this to be entirely due to trade conditions in the direction of activity in business—to the fact that gold coin is no longer a medium of barter—and loose cash in the form of paper, is carried for daily wants; and, further, to the high prices of commodities and, in a measure, to the large increases of wages which prevailed in Ireland as well as in Great Britain. The Bank's expenditure, said the Chairman, has increased by not less than £29,650. The bulk of this has gone into the pockets of the staff, while the Bank is able to pay, as in the past four half-years, a dividend of 12%. Summarising the total, the Chairman said that the aggregate means at the disposal of the Bank amounted to nearly 42½ millions, while the Bank's liquid assets give a proportion of 66%, as against its liabilities payable to the public on demand.

The Chairman devoted a large portion of his speech to the state of agriculture in Ireland, from which business the Bank derives a large proportion of its revenue. Farming in Ireland, he said, has enjoyed during the past year, as during the whole of the War period, a very great measure of prosperity. The high prices ruling a year ago for live-stock are fully maintained, and in the case of fat cattle and pigs they have appreciated considerably in value. The forecast of a good harvest has been amply fulfilled, and it is satisfactory to state that seldom have crops been harvested under more favourable conditions. Wheat, oats, and barley are all good crops, barley, in particular, selling at largely enhanced prices, ranging from 45*s.* to 50*s.* per barrel. This represents an increase of from 15*s.* to £1 per barrel. Potatoes have been a good crop. The yield, though not heavy, was excellent in quality. Hay proved to be an excellent crop, for which higher prices were obtainable owing to its shortage in England and the increased number of cattle in Ireland.

In this connection, it may be of interest to note that the Irish Board of Agriculture recently issued a report on livestock and crop conditions in Ireland. From this it appears that during the past year there were 1,700,000 acres under corn crops, an increase of 400,000 acres compared with 1916; 980,000 acres under green crops, including 580,000 acres of potatoes, and 250,000 acres of hay. There were in Ireland at the time the report was made up towards the end of last year 600,000 horses, or 25,000 more than in 1916. There were five million cattle, 3½ million sheep, a quarter of a million less than in 1916; and nearly a million pigs, a decrease of 300,000 during the preceding three years. These figures will not, of course, be found in the National Bank Chairman's speech. Neither will the remarks we are about to make of the disadvantage to which the country is subjected by the continuance of the Food Control, which we rejoice to say it is proposed to end in August next. Ireland is essentially a dairying country, and is, or should be, in a position to supply large quantities of dairy produce to meet the exceeding great shortage from which we are suffering at the present time here in England. The Food Control, however, has seen its way not merely to stint us in butter, but to control the price. The result has been a great falling off in the amount of the commodity exported, some 8,000 tons less having been exported for the quarter ended with October last, as compared with the corresponding period of 1913, whereas a remarkable development has taken place in cheese-making, over 4,500 tons of cheese having been exported during the same quarter of last year, against 150 tons for the like period in 1913.

Not unnaturally, and quite legitimately, the weekly tonnage output of coal, according to the *Board of Trade Journal*, was considerably interrupted by the Christmas and New Year holidays. But the total output during the week ended with January 10 amounted to a little over four and a-half million tons. This is considerably better than during the holiday period, but does not quite equal the return for the week ended December 20 last, which was only slightly below five million tons. The principal sources of supply were, as usual, South Wales and Monmouthshire, with 987,000 tons. Yorkshire came next with 695,000 tons, Durham following closely with 624,000 tons. Then came Derby, Nottingham, and Leicester, with 578,000 tons, and Scotland, with 560,000 tons. It will be remembered that the average before the War was five and a-half million tons. But, inasmuch as so recently as the week ended December 20 we had closely approached a weekly output of five million tons, there seems every reason to hope that the pre-War figure will be reached at no distant date. Of course, it has to be borne in mind that pre-War conditions no longer exist, and it is more important now than it was in 1913 that we should export, as far as may be practicable and economically sound, even raw materials for which there is a demand abroad. At the present time, as we showed last week, our coal exports are only about half the quantity they were in the pre-War period, although, of course, we obtained greatly increased money values for such exports.

It is exceedingly encouraging to hear that the increased tillage area in Ireland has led to a greater development in the fowl and egg trade. The value of the eggs exported in 1919 is expected to exceed that of 1918, which, according to the Report of the Department of Agriculture for Ireland, amounted to the large sum of £15,600,000. Every effort should be made to encourage egg-raising wherever possible, because, as, no doubt, the reader is aware, we are suffering from a serious egg shortage. In the period that preceded the outbreak of the recent War we were accustomed to obtain between 900 and 1,000 million eggs every year from Russia. Since the beginning of the War, the Russian supply has been wholly cut off, and, owing to the terrible political conditions which have prevailed in Russia since the end of the War, it has not been possible to obtain supplies from there. Prices realised by the sale of farms in Ireland continue on a scale proportionate to the profits made, which at present must, however, be regarded as abnormal.

Sir Henry Birchenough's Committee on Cotton Growing within the British Empire reports that there is a world shortage of raw cotton, and that the shortage is apparently increasing. The shortage is greatest in the finer kinds of cotton, upon which the cotton-manufacturing industry of Great Britain depends more largely than that of any other country. Eighty-five per cent. of the cotton used in Great Britain comes from the United States, which every year itself consumes more of its own cotton. The British Empire can with proper development grow the quantity and the quality of cotton that it requires. Cotton-growing brings prosperity to the places suited for it. The Committee have come to the conclusion that there is a wide sphere of work which needs to be done by someone, and which can only be done quickly with Government assistance. It was argued that it was the business of each Colony, or Protectorate, to decide for itself whether its climate, soil, population, and means of access to markets were suitable for cotton. In addition, it was the business of each Colony to decide what kind of cotton it was most profitable to grow, to try experiments, to control the industry, and to provide the necessary transport and other facilities when cotton-growing was shown to be profitable to the Colony. Finally, it was suggested that great advantages would arise from the creation of some kind of Central Committee or Department in the Imperial Government to advise and assist in connection with all measures which had to be taken, and in particular to bring all the resources of science into play to promote the extension and improvement of cotton-growing.

The most important recommendation of the Committee with regard to cotton-growing—which, however, should not be confined merely to cotton-growing—is the importance of research and of the appointment of qualified agricultural chemists for studying the capabilities of soil, climate, and environment in the various Colonies and Dependencies for growing cotton. It is important, says the report, that research should be undertaken in plant physiology, plant genetics, mycology, and entomology. The report recommends that a Chair or readership should be established, with a view to encouraging the study of these subjects in the principal universities.

The board of directors of the Guaranty Trust Company of New York have accepted with regret the resignation of Mr. Robert Callander Wyse, for 23 years the Manager of their office in Lombard Street, London, and have appointed Messrs. John A. Terrace and Sigmund Metz to be Acting Joint Managers. Mr. Terrace, who was for years in the Montreal office of the Royal Bank of Canada, has given up his work as Manager of the Foreign Department at the head office of the Guaranty Trust Company to come to London. Mr. Metz has seen long banking service in the United States, London, and the Continent. He has acted in various capacities with the Guaranty Trust Company in New York, South America, and Paris, and was recently Assistant Manager of the Paris office of the Company.

"Railway Statistics of the United States of America" for the year to December 31, 1918, compared with the official reports for 1917 and recent statistics of foreign railways. Prepared by Slason Thompson. Bureau of Railway News and Statistics, Chicago, Ill.

SOUTH AND CENTRAL AMERICA.

THE NITRATE INDUSTRY.

A voluminous and informative publication has been issued by the Ministry of Munitions in the Nitrogen Products Committee's Report. It deals with what was actually done in this country, and to a large extent what was done by our Allies, in the making of nitrogenous products for the purpose of furnishing high-explosives of various kinds needed in the War. It is natural, of course, that the report, being an official British Government publication, should not deal with the enemy's work in producing those various forms of nitrate which were required for the conduct of the War. No official report has so far been issued by the German Government, and consequently it is perfectly natural that no information should be afforded in a publication such as that to which we refer. Nevertheless, it detracts very materially from its value. We know that from a comparatively few months after the outbreak of the War Germany was entirely cut off from supplies of nitrogen from Chili; but a sidelight on how the nitrate was obtained was afforded by what happened in our own case and that of our Allies. Many people not really acquainted with the nitrate industry, but who nevertheless take an intelligent interest in what is going on, have a perfectly wrong impression regarding what is commonly called synthetic nitrogen. Now, what does the ordinary reader understand by synthetic nitrogen? Probably he has a vague conception that what is meant by synthetic nitrogen is atmospheric nitrogen obtained from the air at a relatively low cost. As a matter of fact, the supply of nitrogen obtained from the air by any process which it has been found practicable to work is quite small. The real sources of supply of what is commonly called synthetic nitrogen are the gasworks and the by-products of the coke-ovens of the steel factories. In so far as they are by-products of other essential industries it is exceedingly difficult to estimate their cost. But it is equally doubtful if it would be practicable to produce them assuming that the coal had to be worked for the production of synthetic nitrogen. As things are, they are obtained purely as a by-product from, as we have said, the gasworks and the coke-ovens used for generating electricity in the steelworks.

Those who remember what happened in the late War will be aware that an attempt to increase these products was made; but the cost of gas became almost prohibitive, and the ordinary consumer, while paying an extravagant price for gas, was supplied with a commodity which failed to give either light or heat; and, consequently, it is evident that, beyond a certain point, synthetic nitrogen can only be obtained at extravagant cost. Moreover, the report of the Nitrogen Products Committee estimates coal at the price of 7*s.* 6*d.* per ton. Probably, if the report had been revised in the light of recent experience with regard to coal, no figure of any kind would have been inserted. The reader is, of course, aware of what has happened in the past few months in the coal trade, and any calculation upon such a basis as that offered in the report can hardly be regarded as having any serious value. In the pre-War period the total production of nitrate for the whole world was estimated at a little under four million tons, meaning the total production of nitrate as gathered from the nitrate fields of Chili, the by-products of various industries, sulphate of ammonia, and so on. Now, probably the most valuable nitrate, and certainly the greatest source of production, is farmyard manure. We will refer to this later, but for the moment will confine ourselves to what is commonly understood as nitrate, and which probably will be in the reader's mind—the nitrate of the Chilian fields, and the product of the metal and mineral trades of this country. We have just said that the total production in the year before the War was about four million tons, or a little under. Over two and a-half millions of this was the Chilian product, and practically, although not quite, the whole of the balance was obtained from various by-products of the gasworks and the coke-oven residuals. Now there remains what is known as atmospheric nitrogen. Nitrogen, as is well known, constitutes something like three-fourths of the total atmosphere above the earth. It is estimated that a single square mile would be capable of supplying the total amount of nitrogen required by a whole country. Whether this is so, or otherwise, is really not a practical question because of the extreme difficulty of obtaining it at present. There are three principal processes for obtaining nitrogen from the atmosphere. They are the Arc process, which was British, and discovered by the late Sir William Crookes and the late Lord Rayleigh. The other two are German, the most satisfactory being known as the Haber process, and the other as the calcium-cyanamide process. The most promising appear to be the Arc, or British, process, or the Haber, or German, process. But practically both of them are ruled out of court, not because it is impracticable to produce nitrate from the atmosphere, or even that the cost is prohibitive, but that the yield per unit of plant devoted to the process is only about 3%. That is to say, for every hundred unit power one only gets about 3% return. Consequently, in order to obtain any considerable amount of nitrate from the atmosphere it would be essential to have some form of cheap power; and even if one had, the works would be upon a colossal scale compared with the return obtainable from the aggregate of machinery used. It seems reasonably certain, therefore, that unless, and one may say until, some improvement is made upon this process the Chilian nitrate industry has nothing to fear from the competition of atmospheric nitrogen upon a commercial basis.

In this country it is difficult to see how we could hope to produce nitrate cheaply in the absence of any cheap source of motor power, even assuming that the Arc process were improved. We do not, of course, propose to go far into this question, because it would lead us into an unprofitable speculation. At present, however, the only serious attempts which have been made to obtain atmospheric nitrogen in any considerable quantities have been in the Scandinavian countries, where large quantities of water-power are available. Even there the extravagant amount of machinery required to the return per unit of nitrogen obtained has prevented the work from being carried out upon a really extensive scale. The Arc process itself, moreover, is imperfect because it is necessary, after obtaining the nitrogen from the atmosphere, to reconvert it into a solid form for purposes of transportation. Meanwhile, the only serious competitors the nitrate fields of Chili have to face are the by-products of certain of the engineering trades, and more especially the residuum of the gasworks. As we have said, these produced in the pre-War period only a little more than one-third of the total amount of nitrate required for the world's consumption. The opinion of those responsible for drawing up the report to which we have referred, is that there will be a great increase, not merely in the demand for nitrate, but in the production from the synthetic process, being the residuals above referred to. But they carefully guard themselves by saying that they have taken prices upon the pre-War basis, assuming that the rise in prices, when it takes place, will be general. As we know, the assumption was quite right. There has been a rise in prices, and it has been not merely general, but also universal. Nevertheless, the extraordinary rise in the price of coal should tend, in the absence of other factors, to make it exceedingly difficult for the by-products of the gasworks and the coke-ovens to compete successfully with the products of the Chilian nitrate fields. As a matter of fact, as we explained recently, the demand for Chilian nitrate and what is known as synthetic nitrate, is greater than at any period before the War, and almost as great as during the

War period. As the total product of Chili's nitrate was only two and a half million tons before the War, and about three million tons during the War period, and the total production of nitrate, including Chilian nitrate, and what is known as synthetic nitrate, the origin of which we have already explained, was under four million tons, it will be seen that the probable growth in the demand for the purpose of increasing food production and the production of raw materials in different parts of the world, is almost unlimited. Practically, before the War the principal users of this fertiliser were the Central European Powers, which grew beet-root to a large extent, the United States, and ourselves. It was estimated, although actual figures are not available, that about three-fourths of the total product of the various forms of the nitrate industry, including, of course, that of Chili, was required for purposes of agriculture, and only 25% for industrial purposes. Of course, the position was wholly reversed during the War period, agriculture having to be content, for the most part, with those forms of nitrate which were not suitable for industrial purposes and conversion into explosives.

We arrive, then, at the conclusion that the nitrate industry of Chili, as things stand at the present time, has practically nothing to fear from the competition of what is commonly called synthetic nitrate production as usually carried on. Practically what we know as synthetic nitrogen is only obtainable as a by-product of some other industry for which the works are primarily carried on. Owing very largely to the high cost of power, any project for obtaining nitrogen in large quantities from the atmosphere may practically be dismissed until some means are discovered whereby a larger proportion can be obtained per unit of machinery employed. Lastly, we have the nitrate fields of Chili. Before the War, as already said, they produced two and a-half million tons each year. During the height of the War they produced three million tons. After the Armistice, and owing to the difficulty of readjusting demands from war conditions to peace conditions, there was a heavy decline for a period in the demand for nitrate of soda from Chili, and, more particularly, the difficulty of obtaining freight made it almost impossible to convey what little was offering at the West Coast ports. This difficulty has now been got over, and the demand for Chilian nitrate is increasing at a rapid rate. It has to be remembered that while all Europe and a large part of North America requires an exceptional amount of fertilising material, as a result of the undue strain to which the several lands have been subjected during the War period, it must not be assumed that nitrate of soda is the only fertiliser obtainable in this or in any other country. We have not the figures for any other country, but while we consume in this country on the pre-War basis not much more than 12,000 or 15,000 tons of nitrate, we do consume more than 200,000 tons of nitrate product in the form of farmyard manure. This always has been, and still is, the most important form of fertiliser adapted to our fields. Nitrate of soda, however, is found for several crops to be an exceedingly valuable addition to the common farmyard products. So far it has not been found practicable to adapt Chilian nitrate for use in the tropical regions of the earth. It is well known that the nitrate beds of Northern Chili owe their continued existence to the fact that there is practically no rain in those regions; and experience seems to show that when placed on soil subject to a heavy tropical rainfall its properties are soon lost. In addition, the opinion of various agricultural chemists who have examined the working of nitrate in tropical fields is that the bacilli found in tropical soils rob the nitrate to a large extent of its fertilising powers.

"Empire and Commerce in Africa." By Leonard Woolf. Price 20s. net. (London: George Allen and Unwin.)

THE IRISH CATTLE TRADE.

Amongst the various classes of livestock produced in Ireland, cattle-raising easily takes priority of value. In the year 1912-1913, for example, the number of cattle sold or consumed by Irish farmers and their families was calculated at 1,096,000, valued at £13,854,000; pigs came next in order, numbering 1,656,000, valued at £7,790,000; while 1,378,000 sheep and 32,000 horses realised £2,875,000 and £1,508,000 respectively. The number of cattle carried per 1,000 acres of area was calculated in 1916 at 244 for Ireland, 167 for England, and 66 for Scotland. The dairying industry is, of course, of great importance, but the production of beef and store cattle engages the attention of a very large part of the farming community. Encouragements for the latter branch of the industry are not lacking. Rich grass and a mild climate, which allow the cattle to remain on the pastures for the greater part of the year, form considerable inducements for cattle-breeding. The farms of the west and south-west are specially suitable for the raising of young calves, and these constitute the main source of supply for the larger and richer farms of the midlands, on which they are finished off. To-day about 60% of the beef and veal consumed in the United Kingdom is produced at home, and before the War the normal slaughter of cattle was put at 2,500,000. It is not, therefore, surprising to find that Irish stock is largely drawn upon to meet the demand for meat supplies on the part of the huge industrial communities of the sister islands.

Ireland has long been regarded as the great reservoir for store cattle for England and Scotland, but of late years a distinct tendency has been noticed to replace the export of stores by that of fat cattle. This fact can best be established by a comparison of the exports of these classes of animals for the period June-November of years 1913-18-19:—

	Stores Number	Fat Cattle Number	Milch Cows Number
1913 (June—November) ...	281,636	196,067	25,691
1918 " " ...	139,951	224,231	20,754
1919 " " ...	85,250	290,003	19,419

The export of store stock had been steadily declining before the War, a fall having taken place from 469,000 in 1910, to 403,000 in 1914, while the export of fat stock had risen from 260,000 to 456,000 in the same period. Some of the cattle exported as fat were in all probability fed for a further two or three months on British farms. There seems to be little doubt, however, that the fattening pastures of Ireland can produce prime beef as economically as any part of Great Britain and with the growing use of basic slag and artificial feeding stuffs, the area to be devoted to this purpose is likely to extend. It has been remarked, that the extension of fattening in Ireland, even by stall feeding, is subject to limitations, for about half the holdings in the country are under fifteen acres and suitable only for breeding. The average rateable value of the holdings in Ulster is about £16, of those in Munster £21, of those in Leinster £27, and those in Connaught £11. The small size of these farms might prove an obstacle to the growth of sufficient food for fattening cattle. Stall feeding, it is true, has not been very generally resorted to in Ireland in the past, but with a more abundant supply of corn and root crops a more general adoption of this practice is not unlikely. In all likelihood, the export of stores in future will show no inclination to approximate to the figures of former years. It must, however, be borne in mind in examining the figures for 1919, that the Ministry of Food imposed various restrictions on the export of live stock, and that owing to the operation of the Control scheme and the poor harvest in England, the demand for cattle from that quarter was of a very variable description.

Complaints have been frequently made in Ireland of late that beef production is being stimulated at the expense of milk production. In this connection

it is noteworthy that a recent return of the Department of Agriculture discloses the fact that all classes of cattle have increased with the exception of milch cows and heifers in calf. The total number of cattle, reckoned at 4,970,441 in 1916, had gone up to 5,029,450 in 1919, an increase of 59,009, or 1.2%.

The gradual evolution from a store-cattle to a fat-cattle trade has been greeted with some satisfaction by Irish economists. A growing body of opinion is desirous of proceeding a step further and establishing the trade on a dead-meat basis. The profits of slaughtering would then be retained at home and the disposal of the by-products—hides, offal, &c.—could not fail, it is anticipated, to encourage the introduction of various industries. This policy is already in operation at some centres, but, owing to the powerful advocacy of the Farmers' Union, a body not only founded for the defence of class, but also the furtherance of economic interests, it is not unlikely to attract a much wider circle of adherents. Steps have already been taken towards the establishment of another co-operative society with this object in view in the south of Ireland. In England there is already an active movement in the direction of the creation of farmers' co-operative societies for running slaughter houses for the sale of cattle on the dead-weight system as an alternative to the grading system, some of which were managed by the farmers' societies as agents for the Ministry of Food. Nineteen such societies have been working in this way since March 1918, and handle 1,400 cattle and 6,750 sheep weekly. The results have been very satisfactory, and the English Agricultural Organisation Society, in order to facilitate the extension of the system, is proposing to arrange for the distribution of all meat that cannot be sold locally.

In Ireland, as in Great Britain, there is no room for doubt that the quality of a considerable proportion of cattle is low. Improvements under this head would cause animals to fatten more quickly and to a greater weight, so that the aggregate produce of meat would be increased without running any more cattle. A difficulty has to be faced in that the average Irish farmer neither requires the purely-dairy nor the purely-beef type. What he needs is an improved dual-purposes cow which will give a good yield of milk and produce beef steers. The suggestion has been made that farmers should be prohibited from using any bulls that had not been certificated by a proper authority, but then there is a danger that small holders might not be very willing to agree. Under the Cattle Improvement Scheme there are 1,200 specially selected pure-bred bulls at service, and a great improvement has been brought about in the quality of Irish stock during the past twenty years, but a large number of the bulls now serving could be eliminated with advantage. Then, as regards the provision of an ample supply of food for livestock, the Irish farmer's attention might be directed to the growth of vetches, peas, and other forage crops for summer feeding in the place of pasture; the success of which is said to have been fully demonstrated in Scotland.

THE COAL EXPORT TRADE.

The withdrawal towards the end of last July of Government control over coal freights to foreign destinations was succeeded by a large increase in rates. For a time these increases threatened to interfere seriously with the trade; but the difficulty soon adjusted itself as a little more shipping was attracted to coal carrying by the lure of high freights, and the extra tonnage helped to stabilise quotations. Unfortunately the efficiency of all tonnage was diminished to a large extent by delays at the ports of loading and discharge, and in the case of home ports the congestion was intensified by the great shortage of railway rolling-stock. Reduced working hours on the railways and in the docks helped to accentuate the gravity of the position, especially as trippers and trimmers engaged in the loading of cargo and bunker coals refused, and still generally refuse, to allow more than two eight-hour shifts to be worked. Machinery and plant were thus kept idle for eight hours out of twenty-four, and the demurrage on ships awaiting fuel and cargo became so heavy an item that it contributed materially to the spectacular rise in coal freights after the cessation of control.

The termination of hostilities naturally brought to an end the preferential prices charged for coal to our Continental Allies. In May last the fixed price became the minimum price, and subsequently in July the minimum was advanced by 6s. per ton. The allocation of exports as between different countries was, however, continued, and some attention was given to the needs of neutrals, whose requirements had been neglected during the War. The following table shows the principal destinations of our exports in 1919, as compared with the two previous years:—

Exports of Coal (excluding Coke and Manufactured Fuel).

Country	1917 Tons	1918 Tons	1919 Tons
France...	17,512,545	16,511,005	16,204,596
Italy	1,110,960	4,053,570	4,641,016
Malta	1,729,685	1,195,883	733,045
Egypt	1,574,251	1,697,908	1,675,163
Gibraltar	1,221,340	1,615,985	1,465,736
Norway	1,059,227	1,250,867	1,330,646
Denmark	856,037	1,045,701	1,742,711
Sweden	613,573	1,051,121	1,592,324
Belgium	–	4,246	143,769
Other Countries	6,288,169	3,326,718	5,720,532
Total	34,995,787	31,752,904	35,249,568

While a greater tonnage has been allocated to neutrals, as is shown by the Scandinavian and Danish figures, French and Italian supplies have been fairly well maintained, and an old customer, Belgium, makes a welcome reappearance on our list after an absence of several years. It is probable that exports to Belgium will be much increased in the course of the current year, as the industrial and agricultural life of the nation is rapidly reviving, and a bigger demand for coal will accordingly arise. In 1913, 2,031,077 tons of coal were shipped to that country, but this figure cannot obviously be attained in the course of the current year.

Reports from various foreign centres and from different coaling stations where British coal is normally consumed indicate a strong demand and a willingness to pay substantial premiums for priority of supply. The condition of the coal-mining industry on the Continent naturally accounts for the persistence of this large volume of foreign inquiry on Great Britain, and as the mines are again put into operation the urgency of the demand will be less pressing. At present, however, the trend of export prices is upwards. The following table illustrates the f.o.b. quotations for cargo coals since January 1918:—

Month	Coal Exports.* Quantity	Price per Ton f.o.b.	Foreign Bunkers. Quantity	Price per Ton† f.o.b.	Coastwise Bunkers.‡ Quantity	Price per Ton f.o.b.
1918.	Tons	s. d.	Tons	s. d.	Tons	s. d.
Jan. ...	2,685,026	28 1	751,113	28 1	87,536	27 6
Feb. ...	2,435,123	28 0	780,857	28 0	92,059	27 6
March ..	2,462,019	28 4	810,803	28 4	86,883	27 6
April ...	2,581,580	27 7	691,241	27 7	87,702	27 6
May ...	2,813,161	27 8	741,591	27 8	84,672	27 6
June ...	2,369,586	27 10	666,311	27 10	84,108	30 0
July ...	2,830,888	30 2	765,958	30 2	84,206	32 0
Aug. ..	3,362,206	32 1	743,061	32 1	86,110	32 0
Sept. ...	2,792,742	32 7	742,183	32 7	81,373	32 0
Oct. ...	2,909,519	33 10	706,480	33 10	91,987	32 0
Nov. ..	2,115,965	32 11	752,953	32 11	82,560	32 0
Dec. ..	2,092,289	33 2	660,895	33 2	84,602	32 0
1919.						
Jan. ...	2,349,573	34 8	937,255	34 8	91,756	32 0
Feb. ..	2,709,239	36 1	821,830	36 1	95,921	32 0
March ..	3,880,628	35 4	938,837	35 4	106,000	32 0
April ..	2,568,096	38 1	886,877	38 1	110,578	32 0
May ...	3,797,076	38 9	1,170,552	38 9	97,000	32 0
June ...	3,258,142	42 7	992,808	42 7	94,182	37 7
July ...	3,427,556	49 4	1,006,854	49 4	104,202	44 4
Aug. ..	2,170,813	51 0	1,125,580	51 0	142,647	46 0
Sept. ..	2,677,189	57 9	1,130,484	57 9	102,066	52 9
Oct. ..	2,729,625	62 5	967,230	62 5	120,000 (estimate).	60 0

* Excluding coke and manufactured fuel.

† The price per ton f.o.b. for foreign bunkers shown in this column is the best estimate that can be given.

‡ The figures shown in the price per ton f.o.b. for coastwise bunkers are estimates.

The table also includes, for purposes of comparison, particulars in respect of foreign and coastwise bunkers, and shows that the latter are obtainable at lower rates. Notwithstanding the rise of nearly 5s. per ton in the general f.o.b. price for cargoes in October as compared with September, the price in December was higher again at 64s. For the year the total value of our coal exports was £82,213,714, or, if we include coke and manufactured fuel, £92,297,685. In 1913 the total exports were valued at little more than £53½ millions, though we sent abroad nearly 77 million tons, or twice the quantity sent in 1919. The bunkers shipped were over 12 million tons, as against 21 million tons in the last complete pre-War year.

A revival in competition may be expected if French, German, and American coal outputs show a material increase in the current year. During 1918, it is disappointing to note, our markets in South America did not revive to the extent anticipated, though this was due rather to faults on the supply side than to any lack of demand. While Argentine imports were more than doubled as compared with 1917, the takings of Chili, Brazil, and Uruguay sensibly declined. These markets, as far as the United Kingdom is concerned, are almost altogether supplied from the Bristol Channel, but the cheapness of United States coal f.o.b. at Atlantic ports has enabled North American exporters to undersell us throughout a large portion of Latin America. Oil has also come more prominently into use, and it is noticeable that oil interests in the United States are at present offering long-term contracts—upwards of three years—to South American shipowners and others, especially on the west coast. This places the British coal exporter at a disadvantage, as the course of pit-mouth and f.o.b. prices at home is altogether too uncertain to permit of price agreements for any remote dates.

Cunard Steam Ship Company.—Meetings of shareholders are called for January 30 and February 16 for the purpose of authorising an increase of the Cunard Steam Ship Company's capital from 3,500,000 shares of £1 each (of which 2,970,786 shares are already issued) to 4,500,000 shares of £1 each. If this increase of capital is approved the directors propose, for the purpose of providing additional funds for developing the business, and in particular towards meeting the cost of new tonnage, to make an immediate offer of new Ordinary shares to the existing Ordinary shareholders and to the holders of the Government share of £20 at the price of £1 10s. per share, in the proportion of one new Ordinary share for every two existing Ordinary shares and of ten new Ordinary shares for the Government share. This new capital will participate to the full extent in any dividend which may be declared in respect of the year 1919, and it will be a condition of the offer that each Ordinary shareholder will be entitled to renounce his allotment in favour of his nominees.

The United Kingdom Temperance and General Provident Institution announces that during the year 1919 5,146 new policies were issued, assuring £2,204,369, at annual premiums of £90,666. The net new business retained was £2,156,369. This is the largest amount of new business transacted in any one year in the history of the Institution. The gross new business of the year 1918 amounted to £1,017,655, or £1,001,655 after deduction of reassurances.

Castner-Kellner and Brunner Mond.—It is announced that Brunner, Mond and Company have made an offer to purchase not less than 75% of the shares of the Castner-Kellner Alkali Company not already owned by Brunner Mond, the consideration proposed being the issue of two Brunner Mond shares for one Castner-Kellner share. The directors of the latter Company recommend the offer to their shareholders for acceptance.

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American Topics.

ECONOMIC CONDITIONS.—I.

We publish below some tables, which we hope will be of interest to the reader, giving the area and population of continental United States. The tables show in addition the European races from which the United States population derived their origin and the proportion that is foreign born. We also give a table showing the proportion of the population unable to read and write. We hope hereafter to supplement these tables with others amplifying the economic condition under which people live in the United States of America. It will be noticed that, in addition to the population tables, we publish a table of the area of the several States of continental United States and of Alaska and the outlying Territories owing allegiance to the Federal Government. We hope to show in future tables the favourable conditions under which a large proportion of the American people live; but it will be evident from the tables we publish that their advantages are due to the fact that the country is so little settled. In the cities where congested conditions have already been developed, as in older countries, the conditions of old civilisations are already being reproduced. New York, Chicago, New Orleans, and various other cities have already produced their slum quarters. Where congestion has not yet occurred the conditions are in striking contrast to those to which we are accustomed in Europe or in the congested areas of the East. It will be seen that, taking the United States to include all lands owing allegiance to the Federal Government at Washington, they exceed in area 3,600,000 square miles, or, roughly, only a quarter of a million square miles less than the total area of Europe; but whereas the population of Europe considerably exceeds a quarter of the estimated population of the world, the population of the United States, according to the latest estimate of the Statistical Abstract for the fiscal year ending June 1918, amounted to a little over 105 million people.

It is a common practice to compare the conditions existing in the more progressive States of Western Europe, like England and France, with those prevailing in the United States. But such a comparison is calculated to mislead rather than instruct the student. It is perfectly true that an Englishman going over to New York, for instance, with proper credentials will receive a reception that strongly reminds him of the conditions prevailing at home. Socially the resemblance, particularly in the great cities and amongst the higher classes, is striking; but the economic conditions are essentially different, as may be

readily inferred by anyone who will study the table we give below. According to the Census of 1910 the population of continental United States was slightly below 92 millions. It is estimated, as said above, that the population at the end of 1918 somewhat exceeded 105 millions. In other words, at the outbreak of the recent European War the population of the United States was, in round figures, double that of the United Kingdom. The area of the United Kingdom is one twenty-fifth part of that of the United States. Consequently a population of, roughly, about Half that of the United States has to find subsistence as best it may on an area of only one twenty-fifth part. It follows that the conditions of life neither are nor can be comparable. In the United States there is a quite inadequate population, endeavouring to carry on industrial enterprises on the lines which have been developed in the congested areas of Western Europe. Naturally the services of every man of average intelligence are at an extravagant premium, and wherever it is possible to do so machinery is pressed into service to the fullest extent. Labour-saving devices for nearly every branch of industry find a market in the United States, owing to the fact that there was never an adequate supply of effective men capable of doing the work which has to be done.

Hence inventors of such machines receive encouragement in the United States which they receive in no other part of the world. It follows that the most profitable, as well as the most sound, economic policy is for the United States to develop their own resources, and although from time to time they have engaged in industries which are only suitable for States having a large surplus population, they have always after a time abandoned these enterprises and directed their energies to the sound economic policy of working up their resources awaiting development.

Population—Continental U.S.A.

	1900			1910		
	Male	Female	Total	Male	Female	Total
Native (white)...	28,686,450	27,908,929	56,595,379	34,654,457	33,731,955	68,386,412
Foreign-born (white)..	5,515,285	4,698,532	10,213,817	7,523,788	5,821,757	13,345,545
Negro ...	4,386,547	4,447,447	8,833,994	4,885,881	4,941,882	9,827,763
Indian ..	119,184	117,712	237,196	135,133	130,550	265,683
Chinese ...	85,341	4,522	89,863	66,856	4,675	71,531
Japanese...	23,341	985	24,326	63,070	9,087	72,157
Total* ...	38,816,448	37,178,127	75,994,575	47,329,185	44,639,906	91,969 091

(Population at June 30, 1918 105,118,467).
* Including other Asiatics.

Cities and Populations over 400,000 (*July* 1).

	1910	1917
New York ...	4,766,883	5,757,192
Chicago ...	2,185,283	2,547,201
Philadelphia ...	1,549,008	1,735,514
St. Louis ...	687,029	768,630
Boston, Mass. ...	670,585	767,813
Baltimore ...	558,485	594,637
Cleveland, Ohio ...	560,663	692,259
Pittsburg ...	533,905	586,196
Detroit ...	465,766	619,648
Buffalo ...	423,715	475,781
San Francisco ...	416,912	471,923

Population and Derivation.

Linguistic Group	Foreign-born White	Native White of Foreign or Mixed Parentage	Total for Foreign White Stock
English and Celtic...	3,363,792	6,673,628	10,037,420
Germanic	2,910,857	6,276,150	9,187,007
Scandinavian ...	1,272,150	1,630,046	2,902,196
Latin and Greek ...	2,585,588	1,894,172	4,279,560
Slavic and Lettic ...	1,831,666	1,408,801	3,240,467
Unclassified ..	1,465,420	818,268	2,283,688
Unknown	116,272	196,772	313,044

Illiterates.

Geographic Divisions	Total Male & Female	Native White— Native Parentage	Native White— Foreign or Mixed Parentage	Foreign-born White	Negro
	Percentage of Illiterate Persons 10 years of Age and Over				
New England ...	5·3	·7	1·3	13·8	7·8
Middle Atlantic ..	5·7	1·2	·8	15·8	7·9
East North Central ..	3·1	1·7	·9	10·1	11·9
West North Central ..	2·9	1·7	·7	7·6	14·9
South Atlantic ...	16·0	8·0	1·2	13·5	32·5
East South Central ..	17·1	9·6	1·7	9·7	31·8
West South Central ...	13·2	5·6	7·7	25·6	32·1
Mountain	6·9	3·6	1·2	12·5	8·0
Pacific	3·0	·4	·5	8·0	6·3
Total Averages ...	7·7	3·7	1·1	12·7	30·4

Areas of States.

	Water Sq. Miles	Land Sq. Miles	Total Sq. Miles
Texas	3,198	262,398	265,596
California	2,615	155,652	158,297
Montana	796	146,201	146,997
New Mexico	131	122,503	122,634
Arizona	146	113,810	113,956
Nevada	869	109,821	110,690
Colorado	290	103,658	103,948
Wyoming	320	97,594	97,914
Oregon	1,092	95,607	96,699
Utah	2,866	82,184	84,990
Minnesota	3,824	80,858	84,682
Kansas	584	81,774	82,158
South Dakota	747	76,868	77,615
Nebraska	712	76,808	77,520
Idaho	554	83,354	83,888
North Dakota	651	70,183	70,837
Oklahoma	643	69,414	70,057
Washington	2,291	66,836	69,127
Missouri	695	68,727	69,420
Georgia	540	58,725	59,265
Florida	3,805	54,861	58,666
Michigan	500	57,480	57,980
Illinois	622	56,043	56,665
Wisconsin	810	55,256	56,066
Iowa	561	55,586	56,147
Arkansas	810	52,525	53,335
North Carolina	3,686	48,740	52,426
Alabama	719	51,279	51,998
New York	1,550	47,654	49,204
Louisiana	2,097	45,409	48,506
Mississippi	503	46,362	46,865
Pennsylvania	291	44,832	45,126
Virginia	2,365	40,262	42,627
Ohio	300	40,740	41,040
Tennessee	335	41,687	42,022
Kentucky	417	40,181	40,598
Indiana	309	36,045	36,354
Maine	3,145	29,895	33,040
South Carolina	194	30,495	30,989
West Virginia	148	24,022	24,170
Maryland	2,386	9,941	12,327
Vermont	440	9,124	9,564
New Hampshire	310	9,031	9,341
Massachusetts	227	8,039	8,266
New Jersey	710	7,514	8,224
Connecticut	145	4,820	4,965
Delaware	405	1,965	2,370
Rhode Island	181	1,067	1,248
District of Colombia ...	10	60	70
Alaska	—	—	590,884
Hawaii	—	—	6,449
Total excluding Alaska and Hawaii			3,026,789
Total including Alaska and Hawaii			3,624,122

INTERNATIONAL TRADE.

According to the calculations made by the National City Bank of New York, the value of the international trade of the world—that is, imports and exports during 1919—closely approximated some $70,000,000,000, that is to say, on the basis of the pre-War rate of exchange, roughly £14,000,000,000. This gigantic figure compares with $40,000,000,000 in 1913, or £8,000,000,000 sterling. These calculations are based upon the trade returns received from some 20 principal countries. The majority of these trade returns dealt with the first ten months of last year, but in the case of Great Britain they covered a period ending with November 30 last. Of course, it will be appreciated that in the aggregate total, such as the figures just given, imports and exports are included. Consequently, the actual value of the merchandise passing between the various countries will be approximately some $35,000,000,000. These figures, of course it will be appreciated, are mere estimates, but they give an indication of the value of trade in the past year. The reason for the difference between the aggregate figures and the approximate value of the merchandise is that exports from one country appear as imports into another.

Practically every country in the list for which the returns for last year are available show a material increase over 1918, and an enormous depreciation in value compared with the pre-War period. A feature of the returns is that all countries suppling food products and raw materials show enormous gain. Argentine exports, the Bank estimates, approximate in value some $800,000,000, compared with some $500,000,000 in 1917.

An appreciable, but not anything like a proportionate, advance is shown in the case of Australasia. This is, of course due to the difficulty experienced in the cases both of Australia and New Zealand in not being able to obtain adequate freightage accommodation. So far as manufactures are concerned the Bank is only able to make an estimate for the United States itself. These estimates show the approximate value of the exports from the United States, which have

multiplied three times over during the progress of the War.

To what extent these remarkable figures are due to appreciation in prices there are really no data as yet available to show. It is common knowledge, however, that the advance in prices has been out of all proportion to the volume of goods passing through the various countries.

GUEST, KEEN—LYSAGHT.

Official circulars have been issued this week in connection with the offer of the directors of Guest, Keen and Nettlefolds to purchase, on behalf of that Company the Ordinary shares of John Lysaght, Limited, the well-known contructional engineering and galvanised iron manufacturing concern with extensive works at Bristol and in Australia. Holders of the 2,000,000 issued Ordinary £1 shares of John Lysaght are offered three Ordinary shares and four 5% Cumulative Second Preference shares (free of income tax) of £1 each of Guest, Keen and Nettlefolds for every three Ordinary Lysaght shares. In the case of both companies there have recently been substantial capitalisations of reserves, and it is, of course, extremely difficult to appraise the value of the terms offered, from the standpoint of Lysaght shareholders. However, the following analysis of the capital and profit positions of the two companies before the reserve capitalisations, now, and if the sale is carried through, will, we think, be found instructive:—

Guest, Keen and Nettlefolds—

	Capital Positions— Before Reserve Capitalised in Oct. 1919		Present Capital		After Lysaght Acquisition	
	£		£		£	
Debentures ...	1,850,500	79%	1,850,500	= 61%	1,850,000	= 60%
1st Preference ...	1,720,000		1,720,000		1,720,000	
2nd Preference ...			965,000		3,631,667	
Ordinary	965,000	= 21%	2,895,000	39%	4,895,000	= 40%
Totals	4,535,500		7,430,500		12,097,167	

John Lysaght—

	Capital Positions— Before Reserve Capitalisation in Oct. 1919.		Present Capital	
	£		£	
Debentures	300,000	= 69%	300,000	= 31%
1st Preference	300,000		300,000	
2nd Preference	300,000		300,000	
Ordinary	400,000	= 31%	2,000,000	= 69%
Totals	1,300,000		2,900,000	

	Profit Position on Present Capital— Guest Keen (Yr. to June 30, 1919)	Lysaght (Yr. to Dec. 31, 1918)	When Combined
	£	£	£
Profit Available for distribution ...	417,141	481,151	898,292
Deduct:			
Debenture and Preference Interest ...	228,948*	49,500*	468,448†
Balance	188,193	331,651	429,844
% on Ordinary Capital	6½%*	18·58%*	8½%†

* On present amounts of capital, and allowing for income tax on new 2nd Preference shares in the case of Guest, Keen.

† Allowing for Guest, Keen shares exchanged for Lysaght shares, and income tax.

	Balance-sheet Position— Guest, Keen (At June 30, 1919)	Lysaght (At Dec. 31, 1918)	Combined Total
	£	£	£
Net Assets	7,966,187	2,945,482	10,911,669
Deduct:			
Deb. and Pref. capital at par.	1,535,500*	900,000*	8,102,167†
Balance	3,430,687	2,045,482	2,809,502
Ord. Capital at par	2,895,000	2,000,000	4,895,000†
Surplus	535,687	45,482	2,085,498(Def.)
Premium on Ord. Capital at Market price	2,750,250	4,000,000	—
Proportion to Surplus	500% (Price of shares 39/0)	1·160% (Price of shares £3)	—

† Allowing for new Guest, Keen shares to be exchanged for Lysaght shares.

"Insurance Law." A practical study of principles in marine, fire, life, and accident business. By Mr. Sandford D. Cole. Price 6s. net. (London: Effingham Wilson.) This work is intended as a primer for those thinking of becoming insurance company officials or insurance brokers. The general idea is to examine and illustrate the legal principles which are so closely interwoven with ordinary business practice in insurance that an understanding of the law is necessary.

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Rubber Topics.

The price of rubber having weakened to 2*s*. 7½*d*. in the absence of American buying—a quite usual feature after a rise—the Share market has appeared somewhat neglected and dull in tone. Prices have given way here and there, but by no means generally. Indeed, towards the end of the week buying was in evidence of low-priced shares, and one or two features of strength are to be noted, particularly Pegoh shares on proposal to amalgamate with the Chimpul estate, and Bekoh shares on talk of fusion with Malacca Plantations. An issue of 30,000 £1 reserve shares to shareholders at 32*s*. 6*d*. is announced by the Sumatra Proprietary Co.

A reconstruction is proposed of the Bukit Panjong Syndicate, the profits of which have been subject to very heavy profits tax in the past owing to its low capitalisation. A new Company is to be formed, with the title of Bukit Panjong, Limited, and a nominal capital of £250,000 in 2*s*. shares, and it is proposed to issue £180,000 of this capital by exchanging four shares of the new Company for each 2*s*. share of the existing Syndicate. The effect will be to raise the par capitalisation of the 1,796 acres under rubber from £24 to £100 per acre.

A YEAR'S RISE IN SHARE PRICES.

At this time last year, when the immediate outlook of the rubber plantation industry was obscure owing to the aftermath of war conditions, we published two analyses of selected rubber shares which appeared then to be undervalued in view of ultimate prospects when their shares reached full maturity. Since then share prices have all moved upward in sympathy with the advance in the value of rubber; but they have not all risen in equal proportion, and it should be useful to investors to have a comparison of the approximate share prices and market valuations per planted acre now and a year ago. We therefore give such a comparison below, retaining the shares in two lists as we originally presented them. The companies included in the first of these lists we particularly selected for investment purposes as owning some of the best and most moderately valued estates. The second list we published in response to requests for a selection of shares with market prices not so high in relation to par. Together the two groups of figures appended afford a very fair indication of the valuations now attached to the younger plantation undertakings whose profits are still subject to excess profits duty. The full maturity prospects of the companies we calculated last year on the basis of rubber at 1*s*. 6*d*. per lb., differentiating in each case in regard to yield per acre and cost of production. The average of the profits per lb. which we reckoned upon came out at about 5*d*., and the ratios of the full maturity earning powers which we calculated varied from 10% to 18% upon the

market quotations of the various shares. The price of rubber now is about 1*s.* per lb. higher, and the prospective full maturity profits would be three times as great. On the other hand, market prices have risen considerably less than 50% as an average. On the score of future potentialities the appreciation appears to be warranted; but it is well to bear in mind that dividend payments have not yet reached a correspondingly adequate level. Probably the 1919 declarations will still represent too low a return to shareholders, and resumption of pronounced activity in the Share market can hardly be expected until the dividend outlook for 1920 shows cause or the recently declining tendency in the price of rubber is arrested.

	Issued Capital £	Planted Area Acres	A Year Ago—Price of Shares	A Year Ago—Market Valuatn. per Acre £	Now—Approx. Price of Shares	Now—Market Valuatn. per Acre £
Asahan (10/0) ...	114,961	2,464	25/0	117	34/6	160
Bagan Serai ...	50,000	1,221	60/0	123	80/0	164
Banteah	66,000	1,686	57/0	112	85/0	166
Castlebeld	50,000	2,821	7¼	126	9/0	6
Changkat Sidak ...	87,442	2,810	(Pref. 85/0) (Def. 65/0)	116	{105/0 / 87/0}	149
Cheviot (2/0) ...	88,412	2,751	7/3	117	9/0	145
Dusun Durian ...	250,000	2,544	31/0	152	33/6	165
Glenshiel	35,000	1,756	5½	102	7/0	140
Jeram	69,675	1,983	3	105	77/0	135
Jong Lindor ...	77,000	2,000	3	115	77/0	148
Jugra Land ...	246,223	5,367	64/0	147	90/0	206
Lumut	211,482	3,470	46/0	140	62/6	190
Merliman (2/0) ...	228,853	5,511	6/3	130	7/4	152
North Hummock ...	80,000	2,957	4½	115	5½	142
Pezoh	130,000	3,707	62/0	109	80/0	140
Rembia	80,000	1,560	44/0	113	50/0	128
Selangor River ...	49,282	2,579	5¾	112	7½	148
Sembilan	88,000	2,983	68/0	100	90/0	133
Sendayan	70,000	1,432	58/0	142	64/0	156
Sidang	200,000	6,604	81/0	123	5½	159
Straits Bertam (2/0)	200,000	6,396	7/2	112	9/0	141
Sumatra Consol. ...	100,000	2,210	54/0	122	70/0	158
Sungei Buaya ...	85,000	2,450	60/0	104	77/0	134
Sungei Krut (2/0)...	65,000	1,466	52/0	115	7/6	166
Tali Ayer	300,000	4,611	38/0	124	48/0	156
Tamiang	175,398	3,981	46/0	101	60/0	132
Tandjong ...	150,000	5,886	5¼	131	6⅞	159
United Sua Betong (Debs. 60,000)	111,909	5,162	80/0	116	5¼	167
United Serdang (2/0)	250,000	10,691	12/6	146	16/0	187
United Sumatra (2/0)	120,000	3,662	8/9	143	11/3	184
Aibear (2/0) ...	110,000	1,125	3/2	155	3/0	147
Ampat (2/0) ...	35,000	1,464	7/6	90	13/0	155
Anglo-Johore (2/0)	70,000	1,260	4/0	111	4/9	132
Bangawan (2/0) ...	125,000	1,544	27/0	109	3/7	143
Bernam Perak ...	55,000	1,132	42/0	102	51/0	124
Chimpul (2/0) ...	95,950	1,138	3/2	—	2/10	119
Chota (2/0)... ...	50,000	930	4/3	114	4/3	114
Emerald	133,779	2,473	37/0	100	50/9	137
Jasin (2/0) ...	55,300	1,205	4/3	98	5/3	120
Johore Para ...	65,000	822	24/0	95	30/0	119
K.M.S.	85,000	1,569	33/0	102	39/0	121
Kajang	75,000	1,576	47/0	112	58/0	138
Kasintor	120,000	2,145	36/0	101	44/0	123
Kinta Kellas (2/0)...	113,927	2,228	5/3	134	5/5	138
Lanadron ... (Loan 65,000)	295,000	5,322	38/0	132	50/0	173
Lubok (2/0) ...	56,000	1,259	4/2	93	5/5	117
Manchester N.B. ...	165,000	3,000	33/0	91	47/0	129
Merchiston ...	40,000	841	36/0	86	56/0	133
Narborough (2/0) ...	74,090	1,133	3/5	112	4/4	142
Padang Jawa (2/0)	65,000	812	3/8	147	4/4	173
R. E. of Krian (2/0)	120,600	1,717	3/10	134	3/11	137
Selangor Un. (2/0)...	80,000	1,149	3/8	101	4/2	115
Sumatra Prop. (Debs. 40,000)	70,000	1,386	33/0	112	39/0	127

Capital reorganised.

LANGEN (JAVA) RUBBER ESTATES.

THE Langen Company's report for the year to August 31 makes an appreciably better showing than the statement issued a year ago. This is attributable mainly to reduction of the all-in cost from 1*s.* 3¼*d.* to 1*s.* 1.8*d.*, including .68*d.* loss on exchange; but in this connection it has to be remembered that a good deal of the output was shipped direct from the East and, consequently, did not bear freight charges. The outcome is a profit of £28,297 as compared with £21,605, and this increase is almost exactly represented by the extra amount paid to shareholders in dividends, totalling 15% on a capital of £125,000, as against 12½% distributed on £102,700 capital for 1917-18, since when reserves have been capitalised to the extent of £22,300. We compare five years' results below, and it will be seen that, after allowing for transfer of £8,200 to cover taxation, the carry-forward is slightly increased and the financial position practically maintained:—

	Years ended Aug. 31 — 1919	1918	1917	1916	1915
Planted area	Acres 2,377	Acres 2,276	Acres 2,188	Acres 1,979	Acres 1,979
Average acreage tapped ...	1,979	1,979	1,979	1,897	1,897
	Lb.	Lb.	Lb.	Lb.	Lb.
Rubber output	700,222	698,281	774,375	773,187	505,255
Yield per acre tapped ...	353	—	394	407	266
Gross price realised per lb. ...	1/10·6	1/9½	2/0·77	2/8·3	2/2·82
"All-in" cost per lb. ..	1/1·8	1/3½	1/3·96	1/2·93	1/3·7
Profit per lb.	8·8	–.6¼	1/5·81	1/5·37	–/11·12
	£	£	£	£	£
Value of produce	66,044	63,372	101,254	101,568	54,578
Total expenditure†	40,769	44,426	43,773	46,357	31,461
Net rubber profit	25,275	18,906	57,181	55,211	23,117
Sundry receipts	3,022	2,599	1,698	181	
Brought forward	9,398	6,520‡	5,939	5,264	2,309
Total available	37,695	28,125	64,019	62,173	25,607
Allocations					
Excess profits tax ...	8,200	2,000	30,729	34,250	—
Directors' commission .	469	321	128	777	411
Placed to reserve	—	5,568	10,771	21,350	3,500
Dividend paid	18,750 (15%)	12,838 (12½%)	15,405 (15%)	23,107 (22½%)	16,432 (16%)
Carry forward	10,276	9,398	6,986	3,939	5,264
	37,695	28,125	64,019	62,173	25,607
Net capital expenditure ...	1,648	Nil	3,526	2,264	1,199
Issued capital (£1 shares) ...	125,000	102,700	102,700	102,700	102,700
Debentures in issue	—	—	—	—	7,050
Surplus liquid assets ...	9,174	9,496*	4,768*	645*	10,312

* After deducting excess profits tax. † Including Debentures interest. ‡ After making donations.

Present Price of Shares, 54/0. Market Capitalisation per planted acre, £140.

For the current year, which ends August 31 next, production is estimated at 850,000 lb., and forward sales were advised recently in respect of 268,800 lb. at an average of about 1*s.* 10*d.* per lb. net. The balance seems likely to realise an appreciably higher value, and the outlook for shareholders appears, therefore, to be good. It remains to be seen, however, whether the incidence of the excess profits duty will permit of sufficiently high dividends being paid as to justify at once the present price of 54*s.* for the £1 shares. Possibly there may be connection between this matter of taxation and a proposal which the shareholders are asked to sanction, increasing the capital to £250,000 and giving the board power to issue 125,000 additional £1 shares as and when, and upon such terms, and in such manner as they may think fit.

ANNUAL REPORTS ANALYSED.

GAN KEE (NEGRI SEMBILAN).

Issued Capital: £43,000 in £1 Shares.

	Total Planted Acres	Area in Bearing Acres	Results for Years to June 30 — Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915–16	593	500*	135,100	270*	2/6½†	1/2½†	8,826	4,598	10½
1916–17	593	560*	170,136	300*	2/4½†	1/2½†	10,071	5,513	13
1917–18	537	—	153,393	—	2/0·3†	1/7½†	2,996	2,575	7
1918–19	936	—	148,900	—	1/7½†	1/6*	1,844	2,575	7

* Estimated. † Excluding selling charges.

Price of Shares, 5/0. Market Capitalisation per planted acre, £113.

As a result of the issue of the balance of its authorised capital, this Bright and Galbraith Company's latest accounts as at June 30 showed that it has been provided with funds for financing the extension of its plantations to about 1,000 acres, which makes the proposition of much more economical size than it has been hitherto. The issued capital per planted acre is now only about £45, and with the 2*s.* shares priced at 5*s.* the market valuation per acre of £113 is a low one, especially in view of the Chairman's statement at the meeting that the estate has been maintained in first-class condition. The results reported for the year ended June 30, as will be seen from the above analysis, were very poor; but it has to be borne in mind that in the case of a small production restriction of output has an abnormally adverse effect in regard to cost of production. For the current year the output is estimated to reach about 200,000 lb., and, with rubber priced now at about 1*s.* per lb. above the value realised for the small crop of the past financial year, the outlook for shareholders appears to be good.

CALEDONIAN

INSURANCE COMPANY.

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LONDON OFFICES { 82 KING WILLIAM STREET, E.C. 14 WATERLOO PLACE, PALL MALL, S.W.

Insurance Notes.

FIRE INSURANCE IN 1919.

THE accounts for 1918 presented by the various British insurance companies operating in fire business were as a rule highly satisfactory. Premium incomes generally showed great expansion and fire-loss ratios were of moderate proportions. No great conflagration, such as occurred in 1917 at Salonica, marred the picture, and trading profits, even when subjected to heavy deduction for excess profits duty, were larger than usual. The result in most cases was a substantial addition to reserves, and increases in dividend distributions were not infrequent.

Whether the results of 1919 in this department will prove to be as gratifying when the accounts are made up is very problematical. There are some good features, according to observation of experience, but, on the other hand, there are others of a less favourable character. Premium incomes are not expected to show a reduction, but it is questionable whether on the whole there will be an increase in any way commensurate with that which has taken place in the values of insured property. Meanwhile the cost of reinstatement continues to ascend, and expenses are bound to be greater, owing to the enhanced cost of clerical labour and to other causes.

On the face of it, the home fire business in 1919 does not appear likely to prove anything like so profitable as was the case in 1918. The fire losses so far recorded in the United Kingdom were greatly in excess of those of 1918, and more than double what they were in 1917. Approximate figures show £9,500,000 in 1919, as against £5,500,000 in 1918 and £4,100,000 in 1917. But this is altogether misleading as a guide to the actual experience of fire offices, for these sums include large amounts of property insured by the Government, as well as uninsured property. The heaviest fire of all occurred at some warehouses on the Manchester Ship Canal on June 26, the damage being estimated at as much as a million sterling. The next largest was at a railway warehouse in Spitalfields on the first day of the year 1919, when foodstuffs to the value of nearly £600,000 were destroyed. This was followed a few days later by a fire at a wharf in Wapping, involving the loss of merchandise to the amount of about £200,000. A vast fire, destroying property to the extent of nearly a quarter of a million, occurred in a group of worsted spinning and weaving mills at Bradford in October. Apart from these fires, eleven losses of from £100,000 to £150,000 have to be recorded as under:—

Month	Property	Locality	Approximate Amount of Loss £
January	... Warehouse	Belfast	110,000
February	... Factory	Yarmouth	130,000
March	... Furniture Depository	Pimlico	120,000
May	... Bark Store	Belfast	100,000
..	... Dye Works	Perth	150,000
June	... Warehouse	Old Trafford, Manchester	100,000
..	... Docks	Liverpool	100,000
..	... Railway Sheds	Glasgow	100,000
..	... Bonded Whisky Warehouse	Perth	100,000
September	... Granary	Bermondsey	100,000
December	... Country Mansion	Aberdeenshire	150,000

A remarkable feature of the year was the occurrence of fires at three large furniture depository stores. In addition to the destruction in March of Hudson's store at Pimlico, included in above list, two other fires took place at Kensington and Pimlico in similar warehouses, involving in each case about £80,000. Some increase in rates for such hazards seems bound to follow, which will affect a large number of people who have to store their personal belongings, owing to the difficulty of obtaining household accommodation under the present trying circumstances. There is a heavy list of fires of less, but of very substantial, amounts, nearly every class of industrial and manufacturing risk being included therein. The experience in drapery stores, dyeworks, bleachworks, engineering works and foundries, calico-printing establishments, boot and shoe factories, chemical works, and shipbuilding yards does not appear to have been favourable. Losses in woollen warehouses have been exceptionally high. Cotton mills, woollen mills, and textile factories have not given a particularly favourable experience. Most cotton mills are now well sprinklered, yet heavy losses have continued, and, though premium rates were advanced by 50 per cent. not long ago, it is questionable whether in this sphere the year's transactions will show a profit. Another class of risks in which rates may be affected by a bad experience in 1919 is that of maltsters. Possibly motor works also will be subject to some readjustment of premiums for similar reasons.

In the United States and Canada, whence some of our most important companies draw the larger proportion of their fire business, trade was very flourishing in 1919, and this has been accompanied by unprecedented commercial prosperity. The high prices obtained for agricultural produce of all sorts, as well as for cotton, tobacco, and other products, has greatly stimulated enterprise and has led to large accumulations of stocks. In consequence of this and of improved values of property of all kinds and of raw materials there can scarcely fail to have been a considerable increase all round in premium incomes. Up to the end of November the estimated losses in this sphere were about one-fifth less than for the corresponding eleven months in 1918, being about £48,000,000, as compared with £60,000,000; but reports indicate that the month of December will not show as favourable a result, as known losses have been much heavier than the tabulated statistics of those disasters in December 1918. Excluding the last month of the year, 71 losses, involving in each case over £100,000 were reported. Included therein are the following 25 losses of £200,000 and upwards:—

Month	Property	Locality	Approximate Amount of Loss £
January	... Film Exchange Building	Pittsburg	240,000
..	... Automobile Plant	Montreal	200,000
..	... Oil Tanks, Steamers, &c.	Philadelphia	200,000
..	... Office Buildings and Stores	Sioux City	200,000
..	... Textile Mill Plant	River Point, New Jersey	250,000
..	... Aniline Product Plant	Nyack, New Jersey	200,000
February	... Fertiliser Factory and Cotton and Railroad Terminals	Savannah	800,000
..	... Dye Extract Plant	Stamford, Connecticut	250,000
..	... Fruit Ship and Cargo	New York Harbour	300,000
..	... Tanning Works	Bernard, North Carolina	200,000
..	... Electric Power Plant	Mobile	200,000
March	... Freight Station	Atlanta	200,000
..	... Government Grounds and Buildings	Aberdeen, Maryland	260,000
May	... Starch Works	Cedar Rapids, Iowa	600,000
June	... Tobacco Warehouse	Norfolk, Virginia	650,000
August	... Factory Plant, Lumber and Hotel	Detroit	335,000
..	... Grain Elevator	Port Colborne, Ontario	360,000
..	... Sack Storage Plant	Superior, Wisconsin	200,000
..	... Tractor Factory	Rock Island, Illinois	300,000
September	Nitrate Plant Warehouse	Sheffield, Alabama	400,000
..	... Forest Fires	Big Hour, Wyoming	260,000
..	... Oil Works, &c.	Long Island City	850,000
..	... Court House	Omaha	220,000
November	... Business Section and Oil Property	Waggoner City, Texas	200,000
..	... Cotton Compress Plant	Eldorado, Arkansas	200,000

One of the most difficult problems with which fire managers in the United States have to deal arises from the Prohibition legislation. Some companies have declined liquor risks altogether, while others are greatly restricting their commitments in this respect.

Many plants formerly used for brewing and distilling purposes are in process of conversion to other purposes, and at present the general attitude of underwriters is to "wait and see" what actually happens.

In Latin America, among the principal fires were one in a sawmill at Madera (£70,000) and in a cotton mill at Orizaba (£200,000), both in the Republic of Mexico; a sugar warehouse at Vieques, Porto Rico (£60,000); in warehouses at Rio Janeiro (£120,000); in a cotton mill at San Paulo (£115,000); and in jute warehouses at San Paulo (£130,000) and at Santos (£160,000).

Japan was the scene of three conflagrations, localities and estimated damages being as follows: Sendai, £300,000; Yokohama, £1,200,000; and Yonezawa, £200,000. A fire at the Uyeno Park Exhibition, Tokio, involved £266,000. In Manchuria a fire at the Changchun railway goods sheds caused damage to the extent of nearly a quarter of a million sterling. There was a loss of £200,000 from a godown fire at Hankow, China. India was generally free from large fires, but there was one at rice mills and godowns in Kanoungto, Burma, where the damage was estimated at £500,000. In Australasia and South Africa no specially heavy loss is to be chronicled.

On the continent of Europe, on the other hand, there were numerous costly disasters of the kind. One of the heaviest losses, representing about £600,000, occurred at the municipal warehouse, Bilbao, Spain. Another was a fire at a petrol depôt at La Maladine, Dijon, France, involving £400,000. There were two big timber-yard losses in Finland, involving £200,000 and £160,000 respectively. Information as regards enemy countries and Russia is scanty, as may be supposed, but there must have been a great deal of fire destruction. One very heavy loss that is known occurred at Maimasei Island, Archangel, where sawmills were burned and where the damage is reported to have approached 60 million roubles.

The Belgian Postal Administration (Postal Cheque Service Section) at Brussels announces that it is resuming its service of transmission of funds to and from the United Kingdom. The Service is available to holders of Postal Cheques accounts as well as to the public in general in Belgium. The Banque Belge pour l'Etranger, 2 Bishopsgate Street, E.C.2, will act as agents for this Service. The requisite forms and all other particulars are obtainable from the Banque. It may be well in this connection to recall that practically every firm and individual of any standing in Belgium keeps an account with the Belgian Postal Cheque Service, and that in 1919 no less than 7,937,705,533 francs were cleared by its means.

"The Physiology of Credit and of Money." By Oswald St. Clair. Price 5s. (London: P. S. King and Son.) The author deals with the function of credit; how prices are fixed; of physiology of circulation; the circulating of capital and income; credit and the wholesale market, and the functions of banks, and comes to the conclusion that credit does not increase prices.

The annual review number of the *Shipbuilding and Shipping Record*, issued this week, gives a number of illustrations showing the elaborate furnishings of passenger ships of the immediate pre-War period. None of the leading companies as yet indicate any desire to return to the big ships of the *Aquitania* and *Olympic* classes but it is believed that the intermediate class liners now being built will be as comfortable and elaborately furnished as their predecessors. One liner which is being finished this year was to have been decorated at a pre-War cost of £87,000, and the new contract provides for similar decorations costing £180,000. Italy and France are said to be producing some especially lavish ships in the near future. Our contemporary has cause for pride in the production of its review. The price is one shilling.

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9 Fleet Street, London, E.C. 4.
Actuary and Secretary: Chas. Windett.

Commercial.

MANGANESE ORES.—III.

Manganese ore, properly so called, is found over very extensive areas of the world. It is only within the last generation that its real value for hardening steel has come to be appreciated. In a sense it would be true to say that manganese ore has no value except for the purpose of hardening steel. This is not strictly accurate, but the reader will appreciate to what extent the statement is correct when we say that more than 90% of the world's total production is used for this purpose. Since its real importance to the steelworks of the world became appreciated geologists and mining engineers in various countries have deliberately explored various regions for the purpose of finding manganese ore. More frequently, however, in connection with other work they have come upon clear indications of the existence of manganese ore deposits in various parts of the world to which their duties have called them, and have reported the existence of these deposits to their respective Governments. Again, and to their credit be it said, the Governments of several of our own colonies have instructed the official geologist to make an examination over extensive areas for the existence of manganese ore. In this way we have come to know that manganese ores, pure and as alloys of other metals, exist, as said above, over a very extensive area of the earth's surface. Manganese in its pure state, when reduced to particles, purified in the laboratory, naturally absorbs oxygen. Consequently, in Nature such a thing as a specimen of pure manganese is not found. Nothing, however, is recognised as a manganese ore in the commercial acceptation of the term which does not contain at least [illegible] of pure manganese. All other manganese-bearing minerals are designated by another name, of which the manganese is only regarded as an alloy or by-product. Iron ores may, and in some instances do, contain manganese, in which case the metal would be mixed for the iron ore, not for the manganese, and the manganese, if it could be extracted easily, and sold at a profit, would be regarded simply as a by-product. So far, however, very high prices for manganese ore destined for the markets have been obtained in this way, largely owing to the fact

that sufficient and more than sufficient supplies have been obtained from deposits having a high contents of manganese—that is to say, a contents greater than 40%, and in some cases very much greater.

It will be appreciated, for the reasons that we have already stated, that it is not easy to say with any degree of certainty what is the actual world's production of manganese ore. For practical purposes, however, it may be taken that the world's total production is something between two millions and two and a quarter million tons.

Manganese ore, as we have already said, is found over extensive areas of the world's surface. It is found in our own country, but only worked to a small extent in two counties in North Wales. It is found in South Africa. There are very extensive deposits in Australia, but these are only worked to a very small extent. There are also deposits in New Zealand, but they have not been worked during the past ten years. The world obtained supplies from Turkey at one time and quite considerable supplies from Japan. Manganese is found in countries so widely apart as Spain and Sweden, in Italy, in Greece, in France, and in Belgium. It was worked up to the outbreak of war in what was once Austria-Hungary. The United States managed to produce something like 100,000 tons in a single year under the stress of war.

There are, however, only three great sources of supply which have been continuously worked during the present century. First were the great Caucasian deposits in Southern Russia, which were known and worked for a long period before any attempt had been seriously made to exploit the other two.

As we explained recently, Germany was accustomed to employ, both in her chemical and engineering works, trained chemists as regular members of the staffs. It was in this way that the importance of manganese came to be recognised in the steelworks of Germany. It was in this way, also, that so many of the compounds of which manganese forms part bear in the international markets of the world German names. For a long time during the closing years of the last century Russia was by far the most important source of supply. The raw material was obtained at a comparatively short distance from the principal markets in which it was consumed. Although after a while it became well known that rich manganese ore deposits existed elsewhere, they were for the most part situated far away from great consuming markets, and it was not thought that it would be practicable to develop them. Probably no individual did more than Sir Robert Hadfield for the development of the overseas manganese deposits. The well-known Hadfield manganese steel, with which Sir Robert's name is associated, contains some 12% of manganese, and a proportion of other ingredients besides steel. The whole is heated to a very high temperature and mixed with steel, producing the manganese-steel with which many of our readers must have become very familiar during the progress of the late European War.

The importance of adding manganese to steel was only discovered sometime in the eighties of the last century, and naturally some years elapsed before its real importance to the iron and steel industries of the world became fully appreciated, and the demand for manganese steel became sufficiently great to make it of commercial value. It curiously happened that shortly before this time the official geologist of the Government of India discovered manganese ore deposits in Southern India; but it was not until towards the end of the century that the much richer deposits of the Central Provinces were discovered and were gradually opened up for exploitation. The recent War of course stimulated the demand for manganese steel to an extent that no single factor had done in the whole of its previous recorded history. Even before the discovery of the Indian deposits was made mining engineers in the State of Minas Geraes, in Brazil, discovered a rich manganese ore deposit, which has since become well known throughout the world. Iron-ore deposits were also discovered in the same region as well as further inland. The iron-ore deposits to this day have never been worked, extensive as they are, and rich as they are believed to be. It was for a long time thought that to work them upon a commercial scale would be hopelessly impracticable. They are still, and of course were then, situated far from any consuming market, and the steel industry of the United States had not, of course, been developed in those days to the extent that it has since been. Moreover, the difficulties of transport were regarded as practically insuperable if manganese ores were to be mined as a practical proposition. Railway facilities existed then, as now, to the diamond mines situated at no great distance. Manganese ore, however, is sold by the ton, not by the carat. It has to be remembered that between the State of Minas Geraes and any possible seaport from which the produce of that State can be shipped there is what is known as the coastal range of mountains to be crossed. Whether it will ever be practicable to tunnel that range of mountains remains to be seen, but meanwhile freight rates over mountains very nearly precipitous must necessarily be high. The War came, however, and the Allies, anxious to obtain materials essential to the conduct of their munition factories, were indifferent as to what prices might be demanded, and consequently the manganese ore deposits in Brazil were developed to such an extent that in the later years of the War there were actually shipped to the Atlantic seaboard nearly 600,000 tons of ore in a single year.

With the completion, now more than a year ago, of the Transcontinental Railway in Southern Australia the importance of the manganese ore deposits on the Australian continent claimed attention from financiers, mining engineers, and those interested in the steel trade throughout the Empire. It will have been gathered from what we have already said that at present, so far as Imperial sources of supply are concerned, we are dependent upon India. It is to be hoped the Indian sources of supply will be further developed, and made to supply to a greater extent than they do at present Imperial needs, but at present, considerable as they are, they do not supply more than about 40% of the world's total production, and in many years nothing like so much. There seems no reasonable doubt that with transportation facilities available Australia is capable of rivalling India as a source of supply, not merely for the needs of the British Empire, but for all who require manganese ore in metal works. Until recently the great distance at which most of the known deposits existed from any possible port of shipment, added to the cost of ocean carriage, made it clearly impracticable to attempt to develop them upon any commercial basis. Manganese ore deposits exists in nearly every State of the Commonwealth, and, provided that labour and transportation facilities are available, the opinion of geologists who have made a survey of such deposits as are known to exist is that the Australian continent, taken as a whole, is capable of adding enormous quantities to the world's supply of manganese.

"Income Tax." A summary of the law of income tax, super-tax, and excess profits duty. By F. G. Underhay, M.A. Price 5s. (London: Ward, Lock, and Co., Ltd.) Since the publication of the last edition the Income Tax Act, 1918, has effected a much-needed reform by the consolidation of the income-tax law. The text has, therefore, been brought up to date by referring to the provisions of that Act in place of the very numerous Acts which, from April 6, 1919, it has replaced, and a selection from the sections of the Act, including those sections which comprise the substantive part of the law as apart from administration, is found in the appendix.

Industrial Companies.

LISTER AND COMPANY, LIMITED.

Issued Share Capital: £1,550,000, in 600,000 5% Cum. Pref. and 950,000 Ord £1 Shares
4% Debenture Stock: £250,000.

Year to Nov. 30	Gross Profit.[a]	Depre-ciation.	Deb. & Pref. Intrst.	Profit for Ord.	Ord. Div. £	Ord. Div. %	Added to Reserves, &c.	Carry-forward
	£	£	£	£	£	%	£	£
1913 ...	171,108	25,050	40,000	106,058	71,250	7½	50,000	59,144
1914 ...	114,953	25,050	40,000	49,903	47,500	5	nil	61,847
1915 ...	154 924	25,050	40,000	89,874	71,250	7½	nil	80,471
1916 ...	276,780	25,050	40 000	211,730	95,000	10	50,000	147,201
1917 ...	262,894	25,050	40,000	197,844	118,750	12½	55,000	171 295
1918 ...	230,217	25,050	40,000	165,167	118,750	12½	80,000	187,812
1919 ...	311,213	25,050	40,000	246,163	142,500	15	115,000	176,475

[a] After provision for taxation.

The report of this well-known silk-manufacturing Company for the year ended November 30 makes an excellent impression, which is enhanced by a comparison of the figures disclosed with the results and revenue allocations of previous years. For the past four financial periods the directors have pursued a most conservative policy in the matter of dividend distributions, and Ordinary shareholders are now to be rewarded by a capitalisation of reserves to the extent of £475,000, or 50% on the Ordinary capital at present in issue. There will still remain a balance of undivided profit of £281,475, as against an Ordinary share capital of £1,425,000, £600,000 of 5% Cumulative Preference shares, and £250,000 of Debenture stock. It will be seen from the above table that, after deducting depreciation, Debenture interest, and Preference dividend, the profit available for the Ordinary amounted for the past year to £246,163, equal to over 25% on the existing Ordinary capital and 17% on the future Ordinary capital. The dividend to be paid to the Ordinary shareholders for the year is 15%, calling for £142,500, and leaving a balance of £103,663, which, together with £11,337 taken from the carry-forward, is allocated as to £100,000 to reserve account and as to £15,000 to employees' benefit fund. Altogether in the past four years £60,000 of the profits has been placed to employees' benefit fund (not included in the balance sheet), £45,000 has been set aside to investment contingency fund and written off, while £195,000 has been added to reserve and £96,000 to the carry-forward. During the same period £100,200 has been written off for depreciation, as against an outlay on capital account of £48,340. Since November 1913 the value of fixed assets has been reduced by £87,000, though there is no doubt that, under present conditions, property, buildings, and machinery are worth very much more than in pre-War days. The value of stocks in six years has risen from £578,645 to £1,071,808; nevertheless, though no additional capital has been raised, the surplus liquid assets at the end of November 1919, still amounted to £182,470, as shown below:—

Analysis of Balance Sheets at November 30.

	LIABILITIES.		ASSETS:			
	Total Capital	Reserves & Carry-Forward.	Fixed Assets.	Stocks.	Surplus Liquid Assets.[a]	Total
	£	£	£	£	£	£
1913 ...	1,800,000	444,444	1,388,993	578,645	276,806	2,244,444
1918 ...	1,800 000	667,812	1,293,475	1,007,245	167,092	2,467,812
1919 ...	1,800,000	756 475	1,302,197	1,071,808	182,470	2,556,475

[a] Excluding value of stocks and after allowing for dividend payments and all outgoings on account of the financial year.

The prosperity of the Company is due largely to the high prices obtainable for silk manufactures. The value of such manufactures exported from this country during 1919 was £3,398,000, as compared with £1,759,125 in 1917. Besides silk, the Company manufactures certain descriptions of woollen goods. There appears to be no slackening in the active demand, and in view of the reduction of the excess profits duty there seems to be every likelihood that the Company will be able to maintain its profits at a high level in the current financial year. The price of the Ordinary shares is now 57*s.* *cum* the rights attaching to the reserve capitalisation and also 12½% final dividend and cash bonus for the past year. The 5% Cumulative Preference shares are quoted at about 16*s.*, and yield 6¼%.

New Issues.

EXCHEQUER BONDS.

An attractive short-dated British Government security is available for subscription this week in the shape of 5¾% Exchequer Bonds at the price of 100%, payable in full on application. The bonds will be repayable at par on February 1, 1925; but holders may give notice during the month of January in any one of the years 1921, 1922 or 1923 requiring repayment of the bonds on February 1 in the year next succeeding that in which notice is given. Under no circumstances, however, may notice once given be subsequently withdrawn. Interest will be payable half-yearly on February 1 and August 1, the first dividend being payable on August 1, 1920, and representing interest from the date on which the application is lodged and payment made. Bonds will be issued in denominations of £50 and upwards. Income tax will be deducted at the source, except in the case of bonds issued through the Post Office, which may be for £5, £20, or £50.

The main purpose of the issue is to provide for the conversion of 6%, 3%, and 5% Exchequer Bonds due respectively on February 16, March 24, and December 1 this year. Holders of these may surrender them and receive in exchange therefor like amounts of bonds of the present issue. The new bonds given in exchange for existing 6% Exchequer Bonds will carry a full half-year's dividend payable August 1, 1920, and the full half-year's dividend, due February 16, will be paid in respect of the existing bonds surrendered. In the case of the 3% Exchequer Bonds, the full half-year's dividend thereon due March 24 will be paid, and, in respect of new bonds taken in exchange, a dividend will be payable August 1, representing interest to that date from March 9, 1920. On the existing 5% Exchequer Bonds the full half-year's dividend, due January 1, will be paid, and new bonds exchanged for the old will carry a dividend payable August 1, 1920, and representing interest to that date from May 17.

PERU SYNDICATE, LIMITED.

Last September this Company was formed to acquire and turn to account various oil lands, potash deposits, and mining properties in Peru, Colombia, and Trinidad, and its original capital of £50,000 was duly subscribed. Now for the purpose of providing additional working resources the authorised capital has been increased to £150,000 in 5*s.* shares, and 100,000 shares are offered for subscription at 15*s.* per share, or 200% premium. The principal interests acquired consist entirely of options over, and benefits of negotiations to purchase, various properties believed to contain oil, gold, silver, potash, &c. It is impossible, from the information given in the prospectus, to judge of the investment, or even speculative, merits of the venture. It appears that the Matoppos Syndicate, Limited, and Richard Thomas Hird were the promoters of and vendors to the Company, and received a purchase consideration of £13,500 in cash, presumably for certain of the options and benefits of negotiations already referred to.

HARRISONS & CROSFIELD,
LIMITED,
1-4 GREAT TOWER STREET, LONDON, E.C. 3.

EASTERN AND GENERAL MERCHANTS.

BUYING and SELLING AGENTS in LONDON and ABROAD.

London, Colombo, Calcutta, Bandoeng, Quilon, Kuala Lumpur, Kobe, Calicut, Medan, Montreal, Cochin, Batavia, Tangier

The new issue of capital is underwritten for a commission of 6½% on the issue price.

J. WIPPELL AND COMPANY, LIMITED.

This Company carries on an old-established business of clerical outfitters and ecclesiastical art workers and church furnishers, with works and show-rooms at Exeter and premises at Charing Cross. Further working capital being deemed necessary in consequence of the greatly increased turnover, an issue is now being made of 25,000 8% Cumulative Preference shares of £1 each, which will raise the issued capital to £84,000, divided into 40,000 Preference shares and 44,000 Ordinary shares. At January 31, 1919, the balance sheet of the Company showed assets, including good-will of £6,714, to have a value £70,897 in excess of current liabilities. Before providing for income tax and allowances to employees serving with the forces, the profit amounted to £4,938 for the year to January 31, 1917, £8,285 for 1917-18, and to £8,926 for the latest financial year. The 8% dividend on the Preference capital, assuming the new issue is fully subscribed, will call for £3,200 per annum. The issue has not been underwritten, and the directors may proceed to allotment on a minimum subscription of 2,500 shares.

CITY AND WESTMINSTER PROPERTIES, LTD.

An issue of 480,000 £1 shares of this Company will be offered for subscription at par next week. The Company was formed in 1894 with a capital of £20,000, which has now been increased to £500,000. The purpose is to acquire a large number of freehold and leasehold properties in the City and West-end districts of London.

TRANS ZAMBESIA RAILWAY COMPANY, LIMITED.

An offer for sale has been made this week, at 93%, of £1,200,000 6% First Mortgage Debentures of this Company. The interest is guaranteed by the Government of the Nyasaland Protectorate for 25 years, and an annual sinking fund of £30,000 required to redeem the whole of the Debentures by 40 annual drawings, commencing in the sixth year after the issue of the Debentures, is guaranteed by the same Government for the first 20 years. The Company has been formed to construct and work a railway of about 165 miles in the territory of the Companhia de Moçambique in Portuguese East Africa, between a point on the southern bank of the Zambesi River opposite the terminus of the Central Africa Railway on the northern bank of that river, and a point on the Beira Junction Railway, 35 kilometres distant from Beira. A working arrangement has been made with the Beira Junction Railway (owned by a British company) whereby the new Company will have running rights over the 35 kilometres of railway running into Beira, and at the latter port will have all terminal facilities and access to and use of wharves and quays.

FEDERATED RUBBER GROWERS & MANUFACTURERS, LIMITED.

The issue of 500,000 6% (free of income tax up to 6s. in the £) Cumulative Preference £1 shares of this Company, for which subscriptions are invited at par, appear to be quite an attractive industrial security. The Company holds substantially the whole of the share capital of two well-known and established rubber goods manufacturing companies, one of which owns rubber plantations in the East. Its issued capital at present consists of £1,162,921 of Ordinary shares, and it has to be noted that the assets of the two companies are certified to have a net value of £624,359, after deducting the amount of their Debenture and Preference share capitals and creditors.

ALLEN AND SIMMONDS READING), LIMITED.

This Company has been formed, with a capital of £350,000 in Ordinary £1 shares, to take over as a going concern the business of Allen & Simmonds, Limited, of Reading, which has in the past consisted mainly of the manufacture of engineering specialities such as piston-valves and rod packings, &c. The purpose is to provide for expansion of the business to meet the demands of the motor industry, &c. An issue of 300,000 Ordinary shares is being made at par, including 58,000 shares as part payment of the purchase price, 60,000 shares applied for at par by the shareholders of the vendor Company, and 182,000 shares for which applications are invited. The purchase price has been fixed at £158,066, of which £100,066 is payable in cash. The net assets acquired are stated to have been recently valued, and, including £19,500 for goodwill and £58,000 (payable in shares) for patents, amounted to £158,000. The net profits, before charging royalties, excess profits duty, and income tax, were certified to have been £14,662 in the year ended August 31, 1917, £40,068 in the following twelve months, and £59,364 in the past financial year.

FERODO, LIMITED.

This Company has been formed, with a capital of £250,300 divided into 100,000 7% Cumulative Participating Preference shares and 150,300 Ordinary shares of £1 each, to acquire and develop the business of the Herbert Frood Co., Ltd., producers of "Ferodo" brake and clutch linings. The capital of the existing company is £50,100 and the purchase price paid by the new company is £155,310 (including £47,225 for goodwill), divided as to £5,010 in cash and the balance in the whole of the Ordinary shares of the new company. A valuation of the assets is not given in the prospectus, but it is certified that the net profits, after providing for excess profits duty and depreciation, but not directors' remuneration or income-tax, have averaged £20,075 per annum. This is more than twice the sum required to pay the fixed 7% dividend on the Preference shares, which are now offered for subscription at par. Holders will be entitled in addition, to receive the same dividend as paid on the Ordinary shares beyond 7%, but with a maximum of 10% in any year.

TOOGOOD AND SONS, LIMITED.

The well-known and old-established business of seedsmen, carried on at Southampton under the style of Toogood & Sons, is being transferred to a public company with the above title for a purchase consideration of £148,843 in cash. Out of this, however, the vendors will apply for 60,000 of the 250,000 £1 shares comprising the capital of the new Company, and the remaining 190,000 shares are now offered for subscription at par. Including £30,000 for goodwill and £49,613 for stock in trade and stores, the assets are valued at £148,843. Figures of sales are given showing an increase from £111,395 in 1914-15 to £324,660 in 1918-19, but particulars of net profits are not stated, though it is said that, before providing for excess profits duty and directors' remuneration, the earnings of the past three years have been equal to an average of 27% upon the capital of the new Company.

GEORGE WHITECHURCH, LIMITED.

The business of leather merchants and tanners, mainly connected with the French trade, carried on by this Company for a number of years, has proved to be a very profitable one in the past, and particularly since the rise in the French exchange. It has two factories in France, at each of which extensions have recently been carried out. For the purpose of financing the development of the business an issue is being made at 22s. per share of 150,000 Ordinary £1 shares, which will increase the total capital to £350,000, divided into 60,000 5% Cumulative Preference shares and 340,000 Ordinary shares.

BANGRIN TIN COMPANY, LIMITED.

Subscriptions have been invited this week to an issue at par of 115,000 £1 shares of this Company. It has been formed by the highly successful Siamese Tin Syndicate to acquire and work a tin-bearing property in the Province of Renong, Siam. The purchase consideration is £50,000, payable as to £40,000 in shares and £10,000 in cash, and as the subscription of the 115,000 shares offered has been underwritten for a commission of 5% and preliminary expenses are estimated at £3,000, the Company will have about £95,000 of working capital for equipment purposes.

CINEMA COMBINE, LIMITED.

The purpose for which this new Company with a somewhat high-sounding title has been formed, is to acquire two cinematograph theatres and adjacent premises in Clapham and one at East Sheen, S.W., for a total purchase consideration of £70,500 payable in cash. The capital is £200,000 divided into 2s. shares, and 1,250,000 of such shares are offered for subscription at par, of which 700,000 shares (barely sufficient to provide the purchase price) have been underwritten for a total commission of 6%. Preliminary expenses are estimated at £10,000. Obviously the shares are a speculation.

MEETINGS
OF PUBLIC COMPANIES.

NATIONAL DISCOUNT COMPANY, LIMITED.

THE ordinary annual general meeting was held at Cannon Street Hotel, London, E.C., on January 21, Sir Sigismund F. Mendl, K.B.E., presiding.

The Chairman, in moving the adoption of the report and accounts, said: While the future is still obscure and prophecy is still very dangerous, at any rate we are able to see more clearly ahead in some ways than was possible last year, and I think it is only right to say that the general world prospect, outside these shores at any rate, is not of a very reassuring character. But after the catastrophic events of the years 1914-18 it would be idle to expect that there could be a quick or easy recovery anywhere in Europe. The exhaustion of the combatants and the difficulty of rejoining the threads snapped in 1914 makes the task of re-establishing the ordinary economic relations between nations of trade and finance one of enormous and incalculable magnitude. The mechanism of international exchange has been dislocated; currency is practically universally depreciated, and there has been a consequent rise in the cost of living and in the value of all commodities. We are apparently living in a vicious economic circle. The belligerents must be supplied with those commodities which are essential to restore their national life and prosperity, yet the provision of those commodities is almost entirely prevented by the difficulties of exchange.

Increased Production Essential

The only sound way to correct adverse exchange is to stimulate production and re-establish a trade balance. The necessities of the situation have been indicated in a very able document which has lately been presented to the Prime Minister, signed by leading men in public life and in the banking community. It is an international obligation to finance the primary essentials of our common civilisation, but particularly does it rest upon any belligerents not invaded or devastated, like, for example, ourselves, and even to a greater degree the United States of America. There is also, to my mind, an obligation on neutrals, who have grown rich while we have all been fighting for their liberties as well as our own, to take a hand in this work. (Hear, hear.) We have the opportunity to consolidate our position of industrial pre-eminence perhaps as we never had before, and to retain London as the financial hub of the globe. But it is necessary that industrial strife shall cease in our midst. The Board of Trade returns for 1919 were, I think, of a comparatively satisfactory character, and indicated that we were once more returning to our pre-war position. We have had in the internal working of our Company indications of a revival of the trade bill, and during the last few months much has been done in this direction.

The Year's Record.

The various factors to which I have already alluded appear likely to contribute to the maintenance of high rates and to an increased demand for capital, and those factors and the necessity for caution explain the high figure of the rebate which we have shown in the accounts for 1919. That figure was, of course, also due very largely to the length of our maturities unexpired at the end of the year. This is the highest figure in the history of the Company, being £131,000 over that for 1918. But our figures practically under every head this year are, I think, a record. Though we have nothing to complain of in 1919 on the score of profit, there are various matters and unforeseen factors which have to be borne in mind. In the first place, we had the unexpected rise in the Bank Rate in November. It certainly did not have the usual effect that a rise in the Bank Rate is expected to have, of correcting the foreign exchanges or attracting gold to this country. It wiped out automatically a large part of the handsome profit which we then had in hand; it caused a general depreciation of investments, which, as far as this Company is concerned, amounts to £64,000, but I believe that the general depreciation of investments in the week after the rise of the Bank rate amounted to something like £300,000,000, and it was accompanied by a rise in rates amounting to nearly 2% above the lowest point touched during the year. It will be, we all hope, the part of the National Discount Company and of other institutions of the same character to take an important hand in the reconstruction of trade and industry, but that of itself involves the husbanding of our resources, the maintenance of great strength, and the exercise of considerable judgment and discrimination.

Uncalled Liability on Shares

I want before I sit down to say one word on the reduction of the liability on our shares. We have again gone into this matter with great care, and I hope shareholders will not be disappointed when I say that we have not so far been able to bring forward a scheme for effecting what was desired by several of our shareholders. It is a matter of some difficulty and some complexity, and I hope the shareholders will be patient a little longer with us if we take some time in producing a scheme. What we are bound to have in view and to bear in mind more particularly is that no scheme shall be put forward which is likely to affect the credit and position of the National Discount Company, which have never stood higher than they do now.

Mr. Lawrence E. Chalmers (Deputy Chairman) seconded the motion, which was carried unanimously, and the payment of a final dividend of 6*s.* per share, less income tax, making 12% for the year, was approved.

THE NATIONAL BANK, LIMITED.

THE annual general meeting of proprietors was held at No. 13 Old Broad Street, London, E.C., on Thursday, the 22nd instant.

Sir John Purcell, K.C.B., Chairman of the Bank, presided, and, in moving the adoption of the report and statement of accounts, said: Ladies and Gentlemen,—Following previous and successful half-years, it affords your directors much pleasure to be able again to place before you a set of particulars which, I submit, show a not unsatisfactory record for the half-year to December 31. During the course of it, we, like others, have been faced with no small political and monetary uncertainties, exceptional movements of exchange and the like—to say nothing of such adverse factors as a railway strike here, and in Ireland a motor strike, restrictions placed upon the holding of fairs and markets, and other unfortunate difficulties.

Due largely to the causes and happenings at home and abroad to which I have just directed your attention, there is a considerable market depreciation in the values of the Bank's investments as taken at the close of the half-year. In the case of our non-terminable stocks the drop is a sensible one. This we have provided for out of the profits of the half-year and at once written off. We retain our special reserve at its present figure of £180,000 by way of cover for the existing deficiency over and above that which, as I have told you, is now written off. We hold it, too, in the case of a not unlikely future appreciation, so as to be in a position to transfer any such surplus as may emerge by way of addition to any item of our accounts that may at the moment be deemed expedient.

The Balance Sheet.

I now turn to the balance sheet. I am happy to say that I can point to a notable improvement upon all heads of the account, which again discloses a position of increasing strength and vitality.

There is no change in the paid-up capital. It remains at £1,500,000. The next item in the balance sheet is the rest. Twelve months ago this stood at £665,000. By additions made in the two half-years to December 1918 and June 1919 respectively, it was brought up to £780,000, and we now carry to it, out of our profits for the half-year just closed, the sum of £20,000, bringing it up to the substantial figure of £800,000. The special reserve stands at £180,000.

As compared with twelve months ago, notes in circulation have gone up by £1,128,000. The large figure of £4,365,871 which appears under this head must, I think, be regarded as an evidence of Ireland's material prosperity. Deposit and current accounts show an increase of over six millions and a half. Of this amount £5,370,000 have been provided by our Irish customers. Acceptances to bankers' drafts have gone up by nearly a quarter of a million.

Turn now to the assets side of the account. Here the first item, cash on hand, is increased by £1,524,000. The next, money at call and short notice, has increased by the substantial sum of £535,000. Government securities and Corporation stocks show an increase of £1,685,000. This amount is represented by additions to National War Bonds and Funding Loan. Advances on securities have gone up by £3,208,000. Of this sum, two millions have been advanced in our English Provincial and Metropolitan branches—pointing to a large development in that section of our business. The balance has been lent in Ireland. It will be seen that bills discounted have increased by some £820,000.

Summarising the totals, it will be seen that our aggregate means stand at £42,335,000, whilst our liquid assets give a proportion of 66%, as against our liabilities payable to the public on demand.

Dividend Maintained.

On reference to the profit and loss account, it will be seen that our expenditure has increased by not less than £29,650. The bulk of this has gone into the pockets of the staff, while we pay, as we have done for the past four half-years, a dividend of 12%. A sum of £50,000 has been set aside

in respect of income-tax reserve account, and we carry forward £26,790, as against £24,900 brought in.

Trade and Agriculture in Ireland.

I am happy to be able to tell you that the information which I receive from our officers throughout the country enables me to say that trade conditions in Ireland continue quite satisfactory save as regards the linen industry, which is seriously hampered by an insufficiency of raw material. Farming, the principal industry, continues to enjoy great prosperity.

Dairying continues very profitable, but, in consequence of the controlled price of butter in England, a great falling-off is shown in the amount of that commodity exported, whereas a remarkable development has taken place in cheese-making. The increase tillage area has led to a greater development in the fowl and egg trade. Labour unrest in Ireland, as elsewhere, is the only disquieting feature in an otherwise most promising economic situation, but there is a growing disposition to submit disputes to arbitration.

Relations with Staff.

In view of certain articles and letters which had been appearing in the Dublin and Irish local press as to the conditions under which Irish bank officials were serving, I felt it my duty to issue a circular to the shareholders, setting out the existing position in regard to the staff of this bank. I need not now labour the particulars in this connection, seeing that the main differences between the various boards and their staffs have now been met by the recognition—with certain limitations—of the Irish Bank Officials' Association. This was settled at a Conference held in Dublin between the representatives of the boards and of the council of the Association, with the result that it was agreed that the question of salaries and kindred matters should, if not otherwise arranged for, be left to arbitration, and the same is now proceeding. Needless to say, my board will be prepared to loyally accept and fall in with any decisions arrived at. In the meantime, subject to the outcome of the proceedings now on foot, we shall continue to pay our bonus on the same lines as last year, and already we have, as usual, issued a notification of the increases of salaries which we have decided upon for the year 1920, the same involving for that year an additional charge on the head of salaries of some £18,000, and bringing the total charge for salaries, pensions, and allowances for the current year up to the sum of £300,000.

I have only to add that it has always been the desire and anxiety of your directors to deal fairly and generously with their staff so far as they felt justified in consideration of the general position of the funds and other conditions affecting the Bank.

The report and accounts were duly adopted.

ALEXANDERS DISCOUNT COMPANY, LIMITED.

The fifty-second ordinary general meeting of shareholders of Alexanders Discount Company, Limited, was held on January 22, 1920, at the offices of the Company, 24 Lombard Street, London, E.C.

Mr. Colin Frederick Campbell, the Chairman of the Company, presided.

The Secretary (Mr. A. K. Bruce) having read the notice convening the meeting and the auditors' report, and also the minutes of the last ordinary general meeting on January 16, 1919, and of the extraordinary general meeting of February 6, 1919,

The Chairman: With your permission I will take the report as read.

The year under review is in very marked contrast to 1918. That year was, comparatively speaking, an easy one for the discount houses, with a Bank rate unchanged throughout the year, and a fair margin of profit between the rates for bills and those charged for money during the whole period. Last year, on the other hand, was a very difficult one, especially during the latter months, when rapid changes took place in the value of money. Until the middle of the summer the position remained much as it was in 1918, but then rumours of dearer money became persistent, and extreme caution was necessary. This is not the place for me to criticise the policy of the powers that be, and we will at any rate give them the benefit of the doubt, and assume that their policy has been the right one; but the rise in the rate for Treasury bills that took place in October, followed by a further rise in November, coupled with a rise in the Bank rate from 5 to 6%, at all events had the result of disturbing confidence in the money market generally, for a time, and produced a very serious fall in the prices of all Government securities. That we should have been able to weather these two successive rises in rates, and still be able to submit the balance sheet and profit and loss account now in your hands, reflects the highest credit on your manager and those associated with him in the management of your business. You will have noticed that, while the gross profit is practically the same as in 1918, the working expenses are higher, principally in consequence of a rise in salaries; a larger sum is also required for rebate owing to the rise in rates, so that the net profits are £12,000 lower. We have, however, been able to place £15,000 to the reserve, and to recommend a dividend of 14% for the past six months, making for the year a total of 13½%, less tax, against 12%, less tax, and a bonus of 1*s.*, paid a year ago.

The General Outlook.

Turning now to the future, I cannot speak with any degree of confidence. There is no lack in the supply of bills, as in addition to the Treasury bills always available there is a steadily increasing quantity of bank and commercial paper appearing on the market.

As you are aware, estimates carefully made for the Government in 1914 indicated that the total amount of such bills outstanding at the outbreak of the War was about 350 millions. During the war this amount was reduced, perhaps to as little as one-third of that sum, but in so far as it is possible to judge such a matter, the evidence seems to point to the conclusion that the pre-War total of about 350 millions had been reached again last October, and has by now been exceeded. We welcome this as a sure indication of an expanding British trade, which is so urgently needed; but when we come to consider the other side of the picture, and attempt to forecast what price we are likely to have to pay for our raw material, or, in other words, what the value of money may be during this year, we are faced with a peculiarly difficult problem. We see nothing in the immediate future to lead us to suppose that rates are likely to decline, and if a change does take place it is more likely to be in an upward direction. A year ago I ventured to hope that 1919 might bring us within sight of an end of Government borrowing, but I was unduly sanguine. We have had plenty of good advice from the highest authorities as to what should be done to stop the ever-increasing rise in the price of all commodities resulting in a corresponding expenditure, but until this country ceases to spend more than its income and begins to discharge its liabilities, by an increase of exports over imports, it is futile to look for any permanent relief. We cannot expect a sudden change in the general situation produced by heroic measures, but, given an end to Government borrowing, we have every reason for looking into the future with confidence in the belief that British trade will gradually and steadily re-establish its financial supremacy and bring about a return in the foreign exchanges to a more normal position. With such a state of affairs we need have no undue apprehension as to the value of money or as to our being able to carry on our business on profitable lines as in the past.

Growth of Company's Business.

If you will turn to the balance sheet for a moment you will see a further steady expansion in the total figures, which are £1,600,000 higher, following an increase of similar amount in the previous year. Our deposits have increased 2.1 millions during the year, and, after allowing for the smaller amount of commercial bills rediscounted, our net holding of bills—the mainstay of our business—stands 3.1 millions higher at just over 15 millions. Our holding of short-dated investments we reduced by £900,000, and they are valued, of course, at or below market prices. We have increased the provision for rebate to £130,000, which is ample, considering the short currency of the bills we held; and the amount to be carried forward also shows an increase, though a slight one.

The Bank rate remained at 5% until November 6, when it was raised to 6%, at which it now stands. The average rate for 3m. bills was £3 18*s.* 6*d.* for the whole year, and the average rate for money was £3 9*s.* 6*d.*, showing a margin of 9*s.*

The staff has again worked with the utmost zeal and loyalty, and the shareholders are much indebted to them for the admirable way their duties are always performed. It has been a special pleasure to welcome back those members who have been serving in H.M. Service in various capacities, and they are all now back again at work, with the exception of Mr. Skinner, to whom I referred a year ago as being missing, and who is now, I regret to say, reported as having been killed.

Proposed Issue of Remaining Capital.

Before moving the resolution I will refer to the special resolution to be submitted at the extraordinary meeting to be held at the close of this meeting. Your directors think the time has come when the small unissued amount of Ordinary capital should be issued, and they therefore ask you to give them the necessary authority to do this at the first favourable opportunity, and at a price they may be advised is adequate. The shares would, of course, be offered to the shareholders in proportion to their holdings. There are 10,000 shares available, and when this has been done the capital of the Company will stand at £1,000,000 subscribed and £550,000 paid up, with an addition to the reserve of whatever premium the shares may be issued at.

The board applied to the Stock Exchange Committee early last year for an official quotation for the Ordinary shares of the Company, which was granted, so that, as you are probably aware, they are now regularly quoted in the official lists.

If anybody has any questions to ask I shall be pleased to answer them.

I now beg to propose: "That the report and accounts be received, adopted, and entered on the minutes."

Mr. Robert Ernest Alexander: I will second that resolution.

The resolution was carried unanimously.

BANK OF NEW SOUTH WALES.

At the half-yearly general meeting of the Bank of New South Wales, held at the Chief Banking House, Sydney, on Friday, November 28, 1919, the Chairman, the Hon. Sir Charles K. Mackellar, K.C.M.G., M.L.C., President of the Bank, in moving the adoption of the report, said :—

Gentlemen,—Before moving the adoption of the report and balance sheet I will briefly review the figures of the latter so that you may as far as possible understand their incidence.

Circulation is £500,000 less than at this time last year. This arises from New Zealand fluctuations, where alone we use the note circulation as part of our active business. It forms a very useful adjunct thereto, enabling us to conserve till-money on sound economic lines.

Deposits are £4,448,000 higher than last year. So far as that amount is concerned the increase has arisen in the September to March period, but during the last six months the ordinary current account balances of clients have gone up considerably and the Government deposits have come down. We view the increase as being to some extent temporary, and indicating a pause in our clients' operations.

The item bills payable and other liabilities is about the same as last year, but bills payable themselves are £1,244,000 less, whereas other bank balances are £1,385,000 more. The former is due to less requirements in the way of imports, and the latter is a variation which has no particular significance and is of a temporary nature.

Increase of Capital.

The capital account is now made up to £4,000,000 by the completion of the London portion of the last issue. We are inviting you to pass resolutions for a further increase of the capital to £5,000,000 by the creation of 50,000 new shares. This will place the proprietors' interest in the institution on a more reasonable ratio for the time being to the large direct and increasing liabilities to the public.

On the assets side, the first line of reserve amounts to £31,094,000, which is an increase of £4,300,000, and practically represents the increase in deposits. In other words we have not put this increase of deposits to use in the current business, but retained it for the time being in our liquid assets till we can better gauge the trend of the deposits. Meanwhile a large portion is earning good interest in London. The first line, after providing for maturing engagements, represents rather more than 50% of the liabilities to the public.

Wheat advances are £954,000 less on the year, and War Loan £572,000 less. The former item will soon disappear, we believe, but the latter will increase owing to our participation in the recent Peace Loan, in respect of which we have undertaken to make advances to our clients under special arrangements between the Government and the banks generally.

Effect of the Drought.

Advances are £1,538,000 more on the year. This is due to the greater activity of the business generally, and as a special feature to the effects of the prevailing drought, which operates in two ways, first by increasing the demands on us for assistance wherewith to carry on, and secondly by interfering with the returns which usually come in to reduce seasonal indebtedness by sales of fat and other stock. As we are on the subject of drought I may remark that while we realise that a dry season of exceptional severity has come upon practically all Australia, which is causing great anxiety to pastoralists and the expenditure of large sums of money for relief country and for fodder, so far these conditions have been fairly met by the measures which have been taken to cope with them. Nevertheless, there will be heavy losses of stock in any case. Agriculturists are naturally having a very bad time too, and altogether the outlook for the primary producer, on whose efforts, as you all know, the prosperity of this country depends, is far from bright. But experience has taught us that results in Australia depend on averages, and we have no reason to suppose that past experience will not be repeated in the present case, and that good seasons will follow the bad one we are now going through. So far as the Bank's business is concerned we estimate for such contingencies as far as is humanly possible, but our sympathy goes out to our clients who are battling against heavy odds, and whom it is our duty and interest to assist where reasonably possible.

As I have said, our business continues very active, but we are all still more or less under war influences, and it becomes more evident as time goes on that it will require much patience to unravel the many difficulties which confront us as the aftermath of the War. It would be unwise in our judgment to rush in and throw out all the expedients which have been adopted during the War to enable us to realise our primary products. It must be freely acknowledged that most of these expedients were necessary; some still are for the time being. Transport has to come into something like old normal conditions before we can feel that we can deal with our exports on something like old lines, and it remains to be seen to what extent countries outside the Empire can make financial arrangements to enable them to buy at this end or in the markets at the other side in the old way. What I have said will enable you to realise that our own, as all banking business at the present time, requires more than usually close supervision.

Our staff continues to render loyal and adequate service. Many of those who went to the War have returned and been fitted into their places on the best lines possible. In recognition of the work of those who have carried on here during the War and also during the influenza epidemic, which pressed heavily on us, the board have made provision in the accounts for a 10% special bonus to the staff, which we feel sure will have your hearty approval.

THE BRITISH CYANIDES COMPANY, LIMITED.

New Capital Required for Important Extensions.

An extraordinary general meeting of the British Cyanides Company, Limited, was held on January 21 at the Cannon Street Hotel, London, E.C., Mr. C. F. Rowsell (the Chairman of the Company) presiding.

The Secretary having read the notice convening the meeting,

The Chairman said : Gentlemen, the object of our meeting to-day is to pass the necessary resolution to increase the capital of the Company to £450,000 by the creation of 100,000 new shares of £1 each. As you will have already learnt from the circular we have issued, it is proposed to offer to the shareholders one share for two at 35s., and this issue has been underwritten, so that its success is assured. I am sure that you will share the satisfaction of the board as to the reasons which necessitate this issue. It is due entirely to the rapid increase in the Company's business, and the necessity for increasing our plant to enable us to cope with this ever-increasing business.

One of the first lessons taught us by the War was the great difficulties to which our staff was put through lack of satisfactory offices and research accommodation. It is true that, notwithstanding this, our staff did wonders in coping with the very difficult situation created by the War, but it was perfectly clear to us that to attain to the highest efficiency it was essential that our staff should be adequately housed, and that far better accommodation should be given to our research department. At the earliest possible moment, therefore, we got out the necessary plans for a thoroughly up-to-date office building and research laboratories, and I am glad to say that these are now practically complete. I feel sure that we shall very quickly feel the benefit of the improved control which will inevitably result from this reorganisation.

You may imagine, however, that although we have studied economy in every possible direction in the erection of this building, it required considerable expenditure. We have also found it absolutely essential, in order to meet the changing requirements of our business, both to greatly extend our Popes Lane factory and to alter the arrangements at Tat Bank.

I, as you know, make fairly regular visits to our works, and am, therefore, in a position to tell you from my own observation that, notwithstanding the fact that work carried out under existing conditions is very expensive, the two works which we now have at Popes Lane and Tat Bank more than adequately represent the capital which has been invested in their erection. In fact, I think I might say that the words I have used are, if anything, too cautious in putting before you the real value of our works at the present time.

Now, gentlemen, all this work has naturally taken a very considerable amount of capital, and a very considerable amount of capital has already been expended in payment for the works already completed, while, in addition to the works already in hand, we have also to look to the future, and in this respect we have the important question of raw materials. You are aware that we are carrying out very important work with the view to the solution of this very essential matter, and I think I may say that your board as a whole has the greatest confidence in the result of the efforts that are now being made in this direction. Success will mean an immediate development on new lines for the production of raw material, and it is a very important fact that we have ample accommodation at our Popes Lane factory to carry out any extensions required for this purpose. We have decided to liquidate the boilermakers' business of Fred. Danks, Limited, while second-hand plant and machinery is so keenly in demand, and, by so doing, we shall release for the manufacture of chemicals the large building in which the boilermakers' plant was housed. I need hardly say that the erection of a building of this type

FURNITURE
for Cash.
The best stock in London at
LOWEST PRICES
for excellence of Quality and Design.
Wm. SPRIGGS & Co., Ltd.
238-241 Tottenham Court Road, W. 1.

is one of the most difficult matters in present-day work, and its existence is a great asset to your Company.

I now beg to propose: "That the capital of the Company be increased to £450,000 by the creation of 100,000 new Ordinary shares of £1 each." I will ask Sir Arthur Duckham to second that resolution, and then Mr. Kenneth Chance, our Managing Director, will give you some further information with reference to the progress of our business.

Sir Arthur Duckham, K.C.B.: I have pleasure in seconding the resolution, and in doing so I should like to add to what the Chairman has said, that, like him, I have paid many visits to the works—perhaps even more than he has done, because I am more interested in the technical and engineering side of the business; and I can assure you that the whole development of the work there has been on the best and most economical lines, and that the promise of the future is really good. The various processes which have been carried through are, as you know, more or less new—caused by the War—and the way the staff has tackled them and overcome the difficulties is very creditable and should bring us considerable prosperity. The new offices, I feel sure, will be a great success and a great assistance. The extra accommodation will certainly result in better work and in much more work being done in the factory. With regard to raw materials, the Managing Director, perhaps, can speak better than I can. As the Chairman said, we are all hopeful, and if the work at present being carried out there is the success that we anticipate, undoubtedly it will put this Company into a very satisfactory position. (Applause.)

Mr. Kenneth M. Chance (Managing Director): The Chairman has asked me to say a few words at this meeting, and I should like, first of all, to refer to the forecast which I ventured to make at the annual general meeting of the Company some six months ago. At that time the whole chemical trade of the country was in the doldrums, and although there were, even then, some signs of recovery, I ventured to forecast that, until the August holidays were over, that recovery would not be substantial, but that business would increase at a rapid rate after that time.

The one thing that I did not anticipate was the extraordinary rapidity with which the whole aspect of the chemical trade in this country would completely change round within the short space of a few weeks from September last. So far as we are concerned, the result has been that for those few specialities for which there was always a demand throughout the worst of the slump we were unprepared for the flood of orders which fell upon us, and of the others the stocks that we had accumulated were very soon exhausted.

In the meantime, however, the extensions which we had put in hand in anticipation of heavy demands have been rapidly pushed on to completion, and with the new money which you are asked to authorise to-day the alterations to our Tat Bank factory, which these extensions to our Popes Lane factory have rendered possible, can be carried through, and we shall be in a position to double or treble our output of many of the chemicals that we are now making. In the meantime, our customers recognise that we are only in the same boat as other people in being unable to meet their full demands, and that we are doing the best we possibly can in these difficult times.

You will be glad to hear that our new offices are so far completed that a part of them are already occupied by the staff, and by the end of this month I hope that the transition will be complete, so as to permit of our strengthening up the staff in several departments where, up to the present, lack of accommodation has prohibited our doing so and has thrown an undue strain upon the heads of those departments.

As a matter of fact, the pace at which this Company is developing at the present moment is rather too rapid, and, although you will probably not agree with me, I could have wished that the demand for our products had not come so suddenly and so heavily as it has done, as the strain all round, following on the strain of the War, has been very severe on individual members of the staff.

Dividend Prospects.

By the coincidence that the end of our financial year happened to fall almost exactly in the middle of the slack period following the Armistice, it may be that we shall be more fortunate than most of our other friends in the chemical trade in not being compelled to reduce our dividend, owing to the fact that in each of the financial years ending April 30, 1919, and April 30, 1920, we shall have had some six months of good trade to make up for the six lean months. I do not think that any statement that I could make would express more clearly or concisely my confidence in the prosperity of the Company when it has a full twelve months of trade on the extended basis which this new capital will permit of.

The two problems which now confront us are to provide for all time ample and cheap supplies of the two essential raw materials which are the mainstay of our business—namely, cyanogen and potash. We are constantly at work on these problems; the outlook for both is extremely promising, and if and when they are secured your Company cannot fail to take a proud position amongst the greatest chemical concerns in this country. (Applause.)

In reply to a question, the Chairman stated that renunciation letters would be issued to shareholders in accordance with the usual requirements of the Stock Exchange.

The resolution was carried unanimously.

The Chairman next proposed a resolution making certain alterations in the articles of association, which, he explained, were necessary in order to enable the Company to obtain an official quotation on the Stock Exchange.

Mr. Chance seconded the resolution, which was also unanimously adopted.

Mr. Percy Quilter proposed a vote of thanks to the Chairman and the other directors, remarking that he desired to congratulate the Chairman and the Managing Director on the position disclosed by their remarks. He thought he was expressing the views of everyone present when he said they had every confidence in the directors and wished them every success in the endeavours they were making in the interests of the shareholders. (Hear, hear.)

The vote was seconded by Mr. W. F. Andrews and unanimously accorded, and a brief acknowledgment having been made by the Chairman, the proceedings terminated.

CARRERAS, LIMITED.

THE sixteenth annual general meeting was held at Arcadia Works, City Road, London, E.C., on January 20, Mr. Bernhard Baron (Chairman and Managing Director) presiding.

The Chairman said: In submitting to you our report and accounts for the year ending October 31, 1919, I feel that I can again congratulate the shareholders on the result of the year's business. Our net profits were not so high as in the previous year, but the actual volume of business done was very much greater, and the reduction in profit is due to the big advance in the cost of leaf tobacco, wages, and materials, and the very unfavourable rates of exchange. We have had no War Office contracts during the past year, and the profits, therefore, are the result of business obtained through the ordinary trade channels. One of the principal reasons for my confidence in the future of our business is the fact that it has been built up on sound value. We have always endeavoured, whatever the state of the markets, to give the best goods it was possible to produce, and our progress is evidence that the smoking public recognises this fact more fully as time goes on.

Increased Dividends.

For the first time in our history we are paying a dividend of 12½%, and paying it free of income tax. Thirteen years ago I advocated a conservative policy in regard to our profits in order that we might strengthen the position of the Company and have resources in case of need. We have carried out that policy, and, while paying the very respectable dividend of 10% nearly every year, have built up the very substantial reserve fund of £185,000. We have assets which, if disposed of to-day, would realise more than their book value, and therefore sufficient to pay off all our creditors, bank loans, and share capital. The item of "Goodwill, Trade-marks, and Patents" need not in future cause any anxiety to the shareholders and financial critics, because we can meet all our liabilities without taking goodwill into account. I do not think, however, in view of the wonderful progress and the healthy condition of our business, anyone will deny that this item is an asset of great value, for it has behind it not only the original Carreras business, with all its old-established proprietary brands and world-wide connections, but the very valuable subsidiary businesses which we now control, the goodwill of which is appreciating all the time.

New Cigarette-making Machine.

Throughout my life I have had a good deal to do with machinery for making cigarettes, and for many years past the Baron cigarette-making machine has been recognised as one of the leading machines on the market. During the past year my son has perfected a new invention in connection with the Baron machine, which, without doubt, makes it the fastest, most efficient, and up-to-date cigarette-making machine in the world. We hope to do considerable business in the sale of these machines, and already have a number of orders on hand. Unfortunately, we are not able to get on very quickly with the building of them owing to the strike of the iron moulders, but we hope in the near future to be able to turn out these machines fairly rapidly, and after the requirements of our own factory have been met I have no doubt that we can do a good trade with other cigarette manufacturers all over the world. When we are able to replace our old cigarette machines with the new ones I have spoken about we shall be able to achieve greater efficiency and economy in the working of our factory, and the output will be considerably increased without our having to incur additional expenses for premises or maintenance. We have just completed a new storey to this building, and when this is in full working order it will put us in a better position to cope with the demands for our goods, which are coming in increasing volume from all parts of the world.

Last year I referred to the success of the Alexander Boguslavsky branch of our business, and to-day I am pleased to report still further progress by that Company. Since the export markets have reopened we have had a big demand from the colonies and foreign countries for the Boguslavsky

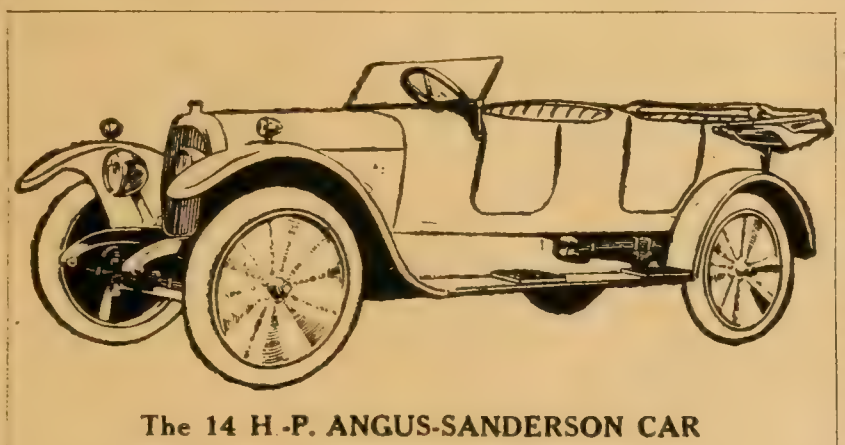
The ESTABLISHED FACT

The Brief History of a great British Industrial enterprise and the birth of an important National achievement.

IF you investigate any great industrial accomplishment, trace it to its source, you will find that it was mostly born of sheer necessity. Many notable achievements have been conceived by brilliant brains and relinquished half completed, but herein is a brief story of one of the greatest propositions man ever imagined; undertaken with courage and conviction, and carried through with unmistakable precision and success.

Progress makes a fresh demand of man with the dawn of each day. Yesterday is ever vanishing to-day; and to-morrow continues to bring a higher watermark of progress. It is necessary to do more than merely keep pace with progress of our competitors—we must anticipate their next move and then move first! Competition and progress are twins; they move together, and with each advance a new opportunity is afforded for a new invention and another industrial accomplishment. The final word has not yet been said upon every subject; the last idea still remains to be developed in every branch of art, science or industry. The universe is continually demanding new methods, revised systems and better ways; and whenever these demands manifest themselves, almost simultaneously the germ idea of another fine achievement is hatched.

Some years before the war people looked wonderingly at the American car which was at that time invading our markets in vastly increasing numbers. It was then an established fact that America had succeeded in producing good motor-cars at prices which were in some cases less than half the cost of equal-power, equal-capacity cars of British manufacturers. The American invasion then started in deadly earnest, encouraged by the British public, who welcomed the moderately priced American product. The import very rapidly increased unchecked by any form of legislative control. Then the question was heard: "Why can't Britain build cars like America, efficient but inexpensive." That question remained unanswered right up to the date when war intervened. Nevertheless, the undeniable fact that America had beaten Britain at a typically British industry made its impression.



The 14 H.-P. ANGUS-SANDERSON CAR

But leadership is only permanent until someone overtakes the leader and so it was that Sir William Angus, Sanderson & Company, Ltd., determined not only to equal any American achievement in car production, but to set up a new standard, so much better that the laurels would once more come back to this country.

The Angus-Sanderson 14-h.p. De Luxe was the conception. It is to day an established fact, and sheer necessity was responsible for its production—the necessity for us to produce cars not merely as well but better than America at the same price. The result achieved marks another milestone in the history of the motor-car industry. The success of this result is better told in the words of men whose names in automobile circles stand for experience, knowledge, and the authority, therefore, to give their opinions.

Mr. S. F. Edge, whose name one can connect with the very pioneer days of the industry, and which has been associated with some of the greatest motor-car successes, recently wrote of the Angus-Sanderson car, in the "Auto," October 23rd, 1919, as follows:—

"I really cannot remember a more satisfactory ride in a car, of no matter what wheel-base or price. It was emphatically the sweetest running and best-sprung car, judged from the rear seat, in which ever I have driven. Its suspension was a revelation. This car is a real competitor with the best examples of value for money which America or any other country can send us, and I look confidently forward to seeing it do a great deal to rehabilitate British motor engineering in the opinion of buyers over-seas."

This, the unbiassed opinion of so high an authority, means more when one considers the strength and broadness of statement contained in the last paragraph, made *entirely without qualification*. Britain at last has produced a car to compete with that which *America or any other country* can make—the car best fitted to go to any corner of the earth as the representative product of the British motor industry.

And now take the consummation of opinion of Capt. W. G. Aston, R.A.F., who, writing in the "Irish Field," 1st November, 1919, stated:—

"I do not think I am overstepping the bounds of strict truth when I say that, all things considered, it is the finest four-cylinder motor-car of which I have had any experience; and that, mark you, without reference to price, size, power, weight, or anything else."

This latter sweeping assertion over the signature of another expert of such recognised authority leaves no vestige of doubt as to the soundness of the Angus-Sanderson production; but if further expert testimony were required, it is to be found in the following remarkable opinion voiced by Capt. L. de Normanville, writing in the "Daily Express," November, 1919, as follows:

"There is only one way on which to base the comparative judgment of cars, and that is on the value one gets for the money expended. On this basis there is no car in the world which takes prior place to the Angus-Sanderson. There is no equivocation about that statement."

From these three emphatic opinions one gathers, apart from unanimous approval of the Angus-Sanderson car as a thoroughly sound engineering proposition, an agreement in views as to the astoundingly good value for money which the car represents.

Why is it then that one body can produce so much greater value for money than another? Why is it that the Angus Sanderson is so high in quality and yet moderate in price? There's a reason. The reason lies purely in the great basic method which governs the entire manufacture of the car. It is the basis of specialisation. The same logic that argues the sense and economy of allocating the building of a battleship to numerous firms, one responsible for the hull, another for the engines, another for the armament, and still scores of others for the various and illimitable equipment therein, applies with equal measure of soundness to car production. Herein, then, lies the great basic secret of the Angus-Sanderson success. It is the combined result of several specialists in the building of component parts. The power unit, for example, is the best that Messrs. J. Tylor & Co., the engine specialists of Kings Cross and Southgate, can produce. The entire transmission unit, gear box, backaxle, etc., is produced by Messrs. F. G. Wrigley & Co., Ltd., of Birmingham. The electrical equipment is also undertaken by a separate firm, while the body work and general assembly of the complete car is in the hands of Sir William Angus, Sanderson & Co., Ltd., whose extensive new Factory at Birtley, Durham, is one of the best equipped and most spacious factories for its particular purposes in the country.

The advantages accruing from the above system of production are numerous. To the general goodness of one product is concentrated the efforts of not only individual experts, but *whole organisations* of experts in the production of various component parts. The soundness of design, the quality of material and workmanship thus incorporated into each part of the car is thus assured. The Angus-Sanderson car two years ago was merely a blue-print proposition. Twelve months saw its tangible materialisation. The close of the war saw a thousand and one preliminary operations going ahead towards its projected production in numbers. The car made its bow to the industry, demonstrated its capabilities: won the immediate support of every expert, as well as the great and not easy to convince element of trade dealers. To day it is a soundly established fact—it is a popular car, with a popular name and popular price. It has successfully emerged from all the most stringent tests to which a car can and must be put. The public has put its O.K. to the Angus-Sanderson by absorbing its output for a long while to come, and although the output at the moment has been somewhat hindered by the moulders' strike, its manufacture in large quantities will go ahead in accordance with the plans already adopted and proved sound.

Sir Wm. Angus, Sanderson & Co Limited

BIRTLEY - CO. DURHAM

"Turf" and "Piccadilly" cigarettes, as well as for the Turkish cigarettes for which the Company is famous. Both at home and abroad our popular "Black Cat" cigarettes, as well as the renowned Craven Mixture, have continued to increase in universal favour. We have a waiting market for all the cigarettes and tobacco we can produce, and there is only one factor which causes us the slightest anxiety regarding our progress in the near future. I refer to the exceedingly small margin of profit on which we are now working, owing to the enormous increases in cost which I have already mentioned. It is certain that the British public cannot bring a charge of profiteering against the tobacco manufacturing industry, and most people would probably be astonished if they knew the very small margin of profit which the manufacturer gets per thousand cigarettes, especially the popular priced brands. If, therefore, an increase of price takes place in the near future I trust the public will understand that it has been caused solely by the great advance in costs which the manufacturer is called upon to bear.

I now move that the report and accounts be received and adopted, and that the dividend at the rate of 17% per annum, free of income tax, for the half year be paid, making, with the interim dividend paid last June, 12½%, free of income tax, for the year.

Mr. Wm. J. Yapp seconded the motion, which was carried unanimously.

EAST INDIA DISTILLERIES AND SUGAR FACTORIES, LIMITED.

A MEETING of shareholders of this Company was held on the 20th inst. at the Company's offices, 54 Old Broad Street, London, Mr. E. S. Ormerod (the Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said the increase in loans was accounted for by the fact that all their materials cost a great deal more and that at the close of the year they were carrying rather larger stocks. As to the apparent diminution of the trading profits compared with those of last year of about £42,000, that was in a great measure accounted for by the fact that this year they made their reserves in Madras instead of in London. The board thought they had better make their reserves so as to be ready for any possible fall in the price of sugar. They accordingly wrote down stocks of material and sugar by £34,000. Another reason was that in their Central Provinces abkari business they had made a loss. The reason for that was that their rate as fixed by Government was based on their being able to buy mowrha at 1 rupee 8 annas per maund. They had, however, to buy up to 5 rupees a maund. The Government had arranged to make up the loss, but, unfortunately, that would not come into this year's profit. Another reason was that in June last they were faced by a shortage of raw materials. Apart from these happenings they had had a very satisfactory year. Their abkari business, with the exception of the Central Provinces, had done well. Their sugar refineries had worked well and smoothly. In the confectionery business they found themselves obliged to lay down further plant in order to cope with the large increase of business. The only one of their subsidiary lines that had not done well was the tramway system. This had suffered, and was suffering, from War conditions. For next year the prospects of the Company were decidedly good.

Mr. A. J. Yorke seconded the motion, which was carried unanimously.

Resolutions were afterwards passed sanctioning a donation of £600 to the funds of the British Empire Producers' Organisation and declaring a dividend on the Ordinary shares at the rate of 10%, less income tax, in respect of the year ended September 30 last.

At an extraordinary general meeting subsequently held a resolution was unanimously adopted altering the articles of association in regard to the remuneration of the directors.

RIO DE JANEIRO FLOUR MILLS AND GRANARIES, LTD.

THE thirty-fourth ordinary general meeting of this Company was held on the 20th inst. at the Institute of Chartered Accountants, Mr. Richard Foster (the Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said that the profit on the flour mill was some £12,000 less than in the previous year. This was not due to smaller grindings, as these had materially increased, but was on account of the higher ratio of values of wheat and freights in comparison with those of flour. The cotton mill showed an increase of some £17,000, and interest and discount had increased by some £20,000. In the item of investments there was a reduction of some £460,000. A year ago he stated that as normal times returned the then amount of £1,239,000 under this heading would be absorbed in the business. The reserve fund was being increased by £10,000 to a total of £160,000. Had strikes been less and steamers more in evidence, both flour and cotton mills would no doubt have worked without stoppages. The cotton mill had given particularly gratifying results, and the demand for the Company's cloth had been so good that the directors had determined to double the capacity of the mill and go in for a more varied type of cloth. They had been fortunate in securing some vacant land adjoining the cotton mill at a very reasonable price, and the property now extended to about 8½ acres of some of the most valuable land in the city of Rio. A year ago he stated that, owing to the impossibility of securing sufficient wheat to meet the demand, the Company's flour trade in the outside markets had been lamentably reduced. He was glad to say there were now indications of a revival.

Mr. S. C. Sheppard (Managing Director) seconded the motion. He said that since his return from Brazil in July last the wonderful development in business had continued, and it looked as if Brazil had at last got her turn and would go ahead and expand on a large scale. In spite of the tonnage difficulties, the quantity of wheat ground had been materially larger than during the preceding period. The cotton mill was undoubtedly going through a prosperous period, and with the excellent position of their factories, their cheap administration and selling expenses, the Company would always be able to hold its own.

The motion was unanimously adopted, and a dividend of 1*s.* 9*d.* per share (making with the interim dividend 3*s.* per share for the year), together with a bonus of 6*d.* per share, both free of income tax, was declared.

FREEMAN, HARDY AND WILLIS.

THE annual meeting of the shareholders of Freeman, Hardy and Willis, Limited, was held on the 22nd instant at the head offices, Leicester, Sir Jonathan North (Chairman of directors) presiding.

The Chairman, who was very cordially received on rising to move the adoption of the report and balance sheet, said he thought they would all agree that the directors were fully justified in their conclusions that the result of the past year's operations was highly satisfactory. The Ordinary-share capital was now £375,000, against £225,000 formerly, and the process which brought about this change was an experience free from either embarrassment or regret. After the payment of working expenses, Debenture interest, and other charges, there was a net profit of £189,129, which, with £26,558 brought forward from last year, left an available balance at the disposal of the shareholders of £215,688. The directors proposed this should be dealt with in the following manner: The Preference dividend for the twelve months absorbed £8,400, and they propose to pay the usual dividend on the Ordinary shares of 12½ per cent. for the year, together with a bonus of 5 per cent. This would require £32,812 and £18,750 respectively. The balance remaining would be disposed of in the following manner: Income tax, £41,788; directors' and staff, £10,000; reserve against new superannuation scheme, £25,000; bonus to employees, £14,000; local and other charities, £2,000; Leicester and Leicestershire University scheme, £10,000. They were able to carry forward to next year's account the sum of £52,937. With reference to the dividend, as stated a year ago, when all the facts were taken into consideration and a proper calculation was made on the whole of the capital employed, what was suggested as a dividend to the shareholders was, in his judgment, quite reasonable, and such as should not excite the envy of any fair-minded person. With regard to holders of Debenture stock, their position called rather for commiseration than criticism, and it was a matter for regret that, notwithstanding their efforts to make them a more satisfactory investment, they had not yet been able to find a way to accomplish it.

Employees' Pension Scheme.

At the last annual meeting a promise was made that a definite scheme should be formulated which would provide for the employees a fixed and definite claim to a pension. He was pleased to say that they had now been able to carry out this promise, and with the assistance of an eminent actuary a contributory scheme had been arranged which provided for a pension of £104 per annum at 65 years of age, after 20 years' service, and further, in the event of total incapacity after 10 years' service, a pension abated to the extent of 5 per cent. of its normal amount for every year of age younger than 65, the amount, however, not to be reduced below half the full pension—namely, £52 per annum. Other benefits were also provided in certain eventualities. He had reason to believe that the scheme would meet with hearty approval. It must be a happy reflection to the whole body of shareholders that the policy pursued in the division of profits for some years past had not excluded from consideration "the hewers of wood and drawers of water." When the various items were put together it would be seen that from the last year's earnings the "rank and file" received no less a sum than £47,000 above and beyond any obligation entered into with regard to their services. With regard to the suggested donation to the Leicester and Leicestershire University College, which was the only remaining item of this kind about which anything need be said, and that only because the announcement had already created a spirit of inquiry, the Company could not be other than interested in all that tended to promote both the moral and material advancement of the city in which its headquarters were located. Art and science must be called to their aid, and so applied that they became the handmaids to their national industries. It seemed, therefore, incumbent upon a Company such as that to realise its obligations in all matters of this kind.

The business in which they were all interested was (notwithstanding its splendid past record of progress) in a very healthy condition, and was never sounder than to-day. For the past decade or more the standard of the trade had very considerably improved and had been maintained mainly by the goods produced in the Company's own factories being of the highest and most dependable quality. The merit of many of their registered brands had been so widely recognised, not only in this country, but in various other parts of the world, that the demand had been much in excess of the supply, but he was pleased to be able to say that the arrangements now made would doubtless strengthen their position and help materially in the maintenance of the future prosperity of the business. It was gratifying to know that, notwithstanding the general industrial unrest, the most cordial relationships existed between the Company and its employees, the maintenance of which, he was sure they would agree, was of paramount importance.

Mr. H. S. Gee seconded, and the report and balance-sheet were adopted.

Resolutions embodying the directors' recommendations with regard to the declaration of dividend and bonuses to shareholders and employees, the setting aside of £25,000 as a reserve against the Company's liability in connection with the employees superannuation fund, and a donation of £10,000 to the Leicester University scheme were agreed to.

GREAT INDIAN PENINSULA RAILWAY COMPANY.

The hundred and fortieth half-yearly general meeting of this Company was held on January 23 at the Company's offices, 48 Copthall Avenue, London, E.C., Mr. J. E. Dallas (Managing Director) presiding.

The Chairman, in moving the adoption of the report and accounts said: Gentlemen, in the absence of Sir Charles Armstrong, who has gone to India on a tour of inspection, it devolves on me to take the chair on this occasion. It will be seen from the report that the gross receipts amounted to 6½ crores of rupees; this constitutes a further record, the increase over the former half-year amounting to 17 lakhs of rupees. Unfortunately, expenditure increased by 30½ lakhs of rupees, resulting in net revenue being decreased by 63½ lakhs of rupees. Excluding State lines, and deducting interest charges, the net revenue shows a decrease of 62½ lakhs of rupees.

The traffic of the line continues to increase in a satisfactory manner. We budgeted for 12.80 crores for the present financial year 1919-1920, but that estimate has already had to be revised, and we now expect to exceed 13 crores; in the next report we may possibly talk about still larger figures. We have to bear in mind, however, that there is leeway to be made up in the maintenance of the line, due to the necessity of curtailing expenditure during the War.

We carried 3,288,000 more ordinary passengers than in the corresponding half-year of 1918-1919 and earned Rs. 33 lakhs more on this service. The total increase in coaching receipts was Rs. 76½ lakhs, equivalent to an increase of 16.23%. The chief feature in goods traffic is the falling off of Rs. 28½ lakhs in general merchandise and mineral traffic. The following facts will help to explain the falling off. The crops of 1918 were a failure. Government placed a prohibition on the export of wheat and other commodities. A further reason for the temporary dislocation of export traffic was the unsettled state of exchange. The shortage of shipping continues to bar a return to normal conditions. If trade could have resumed its normal movement we should probably not have had to report a decrease of Rs. 22 lakhs in goods receipts, equal to 5.7% on the corresponding half-year of 1918-1919. The receipts from electric telegraph and sundries showed an increase of Rs. 2½ lakhs, and, including these items, the total increase on traffic of all sorts, including coaching and goods, was Rs. 17 lakhs or 2.69%.

In the unsettled state of trade it is permissible to regard as satisfactory the above-mentioned increase in earnings. It is, however, disappointing to find that it is accompanied by an increase in working expenses of 23% on the corresponding period of last year, of which 20.59% would be accounted for by greater traffic handled. The stockholders, knowing how salaries, wages, and the cost of all materials are rising in most countries of the world, will not be surprised to find that our working expenses are feeling the burden of this movement.

I do not think I need add anything to what has been said in the report about capital expenditure, which amounted to Rs. 23,85,747. We now have very large contracts out for the supply of a new type of goods engine, which will enable us to make a marked advance in the weight of our goods trains, thereby increasing the capacity of our main goods lines. The investigations which this Company has made in the question of electrifying certain portions of the line have now been completed. A proposal to electrify, as a first instalment, the section from Bombay to Kurla, including the harbour branch, is now being made to the Government of India, and it is possible that this scheme may be inaugurated as soon as funds can be made available. Anything that decreases the necessity for diverting trucks for the carriage of G.I.P. coal over the long and costly route from Bengal is welcome. Not only will electrification contribute to this end, but we have a scheme for burning oil on one or other of our sections where it is economically possible to use this fuel. Moreover, experiments with pulverised coal on a small scale have been brought by our locomotive superintendent, Mr. Bonner, to a successful termination. The perfect combustion ensured by this method makes it possible to use inferior coal, and this would enable us to substitute Central Provinces coal, which has a much shorter lead, for the Bengal article. We therefore contemplate an improvement which will not only benefit the traffic department in the matter of trucks, etc., but will also enable the locomotive department to reduce working expenses.

Mr. J. F. Finlay, C.S.I., seconded the motion, which was carried unanimously.

ROLLS-ROYCE, LIMITED.

Presiding over the adjourned annual meeting of shareholders in Rolls-Royce, Limited, at Derby yesterday, Mr. Ernest Claremont, Chairman of the directors, said that, although the profit on the year's working was the largest the Company had made, the average of retainable war profits only slightly exceeded the high-water mark of peace-time. Shareholders had reason to be proud of that, because it prevented the least suggestion of the Company having unduly benefited by the War. Their first thought had been the nation's interests, the Company's resources being placed unreservedly at the disposal of the Government and the Allies. Prior to the War they never made an aeroplane engine, although many of their competitors had; but Mr. Royce produced, without any previous preparation and in wonderfully short time, an article which by its achievements excelled all others, and to-day stood admittedly best in the world. He did not think any manufacturing company helped more to win the War than Rolls-Royce, Limited, or any man more than Mr. Royce. The secret of Rolls-Royce superiority lay in Mr. Royce's exceptional character and ability, his intense longing for accuracy and perfection in everything he did, his wonderful power in absorbing knowledge and remarkable gift of imparting it to others. The large and perfectly equipped works they now had would have been of comparatively little value had he not trained his young men years ago. Those young men were in charge of the many different departments, and in their turn were teaching their assistants to observe the same high principle.

Turning to commercial prospects, the Chairman invited shareholders to form their own conclusions from the follow-

London and Brazilian Bank, Limited.

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Subscribed Capital - £3,000,000
Paid-up Capital - - £1,500,000
Reserve Fund - - £1,500,000

Manchester Agency:
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Foreign Exchange, Shipping and Agency Dept.,
YORK STREET, MANCHESTER.

Belfast Agency:
NORTHERN BANKING CO., LTD.

BRANCHES in Brazil, Argentina and Uruguay, and also in Lisbon, Oporto, Paris and New York (Agency).

AGENTS and Correspondents throughout the World.

BILLS negotiated, advanced upon, or sent for collection.

Exceptional Banking facilities offered through the Branches of the Bank and its numerous Agents and Correspondents for the promotion of Trade with South America and Portugal.

7 Tokenhouse Yard, London, E.C. 2.

ing facts (taking account of the effects of such things as the moulders' strike which already had adversely affected the current year)—a marvellous reputation, most capable staff, best of buildings and equipment, public clamouring for Rolls-Royce chassis, boundless possibility of flight by mechanical means, clean balance sheet, no goodwill item, a conservative policy, and hard-working board, what Americans thought of their prospects was indicated by the manner in which capital was subscribed for Rolls-Royce of America, Incorporated, by which Rolls-Royce, Limited, in return for its goodwill for the American market, obtained nearly all the Ordinary shares. From directors' experience of such market they expected to reap full benefit from this latest enterprise. With a view to securing the continued interest of their workpeople the board recommended the creation of a Welfare Fund and a scheme for Workers' Shares. There seemed to be some confusion with regard to the Welfare Fund, and he proceeded to describe its essential features. It provided for first paying shareholders 10%, and then after allocating to reserve a sum not exceeding 20% of the balance, and setting aside such sums as might be necessary to meet any contingency, dividing the balance equally between shareholders and the workpeople. There appeared to be an impression that 10% was the limit of dividend receivable, but such was not the case. If profits amounted, for example, to £150,000 there would be first deducted 10% for shareholders, or £85,000, on share capital of £850,000, leaving £65,000; £25,000 was deducted for income tax and contingencies, so that the amount remaining would be £40,000; then deducting £8,000 for reserve, the balance divisible between shareholders and Welfare Fund would be £32,000, or £16,000 each, and that £16,000 would represent about 2% on the share capital, so that on such a profit of £150,000 the dividend receivable might be 12%. To what extent profits would increase for the larger dividends he must leave them to judge after what he had told them of the Company's prospects. There did not appear to be any misunderstanding with regard to the Workers' Shares scheme, the essential features of which were described in the directors' report.

The report was adopted.

At a subsequent extraordinary general meeting the Welfare Scheme and the Workers' Shares scheme were approved and the Articles of Association amended in order to make them operative.

At a board meeting of Messrs. Rolls-Royce, Limited, held yesterday, it was decided to call a general meeting within the next few weeks to consider the accounts of the year ended October 31 last and to recommend a dividend of 15%. After providing for contribution to Workers' Welfare Fund of approximately £40,000, both payments being subject to income tax.

Part 1 of "The *Times* Survey Atlas of the World" has now been issued. The complete Atlas will form a comprehensive series of new and authentic maps produced from the national surveys of the world and the special surveys of travellers and explorers, together with the territorial redistributions ordained by the Peace Conference, with general index of over 200,000 names. The whole work is prepared at the Edinburgh Geographical Institute under the direction of Mr. J. G. Bartholomew, LL.D., F.R.S.E., F.R.G.S. The price of each part is 2s. 6d. The first part contains maps of Southern Scotland, Farther India, Lower Egypt, Mexico, and Central America. Each part will usually contain three maps.

The directors of the Scandinavia Insurance Company, Limited, of Copenhagen, recently offered through the London Chamber of Commerce various prizes for proficiency in the Danish, Swedish, and Norwegian languages amounting to £1,000. It is very pleasing now to learn that Mr. C. L. Hansen, of the Danish Bacon Company, offers annually for the next 10 years, a scholarship (to be known as the "King Canute Scholarship"), providing fare to and from Denmark, with three months' board and residence and tuition in one of the Danish high schools; while the Russian and English Bank, through its Manager, Mr. A. Kiaer, presents a gold, silver, and bronze medal for like recipients, these to be called "The Kiaer Medals for Danish"; and Messrs. Plum and Skikkild, on behalf of the Danish Butter Exportation Committee, offer Danish books to the value of 10 guineas annually for requisite distinction in the Chamber of Commerce Senior Examination for Danish. All three gifts are accompanied by sanguine hopes of extended aid.

PRELIMINARY ANNOUNCEMENT.

THE SUBSCRIPTION LIST will be OPENED on WEDNESDAY, the 28th JANUARY, 1920, and will CLOSE on or before SATURDAY, the 31st JANUARY, 1920.

A copy of this Prospectus has been filed with the Registrar of Joint Stock Companies.

The City and Westminster Properties, Limited

(Incorporated under the Companies Acts 1862 to 1890)

Will make an issue at par of 480,000 Shares, payable 2/6 on Application, 7/6 on Allotment, 5/- on 25th April, 1920, and 5/- on 25th July, 1920.

On Allotment the Directors are prepared to accept payments in advance of Calls and to allow Interest at Five per cent. per annum on such amounts to the respective Call dates.

CAPITAL - - 500,000

Divided into 500,000 Shares of £1 each.

DIRECTORS:

W. Ernest R. Innes, Esq., of 53 Cleveland Square, W. (*Chairman of the City of London Real Property Co., Ltd.*)

W. Edgar Horne, Esq., M.P., of 5 Tilney Street, W. (*Vice-Chairman of the Prudential Assurance Co., and of the City of London Real Property Co., Ltd.*).

William James Miller Burton, of 159 Fenchurch Street, E.C. (*Managing Director of the City of London Real Property Co., Ltd.*).

BANKERS:

Barclays Bank Limited, of 54 Lombard Street, E.C.

SOLICITORS:

Messrs. Vincent & Vincent, of 20 Budge Row, London, E.C.

STOCKBROKERS:

Messrs. Roger Mortimer & Co., of 20 Copthall Avenue, E.C. 2.

Messrs. F Herbert Davies & Co., of 20 Copthall Avenue, E.C. 2.

AUDITORS:

Messrs. Turquand, Youngs & Co., of 41 Coleman Street, E.C.

MANAGER and SECRETARY:

The City of London Real Property Company, Limited.

REGISTERED OFFICES:

159 Fenchurch Street, London, E.C. 3.

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Incorporated by Royal Charter, A.D. 1720.

7 ROYAL EXCHANGE, LONDON, E.C. 3.

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Applications for Agencies invited.



ASSETS £8,626,459 LIFE. ACCIDENT

All classes of Insurance.

The Corporation has granted Fire, Life and Marine Insurances for nearly Two Hundred Years.

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ASSURANCE CO., LTD.

(Established 1866.)

Annual Income, £2,000,000. Total Funds, £5,200,000.
Total Claims Paid, £14,000,000.

All classes of Life Assurance business transacted.
Attractive Up-to-date Tables.

Chief Offices: BROAD STREET CORNER, BIRMINGHAM.

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Chief Office - 50 FINSBURY SQUARE, LONDON, E.C. 2.

Allied with National Amalgamated Approved Society for National (Health) Insurance.

PREMIUM INCOME exceeds ... £1,000,000
FUNDS exceed £2,000,000

ROYAL LONDON

INSURANCE OFFICES.

ROYAL LONDON MUTUAL INSURANCE SOCIETY, LTD.
ROYAL LONDON AUXILIARY INSURANCE COMPANY, LTD.

LIFE, FIRE, ACCIDENT.

Head Office: ROYAL LONDON HOUSE, FINSBURY SQUARE, E.C

Managing Directors: JOHN PRICE. HORACE DUFFELL, J.P.

ABSTAINERS AND GENERAL INSURANCE COMPANY LTD.

Head Offices:—BIRMINGHAM.

LIFE ASSURANCE.

Reduced Rates for Abstainers.

Fire, Burglary, Plate Glass, Personal Accident.

Forward postcard for Company's popular booklets, "Total Abstinence an Asset in Life Assurance" and "Homes and How to Own Them."

REFUGE ASSURANCE COMPANY LIMITED.

Chief Office: OXFORD STREET, MANCHESTER.

Annual Income Exceeds - £4,700,000
Assets Exceed - - - - £15,900,000
Claims Paid Exceed - - - £28,000,000

IMPORTANT NOTICE!

All Editorial communications should be addressed to the Editor.

Business communications should be addressed to the Manager,

THE STATIST,
51 Cannon Street, London, E.C. 4.

Telegrams: "Statist Cent. London." *Telephone: City 5258-5259.*

The Statist.

LONDON, SATURDAY, JANUARY 31, 1920.

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The Money Market.

Friday, January 30, 1920.

	Current Rate % Fixed	Previous Rate % Fixed
Bank of England Rate...	6 (Nov. 6,'19)	5 Apr. 5,'17
Deposit Rates:—		
Banks & Discnt. Ho. (Call)	4 (Nov. 6,'19)	3½† Oct 6, '19
Discount Houses (Notice)...	4½ (Nov. 6, '19)	3⅝ * Oct. 6,'19

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.

† Foreign and Colonial banks give Special Rates only upon deposits for a year

Discount Rates:—	60 Days. %	3 Mos. %	4 Mos. %	6 Mos. %
Treasury Bills	—	5⅛	—	5⅛
Bank Bills	4 7/8–5	5⅛	5⅛	5⅛-¾
Trade Bills	—	6–6¼	6¼	6½

THE outstanding feature of the week has been the collapse of the leading Continental exchanges, accompanied by violent fluctuations, and the fall in the dollar value of the pound sterling to an extent which a few months ago would have been thought extremely improbable. Indeed the movements have been so great as to suggest the existence of some factor which has not hitherto been fully recognised, for they can hardly be accounted for in full by the causes which ordinarily affect the exchanges. Regarded from the point of view of New York the rates on Paris and Berlin have weakened to such an extent as to preclude the idea of an increase in relative indebtedness being the dominant cause. Undoubtedly banking and speculative operations may have been more influential than heretofore, but perhaps the key to the situation is to be found in the consideration of the financial position of the countries which have been adversely affected by these exchange movements, and it is more

that product and the position of the exchanges with those countries reflects more than anything else the opinions of Americans as to their financial prospects. Thus if the Governments of the countries concerned showed a disposition to bring expenditure within the limits of taxable capacity and could hold out a prospect of increased thrift and increased production, the present trend of the exchanges would be promptly reversed. But, unfortunately, the devastated countries of Europe are severely handicapped by a shortage of raw materials, and cannot buy them abroad unless on long-term credits. On the other hand, the United States, which is the chief creditor country, is not disposed to grant credits. The first step, however, must be made by the countries themselves, and nothing can be done until they increase taxation, reduce expenditure, discotinue the issuing of excessive quantities of paper money, and give a free rein to production by the removal of industrial unrest. It is high time, therefore, that the Governments of all the nations concerned should come to an understanding, and that the more prosperous countries should devise means to help in the reconstruction of those less favoured. They have at least that interest in them which a creditor has in the welfare of his debtor.

As regards this country there is little ground for fear; our foreign trade is steadily developing and our debt abroad is consequently diminishing. The fall in the New York rate this week but shows the extent to which we are shouldering the debt of other European countries; while our indebtedness to New York is increasing, the obligations of the Continent to us are increasing more than proportionately, and our general position, therefore, is no worse. A result of the low value of sterling in New York that may be looked for immediately is a falling off of our imports from America, and unless the continental exchanges discover further weakness our rate on New York should show signs of recovery.

The plenitude of floating credits noticed last week was also a feature of the Money market during the present week. Still, on account of the rapidity with which the taxes are being collected, as indicated by the most recent income and expenditure return, that plenitude was less pronounced this week, and rates hardened somewhat in consequence. Yesterday, however, the tendency became somewhat easier. The first indication of the firmer tendency came on Monday, when, though loans were to be had at as low as 2½% during the day, closing balances were in good request at 3%. The demand continued firm, and for the remainder of the week the ruling rate was 3½-4%.

The Discount market was affected by the feverish condition of the exchanges, and also by the stronger tone of the Money market, with the result that there was a general hardening of rates. A favourable feature is an increase in the number of bills, and the balance sheets of the banks just published show that the requirements of trade are receiving increasing attention. The rate for three-months' bank bills hardened from 5½-5⅝% to 5⅝-5¾. Two-months' fine paper was discounted at from 4⅞% to 5%, but yesterday's rate eased to 4¾-5. The tendency for short-dated bills became easier owing to a slackness of demand, and four-months' paper was weak owing to scarcity.

The public income and expenditure returns for the financial year up to the 24th inst. show a continuation of that healthy tendency which has been a marked feature of the national accounts since the beginning of the New Year. As is to be expected towards the end of the financial year, the revenue is very large. The figure for the week ending January 24 exceeds the amount of revenue for the preceding week by £9,686,923, and exceeds the expenditure for the week to January 24 by the substantial sum of £12,490,579. Besides this balance on the revenue side, receipts for the Funding Loan and Victory Bonds combined totalled over 11½ millions for the week, and by this means was effected a substantial reduction in the floating debt. Maturities and Treasury bills exceeded receipts by £10,980,000, and repayments of Ways and Means Advances exceeded borrowings by £10,644,000. £21,704,000 is the net reduction in the floating debt, which now stands at £1,324,321,000. Revenue from property and income tax shows an increase of one million as compared with the preceding week, and miscellaneous items of revenue increased by over thirteen millions. There was a slight decrease in the amount received for War Savings Certificates. The total receipts for the week were £194,313,533, and the total expenditure £194,138,270, thereby increasing the balances in Exchequer by £175,263 to £4,805,702.

In the Currency Notes Return for the week ending January 28 is repeated the movement which has been a feature of the financial policy of the Treasury since the beginning of the New Year, namely a decrease in the fiduciary note issue. The decrease for this week, however, compares unfavourably with that of the previous week's, being only £3,039,569 against £6,128,597 for the week ending January 21, £9,273,369 for the week ending January 14, and and £8,156,290 for the first week of the year. Notes issued during the week amounted to £4,523,446, and cancellations totalled £7,633,015—a reduction of £3,109,569. There was a resumption of the issue of currency notes certificates to the extent of £220,000

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Subscribed Capital ...	**£6,250,000**	**Reserve Fund**	**£2,200,000**
Paid-up Capital	**£1,562,500**	**Uncalled Capital**... ...	**£4,687,500**

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BILLS NEGOTIATED and **COLLECTED.**
DRAFTS issued, **MAIL** and **TELEGRAPHIC REMITTANCES** made.
LETTERS OF CREDIT and **COMMERCIAL CREDITS** established.
TRAVELLERS' LETTERS OF CREDIT issued available in all parts of the world.
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The Officers of the Bank are forbidden to discuss the transactions of its customers. FRANCIS SHIPTON, *London Manager.*

while the cancellations of certificates reached only £150,000 as against £3,450,000 during the first week of January, £2,360,000 during the second, and £1,190,000 during the third.

The actual fiduciary issue is £297,054,197 as compared with £278,979,880 on January 29, 1919. The ratio of Bank of England notes and gold to the total of notes and certificates outstanding has improved to 9.8%.

As already indicated, extraordinary movements took place in the Foreign Exchange market. On Monday the mark jumped from 285 to 365; after a moderate rally it fluctuated between 275 and 340 on Wednesday, and between 290 and 220 on Thursday, closing at 265. The Paris cheque was as high as 48.05 on Wednesday, but rallied yesterday to 46.40. The Belgian franc closed at 48 yesterday, after having been as high as 49.35 on Wednesday. The Italian lira also advanced to as high as 55.50. The New York cable transfer rate fell to the unprecedented figure of 3.51¾, and was at one time as low as 3.49. These movements and fluctuations, which are so detrimental to trade on account of the utter uncertainty of the future they breed, show that there are no limits to the demoralisation of an exchange under present conditions. In fact, in the absence of the gold standard with its control of fluctuations, the exchanges with the poorer countries of Europe depend on paper currencies, which in turn depend on the credit of the respective Governments, so that, as already pointed out, the rates indicate chiefly the estimation in which that credit is held by creditor nations.

The persistent adverse movement of the New York exchange imparts an especial interest to the forthcoming meeting between the Chancellor of the Exchequer and the signatories of the recent memorial addressed to the Prime Minister. The present position of most of the European rates is a powerful justification of their plea for an international conference to inquire into the serious economic condition of Europe. Mr. Goodenough's pithy description of the New York-London rate as "the New York-Europe" rate affords, it is true, a good explanation of the continual depreciation of this exchange. But explanations, beyond affording a diagnosis of the disease, are not enough. On all sides there is an appeal for definite action to check the fall and to restore confidence. This is the problem that confronts the Chancellor and such members of the banking and commercial community as participate in the meeting, which it is understood will take place early next week. It is to be hoped, in the best interests of the country, that the Government will continue to turn a deaf ear to an appeal to revert to the war-time device of pegging the exchanges. Apart from any consideration as to whether this could be done with effect and without any great difficulty—and the report of the Dollar Securities Committee shows that it was by no means a simple task—there remains the more vital fact that such action would in the long run be prejudicial. To keep the rate in the neighbourhood of $4.70 would undoubtedly assist importers of foodstuffs and essential raw materials such as cotton, and to some extent would lower the price of these and of commodities manufactured from them, to the consumer. But it would equally stimulate the import of luxuries and non-essentials, and these are just exactly commodities the importation of which it is not merely judicious but imperative to reduce.

On the other hand, the lower the rate falls, the less profitable it becomes to purchase goods in America, and consequently the tendency is to confine purchases in such a market to those which are indispensable. And that the adverse exchange is beginning to operate in this manner is now becoming evident. In the City it is said that orders to America are being more and more restricted to the essential commodities, and that France, too, is considering her position in this respect. Moreover, the unfavourable exchange also works out its own cure by stimulating production, since it is advantageous for America to buy in this market. Herein, indeed, lies the key to the better remedy: to restrict, if necessary, imports from countries with which our exchange is unfavourable to such as are of vital importance to us. But the remedy lies as much with the individual as with the Government. A curtailment of expenditure on luxuries, especially on such as come from abroad, where the rate is unfavourable, will do much to stem the fall. This is not, however, enough; equally necessary is it to increase production at home, and thus furnish goods to be sold in exchange for our imports. If it is considered necessary to establish long-term credits, great care must be taken to confine such credits to the purchase of essential commodities. Such action should, however, be deferred as long as possible. There is reason to believe that the much desired expansion of trade is already under weigh. The comparative smallness of the actual balance of trade against this country last year, after allowing for our invisible imports, confirms this. Much stronger evidence is furnished by the remarkable increase in the loans and advances made by the leading joint stock banks, as revealed in their latest balance sheets. The total of £776,584,236 for all the leading banks as the amount of loans and advances on December 31, 1919, represented an increase of over £300,000,000, as compared with the amount outstanding on December 31, 1918. Making due allowance for the increase in speculation, there is no doubt that a substantial portion of this total is to be attributed to trade advances. On the whole, there is no ground for panic or excessive pessimism in connection with the exchanges. Increase national production and reduce unnecessary expenditure, whether on the part of the Government or of individuals, and the tide will turn much sooner than by resorting to any artificial process of stabilising the rate, which at best only serves to put off the evil day and lull people into a false confidence.

BANK OF ENGLAND.

A further very satisfactory improvement is disclosed by this week's Bank return, both from the point of view of increase in reserve and reduction of liabilities. In the first place, there was an addition of over £3,000,000 to the stock of gold coin and bullion in both departments, which raised the total to nearly £100,000,000; and as the note circulation expanded by no more than £164,000, the amount of the reserve increased from £27,162,000 to £30,126,000. Since the first return of the year the Bank has received an accession of £8,653,000 to its gold, attributable mainly to the transfer to it of a portion of the metal held by the joint stock banks. A particularly good feature is the week's contraction of nearly £5,500,000 in the total of Government securities, indicating an especially large inflow to the Treasury of tax revenue. The market also reduced its indebtedness, "other" securities contracting by over £4,000,000; but this item is still above the level recorded prior to the Christmas holidays. On the other side of the account, public deposits declined £1,300,000, and "other" deposits over £5,000,000, and the ratio of reserve to liabilities improved from 16.8% to 19.4%, which is the highest since September 24 last.

NEW YORK.

The drastic rise announced last week in the Federal Reserve Board's rediscount rates seems to have been favorably accepted by the bankers, who have as a result shown a disposition to husband credit resources.

The rise was no doubt due to the dangerously low reserves of the Federal Reserve banks and the consequent reduction of their lending power, and there is evidence that it has restricted speculative operations to some extent. There has been much liquidation of speculative holdings during the week.

The weekly average statement of the New York City Banks and Trust Companies show a decrease of $45,120,000 in loans. The demand deposits have gone up by $44,780,000, and the time deposits by $1,900,000, and the aggregate reserve shows the substantial decline of $68,860,000. Cash with members of the Federal Reserve Bank has been reduced by $7,040,000. The weekly statement of the Federal Reserve Board registers a decline of $17,230,000 in the total gold reserves. At the same time the total net deposits have been reduced by $1,220,000 and the Federal Reserve note circulation by $5,650,000. The ratio of total reserves to deposits and Federal Reserve note circulation combined has improved slightly to nearly 44.8%.

There was a good demand for call money, and rates advanced rapidly. On January 28 the rate rose to 14%, the last loan being placed at 12%. On the following day the ruling rate was 10%, but up to 18% was paid, and the last loan was placed at 14%.

The question of foreign trade and foreign credits is at present the dominant one in Wall Street.

SILVER.

The supplies of silver have been small during the week, while there was a vigorous repetition of Chinese buying, with the result that the price both for cash and for forward delivery has advanced to new high levels. On January 23 the quotation was 79⅞*d.* per oz. for cash, and 78¾*d.* per oz. for forward delivery; last Thursday's prices were 85*d.* and 84*d.* respectively. The discount for forward delivery diminished to ¾*d.* on Wednesday. The net increase for the week is 5⅛*d.* per oz. in the cash price and 5¼*d.* per oz. in the forward quotation. The rise was accentuated by the fall in the American exchange. To-day silver was quoted 84⅛*d.* cash and 83⅛*d.* forward.

Scanty supplies, keen buying on the part of India, South Africa, the Straits Settlements, and for the trade, and the depression of the American exchange, have combined to raise the price of gold to 117*s.* 6*d.* per oz.—a new high record.

Recent movements in the Indian Currency Returns are shown below:

	Note Circulation	Silver			Gold		% of Metallic Res.	Government Securities	
		In India	Elsewhere	Total	In India	Elsewhere		Indian	British
1920	Lacs	Lacs	Lacs	Lacs	Lacs	Lacs	to Notes	Lacs	Lacs
Jan. 22 ...	18,495	4,099	—	4,099	3,356	1,200	46·9	1,560	8,250
Jan. 15 ...	18,491*	4,163	—	4,163	3,500	1,028	46·5	1,750	8,250
Jan. 7 ...	18,621	4,257	—	4,257	3,421	943	46·3	1,750	8,250
1919									
Dec. 29 ...	18,291	4,367	—	4,367	2,961	1,010	45·6	1,703	8,250
Dec. 22 ...	18,185	4,404	—	4,404	2,991	780	45·3	1,703	8,250
Dec. 15 ...	18,060	4,543	—	4,543	2,629	935	44·9	1,703	8,250
Dec. 7 ...	17,874	4,614	—	4,614	2,456	857	44·3	1,703	8,250
Nov. 29 ...	17,967	4,744	—	4,744	2,554	916	44·6	1,703	8,250
Nov. 22 ...	17,959	4,792	—	4,792	2,185	1,009	44·6	1,703	8,250

* Highest since war began.

Stock Exchange.

There has been, on the whole, less activity in the Stock markets this week than has been the case for some time previously. This was largely due to the demoralised condition of the exchanges producing such a feeling of uncertainty as to deter buyers to a considerable extent. In spite of this, the Industrial section maintained its activity and exhibited many prominent features. The Gilt-edged market was depressed by the apathy shown by the public towards the new issue of Exchequer Bonds, and the feeling prevails that the Government ought to give more publicity to the issue. It is not now thought that the conversion terms will be availed of to the extent which was originally anticipated, and, should this opinion be correct, some disturbance may be expected. The list for cash applications will remain open until February 28; and, with a strong publicity campaign on the part of the Government with a view to attracting the savings of the genuine investor, the issue could easily be absorbed before those dates, as the security is a really attractive one, and much dislocation could thereby be avoided. International stocks were again affected by Continental selling, chiefly from German sources.

In the Gilt-edged market Consols fell ⅜ during the week to 51. The War Loans also weakened; the Five per Cents. dropped 7/8, but rallied ⅛ yesterday to 91¼, the Four per Cents. declined ½, the Funding Loan fell 1¼ to 73¾, and closed weak, Bank of England weakened to 192½, India Threes lost one point, and Three-and-a-half per Cents. lost ¾. Colonial stocks were generally steady, but New South Wales Five per Cents rose ½ to 95½. New South Wales Five-and-three-quarter per Cents. 1925-30 lost ½ to 100½, and Union of South Africa Four per Cents. 1943-1963 gained one point to 80.

In the Foreign market Brazilian Fives of 1913 lost two points to 62, Brazilian Fours of 1889 lost 1½ to 47, while the Brazilian 5% Funding 1914 rose one point to 67. French 5% War Loan lost 3½, but recovered ½ yesterday to 57; French 4% (British issue) fell 2 but rallied ½ later to 45. Belgian Threes rose one point on Monday to 57. Mexican issues exhibited a weak tendency. Egyptian Unified, after irregular movements, steadied at 81, a net decline of one point. Russian Bonds weakened. Nicaraguan and Salvador issues showed considerable strength. German issues were given a quotation yesterday on the Stock Exchange Official List.

Irregular movements occurred in the Home Rail market, and on the whole the tendency was weaker. Great Easterns rose 1¼ on anticipation of the dividend announcement, but fell ½ to 36½ later, although the declared dividend compared favourably with that of the previous year, the rate for the year being 2¾% as against 2½%. Lancashire and Yorkshire, Midland Preferred and Deferred, Great Westerns, North-Easterns and North-Westerns all declined, Underground Electrics weakened on account of the current unfavourable reports of losses.

Argentine rails were firm on the news of favourable traffic reports. Leopoldinas moved irregularly, but closed steady.

Favourable reports concerning the Anglo-Argentine Trams show that there is every reasonable prospect of a dividend being paid on the First Preference shares. This Company has suffered much on account of war conditions, but it is now expected that costs have reached their maximum. The report has been confirmed that the municipal authorities of Buenos Ayres have confirmed an increase from 10 cents to 12 cents in the fares—an increase of 20%. This increase has been rendered necessary by the great increase in expenses, as well as the unfavourable labour conditions. The increase, however, will not come into effect for some time, and no dividend can be expected for a year at least, and then only on the First Preference shares. As regards the Ordinary shares, the arrears are so considerable on the Preference shares that the Ordinary shareholders' prospects of a dividend are not encouraging.

In the Industrial section activity was well maintained throughout the week, despite the uncertain aspect of the Stock Exchange generally. Textiles and Nitrates were strongly supported, Calico Printers, for

example, moving up from 35*s.*, last week's closing quotation, to 40*s.* yesterday. Practically all Nitrate descriptions recorded substantial rises. Nigers were the object of much attention, which was attracted by the offer made by Lever Brothers to purchase the Ordinary shares of the concern with a view to obtaining control. As the price offered is £6 10*s.* per share, the sum involved in the purchase of the 1,250,000 Ordinary shares is over £8,000,000. Apart from its significance as illustrating the remarkable development during the past few years in the range and nature of Levers' activities, the deal is of curious interest. The price offered is £2 above Friday's quotation for the shares, a feature which in itself is surprising enough; but though the shares have jumped phenomenally, the price to-day was only 6⅞, which left a considerable margin under the purchase offer.

Phenomenal rises took place in the leading Cable issues on the announcement of increased dividends on Eastern, Western, and Eastern Extension Ordinary shares. In each case dividends are to be raised from 8% to 10%, free of tax, while all three companies are issuing £1,000,000 of fresh capital at par.

In the Oil-share market movements were irregular. Shells and Royal Dutch were the leading features, being supported at the expense of other shares, which were subject to profit-taking. The latest feature is a considerable amount of selling, followed by a general decline in prices. Shell Transport rose ¾, but yesterday lost ¼ to 13⅜. Royal Dutch gained 5½ points to 94½, but dropped 2½ yesterday. Scottish-Americans declined by 5*s.* to 39*s.*, yesterday's fall being 2*s.* 9*d.* Mexican Eagles declined ⅞ to 11⅛.

HARRODS AND SOUTH AMERICAN STORES.

The directors of the South American Stores (Gath & Chaves), Ltd., announce that, on the necessary arrangements being completed with Harrods (Buenos Aires) Ltd., the following offer will be made to the shareholders of the South American Stores:—

(*a*) Three Ordinary shares of £1 each in Harrods (Buenos Aires) for every two Preference shares in the South American Stores, or in lieu thereof 32*s.* 6*d.* in cash for each Preference share.

(*b*) Three Ordinary shares of £1 each in Harrods (Buenos Aires) for every two Ordinary shares in the South American Stores, or in lieu thereof 32*s.* 6*d.* in cash for each Ordinary share.

(*c*) One Ordinary share of £1 in Harrods (Buenos Aires) for every three Deferred shares in the South American Stores, or in lieu thereof 7*s.* 2⅔*d.* in cash for each Deferred share.

The offer is subject to a certain number of shares being obtained.

Victory Bonds.—Notice is given to holders of Victory Bonds that fully-paid allotment letters may be lodged at the Bank of England Loans Office, 5 and 6 Lombard Street, London, E.C., on and after Monday next, to be exchanged for Definitive Bonds. Interest coupons due March 1, 1920, must be detached from allotment letters and be retained by the holders for presentation in due course. Holders are particularly requested to lodge their allotment letters as soon as possible, in order that the denominations of the bonds required may be ascertained and the bonds be printed in time for early delivery.

Spiers and Pond.—Shareholders are notified that the directors propose to convene a meeting for the purpose of authorising an increase in the capital of the Company and consequent alterations in the Articles of Association. The intention is to capitalise a part of the Suspense Account, and to issue to shareholders for every five shares held one fully-paid share. It is also proposed to offer them the right to subscribe at par for one share in five of their existing holdings, fractions being disregarded.

Mining Topics.

Steadiness cannot be said to have been a characteristic of the Mining Share markets this week, any more than it was last week. At the opening on Monday the tone all round was strong, as a result of accumulation of orders over the week-end, and also, no doubt, in the hope that the activity manifest on the preceding Friday would continue. The Kaffir section in particular looked quite buoyant, and rises on the day were many in number and fairly substantial. Other sections, with the exception of Diamond issues, moved similarly, the motive force in respect of gold shares being a further rise in the sterling price of the metal; while tin, copper, and silver descriptions followed the trend of the respective metal quotations. On Tuesday there was a marked appearance of irregularity, but, on the whole, the close was firm and rises outbid declines. It was evident, however, in regard to South Africans, that advices as to the flat tone of the Johannesburg share market, a cabled report that the Rand engineers would ballot on the question of shorter hours at the end of the week, and fears of Continental selling in consequence of the demoralised exchanges, were acting as depressing factors. In the middle of the week the result was seen in a fairly general set-back, which only a comparatively few specialities resisted; but on Thursday the pendulum again swung upwards, Diamond descriptions—previously the weakest—standing out prominently strong. It is not very difficult to account for the oscillations. The attitude of professionals fluctuates between optimism in regard to the beneficial effect of the high gold premium and doubt as to the effect of the various adverse factors that exist and which every now and again are thought to be on the point of upsetting calculations. Disappointment is expressed at the comparatively small interest taken by the public, but it has to be borne in mind that the actual effect of the gold premium on profits and dividends has yet to be demonstrated. In the Kaffir section, Crown Mines have been one of the best features, while Johannesburg Consolidated and other leading holding companies' shares have also been in favour. Springs Mines, too, appear to be less under a cloud than has recently been the case. Among Rhodesians, Mozambique shares have risen considerably, but otherwise the movement on balance is scarcely quotable. Diamonds have recovered almost as sharply as they previously declined. Abbontiakoon and Abosso, amongst West African gold shares have been subjects of speculation. Tin descriptions have moved irregularly, and Broken Hills have been quiet, with the exception of Proprietary, which have risen to £3. The shares of West Australian companies interested in claims covering, or near to, the recently reported gold discoveries have been the subject of attention, but otherwise the Miscellaneous sections have not provided any particular features, even the shares of American silver producers being inclined to dulness.

CHAMPION REEF GOLD MINING COMPANY OF INDIA, LIMITED.

For the first time since 1893 this old Indian Company pays no dividend in respect of the financial year ended September 30, for which the accounts and report have just been issued; but shareholders will not be altogether surprised, in view of the poor development of the last few years and the necessity under which the management has been to reduce the rate of milling operations. For the past three years the mill has run at little more than 60% of its full capacity, and there has been considerable decline in the gold yield, coincident with very substantial rise in costs owing to war conditions. Before providing for royalty the working

profit of the past financial year comes out at £54,736, against £114,000 in 1917-18 and £235,269 in 1915.

Year to Sept. 30	Ore Milled Tons (2,000 lb.)	Gold Produced £	Total Gold Yield* per Ton s.	d.	Working Expenses per Ton s.	d.	Working £	Profit† s.	d.
1901 ...	126,045	603,792	95	10	38	6	360,975	57	4
1905 ...	240,987	825,263	68	5	26	9	502,420	41	8
1910 ...	209,082	411,255	42	2	28	1	147,411	14	1
1915 ...	211,368	546,020	51	7	29	4	235,269	22	3
1916 ...	194,311	499,512	51	2	31	6	191,640	19	8
1917 ...	149,612	435,111	58	2	35	8	147,975	22	6
1918 ...	138,080	399,505	57	9	11	5	114,055	16	4
1919 ...	110,553	346,104	50	7	12	9	54,736	7	10

* Includes yield from accumulated tailings and slimes treated.
† Before payment of royalty.

After provision for royalty the profit amounted to £43,145, but £10,000 has been written off for plant depreciation, which about balances further expenditure on equipment; and, in addition, income tax based on the average earnings of past years calls for £28,746, so that after setting aside £1,000 to insurance and contingency fund, and meeting sundry expenses, a balance profit of only £6,243 remains. There is practically only one reassuring circumstance, and that is the strong financial position of the Company, the balance sheet showing £89,320 of surplus cash resources, excluding £64,761 value of materials and stores.

As regards the mining position, operations during the year were continued without interruption. Development at the lowest levels has been vigorously carried on, and the three secondary shafts have been sunk 258, 326, and 349 feet respectively. Driving, cross-cutting, rising, and winze-sinking totalled 7,769 feet, but the results do not reveal any improvement of importance in the value of the lode; consequently, the ore reserves show a decline for the year of 42,000 tons to 293,515 tons, which is only two years' supply for the recent low rate of milling. But for the fact that many stoping areas in the mine have produced considerably more ore than had been reckoned on in the reserves the decline in the amount of the ore in sight would have been considerably greater. The Mine Superintendent says that while any improvement in development results during the coming year would effect an increase in the reserves, it would have to be of exceptional character to justify any immediate increase in output. Perseverance in search of fresh ore, despite the experience of discouraging values, has time and again been rewarded in the long history of the Kolar mines, and though the lowest workings of the Champion Reef are now over 6,000 feet inclined depth below the surface, there is still a chance of another payable zone of ore being encountered. The neighbouring Ooregum Mine is worked now at much deeper levels, and the values compare quite favourably with what was experienced at shallower depths. But, of course, the cost of deep exploration is now very much more than it was in the past, and it remains to be seen how far the gold premiums will benefit shareholders.

The following table shows the dividend payments, ore reserves, and increase in depth of the mine:—

Year to Sept. 30	Net Profit† £	Amounts Written Off £	Divs. Amt. £	Divs. %	Ore Reserves Tons (2,000 lb.)	Tons (2,000 lb.) Milled	Lowest Level Feet.*	Price of Shares end of Year s.	d.
1902...	288,292	14,824	248,325	105	245,000	150,179	2,050	31	3
1905...	467,583	25,740	416,000	160	378,916	240,987	2,640	32	6
1910...	130,040	64,091	60,667	23⅓	322,513	209,082	3,940	7	9
1915...	210,108	34,010	147,333	56⅔	495,015	211,368	5,040	11	0
1916...	172,400	29,583	104,000	40	375,991	194,311	5,240	6	9
1917...	155,573	29,389	104,000	40	351,255	149,612	5,500	6	0
1918...	99,962	6,748	79,333	26⅔	335,949	138,030	6,000	5	9
1919...	43,145	10,000	Nil		293,515	110,553	6,300	4	1½

* Incline depth, lowest level now about 5,500 feet vertical depth.
† Excluding receipts from dividends on shares of Kolar Mines Power Station.

The price of the 2*s.* 6*d.* shares (of which 2,080,000 comprise the issued capital of the Company) is now 4*s.* 3*d.*

CHAMPION (NIGERIA) TIN FIELDS, LIMITED.

When one remembers the very high hopes entertained of the prospects of this Company ten years ago, one cannot help thinking of the words, "Things are not what they seem," especially where Nigerian tin ventures are concerned. The report of the Champion (Nigeria) Tin Fields, Limited, for the year ended June 30, 1919, shows a net profit of £3,098, after including in revenue £4,221 profit on sale of shares. Shareholders are told of the taking up of new tin areas, in respect of which applications are said to have been made for exclusive prospecting licences which cover some 17 square miles, as well as for 12 mining rights in the Ropp and Kaduna districts. The value of these areas has to be ascertained by systematic prospecting and testing, and accordingly engineers have been despatched to Nigeria in order that this may be done. The Company is interested in two concerns which recently extended their activities to Cornwall for the purpose of treating residue dumps. Actual results in respect thereof are still awaited.

RHODESIA BROKEN HILL DEVELOPMENT COMPANY, LIMITED.

Latest advices to hand with regard to the erection of the new plant state that the principal items in hand are the 1,000 kw. power station, two additional smelting furnaces, similar to the two in operation, and mechanical arrangements for ore-bedding, furnace-charging and slag removal. Progress in erection has not been so great as anticipated, owing to delay in deliveries by manufacturers; but with the termination of the moulders' strike it should be possible to proceed more rapidly. When the work is completed the output of lead is expected to be more than doubled and operating costs appreciably reduced. The question of zinc recovery is now being considered, and two metallurgists will shortly visit the mine to investigate the most suitable methods of treatment.

SULPHIDE CORPORATION, LIMITED.

Of late the experience of all Broken Hill companies has been a most uncomfortable one, owing to the obstinate labour strike which has been proceeding since April 30 last. Shareholders of the Sulphide Corporation have an additional cause for feeling uncomfortable, and that is the sudden adverse turn in the development disclosures in the mine. In his report, which accompanies the directors' annual statement and accounts, the General Manager says that development work at the 1,400-foot level has not increased the reserves at that level, for both to the north and south of the main cross-cut the ore body has become very narrow, and not very much additional ore can be expected at or below the level. During the 12 months ended June 30 only 11,900 tons of fresh ore were developed. There is no reason yet, however, to take an ultra-gloomy view of the situation, for the quantity of ore reserves in the mine is estimated at 1,506,950 tons, which is equivalent to about seven years' supply at the recent rate of milling; and there is just the possibility that the extensive

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geological survey at present being made by the Government may throw a better light on the prospects of fresh ore being found in depth.

From the point of view of the financial outcome of the year's working the results disclosed by the report compare fairly well with those of the preceding year, considering that work at the mine and concentrating mills was stopped for the last two months of the financial period. Fortunately, however, the Company's smelting and refining works at Cockle Creek were not seriously affected by the strike, and, as there were fair stocks of concentrates and purchased ores on hand, the production of bullion was maintained practically at the same level as for 1917-18. Moreover, prices realised for lead and zinc showed no decline, and silver, of course, realised an appreciably higher value. The following table shows the principal items of production and the total value of the produce, as well as the cost of producing lead concentrates, which, it will be seen, attained a fresh high record in the period:—

Year ended June 30	Lead Section Concentrates Produced Tons	Total Zinc Concentrates Produced Tons	Lead Bullion Produced Tons	Value of Produce £	Av. Metal Prices Lead per Ton £	Silver per Oz. d.	Zinc per Ton £	Cost of Lead Concentrates per Ton £ s. d.
1913 ...	35,158	66,518	13,410	1,028,516	15 5/16	30·6	25½	8 1 3
1914 ...	34,317	64,798	25,319	1,060,178	18¾	29·1	21½	8 6 7
1915 ...	36,849	61,247	28,969	1,312,940	19¾	25·5	40 5/16	6 14 4
1916 ...	37,503	56,773	34,083	2,083,769	28¾	29·0	81½	6 19 4
1917 ...	41,426	55,990	28,969	1,851,917	29½	37·9	51½	8 1 4
1918 ...	29,989	42,761	27,931	1,734,847	30	44·3	52½	9 0 0
1919 ...	25,466	36,650	27,718	1,790,037	–	—	—	9 4 9

The working profit of the year comes out at £87,000 less than for 1917-18, but to a considerable extent this reduction is offset by setting aside £30,000 less for capital expenditure and £23,000 less for taxes and royalty, so that the net profit at £308,508 was only £18,000 down. The directors, however, have pursued a very conservative course in regard to dividend distributions, the payment on both Preference and Ordinary capital being reduced from 25% to 15%. The allocation to reserves is raised from £28,000 to £30,000, while the balance profit added to the carry-forward is £113,508, as compared with £28,400:—

Year to June 30—	1919 £	1918 £	1917 £	1916 £	1915 £	1914 £
Working profit	440,691	527,673	636,181	810,418	435,161	245,735
Allocations—						
Amortisation	33,791	31,182	32,946	32,353	33,472	35,994
Written off capital expenditure	18,222	48,968	134,264	1,342	—	1,148
Interest	515	20,245	—	—	—	—
General office and sundry expenses	10,842	9,258	9,327	13,313	29,686	21,212
Taxes and royalty ...	68,812	91,620	173,629	372,005	96,003	22,154
Total charges	132,182	201,273	350,166	419,013	149,161	80,508
Net profit	308,508	326,400	286,315	391,405	286,000	165,227
Balance brought forward	—	—	—	—	229,463	178,934
Total for appropriation...	308,508	326,400	286,315	391,405	515,463	344,161
Dividend on Preference	90,000 (15%)	150,000 (25%)	150,000 (25%)	180,000 (30%)	110,000 (20%)	55,000 (10%)
Dividend on Ordinary...	67,500 (15%)	112,500 (25%)	112,500 (25%)	135,000 (30%)	82,500 (20%)	41,250 (10%)
Directors' percentage ...	7,500	7,500	7,500	7,500	7,500	3,448
Reserve	30,000	28,000	—	39,000	28,000	15,000
Balance carried forward	113,508	28,400	16,315*	2,905*	287,463*	229,163
Issued capital ... { Pref.†	600,000	600,000	600,000	600,000	550,000	550,000
{ Ord.‡	450,000	450,000	450,000	450,000	412,500	412,500

* Earnings as employed in Company's business.
† In £1 shares. ‡ In 15s. shares.

With the Broken Hill labour strike still continuing, and the obscure development position in depth, it is futile to attempt to gauge the future prospects of the Company. One can only bear in mind that, apart from the mine, which, as already noted, contains six or seven years' ore supply for the mill, the Company's extensive smelting and refining works constitute a valuable asset, and its central zinc-smelting works at Seaton Carew, Durham, have also a prospect of considerable development. Including £148,900 of stores, the Company's liquid assets at June 30 exceed current liabilities and the dividends by £651,000. The price of the £1 Preference shares is now 29*s.*, while the 15*s.* Ordinary shares are quoted at 22*s.* A year ago the respective prices were 40*s.* and 28*s.*

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, January 28, 1920.

Issue Department.

Notes Issued	£117,513,460	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	99,063,460
	£117,513,460		£117,513,460

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£62,633,451
Rest	3,332,123	Other Securities	80,349,713
Public Deposits	20,116,056	Notes.....	29,255,895
Other Deposits	135,156,123	Gold and Silver Coin	870,341
Seven-day and other Bills...	12,088		
	£173,159,400		£173,159,400

Comparison with Previous Four Weeks [000's omitted.]

Date 1919-20.	Circulation £	Coin and Bullion £	Deposits—Public £	Deposits—Other £	Securities—Govt. £	Securities—Other £	Reserve £	Ratio Reserve to Liabilities %	Bank Rate * %	Three Months' Bills %
Jn. 28	88.2	99,9	20,1	135,1	62,6	80,3	30.1	19·4	6	5⅝
Jan. 21	88.1	96.8	21,4	140,3	68.1	84.4	27,1	16·8	6	5⅝
Jan. 14	88.2	94.2	18,6	127.4	54.7	84.7	24.4	16·8	6	5⅛
Jan. 7	90,3	91,2	21,4	137.2	60,9	96,2	19.3	12·2	6	5⅜
Dec. 31	91.3	91,3	19,2	180,6	92,4	106,7	18.4	9·2	6	5⅞
J'y22,'14	29.3	40.2	13.7	42.2	11.0	33.6	29.3	52 40	3	2⅜

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 6%; Aug. 8, 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; April 5, 5%; Nov. 6, 1919, 6%.

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (in £'s sterling 00,000's omitted):	Jan. 30. 1920	Jan. 29. 1919	Jan. 30 1918	Jan. 31. 1917	Jan. 28. 1910
Circulation	£88,2	£69,3	£45,9	£39.6	£27.7
Public Deposits	20.1	26.6	38.2	44.8	12.3
Other Deposits	135.1	121.6	122.6	168.8	41.0
Government Securities	62.6	55.9	55.9	160.4	14.6
Other Securities	80.3	80.4	91.9	35.7	29 0
Reserve	30,1	29,8	31,2	35.5	27.6
Ratio to Liabilities	19·4%	20·13%	19·37%	16 63%	51·85%
Coin and Bullion	99,9	80,7	58.6	66.7	36.9
Money:					
Bank of England Rate	6%	5%	5%	5½%	3½%
Bank of France Rate	5%	5%	5%	5%	3%
Rate 3 months' Bills London	5⅛%	3½%	4 1/16%	5%	2⅝%
Exchanges:					
Paris Cheque	46 40	25 98½	27 14½	27 80½	25 20
New York 60 days	3 49	4 73½	4 72¼	4 72¼	4 83⅜
Bombay Telegraphic Transfers	2/3⅛	1/5⅜	1/4⅜	1/4⅞	1/4 1/16
Prices:					
Consols 2½% Cash	51⅛	59	54⅜	51⅞	82½
French Rentes 3% Money	58 70	63 75	57·75	62 25	98 90
Silver, London spot ..... oz.	84⅛d.	48⅞d.	43⅛d.	37 5/16 d.	24½d.
Wheat, *Gazette* average .....qr.	72 7	72 7	71/1	75·10	33 9
Cotton, Mid Upland .....lb.	29·63d.	19·35d.	23·15d.	11·06 d.	7·76d.
Iron, Scotch pig .....ton	181/0	101/0	101/0	88/6	58/0

CURRENCY NOTE ISSUE.

Week to	Notes Issued £	Notes Cancelled £	Notes Outstanding £	Gold Coin & Bullion £	Bank of England Notes £	% of Bank Note & Gold to Notes %
Jan. 28, '20	4,743,446	7,783,015	329,554,197	28,500,000	4,000,000	9 8
Jan. 21, '20	4,189,877	10,318,474	332,593,763	28,500,000	4,000,000	9·7
Jan. 29, '19	5,831,011	6,569,758	307,479,830	28,500,000	—	9·2
Jan. 30, '18	6,273,134	4,430,819	211,935,296	23,500,000	—	13 4
Jan. 31, '17	4,930,366	5,039,366	143,551,728	28,500,000	-	19·8
Feb. 2, '16	5,330,854	4,249,843	93,939,155	28,500,000	-	28·8

Balance Sheet, January 28, 1920.

Notes outstanding—	£	Advances—	£
One Pound	258,599,037	Other Bankers ...	250.000
Ten Shilling	43,065,160	Trustee Savings Banks	180,000
Certificates outstanding ...	27,890,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500,000
Total	329,554,197	Bank of England Notes...	4,000,000
Investments Reserve A/c ...	15,971,748	Government Securities ...	310,300,349
		Balance at Bank of England	1,685,596
Total	345,525,945	Total	345,525,945

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

1919-20. Week to	Revenue	Expenditure	Excess of Expenditure	—Loans, Advances, &c.— Cr.	Dr.	Net +	Cash Balance
Jan. 24	£43,115	£36,425	£12,[illegible]	£145,393	£157,713	-£12,3[illegible]	£4,[illegible]03
Jan. 17	39,[illegible]9	29,263	[illegible]	107,345	116,512	—9,166	4,6[illegible]0
Jan. 10	40,459	32,395	8,65[illegible]	161,179	169,584	—8,405	3,831
300days '19-20	824,356	1,124,063	299,207	5,037,411	4,701,003	336,403	—7,993
300days '18-19	593,656	2,174,543	1,575,837	5,814,342	4,251,786	1,563,056	—12,831
Fr. '19-20*	1,168,650	1,642,295	473,645	—	—	473,645	—
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	1,682,049	12,799
Yr. '17-18	707,234	2,696,221	1,988,987	7,499,604	3,616,023	1,983,581	21,030

Principal Items of Revenue and Expenditure.

1919-20. Week to	Revenue: Customs & Excise	Income Tax, &c.	Excess Profits Duties, &c.	Other Revenue	Expenditure: [illegible]	Miscl.	Supply Services
Jan. 24	£7,783	£14,759	£5,[illegible]	£1,[illegible]03	£2,[illegible]6	£[illegible]	£33,641
Jan. 17	8,715	13,760	6,[illegible]	[illegible]	[illegible]	[illegible]	27,[illegible]
Jan. 10	7,941	15,[illegible]	11,[illegible]	6,[illegible]	[illegible]	440	[illegible]
300days '19-20	229,783	18[illegible]	[illegible]	13[illegible]	2[illegible]	[illegible]	[illegible]
300days '18-19	228,733	14[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Fr. '19-20*	276,000	354,000	280,000	258,650	345,000	16,595	1,280,700
Yr. '18-19	162,220	291,186	2[illegible]	[illegible]	[illegible]	11,380	2,297,958
Yr. '17-18	110,033	233,509	[illegible]	[illegible]	[illegible]	11,401	2,494,968

FLOATING DEBT. [000's omitted.]		Treasury Bills	Ways & Means Advances	Total	Natnl. War Bond Rcpts.
Jan.	24, 1920 ...	£1,119,861	£204,430	£1,324,291	£1,732,780
Jan.	17, 1920 ...	1,160,951	215,074	1,376,025	1,732,780
Jan.	10, 1920 ...	1,144,881	209,074	1,353,955	1,732,780
Dec.	31, 1919 ...	1,105,946	344,174	1,444,120	1,732,780
June	30, 1919 ...	798,150	774,237	1,570,387†	1,732,021

* Revised Budget estimate. † Highest.
‡ Lowest of the year.

FOREIGN BANKS.

[In £'s Sterling‡—000's omitted.]

AUSTRIA-HUNGARY	Cash Gold	Cash Silver	Cash Total	Advances To Public	Advances To Dual Govts.	Note Circulat'n	Bills Discounted, &c.
July 23, '14...	£51,578	£12,141	£63,719	£7,772	—	£88,740	£31,993
Oct. 21, '19 ..	10,832	2,374	13,206	371,686	£1,373,083	2,013,363	240,845
Oct. 28, '19...	10,832	2,378	13,210	372,119	1,373,083	2,058,464	222,532
Dec. 7, '17...	11,000	2,300	13,300	603,990	—	739,300	117,600

BELGIUM.	Gold.	Silver	Total	Discounts	Circulation	Deposits
Aug 6, '14 ...	£10,977	£633	£11,610	£41,995	£51,800	£8,963
Jan. 15, '20 ...	10,657	1,078	11,735	15,446	193,104	94,545
Jan. 22, '20 ...	10,657	1,098	11,755	15,679	194,107	93,935

DENMARK.	Cash Gold	Cash Silver	Cash Total	Discounts	Balance Abroad	Circulation	Deposits
July 31, '14 ...	£4,100	£341	£4,441	£6,197	£786	£8,693	£47
Nov. 29, '19 ...	11,787	190	11,977	10,426	1,547	26,208	2,393
Dec. 31, '19 ...	12,605	184	12,789	12,803	1,640	27,186	3,995
Dec. 31, '18 ...	10,812	135	10,947	4,473	4,976	25,002	809
Dec. 31, '17 ...	9,622	137	9,759	3,081	2,495	18,770	2,417

FRANCE.	Gold In Bank	Gold Abroad	Total Cash incl'g Silver	Bills	Circulation	Deposits Public	Deposits Private
July 30, '14 ...	£165,654		£190,667	£97,768	£267,327	£15,302	£37,903
Jan 22 '20 ...	144,065	79,131	233,452	68,106	1,507,177	1,810	120,174
Jan. 29, '20 ...	144,077	79,131	233,418	75,421	1,503,390	1,655	125,239
Jan. 30, '19 ...	138,715	81,484	232,845	50,092	1,279,321	2,240	104,616
Jan. 31, '18 ...	133,004	81,484	224,128	40,627	941,374	942	118,075

GERMANY.	Cash Gold	Cash Silver	Cash Total	Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
July 23, '14...	£67,843	£16,727	£84,570	£5,279	£40,055	£94,545	£47,198
Jan 7, '20...	54,433	1,056	55,489	550,371	1,775,473	1,781,650	539,316
Jan. 14, '20...	54,463	800	55,263	551,697	1,785,154	1,784,179	561,397
Jan. 15, '19 ..	112,859	972	113,831	267,750	1,377,452	1,126,318	681,046
Jan. 15, '18...	120,297	5,692	125,989	63,217	641,017	552,197	329,954

HOLLAND.	Cash Gold	Cash Silver	Cash Total	Discounts	Advances	Circulation	Deposits
Aug. 1, '14 ...	£13,496	£249	£13,745	£13,422	£10,332	£35,660	£1,437
Jan. 17, '20 ...	52,658	612	53,270	20,869	18,934	86,209	7,793
Jan. 24, '20 ...	52,657	647	53,304	22,294	18,215	84,939	9,657
Jan. 25, '19 ...	57,031	732	57,763	19,210	11,255	87,924	7,425
Jan. 26, '18 ...	58,917	598	59,515	7,021	7,534	72,810	6,250

ITALY.	Cash Gold	Cash Silver	Cash Total	Other Cash	Loans & Discounts	Circulation	Deposits
July 31, '14 ...	—	—		£48,456	£25,017	£69,204	£8,887
Nov. 30, '19 ...	£32,198	£3,004	35,202	22,919	90,021	489,662	75,385
Dec. 10, '19 ...	32,198	3,004	35,202	17,701	90,319	491,363	74,657
Dec. 10, '18 ...	32,698	3,080	35,779	7,275	60,532	365,310	56,743
Dec. 10, '17 ...	33,419	3,509	36,928	6,847	53,073	256,696	57,245

JAPAN.	Gold	Discounts	Advances	Notes	Deposits Public	Deposits Private
Aug. 1, '14 ...	£21,867	£1,899	£7,863	£32,792	£13,818	£1,521
Nov. 29, '19 ...	84,557	19,699	31,333	124,370	108,599	4,414
Dec. 6, '19 ..	88,052	13,123	32,394	118,832	108,945	4,344
Dec. 7, '18 ...	72,003	2,584	41,979	87,495	100,152	4,208
Dec. 8, '17 ...	62,844	967	22,618	64,758	62,031	5,058

NEW YORK BANKS & TRUSTS	Cash Own Vaults	Aggregate Reserve	Loans, Discts, Invest'ts, &c.	Net Deposits Demand	Net Deposits Time	Net Deposits Total	Excess Reserve
Aug. 1, '14 ...	—	£99,988	£411,038	—	—	£387,165	£1,720
Jan. 17, '20 ...	21,076†	115,628	1,069,218	999,060	57,354	933,032	5,108
Jan 24, '20 ...	19,938†	101,838	1,060,094	838,016	52,752	925,283	6,678
Jan. 25, '19 ...	20,268†	109,739	959,766	785,396	28,050	866,520	5,804
Jan. 26, '18 ...	21,690†	113,114	815,104	728,306	40,150	810,438	15,986

NORWAY.	Gold	Balance Abroad	Foreign Govt. Securities	Discounts & Advances	Circulation	Deposits
July 31, '14 ...	£2,960	£1,678	£493	£4,968	£6,752	£793
Jan. 15, '20 ...	8,137	3,831	673	19,766	23,163	4,807
Jan. 22, '20 ...	8,136	3,359	581	19,171	22,696	4,215
Jan. 22, '19 ...	6,716	3,813	749	21,187	22,630	5,596
Jan. 22, '18 ...	8,413	4,506	699	20,703	16,820	11,523

PORTUGAL.	Gold	Silver	Total	Discounts & Note Advances	Circulation	Deposits
Nov. 26, '19 ...	£1,906	£3,921	£5,827	£11,063	£76,570	£4,635
Dec. 3, '19 ...	1,906	3,900	5,826	10,881	74,948	7,196
Dec. 10, '19 ...	1,906	3,921	5,827	11,898	78,528	6,349
Dec. 17, '19 ...	1,906	3,921	5,827	12,954	80,275	4,860

ROUMANIA.	Cash	Discounts	Advances	Total	Circulation
Dec. 6, '19 ...	£53,621	£9,103	£2,255	£11,358	£160,448
Dec. 13, '19 ...	54,021	8,663	2,295	10,958	161,849
Dec. 20, '19 ...	54,821	8,671	2,218	10,889	163,559
Dec. 21, '18 ...	33,701	4,090	1,663	5,753	97,849

RUSSIA.	Gold In Bank	Gold Abroad incl'g Silver	Total Cash	Loans & Discts	Circulation	Notes in Reserve	Total Deposits
July 21, '14...	£160,114	£14,395	£181,892	£76,081	£163,411	£6,589	£109,911
Oct. 29, '17...	129,523	230,865	378,205	1,869,559	1,836,217	15,783	345,550

SPAIN.	Cash Gold	Cash Silver	Cash Total	Loans, &c.	Spanish 4%	Circulation	Deposits, &c.
Aug. 1, '14 ...	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,955
Jan. 10, '20 ...	97,920	25,173	123,093	90,175	13,779	156,065	42,865
Jan. 17, '20 ...	97,931	25,258	123,189	89,391	13,779	155,786	43,629
Jan 18, '19 ...	89,240	25,663	114,806	67,541	13,777	135,216	45,028
Jan. 19, '18 ...	78,711	28,356	107,067	47,770	13,777	112,672	37,576

SWEDEN.	Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
Aug. 1, '14 ...	£5,717	£6,150	£1,555	£7,495	£13,432	£3,903
Jan. 10, '20 ...	15,601	5,685	2,686	27,782	37,525	11,384
Jan. 17, '20 ...	15,596	5,788	2,686	26,320	36,363	11,063
Jan. 18, '19 ...	15,552	6,586	3,034	19,984	39,632	6,141
Jan. 19, '18 ..	13,130	7,402	3,436	12,686	28,595	8,005

SWITZERLAND.	Cash Gold	Cash Silver	Cash Total	Discounts & Advances	Circulation	Deposits
July 23, '14 ...	£7,202	£758	£7,960	£4,817	£10,716	£2,026
Jan. 15, '20 ...	20,678	3,216	23,894	16,718	36,992	6,600
Jan. 23, '20 ...	20,678	3,262	23,940	15,882	36,202	6,108
Jan. 23, '19 ...	16,523	2,518	19,041	19,932	33,739	6,623
Jan. 23, '18 ...	14,422	2,229	16,651	12,058	24,356	4,854

† Not reserve. ‡ Converted at par rate of exchange approximateiy.

U. STATES FED. RES. BANKS.	Gold Held by Banks	Gold With Agents	Total Cash	Bills Discount'd	Acceptances.	Deposits. Govt.	Deposits. Net.	Circulation.
Jan. 19,'20 ..	£157,740	251,036	420,856	420,014	115,136	6,940	363,812	569,976
Jan. 26,'20 ...	155,834	249,496	417,580	430,692	115,158	18,090	363,568	568,846
Jan. 24,'19 ...	151,444	268,820	433,678	352,406	56,908	29,276	337,196	493,312
Jan. 25,'18 ...	182,544	162,757	356,552	125,532	54,782	27,138	298,576	246,986

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed		%	Date Fixed
Amsterdam ...	4½	July 1,'15	Lisbon	5½	Jan. 15,'14
Berlin	5	Dec. 23,'14	Madrid	5	Nov.10,'19
Berne	5	Aug. 21,'19	Paris	5	Aug. 20,'14
Bombay	5	June 12,'19	Petrograd ...	6	July 29,'14
Brussels	3½	Oct. 2,'19	Rome	5	Jan. 11,'18
Calcutta	5	June 5,'19	Stockholm ...	6	June 12,'19
Christiania ...	6	Dec. 18,'19	Tokio	8·03	Nov. 18,'19
Copenhagen ...	6	Oct. 7,'19	Vienna	5	Apr. 12,'15

III.—FOREIGN EXCHANGES.

LONDON ON—		Jan. 30, '20	Jan. 23, '19	Jan. 16, '20	Jan. 9, '20
Berlin	Cable	275m.	257½m.	212½m.	192½m.
Brussels	Cheques	46fr. 50c.	44fr. 10c.	42fr. 55c.	41fr. 70c.
Denmark	Cable	21kr. 90	21kr. 55	21kr. 00	20kr. 65
Holland	do.	9d. 20c.	9d. 70c.	9d. 89½c.	10d. 02½c.
Italy	do.	54lr. 50	51lr. 25	50lr. 60	50lr. 35
Lisbon and Oporto	do.	17d.	17d.nom.	16d nom.	17d.nom.
New York	do.	$3 51	$3 64	$3 70	$3 74
—	Cheques	$3 53	$3 65	$3 72	$3 76
Norway	Cable	19kr. 85	19kr. 60	19kr. 10	18kr. 90
Paris	3 mos.	46fr. 80c.	44fr. 00c.	43fr. 25c.	42fr. 00c.
—	Cable	46fr. 65c.	43fr. 45c.	42fr. 75c.	42fr. 50c.
Spain (Bank places)	3 mos.	60½d.	59½d.	61d.	58⅝d.
—	Cable	19p. 30	19p. 50	19p. 35	19p. 65
Sweden	Cable	18kr. 00	17kr. 80	17kr. 85	17kr. 70
Switzerland	3 mos.	20fr. 15c.	20fr. 50c.	20fr. 85c.	21fr. 60c.
—	Cable	19fr. 90c.	20fr. 20c.	20fr. 50c.	21fr. 25c.

ON LONDON—		Jan. 30, '20	Jan. 23, '20	Jan. 16, '20	Par
Alexandria	Sight	97⅞pi.	97⅞pi.	97⅞pi.	97⅛pi.
Amsterdam	Cheques	9d. 16c.	9d. 68c.	9d. 94c.	12.107d.
Athens	Cable	26dr. 70	25dr. 60	25dr. 70	25dr. 22½
Bombay	Transfers	2s. 4⅛d.	2s. 3⅞d.	2s. 3⅞d.	1s. 4d.
Brussels	Cheques	46f. 85c.	44f. 07c.	42f. 67½c.	25f. 22½c.
Buenos Ayres	Transfers	62¼d.	64⅛d	63½d.	47.58d.
Calcutta	do.	2s. 3 1/16d.	2s. 3 1/16d.	2s. 3⅞d.	1s. 4d.
Christiania	Sight	19kr. 90	19kr. 65	18kr. 60½	18.159kr.
Copenhagen	do.	21kr. 86	21kr. 52½	21kr. 00	18.159kr.
Helsingfors	Cable	120m.	84½m.	108½m.	25m. 22½
Hong Kong	Transfers	5s. 5d.	5s. 1d.	5s. 0⅛d.	—
Italy	Sight	54lr. 25c.	51lr. 32½c.	50lr. 55c.	25l. 22½c.
Lisbon	do.	17⅛d nom.	17½d.	17⅛d.	53½d.
Madras	do.	2s. 3 1/16 i.	2s. 4⅛d.	2s. 4⅛d.	1s. 4d.
Madrid	do.	19p. 20	19p. 49	19p. 30½	25p. 22½
Montevideo	Transfers	69½d.	79¼d.	67d.	51d.
Montreal	Cable	$3 96	$4 01½	$4 02	$4 86⅝
New York	Sight	$3 51⅛	$3 61⅛	$3 72½	—
—	60 days	$3 49	$3 58⅛	$3 69½	—
—	Cable	$3 52	$3 62	$3 73	$4 86⅝
Paris	Cheques	46f. 50c.	43f. 55c.	42f. 60c.	25f. 22½c.
Rio de Janeiro	90 days	17⅝d.	17⅛d.	17⅜d.	16d.
Shanghai	Transfers	8s. 8d.	8s. 1d.	7s. 9d.	—
Singapore	Sight	2s. 4⅛d.	2s. 4⅛d.	2s. 4⅛d.	—
Stockholm	do.	17kr. 98	17kr. 83	17kr. 88	18.159kr.
Switzerland	do.	19f. 90c.	20f. 20c.	20f. 43c.	25f. 22½c.
Valparaiso	90 days	14⅜d.	13 11/16d.	13 11/16d.	18d.
Yokohama	Sight	2s. 9d.	2s. 8⅛d.	2s. 8d.	24.58d.

NEW YORK ON—	Rate Current* Jan. 30, '20	Rate Current* Jan. 23, '20	Par as usually Quoted	Rate July 3,
Amsterdam, sight ...	39·00c.	37 25c.	40·20c. for 1 guilder	40·25c.
Bombay, cheques ...	41 25c.	42·75c.	32·44c. for 1 rupee	33·00c.
Buenos Aires, cheques ...	101·90	101·90		
Christiania, cheques ...	17·70c.	18·70c.	26·80c. for 1 kroner	
Copenhagen, cheques ...	16·10c.	16·90c.	26·80c. for 1 kroner	26·85c.
Greece, cheques ...	13·30c.	13·65c.	19·295 c. for 1 drachma	
Hongkong, cheques ...	96c.	94c.	74·59c. for Mex. $1	46·4c.
Italy, sight	15·58l.	14·12l.	5·18½ lire for $1	5·17l.
Lima, cheques	4·75l.	4·72l.	4·8665 $ for 1 libra	
Manila, cheques... ...	49c.	48	50c. for 1 peso	49·8c.
Montreal	10% disc.	8½% disc.	Premium per $100	Par
Paris, sight	13·33fr.	12·04fr.	5·18½ francs for $1	5·16fr.
Petrograd, sight ...	—	—	51·46c. for 1 rouble	51·37c.
Rio de Janeiro, cheques	27·50c.	27·50c.	32·42c. for 1 milreis	
Shanghai, cheques ...	160c.	160c.	52·96c. for 1 tael	83·00c.
Singapore, cheques ...	50c.	50c.	56·77c. for $1	57·12c.
Spain, cheques	18·55c.	18·60c.	19·30c. for 1 peseta	
Stockholm, cheques ...	19 60c.	20·25c.	26·80c. for 1 kroner	
Switzerland, cheques ...	5·56fr.	5·60fr.	5·18½ francs for $1	5·18½fr.
Valparaiso, cheques ...	21c.	20c.	20 61c. for 1 peso	
Yokohama, cheques ...	48·75c.	49·50c.	49·84c. for 1 yen	49·90c.

* According to Guaranty Trust Company of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount	Inc. or Dec.*	1919 Agg.	Inc. or Dec.*
	1920.	[In £'s sterling 000's omitted.]			%
BIRMINGHAM ...	Jan. 24	£3,214	+ £1,012	£13,589	+ £3,545 + 35
BRISTOL ...	,, 24	1,734	+ 579	7,330	+ 2,647 + 56
DUBLIN ...	,, 24	7,978	+ 1,012	35,233	+ 7,220 + 25
LEEDS ...	,, 24	1,757	+ 767	6 921	+ 2,399 + 53
LEICESTER ...	,, 24	1,113	+ 452	5,342	+ 2,621 + 78
LIVERPOOL ...	,, 24	17,353	+ 5,183	68,937	+ 26,302 + 61
MANCHESTER ...	,, 24	30,941	+ 16,207	125,239	+ 66,481 + 113
NEWCASTLE ...	,, 24	3,218	+ 1,513	12,150	+ 4,156 + 52
NOTTINGHAM ...	,, 24	942	+ 334	4,566	+ 1,893 + 70
SHEFFIELD ...	,, 24	1,047	+ 304	4,862	+ 908 + 23
LONDON—	1920.				
TOWN ...	Jan. 28	648,292	+ 280,940	2,541,156	+ 975,285 + 62
METROPOLITAN	,, 28	44,195	+ 11,798	177,496	+ 35,824 + 25
COUNTRY ...	,, 28	78,389	+ 23,634	335,876	+ 91,888 + 37
TOTAL ...	,, 28	768,876	+ 316,372	3,054,528	+ 1,102,997 + 56

* Compared with a year ago.

V.—FREIGHTS.—According to Messrs. J. C. Gould, Angier and C

HOMEWARDS.	1920 Jan. 30	1920 Jan. 23	1913 Jan. 31
Alex. to U.K. ...	—	—	9/6
Aust. to U.K. ...	200/0	105/0	41/0
Azoff to L.H.A.R.	—	—	12/9
Bombay to p.p.d.w.	140/0	d.w. 120/0	d.w.25/0
Burmah o.c.	nom.	nom.	d.w.33/0
Calcut.top.p.(jute)	nom	nom	—
Danube to U.K. ...	—	—	—
Odessa to L.H.A.R.	—	—	11/9
R. Plate to U.K.	210/0	195/0	25/0

Homewards.—Cont.	1920	1920	191
U.S.Atl.Ports to L'pl.	Jan.30	Jan.23	Jan.
(cotton, 100lb.)	—	—	4
U.S.toU.K.Cont.(gr.)	15/0	—	
Gulf Ports to U.K.Cont. (cotton&grain)...	—	—	1
OUTWARDS—Cardiff to			
Aden	—	—	—
Colombo ...	—	—	1
Port Said ...	60/0	60/0	1
River Plate ...	38/6	37/6	1
St. Vincent ...	40/0	40/0	1

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	JAN. 30, 1920.	JAN. 31, 1919.	JUNE 30, 1914
n—Scotch pig warrants ...ton	181/0	101/0	57/0
Middlesbro' warrants ...ton	175/6	95/0	51/0
Hematite warrants ...ton	220/0	122/6	61/0
Staffordshire bars, London ton	£26 15	£17	£8 10
Common bars ...ton	£24 5	£14 15	£6 16
l Rails ...ton	£18 15—£19 5	£10 17/6	£6 2/6
vanised Sheets ...ton	£45—£47nom.	£29	£16 17/1
per—Standard ...ton	£119	£87—£88	£66
—English Ingots ...ton	£380	£243 —£244	£142 15
Straits ...ton	£388	£246 5	£139 10
plates, I.C. Coke, S. Wales...box	69/6	33/3	11/10½—12/0
d—Soft Foreign ...ton	£47 5—£47 15	£29 10—£32 10	£19
tter—Ord. Foreign ...ton	£59 10—£61	£45—£56	£21 7/9
cksilver—(75lb.) ...bottle	£21 10	£20	£7
minium ...ton	£165	nom.	£82
imony—Regulus Foreign ...ton	£67	nom.	£27 10
English ...ton	£69	—	—
—(best) Yorkshire ...ton	21/6—22/6	23/6—24/6	17/6
Steam (best) Newcastle ...ton	46/0—51/0	40/0—45/0	14/6
CHEMICALS, OILS, &c.			
f Soda—f.o.b. Chile, per quintal	14/6	nom.	7/4
e—Crystals ex ship ...ton	130/0—140/0	87/6	42/6—45/0
a—Malay and States ...ton	£71 10	£39 10	£23 15—£24 7/6
nbler—Good marks ...cwt	51/0	40/0	16/10½
go—Bengal good to fine ...lb.	13/0—16/6	9/0—10/6	3/2—3/8
seed Oil—Raw ...ton	£109	£75	£25 5
seed—Calcutta, spot ...ton	£51	£26 15	£13 16/9
Cakes, U.K. made, ex mill...ton	£25	£19	£7 17/6—£8
e Oil—Spanish ...tun	nom.	nom.	£49 10
n Oil—Lagos ...ton	£102 10	£45	£31 10
roleum—American ...gallon	1/9	1/4½	7½d.
e Oil—Refined English...ton	£130	£71	£32
a Oil—Refined ...ton	£112	£75	£24 10
ow—Imported ...cwt.	105/0—108/0	72/0	29/3—33/3
pentine—American ...cwt.	192/0	106/0	33/7½
e Seed—Toria ...ton	£52	£25 15	£13 5
ber—Para, spot ...lb.	2/9½	2/6	2/9½
Fine plantation (stnd. crepe) lb.	2/9¾	2/0½	2/2
World's Production* Nov. tons	31,795	18,701	8,467
lac—T.N. Orange, fair ...cwt.	875/0	250/0—260/0	63/0—64/0
TEXTILES.			
on—Middling Upland ...lb.	29·63d.	19·35d.	7·53d.
Egyptian, good fair ...lb.	68·50d.	27·05d.	8·75d.
Pernambuco fair ...lb.	33·63d.	21·17d.	7·73d.
Midland Upl. New York...lb.	39·05c.	26·70c.	13·25c.
Stock, Liverpool (Jan. 23) bales	951,890	415,660	934,600
—Petrograd, Yarapol ...ton	—	nom.	£28
p—New Zealand ...ton	£58	£70	£25 10
Manila, Fair ...ton	£68 10	£80	£26 10
—First Marks ...ton	£68—£70	—	£26 15
Red SCO ...ton	£55 10	—	£24 15
—Blue Elephant ...lb.	55/0	20/0	11/3—11/6
el—Pt. Philip unwashed av. lb.	5/6	nom.	11½d.—1/0
Lincoln Half Hogs ...lb.	2 4¾	1/7½nom.	1/0½
es—Eng. Ox, best, 65lb. up lb.	15½d.—16½d.	9½d.—10½d.	7½d.
ther—Dressing Hides ...lb.	3/6—4/0	2/5—3/1	1/4—1/8
VEG. FOOD, CORN, &c.			
eat—Visible supply U.S. ...bus	101,580,000	200,132,000	34,640,000
Red, price, N.Y. 60lb....bushel	nom.	238c.	67½c.
English Gazette, aver. 480lb. qr.	72/7	72/7	34/3
ur—G.R. ...280lb	44/3	44/3	28/6
ley—Eng. Gaz., aver. 400 lb. qr.	108 11	61/10	25/4
s—Eng. Gaz., aver. 312 lb. qr.	57/10	49/6	20/0
ize—N.Y. (new bushel)...56lb.	172½c.	146c.	76½c.
Amer. mixed, Liverpool...480lb.	nom.	79/9	32/4
La Plata ...480 lb. qr.	65/0	72/0	25/9
atoes—Good English ...ton	260/0	190/0	70/0—75/0
e—Bassein ...cwt.	26/0	25/0	7/0—7/3
oca—Pearl, medium ...cwt.	37/0	39/0	14/0—17/8
r—best ...2,018lb....load	—	176/0	82/6
ge—English ...cwt.	—	—	£6 5—£7
ANIMAL FOOD.			
f—Argen., chilled hndqrs ...8lb.	9/0	9/0—9/6	3/8—3/10
Scotch sides ...8lb.	10/0	9/6	4/6—5/0
English ...8lb.	10/0	9/6	4/2—4/5
tton—Scotch wethers ...8lb.	10/6	10/0	5/8—6/0
English wethers ...8lb.	10/6	10/0	4/6—5/4
New Zealand frozen ...8lb.	10/6	10/0	2/4—3/2
k—English and Irish ...8lb.	10/8	10/8	3/6—4/0
con—Irish, delivered ...cwt.	200/6	188/0	60/0—74/0
Danish ...cwt.	†187/0	—	58/0—68/0
Canadian, ex Port ...cwt.	†187/0	—	—
American, ex Port ...cwt.	†187/0	176/6	72/0—74/0
ms—Amer. long cut, ex Port cwt.	†190/0	170/0	75/0—79/0
— short cut, ex Port ...cwt.	†190/0	170/0	71/0—74/0
d—Amer. boxes, ex Port ...cwt.	†198/6	158/0	51/9—52/9
tter—Danish ...cwt.	270/8		117/0—120/0
French ...cwt.	270/8	Controlled	96/0—108/0
Australian ...cwt.	270/8	252/0	98/0—110/0
New Zealand ...cwt.	270/8		108/0—114/0
ese—Canadian ...cwt.	†145/0	Controlled	66/0—68/0
United States ...cwt.	†145/0	163/4	—
Dutch ...cwt.	†145/0		53/0—64/0
SUGAR, COFFEE, TEA, &c.			
gar—Imports to Dec. 31 ...cwt	31,949,341	26,113,009	19,777,254
Home consump'n. to Dec. 31 cwt.	30,658,779	18,824,211	17,272,000
In Bond Dec. 31 ...cwt.	6,421,000	7,822,000	6,306,000
Price, Java, 96° Pol. ...cwt.	60/0	36/0	10/3
— Yellow crystals ...cwt.	63/6	57/9	12/6—14/0
— Tate's Cubes, No. 1 ...cwt.	72/0	64/9	18/0
fee—Imports to Dec. 31 ...cwt.	1,055,218	159,304	720,360
Home consumpt'n to Dec. 31 cwt.	315,477	156,278	141,410
Exports to Dec. 31 ...cwt.	629,888	30,181	340,250
In Bond Dec. 31 ...cwt.	706,000	617,000	484,000
Price, Costa Rica gd. to finecwt.	160/0—168/0	145/0—165/0	80/0—93/0
— Brazil (Santos) Good ...cwt.	136/0—138/0	65/9	41/6
a—Imports to Dec. 31 ...lb.	510,439,600	463,628,123	123,230,277
Home consump'n. to Dec. 31 lb.	388,465,533	311,151,409	155,447,972
Exports to Dec. 31 ...lb.	29,693,495	2,185,234	26,561,765
In Bond Dec. 31 ...lb.	226,584,000	135,295,000	78,292,000
Price, Indian, Pek. Soug. gd.lb.	1/1	1/4	8½d.
— Ceylon, Pek. Soug. Ord. lb.	1/1½	1/4	8½d.
— Common Congou ...lb.	1/1½—1/2nom.	1/4	5½d.
ees—In Bond Dec. 31 ...cwt.	901,000	488,000	309,000
Grenada, good to fine ...cwt.	128/0—130/0	85/0	52/6—56/0

* Estimated. † Controlled.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
anadian Pacific	Nov.	$17,367,000	+2,344,000	$2,850,000	— $549,000
	11 *mos. to* Nov.	159,904,000	+18117000	31,251,000	— 440.000
rand Trunk	Nov.	£1,251.900	— £15,700	£103.300	— £81.800
	11 *mos. to* Nov.	12,853.900	+1,702.200	1,566,200	+ 104.400

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August* 5, 1914, *the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act,* 1871. *The Irish railways, similarly, were taken over as from January* 1, 1917.

INDIAN.	Week or Month.	Miles Open.	Gross Receipts.	+ or — on Year Ago.	No. Wks	Aggregate Receipts.	+ or — on Year Ago.
Assam Bengal	Dec. 20	993	R1,95,177 +	32,730	12	26,98,757 +	7,31,844
Barsi Light ...	Jan. 3	118	34,500 +	8,000	41	11,39,600 +	4,82,400
Bengal &N.W.	Dec. 27	2,065	4,30,940 —	50,830	13	54,09,103 —	6,29,774
Beng. - Dooars	Dec. 13	158	27,076 +	3,957	11	5,54,153 +	70,545
Beng. Nagpur	Dec. 27	2,695	11,65,000 +	1,08,000	39	4,71,86,438 +	33,41,217
Bomb. Baroda	Jan. 17	2,871	19,46,000 —	93,000	16	2,79,33,000 +	22,56,000
Burma ...	Dec. 6	1,342	5,89,576 +	91,262	36	1,90,84,117 +	21,10,977
Del.Um. Kalk.	Jan. 17	239	85,400 —	2,117	16	14,02,579 —	26,912
East Indian ...	Jan. 17	2,771	25,55,000 —	2,00,000	16	3,97,41,000 —	19,24,000
Gt.Indian Pen.	Jan. 17	3,121½	26,62,000 +	1,28,000	16	3,93,26,255 +	33,76,363
Madras & S.M.	Jan. 3	3,152	11,00,000 +	68,107	14	1,43,48,966 +	6,24,597
Nizam's Guar.	Dec. 20	900	3,19,239 +	26,703	12	29,51,897 +	4,69,242
Roh. & Kumn.	Dec. 20	576	95,580 —	7,263	12	10,28,241 —	2,47,622
South Indian	Dec. 20	1,852½	7,36,355 +	95,813	38	2,83,03,315 +	26,15,518
South Punjab	Sept.	716	6,04,613 —	2,92,520	6*m*	34,91,972 —	18,71,142
COLONIAL.							
Can. Northern	Jan. 21	9,588	$895,900 —	80,300	3	3,015,700 +	455,700
Can. Pacific ...	Jan. 21	13,388	2,837,000 —	112,000	3	9,939,000 +	643,000
Grand Trunk	Jan. 21	3,616	£217,065 +	23,724	3	701,624 +	90,500
Mashonaland	Aug.	810	65,465 —	7,046	11*m*	—	—
Mid. W. Aust.	Nov.	277	11,753 +	2,265	5*m*	47,758 +	5,605
NewCapeCent.	Jan. 3	205	3,412 +	1,036	1	—	—
Rhodesia Rlys.	Aug.	1,397	98,984 —	15,059	11*m*	938,048 —	80,830
Temiscouata...	Oct.	—	$30,562 +	2,154	10*m*	304,661 +	22,504
W. Pass.&Yuk.	Aug.	122	—	—	8*m*	$968,676 +	31,021
FOREIGN.							
Argentine.							
Arg. N. East...	Jan. 17	752	£ 9,700 +	3,500	29	339,800 +	73,500
Arg. Transand.	Jan. 24	111	£ 5,400 +	980	30	72,806 —	29,694
B. A. & Pacific	Jan. 24	3,536	£ 142,000 +	39,000	30	4,278,000 +	927,000
B.A.Gt. South	Jan. 25	3,792	£ 198,000 +	60,000	30	5,164,000 +	1,156,000
Do.	Jan. 25	Net	£ 83,000 +	45,000	30	1,722,000 +	979,000
B. A. Western	Jan. 25	1,882	£ 95,000 +	26,000	30	2,869,000 +	833,000
Do.	Jan. 25	Net	£ 28,000 +	12,000	30	1,008,000 +	530,000
B. A. Central	Nov.	190	£ 43,048 +	4,181	5*m*	226,403 +	21,166
Cent. Argent.	Jan. 17	3,305	£ 188,000 +	128,000	29	4,986,000 +	1,298,400
Do.	Jan. 17	Net	£ 71,000 +	101,000	29	1,437,100 +	932,200
Cord. Central	Jan. 24	1,205	£ 55,500 +	15,600	30	1,786,600 +	474,230
Entre Rios ...	Jan. 17	831	£ 23,200 +	10,800	29	666,900 +	97,700
Brazilian.							
BrazilGt.South	Dec.	110	M 68,250 +	18,250	12*m*	612,921 +	10,887
Brazil Railway	Dec.	3,530	M4,859,000 —	141,271	12*m*	57,772,000 +	7,619,243
Gt. W. Brazil	Jan. 24	1,010	£ 30,200 +	10,300	4	105,300 +	31,000
Leopoldina ...	Jan. 24	1,831	£ 56,504 +	34,727	4	2,510,000 +	804,000
Mogyana	Dec.	1,180	M 1,561,000 —	956,490	12*m*	22,267,000 —	2,474,651
Paulista	Dec.	766	M 2,650,000 —	906,038	12*m*	32,479,000 —	1,225,892
San Paulo ...	Jan. 25	153½	£ 45,059 +	21,169	4	171,131 +	69,340
Sorocabana ...	Dec.	1,003	M 1,749,000 —	246,168	12*m*	21,953,000 +	976,692
S.of BahiaS.W.	Dec.	52	M 116,000 +	22,000	12*m*	1,204,000 +	143,000
Chilean and Peruvian.							
Antofagasta ...	Jan. 18	838	£ 64,815 +	32,380	3	137,665 +	45,950
Arauco	Dec.	84½	£ 12,500 +	500	12*m*	136,800 —	21,200
Nitrate(2wks.)	Jan. 15	390	£ 54,041 +	28,736	2	—	—
Peruvian Corp.	Dec.	1,140	S 1,310,880 +	252,890	6*m*	6,982,774 +	962,059
Taltal	Dec.	180	£ 25,785 +	11,227	6*m*	97,117 —	16,607
Cuban.							
Cuban Central	Jan. 24	362	£ 43,066 +	13,810	30	607,489 +	144,861
Havana Cent.	Jan. 17	70	£ 11,814 +	3,278	29	300,275 +	50,553
U. of Havana	Jan. 24	681	£ 82,780 +	42,449	30	1,803,330 +	424,002
W. of Havana	Jan. 10	155	£ 9,532 +	1,616	28	244,104 +	45,561
Uruguayan.							
Cent. Uruguay	Jan. 24	273	£ 22,445 —	2,702	30	666,031 +	51,949
,, (E. Ext.)	Jan. 24	311	£ 7,214 +	480	30	172,373 +	28,252
,, (N. Ext.)	Jan. 24	185	£ 3,595 —	738	30	107,438 —	456
,, (W.Ext.)	Jan. 24	211	£ 3,121 +	543	30	81,171 +	4,378
Mid. Uruguay	Dec.	319	£ 20,234 +	177	6*m*	111,204 +	11,111
N.W. Uruguay	Dec.	113	$ 7,234 —	62	6*m*	40,155 +	725
Urug. Northn.	Dec.	73	£ 2,606 +	310	6*m*	13,791 +	1,855
Miscellaneous.							
Alcoy& Gandia	Jan 24	33	Ps. 12,000 +	2,000	4	38,000 +	6,500
Bilbao	Dec.	15	£ 1,275 —	2,707	12*m*	29,589 —	22,288
Bolivar	Dec.	136	£ 9,000 —	4,936	6*m*	53,339 +	6,335
Colomb. Natnl.	Dec.	86	£ 18,040 +	4,600	12*m*	171,120 +	23,300
Costa Rica ...	Dec.	189	£ 15,000 +	6,200	6*m*	140,650 +	40,250
Dorada Ext....	Dec.	70	£ 15,000 +	5,200	12*m*	140,650 +	40,250
Egyptian Delta	Dec. 31	559½	£ 17,090 +	2,538	38	285,567 +	6,379
Gt. S. of Spain	Jan. 17	104	Ps. 63,630 —	71,995	3	197,411 —	155,211
La Guaira&Ca.	Dec.	22¾	£ 12,070 +	5,250	12*m*	108,200 +	31,070
Ottoman Ry...	Jan. 10	379	£ 7,469	—	—	—	—
ParaguayCent.	Jan. 10	255	£ 4,020 —	360	28	148,170 +	44,280
Puerto Cabello	Dec.	24	£ 4,500 +	1,300	12*m*	53,875 +	9,375
Salvador	Jan. 24	100	£ 5,532 +	804	30	92,144 +	39,577
Santa Fe Prov. French Rys.	Oct.	1,181	£ 172,656 —	6,605	10*m*	1,435,236 +	56,600
S'm'na&S'ti'go	Dec.	80	£ 10,200 +	3,122	12*m*	140,411 +	32,834
Zafra & Huelva	Nov.	112	£ 11,757 —	2,292	11*m*	115,662 —	25,305
TRAMS.							
Anglo-Argent.	Jan. 21	400	£ 68,000 +	13,997	3	204,242 +	66,012
Auckland Elec.	June 30	27	—	—	52	292,502 —	2,063
Bombay Elec.	Oct.	39	R. 7,67,296 +	1,80,215	10*m*	70,86,404 +	12,99,004
Brazilian Trac.	Nov.	378½	M 9,796 0.0 +	2,215,000	11*m*	103,335,000 +	9,972,000
Brisbane Elec.	Dec.	40½	£ 44,820 +	6,685	12*m*	477,690 +	37,676
Brit. Columbia	Nov.	334	$ 733,981 +	121,088	5*m*	3,438,592 +	711,562
B. A. Lacroze	Nov.	51	£ 50,635 +	7,683	5*m*	237,705 +	28,941
Calcutta	Jan. 17	35½	R 97,925 +	8,468	3	193,570 +	19,472
Cape Electric	Oct.	42½	£ 26,743 +	11,115	4*m*	83,822 +	1,077
Carth. & Herr.	Dec.	9	£ 2,923 —	27	12*m*	32,441 —	14,423
Chatham&Dist	Jan. 15	15	£ 1,370 +	187	2	2,904 +	201
Havana Elect.	July	86	$ 794,768 +	100,679	7*m*	5,116,661 +	402,587
Isle of Thanet	Jan. 21	20½	£ 486 +	168	17	8,616 +	3,547
Kalgoorlie ...	Aug.	20½	£ 2,876 +	464	8*m*	21,533 —	[illegible]
Lanarkshire ...	Jan. 8	28½	£ 5,075 +	813	1	—	—
Lima Light ...	Oct.	85	£ 50,067 +	4,590	10*m*	479,702 +	44,477
London C.P. ...	Jan. 28	141½	£ 77,631 +	11,067	43	3,461,842 +	578,791
Madras (2wks.)	Jan. 15	15½	R. 48,883 +	6,301	2	—	—
Manila Electric	Nov.	55	$ 247,599 +	33,307	11*m*	2,320,607 +	231,136
Pernambuco...	Jan. 25	59	£ 7,591 +	2,445	4	29,788 +	10,163
Provincial ...	Dec. 13	21½	£ 2,942 +	353	11	28,527 +	5,193
Rangoon Elec.	Dec.	25	£ 7,517 +	1,329	12*m*	—	+ 9 055
Shanghai Elec.	Dec.	26½	M. $140,000 +	28,000	12*m*	1,571,796 +	242,220
SingaporeElec.	Dec. 27	26½	$ 20 324 +	6,486	52	839,245 +	115,584
U.of Montevid.	Nov.	90½	£ 40,308 +	8,610	1*m*	40,308 +	8,610

B

LONDON JOINT CITY & MIDLAND BANK

LIMITED. ESTABLISHED 1836.

Authorised Capital - - -	**£45,200,000 0 0**
Subscribed Capital - - -	**£35,673,585 10 0**
Paid-up Capital - - - -	**£8,417,335 0 0**
Reserve Fund - - - - -	**£8,417,335 0 0**

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Head Office: 5 THREADNEEDLE STREET, LONDON, E.C. 2.

Joint General Managers: E. W. WOOLLEY, R. RICHARDS, H. MARE, J. G. BUCHANAN.

BALANCE SHEET, 31st December, 1919.

LIABILITIES.	£	s.	d.
Capital Paid up, viz.:—			
2,869,079 Shares of £12 each, £2 10s. 0d. paid	£7,172,697	10	0
497,855 Fully paid Shares of £2 10s. each	1,244,637	10	0
	8,417,335	0	0
Reserve Fund	8,417,335	0	0
Dividend payable on 2nd February, 1920	530,292	2	1
Balance of Profit & Loss Account, as below	726,852	6	2
	£18,091,814	8	3
Current, Deposit and other Accounts	371,742,389	0	1
Acceptances on account of Customers	29,014,568	4	5
	£418,848,771	12	9

ASSETS.	£	s.	d.
Cash in hand (including Gold Coin, £8,000,000) and Cash at Bank of England	£60,216,796	0	11
Cheques on other Banks *in transitu*	8,050,607	8	4
Money at Call and at Short Notice	18,439,151	14	4
Investments:—			
War Loans under cost (of which £428,067 10s. is lodged for Public and other Accounts) and other British Government Securities	64,216,943	4	3
Stocks Guaranteed by the British Government and Indian Railway Debentures	405,383	7	9
British Railway Debenture and Preference Stocks, British Corporation Stocks	942,274	9	9
Colonial and Foreign Government Stocks and Bonds	1,011,600	5	2
Sundry Investments	727,227	1	2
Bills of Exchange	52,889,521	6	11
	£206,899,504	18	7
Advances on Current and other Accounts	162,966,744	16	0
Advances on War Loans	15,589,303	5	2
Liabilities of Customers for Acceptances	29,014,568	4	5
Bank Premises at Head Office and Branches	3,618,960	8	7
Belfast Bank Shares:—			
50,000 £12 10 Old Shares £2 10 paid			
150,000 £12 10 New Shares £2 10 paid			
Cost £1,237,500 0 0			
Less part Premium on Shares issued 477,810 0 0	759,690	0	0
	£418,848,771	12	9

PROFIT AND LOSS ACCOUNT for the Year ending 31st December, 1919.

Dr.	£	s.	d.
To Interim Dividend at the rate of 18 per cent. per annum, less Income Tax, paid 15th July, 1919	522,211	11	4
Dividend at the rate of 18 per cent. per annum, less Income Tax, payable on 2nd February, 1920	530,292	2	1
Salaries and Bonus to Staff with H.M. Forces and Bonus to other Members of the Staff	475,202	14	8
Special "Peace" Bonus to Staff	250,000	0	0
Reserve for Depreciation of War Loans and Future Contingencies	1,000,000	0	0
Bank Premises Redemption Fund	250,000	0	0
Balance carried forward to next account	726,852	6	2
	£3,754,558	14	3

Cr.	£	s.	d.
By Balance from last Account	675,097	14	7
Net Profits for the year ending 31st December, 1919, after providing for all Bad and Doubtful Debts	3,079,460	19	8
	£3,754,558	14	3

R. McKENNA, CHAIRMAN. W. G. BRADSHAW, A. H. GOSCHEN, DEPUTY-CHAIRMEN. F. W. NASH, DIRECTOR. S. B. MURRAY, F. HYDE, J. F. DARLING, JOINT MANAGING DIRECTORS.

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF THE LONDON JOINT CITY & MIDLAND BANK LIMITED.

In accordance with the provisions of Sub-section 2 of Section 113 of the Companies (Consolidation) Act, 1908, we report as follows:—

We have examined the above Balance Sheet in detail with the Books at Head Office and with the certified Returns from the Branches. We have satisfied ourselves as to the correctness of the Cash Balances, Cheques on other Banks *in transitu*, and the Bills of Exchange, and have verified the correctness of the Money at Call and Short Notice. We have also verified the Securities representing the Investments of the Bank, and, having obtained all the information and explanations we have required, we are of opinion that such Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us and as shown by the books of the Company.

WHINNEY, SMITH & WHINNEY, Chartered Accountants, *Auditors.*

LONDON, 13*th January*, 1920.

THIS BANK IS THE PROPRIETOR OF THE BELFAST BANKING COMPANY, LIMITED

THE BEST WAY

to invest your dividends is to take up an Endowment Assurance Policy and so make your interest money accumulate for future use, and in the interim enjoy all the benefits of life assurance. Send a postcard to-day for particulars of this sound and attractive method of investment and insurance. Address LIFE DEPARTMENT,

EAGLE STAR AND BRITISH DOMINIONS INSURANCE CO., LTD.,
32, MOORGATE STREET, LONDON, E.C. 2.

ASSETS EXCEED £17,000,000.

The Statist.

LONDON, SATURDAY, JANUARY 31, 1920.

PAISLEY.

Our Conservative and Liberal contemporaries have at last discovered that we were right in our prediction that the trades unionists would soon be the strongest party in the State; and, accordingly, are in consternation. The members of the Government are especially alarmed. It is an open secret that the so-called Coalition is falling asunder. One of the few trades unionists who has continued to support Mr. Lloyd George has actually resigned, and little doubt is entertained anywhere that the remaining three will follow his example. Above all, strange to say, the appearance of Mr. Asquith as candidate for the vacant seat in Paisley has added to the general alarm. It is singular that it should be so, for, when everything is said, Mr. Asquith still remains the acknowledged leader of the Liberals, and, therefore, remembering what the history of Paisley has been, one would not have expected to see alarm created by his appearance as a candidate for the borough. We sincerely hope that the alarm which is spreading through the two old political parties will not induce the trades unionists to abate one jot of their preparations for gaining the strongest place in the House of Commons. Conservatives and Liberals have been so accustomed to consider government as their special right that nobody ought to be very much surprised to find that, now they are seriously challenged, they have lost their confidence. But it is for the trades unionists not to be led astray by the fact. On the contrary, they ought to remember that it is their duty to push their advantage as strongly and as quickly as they can. The country is sick of the present Government. It has come to believe that Liberalism is dead; that Mr. Asquith has become so utterly fallen in public esteem that he never can resume the position of Prime Minister; and that none of his former colleagues have such a position in the nation as will enable them to play the part he filled so successfully for so long. But Mr. Asquith is once more standing as the candidate of the Liberal party for a seat which always has been Liberal; and, in the present condition of things, it will not be surprising if the Liberals take courage and try to reassert their claim to represent everything that is meant by a popular party in this country. It is, therefore, of the utmost importance that the trades unionists should not be deceived by the alarm of both Conservatives and Liberals; should, on the contrary, recognise that the present will most severely try them, for that if they fail now they will not, indeed, be ultimately defeated, but they will be thrown back. There is a possibility that Liberals may think that now Mr. Asquith has come forward the party may reorganise itself; and, consequently, that there is no need to look to trades unionists for relief from the hated administration. It is, then, absolutely essential that the trades unionists should exert themselves even more strongly than heretofore, and especially that they should do everything that in them lies to win the seat at Paisley.

Everybody who knows the state of feeling that exists both in the Conservative and in the Liberal parties is aware that both are rent asunder, and that it needs but courage and enterprise for the trades unionists not merely to win Paisley, but to win every other seat in which there is a strong democratic party. But the trades unionists must show themselves equal to the occasion; they must allow no opportunity to slip; and they must insist that they alone really represent the wishes of the people. To begin with, we all want unity throughout the three kingdoms. Instead of unity, the present Government has given us a condition of things in Ireland which is absolutely disgraceful. They are governing Ireland somewhat as Russia used to govern Poland and Finland in the old days. And they are making our very name hateful throughout the nations. Consequently, we want absolute unity. We want the whole of the three kingdoms to be perfectly satisfied with their position. And to do that we want a Government which will extend to the people of Ireland, as well as to the people of England, Scotland, and Wales, full right to manage their own affairs. Furthermore, we want reforms which will make a prosperous people. Look at the manner in which the present Government is professing to carry out its promises to supply the public with proper housing. The housing of the poorer classes in our great towns is a disgrace to a civilised people, and even in the midst of war the disgrace was recognised to be so great that a promise was given that as soon as peace returned housing would be taken in hand. But the Government shirks its plain duty. To build houses, as things stand at present, requires the assistance of the Imperial Government itself. Instead, the local authorities are called upon to raise fabulous amounts of money, and to build houses at prices which it is obvious they cannot afford. The Government itself ought to undertake the work of building, for it is the Government alone that can raise the necessary sums, and can raise those sums on terms that will make it possible to rebuild upon a great scale. There can be no comfort in the United Kingdom until the housing question is settled. And there can be no settlement of the question until it is taken in hand by the Government itself. The Government itself can alone raise the funds that are required, and provide the means of paying back the loans which it is essential should be raised. But it may be objected that the Government has to deal with a National Debt which a little time ago we should all have declared it was impossible to heap up. Yet not only have we raised an incredibly large Debt, but we are adding to that Debt day by day and week by week, so that nobody knows what our indebtedness is already, or what it will become if things are not altered. We want, then, the present Government swept away. And we want a Government in its place that will deal, firstly, with the Debt; and, secondly, with the housing of the people. We want men who know what the deficiencies of the housing of the people really consist of, and men, too, who not only know what is wanted but are prepared to supply it. It is, then, the urgent duty of the trades unionists to make every possible effort to win the election at Paisley, and to follow up that gain by winning every other election in which trades unionists are numerous enough to secure a victory. There will be a period of great difficulty before us, exert ourselves as wisely and as patriotically as we may. But we can overcome all our difficulties if we have a Government in power which means to do what it promises, and which is not afraid of imposing burdens upon those who are able to bear them.

A little while ago the Chancellor of the Exchequer declared that the payment of the Debt will not be imposed upon the rich. We would ask, in all seriousness, If that is the resolve of the present Government, how is it proposed to pay the debt? Are we expected to go on for another century or two paying off in driblets a Debt such as no country ever hitherto has

heaped up? And if we are not, we would ask in all seriousness, Who can pay that Debt except the rich? It is the rich, and the rich alone, who can pay the Debt. We admit that the whole burden should not be imposed upon rich individuals. There is, however, a means of reaching the rich while not immediately imposing the burden upon rich individuals. We have in England and in Scotland two Church establishments which derive all their incomes from the land of the country. Even the most sanguine Churchman will not claim that either Church counts amongst its members half the population of its respective country. On the contrary, the Church of England and the Church of Scotland are not supported by half the population. It is true that very many persons who do not like to declare openly that they disavow all Churches call themselves Church of England men because they know that the Church of England does not bother them either to attend its services or to observe its practices. Apparently, then, there are persons who call themselves, when occasion requires, Church of England men, but who really are not members of that Church, or, indeed, of any other Church. We have, then, two great institutions with vast wealth attached to them. They have ceased to be national in any true sense of the word. And our proper course, therefore, is to put an end to the claim of both to own their present properties; to sell those properties for the very highest figure that can be obtained; and thus to reduce the Debt by a very large amount almost immediately. As soon as this is done, the reduction of the Debt will enable the rate of interest to be materially reduced; and the payment off of a large proportion of the Debt, together with a reduction of the interest on what remains, will give immense relief to the people, and then it will be time to ask the rich to undertake the repayment of such a portion of the Debt as will make it easy afterwards for the whole population to contribute so much every year as in a short time will enable the Debt to be wiped out. We cannot hope for a policy of this kind either from the Tory party, which is in reality a landlord party, or from the Liberal party, which is only a little less tarred with the same brush. We want a really popular party which is not tied up with any particular Church; which is ready to fight, as we saw, all enemies; and which is equally ready to tackle all difficulties. If, therefore, the trades unionists will bestir themselves and will show that they really are the popular party of the country, then we may reasonably hope for a clearing off of the Debt in a comparatively very short time; and, consequently, for such reforms as will make the lives of all the poor more comfortable than they ever have been in this country, which is falsely styled the richest in the world.

THE TRADES UNIONISTS.

We earnestly hope that the leaders of the trades unionist party are not misled by the alarm which has seized the Whigs and the Tories so much as to suppose that they will have an easy walk-over in obtaining a majority, or something approaching to a majority, in the House of Commons. The two old parties are not dead. Nobody should mistake that fact. And they have immense resources, which will enable them to retain their control in the smaller boroughs and in a great many of the counties. Where there are great multitudes of working men the trades unionists ought to be the strongest party; and ought, therefore, to be able to return most of the representatives. But in the counties and in the smaller boroughs the condition of things is different. Therefore it is urgent that the trades unionists should not for a moment lose sight of their real difficulties. When everything is said, the portion of the working classes, less well-educated and less well-organised than the trades unionists, are not as public-spirited, or as confident in their own strength, as under the circumstances might be expected. The trades unionists can reckon upon, or, at all events, ought to be able to reckon upon, the men and the women of their own class who may be described either as trades unionists or possible trade unionists. At the same time, the trades unionists ought to be able to reorganise the agricultural labourers; and, above everything, the trades unionists ought to be able to win over a large proportion of the clerks, the teachers, and the workers behind counters. Very many of these three classes will shrink from an open fight. Several, also, will cherish the old foolish belief that because they wear broadcloth they are of a superior class to the trades unionists. And, finally, there are numbers who, for one reason or another, are open to an arrangement with the wealthy. The trades unionists, then, should bear in mind, firstly, that although they are exceedingly numerous, still they individually represent only a portion of the voting classes; and, consequently, that unless they bestir themselves they may find that their success at the coming elections will not be as great as it ought to be.

There is every reason to believe that the Coalition, which is supporting the present Government, is very much divided amongst themselves—that there are some of the members who, now that the Liberals are beginning to assert themselves, desire to go back to the party of which they formerly were members; and there are also many teachers who shrink from too openly appearing as political agitators. It is for the trades unionists to recognise all these facts, to understand how to deal with them, and to induce the great body of the more intelligent and enterprising to join with them. We do not suppose that the Conservatives will lose very heavily. They will not, of course, be returned at the next General Election in anything like the numbers that they were returned at the past election, for the simple reason that men now are free to vote as they please, whereas they were under military discipline when the last election was held; and, secondly, because immense numbers of women voted, as a kind of reward for their emancipation, in favour of the party which mainly emancipated them. The trades unionists require to bear all these facts in mind, and to see that the whole vote of those who are hopelessly and utterly opposed to the present condition of the country shall be cast against the present Government. The Liberal party is more or less divided, partly because they prefer Mr. Lloyd George to Mr. Asquith, and partly because the confession of the Liberals that they were not able to guide the country through a great war disgusted Liberal voters all over the country, and induced them to ask themselves, If Liberalism cannot guide the country through a great war of what earthly good can it be to us? Liberalism—we venture to repeat what we have often said in the past—is dead, and it is dead mainly because of the misconduct of its leaders, and most particularly of Messrs. Asquith and Lloyd George. But very large numbers of men who called themselves Liberals in the past, but were almost as much in favour of Conservatism, will join the Conservatives; and it ought not to surprise anyone if at the next General Election the Liberal vote should largely fall off, and the Conservative vote equally largely increase. The question is: Will the gain be to any considerable extent at the expense of the trades unionists? That will depend partly upon the skill and the energy with which the trades unionists set about winning over to them the agricultural labourers, the clerks, the teachers, and those who serve behind counters. We do not expect at the present time that very large numbers of the poorer working classes can be won over to support the trades unionists. We may be entirely wrong. The trades unionists have more opportunity to ascertain the facts, and, therefore, they are better able to judge whether they can win the very poor or not. But, in any case, it is mere prejudice which separates the teachers, the clerks, and the workers behind counters from the trades unionists.

The interests of all are identical, and never will wages and conditions of living be really satisfactory until there is a great trades unionist party in power.

The trades unionists should clearly understand that the wealthy classes are very few. It is estimated by Government officials themselves that the total number of persons who pay income tax is rather under 2¼ millions. It will be remembered that those who are in possession of an income of £130 a year are liable to income tax. That is to say, every man and every woman is liable to pay the tax if either the one or the other earns in any way, or inherits, an income of £130 a year, or £2 10*s.* per week, or, to put it still more clearly, 8*s.* 4*d.* per day. Now, if the reader will bear these facts in mind, that every person of his own class who earns 8*s.* 4*d.* a day is liable to pay income tax, and yet that the whole number of persons who pay income tax is rather under 2¼ millions, he will see how exceedingly few are the really rich. The rich make a wonderful display. Drive through the grounds of any great noble you like. See how much excellent land is withdrawn from almost every purpose of utility merely to minister to the vanity and ostentation of the rich. And then ask yourself, Is it reasonable, is it just, is it common-sense that the soil of England, Scotland and Ireland should be withdrawn to such an extravagant extent from all usefulness for the population of the country and given up to flatter the vanity of perhaps a few thousand persons? If the trades unionists will take the facts to heart, and exert themselves as they ought to exert themselves, they can win a representation in Parliament which will enable them to alter the whole state of things we see about us. It will enable them to get rid of bad laws, and to substitute good ones; and especially it will make it possible for them to put down preventable disease, and to make it impossible that in this country men should die of actual starvation. If the reader will consult his newspapers he will see that in the last year of the War there died in this country twenty people of actual starvation. There is a law to make it obligatory to feed the starving. But in spite of that law twenty people are recorded as having died of starvation in 1918. And how many more died of whom we have no record? Can anybody say? Is it not time that working men should bestir themselves; should make it impossible that such deaths should occur; and should substitute for the present slackness some real care for the education, for the proper bringing up, and for the training of all our men and women?

RUSSIA.

A VERY vigorous effort is being made to induce the people of this country to make war upon Russia. We are told, for example, that the Bolshevists are criminals of the worst kind; that they commit all sorts of atrocities; and that, nevertheless, they have defeated all the respectable classes in Russia, and are extending their rule over an Empire which spreads across two continents. Now we should like to know who it is that vouches for the criminality of the Bolshevists. We know that from the days of Peter the Great until the outbreak of the War the rulers of Russia married almost always with Germans; that, in consequence, the blood of Peter the Great must have long ago disappeared, and the rulers of Russia must have been almost pure Germans. We know, furthermore, that those German sovereigns naturally attracted to themselves German subjects, whom they made the real administrators of Russia. And we know, finally, that the Government of Russia was one of the worst the world has ever seen. If, indeed, we except the English government of Ireland it would be difficult to find any other Government in Europe so bad as the Russian from the date of Peter the Great until the outbreak of the recent War. The Sovereign who was in power—if, indeed, he ever was in power—when the War broke out was a very weak man. Unfortunately, he believed that "strong government," as it is called, meaning in reality brutality of every kind, was necessary to keep the Russians in order. And it was understood that he strongly wished to get rid of the Duma, though he found that it was impossible to do so. He failed to retain in command the one competent soldier he had. And everybody knows that the Germans invaded the Empire, and inflicted such defeats that the Government was overthrown and the Bolshevists rose to power. Now we do not pretend to know the character of the Bolshevists. We sent several Englishmen to Russia, and all sorts of wild reports have been published. But, as a matter of fact, nobody knows what is the real character of the Bolshevists. Nay, more, nobody knows what were the real designs of the men who opposed the Bolshevists. Were they loyal to the ex-Emperor, and did they wish to re-establish the old system of government? Or were they representatives of the artistocracy? Or, finally, were they representatives of the peasants? Is there a man in England at the present time, who is not connected with one or other of the warring clans in Russia, who can tell us what the present fighting is about? Is there any real sense of liberty? Or are ex-soldiers and ex-working men clubbed together to put down the aristocrats? Or, finally, is it a fight between town and country? Nobody knows what the real facts are. And, that being so, we would ask our readers, What right have we to interfere in Russia, and tell the Russian people that without provocation of any kind we are going to send an army into Russia to impose some form of government that nobody wants in Russia itself?

The law is as plain as anything can be which ought to govern the conduct of nations towards one another. So long as Russia does not attack us we have no right to attack Russia. Furthermore, we have no right, even if Russia attacked us, to impose upon Russians a Government which the Russian people do not wish for. The Russian people have as much right to choose their own Government as we have; and we have absolutely no right to impose a Government upon Russia or any other foreign State. If the Russians prefer Bolshevism, that is their business, not ours. They know something of the Bolshevists by this time. At all events, they ought to know something of them. And if they like the Bolshevists, what right have we to say, We do not like the Bolshevists and we will not allow you to have them? The thing is preposterous, and it is also wicked. We have incurred a Debt the exact amount of which no man knows. We know that the Government is still borrowing—borrowing at an enormous rate. We fear that when the next Budget is introduced it will be found that our Debt will in all reasonable probability exceed 10,000 millions. For it is to be recollected that, in addition to the Debt which we are still adding to, and which was raised ostensibly for our purpose alone, we borrowed immense sums to lend to the Dominions and the Allies. Now, the Dominions will, of course, pay sooner or later. And we trust that most of the Allies will, likewise, be able to pay. But what about Russia? Suppose we go to war with Russia just now, and that the trades unionists become so strong that they insist upon the withdrawal of the Army from Russia, what will happen? Shall we ever, in that case, see a penny of the moneys we have lent to Russia? Or, supposing we are fools enough to make war upon Russia now without provocation of any kind, and nevertheless have to withdraw our troops and our ships, does anybody suppose that Russia will not resent the attack and will be very eager to pay us back? The truth of the matter is that our Government is so absolutely incapable that it is unable to select a good policy, and that by sheer ignorance, vice, and folly it always does the wrong thing. It is urging us just now to plunge into war with Russia. And yet we all know that the trades unionists are opposed to such a war, and we will add our own opinion that the trades

unionists are quite right. Furthermore, we all know that if the trades unionists become strong enough they will insist upon the war against Russia being ended; and, consequently, that we shall give unprovoked offence to Russia, and yet have no means of securing repayment of the debt we have lent to Russia.

EGYPTIAN COTTON.

THE week under review calls for no special notice, except it be that the continued rise in the price of our cotton has caused further record figures to be tabulated. January, which opened on Saturday last at $102.50, closed to-day at $110, whilst the figures for March show a greater increase, viz., $100.50 to $108.75. A certain amount of business has been done in the new crop round about $80. As at this figure an acre under cotton should bring in a revenue of about £64, it would appear probable that prudent cultivators would take advantage of this highly remunerative price and cover their next season's crop. Very few of them, however, are likely to do so, such a proceeding being quite contrary to their fatalistic character. In the spot market, though business has been slack owing to the various holidays, still what cotton has been sold has commanded very high prices, as much as $120 being paid for extra Sakellarides.

The week's statistics show the following figures:—

	To January 9			
1920—Arrivals	Cantars 4,319,000	Exports	Cantars 2,944,000
1919 ,,	... Do. 3,359,000	,,	... Do. 1,429,000
1918 ,,	... Do. 3,926,000	,,	... Do. 1,835,000

Alexandria: January 9, 1920. H. C. THOMAS.

As telegraphed you on the 13th inst., our market reached $130 for January. All previous records have been surpassed for both spot cotton and futures. The highest price touched during the week was $131½ for January and $127 for March, whilst, under the influence of a sudden slump, brought about largely by speculators' profit-taking, prices fell to $119¾ and $116¼ on the 15th for these months respectively. The Liverpool market having in the meantime risen to 67*d.* for March, this sudden fall gave way to a fresh wave of "bull" operations, and we closed to-day at $128¼ for January and $124¼ for March. The new crop has varied from $85 to $99, but even this price has not attracted much in the way of selling by cultivators.

Arrivals amount to 4,500,000 cantars, against 3,439,000 and 4,080,000 for 1919 and 1918 at the same date. Exports have been very heavy and total 3,215,000 cantars since September 1, compared with 1,430,000 and 1,871,000 during the past two seasons. Shipments to U.S.A. have reached 1,010,000 cantars, and it is believed there are further heavy commitments to be shipped during this and next month. The advance in Liverpool, noted above, has brought that market on a parity with our own for the first time for many weeks, and, coming at the moment of a pronounced increase in the demand for actual cotton both for Lancashire and the Continent, it has given further strength to our market.

It would appear rash indeed, in view of the present extraordinary level of prices, to predict a further rise, but, as pointed out in these notes some weeks back, our market is now practically independent of the fluctuations which may occur in other markets, and, should the actual heavy buying of spot cotton continue, still higher prices may yet be witnessed.

Though not directly connected with these notes the following information concerning the Tokar (Sudan) crop may be of interest:—Area under cultivation, about 60,000 acres; estimated crop, 80,000 to 100,000 cantars. H. C. THOMAS.

Alexandria, January 17, 1920.

GREATER LONDON.—III.

GREATER London had in 1911 a population of 7,251,358, and of these some 3,380,000 were engaged in the 22 classes of occupations which form the basis of the occupational tables of the Census. The remaining 3,870,000 persons were embraced under the comprehensive title of "retired, unoccupied, or under 10 years." Considering the total population of the whole area, it appears that there were only 3,431,359 males, as compared with 3,819,999 females, or, in other words. Greater London in 1911 had almost 1,114 females for every 1,000 males. This excess of females was also characteristic of the administrative county, where they numbered 2,395,344, as against 2,126,341 males. Only in the City were the tables reversed, for there the Census recorded 10,080 males and 9,577 females. The explanation of this difference is easy: the excess of males in the residential or night population of the City is mainly due to the number of night-watchmen and caretakers who protect the various stores and establishments. A similar analysis of the occupied population brings to light still more interesting differences. Out of a total for Greater London of 3,380,000, males comprised 2,248,000 and females 1,132,000. Thus there were two men employed for every one woman, and the same was true of the administrative county, which contained 1,404,000 males engaged in commerce or industry or the professions, as contrasted with 770,000 females. In Extra London the predominance of men over women thus occupied was still more marked, the numbers being 844,000 men and 362,000 women, whilst in the City it was least with only 8,300 males employed and 5,200 females. Surveying the unoccupied population, the converse phenomenon obtains: females constitute more than two-thirds of the total number of unoccupied people in Greater London, in the administrative county, and in Extra London, whilst in the City there are 3,300 females unoccupied, as compared with only 800 males. To what extent these proportions will be altered by the time of the next Census it is only possible to surmise. Generally speaking, bearing in mind the casualties of the War, it is likely that the proportion of females to males in the total population of Greater London will be greater, unless in the interval births should include a great excess of boys—a phenomenon which history has shown to be not altogether impossible. One other change which it is possible to forecast in the light of experience accumulated during the War is an increase in the number of women employed in industry, commerce, and the professions generally. But this participation of women in occupations hitherto mainly filled by men will not continue on so large a scale as prevailed between 1914 and 1918. During this dread period the exigencies of war, requiring the withdrawal of so many millions of men from production, also necessitated the employment of a vast number of women to take up the work of production which their husbands, brothers and sons had to abandon. Consequently, the number of women employed in industry in Great Britain increased from 2,176,000 in July 1914 to 2,726,000 when the Armistice was signed in November 1918, whilst the number of men declined from 6,163,000 to 4,929,000. The increase was most marked, as might be expected, in Government establishments such as dockyards and arsenals. Between 1914 and 1918 the number of women thus employed rose from 2,000 to 246,000, and this was in addition to an increase in male workers from 76,000 to 276,000. Similarly, the transport services engaged 115,000 women in 1918, as compared with 18,000 in 1914. In all, excluding domestic service, the number of women participating in various occupations was 4,947,000 in November 1918 and 3,276,000 in July 1914, whilst the number of men had declined from 10,610,000 to 8,172,000. But the trend of affairs since the Armistice shows the gradual return of men from military service to production, and the subsequent replacement

of many women. Thus, in April 1919 it seems that the total number of women employed in similar occupations in Great Britain had fallen by nearly 720,000 to 4,232,000, whilst the return of over 1,000,000 men had increased their total to 9,353,000. And as demobilisation continues there is every reason to anticipate a further increase in the number of men engaged in occupations. Nevertheless, woman during her period of employment has revealed herself possessed of qualities which fit her for a far greater participation in commerce and industry than she enjoyed in pre-War days. Consequently the next Census will probably return a greater proportion of women in occupations, not merely in Great Britain as a whole, but also in Greater London.

It is a regrettable though striking fact that, of the 22 categories of occupations included in the Census of 1911, that which affords employment to far the greatest number of occupied persons in Greater London is the group described under the generic title of "Domestic Offices or Services." More than one-sixth of the occupied population of this area earn their daily bread in work of this description. No less than 577,021 persons find employment either as domestic servants, indoor or outdoor, as caretakers, or as charwomen and laundry workers. Within the City the number engaged in this manner almost reaches 4,000, in Extra London it is returned at 213,000, whilst for the administrative county the number is just over 364,000. Over 80% of the number thus employed are women. This is particularly the case in the county, where 305,000 are females and only 59,000 males. Moreover, the vast majority are indoor domestic servants: in the county these accounted for 215,000 women and 18,000 men. Charwomen and laundry workers constituted the next largest group, with 66,000 women and 3,000 men. Caretakers included 5,700 males and 4,900 females. Whilst work of this description is admittedly essential in any modern community, it is no tribute to our standard of civilisation that a proportion in excess of one-sixth of the occupied population of Greater London were therein employed in 1911. Industry and commerce in general furnish sources of much more productive work, and, in the best interests of the workers themselves, it is to be hoped that these channels in future will attract a greater number of those who hitherto were content or compelled to earn their livelihood in the performance of domestic services. Signs are not wanting to indicate that the transition has already set in. Investigations conducted by the Board of Trade during the War into the movements of women employed in industry showed that the largest addition to the ranks of women so employed was furnished by those women who were previously engaged in domestic service, or household duties, or unoccupied. An analysis of the pre-War occupations of some 444,137 women who were in 1917 engaged in many of the leading trades and industries in Great Britain revealed that 73,992 came from the ranks of domestic service and 98,511 from those who were formerly taken up with household duties or unoccupied. Moreover, experience has shown that, having been once diverted from domestic service to industry, women are slow to revert to the old conditions. It would not, therefore, be surprising to discover in the next Census a relative decline in the proportion of persons occupied in Greater London in performing domestic services or offices.

The importance of London as a railway centre, and a measure of the valuable services which transport renders in Greater London, can be seen in the fact that, next to domestic services, transport furnishes employment for the greatest number of people. Nearly one-ninth of the occupied population of Greater London to be accurate is more as 350,330 persons were engaged in this vital department of distribution in 1911. The overwhelming majority of the workers were men. Thus in the administrative county, out of a total of 251,199, there were only 5,106 females. In this area railways required 39,065 persons, of whom less than 500 were women. Nearly as many again were operating the lines in Extra London; but the number of women was still lower, being only a little over 300, as compared with 34,500 men. Here the effect of the War was to increase the proportion of women employed in this direction, an investigation showing for Great Britain an increase from 12,000 in 1914 to 65,000 in 1918. The tendency since the Armistice has been to reduce this number; but undoubtedly railways in future will continue to afford [illegible] women as ticket collectors and booking and parcel clerks. There is, however, no reason for anticipating [illegible] branches of the service. The omnibus service in 1911 employed in Greater London nearly 8,900 persons, of whom only 100 were women. The number resident inside the administrative county, where this mode of transport had been most highly developed, was 6,900. In Extra London, to which it was being [illegible] 2,000. During the War women secured a considerable foothold in this service; but since the Armistice they have been gradually replaced by men. Over 11,500 of the inhabitants of Greater London were working on the tramway systems according to the last Census. Women [illegible] minority of 200. Extra London sheltered as many as 4,250, which indicated that the trams were working [illegible] During the War women were employed extensively in this service, much more so than in the omnibus system, [illegible] Britain, according to which the number so engaged [illegible] 1,430 to 24,6[illegible], as compared with [illegible] the omnibus service from 300 to 4,300. Again the [illegible] gradually returning to work. To what extent all the women will eventually be replaced by the next Census is uncertain; but it is generally admitted that there is greater scope for women in these departments than was reflected in the small number employed before the War. Motor transport did not play such a considerable part in industry in 1911 as it has since, and as it will particularly by the publication of the 1921 Census. Thus, in the administrative county there were only just over 8,100 men employed as motor-car or motor-van drivers, excluding those used for domestic purposes, and only 2,300 in the large outer ring of Extra London. Contrast with this the figures for horse transport, which required more than 53,500 general carters and wagoners in the county alone, and over 20,000 in Extra London. Conveyance by sea, river or canal afforded employment for 13,760 male residents of the county, and over 9,250 male residents of Extra London, the number of women thus occupied being negligible. Dock and wharf labourers exceeded 19,500 in the county; but in the rest of Greater London, with the exception of Essex, where they numbered over 7,000, there were not as many as 1,000. The cartage of coal required in 1911 the services of 8,500 men in Greater London, and of these over 5,300 were coal porters inside the county. Under the comprehensive title of "messengers, porters, watchmen" the Census of 1911 [illegible] 75,000 inhabitatnts. Over two-thirds of these reside in the administrative county. Within this area more than 2,000 women fall within this group out of a total of 2,300; whilst in Extra London the number of men thus employed is only just above one-third of the number in the administrative county, which is recorded as 54,625.

[illegible]

of occupations, from the milkseller to the miller, the butcher to the brewer, and the sugar refiner to the lodging-house keeper. Residents in Greater London to the number of 340,649 earned their daily bread in 1911 inside this varied group. Within the county the men constituted two-thirds of the total, being estimated at 155,493, as compared with 75,552 women. In Extra London the predominance of the males was more marked, accounting on an average for three-fourths of the total thus occupied. Analysing the more important occupations of this class, it seems that nearly 23,000 were engaged in Greater London in the making of bread, biscuits, or cakes, and of these over 15,000 were resident in the administrative county. The total number of women in this trade did not exceed 2,500. On the other hand, women were largely in evidence in the manufacture of preserves and sweets. Greater London had over 11,300 persons thus employed, of whom 8,300 were females. The trade was carried on much more extensively in the county, where over 8,100 hands were engaged, than in Extra London, where the number fell to 3,200. Much the same conditions characterised the manufacture of tobacco, which in Greater London afforded employment to some 9,500 people. The number of males was only 3,500, as against 6,000 females. Moreover, the county contained 8,500 such workers, whilst Extra London had barely 1,000. As regards the production of drink, brewing ranked first, requiring in Greater London some 5,200 workers, of whom breweries in the county employed 3,200. The manufacture of mineral waters gave occupations to 2,600 persons, two-thirds of whom were men. The trade was found more in the county than in Extra London, where only 700 workers were thus engaged. Distilleries were by no means numerous, furnishing employment in the whole of Greater London to less than 600 people. The milling industry, judged by the number employed, was not of much greater importance than the trade in mineral waters. Only 2,850 persons, mainly men, were registered under this industry for Greater London in 1911. Similarly, sugar refining did not loom large in the scale of industrial pursuits, as in 1911 it afforded employment over the whole area to less than 1,800 people. Of these about 650 were at work in the county, whilst over 1,100 were found in that portion of Essex included in Extra London. Since the War, however, London has become one of the most important centres of sugar refining, if not the most important, in the United Kingdom. This development will doubtless find corroboration in the return in the next Census of an increased number of workers in this industry throughout Greater London.

EUROPEAN COAL POSITION.

After a complete year of peace the coal situation in Europe shows no radical change for the better, and prospects of a material improvement are at present somewhat remote. The transfers of ownership in certain coalfields provided for by the Peace Treaty have not been effected without friction, and while the partial redistribution of Continental coal will, no doubt, eventually bring about a redistribution of economic power, little result is at the moment obvious beyond a welter of labour and transport confusion in the majority of the mining areas. Thus, the coalfields of the old Hapsburg Monarchy in Austria proper were ceded to Poland and Czecho-Slovakia, but since the carrying out of the terms a series of strikes has interfered with mining operations. Hopes of relief from the exportable surplus of coal in these new States have accordingly been disappointed, though coal production in the Austro-Hungarian Empire was rapidly increasing before the War, having risen from 14,868,000 tons in 1909 to 17,494,000 tons in 1913. The surrender of the Saar and Lorraine coalfields to France has effectually crippled Germany, but the latter country has not suffered to the same extent as its Austrian ally. On the basis of the 1913 output, which amounted to 187,054,000 tons, the Germans still retain about 50% of their pre-War resources. France has clearly come off best in the redistribution as it has acquired important and highly productive coalfields in the Rhine district. Nevertheless, the French are handicapped by the flooded and generally unworkable condition of their old mines in the Nord and the Pas de Calais. They are also hampered, in common with Belgium, by a serious shortage of coking coal, and the scantiness of the supply is largely frustrating their efforts to place the iron, steel, and allied industries on a sound economical basis. Inundations in the Meuse district have partially held up the production of coal along the lower reaches of the river; and, added to this natural cause, the demands of the French and Belgian miners, enforced by periodical work-stoppages, have led to a diminution in the amount of coal raised.

Europe is by far the most important export market for British coal, and some knowledge of the existing position on the Continent is therefore essential from the exporter's point of view. The countries to which we sent coal in 1913 are our chief customers to-day, and the following table shows the extent of their home production in that year, together with the imports from the United Kingdom:—

Country	Output of Coal Tons	Imports of Coal from United Kingdom Tons
Russia	33,206,000	5,998,474
Belgium	22,474,000	2,031,077
France	40,187,000	12,775,909
Algeria	-	1,281,664
Other French Possessions		233,745
Portugal	15,000*	1,201,722
Portuguese Possessions		387,491
Italy	2,000†	9,647,161
British East Africa	—	5,301
Roumania	—	251,929
Total		33,814,482

* Production in 1912. † Hard coal.

Before the War Russia exported a negligible amount of coal and coke, which went mainly to Austria-Hungary, but the resumption of this trade is not even remotely probable. In 1913 the German coal exports amounted to 34,042,000 tons, which were distributed as follows:—

	Tons
Austria-Hungary	11,957,000
Holland	7,102,000
Belgium	5,636,000
France	3,191,000
Russia (except Finland)	2,078,000
Switzerland	1,612,000
Italy	878,000
Denmark	216,000
Sweden	175,000
Norway	19,000
Other Countries	1,178,000
Total	34,042,000

The situation is now changed, and Germany's requirements of coal would, on the pre-War standard of consumption, scarcely be satisfied by its present output. Many of the former German markets must accordingly fall into other hands. Where the ownership of coal has passed from Germany the import needs of the acquiring countries should, of course, be reduced, but this happy result will be postponed for a time. It was in recognition of an inevitable postponement that our former enemy was compelled by the Treaty to promise reparation in actual coal supplies to belligerents whose productive capacity had been affected by the War. As these terms will have an important bearing on the European coal situation for many years to come they deserve quotation. Annex V. to the Treaty contains the following amongst other clauses: "2. Germany undertakes to deliver to France seven million tons of coal per year for ten years. In addition Germany undertakes to deliver to France annually, for a period not exceeding ten years, an amount of coal equal to the difference between the annual production before the War of the coal mines of the Nord and Pas de Calais, destroyed as a result of the War, and the production of the mines in the same area during the years in question; such delivery not to exceed 20 million tons

in any one year of the first five years, and eight million tons in any one year of the succeeding five years. . . . 3. Germany undertakes to deliver to Belgium eight million tons of coal annually for ten years. 4. Germany undertakes to deliver to Italy up to the following quantities of coal:—

July 1919 to June 1920	... ...	1½	million tons
,, 1920 ,, 1921	... ...	6	,,
,, 1921 ,, 1922	... ...	7½	,,
,, 1922 ,, 1923	... ...	8	,,
,, 1923 ,, 1924	... ...	8½	,,
and each of the following years			

At least two-thirds of the actual deliveries to be land-borne. 5. Germany further undertakes to deliver annually to Luxemburg, if directed by the Reparation Commission, a quantity of coal equal to the pre-War annual consumption of coal in Luxemburg."

The minimum amount stipulated for in the cases of France, Belgium and Italy for 1919-20 is 19½ million tons, rising in 1920-21 to 21 million tons, and increasing further until 23½ million tons are reached in 1923-24. The price payable for these coals, where delivered overland, is the German pithead price to German nationals, plus the freight to the French, Belgian or Italian frontiers, provided that such pithead price does not exceed the figure current in Great Britain for export coal. In the event of sea delivery the price charged must not be higher than the British export price f.o.b. British ports.

The options on German coal above recited have not proved to be the boom anticipated by some signatories to the Treaty. Labour troubles have been all too common in what are left of the German mines, and the question of a six hours day is still causing acute discontent. While Italy as a set-off received a substantial amount of coal from the United States, expectations in France and Belgium of relief from that quarter were dashed by the sudden stoppage in the American bituminous mines last year. Further, the home demand across the Atlantic is daily increasing and threatens to reduce substantially the exportable surplus. Already a proposal has been mooted in Congress to prohibit foreign trade in coal for the next five years, and the newly published report of the United States Geological Survey will do little to allay the public apprehensions of a shortage. It is officially estimated that the ouput of bituminous coal in the United States in 1919 amounted to only 458 million tons, compared with 579 million tons in 1918, and that anthracite will show a falling-off of 10 million tons. With American supplies threatened, the Continent must look largely to Great Britain to make up its coal deficiencies. Our total exports last year amounted to 35¼ million tons, of which the greater proportion was shipped to Europe. The shipments are, however, much below the 1913 level, though the requirements are far greater and more pressing. We must endeavour in the coming year to equate shipments to the needs of consumers, without overlooking the priority that must naturally be accorded to domestic and industrial consumption at home.

CHILI.

SOME PROGRESS.

We deal elsewhere with the nitrate fields, which constitute, so far as international trade is concerned, the principal industry of Chili. It may not be uninteresting, however, to give a short *resumé* of the influences exercised by the great European War upon the country, and also the influences exercised upon its economic development, not wholly forgetting the political dangers of the recent dispute between Chili and Peru about the two valuable provinces in which nitrate deposits are situated.

On the whole, as has been the case with nearly all the South American Republics, Chili has benefited by the European War; and she would have benefited to a far greater extent but for the unfortunate dispute which arose last year in connection with her two northern provinces. Of course, it is not the business of foreigners, even though those foreigners are largely interested both in Chili and in Peru, to an extent that foreigners are rarely interested in the economic development of countries other than their own, to offer advice to either of those countries as to how they should settle the dispute between them. We cannot, however, afford to ignore altogether the danger arising from the friction which exists in Peru and in Chili regarding the possession of the province of Tacna. Tarapaca was ceded once and for all to Chili as a result of the war, now more than 30 years ago. Tarapaca, moreover, is the more valuable of the two nitrate provinces. It is much larger in extent, has a far larger population engaged in exploiting the nitrate industry, and is in every sense more valuable to Chili than the more northern province of Tacna, which adjoins the Republic of Peru. For those who only imperfectly remember what happened, we may recall that an arrangement was come to between the two Governments at the conclusion of the War by which Peru ceded, as already said, the province of Tarapaca. But there was to be a plebiscite as to the eventual ownership of the province of Tacna. Largely owing to the continually disturbed state of Peru, that Republic has never been in a position to demand, and Chili has always been able to postpone, such a plebiscite. The result is that there is more or less continuous friction between the two Republics. When Peru is in a particularly unsatisfactory political state the subject of dispute between the two Republics remains quiescent. But when a new President, as was the case last year, comes to the front, energetic and anxious to assert his rights, the dispute becomes acute, and causes anxiety to all those who have commercial relations with or economic interests in either, and particularly, as is the case with ourselves, in both the Republics. The two great Powers that would be adversely affected by any serious dispute between Peru and Chili are the United States and ourselves. It would seem to suggest itself that a way out of the difficulty might be found, if Chili and Peru were disposed to come to an arrangement on the subject, by calling in the good offices of the United States and ourselves to assist them in arriving at an amicable understanding. It is to be feared that if things go on as they have done in the recent past there will be very serious trouble some day or other, however long it may be delayed, between the two Republics. As things are, the net result of the dispute has been injurious to both countries—to Peru because she has had to find work, which was not readily available, for an appreciable part of her population, who returned from Chili as soon as the dispute became serious some months since. So far as Chili is concerned the economic effects were in a sense more serious. Peru, in the height of her political crisis, had to receive her nationals at a period when her economic condition

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did not admit of her readily absorbing into industry her returning citizens. Chili, on the other hand, had developed certain of her industries, and particularly those of the nitrate fields in Northern Chili, to an enormous extent as a result of the War. And one of her greatest difficulties at the present time is to replace the labour which she lost last year. The labourers in the nitrate fields of Tacna and Tarapaca are, of course, primarily recruited from the native Chilian population. But the Chilian population is a very small one, and the labour available is quite inadequate for the needs of the various industries, imperfectly as they have been so far developed in Chili. Consequently, whenever work is active on the nitrate fields large numbers of labourers are, in normal times, attracted from Peru, and also from Bolivia. That the Peruvian labourers should return, if only on patriotic grounds, was, of course, natural as soon as a dispute arose between their country and the adjoining Republic. The reason why the Bolivians should throw up their work so readily is not quite so evident, unless, of course, they feared that actual war was likely to break out, in which case they might have been practically compelled to fight for a dispute in which they were in no way personally concerned. Whatever the reason was, the fact remains that the Peruvian and Bolivian labourers left the nitrate fields when the dispute was at its height about six or eight months ago. Consequently, although the Chilian nitrate industry is reviving, and the demand for Chilian nitrate, for the reasons which we explained last week, and which we are amplifying this week, is reviving rapidly, one of the difficulties under which the industry is being carried on at present is the extreme shortage of labourers and the difficulty of attracting labour from outside.

This brings us to one of the most remarkable difficulties with which the Republic of Chili, taken as a whole, is faced, and has been faced for at least two generations. The Republic is very nearly 300,000 square miles in area, but it has a population of less than four millions, or, say, 14 to the square mile. Two-thirds of the Republic is, or is capable of being made, fertile. One third, while in a sense, but only in a sense, a desert so far as agricultural possibilities are concerned, is enormously rich in mineral deposits. There are not merely the nitrate deposits in Tacna and Tarapaca, but the other principal mineral resource on which Chili lives—copper—is also found in the desert region. We said that the desert area presents itself as a hopeless proposition from the agricultural point of view, and so it does superficially viewed. Nevertheless, the fact remains that the small towns which have grown up in connection with the nitrate industry and the copper-mining industry have been converted into veritable gardens by means of irrigation. It is, of course, true that the water which makes this possible is wholly brought from the Andes. It is brought in pipes, and is part of the supply which is required for the working of the two principal mining industries. Nevertheless, the fact remains that, provided water is brought from the Andes, agriculture is perfectly possible in the desert regions of Chili. Whether it would be possible as a commercial proposition there is no data to show. The water which is now used for irrigating the arid lands about the mining camps has to be brought in any case to serve the needs of the mining plant and of the people working the mines. Consequently, the water supplied to the dwelling-houses and used for agricultural purposes is, in fact, a charge upon the particular mining industry which it supplies. We mention the fact, however, as illustrating that Chili is by no means the hopeless wilderness that it has sometimes been portrayed. As we have said, two-thirds of it is eminently fertile, and the remaining one-third highly mineralised—so highly mineralised, in fact, and so valuable are those minerals when worked as a commercial proposition that something like 15% of the total population of Chili live in the desert. Very nearly one-fourth of the whole Chilian population live in the six principal cities of the Republic. As a result, the Central zone—that is the territory immediately north and south of a line drawn, say, between Valparaiso and Santiago—always regarded as the most fertile, has never been properly developed. Not more than one-third of the area is, or has at any time, so far as we know, been cultivated. The extreme south was left almost entirely to what remained of the Araucanian Indians. Quite recently this region has been developed to a very large extent; and this development has been greatly stimulated as a result of the War. The development is mainly owing to the enterprise of Anglo-Chilian sheep companies, who have taken immense areas in Southern Chili and in Tierra del Fuego, more than three-fourths of which island belong to Chili. Of the four million sheep in the Republic, more than 2½ millions are found in this area.

To return to the Central zone, which has an area of probably—we are speaking in rough figures—some 50,000 square miles of rich land, one of the finest climates in the world, and a rainfall, while not excessive, considerably exceeding anything to which we are accustomed in these islands, it may be asked, and not unreasonably, why such an area, apparently offering such opportunities to the husbandman, is only settled to the extent of about one-third of that area, and why such a country does not attract immigrants upon an enormous scale. The answer, of course, is that the conditions of life to which the Chilian peon is accustomed are such that it would be difficult to find people of any other race who would settle in Chili or could compete with the Chilian peon on the same economic terms. He is accustomed to a dwelling made on the mud floor; and this is true whether we speak of the sand floor in the mining area or the earthen floors of the agricultural zone. His house, such as it is, is primitive to a degree, and affords hardly any of the accommodation to which even primitive settlers are accustomed in their own countries. As a result, Chili has never succeeded in attracting any appreciable number of immigrants. Prosperous as she became during the War owing to the demand for nitrate, for copper, for wool and mutton, for cereals, and for any kind of produce which she was able to export, her population has hardly increased at all during the period of the European War; while the mining population up in the North has diminished owing to the reasons which we have already fully explained. As the conditions in Chili are such that she does not attract immigrants from other lands, and she appears anxious to develop both her mining regions of the north, her agricultural interests in the centre, and the forestal and pastoral interests in the south, it is remarkable that no serious effort is made to serve the population which would grow by natural increase. Certain it is, however, that either no efforts are made in this direction, or they do not meet with the success which they might deserve. It cannot be said that either Chilian public men or the leaders of the Chilian Press are ignorant of, or indifferent to, this state of things. At every election, municipal or national, the subject is not merely alluded to, but is apparently thoroughly threshed out, and far-reaching reforms are recommended. Everyone who is at all acquainted with the two principal journals published in Santiago and Valparaiso, knows that hardly a week passes without an article on the unfavourable hygienic conditions of the principal cities of the Republic, and the resulting and accompanying terrible mortality amongst the infantile population. Chili is, and has been for very many years, very much like what ancient London was. Chili has now, and we had then, an extraordinarily prolific birth-rate. But although the births were out of all proportion to anything which we know in modern times, the deaths of the infant population were on such an alarming scale that the population remained stationary from year to year and from generation to generation.

IRISH INDUSTRIAL COMMISSION.—EVIDENCE.—II.

The visit of the British Labour Delegation to the Cork City Hall coincided with the ejection of the members of the Irish Industrial Commission from the same building. Comment on the action of the Irish Government is superfluous, as it is quite in accord with the policy they have pursued for the past few years. Some good may, however, issue from the apt illustration afforded the Labour representatives of the strangely distorted way in which the "principle of freedom" is interpreted in Ireland. Subject to harassing measures of this description, with apparently no logical end in view, it can readily be understood that the Commission is working under considerable difficulties.

The evidence of Mr. Lionel Smith-Gordon fell naturally under two headings—the Milk Supply of Dublin and the Dairying Industry of Ireland as a whole. The problem of supplying Dublin with milk could be solved if a few men or women with sufficient brains and energy came forward. The milk supply available was ample for Dublin and corresponding cities. Reasons standing in the way of getting milk at present were (1) the lack of supply of cans and the proper handling of these cans, and (2) the uncertainty of the producer and creamery as to whether they will receive proper treatment from the people they are dealing with in Dublin. Measures would have to be taken to ensure the safe transit of milk and churns, the handling by the railway companies leaving much to be desired. To ensure the regular despatch of milk from creameries to Dublin these must have some assurance of a permanent business connection. Precautions should be taken in the line of pasteurisation, &c., so that Dublin's milk supply will be pure. The witness referred to the precautions taken by the city of Toronto, where the death-rate from diseases such as typhoid and diphtheria, which stood at 46, had within three years been reduced to 20. Under certain conditions precautionary work of this description must be undertaken by the Municipality, and would, of course, inevitably add to the price of milk. All these desiderata can, however, be accomplished by voluntary organisation, as has been the case in Copenhagen. An association of consumers can be established in the form of a joint-stock company or a co-operative society in Dublin with a limited dividend. It must be an organisation of consumers, as the producers live at a considerable distance from Dublin. In Belfast there is an organisation of creameries, or producers, which runs shops and supplies the city with milk.

The milk yield of the country can be increased by selective breeding and cow-testing, and a thorough overhaul must be made of the Irish dairying industry. There are in Siberia 5,000 federated creameries, who have arranged to throw their whole output of butter on the English market when affairs in Russia settle down and when shipping is available. What the English consumer wants is uniform butter the whole year round, and other countries are taking steps to supply that. The first essential for selling butter in future is that it is going to be really good butter. At present the Irish creameries, numbering 700, are acting as isolated units. It is necessary to establish forthwith one organisation or two of these creameries, so that they will be able to grade and establish a standard for their butter which will compete with other brands and at the same time give them the flexibility which combined capitals ensure. As an example he instanced the firm of Cleeves, which can turn from butter to cheese and from either of these to condensed milk, or from one of these to dried milk. To meet outside competition the whole dairying industry of Ireland must be set up on this basis, and must be treated as a whole, in such a way that we can hold, grade, standardise, and market our butter as Irish butter. Any butter, cheese or other product must leave these shores with a guarantee that it is Irish, of good quality, standardised and honestly made. There must be some method of organised flexibility which will allow us to make quantities of that product proportionate to the demands of the market. Inquiry might also be usefully directed to the possibility of combining with the creamery the production of industrial alcohol or sugar.

The value of full-cream dried milk was emphasised by Dr. Hayes, Medical Officer of the Dublin Union. Not only was it equal in nutritional value to good cows' milk, but it possessed, in addition, certain medicinal qualities. It serves a useful purpose, especially in summer time, when cows' milk gets quickly contaminated and infant mortality is highest in Dublin. Months after its manufacture and weeks after its exposure to air the proportion of bacteria in dried milk is actually less than when it left the cow; and this was of great significance in Dublin, where infant mortality is rampant in the tenement houses of the poorer quarters. Objections to the unpleasant odour and taste of the powder may be done away with by a new milk-drying machine lately invented in Germany. Dried milk is already manufactured to a certain extent in Ireland. Witness had it from a fairly reliable authority that a drying apparatus can be installed and a thoroughly sanitary factory provided at a cost of £20,000, leaving £4,000 or £5,000 for reserve, and that such a factory can deal with 1,000 gallons of milk daily.

The programme of Mr. Fant, Creamery Expert to the Irish Agricultural Organisation Society, included the setting up of cow-testing associations at creameries and elsewhere. Propaganda and press-work would be of great importance in this connection. Combined efforts should be made to introduce milch cattle of large milk records to displace the unprofitable cows in herds. Local Committees might act as a clearing-house for placing in the right hands cattle of a good milking strain produced in the locality. A great benefit would be conferred on many districts if the creameries made arrangements for supplying milk by retail to all who required it. They might also arrange to prepare milk for sale in towns and cities during the winter and early spring months. It would, however, be necessary, say in Dublin, to establish on commercial lines a society which will be able to receive that milk and to treat it in a proper manner for distribution or storage. A combination of Dublin distributors might have a railway van of their own running to the district from which they obtained their milk supply. The loss of cans, so common on the railways at present, would thus be reduced to a minimum. Adverting to dried-milk manufacture, none has hitherto been made in co-operative creameries. Arrangements are, however, being made for erecting, as an experiment, a milk-drying machine, the object in view being the conversion into dried milk for chocolate-making and other commercial purposes of some of the milk now employed for the production of cheese. If the experiment proves successful it can be tried also in connection with milk supplies. One consideration the creameries will have to weigh is the cost of the plant to do it all the year round. Another is the difficulty of putting it into small packets of a pound or otherwise. A distributing agency could undertake the task of making up the smaller packets, while the creamery could put the commodity up in cases of 1 cwt. or so. With regard to cold storage, the time has come for co-operative creameries to embark on a system of their own to meet the glutting of the butter markets, frequently engineered by people in the trade.

The importance of spreading cow-testing associations was also underlined by Mr. Coleman, manager of the Nenagh Co-operative Creamery. The progeny of good milkers should be retained and measures should be taken to prevent the shipment or slaughter of heifers of a good milking strain. Mr. Glasheen,

manager, Cullen Creamery, referred to the fact that whey run through a separator yielded a better butter than that obtained from ordinary cream. His creamery had now in contemplation the introduction of machinery with the design of abstracting powder from whey. The manufacture of rennet was very much neglected in Ireland and much material useful for that purpose was now wasted.

An interesting account of the Kilmore fishing industry was given by Mr. Keogh, the harbour master of that place. Similar conditions, no doubt, prevail in many other Irish fishing centres. Here there are two explanations of the unremunerative yield from fishing—lack of markets and the prevalence of hand-line fishing. No trawling is carried on although there is plenty of good trawling ground off the coast. Mackerel, cod and pollock are abundant, the former having notably increased owing to the absence of foreign trawlers during the War. The fishing season lasts from February to November, and the earnings per boat for, say, five months only amount to £60 or £70, or about £20 per man. Access to large markets is an essential to the development of the industry, as, in the first place, higher prices are needed for the catch, and, secondly, the present restricted market discourages intensive fishing as a surplus liable to be left on the fisherman's hands. Co-operation with a view to the setting up of a curing station and securing marketing facilities has not hitherto been discussed.

OUTLOOK FOR SHIPPING COMPANIES.

The scarcity of uncontrolled tonnage has been noticeable in the freight market for some time past, and, conversely, the amount of directed shipping has assumed large proportions. This change affects the earnings of shipowners in a manner not often appreciated by the numerous outsiders, who regard participation in new shipping issues as a royal road to wealth. A good example of the effect of "direction" is seen in the case of homeward chartering from the River Plate, where free vessels have been commanding 155*s*., as compared with a 65*s*. basis for controlled. We recently pointed out the injustice to directed ships of such a disparity, and the Shipping Controller has promulgated a new schedule of rates homeward from the Plate, Cuba and Australia. The schedule is to apply to all bills of lading dated 1920, and for the Plate the rate has been raised to 107*s*. 6*d*., with 5*s*. extra for up-river loading. While the Government rate has materially improved, it is still far short of that for free fixtures and still means a greatly reduced revenue.

In the home coasting trade direction is also not uncommon, and it interferes in the same manner with a vessel's earning power. For free ships, the coasting trade at the moment is extremely profitable, especially in certain areas such as the West Coast, where it is practically in the hands of a combine. Cargoes are plentiful since, under the new plan adopted by the Government to relieve railway congestion, everything that can be carried by water goes that way, the difference in charges being made up by the Railway Executive Committee. Many of the ships that have been purchased at fancy prices, around £70 per ton deadweight, are intended for the coasting trade, but the chance of securing profits on such a large outlay depends mainly on escape from control.

The last six months have witnessed a big crop of shipping companies, especially of the one-ship type, and in some of the prospectuses extravagant statements were made as to earning capacity, even if we assumed continuous free chartering for the vessel. Nearly £5 per ton per month has been mentioned as a possible charter rate over long periods. This figure may be realised by very small boats, which usually require a bigger payment per ton to defray running costs. A thousand-tonner for Calais will often command a bigger price per ton than a ship of five times the size for Genoa. From the shareholders' point of view this extra payment does not, however, mean extra profit, as the money is swallowed up by higher operating expenses. Besides, the initial cost per ton is greater for small vessels, and the only advantage they really possess is that of taking in shallow-water ports, where very generous rates are sometimes obtainable.

The demand for boats of moderate tonnage, which was very brisk during 1918, emanated largely from South Wales. The number of single-ship shipping companies floated in Cardiff has been remarkable, but the boom has extended to other parts of the United Kingdom. The usual procedure is to invite subscriptions for the purchase of a vessel on the stocks, or one that has already seen service. The latter method is the more general, and in some instances vessels nearly fit for the shipbreaker have been sold to the public. Other vessels not so bad, even if they have seen their best days, have been disposed of at many times their original cost. The public are apt to disregard the fact that on old vessels repairs, depreciation, fuel consumption, and overall running costs are alike very heavy, and it is possible that in the event of a substantial drop in freights many of the ships could not be operated at a profit. The chances of such a fall are remote just now, but present high levels may not be maintained sufficiently long to recoup the recent immense outlay on worn-out steamers. In a free market freights are dependent on the supply of, and the demand for, shipping. Supply is normally a question of the tonnage afloat, and demand of the merchandise awaiting shipment. The world's tonnage is at present about 10% in excess of the pre-War total, while the world's seaborne trade is an unknown but substantial percentage below the pre-War level. Why, then, have freights not collapsed? Because the efficiency of all shipping has diminished for various reasons, and principally because of railway and dock congestion, reduced working hours, delays in port, shortage of bunkers, and growth of labour troubles. Many of these reasons are not of a lasting character, and as they cease to be effective the law of supply and demand will force down freights, unless in the interval a material expansion takes place in the seaborne trade of the world. Signs of any grandiose expansion are wanting at present, and on paper the world's tonnage, sailing and steam, excluding vessels of less than 100 tons, amounted in the middle of last year to 51 million tons, the increase in steam tonnage over 1913 being 2,493,000 tons. The fleet is daily being added to, as is shown by the following table of ships under construction in different countries, taken from Lloyd's last quarterly return:—

Merchant Vessels under Construction at close of Quarter ended December 31, 1919.

Where Building	Steam	Sail	Total Gross Tonnage
United Kingdom	2,985,140	9,109	2,994,249
Canada	177,590	10,785	188,375
Other parts of Empire	59,422	5,683	65,105
United States: Atlantic Coast	1,552,630	15,045	2,966,515
United States: Gulf Ports	326,656	76,213	
United States: Pacific Coast	766,801	81,500	
United States: Great Lakes	147,660	—	
Holland	328,044	394	328,238
Italy (including Trieste)	306,552	7,995	314,547
Japan	309,474	—	309,474
France	216,405	370	216,775

The hitherto unchecked rise in building costs makes, it should be noted, for a continuance of high freights. Quotations for ships' plates have recently been again advanced, though in December the home price stood at 395*s*. per ton, compared with 220*s*. in December 1918. Railway rates and labour costs have also risen. No reduction in the price of new tonnage can therefore be expected for some time. The expansion in operating expenses may further militate against a fall in freights; but it will have the equally bad effect, from the shareholders' standpoint, of curtailing profits. Should the eight-hours' day demanded by seafarers'

organisations be conceded additions to *personnel* will be necessary. Each man at present stands two six-hour watches, and a change to two four-hour watches would mean an addition of one-third to the men on deck, while the domestic staff should also be increased. If difficulties as to extra sleeping accommodation should arise, as seems probable, especially on the older ships, cargo- or passenger-space will have to be sacrificed, and earning power will be correspondingly reduced.

The managers of newly floated shipping companies have in the majority of cases been wise enough to put their vessels on time charter, and so avoid all unnecessary risks with the market. The average period of chartering is from six to twelve months, and the possibility of "direction" has, of course, to be taken into account by the charterer. The longer the charter period the less, usually, is the rate; and the latter varies also, according to the trade for which the vessel is intended. Before arriving at the profits obtainable from the freights the heavy charges for insurance, depreciation and working, and, above all, for brokerage and commission, must be taken into account; while replacement cost must be considered, as well as the possible contingency that the time charterers may fail to keep their agreement. Income tax and excess profits duty also make serious inroads into what are apparently handsome rates of remuneration. In the market just now rates are moving higher owing to the lack of free tonnage. The same tendency was noticeable last November, when coal for export became plentiful for the first time after the August holidays, and when France set the pace by commencing to import heavily for winter requirements. At present the Plate is looking for tonnage, especially for February and March, as the new crops are coming in, and the market all round is buoyant under this influence. Rates tended to be a little easier after the November rush, but now they are likely to surpass November levels, and, in the absence of direction, owners should benefit accordingly.

The following figures are taken from a statement issued by the Irish Department of Agriculture, showing the extent and estimated total produce of the principal grain crops in Ireland in the years 1916-17-18-19:—

Year	Wheat		Oats		Barley	
	Acres	Cwt.	Acres	Cwt.	Acres	Cwt.
1919 ...	60,663	1,313,568	1,442,458	24,440,126	186,625	3,482,149
1918 ...	157,326	3,048,447	1,579,537	28,971,121	184,712	3,582,564
1917 ..	124,082	2,449,745	1,463,737	27,046,257	177,135	3,374,199
1916 ..	76,138	1,514,182	1,071,593	17,815,348	150,063	2,801,711

Lloyds Bank Limited.—The directors announce that the available profit for the past year is £2,876,302. To this has to be added £472,755 brought forward from the previous year, making a total of £3,349,057. (These figures include the profit of the West Yorkshire Bank for the whole year.) Out of this total an interim dividend of 14*s.* 6*d.* per share, being at the rate of 18¼ (eighteen and one-eighth) per cent. per annum, and amounting, less income tax, to £572,377, was paid for the half-year ended June 30 last; £200,000 has been written off the Bank premises account; £1,150,000 has been placed to the special contingency account for writing down the Bank's investments; £50,000 has been allocated to the staff widows' and orphans' fund; and £150,000 has been added to the reserve fund. After making these appropriations there is a balance of £1,226,680 remaining, out of which the directors have decided to recommend to the shareholders at the ensuing general meeting that a dividend at the same rate, amounting, less income tax, to £597,616, be paid for the past half-year, together with a bonus of 3*s.* per share for the same period, also less income tax, amounting to £123,644, leaving £505,420 to be carried forward to the profit and loss account of the current year. The dividends and bonus together represent a distribution for the whole year of 20%, less income tax. The available profit for the previous year was £2,358,382.

SOUTH WALES COAL, IRON, AND STEEL COMPANIES.—I.

Supplementary to the articles which have recently appeared in our columns on the present condition and prospects of the various industries of South Wales, we propose to analyse this week and next the balance sheets and accounts of a number of representative Welsh companies. Though South Wales is now more than ever the chief coal-exporting area in the United Kingdom, the Tyne and the Clyde having been hit very severely in their external trade by the War and by the restrictions of the Coal Controller, which have tightened rather than relaxed since the cessation of hostilities, the Welsh collieries are not benefiting to the extent generally believed from the high prices paid by foreigners for export coal. Though the gross profits of mines in the exporting districts are large, proprietors do not reap a corresponding advantage, since by Act of Parliament no colliery may retain more than six-fifths of its pre-War profits. The remainder goes to the Government, and portions of it are disbursed by them to meet the 10*s.* subsidy on domestic coal and to readjust the unfavourable balance of collieries having an exclusively inland trade.

The Tredegar Iron and Coal Company, Limited.—Authorised capital, £1,520,000 in 880,000 "A" shares of £1 each (14*s.* paid) and 640,000 "B" shares of £1 each of which 620,502 have been issued and fully paid. In the last financial year the issued capital was increased to £1,236,502 by the capitalisation of £412,167 of the reserve fund, and the "B" shares so created were distributed fully paid amongst the holders of "A" and "B" shares in the proportion of £1 each to £2 of capital paid up, equivalent to a bonus of 50%. The general reserve fund was thereby reduced to £87,833 which, with the addition of the other reserve accounts, makes up £115,333. It was strengthened somewhat by the allocation of £40,000. Of the item Debentures and other loans £195,830 is represented by Debentures, and this figure has been practically stationary over a number of years, except in 1916, when it amounted to only £177,120. The increased allocations in later years otherwise than to reserve have been due to the writing-off of sums from the suspense account in respect of pensions, commutations, and payments to Army Service dependants. The profits, except in 1917-18, have yearly shown an increase, and the dividend in the last financial year did not fall, despite the expansion in capital. The total property and assets of the Company were valued in the last balance sheet at £2,070,518, of which shares in the Oakdale Navigation Collieries accounted for £207,993, and in the Markham Steam Colliery Company for £200,000. The bringing of these companies into successful operation led to the capitalisation scheme above referred to, and the aggregate output of the three collieries in 1918-19 was 2,106,520 tons, while 66,109 tons of coke were produced at the Company's ovens. In 1914-15 the outputs of coal and coke were 2,318,601 tons and 76,421 tons respectively. Strikes and the absence of facilities for shipping and inland transport interfered with production, while development work, particularly in connection with the Gellygroes coal-taking of the Company, has been held up owing to the present régime in the coal industry. The Company supplies steam coal to the Admiralty and foreign Governments, and also house and bituminous coal, and carries on a large export trade through the ports of Cardiff and Newport.

Rhymney Iron Company, Limited.—Authorised capital, £1,000,000 in 400,000 6% Cumulative Preference shares of £1 each, and £600,000 Ordinary shares of £1 each, of which 380,814 are fully paid, the remainder, known as New Ordinary shares (6*s.* 4*d.* paid), being subject to a contingent liability of 16*s.* 8*d.* per share in the event of liquidation. Five per cent Mortgage Debentures to the extent of £437,190 were outstanding at the end of 1917-18, and after the payment of this interest and of the Preference dividend,

one-tenth of the surplus available for distribution must yearly be credited to the Preference dividend equalisation account until the latter reaches £60,000. The trading profits have varied considerably, and in 1914-15 only the Preference dividend was paid. The burdens of excess profits duty, coal mines excess payment and income tax have been severely felt, but the reduction in E.P.D. will doubtless bring some relief, though the allowable surplus over the pre-War standard of profits is, of course, fixed at 20%. The freehold and leasehold properties, collieries and works of the Company were valued in the 1917-18 balance-sheet at £1,065,625, and of other assets investments totalled £45,785, cash £60,392, and stocks of coal and stores, £62,424. Notwithstanding the title of the Company the iron works have been practically out of service for a number of years, but extensive coal properties are held in Glamorganshire, where bituminous coal for domestic and industrial purposes is raised, and coke is manufactured. In normal times approximately 90% of the output is exported, and the export trade is still flourishing, though a reduction of a few hundred thousand tons has taken place on a normal annual output of over a million tons. During the latter part of 1919, and since the Christmas holidays, the amount of coal raised in the Company's collieries improved materially.

North's Navigation Collieries (1889) *Limited.*—The authorised capital at the end of 1918 was £650,000 in 2,400,000 Ordinary of 5*s.* each and 200,000 10% Preference of 5*s.*, all issued and fully paid. In December of that year a bonus of one share to every holder of four Ordinary shares was announced, and the option further given to subscribe to new Ordinary shares. The amount paid in dividends has more than kept pace with the increase in net profit, and reserves have to some extent suffered. The Imperial Navigation Coal Company, Lysberg, Ltd., and the late Lord Rhondda took over control of the collieries in 1916, and the Ordinary dividend was increased from 12½% to 20%, a figure at which it has since remained. The works and properties of the Company, exclusive of materials and stores, were valued in the last balance sheet at £761,913, while cash and investments stood at £101,700. The collieries, situated in the Ogmvi Valley, Glamorganshire, produced in 1913, 1,194,514 tons of coal and 66,501 tons of coke. The output of coal is now below one million tons, and the export trade has been reduced from about 75% to 35% of the tonnage, owing to the increase in inland needs. A new coke and by-product plant has been completed, and an extensive new mineral area acquired for which all the necessary working leases have been arranged. Three large pits might be opened, but developments are held up owing to the uncertain future of the coal trade. The shareholders will, however, eventually derive benefit from this large holding, but for the present, as in the case of other collieries, only 20% above the pre-War standard of profit can be retained.

United National Collieries, Ltd.—Authorised capital £1,000,000 in 750,000 Ordinary shares of £1 and 250,000 6% *cum* Preference shares of £1, of which 676,065 Ordinary and 225,790 Preference have been issued and paid. In 1913 £331,780 of the reserve was capitalised by the issue, as fully paid, of 165,890 6% Cum. Preference and 165,890 Ordinary shares, all of £1 each, bringing the capital up to £663,560. In 1915 a further issue was made of 178,395 Ordinary shares of £1, and 59,800 Preference of £1 as fully paid in respect of the acquisition of the Bute Merthyr Collieries. Besides other colliery property the Company owns practically the entire capital of Burnyeat, Brown and Co., whose pits adjoin those of the United National. These various assets were valued at the end of 1918 at £1,197,893. The net profits have fallen since 1916, but the dividend of 25% paid in 1913 has been maintained. The sudden jump in the reserve in 1915 is accounted for by the transfer of 140,000 from the profit and loss accounts of 1914 and 1915, and the reserve now stands at the substantial sum of £400,000. £100,000 was set aside for developments in 1916. The normal output of coal is nearly three million tons per annum, and during the War the Company's plant was increased by the addition of a new coking and by-product installation. The scarcity of shipping tonnage has interfered with output, but as the position improves, the Company's lucrative export trade will be resumed on a larger scale. The statutory limitation of profits and the strict control exercised by the Coal Mines Department will, of course, prevent the full advantage from being diffused amongst shareholders, but alterations in the Government's policy are possible, though they may not be in the direction desired.

Tredegar Iron and Coal Company, Limited.

Year to Mar. 31	Share Capital Issued & Paid.	Debs. & Other Loans.	General and Other Reserve Funds.	Profits.	Dividend. Amount.	Dividend. Rate.	Allocations of Profit. To Reserve.	Allocations of Profit. Depreciation & Otherwise.	Carry-Forward
	£	£	£	£	£		£	£	£
1913 ...	824,335	251,978	274,671	127,169	82,433	10% f.t.	40,000	10,000	19,785
1914 ...	824,335	250,152	316,148	155,383	105,941	10% f.t. + 2½% Bonus	40,000	16,000	14,414
1915 ...	824,335	295,458	357,500	157,253	103,041	10% f.t. + 2½% „	40,000	19,192	2,015
1916 ...	824,335	202,427	397,500	189,089	123,650	10% f.t. + 5% „	40,000	19,732	7,432
1917 ...	824,335	217,780	437,500	208,717	123,650	10% f.t. + 5% „	40,000	17,676	12,856
1918 ...	824,335	219,229	487,500	171976	123,650	10% f.t. + 5% „	40,000	10,176	14,819
1919 ...	1,236,502	222,898	115,333	250,355	185,475	10% f.t. + 5% „	40,000	26,779	12,000

Rhymney Iron Company, Limited.

Year to	Share Capital Issued & Paid.	Debentures Outstanding	General and Other Reserve Funds.	Deb. Int. & Redemption	Trading Profit.	Ordinary Dividend. Amount.	Ordinary Dividend. Rate.	Allocations. To Reserve.	Allocations. To Pref. Div. Equalisation Account & Depen:	Allocations. Pref. Div.	Carry-Forward.
	£	£	£	£	£	£		£	£		£
Mar. 29, 1913 ...	817,345	491,490	16,276	33,732	87,344	40,000	4% less i.t.	15,000	—	—	15,536
Mar. 28, 1914 ...	817,345	485,070	34,007	33,474	131,902	50,000	5% „ „	15,000	—	—	13,576
Mar. 27, 1915 ...	817,345	476,590	49,697	32,770	52,488	—	—	10,000	649	6% less i.t.	5,846
Mar. 25, 1916 ...	817,345	456,140	34,339	32,100	127,732	30,000	5% less i.t.	—	3,807	6% „ „	10,118
Mar. 31, 1917 ...	[817,345	[446,780	48,243	31,521	145,372	36,000	6% „ „	30,000	10,000	6% „ „	55,490*
Mar. 29, 1918 ...	817,345	437,190	78,519	31,111	101,256	30,000	5% „ „	11,323	—	6% „ „	57,055*
Mar. 29, 1919 ...	—	—	—	—	—	—	5% „ „	—	—	6% „ „	—

* Subject to payment of E.P. Duty and allocation to Prefce. Div. Equalisation Account.

North's Navigation Collieries (1889), *Limited.*

Year ended Dec. 31	Share Capital Issued & Paid.	Reserve Fund.	Net Profit.	Amount Paid in Dividends	Rate of Dividend. Ord.	Rate of Dividend. Pref.	Allocations. to Reserve	Allocations. to Depreen.	Carry Forward
	£	£	£	£	%	%	£	£	£
1913 ...	650,000	100,000	100,144	65,000	10	10	20,000	16,000	10,418
1914 ...	650,000	120,000	65,578	53,000	8	10	nil	12,000	10,496
1915 ...	650,000	120,000	130,071	80,000	12½	10	35,000*	15,000	10,567
1916 ...	650,000	120,000	160,456	125,000	20	10	35,000	—	11,023
1917 ...	650,000	155,000	129,971	125,000	20	10	nil	nil	15,995
1918 ...	650,000	155,000	131,115	125,000	20	10	nil	nil	22,110

* Reserve for Excess Profits Duty.

United National Collieries, Limited.

Year ended Dec. 31	Share Capital Issued & Paid.	Reserve Account.	Net Profit.	Amount Paid in Dividends.	Rate of Dividend. Ord.	Rate of Dividend. Pref.	Allocations. to Reserve.	Allocations. Otherwise	Carry Forward.
	£	£	£	£	%	%	£	£	£
1913 ...	663,560	30,000	117,590	80,456	17½ f.t. & Bonus	6	30,000	32,855	16,562
1914 ...	663,560	100,000	160,048	126,292	20	6	40,000	—	10,317
1915 ...	901,755	200,000	139,550	182,321	25	6	160,000	—	26,182
1916 ...	901,855	300,000	320,221	182,563	25	6	100,000	—	64,140
1917 ...	901,855	350,000	220,821	182,563	25	6	50,000	—	52,397
1918 ...	901,855	400,000	226,440	182,563	25	6	50,000	—	46,274

For over a Century the Claims paid under Whole-life Policies have, on the average, been more than

Doubled

in amount by addition of Bonuses.

EQUITABLE Life Assurance Society,
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Made from the finest grades of Turkish Tobacco, they are MILD and absolutely PURE, being renowned for their exquisite flavour and aroma.

JOHN WOOD & SON (CIGAR AND TOBACCO IMPORTERS), **Ltd.**
23 & 25 Queen Victoria Street, E.C. 4.

THE BANK OF TAIWAN, Ltd.

Incorporated by the Special Charter of the Imperial Japanese Government, 1899.

Capital Subscribed .. .. Y. 60,000,000
Capital Paid up .. .. Y. 37,500,000
Reserve .. .. .. Y. 8,210,000
Head Office .. .. TAIPEH, FORMOSA.
London Office .. 58 OLD BROAD ST., E.C. 2.

BRANCHES:—Amoy, Batavia, Bangkok, Bombay, Canton, Foochow, Hankow, Hongkong, Kiuktang, Keelung, Kobe, Moji, New York, Osaka, Semarang, Shanghai, Singapore, Soerabaya, Swatow, Taihan, Tokyo, Yokohama, &c., &c., and Correspondents in every principal town in the World.

The Bank is incorporated by Special Charter of the Imperial Japanese Government, and is authorised to issue its own notes in Formosa; conducts general Banking, Exchange Business; undertakes Trust business, and acts as Business Agents for other Banks. Special facilities are available for exchange business on Japan, China, India, Straits Settlements, Dutch East Indies and France, where the Bank has special working arrangements with Cox & Co. (France) Ltd. Deposits are received for fixed periods on terms which may be ascertained on application.

Financial Notes.

How many of our readers fully realise that on the present basis of income tax all those whose earned income exceeds the amount which is either wholly or partially exempted are working for the first four months of the year simply to defray the cost of the government of this country? During the remaining eight months, that is to say from May to the end of the year, they have an opportunity of earning what will maintain themselves and make some provision for their declining years. It is an exceedingly severe tax upon industry, and it is evident that the finances of the country cannot be managed as they have been managed in the recent past, and, unfortunately, are still being managed, without plunging us sooner or later into very serious embarrassments. It is still necessary in order to carry on the Government to increase our already heavy indebtedness.

The return issued this week from the Exchequer showing the amount of Ways and Means outstanding and the quantity of Treasury bills renewed and paid off shows a reduction of some 21 millions sterling. But it has to be borne in mind that our floating debt still exceeds 1,300 millions. Such a colossal figure is in itself a charge upon industry, and tends to increase our heavy burdens. This floating money is obtained from the banks, discount houses, and other financial institutions which constitute what is commonly called the London Money market. This money, or the greater part of it, is itself money placed on loan, sometimes with, and sometimes without, interest. But it is money, at any rate, which the institutions referred to have to earn some sort of a dividend on to enable them to keep up the various institutions and to carry on the business in which they are engaged. Moreover, this money is wholly withdrawn from the service of trade, while it is being lent to the Government, and such a sum as 1,300 millions sterling, it is evident, cannot be liquidated at a moment's notice. Consequently, this enormous floating debt is money taken from the service of trade to be locked up for a more or less indefinite period; and, therefore, what remains of the Money market's resources for the service of trade must be employed at an enhanced value, which tends, and tends materially, to increase the cost of all commodities.

Fortunately, the major part of the Army lately embodied has been disbanded. But the Government still persists in maintaining an abnormal number of Control Boards, which themselves tend to hamper and restrict trade. Moreover, the policy which is called in derision the taking over of hotels still continues to be maintained to too great an extent all over the country. Those who have the leisure to take a walk through the great West End thoroughfares will see an abnormal number of private houses in what were once fashionable residential quarters, where the rents are necessarily high, still retained in the service of the Government at an extravagant and wholly unnecessary cost to the nation. There is a strong and growing opinion in the City that the heavy charges of income tax levied on the classes who pay under Schedule D is having an adverse effect upon the savings of the community. It is notorious that a very large proportion of the investments which we made abroad in the pre-War period was obtained from this class of investors.

An exceedingly interesting, and, indeed, illuminating address was delivered by Mr. Reginald McKenna at the meeting on Thursday of the London Joint-City and Midland Bank, Limited, a full report of which appears in another part of this issue. Mr. McKenna, following the practice of the late Sir Edward Holden, took as his subject in the address to his shareholders, "Bank Deposits, Prices, and Currency." Mr. McKenna said that it was estimated before the War that the total amount of currency in circulation—that is to say gold, silver, copper coin, and bank-notes—was 128 millions sterling. That figure represented the total amount of currency held by the public, but did not include currency held by the banks. To-day the corresponding figure is estimated at 393 millions, an increase of 265 millions, or 207%.

The estimated amount of currency held by the banks, say at the end of June 1914, was 75 millions, and at the present time 191 millions, being an increase of 116 millions, or 154%. Before the War the total deposits of the banks of the United Kingdom, including under the name deposits money held on current as well as on deposit account, amounted to 1,070 millions. The corresponding figure last month was about 2,300 millions, an increase of 1,230 millions, or 115%. The spending power of the public is gauged by the total amount of currency in circulation added to the total amount of bank deposits. In 1914 this was 1,198 millions; to-day it is 2,693 millions, an increase of 1,495 millions, or 125%. Mr. McKenna analysed these deposits. They increased, as he says, by 1,230 millions, while 116 millions is allowed for the growth in the currency due to, and necessitated by, what we call the rise in prices, which Mr. McKenna rightly says is simply a measure of the increased value of commodities. We have got rid, therefore, of 116 millions of deposits, but there still remain over 1,100 millions which must be attributed to Bank loans.

Have the public increased their spending power to the extent of 1,100 millions? "No," says Mr.

McKenna. Our bank deposits increase but to a very small extent by the ordinary deposits we make to our banker; that is to say, when one receives £100 commission—or salary, or whatever it may be—and pays it into a bank. But the growth is exceedingly small. Mr. McKenna's contention is that the growth in bank deposits, even in times of peace, if it is at all upon a great scale, is due almost entirely to the making of loans by the banks. In periods of active trade in a country like England, for example, traders want to bring raw produce from the Colonies, from India, or from South America, and in return they want to ship Manchester goods, hardware, woollens from Bradford, and smart clothes from London. To do all these things they require large amounts from the banks. But as soon as the transaction is completed and the goods pass into the hands of the consumer, or the merchant abroad, and the bill is finally paid, the deposits return to the bank which lent it. Consequently, deposits do not grow abnormally even in periods of active trade, because the money that is lent for bringing cotton from New Orleans to London is returned when the cotton is made into clothing and paid for; and, consequently, is available to bring wool from Brisbane, Melbourne and Sydney.

The extent to which the deposits have been increased by this means Mr. McKenna estimates at about 300 millions sterling. That leaves 800 millions wholly unaccounted for. And how is this figure arrived at? It will be remembered that during the War period, and for some time afterwards, the Government was continuously borrowing, and part of the money which was raised by loans was obtained from the deposits of the banks. This amount is the sum which has so greatly added to the bank deposits, and which does not return automatically as would loans made against produce either shipped from abroad, or shipped from here to our overseas customers. These increased deposits are sums on which interest has to be continuously paid, and which show no prospect of being liquidated at an early date. Instead of the money being used to ship wool from Australia and making it into cloth in Bradford and re-selling it, and, consequently, repaying the money to the bank, the money has been spent partly on the War, and partly on control boards and other unproductive expenses incurred by the Government. Consequently, except from the taxpayers, this money can never be returned to the banks at all. This 800 millions is really part of the National Debt, a part which the banks have to carry, which they are not able to employ in their business, and which compels them to charge more on what resources remain at their disposal; and, consequently, tends to increase the cost of every transaction which requires financing by banks, and that practically means every operation of trade carried on upon a considerable scale.

According to the *Bulletin* of the Federation of British Industries, arrangements are being made by the Federation for the better representation of members interested in the United States market. These arrangements include measures for obtaining reliable monthly trade reports from every part of the United States and its possessions, and also from Mexico, and for securing adequate publicity for members' samples, catalogues, &c., by means of a special office in New York City.

The third forecast of the Indian Department of Statistics for the cotton crop of 1919-20 makes very satisfactory reading, and it is much to be hoped that conditions in the great Dependency will permit of the forecast proving even approximately correct. It deals with reports on both the early and the late varieties of cotton up to the beginning of December last. The final report will, as usual, be published in the third week of February. The total area laid down to cotton this year in India amounts to 22,186,000 acres, an increase of 13%, compared with the estimate made in December 1918. The total estimated yield is 5,668,000 bales of 400 lb. each, as against 3,282,000 bales estimated in December 1918, an increase of 73%. Comparing the present estimate with the final February estimate of last year's crop, there is expected to be an increase of 54%. The average output per acre varies very considerably in the different provinces and States, being as high as 218 lb. per acre in Ajmer-Merwara, and as low as 40 lb. in the North-West Frontier Province. Bombay, which, of course, produces most of the Indian cotton, has a yield of 103 lb. per acre. The average outturn for all India is 102 lb. per acre this year, against 67 lb. last year. We may add that the estimate for the United States cotton crop for 1919-20 is 13,787,000 bales; that of Egypt, 1,434,000 bales; and that of Korea, 244,000 bales.

According to the current number of the *Board of Trade Journal*, the output of coal for the week ended

BANK OF LIVERPOOL & MARTINS LIMITED.

Head Office: 7 WATER STREET, LIVERPOOL.

London Office: 68 LOMBARD STREET, LONDON, E.C.

Capital Subscribed - - - -	**£17,191,120**
Capital Paid up - - - - -	**2,148,890**
Reserve Fund and Surplus Profits -	**1,514,288**
Deposits, etc., at 31st Dec., 1919 -	**67,530,621**

302 BRANCHES AND SUB-BRANCHES.

All descriptions of Banking, Trustee and Foreign Exchange Business Transacted.

THE BANK IS PREPARED TO ACT AS AGENTS FOR FOREIGN BANKS ON USUAL TERMS.

January 17 was 4,902,906 tons, which was very close up to the record figure of 4,910,106 tons secured during the week ended December 20 last. Naturally, the greatest contributor to the output for the week ended with January 17 was South Wales and Monmouthshire, with 989,487 tons; then in order came Yorkshire, with 803,667 tons; Durham, with 683,392 tons; and Scotland, with 661,343 tons.

Speaking at the annual general meeting of the Provincial Bank of Ireland, Limited, on Thursday, the chairman, Mr. Walter S. Burns, said the report and balance sheet now before the shareholders marked a period of continued prosperity for the Irish farmer and the Irish grazier. In addition, speaking generally, it marked a period of prosperity for the trading community throughout Ireland, though in some districts the temporary stoppage of fairs and markets naturally caused inconvenience. The highly satisfactory prices which it had been possible to obtain for cattle and all cattle products, besides farm produce of various kinds, had undoubtedly encouraged in many cases purchasers to buy land at very high prices. Industrial activity and development are evidenced in the district served by the Bank by the numerous applications for loans which come before the directors with gratifying frequency. These applications for assistance extend over a wide range of enterprises. The Bank has been able, to a very large extent, to meet these demands on their resources owing to the great growth in those resources as a result of the general prosperity of the country.

In the linen trade, where the demand for all markets, both home and foreign, is very keen, the immediate output is limited owing, of course, to shortage of material, as the principal source from which flax was formerly obtained is virtually cut off from Western markets. So far as it is possible to obtain supplies, the linen trade is exceedingly active, and prices are, of course, at an extravagant and wholly unprecedented level. The great question for the linen industry to solve is to find some new source of supply whereby flax can be obtained in quantities which the urgent needs of the trade demand, and, of course, at approximately an economic price which would allow, if possible, linen to be sold at, or near, the level which was obtained in the pre-War period. An attempt to increase the area under flax in Ireland has not met with the success that might have been expected. As a matter of fact, there was an actual decline of 40,000 acres last year. This, of course, is accounted for by the fact that nearly every branch of agriculture is exceedingly profitable in Ireland as well as elsewhere at the present time. Meanwhile, from the point of view of the interest of the linen industry it is exceedingly regrettable, because the supply in all European countries outside Russia is quite inadequate to meet the demand, even if that demand is reduced to the most modest basis.

SOUTH AND CENTRAL AMERICA.

NITRATES.—II.

We discussed last week the potentialities of the synthetic nitrate industry. We reviewed the report of the Nitrogen Products Committee, published by the Ministry of Munitions and issued from His Majesty's Stationery Office, on the potentialities of obtaining synthetic nitrogen from the air. Inasmuch as nitrogen forms 75% of the atmosphere above us it is, of course, evident that there is the possibility of obtaining more than adequate supplies of nitrogen from the atmosphere. Moreover, the actual working processes have been invented, and have, in fact, gone so far that nitrogen—and a considerable amount of nitrogen—has been obtained from the atmosphere by three processes. One of them, and perhaps the best known in this country, is the Arc process, which was invented by the late Sir William Crookes and Lord Rayleigh. There is another, known as the Haber, or German, process; and there is a third, known as the calcium-cyanamide process. In addition, there are six other processes which are in the experimental stage; and there are several others which various chemists of repute are experimenting upon in different stages of development in the laboratory. The real difficulty so far is not even the cost of obtaining nitrogen from the atmosphere, but the enormous amount of plant which would be necessary to obtain any considerable supply. Practically, the world is dependent for its supplies of nitrogen for commercial and agricultural purposes upon three sources: the nitrate fields of Tacna and Tarapaca, in Chili; the nitrogen obtained as a by-product from the gas and coke-oven industries of this and other countries, and primarily from the gas industries; and, lastly, but in magnitude by far the greatest, upon ordinary farmyard manure. In this country, for example, we use something like twenty times as much farmyard manure as we import and produce of every kind of nitrate, meaning by what we import that which is retained for home consumption. A very large part of the world's import of nitrate did, at any rate up to the War period, pass in a sense through the London market, although only a very small part of it was retained for home consumption—something like 12,000 tons, in fact. We carried in those days the major part of the product in British ships. The cargoes of those ships, as well as the ships themselves, were usually insured by British insurance companies; and the business of obtaining supplies was also very largely financed from London. Finally, a very large part of the nitrate fields themselves are owned by British capitalists. As a result, therefore, although we were not in the years before the War great users of nitrate, we were indirectly interested in the industry to a very large extent, and interested, in fact, out of all proportion to the amount of the fertiliser actually consumed in these islands. A further important possible source of supply is sewage. A very large part of the whole contents of sewage is nitrogen, but it is not in a form that is readily precipitated from sewage taken in the mass. Moreover, the process of obtaining it is exceedingly difficult, and said to be very injurious to health. It has never been seriously undertaken in this country on any considerable scale. But in the period before the War France did make, principally for the purposes of her beet-sugar industry, a serious attempt to obtain nitrate from the sewage of her great cities. The result, however, was wholly disappointing. The quantity treated yielded a comparatively small amount of nitrogen, and the cost of obtaining it was found to be extravagantly high. Farmyard manure, partly owing to the difficulty of obtaining it in a dry state, or, at any rate, the cost of doing so, is by no means as valuable as a fertiliser as imported nitrate. The ratio is about as 66 is to 100, that is to say, about two-thirds. Farmyard manure in all old countries like our own, where farming has been carried on upon an extensive scale for generations, and where the density of the population makes it obtainable in large quantities simply from the fact that it has very little other use than as a fertiliser; and, in addition, it is cheap and abundant is the chief source of supply.

As said already, we use considerably more than twenty times the quantity of farmyard manure than of all other nitrate products put together. Apart, then, from the proceeds of the farmyard, we arrived at the conclusion that the Chilian nitrate industry, which affords properties which, apparently, are not obtainable from the home-made product, has really no formidable competitor. Synthetic nitrogen, as it is commonly called, has, in practice, only been obtainable as a by-product from the gasworks and the coke-oven furnaces of our iron foundries. Consequently, under existing conditions it does not seem probable that it can ever be obtainable in any large supplies.

There is always, of course, a possibility, and some-

thing more than a possibility—amounting, in fact, to a reasonable probability—that the problem of obtaining nitrogen from the atmosphere will sooner or later be solved. This possibility becomes still more a probability when we remember that, in a sense, it has already been solved by the Arc process and by two German processes, and that it is, as we have said above, being studied by chemists in all parts of the world. There are no less than six processes in the experimental stage, and various laboratories all over the world are working on the solution of the subject. Meanwhile, the nitrate industry of the provinces of Tacna and Tarapaca have the position wholly in their own hands; and for a long time to come may regard the position as a safe one for the future. Below we give the prices of the principal nitrate shares on July 27, 1914, that is to say just before the outbreak of the recent War, at the time of the Armistice, and at the present time:—

	July 27, '14	Nov. 11, '18	Jan 30, '20
Aguas Blancas Nitrate...	1⅜	2¾	½
Alianza Company	14	18¾	20
Anglo-Chilian Nitrate and Railway	17½	17½xd	18½
Lagunas Nitrate	1¼	1⅝	1⅝
Lagunas Syndicate	⅝	⅝	⅝
Lautaro Nitrate	8½	14	17½
Liverpool Nitrate	5¼	7⅛	6⅝
London Nitrate	2⅝	4⅛	3
New Paccha and Jazpampa	4½	6⅛	3⅜
New Tamarugal...	22 6	2	31
Pan du Azucar	6¾	9½	10½
Rosario Nitrate	8½	11½	9½
Salar del Carmen	2½	4⅛xd	3½
San Lorenzo	2¼	—	⅞
San Sebastian	1[illegible]0	1[illegible]	1[illegible]0
Santa Rita	1½	1⅜	1
Santiago	2½	1⅝	2½
Tarapaca and Tocopilla	—	21[illegible]5	19[illegible]0

These prices will give a fair indication of the opinion of no less a body than the London Stock Exchange of the values and prospects of the principal Chilian nitrate shares. An aspect of the question which it is most important both for the nitrate Committee here and those interested in the nitrate industry on this side, as well as those interested in Chili itself, is that a very large proportion of the so-called Chilian nitrate companies are really English-owned and English-controlled. A considerable proportion are, of course, owned by other foreigners and a still larger proportion by Chilians themselves. Nevertheless, some of the greatest companies are, in fact, owned and controlled from this side. Now, as a result of the enormous quantity of nitrate which was shipped from Chili to this side during the period of the War, Chili, like most other South American countries, has built up very large balances in this market. In other words, the tendency of the exchange is to be adverse to us in Chili, just as most of the neutral exchanges are, and for the same reason—because we bought at extravagant war prices enormous quantities of Chilian nitrate, and we are not in a position to export either produce or capital to compensate for the enormous quantities of Chilian produce which we were purchasing. During the War, in addition to the nitrate, although, of course, this was by far the most important item, we were purchasing wool, meat, and even cereals from Chili, and we were tending more and more to make it difficult for Chili to sell to us and for us to buy from Chili in the period that would ultimately succeed the War. Now this period has actually arrived, and the tendency is for the Chilian exchange to go adverse to this country. It has long been recognised that Germany, which was by far the most important European consumer of Chilian nitrate in the period that preceded the War, may be eliminated altogether from the Chilian market as a consumer This is not that Germany does not require Chilian nitrate. It is not that she has lost her appreciation of the value of Chilian nitrate, nor that she is blind to the advantages of restarting her sugar-beet industry as soon as possible, and developing it to the utmost extent which her resources will admit of. But as a commercial proposition it would be absolutely impossible because, as the mark is at the present time valued, it would appreciate the price of nitrate not against Chili but against Germany to such an extravagant extent that it would be impossible for her to sell her sugar at any price which a consumer could be reasonably expected to offer. It would probably be cheaper for the European sugar purchaser to send out a ship in ballast and buy sugar from the other side of the world, rather than purchase beet-grown sugar in Europe at the extravagant price which it would be necessary for the Germans to pay in order to obtain this valuable fertiliser. We take this extreme illustration for the purpose of showing what we mean, that unless the exchanges of Chili and other neutral countries are more or less stabilised in regard to our market, it will not be possible to consume upon the scale which we have been accustomed to do in the recent past. For the moment there is a good demand for Chilian nitrate, and Chilian nitrate is commanding, as our readers will have noticed in the daily press, an exceedingly good price—in fact a better price than it has obtained at any time since the cessation of the extreme demand for War purposes.

Now, the only way to stabilise the exchange is to balance sales by purchases. No artificial regulations drawn up either by a Government or by bankers, however ingenious they may be in themselves, can have any lasting effect. In order to stabilise the exchanges, as it is called, there must be a condition of equilibrium between purchases and sales, whether it be in the form of invisible or tangible exports and imports; but the equilibrium must be established by some means. Now it happens that Chili, like so many of the South American countries, has obtained great advantages as a result of the sale during the recent War of her nitrate and other products to which we have referred. She is in a position to take from Europe large quantities of produce on exceptionally favourable terms, inasmuch as the exchange is in her favour, or, in other words, inasmuch as she is a creditor and Europe is a debtor. We have explained in another part of this issue, that one of the most crying needs of Chili at the present time is population. For reasons which we there explained, there is very little prospect of a large migration of Europeans to Chili. But a second, and equally important, need of the country is improved transportation facilities. Chili is exceedingly long and exceedingly narrow. At no part is she 200 miles broad, and in some parts of the south she is not 50 miles, whereas the total length of the country stretches to a distance almost as far as from equatorial Africa to the Firth of Forth. As a result, one of the greatest needs of Chili is improved transportation facilities. And, under the conditions now prevailing, Chili has particular advantages in obtaining any materials she requires either for railway building, improving her bridges, increasing her shipping accommodation, or for any similar purpose in connection with transportation, or the working and development of her minerals.

THE KELP INDUSTRY.

THE popularity of seaweed for certain purposes is increasing. During the War it has been utilised as a cattle food in Holland and as a poultry food in France. In Ireland, in addition to a somewhat infrequent use as a winter feed for cattle and horses, it renders valuable services to the agriculturist as a manure for the potato, cereal, and mangold crops especially. The process of decomposition is rapid, and when ploughed in fresh into clay lands it helps to lighten them considerably. Used as a fertiliser the best results are said to be obtainable when the seaweed is formed into a compost with marl or shell sand, but this practice is rarely followed by the Irish farmer. Seaweed has long been an important source of iodine, which is much in demand for medicinal purposes and for the manufacture of aniline dyes. A certain quantity is also used in photography, and indications appear to point to the

fact that its consumption in the medical and photographic spheres is likely to increase owing to the difficulty of securing efficient substitutes.

The kelp industry affords a certain share of employment to the peasants of the western coast of Ireland and the islands and Highlands of Scotland. In the former country it is practically confined to the province of Connaught, which was responsible for the greater part of the export of 66,936 cwt. of seaweed and kelp, the ash of the burned seaweed, valued at £24,861 in 1917. All varieties of seaweed are not suitable for the manufacture of kelp; those, however, not required for that purpose can be utilised as fertilisers. Under present conditions the material intended for kelp-making is collected by hand on the beach, where it is deposited as a result of the action of storms or ocean currents. Afterwards it is dried, an operation which in fine weather takes three to five days, and either despatched to the factory in that state or else burned and the ashes forwarded. The system of collection at present pursued does not, it will be observed, ensure the maintenance of a uniform supply the whole year round, as naturally the harvest is liable to considerable variations. The drying of the weed is usually carried on in the open during the summer months, and the occurrence of wet weather during this stage has the effect of reducing the iodine content of the weed. The kelp-gatherer is, however, forced to dry the weed as quickly as possible, as it is liable to deteriorate if kept too long. Drying under cover was tried in the old days, but was abandoned. Nevertheless, it seems to be generally admitted that drying in an enclosed drier and calcining in closed retorts would secure an increased yield of the commodities obtainable. A common tendency amongst kelpers is to work the kelp when molten into hard masses, containing stones and other impurities. As a consequence the yield of iodine is lowered and treatment by the chemical manufacturer is made more difficult. Proof exists that a loose ash would yield twice as much iodine. On an average a yield of 10 or 15 pounds of iodine is obtained from a ton of kelp; by the production of a loose ash it is calculated that this yield could be increased, in most cases, to 28 lb. per ton. A reform of this nature would mark an advance on the present practice; it would be still more desirable, however, to dispense with the system of open burning now pursued, which involves the wastage of various useful products. As far back as 1863 works were established in the islands of Scotland, where the weed was carbonised in closed retorts. By this process the ammonia was recovered and the charcoal not only retained all the iodine present in the dried weed, but on lixiviation proved to be rich in magnesium salts. These works, in all probability, afforded the agriculturists in their neighbourhood an opportunity of securing some fertilising agents at a low cost. In spite of the fact that this system of working up kelp seemed to represent a distinct advance on the previous practice, it was finally abandoned. The objection of the crofters to the cartage of the seaweed to the desired point, and possibly the imperfection of the plant, were the principal causes of the failure.

The kelp industry of the United States and Japan is much more highly organised and presents a marked contrast to the somewhat primitive procedure followed in these islands. It must be remembered, however, that the giant kelp growths off the Pacific coast-line of the United States are much larger and longer than those found in home seas. Moreover, so far as Scotland is concerned, both proprietors and crofters have a certain property in the drift weed, and the introduction of the American appliances would prejudice these rights. In addition, crofters would scarcely view with equanimity the adoption of kelp-harvesters and calcining in closed retorts owing to the possible stoppage of a source of income. The American "kelp-harvester" is simply a steamer or motor vessel equipped with a device to cut away the kelp plant from the rocky bottoms on which it grows. Regularity of supply is thus insured and the kelp is worked up more efficiently, and an impairment of its value avoided by the prevention of the accumulation of sand to which the drift weed is naturally subject. The drier used by the American Potash Corporation contains apparatus for keeping the weed in constant motion at a temperature which never exceeds 100°C., so as to retain all the iodine, alcohol, acetone, and acetic acid. Drying in a closed compartment is regarded as essential, as it is calculated that the weed loses 20% of its value if exposed to the air for 48 hours. From the drier the weed passes to a calcining kiln, constructed of brick with a fireclay lining, and a cast-iron bottom, through which the air enters. Unable to import supplies of potash from Germany during the War the United States was perforce compelled to develop home resources. One source of supply, the kelp beds of the Pacific Coast, contributed in 1918 14,154 tons of salts, containing 4,232 tons of pure potash. A noteworthy step was the establishment of an experimental plant near Santa Barbara in 1917, the object being to determine the best methods of treating kelp for the extraction of potash salts and the simultaneous recovery of other valuable products. One hundred tons of raw kelp per day are subjected to a process involving drying, destructive distillation, lixiviation, evaporation, and fractional distillation for the preparation of high-grade potassium chloride and many by-products. From the sale of these by-products a yield of revenue sufficient to enable the main product, potash salts, to be marketed successfully against foreign rivals is anticipated. A new process for treating seaweed, involving fermentation instead of burning, is also on trial by a public company.

A point to be noted is that the home marine algæ have a much higher iodine content that those found on the Pacific Coast. This advantage deserves to be exploited; though it must be borne in mind that the iodine extracted from kelp comes into competition with that obtained from the crude sodium nitrate of Chili and Peru. More improved methods of treating kelp would, however, lead to the securing of the valuable products lost under the present wasteful system. It may be neither possible nor desirable to adopt completely the American practice, but some reform is called for in the successive steps of drying, gathering, and calcining the algæ. Developments in America deserve to be watched, as the experiments near Santa Barbara may have some fruitful results.

IMPORTANT BUILDING DEVELOPMENT.

A SYSTEM of house-building which produces houses at three-fourths of the existing cost and in one-third of the time may have revolutionary effects in more trades than one. The causes which led up to the new development are as noteworthy as the effect, for they contain valuable promises and a much-needed warning. The new type of house is the outcome of the demand for steel. To meet this demand during the War, Messrs. Dorman, Long and Co., acting in conjunction with Messrs. Bell Bros., were induced to begin in 1916 the erection of new steelworks on the site of old works and on new sites not far from Middlesbrough. Convinced that only the best was worth doing, they have put down plant which, in point of steel production, is unequalled anywhere. As the works grew the need for houses increased. A convenient building site was obtained not far from the works, and by the beginning of last spring nearly 300 brick houses were erected in a garden suburb, about eight houses to the acre. During last year, however, progress in the building of brick houses was very slow. The firm knew that when their plate mills started the number of their workers would rapidly increase. Building, somehow or other, must

be expedited. The problem was tackled by the general manager, Mr. Ennis, and the constructional department of Dorman, Long and Co.; and the result of their study is an adaptation of ferro-concrete construction to workmen's cottages which has won the approval of the Ministry of Health and sustained the severest tests. Experts have come from far and near, and have gone away surprised by the simplicity and efficiency of the work that is being carried on.

Without going into minute details, it may be said that three types of houses are being erected at Dormantown, according to the new scheme: (1) Six-roomed house, plus scullery and all conveniences, rent 14*s.* 6*d.* per week; (2) Five-roomed house, plus scullery and all conveniences, rent 10*s.* 6*d.* per week; (3) Non-parlour house with a large "living-room" or kitchen, scullery, bathroom, w.c. &c., and three bedrooms, rent 8*s.* 6*d.* These houses cost from £650 to £750 at the full rates for wages, concrete and steel of to-day, and are being erected in the middle of winter in less than three weeks. For similar brick houses the estimated costs are £800 to £950, with no guarantee at present as to time of construction. Visitors to Dormantown may inspect the houses in all stages of construction. At one part they will see only a concrete foundation with the attached bolts ready for the steel frames, consisting of light rolled steel sections of standard sizes, which can be put together by four men in two or three days. The next stage is roofing. One of the most important features of the new system of construction is the getting of the workers under cover at the earliest possible moment. During two-thirds to three-fourths of the total time spent in building the men are protected from the wind and the rain.

All who are acquainted with the labour troubles in the building trade know what an important element payment for wet time is. By guaranteeing a wage for the time lost through inclement weather an acceleration of output is being obtained by many builders; but there is something better than this, and that is the reduction of weather obstruction to the lowest possible quantity; and this is one of the great achievements at Dormantown. In his steelworks, as in the building operations, Sir Arthur Dorman and his associates are acting on the assumption that the workman who, by improved machinery or planning, is made comfortable or delivered from rough, coarsening work, will respond more readily to the appeals that are made to him to give his best. And experience, so far, is justifying their trust. Once the steel framework is adjusted and the roof is on the building of the inner and outer cement walls is proceeded with. Between the two walls is a cavity 4¼ inches wide, which provides a layer of non-conducting air by which the warmth of the houses is greatly augmented. A severe test, it may be added, was applied recently to the concrete houses. After a severe gale had lasted three days, the outer wall of one of the houses was deliberately broken to see what the effect was. Not a drop of rain had got through to the cavity. Into brick houses similarly placed rain had penetrated.

The concrete system is not only simple but elastic. At first wooden roofs with tiles were constructed. Now painted concrete is being successfully tried. And so, at all points, small and large experiments are being tried helpful to the success of the scheme. The concrete floors, for example, are united with the skirting boards in one piece so as to exclude all vermin and prevent water soaking through. Experience will, no doubt, reveal devices by which, while preserving standardisation, architectural variety can be obtained, and much already can be done to secure variety of colour in floors and walls. What it is of most importance to note, at present, is that a new system of building has come out of scarcity and labour difficulties in the brick trade; that it starts, on a fair comparison of the prices and conditions of to-day, with a distinct advantage; and that it has already revealed the promise of a great future. It is out of competition and experiments of this kind that the power to overcome the wastage of war will come.

THE WOOL TEXTILE INDUSTRY.

It is impossible to comment upon current events in the wool trade without referring to the controversy which is taking place in regard to spinners' profits. The space available does not permit of the subject being dealt with adequately, but in any case we do not intend to enter the competition of juggling with prices and percentages, in which the daily Press is busily engaged. We hold no brief for or against the industry, but if by "profiteering" is meant the receiving of greater rates of profit than in pre-War days, we repeat the statement made in these columns in August last, viz. that no reasonable person, whether a member of the industry or not, will deny that profiteering in wool goods is taking place. If, however, the term "profiteering" is held to include the active forcing up of prices by the manipulation of markets, and receiving greater rates of profit than are justified by the additional costs and risks of the present time, then we prefer to reserve our judgment on worsted spinners until the evidence of the accused is available.

The position appears to be that the Central Committee under the Profiteering Act have appointed a Standing Committee on prices, and also a Committee to inquire into the cost of wool, tops and yarns. The latter Committee, composed of wool trade representatives, have completed a report on wool, but they have not yet dealt with tops or yarns. In the meantime, the Standing Committee, which contains no wool trade employer, have presented a report on worsted yarns to the Board of Trade without first taking evidence from the spinners of the yarns on present-day costs and trading conditions. Such action of the Standing Committee appears to infringe not only the claims of common courtesy to their fellow-members on the Central Committee, but also the fundamental principles of British equity, and, no matter how fine the report may prove to be, some explanation is clearly due. If the worsted spinners have declined to supply any required particulars or have impeded in any way the investigations being made, then the action of the Standing Committee will receive general support. Up to the present, however, no suggestions of this kind have been published.

For some two or three years the worsted spinner has been the popular target for almost all criticisms on the prices of wool goods, and the reason for this is not hard to find. During the War a Government Department bought wools from farmers and sold them to users, thus reducing the ordinary wool merchant to a warehouser of Government wools. The next section of the worsted trade, the combers, worked on commission for the Government, for they were paid fixed prices for the manufacture of tops, and neither they nor the topmakers owned the wool combed or the tops produced. Worsted spinners form the next section of the trade, and they bought tops outright from the Government for both military and civil purposes. In the case of the Department's contracts, the yarns were spun at fixed "conversion cost" rates, but were supplied by the spinners direct to the manufacturers holding the contracts. Strictly speaking, no spinning orders for Government work were issued by the Department, although arrangements for the supply of yarn were always made when contracts were placed with manufacturers of cloth. Spinners' invoices were sent to and paid by the manufacturers, who were usually able, under this system, to secure yarns from their regular spinners. So far as private trade was concerned, no direct control was exercised upon prices of yarn or piecegoods, and the worsted spinners were thus the first in the chain of processes in the industry who were free from absolute control. Further, the

Control Board, which existed during the War, represented the spinning and manufacturing sections only, and included no piece-goods merchants, clothiers, retailers, &c. It naturally became the fashion, therefore, to criticise spinners' profits; but had these Committees been formed upon a wider basis, it is probable that the profits of other branches of the trade would have received equal attention. Assuming that big profits are being made in wool goods, no sensible man will believe that the spinner is receiving the whole of the excess, and that the other sections of the industry have been permitting such a state of things to exist for the last year or two.

Supposing profiteering in the wool trade is shortly proved, it is interesting to consider what action may be taken, for the Government itself is by no means free from responsibility in the matter. We do not refer here to the large margins between the buying prices of wool in Australasia and the selling prices in this country. The bargain made with the Australian growers was for the purchase of their whole clips for the period of the War and one wool year afterwards. The appraised price was final so far as British and Allied military needs were concerned, but any profit made on the sale of wool for civil purposes was to be divided equally between the growers and the British Government. During the War this was considered a very reasonable arrangement, and we ought not to object now if one-half of the high sale profits go to the Australian and New Zealand farmers. The other half is the property of the State, and, as such, it will be a more certain benefit to the home consumer than any distribution of wool at less than market values would be likely to bring. The responsibility of the Government is rather in connection with the release of control. During the War the Government purchased not only the Australasian produce, but the entire British clips, and control of the industry was instituted to ensure mainly the production of military goods in sufficient quantities and at reasonable prices. The wool available for ordinary trade was barely sufficient to run that part of the machinery not employed on Government contracts, and for which operatives were available, and, in order to provide an equitable distribution of material and employment of plant, a system of rationing was introduced. This rationing of materials, whilst not designed to restrict prices, did actually exert a considerable influence upon the market by eliminating the scrambling of spinners for wool and tops, and manufacturers for yarn, which would otherwise have been quite unavoidable in the war-time conditions of scarcity. Another factor which contributed to the comparative reasonableness of prices during the War was the difficulty attendant upon the export trade, which provides the main outlet for the country's products in time of peace. Within five months of the signing of the Armistice the British clip was freed from control, the rationing system was abolished, and the London sales of colonial wool re-opened. Each of these steps was taken in conformity with the desires of employers and without the consent, and against the advice, of the Labour members.

Public opinion forced the Government to pass the Profiteering Act, and public opinion will equally force the Government to attempt some action on the reports of the Central Committee. If such action is on the lines of the reintroduction of control, an enormously powerful weapon for electioneering purposes will be placed in the hands of the trades unionists, and, in addition, the Government will lose some of the support at present received from the employing class. The resurrection of control is contingent upon the willingness of the Australasian farmers to sell their wool to the British Government after June next, when it is arranged that free buying and selling shall come into operation. Up to the present these colonial farmers have not benefited by receiving their half-share of the profits on wools sold by auction in this country, because the Ministry of Munitions fear the possibility of a slump in prices before their stocks have been liquidated, and they accordingly refuse to transfer any sums either to the British Treasury or to the Colonies until their whole transactions are complete. Australian supplies of cloth and clothing are mainly obtained from this country, and it is easy, therefore, to understand the indignation meetings which have recently been held on the other side on the subject of the cost of clothing. Both the Australian and New Zealand farmers must be counted amongst the ever-increasing number of opponents of the Coalition Government, and, in seeking a remedy for the present abuses, the Government will probably find it necessary to turn in some other direction than the type of control exercised by them during the War.

The last series of London sales closed on Saturday last, and no events of outstanding interest took place. Heavy purchases were made on home account and foreign competition has fluctuated somewhat throughout the series. The fall in prices of fine quality wools at the end of the December sales has not been maintained, and the value of this material is now only about 5% below the opening prices in December, which were the highest recorded in 1919. The closing week showed a slight tendency for crossbred wools to advance in price, but the increase was only about 5%.

It is reported that about 100 of the 500 unemployed woolcombers have now been absorbed into the industry, and with the return of some of the moulders to their ordinary work it is hoped that the remainder will be placed at no distant date. There is no immediate prospect of any increase in the production of tops, and it will hardly be surprising if the discussion of spinners' profits results in an early demand for big increases in wages, in spite of the agreements now existing in all parts of the industry.

PROSPECTS IN THE TINPLATE TRADE.

During 1919 there was a very rapid and not altogether healthy expansion in the price of tinplates. The fluctuations in the cost of raw material were, of course, partly responsible. Bars rose from £13 in the early part of the year to £16 10s. in December, while tin, which was £203 in February, was quoted last month at £342. It was hoped, in the interests of the industry, that such a quick and unnatural expansion would be stayed, but so far in the present year the upward tendency of prices has continued. Bars cannot be obtained at less than £18 per ton, while tin is £384. Most producing firms are sold out of plates months ahead, and quotations for standard makes, though largely nominal on that account, incline to move higher from day to day. As bars are scarce, and as inadequacy of transport is holding up both coal and steel and delaying the clearance of finished goods from factory and warehouse, the mills are working below capacity, and the output is not sufficient to satisfy even a normal demand. With the abnormal inquiry at present prevailing, especially from Continental sources, it is not to be wondered at that the price of plates has jumped to nearly six times the pre-War figure. Manufacturers and merchants can [illegible] eagerness of buyers to secure supplies. Under present conditions it will be difficult to scale down prices, especially as, apart from the advance in raw materials, the tinplate workers have just lately obtained a 40% increase in wages.

During the April last year when trade was quiet owing to the poor supply from foreign countries, we pointed out that some English mills [illegible] were going to the United States because of [illegible] and that American plates had actually been landed in Liverpool. Though the occurrence was an [illegible] it is now [illegible] Many of the Continental consuming [illegible] at present [illegible] Denmark and Italy [illegible] some already [illegible] from

adverse rates of exchange. The existence of such rates discourages all but the most essential imports, and when primary needs have been satisfied, secondary are likely to be neglected. These primary needs are, of course, still far from being adequately met, and, unless unforeseen difficulties as regards labour or raw materials occur, the coming year should prove one of the most prosperous in the history of the Welsh tinplate trade. A foreign demand that as been accumulating for several years must be supplied, and the only country in a position to supply it, besides ourselves, is the United States. The rates of exchange tell, however, in the majority of instances, more heavily against American exporters than against British, and from this point of view we have a marked advantage. To some extent the increased value of the dollar in terms of sterling hits us, as it interferes with the importation of American steel bars for tinplates and sheets. In 1919 our total imports of these bars were 2,641 tons, but this amount was only a fraction of our wants and the tendency of the New York exchange to move against us is discouraging further imports. Since the steel strike American bar makers have been offering scarcely any parcels for export, but supplies are bound to become more plentiful as production is resumed and the disorganisation due to the strike is remedied. An increase in such American exports would be welcomed in South Wales, provided prices were sufficiently low to counterbalance the depreciation in sterling.

There is no doubt that the great demand for British tinplates is due in part to the soaring premium on the dollar in almost every country. Our market is expanding in proportion as the American is contracting, and this is one reason why American manufacturers and financiers are anxious to grapple with a too favourable exchange which is slowly throttling their foreign trade. Up to the end of last fiscal year, June 30, 1919, the United States exported approximately 270,000 tons of tinplates, or nearly four times the average of the years 1911 and 1912. Our exports in the last calendar year reached a higher figure, 289,761 tons. For the United States the principal importing areas in the order of importance were Asia, South America, North America and Europe. While a portion of this vast trade should temporarily, at any rate, be diverted to us, unless our producing position becomes relatively weakened, it is possible that fresh competitors may arise. Of these, the one most discussed at the moment is Germany, but here the fear appears to be grounded principally on the state of the German exchange, which is described as unduly favourable to tinplate exporters. Another aspect of the exchange must, however, be taken into account. As an importer of tin and other raw material, the German manufacturer will be subject to a handicap equivalent to any gain he may make as an exporter. Again, it is overlooked that the German market is denuded of plates and that the question of home supplies will be sufficient to engage the attention of German mills for quite a considerable period. Even in pre-War days the imports of tinplate into Germany were almost equal to the tonnage produced within the country, and the quantity available for export was comparatively small. The total annual production of tinplates in Germany for several years prior to the War was, roughly, 60,000 tons, while our exports alone reached over 480,000 tons. The relative dimensions of the two industries in pre-War times can thus be easily gauged, and the changes, in the interval, have been of no great magnitude. The loss of the coalfields of Lorraine, the Saar, and Upper Silesia will, indeed, have the effect of drastically reducing Germany's metallurgical resources, and Austria, even if inclined, will be unable to come to Germany's assistance, as under the terms of the Treaty she must cede her most valuable coal-bearing territory to Poland and Czecho-Slovakia. Japan, the only other probable competitor, besides being too far removed from many of our markets, has at present only a limited productive capacity. Further, Japanese experience in the export trade has been somewhat circumscribed, and the knowledge of the different markets, of the sizes and shapes which they require, and of the reliable importing houses is an asset of incalculable value to the Welsh tinplate industry, and will undoubtedly help it to maintain and increase its export trade.

American Topics.

FARMS AND LIVE-STOCK.

In continuation of our tables upon the economic conditions prevailing in the United States we give this week the number and value of the farms and the number and value of the livestock. Last week we stated, on the authority of the Statistical Abstract for the United States, issued from the Bureau of Statistics at Washington, that the total estimated population of the Union at the end of 1918 was 105,000,000 souls. We show to-day a portion of the wealth enjoyed by this very moderate population, bearing in mind the enormous area over which that population is spread. It is considerably less than three times the population of the United Kingdom on the basis of the figures of the 1911 Census. Taking the Census of 1910 for the United States and 1911 for the United Kingdom, the figures showed that our population was almost exactly half that for the United States, while the area of the United States is 25 times greater than that of the United Kingdom. Consequently, it is impossible to compare the economic conditions of the two countries. In the United States anyone capable of performing even most modest services finds his labour at a premium. While in this country anyone who gets out of employment usually experiences some difficulty before he is able to obtain suitable employment again. Immediately the War was over the United States was able to demobilise its armies and demobilise its control boards. Our Government, on the contrary, although it was well aware of the pressing need of economy and the danger of spending considerably more than the taxes yield, was afraid of a ruthless method of demobilisation, lest it should swamp the Labour market with millions of people which the various industries of the country were unable to absorb. It will be seen that out of a population estimated at something more than 100,000,000 people there are some 6,361,000 farmers. It will be seen also that the size of farms has decreased during the past 60 years. Whereas in 1850 the average size of farms exceeded 200 acres, in 1910 the average farms only amounted to 138 acres. The value of these farms, however, has appreciated enormously in the last 60 years. In 1910 the farm lands were valued at 3,271½ million dollars; the plant for working the farms, or implements, at 151½ million dollars; the live-stock at 544 million dollars, giving a grand total of under 3,963½ million dollars. In 1910 the farm lands alone were valued at practically 28,475½ million dollars, the buildings on them at 6,325½ million dollars, the plant at over 1,265 million dollars, the live-stock at almost 4,925¾ million dollars, giving a grand total closely approximating 40,991½ million dollars. That is to say, in the 60 years the value of the farm plant and live-stock had appreciated more than 10 times over.

Our table, which gives the details of the number and value of the various categories into which the live animals and the farms are divided, shows in a striking manner the effect of the recent European War upon the live-stock of the United States. It illustrates in a striking manner what a world-wide demand for meat and the products of the live-stock industry means to the four-footed population of the farms. We have not space to go further back than 1910. In horses it will

be seen that whereas there were 21,000,000 in 1910, there was only a growth of half a million nine years later. Mules have increased practically in a decade by some 80,000. Cows by little over one million. Cattle have increased only from 42¼ millions to 44¼ millions. Sheep have actually declined, and declined heavily, in the decade. Pigs have increased in number, but, bearing in mind the prolific breeding capacity of swine, they have increased very little in the long period of nine years. It will be noted that while the number of live-stock has either grown very slowly or actually declined, the value, as expressed in dollars, has increased very appreciably. In draught animals the appreciation has either been non-existent or very slight, but in those animals intended for food the appreciation in value has been enormous. In most cases money values are practically doubled, while in the case of pigs these have multiplied more than three times over.

Number and Value of Farms (000's omitted).

Year.	Number of Farms	Acres Total Acres	Acres per Farm*	Value of Farm Property — Land $	Buildings $	Implements $	Live-stock $	Total $
1850	1,449	293,561	202	3,271,575	--	151,588	544,181	3,963,447
1860	2,044	407,213	199	6,645,045	—	246,118	1,089,330	7,980,493
1870	2,660	407,735	153	7,441,051	—	270,914	1,229,890	8,941,855
1880	4,009	536,082	134	10,197,097	—	406,520	1,576,885	12,180,502
1890	4,564	623,219	136	13,279,253	--	494,247	2,308,768	16,082,268
1900	5,737	838,592	146	13,058,008	3,556,639	749,776	3,075,478	20,439,901
1910	6,361	878,798	138	28,475,674	6,325,451	1,265,150	4,925,174	40,991,449

* Actual figures (000's not omitted).

Number and Value of Specified Farm Animals (000's omitted.)

January 1	Horses Number	Horses Value $	Mules Number	Mules Value $	Milch Cows Number	Milch Cows Value $
1910 ..	21,040	2,276,363	4,125	494,095	21,801	780,308
1911 ..	20,277	2,259,981	4,323	544,359	20,823	832,209
1912 ...	20,509	2,172,694	4,362	525,657	20,699	815,414
1913 ..	20,567	2,278,222	4,386	545,245	20,497	922,783
1914 ..	20,962	2,291,638	4,449	551,017	20,737	1,118,487
1915 ...	21,195	2,190,102	4,479	503,271	21,262	1,170,358
1916 ...	21,159	2,119,786	4,593	522,834	22,108	1,191,955
1917 ..	21,210	2,182,307	4,723	558,006	22,894	1,365,251
1918 ...	21,555	2,246,970	4,873	627,679	23,310	1,611,241
1919 ...	21,534	2,120,709	4,925	667,767	23,167	1,836,055

January 1	Oxen and other Cattle Number	Oxen and other Cattle Value $	Sheep Number	Sheep Value $	Swine Number	Swine Value $	Total Value Farm Animals $
1910 ..	42,279	917,453	57,216	233,664	47,782	436,603	5,138,186
1911 ..	39,679	815,184	53,633	209,535	65,620	615,170	5,276,438
1912 ..	37,260	790,064	52,562	181,170	65,110	523,328	5,0[illegible],327
1913 ..	36,030	949,645	51,482	202,779	61,178	603,109	5,[illegible],783
1914 ..	35,855	1,116,333	49,719	200,803	58,953	612,951	5,891,229
1915 ..	37,057	1,237,376	49,956	224,687	61,618	637,479	5,969,253
1916 ..	39,812	1,334,928	48,625	251,594	67,766	569,573	6,020,670
1917 ..	42,859	1,497,621	47,616	339,529	67,503	792,898	6,735,612
1918 ..	44,112	1,803,182	48,609	574,575	70,978	1,387,261	8,284,198
1919 ..	44,330	1,960,670	49,863	579,016	75,587	1,665,987	8,830,204

"The Debenture and Debenture Stock Holder's Legal Handbook. With appendix containing forms. By Paul F. Simonson, M.A. Price 8s. net. (London: Effingham Wilson.)

"Mathieson's Handbook for Investors for 1920." A concise record of Stock Exchange prices and dividends for the past ten years of selected securities. Twenty-first year of issue. Price 4s. net. (London: Fredc. C. Mathieson and Sons.)

"Essays on Indian Economic Problems." By Brij Narain, M.A., Professor of Economics, Sanatana Dharama College, Lahore. Price Rs.2.8. (Lahore: Panjabee (Electric) Press.) These essays deal with many phases of Indian economic life, some of which appear for the first time. Others have already appeared in various Indian journals and periodicals.

"Economic Statesmanship." The great industrial and financial problems arising from the War. By J. Ellis Barker. Second edition, containing ten additional chapters. Price 16s. (London: John Murray.) This work, running into more than 200 pages, deals with the economic position and future of Russia and Japan; with the problem of the British mercantile marine, and of the British inland transport system; as well as with the British coal problem and with the land and housing problem in town and country. He gives particular attention to the relations between Capital and Labour. The feature of the new chapters is a scheme for the permanent conciliation of Capital and Labour.

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Rubber Topics.

THOUGH there has been nothing like activity in the Rubber-share market this past week, and the business done has been on a relatively small scale, yet the tone has been very firm in sympathy, with an improvement in the price of rubber to 2s. 9½d. per lb., attributable to good demand. Declines in quotations have been few and unimportant, and a fair number of issued stand higher than at the close of last week, this being particularly the case in investment descriptions. Amalgamations, reconstructions, and new issues of shares affording bonuses to shareholders continue to be announced, and it is probable there will be many more in the immediate future.

A reconstruction of the Selangor River Rubber Estate Company is proposed to shareholders, involving the formation of a new Company with a capital of 500,000 shares of £1 each and the transfer to it of the business and assets of the existing concern in exchange for 246,410 £1 shares, so that each present shareholder will receive five new shares of the new Company for each share now held. The wording of the circular appears to be inaccurate in this respect. The scheme, if sanctioned, will take effect as from January 1, but the whole of the profits for the year 1919 will be retained on behalf of the present Company and a final dividend in respect thereof will be paid, and the small amount of outstanding Debentures redeemed.

Shareholders of the Anglo-Johore Rubber Estates are offered 100,000 2s. shares of the Company at 3s. 6d. each, the purpose being to provide funds for the extension of the planted area and to meet liability on a further 10,000 £1 shares of the Mersing Rubber Estates Company.

The announcement has been made this week that negotiations are proceeding for the amalgamation of the Bujong Rubber Estate with the Kepong (Malay) Rubber Estates.

CULLODEN CONSOLIDATED.

THIS Company's issued capital was raised from £150,702 to £200,000 in June last, and to a considerable extent the employment of the additional funds in its investment business accounts for the increase in profit shown by the report for 1919. In view of the temporary depression through which the rubber industry has recently passed, it is probable that the revenue from holdings in rubber companies was smaller than in 1918, but, on the other hand, rubber profits, as a rule, paid higher dividends. The bulk of the new capital has been invested outside the plantation industries. Thus, of the figure of £298,605 representing the cost of investments at December 31, 1919, plantation securities accounted for 52½%, and other investments

for 47½%, whereas a year previously, of a total cost of investments of £205,128, plantations represented 74% and other securities 26%. Dividends aggregating 15% free of tax have been paid for 1919, against 10% for 1918, but this entails distribution of a portion of profit on sales of securities previously entirely placed to reserve fund, as shown below:—

	Year to Dec. 31— 1919 £	1918 £
Dividends on investments	31,328	24,752
Deduct income tax	9,229	5,244
	22,099	19,508
Profit on sales of securities and commission	30,304	21,626
Sundry revenue	1,212	789
Total	53,705	37,923
Expenses	2,843	2,871
Net profit	50,862	35,052
Placed to reserve	23,374 21,626	
Dividends paid (free of tax)	27,535 15,070	
(15%) (10%)	49,909	36,696
Balance profit	953	1,644 (Dr.)
Brought forward	242	1,886
Carried forward	1,195	242

It has to be remembered that the additional capital was only employed for six months of the year. The reserve fund now stands at £100,000, or half the issued capital, and practically the whole of the £300,000 is invested, the market value of the securities held at December 31 being estimated at £563,000, or over 2½ times the share capital.

Balance-sheet Figures at December 31.

	LIABILITIES.		ASSETS.					
	Issued Capital	Reserves & Carry forward	Investments at cost			Excess of Income & Dividends over		Total
			Plantations	Other	Estates	Companies		
	£	£	£	£	£	£		£
1918...	150,702	77,868	152,587	57,342	200	18,262		228,970
1919...	200,000	101,195	157,096	146,980	200	2,881		307,195

* After allowing for payment of year's div. etc.

ANNUAL REPORTS ANALYSED.

BRAUNSTON (SELANGOR).

Issued Capital: £84,500 in £1 Shares.

Results for Years to September 30

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1916 ...	1,438	1,278	369,000	289	2/5.2	-11¾	29,040	16,900	20
1917 ...	1,438	1,278	456,374	357	2/4	-11/8	31,386	12,675	15
1918 ...	1,438	1,278	425,000	321	1/11¾	-11¾	22,505	10,562	12½
1919 ...	1,438	1,383	365,070	278	1/3.6	1/-.3	17,099	11,830	14

Price of Shares, 52/6. Market Capitalisation per planted acre, £150.

NOTWITHSTANDING a substantial reduction of output through tapping restrictions in the first part of the financial year ended September 30, this Naftel and Rutherford Company returns a net profit equal to 20% on its capital. The dividends for the year, including 10% final, total 14%, and the balance profit of £5,269 is added to the carry-forward to cover liability for excess profits duty. For 1917-18 the tax called for £9,176, or 48% of the profit earned. The liability under this heading for the past year should be considerably less, both because of the smaller earnings and on account of the reduction of the rate of duty to 40%, as from January 1 last year. A good feature of the report is the maintenance of a very low "all-in" cost, for such is undoubtedly a true description of the figure of 1s. 0.3d., considering the lightness of the crop and the fact that the charges against same, including depreciation, exceeded the actual total expenditure by £546. Further significance attaches to this inasmuch as for the current year an output of 475,000 lb., equivalent to 330 lb. per bearing acre, is expected to be harvested. Forward sales cover 280,000 lb. for delivery Singapore at an average price of 2s. 1.9d. per lb. The dividend will depend largely upon what action is taken by the Government in regard to excess profits duty; but, even if this is maintained at its present rate of 40%, shareholders may reasonably expect to receive a considerably larger return. A payment of 25%, affording a yield of nearly 10% on the present price of the shares, would require £21,125, as against which it may be reckoned that a profit of 1s. 3d. per lb. on the expected output of 475,000 lb. would bring in nearly £30,000.

KAMUNING (PERAK).

Issued Capital: 201,000 in 2/0 Shares.

Results for Years to June 30

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915–16...2,354	1,647	733,776	445½	2/7⅝	1/1¼	57,768	36,500	20
1916–17...2,502	2,014	921,575	457½	2/7·9	1/1½	73,598	36,500	20
1917–18...2,4·4	—	778,418	—	2/1¼	1/5	29,799	10,950	6
1918–19...2,604	—	705,772	—	1/10·9	1/3·17	25,418	22,813	12½

Price of Shares, 4/9. Market Capitalisation per planted acre, £184.

Being one of the comparatively old companies, the Kamuning is only liable for excess profits duty if its profits exceed a fairly high level. In the past two years it has escaped entirely, and it would appear to be in the fortunate position of carrying forward an appreciable deficit to put against the much larger earnings which it seems reasonable to anticipate for the financial year now current. In the twelve months which ended on June 30 last tapping restrictions were in force for most of the time, and, in view of the low price of rubber, the net profit shown—£25,418—can be considered distinctly satisfactory. A particularly good feature is the reduction of the "all-in" cost to 1s. 3d. per lb., and a further downward movement of this item seems probable this year. Forward sales for the year 1920 cover little more than the crop actually harvested in the first five months to end of November, and, as the average price of the sales is 2s. 1.6d. per lb., it looks as if the balance of the financial year's crop not thus covered will realise such a price as will bring up the average of the whole to a level sufficient to show at least 1s. per lb. profit. In that case the net earnings will reach over £40,000, or 22½% on the present issued capital, and every 3d. per lb. extra will represent an additional 5½%. But a larger amount of capital will rank for dividend a year hence, for the planted area is expected to be further increased to over 3,000 acres by the end of June next, and for the financing of this development an issue of 185,000 shares is being made to shareholders. Still, the ultimate effect should be beneficial, and, as the Company has something like 3,000 acres of reserve land, there is considerable scope for the further expansion of the business. The valuation of £180 at present placed by the market on the 2,600 acres planted does not appear to be unduly high in the existing circumstances.

MEMBAKUT RUBBER (NORTH BORNEO).

Issued Capital: £100,000 in £1 Shares.

Results for Years to August 31

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1917–18...1,100	1,000	415,263	415	1/11¾	1/2	14,045	7,600	7
1918–19...1,100	1,099	472,417	430	1/9¾	1/1¾	16,221	11,000	11

Price of Shares, 36/0. Market Capitalisation per planted acre, £160xd.

This Company, which was one of the first formed by the British North Borneo Company with a view to developing the cultivation of rubber in the Colony, issues an encouraging report for the year ending August 31. A little over four years ago, when acute depression prevailed in the rubber industry, the Chartered Company made an offer to purchase the shares at par, either for cash or for 5% redeemable Certificates. Those shareholders who preferred not to let go, after exercising patience for six years, have now good reason to congratulate themselves. The whole of the Company's planted area of 1,100 acres was planted from 1909 to 1912, and was nearly all in bearing during the

past financial year. A production was obtained of 472,417 lb., against 415,263 lb. in the previous twelve months, and the yield per bearing acre has improved from 415 lb. to 430 lb. We remarked last year that the trees were thickly planted, the average per acre on August 31, 1918, being over 130. In the ensuing twelve months 11,000 trees were removed, and presumably further thinning out will be done until the spacing is such as to leave plenty of room for future growth and the circulation of light and air, so necessary to prevention of disease and thorough bark renewal. The financial results of the year are shown above, and we need merely add that, after paying the year's dividend of 11% and setting aside £6,000 to reserve, the carry-forward is reduced from £4,292 to £3,110. As regards the "all-in" cost, the official figures are stated, and it has to be noted that the balance sheet shows no expenditure charged to capital account other than the amount covered by depreciation provision.

For the current twelve months an output of 425,000 lb., or 473 lb. per acre, is expected. Presumably the directors are assured that tapping is on conservative lines. We notice the labour force at the end of August was more than half composed of Chinese, and Chinamen are notorious for tapping excessively unless closely watched. Extension of the plantations —for which purpose the Company has over 3,000 acres of reserve land available—has had to be postponed on account of war conditions; but a definite programme of planting up 1,500 acres during the next five years is now decided upon, the expenditure required in that period being estimated at £45,000. Whether this can be provided entirely out of surplus earnings, or will involve addition to the share capital, remains to be seen; but, in any case, it would look as if shareholders can rely upon a considerable reduction in the capitalisation per planted acre, which at present stands at the somewhat high figure of £99.

FINANCIER RUBBER SHARE HANDBOOK.—The sixteenth edition of this popular reference book is now available, and in view of the large number of alterations to capital and reconstructions which occurred last year, will be found to be more useful than ever. It contains 938 pages, and the price is 6*s*. net.

The directors of the Liverpool and London and Globe Insurance Company, Limited, announce that the following directors of the Royal Insurance Company, Limited, have been elected to seats on the board of direction of the Company—viz. Mr. Thomas Woodsend, Mr. William Rimington Glazebrook, and Mr. Henry Mathison Beausire. Moreover, Mr. George Chappell, General Manager of the Royal Insurance Company, Limited, and Mr. Alfred George Dent, General Manager of the Liverpool and London and Globe Insurance Company, Limited, have been elected to seats on the board.

Messrs. George Clare and Company have concluded negotiations for the purchase of two of the oldest and best-known cloth mills in the West of England, namely, Marling's Mills and P. C. Evans' Mills, established in Stroud in 1780 and 1885 respectively. It is understood that the intention is to amalgamate the two mills, and that a Company to be formed will shortly be offering its shares to the public.

"Stabilising the Dollar." A plan to stabilise the general price level without fixing individual prices. By Professor Irving Fisher. Price $3.50. (Macmillan.) Professor Irving here offers his own solution of the problem of the high cost of living without price fixing. He points out that daylight saving was accomplished not through compulsion, but by the simple expedient of adjusting the clock; and, similarly, the price level may be controlled without using the compelling power of the Attorney-General's office in price control, but much more simply by adjusting the dollar. The volume is of interest and will serve to emphasise and make generally known his proposals.

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Insurance Notes.

NATIONAL MUTUAL LIFE ASSURANCE SOCIETY.

THIS popular life office has achieved a reputation in the past for prompt publicity of accounts, and is, as usual, the first institution of the kind to submit its report for last year, which is dated within a fortnight of the closing of the books on December 31. A quinquennial valuation had been made at the close of 1918, so that the figures presented deal with the first year of a new quinquennium. The valuation was made on a strong basis, the O^{M} Mortality Table having been employed in combination with interest at 3% and net premiums, the margin of premiums reserved for expenses and contingencies having been about 17%. The valuation surplus amounted to £193,821, of which £184,668 was carried forward to the current quinquennium. The Actuary reported that but for the fact that large sums had been written off for depreciation in investments and for other losses owing to the War, larger bonuses than had been declared in 1913 (when they amounted in reversionary form to the exceptionally high rate of 36*s*. per cent. per annum in compound form) would have been justified. As it was no general distribution of bonus immediately followed the valuation, it being decided to conserve all the resources of the Society in what appeared to be a very trying period until a more expedient occasion, but interim bonuses were declared on all participating policies becoming claims during the current quinquennium at the rate of 25*s*. per cent. per each year since 1913, subject to a provision for annual reconsideration, if though desirable, in 1919. So far as the development of the business is considered the directors are able to submit very gratifying figures. That the popularity of the Society is well maintained, and, indeed, increased, by the valuation statements and the subsequent decisions of the board, is shown by the fact that the new business effected last year is the largest in the history of the society, and of the two societies (the National and the Mutual), from which it springs, going back for ninety years. New life policies were issued for a net sum of £623,039, after deduction of reinsurances, more than 99% of the amount relating to transactions effected within the limits of the United Kingdom. This exceeds the corresponding record for 1918 by £267,719. The total net life premiums income in 1919, amounting to £244,970, shows an increase for the year of £35,823, or of more than one-sixth of the 1918 premiums. The expenses of management in the life section, inclusive of commission, absorbed about 16% of the premiums,

excluding special valuation expenses of £1,444. The death claims, £133,836, were, on the other hand, less by £15,998. Both these features are satisfactory.

In the case of most life offices the investments are revalued only on the occasions of periodical valuations for profit-distributing purposes, but in the National Mutual annual revelations of investments are made, the practice being to write down the values of all marketable securities to at least their selling prices at the close of each year. It had been hoped by many persons interested in life offices that some improvement in values might take place in the year following the cessation of hostilities, or that at least there would be little decline in such values, but, as everybody now knows, that favourable anticipation has been far from realised. The result of the revaluation of the Society's securities as at December 31, 1919, is a loss balance of £87,399, representing nearly 3% of the total assets, and this illustrates the wisdom of the directors in carrying forward so large an unappropriated balance from the last valuation. Even after giving effect to the depreciation referred to that balance still remains at something like £100,000, so that the actual financial position is far from unfavourable. But in view of the course of the Stock Exchange markets during 1919, the directors have thought it right to slightly modify the regulations in regard to interim bonuses, which has confirmed them in their decision to make no general distribution of surplus in respect of the last quinquennial period. They now state that in order to protect the interests of members whose policies may become claims before January 31, 1924, they have decided to pay an interim bonus of 20*s.* per cent. on the sum assured for each full year during which these policies were in force in 1914-18, and a similar interim bonus of 25*s.* per cent. in respect of each year's premium due and paid in 1919, also that if necessary these rates will be subject to revision at the end of each year of the current valuation period.

One effect of the writing down of securities is, of course, automatically to raise the rate of interest earned on the investments. The net rate of interest now reported (after deduction of income tax) is £4 2*s.* 6*d.* per cent., as compared with £3 16*s.* in 1918 and with the valuation rate of 3%. This adds considerably to the profit-earning capacity of the Society from normal sources. The life assurance fund on December 31, 1919, after giving effect to the adjustments referred to, amounted to £2,935,283.

The capital redemption account shows a premium income in 1919 of £7,815, and a fund of £149,404 at the close of that year.

The total assets, as shown in the balance sheet on December 31, 1919, amounted to £3,185,659. A full list of the securities is appended to the accounts, and a perusal encourages the hope that there may not be a great deal of further writing down in the course of the current quinquennium, seeing that more than three-fourths of the Stock Exchange investments take the form of British Government securities, most of which are realisable at par and are for comparatively short durations.

WORLD MARINE AND GENERAL AND NORTHERN INSURANCE COMPANIES.

At the close of last week the announcement was made that an offer had been made by the Northern Insurance Company, Limited, for the purchase of the shares of the World Marine and General Insurance Company, Limited, at the price of £15 per share, in addition to a final dividend for 1919 of 4*s.* per share and a bonus of 2*s.* per share, both free of income tax. The offer is subject to acceptance by holders of 85% (or such less proportion as may be agreed) of the paid-up capital of the World on or before February 28, or within such restricted time as may be arranged. It is the intention that the World Company shall continue to transact business as a separate entity under its present managers, its present board to be strengthened by the addition thereto of two directors nominated by the Northern Company.

The World Marine and General Company was established in 1894. In 1912 it purchased a large interest in the London and Provincial Marine Insurance Company, the shares of which Company were purchased by the Yorkshire Insurance Company in the following year. Its present managers are Messrs. Leslie and Goodwin, Limited, and Messrs. C. T. Bowring and Company (Insurance), Limited. The capital amounts to £250,000, of which £100,000 is paid up, in 50,000 shares of £5, with £2 paid on each. In September 1919 the World Auxiliary Insurance Company, Limited, was formed under its auspices, with the object of transacting all classes of insurance business except life assurance and bond investment business. The issued capital of the latter Company is £600,000, in 600,000 shares, on which 2*s.* 6*d.* per share was paid on application and 7*s.* 6*d.* per share on allotment. The World Marine and General subscribed for 100,000 of the World Auxiliary shares, which have recently been standing in the market at substantial premiums. The dividends (free of tax) per share paid by the World Marine and General during the last three years for which accounts have been published were as follows:—For 1916, 4*s.*; for 1917, 4*s.*; and for 1918, 6*s.* per share. In 1918 the Company's premium income amounted to £671,784, and its assets (at close of the year) to £1,109,300. It is understood that the Company has made good profits in 1919, and its reserves are strong. Nevertheless, the price offered by the Northern seems quite attractive to the World shareholders. The Northern Assurance Company is already one of the leading companies engaged in marine underwriting. It purchased the Indemnity Mutual Marine Insurance Company in 1917, and its marine premium income in 1918 exceeded £3,000,000.

We congratulate our contemporary, *The Manchester Guardian*, on the production of its special "Anglo-American Number." Some of the greatest statesmen and writers of both countries have contributed to this number, which is designed to add to the mutual understanding between peoples of the two great Powers, and to do something in the direction of improving their relations. Lord Bryce contributes an article on "Does America Realise what Europe is To-day?" Sir Horace Plunkett points out "The Spoke in the Anglo-American Wheel"; and Sir A. H. Dixon deals with the "Peace Treaty and American Opinion," and with "The World's Textile Conference." "The Race Problem in the United States" is considered by Mr. H. J. Seligmann; and Mr. T. W. Lamont, of Messrs. J. P. Morgan and Company, deals with "America's Export and Credit Situation."

There has recently been a considerable appreciation in the value of the Finnish mark. We learn that this is brought about in no small measure by certain impending political arrangements affecting Finland, which are believed to be on the point of decision. Furthermore, it is reported that the foreign currency recently negotiated abroad to a considerable amount for private account has now been imported. This has enabled the home demand to be covered; while certain large business transactions financed abroad without the interposition of Finnish marks has contributed to the rise. Moreover, through the action of the Currency Committee the amount of marks circulating abroad, as well as their export, have been controlled. The course of the exchange in the immediate future, of course, cannot be foreseen, but it is considered probable that there will be numerous fluctuations, but that the highest points reached will be continually lower, and that the value of the mark will gradually return to its normal level.

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Commercial.

ZINC ORES.—I.

No clearer illustration could, perhaps, possibly be afforded of the importance of really understanding one's own business than was that offered by the zinc trade at the outbreak of the recent great European War. Zinc is required for various purposes, but, as we shall show shortly, it fortunately so happened that it was not one of the essentials of the munitions factories. But it was a remarkable fact that while we possessed, either in the British Empire or in association with some of our Allies or the neutral countries, the preponderating proportion of the world's supplies, we were for a time, particularly in the latter part of 1914, absolutely at a loss how to convert the raw material into the finished product known as crude zinc, or spelter. Now it will be at once seen that the word "spelter" is of German origin. Germany, of course, possesses very large deposits of zinc blende, the raw material from which crude zinc is obtained. But so does nearly every country. At the outbreak of the War the three principal sources of the world's supply were Germany, the United States, and our own colony of New South Wales. It was notorious, and known to every metal dealer, that zinc blende in itself was practically of little or no value until it had been subjected to a certain process, and afterwards smelted. We did hardly any smelting here. Australia, although one of the principal world producers of the raw product, smelted perhaps 1% of the amount raised from her mines. Germany, which out of a world's total production which, as we shall show shortly, amounted to, say, in round figures, three million tons, produced something between 500,000 and 600,000 tons from her own ore deposits; but she was one of the world's great smelters, and without her smelting furnaces it was practically impossible to get zinc in the form in which it is made useful and is known on the metal exchanges of the world. Consequently, about October or November 1914, where were we to get crude zinc or spelter? Who knew how to prepare it for the smelting works? And where were smelting works in existence which could deal with zinc blende and turn it into spelter in the condition which it would be of any use? Smelting works existed in England. But they were by no means big enough to be of any practical use. Smelting works, as we have already said, existed in Australia; but there, again, they could not work 2% of the output of their own mines. Smelting works existed in America, but even there they were not able to deal with their own production, far less to assist the Allies and turn themselves into international smelters for the general service of the zinc consumers of the world.

The reason for all this—which, as the reader will remember, created great excitement and no inconsiderable scandal in the early years of the War—was that the Germans had made themselves really acquainted with the zinc business. Zinc, as we have said already, in the form in which it is usually found in deposits, is of little or no value. It is commonly found, even so, yielding so moderate a contents of actual mineral required for commercial purposes that it has to be submitted to a preliminary process before it is ready for the smelting furnace. Finally, it has, like most metals, to be smelted. It is smelted at a temperature of over 400 degrees Centigrade. Now the Germans, although producing a comparatively small proportion of the world's total production, set themselves deliberately to find out how the rough product—and very rough it is—could be turned into a form which would make it available for the world's markets. Zinc blendes had been used from time immemorial for various purposes; but in the early years of last century the purpose for which it is principally now valued—that of galvanising sheet iron—was discovered, and it became evident that if the new discovery was to be turned to any serious account it was essential that zinc blende should be treated as a manufacture very much as iron-ore deposits had been done in England in the preceding century. Now, it became the custom in the important metal-working, and, indeed, in other manufacturing establishments in Germany, to include highly trained chemists as regular members of the staffs. In this way various discoveries were made. They discovered the process whereby zinc blende could be first treated into the form of concentrates, and then submitted to the ordinary smelting process at, as we have said, a very high temperature. The result was that the major portion of the trade came into their hands. Since the War, at great expense and great trouble, we have acquired the knowledge necessary for smelting zinc blende upon a great scale; and it is to be hoped that we shall take to heart, in other directions besides that of the smelting trade, the importance of thoroughly mastering any business in which we may be engaged.

As already said, Germany was, and is, one of the principal sources of the world's supply, raising from her own mines something between half a million and 600,000 tons of the raw product. The total production, as already given, amounts to, roughly, say, 3 million tons. New South Wales closely follows the German output with a production considerably exceeding half a million tons. Then comes the United States with 300,000 tons. Then Spain with 174,000 tons, closely followed by Italy with 158,000 tons, the next important producer being Algeria, yielding some 80,000 tons. In this country we produce about 18,000 tons. In the British Empire, taken as a whole, the production closely approaches that of Germany. But the actual figures, so far as we have been able to ascertain them, would be about 550,000 tons. It will be seen that very little is obtained from anywhere within the Empire except New South Wales, which simply means that none of the ore deposits outside New South Wales have ever been developed. These have been developed because they are extraordinarily rich, and were situated comparatively near to a port of shipment. As will be readily appreciated from what we have said, no particular interest was taken in the zinc trade. The Germans did before the War practically the whole of the smelting, and the rest

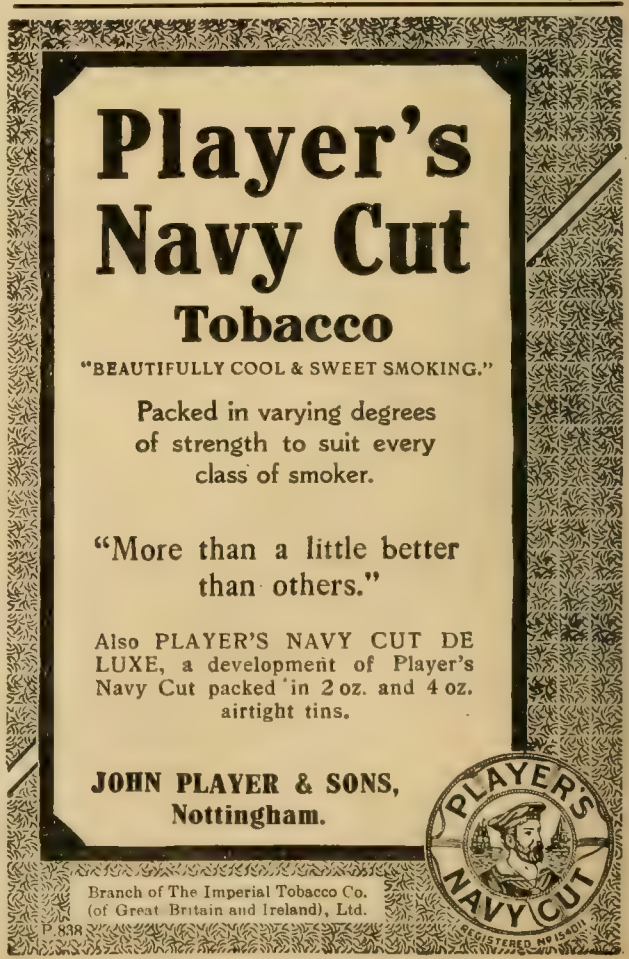
of the world contented itself with supplying the raw material whenever it was required. As already stated, zinc ores in the raw state are found in nearly every country in the world. They are found, as already said, in the United Kingdom, and also in New South Wales. But, in addition, they are found in Victoria, Queensland, and Tasmania. There are also deposits in New Zealand. Canada has important deposits, very few of which are worked. But the ore is found in British Columbia, Ontario, Quebec, Nova Scotia, and Newfoundland. It is known to exist in India, Egypt, Nigeria, Rhodesia, and in various parts of the Union of South Africa. In addition, it is found in various countries in Europe, notably in Belgium, France, and Germany; in Greece it has been found since classical times; in Italy, Norway, Russia, Spain, Sweden, as well as in Austria-Hungary. In Asia, in addition to India, it is found in China, Japan, and in Siberia. Nigeria, as already stated, is an important source of supply. We have already said that the United States is one of the world's great contributors. But, in addition, South America is capable of supplying this, as well as so many other minerals, important deposits having been found in Bolivia, in South America, and also in Peru; in North America, in Mexico; and in Central America, in Guatemala. Practically the whole supply in the United Kingdom comes from Southern Scotland, Northumberland, Cumberland, and Wales.

We have already said that the world's total production is estimated at nearly three million tons. This, of course, is an estimate, because no proper records have been kept of the total production, partly, no doubt, owing to the fact that so little interest, for the reasons we have given above, was taken in the question in this country. Possibly we shall get, when German sources become available, more accurate information than we at present possess. As we have said, the sources of supply are enormous, although practically the world's total comes mainly from three sources. The difficulty of estimating the total quantity produced becomes strikingly illustrated when we endeavour to ascertain the total consumption. Now it is perfectly evident that no one would mine zinc ores and smelt the crude product as a pastime. But when we come to try to find out what is the consumption we get a figure very little exceeding a million tons. From this it would appear that the world is engaged in providing three times the amount consumed, which is naturally nonsense. The consumption figures, however, are based on the amount exported after home requirements in various centres of production have been satisfied. Consequently, we are as far as ever from obtaining what we desire to know, which is the total figures of the world's production and the world's consumption. In a highly organised trade we can ascertain pretty accurately whether the production is, or is not, keeping pace with the demand. But in a trade like that to which we refer it is practically impossible, because the figures, as we have them before us, appear to show that the consumption is merely trifling compared with the production. Usually, in a trade like, for example, the cotton trade we know with reasonable accuracy what is the total output and consumption in all parts of the world. The same is true, and true to a far greater extent, in the case of silk. It is true of wool and perhaps of most textiles. It is true of jute. That it is true of zinc we think there is no reasonable doubt. But if challenged to prove it there is no evidence, so far as we are aware, that would enable us to do so. Owing to the fact that smelting was so wholly in the hands of the Germans, and that the trade was utterly disorganised at the outbreak of the War, there was a most extravagant rise in price. Perhaps in no metal was there so extravagant a rise in price. But in an industry so utterly disorganised as the zinc trade was by the outbreak of the War it would be difficult to arrive at any definite conclusion. But the presumption is that the output is considerably less than the potential demand. It would appear from the figures before us—but the reader will be guided by what we have already said, that these figures must be regarded with a measure of suspicion—that the United States, Germany, and the United Kingdom, in the order named, are the principal consumers.

The principal use to which spelter is put when it is made is for galvanising sheet iron. This important use was a discovery, as already said, of the early part of last century. The object of treating sheet iron in this way is to preserve it from fissures, and to prevent it rusting. It has very much the same effect as manufacturing tinplates. But the general opinion is that for the purposes for which galvanised iron are used it offers a far greater resistance to the weather than would be the case if the iron were treated with tin.

The National City Bank of New York announces that its branch at Antwerp was opened for business on the 21st instant.

Mr. Murray announces the publication of a new monthly journal having for its aim a popular description of the advance made in the chief subjects in which investigations are being actively pursued. The journal will also give from time to time some account of new ideas in more abstract subjects, like social science or mathematics, and in the organisation of knowledge, where, though definite and concrete "discoveries" are rare, new methods and new points of view may be interesting and important to everyone. In each article there will be given the names of books or periodicals in which the subject of the article may be studied more fully. At the present time there is no one journal which fulfils this purpose, and it is to meet this want that *Discovery* has been established. Each number is expected to provide about 24 pages of reading matter. *Discovery* will be published for the trustees by Mr. John Murray, 50a Albemarle Street, London, W. 1, and be edited by Dr. A. S. Russell, 8 Severn Road, Sheffield.



BRITISH & ALLIED INVESTMENTS CORPN., LTD.

3 and 4 Lothbury, London, E.C. 2.

DIRECTORS.

The Rt. Hon. the Earl of Harrowby, D.L., J.P., Chairman.
Col. H. F. Bowles, M.P.
Sir George Younger, Bart., M.P.
H. E. Carter (Managing).

The Corporation undertakes the provision of Capital for sound and progressive established British Industries, Foreign and Colonial Municipalities, Transport, Electric Lighting, Harbour, Dock and other Companies.

Industrial Companies.

PYROTAN LEATHER COMPANY.

Issued Capital: £100,000 in 5/0 Shares (being increased forthwith to £125,000).

	—Profit and Loss Figures—					—Balance Sheet Figures— Value of Liquid Assets*		Value Fixed Assets
Yr. to Sep. 30	Profit†	Depren.	—Dividend—		Carry Forwd.		Surplus	
	£	£	£	%	£	£	£	£
1918	12,371	1,775	6,750‡	7½	3,846	18,495	7,921	100,453
1919	20,059	2,634	10,500‡	15	10,770‡	30,262	36,012	107,252

* Excluding stocks. † After deduction of income tax. ‡ Subject to deduction of income tax.

THE patent leather-tanning process for the exploitation of which this Company was formed in March 1917 had previously been tested and proved of commercial utility in New Zealand. Since it was introduced in this country it has risen rapidly in the estimation of the leather trade, and the Pyrotan Company has quickly achieved prosperity from relatively small-scale working. Only a glance is needed at the figures of the two annual reports that have so far been issued to show that the activity in the Company's shares—which have been one of the outstanding features of the industrial market recently—is well founded; but what has already been achieved appears small in comparison with the revenue-earning potentialities of the future. Up to now two small factories have been worked at Godalming and Langport; but simultaneously the acquisition and equipment of a large factory at Hayes has been taken in hand, and it is expected to be ready within the next few weeks for the commencement of economical manufacturing on a big scale.

An initially small issued capital of £38,000 had been increased to £100,000 at the end of the Company's last financial year. In addition, £36,000 had been received from the sale of foreign patent rights and carried to special reserve. Now, for the purpose of providing further resources, required to finance extensions of the business, the nominal capital has been raised to £250,000 by the creation of 600,000 new 5*s.* shares, and, of these, 100,000 shares are to be issued at the price of 10*s.* A contract for sale of the Argentine patents and Uruguayan and Paraguayan rights has been entered into, and an arrangement made with the Niger Company for a joint interest in the process rights for West African countries other than Nigeria. Furthermore, the Company owns $350,000 Common stock of an American corporation working the Company's process.

NIGER COMPANY.

Messrs. Lever Brothers, of Port Sunlight, have made an offer to purchase all the issued Ordinary shares of the Niger Company at 26 10*s.*, payable in cash on or before July 1 next, plus interest on the price at 7% per annum from January 1 last. A provisional agreement has been entered into for this purpose and is open for adoption by all holders of the Niger Company's Ordinary shares who notify their acceptance within fourteen days from January 23. The Niger Company's directors recommend the Ordinary shareholders to take advantage of the offer, which must be accepted by February 6 at latest, except in the case of holders whose registered addresses are abroad, who will be given further time. Messrs. Lever Brothers reserve the right to cancel the agreement if acceptances for at least 75% of the issued Ordinary shares are not received within the stipulated time.

We dealt with the Niger Company's progress in our issue of October 25 last, and herewith reproduce the following tables:—

Issued Share Capital: £1,755,000, in 600,000 6% Cumulative Pref. £1 Shares and 1,255,000 Ordinary £1 Shares.
5% Debentures: £175,000.

Yr. to Dec. 31	Total Profit°	Deb. Int. Depren., &c.	Net Profit	Div. on 6% Pref.	Profit for Ord.	Div. on Ord.	Special Allotm.	Carry-Forw'd
	£	£	£	£	£	%	£	£
1913	127,270	49,587	77,683	—	77,683	10	53,750	21,107	60,135
1914	6,810	37,883	Dr.31,073	15,000	Dr.46,073	Nil	-		14,062
1915	182,690	33,578	149,112	30,000	119,112	10	67,500	40,000	25,674
1916	208,465‡	47,818	160,647	30,000	130,647	10	67,500	66,752	37,070
1917	280,684‡	43,250	237,434	30,000	207,434	20	135,000	65,000	29,504
1918	374,116	50,622	323,493	30,000	293,493	20	192,500‡	100,000	30,197

° After payment of customs duties, &c., in Nigeria.
† After payment of excess profits duty.
‡ Amount distributable on increased capital.

Balance-sheet Figures at December 31.

	LIABILITIES.		ASSETS.			
	Capital	Reserves & Carry-Forward.	Fixed Assets.	Stocks.	Surplus Liquid Assets.	Total
	£	£	£	£	£	£
1913 ...	675,000	680,357	327,285	853,518	154,554	1,335,357
1917 ...	1,349,983*	479,504†	336,260	1,569,686	Dr.76,459†	1,829,487
1918 ...	1,349,983	580,497	316,130	1,946,370	Dr.332,020†	1,930,480

* In 1914 £500,000 of reserve was capitalised by a distribution of Preference shares.
† £36,978 claim against H.M. Government included in liquid assets.

MATHER AND PLATT, LIMITED.

An extraordinary meeting of the shareholders of this Company is called for February 3 for the purpose of sanctioning an increase of the capital from £1,000,000 to £2,500,000 by the creation of 1,500,000 new shares of £1 each. It is proposed to capitalise £450,000 of the sum standing to the credit of reserves and other undivided profits, and to issue to shareholders in respect thereof 450,000 new Ordinary shares of £1 each, in the proportion of three new shares for each four shares now held. The circular conveying the information to shareholders states that this will necessarily reduce the rate of dividend on the Ordinary shares.

PEARSON AND KNOWLES—ARMSTRONGS.

Shareholders of Pearson and Knowles Coal and Iron Company are informed that an offer has been made by Sir W. G. Armstrong, Whitworth and Company, Limited, for the purchase of the Ordinary shares at £1 10*s.* per share, subject to the condition that holders of 800,000 shares (or any smaller number Armstrongs may accept) agree to the sale before February 11, and that the purchase price of 30*s.* per share shall be ex the interim dividend of 1*s.* per share declared on January 23. The transfer of control will involve the reconstitution of the directorate of Pearson and Knowles Company. The offer is regarded as satisfactory by the directors of Pearson and Knowles, and they recommend its acceptance.

HARRISONS & CROSFIELD, LTD.

ISSUED CAPITAL £1,827 304

EASTERN AND GENERAL MERCHANTS.
Shipping, Banking and Insurance Agents.
Agents and Secretaries for Rubber, Tea and Produce Companies.

1-4 Great Tower Street, London, E.C. 3.

Branches.

Colombo.	Quilon.	Calicut.	Cochin.
Calcutta.	Kuala Lumpur.	Medan.	Batavia.
Bandoeng.	Kobe.	Montreal.	Tangier.

Affiliated Companies.

Singapore.	Penang.	Sandakan.	Jesselton.
Shanghai.	Foochow.	Bankew.	New York.
Philadelphia.	San Francisco.	Cape Town.	Melbourne.
Sydney.	Brisbane.	Auckland.	Durban.
Adelaide.	Wellington.	Christchurch.	

The outlook for shareholders appears to be an excellent one. The advantages of the process, claimed and apparently substantiated, are great saving in time and cost of tanning leather, and a resulting stronger and longer-wearing product than is obtained by other tanning processes. The price of the 5s. shares is 20s. ex rights.

New Issues.

TEXTILE CORPORATION, LIMITED.

This new Company has been formed to carry on the business of a financial house, mainly in connection with the textile and allied trades. As a start it has acquired the whole of the issued Ordinary share capital of Charles Semon and Company, Ltd., one of the largest merchant firms in the textile business, with connections and representatives in all the chief trade centres of the world. The authorised capital of the Corporation is £1,100,000, divided into 1,000,000 10% Ordinary £1 shares and 1,000,000 Deferred shares of 2s. each. This week 600,000 of the Ordinary shares and 800,000 of the Deferred shares have been offered and substantially over-subscribed. After providing for the purchase consideration payable for the Ordinary share capital of Semon and Co. there will remain a balance of £165,000 available for further transactions and development, in addition to the accrued profit from October 1, 1919, which is guaranteed to exceed £150,000 for the six months ending March 31 next.. There appears to be big scope for the Company's activities. After dividends of 10% and 2s. per share have been paid respectively on the Ordinary and Deferred share capitals, the balance profits available will be distributable equally between the two classes. The present profits accruing to the Ordinary shareholders of Semon and Co. are more than twice the amount required to pay the 10% dividend upon the Ordinary share issue of the Corporation.

PERNAMBANG RUBBER ESTATES, LIMITED.

On Monday the subscription list will open for an issue of 229,000 £1 shares of this Company, which has been formed with an authorised capital of £500,000 in £1 shares, of which 1,000 shares have already been issued for cash. Messrs. Harrisons & Crosfield are the secretaries and commercial agents. Two estates, respectively situated in Selangor and the Straits Settlements and together covering 3,014 acres, are acquired. Rubber trees cover 1,569 acres, and the plantings date from 1907 to 1918—all except 103 acres, however, being planted prior to 1915, and therefore 5 years old and over. The expert valuations total £176,975, and the Company pays £175,000 in cash, which is equal to about £110 per planted acre, allowing for 1,400 acres of reserve land available for development out of the working capital of about £50,000 provided by the new issue. This has not been underwritten, but the directors will not proceed to allotment unless the whole, excepting 10,000 shares reserved for Eastern applicants, is subscribed. The rubber production of the two estates is estimated at 508,000 lb. in 1920, increasing to 620,000 lb. in 1925.

COWLISHAW, WALKER AND COMPANY (1920), LTD.

This new Company takes over, as from December 31, 1918, the business of a private concern of the same name, carrying on the manufacture, at Etruria, Stoke-on-Trent, of coal-cutting machines, trucks, steam winches, castings, &c. The net assets, exclusive of goodwill, are valued, as at December 31, 1918, at £102,364. In addition the net profits of the year 1919, which accrue to the new Company, are estimated, after providing for excess profits duty and income tax, at £16,000. The purchase consideration payable in cash is £110,000, including £10,636 for goodwill, and the Company has also to pay an estimated amount, not exceeding £14,196, to discharge certain liabilities of the old company. The capital of the new Company is £150,000 in £1 shares, all of which has been offered for subscription at par this week. The immediate prospects appear to be good.

ELDER DEMPSTER AND COMPANY, LIMITED.

Subscriptions have been invited this week at par for an issue of 500,000 6% Cumulative Preference £1 shares of this Company, forming part of an authorised 5,000,000 of such shares of which 1,500,000 shares have previously been subscribed. Ranking prior to these charges there are outstanding £2,000,000 of 5% Debenture stock and 425,000 of 5½% Cumulative Preference shares—being the total amount authorised. In respect of the year 1918 the profits remaining after providing for Debenture interest and the first Preference dividend amounted to £285,155, as against a sum of £120,000 which will be required to meet the dividend on the £2,000,000 of 6% Preference shares. Ranking after this there are £1,000,000 of "A" Cumulative Preference shares, £1,200,000 of Ordinary shares, and £10,000 of Management shares, and the reserve fund amounts to £1,000,000.

THOS. W. WARD, LIMITED.

As was to be expected in view of the long-established and profitable character of this Sheffield Company's business, an issue of 150,000 5% (free of income tax) Cumulative Second Preference £1 shares at par and of 150,000 Ordinary £1 shares at 25s. has been well received this week. Prior thereto the issued capital was £700,000, of which £150,000 is in 5% First Cumulative Preference shares, £100,000 in the Second Preference shares, and £450,000 in Ordinary shares. The net assets were shown by the balance sheet at June 30 last to amount to £742,631 and the net profits of the past four financial years, after providing for excess profits duty and income tax, averaged over £77,000 per annum.

CUBAN OILFIELDS, LIMITED.

The properties in Cuba in respect of which this new Company acquires a sub-licence to prospect for oil and select an area of from 500 to 1,000 acres for drilling on, appear to be the same as were sold in 1915 by the Oil Trust to the Cuban Asphalt Company, Limited, in which the Oil Trust has a controlling interest. By agreement dated February 14, 1919, the Oil Trust, apparently, repurchased the properties for 400,000 of its 2s. shares and a royalty at the rate of 25% of the profits made by the Oil Trust from the sale of *asphalt* produced. The Oil Trust on January 23, 1920, granted to the Havana Oil Company, in which it has a large shareholding, an exclusive licence in respect of oil rights without royalty. On the same date the Havana Company by agreement granted a sub-licence to two individuals, and the latter, together with the Havana Oil Company and the Oil Trust, became parties to an agreement with the new Company for the acquisition by it of the sub-licence, in consideration of £50,000, to be satisfied by the allotment of shares. The new Company's capital is £150,000 in £1 shares, of which 100,000 shares have been offered for subscription this week at par. They do not appear to have attractions, even as a gamble.

CORBETT, WILLIAMS AND SON, LIMITED.

An issue of 47,025 7½% Cumulative Participating Preference and 43,836 Ordinary shares of £1 each of this Company, formed to acquire and develop the business of manufacturers of agricultural machinery and oil engines, hitherto carried on by a small private company, are offered for subscription at par. The authorised capital is £125,000, equally divided in Preference and Ordinary shares of above description. At present 15,475 Preference and 18,664 Ordinary shares have been issued. Both classes must be considered speculative.

Van Ryn Deep.—Capital, £1,196,892, in £1 shares. 90 stamps, 9 tube mills, started 1913, 10 stamps and a tube mill being added. Profits include sundry revenue.

Year to Dec. 31	Tons Milled	Sorting %	Revenue Amt. £	Revenue Per ton	Expenses Amt. £	Expenses Per ton	Profit Amt. £	Profit Per ton	Price end of Period
1917 ...	517,870	20	1,129,842	43/7	505,901	19/6	637,964	24/7	3⅜
1918 ...	550,550	21	1,163,005	43/9	545,921	20/7	617,084	23/2	3⅞
1919.									
Mar. qr.	134,250	20·69	295,379	44/1	145,921	21 8	150,448	22/5	3⅜
June qr.	143,700	20·81	307,019	42·8	145,826	20/3	161,193	22/5	3⅜
Sept. qr.	145,950	19.34	328,313	44/11	154,179	21/1	174,124	23/10	4
Dec. qr.	144,500	—	330,862	45/10	158,217	22/3	172,645	23/7	5⅜
1919 ...	568,400	—	1,262,593	44/4	604,143	21 4	658,410	23/0	5⅜

Dividends—1917, June, 20; Dec., 22½ per cent.
1918, June, 22½; Dec., 22½ per cent.
1919, June, 22½; Dec., 25 per cent.

MEETINGS
OF PUBLIC COMPANIES.

London Joint City and Midland Bank Limited.

The general meeting of the shareholders of the London Joint City and Midland Bank Limited was held at the Cannon Street Hotel, London, E.C., on Thursday, January 29, 1920, for the purpose of receiving the report and balance sheet, declaring a dividend, electing directors and auditors, and other ordinary business.

The Chairman (the Right Hon. R. McKenna) said:

My Lords, Ladies, and Gentlemen,—Standing as I do now in the place occupied with such marked distinction by our late Chairman, I feel even more strongly than I have felt week after week since he passed away that his was a position no other man could hope to fill. I will not attempt to retrace the steps of one of the most remarkable careers of our time. On an occasion like this, when the deep sense of personal loss is uppermost in our minds, it is more in keeping with our thoughts and feelings to dwell upon the great qualities of the man himself than to recall the successive events which mark the stages of his creative work.

SIR EDWARD HOLDEN.

Sir Edward Holden was a man of a striking combination of qualities. With an engaging personality and an exceptional easiness of approach, he had a force and decision of character which arrested and held attention. His great intellectual powers were trained and strengthened by an inexhaustible application, an intense concentration of purpose, and a whole-hearted devotion to his work. Genius is difficult to define and must be defined differently, according to the sphere in which it operates. But in the active exercise of a profession no other word can be used to describe the combination of powers and qualities which in him were developed to so high a level. Generous and affectionate himself, he won the affection of others in a very special degree. He was delightful in companionship; faithful in friendship. Anyone who spent an evening with him and listened with riveted interest to his stories of the development of the Bank, or his diagnosis of human character, or his sympathetic appreciation of human life, could not fail to be conscious of being in the company of a man who possessed very exceptional powers of perception and intuition, and a gift of dramatic language which enabled him to bring old scenes back to life in a few vivid sentences. Those who knew him best loved him most. His own fidelity in friendship brought him its natural reward, the affection and confidence of his friends.

Sir Edward Holden gave to the service of this Bank all that a man has to give—his thoughts in and out of working hours; his energy, far beyond prudent physical bounds; the enthusiasm and devotion which in most men's lives are diverted in some measure from their work by the claims of outside interests and occupations. His methods of business were characterised by extreme care and thoroughness. There was nothing slipshod about his work. No loose statement was allowed to pass; every fact and figure had to undergo the closest scrutiny. In essentials the principles on which he acted were simple. If I were asked which were the most constantly present in his mind, I should say to keep the Bank strong and to help the country's trade and industry. His career justified the policy of the big Bank because he himself was big. He was proud of the Bank's success, and he was proud of his own relation to it. I recall some words of Burke, spoken of another great man, which with very slight adaptation may be applied to Sir Edward Holden:

"If he was ambitious, his ambition was of a noble and generous strain. It was to raise himself, not by the petty intrigue of personal favour, but to win his way to power through the laborious gradations of public service, and to acquire for himself a well-earned rank in his profession by a thorough knowledge of its principles and a perfect practice in all its business."

I am sure it would be in accordance with your wish that we should interrupt our proceedings, and before passing to the business of the day should express our feelings in a formal resolution. I therefore move:

"That this meeting desires to record their profound sense of personal and public loss in the death of Sir Edward Holden, and to convey to his sons, Sir Harry Cassie Holden and Major Norman E. Holden, and to the other members of his family this expression of their deep sympathy."

(This resolution was carried by the meeting standing in their places.)

BANK DEPOSITS, PRICES AND CURRENCY.

The Chairman then proceeded: It was for many years the practice of Sir Edward Holden to speak upon some subject of public interest at the annual meeting of our shareholders. I propose to follow the precedent which he established and I am going to ask you to consider with me to-day a problem which has been much discussed in the Press and in Parliament. Nothing gives so much concern to the public at the present time as the great rise in prices. Masses of people find almost insuperable difficulty in bringing their expenditure within the limits of their income and they clamour for a remedy. So far as I have seen, the most popular proposal for reducing prices is to fix a limit to the currency note issue. It is supposed that if the currency were strictly limited in amount and at the same time had a proper proportion of gold backing, prices would not only cease to rise but would begin a downward movement towards their former level. In this view the increase in currency is regarded as the cause of high prices. But is this really the case? May it not be that the great increase in currency notes is itself only an effect of another cause, a mere link in the chain which ends in high prices? What is the relation between the increase of currency and high prices? What has caused the increase of currency? What has caused high prices? This is the problem I am going to ask you to consider to-day. In examining this question I should like to guard myself at once from misunderstanding. It is an accepted doctrine that there are three factors governing the price of commodities—demand, supply, and cost of production. Although to-day I propose to deal with only one of these factors—demand—I do not mean to imply that the others have not their due weight. The supply of commodities is less to-day than it was in 1914, and in consequence if the other factors had remained constant, some rise in prices would inevitably have occurred from this cause alone. Again, chiefly owing to higher wages, cost of production has risen greatly, but in the sequence of events it has generally followed, not preceded, the higher prices. Whatever share, however, these two factors may have had in raising prices there can be no question of the importance of the third. Demand, measured by the purchasing power of the public, has increased enormously. It does not of course necessarily follow that a man spends more because he has more money in his pocket or a larger bank balance than usual; yet if we take the community as a whole we may be quite sure that, as spending power grows, the demand for goods grows with it, and as demand grows, prices rise. Here, then, is the first step we must take to solve our problem: we must find the cause of this increase of spending power. Before proceeding further

it will be well to recall the estimated figures of currency, bank deposits, and prices of commodities, as they stand to-day compared with 1914. First of all I will take the figures of currency. It is estimated that in 1914 the total amount of currency in circulation, *i.e.*, gold, silver, copper coin, and bank notes, was £128,000,000. This figure represents the total amount of currency held by the public, but does not include currency held by the banks. To-day the corresponding figure is estimated at £393,000,000, an increase of £265,000,000, or 207%. As I am giving these figures I may as well state here that the estimated amount of currency held by the banks in 1914 was £75,000,000, and in 1919 £191,000,000, an increase of £116,000,000, or 154%. Next I will give the figures of bank deposits, but in doing so I should explain that they do not include Bank of England deposits. Before the War the total deposits of the banks of the United Kingdom, including under the name deposits—and this is important to note—money held on current account as well as on deposit account, amounted to £1,070,000,000. The corresponding figure last month was about £2,300,000,000, an increase of £1,230,000,000, or 115%.

THE SPENDING POWER OF THE PUBLIC AND THE COST OF LIVING.

The actual spending power of the public is gauged by the total amount of currency in circulation, added to the total amount of Bank deposits. In 1914 the public spending power was £1,198,000,000; to-day it is £2,693,000,000, an increase of £1,495,000,000, or 125%. I turn now to a comparison of the prices of commodities of everyday use or consumption before the War and at the present time. The figures are based upon the return issued by the Ministry of Labour, and are expressed in the form of percentage increases over the corresponding prices of 1914. If we take 100 to represent the cost of living in 1914, the corresponding figure to-day would be about 225, or an increase of 125%. In estimating the cost of living we have included all ordinary expenses, and we have taken the commodities forming part of our everyday consumption in such quantities as we consumed in 1914. Thus we see a marked increase in currency, in Bank deposits, and in the price of commodities. The spending power of the public and the cost of living show the same percentage increase of 125.

THE CAUSE OF THE INCREASE IN SPENDING POWER.

We can proceed now to examine the immediate question before us—what is the cause of the increase in spending power, or, in other words, of the increase in currency and bank deposits? I will ask you to consider the growth of bank deposits first. Bank deposits are derived from two sources, and from two sources only. The first and most obvious source is by payments of currency into a bank. Anyone who takes notes out of his note-case and pays them into his bank creates a deposit. The second source from which deposits are derived cannot be described with equal simplicity. Stated in comprehensive terms which I will explain directly, deposits arise from payments by a bank which are neither charged against an existing deposit nor used for the repayment of an existing debt to a bank. I am speaking now of bank deposits in the aggregate, with which alone we are dealing, and not of deposits in any individual bank. Payments by a bank which are not charged against an existing deposit consist chiefly of bank loans or advances. But they include also all bank investments and all purchases and payments made by the bank for itself and charged against its own resources. It will simplify the discussion if we treat bank investments, as we are entitled to do, as loans of a more permanent nature than the ordinary loan or advance. Similarly the purchase or discounting of bills may also be regarded as a bank loan.

The aggregate, then, of bank deposits is increased by payments into banks of currency, by bank loans, and by payments by banks on their own account to meet their own expenses, as for salaries or to buy new premises. In making a comparison between bank deposits at two different dates, we may reasonably leave this last source of increase out of account. Just as payments on a bank's own account augment deposits, so receipts on a bank's own account diminish them. Payments and receipts have both grown considerably since 1914, but they have both grown at the same pace, and, comparing one year with another, we may fairly set off the total of the payments against the total of receipts.

HOW BANK DEPOSITS ARE INCREASED BY BANK LOANS.

We have now reached the point at which we may say that payments into banks of currency and bank loans, giving to the word loan the widest meaning, are the only sources of increase of the aggregate of bank deposits which we need consider. At the risk of wearying you with a discussion of a process with which you are probably already thoroughly familiar, let me give a brief illustration of how bank deposits are increased by bank loans. When a bank makes a loan to a customer or allows him an overdraft, in the ordinary course the loan will be drawn upon, or the overdraft will be made, by a cheque upon the bank drawn by the customer and paid in to someone's credit at the same or another bank. The drawer of the cheque will not have reduced any deposit already in existence because we are supposing a case in which he has been given a loan or allowed an overdraft. The receiver of the cheque, however, when he pays it into his own account, will be credited with its value, and thereby a new deposit will be created. The only case when a bank loan does not lead to a new deposit is when the cheque drawn against the loan is used by the receiver to pay off a loan which he had himself at his own bank. In the same way, when a bank buys or discounts a bill, the proceeds of the sale are paid into the credit of the seller's account and increase the total of bank deposits; and in the same way also, when a bank buys War Loan or makes any other investment, the purchase money goes to the credit of somebody's account in some bank and increases the total of deposits. Let us look now at the increase of bank deposits since 1914, and see to what extent this increase is due respectively to payments in of additional currency and to bank loans. In June 1914 the banks held £75,000,000 of currency. Last month this figure stood at £191,000,000. The banks, therefore, held more currency to the amount of £116,000,000, and to this extent the increase in the aggregate of bank deposits is accounted for by payments in of currency. But it is estimated that since June 1914 bank deposits have risen by £1,230,000,000. If £116,000,000 of this amount are accounted for by payments of currency into the banks, there remain £1,114,000,000,* which, if the previous analysis be accepted as correct, we must atribute to bank loans. Let me guard myself, however, by saying that I do not give these figures as absolutely exact, as the total figures of deposits given by the banks include not only customers' deposits, but what the banks term "other accounts." But the error due to this omission in making a comparison between any two years is small, and I think we may accept as sufficiently accurate the estimate that in round figures bank deposits have increased by £1,100,000,000 since 1914 in consequence of bank loans.

THE EFFECT OF TRADE LOANS.

Now that we have cleared so much ground, we must not forget the real object of our search. We are seeking the relation between the increase of bank deposits, the increase of currency, and high prices, and we have got so far as to see that bank loans are the main source of the growth of bank deposits. As an increase of deposits means an addition to our purchasing power, we should expect such an increase to be followed by a rise in prices. But we must guard ourselves here from a generalisation which may be too broad. If money is borrowed by manufacturers and traders for the purpose of the production or movement of commodities, the increase of purchasing power consequent upon the loans is followed in due course by an increase in the amount of commodities available, and the rise in prices which might be expected from a greater demand is corrected by a greater supply. Let us for a moment examine what takes place when a bank makes loans or advances in the ordinary way of trade. Suppose the case of a loan or advance to a manufacturer who uses the money to pay for raw material or wages, or some other expenses in the course of his business. When the goods are manufactured and sold to the merchant, it is expected that the proceeds of the sale will be used to pay off the bank loan. The merchant in his turn may have borrowed from his bank to pay the manufacturer, and there may be a whole series of loans from banks, each paid off in its turn as the goods pass from their primitive state of raw material to their final destination as finished goods in the hands of the consumer. But when the consumer has paid cash for the goods, all the series of loans will in the ordinary course be liquidated, and there will have been an increase in bank deposits only so long as the goods were not finally disposed of. In this view of bank transactions, loans by banks, and therefore deposits, would only increase in total amount as the total of commodities increased. There would be a greater purchasing power for the time being, but there would also be a greater supply in process of production. It will be observed that the first effect of a trade loan is to increase deposits, and as the aggregate of such loans, and

* NOTE.—A part of this total equal to the increase in the balances of the banks at the Bank of England has been created not by borrowings from the banks, but by borrowing from the Bank of England.

consequently of deposits and purchasing power, may be steadily growing in amount, it may be argued that loans of this kind may also drive up prices. To a limited extent this is true. In periods of active trade we know that bank loans increase and prices rise. But the rise in prices attributable to this cause can never go very far. Traders sometimes assume that banks have an unlimited power of making advances. They forget that every advance made by a bank comes out of the bank's cash resources. It is true the advances return to the banks in the form of fresh deposits, and thus restore the banks' cash resources to their former level, but the result is to leave them finally with additional liabilities to their depositors without any addition to their bank cash. Happily, in this country banks are careful to keep a proper proportion between their cash resources and their liabilities, though the misguided practice known as "window dressing," which is sometimes indulged in at the end of the year, might of itself throw a shade of doubt on what is in truth the very real virtue of our banks. The moment this proportion reaches a point below which the management think it should not go, if the strength and credit of the bank are to remain unimpaired, the bank will decline to extend its total of credits. We shall see later how the cash resources of the banks can be increased, but without such an increase any great expansion of trade advances cannot occur. It may be said that bank loans to traders influence prices to no greater extent than the ordinary market fluctuations. Even when a bank loan is made for the purpose of acquiring plant, the same is true in the long run as in the case just described. The loan would be outstanding for a greater length of time, and deposits would be increased until the profit made out of the use of the plant was sufficient to pay off the loan: but in due course, owing to the additional output from the new plant, commodities would be increased in quantity and there would be no permanent rise in prices. On the other hand, loans by banks which lead to no increase of commodities tend to raise prices; but banks do not look upon these loans with favour and, while they should be ready to assist the country's trade and production by such advances as their customers' capital and growth of business warrant, they should be, and are, careful to limit the amount of their advances for the purpose of capital outlay, and still more for mere accommodation.

BANK LOANS TO GOVERNMENT, £800,000,000—TO TRADE, £300,000,000.

Let me now sum up the case so far as we have gone. We have seen that during the last six years bank deposits have increased by £1,230,000,000. Of this amount we find that payments of additional currency into the banks account for £116,000,000. We have seen that any other cause of an increase in deposits except bank loans is not large, and we have concluded that bank loans have been responsible for an increase of £1,100,000,000 in bank deposits. We have seen, further, that if these loans had been made to manufacturers and traders in the ordinary course of their business, the increase in deposits, and consequently in purchasing power, would not of itself have caused a permanent rise in prices, as the additional deposits would have been followed by an additional supply of commodities. To whom, then, have these loans been made? It is impossible to give precise figures, but the best estimate I can form is that of the total of £1,100,000,000, £800,000,000, including Treasury Bills, have been lent to the State, and £300,000,000 to trade. The Government under the overwhelming necessity of war effort, has been the great borrower from the Banks. The loans to the State have led to an immense increase of deposits, and as they have remained outstanding long after the commodities they were raised to pay for have been consumed, they have been an inevitable cause of a rise in prices.

EFFECTS OF GOVERNMENT BORROWING.

In order to get a full understanding of the case, it is necessary now to examine the different effects upon prices of the different kinds of borrowing by the Government. The Government may borrow from three sources. They may borrow from the public, they may borrow from the banks, or they may borrow—and I put this in a category by itself—they may borrow from the Bank of England. If everything contributed to a national loan by the public were saved by them from their ordinary expenditure, there would be no increase in prices. The additional expenditure of the Government would be counterbalanced by the reduced expenditure of the community. But when the public subscribe to Government loans out of their own resources, they always subscribe more than they save by curtailing their normal consumption. They subscribe, in addition, what they would ordinarily save and invest in any case, and their investment would in one way or another usually take the form of capital employed in the production of commodities. The money which would be so invested is spent by the Government, and consequently to that extent increases the demand for goods without any increase of supply either actual or prospective, except in so far as the Government may themselves have spent the money on the erection of plant useful for peace production. With this partial limitation direct loans by the public to the Government through subscription to War Loans have no effect upon prices. They do not add to the total of bank deposits. The public must first draw upon their deposits with the banks in order to subscribe to the Loans, and when the Government spend the proceeds of the Loans, the money only fills up the gap in the deposits caused by the previous withdrawals. But quite different effects follow when the Government borrow directly from the banks or indirectly from the banks through members of the public who obtain bank advances to enable them to take up the Loans. In each case the banks subscribe by drawing on their balances with the Bank of England. The money received by the Government is paid out in due course to meet liabilities to contractors, by whom again it is paid to the credit of their accounts with the Banks. The customers' deposits are thus increased, and as the banks in their turn pay the money in to their accounts at the Bank of England, the previous withdrawals from that Bank are made good. Thus the net effect of the whole proceeding is to increase the total amount of bank deposits by the exact amount which the banks have lent to the Government directly or indirectly, and the whole weight of the additional spending power is thrown upon prices. The third case of Government borrowing which we have to consider is that of borrowing direct from the Bank of England. In that case a credit is given by the Bank of England to the Government, who draw upon it and pay out the amount to contractors. In due course the contractors pay the money they have received into their accounts with their own banks, and deposits are thereby increased. The banks now hold more money, which in their turn they pay into their accounts at the Bank of England, and so increase their cash balance. There was no previous withdrawal in this case from bank balances at the Bank of England, and there is consequently an increase in these balances exactly equal to the amount of the Bank of England's loan to the Government. Here we see both an increase in customers' deposits and an increase in the balances of the Banks at the Bank of England. These balances are the basis upon which the Banks found their advances, and an increase in them will necessarily be followed by additional advances whether to their customers or to the Government, with a consequent further increase in deposits. We conclude from this analysis, therefore, that loans by the Bank of England to the Government have a much greater effect in raising prices than any other form of Government loan, as they not only immediately raise the total of bank deposits and consequently of spending power by the public, but they also increase the power of the banks to make further advances which in due course lead to still more deposits and still greater purchasing power.

CONSEQUENCES OF GREAT GOVERNMENT EXPENDITURE.

Now that we have examined the different methods of Government borrowing, and have considered the effect of each in increasing bank deposits, it remains for us to look at the course of events as they have actually occurred since 1914 in forcing a rise in prices. At the outbreak of War, throughout its course, and right down to the present moment, the Government have been large buyers of commodities, greatly in excess of their normal demands. The first consequence of the immense Government purchases was to stimulate production. Machinery was used to its full capacity; the number of people employed was greatly increased; women took the place of men, and there was a very considerable addition to the total national output. But enlarge the output as we would, it could not keep pace with the nation's requirements. Demand outstripped supply, and, just as it happens when a period of comparative trade depression is succeeded by a trade boom, there was a natural rise in prices. At once more currency was needed, partly to pay the wages of the larger number of workpeople employed, partly because with higher prices shopkeepers keep more money in their tills. To the extent that more currency was issued the spending power of the community was increased. But up to this point the increase was not great. A new condition had to be introduced before any considerable rise could take place. There must be not merely an increase in currency, the total of which in any case only represents a small part of the public spending power; but, far more important, there must be a serious addition to bank deposits. It was not long before this new condition arose. To meet the daily growing expenditure the Government had to borrow freely from the public, from the banks, and from the Bank of England. It is unnecessary to recapitulate the effects of this borrowing. Bank deposits increased enormously. There was no proportionate increase in the supply of goods and the usual consequences followed. Prices began to rise rapidly. The rise in prices was next followed by general demands for increased wages. As these now rose the cost of production rose too, and another turn was given to the screw on which prices were steadily mounting. But higher wages and higher prices mean a greater demand for currency. The weekly wages have got to be paid in legal tender money. In the course of the week the bulk of the money paid out in wages comes back through the shops to the banks, and is paid out by them again to meet the next week's requirements. But, as prices and wages rise, not all of it comes back, and each week a larger amount is retained in the pockets of the people, in the tills of shopkeepers, and in the tills and reserves of the banks.

THE CURRENCY QUESTION.

We may stop here to ask. Is there any stage in this process at which it would have been proper to limit the issue of currency? The main demand for currency is to meet the weekly wages bill. If wages increase, whether because more workpeople are employed, or because rates are higher, additional currency must be brought each week into circulation. If the supply were cut off, a substitute would have to be found. At the outbreak of War there was not enough legal tender money to satisfy our additoinal requirements, and at once postal orders, and even postage stamps, were used to make good the deficiency. If men and women are to be employed and paid, means of paying them must be found, and an arbitrary limitation of currency would merely inflict intolerable inconvenience upon the public. Although, as I venture to think, the increase in currency is not the cause of high prices, yet I believe the public have shown a right instinct in fastening upon this increase as a matter for anxiety and even alarm. Though not the rain-storm itself, it is the gauge which measures the rainfall. The figures are easily apprehended, and the weekly records can be readiiy followed. Those who study them with care see that every advance by the Bank of England to the Government is followed by a fresh issue of currency notes. Once the nation can free itself from the need for these advances, the rise in prices, so far as it is due to an increased demand, will cease, and the currency in circulation will no longer expand. When the advances are paid off prices will tend to go down, and the currency in circulation will diminish.

COMMODITY PRICES EXPECTED TO REMAIN AT HIGH LEVEL.

When we look to the future we naturally ask, shall we ever get back to pre-War prices and pre-War currency and bank deposits? If I might hazard an opinion, it would be that prices will remain permanently on a far higher level than in 1914. The rise that has taken place is not local. It is not even European and American. It covers the whole world. The cost of living in Japan has risen quite as much as in this country. In India and China, where human wants are much less than with us and where custom plays a far stronger part in fixing prices, even there the cost of living is much above the pre-War standard. Increased production will bring down prices to a certain extent, but the purchasing power of the world measured in money cannot be materially diminished. Deflation is bound to be very slow. Any attempt, indeed, to bring it about rapidly would cause widespread ruin among manufacturers and traders. The greatest caution will be necessary in handling our financial machinery, and many of our pre-War ideas must be modified in view of the fundamental change in our conditions.

THE BANK RATE.

In illustration of what I mean, let us take the Bank rate and consider its operation to-day as compared with pre-War times. In the conditions we then enjoyed raising the Bank rate was an admirable means of checking excessive borrowing, restoring our exchange, and restricting the demand for currency. To-day we cannot be certain that it will achieve any of these purposes. It is conceivable indeed that it may have the opposite effect. The Government has been a heavy borrower, and still may be, whatever the Bank rate. Raising the rate depreciates all existing Government securities, which makes it difficult to borrow from the public. As a result the Government is driven to the Bank of England. We know the consequences: the total of deposits and bank cash is increased, prices go up and the currency is further inflated. The purpose of raising the Bank rate is to prevent borrowing by making it too expensive, and by this means to restrict deposits and the issue of currency; but when the borrower is a Government which may have to borrow, no matter what the price, and which has the power to compel the Bank of England to lend, raising the rate not merely fails to achieve its intended purpose, but actually operates in the opposite way. Until the Government have ceased to borrow, the Bank rate cannot have its normal effect. It must be observed, moreover, that these considerations apply with equal force when the borrowing by the Government from the Bank of England is not to raise new money, but to pay off maturing debt held by the public or the banks and not renewed by them. Again with regard to the exchanges, before the War, raising the Bank rate was bound to send up the value of the pound sterling in foreign exchange. The balance of trade, including invisible exports and imports, was in our favour, and if for the moment the pound sterling had depreciated, it was only because we had lent too much money abroad. Raising the Bank rate made it unprofitable for the foreigner to borrow in this market, and left our excess of exports free to assert its natural effect. To-day, the balance of trade is against us, and while the Bank rate should be at such a level as not to encourage the discounting of foreign trade bills in our market, to raise it above this point may in existing circumstances injure, rather than benefit, our exchange. For dear money adds to the cost of production, and every addition to cost hampers our export to those foreign markets in which we have to meet serious competition. But it is precisely these markets in which sales are for prompt payment. We can no doubt sell all the goods we wish in countries in which sale is possible only on terms of very extended credit, but exports to such countries do no good to our exchange. Raising the cost of production at home in any degree has a tendency to drive our exports out of the cash markets into the credit markets, and to that extent our exchange is injured.

DEAR MONEY A PREMATURE POLICY.

I cannot help thinking that the advocates of dear money are premature in their policy. They do not take sufficiently into account the actual circumstances of the moment. They wish to stop the continual rise in prices with its concomitant social dangers, and rightly recognising that the high prices are in a large measure due to the immense increase in purchasing power consequent upon the growth of Bank credit, they hope to resist further Bank advances by raising the Bank rate. But they overlook the fact that much the greater part of the inflated credit is due to borrowing by the Government. Bank advances to industry, though heavy in the aggregate, are not greater than industry requires, having regard to the amount of money sunk in the high-priced stock which a trader has to carry. Dear money is an additional expense in production and has the effect in itself of raising prices, but the counterbalancing influence, which it might be expected to exercise by the restriction of credit is neutralised by the repeated outpourings of Bank cash due to borrowing by the Government from the Bank of England.

A PLEA FOR ECONOMY IN EXPENDITURE.

The only condition on which we shall be able to check the rise in prices is that our annual expenditure is brought within the compass of our revenue. In State as in domestic finance we must learn to make both ends meet, and the case is not in the least bettered if we only balance our accounts by selling out capital stock and placing the proceeds to the credit of our revenue account. The expenditure of the Government is tantamount to the consumption of the quantity of commodities which the money would buy, and this must not exceed the amount of commodities the consumption of which the community are compelled to deny themselves by reason of the taxes they have to pay. If it does, we run the risk, as is indeed now the fact, that our consumption may exceed our production. This is not a plea for additional taxation. Far from it. Our existing taxation, which is, I believe, higher than in any other country in the world, is already dangerously near the point at which thrift, business enterprise, and needful capital development become seriously impaired. But it is a plea for economy in expenditure It is a plea for such ruthless cutting down or postponement of all financial outlay by the State as will reduce our expenditure to a figure less than our tax revenue, for by this method alone can we hope to restrict the issue of currency, check the rise in prices, restore our foreign exchange, and re-establish London in her old position as the financial centre and free gold market of the world.

THE LONDON JOINT CITY AND MIDLAND BANK'S PROGRESS.

Coming now to our own Bank, you will observe from our balance sheet that our liabilities and assets have increased very considerably since the previous year. There has been a notable change in the composition of our assets, which I will explain when I deal with the different items appearing in the balance sheet. The paid-up capital of the Bank has been increased by £1,244,637 10*s.* to £8,417,335 by the issue of 497,855 shares of £2 10*s.* each, as provided by resolution of the extraordinary general meeting held in September 1918. The price of issue was £5 per share, and the premium of £2 10*s.* per share was credited to the reserve fund, raising the latter from £7,172,697 10*s.* to £8,417,335. At the extraordinary general meeting in December last resolutions were approved further increasing our capital by the creation of 1,500,000 new shares of £2 10*s.* each. Of this number, as I then explained to you, 500,000 will be required to give effect to the arrangement for a fusion of interests with the Clydesdale Bank and 500,000 will be issued to the shareholders on our register on March 1 next in the proportion of one share for every eight then existing shares of both classes. These shares will be offered at £5 per share, a price which, in view of the present market value of the fully-paid shares, give a substantial benefit to shareholders. Fractional certificates will not be issued, but arrangements will be made for the disposal of shares representing the aggregate of fractions, and the net proceeds in excess of £5 per share will be distributed *pro rata* among the shareholders who would otherwise have been entitled to the fractions. Out of the whole number of 1,500,000 shares there will remain a balance of 500,000 shares, which will give us a reasonable margin of unissued capital to be used if and when the need arises. The issue of 1,000,000 fully-paid shares will raise the paid-up capital of the Bank to approximately 11 millions and the reserve fund to the same figure.

You will appreciate the reason why your directors have desired to build up a strong capital and reserve when you

reflect on the growth of our deposits since the end of 1915. The following are the figures :—

	£
December 31, 1915	93,834,000
.. 1914	125,733,000
.. 1915	147,751,000
.. 1916	174,621,000
.. 1917	220,552,000
.. 1918	334,898,000
.. 1919	571,742,000

No part of the increase in 1919 was due to amalgamation or causes other than the natural growth of business. But large as the figures are in themselves, they neither reveal the real increase in our business nor reflect the manner in which we have used our resources for the reconstruction and rehabilitation of our industries. This will only become apparent when we examine the different items which constitute our assets, and compare the figures of December last with those of twelve months earlier.

Our acceptances, at £29,014,568, are up £15,868,719. These acceptances, with the exception of a small amount representing credits arranged by our Government for Allied Governments in connection with the exchanges, represent the movement of commodities to this and other countries. All are well secured.

On the other side of our balance sheet cash in hand and at the Bank of England amounts to £60,216,796. In making a comparison between this year and last it must be borne in mind that the Government have paid off the money which they formerly borrowed from the Banks through the Bank of England, and the money thus set free has been largely lent to trade. The percentage of cash and of money at call to the liabilities to depositors is in consequence reduced and is brought back to a point more in keeping with peace conditions and practice.

Cheques on other Banks in course of being cleared amount to £8,050,607, or £6,049,121 more than last year. We show this item separately from our cash, though the whole of it becomes cash in at most three days.

Money at call and short notice amounts to £18,439,152.

Investments are £67,303,428, against £61,600,652 in December 1918. Our War Loan investments are valued at under cost in our books, and we have set aside a large sum out of our profits to meet the depreciation which followed the rise in the Bank rate. Any further depreciation beyond that provision is amply covered by the internal resources of the Bank. Moreover, it must be remembered that all the War Loans have a due date which in the case of several of them is at no very distant period, and we shall consequently gain considerably in capital appreciation when these loans are redeemed. During the year we took up £12,000,000 of Victory Loan, but the net increase in the total of our investments is less than this amount on account of maturities and sales.

Bills of exchange at £52,889,521 are £13,640,225 more than last year. There has been a marked increase in the supply of trade bills resulting from the resumption of international trade relations. Fine Bank bills and good trade bills form the greater proportion of our holding; the balance is bade up of Treasury bills with less than three months to run.

The next item in our balance sheet is advances on current and other accounts. Our anticipation that great demands would be made upon us under this head has been realised, and we may congratulate ourselves that the Bank has been in a position adequately to meet the requirements of the country in this respect. On December 31 last £162,966,745 marked the extent of our accommodation to trade and industry under this head. This large business is completely satisfactory in its character, and every risk is more than amply provided for.

Advances on War Loans represent advances made to customers for the specific purpose of enabling them to take up War Loans on their issue. The amount now outstanding on this account is £15,589,303, or a little more than last year. Now that peace is signed this item should disappear from our accounts.

The remaining item to consider is Bank premises, which stands at £3,618,960. We have appropriated from our profits this year £250,000 in reduction of the book value of our properties, and shall continue to follow this policy, which we feel sure meets with your approval.

There is just one other point that I should like to emphasise before we leave our balance sheet. It relates to "window dressing," a subject which has been given a certain amount of prominence in the financial columns of the Press. When I tell you that the average fortnightly ratio of our cash to liabilities in 1919 was in excess of the ratio shown on December 31 last, I think you will agree with me that we have been at no pains to make an exceptional showing in our published statement.

THE BELFAST AND THE CLYDESDALE BANKS.

You will remember that some two and a half years ago we entered into an arrangement with the Belfast Banking Company of Ireland providing for an exchange of shares in this Bank for shares in the Belfast Bank. We now hold the whole of the latter shares. Since that time the reserve fund of the Belfast Bank has been increased from £450,000 to £550,000, and deposits have increased from £9,500,000 to £17,000,000. But the fact to which I particularly wish to call attention is that advances to trade made by the Belfast Bank since our affiliation have more than doubled. Every penny of this money is lent in Ireland. It used to be alleged that the introduction of a British Bank into Ireland would result in Irish deposits being used to finance British industries. Experience has proved that this charge was devoid of all foundation. With the resources of the British Bank behind it the Belfast Bank has been able to give a much bigger proportion of assistance to Irish industries than it could have ventured to do on the basis of its own unaided resources. I trust that the fusion of interests with the Clydesdale Bank will prove no less complete and no less mutually beneficial than in the case of the Belfast Bank. The three institutions together will have in the three kingdoms a total of no less than 1,725 offices; 1,454 in England and Wales, 157 in Scotland, and 114 in Ireland. In Scotland and in Ireland there is and will be independent control and management, but a common spirit pervades the three institutions, an earnest determination to co-operate in the development of banking business on the best lines.

PROFIT AND LOSS ACCOUNT.

Coming now to our *profit and loss account*, after making full provision for all bad and doubtful debts our *net profits* amount to £3,079,461, which, with £675,097 brought forward from last year, give us £3,754,558, out of which we have to pay our dividend and make the necessary allocations. The dividend at the rate of 18%, less tax, absorbs £1,052,504; salaries and bonus to staff with H.M. Forces and bonus to other members of the staff account for £475,202; a special Peace bonus to the staff has cost us £250,000; £1,000,000 goes to provide for depreciation of War Loans and future contingencies; as already mentioned, £250,000 has been placed to Bank premises redemption fund; and we carry forward £726,852. I give you these figures in brief; they tell their own story, a record of the results of a year's hard work and of steady progress in the development of our business.

Mr. W. G. Bradshaw (Deputy-Chairman) seconded the resolution, and in doing so congratulated the Chairman on his magnificent address.

Mr. Deputy Millar Wilkinson and Mr. Devenish, having expressed their keen satisfaction with the outcome of the year's business and their deep appreciation of the masterly review of the financial situation given by the Chairman, the resolution was carried unanimously.

The Chairman moved, and Mr. A. H. Goschen (Deputy-Chairman) seconded, the resolution approving the dividend, which was carried.

The retiring directors, Mr. H. Simpson Gee and the Right Hon. Sir Guy Fleetwood Wilson, K.C.B., were reappointed, as were also the auditors.

Sir William Seager, M.P., proposed : "That the best thanks of the meeting be given to the Chairman and directors for their careful attention to the interests of the Bank." This was seconded by Mr. G. Wigley. Both the mover and seconder paid tributes to the character and work of the late Chairman, Sir Edward Holder, and offered their congratulations to Mr. McKenna on his able exposition of a subject of vital interest to the country at large.

Mr. W. G. Bradshaw proposed : "That the best thanks of the meeting be given to the managing directors, general managers, assistant general managers, secretaries, branch managers, and other officers of the Bank for their continued attention to the duties of their offices." He said that no fewer than 5,100 men left their service during the War to join his Majesty's Forces. This was 56% of the total staff, and no fewer than 640 (or 12½%), a very high average, laid down their lives for their country. Alluding to the joint managing directors, Mr. S. B. Murray, Mr. F. Hyde, and Mr. J. F. Darling, he said that the Bank was extremely fortunate in having these gentlemen in their high and responsible positions. Mr. Murray and Mr. Hyde had been the right hand of Sir Edward Holden, whilst Mr. Darling brought to their deliberations a knowledge and experience of banking second to none. A very special debt of gratitude was due to the general managers, who bore such a large part of the burden and heat of the day.

Mr. S. Christopherson seconded the resolution, which was carried with acclamation.

Mr. S. B. Murray (Joint Managing Director), in responding, said that the Bank had a loyal, enthusiastic, and hard-working staff of men and women, of whom the board and the executive were extremely proud. He and his co-managing directors felt, in succeeding to some phases of the work performed by their late beloved chief, Sir Edward Holden, that the responsibility was great, but with the cordial support of the directors, and with the generous appreciation of the shareholders shown that day, they honed to maintain the high standard of the great institution they were proud to serve.

A cordial vote of thanks to the Chairman for presiding was moved by Mr. J. Emsley, J.P., and seconded by Sir G. Rowland Blades, M.P.

The Chairman, having briefly responded, the proceedings terminated.

BARCLAYS BANK LIMITED.

THE annual general meeting of this Bank was held on January 28 at the Cannon Street Hotel, London, E.C., Mr. Frederick Craufurd Goodenough (the Chairman) presiding.

Mr. W. N. Seeley (one of the Secretaries) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Ladies and Gentlemen,—I presume that you will wish to take the report and accounts as read. Before proceeding with the normal business of the meeting, I have to refer, with deep regret, on behalf of myself and my co-directors, to the loss we have sustained in the death of Mr. Francis Augustus Bevan. The loss is a personal one to most of us, and we desire to record our sense of appreciation of the valuable service rendered to the Company by Mr. Bevan for upwards of 20 years, in his position as Chairman and director. Mr. Bevan, as most of the shareholders know, was the senior partner in the late firm of Messrs. Barclay, Bevan, Tritton, Ransom, Bouverie and Co., with which firm he had been associated since he was 20 years of age. He was a well-known personality in the City, and many people looked to him for sound advice and judgment in financial matters.

I have also to report, with deep regret, the death of another colleague, Lieut.-Colonel William Edward Thomas Bolitho, D.S.O., as the result of illness contracted through exposure whilst serving with His Majesty's Forces during the late War.

I would also refer, with deep regret, to the death of Sir Inglis Palgrave, the distinguished economist and banking expert, who was a local director of our Bank at Great Yarmouth, and who passed away at the mature age of 92.

I will now draw your attention to the various items in our balance sheet, and give you a short summary of the banking operations of the past year which have produced the substantial results set out in our profit and loss account. I will then make some general remarks as to the financial situation at this critical moment of the world's history.

Growing Volume of Business.

Our current, deposit and other accounts continue to increase in volume, and you will see from our balance sheet that they amounted to £296 millions on December 31 last, as compared with £240 millions on December 31, 1918. This is a big increase. These figures necessarily reflect continued inflation of credit, due to Government borrowing through the medium of the banks and other credit institutions. I am pleased to say that the number of the Bank's customers has largely increased during the year, and this may be taken as satisfactory evidence of progress.

Acceptances have risen from £4½ millions to £13½ millions. The increase in this item largely reflects foreign trade activity, and is also a cause for satisfaction. I may say that our foreign business is growing rapidly, and that the relationships which we have established with various banks operating abroad, and in the Colonies, are proving a great convenience to our customers, and a source of profit to ourselves.

The activity of general banking operations during the past year is shown in our turnover, which amounted to well over £5,500,000,000, the number of cheques cleared having risen to the record figure of 54,500,000. (Hear, hear.)

Recent Fusions.

During the year the business of Messrs. Gillett and Company, Bankers, of Oxford, Banbury and elsewhere, has been incorporated with that of this Bank. We are very pleased at the acquisition of this old-established and sound business.

The important scheme for the affiliation of The British Linen Bank, and of the Union Bank of Manchester, Limited, with ourselves has also been completed, and will take effect as from the 1st instant.

The alterations in our capital, consequent upon this scheme, do not appear in the balance sheet which is before you, because on December 31 last our arrangements with The British Linen Bank and with the Union Bank of Manchester had not come into effect. To-day, however, our capital account stands as follows: "A" Capital, £3,430,356; "B" Capital, £10,780,000, making a total paid-up capital of £14,210,356, and our reserve fund stands at £7,000,000. You will recollect that our reserve fund stood at £6,000,000 a year ago, but since then it has been increased to £7,000,000 by the addition of the premiums received on the new "A" shares which we issued in December 1918, and by a transfer from surplus profits.

Mr. Charles Barrington Balfour and Mr. James Tuke will join our board from The British Linen Bank, and Lord Rochdale and Mr. Peter Forrester from the Union Bank of Manchester, while we shall nominate two representatives from this Bank to the board of each institution. We look forward with much confidence to the mutual advantage of close co-operation with these two Banks.

We have long felt the necessity for being represented in the Lancashire district, and with our growing foreign business, and the ever-increasing world importance of the cotton industry, this necessity has become a pressing one in the interests of our customers, as well as of ourselves. We have also felt the need for representation in Scotland, because of the inter-dependence of interests between the two countries.

Shares for Permanent Staff.

As you know, we recently took powers to issue a special class of capital to be held by our staff and to be known as "C" capital. No issue has yet been made, but we have formulated our scheme, and have decided to offer a certain amount of this capital (which you will recollect ranks in all respects equally with the "B" capital) to permanent members of the staff who have been in our service for more than three years. Subscriptions will be made at par. Members taking shares will be allowed to hold them while in the Bank's service, during which period they will receive full dividends, and at the termination of their service the shares will be taken back at par, that is to say, at the price at which they were acquired. In this way, every such member of the staff who has completed three years of service will have a special inducement to acquire shares in the Bank. These will return him good dividends, and give him the right to vote in the same way as every other shareholder. The amount of individual holdings will necessarily be limited, so that those who are less well-to-do will have an equal chance with those who are better off.

Special facilities will be given to enable members of the staff who want the shares to subscribe and to pay for them.

We hope and expect that this opportunity for becoming shareholders in the Bank will be taken full advantage of by the staff. It will enable them to build up capital for themselves, and to add to their incomes; at the same time, they will feel they have some stake in the business.

Expanding Assets and Public Demands.

On the other side of the balance sheet, our cash in hand and with the Bank of England, &c., has risen from £51¾ millions to £65 millions, the ratio to liabilities on deposits being 22%. Cash at call and short notice is slightly lower than last year, the total being £20 millions against £21¼ millions, and the ratio is 6.7%. Bills discounted stand at £30¼ millions, the figure for last year being £47½ millions. This decrease is accounted for by the fact that our holding of Treasury bills a year ago was abnormally large. Since that date some of the money invested in Treasury bills has instead been loaned to customers to enable them to take up Funding Loan and Victory Bonds and so to fund floating debt, of which Treasury bills form an important part. These three items may fairly be regarded as very liquid assets, and the fact that they represent 39% of our liabilities on deposits is, I think you will agree, a highly satisfactory feature.

Our investments at £62¼ millions include a large holding of Funding Loan and Victory Bonds, which we took in order to assist the Government with their issue. We also hold a large number of Treasury bills, and indirectly we contribute towards the financing of the Government through Ways and Means Advances.

During this year we shall acquire as an investment practically the whole of the £1,250,000 stock of The British Linen Bank, and also almost the whole of the £750,000 of capital of the Union Bank of Manchester, Limited. In exchange for these we shall transfer about 1,355,000 "B" shares of £1 each fully-paid and £1,153,000 National War Bonds to stockholders of The British Linen Bank, and 1,392,325 "B" shares of £1 each fully-paid to shareholders in the Union Bank of Manchester, Limited.

Our advances to customers amount to £130,000,000, compared with £78,750,000 a year ago. This is also a big increase, and it is largely due to higher prices. Every trader or manufacturer who requires temporary accommodation from his bankers, and particularly those traders who are financing produce, require larger accommodation in order to carry on their business. Besides this, as I have already stated, we have made loans to our customers to enable them to take up Victory Bonds and Funding Loan.

Demands for loans have been very great, not only because of high prices, as I have already indicated, but also to enable manufacturers and others to carry excessive accumulations of stocks because of the strikes. I refer particularly to the moulders' strike, now happily concluded, which did great injury to the country. These strikes have prevented the completion of orders and the delivery of goods, and unquestionably cessation of work in one industry, whether resulting from wages disputes or other causes, produces unemployment in other branches of industry and trade. Our workmen have yet to learn that the greater the industry and the output of each individual, the more work will there be for all. (Hear, hear.) Moreover, there is nothing so productive of unemployment as a condition of affairs under which one section of the industrial community ceases for a time to play its part in our great national engine of production. (Hear, hear.)

Loans have also been required because the bad organisation of railway traffic often makes it impossible to move and therefore to receive payment for goods which have actually been finished. Better organisation of transport is one of the most urgent needs of the moment, and as this is achieved it should have considerable effect in lowering prices and the cost of living. There is unlimited scope in this direction for young men possessed of organising talent, and as has been shown in the past, men of real ability and energy may rise from the most humble to the highest administrative positions in the railway and transport world. There is a

good prospect that this important question of better transport organisation will now be taken in hand and satisfactorily solved.

What I have said as to the great opportunities open to young men in transport applies equally to banking, for we are making great strides in organisation and development, and require the best abilities that are available.

New issues of capital have been on a large scale, and this is beneficial providing the companies are sound. It is a good movement, as it enables industry to increase its capital directly from the pockets of the people, and does not therefore inflate credit as does borrowing from the banks. It also has the advantage of being permanent money for industry, as against temporary bank accommodation. Naturally, however, investors must keep in their minds the facts that profits in many directions are abnormal at the present time, and that circumstances have moved in such a way as to enable assets to be written up to a figure which may possibly not be a permanent one.

The item "premises" in our balance sheet has increased from £3,800,000 to £3,980,000, although we have transferred £150,000 from profit in reduction of this account. This increase is due to our having opened a large number of new branches during the year.

Dividend Maintained.

Out of our profits, which amount to £2,400,619 7*s.* 2*d.*, including £278,427 15*s.* 7*d.* brought forward from December 31, 1918, we have set aside a large sum as a provision against contingencies, as to which we cannot be too well prepared. After appropriating £100,000 to reserve for staff pensions, and, as already mentioned, £150,000 in payment for buildings, we pay the same dividend as last year, and we carry forward the sum of £508,450 5*s.* 7*d.* (Applause.) This, together with other internal reserves, will far more than suffice to cover the depreciation on our investments; this depreciation, however, we regard as temporary. Here I may mention that the greater part of our investments are repayable at short dates, and at a higher figure than that at which they now stand in our books. (Applause.) We hope, too, that the provision for contingencies will prove an unnecessary precaution, but with so uncertain an outlook we must be prepared for all eventualities.

You will notice that expenses have risen from £2,924,105 to £3,751,628. This increase is accounted for partly by the further general increase in prices, but it is mainly caused by the higher salaries we have paid to our staff in order that they may not suffer from the increase in the cost of living. With this policy I am sure you will be in sympathy. (Hear, hear.)

The General Financial Situation.

Turning to the general monetary position, it has been a misfortune that the Government have pursued the policy of high rates for money, when it was open to them to borrow cheaply before the period of speculation set in. The question of dear money or of cheap money was at one time entirely in the Government's hands, and cheap money immediately after the Armistice would probably have saved the country large sums in interest on Government borrowing—(hear, hear)—and would have raised the market value of Government investments; it would thus have permitted funding operations to take place at an earlier date than will now be possible, as it would have enabled us the sooner to meet expenditure out of income. The policy of high rates has benefited nobody, for it has neither assisted the foreign exchanges, nor has it checked speculation. Speculation has now resulted in a large absorption of the surplus credit which then existed in private ownership, so that the Government—possibly acting to a certain extent under extraneous compulsion—have for the time being lost a golden opportunity. If advantage had been taken of this opportunity, it would have reduced substantially our expenditure, and gone some way towards making both ends meet. At the present moment the deficiency between revenue and expenditure for the year is estimated at not less than £473,000,000, unless the value of unrealised stocks and other recoverable assets be taken into account. From the point of view of capital, statistics show that the total depreciation on 387 representative securities dealt in on the London market has in twelve months amounted to £166,000,000. This huge loss, though temporary, is attributed largely to the dear money policy.

The reports we receive from our provincial branches as to the general industrial and commercial position are favourable. Mills and factories are said to be working full time, and despite this they are compelled to refuse good business because they cannot cope with the abnormal demand. To meet these conditions we are, as already stated, assisting many firms and companies to extend their productive capacity, and when the new plant laid down comes into use—as much will in the near future—there should be a continually increasing output to meet the urgent and world-wide demand for our manufactures.

In foreign markets, the Bank's Agents abroad particularly in South America—advise us that there is a strong preference for goods of British workmanship, and that people who have been compelled to buy from other countries, because we could not supply their needs, are anxious to get back to British goods, and to deal with British people.

To sum up the position, we may safely say that under existing conditions the only limit set to the volume of our exports is the amount of goods that we can produce, and the ability of the importing countries to provide means of payment.

In this connection trade reports point to extravagant expenditure at home, and this should be checked so far as possible. Foreign trade is really of greater importance to us at the present time, because by increasing our exports, we shall be able to pay the interest on and reduce our foreign indebtedness, as well as to pay for raw materials and essential foodstuffs. We must not only pay for imports with exports, but leave a surplus for improving conditions of life, and for investment abroad. The value of foreign investments was proved during the War, for it is difficult to see how we could have financed ourselves and our Allies had it not been for the enormous volume of those investments, especially our investments in America.

The general improvement in our foreign trade position has been shown in the Board of Trade Returns which have been published in the papers. They show that the adverse balance for the year has been reduced to £669 millions apart from invisible exports; the amount accruing from these invisible exports, consisting of freights and commissions, are certainly most satisfactory at present.

Looking at the unofficial estimates just issued by the Board of Trade, it would appear that during the present year, taking the balance of trade and invisible exports together, we shall turn the corner and show a balance of £200,000,000 to £300,000,000 to the good, so that if these figures are realised, we shall more than pay our way. (Hear, hear.)

We have also to remember that the British Empire is responsible for 60% of the world's production of gold, and that within the Empire we can produce almost everything we need. The fact that Egypt, West Africa, and India, are all cotton producing areas, should give us an outstanding advantage in being able to secure for the British Empire a considerable proportion of the cotton crop of the world.

Moreover, although statements have been made that we in this country have not given sufficient attention to financial organisation for the assistance of trade, we have, in fact, established a chain of banks, both foreign and Colonial, which are at least equal in efficiency to those possessed by any other country.

Over and above and far exceeding all this in importance, we have the knowledge and the instinct for foreign trade and for international banking acquired through generations of successful trading and world development. (Applause.)

I have put before you these favourable features in the situation as it is to-day, because the recognition that there are bright possibilities is the best way to lead to their realisation. On the other hand, there are many complex problems at home to be settled, and the outlook on the Continent is very dark indeed.

The Chancellor of the Exchequer has told us that Government borrowing will shortly cease, but this announcement should only serve to remind us that our National Debt amounts to over £8,000 millions, as compared with a pre-War figure of about £700 millions. Moreover, the Chancellor's estimate of a normal Budget is roughly £800 millions, as compared with a pre-war Budget of about £200 millions. These figures mean that we must leave no stone unturned which will enable us to reduce our indebtedness, and this can be done by taxation of profit, and by seizing every opportunity for the exercise of economy, both national and individual. On the other hand, we must maintain our earning power in order that the taxation which the Chancellor must impose will not be more than industry can bear.

The return to normal prices must of necessity be very gradual. On the other hand, a violent fall in prices might produce too rapid deflation and might precipitate a catastrophe resulting from a breakdown in credit, or such a condition might arise from the inability of credit to expand as and when circumstances may justify.

It seems that a high scale of values, of costs of living, and of wages, is likely to continue until production overtakes demand, and this may mean a considerable period of time, but a process of gradual deflation will bring us safely home.

With the recognition that prices will probably not fall for a considerable period of time, and that the adjustment of wages to meet the altered conditions of living is more or less permanent, can there not be a settlement of labour unrest? What we all want to see is a condition of things under which we can feel that each individual is working for his own and for his country's good, and is helping to pull the coach out of the mud, and send it spinning along the road again. There is a general desire to see labour well paid, and no one grudges improved conditions of life and the realisation of sound ideals, especially those of better education and housing, but we all must work full time and without soaring ourselves, so that we may earn what we get.

Moreover, the country must be put upon a sound financial basis, and as a means to this end the arrest of further inflation of credit and of currency, except under healthier conditions, is one of the first steps. Next to this comes the provision

of adequate safeguards against sudden or too rapid deflation. More important than all, however, is the power to expand upon healthy lines so that we can respond to the calls that may be made upon us. This country is in the position of a banker whose business it is to accept liabilities and by the exercise of skill and good judgment to turn them to profitable account. England has for many years acted as the world's banker, and she will, I am confident, continue to do so in the future, notwithstanding that some of her customers may be richer than herself. There can be no doubt that with the experience of generations, and with the wide channels of information and communication, she can, with a reasonably cheap money market, maintain that position. In this way and with our great opportunities in trade, we should be able to create wealth so that our national balance sheet may show a steadily improving ratio of assets to liabilities. This will, of course, be assisted by the fact that Government borrowing will shortly cease. I have already referred to the Chancellor's statement on this subject. Another favourable feature is the adoption by the Government of the recommendations of the Currency Committee, which should help to arrest further inflation.

Credit and Currency.

An unsound currency such as we have had, which could be increased at the will of the Government, lends itself to all those evils which have their origin in inflation of credit. These evils are in turn accentuated and increased by unsound currency. Although inflated credit may in the first place cause prices to rise, an unsound currency following on inflated credit carries the evil still further. Would anyone say that credit is safe, when the individual to whom it is granted is borrowing without limit elsewhere upon his own promissory note? That is what happens with an unsound currency. On the other hand, sound currency, capable of elasticity and based upon the volume of production, holds undue inflation in check.

The gold and Bank of England notes held against £1 and 10s. notes outstanding now show an improving ratio. Whether the percentage is increased according to the plan recommended by the Committee, by restricting the fiduciary issue to the maximum of the previous year and covering any further issue by gold or Bank of England notes, or whether it is increased by limiting the total issue to a gradually improving ratio of gold and Bank of England notes, which alternatively provides greater power of expansion in case of need, we may now feel that we have taken the first step towards the return to a sound system. (Hear, hear.) In whatever way the figures of the currency note issue are published from time to time, there can be no doubt that the world, in analysing the position, will always add the amount of the fiduciary issue to the amount of notes backed by gold or Bank of England notes (which latter are gold certificates), and calculate the gold held as a percentage of the total of notes outstanding.

The questions of credit and currency are closely interlocked. Many people have argued that, because inflated currency and high prices originate from inflation of credit, therefore it is necessary to deflate credit as a first step towards deflation of currency and reduction of prices, and that with deflation of credit, deflation of currency and prices will automatically follow, but this is not necessarily the case. Experience goes to show that there exists a tendency for credit to rise gradually in ratio to the amount of currency available, and this is particularly the case where the currency is not of such a nature as to be subject to automatic contraction, as happens with a gold currency. For this reason the re-establishment of a sound currency, regulated by value, is essential, and there is cause for satisfaction that a limit has now been set to the fiduciary issue.

The method adopted, however, does not give much room for expansion. Government borrowing, except for funding purposes, is probably drawing to a close, but it must be remembered that this country, with its enormous responsibilities as the centre of the British Empire, and as the financial centre of the world, will find it difficult to refuse those additional credit facilities which are undoubtedly needed to effect reconstruction now that the War has ended.

The present condition of the world will not admit either that we should stand still or go backwards, and further justifiable expansion of credit may be forced upon us, to meet the demands of industry and trade, which will probably be very heavy if we are to help to re-establish the distressed countries of Europe, and to carry out Empire and home developments, both industrial and social. The necessity for further expansion of credit may demand a larger volume of currency, and for this reason, as I have already said, sound currency as a practical measure, based upon a system which is capable of expansion, is of primary importance.

Many proposals are put forward for granting credits to the distressed countries of Europe, in order that they may purchase the necessaries of life, raw materials with which to re-start their manufactures and trades, and rolling-stock and railway material to enable them to bring down their natural products to the ports, and thus provide themselves with a basis of exchange. There are great difficulties in carrying these proposals into effect so long as the currency conditions of those countries are unsound, because of the interval of time between the granting of the credit and the date of its maturity. So long as currency can be increased at will, without any relation to real value, the economic condition of a country may rapidly change for the worse before the due date of a credit, and if payment for goods is accepted in currency, its value as a medium of exchange has no stable basis. Until, therefore, the currency conditions of the distressed countries of Europe have been satisfactorily dealt with, the rehabilitation of those countries seem to be almost impossible.

Each case would probably differ according to the circumstances and the conditions which prevail. In some cases it may not be possible to make a beginning except by demonetising the existing note issues and scrapping them, or by adding their total upon certain terms to the funded debt of the country. The country concerned could then make a fresh start with a new currency, based on value in a ratio of gold borrowed for the purpose, and governed by a system that is capable of expansion and contraction. The credit scheme provided by our Government for facilitating trade with the distressed countries of Europe has not been successful, probably because those desirous of making use of it have to accept a stake in the unstable currency of the country concerned. Any assistance that we could give would be better employed in helping the countries concerned to establish a sound currency system. All these distressed countries form an integral part of the world's economic system, in addition to Germany and Austria, and it is a fact that we cannot afford to exclude either Germany or Austria, with their great populations, from the right to participate in the world's trade.

Their markets are as essential to us and to America as are the markets of America and our markets to them. The complete collapse of Germany, through her inability to trade, would not only prove a calamity to the neutral countries, but would render remote the possibility of payment of any portion of her indemnity, and these two facts would probably precipitate a crisis throughout Europe, in which the whole world might become involved. (Hear, hear.)

England and a Free Gold Market.

Viewing the financial position of England in the world, we cannot place ourselves in our old predominance until this country has resumed its place as the free gold market of the world. Whether we can hope to resume this position quickly is open to question, because the balance of our trade and interest payments with America is likely to continue an adverse one, whilst countries with whom we have favourable balances, and from whom we should, in theory, be able to draw gold to pay America, are not likely for some long time to be in a position to pay gold to us. Therefore, until we can draw gold from our debtors in order to pay our creditors, we are not likely to be able to get back to a free gold market.

This position is well illustrated by the fact that although the United States have an immensely favourable balance of trade, which for November last amounted to well over £75,000,000, because the international exchanges are not working properly at the present abnormal levels, they had to export some £18,000,000 in gold and silver to pay for imports from those few countries with whom their balance of trade is adverse.

On the other hand, their receipts of gold and silver from those countries with whom their balance is substantially favourable, only amounted to £2,350,000.

This would be our position if, when our trade balance is favourable, we attempt to return to a free gold market, while other principal countries are content to work with adverse exchanges.

We cannot yet tell whether, with the adoption of the committee's report, and the restriction of further issues of currency, except against gold, rates will operate so as to produce automatic contraction, as was the case with the gold currency. So long as there was no restriction in the issue of paper currency, rates did not have this effect. Should a greater volume of currency be required to meet justifiable expansion in the volume of credit, and gold not be obtainable to preserve the full proportion of gold to notes, it would be better to base the increase on bills which reflect the real trade position, and which would therefore provide automatic expansion of contraction. We have, however, the opportunity of securing gold from within the Empire which may help us in this respect.

Many people ask for a plan for improving the rate of exchange between this country and America, in order to reduce the cost of remittances to that country for payment of our debts to her and for purchases, the value of the £ sterling being now equivalent only to about 3.54 dollars instead of the pre-war normal value of 4.86 dollars.

As we all know, this shrinkage in the value of the £ as expressed in dollars is due to the fact that the balance of trade has moved against us to a greater degree than was the case in pre-war times, and that, besides this, instead of America owing money to us every year for interest on what we had invested for the development of her railway and other industrial undertakings, she has not only repurchased a large quantity of these investments from us, but has also lent considerable sums to us out of which we have paid for goods supplied by her to us and to our Allies for carrying on the War. It may seem superfluous to mention this, but there are some who may not be versed in such matters.

It is well, however, to remember that because of the large foreign purchases of dollars made in this market, the present exchange level reflects not only our trade indebtedness, but also indirectly a part of the indebtedness of other European countries to America. The dollar exchange is really a "New York—Europe" and not a "New York—London" Exchange.

As in all cases between debtor and creditor, there is no obvious and simple remedy which will alter the position, but the remedy lies in those steps which I have indicated as necessary for the improvement of our own industrial and financial position.

Temporary expedients, except in so far as they may serve to tide over an inconvenient period of time, are of little use. The real remedy, as I have said, lies in economy, especially financial economy, and in increased production now, when the opportunity offers. (Applause.)

I beg to move: "That the report of the directors produced, together with the annexed statement of the Company's accounts as at December 31, 1919, duly audited, be received, approved and adopted, and that a final dividend at the rate of 10% per annum on the "A" shares, and 20% per annum on the "B" shares of £2 each, £1 paid, less income tax, making, with the interim dividend paid on August 1 last, 10% for the year on the "A" shares, and 20% for the year on the "B" share of £2 each, £1 paid, be declared, payable on the 2nd proximo, to the shareholders registered in the books of the Company on December 31 last."

I will call upon Sir Herbert Hambling, our Deputy Chairman, to second the resolution, and will ask him to make a few remarks. (Applause.)

Sir Herbert Hambling: Ladies and gentlemen, I am quite sure that after the admirable speech that you have heard from your Chairman you will want me to say very little. I think we should congratulate him on what he has said. You have no doubt followed him very closely through all his reasonings. Turning to the more domestic side there is no question that the balance sheet that is presented is an excellent one. The figures show improvement in all directions; the liquidity of the Bank is unquestioned; and there is one item in particular, the item of loans to customers, that you will see has increased by a very large sum of more than 50 millions. I think this is a direct answer to those critics who in past years suggested that big banking amalgamations would mean the less accommodation for the traders of the country. The trade of the country has been assisted enormously, not only by Barclays Bank, but by all the banks, and I think that as the balance sheets of others are published you will see, by looking at the corresponding figures, to what an extent the banks of this country have assisted the commerce of the country. I was very glad to hear the Chairman explain the particulars of the "C" capital. There is no doubt in my mind that an incalculable amount of good will be done by giving everyone who has been in the service of the Bank for a period of three years or more an opportunity of buying shares in the Bank at a price that will yield him a handsome dividend, and an opportunity of borrowing the money for the purpose from the institution at a very reasonable rate of interest, and so making members of the staff shareholders of the institution. (Applause.) I was also very pleased to hear him speak in an optimistic manner with reference to the condition of trade here and the national accounts, and if I had been presiding to-day I frankly admit that I should have been more optimistic than he was. (Hear, hear.) When we get the final accounts for the year I believe that even the sanguine anticipations of the Chancellor of the Exchequer will be considerably surpassed. The trade of the country is booming. I think Englishmen are fully alive to the necessity of waking up, and I personally feel quite optimistic that England will still hold her own and will still be the predominant country. (Hear, hear.) I have no fear of any competitors—not even our great cousins over the Atlantic. (Hear, hear.) I am glad also to hear the Chairman's speech as to the necessity of England helping those distressed countries. It is essential in my opinion that this country should trade with all nations. You cannot blot out a certain portion of the Continent. You cannot eliminate a population of 60 or 70 millions. You cannot starve them. You cannot kill them. You will have to trade with them. You will have to trade with them because you want many things they have got, and because you have many things here that you want them to buy. We shall have to face that position. There is no doubt we shall have to face it. You cannot bury those countries. You must allow them to live, and, as the Chairman has said, it is only by assistance, it is only by putting those countries to work, that you will be able to get the indemnities which the Peace Treaty has laid upon them. It is not the wealth of Germany, Austria, or the others that you can go and take: it is the wealth that they may be able to create by their energy in future years that will enable them to pay their just debt. (Hear, hear.) I will not weary you further. I did not intend to make a speech. I only hope that at this time next year, when you are called together, the trade of this country will show what England can do, and that the balance sheet of Barclays Bank will go from better to better. I have great pleasure in seconding the resolution moved by your Chairman.

Mr. Millar Wilkinson said he had listened with interest to the highly instructive speech of the Chairman and also that of Sir Herbert Hambling. The report was one of which they might all feel justifiably proud, and he thought it had given universal satisfaction. He was very glad to hear what the Chairman had said about the "C" shares, which were of such great importance now that co-partnership was so much in the air. With regard to the increase in expenses, he was sure they all agreed that the staff should be treated liberally, and that none of the shareholders would wish to have an increase in dividend at the expense of the staff.

Mr. G. L. Moore congratulated the Chairman and his colleagues upon the successful result of the year's business, and remarked that he was very pleased at the optimistic note struck by the Chairman. It was particularly gratifying that the foreign business of the Bank was rapidly increasing.

Mr. C. Heath Clark also offered his congratulations on the position disclosed by the report and accounts presented. They afforded the most striking and tangible evidence that there could possible be of the enormous increase in the business of the Bank and the strength of the undertaking with which they as shareholders were privileged to be connected. The result shown by the profit and loss account was most satisfactory in every respect, and exceeded, perhaps, their brightest and greatest hopes. The only conceivable criticism which he could imagine arising in the mind of any shareholder was that with such largely increased earnings he might have had a rather larger portion of the cake that was suggested to be cut. (Hear, hear.) The finest fault, however, that the directors of a large bank could commit—if it were a fault—was that they should err on the conservative side in the distribution of the profits, and there was, after all, something larger than a mere individual shareholder's interest in that question. There was a great national interest at stake, and a great national responsibility rested upon the board, and when the Chairman said the directors considered it wise and right, while the immediate position was uncertain, to retain for the further strengthening of the Bank a large proportion of the earnings, he (the speaker) was prepared to accept what was, after all, a good distribution, and to be thankful for it, and also to have a very great expectation that the day would come when the distribution would be larger. (Hear, hear.)

Mr. Christian said that although the Chairman had quoted the Chancellor of the Exchequer as promising a cessation of borrowing at an early date, this did not seem to be likely having regard to the annual deficit shown by the National Exchequer. Assuming that the Chancellor of the Exchequer would have again to seek accommodation from the banks, he hoped this Bank in conjunction with others would bring pressure to bear so that greater national economy might be brought about. (Hear, hear.)

Mr. Owen Jones, speaking as a member of the staff, said that they very much appreciated what the board and the shareholders had done in regard to the "C" shares, but according to the rules, when a member of the staff retired on pension he would have to give up those shares, and he ventured respectfully to suggest that an arrangement might be made so that they should retain them.

The Chairman, in reply, said that Mr. Christian might feel quite satisfied that certainly this Bank would always be in favour of, and would endeavour to inculcate whenever opportunity offered, economy in national finance. He could not say more than that at present, because he had no idea that they are likely to be called upon by His Majesty's Government to express an opinion on the subject; but certainly if they are asked to do so they would always stand strong for national economy. With regard to what Mr. Owen Jones had said, he was glad to feel that the staff appreciated the creation of the "C" shares. He was afraid the difficulty to which that gentleman had referred was unavoidable, but there might possibly be means of making it less of a penalty to a pensioner than might appear to be the case. The sympathies of the board were just as much with the pensioner—the man who had served the bank well all his life—as they were with the members of the staff while they were in the service of the Bank. (Hear, hear.)

The resolution was carried unanimously.

Sir Herbert Hambling then moved that the retiring directors (Messrs. R. L. Barclay, J. W. Cross, E. R. Dodsworth, F. C. Goodenough, H. Gosling, O. V. G. Hoare, E. H. Parker, H. E. Snagge, and C. M. Woodbridge, and Sir Hallewell Rogers) be re-elected.

Mr. Cosmo Bevan seconded the motion, which was unanimously adopted.

The auditors (Messrs. Kemp, Sons, Sendell and Co., and Messrs. Price, Waterhouse and Co.) were re-appointed.

The Chairman next moved: "That the cordial appreciation and thanks of the shareholders be given to the general managers, the assistant general managers, the secretaries, and the whole of the staff of the Bank for their excellent services during the past year." He wished specially to mention the work which had been done by the general managers, Mr. Tuke, who, he was glad to say, was now back again after a very severe illness, and Mr. Carruthers. They, as well as the assistant general managers and the whole of the staff, had displayed great zeal and energy in the conduct of the business during the past year. It had been a very heavy task indeed because of the continually increasing volume of business with which they had had to cope. He

could say with sincerity that he did not think there was a more zealous body of men in carrying out their duties than the staff of Barclays Bank.

The vote was seconded by Sir Herbert Hambling and unanimously accorded.

Mr. W. Favill Tuke, in acknowledging the compliment, said: On behalf of my colleague (Mr. Carruthers) and the whole staff I beg to thank you for the cordial resolution you have kindly adopted. I feel that it is not only a privilege but an honour to be called upon to respond to this resolution, because I realise that the words our Chairman has employed are no mere terms of courtesy, but represent not only his feelings but also those of all the directors of Barclays Bank in regard to the whole staff, which now numbers nearly 10,000. I am sure this large meeting of shareholders would be glad to know that every recommendation that either the Chairman or the management had made in the past for the benefit of the staff has always been adopted in the most generous manner, with the consequence that Barclays Bank have, I believe, a thoroughly contented staff. (Applause.)

The proceedings closed with a vote of thanks to the Chairman, and the fees of ordinary directors were increased to 1,000 guineas per annum, free of tax, in order that they should be equal to the fees paid to the directors of the London Provincial and South-Western Bank, now amalgamated with Barclays Bank.

BANK OF LIVERPOOL AND MARTINS, LIMITED.

THE eighty-ninth annual meeting of the shareholders of the Bank of Liverpool and Martins Limited was held at Liverpool on Tuesday, January 27, Mr. Edward Paul, the Chairman, presiding.

In moving the adoption of the report of the directors, and the accounts, the Chairman said: Gentlemen,—I beg to move that the report of the directors now submitted, and already printed and distributed among the proprietors, be adopted. I presume you will allow me to take the report as read.

When we met on December 15 it was my privilege to enter fully into the various aspects of our three recent amalgamations—viz., with Messrs. Cox, Biddulph and Company, the Palatine Bank, and the Halifax Commercial Banking Company—and I do not propose to-day to traverse the ground again. I would only say that those amalgamations were unanimously approved not only by you but by the shareholders and proprietors of the banks who have joined us, and they have now been successfully accomplished. Much detail work in connection with the transfer of securities and accounts naturally still remains to be done, and will still involve considerable labour on the part of the management and staffs of our own and the other banks, but all is going through smoothly. Closer acquaintance with the businesses of the three banks who have joined us confirms the favourable opinion we formed of them when we investigated them prior to the amalgamations.

During the past six months the long hoped-for revival in trade began in earnest, and there has been great activity in almost every branch of commerce. That activity is reflected in the figures of the balance sheet and report submitted to-day. You will notice that there has been an increase of two millions in the amount at credit of customers' accounts, 12½ millions in the amount of the Bank's acceptances, and eight millions in the amount of loans and advances to customers, apart from the increase in customers' liability for Bank's acceptances.

We have passed from a time of quiet trade and small demand for banking accommodation to a time of active trade and large demand for money. Naturally, the profits of the Bank have benefited by the change, and we are enabled to-day to report a profit for the half-year of £325,000, which, even allowing for the inclusion of the profits of Messrs. Cocks, Biddulph and Company, and of the Palatine Bank, is a highly satisfactory figure. We have transferred £150,000 of this amount to investment reserve account to help to provide for the heavy depreciation which took place during the half-year in the value of our gilt-edged securities. You will notice that in our balance sheet we have divided the securities into two classes, in order to conform to the practice of other clearing banks—namely, investments in what I may call "Government War Issues" and investments in other securities. The latter securities have all been written down to below the market value of December 31. The former group has also been substantially written down, and if we had cared to utilise some of our internal reserve we should have covered the whole of the depreciation in this group, but we felt it better to leave a certain amount over to be dealt with during the current year, unless, indeed, the value of first-class securities were to rise and further provision for depreciation became unnecessary. Of the remaining profits, we are distributing about £172,000 in dividend, and have added a few thousand pounds to the amount of the balance carried forward to next account.

I should like to refer briefly to the rate of dividend we have declared. In previous years we have usually paid a lower interim dividend and a higher final dividend; thus, at the time that our financial year ran from July to July, we paid 7% in respect of the interim dividend payable in January and 9% in respect of the final dividend payable in July. We now propose, so long as the rate of dividend remains at the present figure of 16% per annum, to pay an interim dividend of 8% in July and a final dividend of 8% in January, and, if and when any increase occurs, to let the increase be made in the final dividend of the year, payable in January.

Factors Affecting Future Dividends.

On the subject of possible increase of dividend, I should like to say that our power to increase the dividend depends mainly upon five considerations—namely, the necessity for providing out of the profits of each year for all possible contingencies; the amount required to cover the Bank's expenses; the amount required for depreciation of securities; the amount of the profits themselves; and the general business conditions and outlook at the time. With regard to the first of these considerations—namely, the provision for all possible contingencies—this is a first charge upon the profits of the Bank, and will never be neglected by any prudent board. It is the duty of the Board to see that both the published and the internal reserve funds of the bank are maintained and increased. With regard to the second—namely, the amount required to cover the Bank's expenses—this will depend largely upon whether the cost of living continues to increase or not, because we recognise that the remuneration of our staff must be largely governed by this factor. With regard to the third point—namely, the depreciation of investments—I feel that when our national revenue covers our national expenditure, and there is no further occasion for Governemnt borrowing, we may begin to hope that the turn in the market for gilt-edged securities will come, especially seeing that the application of the sinking funds attached to the various Government War Loans will tend to support the price of those securities. The prices of first-class securities depend, however, upon so many outside considerations that I do not venture to prophesy. With regard to the fourth point—namely, the amount of the profits of the Bank, I am glad to say that our earning power at the present time is good, and I see no reason why it should not continue so. The final point is the general condition of commercial and financial affairs at the time. The board will naturally have to take these conditions into account in fixing the rate of dividend, just as it has always to take them into account in connection with any question of banking policy.

Before passing from the consideration of our report and balance sheet, I should like, on behalf of the directors, to record our appreciation of the work of the management and staff during the period under review. The increase of ordinary business, together with the work of the three amalgamations, has thrown considerable additional burden upon the staff. This has been cheerfully borne and the work of the Bank has been well done. While some of our men who served with the Colours have decided to remain in the Army or Navy, and while a few have not yet been demobilised, we have had the great pleasure of receiving back into our Service the large majority of members of our staff who served with the Colours during the War. We have also taken into our service a number of demobilised officers and men who were not on our staff before the War.

On your behalf I should like to express to all these men our great obligation for the valiant service they rendered to the Allied cause.

I wish also, on your behalf, to thank Mr. Jacobs, who has just retired from the position of Deputy General Manager, for the valuable services he rendered to the Bank while he was with us, and to express the best wishes of the directors for his happiness and prosperity in his new sphere. His place has been taken by Mr. Caldwell, who has served the Bank admirably and is in every way well qualified to occupy the important position vacated by Mr. Jacobs.

The Economic Outlook.

I turn now from our own immediate concerns to the consideration of the present economic position. The lassitude and uncertainty which followed the conclusion of the Armistice has been succeeded by an earnest endeavour on the part of the business men of this country, and indeed of Europe, to get back to normal conditions, but the process is a difficult one. In this country the first step was to get men demobilised and brought back to the activities of civil life, and I am glad to say that, speaking generally, the demobilised men have been absorbed into industry and commerce with a rapidity which at one time was not anticipated. A simultaneous step has been to import the raw materials and other goods necessary for the work of reproduction. Stocks of all kinds have had to be replenished, works and machinery have had to be converted from war uses to their normal use in Peace time; and the whole nation is now busy—though not, in every direction, as busy as it ought to be—in endeavouring to produce the commodities required by depleted domestic and foreign markets. During the year there has been a considerable increase in the *quantity* and an enormous increase in the *value* of raw materials and other commodities imported into this country. The raw materials are gradually being converted into finished articles, and of recent months there has been a marked increase in the export of manufac-

tured goods. It is gratifying to see that the percentage of increase of our exports is rapidly growing, and will in all probability grow at a greater rate than any increase we are likely to see henceforth in the amount of imports into the country. This is as it should be. Our purchases from America and other countries—first for War purposes and latterly for the replenishing of our stocks of raw materials—have turned American exchange and some other important exchanges violently against us, and these can only be rectified by a great increase in our exports. Accordingly, from the exchange point of view, the present foreign demand for cotton, woollen, and other manufactured goods is most welcome. The extent of this demand, however, contains elements of risk, to which we have not hitherto been accustomed. To all appearance there seems no limit to the world's demand for commodities and no limit to the price which depleted markets will offer; hence, the tendency is to accept orders at ever rising prices, covering these by purchases of raw material at prices which have never been contemplated in any epoch of our commercial history. With such prices there is abundant scope for a fall in values, and if any great market were to receive an unexpected check, there might be an immediate fall in that market, and possibly a sympathetic fall in other directions. I confess that I cannot see any sign at present of trouble of this kind occurring, but I do think that the circumstances of the time demand that business men should rather take in sail than crowd the canvas; in other words, that they would be well advised not to stretch their financial commitments too far.

The United States and Credit Facilities.

When we turn to the other European countries who have been engaged in the War, we find in many directions a courageous effort to revive trade and industry, but the problem in most of those countries is of a different order to our own, inasmuch as they have not yet been able to command anything like the credit required to re-stock themselves with the materials necessary for the work of reconstruction and reproduction. They might naturally look to us for assistance, but the credit of Great Britain was extended to its Allies during the War to such a degree that she is compelled, for the time being, to forgo her usual position of banker to the rest of the world, and she cannot extend to the struggling countries of Europe the credits they now require. The only country which can do this on a large scale is the United States, and while they are perfectly prepared to grant ordinary commercial credits on proper security, they do not seem prepared, at present at any rate, to grant any large amount of exceptional credits stretching over long periods. Mr. Hoover has plainly told Europe that it has to get back to work; and this is admirable advice, but I am bound to say that, with every will to work, there are many directions in which work cannot even begin without initial help in the form of raw materials supplied under long credits. It follows that the problem in front of many European countries is grave indeed, and I welcome the appeal which was recently made to the Allied Governments by leading financial authorities on both sides of the Atlantic that an early conference of all the Powers should be called to study the problem and devise means for its solution.

There are, however, other and brighter features on which one would like to have dwelt had there been time. Probably the chief of these is the fact that earnest men in every country of the world are endeavouring to find solutions for the difficulties of the present time; also, that there is in many directions a new spirit of enterprise and a readiness to adopt new and improved methods. There is also the fact that lands which have remained untilled during the War through want of labour will now be tilled again; that lost ships are being replaced; that devastated areas are being restored, factories rebuilt, machinery reconstructed, and that in a thousand ways the activities of individuals are tending to restore the economic structure of the countries which suffered by the War. Accordingly, I hope, and you will all share the hope, that when we next meet we shall find that some at least of the most acute problems have been solved, and that great and real progress has been made in the restoration of the broken life of Europe.

In conclusion, I congratulate you on the position of the Bank as disclosed in the report we present to-day, and I hope that when we meet you in twelve months' time we shall be able to submit an equally satisfactory statement. (Applause.)

Mr. Isaac H. Storey, one of the Deputy Chairmen, having seconded the motion, the report and balance sheet were duly approved.

Sir Aubrey Brocklebank, Bart., Mr. Edward Paul, Mr. W. Peart Robinson, and Mr. Isaac H. Storey, retiring directors, were re-elected, and the appointments of Mr. Walter Lees (Palatine Bank) and Mr. T. Henry Morris (Halifax Commercial Bank) were confirmed.

Sir James Hope Simpson, General Manager, replying to a vote of thanks to directors and management, said problems connected with banking had been more acute and more difficult since the Armistice than they were during the War, and the last twelve months had not been an easy period. In their own case they had also had additional work thrown upon them by the amalgamations which had been carried through. He would, as General Manager, like to bear testimony to the way in which every one connected with the Bank had worked, both in its general business and the amalgamations, and also to express appreciation of the loyal help and good will rendered by the amalgamated managements and staffs. In each case the step taken in these recent moves would be to the ultimate benefit of the shareholders.

Mr. T. Henry Morris, moving a vote of thanks to the Chairman, said it was vital, not only to banks, but to business generally, that Government control of trade should be abandoned. In the West Riding of Yorkshire they were groaning under a state of things almost intolerable, and he was quite sure the development of trade and commerce such as everyone was hoping for would depend very largely upon how far business people were allowed to return to the old system of managing their own affairs. They ought to take such steps as would within the present year rid them from interference.

Mr. Walter Lees seconded, and the motion was carried.

The Chairman responded, and the meeting closed.

PROVINCIAL BANK OF IRELAND, LIMITED.

THE annual general meeting of the shareholders of the Provincial Bank of Ireland, Limited, was held at the office of the Company, 8 Throgmorton Avenue, London, E.C., on January 28, Mr. Walter S. M. Burns presiding.

The Secretary (Mr. Hume Robertson) read the notice convening the meeting and the report of the auditors.

The Chairman said: Gentlemen,—I greatly regret, in opening our proceedings to-day, that I have in the first place to make reference to the loss we have just sustained by the unexpected death on the 24th inst. of Lord Plunket, who had been a member of the board since November 1912, and had taken an increasing and useful interest in all that concerned the Bank. We here had valued highly his culture, counsel, and capable assistance, and we shall greatly miss one whose personal worth and character had endeared him alike to his colleagues on the board and to the officials of the Bank. It will be remembered that Lord Plunket was elected a director on the retirement of his uncle, the late Lord Rathmore, who was for many years associated with us. You will notice from the report that during the past half-year we have also lost the services of Mr. Ivor Bevan, who had, since he joined the board, taken an active interest in the Bank's affairs, and rendered valuable and appreciated service in directing its policy and management.

Agricultural and Trade Activity.

The report and balance sheet now before you cover a period of continued prosperity for the Irish farmer and grazier, and as a rule also for the trading community, though in some districts the temporary stoppage of fairs and markets naturally caused inconvenience. The more profitable returns from cattle and produce encourage the payment in many cases of very high prices for land. Industrial activity and development are evidenced by the applications which are coming before us, with gratifying frequency, for accommodation in connection with various enterprises, and the expansion of our resources, to which I will refer in detail later on, enables us to give our customers all legitimate encouragement. In the linen trade, while demand from all markets—home and foreign—is extensive, the immediate output is limited, owing, unfortunately, to shortage of raw material, and prices have consequently reached an unprecedented level. From what new sources supplies of flax may be got in the near future to improve the position is a problem that remains to be solved; but the decline of about 40,000 acres in the Irish sowing last year is, in the circumstances, a serious matter, and probably indicates that the return to the grower must be made more attractive. I understand, however, that in the bleaching, printing, and finishing ends of the trade business is brisk and good.

Growth of Bank's Business.

The balance sheet which is under notice to-day presents figures which reach a total largely in excess of anything we have hitherto reported, the liabilities of the Bank being now about £18,000,000, against £15,000,000 a year ago. After payment of expenses and providing for bad and doubtful debts, the net profit, including the amount brought forward from previous half-year, is £82,228, reducible by £20,888 for special bonus paid to staff, which leaves a sum of £61,340 available. After payment of dividend we apply £20,000 to write down investments and we carry forward £15,325. The net profits, though higher by £3,535 than at December 1919, are counteracted by increased working expenses, including bonus to staff. The allocation made for depreciation places our securities within current market values, but our Exchequer Bonds, National War Bonds, War Loan, and Funding and Victory Loan holdings are taken at cost price. The two former, however, represent a large amount which will be repayable with premium at a comparatively early date. Dealing further in detail with the balance sheet, you will see that, compared with twelve months ago, notes in circulation at £2,305,557 are higher by £40,606, and deposits have risen by £2,986,021. This is the largest increase we have shown in any period of twelve months, and about one half of it has arisen since July last. It is spread throughout the whole of our branches, and I am glad to be able to tell you that the newly opened offices are contributing appreciably to the expansion of our figures. Amongst the assets you will notice that cash and money at call are higher by £353,317,

investments by £800,972, and advances to customers by £1,872,966, bringing the total for the last-mentioned to nearly £8,000,000, which gives a fair illustration of the industrial activity to which I referred in my earlier remarks. Bank premises at £119,705 are higher by £17,470 than a year ago, following upon the opening up of new branches as reported to you at our meetings for some time past. We have large outlays in prospect at Dublin, Belfast, and in the provinces. We hope to get our new offices at Grafton Street and Sackville Street, Dublin, at Victoria Street, Belfast, and at Kingstown in the course of a few months, and at other points rebuilding and alterations are proceeding. I think this gives a fairly exhaustive survey of our figures and position. We are happy in the belief that the progressive development of the Bank is kept on sound lines in every direction, so far as constant supervision and watchfulness can assure us. The possibility of any increased return to the proprietors is checked in the meantime by increase in working expenses which the conditions of the time may render inevitable. I may here state that the matter of the general remuneration of the staffs of Irish banks is at present in course of reference to friendly arbitration, and we hope that, if revision of existing arrangements is to be made, an equitable adjustment may be arrived at.

Irish Note Issues.

No feature of general interest affecting banking interests in Ireland has arisen during the half-year, with the exception perhaps of the withdrawal last month by the Treasury of one of the emergency measures in the provisions of the Currency and Bank Notes Act, 1914, which had given temporarily the status of legal tender to the note issues of the Irish banks, and made the note redeemable only at the head office in Ireland. This revocation restores the Irish note to its pre-War status, but perpetuates for the Irish note what we think is a desirability, and somewhat of an anomaly—as compared, for instance, with the Scottish note. The latter is legally redeemable in gold or its equivalent only at the head office of the bank of issue, while payment of the Irish note can be demanded at any branch of the issuing bank. This position, while contributing in no way to the greater stability of the note or protection of the holder, has obvious disadvantages from a business point of view. The matter has been urged upon the consideration of the Chancellor of the Exchequer, and we are not without hope that he may recognise as reasonable the request which the Irish banks are making to have this disability removed and the position of the Scottish and Irish issues assimilated in this particular.

Before concluding I desire to say a word about our staff. The large increase in our business, caused by the activity in trade and growth of our business to which I have alluded, coupled with the opening of many new branches during the last few years, has thrown a great deal of extra work upon them, and they have one and all responded to all the calls upon them, with the greatest zeal and willingness. It is in no small degree due to their efforts and their loyalty that we are able to put such a satisfactory statement before you to-day.

I now move that the report and statement of accounts for the half-year to December 31, 1919, as duly forwarded to each shareholder, be confirmed and adopted.

Mr. Wm. T. Brand seconded the motion, which was carried unanimously.

The Chairman: The next business is to re-elect the directors retiring by rotation. Those directors are the Hon. Sir William H. Goschen, K.B.E., and Alexander B. Leslie-Melville, Esq., who has to be re-elected in the place of Lord Plunket, who would have come up for re-election. I beg to propose their re-election.

Mr. Robert A. Gradwell seconded the motion, which was carried.

On the motion of Mr. Charles Sebag Montefiore, seconded by Mr. Robert FitzGerald, the auditors (Mr. Ernest Cooper and Sir Robert Gardner) were reappointed.

Mr. Edmund S. Montefiore proposed a vote of thanks to the Chairman and the directors for the admirable way in which they had carried on the direction of the Bank.

Mr. Robert FitzGerald seconded the motion, which was carried unanimously.

The Chairman returned thanks, and then proposed a vote of thanks to the officers, remarking that he had already referred to their untiring service and loyal devotion.

The Hon. Sir William H. Goschen seconded the motion, which was carried, and the proceedings then terminated.

THE LONDON AND LIVERPOOL BANK OF COMMERCE, LIMITED.

THE forty-first ordinary general meeting was held at the offices of the Bank, 34 Old Broad Street, London, E.C., on January 29, Lord Ritchie of Dundee presiding.

The Chairman said: Gentlemen,—A comparison of our accounts for the last year with those for the year 1918 will show that there is only one item which varies to any marked extent, and that is the item of acceptances. At the end of 1918 our acceptances, including Government advances, stood at £1,211,000. At the end of 1919, again including Government advances, which I need hardly say have not increased, but rather the reverse, they stand at £2,444,000. That, I think you will all agree, is a very satisfactory feature of the accounts, showing as it does that we have begun to recover some of the business which we lost during the War. I have said more than once at these meetings that we were confident of such a recovery so soon as normal conditions once more returned. It cannot be said that conditions are yet normal. They are only less abnormal than they were. The whole of Central Europe and Russia is practically non-existent, so far as international trade is concerned. Something must be done to render it possible for these vast regions, with several hundred millions of inhabitants, to recover. To put it on the lowest grounds, it is essential for the prosperity of the rest of the world, and especially of the Allied nations, that our late enemies should recover industrially. It is essential not only for the sake of trade generally, but because otherwise there will not be the slightest chance of our obtaining any reparation for the injuries and losses we have suffered at their hands during the war. In the meantime, we look upon the increase in our acceptances as only the beginning of a progressive expansion in this branch of our business. It may be asked: How is it that with this increase there is not a larger profit shown? The reply is that it was only during the last few weeks of the year that our acceptances rose materially, and our profit and loss account therefore only reaped the benefit for a very short period. I may say that all our acceptances are purely commercial. They are employed in financing the movement of commodities, mostly raw materials, and they represent perfectly sound business. On the assets side of the account you will observe that we show, as usual, a very liquid position. We have in cash and in money at call and short notice £293,000, and in British Treasuries £100,000. Our investments at £454,000 odd stand at practically the same figure as last year. Unfortunately, we have had to provide a substantial sum for depreciation, otherwise we should have been able to show a larger balance of profit. As it is, and in spite of this fact, our net profit for the year is rather larger than for the previous year, enabling us to recommend a final dividend of 5s. per share, making 4% for the year, and to carry forward £19,000 odd—an increase of about £2,500 over the amount brought in.

Recovery of Enemy Debts.

Since we last met the Treaty of Peace with Germany has been signed and ratified. No doubt you read the provisions of the Treaty relating to enemy debts with as much interest as we did. The Clearing House for the settlement of the debts is already at work, and we are filing our claims. I confess that it was a great relief to us when we learnt that these arrangements had been made. In the early days of the war we were sanguine that our debtors would themselves be able to liquidate their debts, and we knew that many of them had deposited with banks in Germany the sums that were due to us. We did not anticipate that the War would last over four years. We did not anticipate that those deposited sums would be commandeered by the German Government and invested in German War Loans. Nor did we anticipate that there would be a complete collapse in the value of the mark. We do not anticipate that it will take very long to effect settlements, and it is to be hoped, in the interests of all concerned, that there will be as little delay as possible. There may be a longer delay in the settlement of debts due to us from other countries, as no scheme has yet been agreed upon for dealing with them. Possibly they may not be recovered in full, but even supposing nothing was recovered—a very unlikely contingency—the loss could be met without making any very serious inroad upon our reserves. We have already begun to recover our business. We have every reason to look forward with confidence to the future, and we hope that when we meet you again a year hence we shall be able to show better results than at any time during the last five years.

The Chairman concluded by moving the adoption of the report and accounts and the payment of the dividend recommended.

Sir Felix Schuster, Bart., seconded the motion, which was carried unanimously.

The retiring directors and auditors were re-elected, and votes of thanks to the officers and staff of the Bank, and also to the Chairman and directors, concluded the proceedings.

UNION DISCOUNT COMPANY OF LONDON, LIMITED.

THE sixty-second ordinary general meeting of the shareholders of this Company was held at Cannon Street Hotel, London, on January 22, Mr. W. T. Brand presiding.

The Secretary, Mr. W. B. Hobbs, having read the notice convening the meeting and the auditors' report, the meeting agreed to take the directors' report as read.

The Chairman, in moving the adoption of the accounts and report, said: Gentlemen,—When we met you last January we all hoped that by this time peace would have been universal, and the League of Nations an accomplished fact, but unfortunately the date of the League of Nations coming into force seems as far off as ever, and, instead of universal peace and goodwill, a large part of Europe and a considerable part of Asia are still either at war or in a very disturbed state, and there seems not much hope of their coming to an agreement for the present. At home, I am glad to say, we are

slowly settling down, and, I hope, gradually returning to normal conditions. The total amount of capital raised in 1919 was less than that in 1918, being £1,034,000,000, against £1,393,000,000 in 1918. Of the amount raised in 1919, about £823,000,000 were for Government purposes, Funding and Victory Loans accounting for some £473,000,000, National War Bonds—whose issue closed in May last—£291,000,000, and War Savings Certificates £58,000,000; but money raised by the Government by the issue of Treasury bills and Ways and Means Advances was not included in the above figures. Our overseas trade for the year 1919, both for imports and exports, has greatly increased, the imports being £1,631,000,000, against £1,316,000,000 for 1918, and our exports and re-exports amounted to £962,000,000, against £532,000,000 in 1918, a great advance which we hope will continue, and which seems likely to do so, if labour will stick to work instead of so frequently striking.

Expanding Trade.

From all reports, manufacturers have more orders in hand in almost every trade than they can fulfil, which foreshadows increased exports and more favourable exchanges. Of course, the balance of trade against us of £670,000,000 is enormous, but we have the estimate of the Chairman of the Board of Trade that our invisible exports for freights, commissions, and interest paid on our investments abroad amount to some £500,000,000, while an estimate of the *Board of Trade Journal* is still more hopeful, by reckoning them at £520,000,000, and for 1920 at some £640,000,000. However, if we take £500,000,000 from the £670,000,000, the balance of trade against this country is not so serious as it at first seems. Besides, we must remember that in our imports in the earlier part of the year were included a considerable amount of war material contracted for before the Armistice; also that every trade was short of stocks and materials, and that our shipyards are rapidly regaining their output and turning out thousands of tons of mercantile shipping, which must help us enormously to regain our trade.

Turning to our own business, there has only been one change in the Bank of England rate during the year, namely, a rise of 5%—at which rate it had been fixed on April 5, 1917—to 6% on November 6 last, at which it still remains. There have been, however, several upward movements in Treasury Bills rates, and naturally this advance in rates has been reflected by a similar movement in market rates for bank and mercantile acceptances. For the whole year the average Bank of England rate works out at £5 3*s.*, the market rate for three-months' bills at £3 18*s.* 10*d.*, and the charge for short loans at £5 9*s.* 7*d.*, showing a margin on discount of 9*s.* 3*d.* per cent.

Company's Increase of Capital.

Since we last met you we have increased the capital of the Company by the issue of 30,000 shares at a premium of £5 in February last. With this issue our subscribed capital is now £2,000,000, our paid-up capital £1,000,000, and our reserve £1,000,000, which gives us ample funds for the time being to carry on our ever-increasing business and liabilities to the public.

Loans, deposits, and bills rediscounted amount to £37,515,000, an increase of £5,000,000 over last year's figures of £32,000,000. Rebate on bills discounted stands at £345,000, as against £243,000.

Turning to the other side of the balance sheet, British Government and other securities stand at £3,796,000, some £452,000 less than last year. Our securities stand at market prices current on December 31, we having taken £50,000 from this year's profits to bring them down to this level. I am glad to say a considerable portion of our securities consists of War Bonds of short dates, with a premium payable at maturity, so a considerable part of our depreciation should be recouped during the next few years.

Bills discounted stand at £33,689,000, as compared with £26,657,000, an increase of £7,000,000. The bills we deal in are all of a first-class character, and I am glad to say we have made no bad debts during the past twelve months. (Hear, hear.)

Gross Profit Higher.

Turning to our profit and loss account, the gross profit for the year was £557,807, which, added to the balance brought forward, £121,096, makes a total of £678,000 odd, as against £530,000 last year.

In July last we paid an interim dividend of 14% per annum, less tax, absorbing £41,600, and we now propose to pay a further dividend for the final half-year of 14% per annum, less tax, which absorbs £49,000, and a bonus of 1*s.* per share, £10,000, free of tax, making 15 per cent. for the year, and carry forward £126,025, being some £5,000 more than we brought into the account.

I think, gentlemen, this is a very satisfactory showing, and one upon which we must all congratulate ourselves and the management in a somewhat difficult year.

The resolution was carried unanimously.

BRITISH GLASS INDUSTRIES, LIMITED.

An extraordinary general meeting of British Glass Industries, Limited, was held at Winchester House, Old Broad Street, London, E.C., on January 28, for the purpose of passing a resolution to increase the capital to £2,000,000 by the creation of 1,400,000 additional shares of £1 each. Mr. C. Williamson Milne, the Chairman of the Company, presided.

The Secretary (Mr. W. Ernest Treweek) having read the notice convening the meeting,

The Chairman said: Ladies and Gentlemen,—This meeting has been called for the purpose of considering and, if approved, passing the resolution of which you have all received notice.

But before I proceed to the immediate business of the meeting I should like to refer briefly to what is rather a personal matter, although it closely affects the administration of the Company—I mean the appointment of myself.

As you may have noticed, while I have become the Chairman of the Company, we have elected Mr. Clarence C. Hatry, whose name will ever be associated with this undertaking, to the position of President. (Applause.)

To look after properly the varied interests of this great Combine now entails such an immense amount of work that it has become necessary to apportion it. For this reason we asked Mr. Hatry to accept the position of President of our Company, and he will occupy a similar position with the United Glass Bottle Manufacturers, Limited, succeeding Mr. Dixon Nuttall in that position. He will in this capacity be able to exercise a controlling influence over the financial policy of the whole combination of our interests, while the ordinary duties of the Chairman will devolve upon me.

I am sure that shareholders will approve of this appointment. When I last addressed you I told you how greatly we were indebted to the energy and ability of Mr. Hatry for the satisfactory position in which we then found ourselves. Well, as I shall be able to show you in the course of a few minutes, our position is now immeasurably improved both in regard to immediate revenue and ultimate prospects, and for that it is impossible to over-estimate our indebtedness to Mr. Hatry for his devotion to our interests. (Applause.)

I know that the work itself—or rather the result of the work—has been sufficient recompense to Mr. Hatry for the time and thought he has given to this business, for I know that from the start it was his ambition and determination to re-establish the glass industry in Great Britain, and to build it up into a position strong enough not only to resist the competition which in course of time is bound to come again from Continental countries, but also to enable it to compete in the markets of the world with all possible rivals.

This object I can fairly say is well on the way to achievement, and already he has accomplished a great work not only for those immediately concerned, but for the country.

You will have noticed that our board has been strengthened by the addition of Baron Henri de Rothschild, Sir Francis Towle, and Mr. George E. Alexander. Mr. Alexander is one of the directors of United Glass Bottle Manufacturers, Limited. The board of that Company will remain constituted as it is, with the addition of four of our directors, as we have no reason for making any change in the internal arrangements of that great organisation in which we have just acquired a controlling interest. I would take this opportunity of saying in public that we welcome Mr. Alexander's accession to our board, and feel sure his able advice and assistance will be invaluable not only to us, but also to the greater interests which we now control. (Applause.)

At the beginning of this month Colonel T. W. Simpson took up his duties as General Manager, with his headquarters at Canning Town. Colonel Simpson is a Yorkshireman in the prime of life, who has had a life-long experience in the glass trade. In the short time he has been in our service we have seen something of his capacity and driving-power, which makes us wish that we had been able to secure his services eight or nine months ago. He is not, as may be assumed, a professional soldier, but during the War he commanded one of the London Territorial Battalions in France with such distinction as to earn for himself [illegible] (Applause.)

Passing from [illegible] personal, though not unimportant matters, I now come to the main object for which this meeting has been called—namely, the resolution to increase our capital.

Capital Required for Big Programme.

With the [illegible] in your hands, and [illegible] familiar with the proposals which we are submitting for your consideration, but before I put the [illegible] I will say a very few words on the principal reasons which have influenced us in deciding to increase our capital to £2,000,000.

Firstly, by the amalgamation of the [illegible] in our circular, the boards of which I [illegible] our Company [illegible] our shareholders [illegible] Company [illegible] [illegible] interests of [illegible] and [illegible] [illegible] [illegible]

dominant position—not only in the British Empire, but in the world—for the manufacture of nearly all and every kind of glass. (Hear, hear.)

As I told you when I last addressed you, our business was then largely devoted to the establishment in this country of the industry of making glass jars and bottles—an industry which hitherto had been almost entirely in the hands of Continental countries—and to that, as you know, out of our last increase of capital we added a very large interest in the manufacture of sheet or window glass through our holding in the British Window Glass Company, the shares of which we could readily sell to-day at a substantial premium.

As you will have seen from the circular which is in your hands, the new interests which we have acquired are so many and so various that I find it difficult to say which, if any ,individual item will be of the greatest value to our undertaking; but perhaps the agreement marked "A" on the circular, covering the purchase of the controlling interest in the Ordinary shares in United Glass Bottle Manufactures, Limited, is the most important and far-reaching of all.

This concern, which owns the entire share capital of the following companies, viz. : Cannington, Shaw and Company, Limited, St. Helens; Nuttall and Company, Limited, St. Helens; Robert Candlish and Son, Limited, Seaham; Alfred Alexander and Company, Limited, Hunslet, Leeds; Aire and Calder Glass Bottle Works (E. Breffit and Company, Limited), Castleford; and Moore Nettlefold Company, Limited, Woolwich, was, apart from our own undertaking, the largest combination of jar and bottle manufacturers in the United Kingdom, and the fusion of the two conflicting interests into one strengthens our position in a way which will be so obvious to all of you that it is unnecessary for me to enlarge upon it.

In addition to the ownership of the six old-established businesses which I have just enumerated, this Company has purchased 30 acres of ground at Charlton, near Woolwich, and is now erecting thereon gigantic new works second only in size to our own works at Canning Town.

Every kind of the latest useful automatic machinery is being installed, and the efficiency of the factory will equal that of any bottle-making works in the United States. (Hear, hear.)

A siding connected with the South-Eastern and Chatham Railway is being constructed, and the factory is already served by a wharf on the Thames. Excellent transport facilities will thus be provided by water and rail, and the Company will also have a fleet of motor-lorries for the distribution of manufactured goods in the Metropolitan area.

Through the agreement marked "B" in the circular we have agreed to purchase the major portion of the share capital of Webb's Crystal Glass Company, Limited, which gives us a controlling interest in the following businesses, viz. : Thomas Webb and Son, Limited (established 1837), Dennis Glass Works, Stourbridge; Edinburgh and Leith Flint Glass Company (established 1863), Edinburgh; Corbett and Company, Limited (established 1911), Tutbury, Staffordshire; Medway Glass Works, Limited, Queenborough, Kent, where a large modern factory is now being erected; Robert Johnston Lamp-Blown Glassware and Accessories Company, Limited, London; R. Johnston and Company, Limited (established 1860), London, and a substantial or a controlling share interest in the following : Samuel Pearson (West Bromwich), Limited, E. M. Patents, Limited, London; and Phillips, Limited, London.

This latter acquisition enables us to instal and use on favourable terms the semi-automatic machine known as the Empire Machine. This may not convey very much to my hearers, but those in the trade will realise the inestimable value which this purchase will be to our other works. These machines have been working very successfully at the Tutbury Works for over a year, and produce a better class of blown tumbler than has ever been made on the Continent. (Hear, hear.) With these machines and the modern type of American tank furnace now being installed at the Medway Works we shall be in a unique position for turning out enormous quantities of these goods, in addition to electric lamp bulbs and other articles which hitherto have been outside the scope of our operations.

Thomas Webb and Sons were established as makers of crystal table glass as far back as 1837, and have always held a leading position in that trade. In 1917 they commenced the manufacture of electric lamp bulbs and tubing, and so rapid has been the growth of this new branch that last year upwards of 5,500,000 bulbs and 80 tons of glass tubing were manufactured and sold. (Applause.)

We look to increase this considerably by the installation of automatic machines and additional furnaces.

Dividend Prospects

I now come to the important question of profits, both present and prospective. As regards the latter I prefer to name no figures. I have endeavoured to give you an accurate picture of our properties and of our programme, and you can each and all of you form your own ideas as to the probable results. I am content, speaking not only for myself but for my colleagues, to paraphrase Dr. Samuel Johnson's statement and to say :

"We have here no mere collection of factories and furnaces, but the potentialities of wealth beyond the dreams of avarice." (Laughter and applause.)

In dealing with profits I shall confine myself to present conditions and to our present comparatively restricted output, and on this basis our earnings should suffice to pay and maintain substantial dividends, not only on our present capital, but on the market capitalisation, including the new issue. (Applause.)

In estimating our future additional profits you must bear in mind—firstly, the results of our expenditure on our works at Canning Town—the largest glass works ever contemplated in this country. These works are now approaching completion, and but for the ironmoulders' strike a considerably larger portion would already have been in operation than is at present the case. Secondly, the factory now being erected at Charlton by the United Glass Bottle Manufacturers, Limited, which is second in size to our own works only. Thirdly, the doubling of our works at Queenborough and the commencement of operations by British Window Glass, Limited. Fourthly, the additional profits to be derived from the installation of improved automatic machinery in the majority of the old-established businesses referred to under the heading of "B" in our circular.

There are other minor sources of additional profit which are already in sight, and which I need not particularise, but I may perhaps mention that negotiations have been concluded for the sale of our foreign patents, and this source alone should bring us in a very large sum in capital, royalties, or dividends. (Hear, hear.)

As regards the payment of a dividend, at the present time the accounts of all these different companies which form our combination are made up at so many different dates that it will take us some little time to regularise them and bring them all into line, so I will merely content myself with saying that we shall certainly be able to pay a dividend which will be satisfactory to every shareholder within the present calendar year. (Hear, hear.)

The whole issue has been underwritten for a moderate commission by the Commercial Bank of London, which institution has in its turn sub-underwritten the issue. This was necessary because, although we felt no doubt as to the success of the issue, in view of the fact that we had to sign contracts involving the disbursement of very large sums under somewhat urgent conditions, we felt bound as a matter of business to run no risk whatever (Hear, hear.) To have done otherwise would certainly have been imprudent as, had any untoward political event occurred in the interval, it would have imperilled the success of the Company, and I am sure all shareholders will recognise that no board could take the responsibility of running any risk in such a matter. (Hear, hear.)

Had we lost the opportunity of purchase which presented itself to us it might never have recurred on such favourable terms, and we could not have closed with it forthwith had we not, with the assistance of the Commercial Bank of London, been able to arrange for its immediate underwriting.

There is another matter which I ought to mention in connection with this issue. You are probably all aware that the Chancellor of the Exchequer a few days ago made a request that as far as possible all issues of capital should be suspended during the currency of the offer of the new Exchequer bonds. Had that request been made public a few days earlier we should, of course, have acceded to it gladly, but matters had then proceeded so far that it was impossible to postpone the issue. We at once wrote to the Chancellor fully explaining the circumstances, and have duly received his acknowledgment of our letter. (Laughter.)

Technical Skill at Command.

I have now dealt with the salient points arising out of our new capital issue, but further I should like to point out to you that, apart from the direct additional profit obtainable from each branch of manufacture added to British Glass Industries, Limited, that Company will gain largely by the co-ordination and co-operation under one direction of so many highly-skilled experts in the different branches of the glass trade.

The whole tendency of modern industry—at any rate in the manufacture of articles such as our products, for which there is a universal demand—is towards mass production in gigantic quantities.

You will have observed how widely spread are the various works which the Company has acquired. In Essex, Kent, Staffordshire, Lancashire, Yorkshire, Durham, Midlothian, and also in Ireland we have factories, and in these times of advancing railway rates the geographical situation of a factory can easily become a very valuable asset. Our works are situated in or near to the greatest industrial centres in Great Britain, thereby effecting considerable economies in the cost of transport. The difference between delivering our wares in packages by rail and delivering in boxes by a motor-van will be readily appreciated when I explain that the cost of packing of packages and of straw for railway



THE zip, zip, zip of the flying skates, the laughter and the glow of healthy exercise.

When it is time to go home, the cars are turned round, and the five miles, the ten miles, slip by to the thrum of the firm gripping Dunlop tyres on the frost hardened road.

Dunlop

DUNLOP RUBBER CO., LTD.,
Founders of the Pneumatic Tyre Industry,
Para Mills, Aston Cross, BIRMINGHAM.
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carriage amounts to not less than from 30*s.* to 35*s.* per ton of glass sent out from the works.

We have now in our service the very highest technical knowledge that it is possible to obtain, and in order that no possible improvement may be omitted we have drawn upon American experience, and in our new works chemists and engineers who have filled important positions in American glass factories are assisting in the arrangement of the plant.

Further, by the bringing of these various organisations under one control and direction we shall also be in a greatly improved position for contracting, not only for supplies, but also for deliveries.

I think I have said enough to enable you to draw your own conclusions and to judge whether I have been guilty of exaggeration in paraphrasing Dr. Johnson's remark in describing our undertaking.

And now I wish to say a few words which really are not addressed to much to you shareholders as to the Press, and through them to the general public.

It is no hyperbole to say that this great combination which we have built up is a national undertaking—(Hear, hear)—and as such, while the interests of our customers and shareholders must always be our first consideration, we have also to bear in mind the interests of the nation. We claim to have deserved well of the British public in having re-established the business of glass-making in this country in so impregnable a position—(Applause)—and it is necessary that we should always carry their good opinion with us.

Combination and Competition: An Enlightened View.

I therefore wish to point out most emphatically that this combination which we have built up is not a Trust in the ordinary sense of the word—that is, a Trust established to eliminate competition with a view to raising prices.

The assured profits of this great combination are already sufficiently large to satisfy the most exacting, and so far from wishing to raise prices, we are convinced that the more we are able to lower them the greater the advantages to the customers and the shareholders will be. (Applause.)

Glassware is used in nearly every trade, and there is hardly an industry in this country which is not being hampered for the want of it.

There can be no question that it is of great benefit to the country that these enormous supplies of glassware, which are wanted in every factory, in every shop, and in every home, should now, for the first time, be produced by British labour and British capital. (Applause.)

Therefore, at the risk of repetition, I tell you that we are not seeking to increase prices, but rather by mass production and economical administration to increase supplies. The only competition which we are contending against is that of the foreigner. There are many other small independent glass factories in various parts of the country, and there is plenty of room for all of those which are able to work on sound modern and economic lines.

And in dealing with this question of foreign competition I may perhaps point out that the amount of freightage and space taken up by glassware is quite disproportionate to its market value, and with the large economies which we shall be able to effect by the unified control of our purchases, and by the use of automatic machinery, we are very confident that we have little to fear from foreign competition, however keen.

I now come to the question of labour. Just as we think that the capital employed in the production of glassware for British consumption should be British, so also do we think with equal conviction that the labour employed should be British. (Hear, hear.)

The glass which in pre-War days came here in such enormous quantities was not only the product of foreign labour but of cheap and sweated foreign labour.

By re-establishing this industry on a large scale in this country henceforth it will, I trust, be the product of well-paid British labour. (Hear, hear.) Despite our modern automatic machinery in our new factories we can find work, and well-paid work, for thousands of men. And I want you to bear in mind that the introduction of machinery means eventually the employment, not of fewer, but of more men. It means the substitution of reasonable work under healthy conditions at well-paid rates for arduous and exhausting work under bad conditions. (Hear, hear.)

I have already stated that the two main objectives of our combination are increased production and lower prices, and to these I add a third—higher wages and better conditions for labour. (Hear, hear.)

I may add that your board have under consideration several alternative schemes for giving the workers in this great enterprise an interest in its results, but to put this into definite shape will require much time and consideration.

I now come to the share issue.

The New Issue.

The total capital required to cover the acquisitions to which I have just referred, and to complete the projected extensions of our works at Canning Town, Queenborough, and elsewhere, together with the installation of the improved automatic machinery, is £2,800,000. £2,100,000 of this will be provided by the issue of 600,000 new shares, which will be offered share for share at £3 10*s.* to shareholders, and, having regard to the price of our shares, this issue should in itself constitute a handsome bonus to shareholders.

It is, of course, possible, and indeed probable, that in some cases shareholders will be unable to take up the shares to which they are entitled. But even in this case they should gain a handsome benefit, as the rights are transferable, and these should be saleable at a substantial price, as they were on a previous occasion.

The remaining 200,000 shares now to be issued have been taken firm by the Commercial Bank of London at the same price, thereby providing the balance of £700,000. The bank also has been given an option to subscribe for a further 50,000 shares on or before December 31 next, at £5 per share.

And I should like to take this opportunity of expressing our thanks to the Commercial Bank of London for the help they have rendered this Company from its inception. The bank has not only been of invaluable service in introducing and helping with the negotiations for our new acquisitions, but it has always been ready with financial assistance when needed in the early stages of our Company, when there was considerable prejudice existing against a new construction proposition, involving such an immense outlay.

In supporting us in this way, the bank was, I know, only carrying out its programme—for which it has already gained a well-earned reputation—of devoting its energies to the development of British industries.

I think I have now said sufficient to satisfy you that the proposals which we are putting before you are in the best interests of the Company and of the shareholders, and I will therefore now move the formal resolution, and ask Sir Francis Towle to second it. The resolution is: "That the capital of the Company be increased to £2,000,000 by the creation of 1,400,000 additional shares of £1 each, ranking for dividend and in all other respects *pari passu* with the existing shares of the Company."

Before putting this resolution to the meeting, should any shareholder wish to make any remarks or to ask any questions, I shall be pleased to answer them to the best of my ability.

Sir Francis W. Towle, C.B.E.: Mr. Chairman, ladies and gentlemen, I wish formally to second the proposal which has been put before the meeting, and should like to say that, though I am a new member of the board, before I joined it, and subsequently, I have made every possible inquiry into the future of this concern, and from the bottom of my heart I can say that I believe the work which has been done by our Company will hold a foremost place when history comes to be written of the effort made by British industry to win the peace. (Applause.)

After a brief discussion, the resolution was put to the meeting and carried unanimously, and the proceedings closed with a cordial vote of thanks to the Chairman and directors.

BRITISH-AMERICAN TOBACCO COMPANY, LIMITED.

THE seventeenth annual meeting of the British-American Tobacco Company, Limited, was held on January 27 at the Central Hall, Westminster, London, under the presidency of Mr. Joseph Hood, M.P., one of the Deputy-Chairmen.

The Secretary (Mr. A. M. Rickards), having read the certificate of Sir William Plender, G.B.E. (Messrs. Deloitte, Plender, Griffiths and Company, chartered accountants), appended to the accounts,

The Chairman said: Ladies and gentlemen, before discussing the balance sheet I would like to mention that one of our Deputy-Chairmen, Mr. Hugo Cunliffe-Owen, has had the dignity of a Baronetcy recently conferred upon him. He rendered a good deal of service to the country during the War, and I am sure you will join with us in congratulating him on the recognition of these services. (Applause.)

When we had the pleasure of meeting the shareholders a year ago, shortly after the conclusion of the Armistice, I said that the demobilisation of the troops was being actively carried out, which meant that our supplies to them would materially diminish, and we should have to endeavour to resume, to the best of our ability, the normal relations of export trade, and extend our sales to make up the loss of supplies to the troops abroad, in which our English factories had been largely engaged. That has been done, and, whilst the volume of our output from England is less, yet for the whole of our factories, and those of our associated companies, the output for the first two months of our new financial year (October and November) exceeds that for the corresponding two months—viz., October and November 1918. Business during the year under review has been more normal, as restrictions have been removed.

The Company's Assets.

Taking the assets side of the balance sheet first, you will observe that the item real estate and buildings at cost, less provision for amortisation of leaseholds, £475,447, shows a decrease of £199,366. The explanation of the substantial reduction is that during the year we sold our Bristol factories to the Imperial Tobacco Company, and, in addition, sold certain property we had in China to a subsidiary Company which we have registered in China under the Hong Kong Ordinances, called British-American Tobacco Company (China), Limited. We came to the decision to concentrate

our English factories at Liverpool and Southampton. You will recollect that at Liverpool we have probably the most modern bonded tobacco factory in existence. I may also say in that connection that we are considering sites for the erection of an additional factory in this country at a convenient centre. With regard to the sale of our property in China, I may explain that we came to the conclusion that it would be desirable to form a Company in China under the Hong Kong Ordinance for the purpose not only of carrying on our distributing business there, but also to hold the shares in the Manufacturing Companies in China. Those Companies own factories in Shanghai, Hankow, Moukden, and Harbin, where very large quantities of cigarettes are manufactured. Plant, machinery, furniture, and fittings at cost or under, £460,353, show a decrease of £31,321, which is accounted for on the one hand by the sale of plant and machinery at Bristol, and the reduction of plant and machinery at Norfolk, Virginia, and, on the other hand, by the purchase of plant and machinery for a new factory we have taken over in New York. Goodwill, trade-marks, and patents also show a substantial decrease from £879,064 to £505,000, a reduction of nearly £374,000. This is accounted for by the nominal amount standing in our books as representing the goodwill attributable to China, although it by no means represents the value of that goodwill; nor, in fact, does it represent anything like the amount we have received in shares in payment for the agreement entered into with the China Company for the supply of manufactured goods on certain terms and covenants entered into. On the other hand, we have only taken credit in the item of investments in associated companies for the amount written-off this item, and not for the nominal value of the shares received. Incidentally I may say that it might be a convenient opportunity next year to consider whether the remainder of the item of goodwill should not be written-off entirely. (Hear, hear.) Loans to and current accounts with associated Companies, £6,057,524, show an increase of £789,611, due particularly to increased supplies to the associated Companies and additional advances made to them, substantially in consequence of the increased cost of leaf tobacco and other materials.

Investments in associated companies, £8,691,699, show a very substantial increase of £3,436,063, due in a small degree to some investments in companies, but principally to the change of the form of investments in China. Other investments, £154,109, show an increase of £47,053, explained by an investment of War stock. Stocks of leaf, manufactured goods and materials at cost or under, £8,197,493, show a reduction of £456,548. This is principally accounted for by a reduction in stocks at depôts.

Cash at bankers and in transit, £4,136,974, is increased by the considerable sum of £1,972,672. As you will remember, we issued in August last new Ordinary shares which considerably increased our cash holdings just before the completion of our financial year. The whole of that amount was necessary for employment in the business, and, as you will gather from the meeting which we propose to hold after the close of this one, was not really sufficient adequately to carry on the business.

Turning to the liability side of the balance sheet, whilst the issued capital of £4,500,000 Preference shares remains the same, the issue of Ordinary shares is increased from £6,254,320 to £8,501,911. Of this amount, £141,000 was in respect of the issue of shares to directors and the President of the Export Leaf Tobacco Company, and £2,106,591 from Ordinary shareholders generally for new Ordinary shares. Special reserve, £1,156,987, shows a small reduction of £750, due to the loss on the sale of some War stock we held.

Debts Owing by Germany.

General reserve, £1,500,000, to provide against possible losses arising from the War, subject to excess profits duty upon any sums which may be recovered, stands at the same figure as last year. You will remember that with the consent of the Government we sold, shortly after the War commenced, our shares in German companies and loans to those companies and officials connected with them. Approximately one-third of the amount payable to us by the Deutsche Bank, the ultimate purchaser, in respect of those sales became payable in marks in July of last year, and the balance, which is payable in sterling, became payable on the 10th instant, subject to the provision that payment should not be made until after the ratifications of the Peace Treaty had been exchanged, which, curiously enough, was carried out on that day. The remittance was, I understand, also subject to sanction being given by the German Government. During the War we, in common with certain other companies who had sold their businesses in Germany with the consent of the Government during hostilities, made representations to our Government that it should be a term of the Peace Treaty that any amounts owing to creditors in this country in respect of those sales should be settled through any clearing office which would be established after the War for the settlement of claims by and against the respective nationals. That suggestion has, however, not been carried out, although debts incurred prior to the War are to be the subject of settlement through the clearing office. The attitude of the Government is that payment for any sales of businesses which took place after the War should be made direct between the respective debtors and creditors, and therefore we have to look to the Deutsche Bank to pay us direct. Up to the present we have not received payment of either the marks debt or the sterling debt, but I think it is obvious that, with the present very heavily depreciated rate of German exchange, the debt of between eight and nine million marks, instead of being worth in sterling between four and five hundred thousand pounds, is worth at to-day's exchange less than £40,000. The debt of about a million pounds is, of course, payable in sterling. It is perhaps unfortunate not only from the point of view of British creditors, but also from the point of view of the Government, that provision was not made for a settlement of these obligations through the clearing office, and whilst some portion of the loss must necessarily fall upon ourselves and the other British companies to whom these debts are owing, yet the larger portion of it falls upon the Revenue in cases where companies are liable to excess profits duty, because the loss incurred by the company can be set off as to a considerable part against that liability. You will therefore understand that until a settlement is definitely arrived at, and we know how much money we actually get from these debts, we are unable to say how much of this reserve of £1,500,000 will have to be written off. There remains the item of profit and loss account balance of £4,912,733, which shows an increase of £1,531,896. The net profits for the year amount to £3,776,507 after making provision for excess profits duty for the year, as compared with £3,140,174 for the year ended September 30, 1918. The increase shows the substantial progress which has been made by the company during the past year. It is only fair to point out that the rate of excess profits duty for the period under review was considerably less than in the previous year, and therefore to that extent we benefited. The available balance is £4,912,733, out of which the directors recommend a distribution to-day of a final dividend (free of British income tax) upon the Ordinary shares of 6 per cent. This payment will make 30 per cent. for the year upon the Ordinary shares which were in existence a year ago, and upon the balance it will make 12 per cent., so far as the greater part is concerned, but upon some small number of shares which have been issued since the end of September, due to belated acceptances, will, of course, only mean that the present final dividend is paid. The amount to be carried forward will be the substantial sum of £4,400,311.

Necessity for Further Capital.

The directors think that it would be unwise until the question of the settlement of the claims in respect of German assets is disposed of to make any recommendations as to the disposition of any part of this surplus, even if that course is considered desirable; but I may say that it is one which has received the consideration of the board, and, of course, there is the further point that it is quite clear that with the increased cost of leaf and all other materials the employment of substantial further sums in the business of the Company is absolutely necessary. As I indicated at last year's meeting, the directors, in coming to any conclusion, must be guided by the knowledge as to whether the higher cost of leaf and materials is substantially maintained or not. That increase has been maintained and in many cases exceeded, making it necessary to employ a constantly increasing capital. I now formally beg to move the adoption of the Report and Balance Sheet for the year ended September 30, 1919, including the payment to-day of a final dividend of 6% upon the issued Ordinary shares, free of British income tax. I may mention that the directors have declared for the year 1919-1920 an interim dividend of 6%, free of British income tax, also payable to-day, so that you will receive 12%. (Hear, hear.)

Mr. Lawrence Hignett seconded the resolution, which, in the absence of questions, was at once put to the meeting and carried unanimously.

Mr. W. R. Simpson proposed the re-election of the retiring directors.

Mr. John Gracey seconded the motion, which was unanimously agreed to.

Sir William Plender was reappointed auditor on the motion of Mr. H. Pimbury, seconded by Mr. H. E. Gosling.

Extraordinary General Meeting.

An extraordinary general meeting was then held for the purpose of submitting resolutions increasing the Ordinary share capital and authorising the issue of further Ordinary shares to the Ordinary shareholders

The Chairman said: Ladies and gentlemen,—You will remember that at a meeting held in May last the issue of certain shares to some of the directors and also one share in three to the Ordinary shareholders was authorised. Those issues were made in due course, and the Company received up to September 30 last an additional sum in respect thereof of £2,388,591. Practically the whole of that money was used in payment of the indebtedness to our bankers, and it became apparent, owing to the continued increasing cost of leaf and all other materials and labour and production generally, that the capital was not sufficient for the purposes of the business of the Company.

After full consideration we therefore came to the conclusion to recommend the shareholders to increase the

Ordinary capital and to offer to issue at par shares to the existing Ordinary shareholders in the proportion of one share for every two existing Ordinary shares held by such member. The effect of that will be to give us a little over 4¼ millions further capital. We are satisfied that we shall require the whole of that sum.

The first resolution which I move is as follows: "That the capital of the Company be increased from £14,500,000 to £20,000,000 by the creation of 5,500,000 additional Ordinary shares of £1 each ranking for dividend, and in all other respects *pari passu* with the existing Ordinary shares of the Company."

This will mean that there will be an authorised Ordinary share capital of £15,500,000, and will leave us, after the proposed issue, with, roughly, 2¼ million of unissued Ordinary shares.

I may say that we have received letters from some of the Preference shareholders asking to be at liberty to subscribe to the proposed issue of Ordinary shares. That, however, is not feasible, as under the Articles of Association all new Ordinary shares, except any shares allotted to directors and others or in payment for any business or property, must be offered to the members in the proportion to the existing Ordinary shares held by them. There is, therefore, no power to offer any Ordinary shares to the Preference shareholders.

While I sympathise with the Preference shareholders in the fact that they only receive a fixed cumulative dividend of 5%, yet their capital ranks in priority to that of the Ordinary shareholders, and their position is materially strengthened by the issue of a large block of Ordinary shares behind them.

Mr. A. G. Jeffress seconded the resolution, which was carried unanimously.

The Chairman next moved the resolution authorising the issue of shares to the Ordinary shareholders. In doing so he said: It is not necessary for me to comment in detail upon this resolution, as you all have it before you. The only thing which perhaps I should mention is to say that the offers to the Ordinary shareholders will be posted on or about February 10, when I hope permission to deal in the rights will be granted by the Stock Exchange, and I would ask that any shareholder who desires his offer to be split should make his request at the earliest convenient opportunity, and not later than March 14.

Mr. S. J. Gillchrest seconded the resolution, which was unanimously adopted.

Mr. T. A. Saunders proposed a hearty vote of thanks to the Chairman, directors, and staff for their management of the affairs of the Company during the past year, and said that on behalf of the shareholders he wished to offer their congratulations to Sir Hugo Cunliffe-Owen on the honour which had been conferred upon him. (Hear, hear.)

The vote was seconded by Mr. John Holroyd, and unanimously accorded.

THE METROPOLITAN TRUST COMPANY, LIMITED.

THE twenty-second ordinary general meeting of the Metropolitan Trust Company, Limited, was held at Gresham House, Old Broad Street, London, E.C., on January 27, Mr. Robert Fleming (the Chairman) presiding.

The Secretary (Mr. H. Carlisle), having read the notice convening the meeting and the report of the auditors,

The Chairman said: Gentlemen, I suppose you will, as usual, take the report as read. If that is agreed, I will make a few remarks on the report before submitting it for adoption.

Though actual fighting on our part practically ended more than twelve months ago the world is still struggling to emerge from the aftermath of the gigantic struggle. Its evil influences, as you all know, are far and wide. To us on this comparatively small speck on the globe's surface, which, if it is to retain its old place in the world, must continue to be the hive of busy industry, one of the worst features of the situation is that, far from increasing the permanent product of our various manufactures, the reverse seems to be the case. The world wants our goods, and will pay high prices for them, but the worker does not, in many lines, respond to the national demand for greater output. Our 45 millions of people cannot live in comfort in these islands unless they can sell to the world outside of us enough of the products of their industry in exchange for the cotton, wool, flax, jute, timber, ores, and other raw materials of our manufacture, as well as the sugar, tea, coffee, tobacco, flour, meat, and a thousand other things that our climate or our narrow shores prevent us from growing or growing sufficiently. The opportunity to sell is great, but the energy to meet that opportunity is lacking. The fact that cannot be got away from is that trade is barter, and that the less you can buy.

Mischievous Fallacies Prevalent.

The following appeared lately as an extract from *Solidarity*, the organ of the Shop Stewards' and Workers' Committee:—

"The answer to the 'Industrial efficiency and more production' cry lies in an immediate agitation for a shorter working day, combined with intelligent adoption of 'ca' canny,' 'go easy,' and other methods of sabotage on the job. This is vitally necessary for all workers, irrespective of their beliefs as to methods of organisation, their ideas on politics or religion."

Apart from the pressing needs of the world which have accumulated under our absorption in war work, we know that during the War all but the most essential home work was postponed, and deferred maintenance at its close was enormous. How fatuous at such a time to preach shorter hours and slower work. If the workmen feel in any case that they do not get their right share in the products of their labour, arrangements are provided for joint councils to remove any injustice, but the worst of all ways of keeping down prices and profits is to restrict production. (Hear, hear.) It is "ca' canny" that has brought, as one of its many evil results, that we can only buy 360 barrels of flour from America to-day for the same price that bought us 486 barrels when through greater exports our pound was kept at par. This is apart from the rise in price of each barrel.

A Double-Edged Weapon.

Mr. Bromley, the mouthpiece of the Associated Society of Locomotive Engineers and Firemen, recently spoke as follows:—

"I am not one to preach a bloody revolution, but only for one reason, because, unfortunately, the people of this country are not ripe for taking the law into their own hands. I am for a revolution that will remove capitalism at all cost. Everything points to the capitalistic Empire passing away. There is no eventual hope for us but in the destruction of the capitalist machine."

Mr. Bromley seems not to know that if you destroy the capitalist machine you destroy also capitalist countries, of which our own is easily the first, based, as it is, on free and unrestricted international commerce. If private property is confiscated by Government, what becomes of the immense properties scattered all over the world which pay tribute to England? We have, taking only one example, £230,000,000 in Argentine railways, which have been the main means of developing that country and adding to its population and wealth, and at the same time helping our trade very greatly. Mr. Bromley seizes these bonds and shares, but does he fancy that the Argentines will then let him collect the revenues of their railways? If we end the property of the men who live in England and contribute to its industrial and commercial progress, will the Argentines be more gentle to the absentee communistic capitalist? Look round the office buildings of this great city and you will be amazed at the immensity of the world-wide enterprise that under joint-stock company management is housed within their walls. Wipe out capitalism, and you wipe them out, and Macaulay's New Zealander may not sit on the ruined arches of London Bridge, but he will find the traffic over it sadly reduced.

Did I suppose that the wild words of these men represented the sober thought of any substantial part of the workmen of this country I should despair of our ever recovering our pre-War world's position, and still more of our ever filling the still higher place to which the outcome of these terrible five years has called us. But I do not believe it and do not despair, but watch with increasing interest our recent Government records of the country's trade, and note that, notwithstanding many drawbacks, the situation slowly improves. Till the country earns its living—that is to say, till each year we make as much as we spend—till our exports, including freights and other invisible items, equal our imports, we are living on capital. That was a condition inevitable during the War, but its continuance during peace means, in brief time, bankruptcy. But the moment we see, and other nations see, that that state of things is past, and that we are again not spending our capital, but adding to it, confidence will be restored, and the world's exchanges in our favour will also be restored.

Depreciation of Investments.

A reference to exchange brings me to the first branch of my reference to the annual report, viz., the market value of our investments. You will notice that we say that it "shows some improvement over last year, when the depreciation under book cost was about £150,000." We do not, as we have done usually, give in the report the exact sum of the valuation. The reason is that the question of the New York exchange is involved, and this is a fluctuating element altogether apart from the fluctuation in the 250 securities themselves.

We have, as the report shows, still a considerable amount invested in the United States, mainly deposited in our Government's hands. Before the War we had 60% of our entire capital invested there; that has been reduced to less than 30%, the transfer being mainly into British securities, which now represent 31% against 9% when the War began. This process of transfer from the United States we are steadily continuing.

The par of exchange, based on the gold value of the pound sterling, is $4.866 per £1; but to-day, thanks to the War and the excess of our imports over exports, the £1 is worth only $3.60 cents. Valuing our whole investments on the basis of middle quoted prices in London and in New York, and taking the latter at the rate of exchange of January 1, the net depreciation from book value is £100,000

The
MARKING OF AN EPOCH

Angus-Sanderson

THIS is the sort of thing that happens when a few keen motorists get talking together.

One says: "I was out for a run in a 'So-and-so' car yesterday. It struck me as being a very sound proposition, except that the engine is rather noisy and has not much 'go' about it. But the gears are quiet and easy to change."

Another says: "I quite agree. Now if the 'So-and-so' had a 'Such-and-Such' engine in it, it would take a lot of beating. Pity they can't be combined."

A third interposes: "The springing is much too harsh for my taste. With the 'Here-and-There' suspension it would be a really good, comfortable car."

A fourth suggests "Yes, and if you added the brakes from my old 'This-and-That,' you would make a genuine motor-car of it!"

The reason for this sort of comment is very simple. We all of us are impressed either with the unusual excellence or the unusual badness of some particular point in every car we try, and our ultimate choice is the compromise which boasts the most of the good points and the least of the ill, according to our personal predilections.

To be jack-of-all-trades is notoriously to be master of none. From the above conversation it is easy to deduce first that the designer of the "So-and-So" has mastered the art of gear construction, and has probably spent so much time upon this subject that other equally important chassis components have suffered. Second, that the man responsible for the "Such-and-Such" has devoted the bulk of his abilities and energy to the engine. Third, that the "Here-and-There" man has done his best to learn all that there is to be learnt about suspension. Fourth, that in the "This-and-That" designing department more attention has been paid to good brakes than anything else.

Each designer, in the natural desire to get ahead of his immediate competitors has, to a certain extent, *specialised upon a single component.* With the best will in the world he could not cease to be a human being, and therefore he cannot specialise upon everything.

In the hypothetical case above, the conditions are that four specialists have produced four cars, each of which is open to strong criticism. One might in this imagine that we saw a good case against the benefits of specialisation.

By no means! How infinitely better would the result have been if these four specialists had combined together to produce a single car!

The "So-and-So" was bought by people who appreciated quiet and easy-changing gears, the "Such-and-Such" by those who insisted upon a "gingery" engine, and the "Here-and-There" by such as put comfort first in car considerations. And so on.

But the poor engine of the "So-and So" could never be an advantage to it. It would be a great deal more popular if it had had a better engine, as would the "Such-and-Such" if it had had a better gear box.

Hence, if the four specialists had co-operated in producing a single type of motor-car, that car would have found favour with:—

The whole of the "So-and-So" public.

The whole of the "Such-and-Such" public.

The whole of the "Here-and-There" public.

The whole of the "This-and-That" public.

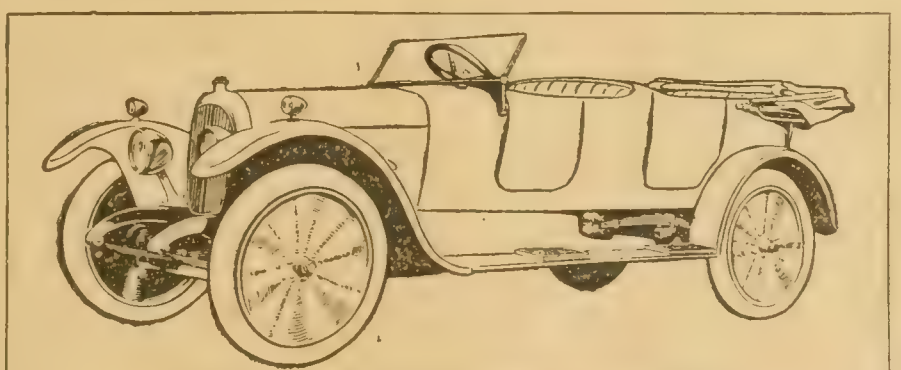
PLUS a very large number of people who would have nothing to do with any of these makes, because they had not sufficient *all-round* excellence, though some of their individual points were good.

Moreover, the single type of car, through having a demand six or eight times as great as any of the individual models enumerated, could obviously be made far more efficiently and far more economically than any of them.

This means one thing and one thing only, that the final car would be A FAR BETTER ARTICLE AT A LOWER PRICE. And that again results not only in technical progress but in a sounder industrial proposition.

When the firm of Sir William Angus, Sanderson & Co., of Newcastle-upon-Tyne, determined to enter the motor-car industry, they did so with the full knowledge that they could only achieve complete success by doing something better than anyone else had done. They had had long experience in the manufacture of motor bodies of the highest class, and during the war they had built enormous quantities of aeroplanes and other munitions upon scientific principles of cheap and rapid output. No component of a car presented any particular difficulties to them, but they had a shrewd idea of their limitations. They said to themselves: "It is true that we know, or think we know, a great deal about gear-boxes, and we are confident we could make a good one. But that is not enough. We do not know all there is to know about gear-boxes. Probably no one does. But a firm that has been doing nothing but make gear-boxes all its life, obviously knows more than anyone else about them. We will have our gear-box *designed and made* for us by the best and most experienced firm in that trade in Great Britain. And the same with the engines and other components, such as frames, steering, springs, transmission, etc. In each we will have the very best that is to be obtained, in each the product of a reputable specialist."

That is how the Angus-Sanderson car was conceived, and that is why it has been a triumphant success from its very inception. A year ago the name was only associated with carriage work. To-day it is a household word wherever motoring is talked of. The car is praised and admired not for what it might be, but for what it is. A specialised job from beginning to end. The engines are made by Messrs. Tylor, Ltd.—who make nothing else but engines. During the war they turned out 50,000 of one type alone—the type that was used on all the Whippet Tanks. No firm in Great Britain has a more up-to-date or specialised plant for this work. The gear-boxes, transmission, steering, axles, etc., are made by Messrs. E. G. Wrigley & Co., Ltd. For years they have concentrated upon such components, and their products have been used on some of the most notable vehicles. During the war they made Tank gear-boxes by the thousand. The bodywork, and the assembling of the car in a special factory, is undertaken by Messrs. Sir William Angus, Sanderson. And in like manner all the other items—the complete vehicle, tyres, wheels, electric lighting and starting, radiator, instruments, and so forth, all emanate from firms which are admitted specialists in their own particular branches of industry.



The 14 H.-P. ANGUS-SANDERSON CAR

"Ah!" says a critic, "That is all very well. But if you have one factory in Birmingham and another in London, and a third in Birtley, and the components of the Angus-Sanderson car are sole and only entrusted to any of these firms, of something crippling up which would [illegible] supply? Somebody else might want [illegible]

True, for the critic! But that [illegible] adequately guarded against in the [illegible]

Sir Wm. Angus, Sanderson & Co Limited

BIRTLEY - CO. DURHAM

against £150,000 a year ago. Had we not had this element of exchange in our favour, our total value, based on quoted prices, would undoubtedly have been less than a year ago. I noticed a recent computation by the *Bankers' Magazine*, from which it was shown that the fall during the year in fixed interest-bearing securities, of which our investments chiefly consist, was nearly 6%.

Restoration of Pre-War Dividend.

Leaving capital account, let us look at revenue account. It is, as you see, partly through the exchange position, better than last year, and we have thought it safe to restore the dividend to the pre-War rate of 13%, which we hope to be able to maintain. We will, of course, not be satisfied with merely maintaining it, but time will be required to show whether our dissatisfaction may disappear. With these remarks, gentlemen, I beg to move: "That the report and accounts, as presented, be and they are hereby received, approved, and adopted, and that a dividend of £2 5*s.* per cent. on the Preferred stock, less income tax, making with the interim dividend £4 10*s.* per cent. for the year, and a dividend of £7 10*s.* per cent. on the Ordinary stock, less income tax, making with the interim dividend £13 per cent. for the year ended January 2, 1920. be and the same are hereby declared."

Mr. Henry A. Vernet seconded the resolution, which was carried unanimously.

On the motion of the Chairman, seconded by Mr. Vernet, the retiring director, the Rt. Hon. Viscount St. Davids, was re-elected; and the auditors, Messrs. Deloitte, Plender, Griffiths and Co., were reappointed for the ensuing year, on the motion of Mr. C. H. Atkinson, seconded by Mr. G. P. Balfour.

A cordial vote of thanks to the Chairman and directors concluded the proceedings.

VAN DEN BERGHS, LIMITED.

The 20th ordinary general meeting of Van den Berghs, Limited, was held on January 26 at the Cannon Street Hotel, London, E.C., Sir Herbert Mackworth Praed, Bart. (Chairman of the Company), presiding.

The Chairman, in proposing the adoption of the report and accounts for the five and a half years ended June 30, 1919, said: Ladies and gentlemen,—I am very glad to be able to congratulate you on the fact that to-day we lay before you a statement showing that the Company has not only suffered no loss in the total of its capital assets, but that the results of its trading surpass those of any former period, notwithstanding that the Company has passed through what will no doubt prove to be the most difficult time in its existence. (Applause.) The cause of the delay in inviting our shareholders to come to a general meeting has been the impossibility (in consequence of the War) of being able to assemble and audit the necessary accounts on the Continent and the difficulty of trying to compute the amount due from the Company to the excess profit authorities. In former balance sheets the assets and liabilities of subsidiary companies were amalgamated with the assets and liabilities of this Company and its branches. Your auditors are of opinion that the method now adopted more correctly reflects the position of this Company. I do not, therefore, propose to adopt my usual practice of dealing with the various items by comparison. The authorised capital of the Company, as shown in the balance sheet, has up to June 30, 1919, undergone no change since the date of our previous balance sheet, December 31, 1913. Since the date of the balance sheet now before you the Company, as you are aware, has made an issue of 1,000,000 £1 "C" Preference shares, so that the capital of the Company now amounts to £3,075,000.

Method of Raising Capital for Development.

From the beginning of the War the Company began to feel the necessity of increasing the means at its disposal in order to strengthen its financial position and to provide the means, not only for carrying on, but also for seizing favourable opportunities for extending the Company's scope. The Company, being prevented from raising money in this country, began in 1915 by making an issue of Six per Cent. Redeemable notes in Holland, extended in 1916 to £1,000,000. A further consideration for continuing this policy was the ever-increasing burden of the English income tax. The notes have been issued with the option that the holders would at maturity be enabled to exchange their notes for shares in a new issue of this Company. This has become impracticable, as the foreign investor refuses to take up an investment which involves him in a liability to contribute to a heavy income tax in addition to that which he is already bearing in his own country. The directors, therefore, seeing that it was necessary, in order to fulfil the Company's obligations, provided a means by which the note holders could acquire a permanent interest in the Company through an issue in the country where the notes were placed. If we add the unvested part of the reserve fund we shall find that the parent Company and its affiliated concerns have now at their disposal a total capital of about £6,250,000. More than anything else this total capital shows the powerful position to which your Company has attained, and the enormous extent of its expansion during the War, and since the Armistice. The prices for raw materials and manufactured goods have more than doubled. The volume of trade at the same time has enormously increased. The stocks shown in the balance sheet, for the English trade only, are larger than the stocks for the whole Company, including the Continental businesses and subsidiary Companies, in 1913.

Marked Growth and Enterprise.

In March next the Company will have been established 25 years, and never in its history has its scope been anything like so widespread as it is to-day. At the present time we have nearly forty factories in all parts of Europe, comprising margarine, condensed milk, soap, and oil crushing, extracting and refining and hardening factories, in addition to the control we maintain over several other businesses. The acquisition, extension, and equipment of the factory at Fulham, which was started in the autumn of 1917, and which actually commenced working in February 1918, is perhaps the Company's greatest and most noteworthy achievement of the War period. It was due to the enterprise and research which had been devoted to the improvement in the methods of manufacture of margarine, and to the suitable preparation of the raw materials to be used, that this country was kept supplied with more or less ample quantities of good edible fats during the most trying period of the War, when the failure of the butter supplies would otherwise have rendered the position exceedingly serious.

Whereas previous to the War the European markets for nuts, oil seeds, and oils were of supreme importance, to-day we are doing a large and steadily increasing business with the countries of origin. For this purpose organisations have been created and connections opened up all over the globe, notably on the West Coast of Africa, the Dutch East Indies, the Straits Settlements, Ceylon, North and South America, China, Japan, &c. A fairly recent development has been the establishment of up-to-date oil mills in the countries where the seeds and other commodities of our manufacture are produced, and this has revolutionised the mode of shipping the oil. The latest method is to ship the oil in tank steamers equipped with steam coils to keep it liquid. This enables us to do the loading and discharging of a cargo in less days than it would require weeks to handle a cargo of oil packed in barrels. Our Company has been the first receiver in Europe of several such tank cargoes of approximately 8,000 tons each of cocoanut oil.

In conclusion, I must say that I have great satisfaction in taking the chair this day as Chairman of the board of directors of Van den Berghs, Limited. Our position is now very strong indeed, and I have every reason to think that our prospects for the future are well assured.

Mr. Henry Van den Bergh seconded the resolution, which was carried unanimously.

An extraordinary general meeting was subsequently held for the purpose of considering, *inter alia*, proposals for altering and increasing the capital of the Company.

The Chairman, in proposing the first resolution, said: The full proposals, which your directors are hopeful of carrying out in their entirety, are as follows: First, to issue three Non-Cumulative 15% Preferred Ordinary shares of 5*s.* each and one Ordinary share of 5*s.* in place of each of the existing Ordinary shares of £1 nominal value. Secondly, to distribute to the holders of the new 5*s.* Ordinary shares (resulting from the before-mentioned sub-division of £1 Ordinary shares) a bonus up to three Preferred Ordinary shares of 5*s.* each, carrying 15% interest, in respect of each 5*s.* Ordinary share held by them. With regard to the proposal to issue 125,000 5*s.* Ordinary shares to the directors, managers, heads of departments, &c., at 10*s.* per share, the main object in view is to enable the junior directors, managers, and heads of departments to acquire a more intimate interest in the fortunes of the Company.

A lengthy discussion ensued, and an amendment was moved to the effect that the proposed scheme be rejected and the existing shares sub-divided without any preferential rights and without any fresh issue of shares. On a poll being demanded, 6,020 votes were recorded in favour of the amendment and 276,257 against. The original resolution was then carried on a poll, as was also the proposal to increase the capital to £3,575,000, and a further resolution altering the articles of association was adopted.

PHŒNIX ASSURANCE COMPANY, LIMITED.

Fusion of Interests with Norwich Union.

An extraordinary general meeting of the Phœnix Assurance Company was held on January 28 at Phœnix House, King William Street, London, Sir Gerald Ryan, Bart., in the chair.

The Fire Manager (Mr. F. A. Boston) having read the notice convening the meeting,

The Chairman said: Gentlemen, You are summoned to-day to this special meeting to consider a matter of very great importance to the Phœnix Company, viz., a fusion of interests between the Phœnix and the Norwich Union Fire Insurance Society by the acquisition of the shares of that Company. An account of the reasons which have induced the directors to enter into the arrangement embodied in the

Provisional Agreement which you are asked to confirm has already been supplied through official circulars from this office, but some further information may now be placed before you in fuller explanation of the matter.

Lord George Hamilton.

Perhaps, before I proceed, you will pardon my referring to the fact that I am to-day appearing before you for the first time as Chairman of the board in succession to Lord George Hamilton, whose services have extended over a period of twelve years—covering, perhaps, the most important stage of development in the Company's history—with, if I may say so, conspicuous benefit to the shareholders—(Hear, hear). His Lordship's request to be relieved of the pressing duties of the Chairmanship was acceded to by his colleagues with unfeigned reluctance, but happily he has consented to serve as a Deputy-Chairman, in which capacity the Company will still have the advantage of his wise counsels and his unrivalled knowledge of men and affairs—(Hear, hear).

An Old Alliance Consolidated.

I will now pass on to refer to the main object of the meeting. In the first place, it is well understood that opinions differ as to the advisability of the amalgamation of prominent financial companies with one another. I need hardly remind you that this has been a marked feature in recent years, and has aroused comments, sometimes of a favourable character and sometimes the reverse. It is indeed a matter upon which different views may reasonably be taken by well-informed people; but I should like to think that I am able to persuade you to-day that, whichever view you may take in the abstract—whether the view that these amalgamations are a source of added strength, increased trading facilities, and greater benefit to the community, or the view that competition is thereby reduced, companies rendered unwieldy in management, and the interests of the public put at a disadvantage—whichever of these two views you may take, this particular arrangement is one to which all may equally give their unhesitating assent without yielding a shred of their individual convictions. The Norwich Union Society dates from the eighteenth century. Its business is of a sound and well-selected class; its connections world-wide; its reputation of the highest character. Exactly the same may be said, in each particular, of the Phœnix; moreover, both Companies have been working on the most friendly footing in various parts of the world for many years, and their business is very much of equal size, making allowance for the fact that the Phœnix transacts life business while the Norwich Union Fire does not. There is also this important consideration, that, though the business of each Company is very similar in character and amount, its distribution both in the United Kingdom and abroad lies often in different channels, so that by complete co-operation there will result a more general and a wider spread of risks. The active organisation of each Company can also be more fully utilised by joint working arrangements than by separate operations. Each Company will, in fact, gain in productive power from association with the other, and if I had not great respect for the laws of arithmetic I should say that in this case 2 and 2 do not make 4, but 5 or some higher number. It is worthy of notice that our advices from America quite take this view of the situation, and convey the opinion that the co-operation of these two powerful Companies will open up a wider field of enterprise in that important part of the world.

The Financial Terms.

Thus far I have endeavoured to show you that it is a reasonable and natural development of an old alliance that the Phœnix and Norwich Union Fire Offices should come together by a fusion of their business interests. The next point I will ask you to consider is whether the financial terms upon which the board have endeavoured to give effect to this arrangement are, or are not, to the advantage of our Company and its shareholders. Of course it is very difficult to express a definite opinion on such a matter as we are now discussing without some knowledge of insurance business and very full particulars of the position of each Company, and I need hardly assure you that each item of the terms was most carefully considered by the directors of both Companies before the basis of the fusion was agreed upon. The great majority of our shareholders take our view that the arrangement is a very fair and beneficial one, but a few unfavourable comments have reached the board based upon the view that the terms are too liberal to the Norwich shareholders.

Fluctuations of Shares Immaterial.

This line of criticism would appear to be due to the change that has taken place in the market value of both Companies' shares. It is undeniable that during the last few months the market for insurance shares, which had become active and speculative, had forced prices up to a very high level, and from the highest point registered, say, two or three months ago, a fall in values has taken place in many cases. I have a list before me of the shares of some competitors of our own standing showing a decline in the value of their shares during the last three months. In this movement Phœnix shares participated, and, it may be assumed, would have followed the same course whether the fusion with the Norwich Union Fire Office had been proposed or not. I mention this in order to put you on your guard against concluding that our shares have lately declined in value as the sole result of the announcement of our proposals. Dealing with the Norwich Union Fire shares, it is right to point out that the dividends declared have been on a most stringent and conservative basis, not depending on the large trading profits earned by the Society, but being paid out of interest receipts alone with a margin over. It is only to be expected that when it becomes a question of the Phœnix Company acquiring the shares of the Norwich Union Office, account must be taken to some extent of the profits actually earned, and this must clearly result in a considerable increase in dividends to the old Norwich Union shareholders, and consequently in the value of their shareholdings. Thus I may fairly contend that the increase in the quotation of Norwich Union shares is a natural result of our scheme, and that the decline in the quotation of Phœnix shares has followed the ordinary movement of prices. I have dealt with this matter rather fully in response to a request from certain of our shareholders. However, fluctuations in market values have very little to do with the merits of the transaction, regarded from a financial point of view.

A Profitable Partnership.

The case can, indeed, be put in a small compass, and virtually amounts to our admission to equal partnership of the Norwich Union shareholders by the exchange of their shares possessing full rights to all their profits for a moiety of the increased Phœnix capital. This entails the issue of 440,000 new shares, on which the annual dividends (at an increased rate of 12*s.* per share) will amount to a sum of £264,000 per annum. Now your directors have satisfied themselves, by an analysis of the returns of the Norwich Union Society for several years past, that the annual profits and interest derived from the several classes of business are substantially in excess of this annual charge of £264,000, and that there is every reason to expect that a considerable margin of surplus profit will accrue in the future for the benefit of the enlarged body of Phœnix shareholders, both old and new. This, I venture to say, is the financial aspect of the matter in its simplest form, and any business man can judge for himself whether it would not be to his advantage to take a new partner into his office upon such a basis.

I may remind you that the scheme involves the issue at par to Phœnix shareholders of 17,145 new fully paid (Pelican) shares of £1 each. This represents approximately one new share for each 25 at present held, and, as the market premium on such shares is 12, this new issue is equivalent to a bonus of nearly 10*s.* on each existing Phœnix share.

Little need be said about the purely domestic side of the arrangements. The Companies will continue to work as separate institutions, controlling their own executives and agents, and transacting business on mutually agreed lines. As already announced, each Board will be reinforced by the addition of five members of the allied Company's Board, and the management will be co-ordinated and placed in the very capable hands of Mr. Sketch, the present General Manager of the Norwich Union. The interests of the staff of both Companies are suitably protected in the agreement. All our negotiations have been conducted in the most amicable and harmonious spirit, and in this I am sure we can see a good augury for a highly successful union of interests.

I may assure you that your directors have not been influenced by the mere attraction of large figures, but they do consider that the proposals submitted to you to-day will both place the Company on an ampler and even stronger basis, with greater powers of defence against the competition which is very acute in the insurance world, and, at the same time, will materially enhance the prospects of improved profits from the wider and more powerful organisation thus created all over the world.

Holding these views, I have no hesitation in asking for your support to the resolutions. Indeed, it is a matter of pride and gratification to me that I should be personally



associated to-day with what I regard as a great step forward in the progress of our old Company. (Hear, hear.)

The board have always been happy in their relations with their shareholders, and a further gratifying instance of this good feeling is provided by the fact that 2,823 shareholders, holding 267,469 shares, should have sent in proxies in favour of the proposed fusion. We highly value the confidence thus reposed in us. In addition to these, 73 proxies in favour of the resolutions were received too late to be valid, and I much regret to say that the only two proxies against the scheme also arrived too late to be used.

The resolutions will be separately moved and seconded. The first resolution deals with the provisional agreement which you are asked to approve and confirm; the second and third deal with the creation and issue of the additional capital necessary to carry the agreement into effect; the fourth deals with additions and alterations in our regulations. The only one of these to which I need specially refer is, I think, that relating to the proposed increase in directors' remuneration. Bearing in mind the addition to the number of directors, I hope that this proposal will be considered a reasonable one. As to the additional regulations 51A and 113A, referred to under headings (*a*) and (*g*) in the resolution, these are to provide for customary additional powers. They involve highly technical matters regarding which I do not propose to trouble you with details unless any shareholder should desire further enlightenment.

With these remarks I beg to move the first resolution—namely: "That the action of the directors in entering on behalf of this Company into the agreement dated January 12, 1920, and made between the Norwich Union Fire Insurance Society, Limited, of the one part, and this Company of the other part, is hereby confirmed and the agreement adopted, and the directors are hereby authorised and directed to carry the same into effect."

The Rt. Hon. Lord George Hamilton, P.C., G.C.S.I.: I rise to second the proposition so lucidly explained to you by Sir Gerald Ryan. When this amalgamation was first broached I was still Chairman of the Company, and on looking into the propositions made I found, not only that the Norwich Union was an excellent and very sound composite company in itself, but it was so organised as to enable it to be dovetailed with exactitude into our system. If the two are combined we gain not only great additional financial strength, but associated with this increase of financial resources is a most effective operative organisation. It is a double gain, both in volume of business and organisation, but the latter is concealed in the former. I have no hesitation in strongly recommending this amalgamation, as I am confident it will be very beneficial to the interests of the Phœnix shareholders. (Applause.) I should like to say a word as regards our new Chairman. For the past 12 years I have been associated with him in the management and development of this Company. During that period we have gained in reputation and financial strength, and have largely increased the sphere of our operations. This success is mainly due to the exceptional aptitude which Sir Gerald Ryan showed as General Manager of the Company, also to the equally remarkable prescience with which he conducted successive amalgamations. (Applause.) He is now admitted to be in all questions relating to insurance an expert of the very highest character, and we are all rejoiced to know that for his remarkable work during the War in various public departments the King has been pleased to bestow upon him the high distinction of a baronetcy. (Applause.)) With such a man as Chairman of the Phœnix it was a foregone conclusion that in any fusion between this Company and another he would be asked to be the head of the new organisation, and that is exactly what has come to pass. I have great pleasure in seconding the resolution.

A brief discussion followed, and, the Chairman having replied to points raised, the resolution was carried unanimously, as were the further resolutions contained in the notice, and a hearty vote of thanks to the Chairman concluded the proceedings.

NORWICH UNION FIRE INSURANCE SOCIETY, LIMITED

Fusion of Interests with Phœnix.

An extraordinary general meeting of the shareholders of the Norwich Union Fire Insurance Society, Limited, was held on January 28 at the Head Office, Surrey Street, Norwich, Mr. George Hustler Tuck in the chair.

The General Manager and Secretary (Mr. R. Y. Sketch) having read the advertisement convening the meeting,

The Chairman said: Gentlemen, I wish to ask you one simple question—whether, when the proposed scheme for an alliance between the Norwich Union Society and the Phœnix Company took form, your directors would have been justified in rejecting that scheme, or whether it was not their duty to ask for your determination upon it. I feel that it would have been a grievous neglect and abandonment of their duties towards their shareholders if the directors had not given them opportunity of deciding upon this matter.

If such a proposal had been advanced before the Great War, I can imagine voices being raised and questions asked as to the need of it. But the War has brought its lessons home to us, that in the long run, size and strength must prevail. Since the signing of the Armistice we have seen a determination among all mercantile and industrial enterprises to increase in strength and size. If there was one class of business which seemed absolutely sound and prosperous it was that of our big joint-stock banks. Yet even they found it in their interests, apparently ,to become bigger still. We hear nowadays of the five big banks, instead of the number that formerly existed.

The big insurance companies follow the lead given to them, until we have the recent partnership between two great Liverpool offices, each believing it would be to its advantage to join hands and double its size, and some alliance is necessary for the old Norwich Union to enable it to maintain its prosperous career.

Union of Equals.

What I have now to prove to you is whether this fusion is desirable and whether the terms are fair. The Phœnix is 137 years old, the Norwich Union 122 years old. Brothers in arms, grown up together in health and strength, there has always been a very warm and close friendship between them, and of all alliances and fusions that have taken place none has been received with more favour. The Phœnix and ourselves are largely complementary one to the other, each bringing something of value to the other. The equality between the two companies is shown in the free assets which each Company brings to the common pool. After allowing for all liabilities, including Debentures, each office has approximately two millions sterling in free assets, and so will be enabled by the fusion to offer increased facilities of insurance cover to the public, which in these days of high values is an important consideration.

The remaining subject for consideration is that of the terms that we have arranged.

Each office has accepted the formula that the other is its equal, a fact which a careful examination of the figures confirms; it is therefore a natural corollary that each body of shareholders should possess one-half of the total capital. This result is achieved by the agreement. The effect is to give to our shareholders three immediate benefits, viz.: release from uncalled liability, increase lin capital value, and an increase in dividends. The prospects of the combined businesses not only justify this but enable us confidently to anticipate in due time a reasonable further increase.

Apart from the pecuniary outlook, our responsibilities also entailed making provision for the continuance of the name and entity of this old Society which for more than a century has been identified with this city and which in its world-wide transactions has upheld the honourable traditions of British commerce. In this endeavour we had the immediate and cordial support of the Board of the Phœnix. You have been advised of the arrangement by which the business will continue to be carried on under our own name and under the jurisdiction of the present board of directors, who have the power to fill any vacancy in their number which may arise, so that neither the office nor the board will be diminishing factors in the financial progress of this city and county.

The friendly relationship that has always existed between the board and the management and the staff has been continually kept in view. The same spirit obtains with the Phœnix Company, and so in our agreement is included the clause which provides for the future well-being and lack of interference with either body of employees.

The Norwich Union Life Office.

Provision is also made for the maintenance of our close association with our old friends the Norwich Union Life Office. An association of such a nature is not lightly set aside, and therefore it was arranged that although the Phœnix carry on life business they would place no obstacle in the way of the continuation of such relationship, but on the contrary they have assisted in cementing it so that in the future the two Norwich Offices will be working alongside not only geographically but in close co-operation.

That the terms and conditions of the agreement are approved by our shareholders and officials is abundantly shown by the letters which we have received from every quarter and by the overwhelming number of proxies which have been sent to me, many of which have come from men of known business ability and acumen who are particularly well enabled to estimate the advantages or disadvantages of the proposal.

Fortified by such support I have confidence in moving the first resolution, viz.:—

"That the action of the directors in entering on behalf of this Company into the Agreement dated 12th day of January, 1920, and made between this Company of the one part and the Phœnix Assurance Company, Limited, of the other part, is hereby confirmed and the Agreement adopted, and the directors are hereby authorised and directed to carry the same into effect."

This was seconded by Mr. J. H. F. Walter, the Vice-Chairman of the Society, and carried unanimously.

Subsequently consequential alterations in the articles of association were adopted, and these fall to be confirmed at a confirmatory meeting on February 18 next.

The proceedings concluded with a vote of thanks to the Chairman, who suitably responded.

NATIONAL MUTUAL LIFE ASSURANCE SOCIETY.

THE annual general meeting of this Society was held on January 28 at 39 King Street, London, E.C., Colonel Ernest Villiers, A.D.C. (the Chairman), presiding.

The Chairman, in moving the adoption of the report and accounts, after referring to the death of the Hon. Mark F. Napier, the late Chairman, said that the amount of new business secured during the year had been exceptionally satisfactory, both in the number and amount of policies issued and in the sum of the resulting new premiums. All those figures were higher than in any previous year. The claims by death, exceptionally light in 1918, had been even more favourable during the past year. Their total was less than in any year since 1896. The ratio of ordinary expenses to premium income was practically the same as last year, although the total amount was larger. The depreciation which they had written off or which had resulted from the sale of securities had been very severe. Whether this depreciation was likely to continue, and, if so, at what rate, were questions which it was difficult to answer, but the general rise in the rate of interest, which was shown by the high rates at which every Government, including their own, was now compelled to borrow, imposed the greatest caution on all responsible for the care and custody of their funds. The policy of the board had been to realise, as opportunity offered, all long-dated securities and to reinvest the proceeds, at the very satisfactory rates which could now be obtained, in comparatively short-dated securities. The rate of interest, both gross and net, showed a satisfactory increase. At the same time investors generally, and life assurance offices in particular, had to bear in mind that the present heavy rate of income tax was a severe strain upon the profits of interest.

The Chairman then dealt with the results as shown by the annual valuation of the Society's liabilities, and with the decision of the board to abandon the declaration of a bonus for the quinquennium 1914-18, except as regarded policies which became claims before 1923. The actuary's report, which the board adopted and sent to the members, stated: "The position can be reconsidered at the end of each year of the ensuing quinquennium. If and when it is decided that a general bonus distribution can safely be made, such distribution will be made in respect of each full year's premium paid since 1913." The board had determined to follow the course adopted by other offices and to declare no bonus for the quinquennium which covered the period of the War.

Mr. A. K. Tharp (Deputy Chairman) seconded the resolution, which was carried unanimously.

At a subsequent extraordinary general meeting a resolution was passed altering the articles of association, making the remuneration of the directors free of income tax.

GUY MOTORS, LIMITED.

THE annual general meeting was held on January 29, 1920, at Wolverhampton, J. A. Jordan, Esq., J.P. (Chairman of the Company), presiding.

The Secretary, Mr. J. Edgar Jordan, A.C.A., having read the notice convening the meeting,

The Chairman, in proposing the adoption of the Auditors' report and the directors' report and accounts, said: Gentlemen,—I assume you will, as usual, take the balance sheet as read. You will notice our capital is £200,000, but I wish to draw attention to the fact that £100,000 of this was only available for use during about one quarter of the year. Our earnings, therefore, have been made upon a capital obviously very considerably less than the amount of the capital appearing on the face of the balance sheet.

The Accounts.

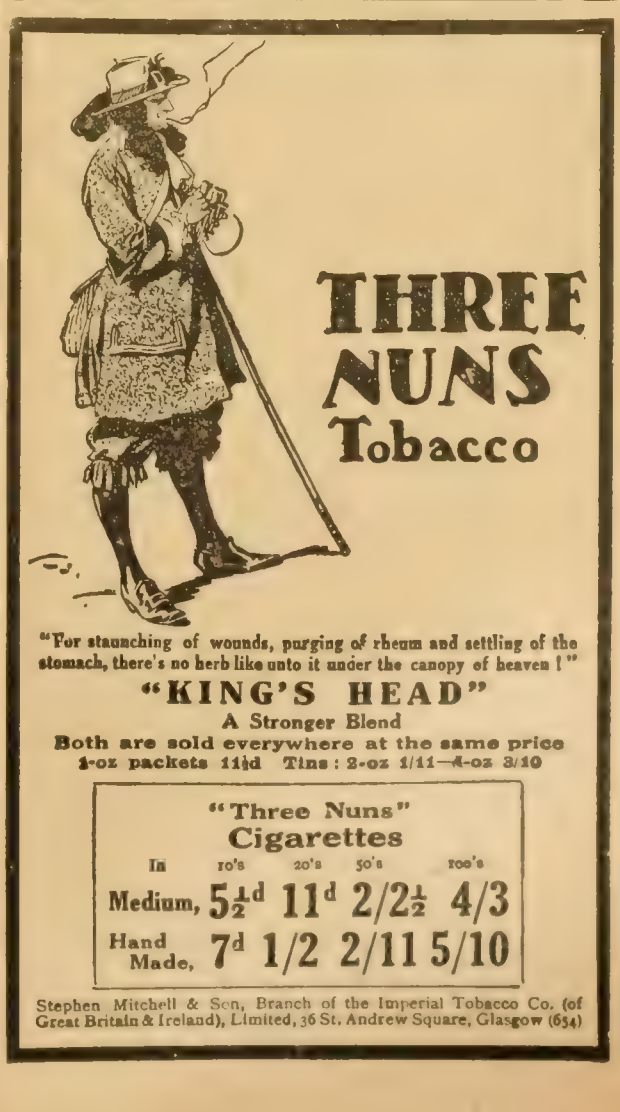
With reference to sundry creditors and reserves, £156,409, a large amount of this is money which was loaned to us by the Government on special and favourable terms, a large proportion of which will not have to be repaid, but as the settlement was not due for completion, your Board felt that they ought to show the amount in full as a liability. Balance of profit and loss account being subject to excess profits duty, £66,304, it is necessary to explain that the Company has some favourable arrangements with the Government of certain allowances, and we are of opinion that the amount which will have to be paid for excess profits duty should be small, if any, and I might also point out that although not stated in the report, the profits shown are after providing for income tax, which has been deducted. Dealing with the assets, additional purchases of land have been made during the past year, and the Company now owns approximately 60 acres, freehold. The buildings and plant, as you will have an opportunity of seeing, are thoroughly up to date, and are laid out in accordance with the most modern ideas. It is almost unnecessary for me to say that the land, buildings, and plant could only be purchased to-day for an amount considerably in excess of the previous cost. At the same time they have been most fully depreciated. You will also notice that all the assets shown in the balance sheet are tangible assets, and nothing appears therein for goodwill, patents, or preliminary expenses. As you will appreciate, the last year has been a very trying one, owing to the enormous difficulties which have been encountered in entirely changing over the business from war-work to lorry manufacture, and I think that we can congratulate ourselves on the result shown under such conditions.

Works Fully Employed Day and Night.

Before commencing the manufacture of lorries again, the design was brought thoroughly up to date, and vehicles are now being manufactured with a very improved type of engine, which has been patented throughout the manufacturing world. I am pleased to say that the demand for lorries has always exceeded the supply, and we have on our books orders and contracts which will keep us fully employed day and night for at least the whole of this year, with the use of the large extensions to buildings and plant which we are at present making, and which we anticipate will enable us to more than treble our output. We have continuously run a night shift. The contracts referred to are almost exclusively for home consumption, but we have recently sent out several representatives to the Colonies and abroad, who are selling a limited number of vehicles which have been allocated to them out of this year's production to be used as demonstration vehicles by various agents in the Colonies and abroad, with a view to creating a large and increasing demand in subsequent years for those countries, at present undeveloped, which offer good opportunities for the use of commercial vehicles.

Building and Plant being Extended.

The eight-cylinder touring car which we have put on the market created a sensation at the recent Olympia Show, and has received most gratifying comments on all sides on account of its extremely efficient and unique design, which particularly appeals to the owner-driver. I might say that a very large number of the features are fully patented. To cope with the demand that has arisen for this car the extensions to buildings and plant are being proceeded with. Some of the extensions are already complete and plant installed, and with the termination of the difficulties of supplies caused by the moulders' strike delivery will soon be forthcoming. Mr. Guy, in seconding, will deal with them. It is the intention of your directors to keep the touring car and commercial vehicle department separate, which will enable us to specialise on the production of each model. At the same time, the use of parts of the works organisation, such as the production of tools and the purchase of materials, will enable certain economies to be effected which would not be otherwise possible.



Capital to be Further Increased.

You will readily see that with the very much enhanced and continually increasing cost of labour and materials, building and plant, together with the necessity of carrying much larger stocks at higher prices for the greatly increased output we are arranging for, together also with the development of the touring-car department, makes an increase in the capital required imperative, and as we have reached the limit of our present authorised capital, your board felt that whilst an alteration was being made in the nominal capital it should be increased to such an amount as would take care of any future requirements as far as can possibly be seen. So far as possible, upon the issue of the new shares preference in allotment will be given to the existing shareholders. We think it a fair estimate to assume that we can maintain the same dividend on the increased capital as was paid previously.

Future Prospects.

I feel that I ought not to conclude my remarks, although it would seem almost unnecessary, without stating that your directors have every confidence in the future prospects of the Company; and whilst it is apparent that we have made some extraordinarily rapid strides in the increase of the business, and gratified with the popularity with which our productions have been received, the extensions which we are arranging for have only been agreed to after a very close and careful study of the business for future years. I am sure you will agree with me that our best thanks and appreciation are due to the management and employees for their very creditable and whole-hearted efforts which so rapidly brought the position of this Company from a small and unknown concern to a position among the forefront of English motor manufacturers.

Managing Directors' Statement.

The Managing Director, Mr. S. S. Guy, said: Gentlemen,—In seconding the Chairman's resolution I should like to amplify his remarks. The difficulties of reconstruction have been enormous, and during the last two years of the War we had ceased the manufacture of lorries at the Government's request to make various types of engines, and when restarting manufacture we found, owing to the very large increase in the number of our employees and unavoidable depletions which had taken place with the original staff, only a very small number of the people employed knew anything about manufacturing our type of lorry, and a great deal of educational work had to be done. Those of you connected with manufacturing concerns will appreciate the tremendous difficulties of getting supplies, and I might add that the worst period of the War was nothing to be compared with the difficulties encountered during the last twelve months for securing adequate requirements for our manufacturing programme. All this meant very much delayed deliveries of vehicles, together with reduced output, and, as a matter of fact, I may say that the total output during the year was less than one-third of the anticipated programme, which was based on a very conservative estimate with these known difficulties in mind. You know you cannot on a complicated piece of mechanism like a motor vehicle, which has some 10,000 different parts, suddenly put into operation a revised programme. It takes months to take effect. In consequence, therefore, of the altered conditions in our case meant that, whilst some parts were hopelessly behind, a large quantity of other parts were being proceeded with in accordance with the original programme, and a large amount were being put into stock, which tied up a lot of capital, but which will greatly benefit us subsequently. I have dealt rather fully with these points because it not only explains what the balance sheet cannot show, but also because there are some sections of the public who have been rather slanging the British motor manufacturer for his alleged dilatory methods and slowness in getting into production compared with the American, who, by the way, in very few, if any, of his factories entirely stopped the manufacture of motor vehicles during the War.

Contracts and Orders.

We have on our books contracts and orders to an approximate value of £2,250,000, and these are almost exclusively for the British Isles, but, as the Chairman has told you, there is no question that we are going to do a large Colonial and foreign business, the design of our vehicles and cars being particularly adapted to the special requirements of countries as yet undeveloped for mechanical transport, and we have during the past year delivered vehicles to the following: Australia, New Zealand, South Africa, India, Brazil, Argentine, Holland, Denmark, and Belgium, where I am sure they will give a good account of themselves, and by the orders which are now coming along we are convinced that large business is to be done, and that our policy in quickly delivering vehicles overseas has been a proper one.

The Company's 8-Cylinder Touring Car.

The 8-cylinder touring car which we have put on the market, as you already know, has been extremely favourably received, and has rightly been referred to as the most up-to-date design on the market, besides which it is the pioneer all British 8-cylinder car as a standard production, and the number of orders and inquiries we have received from all parts of the world since its first appearance in November shows the widespread interest that it has aroused, and is an excellent indication of the business that is likely to be done with these cars in the future. All this showed us that large extensions to the business were advisable, and to secure the greatest possible advantage we decided to put up some large additional extensions without waiting for any additional capital.

By trading as we have done we have unquestionably established a very large goodwill which does not appear in the balance sheet, and which otherwise would not have been possible, and the future, to which we are looking forward with complete confidence, will, I feel sure, fully justify our policy.

Much Larger Production Planned.

We are arranging, as far as possible, to make the works self-contained, and avoid, where it can be done, dependence on outside supplies, so that our output will not be interfered with in the case of any sectional strikes or other trouble outside the works in which we are not concerned, but which in the past have very materially affected our production.

While the moulders' strike has not affected the past year, I thought the shareholders would like to know that whilst the output during the last two or three months has been interfered with, still, by careful organisation, we have been able to avoid discharging any of our employees, and it has given us a valuable opportunity of getting together a large stock of parts and pulling up some arreas which regularly occur in any manufacture; and now we can see large supplies of the few important details which we are waiting for, this accumulated stock will enable us to speedily get into very much larger production than we have previously obtained.

In conclusion I should like to add that in the whole course of the Company's life we have not had a strike in our works, and the whole-hearted co-operation and assistance we have received from the management, staff, and employees generally has made the difficulties of management during these troublesome times much less formidable, and enabled us to attain the results which you have before you which I am sure you will agree are encouraging and which would not otherwise have been possible.

The resolution was carried unanimously.

The Chairman proposed that the recommended dividend at the rate of 15% per annum, less tax, be approved, and same be, and is hereby, declared.

This resolution was seconded by T. S. Hooper, Esq., and carried unanimously

Mr. Councillor Mould proposed that a fee be voted to the directors the same as last year. Mr. McLaren seconded, and the resolution was carried unanimously.

The Chairman proposed that there should be added to reserve fund £15,000, bringing this fund up to £25,000, and the balance, £35,554 4*s.* 7*d.*, should be carried forward.

The resolution was seconded by T. Studdy Hooper, Esq., and carried unanimously.

The retiring director, J. A. Jordan, Esq., J.P., was unanimously re-elected.

Mr. Hinde proposed that the auditors, Messrs. Carter & Co., be and are hereby re-elected for the year, at a fee of 200 guineas.

F. F. Sharpe, Esq., supported, and the resolution was carried unanimously.

Subsequently an extraordinary general meeting was held, when the following resolution, proposed by the Chairman and seconded by T. Studdy Hooper, Esq., was unanimously carried:—

"That the nominal capital of the Company be increased to £750,000 by the creation of 450,000 additional shares of £1 each, ranking for dividend, and in all other respects *parri passu* with the existing Ordinary shares in the Company.

Col. A. M. McBean, J.P., in proposing a vote of thanks to the Chairman and the directors, expressed great pleasure in realising that the Company had already taken steps to enter the Colonial and foreign markets.

He stated that he was very appreciative of Mr. Guy's ability and enthusiasm, and had great confidence in the staff which Mr. Guy had around him. He was astounded in going round the works to observe the progress made, and in view of this consideration and his thorough confidence in the directorate, he had much pleasure in proposing the vote of thanks to the board.

F. H. Pepper, Esq., endorsed and seconded the resolution, which was carried unanimously.

E. W. TARRY AND COMPANY, LIMITED.

The annual general meeting of E. W. Tarry and Company, Limited, was held on January 27 at the Cannon Street Hotel, London, E.C., under the presidency of Mr. John Varley, the Chairman and Managing Director.

The Chairman, in the course of his remarks, said: Gentlemen,—The directors were disappointed that the net profit for the year ended August 31 last was so much lower than for the previous year. In the early part of the financial year the business was entirely upset owing to the influenza epidemic, which for some weeks brought trading almost to a standstill. Then, again, the moulders' and building-trade strikes caused considerable dislocation and loss of trade, especially in Johannesburg. The difficulties of obtaining delivery of goods and the continuously increasing prices we

have had to pay have also had serious effects on the transaction of business in South Africa. Our gross turnover was less than for the previous year. Although the profit shown on the balance sheet this year is £22,450, as against £43,691 last year, you must not lose sight of the fact that the latter figures were subject to excess profits duty, and there is a further liability which is still the subject of negotiation, so that by the time that is settled the net result to the shareholders this year will be much the same as last. The dividend which we recommend is the same, and the net carry-forward, after paying excess profits duty, is not likely to be less, and probably more than the net amount in last year's accounts. The reserve account was increased to £68,000 by resolution at the last annual meeting, and we suggest a further addition of £2,000 this year. You will see from the report that the net profit for the year is £22,449. The directors recommend that from this sum a final dividend of 5 per cent. on the Ordinary shares be paid, making 7½ per cent. for the year. In the ten years prior to the War the annual profit has only exceeded that of the present year on four occasions. The excess profits duty would have provided the Ordinary shareholders with an additional dividend of 12½ per cent. I can safely say that the indications regarding the prospects for the current year are encouraging. Our sales since September 1 are in excess of the corresponding period of last year. His Majesty's Trade Commissioner at Cape Town states: "The future demand for imported goods is not likely to be reduced. The spending power of the country has increased considerably during the War, consequent on high prices which were obtained for South African products. The demand for iron and steel manufactures will not be affected by increased prices, as the requirements for development and renovation purposes are enormous. Stocks of agricultural implements are practically depleted. Shortage of hardware and metal goods is very marked. There is a scarcity of iron and steel bars, sheets, wire ropes, &c., and large importations will be absorbed without difficulty." These are the opinions of one who was especially commissioned to report on the state of trade. I now beg to move: "That the report of the directors, together with the balance sheet and profit and loss account to August 31, 1919, be received and adopted, and that a final dividend of 5 per cent. on the Ordinary shares, making 7½ per cent. for the year, be declared for the year ended August 31, 1919."

The Right Hon. Viscount Knollys, P.C., G.C.B., G.C.V.O., seconded the motion, which was carried unanimously.

FREDERICK SAGE AND COMPANY, LIMITED.

THE fifteenth ordinary general meeting of Frederick Sage and Company, Limited, was held on January 27 at Winchester House, Old Broad Street, London, E.C., Mr. F. G. Sage, the Chairman of the Company, presiding.

The Chairman, in moving the adoption of the report and accounts, said: Gentlemen,—The balance sheet and the profit and loss account both disclose a very satisfactory position, especially in view of the fact that the period embraced by the accounts has been one of particular difficulty owing to the transition from aircraft production to our normal commercial work. After making full provision for depreciation, the profit and loss account shows a credit balance of £41,089, which allows us to recommend a dividend of 8% on the Participating Preference shares and a dividend of 10% on the Ordinary shares, to place £20,000 to reserve fund account, and to increase the carry forward to £18,066. Our various reserve accounts and the carry forward aggregate some £80,000, so that our capital is intact without attaching any value to the item "Goodwill." Many of the assets set out in the balance sheet, especially the buildings and plant, are much under-valued, having regard to their replacement cost to-day, while the stocks are taken at most conservative figures.

Our item goodwill is immensely valuable, and is to-day capable of providing earning capacity for a working capital far in excess of that we at the moment command. In common with other traders, we have been affected by labour difficulties, but it is satisfactory to report that, in our class of business, arrangements have been made whereby rates of wages have been fixed for a definite period. Our policy towards labour has always been liberal and sympathetic, and this attitude is, I think, fully acknowledged by the trade unions concerned. With regard to the current year, business in Great Britain is very satisfactory in both volume and character. As regards France and Belgium, the demand for our manufactures is most persistent and gratifying. We have made arrangements for factories in Paris and Brussels, and should shortly be feeling the full benefit of these facilities. In South America, both Argentina and Chili, we are doing particularly well. In South Africa matters have at last improved, and it looks as though that country has really settled to steady progress. You will be interested to hear that we own certain inventions relating to the production of aircraft which may possibly prove of considerable value.

Mr. Jesse Hawes seconded the motion, and it was carried unanimously.

NEW MODDERFONTEIN GOLD MINING CO., LTD.

(Incorporated in the Transvaal.)

THE twenty-second ordinary general meeting of shareholders was held in Johannesburg on Tuesday, December 9, 1919, Sir Evelyn Wallers in the chair.

The Chairman, in moving the adoption of the report and accounts, said: Gentlemen.—The report and accounts for the year ended June 30 last have been in your hands for some time, and you will have made yourselves thoroughly familiar with the position of your Company there set forth. As you will have observed, the coming into operation of the new main winding plant and the new reduction plant resulted in a considerable increase in the tonnage treated, with a resultant increase in the profit earned. Unfortunately the native-labour supply throughout the year has been disappointing, and we have not been able to use our plants to their full capacity. On the average we have had only approximately 75 per cent. of our complement of native workmen, and we have had, therefore, to concentrate our underground operations in the most convenient points in order to make the best use of that labour. We have, as you know, spent very large sums of money on various mechanical arrangements underground to obtain the best efficiency possible. Practically every ton of ore is broken by machines, and mechanical devices for handling that ore have been instituted wherever possible. The year's operations resulted in a working profit of £1,089,891 from 920,500 tons milled, having an average yield of 43*s.* 10*d.*, with working costs at 20*s.* 2*d.* The dividends paid during the year amounted to £875,000; direct taxation to the Governments amounted to no less than £215,000, and the balance unappropriated brought forward on July 1 last amounted to £255,866 19*s.*

Results of Development Work.

As regards the development work carried out for the year under review, you will have realised that the inadequate native labour force prevented us from doing quite as much as we should have desired. In point of fact, however, our ore reserves at 8,854,000 tons were practically maintained, and that is really all that is necessary in view of our exceptionally strong position in this respect. The footage effected for the year was 9,477, of which about 4,000 feet consisted of main haulages, cross-cuts, &c., in existing reserve blocks, carried out in order to make them more accessible and economical to work. The value of the new reef disclosures were very satisfactory, with a high degree of payability, but otherwise there were no special points of interest beyond those with which I have made you familiar from year to year. The testing of the upper leaders in the central portion of the mine continued as circumstances permitted, and there is no doubt that their existence in certain sections very appreciably increases the productivity of the claims in those areas. Since the close of the financial year we have been able to slightly increase our development work, and excellent values have been disclosed. The following position as regards the developed and undeveloped areas of your property as at June 30 last will be of interest. Of the 1,265 reef-bearing claims, 270 have been worked out, and the ore reserve covers 281½ claims. The accumulated unpayable area covers 96 claims, the undeveloped area comprises 613 claims, and the balance namely, 4½ claims—is allowed for dykes and faulted ground—a particularly small proportion. The indications as to the value of your undeveloped area are of a very satisfactory nature, having regard to the data available from other surrounding properties. The details of the capital expenditure for the year under review are given in the reports, and, as you will see, were mainly concerned with the completion of the new plant. The commitments for the current year on capital account are not large, and consist principally of another 65-drill air compressor, which we must obtain, and the erection, when possible, of four additional batteries of Nissen stamps, with the necessary small additions to the cyanide plant. The expenditure in this connection is estimated at £27,000, approximately, which will have the effect, when the work is completed, of increasing the capacity of the plant by a further 10,000 tons per month.

Current Operations.

Current operations to date since the close of your financial year—have continued to be satisfactory, and with a little improvement in the native-labour force the profit for November was £95,000. You will also bear in mind that all gold shipped from South Africa since July 25 last comes

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under the new arrangements for the sale of our product, which has resulted very satisfactorily, and that the profits declared have not included the premium that has been obtained. We cannot give you to-day the definite figures, but I think you can safely estimate that the premium on gold sold up to date has averaged 17 per cent., and, taking this figure, it means an additional profit to your Company up to the end of last month of, approximately, £121,000. You will be familiar with the abnormal world conditions which have resulted in this premium on gold, and I am not going to attempt to prophesy as to the time during which similar conditons are likely to prevail. In the meantime you are receiving a higher price for your product; do not forget, however, that higher costs are also indicated by prevailing conditions. The half-yearly dividend will be declared shortly, and I think the position of your Company justifies a distribution of 30*s.* per share.

Enemy-Held Shares.

As regards the enemy-held shares in our Company that are vested in the Custodian, we endeavoured over a considerable period, but unsuccessfully, to negotiate with the Government of the Union of South Africa for their purchase, on the same basis as was successful in respect of the Modder Deep, with the view of offering them *pro rata* to existing shareholders of the Company. The question of splitting the existing £4 shares of your Company into eight 10*s.* shares will be dealt with at the extraordinary general meeting to be held immediately on the conclusion of this meeting.

Mr. S. C. Black seconded the motion, which was carried unanimously.

CHAMPION REEF GOLD MINING COMPANY OF INDIA, LIMITED.

The adjourned thirty-first ordinary general meeting of the shareholders of this Company was held on January 29 at the Cannon Street Hotel, London, E.C., Sir J. D. Rees, Bart., K.C.I.E., C.V.O., M.P., presiding.

The Chairman, in the course of his remarks, said: Gentlemen,—No doubt you will all greatly regret, as I do, the absence from the chair of Mr. John Taylor, who, though he has recovered from a recent illness, is not yet quite equal to the task of presiding at this meeting. We did not receive the superintendent's report and the accounts in time for the meeting, which we were obliged to hold before the end of last year to comply with the Companies Act. We therefore convened the annual general meeting for December 19, and adjourned until we were in a position to place all the facts and figures before you. With regard to the operations of the twelve months commencing October 1, 1918, and terminating on September 30, 1919, there were increases of 4,203 tons in the output from the mine, of 2,523 tons in the ore crushed in the stamp and tube mills, and of 1,602 tons in the tailings treated in the cyanide plant. On the other hand, the average grade of the ore dealt with showed a decline, so that a reduction of 10,230 oz. is shown in the total production of gold. Consequently, the total income, after payment of royalty and including receipts for interest, &c., was smaller to the extent of £40,899. On the debit side of the account we have an increased expenditure of £15,917. Compared with the previous year, therefore, the profit has diminished to the extent of £56,816. With these figures before us, it is plain why the Company's fine sequence of dividends for the past 25 years must now be interrupted, but we hope that this will prove to be but a gap in the long record of success.

The exchange value of the rupee continued to rise and resulted in our having to make larger remittances to India to meet wages and other payments. However, this difficulty was overcome by the new arrangement arrived at after negotiations with the Bank of England and the India Office, whereby one-half of the produce of the Kolar gold mines from May last has been sold in India for rupees. This arrangement holds for one year from May 14, 1919, and at the time it was concluded the rate of exchange was already over 1*s.* 7*d.* per rupee. Since then it has risen to 2*s.* 4*d.* and over, so that a very heavy loss has been prevented by this expedient. We are far from being contented, however, as we feel we ought also to benefit as other gold producers do by the existing premium on gold. With regard to the prospects of the current year, you will have gathered from the extracts from the superintendent's report that these depend upon the developments of the next few months. I now move: "That the directors' report and accounts to September 30, 1919, be received and adopted."

Sir John F. F. Horner, K.C.V.O., seconded the motion.

Mr. Edgar Taylor, in a detailed and technical statement, said the ore reserves, of which a considerable quantity had to be written off some time ago as being unavailable for reasons of safety in the working of the mine, now stand at 293,500 tons. A certain quantity of the total written off has, however, this year again been brought into reserve, with the sanction of the Government engineers, and we hope that eventually a large proportion of the remainder may again become available. Good results had been obtained in our remodelled treatment plants, but further benefits are anticipated by doing away with the sands plant, and relying entirely on an all sliming plant. Except at one or two points, the present bottom of our mine is poor. The only way in which we can remedy this is by a policy of continued development—a policy which, as our Superintendent remarks, has been amply justified and rewarded in the past. The arrangement with the Indian Government comes to an end next May, and we have been in negotiation with the Bank of England with the object of putting the whole matter on a peace footing. The Bank is willing to cancel the War arrangement with us on condition that all our gold is brought to London for sale as we please, which corresponds with the terms accepted by the South African companies; but it is a monstrous proposition that we, producing gold in India, should be compelled to bring our gold to England and at the present exchange price of the rupee should have to pay our wages and costs of development in the country of production by remittances from here. The Bank have during the last few days shown a disposition to give us facilities for negotiating a new arrangement altogether with the Indian Government. You may rest assured that your directors, in consultation with the directors of the other Indian mining companies, are taking all such steps as they are advised are legally available to this end. (Applause.)

The resolution was unanimously adopted.

The retiring directors were re-elected, the auditors re-appointed, and the board and staff thanked.

LANGEN (JAVA) RUBBER ESTATES CO., LTD.

The tenth ordinary general meeting of this Company was held on January 30 at 38 Eastcheap, London, E.C.

Mr. C. E. Welldon, who presided, said that the net capital expenditure to August 31, 1919, totalled £137,390, an amount just covered by the issued share capital and the sum now at the credit of reserve account. The total area planted with hevea rubber was 2,377 acres, and there were in addition 173 acres under coconuts. The latter they intended gradually to cut out, and to replant the area with hevea rubber. The total cultivated area was therefore 2,550 acres. The capital expenditure to date on the 2,550 acres under cultivation was at the rate of £53 17*s.* 6*d.* per acre, which he considered a reasonable figure. If they deducted from the total amount the sum standing at credit of reserve account the cost per acre was only £48 18*s.* The Rubber Growers' Association scheme for restriction of production during 1918 came to an end on December 31, 1918, so that the first four months of the year now under review were included, and the crop was less to that extent. The total rubber harvested was 700,222 lb., as compared with 698,281 lb. in the previous year. The f.o.b. cost was 11.43*d.* per lb., as compared with 11.09*d.* per lb. last year. In that figure they had not included difference on exchange, which worked out at .63*d.* per lb. In the previous year this was 1.28*d.* per lb. They had, however, included the costs of upkeep of the immature area and of the new clearing, costing 1.01*d.* per lb., which compared with .99*d.* per lb. under this heading in last year's cost, also a charge for Java income tax of 1.03*d.* per lb., which compared with 1.28*d.* per lb. last year. Eliminating these costs, which were not directly part of the producing cost, it would be seen that this Company produced its rubber at quite a moderate figure.

The net profit for the year amounted to £28,297, and with the amount brought forward there was an available total of £37,695. After providing for excess profits duty and for the Netherlands Indies war tax the directors recommended a final dividend of 7½%, making 15% for the year, £10,276 being carried forward. The visiting agent, Mr. Schrieke, reported that the estate was maintained in thoroughly good order. The Manager's estimate of the rubber crop for the current year was 850,000 lb. They had sold forward 192 tons of the current year's crop at an average net price of 1*s.* 10.18*d.* per lb., and also 39 tons at an average net price of 1*s.* 10.31*d.* per lb., for delivery out of the 1920-21 crop.

The report was unanimously adopted.

An extraordinary general meeting was afterwards held to consider a resolution authorising the increase of the capital to £250,000.

The resolution was unanimously agreed to.

RAND GOLD OUTPUT.

Aurora West United.—Authorised capital £300,000, in 600,000 10*s.* shares; issued, 212,705 shares.

Yearends Dec. 31	Stps.	Tons Milled	Sort ing %	—Revenue— Amt. £	Pr. ton	—Expenses— Amt. £	Pr. ton	—Profit— Amt. £	Pr. ton	Price end of Period
1917 ...	80	177,250	13	212,739	24/0	168,165	19.0	44,574	5/0	12/3
1918 ...	78av.	158,550	8½	178,462	22/6	176,053	22/2	2,409	–/4	10/6
1919.										
Mar. qr.	73	38,700	7.85	37,894	19/7	44,645	23/1	*6,751**	*3/5**	⅞
June qr.	80	41,100	8.43	43,084	20/11	48,591	23/7	*5,507**	*2/8**	8/9
Sept. qr.	80	41,700	9.65	44,772	21/5	50,147	24/0	*5,375*	*2/7**	7/6
October	—	12,350	—	13,131	21/3	16,178	26/5	*3,047**	*5/2**	8/6
Nov. ...	—	13,000	—	14,321	22/0	16,697	25/10	*2,376**	*3/10**	8/0
Dec. ...	—	14,000	—	14,371	20/6	16,978	24/5	*2,607**	*3/11**	7/6
1919	—	160,850	—	167,573	20/9	193,236	24/1	*25,663*	*3/4*	7/6

* Loss.

Brakpan.—Capital issued, 808,000 £1 shares; 160 stamps. Ten tube mills now working.

Year ends Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Pr. ton £	Expenses Amt. £	Expenses Pr. ton £	Profit Amt. £	Profit Pr. ton £	Price end of Period
1917 ...	110	677,500	14½	1,168,454	34/6	694,451	20/6	474,003	14/0	5⅝
1918 ...	111	617,100	15½	1,089,950	35/4	723,643	23/5	366,317	11/11	3½
1919.										
Mar. qr.	113	134,800	12.09	260,109	38/9	169,335	25 2	90,774	13/7	3½
June qr.	110	141,800	14.94	268,142	37/10	177,127	25/0	91,015	12/10	3½
Sept. qr.	110	137,500	—	261,864	38/1	185,139	27/1	76,725	11/0	3⅜
Oct. ...	—	42,000	—	78,785	37/7	60,721	28/11	18,155	8/8	3½
Nov. ...	—	44,000	—	82,168	37/4	61,839	28/1	20,329	9/3	3½
Dec. ...	—	44,100	—	87,416	39/8	68,078	30/10	19,338	8/9	3⅜
1919 ...	—	544,200	—	1,038,585	38/2	723,259	26/7	315,436	11/7	3⅜

The fixed charge for development has been increased to 3s. 6d. per ton as from July 1, 1918.

* Including 1,000 oz. from reserve.

Dividends—1917, June, 22½; Dec., 25 per cent.
1918, June, 20; Dec., 12½ per cent.
1919, June, 12½; Dec., 15 per cent.

City and Suburban.—£1,360,000, in £4 shares. Two tube mills. Yearly profit is exclusive of accumulated slimes revenue.

Year to Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Per ton £	Expenses Amt. £	Expenses Per ton £	Profit Amt. £	Profit Pr. ton £	Price end of Period
1917 ...	150	306,450	15½	527,076	34/4	367,604	23/11	159,472	10/5	1⅛
1918 ...	150	248,730	12½	416,923	33/6	369,516	29/8	47,407	3/10	¾
1919.										
Mar. qr.	80*	45,683	11.37	77,374	33/10	90,301	39/6	12,927†	5/8	7/16
June qr.	80	53,838	12.10	88,636	32/8	94,479	35/1	6,443†	2/5	⅛
Sept. qr.	112	60,083	12.19	88,460	29/9	96,240	32/6	7,780†	2/7†	—
Oct. ...	120	23,648	12.44	32,582	27/6	33,647	28/5	1,065†	0/11†	9/0
Nov. ...	—	18,496	—	28,331	30/8	32,190	34/10	3,859†	4/2†	9,0
Dec. ...	—	18,318	—	28,356	31/0	33,356	36/5	4,000†	5/5†	9/0
1919 ...	93	220,066	—	343,119	31/6	385,193	35/1	37,107†	3/7†	9/0

* 70 stamps shut down owing to labour shortage. † Loss.

Dividends—1917, June, 6¼; Dec., 3¾ per cent.
1918, June, 1⅞ per cent.; Dec., nil.

City Deep.—Capital £1,250,000, in £1 shares. 200 stamps and tube-mill accessories. Capacity 80,000 tons per month.

Year to Dec. 31	Stps.	Tons Milled	Sorting %	Revenue* Amt. £	Revenue* Per ton £	Expenses Amt. £	Expenses Per ton £	Profit* Amt. £	Profit* Per ton £	Price end of Period
1917 ...	154	744,100	14½	1,469,953	39/6	796,137	21/5	665,569	17/11	3⅜
1918 ...	154	670,100	9⅜	1,274,970	38/0	821,768	24/6	453,202	13/6	2½
1919.										
Mar. qr.	154	135,500	9.17	267,742	39/6	195,977	28/11	71,765	10/7	2⅛
June qr.	154	146,500	7.87	290,112	39/7	207,021	28/3	83,091	11/4	2⅜
Sept. qr.	—	167,800	—	314,570	37/6	228,869	27/4	85,701	10/2	2⅜
Oct. ...	—	60,000	—	108,998	36/3	78,804	26/4	30,094	9/11	3⅛
Nov. ...	—	54,000	—	101,003	37/5	70,158	25/0	30,845	11/5	3⅛
Dec. ...	—	54,000	—	98,517	36/6	75,269	27/10	23,248	8/8	3⅛
1919 ...	—	617,800	—	1,180,942	38/4	856,198	27/10	324,744	10/6	3⅛

Dividends—1917, June, 22½: Dec., 22½ per cent.
1918, June, 20; Dec., 7½ per cent.
1919, June, 10 per cent.

Consolidated Langlaagte.—£950,000, in £1 shares. £100,000 5½% Debentures. 100 stamps and 10 tubes. About £400 monthly sundry revenue included below.

Year to Dec. 31	Stps.	Tons Milled	Sorting %	Revenue* Amt. £	Revenue* Pr. ton £	Expenses Amt. £	Expenses Pr. ton £	Profit* Amt. £	Profit* Pr. ton £	Price end of Period
1917 ...	100	585,650	½	729,938	24/11	501,385	17/1	231,226	7/11	21/0
1918 ...	100	503,300	—	635,853	25/2	478,113	19/0	157,740	6/2	20/0
1919.										
Mar. qr.	100	129,500	—	157,131	24/2	128,024	19/8	29,107	4/6	17/9
June qr.	100	134,900	—	166,434	24/10	131,326	19/7	35,108	5/3	2 x
Sept. qr.	100	130,300	—	162,981	25/0	130,724	2 /1	32,257	4/11	2 /0
October	—	42,400	—	53,405	25/2	44,520	21/0	9,147	4 2	1
Nov. ...	—	36,500	—	49,572	27/2	41,564	22/11	8,008	4/3	1
Dec. ...	—	35,100	—	48,781	27/10	42,404	24/4	6,377	3/6	1
1919 ...	—	567,800	—	638,304	2 2	518,582	20/6	119,742	4 8	5/1

* Includes slimes profit and sundry revenue.

Dividends—1917, June, 10; Dec., 7½ per cent.
1918, June, nil; Dec., 5 per cent.
1919, June 5; Dec., 7½ per cent.

Crown Mines.—Capital £1,000,000, in 2,000,000 shares of 10s. each; issued, 1,880,212. £573,500 Five per Cent. Debentures. Milling capacity about 230,000 tons per month.

Year to Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Per ton £	Expenses Amt. £	Expenses Per ton £	Profit Amt. £	Profit Per ton £	Price end of Period
1917 ...	660	2,100,000	8¼	2,700,095	25/9	2,026,129	19/4	673,966	6/5	2⅛
1918 ...	660	1,861,000	9¼	2,528,760	27/1	2,118,055	22/8	410,705	4/5	2½
1919.										
Mar. qr.	660	424,000	11.15	675,100	28/6	548,282	25/10	56,818	2/8	2⅛
June qr.	660	490,000	11.09	675,025	27/7	560,913	22/11	114,112	4/8	2⅛
Sept. qr.	—	531,000	—	721,891	27/2	565,090	21/3	156,801	5/11	2⅛
Oct. ...	—	182,000	—	248,928	27/4	183,281	20/9	59,647	6 7	2⅛
Nov. ...	—	163,000	—	233,021	28/7	183,635	22/6	49,386	6/1	2⅛
Dec. ...	—	155,000	—	218,743	28/3	194,742	25/1	24,001	3/2	2⅛
1919 ...	—	1,845,000	—	2,702,708	27/10	2,241,943	23/2	460,765	4/8	2⅛

Accumulated slimes profits included.

Dividends—1917, June, 20; Dec., 20 per cent.
1918, June, 15; Dec., 5 per cent.
1919, June, 5; Dec., 35 per cent.

East Rand Proprietary Mines.—Capital issued, £2,445,897, in £1 shares; £835,620 Convertible Five per Cent Debentures in issue. Twenty-five tube mills.

Year ends Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Pr. ton £	Expenses Amt. £	Expenses Pr. ton £	Profit Amt. £	Profit Pr. ton £	Price end of Period
1916 ...	820	1,939,200	9½	2,365,107	24/4	1,867,943	19/3	497,164	5/1	12 3
1917 ...	820	1,741,000	7⅛	1,885,648	21/7	1,721,451	19/8	164,197	1/11	5/9
1918 ...	600	1,372,300	10	1,597,075	23/2	1,544,160	22/6	52,915	/8	4/10
1919.										
Mar. qr.	600	330,500	9·26	425,785	25/9	396,415	24 0	29,370	1/9	7/9
June qr.	600	331,000	8.87	425,324	25/8	400,690	24/2	24,634	1/6	6/3
Sept. qr.	600	376,000	8.30	450,729	24/0	423,295	22/3	27,434	1/6	5/6
Oct. ...	440	134,000	8.30	159,288	23/9	144,237	21/6	15,051	2/3	8/0
Nov. ...	—	128,000	—	151,112	23/0	141,064	22/5	10,048	1/7	11/6
Dec. ...	—	112,000	—	152,824	27 3	150,158	26/10	2,666	/5	11/9
1919 ...	—	1,409,500	—	1,765,051	25/1	1,655,858	23/7	109,203	1/6	11/9

Accumulated slimes profits included throughout.

Geduld Proprietary.—The capital authorised is £1,500,000; issued, £1,151,824, in £1 shares.

Year ends Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Per ton £	Expenses Amt. £	Expenses Per ton £	Profit Amt. £	Profit Per ton £	Price end of Period
1917 ...	77av.	425,550	7.5	631,364	29/8	418,526	19/8	212,838	10/0	38/0
1918 ...	100	513,200	10.1	747,906	29/2	513,664	20/0	234,242	9/2	1²⁵/₃₂
1919.										
Mar. qr.	95	125,900	3.0	183,884	29/2	121,392	19/3	62,492	9/11	2¹⁷/₃₂xd
June qr.	100	128,800	1.13	192,097	29/10	127 640	19/10	64,457	10/0	2⅛
Sept. qr.	100	129,000	5.56	195,585	30/4	131,956	20/6	63,629	9/10	2⅜
October	—	44,600	—	67,192	30/2	45,324	20/7	21,868	9/7	2⅛
Nov.	—	44,200	—	68,139	30 10	46,040	20 10	22,099	10 0	2⅛
Dec.	—	43,500	—	67,571	31/1	48,515	22 4	19,56	8/9	2
1919	—	516,000	—	776,468	30 0	522,867	20/2	253,601	9/10	2

Profits include sundry revenue.

The sorting in this mine is both on surface and underground; very light on surface.

Dividends—1917, June, 5: Dec., 5 per cent.
1918, June 5: Dec., 6¼ per cent.
1919, Dec., 16 per cent.

Government Areas.—Capital £1,400,000, in £1 shares. 200 stamps, 20 tube mills; 5 tube mills being added to increase mill capacity to 135,000 tons a month. The returns include sundry revenue.

Year ends Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Per ton £	Expenses Amt. £	Expenses Per ton £	Profit Amt. £	Profit Pr. ton £	Price end of Period
1916 ...	110	744,000	12⅝	1,008,779	27/1	804,091	21/7	216,400	5/10	51/3
1917 ...	186	1,298,000	8	1,930,657	29/9	1,236,741	19/0	700,439	10/10	3¹¹/₁₆
1918 ...	189	1,303,500	10⅛	2,159,642	33/1	1,282,226	19/8	877,416	13/5	4¹/₁₆
1919.										
Mar. qr.	183	321,500	13.34	567,547	35/4	342,127	21/4	225,420	14/0	4²⁵/₃₂
June qr.	200	359,500	12.51	627,832	34/11	361,452	20/1	266,380	14/10	4¹⁵/₁₆
Sept. qr.	—	342,000	—	611,485	35/9	353,965	20/8	257,520	15/1	4¹⁵/₁₆
Oct.	—	126,000	—	217,826	34/7	127,801	20/4	90,025	14/3	5⅛
Nov. ...	—	109,000	—	199,301	36/7	118,344	21/10	80,957	14/9	5¹/₁₆
Dec. ...	—	103,000	—	194,591	37/10	119,347	23/4	75,244	14/6	5⅛
1919 ...	—	1,361,000	—	2,418,582	35/7	1,477,008	21/8	941,046	13/7	5⅛

Modderfontein.—Capital, £1,400,000, in £4 shares. Fifteen tube mills in use.

Year to June 30	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Pr. ton £	Expenses Amt. £	Expenses Pr. ton £	Profit Amt. £	Profit Pr. ton £	Price end of Period
1916-17	180	656,700	14	1,423,500	43/4	638,483	19/5	785,017	23/11	20⅜
1917-18	195av.	634,100	8	1,559,177	45/7	729,9	21/3	829,2	24/4	2 4
1918-19	236	920,500	10.41	2,018,901	43/10	929,1	20/2	1, 89,7	23/3	2⅜
1919-20.										
Sept. qr.	236	218,500	11.10	486,728	44/7	235,318	21/7	251,410	23/0	28
Oct. ...	—	74,000	—	166,203	45/5	78,7	2	87,445	23/5	5
Nov. ...	—	77,000	—	17			2	94,1	24/5	31½
Dec. ...	—	75,600	—	17		83,7	22/1	9	25,11	3½

Returns include profit from accumulated slimes.

Dividends—1917, June, 16½; Dec., 18¾ per cent.
1918, June, 21⅞; Dec., 30 per cent.
1919, June, 32½; Dec., 37½ per cent.

Langlaagte Estate. — Capital £950,000; issued, 886,500 £1 shares. 200 stamps five tubes. No sorting.

Year to Dec. 31	Tons Milled	Revenue Amt. £	Revenue Pr. ton	Expenses Amt. £	Expenses Pr. ton	Profit Amt. £	Profit Pr. ton	Price end of Period
	(Profits include estate &c., revenue.)							
1917 ...	539,618	622,491	23/0	503,030	18/7	119,461	4/5	15/0
1918 ...	533,690	647,999	24/2	508,916	19/0	139,083	5/2	20/6
1919.								
Mar. qr. ...	125,730	159,706	25/6	123,722	19/10	35,978	5/8	18/3
June qr. ...	123,100	155,034	25/2	127,378	20/8	27,656	4/6	21/6
Sept. qr. ...	122,230	147,669	24/1	129,408	21/2	18,251	2/11	16/6
Oct ...	33,520	47 347	28/7	43,010	26/5	4,337	2/2	19/6
Nov. ...	32,600	42,156	25/11	39,772	24/7	2,381	1/4	19/6
Dec ...	33,670	38 879	23/1	39 654	23/8	775*	7d.*	20/6
1919 ...	475,480	590,781	24/10	5 2,950	21/4	87,831	3/6	20/6

* Loss.

Dividends—1917, June, 5; Dec., 5 per cent.
1918, June, 5; Dec., 7½ per cent.
1919, June, 7½ per cent.

Modder Deep.—Capital £500,000, in £1 shares Milling started December 14, 1914. Plant capacity 44,000 tons a month.

Year ends Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt £	Revenue Pr. ton	Expenses Amt £	Expenses Pr. ton	Profit Amt. £	Profit Pr. ton	Price end of Period
1917 ...	70	494,400	4½	964,393	39/0	403 217	16/4	561,176	22/8	7⅛
1918 ...	70	606,100	5½	1,031,475	40/9	441,614	17/5	589,861	23/4	7⅜
1919.										
Mar. qr.	70	126,900	8.66	260,234	41/0	110,687	17/5	149,447	23/7	7½
June qr.	70	126,800	11.21	275 270	43/5	113,511	17/11	161 759	25/6	7⅞
Sept qr.	70	127,300	10.48	281,674	43/3	118,000	18/7	163,624	25/8	2¼*
Oct. ...	—	44,400	—	98,239	44/3	41,115	18/6	57,124	25/9	2¼
Nov. ...	—	43,700	—	93,872	46/2	39,910	19/7	53,962	26/7	2⅜
Dec. ...	—	41,100	—	98,183	44/2	43,278	21/1	54,805	23/1	2⅛
1919 ...	—	507,200	—	1,107 372	43/5	466,551	18/5	640,721	25/6	2⅛

* 5s. share.

Dividends—1917, June, 40; Dec., 45 per cent.
1918, June, 47½; Dec., 50 per cent.
1919, June, 50; Dec., 65 per cent.

Modderfontein B.—Issued capital £700,000, in £1 shares. Plant of capacity 720,000 tons per annum.

Year to Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Pr. ton	Expenses Amt £	Expenses Pr. ton	Profit Amt. £	Profit Pr. ton	Price end of Period
1917 ...	96	517,500	15½	1,193,650	46/2	512,535	19/5	691,115	26/9	8⅜
1918 ...	100	605,500	15⅜	1,253,614	41/5	596,103	19/8	657,511	21/9	7⅞
1919.										
Mar. qr.	101	160,000	14.99	366,786	45/10	178.394	22/4	188,392	23/6	7⅛
June qr.	104	163,500	14.23	360,759	44/1	174,535	21/4	186,224	22/9	8⅛
Sept. qr.	104	166,000	14.25	352,632	42/6	182,593	22/0	170,039	20/6	8⅞
Oct. ...	104	59,000	14.99	125,501	42/6	65,548	22/3	59,953	20/3	9¼
Nov. ...	—	50,000	—	110,002	45/7	62,044	24/10	52,028	20/9	9⅛
Dec. ...	—	51,000	—	104,077	40/10	65,358	25/8	38,719	15/2	9⅜
1919 ...	—	649,500	—	1,423 827	43/10	728,472	22 6	695,355	21/4	9⅜

Dividends—1917 June, 40; Dec., 45 per cent
1918, June 42½; Dec 40 per cent.
1919, June, 45; Dec., 47½ per cent.

Randfontein Central.—Capital, £4,500,000; issued, £4,500,000 in £1 shares. £2,564,330 of 6% Debentures, repayable at rate of £150,000 per annum. Sundry revenue included in earnings.

Year ends Dec. 31	Stps.	Tons Milled	Revenue Amt. £	Revenue Per ton	Expenses Amt. £	Expenses Per ton	Profit Amt. £	Profit Pr ton	Price end of Period
1917 ...	650	av. 2,017,171	2,480,5 5	24/6	1,984,040	19/7	496,465	4/11	11/3
1918 ...	600	1,745,900	1,991,839	22/9	1,883,767	21/7	108,072	1/2	12 9
1919.									
Mar. qr.	600	421,000	480,529	22/10	451,110	21/7	29 419	1/5	13/9
June qr.	600	432,000	491,936	23/1	467,114	21/7	32,872	1/6	13/9
Sept. qr.	600	457,200	523,815	22/11	487,287	21/4	36,548	1/7	16/0
Oct. ...	—	150,000	17 ,641	23/9	167,685	22/6	9,956	1/3	20/9
Nov. ...	—	135,000	155,159	22/11	159,997	23/9	4,847*	1/10*	19/9
Dec. ...	—	135,5 0	155,326	23/0	163,472	25 0	12,1 6*	2,0*	20/9
1919 ...	—	1,729,400	1,990,467	23/0	1,898,665	22/1	105,876	11d.	20/9

* Loss.

Springs Mines.—Issued capital £1,193,236 in £1 shares; £130,000 6% Debentures. Capital being increased to £1,500,000. Plant capacity 40,000 tons per month. Trial crushings started January 1917:—

Year to Dec. 31	Tons Milled	Sorting %	Revenue Amt. £	Revenue Per ton	Expenses Amt. £	Expenses Per ton	Profit Amt. £	Profit Per ton	Price end of Period
1917 ...	313,065	13⅓	610,440	39/0	345,998	22/1	264,442	16/11	3½
1918 ...	427,610	18·7	905,777	42/4	475,222	22/3	430,555	20/1	3⅝
1919.									
Mar. qr.	106,000	17·71	211,210	39/11	131,923	24/10	79,287	15/1	3⅞
June qr.	104,510	18.53	197,556	37/10	131,462	25/2	66,134	12/8	2⅞
Sept. qr.	112,400	—	203,657	36/3	137,305	28/4	46,354	8/3	2⅛
Oct. ...	39,600	—	77,044	38/11	55,355	27/11	21,689	1 /11	2⅛
Nov. ...	36,200	—	71,902	39/9	51,295	28/4	20,606	11/4	2⅛
Dec. ...	35,900	—	67,877	37/10	51,380	28/7	16,497	9/2	2⅛
1919 ...	434,610	—	829,286	38/2	578,719	26 8	250,567	11/6	2⅛

Development charge raised 2s. 6d. per ton milled as from July 1, 1919.

Dividend—1918, June (Springs West shares); Dec., 12½ per cent.

Van Ryn.—£500,000, in £1 shares. Batteries, 160 stamps. Six tube mills. Present capacity about 550,000 tons a year.

Year to June 30	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Per ton	Expenses Amt. £	Expenses Per ton	Profit Amt. £	Profit Pr ton	Price end of Period
1916-17 ...	140	456,450	6½	553,430	24/3	341,166	15/0	212,264	9/3	1⅜
1917-18 ...	140	410,300	—	460,749	22/5	335,741	16/4	124.988	6/1	11/16
1918-19.										
Sept. qr. ...	146	98,700	3⅛	104,453	21/1	84,797	17/2	19,656	3/11	3/16
Dec. qr. ...	140	98,160	3⅛	100,760	20/6	85,006	17/4	15,754	2/2	⅞
Mar. qr. ...	140	97,700	3.19	95,632	19 7	82,852	17/0	12,780	2/7	15/16
June qr. ...	140	105,300	3.40	101,931	19/2	85,271	16/0	16,660	3/2	3/2
1919-20.										
Sept. qr. ...	140	94,400	1.42	98,353	20/11	84,051	18/1	14,309	2/10	¾
Oct. ...	—	32,100	—	32,532	20/3	28,338	17/10	4,049	2/5	1
Nov. ...	—	31,100	—	31,767	20/3	27,852	18/1	3,715	2,4	1⅛
Dec. ...	—	31,700	—	31.362	19/9	24,850	18/4	2,512	1/5	1⅜
Dec. qr. ...	—	94,960	—	95,361	20/1	80,040	18/1	10,276	2/0	1⅜

Dividends—1916-17, Dec., 17½; June, 17½ per cent.
1917-18, Dec., 12½. June, 5 per cent.
1918-19, Dec., 7½ per cent.

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A paper on "Tropical Departments of Agriculture, with special reference to the West Indies," by Sir Francis Watts (Imperial Commissioner of Agriculture for the West Indies), will be read at a meeting of the Royal Society of Arts (Colonial Section), on Tuesday next, by Capt. A. W. Hill, Sc.D. The chair will be taken at 4.30 P.M. by Sir David Prain, Director of the Royal Botanic Gardens, Kew.

The official Warsaw journal, *Monitor Polski*, publishes the returns of the Polish State Bank, which show that on January 10 the total of currency notes in circulation issued by the Bank was 5,630,915,668 marks, 50 fenigs, or about 10 millions sterling at the present rate of exchange. These figures compare very favourably with those of other European countries.

THE GRAND TRUNK RAILWAY COMPANY OF CANADA.

Notice is Hereby Given that a Special General Meeting of the Grand Trunk Railway Company of Canada will be held at the Cannon Street Hotel, Cannon Street, London, E.C., on Thursday, the 19th February, 1920, at Twelve o'clock noon precisely for the purpose of considering and, if approved, of ratifying, an Agreement between His Majesty the King, represented by the Minister of Railways and Canals of Canada of the first part, and the Company of the second part, the draft of which Agreement will be submitted to the meeting.

By Order,
ALFRED W. SMITHERS, Chairman.
H. H. NORMAN, Secretary.

Dashwood House
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Coupons must be left three clear days for examination prior to payment.

For the Yokohama Specie Bank, Limited,
T. OKUBO,
Manager

9 Bishopsgate, E.C.
31st January, 1920.

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INCORPORATED BY ROYAL CHARTER AND ACT OF PARLIAMENT. ESTABLISHED 1825.

Capital Subscribed, £5,000,000.
Paid-up, £1,100,000. Uncalled, £3,900,000.
RESERVE FUND, £1,000,000.

Head Office—EDINBURGH.
J. S. COCKBURN, General Manager. GEORGE A. HUNTER, Secretary.

London Office—37 NICHOLAS LANE, LOMBARD STREET, E.C. 4.
T. C. RIDDELL, Manager. DUGALD SMITH, Assistant Manager.

Every description of Banking Business transacted, including the purchase and sale of Stocks, Shares, Securities, &c.; the Collection of Dividends and Coupons whether payable in Great Britain or abroad; the issue of Drafts, Letters of Credit, and Circular Notes payable in the principal Cities and Towns throughout the World; and Cable transfer of Remittances to all parts.

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The Officers of the Bank are bound to secrecy as regards the transactions of its Customers.

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LIMITED,

39 CORNHILL, LONDON, E.C. 3.

Telegrams: "UDISCO, LONDON." Telephone: 514 AVENUE (3 Lines).

CAPITAL AUTHORISED AND SUBSCRIBED, £2,000,000.

in 200,000 Shares of £10 each, on which £5 have been paid.

PAID UP ... ... £1,000,000.
RESERVE FUND ... ... £1,000,000.

DIRECTORS.

ARTHUR LOUIS ALLEN.
SIR ROBERT BALFOUR, Bart., M.P.
WILLIAM THOMAS BRAND.
ARTHUR JOHN FRASER.
THE HON. SIR WILLIAM HY. GOSCHEN, K.B.E.
ROBERT HOLLAND-MARTIN, C.B.
CHRISTOPHER R. NUGENT.

MANAGER.—CHRISTOPHER R. NUGENT. **DEPUTY-MANAGER.**—ROBERT C. WYSE.
ASSISTANT MANAGER.—F. NEVILL JACKSON. **SECRETARY.**—W. B. HOBBS.

SIXTY-SECOND REPORT OF THE DIRECTORS,

Submitted to the Shareholders at the Ordinary General Meeting held at the CANNON STREET HOTEL, in the City of London, on Thursday, the 22nd day of January, 1920, at 12.30 p.m.

The Directors beg to submit to the Shareholders the statement of the affairs of the Company for the year ending 31st December, 1919.

The Accounts, including the balance brought forward, show a gross profit of £678,903 9s. 6d.

After providing £50,000 0s. 0d. to meet depreciation of Government Securities during the past year, placing them at current prices, deducting £345,149 12s. 1d. for Rebate of Interest on Bills not yet due, current expenses and the interim dividend, there remains a balance of £185,025 1s. 3d. Out of this sum the Directors recommend the payment of a Dividend for the final half-year at the rate of 14 per cent. per annum, less Income Tax, with a bonus of 1s. per share, free of Income Tax, carrying forward £126,025 1s. 3d.

The Directors have to report that the 30,000 New Shares offered in February last to the Shareholders at a premium of £5 per Share, in accordance with Resolutions already passed in General Meeting, were fully subscribed, and in consequence the Paid-up Capital has been increased by £150,000 to £1,000,000, and the Reserve Fund by £150,000 to £1,000,000.

Since the last Meeting Mr. E. C. Stevenson has retired from the Sub-Management after 40 years' service with the Company, and Mr. C. Bergel has resigned his position as Foreign Department Manager.

The Directors have appointed as Deputy-Manager Mr. Robert C. Wyse, lately Manager in London of the Guaranty Trust Company of New York.

The members of the Board retiring by rotation are Sir Robert Balfour, Bart., M.P., and the Hon. Sir William Henry Goschen, K.B.E., who, being eligible, offer themselves for re-election.

The Auditors, Mr. A. Turquand Young and Sir William Plender, who retire in accordance with the Articles of Association, offer themselves for reappointment.

The Dividend will be payable on and after the 24th inst.

39 Cornhill, London, E.C., 8th January, 1920.

By Order of the Board,
W. B. HOBBS, Secretary.

BALANCE SHEET, 31st December, 1919.

Dr.			Cr.	
To Capital Account, 200,000 Shares of £10 ...	£2,000,000 0 0		By Cash at Bankers	£1,173,980 13 11
Amount paid, £5 per Share		£1,000,000 0 0	British Government, Indian Government, and other Securities	3,796,422 11 8
Reserve Fund		1,000,000 0 0	Loans on Securities at call and short dates, and other Accounts	1,307,942 12 10
Provident Reserve Fund		132,137 13 4	Bills Discounted, &c.	33,689,891 1 0
Loans and Deposits, including provision for contingencies	£30,792,022 13 3		Sundry Debit Balances	32,323 15 5
Bills Rediscounted	6,723,645 18 8		Freehold and Leasehold Premises, Fittings, and Furniture, at cost, less Depreciation written off	177,420 5 9
		37,515,668 11 11		
Rebate on Bills Discounted		345,149 12 1		
Balance at Credit of Profit and Loss Account for Appropriation	£276,675 1 3			
Less Interim Dividend paid last July	£41,650 0 0			
Depreciation of Govt. Secs.	50,000 0 0			
	91,650 0 0			
		185,025 1 3		
		£40,177,980 18 7		£40,177,980 18 7

PROFIT AND LOSS ACCOUNT for the Year ending 31st December, 1919.

Dr.			Cr.	
To Current Expenses, including Salaries, Rent and Taxes, Directors' Fees, and all other charges		£57,078 16 2	By Balance brought forward from 31st December, 1918 ...	£121,096 5 10
Rebate on Interest on Bills Discounted not due, carried forward to New Account ...		345,149 12 1	Gross Profits for the year, after making provision for contingencies	557,807 3 8
Depreciation of Government Securities ...	£50,000 0 0			
Interim Dividend, paid last July, for half-year at the rate of 14 per cent. per annum, less Income Tax	41,650 0 0			
Dividend for the final half-year at the rate of 14 per cent. per annum, less Income Tax	49,000 0 0			
Bonus, 1s. per Share, free of Tax	10,000 0 0			
Balance carried forward to next Account ...	126,025 1 3			
		276,675 1 3		
		£678,903 9 6		£678,903 9 6
			Balance brought down ...	£126,025 1 3

W. B. HOBBS, Secretary.

A. L. ALLEN,
ARTHUR J. FRASER, } Directors.

AUDITORS' REPORT.

We report to the Shareholders that we have obtained all the information and explanations we have required. We have verified the Securities representing Investments of the Company, those held against Loans made by the Company at call, short and fixed dates, and all Bills discounted in hand. We have also verified the Cash Balances, and vouched the Securities and Bills given as collateral security for Loans, and we have now to report to the Shareholders that the foregoing Accounts agree with the Books, and, in our opinion, the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information and the explanations given to us, and as shown by the Books of the Company, except that, whilst it shows the amount of the Bills discounted which have been rediscounted, it does not show the amount of the Bills and other Securities given out against Loans shown on the debit side of the Balance Sheet.

WM. PLENDER, F.C.A.
(Deloitte, Plender, Griffiths and Co.),
A. TURQUAND YOUNG, F.C.A.
(Turquand, Youngs and Co.), } Auditors.

London, E.C., 12th January, 1920.

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Head Offices: NATIONAL HOUSE, NEWGATE STREET, LONDON, E.C. 1.
Marine Underwriting Rooms: 74 CORNHILL, LONDON, E.C.3.

REFUGE
ASSURANCE COMPANY LIMITED.
Chief Office: OXFORD STREET, MANCHESTER.
Annual Income Exceeds - - - £4,700,000
Assets Exceed - - - - £15,900,000
Claims Paid Exceed - - - £28,000,000

IMPORTANT NOTICE!

All Editorial communications should be addressed to the Editor.

Business communications should be addressed to the Manager,

THE STATIST,
51 Cannon Street, London, E.C. 4.

Telegrams: "Statist Cent. London." *Telephone: City 5258-5259.*

The Statist.

LONDON, SATURDAY, FEBRUARY 7, 1920.

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The Money Market.

Friday, February 6, 1920.

	Current Rate %	Fixed	Previous Rate %	Fixed
Bank of England Rate...	6	(Nov. 6,'19)	5	Apr. 5,'17
Deposit Rates:—				
Banks & Discnt. Ho. (Call)	4	(Nov. 6,'19)	3½†	Oct 6, '19
Discount Houses (Notice)...	4½	(Nov. 6, '19)	3⅝	Oct. 6,'19

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.
† Foreign and Colonial banks give Special Rates only upon deposits for a year

Discount Rates:—	60 Days. %	3 Mos. %	4 Mos. %	6 Mos. %
Treasury Bills	—	5⅛	—	5⅛
Bank Bills	5⅜-13/16	5⅜-13/16	5⅜-13/16	5⅜-13/16
Trade Bills	—	6-6¼	6¼	6½

During the early part of the week the Short-loans market was characterised by a plentiful supply of floating credits. Whilst day-to-day money generally commanded 4%, unemployed balances were available in the afternoon at rates as low as 3%. By the middle of the week the steady inflow of revenue, so characteristic of the last quarter of the financial year, began to make its influence felt. The consequent restriction of supplies was reflected in the increased rates charged for accommodation; short loans were in strong demand at as high as 4½%. Good business was also done in weekly loans at 4¼ to 4½%. The general uncertainty of the exchanges was prejudicial to business in the Discount market. At first only long-dated paper suffered from this feeling, and short-dated bills were dealt in freely, March bills commanding 4½ to 4¾%. But towards the end of the week the shortage in the supply of money in conjunction with the unsettled condition of the exchanges caused a general falling off in the demand. On Thursday short-dated bills were discounted at the Bank of England at rates as high as 6%, whilst outside June bills, which were in some demand at 5⅝%, there was very little business doing in the market, the rates remaining firm at 5⅝ to 5 11/16%.

This has been a bad week for the exchanges. New York weakened steadily, closing at $3.47⅞ on Monday, and as low as $3.20½ on Wednesday. A variety of factors were at work producing this depreciation. Mr. Goodenough's terse description of the rate as the "New York-Europe rate" supplies one cause, which is confirmed by the manner in which sterling appreciated with reference to the franc and the lira. The general selling of sterling in New York precipitated the movement, and this was produced mainly by the action of the American banks in calling in their loans on foreign currencies. Added to this came the offer of sterling in New York for the liquidation of British Government debts. The combined result was to produce the low-water mark of $3.20½. The consequences of this rate show in an excellent manner how an unfavourable exchange does tend to work out its own cure. Speculators in the exchange have received a sharp set-back. Importers of American goods have been compelled to reduce or abandon their orders; it is even on record that cotton has been re-shipped from Liverpool to New York. Furthermore, American merchants are beginning to realise that such an exchange is far from an undiluted benefit, and that a continuance of it would involve a marked decline in their export trade with Europe. Thus American merchants and financiers alike are beginning to realise that a policy of aloofness does not pay, and that it is as much in their interests as in those of Europe to participate in the forthcoming international conference which it is understood will result from the meeting that took place between the Chancellor of the Exchequer and the bankers this week. Already the indirect result of the low rate in curtailing purchases and restricting speculation is evident in the rather marked improvement of the closing quotation of $3.31 on Thursday. As might be expected, the leading Continental rates reflected the movements of the sterling

rate on New York. Paris weakened from 47.10 on Monday to 48.84½ on Thursday, whilst Rome jumped from 55 to 64.25. The Belgian rate, on the other hand, did not fluctuate so widely, the range of movements being from 47.35 to 48 francs. This comparative steadiness, in face of the general wave of depression, is generally associated with the commendable action of the Belgian Government in penalising severely speculation in the exchange. The mark was still exceptionally weak, closing at 320 on Thursday. The premium on the Brazilian exchange advanced gradually, the rate moving up from 17$\frac{25}{32}$*d.* on Monday to 18$\frac{1}{8}$*d.* on Thursday. Calcutta advanced at the opening of the week from 2*s.* 4*d.* to 2*s.* 9*d.* as soon as it was known that the rupee was being placed on a gold basis. Movements of the Scandinavian rates were rather irregular.

According to the income and expenditure return for the period to January 31, there is a decrease of over eight millions in the volume of revenue for the week, as compared with the preceding week. At the same time the excess of revenue over expenditure is £14,998,546, as against £12,490,579 for the previous week. Revenue from property and income tax increased by over two millions, while there was a decline of about three millions in the amount received from excess profits duties. The revenue for the financial year to date is £865,372,647 against the revised estimate of £1,168,650,000 for the whole year, and the expenditure is £1,249,581,828 against an estimate of £1,642,295,000. The maturities of Treasury bills have exceeded receipts by £9,137,000, but on the other hand, nineteen and a-half millions were borrowed on Ways and Means against repayments to the extent of £15,700,000. Thus while the floating debt was reduced, the amount outstanding of Ways and Means Advances has been raised by £3,800,000 to £208,230,000. The general position has become sounder, however, than appears from these statements, for other indebtedness under the War Loan Acts 1914 to 1919 has been reduced to the extent of £9,386,475.

Revenue and other receipts totalled £124,399,828, and expenditure and other issues totalled £124,619,131; accordingly balances in Exchequer were depleted to the extent of £219,303.

In spite of the rumours which were current during the week of a drastic reduction in currency, the Currency Notes Return for the week ending February 5 shows an increase in the amount of notes in circulation. The desirability of such a reduction as was hinted at is indeed questionable; still the position has been improved, inasmuch as the proportion of Bank of England notes and gold to the total of notes and certificates outstanding shows a slight increase. Notes issued amounted to £6,718,684, notes cancelled to £6,132,592, and cancellations of certificates amounted to £310,000. Thus the total of notes and certificates combined outstanding has been raised by £276,092 to £329,830,289, and the fiduciary issue has been raised by £100,000 less to £297,230,289. This £100,000 appears in the Currency Note Redemption Account, being added to the Bank of England notes. This operation, it will be perceived, is in accordance with the recommendations of the Currency Committee.

BANK OF ENGLAND.

The Bank has issued yet another excellent return this week, which shows that owing to an increase of over £3,000,000 in the stock of gold—offset to the extent of £1,000,000 by increase in note circulation—the amount of the reserve has been raised from £30,126,000 to £32,235,000. Moreover, a substantial reduction in liabilities is disclosed, and the ratio of reserve thereto is 3.1% higher at 22.5%, which compares with 9.2% at the end of December. A substantial transfer of funds from the market to Government account, mainly connected with the heavy tax payments usual at this time of the year, is reflected in a diminution of £10,595,000 in "other" deposits, and a decline, per contra, of £16,134,000 in Government securities, public deposits being £1,500,000 lower at £18,690,000. These movements involved an addition of over £2,000,000 to the "other" securities, which now stand at £82,451,000. As regards the increase of £1,065,000 in the note circulation, the Currency Note return shows that £100,000 of this is attributable to an addition of bank-notes to redemption account.

BULLION.

At the end of last week there was a reaction in the price of silver, as the high price had attracted supplies from the Continent which for the time being more than satisfied the Chinese demand. At the beginning of this week, however, owing to the further sharp fall in the New York exchange, the price rose abruptly and attained fresh high records, reaching 88¼*d.* for cash and 86¼*d.* for forward delivery on Wednesday. Further supplies came from the Continent yesterday, and, moreover, the New York rate improved so that the quotations fell to 86⅞*d.* per oz. cash and 85⅞*d.* for future delivery, which quotations it may be noted were below the New York parity.

To-day the price rose again to 88*d.* cash and 86¼*d.* forward delivery.

The Bureau of the Mint and Geological Survey has placed the preliminary estimate of the production of silver in the United States in 1919 at $61,966,412. The export of silver from Mexico is estimated at $95,000,000, which comes near the pre-revolutionary figures.

As regards the Chinese demand it will be interesting to note that China is more or less the channel through which silver flows into Central Asia. There is a great demand for currency which can only be satisfied by silver, as this rather than gold is the traditional monetary metal in the East. There are, of course, large quantities of paper money, but this is regarded with distrust and far from being sufficient to oil the wheels of foreign trade is difficult to circulate internally. Moreover, owing to the working of Gresham's Law, large quantities of silver are being hoarded, all which, of course, render it extremely difficult to estimate the future demand from China.

In sympathy with the fall in sterling the price of gold has successively gone up during the week to new high levels culminating yesterday at 127*s.* 4*d.* per oz. fine, which represents a premium of about 50 per cent. The supplies were readily absorbed, chiefly by India and South Africa.

To-day's price is 123*s.* 6*d.*

China absorbed about $50,000,000 worth of gold in 1919, and of this she got about $46,000,000 from the United States.

NEW YORK.

Recent reports from Wall Street show the existence of a general depression, due primarily to the low ratio of reserve to liabilities of the Federal Reserve System, which appears to be undergoing a severe strain at the present time, and accentuated by the slump in the exchanges.

As is only to be expected, the ruling rates for loans have been high, and in face of a strong demand are likely to continue so. As high as 25% was paid at one time, and nothing was lent below 17% yesterday, while the last loan was placed at 20%.

ROYAL EXCHANGE
ASSURANCE.
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West End Branch: 44 PALL MALL, S.W. 1.

The weekly average position of the New York City banks and trust companies shows a decrease of $55,310,000 in loans, discounts, investments, &c. In spite of this the general position does not appear to have improved, but reports are conflicting.

The weekly statement of the Federal Reserve Board show a depletion of the total gold reserves to the extent of $13,990,000. There is also a decline of $11,340,000 in deposits, while the Federal reserve note circulation has gone up by $6,710,000. Paper discounted for members of the Federal Reserve Banks has increased by nearly $21,000,000. The ratio of total reserves to total net deposits and Federal reserve note circulation combined has, on account of these movements, declined to 44.5%.

INDIA.

The Committee appointed by the Secretary of State for India to inquire into Indian exchange and currency have published their report, and in it are embodied many important alterations of the existing system. The objects which the recommendations aim at are to restore stability to the rupee and to re-establish the automatic working of the Indian currency system. It is also considered that the maintenance of a high rate of exchange is not likely to injure Indian trade, and in so far as it has checked and mitigated the rise in Indian prices, the fixing of the exchange at a high level is desirable. The present rupee, unchanged in weight and fineness, is to remain unlimited legal tender, and is to be placed on a gold basis instead of a sterling basis as heretofore, on account of the existing disparity between gold and sterling. The system built up since 1893 has worked well in the opinion of the Committee, but it was not proof against the extraordinary and unforeseen rise in the price of silver, which by rendering unprofitable the purchase of silver by the Government for coinage purposes, seriously imperilled the convertibility of the note issue. The Committee hold that owing to the depreciation of the paper money, which was at one time as much as 19%, and owing to the fact that the note-using habit is not yet sufficiently established in India, the maintenance of the convertibility of the note issue is not only desirable but a vital part of the Indian currency system. Moreover, the Government hoped that by a cessation of silver purchases on its part the price would fall, as its influence on the market was very great, but the unprecedented heights to which it rose, chiefly on account of Chinese buying, showed this to be a fallacy. It is recommended that the statutory minimum for the metallic portion of the Paper Currency Reserve should be 40% of the gross circulation. The import and export of gold to and from India should be free from Government control, and the gold mint at Bombay should be open for the coinage into sovereigns of gold tendered by the public, while the notification of the Government to give rupees for sovereigns should be withdrawn.

The acquisition rate for gold imported under licence into India, which has hitherto been subject to variation notified from time to time, has now, in accordance with the Secretary of State for India's separate announcement relating to the recommendations of the Indian Currency Committee, been fixed, and the following fixed rates will apply to transactions on and after February 2, viz.: Rs.10 for each sovereign tendered for import, or Re.1 for 11.30016 grains of fine gold.

Council drafts will continue to be offered at the Secretary of State's discretion, for weekly sale at the Bank of England by competitive tender. The rate for deferred telegraphic transfers and bills will, until further notice, rank for allotment with tenders at $\frac{1}{32}d$. higher for immediate telegraphic transfers. No announcement will be made of the minimum rate at which tenders will be accepted. In accordance with the Committee's recommendations the Government of India will, when occasion requires, offer for sale stated weekly amounts of Sterling Reserve Drafts on the Secretary of State (including immediate telegraphic transfers). The rate for immediate telegraphic transfers on London will be announced on each occasion by the Government of India and will be based on the sterling equivalent of the price of 11.30016 grains of fine gold as measured by the prevailing sterling dollar exchange, less a deduction representing the charges of remitting gold. The rate for deferred drafts on London will, until further notice, be $\frac{1}{32}d$. higher than the immediate rate as at present.

Stock Exchange.

The volume of business upon the Stock Exchange suffered a shrinkage during the week, some nervousness being manifested at the chaotic position of the exchanges, which created a dull atmosphere throughout and reacted directly upon some particular sections. The conference between the Chancellor of the Exchequer and some of the leading bankers and financial authorities brought no relief to the rather gloomy tone prevailing, and various rumours in the City hinting at a rise in the Bank rate among other unfounded theories as to the probable course of events served to accentuate the depression. In the gilt-edged market Victory Bonds were noticeably strong at the commencement of the week, rising to 83, but later on they shared in the general decline. Consols were weak yesterday at 49⅜, a quotation which represents the lowest level touched by them during the year 1919. India Three and a-Halfs were even below the low-water mark of 1919, being quoted at 58¼. French Bonds declined in sympathy with the rise in the French exchange, while both series of Japanese Four and a-Half per cents., the coupons on which are payable in New York, rose with the continued appreciation of the dollar. German Three per cents. and Prussian Threes and Three and a-Halfs per Cent. were marked up some points on the Official List, though no transactions are noted. Brazilian Bonds remained steady, but Chinese issues were weak and declined continuously.

At the commencement of the week was issued the return of the Ministry of Transport, showing the financial results of Railway working for the month of November last. The account shows a net loss of nearly a million and a half on the month's working, while a footnote states that "Arrears of Maintenance—Permanent Way and Rolling Stock—are estimated at 1913 cost of ascertained arrears *plus* 75% for additional cost of labour and material. The actual cost is not yet ascertainable, but payments have only been made on the basis of a 15% addition." While this return had no immediate bearing upon dividends, as the loss is borne by the Government and not by the shareholders, it still exercised a discouraging influence upon holders of Home Rails. Publication of dividends recommended caused a revival of interest, and in South-Eastern and Chatham issues especially a substantial amount of business was done.

The accounts of the North-Eastern Railway for

BARCLAYS BANK
LIMITED
(with which has lately been amalgamated the LONDON PROVINCIAL & SOUTH WESTERN BANK Ltd.).

AMERICAN EXCHANGE.

Barclays Bank Limited, through their Foreign Branch, 168 Fenchurch Street, E.C. 3, have concluded arrangements whereby they will, subject to approval of the transaction, insure importers and exporters against losses resulting from fluctuations in the American Exchange.

the year ended December 31 show a balance which will admit of a final dividend on North-Eastern Consols of 4¼%, making, with the interim dividend paid in August, 7½% for the year, after placing £400,000 to reserves and leaving a carry-forward of £307,087. The directors of the Midland Railway recommend a dividend of £2 10*s.* per cent. for the year 1919 on the Preferred Converted Ordinary stock, and of £4 15*s.* per cent. on the Deferred Converted Ordinary stock. On August 9 last dividends at the rate of £1 5*s.* were paid for each £100 of Preferred stock, and at the rate of £1 12*s.* 6*d.* for each £100 of Deferred stock. The amounts now to be paid are at the rate of £1 5*s.* per cent. on Preferred stock and £3 2*s.* 6*d.* on Deferred; £100,000 is allocated to general reserve, and the carry-forward amounts to £873,500. For the year 1918 £200,000 was allocated to reserve, and the carry-forward was £178,955, while the dividend on the Deferred stock was at the rate of 4¼%. The dividend on Hull and Barnsleys was 4½% for the year, or the same as for 1918. London and South-Westerns are paying 6% for the year on Ordinary stock, as against 5⅞% for 1918. The North London dividend amounts to 5½% for the year, as compared with 4¾% for 1918; £10,000 is placed to reserve, and carry-forward is increased from £11,700 to £13,700.

The directors of the Grand Trunk Railway Company of Canada have issued a circular to the shareholders explaining the negotiations between them and the Dominion Government for the taking over of the system and giving particulars of the basis upon which rests the final agreement which is to be ratified by the shareholders. Canadian Pacifics rose to 188 in the course of the week on account of the weakness of the American exchange, but reacted to 181 on Thursday with the rally in sterling.

Nitrates were favourites in the Industrial market up to yesterday, when they sagged somewhat. Rosarios receded ¼ from 9 and Anglo-Chilians ½ from 19½, but Sagunas rose to 2⅛. Liptons were strong in demand, recording rises throughout the week to 36*s.* 3*d.*, but reacting to 35*s.* 6*d.* on yesterday. Land descriptions were on offer, Pekin Syndicates declining to 37*s.*, recovering later to 37*s.* 6*d.* Welsbachs and Associated Cements were in demand, but relapsed on profit taking. British Glass Industries were dull, declining to 3⅞. Engineering and Iron and Steel shares were dull, and, with few exceptions, little business was done in them.

In the textile market a general decline took place, due to the stoppage of purchases of American cotton on the part of Lancashire brokers and merchants. In view of the exchange there is nothing surprising in this, and it is to be hoped that its effect will be to help to arrest the decline in sterling and eventually to rectify it.

The appearance of the Oil market was rather uneven, great buoyancy in some descriptions being a feature on Tuesday, while later on a reaction occurred. Trinidad Centrals were the great exception, being in sustained demand all the week and recording a substantial advance. Burmahs were also good, but Shells were weak. Scottish Americans also reacted to 38*s.* 9*d.*

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Mining Topics.

The outstanding feature of the week has been the substantial all-round rise in gold shares and concurrent expansion of speculative interest. The Johannesburg market has been reported dull and inactive, but this factor has been more than balanced by considerable buying orders from Paris. The principal factor, of course, is the further sharp rise in the price of gold to 127*s.* per fine oz., representing a premium of about 49%. Chief interest and the largest rises have been in the shares of the holding companies and the big producers. Several West African gold shares, particularly Ashanti Goldfields, have appreciated, and the Rhodesian market, though relatively quiet, looks more cheerful. Other sections have shown irregularity without any decided tendency.

PREMIER (TRANSVAAL) DIAMOND MINING COMPANY, LTD.

It is safe to say that never before has the diamond-mining industry been in such a prosperous and stable condition as is the case at the present time. Coinciding with the great increase in the wealth of the United States, there has been brought about a firm agreement among the principal producers of the stones, and in addition to a great demand for trade purposes there has been a growing disposition on the part of the moneyed classes in all countries to adopt diamonds as a medium for carrying a portion of their wealth free from taxation and from fear of confiscation. With all these factors bearing on the market, the value of diamonds has risen to an enormously high level. Unmistakable reflection of this is to be found in the report of the Premier (Transvaal) Diamond Mining Company. This Company originally acquired its mine very

cheaply. Its issued capital now is only £80,000. But though it has been producing for many years, and the open quarry made by its workings is of huge circumference and great depth, there still remains to be abstracted a very large mass of diamondiferous material. Production is on a big scale, but the diamonds produced are well known to be of poor quality. Yet in the year ended October 31 last the price realised for them was as much as £2 8*s.* 2*d.* per carat, in comparison with 17*s.* 9¼*d.* per carat in the year immediately preceding the outbreak of the War. Operations, in conformity with the policy of restriction, are conducted now on a very much smaller scale than before the War, and the output—partly in consequence of this and partly owing to a decline in the grade of the ground treated—is considerably less than half the rate of output achieved from 1906 to 1914. Yet the working profit of the past year comes out at £1,306,710, which is nearly double the figure of 1917-18 and compares with £846,000 in 1912-13. Under the laws of the Transvaal the Government takes 60% and the shareholders are entitled to the remaining 40%. After including £50,000 sundry revenue and setting aside £100,000 to trading fund, the balance profit for the past year amounted to £1,257,659, of which the Government is entitled to £726,588, leaving £531,071 as the Company's share. Of this, however, Government taxes absorb £59,682. Half the Company's capital is in 5*s.* Preference shares, entitled to a cumulative dividend at the rate of 250% per annum, and half in Deferred shares. The Deferred shareholders have received dividends for the year totalling 850%, in comparison with 400% in 1917 and 600% in 1912-13. The carry-forward is increased from £27,000 to £61,000, as shown below:—

Year to Oct. 31.	Loads Washed.	Carats Found.	Value of Diamonds.	Value per Carat.	Cost of Production Per Load.	Working Profit.
			£	*s. d.*	*s. d.*	£
1913 ...	10,434,680	2,107,983	2,336,829	1 2 2	2 6·6	846,023
1914 ...	7,683,943	1,417,755	1,259,643	0 17 9½	2 5·9	121,261
1915 ...	—	(operations suspended)		—	—	335,632
1916 ...	1,572,521	419,947	475,856	1 2 8	2 7·6	337,311
1917 ...	4,928,629	906,341	1,198,922	1 6 5½	2 2·7	757,045
1918 ...	4,805,851	851,573	1,203,904	1 8 3½	2 2·9	667,075
1919 ...	4,529,261	814,577	1,961,259	2 8 2	2 10·7	1,306,710

	Years ended Oct. 31—					
	1919	1918	1917	1916	1915	1914
	£	£	£	£	£	£
Working profit ...	1,306,710	667,075	757,045	337,311	335,632	121,261
Sundry revenue ...	50,949	39,994	35,078	—	11,454	91,684*
Total	1,357,659	707,069	792,123	337,311	347,086	212,945
Transferred to trading fund ...	100,000	—	—	—	—	—
Balance	1,257,659	707,069	792,123	337,311	347,086	212,945
Government's share	726,588	400,245	454,227	202,387	201,379	72,756
Company's share ...	531,071	306,824	337,896	134,924	145,707	140,189
Brought forward ...	27,066	6,310	77,440	54,626	Dr. *13,245*	116,567
Total available...	558,137	313,134	415,336	189,550	132,462	256,756
Allocations:						
Taxes	59,682	33,568	44,776	12,110	30,740	—
Transferred to balance sheet	—	—	20,000†	—	47,096	—
Dividends, Pref.	92,500 (250%)	92,500 (250%)	246,250 (625%)	100,000 (250%)	— —	50,000 (125%)
,, Def.	340,000 (850%)	160,000 (400%)	100,000 (250%)	—	—	220,000 (550%)
Total	492,182	286,068	409,026	112,110	77,836	270,000
Balance carried forwd.	60,955	27,066	6,310	77,440	54,626	Dr. *13,245*
	558,137	313,134	415,336	189,550	132,462	256,756
Issued Pref. (5/-)	40,000	40,000	40,000	40,000	40,000	40,000
Capital Defd. (2/6)...	40,000	40,000	40,000	40,000	40,000	40,000

* Includes £47,096 transferred from Trading and Emergency Funds.
† To meet first call of 25% on £80,000 subscribed to capital of the S.A. Marine Fire and General Insurance Company.

A remarkably strong financial position is reflected in the balance sheet at October 31 last. Cash and liquid assets, including only £5,379 of diamonds on hand, exceeded creditors, amount due to the Government, and the final dividend by over £580,000. To the extent of £500,000 this represents trade and emergency funds established under Section 4 of the Precious Stones Mining Act, 1908 (Tranvaal), and belonging to the Government and the Company in the proportions of their respective shares in the mine. Forty per cent. of the surplus liquid assets would represent about £230,000, as against the issued capital of £80,000. This position—as well as the strength of the market for diamonds and the high prosperity of the producers—has to be borne in mind in considering the prices now attached to the Company's shares. The Preference (5*s.*) shares, which are entitled, in the event of liquidation, to rank in priority for £8 6*s.* 8*d.* per share, are at present quoted at 7, yielding about 9%, while the 2*s.* 6*d.* Deferred shares are quoted at 12½, and on the basis of 850% dividend—as paid for the past financial year, but never before in the history of the Company—afford a return of 8½%. The highest and lowest prices of recent years have been as follows:—

Prices of Deferred Shares (**2s. 6d. *nominal value***).

Pre-War		1914 to 1917—		1918 —		1919	
Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest
20*	1⅛†	10½	4⅞	7⅛	6¼	14⅛	6⅝

* In 1906. † In 1908.

TRANSVAAL AND DELAGOA BAY INVESTMENT COMPANY, LTD.

A most comfortable position of affairs is reported by this South African colliery and land-owning Company. For 1919 the output of its collieries amounted to 807,500 tons, showing an increase of 50,000 tons on the 1918 production, and the net profit, after providing for depreciation, comes out at £82,357, as compared with £81,936. This is equal to 44% on the issued capital of £185,000, so that the directors have acted conservatively in merely maintaining the dividend at 25%. The carry-forward is thereby raised from £45,019 to £81,126.

	Year to August 31—					
	1919—		1918—		1917—	
Coal output	Tons 807,500		Tons 757,709		Tons 674,367	
Realised profit (less taxes), rents, Johannesburg and Delagoa Bay, interest, &c.	£ 100,040		£ 99,654		£ 74,704	
	£		£		£	
Licences, taxes, and expenses of farms	6,142		4,091		2,419	
Administration, &c.	3,325		4,716		2,687	
Depreciation	8,216		8,911		7,726	
	—	17,683	—	17,718	—	14,832
Balance available		82,357		81,936		61 872
Brought forward		45,019		25,272		105,625
		127,376		107,208		167,497
Appropriations—						
Dividends	46,250		46,250		41,625	
Per cent.	(25%)		(25%)		(22½%)	
Directors' extra	—		939		600	
Placed to reserve	—		15,000		100,000	
		46,250		52,189		142,225
Balance carried forward ...		81,126		45,019		25,272

Both financially and physically the Company is in a strong position. Its own collieries are capable of a considerably larger production than that yet reached, and by a recent purchase of the Douglas Colliery, which is nearly exhausted, it is calculated that the Company's output quota allowed under the Transvaal Coal Owners' Association agreement will be materially raised. There is marked industrial activity in South Africa, and, as coal production is relatively cheap, there seems to be a big future for good collieries. Also the increase that is taking place in shipping ought now to be a helpful factor, while, in regard to the Company's other interests, the development prospects of Delagoa Bay, which possesses a fine harbour and is the nearest port to the Transvaal, have to be remembered in connection with the extensive freehold property which the Company owns in Lourenço Marques. In all the circumstances the £1 shares do not appear to be too highly valued at their present price of 67*s.*

NATAL NAVIGATION COLLIERIES AND ESTATE COMPANY, LIMITED.

There has been a big increase in the demand for South African coal as a result of the conditions arising out of the War, and the collieries there can now sell all they can produce at very much higher prices than obtained in the past. Moreover, ability to employ native labour has kept down producing costs, so that the margin of profit has improved substantially. Unfortunately, however, the deficiency of trucks on the railways and high rates of carriage have had a severely hampering effect. This is the principal

reason why the Natal Navigation Collieries' report for the year ended June 30 discloses a reduction of output and a considerable falling-off in the profit on coal and coke sales. Happily, the Company was entitled to a refund of £15,000 in respect of excess profits duty previously over-estimated; hence the net profit comes out only £7,000 less than in 1917-18. Liberal depreciation is again provided for, but taxation requires only £3,150 against £10,000, and the profit available for dividend amounts to £80,600. This is equal to over 19% on the issued capital of £419,000. The dividend has been raised from 7½% to 10%, leaving £38,722 to be added to the carry-forward, which is consequently increased to £213,223. The profits and allocations of the past five years are shown below:—

	Years ended June 30—				
	1919	1918	1917	1916	1915
Coal production (tons)	248,501	285,476	344,667	352,432	282,283
	£	£	£	£	£
Profit on coal and coke	86,670	114,276	111,304	88,096	50,902
Sundry revenue	31,796†	9,438	7,640	5,837	6,631
Total	118,466	123,714	118,944	93,933	57,533
Office, &c., expenses	13,018	10,822	12,276	13,978	9,945
Net profit	105,448	112,892	106,668	79,955	47,588
Allocations—					
Depreciation, &c.	21,676	22,840	17,795	15,528	16,553
Taxes	3,150	10,000	30,125*	7,461	4,318
Dividend	41,900 (10%)	31,425 (7½%)	31,425 (7½%)	31,250 (7½%)	25,812 (6½%)
	66,726	64,265	79,345	54,239	46,683
Balance profit	38,722	48,627	27,323	25,716	905
Brought forward	174,501	125,874	98,551	72,835	71,930
Carried forward	213,223	174,501	125,874	98,551	72,835

* Including excess profits tax estimated and contingent as at June 30, 1917.
† Including £15,140 previously over-estimated for excess profits duty.

The Company's property covers 13,411 acres, situated about 244 miles from Durban, and in addition it holds a controlling interest in the Northern Natal Navigation Collieries, which commenced production only two years ago and last year started to pay dividends. On a considerable proportion of the Natal Company's ground boring for coal has given disappointing results; but a new pit has been opened up to the east of the areas at present mined, and the coal found is of first-rate quality. It would seem, therefore, that for some time to come the Company's profits will be limited only by the railway-truck supply. Further, it is well to note that from the financial standpoint it is in a strong position. On June 30 last, as against creditors for £80,000, cash amounted to £155,102, and investments (at cost)—representing Union of South Africa and British War Loans, and fully-paid shares in the subsidiary Company just referred to—stood at £110,165; while debtors, drafts in transit, and coal and coke in transit and on hand totalled £93,692. In view of its own physical and financial condition and the probability of larger dividends on its shareholding in the Northern Natal Collieries, the £1 shares, at their present price of 25s. 6d., appear to have attractions for the investor.

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TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, February 4, 1920.

Issue Department.

Notes Issued	£120,728,955	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	102,278,955
	£120,728,955		£120,728,955

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£46,548,714
Rest	3,420,081	Other Securities	82,451,421
Public Deposits	18,689,896	Notes	31,405,910
Other Deposits	124,560,686	Gold and Silver Coin	829,184
Seven-day and other Bills	11,566		
	£161,235,229		£161,235,229

Comparison with Previous Four Weeks [00,000's omitted.]

Date 1920.	Circulation	Coin and Bullion	Deposits—Public	Deposits—Other	Securities—Govt.	Securities—Other	Reserve	Ratio Reserve to Liabilities	Bank Rate	Three Months' Bills
	£	£	£	£	£	£	£	%	%	%
Feb. 4	89,3	103,1	18,7	124,5	46,5	82,4	32,2	22·5	6	5⅛
Jan. 28	88,2	99,9	20,1	135,1	62,6	80,3	30,1	19·4	6	5⅛
Jan. 21	88,1	96,8	21,4	140,3	68,1	84,4	27,1	16·8	6	5⅛
Jan. 14	88,2	94,2	18,6	127,4	54,7	84,7	24,4	16·8	6	5⅛
Jan. 7	90,3	91,2	21,4	137,2	60,9	96,2	19,3	12·2	6	5⅛
J'y22,'14	29,3	40,2	13,7	42,2	11,0	33,6	29,3	52·40	3	2⅛

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 6%; Aug. 8, 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; April 5, 5%; Nov. 6, 1919, 6%.

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (in £'s sterling 00,000's omitted):	Feb. 6, 1920	Feb. 5, 1919	Feb. 6, 1918	Feb. 7, 1917	Feb. 5, 1910
Circulation	£89,3	£70,0	£46,1	£39,5	£28,1
Public Deposits	18,7	30,7	41,1	42,3	10,2
Other Deposits	124,5	115,5	125,5	226,5	43,2
Government Securities	46·5	50,8	56,9	212,4	14,0
Other Securities	82,4	83,5	96,9	38,6	30,4
Reserve	32,2	29,9	30,3	35,8	27,0
Ratio to Liabilities	22·5%	20·45%	18·56%	13·33%	50·46%
Coin and Bullion	103,1	81,4	58,6	66,9	36,7
Money:					
Bank of England Rate	6%	5%	5%	5½%	3½%
Bank of France Rate	5%	5%	5%	5%	3%
Rate 3 months' Bills London	5⅛%	3½%	4-4⅛%	5%	2½%
Exchanges:					
Paris Cheque	48 95	25 97½	27 18½	27 80½	25 18½
New York 60 days	3 19½	4 73½	4 72½	4 72½	4 83½
Bombay Telegraphic Transfers	2/8	1/5⅞	1/4⅞	1/4⅝	1/4⅜
Prices:					
Consols 2½% Cash	49⅛	59	54½	51⅛	81⅛
French Rentes 3% Money	59 00	64 75	57·50	62 25	98 97
Silver, London spot oz.	88d.	48⅞d.	43d.	37½d.	23½d.
Wheat, *Gazette* average qr.	72/7	72/8	71/2	75/10	33 6
Cotton, Mid Upland lb.	30·11d.	19·22d.	23·22d.	10·53d.	7·84d.
Iron, Scotch pig ton	181/0	101/0	101/0	88/6	57/3

CURRENCY NOTE ISSUE.

Week to	Notes Issued	Notes Cancelled	Notes Outstanding	Gold Coin & Bullion	Bank of England Notes	% of Bank Notes & Gold to Notes
	£	£	£	£	£	%
Feb. 4, '20	6,718,684	6,442,592	329,830,289	28,500,000	4,100,000	9·8
Jan. 28, '20	4,743,446	7,783,015	329,554,197	28,500,000	4,000,000	9·8
Feb. 5, '19	7,092,209	5,090,305	309,481,784	28,500,000	—	9·2
Feb. 6, '18	6,109,590	4,515,114	213,579,772	28,500,000	—	13·3
Feb. 7, '17	5,941,804	3,841,427	150,178,360	28,500,000	—	19·6
Feb. 9, '16	4,539,649	5,322,141	98,056,663	28,500,000	—	29·0

Balance Sheet, February 4, 1920.

	£		£
Notes outstanding—		Advances—	
One Pound	259,295,123	Other Bankers	250,000
Ten Shilling	42,955,166	Trustee Savings Banks	190,000
Certificates outstanding	27,580,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion	28,500,000
Total	329,830,289	Bank of England Notes	4,100,000
Investments Reserve A/c	16,061,498	Government Securities	311,881,558
		Balance at Bank of England	970,183
Total	345,891,787	Total	345,891,787

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

1920. Week to	Revenue	Expenditure	Excess of Expenditure	Loans, Advances, &c.—Cr.	Loans, Advances, &c.—Dr.	Loans, Advances, &c.—Net +	Cash Balance
Jan. 31	£40,517	£25,518	£11,999‡	£83,883	£99,100	—£15,217	£4,58
Jan. 24	48,915	36,425	12,490‡	145,398	157,713	—12,315	4,80
Jan. 17	39,229	29,263	9,966‡	107,346	116,512	—9,166	4,63
307days '19-20	865,372	1,249,582	384,210	5,171,294	4,799,884	371,410	—8,21
307days '18-19	623,508	2,225,696	1,602,183	5,944,728	4,355,516	1,589,612	—12,57
Yr. '19-20*	1,168,650	1,642,295	473,645	—	—	473,645	—
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	1,682,049	12,78
Yr. '17-18	707,234	2,696,221	1,988,987	7,499,604	3,616,023	1,983,581	21,03

Principal Items of Revenue and Expenditure.

1920. Week to	Revenue—Customs & Excise	Revenue—Income Tax, &c.	Revenue—Excess Profits Duties, &c.	Revenue—Other Revenue	Expenditure—Int., &c., on Debt	Expenditure—Misc. Expend.	Expenditure—Suppl Service
Jan. 31	£4,180	£16,928	£4,269	£15,140	£1,806	£364	£23,34
Jan. 24	7,788	14,759	6,302	19,168	2,456	328	33,64
Jan. 17	8,715	13,765	6,820	9,928	1,334	279	27,65
307days '19-20	233,968	197,936	232,022	202,447	283,945	11,755	953,88
307days '18-19	131,351	143,660	233,117	115,380	234,777	8,508	1,982,41
Yr. '19-20*	276,000	354,000	280,000	258,650	345,000	16,595	1,280,70
Yr. '18-19	162,220	291,186	285,028	150,587	269,964	11,380	2,297,95
Yr. '17-18	110,033	239,509	220,214	137,478	189,851	11,401	2,494,96

FLOATING DEBT. [000's omitted.]	Treasury Bills	Ways & Means Advances	Total	Natnl. War Bond Repts
Jan. 31, 1920	£1,110,461	£208,230	£1,318,691	£1,732,780
Jan. 24, 1920	1,119,861	204,430	1,324,291	1,732,780
Jan. 17, 1920	1,130,951	215,074	1,346,025	1,732,780
Jan. 10, 1920	1,144,881	209,074	1,353,955	1,732,780
June 30, 1919	796,150	774,237	1,570,387†	1,732,021

* Revised Budget and supplementary estimates. † Highest.
‡ Excess of revenue.

FOREIGN BANKS.

[In £'s Sterling‡—000's omitted.]

	Cash			Advances		Note	Bills Discounted,
AUSTRIA-HUNGARY	Gold	Silver	Total	To Public	To Dual Govts.	Circulat'n	&c.
July 23, '14...	£51,578	£12,141	£63,719	£7,772	—	£88,740	£31,993
Oct. 21, '19...	10,832	2,374	13,206	371,686	£1,373,083	2,013,363	240,845
Oct. 28, '19...	10,832	2,378	13,210	372,119	1,373,083	2,058,464	222,532
Dec. 7, '17...	11,000	2,300	13,300	603,990	—	739,300	117,600

BELGIUM.	Gold.	Silver	Total	Discounts	Circulation	Deposits
Aug. 6, '14 ...	£10,977	£633	£11,610	£41,925	£51,800	£6,263
Jan. 22, '20 ...	10,657	1,098	11,755	15,679	194,107	93,965
Jan. 29, '20 ...	10,657	1,101	11,758	16,288	196,106	92,189

	Cash						
DENMARK.	Gold	Silver	Total	Dis-counts	Balance Abroad	Circula-tion	Deposits
July 31, '14 ...	£4,100	£341	£4,441	£6,197	£786	£8,693	£47
Dec. 31, '19 ...	12,605	184	12,789	12,803	1,640	27,186	3,995
Jan. 31, '20 ...	12,602	188	12,790	15,084	912	26,375	1,902
Jan. 31, '19 ...	10,405	135	10,540	4,110	5,563	23,936	1,016
Jan. 31, '18 ...	9,650	135	9,785	3,402	2,446	18,282	3,338

	Gold—		Total Cash			Circula-	—Deposits—	
FRANCE.	In Bank	Abroad	incl'g Silver	Bills		tion	Public	Private
July 30, '14 ...	—£165,654—		£190,687	£97,768		£267,327	£15,302	£37,903
Jan. 29, '20 ...	144,077	79,131	233,418	75,421		1,503,300	1,655	125,239
Feb. 5, '20 ...	144,093	79,131	233,390	84,774		1,521,676	1,674	126,433
Feb. 6, '19 ...	138,845	81,484	232,949	48,117		1,294,681	2,151	103,338
Feb. 7, '18 ...	133,070	81,484	224,577	53,881		945,605	10,824	103,256

	Cash			Treasury &	Loans &	Circula-	De-
GERMANY.	Gold	Silver	Total	Other Notes	Discounts	tion	posits
July 23, '14...	£67,843	£16,727	£84,570	£5,279	£40,055	£94,545	£47,197
Jan. 14, '20...	54,463	800	55,263	551,697	1,785,154	1,784,179	561,397
Jan 23, '20...	54,491	868	55,359	556,967	1,894,811	1,799,231	458,960
Jan. 23, '19...	112,770	1,002	113,772	283,647	1,328,613	1,169,661	616,122
Jan. 23, '18...	120,302	5,727	126,029	60,119	621,183	545,942	312,531

	Cash			Dis-	Ad-	Circula-	De-
HOLLAND.	Gold	Silver	Total	counts	vances	tion	posits
July 1, '14 ...	£13,496	£249	£13,745	£13,422	£10,332	£35,660	£1,437
Jan. 24, '20 ...	52,657	647	53,304	22,294	18,215	84,939	9,657
Jan. 31, '20 ...	52,654	686	53,340	23,461	18,946	86,781	19,571
Feb. 1, '19 ...	57,029	744	57,773	20,312	11,114	89,602	7,202
Feb. 2, '18 ...	58,968	606	59,574	7,405	7,513	74,723	4,483

	Cash			Other	Loans &	Circula-	
ITALY.	Gold	Silver	Total	Cash	Discounts	tion	Deposits
July 31, '14 ...	—	—	—£48,456—		£25,017	£69,204	£8,887
Nov. 30, '19 ...	£32,198	£3,004	35,202	22,919	90,021	489,662	75,385
Dec. 10, '19 ...	32,198	3,004	35,202	17,701	90,319	491,363	74,657
Dec. 10, '18 ...	32,693	3,080	35,779	7,275	60,532	365,310	56,743
Dec. 10, '17 ...	33,419	3,509	36,928	6,847	53,073	256,696	57,245

					—Deposits—	
JAPAN.	Gold	Discounts	Advances	Notes	Public	Private
Aug. 1, '14 ...	£21,867	£1,829	£7,863	£32,722	£13,818	£1,521
Dec. 6, '19 ...	88,052	13,123	32,394	118,832	108,945	4,344
Dec. 13, '19 ...	88,352	10,751	34,069	118,564	109,431	4,331
Dec. 14, '18 ...	71,980	3,030	40,603	89,509	100,280	4,877
Dec. 15, '17 ...	63,137	942	21,974	67,000	61,472	3,833

NEW YORK BANKS		Cash Own	Aggregate	Loans, Disc'ts,	—Net Deposits—		Excess
& TRUSTS		Vaults	Reserve	Invest.,&c.	Demand	Time	Reserve
Aug. 1, '14 ...		—	£89,888	£411,238	—	—	£387,185	£1,720
Jan. 24, '20 ...		19,968†	101,866	1,060,294	838,016	£2,752	925,383	6,678
Jan. 31, '20 ...		19,382†	114,130	1,049,232	829,564	81,706	911,614	3,874
Feb. 1, '19 ...		19,634†	111,256	954,982	781,644	28,064	857,008	7,810
Feb. 2, '18 ...		20,556†	113,998	834,230	730,873	40,616	839,776	16,518

		Balance	For'gn Govt.	Disc'nts	Circula-	
NORWAY.	Gold	Abroad	Securities	& Loans	tion	Deposits
July 31, '14 ...	£2,960	£1,678	£493	£4,868	£6,752	£793
Jan. 15, '20 ...	8,137	3,831	673	19,766	23,168	4,807
Jan. 22, '20 ...	8,136	3,359	581	19,171	22,696	4,215
Jan. 22, '19 ...	6,716	3,813	749	21,187	22,630	5,596
Jan. 22, '18 ...	6,413	4,506	690	20,703	16,820	11,523

				Discounts &	Note Circu-	
PORTUGAL.	Gold	Silver	Total	Advances	lation	Deposits
Nov. 26, '19 ...	£1,906	£3,921	£5,827	£11,063	£76,570	£4,635
Dec. 3, '19 ...	1,906	3,920	5,826	10,881	74,948	7,186
Dec. 10, '19 ...	1,906	3,921	5,827	12,838	78,528	6,349
Dec. 17, '19 ...	1,906	3,921	5,827	12,954	80,275	4,860

RUMANIA.	Cash	Discounts	Advances	Total	Circulation
Dec. 6, '19 ...	£53,621	£9,103	£2,255	£11,358	£160,448
Dec. 13, '19 ...	54,021	8,663	2,295	10,958	161,849
Dec. 20, '19 ...	54,821	8,671	2,218	10,889	163,559
Dec. 21, '18 ...	33,701	4,090	1,663	5,753	97,849

	Gold—		Total Cash	Loans &	Circula-	Notes in	Total
SERBIA.	In Bank	Abroad	incl'g Silver	Disc'ts	tion	Reserve	Deposits
July 21, '14...	£160,114	£14,395	£181,892	£76,081	£163,411	£6,589	£109,911
Oct. 28, '17...	128,523	230,865	378,205	1,869,559	1,836,217	15,783	345,550

	Cash			Loans,	Spanish	Circula-	Deposits,
SPAIN.	Gold	Silver	Total	&c.	4%	tion	&c.
Aug. 1, '14 ...	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,955
Jan. 24, '20 ...	98,135	25,365	123,500	88,956	13,779	154,708	43,800
Jan. 31, '20 ...	98,139	25,516	123,655	89,048	13,779	154,371	44,132
Feb. 1, '19 ...	89,340	25,868	115,008	69,800	13,778	135,832	46,406
Feb. 2, '18 ...	79,044	28,492	107,516	47,431	13,777	113,105	38,142

		Balance	Swed. & For.	Discounts	Circula-	
SWEDEN.	Gold	Abroad	Govt. Secs.	& Loans	tion	Deposits
Aug. 1, '14 ...	£5,717	£8,150	£1,555	£7,495	£13,432	£3,903
Jan. 17, '20 ...	15,596	5,788	2,686	26,320	36,363	11,063
Jan. 24, '20 ...	15,587	5,964	2,686	26,324	35,121	11,811
Jan. 25, '19 ...	15,577	7,107	3,034	18,971	38,285	6,139
Jan. 26, '18 ...	13,125	7,198	3,436	11,989	27,868	8,143

	Cash			Discounts &	Circula-	
SWITZERLAND.	Gold	Silver	Total	Advances	tion	Deposits
July 23, '14 ...	£7,202	£758	£7,960	£4,817	£10,716	£2,026
Jan. 15, '20 ...	20,678	3,216	23,894	16,718	36,992	6,600
Jan. 23, '20 ...	20,678	3,262	23,940	15,882	36,202	6,108
Jan. 23, '19 ...	16,523	2,518	19,041	19,932	33,739	6,623
Jan. 23, '18 ...	14,422	2,229	16,651	12,058	24,356	4,854

† Not reserve. ‡ Converted at par rate of exchange approximately.

U. STATES FED. RES. BANKS.	Gold— Held by Banks	With Agents	Total Cash	Bills Dis-count'd	Accept-ances.	—Deposits— Govt.	Total. Net.	Circula-tion
Jan. 26,'20 ...	£155,834	249,496	417,580	430,692	115,158	18,090	363,568	568,846
Feb. 2,'20 ..	155,800	246,732	414,783	434,872	112,262	14,594	361,300	570,183
Jan. 31,'19 ...	153,486	268,936	435,930	320,226	56,258	12,986	331,892	490,146
Feb. 1,'18 ...	183,176	160,223	355,091	121,356	57,961	26,558	297,607	247,226

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed		%	Date Fixed
Amsterdam ...	4½	July 1,'15	Lisbon	5½	Jan. 15,'14
Berlin	5	Dec. 23,'14	Madrid	5	Nov.10,'19
Berne	5	Aug. 21,'19	Paris	5	Aug. 20,'14
Bombay	5	June 12,'19	Petrograd ...	5	July 29,'14
Brussels	3½	Oct. 2,'19	Rome	5	Jan. 11,'18
Calcutta	5	June 5,'19	Stockholm ...	6	June 12,'19
Christiania ...	6	Dec. 18,'19	Tokio	8·03	Nov. 18,'19
Copenhagen ...	6	Oct. 7,'19	Vienna	5	Apr. 12,'15

III.—FOREIGN EXCHANGES.

LONDON ON—		Feb. 6, '20	Jan. 30, '20	Jan. 23, '19	Jan. 16, '20
Berlin	Cable	325m.	275m.	257½m.	212½m.
Brussels	Cheques	47fr. 25c.	46fr. 50c.	44fr. 10c.	42fr. 55c.
Denmark	Cable	22kr. 20	21kr. 90	21kr. 55	21kr. 00
Holland	do.	8d. 95c.	9d. 20c.	9d. 70c.	9d. 89½c.
Italy	do.	65lr. 00	54lr. 50	51lr. 25	50lr. 60
Lisbon and Oporto	do.	17½d.	17d.	17d.nom.	16d nom.
New York	do.	$3 33	$3 51	$3 64	$3 70
—	Cheques	$3 35	$3 53	$3 65	$3 72
Norway	Cable	19kr. 20	19kr. 85	19kr. 60	19kr. 10
Paris	3 mos.	48fr. 70c.	46fr. 80c.	44fr. 00c.	43fr. 25c.
—	Cable	48fr. 05c.	46fr. 65c.	43fr. 45c.	42fr. 75c.
Spain (Bank places)	3 mos.	60½d.	61½d.	59½d.	61d.
—	Cable	19p. 20	19p. 30	19p. 50	19p. 35
Sweden	Cable	18kr. 10	18kr. 00	17kr. 80	17kr. 85
Switzerland	3 mos.	20fr. 40c.	20fr. 15c.	20fr. 50c.	20fr. 85c.
—	Cable	20fr. 15c.	19fr. 90c.	20fr. 20c.	20fr. 50c.

ON LONDON—		Feb. 6, '20	Jan. 30, '20	Jan. 23, '20	Par
Alexandria	Sight	97½pi.	97⅜pi.	97⅜pi.	97½pi.
Amsterdam	Cheques	8 1. 90c.	9d. 16c.	9d. 68c.	12.107fl.
Athens	Cable	27dr. 00	26dr. 70	25dr. 60	25dr. 22½
Bombay	Transfers	2s. 8⅛d.	2s. 4⅛d.	2s. 3⅜d.	1s. 4d.
Brussels	Cheques	47f. 30c.	46f. 85c.	44f. 07c.	25f. 22½c.
Buenos Ayres	do.	71⅛d.	62⅛d.	64⅞d	47.58d.
Calcutta	do.	2s. 8½d.	2s. 3⅛d.	2s. 3⅛ d.	1s. 4d.
Christiania	Sight	19kr. 29	19kr. 90	19kr. 65	18.159kr.
Copenhagen	do.	22kr. 28½	21kr. 86	21kr. 52½	18.153kr.
Helsingfors	Cable	81m.	120m.	84½m.	25m. 22½
Hong Kong	Transfers	5s. 9d.	5s. 5d.	5s. 1d.	—
Italy	Sight	64lr. 00c.	54lr. 25c.	51lr. 32½c.	25f. 22½c.
Lisbon	do.	17½d.	17½d nom.	17½d.	53½d.
Madras	do.	2s. 8¾d.	2s. 3½d.	2s. 4½d.	1s. 4d.
Madrid	do.	19p. 22½	19p. 20	19p. 49	25p. 22½
Montevideo	Transfers	67d.	69½d.	79¾d.	51d.
Montreal	Cable	$3 87	$3 96	$4 01½	$4 86⅞
New York	Sight	$3 22½	$3 51½	$3 61½	—
—	60 days	$3 19½	$3 49	$3 59½	—
—	Cable	$3 23	$3 52	$3 62	$4 87⅞
Paris	Cheques	43f. 35c.	46f. 50c.	43f. 55c.	25f. 22½c.
Rio de Janeiro	90 days	17⅞ d.	17⅛d.	17⅛d.	16d.
Shanghai	Transfers	8s. 1d.	8s. 8d.	8s. 1d.	—
Singapore	Sight	2s. 4⅝d.	2s. 4⅛d.	2s. 4½d.	—
Stockholm	do.	18kr. 08½	17kr. 98	17kr. 83	18.159kr.
Switzerland	do.	20f. 15c.	19f. 90c.	20f. 20c.	25f. 22½c.
Valparaiso	90 days	16⅜d.	14⅜d.	13⅜d.	18d.
Yokohama	Sight	2s. 11½d.	2s. 9d.	2s. 8½d.	24.53d.

NEW YORK ON—	Rate Current*— Feb. 6, '20	Jan. 30, '20	Par as usually Quoted	Rate July 3.
Amsterdam, sight ...	37·00c.	39·00c.	40·20c. for 1 guilder	40·25c.
Bombay, cheques ...	44·75c.	41·25c.	32·44c. for 1 rupee	33·00c.
Buenos Aires, cheques ...	102·10	101·90		
Christiania, cheques ...	16·80c.	17·70c.	26·80c. for 1 kroner	
Copenhagen, cheques ...	14·35c.	16·10c.	26·80c. for 1 kroner	26·85c.
Greece, cheques ...	12·80c.	13·30c.	19·295 c. for 1 drachma	
Hongkong, cheques ...	96·50c.	96c.	74·59c. for Mex. $1	48½c.
Italy, sight	18·87l.	15·58l.	5·18½ lire for $1	5·17l.
Lima, cheques	4·72l.	4·75l.	4·8865 $ for 1 libra	
Manila, cheques... ...	49c.	49c.	50c. for 1 peso	49·8c.
Montreal	15% disc.	10% disc.	Premium per $100	Par
Paris, sight	14·87fr.	13·33fr.	5·18¾ francs for $1	5·16fr.
Petrograd, sight ...	—	—	51·46c. for 1 rouble	51·37c.
Rio de Janeiro, cheques	27·50c.	27·50c.	32·42c. for 1 milreis	
Shanghai, cheques ...	159c.	160c.	52·96c. for 1 tael	83·00c.
Singapore, cheques ...	50c.	50c.	56·77c. for $1	57·12c.
Spain, cheques	17c.	18·55c.	19·30c. for 1 peseta	
Stockholm, cheques ...	17·35c.	19·60c.	26·80c. for 1 kroner	
Switzerland, cheques ...	5·98fr.	5·56fr.	5·18¾ francs for $1	5·18¾fr.
Valparaiso, cheques ...	21·50c.	21c.	20·61c. for 1 peso	
Yokohama, cheques ...	49·50c.	48·75c.	49·84c. for 1 yen	49·90c.

* According to Guaranty Trust Company of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount	Inc. or Dec.*	1919 Agg.	Inc. or Dec.*
	1920	[In £'s sterling 000's omitted.]			%
BIRMINGHAM ...	Jan. 31	£3,482	+ £1,145	£17,071	+ £4,830 + 37·9
BRISTOL	,, 31	1,759	+ 625	19,039	+ 3,272 + 56·3
DUBLIN	,, 31	8,394	+ 2,166	43,617	+ 9,337 + 27·4
LEEDS	,, 31	1,737	+ 591	8,658	+ 2,990 + 52·8
LEICESTER	,, 31	1,031	+ 349	6,973	+ 2,970 + 74·2
LIVERPOOL	,, 31	21,163	+ 8,033	90,100	+ 31,385 + 61·7
MANCHESTER ...	,, 31	31,441	+ 16,072	156,733	+ 82,533 + 111·3
NEWCASTLE ...	,, 31	3,236	+ 2,203	15,446	+ 6,394 + 70·1
NOTTINGHAM ...	,, 31	892	+ 239	5,453	+ 2,132 + 64·1
SHEFFIELD	,, 31	1,611	+ 333	6,473	+ 1,211 + 23·0
LONDON—	1920.				
TOWN	Feb. 4	734,968	+ 263,754	3,276,124	+ 1,239,039 + 60·8
METROPOLITAN	,, 4	44,180	+ 11,334	221,676	+ 47,158 + 27·0
COUNTRY	,, 4	79,019	+ 19,350	414,895	+ 111,238 + 36·6
TOTAL†	,, 4	858,167	+ 294,438	3,912,695	+ 1,397,435 + 55·6

* Compared with a year ago. † Bankers' Clearing House, London.

V.—FREIGHTS.—According to Messrs. J. C. Gould, Angier and Co.

HOMEWARDS.	1920 Feb. 6	1920 Jan. 30	1913 Feb. 7
Alex. to U.K. ...	—	—	9/6
Aust. to U.K. ...	200/0	200/0	
Azoff to L.H.A.R.	—	—	12 9
Bombay to p.p.d.w.	155/0	l.w.140/0d.w.	24 6
Burmah o.c.		nom. d.w.	31 3
Calcut.top.p./(jute)	—	nom.	—
Danube to U.K. ...	—	—	
Odessa to L.H.A.R.	—	—	10 6
R. Plate to U.K.	210/0	210.0	26 3

Homewards.—*cont.*	1920	1920	191
U.S.Atl.Ports to Lpl. (cotton, 100lb.)	1 6	Jan.30	Feb. 7
U.S.toU.K.Cont.(gr.)	18 0	15 0	3/11
Gulf Ports to U.K.Cont. (cotton,gram) ...	nom.	—	—
OUTWARDS.—Cardiff to			
Aden	—	—	—
Colombo ...	—	—	13 6
Port Said ...	75 0	60 0	11 10
River Plate ...	37 6	38 6	16 3
St. Vincent ...	50 0	40 0	20 0

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	FEB. 6, 1920.	FEB. 7, 1919.	JUNE 30, 1914
Iron—Scotch pig warrants ...ton	181/0	101/0	57/0
— Middlesbro' warrants ...ton	175/0	95/0	51/0
— Hematite warrants ...ton	220/0	122/6	61/0
— Staffordshire bars, London ton	£26 15	£17	£8 10
— Common bars ...ton	£24 10	£14 15	£6 16
Steel Rails ...ton	£18 15 -£19 5	£10 17/6	£6 2/6
Galvanised Sheets ...ton	£45 £47nom.	£28	£16 17/1
Copper—Standard ...ton	£121 5	£82—£84	£66
Tin—English Ingots ...ton	£387	£233nom.	£142 15
— Straits ...ton	£396	£233 17 6	£139 10
Tinplates, I.C. Coke, S. Wales...box	70.0	33.3	11/10½—12/0
Lead—Soft Foreign ...ton	£48 15—£49 5	£26—£29 10	£19
Spelter—Ord. Foreign ...ton	£6. 10—£63 5	£40—£42	£21 7/9
Quicksilver—(75lb.) ...bottle	£21 10	£22	£20 £7
Aluminium ...ton	£160	nom.	£82
Antimony—Regulus Foreign ...ton	£69	nom.	£27 10
— English ...ton	£68	—	—
Coal—(best) Yorkshire ...ton	21/6—22/6	23/6—24/6	17/6
— Steam (best) Newcastle ...ton	46/0—51/0	40/0—45/0	14/6
CHEMICALS, OILS, &c.			
Nit. of Soda—f.o.b. Chile, per quintal	15/0	nom.	7/4
Soda—Crystals ex ship ...ton	130/0—140/0	87/6	42/6—45/0
Copra—Malay and States ...ton	£71	£33 10 £23 15—£24 7/6	
Gambier—Good marks ...cwt	52/0	40/0	16/10½
Indigo—Bengal good to fine ...lb.	13/0—16/6	9/0—10/6	3/2—3/8
Linseed Oil—Raw ...ton	£112	—	£25 5
Linseed—Calcutta, spot ...ton	£53	£26 15	£13 16/9
— **Cakes, U.K. made, ex mill**...ton	£25	£19	£7 17/6-£8
Olive Oil—Spanish ...ton	nom.	nom.	£49 10
Palm Oil—Lagos ...ton	£100	£45	£31 10
Petroleum—American ...gallon	2 1	1/4½	7½d.
Rape Oil—Refined English...ton	£135	£71	£32
Soya Oil—Refined ...ton	£114 10	£75	£24 10
Tallow—Imported ...cwt.	105/0—110/0	—	29/3—33/3
Turpentine—American ...cwt.	210 0	101/0	33/7½
Rape Seed—Toria ...ton	£55	£25 15	£13 5
Rubber—Para, spot ...lb.	2/7	2/6	2/9½
— Fine plantation (stnd. crepe) lb.	2/9½	2/0½	2/2
— World's Production* Dec., tons	31,291	20,530	8,467
Shellac—F.N. Orange, fair ...cwt.	860/0	250/0—260/0	63/0—64/0
TEXTILES.			
Cotton—Middling Upland ...lb.	30 11d.	19 22d.	7 53d.
— Egyptian, good fair ...lb.	76 50d.	27 05d.	8 75d.
— Pernambuco fair ...lb.	34 11	20 45d.	7 73d.
— Midland Upl. New York...lb.	39 15c.	25 90c.	13 25c.
— Stock, Liverpool (Jan. 30) bales	942,230	455,950	934,600
Flax—Petrograd, Yarapol ...ton	—	nom.	£28
Hemp—New Zealand ...ton	£55	£70	£25 10
— Manila, Fair ...ton	£72	£80	£26 10
Jute—First Marks ...ton	nom.	—	£26 15
— Red SCO ...ton	£56	—	£24 15
Silk—Blue Elephant ...lb.	57 6	20/0	11/3—11/6
Wool—Pt. Philip unwashed av. lb.	5/0	nom.	11½d.—1/0
— Lincoln Half Hogs ...lb.	2 3½	1/7½nom.	1/0½
Hides—Eng. Ox, best, 65lb. up lb.	15½d.—16½d.	9½d.—10½d.	7½d.
Leather—Dressing Hides ...lb.	4/0—4/6	2/5—3/1	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus	97,575,000	200,692,000	34,640,000
— Red, price, N.Y. 60lb....bushe	nom.	237c.	67½c.
English Gazette, aver. 430lb. qr.	72/7	72/8	34/3
Flour—G.R. ...280lb	44/3	44/3	28/6
Barley—Eng. Gaz., aver. 400 lb. qr.	106/2	62/4	25/4
Oats—Eng. Gaz., aver. 312 lb. qr.	58 7	49/7	20/0
Maize—N.Y. (new bushel)...56lb.	174c.	148c.	76½c.
— Amer. mixed, Liverpool...480lb.	nom.	79/8	32/4
— La Plata ...480 lb. qr.	65/0	72/0	25/9
Potatoes—Good English ...ton	269/0	175/0	70/0—75/0
Rice—Bassein ...cwt.	26/0	25/0	7/0—7/3
Tapioca—Pearl, medium ...cwt.	37/0	37 0	14/0—17/8
Hay—best ...2,018lb...load	—	176/0	82/6
Hops—English ...cwt.	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs ...8lb.	6 8	10 7	3/8—3/10
— Scotch sides ...8lb.	10/0	9 6	4/6—5/0
— English ...8lb.	10 0	9 t	4/2—4/5
Mutton—Scotch wethers ...8lb.	10/6	10/0	5/8—6/0
— English wethers ...8lb.	10/6	10/0	4/6—5/4
— New Zealand frozen ...8lb.	10/6	10/0	2/4—3/2
Pork—English and Irish ...8lb.	11 8	10 8	3/6—4/0
Bacon—Irish, delivered ...cwt.	200/6	188/0	60/0—74/0
— Danish ...cwt.	†192/0	—	58/0—68/0
— Canadian, ex Port ...cwt.	†187/	—	—
— American, ex Port ...cwt.	†187/	176/6	72/0—74/0
Hams—Amer. long cut, ex Port cwt.	†190/	170/0	75/0—79/0
— — short cut, ex Port ...cwt.	†190/	170/0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt.	†198/6	158/0	51/9—52/9
Butter—Danish ...cwt.	270/3	Controlled	117/0—120/0
— French ...cwt.	270/8		96/0—108/0
— Australian ...cwt.	270/8	252/0	98/0—110/0
— New Zealand ...cwt.	270/8		108/0—114/0
Cheese—Canadian ...cwt.	†145	Controlled	66/0—68/0
— United States ...cwt.	†145/	163/4	—
— Dutch ...cwt.	†145/0		53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Dec. 31 ...cwt.	31,949,34	26,113,009	19,777,254
— Home consump'n. to Dec. 31 cwt.	30,658,77	18,824,211	17,272,000
— In Bond Dec. 31 ...cwt	6,421,000	7,822,000	6,306,000
— Price, Java, 96 Pol. ...cwt	6/0	36/0	10/3
— — Yellow crystals ...cwt	66 0	57/3	12/6—14/0
— — Tate's Cubes, No. 1 ...cwt	72/0	64/3	18/0
Coffee—Imports to Dec. 31 ...cwt	1 055,21	159,309	720,360
— Home consumpt'n to Dec. 31 cwt	315,477	456,278	141,410
— Exports to Dec. 31 ...cwt	629,888	30,181	340,250
— In Bond Dec. 31 ...cwt	700,000	617,000	484,000
— Price, Costa Rica gd. to fine cwt	162 0—172 0	145 0 155 0	80/0—93/0
— — Brazil (Santos) Good ...cwt	136 0 138 0	65 0	41/6
Tea—Imports to Dec. 31 ...lb.	510,439,600	463,628,125	123,230,277
— Home consump'n. to Dec. 31 lb.	388,465,533	311,151,409	155,447,972
— Exports to Dec. 31 ...lb.	29,693,493	2,195,275	26,561,765
In Bond Dec. 31 ...lb.	226,384,000	135,295,000	78,292,000
— Price, Indian, Fek. Soug. gd. lb.	1 2½	1 9	8½d.
— — Ceylon, Fek. Soug. Ord. lb.	1 2	1 8	8½d.
— — Common Congou ...lb.	1 2nom.	1 9	5½d.
Cocoa—In Bond Dec. 31 ...cwt.	501,000	486,000	309,000
— Grenada, good to fine ...cwt.	128/0—131/0	85 0	52/6—56/0

* Estimated. † Controlled.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific	Dec.	$17,0 6 000	+1,275,000	$1,682,000	—1,129,000
	12 *mos. to* Dec.	176,929,000	+1939000	32,933,000	— 1,563,000
Grand Trunk	Nov.	£1,251,900	— £15,700	£203,300	— £81,800
	11 *mos. to* Nov.	12,853,900	+1,702,200	1,566,200	+ 104,400

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open.	Gross Receipts.	+ or — on Year Ago.	No. Wks	Aggregate Receipts.	+ or — on Year Ago.
Assam Bengal	Dec. 27	993	R2,03,547 +	47,090	13	29,02,304 +	7,78,934
Barsi Light ...	Jan. 3	118	34,500 +	8,000	41	11,39,600 +	4,82,400
Bengal & N.W.	Dec. 27	2,065	4,30,940 —	50,830	13	54,09,103 —	6,29,774
Beng. Dooars	Dec. 27	158	38,862 +	11,677	13	6,25,843 +	80,812
Beng. Nagpur	Dec. 27	2,695	11,65,000 +	1,08,000	39	4,71,86,438 +	33,41,217
Bomb. Baroda	Jan. 24	2,871	19,45,000 —	94,000	17	2,98,78,000 +	21,62,000
Burma ...	Dec. 20	1,342	5,49,307 +	34,859	38	2,02,49,872 +	22,40,000
Del.Um. Kalk.	Jan. 24	239	80,100 —	7,514	17	14,82,679 —	34,426
East Indian ...	Jan. 24	2,771	24,29,000 —	3,16,000	17	4,22,30,000 —	22,24,000
Gt. Indian Pen.	Jan. 24	3,121½	29,13,200 +	2,01,400	17	4,22,39,455 +	36,03,163
Madras & S.M.	Jan. 3	3,152	11,00,000 +	68,107	14	1,43,48,966 +	6,24,597
Nizam's Guar.	Dec. 20	900	3,19,239 +	26,703	12	29,51,897 +	4,69,242
Roh. & Kumn.	Dec. 27	576	1,04,862 +	1,387	13	11,33,103 —	2,46,236
South Indian	Jan. 3	1,852½	7,18,670 +	1 22,339	40	2,98,54,449 +	29,40,452
South Punjab	Sept.	716	6,04,613 —	2,92,520	6*m*	34,91,972 —	18,71,142
COLONIAL							
Can. Northern	Jan. 21	9,588	$895,900 —	80,300	3	3 015,700 +	455,700
Can. Pacific ...	Jan. 31	13,388	4,330,000 —	229,000	4	13,639,000 +	641,000
Grand Trunk	Jan. 31	3,616	£336,877 +	43,433	4	1,038,501 +	133,933
Mashonaland	Aug.	810	65,465 —	7,046	11*m*	—	—
Mid. W. Aust.	Nov.	277	11,753 +	2,265	5*m*	47,758 +	5,605
NewCapeCent.	Jan. 10	205	2,412 +	344	2	5,824 +	1,381
Rhodesia Rlys.	Sept.	1,397	113,817 —	8,708	12*m*	1,051,865 —	72,122
Temiscouata...	Oct.	—	$30,562 +	2,154	10*m*	304,661 +	22,504
W. Pass. & Yuk.	Aug.	122	—	—	8*m*	$968,676 +	31,021
FOREIGN.							
Argentine.							
Arg. N. East...	Jan. 31	752	£ 12,400 +	2,800	31	362,900 +	77,400
Arg. Transand.	Jan. 31	111	£ 4,420	160	31	77,226 —	29,859
B. A. & Pacific	Jan. 31	3,536	£ 144,000 +	39,000	31	4,422,000 +	966,000
B.A.Gt. South	Feb. 1	3,792	£ 197,000 +	46,000	31	5,361,000 +	1,202,000
Do.	Feb. 1	Net	£ 77,000 +	30,000	31	1,799,000 +	1,009,000
B. A. Western	Jan. 25	1,882	£ 95,000 +	26,000	30	2,869,000 +	833,000
Do.	Jan. 25	Net	£ 28,000 +	12,000	30	1,008,000 +	530,000
B. A. Central	Dec.	190	£ 43,817 +	5,404	6*m*	270,923 +	27,273
Cent. Argent.	Jan. 31	3,305	£ 204,000 +	77,800	31	5,374,000 +	1,445,200
Do.	Jan. 31	Net	£ 83,000 +	80,800	31	1,638,100 +	1 027,000
Cord. Central	Jan. 31	1,205	£ 56,600 +	13,240	31	1,843,200 +	487,470
Entre Rios ...	Jan. 31	831	£ 26,300 +	5,800	31	716,200 +	105,800
Brazilian.							
BrazilGt.South	Dec.	110	M 69,250 +	18,250	12*m*	612,921 +	10,887
Brazil Railway	Dec.	3,530	M4,859,000 —	141,271	12*m*	57,772,000 +	7,619,243
Gt. W. Brazil	Jan. 31	1,010	£ 32,000 +	10,400	5	137,300 +	41,400
Leopoldina ...	Jan. 24	1,831	£ 56,504 +	34,727	4	2,510,000 +	804,000
Mogyana ...	Dec.	1,180	M 1,561,000 —	956,490	12*m*	22,267,000 —	2,474,650
Paulista ...	Dec.	766	M 2,650,000 +	906,038	12*m*	32,479,000 —	1,225,898
San Paulo ...	Feb. 1	153½	£ 43,231 +	24,879	5	219,362 +	94,212
Sorocabana ...	Dec.	1,003	M 1,749,000 —	246,168	12*m*	21,953,000 +	976,688
S.of Bahia S.W.	Dec.	52	M 116,000 +	22,000	12*m*	1,204,000 +	143,000
Chilean and Peruvian.							
Antofagasta ...	Feb. 1	838	£ 64,935 +	37,925	5	269,950 +	120,910
Arauco ...	Dec.	841	£ 12,500 +	500	12*m*	136,800 —	21,200
Nitrate(2wks.)	Jan. 31	390	£ 48,722 +	18,491	4	102,763 +	47,222
Peruvian Corp.	Jan.	1,140	S 1,297,520 +	287,870	7*m*	8,280,294 +	1,249,92
Taltal ...	Dec.	180	£ 25,785 +	11,227	6*m*	97,117 —	16,60
Cuban.							
Cuban Central	Jan. 24	362	$ 43,066 +	13,810	30	607,489 +	144,86
Havana Cent.	Jan. 24	70	£ 12,273 +	5,466	30	312,548 +	56,01
U. of Havana	Jan. 31	681	£ 26,861 —	59,220	31	1,830,191 +	364,78
W. of Havana	Jan. 24	155	£ 10,209 +	5,912	30	265,999 +	57,38
Uruguayan.							
Cent. Uruguay	Jan. 24	273	$ 22,445 —	2,702	30	636,031 +	51,94
,, (E. Ext.)	Jan. 24	311	£ 7,214 +	480	30	172,373 +	28,25
,, (N. Ext.)	Jan. 24	185	£ 3,595 —	738	30	107,438 —	45
,, (W.Ext.)	Jan. 24	211	£ 3,121 +	543	30	81,171 +	4,37
Mid. Uruguay	Dec.	319	$ 20,234 +	177	6*m*	111,204 +	11,11
N.W. Uruguay	Dec.	113	$ 7,234 —	62	6*m*	40,155 +	72
Urug. Northn.	Dec.	73	£ 2,606 +	310	6*m*	13,791 +	1,85
Miscellaneous							
Alcoy & Gandia	Jan 31	33	Ps. 14,400 +	2,900	5	52,400 +	9,40
Bilbao ...	Jan.	15	£ 2,452 —	299	1*m*	—	—
Bolivar ...	Dec.	136	$ 9,000 —	4,936	6*m*	53,339 +	6,33
Colomb. Natnl.	Dec.	86	£ 18,040 +	4,600	12*m*	171,120 +	23,80
Costa Rica ...	Dec.	189	£ 15,000 +	6,200	6*m*	140,650 +	40,25
Dorada Ext....	Dec.	70	£ 15,000 +	5,200	12*m*	140,650 +	40,25
Egyptian Delta	Jan. 17	559½	£ 16,663 +	3,389	39	302,170 +	9,76
Gt. S. of Spain	Jan. 24	104	Ps. 64,738 —	69,425	4	262,149 —	224,63
La Guaira & Ca.	Dec.	223	$ 12,070 +	5,250	12*m*	108,200 +	31,07
Ottoman Ry...	Jan. 17	379	£ 5,193	—	—	—	—
Paraguay Cent.	Jan. 17	255	$ 4,020 —	1,660	29	152,190 +	42,62
Puerto Cabello	Dec.	34	$ 4,500 +	1,300	12*m*	53,875 +	9,37
Salvador ...	Jan. 24	100	$ 5,532 +	804	30	92,144 +	39,57
Santa Fe Prov. French Rys.	Oct.	1,181	$ 172,656 —	6,605	10*m*	1,435,236 +	56,60
S'm'na & S'ti'go	Dec.	80	$ 10,200 +	3,122	12*m*	140,411 +	32,83
Zafra & Huelva	Dec.	112	$ 13,201 +	370	12*m*	128,863 —	24,92
TRAMS.							
Anglo-Argent.	Jan. 28	400	£ 66,014 +	11,245	4	270,256 +	77,25
Auckland Elec.	June 30	27	—	—	52	292,502 —	2,06
Bombay Elec.	Nov.	39	R. 7,68,178 +	1,43,965	11*m*	78,54,582 +	14,42,96
Brazilian Trac.	Nov.	378½	M 9,796,000 +	2,215,000	11*m*	103,335,000 +	9,972,00
Brisbane Elec.	Dec.	40½	£ 44,820 +	6,685	12*m*	477,690 +	37,67
Brit. Columbia	Nov.	334	$ 733,981 +	121,088	5*m*	3,438,592 +	711,56
B. A. Lacroze	Dec.	51	£ 56,873 +	5,413	6*m*	293,577 +	34,33
Calcutta ...	Jan. 24	35½	R 31,451 +	7,713	4	285,021 +	27,18
Cape Electric	Nov.	42½	£ 27,126 +	5,243	5*m*	110,948 +	6,33
Carth. & Herr.	Jan.	9	£ 4,748 —	1,093	1*m*	—	—
Chatham & Dist	Jan. 22	15	£ 1,442 +	214	3	4,346 +	41
Havana Elec.	July	86	$ 794,768 +	100,679	7*m*	5,116,661 +	402,55
Isle of Thanet	Jan. 28	20½	£ 485 +	203	18	9,101 +	3,73
Kalgoorlie ...	Aug.	20½	£ 2,876 —	464	8*m*	21,533 —	58
Lanarkshire ...	Jan. 22	28½	£ 3,703 —	194	3	12,436 —	58
Lima Light ...	Oct.	85	£ 50,067 +	4,590	10*m*	479,702 +	44,43
London C.C. ...	Feb. 4	141½	£ 78,148 +	11,870	44	3,529,999 +	590,67
Madras (2wks.)	Jan. 15	15½	R. 48,883 +	6,301	2	—	—
Manila Electric	Nov.	55	$ 247,599 +	33,307	11*m*	2,320,607 +	231,11
Pernambuco...	Feb. 1	59	£ 8,107 +	2,610	5	37,895 +	12,77
Provincial ...	Jan. 24	21½	£ 3,062 +	511	17	46,587 +	7,86
Rangoon Elec.	Dec.	25	£ 7,517 +	1,329	12*m*	—	+ 90
Shanghai Elec.	Dec.	26¾	M. $140,000 +	28,000	12*m*	1,571,796 +	242,23
Singapore Elec.	Jan. 3	26½	$ 18,923 +	4,014	1	—	—
U.of Montevid.	Nov.	90½	£ 40,308 +	8,610	1*m*	40,308 +	8,61

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The Statist.

LONDON, SATURDAY, FEBRUARY 7, 1920.

EUROPE DISCREDITED.

There has been again this week a further alarming fall in the value in foreign markets of the British pound, the French franc, and the Italian lira. The pound has actually been quoted considerably below 14*s*., and if the proper measures are not taken there may be such a loss of value as will remind everyone of what happened to the French *assignats*. But let us quit generalities and inquire, first, what has brought about the alarming state of things with which we are confronted, and what the remedy is which ought, with as little delay as possible, to be applied. It will be recollected, then, that ever since Germany's victory over France in 1870 she had been preparing for war by both land and sea, and that the measures she took were of such a nature that they alarmed all who were capable of understanding their meaning. In particular, Lord Roberts, the most eminent of our soldiers, devoted the later years of his life to awakening the public conscience and to prepare for a struggle which was sure to try us to the utmost. In a much smaller way and on a humbler scale, the Editor of this Journal undertook to devote his attention to inducing the bankers, without exception, to accumulate gold, so that when the day of crisis came we should at least have a considerable stock of the metal to take such measures as might then be deemed advisable. The advocacy of Lord Roberts was treated with such contempt that Lord Salisbury, as head of a Conservative Government, actually exchanged Heligoland for a petty place that had been thrown away by us as of practically no value; and he did so notoriously to gain Court favour. As if that was not sufficient, the nephew of Lord Salisbury, who followed him as Premier of his Government, came down to the House of Commons and declared that as Chairman of the Imperial Defence Committee he had gone into the whole question of preparation against war, and that he was authorised by the leading admirals to say that we had no cause for serious exertion, except to prepare ourselves for the defence of India. The Liberal Government which followed very soon after was only too glad to shelter itself under this declaration of Mr. Balfour's, and contented itself, therefore, with creating a so-called Expeditionary Force of about 100,000 men. Consequently, when the War broke out we had made no preparation of any kind except the formation of a petty force of 100,000 men, and the handing over of Heligoland to the Germans so that they might make themselves absolute masters of the Baltic. When, therefore, the War was suddenly sprung upon Europe, firstly, by a declaration of war from Austria against Serbia; and, secondly, by a summons from the Kaiser to the Tsar to cease calling up his troops within six hours, we found ourselves practically without any means of resisting the formidable naval and military attack that was about to be made upon us. Russia, if possible, was less prepared than ourselves. Italy was, indeed, an ally of both Germany and Austria. But she refused to join in her Allies' war and, ultimately, took the part of the Entente Powers. France was a little better prepared than any other of our Allies, though even France suffered from the great disadvantage that her Ministries generally lasted only about a year; and, consequently, that no continuous policy could be carried out by her. Still, she had a great army; and, better still, she had eminent generals, and she saved the Entente by her constancy and her generalship.

Without pretending to go fully into the action of the Entente it will, perhaps, be sufficient to remind our readers that this country, according to Mr. Asquith, raised altogether for the Army and the Navy a force of about seven millions of men; that, in addition, it discovered that its artillery was entirely deficient; and, consequently, that it took over a multitude of factories which previously had been employed in providing the people with the necessaries which they needed for their ordinary life, while an immense number of women were called out not only to make ammunition and to do other special work of the Government, but even to do the work which men only are fit for in the fields in all states of the weather. Out of a population of, roughly, 40 millions, which the misgovernment of the Executive reduced our fighting force to, seven millions were called up for actual destructive purposes. Everything that meant construction was stopped, and seven millions of men were employed in the work of destruction, while older men, women, and girls were employed in such numbers that nobody has ever ventured to state how many were altogether called out. All that is certain is that productive employment so nearly ceased that the Government had to take the control of everything done for keeping the public alive, and the railways, the shipping, and the cultivation of even wheat and barley had to be carried on, not by those who were properly trained for it, but to a large extent by old men and young women. Is it necessary to add to all this that, since seven millions of men were taken from productive employment and engaged in destructive employment, and since, also, immense numbers of women, boys, and old men were employed in work fit only for young men, there was such an absolute

failure in the supply of everything that we mean by the name of wealth that we were in serious danger of suffering the most grievous penalties? Indeed, if the United States had not been able, with the assistance of the British Fleet, to land three millions of men in France we tremble to think what the consequences would have been in the winter of 1918. The final result was, upon the one hand, that the German Army, utterly worn out, threw down its arms and refused to fight any longer, and that the Entente Powers, thus relieved from fighting, were able to take advantage of the breakdown of Germany and to impose terms the nature of which it is hardly worth while to characterise. What is clear is that our Government refused absolutely to make any preparation for a war which every man of observation knew to be coming; that when the War came it raised as much money in the form of debt as it could raise at home; and that it turned to the United States to borrow from it what it could not raise at home.

The United States just before the War—in fact the very year before the War—had created a new banking system. That system was accepted favourably by the people. And as nobody in Europe had prepared for the War against Germany and Austria, all the Entente Powers had to pour orders in such numbers and variety into the United States as it would puzzle even the most expert man of business to set out without bewildering his readers. The United States was in no mood for lending either to England or to France. On the contrary, the well-known banking firm of Messrs. J. P. Morgan and Co. was employed to place a loan for France and England combined amounting to no more than 100 millions sterling. And the great firm, immense as its reputation was, found it almost impossible to persuade the people of the United States that England and France combined were good enough to be lent 100 millions sterling. As a matter of fact, the Lord Chief Justice had to be sent from London to New York to persuade the people of New York that England and France together could pay 100 millions sterling. What is more remarkable, the two Governments found that they had to borrow from their own subjects securities of the United States and such American countries as were in good credit in New York, so that those American securities might be pledged as collateral to persuade the public of the United States that England and France would pay the debts which the United States could be persuaded to lend. It is one of the most humiliating episodes that it is possible to recall. But it is necessary to recall it; for it is the ineffable incapacity of our Government which is at the present moment so nearly ruining us. It prepared no gold reserve. If it had done so—if it had even 100 millions of the metal when the War broke out—it would have been of immense advantage. Yet for 30 years the Editor of this Journal was pointing out that there existed no adequate gold fund in England, and that the banks ought, as a matter of duty, to provide it. Neither the Government nor anybody else assisted us, and, with the greatly regretted exception of the late Sir Edward Holden, there was not a single head of a bank in the United Kingdom which made preparation during the 30 years THE STATIST had been advocating the collection of a great war gold fund. Furthermore, Lord Roberts wasted his time, and ultimately lost his life, in trying to persuade the people to take adequate steps, and they point-blank refused. And now look around and see the position in which we are. The people of the United States do not think that an English bank-note issued by the Government of England itself is worth much more than thirteen shillings, or will be cashed if it is taken. It is as humiliating a condition of things as can possibly be imagined, and it is the result of the incapable, stupid, careless Government that is ruining us as fast as it can.

We give below a list of the leading securities of the principal belligerent countries with the lowest quotations last week, compared with the figures at which they now stand:—

GOVERNMENT SECURITIES, U.K.	Lowest for week ended Jan. 31	Current (Feb. 5).
CONSOLS	50⅜	49⅞
4½% Funding Loan	73⅝	73⅜
Victory Bonds	81⅛	82¼
Irish Land Stock, 2½%	51¼	51½
Irish do. ... 3%	54⅜	54⅝
India 3½% Stock	50⅜	50¼
FOREIGN.		
Italian 5 ... 1862	54	48–53
French Rentes 3%	36½	38½
French National Defence Loan 5% Rentes	55¼	56
,, 4% Rentes	44	44
German Imperial 3% Loan (Anleihe Ablösungs)	19½	20½
Prussian Consols 3½%	21	22½
U.S. Loan 4%	—	144–147

The following are the rates of exchange on London given in the same way:—

Exchanges	Lowest for week ended Jan. 31	Rate on Feb. 5
New York . ..	83.70½	83.31
Paris	16.92 francs.	18.45 francs.
Italy	55.10 lire	65.25 lire
Berlin	3.01 marks	3.22½ marks
Brussels...	40.85	47.95 francs

THE REMEDY.

SOME persons, perhaps, will object that in explaining the fix into which we have been brought by a thoroughly helpless and a thoroughly unfit Government we ought to have mentioned that curious thing called "inflation." There is no such thing as inflation; and in the nature of things there cannot be. But there is a thing which a certain class of economists are fond of using to discredit high prices. Now, if the people of the United States are right, and that we here in the United Kingdom have no gold; are incapable of getting gold; and, although we have very large gold mines in different parts of the British Empire, are so stupid and so incompetent that, even if allowed time, we cannot mine that gold, then do you think that there is any real reason for inventing such an absurdity as inflation? But if the American people are right, and we in England are so stupid, so incapable of taking care of ourselves, so wedded to a mischievous Government that we will not kick it out, why, then, one must say that the American people are right, and that our pound in paper is not worth fourteen shillings, and it would be hard to say what it is worth. On the other hand, suppose we get rid of the present Government and put a Government in power that will do what it ought to do—will mine the gold, will take the measures necessary to reduce our debt, and will show that we can fulfil our duties—then the talk about inflation will be shown to be simple folly. The real plain fact is that we kept in power a most mischievous Government under, first, Lord Salisbury, and next Mr. Balfour; that then we kept in power another Government not, perhaps, so intentionally mischievous, but, if possible, even weaker, under Mr. Asquith; and that, finally, we capped all our faults by allowing Mr. Lloyd George to curse us with the present Government. Now, if we had common-sense there is nothing easier than to pay off our debt. This country is often said to be one of the richest in the world. It is pure folly. It is not one of the richest countries in the world. But it carries on a vast trade, and that vast trade yields an income which careful men can use to sweep away debt quickly. What we want, firstly, is a Government mainly of trades unionists—a Government, that is to say, which is not bound to defend rich men come what may—a Government, in other words, that thinks of the United Kingdom first, of the United Kingdom second, and of the United Kingdom third, and does, therefore, what the United Kingdom needs.

Now, we have two great establishments—Church establishments, by the way—in this country and in Scotland, and they are richly endowed. Why not put up for sale every single acre they possess, and every building that any man can be found to bid for? Does anybody seriously doubt that the great cathedrals would not be bought, or, for example, that

Westminster Abbey is of no money value? And are we to be told that we are to be dragged in the dirt by a worthless and a useless Government simply to enable rich men to avoid paying the clergy who minister to them? Every other clergy in the United Kingdom has to look to those who benefit by their ministering, and why not the Church of England and the Church of Scotland? What has any man who happens to be a Church of England man or a Church of Scotland man done that you and I should pay for the services they receive from their clergy? The clergy exist for the good of the people. There is not in the whole of Scotland half the people who attend the Church of Scotland. Probably there is not one-third of the people in England who honestly believe in the Church of England. There are large numbers of persons in England who call themselves Church of England men, but they do so practically because they are sure the Church of England will not bother them about attending their ministrations. We want simply to pay our way. We are not so completely in the dirt as many persons, coming from goodness knows where to settle in the United States recently, think we are. We can earn money. We can save money. And where the honour of the country is concerned we can spend that money in its service. Therefore, the first thing to be done is to put up the Church of England and the Church of Scotland for sale and to get the best possible price for every stick and every stone so offered. When we have done that we do not suppose that we shall have paid off the debt. But remember that there are a great many dioceses, archdioceses, parishes, and so on throughout England and Scotland, and that there is money's worth in each one of these. Consequently, if we get that money—the money which is invested in these religious establishments—then we have to think how next to proceed. Well, there is, secondly, the banks. The Editor of this Journal for 30 years was earnestly endeavouring to induce the banks of the United Kingdom to subscribe funds which, indeed, he knew would not be sufficient to ensure the full maintenance of legal tender, but which he hoped might be on such a scale that, with the assistance of the Government and the popular pressure of the people, we might be able to take steps when the War broke out which would ensure that at least we should not be told that Americans lending money to us would rather lend on the security of some American security than upon that of both England and France combined. The thing was practicable. Nay, the thing was easy. And if the Government was competent to govern, as Mr. Churchill so impudently claims that the present governing parties are competent, it would have been very easy indeed to have so arranged that, at all events, the promise to pay £1 sterling of the British Government would be regarded in New York to-day or yesterday as worth more than somewhat over 13*s*. That is what we have brought our credit to; and it is the action of the Government, and of the Government alone. Well, the banks did not respond, did not accumulate gold. They ought now to be compelled to accumulate gold, and to provide such sums as will, at all events, make it impossible that the English sovereign should be put down as worth less than 14*s*.

We come, in the last place, to the rich. Now the rich are a very numerous body, if looked at in a particular way. But in real truth they are a very small body. We have often pointed out in this Journal that, according to Government statements made to us, the whole number of income taxpayers in this country is somewhat under 2¼ millions of people. According to the last Census there was a population of over 45 millions. It will be seen how immense a difference there is between 2¼ and 45. The rich, therefore, are not so very numerous. They do wonders, and sometimes it is astonishing how individuals do manage to accumulate vast sums. But, after all, the rich are not a fund from which it is possible to obtain innumerable supplies of money. For example, you have a great number of manufacturers of cotton—perhaps the greatest of our industries. Has anybody ever attempted to estimate what is the total capital—not, indeed, the capital invested at any particular moment, but the real capital belonging to those who carry on the trade in cotton? And if anybody ever has attempted it, we would ask him, as a man who knows something about the question, Does he think that a very great deal could be extracted from the rich? A considerable sum certainly could. But we doubt if a very considerable sum in hard cash could be. We think, for instance, that some of the great estates which recently we have travelled through, and which exist apparently to gratify the vanity of very ignorant, and, we are inclined to add, very contemptible, people, could be made use of in infinitely better ways. We could, for example, set free from the slums and alleys large numbers of persons and with a good deal of care and teaching and gradual preparation we might turn them into useful citizens. But we are not so sure that you could get a very great fund—such a fund, for example, as would make a large hole in our debt—out of the rich. For, after all, the really rich are the men who are carrying on our greatest industries; and just imagine, if we were to rob our greatest industries of their capital, what would become of the working classes, and how should we rebuild the trade we have so nearly lost? Still, there are rich men who are not doing any work that compensates the State for the great possessions they have. Therefore, treat the rich as you treat other classes. But remember that we do not want paupers. If we disestablish the rich we cannot turn them out, men, women, and children alike, to beg. And if we provide them with the means of living, will there be a very great fund to draw upon, always remembering that the maintenance of our trade means the life, the happiness, and the comfort of the great multitude of our people; and, consequently, that to touch the trade capital would be a folly so colossal that we do not suppose anybody would seriously advocate it? However, there is something to be got from the rich, especially from the idle rich. It would be a blessing to compel the idle rich to work. And, also, there is something to be got from the over-accumulation of great capital by capitalists who, no doubt, have made their money in the most honourable manner, but, after all, who do not require three, or four, or, perhaps five millions each, as well as the great capitals which are sufficient to maintain them. There is something to be got from the rich. There is something to be got from the commercial classes. There is something to be got from the ordinary taxpayers—a little, a very little, so little that it will go on making only a driblet. The great sums must be got, firstly, from the two established Churches; secondly, from all the Government possessions which are of no value and which might be sold with great advantage; thirdly, by encouraging such care of the shores of the United Kingdom as would yield profit; and, lastly, of course there are the great banks and the very rich.

THE AMERICAN MONEY MARKET.

We very much fear that ignorance regarding America is blinding people in this country to the general feeling which prevails at present at the other side of the Atlantic with regard to making great loans to Europe. Therefore, we think it advisable to call attention to the matter for a variety of reasons, which we hope we shall make clear as we go on. It may be necessary to remind the reader—and when we are addressing Englishmen we must never forget that they are wonderfully ignorant of everything not pertaining to England and English affairs—how, in 1907,

there was an extraordinary panic in the United States, which completely destroyed the credit of the banking system and induced men of all parties and all opinions to agree that it was necessary to send to Europe to study here the various banking arrangements that had been adopted. The inquiry went on until Mr. Wilson entered upon office; and, almost immediately, he called a special meeting of Congress to deal with the banking system. Stated as briefly as possible, the measure was passed with very great speed and, upon the whole, with considerable judgment, though we venture to think that one or two grave errors were committed. In the first place, it was decided, and we think wisely, that the National Banks, as they were called, should remain very much what they had been ever since they were called into existence by Mr. Chase during the great Civil War. But it was recognised that Mr. Chase had made a mistake in imposing upon the National Banks themselves the duty of keeping adequate reserves. Therefore, it was arranged that the whole of the United States should be divided into twelve great Federal Reserve Districts, and in each one of these Reserve Districts there was to be a Federal Reserve Bank, which should act more or less as the great European banks used to act in Europe. We think that Mr. Wilson and his advisers made a mistake in dividing the country into twelve districts. However, that is a matter of opinion, and every effort was made to reduce the mistake, assuming that there was a mistake, to the least possible dimensions. Consequently, there was, in the first place, a board established which was to have a certain control over the twelve Federal Reserve Banks; and, secondly, there was a further body, of which the Secretary of the Treasury and another official were to be members, who were also to have a powerful voice in controlling the acts of the twelve Reserve Banks. In other words, efforts were made to so bind round the twelve Reserve Banks various warning bodies which should prevent them from making grave mistakes. Furthermore, it was arranged that the banks, instead of keeping their own reserves, as was decreed by Mr. Chase, should be allowed to lodge their reserves with the Reserve Banks.

It will be seen that the object was, firstly, that the Reserve Banks should be to the member banks what, for example, the Bank of England or the Bank of France is to the member banks in those two latter countries. The member banks were left full liberty, of course, to keep reserves for themselves if they chose to do so. It was in the highest degree improbable that any directorate of sane and competent bankers would undertake a banking business without keeping any reserve at all. Consequently, while the law required the banks to lodge their compulsory reserves with the Reserve Banks, it left them the power of forming additional reserves if they pleased. It is universally taken for granted that every bank does keep a reserve. But, of course, as it is a matter of option, the banks are not called upon to tell the public what their private reserves are. It would seem, then, that while it was a somewhat risky thing to appoint no fewer than twelve Reserve Banks to watch over the various member banks, yet very great caution was observed in hedging round the twelve Reserve Banks with all sorts of precautions. The Reserve Banks, in addition, were made the banks of the Government. That was a very great advantage, for the Government necessarily at times pays out large sums and at other times calls in large sums, and Government operations, therefore, may be very disturbing if, as in the old days, the Government bank has a number of banks scattered over the whole United States. Upon the whole, the Bill was judiciously and cautiously drawn up; but nobody can fail to see that to appoint twelve banks instead of a single Reserve Bank is, to say the least, a doubtful arrangement. However, the Bill was passed only in 1913, or practically seven years ago. Therefore, there has been very little time to judge of the working of the measure. The new banks created by Mr. Chase at the time of the great Civil War consisted of a new style of bank called into existence by Mr. Chase. The new Act authorised State banks—that is to say, banks which derive their authority to act, not from the Federal authorities, but from the State authorities; and it also authorised institutions which do not call themselves banks to join the new system. Therefore the tendency during the past seven years has been to assimilate very many of the banks which serve the public. Instead of National Banks, State banks, trust companies, and so on, now the old names are reserved, but practically they are all connected with the new system, and it will not be difficult as time passes to drop the old names and to look upon the whole banking system as one piece.

Now, Mr. Wilson was very anxious to keep the United States out of the War, and very naturally so. But the War, our readers will remember, proved to be more costly than anything of the kind that has been known since Roman times. Our own Government, it will be recollected, called up seven millions of men. The exact numbers called up by the various other belligerents have never been definitely stated, but that they were upon a scale quite as colossal admits of no reasonable doubt. Consequently, we had in our own country, for example, seven millions of men called up for the Army and the Navy, and we had a whole host of old men, boys, and women to do the work of young men upon the land and elsewhere. In short, we had entirely untrained and unskilled persons, numbering many millions, doing the work of the trained workers of the years 1913 and the first half of 1914. We had utterly untried and untrained persons doing extremely difficult work. And we had, perhaps, the most active of the heads of great houses also called up for the War. We had nearly all the trained and most valued men in the banks and similar institutions. In short, we had women and old men instead of the young men who used to do the work in the time before the War. Consequently we almost ceased to do anything except to make war and to provide the warriors with the means of shooting down the enemy. As a matter of course, we and all Europe applied to the United States for everything we wanted. Our various Governments had neglected to prepare—had deliberately and wickedly decided not to prepare. And, consequently, they plunged the whole world into what was very nearly ruin. Prices went up so fabulously that it is difficult sometimes to understand the process. And at the same time the orders placed in the United States, and to a lesser extent in Japan, were so out of all proportion to anything previously known that the United States suddenly became the richest country in the world. There is a not unnatural tendency in the United States to attribute the great acquisition of wealth to the new banking system. We have no desire in any way to make little of the new banking system. We hope sincerely that it will work well and work successfully. But it would be paying a very idle and a very foolish tribute to the promoters of the new American banking system to attribute the wealth of the United States to the new banking system, except to this extent: that the public before the new system was created distrusted the banks, and that when the new system was created trusts grew up, and that of course, makes a considerable difference. But the real explanation, of course, is not to be found in follies of that kind. The whole world wanted the means to kill the Germans as quickly as they could, and the United States practically was the only country that could supply the means of blowing the Germans off the face of the earth. Therefore the United States grew fabulously in wealth.

We forgot to state higher up that the Federal

Reserve Banks, like the member banks, are required to keep definite reserves. And the consequences are serious if reserves are not kept and the banks suffer as a result. During October, November, and even December, speculation in the United States was very great. And at times cautious observers were somewhat apprehensive. We hoped that the very first year would hardly bring about a panic, and we trusted that the care taken to warn both the member banks and the reserve banks about keeping adequate reserves would not be entirely disregarded. As a matter of course, the great pressure for money comes to an end with the close of the year. January usually sees ease following stringency; and it is quite possible that we may have a run of ease for some time yet. But as the spring advances there will be a great demand for money, and the United States is, beyond all question, now the richest country in the world, and the greatest producer of wealth. Consequently, every man who has the means of operating in New York—it is not always easy, we admit, under existing circumstances, but still it can be done—and every man throughout the whole American continent, throughout Europe, and such as are familiar with America, even throughout Asia, may have a strong temptation to operate in the United States by-and-by. We are fully aware of the caution that is observed by all who are responsible for the safe working of the reserve system. And, therefore, we are hopeful that the Reserve Banks will not be too ready to lend to the member banks. Every member bank, it is always to be recollected, has a very natural—nay, we will go farther and say, a very necessary—desire to meet the convenience of its customers. Its customers deal year in and year out with it, and, as a matter of course, it desires to deal with them in a friendly spirit. But it is not bound to keep its own reserve. The reserve, which the law requires it to keep, it lodges with its reserve bank, and if the applications for assistance grow numerous, how is the reserve bank to judge which ought to be refused, and which can reasonably be agreed to? It is necessary to do it; but it is not easy. And as the spring advances, and confidence revives, we may have over-speculation. There is this much against it: It is the year of the Presidential Election. In June, the first nomination for the Presidency will be made; and usually there is very great interest taken in the election. It will be especially strong this year for reasons that need not be pointed out here. And, therefore, it is possible that, until November anyhow, the gambling habit will not get out of control. Still, we think it necessary to call the attention of our readers to a condition of things which, to say the least, concerns every one in Europe as well as in America.

INDUSTRIAL SWANSEA.

In the diversity of its industries Swansea presents a remarkable and not altogether unwelcome contrast to Cardiff. Though the East Moors in the latter city have become an important metallurgical quarter, and flour-milling, rope-making, and ship-repairing are extensively carried on, the prosperity of Cardiff is almost entirely dependent upon its shipping, which in turn depends on coal and the accessory trades of pitwood and iron ore. When coal exports are interrupted, as frequently happens in the event of trouble at the collieries or railways, the economic life of the city is rudely disturbed, while any decline in the foreign demand for coal spells a period of economic stress for Cardiff. In Swansea a better all-round development has been effected, and though the town is small, boasting a population of only 165,000, it can claim a greater variety of industries than many of our larger cities. It is the most important metallurgical centre in the British Isles, and the ores handled there surpass in range and number those treated in any other district. Besides being the largest zinc-smelting and refining area in the United Kingdom, Swansea valley has notable various interests in copper, nickel, antimony, lead, cobalt, wolfram, silver, and gold, and in metallic salts, such as copper and lead sulphates and nickel ammonium sulphate. Since the roasting of ores and the extraction of metals were introduced by the late Lord Swansea more than half-a-century ago, they have remained the characteristic industries of West Glamorganshire, and at the present time practically all the commercial metals are produced in marketable quantities.

The recognised headquarters of the tinplate industry are in Swansea, and within a 15-mile radius of the town is to be found the greatest concentration of tinplate-makers in the world. The galvanising trade, too, is located there, though some important works are situated in Bristol and Newport. The numerous branches of the iron and steel industry that are followed may be evidenced from the fact that in 1917 200,000 tons of iron, tinplates, trenchplates, steel plates, and shell steel were exported to France alone. This activity stamps Swansea as primarily an industrial city whose trade is largely in manufactured goods, in contradistinction to Cardiff, which is primarily a port and trades chiefly in coal and manufactured products.

Though not so renowned in the coal industry as its more easterly neighbour, Swansea has considerable underground wealth in its immediate vicinity. Steam and semi-bituminous coals are worked extensively, and much of the coal mined is particularly suitable for smelting purposes and for use in steamships. Swansea is, however, situated on the western confines of the South Wales field, and it is noticeable that the coal is more anthracitic in character towards the west. Anthracite is raised in the largest quantities beyond the Vale of Neath, and as Swansea forms the natural outlet for this region to overseas markets, it has become the biggest exporter of anthracite in the United Kingdom. The exports find their way to over thirty different countries of which the chief in 1913 were France, Italy, Germany, Sweden, and Spain. This trade has been built up by the exercise of much skill and foresight, as 30 years ago anthracite was considered a rather useless fuel on account of its low volatile content. Now it is widely used for domestic purposes on the Continent and elsewhere, and under proper conditions it gives results quite as satisfactory as the bituminous variety.

The patent-fuel industry is an offspring of the coal trade, and to Swansea belongs the honour of being the most important depôt for patent-fuel manufacture in the United Kingdom. The pioneer effort to utilise the small coal and coal dust hitherto wasted, by mixing with tar and compressing into blocks, was made in Swansea, and, though it failed, it was instrumental in providing a starting point for other investigators who were seeking a fuel of good calorific quality that would stand exposure to weather over long periods. Tar, originally used as a binder, was discarded in favour of one of its distillation products, pitch, and at present only the shortness of the pitch supply from the tar distilleries and the difficulty of obtaining small coal prevent the further growth of the industry. Despite these obstacles, the patent-fuel exports of Swansea in 1919 were 888,450 tons, a total far in excess of all other British ports. It is hoped to maintain this position, as one large fuel works, with a capacity of 300,000 tons per annum, has been restarted, while two other works, with a combined capacity of over a million tons per annum, are being planned. Fuel in the form of coods will be produced, and is expected to command a ready sale. [illegible] already been approved [illegible]

In other directions, the Swansea district is entering into a vigorous programme of industrial expansion. New iron and steel works [illegible] identified with processes [illegible] in course of construction. [illegible] a subsidiary of the Vivian Company [illegible] a plant which will [illegible]

of oil per day. Big reservoirs are to be erected at the harbour to receive crude oil from tank steamers, and spacious sites have already been taken on the estate of the Harbour Trust. The oil will be conveyed by pipe-line to Skewen, which lies amongst the hills five miles north-east of the town. Constructional work has been started, and when it is completed the oil, which will require force-pumping up from sea level, will flow back by gravity to the landing-point, and will be stored in other tanks for transmission inland, for export, or for use by oil-burning merchantmen and naval craft. The company and the port authority are jointly considering the provision of the necessary plant to enable oil steamers to bunker at a jetty without entering the docks proper, and so permit a vessel to come in and leave for sea within the same tide. This new industry, while adding further to the great variety of Swansea's trade, will prove a substantial attraction to shipping, and should thereby increase the importance of the port and add to the revenue of the Harbour Trust.

EGYPTIAN COTTON.

UNDER the influence of the fixing of prices for cotton sold on the basis of January, our futures market weakened considerably during the week, prices dropping from $130 per cantar and $127 for January and March to $122 and $117½ respectively on the 21st. The spot market has scarcely felt this fall at all. The futures market regained much of the loss, and we close the week at $124¼ for March, the January position finally closing at $123¼. The demand from the consuming countries continues good, but business is difficult to conclude owing to the striking difference obtaining between the prices of spot and futures. In a normal season cotton graded as "fair" could be purchased at about $10 below the price of futures. To-day one must pay the price of futures for this quality, whilst "fully good fair," which is the basis grade, and which the price of futures is supposed to represent, stands at $7½ higher. This forces us to the conclusion that we shall see still higher prices for futures. The new crop has been strongly held, and at the moment of writing stands at $97½. The week's statistics show the following figures:—

		To January 23			
1920	Arrivals Crs.4,677,000	Exports	Crs.3,423,000	Stocks	Crs.1,597,000
1919	,, Crs.3,500,000	,,	Crs.1,622,000	,,	Crs.2,083,000
1918	,, Crs.4,217,000	,,	Crs.1,911,000	,,	Crs.2,632,000

H. C. THOMAS.

Alexandria: January 24, 1920.

ARGENTINA.

SETTLING DOWN.

ACCORDING to the latest reports we have received through the Argentine Press and from private sources the weather has not been altogether favourable for the forthcoming harvest. Linseed promises exceedingly well, but it is as yet too early to speak with confidence. All the information we are able to gather with regard to the wheat crop goes to show that there has been too much rain; that the temperature for the season of the year has been considerably below the normal; and that more heat and brilliant sunshine are urgently needed if the Argentine wheat harvest is to be anything like what could be hoped for in the present general shortage of foodstuffs all over the world. In normal times the Southern Hemisphere contributes only a little over 10% to the total cereal crops of the world. Of course, as things are in Europe at present, this percentage should be materially increased. It is very regrettable that the advices from Argentina are not more favourable than is the case, bearing in mind that while the Southern Republic is suffering from cold weather and excessive rain, readers may have observed in the cables published in the daily Press that Australia is likely to have a very deficient wheat crop owing to the absence of rain.

On the whole, however, apart from crop prospects, the outlook in Argentina is decidedly more promising than it has been for some time. The railways are, on the whole, doing very good business. And those in close touch with Argentine affairs take an exceedingly favourable view of the prospects of the different railway companies. There is a strong feeling in the railway interests in the Republic, as well as amongst the business community, that it is essential that efforts should be made for restarting railway construction, which was interrupted by the outbreak of the recent European War. We have explained very fully from time to time how it came about that Argentine economic development has assumed the form in which we know it. Suffice it to say now that this country principally was anxious to obtain supplies of food and raw materials upon a more reasonable economic basis than we were able to obtain them from North America, which was already beginning to consume an increasing proportion of its own produce and, consequently, could only afford to send abroad a decreasing amount, and that at an enhanced economic value. Consequently, the investing countries of Europe in general, and England in particular, determined to open up the Argentine Republic by the process of railway building upon a very extensive scale. This continued for nearly two generations, and as Argentina was more and more able to supply us with food and raw materials on exceedingly moderate terms, financiers, bankers, stockbrokers, and the investing classes in this country were equally willing on their part to afford the means for extending the railways whenever a favourable opportunity offered itself. Moreover, grain elevators and storage accommodation of various kinds were provided; and, for the most part, England furnished a preponderating part of the shipping. All this worked exceedingly well until the War broke out and an embargo was put by our Government upon the export of British capital. As a result, Argentina was no longer able to obtain the means of extending her transportation facilities, upon which, to a very large extent, the possibility of her supplying large quantities of food and raw materials upon the economic basis to which Europe had been accustomed to receive them during the past thirty or forty years mainly depended. It has become evident that England will not be in a position—and it is exceedingly doubtful if any other country is in a position to take her place—to invest in the Argentine Republic upon the scale which was customary in the years that preceded the outbreak of the recent War. Nevertheless, the need for linking up her various transportation services and extending those which already exist is becoming increasingly urgent. It happens, fortunately for Argentina, that one result of the War is that she has created for herself very large balances in Europe and in the United States, but especially in Europe, which has been in such urgent need of food supplies during the prolonged period of the War, and since the conclusion of peace, now more than a year ago. If we are rightly informed, she is taking the exceedingly wise course of devoting those balances, not to impossible schemes for developing a trade which neither her economic development nor the magnitude of her population would really admit of, but in developing her undoubted resources. In other words, the proposal, as we understand it, is to import from Europe such goods as will enable her to increase her railway development and enable her to raise greater quantities of produce of various kinds for which there is, and is almost certain to be, a ready market in Europe for very many years to come.

A very grave difficulty presents itself in the question of finding fuel. The Argentine papers to hand are full of the prospects of running the railways on oil. There is reasonable ground for believing that this may be possible in the near future. But it is very far at the present time from being an accomplished fact, because the amount of oil produced in Argentina and

readily obtainable from overseas is by no means sufficient. Partly, no doubt, owing to the fact that the Argentine railways are, for the most part, English-built and English-owned, it had been the custom, which was maintained right up to the War, to export British coal to Argentina and to bring back food and raw materials on the return voyage. As this meant an exceedingly low rate of freight it was possible for the Argentine railway companies and the Argentine coal consumers generally to obtain coal at only a slightly enhanced price above what the coal was selling at the port of shipment here in this country. Such a system worked admirably while we had a superabundance of shipping and were constantly sending out steel rails and railway material of various kinds for constructing and improving the railways of the Republic, and while we, in our turn, were importing foodstuffs and raw materials to feed our manufactures. As the reader is aware, it became impossible during the closing years of the War to send coal out to Argentina; and, consequently, various expedients had to be adopted to enable the railways to be run at all. Coal was first obtained from North America; but this was exceedingly expensive, and after a time it was found that North America required all its own supplies of coal just as Europe had done in the earlier stages of the War, with the result that coal became extravagantly dear. It fortunately so happened that shortly before the outbreak of the War petroleum was discovered in apparently large quantities at Rivadavia, in the south of the Republic. But it was not discovered sufficiently early to enable the oil-fields to be developed as they otherwise would have been. If, for example, the discoveries had been made, say, between 1910 and 1912, it would have been possible to obtain ample supplies of machinery for oil-boring either in Europe or in the United States, probably in the United States. However that might have been, the Rivadavia oil-fields would have been thoroughly explored and worked until it was possible to ascertain what were the real capacities of these fields. As things were, the War in Europe had actually broken out before it was possible to really start development upon the Rivadavia oil-fields, with the result that plant had to be obtained at extravagantly costly rates; and although very large quantities of oil have actually been raised from these fields, the oilfields have never been developed in the sense, and to the extent, which would have been possible upon the conditions which existed in the pre-War period. That they have done so well under the difficulties with which the oil engineers have been faced augurs well for their future prospects, and seems to indicate that the fields themselves are exceedingly rich. Nevertheless, so far nothing like an adequate supply of oil for running the Argentine railways and supplying the various needs of transport in the Republic has been raised. So favourable, however, are the prospects, that oil borings have been made in various other districts in the south of Argentina, and particularly in the territory of Neuquen. If these fields prove as rich in oil-bearing capacity as those of Rivadavia, there seems no reason to doubt that there is at least a prospect that Argentina may be, to a very large extent if not altogether, independent of coal imported either from Europe or elsewhere. But, as we have said, this is a question which has yet to be settled; and although, naturally, the Argentine Press is exceedingly hopeful, not to say enthusiastic, on the question, readers will be well advised to await actual developments before jumping to the conclusion that the Argentine Republic possesses within its own borders such an adequate supply of oil that the transportation question, so far as fuel is concerned, is solved once and for all.

From the point of view of those who are interested either to a large or to a small extent in Argentine the real subject for congratulation is that those responsible for directing the economic policy of the Republic are pursuing their work on sound lines, and we have every reason, therefore, to take a hopeful view of the prospects of Argentina. Whether the oilfields turn out as rich as is hoped, or whether there is some delay in obtaining the supplies of oil that are now so confidently expected, the question of fuel supply will right itself. A still greater difficulty faces the Republic at the moment, and that is the extreme shortage of labour, which, however, is a question which is seriously affecting every industrial country in the world. It is a question, moreover, that, like others, will in due course right itself, but cannot be expected to right itself for some considerable time to come. It will be remembered that one result of the War was the calling up of European nationals by the various countries to which they belonged. To the credit of their patriotism be it said, an enormous number responded, and either joined the Colours or offered their services to their several countries. Immense numbers of Italian labourers returned to Italy and joined the army of our Ally. British engineers in enormous numbers threw up valuable situations which they held under the railways and various public works to join our Army or serve in various capacities under the British Government. And one of the inevitable results of this was to check the development of transportation facilities, which were being so rapidly increased in various parts of the Republic. Throughout the War and since the War, as, indeed, the reader is aware, there has been a great shortage of shipping. Shipping rates are as high from Europe to South America as they are from South America to Europe; and, moreover, the facilities do not exist at present for taking immigrants upon a large scale from the various countries of Europe to develop the different Republics of South America. Doubtless, as things settle down and tonnage increases, freights will become more moderate. It is highly probable that one of the devastating influences of the War will be to induce large numbers of people to emigrate from Europe to seek new homes in the rich plains of Argentina. But for the present the shipping companies plying between the different European ports and Argentina are not in a position to offer facilities which would make it possible for immigrants to seek their fortunes overseas. At present shipping accommodation is required for taking manufactures, plant, and other necessaries which Argentina has only been able to obtain in very limited quantities during the prolonged period of the War. And until those demands are supplied and greater shipping facilities are afforded it will not be possible to offer accommodation to the emigrant from Europe and the immigrant into Argentina at such a rate as he would be able to pay and offer any reasonable prospect of attracting any considerable number. According to the best information we have been able to obtain, there is no immigration whatever going on into Argentina in the sense in which that term is usually employed. Various business men from different countries, and particularly from Central Europe, are visiting the Argentine Republic with a view to reopening connections that existed before the War. But these men are not immigrants in the commonly accepted term; and in any case they are rather traders than prospective settlers in the country.

A very favourable feature in the trade reports from Argentina which will be noted with satisfaction is that there is a very great demand from here for British goods, particularly textiles. Indeed, it would not be perhaps too much to say that any articles which we are able to supply. Partly this is due to the fact that Argentine buyers have long been accustomed to obtaining supplies of certain classes of goods from this country, and they have got accustomed to the particular type of articles furnished by our manufacturers. On the whole, we gather that it is rather [illegible] to the sound and practical [illegible] of our manufacturers, as we learn that although supplies have been obtained from elsewhere during the War, they were

not regarded as satisfactory. Either the printing of the fabrics was defective, the colours did not last, or the fabrics themselves, although conspicuously low-priced, were so flimsy that they would not bear serious wear. The result, according to the information before us, is that there is a very good demand for British-made goods, and the Argentine who has made large profits, or, at any rate, has received handsome remuneration during the prolonged period of the War, is quite willing to pay very fair prices provided the article which he seeks is forthcoming.

SOUTH WALES COAL, IRON AND STEEL COMPANIES.—II.

Powell Duffryn Steam Coal Company, Limited.—The authorised capital at the end of 1918 was £2,394,376, divided into 2,234,376 Ordinary shares of £1 each and 32,000 6% Non-cumulative Preference shares of £5 each. In February 1919 the amount was increased to £2,841,252 by the creation of 446,876 Ordinary shares of £1, which were offered for subscription to existing Ordinary holders at 35*s.* each, in the proportion of one new share for every five Ordinary held. The new shares ranked for dividend from February 1, 1919, in respect of the sums paid up. The issue was equivalent to a handsome bonus, as the £1 Ordinary shares were quoted at 60*s.* towards the end of 1918. Prior to this shareholders received another plum when £558,594 of the reserve was capitalised by the issue of an equal number of Ordinary shares of £1 each as fully paid, and earlier, in 1913, when a similar capitalisation of £541,407 took place. These distributions were warranted, first, by the writing down of capital that had formerly been a feature of the Company's history, and, secondly, by the expenditure on capital account of large sums from revenue.

After the 1918 distribution the general reserve, which stood at only £16,406, was strengthened by the transfer to it of the premium on shares account of £102,978. The net profit has each year shown steady expansion, being now well beyond the half-million mark, despite increased taxation and the burden of higher working costs, greater transport difficulties, and enlarged outlay in every direction. The Company has been one of the best dividend-payers in the Welsh coalfield, and at the same time built up large reserves, from which the shareholders recently drew the benefits enumerated. No doubt this prudent policy of increasing liquid resources will be continued, unless the economic life of the trade is imperilled by further Government interference. The dividend of 15% on the increased capital in 1918 was equivalent to slightly more than 20% on the 1917 figure, and the amount of coal raised, on which all dividends ultimately depend, is being well maintained. Even during the War outputs increased from 1915 onwards, a very creditable performance, though one of rare occurrence amongst colliery undertakings. The tonnage in 1912 was 3,502,772 tons; 1913, 3,873,780 tons; 1914, 3,948,404 tons; 1915, 3,564,186 tons; 1916, 3,659,016 tons; 1917, 3,722,873 tons; 1918, 3,794,625 tons. The increase was in part due to the wise use of mechanical appliances, cutters and conveyors, to supplement the diminished labour force. Output should improve still further when the additional bituminous area of 4,000 acres acquired by the Company is developed. The capital issue of February 1919 was intended to provide funds for this purpose. During the War extensive additions were undertaken and completed on the Company's mineral property in the Aberdare and Rhymney valleys. Fifty new coke ovens were set up at Bargoed, while two tar-distillation plants, a benzol plant, and a concentrated ammonia plant were erected. The coke ovens, being of a modern type, produce excellent foundry and furnace coke, and all the by-products are recovered.

A large export business is done in steam and industrial coals for use in ships, locomotives and factories, and all classes of washed and sized coals are dealt in. To cope with the increase in the French coal trade two steamers were purchased and the Normandy Shipping Company formed for the purpose of running them. A subsidiary concern, the Cie. Française des Mines Powell-Duffryn, handles the Company's extensive interests in France.

The Ebbw Vale Steel, Iron and Coal Company, Limited.—Owing to difficulties connected with excess profits duty, munitions levy and coal mines control the statement of accounts by the Company has been delayed, though dividends have been continued at practically the old rates. As may be seen from the table several additions have in recent years been made to capital. In 1916 250,000 Ordinary shares of £1 each were issued at 22*s.*, and in 1917 a further issue was made of 300,000 Ordinary shares at 25*s.* In 1918 an extensive rearrangement and increase of capital took place, the authorised amount being raised to £3,700,000, divided into 1,200,000 7% Cumulative Preference shares of £1 each and 2,500,000 Ordinary shares of £1. All the Preference and 1,750,000 of the Ordinary shares have been issued. In July 1918 subscriptions were invited to 80,000 Preference shares at par and 600,000 Ordinary shares at a premium of 5*s.* each. At the same time an issue of £600,000 6% Debentures was placed at £95. The expansion in capital was due to the large outlay on the Company's properties, amounting to over two million pounds in the five years to June 1918, and resulting in the correspondingly enhanced profits set forth in the table. On March 31, 1917, a valuation of the Company's property and plant on a pre-War basis, exclusive of goodwill and including investments in subsidiary companies at cost, revealed the very satisfactory total, in view of the basis of valuation taken, of £3,828,138, or nearly one million more than the issued capital. To this might be added cash in hand, War Stock, debtors, &c., to the extent of nearly 1½ millions, raising the total to £5,248,138. Liabilities to creditors and others amounted to £2,164,000, leaving a net excess of assets of over three million pounds, to which should be added expenditure on new property and works in 1918, amounting to £660,000, and making in all a total of £3,744,000.

In conjunction with Messrs. T. Beyoon and Company, Limited, the Company acquired in 1915-16 the share capital of Messrs. John Lancaster and Company, Ltd., whose collieries adjoin their property. In addition, two thousand acres of iron-ore-bearing land were bought in Northamptonshire, and this territory has been in the producing stage for some time. A large programme of extensions initiated before the War has been successfully carried through. In 1912-1913 a new steel galvanised corrugated sheet works was completed, and in March 1915 a new by-product coke-oven plant started operations. The coal capacity of the Company and its associates is approximately 4,000,000 tons per annum, pig iron 300,000 tons, steel 250,000 tons, and bricks 20,000,000. Tinplate and sheet bars and all kinds of black and galvanised, plain and corrugated steel sheets and special panel-plates are made. Railway equipment, including rails, sleepers, fishplates, springs, and locomotive boiler tubes, is also manufactured, while the sale of tar and sulphate of ammonia from the coking plants adds to the Company's revenue. Though the execution of all orders was held up for a long period by labour troubles, work has recently been resumed in every department, and production is again in full swing. It will be difficult, however, under present conditions, to make up for the very valuable time lost.

The rate of Ordinary dividends for 1918-19 has been maintained at the 1917-18 figure of 15%, despite an increase of £1,400,000 in the paid-up capital and of 1% in the Preference dividend. This increase, which is to be permanent, was provided for in the 1918 reconstruction, when the existing 6% Preference shares of £5 each were converted into five 7% Pre-

Powell Duffryn Steam Coal Company, Limited.

Year ended Dec. 31	Share Capital Issued and Paid	Mortgage Loans	General and Other Reserve Funds	Profit for Year	Amount Paid in Dividends	Rates of Div. Ordinary	Rates of Div. Pref.	Allocations To General Reserve	Allocations Otherwise	Carry-forward
	£	£	£	£	£	%	%	£	£	£
1913	1,780,014	84,570	308,593	364,421*	277,384	20 f.t.+bonus	6 less tax	66,407	16,573	110,434
1914	1,780,014	90,363	375,000	422,204*	334,189	20 f.t. ,,	6 ,,	50,000	27,131	116,115
1915	1,805,624	17,300	425,000	438,789*	334,024	20 f.t. ,,	6 ,,	50,000	50,072	120,256
1916	1,831,437	—	475,000	495,697*	343,298	20 f.t. ,,	6 ,,	50,000	96,973	119,788
1917	1,831,437	—	525,000	521,744*	344,475	20 f.t. ,,	6 ,,	75,000	111,709	103,630
1918	2,390,171	—	144,384	529,198*	344,499	15 f.t. ,,	6 ,,	80,615	80,000	121,106

* After allowing for depreciation and other contingencies, and, subsequent to 1914, for E.P. duty and coal mines excess payments.

Ebbw Vale Steel, Iron and Coal Company, Limited.

Year ended March 31	Share Capital Issued and Paid Pref.	Share Capital Issued and Paid Ord.	Debentures Issued	General and Special Reserves	Interest on Debs., Calls Paid in Advance and Special Loans	Net Profit	Amount Paid in Dividends	Rate of Div. Ord.*	Rate of Div. Pref.	Allocations To General Reserve	Allocations To Special Reserve	Carry-forward
	£	£	£	£	£	£	£	%	%	£	£	£
1914	374,050	595,800	450,000	39,702	22,872	80,416	80,110	10	6	—		11,998
1915	374,050	595,800	450,000	33,932	40,967	64,428	67,128	7½	6		22,500	9,298
1916	400,000	600,000	450,000	26,679	50,235	167,698	167,698	12½	6	50,000		29,226
1917	400,000	850,000	450,000	70,481	58,570	185,494	185,494	15	6	50,000	—	13,220
1918	400,000	1,150,000	600,000	—	—		196,500	15	6			—
1919	1,200,000	1,750,000	1,200,000	—	—	—	326,500	15	7	—	—	—

* Less tax.

Baldwins Limited.

Year ended June 30	Share Capital Issued and Paid 5½% Pref.	Share Capital Issued and Paid Ord.	Debenture Stock	Deb. Int.	Profit, Less Management Expenses, &c.	Amount Paid in Dividends	Rate of Div. Ord.*	Rate of Div. Pref.	Allocation to Reserves	Allocation to Depreciation	Total of Reserve & Sinking Funds	Carry-forward
	£	£	£	£	£	£	%	%	£	£	£	£
1913	250,000	550,000	500,000	22,500	200,381	68,750	10	7½	115,186	30,000	236,135	49,071
1914	250,000	550,000	500,000	22,500	143,505	68,750	10	5½	57,000	30,000	312,752	69,888
1915	250,000	550,000	500,000	22,500	218,983	68,750	10	7½	50,000	15,000	433,870	86,732
1916	250,000	775,604	500,000	22,500	315,938	110,625	12½	5½	75,000	50,000	510,207	133,189
1917	250,000	1,218,274	500,000	22,500	312,889	125,824	12½	5½	75,000	50,000	581,565	176,968
1918	250,000	1,981,736	500,000	22,500	412,000	167,539	£11 13 4	7½	75,000	50,000	357,757	273,472

* Free of tax.

ference shares of £1 each. At the same time the interest on the Debenture stock was raised from 5% to 6%.

Baldwins Limited. — Authorised capital, £7,000,000 in £1 shares, divided into 250,000 5½% Cumulative Preference shares, 3,000,000 5% Cumulative "B" Preference shares (income tax free up to 6*s.* in the £), and £3,750,000 Ordinary shares. All the 5½% Cumulative Preference shares, one million of the Cumulative "B" Preference, and 3,526,644 of the Ordinary have been issued. As the table does not show details in respect of last year, it may be well to state that in August 1919, in addition to the original quarter of a million 5½% Cumulative Preference shares three million 5% Cumulative "B" Preference shares, mentioned above, were created, while the Ordinary share capital, advanced from time to time, reached an authorised total of £3,750,000.

A bonus of 25% was paid in May 1918, when 310,165 shares were distributed to Ordinary shareholders, one for every four held, and credited as fully-paid, by taking £310,165 from the reserve fund. At the same time 1,529,832 Ordinary shares were issued in the proportion of one new for each old share, including bonus shares, at a premium of 5*s.* each, on which 5*s.* had been paid when the accounts were balanced.

As in other cases, the successive additions to the Company's capital have been caused by the enlargement of its sphere of operations, and it now carries on the business of iron and steel manufacturers, colliery and iron-ore proprietors, and galvanised and tin-sheet makers. It owns all the share capital in the Port Talbot Steel Company, the Oxfordshire Ironstone Company, and the British Steel Corporation, Limited, while through the last-named it holds the Briton Ferry Works, Limited. It possesses, in addition, the whole of the Ordinary share capital of the Brymbo Steel Company, and has important interests abroad, the chief being the Baldwin Canadian Steel Corporation. The rate of dividend, which rose from 10% to 12½% in 1915-16, has since been maintained at the latter rate, though the capital has practically been trebled.

In the last balance sheet the premiums received on the issue of Ordinary shares figured at £479,615, the reserve fund at £214,835, and the sinking funds for the redemption of Debentures and depreciation of leaseholds at £142,922. Adding to these the balance of £273,472 carried forward to the credit of the profit and loss account, we get the total immediate reserves of the Company as £1,110,844, a very large figure, particularly in view of the existence of other assets. The principal items in the latter are freehold, leasehold, and copyhold lands, buildings, plant and machinery, less depreciation written off, valued at £1,645,341, and stock valued at £592,148.

The remainder of the authorised capital will probably be issued as the Company's development programme, which is very extensive, goes forward. A large strip of land fronting the coast from Swansea eastwards to the river Neath has been taken by Baldwins, including a jetty in Swansea Harbour by the British Steel Corporation, and it is proposed to spend several million pounds on blast-furnaces, steelworks, and fabricating works. A new process in the manufacture of pig iron, used first in Germany and subsequently in the United States, known as "sintering," is to be adopted, and the new works will not only be the most modern in the United Kingdom, but the only ones of their kind, with the possible exception of one in Middlesbrough.

IRISH INDUSTRIAL COMMISSION.—EVIDENCE.—III.

Dealing with the fishing industry, Rev. M. Farragher, P.P., said he was conversant with the conditions on the western seaboard, particularly on the Aran Islands, and that a certain similarity of conditions prevailed all round the coast. Witness referred to the fact that Irishmen were brought over to Scotland in 1845 to assist in developing the Scotch industry. In 1892, partly as a result of his efforts, a fleet of vessels was induced to come to the Aran Islands, the Congested Districts Board taking over the fish and marketing them. Mackerel then fetched fancy prices in England, the industry secured a hold in the islands, but after a few years failed owing to a drop in prices and to the neglect of the C.D.B. officials to market the fish as promptly as they might. The C.D.B. was primarily an agricultural department; it never took any steps to find whether the people understood the marketing of fish and the care of boats and nets. It advanced certain sums of money for the purchase of boats, &c., and only concerned itself with the repayment of the instalments, disregarding the fact that instruction was also required. In 1897 there were 12 or 14 boats on

the island and the people were in comfortable circumstances.

Before the establishment of the fishing industry kelp was manufactured in the island, and each landholder was entitled to a certain portion of kelp according to the extent of his land. The fishing was subsequently found more remunerative and the kelp-maker got the share of three or four men. Those who had got neither land nor kelp helped to market the fish and to perform agricultural labour for those who were not fishing. Witness referred to the closing down of a boat-building yard by the C.D.B., and to a subsequent decline in the fishing industry, due principally to the low prices of mackerel—the islanders being mainly engaged in the spring and autumn mackerel fisheries—and to the introduction of steam trawling in England and Scotland. But little fishing is now carried on at Roundstone, Co. Galway, formerly a famous station. The boats for the most part are given by the C.D.B. to shopkeepers, presumably for the reason that they offer better security, and little inducement is thus afforded to the fishermen proper, as they were entirely in the hands of the shopkeepers.

The general complaint is the lack of markets or marketing facilities. Connection between the Aran Islands and the mainland is maintained by a steamer, but there is practically only one service now, and, as at the end of last November, the islanders are often obliged to retain and cure large quantities of fish, although the outside market is good. There is no reason why this steamer should not give a better service. A statement had been made that the western and, indeed, the whole Irish coast had been deserted by the fish. That was untrue; fish were to be found in abundance, and along the coast there existed a fine body of trained sailors, but not trained fishermen. All the material existed for a prosperous fishing industry. Appliances were, however, needed, and it was necessary to secure that the fish were disposed of to the best advantage. Witness referred to his difficulties in inducing the C.D.B. to make loans for motor-engines. As to the future of the fishing industry in Aran a large motor-boat would be needed, capable of taking 300 or 400 hundred boxes at a time. One of these boats might be obtained by the co-operation of Aran and other centres. A loan of £15,000 from the C.D.B. would enable them to provide a steamer or motor-boat so that the fish of the whole coast from Slyne Head to Galway could be marketed On the mainland a similar society could be formed, and both worked in conjunction. Capitalists might be induced to invest capital in the industry.

The total quantity of sea fish landed in the C.D.B. area in 1914 was 181,593 cwt., valued at £55,679. Fish was marketed by the C.D.B., but the marketing was getting so expensive that the low rate of remuneration received by the men did not offer much encouragement to fishing. The prices offered for the catch by the local buyers were low. Witness referred to the society he was instrumental in starting for fishing on co-operative lines, and whose success was such that he was urged to introduce co-operation into the mainland.

If he were a business man, witness stated that he would be prepared to carry on the industry by borrowing money at the ordinary rate of interest, provided he had a free hand. He agreed that it was quite a feasible proposition that the whole of the fishing industry in Ireland could be organised into one big corporation, which would supervise and control the marketing and give advice and assistance to the fishermen. Amongst the pressing requirements of the moment were the provision of additional motor-boats and improvements in transit and methods of marketing.

Mr. Robert N. Tweedy dealt with the prospects of establishing the manufacture of industrial alcohol in Ireland. He criticised the belief held by the members of the Inter-Departmental Committee of Inquiry into Industrial Alcohol in 1918, that alcohol could only be used for power and traction purposes. It was widely utilised in many countries for lighting, heating and cooking. The soil and climate of Ireland was better suited for the growth of alcoholic crops than those of Germany, yet the above-mentioned Committee had proposed that the importation of power alcohol should be permitted free of duty, that is to say, a rebate of 6d. per gallon on every gallon imported into this country. If that sum of 6*d*. per gallon were to be given as a subsidy for every gallon of alcohol for industrial purposes produced in these countries—on the basis of a use of 200 million gallons of petrol per annum—it is clear that the industry would have a great opportunity of advancement. Coal was replaced by oil in the merchant fleet and the Navy, and under present circumstances there is a grave danger that the supply of petroleum will be insufficient to meet the requirements of these islands. Regarding Ireland, the output of coal for a year was only equal to one-tenth of the output in Great Britain for one day. What he looked forward to was the production not only of the whole of the motor, lighting and heating spirit for use in this country, but the building up of an export business with a cross-channel market. That will mean an industry of infinitely greater importance to the country in every way than the coal industry. Alcohol would be produced in Ireland in purely an agricultural way, on co-operative lines, and this would tend to take people from the towns. The root idea would be to establish an alcohol distillery in the centre of an area of land which will grow the particular alcohol crop most favoured by the soil. It would be unwise to depend on potatoes alone. In France sugar-beet is used more largely than potatoes, and in Germany potatoes are used almost exclusively. In Ireland maize and other cereals are employed for whisky, and in Scotland potatoes are used to some extent. It is quite possible that crops like artichokes and mangolds might be utilised in certain districts. Peat was a possible source, but it is more difficult to produce alcohol from cellulose than to convert starch into sugar and then deal with the sugar. With the setting-up of an alcohol distillery arrangements would, of course, be entered into with co-operative producers to supply a certain minimum for the distillery of whatever crop they are growing. It would be necessary to impress on them the idea that the alcohol crop they are growing is a "raw material" crop and not a "food" crop. In other words, no handling will be needed beyond what is necessary to take the crop out of the soil and deliver it to the distillery. It would be erroneous to attempt a comparison between corn prices or prices for edible potatoes with those which the farmer can afford to take for alcohol crops grown on his soil. Whereas for edible crops the farmer sees only the money return, for alcohol crops he gets back either the money value or the residue of the crop after it has passed through the fermenting plant and the distillery. The residue from the distillery can be dried for feeding purposes quite easily and cheaply, has a very high feeding value, and this would be naturally of great importance in Ireland. For instance, of mangolds, which might possibly be the most popular alcohol crop, it is stated that the spent wash can be dehydrated simply and cheaply, and that the result contains 24% of protein.

The Sun Life Assurance Company of Canada announces another record year's business for 1919. New life assurance policies were granted for the large sum of £19,670,193, an increase of £9,069,223 compared with the previous year. Premium income for the year amounted to £4,154,929, bringing the total yearly income to £5,948,657. Funds have increased £4,121,266, and now amount to £23,647,247. Annuity consideration money was £478,027 for the year. The total assurances in force now amount to £94,626,923.

THE BANK OF TAIWAN, Ltd.

Incorporated by the Special Charter of the Imperial Japanese Government, 1899.

Capital Subscribed.. .. .. Y. 60,000,000
Capital Paid up .. .. Y. 37,500,000
Reserve .. .. .. Y. 8,210,000

Head Office .. .. TAIPEH, FORMOSA.
London Office .. 58 OLD BROAD ST., E.C. 2.

BRANCHES:—Amoy, Batavia, Bangkok, Bombay, Canton, Foochow, Hankow, Hongkong, Kiukiang, Keelung, Kobe, Moji, New York, Osaka, Semarang, Shanghai, Singapore, Soerabaya, Swatow, Tainan, Tokyo, Yokohama, &c., &c., and Correspondents in every principal town in the World.

The Bank is incorporated by Special Charter of the Imperial Japanese Government, and is authorised to issue its own notes in Formosa; conducts general Banking, Exchange Business; undertakes Trust business, and acts as Business Agents for other Banks. Special facilities are available for exchange business on Japan, China, India, Straits Settlements, Dutch East Indies, and France, where the Bank has special working arrangements with Cox & Co. (France) Ltd. Deposits are received for fixed periods on terms which may be ascertained on application.

Financial Notes.

A SOMEWHAT drastic step has been taken by the Lancashire cotton interests in deciding not to purchase for the present cotton from the United States at the present rate of exchange. At present exchange rates cotton has to bear, like all commodities imported from the United States, an excess of some 33% in addition to the nominal price. Consequently, it is desirable that as little cotton as possible—and, indeed, anything that we can do without—should be purchased under existing conditions. We believe we are right in stating that there are about eight months' supplies in this country at the present time. Even with the greatest economy it is evident that this would not allow us to go on very long. We neglected in the past, while it was possible, to provide to any adequate extent alternative supplies of cotton other than those furnished by the Southern States of the American Union. As things are, the whole world is dependent upon the American cotton crop for its supplies to the extent of very nearly 75%; the British Empire supplies about 15%; and other sources are responsible for the balance.

In our case, our difficulties at the moment are accentuated by the fact that the bulk of the spindles in Lancashire are particularly well adapted—were, in fact, constructed—for dealing with special varieties of United States-grown cotton, upon which for more than a generation they have been accustomed to rely. Certain of our spindles are adapted for dealing with various British types of cotton, especially Egyptian and West Indian. But, as said above, the supply from British sources is at the moment wholly inadequate to meet the demands of Lancashire.

If we are rightly informed, and we believe we are, the Lancashire cotton interests are about to find considerable sums of money for the purpose of developing cotton-growing in various parts of the British Empire, and especially in Southern Egypt and in the West India islands. Southern Egypt is, of course, well suited to the growing of cotton; but it has to be remembered that the fertility of Egypt's soil depends upon the volume of water brought down by the Nile; and, consequently, it is evident that there is a natural limit to the amount of cotton which it would be practicable to grow in the Nile Valley. Various parts of Africa are, in the opinion of the experts of the Cotton Growers' Association, capable of growing cotton suitable for the Lancashire mills. Formerly, large quantities of cotton were grown in the West India Islands and in British Guiana. As the price of cotton fell its cultivation in those localities gradually decreased. British Guiana, owing partly to its conformation, and partly to the heavy rainfall, is exceedingly well situated for the growth of a cotton of high quality. The same is true of British Honduras, although, as far as we are aware, very little cotton-growing has ever been undertaken in that part of Central America.

The real difficulty of the cotton industry, not merely from the point of view of Lancashire, but from the point of view of the national economic interests, is the export trade. It is a remarkable fact, which we have pointed out upon more than one occasion already, but which will bear repeating, that while we control the bulk of the supplies of wool, we are by no means predominant as manufacturers of woollen fabrics; whereas we control only 15% of the world's supplies of raw cotton, and nearly 80% of our cotton manufactures are deliberately designed for the foreign trade. If we were in a position to consider merely the home trade, we could probably get along without American supplies of cotton for an almost indefinite pediod, until, at any rate, the exchange improved from our point of view, or economic conditions had, as they naturally will do in the course of time, settled themselves. But, as we have said, the real difficulty is the foreign trade. If we cannot obtain adequate supplies of cotton not only would a large number of the Lancashire mills have to close down, but we should lose an important and valuable item of our export trade. On the other hand, it is perfectly evident that at the present rate of exchange it is practically impossible to buy the raw material with the deliberate object of manufacturing it for foreign markets, and hope to sell it with any prospect of success.

As the reader will have observed in the columns of the daily Press, the rupee is once more at two shillings. Very few people still engaged in any kind of active business will be able to remember a two-shilling rupee. The shortage of commodities, or the rise in prices, whichever way one prefers to express the idea, has led to an extraordinary demand for silver; and, consequently, the rupee, which was so depressed a generation ago, has once more attained to the value it possessed in the middle of last century. It will be remembered that when it was decided in the early 'nineties of last century to fix the value of the rupee at 1*s.* 4*d.* and to forbid the coinage of silver we objected to the proposal, partly on the ground that it was unsound finance, but mainly on the ground that it constituted a severe tax on the industries of the people of India. The recovery now is, of course, an enormous advantage to India, and tends to stimulate all Indian industries. India, as we have pointed out upon various occasions, has been exceedingly prosperous now for a period of nearly thirty years, mainly, of course, owing to a series of favourable monsoons, but partly to the fact that prices have been tending steadily to rise throughout that period. For reasons into which we have not space to enter here, there has been for nearly a quarter-of-a-century a greater relative growth in consumption than in production. The result has been that India, which is essentially a country which lives on the production of raw materials, has benefited. This has undoubtedly to a large extent neutralised the effect of fixing the rupee at the low level which was decided on nearly a quarter-of-a-century ago, as the rise in prices has to a large extent paid the invisible tax which we condemned.

In another part of this issue will be found the official announcement that the Anglo-South American Bank, Ltd., has amalgamated with the British Bank of South America. We believe we are right in saying that the Anglo-South American Bank has, in reality, obtained a controlling interest in the latter institution. The result is that the Anglo-South American Bank obtains a commanding position in the banking business of the great South American Continent. It is satisfactory to note that this has been brought about without any overlapping with competing banking interests, with the exception of the City of Buenos Ayres, which is quite big enough to afford occupation for all interests likely to complete.

It will be remembered that some time ago the Anglo-South American Bank obtained a controlling interest in the Spanish Bank of South America, which

give it important banking interests in three of the five Republics, as well as in Venezuela, in Bolivia, and in Colombia. The Bank has interests in Ecuador, having an actual branch at Guayaquil, and has lately opened a branch at Lima in Peru. The Bank is represented in nearly every important city in Chili, from Iquique right down to Punta Arenas on the Straits of Magellan. From Patagonia, its branches run from Rio Gallegos, taking in the new oilfield at Rivadavia right up to Buenos Ayres and Rosario. The Bank has a branch at Montevideo, while acquisition of the British Bank of South America gives it a commanding position in Brazil where it was formerly only represented by an agent. It will be remembered that the recently published balance sheet of the Anglo-South American Bank showed the deposit accounts of that institution to exceed 41¾ millions sterling. The new Bank will control resources amounting to something between 50 and 60 millions sterling which we believe is a record for a British institution trading overseas.

There is an interesting article in the current number the Board of Trade Journal on the synthetic dye industries of this country. It will be remembered that when the War broke out one of the difficulties we found ourselves faced with was that we had become dependent upon Germany for the supply of most of our non-vegetable dyes. It was found during the course of the War that the Germans were able almost immediately to turn their dye-works into munition factories; and it naturally took us a very long time before we were able to construct similar establishments, and, particularly, before we were able to obtain the services of anyone capable of directing and operating them. As the Journal rightly says, it is important that this industry should be encouraged as far as possible, both by the authorities and by our manufacturers.

In the past we have paid too little attention to the chemist, both in the conduct of our industrial operations and in agriculture. The fault is not with the chemists, because it is a remarkable fact that the possibility of obtaining synthetic dyes from coal-tar was discovered by an Englishman, and England was at one time the principal producer of synthetic dyes thus obtained. We lost the industry because our manufacturers failed to give encouragement to the chemist. In England the British manufacturer and the British farmer have regarded the chemist more as an interesting figure in the laboratory than as a person whose knowledge could be applied to practical ends in the factory or in the field. The Germans thought otherwise, and captured the synthetic dye industry, which, as we have said, is derived from coal-tar products, and which was originally started here. In addition, a German, by applying chemical methods to agriculture, succeeded in obtaining from the apparently sterile plains of North Germany a greater productivity per acre than we were able to do. As we said last week, most of the great German factories were accustomed to keep a qualified, trained chemist as part of the regular staff; whereas in England a manufacturer regarded himself as quite in the van of progress if he retained the services of a consultant chemist whose opinion might be obtained upon occasion.

We are asked to publish the following, which we have great pleasure in doing. From an official report published by the Belgian Ministry of Labour and Industry it appears that metal works have specially suffered from the wholesale destruction carried out by the Germans during the last months of the occupation, when they had given up all hope of using the Belgian industry for their own benefit, and when they already foresaw the necessity of a retreat beyond the Rhine. The deliberate character of these destructions is shown by the fact that even some of the works which had been requisitioned by the Germans and worked under their supervision were seriously damaged or entirely destroyed before they left the country, and that the industries most affected were those which were in rivalry with German industry before the War. We may quote a few examples: Out of seven blast-furnaces of the important Cockerill works, near Liége, two only were left standing. In the steelworks of the same firm the enemy destroyed three steel furnaces, four converters, six rolling mills, &c. There were altogether in the Liége district 23 blast-furnaces; four only have remained intact. In Hainault there were eight important works, including 25 blast-furnaces, of which 15 only have been preserved. The important works of the Province near Charleroi, the Bonnehill works, Boel works, and the Vermot and Pelgrims works have particularly suffered.

The proportion between blast-furnaces which were active before the War, before the Armistice, and after the work of reconstruction was begun, affords an excellent example of what occurred to Belgian industry under German occupation; and this example is all the more conclusive that in this case there can be no question of the removal of machinery, which can be brought back. It is necessarily a case of wholesale and deliberate destruction. In 1914 there were 54 blast-furnaces active in Belgium; in 1917 only one; in November 1919 eleven; and in January 1920 eighteen. This figure may still be slightly increased in the next few months, but it represents about the total number of furnaces which are still available in Belgium, and many years will pass before the country's metal industry will reach anything like its former prosperity.

SOUTH AND CENTRAL AMERICA.

A THREAT OF LOCUSTS.

We trust that so late in the season it is nothing more than a threat. But, at the same time, we learn from the Argentine Press just to hand that locusts have appeared in the northern territories of the Republic. At this late season, when the harvest is about to be gathered there is every ground for hoping that a locust visitation will not develop into a formidable problem. But, at the same time, everyone at all acquainted with the devastation the locust is capable of performing in the Argentine Republic naturally feels more or less anxious as soon as the locust is mentioned, however far he may be from the particular territory in which the listener who hears of his approach is interested. It has long been a debated question where the locusts come from. But there seems no reasonable doubt now that the only way to solve the problem of getting rid of the locusts once and for all in Argentine territory is to drain the Gran Chaco. It was at one time believed that even if the Gran Chaco were drained—and in those days the practicability of draining it did not appear apparent—that the locust would still come from the swampy regions of Brazil. This seems improbable, because immediately to the north of the Gran Chaco are the great plains of Brazil and Bolivia.

Quite apart from the importance of ridding the Republic from all reasonable danger of visitations from the locust—and as the reader is aware this is an object by no means to be despised—the Gran Chaco itself is capable of being turned into an exceedingly fertile region. It has to be remembered that what we are accustomed to call the Gran Chaco is a country very nearly as big as the whole of England and Wales. It is situated just outside the Tropics, only a very small part of it being within Tropical area. But the whole of it is in warmer regions than any part of Europe. It is naturally exceedingly fertile, mostly forest-clad; and, having an exceedingly rich soil, it is capable of producing almost any kind of plant growth which we associate with the sub-tropical regions, that is to say, anything that can be grown in a fertile soil enjoying plenty of heat and moisture

between the 20th and the 30th parallels. Consequently, the draining of the Chaco and the rendering of it amenable to the purposes of agriculture would be of itself an exceedingly valuable asset to the Republic. We are quite aware that attempts have been made—and with success—to deal with a small part, particularly, in the southern region.

Nevertheless, very little of real importance has so far been done for the purpose which we have in view in this article. The locust country has not been drained. Neither has the Chaco, taken as a whole, been levied under contribution to produce the kind of produce which that part of the Republic is so eminently fitted to produce. Even so recently as the beginning of the present century, or take the time just before the outbreak of the South African War, when England had immense sums of money to invest, labour was exceedingly abundant in Europe, and Italian emigrants were going out to the Argentine Republic in enormous numbers, and when it would have been easy to have found on exceedingly remunerative terms ample supplies of money from England and labour from Southern Europe, to have drained and settled the whole of the Chaco if such a project had been practicable. But at that time it appeared wholly out of the question, because at that time we had no knowledge of how to undertake the project with any prospect of success. As a matter of fact, it would probably have meant the loss of a considerable amount of the money engaged in the enterprise, and a considerable mortality amongst the labourers sent to open up such a country. Naturally, the breeding-land of the locust is a district infested with malaria and subject to yellow fever. How to deal with these two great tropical pests was wholly unknown to the generation which witnessed the opening of the present century. Fortunately for the world, just at that period the United States Government decided upon taking under its protection the great island of Cuba, in the Caribbean Sea. Up to that time malaria and yellow fever had appeared to be endemic, and incapable of extirpation from the swampy coast regions of Cuba, and even from such important cities as Havana and Matanzas. That both malaria and yellow fever were due to two species of mosquito was already known. But the question had only been studied by students in the laboratory, and whether it could be solved as a practical question in the sanitation of great cities, and particularly of vast areas of a country, still remained to be solved. The Army Medical Department attached to the army of occupation in Cuba solved the question by the simple expedient of draining the swamps about Havana. They proceeded then to Matanzas, and finally showed that a solution of petroleum scattered over swamps, and those swamps being drained, it was possible to extirpate these two diseases, which had formerly occasioned such terrible mortality in the tropical regions of the earth.

Having solved the Cuban question, the well-known Surgeon-General Gorgas tackled a similar problem on the Panama Canal, and, as every reader knows, solved that problem with *éclat* and earned the gratitude of every visitor to the tropics. Not too proud to learn by the experience of others, the late Dr. Rodrigues Alves, when he became President of Brazil, resolved to extirpate malaria and yellow fever from Rio de Janeiro. And not being satisfied with this good work, he pursued it until the dreaded enemy was driven from all the ports of the Republic, including Manaos, a thousand miles up the Amazon. All these enterprises successfully undertaken have completely altered such problems as the opening up of the Chaco in the Argentine Republic, compared with the aspect which such a question presented itself, say, to the generation which witnessed the Jubilee of the late Queen Victoria. In those days the most eminent engineers had only the vaguest notion of what it might be possible to do, and had really no practical suggestion which any Government was likely to adopt for bringing such a territory under cultivation. How completely the aspect of the whole question has changed within the last three or four-and-twenty years was brought strikingly home to the present writer quite recently in reading a book by a well-known authority published in the United States on the sanitary condition of Cuba at the outbreak of the Spanish-American War. The chapters dealing with sanitation and the recommendations as to what travellers should do to avoid disease in cities like Havana and Matanzas, are as much matters of history and are as remote from present conditions as are the accounts which we read when at school of the devastating influence of the tide of the German Ocean in the account of the expedition of Germanicus to subdue the rude tribes of Germany.

As we have just said, the Gran Chaco is in area very nearly as big as England and Wales. It is plentifully watered, has a somewhat humid but very warm climate, and is situated in a latitude comparable with North Africa—Algeria or Tunis, for example. But, of course, it is not so high by many hundreds of feet as Algeria. And, as far as we are aware, it is absolutely free from frosts. Of course, wherever frost exists, whatever the latitude may be, a very large number of tropical and sub-tropical products cannot be grown. Coffee will, as, of course, the experience of Sao Paulo shows, stand a certain amount of frost. But cocoa will not, vanilla will not, and a very large number of tropical products cannot be grown even under the direct rays of a vertical sun if the elevation exceeds 3,500 feet. The Gran Chaco is a country about which very little is known; and we have, of course, no desire to speak dogmatically about it. But from what we have been able to gather it is eminently fitted for the growth of all sub-tropical and semi-tropical products. There seems no reason, so far as we can understand, why it should not produce very rich fruits, grow rice in abundance, certainly sugar, and possibly cocoa. As to the growth of vanilla, if it was opened up as we are proposing, it would be hardly sound economic policy to grow vanilla, which requires practically that the soil must be left more or less in a state of virgin forest, and it would not be sound economic policy to go to the expense of draining the Chaco in the immediate vicinity of a highly-developed country like Argentina, simply for the purpose of growing vanilla. Of course, at present, there is the difficulty, to which we referred elsewhere, of the need for transportation. But this is a difficulty which those responsible for framing Argentina's economic policy appear to be about to tackle with success. There is, of course, the further difficulty of obtaining labour. But this, as we have said, in the present state of Europe, and with the probability that freightage rates will in due course fall very materially, should be a question which should at no distant date right itself.

THE UTILISATION OF IRISH CLAYS.

Authentic records indicate that the working of clay was not at all uncommon in Ireland in former times, and observers are able to judge of the excellence of the product by a glance at the specimens of delft and pottery, glazed and coloured, occasionally on view. So completely have the ceramic industries disappeared from their former fields that it is impossible to ascertain the source whence they drew their raw materials. Lack of capital and the heavy pressure of competition from England furnish explanations. The decline of the Irish industries afford a marked contrast to their vigorous development in England. North Staffordshire, for example, possessed certain advantages which it was not slow to utilise. Coal was readily available, and the use originally made of the local Welsh clay for all its manufactured products helped strongly to establish the industry. The human element was ably represented by Josiah Wedgwood and John Flaxman, who aimed at a consistently high standard in design,

quality and workmanship. The active measures now undertaken to develop the output of Irish coal mines should have the effect of directing attention towards the development of the clay deposits that are known to exist in various parts of the country. An ample supply of fuel is a prime factor in this direction. Scarcely any of the raw material now used in Staffordshire are produced locally, the requisite stores being transported from Cornwall, Devon and other quarters.

Fireclay occurs in quantity and of excellent quality beneath the coal seams of Coalisland and Annaghmore; it is also found at Arigna, in Roscommon, and in the Leinster coalfield in Kilkenny and Carlow. There are possibilities at these places of a manufacture of fireclay goods. Amongst the important characteristics of a fireclay are that it shall be able to resist any temperature to which it may be exposed and that the articles into which it is made shall not be affected by rapid changes in temperature. Some of the Irish fireclays may not fall within the category of first-grade clays, and in that case may be suited for the manufacture of blocks for domestic fireplaces, for glazed bricks, and for firebricks not intended to resist furnace temperatures. As a rule the quality of a fireclay can only be established by definite tests. Inspection of a sample or a study of its chemical analysis does not provide a sufficiently trustworthy guide. These clays are widely diffused throughout Ireland, but naturally an accurate investigation should be made of a deposit before determining the use for which it is most suitable. There is little doubt that the ball clays of Devonshire and Dorsetshire, which form the basis of most ordinary pottery, are readily obtainable in Ireland. Amongst some characteristics of these clays are their high plasticity, freedom from grit, and fine texture. The better qualities burn to a vitrified mass of a light brownish tint, but when mixed with the other materials used in earthenware they should produce a perfectly white ware. Of the vitrifiable clays capable of being worked up into stoneware, Ireland has not been unfavourably endowed by Nature. The value of these clays largely arises from the fact that they can be employed for the manufacture of impervious ware without the necessity of employing a glaze. An opening is thus afforded for the production of vessels for holding corrosive liquids, such as acids and other chemicals, sanitary appliances and sewerage pipes. It must, however, be borne in mind that the sources of really good stoneware clay are limited, and that certain conditions must be satisfied before they are in request by a manufacturer for this purpose. A suitable colour, when burned, is desirable, as is also the capability of being readily moulded into the desired shapes. Furthermore, a long range of vitrification is important. This term applies to clays which commence to vitrify at a moderate temperature and can be heated through a long range of temperature before an appreciable amount of warping occurs.

That Irish pottery clays deserve to be exploited to a greater extent than they are at present is undoubtedly the opinion of experts who have studied the matter. The paucity of the distribution of metalliferous minerals in the country is certainly offset to some degree by the deposits of building stones and clays, the latter of which should frequently satisfy the tests of their suitability for pottery-making ease in moulding and shaping when wet and their change of state to a hard an durable condition when fired. To detail the location of these clay deposits, a large proportion of which are unworked is unnecessary, full information on that score being afforded by the Memoirs of the Geological Society. According to the Report of the Chief Inspector of Mines the amount of clay, other than china clay or oil shale, raised in Ireland in 1918 amounted to 50,857 tons. On the manufacturing side the salt-glazing process has not it is said been adopted to any degree in Ireland, and this is accountable for a large import of salt-glazed ware and hard-fired coarse pottery.

Works established in Ireland for the purpose of turning out Portland cement have a somewhat vicarious history, notwithstanding the fact that suitable materials are distributed on a generous scale. The essential constituents of Portland cement are chalk or powdered limestone and clay, the composition of the naturally occurring materials being modified by the addition of a suitable proportion of one or other of these ingredients. Portland now represents the chief cement made from argillaceous materials and has assumed great commercial importance. At present cement-making occupies the attention of two factories in Ireland, but it is understood that French enterprise will add another shortly. This, however, does not exhaust the possibilities of the country in this direction. The upper carboniferous and the calp limestones and shales occurring in abundance in the neighbourhood of Dublin are not undeserving of attention, and the facilities for sea and inland water and rail transport constitute favourable factors. Near Dundalk, Benburb, and other localities the necessary materials may be assembled rapidly and the potentialities are tempting.

The clays generally employed for conversion into bricks are not as a rule worked up into pottery or porcelain. The term "brick clay" is somewhat of a misnomer, and it is often applied to clays which do not possess sufficient plasticity for brickmaking. Still, there is no doubt that this charge cannot be levelled against many of the Irish brick clays which lend themselves easily to commercial utilisation. Owing to the present high price and scarcity of building materials it might be well worth while to reopen brickfields now lying derelict. A common cause of their failure in the past was that the coarseness of the clay often occasioned some trouble in disposing of the finished product. Objections under this head are not likely to be so emphatic to-day.

GREATER LONDON.—IV.

THERE were in 1911 in Greater London some 319,152 persons employed in one or other of the various occupations grouped together for the purposes of the Census, under the heading of "Dress." On an average two out of three were women. Thus, inside the administrative county females engaged in this class of work numbered 159,582, as compared with 81,780 males. Tailoring was evidently the most important sub-division in the group and furnished employment to some 39,774 men and 36,853 women. This slight predominance of men characterised the trade as recorded in each of the constituent parts of the area. In Extra London men thus occupied were returned at 6,499, whilst the number of women was 5,135. Shirtmaking provided work for over 33,500 persons, of whom 31,000 at least were women. The shirtmakers were, however, mainly resident within the county which contained some 25,000 females and 1,800 males earning their daily sustenance in this trade. Millinery, essentially a feminine industry, afforded occupations for nearly 20,000 people, and of these only 600 were men. Engaged in the manufacture of boots and shoes were some 31,200 persons. This, however, was evidently a trade in which the male sex predominated: less than 5,500 women were thus employed. The administrative county was again the biggest seat of trade, containing over 23,000 workers. Whilst these were the principal sub-divisions of the group, there were other varying from the manufacture of straw plait to the production of wigs, which provided work for some thousands of persons. Outside the county, however, no one branch engaged any large number of workers. Inside the county over 3,500 people were employed in making umbrellas and sticks; over 5,000 others helped to produce hats and caps; whilst the manufacture of gloves

and straw hats provided a livelihood for some hundreds of persons. During the War the fluctuations of the relative number of men and women engaged in the clothing trades generally have been so varied as to render futile any attempt to forecast the results of the next census. Board of Trade figures, for a period between 1914 and 1917, indicate that the number of women in Great Britain (39,793) deserting this employment for the other trades was rather in excess of the number (33,122) it received from these other trades. By July 1914 there were in Great Britain some 612,000 women in the clothing trades; but this number had fallen to 559,000 by the Armistice, and in April 1919 had not expanded beyond 569,000. The number of men so employed was 287,000 in July 1914; and owing to war conditions this had been reduced to 181,000 by November 1918; but had recovered in April 1919 to 223,000. As regards London it appears that whilst between 1914 and 1918 the percentage of men in these trades had decreased by 36%, the percentage of women had not altered much since 1914, when it represented about 70% of the total. It is not easy in the light of these figures to decide to what extent the number of men in these trades will increase by 1921, or whether the proportion of women thus engaged in Greater London will be less or greater than in 1911. Returns dealing with separate sections of the trades in 1914 and 1918 for Great Britain reveal different tendencies. The number of women engaged in the tailoring trade increased from 157,000 to 170,900, and of those working in the boot and shoe trade, from 56,000 to 71,500. On the other hand, in shirtmaking, in dressmaking, and in millinery, there were no less substantial declines; in the latter two alone the total fell from 136,000 to 107,700. From returns made up of figures fluctuating in such a varied manner, no useful generalisation can be deduced.

Over 280,000 persons in Greater London registered themselves as occupied in 1911 in some branch of commerce. Nearly 173,000 were resident within the administrative county, but less than 1,000 within the boundaries of the City; whilst Extra London housed some 107,000. On an average three-fourths of the workers in this group were men. Thus for the County the number of women so employed was only 35,368, as compared with 137,539 men; whilst in the City for 707 men there were 202 women. Clerical work was the salient feature, the number of clerks in Greater London exceeding 171,000. Approximately two-thirds of these resided within the County, and were divided between the sexes as follows: men, 82,027; women, 32,893. Commercial travellers numbered some 26,000 of whom less than 200 were women. To this total the County contributed over 15,000 and Extra London over 10,000. Finance, as already mentioned, afforded employment for less than 18,000, and of these nearly 10,000 were occupied in banks and discount houses inside the County. The business of fire, life, and marine insurance furnished work for nearly 26,000 people in Greater London, in which the share of Extra London just exceeded 10,000. Here, as in the case of banking and discounting operations, only a comparatively small number of women were employed, the actual numbers being less than 2,000 in insurance and only a little over 500 in banking. As brokers, agents, and factors some 14,500 persons secured a livelihood in Greater London in 1911. The number resident in the County was 9,547, including 438 females. Other members of this group described themselves as merchants, accountants, auctioneers, and house agents; but in neither case in the County or Extra London did the total number thus occupied approach 3,000. Movements in this category of occupations since 1914 are of interest as throwing a little light on possible alterations in the corresponding figures for 1921. In banking and finance the number of females employed in Great Britain jumped up from 10,000 in July 1914 to 75,000 in November 1918, whilst the number of males was reduced from 176,000 to 160,000. By April 1919, however, the men had increased to 130,000, but the women had only decreased to 72,000. Experience has revealed that women, except in rare instances, are not capable of handling financial transactions as efficiently as men, and there is good reason for believing that women still employed in this direction will be replaced by men as soon as possible. Still, it is no less likely that the number of women ultimately retained in this work will be much larger than in 1911. As clerks women again came forward in great numbers during the War. At the Armistice there were in Great Britain close on 120,000 women clerks, as compared with 50,000 in 1914. Yet in April 1919 there had been a decline to 92,000; whilst the number of men returning to this occupation had increased the total from 69,000 to 89,000. Here it is not possible to assert with any degree of accuracy that the proportion of women will or will not decline further to any marked degree. There is nothing in the nature of many aspects of clerical work to prevent them being performed as efficiently by women as by men. In other branches of commerce, whilst the number of women employed increased in Great Britain from 496,000 in 1914 to 880,000 in 1918, it decreased to 829,000 by April 1919; but the decline was by no means commensurate with the corresponding increase in the number of men from 746,000 to 928,000. Generally speaking, in the light of these facts, it may be assumed that by 1921 there will be rather a greater than a lesser proportion of women engaged in commercial pursuits in Greater London than there were in 1911. Beyond this, it is not wise to go.

Of industries proper, by far the most important, judging by the number of persons returning themselves as employed therein in 1911, was the building trade, for engaged in the work of building and construction there were in that year in Greater London more than 220,000 persons. Within the county this industry afforded occupation to 126,981 persons, as compared with some 93,000 in Extra London. Painters and decorators were the most numerous; for the whole area they numbered over 59,000, and of these the county claimed no less than 37,577. Next came the trade of carpenter and joiner, with its 38,000 workers distributed almost equally between the county and Extra London. Bricklayers were over 19,000 in number, and they were assisted by some 12,000 labourers. Of these, 9,058 bricklayers and 5,961 labourers were resident in the county. Plumbing was followed by nearly 15,000 persons, of whom over 8,500 belonged to the county. Builders numbered over 11,300, and existed almost in equal proportions in the county and in Extra London. In the former area there were also 17,555 builders' labourers, as compared with 10,000 in Extra London. Under this class were also included over 6,100 road labourers, of whom 3,235 belonged to the county. During the War men were withdrawn from this industry, and by the Armistice the number of men thus employed in Great Britain had fallen to 438,000, as compared with 920,000 in July, 1914. Meanwhile, women working in the trade increased from 7,000 to 31,000. Between the Armistice and April 1919 the number of women was reduced to 14,000, whilst the number of men had risen to 591,000. In view of the pressing urgency of the housing problem, it is obviously of vital importance that the demobilisation of men in this industry should proceed as rapidly as possible. Moreover, it is evident that such a widespread demand for houses must give rise to much greater employment in the building trade than in pre-War days. Consequently, the returns of the 1921 census ought to indicate a greater number of persons engaged in the industry in Greater London.

Greater London had in 1911 over 200,000 persons earning a livelihood in the textile processes. There was a fairly equal division between the sexes, the county containing 69,642 males as employed and 57,617 females. Medicine was followed by some

37,000 devotees. The men numbered 10,000, and over half of these were doctors. Of the 27,000 women, over 80% were nurses or midwives. Education commanded the services of 53,000 individuals, of whom over 36,000 were females. The legal profession provided work for 22,000 persons, of whom 14,000 were resident in the county. The vast majority were men, the 1,200 women being mainly employed as law clerks. There were over 5,600 engineers and surveyors, and of these some 2,000 resided in Extra London.

The engineering, iron and steel trades generally gave employment in 1911 to some 193,000 persons in Greater London, of whom less than 10% were females. In the actual basic processes of these industries, very little work, comparatively speaking, was done; in the whole area the production of pig-iron, steel, tin, copper, zinc, lead, and brass did not require 1,000 hands. In general engineering processes, on the other hand, nearly 72,500 persons were engaged. These were mainly men, the number of women being negligible. More than two-thirds of the total number were residents in the administrative county. Erectors, fitters and turners numbered 9,272, whilst there were over 8,000 blacksmiths and strikers. Ironfounders were returned at 2,443, and boilermakers at 2,326. Brassfounding supplied work for 1,343 men, whilst 1,711 were engaged as brass finishers. The manufacture of electrical apparatus furnished employment for 32,000 persons, of whom only 4,500 were women. The industry was carried on much more extensively in the county than in Extra London, where it supplied work for just over 12,000 persons. The important manufacture of electric cables employed nearly 2,000 persons in the county alone. In making electric lamps some 1,800 persons were occupied in the same district. In this latter branch the greater number of workers were women: inside the county they numbered 1,368, as compared with 368 men. The miscellaneous metal trades gave work for more than 30,000 persons, the bulk of whom were domiciled in the county. Of the 24,000 workers in the county over 6,000 were women. Inside this area the production of tinplate goods afforded occupation to nearly 7,000 persons, whilst the making of wire required over 1,700. In addition some thousands of others earned a subsistence in the manufacture of nails, screws, bolts, chains, anchors, gas-fittings, and bedsteads. The shipbuilding and ship-repairing industry was of moderate dimensions, employing some 6,600 hands in Greater London, over 3,200 of whom were living inside the county. Much more important was the output of coaches, wagons, tramcars, cycles, and motors, the number therein employed in Greater London, according to the census of 1911, exceeding 32,600. The motor industry supplied work for nearly 16,000 persons, and of those 9,291 reported themselves as resident in the county. On the other hand, the manufacturer of arms and munitions, which attained such large dimensions under the impetus of the War, did not employ 3,000 persons in the whole area. The engineering trade in general received a great influx of women workers during the War. Coincident with a steady increase in the number of men, the number of women engaged in the metal industries in Great Britain rose from 170,000 in July 1914 to 596,000 at the date of the Armistice. It had been reduced to 300,000 by April 1919. More striking still was the increase in women employed in Government dockyards, arsenals, and factories. From 2,000 in July 1914, the number jumped up to 246,000 by November 1918. Being essentially the result of war demands, the reduction to 40,000 by April 1919 was but the logical sequence of the cessation of hostilities. Figures for London show that the number of women in the engineering and metal trades was 57,000 in April 1918, as compared with 18,000 in July 1914. It is not easy to assert to what extent women will retain this hold they have secured in the engineering trade. In light work, and especially in work of a standardised type, many firms report that women proved themselves to be at least as efficient, if not more so, than men. There is, in not a few cases, a willingness to retain them, which is, however, being vigorously resisted by the trade unions. Should the women be prepared to subscribe to trade union conditions and to join the particular unions concerned, it would be difficult to justify a continuance of this opposition.

American Topics.

CROPS AND VALUES.

In the first of these articles we gave tables showing the area and population of the United States of America. We followed this up with the live-stock upon the different farms in the United States. We give this week, two tables showing the area under various crops and the value of those crops. Finally, we hope in a concluding article to give the total production of these crops with a table showing the yield or production per acre. Our object in giving this series of tables is to show the economic condition of the United States as a producer of food and raw materials. At the present time there is a world-wide demand for food and raw materials, which the so-called newer or producing countries of the world are unable wholly to satisfy. This is a phase of economic development which occurs and recurs between periods when there appears to be a surplus of those raw materials upon which the existence and well-being of nations depends. We showed in the first article of our series that it is really impossible to compare the economic condition of the United

Value of Crops (000's omitted).

Crop Year		Corn Dollars	Wheat Dollars	Oats Dollars	Rye Dollars	Barley Dollars	Rice Dollars	Peanuts Dollars	Beans Dollars	Potatoes Dollars	Hay Dollars	Cotton Dollars	Tobacco Dollars	Sugar Cane and Beet Dollars	Flax-seed Dollars
1899	...	629,210	319,545	198,168	12,214	25,564		—	—	—		—	—	—	—
1905	...	1,116,697	518,373	277,047	17,414	55,047	12,286	—	—	—		632,300	—	—	
1909	...	1,652,822	730,046	408,174	28,809	93,971	17,383	—	—	206,545	—	812,090	95,719	—	39,166
1912	...	1,520,454	535,280	452,169	58,636	112,957	23,423	—	—	212,550	856,695	1,014,150	104,063	—	32,202
1913	...	1,692,092	610,122	439,596	20,250	95,731	22,090	—	—	227,903	797,077	1,026,700	122,481	—	21,399
1914	...	1,722,070	878,680	499,431	27,018	105,902	21,849	—	26,213	199,460	779,068	720,080	101,411	77,538	17,318
1915	...	1,722,680	942,503	559,506	45,683	118,172	68,717	—	26,771	221,992	913,644	795,840	96,281	—	21,410
1916	...	2,280,729	1,019,968	655,928	59,676	160,616	36,311	41,357	54,686	419,333	1,022,930	1,253,130	169,672	—	75,541
1917	...	3,920,228	1,278,112	1,061,474	104,447	240,758	65,879	91,498	104,350	542,774	1,522,473	1,866,240	300,149	—	27,182
1918	...	3,528,315	1,874,623	1,092,423	134,847	235,209	77,474	95,829	93,639	478,136	1,522,473	—	374,318	—	14,657

Production per Acre.

Crop Year		Corn Bushels	Wheat Bushels	Oats Bushels	Rye Bushels	Barley Bushels	Rice Bushels	Peanuts Bushels	Beans Bushels	Potatoes Bushels	Hay Short tons (2,000 lb.)	Cotton Bales	Tobacco Lb.	Beet Sugar Lb.	Flax-seed Bushels
1899	...	25·3	12·3	30·2	14·4	25·5	—	—	—	—	—	4	—	1,580	—
1905	...	28·8	14·5	34·0	16·5	26·8	28·1	—	—	—	—	·31	864	2,028	9·4
1909	...	25·5	15·8	30·3	16·1	24·3	35·8	—	—	106·8	—	·31	864	2,028	9·4
1912	...	29·2	15·9	37·4	16·8	29·7	34·7	—	—	113·4	1·47	39	785	2,160	9·8
1913	...	23·1	15·2	29·2	16·2	23·8	31·1	—	—	90·4	1·31	38	784	2,380	7·8
1914	...	25·8	16·6	29·7	16·8	25·8	34·1	—	11·1	110·5	1·43	·43	846	3,036	8·4
1915	...	28·2	17·0	37·8	17·3	32·0	36·1	—	13·2	96·3	1·68	·35	775	2,360	10·1
1916	...	24·4	12·2	30·1	15·2	23·5	17·0	33·0	9·7	80·5	1·64	·32	823	2,630	9·7
1917	...	26·3	14·1	36·6	14·6	27·7	35·4	28·5	8·8	100·8	1·51	·33	822	2,506	4·6
1918	...	24·0	15·5	24·6	14·4	26·5	36·3	24·3	10·1	95·0	1·35	·32	865	—	7·6

States with that of the congested areas of Europe. The reason of this is that the population of the United States is wholly inadequate to fulfil the multiplicity of duties demanded from it. Hence all classes, from the designer who plans enterprise to the operative who in a modest manner merely carries out a delegated task, receive abnormal rewards for their services, compared to what similar classes are accustomed to receive in Europe.

Owing to a variety of circumstances, the United States is now enjoying a period of abnormal prosperity, accentuated by but not wholly due to the recent European War. As we have said, the prosperity or otherwise of those who produced articles of prime necessity appears to run in cycles. A generation ago the producing classes of the United States went through a severe period of depression, and the consuming classes of Europe enjoyed a wholly exceptional period of prosperity. This was due to the opening up of various parts of North and South America at a more rapid rate than the consuming power of Europe was at that time able to absorb. As the result, a large and growing proportion of the people of the United States devoted themselves to occupations which consume as distinct from producing articles of prime necessity. A check to the production of food and raw materials accompanied by an increase in the number of consumers made a rise in price inevitable. To those carefully watching the trend of economic events, it became apparent that what for convenience we call a rise in prices was taking place in the later years of the last decade of the last century. This tendency was accentuated by the Spanish-American war. It was still more accentuated by the war of this country in South Africa. Practically throughout the present century there has been a steadily growing demand for almost every kind of raw produce, from food for man and beast to fabrics and minerals to feed our mills and engineering shops. The recent War has, of course, accentuated this tendency out of all reason, and in a sense even beyond the expectation of careful observers. Unless the world is about to receive a check to what we call economic progress, it is evident that the brains, accumulated resources and labour of the world will require in the coming years to be devoted, at least for a considerable time to come, in a real endeavour to increase the supplies of foods and raw materials.

With a "desire to do everything possible to promote the trade of the Empire, and at the same time protect and safeguard the interests of the individual business man" the Imperial Commercial Association has commenced the publication of a monthly magazine called *Imperial Commerce and Affairs*. Any publication started with such an object in view is much to be welcomed. We wish it success.

JAPAN.—According to the nineteenth *Financial and Economic Annual of Japan*, just to hand, the Budget for 1919-20 totals £109,002,391 in revenue, of which the ordinary revenue amounts to nearly 86 millions, and the extraordinary to 23 millions. Of the total expenditure the ordinary is given as £51,821,847 and the extraordinary at £57,180,544. These figures show an increase in ordinary revenue, compared with the Budget for the preceding year, of nearly 20 millions sterling, and a decrease in the extraordinary revenue of nearly 3½ millions, or an aggregate increase of just over 16½ millions sterling. The ordinary expenditure shows an increase of nearly a million and a-half, and the extraordinary expenditure an increase of 15¼ millions sterling. Loans to be floated during the year 1919-20 consist of 2½ millions sterling for telephone works and harbourings, 2¼ millions on account of the extraordinary war fund, 4 millions for railways, 1½ millions upon public undertakings in Chosen, and various other smaller loans, making an aggregate of nearly 11 millions sterling.

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CORRESPONDENCE INVITED.

Rubber Topics.

DULNESS and slightly declining quotations have characterised the Share market this week, due more to neglect and professional uneasiness than to any selling pressure on the part of investors. The demoralisation of the exchanges, and, in particular, the rise in the value of the rupee to 2*s*. 8¾*d*., have been the dominating factors, the price of rubber being well maintained at about 2*s*. 9*d*. per lb.

A number of new share issues and reserve capitalisasations have been announced this weekk The directors of the Sumatra Para propose an increase of the capital from £125,000 to £250,000, the capitalisation of £62,500 of reserve, and the distribution of one new fully-paid share for each share at present held. Thereafter 125,000 shares of 2*s*. each will be offered for subscription to shareholders *pro rata* to their holdings. —If an increase recommended in the nominal capital of the Bukit Mertajam from £175,000 to £300,000 is sanctioned, shareholders will be offered 274,083 2*s*. shares at 4*s*., in the proportion of one new share for every seven shares held.—Following the proposals to reorganise the Bukit Mertajam and Selangor River companies, managed by Taylor Noble and Company, a scheme for the reconstruction of the Woodend Rubber and Tea Company is put forward, comprising the formation of a new Company with a capital of £75,000, which will be entirely distributed among shareholders of the present Company in the proportion of three shares for one.—Shareholders in the Baru Java are invited to apply for 31,775 Ordinary £1 shares at 10*s*. premium. If these are fully taken up the issued capital will be raised to £99,750, besides £14,850 of Debentures.—The directors of the Sungei Reyla have decided to offer 151,300 2*s*. shares in reserve to shareholders at 2*s*. 6*d*., and to devote the funds provided to redeeming outstanding Debentures for £11,630 and to financing factory equipment. All these new issues give substantial bonuses to shareholders, and the same remark applies in the case of the North Labis Company, 10,000 of whose shares are offered to shareholders at par.

UNITED SERDANG.

A VERY cheering statement of results is issued to the shareholders of this Sumatra concern for the year ended August 31 last. With the termination of the agreement to restrict tapping, and the entry into bearing of an additional 1,250 acres, the production of rubber expanded over 400,000 lb. to 3,084,945 lb., which is equivalent to a yield of 321 lb. for each of the 9,547 acres in bearing during the year. In the three years prior to the restriction of tapping, the average yield per acre in bearing was 370 lb., from which it will be seen that the outturn of the past year was on the light side. The price realised for rubber was 1*s*. 10½*d*. per lb., against 2*s*. 1*d*. in 1917-18, but this difference was more than offset by

a decline in the "all-in" cost from 1*s.* 7*d.* to 1*s.* 3*d.* a lb. Including the substantial amount of £8,373 realised in excess of the valuation of the 1917-18 unsold stock, the profit on rubber production for the year under review was £104,827, or £33,000 more than in 1917-18. In addition the Company received a windfall in the shape of £20,393 refund of excess profits duty paid prior to August 1917, and with sundry receipts the total profit available for distribution comes out at £128,119, which is 67% more than was available a year ago. The reserve allocation is again £10,000, the total rate of dividend is doubled to 40%, including 30% final distribution, and the carry-forward raised from £25,918 to £43,962. This is stated to be "subject to excess profits duty (if any)," and, judging from the refund obtained on account of the smallness of the 1917-18 profit, there would seem likely to be a further refund on account of the past year's earnings. Apart from that, the balance sheet shows an improvement in the cash position, surplus liquid assets amounting to £1,162, as against a previous deficit of £2,811. This is after provision of capital expenditure amounting to £11,835 in excess of depreciation provisions totalling £10,263 charged against revenue and included in the cost of production. The following table compares the results of the past five years:—

	Years ended August 31—				
	1919	1918	1917	1916	1915
	Acres	Acres	Acres	Acres	Acres
Area suitable for rubber ...	14,140	14,140½	14,140½	14,140½	14,140½
Planted area	11,191	10,691½	9,750½	9,640½	9,640½
Average acreage tapped ...	9,547	8,294½	8,887½	8,106	6,628
	Lb.	Lb.	Lb.	Lb.	Lb.
Rubber output	3,084,945	2,678,564	3,269,210	3,028,524	2,474,972
Yield per acre tapped ...	321	323	368	373	373
Gross price realised per lb.	1 10½	2 1	2 7·32	2 5·33	2/2·5
"All-in" cost per lb. ...	1 3	1 7·16	1 3·96	1 0·6	–/11·79
Profit per lb...	– 7½	– 6·84	1 3·36	1 4·73	1/2·71
	£	£	£	£	£
Value of rubber†	297,099	285,172	402,032	356,488	268,724
Total revenue expenditure	192,272	214,050	192,636	147,001	122,731
Net profit	104,827	71,122	209,396	209,477	145,993
Sundry receipts	23,292a	5,756	6,950	3,989	1,289
Brought forward	25,843	34,040	20,353	51,077	16,295
Total available	153,962	110,916	236,699	264,543	163,577
Allocations—					
Transferred to reserve ...	10,000	10,000	10,000	—	—
Dividends paid	100,000 (40%)	50,000 (20%)	160,000 (40%)	112,500 (45%)	112,500 (45%)
Excess profits tax ...	Nil	Nil	92,659	131,690	—
Carry-forward	43,962	25,918	34,040	20,353	51,077
Net capital expenditure ...	11,835	18,172	28,402	9,285	12,242
Issued capital (2*s.* shares)...	250,000	250,000	250,000	250,000	250,000
Surplus liquid assets ...	1,162	2,811*	4,763‡	12,071‡	57,573

* Excess of current liabilities after allowing for final dividend payment.
† Including amount realised for previous year's stock in excess of valuation.
‡ After allowing for final dividend and excess profits duty.
(a) Including £20,393 of excess profits duty refunded.

Price of shares, 16/0 c.d. Market capitalisation, £196 per planted acre.

It has long been apparent that the subscribed capital of £250,000 is out of proportion to the size and value of the estates, and the directors now propose to rectify to some extent this position by capitalising £250,000 standing to the credit of share premium and reserve accounts. Accordingly shareholders will be given one new share for each share at present held, and there will still remain a total reserve of £25,000.

Shareholders will scarcely need to be told that the outlook for the current year is a very good one. The manager estimates a production of 3,366,000 lb., practically from the same area as was in bearing during the past financial year, which means that a yield of 350 lb. per bearing acre is looked for. In view of past performance and the fact that the whole of the trees in tapping are over seven years old, this appears to be a conservative anticipation. It is usually the policy of the directors to sell a substantial proportion of the expected output for forward delivery, and consequently it is not advisable to calculate on a very high average price being realised for the year. Moreover, there is again an appreciable discount on the pound sterling relative to the Dutch florin, and on that account probably there will not be much reduction in costs. Still, it is not at all improbable that the profit will be double the amount shown for the past financial year.

DJASINGA (JAVA).

Issued Capital: £400,000 in £1 Shares.

	Results for Years to June 30—							
	Planted Acres	Output lb.	Prices Realised per lb.	Cost	Profit £	Net Profit £	Dividends Amt. £	
1916	Rubber 3,815	240,151	2/9½	1/7·4*	15,364	12,037	10,400	
	Tea ... 2,369	155,484	– 10½	1 6½*	6,765†			
1917	Rubber 4,827b	439,834	2 9½	1 6½*	28,050	22,090	-	-
	Tea 1,879	360,939	– 7½a	– 9½‡	3,738†			
1918	Rubber 4,935	645,977	1 8·37a	1 0½‡	19,253	3,880	-	-
	Tea ... 1,676	399,490	– 4·7a	1 0·2‡	14,254†			
1919	Rubber 5,072	796,334	1 8·47a	– 10½‡	30,508	18,764	200	5
	Tea ... 1,690	475,632	– 8·93a	1 0½‡	9,444†			

* All-in cost. † Loss. ‡ F.o.b. cost. (a) Net price.
(b) 690 acres interplanted with tea.

Price of Shares, 34/0. Market valuation, £133 per planted acre of rubber only.

Not yet has this Company—one of the largest Java undertakings under Harrisons and Crosfield management—succeeded in producing tea at a profit; but it will be a great satisfaction to shareholders to observe, from the report for the year ended June 30, that the results indicate marked recovery both in regard to rubber and tea cultivation. The estate comprises 6,762 acres planted, 5,072 being under rubber, including 690 acres planted with tea and 1,690 acres under tea alone. In addition, the Company has 2,720 acres of rice-fields, 32 acres devoted to tea-seed production, and as many as 31,838 acres of reserve lands, forests, native quarters, &c. The soil and situation do not appear to be very suitable for tea, and manuring has to be resorted to. The rubber production also, relative to the acreage in bearing, is poor, though improving; but, on the other hand, cost of production is relatively cheap. In the past financial year, with 3,000 acres six to twelve years old, only 796,334 lb. of rubber were produced. It is true that during the period tapping was partly restricted, but not to a very material extent, for otherwise the crop of the current year would be estimated at more than the figure of 1,030,000 lb. which the report mentions. We give a comparison of the results above, and it will be seen that the net outcome of the past year's operations was a profit available for dividend of £18,764. By trenching to the extent of £1,236 on the carry-forward a dividend of 5% is paid, which compares with nothing in the two preceding years and 3% in 1915-16.

This year shareholders ought to fare better, for though there is again likely to be considerable loss on exchange (last year this represented over 1*d.* per lb. on rubber and 1½*d.* per lb. on the tea produced), on the other hand, the price at which rubber can be sold is something like 40% higher than the average realised for the 1918-19 crop. If the profit on the rubber production should in consequence increase to 1*s.* 3*d.* per lb., this would bring in £64,000; but tea will probably again be produced at a loss, and for this reason, and because of the necessity to raise further capital to provide for development expenditure, it is advisable not to look for more than a moderate dividend. In respect of the past financial year the outlay on capital account, after allowing for depreciation provision, was £15,589, and the balance sheet at June 30 showed surplus liquid assets of £12,870, after allowing for the payment of the final dividend and including £22,000 for unsold produce. To improve this position and put the Company in funds for additional development 40,000 shares are to be offered to shareholders at par, in the proportion of one new share for every ten old shares held on February 9.

FURNITURE
for Cash.
The best stock in London at
LOWEST PRICES
for excellence of Quality and Design.
Wm. SPRIGGS & Co., Ltd.
238-241 Tottenham Court Road, W. 1.

NORWICH UNION
LIFE INSURANCE SOCIETY.
Combination of
AGE, MAGNITUDE, RESERVE BASIS,
and PROFIT-EARNING CAPACITY
THE STRONGEST IN THE WORLD.
Perusal of War-time Prospectus makes that fact very clear.
Write or telephone to Head Office, Norwich,
or to any Branch or Agency.

Clerical, Medical and General
LIFE ASSURANCE SOCIETY,
15 ST. JAMES'S SQUARE, S.W.1, LONDON.
Established 1824.
95TH ANNUAL REPORT.
Record New Life Business, £1,185,650 net.
The Society's new Profit Endowment Assurance Tables have contributed largely to this RECORD RESULT.
Prospectus, Bonus and Annual Reports, Forms of Proposal, and every information on application.
15 St. James's Square, S.W. 1, London. A. D. BESANT, *General Manager and Actuary.*

AUSTRALIAN MUTUAL PROVIDENT SOCIETY.
Est. 1849.
THE LARGEST BRITISH MUTUAL LIFE OFFICE.
Invested Funds (1919) £40,000,000
Annual Income (1918) £5,500,000
MODERATE PREMIUMS.
LIBERAL CONDITIONS.
WORLD-WIDE POLICIES.
EVERY YEAR A BONUS YEAR.
Whole-Life Policies, 20 years in force, show average increase of the sum assured by Bonus exceeding 50 per cent. Endowment Assurance Results also unsurpassed.
37 THREADNEEDLE STREET, LONDON, E.C. 2.

Insurance Notes.

ACCIDENT AND MISCELLANEOUS INSURANCE IN 1919.

THE accident department, dealing, roughly, with all kinds of transactions other than fire, life, or marine, has become one of the most important sections of insurance business. Thus the relative premium income of British companies in this department has quadrupled within the last ten years. The extension of legislation relating to workmen's compensation all over the world has been one of the main reasons for this striking development. Apart from business of this kind, the accident department has yielded fairly profitable results throughout. But the employers' liability insurance class has not had a consistently favourable record. It was a long time before this class of business emerged from the experimental stage and was placed upon a thoroughly sound and payable basis, and this point seems to have been only recently reached in America, where some British companies are largely interested in this description of underwriting. The annual accounts presented last year showed, however, an improvement in American employers' liability results, and most companies transacting accident and miscellaneous business reported a gratifying measure of trading profit as the result of operations in 1918. So far as can be learned, it appears likely that when the accounts for last year come to be published the operations as a whole in the accident and miscellaneous departments will again show a profit; but there are some points in regard to the future of the business which will require skilful handling.

The gilt-edged classes of this section are pre-eminently the personal accident and fidelity risks, which play a similar part in the accident branch which the insurance of private houses and contents does in fire business. They are consistently profitable, but as they are low-rated hazards it requires a lot of them to make anything of a living out of. The quality is good, but the quantity is difficult to obtain. During the War business in these classes was sadly contracted, but with the wholesale demobilisation of 1919 it has revived in refreshing fashion. No new schemes for men of any importance have to be chronicled in this direction, but a number of companies are now endeavouring to deal successfully with the problem of suitable accident and sickness insurance for women workers.

The enormous increase in wages and in industrial employment, both in this country and in America, must naturally have had the effect of generally enhancing premium incomes. One special difficulty, however, in the way of the companies making profits from British employers' liability business is to be found in the Workmen's Compensation Amending Acts which were passed in 1917 and 1919, which have had the practical effect of doubling disablement liabilities. These were temporary measures, but it is not generally expected, as a result of an investigation by a recent Parliamentary Committee whose report is in course of preparation, that the increased scale of liabilities will be diminished; in fact, it would surprise nobody if it were steepened. The companies have made no increase as yet in their premium rates for the insurance of ordinary domestic servants, and have only increased their premiums for workpeople by 10%, so it remains to be seen how they will be affected by the legislation referred to. It would appear that in any case a considerably larger provision than formerly will have to be made for outstanding claims, and it is difficult to see under altered conditions and prospects how it will be possible to allow employers' liability premium rates to remain at their existing levels in this country.

For a long time after its establishment as a commercial proposition, burglary insurance was considered to belong, like personal accident and fidelity hazards, to the gilt-edged class, but claim experiences have travelled during the last few years on a heavy upgrade. In the War years much of the adverse result was rightly attributed to darkened streets and such temporary causes, and it was hoped that the experience would be more favourable on the restoration of more normal conditions. This anticipation has, however, been far from justified. The streets have been brightened, but the removal of one adverse element has evidently been nullified by the return of a great number of lawless persons from scenes where their love of adventure was more legitimately exercised. War experiences have apparently increased the enterprise of the burglar. It is generally anticipated that the burglary and larceny claims of 1919 will exceed those of 1918, but against this will have to be placed heavy increase in premium rates for business premises which were made for some trades which had proved unusually hazardous, and thus the adverse balance, which is almost a certainty, may not actually be much greater than in the previous year. In 1919, however, the number of burglaries and the amount of the claims in respect of private residences are understood to have reached a higher ratio than ever before, and no increase in premiums has yet been made for this section.

A specially adverse feature in regard to many descriptions of miscellaneous insurance is the greatly enhanced cost of reinstatements. This particularly affects burglary, plate-glass, and motor insurance. Damage to plate-glass has proved such an expensive hazard to cover that several of the smaller companies specialising in this description have gone out of business.

The close of hostilities led to a great revival of motor insurance, and specially low rates for the first year of renewed running of private cars were offered by a number of non-tariff companies, in the belief that the aggregate mileage run would be much less per car than in the years before the War. Although this has doubtless been the case, it is not thought that the experience has been at all satisfactory, and one of the principal causes of unprofitableness has been that above referred to. The tariff companies have announced their intention to increase their premium rates on all kinds of motor insurance, except motor-cycles, by 20% as from the beginning of the present year. So far as 1919 is concerned, the aggregate result, so far as all companies are concerned, is believed to be very unfavourable, and unless there is a great and general improvement in the experience of 1920 rates can scarcely fail to go higher still.

The cessation of hostilities in November 1918 was a great boon to many insurance companies who had at that time a large amount of unexpired liabilities on policies granted to civilians giving compensation against damage to life and limb from air raids and other kinds of enemy action. This class of business had, however, all along proved very profitable to those who undertook it, especially in the last year of the War, when air raids were infrequent. Much attention was given during 1919 to the devising of new schemes to meet the requirements of those engaged in the aviation industry, which bids fair to become one of the most important in the country. The hazards to be covered include liability in respect of accidents to aviators and passengers, damage to machines, and transit and third party risks. The first body to draw up regulations of this kind was one formed by a group of Lloyds' underwriters in conjunction with two non-tariff joint-stock insurance companies, and this example was followed shortly afterwards by the tariff companies, who have entered into a pooling arrangement for similar purposes.

There has been some inquiry on the part of the public for policies covering damage caused by riots and trade and civil disturbances, and several attempts have been made to meet these requirements. It is evident that the companies are not greatly perturbed by the wild talk of possibilities in this direction, for the rates already quoted for such insurances, ranging from 2*s.* in case of private houses to 5*s.* per cent. for business premises in what are believed to be the most hazardous cases, clearly indicate that they take a complacent view of the level-headedness of all sorts and conditions of British citizens.

An attempt was made in America in the course of last year to open up a new form of insurance, in the guaranteeing employers of labour against monetary loss occasioned by strikes of their employees. It may safely be assumed that the experiment will be followed with little more than academic interest by insurance companies in this country, where conditions as to these trade disputes differ so much from those in the States. In any case, the frequency of strikes in this country is so great that the possibility of insurance companies issuing any policies of the kind, however restricted as to conditions, seems an extremely remote one.

We are informed that negotiations are in progress between the Anglo-South American Bank, Ltd., and the British Bank of South America, Ltd., with the object of arranging a combination of their interests.

THE CONSOLIDATED
Assurance Company, Limited.
ESTABLISHED 1903.

Subscribed Capital £1,000,000
Paid-up Capital £176,334
Total Funds now exceed a Million.

FOR REINSURANCE BUSINESS.
FIRE. ACCIDENT. MARINE.

Fire & General Dept. & Marine Department.
St. Swithin's House, St. Swithin's Lane, London, E.C. 4.
Manager: J. Herbert E. Lane.

Registered Office and Life Department.
9 Fleet Street, London, E.C. 4.
Actuary and Secretary: Chas. Windett.

Commercial.

THE ZINC INDUSTRY.

A general scarcity of zinc ore and concentrates has been felt for some time past in the United Kingdom, and the unfortunate result has been that our spelter works are all on reduced time. As with several other classes of raw material, the scarcity is more evident at the seat of manufacture than at the place of production, and the difficulty lies in securing transport. In the case of spelter the position has been aggravated by the prolonged strike at one of the principal sources of supply, the Broken Hill district in Australia. The strike, which commenced in May last, still drags wearily along, and its continuance involves serious financial loss to all interests concerned. Alternative centres of supply are few and, compared with Australia, insignificant, though during the War they assumed great importance as tonnage could not be spared for the round journey to the Antipodes. The following table indicates the chief contributing countries in 1913 and afterwards:—

Zinc-Ore Imports into United Kingdom.

	1913 Tons	1914 Tons	1915 Tons	1916 Tons	1917 Tons	1918 Tons
Australia . . .	16,772	78,503	38,883	16,194	16,054	3,359
Italy . . .	13,801	23,280	37,055	27,830	21,916	17,661
Algeria . . .	9,302	6,929	2,465	7,140	27,411	24,066
Germany . . .	7,169	5,190	—	—	—	—
Spain . . .	6,348	6,474	10,509	8,403	15,705	39,596
Other countries . . .	11,278	23,875	25,448	18,758	6,282	12,105
Total imports . .	64,670	144,251	114,360	78,325	87,368	92,787

The output of ore on the Mediterranean seaboard, principally in Spain, Algeria, and Italy, thus underwent great expansion, but it is not at all sufficient to meet the needs of existing consumers. When the improved tonnage position in 1919 promised early relief from Australia, the strike almost wholly blocked shipments, and the mere trickle that has since been coming through is now to cease. The arrangements made between the Imperial and Australian Governments during the War have thus been rendered nugatory. In order to uphold to some extent British interests in the zinc industry our Government had agreed to buy annually from Australia for a period of 10 years 45,000 tons of spelter and 100,000 tons of concentrates, but unforeseen contingencies have prevented the agreement being carried out. The principle of the contract is, however, sound, as it was desired to conserve Imperial resources for Imperial use. Before the War the Australian output of zinc concentrates was disposed of in the following manner:—

Exports of Zinc Concentrates (47%) from Australia, 1913.

To	Tons
Belgium	298,027
Germany	83,
Holland	49,612
France	27,275
United Kingdom	19,005
Total	476,908

After the Spelter Convention of 1909-10 Belgian and German manufacturers became closely associated

and had a common selling organisation, while French and British makers, who were also included in the Convention, were subjected, though still free to dispose of their products, to regulation of output when stocks became too heavy or prices fell too low. Some kind of international action was no doubt imperative in the interests of the trade, as the world's zinc-smelting capacity exceeded the world's requirements of the metal; but the agreement was fatal to the expansion of our own industry, and, though one of the chief spelter consumers, we were in 1913, some years after the Convention, one of the smallest spelter producers The adjoining table shows the pre-War position:—

Year 1913.

Country	Production of Spelter Metric Tons	Consumption of Spelter Metric Tons
United States	320,300	313,360
Germany	283,100	232,000
Belgium	204,225	76,400
France	67,890	81,000
United Kingdom	60,630	194,600

The situation is now radically changed. The world production has fallen far below the pre-War level and the world demand has increased since spelter for commercial purposes has been almost unobtainable for the last five years. Germany and Belgium are hampered not only by the poor condition of their plants, but by the dearness of industrial coal and by a depreciated currency which raises imports of fuel and raw material to a prohibitive figure. In view of its difficulties and of the denuded state of the home market Germany is unquestionably out of the export trade for a long time to come. Belgium formerly sent abroad about 65% of its large production, but the total output at present is scarcely 30,000 tons per annum. Belgian ore imports for last year were less than one-fifth of the 1913 figure of 550,000 metric tons. France, though having Algeria to draw upon, is in common with other countries straitened for material, and will less than ever be able to supply its own spelter needs, which before the War were partially satisfied from abroad.

Amongst belligerents on the Continent practically no new works were put up during the War, and repairs to existing plant were often impossible. In the United Kingdom the smelting capacity of some firms increased, and if full time were now being put in we could doubtless turn out 70,000 tons (British) per annum. Owing to the reduced time consequent on the scarcity of ores and concentrates the rate of output at present is probably less than in 1919 when, according to the best estimates, the year's production was 30,000 tons of virgin and 5,000 tons of secondary spelter.

In the United States only the zinc industry derived considerable benefit from the War. The output of virgin spelter, which amounted in 1913 to 315,240 tons, rose rapidly because of the concurrent increase in smelting capacity, but since the cessation of hostilities a decline set in through slackness in domestic inquiry, and a reduced demand for export, due to the condition of the exchanges. Production is now much below capacity which is probably two-thirds of the world's possible output, but an improvement in the galvanised sheet trade and the brass industry should bring about an expansion, if the home output of zinc ores can be speeded up. On the United States and on us the weight of the world's demand is chiefly falling; and since the demand is large and insistent while production is low and likely to remain so through shortage of raw material, spelter prices are bound to move up from their present level. They touched £116 during the War, but for the last two years of that period the spelter industry was subsidised. The withdrawal of Government subsidy and the cessation of Government contracts in November last led to a rise in prices, which has been almost continuous to date. The present level, however, scarcely covers cost of production, and this is another economic factor in favour of a further rise. It is true that speculation in the metal has been rife and the quantities sold weekly in London have in some instances been far in excess not only of British production, but of the world's output. Each holder adds his little—or big—profit and prices are thus forced up by market manipulators who have no genuine interest in the trade. Even if these speculative accounts were closed, the upward trend would in all likelihood be maintained as supplies are unequal to present and far below potential demand.

New Issues.

MARLING AND EVANS, LIMITED.

An issue of 400,000 Ordinary £1 shares of this textile concern has been readily subscribed this week. The Company has been formed for amalgamating and developing two old-established cloth manufactories respectively owned by Marling and Company, Limited, of Stanley Mill, Stroud, Gloucester, and P. C. Evans and Sons, Limited, of Brimscombe. Its authorised capital is £500,000, all in Ordinary shares, and the purchase price of the concerns is £374,704 in cash, plus £50,000 to be satisfied by a 6% mortgage, This is based on the certified value of the assets acquired, including £209,535 stock-in-trade stated now to be worth considerably more than that figure. The combined net profits of the two amalgamated concerns, before charging excess profits tax, amounted to £19,820 for the year ended March 31, 1916, £24,423 for 1916-17, £36,579 for 1917-18, and £57,575 for 1918-19; while from March, 1919, to about the end of the year the rate of profit was equal to £88,799 per annum.

CURZON HOTEL (LONDON), LIMITED.

The meagreness of the information furnished in the document—it is not an ordinary prospectus—offering for sale at par 144,900 8% Cumulative Participating Preference shares of £1 each of this Company will probably not fail to impress investors who are asked to subscribe. The Company, it appears, was formed to acquire as from August 19 last the Curzon Hotel and Restaurant, in Mayfair, comprising, in addition to the usual public rooms, 47 private suites, as well as 131 bedrooms and 30 bathrooms. Its authorised capital is stated as £150,000, divided into 145,000 of the above-described Preference shares and 100,000 Management shares of 1*s.* each. All but £100 of the Preference shares have been purchased by Industrial Finance, Limited, at the same price as they are offered to the public, the Syndicate receiving a commission of 10%, but it is not actually stated that the Management shares have been issued, or, if so, for what consideration. In any case it is obvious that the "Preference capital is quite out of proportion, and as the Management shares are entitled to 60% of the distributable profits after the 8% fixed Preference dividend has been paid, it follows that the Preference shareholders stake the bulk of the working capital, to the possible great advantage of the Management shareholders. The assets are valued at £191,000 but this includes an unstated amount for goodwill.

HARRISONS & CROSFIELD, LIMITED.

ISSUED CAPITAL .. .. £1,827,304.

The Company undertakes the Issues of Capital for Plantation Companies and the Financing of Estates and Produce.

1-4 Great Tower Street, London, E.C. 3.

The terms on which the Company acquired the property are not divulged. In the five years preceding the War the profits averaged £16,500, but in the first two war years this average was not maintained. Since then, it is said, the business has shown marked improvement, and the auditors report that from August 19 to November 30 last year a net profit of £8,957 was realised, or at the rate of £31,437 per annum. This is before profits providing for depreciation, interest, directors' fees, income tax, or excess profits duty (if any). The 8% dividend on the Preference capital will require £11,600 per annum.

ECLIPSE SHIPPING AND TRADING CO., LTD.

This Company is formed in connection with the Eclipse Fuel Company, Limited, of Highbridge, Somerset, and the 500-tons dead-weight steamer and two small steam barges acquired for a total consideration of £42,000 are to be employed for the carriage of coal and patent fuel for the Fuel Company at current market rates and freight. Its capital is £100,000 in £1 shares, all of which are now offered for subscription at par. The management will be in the hands of Messrs. Deacon and Thomas, of Cardiff, who, in addition to fees, will be entitled to commission equal to 5% on the net profits, "and/or" income, of the Company before deducting depreciation, income tax, or excess profits duty. The preliminary expenses are estimated at £1,500, no underwriting has been done, and the minimum subscription on which the directors may proceed to allotment is 10,000 shares. It may be remarked that the price of the steamer purchased works out at £58 per ton dead-weight.

We understand another steamer of 650 tons dead-weight, built in 1919, has been acquired at a cost of £48,000, and is to be handed to the Company without intermediate profit.

SCALA (LEEDS), LIMITED.

The object of this new company is to erect and operate on certain freehold properties acquired at Leeds a high-class picture theatre with attached cafe-restaurant and lounge. Four of the six directors are associated with similar enterprises in other industrial towns. The authorised capital is £150,000 in Ordinary shares and 80,000 shares have been offered for subscription this week without being underwritten. The original vendors sell the properties acquired to intermediaries and receive altogether £30,000 in cash, while the Company pays the intermediaries £73,000 in cash. All the directors are interested in the intermediate profit, and they and their friends subscribe for 52,000 Ordinary shares. It is curious that the prospectus does not give some figures as to the results obtained by the other picture theatres with which the directors are associated, and it is well to remember, also, that legislation may delay the erection of the building.

MOTOR CINEMAS, LIMITED.

The purpose for which this Company is formed is to acquire and equip motor-lorries with the necessary plant for giving moving-picture shows in towns, villages, and thickly-populated districts in the mining areas where such entertainments do not exist. The issued capital is £100,000 divided into 99,000 10% Preferred Ordinary shares of £1 each and 20,000 Deferred Ordinary shares of 1s. each. After the 10 Preferred Ordinary dividend has been paid the balance distributable divisible profits of any year will be distributable as to 75% to holders of Preferred Ordinary and 25% to holders of Deferred shares. The whole of the latter are allotted to two gentlemen who will join the board after allotment and act as managing directors. They are also to receive £5,000 in cash or Preferred Ordinary shares. Subscriptions are invited for 75,000 Preferred Ordinary shares. Preliminary expenses are estimated at £3,000, the issue has not been underwritten, and the directors may proceed to allotment on a minimum subscription of 25,000 shares.

SUNGEI TAHO (F M S.) RUBBER ESTATE, LIMITED.

Subscribers of the 560,000 2s. shares of this Company, offered for subscription, out of a total authorised 1,000,000 such shares, acquire an interest in a Perak estate of 634 acres, of which only 357½ acres are planted with rubber. The Company pays £44,000 purchase consideration, which is equal to a valuation of £123 per planted acre.

COMPANY MEETING.

LENNARDS, LIMITED.

(BOOTS AND SHOES.)

The twenty-third annual meeting of this Company was held on February 2 at the Grand Hotel, Leicester.

Mr. T. J. Lennard, J.P. (Chairman), presided, the other directors present being Messrs. J. W. Goddard, J. G. Chattaway, T. Singlehurst, P. Steadman, H. B. Sharman, and J. E. Hazzledine (Secretary).

The Chairman, in proposing the adoption of the accounts as printed and circulated, said:—

I think the shareholders will be satisfied with the result of the year's trading, but more important still we have put our house in order, strengthened our position against the inevitable reaction when the Government creation of credit against only a 10% reserve has ceased.

We know the purchasing power of money has decreased, and if the standard of everything (including wages) has been permanently increased to double, dividends ought to be doubled. This is true altogether, apart from the fact that taxation for the wealthy is now more than 50% of their gross income.

Profits and Prices.

The net profit for 1919 is £88,213. The directors propose to pay 6% on the Preference shares and 15% on the Ordinary shares. This makes 12½% for the year. The reserve fund now stands at £50,000, and we "carry forward" £45,876.

Soon after the declaration of war the price of materials rose rapidly; we then sold to the public boots and shoes to the value of nearly half a million sterling at pre-War prices.

During the four years of war our business was conducted at the smallest gross profit on record.

Now that the war is over I am determined that I will do all I can to prevent a further advance in prices. We stand really in the position of trustees to the public in opposition to profiteers, either capitalistic or socialistic.

Legitimate business could not be carried on at a closer margin to conserve the interests of the shareholders.

If the shareholders charge me with not making all the profit I could, my reply would be that the account is not closed; we have served the public for 43 years, and my aim is that Lennards Limited shall supply them with boots and shoes for many years to come.

Government Control.

The sooner Government abandon all attempt to control leather, the better not only for the whole industry, but for the nation. The demand made by trade unions that the mines and railways should be nationalised is made in ignorance of economic laws, human nature, and our experience during the great War.

Our point of view has shifted from national to imperial, but human enterprise still needs a reward as an incentive to effort, and no one now dreams that Government control means either economy or efficiency.

The nation will not permit a minority, either aristocratic or socialistic, to dictate a selfish policy.

Warning to Labour.

If we think it wise to try to stop the vicious circle of advancing prices, I can fairly appeal to Labour to stop their requests for unreasonable advances in wages—it is not only that they are double, but that in some trades the output is restricted.

In a recent inquiry it was officially stated that in the building trade work done in 40 hours pre-War now takes 74 hours. If this were generally true the effect would nearly quadruple pre-War wages, and if persisted in would hamper and destroy national prosperity. In the boot and shoe trade, I am proud to say that the comparative output has not decreased—the hours have been shortened 8%, and there has been no dispute of any magnitude during the War period; but the American output is about a third more per man; they have better methods, better buildings, a better distribution of power, and—less alcohol.

Labour is a first charge upon industry; our sympathies are with the workers, evidenced by our gift of £5,000 in War Bonds to Lennards' wounded demobilised soldiers. There is moral obligation upon the employer to increase the wage of the employee sufficient to obtain the necessities of life, but there is no moral obligation upon the employer to increase higher salaries so as to release everybody from the burden of War taxation placed upon them by the State. If moral obligation was general, everybody's burden would be placed upon the consumer; there would be no material patriotic sacrifices, and the power-lust and extravagance of the politician would have free course.

Plenteous paper money has induced a spirit of waste in high places: we must get back to economy of private as well as national expenditure if we are to secure the advantages of victory. We have had a great War and a great victory: if we are to have a great and lasting peace, strikes must cease, arbitration must be the rule and not the exception. Waste and extravagance should bring swift punishment, and a real "good will" between capital and labour must be built up.

A vote of thanks to the Chairman and staff concluded the proceedings.

LLOYDS BANK LIMITED.

HEAD OFFICE: 71, LOMBARD STREET, E.C. 3.

CAPITAL SUBSCRIBED (Dec., 1919)		£58,878,400
CAPITAL PAID UP	do.	9,420,544
RESERVE FUND	do.	9,675,105
DEPOSITS, &c.	do.	325,938,436
ADVANCES, &c.	do.	135,763,591

AFFILIATED BANKS:

THE NATIONAL BANK OF SCOTLAND, LIMITED.
THE LONDON AND RIVER PLATE BANK, LIMITED.

AUXILIARY:

LLOYDS AND NATIONAL PROVINCIAL FOREIGN BANK LIMITED.

Industrial Companies.

BRITISH-AMERICAN TOBACCO.

Issued Capital: £13,001,911, in 4,500,000 5% Cum. Pre. and 8,501,911 Ord. Shares of £1 each.

Yr. to Sept. 30	Net Profit(a)	Div. on 5% Cum. Pref.	Profit for Ord.	Div. on Ord. —Tax Free— %	£	Special Allocations	Carried Forward
	£	£	£			£	£
1913...	2,151,836	116,681	2,035,155	27½	1,719,938	Nil	1,975,993
1914...	2,177,022	188,297	1,988,725	24½	1,532,308	1,500,000	930,319
1915...	1,850,059	225,000	1,625,059	22½	1,107,221	Nil	1,148,157
1916...	2,733,362	225,000	2,508,362	30	1,876,296	[257,229	1,522,994
1917...	2,545,102(c)	225,000	2,320,102	30	1,876,296	Nil	1,966,700
1918...	3,140,174(b)	225,000	2,915,174	30	1,876,296	Nil	3,005,578
1919...	3,776,508(b)	225,000	3,551,508	20	2,156,774	Nil	4,400,312

(a) After income tax. (b) After excess profits duty for year.
(c) After excess profits duty for 1915-16 and 1916-17.

We show above a contrast of the net profits reported by the British-American Tobacco Company for the last seven years, and it will be seen that after allowing for excess profits duty, which operated at 40% in the year to September 30, 1919, the net profit amounted to £3,776,508, or £636,000 more than in the preceding twelve months, during which the excess profits duty was reckoned at 80%. As giving some indication of the pre-War standard, it is well to note that the net profit for 1911-12 was £1,981,150, and for 1912-13 £2,151,836. After providing for the dividend on the 5% Cumulative Preference capital, the balance profit available for the past year comes out at £3,551,508, which is equal to 41¾% on the present Ordinary capital. The dividends paid to Ordinary shareholders aggregate 30% for the year; but they were partly distributed on the smaller amount of Ordinary capital outstanding prior to the issue in May last of one new share at par for every three shares then held. Including shares issued to directors at £2, the paid-up Ordinary capital of the Company was raised at that time from £6,254,320 to £8,501,911. It is important to bear in mind that the dividends on the Ordinary shares are paid free of tax, and that the profits are shown after deduction of income tax, which obviously must be of very large amount. Yet the balance profit undistributed in respect of the past financial year amounted to no less than £1,395,000, which sum is added to the carry-forward, increasing same to £4,400,312.

On turning to the balance sheet one cannot fail to be struck by the evidence of power and financial strength. At September 30, against a total paid-up share capital of £13,001,911, and total reserves and carry-forward of nearly £8,000,000, there figured trade loans and investments for nearly £15,000,000, stocks at a valuation of over £8,000,000, fixed assets of not quite £1,000,000, and goodwill valued at £500,000. Apart from these items, the quick assets fell short of the current liabilities by not quite £3,500,000, thus plainly indicating that the Company could with advantage employ even a larger amount of capital than is already at its disposal. Five years' growth of the undertaking is depicted in the following analysis of the balance-sheet figures at the end of the last two financial years and on September 30, 1914:—

Balance-Sheet Figures at September 30.

LIABILITIES.

	Capital Pref.	Capital Ord.	Reserves and Carry-forward
	£	£	£
1914	4,500,000	6,254,320	2,853,597
1918	4,500,000	6,254,320	6,322,339
1919	4,500,000	8,501,911	7,967,785

ASSETS.

	Fixed Assets	Goodwill, &c.	Stocks	Trade Loans and Investments	Surplus Liquid Assets
	£	£	£	£	£
1914 ...	916,322	879,064	3,493,349	9,579,442	1,760,260*
1918 ..	1,166,189	879,065	8,651,042	10,533,550	4,156,487*
1919 ..	935,801	505,115	8,197,493	14,759,225	3,427,938*

* Deficiency of cash and debtors as against current liabilities.

It will be seen from the above that the value of the fixed assets shows a decline of £230,000 and goodwill a contraction of £374,000. The explanation of these movements is that during the year the Company sold its Bristol factories to the Imperial Tobacco Company, and also certain properties and business it had in China to a subsidiary Company called the British-American Tobacco Company (China), Limited. As regards the advance of £4,200,000 in trade loans and investments, this is principally attributable to the alterations in the form of the interests held in China. The Company has now concentrated its factories in this country at Liverpool and Southampton; but, of course, its home business only forms a portion of the whole, it being interested through its subsidiary companies in world-wide trading. There is one point in particular in this connection which has to be noticed. During the War the Company sold its assets in Germany to the companies and officials connected with them, and under the arrangement the Deutsche Bank became the ultimate purchaser of interests for between 8,000,000 and 9,000,000 marks, the balance of about £1,000,000 being sold on a sterling basis. As against this German indebtedness the Company has a special reserve fund of £1,500,000, and an important question, which the future will answer, is to what extent this fund will be required for writing off losses on the German transaction either through default or loss on exchange. We have already referred to still more capital being required to finance the expanding business, the increasing cost of tobacco, higher wages, and heavier taxation. Last week the shareholders sanctioned an increase of the authorised capital to £20,000,000 by the creation of £5,500,000 additional Ordinary shares, out of which it is proposed to offer the Ordinary shareholders at par one new share for every two existing Ordinary shares held. In this way the Ordinary share capital will be raised to £12,752,866. There is, therefore, a substantial new issue bonus included in the price of 7¾*d.* at which the Ordinary shares now stand; and it may be remarked that if merely the rate of dividend for the past financial year were to continue to be earned (and in this connection one must remember that the excess profits duty may be withdrawn) the distribution on the enlarged capital could be 27¾%, free of income tax; but there seems good reason to anticipate that the employment of the additional capital will bring in additional income. The value of the rights is 3½ per share, so that the net price is 4½. Therefore, if the dividend on the new capital is 25% free of income tax, the yield afforded at present market price works out at about 5½%, subject to income tax.

MEETINGS
OF PUBLIC COMPANIES.

Lloyds Bank Limited.

SIR RICHARD V. VASSAR-SMITH'S REVIEW OF THE POSITION.

THE sixty-second ordinary general meeting of the shareholders of this Bank was held on February 3 at the Grand Hotel, Birmingham. Sir Richard V. Vassar-Smith, Bart. (Chairman of the Bank), presided.

In moving the adoption of the report the Chairman said :

The Balance Sheet.

"I will now ask your attention to the statement of liabilities and assets on December 31, 1919.

The current, deposit and other accounts amount to £324,711,755, an increase of £57,903,617 over the preceding year. The profit and loss balance, £1,266,680, is an increase of £68,389. Acceptances, endorsements and guarantees are £32,079,842, *i.e.*, £17,314,850 more than in 1918, due to a large extent to the high price of cotton. The paid-up capital is £466,488 more, caused by the issue during the year of 58,311 shares, £8 paid, for the purpose of the West Yorkshire Bank amalgamation and for additional shares in the National Bank of Scotland and the London and River Plate Bank. The reserve fund is £9,675,105, as against £9,000,000. The cash in hand and at the Bank of England is £57,587,215, being £3,819,510 more. The cash at call and short notice is £949,222 less. Bills of exchange are £16,848,333 less. War Loans and other British securities are £66,232,570, increased by £12,602,248. The other investments are £1,917,786, about half a million more.

During the year we have, as already stated, acquired further shares in the National Bank of Scotland and the London and River Plate Bank, so that both the amount and the value of our holdings are higher. There has been no further capital placed in our foreign bank. I may mention here that the title of that Bank has been altered from "Lloyds Bank (France) and National Provincial Bank (France), Limited," to "Lloyds and National Provincial Foreign Bank, Limited." It is shorter, and, as our business has extended outside the borders of France, more appropriate.

Advances to customers, &c., amount to £135,763,591, against £81,072,134 twelve months ago, being £54,691,457 more. This is due to the increased activity of trade and also to the high cost of materials and labour.

The premises are £157,083 more, caused by the amalgamation with the West Yorkshire Bank and by the opening of new branches.

Profit and Loss.

In the profit and loss account I think I need call your attention only to the amount allocated, £1,150,000, to a special contingency account for writing down the Bank's investments, and to a further provision of £50,000 for the widows' and orphans' fund.

The first portion of the report, dealing with the appropriation of the balance of the profit and loss account, I hope you will consider satisfactory. Mention is made of the amalgamation of the West Yorkshire Bank and the opening of new branches.

The Affiliated Banks.

The returns of the affiliated banks, the National Bank of Scotland and the London and River Plate Bank, have been very satisfactory, and out of their profits for the year large amounts have been set aside for increasing their paid-up capital and reserve; this Bank's position is improved thereby to the extent of £420,000 in all. In the case of the Scottish Bank the increase has actually been made, but, owing to an informality in calling their meetings, there has been a delay in doing this by the London and River Plate Bank, but it will take place within a short time. No alteration has been made in our book valuation of the shares of the two Banks, so really this amount may be considered a reserve.

At the time of its inauguration the South Russia Banking Agency announced its prospects of establishing a good business, in which we have a small share, and considerable transactions, chiefly of a barter character, took place, but recent disturbances have checked this, and it is difficult to foretell the future. We have also acquired shares in the Bank of British West Africa and the National Bank of New Zealand, thus obtaining banking facilities in the countries these Banks serve and also valuable connection on this side.

Capital Arrangements.

Resolutions will be submitted to you that an amount be taken from the reserve fund equivalent to £2 per share on each of the shares of the Bank of £50 each which were issued on January 20 last, making the total amount paid up thereon £10 per share, the whole of which will rank for all dividends and bonuses which may be paid in respect of any period subsequent to December 31, 1919; also that the capital of the Bank be increased from £60,000,000 to £72,500,000 by the creation of 2,500,000 new shares of £5 each. Afterwards an extraordinary resolution, dealing with the splitting of the £50 shares into ten shares of £5 each, will also be submitted.

If these resolutions are carried all the shares, old and new, will be of the denomination of £5 each with £1 paid. There will remain a liability of £4 upon each, but only 5*s.* can be called up in ordinary circumstances, as £3 15*s.* constitutes a reserve liability under the Bank's Articles of Association, and can only be called up in case of necessity on liquidation of the Bank, an event we do not propose to contemplate.

The board gave very careful consideration to the question whether the new shares should be fully-paid shares, and there are strong arguments for this course. In the end it was decided that it was better to have only one class of share, with equal liability. The directors think that the interests of the deposit and current account customers of the Bank demand the increased security of uncalled capital in addition to the paid-up capital and reserve.

The amount to be taken from reserve to make up the old shares to £10 paid will be £2,355,456. The amount to be added to the reserve from the premium of the new shares will be £2,649,888. The proportion of capital and reserve, including the new capital and premium, to the liabilities will be increased from 5.9 to 7.4%.

Mr. Howard Lloyd.

The directors, especially the older ones who had personal knowledge of his influence, ability and foresight in the formation and building up of this great Bank, are very grieved at the retirement of Mr. Howard Lloyd from the board. The loss of his judgment and experience is very great. I may also add that the members of the staff who served with Mr. Lloyd share in this regret, as they entertain for him feelings of great respect and affection.

Strength of the Bank.

As a concluding remark upon the report I think I may claim that the accounts presented to-day show a position of great strength. Our reserves are increased, and enlarged contingency funds are provided for writing down investments. The latter are practically additional reserves, as in years to come, when the War Loans mature and are repaid at par value, these funds should be available, and the £420,000 added to the value of our interest in the affiliated banks which has not been appropriated can also be so reckoned, besides decreasing the Bank's liability upon these shares and adding to our return in dividend.

The Auxiliary Bank.

The progress of our Auxiliary Bank on the Continent still continues very great. Additional premises are being provided in Paris, the staff there now numbering over 300. To meet the requirements of our customers in this connection in London, besides the City Office, commanding premises in the Haymarket for a West End Branch have been secured. During the year branches have been opened at Brussels, Antwerp, Cologne, and Zurich, with results exceeding our expectations, as shown by the fact that the staff at Brussels numbers 60, at Cologne 44, and at Antwerp 32. Our relations with our partners, the National Provincial and Union Bank, are of the most friendly character, and the combination has brought additional business and strength to the foreign bank.

After making a detailed report upon the business and trade conditions of the country during 1919 the Chairman said :

Present and Future Problems.

With all its difficulties—finance, labour, uncertainty—I think we may look back upon the past year without a feeling of discouragement. Our home trade has been good, our export trade is improving, and I trust that, now the economic aspect of our labour differences is being considered, it will, when better understood, tend firmly to establish

relations between capital and labour. The financial requirements of industry and trade have been met, and I believe will continue to be. The incidence of further taxation is troubling, but the reassuring speech of the Chancellor of the Exchequer in this City a short time ago, to the effect that the limit of our extraordinary expenditure has been reached, should to an extent allay this anxiety so far as our home conditions are concerned. If we take to heart the three great, and only, principles upon which our recovery can be assured—economy, industry, and increased production—I think we may look forward to the year we are now entering upon with great hope that it will be prosperous. But the state of affairs upon the Continent fills us with dismay. Unrest, with all its dangerous attributes, still continues. Famine exists in many countries. Raw material for the purpose of production is wanted in all. Owing to the lack of exports the depreciation of money increases. The savings of the past are being lost, and, unless remedies are promptly applied, it is feared that a gradual but persistent spreading of bankruptcy and anarchy must ensue.

Suggested Conference to Consider the Position.

With the view of consulting as to the possibility of suggesting ways to meet these alarming conditions, a memorial, signed, with others, by the Chairmen of the five big banks, has been presented to the Prime Minister. Similar, but in the case of America not identical, memorials have been presented to other Governments, to suggest a conference for the purpose of examining the situation, and of recommending, if considered necessary and advisable, to whom and by whom assistance should be given, and on what general conditions. It is to be hoped these memorials may have weight and something be done as soon as possible. There are some countries, however, on the borders of Russia, but still politically parts of Russia, from which exports of valuable and wanted products—timber, flax, tobacco, grain—could at once be made if only settled government and currency could prevail. Trade relations with these countries could now be set up.

The Staff.

You will be interested to hear that most of our men who are due back from the Army have now returned, only some 300 being still on service. The total number of the permanent staff who joined the Forces was 4,693, and those who stayed behind were practically all unsuitable for service, either on account of age or some physical disability. They had to carry on the work of this great Bank with the help of temporary clerks, men and women, and a number of boys, who, in turn, had to join up as soon as they were of military age, and your thanks are due to them for their devotion to the affairs of the Bank, which means also to the affairs of the nation, during a period of such great stress and difficulty. Of the men who went from us, nearly 650 gave their lives for their King and Country, for the cause of Right and Justice. We thought it due to them that the widows of all the married men who died should receive a special grant, in addition to the benefits of the provident and insurance fund, &c. In consequence of the continued rise in the cost of living the directors made one general increase in the salary scale of the staff in November 1918, and a second increase at the end of last year, besides the ordinary annual additions and the regular monthly bonus, which has been running for some time and will continue throughout this year. The word bonus is, I think, rather a misnomer; what we are paying is not an addition to the salary, but an allowance towards the expense of living in these abnormal times, and on that account the payment is much larger for married men than for single ones, unless the latter have pressing family responsibilities. Last year a special cash bonus was paid to the staff, one-half in September and the other half just before Christmas. We are now employing a large proportion of disabled ex-service men in the Bank, some of them, of course, members of the permanent staff who have been wounded or otherwise affected in their health. Our sympathy is largely with men up to 25 years of age or thereabouts who joined the Forces from school or college before having begun their life-work, and who have found themselves, on demobilisation, with no employment to which they could return. A good many such men have been engaged as temporary clerks during the last few years, and they, together with others from the temporary staff, will shortly be given an opportunity of joining the permanent staff. I am sure you will welcome all these arrangements on behalf of your staff, including the contribution of £50,000 from the year's profit to the widows' and orphans' fund to which I have already referred.

I now beg to move: "That the report just taken as read be received and adopted, and that, in accordance with the recommendation of the directors therein, a dividend for the half year ended December 31 last of 14*s.* 6*d.* per share, being at the rate of 18½% per annum on the paid up capital of the Company, be declared, together with a bonus of 3*s.* per share for the same period, such dividend and bonus to be payable on and after February 4, less income tax."

The Deputy-Chairman said:—

We are confronted with so many questions of world wide importance, touched upon by the Chairman in his speech, that it is difficult to determine which are of the greatest interest to us at this meeting, but I do not think I shall be wrong if, in seconding the resolution, I confine myself to those more immediately concerning our Bank.

I should like, therefore, to draw your attention to a short comparison between the position of the Bank as it exists to-day and as it was before the general upheaval of the last few years.

Comparison with Pre-war Position.

In the last published balance sheet before the War we had £91,948,000 of public money entrusted to our care. To-day we have nearly £326,000,000. Then the capital involved in our great enterprise was £4,209,000; now it is £9,420,000, while the reserve fund was £3,000,000 as compared with £9,675,000.

At the earlier date our operations were directly confined to England and Wales, and to a limited extent to France, through our Auxiliary, with its branches in Paris and Havre.

Now our direct interest in banking operations extends through Scotland in the North to five Continental countries, or six if we include the South Russia Banking Agency mentioned in the report, and to New Zealand in the extreme South; from Chili in the Far West to Africa, Egypt and India in the East. Through our different allied and auxiliary companies—that is to say, those in which we have either a controlling or partial interest—we are directly concerned in the banking operations of the five continents of Europe, America, Africa, Australasia and Asia, by our interests in the National Bank of Scotland, the London and River Plate Bank, Lloyds and National Provincial Foreign Bank, the British Italian Corporation, the Bank of British West Africa and National Bank of South Africa, the National Bank of New Zealand, and the Tata Industrial Bank. The combined deposits, including our own, amount to over 477 millions and the capital and reserve funds to over 33 millions.

That is a truly remarkable development, and if anyone is tempted to ask what is the good of it all—why were you not content to confine yourselves to your energies at home?—I would reply that England's trade and commerce is not confined to her own borders, and that, to give it that chance of full development which is more than ever essential at the present time owing to the financial ravages of the War, it must have those wide and economical banking facilities which we believe can best be given in this way. We do not pretend to direct and control banking operations in all these countries minutely—the different institutions with which we are allied have their own separate boards and expert staffs; but, by the closer relations which we have established between them and each other, we believe we can increase our business to our mutual advantage, and render more effective and economical the information and assistance we can give to those who bank with us.

But, quite apart from these developments further afield, I would like to draw your attention to the changes in the figures of our own Bank at home.

The great increase in our deposit figures I have already mentioned, and I would ask you to glance at some other changes. Our proportion of capital and reserve to our deposits was, in 1913, 7.8%, as against our present figure of 5.9%. In 1913, 17.7% of our deposits was held in cash; now it is in precisely the same proportion. Investments accounted for 11.3%; now the proportion has risen, through our holdings in Government War Stocks, to 20.9%; whereas, on the other hand, our proportion of loans and discounts has decreased from 67.3% to 59.2%.

It is necessary, however, to state here that the probabilities are that all bank deposits will decrease in the future with the diminution of Government borrowing and manufacture of credit, while there are evident signs that the demands for accommodation will increase, and that our proportion of loans will tend to return to or surpass our pre-War figure.

It is wise also, in estimating the symmetry of our figures at the present time, to range our investments to a certain extent rather in the category of loans than in that of our more liquid assets.

With these facts and tendencies before us, a special committee was appointed to inquire into the advisability of some capital rearrangement, and, after careful deliberation, made two main recommendations, that £2,355,136 of the reserve fund should be capitalised, and that 2,355,456 new shares of £5 should be issued at the price of £2 2*s.* 6*d.* per share, £1 per share to be in respect of capital paid up, and the balance of £1 2*s.* 6*d.* to be by way of premium. The result of this will be to increase our capital and reserve fund to £24,130,000; the proportion of which to our present deposits will then be 7.4%, very nearly the same as our pre-War ratio.

The Chairman has told you that we carefully considered the suggestion of making a new issue of fully paid shares. From the shareholders' point of view there is much to be said in favour of fully paid shares, and I dare say the question of the uncalled liability on capital does not in these days enter very largely into the calculations of bank creditors. At the same time we felt that there was an undoubted value and added strength attaching to it, and as we believe that the

first and great commandment of a banker is to look after the depositors first, we determined to retain the uncalled liability on the new issue of shares which we propose to make.

Uncalled Share Liability a Real Line of Defence.

It has sometimes been the fashion to say on the one hand that English banks are so strong that the uncalled liability on the shares can be disregarded, and, on the other, that if a call were ever made, which is in the highest degree improbable, the shareholders would have difficulty in meeting it. Whatever may be said on the first point, and I quite agree that from a shareholder's point of view the uncalled liability need not alarm him, I cannot agree on the second. There is a very real additional strength to the Bank depositor in the uncalled liability on its shares. This is emphasised in the case of our own Bank by the fact that the average holding of our shares is only about 25. Does not the net beneath an acrobat add to his safety, and, however confident he may be in his position, can it be said that, although he has never fallen, and in all human probability is never likely to fall, it does not increase his security? At any rate, we came to the conclusion that in the interests of the depositors this additional source of confidence should remain.

I do not think there is any inconsistency between this decision and our action in proposing that a proportion of the present reserve fund should be capitalised in order to reduce the uncalled liability to the extent of £2 per share. It is true that, whether the amount involved remained in reserve or formed part of the Bank's capital, it was equally a security to the depositor; but to capitalise it is to stereotype it for all time in that capacity, and to prevent it from being used for any other purpose.

We have not, however, been unmindful of the interests of the shareholders. By our proposals we hope to make our shares less cumbersome and more marketable. We have added to the paid-up value of your shares, while reducing your liability, and by the terms of the new issue we are giving you a distinct monetary advantage.

I cannot conclude without emphasising what the Chairman has already said about the staff and our obligations to them. The bonuses and other grants which we have passed show that our words of appreciation are not merely formal phrases, and that our gratitude for their services has taken a practical and, I believe, welcome form.

I have much pleasure in seconding the resolution.

The resolution was carried unanimously.

The retiring directors, Mr. J. Beaumont Pease, Mr. Henry Bell, Major J. W. Garton, Sir Henry H. A. Hoare, Bart., Mr. J. Arthur Kenrick, and Mr. G. D. Whatman, were re-elected, and Messrs. Price, Waterhouse and Company were reappointed auditors for the year 1920.

The following formal resolutions with regard to the Bank's capital and reserve fund were then submitted and passed :—

(1) That, pursuant to Article 124 of the Articles of Association, this general meeting of the shareholders of Lloyds Bank Limited, on the recommendation of the board, directs that, out of the moneys now standing to the credit of the reserve fund, a sum equivalent to £2 per share on each of the shares of the Bank of £50 each issued as at January 20, 1920, be capitalised by crediting £2 per share in part payment of the amount unpaid on each such share, making the total amount paid up thereon £10 per share, the whole of which will rank for all dividends and bonuses which may be paid in respect of any period subsequent to December 31, 1919

(2) That the capital of the Bank be increased from £60,000,000 to £72,500,000 by the creation of 2,500,000 new shares of £5 each.

(3) That the directors of the Bank be authorised to issue 2,355,456 new shares of £5 each (such shares to be provisionally allotted with right of renunciation) to those shareholders who were registered as holders of shares on January 20, 1920, at the rate of two new shares of £5 each for each share of £50 then held by them, upon payment of the sum of £2 2*s*. 6*d*. per share, of which £1 is to be a payment in respect of capital and £1 2*s*. 6*d*. a payment by way of premium. And that any of such new shares of which the provisional allotment may not have been accepted in the prescribed manner on or before March 10, 1920, by shareholders or by the persons in whose favour they may have renounced such allotment, shall be at the disposal of the directors, to be allotted and issued to such persons or companies and upon such terms and conditions as the directors may determine.

(4) That the said new shares shall rank *pari passu* in all respects with the issued share capital of the Bank, and shall entitled the holders to rank in respect of the £1 paid up on account of capital for all dividends and bonuses which may be paid in respect of any period subsequent to December 31, 1919.

(5) That each unissued share of £50 each be, and the same is hereby, subdivided into ten shares of £5 each, and that each issued share of £50, which will have £10 paid up thereon when the additional £2 per share has been credited as provided in Resolution No. 1, be, and the same is hereby, subdivided into ten shares of £5 each with £1 per share paid up and a liability of £4 per share, of which £3 15*s*. is constituted a reserve liability under the Bank's Articles of Association.

Resolution No. 5 will be submitted for confirmation at an extraordinary general meeting which will be held at 71 Lombard Street, E.C.3, on Friday, the 20th inst.

A vote of thanks to the Chairman for presiding, and to the directors for their services during the past year, was carried unanimously.

The Chairman, in acknowledging the resolution, asked that a vote of thanks to the General Managers and staff might be passed.

This was cordially agreed to, and the proceedings then terminated.

THE NATIONAL PROVINCIAL AND UNION BANK OF ENGLAND, LIMITED.

THE annual general meeting of the National Provincial and Union Bank of England, Limited, was held at Cannon Street Hotel, London, E.C., on February 5, Mr. W. H. N. Goschen presiding.

Mr. Ernest W. Blackler (Joint Secretary) having read the notice convening the meeting and the report of the auditors,

The Chairman said : Is it your pleasure to take the balance sheet and report, which have been in your hands for some time as read? (Agreed.) Well, ladies and gentlemen, I think it would be your wish, before I touch on the regular business of the Bank, that I should give you now, at our first meeting since the signing of the Peace Treaty with Germany and its final ratification a short time ago, a final account of the services the members of the staff of the Bank have rendered to their country during the Great War.

We told you at our last general meeting that 2,755 of our men joined His Majesty's Services. Of these, 1,950 have now been demobilised and have returned to the service of the Bank, 100 are still serving in the forces, while 276 have sought other spheres of work more congenial to them. I regret to say that no fewer than 429 will not return home, having made the supreme sacrifice, and in order to commemorate not only their memory, but also the example they set to their fellow-countrymen, we have decided to erect in the head office a memorial, the plans of which have already been prepared by Mr. Paul Waterhouse, showing the names of all those who fell in the service of their country. (Hear, hear.) Smaller memorials in the shape of brass tablets will be erected at the branches throughout the country, so that there should be in the Bank an enduring history of the services that the members of this institution rendered the country in its time of need.

The year that has passed has been a difficult one for the business community. The transit from war to peace has not been easy, and, as one of our leading statesmen has said, "We have overcome the dangers of war; we have still to overcome the dangers of peace." Notwithstanding, however, the difficulties of the general situation, if you will turn to the balance sheet in your hands, you will, I think, agree with me that the progress we show and the results we have achieved are not unsatisfactory.

Conservative Allocation of Profits.

The dividend we have thought right to declare is 16%, the same as last year, but the difference in the sums which have been allocated to contingencies, the pension fund, and to the carry-forward, is very considerable. You will, I am sure, appreciate the policy of caution which has influenced us in making these appropriations, and that it is justified not only by the experience of the past, but by the anxiety which must be always present with us still, owing to the unsettled state of the whole world.

While I am dealing with the results of the year as a whole, I should like to draw your attention to a part of one of the paragraphs in the report in which we announce the election of Mr. Eley to the board of directors. As you are aware, Mr. Eley has been acting as our Senior General Manager for some considerable time, and I venture to think that much of the progress which the Bank has made and the results which we have obtained are due to his ability and unfailing energy, and it was as a mark of their appreciation of his efforts on the Bank's behalf that the directors invited him to join the board. I am sure that our action can only receive the heartiest commendation, and that later on to-day you will confirm his re-election with acclamation. (Hear, hear.)

You will, on the other hand, share the regret of the directors in the announcement we have to make in another paragraph of the retirement of our old friends, Mr. Cunnick and Mr. Hart, from the general managership of the Bank. Mr. Cunnick's health had been severely tried by the anxious strain of the War, and the hopes we had entertained that a prolonged rest would again enable him to undertake the strenuous duties of general management under present-day conditions unfortunately were not fulfilled. Therefore, the directors had no alternative but reluctantly to accept his resignation; while Mr. Hart, after many years of arduous service, had for some time been entitled to retire from active work, but he felt he could not desert the Bank while the War was still in progress.

We, and their wide circle of friends at home and abroad,

will miss them both, and they will carry with them our best wishes for health and contentment to enjoy that leisure time to which their long and exacting work has so fully entitled them. (Hear, hear.)

The Balance Sheet.

Turning to the balance sheet itself, you will notice that our capital has now been increased from £5,476,884 to £7,806,864. This increase is occasioned partly by the issue of the new shares to our shareholders, and partly by the amalgamation of the Sheffield Banking Company with this Bank. The reserve fund has been further increased from £4,850,000, the figure at which it stood in the last balance sheet, to £7,239,041, an amount very nearly equal to the paid-up capital.

Our current, deposit, and other accounts amount to £251,751,125, against £200,864,639, an increase of over £50,000,000.

Acceptances and endorsements of foreign bills appear on both sides of the balance sheet and really call for no comment.

Cash on hand and money at call or short notice amount to £46,000,000, about the same as last year.

Investments stand at roughly £53,500,000, as compared with about £44,500,000 in last year's balance sheet. The increase, as you will see from the figures before you, is accounted for by an addition of £9,000,000 to the large amount of Government securities we hold, and show that this Bank has taken its part in supporting the Government loans issued during the past year. Although it is stated, as in previous years, that they are taken at cost price, I need hardly assure you that we have ample funds at our disposal to meet any depreciation that has taken place. (Applause.)

The increase in bills discounted and advances, taking all these accounts together, amounts to no less than £46,000,000.

The item of £2,900,000 for Bank premises shows an addition to the figures of last year of a little over £300,000, and includes the cost of valuable purchases throughout the country as well as that of the premises transferred to us by the Sheffield Banking Company.

While, ladies and gentlemen, we can congratulate ourselves on the satisfactory balance sheet and progress which the accounts exhibit, we have to remember the heavy increases in the standing charges which we, in common with all other trading concerns, have to bear, and in dealing with profits we have had to keep before us the necessity for maintaining a strong position in view of all possible future contingencies.

Fusions Completed and Pending.

We are glad to be able to report that the result of the amalgamation with the Bradford District Bank and the establishment of our branch at West Smithfield in the premises of Messrs. W. J. Biggerstaff and Co., which we were fortunately able to secure, having fully justified our expectations, and although the fusion of the Sheffield Banking Company's business with this Bank has only lately been completed, we feel confident that his new acquisition, by strengthening our position in the North of England and by the valuable business connections which it brings us, will be equally successful.

It has been a pleasure to us to welcome their Chairman, Sir Samuel Roberts, Bart., M.P., as a member of this board, and we shall ask you later on to re-elect him as a director. It is a further source of satisfaction to us that we have been able to retain the services of Mr. E. G. Wragg, their manager, as district general manager of the Sheffield Bank branches. One of the most important features, however, in the history of the Bank this year is the provisional arrangement at which we have been able to arrive with the famous house of Messrs. Coutts and Company. (Applause.) Their banking records date back as far as 1692, and their name and reputation are world-wide. As, however, the matter is still under the consideration of the Treasury, it would not be right for me to go into any details of the arrangements beyond those which have already appeared in the Press, but it is our intention that their business should be carried on unimpaired and unaltered in the same form as has existed for so many years, and we hope in due course to welcome here representative partners of that firm as directors of this Bank.

I have referred to the comparatively moderate increase in the amount appearing in our balance sheet on account of premises. Like many of our neighbours in the City, we have outgrown our accommodation, and have had to extend our Head Office premises, where rebuilding is now in progress. We have also been fortunate enough to secure the premises of the Marine Insurance Company at 20-21 Old Broad Street, which will not only prove a very valuable addition to the space at our disposal, but will in due course provide us with a useful frontage in that busy street. It is only absolute necessity which has forced us to incur heavy expense in this direction at a time when the cost of building and prices generally are so much against us.

I should like to say one word with regard to our investment in what is known as our French Auxiliary, *viz.*, Lloyds and National Provincial Foreign Bank, Limited, which stands in our balance sheet at £240,000. I have reason to think that this institution has proved of considerable value to many of our customers, and I am glad to be able to tell you that the business of the auxiliary has increased by leaps and bounds, and that the results which that Bank has obtained have more than justified our expectations of its usefulness.

As you will see by the report, we, in conjunction with some of the other principal banks in London, have taken part in the formation of a banking agency in South Russia to the small extent of £10,000. Urgent representations were made that there were no facilities for financing British trade in that part of the world, and, in consequence of this, we felt that it was obligatory on us to assist in providing for such an important need. So far there have been practically no opportunities for business, but the institution is in a position to carry out the functions for which it was formed as soon as circumstances permit.

Speaking generally, rates for money have shown a rising tendency during the year, although the bank rate remained unaltered from January to November, and it was not until the beginning of October that the Treasury bill rate was raised from 3½% to 4½%, rising to the present rate of 5½% on November 8.

One of the somewhat interesting features of banking finance during the year has been the issue of fully paid shares by various of our neighbours. The uncalled liability attaching to bank shares has, in the past, always been looked upon as a security for the depositors; but, on the other hand, this tended to restrict the number of investors in such shares, and I think there is no doubt that there is room now for both types of shares. (Hear, hear.)

Proposed Increase of Authorised Capital.

You will observe in our report that we are asking the shareholders to pass a resolution to sanction an increase in the authorised capital of the Bank by a further £9,000,000 in £5 shares, which will be fully paid. The object of this increase is to place at our disposal the means of dealing with any new propositions that may from time to time be presented to us, and includes provision for the settlement with Messrs. Coutts and Company. Should it be considered advantageous or desirable to make an issue to provide further cash capital for the Bank, shares will no doubt be offered to the shareholders, as in the past, on a *pro rata* basis. (Hear, hear.)

The advances called for by the present high prices and the delay in delivery of raw materials, coupled with heavy manufacturing costs generally, have left their mark on our accounts in the increase of £47,000,000 in our loans and discounts, a convincing proof that this Bank has borne no small share in promoting and assisting trade throughout the country.

The state of the foreign exchanges has given rise to considerable anxiety, and fluctuations have been frequent and of a violent nature. Under these circumstances you will be glad to hear that our loans against foreign currencies have been almost negligible.

I think I have dealt with our business as regards the past, and as regards the future, it would be a rash man who would prophesy what this may bring forth. Although the ratification of the Peace Treaty with Germany has already taken place, we must not forget that the clouds of war still hang heavily over a large part of Europe; indeed, in a large area fighting is still in progress. Manufacture in the greater part of the Continent is almost at a standstill, owing to the impossibility of securing raw material, and the disorganisation of government and the exchanges, as well as the difficulty of transport, resulting from a long and arduous struggle, delay and hamper the resumption of international trade.

In this country, too, the natural spirit of restlessness, engendered by, and consequent upon, the strain of five years of war, has not yet died down, although, happily, there seem to be signs of a return to more normal conditions.

Financial "Short Cuts" Deprecated.

Our currency and the foreign exchanges present the most difficult problems, and various ideas and plans, devised, perhaps, in the hope of finding short-cuts to soundness and prosperity, have been put forward for dealing with both these questions. I am afraid I have some distrust of short cuts. We know how often they lead us into difficulties, and I cannot help thinking that we should do better to stick to the "high road" of economy and work, which, although arduous and unpleasant, must eventually lead to strength and prosperity. (Applause.)

But, ladies and gentlemen, the Chancellor of the Exchequer has told us that we have reached the point when, he expects, it will not be necessary for him to borrow any fresh money for current needs. If this expectation is fulfilled and we may have every confidence that the Chancellor will be firm in a matter of such essential importance, the ground will be cleared for dealing with the questions of a depreciated currency, high prices, and adverse exchanges.

These latter conditions are the direct consequences of the loss and expenditure during a war of unparalleled magni-

tude, in which this country bore the burden, not only of its own forces by sea and land and air, but also in great measure of allied armies in addition.

It now remains for us to put our house in order, to reduce national expenditure to an amount commensurate with our limited resources—(hear, hear)—to avoid heroic measures of excessive taxation, which hamper development, to give free play to individual enterprise, and to set to work, whatever our class or calling, to the utmost of our capacity. (Hear, hear.)

Then, if we are called on to hold out a hand of assistance to nations less favourably situated we can require them to enforce similar economies and prove themselves efficient in production; by no other course can we discharge our obligations or can they regain a position in the commerce of the world. (Hear, hear.)

One cannot view with complete confidence, however, the enormous and rapid expansion that is taking place in some branches of the trade in this country, which seem inclined to depend more and more on credit derived from the banks. It is well, I think, that we should sound a word of warning that even the banks' resources are not inexhaustible, and that although the policy of this Bank will be in the future, as it has been in the past, to afford every possible assistance to its customers and to the trade of the country, our first care, both in their interest and in the interest of the shareholders of the Bank, must be to maintain such a strong position that we can face any possible crisis with equanimity. (Applause.)

If we are again to see real prosperity in this country it is almost inevitable that it must be preceded by a fall in the present high prices of all commodities, and it is only natural to suppose that businesses which are built up on the basis of inflated prices will suffer severely in the process.

I do not wish to convey to you that I take any gloomy view of the future, for I believe that by foresight and enterprise, which have always been characteristic of the British nation, we shall in time reach the measure of our previous prosperity. My own idea is that if the trade of the country is left to itself it will, in a few years' time, make up the losses we have suffered, and we shall again reach the same prosperous position we held before the War. (Hear, hear.)

A Voice from the Past.

It is interesting to see how history repeats itself. More than half a century ago the same views which find wide acceptance at the present day were well expressed by Lord Macaulay. Referring to Mr. Southey's suggestions for Government control of and assistance to trade, he writes: "It is not by the intermeddling of the omniscient and omnipotent state, but by the prudence and energy of the people that England has hitherto been carried forward in civilisation; and it is to the same prudence and the same energy that we now look with comfort and good hope. Our rulers will best promote the improvement of the nation by strictly confining themselves to their own legitimate duties, by leaving capital to find its most lucrative course, commodities their fair price, industry and intelligence their natural reward, idleness and folly their natural punishment, by maintaining peace, by defending property, by diminishing the price of law, and by observing strict economy in every department of the State. Let the Government do this: the people will assuredly do the rest." (Hear, hear.)

We have seen how amply this forecast has been justified. I believe, ladies and gentlemen, that the same qualities of prudence and energy still animate the people of this country and that by the whole-hearted co-operation of each one of us in our respective sphere of work we can again place this country and the Empire in the proud position of commercial supremacy they so long occupied.

I now beg to move that the report be received and adopted. (Applause.)

Mr. M. O. FitzGerald seconded the resolution.

Some Shareholders' Views.

Mr. Deputy Millar Wilkinson said he would like to offer his congratulations to the Chairman on his excellent and, he might say, optimistic speech, as well as on the satisfactory report which the directors had presented. Everything seemed to have increased—even the expenses, but he was sure that the shareholders would not grudge the increase in the latter item, as it indicated the benefit which the staff had received in the way of enhanced salaries. He was very pleased to hear the Chairman's remarks respecting the provisional arrangement made with the splendid firm of Messrs. Coutts and Co. He had no doubt that the Treasury would very shortly give their consent to it. With reference to the £10,000 to which the Chairman had referred, representing this Company's share in the formation of a banking agency in South Russia, he desired to know whether there was any further liability attaching to it. He had been very glad to hear that he would have the opportunity of acquiring a few more shares in the Bank. As he said at the meeting last year, he would be very glad to see an amalgamation of the two classes of the Bank's shares. It seemed to him somewhat extraordinary, with all the ability of the directors, that they could not formulate some plan to amalgamate them.

Mr. John Hedges said he thought that as shareholders they were perfectly satisfied with the way in which the Bank was being managed. There was one particular point in the Chairman's speech which he thought ought to be emphasised, and that was the necessity for economy. The country greatly depended upon the Government at the present time cutting down expenses and making their receipts sufficient to pay our liabilities. He thought that the Government was greatly to be blamed, in a peaceful country like this, for not keeping its expenses within reasonable bounds, especially in view of the fact that banks and insurance companies were called upon to contribute a very large share of any loans placed on the market by the Government.

Mr. F. W. Tanner observed that the progressive policy adopted by the Bank must give considerable satisfaction to all the proprietors, but there was a mild feeling of dissatisfaction that the directors had not thought it wise to restore the dividend to the pre-War level. Either the policy of the Bank in that respect was ultra-conservative, or the Bank—which he refused to believe—was less efficiently managed than the other great banks. Out of the five, three had increased their dividends during the War, and another had paid the same dividend all through that period. He thought that the position of the Bank fully justified the restoration of the dividend to the pre-War level of 18%.

Mr. Wood suggested that the Bank might increase its branches on the south side of the River Thames, and he also thought that in a great city like London banks ought not to close as early as three o'clock in the afternoon and 12 o'clock on Saturday.

Mr. W. Henning said that he had attended the meeting for the express purpose of drawing attention to the scarcity of bank premises in the West End. He was living at Kingston, where there was no branch of the Bank, nor was there one at Richmond.

Captain Coulter desired to emphasise the point raised by Mr. Tanner with regard to the necessity, if it was at all feasible, of increasing the dividend to the pre-War rate. He maintained that the present rate of dividend adversely affected the market price of the shares. The proprietors were very pleased to congratulate the directors on the great success of the Bank, but it would be a great advantage to them if the board could see their way to pay at least the same dividend as was paid in pre-War days.

The Chairman Replies.

The Chairman, in reply, thanked Mr. Deputy Millar Wilkinson for his kind expressions with regard to the Bank. He was glad to be able to assure that gentleman that there was no further liability with reference to the £10,000 invested in the banking agency in South Russia. With regard to the amalgamation of the shares, the directors had thought the matter over on many occasions, but it was almost impossible, without an Act of Parliament, and without attaching to the title of the Bank "Limited and Reduced," to effect the amalgamation. The difficulty in the fact that both shares had a different liability was almost insuperable. With regard to the suggestion that more branches should be opened, he could only say that it was most welcome, and that the board would do whatever was possible in that direction. It must, however, be remembered that during the War there had been great difficulty in finding a sufficient staff to keep going the branches they already possessed. At the same time the suggestion would receive every attention. The question of shorter banking hours really did not depend on their institution alone, but on all the banks in London, and it was further to be remembered that their staff was fully employed, although the Bank was closed to the outside public. The staff were still working at very high pressure through the difficulty of obtaining trained men. He was afraid that at the moment it would be impossible to keep the Bank open to the public longer than at present. With regard to the dividend, as far as the board were concerned, they would all welcome an increase, but he hardly thought that the present moment, when they had so many difficulties in front of them, when so much uncertainty prevailed, and they did not know how much further depreciation might take place in their securities, was the time to increase the dividend. (Hear, hear.) As soon, however, as they found themselves in a position to do so safely, he felt sure that nothing would give them greater pleasure. If there was anything in the two crimes which he did not say were imputed to the directors, but suggested, he thought they would have to plead guilty to the one of ultra-caution, which he was sure would be appreciated by most of the shareholders of the Bank.

The resolution for the adoption of the report was then put to the meeting and carried unanimously.

Sir Felix O. Schuster, Bart., proposed the re-election as directors of Charles Cave Cave, Esq., John Alan Clutton-Brock, Esq., Maurice Otho FitzGerald, Esq., and William Henry Neville Goschen, Esq.

Mr. Francis C. Le Marchant seconded the resolution, and it was carried unanimously.

The Chairman then moved: "That Brigadier-General the Hon. Everard Baring, C.V.O., who was elected to fill a casual vacancy caused by the retirement of Charles Henry Wollaston, Esq., Frederick Eley, Esq., and Sir Samuel Roberts, Bart., M.P., both of whom were elected additional directors, be re-elected directors of the Bank."

Mr. C. G. Hamilton seconded the resolution, and it was unanimously agreed to.

On the motion of Mr. J. B. Braithwaite, Sir William Barclay Peat and Mr. N. E. Waterhouse were reappointed auditors.

Mr. F. A. Johnston proposed: "That the directors be authorised to increase the capital of the Bank to £60,000,000 by the creation from time to time of 1,800,000 shares of £5 each."

Mr. C. F. Campbell seconded the resolution, and it was carried unanimously.

Mr. Deputy Millar Wilkinson, in proposing a vote of thanks to the Chairman, directors, and the management, remarked that they had all worked splendidly and well, and he moved the resolution with great pleasure.

The resolution was carried unanimously.

Mr. Frederick Eley (director and General Manager), in returning thanks, referred to the late Sir Edward Holden as an example to all employed in banks, and said there never were such opportunities in the history of banking for those entering banks fresh from school, as he did, to rise to the highest positions, as in the present day. Since he became a bank clerk 30 years ago the conditions and the salaries paid had very much improved, though, of course, the cost of living was very much higher, and there never had been such opportunities for a bank clerk who had grit and ability, and who went straight, to rise to a high position. He wished to thank the shareholders, on behalf of the whole of the staff, for the vote of thanks. They had a wonderful staff of men and women, who had served them splendidly and worked very hard during the War. One shareholder had touched on the question of hours, and he would like to remind him that when the banks closed at three o'clock they did not go home, but were working till half-past six to seven o'clock or later. Saturday was the one opportunity they had for participating in sports, and he thought he was right in saying that it was just as easy for customers to get to the bank a few minutes before twelve o'clock on Saturdays as it would be for them to get there a few minutes before one o'clock. Personally, he hoped they would not go back to the former longer hours. Speaking candidly, he did not think there was much inconvenience to the public. Another point which had been touched upon was with reference to increased dividends. The Chairman had told them that their standing charges had gone up. They had gone up enormously, and he was glad to echo what another shareholder had remarked, that he was pleased that it had largely gone in salaries. If shareholders were to see the real figures they would be staggered. This Bank had always been very fair in its treatment of its employees, and the present board of directors had always thought first and foremost of the staff. That was why they had such good men, but with such largely increased establishment charges they could not pay away the money in dividends as well. What with the depreciation of securities—the investments in Government securities were over £50,000,000—and the staff and establishment charges, there did not at present seem to be any immediate prospect of increasing the dividend. Another point raised had been with regard to increasing the branches. If they looked at the list of new branches set out in the report it would be seen that good progress had been made. It was wonderful, with the depleted staff, that they had been able to do it. There was a further list of branches to be opened, and, with regard to the places mentioned as wanting branches, if shareholders could find them suitable premises they would be pleased to open them at an early date. (Applause.)

A vote of thanks to the Chairman terminated the proceedings.

LONDON COUNTY WESTMINSTER AND PARR'S BANK.

THE annual ordinary general meeting of the shareholders of the above Bank was held at the head office, 41 Lothbury, London, E.C., on February 6. Mr. Walter Leaf (the Chairman) presided.

The Chairman, at the outset, analysed the leading figures of the balance sheet. They were, he said, truly remarkable figures. Their deposits had grown during the year by no less than 42 millions, of which about six were due to the absorption of the Nottingham and Notts Bank. In so far as the figures were only a reflection of an inflated currency, these large figures were by no means a ground for satisfaction; and they would be entitled to congratulate themselves when a falling off in circulation began to reduce them to a more modest total. They had carried out the increase of capital proposed a year ago, and had raised the reserve to £3,750,000. To do this they had transferred from profits £165,720. The rest of the increase came from the premium on shares issued. There was a large increase under the head of Advances to Customers and Acceptances. This was the measure of the assistance the bank was giving to the remarkable increase of British commerce and industry which was developing, as they had always hoped, when the long-delayed return of peace [illegible] motive [illegible] strengthening [illegible] and progression [illegible] coming upon the bank in full force, and at the present rate promised soon to tax all our resources to the full. He [illegible] comment on other leading items in the balance sheet—their Investments and the Premises Account. The Ulster Bank had continued to make satisfactory progress; he gave details of the Bank War Memorial Scheme, and as to the Staff, they had received during 1919 no less than £400,000 in excess of what the Bank paid them in 1918, in addition to the bonus in shares given them in the course of the year. Further, they had just adopted a fresh scale of salaries, with a bonus for the current year designed to meet the needs of the staff on a liberal scale.

The Cotton Shortage.

He could not refrain from alluding to the sudden and very serious increase in the cost of cotton, which was likely to hamper, in the very near future, the growth of our greatest textile industry. This increase was quite independent of any question of exchange; it was due to an alarming shortage of the raw material. The American crop had been materially curtailed by the ravages of an insect pest, which was, unfortunately, spreading till it threatened the complete destruction of the Sea Island cotton. At the same time, the United States were competing with us for the limited crop of Egyptian cotton, which was of the utmost importance to Lancashire, with the result that the price had been forced up from about 29*d.* at the beginning of October to no less than over 76*d.* to-day. The prospect was undoubtedly serious, and it was to be hoped that speedy effect would be given to the efforts which were being made to extend the growth of cotton within the Empire. Their Bank had, through its branch at Liverpool, so large and direct an interest in the cotton trade that he ventured to call special attention to this grave question.

National Finance and Individual Extravagance.

Referring to our imports and exports, he quoted certain items from the Board of Trade Returns—especially articles of luxury and foreign wines and spirits. Here it was that we should look for an earnest effort of self-denial if we were honestly determined to hold up our heads before the world and face our creditors with a clear conscience. Had we done our best to reduce our importations of articles of mere luxury? Referring to the heading of foreign wines and spirits, especially foreign brandy, rum, port, and champagne, he said it was to his mind a scandal that, when everyone should be earnestly doing his best to put the national balance sheet straight, we should during 1919 have imported no less than £26,695,000 of foreign wines and spirits. Of this, importations from Portugal—that was, port wine—amounted to over eight and a half millions, and champagne alone to £3,861,000. It was an increase over 1918 of sixteen and a half millions—all a dead loss, a hindrance and a discouragement to those who were striving earnestly to set our national finances on a solvent basis. This was only a part of the whole system of wanton extravagance which was only too obvious. Remember that these things are not done in a corner. They are discussed in the United States, as he found on his recent visit to America. We are at present in the position of having to ask America, in one form or another, for extended credits due to our excess of imports. It would not be an over-estimate to say that of the gap of 150 millions or so, which last year represented our addition to foreign indebtedness, at least one-third, perhaps a half, might have been saved if we had been content to live in comfort and eschew mere vulgar ostentation.

Great Britain and United States.

Proceeding, he said that he had had an opportunity of discussion with many of the leading men in political thought

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as well as in finance, alike in New York, Washington, Boston, and Chicago. Everywhere he was impressed with the feeling of real friendliness towards this country, a feeling which attained a really astonishing climax in the reception of the Prince of Wales in New York. When it came to a question of credits the American attitude was distinctly critical and suspicious of our expenditure on luxury all the more because they had imposed on themselves the severe restrictions of the Prohibition law. This was continually brought up against him, and he found it difficult to reply. There was also an idea, which he disclaimed without hesitation, that the fall in the American exchange was favourably regarded here as an incentive to our export trade. But, generally speaking, the attitude taken was that which had been so forcibly summed up by Mr. Hoover, that the remedies for our own troubles were in our own hands, in our own resolution to work and save: and that it was neither prudent nor consistent with our dignity as a great nation that we should come to the United States with petitions for great loans to help us through. With that view he was entirely in agreement; and he could not help expressing his regret that well-meaning, but, he was afraid, mistaken appeals should have been recently made for amounts which could only defeat co-operation by their very magnitude. That was not the policy either of English financiers or of the British Government. So long as we take the bold stand that we mean to pay our debts, and were well able to do so; and that we were anxious to co-operate with the United States in the great task of the restoration of Europe, for States in the great task of the restoration of Europe, he for one had no fear either of the loss of our commercial and financial place in the sun, nor of any serious discord between the two great Anglo-Saxon nations on whose friendship such vast issues depend.

The Currency Question.

He went on to say that the question of the depreciation of our currency, with its direct effect in the rise of prices, was a matter which came home to all of us every day, and was at the bottom of a great part of the universal sense of unrest. He was no believer in proposals for artificial restrictions of the currency. To say that the total issue of Treasury notes should not exceed an arbitrary amount seemed to him useless; it came to the same thing, since the amount of gold in the country was a fixed sum at any time, to say that the currency could only be issued against a fixed percentage of gold. So long as the Government was freely issuing claims for currency, it must supply the currency to meet them; to fix an upper limit would in time merely bring us to a point when the banks would find themselves unable to meet their customers' demands for notes, and we should have to choose between bankruptcy or a removal of the restriction. It would be like trying to cure a fever by plugging your clinical thermometer at "normal," and the only result would be that you would burst your thermometer. The only remedy was to attack the fever, to stop the issue of claims to currency in the form of Government expenditure and Government credits. The currency returns were an infallible clinical thermometer to measure the fever from which the body politic was suffering. Happily, we saw our temperature had fallen just a little during the last five weeks; we might hope that we had reached the turning-point. But we were yet a long way from the normal. Just where that would be we could only find out by experience; we do not yet know how many £1 notes would circulate when we had reached stability, but there would be no difficulty in saying when we had reached that point; we should have reached it when a "Bradbury" exchanges freely for a sovereign, and a sovereign for $8.866, so that London was once more a free market for gold. And that end could be gained only by steady and determined self-denial; it was definitely postponed and made harder of attainment by waste and luxury, private as well as public. That was the direction in which we could each best set ourselves to help our country now.

International Position.

Finally, he alluded to the International position, observing that it was necessary to take a wide and humane view, a generous outlook which took cognisance of more than the passions of the moment. We must learn to put aside all thoughts of mere destruction, and to recognise that the attempt to annihilate Germany by preposterous demands for reparation would hurt ourselves far more than it will hurt Germany, and would mean not only economic but social suicide for England. Nor must there be any boycott of German trade. The blackness of the cloud which hung over the Continent was alarming to us all, and was a gloomy background to all the hopes which we could base upon our own reviving trade. But the prospect must be boldly faced and fearlessly handled; and we might well hope that the coming year might see, abroad as well as at home, the turning-point of our economic troubles with our own land in unquestioned place as the leader in the new civilisation. (Applause.)

The report was unanimously adopted and other formal business transacted. A hearty vote of thanks to the Chairman closed the proceedings.

LONDON MERCHANT BANK, LIMITED.

THE forty-eighth annual general meeting of this Bank was held on February 5 at 38 Lombard Street, London, E.C., Mr. Frederic Lubbock presiding.

The Chairman, in moving the adoption of the report and accounts, said: When we met here a year ago we were rejoicing at the conclusion of the Armistice, and we have now the further satisfaction that Peace has been definitely ratified. At the same time, though mercifully the horrors of war are a thing of the past, the consequences of the devastation and destruction of those terrible five years are still too apparent throughout the world. The recovery must be a slow and gradual process, and it is an every-day commonplace to repeat, though indeed it cannot be urged too insistently, that it can only be brought about by thrift in every direction, combined with willing and strenuous work applied to the production, not of luxuries, but of all articles of food and other necessaries. It is an essential requirement in trade that reasonable and adequate financial assistance should be available, and much is being done in this direction by the establishment of new banks, and the extension of credit facilities generally. In this connection you will have noticed that the Chancellor of the Exchequer received a deputation on Tuesday last in response to an important memorial addressed to the Prime Minister by a number of eminent bankers and statesmen, urging that a conference should be convoked without delay to consider the question of checking the inflation of currency, and of giving financial assistance for trading purposes, especially to those countries that are suffering most severely, by a scheme of international credits. An identical memorial signed by men of the highest position has also been submitted to the Governments of Holland, Switzerland, Sweden, Denmark, and Norway, and a very similar one to the Government of the United States.

Coming to our own affairs, the financing of import and export trade is, of course, especially the business of this Bank. While we considered it prudent in the time of war to limit our commitments as much as possible, now that peace is restored we have renewed or extended our credits on conservative lines to old and valued clients in different parts of the world, and have opened further important connections. For this we have already had the great advantage of working to some extent in concert with the important firms who have recently acquired an interest in the Bank, to which I will presently refer. Our import and export departments have been most ably handled, and have shown increased activity throughout the year, and, notwithstanding the many impediments arising from difficulties of shipping and great delays in obtaining deliveries from furnishers and manufacturers on this side, the results of the year have been extremely satisfactory.

Important New Connections.

The arrangement, of which you were informed in our circular of August 1 last, for the disposal of the enemy-held shares which we took over from the Public Trustee in 1916, was satisfactorily carried out, and the whole of these shares were re-issued. In connection with that arrangement we have elected Mr. Philip Fleming, of Messrs. Robert Fleming and Company, and Mr. Leon Rueff, of Messrs. Seligman Brothers, to seats on the board. The firms of which they are partners are of the highest standing in the City, and it has given us much pleasure to welcome them as acceptable and valued colleagues, whose co-operation will conduce greatly to the interests of the Bank. (Hear, hear.) Mr. Oesterley, who has been a director of the Bank for 35 years, has for some time past expressed a wish to retire, owing to advancing years, and we have accepted his resignation with sincere regret. His long experience and wise counsel have been of great value to the Bank, and we feel it a personal loss to part with a kind and much-esteemed friend.

Dealing with the balance sheet, the Chairman said that on the liabilities side there were increases as compared with last year in acceptances and current and other accounts, whilst the main increase on the assets side was one of £259,746 in current and other accounts. This was mainly accounted for by advances to import and export customers. This branch of their business had made satisfactory progress, and the high prices ruling for all commodities involved larger advances. The actual increase was really greater than was shown in the figures, as the item last year included the shares taken over from the Public Trustee, which now came out.

Increased Profits on Working.

Coming to the profit and loss account, the gross profits compared very satisfactorily with those of the previous year, being £91,058 against £66,899, an increase of £24,159. The result of the year's working was a net profit of £61,732, compared with £41,227 last year, out of which they proposed to pay a final dividend of 7s. per share, less income tax, making with the interim dividend 6% for the year, and leaving £52,544 to be carried forward. In conclusion, without venturing to make any definite prophecy, he might say that they looked forward with full confidence to a prosperous future for the Bank. (Applause.)

The report was unanimously adopted.

SCOTTISH-AMERICAN OIL AND TRANSPORT COMPANY, LIMITED.

Increase of Capital Sanctioned for Extensive Operations.

The statutory meeting of the shareholders of the Scottish-American Oil and Transport Company, Limited, was held on February 5 at Winchester House, Old Broad Street, London, E.C., Mr. Thomas J. Callaghan (Chairman of the Company) presiding.

The Secretary (Mr. Thomas Ford) read the notice convening the meeting and also the report of the auditors relating to the allotment of shares and the cash received.

The Chairman then said: Ladies and gentlemen,—The accounts, I think, speak for themselves. I might perhaps explain that the whole of the capital issued was subscribed, and as regards the arrears of calls, amounting to nearly £80,000, the bulk of these have since been paid. If any lady or gentleman wishes to ask any questions I shall be glad to answer them to the best of my ability.

No questions being asked, the Chairman announced that the business of the statutory meeting was concluded.

An extraordinary general meeting of the Company was then held for the purpose of submitting a resolution increasing the capital of the Company to £10,000,000.

The Chairman, who was received with applause, said: Ladies and gentlemen,—Except for the information contained in the prospectus of the Company when you subscribed for your shares, and which was necessarily limited, your directors have had no opportunity of telling you anything about either the properties owned by the Companies you control or their great potentialities. There have apparently been many rumours and statements in the Press, but the directors wish the shareholders to understand that they are not responsible for any statements which do not emanate from them. The present occasion, therefore, offers a good opportunity to furnish you with information as to the progress and possibilities which is bound to be of general interest to you all.

Productive Capacity.

The three essentials in your business are oil, transport, and distribution. With regard to the oil, you have control over, roughly, 46 square miles of oil-bearing lands in the Panuco district of Mexico. A great deal of that land is in sections interspersed with the land of other owners who are large producers, and we have every belief that our lands are as valuable as theirs; that is, in fact, the expert's opinion.

We have, as you know, a crude-oil production from our present wells of 10,000 barrels daily, or more than 500,000 tons per annum when constantly taken. We have every facility for transporting this oil to seaboard and for storing it, and every up-to-date device for the loading of oil-tankers at our wharves at the mouth of the Tampico River. Mr. de Ganahl, one of your directors, is one of the pioneers of the oil business in this district of Mexico, and it is the belief of the board that no man knows more about the subject than Mr. de Ganahl, and that you are fortunate in the fact that so great an expert is taking care of your interests in our oilfields. (Applause.)

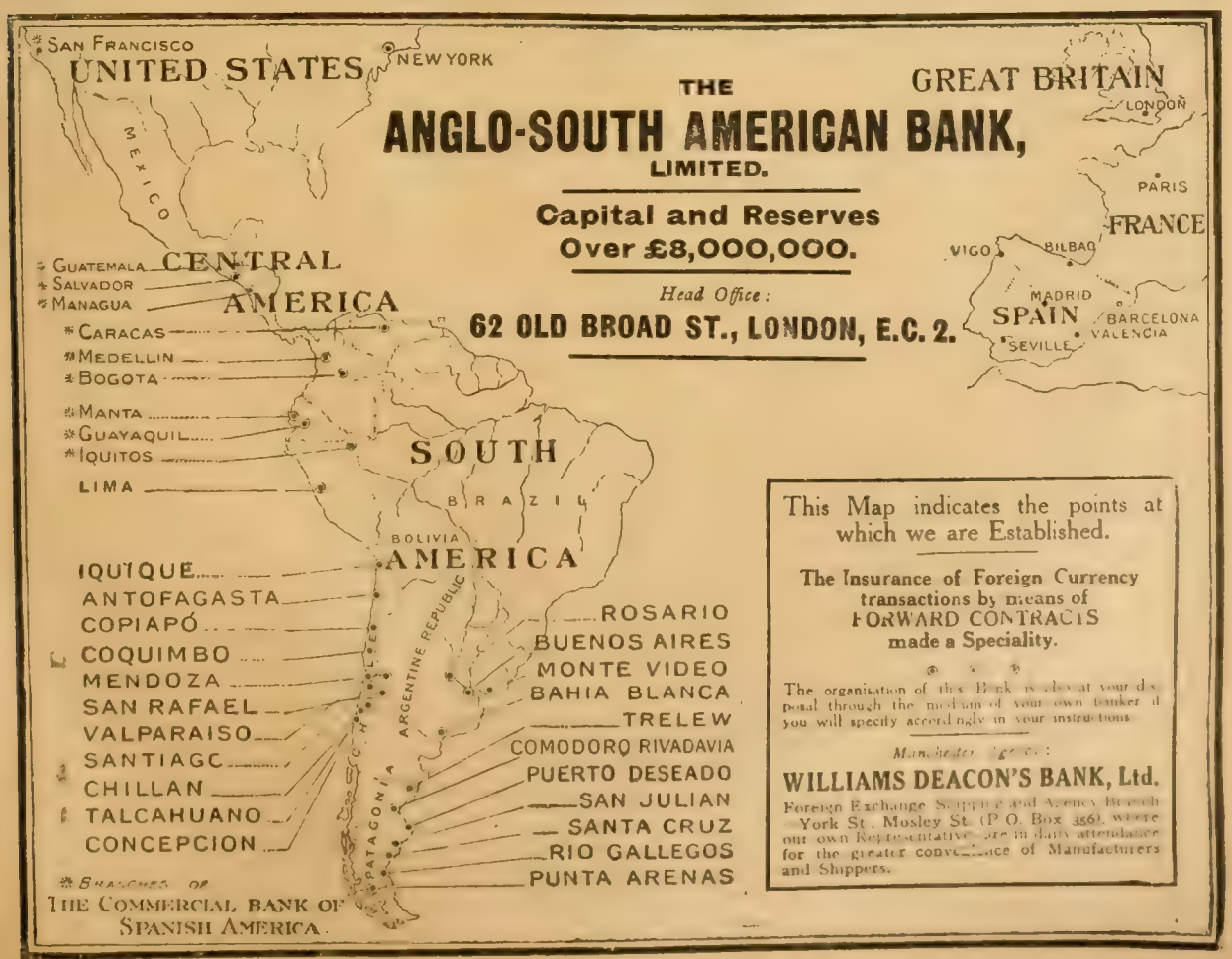
We are informed by experts that we shall have no difficulty in reaching a very large production, and, now that restrictions with regard to drilling for oil in Mexico are reported to have been removed, it will be easy to have, and keep, the oil supplies considerably ahead of transportation.

Ships—Ships—More Ships.

The crux of the oil business is Tankers—Tankers—and more Tankers. (Hear, hear.) Europe alone is waiting to-day for millions of tons of fuel. Everyone knows what a world-wide shortage there is of coal, the output of which on the Continent has fallen by 50%, and I now see in the Press that, in order to ensure a sufficiency of supplies for home consumption, a total prohibition of the export of bituminous coal from the United States is talked of. This being the state of affairs with regard to coal, it is not to be wondered at that railways, steamship companies, and other large power producers are adapting their furnaces to burn oil. You see daily in the papers that France, Italy, and other countries are crying out for coal, and that their industries, in many cases, are entirely disorganised for want of fuel. The price of coal in the Mediterranean is about £8 per ton, and the price of oil fuel is naturally higher than it is in this country, where the price is about £10 per ton, and with very small supplies available. Oil is present in enormous and practically unlimited quantities in Mexico, and the official Mexican report states that from the present 310 producing wells the potential production is some 2,000,000 barrels per day; yet only about one-tenth of this quantity is being brought above ground for export. The reason for this is principally the want of tankers. If this oil could be transported to satisfy the demands existing to-day, a worldwide benefit would result, but at the moment this is impossible because, while only between 600 and 700 oil-tankers are afloat, it would require fully 1,500 oil-tankers of the same average size to carry Mexico's surplus oil alone.

An Auxiliary Company.

It is therefore apparent that one of the chief interests of a progressive oil company is its fleet of vessels, and the Company which has had the foresight to arrange accordingly will reap a very rich harvest. You will be interested to learn that your directors are arranging for the flotation of "Tankers, Limited," and in a few days, we hope, provided you agree to the suggested increase in the capital of this Company, there will be offered 1,500,000 8% Cumulative



THE
ANGLO-SOUTH AMERICAN BANK,
LIMITED.

Capital and Reserves Over £8,000,000.

Head Office:
62 OLD BROAD ST., LONDON, E.C. 2.

This Map indicates the points at which we are Established.

The Insurance of Foreign Currency transactions by means of FORWARD CONTRACTS made a Speciality.

The organisation of this Bank is also at your disposal through the medium of your own banker if you will specify accordingly in your instructions.

Manchester Agency:
WILLIAMS DEACON'S BANK, Ltd.
Foreign Exchange Shipping and Agency Branch, York St., Mosley St. (P.O. Box 356), where our own Representatives are in daily attendance for the greater convenience of Manufacturers and Shippers.

Participating Convertible Preference shares of £1 each in the new Company.

As a Company we intend to subscribe for £1,500,000 of the Ordinary shares standing behind the Preference shares just mentioned. The whole of the Preference shares will be underwritten, and we feel assured of the success of the issue. We are in the happy position of being able to inform you that, in spite of the fact that nearly every shipyard in the United Kingdom is full up for a long time to come, we have been able to arrange with Messrs. Vickers, Limited, and Messrs. Armstrong Whitworth and Company, Limited, for the exclusive use of a considerable proportion of their output capacity for the building of our tank steamers, the benefit of which contracts will be made over to Tankers, Limited, when formed. In arranging the details of these contracts we have had the invaluable assistance of our colleague, Colonel Denny, C.B., who, of course, is a recognised authority on such matters.

Under our proposed arrangement with Tankers, Limited, we shall have the right of use of all their ships and, as we shall hold all the Ordinary shares in the new Company, we anticipate large profits from our holdings and from the trading of the vessels.

To develop our business in this way money is, of course, essential, and this brings me to the question of new capital. You may ask, Is the increase of capital justified so early in the history of the Company? My reply is that the oil business is one in which you cannot have too much money. I have already touched upon the questions of production and transport, and it will be clear to you that the development of our oil properties, the provision of vessels, and the establishment of distribution stations both for marine and industrial purposes, will require very large sums. In reference to distributing stations, I would say to you that this includes oil-bunkering depôts, so that steamers can be supplied with oil-fuel, and I prophesy that within a few years the great majority of ocean-going steamers will burn oil-fuel in preference to coal.

Each section of the organisation should keep pace with the others, and this can hardly be accomplished without the capital increase we now suggest.

As you are aware from the prospectus, £3,500,000 was then issued, and a further £1,250,000 reserved for purposes stated, so that practically our whole authorised capital was, even then, allocated. Now we intend to give to subscribers to Tankers, Limited, rights to convert, on satisfactory terms, into Scottish-American.

These are the reasons for our seeking your sanction to increase our present capital. We do not know just when an issue will become necessary, but in asking for these powers we are seeking to obtain means to take full advantage of the very large developments which your directors foresee in the affairs of the Scottish-American Oil and Transport Company, Limited.

In conclusion, I would like to say that the interests of the shareholders will be carefully safeguarded by your directors in the event of the necessity arising for a further issue of shares. It is impossible to indicate at present when such an issue may be necessary, but it is only correct to let you know that, if important negotiations recently begun should have a successful result, an issue will be necessary, and possibly at no distant date. (Applause.)

I will now formally move the resolution: "That the capital of the Company be increased to £10,000,000 by the creation and issue of 5,000,000 new shares of £1 each, ranking equally with the existing shares, and that such new shares be issued at such time or times, and either in one lot or by instalments, at such price or prices (not below par), and on such terms and conditions and to such parties as the directors may determine.

Sir Gilbert H. Claughton, Bart., seconded the resolution.

Mr. Hanford inquired whether the whole of the new capital, when issued, would be offered to the shareholders or whether part of it would be offered to the public.

The Chairman replied that the intention of the directors was, as far as possible, to give the shareholders a preferential right. (Hear, hear.) Replying to a further question he said it would be time enough, when the issue was made, to decide on the terms.

The resolution was carried unanimously, and, a vote of thanks having been passed to the Chairman and directors, the proceedings terminated.

BRITISH COLUMBIA ELECTRIC RAILWAY CO. LTD.

The twenty-third ordinary general meeting of this Company was held on February 3 at Liverpool Street Hotel, London, E.C.

Mr. G. P. Norton, who presided, said that the Chairman, Mr. R. M. Horne-Payne, was not able to be present, but he had prepared a speech, which Mr. Blundell Brown would read.

Mr. T. Blundell Brown then read the Chairman's statement, which was as follows:—

We meet to-day under very much more pleasant circumstances than have existed at any meeting since 1913. Not only are your directors able to recommend modest dividends on the various stocks of the Company for the year under review, but we are able to tell you that the outlook for the future is encouraging. Trade and industry in British Columbia have prospered in a very satisfactory manner since the close of the War, and are now based on stable and permanent conditions such as did not previously exist. So long as your Company receives fair treatment, we have nothing to fear for the future, and there is no reason to expect that British Columbia, which needs capital to develop her resources, will treat otherwise than fairly our splendid enterprise, with which the credit of the Province is identified in the investing centres of the world.

Revenue and Profits.

With regard to the accounts, you will see that the ordinary net revenue during the year, after making provision for depreciation, sinking fund, and renewals on the usual scale, was £224,600. This compares with £203,607 for the preceding twelve months, an increase of £20,993.

In addition to the ordinary net revenue we have been able this year to bring into the revenue available for division a further sum of £138,419, which I will describe as revenue of an exceptional character. It arises from two sources—firstly, the profit on exchange in remitting earnings from Vancouver to London; and, secondly, the bringing in of certain moneys set aside for contingencies and now no longer required for such. With regard to the first of these, while the rate of exchange continues at the present time to be extremely favourable for remitting money from Vancouver to London, it is impossible to say for how long or how short a time it may remain favourable, and therefore how long our revenue may be augmented from this source.

With regard to the second, the directors consider that, in view of the improved conditions obtaining in British Columbia, the moneys brought in from this source may be safely distributed. This exceptional revenue enables us to recommend the payment of a bonus of 3% on the Deferred Ordinary stock, in addition to a final dividend of 2½% on the Preferred Ordinary stock and a dividend of 3% on the Deferred Ordinary stock.

For the reasons I have given, the bonus of 3% upon the Deferred Ordinary stock must be looked upon as an entirely exceptional distribution, and not regarded as likely to recur in future years.

On the other hand, the improvement in local conditions is such as to justify us in believing that the time has returned when we may hope to be able to make an annual distribution of dividend on the Deferred Ordinary stock. Our hopes in this respect are encouraged by the increase in earnings during the first six months of the current year, which, as compared with the previous year, show an increase of $382,590. Although increases at this rate may not, and probably will not, be maintained, and a large increase in our wages bill has to be faced, the improvement is encouraging, and we rely on the fact that the Public Utilities Commission is directed by the Act, in fixing any rates, to have regard to providing a fair and reasonable return upon the appraised value of the Company's property. I think no one will contend that a return of anything like 3% upon the Deferred stock, which has been subscribed in cash at a premium, is a fair and reasonable return.

Dominion Railway Board Sanctions Increased Fares.

I will now pass to the subject of the 6-cent fare which has been collected by us in the City of Vancouver. You will all recollect that the origin of the 6-cent fare dates from June 1918, when a demand was made by the Company's employees for a large increase in wages, which, in view of the condition of our earnings, it was impossible to concede. Early in July 1918 a strike took place which completely paralysed the tramway services. Up to that time we had been collecting a 5-cent fare in the City of Vancouver, and in order to put us in a position to meet the demand for increased wages and thus resume the services, the authorities granted us the right, for a period of nine months, to charge a 6-cent fare in the city. This right to charge a 6-cent fare expired on April 8, 1919, but in March 1919, the Public Utilities Act was passed by the Legislature, which gave us authority to continue charging a 6-cent fare, but provided that until the Company had satisfied the Public Utilities Commission that such rate was just and reasonable, the amount collected in excess of the 5-cent fare previously charged should be held in suspense. Soon after the passing of the Public Utilities Act, Major J. L. Retallack was appointed Commissioner, and immediately commenced an inquiry as directed by the Act. In connection with this inquiry, the Commission ordered an appraisal [illegible] the property of the Company on the mainland, but before the appraisal could be commenced, owing to an amendment to the General Railway Act of the Dominion of Canada, our railways passed from the jurisdiction of the Province of British Columbia, and of the Public Utilities Commission, to that of the Dominion of Canada and of the Dominion Railway Board.

The amendment in question was passed on July 7, 1919, and in order to comply with the law we had to apply to the Dominion Railway Board to have the railway rates which we were charging, including the 6-cent fare, approved. This approval was granted by the Railway Board, and the effect of it is that the 6-cent fare belongs to the Company as from

July 7, 1919, and will continue to belong to the Company so long as the Company remains under the jurisdiction of the Dominion Railway Board.

Director Visits Company's Properties.

Mr. John Davidson : In September last I had the pleasure of visiting British Columbia. My visit was necessarily a brief one, but I found time to go over most of the Company's properties. I would like to tell you that it is impossible for anyone to see the properties belonging to your Company and fail to be impressed with their great physical value and with the immensity and importance of the undertaking. In Vancouver, South Vancouver, Point Grey, North Vancouver, Victoria, New Westminster, Steveston and Chilliwack, you have a fully-equipped electric railway system aggregating 367 miles, on which over 53,000,000 passengers were carried last year. In the operation of this system of electric railways you have 385 passenger cars and 463 cars carrying freight, besides car barns and equipment of every kind necessary to the operation of such a system. On the mainland, 15 miles from Vancouver, you own a magnificent water-power plant with a generating capacity of 84,000 horse-power. The water-power for this plant is derived from Lake Buntzen and supplemented from Lake Coquitlam, the latter being situated higher up among the mountains and connected with Lake Buntzen by a tunnel 12,755 feet long. On the Island of Vancouver you own another water-power plant at Jordan River, 43 miles from Victoria, which, together with a smaller water-power plant at Goldstream, has a generating capacity of 24,500 horse-power. These great water powers supply most of the electric energy required for the running of the electric-railway system and the lighting of the cities of Vancouver and Victoria—both wonderfully lit cities—and also for the bulk of the light and industrial power required by the surrounding districts. The water-power plants are of the most modern and permanent character, as are also the 15 substations, which are built of solid reinforced concrete. Your Company also owns auxiliary steam plants with a combined capacity of 28,500 horse-power. In addition, the Company owns gas works both in Vancouver and Victoria, and supplied last year a total of 436 million cubic feet of gas. Incidentally to the operation of these plants, the Company owns a vast distributing system of cables and pipes. The whole of the plant impressed me as being in an excellent state of repair and thoroughly efficient. I was also much impressed with the care taken to secure uninterrupted service to the public.

You will, no doubt, wonder why from this great enterprise, which is in such satisfactory physical condition and under such excellent management, you for some years received no return at all upon your capital investment, and are now receiving only a very inadequate return. The basic reason, of course, is the disturbance of economic conditions caused by the war, which resulted in (1) increased wages, (2) increased cost of material, (3) jitney (*i.e.*, motor-car) competition, and (4) reduction in population of the districts served. The first and second operate as much to-day as at any time during the War, and their ultimate level cannot be foreseen. The third has been eliminated from the City of Vancouver as a result of the findings and recommendations of the Special Commission appointed by the Government of British Columbia in 1917. The fourth is being gradually rectified by the return of normal conditions. If your Company were an ordinary commercial undertaking it would have been the duty of your directors so to increase the charges for the goods supplied or services rendered as to off-set the increase in the costs to which I have just referred, but it is now a well-recognised principle of American and Canadian law and practice that public utility enterprises supplying services essential to the well-being, and indeed, to the very existence of the communities they serve, and which are essentially monopolistic in character, cannot be accorded the freedom of ordinary commercial undertakings, but must have the services they give and the rates they charge regulated and approved by a Public Service Commission. There is nothing inherently unjust in this : it is not any more novel or arbitrary than the powers that have long existed everywhere for regulating the rates to be charged by steam railways, but in the nature of things it is not generally possible to obtain simultaneously with an increase in costs authority for an off setting increase in charges, and in the interval the Company's net revenue suffers. I regard the appointment of the Public Service Commission by the Province of British Columbia as in itself *prima facie* evidence of a desire on the part of the Province that a fair economic balance be maintained between the cost to the supplier and the charge to the consumer, and the Act of Parliament appointing the Public Service Commission confirms me in this opinion. It is in its terms fair and reasonable, and the inquiries held by the Commission have been conducted with great ability, and its decisions and rulings from its appointment down to the present time have been characterised by strict impartiality and justice.

I do not think there is any desire on the part of the great majority of the population of the districts served by us to see the Company receiving other than fair payment for its services, and there is the strongest incentive from mere motives of self-interest to desire that the Company should receive a fair return on its capital, as a public utility company cannot, any more than any other manufacturing concern, attract to itself capital for expansion if the capital already engaged is not earning an adequate return. We know from experience that any substantial increase in population calls for a large capital outlay for a corresponding increase in transportation, light, heat, power, and gas service. Therefore, apart from any questions of equity, there is the strongest possible incentive of self-interest to maintain the Company in a sound position, so that it may be able to meet the requirements of the—in my judgment—not far distant future. I fel justified in encouraging you to look forward with confidence to the return of the prosperity for which we have waited and worked so long.

The Chairman then moved the adoption of the report and accounts, which was seconded by Mr. Davidson and carried unanimously.

THE LONDON NITRATE COMPANY, LIMITED.

Mr. Frank Tobin (Chairman) presided at the thirty-second annual meeting of shareholders of the London Nitrate Company, Limited, held at Liverpool on Monday, the 2nd instant.

Reviewing the features of the year, the Chairman reminded the meeting that a year ago he had stated that 1918-19 divided itself very sharply into two halves, the first being one of very considerable prosperity, in which the Company made handsome profits, and the second one of absolute and complete paralysis, in which not only did the Company make no money, but had actually spent no less than £20,000 out of pocket. Fortunately they had provided a fund to meet stoppage of works, which had amounted to £14,477, which went a considerable way towards paying for the stoppage, but a further £6,000 had to be provided out of profits previously earned. The result was to make the whole year a very meagre one. It had been, nevertheless, thought proper to pay a dividend of 1*s.* per share, in view of the improved prospects for the future.

The Industry's Difficulties.

The history of 1919 must be treated as a whole ; it could not be terminated on June 30, which was the end of the Company's year, and speaking of it from that point of view he might say it was a far more trying year for Nitrate directors than even the period following the outbreak of war. At the beginning of 1919 companies found themselves with large stocks of nitrate which they were ready to sell, but the Government stepped in and said, "You can sell only to us," and at the same time the Government would not buy. The reason for that was that the British and Allied Governments had accumulated a large stock of nitrate for war purposes, which had cost them the best part of £25 per ton, and to have permitted competition from the reserves which the companies held would have involved heavy loss to the Governments, and through them to the Allied nations. Thus the interests of nitrate shareholders were sacrificed. The Governments said, "Gentlemen, you shall not have an opportunity of selling until we have cleared up all our stuff." This, he believed, had now been done, and the nations had benefited, but shareholders had had to bear the brunt.

Other difficulties during the year had contributed to the paralysis of the nitrate trade. The Chilian Government, who were very vitally interested in the prosperity of the industry, had begun to press, and had finally put it to nitrate producers that if some scheme could not be arranged the Government would do something itself. The London Committee, of which Mr. W. H. Hasler was one of the most hard-working members, had set itself to the disentanglement of the question, and finally a combination of nitrate producers was brought about, into which 83% entered, although two very large ones—the Antofagasta and the American Companies—held out, the latter because the laws of the States did not allow these big combines. However, the combination that was formed was a powerful one, and it took charge of sales and brought about an advance of prices with very fair rapidity, so that in three months the price from 9*s.* rose approximately to 14*s.*, and at this figure everyone who could produce on at all reasonable terms ought to be able to make a substantial profit. That was the position to-day. There was another difficulty which still weighed, though not so badly as it did, and that was the impossibility of getting ships. The Government would not release ships until quite recently, but they were now coming forward, and he thought there was little doubt they would come in increasingly large numbers. The demand for nitrate was excellent, and, though there were still difficulties as to land carriage through shortage of engines, wagons, and railway staffs, these would gradually be overcome, and there was no use in meeting troubles half-way.

There was one matter in regard to which he did not wish to be reproached next year, when it became a question of referring to what must be the very meagre results of the Company's year ending on June 30 next. One heard everyone saying the outlook for nitrate had improved enormously. He did not want them to be reproached with having failed to bring before the shareholders the effects of six months of complete paralysis. They must remember that the first half of the year would not have brought in one penny to meet expenses, and that the accounts for the whole year must infallibly be very meagre and thin.

New Capital Outlay.

Passing on to future prospects involved, a reference to the Company's new oficina, Santa Laura, which had now started, and the results from which had amply and fully borne out their anticipations that it would prove an exceedingly cheap producer, which ought in the future to give very handsome profits. Of course, an enormous amount of money had been sunk in the purchase and equipment- something like £400,000, which was £50,000 or £60,000 more than was expected, owing to the advance in the costs of material and everything else. With regard to the cost of enterprise of this kind, it was usually sought to pay it off out of the profits of the first five years, but in the present instance he would use Mr. Asquith's words "Wait and see." So far as results had gone, the figures gave the very happiest augury for the future.

Consumption of Different Countries.

One point he wished to say a word about was as regards the industrial position of nitrate and the results collected by the London Committee from all parts of the world. Probably the most important consumers to-day were the United States. From being an importer of half a-million tons in the course of the twelve months before the War, the United States were now importers of nearly 150% more. They had actually taken the front place as consumers, and the Government had stated its intention of holding a stock of 300,000 tons. There were stocks in all sorts of different places; for instance, Japan consumed in the year ending June 30 over 60,000 tons, a very large proportion of which came from Vladivostock, where stocks had been accumulated by the Allied Governments for the purposes of the Russian [illegible]. There was also a growing field in Spain, and Holland wanted nitrate on a very large scale. France had established plants for the making of the atmospheric product, but the great cost involved under present conditions of working these plants was prohibitive, and nitrate companies were relieved of the danger of any growing output of these competitive articles. Moreover, such articles did not appear to be held in great favour. In Antwerp there happened to be stored 7,500 tons for Belgian purposes, and this was offered to the Belgian farmer down to the price of 45 francs per 100 kilos. He would not take it. At any rate, out of 7,500 tons he had taken only about 500, whilst at the same time he was willing to buy every ton of nitrate that the companies could possibly scratch up for him at over 100 francs. This was very satisfactory from the point of view of the nitrate companies.

Turning to the financial position of the London Nitrate Company, the Chairman said he had every confidence the shareholders would be satisfied with the outlay of money, but the directors had to put the finances in the best shape to give the most satisfactory results. At present the Bank of Liverpool gave them a credit, which they were using, of £200,000, and had been most generous, but the directors wanted to get out of debt to the bank as soon as they possibly could. The Debenture debt would gradually be reduced as profits came in, and, while it had been impossible up to the present to contemplate the issue of the 40,000 Ordinary shares that still remained available, the time was coming for that step to be taken, and the directors would be guided by the twofold consideration that, whilst they ought to get a price satisfactory to the Company, they ought to issue them at a price which no shareholder would have any cause to complain of.

The Chairman then moved the adoption of the report and accounts for the year ending June 30, and in asking Colonel Sir J. P. Revnolds to second the motion said he was sure the shareholders would appreciate the honour of knighthood which had been conferred on that gentleman and agree that the distinction was thoroughly well earned. (Applause.)

Colonel Sir J. P. Revnolds, D.L., D.S.O., said the Chairman had gone very fully into the Company's affairs, and he would content himself with formally seconding, but wished to thank the Chairman for the complimentary reference to himself.

No questions being submitted,

The Chairman put the motion to the vote and it was carried unanimously.

The Chairman then proposed the re-election to the directorate of Mr. W. H. Hasler, whose invaluable services both to the Company and to the nitrate trade generally he warmly eulogised.

Colonel Sir J. P. Revnolds seconded, and the motion was carried unanimously.

Association of Producers.

Mr. Hasler, having thanked the meeting for his re-election, said the Company had never gone through such an interesting period as during the last twelve months. It had been a time of anxiety and strain and stress, but he thought they could congratulate themselves on the end they had in view being really achieved. The Chairman had said that 83% of the producers had formed an Association. Since then the Antofagasta Company had joined, which had increased the percentage, though the American Companies were still left out. At the time the Association was formed it was not in a position to negotiate with the German producers, nor could they yet look forward to them joining, but they could be very well content with what had been achieved, and he thought the position of the nitrate industry was sounder to-day than ever it had been in the course of its history.

Synthetic Products Not Feared.

It was perfectly true they were threatened with competition from synthetic nitrogen products, but the report of the Government Nitrogen Products Committee was now nearly two years old, although only issued about eight months ago, and it was not yet freely obtainable. He himself had not yet got a copy of it. But the figures on which all the calculations were based were obsolete and of no use. He mentioned this because there had been several schemes mooted in the Press which seemed to have been based on the figures which the Official Committee had before them, but which were completely and absolutely changed to-day. Also, they always looked upon the possible cost, the paper cost, of the product in the country of origin and compared it with the value of nitrate placed in the country of consumption. A scheme for using synthetic nitrogen products in this country would not amount to much unless it were exported for consumption elsewhere, because the consumption of the imported nitrate in this country had never been large. They would have to compare the price of artificial nitrogen placed in the country of consumption, just as the Nitrate Companies had to place their product in the country of consumption. There was, he declared, nothing to fear. Chilian nitrate would hold its own as in the past, and would prove far the best of all nitrogen products.

Messrs. Harmood, Banner and Son, chartered accountants, were reappointed auditors, and a cordial vote of thanks to the managers and staff of the Company was passed, after which the meeting closed.

PAN DE AZUCAR NITRATE COMPANY, LIMITED.

The eighteenth annual general meeting of this Company was held on February 3 at Winchester House, London, E.C., the Hon. Herbert C. Gibbs (the Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said that the directors recommended a dividend of 10%, which would absorb the year's net profit of £9,300 and £1,700 of the amount of £27,000 odd brought forward from the previous year. Proceeding, he said:

Current Year's Prospects.

So far as the current 12 months are concerned, I may remind you that the oficina was closed until November 20, 1919, so that we shall have to pay for the expenses while it was closed; and these, judging by similar expenses of the previous year, will amount to about £5,000; and, further, that the oficina will only have been producing during seven months out of the twelve. I may mention also that the stock of 148,000 quintals which we carried forward into the current year has only been sold at about a covering price, so there will be no profit from this source. At the same time, the sale of this stock represents the bulk of our share of the sales by the Association of Producers at low prices, so that the bulk of our production for the last seven months of the year either has been, or almost certainly will be, sold at considerably higher prices. It is, of course, too early to form any opinion as to the profits which may accrue from these later sales, and it is, perhaps, well to point out that the rise in price is partly due to the rise in costs which has taken place, and to the probable further rise, from labour troubles or other causes, which may have taken place when the time comes to produce the nitrate which has been, or is being, sold

Association of Producers.

I will now refer to the extraordinary change which has taken place in the nitrate position during the last few months. The Association of Nitrate Producers came into operation in the early part of last year, and now consists of all the producers, except the Germans and Americans. The Association fixed their selling prices at 10*s.* 1*d.* for ordinary and 10*s.* 4*d.* for refined, and up to the middle of September the only sales made consisted of about 2,300 tons. The position at that time looked very black indeed. Many of the oficinas had closed down, and, although production was then down to about 100,000 tons monthly, as compared with a normal production of 250,000 tons, stocks in Chile had reached the enormous figure of 1¾ million tons. The freight position, too, was very acute. Owing to the world-wide demand for space for foodstuffs, the congestion and labour troubles at the ports, etc., there was a great shortage of tonnage, notwithstanding the fact that the actual amount of tonnage afloat was in excess of pre-War figures. There was practically no outward cargo available for Chile with so many oficinas closed down, so that there was no freight to induce vessels to go to that country; and, in any case, no British vessels were allowed to fix charters for nitrate.

This, then, was the position till about the middle of September last, when a successful effort was made to rehabilitate the nitrate trade, resulting in the sale of 750,000 tons of nitrate at 9*s.* over October-March, followed by further

THE CROSS-EXAMINATION

Scene: A motor showroom. A conscientious salesman is endeavouring to persuade the Potential Purchaser to dismiss from his mind any idea of a car that is *not* built completely in one factory.

Conscientious Salesman: ". . . and I am sure you will see, Sir, that it is quite impossible to make a really good car unless it is made, like ours is, under one factory roof."

Potential Purchaser: "You don't believe in making a car of specialised components, then?"

Conscientious Salesman: "We should never dream of it. The only way we can give satisfaction is by making everything ourselves. We know the stuff we put into it, and we make it up to our own standards of perfection."

Potential Purchaser: "Quite so. But do I understand you to say that you make *every* part? The magneto, for instance. You don't make that, of course?"

Conscientious Salesman: "No, Sir, we buy that. We believe it to be the best magneto procurable."

Potential Purchaser: "Naturally. And the electric-lighting and starting set, lamps, and so on. You make that for yourselves?"

Conscientious Salesman: "No, Sir. That is a standard equipment made by the best firm in Great Britain. We prefer to take advantage of their long experience. And their reputation is second to none."

Potential Purchaser: "I agree. But, you see, the question was quite a natural one. I should think the making of frames must be rather a big job, isn't it. You do that in your own works?"

Conscientious Salesman: "As a matter of fact we don't, as yet, Sir. You see . . ."

Potential Purchaser: "And you make your own radiators?"

Conscientious Salesman: "Radiators, Sir, are a very tricky . . ."

Potential Purchaser: "So I'm told. So are ball-bearings. Do you make those yourselves or get them from a specialist?"

Conscientious Salesman: "Right throughout this chassis we fit nothing but . . ."

Potential Purchaser: "Somebody else's! Wheels, now; *they* come under the one roof?"

Conscientious Salesman: "No, Sir, we have standardised the well-known . . ."

Potential Purchaser: "So I see. I won't mention tyres, because those are obviously bought. But now, in the engine, I suppose every bit of that is a 'one-roof' job?"

Conscientious Salesman: "There are one or two details we . . ."

Potential Purchaser: "Including the aluminium pistons, the sparking plugs, the compression taps, and so on. But don't let's bother about those trifles. The rest of the chassis is, of course, entirely your own product. Springs?"

Conscientious Salesman: "I rather fancy we *do* contract those out."

Potential Purchaser: "Brake drums and clutch cones?"

Conscientious Salesman: "Those are made by specialists in pressed work."

Potential Purchaser: "Quite right, too. You don't mind me asking you all these questions, do you?"

Conscientious Salesman: "Not in the least, Sir. It is my business to answer them. We welcome all possible inquiries."

Potential Purchaser: "In that case, perhaps you don't mind telling me if you make the pinions in the gear-box and the worm gear in the back axle?"

Conscientious Salesman: "The former we make in our own shops. At least, I think only a few are made out. The worm gear is specially made for us by the. . ."

Potential Purchaser: "Oh, never mind the name. I'm sure they're very good people. These road-springs now. Do you make them or buy them?"

Conscientious Salesman: "They are specially made."

Potential Purchaser: "I see . . . like the wind-screen and the rest of the standard body work?"

Conscientious Salesman: "We are now busy erecting a special body-building shop. But, of course, we shall not make our own wind-screens. Nobody does."

Potential Purchaser: "Quite so. I was only trying to get at what *was* made under that one roof. This ebonite steering wheel, and these neat little controls?"

Conscientious Salesman: "There again, Sir . . . ."

Potential Purchaser: "'There again' is the word. What about the tanks?"

Conscientious Salesman: "The tanks, Sir, are . . ."

Potential Purchaser: "Made for you by a specialist firm. Exactly. Together with the speedometer and the other instruments, the carburettor, the filter, the oil pump, the vacuum feed, the silencer."

Conscientious Salesman: "We *do* make the silencer, Sir."

Potential Purchaser: "Splendid! But how about the oil-pressure indicator, the pedals, the ball joints of the controls, the brake and clutch linings, the fabric, universal joints, the valve springs, the mudguards, the shackle-pins, the fan, and all the other odds and ends? I'm just ticking them off as they occur to me."

Conscientious Salesman: "We find it more economical and generally satisfactory to buy specialities from . . ."

Potential Purchaser: "Under somebody else's one roof, eh? Well, well, it would have saved time if I had asked you what you *did* make for yourselves. Of course, I've left out the forgings and castings."



Angus-Sanderson

Conscientious Salesman: "What I meant to convey, Sir, was that the essential parts are our own make."

Potential Purchaser: "What! Aren't the things I've mentioned essential? Look here, my friend; you have been misinformed about your firm. They are not motor manufacturers at all; they are motor assemblers. And this one-roof idea is all poppycock. I don't think any the worse of your car for that, but why not be frank about it? The Americans have been knocking your trade to pieces because they went in for scientific production of cars on component principles, and so far as I can see there is only one British firm that is openly prepared to take them on at their own game. That firm is going to make, and has started to make, about ten times as many cars as your one-roof factory people have ever dreamed of. And they are good cars because every component comes from a specialist—and not only a specialist, but a well-known specialist, with a big reputation to back up his stuff. So much for that."

Conscientious Salesman: "I am sorry, Sir, if I have wasted my time and yours."

Potential Purchaser: "Not a bit of it! When I came here I wasn't at all sure about buying a car. You've made my mind up for me, and I'm going to have the car you have so eloquently recommended. I'm going to put my name down for an Angus-Sanderson. Thanks very much for all the trouble you've taken. Good day to you."

. . . . . .

DEEDS, NOT WORDS.

When the firm of Sir William Angus, Sanderson & Co., Ltd., first conceived the idea of the Angus-Sanderson car they determined that what could be successfully done in America should be successfully done in Great Britain. They got round them a group of specialist firms, such as Messrs. E. G. Wrigley & Co., Ltd., of Birmingham—manufacturers of gear-boxes, transmission sets, and the like—and Messrs. Tylor, Ltd., of London—large-scale producers of engines, whose reputation for work of the highest class stands second to none. Their close co-operation resulted in the Angus-Sanderson car being a triumphant success from the very start. Furthermore, absolute certainty in the supply of essentials has now been effectively assured.

The Angus-Sanderson is not a project; it is a reality. Had not industrial troubles intervened it would have been already on the road in very large numbers. As it is, the output is steady and growing rapidly. The cars have been submitted to every possible test by eminent experts, including the leading agents, and its performance has called forth the highest praise from Trade and Public alike.

Sir Wm. Angus, Sanderson & Co Limited

BIRTLEY - CO. DURHAM

sales at higher prices as the opinion gained ground that freights for next season would be increasingly more plentiful and cheaper than for the present season, though such indications as there were that this would be the case have not continued. The result of this has been that the sales by the Association during the past four months or so have reached about 1½ million tons for delivery up to, and including, June, at increasing prices up to 12*s.* 9½*d.*: and the oficinas are rapidly reopening.

The Outlook: Atmospheric Nitrogen Menace.

To forecast the future is a little difficult. One of the chief arguments used in favour of a combination of producers and centralisation of sales was that by these means it would be possible to maintain stable and moderate prices at which forward sales could be made, as these were said to be the ideal conditions for increasing consumption. The sale of moderate amounts by tender for delivery at comparatively near dates is certainly having the effect of raising prices, but I hope that, in view of the disquieting menace of atmospheric nitrogen, the Association have some policy in their minds which will make for the more permanent advantage of the industry.

Then as to price: the next tender sale by the Association is fixed for the 5th instant, at which some 500,000 tons is being offered at minimum prices of 13*s.* 9*d.* for April-June and 13*s.* 11*d.* for July-December, and no doubt somewhat higher prices than these will be obtained. It may well prove that consumption will not be curtailed by these prices, but it must be remembered that the expected break in freights has not yet matured, and also that the state of the exchanges in Europe is becoming increasingly alarming and must mean a decreased ability to pay high prices for any imports.

Mr. H. W. Sillem seconded the motion, which was carried unanimously.

THE COLOMBIAN CORPORATION, LIMITED.

The statutory general meeting of this Corporation was held on February 4 at River Plate House, London, E.C.

Mr. F. W. Baker, who presided, said that the total number of Preference shares allotted amounted to 255,000, on which 5*s.* per share had been called up, and calls amounting to £272 had been paid in advance. A sum of £11,960 had been paid in cash on account of the purchase of the Costancia Property, and £14,832 for preliminary expenses, leaving a cash balance of £35,695. One of the first questions taken in hand by the directors when the Company was formed was the administration and policy in Colombia. Whereas in the past they had been operating mines, the formation of this Corporation, with its larger range of activities, necessitated a broader scheme of policy. They submitted their views to Mr. Prichard, their manager, and arrangements were now being concluded with him under which he would act as Manager and Consulting Engineer in Colombia for this Corporation, Oroville, Nechi, and Pato bearing a portion of the remuneration to be paid to him, with the obligation on his part to supervise and control the working of their dredges at Pato and Nechi, and the work of organising and building up the Constancia mine to a profit-earning basis. It had been decided to establish the Corporation's headquarters at Medellin. Offices would be opened in that town, which was Colombia's real mining centre, and from there they would endeavour, with the organisation which Mr. Prichard was creating to secure businesses which they would be justified in offering to the shareholders. They were advised that Mr. Prichard was now making arrangements for the investigation of a gold and platinum gravel property which he had had under consideration for some time past. It was hoped that the result of the investigation would justify their acquiring the property, which was an extensive one and was located in an entirely new district. With regard to Mr. Prichard's work on the Constancia property, the Chairman said that ore had been located in the walls in some of the older workings, and an extension west of the main drift on the Tombon level for about 140 feet showed very good ore, running in places as high as 27 dwt. In conclusion, he said that, in his judgment, Colombia was a great mining country, very little explored, and he felt confident that, under such organisation and management as they were now creating, they should, over a period of years, get their fair share of the opportunities that the Republic offered for mining. They were just beginning to get into their stride as a new organisation, and when he next met the shareholders he hoped to be able to state that they were well on with the consideration of the equipment of the Constancia property.

A.B.C. COUPLER, LIMITED.

The fourteenth ordinary general meeting of A.B.C. Coupler, Limited, was held on February 4 at the registered offices, 11 Angel Court, London, E.C., Mr. S. J. Young, M.Inst.C.E., M.I Mech.E., Chairman of the Company, presiding.

The Chairman said: Ladies and Gentlemen, Since the last annual general meeting was held this Company has been converted from a private Company into a public limited liability Company, and its capital has been very considerably increased. The Company was, as you know, formed several years ago to purchase the patent rights and to exploit the New Allison-Smith Automatic Buffer-Coupler. This was the nucleus of the business. It was developed and improved almost beyond recognition, and the business so much increased and markets extended that it became necessary to acquire land and build works to manufacture the Company's specialities. When War broke out your directors had the satisfaction of being able to offer the services of this plant and organisation to the Government. The quantity of War material, which was vital to the country, turned out of such comparatively small workshops was prodigious. The works and plant had to be extended for War purposes. When it was all over, owing to the large amount of money spent on capital account, besides many thousands of pounds left outstanding against various Government Departments in the form of claims, practically all of which even to-day still remain unsettled, the Company found itself unable to revert to the successful production of its own particular goods without bringing more capital into the business. Draft accounts of the trading during the financial year to September 30, 1919, show that, after proper depreciations have been made, there is a sufficient sum standing to the credit of profit and loss account amply to justify the declaration of the dividends proposed.

The turnover for the four months since September 30, in spite of the moulders' strike, constitutes a record. Numbers of uncompleted orders for a large amount still remain on the Company's order books; there is a constant and growing demand for stronger buffers and draw-gear to cope with the ever-increasing train loads. We possess valuable patent rights, and have many patents in reserve covering improvements. I have pleasure in proposing that this meeting recommends and sanctions the declaration of a dividend of 10% per annum, free of tax, on the Ordinary shares Nos. 1 to 37,997, and a balance dividend of £5 4*s.* per cent., less tax, on the Preference shares Nos. 1 to 15,000 for the year ended September 30, 1919, both payable on February 4, 1920.

Mr. Baker Beall seconded the resolution, which was carried unanimously.

The appointment of Colonel Sir Edward Ward, G.B.E., K.C.B., K.C.V.O., as a director, to fill the vacancy created by the resignation of Lord Queenborough on his leaving this country for America; also that of Chas. H. Wincey, Esq., in place of Commander Norman Craig, deceased, having been confirmed, and the auditors reappointed, the business terminated.

TRANSVAAL AND DELAGOA BAY INVESTMENT COMPANY, LIMITED.

(*Incorporated in the Transvaal.*)

The ordinary annual general meeting of shareholders of this Company was held in Johannesburg on Tuesday, December 9 last. Mr. S. C. Black presiding.

The Chairman said: Gentlemen,—In submitting the report and statement of accounts for your adoption, I am pleased to say that we can look back on a successful year. The realised net profit, after writing off £8,215 for depreciation, and making provision for income and other taxes, amounts to £82,357. We brought forward from last year £45,019, making a total to credit of profit and loss account of £127,376. The year's profit shows a slight increase, despite the fact that the profit from our collieries was affected by higher working costs. The financial position of your Company remains strong, cash and equivalent assets, less creditors, amounting to £152,601, and being represented chiefly by cash, Union of South Africa stock, and British Treasury bills and War Loan.

Control of Douglas Colliery Acquired.

I need not go into the details of the balance sheet, but I wish to direct your attention to "Sundry Shares." This item shows the substantial increase of £71,617 as compared with last year, and is accounted for by our purchase of the Douglas Colliery, Limited. To be precise, we have acquired 174,250 £1 shares out of a total issue of £175,000, and we are thus in absolute control of this Company's affairs. I have no hesitation in describing this transaction as very advantageous and likely to prove of considerable benefit to your Company. The Douglas Colliery has, besides some freehold property, £43,190 cash, and certain machinery and plant; the latter is being realised gradually. It also owns a colliery which has been worked for a good many years at little or no profit, and which is now approaching exhaustion. By transferring the Douglas output to our own collieries we are in the position of keeping our plants more fully employed, and by thus concentrating the combined production at one colliery we are able to effect substantial economies in working costs. I may take this opportunity of expressing the board's appreciation of your constant support of our policy to build up and strengthen the Company's financial position, which is again seen to bear good fruit, as without ample cash resources we could not have done this business so promptly, or it might not even have come our way at all.

Increase of Output.

The Transvaal and Delagoa Bay Collieries have experienced a satisfactory year. The output totalled 807,500 tons, as compared with 757,709 tons in the previous year. Our

record output in any one month was 79,450 tons, and I am pleased to add that this figure has already been exceeded this year. Railway truckage has been more regular in supply for some time past.

A further sum of £15,000 is provided for additional electrical and power installation, and we also require a few more cottages for married employees. During the War many things remained unavoidably in abeyance owing to unprocurability of material, but now we have already under order and shall obtain what is required as soon as possible.

Exemplary Relations.

We have on the whole been fairly free in South Africa from serious industrial unrest during the past year. That was due chiefly to the spirit of mutual good will between the leaders of the various trades unions and the employers. Much, of course, was done by the latter to redress the higher costs of living and satisfy the reasonable demands of labour by the payment of improved wages, War and other allowances, but, of course, there are limits beyond which no industry can go. At Delagoa Bay we sold a small portion of one of our properties at a fair price. Otherwise our holdings remain unchanged. We adhere to the opinion that Delagoa Bay, possessing a very fine harbour and being the nearest port to the Transvaal, will eventually receive a larger share of trade and participate more fully in South Africa's prosperity. The industrial outlook in South Africa generally appears to me to be encouraging in practically all directions, and agriculture especially is making good progress.

I now beg to move that the directors' report, balance sheet, and profit and loss account for the year ended August 31, 1919, be received and adopted.

Mr. Haviland seconded the motion, which was at once carried unanimously.

On the motion of the Chairman, seconded by Comte F. de Ferrières, it was unanimously resolved that a dividend of 25%, equal to 5*s.* per share, free of Union of South Africa dividend tax, be declared for the year ended August 31, 1919, payable, after the receipt of the London transfers, to all shareholders registered in the books of the Company on December 9, 1919.

The retiring directors and auditors having been re-elected, it was unanimously resolved that a bonus be voted to the directors, which, with the amount drawn by them as ordinary fees, would bring their total fees for the year ended August 31, 1919, to £1,000.

THE GAS LIGHT AND COKE COMPANY, LIMITED.

The two hundred and thirteenth ordinary general meeting of the Gas Light and Coke Company was held on February 5 at the chief office, Horseferry Road, Westminster, S.W., Mr. David Milne Watson (the Governor) presiding.

The Secretary (Mr. W. L. Galbraith), having read the notice convening the meeting,

The Governor said: Ladies and gentlemen, I presume that you will agree to take the report and accounts as read. The year that has just passed has been a record one in the Company's history, as you will realise when I point out to you that the output of gas has been 30,509 million cubic feet, a figure far in excess of any previous year, and our income only about £150,000 short of £10,000,000. As I unfold the story of the Company's work I shall have something more to say with regard to these figures. In the meantime I give them so that the shareholders may realise in some degree the magnitude of the Company's operations during the past year.

New Capital Outlay.

Dealing with the capital account of the Company, in the first place you will notice that we have spent £392,877, of which £247,774 has been incurred under the heading of "Buildings and machinery in extension of works." This item includes a large expenditure in respect of ships. We have also expended £64,544 on new and additional mains and service pipes, £24,937 on new and additional meters, and £55,623 on new and additional stoves. Against this expenditure we have certain credits £11,801 by the sale of surplus lands, £137,053 in respect of stoves recently sold, and £130,358 from the depreciation of meters and stoves, leaving a net expenditure of capital for the year of £111,164.

Turning now to the revenue account, you will find some very striking figures. Coal has cost £4,035,769, or nearly a million more than last year; oil £382,879, or about £100,000 more, due to the fact that the Company had to use large quantities of oil to meet the record demand for gas. And as you go through the figures you will find that there is an increase under practically every heading partly due to the increase in costs and partly to the increase in business. It will be noticed that the wages have again gone up by a large amount. In 1918 the wages bill was £1,862,194; last year £2,605,779, an increase of £743,585. This figure, large as it is, will probably be exceeded in the present year inasmuch as the Industrial Court, after having held an arbitration, recently awarded another 5*s.* per week to men employed in the gas industry. This will mean a further addition of nearly £200,000 per annum in the case of this Company.

On the credit side of the account you will find that gas has brought in about £1,200,000 more than in 1918. This is partly due to the increase of 15½% in business, and partly due to the rise in price. The rental of meters and stoves yielded practically the same amount as in 1918. The rental of fittings, however, shows a satisfactory increase of about £85,000. Coke has produced an increased income of £750,000, breeze of £55,000, and ammoniacal liquor of £40,000. Tar and tar products, on the other hand, show a decrease of £48,000, which is due to lower prices obtained for certain of our products.

Unfortunately, the enormous increase in the Company's business is of no advantage to the shareholders. As the report states, the dividend, under the Statutory Undertakings (Temporary Increase of Charges) Act, 1918, is at the rate of 3% per annum, which is the same as declared at this time last year. After this dividend is paid there will be a balance to carry forward of £323,971, or £56,775 less than from the previous account.

Record Output of Gas.

With regard to the output of gas, the Company, as I have already mentioned, has established a new record, having sold over 30,000 million cubic feet of gas. This increase is no doubt due principally to the fact that the restrictions which were in force during the latter part of the War have now been removed, and to the fact that many householders have had great difficulty in obtaining coal. The extra quantity of gas sold during the year amounts to over 4,000 million cubic feet, or enough to supply the whole of Newcastle-upon-Tyne for one year. Since the close of the year we have also had a record output for any one day—viz., 141 million cubic feet. Naturally this enormous increase in business is taxing the Company's resources to the full, and it has been extremely difficult at times to keep up the supply of gas, but fortunately we have been able to carry on throughout the whole of this winter without on any occasion reducing the pressure of the gas supplied. (Hear, hear.) When it is realised that during the past five years we have hardly been able to do any reconstructional work, and that we have been obliged to make gas from plant which has only, so to speak, been patched up during the period of War, I think you will agree that the manufacturer of this extra quantity is something of which the Company may very well be proud. (Hear, hear.) How many people realise the task this Company has had to face, having to provide for an additional demand for gas equal to the total demand in Newcastle for one year? Those who are inclined to criticise would do well to remember that during the five years this country has been at War this Company, like other gas undertakings, has been unable to enlarge or even keep its works up to standard, and during the past year we have had to meet a maximum demand from the public for gas with plant that is in many cases almost worn out. The cost of repairs and maintenance of plant has been very large, but, when taken in conjunction with what I have just said, is easily understood. It must be remembered that the whole world is clamouring for materials of all kinds, and labour is very costly and not easy to obtain. Repairs have had to be postponed for some five years, and it is absolutely necessary now to proceed with the work as quickly as possible.

During the past year the Company used 2,082,000 tons of coal, which was not only very difficult to obtain, but was much inferior in quality to the coal which we were accustomed to use before the War. We have been forced to take coals which we should never have previously thought of buying, and our usual descriptions have frequently contained an abnormal quantity of dirt.

As I have already mentioned, ships represent one item in "Buildings and machinery in extension of works" in the capital account. The directors have, owing to the high prices of freights for coastwise traffic, decided to increase the number of the Company's colliers, and we are accordingly building six additional boats, which, it is hoped, will save the Company a great deal of money in the near future. You will realise what this means when I tell you that the seven boats owned by us at present, some of which are old and quite unsuitable for our trade, cost us on an average during the last six months only 6*s.* 6*d.* for every ton of coal carried, and this includes insurance, wear and tear, interest on capital, depreciation and all running expenses, whereas the owners from whom we have to charter in the open market at the present time ask freights of 12*s.* 9*d.* for large and 17*s.* for small boats.

Reason for Increased Gas Stove Rentals.

A good deal of attention has been directed recently to the increase in the charge for the hire of stoves. It was becoming apparent that, owing to the cost of repairs and renewals having doubled, the charge for rents of meters and stoves was not sufficient to cover expenses, and the Company was, therefore, losing heavily. Since the Company started letting stoves out on hire the total rents received have amounted to a million and a half pounds, whilst the cost of repairs, without taking into account interest on capital outlay and the provision of a sinking fund has amounted to over two million pounds. The Company decided that it was not fair to allow the additional cost to fall on the price of

gas, as that would place an unfair burden on those consumers—and they are very numerous—who have purchased and therefore maintain in repair their own stoves, and also on the automatic consumers, who would have to bear in the shape of an extra charge for gas any loss incurred by the Company supplying stoves to ordinary consumers at too low a rent. It was felt that the stoves should, as much as possible, be made self-supporting, but, in order that no consumer should consider that he was forced to pay the higher rental, it was decided to give him the option of purchasing any stove on his premises at a reasonable figure. This offer has been much appreciated, and about 100,000 stoves have been sold up to date. The result to December 31 last, so far as the capital account is concerned, is, as I have already mentioned, a credit of £137,000. Naturally the whole question came before the various bodies investigating charges of profiteering, and the Company was called before several of these tribunals, and was also requested by the L.C.C. to explain the necessity for increasing stove rents, and I am glad to say that in all cases we have been entirely acquitted of the charge of profiteering. (Hear, hear.)

Effect of Coal Prices.

As you will see from the report, we started the year 1919 with the price for gas at 4*s.* 4*d.* Owing to a reduction in the price of oil and to slightly lower freights which followed the armistice, the directors found themselves able to reduce the price to 4*s.* 2*d.* in April, thereby giving the consumers the earliest possible benefit of the savings effected. Unfortunately, however, towards the end of July the Government raised the price of coal by 6*s.* per ton, which made it quite impossible for the Company to continue the price of gas at 4*s.* 2*d.*, especially as there were several other unfavourable factors which had to be taken into account. The result was that the board, with great reluctance, were compelled to raise the price to 4*s.* 8*d.* in October. High as this price may appear to be, it represents only an increase of 87% over our pre-war price, whereas our principal costs have risen by much larger percentages—coal 116%, oil 340%, freights 325%, and wages 145%. In November last it began to be rumoured that a reduction in the price of coal was about to be made; the whole country, however, was startled a little later when it was announced that the domestic price of coal had been reduced by 10*s.* per ton. So far as gas undertakings are concerned it has been arranged that the reduction of 10*s.* on the coal required for the manufacture of gas used for domestic purposes should be handed on to consumers in the shape of a rebate on the gas supplied. The rebate, in the case of this Company, I have the pleasure to inform you, will be at the rate of 7½*d.* per thousand cubic feet. This is subject to adjustment as time goes on should our actual experience not warrant such a figure.

I should like to point out that the rebates allowed by individual undertakings will vary considerably, inasmuch as those which make partly water gas will not get an allowance from the Government on the raw material used in that portion of their manufacture, as such raw material is, of course, not coal.

It would have been better, in my opinion, if some general average reduction had been made on all coal supplied, as it is very difficult to distinguish in many cases between gas used for domestic purposes and gas used for industrial purposes, as you will see, for instance, when I point out to you that shops, theatres, hotels, railway stations, and churches are considered by the Coal Control Department to be domestic, whereas laundries and bakeries are not. (Laughter.)

The Sliding Scale.

Another point must be borne in mind, namely, that this differentiation in the price of coal interferes with the principle of the sliding scale, which was based on the price of the gas supplied to the general body of the consumers. Now we have this anomaly—some 90% of our consumers use gas for domestic and 10% for industrial purposes, yet the sliding scale is apparently now regulated, not by what is charged to the general body of the consumers—that is the 90%—but by what is nominally charged to the 10%, namely, the industrial gas users. This is an artificial complication which strikes at the basis of the sliding scale as originally applied. As you are all aware, the most important question with which the industry is faced at the present time is the revision of sliding scales or maximum prices, as the case may be. (Hear, hear.) As you know, under the sliding scale, the shareholders in this Company received a dividend before the War of £4 17*s.* 4*d.* per cent. after a certain payment had been made to the redemption fund. This dividend was reduced, owing to the increased price of gas, to £2 18*s.* 8*d.* per cent. A strong appeal was made to Parliament with the result that the Statutory Undertakings (Temporary Increase of Charges) Act was passed in 1918, which enables the Company to distribute a dividend of 3%. This relief is to last for two years after the War, but it has become perfectly clear that, if the shareholders are not to be ruined, something further must be done, and that not as a temporary measure only. (Hear, hear.) When the Temporary Increase of Charges Act was before Parliament in June 1918, this fact was fully admitted by the then President of the Board of Trade, Sir Albert Stanley (now Lord Ashfield), who considered that, although temporary relief should be given for the time being, yet after the War, when we might probably be living in a new world, it would be necessary to reconsider the basis of the sliding scale. Bearing this in mind and seeing that the financial position of the gas industry was going from bad to worse, it was decided to remind the Government of their promise. Accordingly a deputation, of which I was a member, waited upon Sir Auckland Geddes, the present President of the Board of Trade, in July last and laid the whole case before him. We were sympathetically received, and he said in effect that the importance of the industry was fully recognised, and that clearly steps must be taken in some direction which would make it possible for the industry to carry on and develop; otherwise, if it did not develop, it must go backward. The Board of Trade were fully alive to the importance of the gas industry and to the need for seeing that it was not pushed to the wall.

Promised Legislation Essential.

Since this statement was made by the President of the Board of Trade, the Government have promised to introduce a public Bill during the coming session of Parliament to deal with the financial position of the industry, and this will, of course, affect this Company as well as others, and we are now awaiting with the greatest possible interest the introduction of the Bill, which, however, owing to the extensive Government programme, we do not expect to see before Easter.

I need hardly point out to you of what vital importance it is to the industry that the existing sliding scale should be revised. (Hear, hear.) To show how desperate the position is, as soon as the Temporary Increase of Charges Act comes to an end this Company will only be entitled, if it should still be able to sell its gas at 4*s.* 8*d.* per thousand cubic feet, to pay a dividend of £1 12*s.* per cent. per annum, with the prospect that even this miserable dividend will fall if the price of gas has to be still further advanced. In order that you may fully realise the position, I should like to give you some figures showing how our great industry has been affected. The capital invested in gas undertakings (other than municipal) is roughly computed to be £100,000,000, and the depreciation of this capital since 1914, judging by the experience of a number of the very large gas companies, is estimated at no less an amount than £43,000,000. In the case of our own Company the loss amounted to as much as £10,000,000, or nearly 40% of the market value of our stock in 1914.

With regard to fresh capital, no industry can go on unless fresh capital can be raised, and from the story I have told you of the extraordinary increase in business you will realise that, gas being required by the public in large and increasing quantities, further capital is absolutely necessary for development.

I recently heard of a gas company which tried to raise capital by the issue of £20,000 6% Debenture stock at the reserve price of par, with the result that only £600 was applied for. And this need not be wondered at, when the Government offer 5¾% with the credit of the nation behind it. Not only are the shareholders interested—and I should just like at this moment to tell you how it does affect the shareholders, because I think it is a thing that ought to be known. Only this morning I received a letter addressed to "The Governor and Directors of the Gas, Light and Coke Company" from a country shareholder, which begins in this way:—

"Sirs,—In your latest report it is stated that the Government have promised to introduce a Bill to deal with the financial position of gas undertakings, and it is hoped that the shareholders of this Company will then obtain much-needed relief. I hope something will be done by someone to help us. My mother is a widow, not young, and with no sons to assist her. Her little money, £775, was all invested for her support in this Gas Light and Coke Company. The cruelly low dividend of £3% brings her income down to less than 10*s.* per week. You cannot think what a struggle we have to live. If the Company can afford to spend over £21,000 for stationery and printing, can they not spare a little from their War Distress Fund to help my mother in the state of poverty she has been reduced to? A coal bill is owing; we will have to sell something to pay; and prices are rising. What will become of us? I implore you to help us a little. Ours is such a cruel case."

I think that letter speaks for itself. (Hear, hear.) The state of things people are reduced to through no fault of their own is a scandal. (Hear, hear.) Consumers and workers are also interested, and they will suffer in the long run if the gas undertakings cannot raise capital through being financially crippled. Because gas undertakings are able to carry on at present it may not be apparent to some persons that there is cause for anxiety; but sooner or later the crisis will be bound to arrive, and in some cases very shortly. I believe the Government fully realise this, and are prepared to do justice to the gas industry, and I would appeal, therefore, with the greatest earnestness to Parliament to assist the industry out of the grave difficulties in which it finds itself.

Municipally-owned Undertakings Affected.

Many local authorities are alive to the seriousness of the position, and those who are themselves suppliers of gas are pressing for a revision of their financial conditions, and I would further also appeal to the shareholders individually to do everything they can to educate the public generally as to the urgent need there is for Paarliament to assist the industry in this crisis in its affairs. (Hear, hear.) No doubt it will be represented that this is an attempt on the part of Capital to get more than it ought to have, but let it be remembered that the terms of the present sliding scale were settled when conditions were entirely different from those which exist to-day. Local authorities have never in the past hesitated from pressing for modifications of sliding scales which they considered justified by alterations for the better in the conditions of the time, so why should they oppose modifications now that the circumstances are changed for the worse, especially as any legislation will, no doubt, be accompanied by safeguards for the future? Shareholders in public utility undertakings should not have their dividends reduced to vanishing point and the value of their stock depreciated to the extent already indicated, through no fault of their own, and at a time when business is increasing by leaps and bounds. (Hear, hear.)

The gas industry is singular in several respects, and is probably the only industry in which a serious attempt has been made to solve two of the great problems with which we are face to face at the present time. First, the relationship between the buyer and seller. The sliding scale was originally an experiment, and up to the time of the War was a great success, safeguarding the interests of both consumers and shareholders—dividends being increased when the price of gas was lowered and reduced when the price of gas was advanced. This principle of mutual interest between buyer and seller worked admirably in normal times, but, if the result of its application is practically to extinguish dividends and it is not to be subject to modification when circumstances clearly prove that it acts altogether inequitably, as is the case at present, it will be considered to have completely failed, and it is quite certain no other industry will be prepared to adopt such a principle. (Hear, hear.)

The auction clauses, which also are peculiar to this industry, with the exception of the water companies, provide that all new stock should be offered for sale by auction or by tender to the public, so as to ensure the best price being obtained for it, and any money that is received in excess of the nominal amount of stock issued is used by undertakings for capital purposes without its incurring any charge for interest. The sliding scale and the auction clauses embody two great principles, which might well be applied to other industries, and would automatically prevent what is called profiteering, and therefore it is of the greatest importance that an industry which has adopted both these principles should not be brought to such a financial pass as would deter any other industry from accepting similar conditions in the future.

Advantages of Co-partnership.

The second problem is the relationship between capital and labour. The gas industry has done a great deal to solve this problem by adopting the principle of co-partnership. The present co-partnership scheme of this Company provides that the man's labour be regarded as his investment in the Company, just as money is the investment of the ordinary shareholder, and the bonus paid to the worker is, therefore, calculated at the same rate per cent. as the dividend paid to the Company's ordinary shareholder, and by this means there is complete parity of interest between the worker and the shareholder, each benefiting or suffering alike. At present they are both paid 3%. If this principle were only adopted in other industries, I feel sure it would go a long way in helping to solve the industrial unrest at the present time.—(Hear, hear.)—Therefore, I again make the appeal that this industry, which stands for the automatic control of profits and for giving the workers a share in the business, should receive fair play. All we ask for is justice. (Hear, hear.)

A General Calorific Standard Impracticable.

When the Government introduce legislation dealing with the financial position of the industry, it is almost certain that they will at the same time embody in their Bill provisions with regard to the quality and sale of gas. As is probably known to you all, the Fuel Research Board, presided over by Sir George Beilby, carried out recently an inquiry into the question of the quality of gas to be supplied in the future, and other cognate matters. Representatives of the gas industry met the Fuel Research Board and thoroughly discussed the whole question. The Fuel Research Board came to the conclusion that it was impossible, having regard to the various circumstances under which gas undertakings were working, to lay down any hard-and-fast rule as to a general calorific standard. After many meetings between the Fuel Research Board and representatives of the gas industry and the public, it was agreed that certain recommendations should be made to the Board of Trade.

(1) That in future gas should be sold by heat units rather than by cubic feet.

(2) That each undertaking should have the right to declare the calorific value of the gas it intends to supply.

(3) That gas should not contain above a certain proportion of "inert" constituents, and that it should be supplied at a certain pressure.

In agreeing to these conditions of supply, the industry would be submitting itself to more stringent regulations in some respects than heretofore, but it will accept them willingly if at the same time it obtains relief from its financial troubles.

The proposal that gas undertakings are to be allowed liberty to decide the calorific value of the gas to be supplied by them will not injure the public in any way, seeing that the public would only be called upon to pay for the heat units actually delivered to them.

When all these matters are embodied in a general Act it will constitute a new Charter for the gas industry. (Applause.)

In April of last year a very important report was issued by Sir Dugald Clerk, Professor Cobb, and Professor A. Smithells jointly on the relation of the gas industry to coal conservation. In this report it was shown, amongst other things, that the maintenance and development of the gas industry is essential to the country from the point of view of fuel conservation, and particularly that gas is the most effective form of utilising the heat in the coal. It is a report of very great value, and it is hoped that it will be widely studied and serve to correct some of the misapprehensions which exist on the subject.

Measures of Self-Protection.

At the last meeting I informed the shareholders that gas undertakings were in process of forming a National Council for the purpose of enabling the industry to take united action in matters concerning their welfare. I am glad to say that this Council has been formed, and is finding plenty of useful work to do for the industry, and I feel sure that it has a great *rôle* to play in the future.

The industry has also set up a Federation of Employers to deal with labour questions. In this connection I am pleased to say that we have formed a Joint Industrial Council for the industry on the lines of the Whitley Scheme. This, I am sure, will have a good effect in bringing employers and employed into closer touch with one another, enabling them to appreciate each other's points of view better.

As you will see from the report, we are now in a position to give almost the final figures in regard to those of the Company's employees who joined His Majesty's Forces. The corrected total is 5,363, of whom 60 are known to have won distinctions, and 77 to have obtained commissions. I regret to say that 506 were killed or died on active service. With the exception of about 400 who are still serving, those who joined up have now been demobilised, and, as promised, employment has been found for all who wished to return to the Company's service. (Applause.)

A Practical War Memorial.

As the best form of war memorial, the directors have decided that, after the names of those who served have been recorded in some permanent form at each office or station, a War Memorial Fund shall be instituted, which will be available to assist the Company's employees and their dependents in cases of necessity which cannot be dealt with in the ordinary way. It is proposed, and indeed the co-partners have already agreed, that the capital of the existing War Distress Fund should be transferred to the War Memorial Fund, and that the Company should also contribute to this fund to make it a worthy memorial. (Hear, hear.)

I should again like to express to the staff the appreciation of the board for the whole-hearted services given by them, from the highest to the lowest, during another very difficult year. The majority of the women who so worthily filled the gaps during the War have now left, and I wish to place on record the Company's thanks for the services they rendered. (Applause.)

Although the outlook is full of difficulty, yet so far as business is concerned it is full of promise, both with regard to our main product, "gas," and our residuals, and if only we obtain from Parliament the much-hoped-for relief from our financial troubles, the prospect for the future may be said to be bright. (Applause.)

I have pleasure in moving: "That this meeting do agree with and confirm the report of the directors and the auditors' report and statement of the accounts of the Company as transmitted to the proprietors on the 29th ult.," but before putting the resolution to the meeting I shall be happy to hear any remarks which proprietors may wish to make and to endeavour to answer any questions they may ask.

Mr. Herbert J. Waterlow (Deputy Governor) seconded the motion.

Mr. Reginald Woodward and Mr. Hanson spoke to thank the Chairman on the able speech which he had delivered and urged that the stockholders should do all in their power not only to support the directors in their efforts but also to induce their representatives in Parliament to see that justice was done to the industry.

The resolution was carried unanimously and the dividends recommended were declared.

The retiring directors were re-elected, and the auditors were reappointed.

Mr. Pilley moved a vote of thanks to the Governor, directors, officials, and staff of the Company, and Mr. H. J. Falk, in seconding the proposition, spoke of the great value to the nation of the services which the Governor rendered as Chairman of the Sulphate of Ammonia Association.

The vote was unanimously accorded, and the proceedings then terminated.

CITY OF LONDON BREWERY COMPANY, LIMITED AND REDUCED.

THE twenty-eighth annual general meeting of this Company was held on February 6 at the Cannon Street Hotel, London, Alderman Sir G. Wyatt Truscott, Bart., the Chairman, presiding.

The Chairman, in moving the adoption of the report and accounts, said that during the year a controlling interest had been acquired in the old and well-known firm of Nalder and Collyer's Breweries, of Croydon. At the date of that firm's last balance sheet, March 31, 1919, their freeholds, leaseholds, cash, and stocks figured at a total of nearly £1,000,000, and it was a business full of vitality. The stocks of the City of London Company had been augmented very advantageously. All their recent purchases were worth a great deal more in the market than had been paid for them. The markets were rising, and there was a prospect that some of them would continue to rise. At present prices, carrying large stocks made a great inroad on working capital, and the proprietors would not have been surprised that the directors were applying to them for power to increase the Company's working capital. In the accounts submitted the undivided profits in their subsidiary companies had not been taken into consideration. They were of considerable amount, and would be brought into the accounts in the future. He hoped it would be agreed that the proposed dividends were once more on the good side, but he desired that the division between dividend and bonus should be especially noted. The ordinary dividend should be regarded as a good plain cake, but he would call the bonus plum cake.

State Purchase not Feared.

Continuing, the Chairman said: As regards the future, I am exceedingly cheerful. We hear something about State purchase, but I do not believe it is coming. Why? For one reason, I think the Government have quite enough to do. I do not think our people, as a whole, are enamoured of the State carrying on business. What would State purchase mean in connection with political strife? The strife between what we have learnt recently to call "the wets and the drys" is keen enough now, but with the State as owner of the liquor trade, do you not think that the conflict would be doubly embittered? It would be narrowed down directly as between those who want prohibition and the State. I think the total prohibitionists see an avenue to total veto through State purchase, and I believe that is at the bottom of their support of it. A great event has happened in the past year in the United States, and we are told that the example of that great country will give an impetus to prohibition in this country. I do not think it will. I have never been able to envision prohibition in this country, and therefore I must be pardoned for being sceptical of its full exercise elsewhere. It would certainly not be suited to the climatic or temperamental conditions here, and I am not at all sure, either, that all the anticipated blessings would follow in its train. I rather expect, in the final result, that the prohibition trial which is now being made across the sea will reveal to us the wisdom of not pursuing the idea here. If it ever did come into serious discussion here, I should rather begin to despair of my country. It would show a moral weakness, as if we really gave up all hope of making this a nation whose people can use and enjoy the legitimate good things of life without abusing them. Let us, therefore, go one better than prohibition; let us all combine to make this a nation who can use and not abuse things, for use as apart from abuse is the ideal in all things. Temperance means moderation. To a society having for its object the moderate use of intoxicating liquors I think I could belong without your calling me to order, because it is the greatest interest of our trade to maintain sobriety and good conduct. Do not be surprised if you see shortly in the streets of London large placards advertising the mild ale of the City of London Brewery as the very best temperance drink; I warrant it will be much more wholesome than many of the drinks at present used by teetotallers. The policy of our trade is all in the direction of orderly conduct.

Sir W. J. Peake Mason, Bart., J.P., in seconding the motion, referred to the process of the extinction of the Debenture stock as an excellent feature of the Company's business. The Preference stock, he said, was getting a better rate of interest than it had received before, and with the reserve fund and the amount carried forward, and, with the addition of the new issue, it would be found that the Preference stock had about £1,000,000 behind it. For the third time the Ordinary stock was to receive a very large dividend and bonus distribution. In the division of the profits about 60% had gone to the shareholders and 40% to the reserve fund, and the proportion of the reserve to the ordinary capital at present was similar. In the distributions which the directors were making to the Ordinary shareholders, who in the past had had to suffer a reduction of capital, they were still maintaining and protecting the prior interests of the Company. The distribution to the ordinary shareholders was 50%, less tax, but it was really only equal, he thought, to three-tenths of that percentage, and on the old capital the distribution was only a reasonable and proper one.

The motion was carried unanimously.

"Statistical Report of the California State Board of Agriculture for the year 1918." (California State Printing Office Sacramento.)

THE LANCASHIRE & YORKSHIRE BANK, LTD.

ESTABLISHED 1872.

Capital: Authorised, £4,000,000, in 200,000 Shares of £20 each.

Subscribed, £2,013,120. Paid up (£10 per Share), £1,006,560.

Reserve Fund, £875,000.

Head Office = = 43 Spring Gardens, Manchester.

BALANCE SHEET, 31st December, 1919.

LIABILITIES.			ASSETS.		
Capital paid up		£1,006,560 0 0	Cash in hand and money at call and short notice	£5,441,125 2 2	
Reserve Fund		851,825 0 0	Investments: British War Securities and other British, Indian and Colonia Government, Railway, Corporation, &c., Securities at or under market prices of 31st December, 1919*	6,264,050 16 4	
Rebate Account		45,000 0 0	Bills of Exchange (including £4,300,000 Treasury Bills)	5,600,625 15 3	
Profit and Loss Account	£303,288 5 1			£17,305,801 13 9	
Less Interim Dividend paid July 1919	80,524 16 0		Advances on Current, War Loan, and other Accounts Loans, &c.	10,056,816 7 6	
		222,763 9 1	Acceptances, Endorsements, and Contingent Liabilities, as *per contra*	460,594 3 8	
	£2,126,148 9 1		Bank Property	390 000 0 0	
Current, Deposit, and other Accounts	25,611.045 12 2		*Including £44,000 Indian Government Securities lodged against Note Circulation in th Isle of Man.	£28.213.212 4 11	
Acceptances, Endorsements, and other Contingent Liabilities	460,594 3 8				
Notes in Circulation in the Isle of Man	15,424 0 0				
	£28.213 212 4 11				

REPORT OF THE AUDITOR TO THE SHAREHOLDERS OF THE LANCASHIRE AND YORKSHIRE BANK, LIMITED.

I have audited the above Balance Sheet, and compared it with the books and vouchers at the Head Office and with the Certified Returns from the Branches. I have obtained all the information and explanations I have required. In my opinion such Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of my information and the explanations given to me, and as shown by the books of the Company. I have also examined the securities representing the Investments of the Bank, and have found them in order.

On behalf of the Board, COLWYN, C. W. KEIGHLEY, } Directors.
F. W. RAMSBOTTOM, General Manager.

6th January, 1920.

JNO. P. GARNETT, F.C.A., Auditor.
(David Smith, Garnett and Co., Chartered Accountants, Manchester.)

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The Statist.

LONDON, SATURDAY, FEBRUARY 14, 1920.

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The Money Market.

Friday, February 13, 1920.

	Current Rate %	Fixed	Previous Rate %	Fixed
Bank of England Rate...	6	(Nov. 6, '19)	5	Apr. 5, '17
Deposit Rates:—				
Banks & Discnt. Ho. (Call)	4	(Nov. 6, '19)	3½†	Oct 6, '19
Discount Houses (Notice)...	4½	(Nov. 6, '19)	3¾	Oct. 6, '19

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.

† Foreign and Colonial banks give Special Rates only upon deposits for a year

Discount Rates:—	60 Days. %	3 Mos. %	4 Mos. %	6 Mos. %
Treasury Bills	—	5½	—	5½
Bank Bills	5 3/4-13/16	5 3/8	5 3/4	5 3/4
Trade Bills	—	6-6¼	6¼	6½

Easy conditions on the whole prevailed in the Money market during the week, and while the demand for short loans continued strong there was no marked shortage in supplies of floating credits. As indicated by the Public Income and Expenditure return, the ingathering of revenue is proceeding rapidly, and in consequence it was expected that heavy demands for accommodation would be made from the market yesterday. However, steps were taken to meet this contingency with the result that conditions were comparatively easy, and only a small discounting of short bills was demanded from the Bank of England. As regards the future outlook, it will be remembered that the repayment of the maturities of Exchequer Bonds which have not been converted into the new issue will take place next week, and, therefore, floating credits should be more plentiful. This fact, however, did not check the demand for weekly accommodation during the past week. Short loans were available at from 4% to 4½%, with buyers offering down to 3¾%. The bulk of the business was done near the higher quota-

tion on account of the strong demand. There was a good inquiry for weekly fixtures at 4½%, and even up to 4¾% was given yesterday. With few exceptions the rates in the Discount market were steady, and an easier tone was apparent yesterday, due to the improved exchange situation and also to the coming repayments of Exchequer Bonds referred to above. April maturities were in little request, and the rate kept steady at from 5⅛% to 5⅞%; 5⅛% to 5¾% was the ruling rate for other bills.

In the Foreign Exchange market New York cable transfers opened the week with a good improvement to 3.39½. Afterwards, however, there was a reaction to 3.37¼, but yesterday's quotation showed the previous improvement to be fully maintained. The Paris cheque rate moved irregularly, though within narrow limits, the quotation rising to 48.85½ on Tuesday. Yesterday, however, it improved to 48.57¾. Movements in the Belgian franc were more vacillating, the net result for the week being, as in the case of the French franc, a slight improvement. The Amsterdam cheque rate moved steadily in our favour, yesterday's quotation being 9.06½. Italian sight drafts, after a rally on Tuesday, advanced to 62.25 yesterday. The Madrid rate showed a steady upward movement from 19.13½ on Monday to 19.47½ yesterday. Among the Scandinavian group both Christiana and Stockholm moved in our favour. Danish kroner improved to 23.17½. German and Finnish marks depreciated still further, the former rising to 335½ on Thursday. In the South American group, Buenos Ayres, after an adverse movement in sympathy with New York, finally closed without change. Monte Video showed a similar tendency, but finally closed lower for the week at 72*d*. The rupee was quoted at 2*s*. 8¾*d*. on Monday, and later steadied at 2*s*. 9*d*. Of the Eastern rates a drop of 2*d*. to 9*s*. 1*d*. in Shanghai was a feature on Thursday. The Hong-Kong rate, on the other hand, rose from 5*s*. 11*d*. to 5*s*. 10*d*.—6*s*. 3*d*.

A substantial reduction of £15,793,000 in the floating debt is indicated on comparing the Exchequer return issued on February 7 with the previous return. This reduction was brought about chiefly by a net reduction of £12,000,000 in the amount of Ways and Means Advances outstanding, on which 13 millions were raised against 25 millions repaid. £61,908,000 was received during the week for Treasury bills, against maturities amounting to £65,708,000. The net reduction during the week in the amount of Treasury bills outstanding, which was £1,106,668,000 on February 7, is £3,793,000. Such a reduction in indebtedness was effected by an excess for the week of over 18 millions in revenue over expenditure. From June 30 of last year, on which date the floating debt reached it culminating point, the net decrease has been £277,489,000, and since January 10, 1920, there has been a continuel decrease, amounting altogether to £51,057,000, which makes the present figure slightly under £1,302,000,000. The ingathering of taxes still proceeds apace, the revenue for the week to February 7 being £44,086,000, against £40,517,079 for the preceding week. The increase appears mainly under the heads of property and income tax, excess profits duty, and customs. Ordinary expenditure shows a slight increase, mainly on account of interest payments on war debt. There have been no receipts for the week for War Savings Certificates, of which £750,000 fell due for repayment of principal.

The currency notes return for the week ending February 11 shows a decline of £2,457,916 in the total of notes and certificates outstanding, as compared with the previous week. Cancellations during the week amounted to £8,193,783, and the total amount outstanding is now £327,372,373, as against £296,341,434 in November 1918. As a result, the fiduciary circulation, which was slightly increased during the preceding week, has been brought down by £2,457,916 to £294,772,373, and the ratio of Bank of England notes and gold to currency notes and certificates has improved to over 9.9%. On taking the amount of paper legal-tender money of the country as a whole, it will be found that the ratio which the gold reserve bore to it at the end of 1919 was a little over 20.5%. This figure shows us to be better in this respect than the average percentage of gold to notes of the Allied countries on the same date, which was no better than 17.1%. (This figure does not take account of the large emissions of paper money made in Russia since October 1917.) Just before the commencement of the War our note circulation was approximately 28 millions and our gold 39 millions, giving a percentage of gold to notes of 139%, which, with the exception of New Zealand and South Africa, was higher than that of any other country in the world.

BANK OF ENGLAND.

Not a few features of interest are to be found in the Bank return this week. The stock of gold still continues to mount up, receiving a further addition of £2,919,000, raising the total held by both departments to £106,027,000. This coincides with a rather small increase in the note circulation from £89,323,000 to £89,977,000. The reserve, on the other hand, has risen by £2,266,000 to £34,501,000. But the proportion of the reserve to liabilities has declined slightly to 22.4% in consequence of an addition of over £7,700,000 to "other" deposits and of over £3,300,000 to public deposits. This rise in "other" deposits is comprehensible in the light of the latest return of income and expenditure, according to which the Government repaid £12,000,000 of the outstanding balance of Ways and Means Advances. The excess of income over expenditure also serves to explain the addition to public deposits. On the other hand, the market increased its indebtedness to the Bank by £1,387,000; whilst Government securities were higher by £7,399,000. What gave occasion to this borrowing from the Bank at a period when revenue is flowing in steadily it is not easy to discover. At the same time it may be that the current week will produce a maturity of Treasury bills much in excess of the renewals; but for this we must await the next return of income and expenditure.

BULLION.

Supplies of gold during the week were small and there was a keen demand chiefly from South Africa and the Straits. On Monday, in spite of the strength of the American exchange, the price kept firm at 123*s*. 6*d*. per oz., which quotation was above the American parity. Later, however, the price fell, and with a continued improvement in the New York rate, the

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downward movement continued to 120*s.* per oz. fine on yesterday, but rose 1*s.* 6*d.* per oz. again to-day.

Rather violent fluctuations have again occurred in the Silver market, the main influences being a continuance of buying orders from China, renewed supplies of melted coin from the Continent, and the movements in the American exchange. Another factor which may become important in the future is the announcement by the Indian Government that the existing prohibition on the import of silver has been removed and that the import duty of 4 annas an ounce has been abolished. It will be remembered that, though this was recommended in the report of the Indian Currency Committee it was not among those recommendations immediately accepted by the Secretary of State for India. It resulted during the past week in small consignments of the metal being made to India on private account. The demand during the week was chiefly for spot silver and the price reached the fresh high record on Thursday of 89½*d.* per oz. standard. Owing to the difficulty of refining quickly the large supplies from the Continent the discount for forward delivery widened to 5*d.* per oz. to-day the quotations being 84¾*d.* for cash and 79¾*d.* forward. In the House of Commons to-day the Chancellor of the Exchequer introduced a Bill to amend the law concerning the standard fineness of the silver coinage in the United Kingdom and the Colonies. This step has, of course, become necessary unless the Government is to coin silver at a loss, for, according to yesterday's price, 16.1*d.* would be required to buy the silver content of a shilling. That is to say, according to this calculation, in order to make it profitable to buy silver for coinage purposes the standard fineness should be reduced from .925 to under .540.

NEW YORK.

A decrease of $21,970,000 in loans and of $6,620,000 in net time deposits is indicated in the weekly average statement of the New York City Banks and Trust Companies issued on February 7. At the same time, net demand deposits have increased by $27,920,000, and note circulation also shows a slight increase. On the other hand, the aggregate reserve has gone up by $8,220,000, and the excess reserve, in consequence, has increased by $4,760,000, so that the average position as a whole shows an improvement. The actual excess reserve now stands at $26,930,000.

The weekly statement of the Federal Reserve Board registers a decline of $21,100,000 in the total gold reserves. The total reserves now stand at $2,054,660,000—the lowest since January 3, 1919. On the liabilities side there is little net change, for though there is a decrease of $40,980,000 in the total net deposits, the amount of Federal Reserve notes in circulation has increased by $40,840,000. The ratio of total reserves to total net deposits and Federal Reserve note circulation combined has dropped to 44.1%, which, with the exception of the figure of 43.7% on January 2, 1920, is the lowest ever reported. The lowest ratio for 1919 was 46%, on December 12, and the average for the year was 49.8%. The ratio has, in fact, declined week by week since the beginning of this year, and the present strain is but a reaction after the temporary ease in January occasioned by a return to the reserve centres of the sums disbursed in respect of dividend and interest payments. The chief cause of the weakening ratio of reserves to liabilities is the steady depletion of the country's stock of bullion since the removal of the embargo on the export of gold on June 7, 1919, while, at the same time, the amount of money in the United States has shown an increase.

There is a growing irritation in America at the fact that India, Argentina, and the East, as well as other countries which have a favourable balance of trade as regards America, are allowed to take gold in settlement of indebtedness; while, on the other hand, America gets none from European countries which are indebted to her. Indeed, America is rapidly losing the immense stock of gold she acquired during the War, as the following figures will show, and bullion is now gravitating to the East. The imports of gold from January 1 to December 10, 1919, amounted to $66,729,000, and the exports to $346,062,000, against exports during the same period of 1918 amounting to $39,701,000. Thus there was an excess of exports during 1919 of $279,330,000, against an excess of imports during 1918 of $21,365,000. It is worthy of note that exports of domestic gold coin amounted to $227,000,000 in 1919, as against $31,000,000 in 1918. On the other hand, whereas during 1918 importations of foreign gold coin totalled only $183,000, in 1919 they reached nearly eight millions, and of this one-third was imported during the first ten days of December last. Incidentally, in connection with this movement, it may be remembered that the exchanges became more or less stable during the middle of December, and the position of the pound sterling showed a general improvement. The excess of gold imports over exports from the beginning of the War to the end of last year was $792,000,000. Now, during last year there was an excess of exports over imports of $279,333,000; but up to June 7 the imports were in excess, for since that date (*i.e.*, the date of the removal of the embargo on the export of gold) the exports were $332,000,000 and the imports $23,000,000. The bulk of the exports has gone to Argentina, Japan, China, and India, and it is evident that should the drain in gold continue at this rate America would quickly lose all her gold, and thus the anxiety of bankers on this head is not without foundation. It is unfortunate that, at a time when all the world looks naturally to America for financial help, America should find it difficult to satisfy her domestic demands, and has little to spare for those countries to which credits are vital.

As regards silver, besides her own output, the United States imports large quantities of the white metal from Mexico; but the drain of her silver supply, which has continued all through the War, has far outstripped her production and imports combined, and has latterly become accentuated on account of the large demand from the Far East. Her production of silver during 1919 is estimated at $62,000,000, and her imports from January 1 to December 10, 1919, were $82,270,000, as compared with $68,398,000 during the same period of 1918. Her excess of exports during 1919 were $144,843,000, as compared with $151,748,000 during 1918 and $426,604,000 since the beginning of the War.

The total stock of gold coin in the United States on December 1, 1919, was $2,833,221,135, and the general stock of money was $7,783,144,476. The amount of money *per capita* has increased from $39.54 on April 1, 1917, to $48.54 on December 1, 1919, and during the same period the amount of gold *per capita* has decreased considerably. The total amount of United States notes, Federal Reserve notes, Federal Reserve bank-notes, and National Bank notes on December 1, 1919, was over $4,395 millions. The present amount held by the Federal Reserve banks and with Federal Reserve agents is $1,991,560,000, the lowest since August 9, 1918.

Stock Exchange.

Business was on a small scale this week in the Stock markets and prices were irregular, with a tendency towards profit-taking in some sections. There were, as usual, a few notable exceptions to the prevailing dullness, which was doubtless due in part

to the general feeling of uneasiness, and in part, perhaps, to the uncertainty as regards the prospects of increased taxation in the coming Budget. The tone of the House of Commons debate on the nationalisation of mines and the Premier's attitude on the Bolshevist question tended to restore confidence a little, but the resulting improvement was not maintained.

The gilt-edged section was dull, and the trend of prices was downwards, notably the Funding Loan, which dropped to a low record. Towards the end of the week, however, the downward movement was held in check by the improved trade and financial outlook, but prices were not much assisted thereby. Consols had a net loss of ⅛, War Loan Fives of ½, and Victory Bonds of ⅛. Funding Loan fell ⅝ to 72½, War Loan Four-and-a-Halfs dropped ½ to 82½. Colonial issues were quiet, and there was little change in the prices. New South Wales 5¾ per Cents. lost 1½ points at 99.

Little interest was taken in the Foreign market, which exhibited many weak spots. Belgian Threes were without change. French War Loan Five per Cents. were quoted ½ lower at 56. Brazilian Fours of 1889 and Fives Funding were inquired for yesterday at 48 and 73 respectively. Among Japanese issues the first and second series of Four-and-a-Halfs of 1905 went each one point to the good. The weakness was most pronounced in Russian and Mexican issues.

The dividend announcements failed to interest the market in Home Rails; and, with one or two exceptions, did not lift prices. Except in the Heavy group, business was small. The Great Western dividend for 1919 is again 7¼%, or the same as the 1918 dividend.

In the Foreign Rail market Argentine descriptions were a strong feature, Central Argentine Ordinary rising 3½ to 75. Buenos Ayres Great Southern and Buenos Ayres Great Western exhibited weakness at first, but were in good demand towards the end of the week. United of Havanas, Antofagasta Deferred, Leopodinas, and Argentine North-Easterns were all marked up. Canadian Pacifics showed a total decline of 7 points to 171, chiefly on account of the improvement in the American exchange. The Canadian Pacific dividends declared on Tuesday are 2% on the First Preference stock for the half-year ended December 31, 1919, and 2½% on the Common stock for the quarter ended December 31, 1919, being at the rate of 7% per annum from revenue and 3% per annum from Special Income account.

In the Industrial market business was dull, and price movements were irregular though unimportant. There was no selling pressure, however, and bright features were not lacking, there being a tendency to confine business to a few specialities. Shipping descriptions, as well as engineering, iron and steel shares were irregular, though Court Lines were a strong feature. Textiles improved a little, but the closing tone is unsettled. There was good inquiry for Marconis and Associated Cements, and further strong features were Waring & Gillows and Maypole Dairy Deferred.

In the Oil Share market the tone was distinctly flat, as speculative operators turned their attention to Mining shares, and prices generally fell, though yesterday there were signs of recovery. The depression was also probably influenced by reports of heavy selling of Oils in Wall Street and on the Bourses. Shell Transports dropped 2½, but rose 5/32 to 12¾ to-day, and Royal Dutch fell 5½ from 89½, recovering yesterday to 86¾. Mexican Eagles Common declined ¾ to 10⅝, and the Preferred ½ to 10⅝. Scottish Americans showed a net decline of 2*s*. 3*d*. to 40*s*. 3*d*. Trinidad Centrals declined 1/8 net to 6⅝; Trinidad Leaseholds, on the other hand, gained ¼ to 3¾, while United British of Trinidad lost ¼ at 2⅛.

Mining Topics.

The week opened with a very buoyant market, the Kaffir section still attracting a great deal of attention in connection with the high premium on gold. Tuesday, however, witnessed the usual tendency for profit-taking, but not on such a scale as to disturb the market. After that the market assumed a rather unsettled tone, and balancing price changes as a whole, the general tendency towards the end of the week was downwards. Whilst this may be regarded as a healthy reaction after the very marked interest displayed in this market last week, it is well to bear in mind another contributory factor, the improvement in the American exchange, in consequence of which the price of gold has fallen during the current week from 123*s*. 6*d*. to 120*s*. Yet even at this level the premium on gold is close on 30%, and there is no reason, therefore, for anticipating any serious setback in prices for the present.

In the Kaffir group many shares were dealt in. Central Minings, opening at 12⅜, advanced on Tuesday to 12½, but suffered from the general desire to secure profits, and closed at 11⅞ on Thursday. The Rand Mines fared better, moving up from 4⅛ at the opening to 4 5/16 on Tuesday, and receding only to 4 3/16 on Thursday. A price as high as 5 3/32 was paid for these shares during the boom on Monday. Gold Fields also came in for support, rising early in the week to 2 7/16, but closing on Thursday at 2⅛. Randfontein Estates fell from 30*s*. to 29*s*.; whilst Randfontein Central were in much favour, rising from 24*s*. to 29*s*. 6*d*., and closing on Thursday at 29*s*. The publication of the January results of the General Mining (Albu) group did not prove a bull point for the market. Despite the inclusion of the premium on gold, which is taken at the price of 107*s*. 6*d*., certain losses were incurred, mainly, it is explained, in connection with additional allowances to employees due to the increased cost of living.

With Rand Mines proper the general tendency of prices was downwards after the middle of the week. Modder B's spurted to 9¼ on Monday, but then sagged to 9 1/16 on Wednesday, and closed at 8 15/16xd. on Thursday, which represented another fall of 1/16. Springs Mines, putting on 3/32 to 3¼ on Monday, fluctuated around this price, at which they closed on Thursday. City Deep suffered a relapse from 3 3/32 to 3⅛. Some sensational movements characterised East Rand Proprietary, which advanced from 15*s*. 3*d*. on Tuesday to 17*s*. on Wednesday, and closed at 17*s*. 4½*d*. on Thursday—the highest price attained since 1916. Yet another feature was the support accorded to the less favoured shares, according as profits were realised on the leaders. Thus Village Deep came in for support, rising from 20*s*. 3*d*. on Monday to 21*s*. 6*d*. on Tuesday, but closing lower at 21*s*. on Thursday. Similarly Nourse Mines moved up from 17*s*. 9*d*. to 18*s*. 9*d*., and to 19*s*. 6*d*. on Wednesday, closing at 19*s*. on Thursday.

Chartered became the focus of attention in the Rhodesian market, advancing to 23*s*. on Monday and 23*s*. 7½*d*. on Tuesday. But then the usual setback was experienced, and on Thursday Chartered closed on the downward grade at 21*s*. 9*d*. B.C.A. were flat, the price sagging from 12*s*. 9*d*. to 12*s*. 6*d*. Amongst the Diamond group, De Beers continued to show weakness, relapsing further from 31 on Monday to 30¼ on Thursday. Not a few features were noticeable in the Miscellaneous section. Mysores, under the gold premium, rose 5/32 to 1¼ on Monday, but closed a little weaker at 1 7/32 on Thursday. Champion Reefs continued to rise from 3*s*. 9*d*. to 4*s*. 9*d*., and Mexican El Oros were firm at 7⅛ on prospects of dividends. The Base-metal market provided an attraction on Monday in the Copper group, where Rio Tintos moved up 1 to 48, but had weakened ½ to 47½ on Thursday. Tin shares were decidedly irregular. Tuesday, however,

gave rise to a big movement in Nigerian Tin Areas, when the price reached the record level of 18*s*. But selling orders predominated towards the week-end, and the price fell back to 16*s*. 3*d*. on Thursday.

THE GOLD PREMIUM.

It is now possible to measure to some extent the influence which the premium on gold exerts upon the profits of the mining companies interested. Returns to hand relative to the "Johnnies" group show what an immense difference the inclusion of this premium makes. Hitherto content to estimate their profit on the basis of 85*s*. per ounce, it was decided from the beginning of the current year to include the approximate premium earned on the gold produced. Government Areas, whose December profits on the old basis were returned at £75,244, have to their credit for January a profit of £120,332, gold being valued at 107*s*. 6*d*. Under similar conditions Langlaagte Estate convert a December loss of £775 into a January profit of £8,495. Likewise with Randfontein Central, whose profit of £39,914 for January compares with its loss of £12,146 in December. Again, the profit of Van Ryn Deep at £87,138 for January is over £21,000 higher than for December; whilst Witwatersrand (Knights) latest return of £10,073 is nearly four times the profit recorded for December. Turning to the figures of the General Mining (Albu) group, the same phenomenon appears; profits are much higher, or losses are actually converted into profits. This is the case with the Aurora West, where a profit of £111 is earned, as against a loss of £2,607, and of the West Rand Consolidated, where a December loss of £2,457 gives way to a January profit of £2,859. Similarly, a profit of £28,054 stands to the credit of the Meyer and Charlton, as compared with the previous profit of £7,549. The real effect of the gold premium has therefore been to enhance considerably the profits of the successful mines, and to put the less favoured members on a working basis. It has, indeed, been directly instrumental in preventing the closing down of not a few mines which, in its absence, would have incurred considerable loss in their recent operations. For it is not difficult to realise how such a high price for gold as 120*s*. enables companies to work low-grade ore which could only pay under such conditions. At the same time, it is well to remember that the premium on gold is produced by circumstances outside the control of mine-owners or shareholders. It is the outcome of the general condition of Europe as a result of the War, and will, in consequence, decline or increase according as that condition improves or deteriorates. Consequently, to what extent profits, and in consequence dividends, from such mining shares will continue to be increased through this medium it is not possible to forecast. The time during which such premium will remain operative, as well as the amount of it, depends entirely on the measures taken by the various European Governments to increase production and reduce unnecessary Government expenditure. However, as long as such a premium is in existence it will undoubtedly increase the profits to be derived from gold-mines, and thus enhance the value of their shares.

CHARTERLAND AND GENERAL EXPLORATION.

This Company, having paid a dividend of 20%, for 1916-17 and 1917-18, is at present finding itself in troubled waters through no fault of its own. For the years ended August 31, 1917 and 1918, a liability in respect of excess profits was admitted to the amount of £10,757. But for the year terminated on August 31, 1917, alone, the Inland Revenue Commissioners have assessed the Company for £112,260. It appears that £111,022 has reference to a valuation of the shares held by the Company in the Rhodesian and General Asbestos Corporation, Limited. That it should pay on the profits earned by the realisation of such shares is, the Company contends, quite comprehensible; but it fails to understand upon what principle excess profits duty can be levied on the valuation of shares still held. Consequently, though the Commissioners have decided against them, the case is being appealed to the Courts. With a contingent liability of £95,630 hanging over them in this connection the directors wisely refrain from recommending any dividend for 1918-19. Yet the position of affairs, as revealed by the accounts, compares very favourably with that of 1917-18. The total revenue for the year under review amounted to £47,301, as compared with £40,257 for 1917-18; whilst the actual amount carried to the balance sheet was £27,396, as compared with £29,235. Whereas, however, in 1917-18 the yield from interest and dividends only accounted for £14,728, it supplied in 1918-1919 £29,429. As heretofore the Company's investment in the Rhodesian and General Asbestos Corporation proved very remunerative. For the year 1918-19 dividends of 13¾% were paid, and, in addition, an interim dividend of 5% for 1919-20. The glowing opinion of the asbestos mines expressed by one of the directors who had visited them would indicate, if anything, higher dividends still in the future. For the year ended March 31, 1919, 5,069 tons of fibre produced by these mines had been sold at satisfactory prices.

In the balance sheet the capital remains unaltered at £163,812 15*s*. Liquid assets amount to £50,327 to meet a liability to creditors of £26,712. A considerable proportion of this latter sum is due to unpaid dividends and income tax, and between the date of the accounts (August 31, 1919) and the date of the meeting (February 6, 1920) it had been reduced to £12,331. The balance of the profit and loss account, including £7,751 5*s*. brought forward from the previous year, stands at £35,147 2*s*. 3*d*., as compared with £32,323 3*s*. 3*d*. in 1917-18, thus indicating that, in the absence of this dispute with the Inland Revenue, there was reason for anticipating another dividend of 20%. At the meeting the question of issuing further shares to meet any expenses incurred in this action came up, and the Chairman, declaring that it would receive immediate consideration by the board, added that he saw no objection to the issue of such shares at par to existing shareholders. He suggested, moreover, that not more than 1*s*. per share need be called up. As the shares command 8*s*. 9*d*. in the market, an issue at par would give a bonus to shareholders equivalent to a dividend of 75%. Of its authorised capital of 1,000,000 shares of 5*s*. the Company has yet to issue 344,749.

EASTERN SMELTING COMPANY, LTD.

Another year of successful operations stands to the credit of this tin-smelting Company. During the year ended August 31, 1919, a net profit of £78,055 was earned, as against £59,963 for 1917-18 and £49,932 for 1916-17. Excess profits duty again exacted a heavy toll, provision being made for £35,000, as compared with £30,000 in the previous financial year. A dividend of 15% was declared alike on the Preferred Ordinary and the Ordinary shares, leaving to be carried forward to the next account £14,566 12*s*. 11*d*. The strong position of the Company is further

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revealed in the balance sheet. Sundry creditors amounting to £34,559 are more than amply secured by £69,931 in liquid assets, represented by sundry debtors and cash. Stocks of tin and tin ore, less reserve for smelting, are valued at £148,225, and fuel and stores at £33,608. Fixed assets stand at £53,340, an increase of £9,700 as compared with 1917-18, and which represents mainly expense incurred in acquiring land in Penang to provide proper housing accommodation for the staff. The reserve account, including the special allocation for excess profits duty, amounts to £51,250. To provide the working capital needed for the further efficient development of the tin works the Company has decided to issue the remaining 45,000 of its Ordinary shares *pro rata* to both classes of its existing shareholders. As the Ordinary shares of £1 have been quoted in the market at 35*s.* the proposal to issue them at 25*s.* affords present shareholders a very generous bonus. When it is remembered that the Company paid 10% in 1916-17 and 15% in 1917-18 and 1918-19, and that it offers its new issue only at a premium of 5*s.* when the premium in the market is nearer to 15*s.*, no surprise is occasioned by the decision not to have the new issue underwritten.

WOLHUTER.

It has been apparent for some time past that the Wolhuter mine is nearing the end of its profitable life, but it required the information now given in the cabled summary of the report for the year to October 31 to gauge the length of existence remaining. Development of the south-eastern portion of the property is almost completed, stope faces from which a regular tonnage of average grade can be depended upon are decreasing in number, and the mill will have to depend to a greater and greater extent upon the reclamation of ore from old workings and mining from the partially developed blocks in process of being proved. The ore reserves at October 31 were calculated to be 693,894 tons, value 5.7 dwt., but, in addition, there are 105,000 tons of ore averaging 4.3 dwt. which it is reckoned can be profitably dealt with if a 20% premium is maintained on the value of gold. These two sets of reserves total about 700,000 tons, or about two years' milling at the rate maintained in the twelve months ended October 31, during which the mill dealt with 348,,000 tons. The report states that, except in the event of a further serious decline in native labour, it may be anticipated that the present scale of operations can be maintained for the next twelve months. The net profit earned last year was £64,134, and dividends totalling 5%—calling for £43,000—were paid. Cash and investments at October 31 amounted to £18,974. The question for the shareholder to consider is whether to sell the £1 shares at the present price of 5*s.* 6*d.*, or to accept the return of divisible profits and assets, say, in the next two or three years.

Van Ryn.—£500,000, in £1 shares. Batteries, 160 stamps. Six tube mills. Present capacity about 550,000 tons a year.

Year to June 30	Stps.	Tons Milled	Sort-ing %	Revenue Amt. £	Revenue Per ton	Expenses Amt. £	Expenses Per ton	Profit Amt. £	Profit Pr ton	Price end of Period
1916-17	140	456,450	6¾	553,430	24/3	341,166	15/0	212,264	9/3	1 3/32
1917-18	140	410,300	—	460,749	22/5	335,741	16/4	124,988	6/1	31/32
1918-19.										
Sept. qr.	146	98,700	3.1	104,453	21/1	84,797	17.2	19,656	3.11	29/32
Dec. qr.	140	98,160	3¼	100,760	20/6	85,006	17/4	15,754	2/2	7/8
Mar. qr.	140	97,700	3.19	95,632	19/7	82,852	17/0	12,780	2/7	15/16
June qr.	140	106,300	3.40	101,931	19/2	85,271	16/0	16,660	3/2	15/16
1919-20.										
Sept. qr.	140	94,400	1.42	98,353	20/11	84,051	18/1	14,300	2/10	7/8
Dec. qr.	—	94,960	—	95,461	20/1	85,040	18·1	10,276	2/0	1 1/32
Jan.	—	34,600	—	45,691	26/5	35,008	20/5	10,683	6/0	1 1/16

Dividends—1916-17, Dec., 17½; June, 17½ per cent.
1917-18, Dec., 12½; June, 5 per cent.
1918-19, Dec., 7½ per cent.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, February 11, 1920.

Issue Department.

Notes Issued	£123,682,460	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	105,232,460
	£123,682,460		£123,682,460

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£53,947,714
Rest	3,430,134	Other Securities	83,838,233
Public Deposits	22,012,395	Notes	33,705,775
Other Deposits	132,276,047	Gold and Silver Coin	794,883
Seven-day and other Bills	15,029		
	£172,286,605		£172,286,605

Comparison with Previous Four Weeks [00,000's omitted.]

Date 1920.	Circulation £	Coin and Bullion £	Deposits—Public £	Deposits—Other £	Securities—Govt. £	Securities—Other £	Reserve £	Ratio Reserve to Liabilities %	Bank Rate %	Three Months' Bills %
Feb. 11	88,9	106,0	22,0	132,2	53,9	83,8	34,5	22·4	6	5 1/16
Feb. 4	89,3	103,1	18,7	124,5	46,5	82,4	32.2	22·5	6	5 1/8
Jan. 28	88,2	99,9	20,1	135,1	62,6	80,3	30,1	19·4	6	5 5/8
Jan. 21	88,1	96,8	21,4	140,3	68,1	84,4	27,1	16·8	6	5 5/8
Jan. 14	88,2	94,2	18,6	127,4	54,7	84,7	24,4	16·8	6	5 1/8
J'y22,'14	29,3	40.2	13,7	42,2	11.0	33.6	29.3	52·40	3	2 1/8

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 6%; Aug. 8, 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; April 5, 5%; Nov. 6, 1919, 6%.

Comparison of Bank Returns, Exchanges, Prices, &c.

	Feb. 13, 1920	Feb. 12, 1919	Feb. 13, 1918	Feb. 14, 1917	Feb. 11 1910
Bank of England (in £'s sterling 00,000's omitted):					
Circulation	£88,9	£69.8	£46.1	£39,5	£27.8
Public Deposits	22.0	28.2	39.0	51.9	7.9
Other Deposits	132.2	120.0	127.3	145.2	44.8
Government Securities	53·9	52.7	56.3	135.0	14.0
Other Securities	83.8	83,3	95.7	44.0	29,5
Reserve	34.5	30.2	31.3	36,1	27.2
Ratio to Liabilities	22.4%	20·40%	18·96%	18 34%	51·69%
Coin and Bullion	106,0	81.6	58,9	57.1	36.6
Money:					
Bank of England Rate	6%	5%	5%	5½%	3%
Bank of France Rate	5%	5%	5%	5%	3%
Rate 3 months' Bills London	5 11/16%	3 1/16%	3 3/16%	5 1/16%	2 1/16%
Exchanges:					
Paris Cheque	48 60	25 98⅛	27 16⅛	27 81¼	25 18⅛
New York 60 days	3·35	4 73½	4 72½	4 72½	4 84
Bombay Telegraphic Transfers	2/9⅛	1/5 3/4	1/4 31/32	1/4 1/32	1/4 7/16
Prices:					
Consols 2½% Cash	50 1/4	59	54½	52	82
French Rentes 3% Money	57·60	65 00	57·50	62	98 97
Silver, London spot oz.	84⅛d.	47⅞d.	42⅛d.	38⅛d.	23 11/16d.
Wheat, *Gazette* average qr.	72/6	72/7	72/0	76/0	33/7
Cotton, Mid Upland lb.	30·79d.	18·35d.	23·03d.	10·88d.	8·14d.
Iron, Scotch pig ton	181/0	101/0	101/0	88/6	57/7½

CURRENCY NOTE ISSUE.

Week to	Notes Issued £	Notes Cancelled £	Notes Outstanding £	Gold Coin & Bullion £	Bank of England Notes £	% of Bank Notes & Gold to Notes %
Feb. 11, '20	5,735,867	8,193,783	327,372,373	28,500,000	4,100,000	9·9
Feb. 4, '20	6,718,684	6,442,592	329,830,289	28,500,000	4,100,000	9·8
Feb. 12, '19	6,782,943	5,360,185	310,904,542	28,500,000	—	9·1
Feb. 13, '18	6,133,837	4,549,783	215,163,856	28,500,000	—	13·2
Feb. 14, '17	5,209,305	4,731,212	146,130,198	28,500,000	—	19·5
Feb. 16, '16	4,360,575	3,599,921	98,817,317	28,500,000	—	28·8

Balance Sheet, February 11, 1920.

	£		£
Notes outstanding—		Advances—	
One Pound	256,926,728	Other Bankers ...	250,000
Ten Shilling	42,665,645	Trustee Savings Banks	190,000
Certificates outstanding ...	27.780,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500,000
Total	327,372,373	Bank of England Notes...	4,100,000
Investments Reserve A/c ...	16,268,397	Government Securities ...	309,083,458
		Balance at Bank of England	1,517,312
Total	343,640,770	Total	343,640,770

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

1920. Week to	Revenue	Expenditure	Excess of Expenditure	Loans, Advances, &c.—Cr.	Loans, Advances, &c.—Dr.	Loans, Advances, &c.—Net +	Cash Balance
Feb. 7	£44,087	£25,887	£18,200‡	£76,440	£94,323	—£17,883	£4,903
Jan. 31	40,517	25,518	14,999‡	83,883	99,100	—15,217	4,586
Jan. 24	48,915	36,425	12,490‡	145,398	157,713	—12,315	4,806
314days '19-20	909,459	1,275,468	366,009	5,177,734	4,894,525	283,203	—7,896
314days '18-19	654,048	2,268,429	1,614,381	6,038,057	4,436,759	1,601,298	—13,083
*Yr. '19-20**	1,168,650	1,642,295	473,645	—	—	473,645	—
Yr. '18-19	889.021	2,579,301	1,690,280	7,033.402	5,351,353	1,682,049	12,799
Yr. '17-18	707,234	2,696,221	1,988,987	7,499,604	3,616,023	1,983,581	21,030

Principal Items of Revenue and Expenditure.

1920. Week to	Revenue: Customs & Excise	Revenue: Income Tax, &c.	Revenue: Excess Profits Duties, &c.	Revenue: Other Revenue	Expenditure: Int., &c., on Debt	Expenditure: Misc. Expend.	Expenditure: Supply Services
Feb. 7	£4,404	£24,520	£6,822	£8,341	£2,870	£11	£23,005
Jan. 31	4,180	16.928	4,269	15,140	1,806	364	23,348
Jan. 24	7,786	14.759	6,302	19,463	2.456	328	33,641
314days '19-20	238,372	222,456	238,844	209,787	286,817	11,764	976,887
314days '18-19	134,132	164,218	237,898	117,800	235,875	8,518	2,024,036
*Yr. '19-20**	276,000	354,000	280,000	258,650	345,000	16,595	1,280,700
Yr. '18-19	162,220	291,186	285,028	150,587	269,964	11,380	2,297,958
Yr. '17-18	110,033	239,509	220,214	137,478	189,851	11,401	2,494,968

FLOATING DEBT. [000's omitted.]	Treasury Bills	Ways & Means Advances	Total	Natnl. War Bond Rcpts.
Feb. 7, 1920 ...	£1,106,668	£196,230	£1,302,898	£1,732,780
Jan. 31, 1920 ...	1,110,461	208,230	1,318,691	1,732,780
Jan. 24, 1920 ...	1,119,861	204,430	1,324,291	1,732,780
Jan. 17, 1920 ...	1,130,951	215,074	1,346,025	1,738,780
June 30, 1919 ...	796,150	774,237	1,570,387†	1,732,021

* Revised Budget and supplementary estimates. † Highest.
‡ Excess of revenue.

FOREIGN BANKS.

[In £'s Sterling‡—000's omitted.]

	Cash			Advances		Note	Bills Discounted,
AUSTRIA-HUNGARY.	Gold	Silver	Total	To Public	To Dual Govts.	Circulat'n	&c.
July 23, '14...	£51,578	£12,141	£63,719	£7,772	—	£88,740	£31,993
Oct. 21, '19...	10,832	2,374	13,206	371,686	£1,373,083	2,013,363	240,845
Oct. 28, '19...	10,832	2,378	13,210	372,119	1,373,083	2,058,464	222,532
Dec. 7, '17...	11,000	2,300	13,300	603,990	—	739,300	117,600

BELGIUM.	Gold.	Silver	Total	Discounts	Circulation	Deposits
Aug. 6, '14 ...	£10,977	£633	£11,610	£41,925	£51,800	£6,263
Jan. 29, '20 ...	10,657	1,101	11,758	16,288	196,106	92,189
Feb. 5, '20 ...	10,657	1,064	11,721	15,901	197,411	90,885

	Cash			Dis-	Balance	Circula-	
DENMARK.	Gold	Silver	Total	counts	Abroad	tion	Deposits
July 31, '14 ...	£4,100	£341	£4,441	£6,197	£786	£8,693	£47
Dec. 31, '19 ...	12,605	184	12,789	12,803	1,640	27,186	3,995
Jan. 31, '20 ...	12,602	188	12,790	15,084	912	26,375	1,902
Jan. 31, '19 ...	10,405	135	10,540	4,110	5,563	23,936	1,016
Jan. 31, '18 ...	9,650	135	9,785	3,402	2,446	18,282	3,338

	Gold—		Total Cash			Circula-	Deposits—	
FRANCE.	In Bank	Abroad	incl'g Silver	Bills		tion	Public	Private
July 30, '14 ...	£165,654		£190,667	£97,768		£267,327	£15,302	£37,903
Feb. 5, '20 ...	144,093	79,131	233,390	84,774		1,521,676	1,674	126,433
Feb. 12, '20 ...	144,110	79,131	233,399	72,348		1,519,471	2,651	124,931
Feb. 13, '19 ...	138,945	81,484	233,022	46,150		1,300,266	3,505	106,572
Feb. 14, '18 ...	133,130	81,484	224,701	53,394		952,847	1,677	105,377

	Cash			Treasury &	Loans &	Circula-	De-
GERMANY.	Gold	Silver	Total	Other Notes	Discounts	tion	posits
July 23, '14...	£67,843	£16,727	£84,570	£5,279	£40,055	£94,545	£47,198
Jan. 23, '20...	54,491	868	55,359	556,967	1,694,811	1,799,231	458,860
Jan. 31, '20...	54,507	1,016	55,523	581,851	1,366,688	1,872,169	706,077
Jan. 31, '19...	112,686	997	113,683	287,633	1,355,378	1,182,382	626,137
Jan. 31, '18...	120,305	5,746	126,051	62,778	655,712	556,947	333,811

	Cash			Dis-	Ad-	Circula-	De-
HOLLAND.	Gold	Silver	Total	counts	vances	tion	posits
Aug. 1, '14 ...	£13,496	£249	£13,745	£13,422	£10,332	£35,660	£1,437
Jan. 31, '20 ...	52,654	686	53,340	23,461	18,846	86,781	9,571
Feb. 7, '20 ...	52,688	707	53,395	21,389	18,564	86,001	7,507
Feb. 8, '19 ...	57,029	746	57,775	20,001	18,068	86,392	16,116
Feb. 9, '18 ...	59,703	806	60,309	3,197	12,153	72,259	7,712

	Cash			Other	Loans &	Circula-	
ITALY.	Gold	Silver	Total	Cash	Discounts	tion	Deposits
July 31, '14 ...	—	—	£48,456	£25,017	£69,204	£8,887	
Nov. 30, '19 ...	£32,198	£3,004	35,202	22,919	90,021	489,662	75,385
Dec. 10, '19 ...	32,198	3,004	35,202	17,701	90,319	491,363	74,657
Dec. 10, '18 ...	32,699	3,080	35,779	7,275	60,532	365,310	56,743
Dec. 10, '17 ...	33,419	3,509	36,928	6,847	53,073	256,696	57,245

					Deposits—	
JAPAN.	Gold	Discounts	Advances	Notes	Public	Private
Aug. 1, '14 ...	£21,867	£1,829	£7,863	£32,722	£13,818	£1,521
Dec. 6, '19 ...	88,052	13,123	32,394	118,832	108,945	4,344
Dec. 13, '19 ...	88,352	10,751	34,069	118,564	109,431	4,331
Dec. 14, '18 ...	71,980	3,030	40,603	89,509	100,280	4,877
Dec. 15, '17 ...	63,137	942	21,974	67,000	61,472	3,833

NEW YORK BANKS & TRUSTS.	Cash Own Vaults	Loans, Aggregate Reserve	Disc'ts, Invest.,&c.	Net Deposits— Demand	Time	Total	Excess Reserve
Aug. 1, '14 ...	—	£89,888	£411,238	—	—	£387,165	£1,720
Jan. 31, '20 ...	£19,382†	114,130	1,049,232	£829,564	£51,706	911,614	3,874
Feb. 7, '20 ...	18,892†	115,774	1,044,838	835,148	50,382	909,668	4,826
Feb. 8, '19 ...	19,128†	110,980	946,634	764,516	28,286	853,704	9,740
Feb. 9, '18 ...	19,634†	117,302	839,054	735,830	40,389	839,225	19,182

		Balance	For'gn Govt.	Disc'nts	Circula-	
NORWAY.	Gold	Abroad	Securities	& Loans	tion	Deposits
July 31, '14 ...	£2,960	£1,678	£493	£4,868	£6,752	£793
Jan. 22, '20 ...	8,136	3,359	581	19,171	22,696	4,215
Jan. 31, '20 ...	8,132	3,831	581	18,140	22,785	3,499
Jan. 31, '19 ...	6,715	3,750	749	21,469	22,952	5,602
Jan. 31, '18 ...	8,414	3,839	720	20,545	16,972	11,025

				Discounts &	Note Circu-	
PORTUGAL.	Gold	Silver	Total	Advances	lation	Deposits
Nov. 26, '19 ...	£1,906	£3,921	£5,827	£11,063	£76,570	£4,635
Dec. 3, '19 ...	1,906	3,920	5,826	10,881	74,948	7,186
Dec. 10, '19 ...	1,906	3,921	5,827	12,888	78,528	6,349
Dec. 17, '19 ...	1,906	3,921	5,827	12,954	80,275	4,860

ROUMANIA.	Cash	Discounts	Advances	Total	Circulation
Dec. 6, '19 ...	£53,621	£9,103	£2,255	£11,358	£160,448
Dec. 13, '19 ...	54,021	8,663	2,295	10,958	161,849
Dec. 20, '19 ...	54,821	8,671	2,218	10,889	163,559
Dec. 21, '18 ...	33,701	4,090	1,663	5,753	97,849

	Gold—		Total Cash	Loans &	Circula-	Notes in	Total
RUSSIA.	In Bank	Abroad	incl'g Silver	Disc'ts	tion	Reserve	Deposits
July 21, '14...	£160,114	£14,395	£181,892	£76,081	£163,411	£6,589	£109,911
Oct. 28, '17...	129,523	230,865	378,205	1,869,559	1,836,217	15,783	345,550

	Cash			Loans,	Spanish	Circula-	Deposits,
SPAIN.	Gold	Silver	Total	&c.	4%	tion	&c.
Aug. 1, '14 ...	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,955
Jan. 31, '20 ...	98,139	25,516	123,655	89,048	13,779	154,371	44,132
Feb. 7, '20 ...	98,140	25,259	123,399	89,048	13,779	155,595	44,113
Feb. 8, '19 ...	89,144	25,615	114,759	70,554	13,778	137,893	46,589
Feb. 9, '18 ...	79,138	28,265	107,403	47,388	13,777	114,037	38,481

SWEDEN.	Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circula- tion	Deposits
Aug. 1, '14 ...	£5,717	£6,150	£1,555	£7,495	£13,432	£3,903
Jan. 24, '20 ...	15,587	5,964	2,688	26,324	35,121	11,811
Jan. 31, '20 ...	15,081	6,239	2,888	26,801	37,403	10,889
Feb. 1, '19 ...	15,543	7,998	3,034	19,847	40,576	5,258
Feb. 2, '18 ...	13,105	7,416	2,881	12,168	29,408	6,640

	Cash			Discounts &	Circula-	
SWITZERLAND.	Gold	Silver	Total	Advances	tion	Deposits
July 23, '14 ...	£7,202	£758	£7,960	£4,817	£10,716	£2,026
Jan. 23, '20 ...	20,678	3,262	23,940	15,882	36,202	6,108
Jan. 31, '20 ...	21,178	3,286	24,464	16,434	37,933	6,206
Jan. 31, '19 ...	16,505	2,514	19,018	19,457	35,295	5,063
Jan. 31, '18 ...	14,477	2,217	16,694	13,017	25,324	5,526

† Not reserve. ‡ Converted at par rate of exchange approximately.

U. STATES FED. RES. BANKS.	Gold— Held by Banks	With Agents	Total Cash	Bills Dis- count'd	Accept- ances.	Deposits.— Govt.	Total. Net.	Circula- tion
Feb. 2, '20 ..	£155,800	246,732	414,788	434,872	112,262	14,594	361,300	570,188
Feb. 9, '20 ...	150,774	247,538	410,932	440,508	110,950	8,490	353,104	578,356
Feb. 7, '19 ...	154,696	266,940	435,122	338,880	56,540	19,362	322,832	490,834
Feb. 8, '18 ...	179,290	171,644	362,618	105,024	56,141	11,897	300,570	252,244

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed		%	Date Fixed
Amsterdam ...	4½	July 1, '15	Lisbon	5½	Jan. 15, '14
Berlin	5	Dec. 23, '14	Madrid	5	Nov. 10, '19
Berne	5	Aug. 21, '19	Paris	5	Aug. 20, '14
Bombay	7	Feb. 5, '20	Petrograd ...	6	July 29, '14
Brussels	3½	Oct. 2, '19	Rome	5	Jan. 11, '18
Calcutta	5	June 5, '19	Stockholm ...	6	June 12, '19
Christiania ...	6	Dec. 18, '19	Tokio	8·03	Nov. 18, '19
Copenhagen ...	6	Oct. 7, '19	Vienna	5	Apr. 12, '15

III.—FOREIGN EXCHANGES.

LONDON ON—	Feb. 13, '20	Feb. 6, '20	Jan. 30, '20	Jan. 23, '19
Berlin ..... Cable	337½m.	325m.	275m.	257½m.
Brussels ..... Cheques	46fr. 75c.	47fr. 25c.	46fr. 50c.	44fr. 10c.
Denmark ..... Cable	23kr. 30	22kr. 20	21kr. 90	21kr. 55
Holland..... do.	9d. 20c.	8d. 95c.	9d. 20c.	9d. 70c.
Italy ..... do.	61lr. 50	65lr. 00	54lr. 50	51lr. 25
Lisbon and Oporto do.	17½d.	17½d.	17d.	17d.nom.
New York ..... do.	$3 39½	$3 33	$3 51	$3 64
— ..... Cheques	$3 42	$3 35	$3 53	$3 65
Norway ..... Cable	19kr. 55	19kr. 20	19kr. 85	19kr. 60
Paris ..... 3 mos.	43fr. 15c.	48fr. 70c.	46fr. 80c.	44fr. 00c.
— ..... Cable	48fr. 55c.	48fr. 05c.	46fr. 65c.	43fr. 45c.
Spain (Bank places) 3 mos.	60½d.	60½d.	60½d.	59½d.
— ..... Cable	19p. 60	19p. 20	19p. 30	19p. 50
Sweden ..... Cable	18kr. 20	18kr. 10	18kr. 00	17kr. 80
Switzerland ..... 3 mos.	20fr. 05c.	20fr. 40c.	20fr. 15c.	20fr. 50c.
— ..... Cable	19fr. 60c.	20fr. 15c.	19fr. 90c.	20fr. 20c.

ON LONDON—	Feb. 13, '20	Feb. 6, '20	Jan. 30, '20	Par
Alexandria ..... Sight	97½pi.	97½pi.	97½pi.	97½pi.
Amsterdam ..... Cheques	9d. 18c.	8d. 90c.	9d. 16c.	12.107d.
Athens ..... Cable	29dr. 75	27dr. 00	26dr. 70	25dr. 22½
Bombay ..... Transfers	2s. 9½d.	2s. 8⅞d.	2s. 4½d.	1s. 4d.
Brussels ..... Cheques	46f. 75c.	47f. 30c.	46f. 85c.	25f. 22½c.
Buenos Ayres ..... Transfers	69½d.	71½d.	62½d.	47.58d.
Calcutta ..... do.	2s. 9½d.	2s. 8⅞d.	2s. 3½d.	1s. 4d.
Christiania ..... Sight	19kr. 51	19kr. 29	19kr. 90	18.159kr.
Copenhagen ..... do.	23kr. 27	22kr. 28½	21kr. 86	18.159kr.
Helsingfors ..... Cable	85½m.	81m.	120m.	25m. 22½
Hong Kong ..... Transfers	6s. 1d.	5s. 9d.	5s. 5d.	—
Italy ..... Sight	61lr. 50c.	64lr. 00c.	54lr. 25c.	25l. 22½c.
Lisbon ..... do.	17d.	17½d.	17½d.nom.	53½d.
Madras ..... do.	2s. 9½d.	2s. 8⅞d.	2s. 3½d.	1s. 4d.
Madrid ..... do.	19p. 60	19p. 22½	19p. 20	25p. 22½
Montevideo ..... Transfers	72d.	67d.	39½d.	51d.
Montreal ..... Cable	$3 96	$3 87	$3 96	$4 86⅝
New York..... Sight	$3 37½	$3 22½	$3 51½	—
— ..... 60 days	$3 35	$3 19½	$3 49	—
— ..... Cable	$3 38½	$3 23	$3 52	$4 86⅝
Paris ..... Cheques	48f. 60c.	43f. 35c.	46f. 50c.	25f. 22½c.
Rio de Janeiro ... 90 days	18⅜d.	17⅜d.	17⅛d.	16d.
Shanghai ..... Transfers	8s. 1d.	9s. 1d.	8s. 8d.	—
Singapore ..... Sight	2s. 4½d.	2s. 4⅜d.	2s. 4⅛d.	—
Stockholm ..... do.	18kr. 19	18kr. 08½	17kr. 98	18.159kr.
Switzerland ..... do.	20f. 56c.	20f. 15c.	19f. 90c.	25f. 22½c.
Valparaiso ..... 90 days	14⅜d.	16⅜d.	14⅜d.	18d.
Yokohama ..... Sight	2s. 10⅛d.	2s. 11½d.	2s. 9d.	24.58d.

	Rate Current*		Par as usually	Rate
NEW YORK ON—	Feb. 13, '20	Feb. 6, '20	Quoted	July 3.
Amsterdam, sight ...	37·375c.	37 00c.	40·20c. for 1 guilder	40·25c.
Bombay, cheques ...	47c	44·75c.	32·44c. for 1 rupee	33·00c.
Buenos Aires, cheques ...	102·10	102·10		
Christiania, cheques ...	17·20c.	16 80c.	26·80c. for 1 kroner	
Copenhagen, cheques ...	14·30c.	14·35c.	26·80c. for 1 kroner	26·85c.
Greece, cheques ...	11·20c.	12·50c.	19·295 c. for 1 drachma	
Hongkong, cheques ...	102c.	96·50c.	74·59c. for Mex. $1	46·4c.
Italy, sight	18·02l.	18·87l.	5·18½ lire for $1	5·17l.
Lima, cheques	4·70l.	4·72l.	4·8665 $ for 1 libra	
Manila, cheques... ...	49c.	49c.	50c. for 1 peso	49·8c.
Montreal	13·50% disc.	15% disc.	Premium per $100	Par
Paris, sight	14·42fr.	14·87fr.	5·18½ francs for $1	5·16fr.
Petrograd, sight ...	—	—	51·46c. for 1 rouble	51·37c.
Rio de Janeiro, cheques	27·50c.	27·50c.	32·42c. for 1 milreis	
Shanghai, cheques ...	160c.	159c.	52·96c. for 1 tael	83·00c.
Singapore, cheques ...	50c.	50c.	56·77c. for $1	57·12c.
Spain, cheques	17·50c.	17c.	19·30c. for 1 peseta	
Stockholm, cheques ...	18·45c.	17·35c.	26·80c. for 1 kroner	
Switzerland, cheques ...	6·0fr.	5·98fr.	5·18½ francs for $1	5·18½fr.
Valparaiso, cheques ...	21·50c.	21·50c.	20·61c. for 1 peso	
Yokohama, cheques ...	48·25c.	48·50c.	49·84c. for 1 yen	49·90c.

* According to Guaranty Trust Company of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount	Inc. or Dec.*	1920 Agg.	Inc. or Dec.*
	1920.	[In £'s sterling 000's omitted.]			%
BIRMINGHAM ...	Feb. 7	£5,438 +	£2,433	£22,509 +	£7,123 + 46·3
BRISTOL	„ 7	2,035 +	867	11,124 +	4,139 + 59·3
DUBLIN	„ 7	9,823 +	2,505	53,440 +	11,892 + 28·6
LEEDS	„ 7	1,899 +	875	10,557 +	3,865 + 57·8
LEICESTER	„ 7	1,573 +	591	8,516 +	3,061 + 71·4
LIVERPOOL	„ 7	19,579 +	7,974	109,679 +	42,359 + 62·9
MANCHESTER ...	„ 7	39,476 +	21,899	196,206 +	104,452 + 113·8
NEWCASTLE ...	„ 7	3,683 +	1,712	19,129 +	8,076 + 73·1
NOTTINGHAM ...	„ 7	1,235 +	399	6,693 +	2,532 + 60·9
SHEFFIELD	„ 7	2,506 +	767	8,979 +	2,008 + 28·8
LONDON—	1920.				
TOWN	Feb. 11	691,778 +	317,541	3,967,902 +	1,556,580 + 64·6
METROPOLITAN	„ 11	43,470 +	13,092	265,146 +	60,250 + 29·4
COUNTRY	„ 11	89,724 +	34,012	504,613 +	111,65 + 33·0
TOTAL	„ 11	824,972 +	361,045	4,737,667 +	1,758,480 + 59·0

* Compared with a year ago.

V.—FREIGHTS.—According to Messrs. J. C. Gould, Angier and Co.

HOMEWARDS.	1920 Feb. 13	1920 Feb. 6	1913 Feb. 14	Homewards.	1920	1920	1913
Alex. to U.K. ...	42 6		9 6	U.S.A. ports to U.K. (cotton, 100 lbs.)	15	6	14
Aust. to U.K. ...	205 0	200 0	38 9	U.S.A. ports to U.K. (grain, per qr.)	18·0	3·1	—
Azoff to L.H.A.R.	—	—	12 9	Gulf ports to U.K. (cotton, per bale)	—	—	—
Bombay to p.p.d.w.	130 0	w.155 0	d.w. 4 6	OUTWARDS—Cardiff to			
Burmah o.c.	—	d.w. 32 0		Aden	—	—	13·6
Calcutta p.p. (cotton)		30 6		Colombo ...	—	—	—
Danube to U.K. ...	—	—	10 0	Port Said ...	80/0	75 0	11 7½
Odessa to L.H.A.R.	—	—	10 0	River Plate ...	38/0	37 6	16·3
R. Plate to U.K.	180 0	210 0	28·0	St. Vincent ...	40·0	50/0	10·0

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	FEB. 13, 1920.	FEB. 14, 1919.	JUNE 30, 1914
Iron—Scotch pig warrants ...ton	181/0	101/0	57/0
— Middlesbro' warrants ...ton	175/0	95/0	51/0
— Hematite warrants ...ton	220/0	122/6	61/0
— Staffordshire bars, London ton	£26 15	£17	£8 10
— Common bars ...ton	£24	£14 15	£6 16
Steel Rails ...ton	£18 15—£19 5	£10 17/6	£6 2/6
Galvanised Sheets ...ton	£48—£50	£29	£16 17/1
Copper—Standard ...ton	£119 10	£77—£78	£66
Tin—English Ingots ...ton	£286	£224	£142 15
— Straits ...ton	£392	£225 10	£139 10
Tinplates, I.C. Coke, S. Wales...box	72/6	33/3	11/10½—12/0
Lead—Soft Foreign ...ton	£49 15-£50 12 6	£25—£27	£19
Spelter—Ord. Foreign ...ton	£61 15—£63 15	£40—£48	£21 7/9
Quicksilver—(75lb.) ...bottle	£22 10	£20	£7
Aluminium ...ton	£185	nom.	£82
Antimony—Regulus Foreign ...ton	£67	nom.	£27 10
— English ...ton	£69	—	—
Coal—(best) Yorkshire ...ton	21/6—22/6	23/6—24/6	17/6
— Steam (best) Newcastle ...ton	46/0—51/0	40/0—45/0	14/6
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b. Chile, per quintal	15/0	nom.	7/4
Soda—Crystals ex ship ...ton	130/0—140/0	87/6	42/6—45/0
Copra—Malay and States ...ton	£73	£33 10	£23 15—£24 7/6
Gambier—Good marks ...cwt	52/0	38/0	16/10½
Indigo—Bengal good to fine ...lb.	13/0—16/6	9/0—10/6	3/2—3/8
Linseed Oil—Raw ...ton	£114	—	£25 5
Linseed—Calcutta, spot ...ton	£53	£26 15	£13 16/9
— **Cakes**, U.K. made, ex mill...ton	£25	£19	£7 17/6-£8
Olive Oil—Spanish ...tun	nom.	nom.	£49 10
Palm Oil—Lagos ...ton	£99	£4	£31 10
Petroleum—American ...gallon	2/1	1/4	7½d
Rape Oil—Refined English...ton	£135	£71	£32
Soya Oil—Refined ...ton	£117	£75	£24 10
Tallow—Imported ...cwt.	105/0—110/0	—	29/3—33/3
Turpentine—American ...cwt.	200/0	101/0	33/7½
Rape Seed—Toria ...ton	£55 10	£25 15	£13 5
Rubber—Para, spot ...lb.	2/8½	2/6	2/9½
— Fine plantation (stnd. crepe) lb.	2/9	1/11½	2/9
— World's Production* Dec. tons	31,297	20,580	8,467
Shellac—T.N. Orange, fair ...cwt.	840/0	250/0—260/0	63/0—64/0
TEXTILES.			
Cotton—Middling Upland ...lb.	30·79d.	18·35d.	7·53d
— Egyptian, good fair ...lb.	82·00d.	26·85d.	8·75d.
— Pernambuco fair ...lb.	34·29d.	19·94	7·73d
— Midland Upl. New York ...lb.	37·75c.	25·65c.	13·25c.
— Stock, Liverpool (Feb. 6) bales	1,066,790	496,330	934,600
Flax—Petrograd, Yarapol ...ton	—	nom.	£18
Hemp—New Zealand ...ton	£59	£70	£25 10
— Manila, Fair ...ton	£79	£80	£26 10
Jute—First Marks ...ton	£76	—	£26 15
— Red SCO ...ton	£56	—	£24 15
Silk—Blue Elephant ...lb.	57/6	20/0	11/3—11/6
Wool—Pt. Philip unwashed av. lb.	5/0	nom.	11½d.—1/0
— Lincoln Half Hogs ...lb.	2 3½	1/7½nom.	1/0½
Hides—Eng. Ox, best, 65lb. up lb.	15½d.—16½d.	9½d.—10½d.	7½d
Leather—Dressing Hides ...lb.	4/6—5/0	2/5—3/1	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus	97,575,000	203,436,000	34,640,000
— Red, price, N.Y. 60lb....bushel	nom.	237½c.	67½c.
English Gazette, aver. 480lb. qr.	72/6	72/7	34/3
Flour—G.R. ...280lb	44/3	44/3	28/6
Barley—Eng. Gaz., aver. 400 lb. qr.	103 9	62/4	25/4
Oats—Eng. Gaz., aver. 312 lb. qr.	58/9	49/2	20/0
Maize—N.Y. (new bushel)...56lb.	166c.	145½c.	76½c.
— Amer. mixed, Liverpool...480lb.	nom.	79 9	32/4
— La Plata ...480 lb. qr.	65/0	72/0	25/9
Potatoes—Good English ...ton	275/0	175/0	70/0—75/0
Rice—Bassein ...cwt.	26/0	25/0	7/0—7/3
Tapioca—Pearl, medium ...cwt.	38/0—40 0	47/6	14/0—17/8
Hay—best ...2,018lb....load	—	176/0	82/6
Hops—English ...cwt.	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs ...8lb.	6/8	9/0—9/6	3/8—3/10
— Scotch sides ...8lb.	10/0	9/6	4/6—5/0
— English ...8lb.	10/0	9/6	4/2—4/5
Mutton—Scotch wethers ...8lb.	10/6	10/0	5/8—6/0
— English wethers ...8lb.	10/6	10/0	4/6—5/4
— New Zealand frozen ...8lb.	10/6	10/0	2/4—3/2
Pork—English and Irish ...8lb.	11/8	10 8	3/6—4/0
Bacon—Irish, delivered ...cwt.	200/6	188/0	60/0—74/0
— Danish ...cwt.	†192 0	—	58/0—68/0
— Canadian, ex Port ...cwt.	†187/0	—	—
— American, ex Port ...cwt.	†187/0	176/6	72/0—74/0
Hams—Amer. long cut, ex Port cwt.	†190/0	170/0	75/0—79/0
— — short cut, ex Port ...cwt.	†190/0	170 0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt.	†198/6	158/0	51/9—52/9
Butter—Danish ...cwt.	270/8	Controlled 252/0	117/0—120/0
— French ...cwt.	270/8		96/0—108/0
— Australian ...cwt.	270/8		98/0—110/0
— New Zealand ...cwt.	270/8		108/0—114/0
Cheese—Canadian ...cwt.	†145/0	Controlled 163/4	66/0—68/0
— United States ...cwt.	†145/0		—
— Dutch ...cwt.	†145/0		53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Jan. 31 ...cwt.	2,033,656	1,659,971	19,777,254
— Home consump'n. to Jan. 31 cwt	2,239,813	1,784,914	17,272,000
— In Bond Jan. 31 ...cwt	6,196,000	7,625,000	6,306,000
— Price, Java, 96° Pol. ...cwt	60/0	36/0	10/3
— — Yellow crystals ...cwt	66/0	57/9	12/6—14/0
— — Tate's Cubes, No. 1 ...cwt	72/0	64/9	18/0
Coffee—Imports to Jan. 31 .. cwt	60,062	26,303	720,360
— Home consumpt'n to Jan. 31 cwt.	26,645	31,053	141,410
— Exports to Jan. 31 ...cwt	52,600	10,781	340,250
— In Bond Jan. 31 ...cwt	701,000	601,000	484,000
— Price, Costa Rica gd. to fine cwt	165/0—175/0	145/0—155/0	80/0—93/0
— — Brazil (Santos) Good ...cwt	136/0—138/0	65/9	41/6
Tea—Imports to Jan. 31 ...lb.	48,598,454	24,810,846	123,230,277
— Home consump'n. to Jan. 31 lb.	31,751,769	23,456,822	155,447,972
— Exports to Jan. 31 ...lb.	3,048,709	113,857	26,561,765
— In Bond Jan. 31 ...lb.	238,354,000	132,127,000	78,292,000
— Price, Indian, Pek. Soug. gd. lb.	1/2½	1/4	8½d.
— — Ceylon, Pek. Soug. Ord. lb.	1/3	1/4	8½d.
— — Common Congou ...lb.	1/1—1/2nom.	1/4	5½d.
Cocoa—In Bond Jan. 31 ...cwt.	819,000	614,000	309,000
— Grenada, good to fine ...cwt.	130/0—132/0	85/0	52/6—56/0

* Estimated. † Controlled.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific ...	Dec.	$17,0 6,000	+1,2 5,000	$1,682,000	—$1,129,000
	12 *mos. to* Dec.	176,929,000	+19391000	32,933,000	— 1,569,000
Grand Trunk ...	Nov.	£1,251,900	— £15,700	£103,300	— £81,800
	11 *mos. to* Nov.	12,853,900	+1,702,200	1,566,200	+ 104,400

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open.	Gross Receipts.	+ or — on Year Ago.	No. Wks	Aggregate Receipts.	+ or — on Year Ago
Assam Bengal	Jan. 3	993	R2,02,707	+ 42,966	14	31,05,071	+ 8,11,900
Barsi Light ...	Jan. 17	118	41,200	+ 6,80	43	12,11,400	+ 4,92,800
Bengal & N.W.	Jan. 10	2,065	4,74,550	— 17,714	15	63,07,053	— 7,26,955
Beng. Dooars	Dec. 27	158	38,832	+ 11,677	13	6,25,843	+ 80,812
Beng. Nagpur	Jan. 3	2,695	11,53,000	+ 1,49,000	40	4,83,39,438	+ 34,89,751
Bomb. Baroda	Jan. 31	2,871	20,97,000	+ 58,000	18	3,19,75,000	+ 22,20,000
Burma ...	Dec. 27	1,342	5,82,445	+ 72,958	39	2,08,53,225	+ 23,28,402
Del. Um. Kalk.	Jan. 24	239	80,100	— 7,514	17	14,82,879	— 34,426
East Indian ...	Jan. 31	2,771	26,59,000	+ 23,000	18	4,48,89,000	— 22,17,000
Gt. Indian Pen.	Jan. 31	3,121½	30,62,700	+ 4,36,600	18	4,56,45,004	+ 40,67,162
Madras & S.M.	Jan. 17	3,152	10,25,000	+ 14,884	16	1,85,50,347	+ 7,71,529
Nizam's Guar.	Jan. 3	900	2,65,037	+ 3,506	14	35,37,697	+ 4,94,533
Rob. & Kumn.	Jan. 10	576	98 90	— 7,933	15	13,33,801	— 2,52,413
South Indian	Jan. 3	1,852	7,18,670	+ 1 22,339	40	2,98,54,449	+ 29,40,452
South Puniab	Sept.	716	6,04,613	— 2,92,520	6*m*	34,91,972	— 18,71,142
COLONIAL							
Can. Northern	Feb. 7	9,588	$912,100	+ 70,200	5	5,112,800	+ 244,900
Can. Pacific ...	Jan. 31	13,388	4,330,000	— 229,000	4	13,689,000	+ 641,000
Grand Trunk	Feb. 7	3,616	£242,903	+ 56,852	5	1,281,404	+ 190,785
Mashonaland	Aug.	810	65,465	— 7,046	11*m*	—	—
Mid. W. Aust.	Nov.	277	11,753	+ 2,265	5*m*	47,758	+ 5,605
New Cape Cent.	Jan. 17	205	3,051	+ 516	3	8,875	+ 1,896
Rhodesia Rlys.	Sept.	1,397	113,817	— 8,708	12*m*	1,051,865	— 72,122
Temiscouata...	Oct.	—	$30,582	+ 2,154	10*m*	304,661	+ 22,504
W. Pass. & Yuk.	Aug.	122	—	—	8*m*	$968,676	+ 31,021
FOREIGN.							
Argentine							
Arg. N. East...	Jan. 31	752	£ 12,400	+ 2,600	31	362,900	+ 77,400
Arg. Transand.	Feb. 7	111	£ 5,310	+ 940	32	82,536	— 28 914
B. A. & Pacific	Feb. 7	3,536	£ 150,000	+ 40,000	32	4,572,000	+ 1,006,000
B.A.Gt. South	Feb. 1	3,792	£ 197,000	+ 46,000	31	5,361,000	+ 1,202,000
Do.	Feb. 1	Net	£ 77,000	+ 30,000	31	1,799,000	+ 1,009,000
B. A. Western	Feb. 8	1,882	£ 100,000	+ 20,000	32	3,071,000	+ 895,000
Do.	Feb. 8	Net	£ 28,000	+ 12,000	32	1,007,000	+ 557,000
B. A. Central	Dec.	190	£ 43,817	+ 5,404	6*m*	270,923	+ 27,273
Cent. Argent.	Feb. 7	3,305	£ 182,000	+ 67,930	32	5,556,000	+ 1,513,100
Do.	Feb. 7	Net	£ 55,000	+ 65,200	32	1,693,100	+ 1,152,200
Cord. Central	Feb. 7	1,205	£ 57,900	+ 14,860	32	1,901,100	+ 502,330
Entre Rios ...	Jan. 31	831	£ 26,300	+ 5,800	31	716,200	+ 105,800
Brazilian.							
Brazil Gt. South	Dec.	110	M 68,250	+ 18,250	12*m*	612,921	+ 10,887
Brazil Railwa	Dec.	3,530	M 4,859,000	— 141,271	12*m*	57,772,000	+ 7,619,243
Gt. W. Brazi	Feb. 7	1,010	£ 32,400	+ 12,300	6	169,700	+ 53,700
Leopoldina ...	Feb. 7	1,831	£ 60,735	+ 32,744	6	305,178	+ 156,455
Mogyana ...	Dec.	1,180	M 1,561,000	— 956,490	12*m*	22,267,000	— 2,474,651
Paulista ...	Dec.	766	M 2,650,000	— 906,033	12*m*	32,479,000	— 1,225,892
San Paulo ...	Feb. 8	153½	£ 56,273	+ 44,899	6	275,635	+ 139,118
Sorocabana ...	Dec.	1,003	M 1,749,000	— 246,168	12*m*	21,953,000	+ 976,692
S. of Bahia S.W.	Jan.	52	M 104,000	+ 21,000	1*m*	—	—
Chilean and Peruvian.							
Antofagasta ...	Feb. 1	838	£ 64,235	+ 37,925	5	269,950	+ 120,910
Arauco ...	Dec.	84½	£ 12,500	+ 500	12*m*	136,800	— 21,200
Nitrate (2wks.)	Jan. 31	390	£ 48,722	+ 18,491	4	102,763	+ 47,227
Peruvian Corp.	Jan.	1,140	S 1,297,520	+ 287,870	7*m*	8,280,294	+ 1,249,029
Talral ...	Jan.	180	£ 30,398	+ 19,275	7*m*	127,515	+ 2,668
Cuban.							
Cuban Central	Jan. 31	362	£ 17,578	— 14,849	31	625,067	+ 130,019
Havana Cent.	Jan. 31	70	£ 11,431	+ 924	31	323,979	+ 56,283
U. of Havana	Jan. 31	681	£ 26 861	— 59,220	31	1,830,191	+ 364,782
W. of Havana	Feb. 7	155	£ 7,815	— 4,347	32	277,200	+ 44,287
Uruguayan.							
Cent. Uruguay	Feb. 7	273	£ 25,641	+ 90	32	714,913	+ 51,669
" (E. Ext.)	Feb. 7	311	£ 7,541	+ 1,827	32	187,712	+ 31,062
" (N. Ext.)	Feb. 7	185	£ 4,314	— 290	32	116,075	— 789
" (W. Ext.)	Feb. 7	211	£ 3,094	+ 1	32	87,054	+ 3 993
Mid. Uruguay	Dec.	319	£ 20,234	+ 177	6*m*	111,204	+ 11,111
N.W. Uruguay	Dec.	113	$ 7,234	— 62	6*m*	40,155	+ 725
Urug. Northn.	Dec.	73	£ 2,606	+ 310	6*m*	13,791	+ 1,855
Miscellaneous							
Alcoy & Gandia	Feb. 7	33	Ps. 12.000	— 1,000	6	64.400	+ 8,400
Bilbao ...	Jan.	15	£ 2,452	— 299	1*m*	—	—
Bolivar ...	Jan.	136	£ 9,507	— 1,595	7*m*	62,928	+ 4,829
Colomb. Natnl.	Dec.	86	£ 18,040	+ 4,600	12*m*	171,120	+ 23,800
Costa Rica ...	Dec.	189	£ 27,352	+ 6,376	6*m*	145,671	+ 14,080
Dorada Ext....	Dec.	70	£ 15,000	+ 5,200	12*m*	140,650	+ 40,250
Egyptian Delta	Jan. 20	559	£ 14,363	+ 3,871	41	316,533	+ 13 639
Gt. S. of Spain	Jan. 31	104	Ps. 52,157	— 101,427	5	314,306	— 326,063
La Guaira & Ca.	Jan	22⅔	£ 14,370	+ 6,265	1*m*	—	—
Ottoman Ry...	Jan. 31	379	£ 6,380	—	—	—	—
Paraguay Cent.	Jan. 24	255	£ 4,040	— 1,290	30	156,230	+ 41,330
Puerto Cabello	Jan.	34	£ 5,250	+ 350	1*m*	—	—
Salvador ...	Feb. 7	100	£ 7,748	+ 3,151	32	111,633	+ 48,228
Santa Fe Prov.							
French Rys.	Dec.	1,181	£ 167,982	— 3,774	12*m*	1,927,543	+ 58,032
S'm'na & S'ti'go	Dec.	80	£ 10,200	+ 3,122	12*m*	140,411	+ 32,834
Zafra & Huelva	Dec.	112	£ 13,201	+ 370	12*m*	128,863	— 24,925
TRAMS.							
Anglo-Argent.	Feb. 4	400	£ 67,136	+ 8,194	5	337,392	+ 85,451
Auckland Elec.	June 30	27	—	—	52	292,502	+ 2,063
Bombay Elec.	Nov.	39	R. 7,68,178	+ 1,43,965	11*m*	78,54,582	+ 14,42,969
Brazilian Trac.	Nov.	378½	M 9.796 0	+ 2,215.000	11*m*	103,335.000	+ 9,972.000
Brisbane Elec.	Dec.	40½	£ 44,820	+ 6,685	12*m*	477,693	+ 37 676
Brit. Columbia	Dec.	334	$ 783,324	+ 92,259	6*m*	4,221,916	+ 803 821
B. A. Lacroze	Dec.	51	£ 55,873	+ 5,413	6*m*	293,577	+ 34 352
Calcutta ...	Jan. 31	35½	R 84,442	+ 1,720	5	369,531	+ 28 915
Cape Electric	Nov.	42½	£ 27,126	+ 5,243	5*m*	110,948	+ 6,320
Carth. & Herr.	Jan.	9	£ 4,742	+ 1,093	1*m*	—	—
Chatham & Dist	Feb. 5	15	£ 1,438	+ 353	5	7,220	+ 1,028
Havana Elect.	July	86	$ 794,768	+ 100,679	7*m*	5,116,661	+ 402,587
Isle of Thanet	Feb. 4	20½	£ 494	+ 237	19	9,595	+ 3,987
Kalgoorlie ...	Sept.	20½	£ 3.00	+ 58	9*m*	24,538	— 532
Lanarkshire ...	Feb. 5	28½	£ 3.777	+ 297	5	20,016	— 43
Lima Light ...	Nov.	85	£ 52,086	+ 7,716	11*m*	531,788	+ 51,653
London C.C. ...	Feb. 11	141½	£ 77,711	+ 10,390	45	3,607,712	+ 601 082
Madras (2wks.)	Jan. 31	15½	R. 35,511	— 9,963	4	84,394	— 3,662
Manila Electric	Nov.	55	$ 247,599	+ 33,307	11*m*	2,320,607	+ 231,136
Pernambuco...	Feb. 8	59	£ 7,959	+ 2,562	6	45,854	+ 15,335
Provincial ...	Jan. 31	21½	£ 2,991	+ 545	18	49,579	+ 8,414
Rangoon Elec.	Jan.	25	£ 7,487	+ 1,094	1*m*	—	—
Shanghai Elec.	Jan.	26⅔	M.$136.000	+ 14.000	1*m*	—	—
Singapore Elec.	Jan. 3	26½	$ 18.923	+ 4 014	1	—	—
U. of Montevid.	Jan.	90½	£ 47,767	+ 6,857	3*m*	132,450	+ 21,461

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The Statist.

LONDON, SATURDAY, FEBRUARY 14, 1919.

MR. LLOYD GEORGE'S SPEECH.

For some time before the meeting of Parliament the admirers of the Prime Minister had been telling us to expect that a speech of extraordinary interest and promise would be delivered by the Prime Minister and would justify his supporters to the greatest extent. The speech was made on Tuesday, and undoubtedly it covered much ground. But we challenge even the most sanguine of his admirers to say that it satisfies any reasonable human being. There is a vast area covered. There are a large number of questions touched upon. And we rise from the perusal of all with the feeling that the Prime Minister is as ignorant as the very least of his supporters; and, consequently, as incapable of dealing with the difficult facts which, somehow or other, we have to deal with unless we are to confess that England has lost her old talent to manage her own affairs. There is a very long list of Bills proposed. They are compared with the scanty proposals of Lord Palmerston. It will be seen that the Prime Minister goes back a long way for his comparison. And we are expected to admire the courage and capacity of those who drew up the various schemes. In reality, when we look closely at them, we see that there is not a single proposition put forward which will settle the questions at issue. Nay, more, we become convinced that the Government is as ignorant of the real difficulties from which we are suffering as the most backward of those who follow it. A large part of the speech was devoted to Russia. It is a curious illustration of the mind of our Prime Minister. We have been engaged in war and the consequences of war for over five years. We feel wherever we turn the need for turning away from war and giving up our minds to the best means of restoring peace. On the contrary, the Prime Minister gives up a very large portion of his speech to defending his own resolution not to renew the War against Russia. Now, we of this Journal are agreed with him that we have no right to make war upon Russia. If the Russian people prefer the Bolshevists, that is their affair. It does not concern ourselves. And it would be insolent on our part really and seriously to interfere with it. We are entirely agreed, therefore, with the Prime Minister that war with Russia would be a wickedness of the worst kind; that it would increase all our troubles; and that it might easily end in bringing about a condition of things in Europe which would be almost irremediable. But was it necessary to devote so long a space to simply saying that the Russian people are capable of judging what kind of Government they prefer? And if they prefer the Bolshevists to any other kind of administration, that is their affair. It does not concern us, and it is our business to accept it as a thing which we hope the Russians will know how to use for their own benefit, but, at all events, it is not for us to say that we will enforce against Russia some government which it dislikes. Furthermore, we are entirely in accord with the Prime Minister in saying that those portions of Europe which have escaped from Russia, Austria, and so on, and are given more or less of self-government, ought not to be forced into a conflict which Russia—ought, on the contrary, to be protected as far as is possible both from Russia and from Germany. Everything that can be done ought to be done to enable the new nations to work out an organisation for themselves, and to establish a system of government under which they may progress.

Let us, however, turn away from the question of Russia, and especially of war with Russia, and ask ourselves, What is the Government doing towards enabling us in the United Kingdom to regain our lost prosperity and to re-establish a trade through which we were gradually, though, unfortunately, very slowly, advancing. There is nothing in the speech to indicate that a serious attempt will be made to reduce the debt. It is as plain as anything can be that we are suffering seriously at present from a disturbance of trade due immediately to the neglect of the various Entente Governments to prepare for the Great War. At the same time, it is likewise evident that although all the working men are, unfortunately, not supplied with employment, and although, further, there is much in the way of trade which is unsatisfactory, yet there is a marked increase both in our exports and in our imports, but especially in our exports. We must not take the mere figures as they stand simply for proof that we are forging ahead, for it is to be recollected that prices are now immensely exaggerated, and, consequently, that if we judge by prices we may be entirely misleading ourselves. This brings us to another point to which we would invite the very careful attention of our readers. The Prime Minister described the fall in exchange as really due to a depreciation in the purchasing power of money. In a certain sense the explanation may be allowed to pass. In essence it is a false explanation; but in form it may be allowed to pass, if it is understood that there is no real decline in the purchasing power of money. There is only a belief in the United States that England, and indeed Europe generally, is so deeply in debt that neither the one nor the other is in a position now to maintain a real gold standard; and, consequently, that what has fallen is not gold, but simply paper money, which is issued by the various Governments and nicknamed "gold." An English note representing a pound, or any number of pounds, is simply a piece of paper with a Government promise that some day or other gold will be paid for the pound or pounds represented. But there is no gold, and there is no gold held by the Government worth speaking of. What we see is a belief almost universal in the United States that neither England, nor France, nor Germany, nor Italy, can pay in gold; and that mere promises by those States to pay gold some time or other hereafter is treated as a promise which may, or may not, be fulfilled some day or other in the distant future. The reader should clearly appreciate all this. The statement of the Prime Minister is, therefore, misleading. There is no evidence to satisfy any rational man that money has fallen in purchasing power. What has fallen is the promises of the Entente Governments that they will pay in gold for their paper money, when it is known that they have not the gold to fulfil their promises, and when it is doubted whether they will be able to obtain the gold in any reasonable time henceforth. Our credit has fallen. That is the real truth. We refused to prepare for war when we had been the time and the opportunity. The United States is engaged in a reckless speculation just at present. The people of that country are not satisfied that their financial outlook is quite what they would like it to be. And, therefore, they are very chary about accepting mere promises to pay for actual payment. That is the simple truth. What we have to do, if we would make our money acceptable to all the world, is to redeem the debt. All the talk of all the Prime

Ministers will effect nothing so long as they confine themselves to mere gasconading. We can find gold if we will. We can pay off our debt if we are willing to make the sacrifices. If we are not willing, then the depreciation of our promises to pay will grow worse and worse, until people will begin to remember what happened to the French *assignats*, and will take real alarm. When that happens, measures will be adopted to restore the credit of the country, and amongst such measures will be the sweeping away of the present Government, and the installation in power of an Administration which will see that credit must be restored, and that the good name of the United Kingdom must be proved to be not a fiction, but a reality.

The Prime Minister expatiated at considerable length upon a multitude of other subjects. As said above, he contrasted the plentiful promises to-day with the scarce promises of Lord Palmerston; and he took credit to himself and his colleagues for his boldness in promising a string of measures which it is as certain as that day follows night will never be turned into law. There are proposals which we all know will not pass. Take, for example, the Irish Home Rule Bill. The Prime Minister takes credit to himself for dividing Ireland into two parts—Ireland proper, and Ulster. And he tells his hearers coolly that he is acting according to reason and common-sense, and that what he proposes will be carried. We of this Journal do not profess to be prophets. Therefore, we will give no opinion as to whether the Bills will pass through Parliament or not. But we would remind our readers that there is already a Home Rule Bill actually passed, and actually signed by the King; and does anybody attach the slightest importance to the fact? If the passing of a Home Rule Bill was equivalent to satisfying Ireland, then Mr. Asquith passed a measure which ought to have satisfied Ireland five years ago. Similarly, if Mr. Lloyd George succeeds in passing the absurdity which he is now proposing into an Act of Parliament—we will not call it law—though we hesitate to make a positive statement, we yet venture to say that the Bill proposed never will be accepted by Ireland. Consequently, the Bill, let it be passed ever so certainly, will remain a Bill, and nothing but a Bill, and Ireland will continue to be just as dissatisfied as she is at present, unless indeed the present Government is swept out of office and a new Government is installed which will win the approval of the Irish people, and the new Government succeeds in passing an Act which will really satisfy Ireland. The whole world condemns the present government of Ireland. There is not, either in the United States or in our own colonies, one single man of real authority who approves of the manner in which Ireland has been misgoverned during the past five years. And to ask us to believe, on the authority of a mere politician, that Ireland will accept what the present English Cabinet proposes is to ask us to befool ourselves. No! We are at present face to face with a great political movement in the United States. There are people who believe that the United States is becoming favourable to the Treaty of Peace as it was arranged in Paris. We are not of the number. On the contrary, we believe that the United States will insist upon such a modification of the Treaty as will make it different from what it is; and, therefore, that we are far, as yet, from being able to say what the real future of Europe is likely to be. Meanwhile, we have two great parties, practically including the great bulk of the population of the United States, now struggling for the adoption of a system of government in the United States which will have an important influence, not merely upon the Peace Treaty, but upon the immediate policy of the United States both in America and in Europe. The active movement will not really commence until June. And it will grow hotter and hotter until early in November. When the election takes place, and it is known which party has succeeded, the United States will be in a position to lay down the conditions upon which the various treaties of peace will be recognised by her. English readers are surprisingly ignorant of the real feeling of the American people. They are still more ignorant of the real constitution of the United States. And, therefore, they are constantly making mistakes as to what the United States wishes, as to what it intends, and as to what it will actually do. At the present time no man can answer what it will do, for the simple reason that nobody knows how the elections will go. But there will be an election which in all reasonable probability will have a very profound influence upon European politics; and until we know what that influence is likely to be it will be wise not to predict too confidently.

It is, no doubt, unfortunate that we should find ourselves in this condition of doubt. For it seems clear that Germany has not suffered as much from the War as at first sight was believed. The army in November 1918 threw down its arms and refused to fight longer. It was generally assumed that, therefore, the losses of Germany were more serious than had previously been believed, and that, in fact, Germany was no longer able to continue the conflict. Yet if that view was correct it is difficult to understand how things have moved in Russia. We are not inclined to make positive statements ourselves. And, still less are we prepared to accept the dogmatic assertions of others. But it is difficult to understand how the Bolshevists have prevailed in Russia, as they have unquestionably prevailed, except we assume that Germany has rendered them assistance which is practically making them masters in the great empire. If that be so, then the military power of Germany has not suffered to anything like the extent hitherto supposed; while there is always a possibility, if no more, that once there is a Bolshevist Government really established in Russia, Russia and Germany may come to an understanding, and we may find ourselves in a condition of things anything but pleasant. However, too little is really known of the internal condition of Russia. We ourselves do not believe that either our Government or the Opposition understand the real condition of things in Russia. But we are profoundly persuaded that the relations between Russia and Germany are such that it is in the highest degree desirable that the aristocratic classes, which hitherto have misgoverned this country, should be sent about their business, and that a really practical Government should be put in office which will undertake to safeguard the interests of the whole Empire and of Europe.

ENGLISH PARTIES.

The election in Paisley is over. But we shall not know for certain the result for ten or twelve days. It matters little, for the events of the election are very instructive, and it is to be hoped will attract the careful attention of all trades unionists. The reception of Mr. Asquith has surprised most persons. It was supposed that he had become discredited to a much greater extent than now seems to be the case; and, furthermore, it was believed that Liberalism had been thrown aside by a very considerable proportion of those who formerly were active in its defence. It would, of course, be both unwise and light-minded to found too strong an opinion upon one single election. Nevertheless, it does look as if in Paisley, at all events, there is a greater attachment to Liberalism than had been supposed. It is quite true, of course, that Paisley always has been Liberal; and, therefore, it ought not to surprise us that a very large proportion of its citizens should still cling to the party which for a century has been supported by them. Nevertheless, what has happened has surprised most observers, and has proved that the Conservative party has little hold upon Scotland, whereas the Liberal party commands an attachment stronger than not a few observers were prepared to find. We trust all this will be taken to

heart by the trades unionists. They should remember that upon them depends mainly the resurrection of the country. We refused to prepare for war while Germany was exerting herself with an energy and a constancy that attracted the admiration of the world for an attempt to lord it over the rest of Europe. Happily, Germany failed to find either the Government or the generals she anticipated. Most fortunately, it turned out that the Kaiser was a man of less intelligence and less force of will than had been anticipated, and that, in particular, he lacked the greatest of all the qualities of a ruler—he proved utterly wanting in the ability to judge character. It would be childish to assume that in a nation of, roughly, 60 millions there were not soldiers of very great distinction. There may not in 1914 have been immediately available for the command of the Army a Frederick the Great or a Moltke. But that there must have been generals at least equal to those of all the other countries of Europe, excepting France, can surely not be doubted. France failed to find a great general in 1870 because Napoleon the Third was more regardful of his interests as a claimant for the Crown than of the real welfare of France. And, therefore, he took too great a part in the management of the War, and he trusted too completely to those who had helped to put him on the throne. In 1914 the Kaiser had managed to collect about him, and to put into the most prominent positions, men who clearly were not fitted for the work entrusted to them. It is most happy for Europe that this has been the case. But we must not blind ourselves to the fact that there were in Germany at the beginning of August 1914 generals who could have seized Calais, and possibly even could have surrounded Paris. However that may be, it is unquestionable that there must have been men of very considerable ability in the German Army; that they were not brought forward though the War lasted for nearly four and a-half years; and that, in consequence, the army broke up and refused to fight longer. Our victory, then, is due, in large measure, to the character of the Kaiser, and to the inferiority of the men he entrusted with the highest commands. On the other hand, our ultimate success has been due mainly to the recognition by the French that they failed in 1870 because their Government was more careful of the interests of the Buonapartists than of the interests of the nation; and, consequently, we find that in the recent War France was able to produce no fewer than four really eminent generals.

We have entered upon this question somewhat different from the general drift of the article only to impress upon our readers that we are still in a state in which nobody can say how soon war may again be forced upon Europe. If Germany is assisting the Bolshevists, as large numbers of persons believe, then it is quite clear that the power of the militarists is not dead in Germany, and we may find suddenly a revival of militarism which will be extremely unpleasant. It is incumbent upon the trades unionists to bear all these things in mind, for it is evident that the two old parties in this country are played out. Mr. Lloyd George has had a full trial, and he has proved himself incapable. During the War he rendered great service, and it was just, and even proper, that he should be given a trial in peace likewise, for unquestionably it was not anticipated that Mr. Lloyd George had that power to fit out the Army which he showed when he took charge of providing the Army with the means of beating down even the great artillery of the enemy. But we are now advancing rapidly in the second year since the Germans threw away their arms. And, unless we make up our minds to run another very great risk, we ought to get rid of the present Government and to furnish ourselves with an Administration which will take care that at least we shall be prepared if we are attacked. We, in connection with the other Entente Powers, called into existence a large number of entirely new States. They are comparatively small and weak. They require a considerable time to develop their resources, and to prepare themselves for the attacks that will be directed against them. It is extremely unlikely that either Germany or Russia will make war upon, let us say, either the United States or the very great Powers. They will, if they think themselves strong enough, most probably begin by quarrelling with some of the smaller States. And if once some of the smaller States are crushed, nobody knows what may follow, or how soon a great European War may be developed.

It is of the utmost importance, therefore, firstly, that we should be prepared to maintain peace; for that in reality is one of the very greatest of our interests; and, in the second place, it is of the very highest importance that we should put ourselves in a position in which we can redeem the debt, and so build up a great trade. It is never to be forgotten by trades unionists that the welfare of the great masses of the people requires that work should be plentiful and wages should be adequate. We have often called the attention of our readers in this Journal to the fact that, according to the best opinion that can be formed by officials, the total number of persons who pay income tax in the United Kingdom is rather under 2¼ millions. Now every person with an income of £2 10s. per week is liable to pay income tax. Consequently, it follows that in the whole United Kingdom there are rather less than 2¼ million persons with incomes of £2 10s. per week or more. The fact should be kept well in the minds of readers, for it shows how few are the really rich, and how numerous are those who live upon the verge of extreme poverty. The great interest of the masses of the people is clearly, therefore, that trade should be as large, as active, and as widely employing as it possibly can be made to be. Now every trades unionist, and all who are likely to support trades unionists, should bear all this clearly in mind, and should remember that, before everything, it is necessary that the debt should be reduced so that our trade may be made as large as possible. There are a large number of persons in the United Kingdom already who cannot find employment. In his speech on Tuesday the Prime Minister accused the trades unionists of making it impossible for many of the men who fought for the country during the War to get employment at present. It would be waste of time to discuss the question here. At the same time, it is necessary to bring the fact clearly before the minds of all trades unionists that the Prime Minister is telling the whole country, and the whole world, that, owing to measures taken by the trades unionists, large numbers of men who offered to give their lives for their country are kept in idleness and poverty by the trades unionists.

We would urge, then, the trades unionists to bestir themselves; to consider carefully the various measures they take; whether some of those measures may not be injurious even to their own folk; and to weigh as thoughtfully and as sincerely as they can all their rules and regulations. Furthermore, they should bear in mind that while it may be possible to allege that certain rules of the trades unionists are injurious to certain branches of trade, that this is so only because there are either laws or practices which the trades unionists desire to get rid of, and that, in fact, the cause why men are said to be kept out of employment by trades unionists is more that the trades unionists find it necessary to fight the law, and, therefore, indirectly injure some of their own class. We urge these various points so that trades unionists should clearly understand whether their rules are always as well calculated to attain the ends aimed at as is desired. In any event, it is manifest that if trades unionism sometimes acts adversely to those who are seeking for employment, there are other causes which are infinitely worse and infinitely more effective. We want, for example, to have as much capital available for the employment of the workers as is possible. But if we are to keep in existence a debt such as we are groaning under at the present time, what chance is there very materially to

increase our employment? We have a debt raised for this country alone of, roughly, 8,000 millions sterling, and we have, likewise, incurred a debt of about 2,000 millions more which we have lent to Allies, to the Dominions, and so on. Now, putting the Dominions aside, is it not plain that it will be a considerable time before Russia, or Serbia, or Belgium can begin to pay off their debts? Over and above all this, we have an immense sum to pay every year to the widows and orphans of men who fell in the War, and to wounded men who have been rendered incapable of work by their wounds. Lastly, we require to borrow immense sums to provide our people with wholesome houses. And where is the money to come from if we are compelled to pay in interest alone, let us say, 5% upon all the debt of every kind incurred, and all such expenses as planting workers on the land, and so on? We hope most earnestly that the trades unionists are keeping their minds firmly fixed upon all these facts, and are asking themselves how best they can succeed in reducing debt, and so making employment as plentiful and as profitable as is possible.

The trades unionists, it will be observed, are at present bound to do two things with all their best energy. The first is to win as many supporters as possible. It is quite clear from what has happened at Paisley that the Liberal party is in places like Paisley still strong. Large numbers of persons have been accustomed from boyhood to look to the Liberals as the mouthpieces of the general public, and the mere growth of the trades unionists does not get rid of that feeling, or weaken the hold upon large proportions of those who ought to be allies of the trades unionists. We would, therefore, warn our readers that they cannot give too much time, thought, and attention to the winning over of full assistance. There is another point which should not be forgotten, though we venture to think that trades unionists are apt to make mistakes in regard to it. We can well understand that trades unionists desire that the whole of the Irish constituencies should return Nationalists, and that those Nationalists should vote consistently with the trades unionists. We desire such a course to be adopted ourselves. But we would remind trades unionists that they must not be impatient. At the present time there is a great movement in the United States. Every man who desires that the Government of the United States should be employed for benefiting humanity is desirous of securing the election of the candidate he himself believes will best advance the interests of humanity. Both Republicans and Democrats are eager, and they will be growing more eager as the months pass. The actual candidates to be put forward will be chosen in June. From then until the early part of November the election will be pushed forward as actively as possible; and trades unionists throughout England should bear clearly in mind that there are more Irishmen in the United States than there are in Ireland itself at the present day. Therefore, an earnest effort will be made by the Irish in America and by their supporters in their native land to induce the successful candidate, whoever he may be, to take up the Irish cause. Trades unionists, therefore, should not be too impatient. Until November a very large part of the activity of all Irish politicians will be devoted to the United States. When the result of the election is known, then there will be a better chance for a reasonable arrangement being arrived at between the trades unionists and the Irish Nationalists. For the present, then, there ought to be moderation and consideration on both sides. Everything will be done, whatever happens, to influence American voting. It is not until the American voting is over in early November that the full thoughts of Irishmen can possibly be turned to merely British politics. There is, then, a very wide field to be cultivated by the trades unionists. They should try, firstly, to be broadly patriotic; secondly, to make allowances for those who are driven to, perhaps, exaggerated conduct by the misgovernment of Ireland; and, lastly, they should recollect that when the voting is over next November a calmer state of mind will follow, and it will be easier to negotiate between Englishmen and Irishmen.

THE PORT OF SWANSEA.

The port of Swansea can claim a greater antiquity than any of its neighbours in South Wales. It was at one time the only Customs Port from Milford round to Bristol, and Cardiff, Newport and Chepstow were subports attached to it. As the up-Channel harbours increased in importance, they gradually asserted their right to independent status, but since the expansion of trade provided business for old and new shipping centres alike, Swansea's development was not checked. Owing to the narrowness of the Severn estuary, the range of tides is extreme, and when locked docks became a possibility easy of compass last century, through the progress of marine engineering, they were naturally adopted in Swansea. The North Dock was opened for traffic in 1852, and seven years later the South Dock added substantially to the available accommodation. The growing popularity of the harbour called for further developments, and in 1881 the Prince of Wales' Dock was completed, and an extension built in 1898. The most recent piece of construction, the King's Dock, opened in 1909, practically doubled the quay frontage and more than doubled the water area of the port. It is one of the finest docks in the Bristol Channel, possessing an entrance lock 875 feet long by 90 feet wide at the coping. The depth on the outer sill at spring tides is 40 feet and 32¼ feet at neaps, the inner sill being seven feet higher. A channel with a minimum depth of twelve feet has been dredged from the roadstead to the lock entrance, and, as 28 feet represent the rise and fall of the tide in Swansea Bay, it follows that at all states of the tide, except the lowest ebb, ordinary-sized vessels can enter and leave the Dock. The district has the further advantage of being singularly free from those mists that imperil navigation in other estuaries. By waiting for tide the largest vessels can use the harbour with perfect safety, and quite recently the *ss. Persic*, of the White Star Line, over 12,000 tons gross, put in at Swansea for bunkers and passengers and left without a hitch.

The four docks comprising the port have a water area of 131½ acres and a quay frontage of 32,200 feet, or more than six miles. The dry docks, which are five in number, can hold vessels up to 480 feet. For handling cargo appliances of the latest pattern are provided, included amongst them being 27 hydraulic coal hoists, and 98 hydraulic, electric, and steam cranes with a lifting capacity ranging from 1½ to 70 tons. The existing warehouse accommodation extends to nearly three-quarters of a million square feet, and numerous railway sidings ensure the speedy removal of cargo *ex* ship or the speedy filling of outward cargoes. These railways, built on the Harbour Estate, are the property of the Harbour Trust, and though important in themselves, being over six miles long and having fifty-five miles of sidings, their special importance lies in affording direct access to waterside to the Midland, Great Western, and London and North Western Railways, as well as to a local line. The Swansea Canal provides another economical method of transport to and from the hinterland, and with these different means of communication it is not surprising that the varied and extensive trade of the port is expeditiously handled. From the opening of the King's Dock in 1909 until 1913 the foreign and coasting trade of Swansea increased in value by practically one million pounds per annum, and in 1913 it eclipsed all previous records, the amount of goods handled being 7,231,250 tons valued at £13,788,506. Unfortunately the heavy outlay of 2¼ millions on the new dock converted what had

previously been an annual surplus of revenue into an annual deficit, as increased interest payments had to be met. The deficit, which was £46,000 in 1910, was reduced to £15,000 in 1913, the building of the dock being abundantly justified by the increased trade that followed its opening. In 1914 income and expenditure were just balancing when the War broke out. On the ground that it was not a railway-owned port, Swansea was not taken over by the Government. As the War went on the ever-widening Government control of tonnage led to admission of shipping from free to controlled ports with the object of increasing the revenue of the latter. Swansea Harbour, already hit by the natural decline in trade, was thus doubly affected. In 1918 its total trade showed a far greater percentage of loss than any of the railway-owned ports in the Bristol Channel, thereby indicating the unfair manner in which the authorities discriminated against it. Such discrimination often throughout the War led to congestion and avoidable delay. At the same time the various Government awards to labour increased working expenses, and the burden of meeting them fell on the trustees, while all railway ports could view such awards with unconcern, since dividends were guaranteed. As a result the deficit rose from £15,000 in the year before the War to £49,000 in 1917, and matters gradually disimproved until December last, when interest payments were not met. Two receivers have been appointed to handle the affairs of the Trust. The capital of 4½ milions bears a low fixed rate of interest, 4%. The stock is now quoted at £49-50 per £100, but as trade recovers there is no doubt that, apart from assistance from the Swansea Corporation or the Government, the Trust will after a year or two be able to discharge its obligations. The 1919 trade figures just to hand already show a material recovery, the estimated total being 4,414,153 tons, an increase of 230,951 tons over 1918. So far in 1920 the record is also encouraging, as the January trade amounted to 363,210 tons, compared with 352,634 tons, and 298,941 tons in the corresponding month of 1919 and 1918 respectively.

The outlook is bright for the various industries which contribute to the port's traffic. Within a radius of 15 miles of the town there are no fewer than 450 collieries and factories. The coal, coke, and patent-fuel exports, which amounted in 1913 to 5,455,083 tons, are drawn largely from the Rhondda Valley district, and it is worthy of note that up to 1894 practically all such exports went *viâ* Cardiff or Barry. In that year the opening of the Rhondda and Swansea Bay Railway brought them to their natural outlet. The railway also taps what is practically a virgin coalfield in the Avan Valley, and, as the total coal resources in the district served by the port are estimated at twenty thousand million tons, the export trade in coal and its derivatives should increase, if Government control is jettisoned. In support of this it may be pointed out that Swansea is the nearest coal-shipping port to the Atlantic, and also, naturally, the nearest importing centre. Its already extensive trade is, therefore, likely to develop not only in export and bunker coal, but in pitwood, grain, iron ore, and other metallic ores and alloys, all of which are in great request for the important local industries of mining, flour-milling, iron and steel making, zinc and copper smelting, and general metal-refining. The wise steps taken by the trustees to extend the trade of the port will also be another factor in increasing revenue. The British Steel Corporation and the Anglo-Persian Oil Company have leased extensive work sites on the Trust estate, and the revenue from the oil trade in particular promises to be very substantial. It will certainly not be less than £10,000 per annum, as an agreement has been signed with the Anglo-Persian for triennial payments of at least £30,000. The rise in wages and reduced working hours of dock labourers will, of course, mean idle plant and a consequent increase in overhead expenses. Higher charges for the use of plant will be necessary to make up the deficiency, but the danger of such a course is that it may drive traffic to other ports. In this respect Swansea is in a difficult position, as its competitors are within a small radius, extending from 10 to 50 miles. Steps have, however, been taken by the other Bristol Channel ports to secure increased charging powers, and it is probable that all will act in unison in raising their rates. The advance should *inter alia* help to restore the finances of the Trust to a sound basis, especially as its European and foreign trade is relatively large. Ships engaged in these trades naturally pay bigger dues than those in the coasting trade. In the following table the port's traffic as regards the most important countries is analysed for 1913 and subsequent years:—

Trade of the Port of Swansea.

Country	Total of Exports and Imports					
	1913 Tons	1914 Tons	1915 Tons	1916 Tons	1917 Tons	1918 Tons
Russia	161,616	79,260	12,758	10,330	13,628	—
Sweden, Norway and Denmark	302,802	307,505	222,252	224,893	93,318	112,313
Channel Islands	23,020	16,364	22,917	17,046	29,683	31,635
France	2,445,205	2,141,786	3,137,677	2,863,377	2,975,195	3,121,296
Portugal ...	62,947	63,556	77,909	63,548	10,545	22,797
Spain	290,214	294,338	256,430	243,795	71,560	101,955
Italy	1,049,283	914,321	692,809	660,260	269,009	238,614
Turkey, Egypt, & North Africa	408,130	244,001	197,354	148,151	109,411	58,225
Cape of Good Hope and E. and W. Africa ...	27,922	31,915	34,293	28,186	9,587	1,258
Straits Settlements, China and Japan	106,240	99,664	90,266	53,925	2,603	
North America	155,263	139,434	163,188	139,171	144,572	46,132
South America...	294,004	242,766	136,195	76,873	84,240	62,863
Australia ...	11,182	48,637	4,155	18,011	27,673	—
Total foreign	6,113,904	5,090,573	5,198,525	4,637,659	3,869,790	3,817,372
Total coastwise	1,117,346	1,001,084	677,952	518,434	362,940	365,830
Grand total	7,231,250	6,091,657	5,876,477	5,156,093	4,232,730	4,183,202

As may be seen from the table, the coastwise trade, which is mainly in general cargo, and is carried on principally with London, Liverpool, and Manchester, declined during the War even more seriously than the foreign trade, partly because the Government commandeered a large portion of the ordinary coasting fleet, and partly because goods were attracted to railways which continued to carry traffic at pre-War rates. The recent rise in railway charges and the increased encouragement given to coastwise shipments under the new Government policy should prove of considerable benefit to the port of Swansea in view of its excellent geographical position.

SHIPPING COMPANIES' DIVIDENDS.

The new shipping companies which have sprung into existence in such profusion since the Armistice have in many cases presented their first annual report, and earnings and dividends have so far been on a satisfactory scale. Where the first year has not been completed, interim dividends have frequently been paid, and these also are indicated in the table at the foot of the article. Generally speaking, it will require a few more years of prosperity to enable these companies to place their finances in a sound position, as vessels acquired at inflated values must be written down and tonnage replacement must be provided for. The need for new vessels will soon be felt where ships were already antiquated at the time of purchase. Reserves must be built up, as the freight market is notoriously liable to fluctuations, and under probable future conditions owners will be face to face with declining rates. It is interesting to note that [illegible] moderate-sized companies have disposed of their interests at a price which they realise [illegible] greater profit than the operation of the ships could. The companies which purchased these vessels are of necessity heavily capitalised, and must tread the path of cautious and conservative finance in order to meet the slump in capital values which will follow a fall in freights, an increase in taxation, or a rise in working costs. Shareholders may be severely hit by the depreciation in their holdings, but when it is remembered that [illegible] old-established shipping concerns the

general level of share-values is, in not a few instances, from eight to twelve times the pre-War figure, some reaction is seen to be inevitable.

The principal factors favouring a decline in rates are the expansion of tonnage and the contraction of trade as compared with the last normal peace year, 1913. The world's fleet at present is not so efficient as the proportion of wooden and ferro-concrete vessels is high, and many of the biggest and best steel ships have been sunk. Moreover, the newly-built craft were often hurriedly put together by men of little experience, and are, therefore, comparatively unseaworthy. The difficulty of securing indemnities for many American hulls is indisputable proof of the opinion held by experts as to the sea-going capabilities of such ships. Delays in port have also reduced the general efficiency of tonnage by 30%, and if we consider the implications of this, that at any given time thirty vessels out of every 100—supposing a uniform tonnage—are compulsorily idle, we need not wonder that freights, and with them steamship values, have reached such high levels. Building is now, however, going on here at a faster rate than ever before, and though American construction has perceptibly slackened, the world's output is much in excess of the pre-War figure. As industrial trouble lessens, congestion on docks and railways will disappear, delays will be reduced, and the cargo-lifting power of ships will be correspondingly increased. Granted these desirable improvements, enhanced working costs will still prevent rates from sinking to the pre-War standard. Inferior bunkers in South Wales now cost £5 a ton, as compared with 15s. before the War, and such an increase alone warrants a big rise in freights. Dock dues, pilots' charges, wages, repairs, provisions and general stores have all materially advanced, and there is little prospect of any substantial reduction. While these items help to swell freights, they tend to reduce the margin of profit, and a readjustment of shipping values will be inevitable in the event of a decrease in the net earning capacity of ships.

It will be noticed that many of the companies given in the adjoining table are engaged in the coastwise trade. Vessels in this branch will not be subject to the same measure of competition as on ocean routes, but the volume of traffic has contracted very considerably owing to the danger and the cost of sea as compared with land transport during the War. Side by side with the limitation of coastwise freights, so as to relieve railways, a concession of 6s. per ton has been granted in respect of coastwise bunkers. Further, the disappearance of submarine risk not only lightens the burden of insurance, but increases the speed of voyages. War losses have been heavy, many of the vessels being destroyed on actice service, and the excited bidding of a shoal of newcomers for small vessels suited to the trade has been not a little responsible for abnormally inflated values in this class. Prices have been, and still are, too high for safety, but as the fever of speculation dies down it will be seen that fancy figures per deadweight ton were in many cases given on an unsound assumption of continuously high earning power. All indications at present point to the conclusion that in the course of the next few years the position of the shipping industry will be vitally altered. Owners who have set their boats on lengthy time charters will probably have reason to congratulate themselves. Fuel and general operating costs may increase, and it will not in all likelihood be economical for the majority of coasting and tramp vessels to substitute oil for coal, as has been widely done by the leading passenger lines. At the same time cargoes may be diminished, through the lessened demand for coal bunkers at shipping stations abroad where oil will henceforth be required. Moreover, the findings of Lord Shaw's Court of inquiry may put on shipowners an additional burden which will further encroach on profits. Fears of a rise in taxation in the new Budget may not prove without foundation, and the unfavourable effect of any additional imposition would be emphasised by the fact that most foreign companies, immune from excess profits duty and control, have, during the last five years, reaped almost incalculable advantages from high freights. Their earning power enabled them to build up substantial reserves, with which they can now buy tonnage safely at inflated prices. In spite, however, of the various gloomy possibilities which the future holds in store for shipowners, there is no immediate prospect of a big fall in freights. Direction continues on a large scale, and free tonnage is thus so scarce that it can command highly profitable rates.

Dividends of Shipping Companies.

	1911	'12	'13	'14	'15	'16	'17	'18	'19
	%	%	%	%	%	%	%	%	%
Britain Steamship Co.	5	15	12½	10	30	50	25	30	10*a*
Court Line, Ltd.	7	8	9	10	16	20	10	12	6*a*
Cressington Steamship Co.	8	10	12	12	15	20	10	12	6*a*
Dulcia Steam Shipping Co.			(New Co.)			25	27½	10	—
Field Line (Cardiff), Ltd.	—	10	10	10	25*c*	25*c*	12½	7½	10
Jeffree Line, Ltd.			(New Co.)						20*a*
Globe Shipping Co.			(New Co.)			22½	25	32½	35 20*a*
Griffiths Lewis Steam Navigation ...			(New Co.)			20	20	15	10 33⅓
Hain Steamship Co.	7	10	25	10	20	35	35*d*	—	—
Hazelwood Shipping Co.	—	12½	17½	15	15	20	25	12½	20
Houlder Line, Ltd. (*e*)	—	—	—	—	5	20	20	15	20
London-American Maritime Trading Co.			(New Co.)			27*f*	20	12	10 20
Mundy Shipping Co.			(New Co.)				22½*g*	15	10 15
Nautilus Steam Shipping Co. (*h*) ...	5	6	8	10	12½	31⅓	30	30	30
Orders & Handford Steamship Co. ...	5	20	15	7½	20	25	10	7½	10
P. & A. Campbell, Ltd.	28*i*		10	10	10	10	10	10	10
Redcroft Steam Navigation Co. ...	7	10	25*j*	10	10	20	20	10	10*k*
St. Just Steamship Co.	—	—	—	13	11	21	20	15	17½
Tatem Steam Navigation	10	15	15	15	15	15	15	20	20
Tempus Shipping Co.	—	7½	15	20	20	20	20	10	10
Town Line (London), Ltd.	—	10	10	10	20	25	17½	20*l*	25
Wye Shipping Co.			(New. Co.)		—	—	—	—	15*a*

(*a*) Interim.
(*b*) For a period of approximately sixteen months to August 7, 1917.
(*c*) Including bonus of 15%, free of income tax.
(*d*) Purchased in 1917 by P. & O. & British India Lines.
(*e*) Ordinary capital written down by one-half in 1915.
(*f*) For fourteen months to July 31, 1915.
(*g*) On capital of £25,000, compared with £100,000 in subsequent years.
(*h*) Dividends, except for 1919, include the following bonuses:—1914, 2%; 1915, 2½%; 1916, 11⅓%. In 1919 a bonus of 50s. per share was paid.
(*i*) Including bonus of 20%.
(*j*) Including bonus of 15%.
(*k*) Meeting to wind up the Company held February 7, 1920.
(*l*) Plus bonus of 100%, in shares from the reserve fund.

BRAZIL.

PROSPECTIVE DEVELOPMENT.

In our Financial Notes last week we drew attention to an important banking amalgamation which should have far-reaching influences upon the finance and trade of the whole of South and Central America. This is the taking over by the Anglo-South American Bank of the older British Bank of South America. As we explained last week, the Anglo-South American Bank, which originally started for the purpose of financing the nitrate interests of Tarapaca, has gradually, through the development of its own business and amalgamations with, or acquisitions of, other banking interests in South America, extended north until it occupies a large part, if not the whole, of the field which includes the north-western Republics and extends into the Five Republics of Central America. Proceeding southward through the Straits of Magellan, with an office at Punta Arenas to serve the interests of the sheep industry, the Bank has occupied nearly every important town in Argentine Patagonia and in the Argentine Republic itself. It then extended its operations to serve the capital of Uruguay. Until quite recently it only worked through agents in Brazil. Brazil, however, occupies more than half of the whole continent of South America, and potentially probably the richer half at that. By the taking over of the British Bank of South America on the part of the Anglo-South American Bank Brazilian trade has at its service a great banking institution commanding resources of some £60,000,000 sterling, which should have a widespread and far-reaching influence upon the development of the home and international trade of the Southern Republic.

The amalgamation of these great banking institutions comes at an opportune, not to say a critical, period in the economic history of Brazil, and should assist materially in the development of that beautiful

and potentially rich country, which extends over an area greater than that of the whole of continental United States of America. At present the population of Brazil is only some 25,000,000, but it is in a state of economic development when it might double and treble very rapidly. The course of events has brought about a series of favouring circumstances which should very materially assist the development of the United States of Brazil. The recent War in Europe, terrible as it has been and almost disastrous in many aspects to that continent, has led to a world-wide shortage of food and raw materials as well as of manufactured goods. Brazil in its present stage of economic development is pre-eminently fitted for providing enormous quantities of food and raw materials to help Europe to reconstruct its shattered industries. Moreover, Brazil is at that stage of development when it is capable of taking advantage of such an opportunity as presents itself at the present time. It is very much in the state in which the United States of America was in the second half of last century, when it commenced to develop its great natural resources, until it became the wealthy and powerful country it now is. Brazil, like North America some 60 years ago, has too small a population to consume anything like the vast quantities of food and raw materials it is so eminently capable of raising. Moreover, she can produce them upon a ratio of economic values comparable with that which the Northern Republic achieved some two generations ago. It has long been evident that the United States of America has ceased to be in a position to feed the peoples or the industries of the congested areas of Europe upon the same relative economic terms which she was able to do in the past. Not merely has her own population grown too rapidly, but a relatively large proportion of it have become consumers, as distinct from producers, of primary articles of necessity. They, like the Western European peoples, are occupied in industries which consume raw products. Consequently a large proportion of the people of the United States of America are competitors with the industrial population of Europe for supplies of food and raw materials. This is hardly true to any extent of the United States of Brazil, and is not likely to become true of the Southern Republic for at least another generation. The world in general, and Europe in particular, urgently requires new feeding-grounds and new sources of supply of raw materials to feed its industries. Until it had an important banking interest established within the country, capable of financing its home and foreign trade, it lacked one of the essentials for the development of modern progress. The Anglo-South American Bank offers the banking facilities required. But this in itself, if it stopped there, would be far from sufficient for the development of Brazil's natural resources. In order to develop those resources Brazil must increase production. She needs to increase her agricultural population. She has just obtained improved banking facilities, but if her natural resources are to be developed it is essential, in order to enable her to increase production, that her transportation facilities should be improved, and improved upon a scale greater than anything that has yet been attempted. She requires railways into the interior, and a great railway system which would connect the Amazon Valley with the distributing centres of Rio de Janeiro and Santos. Until such facilities are provided it is difficult to see how Brazil can ever develop her immense natural resources in the sense that the United States of America came to be a source of supply for food and raw materials for the congested areas of Western Europe two generations ago. The new banking combine now being established in the principal cities of Brazil should, with its allied interests in Europe and the United States, be in a position to materially assist in the development of transportation facilities for the United States of Brazil upon the lines which we have indicated. Such an opening up of so vast and so rich a territory should bring to the Bank an enormous increase in business within a comparatively short time, and should greatly enrich those who under its auspices find the money and the materials for the opening up of the transportation facilities of the Republic.

It is in the opening up of the rich northern, tropical States, which comprise more than two-thirds of the whole area of Brazil, that the great wealth of the Republic should be developed. President Pessoa, being himself a Northern man, knows this, and has endeavoured, so far as his limited resources will admit, to improve the economic conditions prevailing in the North-Eastern States of Ceará, Piauhy, and Maranhao, but it is in striking out into the Amazon basin and connecting these naturally rich areas with the South-Eastern States that the greater potentialities will be realised.

For a long period, as was natural—indeed, from colonial times until quite recently—the development of Brazil has been confined to the comparatively temperate regions of Southern Brazil. There is a narrow strip of hot coastland, more or less swampy, between the sea and the coastal range of mountains. Beyond this range of mountains there are extensive plains, on which are grown the coffee crops of Sao Paulo, and on which roam the great herds of cattle for which the Southern States of Brazil are famous. Until quite recently development was practically confined, and necessarily confined, to these two regions. For generations Sao Paulo and Minas Geraes were practically the only States which had shown any economic development in the common acceptation of the term. Until, in fact, the late President Alves, assisted by Dr. Cruz, carried out his great scheme for extirpating malaria and yellow fever from the great cities of Brazil it was not clear if human knowledge had progressed sufficiently far to make the opening up of the interior of Brazil, and particularly of the region of the Amazon basin, a practical proposition. Bates, the naturalist, and many others, had visited these regions, and had a very accurate knowledge of what the basin of the Amazon was actually like, but we did not know how to make these regions fit for Europeans to live in. Bates himself suffered from fever during the greater part of his visit, and, of course, he did not live under the conditions which a settler would be compelled to endure. The success which has attended the efforts of Dr. Cruz has proved that the opening up of these regions is merely a question of time. The swamps will require to be drained and the waters brought under control. It is a question of engineering, costly undoubtedly, but the prospective reward will in due course more than repay the outlay. The two great difficulties which the engineer will have to face are the extent to which the Amazon itself rises at two seasons of the year, when it receives the rains from the northern area and when it receives the rains from the southern area; and the second is the extent to which the adjacent country is flooded during the period of two rainy seasons. The cost of draining this vast area, which is some half-million square miles in extent, will be very heavy. Even under pre-War conditions it could only have been performed gradually. The urgent need for increased supplies of food and raw materials was nothing like as great under pre-War conditions as it is now. Under existing conditions, and, indeed, under the conditions likely to prevail during the whole of the life of the present generation, the return from capital expenditure for the purpose of obtaining supplies of food and raw materials should be enormous. It seems not improbable that one effect of the War will be the opening up of these regions of South America, which are potentially the richest in the whole continent, at a far more rapid rate than would have been probable if the terrible destruction of life and property occasioned by the War had not occurred.

THE BANKING HALF-YEAR.

DEPOSITS AND PRICES.

In an exceedingly interesting speech at the recent meeting of the London Joint City and Midland Bank, Limited, Mr. McKenna showed the causes of the growth in bank deposits. Incidentally he illustrated the growth in the spending power of the public, as it is affected by the deposits held by the banks. Those who have made a careful study of economic questions do not require to be convinced that inflation, in the common acceptation of the term, does not exist at the present time, and could only exist if there was a criminal intention on the part of the Government to inflate it, as has been the case in our own and many other countries in the past. But the great growth in currency all over the world at the present time is only inflation if one carefully defines what one means by inflation. The Chancellor of the Exchequer, in his Budget speech, now nearly twelve months ago, demolished the popular theory of inflation, showing that it was an absurdity and could not exist, and never would exist while decent people were at the head of affairs at the Treasury.

Mr. McKenna showed that the deposits of the great joint-stock banks of this country grew from 1,070 millions sterling in the pre-War period to 2,300 millions at the end of last year. In other words, the growth amounted to 1,230 millions, or, roughly, 115%. The actual spending power of the public, says Mr. McKenna, is gauged by the total amount of currency in circulation, added to the total amount of bank deposits. In 1914 the spending power of the public was 1,198 millions sterling; at the end of last year it was 2,693 millions sterling, a growth of 1,495 millions, or 125%. Practically, Mr. McKenna, taking an average figure of our own, and various other estimates of the growth of commodity prices showed that the growth in the spending power of the public and the growth in the cost of living were approximately the same. For specific purposes, and to give a striking illustration, Mr. McKenna quoted exactly the same figure—125%—in both instances. But, of course, what he meant was that the growth of the spending power of the public and the growth of the cost of living are as near as you can get them approximate. The very fact that Mr. McKenna took three different sources of commodity prices, including our own, showed that he did not think it possible to arrive at—nor do we—an absolute figure upon which all mathematicians capable of making the calculation would be agreed. If Mr. McKenna's figures be accepted—and they were based on the only calculations available—it will be seen that there has been no real growth in the deposits of our great banks during the War period. It is precisely what one would expect. Writing on this subject in August last, we said that it would be contrary to experience, and an outrage to our intelligence, to assume that the purchasing power of commodities had increased to the enormous extent that the growth of banking deposits and the growth in the issue of Bradburys would imply. Mr. McKenna takes very much the same view, as, indeed, must everybody who studies the question. Incidentally it brings us to the important consideration of what the bank deposits really consist. But before we enter upon that consideration it is important to bear in mind that a real growth in banking deposits, as distinct from a money growth necessitated by higher token values—that is, as distinct from commodity values—can only take place provided there is a growth of wealth. Now what has happened during the past five years has been a great destruction of wealth, not a growth of wealth; and, consequently, a real growth in banking deposits was not to be expected. What has actually taken place is that, owing to the scramble for commodities which we all want, it has been necessary to create an increased amount of token money. This, however, is not inflation in any real sense of the term. There has been no attempt to create artificial values for the purpose of robbing any particular class of the community, or the community as a whole. All that is done, as the Chancellor of the Exchequer explained nearly a year ago, is, when the banks require more currency notes for the ordinary conduct of their business, the Treasury issues the amount specified upon the understanding that a certain amount of banking securities are in existence. If this were refused the banks would be unable to carry on their business in the ordinary way, and sooner or later they would have to apply for power to issue either notes or provide some substitute for the Bradburys which we are now accustomed to accept.

Before considering the actual nature of deposits, and what deposits actually consist of, as just said, we would like to recall to the mind of the reader how deposits really grow. Assuming that the attention now being devoted to Equatorial Africa was to result in the opening up not merely of tropical Africa, which forms two-thirds of the total area of the continent, but of the whole tropical and sub-tropical possessions of the British Empire, incidentally we may say that it would in our opinion solve one of the greatest difficulties of our time, and would provide sufficient raw materials, for the employment for our population and create new wealth. Assuming that the tropical possessions of the Empire were opened up, it would be first necessary to draw on what we may, perhaps, be permitted to describe as artificial credits. We will show exactly what we mean later in discussing Mr. McKenna's definition of deposits. While the tropical countries were being drained to free them from malaria and yellow fever, while their transportation facilities were being constructed, and while as yet the territories were not yielding any produce, such as coffee, cocoa, sugar, cotton, and so on, and, of course, cereals in the higher altitudes, they would only in a sense increase deposits, as they would be loans on existing resources. But as soon as the malarial swamps were drained, settlers were pouring into the country, transportation facilities were afforded for collecting the produce of hundreds of thousands of square miles, and coffee, rubber, sugar, cocoa, cotton, various fibres like sisal hemp and jute substitutes, and the like, were being poured into the London market for sale, genuine new deposits would be created as the trader sold those commodities in ever-increasing quantities, and succeeded in obtaining some sort of profit, as it was necessary for him to do to enable him to carry on his business. These new sources would, in fact, create genuine new deposits, because certain hundreds of thousands of square miles had been opened up, and were supplying at a lower economic ratio than previously articles which were required by the consumer in the congested centres of Europe. The growth in our banking deposits during the opening up of North America in the middle of last century, and the growth of our banking deposits in the 'eighties and

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EXECUTOR AND TRUSTEE DUTIES UNDERTAKEN.

Analysis of Liabilities of 40 Banks of the United Kingdom, December 31, 1919.

No.		Date of Balance Sheet	Paid-up Capital £	Reserve £	Paid-up Capital & Reserve £	%	Notes in Circulation £	%	Acceptances £	%	Deposit & Current Accounts £	%	Profit Balance £	%	Total Liabilities and Assets £	No.
1	Bank of Ireland	Dec. 31	2,769,231	970,000	3,739,231	8·2	13,310,164	29·1	—	—	28,542,825	62·4	154,842	·3	45,747,062	1
2	Bank of Liverpool & Martin's ...	,, 31	2,148,890	1,400,000	3,548,890	4·1	—	—	15,623,631	18·0	67,530,621	77·6	287,095	·3	86,990,237	2
3	Barclays Bank	,, 31	8,820,356	7,000,000	15,820,356	4·9	—	—	13,588,825	4·2	295,550,682	90·8	508,450	·1	325,468,313	3
4	Baring Bros.	,, 31	1,025,000	100,000	1,125,000	2·9	—	—	11,257,865	28·1	26,304,836	67·9	13,923	·1	38,701,624	4
5	Beckett's Banks	,, 31	600,000	—	600,000	5·0	153,690	1·3	525,432	4·4	10,746,947	89·3	—	—	13,026,069	5
6	Belfast Banking	,, 31	500,000	550,000	1,050,000	5·2	2,108,389	10·4	—	—	17,001,418	84·1	63,159	·3	20,222,966	6
7	British Mutual	,, 31	70,603	50,000	120,603	17·9	—	—	—	—	546,778	81·1	6,944	1·0	674,325	7
8	Child & Co.	July 5	500,000	81,591	581,591	16·3	—	—	—	—	2,996,231	83·7	—	—	3,577,822	8
9	Clydesdale Bank	Dec. 31	1,000,000	1,200,000	2,200,000	5·2	3,534,066	8·4	720,717	1·7	35,530,845	84·2	224,587	·5	42,210,215	9
10	Commercial Bank of Scotland ...	Oct. 31	1,000,000	1,000,000	2,000,000	4·4	3,988,975	8·8	2,151,287	4·8	36,949,224	81·7	115,632	·3	45,205,118	10
11	Coutts & Co.	Dec. 31	800,000	700,000	1,500,000	7·0	—	—	690,207	3·2	19,153,247	89·8	—	—	21,343,454	11
12	Cox & Co.	Sept. 30	650,000	425,000	1,075,000	4·4	—	—	543,800	2·3	22,552,363	93·3	—	—	24,171,163	12
13	Equitable Bank	Dec. 31	40,000	50,000	90,000	9·7	—	—	—	—	826,870	89·6	6,229	·7	923,099	13
14	Glyn, Mills, Currie & Co. ...	,, 31	1,000,000	500,000	1,500,000	4·5	—	—	1,525,970	4·5	30,701,516	91·0	—	—	33,727,486	14
15	Guernsey Banking Co.	June 30	50,000	60,000	110,000	14·6	48,504	6·4	—	—	581,690	76·9	16,237	2·1	756,431	15
16	Hibernian Bank	Dec. 31	500,000	160,000	660,000	5·3	—	—	—	—	11,655,356	94·4	37,296	·3	12,352,652	16
17	Hoare & Co., Chas.	July 7	485,000	—	485,000	13·1	—	—	—	—	3,213,275	86·9	—	—	3,698,275	17
18	Isle of Man Banking	Dec. 31	30,000	88,000	118,000	6·1	88,643	4·5	—	—	1,727,995	89·0	7,578	·4	1,942,216	18
19	Lancashire & Yorkshire Bank ...	,, 31	1,006,560	851,825	1,858,385	6·6	15,424	·1	460,594	1·6	25,656,046	90·9	222,763	·8	28,213,212	19
20	Lloyds Bank	,, 31	9,420,544	9,675,105	19,095,649	5·1	—	—	32,079,843	8·5	324,711,756	86·1	1,226,680	·3	377,113,928	20
21	London County West. & Parr's	,, 31	8,503,718	8,750,000	17,253,718	5·0	18,351	—	23,704,366	6·8	304,848,073	87·9	971,877	·3	346,796,385	21
22	London Joint City and Midland	,, 31	8,417,335	8,417,335	16,834,670	4·0	—	—	29,014,568	6·9	371,742,389	88·8	1,257,144	·3	418,848,771	22
23	London & Liv. Bk. of Commerce	,, 31	600,000	170,000	770,000	21·7	—	—	2,444,113	68·6	317,584	8·9	29,519	·8	3,561,216	23
24	London Merchant Bank	,, 31	750,000	350,000	1,100,000	30·3	—	—	1,988,340	54·7	465,493	12·8	78,794	2·2	3,632,627	24
25	Manchester and County Bank ...	,, 31	1,092,040	850,000	1,942,040	6·6	—	—	3,012,230	10·3	24,071,009	82·3	225,818	·8	29,251,097	25
26	Manchester & Liverpool District	,, 31	1,896,000	1,550,000	3,446,000	5·1	—	—	5,259,016	7·7	59,108,850	86·8	308,997	·4	68,122,863	26
27	Munster & Leinster	,, 31	400,000	900,000	1,300,000	5·9	—	—	—	—	20,604,443	93·9	52,235	·2	21,956,678	27
28	National Bank...	,, 31	1,500,000	960,000	2,460,000	5·8	4,365,871	10·3	523,280	1·2	34,825,774	82·3	159,790	·4	42,334,715	28
29	National Bank of Scotland ...	Nov. 1	1,000,000	1,000,000	2,000,000	4·8	3,248,797	7·9	1,444,468	3·5	34,398,023	83·1	279,093	·7	41,370,381	29
30	Nat. Prov. & Union B. of Eng....	Dec. 31	7,806,864	7,239,041	15,045,905	5·5	—	—	5,968,448	2·2	251,751,125	92·1	630,859	·2	273,396,337	30
31	N. of Scot. & Town & Co. Bk....	Sept. 30	652,000	600,000	1,252,000	5·0	2,513,741	10·0	—	—	21,099,312	84·1	223,269	·9	25,088,322	31
32	Northamptonshire Union Bank...	Dec. 31	396,000	498,000	894,000	12·4	1,820	—	—	—	6,240,601	86·8	54,804	·8	7,191,225	32
33	Northern Banking	Aug. 31	500,000	585,000	1,085,000	6·5	2,472,011	14·8	—	—	13,096,490	78·4	42,538	·3	16,696,039	33
34	Provincial Bank of Ireland ...	Dec. 31	540,000	435,000	975,000	5·4	2,305,557	12·7	—	—	14,802,721	81·7	41,340	·2	18,124,618	34
35	Royal Bank of Ireland ...	Aug. 31	300,000	63,000	363,000	9·7	—	—	—	—	3,361,995	89·9	14,793	·4	3,739,788	35
36	Royal Bank of Scotland ...	Oct. 11	2,000,000	1,082,276	3,082,276	7·0	3,637,299	8·2	347,588	0·8	36,916,284	83·8	84,000	·2	44,067,447	36
37	Ulster Bank	Nov. 29	500,000	700,000	1,200,000	4·2	4,492,374	15·8	—	—	22,661,708	79·6	103,875	·4	28,457,957	37
38	Union Bank of Manchester ...	Dec. 31	750,000	575,000	1,325,000	4·3	—	—	3,896,157	12·7	25,378,021	82·8	68,418	·2	30,667,596	38
39	Williams Deacon's Bank ...	,, 31	1,875,000	900,000	2,775,000	6·6	—	—	2,150,023	5·1	37,047,806	88·0	138,997	·3	42,111,826	39
40	Yorkshire Penny Bank	,, 31	750,000	750,000	1,500,000	5·1	—	—	—	—	27,708,165	94·9	—	—	29,208,165	40
			72,645,141	61,236,173	133,881,314	5·1	46,303,676	1·7	158,920,768	6·1	2,272,926,386	86·8	7,657,575	0·3	2,619,689,719	

'nineties of last century during the opening up of Argentina were based on real additions to wealth. The growth in the bank deposits between the South African War and the beginning of the recent War were genuine growths, due very largely to the opening up of Canada. Practically a new railway system was created in Canada, and settlement became more or less practicable from Cape Breton to Vancouver, and immense quantities, particularly of cereals, some minerals, and some other products, and particularly of food, were poured in across the continent, and across the Atlantic, and into our markets here, which supplied the needs of our consumers in this country upon a lower economic ratio than had been the custom hitherto. As a result our people were better off because their actual needs in food and raw materials were supplied on a lower economic ratio; and, consequently, the same nominal wages, earnings, profits, and so on, gave them a larger surplus for expenditure on luxuries and for the development of other countries. Now precisely the opposite of this occurred during the period of the recent War. Inadvisedly, we of this Journal think, the Government decided to carry on the recent War upon principles differing fundamentally from the policy we had pursued from Cressy to Waterloo, with the result that not merely was there an enormous destruction of wealth, which is inevitable in every war, but our natural economic development was interrupted by such a radical change in the policy pursued. In the sequel, for five whole years we were engaged in destroying, as distinct from producing. Moreover, owing to the methods pursued the most vigorous part of the population was engaged in destruction, and the less vigorous was not merely invited to produce, but was allowed to produce. The net result being that there was not, and in the nature of the case could not be, a growth in our banking deposits in the real sense.

Now we come to the question which Mr. McKenna discussed—Why the growth in the banking deposits is apparent, as distinct from real; and, as a corollary, why prices are extravagant, although apparently we are all so rich that we have increased our banking deposits from 1,000 millions sterling to 2,300 millions sterling. It would appear that in the past five years we have passed through a boom period; that, in fact, during the past five years we have discovered a veritable Aladdin's cave, not merely full of currency, but full of food and raw materials, capable of feeding us upon a more bountiful scale than that to which we had been accustomed. As a matter of fact, banking deposits in no period of prosperity really grow very rapidly, because then the growth is real, as distinct from artificial. During the period of the War the growth in deposits was purely artificial, and hence it is striking and theatrical. Whereas the growth in deposits when we are opening up new territories, increasing at a relatively modest ratio the comforts of the great mass of our population, by providing the consumer with his requirements at what, for convenience, we may call a cheaper rate than has hitherto been practicable, is not rapid. In this way it takes quite a long time for deposits to grow appreciably; and, as a matter of fact, there is very little indication of the improving state of the country, compared with the extravagant exhibition which is made in the growth of deposits during such a period as that through which we have recently passed. Now, how are deposits made up? Primarily, and the basis of it all, they are the savings of the community. When we earn a certain salary, or make a certain profit, we pay this amount into our bankers. It is a sum of money due to us either from our employers or our customers, and this is transferred from their account to ours. Primarily, therefore, deposits must be what we call for convenience genuine deposits; that is, they must represent real savings and real assets. For the reasons which we have explained deposits of this kind grow slowly. The rapid growth of deposits is due to bank loans. For example, take the illustration we have already given, if the reader will permit us. Assuming a great increase in the growth of coffee in the neighbourhood of Entebbe, for example, or owing to the adverse exchange with America and opening up of that country and British East Africa as well for cotton-growing upon an extensive scale. In that way

Analysis of Assets of 40 Banks of the United Kingdom, December 31, 1919.

No.	Cash in Hand and at Bank of England	Money at Call and at Short Notice (a)	Total Cash in Hand and Money at Call, &c. — Amount		Investments — Amount		Bills Discounted and Advances — Bills Discounted (a)	Advances	Total — Amount		Liabilities of Customers for Acceptances —		Bank Premises, &c.		No.
	£	£	£	%	£	%	£	£	£	%	£	%	£	%	
1	10,951,483	2,045,999	12,997,482	28·4	19,977,430	43·7	—	12,362,633†	12,362,633	27·0	—	—	409,517	·9	1
2	7,930,264	11,006,969	18,937,233	21·8	16,089,712†	18·5	3,768,631	31,399,236	35,167,867	40·4	15,623,631	18·0	1,171,794	1·3	2
3	65,174,350	20,031,495	85,205,845	26·2	62,341,380	19·1	30,253,309	130,095,257	160,348,566	49·3	13,588,825	4·2	3,983,697	1·2	3
4	6,985,389	—	6,985,389	18·1	2,011,257	5·2	15,661,723	2,658,390	18,320,113	47·3	11,257,865	29·1	127,000	·3	4
5	1,669,867	—	1,669,867	13·9	3,649,063	30·3	—	5,985,624†	5,985,624	49·7	525,432	4·4	196,083	1·6	5
6	4,054,562	—	4,054,562	20·1	3,215,212	15·9	2,634,699†	10,254,473	12,889,172	63·7	—	—	64,020	·3	6
7	67,862	—	67,862	19·1	164,761	24·4	19,864†	417,498	437,362	64·9	—	—	4,340	·6	7
8	716,483	700,000	1,416,483	39·6	1,187,407†	33·2	—	889,732	889,732	24·9	—	—	84,200	2·3	8
9	7,470,286	—	7,470,286	17·7	18,406,566	43·6	2,702,668†	12,485,116	15,187,784	36·0	720,717	1·7	424,862	1·0	9
10	7,672,131	4,110,793	11,782,974	26·1	14,039,646	31·1	7,445,205†	9,240,628	16,685,833	36·9	2,151,287	4·7	525,378	1·2	10
11	3,500,550	2,281,585	5,782,135	27·1	4,876,723	22·8	—	9,654,084†	9,654,084	45·2	690,207	3·2	340,300	1·6	11
12	5,806,943	3,350,000	9,156,943	37·9	4,203,449	17·4	4,053,378†	5,895,459	9,948,837	41·2	543,800	2·2	318,134	1·3	12
13	278,806	—	278,806	30·2	360,563	39·1	—	283,730	283,730	30·7	—	—	—	—	13
14	5,467,410	6,638,750	12,106,160	35·9	9,986,983	29·6	—	9,738,372	9,738,372	28·9	1,525,970	4·5	370,000	1·1	14
15	137,158	—	137,158	18·1	371,980	49·2	61,093†	179,700	240,793	31·8	—	—	6,500	·9	15
16	1,485,146	—	1,485,146	12·0	6,038,880	48·9	—	4,685,237†	4,685,237	37·9	—	—	143,389	1·2	16
17	562,393	320,000	882,393	23·9	1,406,998	38·0	—	1,308,884	1,308,884	35·4	—	—	100,000	2·7	17
18	335,607	—	335,607	17·3	1,077,041	55·5	—	499,568†	499,568	25·7	—	—	30,000	1·5	18
19	5,441,125	—	5,441,125	19·3	6,264,051	22·2	5,600,626†	10,056,816	15,657,442	55·5	460,594	1·6	390,000	1·4	19
20	57,587,215	14,621,756	72,208,971	19·1	75,765,779	20·1	57,491,864	135,763,591	193,255,455	51·3	32,079,843	8·5	3,803,880	1·0	20
21	58,766,910	18,794,487	77,561,397	22·4	65,058,988	18·7	49,351,485	128,090,983	177,442,468	51·2	23,704,366	6·8	3,029,166	·9	21
22	68,267,403	18,439,152	86,706,555	20·7	68,063,118	16·2	52,889,521	178,556,048	231,445,569	55·3	29,014,568	6·9	3,618,961	·9	22
23	53,856	240,000	293,856	8·3	454,573	12·8	—	368,574†	368,574	10·3	2,444,113	68·6	100	—	23
24	46,944	186,000	232,944	6·4	114,924	3·2	150,741	1,145,678	1,296,419	35·7	1,988,340	54·7	—	—	24
25	7,430,129	—	7,430,129	25·4	4,899,579	16·8	3,232,383	10,376,776	13,609,159	46·5	3,012,230	10·3	300,000	1·0	25
26	9,725,270	3,357,570	13,082,840	19·2	10,676,119	15·7	15,432,706†	23,172,182	38,604,888	56·7	5,259,016	7·7	500,000	·7	
27	2,151,844	1,602,101	3,753,945	17·1	7,438,798	33·9	4,779,277†	5,892,809	10,672,086	48·6	—	—	91,849	·4	
28	6,318,733	12,976,920†	19,295,653	45·6	6,587,810	15·6	3,206,307	11,585,182	15,491,489	36·6	523,280	1·2	436,483	1·0	28
29	5,236,080	4,887,026	10,123,106	24·5	11,922,405	28·8	5,922,875†	11,333,127	17,246,002	41·7	1,444,468	3·5	634,400	1·5	29
30	35,685,632	10,997,504	46,683,136	17·1	53,531,285	19·6	23,943,769†	140,361,887	164,305,656	60·1	5,968,448	2·2	2,907,812	1·0	30
31	3,431,551	—	3,431,551	13·7	10,408,138	41·5	—	11,001,243†	11,001,243	43·8	—	—	247,390	1·0	31
32	757,357	—	757,357	10·5	1,763,401	24·5	611,217	4,027,522	4,638,739	64·5	—	—	31,728	·5	32
33	3,570,428	—	3,570,428	21·4	6,419,033	38·4	—	6,576,578†	6,576,578	39·4	—	—	130,000	·8	33
34	2,314,460	1,105,000	3,419,460	18·9	6,591,207	36·4	—	7,994,247	7,994,247	44·1	—	—	119,704	·6	34
35	278,793	—	278,793	7·5	1,719,838	46·0	114,190	1,589,143	1,703,333	45·5	—	—	37,824	1·0	35
36	5,158,547	5,783,604	10,942,151	24·8	12,766,093	29·0	9,486,656†	9,951,706	19,438,362	44·1	347,588	·8	573,253	1·3	36
37	6,234,530	—	6,234,530	21·9	11,274,698	39·6	—	10,948,729†	10,948,729	38·5	—	—	—	—	37
38	3,050,848	—	3,050,848	10·0	4,417,171	14·4	1,302,541	17,600,879	18,903,420	61·6	3,896,157	12·7	400,000	1·3	38
39	6,690,600	2,779,453	9,470,053	22·5	7,904,150	18·8	3,213,947†	18,902,291	22,116,238	52·5	2,150,023	5·1	471,362	1·1	39
40	6,685,107	—	6,685,107	22·9	9,255,577	31·7	8,324,921†	4,491,478	12,816,399	43·9	—	—	451,082	1·5	40
	425,150,102	146,256,164	571,406,266	21·8	552,721,791	21·1	312,345,596	997,821,090	1,310,166,686	50·0	158,920,768	6·1	26,474,208	1·0	

† Including Treasury bills. (a) Where shown separately.

very large deposits would be created for the traders and others who were obtaining supplies of these commodities from Uganda, British East Africa, and the new Tanganyika Territory. These loans would continue until the crops had been gathered, the cotton, or coffee, or cocoa, or whatever it was sold, and the traders of this country were in a position to repay the bankers the amount of money advanced for the purpose of gathering these crops. When this came to an end the deposits created by this credit would be liquidated and the bankers' money once more freed to lend to other traders. But, over and above this, there would remain a profit, because the trader in Africa, like the trader everywhere else, is not out purely for philanthropy, and he gets a certain profit. Consequently, over and above the amount created by the loans, there would be the traders' profits, and these in the aggregate would amount to a considerable sum, and it is these small increases which make up the genuine deposits upon which the whole fabric is based. Now these credits naturally tend to right themselves, as we have explained, when the goods are brought from Africa and sold to the consumer in London. Once the consumer has paid for them they are finished, the bankers are repaid the loans, and the profit is paid to the account of the trader. During the War, unfortunately, there were many banking loans besides ordinary trading loans. During the interval the currency expanded from 75 to 191 millions, or an expansion of 116 millions. But, as we have already shown, the deposits increased by over 1,200 millions. Now to what must we attribute the balance?

The reader is, of course, aware that during the period of the War, when it was exceedingly difficult to get money, the banks were induced by the Government to subscribe as large a proportion of their deposits as they thought consistent with safety, and probably a great deal more than in normal times they would have even thought was consistent. The result is that in its final effect less than 300 millions of this amount can be called loans which will automatically right themselves, that is, loans to traders, who will, when the transaction is completed, repay the loans in the great majority of cases. An individual customer may make a muddle of his contract, and may get into serious difficulties; but in the vast majority of cases they will all be repaid. But, over and above all this, it will be seen that there are between 800 and 900 millions sterling wholly unaccounted for. This money was advanced to the Government. It was spent on shells and Control Boards, on various destructive expenditures, some desirable and others most unfortunate, during the War, and since the Armistice. These moneys were never intended to be employed in any kind of productive business. They have long since disappeared. Like the extravagance of a spendthrift, nothing can return which the Government could pay to their bankers and, consequently, these loans remain as a charge upon the banks, and incidentally upon the community. They oblige the banks to charge more for such accommodation as they give owing to the fact that an immense sum of money is outstanding, and is not available for the purposes of trade. It is not employed, in the sense we have described above, for financing some operation which ultimately will admit of its repayment; but there it exists, awaiting settlement whenever the Government is in a position to pay it off. Ultimately we have all got to work until the taxes and the savings of the community will admit of its final liquidation. Consequently, a very large part of the apparent growth in deposits is due to what we may call a debit on the Government, which we may all of us hope, in our several ways, if we but live long enough, to see liquidated.

In relation to this important question, Mr. Goschen, at the meeting of the National Provincial and Union Bank of England, Limited, and Mr. Walter Leaf, at the London County Westminster and Parr's Bank, Limited, made two remarks, one on the importance of increasing production, and the other upon the almost equally important subject of restricting extravagance. Mr. Goschen said that practically, in his opinion, recovery would be impossible without a reduction in prices. We agree. But it should be clearly defined what we mean by a reduction in prices.

(*Continued on p.* 302.)

Position of 40 Banks of the United Kingdom at Dec. 31, 1919, in contrast with 42 at Dec. 31, 1918.*

LIABILITIES.	Dec. 31, 1919 £	Dec. 31, 1919 % of Total	Dec. 31, 1918 £	Dec. 31, 1918 % of Total	Inc. or Dec. in One Year £
Capital paid up ...	72,645,141	2.8	64,790,369	3.0	+ 7,854,772
Reserve funds ...	61,236,173	2.3	52,698,837	2.4	+ 8,537,336
Total	133,881,314	5.1	117,489,206	5.4	+ 16,392,108
Notes in circulation	46,303,676	1.7	46,089,064	2.1	+ 214,612
Acceptances ...	158,920,768	6.1	60,471,105	2.8	+ 98,449,663
Deposits, &c. ...	2,272,926,386	86.8	1,924,001,144	89.4	+ 348,925,242
Profit balance ...	7,657,575	.3	6,193,576	.3	+ 1,463,999
Total Liabilities	2,619,689,719	100.0	2,154,244,095	100.0	+ 465,445 624
ASSETS.					
Cash in hand, &c.	425,150,102	16.2	387,494,931	18.0	+ 37,655,171
Money at call, &c. (a)	146,256,164	5.6	216,587,948	10.0	— 70,331,784
Total	571,406,266	21.8	604,082,879	28.0	— 32,676,613
Investments ...	552,721,791	21.1	466,272,979	21.6	+ 86,448,812
Bills discounted (a)	312,345,596	11.9	374,659,618	17.4	— 62,314,022
Advances ...	997,821,090	38.1	623,039,581	29.0	+ 374,781,509
Total bills & adv.	1,310,166,686	50.0	997,699,199	46.4	+ 312,467,487
Customers' liab. for acceptances ...	158,920,768	6.1	60,471,105	2·8	+ 98,449,663
Bank premises, &c.	26,474,208	1.0	25,717,933	1.2	+ 756,275
Total Assets ...	2,619,689,719	100.0	2,154,244,095	100.0	+ 465,445,624

Position of 40 Banks of the United Kingdom at Dec. 31, 1919, in contrast with 42 at Dec. 31, 1913.*

LIABILITIES.	Dec. 31, 1919 £	Dec. 31, 1919 % of Total	Dec. 31, 1913 £	Dec. 31, 1913 % of Total	Inc. or Dec. in Six Years £
Capital paid up ...	72,645,141	2.8	63,845,566	5.3	+ 8,799,575
Reserve funds ...	61,236,173	2.3	42,530,441	3.6	+ 18,705,732
Total	133,881,314	5.1	106,376,007	8.9	+ 27,505,307
Notes in circulation	46,303,676	1.7	13,276,644	1.1	+ 33,027,032
Acceptances ...	158,920,768	6.1	59,237,735	4.9	+ 99,683,033
Deposits, &c. ...	2,272,926,386	86.8	1,012,683,162	84.6	+1,260,243,224
Profit balance ...	7,657,575	.3	5,535,776	.5	+ 2,121,799
Total Liabilities	2,619,689,719	100.0	1,197,109,324	100.0	+1,422,580,395
ASSETS.					
Cash in hand, &c.	425,150,102	16.2	165 652,993	13.8	+ 259,497,109
Money at call, &c. (a)	146,256,164	5.6	121,681,849	10.2	+ 24,574,315
Total	571,406,266	21.8	287,334,842	24.0	+ 284,071,424
Investments ..	552,721,791	21.1	184,358,002	15.4	+ 368,363,789
Bills discounted (a)	312,345,596	11.9	118,187,769	9.9	+ 194,157,827
Advances ...	997,821,090	38.1	523,086,200	43.7	+ 474,734,890
Total bills&adv.	1,310,166,686	50.0	641,273,969	53.6	+ 668,892,717
Oustomers' liab. for acceptances ...	158,920,768	6.1	59,237,735	4.9	+ 99,683,033
Bank premises, &c.	26,474,208	1.0	24,904,776	2.1	+ 1,569,432
Total Assets ...	2,619,689,719	100.0	1,197,109,324	100.0	+1,422,580,395

* The figures of the following four Banks, shown separately in last year's table, are merged in those of the Banks indicated in parentheses:—Cocks, Biddulph & Co. and the Palatine Bank (in the Bank of Liverpool & Martins); Sheffield Banking Co. (National Provincial & Union); and West Yorkshire (Lloyds Bank). The figures of the Halifax Commercial Banking Co. are not available as usual because of pending amalgamation with the Bank of Liverpool & Martins: its liabilities and assets at the end of 1918 were £3,596,387. On the other hand, the figures of the Guernsey Banking Co., the London & Liverpool Bank of Commerce, and the London Merchant Bank (aggregate liabilities and assets £7 950,274) have been added on this occasion.
(a) Where shown separately.

Deposits, &c., of the Principal Banks of the United Kingdom at end of 1919.

	Deposits and Current Accounts £
1 London Joint City & Midland	371,742,389
2 Lloyds Bank	324,711,756
3 London County Westminster & Parr's	304,848,073
4 Barclays	295,550,682
5 National Provincial & Union	251,751,125
6 Bank of England (Dec. 24, 1919)	153,699,000
7 Bank of Liverpool & Martins	67,530,621
8 Manchester & Liverpool District	59,108,850
9 Williams Deacon's Bank	37,047,806
10 Commercial Bank of Scotland (Oct. 31, 1919)	36,949,224
11 Royal Bank of Scotland (Oct. 11, 1919)	36,916,284
12 Clydesdale	35,530,845
13 National Bank (Ireland)	34,825,774
14 National Bank of Scotland	34,398,024
15 Bank of Scotland	32,568,495
16 Glyn, Mills, Currie & Co.	30,701,515

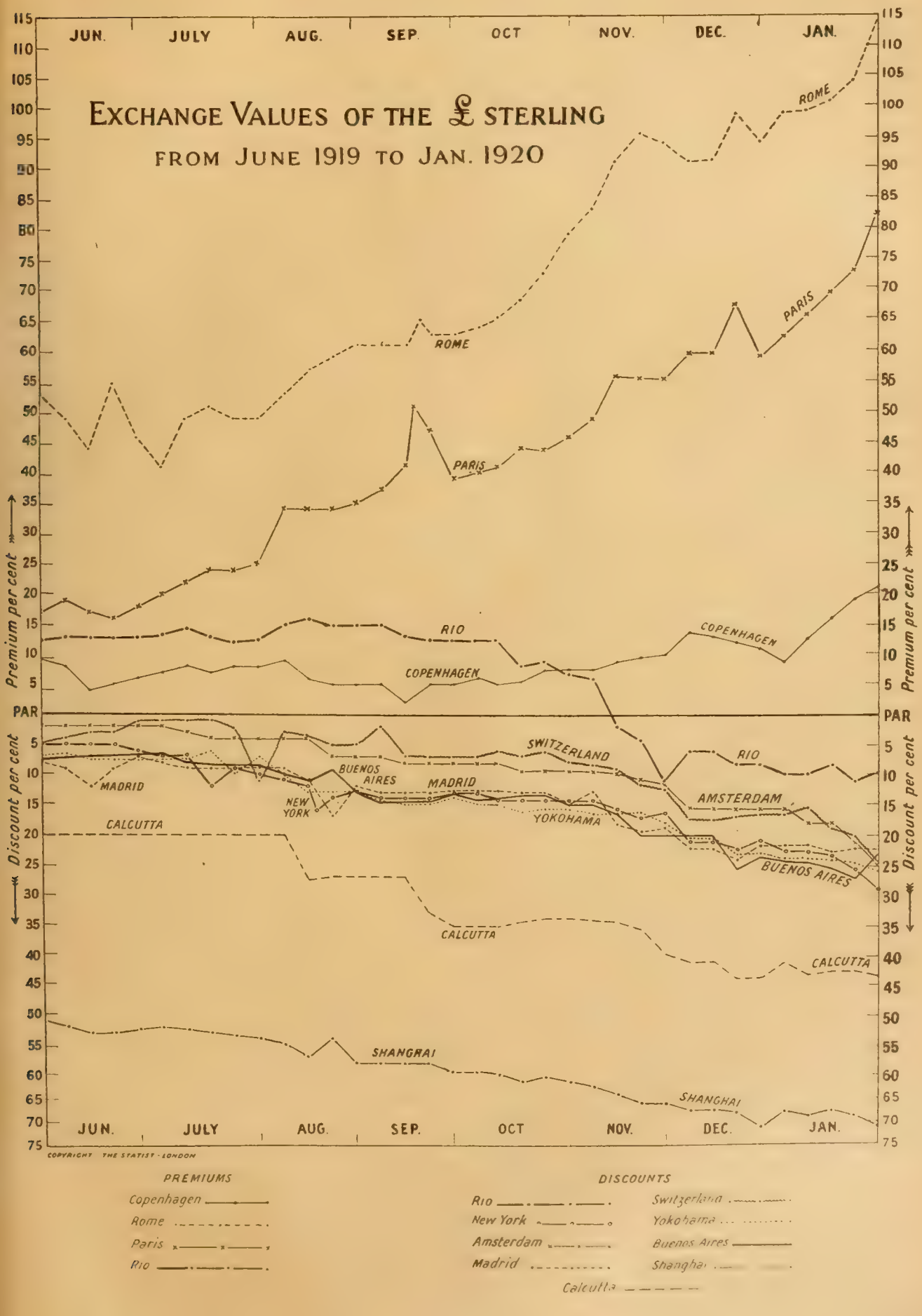
FOREIGN EXCHANGES.

WEEKLY EXCHANGE QUOTATIONS OF THE £ STERLING FROM JUNE, 1919, TO JAN. 1920.

Date	Germany Marks Par 20·43	Denmark Kroner 18·159	Holland Florins 12·107	Italy Lire 25·22½	America Dollars 4·86⅝	France Francs 25·22½	Spain Pesetas 25·22½	Switzerland Francs 25·22½	India Rupees. 1s. 4d.	China Taels. 2s. 6 1/16d.*	Japan Yen 2s. 0·58d.	Argentine Pesos. 47·58d.	Brazil.† Milreis. 16d.
5 : 6 : '19	—	19·70	11·86½	37·75	4·63	30·09	23·07½	24·22	1 7 31/32	5 3	2 2 11/16	51	14½
13 : 6 : '19	—	18·90	11·82	36·25	4·62	29·50	22·20	24·50	1 7 31/32	5 4⅛	2 2½	50⅞	14 17/32
20 : 6 : '19	—	19·25	11·81	39·05	4·61½	29·37½	23·00	24·50	1 7 31/32	5 4⅛	2 2½	51	—
27 : 6 : '19	—	19·38½	11·82½	36·85	4·59½	29·68	23·23	24·90	1 7 31/32	5 3½	2 2 7/16	51	14½
4 : 7 : '19	—	19·60	11·80	35·70	4·50½	30·35	23·12½	24·90	1 7 31/32	5 3	2 2½	51 5/32	14 23/32
11 : 7 : '19	—	19·67½	11·76	37·65	4·50	30·75	23·05½	24·87½	1 7 15/16	5 3½	2 2	51 1/32	14⅝
17 : 7 : '19	—	19·55½	11·67½	38·05	4·29	31·15	22·80	24·87½	1 7 31/32	5 4	2 2¼	52½	14 7/32
25 : 7 : '19	—	19·62	11·64½	37·65	4·40	31·30	22·83	24·75	1 7 31/32	5 5	2 3½	52 3/16	14 9/32
31 : 7 : '19	—	19·70	11·59	37·55	4·36	31·65	22·85	22·33	1 7 31/32	5 6	2 2⅝	52⅝	14⅝
8 : 8 : '19	—	19·85	11·59	38·70	4·33	33·75	22·90	24·40	1 7 31/32	5 7½	2 3⅞	52⅞	14 11/32
15 : 8 : '19	—	19·40	11·58½	39·65	4·29½	33·70	22·50	24·30	1 10 1/32	5 11½	2 4⅛	53¼	14¼
22 : 8 : '19	—	19·30	11·30	40·00	4·18½	33·90	21·10	23·80	1 9 31/32	5 6	2 4½	52⅝	14⅜
29 : 8 : '19	—	19·32½	11·28½	40·72½	4·21½	34·00	22·20	23·80	1 9 31/32	6 0½	2 4⅝	54 1/16	14 13/32
5 : 9 : '19	—	19·15	11·24½	40·72½	4·16¾	34·65	22·05	24·70	1 9 31/32	6 0	2 4¾	55⅛	14 13/32
12 : 9 : '19	107·00	18·67½	11·20	40·62½	4·16½	35·50	21·83	23·42	1 9 31/32	6 0	2 5⅛	55⅝	14 13/32
19 : 9 : '19	110·00	19·00	11·14	41·05	4·16½	37·05	22·10	23·25	1 11 31/32	6 1	2 5½	55½	14⅝
26 : 9 : '19	96·50	19·20	11·16	41·15	4·23½	34·95	22·02½	23·35	2 0⅛	6 3	2 4¾	54⅜	14 21/32
3 : 10 : '19	102·00	19·40	11·14½	41·35	4·23½	35·40	22·05	23·40	2 0⅛	6 3	2 5	55 3/16	14 23/32
10 : 10 : '19	114·00	19·27½	11·08	41·75	4·17½	35·60	21·90	23·70	2 0⅛	6 3½	2 5	55¼	14⅝
17 : 10 : '19	117.50	19·37½	10·98	42·32½	4·17	36·33½	21·87½	23·46	2 0⅛	6 6	2 5¼	55¼	14⅞
3 : 10 : '19	116·50	19·55½	11·07	43·40	4·15½	36·20½	21·72½	23·52½	2 0	6 5	2 5	55½	14 25/32
31 : 10 : '19	127·50	19·54½	10 99	45·15	4·15⅞	36·95	21·50	23·30	2 0	6 6	2 5	55⅝	14 29/32
7 : 11 : '19	145·00	19·52½	10·90	46·35	4·15½	37·26	21·87½	23·07½	2 0 3/16	6 7½	2 5¼	55⅞	15⅛
14 : 11 : '19	157·50	19·61	10·96½	48·30	4·12½	39·15	20·76	22·77	2 0 5/16	7 0	2 5¼	56⅞	16 5/16
21 : 11 : '19	180·00	19·87½	10·78	49·25	4·02	39·10	20·32½	22·20	2 1⅛	7 3½	2 5½	58	16 11/16
28 : 11 : '19	170·00	19·96	10·62½	49·07	4·04	39·10	20 52½	22·10	2 2 1/16	7 4	2 6	58	18 3/16
5 : 12 : '19	174·50	20·55	10·09	48·30	3·86½	40 15	19·70	20·77	2 3½	7 8	2 7	60¾	17⅛
12 : 12 : '19	180·00	20 55	10·09	48·30	3·86½	40·15	19·70	20·77	2 3½	7 8	2 7	60¾	17⅛
19 : 12 : '19	182·50	20·46	10·14	50·00	3 81/4	42·15	19·20	21·05	2 4⅛	7 10	2 8	63½	17 7/16
23 : 12 : '19	182·50	20 25	10·09	49·13½	3·86½	39·97½	19·90	21·15	2 4⅛	8 3½	2 7⅛	61½	17⅛
2 : 1 : '20	187 50	19·65	10 00	50·12½	3·76½	40 95	19·67	21·12½	2 3 15/16	7 9	2 8	62⅛	17 1/16
9 : 1 : '20	192·50	20·53½	9·95	50·35	3·76	41·97½	19 66	21·27½	2 1⅜	8 0	2 8¼	62⅜	17 1/16
16 : 1 : '20	212·50	21·00	9·91	50·55	3·72½	42·60	19 30½	20·43	2 3 1/16	7 9	2 8	63½	17 3/16
23 : 1 : '20	257·50	21·52½	9·68	51 32½	3·61½	43·55	19·49	20 20	2 3 15/16	8 1	2 8¼	64¼	17⅞
30 : 1 : '20	275·00	21·86	9·16	54·25	3·51¼	46·50	19·20	19·90	2 3 15/16	8 8	2 9	62½	17⅛

* For China the par is taken as the rate prevailing at the end of June 1914.

† The Brazil (Rio de Janeiro) rate is for 90 days bills. All the others are cable transfer rates.


EXCHANGE VALUES OF THE £ STERLING
FROM JUNE 1919 TO JAN. 1920
JUN. JULY AUG. SEP. OCT NOV. DEC. JAN.
Premium per cent
Discount per cent
PAR
ROME
PARIS
RIO
COPENHAGEN
SWITZERLAND
BUENOS AIRES
MADRID
NEW YORK
AMSTERDAM
YOKOHAMA
CALCUTTA
SHANGHAI
COPYRIGHT THE STATIST - LONDON
PREMIUMS
Copenhagen
Rome
Paris
Rio
DISCOUNTS
Rio
New York
Amsterdam
Madrid
Switzerland
Yokohama
Buenos Aires
Shanghai
Calcutta

(*Continued from p.* 299.)

We have already endeavoured to show that we are thoroughly in accord with Mr. McKenna's contention that there has practically been no increase in the balances of our great banks. Consequently, there does not appear to be any change in our economic conditions which should justify a rise in prices upon any sound economic basis. If that be so, of course, it is evident that the contention of Mr. Goschen is equally sound: that there can be no real revival of prosperity in the sense in which the term was understood in the period that preceded the outbreak of the recent War. But it is not always true, and it is not an axiom that can be laid down as of invariable application. Those who have studied the economic history of this country, and particularly the economic history of the greater countries of Europe taken as a whole, are well aware that in the past an extraordinary rise in prices did take place, and it was accompanied by a great growth in European prosperity; and, in fact, led more or less to—perhaps was the main contributory cause of—the breakdown of the feudal system and the growth of what we in these days call industrialism. Very much the same appears to have occurred in ancient Rome in the later period of the Republic. But however that may be, it is certain that the discovery of North and South America, and the increased trade with the East, did between them lead to a rise in prices between, say, the Battle of Agincourt and the death of Queen Elizabeth that has been variously estimated by economists at an appreciation of the real economic values of something between twelve and twenty-four times.

No new trade and no new continents have been discovered in the recent past. Consequently, there does not appear, so far as we can see, any just ground for assuming that the present rise in prices is justified upon any sound economic basis. Of course, Mr. Goschen was not going into the question of the causes of the rise in prices over a prolonged period of time. He was simply talking of the rise in prices due to the shortage of commodities, and to the necessity of creating a large amount of banking money, and of advancing large sums in loans for the purpose of carrying on, not a growing, but a restricted, trade. In that, of course, all those who have paid any attention to economic questions will agree with Mr. Goschen's contention. The growth in deposits and the growth in Bradburys has been brought about not by increased prosperity, but by very seriously reduced prosperity; it has been accompanied by restricted rations for the civil population of nearly every country in the world, and has been accompanied by a shortage of food and raw materials everywhere, and by restriction in our consumption, which has led to various epidemics, like the influenza epidemic last year, in various countries, owing to the fact that people were insufficiently nourished during the prolonged war period. From that point of view there can be no doubt that Mr. Goschen is right, and is in accord with every economist who has given attention to this subject—that until economic values do resume a natural basis with regard to commodities we cannot hope to see prosperity restored in the sense it existed in the period that preceded the outbreak of the recent War. That, of course, is very little more than another way of saying that increased production is essential. Anyone who will carefully think of the subject, whether he be a trained economist or not, will at once come to the conclusion that, given a condition in which production has ceased during a period of five years, while consumption has proceeded upon a scale of unprecedented extravagance, must lead to a shortage.

It follows that there must be a great shortage of everything. Those who have ever lived in a neighbourhood where there was a spendthrift rapidly disposing of the savings of two generations will have observed that during the period of extravagance, when properties were mortgaged and vast sums were being expended, the district appeared to enjoy an extraordinary period of prosperity. There was a demand for nearly every article produced in the locality, and the high wages and the constant employment of those who ministered to the extravagances of the spendthrift in their turn became spenders upon an unprecedented scale, and the result was that even the smallest of the village shops appeared, for the time, to enjoy a large degree of prosperity. This, of course, was followed by the inevitable collapse. A nation, after all, is only a district expanded, just as it is only an aggregate of individuals. In the result, we, as a nation, have been performing very much the act of some great spendthrift who mortgages his estates and lives in the wildest extravagance for a few years, and then has to sell whatever remains in order to avoid bankruptcy and living upon the charity of his friends.

With Mr. Walter Leaf's contention, that one method of recuperation must be found in the restriction of the present measure of extravagance, we shall, of course, all in principle agree. Even the most thoughtless, who have no knowledge or interest in economics, would in principle agree. The difficulty arises when one comes to define what one means by extravagance. Mr. Leaf expressly exempted beer and whisky, as being home products. He also exempted cocoa and chocolate, as they are, as everyone will admit, an exceedingly valuable and palatable food. Likewise, the Chairman said, he would not define whether, or to what extent, the smoking of tobacco or the use of motor-cars should be considered luxuries. But he seemed to hold out to special condemnation the import of foreign wines and spirits. Are we justified in doing so? No one is better aware than the chairman of a great bank that if you want prosperity you cannot restrict it either to one city or to one country. If we are to be prosperous, our neighbours must be prosperous too. If the bulk of Europe is starving and on the verge of revolution, it is idle to hope that we can maintain prosperity in this country. We cannot put a ring fence round ourselves and say we are going to work hard and let everybody follow our example. That is admirable in itself, but it cannot effect its purpose unless there is a degree of prosperity more or less throughout the entire world, and particularly with those countries with which we deal. Now it happens that foreign wines and spirits in this country, in so far as they are not derived from the Colonies—that is to say, the products of the sugar factories of the West Indies and Demerara—are mainly imported from France. France has very little to sell except articles of what for convenience we call luxury—that is to say, articles of consumption as distinct from bread and meat and coarse fabrics. Now it is most important that we should assist as far as possible, without injury to ourselves, in the recuperation of France, and there are only two apparent ways of doing so. One is to purchase the wines and brandies which France is able to export, and the other is by a great influx of visitors to France. Both processes are going on at the present time, and, provided that our imports of French wines and French brandies are restrained within moderate bounds—and certainly the figures quoted did not give the impression that they were very extravagant—and that the visitors from this country are not clearly upsetting our business activity, it should be a matter rather of satisfaction than otherwise that we are able, in such a period as that through which we are passing, to assist our nearest neighbour and recent Ally.

We learn through the Agencia Americana that the iron resources in the State of Minas Geraes are estimated at 2,000,000,000 tons of ore, and that this supply will last for three centuries. Mr. Farquhar is continuing his negotiations with the Government for the establishment of ironworks in the State.

PRICES OF COMMODITIES.

"THE STATIST'S" INDEX-NUMBERS.

(In Continuation of Sauerbeck's Figures.)

A VERY appreciable rise is shown by our index-number in wholesale prices as at the end of January. The number is based upon 45 commodities, the average price of which for the 11 years 1866 to 1877 is taken as being equal to 100. The total number for the end of January works out at 245.3, an advance on the month of 10.1 points, or nearly 4.3%. This rise in the index-number is the greatest for any month since the beginning of the War, and when it is remembered that the War period was one of excessive and unintermittent rises in the level of prices the significance of the advance during January is evident. The nearest approach to last month's record was during May last, when the index-number rose exactly 10 points. Since the end of July 1919 the number has jumped 38.9 points, which is considerably the greatest rise for any six months since June 1914.

Comparison of War and Pre-War Monthly Index-Nos.

—Annual Numbers—		—End-of-Month Numbers—			
Year					
1809 [Jevons'...	189	June '14 ...	81.2	June '17 ... 180.4	Dec. '18 ... 196.0
1810 adjusted...	171	Dec. „ ...	118.4	Aug. „ ... 175.7	Jan. '19 ... 192.1
1818 Figures]	159	Jan. '16 ...	123·6	Oct. „ ... 180.6	Feb. „ ... 187.5
1873	111	Mar. „ ...	130.4	Nov. „ ... 182.9	Mar. „ ... 184.7
1880	88	April „ ...	134.2	Dec. „ ... 185.1	May „ ... 194.6
1896	61	Oct. „ ...	141.5	Jan. '18 ... 186·2	June „ ... 199.4
1911	80	Nov. „ ...	150.8	Feb. „ ... 187.3	July „ ... 206.4
1912-13-14 ...	85	Dec. „ ...	154.3	Apr. „ ... 189.8	Aug. „ ... 212.7
1915	108	Jan. '17 ...	159.3	May „ ... 191.1	Sept. „ ... 214.8
1916	136	Feb. „ ...	164.0	July „ ... 192.9	Oct. „ ... 224.3
1917	175	Mar. „ ...	169.0	Aug. „ ... 195.9	Nov. „ ... 231.0
1918	193	April „ ...	173.0	Oct. „ ... 197.8	Dec. „ ... 235.2
1919	206	May „ ...	175.0	Nov. „ ... 195,3	Jan. '20 ... 245.3

The increase in the general price-level since June 1914 now amounts to 202%, to which foodstuffs have contributed 173.7% and materials 220.7%. It is worthy of note that while April of 1918 was the first month since the outbreak of War that the percentage increase of the cost of materials, based on the 1913 standard, was greater than the corresponding increase in the price of foodstuffs, it was not until May of last year that the increase in the cost of materials established a definite and continued superiority over the rise in the price of food. The explanation of this is obvious. While the War was still on manufactures were in a moribund state, except in the case of munitions and the most urgent necessaries of life, while the demand for foodstuffs was persistent, and greatly in excess of the supply. Since international trade has been resumed such tonnage as is available has been devoted mainly to satisfying the clamorous needs of the world for food, while manufactured products have been given second place. In addition, it is only of late that British factories are resuming anything like their old activity, and even yet there are many trades which are not in proper working order. The result is seen in the reversion of the relative positions of food and materials in the schedule of prices.

We give below our usual comparison of the index-numbers of the various groups of commodities:—

Comparison of War and Pre-War Monthly Index-Numbers.

	—Monthly Index-Nos.—				—+or—% Jan. 1920 on—		
	Jan. 31 1920	Dec. 31 1919	Jan. 31 1919	June 30 1914	Dec. 1919	Jan. 1919	June 1914
Veg. Food ...	190·4	187·3	173·3	66·5	+ 1·6	+ 9·8	+186·3
Animal Food	229·3	227·3	225·2	97·5	+ ·8	+ 1·8	+135·1
Sugar, Coffee & Tea ...	190·7	180·3	118·3	51·8	+ 5·7	+61·2	+268·1
Foodstuffs ...	**204·8**	**200·5**	**180·8**	**74·8**	**+ 2·1**	**+13·2**	**+173·7**
Minerals ...	282·8	259·2	176·0	90·7	+ 9·1	+60·6	+192·4
Textiles ...	288·1	280·5	206·4	80·6	+ 2·7	+39·5	+257·4
Sundries ...	260·5	246·8	205·6	82·5	+ 5·4	+26·6	+215·5
Materials ...	**274·9**	**260·5**	**197·9**	**85·7**	**+ 5·5**	**+38·9**	**+220·7**
Total ...	**245·3**	**235·2**	**192·7**	**81·2**	**+ 4·2**	**+27·2**	**+202·0**

Among vegetable foods, potatoes have recorded the greatest advance in price, the rise for the month being 8.3%. The prices of animal food remained stationary, with the exception of butter, which rose 7.2%. Groceries also show an advance on the month, sugar and tea being the principal contributors. The average price for export coal increased considerably, and a rise is also to be recorded in the price of household coal. Among textiles, cotton and silk prices are again the outstanding features, both steadily continuing their upward trend. Hemp has also risen, while wool shows a decline. Minerals have advanced all round, the rises in tin and iron especially being very marked. Hides have more than regained their fall during December, and leather also has risen, but not to the same extent as the raw material. Among the other commodities the prices of which have increased, indigo, palm oil, and soda are prominent, and while timber, petroleum, olive oil, and tallow remained stationary, there were no falls in prices in the "Sundry Materials" group.

We append a table which affords a comparison of movements of commodity prices from 1913 onwards in the British Isles, the United States, Japan, and France.

	—Index-Numbers—				Expressed as a Percentage of 1913			
	U.K. ("Statist")	America (Bradstreet's)	Japan (Bank of Japan)	France	United Kingdom	United States	Japan	France
1913...	85·0	9·2076	132·2	115·6	100·0	100·0	100·0	100·0
1914...	85·0	8·9034	126·3	117·9	100·0	96·7	95·5	102·0
1915...	108·0	9·8530	127·8	161·6	127·1	107·0	96·7	139·8
1916...	136·0	11.6251	154·9	217·6	160·0	120·3	117·2	188·2
1917...	175·0	15·8565	196·1	302·4	205·9	170·0	148·5	261·6
1918...	193·0	18·7117	259·0	392·1	227·1	203·2	195·9	339·2
Oct. ...	197·1	18·9942	285·0	416·1	232·7	206·3	215·9	359·9
Nov....	195,3	18·8885	283.4	413.7	229.8	205.1	214.3	357.9
Dec....	196.0	19.0151	282.6	407.9	230.6	206.5	213.7	352.9
1919								
Jan....	190·7	18·5346	285·2	401·8	224·4	201·3	214·2	348·0
Feb....	187·5	17·6344	281·6	393·5	220·6	191·5	213·0	340·0
March	184·7	17·2244	272	388·1	217·3	187·1	206·3	336·6
April	184·6	17·2795	273·2	384·0	217·2	187·7	206·6	330·8
May...	194·6	17·2376	283·7	375·8	228·9	187·2	214·6	325·0
June...	199·8	18·0900	301·6	380·0	235·0	196·5	228·1	330·0
July..	206·4	18·8964	326·8	403·0	242·8	205·2	247·2	350·0
Aug....	212·7	20·0017	331·3	401·7	250·2	217·2	251	349·0
Sept.	214·8	19·4720	339·2	416·2	252·7	211·5	257	362·0
Oct. ...	224·3	19·5215	357·7	441·4	264	211·9	271	382·0
Nov....	231·0	19·9026	–	468·5	272	216·3	––	407·0
Dec....	235·2	20·1756		—	276	218·4	–	––
1920								
Jan....	245·3	20·3658	-		288	220·6		—

"The Business Prospects Year-Book, 1920." Edited by D. Wilson Lloyd, B.A., F.S.S., and A. P. Barnett. Price 10*s.* net. (Cardiff: The Business Statistics Company, Limited). This book deals with the leading industries of this country—coal, iron, copper, tin, tinplates, spelter, oil, shipping, the money market, wheat, cotton, and rubber. The authors' conclusion after a review of the Money market is that there will be a steadily increasing demand for money. The urgency of the demand for consumable goods by European and other countries will ensure a continuance of high prices. The condition of the national finances, in all probability, will entail a possible further addition to taxation, but we are assured that the rehabilitation of our export position should take an important step forward, with the result of at least checking the rise in the cost of living, and of causing a general movement in the foreign exchanges favourable to this country.

THE NEW GERMANY BY GEORGE YOUNG

Constable & Co., Ltd. Publishers 8s. net. 10-12 Orange St., London, W.C. 2.

JANUARY'S TRADE.

SOME welcome changes have been made in the Board of Trade returns for the first month of the New Year. The returns open with some explanatory notes which are in themselves welcome. And, on the whole, the arrangement of the tables gives a clearer exposition of the state of our trade than was the case in former publications. There is considerably more information afforded on the question of shipping. A feature is a return for the quarter and year ended December 31, 1917, 1918, and 1919 regarding the values of merchandise imported from each country, the value of produce and manufactures of this country exported, the value of foreign and colonial merchandise, and consumption of various articles charged under the Customs and Excise. The imports for the month are valued at just under 183½ millions. This is an increase of nearly 49 millions compared with January of last year, and of 112¼ millions compared with January of 1913. The re-exports are valued at 25½ millions, being an increase of nearly 21 millions compared with January 1919, and 14¾ millions compared with January of 1913. The net imports, therefore, amount to 158 millions, which are valued at considerably over 97 millions in excess of the value of the first month of the last clear year before the War. Our exports have amounted to £105,800,000, or 58½ millions sterling greater than was the case in January 1919, and practically 60½ millions compared with the figures for January 1913. The excess of imports over exports is, therefore, 52 millions, being less by 30½ millions sterling than in January 1919, but showing an increase of 37 millions on the figures of January 1913. The growth in the exports is almost wholly in the products of our mines and in manufactured goods. In the month of January 1913 we exported six million tons of coal to various countries abroad. And for that coal we obtained a little over four millions sterling. During January of the present year we exported 3,358,000 tons; and for that comparatively modest total we obtained exactly 11½ millions sterling in money values. It will be seen that the excess of imports is at the rate of over 600 millions a year. This compares with an excess of imports in January before the War of some 360 millions a year. Bearing in mind the great increase in money values the difference is not as great as might appear. In the clear year before the War the difference between our excess of imports over exports was met, as the reader is aware, by the interest upon our foreign investments, and by services rendered. We still retain something between two-thirds and 70% of our foreign investments. And, of course, on this the return relatively is much less than it was in the pre-War period. But so far as the excess of imports over exports are paid for by services rendered it has to be remembered that they are paid for on the basis of the very high prices at present prevailing; and, consequently, they should be relatively yielding approximately the same return. We are not, of course, doing the same proportion of the carrying trade that we performed in the last clear pre-War year. But for the services we are rendering it is not necessary to add we are obtaining exceedingly high freights. It is doubtful if at any time we obtained more from marine insurance than we are doing at the present time. And the profits of our merchant banking business must be approximately as great, and perhaps greater, than they were at any period preceding the War.

Course of Foreign Trade.

	January, 1920 Amount	Inc. or Dec. on 1919	Inc. or Dec. on 1913
	£	£	£
Imports	183,498,388	+48,951,952	+112,356,117
Re-exports ...	25,464,477	+20,904,358	+ 14,769,258
Net Imports ...	158,033,911	+28,047,594	+ 97,496,859
Exports	105,879,909	+58,536,728	+ 60,433,478
Excess of Imports	52,154,002	−30,489,134	+ 37,063,381

Excess of Imports into United Kingdom.

Month	1920	1919	1918	1917	1916
	£	£	£	£	£
Jan. ...	52,154,000	82,615,000	54,202,000	35,301,000	29,348,000
Feb. ...	—	55,039,000	57,214,000	24,668,000	22,470,000
Mar. ...	—	43,715,000	68,042,000	29,465,000	39,707,000
April ...	—	40,382,000	77,621,000	40,244,000	30,805,000
May ...	—	59,818,000	77,516,000	37,852,000	25,786,000
June ...	—	46,420,000	64,176,000	35,999,000	30,780,000
July ...	—	76,068,000	63,525,000	35,703,000	22,515,000
Aug. ...	—	58,748,000	64,435,000	46,220,000	20,632,000
Sept. ...	—	66,376,000	56,094,000	39,870,000	26,842,000
Oct. ...	—	54,783,000	74,768,000	39,405,000	28,781,000
Nov. ...	—	26,188,000	70,732,000	62,621,000	39,310,000
Dec. ...	—	52,717,000	74,797,000	44,450,000	29,434,000

External Trade of the U.K.: Last 6 Years (000's omitted).

Year	Imports	Re-Exports	Net Imports	Exports	Excess of Imports
	£	£	£	£	£
1920					
Jan. ...	183,498	25,464	158,034	105,880	52,154
1919					
Dec. ...	169,735	26,160	143,575	90,858	52,717
Nov. ...	143,565	20,267	123,298	87,110	36,188
Oct. ...	158,486	19,642	138,844	79,061	54,783
Sept. ...	148,625	15,749	132,876	66,500	66,376
Aug. ...	148,832	15,311	133,521	74,773	58,748
July ...	153,140	11,757	141,383	65,315	76,068
June ...	122,946	11,964	110,982	64,562	46,420
May ...	135,657	11,495	124,162	64,344	59,818
Apr. ...	112,211	13,347	98,864	58,482	40,382
Mar. ...	105,772	8,949	96,823	53,108	43,715
Feb. ...	107,073	5,119	101,954	46,915	55,039
Jan. ...	134,518	4,560	129,958	47,343	82,615
Year					
1919 ...	1,631,902	164,322	1,467,580	798,373	669,207
1918 ...	1,316,150	30,945	1,285,205	501,419	783,786
1917 ...	1,064,164	69,677	994,487	527,080	467,407
1916 ...	948,506	97,566	850,940	506,280	344,660
1915 ...	851,983	99,062	752,921	384,868	368,053
1914 ...	696,635	95,474	601,161	430,721	170,440

SOUTH AND CENTRAL AMERICA.

TROPICAL AGRICULTURE.

EARLY in the month an exceedingly interesting and valuable paper on Tropical Agriculture was read before the Colonial Section of the Royal Society of Arts by Sir Francis Watts, Imperial Commissioner of Agriculture to the West Indies. Such a paper by a man so well qualified to speak on the subject he had chosen for his address as Sir Francis could not fail to be interesting. Sir Francis succeeded in making his paper particularly interesting by confining himself to an aspect of the subject upon which he is well qualified to speak. Many men read a paper merely for the purpose of advocating a theory; and, as a result, except to those particularly interested in the idea, they make a very limited, and generally a very ineffective, appeal; whereas a man who speaks on a subject with which his life's work has given him every opportunity to become really acquainted is singularly unfortunate if he fails to impart really valuable information and to stimulate the efforts of others in the direction he desires to point out.

Sir Francis commenced by saying that the widespread geographical discoveries at the end of the fifteenth and the early years of the sixteenth centuries led to great interest being taken in the various plants and products found in newly discovered countries. There was a desire to colonise those countries, accompanied by a natural tendency to cultivate many of the plants then found for the first time, or then first made familiar as the source of commodities which had for some time reached European countries through devious channels, such as the caravan routes of the East or trade routes through the Red Sea. In addition to cultivating the plants found in different countries, efforts were made to introduce desirable plants into some of the newly found countries; and in this way there arose such striking introductions as the sugar-cane from the Eastern to the Western world; tobacco, maize, and potatoes from the West to the East, besides the introduction of the mango from the East to the West India Islands. Sir Francis referred to the introduction of the bread-fruit from the Pacific Islands to the West India Islands; but, as far as we are aware, the bread-fruit has never been cultivated anywhere upon a scale that would entitle it to mention with those remarkable specimens from the vegetable kingdom which we have just cited. Sir Francis described the real and valuable services which had been rendered to plant growth and plant life by the establishment of botanical gardens in

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various parts of the West Indies. If we follow Sir Francis Wright, the first botanical garden was established in the island of St. Vincent in the second half of the eighteenth century. About the same time a botanical garden was established in Jamaica. And afterwards one was established in the island of Trinidad, a few miles off the cost of Venezuela.

Sir Francis Watts has read his paper at an opportune moment; and he is doing a valuable service in calling attention to the existence of those botanical gardens in the sub-tropical regions of the British Empire. That they did great and valuable work in the past we are only too pleased to admit. But their work in the past should be as nothing compared with what they should be capable of doing in the immediate future. It was, of course, right, with the limited knowledge which our fathers possessed, to study to the best of their ability the new countries which had so recently been discovered. But they had neither the knowledge nor the facilities which would have made it possible for them to take real advantage of the vast regions of the earth which had become known to them, and which offered such extraordinary potentialities for the growth of plant life. To have settled in the vast swamps of the tropics, and to have attempted to cultivate them as we had been accustomed for centuries to cultivate our fields and pastures in the temperate zone, would have meant a wholesale destruction of human life. It was not until long and careful study had enabled the doctor and the chemist to ascertain to what causes were due the tropical diseases from which man suffered that it has at last become possible to open up the tropical regions of the earth to the service of the white as well as of the coloured man. We have urged again and again—but it will well bear repeating, because we see that it is not appreciated in very many quarters—that the diseases which are so fatal to the white immigrant in the tropics are only to a less degree fatal to the native coloured man born in those regions. The reason why the coloured man is so often ineffective and inefficient in his own native State is because he is so rarely in a sound state of health. Medical science has made so little progress amongst these races that they have not the knowledge which would enable them to drain their own local swamps; and until they do so, or until it is done for them by somebody else, they will always be liable to malaria and yellow fever, and the seven or eight other tropical diseases which are so well known to medical science. Now that we know how to deal with these terrible scourges, and particularly the two great scourges of yellow fever and malaria, the one great paralysing obstacle to the real opening up of the tropics has been surmounted. We have at last obtained the knowledge. We have seen it applied in Cuba, in Panama, in Rio de Janeiro, in Manaos, and in Georgetown in British Guiana. But although all these successes afford just ground for the confident belief that the whole of the tropical regions can be made healthy for the habitation of man, whether white or coloured, the fact remains that so far very little has been done towards the draining of those regions, and practically nothing has been done in the sense of developing tropical agriculture properly so called. Sir Francis Watts did not say—of course, it was not his business to say—that tropical agriculture properly so called does not exist. His object was to show what the botanical gardens, particularly in the West Indies, had done for the transmigration of plants to different parts of the world; and particularly the planting of the sugar cane, the discovery of the potato, and acclimatising it to different parts of the earth. He might have added that the botanical gardens of Kew, in England, and afterwards of Ceylon, off the coast of India, had made the plantation rubber industry possible, due very largely to the dash and enterprise of Mr. Wickham, supported by the foresight and scientific knowledge of the late Sir Joseph Hooker.

Conditions being as they were it is certainly not surprising that tropical agriculture, properly so called, did not exist. On the contrary, the real cause for surprise is that the building up of a plantation industry, and particularly the growth of the sugar cane, the acclimatising of the potato, and the raising of cattle in those regions, were, in fact, accomplished with as large a measure of success as actually occurred. Those who have ever read the diary of some regimental officer stationed in the West Indies, say in the latter part of last century, before those islands had become comparatively healthy, are amazed that anyone could have been found to start enterprise in any country under the conditions in which people had to exist in the tropics, threatened always by diseases, the origin and cure of which they had as little knowledge of as of the Man in the Moon. The fact remains, however, as we have said, that tropical agriculture, properly so called, has yet to be built up. What it is possible to do on a farm of 200 or 300 acres in the Valley of the Amazon we have really no appreciation at all. But the period is rapidly approaching when, if capital can be found for opening up those regions, it will be perfectly feasible to make our experiments. Up to the present, as we have said, what is commonly called for convenience tropical agriculture has, in reality, taken the form of the plantation industry and the migration of plants from different areas as described by Sir Francis Watts. Now that it is possible to live in the tropics under conditions comparable to those under which the farmer lives in the temperate zone, it is high time that the agricultural chemist, the botanist, and the scientific agriculturist should study and make experiments in the various kinds of plants capable of being grown in the different tropical soils. It will, of course, be necessary to study as it has never been studied yet the microscopic life which inhabits the soil of regions like, for example, the centre of Brazil—perhaps the most valuable tropical country which has yet to be opened up. Is it, or is it not, sound economic agriculture to grow cereals? If so, what variety of wheat? How long would it take to raise a wheat crop, say, in the Amazon Valley? Could it be done in such a short time that it would be highly profitable and would not interfere with other crops? Would the absence of frost make it impossible to grow the varieties of wheat with which we are familiar in the temperate zone?

We know already that there are something like a hundred different varieties of wheat which can be grown, say, between the 30th and the 60th parallels. We know, for example, that the type of wheat which will grow, and flourish, and give a handsome yield in the colony of New South Wales cannot bear the rigours of a Canadian winter. Whether Canadian wheat is successful in warm countries we are not aware. Certain it is that a field is now opening up in the direction of experiments in real tropical agriculture which has never been possible since the early days of the sixteenth and seventeenth centuries to which Sir Francis Watts referred. In those days purely experimental work was valuable in a sense that it could not be valuable now. But until now it has not been possible to really study the potentialities of tropical agriculture, because it was evident to anyone who really understood the subject that tropical agriculture itself was impossible, as nobody could live in the tropics under the conditions which would make tropical agriculture really successful in the sense that the European farmer is successful, and has been successful for at least two millenniums. Until conditions were brought about which would make farming in the tropics practicable, in the sense that it is practicable in England, or in France, or in Italy, it really was not worth the while of the botanist or the agricultural chemist to study the conditions under which crops could be grown in the various tropical countries of the world. Moreover, it was exceedingly dangerous even for the scientist. Anyone who is acquainted with the expeditions of men like Bates, the naturalist, and other celebrated men who gave their lives to the study

of plant conditions in the tropical parts of the world, are aware that these men too often sacrificed their health in the pursuit of their chosen subject. Now these conditions have been so materially modified that the botanical gardens situated in tropical areas are capable of rendering services which probably very few of us are really capable of appreciating at the present time.

GREATER LONDON.—V.

London, because of the position it holds as the Metropolis, is the great newspaper centre of the United Kingdom. This fact is reflected in, and probably accounts for, the number of people engaged, according to the Census of 1911, in the paper, stationery and printing trades. Within Greater London over 135,000 persons returned themselves as occupied in these trades. Whilst nearly 34,000 were residents of Extra London, the administrative county contained 101,631. The various sections of the printing trade alone furnished employment for some 64,000 people, and of these no less than 46,688 were domiciled in the county. In all only 8,500 women were at work, the bulk being in the county, where they numbered 6,861, as compared with 39,827 men. There were only 636 male machine compositors in this area, but 11,258 male hand compositors. In lithographic processes there were at work in addition 5,294 men and 8,286 women. More than 8,000 persons were occupied in bookbinding in the whole area; but only one-fourth were females. This trade was carried on more extensively in the county with its 5,131 workers than in Extra London, where it was followed by less than 3,000. The paper and stationery trades gave employment to some 34,000 people, and were principally carried on in the county, which contained 27,396 persons thus occupied. Of these 20,825 were women, who were mainly engaged in the manufacture of cardboard boxes, at which 9,712 were working; the production of stationery occupied 4,055; whilst 1,553 were returned as envelope makers. In the actual manufacture of paper less than 1,000 were working in the county, and of these 519 were men. Considering the whole group of occupations, nearly two-thirds of the number occupied in the county were men; whilst in Greater London the total number of women engaged did not exceed 25% of the total number of workers. There was no fundamental change in the number of women workers during the War. In Great Britain the paper and printing industries employed in July 1914 261,000 males and 148,000 females. At the Armistice, though the number of men had been reduced to 158,000, there had been no expansion in the number of women, which had, indeed, declined to 141,000. In April 1919, whilst the total of male workers had risen to 201,000, women did not number more than 143,000. Consequently, by the next Census it seems so far unlikely that Greater London will reveal any marked increase in the proportion of women employed in this direction.

In the performance of duties associated with the central and local government of the country over 107,000 residents of Greater London were occupied in 1911. Less than one-sixth of these were females. Thus, in the administrative county the numbers were: males, 59,475; females, 11,619. Central government commanded the services of nearly 66,000 people, of whom five-sixths were males. The fact that the Metropolis is the seat of the central government of the United Kingdom, and that it contains the most important of the administrative departments, is reflected in the 42,300 residents of the county who were employed in this manner. The Post Office, including the telephonic and telegraphic sections, found work for some 41,000, of whom 25,200 belonged to the county. Inside this area 1,800 females were engaged either in clerical work or as telephone or telegraph operators. Civil Service departments did not require more than 25,000 workers, and less than 8,000 of these were domiciled in Extra London. Men predominated here, less than 10% of the total number employed being women. To carry out the functions of local government in Greater London involved in 1911 the employment of 41,000 people. Within the county the numbers thus occupied were 23,700 males and 5,100 females. The preservation of law and order called for the employment of 14,240 police in the county and over 5,000 in Extra London. For the whole area municipal and Poor-Law officials numbered nearly 22,000, and more than one-third were females. The county sheltered 9,460 men and 5,100 women earning their livelihood in this direction. Both as regards central and local government the War produced a marked change in the relation between the relative numbers of the sexes employed. Statistics for Great Britain show that between the outbreak of the War and the Armistice women employed in the Post Office increased from 61,000 to 121,000, with a decline in the number of men from 189,000 to 109,000. Civil Service departments, containing only 5,000 women in July 1914, were finding work for 113,000 in November 1918, and this great advance in the number of women coincided with an increase in the number of men from 55,000 to 87,000. However, between the Armistice and April 1919 the number of females engaged by the Post Office and Civil Service departments had fallen in each case to 106,000; whilst the number of men had risen in the former case to 135,000, and in the latter to 96,000. Similar movements characterised the returns of the local government offices. Between 1914 and 1918 a reduction in the number of men from 376,000 to 251,000 was accompanied by an increase in the number of women from 196,000 to 229,000; but from November 1918 to April 1919, whilst demobilisation restored the number of males employed to 319,000, the reversion to pre-War staffs had only lowered the number of females to 220,000. However, the growing extension of central control, as evidenced in the Ministry of Labour, the Ministry of Health, and the Ministry of Transport, gives rise to a further demand for labour under the central government. Again, the increasing burden thrown upon the shoulders of the local authorities in connection, for example, with the vital problem of housing the workers reveals a similar need for extra workers in local government. Thus, the next Census will, in all probability, show a greater number of the residents in Greater London occupied in either of these directions; but to what extent this extra labour will be divided between the sexes it is not possible to forecast with any degree of accuracy.

More than 92,000 of the residents of Greater London were occupied in 1911 in the furniture and timber trades. Approximately 69,000 were domiciled in the county. Only one-eighth of these were females; but the proportion was smaller still in Extra London, where 12 men were employed for every woman. In the whole area the furniture trade occupied some 63,500 persons, of whom the county contained 48,000. Cabinet-making constituted a very important branch, utilising the services of more than 19,000 workers, mainly men. French polishers numbered 7,850 men and 1,850 women; whilst the upholstering trade furnished work for 6,000 men and 4,000 women. Inside the county the total number thus employed exceeded 7,600. The timber trade of Greater London claimed nearly 30,000 workers, and of these the county recorded 18,500 men and 2,000 women. Of wood sawyers there were in the whole area as many as 8,500, and of coopers over 3,000. Women were mostly in evidence in the manufacture of wooden boxes and packing cases, numbering for Greater London about 800, as compared with 4,300 men. During the War women entered more extensively into the wood industries, but not to the extent required to counterbalance the men withdrawn for military service. The number of men thus employed in Great Britain fell between 1914 and 1918 from 258,000 to 173,000; but the number of women only rose from

54,000 to 83,000, and fell again to 68,000 by April 1919, when the number of men had increased to 220,000. There is no reason, therefore, for anticipating by 1921 any great advance in the comparative number of women employed in this manner in Greater London.

In 1911 some 70,000 persons reported themselves as occupied in one or other of the varied branches of the textile industries throughout Greater London. The division between the sexes was practically equal in the county, which had to its credit 22,899 males and 22,918 females; but in Extra London the predominance of females was rather more marked. As far as the actual manufacturing processes were concerned, especially in the case of wool and cotton, very little was done in Greater London, judging from the very small number of persons therein engaged. True, however, to its historical development, the silk industry remained, occupying over 2,100 hands in the whole area, three-fourths of whom were females. Outside the county and Essex it was to all intents and purposes non-existent. Some 4,700 persons were employed in the production of flax, hemp, jute, canvas, sailcloth, and the like, and of these less than 2,200 were males. The manufacture of fancy textile goods supplied work for a like number; but Extra London only contained 1,000, as compared with 3,700 in the county. Bleaching, printing, dyeing, and finishing called for the services of 4,200 persons, the men being slightly in excess. But the bulk of the 70,000 persons engaged in the textile industries were found in the wholesale and retail branches. Here occupation was afforded to men and women alike in equal numbers. Thus, of the 26,293 general drapers in the county, 13,406 were males and 12,887 females; but the proportion was redressed in Extra London, where the women were in greater numbers than the men. The figures recording the number of men and women employed in the textile industries in Great Britain immediately before, during, and since the War—especially when allowance is made for the essential difference in the character of these industries as existing in Lancashire, Yorkshire, and London—are not of such a nature as to throw any useful light on the relative numbers of each sex likely to be employed in such industries in Greater London in 1921.

The different sections of the chemical industries demanded in 1911 the labour of 46,000 persons in the whole area, and about 25% of these were females. The number engaged in the manufacture of dye, paint, ink, and blacking is returned as 3,450. Over 3,200 were engaged in the production of soap and candles, two-thirds of whom were resident in the county. Oil refining and the manufacture of oilcake gave employment to 1,500 persons, mainly domiciled in the administrative county and in Essex. These two areas, too, contained the bulk of the 4,700 persons who were occupied in the celebrated indiarubber and gutta-percha works of Greater London. In the whole district there were 8,700 manufacturing chemists, but only 3,400 were resident in Extra London. The county contained 3,072 males and 2,194 females thus occupied. The pre-War output of munitions did not require in Greater London as many as 2,400 workers. Nearly 1,700 were inhabitants of the county, and of these only one-eighth were females. The position was much different in Extra London, where 1,200 women were employed as compared with 1,150 men. The great increase in the number of women at work in Government dockyards and arsenals in Great Britain—from 2,000 in 1914 to 246,000 in 1918—represented merely a war-time phenomenon. The rapid decline to 40,000 by April 1919 confirms this, and indicates that there is no reason for anticipating any great disturbance in the proportions of the sexes thus occupied in Greater London by the time of the next Census. Similarly, the increase in the number of women at work in the chemical industry of Great Britain in general from 40,000 in 1914 to 103,000 in 1918, and the subsequent reduction to 69,000 in April 1919, do not forecast any great change in this direction in this industry by 1921. At the same time, the impetus which the War has given to chemical research—and the establishment of the British dye works is a powerful evidence of this stimulus—will undoubtedly contribute to the employment of a far greater number of persons in this industry in Greater London in 1921 than were employed in 1911.

Trades using skins, leather, hair, and feathers as raw materials are joined together in the Census under one group, and in 1911 Greater London had nearly 40,000 people at work in these trades. Furriers and skinners numbered over 9,200, and the majority of these were resident in the county, which contained 4,236 men and 3,817 women thus employed. The leather industry, very largely localised around Bermondsey, had few followers in Extra London. Thus in the county there were 828 tanners and 2,980 curriers; whilst the outer ring contained but 317 tanners and 738 curriers. Similarly, the manufacture of leather goods afforded employment to 7,297 persons in the county as compared with 1,350 persons in Extra London. In the saddlery and harness trade there were working in Greater London in 1911 almost 4,000 persons, but only 1,300 were domiciled in Extra London. The hair and feather trades, in which is included the production of brushes and brooms, called for the services of 9,200 people, and of these the county claimed 7,430. In Extra London the women were employed in almost equal numbers to the men; whilst in the county the numbers were 2,783 men and 4,647 women.

The Census makes a distinct category of a group of services which ought for the greater part to be included under local government. This group of services comprises the supply of gas, water, electricity, and sanitary services. Gas companies in Greater London employed in 1911 more than 14,250 persons, and 8,041 of these were residents of the county. The water supply gave work to 2,400 persons, of whom the outer ring contained 1,400. To discharge the important function of sanitation involved the employment of more than 7,000 persons. Electricity supply afforded work to 2,809 persons in the county and over 1,700 in Extra London, and, in view of the growing importance of electrical power and the demand for centralisation of supply, it is not at all unlikely that this service will employ a greater number of people in Greater London by 1921.

Workers in the brick, cement, pottery and glass industries of Greater London numbered 15,000 according to the Census of 1911. Inside the county the manufacture of sheet glass, plate glass, or glass bottles was most important, occupying 3,636 persons, of whom only 337 were women, as contrasted with a total of 1,100 for the large outer ring. The county also showed to greater advantage in the production of earthenware, porcelain, and china with 1,818 workers, mostly men, as compared with some 400 for Extra London. In two directions the position was reversed. The makers of brick, terra cotta, and tiles only numbered 243 in the county, whereas in Extra London these trades were carried on by over 2,250 persons. Similarly, in the production of cement and plaster some 1,400 people were working in the outer ring, as against 259 in the county. No reliable indications of the future trend of these industries in Greater London are at hand with one exception. The cutting off of the German and Austrian supply of glass during the War has given a great stimulus to the British glass industry. The recent establishment of an extensive factory for the manufacture of sheet glass at Willesden, in conjunction with the large scheme of development at Canning Town and Charlton proposed by the British Glass Industries Company, affords reasonably substantial grounds for looking forward to a great increase in the number of people at work in the glass industries of Greater London by 1921.

There were other trades and industries, too, from which many of the inhabitants of Greater London derived their daily bread in 1911. The making of and dealing in precious metals, jewels, watches, instruments, and games furnished employment for over 45,000 individuals, of whom 32,145 belonged to the county. The celebrated crafts of goldsmith, silversmith, or jeweller were followed by 7,000 persons, mainly men; but Extra London did not contain 1,600. As a commentary on pre-War conditions, it is of interest to note that the number of residents in Greater London who were attached either to the Army or Navy in 1911 did not exceed 40,000. There was a large group of miscellaneous workers, some 160,000 in number, of whom about one-seventh were females. Over 2,700 were connected with the various departments of advertising, whilst 1,400 were occupied in the manufacture of such articles as tobacco pipes and snuff-boxes. That quaint but necessary trade which Lamb has immortalised—the trade of chimney-sweep—found work for 1,900 men. Then comes a group of 13,000 sundry engine-drivers, stokers, and firemen, not directly connected with agriculture, railways, or steamers. General labourers who could not be assigned to any specific industry or trade numbered over 68,000. London's characteristic group of costers and hawkers were estimated at 18,250. Of these residents in the county accounted for 14,120, 11,341 being males and 2,779 being females. Mines and quarries in the whole area did not require over 7,400 persons. Both in the county and in Extra London about 50% were registered as dealers in coke and coal. Stonecutters supplied about 12% of the total number in the county, whilst workers in clay and sand represented about 16% of the total number in Extra London. Fishing was not followed very extensively; in the whole of Greater London less than 1,200 persons were engaged in this occupation. Agriculture gave employment to 7,834 persons in the county and to over 70,000 in the large outer ring. Remembering the essentially urban character of the county, it is not surprising to find less than 500 farmers in the area. Gardeners, including the important class of market gardeners, numbered, on the other hand, 5,300, and agricultural labourers 900. Extra London, especially those parts at a greater distance from the centre, retained not a little of its rural character. Farmers and graziers were counted by thousands, in addition to a large number of gardeners and agricultural labourers. The submarine campaign during the War imparted a tragic significance to the decay of agriculture in Great Britain, and was instrumental in bringing about a marked revival. The compulsory tillage Acts, in conjunction with the minimum price for cereals guaranteed to the farmer, and with the development of the allotment system, made agriculture a much more important factor in national production. The number of women permanently engaged in agricultural work in Great Britain increased from 80,000 in July 1914 to 113,100 in July 1918, but had fallen to 89,000 in April 1919. But if the important lesson which the ruthless experience of the War has inculcated be kept in mind, if those who control the destinies of the United Kingdom realise that it is not always a wise policy to rely too much on exterior sources for our food supply, and the persistent depreciation of the New York rate, on top of the large freight charges, renders it desirable to reduce food imports from America as far as possible, then can it be said with some degree of certainty that the next Census will record a much-needed increase in the number of people in Greater London who have "gone back to the land."

"The First Year of the Czecho-Slovak Republic." By Alexander Brez. With a preface by H. M. Hyndman. Price 1s. (London: The Twentieth Century Press (1912), Limited.)

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Financial Notes.

THERE has been some borrowing on the part of the market from the Bank of England during the week, but it has not been upon an extensive scale. At this season of the year, when the demands of the income-tax authorities are so very pressing, it is usual to expect very considerable borrowing from the Bank. This, however, has not occurred so far, and the London Money market is supplied with loanable capital, to the confusion of many and the despair of the few. It is very far, however, from being a healthy sign, because it is not true that money is flowing into London from all parts of the world seeking employment. If that were the case—and, as the reader is aware, it was the case on many occasions in the past—we should congratulate ourselves on the easy state of our Money market, and predict a healthy development of trade and enterprise in the near future. Money is cheap and plentiful here because the Money market, like so many of our industries, is still controlled. Gold cannot be freely exported, and consequently rates are maintained at a level which is wholly artificial.

An interesting letter urging the case for dearer money appeared this week in *The Times*. The writer pointed out, what is true enough, that with the exchanges in their present condition it is evident that there is no solid economic ground for the existence of cheap money in London, which would imply a really plentiful supply, which, of course, does not exist. The writer urged a sharp advance in the Bank rate. But this could only be effective if the Bank were in a position to control the market, as it was in the period that preceded the outbreak of the recent War. Inasmuch as the short loans in the hands of the Government are out of proportion to the resources readily available to the Bank, it is evident that the latter could not borrow sufficient of bullion for the purpose of making its rate effective. The argument, therefore, of the cheap money advocates is that since the Money market is to be controlled and since it is more or less at the mercy of politics, as distinct from economic considerations, it is more convenient to keep money cheap than to allow it to become dear

This opinion has found many advocates in Lombard Street.

Against the foregoing opinion is urged the real fact that money is only apparently cheap because it is kept so by artificial means. Consequently, it is pointed out by those who urge dear money that it would not merely be in accordance with actual existing facts, but that a comparatively short period of dear money now may save us from a prolonged period of dear money in the future. It is clear that sooner or later the Government will have to cease borrowing. It is equally clear that the immense quantity of Government short-dated paper will have to be dealt with somehow or other. When that time arrives, presumably the Money market will be allowed to find its natural level; and those who urge a dear money policy at present argue that when that time comes, unless there is a complete change in our economic condition between now and then, we may have to pay an extravagant price for money over a prolonged period.

We are indebted to the February circular of the London Joint City and Midland Bank, Limited, for a compilation of capital issues during last year. The total amount given, excluding British Government loans, is 237½ millions sterling. Of this amount nearly the whole was subscribed for concerns doing business in the United Kingdom or in British Possessions. The issues concerned with the United Kingdom amounted to nearly 187¾ millions sterling. For India a capital value of 1½ millions was issued. For other British Possessions the total exceeded 28¾ millions; while less than 20 millions sterling was the amount subscribed for various issues for foreign countries. In the years that preceded the recent War the reverse process was practised. We were investing less than 50 millions sterling out of a total of very nearly 250 millions on home enterprises, the bulk of the money being subscribed for the purpose of opening up various new countries abroad.

The change is, of course, due to entirely altered conditions. In the pre-War period, all that was required was to find sufficient money to keep the plant in the United Kingdom in a good state of repair, and in rare instances to increase and develop it. The real functions which the inventor in the last resort, but through his instruments, the bankers, financiers, and the stockbrokers, really fulfilled was to provide means whereby we could obtain large supplies of food and raw materials upon as relatively low an economic basis as was possible. It was for this reason in the second half of last century that we were responsible for the great era of railway building which took place in the United States of America. It was for this reason that in the eighties of last century we spent such immense sums in the opening up of the various countries of South America, and particularly the Argentine Republic. It was partly from patriotic motives that large sums were invested in India and our Colonies. The result was that food and raw materials were obtainable in London at an extraordinarily low level of cost. So cheap was produce here that London became the market for a great number of articles in the production of which London had no apparent hand.

As a matter of fact, it was the banking and shipping interests of London that brought the produce into existence. Even casual visitors to our shores unconnected with the trade were surprised at the cheapness and the magnitude of the supplies of various commodities available in London. It was an enormous advantage to our traders and manufacturers, and it made it possible to maintain in relative comfort the enormous population we had in those days in a country which itself produced only about one-third of the food required for consumption and not more than one-fifth of the raw materials needed to feed our manufacturers. Of course, it is due to the cessation of these investments during a period of five years that the present rise in prices, or shortage of commodities as we call it, is so largely due.

To return, however, to the large number of investments in home businesses this is an equally necessary consequence of the conditions existing at the present time. During the long period of the War plant at home was allowed to get seriously out of order, and the first necessity of reconstruction is to have our mills and factories fitted up with plant that will enable them to deal efficiently with the work they undertake. And this can only be done by a practical reconstruction of their plant. It is the more essential because there is a shortage of manufactured goods all over the world, as well as of raw materials. And, as we point out elsewhere, there is an extraordinary demand for British goods in the textile trades, in the machine shops, as well as for the products of our collieries and other mines.

We append below a short table showing the weekly output of coal in the United Kingdom during the past six months as given by the *Board of Trade Journal*:—

1919		1919	
August 2	3,614,776	November 8	4,804,452
August 9	2,642,895	November 15	4,679,406
August 16	3,726,499	November 22	4,767,578
August 23	3,989,762	November 29	4,762,729
August 30	4,354,983	December 6	4,808,524
September 6	4,509,863	December 13	4,886,156
September 13	4,489,816	December 20	4,910,106
September 20	4,450,308	December 27	3,352,603
September 27	4,487,434	1920	
October 4	2,871,610	January 3	3,494,603
October 11	4,076,862	January 10	4,540,723
October 18	4,727,465	January 17	4,902,906
October 25	4,761,037	January 24	4,851,521
November 1	4,674,532	January 31	4,866,066

On Monday an exceedingly interesting report, which throws light on the foregoing notes, and has a most important influence upon our economic condition, was read before the Liverpool Steam Ship Owners' Association. The members of this Association represent between them more than one-fourth of the total British steam tonnage afloat. It was pointed out in the last annual report that the use of sea-carrying power to its utmost capacity must lie at the root of the problem of reconstruction of the nation's industries and commerce, and, therefore, of its prosperity. Very considerable progress has been made during the year towards the restoration of the British mercantile marine, but neither the nation nor the shipowners have obtained the full benefit of the new tonnage built and of the old tonnage released from war services. The number of ships available has increased far more rapidly than the facilities in the ports for the handling of their cargoes; and, in the result, there has been a disastrous waste of ship-carrying power.

The report gives some exceedingly interesting figures upon the volume of trade last year compared with conditions previously prevailing. The total weight of the imports into the United Kingdom during the year ended December 1919 was, roughly, 41½ million tons. This compares with 59½ million tons brought into British ports during 1913. In 1913 the weight of the exports was estimated at 97 million tons, but of this amount no less than 77 million tons was coal exported from these shores. Consequently, only 20 million tons represented the weight of all other exports, including manufactured goods. During the past year our coal exports amounted in quantity to only 38½ million tons, while the volume of our other exports was somewhat smaller than that of 1913. The ports of the United Kingdom have, therefore, a capacity, on the basis of what they did in 1913, to deal with 70% more traffic than that which they actually handled last year, and yet throughout the whole of

1919 all the principal ports of this country were congested, and it is estimated that the time occupied from the entry of any particular steamer in a given port until it was able to leave it was approximately double what it was in the years before the War.

This, of course, is an estimate dealing with the experience of shippers as a whole. Doubtless many instances will occur to our readers where ships were waiting for weeks for discharging berths. We urged in this Journal, and it certainly seemed reasonable, that if the Shipping Controller could be induced to release ships, more and more increased facilities would be afforded for the import of food and raw materials, which at that time, and still to a large extent, are so urgently needed in this country. We will show the cause in a minute. Meanwhile, it is interesting to note that, according to the report before us, the release of each ship rather increased instead of diminished the difficulties. As a matter of fact, as the various ships were released from Government employment, to be used for the productive purpose of bringing food and raw materials here and taking manufactured goods, coal, and so on, away, the congestion at the various ports increased, until it is now estimated that, ship for ship, each vessel only performed something like 66⅔% of the services which it was accustomed to render, say, in the period which ended just before the War.

Of course, when we urged that ships should be set free months after the Armistice from the business of parading the seas under a Government flag to serve some useful economic purpose, we meant, and we assumed that it would be the case, that the ships would be handed over to the trader, and that the control over various commodities would be released. It is perfectly evident that to release one control and to retain another was only likely, as it appears to have done in this case, to make confusion worse confounded. The ships were released from Government control. But they were ordered to this place and to that place to bring specified cargoes of commodities actually purchased by the Government; and the result was that the arrival of produce was out of all proportion to the capacity of the ports to handle them; and, in fact, even beyond the consuming power of the public to take them. The congestion of meat has been admitted by the Food Controller himself. And it has been frequently stated in the Press that there is enough port wine in the docks and in the various storage places in the country for four whole years' consumption. Consequently, the releasing of ships aggravated rather than reduced the difficulty.

Government departments, as the report points out, are quite superior to the considerations which would influence a trader. There is no necessity to adjust the supply to the demand, because the taxpayer pays. There is no fear of losses on realising when the supply exceeds the demand. Losses, however, occur, and ultimately the consumer has to pay owing to this delay in transit, to waste in labour and plant—including ships, port accommodation, and railway facilities—that is inherent of all congestion on transport services.

An illuminating illustration is afforded by this report on how the Control Boards work and support one another. Each department has its own particular duties, and each endeavours to protect itself against reproach for failure in the discharge of those duties by working on ample margins. To secure its margin the department is always pressing its purchases, and importing as the cargoes are secured, with little, if any, regard to the demands the other departments may be making on the ports. Finally, the department, in carrying out its rationing policy cannot, or will not, place its stocks freely in the hands of mills, factories, wholesale houses, retail shops, or the households. And above all, having purchased at an extravagant price, it cannot bear to sell at less than the price which it has paid, and cannot be got to see the injury it is doing to the nation by holding stocks until it is able to obtain its price. We hope to return next week to the subject and to consider the effect of the present position upon the railways.

THE GALVANISED SHEET INDUSTRY.

Sheet iron covered with a thin coating of zinc is generally known as galvanised iron, but it would be incorrect to infer from the name any sort of galvanic or electrolytic action in the process of manufacture, since electrolysis is seldom employed. As in the making of tinplates, the steel sheets are usually pickled in a bath of sulphuric or hydrofluoric acid, the latter being superior for the purpose, though poisonous. To enable the coating to adhere closely and evenly sheets may be placed in a solution of mercuric chloride and heated, after which they are plunged for a few minutes into a zinc bath of a temperature above 900° F.

From this brief description of the method of manufacture it may be gathered that the industry in Great Britain would naturally locate itself in a centre where metals and chemicals, in addition to the necessary fuel, are produced, and these three conditions are fulfilled in the case of the Bristol Channel area. The galvanising industry finds a home in the Swansea district and on the opposite side of the Channel in Bristol, which boasts the largest galvanising works in the United Kingdom. The articles manufactured are of a varied character, and include galvanised corrugated sheets for roofing, plain sheets for constructional work and for domestic and agricultural purposes, galvanised iron and steel wire, and galvanised chains, nuts, and other fittings for use on ships. As the zinc coating protects the underlying iron or steel from corrosion, galvanised goods have a wide sphere of utility and command a large home and foreign market. The foreign demand was the more important before the War, and in 1913, exclusive of manufactured articles, no less than 762,075 tons of galvanised sheets, of an estimated value of £10,026,317, were exported from the United Kingdom. The following table shows the variations in the trade since that date:—

Export of Galvanised Sheets from U.K.

	1913 Tons	1914 Tons	1915 Tons	1916 Tons	1917 Tons	1918 Tons	1919 Tons
Dutch East Indies ...	27,555	25,861	11,994	4,808	708	8	2,521
Japan ...	35,563	14,966	6,590	3,055	79	—	5,548
Chili	15,674	5,954	1,785	1,239	—	2	1,312
Uruguay ...	9,733	3,622	3,291	851	7	—	1,428
Argentine Republic ...	75,094	26,996	30,928	6,699	14	44	19,881
South Africa—Cape of Good Hope, Transvaal and Natal ...	39,884	23,991	11,652	6,511	213	49	14,996
India ...	237,673	204,830	64,059	9,707	1,496	742	41,506
Straits Settlements ...	8,317	6,141	6,172	716	48	41	3,323
Ceylon ...	6,379	3,327	3,543	1,364	67	5	1,097
Australia ...	104,450	107,128	62,208	35,744	6,103	2,155	42,534
New Zealand...	22,921	17,340	15,117	6,812	648	1,061	10,780
Canada ...	32,198	22,548	6,949	1,863	—	—	1,382
Total Exports (tons) ...	762,075	565,984	286,121	117,069	18,926	8,835	186,101

The table includes both flat and corrugated sheets, and it will be seen that exports in 1918 fell to little more than one-hundredth part of the 1913 quantity. They revived in 1919 to 24.4% of the peace figure, but, so far from making fresh records, a tremendous amount of leeway still remains to be made up. In normal times the home market absorbs less than one-tenth of our production, and in the past we have had a practical monopoly of the export trade of the world in galvanised sheets. The United States, though producing on a larger scale than England, have sent very little of their output abroad. A golden opportunity now lies to hand; but our mills are by no means working to capacity, despite the very keen demand, coupled with the offer of most tempting prices. The scarcity of spelter and steel bars is partly responsible for this

unusual condition of things. Normally about 100,000 tons of spelter and 1,000,000 tons of steel bars were consumed each year in the industry, but much of the spelter and 340,000 tons of the bars were imported. Imports in both sections have fallen away, and transport difficulties at home have helped to aggravate the already uncomfortable position of producers, who are at present booked so far ahead, with their limited capacity, that it is almost impossible to place large orders for delivery before the end of the half-year. Small lots may be picked up here and there at extreme prices, but on the whole the market is bare of supplies. In the circumstances current quotations are largely nominal, but some recent bookings for April delivery made a price of £48 10*s.* for 24-gauge corrugated sheets in bundles, f.o.b. The export demand, especially from the Far East, stiffens the market, which is also well maintained by the continuous rise in steel and spelter. The thinner gauges are much sought after, and here, too, prices are firmer and moving higher.

At this time last year the galvanised trade was rather inactive, and in the first week of February the price of standard sheets was £29, compared with an average of £45-£47 this year. As the work of reconstruction commenced abroad a steadily improving demand has set in. Large orders have been placed for Australia, India and Argentina. Later Japan has been prominent in the market for thin gauges, the exports to the various countries being, of course, conditioned by local requirements. Many inquiries from abroad remain unanswered, and it seems a pity that the business should go elsewhere by default. The United States are the only country at present in a position to supply an external demand, but their sheetworks, though producing 807,000 tons in 1914, were held up by the coal and steel strikes in the closing months of 1919. Our makers benefited by the diversion of demand, but American manufacturers have now resumed production, though hampered, like ourselves, by inferior transport and scarcity of raw material. They are again quoting for delivery abroad, but the adverse exchange position deprives them of any advantage they have over us in regard to f.o.b. quotations. Canada is the only market into which they have made serious permanent inroads. Our exports to that country reached 32,198 tons in 1913, but were nil in 1917 and 1918. A slight improvement took place in 1919, when 1,382 tons were exported, but, despite preferential treatment, orders are difficult to secure in competition with Americans. Australasia has long been one of our most important markets, and the demand still continues brisk. One of the leading British firms in the trade intends, however, to open up a factory to meet requirements in the Antipodes, but this will scarcely restrict our exports as the Australian market is expanding.

A gratifying feature of the export trade in galvanised sheets is that the bulk of it is carried on within the Empire. In 1913 Imperial trade accounted for 63% of the total exports. In most of the Imperial markets our position is unassailable, especially in India which is by far our largest single customer. Rebates or concessions on import duties are factors that operate very generally in our favour. At present, indeed, the demand from most countries seeks only to be satisfied, irrespective of price, and for the moment questions of international competition and of economy in production can be set aside. The future of the industry seems assured for some years ahead, and at the end of that period no doubt a special crop of problems will have arisen which contemporaries alone can solve.

We are informed that Messrs. Rea, Warren and McLennan, Limited, have commenced business at 3 St. Helen's Place, London, E.C.3, as merchant bankers. Mr. J. C. M. Jacobs, lately deputy-general manager of the Bank of Liverpool and Martins, Limited, has joined them as managing director.

IRISH INDUSTRIAL COMMISSION.—EVIDENCE.—IV.

With regard to the production of industrial alcohol in Ireland, Mr. Tweedy emphasised the benefits which the provision of a feeding residue would confer on the dairying industry. A great impetus would, for example, be given to winter dairying and an alternative source of employment would be opened for labour, as winter represents the distilling season. In England, at Holton Heath, Sussex, there is already in operation a large-scale experiment in the production of alcohol on the lines he would like to see it follow in Ireland. The factory was originally established on a heath-land which is gradually being converted into arable land and will produce a crop sufficient to provide nearly 2,000,000 gallons of alcohol per annum. Artichokes and mangolds have been planted. A smallholding scheme has been inaugurated with 195 small-holders, each with 45 acres, and the holders provide the alcohol crops for the distillery. There was no reason why this experiment should not have been made in Ireland as well, because there the co-operative organisation of agriculture was much more perfect than in England, and, besides, better instruments were more readily available for carrying out the agricultural side of the experiment. So far as the English scheme was concerned, the producers' part terminated with the delivery of the raw material, but in Ireland it was desirable that the co-operative producer should produce alcohol as a finished material and should not occupy himself solely with the cultivation of the crop. He should be the actual owner of the whole enterprise. To encourage the farmer in this direction it would, however, be necessary to provide such aid, monetary and otherwise, as guaranteed that he will not be at a loss during the experimental period.

An improvement of the potato crop would have to be brought about in connection with the introduction of the alcohol industry. Between five and six tons of potatoes per acre are stated to be raised at present; it would be desirable to increase this to 14 tons or more. Witness referred to a difficulty the Treasury met with in removing the restrictions from the manufacture of industrial alcohol—namely, the fact that distilleries have been equipped to satisfy Excise restrictions, and that the removal of these restrictions would render two-thirds of their capital useless. The total capital of these distilleries is put at £30,000,000, consequently any modification of the Excise regulations would open up a large demand for compensation. It might be possible to remove the restrictions not only as they referred to the manufacture of industrial alcohol, but also to that of potable alcohol, and in that case the potable distillery would be advantaged to some extent. Referring to the development of the industry in Germany, witness stated that in 1913-14 the number of agricultural distilleries was 5,800 and 68,000,000 bulk gallons of alcohol were produced. In considering the adoption of the industry in Ireland, the important point to be noted is that the German Government's encouragement of the industry was largely directed from the agricultural standpoint, as it was found that enormous areas of sandy and poor soil were reclaimed as a consequence of the production of alcohol from potatoes. The German Government's idea was to keep the people on the land, and the commercial value of the product was originally only a secondary consideration, although, of course, the venture had turned out to be a commercial success. The need for State encouragement of the production of industrial alcohol at home was all the greater as it is anticipated the petrol supply of America will not last more than 20 or 25 years.

Some important results would in all likelihood ensue from the production of industrial alcohol. The country would be rendered more self-supporting, and the large profits now made by the foreign producers

and distributors of petrol and petroleum would be retained at home. More land would also be placed under cultivation to yield not only the alcohol crops, but other rotational crops. Full employment would be afforded the farm labourer in the winter months, and, generally, co-operative enterprise would be extended. Furthermore, the encouragement of winter dairying and meat production arising from the provision of feeding-stuffs is not to be overlooked. Then, too, the country would greatly benefit from the cheap and plentiful supply of fuel for light, heat, and power and of a "key material" for many industries.

Professor Cronshaw referred to work that was now proceeding in connection with the chemical analysis of samples of Irish peat. This chemical analysis has never been conducted on similar lines before. A sample has been taken from a bog and analysed, but in many cases the bog has not been recorded, and, where a record has been kept, there is no statement as to what particular layer the sample came from. It is proposed that investigations now in progress should be carried out in a more detailed and exhaustive fashion, particularly with regard to nitrogen and moisture contents, and that samples should be collected from the different layers of bogs at as many points as possible, and that highland and lowland bogs should be included. The data so obtained will enable one to calculate the theoretical yields of the various products obtained by destructive distillation on a large scale. In addition, they will help to indicate the most profitable method of utilising the peat, and will provide a substantial basis for chemical investigations. It is, furthermore, conceivable that different uses might be found for the different layers or groups of layers.

The question of the development of Galway Harbour was dealt with by Mr. Binns, Borough Surveyor to the city of Galway. About the fifties a Transatlantic service was maintained between Galway and New York by the Lever Line for a short time, but a succession of mishaps, not easily explained, to the Company's fleet prevented a fulfilment of contracts entered into with the Government and the enterprise failed. Owing to the development in the size of ships the re-establishment of a mail service between Galway and America, a frequent topic of discussion, would involve the construction of a proper harbour. During the War suggestions were made aiming at the provision of facilities at the harbour for landing food supplies. Competent engineers had demonstrated that the British and Irish mail service would be considerably accelerated by making Galway a Transatlantic port.

With the aid of a loan of £50,000 from the Board of Works in 1883 the construction of a deep-water dock was undertaken. Before the work was quite complete an additional loan became necessary, but was refused by the Board on the ground that the security offered was not sufficient. It amounted to this—a dock was in existence which never yielded any revenue as the channel was not cleared. By means of an outlay of £61,000 on this dock vessels of 25 feet, instead of 16 feet, could be brought in and the trade of the port immensely improved. This scheme, prepared by him in 1913, had the approval of Sir John Purser Griffiths, but the loan was also refused by the Board of Works, and, despite the willingness of the County Council and the Borough Council to co-operate with the Harbour Board in meeting the conditions laid down by the Development Commissioners, on application being made to them this body also refused the loan. The present neglect of the harbour had serious consequences for Galway and its hinterland owing to the costly transport charges involved in bringing goods by rail.

Witness referred to the possibility of using the water-powers of the country to develop a system of road transport, and pointed out that the problem of reclaiming its peat areas was made difficult owing to lack of proper drainage.

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American Topics.

CROP PRODUCTION.

THROUGH an inadvertence we gave last week two tables dealing with the value of the crops and the production per acre, while the explanatory note dealing with them was intended to accompany tables dealing with specified crops and their value. By way of making the position clear we publish this week a series of four tables showing the crops of the United States over a series of years covering, indeed, the whole period of the present century. The next table deals with the production in actual quantities realised from the acreage under cultivation. The third table shows the production per acre, and a remarkable fact is disclosed in how little that production has grown in a period extending over very nearly twenty years. In the concluding table we give the value of the crops in sums extending from hundreds, and in some cases as low as tens, of thousands of dollars to figures aggregating thousands of millions of dollars. In striking and significant contrast to the modest growth in the yield per acre under cultivation is the enormous growth, when measured in money values.

Of all the crops of the United States corn or maize is the most important. It feeds both man and beast, and is raised in enormous quantities for consumption in the home market and for export abroad. The acreage under corn, or maize as we call it in this country, exceeded at the dawn of the present century 80 million acres. In the season 1918 it amounted practically, as the tables show, to 107¾ million acres, while the production had grown during the century by more than 500 million bushels. The yield per acre in the last year of last century was 25.3 bushels, while partly owing to drought, but still more to the difficulty of obtaining fertilisers, it had declined in 1918 to 24 bushels per acre, although in the year in which the United States entered the War it exceeded 26 bushels. Modest as was the growth of the yield in the extended acreage under cultivation, the value of this crop, when measured in money values, had advanced during the century from a little over $600,000,000 to $3,500,000,000, or, in other words, it had appreciated between five and six times over. The wheat acreage, which was 44½ million acres in the last year of last century, had expanded in 1918 to 59 million acres, but the total yield was only a little over 900,000,000 bushels.

A striking feature of the tables which will attract the attention of the reader is the enormous growth in the acreage under rice, which in the short period of little more than a dozen years has multiplied more than three times over. This is due to the fact that new methods

have recently been discovered of growing rice in the southern regions of the United States. It is satisfactory to note that the yield in bushels has multiplied even more rapidly than the acreage. A feature of the War-farming in the United States has been the growth and demand, both for home consumption and for the needs of the export trade, in pea-nuts and beans. The acreage under potatoes has grown appreciably and to a far greater extent than the yield, bearing in mind that this crop should under normal conditions give a very high yield in feeding values per acre. The cotton acreage has expanded, but the yield has been far from satisfactory, in spite of the increased acreage, due to the ravages of the boll weevil, which is believed to be threatening the very existence of Sea Island cotton, which was once so extensively cultivated throughout the Southern States. There has been an increase in the tobacco acreage, but not a corresponding increase in the amount of tobacco grown. On the whole, the acreage and the yield per acre of sugar is fairly satisfactory.

A careful analysis of the figures will confirm the impression that has long prevailed that the United States has passed the stage in which she is able to offer to the congested areas of Europe supplies of food and raw materials in the same ratio of economic values that we were accustomed to obtain from her a generation ago.

Specified Crops (000's omitted).

Crop Year.	Corn. Acres	Wheat. Acres	Oats. Acres	Rye. Acres	Barley. Acres	Rice. Acres	Peanuts. Acres	Beans. Acres	Potatoes. Acres	Hay. Acres	Cotton. Acres	Tobacco. Acres	Beet Sugar. Acres	Flaxseed Acres
1899	82,109	44,592	26,341	1,659	2,878	—	—	—	—	—	—	—	—	—
1905	94,011	47,854	28,047	1,730	5,095	460	—	—	—	—	26,117	—	307	—
1909	108,771	46,723	33,204	2,006	7,011	610	—	—	3,525	—	32,044	1,180	420	2,742
1912	107,083	45,814	37,917	2,117	7,530	723	—	—	3,711	49,530	34,283	1,225	555	2,851
1913	105,820	50,184	38,399	2,557	7,499	827	—	—	3,688	48,954	37,089	1,216	580	2,291
1914	103,435	53,541	38,442	2,541	7,565	695	—	875	3,711	49,145	36,832	1,223	483	1,645
1915	106,197	60,469	40,996	3,129	7,148	803	—	928	3,734	51,108	31,412	1,370	611	1,387
1916	105,296	52,316	41,527	3,213	7,757	869	1,043	1,107	3,565	55,721	34,985	1,413	665	1,474
1917	116,730	45,089	43,553	4,317	8,953	980	1,842	1,821	4,384	55,203	33,841	1,518	665	1,984
1918	107,494	59,110	44,400	6,185	9,679	1,113	2,292	1,754	4,210	55,971	35,890	1,549	—	1,938

Production (000's omitted).

Crop Year	Corn. Bushels	Wheat. Bushels	Oats. Bushels	Rye. Bushels	Barley. Bushels	Rice. Bushels	Peanuts. Bushels	Beans Bushels	Potatoes Bushels	Hay Short tons (2,000 lb.)	Cotton (500 lb. Bales)	Tobacco Lb.	Sugar, Beet and Cane Lb.	Flax seed- Bushels	Wool Lb.
1899 ...	2,078,144	547,304	796,178	23,962	73,281	—	—	—	—	—	—	—	641,525	—	272,191
1905 ...	2,707,993	692,979	953,216	28,486	136,651	12,933	—	—	—	—	10,575	—	1,268,226	—	295,488
1909 ...	2,772,376	737,189	1,007,353	32,239	170,284	21,839	—	—	376,537	—	10,005	949,357	1,680,568	25,856	328,111
1912 —	3,124,746	730,267	1,418,337	35,664	222,824	25,054	—	—	420,647	72,691	13,703	962,855	1,920,748	28,073	304,043
1913 ...	2,446,988	763,380	1,121,768	41,381	178,189	25,744	—	—	331,525	64,116	14,156	953,734	1,710,259	17,853	296,175
1914 ...	2,672,804	891,017	1,141,060	42,779	194,953	23,649	—	8,846	409,921	70,071	16,135	1,034,679	2,067,876	13,749	290,192
1915 ...	2,894,793	1,025,801	1,549,030	54,050	228,851	28,947	—	10,321	359,721	85,920	11,192	1,062,237	1,937,347	14,030	285,726
1916 ...	2,566,927	636,318	1,251,837	48,862	182,369	40,861	34,433	10,715	286,953	91,192	11,450	1,153,278	2,025,680	14,296	288,490
1917 ...	3,065,233	636,655	1,592,740	62,935	211,759	34,739	52,505	16,045	442,108	75,459	11,302	1,249,276	2,268,113	9,164	281,892
1918 ...	2,582,814	917,100	1,538,359	89,103	256,375	40,424	55,957	17,733	400,106	75,459	11,700	1,340,019	2,022,112	14,657	299,921

Production per Acre.

Crop Year	Corn Bushels	Wheat Bushels	Oats Bushels	Rye Bushels	Barley Bushels	Rice Bushels	Peanuts Bushels	Beans Bushels	Potatoes Bushels	Hay Short tons (2,000 lb.)	Cotton (500 lb. Bales)	Tobacco Lb.	Beet Sugar Lb.	Flax seed Bushels
1899	25·3	12·3	30·2	14·4	25·5	—	—	—	—	—	—	—	—	—
1905	28·8	14·5	34·0	16·5	26·8	28·1	—	—	—	—	·4	—	1,580	—
1909	25·5	15·8	30·3	16·1	24·3	35·8	—	—	106·8	—	·31	804	2,028	9·4
1912	29·2	15·9	37·4	16·8	29·7	34·7	—	—	113·4	1·47	·39	785	2,160	9·8
1913	23·1	15·2	29·2	16·2	23·8	31·1	—	—	90·4	1·31	·38	784	2,380	7·8
1914	25·8	16·6	29·7	16·8	25·8	34·1	—	11·1	110·5	1·43	·43	846	3,036	8·4
1915	28·2	17·0	37·8	17·3	32·0	36·1	—	13·2	96·3	1·68	·35	775	2,360	10·1
1916	24.4	12·2	30·1	15·2	23·5	47·0	33·0	9·7	80·5	1·64	·32	823	2,630	9·7
1917	26·3	14·1	36·6	14·6	25·7	35·4	28·5	8·8	100·8	1·51	·33	822	2,506	4·6
1918	24·0	15·5	34·6	14·4	26·5	36·3	24·3	10·1	95·0	1·35	·32	865	—	7·6

Value of Crops (000's omitted).

Crop Year	Corn Dollars	Wheat Dollars	Oats' Dollars	Rye Dollars	Barley Dollars	Rice Dollars	Peanuts Dollars	Beans Dollars	Potatoes Dollars	Hay Dollars	Cotton Dollars	Tobacco Dollars	Sugar Cane and Beet Dollars	Flax-seed Dollars
1899 ...	629,210	319,545	198,168	12,214	25.594	—	—	—	—	—	—	—	—	—
1905 ...	1,116,697	518,373	277,047	17,414	55,047	12,286	—	—	—	—	632,300	—	—	—
1909 ...	1,652,822	730,046	408,174	23,809	93,971	17,383	—	—	206,545	—	812,090	95,719	—	39,466
1912 ...	1,520,454	555,280	452,469	23,636	112.957	23,423	—	—	212,550	856,695	904,130	104,063	—	32,202
1913 ...	1,692,092	610,122	439,596	26,220	95,731	22,090	—	—	227,903	797,077	1,026,700	122,481	—	21,399
1914 ...	1,722,070	878,680	499,431	27,018	105,903	21,849	—	26,213	199.460	779,068	720,080	101,411	77,538	17,318
1915 ...	1,722,680	942,303	559.506	45,083	118.172	68,717	—	26,771	221.992	913,644	795.840	96,281	—	24,410
1916 ...	2,280,729	1,019,968	655,928	59,676	160.646	36,311	41,357	54,686	419,333	1,022,930	1,253,130	169,672	—	35,541
1917 ...	3,920,228	1,278,112	1,061,474	104,447	240,758	65,879	91,498	104,350	542,774	1,522,473	1,866,240	300,449	—	27,182
1918 ...	3,528,313	1,874,623	1,092,423	134.947	235,269	77,474	95,829	93,639	478,136	1,522,473	—	374,318	—	14,657

We understand that Messrs. A. Mitchelson and Company, Limited, who are closely associated with the Wharncliffe Silkstone Colliery Company, Limited, having acquired the shares of the Old Silkstone Collieries, Limited, the two companies are now under almost identical control. The normal annual production of the Wharncliffe Colliery is about 500,000 tons and that of the Old Silkstone Collieries at present 400,000 to 500,000 tons, but the existing plant is capable of raising the annual output to 750,000 tons. The known coal reserves of the Old Silkstone area are stated to be in the neighbourhood of 75,000,000 tons, and with some slight extensions can be brought up to fully 92,500,000 tons. Messrs. Mitchelson's purchase should be of considerable benefit to the Wharncliffe Silkstone Colliery Company, as it is likely to receive preference as a purchaser of "slack" from the Old Silkstone pits, thereby enabling the Wharncliffe Company to erect additional coke ovens. This linking up of financial and managerial interests accords with the guiding ideas recently expressed in the most authoritative quarters, and should benefit both undertakings, as well as the important industrial districts where the properties are situated.

The *Bankers' Magazine* for February contains a memorial sketch of the late Lord Cunliffe with the latest portrait of the deceased banker. The same number also contains an article dealing with the absorption of Coutts' Bank by the National Provincial and Union Bank of England. The article is extensively illustrated with photographs of the old and the new buildings.

The first annual report of the Canadian Dominion Statistician has just been issued by the Dominion Bureau of Statistics. The Bureau was founded as a central statistical office for the Dominion Government, under special legislation passed in 1918, and the report is largely given up to a description of origin, purpose and organisation of the Bureau at the close of its initial year's operations.

The Kingsdown (Hewas Water) Tin Mines, Limited, has been formed to acquire from the Kingsdown Sett, Limited, a lease granted by the Duchy of Cornwall of mining property of about 80 acres forming part of the Manor of Tybesta, Cornwall, together with plant, machinery, &c. The capital is £60,000 in 2s. shares, of which 200,000 shares are now offered for subscription. An estimate of net profits is given amounting to £18,000 per annum.

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Rubber Topics.

NORMALLY this is a dull season in the Rubber market, and the condition of the market during the week was largely a reflection of this fact. The market opened quiet and remained undisturbed throughout. Nevertheless, much more business was transacted than would have been suggested by the quiet tone prevailing. On Monday Culloden Consolidated were in demand at 3¼, but had relapsed to 3 by Thursday. Ampats constituted a strong feature, changing hands at over 13*s.* upon news of the bonus, closing firm on Thursday at 12*s.* 6*d.* Similar forces brought Taiping into prominence at 5*s.* 5*d.*, but the price eased off to 5*s.* 3½*d.* on Thursday at 6¼, but had been purchased as high as leading feature, advancing from 14*s.* to 14*s.* 9*d.*, and not only maintained the improvement, but actually improved upon it, closing at 15*s.* 4½*d.* on Thursday. Wednesday saw Seafields to the front in connection with their reconstruction scheme, the quotation moving up from 5⅞ to 6¼. They finished somewhat weaker on Thursday at 6⅛, but had been purchased as high as £6 19*s.* Amongst the heavy shares there was very little change: they were as sluggish as the market in general. Yet the prices on the whole closed firm. Tamiangs were steady at 64*s.*; Malayalams were rather weaker at 43*s.* 9*d.* Bukit Rajah was quoted on Thursday at 11⅛; but transactions had taken place in these shares as low as 10 15/16, and as high as 11 7/32. Prospects for the forthcoming week seem promising: the price of rubber in the market is steady at 2*s.* 9¼*d.* per lb. for sheet and 2*s.* 9*d.* per lb. for standard crêpe. Moreover, the January outputs just received represent in many cases substantial increases over the corresponding output of the same month of last year. Thus the Sungei Way (Selangor) Rubber Company report a yield of 62,849 lb. of rubber, as compared with 50,346 for the previous January. The Parit Bruas (Malay) Rubber Company have an output for the month of 14,000 lb., as against 11,200 lb., and for the seven months of 99,100 lb., as against 70,800 lb. The January crop of the Sungkai-Chumor Estates, Limited, is 58,676 lb., as compared with 36,000 lb. for 1919; whilst the crop for the financial year to date is 388,667 lb., as compared with 216,425 lb. The United Serdang (Sumatra) Rubber Plantations, Limited, obtained for January 332,244 lb. (262,617 lb. in 1919), making for the five months of the current financial year 1,641,284 lb., as compared with 1,158,658 in 1919. And these are merely typical instances.

Certain declarations of dividends have come to hand during the week, whilst in some cases arrangements are being made for new capital issues and reconstructions. A dividend of 10%, payable on February 26, has been declared by the directors of the Devon Estates (Malacca) Limited. On February 17 an interim dividend of 5% less tax will be paid to shareholders in the Kasintoe Rubber Estates, Limited. The Sungei Buloh Rubber Company, Limited, have declared a second interim dividend of 10% less tax, payable on February 28. From the well-known Seafield Rubber Company comes notification of a meeting to be held on February 18 for the reconstruction of the Company into a new company, with a capital of £400,000, in which each shareholder is to receive four fully-paid shares of £1 each for each share held in the old company. In addition, out of the proceeds of the existing company, shareholders are to receive a final dividend of 65% less tax, which, with the interim dividend of 10% paid in September last, gives 75%, less tax, for the year. Seeing that the shares, before the news of this reconstruction became known, were quoted at 5⅞ and closed on Thursday at 6⅛, the proposed offer of four new shares for each share held gives to the fortunate shareholders a very substantial bonus. On February 19 an extraordinary general meeting of the Emerald Rubber and Coconut Company, Limited, is to be held to sanction an increase in the share capital from £140,000 to £200,000 by the creation of 60,000 shares of £1 each. The money is required to finance the purchase of and develop the Ban Eng Estate of 326 planted acres of rubber, which the Company has acquired for £27,073. On conservative estimates the Estate is expected to yield 65,150 lb. of rubber in 1920, and 99,800 lb. in 1922. If this proposal is adopted the Company intend to issue 33,445 shares to existing shareholders upon the basis of one new share for each four shares held, the shares to be issued at a premium of 15*s.* Seeing that the shares have been quoted in the market this week at 57*s.* 6*d.*, the proposed issue price of 35*s.* is decidedly advantageous from the point of view of the shareholders. In order to provide capital for the further development of their estates, the directors of the Sungkai-Chumor Estates, Limited, propose, with the consent of their shareholders at a meeting to be held on February 18, to raise the nominal capital of the Company to £200,000 by the creation of 1,000,000 shares of 2*s.* each. These shares are to be offered to existing shareholders at par, although they command 9*s.* 6*d.* in the market. Thus the offer contains a very good bonus.

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Results for Years to July 31

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915–16	2,369	1,055*	291,085	276*	2/7·9	1/7‡	19,070	12,064	12½
1916–17	2,438	1,219	396,400	325	2/6·9†	1/5·1†	23,267	9,985	10
1917–18	2,438	—	446,573	—	1/7‡	1/4½‡	6,743	5,991	6
1918–19	2,438	1,419	474,148	334	1/7·6‡	1/2½‡	10,526	12,481	12½

* Estimated. † Including selling, freight and insurance charges.
‡ Net figures. (*a*) Including 330 acres of rubber in ravines.

Price of Shares, 55/6. Market Capitalisation per planted acre, £117.

CONSIDERING that, notwithstanding the comparative immaturity of this Company's estate, the whole of the past year's expenditure has been charged against revenue and £1,926 excess depreciation provided in addition, a net cost of 1*s.* 2¾*d.* is an excellent achievement, while the net profit reported, of £10,526 on a crop of 474,000 lb., with an average net sale price of 1*s.* 7.6*d.*, is quite satisfactory. The dividend of 12½% necessitates, after writing £533 off value of investments, a reduction of the carry-forward from £4,308 to £1,820. In view of the bright outlook for the current financial year, this is not of much consequence, especially as the balance sheet at July 31 shows £61,000 of surplus liquid assets, including £12,125 on loan and £8,307 of investments at cost or under. The production of the current year is estimated at 600,000 lb., and as the unsold stock brought forward, of 138,799 lb., has been valued at 1*s.* 8*d.* per lb. net, the Company stands to benefit more than most concerns from the rise in the market price of rubber to 2*s.* 9*d.* per lb. at the present time. The market capitalisation of £117 shown above is reckoned on the basis of including 330 acres planted in ravines, and it remains to be seen what yield the trees on this considerable proportion of the total estate will give.

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NATIONAL PROVIDENT INSTITUTION.

In the race for new business and in general progress it is good to see a purely life office, founded on the mutual system, holding its position so well as the National Provident Institution. Undoubtedly such institutions are handicapped in such a struggle, owing to their providing the public with only one kind of insurance, and thus being unable to secure the undivided allegiance of agents, and also owing to their being dependent for the introduction of new policies on the exertions of their own members and of such agents as they are able to secure in the absence of a body of shareholders individually interested in the success of the Society. Apart from these disadvantages, which can scarcely be disputed, the National Provident seems, however, to be excellently equipped and organised. Groups of honorary local referees, all of them policyholders, have been established in many districts throughout the United Kingdom, and it may reasonably be assumed that the individual and corporate efforts of such bodies have materially assisted the efforts of the executive and of the outdoor staff in the direction of sound and successful development. After all, as against the drawbacks already referred to, this institution has a distinct contervailing advantage in the fact that its own bonus record is of such excellence as to make it a very attractive institution to new entrants. The Society has been in existence for 85 years, and during that period it has distributed over 20 millions sterling in payment of claims on the death, or survivance until stipulated age, of its members. Over many quinquennial valuation periods prior to the Great War its bonus declarations were at a high and consistent rate. On the last of such occasions, on November 20, 1917, the Society, like every other life office in the country, was subjected to the severe strain of heavy depreciation in securities, special war mortality, heavily increased taxation, and other burdens, and in consequence no general distribution of bonus was made. This indicated, under the circumstances, a wise and conservative decision. An unappropriated surplus of nearly £400,000 was carried forward to the now current quinquennium, a provision for modified interim bonuses on policies becoming claims was made in respect of each insurance year subsequent to November 20, 1912, and the Society was placed in the best possible position for resuming, like the most popular of its contemporaries, its new business activities on recurrence to more normal conditions than it had experienced during the last valuation period.

The annual report for the twelve months ended on November 20, 1919, dealing with the second year of the current quinquennium, is particularly satisfactory as regards the development of business. The new policies covered £1,263,625 in new assurances, and after deduction of reassurances the net amount thereof retained at the Society's own risk was £1,138,725, as compared with £603,983 in the immediately preceding year. Thus the amount of the net new business was nearly doubled as compared with 1917-18, and the gratifying announcement is made that it appreciably exceeds that ever previously reported as a single year's business in the Society's long history. The record is the more noteworthy seeing that the agencies and branches of the institution are limited to the United Kingdom.

The revenue account for the year under review shows a total net premium income of £566,887, and an increase in that item of £23,154. This is apart from a sum of £6,379 received as consideration for annuities granted. The expense ratio shows a slight increase, being about 12.4% of the premium income, as compared with 10.5% in 1917-18. Such an increase will occasion no surprise, looking to the necessarily increased cost of clerical labour, apart from the greatly enhanced amount of the new business. The mortality experience seems very satisfactory, the amount paid for claims by death (£304,669) being only 67½% of that expected according to the tables employed in estimating the liabilities, although the amount included payment of £16,326 in war claims. The sum of £237,988 was paid on maturity of policies through survivance. Through the year's operations the life assurance and annuity fund was increased by £160,075 to £7,401,482, and the total assets as shown in the balance sheet on November 20, 1919, amounted to £7,617,193.

SEA INSURANCE COMPANY, LIMITED, AND RUMOURS OF ITS PURCHASE.

A feature of insurance history during the last 15 years has been the absorption of one large marine insurance company after another by other undertakings. Prior to 1905 there were a dozen of such institutions, and the only other companies that transacted marine insurance business on a large scale were the Royal Exchange, the London Assurance, and the Commercial Union. Most of the composite insurance companies have subsequently entered the marine sphere, and a large number of them have acquired control by purchase of shares of marine companies, as is shown in the following table:—

Date of Acquisition	Purchased Company	Purchasing Company
1905 ...	Alliance Marine	Alliance Assurance Company
1908 ...	British and Foreign Marine	Royal
1908 ...	Ocean Marine	North British and Mercantile
1911 ...	Thames and Mersey	Liverpool & London & Globe
1911 ...	Union Marine	Phœnix
1913 ...	London and Provincial Marine	Yorkshire
1914 ...	Maritime	Scottish Union and National
1917 ...	Marine	London and Lancashire Fire
1917 ...	Northern Maritime	Phœnix
1918 ...	Indemnity Mutual	Northern
1918 ...	Ulster Marine	Yorkshire
1919 ...	Merchants' Marine	Employers' Liability

The only independent marine companies of any importance continuing to transact business on an absolutely independent footing at the commencement of the present year were the World Marine and the Sea Insurance. A proposal made a few weeks ago for the acquisition of the shares of the World Marine Company by the Northern Assurance Company is now under consideration. There remains the Sea Company, and during the last fortnight it has been rumoured that its shareholders might receive an offer of the same kind from another company. Concurrently the market quotations of its shares have moved upwards.

Whether there is any foundation for such rumours or not, the fact remains that the Sea Insurance Company is one of the most successful institutions engaged in this department of underwriting. It was established with head offices in Liverpool in 1875. Its subscribed capital is now £500,000, in 500,000 shares of £1, fully paid. Up to 1919 the shares were for £10 each, £8 per share of that amount having been paid up out of profits, and they were subdivided in that year into the present denomination. The dividends for the five years from 1914 to 1918 inclusive were as follows, less tax in each case:—For 1914, 16*s.*; for 1915, 20*s.*; for 1916, 20*s.*; for 1917, 20*s.*; for 1918, 24*s.* These dividends were in each case more than covered by

interest earnings, and much larger trading profits were carried forward.

The annual report dated December 31, 1919, with statement of accounts made up to that date, shows that the profit from the underwriting account for 1918 (after transfer of £128,000 to underwriting suspense account to meet third-year and later settlements) amounted to £159,879, after payment of income tax. The interest earnings in 1919 amounted to £68,103, bringing up the total profit disclosed in the accounts to £227,969.

A dividend is declared at the rate of 2*s.* 9*d.* per share (equivalent to 27*s.* 6*d.* on each old undivided share), and the amount required for its distribution is £48,125, which, it will be seen, is little more than one-fifth of the profits thus disclosed, and little more than two-thirds of the interest earnings alone. The present price of the shares appears to be about £6 10*s.* per share, which is very high compared with the dividend; but it is clear that if the shares were to be purchased by another concern the earning capacity of the Company would be the main feature, and the profits disclosed in the 1919 account would appear to have been about equal to a distribution of about 13*s.* per share, less tax. It must be borne in mind, moreover, that the reserves are strong.

The underwriting account for 1919 shows a premium income of £986,073, of which first year's settlements absorbed 17.3%. So far as it goes this seems to indicate the probability of a good profit on the eventual winding up of this account, in which a balance of £769,210, after payment of expenses, is carried forward to 1920. On December 31, 1919, the reserve fund amounted to £500,000, and a balance of £101,203 is carried forward in profit and loss account. The total assets, as shown in the balance sheet on the same date, aggregated £2,301,692. It is clear that in any offer which may be made for this survivor of the old brigade a very good price will have to be quoted in order that it may be attractive to its shareholders.

According to the *Board of Trade Journal*, the coal output of the United Kingdom for the week ended January 31 reached the very satisfactory figure of 4,866,066 tons, which is the fourth highest output recorded for any week since May of last year. The greatest weekly output was that for the week ended December 20, when the miners produced 4,910,106 tons. In the week under review South Wales and Monmouthshire again attained the highest output with 989,703 tons, while Yorkshire contributed 785,467 tons. Durham came third with 677,986 tons, followed by Scotland with 659,323 tons.

Laminated Coal, Limited, is the title of a Company which has been formed to acquire the British and foreign patent rights for the process and machinery for making fuel from waste coal, lignite, and peat. The Company is a parent concern, and has, we understand, already secured in the way of royalties from various Scottish firms an income of £140,000 a year. The capital is £750,000, divided into 250,000 Cumulative Preference shares of £1 each, bearing interest at 8%, free of income tax, and 500,000 Ordinary shares of £1 each, the first dividend being payable on April 6 next. The inventor of the process, Mr. Richard Bowen, is to act as Managing Director. In view of the present coal shortage and its consequent dearness, there is certainly room for an effective substitute. At a demonstration last week at the offices of the Company it was made clear to those present what the article was capable of in the way of heating. The calorific value of laminated coal is claimed to be 20% above that of ordinary coal. For steam purposes, it is claimed that a saving in bunker space is secured of about 15%. The raw material is in abundant supply, and easily secured, and the cost to the consumer is stated to work out at about 10*s.* per ton less than coal. If all that the inventors claim for it is correct it is indeed a remarkable discovery.

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Commercial.

ZINC ORES.—II.

We showed recently that the principal sources of supply for zinc ores were the United States of America, Germany, and our own colony of New South Wales in Australia. We pointed out, what is common knowledge to all connected with the metal trades of the world, that zinc ores are found distributed over a very wide area—so wide, indeed, that it may be said with truth that hardly any country does not possess some deposits of zinc ores. Not all of them are, of course, valuable, but it would probably be true to say that in most countries zinc-ore deposits can be worked for profit, because in very many cases, while the actual contents of zinc in the ore is not remarkable, various other metals found in the ore make it profitable to work them. Now this is the case with a very large number of the deposits worked in the United States. We explained fully in the article referred to the mistake of which we in this country have been guilty, in allowing our late enemy, Germany, to get almost complete control of the European zinc trade. The very name by which the smelted ore is known on the market is German. This, of course, is quite natural, because, as we explained, the German chemists so improved the methods of smelting that their practice came to be adopted more or less everywhere. The remarkable thing was that we produced within the Empire—and we do still—more than 25% of the world's total production, and, after bringing it to Europe in British ships, sent it to be smelted in Germany and the Netherlands. Neither we nor the Germans were the largest producers of zinc ores or of the finished product. The United States then, as now, occupied the premier position, but she did not in those days meet the demands even of her home market, and it was not until the outbreak of the recent War, and the difficult position in which Europe found herself with regard to zinc ores, or, at any rate, to zinc in the form in which it is known to the international markets of the world, that the United States developed the zinc industry to the extent that she has developed it during the last few years. She has for many years possessed

important plant for smelting zinc found in her own borders and the ore which she imported from outside, but during the last few years this plant has been increased to an enormous extent, and the United States has become a producer not merely of zinc ores, but of the finished product to an extent that the market hardly contemplated in the period before the War. Whereas before the War the amount of zinc actually produced did not amount to much more than some 20% of the world's total estimated production, in the latest clear year of the War for which statistics are available millions of tons of crude ore were being crushed in the various plants scattered over different parts of the United States. Crude ore, of course, is a very different thing from the refined product. This is perhaps more true of the deposits of the United States than it is of those of other countries, because ores are actually worked in the United States which yield an extraordinarily low content of zinc. In fact it is estimated that the principal sources of supply in the Union—the State of Missouri—were some 7 or 8 million tons of crude ore, the actual zinc contents are less than 1½%. Presumably the contents of other metals is sufficiently considerable to assist in defraying the cost of working such low-grade ore. It is a remarkable fact, however, that, according to the returns of the United States Geological Survey of this State, the deposits are worked to a greater extent than those of any other State of the Union. This is notwithstanding the fact that the zinc contents are so low and compare with the figure of very nearly 40% contents in some other States. Crude ore is mined in States as far separated from each other as New Jersey and New Mexico, Missouri, and Utah. Some zinc ores yield substantial contents of copper, tin, lead, antimony, and nickel, as well as gold and silver. Although the deposits of Missouri are most extensively worked, Virginia and Idaho are the States whose deposits are generally found to be the richest in zinc ore contents.

There are important deposits in Central and South America, which yield in the aggregate some thousands of tons of ore. Probably the most important in South America are the rich deposits of the Huanchaca district in Bolivia, which yielded at one time some 10,000 tons, which have been very little worked since the War. The Peruvian deposits are very rich, yielding a 25% metal contents. Mexico possesses rich ore deposits of zinc; and it possesses rich ore deposits of nearly every other metal, and the contents of metal are said to exceed 40%, the balance being made up very largely of lead and silver. If Mexico could be induced to settle down to productive enterprise the richness of her mines alone should be sufficient to quickly get her out of her difficulties. Central America has important ore deposits in most of the five Republics, but, if we are rightly informed, the only deposits which are being worked at the present time are those of Guatemala, the ore being shipped direct to the United States of America.

Russia before the War was an important source of supply. Poland contributed a very considerable part of the zinc ore which was ultimately smelted in Germany. In the present state of Russia we have, of course, no knowledge of whether the zinc ore deposits are worked or not. But in addition to Russia proper there are important deposits in Eastern Siberia, which were formerly worked during the period that that country was in occupation by the Russian Government. Whether the Japanese are working those deposits we do not know. But Japan herself is an important contributor to the world's total supply, which, as we estimated recently, amounts to about three million tons. We have taken some pains to ascertain what the total estimated production is, but for the reasons which we explained in our recent article on the subject it is exceedingly difficult to estimate what is the actual production and what is the actual consumption. Apparently, there is a wide discrepancy between the consumption and production, notwithstanding the fact that the tendency of the metal had been to rise in price even before the War. War conditions were, of course, wholly abnormal, and we leave them entirely out of consideration. But it is a reasonable presumption that when prices steadily tend to rise over a prolonged period the production is not adequate to the demands. One of the great difficulties of estimating the total production is that some countries give their returns in the form of crude zinc, and others give the raw material as it is raised from the mines. We have already explained above that there is a wide disparity between the metal content and the quantity of ore raised from the mines. We have just shown that the State of Missouri, which, perhaps, is one of the largest actual contributors in the world at the present time, produces an ore with a content a little over 1½% of metal; whereas the Japanese deposits are stated on reliable authority to have an ore content something between 40% and 50%. It will be evident that in returns, some of which give the crude ore product and some of which give the smelted product, it is exceedingly difficult to ascertain what is the actual world's production. The figures of consumption naturally are those of the finished product.

Now we come to the question, Is the British Empire itself capable of supplying the whole of the demands required by that Empire? That it is eminently capable of doing so there seems no reasonable doubt from the information we have been able to gather from various official and unofficial sources. As we have said, zinc ore is found in nearly every country, and deposits are found in large quantities in nearly every part of the British Empire. At the present time, however, the British Empire is very far from supplying the total demands. The United Kingdom itself yields a small amount, but the great bulk of our supplies comes from New South Wales, in Australia. Practically even here we are mainly dependent upon the deposits worked in the Broken Hill district. Here the contents of metal to ore worked is very high, exceeding 40%. Since the War, as, of course, is well

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known, important plant has been erected by the smelters' Company for dealing with the ore locally. Zinc-blende deposits also exist in Victoria, but are not worked to any important extent. They exist also in South Australia, and are worked to a small extent. They are known to exist in Queensland, in Tasmania, and in New Zealand. The Tasmanian deposits are considerable, and have been worked to an appreciable extent during recent years. The metal contents, moreover, are good, being about one-third of the total amount of ore raised. In addition, the New Zealand deposits yield lead, silver, and gold. In some cases in New Zealand zinc has been sold rather as a by-product, the deposits being worked for other metals, and particularly for gold. Canada has extensive deposits of zinc ores, but very few of these are worked, with the exception of those in British Columbia. Very small quantities of trifling value were extracted at various periods during the present century, but a serious working of these deposits has only occurred during the War, and we have no figures later than 1916. From an analysis made by the Geological Survey, it would appear that the metal contents are exceedingly high in the British Columbian deposits. Deposits are found, however, more or less all over Canada, extending, as we have said, from British Columbia to Newfoundland and Nova Scotia. India has long been known to contain zinc ore deposits, and these have been worked from time to time for more than a generation. For some reason not explained, workings had almost ceased shortly before the outbreak of the recent War. Operations were resumed some time in 1904, when an appreciable amount of ore was treated. The most important deposits recently worked are those found in the Shan State, in Burma. This district has recently been opened up by railway, and we believe that the mines are connected by means of the railway with Rangoon. Zinc ore deposits are found throughout Africa, from Egypt down to South Africa. There have been workings in Egypt near the Red Sea, some in Nigeria, some in Rhodesia, and some as far south as the Transvaal.

PROFITEERING IN WOOL.

THE report of the Profiteering Act Sub-Committee on the prices of wool, which was published last week, does not encourage great hopes that the further reports dealing with the production of clothes will give the consumer any very clear idea of the present position.

In the first place, we wonder why the earliest report to be published should deal with raw wool? The Profiteering Act inquiries are being made in the interests of consumers, and it would be of more immediate benefit and interest to them to know something about the profits of tailors and retailers, with whom they are brought into personal contact. No doubt the reply will be that the various processes must be dealt with in proper order from the raw material to the finished article. Quite so; but, in dealing with raw wool, the various sections of the trade have their best chance of putting the blame for high prices on other shoulders, viz., the Government and the farmers, and we wonder whether this fact has not had some little influence on the matter. As stated in these columns last week, the bargain made with the Australasian farmers was considered a very fair one during the War. Great Britain and her Allies secured wool for military purposes at a lower price than the open-market value, and thus saved an enormous sum of money. Incidentally, they were better enabled to prevent supplies reaching the enemy. Any profit on wools sold for ordinary trade was to be shared equally by the Imperial Government and the wool-growers, and, in order to give time for the transference from war to peace conditions, the Government were to purchase the clips for one wool year after the end of the War. We ought not, therefore, to grumble now if the Australasian farmers receive one-half of the sale profits on their raw wool during this transition period. The other half remains in national funds and the consumer is thus sure of receiving the benefit of 50% of the net profits on the sale of this wool at high prices. Could the same be said if the Government had discontinued purchasing wool a year ago, or if, having bought the material, they issued it to the trade at prices below the real values? The answer to both questions is contained in the remainder of this article.

In the case of British wool, the 1919 clip was free from control, and the prices obtained by farmers and merchants were naturally comparable with those ruling at the London auctions, *i.e.* with the current value of the commodity. In order to demonstrate the increased receipts of farmers and merchants, and consequently the high prices manufacturers must pay for their raw material, the Profiteering Act Sub-Committee publish a table comparing the pre-War and present prices of British wool. But why does this table compare the July 1914 prices with those of November and December 1919? The obvious and plausible answer will be that July 1914 was the month before the outbreak of war, and what better comparison is desired than the prices in that month and at the actual date of the investigation? We might note, however, that the country fairs would take place in July and August, and that manufacturers with foresight buy during these months the British wools likely to be required by them until the following year. Subsequent dealings are made by manufacturers who underestimated their needs or whose financial position necessitates their living from hand to mouth. In any case, warehousing and interest charges accrue, and the prices in November and December are, therefore, higher than at the country fairs, unless a slump has occurred in wool markets in the meantime. In 1919 the November-December prices would be increased still further by the general rise in raw wool which took place last autumn. We have read quite a lot recently of the woollen industry's demand for a "square deal," but we should be more prepossessed in their favour if their representatives on the Profiteering Act Sub-Committee had dealt justly with the English farmer. A comparison of the prices of July 1914 and July 1919 would certainly have shown an enormous increase, but the tale would have been substantially different to that related by the Profiteering Act Sub-Committee.

The remaining criticism we have to make upon this report refers to the vexed question of the 450,000 bales of wool distributed by the Government at fixed prices, *i.e.*, below the market values. The reasons for this extraordinary proceeding have already been related in these columns. In February and March last the piece-goods market was very quiet, and traders generally were concerned at the possibility of a fall in prices at the auction sales, which were to reopen in April. The Government conceded the urgent appeals of the trade representatives on the Wool Council: (1) to fix reduced prices for direct issue of wool until November 1919; and (2) to undertake to supply spinners and manufacturers with material at those prices if they were unable to secure supplies in the open market. Instead of a fall in prices a big rise occurred, and the Ministry of Munitions desired to withdraw

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from their undertaking, because to dispose of State material at much less than market prices was undefendable, and because of the invidious responsibility of distributing this cheap material in a fair manner. The Wool Council insisted, however, in holding the Government to its promise. Further, the official report of the eighth meeting of that body discloses the fact that the reduction in the fixed issue price was made "on the strength of assurances, given on behalf of every section of the trade, that the reduction of the prices of raw material would be used as a means for reducing the prices of all the products." Everyone knows, of course, that the prices of finished goods have risen continuously.

The manner in which the Profiteering Act Sub-Committee deal with this awkward question is clever, and, to the casual reader, the case against the Government is convincing. It will not, however, bear examination by anyone acquainted with the facts. The trade's defence for not having carried out the guarantee quoted above is deftly connected with the Government's decision not to reintroduce standard clothing. "The Sub-Committee find that as soon as the increase of prices realised in the auctions came to the notice of the Wool Council, that body proposed, in the public interest, that a standard clothing scheme should at once be put into operation. . ." "We feel compelled to draw the attention of the Standing Committee to the fact that the whole of the scheme could have been met from the wools (450,000 bales), which were in fact distributed to the trade at fixed prices." It must be borne in mind that one-half of the members of the Sub-Committee making these statements are also members of the Wool Council. The London wool sales reopened at the beginning of April, and the rise in prices was serious from the outset. The Wool Council met on April 30, and again on June 12. The position caused by the advancing prices received much attention at both meetings, but the question of standard clothing is not mentioned in the official reports, beyond a casual reference by Sir Arthur Goldfinch (Director of Raw Materials), coupled with the statement that he did "not think any move in that direction could usefully be made by that Department; nor, in fact, does it lie within its present powers." The Wool Council first discussed this question on June 23, and a report on the matter was adopted on July 17 and forwarded to the Board of Trade. These facts dispose of the suggestion that the standard clothing scheme was proposed by the Wool Council as soon as the increase in prices came to their notice.

There remains the matter of the 450,000 bales. This material was issued to the trade between April and November last, and it clearly could not be used for the purposes of standard clothing, which was not even proposed to the Government until one-half of that period had elapsed. There is no necessity to labour this point, but we might add that the arrangement provided that, by open sales and direct issue together, there should be supplied to the trade about 25% over the normal consumption of Australasian wools. As the sale programme developed during the year the direct issues would decline, and it is certain that the bulk of the 450,000 bales would be issued and sold against before the reintroduction of standard clothing became a practical possibility.

We repeat that this report on wool does not encourage us to hope that the further publications will disclose the real facts of the situation.

New Issues.

THE BRITISH BORNEO TIMBER CO., LTD.

This Company has been formed with a capital of £1,000,000 divided into shares of £1 each. The present issue is of 300,000 shares at par. The Company is to carry out the development of the immense timber resources of British North Borneo. A concession has been granted by the Chartered Company to the new Company which gives it the exclusive right, for 25 years certain, to cut timber for export on any of the State lands, which extend for some 31,000 square miles. Under the concession the new Company is to pay the Chartered Company a royalty of ¾*d.* per cubic foot, and also 10% of net profits earned during each year after deduction of depreciation, and 6% interest on the capital employed in the business. There is to be no export duty, nor rents, royalties, or dues other than that mentioned. The Chartered Company have power to terminate the concession at the end of 25 years or 35 years; otherwise it will remain in operation for 45 years. Further, the Company is acquiring as a going concern the China-Borneo Company, Limited, registered at Hong Kong, with a capital of $552,000 H.K. currency. This latter Company secured a net profit for 1918 of $150,502. The British North Borneo Company have subscribed £100,000, and Messrs. Harrisons and Crosfield £125,000, which reduces the present issue to the public to £75,000. The Constructive Finance Company, Limited, have agreed to underwrite 75,000 shares for a 5% commission.

PERNAMBANG RUBBER ESTATES, LTD.

This Company acquires certain rubber estates near the town of Kuala Selangor, Federated Malay States. The properties are held under Government grants. The whole of the rubber on the Bukit Blimbing Estate, and two-thirds of the rubber on the Cashwood Estate, are in bearing, and the estimated production for the present year is given as 508,100 lb., while a gradual increase is forecasted until in 1925 620,000 lb. are expected to be produced. The capital of the Company is £500,000 in £1 shares, of which 1,000 shares have already been issued for cash. The present issue is 229,000 shares, which will provide ample working capital for further development, and the directors are to proceed with extensions on the Cashwood Estate at an early date.

The London County Westminster and Parr's Bank, Limited, are instructed by the Government of New South Wales to offer to the holders of £2,000,000 outstanding 4½% Debentures due on March 1, 1920, conversion, in whole or in part, into an equal amount of New South Wales 5¾% Debentures convertible into Inscribed stock at any time up to March 15, 1920.

The London County Westminster and Parr's Bank, Limited, and Messrs. Kleinwort, Sons, and Company are authorised by the purchasers, Messrs. Sperling and Company, to offer for sale £3,000,000 Seven per Cent. Guaranteed First Mortgage Debenture stock at the price of 95. This issue is made on behalf of Messrs. Workman, Clark and Company, Limited, the well-known Belfast shipbuilders.

Applications are invited by Messrs Mann and Cook (West Africa) for an issue of 250,000 shares of £1 each, the total capital of the Company being half-a-million sterling. The object of the issue is to acquire the West African business of Messrs. Mann and Cook, of London, Liverpool, Manchester, New York, Genoa, Rotterdam, Sydney, Sierra Leone, the Gold Coast, and Southern Nigeria, and to develop and extend the same.

The Curzon Hotel (London), Limited, invite subscriptions for an offer of 144,900 8% Cumulative Participating Preference shares at the price of 20*s.* per share. Barclay's Bank, Limited, are authorised to receive applications for the issue. The Company has been formed to acquire the well-known Curzon Hotel situated at the corner of Bolton Street and Curzon Street, in Mayfair.

The London Joint City and Midland Bank, Ltd., are authorised to receive subscriptions for an issue of 125,000 shares of £1 each now offered by the Oilfields of West Indies (Cuba), Limited.

Subscriptions are invited for 1,000,000 shares of £1 each in the Indo Burma Oilfields (1920), Limited. The objects of this Company are to acquire certain oil rights in the well-known Yenangyaung Oilfield in Burma.

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	£	£	£	£	£			£	£
1913...	188,475	57,831	65,325	28,721	Nil	Nil	—	20,000	14,957
1914...	154,745	66,432	82,712	28,424	25,000	Nil	—	10,000	29,766
1915...	157,067	74,623	72,807	25,653	25,000	Nil		10,000	41,876
1916...	183,022	79,365	95,132	23,078	25,000	5	15,020	15,000	58,910
1917...	264,314	85,628	157,560	22,285	25,000	30*	90,702	20,000	58,426
1918...	304,681	100,424	185,977	21,162	25,000	35†	110,902	20,000	67,269
1919...	391,808	152,033	205,410	20,741	27,500	35†	130,266	70,000	24,171

* Dividend of 10% less tax plus bonus 20% free of tax—36⅔% less tax.
† Dividend of 10% free of tax plus bonus 25% free of tax—50% less tax.

The year 1919 has been for this Company a period of very successful trading. Gross profit on brewing amounts to £314,788, as compared with £225,907 in 1918. Income from other sources remained almost unchanged at £77,020, whereas in 1918 it accounted for £78,773. Whilst general expenses, excluding Debenture interest and dividends, were over 50% higher in 1919 than in 1918; yet the Company were nevertheless able to declare on the Ordinary shares a dividend of 15%, tax free, and a bonus of 20%, tax free, making in all 35%, tax free, and equivalent to an actual declaration of a dividend of 50% subject to tax. Consequently, these shareholders receive exactly the same payment as in 1918. On the other hand, the consent of the Court having been received, the dividend to Preference shareholders has been raised from 5% to 5½%, thus involving a sum of £27,500. More striking still is the allocation to the reserve fund of £70,000, in contrast with £20,000 in 1918 and 1917. The position is even more favourable than those figures suggest, for it appears that no credit is taken in the accounts thus furnished for undivided profits in subsidiary companies. These, which are stated to be of considerable amount, will, however, appear in the subsequent accounts.

The final steps in the process of reduction of capital that was set on foot in 1914 have at last been taken. The sanction of the Court for cancelling the outstanding call of £3 per Ordinary share has been received. In 1914 the authorised capital of the Company amounted to £1,740,570 divided into £500,000 5% Cumulative Preference stock, £840,570 Ordinary stock, and 80,000 Ordinary shares of £5 each (£2 per share paid). At the end of 1919, when the reduction had been fully accomplished, the authorised and paid-up capital of the Company was £872,192, consisting of £500,000 Preference stock and £339,676 4*s*. Ordinary stock, and £32,515 16*s*. Ordinary shares (12*s*. paid). To provide funds to keep pace with the steady expansion of business, it was agreed at the general meeting on February 6 to increase the authorised capital to £1,500,000 by the creation of 627,808 Ordinary shares of £1 each, thus raising the total of the Ordinary capital to £1,000,000. It is proposed to issue at once 222,471 shares at par, such shares to rank for dividend as from January 1, 1920. The shares are to be offered in the first instance to the existing holders of Ordinary stock and Ordinary shares, and are to be paid as follows: 5*s*. on allotment and 15*s*. on or before June 30, 1920. For each £5 in Ordinary stock and for shares the holder is entitled to apply for three of the new shares. The Company intend to send out the offer to stock and shareholders on February 14, and these have to reply by February 20 at the latest. There is every reason for believing that the new issue will be readily taken up. In addition to a satisfactory profit and loss account, the position, as disclosed in the latest balance sheet is very favourable. Creditors, it is true, stand at £472,823, as compared with £107,241 in the previous year. But this increase includes £125,650, which does not fall due before July 1922, and represents part of the price paid by the Company to secure a controlling interest in the well-known firm of Croydon brewers, Messrs. Nalder and Collyer. Moreover, stocks have also been augmented increasing in value from £66,957 in 1918 to £92,147 in 1919, and the Chairman asserted that such purchases were made on very advantageous terms and were of considerable value in view of the rising market. Fixed assets were increased slightly from £1,441,180 to £1,474,302, whilst investments were more than doubled, amounting to £789,341, as compared with £353,981 in 1918. The Reserve fund, which stood in the balance sheet on December 31, 1919, at £132,164, as against £111,295 for 1918, now amounts to £202,164, and is all invested practically outside the business in Government securities. Under these circumstances it is not difficult to foresee a prompt acceptance on the part of the existing shareholders. The Five and a-half per cent. Cumulative Preference stock of the Company is quoted at 70½, its Ordinary stock at 305, and its Ordinary shares (12*s*.) at 36*s*. 3*d*. Consequently, the offer to Ordinary capital holders of £1 share at par for each £5 capital held contains a very substantial bonus.

P. and W. Maclellan, Limited.—A scheme for the reorganisation of the capital of this engineering concern has been placed before shareholders. It is proposed that the existing Preference and Ordinary shares should be consolidated into one class of Preference shares, and it is also proposed to subdivide the consolidated Preference shares into shares of £1 each. The Court's approval is required for the carrying out of the scheme, and when this is obtained it is intended to capitalise £150,000 standing to the credit of reserve fund and to distribute 150,000 new Ordinary shares of £1 each among the existing Preference and Ordinary shareholders.

Skandinaviska Kreditaktiebolaget.—The net earnings for the year 1919 amount—after carrying over Kr. 10,000,000 to a *delcredere* account—to Kr. 30,151,815.34, to which has to be added Kr. 2,612,468.61 brought forward from 1918, making a total of Kr. 32,764,283.95. For the year 1918 the Skandinaviska Kreditaktiebolaget had a net profit of Kr. 20,494,189.63, and the Aktiebolaget Skanska Handelsbanken, which Bank was taken over by the Skandinaviska Kreditaktiebolaget last year, a net profit of Kr. 3,338,993.06—total, Kr. 23,883,182.69. Having set apart Kr. 10,000,000 for taxes, the board of directors recommends a dividend of Kr. 30 per share (21.13%) (1918, Kr. 25 per share), requiring Kr. 18,420,000, and to appropriate to the employees' pension fund Kr. 725,000, leaving a balance of Kr. 3,619,283.95 to be carried forward to new account.

The directors of the Bukit Mertajam Rubber Company, Limited, have decided to recommend that the nominal capital of the Company be increased to £300,000 by the creation of 1,250,000 shares of 2*s*. each, and upon the resolution being passed to issue 271,083 shares at a premium of 2*s*. per share, to be offered to the shareholders in the proportion of 1 to 7.

MEETINGS
OF PUBLIC COMPANIES.

The Canadian Bank of Commerce.

THE fifty-third annual meeting of the shareholders of the Canadian Bank of Commerce took place on January 13, 1920, at Toronto. The report submitted, which has recently been made public, was of an unusually satisfactory character. The President (Sir Edmund Walker) took the chair, and, after the report had been read, the general manager (Sir John Aird) addressed the shareholders.

General Manager's Address.

Sir John Aird spoke in part as follows: The net profits have amounted to $3,074,000, after a most careful provision for all the doubtful items among the bank's assets. These earnings exceed those of last year by $224,000, a satisfactory increase of 7.9%.

Large Increase in Deposits.

There has been a decrease in our note circulation for the first time since the commencement of the War. The decrease is only $1,536,000, but if it is one of the first signs of a check to the inflation of prices, it is not unwelcome. The increase in deposits of $40,446,000 is the striking item of our statement, and it has taken place almost entirely in the more stable item of deposits bearing interest. There has been an increase in our call and short loans in Canada and a decrease in those elsewhere, the combined effect of the changes being that our quick or easily realisable assets have increased by $16,892,000, and stand at 49.11% of our liabilities to the public. Our holdings of Dominion and Provincial Government securities have increased $10,700,000 during the year. Current commercial loans show considerable increases, amounting to $20,837,000 in all, which may be considered as another welcome indication of reviving commercial activity. The total of our assets has grown during the year by $39,333,000, or 8.9%, which under the circumstances we consider satisfactory.

Out of the total of 1,704 officers of this Bank who volunteered for the defence of the Empire, either in the Army or Navy, we have reinstated during the course of the year 946, and have still to hear from 253 of them. The opening of new branches and the expansion of our business by turning our attention to foreign fields have made it possible to take on the staff again all those who apply for reinstatement.

Recent Canadian Loan.

In November 1919 the Canadian Government issued its sixth War Loan, the money being required for purposes connected with the transition from war to peace. The total subscriptions received were $676,242,790, almost as much as subscribed to the previous loan. The Minister of Finance and the country itself are to be congratulated most heartily upon this new demonstration of the financial strength of Canada.

The condition of the foreign exchanges is one of the problems with which we have had to deal during the past year, and it is one in which the people of Canada are deeply concerned, as it has a very direct effect upon their economic life. Canada is not alone in suffering from the effects of a depreciated exchange—in fact, it is a condition now familiar to almost every country in the world. The artificial expedients which have been resorted to in order to correct the situation, such as the shipping of gold, the sale of securities, and an attempt at fixing exchange rates, are inadequate, and may even prove dangerous.

Hard work and self-denial, such as will increase our income as a nation, and decrease our expenditure, are the only sovereign remedies for the disease. Harder work and greater diligence are needed to increase production, and self-denial implies the cessation of purchases of imported articles which are only luxuries or can be produced at home.

President's Address.

Sir Edmund Walker, C.V.O., in the course of his address, said: The excess of our exports over imports for the year ended March 31 was $343,491,000, as compared with $623,647,000 for the previous year. Although so much smaller than for 1918, the excess was larger than in any previous year. The difference of $280,156,000 is more than accounted for by a falling off of $320,874,000 in our exports to Great Britain, and this again is due to a decrease of $297,893,000 in exports of agricultural products and of $87,318,000 in manufactured articles. Our total foreign trade for the fiscal year was $2,176,378,000, as compared with $2,548,691,000 in 1918.

It is clear that, if our foreign trade were on a cash basis, we could pay the interest on our foreign debt and settle for our excess purchases from the United States without difficulty, but Europe cannot pay just now, and we must therefore limit our purchases from the United States wherever that is possible. Doubtless the markets for our securities in the United States will gradually widen, and it will become easier to adjust our accounts, but this will be a poor remedy. We cannot afford to increase our debts to foreign investors, in view of the taxation we shall have to bear.

The preliminary estimate of the value of our field crops for the year 1919 is $1,452,787,000, as compared with $1,367,909,000 in 1918, the actual figures for which fell slightly short of the estimate. There was a decline in the value of grain crops, but a large increase in fodder crops and potatoes.

The Dominion's Public Debt.

The statement of the public debt of the Dominion of Canada at the end of November shows a net total of $1,817,839,000, and we are informed that at the end of the fiscal year March 31 it will be $1,950,000,000.

Canada won its high place in the world's regard by superb co-operation in the one ideal of winning the War. Can we not compromise for the moment the differences between capital and labour, between farmer and manufacturer, between the various interests that are risking our future for the sake of their own particular grievances, and co-operate in another ideal equally great, the restoration of peace and the return of prosperity on a better foundation? With this accomplished the separate ideals of the industrial divisions of our society can be discussed with far more chance of fair adjustment than is possible in these difficult times.

We hear much about the decline in the exchange value of the £ sterling, and more about Great Britain's loss of ascendency in the world of finance, but if you will read the report of our London manager you will find no trace of doubt, no murmur of complaint. Great Britain has accomplished the most stupendous things in history; the world owes her more in respect and admiration than it can ever pay; but she asks nothing from others—she is simply clear-sighted and aware of her enormous obligations, and of what they involve. No one who reads his statement will find cause for pitying her, she is so strong and self-reliant. On the contrary, there is abundant cause for pride that we are part of the great Empire which in the supreme emergency saved the world.

Sale in Dominion of British-held Canadian Securities.

One feature of the British financial situation which adds to our difficulties is the sale here of Canadian securities hitherto held in Great Britain. So long as the sale in Canadian dollars will produce so much more than usual in pounds this return of our securities will go on, and each sale has the same effect on our international finance as the importation of merchandise of the same value.

Merchant Shipbuilding Programme.

In the effort to conquer the difficulties of transport by sea, and for the further purpose of building up foreign trade with new countries, the Government of Canada has entered upon a relatively large programme of shipbuilding. Contracts have been let for 60 vessels with a dead-weight tonnage of about 360,000 tons. The total cost will be slightly under $70,000,000. To date 23 vessels have been completed and 19 are in commission.

Canada can solve its post-War problems more readily than almost any other country, but this, of course, means Canada at its best. We shall, I hope, settle our problems of taxation with reasonable fairness and common-sense; so improve the relations between labour and capital that the country can do its very best in production; so direct the large immigration, which is coming both from Europe and from the United States when transportation becomes less difficult and less costly, that it will greatly increase the numbers both of settlers on the land and of workers in factories; and thus enable our country to bear cheerfully the cost of the War and, better still, make every returned soldier think that such a country was worth fighting for.

The report was adopted unanimously. After the retiring auditors were re-elected, and the usual votes of thanks to the directors and staff were passed, the meeting terminated.

SOUTH-EASTERN AND CHATHAM RAILWAY COMPANIES.

A JOINT general meeting of the proprietors of the South Eastern and London, Chatham and Dover Railway Companies was held on Tuesday at the Cannon Street Hotel, London, E.C., Mr. H. Cosmo O. Bonsor, the Chairman of the Managing Committee, presiding.

The Chairman said he was afraid the proprietors would be very disappointed with what he had to say regarding the negotiations between the Government and the railways of the United Kingdom. The railways were still under the control of the Government. The Ministry of Transport Act, which became law in August, 1919, provided that control should continue for a further two years; this was an arrangement made when Mr. Runciman was President of the Board of Trade in Mr. Asquith's Government. The Act also provided that, if the Ministry considered it necessary, there should be a further 18 months' working at the same rates and fares as the Minister had laid down during those two years. Last year he (the Chairman) said the Acts of 1844 and 1871 were the Charters under which the railway shareholders had invested their money, and were an absolute protection for the future. At that time there was a considerable suggestion that nationalisation was to take place. He did not think public opinion was now at all in favour of nationalisation of railways, and he had come to the conclusion that the Government would have to make some arrangement by which possibly a certain amount of control should continue, but which would conserve the interests of the shareholders. All he was allowed to say at present was that a small Committee of the Railway Association, representing all the railways, had been appointed and was in close touch with the Ministry of Transport, and it had been agreed that before legislation was introduced the Government would consult with the Railway Association through that Committee.

The Overcrowding Problem.

The problem to be solved was almost an impossible one, but he was most hopeful that a solution would be discovered which would protect the interests of shareholders while giving those facilities to the public to which they were entitled. The public complained with justification of overcrowding on the railways. The causes were apparent, but the remedy was extremely obscure. One cause was shorter hours of work. Offices, shops, and warehouses all emptied now at about the same time, and passengers who used to distribute themselves over three hours in the morning and three hours in the evening now expected the same comfort in one and a-half hours. The position was impossible. Again, the 50% increase in ordinary fares, while season tickets were increased only by 10%, had led to a very large number of additional season tickets being taken up, and a season-ticket holder travelled more frequently than one who had to take a ticket for each journey. Again, 'buses and trams, which it had been hoped would relieve railway congestion for short distances, had raised their fares and turned a certain number of passengers on to the railways. The remedy for overcrowding was increased accommodation and facilities, but this meant additional capital, which was impossible under existing conditions. Short-distance third-class fares were unremunerative, and workmen's trains were run at a considerable loss. The public were not satisfied. Were the shareholders satisfied?

Ordinary Dividends Below Pre-War Scale.

In his judgment, their position was very unsatisfactory. Government controlled the railways, fixed rates and fares, and increased remuneration of employees without consultation with directors. The result was that, while wages and salaries had increased by 100% or more, the ordinary railway shareholder received less than in pre-war times; he got no sympathy, and practically a third of his moderate dividend was deducted for payment to the Exchequer. Yet the railway shareholder suffered in exactly the same proportion as everybody else from the additional cost of living.

Coastal Services.

As a temporary measure the lines between Dover and Folkestone had been reopened, but another railway might have to be made between these points if the landslip should again become active. Dover Harbour Station, nearly completed when war broke out, was opened just after the War, and had since been occupied by the naval and military authorities. The railway had again possession of it, and they were hopeful of being able to give Continental travellers greater facilities as soon as the lines on the other side of the Channel could carry them. Richboro', he said, last year, was in the occupation of the Government, and the railways had undertaken to supervise the works without profit or loss. They did so to the expressed satisfaction of the War Office. The Ministry of Munitions were now in possession, and were putting up the Port for sale. He hoped that some industries might be created in the neighbourhood of the Port; the railway would be in a very excellent position to give every accommodation to such industries. Alluding to the railway strike, the Chairman said he regarded it as one more instance of the great danger of State control. If the railways as individual companies had been able to negotiate with their employees a general strike would not have occurred.

SOUTH-EASTERN RAILWAY.

The annual general meeting of the South-Eastern Railway Company was then held, Mr. H. Cosmo O. Bonsor, the Chairman, presiding.

The Chairman said that a very modest increased dividend was being given to the Deferred shareholders, who got ½% more than last year, and the directors were also able to ask the proprietors to sanction the transfer of £25,000 to reserve. They thought that under existing conditions it was well to keep a certain amount in reserve, but it would be understood that the reserve was the property of the Ordinary stockholders, and could be divided among them if any contingency arose which should suggest such a course as useful. It was absolutely their property, and could be used in the future either for equalising dividends or for a bonus distribution. He moved the adoption of the report and accounts.

The resolution was unanimously adopted, and dividends, less income tax, payable on the 19th inst., were declared as follows: A final dividend at the rate of £3 5s.% on the undivided Ordinary stock, making £4 5s.% for the year; a final dividend of £4% on the Preferred ordinary stock, making £6% for the year; and a dividend of £2 10s.% on the Deferred ordinary stock for the year.

The usual formal business was transacted and a cordial vote of thanks to the Chairman concluded the proceedings.

LONDON, CHATHAM AND DOVER RAILWAY.

THE ordinary general meeting of the London, Chatham and Dover Railway was held on Monday at Cannon Street Hotel, London, the Right Hon. Sir William Hart Dyke, Bart., presiding.

The Chairman, in moving the adoption of the report, pointed out that, after appropriating £22,000 to reserve, there was an available balance of £423,537. Having met the full dividend of 4½% on the Arbitration Preference stock for the year, the Board were able to recommend a dividend of 4% on the Second Preference stock, as compared with 1½% for the previous year. The Government had at last given up possession of Green Arbour House in the Old Bailey, and there was now pending a claim against the Government for their use of the building. With reference to Kent coal, the output during the year under review had amounted to 202,036 tons, as compared with 183,216 tons. He saw no reason to modify his opinion that the Company would receive just and equitable treatment at the hands of the Government in the ultimate settlement, and that the undertaking would be handed back unimpaired as regarded its revenue-earning capacity. The Board had placed the Company in a strong position to meet the future with success. (Applause.)

The Right Hon. Viscount Chilston (Deputy-Chairman) seconded the motion.

The report and accounts were unanimously adopted, and the dividends as recommended approved.

SOUTH METROPOLITAN GAS COMPANY.

THE ordinary half-yearly meeting of the proprietors of the South Metropolitan Gas Company was held on February 11 at the Cannon Street Hotel, London, E.C., Dr. Charles Carpenter (Chairman of the Company) presiding.

The Secretary (Mr. F. McLeod) read the notice convening the meeting and the report of the auditors, and the register of proprietors was sealed.

The Chairman said: Ladies and Gentlemen.—I assume that, following your usual practice, you will take as read the report and accounts which have been printed and circulated among you, and I have now to move their adoption. You will observe that we have earned somewhat more than sufficient to make both ends meet, but the surplus is a small one compared with the magnitude of the figures involved. It must not be forgotten that this surplus is merely due to the fact that provision is only allowed by the Statutory Undertakings (Increase of Charges) Act, 1918, for payment of a dividend of little over one-half of the pre-War rate. If we were allowed to pay our pre-War dividend, modest though it was, and inadequate as it would be to-day, we should have been faced with a substantial deficit. And this would have arisen in conjunction with what must otherwise have been described as a flourishing business, the sales and turnover of which are both extending. While the War was in progress we were of opinion that little could be expected in the way of alleviating this paradoxical state of things. But now that hostilities have ceased it is but the barest justice that it should be remedied. (Hear, hear.) I will deal fully with our proposals in this respect when I explain at the following Wharncliffe meeting the provisions of our new Bill. Now, I need only say that our shareholders are suffering from a great hardship which it is the clear business of the State to allow us to remove. (Hear, hear.)

Close Scrutiny of Working Costs.

The next paragraph of the report crystallises in a few words one of the great difficulties under which we are carrying on our business. Our labour bill has increased by £1,000,000 per annum compared with the pre-War figure. If we were to include the increased labour charges paid indirectly, in the higher costs of raw and finished materials

the figure would be very much greater—it would have to be increased by probably between half and three-quarters of a million pounds. Now such figures as these must necessitate a very close scrutiny of our methods of working in order to test their efficiency by present-day costs. We start with a heavy handicap by reason of the fact that in pre-War days we had no occasion to go in extensively for labour-saving devices. We were on good terms with our employees, and had no need of such a stimulus. The problem to-day, however, has become a very different one. We cannot carry on unless we have in all our operations the most complete system of minimising manual labour, of which, by the way, some talk as though it were the only form of labour to have any consideration. We shall have to examine anew all our methods and processes, since we have got to look at these now from a totally different viewpoint from that of pre-War days. Fortunately, we are greatly stimulated in such efforts by the attitude of our employees, who not only welcome all endeavours to increase efficiency, but are helping us in every way to achieve it. (Hear, hear.) This is a most satisfactory condition of things, and must eventually be of great help to us in our struggle to free ourselves from the maelstrom of high prices, but at the most these economies are very far from balancing increased labour costs, and I have no justification for hoping they will eventually do so to anything like a corresponding degree.

Purification of the Product : Scientific Development.

You will remember that at the February meeting in 1914 I was able to announce to you that we had succeeded in solving a problem which had baffled the efforts of technicians and scientists for the greater part of the last century—namely, the purification of coal gas from carbon bisulphide. Then the War came and we were without means either to extend or to complete the plants we had erected for the purpose. Since the Armistice we have again begun to move forward. We are getting our apparatus into working order, and have evolved an even simpler form which will enable the process to be extended at a lower capital cost than would be possible with the earlier design. To-day we—and when I say we, I mean not only your board of directors, but your commercial and technical staff as well—are more strongly of opinion than ever that the elimination of the carbon bisulphide content of gas is essential to the satisfactory progress of our business. We say that whenever and wherever a wax candle can be used for providing light, a gas flame should be found equally suitable for that purpose without any disability arising from any difference in its products of combustion. And we believe that this will not only maintain the present uses of gas, but will give a great impetus to their extension. I ought to say that these proposals are not very popular generally among gas undertakings, but undertakings of this kind are naturally of conservative characteristics. The industry, it will be remembered, has been established well over a century. It has now, however, accepted the heat basis as a method of charging for gas, and I have the conviction that it will one day adopt the highest attainable standard of purity also.

Increased Consumption.

The substantial increase in the sales of gas during the half-year is gratifying, although it would be easy to attach too much importance to it. The delivery of solid fuel has been restricted and irregular; the supply of gaseous fuel is everywhere available throughout our district in unlimited quantity at any hour of the day or night, Sundays or weekdays. Moreover, the control over the flow of gas by simply turning on or off a tap provides a facility of economical use unattained with similar ease by any other form of distributed energy. It seems probable, too, that with dearer coal the householder is relying more upon gaseous fuel than he has in the past, and that because of the all-important score of economy.

In this connection I would like to express the hope that as many of you as possible who have not done so will endeavour to visit during the next twelve days the Ideal Home Exhibition at Olympia. You will there, I think, see ample justification for our contention that the supply of light and heat is no longer a monopoly on the part of either the gas or the electric undertakings. Both are in keen competition to the advantage of the public they supply, and a sliding scale stimulus is no longer needed to ensure economy in working. At the same time I feel you will come away after visiting our exhibit with the conclusion that gaseous energy has at least as great a claim as electric to be counted the "handmaid of the people."

Employees' Representation on Board.

The report completes its story of the half-year's operations of the Company by a reference to the Bill now being promoted by the Company, and the proposed modification of the scheme by which a share in the management is given to the employees. During the past four or five years there have been various criticisms of the policy of this board, mainly, I think, inspired by the feeling of unjust suffering on the part of the shareholders at the low rate of interest they were receiving upon

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their investment. But that criticism was adulatory compared with what my predecessor faced when he submitted his project for adding the keystone to our co-partnership edifice by the admission of the Company's employees to direct representation upon the board of directors. The experiment, if it can still be so described, has now been running for twenty-one years, and the principle has been an unqualified success. The details of the scheme have shown defects, which we have sought to correct and to which, in their revised form, I shall ask you presently to give your sanction. The variations are very simple, and do not affect the principles one iota.

The new proposals throw open the selection of all candidates by the voters, irrespective of the stations at which they are employed, while all the candidates may possibly be drawn from any one of them. The method of election, which I may remind you is by ballot, is also appropriately modified, and the remuneration of each employee director is raised to a basic figure of £2 5s. per attendance, which is more in accord with present-day values. The other changes are merely of a drafting nature. I have been asked whether the employees desire or appreciate representations of the kind to which I have been referring. I think very good evidence that they do is afforded by their proposals for revision which they, in the first place, put forward and which have for their object the obtaining of the best possible persons to represent them on the Board. Before I sit down I should like officially to put on record one fact of which I am sure as shareholders you will be very proud. It is this, that of our total staff, officers and workpeople, no less than one-half have served their country in either the Navy or the Army. I might also add that a souvenir of their war service has been prepared under the direction of the co-partnership committee, and the secretary will be very pleased to post a copy to any shareholder who sends a postcard applying for one.

The Deputy-Chairman (Mr. Frank H. Jones), in seconding the motion, said: I should particularly like to associate myself with the Chairman's remark as to the great advantage to this Company of the employee directors, and when this suggested alteration of the scheme comes forward I am sure you will all approve of it.

The motion was unanimously adopted.

The Chairman moved that dividends as follows be declared for the half-year ended December 31 last: On the Five per Cent. Redeemable Preference stock at the rate of 5% per annum, and on the Ordinary stock at the rate of 5% per annum.

Mr. A. M. Paddon seconded the motion, which was unanimously adopted.

The Chairman moved that the proposal passed by the Board of Directors at its meeting on the 4th instant for varying the scheme for the election of employees' directors adopted by the shareholders on August 14 1907, be approved and adopted, subject to such alterations as the Board of Trade may suggest and the directors agree to.

Mr. H. T. Manley seconded the motion, which was passed unanimously.

The retiring directors, Mr. Kenneth P. Hawksley and Mr. Frank H. Jones, were re-elected, and Mr. C. P. Crookenden, F.C.A., was reappointed an auditor.

The Company's New Bill.

An extraordinary general meeting of the proprietors was then held for the purpose of considering the provisions of the Bill now before Parliament, intituled "A Bill to enable the South Metropolitan Gas Company to sell gas on a heat unit basis, to make new provisions as to charges for the gas and application of the profits of the Company, to extend the powers of the Company to amalgamate with or purchase other undertakings and for other purposes."

The Secretary having read the notice convening the meeting

The Chairman said: I must preface my explanation of the Bill we have deposited by a few general observations. Our charter of working is, like that of most other similar undertakings, based upon what is known as the sliding scale. Upon two occasions since 1876 the scale has been modified without disturbing the underlying principle. The stress of war broke down the sliding scale regulations, as you know only too well. But I am bound to say that for two or three years before that I strongly felt that justice was not being done to the shareholders in return for the skill and enterprise animating the conduct of their business. I imagine no fair-minded person will suggest that, in that reconstruction which is going on, the claims of those who have furnished the money to build up and extend the business of gas supply should be disregarded. (Hear, hear.)

Now to-day two fatal defects of the sliding scale have revealed themselves. In the first place, it only took into account a consideration of the interests of two parties, namely, the consumer and the shareholder. Though the shareholders' dividend, despite rising prices and taxation, has fallen to 2½% per annum on the capital moneys invested, the co-partnership bonus of the employees has vanished altogether. Labour has had its standard wages, rising from time to time as conditions of living changed. Capital has not only not received a standard wage, but its remuneration is considerably below it. Now, our co-partnership principles are not statutory except in relation to the election of the employees' directors to the board. Our new proposals will make them so. Secondly, the object of the sliding scale was to reduce our dividend in the event of bad management. No one can accuse us of that, but all the same the sliding scale has fined us by a large reduction of dividend as though we were guilty of bad management. Moreover, it would not offer the inducement of a reward commensurate with the changed conditions now obtaining in the country. We want to correct this defect also, for the future position of our industry and of our raw material is a far more uncertain one than in the monopoly days for which the sliding scale was created, and new investors will certainly not be encouraged if the spirit of fairness is absent in adjusting the hardships of the old ones.

We affirm at the outset of our proposals that the principles upon which industry should be based are the following: Fair remuneration for the use of capital; fair (or standard) wages for employees; fair price payable by the consumer for the commodity supplied. Compliance, however, with these three conditions would not in themselves provide the stimulus to good management to which I have referred, and which the promoters of the sliding scale wisely considered as an essential. What is wanting? The stimulus of profit making, which, despite all socialistic ideals, has a basic relationship to progress. (Hear, hear.)

The Chairman then explained the clauses of the Bill, and in so doing stated that after provision was made in any accounting period for payment of the authorised dividend and other outgoings, any surplus profits would be at the disposal of the directors to the extent of three-fourths for reduction in the price of gas, leaving one-fourth for equal division between the stockholders by way of increased dividend and the employees by co-partnership bonus. He concluded by moving that the Bill be approved.

The Deputy-Chairman seconded the resolution, and it was carried unanimously.

The proceedings then terminated.

CROCKERS, LTD.

The nineteenth annual general meeting of this Company was held on February 12 at Cannon Street Hotel, London, E.C., Mr. John Eccleston Sheldon (the Chairman) presiding.

The Secretary (Mr. F. W. Bebbington) having read the notice and the report of the auditors,

The Chairman said: Gentlemen,—The report and accounts in your hands have doubtless had your consideration, and I trust you have come to the conclusion that the shareholders are to be congratulated not only on the results of the trading for the past year, but also on the increased strength of the financial position, with which I shall deal later. As hasty and erroneous conclusions are often formed, and somewhat misleading statements are sometimes made, on account of the whole of the facts not being in the possession of those who criticise, I propose to deal more particularly with what has taken place during the last six years in relation to our own business, the profits that have been earned, and particularly the financial position to-day.

New Markets and Increase of Business.

When I first had the pleasure of addressing you as your Chairman, I think I made it clear to you what the policy was that your board intended to pursue, and I now propose to point out what we have to show as a result largely of that policy, coupled with special attention to organisation and in our methods of trading generally. I would remind you, as I did on another occasion, that our business has not been materially assisted by Government orders for goods necessary to the carrying on of the War. On the other hand, there is the fact that the result has been assisted by enhanced prices. There has been nothing in the way of profiteering, but there has been a very great extension in our trading generally, owing largely to our opening up markets in which the Company had little, if any, interest prior to 1914.

Assets and Liabilities.

Proceeding to the facts, the total of the assets side of your balance sheet for 1914 was £395,358. It is now £887,055. You are aware of the dividends which have been paid in the meantime, and I may incidentally remark that we have increased our reserves, under the heading of "General reserve and contingent reserve," from £24,000 to £85,000—that is, if the recommendations we make to you to-day are adopted. Besides this we have made additions to Debenture stock, redemption fund and the staff benevolent and pension fund.

I will now deal more particularly with the figures for last year—that is, 1919—and the first I would call your attention to is that of stock, which is a little over £40,000 less than in the previous year; but as there may possibly be a doubt in some minds as to the wisdom of reducing the stock in view of the scarcity of goods, I would state that we are well bought for the future and on a satisfactory basis as regards delivery, which so far has been all we could desire. With regard to the item of book debts and bills receivable, these are in excess of the 1913 figures by about £250,000, and the item of cash at bankers is about £240,000 more. As to investments, we still continue to redeem our Debentures as favourable opportunities offer, and I may say that the opportunities

that have offered so far have been, in the opinion of your board, very favourable.

Turning to the liabilities, the ordinary share capital has been increased by £100,000 in pursuance of a resolution passed at our last annual meeting, and I think the wisdom of that procedure is fully warranted by the results. I will now take the items of creditors on open accounts, and sundry creditors, &c., which together total roughly £312,000, against £464,000 for the previous year, or £152,000 less. Now, if you take these items and compare them with items on the assets side—namely, stock, book debts, bills receivable, and cash at bankers—you will find that, after allowing £60,000 for the smaller stock, the balance of those assets over those liabilities is increased by the sum, roughly, of £153,000 as compared with 1918.

Now this is a strong position for us to be in, especially in view of the extended business we are hoping for, and which I may say I venture to think will be realised; but I may add that, in spite of the talk of the boom, or a boom—whichever way it is at present viewed—there are many dangerous positions, and we shall continue, as we have always done, to pursue a cautious policy, which we firmly believe to be in accordance with your wishes. We are very watchful for possibilities, and, I may add, both *pro* and *con.*, the necessity for which you will fully realise in view of the fact, which I have already related to you, of the extension of our business abroad and the manner in which it is affected by the rates of exchange.

I will now pass on to the report of your directors, which shows that we have a disposable balance of profits, including the carry-forward from last year, of £73,810, which we propose should be appropriated as set out in the report, the dividends and bonus absorbing a total of £24,504.

New Shares : explanation of Dividend distribution.

In connection with the dividend and bonus on the new issue, I may say that I propose to deal specially with that matter, as I have had several questions put to me personally, and our Secretary has been approached by one or two shareholders directly as to the allocations and appropriations we have made—of course, with the consent of your auditors—with regard to those dividends. Now, I would remind you that the terms of issue, as per the prospectus dated April 11, 1919, were : "The new shares will rank *pari passu* with the 85,000 Ordinary shares already issued, the several instalments ranking for dividend as follows : (*a*) Instalments payable on application and allotment as from the date of allotment; (*b*) instalments payable on June 30, 1919, as from that date." Article 117 of the articles of association of the Company provides that : "All dividends shall be declared and paid according to the amount paid or credited as paid on the shares. As regards shares not fully paid up, all dividends thereon shall be apportioned and paid *pro rata* according to the amounts called up during the portion or portions of the year." The date of the allotment of the shares was May 1, 1919—that is the date when the new shares literally came into existence—and the amount paid on application and allotment per share was 10*s*. One-half of the nominal value of each share therefore ranks for dividend from May 1 to December 31, or eight months, and the other half ranks from June 30 to December 31, or six months. This is equivalent to the full nominal amount of the share ranking for seven months of the year. The new shares therefore are entitled to receive 7-12ths of any amount paid on the old Ordinary shares. The old Ordinary shares receive a dividend and bonus for the year of 12½%; the new shares, therefore, are entitled to receive 7-12ths of the 12½%, or 7 7-24ths per cent. (actual). In accordance with the resolution which will be placed before you, the new shares are to receive 10 2-3rds per cent. per annum, or 5 1-3rd per cent. (actual), and a bonus of 1 11-24ths per cent., or together, 6 19-24ths per cent., and, in addition, there has been paid an interim dividend at the rate of 6% per annum, or, on the amount called up, ½% (actual), which, together with the 6 19-24ths per cent., makes 7 7-24ths per cent., which is, as previously stated, 7-12ths of the amount paid on the old shares.

We propose to place to Debenture-stock redemption fund £3,500, which will raise that fund to a little over £11,000. I would make it quite clear that this is irrespective of the amount under investments on the assets side of £4,806. We are also placing £3,500 to the staff benevolent and pension fund, making this fund nearly £10,000. Then we propose to transfer to general reserve £15,000, and to contingent reserve £5,000, which, as I have before stated, makes a total of £85,000 of reserves. Expenses of underwriting, advertising, &c., in connection with the capital issue were £6,394, and, as you will see, we propose to wipe this out. This will leave us with a balance to carry forward to next year of £15,912, against £14,330 for 1918.

Additional Premises acquired.

At the last meeting and at our previous meeting I referred to certain extensions we were making in connection with the considerable expansion of our business. I am pleased to say that the negotiations for the acquisition of further premises, which I reported to you at the last meeting, have been satisfactorily completed. The necessary alterations and equipment have largely been carried out, and we are in occupation; but there are certain portions which at the present time we do not require, and these are let on satisfactory terms.

Before sitting down I should like to refer to the loyal support which your board has received from the officers and managers and staff generally. I may say there is a very close association between your board and managers, which I think has been, and will be in the future, a matter of great mutual assistance. In view of my personal knowledge and experience of the staff, it gives me great pleasure once again to express my appreciation of their services. (Applause.) I now beg to move : "That the directors' report and statement of accounts for the year ending December 31, 1919, be received and adopted."

Mr. H. E. Hubble (Managing Director), in seconding the motion, said he thought the shareholders would agree with him that the balance sheet submitted was an eminently satisfactory one from practically every point of view. (Hear, hear.) This was the Company's 19th birthday, and although, perhaps, as a child it did not grow for a few years as they might have desired, he thought that as it approached maturity it was assuming a healthier condition altogether, and he certainly had great anticipations with regard to the future of the undertaking. (Applause.)

The motion was carried unanimously, the dividends and bonus recommended were unanimously approved, and the retiring directors and auditors were re-elected.

A vote of thanks having been accorded to the officers, managers, and staff of the Company,

Mr. W. H. Paterson proposed a vote of thanks to the Chairman. In doing so he said he wished to thank Mr. Sheldon for his very able speech and the way in which he had placed the position of the Company before those present. As a new shareholder he really came to the meeting in order to make the acquaintance of the directors, and he had had one or two points in his mind, but he was so satisfied with the way in which the general outline of the Company's position had been laid before the meeting by the Chairman that he had refrained from asking any questions.

The vote was seconded by Mr. Mayell, supported by Mr. Cherry, and carried with acclamation.

The Chairman briefly acknowledged the compliment and the proceedings terminated.

BAXTER'S LEATHER COMPANY, LIMITED.

The twenty-fourth ordinary general meeting of Baxter's Leather Company was held on Thursday, February 12, 1920, at Winchester House, Old Broad Street, London, E.C., Mr. Walter Howard (Chairman of the Company) presiding.

The Chairman said : Gentlemen,—In accordance with our usual custom, I suppose you will take the balance sheet and report as read. We come before you to-day dealing with a year's business which is very much to my satisfaction, and rather to my surprise if I go back to the doubts that I felt when we held our last annual meeting. This is a record year in the Company's trading. The profits of the year are very large, but they are very large because the amount of business done has been very large. The amount of business done and the price at which it has been done, and the value of the stocks which we hold, entail a great demand upon us for capital, and it is because of that and because of the feeling that we must not only maintain the ground we have won, but go forward, that we have asked for an accession to our capital.

Growth of Assets.

The figures that you see in the balance sheet are, in some cases, very large. Our stock-in-trade, which a year ago stood at about £111,000, is now £221,000. The item of machinery and plant stands at about the same figure as before, and I am pleased to feel that it is worth a great deal more. "Book debts" is one of the items which, during these times of high prices, make companies feel the strain upon their capital resources. Our book debts stand at a figure which we have not had before either at the end of the year or at any other time. They amount to £281,000. We have acquired, as you know, freehold premises, and we have got a new factory going up at Islington. That and the warehouse at Bristol



were absolutely necessary. These stand in our books at the sum of £15,436. We had to enter into contracts for the buildings at a very high rate, and we felt that the costs were greater than perhaps they would be in the future. We have therefore provided already a sum which reduces the book figures to less than the actual cost. National War Bonds and War Loan are all taken at market values. Our total assets are £580,000, the largest figure we have ever shown in any balance sheet.

Advance Provision for Income Tax

We owe to creditors £381,000. They are not all absolute liabilities. We have done, and I think I have explained this before, what I conceive necessary to be done in cases of companies similar to ours—we have made provision for income tax which we shall have to pay in the future. We have got a large profit this year. The income tax actually payable at the moment has not increased by a single penny on account of that large profit, but a false impression is created if provision is not made beforehand, because we shall have to pay one-third next year, one-third the year after, and one-third the year after that. We shall have to pay on the profit we have made. So out of these profits we set aside a sum which we consider adequate. This is not always done, but in these days of high income tax it ought to be done. I now move the adoption of the report and accounts.

Mr. H. D. Richardson seconded the resolution, which was carried unanimously.

The Chairman: It is a great pleasure to me to be able to move: "That a final dividend of 17%, making (with the 3% interim dividend paid in August last) 20% for the year, less income tax, be paid." We are placing £25,000 to reserve fund, and we shall leave a balance to carry forward to next year of £6,290, against a balance of £2,765 which we brought into the year's accounts.

Mr. Enos Howes said he understood the position to be that the £25,000 earned this year would be distributed to the shareholders in fully-paid-up shares, and it left the reserve fund intact.

The Chairman explained that the dividend in shares was derived from former reserves, but that the result was the same—the reserve was made good.

The resolution was carried unanimously.

The Chairman moved the re-election of the retiring director, Mr. H. D. Richardson.

Mr. J. Kemp-Welch seconded the motion, which was unanimously adopted.

Election of Company's Officials to Board.

The Chairman said he had to make a proposal that had been provided for at previous meetings of the Company held in connection with the new capital. It was suggested to him by Mr. Lee or Mr. Dowding that it would be a great advantage to have as members of the board Mr. Fairweather, their Secretary, who had been practically a member of the board for years, who had no right to speak, but who was always listened to as if he had been a director, and their valued representative, Mr. Brown, who had done wonderfully good business for the Company. He had very great pleasure in proposing that these two gentlemen should be elected members of the board.

Mr. King seconded the resolution.

Mr. Enos Howes raised a technical objection to the election, on the ground that notice of it had been omitted from the directors' report, but stated that he had no personal objection to the gentleman proposed.

The resolution was carried unanimously.

The two new directors expressed thanks for their election.

Mr. P. W. Brown moved "that a sum of 150 guineas, free of tax, be voted *in advance* to each of the three directors, Messrs. Walter Howard, H. D. Richardson, and J. Kemp Welch, as remuneration for the year 1920," and "that an additional sum of 150 guineas, free of tax, be voted to each of the three directors, Messrs. Walter Howard, H. D. Richardson, and J. Kemp Welch, as remuneration for the past year (1919)." He observed that they were all grateful to the directors for the way in which they had conducted the Company's business, and they felt confidence in its future.

Mr. Almond seconded the resolution, which was unanimously adopted.

The Chairman expressed the thanks of the board to the shareholders. He remarked that it would be a great pleasure to have Mr. Fairweather and Mr. Brown at the board meetings as directors, and he was convinced that it would be to the great advantage of the Company.

Mr. Carr-Gomm moved that Mr. R. J. Blackladder be elected auditor to the Company in place of Mr. E. Kennedy Howes (who retires owing to ill-health), at a fee of 75 guineas for the year.

Mr. P. W. Brown seconded the resolution, which was agreed to.

An additional fee of 25 guineas was voted to the auditor, Mr. E. Kennedy Howes, for the past year's audit.

On the motion of Mr. Enos Howes, a hearty vote of thanks was accorded to the Chairman and Directors and to the staff for their services during the past year, and, the Chairman having briefly responded, the proceedings terminated.

AGRICULTURAL INDUSTRIES, LIMITED.

THE statutory meeting of the members of Agricultural Industries, Limited, was held at Winchester House, Old Broad Street, London, E.C., on February 11, the Rt. Hon. Sir Ailwyn E. Fellowes, P.C., presiding.

The Secretary (Mr. W. Ernest Treweek, F.C.I.S.), having read the notice convening the meeting and the report of the auditors,

The Chairman said: Ladies and Gentlemen,—This meeting is being held to comply with statutory requirements, and there is no business before it, but I am glad to be able to take this, the first, opportunity of meeting our shareholders and giving them some account of the position of our Company, although, of course, the time that has elapsed since the date of the issue of the shares is so short that there have been no material changes in the situation as disclosed in the prospectus.

Capital Over-Subscribed.

The issue of shares was, as you probably know, a success, having been over-subscribed, and I am glad to be able to tell you now, after we have been in office some three months, during which we have gone thoroughly into the Company's affairs, that your directors feel confident that the estimate of profits which was made at that time will not only be maintained, but in the future exceeded. (Hear, hear.)

Nature of Business.

From remarks that have been made and Press comments which I have read, I gather that the impression has got abroad that this Company of ours is merely a farming business. I need scarcely say that this is quite incorrect, and indeed a very inadequate appreciation of our real position. The various Dennis organisations which have been taken over by and incorporated in Agricultural Industries, Limited, form one of the largest corporations of its kind in the world. In addition to our farming and potato-growing business, we are merchants on a large scale, carrying on an extensive and ever-growing business, both as exporters and importers. There is practically no limit to the possibilities of expansion in our trade departments, and you may rest assured that everything possible will be done by your board to foster those interests.

The question of exchange, you will fully realise, looms very largely in the minds of everyone at the present moment, and there is no step which can be taken which is more effective in adjusting the exchanges and making them more favourable to this country—particularly as far as America is concerned—than the increase in the production of food at home. (Hear, hear.) Increased production is of little value unless there are the necessary arrangements and mechanism for handling the products when grown, and distributing them cheaply, quickly, and freshly to the public. We can fairly claim that there is no more efficient organisation in this country for this purpose than our Company. (Hear, hear.)

Acquisition of a New Estate.

In the estimate of profits given in the prospectus, no account was taken of the results to be obtained from farming the Nocton Estate. This estate has only recently come under our management, and therefore for the first year or two will probably not be so prolific in its production as the other parts of our property. Any profits, however, derived from this additional 2,500 acres, which are accruing from now onwards, will be in addition to any sources of revenue mentioned in the prospectus. (Hear, hear.)

Your directors feel that at a time like the present, when—more than has ever previously been the case—the production at home of food is recognised as a matter of most vital interest to the nation, an undertaking such as this Company of ours is a work of national importance. (Hear, hear.)

If the land of this country is to have its maximum productivity, and if, correspondingly, prices of food are to be kept at the lowest possible rate to the consumer, it is necessary that combinations should be formed among agricultural interests similar to those which have been formed in nearly every other branch of industrial and commercial activity. (Hear, hear.)

There is every reason to believe that these amalgamations and co-ordinations of agricultural interests will prove of inestimable value, not only to the shareholders and parties immediately interested, but to the nation at large, as has been the case in similar developments in other branches of enterprise. So convinced are we of this that your directors have every intention of increasing and developing the scope of our operations by gradually acquiring other estates and other kindred businesses, whenever an opportunity of doing so on favourable terms occurs.

The Largest British Organisation.

Various properties of this kind have already been laid before your board, and some of them are under consideration at the present time. By following out this policy on conservative lines, and at the same time capable and enterprising management, we see no reason why we should not make this Company, which is already the largest organisation of its kind in Great Britain, one of the greatest businesses of its kind in the world. (Hear, hear.)

There being no resolution before the meeting, I will now declare the proceedings at an end, unless there should be any shareholders who wish to put any questions, in which case I shall be pleased to answer them to the best of my ability.

In reply to Mr. Harter, the Chairman stated that the dividend on the Preference shares would be paid half-yearly.

Sir Francis W. Towle said he would like to point out, in order to prevent any possible misapprehension, that the figure of 2,500 acres mentioned in connection with the Nocton Estate was the actual acreage at present under cultivation. The total area of the estate was approximately 9,000 acres. He made this explanation in case any shareholder should think that the property had shrunk from 9,000 acres to 2,500 acres during the three months in which the present board had had the management of it. (Laughter.)

The proceedings then terminated.

REDFERN LIMITED.

THE twenty-seventh annual general meeting of Redfern Limited, was held on Tuesday at 21 Ironmonger Lane, London, E.C., Mr. Bertram James Redman, the Chairman, presiding.

The Chairman said: With your permission we will take the report and accounts as read. I have really nothing to say upon them except to congratulate you upon the state of affairs which we have to consider to-day. You will notice that these accounts are made up to March 1919, and next month is March 1920; we hope to get the accounts out in much quicker time for the period ending March 1920, and I can really promise you that those accounts will be even better than the present ones. Trade in all our branches, except one, has improved considerably during last year, and the one that has not shown an improvement we are closing. That is all I have to say on the balance sheet. I have much pleasure in moving: "That the report and accounts of the Company for the period from January 12, 1918, to March 31, 1919, be and the same are hereby approved and adopted." Before I put that resolution to the meeting I shall be very pleased to answer any questions.

Mr. R. A. Vinter seconded the motion.

In reply to questions, the Chairman said he could state that the Company was a very flourishing one now. The branch which they had closed was the one in New York, which was too far away to be managed successfully. With regard to the Paris branch, that was a separate Company to comply with French law, but the shares were all held by Redfern Limited.

The resolution was carried unanimously.

The retiring directors, Major P. D. Thomas, M.V.O., and Mr. C. Poynter Redfern, were unanimously re-elected.

The auditors, Messrs. Turquand, Youngs and Company, were reappointed.

Subdivision of Shares.

An extraordinary general meeting was then held to consider the following resolutions: "(1) That each of the Preference shares in the capital of the Company be divided into 10 Preference shares of £1 each upon each of which the sum of £1 shall be credited as paid up, and that each of the Ordinary shares in the capital of the Company be divided into 10 shares of £1 each upon each of which the sum of £1 shall be credited as paid. (2) That the 100,000 shares resulting from the division of each of the existing £10 Preference shares be numbered 1-100,000 inclusive, and that the 200,000 Ordinary shares resulting from the division of the existing £10 Ordinary shares be numbered 1-200,000 inclusive."

The Chairman formally moved the resolutions, which were seconded by Mr. Vinter, and carried unanimously.

A vote of thanks to the Chairman concluded the proceedings.

THE NATIONAL MINING CORPORATION, LIMITED.

THE statutory meeting of the members of the National Mining Corporation, Limited, was held at River Plate House, Finsbury Circus, London, E.C., on February 12, Mr. Herbert Guedalla (the Chairman) presiding.

The Secretary (Mr. A. E. Ford, A.C.A.) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Gentlemen,—We are holding this first meeting of the Corporation to present to you the report and accounts made up in due form in accordance with the Companies Acts. The share capital of £2,500,000 in shares of £1 each has been fully subscribed, and there has been called up 5s. on account of each share, making a total of £625,000. It is not possible to disguise the fact that during the short period of our existence a certain amount of cash profit has been realised, and this accounts for the item "Other receipts, £24,044." On the payments side of the accounts you will note that the net amount of our investments, less realisations on the date of the report, represented a total of £231,458, whilst we had a cash balance of £345,891. The investments, with one small exception, are all in freely marketable securities, and at the present time show a not unimportant appreciation. We have had several profitable transactions and have much important business in hand. Whilst it would not be wise to divulge our business in detail, I think that you are entitled to know that we have acquired an important interest in the shares of the Burma Corporation at satisfactory prices. Some of us have a knowledge of the intrinsic value and prospects of this magnificent property, and we have every reason to believe that this holding will prove to be a lucrative investment.

Details of Personnel.

Since the date of the prospectus, I am happy to inform you, Sir H. S. Barnes and Mr. H. G. Lewis, as representing certain interests, have joined the board, and I have no doubt that their knowledge and experience in their respective spheres will prove of great advantage to us. With regard to organisation, we have appointed Mr. F. W. Baker and Mr. B. Kitzinger to be joint managing directors of the Corporation, and I can assure you that they have plenty to do. To assist these gentlemen we have appointed what we term a Technical Committee, which consists of Mr. J. A. Agnew, Mr. A. S. Elmore, and Mr. Walter McDermott, to examine from the technical point of view the multifarious schemes which are presented for our consideration. In the opinion of your directors, we are now fully equipped for carrying out the purposes for which the Corporation was formed.

A Criticism and an Explanation.

Before passing on, perhaps I ought to refer to and explain an incident which led to a few complaints in connection with the allotment of our shares. We were desirous of undertaking an important piece of business which demanded prompt attention, and, as some of you doubtless are aware, 2,000,000 of the shares of the Corporation had been applied for firm by the directors and the associated groups when the prospectus was published. The remaining 500,000 shares were offered for subscription at par, and were largely over-subscribed. In order to deal with the business which we had on hand we determined to allot the 2,000,000 shares at once, and to proceed with the allotment of the remaining 500,000 shares as quickly as possible. I feel certain that I am speaking for the whole of the board when I say that it was the greatest surprise to them to find that the Stock Exchange started dealings in the particular shares allotted at a substantial premium, although, as far as we have been able to ascertain, no great number of shares changed hands. Possibly this premium reflected on the part of certain members a higher opinion of our sagacity than we were strictly entitled to, and if the market price of the shares is any criterion, I am afraid that this opinion has somewhat waned since. Personally, I cannot sympathise much with the few shareholders who have drawn our attention to this fact,

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	10's	20's	50's	100's
MEDIUM	5½d	11d	2/2½	4/3
HAND MADE	7d	1/2	2/11	5/10

Stephen Mitchell & Son, Branch of the Imperial Tobacco Company (of Great Britain and Ireland), Limited, 36 St. Andrew Square, Glasgow

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because they evidently did not subscribe with the intention of remaining as shareholders in the Corporation.

The Corporation Raison d Etre.

Perhaps it may be appropriate on this occasion to elaborate somewhat on the reasons for the formation of this Corporation. Our main object is to establish an industrial basis for mining, especially in the baser metals; rare metals like gold and silver can take care of themselves. We wish to eliminate as far as possible the element of speculation, and for this purpose we propose not only to attend to the production of the mine, but to see that its products are marketed to the best advantage. There may be lucky flukes in mining, but the main element of successful mining is the provision of ample capital for development and machinery. Before the War the United States and Germany had already appreciated this fact, and organisations with vast capital had been formed, with the result that they practically controlled the market price of the base metals of the world. The British nation, with its spirit of adventure, has always led the way in individual mining enterprise, and there exist to-day several mining houses which control important groups of mines. Several of these mining houses have now accepted the principle of financial co-operation, with the result that this Corporation has been formed, and they have not only subscribed a large share of the capital, but have also given to the Corporation the advantage of the accumulated experience of their representatives on the board.

Mining and Economic Stability.

We are starting our enterprise at a unique moment. In this great upheaval vast wealth has been squandered in the destruction of raw material necessary for the progress of the world, and in the payment of labour for unproductive purposes. It is essential that this lost wealth should be replaced as soon as possible, and no effort should be spared in increasing the production of such metals as lead, copper, tin, and spelter, and also of gold and silver to pay for them. Mining is to-day the basic industry for several key industries. There are three essentials of mining—capital for development and plant, labour, and transport. And to-day there is no doubt that the expense of mining in all three respects has greatly increased, with the result that the metals obtained must always command higher prices. The demand for gold and silver is financial rather than commercial, and until the proper economic position of the world is restored—at any rate in the principal countries—the demand for these metals must result in continually increasing values. It so happens at the present time that these metals are the tokens by which the balance of credit of the various countries of the world is adjusted, and it is really a matter of national importance that every possible source for obtaining them should be exploited. The time will come, I trust, when some more practical method of establishing the credit of nations will have been devised.

The Factor of Exchange.

This brings me to the question of exchange, to which I must refer but briefly, as this is at present a most important factor in a business which has to make investments in various parts of the world. The question of exchange has always been with us, and many financial institutions have quietly derived great advantages from its fluctuations. The position has become so acute that where formerly trade to a great extent governed exchange, now exchange governs trade. The great men in Paris seem to have adopted the motto that "prevention is better than cure," but they should have cured the patient first.

I am not alarmed at the present adverse exchange in New York; indeed, I regard it as a blessing in disguise. Even if it has contributed in some part to the higher cost of living, on the other hand it has been useful in enabling some of our great industries to rehabilitate themselves and to get their fair share of the world's trade. (Hear, hear.) The British Empire can be and should be self-supporting, and our chief energies must be devoted to this purpose. The credit of the British Empire is such that in a few years exchange is bound to right itself, even though through London we have to carry the exchange of other countries; but we must remember that the normal basis of the rate of exchange with New York will have altered, because we have parted with some hundreds of millions of American securities, the annual income from which naturally affected the exchange position. What is far more important to us is the setting right of the exchange and the making it possible for us to trade with the various countries in Europe. This is a matter very closely connected with the business of this Corporation, and, whilst I appreciate that these other countries must do something to set their own houses in order first, we should do everything in our power to assist them in restoring a satisfactory trade situation.

An Effect of Currency Depreciation.

There is one other factor besides exchange to which I might refer. Our currency, as well as that of other countries, has suffered a depreciation in value. I am not one of those who think it desirable at the present time to reduce our currency to any considerable extent. With the higher cost of everything it is absolutely essential that the country should possess adequate working capital, and I do not believe that if you turned every Bradbury into a gold sovereign, the cost of living would be appreciably reduced. In the United States, where there is an abundance of gold, the cost of living, starting from a higher basis, has increased almost in the same proportion as our own. The reason why this depreciation in currency is of interest to us is that to a very considerable extent it affects the share market. It has been a fact that in other countries where currency has depreciated the values of shares, particularly those in concerns possessing raw material, have greatly appreciated. This doubtless accounts for the rise in value of a large variety of shares on the Stock Exchange, which is all the more noticeable because the fixed income securities have been adversely affected by the higher rates of interest which borrowers have to pay. This rise is assisted by the fact that to-day the wealth of the country is much more spread, and investors are much more numerous than before. At the same time, higher prices do not induce selling as in the old days, because a seller knows that on realisation the spending power of the amount received may not be equal to that of the amount originally invested. In these circumstances it is obvious that the value of many shares, especially those with a speculative value, must have a rising tendency, and this is not due to any unhealthy speculative fever on the part of the general public.

I have referred to these matters because they constitute new elements which in the course of our business we shall have carefully to consider. We have to make investments both at home and abroad, and already we have interests in mines in various parts of the world; but I feel that I am speaking for your board when I say that, while we shall not overlook opportunities for favourable investments in foreign countries, our chief object will be to invest British capital in developing the enormous mineral resources of the British Empire. (Hear, hear.) We have started well—better perhaps than we dared to anticipate—and I am frankly optimistic as to the future of our particular task. (Applause.)

The proceedings terminated with a vote of thanks to the Chairman and the directors.

UNITED SERVICE TRANSPORT COMPANY, LIMITED.

The statutory meeting of this Company was held on February 11 at Winchester House, London, E.C., Admiral Sir Edmond J. W. Slade, K.C.I.E., K.C.V.O., presiding.

The Chairman moved the adoption of the statutory report, and in doing so said that the business of Messrs. French's Garage and Motor Works, Limited, was taken over by this Company as from October 1. The fleets of cars taken over numbered 81. Since that date 72 had been added, making a total of 153, the majority of which had been purchased at Government sales at satisfactory prices. These lorries had to be overhauled and a considerable amount expended to adapt them for the Company's business, but they had at the present moment 112 actually at work. Suitable bodies had to be fitted to meet the requirements of the various customers, and, with regard to these bodies, great difficulty had been experienced in getting early delivery. At the present time 33 chassis were at the body-builders. Contracts for these lorries had been arranged, and they would be working immediately on delivery.

Large Freehold Premises Acquired.

The Company had been most fortunate in obtaining freehold premises at 143 Clapham Road, consisting of a large garage, which would accommodate 140 vehicles, workshops with valuable machinery, and excellent offices. New contracts for hire were being daily obtained, and it was satisfactory to note that the existing contracts were being extended and the number of vehicles increased. They hoped, in the near future, to extend considerably the Company's passenger service in the provinces, and to this end they had acquired an interest in a successful provincial motor-bus company.

Mr. W. F. French (managing director), in seconding the motion, said that the three months' trading had been very successful, and the progress made was in every way satisfactory. He had made a comparison with the corresponding period of the previous year from the books of Messrs. French's Garage and Motor Works, Limited, and found that the receipts for transport work had advanced by £10,000 and sales and sundries by £14,000, an actual increase of receipts of £2,000 per week. They had arranged a contract with a prominent tourist agency in London to supply a number of charabancs for the summer season, which should prove a remunerative business. Further, they hoped considerably to enlarge one of their existing contracts by undertaking the supply of lorries for new distributing centres in Yorkshire and Lancashire, where one of their best clients was now erecting two very large factories. So far they had been able to keep the whole of their rolling-stock employed at very satisfactory rates, and his estimate of profits had been exceeded, even in the first month's trading of the Company, by a very considerable amount. They had contracts with various Government Departments, the London County Council, and other big motor-using bodies with which they had never contracted before.

The motion was carried unanimously.

BRITISH TRADE CORPORATION.

THE third ordinary general meeting of the British Trade Corporation was held on the 11th instant at the Institute of Chartered Accountants, Moorgate Place, London, E.C., Lord Faringdon (the Governor) presiding.

The Governor, in moving the adoption of the report and accounts, said that such credits as might be forthcoming as the result of the operations of their various subsidiaries and branches (at Danzig, Batoum, and Belgrade) and of the National Bank of Turkey had been left over for inclusion in next year's accounts. In conjunction with the London and Westminster, Lloyds, and the National Provinical Banks, they had formed the South Russia Banking Agency, with the view of encouraging trade in South Russia. Dealing with the balance sheet, he said that the current, deposit, and other accounts were £1,864,502, and acceptances on account of customers £1,147,385. Cash amounted to £63,541, money at call and short notice to £510,000, and Treasury Bills to £700,000. Under the heading of investments they held high-class securities and sundries which, after writing down to the market price of the day, stood at £854,286; bills discounted, loans, advances, and sundry debtors amounted to £1,201,057; and capital invested in subsidiary companies amounted to £346,993.

Their chief interests in subsidiary companies were the Levant Company, the Trade Indemnity Company, and the Anglo-Brazilian Commercial and Agency Company. The Levant Company was operating principally in the Near East, and had opened branches or established subsidiary companies in Batoum, South Russia, Serbia, Roumania, Bulgaria, Bagdad, Greece, Egypt, and the Sudan. The Company reported that the profits they were making were quite satisfactory. The Trade Indemnity Company insured foreign credits, and had facilitated the export of goods of many millions of pounds value. The Company could have paid a dividend, but they had decided to adopt the sound policy of building up reserves. The Anglo-Brazilian Commercial and Agency Company had opened branch houses in Brazil, particularly at places where German influence in the past was strongest, and satisfactory progress was being made. The National Bank of Turkey reported a great growth of business. Offices now existed at both Galata and Stamboul, and a branch had just been opened at Smyrna. The accounts to December 31 last were expected to show very substantial profits.

The Year's Profit, subject to Increase.

Having regard to the fact that no return had been included from the investment of upwards of £600,000 in their subsidiaries and the National Bank of Turkey, and the fact that the Corporation was still in the development stage, he hoped that the profit of £88,339 shown in the accounts would not be considered unsatisfactory. The directors, while proceeding upon commercial lines, had endeavoured to provide facilities for the extension of overseas trade, particularly in places where British interests in the past had been somewhat neglected.

Mr. F. Dudley Docker, C.B., seconded the motion, which was unanimously adopted, and a dividend of 8*s.* per share was declared.

SUMATRA PARA RUBBER PLANTATIONS, LIMITED.

AN extraordinary general meeting of the Sumatra Para Rubber Plantations, Limited, was held yesterday at 38 Eastcheap, London, E.C., to consider and, if thought fit, approve proposals for increasing the capital of the Company and for the capitalisation of part of the reserve fund. Mr. P. E. Hervey presided.

The Secretary (Mr. W. E. Crane) having read the notice convening the meeting,

The Chairman said: Gentlemen,—I have been asked to take the chair on this occasion in the absence of your Chairman, Mr. Barrett, who has just started for the East on a visit of inspection of the estates of this Company, and of other estates in which he is concerned as director. I am sure his visit will be of advantage to the interests of our business, as he will be able to confer personally with the Company's agents in Singapore and with the Manager of the estate.

We have invited your attendance to-day to consider two resolutions, the details of which are given in the notices sent to every member of the Company. In submitting these resolutions, which are linked together, we have no doubt anticipated your wishes, and I have every confidence that your approval will be readily given. In the first, we seek powers to increase the authorised capital by doubling the present amount and raising it to £250,000. Should this be carried, I will then propose the other resolution, which is prepared in virtue of the powers agreed to at the recent extraordinary general meeting held on January 14, when the revised articles of association were confirmed.

Capitalisation of Part of Reserve.

The new articles include powers by which the reserves of the Company can be capitalised by the passing of a resolution such as that now submitted. It will be in your recollection that the reserve stands at £80,000, and it has been decided by the board to recommend that out of that sum there shall be capitalised £62,500, which will give the opportunity of distributing 625,000 shares of 2*s.* each, being one new share for every two shares now held, both old and new shares to rank alike in all respects. This procedure of capitalisation is one now adopted by many companies, and in our case will make the issued shares more representative of the financial status of the Company, as set out in the balance sheet.

New Issue Offered to Members.

In the last paragraph of our circular dated February 3 we announce our intention to carry out a further operation in regard to the capital account—namely, to issue for cash an additional 125,000 shares, to be offered to members *pro rata*, which would be one share for every 10 shares now held. At par this would represent £12,500, and would raise the issued capital to £200,000. These shares will be issued at a premium commensurate with the market price of the existing shares, and full details will be given in a circular to be issued in a few days.

In the business of rubber planting it is well to be progressive, and as this Company was almost the first English Company formed to carry on rubber planting in Sumatra, we hope, with your financial support, to keep ourselves in the front rank of the industry.

Progressive Output.

The figures of the output of rubber from the Company's estate for the current season may be of interest. The crop for the seven months ended January 31 amounts to 710,000 lb., out of an estimated crop of 1,100,000 lb. for the twelve months to June 30 next, being an estimated increase of 280,000 lb. on the crop of the preceding season. This great increase in our output necessitates the erection and equipment of a new factory, and part of the proceeds of the new cash issue of shares will be appropriated to that purpose. With these short introductory remarks, I now beg to propose the first resolution: "That the capital of the Company be increased from £125,000 to £250,000 by the creation of 1,250,000 shares of 2*s.* each." I will ask Mr. Tate to be good enough to second that.

Mr. J. C. Tate seconded the motion, which was carried unanimously.

The Chairman: I now propose the second resolution as follows:—"That the Company, pursuant to Article 137 of the articles of association of the Company, hereby declares the sum of £62,500, being part of the reserve fund of the Company, shall forthwith be permanently capitalised in the manner specified in the said article and appropriated to the holders of the shares of the Company whose names appeared upon the register of members as at February 12, 1920, in accordance with their rights, and distributed among them in the form of fully-paid shares of the Company, and directs that the said sum of £62,500 be applied in paying up on behalf of the members entitled to such distribution 625,000 of the unissued shares of 2*s.* each in the capital of the Company, which shares, when so fully paid, shall be allotted to and distributed among the existing holders of the shares of the Company in the proportion of one of such shares for every two existing shares already held by them respectively, and that such shares shall rank for dividend and in all other respects with the existing shares of the Company, but so that nothing in this resolution contained shall entitle any member to claim an allotment of any fraction of a share, but the shares representing any fractional parts of shares shall be allotted to a person appointed by the board, and the same

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shall be sold and the net proceeds shall be divided among those members who would have been entitled to such fractions in due proportions, and that Mr. William Evi Crane, of 30 Mincing Lane, London, E.C. 3, be and he is hereby authorised, on behalf of himself and all other holders of the shares in the capital of the Company, to enter an agreement with the Company constituting the title of the allottees to such shares in the terms of the draft submitted to this meeting and for the purpose of identification endorsed with the signature of the Chairman."

Mr. A. P. Hadlow seconded the motion.

The Chairman: If any member has any observations to make, I shall be pleased to hear them.

Adequacy of Reduced Reserve.

Mr. Prothero: Have the directors satisfied themselves that the reserves, as diminished by the capitalisation proposed, will be adequate for all practical purposes?

The Chairman: We have no anxiety on that score, I can assure you. None whatever.

The resolution was put to the meeting and carried unanimously.

The proceedings then terminated.

VAUXHALL MOTORS, LTD.

THE adjourned ordinary general meeting of this Company was held on February 12 at Winchester House, Old Broad Street, London, E.C., Mr. Leslie Walton (the Chairman) presiding.

The Chairman said: Gentlemen,—In my speech at our meeting last April I was perhaps a little too optimistic as to the period within which we hoped to settle up our outstanding allowances and accounts with the Ministry, for I find, on looking up the remarks I then made, that I expressed the hope that we should be able to get the accounts settled within three months from that date. It has actually taken us nine months, but, considering the amount of work involved, in addition to our ordinary labours last year, the time taken has not been unreasonable. Your directors consider the settlements made quite satisfactory, and look forward in the future to presenting the accounts in the normal way at the general meeting in April each year, for the year 1918 is the last year of control, and so no question of allowances will arise in the accounts for last year and the future.

The Company's Assets.

There are one or two items in the balance sheet to which I would specially draw your attention. The first is that the profits amount to £67,118, after still further writing down the value of the roubles deposited in Russia, leaving an item of less than £20,000 as representing the value of the Russian assets, which includes such things as furniture, equipment, both at the office and factory, and stock (all of which have already been written right off our books), in addition to the roubles already referred to, thus making ample provision against loss, when it is remembered that the last item alone stood in our books in 1916 at over £88,000. The second item to which I wish to draw your special attention is the sum of £55,638 granted by the Ministry as a special allowance in connection with extensions carried out at our works, so that, whereas buildings, plant, tools, machinery, &c., cost £298,000 by reason of the special allowances for extensions made during the War this item appears in the balance sheet at £158,000 only. Finally, it will be noted that, while the sundry creditors and bank overdraft remain practically the same as last year, namely, £280,000, against £270,000, the items of stock and work in progress and sundry debtors have increased considerably—to £500,000, against £343,000 last year. These are important items in the balance sheet, and the directors feel that the results are highly satisfactory, for as I pointed out at our last meeting, times were difficult, especially for manufacturers of motor-cars as compared with manufacturers of aircraft. I now formally move that the report and accounts as presented be adopted.

Mr. Percy C. Kidner seconded the resolution, which was carried unanimously.

Extraordinary General Meeting.

An extraordinary general meeting was then held for the purpose of increasing the capital of the Company to £600,000 by the creation of an additional 200,000 shares of £1 each.

The Chairman, in moving the resolution, said: Gentlemen,—In rising to propose that the capital of the Company be increased, I am sure that I can show you several very good and urgent reasons why you should welcome the capital increase which is proposed. Since January 1, 1919, we have incurred a capital expenditure of some £160,000—some of this has already been spent and buildings are up and the plant in, but a lot has still to be completed, although a start has been made on practically all of it. This expenditure, in the opinion of the directors, is absolutely necessary to balance the additions we have made to our shops during the War, to enable us to work them to the greatest efficiency and reap the full benefit of the vast increase in the demand for our products that has arisen all over the world as a result of our outstanding War service. In addition to the necessity of capitalising our expenditure in this direction, we have found, as have all other manufacturers, the necessity for further working capital to finance our greatly increased stocks—increased not only in quantity but in cost.

Increased Capital a Competitive Advantage.

As I have explained, not only is it necessary to capitalise expenditure already incurred, and to which we are committed, but it is most important that we should have a larger cash working capital to enable us to maintain the position we now hold with manufacturers and suppliers of raw material by being able to place large orders and pay prompt cash in competition with the large combinations of motor-car manufacturers that have recently come into existence. A steady and smooth production programme is only possible where a firm carries a large stock of raw material and is thus able to tide over periods of bad or small deliveries from causes beyond its control. I might instance the recent moulders' strike as a case in point. Owing to our having large stock we were able to carry on for longer than many of our competitors.

These are the principal considerations from the purely manufacturing side. From the sales point of view, it is necessary to have more available capital to finance our foreign sales, and take full advantage of the opportunity we now have of establishing ourselves firmly in all the principal markets abroad in which we have already obtained a footing, but which can only be maintained by adopting methods which are familiar in those markets and are already being practised by our foreign competitors.

The output of the works has been doubled since pre-War days, and, when the additions now being made have been completed, will be still further increased, but will then only be such that the directors consider suitable to meet the demands for our products under normal conditions.

I must point out that to build and equip a factory similar to ours, which stands in our books at less than £160,000, would cost to-day anything from £450,000 to £500,000.

As we are anxious that the shareholders should have an opportunity of seeing the factory, we propose holding our next general meeting at the works, and the directors hope you will avail yourselves of the chance to inspect your property.

A Valuable Reputation gained during War.

I will now show you why we considered we must undertake the capital expenditure to which I have just referred. I have stated at our meetings during the last few years what a great reputation we have gained for our products during the War, and I again wish to emphasise that remark. No British car-manufacturing company has so enhanced and consolidated its reputation for producing a car fitted for really hard and continuous service and a car that has so overwhelmingly responded to that demand as our company. These are no irresponsible words, but are borne out by official figures and facts, and are beyond any question of dispute. It is on the reputation, and proved reputation under the most exacting conditions, that we are building our business for the future. Ours is a well-tried car, unlike so many of the cars which our competitors are offering to the public to-day, with very little but the manufacturers' statements to back them. With such a car to sell it is only natural that we have been able to select the very best agents throughout the world to represent us. We have established a world-wide selling organisation which could, on a conservative basis, dispose without difficulty of two or three times the number of cars we could turn out with the factory organised and equipped as I have outlined. Another important point to remember is that we have been delivering these cars during this season in very fair quantities, and that our agents have handled them and seen them in use by private owners and are very pleased with the results, and so keep pressing us for more.

Booked Orders: Possibilities of Misconception.

Now, I have frequently seen statements in the papers lately, and no doubt you have also, to the effect that certain manufacturers have huge orders on their books, amounting to very large sums running into millions. We could, if we so desired, do the same, but that is not a proceeding that seems to us sound, for the following reason: There is a world shortage of motor-cars to-day, and likely to be for some time to come; manufacturers are not in a position to produce at anything like their ordinary rate, and so there is, naturally, keen competition among the agents to get as

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many cars as possible. This leads them to order far more than they really require to meet their demands in their particular districts, knowing full well that all orders will be cut down. Now we have gone on different, and, I think, sounder lines. We have judged each territory covered by an agent from our past experience, and fixed a minimum number of cars for which he must contract for a year, and then we have allowed him to order a reasonable number in excess of these. We are not out for so-called "mass production," but to produce the greatest number of cars of the highest class that our works are capable of producing to meet the large demand for such a car at a reasonable price. We have orders on hand to keep us fully occupied for over twelve months, and could always increase them if we thought it desirable to do so.

From the preceding remarks you will have gathered that we have made such arrangements as, in our opinion, will assure for many years a demand for our products well in excess of our output, quite independent of the abnormal demand there is to-day for any car.

North American Markets.

There are two important markets which we have not yet opened up, for the reason that they cannot be successfully opened until a much larger supply of cars can be allocated to them than we can possibly spare this year. I refer to the United States of America and Canada. I have recently been to both countries, and I am fully satisfied that there is a large market awaiting our products there, and but for the moulders' strike I believe we should have been already established with our own depôt in these markets. We hope, however, by the end of this year to be in a position to supply these countries with a number of our cars, and, from my own observations, I see no reason why these markets alone could not, if carefully looked after, call for almost, if not quite, our whole output.

While in New York I was approached by a large importer who was most anxious to take up our agency and offered me a very satisfactory contract, but I did not fall in with his wishes for two very good reasons—one that we could not possibly promise him cars in face of our other commitments, and the second that I was satisfied, from inquiries and observation, that we should do better to run our own depôt there, and I hope that we shall be able to develop along those lines in the near future when we reach our maximum production. In my opinion the Canadian market must be dealt with in the same way. Without anticipating too much of what I shall have to say at our general meeting in April, and without the completed accounts, I think I can say that we are satisfied that the results of the past year's working are such as will enable us to pay our usual dividend for 1919, in spite of the disorganisation caused by the various strikes that have taken place last year.

Lieut.-Col. O. C. Clare, D.S.O., M.C., seconded the resolution.

The Chairman, in reply to a question, stated that it was the directors' intention to offer the new shares to the shareholders at 23*s*.

The resolution was carried unanimously.

GEO. H. HIRST & CO.

Separate general meetings of the holders of Preferred Ordinary shares and Deferred Ordinary shares in Geo. H. Hirst and Company, Limited, followed by an extraordinary general meeting of the Company, were held on February 12 at Winchester House, Old Broad Street, London, E.C., to consider resolutions for the reconstruction of the Company. Mr. H. W. Pelham-Clinton presided.

The Chairman said: Gentlemen,—I must in the first instance apologise for the absence to-day of your Chairman, Mr. Arthur Hirst. I persuaded him that it was entirely in the interests of the shareholders that he should take a complete rest and recover his health, and get into condition to face the arduous work which he will have to undergo on his return. You will have read the proposals for the reconstruction of the Company. I will, however, just briefly outline the scheme and give you our reasons for suggesting it.

Details of Conversion.

As you are aware, the share capital is now as follows:—25,000 £1 7% Preference shares (non-participating), 160,000 5*s*. Preferred Ordinary shares (participating), and 200,000 Ordinary shares of 1*s*. We intend under the scheme to exchange the 25,000 7% Preference shares for 25,000 8% Preference shares in the new Company, and to convert the 160,000 5*s*. Preferred Ordinary shares into £1 Preferred Ordinary shares, and the 200,000 1*s*. Ordinary shares into £1 Ordinary shares. The reason for converting is to bring the nominal issued capital of the Company more into accordance with the true value of its assets. For many years past large sums have been put back into the business out of profits which have never appeared in the share capital, while in recent years machinery and buildings have greatly increased in value. This is therefore one reason for suggesting to you the alteration in the share capital. There is, however, another. If the Company is making good profits, and I am very pleased to say this is so, and if you declare good dividends on a nominal share capital which is disproportionate both to the actual capital sunk in the business and to the true value of the assets, you convey too favourable an impression of your profits, which might give rise to uninformed criticism.

Now I come to the Preference shares. At the moment we have only a small issue of 25,000 £1 7% Non-participating Preference shares. We propose to create 250,000 £1 8% Non-participating Preference shares, of which 25,000 are to be reserved for exchange with the holders of the existing Preference shares. There will thus remain 225,000 of these shares.

Acquisition of a Business.

After mature consideration, your directors decided a short time ago to purchase the whole of the Ordinary share capital of Wilcock and J. Rhodes, Limited. The purchase price was £175,000, and the vendors stipulated that they should have the right to subscribe for 75,000 8% Preference shares in George H. Hirst and Company, Limited, at par. There remains 150,000 Preference shares. Arrangements were made with our bankers to provide £100,000 of the cash required to complete the purchase pending an issue of Preference shares to pay off the loan, and we shall, therefore, shortly offer 100,000 of these shares at par to the shareholders *pro rata*, according to their holdings. The existing Debentures are to be paid off under this scheme, and these Preference shares will practically be a first charge on all the assets of George H. Hirst and Company, Limited, and Wilcock and J. Rhodes, Limited. The combined net income of these two businesses, before allowing for taxation, is now over £130,000 per annum, while the interest on the proposed total issue of 200,000 Preference shares at 8% only absorbs £16,000 per annum. The present profits of Wilcock and J. Rhodes, Limited, are sufficient not only to provide the interest on the capital required to purchase the business, but to give a substantial surplus, which will be available for the shareholders of George H. Hirst and Company, Limited.

After indicating the provision under the scheme for the payment of dividends in respect of the six months' trading up to the date of the winding-up of the old Company, the Chairman added: We feel the scheme has been drawn up in the best interest of all classes of shareholders, and we hope it will be unanimously adopted.

Mr. William Webb, J.P., seconded the resolutions, which were carried unanimously at the three separate meetings.

TAMIANG RUBBER ESTATES, LIMITED.

The tenth annual ordinary general meeting was held at the offices of the Company, 59 Eastcheap, London, E.C., on February 13, Mr. Herbert Wright presiding.

The Chairman, in moving the adoption of the report and accounts, said that the net proceeds from sales amounted to £77,029, as against £58,758 in the previous year. It would also be observed with satisfaction that their estate expenditure had been only slightly in excess of that of the previous year—£43,243, as against £41,783, a very small increase compared with the increased crop. The loss on exchange amounted to £1,939, as compared with £7,470. For every £1 they remitted to Sumatra, they were now credited with only 15*s*. That meant an increase in their cost of production by approximately 25%. Fortunately there had been a marked increase in the price of raw rubber, fully covering that loss on exchange. Their investments and cash totalled over £54,000, which was more than 25% of the total issued capital of the Company. That was very satisfactory.

The net result of trading was that they had a balance of £31,598, and recommended a dividend of 15%, free of tax. The crop for the first four months of the current year amounted to 323,060 lb. of dry rubber, and it looked quite likely that their estimate of just short of 1,000,000 lb. would be realised. The only sad part of the report was that relating to the sales which they had been forced to make in the East during the War. They had had to sell nearly 300,000 lb. at the poor price of 1*s*. 4*d*. per lb., and that accounted for the low average for the year. The balance of crop sold in London had fetched 6½*d*. per lb. more, and the stock taken into the accounts at 2*s*. 2*d*. had since been realised at 2*s*. 6¼*d*. per lb. (Hear, hear.)

With regard to the acreage, he was sure that shareholders would be very pleased with the position. They had nearly 2,600 acres at maturity, over 1,000 acres of immature rubber, and 331 acres in course of planting. The total planted acreage stood at only £40 per acre. They had a large block 5,183 acres—of reserve land. If the rate of exchange was more favourable, they would very rapidly extend the planted acreage of their magnificent land, but they were compelled to limit their extensions to small areas at present. The latest report from the property described everything as being in excellent condition. For the year 1920 they had sold 470,000 lb. forward at an average of 2*s*. 4.5*d*. per lb. For 1921 they had sold forward a portion of their estimated crop—241,920 lb.—at an average of just under 2*s*. 6*d*. per lb.

Mr. A. G. N. Swart, in seconding the motion, said that he had visited the estate in September last, and was glad to report that the estate could be ranged among the very best in the Netherlands Indies.

A resolution was passed making certain alterations in the articles.

BOVRIL, LTD.

THE twenty-third annual general meeting of Bovril, Limited, was held at River Plate House, London, E.C., on February 15, Mr. George Lawson Johnston presiding.

The Chairman said that it was with great satisfaction that he met the shareholders again and brought before them such a splendid set of accounts. As a result of a strenuous year's work the Company had achieved a gross profit on trading of £512,016, or £127,930 more than in the previous twelve months, the net profit being £247,878.

"It has been a race between rising costs and bounding sales, and the latter have won," continued Mr. Johnston. "The reduction in the margin of profit has been more than compensated for by the enormous increase in the turnover.

Profits Realised on pre-War Price and Quality

"Most of the shareholders," the Chairman proceeded, "were aware of the determined stand the Company had taken against making Bovril a factor in the rise in the cost of food, and it was with no little pride that they were able to say, 'Bovril is the same price, and of the same quality, to-day, as it was on the fateful 4th of August, 1914.'

"I am willing to confess to you," said Mr. Johnston, "that at times we have had misgivings as to whether we could hold out against ever-rising costs, but year after year we have come before you with a similar pronouncement, and you have been good enough to trust us while we carried through our policy. That it would redound to Bovril's credit I have never doubted, but one could not feel the same certainly that, while we were solidifying our financial position, and acquiring the goodwill of our consumers even beyond all our anticipations, we would be able, in addition, to present to our shareholders a profit surpassing all previous records. It is almost a hackneyed phrase to say nowadays, 'Bovril did not profiteer,' but, when I prophesied here two years ago that Bovril would become famous because 'it had had its opportunity, but did not profiteer,' there were, I think, few who estimated how the intensity of feeling would rise against those who had really overcharged, particularly on necessary domestic requirements."

Turning to the problem which had been presented by the shortage of bottles, the Chairman pointed out that prices for English-made bottles had been soaring until they had had to pay about 200% more for a machine-made British bottle than before the War.

Amalgamation—Horizontal and Vertical.

Passing to other war-time changes, Mr. Johnston said that one of the effects of the Advisory Committee system during the War had been that former competitors in the same trades got to know one another. These ex-competitors, once acquainted, frequently appreciated that the "parallel" manufacturer was not the enemy, but that possibly the enemy was the supplier of the raw material on the one hand, or the middleman on the other. In his opinion sectional "horizontal" combinations of a trade which were large enough to hold up the industry at one stage were an unsatisfactory product of the War period. The amalgamations that should be encouraged were those of manufacturers of the various stages from the raw-material producer down to the distributor. He did not say this because that was the Bovril method—control of cattle on millions of acres down to the finished bottles of Bovril—but it was obvious that economy could be effected in many trades if the management understood, not one process only, but the whole series of processes from start to finish. If such "perpendicular" amalgamations became more numerous, the result would be competition between these "upright" groups, and thus the consumer might hope to come into his own again.

The popularity of Bovril among small investors had been strikingly shown last year when a subscription list for £500,000 6% Notes was over-subscribed.

"Bovril seems to be in everybody's mouth—probably that is exactly where one would expect it to be," added the Chairman. "I open my *Times* and find that Lord Fisher has written that he has boiled down Ludendorff and Tirpitz into Bovril. A coiner of apt phrases probably could not very well avoid the simile, but we received letters asking what we were going to do about this libellous statement.

Happy Domestic Relations.

The Chairman emphasised the good relations that had always existed with the Company's employees, mentioning that they had never had serious labour disturbances, nor had the associated Companies in Australia and the Argentine.

Sir James Crichton-Browne, M.D., F.R.S., said that Bovril had been long and intimately associated with the great voluntary hospitals, but it was not a lively sense of favours, past or to come, but a patriotic conviction of their national importance, that induced the directors, in the only way that was open to them, to hold out a helping hand to those hospitals in the terrible straits to which, through no fault of their own, they had been reduced. The action of the Company, he had reason to believe, was highly appreciated, and the board had received warm letters of gratitude and thanks from some of the largest hospitals in the country.

The report was adopted.

CITY OF TOKYO FIVE PER CENT. LOAN 1912 STERLING ISSUES

Notice is hereby given that the Coupons due 1st March, 1920, will be paid on and after the date (Saturdays excepted), between the hour of 11 and 3, at the Yokohama Specie Bank, Ltd where lists may be obtained.

Coupons must be left three clear days for examination prior to payment.

For THE YOKOHAMA SPECIE BANK, LTD.
T. OKUBO,
Manager.

9 Bishopsgate, E.C. 2.
14th February, 1920.

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NOTICE IS HEREBY GIVEN that the Share Register of Transfers of the above Company will be Closed from February 9 to February 23 (inclusive).

By Order of the Board,
H. T. MUGGERIDGE,
Secretary.

2, 3 4 New Basinghall Street,
London, E.C. 2,
February 6, 1920.

CANADIAN PACIFIC RAILWAY COMPANY.

DIVIDEND NOTICE.

At a Meeting of the Board of Directors of the Canadian Pacific Railway Company held to-day, the following Dividends were declared:

On the Preference Stock, Two per cent. for the Half-year ended 31st December, last; and

On the Common Stock, Two and One-Half per cent. for the Quarter ended 31st December last; being at the rate of Seven per cent. per annum from Revenue; and Three per cent. per annum from Special Income Account:

both dividends payable on the 1st April next to Shareholders of record at 3 P.M. on the 1st March next.

By Order of the Board
E. ALEXANDER,
Secretary.

Montreal, 9th February, 1920.

JOURNAL OF THE ROYAL STATISTICAL SOCIETY.

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Contents.

"Fifty Years of Canadian Progress 1867-917," by E. H. Godfrey (with discussion).
"Some Changes in the Distribution of the National Income during the War," by J. E. Allen, M.A. (with discussion).
"Expansions Useful in the Theory of Frequency Distributions," by A. Guldberg.
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Holders of Share Warrants to Bearer are hereby requested to lodge Coupons No. 10, on and after the 26th February, 1920, at either of the Offices mentioned below:—

Johannesburg, at the Offices of the Company, 94 Main Street;

London, at the Offices of the Company, Pinners Hall, Austin Friars, E.C. 2;

Paris, at the Banque de Paris, 5 Rue d'Antin, Paris;

for the purpose of receiving the Scrip Dividend at the rate of 2 shares for every 25 shares held, subject to a deduction for Income Tax of 5s. 6d. in the £ in the case of United Kingdom Shareholders, being 6s. in the £, less relief of 2s. 6d. in the £ in respect of Colonial Income Tax, or 2s. in the £ in respect of French Income Tax and French Transfer Duty in the case of Shareholders residing in France, calculated on the shares taken at the price at which they were purchased viz., £2 per share.

The above relief from British Income Tax for the year ending 5th of April, 1920, has been authorised by the Commissioner of Inland Revenue in respect of Union of South Africa Income Tax and Dividend Tax.

The Company is requested to state that in respect of any payment of dividend or interest on which relief has been allowed by deduction of British Income Tax at a reduced rate the Commissioners will not entertain claims by individual shareholders, &c., for:—

(1) Relief in respect of Colonial Income Tax already granted to the Company on their behalf and passed on to them in the form of a reduced deduction; or

(2) Relief by reduction of the rate of Income Tax payable in respect of the total income where the individual's total income does not exceed £2,000, unless the amount of the relief from British Income Tax allowed by the reduced deduction falls short of the total amount of relief which would have been allowable on the dividend or interest in question if the individual concerned had first obtained relief in respect of any other income on the ground of his total income not exceeding £2,000 and had then claimed by way of repayment the relief (if any) to which he was entitled in respect of Colonial Income Tax.

Special Forms for lodging the above Coupons may be had on application.

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London Secretaries.
Per J. H. JENNINGS.

London Transfer Office.
Pinners Hall,
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Business communications should be addressed to the Manager,

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The Statist.

LONDON SATURDAY, FEBRUARY 21, 1920.

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The Money Market.

Friday, February 20, 1920.

	Current Rate %	Fixed	Previous Rate %	Fixed
Bank of England Rate...	**6**	**(Nov. 6,'19)**	**5**	**Apr. 5,'17**
Deposit Rates:—				
Banks & Discnt. Ho. (Call)	**4**	**(Nov. 6,'19)**	**3⅛†**	**Oct. 6,'19**
Discount Houses (Notice)...	**4¼**	**(Nov. 6,'19)**	**3¾**	**Oct. 6,'19**

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.
† Foreign and Colonial banks give Special Rates only upon deposits for a year

Discount Rates:—	60 Days. %	3 Mos. %	4 Mos. %	6 Mos. %
Treasury Bills	—	5⅛	—	5⅛
Bank Bills	5⅞	5 13/16–13/16	5 7/8–7/8	5⅞
Trade Bills	—	6–6¼	6¼	6½

FOLLOWING the pronounced stringency which ruled in the Money market at the end of last week, conditions became rather easier on Monday on account of the repayment of Exchequer Bonds. The effect, however, was not so great as was anticipated, but it must be remembered that heavy displacements of cash were to be expected in connection with the rapid ingathering of revenue. The rates for day-to-day money eased to 3½-4, but the latest tendency is towards higher rates on account of a strong demand. Earlier in the week closing balances were placed at as low as 2½ per cent. Weekly fixtures remain steady at 4¼-4½%. In the Discount market the tone became easier earlier in the week for most dates, but hardened again yesterday. On account of the uncertain money outlook, long maturities are being avoided. As is only to be expected, the number of commercial bills coming forward is on the increase, so that a general decline in rates is improbable. April bills closed firm at 5⅜-5⅛%.

In the Foreign Exchange market the New York cable transfer rate rose 2¼c. in our favour, closing at 3.40¾. The French and Belgian franc and the lira improved to 46.55, 45.95, and 61.12½ respectively. Finnish marks were unchanged, but German marks improved 6 points, closing firm at 331½. Amsterdam moved against us to 9.11. Christiania and Stockholm moved in our favour, and Danish kroner improved to 22.77½. In the South American group Montevideo

showed a slight movement in sympathy with the dollar. Montevideo, on the other hand, went against us by a trifling amount. Of the Eastern group, Hong Kong went up to 5*s.* 8*d.*-6*s.* 2*d.* Shanghai closed at 8*s.* 7*d.*-9*s.* 1*d.*, and Japanese yen closed without change at 2*s.* 9¾*d.* to 2*s.* 10¼*d.*

The substantial reduction of £16,400,000 in the floating debt is a feature of the Public Income and Expenditure Return for the week ending February 14, The amount of Treasury bills outstanding was reduced by 5½ millions, and the amount of Ways and Means Advances obligations by £10,900,000. In addition our debt abroad was reduced by nearly 7 millions. This improvement was enabled to be made by the revenue for the week more than doubling the ordinary expenditure. The ordinary revenue totalled £52,565,000, following £44,086,935 for the preceding week, and its increase is probably largely due to realisation of Government assets. The revenue for the financial year is now about 207 millions under the revised estimate of revenue for the whole year, and nearly 340 millions under the expenditure to date. As stated by Lord Hylton in the House of Lords on Thursday, the total dead-weight debt was 7,913 millions approximately on February 14, as compared with 7,998 millions on December 31, 1919. On March 31, 1919, it was 7,481 millions, on March 31, 1918, 5,921 millions, and on August 1, 1914, only 645 millions. On February 14, 1920, we owed the United States Government £865,600,000, and £120,000,000 to other U.S. creditors. The debt due to foreign countries, including the Argentine, Uruguay, Japan, and various neutrals, and excluding our debt to the Dominions and Colonies, was approximately 150 millions. Against this enormous load of debt it must not be forgotten that we have, according to a White Paper estimate, a set-off of about 2,626 millions, including obligations of the Allies, the Dominions, and India, and also the proceeds of Government assets, advances repayable, and arrears of excess profits duty. In addition, an indeterminate amount is due to us from Germany as indemnity under the Treaty of Peace.

The Currency Notes Return for the week ending February 18 signalises a further reduction in the total of notes and certificates outstanding, and accordingly in the amount of the fiduciary issue. Notes and certificates issued amounted to £6,443,233, and cancellations to £7,741,973, thus reducing the outstanding total by £1,298,740 to £326,073,632. The fiduciary issue on February 18 was £293,473,632, a reduction of £30,178,390 since the beginning of the year. In consequence of this improvement the ratio of Bank of England notes and gold to notes has gone up to 10%, which, it will be remembered, was recently recommended as a minimum rate.

BANK OF ENGLAND.

The salient feature of the Bank return this week is that the reserve has dropped 5% to 17.4%. This is not due to any great decline in the amount of the reserve, which has in effect only fallen from £34,501,000 to £33,305,000. The cause lies in the substantial increase in liabilities, which have risen during the week from £154,303,000 to £191,166,000. To this rise public deposits contributed £4,325,000; but the greater share—no less than £32,536,000—came from the addition to "other" deposits. It is not very difficult to account for this sudden increase in the funds at the disposal of the market. Revenue is flowing into the Exchequer rapidly; during the week ended February 14 over £52,500,000 were received under the ordinary headings of income. This enabled the Government not merely to meet maturities of Treasury bills in excess of the renewals, but also allowed them to reduce Way and Means Advances by nearly £11,000,000. Both these factors tend to swell "other" deposits, and also the influx of revenue probably accounts for the addition to public deposits. The material factor, however, seems to be connected rather with the maturity of Exchequer bonds this week, which produced a plenitude of funds in the market on Monday. Moreover, there is a somewhat curious coincidence between the increase of £32,536,000 in "other" deposits and the addition of £33,170,000 made to Government securities during the week. Considering the general condition of revenue and expenditure, it is a reasonable inference to assume that this sum was borrowed by the Government to repay such Exchequer bonds as were not renewed. The Government was not the only borrower; for the market increased its indebtedness to the Bank by £4,963,000. An addition of £2,475,000 was made to the stock of gold, thus raising the total of coin and bullion to £108,500,000. The circulation expanded during the week by £3,669,000 to £93,646,000.

BULLION.

Wide fluctuations with, on the whole, a downward tendency in prices have been a marked feature of the Silver market during the week, and the present tendency is still very unsettled. Following the sharp fall at the end of last week there was a slight recovery to 84¾d. for spot silver, but with renewed supplies of melted coin from the Continent, and also on account of the improvement in the New York exchange, this recovery was not maintained, and prices receded yesterday to 83¾*d.* for cash and 82½*d.* for forward delivery. Buyers were scarce, the Chinese demand having practically ceased with the advent of the Chinese New Year holidays. As the refineries expedited the handling of imports of melted coin, the discount for forward delivery closed from 5*d.* towards the end of last week to 1¼*d.* on Tuesday, but advanced subsequently under selling pressure. Small quantities were again sent to India during the week. The heavy sales from the Continent have produced a great scarcity of silver coin in France, and the matter is causing some anxiety to the French Government and may result in the introduction of coins of base metal. There is still considerable anxiety in the market as regards the absence of buyers, but it can hardly be doubted that China will again inquire for the metal when the holidays are over. This view is strengthened by the firmness of the Shanghai exchange, which was quoted at 8*s.* 8*d.* yesterday. Stocks in Shanghai are large, but China has already given abundant proof of her powers of absorbing the metal. The Chinese demand represents a demand not only of China but of the large tracts in the interior of Asia as well, where paper money, which is practically the only money in circulation, is at a discount of 18 to 20 per cent. Everywhere people are trying to change paper money into something which meets which more confidence. Some firms up country buy all kinds of commodities with their paper holdings, and sell them in Hong-kong in order to create a balance in a Hongkong bank The opium growers accept only silver in payment of their goods, and holders of paper who cannot buy goods buy silver instead. The silver thus obtained is hoarded, and no one considers himself secure who has not got his little pile of the white metal. Naturally under these conditions trade is becoming increasingly difficult, and one might be inclined to predict that the hoardings of silver would again be brought into circulation when people realised that it

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was necessary to trade. It is well to remember, however, that it has always been the case that gold and silver which goes to the Far East disappears for ever, and in view of this it will be remembered that the large quantities of the precious metals which China is at present taking from America will, according to some predictions, be a grave peril to the strength of American banking reserves.

Supplies of gold have been markedly small during the week, and there was a good demand from India and South America, chiefly Argentina. The price has fluctuated with the movement of the American exchange, but was at no time higher than 122*s*. 6*d*. per ounce fine.

NEW YORK.

The latest return of the New York City Banks and Trust Companies shows that the power of the banks has been reduced during the week. Though the reserve requirements were over $4½ million lower on account of a substantial reduction in loans, yet the aggregate reserve has fallen by nearly 5 millions to $573,940,000, so that the excess reserve is $400,000 under the figure for the preceding week. The actual decrease in liabilities was $34,050,000 in Demand and $1,780,000 in Time Deposits, U.S. deposits being $40,490,000 lower. Though it is customary to expect an improvement in the New York Federal Reserve Bank's position when these banks present an unfavourable report, yet the ratio of reserve to liabilities of the New York Reserve Bank has fallen to the low level of 38.1%, the reason being in this case a large increase in liabilities, though the cash holdings show simultaneously a substantial increase. The ratio of reserves to liabilities for the Federal Reserve system as a whole has also diminished for the week to February 14, and is, in fact, at a figure which is lower than any hitherto reported—viz., 43.25%, the last low "record" being 43.7% on January 2 last. The total reserves were only $2,150,000 lower, but a great expansion occurred in re-discounts and note circulation. The Federal Reserves Notes in circulation now amount to $2,959,000,000, or $114,820,000 greater than the amount in circulation three weeks previously.

While the lending power of the banks is decreasing, as indicated by the gradual fall in reserves since the beginning of last October, all indications show the demands of the country for capital for trade purposes to be steadily increasing, so that the Federal Reserve system is at present undergoing a strain greater than any it has had to endure since its inception. Moreover, the immediate future holds little prospect of relief, for recent events have made it clear that the Americans cannot continue their export trade in face of the present condition of the European exchanges unless they allow credits to European purchasers. In fact, since before the end of last year there has been a marked decline in U.S. exports, though on account of a simultaneous rise in prices the money value of the exports as published do not reveal this state of things. Quite recently this falling off has become acute, and the export trade of many commodities, chiefly cotton, meat, and grain, is practically at a standstill. Indeed, the Institute of American Meat Packers announce that, largely on account of the exchange situation, the export trade in meat has practically ceased. There are mainly three methods by which, under present conditions, the export trade could be kept up. Firstly, by a Government loan to European countries; but we have had abundant evidence of late that hopes built on such an eventuality are likely to meet with disappointment. Secondly, by the sale of European securities in America; but though much has been accomplished by this method in the past, it is unlikely that it will prove adequate in the future. Lastly, there is the question of direct long-term credits being granted to the European importer. That is to say, the American exporter would not demand immediate payment from his European customer, but would require him to place for his account in a local bank the amount of the invoice, which amount would be subject to interest, and would vary with the fluctuations in the exchange. The debtor could then remit when the exchanges become favourable. Such expedients, though not providing a permanent remedy to the situation, could enable a permanent remedy—namely, the equalising of exports with imports on the part of the debtor countries, to be brought about, and for the moment at all events, if foreign trade is to continue, some such arrangement appears to be necessary. From all this it is obvious that the burden of supplying credits to a large proportion of the world will ultimately fall on the banks of the United States, and therefore the strength of the U.S. banking system will continue to be a matter of deep concern not only to America herself, but also to the less prosperous nations on this side of the Atlantic. A reference to what has occurred in 1919 makes the position clear. Last year's "favourable" balance of trade for the United States was over $4,000,000,000, and to meet this Government extensions of credit and sales of foreign securities in U.S. combined totalled about $2,000,000,000. The balance of $2,000,000,000 was made by private credits granted by U.S. exporters to their customers, which meant a corresponding expansion in the credit of the Federal Reserve system.

Stock Exchange.

The Stock markets opened the week in a decidedly cheerful manner with many strong features, but a dull tone set in later, and there was some liquidation and a good deal of irregularity. Gilt-edged stocks were notably weak. Home Rails showed considerable strength at first, but suffered a decline later.

The repayment of the Exchequer Bonds on Monday found no supporters for the Gilt-edged market, and prices generally declined, the closing quotations offering attractive yields. Consols dropped to 50, War Loan Four-and-a-Halfs are ½ lower at 82, and War Loan Fives 7/16 lower at 89¾. Funding Loan and Victory Bonds were marked each ½ up on Monday, but subsequently declined ½ and ¼ respectively. Bank of England lost 1¼ points at 190¼. Indian issues were inquired for on Monday, and the Three-and-a-Halfs rose ¼ each. There was little activity in Colonial stocks. N.S. Wales 5⅜ per Cents. rose 1 to 100, and South Australia Fives ½ to 97. Cape Three-and-a-Halfs were marked up ½ to 71, and Natal Three-and-a-Halfs 2 to 72.

The tone of the Foreign market was firm on the whole. There was a good inquiry for Brazilian and Japanese issues, and French securities kept firm with a slight improvement, notwithstanding the rise in the exchange. Belgian Threes were weak. The Committee of the Stock Exchange have allowed dealings in the French 5% Rentes, 1920, after issue of allotment letters.

The Home Rail market showed a healthy activity,

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particularly in the Heavy group, after its long period of depression. Yesterday, however, there was a slight reaction, and the prices of many stocks declined. Great Easterns were marked up 1¼ point to 34½. Great Westerns rallied 3¾, but subsequently lost 1½ to 90¼. London and North Westerns gained 1½ to 93⅜. Midland Deferred showed a net rise of 2 to 59. North Easterns gained 1¼ to 96¼. South Eastern Deferred maintained a rise of 1¼ to 33½, and Underground Electrics (A) closed at 6*s.* 10½*d.*

Argentine Rails were probably the strongest feature of the markets this week, and maintained an activity which has been a feature of the Foreign Rail market for some time past. Reports to hand show a growth of prosperity in the country and a comparative absence of labour unrest, while traffic receipts are constantly on the increase, so that, as we pointed out in a recent issue, there is every reason to believe that holders of those stocks who suffered badly during the War may now look forward to brighter prospects.*

Movements were irregular in the Industrial market, but strong features were not wanting. Among shipping shares Cunards and Indo-China Deferred were weak, and Anglo-Europeans, after a firm opening, closed with a net gain but with a weaker tendency. Harper Beans were marked up 1*s.* on Monday. In the Engineering, Iron and Steel market Guest Keens were a strong feature with a rise of 1*s.* 7½*d.* Birmingham Small Arms were irregular and Mond Nickels closed ⅜ down at 37⅞. Associated Cements were strong. Of catering shares Liptons established a rise. Textile movements were irregular. Bleachers rose 2*s.* 9*d.* to 56*s.* Calico Printers gained 1*s.* 1*d.* to 40*s.* 4*d.* Amalgamated Cotton Mill Trusts lost ¼ at 5 7/16. Courtaulds rose ⅜, but later declined 1/16 to 9 5/32. Following favourable reports of the nitrate trade, Nitrate shares developed a great activity on Wednesday and are blazing at present. The advance in prices was shared by practically all the shares. Santa Catalinas rose 7*s.* 6*d.* to 50*s.* 6*d.* Salar del Carmen rose 9*s.* 6*d.* to 72*s.* 6*d.* The strongest feature was Aguas Blancas with a rise of 9*s.* 6*d.* to 45*s.* 6*d.* Angelas were marked up 3*s.* 6*d.* to 52*s.* 6*d.* Pan de Azucars gained 3¾ at 20¼, and Alianza 1¾ at 24⅝. Rosarios, which were weak in the beginning, are also going up rapidly and are at 10⅛ at present. Among recent issues there was considerable activity in the shares of the United Dairies Company, which closed firm at 26*s.* 4½*d.*

The absence of Continental selling and a big accumulation of week-end orders produced considerable strength in the Oil market on Monday, but with the exception of Mexican Eagles activity was not maintained and little interest was aroused. On Wednesday the depression was pretty general, but the favourites came in for renewed attention later on. Mexican Eagle Common rose 1 5/16 to 11 5/16, and the Preferred rose 1½ to 11 7/16. Shells closed strong at 13⅛. Royal Dutch showed a substantial gain of 3½ to 90¼. Burmahs and Scottish-Americans were unchanged.

* In this connection we may refer our readers to a table showing prices and dividends of representative Central and South American lines published in our issue of January 24, 1920.

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Mining Topics.

For the present at all events the boom in mining has come to a rather abrupt termination. Reports, it is true, continue to pour in reflecting the extent to which the premium on gold is added to profits. Geduld Proprietary Mines have more than doubled their December profit, securing £38,887 in January from 45,000 tons of ore, as against £19,056 from 43,500 tons. Meanwhile during the week, although the American exchange has improved slightly, the price of gold still keeps above 120*s.* an ounce. Yet the Mining market is still in the throes of the reaction that set in last week, and has failed to respond to any appreciable extent to these reports. The Transvaal mining returns recording an increase of over 10,000 natives at work in January with a total of 193,952, and an increase in the output of gold from 650,191 ounces to 670,503 ounces with a consequent rise in the value from £2,761,836 to £3,603,954, at most sufficed to check the downward tendency of prices. Two factors are in the main responsible for this. The first and minor factor arises from the lack of definite information as to the course of events in connection with the Rand engineers' dispute. For it is realised that whatever concession is ultimately made to them may probably result in a demand from the black labour for an increase also. But the main cause of the reaction during the week is associated with the currency situation at the Cape. South African currency is still on a gold basis, and there is a very heavy demand for gold against notes, particularly as gold is the form of money which alone is readily acceptable by coloured labour. The banks finding that there has been a very heavy drain on their stocks of gold, which has necessitated—in the absence of

a South African mint—the purchase of gold and the minting of it in London, have been compelled to put up their charges for sterling drafts in an attempt to recover the loss thus incurred by this purchase of gold at a premium. Consequently, a normal rate of ½% and a recent rate of 1⅛% for Telegraphic Transfers have been replaced since February 12 by a rate of 4⅛%, the rate rising to 7¼% for drafts at 120 days' sight. For a speculator in Johannesburg to accept a discount of 4⅛% in the £ on sales in London would involve a considerable margin between the prices in both centres. This cause induced considerable liquidation on Johannesburg account during the week, partially representing an attempt to anticipate the rise and partially the outcome of it on the part of weak holders. Thus most of the leading Kaffir descriptions remained dull or reacted

FERREIRA DEEP, LIMITED.

Yr. to Sept. 30	Ore Milled Tons	Gold Revenue per Ton	Expenses per Ton	Working Profit £	Per Ton	Net Profit £	Dividends £	Dividends %
1916	643,460	35/2	20/11	458,695	14/3	452,699	379,750	38¾
1917	508,320	32/8	21/3	334,000	11/5	333,667	281,750	28¾
1918	508,200	31/9	23/5	2 1,716	8/4	216,191*	220,500	22½
1919	414,890	31/4	25/1	129,875	6/3	150,279†	122,500	12½

* Excluding £40,505 received under Bewaarplaats Moneys Act.
† Including gold premium, £17,911, but excluding £5,510 received under Bewaarplaats Moneys Act.

That the prosperity of this mine is definitely on the wane appears evident from the report issued for the year 1918-19. There has been a marked decline in the quantity of ore milled—from 508,200 tons in 1917-18 to 414,890 tons. Many factors were at work contributing to this decrease. A serious earth tremor towards the end of November 1918 caused a week's delay to hoisting at No. 1 shaft. The prevalence of the influenza epidemic at the same period accentuated the shortage produced by the scanty supply of native labour available during the year. According to the Manager's report, the staff during the year under review consisted of 435 whites and 2,840 natives, as compared with 508 whites and 3,461 natives in 1917-18. But, as might be anticipated, the main factor in the decline was the diminished number of available stope faces. For the Main Reef Leader stoping widths averaged 62 inches, as compared with 71 inches in 1917-18; for South Reef the average was 49 inches, as compared with 58 inches in 1917-18. Development operations were continued in the eastern and low-grade end of the mine. Whilst the greater portion proved unpayable, nevertheless in the vicinity of the Village Main Reef boundary payable ore has been exposed. The amount of such ore developed during the year was 131,114 tons of 7.6 dwt., as against 143,700 tons of 6.6 dwt. for 1917-18. The working revenue per ton milled has fallen by 5*d.* to 31*s.* 4*d.*, whilst working expenses have increased by 1*s.* 8*d.* to 25*s.* 1*d.* per ton. Consequently, there is left only a working profit of 6*s.* 3*d.* per ton, as compared with 8*s.* 4*d.* in 1917-18 and 11*s.* 5*d.* in 1916-17. It is not surprising, therefore, to find that the net profit has been reduced from £216,191 to £150,279. Furthermore, this latter amount has been swelled by the addition of £17,911, representing the profit obtained between July 25 and September 30, 1919, owing to the premium on gold sold, which works out for the period at an average of 15%. Under these circumstances the dividend of 12½%, absorbing as it does nearly five-sixths of the net profit, is a very generous one. As regards future prospects, it is well to bear in mind that the discontinuance of reduction operations at the outcrop plant since the end of March 1919—a discontinuance necessitated by the smaller number of working faces—means a great decline in the reduction expenses. Moreover, an exchange of claims with the Village Deep for the right to mine certain ore on the Leader adjoining the common boundary, as well as a somewhat similar acquisition from the Robinson Deep at a cost of £17,500, gives the Company the means for a slight prolongation of life. Against this comes the continued increase in the cost of working. Thus, during 1919 the Miners' Phthisis Act passed by the Government of the Union of South Africa has increased the levy made on the Company every quarter from £1,311 to £4,903, whilst the decision conceding the right of the Provincial Council of the Transvaal to levy taxation on the profits of gold-mining companies involves for the two years ended September 30, 1919, a total tax of £5,426. Furthermore, there has been another big reduction in the ore reserves, which were estimated at 807,880 tons of 8.2 dwt. on September 30, 1919, as compared with 932,400 tons of 8.0 dwt. for September 30, 1918. Moreover, the stoping widths of the reserves are only 69 inches for the Leader and 56 inches for the South Reef, as compared with 72 inches and 57 inches for the previous year. And of these reserves it is reported by the Engineer that only 487,470 tons are immediately available. To what extent the greatly enhanced premium on gold—over 40%, as compared with 15% for the period of the accounts—will counterbalance the increased cost of working and the poverty of the ore can only be surmised. In this connection it is wise to pay heed to the report of the Consulting Engineer. "The results for the last quarter of the financial year," he writes, "showed a very considerable decline on the previous period; the recovery per ton was only 29*s.* 4*d.*, as compared with an average of 32*s.* per ton for the first three quarters. The stage has now been reached when there are very few high-grade stope faces available; a considerable amount of work has been done in the unpayable areas in an attempt to expose some payable ground, but, in spite of the extended use of jack-hammer machines, and the consequent decrease of the stoping widths, there has been very little success in this direction." Finally, he forecasts a smaller working profit for the current year in the absence of any reduction in the cost of working. Turning to the balance sheet, sundry creditors stand at £110,683, and are amply secured by £144,447, consisting of £50,000 in English Treasury bills, a cash balance of £17,077, and the gold consignment account of £77,370. Sundry debtors, including payments in advance, amount to £11,041, whilst the balance carried forward from the appropriation account is £154,091. The issued capital consists of 980,000 shares of £1 each, and the shares are at present quoted at 13*s.* 6*d.*

MASHONALAND CONSOLIDATED (1912), LIMITED.

Having received the necessary Treasury sanction in May 1919, the capital of this Company was reconstructed. Hitherto its authorised capital was £300,000, divided into 1,200,000 shares of 5*s.* each, of which 741,888 shares had been issued. The total of the authorised capital still remains unchanged; but it assumes a different form, consisting of 3,032,448 Ordinary shares of 1*s.* each and 741,888 Deferred shares of 4*s.* each. It was decided that 80% of the profits was to be divided amongst the Ordinary shareholders and 20% amongst the Deferred shareholders. Early in May 1919 the Company offered to its existing shareholders 1,483,776 of the new Ordinary shares of 1*s.* each at par, at the rate of two shares for each share held. But the faith of the shareholders was evidently not very strong, for the report just to hand for the year ended March 31, 1919, states that the number of shares allotted as the result of this offer was only 428,178. It would, moreover, be difficult to blame them when allowance is made for the rather disheartening history of this Company, which interests itself very largely in tracts of undeveloped land, and in holding mining claims for purposes of development or realisation. Taking the last two years alone, it appears that for 1917-18 a loss of £2,388 was experienced, which, added to the unfavourable balance of

£4,484 brought forward from 1916-17, made a total of £6,872. For the year under review (1918-19) a further loss of £1,009 is recorded, which consequently increases the unfavourable balance in the balance sheet to £7,881. Outside the small sum of £740 from interest and dividends, the majority of the Company's assets appear to have been unproductive for the year. The nature of these assets is reviewed at some length both in the statement of accounts and in the speech of the Chairman at the general meeting. The Company possesses some 245 mining rights and claims in Southern Rhodesia. Contracts have been entered into and development is proceeding in the case of some eight blocks; but no information is forthcoming yet as to whether such development will prove remunerative or not. Neither has its holding in the Inyoka (Rhodesia) Tobacco Company brought in any profit for the year. This estate, it is generally conceded, is admirably suited for the production of Turkish leaf tobacco, and 200 acres are under cultivation for the current year. Yet it is felt that to yield adequate results at least 1,000 acres should be cultivated, and this requires a further capital outlay. During the year under review production was retarded by the influenza epidemic and by the drought which burned up the plants. Yet a crop of 19,000 lb. has been harvested and despatched to Cape Town for sale. The Company also controls the majority of the shares in Rhodesia Consolidated, which is, like itself, a large holder of mining claims and of undeveloped land. In view of the proximity of these claims to some of the principal South African goldfields they are held to be of great potential value. Turning to the balance sheet for the year ended March 31, 1919, it is seen that the issued capital stands at £184,850; but as the result of the reconstruction it had increased on January 27, 1920, to £206,895 18*s.* consisting of 741,888 Deferred shares of 4*s.* each and 1,170,366 Ordinary shares of 1*s.* each. Sundry creditors at the date of the balance sheet amounted to £1,541, to meet which there was cash to the extent of £1,122 and sundry debtors to the value of £10,532. Property stands at £82,534, representing its cost price; whilst investments in Rhodesian and other companies, calculated at cost, account for £58,316. Yet another asset consists of "Loans and interest accrued" to the amount of £22,934, and includes sums due from subsidiary companies, such as the Mazoe Mines, Ltd., Inyoka Tobacco Company, Ltd., and North Kimberley Diamond Mines, Ltd. Some of these amounts, the Chairman pointed out, could not easily be realised at once; and consequently cannot be regarded as good debts from this point of view. In the light of these facts it is scarcely surprising that less than a third of the amount of the shares offered recently were taken up. The market quotation of the Ordinary shares is 1*s.* 3*d.*

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TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, February 18, 1920.

Issue Department.

Notes Issued	£126,186,620	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	107,736,620
	£126,186,620		£126,186,620

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£87,118,306
Rest	3,505,392	Other Securities	88,800,585
Public Deposits	26,337,153	Notes	32,547,240
Other Deposits	164,811,850	Gold and Silver Coin	764,924
Seven-day and other Bills	16,640		
	£209,224,035		£209,224,035

Comparison with Previous Four Weeks [000's omitted.]

Date 1920.	Circulation	Coin and Bullion	Deposits—Public	Deposits—Other	Securities—Govt.	Securities—Other	Reserve	Ratio Reserve to Liabilities	Bank Rate *	Three Months' Bills
	£	£	£	£	£	£	£	%	%	%
Feb. 18	93.6	108.5	26.3	164.8	87.1	88 8	33 3	17·4	6	5⅛
Feb. 11	88.9	106.0	22.0	132.2	53.9	83.8	34.5	22 4	6	5⅛
Feb. 4	89.3	103.1	18.7	124.5	46.5	82.4	32.2	22·5	6	5⅛
Jan. 28	88.2	99.9	20.1	135.1	62.6	80.3	30.1	19 4	6	5⅛
Jan. 21	88.1	96.8	21.4	140.3	68.1	84.4	27.1	16·8	6	5⅛
J'y22,'14	29.3	40.2	13.7	42.2	11.0	33.6	29.3	52 40	3	2⅞

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 6%; Aug. 8, 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; April 5, 5%; Nov. 6, 1919, 6%.

Comparison of Bank Returns, Exchanges, Prices, &c.

	Feb. 20, 1920	Feb. 19, 1919	Feb. 20 1918	Feb 21, 1917	Feb. 19, 1910
Bank of England (in £'s sterling 00,000's omitted):					
Circulation	£93.6	£69.6	£46.2	£38.6	£27.5
Public Deposits	26.3	30.7	38.6	18.8	9.0
Other Deposits	164.8	118.3	131.9	146.8	44.2
Government Securities	87.1	52.2	56.3	84.9	14.0
Other Securities	88.8	84.1	101.4	93.2	29.0
Reserve	33.3	30.6	30.7	35.6	28.2
Ratio to Liabilities	17·4%	20·57%	18 0·%	18·19%	53 01%
Coin and Bullion	108.5	81·8	58.5	55.7	37.3
Money:					
Bank of England Rate	6%	5%	5%	5½%	3%
Bank of France Rate	5%	5%	5%	5%	3%
Rate 3 months' Bills London	5⅛%	3⅛%	3⅜%	5⅛%	2⅛%
Exchanges:					
Paris Cheque	46·50	25 97½	27 18	27 82½	25 17½
New York 60 days	3·36	4 73½	4 72½	4 72½	4 84½
Bombay Telegraphic Transfers	2/8½	1/5⅜	1/4½	1/4⅜	1/4⅛
Prices:					
Consols 2½% Cash	50½	59	54½	52½	81½
French Rentes 3% Money	57·90	64 60	57·50	61·85	88 87
Silver, London spot oz.	82¾d.	47⅞d.	42½d.	37¾d.	24d.
Wheat, *Gazette* average qr.	72/7	72 8	72/3	76 3	33/4
Cotton, Mid Upland lb.	33·41d.	18 76d.	23·45d.	11·34d.	8·05d.
Iron, Scotch pig ton	181/0	101/0	101/0	88/6	57/3

CURRENCY NOTE ISSUE.

	Notes Issued	Notes Cancelled	Notes Outstanding	Gold Coin & Bullion	Bank of England Notes	% of Bank Notes & Gold to Notes
Week to	£	£	£	£	£	%
Feb. 18, '20	6,443,233	7,741,973	326,073,632	28,500,000	4,100,000	10·0
Feb. 11, '20	5,735,867	8,193,783	327,372,373	28,500,000	4,100,000	9·8
Feb. 19, '19	7,333,829	5,457,886	312,780,494	28,500,000	—	9·1
Feb. 20, '18	5,259,122	4,288,085	216,134,893	28,500,000	—	13 2
Feb. 21, '17	3,858,586	4,882,883	145,105,901	28,500,000	—	19 6
Feb. 23, '16	4,359,058	3,831,048	99,345,328	28,500,000	—	28·6

Balance Sheet, February 18, 1920.

	£		£
Notes outstanding—		Advances—	
One Pound	255,246,211	Other Bankers ...	250,000
Ten Shilling	42,397,421	Trustee Savings Banks	190,000
Certificates outstanding ...	28,430,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500,000
Total	326,073,632	Bank of England Notes...	4,100,000
Investments Reserve A/c ...	16,506,540	Government Securities ...	308,181,634
		Balance at Bank of England	1,358,538
Total	342,580,172	Total	342,580,172

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

1920. Week to	Revenue	Expenditure	Excess of Expenditure	Loans, Advances, &c.—Cr.	Loans, Advances, &c.—Dr.	Loans, Advances, &c.—Net +	Cash Balance
Feb. 14	£52,565	£25,129	£27,436‡	£72,699	£100,095	—£27,396	£4,943
Feb. 7	44,087	25,887	1,200‡	76,440	94,323	—17,883	4,903
Jan. 31	40,517	25,518	1,999‡	83,883	99,100	—15,217	4,586
321days '19-20	962,025	1,300,593	338,573	5,330,433	4,994,659	325,774	—7,856
321days '18-19	688,082	2,305,880	1,617,798	6,106,031	4,501,328	1,604,703	—13,095
Fr. '19-20*	1,168,650	1,642,295	473,645	—	—	473,645	—
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	1,682,049	12,789
Yr. '17-18	707,234	2,696,221	1,988,987	7,499,604	3,816,023	1,983,581	21,030

Principal Items of Revenue and Expenditure.

1920. Week to	Revenue: Customs & Excise	Income Tax, &c.	Excess Profits Duties, &c.	Other Revenue	Expenditure: Int., &c., on Debt	Misc. Expend.	Supply Services
Feb. 14	£4,165	£23,853	£8,737	£16,307	£1,021	£158	£23,950
Feb. 7	4,404	24,320	6,822	8,341	2,870	11	23,005
Jan. 31	4,180	16 928	4,263	15,140	1,806	364	23,348
321days '19-20	242,537	1246,312	247,081	226,094	287,839	11,922	1,000,837
321days '18-19	137,181	187,283	245,244	124,374	236,467	8,616	2,060,797
Fr. '19-20*	276,000	354,000	283,000	258,650	345,000	16,595	1,280,700
Yr. '18 19	162,220	291,186	285,028	150,537	269,964	11,380	2,297,958
Yr. '17-18	110,033	239,509	220,214	137,478	189,851	11,401	2,494,969

FLOATING DEBT. [000's omitted.]	Treasury Bills	Ways & Means Advances	Total	Natnl. War Bond Rcpts.
Feb. 14, 1920 ...	£1,101,168	£185,330	£1,286,498	£1,732,780
Feb. 7, 1920 ...	1,106,668	196,230	1,302,898	1,732,780
Jan. 31, 1920 ...	1,110,461	208,230	1,318,691	1,732,780
Jan. 24, 1920 ...	1,119,861	204,430	1,324,291	1,732,780
June 30, 1919 ...	796,150	774,237	1,570,387†	1,732,021

* Revised Budget and supplementary estimates. † Highest.
‡ Excess of revenue.

FOREIGN BANKS.

[In £'s Sterling‡—000's omitted.]

AUSTRIA-HUNGARY	Gold	Cash Silver	Cash Total	Advances To Public	Advances To Dual Govts.	Note Circulat'n	Bills Dis counted, &c.
July 23, '14...	£51,578	£12,141	£63,719	£7,772	—	£88,740	£31,993
Oct. 21, '19...	10,832	2,374	13,206	371,686	£1,373,083	2,013,363	240,845
Oct. 28, '19...	10,832	2,378	13,210	372,119	1,373,083	2,058,464	222,532
Dec. 7, '17...	11,000	2,300	13,300	603,990	—	739,300	117,600

BELGIUM.	Gold.	Silver	Total	Discounts	Circulation	Deposits
Aug. 6, '14 ...	£10,977	£633	£11,610	£41,925	£51,800	£66,963
Feb. 5, '20 ...	10,357	1,084	11,721	15,901	197,411	90,895
Feb. 12, '20 ...	10,857	1,072	11,729	16,432	197,714	79,235

DENMARK.	Cash Gold	Cash Silver	Cash Total	Discounts	Balance Abroad	Circulation	Deposits
July 31, '14 ...	£4,100	£341	£4,441	£6,197	£786	£8,693	£47
Dec. 31, '19 ...	12,805	184	12,739	12,803	1,640	27,186	3,995
Jan. 31, '20 ...	12,602	188	12,790	15,084	912	26,375	1,902
Jan. 31, '19 ...	10,405	135	10,540	4,110	5,563	23,936	1,016
Jan. 31, '18 ...	9,650	135	9,785	3,402	2,446	18,282	3,338

FRANCE.	Gold In Bank	Gold Abroad	Total Cash incl'g Silver	Other Bills	Circulation	Deposits Public	Deposits Private
July 30, '14 ...	£165,654	£190,667	£97,768	£267,327	£15,302		£37,903
Feb. 12, '20 ...	144,110	79,131	233,399	79,348	1,519,471	2,651	124,931
Feb. 19, '20 ...	144,190	79,131	233,365	76,001	1,518,342	2,290	123,789
Feb. 20, '19 ...	141,854	79,132	233,561	44,044	1,299,697	1,503	105,929
Feb. 21, '18 ...	133,185	81,484	224,806	50,115	959,451	772	104,324

GERMANY.	Cash Gold	Cash Silver	Cash Total	Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
July 23, '14...	£67,843	£16,727	£84,570	£5,279	£40,055	£94,545	£47,198
Jan. 31, '20...	54,507	1,016	55,523	581,951	1,356,638	1,872,169	706,077
Feb 7, '20...	54,525	1,058	55,583	599,870	1,818,213	1,899,436	539,915
Feb. 7, '19...	112,607	1,000	113,607	289,073	1,301,908	1,183,283	569,490
Feb. 7, '18...	120,317	5,720	126,037	62,170	630,892	556,084	315,167

HOLLAND.	Cash Gold	Cash Silver	Cash Total	Discounts	Advances	Circulation	Deposits
Aug. 1, '14 ...	£13,496	£249	£13,745	£13,422	£10,332	£35,660	£1,437
Feb. 7, '20 ...	52,688	707	53,395	21,389	18,564	86,001	7,507
Feb. 14, '20 ...	52,732	733	53,465	23,476	18,539	85,574	10,014
Feb 15, '19 ...	56 444	749	57,193	9,174	15,501	84,161	5,365
Feb. 16, '18 ...	59,695	606	60,301	2,700	11,622	71,395	7,345

ITALY.	Cash Gold	Cash Silver	Cash Total	Other Cash	Loans & Discounts	Circulation	Deposits
July 31, '14 ...	—	—	£48,456	£25,017	£69,204	£8,887	
Nov. 30, '19 ...	£32,198	£3,004	35,202	22,919	90,021	489,662	75,385
Dec. 10, '19 ...	32,198	3,004	35,202	17,701	90,319	491,363	74,657
Dec. 10, '18 ...	32,699	3,080	35,779	7,275	60,532	365,310	56,743
Dec. 10, '17 ...	33,419	3,509	36,928	6,847	53,073	256,696	57,245

JAPAN.	Gold	Discounts	Advances	Notes	Deposits Public	Deposits Private
Aug. 1, '14 ...	£21,867	£1,829	£7,863	£32,722	£13,818	£1,521
Dec. 6, '19 ...	88,052	13,123	32,394	118,832	108,945	4,344
Dec. 13, '19 ...	88,352	10,751	34,069	118,564	109,431	4,331
Dec. 14, '18 ...	71,980	3,030	40,803	89,509	100,280	4,877
Dec. 15, '17 ...	63,137	942	21,974	67,000	61,472	3,833

NEW YORK BANKS & TRUSTS.	Cash Own Vaults	Loans, Aggregate Reserve	Loans, Disc'ts, Invest.,&c.	Net Deposits—Demand	Net Deposits—Time	Net Deposits—Total	Excess Reserve
Aug. 1, '14 ...	—	£89,888	£411,938	—	—	£387,165	£1,720
Feb. 7, '20 ...	£18,992†	115,774	1,044,938	£835,148	£50,382	909,668	4,896
Feb. 14, '20 ...	19,652†	114,788	1,029,678	828,338	50,026	894,404	4,746
Feb. 15, '19 ...	19,446†	107,512	948,618	756,178	28,122	836,968	7,346
Feb. 16, '18 ...	19,918†	108,240	839,664	730,158	40,225	833,098	10,996

NORWAY.	Gold	Balance Abroad	Norw. & For. Govt. Secs.	Disc'nts & Loans	Circulation	Deposits
July 31, '14 ...	£2,960	£1,678	£493	£4,868	£6,752	£793
Jan. 31, '20 ...	8,132	3,831	581	18,140	22,785	3,499
Feb. 7, '20 ...	8,130	3,542	579	18,069	22,584	3,451
Feb. 7, '19 ...	6,714	3,623	727	21,514	22,720	5,762
Feb. 7, '18 ...	8,526	3,774	718	19,880	17,133	10,312

PORTUGAL.	Gold	Silver	Total	Discounts & Note Advances	Circulation	Deposits
Nov. 26, '19 ...	£1,906	£3,921	£5,827	£11,063	£76,570	£4,635
Dec. 3, '19 ...	1,906	3,920	5,826	10,881	74,948	7,186
Dec. 10, '19 ...	1,906	3,921	5,827	12,888	78,528	6,349
Dec. 17, '19 ...	1,906	3,921	5,827	12,954	80,275	4,860

ROUMANIA.	Cash	Discounts	Advances	Total	Circulation
Dec. 8, '19 ...	£53,621	£9,103	£2,255	£11,358	£160,448
Dec. 13, '19 ...	54,021	8,663	2,295	10,958	161,849
Dec. 20, '19 ...	54,821	8,671	2,218	10,889	163,559
Dec. 21, '18 ...	33,701	4,090	1,663	5,753	97,849

RUSSIA.	Gold In Bank	Gold Abroad	Total Cash incl'g Silver	Loans & Disc'ts	Circulation	Notes in Reserve	Total Deposits
July 21, '14...	£160,114	£14,395	£181,892	£76,081	£163,411	£6,589	£109,911
Oct. 29, '17...	129,523	230,865	378,205	1,869,559	1,836,217	15,783	345,550

SPAIN.	Cash Gold	Cash Silver	Cash Total	Loans, &c.	Spanish 4%	Circulation	Deposits, &c.
Aug. 1, '14 ...	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,955
Feb. 7, '20 ...	98,140	25,259	123,399	89,046	13,779	155,595	44,113
Feb. 14, '20 ...	98,134	25,257	123,391	87,396	13,773	155,142	45,321
Feb. 15, '19 ...	89,144	25,608	114,752	72,074	13,778	137,911	44,605
Feb. 16, '18 ...	79,498	28,302	107,800	48,953	13,777	113,280	30,969

SWEDEN.	Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
Aug. 1, '14 ...	£5,717	£6,150	£1,555	£7,495	£13,432	£3,903
Jan. 31, '20 ...	15,081	6,239	2,686	26,801	37,403	10,889
Feb. 7, '20 ...	14,810	6,292	2,684	27,230	37,163	10,360
Feb. 8, '19 ...	15,532	8,101	3,034	18,949	39,682	4,735
Feb. 9, '18 ...	13,100	7,476	2 881	12,247	29,105	6,663

SWITZERLAND.	Cash Gold	Cash Silver	Cash Total	Discounts & Advances	Circulation	Deposits
July 23, '14 ...	£7,202	£758	£7,960	£4,817	£10,716	£2,026
Jan. 31, '20 ...	21,178	3,986	24,464	16,434	37,933	6,206
Feb. 7, '20 ...	21,176	3,309	24,485	13,976	37,124	5,180
Feb. 7, '19 ...	16,464	2,518	18,982	19,147	34,543	5,047
Feb. 7 '18 ...	14,486	2,237	16,723	12,603	24,812	5,470

† Not reserve. ‡ Converted at par rate of exchange approximately.

U. STATES FED. RES. BANKS.	Gold Held by Banks	Gold With Agents	Total Cash	Bills Discount'd	Bills Acceptances.	Deposits. Govt.	Deposits. Total. Net.	Circulation
Feb. 9, '20 ...	£150,774	247,538	410,932	440,508	110,950	8,490	353,104	578,356
Feb. 16, '20 ..	148,016	249,660	410,502	458,688	108,520	4,844	357,450	591,818
Feb. 15, '19 ...	158,174	265,696	437,064	367,380	65,014	38,594	348,932	493,678
Feb 15, '18 ...	177,169	174,539	363,747	100-383	57,452	17,528	280,727	256,209

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed		%	Date Fixed
Amsterdam ...	4½	July 1,'15	Lisbon	5½	Jan. 15,'14
Berlin	5	Dec. 23,'14	Madrid	5	Nov.10,'19
Berne	5	Aug. 21,'19	Paris	5	Aug. 20,'14
Bombay	7	Feb. 5,'20	Petrograd ...	6	July 29,'14
Brussels	3½	Oct. 2,'19	Rome	5	Jan. 11,'18
Calcutta	5	June 5,'19	Stockholm ...	6	June 12,'19
Christiania ...	6	Dec. 18,'19	Tokio	8·03	Nov. 18,'19
Copenhagen ...	5	Oct. 7,'19	Vienna	5	Apr. 12,'15

III.—FOREIGN EXCHANGES.

LONDON ON—		Feb 20, '20	Feb. 13, '20	Feb. 6, '20	Jan. 30, '20
Berlin	Cable	325½m.	337½m.	325m.	275m.
Brussels	Cheques	45fr. 35c.	46fr. 75c.	47fr. 25c	46fr. 50c.
Denmark	Cable	22kr. 80	23kr. 30	22kr. 20	21kr. 90
Holland.....	do.	9d. 22c.	9d. 20c.	8d. 95c.	9d. 20c.
Italy	do.	61fr. 25	61fr. 50	65fr. 00	54fr. 50
Lisbon and Oporto	do.	17½d.	17½d.	17½d.	17d.
New York	do.	$3 48½	$3 39½	$3 33	$3 51
—	Cheques	$3 48	$3 42	$3 35	$3 53
Norway	Cable	19kr. 80	19kr. 55	19kr. 20	19kr. 85
Paris	3 mos.	46fr. 20c.	46fr. 15c.	48fr. 70c.	46fr. 80c.
—	Cable	45fr. 50c.	46fr. 55c.	48fr. 05c.	46fr. 65c.
Spain (Bank places)	3 mos.	60½d.	60½d.	60½d.	60½d.
—	Cable	19p. 65	19p. 60	19p. 20	19p. 30
Sweden	do.	18kr. 27½	18kr. 20	18kr. 10	18kr. 00
Switzerland	3 mos.	21fr. 60c.	20fr. 05c.	20fr. 40c.	20fr. 15c.
—	Cable	21fr. 35c.	19fr. 60c.	20fr. 15c.	19fr. 90c.

ON LONDON—		Feb 20, '20	Feb. 13, '20	Feb. 6, '20	Par
Alexandria	Sight	97½pi.	97½pi.	97½pi.	97½pi.
Amsterdam	Cheques	9d. 27c.	9d. 18c.	8d. 90c.	12.107d.
Athens	Cable	30dr. 25	29dr. 75	27dr. 00	25dr. 22½
Bombay	Transfers	2s. 8⅛d.	2s. 9⅛d.	2s. 8⅛d.	1s. 4d.
Brussels	Cheques	45f. 15c.	46f. 75c.	47f. 30c.	25f. 22½c.
Buenos Ayres	Transfers	62⅛d.	59⅛d.	71⅛d.	47.58d.
Calcutta	do.	2s. 9d.	2s. 9⅛d.	2s. 8⅛d.	1s. 4d.
Christiania	Sight	19kr. 79	19kr. 51	19kr. 29	18.159kr.
Copenhagen	do.	22kr. 95	23kr. 27	22kr. 28½	18.159kr.
Helsingfors	Cable	85m.	85½m.	81m.	25m. 22½
Hong Kong	Transfers	5s. 10d.	6s. 1d.	5s. 9d.	—
Italy	Sight	61fr. 47½c.	61fr. 50c.	64fr. 00c.	25f. 22½c.
Lisbon	do.	17d.	17d.	17½d.	53½d.
Madras	do.	2s. 8½d.	2s. 9⅛d.	2s. 8⅛d.	1s. 4d.
Madrid	do.	19p. 74	19p. 60	19p. 22½	25p. 22½
Montevideo	Transfers	71d.	72d.	67d.	51d.
Montreal	Cable	$3 99	$3 96	$3 87	$4 86⅛
New York.....	Sight	$3 33½	$3 37½	$3 22½	—
—	60 days	$3 33	$3 35	$3 19½	—
—	Cable	$3 39⅛	$3 38⅛	$3 23	$4 86⅛
Paris	Cheques	45f. 75c.	48f. 60c.	43f. 35c.	25f. 22½c.
Rio de Janeiro ...	90 days	18 5/16d.	18 7/16d.	17 9/16d.	16d.
Shanghai	Transfers	8s. 0d.	8s. 1d.	9s. 1d.	—
Singapore	Sight	2s. 4	2s. 4 1/16d.	2s. 4 3/16d.	—
Stockholm	do.	18kr. 28½	18kr. 19	18kr. 08½	18.159kr.
Switzerland	do.	21f. 35c.	20f. 56c.	20f. 15c.	25f. 22½c.
Valparaiso	90 days	15¼d.	14 3/16d.	16 3/16d.	18d.
Yokohama	Sight	2s. 10d.	2s. 10⅛d.	2s. 11⅛d.	24.58d.

NEW YORK ON—	Rate Current* Feb. 20, '20	Rate Current* Feb. 13, '20	Par as usually Quoted	Rate July 3.
Amsterdam, sight ...	37 125c	37·375c..	40·20c. for 1 guilder	40·25c.
Bombay, cheques ...	46c.	47c.	32·44c. for 1 rupee	33·00c.
Buenos Aires, cheques ...	101·80	102·10		
Christiania, cheques ...	17·25c.	17·20c.	26·80c. for 1 kroner	
Copenhagen, cheques ...	14·75c.	14·30c.	26·80c. for 1 kroner	26·85c.
Greece, cheques ...	11·60c.	11·20c.	19·295c. for 1 drachma	
Hongkong, cheques ...	98c.	102c.	74·59c. for Mex. $1	46·4c.
Italy, sight	18·10⅞.	18·02½.	5·19½ lire for $1	5·17½.
Lima, cheques	4·72½.	4·70⅝.	4·8665 $ for 1 libra	
Manila, cheques... ...	49c.	49c.	50c. for 1 peso	49·8c.
Montreal	14·25%disc.	13·50%disc.	Premium per $100	Par
Paris, sight	14·16fr.	14·42fr.	5·18½ francs for $1	5·18fr.
Petrograd, sight ...	—	—	51·46c. for 1 rouble	51·37c.
Rio de Janeiro, cheques	27c.	27·50c.	32·42c. for 1 milreis	
Shanghai, cheques ...	152c.	160c.	52·96c. for 1 tael	83·00c.
Singapore, cheques ...	50c.	50c.	56·77c. for $1	57·12c.
Spain, cheques	17·25c.	17·50c.	19·30c. for 1 peseta	
Stockholm, cheques ...	18 55c.	18·45c.	26·80c. for 1 kroner	
Switzerland, cheques ...	6·12fr.	6·0fr.	5·18½ francs for $1	5·18½fr.
Valparaiso, cheques ...	21·50c.	21·50c.	20 61c. for 1 peso	
Yokohama, cheques ...	48c.	49·25c.	49·84c. for 1 yen	49·90c.

* According to Guaranty Trust Company of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount	Inc. or Dec.*	1920 Agg.	Inc. or Dec.*
	1920.	[In £'s sterling 000's omitted.]			%
BIRMINGHAM ...	Feb. 14	£3,829 +	£1,512	£26,333 +	£8,635 + 48·8
BRISTOL	,, 14	1,965 +	805	13,089 +	4,944 + 60·7
DUBLIN	,, 14	9,593 +	3,076	63,033 +	14,963 + 31·1
LEEDS	,, 14	1,698 +	654	12 245 +	4,519 + 58·5
LEICESTER	,, 14	1,782 +	716	10,338 +	4,277 + 70·9
LIVERPOOL	,, 14	18,318 +	7,383	127,997 +	49 747 + 63·8
MANCHESTER ...	,, 14	35,922 +	18,933	231,428 +	123 300 + 114·1
NEWCASTLE ...	,, 14	3,554 +	1,743	22,683 +	9,819 + 76·3
NOTTINGHAM ...	,, 14	1,540 +	931	8,213 +	3,483 + 72·8
SHEFFIELD	,, 14	1,338 +	293	10,317 +	2,301 + 28·7
LONDON—	1920.				
TOWN	Feb. 18	678,692 +	314,252	4,646,594 +	1,870,832 + 67·4
METROPOLITAN	,, 18	43,879 +	11,897	308,975 +	72,147 + 30·5
COUNTRY	,, 18	83,806 +	27,027	588,425 +	169,677 + 40·2
TOTAL	,, 18	806,317 +	353,176	5,543,984 +	2,111,656 + 61·5

* Compared with a year ago.

V.—FREIGHTS.—According to Messrs J. C. Gould, Angier and Co.

HOMEWARDS.	1920 Feb. 20	1920 Feb. 13	1913 Feb. 21
Alex. to U.K. ...	42/6	42/6	9/6
Aust. to U.K. ...	205/0	205 0	38/3
Azoff to L.H.A.R.	—	—	12/9
Bombay to p.p.d.w.	135/0	l.w.130/0	d.w.23/3
Burmah o.c.	—	—	d.w.32 0
Calcut.top.p.(jute)	-	-	30 6
Danube to U.K. ...	—	—	-
Odessa to L.H.A.R.	—	—	10 6
R. Plate to U.K.	120,0	180/0	26.0

Homewards. —cont	1920 Feb 20	1920 Feb.13	1913 Feb.21
U.S.Atl.Ports to L'pl (cotton, 100lb.)	—	—	3/1½
U.S.Gulf to U.K.Cont.(r.)	—	—	
Gulf Ports to U.K.Cont. (cotton & grain) ...	—	—	19/0
OUTWARDS—Cardiff to			
Aden	90 0	—	—
Colombo	—	—	14/3
Port Said ...	75'0	80/0	11'3
River Plate ...	37/6	38 0	16 9
St. Vincent ...	40/0	40/0	10/6

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	FEB. 20, 1920.	FEB. 21, 1919.	JUNE 30, 1914
Iron—Scotch pig warrants ...ton	181/0	101/0	57/0
— Middlesbro' warrants ...ton	175/0	95/0	51/0
— Hematite warrants ...ton	220/0	122/6	61/0
— Staffordshire bars, London ton	£26 15	£17	£8 10
— Common bars ...ton	£24	£14 15	£6 16
Steel Rails ...ton	£19 15	£10 17/6	£6 2/6
Galvanised Sheets ...ton	£50	£29	£16 17/1
Copper Standard ...ton	£119 15	£74—£75	£66
Tin—English Ingots ...ton	£296	£215	£142 15
— Straits ...ton	£402	£215 10	£139 10
Tinplates, I.C. Coke, S. Wales...box	71/0	33/3	11/10½—12/0
Lead—Soft Foreign ...ton	£52 7 6—£53 7/6	£24—£27 10	£19
Spelter—Ord. Foreign ...ton	£61 15—£63 15	£38—£45	£21 7/9
Quicksilver—(75lb.) ...bottle	£23	£20	£7
Aluminium ...ton	£185	nom.	£82
Antimony—Regulus Foreign ...ton	£68	nom.	£27 10
— English ...ton	£70	—	—
Coal—(best) Yorkshire ...ton	21/6—22/6	23/6—24/6	17/6
— Steam (best) Newcastle ...ton	46/0—51/0	40/0—45/0	14/6
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b Chile, per quintal	17/0	nom.	7/4
Soda—Crystals ex ship ...ton	130/0—140/0	87/6	42/6—45/0
Copra—Malay and States ...ton	£70 10	£33 10	£23 15—£24 7/6
Gambier—Good marks ...cwt	53/0	38/0	16/10½
Indigo—Bengal good to fine ...lb.	13/0—16/6	9/0—10/6	3/2—3/8
Linseed Oil—Raw ...ton	£217	—	£25 5
Linseed—Calcutta, spot ...ton	£55 10	£26 15	£13 16/9
— Cakes, U.K. made, ex mill...ton	£25	£19	£7 17/6—£8
Olive Oil—Spanish ...tun	nom.	nom.	£49 10
Palm Oil—Lagos ...ton	£98	£45	£31 10
Petroleum—American ...gallon	2/1	1/4½	7½d.
Rape Oil—Refined English...ton	£135	£71	£32
Soya Oil—Refined ...ton	£135	£75	£24 10
Tallow—Imported ...cwt.	107/0—117/0	—	29/3—33/3
Turpentine—American ...cwt.	199/0	100/0	33/7½
Rape Seed—Toria ...ton	£55	£22 15	£13 5
Rubber—Para, spot ...lb.	2/7nom.	2/6	2/9½
— Fine plantation (stnd crepe) lb.	2/7½	2 0⅜	2/2
— World's Production* Dec. tons	31,291	20,580	8,467
Shellac—T.N. Orange, fair ...cwt.	840/0	250/0—260/0	63/0—64/0
TEXTILES.			
Cotton—Middling Upland ...lb.	33·41d.	18·76d.	7·53d.
— Egyptian, good fair ...lb.	84·90d.	26·84d.	8·75d.
— Pernambuco fair ...lb.	36·66d.	20·70d.	7·73d.
— Midland Upl. New York...lb.	39·00c.	26·65c.	13·25c.
— Stock, Liverpool (Feb. 13)†bales	1,085,740	491,640	934,800
Flax—Petrograd, Yarapol ...ton	—	nom.	£28
Hemp—New Zealand ...ton	£65	£55	£25 10
— Manila, Fair ...ton	£79	£80	£26 10
Jute—First Marks ...ton	£71	—	£26 15
— Red SCO ...ton	£61	—	£24 15
Silk—Blue Elephant ...lb.	57/6	20/0	11/3—11/6
Wool—Pt. Philip unwashed av. lb.	5/0	nom.	11½d.—1/0
— Lincoln Half Hogs ...lb.	2/3½	1/7½nom.	1/0½
Hides—Eng. Ox, best, 65lb. up lb.	15½d.—16½d.	9½d.—10½d.	7½d
Leather—Dressing Hides ...lb.	4/6—5/0	2/5—3/1	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus	92,498,000	197,185,000	34,640,000
— Red, price, N.Y. 60lb....bushel	nom.	237½c.	67½c.
English Gazette, aver. 480lb. qr.	72/7	72/8	34/3
Flour—G.R. ...280lb	44/3	44/3	28/6
Barley—Eng. Gaz., aver. 400 lb. qr.	102/1	62/5	25/4
Oats—Eng. Gaz., aver. 312 lb. qr.	59/9	49/0	20/0
Maize—N.Y. (new bushel)...56lb.	168½c.	150c.	76½c.
— Amer. mixed, Liverpool...480lb.	nom.	79 9	32/4
— La Plata ...480 lb. qr.	65/0	72/0	25/9
Potatoes—Good English ...ton	285/0	176/0	70/0—75/0
Rice—Bassein ...cwt.	26/0	25/0	7/0—7/3
Tapioca—Pearl, medium ...cwt.	39/0	35/0	14/0—17/8
Hay—best ...2,018lb....load	—	176/0	82/6
Hops—English ...cwt.	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs ...8lb.	6/8	9/0—9/6	3/8—3/10
— Scotch sides ...8lb.	10/0	9/6	4/6—5/0
— English ...8lb.	10/0	9/6	4/2—4/5
Mutton—Scotch wethers ...8lb.	10/6	10/0	5/8—6/0
— English wethers ...8lb.	10/6	10/0	4/6—5/4
— New Zealand frozen ...8lb.	10/6	10/0	2/4—3/2
Pork—English and Irish ...8lb.	11/8	10/8	3/6—4/0
Bacon—Irish, delivered ...cwt.	202/0	188/0	60/0—74/0
— Danish ...cwt.	†192/0	—	58/0—68/0
— Canadian, ex Port ...cwt.	†187/0	—	—
— American, ex Port ...cwt.	†187/0	176/6	72/0—74/0
Hams—Amer. long cut, ex Port cwt.	†190/0	170/0	75/0—79/0
— — short cut, ex Port ...cwt.	†190/0	170 0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt.	†198/6	158/0	51/9—52/9
Butter—Danish ...cwt.	270/8	Controlled	117/0—120/0
— French ...cwt.	270/8	Controlled	96/0—108/0
— Australian ...cwt.	270/8	252/0	98/0—110/0
— New Zealand ...cwt.	270·8	Controlled	108/0—114/0
Cheese—Canadian ...cwt.	†145	Controlled	66/0—68/0
— United States ...cwt.	†145/0	163/4	—
— Dutch ...cwt.	†145/0		53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Jan. 31 ...cwt.	2,033,656	1,659,971	19,777,254
— Home consump'n. to Jan 31 cwt	2,239,8·3	1,784,914	17,272,000
— In Bond Jan. 31 ...cwt	6,196,000	7,625,000	6,306,000
— Price, Java, 96° Pol. ...cwt	75/0	36/0	10/3
— — Yellow crystals ...cwt	66/0	57/9	12/6—14/0
— — Tate's Cubes, No. 1 ...cwt	72/0	64/9	18/0
Coffee—Imports to Jan. 31 ...cwt	80,062	26,303	720,360
— Home consumpt'n to Jan. 31 cwt.	26,645	31,053	141,410
— Exports to Jan. 31 ...cwt	52,600	10,781	340,250
— In Bond Jan. 31 ...cwt.	701,000	601,000	494,000
— Price, Costa Rica gd to finecwt.	175/0—185/0	145/0—155/0	80/0—93/0
— — Brazil (Santos) Good ...cwt.	137/0—139/0	65/9	41/6
Tea—Imports to Jan. 31 ...lb.	48,598,454	24,910,846	123,230,277
— Home consump'n. to Jan. 31 lb.	31,751,769	23,456,832	155,447,972
— Exports to Jan. 31 ...lb.	3,048,709	113,857	26,561,765
— In Bond Jan. 31 ...lb.	239,354,000	132,127,000	78,292,000
— Price, Indian, Fek. Soug. Gd.lb	1 2	1/4	8½d.
— — Ceylon, Pek. Soug. Ord. lb.	1/5	1/4	8¾d.
— — Common Congou ...lb.	1/1—1/2nom.	1/4	5¾d.
Cocoa—In Bond Jan. 31 ...cwt.	319,000	614,000	309,000
— Grenada, good to fine ...cwt.	131/0—133/0	85/0	52/6—56/0

* Estimated † Controlled.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific	Dec.	$17,0 6 000	+1,275,000	$1,682,000	—$1 129.000
	12 *mos.* to	Dec. 1 6,929.000	+19391000	32,933·000	— 1·563.000
Grand Trunk	Nov.	£1,251.900	— £15,700	£103.300	— £81 800
	11 *mos.* to	Nov. 12.853.900	+1,702.200	1,566.200	+ 104.400

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open.	Gross Receipts.	+ or — on Year Ago.	No. Wks	Aggregate Receipts.	+ or — on Year Ago.
Assam Bengal	Jan. 10	993	R2,26.045	+ 31,110	15	33.31.116	+ 8.53.010
Barsi Light ...	Jan. 17	118	41.200	+ 6,800	43	12.11.400	+ 4.92.800
Bengal & N.W.	Jan. 10	2,065	4,74.550	— 17,714	15	63.07.053	— 7.26.955
Beng. Dooars	Dec. 27	158	38.862	+ 11.677	13	6.25.843	+ 80.812
Beng. Nagpur	Jan. 10	2.695	12.96.000	+ 1,88.000	42	4.96.35.438	+ 36.77.363
Bomb. Baroda	Feb. 7	2,871	20.47.000	+ 79.000	19	3.40.22.000	+ 22.99.000
Burma ...	Jan. 3	1,342	5.70.013	+ 58.885	40	2.15.11.579	+ 24.74.628
Del. Um. Kalk.	Feb. 7	239	1.03.000	+ 42.907	19	16.83.579	+ 27.887
East Indian ...	Feb. 7	2,771	26.61.000	— 13.000	19	4.75.50.000	— 22.30.000
Gt. Indian Pen.	Feb. 7	3,121½	29.04.400	+ 4,27,100	19	4.85.49.404	+ 44.93.005
Madras & S.M.	Jan. 17	3,152	10.25.000	+ 14.884	16	1.85.50.347	+ 7.71.589
Nizam's Guar.	Jan. 10	900	3.15.652	+ 53.322	15	38.53.349	+ 5.47.979
Roh. & Kumn.	Jan. 10	576	98.905	— 7.933	15	13.33.801	— 2.52.413
South Indian	Jan. 3	1,852½	7.18.670	+ 1 22.339	40	2.98.54.449	+ 29.40.452
South Punjab	Sept.	716	6.04.613	— 2.92.520	6*m*	34.91.972	— 18.71.142
COLONIAL							
Can. Northern	Feb. 7	9.588	$912.100	+ 70.200	5	5.112.800	+ 244.900
Can. Pacific ...	Feb. 14	13,388	3.547.000	+ 664.000	6	20.504.000	+ 2.014.000
Grand Trunk	Feb. 14	3,616	£250.790	+ 56.018	6	1.532.194	+ 248.803
Mashonaland	Aug.	810	65.465	— 7.046	11*m*	—	—
Mid. W. Aust.	Dec.	277	12.327	+ 1.286	6*m*	60.085	+ 5.890
NewCapeCent.	Jan. 17	205	3.051	+ 516	3	8.875	+ 1.896
Rhodesia Rlys.	Sept.	1,397	113.817	— 8.708	12*m*	1.051.865	— 72.122
Temiscouata...	Oct.	—	$30.562	+ 2.154	10*m*	304.661	+ 22.504
W. Pass. & Yuk	Aug.	122	—	—	8*m*	$968.676	+ 31.021
FOREIGN.							
Argentine.							
Arg. N. East...	Feb. 14	752	£ 10.300	+ 800	33	382.800	+ 80.000
Arg. Transand.	Feb. 14	111	£ 5.500	+ 910	33	88.056	— 28.004
B. A. & Pacific	Feb. 14	3,536	£ 156.000	+ 41.000	33	4.728.000	+ 1.047.000
B.A.Gt. South	Feb. 15	3,792	£ 206.000	+ 47.000	33	5.760.000	+ 1.294.000
Do.	Feb. 15	Net	£ 84.000	+ 35.000	33	1.951.000	+ 1.068.000
B. A. Western	Feb 15	1.882	£ 110.000	— 24.000	33	3.181.000	+ 929.000
Do.	Feb. 15	Net	£ 31.000	+ 12.000	33	1.098.000	+ 569.000
B. A. Central	Dec.	190	£ 43.817	+ 5.404	6*m*	270.923	+ 27.273
Cent. Argent.	Feb. 14	3,305	£ 190.000	+ 46.500	33	5.746.000	+ 1.559.600
Do.	Feb. 14	Net	£ 62.000	+ 37.500	33	1.755.100	+ 1.189.700
Cord. Central	Feb. 14	1,205	£ 61.500	+ 17.230	33	1.962.600	+ 519.560
Entre Rios ...	Feb. 14	831	£ 28.800	+ 6.300	33	771.000	+ 117.700
Brazilian.							
BrazilGt.South	Dec.	110	M 68.250	+ 18.250	12*m*	612.921	+ 10.887
Brazil Railway	Dec.	3.530	M4,859.000	— 141.271	12*m*	57.772.000	+ 7,619.243
Gt. W. Brazil	Feb. 14	1,010	£ 30.900	+ 2.200	7	200.600	+ 62.900
Leopoldina ...	Feb. 14	1,831	£ 60.095	+ 32.925	7	365.273	+ 189.380
Mogyana	Dec.	1,180	M 1,561.000	— 956.490	12*m*	22.267.000	— 2,474.651
Paulista	Dec.	766	M 2,650.000	— 906.038	12*m*	32.479.000	— 1,225.892
San Paulo ...	Feb. 15	153½	£ 45.018	+ 14.212	7	320.653	+ 153.330
Sorocabana ...	Dec.	1,003	M 1,749.000	— 246.169	12*m*	21.953.000	+ 976.692
S.of BahiaS.W.	Jan.	52	M 104.000	+ 21.000	1*m*	—	—
Chilean and Peruvian.							
Antofagasta ...	Feb. 8	838	£ 60.170	+ 28.060	6	330.120	+ 148.970
Arauco	Dec.	84½	£ 12.500	+ 500	12*m*	136.800	— 21.200
Nitrate(2wks.)	Feb. 15	390	£ 37.727	+ 13.515	6	86.499	+ 60.742
Peruvian Corp.	Jan.	1,140	S 1,297.520	+ 287.870	7*m*	8,280.294	+ 1,249.929
Taltal	Jan.	180	£ 30.398	+ 19.275	7*m*	127.515	+ 2.868
Cuban.							
Cuban Central	Feb. 14	362	£ 46.987	+ 9.976	33	700.867	+ 133.766
Havana Cent.	Feb. 7	70	£ 12.053	+ 805	32	336.032	+ 57.088
U. of Havana	Feb. 14	681	£ 91.707	+ 7.361	33	1.969.196	+ 343.910
W. of Havana	Feb. 14	155	£ 12.061	+ 900	33	289.261	+ 45.187
Uruguayan.							
Cent. Uruguay	Feb. 14	273	£ 25.481	+ 304	33	740.394	+ 51.973
,, (E. Ext.)	Feb. 14	311	£ 7.937	+ 95	33	195.649	+ 31.157
,, (N. Ext.)	Feb. 14	185	£ 4.868	+ 55	33	120.943	— 734
,, (W.Ext.)	Feb. 14	211	£ 2.819	+ 36	33	89.873	+ 4.029
Mid. Uruguay	Jan.	319	£ 18.298	+ 714	7*m*	136.809	+ 19.192
N.W. Uruguay	Jan.	113	$ 8.805	+ 1,800	7*m*	48.240	+ 2.526
Urug. Northn.	Jan.	73	£ 2.915	+ 556	7*m*	16.903	+ 2.603
Miscellaneous							
Aldoy & Gandia	Feb. 14	33	Ps. 10.000	—	7	74.400	+ 8.400
Bilbao	Jan.	15	£ 2.452	— 299	1*m*	—	—
Bolivar	Jan.	136	£ 9.500	— 1,595	7*m*	62.928	+ 4.829
Colomb. Natnl.	Dec.	55	£ 18.040	+ 4.600	12*m*	171.120	+ 23.800
Costa Rica ...	Dec.	189	£ 27.352	+ 6.376	6*m*	145.671	+ 14.080
Dorada Ext....	Jan.	70	£ 12.000	+ 4.200	1*m*	—	—
Egyptian Delta	Jan. 31	559½	£ 15.574	+ 1,907	43	332.107	+ 15.546
Gt. S. of Spain	Feb. 7	104	Ps. 68.506	— 73.854	6	382.812	— 399.917
La Guaira&Ca.	Jan.	22¾	£ 14.370	+ 6.265	1*m*	—	—
Ottoman Ry...	Jan. 31	379	£ 6.380	—	—	—	—
Paraguay Cent.	Jan. 24	255	£ 4.040	— 1.290	30	156.230	+ 41.330
Puerto Cabello	Jan.	34	£ 5.250	+ 950	1*m*	—	—
Salvador	Feb. 14	100	£ 7.794	+ 3 325	33	119.427	+ 49.551
Santa Fe Prov. French Rys.	Dec.	1,181	£ 167.962	— 3.774	12*m*	1,927.543	+ 58.032
S'm'na&S'ti'go	Dec.	80	£ 10.200	+ 3.122	12*m*	140.411	+ 32.834
Zafra & Huelva	Dec.	112	£ 13.201	+ 370	12*m*	128.863	— 24.926
TRAMS.							
Anglo-Argent.	Feb. 11	400	£ 71.865	+ 11.396	6	409.057	+ 96.847
Auckland Elec	June 30	27	—	—	52	292.502	— 2.063
Bombay Elec.	Nov.	39	R. 7,68,178	+ 1,43,965	11*m*	78.54.582	+ 14,42.969
Brazilian Trac.	Nov.	378½	M 9,796 0 0	+ 2,215.000	11*m*	103.335.000	+ 9,972.000
Brisbane Elec.	Jan.	40½	£ 44.800	+ 6.225	1*m*	—	—
Brit. Columbia	Dec.	334	$ 783.321	+ 92.259	6*m*	4.221.916	+ 803.821
B. A. Lacroze	Jan.	51	£ 52.642	+ 11.088	7*m*	346.219	+ 45.439
Calcutta	Feb. 7	35½	R 96.000	+ 11.392	6	466.536	+ 40.307
Cape Electric	Nov.	42½	£ 27.126	+ 5.243	5*m*	110.948	+ 6.320
Carth. & Herr.	Jan.	9	£ 4.749	+ 1.093	1*m*	—	—
Chatham&Dist	Feb. 5	15	£ 1.438	+ 353	5	7.220	+ 1.028
Havana Elect.	July	86	$ 794.76.	+ 100.679	7*m*	5.116.661	+ 402.587
Isle of Thanet	Feb. 11	20	£ 515	+ 55.	20	8.402	+ 1.956
Kalgoorlie ...	Oct.	20	£ 3.09	+ 260	10*m*	27.633	— 272
Lanarkshire ..	Feb. 5	28½	£ 3.77	+ 297	5	20.016	— 43
Lima Light ...	Nov.	85	£ 52.085	+ 7.716	11*m*	531.788	+ 51.853
London O.C....	Feb. 18	141½	£ 78.08	+ 14.052	46	3.685.699	+ 615.018
Madras (2wks.	Jan. 31	15	R. 35.51	— 9,963	4	84.394	— 3.682
Manila Electric	Nov.	55	$ 247.59	+ 33.307	11*m*	2.320.607	+ 231.136
Pernambuco..	Feb. 15	59	£ 8.40	+ 3.304	7	54.256	+ 18.639
Provincial ..	Jan. 31	21½	£ 2.99	+ 545	18	49.579	+ 8.414
Rangoon Elec	Jan.	25	£ 7.457	+ 1.094	1*m*	—	—
Shanghai Elec	Jan.	26¾	M. $136.00	+ 14.000	1*m*	—	—
Singapore Elec	Jan. 10	26	$ 21.154	+ 5 837	2	40.077	+ 9.851
U.of Montevid	Jan.	90½	£ 47.767	+ 6.857	3*m*	132.450	+ 21.401

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The Statist.

LONDON, SATURDAY, FEBRUARY 21, 1920.

IRELAND.

THE Prime Minister has again repeated what we look upon as one of the most objectionable and aggravating statements which can be made in a country like this, namely, that it is not to be thought of that Ulster should be compelled to obey the law. Coming from a declared opponent of all settled government it would be an intelligible statement. It would be in a somewhat safe form an announcement that rebellion is justifiable whenever it has a good backing. But it is incredible that the Prime Minister of the United Kingdom should wish to teach the people of Ireland that, in the first place, the Orangemen of Ulster are free to do as they like without incurring the slightest danger of being compelled to obey the law, and, at the same time, informing the people of the other three Provinces in Ireland that they are a conquered race, who have no right to look for even ordinary justice to their Government, but must submit to whatsoever treatment it pleases the most fanatical Orangeman, or the most outrageous militarist, to apply to them. Ireland is either a part of the United Kingdom, or it is not. If it is a mere subject province of the United Kingdom, is there a reader of THE STATIST who will deny that the people of Ireland have a right to rebel against a condition which no self-respecting population can be expected to submit to? On the other hand, if Ireland is an integral part of the United Kingdom, then the people of Ulster, like the people of the other three Provinces, are bound to obey the law, and it is an insult both to the people of Ireland and to the people of England to tell the Ulstermen that compulsion in their case is not to be thought of. Now there was a time previous to the American War of Independence when the Catholic portion of Ireland was treated as a subject Province—when, in fact, public men did not hesitate to tell Catholics that they had no rights of any kind, not even the right to celebrate their religion in their own way. But the American War of Independence compelled the British Government to alter its system of administration in Ireland. There was a still further alteration for the benefit of the Catholics when the French Revolutionary wars began. And, finally, when the Protestant volunteers during the war with the United States demanded self-government for Ireland, the demand was granted; and partly then, and partly at the time of the Union, Ireland was declared to be an integral portion of the United Kingdom, with the same rights and the same privileges as England and Scotland themselves. That being so, it is impertinence of the worst kind on the part of the Prime Minister to tell us that it is unthinkable that Ulstermen should be compelled to obey the law. Every man in the United Kingdom ought to be made to obey the law, and no man in the United Kingdom should be asked to obey anything but the law. The real truth is that it is men like Mr. Lloyd George who are keeping alive the hostile feeling in Ireland. If they would treat Ireland as they treat Scotland and Wales we should soon find everything like hostility to the United Kingdom dying out, and Irishmen competing with Englishmen and Scotchmen for the honour and the privilege of maintaining the rights of the whole Empire come what may.

FITNESS FOR GOVERNMENT.

MR. CHURCHILL has again repeated the statement that the trades unionists are not qualified to govern the British Empire. The opinion is characteristic of the gentleman who makes it, and marks him out as not merely extremely presumptuous, but also impertinent in an exceptional degree. By what rule does Mr. Churchill, or, indeed, anybody else, judge whether any class in the United Kingdom is, or is not, fitted to govern the British Empire? We know of no rule that can lead to an even venturesome opinion. On the contrary, we know of an immense number of reasons which impress upon us that opinions of the kind are impertinent, worthless, and offensive. So far as we are able to judge, the competence of any particular individual, or any particular class, in the community to govern the British Empire depends, firstly, upon whether they are so placed that they have a fairly accurate knowledge of the conditions under which the great majority of the people live; and, having that advantage, have given attention to the manner in which the country is governed at present, and have contrasted that manner with the way in which, according to their own knowledge of human sufferings and human disadvantages, and see that the present system of government is bad. Now the British Government was from the time of William the Conqueror down to the Civil War between the Parliament and Charles the First, essentially an absolutist Government. The sovereigns of the House of Anjou were exceedingly able men, taking them altogether. But when one of them turned out to be inferior to his predecessors there were revolutions which passed the Crown from the then wearer to a relative who aspired to the highest authority. The Wars of the Roses practically killed off the whole House of Anjou, and a Welsh family succeeded, which in its turn was followed by a Scotch family. And that was finally followed by the acceptance of a German Royal Family, which still exists upon the Throne. The succession of a foreign Royal House without real support in the United Kingdom introduced a kind of government which it is not easy to characterise properly. Practically, the House of

Commons has become the real governing body, for whoever has the support of the House of Commons is able to govern, not only the United Kingdom, but the whole British Empire.

To all intents and purposes, therefore, the series of revolutions which have taken place since the conquest by William the Norman has converted the government of England into a curious system, which practically vests all power in the House of Commons; or, to put it somewhat more correctly, in a body of men who, for the time being, happen to possess the confidence and support of the House of Commons. That being so, is it not impertinent, unfounded, and insolent for any single individual to tell us that any particular part of the population of the United Kingdom is not fitted to govern? We can judge of the fitness for government only from experience, and we have no experience as yet as to whether the trades unionists are, or are not, fitted to perform the function which has been discharged so badly hitherto by the Tory party and the Liberal party. As a matter of fact, it would be difficult to find anywhere clearer proof of unfitness than can be brought against both the Tories and the Liberals. We have in this Journal often pointed out that, according to members of the Government itself, there are in this country less than 2¾ millions of people who pay income tax. Now every person in possession of £130 a year, or £2 10*s.* per week, is bound to pay income tax. Therefore, we have it as an established fact that in the whole United Kingdom, with a population of over 45½ millions of people, there are less than 2¾ millions who earn in any way so much as £2 10*s.* per week. Is it possible to produce stronger evidence than is thus afforded of the unfitness of both Tories and Liberals, since in a population of nearly 50 millions there are less than 2¾ millions who earn in any way £2 10*s.* per week? The real fact is that, so far as it is possible to form an opinion based on the facts known by men who have given close attention to the government of the country for many years, the existing parties which heretofore have governed the country are utterly unqualified, and ought to be dismissed once and for ever from the task of governing; whereas everything tends to prove that the trades unionists are much better qualified than any other class at the present time to decide what the country most urgently needs. The trades unionists have little real wealth that they can fall back upon if a great disaster was to befall us. They live mainly by labour. And they have raised themselves from the lower classes of labour to a position in which they are able to fight such a battle as we have seen the other day in Paisley, and fight it with so much success that nobody has a definite opinion even to-day of the result of the fight.

The trades unionists are men who devote their whole lives to labour. They act with great self-control, great judgment, and great knowledge. They have risen in the teeth of a hostile judiciary, hostile juries, and hostile Parliaments; and now they are actually fighting on equal terms both the great parties which so long have governed the country. Moreover, they live the lives of the poor. They have, it is true, raised themselves above the very poor. They are greatly superior to the unorganised poor. While they are winning to their support large numbers of classes who hitherto have looked down upon them. Thus, they have raised themselves to an extraordinary position of power, and they have done it in the teeth of the deadly opposition of the governing classes, the judges, the juries, and the Administration. Even on this statement it seems clear that they are, of all portions of the people of the United Kingdom, the best fitted to govern. But there is more to be added. They live so nearly in the way of the very poor that they are able to understand the abominations which the very poor have to suffer. And, consequently, they are qualified to speak for the very poor, and to sketch out the remedies to raise them to a higher state. The trades unionists cannot improve the education of themselves without improving, at the same time, the education of the whole of the working classes. Neither can they supply the country with wholesome houses without benefiting the whole population. And, finally, they cannot root out preventable disease without benefiting the whole community. If any reader desires to get a glimpse at the horrors which are being worked by our present system of government we would recommend him to read carefully the little volume written by Sir George Newman, Chief Medical Officer of the Ministry of Health, entitled "An Outline of the Practice of Preventive Medicine." There is nothing sensational. On the contrary, there is much suppression of horrors. And yet no man, we venture to say, can read the little book without rising with the conviction that the whole British nation is actually being led to destruction by the incapacity, the selfishness, and the ignorance of the two great parties which hitherto have held the government of the country. If we are ever to become a healthy people, a fairly well informed people, and a just people, we must turn to the great majority of the population, and invite them to benefit themselves by rooting out preventable disease, and by blessing us with universal education and equal opportunities for all.

THE ARMY.

The Government on Tuesday issued a White Paper which estimates the expenditure on the Army in the coming financial year at 125 millions. The maximum number of men, exclusive of those serving in India, is estimated at 525,000, a number which is in process of reduction to 280,000. The number of men carried on Vote "A" in 1914-15, that is to say, the last estimates published before the War, was 186,000. Considering that the countries which this Government is now undertaking to govern are greatly increased, it is difficult to believe that the Army can be kept down to 280,000 men. It will be recollected that we have taken over vast areas; and that, according to all reasonable anticipation, we shall find ourselves accused of the worst crimes by not a few other countries. For example, it was arranged between Russia, on the one hand, and our own Government and that of France, on the other, that Russia was, as a result of the late War, to be given possession of Constantinople. But it will be recollected that Lord Salisbury and the Conservative party rendered that arrangement impossible. In the hope of gaining Court support they exchanged Heligoland for a worthless position in Africa. And, as a result, Germany poured such a horde of troops into Russia that she compelled the latter country to make peace on terms in the highest degree favourable to Germany. Nobody knows, of course, what the present condition of Russia will end in. Russia is a vast country with a brave population; and she may emerge stronger even than she was believed to be before the War. On the other hand, she may emerge as a kind of satellite of Germany. So far as it is possible to form an opinion at present, it looks as if Germany is, in reality, controlling the military forces of Russia and establishing a system which promises to make her at least as powerful as she was before the War. That, of course, may turn out to be an entirely wrong estimate of what is going on. But at least this much seems to be certain—that the Bolshevists are carrying everything before them, and that the feeling of the Bolshevists is certainly not favourable to this country. If the Bolshevists come out ultimately victorious, and if they become the ruling power in Russia, then we may reasonably anticipate that they will not be friendly to this country.

In the first place, the Bolshevists will say that we entered into an arrangement by which Persia was to be divided into two sections, one of them under the control of this country, the other under the control

of Russia. And now Russian control has disappeared, and Persia, in consequence, is entirely under British protection. The answer, of course, is clear: that Russia failed to maintain her position; that she threw off large parts of her old Empire; and that, therefore, we could not help ourselves. We did not take Persia from Russia. We had to extend our authority over it because of the great interest we have in India. All that is perfectly true. No honest-minded man can seriously dispute it. But whenever Russia becomes strong enough to desire to regain the position she held before the War, does anybody doubt that the conviction will spread in Russia that we eagerly took advantage of Russia's troubles to assume control over the whole of Persia? Practically, at the present time, we are supreme in India, in Persia, in Mesopotamia, and in Palestine, in addition to our immense possessions and claims in China and our superior position in Africa. If matters stood there it is possible that we might come to terms with Russia. But suppose that a capable military man rises to the highest position in Russia, and that he considers our position in India, in Persia, and elsewhere as dangerous to Russia, what will be the consequence? Are we to look forward to a time when Germany and Russia will be closely connected, and when, therefore, we may have to fight the two of them for our possession of India? If matters ended there they would be serious enough. But we have already reminded our readers that it was agreed upon by Russia, France, and England that Russia was to have possession of Constantinople. Russia is not in a position to take possession. And, therefore, the French agree with us that the wisest course is practically to retain Turkey in possession of Constantinople. Now suppose that a capable military man rises to power in Russia, and that he resents our action both in Persia and in Constantinople, what will be the prospect before us? Is any other country interested in supporting us against Russia? or shall we have to fight Russia thousands of miles away without an Ally of any kind? It seems a rather reckless policy which is thus heaping up enemies against us. Whether it was wise to enter into the treaties with Russia respecting Persia and Constantinople it is useless now to inquire. These things have been done, and cannot be undone. Moreover, it is equally useless to inquire whether we should not have assisted Russia more effectually when she was fighting for the very life of the late Government. Rightly or wrongly, we did not support Russia; and, rightly or wrongly, it is reasonably certain that the world will say we were not sorry for the chance which enabled us to leave Russia in the lurch.

The real fact we have to consider at present is that a little population of under 50 millions has made itself responsible for the good government of the greater part of the world. We have in India a population which 10 years ago numbered over 315 millions. What it is now the reader can judge for himself. We are now adding Persia, Mesopotamia, and Palestine to our old possessions; and during the past 20 or 30 years we have practically made ourselves responsible for the greater part of Africa. Is it possible that we can maintain ourselves in Europe, in Asia, in Africa, and in America? And if it is not possible, what is to be thought of a people who are going blindfold into dangers of all kinds? We have called attention already to the enormous sum which is asked for the Army for the year which will begin with April next. Does anybody believe that the sum asked for will cover an Army of over half a million men? Or does anybody seriously believe that our Army, when reduced, will not exceed 280,000 men? If he does, we can only say that he puts more trust in official promises than we do, and that we shall be greatly surprised indeed if when the New Year is a few months old additional demands are not made upon us. It would be all very well if we had not a vast debt and a demand for expenditure the end of which nobody can see. But just think of what our debt is. At the very lowest our debt already exceeds 10,000 millions, if we include everything lent by us to our Allies and so on. And we have, in addition, all the pensions incurred when we raised seven millions of men for the War, as well as all the promises we made regarding better housing, better education, and all the other promises we made to the population. We would ask our trades unionist friends, Are they going supinely to allow the country to be absolutely sunk by this heaping up of debt? Possibly we could not have fought the War cheaper than we did, especially when it is admitted that, with our eyes open, we deliberately refused to make any preparation for a war we knew to be coming upon us. That cannot be remedied now. We can, indeed, get rid of the whole pack of Tories and Liberals, and we can put men of business in their place. But when we have done so, what are we going to do to relieve ourselves from a debt which already exceeds 10,000 millions sterling, and which we are adding to as if it was a pleasure to have a hopelessly large debt, and not a serious danger.

COTTON.—AMERICA.

We publish this morning the first letter from our American Correspondent relating to cotton. His communications have been delayed by strikes and other incidents. But we now hope that we are in a position to set before our readers direct information supplied by a gentleman who is actually engaged in the cotton business, and is recognised as an authority in the trade. We hope, therefore, that we are rendering an important service to one of the greatest of our industries.

(Special Correspondence of "The Statist.")

New Orleans, U.S.A., January 29.

Our Cotton market of late has been rather a quiet affair by comparison with the marked activity that prevailed somewhat earlier in the season. Sentiment, although at times "bullish," has, in the main, been against any further enhancement in values. Many influences have combined to bring about a reactionary feeling, but if I should be asked to single out the chief cause of indifference to the glowing trade reports from Lancashire and American textile centres, I should say that the almost interminable delay in ratifying the Peace Treaty on this side has been the most potent factor in checking speculation on the buying side. As long as

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we are not officially at peace with Germany our bankers cannot extend credits to or float loans for commercial interests in that country. Indirectly, of course, some financing of this sort has been done, but direct trade with Central Europe is out of the question as long as our country is still technically in a state of war with Germany. Signs are not lacking, however, that public sentiment is becoming thoroughly aroused over the inactivity of the Senate, and the pressure at Washington is becoming so strong that observers of the political situation are predicting that the Democrats and Republicans will soon reach a compromise agreement acceptable to both parties, and that the prompt ratification of the Treaty will follow. Just at the moment the market seems to be anticipating some such development, although the foreign political news, more particularly with regard to the Bolshevik advance against Poland, appears far from reassuring.

Another depressing feature of the cotton situation on this side has been the steady decline in foreign exchange rates. New low records on sterling, francs, and marks have served to accentuate the uneasiness that our banking interests have felt since the War ended as to the European financial situation. As to Great Britain's ability to cope with the great financial problems that have arisen in that country, no doubt is entertained, and the opinion of our shrewdest bankers is that the continued decline in sterling rates is being made to serve a useful purpose by your financiers, since the depreciation in your pound sterling restricts imports, except of necessary raw materials, to a minimum, and expands your export business. Our cotton merchants have not been slow to appreciate the fact that while your spinners are obliged to pay a great deal more in pounds sterling for raw cotton, this loss is more than offset by the profit derived from the manufactured goods your country is exporting to countries where exchange is at par. This argument does not carry such force with regard to France and Germany, however, whose ability to export manufactured goods appears to be limited. Our export dealers in cotton, therefore, have a somewhat restricted field to operate in, and hesitate to take the risks of further drops in foreign exchange after having sold cotton to the other side. In fact, the very fear of a further decline in rates hastens the sales of cotton bills, and tends to prevent any recovery in the Foreign Exchange market. The export demand for cotton, therefore, has for some weeks past been comparatively small, although exports, particularly to Great Britain, have been running on a large scale, but representing chiefly business put through last October and November, when a panic in "spots" was on. Frightened by the prospect of good grades being exceedingly scarce, as compared with a normal crop year, European spinners anticipated their requirements in a large way, and do not appear to be in any hurry to get back into the market. The fact is realised, however, that spinners on the other side have not provided for their entire requirements for the season, and it is only a question of time when the export demand will again be felt in force. In the meanwhile, New England and Southern mills have been quietly securing needed supplies, and interior stocks are dwindling. Here in our market middling spots have been hovering around 40 cents, sometimes above and sometimes a shade below, while factors' stocks have been gradually decreasing. The demand in this market has been chiefly for middling to strict middling, large lists of which have been bringing a premium over the official quotations. Cotton with any kind of staple to it has been bringing good premiums. About 600 bales of the Panther Burn crop, well known to the trade, recently sold in this market at 73 cents a pound. In grade this cotton ranged from good ordinary to low middling, but what it lacked in grade it made up in staple, ranging from an inch and an eighth to an inch and a quarter. The good grades of this same crop sold earlier in the season at 75 cents a pound, which was considered at that time a high-water mark for staple cotton. Had this cotton been held a while longer it would easily have brought a dollar a pound when the market was at the high levels of the season. Only this week some Arkansas staples sold in the local market at 90 cents per pound, and this Arkansas cotton does not compare with the famous Panther Burn product, which comes from the heart of the Delta.

Although the first month of the year is not yet ended, the trade is already speculating on the possibilities of the new crop. The dominant idea in the minds of operators on the selling side is that there will be a large increase in acreage, and this fact accounts for the enormous discounts at which the new crop deliveries are offering. Trade interests, particularly exporters, appear to be accumulating October and December contracts on weak periods in the market, and it looks as though a radical readjustment of these positions to higher levels is on the cards for the not too distant future. At any rate, it is evident that either "spots" will come down or the new crop months will advance between now and next summer, when trade ideas as to a suitable basis for next season's business become more defined. Trade opinion here inclines to the view that the readjustment will be more in the nature of an enhancement of values of new crop deliveries.

Reports coming recently from the Western half of the Belt as to preparations being made for the new crop have been anything but favourable. According to these reports, which come chiefly from Texas, wet weather during the fall and winter has not only prevented farm work, but much corn is not yet harvested. The land is still saturated from recent rains, and without further rainfall it will be six weeks before ploughing can be done in some localities in Texas. There is still some unpicked cotton in the fields, but it is so low in grade that it will never be picked and will be ploughed under. In the Eastern Belt, on the other hand, crop preparations are reported as well advanced for this season of the year. Furthermore, correspondents in the Atlantics state that there will be an increase in acreage of at least 20% over last year. The lack of fertilisers, however, is likely to prove a stumbling-block in the way of a large production in the Atlantics. Cotton-seed cake, now selling at $80 a ton, is entirely too expensive to use for fertiliser purposes. On the other hand, acid phosphate and nitrate of soda are almost unobtainable. There have been some shipments of potash from Germany, but it is of an inferior quality and the supply is limited. A prominent fertiliser dealer of Enterprise, Ala., recently on the floor of the New Orleans Cotton Exchange expressed the opinion that the lack of fertilisers would offset an acreage increase of even 20%.

Private weather forecasters, some of whom have quite a good reputation with the trade, are predicting a wet February. If such predictions should come to pass crop preparations in the Western Belt would be seriously retarded, and, in consequence, speculative buying of the new crop deliveries might become a feature of the market. Labour throughout the Belt is still inadequate, and much of the negro labour is being diverted to the towns and the oilfields. Under such conditions it would not seem to be wise to count too much on a large crop ahead to equalise the famine-like conditions now prevailing as the result of five successive years of short crops.

CHAS. A. DANCY.

The Banco Nacional Ultramarino announce that a new branch of their institution has been opened in Portugal at Lamego. This Bank, during the past six months, has absorbed the following Portuguese banks —viz. the Banco de Villa Real, the Banco de Bragança, Banco do Douro, and the Banco Eborense.

THE TOBACCO TRADE.

THE improvement in the shipping position last year was reflected in the imports of unmanufactured tobacco, which rose to 358,728,709 lb., from 171,639,313 lb. in 1918. There was an expansion also in manufactured tobacco imports from 5,831,807 lb. to 8,146,709 lb., and though a considerable portion of this dual increase was absorbed by increased exports both of raw leaf and finished goods to our usual foreign markets, yet docks and warehouses have become somewhat congested by the unexpectedly rapid advance in tobacco shipments from America, Cuba, and other countries. The stocks of unmanufactured tobacco in bond on December 31 last were 303,891,000 lb., as compared with 141,871,000 lb. at the end of 1918, and this large addition, combined with the absence of Army orders, that had practically become a feature of the trade, was responsible for the somewhat sluggish condition of the Raw Tobacco market in January. The adverse state of dollar exchange tends, however, to raise the value of tobacco already moved to this side, as arrangements were presumably made last year, when the pound sterling had a comparatively high value, to finance these shipments. The financing would have been all the easier, as most of the leading tobacco manufacturers in the United Kingdom have their own buying organisations in the United States. In other instances the necessary purchases of raw material are effected through tobacco brokers. The value of stocks *in situ* is also enhanced by the ban on tobacco imports enforced at Liverpool towards the end of last year on account of the acute congestion. Liverpool, being our chief terminal port on the North Atlantic route, is naturally the great depôt for American tobacco, and in 1918 its imports were equivalent to 53% of those for the United Kingdom. The following table shows our tobacco-importing centres in the order of their importance:—

Imports of Unmanufactured Tobacco (000's omitted).

	1913 Lb.	1914 Lb.	1915 Lb.	1916 Lb.	191[illegible] Lb.	191[illegible] L
Liverpool ...	111,744	105,201	114,607	106,455	31,688	91,194
London	32,521	28,407	33,072	31,008	8,427	30,355
Bristol	5,967	7,689	5,435	3,435	1,680	1,948
Glasgow	4,562	3,371	18,887	8,766	1,005	22,717
Belfast	4,525	8,319	11,635	6,410	549	4,887
Total for U.K.	162,366	158,693	202,651	164,266	46,543	171,639

The Liverpool prohibition had not the anticipated effect on the finished end of the trade, as shipments of cigarettes and pipe tobaccos have not been very brisk. The high prices and the adverse exchange are telling against imports into France, Italy, and other Continental countries where British-made goods were popularised by our soldiers during the War. This inactivity affects the leaf market, but a more extensive resumption of our re-export trade in raw tobacco would speedily restore equilibrium. Tobacco is scarce throughout most parts of Europe, especially in countries which at one time aimed at satisfying a large proportion of their own requirements from home-grown crops. Tobacco culture on the Continent was rudely interrupted by the War, and has not since recovered. In default of home stocks supplies must come from outside sources, and though buyers are hampered by the depreciation of most Continental currencies, shipments of the leaf to Antwerp and Saarbrucken, as well as to Copenhagen, Rotterdam, and other North European ports, have of late been frequent. In 1919 the total exports of stemmed and unstemmed unmanufactured tobacco amounted to 9,407,066 lb., as compared with 210,976 lb. in the previous year. This additional demand naturally tends to force up prices, but its full effect has not been altogether felt by the home consumer, as taxation in the United Kingdom is a much heavier item than the prime cost of leaf. In 1918 the value of the imported tobacco leaf was £15,750,000, while the duty on it collected in the same year amounted to more than £40,250,000. The gross sum received from the Customs impost on imported tobacco is estimated in 1919 to have been approximately £66,150,000. Duty is now levied at the rate of 8*s.* 2½*d.* per lb. on stripped and 8*s.* 2*d.* on unstripped tobacco. The pre-War rate was only 3*s.* 8*d.*, and the advance is responsible for the greater portion of the increased retail price to smokers.

Consumption has not been lessened by rising prices, and it may be said without exaggeration that there is to-day a waiting market for all the cigarettes and pipe tobacco that can be produced. Higher wages, longer leisure, and the increased popularity of smoking amongst women account for the general rise in demand. Some fears are expressed that the enormous loss of life in Europe may mean a contraction in requirements, but the increase in individual consumption will more than make up the deficiency in numbers. Though European markets are protected by high tariffs, our goods, which found such favour there in recent years, will no doubt be more largely imported in future, especially when conditions settle and food becomes less scarce. Important companies have already noticed an enlargement of their European market, and have in addition resumed their normal extra-European shipments, thus balancing the loss of the erstwhile large orders from Army canteens. The British-American Tobacco Company through its numerous foreign subsidiaries should benefit particularly from the increase, as it can avoid the heavy duties levied on imported tobaccos in the manufactured state.

It is possible that the diversion of a larger proportion of our output to the Continent may raise prices to home consumers, as has been the case to some extent in the wool trade and the other textile industries. All exports are, however, to be welcomed, as they tend to maintain or restore the exchanges in our favour. Besides, owing to the high duty on leaf the tobacco industry involves the outlay of a large amount of capital in proportion to the cost of labour, plant, and raw material, and it must therefore be at liberty to seize all opportunities of profitable trading. The average price of leaf has doubled since the War, and the present increased output from the factories necessarily entails the carrying of larger stocks of raw material, which must not only be bought at the higher price, but are subject to the twofold increase in taxation already mentioned. Moreover, the industry is such a substantial contributor to the Revenue that no impediment should be placed in the way of its legitimate expansion.

Our largest producer, the Imperial Tobacco Company, formed by British firms at the time of the threatened American invasion in the beginning of the century, confines its attention to the home market. It caters for upwards of 60% of the smokers of the United Kingdom, and cannot be said to have exercised its partial powers of monopoly at all unfairly, either against the public or against the independent firms in the trade. The average increase on the pre-War price of manufacturd goods is about 110%, though the duty, which has a preponderating influence on this figure, has risen by more than 122%. Labour and manufacturing costs have also expanded, and the increased profits which many tobacco manufacturers show have been derived from careful and prudent management, and not from any attempt to squeeze the public. In the manufacture of tobacco the margin of profit has been, and is, exceedingly small, and as the amount of tobacco manufactured annually in the United Kingdom runs into hundreds of thousands of tons, its effect on the price of each packet of cigarettes or each ounce of tobacco is infinitesimal. Of course, before the tobacco reaches the consumer it may, and does, often happen that several intermediaries take their toll of profit, but the general increase in the prices of most brands on the market is not greater than that stated above—110%. Few industries can show so good a record or can acquit themselves so easily of any charge of profiteering.

THE WEST INDIES.

TROPICAL AGRICULTURE.

We dealt briefly last week with an exceedingly interesting paper on Tropical Agriculture which had recently been read before the Society of Arts. The subject is so important that we return to it again, and shall hope to return to it on many occasions. We would welcome a whole series of papers, provided, of course, they were read by competent authorities on such a subject. While the politicians are busily engaged in the congenial task of map-making, the world is crying out for increased production to enable it to reconstitute its energies on a sounder economic basis than that on which they at present exist. In the tropics there is a fruitful field of enterprise which exists to the same extent in no other part of the world. The tropics present perennial summer; speaking generally, the richest soil to be found in any part of the globe; and conditions of climate and moisture which conduce to agricultural fertility to an extent that is not found, and, in the nature of the case, could not be found, in any other part of the habitable globe. We are accustomed to use a phrase like tropical agriculture, and it is very convenient provided one really understands what we mean by tropical agriculture. We cannot in ordinary conversation define in as strictly accurate terms as we are able to phrase every subject which comes up for discussion, and it is convenient to have terms like tropical agriculture, which express an idea to those who really understand what is meant. On the other hand, in order to obtain brevity of expression we have to pay the price. To those who are unacquainted with the tropics, and who are unacquainted with the conditions under which life and industry are carried on in the tropics, such a phrase conveys a wholly wrong impression. The man whose knowledge of agriculture is confined to some particular county in England, and who imagines that agriculture in the tropics is simply English agriculture on a more prolific scale, has a totally wrong impression. As a matter of fact, it may be said with hardly any qualification that there is no such thing really as tropical agriculture at present. It is only within the last dozen years that anything in the nature of tropical agriculture, in the sense that the term is understood in an English county, has been possible. Various forms of the plantation industry, and even various forms of glorified shrubberies, have been practised upon an industrial basis in various part of the tropics. Anything, however, in the nature of farming in the sense that the term is understood in Europe, in China, and in North and South America has never really been attempted; and, as we have said, has never been really possible until within the past 10 or 12 years, nearly half of which have, unfortunately, been occupied in one of the greatest wars in which Europe has been engaged in modern times. In order, however, to repair the ravages of that war, there is no more promising field than real tropical farming in the sense in which the practice of agriculture is understood in Europe, to be carried on in the hot portions of the British Empire, and, indeed, throughout the tropical parts of the whole world. We have long since outgrown the idea that the prosperity of one part of the world is advanced by the adversity of another. On the contrary, we have now come to realise that trade relations and the interchange of products between different countries are so closely related to one another that the prosperity of one very largely depends upon the prosperity of the other. It is practically impossible for one country under modern conditions to enjoy prosperity if it is the only country upon that continent which is enjoying any measure of prosperity. Practically, if the European continent were in a state of anarchy, it would be hardly practicable to ensure a state of prosperity in the British Islands.

An invention may be pending which will make it possible to grow two blades of grass where only one grew before. For that, however, we must wait until, if ever, such an invention is made. But the tropics do offer a known field in which it is possible to grow two blades of grass where only one grew before because, owing to the exceeding fertility of the soil, the enormous precipitation of moisture, and the fact that the seasons are almost recurring summers, it is possible to raise at least two, and in most cases an almost continuous, series of crops, stipulating always that proper fertilisers suitable for the tropics are provided. The question of adapting fertilisers to the tropical parts of the world requires very careful study. It is generally believed that Chilian nitrate, for instance, which is so valuable in increasing the productivity of the fields of the temperate zone, is unsuited to the tropics. Whether this is so or not even experts are by no means agreed; but the consensus of opinion does lean to that conclusion. Of course, it is common knowledge that the fertility of the earth in every region depends upon the microbes which inhabit that particular region; and owing to the extraordinary fertility of the tropical parts of the earth many varieties of microscopic growth do, in fact, inhabit the earth, say in places like the West Indian Islands, British Guiana, Brazil, the Amazon Basin, Central Amercia, and similar regions, which could not live in a country like ours, for example, still less in Canada. Consequently, a careful study of the influences favouring and the influences detrimental to plant growth in those regions should be carefully studied. As was explained in the paper to which we referred in our recent article, there are in most of the West Indian colonies botanical gardens and trained expert botanists and agricultural chemists; and anybody intending to engage for commercial purposes in the opening up of any of our great colonies in the West Indies would be well advised to consult some of those gentlemen, and, if their enterprise is sufficiently big, it would be well for them to endeavour to obtain the services even of some of those gentlemen themselves, or of someone whom they are able to recommend. It is evident that in the opening up of the tropics by agriculture very serious mistakes will be made and a considerable amount of money will be lost.

But if the work is done by people who are only acquainted with the conditions under which agriculture is carried on in the temperate zone, those mistakes will be very numerous and very costly; whereas if full advantage is taken by those who are acquainted with the conditions of soils in the West Indies, the bacillus life inhabiting them, the rainfall, and similar subjects, at least the mistakes will be reduced to a minimum; and such is the fertility and productivity of those regions that we may hope with reason that the annual crops to be obtained will be so bountiful that they will more than compensate for any mistakes that are likely to be made. Altogether, the area of the British West Indies is, for practical purposes, as large as that of the United Kingdom. We include in the British West Indies, of course, the great colony of British Guiana and the colony of British Honduras. Probably, for agricultural purposes, the British West Indian colonies are actually bigger than the total area of the United Kingdom, because only a very small proportion is infertile; and as yet there are very few towns of any importance. There are hardly any roads; and, consequently, the non-productive area is very small to the total area; whereas with us the non-productive area is enormous. The area of Greater London, for example, is bigger than the total area of many of the smaller West Indian Islands. We select the West Indian Islands partly because they would be comparatively easy to open up and develop, and partly because they are known to grow two commodities of which there is at present a world-wide shortage, and which could be readily grown in those islands. These two commodities are

sugar and cotton. Cotton from very early times has been grown in the West Indian Islands; and when the United States so developed the growing of the cotton plant in Kentucky and certain of the other cotton States, it ceased to be profitable to grow cotton on the limited scale on which it was grown in the West Indies. It has to be remembered that although the area of the British West Indies is within about 9,000 square miles of the total area of the United Kingdom, the population is well under 2½ millions; and, consequently, one of the great difficulties in the West Indies is to find an adequate number of people to do any particular kind of work proposed. In fact, if the West Indies were properly opened up, as we hope and believe they will be now as a result of the recent discoveries of how to deal with tropical diseases and the urgent need for the products which they are able to supply, it will be necessary to take measures to attract immigration to those islands. It so happens that we have in the West Indies an almost complete absence of the colour prejudice. It is one of the great advantages of the West Indian Islands and of Central and South America that, provided a man is decent and well-conducted, there is no prejudice against him because of his colour. Provided he is wiling to work and is a satisfactory person, there is no objection to him. A bad coloured man is as unwelcome there as anywhere else, but that is equally true of a bad white man. It so happens that we have within the Empire a highly intelligent people, capable of living under tropical and semi-tropical conditions, whilst seeking an outlet for their energies in various part of the world; and who, unfortunately, are excluded not merely from various parts of the world over which we have no control, but are excluded from extensive areas of the British Empire, which cannot fail in the sequel to prove disastrous to the fortunes of that Empire if such an exclusion is permanently persisted in.

Of the total population of the British Empire of some 400 million human beings, no less than 75% are coloured subjects of the King. A very large proportion of these people inhabit the great peninsula which we call India. India has never been properly developed; and, consequently, although it is by no means certain that the population of India is too great for the means of subsistence afforded in India, it is certain that there are regions, particularly in the East, which are congested to a degree of which we have, fortunately, no conception in this country. These people are seeking an outlet for their energies; and provided that the West Indies, British Guiana, and British Honduras are properly opened up, as we believe they will be, there is a field for Indian enterprise and Indian energy. The Indian has already a fair knowledge of cotton-growing and of sugar cultivation. In fact, the Indian of the great Peninsula is probably the most thoroughly inured, if we may use the expression, to the growing of the sugar-cane of any man in the world. He is not up to date in his methods. On the contrary, he is very backward. But he has the cultivation of the sugar-cane almost in his blood, inherited from countless generations. Consequently, if he were put under expert tuition, and taught the methods, for example, that are practised in British Guiana and some of the more advanced of the British West Indian colonies, he would very quickly adapt himself to the cultivation of the sugar-cane upon lines which would yield a higher proportion than obtained at present of sugar contents. Moreover, he would learn to cultivate his fields as the sugar-cane is cultivated in progressive countries, as distinct from the methods which are pursued nearly throughout the whole of India. The same applies to a lesser extent to the cultivation of cotton. It would be advantageous to the Indian, and it would be advantageous to the colony. It would act and react, because the Indian would have learned new methods of production in the cotton fields of the West Indies. Having learnt sound methods of production in the cane fields of the West Indies, he would, if he desired to retire, and to go back to India, be able to show his Indian friends how cotton could be cultivated, and how sugar could be grown, both of which are subjects in which the Indian cultivators could very materially improve their methods.

THE PORT OF BRISTOL.

Bristol is a port of great antiquity, and at one time occupied a more important position than at present in the trade economy of the United Kingdom. In early days England was an exporter of raw materials, and Bristol carried on a flourishing trade in English and Irish wood with the Continent. The Western city was also the starting-point for many famous expeditions of merchant-adventurers. The harbour was situate within the borough boundary, and for a long time remained admirably suited to all requirements; but at the commencement of last century the rapidly-increasing draught of ships made it difficult to reach the wharves, which were located eight miles above the junction of the river Avon with the Severn. Further, the enormous rise and fall of the tide, common to Severn and other narrow estuaries, incommoded vessels to a considerable extent. To remove this source of complaint the Avon and a branch of the Frome were converted into a closed dock called "The Float," which was opened for traffic in 1809. Locks to retain the tidal water were built and the necessary diversion of the Avon was provided for. These City Docks proved sufficient for a period to meet the needs of Bristol's overseas commerce, but the introduction of steam and the growing tonnage of vessels induced the citizens, through the Corporation, to purchase in 1884 the docks at the mouth of the river on the Gloucester side at Avonmouth and on the Somerset side at Portishead. Though Bristol had been one of our first ports to secure a large share of Western ocean commerce after the opening up of the New World, its trade had suffered greatly—first, from the competition with Liverpool, and second, from the abolition of slavery, a reform that destroyed for the time being its large traffic in sugar and tobacco with the West Indies. The docks in the city could accommodate coastwise and continental and to some extent ocean-going ships, but the deep-water docks at Avonmouth, which bore the same relation to Bristol as Tilbury to London, were safer and more commodious, and they attracted a large share of shipping, especially as numerous improvements were effected in the buoying and lighting of the Severn. Extra berthage was provided as traffic increased, and at present the dock system of the port comprises the City Docks, seven miles up the Avon, with a water area of 83 acres; the Avonmouth Docks, with an area of 49 acres; and the Portishead Dock, with an area

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of 12 acres. The total length of wharfage is approximately 27,000 feet, and four graving docks are provided, together with a gridiron in the tidal river and a heave-up slip, both the property of the Corporation. The latest big addition to Bristol's shipping accommodation, the Royal Edward Dock at Avonmouth, was opened in 1908. It can take all but the very largest vessels, and during the War it was the resort of ships of every class up to 24,000 gross tons. It possesses also, one of the largest graving docks in the Bristol Channel, with a length of 850 feet over the blocks and a width at the entrance of 100 feet.

The future development of the port will centre mainly round the river mouth, though for vessels not exceeding 325 feet the Avon is easily navigable up to the City Docks. Between 1914 and 1919 the proportion of the total shipping entering the port that docked at the City fell from 46.1 to 27.3, while the figures for the river mouth were correspondingly reduced. The deep-water facilities at the confluence of the Avon and Severn naturally afford inducement to modern trades to settle in the neighbourhood, and the oil trade, to give one instance, has become located at Avonmouth and Portishead. During the War the tankage accommodation was extended, refining and canning plants were set up, and Portishead became one of the principal centres for the supply of case and bulk spirit for military use at home and in France. Avonmouth, where a considerable number of tanks has already been erected, will soon be the scene of further developments, as a contract has been let for the extension of the Oil Basin in the Royal Edward Dock. Near the waterside the Anglo-American Oil Company has taken more than 6¾ acres, the British-Mexican 5 acres, and the British Petroleum nearly 13 acres for petrol, liquid fuel, and kerosene installations. With these additions the aggregate area under oil at Avonmouth and at Portishead, where the Shell Marketing Company is already established, will not be less than 56 acres. Work on the three new sites has been commenced, and when completed these large undertakings will involve a considerable addition to the trade of the port, which fell away during the War. The British Channel ports were variously affected while hostilities lasted. The total trade of each of the four chief ports increased in value, but the increase was very unequal, as the following table shows:—

Trade of Chief Bristol Channel Ports, 1913 and 1918.

(000's omitted.)

	Imports		Exports U.K. Produce		Exports, For. & Col. Produce		Value of Total Trade		Increase in Total Trade in 1918
	1913	1918	1913	1918	1913	1918	1913	1918	
	£	£	£	£	£	£	£	£	%
Cardiff	... 6,704	14,896	17,180	18,927	33	51	23,917	33,874	41.6
Bristol	...18,019	46,022	3,901	823	77	49	22,057	46,899	113.0
Swansea	... 3,988	3,290	9,789	10,557	12	81	13,789	13,928	1.0
Newport	... 3,130	6,080	6,379	6,858	5	106	9,514	13,044	37.0

Cardiff, it will be noted, has now yielded first place on the Channel to Bristol, while Newport, from being a bad fourth in 1913, has drawn almost abreast of Swansea. The last-named harbour suffered most severely of all after 1914, but more recent figures give it a better showing. Though Bristol's aggregate trade in 1918 exceeded that of Cardiff, the value of their exports was very disproportionate—£877,025 and £18,978,428 respectively. Bristol is largely an importing port, as opposed to Cardiff and other South Wales ports, which are chiefly exporting. In 1918 imports into the Avon accounted for 98% of the trade turnover, while the percentage in the case of Newport was only 46%, Cardiff 42%, and Swansea 23%. One cause of the difference is that Bristol-made goods are for the most part not exported, but sent inland in the raw or, more often, in the manufactured form. Thus the raw tobacco which is extensively imported is made up chiefly for inland consumption, as the Imperial Tobacco Company, whose headquarters are in Bristol, caters for the home trade. Similarly, barley imports are converted into malt for brewing purposes, wheat imports are manufactured into flour, sugar imports into chocolate and confectionery, and hide imports into leather, all of which are distributed to a large extent among the various home markets. During the War the outward trade decreased still further in importance, since imports rose in value from 18 millions in 1913 to 46 millions in 1918, while exports declined from four millions to less than one million. The War figures do not, however, include a large amount of goods shipped abroad to the various fighting fronts. The port was an important base supply depôt, and, besides being used for the revictualling and refitting of armed merchant cruisers, was a centre for the collection and shipment of caterpillar tractors and other war material. Hence the tonnage entering at Bristol increased for some years after the declaration of war, though the merchandise returns decreased. The following table indicates separately the tonnage of commercial and Government vessels, and of foreign and coastwise traffic:—

Port of Bristol.

Year ended April 30	Tonnage of Ships Entered— Commercial Tons	War Service Tons	Total Tons	Foreign & Coastwise Ordinary Traffic— Imports Tons	Exports Tons
1914 ...	2,623,425	-	2,623,425	2,970,410	788,687
1915 ...	2,394,414	1,477,303	3,871,717	2,725,772	621,698
1916 ...	2,020,245	1,787,999	3,808,244	2,596,049	518,026
1917 ...	1,765,877	1,065,000	2,830,877	2,196,812	466,232
1918 ...	1,306,916	455,113	1,762,029	1,805,086	398,712
1919 ...	1,272,488	252,146	1,524,634	1,680,255	422,096

Though the total falling-off in tonnage in 1918-19 compared with the previous year, was over 237,000 tons, the decline, as can be seen from the table, is almost wholly due to the reduced volume of war traffic, and the contraction in ordinary traffic is by no means commensurate. It is, nevertheless, substantial enough to make one wonder at the inability of the railways to remove from the docks goods requiring transport inland. The canals have been of some assistance in relieving congestion, and, with proper attention, they should prove a considerable benefit to the port, as outward and inward traffic would undoubtedly be encouraged by the development of water transport facilities to the hinterland. When a Royal Commission considered the possibility of linking up the Midlands by means of waterways to the Thames, Mersey, or Severn, the Severn route was considered to be the shortest and most economical. The scheme was worked out in detail, and, if put into execution, it would undoubtedly give a fillip to Bristol's trade where it is most required—in the export section. Birmingham hardware and electrical machinery, South Staffordshire iron and steel goods, and all the products of the great engineering districts of the Western Midlands, from motor-cars to nails, would find their natural outlet in Bristol. It stands at the head of one of the four great industrial estuaries in the United Kingdom, and its fellow-cities on the other three are each important centres of export, and enjoy besides a large liner and passenger traffic. The same possibilities lie open to Bristol, and wise publicity on the part of the harbour authorities, together with active co-operation between them, the trading community, and the shipping interests, should speedily win for the port the trade supremacy to which its geographical position entitles it.

The canalisation of the upper reaches of the Severn would principally attract heavy, non-perishable traffic of the kind that already constitutes the bulk trade of the port, though fruit and frozen meat are important and rising items of import. Rapid developments in the refrigerated meat traffic are imminent. The existing cold storage accommodation extends to 1,200,000 cubic feet, of which 900,000 cubic feet are privately owned. New cold stores, with a capacity of 600,000 cubic feet, are at present being built for the Corporation at the Royal Edward Dock, and these will be ready to receive cargoes in the course of the next few months. Besides the construction of the new oil basin on the west of the dock, another arm to the east is to be built, which will practically double the berthage, and make the Royal Edward probably the largest dock in the Channel. Large structures put

up for the Government, and now taken over by the Corporation, have added to the shed accommodation at Avonmouth. The transit sheds at the City Docks are to be extended, and a deep-water berth will be constructed for the landing of timber. For all these improvements Parliamentary process has been obtained where necessary, and will be exercised in the course of the next few years. The expenditure involved will run into some millions of pounds, but for the present attention is to be concentrated on the Avonmouth extensions.

A new tobacco warehouse, with a capacity of 10,000 hogsheads, is now almost ready, and development in other directions is proceeding. The fruit trade with the West Indies, grievously handicapped for the last five years, is reviving. Fruit exports from this quarter were at first helped by bounty through an arrangement between the British Government and the Colony. To divert Jamaica trade from New York, which was only 1,500 miles, to the United Kingdom, which was over 4,000 miles, a subsidised service of refrigerated ships was run to our ports, and of the trade so created Bristol and Manchester got the lion's share. The expansion of the oil, meat, tobacco, and fruit trades, accompanied by a revival in grain, sugar, timber, and live-stock imports, which, for various reasons, have suffered during the War, will more than replace the important War traffic of recent years, and will probably bring to the port of Bristol a greater degree of commercial prosperity than it has hitherto known.

RAILWAY ROLLING-STOCK CONSTRUCTION IN BRISTOL.

A GLANCE at the map shows that Bristol is rather too remote from the great railway centres to be the headquarters of an important locomotive or wagon building industry. Unlike Manchester, Leeds, Birmingham, or Glasgow, it is not an important railway junction, and it has, moreover, no coalfields or iron mines of first-class importance in its neighbourhood. The demand from railway companies for passenger carriages and from private owners for mineral wagons is therefore somewhat limited; but as a set-off Bristol has certain incontestable advantages for the export trade denied to more important inland centres, and by the aid of these it has built up a not inconsiderable foreign business in railway rolling-stock. Apart from the foreign market, the large mining area in South Wales, which is within easy reach by land or water, takes a number of wagons and locomotives. Though rolling-stock of most descriptions can be turned out in the Bristol district, the works are not equipped for the building of main-line locomotives and carriages, and manufacturers concentrate on industrial and narrow-gauge tank-engines and open trucks. Engines of the first type, being intended to a large extent for Welsh collieries, iron and steel works and gas works, are more usually made to our standard gauge, 4 feet 8½ inches. In narrow-gauge engines the home market is small for passenger and goods traffic, as the light railway is in many instances merely a temporary construction, being put down by contractors engaged in the execution of big works, especially in remote districts. In such circumstances it is exceptionally useful for the haulage of men and materials. Apart from contracts, however, narrow-gauge lines are uncommon in England, as the level character of the country allows the use of the standard gauge in practically all cases where railway traction is required. A justifiable prejudice also exists against the light lines, which are rightly regarded as uneconomical, except under very favourable conditions.

Though locomotive-building is by no means the most profitable branch of the engineering trade, the exports of light engines are considerable, and Bristol sends a substantial number of such locomotives all over the world, the gauges varying according to the requirements of the market. Sugar, rubber, and tea plantations are specially catered for, and, as most of the most important sources of production of these commodities are within the Empire, it will readily be understood that the export trade is largely confined to British Possessions. In recent years the home market has claimed almost undivided attention; but though the home demand is still very great, manufacturers are once more getting into touch with foreign markets, which were of necessity abandoned during the War. Saddle-tank and side-tank locomotives are being exported, but outputs are insufficient to meet the volume of inquiry, as frame plates and mild steel plates for boiler-shells are difficult to get. Locomotive manufacturers who are dependent on outside steelworks for their material have felt the shortage most acutely, and the Government have been asked to limit the exportation of steel plates, on the ground that it would be more profitable from the national standpoint to give employment to British capital and labour in working up these plates, subsequently exporting the locomotives or other finished articles. Despite difficulties as to material the following table, which relates to the United Kingdom, shows the rapid recovery in rolling-stock exports since the Armistice, a recovery in which Bristol has shared:—

Export of Manufactures of the United Kingdom.

Railway Wagons, Trucks, &c.

Year	To Foreign Countries	To British Possessions	Total
	£	£	£
1913	972,623	1,578,184	2,550,807
1914	564,815	2,450,077	3,014,892
1915	93,395	832,467	925,862
1916	128,899	197,006	735,905
1917	290,213	152,811	443,024
1918	181,457	151,106	332,563
1919	—	—	2,374,112

Railway Carriages for Passengers.

1913	483,150	319,303	802,453
1914	393,188	520,988	914,176
1915	174,202	339,848	514,050
1916	115,542	262,603	378,145
1917	87,310	77,866	165,176
1918	403,751	157,995	561,746
1919	-	-	594,352

Rail Locomotives.

1913	1,151,269	1,630,587	2,781,856
1914	1,115,088	2,725,474	3,840,562
1915	591,553	1,883,892	2,475,445
1916	801,047	496,249	1,297,296
1917	1,162,917	466,626	1,629,543
1918	710,721	365,201	1,075,922
1919	—	-	1,781,234

The percentage increase in export values has been greatest in the case of railway wagons and trucks, and this is attributable in large measure to the fact that the home market was disorganised on the introduction of the Ways and Communications Bill. When Sir Eric Geddes announced his intention of pooling all the privately owned wagons, private traders whose wagons had been seriously depleted in numbers and efficiency during the War, hesitated over repair and replacement, as the fruits of any outlay would be lost under a pooling system. This uncertainty had deplorable results, as the congested condition of docks and railways could not be remedied except by an increase in rolling-stock. At Avonmouth there is at the present time a daily shortage of nearly six-score wagons, and this is only one of many similar instances. For a long time the Transport Minister has been deaf to various appeals made not only by traders, but by wagon-building and financing companies, whose existence was imperilled by the extinction of their main source of revenue, catering for the private trader. It has just been announced, however, that in respect of wagons of type, design, specification, and date of delivery approved by the Minister, regard would be had to the prices paid "in the event of subsequent acquisition by the State of such wagons." The words quoted seem to indicate that the acquisition of the private wagons is not altogether a certainty, and it is possible that Sir Eric Geddes may on reflection have seen the difficulty of financing the purchase of several hundred thousand wagons, which, on the basis of replacement value, are worth a few hundred pounds apiece. Of the 1,400,000 trucks running on our lines before the War 650,000 were privately owned, and of these 394,000 of the open-truck type were

included in the common user pool formed by the Government during the War. Others have been hired from the owners by the railway companies. The diversity of types amongst those wagons may well have given pause to the Transport Minister in his scheme, as many have not been built according to Railway Clearing-House regulations and differ in clearance and in details of specification, such as frames, brakes, wheels, springs, tyres, axles, and axle-boxes. By the terms of the new announcement the Clearing-House specifications from time to time in force may until further notice be taken for general guidance.

It is probable that this somewhat belated concession will restore the confidence of private traders and induce them to place orders for wagons without fear of subsequent summary confiscation of their property by the Government. Bristol wagon-builders, in common with their competitors in Gloucester and elsewhere throughout the country, will be helped by the announcement, and the plant of the larger companies, which was in some cases partly shut down, will probably soon resume operations. A busy time awaits the trade, especially as the moulders' strike was responsible for a serious curtailment of output and delayed the execution of old orders for a period of eighteen weeks. So many of our coastal steamers have been lost or attracted to the French and North European trades that traffic never handled before the War is now passing over the railways and creating a demand for wagons, particularly for the carriage of minerals. In the foreign markets our only possible competitor, the United States, has not been much in evidence for some time past, though in a few cases where speedy delivery was necessary they have taken contracts from British manufacturers. Still, the preference for British-made goods on account of their durability and the excellence of their workmanship has everywhere been manifest, and this in itself must be reckoned an invaluable trade asset, as manufacturers are practically assured in advance of a market for their products.

SOUTH AND CENTRAL AMERICA.

HORSES AND LIVE-STOCK OF BRAZIL.

Everything comes to him who waits, but sometimes he has to wait a very long time. We are exceedingly glad to see an article appearing in the current number of the *Journal of the Royal Society of Arts* on "Horse Breeding in Brazil." The article is a translation by the Vice-Consul of the United States stationed at Rio de Janeiro, and it is made up from an official report published by the Foreign Office of the United States of Brazil. Europe knows little or nothing of the virtues of the Brazilian horse. It is, however, one of the most useful animals in the world. It is hardy to a degree, but as it stands only some twelve hands it has never been considered as worthy of attention in Europe. Its merits were first brought into prominent notice to those interested in horse-breeding in a war which occurred between the Allied countries of Brazil, Argentina, and Uruguay against the Republic of Paraguay, now some 40 years ago. The Brazilian horse was found to be an extraordinarily enduring animal. In those days none of the South American Republics were opened up to the extent that they are at present. These small, wiry and long-suffering animals were called upon to travel immense distances, often supplied with inadequate food. The armies of the allies, as well as those of Paraguay, were themselves but indifferently fed, and it is said that the dictator, Lopez, maintained his army in some sort of order even after he had suffered disastrous and crushing defeat, which ended ultimately in his destruction and death, for a whole month with nothing to sustain his troops except biscuits and the well-known Paraguay, or matte, tea. The soldiers of the allied Powers did not, of course, suffer to the same extent. But, nevertheless, they were very inadequately fed, and fodder for the horses was exceedingly difficult to obtain. The Brazilian horse was found to be able to continue for a surprising length of time without food, provided always that he was supplied with a little water, abundance of which is to be found in the country. The article published in the *Journal of the Royal Society of Arts* will have the advantage of being circulated amongst all the members of that Society, and is likely to attract attention in the Press. That the Brazilian horse has not been appreciated in Europe, particularly during the period of the recent War, is no fault of those who are interested in Brazil, in Brazilian live-stock, and in the breeding of horses in the great southern Republic. The matter was repeatedly brought to the attention of the British War Office, and of the authorities of the various Allied countries recently engaged in the European War. Nothing, however, would induce the authorities to have anything to do with the Brazilian horse when they realised that his average height was only about twelve hands. They maintained that a cavalry mounted on horses of such diminutive stature would look ridiculous. Inasmuch, however, as cavalry were hardly used at all throughout the recent War, the matter was hardly one of importance. And it is rather as transport animals that the Brazilian horses would have been valuable than for the showy purpose for which cavalry in Europe are usually employed. As a matter of fact, in South America, far from being ridiculous, the Brazilian horse was an exceedingly useful animal for purposes of reconnoitring, and of generally obtaining information in connection with the movements of the enemy. The horses of Brazil, says the article to which we have referred, are derived from different breeds which, by crossing with pure-bred English, Norman, and French stock, have developed a distinct national type. Small, light, and intelligent, the Brazilian horse is useful for military purposes, and is excellent for the saddle, answering readily to the demands of the rider, and enduring long journeys without food. The Federal and State Governments alike have rendered very great service in the selection and crossing with pure British breeds, and official studs have been started in very many of the States. Nothing, however, as we have said, could induce the official mind in Europe, although urged from various quarters, to give the Brazilian horse, even a few hundred of them, a trial. The result, as the paper before us shows, was that in 1917 only one horse valued at some £45 was exported. But 353 horses were imported for breeding purposes in 1916, and in 1917, 382 were imported from Europe for the same purpose. As we have said, authorities, both in this country and in other countries in Europe, were determined not to import the Brazilian horse. On the contrary, they continued in the face of advancing prices to import more and more horses and mules from the United States of America, in spite of the fact that they were compelled to import immense quantities of other things besides horses, with the result that the pound sterling in New York is only worth $3.30, compared with $4.76 at the outbreak of the War. Inasmuch as more than 20 millions sterling was spent by the British Government alone on the import of horses at a time when 20 millions sterling was 20 millions, the influence of this factor alone in forcing down exchange will be appreciated. The Brazilian horse is now coming in for his revenge. Horses, as well as everything else, are scarce, more or less, throughout the world, and Brazil is one of the fields from which the depleted supplies of the rest of the world may be replenished. The document to which we have referred estimates the total number of horses in Brazil at over six millions; that is to say, about one horse for every four of the human inhabitants of the Republic. The largest number of horses are in the mining State of Minas Geraes, estimated at 1½ millions. Then comes Rio Grande do Sul with a total

number of just over a million. Next comes Bahia, the tobacco State, with over 810,000; then the coffee State of Sao Paulo with 498,000; then, in order, Goyaz with 266,000; Ceará, 218,000; Parana, 217,000; Pernambuco, 212,000; Piauhy, 165,000; Maranhao, 149,000; the Federal State of Rio de Janeiro, 143,000; and the enormous State of Matto Grosso, 140,000. The statement above referred to says that the War has played havoc with horses in most countries and that Brazil should be in a position to make good those losses. The largest number of horses estimated in different countries of the world are—European Russia, 24 millions; the United States of America, 21 millions; Argentina, 9½ millions; Russia in Asia, 6½ millions; Brazil, 6 millions; Austria-Hungary, 4,371,000; Germany, 3,342,000; Canada, 2,991,000; Australia, 2,522,000; France, 2,317,000; India, 1,819,000; the United Kingdom, 1,700,000; Japan, 1,534,000; and Italy, 956,000. The Union of South Africa, Sweden, Cuba, Uruguay, Chili, Spain, Denmark, and Bulgaria are estimated to have about half a million each.

In addition to its six million horses Brazil has a cattle population usually estimated at about 30 million head, and its sheep population is also generally estimated at about 10 millions. Before dealing very briefly with the cattle situation, to which we have referred upon many occasions, but which we hope to refer to again in future, we would like to direct attention to the importance of sheep production in Brazil. Brazil, say certain authorities, is essentially a tropical country, and, consequently, it is not, and never can be, a sheep country. Such a criticism ignores the patent fact, staring everyone in the face who has any acquaintance with the whole continent of South America, that the question is one of altitude quite as much as latitude. Brazil, like the greater part of that vast continent, is undoubtedly situated in the tropical and sub-tropical regions of the earth. But for those who are interested in South America, and particularly those who are in a position to take an interest in South America, and are able to, and willing to do so, but are not as yet very well acquainted with the circumstances of that continent, it cannot be pointed out too often that altitude plays a more important part than latitude. Everybody knows that on the high plateaus of the Pacific coast conditions are very much colder than those to which we are accustomed in the greater part of Europe. The high plateaus of Peru, for example, are more like large parts of Northern Asia than anything which we are accustomed to associate with the low-lying lands of the tropics. Nevertheless, in latitude they are essentially within the tropical area. Of course, nothing like the conditions which prevail in Peru are to be found in Brazil. But we have to remember that Brazil, like the rest of South America, is a country of altitudes. Near to the eastern seaboard, after the low-lying coastlands of the Atlantic have been passed, is a coastal range of mountains, as it is called, running from north to south. The whole of this mountain area, whenever the wild animals of the district are killed off, is essentially a sheep-rearing country; and there is no reason why on this hilly country alone the sheep population now existing in Brazil should not be doubled, or trebled, or even quadrupled, and amount to, or exceed, the number of cattle at present existing in Brazil. No one who knows Sao Paulo, for example, would doubt that it is a sheep-raising country. Readers who are at all interested in the subject will recollect that about twelve months ago nearly one-third of the coffee crop was destroyed by frosts; and although in certain seasons of the year the high lands of Sao Paulo are very warm, during the months of May, June, July, and August the nights are exceedingly cold; and this is true of a great many of the States—in fact the majority of the States, with the exception of those running down to the Amazon Basin; and, consequently, it is difficult to calculate the potential fleeces which a flockmaster might be capable of raising in different parts of Brazil, provided always that he selected suitable localities. Brazil has the great advantage, which very few sheep countries enjoy, that there is practically no fear of drought. The small area in the north-east which alone throughout the Republic is subject to drought is totally unsuited for sheepraising. But over nearly the whole of the rest of the Republic there is practically no fear of drought.

Until the extravagant methods adopted in the conduct of the recent War forced a starving world to seek food wherever it could be obtained, Brazilian cattle were treated with almost as great indifference as the Brazilian horse has been, and still is. When we were brought to a condition in which we had to be rationed to so many ounces of meat like a beleaguered garrison, fortunately there existed in Brazil in the late President Alves a man possessing sufficient resource, and possessing also far-seeing views, which enabled him to appreciate the importance of the cattle trade to his country. With commendable enterprise he seized the opportunity which the War afforded Brazil of supplying the hungry multitudes of Europe. At the outbreak of the War in 1914 no meat had ever been, as far as is known, exported from Brazil. But the late President Alves, in conjunction with freezing-house interests in North America, started an enterprise which led to the export of chilled and frozen meat upon a great scale. A trial shipment was made in the late autumn of 1914 of about 1,000 tons; and as the War progressed, and as the scarcity of provisions became more and more felt, Brazil increased her export of frozen meat from 1,000 to between 60,000 and 70,000 tons. Towards the end of the War the strain upon the Brazilian cattle population became evident, and prices rose extravagantly. This led to a reduction of purchases on the part of the freezing-house interests; but, after a short time, the breeders found that it was better to reduce prices than to lose their business with the newly established freezing-houses, and ultimately not only was the State of Sao Paulo the great source of supply for the hungry mouths of Europe, but the Southern States, and particularly the State of Rio Grande do Sul, came forward as important feeders of these houses. We believe now we are right in saying that Brazil is in a position to supply regularly between 60,000 and 70,000 tons each year.

IRISH INDUSTRIAL COMMISSION.—EVIDENCE.—V.

Detailing his experience of the meat trade, Mr. Gallagher said that the two classes of meat commanding top prices in the London market are best Scotch and best English, and a point in connection with the dressed-meat trade as it affects Ireland is that a considerable number of stores are sent each year to Scotland and England, where they are fattened, slaughtered, dressed, and finally disposed of in the London market as best Scotch and best English. Owing to the fact that Irish meat is not as well finished as the two other varieties, and that the methods of feeding the animals are more backward, it commands 4*d*. or 6*d*. per lb. under the other quotations. On transhipment to England, Irish cattle lost at least ½ cwt. in addition to the deterioration of the meat from bruising, which meant a loss of between ¼*d*. to 2*d*. per lb. The lack of provision for proper treatment of the cattle *en route* contrasted strongly with that afforded to beasts brought over from America.

In connection with the development of the Irish dead-meat trade, witness suggested that a large abattoir in a place convenient to a port would be preferable to a number of smaller ones, as the disposal of the by-products and the manufacture of the offals would thereby be facilitated and the duplication of plant avoided. Having regard to the weather, a certain

amount of risk would be involved in sending meat products from inland towns across-Channel.

As regards the practicability of controlling meat from the slaughterhouse to its sale in the English markets, witness referred to the action of the American meat companies in eliminating the wholesalers and opening up shops in the United Kingdom for the sale of their products. The proper dressing of Irish meat was an important point, as was also the question of flaying. At Birkenhead the Americans had introduced such improvements in respect of the latter that their hides were considered superior to any in England. It was very desirable that something similar should take place with Irish hides, as, especially in the South, they were often taken off very badly, with the loss of much revenue to the country. A difficulty was that butchers did not see the necessity of improving their methods, as hides which would be relegated to the third grade in Ireland were graded "firsts" in England. Before the War, Irish horse hides were mostly sent to Germany for tanning; this work had now been taken up in England, but an effort to start tanning these hides in Ireland would probably meet with strong opposition from the trade.

The problem of utilising the waste water-powers of the Shannon was taken up by Mr. Davidson, B.E., County Surveyor, East Limerick. At Doonas, for example, a power station could be erected. No doubt the electricity generated would be in demand by the industries of Limerick and other places. It should be possible to alter the level of Lough Derg to a certain extent, but the danger of flooding the lands in the neighbourhood would have to be seriously taken into account. Opposition might arise to the development of a power scheme as there were valuable fisheries in the river; besides there were other interests that would be affected. The local authorities might possibly take it on themselves to provide a scheme of this nature, as its benefits would be directly felt by the people whose affairs they administer.

Mr. Moynan, County Surveyor, North Tipperary, considered the State should be responsible for the supply of power in Ireland, whether derived from coal or peat. He referred to the difficulties in the way of utilising the water-power of the Shannon, owing to the river being used as a means of transport and to the existence of valuable fisheries. Again, if the Shannon and its falls are to be utilised in times of low water the river must be ponded; and this is impossible, for if the crest at Killaloe is raised 50,000 acres of valuable land may be submerged. Witness associated himself with the conclusions of Mr. Challoner Smyth, that a certain depth must be left in the bed of the river to provide for transport, and fishing, and that the storage of water in locks above Killaloe is not economically possible. In 1905 no power water would have been available for a period of 70 days; that was exceptional, but the same thing has happened last year. At Killaloe he had seen water so low that it was possible to cross the river dryshod. The Shannon might possibly be relied on to supply continuously 5,000 h.-p., and at certain times 20,000 h.-p. The only other important rivers in Ireland as sources of power were the Erne at Belleek and the Bann. To utilise profitably the numerous small sources of power in the country would be impossible as a large number of mill owners would have to be compensated. Furthermore, in order to secure continuity of work, say in summer-time, experience shows that an alternative power supply is needful.

He was not a believer in the possibility of harnessing water for power purposes on a large scale in Ireland. In the Central Plain water is to be had, but there is no fall, and in parts of Kerry there is plenty of fall but no water. The question becomes an economic one as to whether it would pay to pond up falls and get an available reserve of water for driving mills. Another point is that land is realising over £100 per acre, and that intense opposition might be excited to its acquirement in connection with power-development schemes.

A proposal had been made some time ago to develop a maximum of 8,000 h.-p. and a minimum of 5,000 h.-p. at Doonas, the estimated cost on a pre-War basis being between £500,000 and £700,000. For nine months of the year the 5,000 h.-p. would be available, and for the remaining three months stand-by plant might operate. Witness thought there might be an average of 3,000 h.-p. available at Killaloe, and assuming the same at Doonas 6,000 h.-p. would be made up between the two.

Turning to peat, he agreed that it represented an inexhaustible source of power, and saw no reason why it should not be utilised. The first step is to drain the bogs. Roughly speaking, 90% of peat represented water, and two tons of old dried peat will give as much power as one ton of coal. When peat is cut in the right manner 60% of water is removed; and from his own experience, when a bog is drained to lay out a road its height is reduced from 20% to 30%, and presumably these figures indicate that so much moisture has been removed. For drainage purposes he approved of the cutting of channels through bogs, as the turf won from these channels would nearly pay for the cost of making them. A bog should only be drained very gradually; 6 feet would suffice for the depth of the first channels, as in the case of greater depths there was a danger of the sides falling in and choking the channels; 30% of the moisture can be disposed of in this way, but State aid is necessary in tackling the problem.

Miss Phyllis Ryan submitted interesting evidence regarding the calorific values of Irish anhydrous peat. The average value of the calorific powers of the samples of Turuan and Ticknevin peat examined was 9,532 B.T.U., while that from the 19 samples from other bogs in various parts of Ireland was 9,662 B.T.U. The average calorific power found by Von Feilitzen for 57 samples of antrydrous Swedish peat was 9,480 B.T.U., and that assumed by Hanading for the best German peat in the anhydrous state is 9,200 B.T.U. Variation in the calorific power of any peat as between one bog and another is no greater than may be observed between the peats from different layers in any deep bog. From the investigations it appears that the ash usually increases with the depth of the layer, and although the calorific power of the ash-free fuel generally increases with the depth of the layer, it does not always do so. Experiments made showed the difficulty of pressing the water out of the peat. The effect of freezing, as also of heating, peat is to render it more easy to press out the water, but the trouble and expense involved would scarcely make it profitable. The general effect of frost on peat is similar to that of heat, but, owing to the difficulty of freezing peat on account of its non-conducting nature, is less complete. In nitrogen content Irish peats average about 1.7%. As a rule, the deeper bogs contain the greater proportion of nitrogen.

The 1920 edition of "The *Financial Times*' Tin Mining Handbook" has appeared this week, compiled by Mr. A. N. Jackman. In the introduction the position of the metal itself and developments in connection with each of the chief tin-producing countries is discussed, Northern Nigeria receiving special attention. The price of the book is 5*s*. net.

"Pitman's Business Man's Encyclopædia and Dictionary of Commerce." In 28 fortnightly parts. Price 1*s*. 4*d*. net per part. (London: Sir Isaac Pitman and Sons, Ltd.) This work provides in compact form information upon any subject which falls within the sphere of a business man's life. It will be found of inestimable value to the commercial student who requires some reliable source from which to amplify the more elementary knowledge which he has gained in the course of his studies from the ordinary text-books. It is a well conceived and useful work.

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Financial Notes.

ALGIERS, it is not necessary to remind the reader, is a French colony—the oldest, and in some respects the most important, of the French colonies. With the present rate of exchange Algiers is an economic source of supply, using the term in the popular sense, for British importers of any articles which the colony is able to offer. These consist of a larger variety of products than might be imagined by those unacquainted with Algiers. The low-lying lands on the Mediterranean littoral are, of course, situated in the sub-tropical area; and, consequently, the products obtained from those lands are virtually sub-tropical products—dates, citrus fruits, and such like. Northern Africa, like South America, is, however, very largely a country of altitudes, as compared with one purely of latitudes. From the warm coast lands, as one goes further south, nearer to the Equator, the temperature very rapidly changes as one mounts the elevated plateau standing high above sea-level. The country is well acquainted with snow during the winter period, although it rarely lies for any considerable time. Nevertheless, these lands grow cereals in considerable quantities, and very much of the quality to which we are accustomed in Europe.

Algiers produces, or did, at any rate, produce in the early years of the War, dairy produce in considerable quantities, and the prices then ruling—we are speaking of 1917—were very much below those prevailing in Western Europe at that time, and, we need not add, at any subsequent period. Eggs which had been two, and three, and even in the more remote districts four a penny, had already mounted to a penny each. But at the present rate of exchange this is equivalent to very little more than a halfpenny. It might be well worth the while of egg merchants who have facilities for dealing with Algiers, or who have a good agent in Paris, to make inquiries, because, even allowing for the shortage of transport at present, there is a wide margin of halfpenny, compared with the price for which that much-sought-after article is obtainable in England at present. Those who have a copy of the recently issued Board of Trade returns before them will see that practically the import of eggs for the month of January last into this country was about one-third what it was in the January immediately preceding the outbreak of the recent War. Consequently, it is not difficult to understand that those who do obtain any eggs for us not unnaturally require very considerable remuneration for their services.

We give below figures relating to the coal output of the United Kingdom during each week of the present year:—

1920	Tons	1920	Tons
January 3 ...	3,494,603	January 24 ...	4,851,521
January 10 ...	4,510,723	January 31 ...	4,888,066
January 17 ...	4,902,906	February 7 ...	4,846,167

It is important to bear in mind that, judging by the figures so far issued for the fiscal year which will end next month, there will be a total decline of, approximately, 60 million tons in the output of British coal as compared with the last clear year before the outbreak of the recent War. Apparently the total output for the year will be something between 225 and 230 million tons. This compares with just a little under 290 million tons in the pre-War period. We are exporting at the present time very nearly, although not quite, 50 million tons a year. If we include coal used by our steamship companies and in our coastwise traffic, this figure since the War is, of course, very small. Virtually, before the War we exported about 77 million tons, and 20 million tons in addition was used for what is technically called "bunkering"—that is to say, as a source of power for our ships and coastwise traffic, an item in those days of very great importance. Now we are actually selling to our foreign customers something like 35 million tons, and the balance—say 15 million tons, assuming that the sales continue at the present rate—is required for purposes of shipping and for feeding our coaling stations abroad.

It will be remembered that, at the request of the Coal Control Office, an audited statement was drawn up, a report of which has been issued this week. This report shows that the present high price of coal in this country is due to the enormous sums which we are obtaining for the 35 million tons which we are exporting, or hope to export, before the end of the financial year. A large measure of alarm has been created in certain circles by the discovery that we are obtaining the coal for our domestic needs and to feed our manufactures because, owing to economic causes, over which neither we nor our customers have any control, we are able to obtain prices three or four times what they were in the pre-War period. It is argued that this state of things cannot continue; that a time must come—and it cannot be very long delayed—when we shall either have to sell coal at a reasonable price to our foreign customers, or those customers will have only two courses open to them—either to buy from somebody else, or to go without.

Of course, the above deduction is perfectly true. The reason why coal is so extravagantly dear is primarily, of course, due, like most of our difficulties, to the way in which the War was carried on. But, to use ordinary colloquial language, it is due to shortage of shipping and to decreased output from the mines. Although it is perfectly evident that we cannot hope indefinitely—and it would not be desirable that we should—to obtain such extravagant prices for our coal for any prolonged period, it does not in the least follow that the coal mines or the coal workers will either become bankrupt, or that we shall have to pay such a price for our supply of fuel as will practically ruin most of our industries. On the contrary, these things tend gradually but steadily to right themselves. After a war in which the bulk of our able-bodied men were drafted into the Army, and even women were almost, although not quite, impressed into industry, it is not surprising that there should be a world-wide shortage of everything, and that it takes us some considerable time to produce such commodities as we need for the ordinary working of the industrial system which prevails in this country.

Gradually we are increasing our shipping. Gradually the trade of the country is improving. Sooner or later either the collieries will have to work at a more reasonable rate than they do at present, or a large number of them will have to close down, and we shall obtain our coal from elsewhere. At the present time there are no ships available for bringing coal from any considerable distance; and, consequently, we are wholly dependent upon the one source of power which we have in this country. As the building of ships increases freights on the basis of present prices, or

even half the present prices, will be a matter of hardly any consideration. When that time comes it will be evident that our collieries must either be worked upon an economic basis, or a large proportion of them will have to close down. We are the second largest coal producers in the world, and it is perfectly evident, whatever scheme is adopted, that we cannot for any lengthy period continue to produce coal on a non-economic basis.

At a time like the present, when there is a large measure of discontent, not merely here, but throughout the world, at the general shortage of commodities and the extravagant price demanded for articles of food and clothing which we have long become accustomed to regard as absolute necessities, it is not surprising that considerable excitement has been created by the publication of the report of the Sub-Committee appointed to inquire into the price of sewing cotton. Sewing cotton, we believe we are right in stating, was sold per reel—in which form it is obtained by the ordinary public—at 2¼*d.* per reel in the year before the War. At the present time the price asked for a similar article is 10*d.* Bearing in mind that one firm practically holds the monopoly of this trade in this country, it is not surprising that the public, who know nothing about the cotton trade, or about the manufacture of sewing cotton, should be very wrath.

The Sub-Committee find that Messrs. J. and P. Coats, Limited, of Glasgow, do, in fact, hold a practical monopoly. They are the controlling owners in the interests of Messrs. Jonas, Brook, and Sons, Limited, Messrs. Clark and Company, Limited, Messrs. I. P. Clarke and Company, Limited, Messrs. James Chadwick and Bros., Limited, Messrs. Kerr and Company, Limited, and also in the Central Agency, which is the distributing factor in the whole concern. The supply of sewing cotton for domestic purposes in the United Kingdom is, says the Sub-Committee's report, a practical monopoly enjoyed by Messrs. J. and P. Coats, Limited, of Glasgow. Reading, however, further on in the same report, it appears that but for the fact that Messrs. Coats, Limited, took certain business risks, and bought what is called "forward" large quantities of raw cotton, the present price of a reel of cotton to the British consumer would be higher than in fact it is to-day.

Members of the Committee obtained evidence from one of Messrs. Coats' principal competitors, in January of the present year, that the firm this gentleman represented could not manufacture sewing cotton at a price which would allow a reasonable margin of profit to his firm if the cotton was sold at a less price than 1*s.* per reel. That a monopoly such as that enjoyed according to the Sub-Committee's report is an exceedingly bad thing has generally been held in this country ever since the time of Queen Elizabeth, when modern industrialism really began to supersede the feudal period. That a virtual monopoly is an exceedingly bad thing we have, to our cost, ample evidence every morning and every evening in the transportation facilities which are afforded us in London at the present time; and, indeed, those who, for their misfortune, have to travel in different parts of the country are only too painfully aware of the large measure of discomfort they experience from the transportation facilities afforded in any part of the country by companies which, acting under the authority of the Government, enjoy what amounts to a complete monopoly, and have no immediate reason to care whether their customers are satisfied or otherwise.

Bearing in mind, however, the evidence afforded by Coats' competitors, it does not appear that they are really acting in restraint of trade. There is no reason why cheap sewing cotton should not be imported into this country provided any other country were in a position to furnish us with the article at a reasonable price. We have to remember that practically 80% of the raw material is produced in the United States of America. We have to remember, further, that the cotton crop of the world is rather decreasing than expanding, bearing in mind the growing needs of the world's population. We have to remember, also, that in purchasing cotton on European account the principal source of supply at the present rate of exchange is in a position to exact something equivalent to 33⅓% overriding commission upon all sales, in addition, of course, to the ordinary profits of trade.

That the trade of the country is rapidly recovering from the effects of the recent terrible and devastating War is clearly evidenced by the Board of Trade returns appearing month by month, and on which we have commented from time to time. We have before us a copy of the Registrar-General's report showing the vital statistics of 96 great towns of England and Wales, with a population each of 50,000 and over, the aggregate of which comprises practically half the population of England and Wales, which, of course, means the vast bulk of the population of the United Kingdom. These statistics are as encouraging in their way as the trade figures. It is perfectly evident, if the growth of population continues as it is doing, that there will be no lack of people in the next generation for the services of the various departments of industry, or for the service of the State. All that will be necessary will be to conserve our resources to a sufficiently great extent to enable us to find employment for the ever-growing population.

The births during the week ended February 14 in the whole of this population, taking the Census figures of 1911, which in many ways are more satisfactory than the National Register figures which have been taken, total only 10,606, corresponding to an annual rate of 29.9 per 1,000. The deaths amongst civilians was 5,544, corresponding to a rate of 17.4 per 1,000. This death rate is slightly higher than for the two closing weeks of January, due almost entirely to the increased mortality amongst the infant population. The figures for London are even more remarkable than those for the rest of the great towns of the country. Moreover, the mortality in London has been comparatively slight compared with cities like Liverpool, for example, where the mortality has been as high as 27 per 1,000. During the second week of the current month London registered 2,793 births, corresponding to a rate of 32.4 per 1,000. The deaths were 1,423, corresponding to a rate of 18.4 per 1,000. This, again, was slightly higher than in the corresponding week, as the death rate in London has been well below 15, and in some districts like Kensington, for example, St. George's, Hanover Square, and in the more healthy parts of the Metropolis, the death rate has been under 10.

These figures for London of a birth rate of 32.4 per 1,000 recalls the figures recorded in the Bills of Mortality in the 18th century, when London maintained a steady birth rate of 35 per 1,000; but, unfortunately, the death rate was so extravagant, amounting to between 47 and 49 per 1,000, that the population of the Metropolis could only be kept up by steady immigration from the country. The effect of the ravages of the War and the demand for people is having an extraordinary influence in stimulating the birth rate. It will be remembered that before the War we had a birth rate of only 24; and, if we remember rightly, we have not the figures before us, during the first six months before the War it had fallen to 22. For several months—indeed, for some years—before the outbreak of the War, the birth rate had fluctuated between 22.5 and 24 per 1,000. Such a remarkable rise in the figures of the birth rate spread over so wide an area of the country testifies to the general prosperity which the people are enjoying, notwith

standing the heavy taxation and the ravages of the War.

The Federation of British Industries announce through their Bulletin that students anxious to obtain experience of the methods of the textile industry, the motor-car industry, the chemical and drug industry, and the electric-lamp industry are anxious to obtain employment in this country with firms connected with those businesses. The matter has been brought to the notice of the Federation by the Czecho-Slovak Government.

According to the Bulletin of the Federation of British Industries, Mr. R. H. Butler, Secretary of the Australian Association of British Manufacturers and their Representatives at Melbourne is to become the official correspondent of the Federation in that city. Mr. Butler will be in a position to answer any trade inquiries which members may wish to make. For the present, any such inquiries should be sent to the head office of the Association for despatch to Australia.

Information has been received by the Federation of British Industries from their representative in Algiers to the effect that any trade literature—such as catalogues, for example—for Algiers should be sent by book post, one copy in each covering. The Commissioner for the Federation explains that if catalogues are sent by parcels post the delay in receiving them is very great, and also that if more than one copy is sent in the same packet they are liable, especially if illustrated, to Customs duty, which amounts to quite a considerable sum.

WATER POWER IN IRELAND.

One of the factors weighing heavily against the expansion of existing industries in Ireland and the introduction of new is the failure, at least on a large scale, to make use of the native resources of energy. Before the War the cheap price at which coal and oil could be imported did not offer a barrier insuperable enough to prevent the average Irish manufacturer from meeting outside competition successfully, granting that his marginal profit necessarily suffered a diminution on account of the extra transport costs. In the circumstances of that time it is not to be wondered at that the discussion of the practicability of utilising home fuel was often inclined to assume an academic tone. The same is not the case to-day. The high cost of imported fuel and the uncertainty of its arrival represent handicaps that are at present very keenly appreciated by Irish users of power, and are responsible for the impetus given to the discussion of schemes aiming at the alleviation of these disabilities. It is recognised that the enlargement of the existing industrial structure of the country will follow a line dictated to some degree by the success of the efforts made to secure the development of Irish stores of actual or potential energy. Work of this description will undoubtedly have a whole-hearted support from the Irish public, a support which has been reinforced by the isolation of Irish political thought from that of Great Britain.

The ultimate ideal of Irish economists is the correlated development of peat, coal, and water for power production. Adverting to the first-named alone, it is important to note that the boglands of Ireland cover at least 1,800 square miles, and that, taking 10 feet as the average working depth, it is estimated that these bogs are equivalent to 900 million tons of coal. Dislike of State interference in private enterprise is as active in Ireland as in Great Britain, but it is difficult to see how a policy having for its object the development of these three agencies of power can be undertaken without at least the inspiration of the State. A Government keenly conscious of its duty to the Irish people might conceivably conduct a valuable inquiry into this programme, but from the existing form of government nothing of this nature can be expected. The Report of the Peat Committee has been completed for nearly twelve months, but has not yet seen the light of day. There is consequently little hope that the Geological Survey will be provided with ample funds for a mineral survey of the country, or that any move will be made to institute the hydrographic survey, for the accumulation of data bearing on water power, so earnestly insisted on by Irish engineers.

Some eighty years ago numerous small powers were employed for industrial purposes throughout Ireland. The energy of the river Liffey was, in particular, largely drawn upon, and factories stationed along its course turned out woollens, worsted, and worsted yarns, cotton yarns, lead, copper, and mustard. Parallel instances would be quoted of many Irish rivers, the utilisation of whose advantages encouraged many forms of human activity. Obstacles undoubtedly beset the working of these enterprises; the seasonal variation in the flow had sometimes to be counteracted by a suspension of operations in order to allow water to accumulate; and the imperfections of the water-wheel employed did not permit of the falls being utilised to their fullest capacity, except when they were low. These were contributory causes, but the main explanation of the disappearance of most of these industries lies in the improvements effected in the mechanical design of steam-driven plant by the assiduous labour of engineers in the latter part of the nineteenth century, the low price and the easy availability of coal for steam-raising. For power-users, present or prospective, in Ireland, a new basis of comparison of cost per horse-power as between coal and water must now be taken seriously into account owing to the advance in cost, fully 400%, and the difficulty of obtaining supplies of the material. Other influences in the comparison are, of course, the perfection of electrical methods of high-tension, transmission of energy, and the efficiency of the modern water turbine, capable, as it is, of converting fully 80% of the energy supplied to it into useful work, other prime movers, such as the internal combustion-engine and the steam-engine, ranking only with about 40% and 20% respectively. In face of these facts it is not surprising that great attention is being paid in Ireland to the possibility of substituting expensive fuels, such as coal and oil, by a less costly source of power.

Perhaps in no other part of Ireland has water been more intensely and successfully exploited as in the counties of Tyrone and Antrim for the various processes incidental to the treatment of flax, such as rippling and scutching. The powers developed are generally small, but the example of these counties could be followed with great advantage to the agricultural industry in the South and West. It is satisfactory to learn that an electric railway on the outskirts of Dublin has under practical consideration the question of supplementing its steam station by drawing on the water power of the Liffey at the Salmon Leap. It is estimated that the annual output of the station would be about 8,000,000 units; as the railway requires only .25 million units the proposition would place the balance at the disposal of the larger city power stations provided a cable connection was established. The total works cost per unit generated is put at .138*d.*, the cost for generating a unit from coal in 1917 being reckoned at 5.041*d.* As pointed out by Mr. Harriss in a paper read before the Irish Institute of Civil Engineers, the Golden Falls at Ballymore Eustace, 26 feet, and Poulaphouca 104 feet, lend themselves to easy development, and, if electrically joined to the Salmon Leap, the total output would amount to 30 million units. Above Poulaphouca Falls storage facilities could be readily provided, as the physical configuration

of the country is favourable. Output could then be regulated and a uniform supply of water secured.

There are numerous other rivers in Ireland, cognisance of which should be taken in the promotion of hydro-electric schemes. In the Donegal Highlands, in the neighbourhood of the river Gweedore, it should not be difficult to bring a number of the small mountain streams into a single channel, and with the assistance of the large head and substantial volume thus obtained create a useful power. This power could be readily transmitted around the surrounding counties and a great impetus given to the development of the local industries. Due notice should also be taken of the river Corrib in this respect, with its large gathering ground and the advantages afforded by the natural reservoirs of Loughs Corrib and Mask obviating, as they do, the necessity of the construction of costly engineering works. Possibilities of hydraulic power installations are also presented by the rivers Bann, Erne, Shannon and Barrow, and the circumstances of the time warrant engineers in pointing out the advantages that would accrue from these installations. Naturally, contiguity to a large power station, where the demand for electricity already exists, is a weighty factor in such schemes of development; but it should not be forgotten that cheap power will also probably be in request in rural districts for the performance of farm activities such as ploughing and threshing and the inception of rural industries. The farmers of Fifeshire have given a lead in this way that deserves the notice of the farmers of Ireland.

JAPAN.—Very easy money conditions prevailed in Japan during the early part of last month, due to the brisk repayment of seasonal advances, and supplies for short terms were especially ample for all requirements. The market gradually tightened, however, "call" money being quoted at 7.3% at the middle of the month, while the usual yearly settlements in some parts of the country brought a keen demand for short terms, business being done at much higher rates towards the close of the month. The tightness increased towards the close, so that the leading banks of Tokio and Osaka, the principal financial centres of the country, raised their deposit rates to 6½%. In the Silk market, prices went higher throughout the month owing to scarcity of stocks, due to reel stoppage during the New Year holidays and to the keen demand from American sources. The price of standard raw silk was dealt in at 4,250 yen. Cotton also showed an upward tendency, which was stimulated by improved exports to India. The Rice market, however, became slack, the quotation falling to 48.45 yen. Dealers in the Stock Exchange were cautious throughout the first half of the month, but, favoured by the easy condition of money, the high price of silk, and the recovery of cotton, nearly all stocks moved quickly upwards. As a result Tokio Stock Exchange shares were quoted 515.50 yen, as against 191 yen at the corresponding date last year. Later in the month, owing to the growing tightness of money, and to anxieties as to the Bank rate, and the proposed Bill reorganising the "Spot" market, conditions relaxed.

"Dod's Parliamentary Companion" for 1920 has now reached its eighty-eighth year and its ninety-sixth issue. Since the last issue 20 new peerages have been created, 25 peers have died, while eight new bishops have been appointed. The section of "Dod's" relating to Parliamentary procedure has been revised. Figures of the Electoral Section have been corrected and by-election results added. Statistical tables have been included explanatory of the financial position of the year. The price is 6s. net, and the publishers are Sir Isaac Pitman and Sons, Limited.

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American Topics.

MINERAL PRODUCTION.

WE give below tables showing the mineral production of the United States, metallic and non-metallic, during the whole period covered by the War, up to and including the end of 1917. In the latter period it will, of course, be observed the United States was itself a belligerent, but throughout the whole of the period the energies of the country had been so largely devoted to supplying food, raw materials, and munitions of war for the consumption principally of the Entente Allies, that the actual entry of the United States as a belligerent made very little difference in her output of materials needed for the purposes of the War. It will be seen that almost every article in the range of mineral production, whether metallic or non-metallic, shows a growth in the quantity produced, and a still larger growth in the price or money values demanded for the product. As the War progressed, first one thing and then another came more and more to be required by the various contending belligerents. In the early days of the War there was a veritable break in prices in an immense number of commodities on the assumption that they would not be required during the progress of the War. As a matter of fact, as the War progressed it was found that very few articles, either in general or even limited consumption, failed to be required in connection with the War. It was thought that such an article as nitrate of soda would hardly be in demand at all, but experience showed that the demand for this mineral was so intense, so keen, for the munition factories of this country, as well as those of our Allies, that hardly any supplies were available for the purposes for which this article was mined during peace time. Mineral products from which chemical substances were derived became of extraordinary value. It became in fact necessary, during part of the War period, to ration the ordinary consumer's demand both of light and heat when this demand conflicted with the demands of munition factories. This was the case with a whole range of substances derived primarily from gas-tars and various processes of the coke ovens, the production of which ceased to be adequate to meet the conjoint demand of the munition factories and the civilian population. Sulphuric acid, for example, which is a non-metallic mineral product, was produced to the extent of only some three-quarters of a million tons at the beginning of the War, and was only worth some $5,000,000, expressed in money values, whereas by the end of 1917 the production had increased to practically a million and a-half tons, while the value expressed

in monetary units had increased to almost 17,000,000 dollars. That such metallic substances as iron, steel, copper, and aluminium should increase in enormous quantities, and still more when expressed in money values, was only to realise an expected result of the War. It will be noted that although there was a very appreciable increase in zinc manufactures, it was not as great as might have been expected. This was not due to lack of demand, as the rapid increase of price shows, but was due to the difficulty of obtaining adequate smelting plant, and in some cases adequate supply of raw materials, the former being affected by the blockade of Germany, and the latter by the impossibility of obtaining supplies from Russia.

Mineral Production: Quantities and Values of Specified Kinds.
(000's omitted.)

Product—Metallic	1914 Quantity	1914 Value $	1917 Quantity	1917 Value $
Iron ore* (long tons, 2,240 lb.) ...	39,714	71,905	75,573	238,260
,, pig (long tons)	22,263	298,777	38,613	1,053,786
Ferro alloys, long tons	256	9,350	634	83,844
Silver, commercial value (troy oz.) ...	72,455	40,068	71,740	59,078
Gold, coining value N.Y.† (troy oz.) ...	4,573	94,532	4,051	83,751
Copper, value at N.Y. City (lb.) ...	1,150,137	152,968	1,886,121	514,911
Lead ,, ,, ,, { (short tons, 2,000 lb.) }	513	39,998	540	99,000
Zinc, value at St. Louis (short tons) ...	343	35,029	585	119,258
Quicksilver, value at San Francisco (flasks 75 lb.)	17	812	36	3,787
Aluminium (lb.)	79,129	14,522	—	45,882
Antimony (short tons)	3	566	5	2,152
Antimonial lead (short tons) ...	17	1,572	19	3,782
Nickel, value at N.Y. City (lb.) ...	845	313	804	332
Tin (metallic equivalent) (lb.) ...	208	67	180	111
Platinum and allied metals, value at N.Y. City (troy oz.)	6	281	39	4,024
Other metals	—	2,227	—	18,127
Total value of metallic products ...	—	691,082	—	2,091,825

* Values not included in total values. † Coining value, $20.67 per oz.

Product—Non-metallic	1914 Quantity	1914 Value $	1917 Quantity	1917 Value $
Bituminous coal (short tons, 2,000 lb.)	422,794	495,309	551,790	1,249,273
Pennsylvania anthracite (long tons, 2,240 lb.)	81,091	188,181	88,939	283,651
Stone	—	77,544	—	82,216
Petroleum (barrels, 42 gallons) ...	265,763	214,125	335,316	522 635
Natural gas	—	94,116	—	140,000
Natural gas, gasoline (gallons) ...	—	—	217,884	40,189
Clay—Products	—	161,987	—	248,023
Raw* (short tons)	2,210	3,757	3,114	8,043
Cement (barrels, 380 lb. net) ...	87,258	80,533	91,343	123,210
Lime (short tons)	3,381	13,269	3,786	23,808
Slate	—	5,707	—	5,750
Potash (K_2C) (short tons)	—	—	33	14,000
Salt (barrels, 280 lb. net)	34,805	10,197	48,844	19,940
Gypsum (short tons)	2,476	6,896	2,696	10,495
Asphalt (short tons)	441	3,659	783	8,471
Pyrite (long tons)	337	1,283	463	2,485
Sulphuric acid (short tons)	761	5,190	1,455	16,891
Sand (short tons)	77,662	22,279	74,468	32,628
Other non-metallic products ...	—	42,374	—	65,258
Total value of non-metallic mineral products	—	1,423,649	—	2,888,923
Total value of metallic products ...	—	691,082	—	2,091,825
Estimated value of mineral products unspecified	—	470	—	30,200
Grand total	—	2,115,201	—	5,010,948

* Values not included in total values.

GRAND TRUNK OF CANADA.

Sir Alfred Smithers, M.P., formally moved a resolution to ratify the arrangement arrived at between the Canadian Government and the Grand Trunk Railway Company of Canada at the meeting held on Thursday last at the Cannon Street Hotel. Practically, there is nothing else to be done. But the result of the negotiations between the Chairman of the Grand Trunk Company of Canada and the Minister representing the Railways and Canals Board of Canada is to be regretted on various grounds. Those who were present at the meeting could not fail to be impressed at the reception of a remark of one of the shareholders that such an experience was not encouraging to investors in Canadian enterprises. Of course, it has to be borne in mind that the shareholders in the Grand Trunk are exceedingly sore; feel that they have been very badly treated; and, of course, have suffered a very serious loss. Instead of the Company turning out a brilliant success, paying large dividends, and having the satisfaction of seeing the stock mounting up in the lists of the Stock markets of Europe and America, they have had the humiliating experience of having found vast sums of money for opening up a great transcontinental line which their resources did not enable them to see brought to fruition, when they could hope to obtain benefit from their sacrifices. As we pointed out when writing on the subject when the negotiations were being carried on between Sir Alfred Smithers and the representative of the Railways and Canals Board of Canada, it had to be borne in mind that from the very outset there was a hostile feeling on the part of the Canadian Government against the Grand Trunk Company. The enterprise was a mistake from the beginning. But it seems a pity that, since the final adjustment of the claims of the shareholders on the Canadian Government has been submitted to arbitration, the arbitrators should be limited to a fixed definite amount prescribed by the Canadian House of Commons. Surely it would have been better, and more in accordance with the way a British colony should treat British shareholders, if the Government had trusted the arbitrators sufficiently to allow them to allot such an amount as seemed equitable after taking the various aspects of the question into consideration. We hope to deal more fully with the question next week.

Working Expenses (000's omitted).

	1913 £	1914 £	1915 £	1916 £	1917 £	1918 £
Maintenance	2,595	2,451	2,410	2,415	2,748	4,571
Running expenses ...	4,494	4,225	3,896	4,592	5,014	6,192
Taxes	172	165	205	221	203	217
Total	7,261	6,841	6,511	7,228	8,065	10,980
Capital expenditure chargeable to working	2,013	1,097	299	206	402	232

Traffic Statistics

	1913	1914	1915	1916	1917	1918
Passengers*	13,852	12,781	12,082	13,133	12,133	10,019
Av. rate	46·80*d.*	44·81*d.*	41·90*d.*	44·90*d.*	45·91*d.*	56·03*d.*
Tons of freight* ...	23,895	21,479	20,696	22,710	25,272	24,905
Av. rate per ton ...	61·63*d.*	60·76*d.*	62·42*d.*	67·49*d.*	69·70*d.*	89·17*d.*
Earnings per train mile	97·38*d.*	94·99*d.*	97·80*d.*	102·98*d.*	129·79*d.*	171·57*d.*
Expenditure per train mile	73·51*d.*	75·60*d.*	76·79*d.*	75·80*d.*	105·83*d.*	148·86*d.*
Gross receipts* ...	£9,620	£8,597	£8,293	£9,820	£9,957	£12,655
Gross expenses* ...	£8,672	£8,173	£7,782	£9,018	£9,931	£12,561
% of expenses to receipts	75·48	79·59	78·52	73·60	81·00	86·75
Available surplus,* including carry forward	£977	£441	£515	£817	£16†	£18†

* 000's *omitted.* † Undivided.

The Northern Assurance Company, Limited.—It is understood that a sufficient number of acceptances of the offer of the Northern Assurance Company have been received from shareholders of the World Marine and General Insurance Company, and that the necessary steps are being taken to make the conditional agreement absolute. The "Northern" offer of £15 for each "World Marine" share will, however, remain open to any shareholders who have not already accepted until the 28th instant, which is the date fixed in the conditional agreement.

The Royal Mail Steam Packet Company announces that the report, to which wide publicity has been given in the Press during the last few days, that they had decided to omit calls at Brazilian ports by their steamers is incorrect, as there are indications that the lengthy quarantine imposed upon the *Darro* and *Almanzora*, although the health on board was above normal, may not be applied to the following steamers. The Company state, however, that the calls at Montevideo may have to be suspended if the Uruguayan Government should continue to impose additional quarantine delays on arrival at that port.

Under the title of "The Food of the People," the National Farmers' Union has published a booklet embodying the farmers' proposals "for the effective reconstruction of British agriculture and the increase of home-grown food supplies." The booklet sets out succinctly the case for giving the security to the farmer which is necessary if the nation is never again to be confronted with the peril of starvation which we were compelled to face during the War by reason of the German submarine menace. Copies may be obtained from the Publicity Department, National Farmers' Union, 45 Bedford Square, London, W.C. 1.

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Rubber Topics.

THE tone of the market during the week was on the whole firm. Generally speaking, the market could hardly be described as very active. The outstanding characteristic of the week was rather the selection of certain features for special attention from day to day. In the main it was the shares of such companies as have circularised their shareholders with reference to capital re-organisation which were dealt in. Occasionally operators ventured further afield and selected some of the older companies, whose schemes for capital reconstruction were believed to be forthcoming. Thus the proposed sale of Johore Rubber Lands and Segamat forced the shares of these concerns up to 41*s.* 9*d.* and 58*s.* to 63*s.* respectively on Monday, whilst on Thursday their closing prices were 45*s.* 3*d.* and 61*s.* 3*d.* Bukit Rajah opened strong at 11½ and continued to improve, closing firm on Thursday at 11¾. Sungei Choh came in for marked support, moving up from 6 on Monday to 6¾ on Thursday. More remarkable still was the attention devoted to Golcondas, which opened buoyantly on Monday and closed that day at 3¾. Tuesday witnessed a sudden jump to 4⅜, with the inevitable reaction to 4⅛. Profit-taking set in on Wednesday, and the shares relapsed to 4, but recovered on Thursday and closed strong at 4⅛. Vallambrosa were also in favour, moving up to 25*s.* and closing firm at this level on Thursday. The market for the raw material was also firm. The price remained firm, closing on Thursday at 2*s.* 8*d.* per lb. for standard crêpe and 2*s.* 8¼*d.* for smoked sheet.

An extraordinary general meeting of the Sungei Dangar (Malay) Rubber Company authorised the increase of the capital to £150,000 on February 13. It is now proposed by the directors to issue 17,500 shares to the existing shareholders and Debenture stockholders at the rate of one new share for every four shares held or for every £4 of Debenture stock held. As the shares stand at about 35*s.* in the market, it is evident that no difficulty will be experienced in inducing existing shareholders and stockholders to avail themselves of the bonus thus conferred on them. A notice has been issued by the Rubber Plantations Investment Trust announcing that the Company proposes to utilise its option to issue fully-paid shares at par *pro rata* to those from whom had been received deposits on that understanding. As the £1 shares of the Company are listed at 45*s.*, the result is to award a very substantial bonus to the depositors.

ANNUAL REPORTS ANALYSED.

TAMIANG ESTATES (SUMATRA).

Issued Capital : £172,031 in £1 Shares.
Deposit : £1,968, convertible into Shares at 30/- per share.

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915 16	2,650	1,800	546,837	300	2/7·7	1/7*	39,502	18,962	17½†
1916–17	2,655	2,510	782,063	328	2/6·1	1/2½‡	44,154	24,970	17½†
1917–18	3,981	2,500	758,608	302	1/6½‡	—	8,618	—	Nil
1918–19	3,962	2,612	867,889	332	1/8½(a)	—	31,599	23,001	15†

* Including selling, &c., charges and all other expenditure except Debenture expenses. † Free of tax. ‡ Excluding selling charges. (a) Estimate.

Price of Shares, 66/6. Market Capitalisation per planted acre, £130 2d.

THAT the set-back which this Company received last year was merely of a temporary character is evidenced in the improvement seen in the report recently issued for the twelve months ended September 30, 1919. The output of rubber has increased from 758,608 lb. to 867,889 lb., and the yield per bearing acre from 302 lb. to 332 lb. As in the previous year, the Company again suffered through being compelled to sell nearly 300,000 lb. of their output in the East at a price as low as 1*s.* 4*d.* per lb., as compared with 1*s.* 10½*d.* which was realised on the 459,179 lb. sold in London. In addition to its planted acreage of 3,962, the Company has over 5,000 acres of reserve land of very good quality. A considerable proportion of this land would have been planted if the exchange rate were more favourable; for at present it appears that for every £1 the Company remits to Sumatra they are only credited with 15*s.*, thus increasing their cost of production by approximately 25%. However, as regards the existing area planted, this is offset by the marked increase in the price of raw rubber; consequently, the loss on exchange for the year under review was only £1,939, as compared with £7,470 in the preceding account. The increased output and the higher price realised enable the Company to pay for the current year a dividend of 15%, free of tax, which is equivalent to about 21½% less tax. The revenue was further increased during the year by a refund of £9,173 in connection with excess profits duty, and this amount the directors wisely decided to utilise as a reserve for this duty in future.

The paid-up capital on September 30 last consisted of 172,031 shares of £1 each, as against £148,741 a year earlier, while in the interval the outstanding Debentures and Debenture stock had been redeemed and £28,032 out of the share deposit account of £30,000 liquidated. Since the closing of the books further shares to the amount of £26,657 have been allotted to shareholders, with the result that the issued capital is now practically £200,000. The premium on the shares, £9,344, has been written off buildings and machinery, the value of which has been reduced in consequence to £4,373. Sundry creditors amount to £19,615, and are much more than covered by the cash balance of £42,382. Sundry debtors stand at £11,227, and investments (at cost) amount to £11,670. The strong position thus revealed in the balance sheet would seem to augur well for the future of the Company. A director who visited the estate in September last described it as one of the very best which he had seen in the Netherlands Indies. For the current year the estimated crop is as high as 950,000 lb. Of this crop some 470,000 lb. had already been sold forward at an average of 2*s.* 4½*d.* per lb., which is considerably in advance of the price of 1*s.* 10½*d.* for London sales in the past year, and 2½*d.* per lb. higher than the price at which the stock was valued in the balance sheet. Moreover, it also appears

that 241,920 lb. of the 1921 crop have been sold forward at a price just under 2*s.* 6*d.* per lb. Such forward sales should enable the Company, in the absence of unforeseen circumstances, to pay much higher dividends for the coming year; and that the market is of this opinion finds some confirmation in its quotation of 66*s.* 6*d.* for the Company's shares.

GLENDON (CEYLON).

Issued Capital: £52,000 in £1 Shares.

	Results for Years to September 30								
	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1916 ...	1,050	—	232,000	—	2/7.6	1/2	17,464	15,600	30
1917 ...	1,081	862	243,000	282	2/3.57	1/2.4	14,957	13,000	25
1918 ...	1,081	862	194,170	225	1/10	1/4½	5,489	3,900	7
1919 ...	1,081	860	295,590	346	1/11.44	1/1.6	15,755	11,700	22½

Price of Shares, 50/0. Market Capitalisation per planted acre, £115xd.

The uneasiness recently prevalent as to the possibility of a considerable loss on exchange being incurred last year by Ceylon plantation concerns is, at any rate, proved to be unwarranted in the case of this Company. Its accounts, indeed, show a profit of £2,131 under this head, and, moreover, a substantial reduction in costs, as well as a very good average price obtained for an output appreciably larger than that harvested in the preceding financial period. In consequence, a net profit of £15,755, or 30% on the capital, is reported, and, instead of 7% dividend as paid for 1917-18, shareholders receive a total distribution of 22½%, including 20% final now declared. For a Ceylon estate the yield per acre is good, but one has to remember that the output is particularly subject to fluctuation on account of the variable seasons. This financial year 310,000 lb. is the estimated harvest, and the market position points to a much better price being realised. On the other hand, it is difficult to see how the Company can again escape loss on exchange, seeing that the rupee has now risen to 2*s.* 8¾*d.*, and that sale prices in the East are based on the London quotation for rubber.

AMPAT (SUMATRA).

Issued Capital: £35,000 in 2/0 Shares.

	Results for Years to September 30								
	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Div. Amt. £	Div. %
1915–16...	814	477	150,651†	317	2/8½	1/2¾	11,885	8,125	25
1916–17...	1,014	550*	214,970	390*	2/6½	1/3½	13,167	8,125	25
1917–18...	1,464	630*	191,912	305*	2/1½	1/7	5,150	—	—
1918–19...	1,464	720	242,716	337	2/0	1/1	9,615	8,750	25

* Estimate. † Excluding 6,177 lb. of Rambong rubber.

Price of Shares, 12/6. Market Capitalisation per planted acre, £143.

The accounts of this Company for the year ended September 30, 1919, reveal a very satisfactory state of affairs. It will be remembered that the Company paid no dividend for the previous year, this being mainly due to the reduction in crop consequent upon their participation in the Rubber Growers' Association restriction scheme. Moreover, the crop realised per pound only 2*s.* 1¼*d.* in that year, as compared with 2*s.* 6½*d.* for 1916-17, whilst the "all-in" cost had increased from 1*s.* 3½*d.* to 1*s.* 7*d.* per lb. For the year under review, however, the output has exceeded the estimate of 222,000 lb. by over 20,000 lb., although the price realised per pound was reduced slightly—to 2*s.*— the "all-in" cost per pound fell to 1*s.* 1*d.* The resulting improvement has rendered it possible to return to the former dividend of 25%, which the directors recommend in their report. The dividend, however, has reference to a larger capital—to wit, £35,000—25,000 shares having been issued in 1919 at 6*s.* per share, or a premium of 1*s.* per share.

CALEDONIAN

INSURANCE COMPANY.

FIRE. LIFE. EMPLOYERS' LIABILITY.

PERSONAL ACCIDENT AND ILLNESS. BURGLARY.

HEAD OFFICE—19 GEORGE STREET, EDINBURGH.

LONDON OFFICES { 82 KING WILLIAM STREET, E.C. 14 WATERLOO PLACE, PALL MALL, S.W.

Insurance Notes.

LIFE ASSURANCE AND ANNUITY RATES.

SEVERAL life-offices have recently revised their premium rates for non-participating assurances, the revisions in all cases resulting in slight additions to those formerly quoted. It is quite likely that this movement will be extended during the present year. Two predisposing causes which may influence such revisions may be mentioned. Expenses of management of life offices or departments have undoubtedly increased, and the interest yields on life accumulations are likely to be reduced owing to the increasing burdens of heavy taxation, unless some relief as regards taxation is obtained as the result of a more equitable adjustment of the burden of income tax as applied to life offices. It is understood that the offices have made out a good case for more lenient treatment in this respect, and hopes are entertained that this will follow and obtain legislative sanction as the result of the recent investigation by the Royal Commission, whose early report is awaited with anxious expectancy. But the outcome is, of course, uncertain. On the other hand, there is "no possible probable shadow of doubt" that the expenses of life offices will expand still further, owing to the increased cost of clerical labour, which the enhanced costs of living have made unavoidable and imperative.

With-profits life assurance rates are based, of course, on certain assumptions. If the actual expense ratio turns out to be heavier than assumed, and if there should be no countervailing relief in other directions, this abnormality can only be rectified by an appropriate increase in premiums, for the rates now current have been cut very fine owing to competition. Yet it will be found inexpedient, if not impossible, to increase them very much. Life assurance rates differ in this respect from every other kind of insurance tariffs. In fire, accident, marine, and miscellaneous insurance the rates can be freely raised to meet increased charges without seriously affecting the amount of business transacted. But life assurance partakes largely of an investment character, and if rates in that department are raised beyond a certain point they lose attraction for the investor. Fortunately, the present non-profit rates of British life offices, or at least of some of them, will as a rule stand some increase without that attraction being lost.

But if non-profit premium rates are generally raised by ever so little, what will happen as regards the rates for participating assurances? In the last-named section the policyholders are either the sole beneficiaries, as in the case of mutual life offices, or they are the enormously predominant partners, as in the case of proprietary life companies. The difference between the rates charged for non-participating and for participating assurance respectively provides the raw material for the manufacture of bonuses. Consequently, if that difference is reduced through the non-participating premiums being increased, while the existing participating rates are maintained, there will be less margin available for profits, always assuming that the increase in the non-participating rates is justified by the actual experience of life offices. It may be that life offices will prefer to maintain the participating rates, even if the non-profit rates are generally

steepened, rather than to make proportionate additions thereto with the view of keeping up old bonus standards, which, under any circumstances, would be a difficult task in most cases. Still, a general revision of their participating rates, failing some relief in taxation, is by no means unlikely, and individual revisions in cases of offices quoting under-average rates is fairly certain. It is rather unfortunate that the premium rates of life offices for both the participating and the non-participating class (and especially for the latter) vary as widely as they now do. It would probably be a mistake to apply anything like a tariff in such cases, but there is certainly room for a greater approach to uniformity than now exists.

It may not, of course, be necessary generally to increase life premium rates if the burden of increased expenses is relieved by concessions to life offices in regard to taxation. The present system of taxation can scarcely be defended; and as it is the duty of Parliament to encourage thrift, it is greatly to be hoped that it will be placed upon a more equitable basis following the report of the Royal Commission. Many actuaries have long contended that the proper basis for taxation in the case of life offices is profits, and not interest earnings. If income tax was levied on the profits of life offices as actuarially ascertained and apportioned the impost would be much lighter, for such profits are invariably very much less than are their interest earnings. But an added grievance is the fact that income tax is charged to life offices (with an allowance for expenses) at the highest rate employed in the graduated scale as now applied. This is at present 6*s.* in the £, and, of course, it may be more in future, although the funds of life offices represent the accumulations of a vast number of thrifty people who in their individual capacities would either not be assessable to income tax at all or would be so at a reduced standard. Should a concession be made in this respect it may be possible for the offices generally to make no alteration in their premium rates for at least participating assurances.

It is unlikely, however, that life offices will be treated more leniently in future for purposes of taxation than they are at present in regard to the annuity section of their business. Under existing arrangements their annuity business practically escapes taxation, in so far as they are themselves concerned, and it is very doubtful if this privilege will be long continued, as it is certainly open to criticism. The position in regard to the possibilities of profit from current annuity rates is this. These rates generally assume a certain incidence of mortality, and a very low margin (only about 2% of the purchase money in some cases, which is quite inadequate) and the earning of a net interest rate of about 4%. Now the experience of annuity business by life offices in this country shows that no profit at all has been made from the incidence of mortality. In fact, taking that feature alone, life offices have lost substantial amounts from their transactions in this department. The longevity of annuitants was proverbial at least a century ago, as is described in a well-known old song, and the disquieting feature is that it has increased considerably since then. It must be remembered that the selection is generally against the life offices in business of this kind, for few people contemplate the purchase of annuities who are not well satisfied that their prospects of longevity are at least equal to, if not superior to, the average. Moreover, as Charles Dickens once pointed out in his apt and humorous fashion, one of the best means of attaining old age is to purchase an annuity. There is a good deal of sound common-sense in this quip. The possession of an annuity makes for bodily comfort and relieves the beneficiary from financial anxiety, which are certainly two health-assisting factors. At all events, every successive periodical investigation into the mortality of persons who have purchased annuities on their lives from British life offices has shown improved longevity. Therefore it may be anticipated that the mortality tables used in fixing annuity rates will not in future be self-supporting. The only source of profit to life offices from annuity business in the past has lain in the interest yield, and if it ever appears to be unlikely that the offices will earn a less return than 4% interest on their annuity funds, after deduction of income tax, it will probably be found necessary for the rates for new annuities to be adjusted in favour of the offices. In this case also much will depend on Parliamentary decisions as to the incidence of the income tax as applied to life offices.

Possibly, however, some income-tax concessions will be made to annuitants themselves, under which they may obtain equally good results as they now enjoy, if not even better, despite the fact that new purchasers may have to pay a little more to the life offices than they do at present. It is certainly indefensible that an annuitant should be charged income tax on the whole of his annuity, seeing that a portion of his income may be regarded as a wasting asset. Part of the income he receives from his annuity represents interest on the money sunk in purchase, but the remaining portion is a return of the capital expended.

Nothing very definite is likely to be done by life offices generally, either in regard to life assurance or to annuity rates, until the intentions of the Legislature following the report of the Royal Commission on Income Tax are made known, but when these are disclosed there may be considerable revisions or adjustments to suit the altered circumstances. Whatever happens it is to be hoped that no fresh impediments will be placed in the way of thrift.

Mr. Stuart Smyth, of 6 Drapers' Gardens, E.C. 2, has just issued a useful little brochure setting out the present position and possible profits of the Broken Hill Mines, showing to what extent the great rise in the prices of silver, lead and zinc will affect the profits of the companies working in this well-known mining district of New South Wales.

"Foreign Financing under the Edge Act." This is a little pamphlet issued by the Guaranty Trust Company of New York. The Act was introduced in the Senate in July last, and was signed by the President and became law on December 24, 1919. Its object is to secure that much of America's foreign trade shall be retained for the benefit of America's manufacturers and producers. The Act provides for the Federal incorporation and regulation of banking institutions for the purpose of engaging in international or foreign banking, or other financial operations, or for engaging in such operations in a dependency or insular possession of the United States, either directly or through the agency, ownership, or control of local institutions in such places.

Under the patronage of the Polish Government, an exhibition of agricultural machinery will be held in Lwow (Lemberg) this year in May, June and July. During the exhibition demonstrations of machinery will also take place on the territories of Eastern Galicia. Foreign manufacturers are invited to exhibit their manufactures, especially steam and motor ploughs and harvesting and sowing machines. A competition of steam and motor ploughs will be held.

The fifth edition of the "British Dominions Year-Book" has just appeared. It has in all essentials been brought up to date to the end of November last, important happenings since that date being noted under "Events while Printing." Among the many contributors to the volume are Lord Milner, the Right Hon. J. R. Clynes, Sir Leo Chiozza Money, Sir Vincent Caillard, Archibald Hurd, the Hon. Lady Parsons, and Lady Byron. The book is published by the Eagle Star and British Dominions Insurance Company, Limited, and is remarkably cheap at 1*s.* net.

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Assurance Company, Limited.
ESTABLISHED 1903.

Authorised Capital £1,000,000
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Total Funds now exceed a Million.

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Registered office and Life Department.
9 Fleet Street, London, E.C. 4.
Actuary and Secretary: Chas. Windett.

THE PIONEER LIFE
Assurance Company Limited.
67 DALE STREET, LIVERPOOL

Life Premium Income.		Life Assurance Funds.		Total Claims Paid to Date.
1901—£22,308	...	£9,175	...	£39,900
1910—£77,327	...	£53,735	...	£197,000
1919—£119,188	...	£191,875	...	£545,000

Commercial.

EMPIRE ZINC.

We said recently that while it was very difficult to estimate the world's total production of zinc ores, we had taken pains from the various data available to arrive at a rough figure. And on this basis, and bearing in mind that the estimate is a very rough one, we came to the conclusion that the world's total production of zinc ores amounts to something over three million tons. By far the preponderating proportion is produced in the United States of America. This, however, does not mean that a corresponding proportion, ratio for ratio, of zinc obtainable from the ore raised from the mines is produced in the United States. As a matter of fact, the United States is the greatest producer of both zinc in the form in which it is of commercial value, and of the rough ore, but to a far greater extent it is the largest producer of the raw product in the rough before it has been submitted to any kind of preparation, even that preparatory to smelting. It happens that the largest source of supply for zinc ores is the State of Missouri. And the rough product obtained from thence has an exceedingly low contents. As far as we are able to ascertain, although we will not be understood to speak dogmatically on the subject, it is the lowest ore contents not merely of anything in the United States itself, which seems to be evident from the reports issued by the United States Geological Survey, but it would appear to be from the information we have been able to collect the lowest ore contents of any country producing zinc in any considerable quantity. The leading producers before the War were the United States, Germany, and our own colony of New South Wales. These three sources produced between two-thirds and three-fourths of the total known production of zinc ores. The balance, varying between 20 and 30%, was obtained from a variety of countries in Europe, in America, and in the East. From the information before us it would not be safe to estimate the total production of zinc ores actually obtained within the British Empire at more than half-a-million tons. And it may easily be considerably less. At the same time, there are excellent grounds for believing that within the Empire itself there are ample deposits, which, if they were worked adequately, would supply more than sufficient for the total amount of zinc consumed within the Empire. And there is reason to believe that if the British deposits really were developed Empire zinc might not merely satisfy the total requirements of the British Empire, but leave an appreciable surplus to be exported to other countries of the world. In the last clear year before the War, as we have said, the preponderating source of supply, out of all proportion to any other part of the British Empire, was our colony of New South Wales. Small quantities were obtained from various other parts of the Empire. The United Kingdom itself produced a small quantity. Canada produced a little. India produced some. Zinc ores are found, and were actually mined, in Egypt; and the Union of South Africa was, likewise, a small contributor. Some 15,000 tons were raised in the United Kingdom, the greater part of which was obtained in Cumberland, Northumberland, certain parts of the South of Scotland, and in North Wales. It will be seen that, so far as the United Kingdom is concerned, although the supplies are not to be despised, and yielded even on the basis of pre-War prices something like £70,000 worth a year; nevertheless, the quantity is not considerable when we compare it either with the total amount raised within the Empire or the total amount consumed in Britain and by her Colonies. We imported in normal times, that is in the period before the War, something like 150,000 tons of the crude product; and we consumed of the finished article nearly 200,000 tons, a large proportion of which it will be clearly seen was imported. As above stated, in the year before the War we consumed or re-exported very nearly 200,000 tons. We produced from our own mines and from ore imported in a crude state very nearly 60,000 tons; and, in addition, we imported over 140,000 tons of the smelted article. A large part of this import was originally Australian ore, which we had brought home in British ships and sent to Germany and to Belgium to be smelted, and re-imported it in the form of the finished product. It is to be hoped that the experience of the War has taught us in this matter to see the error of our ways.

As said already, the most important zinc-ore deposits worked in the British Empire occur in Australia. Of this the most important individual source of supply is the Broken Hill mine in New South Wales. The production of New South Wales alone was exceeded in value in the year before the War only by the output of the United States and that of Germany. The deposits actually worked occur over an extensive area in the Broken Hill district, which is situated in the southern extremity of the Barrier Range of mountains. Broken Hill is a ridge standing about 200 feet above the surrounding country. The area over which the deposits are found extends for very nearly two miles. The outcrop of the lode forms the highest part of the range for a distance of more than a mile and a-quarter. These deposits are exceedingly prolific, for besides containing lead ores, manganiferous ores are found, accompanied by lead carbonates, and, in addition, chloride, bromide, and iodide of silver. Some of these deposits are worked for their lead contents, which is very high; and in this case not more than 7% of zinc is found. In other instances the concentrates themselves are worked, and in this case the zinc content is very nearly one-half of the total amount of ore raised. In Victoria, adjoining New South Wales, no important ore deposits of zinc have so far been worked; but zinc blende deposits are found in various parts of this State. In South Australia some quantities of metallic zinc have been exported, but it is by no means certain that these exports come originally from the State of South Australia. Zinc blende is found accompanied by other ores in Queensland; but so far very little attempt has been made to work these deposits. The content in this case is believed to be about 10% of zinc, which is, of course, really high if one compares it with what is accomplished in the State of Missouri in the United States. Very important zinc-ore deposits have been found in the island of Tasmania, and a serious effort is being made [illegible] This State has been

selected because it is one of the few in the Commonwealth that possess water-power which gives a reasonable promise of working the ore deposits from a supply of cheap electric power. Zinc-ore deposits are found in many localities in New Zealand, particularly in the Hauraki district, which some 20 years ago was regarded as so promising a field for gold mining. As many of the gold-mining enterprises ended in disappointment, as, no doubt, the reader is aware, it would appear that prospectors have given very little attention to this district of late. At any rate, so far as the information before us affords an indication, very little work has been done on these ore deposits, although they have been known to exist for at least a quarter of a century.

Although zinc-ore deposits are known to exist in very large quantities in Canada no serious attempt has so far been made to develop them for commercial purposes. For long it was contended that the enormous supplies of the United States, the fact that the deposits existed at a long distance from any possible port of transportation, and the absence of any smelting works, seem to have deterred prospectors from venturing on the development of these deposits. A factor which may have influenced those really acquainted with the subject is that the ore deposits generally found in Canada are of a complex nature, and the ores would, in all reasonable probability, present considerable difficulty in smelting. Experts, however, who are acquainted with the deposits of New South Wales have during the War period examined the deposits in Canada; and they report that the difficulties encountered have been overcome in New South Wales, and there seems no reason why they should not be equally easy to overcome in Canada. The Dominion Government took the matter up about two years ago, and, we believe, is encouraging the development of zinc-ore deposits in the Dominion. The most important zinc-ore deposits in Canada actually worked are found in British Columbia; and by far the greater portion—something over 70%—of the total amount exported from Canada to these shores has been produced in that Province. Ontario is also a promising source of supply, but so far very little work has been done in developing these deposits.

Space forbids us to consider the deposits in other parts of Canada, as well as those which occur in different districts of Egypt and in various parts of the great continent of Africa. These extend from Northern Nigeria, through Rhodesia, and down into the Union of South Africa. But so far, although important deposits are found south of the Transvaal, none of the African deposits have been worked to such an extent as to form an important contributor either to the ore supplies or to the finished product in this country.

We will conclude with a very brief notice of the ore deposits in India. It is a remarkable fact that, although zinc-ore deposits exist in various parts of India, and particularly rich ones in Burma, and have been worked in a half-hearted and spasmodic kind of way during various periods in the past 50 years, it was not until just before the War that a serious attempt was made to develop some of these deposits, particularly those found in the Shan States of Upper Burma. About 10,000 tons were raised in the first year of the War, and the result of smelting was to show a contents of 24% of silver, 26% of lead, and 30% of zinc.

An agreement has been entered into between the London County Westminster and Parr's Bank Limited and the Banco Nacional Ultramarino, whereby the latter are appointed the sole agents of the London County Westminster and Parr's Bank Limited in a great number of places, principally in Portugal and West Africa, where the Banco Nacional Ultramarino has branches, and correspondents in all other cities where they are established.

Industrial Companies.

RYLANDS AND SONS, LIMITED.

Capital: £2,000,000, in 100,000 fully-paid Shares of £20 each.

THE extent of the profits earned in the general drapery trade during the War may be seen in the analysis of the accounts of the celebrated Manchester firm of Messrs. Rylands and Sons, Limited. Yet when one takes into account the cosmopolitan nature of the business transacted by this large firm, which, in addition to its extensive warehouses, possesses its own cotton mills where every process, including spinning, weaving, and bleaching is carried on, it cannot be accurately assumed that all the profit accrues to the distributive as distinct from the manufacturing sections of the undertaking. Two balance sheets are published yearly: the first relating to that half of the year terminating on June 30, and the other dealing with the record of the six months ending December 31. By combining both into one single account it is possible to submit the following summary of the main items relating to the profits and dividends between 1914 and 1919:—

Year ended Dec. 31	Net Profit	Provision for Excess Profits Duty	Dividend per share	Bonus per share	Total Amount Div. and Bonus*	Special Allocations	Carried Forward
	£	£	%		£	£	£
1914 ...	137,129	—	10	—	150,000	—	52,156
1915 ...	220,006	—	10	—	150,000	30,000	112,164
1916 ...	212,486	—†	10	8s.	190,000	170,000	137,136
1917 ...	490,407	—†	10	9s.	195,000	300,000	181,293
1918 ...	746,320	151,282‡	10	£1	250,000	385,000	213,050
1919 ...	729,687	278,000	10	£1 10s.	350,000	150 000	269,737

* Subject to income tax: £11,562 10s. in 1914; £20,000 in 1915; £42,486 in 1916; £48,750 in 1917; £71,718 15s. in 1918; £105,000 in 1919.
† Included in Special Allocations. ‡ further provision also under Special allocations.

Perhaps the outstanding feature is the rapid increase in the net profit, which more than doubled itself between 1914 and 1916, and again between 1916 and 1918. It is evident, indeed, that the net profit for 1919 is more than five times that earned in 1914. During the whole six years the firm paid a dividend of 10%, although in 1919 the dividend had reference to an extra £500,000, owing to the decision of the Company to call up in April of that year the remaining call of £5 on its £20 shares. But from 1916 onwards this comfortable dividend was accompanied by a bonus awarded half-yearly in the form of so many shillings per share. This bonus amounting to 8*s.* per share in 1916, increased to 9*s.* in 1917, jumped up to £1 in 1918, and last year reached £1 10*s.* Consequently, between dividend and bonus combined the total sum allocated to the shareholders rose from £150,000 in 1914 to £195,000 in 1917, £250,000 in 1918; whilst last year it was £350,000. All this money did not go, however, into the pockets of the shareholders, for the dividend and bonus being subject to income tax, the revenue authorities came in for their share which, let it be admitted, increased much more rapidly in proportion than did that of the shareholders. Thus it appears that in 1914 the amount deducted for income tax was only £11,562. By 1916, however, this source swallowed up £42,486; for 1918 it seized on £71,718; whilst last year to satisfy it required as much as £105,000. Moreover, let it also be remembered that there is such a thing as the excess profits duty, and that for 1919 as much as £278,000 was set aside to meet this. In other words, if during the War such firms did earn very large profits, they had from 1916 onwards to disgorge a considerable portion of them to the Government, and what was left, when it passed into the hands of the shareholders, had yet to contribute its quota in income tax. The large amounts under "special allocations" in 1917 and 1918 especially contained provision for excess profits duty. Yet another feature of the accounts is the great increase in the amounts carried forward at the end of each year. A modest total of £52,156 suffices for 1914, whilst 1916

requires £137,136, and 1919, the last year under review, has to its credit no less than £269,737.

The position as disclosed in the latest balance sheet is a very strong one. Debtors are returned at £3,651,787; whilst liabilities to banks, sundry creditors, and on acceptances and cash on deposits only reach £3,139,209. Stock is valued at £2,263,745, and fixed assets at £622,731. Cash and bills amount to £178,597. There is a reserve fund of £500,000, an Insurance Contingency Fund of £250,000, and a Staff Consideration Fund of £105,338. The share capital stands at £1,998,970, the balance of £1,030 representing calls in arrears. The £20 shares of the firm have been quoted in the market at £46⅔.

EMMOTTS AND WALLSHAW.

Year	Net Profit*	Depreciation	Deb. Int.	Pref. Div.	Ord. Div.†		Investments Depreciation	Allocat'n to Reserve	Carry Forward
	£	£	£	£	%	£	£	£	£
1914 ...	4,879‡	2,300	2,492	2,588	2	940	123	10,000*a*	5,595
1915 ...	9,476	2,300	2,357	2,401	5	2,125	282	–	5,660
1916 ...	15,002	2,300	1,963*b*	2,114	7½	2,859	2,803	–	9,469
1917 ...	13,088	2,300	—	2,063	7½	2,813	—	5,000	10,135
1918 ...	33,458	2,300	—	1,959	15	5,313	– –	10,000	24,321
1919 ...	41,494	2,300	—	1,925	20	7,000	– –	20,000	20,590

* After providing for Directors' remuneration and Income Tax.
† Less Tax.
‡ Loss due to war and including 25 per cent. written off German debts as reserve.
a Transferred from Reserve. *b*. Debenture stock (£60,000) repaid on July 1, 1916.

Yet another proof of the harvest reaped by the textile industry during the War is furnished in the accounts of this firm of Oldham cotton spinners, which specialises in cotton velvets, sheetings and yarns. Suffering a loss in 1914, as a result of the dislocation produced in the opening months of the War, which necessitated a transfer of £10,000 from the reserve fund of £25,000, the Company rapidly recovered, converting the loss of £4,879 of 1914 into a profit of £9,476 for 1915. The improved position enabled the redemption of its 4½% First Mortgage Debenture stock to the amount of £60,000 to be effected in the middle of 1916, and allowed the allocation of £5,000 to be made to the reserve fund in 1917, in addition to the payment of a dividend of 7½% on its Ordinary shares. For 1918 the net profit was twice and a half as great as in 1917. Out of this £33,458 Ordinary shareholders received a dividend of 15%, and there was transferred to reserve an amount equivalent to that withdrawn to meet the deficiency of 1914. The accounts for the last financial year (1919) reveal a still further progress. Net profit has increased to £41,494. The dividend to Ordinary shareholders has been raised to 20%; whilst a further allocation of £20,000 leaves the reserve fund standing at £50,000—an amount representing exactly half the issued capital. A sum of £14,000 is set aside to meet any liability in respect of excess profits duty, leaving to be carried forward to the next account £20,590. In the balance sheet stock was valued on December 31, 1919, at £132,887, as compared with £94,989 in 1918. Sundry debtors have increased to £38,512 as against £25,754. Cash balances are much lower, amounting only to £3,863, whereas in 1918 the amount was £18,392; but during 1919 the firm invested £15,000 in National War Bonds and in the 4 per Cent. Funding Loan. Sundry creditors have risen in amount from £25,925 to £44,455. The issued capital remains unaltered at £100,000 divided into 5,000 Preference shares of £10 each and 5,000 Ordinary shares at £10 each.

The *Journal of the Royal Statistical Society* for January contains a somewhat lengthy paper which was read recently by Mr. Ernest H. Godfrey, of the Dominion Bureau of Statistics, Ottawa, before the Society, entitled "Fifty Years of Canadian Progress as Illustrated by Official Statistics, 1867 to 1917." The paper is of exceptional interest, and covers the main departments of Canadian national activity, including especially the acquisition of territory, the growth of population, and the utilisation of natural resources in respect of agriculture, live-stock, dairying, &c.

New Issues.

LIVERPOOL CORPORATION BILLS.

TENDERS will be received at the Bank of England on Tuesday next for Liverpool Corporation bills to the amount of a million sterling. These are to replace bills falling due on March 4 next. The bills will be in amounts of £1,000, £5,000, or £10,000, and are repayable on March 4, 1921.

E. AND T. PINK AND PLAISTOWE (PROPRIETARY), LIMITED.

The National Provincial and Union Bank of England, Limited, are authorised to receive applications for £350,000 Debenture stock at the price of 95, carrying interest at 5%, free of income tax up to 6s. in the £; and also to receive applications for 400,000 6% Cumulative Preference shares of £1 each at par, also free of income tax up to 6s. in the £, in E. and T. Pink and Plaistowe (Proprietary), Limited. These shares and a floating charge on the other assets of the Company, exclusive of uncalled capital, comprise all the issued capital of E. and T. Pink, Limited, and all the issued capital of Plaistowe and Co., Limited, with the exception of the 47,022 5½% Cumulative Preference shares of £1 each in the latter Company. There are no Debentures, Debenture stock, or other charges on the properties of either of such companies. The Company has been formed to acquire all the share capital in the well-known jam, marmalade, and confectionery-making businesses.

BRITISH COTTON-SEED PRODUCTS, LIMITED.

The National Bank, Limited, invites subscriptions for an issue of 150,000 shares of £1 each in the above Company. The total capital is a quarter of a million sterling, divided into £1 shares. The Company has been formed for the purpose of acquiring and working under patent rights an invention of Mr. Edward C. de Segundo, known as the "Segundo cotton-seed defibrator" and the "Segundo cotton-seed hull defibrator." Readers will remember that some time ago we ourselves called attention to this invention, and references have been made to it in various quarters in the daily, weekly, and technical Press. Mr. Segundo has, we understand, spent large sums, and has certainly spent a large amount of time, in perfecting his intention and bringing it to a stage in which it undoubtedly appears to have accomplished its object. It will be appreciated that, in the nature of the case, such an issue partakes of the form of the speculative. Nevertheless, it is eminently desirable that the invention should succeed. The prospectus, which, of course, like similar documents, has been issued in very large numbers, has itself been entirely printed on paper made by Mr. de Segundo's process; and, consequently, we have clear evidence that, in a sense at any rate, Mr. Segundo has actually achieved his purpose. The real object of the invention is to utilise what has hitherto been practically a waste product. It is described as a process for the removal from the woolly varieties of cotton-seed of their residual fibres, without injury either to the seed or to the fibre

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removed, and, in addition, the separation of the residual fibre from the empty shells of cotton-seed, free from any pieces of shell or other débris.

THE MERCANTILE MARINE FINANCE CORPORATION, LIMITED.

This Company, with an authorised share capital of £1,500,000 divided into £1 shares, is offering for public subscription a million shares at par. The object of the Corporation is to assist in the development of the British mercantile marine and to engage in all forms of shipping finance. All the directors are gentlemen closely connected with shipping and finance, and the Corporation will have the benefit of the best expert opinion in connection with its various activities. The directors point out that in view of the serious depletion in the number of British vessels during the War there is a wide field for the activities of the Corporation. Subscribers to the present issue will be entitled for one year from the date of the allotment to a call upon the unissued shares at par to an amount not exceeding 50% of their present subscription.

THE CUNARD STEAM SHIP COMPANY, LIMITED.

With a view to provide further capital the Cunard Steam Ship Company, Limited, propose shortly to make an issue of new shares for the purpose of developing the Company's business, which is urgently needed owing to the present shortage of tonnage. The directors have therefore decided to make an offer of Ordinary shares to their Ordinary shareholders and to the holders of the Government share of £20 on the register of members on February 13, 1920, at the price of 30*s.* per share, in the proportion of one new share for every two Ordinary shares, and of ten new shares for the Government share held on that date. Letters of provisional allotment with conditions of issue endorsed, and forms of acceptance and renunciation attached, have already been issued.

Tankers, Limited, with a share capital of £5,000,000, offer at par 1,500,000 8% Cumulative Participating (Exchangeable) Preference Shares of £1 each. The Company has been formed for the purposes of purchasing and building oil tankers; of chartering oil tankers to the Scottish-American Oil and Transport Company, Limited; of carrying on the business of shipowners, especially for the carrying of oil; and of buying, selling, and general dealing in ships of all kinds. Under an agreement with the Company the Scottish-American Oil and Transport Company, Limited, agree to charter the first twelve oil tankers owned by the Company at an annual rental equal to 10% on the actual cost to the Company of the ships, plus 5% on such cost for depreciation.

Messrs. John Barker and Company, Limited, the well-known firm of Kensington, are making an issue of 600,000 Ordinary shares of £1 each at 33*s.* per share. The London County Westminster and Parr's Bank, Limited, are authorised to receive subscriptions on their behalf. John Barker and Company, Limited, was formed as a Company in 1894 for the purpose of acquiring the business of Messrs. John Barker and Company, of Kensington, general merchants, which was established in 1870. The new capital is required for the extension of their business, and particularly in connection with the recent purchase of Messrs. Derry and Toms, and for the purpose of building a furniture depository. The authorised share capital is £1,630,000, of which £630,000 is issued and fully paid. The Debenture stock outstanding amounts to £550,000.

The London County Westminster and Parr's Bank, Limited, and the London Joint City and Midland Bank, Limited, are authorised by the Beecham Trust, Limited, to offer for sale 1,500,000 10% Preferred Ordinary shares of £1 each at par of The Austin Motor Company, Limited. By purchasing these shares the holders acquire the right to a non-cumulative preferential dividend at the rate of 10% per annum on the capital paid up thereon, such dividend to be payable in respect of each year, commencing with the year 1920, exclusively out of the profits earned by the Company during such year, and to rank, subject to the cumulative preferential dividends payable on the 7% original Preference shares and the "B" Preference shares in the Company, and next after the cumulative preferential dividends payable on the last-mentioned shares. The issue is made for the purpose of developing the business of the Austin Motor Co., Ltd.

The Lancashire Automatic Glass Manufacturing Company, Limited, with a share capital of 400,000 shares of £1 each, is now offering 200,000 shares for public subscription. Taking advantage of the keen demand for glass bottles at the present time, the Company is being formed for the purpose of manufacturing machine-made glass bottles, especially medical ware, on the principle of mass production, which has proved so profitable to the producers and so useful to the public. The Company is acquiring a suitable site of about 4½ acres in Trafford Park, Manchester, on which it is proposed to erect a modern up-to-date factory capable of a total output of 42 million bottles per annum.

The Sentinel Waggon Works (1920), Limited, offer 200,000 7½% Cumulative Participating Preference shares of £1 each at par. The capital is £600,000. The Company has been formed to acquire lands, works, plant and machinery, patent rights, &c., of the Sentinel Waggon Works, Ltd., of Shrewsbury, and to develop the business of making, repairing, and selling "Sentinel" steam motor road waggons carried on at the factory at Shrewsbury, and at depôts in London, Liverpool, Manchester and Glasgow.

Kuala Tiga (Sumatra) Rubber Plantations, Limited, has been formed with a share capital of £250,000 in £1 shares. 100,000 shares of £1 each are offered. The particular object for which the Company has been formed is to acquire from the Sungei Tiga (Sumatra) Rubber Estate, Limited, and the Insulinde (Sumatra) Rubber Estates, Limited, respectively, planting and development rights over a total of about 5,000 acres of lands situated in the Dutch Indies, of which about 475 acres are planted with rubber.

Kuru South, Limited, has been formed with a share capital of £60,000 divided into 240,000 shares of 5*s.* each, 120,000 shares of 5*s.* each now being offered for subscription at par. The object of the Company is to acquire from the Niger Company, Limited, three exclusive prospecting licences in lands situate at Kuru, in the Bauchi Province of the Northern Province of Nigeria.

Morland and Impey, Limited, offer 50,000 7% Cumulative Preference shares of £1 each at par, and 25,000 10% Preferred Ordinary shares of £1 each at par. The Company has a capital of £255,000, and has been formed to take over and work the Kalamazoo loose-leaf patents.

Vegetable Oil and Lard Compound Refiners, Limited, offer 195,000 8% Participating Preferred Ordinary shares of £1 each. The Company has been formed with a capital of £200,000 to develop the refining of vegetable oils for edible purposes.

In their report The Yorkshire Electric Power Company state that the continued increase in the cost of coal has emphasised the advantages of the Company's supply to power users, and additional generating plant is required to meet the large and increasing demands for current, and the proposals of the board for raising the necessary capital will be placed before the shareholders at an early date.

It is satisfactory to learn that the Standard Bank of South Africa, Limited, have received a cablegram from their General Managers in South Africa stating that the drought has broken and that welcome rains are falling.

MEETINGS
OF PUBLIC COMPANIES.

Midland Railway Company.

THE annual general meeting of the Midland Railway Company was held on February 19 at Derby, Mr. Charles Booth (Chairman of the Company) presiding.

The Chairman, at the commencement of his speech, paid an eloquent tribute to the eminent services of his predecessor, Mr. George Murray Smith, and to the irreparable loss which the Company has sustained by his death. He referred to the election of Sir John Field Beale, K.B.E., to the board, and to the Deputy-Chairmanship, and to the changes among the chief officers of the Company which have taken place during the year. Proceeding, he said :—

In last year's Chairman's speech you had a full account of the War-time record of the Midland Railway—a record of which we have every reason to be proud, and which ought not to be forgotten. Turning to present-day railway working, about which many and bitter complaints are made, I think we may fairly ask the public to remember the great efforts and sacrifices made by the railways during the War, and to realise that we are now suffering, along with every other industry, to use the words of a recent writer in the *Times*, from the aftermath of war. The railway position in this country, unsatisfactory though it may be, is, I believe, good as compared with that of other belligerent and even neutral countries. At the same time, all railway companies will admit that, especially within the last two years, there have been great difficulties in dealing with the merchandise traffic, and delay and inconvenience have been occasioned thereby. I cannot, of course, speak with knowledge of the circumstances of all the companies, but so far as our own Company is concerned I can, with a full knowledge of the facts, say that every effort has been ungrudgingly put forward by the chief officers and their assistants to deal with the traffic, and that these efforts have, to a marked degree, been successful.

There are many reasons why the working of railways, especially in regard to merchandise traffic, has been such a difficult problem, amongst them being: (*a*) Shortage of wagons; (*b*) shortage of engine power; (*c*) introduction of eight-hour day; (*d*) industrial unrest; (*e*) shortage of trained staff, &c. These points, however, have been so much discussed and explained by the Minister of Transport that I do not think you will desire me to again go over all the *pros* and *cons*. All that I desire to say is that these difficulties are real, and exist to-day, but every week the position becomes better. We are getting our wagons back from France, our repairs and renewals are well in hand, and if we can only be assured that we shall be free from shop labour troubles, and the men settle down to their work, our arrears in locomotive repairs will soon be in a satisfactory condition. The recent moulders' strike, which, as you know, lasted nearly four months, had a most serious effect upon our engine-repair work, and we have a large amount of leeway to make up; but I am optimistic enough to believe that we shall, with the splendid staff of artisans we have, soon be in a reasonably normal position in regard to this class of work.

Punctuality of Passenger Trains.

As regards the actual running of the trains on the Midland Railway, Mr. Murray Smith gave you a year ago some striking figures showing the punctuality with which the traffic was worked in 1918. The record of 1919 is equally remarkable. Out of a total of 29,967 express passenger trains, 25,819, or 86%, were either punctual or not more than five minutes late, the great majority—namely, 20,752—being actually on time. Of the local trains, numbering in all 411,398, 297,671 were on time, and 73,996 not more than five minutes late. In other words, 90% were either punctual or not more than five minutes late. The standard of working of goods and coal traffic during the past year has also been maintained, and the traffic has been worked smoothly between loading point and destination. Despite the difficulties as regards the overhauling and repair of engines with which we have been faced, the working of the freight trains has been good, and they have arrived at their various destinations approximately to the booked time. I will give you an example of coal-train working. All our coal trains to London, as also those for Peterborough, to which point we work a large coal traffic for transference to the Great Eastern Company, converge at Melton, where we have only one up and one down line. The coal worked past that point is drawn from 11 different coal centres, and a record of the running of the trains through Melton gives a good indication of the general working of the coal traffic over the up line. For the four weeks ending November 29 last, 65% of these trains passed Melton either punctually or not more than 10 minutes late. These are results on which the General Superintendent and his staff deserve hearty congratulation, and I claim that they prove the Midland Railway to be an efficient instrument of transport. The total tonnages dealt with in 1919 were: Goods, 18,251,627; minerals, 24,379,036.

Turning to the Chief Mechanical Engineer's Department, Sir Henry Fowler reports that during the year the building of the new Midland standard goods engines has proceeded, but, like other work, has been impeded by the difficulty in obtaining material, and latterly by the moulders' strike. The work of getting our locomotive stock back to pre-war conditions proceeded satisfactorily during the first period of the year. Unfortunately, various strikes impeded this very materially before the close. Of these strikes by far the most serious was that of the moulders. We had no dispute with our own men, whom we had recently met with other shopmen, arriving at an agreement with regard to wages generally. On September 20, however, certain classes of our foundrymen ceased work, with the result that we were unable to obtain the necessary general castings to maintain the shops on full work, and a very considerable number of men had to be put on short time. In addition to this, great efforts had to be made to arrange to supply the engines in traffic with the necessary parts which required renewal to allow of them remaining in service.

Wagon Repairs Well in Hand.

In connection with the work of the carriage and wagon department for the past year, Mr. Reid reports that, with the return of our men from active service and the suspension of Government work, we have been able to devote our attention this year to the heavier repairs of carriage stock which had to be deferred during the war period, and we now have the work well in hand. Wagon-building and repairing is very much before the public at the present time, and it is satisfactory to be able to state that, so far as the Midland Railway is concerned, the percentage of wagons off for repairs has never exceeded 4.7, and to-day the figure is 3.38%. At the present time we are building about 80 wagons per week, and we are repairing roughly 4,000 per week. Of this latter number 1,000 are foreign wagons, which work on our line under the Common-user Agreement.

The Autumn Strike.

You will no doubt expect me to say something about the strike of railwaymen which took place at the end of September and lasted just over a week. It was the most serious crisis of its kind with which the country has ever been faced, and I think the community generally came through the ordeal remarkably well. We had a strenuous time on the Midland, but, thanks to the devoted efforts of our officials, from the General Manager downwards, and of those members of the staff who continued at work, supplemented by many members of the public, who generously gave their services and rendered the Company valuable assistance, we succeeded in keeping the line open for traffic and in running day by day during the strike a steadily improving service of trains for both passengers and goods.

The officers of the Company are to be congratulated on the arrangements they made to carry on under the most difficult conditions. Immediately after the strike the board passed a resolution, to which publicity was given in the Press, thanking all those, including the members of the public, who worked so well for the Company during the period of stress, and not forgetting the numerous body of volunteers upon whom it was not necessary to call owing to the settlement of the strike.

The N.U.R. and R.C.A Settlements.

Last month we had again to face the possibility of a strike owing to the reluctance of the delegates of the N.U.R. to accept the recommendations of their accredited representatives who had negotiated a wages settlement with the Government. Fortunately wise counsels eventually prevailed, and the offer of the Government—a generous one as it appeared to most people, and recommended as an honourable settlement by Mr. Thomas—was accepted by a narrow majority. Is it too much to hope that this settlement will lead to permanent peace in the railway world? The agreement, the terms of which have already been given wide publicity, at any rate provides machinery which is intended to render necessary [illegible] a repetition of the strike [illegible] last autumn.

The Railway Executive Committee, acting on behalf of the Government, has also carried on negotiations with the Railway Clerks' Association, and it has been decided to adopt on all railways a general scheme for placing in appropriate classes members of the salaried clerical staff, stationmasters, goods agents, supervisory staff, &c., and definite rates of pay applicable to each class have been mutually settled. The new scales of pay and other conditions are to come fully into operation on March 1 next, but any increases which the revised terms may yield are to be made applicable as from August 1, 1919.

Labour Representatives on Advisory Committees.

While on the subject of labour I desire to refer to the inclusion of Labour representatives on the Advisory Committee recently appointed by the Minister of Transport. Much has been made of this in the Press, and its importance has thereby been exaggerated. The Minister has power under the Ministry of Transport Act to appoint committees of an advisory character for his assistance, and in my view no reasonable objection can be taken to the representation of Labour on such a committee. The opinion of the Labour members of the committee, in view of their practical experience, may well be of interest and value, and help towards the right solution of some of the problems which have to be dealt with. But, as the memorandum sent to you in December pointed out, and to which I shall in a moment refer, the appointment of these Advisory Committees does not in any way affect the responsibilities of the directors in the direction or management of your undertaking, subject, of course, during the period of control to the powers which, under the provisions of the Act, are vested in the Minister for that period.

Shareholders' Interests.

Just before Christmas, in company with the other railway chairmen, I took the unusual step of sending to each proprietor a memorandum containing a statement of the railway position which had been unanimously approved by the Council of the Railway Companies' Association. I do not feel that our action in this matter needs any defence. Indeed, it may perhaps be said that we were over-slow in taking steps to enlighten and reassure our shareholders. Anyone reading certain articles in the newspapers might imagine that railway directors had practically abdicated their functions and were doing nothing to safeguard the interests committed to their charge as the duly elected representatives of the proprietors. I think you will agree that the memorandum shows how utterly untrue is such a view. I feel justified in assuming that you have all read the memorandum, and I do not therefore propose to go in detail over the ground which it covers, but I would call your attention to the great amount of time and labour devoted to securing the amendments in the Ministry of Transport Bill needed to adequately protect the shareholders' interests. Since the Ministry of Transport was set up in August last it has been the endeavour of your directors to co-operate with the Minister in his plans for developing transport in this country, always bearing in mind our duty to protect the interests of the shareholders to the utmost of our ability.

A Committee of the Railway Companies' Association has been appointed and is in close contact with the Ministry of Transport, and it has been agreed that before legislation is introduced the Government will consult with the Railway Companies' Association through this committee.

Bearing of National Policy on Capital Outlay and Railway Charges

We still await an authoritative pronouncement from the Government on their future railway policy, but in the nature of things this cannot be long delayed, and when it comes the doubts and uncertainties of the present situation will be greatly relieved. Until we know something definite about our future we are bound to keep capital expenditure within the smallest possible compass, although it may be that capital could now be advantageously spent in certain directions. It is greatly to be desired in the national, as well as in the shareholders', interests that the present state of uncertainty should be cleared up as soon as possible. It is out of the question to get the best results from the railways under present conditions, and I know that Sir Eric Geddes is fully alive to this. A long step in the right direction, but admittedly not a final one, was taken when the increased goods rates were put in force on January 15. It would have been well if this action had been taken earlier, since the need for restoring the railways to a sound commercial basis was urgent. Moreover, the failure to raise railway rates to something like a parity with shipping rates has added to our working difficulties by throwing upon the railways a large quantity of traffic which under normal conditions would have been shipped by coasting steamers. The Government has lately tried to minimise this tendency by subsidising shipments by coasters, but this has only partially met the difficulty. The correct remedy is that which has now been adopted—to charge for railway transport rates which bear a reasonable relation to working costs.

The question of the charging powers of the railways is most urgent at the present juncture. In the event of State purchase the Minister of Transport must have power to charge such rates and fares as will preclude the railways from becoming a burden on the taxpayer. Should the railways, on the other hand, be restored to the companies at the close of the period of control, they should be freed from the obligation to work under fixed maximum charges. Whether the railways are destined in the future to become the property of the State, to be controlled by the State in consideration of some form of guarantee of net revenue, or to be returned to the proprietors, it is essential that their charging powers should, as soon as possible, be given greater elasticity than they have had in the past. When the earning power of commercial undertakings is strictly limited by Act of Parliament a tendency to defer increase of working costs naturally follows, and Parliament must take the responsibility for a large proportion of railway companies' difficulties with Labour. Parliament to some extent realised this fact, and in January 1913 passed an Act to enable railway companies to increase rates to meet increased labour costs, but that Act has proved wholly ineffective in the situation which has arisen. As soon as it was passed the railway companies announced an increase of 4% in the goods rates, but that increase has not even at this day—seven years later—become fully operative. Its justice was disputed by some traders, and judgment has not yet been delivered in the law case which was required to settle the dispute. It is certain that labour conditions and costs have not yet finally reached stability, and if railway management is to be efficient it must be able to adapt its charges to the varying conditions, and ensure prompt settlement. Conditions which lead to accounts remaining unsettled for seven years are intolerable. It should be remembered that Parliament adopted the policy of strictly limiting railway charges at a time when railways, with the exception of canal competition, had a practical monopoly of inland transport. That time has passed, and it may well be worth consideration whether road competition does not now form such an adequate safeguard as to point to the desirability of abolishing Parliamentary limitation of charges.

The resolutions adopting the report and accounts and declaring the dividend were moved by the Chairman, seconded by the Deputy-Chairman (Sir John Field Beale, K.B.E.), and carried unanimously. The retiring directors, Mr. Douglas Vickers, M.P., Sir W. Guy Granet, and Sir John Field Beale, K.B.E., and the retiring auditor, Mr. Gerald Marsh, were re-elected; and the Audit Committee was re-appointed. A resolution, proposed by Lieut.-Colonel R. E. Martin, C.M.G., and seconded by Major R. S. E. Doll, placing £1,000 at the disposal of the directors to enable them to commission some eminent artist to paint the portrait of the late Chairman, was unanimously adopted.

A special general meeting was subsequently held, at which approval was given to various Bills now before Parliament.

The proceedings closed with a cordial vote of thanks to the Chairman and directors.

METROPOLITAN DISTRICT RAILWAY COMPANY.

The ordinary general meeting of this Company was held on February 19 at Caxton Hall, Westminster, the Right Hon. Lord Ashfield, the Chairman and Managing Director, presiding.

The Assistant Secretary (Mr. J. L. B. Lindsay) read the notice convening the meeting.

The Chairman, in moving the adoption of the report and accounts, said that the net result of the year's operations was that the Company had received out of the common fund the sum of £59,566, and adding to that £21,332, the balance from last year, there was a total of £80,898. After paying a total dividend of 4% on the Second Preference stock there was £22,098 to be carried forward. The dividend was 1% less than last year, and could hardly be regarded as satisfactory. After giving details of the results of the operations of the other four companies contributing to the common fund, and pointing out that the London General Omnibus Company had made an actual loss of £424,003, he said that in one or two quarters, perhaps not disinterested, he had heard the arrangement between the five companies described as "an unholy alliance," and it was urged that the result of the arrangement was harmful to the interests of the travelling public. He ventured to disagree. The object of the arrangement was to give temporary assistance to any one of the companies which might meet with a period of adversity, and he claimed that the results of the arrangement showed that if it were brought to an end it would not be to the advantage of the public, of the employees, or of the shareholders. He was not quite certain that it would lead to any substantial withdrawal of any form of transport in London, but what he suggested was that the public were asking for more and improved services, and not the withdrawal of any of the existing facilities. If they took the aggregate results of the operation of those five companies, they found there was a balance available for the common fund of £496,387, or less by £135,305 than a year ago. That unfortunate result arose out of the enormously increased cost of working, and the balance of £496,387 represented a return of no more than 2.47% on the capital involved.

An Impossible Situation.

In considering these figures, however, they had also to take into calculation certain facts. Deducting from the gross revenue the amount of the Government subsidy, and adding to the working expenses the amount that must be added to meet the depreciated value of the rolling-stock, which had not been done by any of these undertakings for several years, on the actual working alone, without any provision whatever for dividends, there would have been a loss last year of £139,415. If they were to assume the very modest return of 4% upon the Ordinary capital of the five undertakings, then the actual short-fall for 1919 would have been £1,274,629. He could give the stockholders a further illustration of the seriousness of the whole situation. On each passenger there had been an actual loss of .07*d.*, and if they had regard to the necessity for making adequate allowance for depreciation and for the increased cost of all equipment, and were further to consider the interests of the shareholders and assume a modest return of 4%, then the actual loss during the year under review would have been .38*d.* per passenger. The explanation of the loss was that labour costs had increased since the War by 175%, the price of coal by 182%, and the price of petrol by 280%. Such an increase in expenditure could only be met by a corresponding advance in fares, and he might add that the full extent of the advance in costs was only being felt this year, while applications for further advances on pay had already been made.

Appeal to Parliament: Discriminatory Fares.

Recognising that the position could not continue, reluctant as they were, there had been no alternative but to make an appeal to Parliament for relief, with the result that a Bill had been promoted seeking power to increase the maximum charges which might be made by the railway companies and to abolish what were known as the workmen's fares. There appeared to be an impression in the minds of some people that what was meant by power to increase the maximum charge was that the actual fares charged to the public would be the maximum, but he could assure them that, just as that had never been done in the past, so in future it would not be the policy to charge maximum rates. They were asking for wide powers to cover contingencies, but their object was to make only such a charge to the public as would secure sufficient revenue to pay the actual working expenses and give a fair return on the capital. If the companies were mistrusted he would suggest that an arrangement could be come to by attaching conditions to the Bill which would make it quite certain that the fares charged by the companies would be only such as would secure revenue for the actual needs of the undertaking on the lines he had indicated. As to the question of workmen's fares, he suggested that it should not be the responsibility of the companies to determine whether or not any particular section of the community should be carried at the expense of another section.

Mr. H. A. Vernet seconded the motion.

Sir Robert Perks remarked that the board were now proceeding to carry out the policy which he had been advocating for many years.

The report was unanimously adopted, and at a special meeting the Company's Bills before Parliament were unanimously approved.

CITY AND SOUTH LONDON RAILWAY CO., LTD.

THE ordinary general meeting of this Company was held at Caxton Hall, Westminster, S.W., on February 20, the Right Hon. Lord Ashfield, Chairman and Managing Director, presiding.

The Chairman, in moving the adoption of the report and accounts, said that with regard to the results of the year's working of the Company, he was sorry they were not more satisfactory. There had been an increase in the gross receipts, and, on the other hand, an increase in the working expenses, which had considerably more than absorbed the whole of the increase in the earnings. The result was that there was a deficiency of £12,342, which had to be met out of the Common Fund. In addition, the Company had received £29,783 out of the Common Fund, out of which an interim dividend of 1% upon the Consolidated Ordinary stock was paid, amounting to £14,800. It was suggested that a final dividend of 1% should be paid, absorbing another £14,800, which, together with the balance brought forward from last year's accounts, would leave a balance of £24,750. The directors recommend that out of this sum a special reserve of £5,000 should be taken, leaving a balance of £19,750 to be carried forward into next year's accounts. This was £4,817 less than was brought into the accounts for the year under review. Obviously this could only be regarded as unsatisfactory. It must be borne in mind, so far as this undertaking was concerned, and he was sure that the passengers who used the railway would agree that it had practically reached the point of saturation. Aside from any benefits which might be obtained from increased fares, it was very unlikely that any substantial improvement could be effected in their earnings through any increase in the passengers carried

After dealing with the capital account and pointing out the necessity to spend over two millions in improvements and extensions which were in contemplation, but were little likely to be carried out until the financial position of the undertakings improved, the Chairman went on to speak of the operating results of the Associated Companies. The London Omnibus Company, he said, was the Cinderella of the group, and had sustained very heavy losses during the year. That loss had, of course, affected the results of the City and South London. The gross earnings of the five companies amounted to £10,240,469; and the expenses absorbed £9,744,082, leaving a balance of only £496,387, which was the whole sum available for the payment of dividends upon a capital totalling over twenty millions, and secured a return of less than 2½%. Omitting the Government subsidy and making an allowance for depreciation, the companies worked at an actual loss. Adding to that the moderate return of 4% on the Capital used, the actual loss would be £1,274,629. Obviously some way must be found by which relief could be obtained, and an adequate revenue secured, so that the undertaking might be able to obtain sufficient money to pay their working costs and secure to the shareholders a reasonable return upon the money invested.

The Appeal to Parliament.

The directors, recognising the extreme gravity of the position, had, in connection with the Associated Railway Companies, promoted a Bill in the present session of Parliament which sought to obtain powers to charge increased fares, the abolition of workmen's fares, and some relief against passenger duty should these increased fares be allowed. This Company was in an advantageous position as far as legislation was concerned, because in 1890 they secured the very powers which were now being asked for on behalf of the other three railway companies—the Metropolitan District, the London Electric, and the Central London Railway. The particular interest this Company had in the promotion of the present Bill was the abolition of workmen's fares and an abatement of the passenger duty. The abolition of workmen's fares raised important social and economic questions which would have to be settled by Parliament. Workmen's fares were upon a fixed basis set forth in the Act of Parliament. Although this Company had had the right substantially to increase their fares beyond what were being charged at the present time, they had not attempted to abuse the privilege which Parliament had conferred upon them. It had been the deliberate policy in the past to afford to the public the best possible service at the lowest possible fare. The present condition of affairs could not go on longer; some change must be made in the revenue or there would be no hope for the Company in the future so long as high prices prevailed and high wages had to be paid. So far as the workmen's fares were concerned, the directors inclined to the view that this old arrangement of securing to a crivileged few the right of riding at low fares should not be continued. It was not a privilege conferred upon all working people, but only on those who travelled to their work before eight o'clock. If a selected number of passengers was privileged to ride at a fare less than the cost, the deficit must be met by an increased charge upon the other passengers, or, alternatively, must take the form of a subsidy from the Government. Whether the country was prepared to accept such a solution was a matter they must leave to Parliament to determine. They had no wish to demand from the public more than was reasonable, and they wanted the general public to recognise that they were a partner in this great enterprise. If they could establish that close and friendly relation with the public, then no doubt they would be forgiven for the inadequate service which had been rendered of late.

Mr. C. S. Grenfell seconded the motion, which was unanimously adopted, the retiring directors and the auditors were re-elected, and the Company's Bill in Parliament was approved.

LONDON ELECTRIC RAILWAYS COMPANY.

AN ordinary general meeting of this Company was held on February 19 at Caxton Hall, Westminster, The Rt. Hon. Lord Ashfield, Chairman and Managing Director, presiding.

The Assistant Secretary (Mr. J. L. B. Lindsay) having read the notice convening the meeting,

The Chairman, in moving the adoption of the report and accounts, said that with regard to the results of the year under review the gross receipts showed an increase of £261,495, but the expenses had advanced by £244,308, and they were able to pay a final dividend on the Ordinary shares of 5%, making 12% for the year, as compared with 9% for 1918. He did not imagine that anybody could regard that as a satisfactory result. With regard to capital expenditure during the year, they had found it necessary to engage in certain commitments of a substantial character. The directors had authorised the purchase of 40 new carriages, costing £117,700. There was real need for improved services, and that was why that expenditure had been authorised. It

was interesting to note that those carriages had cost 240% more than they would have cost in 1913. In addition, they had spent £28,000 in equipping lifts with what was known as "landing control," whereby the lifts could be worked without having an attendant travelling in each lift. They had also spent £24,200 for steel linings in tunnels. There were other improvements of a much more substantial character and hardly less needful than those just described, but they had to be held in abeyance, in view of the very unsatisfactory financial results from the operation of the lines. He referred particularly to the proposed connecting railway at Camden Town, which would permit the introduction of a through service from the Hampstead and Highgate Railway to the City and South London Railway, necessitating the reconstruction and re-equipment of the latter. That was a much-needed additional facility to the traffic of London, but it was impossible to proceed with it at present.

Results of Associated Companies.

The results of the operation of the four Companies with which they were associated were then dealt with by the Chairman in detail. He said that the Central London and the London Electric were the only two which showed any improvement in earnings, and that improvement was very meagre. The London General Omnibus had had a very unfortunate year, the actual loss incurred by it being £424,003, it having failed to secure sufficient revenue to meet its actual expenses. The total aggregate gross receipts of the four Companies, including the Government payment, amounted to £10,240,469, an increase of £2,497,018 over 1918; but the expenses, including interest and other fixed charges, &c., amounted to £9,744,082, an increase of £2,632,321. In other words, the increase in expenses during the year had been greater than the increase in revenue. There was only £496,367 available for the payment of dividends on a total capital of £20,113,420, representing 2.47%. That was a very unsatisfactory return. Their minds were directed very anxiously towards the right to increase their present rates of fares. The payment from the Government must be wiped away. Increased revenue from passengers must take its place. Again, they had not been able last year to lay aside money sufficient to meet the depreciated value of the rolling-stock and equipment. In fact, if proper allowance were made for that, for the last five years their earnings failed to meet actual working expenses without allowing any margin for dividends.

Fares Not on Paying Basis.

Fares paid by the passengers failed to meet the actual expense of carrying them. To meet depreciation and to pay 4% to the shareholders the cost per passenger worked out at 2.42*d*. per passenger, as against the actual receipt of 2.04*d*. He could quite understand people asking why that was so in view of the vast number of people carried and the crowded carriages. It must be realised how enormously expenditure had advanced. It was not that they had been extravagant in administration. Labour costs had increased 173% since the War began, coal 182%, and petrol 280%. Unfortunately, the ratio of working expenses to gross receipts for 1920 was even higher than was the case for 1919. They were confronted with a further demand for increased wages by omnibus employees to the extent of 10*s*. a week, whilst a large section of their railwaymen had been exempted from the recent settlement entered into between the Government and the controlled railways, and they were demanding that benefit, and it was difficult to argue that they should not have it. That meant approximately 5*s*. a week. Where were the Companies going to find the money? The answer was simple. There was only one source from which they could obtain increased revenue, and that was the passengers who used the railways. They did not desire to call upon the Government for a subsidy. The passengers should be able to afford such a fare as would meet the actual cost of operation, plus a fair return upon the money invested. He was not prepared to accept the thought that it was not possible for the people who used the undertakings to pay an adequate fare in return for the services rendered by the Companies. They were introducing a Bill to deal with that question, and also that of workmen's fares. As to the question whether it was fair for one section of the public to travel cheaper than the rest, Parliament must decide.

The report and accounts were adopted, and the proposed Parliamentary Bill was sanctioned.

CENTRAL LONDON RAILWAY COMPANY.

THE ordinary general meeting of this Company was held on February 20 at Caxton Hall, Westminster, the Right Honourable Lord Ashfield (Chairman and Managing Director) presiding.

The Chairman said that the results of the operations of the Company for the past year had shown some slight improvement as compared with 1918. The gross receipts showed an increase of £110,038, and expenses an increase of £66,524. The amount which was paid into the Common Fund was £102,265, and the amount received out of the Common Fund was £99,278. If they added the balance from last year's accounts they arrived at a total of £116,762. The interim dividend on £1,693,636 of undivided Ordinary stock and £653,182 of Preferred Ordinary stock at 2% absorbed £46,936. After paying the final dividends on the undivided Ordinary stock of 1½%, making 3½% for the year, and of 2% on the Preferred Ordinary stock, making 4% for the year, there would remain a balance of £31,358, and if, in addition, they paid a dividend of 3% on the Deferred Ordinary stock, there would be a balance to carry forward into the accounts for next year of £11,762. That was £5,722 less than the amount brought into the accounts.

Parliamentary Bills Promoted.

The Chairman then dealt with the position of the affiliated companies, and pointed out that, presuming the payment of a dividend at the rate of 4% on the Ordinary shares, the loss for the year 1919 would have been £1,274,629. The directors had, in consultation with the directors of the other railway companies with which this undertaking was affiliated, recognised that the present unsatisfactory position could not continue. They were confronted not only with the existing situation, which showed that their undertakings were operated at a loss, but with the fact that during the present year the ratio of working expenses to gross receipts was much larger than it was in 1919. There were further demands for increased wages, and as far as the directors could estimate the situation, there seemed every reason for the belief that the expenses would be on an ascending scale. Recognising that situation, they could only come to the conclusion that they must ask Parliament for relief, and they had accordingly, in agreement with the directors of the other railway companies, promoted a Bill in the present session of Parliament which sought powers to increase the maximum charges. They were also promoting another Bill during the present session to empower the Central London Railway to extend its system from Shepherds Bush so as to form a junction with the London and South-Western Railway. If that junction were made it would be possible to run a through service of trains from stations on the Central London to stations on the London and South Western. The board felt that that was a very much needed public improvement. The District Railway, which operated on the same territory, was over-taxed at certain hours of the day, and if this Company projected a through service of trains on to the South Western, it should not only afford relief to the District, but should in addition attract new traffic. When the extension was made this railway would serve a very wide area in the west and south-western parts of London. The Company was also seeking powers to borrow £374,000 by the issue of Debenture stock, whilst the District was seeking powers to borrow £1,500,000, also by the issue of Debenture stock, and the proceeds from the sale of those stocks were to be used for general purposes.

Uniform Fare for London.

The Chairman then reverted to the question of fares. He pointed out that the companies already had powers to increase their fares so far as the ordinary fares were concerned, but there were other instances where it was necessary to have wider powers. They were only following the example of the City and South London Railway, which had enjoyed those privileges for some 30 years. In his view it seemed desirable, if not necessary, that all the transport undertakings in London should, if possible, agree upon a uniform system of fares. Workmen's fares, which they proposed to abolish, were definitely prescribed in Acts of Parliament, and it was not possible to make any variation, certainly not in an upward direction, without renewed powers. If Parliament should determine that a special privilege in the way of reduced fares should be given to people who travelled before eight o'clock in the morning, there were only two alternatives before the companies. Either an addition would have to be made to the ordinary fares to meet the loss of carrying those passengers or a subsidy would have to be made by the Government. Some criticisms had arisen in various quarters of the very wide powers which would be conferred upon the companies by this Bill. If Parliament had any apprehension on that score, he suggested that it should be possible to establish such machinery as would secure from some independent tribunal a determination of what the fares should be. All the companies asked was that they should have the right to charge such fares as would secure sufficient revenue to meet the working expenses and a reasonable return upon the capital invested. He was quite sure that when Parliament and the public fully understood the position they would realise that it could not, under any circumstances, be their intention, nor would it be possible for them, to charge in every instance up to the maximum rates which the Bill provided. When it was recognised that the increase would be very much less than that they would have no difficulty in satisfying Parliament and the public that their demand was not just, but one that the public could well afford to meet.

The resolution approving the adoption of the report and accounts was unanimously carried.

LONDON GENERAL OMNIBUS COMPANY, LIMITED

THE annual general meeting of this Company was held on February 20 at Electric Railway House, Westminster. Lord Ashfield presided, and in the course of his speech said: Dealing with the operating results for the year, the gross receipts amounted to £5,449,993, an increase of £1,585,610 over 1918. The expenditure, including interest, rentals, and other fixed charges and reserves, amounted to £5,873,996, an increase of £2,001,711. The result is a deficit, to be met out of the Common Fund, amounting to £424,003. Through the operation of the Common Fund your Company received, in addition to this deficit, £158,844. If you add the balance brought forward, a total of £219,774 is arrived at. An interim dividend on the Ordinary shares was paid in August last of 4%, free of income tax, and it is recommended that a final dividend of 3%, free of income tax, be paid, leaving to be carried forward £59,726, or £1,204 less than a year ago. The total dividends paid during the year will thus amount to 7%, free of income tax, or 1% less than in 1918.

New Type of Vehicle.

With regard to capital expenditure, for freeholds and leaseholds, including the purchase of the National Steam Car Company's garages at Peckham and Putney, and for certain miscellaneous improvements, a total expenditure of £84,382 was incurred. For omnibuses and equipment an expenditure of £316,504 was incurred. Further commitments incurred on capital account amounted to £47,300. In addition, an order has been placed with the Associated Equipment Company for 500 "K" type omnibuses. Very thorough experiments were carried out during the year, both by the Associated Equipment Company and your Company, with an improved type of omnibus. The object to be attained was increased carrying capacity and the adoption of certain improvements which experience with the present type had suggested. The results of these experiments is the production of what is known as the "K" type omnibus. I might add that this omnibus will cost about twice as much as the present type. This increased cost is almost entirely due to the increased costs of material and labour.

Heavy Working Loss Unavoidable.

Although the gross receipts show an increase of £1,585,610, or 41%, over 1918, the operating expenses, including interest, rentals, and other fixed charges and reserves for depreciation and renewal, show an increase of £2,001,711, or 52%. The result is an actual loss on working of £416,101. This is a very heavy loss, and unfortunately reflects a very serious change in the fortunes of your undertaking, but the change is due entirely to circumstances beyond our control. Wages have increased by 183% since the beginning of the War; the cost of petrol, of which your Company used roundly 11 million gallons in 1919, has increased by 280%. Your directors have had under consideration various schemes whereby the financial position of your undertaking might be improved. The improved type of omnibus should, through its increased carrying capacity, effect some improvements, but the only real solution of the problem is by increasing the fares. The railway companies associated with your undertaking are also proposing to meet the situation by increasing the fares, and have promoted a Bill in the present session of Parliament seeking powers to increase their maximum powers of charge and to abolish workmen's fares. Your Company is under no restrictions as regards fares. It could, at once, increase the present rates of fares, but your directors have thought it advisable to withhold taking action in that direction, with the hope and expectation that, as a result of the Bill to which I have referred, such action will be taken by Parliament as will secure the establishment of some sort of machinery for dealing with this vexed question of fares, which will, through its operation, secure the establishment of such rate of fares as will provide the companies with the necessary revenue. It is very desirable that the fares charged by the different transport undertakings in London should be as nearly alike as possible, and it is with the hope that this will be accomplished that your directors have not, up to the present moment, acted independently, and increased the fares on the omnibuses.

The history of the omnibus companies in London shows considerable fluctuations in its financial prosperity. It has had many ups and downs. We are now going through a period of adversity, but with the more efficient vehicle and by exercising every possible economy, and by adjusting fares up to their proper economic level, I am hopeful that we shall pull through successfully. In conclusion, I should like to say just a word about the officers and employees. They have carried on the services under unprecedented difficulties. A large number of omnibuses were withdrawn for War service, and severe restrictions were placed upon the supply of repair parts for those remaining in service. A number of the vehicles used during the War have been returned, and are again in London service. The public and ourselves owe to them our gratitude for what they did. During the year it has been possible to put into service 581 additional omnibuses, and, unless something unforeseen develops, the new type of omnibus will soon be seen in large numbers on the streets.

The report was unanimously adopted.

PORT TALBOT RAILWAY AND DOCKS COMPANY.

THE ordinary general meeting of the proprietors of the above-named Company was held on February 18 at the Great Western Royal Hotel, Paddington, London, W., Colonel Sir J. R. Wright, Bart. (Chairman of the Company), presiding.

The Chairman, in moving the adoption of the report and accounts, said: Gentlemen,—The revenue accounts closely follow those of the previous year, the sum remaining after the provision for all fixed charges being £85,021, as compared with £84,858. This permits of dividends being paid on the Ordinary and Preference shares of 9% and the usual 4% respectively, and leaves a balance of £4,321.

Local Prospects.

We are very busy at Port Talbot. Shipping is on the increase. The completion of the blast-furnaces has been unavoidably delayed, but these works will very soon commence operations. The erection of new and large patent fuel works has been put in hand. Colliery developments are progressing actively, and things generally look quite bright for your undertaking.

Sir Thomas E. Watson, Bart., seconded the resolution, which was carried unanimously.

The Chairman next proposed: "That dividends at the rate of 4% per annum for the half-year on the Preference shares, and 9% per annum for the half-year on the Ordinary shares be paid, less income tax at 6s. in the £, making, with the interim dividend already paid in August last, 4% and 9% for 1919."

Mr. S. H. Byass seconded the resolution, which was unanimously agreed to.

The retiring directors having been unanimously re-elected, it was moved and seconded, and unanimously approved, that the sum of £3,000 be voted to the fund outlined by the Chairman for the benefit of old members of the staff.

The retiring auditor, Mr. F. Lindsay Fisher, F.C.A., was unanimously re-elected.

ISLE OF WIGHT RAILWAY COMPANY.

THE ordinary general meeting of this Company was held on February 18 at the Cannon Street Hotel, London. Mr. Percy W. Gilbert presided.

The Chairman said: The total receipts from railway working amounted to £69,873, and the working expenses to £48,886, leaving a net receipt from railway working of £20,987, to which must be added £2,619 receipts from rents, tolls, &c., making a total net income of £23,606, practically the same figure as in 1918. The balance brought in from the last account is £2,212, and adding this to the £23,606, we have a total of £25,818. Out of this has been paid £8,514 for interest on Debenture stock and other fixed charges, and £6,550 for interim dividends, and we are to-day recommending that final dividends be declared of 2% on the Preference and 2% on the Preferred Converted Ordinary, making each of these stocks 4% for the year. We also recommend that a final dividend of 1¾% be paid on the Deferred Converted Ordinary stock, making, with the ¾% interim dividend paid on August 22, 2½% for the year.

Improved Holiday Facilities.

The season of 1919 proved to be an exceptionally good one, the number of passengers conveyed, exclusive of naval and military traffic, being 1,147,000, as against 894,472 in 1918. The result would have been even more satisfactory but for the unfortunate strike in the autumn, which had a very bad effect on the island resorts. The improved fast services provided by the London and South-Western and London Brighton and South Coast Railway Companies between London and Portsmouth were greatly appreciated by the public, and I think we may also look forward to a greatly improved boat service between Portsmouth and Ryde during the coming season. There has been a large increase in the expenses, which have risen from £34,942 in 1918 to £48,886 in 1919. This increase is the result of the concessions granted by the Government in the wages and reduced hours of duty under the agreement entered into between them and the Unions, and the high cost of all materials. State control of the railways and the guaranteed agreement with the Government are continued by the Ministry of Transport Act, 1919, for a period of two years from August 15 last, but what will happen after the expiration of that time will entirely depend on the policy of the Government. At a previous meeting I made reference to the growth of sand which, from circumstances beyond our control and attributable entirely to the War, has arisen in our harbour at St. Helens, and which has interfered with its free use by colliers and other craft. A survey of the harbour has been made by Mr. Abernethy, C.E., and his report has been submitted to the Admiralty, with an application for the accumulation to be cleared away.

The report was unanimously adopted and the dividends declared.

GRAND TRUNK RAILWAY COMPANY OF CANADA.

A SPECIAL general meeting of this Company was held on February 19 at the Cannon Street Hotel, London, E.C., for the purpose of considering and, if approved, of ratifying an Agreement between His Majesty the King, represented by the Minister of Railways and Canals of Canada, of the first part, and the Company of the second part. Sir Alfred W. Smithers, M.P., Chairman of the Company, presided.

The Chairman, in moving the approval of the Agreement, said: You have all received a copy of the Agreement which the board have arrived at with the Canadian Government, and a circular explaining as concisely as possible its provisions and the circumstances amid which it was negotiated. It now only remains for you to accept it to become law. On my return from Canada we submitted the Agreement to the committee of gentlemen whom we agreed to appoint last March to consult with the board on behalf of the shareholders, and the committee approved of the action of the board in making the Agreement, and I take this opportunity of thanking those gentlemen on your behalf and on behalf of the board for the time and attention they so kindly gave to the matter. I have on many previous occasions explained to you very fully our relations with the Canadian Government. I have always been most careful to express myself with regard to the Canadian Government with all possible restraint; unfortunately, the bare recital of our case is sufficient to cause considerable feeling.

The Canadian Government's Proposals.

The Grand Trunk is the pioneer railway of Canada; it has passed through all the many vicissitudes of 67 years, relying entirely upon its own resources, except for the sum of £3,000,000 advanced by the Canadian Government about 50 years ago to assist in building the line to Portland Maine, in order to furnish Montreal with an open winter port. This assistance of £3,000,000 in 67 years compares with about £70,000,000 received from the Canadian Government by the Canadian Pacific in 37 years, and about £60,000,000 received by the Canadian Northern in 20 years.

When I arrived in Canada last August I had a meeting, a few days after my arrival, with Sir Robert Borden, the Premier, and a few days after, accompanied by Mr. Howard G. Kelley, our President in Canada, we met Sir Robert Borden again with several of his colleagues. The Premier at that meeting announced that the Government could make no further advance on their last offer; that offer was conveyed to the board, on behalf of the Government, in a letter dated July 11, 1918, from the Hon. Arthur Meighen, the Minister of the Interior. That letter provided that the Government should take over the Grand Trunk Pacific Railway and branch lines and the Grand Trunk Railway Company, and acquire all assets and assume all obligations of both companies; that the Guaranteed stock should be treated as a fixed charge, and that a board of arbitrators should be appointed to determine what compensation should be awarded to the First, Second, and Third Preference and Ordinary stocks on the taking over by the Government.

I was then faced with the alternative of allowing the negotiations, which had gone on for 18 months, to lapse, or to continue them on the basis of the Government offer. Few men in commercial life have, I think, been confronted with a greater responsibility. I knew there were influential men in Canada who thought the policy the Government should pursue was to let us alone, and that the weaker we became the easier we could be dealt with—they knew we were being forced by the Government to carry on under impossible conditions—conditions over which we had absolutely no control. What were those conditions? That we should meet every order issued by the Canadian Railway War Board to increase wages by immediate compliance, notwithstanding that no increase of rates to meet the increased expenses was allowed. (Cries of "Shame!") No business could be carried on successfully under such impossible conditions. I felt we were powerless; we were being held up, and I asked myself what was to be gained by waiting.

Increased Wages Ordered: Increased Rates Vetoed.

It is a startling fact that we should feel compelled to advise you to accept the Agreement put before you to-day, when we have just come to the end of a year in which the Grand Trunk Railway Company took the largest traffic in its history. We were compelled to carry the traffic, of course, to the great benefit of Canada, but we could not obtain sufficiently increased freight rates to enable us to carry that traffic on a remunerative basis.

In 1918 an increase of freight rates was granted on a great portion of the freight carried—something under 15% in March and something under 25% in August. Notwithstanding this, owing to a further serious increase of wages being ordered by the Canadian Railway War Board, without any corresponding increase in rates, there was an actual decrease in net profit for 1918. The gross traffic for 1918 amounted to £12,600,000, as compared with £9,800,000 in 1917, or a gross increase of £2,700,000, but the working expenses increased by £2,900,000, or a net loss of £200,000 for 1918. (Cries of "Shame.")

In 1919, the accounts of which are not yet complete, the gross earnings are estimated at £14,000,000, as against £12,600,000 in 1918, or an increase of £1,400,000. Owing, however, to another large increase in wages being ordered by the Canadian Railway War Board—again without any increase in rates—it is not expected there will be any increase in net profit, and consequently the Company will only be able to meet its fixed charges.

In each of the three years 1917, 1918, and 1919, in consequence of being compelled by the order of the Canadian Railway War Board to grant increased wages without sufficiently increased rates, the shareholders lost on the average at least between £1,250,000 and £1,500,000 which they ought to have received in dividends. ("Shame.")

Grand Trunk Pacific Liabilities.

But, it may be urged, on behalf of the Government, that I have taken no account of our Grand Trunk Pacific liabilities. Well, for reasons which I have often explained, I do not think it is fair or right we should have those liabilities forced upon us (Hear, hear.) Even if those liabilities had been enforced, we should with the requisite increase of freight rates have earned sufficient in 1916, 1917, 1918, and 1919 to have taken care of our Grand Trunk Pacific liabilities. It is true had we done so we could not have paid the dividend on the Preference stocks, but we should have retained our credit, we should have been a going concern on a fair commercial basis, and the equity in all future developments would have been ours. It must be remembered, apart from what I have to say about our Grand Trunk Pacific liabilities, that we took over the Grand Trunk Pacific on revenue account from January 1916. In the first complete year ending June 30, 1917, the net income of the Grand Trunk Pacific was £440,000, and in the year ending June 30, 1916, the net income was £400,000. These amounts, added to what the Grand Trunk ought to have earned, with an adequate increase of rates, would have enabled the Grand Trunk to provide for even the Grand Trunk Pacific liabilities and pay the interest on the guaranteed stock. But all these net earnings on the Grand Trunk Pacific were wiped out from the same causes as they were wiped out on the Grand Trunk, viz., the orders of the Canadian Railway War Board to increase wages on the Grand Trunk Pacific without giving increased rates.

I now come to the serious considerations which must in all justice be taken into account when considering the liabilities of the Grand Trunk for the Grand Trunk Pacific. I said in my speech on March 21 last: The late Mr. Hays originally had it in his mind to build the Grand Trunk Pacific from North Bay to the Pacific Coast. Had this project been adhered to, not a mile of unnecessary line would have been constructed, but under strong political pressure it was decided to extend the line to Quebec, and finally, under further political pressure, to Moncton, the junction point for either the ports of St. John or Halifax. The line from Moncton to Winnipeg was to be constructed by the Government, to be known as the National Transcontinental Railway, the line from Winnipeg to the coast was to be known as the Grand Trunk Pacific Railway, to be constructed by the joint credit of the Government and the Grand Trunk Railway.

The Acts authorising the buildings of the National Transcontinental and the Grand Trunk Pacific were passed in 1903-04. In the subsequent years—and this is very important—the Canadian Pacific Railway was allowed to build branches and extensions right into the new territory the Grand Trunk Pacific was designed, with the consent and at the desire of the Government, to serve, but the Canadian Northern was only allowed, but was actually subsidised year after year by the Canadian Government to build lines competing and paralleling the Grand Trunk Pacific. ("Shame.") This enormous and rapid railway building had the effect of producing a great speculation in real estate in Canada, and a great increase in the price of land, all railway materials, and in the cost of labour. In addition, the Government put a duty on steel rails, which added a considerable item to the cost. The result was an enormous increase in the cost of the National Transcontinental and of the Grand Trunk Pacific over and above the estimates of cost when the projects were introduced into Parliament. Owing to this large and unforeseen increase in the cost of building the new railways, the Government had to assist the Canadian Northern and the Grand Trunk Pacific to enable them to complete the lines in course of construction. The embarrassment of the Canadian Northern at last became so great as to threaten serious financial consequences in Canada, and the Government decided to take the property over by assuming all its liabilities and paying 18% for $60,000,000 of its Ordinary stock.

Treatment of C.N.R. and G.T.P. Contrasted.

Our contention is that the Grand Trunk Pacific should, at all events, be treated by the Government with the same consideration they have shown the Canadian Northern—(hear, hear)—which, after our arrangement with the Government, amounting practically to a partnership, was actually subsidised by the Government during many years to build hundreds of miles of lines, competing with, and in many cases paralleling in close proximity, the Grand Trunk Pacific. The Government contend that the Grand Trunk Company must be held to any legal liability it has incurred for the Grand Trunk Pacific, or, if they take over the Grand Trunk Pacific, they will only take it over on condition that the Grand Trunk is sold to them on the Government terms.

As a strong confirmation of these views, let me quote from the speech of the Hon. Arthur Meighen, in the Canadian

House of Commons, on October 15 last, in introducing the Bill for the acquisition by his Majesty of the Grand Trunk Railway System :—

"It has always been practically understood by the people of Canada that if we wish to have a transcontinental system that could be operated economically and on a basis similar or equal to that of its great competitor, the Canadian Pacific Railway system, it was necessary that the Canadian Northern Railway system, being practically a Western railway system, should be joined up with the Grand Trunk system, which was an Eastern Canada railway system, and the two together would make a complete and economical system. The Canadian Northern Railway system, having all its main lines and branch lines in the four Western provinces, and the Grand Trunk system having all its lines and branch lines in Ontario and Quebec, the two together would be operated economically and would assist each other by interchange of traffic. Having taken over the Canadian Northern Railway system, the Government was in this position. They had a splendid Western railway system, with a line from Port Arthur to Montreal and Quebec, without any branch lines, feeders, or terminals from the great provinces of Ontario and Quebec, and they were unable to gather freight in Eastern Canada to pay its operating charges.

Now let me say what the Government must provide for its present railway system if we do not take over the Grand Trunk Railway. The Government, and that means the people of Canada, must spend within the next three, four, or five years an amount of at least one hundred million dollars, and any amount between that and two hundred million dollars for providing terminal facilities, branch lines, and connections with other roads in the Eastern provinces, and when that was done they would still have as competitors not only the Canadian Pacific Railway, but also the Grand Trunk Railway. Now, if the country must supply at least one hundred million dollars to provide terminals, and branch lines, and connections for its present system, that would not be necessary if we took the Grand Trunk Railway over. May I ask, is it not in the interest of all concerned that we save spending that hundred million dollars, and save the interest on the same, which would probable be five and one-half million dollars, and save also the extra expense in operation and duplication of lines and terminals?

May I also add that, in my opinion, the contract for building the Grand Trunk Pacific Railway and the Transcontinental Railway was an arrangement between the Government of that date and the Grand Trunk Railway system. I was a member of the House at that time, and remember well that the late Mr. Hays did not want to build the Transcontinental system. He did not want to build the road to British Columbia; he merely wanted connections with the wheatfields of Alberta and Saskatchewan. But the Government of that date insisted on the Transcontinental and British Columbia lines being built, and that was the cause of the Grand Trunk system's failure to carry out to a successful conclusion the scheme originated by Mr. Hays. The arbitrators will, no doubt, take into consideration the fact of the Grand Trunk Railway being the pioneer railway of Canada; and, believing as I do that the people of Canada wish to deal generously with the Grand Trunk shareholders, they will not be too sever when making their award. (Laughter.)

In further confirmation of my argument as to the injustice of treating us on such an entirely different footing to the Canadian Northern, let me quote from a speech from the Hon. Mr. Rowell, the President of the Council, reported in Hansard, and delivered in the Canadian House of Commons on October 15: "We both (that is, the Liberal and Conservative parties) believe it (the Grand Trunk Pacific) should have been built, but I do not believe that the Canadian Northern should have been allowed to parallel it by means of guarantees and grants made by this Government and the provincial Governments. Both Governments are responsible for the Canadian Northern, and three transcontinental railways built by Government assistance under private ownership are largely responsible for the trouble in connection with our railway situation at the present time. It is nothing short of a national crime to see railways paralleling each other for hundreds of miles in some sections of the country."

Arbitrators' Judgment Fettered.

Proceeding, the Chairman said that he and his colleagues could only hope that when all the considerations were put before a Board of Arbitrators by able counsel, the long-suffering British shareholders would be given all the consideration it would be in the power of the arbitrators to give. He said "in the power of the arbitrators to give" because he thought the Senate most unfairly insisted in putting a limit beyond which the arbitrators might not award. (Applause.) That limit was $5,000,000 per annum, which included $2,500,000 for the guaranteed stock, leaving $2,500,000 for the First, Second, and Third Preference and Ordinary stocks. The maximum fixed by the Senate was practically the minimum price the directors had offered to take in their negotiations with the Government. That offer, after several others had been refused, was made in the hope of avoiding the delay and expense of arbitration, and he thought to fix that lowest offer as the maximum the arbitrators might award was extremely unjust. (Applause.) If the maximum was awarded it would still leave the holders of the Preference and Ordinary stocks compelled to make a sacrifice. The injustice became more apparent when it was contrasted with the treatment of the Canadian Northern. He proposed directly it was necessary, to go to Canada and to do his utmost, in conjunction with the board, to see that their case was put fully and fairly before the arbitrators. (Applause.)

Sir Henry Mather Jackson, Bt., seconded the resolution, and congratulated Sir Alfred Smithers on having received some recognition from the Crown for the valuable services which he had conferred upon the country. He also expressed, on behalf of the board, their sense of the great services which the Chairman had rendered to the Company.

Stockholders' Strong Protest.

Mr. Reginald Woodward said he had long felt that the stockholders of the Company were going to be let down. He also felt that the Government would do all in its power to depreciate their property in order to buy the concern against the wishes of the stockholders at a bankrupt price. That was what was going to happen, and no one felt more bitter about or more disgusted with the attitude adopted by the Canadian Government than himself.

Mr. Grant Hooper, speaking as the holder of third Preference stock to the amount of several thousands of pounds, said he appreciated all that the Chairman had stated, and he felt that there was little more to be said except to dot the i's and cross the t's of the Chairman's speech. He felt very strongly that a Government was no more entitled to act dishonestly than was an individual. (Applause.) He proposed, with the permission of the Chairman, to submit a resolution protesting against the treatment to which the Company had been subjected in being refused permission to increase rates, and in the limitation of the amount of the arbitration award.

Mr. Sherman expressed the view that half a loaf was better than no bread, and therefore he would support the resolution moved by the Chairman.

Mr. John Hedges also spoke in support of the resolution, remarking that in his view they would all be in a better position if they accepted the terms offered. If they refused the offer they would become a bankrupt concern.

The Rev. Leonard Dawson said that he was a considerable holder of Third Preference and Ordinary stocks, and, moreover, he had lived in Canada for a number of years. The great trouble all along had been that the Company was an English Company; its shares were not even quoted in Canada, and the board had been almost wholly an English board. They were dealing with a Canadian Government which had no morals. (Applause.) If they had a Canadian board composed of men who knew the conditions on that side—he made no reflection against the directors on this side—there would be some chance of getting justice. He hoped the treatment they were now receiving would lead British investors to send no more money to Canada. (Loud applause.)

Captain Ivor M. Rosenbaum agreed with the remarks of the previous speaker.

Mr. Robert Benson, speaking as a member of the committee appointed to look into this difficult problem, expressed the opinion that the solution arrived at was the best possible in the circumstances. (Hear, hear.) Those stockholders who had never been through the experience of financing a great railway on another continent, which required enormous sums annually for capital expenditure, had no idea of the anxiety and danger involved. If one's credit or power to borrow and sell securities was allowed to break down, there was no alternative but a receivership, during which the development of their property stood still, competitors got ahead, the value of the property deteriorated, and, after a reorganisation, credit had to be painfully rebuilt. The only alternative to accepting the present offer of the Dominion Government was to find some other party to shoulder the liability for the large sums needed from month to month to develop this great property *pari passu* with the development of Canada. No such party had been forthcoming—not even an octopus concern from the other side of the border.

After some further discussion the resolution was put and carried, with only six dissentients.

Mr. Grant Hooper then moved: "That this meeting, though accepting the agreement imposed upon the Company, protests against the treatment to which it has been subjected in being refused permission adequately to increase rates, and in the limitation of the amount of the arbitration award."

Mr. Luce seconded the resolution, which was carried unanimously.

On the motion of Mr. Bosher, it was resolved that the board of directors be granted, as compensation for loss of office, an amount equal to five years' remuneration, to be paid to them out of the contribution to be made by the holders of the Debenture and Guaranteed stocks.

A hearty vote of thanks to the Chairman and directors as well as to the Secretary, concluded the proceedings.

THE SCOTTISH LIFE ASSURANCE COMPANY, LTD.

LARGE INCREASE IN NEW BUSINESS.

Sir John M. Clark, Bart., Chairman of the board, presiding at the annual meeting of this Company, held on 18th inst. in Edinburgh, in proposing the adoption of the report said that the year 1919 had been a noteworthy one in the Company's history. The net new life assurances completed had amounted to £1,024,000, being an increase over the previous year (itself a record one) of more than £400,000. The significance of this total was all the greater because there was included in it not a single assurance of the War Bond type. The net life premium income had risen to £302,000, showing the record increase of £34,000. The amount of the claims by death was £103,000. In the earlier part of the year they had passed through an epidemic of influenza, which for virulence and fatal effect would remain remarkable in the annals of modern medical history; indeed, they found that, while it lasted, that epidemic was much more serious in its results than had been the battlefields of France. Notwithstanding this, the ratio of actual to expected claims was only 79.9%, or, including war claims, 83.7%. The total sum which had been paid by the Company in respect of war claims amounted to £129,000. The sum of £196,000 was added to the funds, thereby increasing them to £2,867,000, and only once before (in 1918) had a larger sum been added. The rate of interest realised on the life funds, less income tax, was £4 2*s.* 9*d.* per cent. The gross income of the Company was £477,000, and the outgo £283,000.

In a time when unrest and discontent prevailed on every side, he acknowledged most gratefully the loyal and admirable spirit which characterised their staff. This, he thought, was due to their knowing that the directors desired to do their best for all in regard to remunerations and to conditions of work, and their recognising that there are economic limitations to the powers of the directors. The directors had done their best, and that this was recognised by their staff he had had most gratifying evidence.

Proud as the public of Great Britain might be of its life assurance companies, he doubted very much if even now they recognised the full worth of the services rendered by them throughout the War, or had any idea of the financial sacrifices which they had been called upon to make. He did not know any class of financial institution which had been subjected to such an ordeal as the life offices of this country. Almost all financial institutions had had to face serious depreciation of investments, but the life offices had not only to face that, but they had had huge claims to meet through deaths on active service in respect of which they received practically no extra premiums. He had good cause to congratulate the shareholders on the way in which their Company had come through the ordeal, as was shown by the figures submitted to them that day.

The report was adopted, and a dividend of 10%, free of tax, was declared.

IMPERIAL TOBACCO COMPANY (OF GREAT BRITAIN AND IRELAND), LIMITED.

The annual meeting of this Company was held on February 17 at the Company's offices, Bristol. There was a large attendance. Mr. G. A. Wills presided.

The Chairman said: Since we last met the Peace Treaty has been signed and ratified, and I should like to say a word about the part which those in the employ of the Company have played in the War. Altogether 4,617 employees of the Company joined H.M. Forces. The roll of those killed or reported "missing" numbers 537. To them the country owes a debt that it can never repay. The list of military distinctions conferred upon employees of the Company is, I am proud to say, considerable. Of the total of 4,617 who left the Company to join the Forces 186 are still serving, and the Company is continuing the policy adopted throughout the War of keeping open the places of these men and of making up the difference between their Government pay and allowances and the wages or salaries which they would have been receiving had they not gone to serve. The allowances paid by the Company to men on service or to their dependants since the War began exceed £700,000, and the Company's donations to various War funds have during the same period exceeded £125,000.

Huge Increase in Assets: New Factory.

The accounts and directors' report record the results of the eighteenth year of the Company's operations. Dealing first with the balance sheet, you will observe that the assets of the Company at October 31 last amounted to the large total of £48,250,174, an addition of about £11,000,000 to the corresponding total shown as on October 31, 1918. This increase results from a continued expansion of the business, necessitating further expenditure upon buildings, plant, stock-in-trade, and materials of all kinds, and the consequent employment of a greater amount of working capital. The item of land, buildings, and plant and machinery has been increased by £658,692, this increase being largely accounted for by the purchase during the year of a large and well-equipped freehold factory at Ashton Gate, Bristol, and by substantial extensions at several of our branches. The investments in associated companies stated at cost, or below cost in those cases where depreciation has taken place, stand at £3,880,602, an increase during the year of £613,252, which increase is mainly accounted for by the acquisition of further shares in the British-American Tobacco Company, &c. The aggregate market value of the investments in associated companies is largely in excess of the book figure. Stock-in-trade stands at a net figure of £21,484,054, as compared with £14,242,307 in the previous balance sheet, an increase of £7,241,747, due mainly to the largely increased cost of leaf and also to the larger requirements of the business. Debtors stand at £6,208,802, and show an increase of £1,363,560, attributable to the increased business done. Payments on account of leaf in transit, &c., at £2,370,653, have increased £1,744,618, due to heavier purchases towards the end of the financial year and to higher prices. Investments in Government and other stocks stand at £978,950, and show a reduction of £401,657 owing to sales and to an amount written off to bring these stocks down to the market values at the date of the balance sheet.

Capital, Pension Fund, and Reserves.

Turning to the liabilities side of the balance sheet, you will find that the issued capital has been increased by about £8,300,000, due to the issue of shares during the year to the Ordinary shareholders. I might mention in passing that we have upwards of 40,000 shareholders upon our share registers. Creditors, including provision for excess profits duty, 1918 and 1919, and income tax, estimated capital liability under dividend guarantees, employers' liability, marine and other funds, have increased by about £700,000. The provision for pensions, &c., has increased from £895,354 to £1,100,914. This increase is due chiefly to a transfer of £200,000 from the profit and loss account, and whilst this transfer is the largest the Company has ever made, the directors consider it a proper and prudent one in view of the increase in the number of employees and the higher scale upon which pensions are now granted. The general reserve account now stands at £4,678,877, a further sum of £1,000,000 having been added out of the profits of the year. The conservative policy which has been followed from the commencement of the Company in building up substantial reserves has in the past been amply justified, but never has it been more justified than at the present time.

Amount and Appropriation of Profits.

The net trading profit and interest and dividends for the year, after providing for all charges, including income tax and excess profits duty, amounted to £4,665,109, an increase of £839,000 over the previous year. This is, I think, on the whole, a satisfactory result. It must be borne in mind, however, that during the year under review we have very largely increased our Ordinary share capital. I should also like to remind you that the Company derives a large income from its holdings in companies operating outside the United Kingdom. It should also be remembered that the directors have built up substantial reserves which are largely invested in the business, so that the capital actually employed in the business upon which our profit is earned is largely in excess of our issued capital. In the appropriation account you will find that the profit for the year has been added to the balance of undivided profits from the previous year (less bonus to customers paid thereout), making the balance of profit remaining to be dealt with £3,749,144.

The Chairman, having indicated the dividends proposed to be paid (as set out in a subsequent resolution), continued: After providing for these dividends and a sum of £194,419 paid on account of bonus to customers, there will remain a balance of £613,411 to be carried forward, out of which will have to be met the balance of the bonus to customers for the year to October 31 last.

Cash Bonuses to Employees.

The board have for some years past made a gift to the Company's employees over and above their normal salaries or wages. The record of loyal work on the part of the Company's employees has been fully maintained during another difficult and strenuous year, and it has been decided to make a gift in cash to each person who has been in receipt of a salary or wage from the Company during the twelve months or any lesser period ended October 31, 1919, and who remains in the service of the Company to-day. The general conditions of the gift will be the same as in past years, the directors reserving to themselves a discretion to grant or withhold a share in the gift in any case which may appear to them to demand exceptional treatment. The cost to the Company of this gift will be considerably greater than the cost last year of the gifts in both cash and War Bonds, but I feel sure you will be pleased to show in this tangible form your appreciation of the loyal and efficient services our employees have rendered.

Loss on Exchange enhances Cost of Leaf.

When I addressed you a year ago I told you that the price of leaf tobacco had risen greatly, and that no one could foretell the future course of the market. Prices have since risen to a wholly unprecedented level. Most of the tobacco leaf we buy is bought at auction in America in

BEAGLING.

Game little tykes!

Ten or twelve miles across country and an end of Puss!

Great exercise! It makes one realise how good it is that the homeward journey will be covered speedily and securely by the car with its trusty Dunlop tyres biting through the mud and grease to the road surface beneath.

Dunlop

DUNLOP RUBBER CO., LTD.,
Founders of the Pneumatic Tyre Industry,
Para Mills, Aston Cross, Birmingham.
LONDON: 14, Regent Street, S.W.1.
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competition with other buyers. You are all aware of the very serious loss there has been for some time past upon the transmission of money from this country to America. The loss has been increasing from month to month, and the pound sterling, which in pre-war days used to purchase just under five dollars, has recently been purchasing only about three and one-third dollars. This serious loss in exchange increases very substantially the already abnormally high prices we have to pay for our stocks of leaf.

Rises in Retail Prices overdue.

It is only because we have been working upon our old stocks of tobacco bought at lower prices that we have been able to continue our business without raising prices to the public, so that they have had the benefit of our large stocks of leaf tobacco. These stocks have been rapidly dwindling, and the position has become acute. In view of these facts, you will not be surprised to learn that we issued a notification to the trade yesterday that the prices of a number of our leading brands were being increased from to-day. I think it will be felt that the increases that have been made are moderate.

Findings of Mr. Sidney Webb's Committee.

I might, perhaps, at this stage refer to the Sub-Committee on Tobacco, presided over by Mr. Sidney Webb, set up under the Profiteering Act. Mr. Sidney Webb's Committee found no evidence to suggest that the existence of this Company had caused any part of the rise in tobacco prices which had taken place since 1914. On the contrary, it appeared to the Committee that the lower cost of production of the Company had exercised some influence on the Tobacco Control Board to prevent the control price being raised to the full extent that the increased costs would have supported. The Committee put on record the fact that since control had ceased this Company had maintained the last control price, in spite of a continued rise in the cost of production. I have pleasure in moving: "That the report and accounts for the year to October 31, 1919, now presented, be received and adopted."

The resolution was seconded by the Deputy-Chairman, Mr. H. W. Gunn, and adopted.

The meeting also agreed to the following resolutions: That the payment of the dividend of 5½% upon the "A" 5½% Cumulative Preference shares for the year to October 31, 1919; the payment of dividend at the rate of 6% per annum on the "B" 6% Non-Cumulative Preference shares of the Company for the half-year to April 30, 1919; the payment of dividend at the rate of 10% per annum upon the "C" 10% Non-Cumulative Preference shares of the Company for the half-year to April 30, 1919; the payment of an interim dividend of 5% (free of income tax) on the Ordinary shares of the Company on September 1, 1919, be and the same are hereby approved and confirmed. That a dividend at the rate of 6% per annum upon the "B" 6% Non-Cumulative Preference shares of the Company for the half-year to October 31, 1919, and a dividend at the rate of 10% per annum upon the "C" 10% Non-Cumulative Preference shares of the Company for the half-year to October 31, 1919, be declared and be paid on March 1, 1920. That a final dividend of 5% (free of income tax) and a bonus of 1s. per share (free of income tax) upon the Ordinary shares of the Company for the year to October 31, 1919, be declared and be paid on March 1, 1920.

The retiring directors and the auditor having been re-elected, a vote of thanks to the Chairman was proposed and adopted with applause.

THE STERLING TRUST, LIMITED.

THE third ordinary general meeting of the Sterling Trust, Limited, was held at Winchester House, Old Broad Street, London, E.C., on February 17, Baron Émile B. d'Erlanger, Chairman of the Company, presiding.

The Secretary (Mr. B. R. Tomlinson) having read the report of the auditors,

The Chairman said that the past year had been one of great activity in the City, affording numerous opportunities of investing in sound securities giving high yields, and their success was seen in the balance sheet and profit and loss account. Loans had been reduced from £80,000 to £2,000, which meant that last year they were somewhat over-invested, and had borrowed money, since repaid. The item of "revenue in suspense" required explanation. It was the aim of every Trust Company to secure a non-fluctuating revenue, but the constitution of the Sterling Trust entailed the investment of some £2,400,000 in short-dated Government securities, and subsequent re-investment in more permanent securities, somewhat militating against the immediate attainment of a non-fluctuating revenue. As exchange of securities during the year caused them to obtain more than a year's interest in certain cases, £5,000 was put to suspense to redress the balance. Their investments amounted to £3,866,000, representing cost, less contingent fund. As the value of money for new securities rose, the price of fixed interest-bearing securities had fallen, but they had been able to build up a contingency fund out of realised profit sufficient to meet the loss arising from reduction in the value of securities. The open reserves, now £65,000, were equally well covered. They could therefore congratulate themselves upon being in an exceptionally strong position. There was every reason to hope that the current year would afford plenty of opportunity for new profitable investments, and that the time was not far off when their reserves would have reached such an amount as would enable the directors to increase the dividend to a figure more in harmony with the rates obtainable on other securities; but he was sure they would not be blamed for pursuing a conservative policy.

Speculation and Reaction.

Like all wars, the Great War had been followed by a wave of speculation, and, just as the War was the greatest in the history of mankind, so the wave of speculation threatened to dwarf any of its predecessors. A word of warning was not out of place, for sooner or later reaction must come. So far the activities of the City had been confined in fairly safe channels, but there were signs that the movement tended to be exaggerated, and that there was some lack of discrimination and true sense of proportion. The public was discounting the future for capital profit, and taking no account of the fact that while values of commodities were high, owing to the great demand and scarcity of supply, the time would come when prices would be lower and the margin of profit reduced. The question of exchange was the all-absorbing topic in the City. The way in which the United Kingdom had pulled itself together since the Armistice, and the results achieved, were, in his view, perfectly wonderful. Taking credit for invisible items, the foreign trade balance of the country almost balanced, and the difference against us was fast diminishing. The deficit would be converted into immediate profit were it not for the fall in the £, and the trade balance did not, in his opinion, warrant in any way the great depreciation that had taken place.

Interdependence of European Credit.

The principal factor was the solidarity of the European exchanges. In other words, it was the solvency and credit of Europe as a whole which was at stake, and this reflected upon the units of the European community. It could hardly be otherwise. Belgium, the country which had recuperated most rapidly, and had shown signs of the greatest industrial and commercial vitality, suffered from a worse exchange than our own, due to the fact that on one side of their border the franc had fallen to practically a third of its value, while beyond another frontier the mark was almost completely devalorised. The only true remedies were economy in public and private circles, the stoppage of the printing press for creating more fiduciary circulation, and, above all, increased production and increased exports. If we put our house in order, making a sustained effort to put matters right, he was sure that this and other countries would find people ready and willing to give all the credit required to carry on the commerce and finance of the world.

Potentiality of League of Nations.

He looked with great confidence for the solution of the grave social problems of the day. The League of Nations, if freely established and extended in its scope to embrace the whole civilised world, would be the most potent instrument of peace ever conceived and realised, and it was the duty and to the interest of every individual in the community of all nations, no matter how Utopian the achievement might appear, to unite in a common, intense, and sustained effort to raise this infant into manhood.

The report and accounts were unanimously adopted, and, as recommended by the board, a dividend of 6% on the Consolidated stock, less income tax, was declared.

THE YORKSHIRE ELECTRIC POWER COMPANY.

THE annual meeting of this Company was held on February 17 at the Hotel Metropole, Leeds, Mr. A. G. Lupton in the chair.

The Chairman said: The report and accounts for the year are in your hands, and they tell of the steady progress and continuous advance of the Company. An increase of revenue of over 30% is satisfactory, especially taking into consideration that this has been a year of reconstruction, on the conclusion of 4½ years of extraordinary effort in war-time.

The general adoption of a shorter working week in the early part of the year, and various labour disputes, all had their effect in retarding development. Working costs have been heavy owing to the price of coal, of all stores, and of wages. The salaries and wages paid in 1913 were 27% of the total expenditure. In 1919 this had increased to 40%. The extra costs have been met by the increase of revenue, and the directors feel justified in recommending that a dividend of 8% should be paid.

Interim Dividends Foreshadowed.

Your board have considered the question of interim dividends on the Ordinary shares of the Company, and anticipate that in July next they may be able to make a payment, which will obviously be a convenience to many shareholders.

The capital account shows the assets of the Company standing at over one million pounds. A valuation of the

HARPER BEAN LTD.

Production Returns

for January (first month) of

MOTOR VEHICLES

and

CYCLES

BEAN	100 Chassis	TOTAL 286 for month
VULCAN	160 Chassis	
SWIFT	26 Chassis	
SWIFT	1,200 Cycles	

THE ABOVE TOTAL IS OVER 25% GREATER THAN THE OUTPUT ESTIMATED IN THE PROSPECTUS FOR THE MONTH OF JANUARY, 1920.

Production Returns will in future be published in the Press at the end of each month.

HARPER BEAN LTD., 50, PALL MALL, S.W.1.

BRITISH MOTOR TRADING CORPORATION, LTD., 50, Pall Mall, S.W.1 (Distributing Company).

St. James's

plant would show the present value to be largely in excess of the book figures.

Consumers as Proprietors.

Over one-fifth of our capital has been subscribed by customers. Each additional customer helps to reduce the cost of production, not only to himself, but to all others, and it is a satisfaction that all classes of power users are realising the advantages of co-operating through the agency of the Company, and are not only using the Company's supply, but are subscribing a proportion of the capital.

At our meeting a year ago I pointed out the uncertainty caused by then impending legislation. The Act that received Royal Assent in December last recognises and endorses the principles by which this Company has always stood—that of generation in large central stations and distribution throughout large areas.

The value of economies in the use of coal and capital on which the Company's business depends has been largely increased by the higher cost of coal and machinery, and the advantages to the user are therefore proportionately greater.

Unification of Supply over large areas.

These high costs and the scarcity of labour are rendering manufacturers daily more disposed to devote themselves to their own proper business and to look to our Company to provide their motive power. As a consequence, demands for current are pressing on us from every side and fully justify the large extensions for which we are now asking you to provide the capital.

Not only is the demand for power increasing more rapidly, but the smaller electricity supply undertakings are deciding to purchase in bulk from the Company rather than to continue to generate electricity in small and relatively inefficient stations. Out of the 55 electricity supply undertakings in the Company's area arrangements have been made in 41 cases for bulk supply or joint working, so that the unification of supply over the whole of the Company's area, one of the objects of the Company's formation, is within measurable distance of completion.

Arrangements have been made for supply in bulk to the Corporations of Batley, Dewsbury, Todmorden, and Wakefield. It is satisfactory to see these Corporations convinced of the advantage of our supply and willing to afford the manufacturers in their areas the same advantages as are enjoyed by their competitors who are already taking supply from our mains. Agreements have also been made with some of the larger municipalities for interchange of supply in the spirit of the Coal Conservation Report.

New Capital for Development.

We have now nearly 400 miles of mains bringing in good revenue, and the time has come when the Company must take another great step forward. We therefore ask you to consolidate the Company's finance by authorising an issue of Debentures to repay loans from our bankers and the Government, and to take part in the issue of further Ordinary shares.

Your board have given much anxious consideration to the terms on which these Debentures should be offered. We have come to the conclusion that the Company will be well advised to offer this 5½% security at a price which will bring a return to investors of 6¼%.

I now move: "That the directors' report and accounts for the year ended December 31, 1919, be approved and adopted; that a dividend for the half-year ended at that date be paid at the rate of 6% per annum on the amount from time to time paid up on the Cumulative Preference shares; and that a dividend at the rate of 8% for the year ended at the said date be paid on the amount from time to time paid upon the Ordinary shares; that £15,000 be transferred to the general reserve fund; and that £17,596 9*s.* 7*d.* be carried forward to next year."

The resolution was carried unanimously.

HOME AND COLONIAL STORES, LIMITED.

THE twenty-fifth ordinary general meeting of this Company was held on February 19 at 2 and 4 Paul Street, Finsbury, London, E.C., Mr. H. G. Emery presiding.

The Chairman, in moving the adoption of the report and accounts, said: Our profits for the last few years have only varied to the extent of a few thousands: this year, as you will see, they are a little up. The net profit for the year amounts to £249,289, to which must be added £66,737 brought forward from the previous year, making a total of £316,026. We have added £25,000 to reserve, making the total reserve funds £475,000, and have paid in interim dividends £133,600, thus leaving an available balance of £157,426. This we propose to appropriate as follows:

1. To the payment of a further dividend of 4*s.* per share on the "A" Ordinary shares (making 6*s.* per share for the year), £20,000.
2. To the Company's sick fund, £2,000.
3. To special bonus for the branch staff, £30,000.
4. To provide for income tax, £20,000
5. To carry forward, £85,426

Total, £157,426.

With regard to the carry-forward, in the case of a food company such as ours one can never be sure when we may come across a bad patch, but until that bad patch shows itself the board hopes to be able to continue to increase this figure.

In referring to a Bill (introduced into Parliament, but temporarily postponed) providing for a reorganisation of the capital, the Chairman continued: In the contemplated scheme the "A" shares would become merged into shares of another class, with the result that the basis on which the bonus to the branch staff has hitherto been paid would disappear. In order that the staff shall not suffer it has been decided to discontinue this bonus as from the end of last year, and in place of it to advance the wages of all the staff engaged in the Company's branches as from December 29 last by an amount equivalent per week to that they would have received on the basis of £30,000 a year. Labour unrest has been very prevalent during the past twelve months, but I am pleased to tell you that we have not had the slightest friction with our staff. The Company holds the Seal of Honour issued by the Ministry of Labour to a firm which undertakes to employ at least 5% of disabled men on its staff.

The motion was carried unanimously, the retiring directors re-elected, and the auditors reappointed.

VYSE SONS AND COMPANY, LIMITED.

THE twenty-second ordinary general meeting of this Company was held on February 18 at 76 Wood Street, London, E.C., Mr. Sidney Thirkell (the Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said that these reflected the continued success of the undertaking, the net profit for the year having been about 50% in excess of that of the previous year. They were allocating £40,000 to the reserve fund, which would then stand at £50,000. The staff pension and provident fund, by the addition of £4,000, would be brought up to £20,000, and they also proposed to distribute £10,000 to the staff.

Mr. Claude Thirkell (Managing Director), in seconding the motion, said that the result submitted was again a record one. The stock was worth every penny at which it stood, a large portion consisting of raw material and goods at the Company's factories awaiting delivery dates. Proceeding, he said: Although we show a net profit this year 50% in advance of that for 1918, our actual rate of gross profit is exactly 2% less; that is to say, our present result has not been obtained by the exploitation of prices, but by genuine business conducted at a reasonable rate of profit. In many directions we have made considerable strides during the past

London and Brazilian Bank, Limited.

ESTABLISHED 1862.

Subscribed Capital - £3,000,000
Paid-up Capital - - £1,500,000
Reserve Fund - - £1,500,000

Manchester Agency:
WILLIAMS DEACON'S BANK, LTD.,
Foreign Exchange, Shipping and Agency Dept.,
YORK STREET, MANCHESTER.

Belfast Agency:
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twelve months, but in two particularly—the opening up of business on a large scale with the Continent, and the development of the men's and boys' hat section of our business at Luton and St. Albans, and the important department we now have in London for these goods. Our business commenced some 150 years ago as manufacturers of straw hats and millinery generally; but by the side of our millinery business there has for many years been growing a large and increasing men's trade.

Growing Trade Abroad.

Prior to the War we did a fairly large Continental business, particularly in the Scandinavian countries. As manufacturers as well as wholesalers we are in a favourable position to supply many of the Continental markets, and it is our intention to concentrate upon this proposition. Our Colonial trade has improved, and we anticipate, immediately shipping facilities improve, a big stride in that direction. The success of our Montreal branch continues, and the volume of our business with the United States has enormously increased.

The motion was carried unanimously, and the dividends and other appropriations as recommended were approved.

MELBOURNE ELECTRIC SUPPLY COMPANY, LTD.

The twentieth annual general meeting of the Melbourne Electric Supply Company, Limited, was held on Monday, February 16, at the registered office of the Company, Finsbury Pavement House, London, E.C., Mr. J. B. Braithwaite, M.I.E.E. (Chairman of the Company), presiding.

The Chairman, in moving the adoption of the report and accounts, first dealt with the increase of capital necessary to provide for the development of the rapidly increasing business. During the year they had made an issue of First Cumulative Preference shares, and since the close of the year had issued a further £100,000. They were now making an issue of 100,000 Ordinary shares, which, when fully paid, would be converted into Consolidated Ordinary stock. They had thus increased their capital by £300,000 during the year, and, as the issue of Ordinary shares was being made at 25% premium, they were really obtaining £325,000 of additional capital.

Increased Profits Despite Strikes.

The result of the year was a gross profit of £180,160 for the Melbourne and Geelong undertakings, as compared with £161,887 in the previous year, so that, in spite of the many drawbacks which they had experienced, they were some £20,000 to the good in their net earnings. The improvement was shown all round. They had had no fewer than three serious strikes. In the first place, they had an Amalgamated Society of Engineers strike, which stopped a large portion of the engineering industry for some time. Then they had the bricklayers' labourers' strike, which lasted for four months and stopped building in Victoria for that period; and, last, but not least, they had the very serious and disastrous strike of seamen, which, by depriving Australasia of coal, produced a great deal of loss and misery without conferring any corresponding benefits on anyone. This strike put them to considerable difficulty with regard to the coal supply, and it was only due to the foresight, energy, and loyalty of the staff that they did not have serious interruptions in their supply.

Extension of Area Supplied.

They had had an important increase in their area during the year, due to the new order they had taken out for the southern portion of Moorabbin. This amounted to an increase of 22%, with an increase of population of about 11%. They now supplied a district with a population of 407,000, and had increased their street mileage by 36 miles, bringing the total to 650 miles of streets. The number of consumers added was 5,560, which was a record number and 18% better than the previous year. The total number of consumers was 42,430, and, including those participating in the bulk supply, the figure would be over 51,000, which, he believed, was larger than that of any other company, certainly in London. With regard to the current year, they were considerably better in net profit as compared with the same period last year, and the additions to the number of consumers were going on at an accelerated pace.

The report was unanimously adopted, and the retiring directors and auditors were re-elected.

TAIPING RUBBER PLANTATIONS, LIMITED.

The ninth annual general meeting of this Company was held on February 16 at Winchester House, Old Broad Street, London, Sir Ivor Philipps, K.C.B., D.S.O., M.P. (the Chairman), presiding.

The Chairman, in the course of his remarks, said: Gentlemen, The chief interest in the report centres in the proposals with regard to dividend, bonus, and increase of capital. You will see that against an issued capital of £209,000 our expenditure upon our estates, upon development, and upon buildings and machinery amounts to £269,000, after the provision which has been made out of revenue year by year to write off depreciation of the last item. On the other hand, with the profit of the past year our profit and loss account shows a credit balance of £69,000. Out of this we propose to pay a cash dividend of 10%, less income tax, which will absorb £14,622, leaving a balance of £54,598.

We propose to increase the capital of the Company to £300,000 by the creation of 900,000 shares of 2*s.* each. Then we propose out of our accumulated profits to distribute a bonus of 20%, free of income tax, and to satisfy this by the allotment of shares taken at par at the rate of one bonus share for every five shares held. Finally we propose to offer you an allotment of a further 20% of your holdings to be subscribed for by you at par value—2*s.* per share. This may appear to you to be handing out benefits with both hands all at once, but we are convinced that our proposals are sound. When the new shares are allotted our issued capital will be approximately £292,446, and we shall have a further 75,540 shares in reserve.

Acreage and New-Capitalisation.

The test of the soundness of our proposals lies in the question whether, after they have been carried out, your property will be over-capitalised. The estates consist of 5,273 acres, of which 2,838 acres are planted and 500 felled, of which 500 acres 200 are now being planted, making a total of 3,000 acres planted. When the other 300 acres have been planted up, we shall have some 3,300 acres planted, with further areas in preparation and our reserve land. At £300,000, therefore, we do not consider our property by any means over-capitalised. I now beg to move: "That the report and account, as presented, be received, approved, and adopted."

The Hon. Everard Fielding seconded the motion, which was carried unanimously, and the dividend recommended was declared.

Resolutions were afterwards unanimously adopted increasing the capital of the Company from £210,000 to £300,000; authorising a share bonus of 20% (free of income tax) as outlined by the Chairman; and directing that the remuneration of the board be paid free of income tax.

AFRICAN AND EASTERN TRADE CORPORATION, LTD.

Shareholders' Approval of Alteration in Articles.

An extraordinary general meeting of the African and Eastern Trade Corporation, Limited, was held on Friday, February 13, at the Law Association Rooms, Cook Street, Liverpool, when an extraordinary resolution was unanimously adopted by the shareholders authorising five minor alterations in the articles of association of the Company, such alterations being required by the London Stock Exchange for the purpose of an official quotation. Mr. Harry Cotterell (Chairman of directors) presided, and the other directors present were Messrs. Mazzini Stuart, T. Rowland Hughes, W. Nicholl, J. Pickering Jones, R. B. Miller, and M. H. McNeill, with Mr. H. Nicholson (Secretary) and Mr. F. Russell Roberts (solicitor).

A further extraordinary general meeting will be held on Friday, March 5, at the same time and place, for the purpose of confirming the resolution as a special resolution.

JOHN SHAW AND SONS (WOLVERHAMPTON), LTD.

The adjourned thirty-third general meeting of this Company was held at Winchester House, Old Broad Street, London, E.C., on February 19, Mr. Herbert Guedalla, F.C.A., presiding.

The Chairman said: Gentlemen,—This is the thirty-third annual meeting of this Company, although it is the first annual meeting at which the Chairman has had the opportunity of addressing the shareholders in public. The business was actually founded in the eighteenth century, but was transferred to the present Company 33 years ago. We have now become a public company, and perhaps I should explain my presence in the chair to-day.

In 1918 Sir Charles Shaw was feeling that the responsibility of carrying on this business was too much for himself alone, and therefore disposed of a large part of his share holding. As from July 1 last we made arrangements that Mr. J. S. Harris and Mr. T. W. Simpson should become joint managing directors. Mr. Harris, who was formerly chief of the Calcutta house, attends more to the Indian side of the business, while Mr. Simpson continues the supervision and management of the Wolverhampton part of the business, which has always been in his charge. I am happy to

FURNITURE
for Cash.
The best stock in London at
LOWEST PRICES
for excellence of Quality and Design.
Wm. SPRIGGS & Co., Ltd.
238-241 Tottenham Court Road, W. 1.

say that Sir Charles Shaw continues to be a member of the board.

Manufacturing Business Revived.

The business of John Shaw and Sons may be divided roughly into two parts, between Great Britain and India. The business in this country consists chiefly of merchanting, but recently there has been revived the manufacture of certain of the articles in which we deal. In India we have the firm of T. E. Thomson and Co., Limited, in which we hold all the shares. This house was founded in 1834, and its name has been for long world-known; as a merchant's business, the sales continue to show a constant expansion, which is good evidence that it gives satisfaction to its large *clientèle*.

Now, with your permission, we will turn to the accounts. In the first place the present authorised capital is £240,000, consisting of 120,000 7% Cumulative Preference shares of £1 each, so far unissued, and 120,000 Ordinary shares of £1 each. On June 30, 1918, the capital was £120,000 in 12,000 Ordinary shares of £10 each, but since that date we have converted these £10 shares into ten £1 Ordinary shares, while at the same meeting we took power to issue £120,000 Preference shares. At the present time the capital upon which we are actually working is £120,000 in £1 Ordinary shares. Our property at Wolverhampton stands in the books at £9,462, and I am glad to tell you that a valuation recently made shows this figure to be about half of the real value. The stock-in-trade, which is taken at £99,182, is valued at cost, or under cost where the market valuation is less. I now come to the shareholding in T. E. Thomson and Co., Limited. On June 30, 1918, this stood in the balance sheet at £42,877. The accounts of Thomson and Co., Limited, are kept in rupees, and after prolonged correspondence with India we have now arranged that the liquid assets and liabilities should be taken at an exchange of 2*s*., but we leave the fixed assets at the old exchange of 1*s*. 4*d*. on the theory that it is not our purpose to realise these assets. The dividend received for 1919 from Thomson and Co. was eminently satisfactory.

After explaining why the shares of Thomson and Co. now figure in the balance sheet of £120,000, the £77,122 difference in value being placed on the other side to capital reserve, the Chairman continued: Turning now to the profit and loss account, the net profit for the twelve months under review was £38,957, from which we deduct income tax £8,961, leaving a net amount of £30,006 to be added to the carry-forward from last account of £20,539, so that altogether there was a net credit to profit and loss account of £50,545, out of which we declared an interim dividend of 10%, free of income tax, absorbing £12,000. We recommend that a further 10%, free of tax, be paid on the Ordinary issued share capital, which will take £12,000.

Additional Capital to be Raised.

This brings me to the question of provision of fresh capital. It is essential that with the large rise in prices of all commodities a Company to maintain its normal business must have a command of increased capital. In May 1919 you sanctioned the issue of £120,000 in 7% Cumulative Preference shares. For one reason or another these shares were not issued; we understand that they can still be placed, but that the cost to the Company would be something like £12,000. We are accordingly asking you at the meeting which will succeed this meeting to authorise us to issue 120,000 Ordinary shares at the price of 25*s*. each, whereby the Company, instead of incurring a loss of £12,000, will have a gain of £30,000 for reserve by issuing Ordinary shares at this slight premium.

The Chairman then moved the resolution for the adoption of the report and accounts, and the declaration of the dividend, which was carried unanimously.

An extraordinary general meeting was then held, at which resolutions were passed increasing the capital of the Company to £360,000 by the creation of 120,000 additional Ordinary shares and also altering the articles of association.

SOUTH SUBURBAN GAS COMPANY.

The annual ordinary meeting of this Company was held at the Cannon Street Hotel, London, E.C., on February 20, Mr. Charles Hunt (the Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said it would hardly surprise the proprietors to hear that the year which had elapsed since they last met brought with it no cessation of the troubles which some of them, perhaps rather sanguinely, believed to be purely war-time products. In fact, in some respects the position was worse than it had been during any period of the War, but he was glad to say that, so far as it had been in the power of the board to control this, the account now placed before the proprietors was one for which the board could with complete confidence ask their approval.

The smallness of the reduction—namely, 1.3%—in the total gas sales for the year indicated that the falling-off in the requirements for munitions and other purposes connected with the War had already been almost made up by increased consumption in other directions. As compared with the pre-War year, 1913, the total expenditure, including the Dartford undertaking (included for the first time in the accounts), per 1,000 cubic feet sold had nearly doubled, while the total profit earned was less by about 29%. Large, however, as was the 1919 expenditure, that for the present year was certain to exceed it. This continued upward tendency of working costs was very disconcerting. There was everywhere an increasing demand for gas, particularly for heating purposes, and they would be exceedingly sorry to be obliged to do anything to check it. They would have the gratification shortly of returning to consumers, or about 87% of them, the amount to which they would be entitled, as users of gas for domestic purposes, to receive under the 10*s*. drop in the price of coal. This was estimated at 7½*d*. per 1,000 cubic feet, after deducting the Government allowance of 6*d*. per ton for clerical expenses.

There had just been issued the print of a Bill introduced by the Board of Trade, entitled the "Public Utility Companies (Capital Issues)," the object of which was to give all statutory gas and water companies the same facilities for the raising of capital by Preference or Debenture stock which had been given during recent years to many companies by Parliament. It also authorised the sale of stock at a reserve price lower than the nominal amount of the stock, and extended borrowing powers to one-half of the share capital for the time being issued and paid up. This was all to the good, but offered no relief to the present holders of Ordinary or Debenture stock. They might, however, welcome it as the first instalment of the financial relief promised by the Board of Trade last autumn.

Sir Fortescue Flannery, Bart., M.P., seconded the motion, which was carried unanimously.

An extraordinary general meeting was afterwards held, at which the Company's Bill now before Parliament was approved.

At an extraordinary general meeting of the "Norwich Union" shareholders, held in Norwich on the 18th instant, the resolutions following upon the fusion of the "Norwich Union" with the Phœnix Assurance Company, Limited, which had been adopted at the meeting held on January 28th last, were confirmed.

The Chesham Supply Company, Limited, is amalgamating with Unic Motors, Limited, and for this purpose is going into voluntary liquidation. The business of the Chesham Supply Company will be carried on as usual.



ASBESTOS

Turner Brothers' Asbestos Co., Ltd.

MANUFACTURERS

ROCHDALE, ENGLAND

Aurora West United.—Authorised capital £300,000, in 600,000 10s. shares; issued, 212,705 shares.

Year ends Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Per ton £	Expenses Amt. £	Expenses Per ton £	Profit Amt. £	Profit Per ton £	Price end of Period
1917 ...	80	177,250	13	212,729	24/0	168,165	19 0	44,574	5/0	12/3
1918 ...	78av.	158,550	8½	178,462	22/6	176,053	22/2	2,409	–/4	10/6
1919	—	160,850	—	167,573	20/9	193,236	24/1	*25,663**	3/4*	7/6
1920. Jan. ...	—	14,200	—	17,464	24/7	17,464	24/7	*111*	—	7,6

* Loss.

City and Suburban.—£1,360,000, in £4 shares Two tube mills. Yearly profit is exclusive of accumulated slimes revenue.

Year to Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Per ton £	Expenses Amt. £	Expenses Per ton £	Profit Amt. £	Profit Per ton £	Price end of Period
1917 ...	150	306,450	15¼	527,076	34/4	367,604	23/11	159,472	10/5	1 3/16
1918 ...	150	248,730	12¼	416,923	33/6	369,516	29.8	47,407	3/10	¾
1919 ...	98*	220,066	—	343,119	31/6	380,193	35/1	*37,10*†	3/7†	9/0
1920. Jan. ...	—	14,722	—	24,971	33/5	31,747	46/4	*6,766*†	*9/11*†	8/6

* 70 stamps shut down owing to labour shortage. † Loss.

Dividends—1917, June, 6¼; Dec., 3¾ per cent.
1918, June, 1⅞ per cent.; Dec., nil.

Modderfontein B.—Issued capital £700,000, in £1 shares. Plant of capacity 720,000 tons per annum.

Year to Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Per ton £	Expenses Amt. £	Expenses Per ton £	Profit Amt. £	Profit Per ton £	Price end of Period
1917 ...	96	517,500	15⅛	1,197,650	46/2	502,535	19/5	691,115	26/9	8⅜
1918 ...	100	605,500	15⅛	1,253,614	41/5	596,103	19/8	657,511	21/9	7⅞
1919 ...	—	649,500	—	1,423,827	43/10	728,472	22,6	695,355	21/4	9⅛
1920. Jan. ...	—	56,000	—	141,069*	50/4	66,243	23/7	74,826	26/9	9

* Gold calculated at 107/6 per fine oz.

Dividends—1917 June, 40; Dec., 45 per cent.
1918, June, 42½; Dec., 40 per cent.
1919, June, 45; Dec., 47½ per cent.

Modder Deep.—Capital £500,000, in £1 shares. Milling started December 14, 1914. Plant capacity 44,000 tons a month.

Year ends Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Pr. ton £	Expenses Amt. £	Expenses Pr. ton £	Profit Amt. £	Profit Pr. ton £	Price end of Period
1917 ...	70	494,400	4½	964,393	39/0	403,217	16/4	561,176	22/8	7½
1918 ...	70	506,100	5¼	1,031,475	40/9	441,614	17/5	589,861	23/4	7⅛
1919 ...	—	507,200	—	1,107,372	43/5	466,551	18 5	640,721	25/6	2 1/16
1920. Jan. ...	—	44,000	—	125,103*	56/10	46,249	21/0	78,854	35/10	2;

* Gold calculated at 107/6 per fine oz.

TENDERS FOR LIVERPOOL CORPORATION BILLS.

1. The Corporation of Liverpool hereby give notice that Tenders will be received at the Chief Cashier's Office, at the Bank of England, London, on Thursday, the 26th February, at One o'clock, for Liverpool Corporation Bills to be issued under the Liverpool Corporation Acts, 1900, 1905, 1913, and the Local Government Board's Provisional Orders Confirmation (No. 5) Act, 1915, to the amount of £1,000,000 (one million pounds), in replacement of Bills falling due on the 4th proximo.

2. The Bills will be in amounts of £1,000, £5,000, or £10,000. They will be dated the 4th day of March, 1920, and will be payable at twelve months after date, viz., the 4th day of March, 1921.

3. The Tenders must specify the net amount per cent. which will be given for the amounts applied for; and the Tenders of private individuals must be made through a London Banker.

4. The Bills will be issued and paid at the Bank of England, London.

5. The persons whose Tenders are accepted will be informed of the same on Friday, the 27th February, and payment in full of the amounts of the accepted Tenders must be made to the Bank of England in London not later than Two o'clock on Thursday, the 4th March.

6. The Corporation of Liverpool reserve the right of rejecting any Tenders.

7. Tenders should be on the printed form, which can be obtained at the Town Clerk's Office, Municipal Offices, Liverpool; and at the Chief Cashier's Office, Bank of England, London; or at any of the Branches of that Bank.

EDWARD R. PICKMERE,
Town Clerk.

Municipal Offices,
Dale Street, Liverpool,
19th February, 1920.

EXTEND and INCREASE
YOUR TRADE
with
SOUTH AMERICA!
THE
Nelson Lines
maintain regular
MAIL, PASSENGER & FREIGHT
Services to
RIO DE JANEIRO, MONTE VIDEO & BUENOS AIRES.
Write for particulars to:
H. & W. NELSON, LTD.
Head Office:
98 Leadenhall St., London, E.C.3
& 20 Water St., Liverpool.

BANCO NACIONAL ULTRAMARINO.

NOTICE IS HEREBY GIVEN that a second dividend on account of the year ending December 31, 1919, will be paid on and after the 1st March, 1920, of seven per cent. *i.e.*, Escudos 6.30 per share of 90 Escudos.

Coupon No. 14 of bearer shares must be lodged at the London Office of the Banca Nacional Ultramarino, 27B Throgmorton Street, E.C., between the hours of 11 A.M. and 2 P.M. (Saturdays excepted), three clear days for examination prior to payment, and will be paid at the current rate of exchange of the day.

The Ordinary General Meeting of the Shareholders of the Company will take place in Lisbon on the 29th May, 1920, and the third and final dividend to be declared for the year ending 31st December, 1919, will be payable on and after the 1st June, 1920.

PERRY'S
TRADE PROTECTION OFFICES
(Established 1776)
12 COLEMAN STREET, E.C. 2.
Status enquiries made as to the position and standing of Traders and others.

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P. & O. Australian Tickets interchangeable one way by New Zealand Shipping Company via Panama or by Orient Line.
Apply P & O or BRITISH INDIA Passenger or Freight Depts., 122, Leadenhall St., London, E.C. 3.
B.I. Agents—GRAY, DAWES & Co., 122, Leadenhall Street, London, E.C. 3.

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South and East Africa
ROYAL MAIL ROUTE.
The Cape, Natal, Transvaal, Rhodesia, East African Ports, Mauritius, etc.
For sailings and other information apply to the Head Office, 3 and 4 Fenchurch St., E.C.3. West-end Agency: Thos. Cook & Son, 125 Pall Mall, S.W.1

COMMERCIAL COMPANY OF SALONICA.

NOTICE.

Application has been made to the above-named Company for the issue of duplicate Share Warrants in place of the undermentioned Share Warrants of the Company stated to have been destroyed in the conflagration at Salonica in the month of August, 1918.

No. of destroyed Warrants	No. of shares represented thereby	Distinguishing numbers of the Shares
N. E. 2445	100	362401/362500
N. E. 2468	100	364701/364800
N. E. 0640	100	181001/181100
N. E. 2428	100	360701/360800
N. E. 0597	100	176701/176800
N. E. 3174	100	435301/435400
N. E. 3049	100	422801/422900
N. D. 1068	50	453851/458900
N. D. 0891	50	111601/111650
	800	

All persons having any claims in respect of any of the above-mentioned Share Warrants must notify the same to the Company at the address given below on or before the 15th day of May 1920, after which date the Company will take into consideration the question to whom Duplicate Warrants should be issued, and will not after the issue of Duplicate Warrants recognise the claims of any persons other than the persons to whom such Duplicate Warrants may be issued.

By Order,
IS. FERNANDEZ,
Director.

Kennan's House,
Crown Court,
Cheapside, E.C. 2
12th February, 1920.

THE COMMERCIAL BANKING COMPANY OF SYDNEY, LIMITED.

Established 1834. Incorporated in New South Wales

Capital Paid up ...	...	...	£3,382,018 15 0
Reserve Fund ...	...	...	2,120,000 0 0
Reserve Liability of Proprietors			2,500,000 0 0
			£7,002,018 15 0

Drafts payable on demand and Letters of Credit on Australasia are issued by the London Branch. Bills on Australasia negotiated or collected. Remittances cabled.

London Office—
18 Birchin Lane, Lombard Street, E.C. 3.
F. A. SCRIVENER, Manager

Wesleyan & General Assurance Society.
Established 1841. Incorporated 1914.
PRINCIPAL OFFICE: BIRMINGHAM.
London Branch Office: 20-23 Holborn, E.C.1.
ANNUAL INCOME EXCEEDS ... £1,200,000.
CLAIMS PAID EXCEED ... ... £9,500,000.
All classes of Life Assurance and Annuity Business transacted.
Under the latest Tables an
Annual Bonus of £3 per cent. is guaranteed.
Write for Prospectuses or quotations to meet your individual requirements.
ARTHUR J. HUNT, General Manager.

The only Investment which does not depreciate in value is a Life Assurance Policy.
INSURE WITH THE
PRUDENTIAL ASSURANCE CO., LTD.

BANK OF MONTREAL

Established in 1817.
Capital Paid up, $20,000,000.
Reserve Fund, $20,000,000
Undivided Profits, $1,812,854.

BOARD OF DIRECTORS.

Sir Vincent Meredith, Bart., President.
Sir Charles Gordon, G.B.E., Vice-President.
R. B. Angus, Esq., Lord Shaughnessy, K.C.V.O., C. B. Hosmer, Esq., H. R. Drummond, Esq., D. Forbes Angus, Esq., William McMaster, Esq., Lt.-Col. Herbert Molson, M.C., Harold Kennedy, Esq., H. W. Beauclerk Esq., George B. Fraser, Esq., Colonel Henry Cockshutt, J. H. Ashdown, Esq., E. W. Beatty, Esq.

Head Office: Montreal.
General Manager: Sir Frederick Williams-Taylor.

LONDON OFFICES:

47 Threadneedle Street, London, E.C. 2.
9 Waterloo Place, Pall Mall, S.W. 1.

PARIS AGENCY: BANK OF MONTREAL (FRANCE)

17 Place Vendome, Paris.

London Committee: Sir Thomas Skinner, Bart. Lieut.-Col. F. R. S. Balfour.
Manager: George Cyril Cassels.

Financial Agents of the Government of the Dominion of Canada.

Branches and Agencies throughout Canada and Newfoundland: also at New York, Chicago, San Francisco and Spokane in the United States, and at Mexico City.

The Bank undertakes monetary business with all parts of the World and with its numerous Branches offers exceptional facilities for the transaction of a general Banking business in Canada, Newfoundland, the United States, Mexico and France.

THE ROYAL BANK OF CANADA

ESTABLISHED 1869.

Capital Paid up	$17,000,00
Reserve Funds	$18,000,000
Total Assets	$533,000,000

Head Office—MONTREAL.

Sir HERBERT S. HOLT, President. E. L. PEASE, Vice-President & Managing Director
C. E. NEILL, General Manager.

555 Branches in Canada and Newfoundland.
Branches in Cuba, Porto Rico, Dominican Republic Haiti, Guadeloupe Martinique, Costa Rica and Venesuela.

BRANCHES IN BRITISH WEST INDIES:
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BRAZIL	Rio de Janeiro.
URUGUAY	Montevideo.
BARCELONA, SPAIN ...	Plaza de Cataluna 6.
NEW YORK AGENCY ...	68 William Street.
LONDON OFFICE	Princes Street, E.C. 2.

FRENCH AUXILIARY.
THE ROYAL BANK OF CANADA (FRANCE).
PARIS—28 Rue du Quatre Septembre.

BANK OF NEW SOUTH WALES.

Established 1817.

LONDON OFFICE: 29 Threadneedle Street, E.C 2.

Paid-up Capital	£4,000,000
Reserve Fund	3,200,000
Reserve Liability of Proprietors ...	4,000,000
	£11,200,000

Aggregate Assets, 30th September, 1919 £67,036,249

The London Office issues Drafts on demand on it Head Office and Branches in Australia, New Zealand Tasmania, Fiji and Papua, and on its Correspondent in Tasmania. Makes Mail and Cable Transfers. Negotiates and Collects Bills of Exchange. Arranges Wool and other Produce Credits. Receives Deposits for fixed periods on terms which may be known on application; and conducts every description of Australasian Banking Business.

H. MELDRUM, Assistant Manager.

NATIONAL BANK OF NEW ZEALAND.

LIMITED.

HEAD OFFICE—17 Moorgate Street, E.C.2.

AUTHORISED CAPITAL	£3,000,000
SUBSCRIBED CAPITAL	3,000,000
PAID-UP CAPITAL	1,000,000
RESERVE FUND	1,000,000
UNCALLED CAPITAL	2,000,000

Receives Deposits of £50 and upwards for 1, 2 or years at rates to be ascertained on application.

Drafts, Letters of Credit and Wire Remittances granted, and Bills on New Zealand purchased or sent or collection.

ARTHUR WILLIS, Secretary & London Manager

THE BANK OF ADELAIDE.

(Incorporated by Act of Parliament, 1865.)

Authorised Capital, £1,000,000. Subscribed Capital, £925,000.

Paid-up Capital	£500,000
Reserve Fund	570,000
	£1,070,000
Uncalled Capital	125,000
Reserve Liability of Proprietors...	625,000
	£1,820,000

Sydney Office: 105 PITT STREET.
London Office—11 LEADENHALL ST., E.C. 3.
Bills on Australasia purchased or collected.
Drafts issued and **Remittances** cabled.
Deposits received for fixed periods at rates to be ascertained on application.
PERCY ARNOLD, O.B.E., *Manager.*

IMPERIAL BANK OF CANADA.

Head Office—TORONTO.

Capital Paid up	$7,000,000
Reserve Fund	$7,500,000

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Capital Paid-up	750,000
Reserve Fund & Undivided Profits	785,793

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Cawnpore	Aden and	Kisumu	
Lahore	Aden Point	Entebbe	Uganda
Amritsar	Colombo	Kampala	
Delhi	Kandy	Jinja	
Tuticorin	Newera Eliya		
	Dar-es-Salaam, Tanga	Occupied Territory, German East Africa.	

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Reserve Liability of Shareholders	£1,200,000

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CAPITAL AUTHORISED & SUBSCRIBED	£2,000,000
CAPITAL PAID UP - - - - - -	£1,000,000
RESERVE FUND - - - - - -	£1,000,000

Rates of Interest now allowed for Money on Deposit as follows:
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6th November, 1919.

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Assets Exceed - - - - £17,300,000
Claims Paid Exceed - - - £30,000,000

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All Editorial communications should be addressed to the Editor.

Business communications should be addressed to the Manager,

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51 Cannon Street, London, E.C. 4.

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The Statist.

LONDON, SATURDAY, FEBRUARY 28, 1920.

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The Money Market.

Friday, February 27, 1920.

	Current Rate %	Current Rate Fixed	Previous Rate %	Previous Rate Fixed
Bank of England Rate...	**6**	**(Nov. 6,'19)**	**5**	**Apr. 5,'17**
Deposit Rates:—				
Banks & Discnt. Ho. (Call)	4	(Nov. 6,'19)	3½†	Oct. 6, '19
Discount Houses (Notice)...	4¼	(Nov. 6,'19)	3¾	Oct. 6,'19

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.

† Foreign and Colonial banks give Special Rates only upon deposits for a year.

Discount Rates:—	60 Days. %	3 Mos. %	4 Mos. %	6 Mos. %
Treasury Bills	—	5⅛	—	5⅛
Bank Bills	5 13/16–15/16	5 13/16–15/16	5 13/16–15/16	5 15/16–6
Trade Bills	—	6¼	6½	6¾

THE extent to which holders of the maturing Exchequer bonds availed themselves of the terms of conversion into the new 5¾% issue was greater than was generally expected. In reply to Mr. Inskip in the House of Commons on Tuesday the Chancellor of the Exchequer gave the following figures, which should be taken as subject to correction when the final figures are available:—

Of the Six per Cent. Exchequer bonds which matured on February 16 to a total extent of £129,909,000, £64,124,000 or nearly half were converted into the 5¾% issue. In respect of the £21,540,000 maturing on March 24 next, approximately £13,171,000 were converted, and of a total of £16,776,000 maturing on December 1, 1920, the conversion terms were availed of to the extent of £21,398,000. Thus, out of the total maturities, amounting to £198,225,000, the total conversions reached the encouraging figure of nearly 100 millions. As pointed out below, the repayments of the amount presented on the 16th was effected chiefly by borrowing on Ways and Means Advances, but it remains to be seen how much new money has been received in respect of the 5¾% issue, and in this connection it would be well to remind possible subscribers that the list for subscriptions will not remain open after Saturday next.

Unfounded rumours of a rise in the Bank rate agitated the Money market during the week, and con-

siderable relief was felt on Thursday when the announcement came that the fixed minimum rate had not been altered. The published balance sheets of the banks have made evident the appreciation of bankers for the demands on credit for legitimate trade purposes. At the present time the demands of trade are rapidly growing in volume, while the bankers show an increasing disposition to discriminate in favour of loans for trade purposes. This factor was especially marked during the past week, and will doubtless exercise considerable influence in the future.

The Loan market opened with a firm tone and the demand was strong at 4½% down to 4%. The firm tendency became more pronounced on Tuesday, but as there was no marked scarcity in the supply of floating credits the tone became easier later on in spite of the heavy cash demands in connection with the transfer of revenue to the Bank of England. On Wednesday and Thursday short loans were taken at 4½%, with overnight balances offering at 3%. The demand for weekly fixtures remained steady at 4¼% to 4½%.

The expectations of an increase in the Bank rate made itself most felt in the Discount market, and in some quarters on Monday quotations were made subject to this eventuality. The rates hardened slightly in the early part of the week, and the larger business was done in all maturities at 5⅛%, though a moderate number of transactions took place at 5⅞%. Later, however, the volume of business was transferred to the lower quotation.

In the Foreign Exchange market New York cable transfers opened the week at 3.36 and rose to 3.39¾ on Wednesday. The rise was not fully maintained, however, and yesterday's quotation was a point lower at 3.38¾. Paris cheques weakened steadily from 47.95 on Monday to 48.27½ on Thursday, and the Belgian franc weakened in sympathy to 46.55. The lire rose to 62.35. The Madrid sight rate moved in our favour to 19.62½ on Wednesday, but fell to 19.50 yesterday. German marks, after a slight rally on Tuesday, weakened later to 334½. Finnish marks, on the other hand, showed a considerable improvement at 76½ on Thursday. Both Christiana and Stockholm moved in our favour, the latter having been at a premium on Monday. Danish kroner moved against us to 22.77½. Amsterdam cheques moved steadily in our favour to 9.25½. Of the South American group both Montevideo and Buenos Ayres moved against us to 71¾*d.* and 70¼*d.* respectively. In the Eastern group a feature was a drop of 6*d.* in the Shanghai rate to 8*s.* 4*d.* on the closing of the Chinese New Year holidays on Wednesday.

There has been a further reduction made in the volume of currency notes and certificates outstanding during the week ending February 26. Issues amounted to £5,892,499, against cancellations totalling £7,130,339, making a net reduction of £1,079,840, and thus bringing the total outstanding down to £324,993,792. As a consequence, the ratio to total notes and certificates outstanding of gold and Bank of England notes in the currency note redemption account has passed the 10% mark, being now 10.3%—the highest since September 25, 1918. The fiduciary issue is now £292,393,792—fully £28,206,208 below the legal maximum set by the Chancellor.

The income and expenditure return for the week ended February 21 provides many features of interest, especially in connection with the recent repayment of Exchequer bond maturities. As stated in the House of Commons on Tuesday, holders of £64,424,000 of the 6% Exchequer bonds maturing on the 16th inst. converted into the new 5¾% issue, leaving a balance of nearly £57,000,000 for repayment. This repayment was effected by an increase in the Floating Debt, chiefly in temporary advances, £67,660,000 was raised on Treasury bills against repayments amounting to £66,404,000, thus raising the total outstanding by over a million. £58,000,000 was received on Ways and Means Advances, and £24,500,000 paid off. The result is an increase of £34,663,000 in the Floating Debt. Other debt created under the War Loan Acts 1914 to 1919 was reduced still further to the extent of £2,402,975. Repayment of the principal of War Savings Certificates amounted to £650,000, while receipts amounted to £1,200,000. Revenue for the week was slightly lower at £52,118,068, and ordinary expenditure was slightly higher due to larger disbursements in respect of interest on War Debt. The total revenue to date has passed the billion mark, and is, roughly, 187 millions below the estimated revenue for the year.

The tenders for £1,000,000 Liverpool Corporation bills were opened yesterday at the Bank of England. The total amount applied for was £1,752,000.

The amounts allotted were as follows, viz.: In bills at 12 months, £1,000,000.

Tenders were accepted as under, viz.: For bills at 12 months at £93 8*s.* 3*d.*, about 4%; above, in full.

Average rate per cent.: Twelve months' bills, £6 8*s.* 6.38*d.*

BANK OF ENGLAND.

THE repayment of over £56,500,000 of Exchequer Bonds last week still continues to exert its influence on the position of the Bank of England. Liabilities have fallen slightly during the current week to £190,164,000, largely owing to the fact that, whilst public deposits were lessened by £9,015,000, probably in connection with the maturity of Exchequer Bonds,

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other deposits were only increased by £8,013,000. This reduction was more than offset by a fall in the reserve of £936,600, representing the difference between the increase of £2,880,000 in the circulation and the addition of £1,944,000 to the stock of bullion, which now stands at £110,446,000. This steady increase in circulation during the current month is in no way a characteristic movement, and must be associated rather with the influx of gold. Thus for the past four weeks the stock of bullion has increased by £10,512,000, whilst the note circulation has risen by £8,268,000. From this it would be inferred that the banks, in surrendering their stock of gold to the Bank of England, have taken in exchange for it notes on a fairly large scale. In any case, the actual decline of the reserve this week to £32,369,000, in conjunction with the comparatively lesser decline in the amount of the liabilities, has resulted in reducing the rate of the reserve still further to 17%. The persistent influx of revenue enabled the Government to effect a slight reduction of £1,965,000 in the total of Government securities, whilst the necessity of meeting the claims for taxation was probably the force that compelled the market to increase its indebtedness to the Bank to the extent of £1,904,000. The fear that took hold of the market during the early part of the week of a higher Bank rate proved groundless. Should the total of cash subscriptions to the new issue of Exchequer Bonds prove satisfactory, the necessity for a rise in the rate would not be so evident, particularly should the yield from the revenue continue to prove so prolific. On the other hand, a poor cash subscription might prevent the Government from repaying promptly the amount it borrowed last week. The continuance of this rather large total of Government securities in conjunction with an active demand for trade purposes would force the Bank finally to raise its rate. The maturity of £8,000,000 of the Three per cent. Exchequer Bonds towards the end of next month should not prove very difficult, in view of the present condition of the revenue. Thus it appears that the problem of a higher Bank rate in the immediate future is closely linked up with the success or failure of the cash subscriptions to the Exchequer Bond issue which closes this week.

BULLION.

On account of the incidence of the Chinese New Year holidays and the consequent absence of the Chinese influence, the Silver market opened the week with a dull tendency and prices began to decline. Following a drop to 82*d.* per oz. spot, and 80⅝*d.* per oz. forward on Monday under renewed selling pressure from the Continent, both quotations continued unchanged during the early part of the week, but on Wednesday, when the Chinese factor again became apparent, the market was stimulated and the prices both for cash and forward delivery advanced to 82⅜*d.* per oz. and 80⅜*d.* per oz. respectively. Yesterday, Chinese buying was mostly for forward delivery, with the result that, while the cash price weakened to 82¼*d.*, the two months' forward quotation gained ½*d.* at 80¾*d.* To-day's quotations are 82¾*d.* per oz. cash and 82*d.* per oz. forward.

In the Gold market business was extremely quiet in the early part of the week, and price movements were purely nominal on account of the scarcity of the metal. Tuesday's quotation was 122*s.* per ounce fine. Later on small supplies were available, and changed hands yesterday at 121*s.* 8*d.* per ounce fine. The demand came almost exclusively from South America and the Straits.

NEW YORK.

The report of the members of the New York Clearing House Association for the week ended February 21 repeats to a much more marked extent the unfavourable character of the previous report. The excess reserve on February 14 was $570,000 under the average excess reserve for the week, and apparently the position has weakened perceptibly on the following week, for the latest return to hand shows not only a decline of $15 million in the actual excess reserve, but also the actual excess reserve on February 21 is $12,730,000 under the average figure for the week. The cause of the weakness, which is exhibited mainly by the State Banks and Trust Companies not in the Federal Reserve system, is to be found in the decline in the aggregate reserve amounting to $7,670,000, although the reserve requirements were $5,740,000 lower. The actual excess reserve on February 21 was $8,070,000. Loans show a further decline of $38,590,000, and the average figure, according to the most recent statement, shows a total liquidation since the week ending January 10 of $256,810,000.

The New York Reserve Bank's report shows a further increase in liabilities, which, combined with a loss in reserves, brought the reserve ratio below the legal requirements.

The weekly statements of the 12 Federal Reserve banks show a decrease of $18,570,000 in the total gold reserves. Deposits are nearly a million and a-half lower, but an increase of $18,030,000 occurred in the notes in actual circulation, the result being that the ratio of total reserves to total net deposits and Federal Reserve note circulation combined has dropped to the unprecedented figure of 42.7%. The previous low record (43.25%) occurred on the week immediately preceding. The total gold held by the Federal Reserve banks is $709,930,000—the lowest since June 1917.

The rapid depletion of the gold stock of the country and the continued weakening of the banking resources give rise to rumours of a further increase in re-discount rates, and it is expected that the policy of the banks in restricting loans will be continued. The influence of this policy on America's export trade is beginning to be felt, for the banks are averse to lending to exporters against payment by their European creditors. This policy has brought about a great falling-off in exports to Europe, for about $2,000 millions of America's trade balance for the calendar year was met by bank credits, and the outcome of the present stringency of credit extension is a marked superabundance of freight space in ships going to Europe. The goods thus diverted from these countries are not thrown on the home market, for, though the national market is enormous, the production far outstrips the consumption, and the natural result is that American exporters are more and more turning their eyes to continents other than Europe, and especially is there a tendency to increase the volume of exports to those countries—such as China, India, Spain, and the South American countries—with which America's balance of trade is unfavourable and to which she is at present exporting large quantities of gold and silver. The outside demand for her products is greater than ever before, and every effort is being made to speed up production to cope with it. Thus, should the present condition of the European exchanges continue side-by-side with the gradual decline in the lending power of the American banks, America will eventually capture those markets to which these countries look so eagerly at present. Nevertheless, sentiment with regard to European countries is becoming more favourable, and an improvement in the situation may be looked for when the Edge Act comes into full operation.

The rate for call loans, having ruled for some time at about 6%, jumped precipitately on Wednesday to 15%, and settled on Thursday at 10%. Time money is still practically unobtainable, and the rate remains at 8½% to 9. There is a general feeling in Wall Street that the strain in the credit situation has been passed and that better conditions may be looked for in the future, a feeling probably connected with the Government's decision to discontinue further borrowing.

Stock Exchange.

Last week's depressed feeling in the Stock Exchange was repeated this week to a more marked extent, though the causes were somewhat different, and markets were anything but cheerful. The accumulation of week-end orders was on a small scale, and the opening of the week was disappointing in practically all markets. Heavy liquidation took place in the gilt-edged section, probably to enable holders to make payments of income-tax, excess profits duties, etc. To add to the general tone of depression there were renewed fears of a rise in the Bank rate, which produced an atmosphere of uncertainty and did much to retard business. Although it was announced on Thursday that no change had been made, leaving the minimum rate still at 6%, no substantial improvement took place beyond a temporary rally in a few sections, for those who talked of a rise in the rate did not generally expect it this week, while the subscription-list for the 5¾% Exchequer bond issue was still open, but anticipate an announcement of a rise on next Thursday, and thus the uncertainty still overhangs the market. Matters were not helped by the proposals to put a tax on war profits, and in this connection it may be said that a considerable amount of restraint and uncertainty will be removed from the markets when the Budget is made known. But besides these vague influences there was the known fact, to which we refer in our Money article, that bankers were curtailing their extensions of credit facilities, so that the carrying of stocks on the part of brokers became a more difficult matter. As already stated, the fears concerning a rise in the Bank rate still continue, and until they are dispelled one way or the other it is only to be expected that the prevailing gloom will continue to overshadow the markets.

On account of the movement in the franc there was again considerable selling on French account, and the securities affected suffered considerably.

The gilt-edged was, on the whole, the weakest section, for liquidation was heaviest in this market, and as a result prices generally sagged and many new low "records" were established. Many attractive yields can be obtained at the ruling prices, especially in the War Bonds series. Towards the end of the week buyers appeared in the Consol market, notwithstanding the fact that at 50 they yield only 5%, whereas some of the other gilt-edged securities offer as high as 6% and even 7% at the prices to which they fell. Consols changed hands yesterday morning at 49⅞, but closed with a rising tendency at 50. War Loan Fives finished weakly at 88$\frac{7}{32}$; at yesterday's middle price, 88¾, they give an interest return alone of nearly £5 13*s.* 2*d.* Funding Loan fluctuated between 70¼ and 71 yesterday, finishing rather unsteadily. In the Colonial market holders of Canadian stock received a shock on the announcement that the Canadian Government had requested the banks to stop buying Canadian securities. The reason for the request is that the selling of these stocks in Canada was attracting money which was needed for impending issues, and especially for the Canadian Victory Loan, for which the subscription-list is still open. Besides this, the selling of these securities was adversely affecting Canada's exchange rate with New York, as New York is more or less a clearing-house between London and Canada, and the securities were passing through New York. The rate, indeed, stands at present at about 16 cents discount. The effect on the London market was an immediate fall in the prices of Canadian securities, which, on account of the profit which could be made on exchange, stood at a substantial premium, and business in this market is now practically at a standstill.

The Foreign market shared in the general depression and there was a general falling away in prices. Sentiment in regard to French issues was depressed on account of the outbreak of the railway strike. The War Loan Fives were marked down to 54 yesterday, and the Fours to 42. Chinese and Japanese issues also suffered. Russian Four-and-a-Halfs and Fives were subject to some speculative buying on Wednesday on the news of the reopening of trade relations with Russia, and they gained a point each at 28½ and 33½ respectively. On the favourable rumours with regard to the Mexican outlook there was some inquiry for Mexican issues, but the market is inclined to await developments. Peruvian Corporation Ordinary gained ¼ yesterday at 7¼. Venezuela (Diplomatic) was quoted at 49½ on Thursday.

Home Rails were dull, and the general tendency of prices was downward; but though business in the market is small, the closing tendency is steadier. Lancashire and Yorkshire was an exception, and changed hands on Monday at 64½. Many of the shares were quoted ex dividend yesterday, and of the "Heavy" group North Westerns and Great Westerns showed signs of recovery.

In the Foreign Rail market a bright feature was provided on Monday by a rise in Mexican Rails, following the announcement that the Carranza Government had completed arrangements for returning the railway to the Company. Mexican Railway Ordinary jumped three points to 25, the First Preference rose 4½ and the Second Preference 6½ to 56½ and 37½ respectively. The rises were not maintained, however, as the news was not confirmed. Argentine descriptions suffered from the depressed character of the markets generally, and prices sagged in the beginning of the week, but they quickly gave proof of their elasticity, and with a renewal of favourable traffic reports a steadier tone was established. Canadian Pacific lost three points on Wednesday at 174, and was again marked down yesterday, the quotation being 171.

The Industrial market was also a sufferer from the general fear of a rise in the Bank rate, and prices generally declined. There was considerable selling pressure in some quarters, and buyers were few. Business was on a small scale, and movements were, on the whole, unimportant. Engineering, Iron, and Steel shares on the whole offered a good resistance to the general movement. Shipping shares were markedly weak, as also were Textiles, which showed a good deal of irregularity. Recent features were the strength displayed by Amalgamated Cottons and the Aerated Bread Company's shares. Nitrates showed signs on Monday of repeating the phenomenal strength which they displayed last week, but the rises were not maintained and prices were marked down later. Aguas Blancas were quoted at 42*s.* yesterday; Rosarios at 10½; Salar del Carmen lost a shilling each at 69*s.*, and 49*s.* respectively. Yesterday's quotation for Pan de Azucars was 20, for Alianzas 23½, for Angelas 56*s.*, and for Lautaros 16.

The Oil market opened the week in a nervous condition. There was a marked scarcity of buyers, but although sellers were not eager, brokers marked down the quotations all round, being affected by the banks' policy of restricting credits. Shells dropped 1$\frac{1}{16}$ to 11⅛; Mexican Eagle Common stock weakened to 10¾, but the Preferred rose ⅛ to 10⅝; Royal Dutch gave way to 87½; and Burmahs to 19½. Later on a moderate rally took place, but movements were irregular. Mexican Eagles were a bright feature, being quoted to-day at 11¼ Common and 11⅜ Preferred. For other descriptions Thursday's quotations were:—Shells 11⅛, Royal Dutch 87, Anglo-Persian Preference 23*s.*, Burmahs 19¾, Scottish-Americans 39*s.* 9*d.*, and Trinidad Centrals 6¾.

Mining Topics.

The settlement of the white-labour dispute gave a cheerful tone to the markets on Monday. But the effect was largely discounted by the growing fear of an increase in the Bank rate. The net result was rather unfavourable, the leaders continuing to recede. Thus Rand Mines fell to 4⅞ and Johnnies to 36*s.* The movement received an additional impetus from the news that the black labour had gone out on strike for an advance. Under this cloud the market remained weak, and Tuesday witnessed further substantial reactions in Rand Mines and Central Mining especially, which closed at 4⅞ and 11⅛ respectively. On Wednesday the fears of a high Bank rate began to vanish, and there was a slight rally, Rand Mines improving to 4⅞, Central Mines to 11¼, and Johnnies to 36*s.* 6*d.* Despite the confirmation contained in the Bank return on Thursday, the uncertainty of the course of the labour dispute left the market rather undecided and little or no business was transacted.

The Base-metal market, however, provided a very strong feature in tin. On Monday the metal rose to £410 a ton, and at once attracted attention to the leading descriptions, especially Killifreth, which moved up 1*s.* to 22*s.* 3*d.* Tuesday found the metal at £416, with Killifreths in favour at 22*s.* 9*d.*, whilst Dolcoaths also came in for support. In Nigerian descriptions, Tin Areas were strong at 16*s.* and Naraguta Extended rose 6*d.* to 13*s.* 6*d.* Greater activity was displayed on Wednesday, both amongst Cornish and Nigerian shares. Naraguta Extended jumped up 2*s.* to 15*s.* 6*d.*, and Killifreth put on 6*d.* to 23*s.* 6*d.* Despite the fall in the price of the metal to £405¼ on Thursday, the market, on the whole, continued to develop strength. Attention was still centred on Killifreth, which closed strong at 24*s.* It is appropriate that this development in tin shares should coincide with the announcement of the shipment from the Port of Winnebah of the first tin ore to be mined in the Gold Coast Colony.

ABBONTIAKOON MINES, LIMITED.

	Tons Milled	Gold Yield £	Gold Yield Per Ton	Working Cost* £	Working Cost* Per Ton	Working Profit £	Working Profit Per Ton
1915...	133,103	261,024	39 3	184,602	27 9	76,422	11 6
1916 ..	117,885	230,756	39 2	191,999	32 7	38,757	6 7
1917 ..	116,688	221,408	37 11	193,533	33 2	27,875	4 9
1918...	106,014	208,749	39 4½	192,277	36 3½	16,472	3 1½

* Excluding depreciation.

From the above analysis it is evident that no considerable improvement in the position of the Abbontiakoon Mines has taken place during 1918, the last year for which a report is available. The decline in the quantity of ore milled still continues; for 1918 the total of 106,014 tons was over 10,000 tons lower than in 1917. Whatever consolation may be derived from a rise of 1*s.* 5½*d.* in the gold yield per ton is of short duration in view of the marked increase in working costs from 33*s.* 2*d.* to 36*s.* 3¼*d.* The increase is greater still if the item of depreciation is included. Then the working cost for 1918 is over 37*s.* 10½*d.* per ton, as compared with 34*s.* 7½*d.* in 1917. Moreover, it seems that there is no immediate prospect of any reduction in this heavy item. According to the Chairman, the high prices of stores and the extra wages that had to be paid for labour precluded any favourable forecast in this direction. The report under review dwells upon the difficulty likely to be experienced in the future of securing an adequate supply of native labour. To begin with, the cessation of compulsory military service in the adjoining French colonies allows many natives to return home who had fled to avoid it. In addition comes a large demand for labour to handle an enormously increased cocoa crop. So, whilst the working profit has fallen during 1918 to 3*s.* 1¼*d.* per ton—less than half what it was in 1916—the evidence would point to a still further decline in 1919 but for one accidental circumstance—the premium on gold. For three months of 1919 the amount of such premium is estimated at £7,000 on gold delivered to the value of £42,100. For 1918 the net result of working was to add £4,240 to a balance brought forward of £59,072. The total of £63,312 was carried forward to the next year. No dividend was declared, as such sum was not available for distribution, having been utilised to purchase stores and meet the necessary capital expenditure. Consequently, since 1915, when a dividend of 5% was paid, shareholders have received no share of the profits earned.

At the same time, the position is not so unfavourable as might appear on the surface. Development work has been continued during 1918, with rather good results as regards the West reef. Stoping on this reef yielded 14,000 tons, averaging the satisfactory amount of 14.87 dwt. per ton; whilst an addition of 27,500 tons was made to the ore reserves on this reef. On the 12th, 13th, and 14th levels—to quote the Engineer's report—"the average value, as shown in 36 boxholes on those levels, and in stopes, is 19.1 dwt. over 14.8 inches." On the other hand, results from the Main Reef have not come up to expectation. The total development for the year under review comprised—(*a*) the sinking of the main shaft 47¾ feet to 3,311¾ feet; (*b*) the sinking of the 13th level double winze 43½ feet; (*c*) driving, winzing, raising and crosscutting to the extent of 4,110½ feet; (*d*) excavations ranging over 23,922 cubic feet. Ore reserves have increased in quality as well as in quantity. Working on a minimum of 7 dwt. over a stoping width of 48 inches for the Main Reef and 42 inches for the West reef, the total reserves were returned at 391,163 tons at 10.55 dwt. on December 31, 1918, as compared with 375,290 tons at 10.11 dwt. on December 31, 1917. Moreover, about 135 acres had been cleared and planted with Para rubber, and arrangements had been made to have 230 acres cleared and 40,000 trees put in by the end of April 1920. In the balance sheet, creditors, including £13,000 on short loans from the bankers, amount to £49,101, to meet which liquid assets in the form of cash, bullion and sundry debtors are available to the extent of £38,525. Owing to the necessity of making heavy purchases of supplies in advance, the total value of stores is as high as £68,636. Fixed assets are valued at £505,932, whilst mine development account stands at £135,734. The Capital account remains unchanged at £636,800, in 10*s.* shares, which are quoted in the market at 5*s.* 4½*d.*

THE ALASKA GOLDFIELDS, LIMITED.

This Company, originally formed in 1897 to acquire and deal with mining and other properties in North America and elsewhere, has extended its operations over a wide area. According to the statement of accounts presented for the year ended December 31, 1919, the Company included amongst its assets 2,836 Common shares of $42 each in the Northern Navigation Company, and 56,928 Preferred shares of $5 each and 4,361 Common shares of $100 each in the Northern Commercial Company, established to carry on a trading business in America in 1901. During 1917 and 1918 the business of this Company was curtailed by the War, and, consequently, no dividends were received from this source by the Alaska Goldfields, Limited. Thus in 1917 the total dividends accruing to the Alaska Company amounted only to £5,401, as compared with £6,514 in 1916. As a result the shareholders received no dividend, the directors carrying forward a balance of £3,042. For 1918 dividends received declined further to £2,555; no payment was made to shareholders as profit, and a balance of £2,555 was carried forward. The tide turned in 1919, the amount of dividends received reaching the substantial sum of £21,407. Meanwhile, as the result of the realisation of assets, such as the 11,214 Preferred shares of $5 each in the Northern Navigation Company, which were redeemed at par in 1917, the capital, with the consent of the Court, has been reduced. At the end of 1917

the £1 shares had been thus reduced to shares of 15*s.* 6*d.* In May 1917 the shareholders received a return of 2*s.* per share, thereby lowering the denomination to 13*s.* 6*d.* Another 1*s.* per share was returned in 1918, leaving the capital of the Company to consist of 300,000 shares of 12*s.* 6*d.* each, of which 250,000 have been issued. Upon this capital there has already been paid for 1919 a dividend of 1*s.* per share, free of income tax, and the directors propose to pay a further dividend of 6*d.* per share, free of tax. Thus for 1919 shareholders will receive a net dividend of 1*s.* 6*d.* per share, or 12%; but if allowance be made for the income tax paid by the Company on this dividend the rate is slightly over 17%. The balance carried forward is £2,043. Turning to the balance sheet, it appears that in addition to the shares in other concerns already mentioned, the Company is owed £124 by sundry debtors, and has a cash balance of £996. Investments in Five per Cent. National War Bonds, 1929, stand at £8,500; whilst £9,000 in Treasury bills valued at £8,965 are more than sufficient to satisfy the demands of sundry creditors to the amount of £4,760. After two years of comparative sterility owing to the War the Company appears to have resumed its career as a dividend-paying concern. It is intimated in the report for 1919 that dividends have since been received from both the American companies in which the Alaska Goldfields, Limited, is interested, to such an extent as to enable the payment of an interim dividend for 1920 of 1*s.* per share, free of income tax (11½% subject to tax). The shares (12*s.* 6*d.*) are quoted practically at par in the market. Curiously enough, whilst the quotation of the shares is included in the mining section, it appears—to quote the Chairman's remarks at the last general meeting—"that the Company is not and never has been a gold-mining company, and that it has no interest in any mining venture whatsoever."

KNIGHTS DEEP.

Year to July 31	Tons Milled	Gold Yield — Amount £	Gold Yield — Per Ton	Working Exps. — Amount £	Working Exps. — Per Ton	Working Profit — Amount £	Working Profit — Per Ton
1916 ...	1,307,300	994,969	15 2 7	797,026	12 2 3	197,943	3 0 4
1917 ...	1,196,500	886 295	14 9 8	793,080	13 3 1	93,214	1 6 7
1918 ...	1,140,700	842 442	14 9 3	821,423	14 4 9	21,019	4·4*d.*
1919 ...	1,016,900	842,319	16 6 8	860,960	16 11 2	18,611*	4·4*d.**

* Loss.

Not much consolation can be derived from a study of the Knights Deep report for the year ended July 31, 1919. Compared with the previous year the quantity of ore milled has fallen by 123,800 tons to 1,016,900 tons. Whatever advantage accrued from the improvement in the grade of the ore, which yielded 16*s.* 7*d.* per ton, as against 14*s.* 9*d.* in 1917-18, has been more than counterbalanced by the remarkable increase in the working costs from 14*s.* 5*d.* to over 16*s.* 11*d.* Consequently a working profit of £21,019, or 4.4*d.* per ton, for 1917-18 is replaced by an actual loss on working of £18,611, or 4.4*d.* per ton, during the year under review. Including sundry revenue amounting to £7,993, and deducting £9,824 for sundry expenditure, the actual deficit for the year works out at £20,442. At the end of the previous financial year the balance to the credit of the appropriation account was £114,119. Deducting from this the deficit for the year under consideration and, in addition, the sum of £6,113 representing the amount of expenditure on equipment of property during the year, there is carried forward to the next accounts £87,564. Thus for the second year in succession no dividend has been paid, although the amount carried forward is more than 10% of the subscribed capital. The actual state of affairs is in itself the best justification of this policy. Out of a total of 506.3 claims, over 185 are now exhausted, leaving intact 321 claims. The ore reserve has suffered yet another decline; on July 31, 1918, it amounted to 1,670,000 tons of an average grade of 4.43 dwt., whilst on July 31, 1919, it was estimated only at 997,000 tons of the average value of 4.8 dwt. per ton. Thus the actual reserve is less than one year's supply for the mill, even on the reduced working of 1918-19. This reduction is attributed partially to the exclusion of lower grade ore, which has been rendered unpayable by the great increase in working costs. Thus the Consulting Engineer reports that there is in addition 41,000 tons of partially developed ore of 4.5 dwt. per ton and 620,000 tons of low-grade ore valued at 3.9 dwt. per ton. But the reduction is also the consequence of the inability of the rate of development to keep pace with the rate of mining. For the year under review the development footage amounted to 6,855 feet. The experience of the year's working has only served to emphasise the fact, so often dwelt upon in connection with this mine—the vital necessity of a large tonnage as an essential condition of profitable working. Thus, during the last quarter of 1918 the influenza epidemic impeded operations, with the result that an average of less than 77,000 tons were mined monthly. The loss thus caused amounted to £21,000—a sum exceeding the actual deficit for the whole year. Owing to the number, condition and position of the various stope faces, it has not been found possible to work up to the average grade of the reserves, and—to quote the Chairman—"at the same time to maintain the monthly tonnage at a figure calculated to give the best economical results." Consequently recourse must be had to a considerable quantity of poorer ore. According to the Engineer, if the mine is to be worked successfully it is essential to secure a higher average of efficiency, an improved native labour supply, a higher price of gold, and lower railway rates. "The mine could not withstand," he asserts, "serious dislocation of work through labour unsettlement." This sentence is full of significance in the light of the present labour unrest. Moreover, at the general meeting the Chairman admitted that they had been handicapped by shortage of native labour during the year, having to be content with a 75% complement, as against 81% in 1917-18. Furthermore, in September of the current financial year the percentage employed had fallen to 64%. The premium on gold, however, which has come into being since the end of July 1919, has improved a situation otherwise disheartening. In the absence of that premium the mine would be on the margin of payability, and the margin was so narrow that the slightest increase in the cost of production would cause a permanent monthly loss. The steady increase in the premium, till it is now over 40%, will tend to alleviate the burden. Against this operates the heavily increased expenditure of £20,000 to £25,000 which the Company is liable for annually under the recent Miners' Phthisis Act. Altogether the outlook can scarcely be described as very encouraging. In the balance sheet sundry creditors amount to £61,665, and are amply secured by £63,478 represented by cash and gold in transit. Sundry debtors stood at £8,583 and investments at £4,853. The balance of £87,564 from the appropriation account is represented by £74,281 in stores and materials, £3,196 in payments in advance, and the above balances of sundry debtors and investments. The reserve account remains unaltered at £327,382. Fixed assets are returned at £1,525,128. No change has taken place in the capital account, which consists of £743,526 in £1 shares, for which the current market price is in the neighbourhood of 13*s.*

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KILLIFRETH MINE.

THE opening-up of abandoned mines is at all times a venturesome speculation; but the opening-up of an old Cornish tin mine must be regarded as an act of supreme courage based upon genuine conviction. And in these days, when tin-mining in the United Kingdom is labouring under such difficulties, it is gratifying to be able to record at least one instance where a new venture promises success instead of disaster. For it is the keynote of success that rings through the recent report of the Killifreth Mine submitted to the general meeting on February 6. The mine has now been unwatered to a depth of 50 fathoms as regards the north lode and 70 fathoms as regards the middle lode. Development work having thus been rendered possible, the various lodes were investigated and sampled. The ore in the north lode to a depth of 40 fathoms was very poor, the better ore having been extracted by the old company. On the south lode, by driving the 30-fathom level east, they had come upon ore 2 ft. 9 in. wide assaying 150 lb. of black tin per ton. The greatest attention had been paid to the middle lode, and with very fruitful results. The 30-fathom level east contained ore assaying 45 lb. to 72 lb. to the ton over a width of 16 in. to 26 in. Altogether some 2,000 tons of this ore are available. A recent discovery in the 40-fathom east revealed 2 ft. 9 in. of ore assaying 152 lb. per ton. Ore in the 40-fathom level west averaged 23 lb. for 5 ft. 6 in.; whilst in the 50-fathom level west ore 3 ft. 3 in. thick, yielding 42 lb. per ton over a length of 363 feet, was discovered. So far 5,000 tons of ore have been developed on the middle lode, averaging 45 lb. per ton. Further investigations in the 20-fathom west revealed, beneath the end of the level, ore 100 feet long, 5 feet thick, and assaying 80 lb. to 100 lb. per ton. Should these dimensions continue up to the 20-fathom level, the ore available would approach £30,000 in value. It appears that the old company worked on a crushing average varying from 38 lb. to 56 lb. per ton, and according to one of the directors the present company would start operations at least at this level. At the moment the quantity available for stoping was between 12,000 and 15,000 tons, assaying on an average 40 lb. to 50 lb. Arrangements had been completed with the neighbouring mine—the Wheal Busy—for the use of their mill, and crushing had already been started on a basis of 300 to 400 tons a month. As they were unable to hoist more than 100 to 200 tons of ore per week, crushing operations would have to remain on this small scale until the Skipway Shaft had been fully equipped. Afterwards it should be possible to work up to 5,500 tons of ore per month. Thus it would appear that at a rather early period of development the prospects of this mine were full of promise. Mr. Richards himself was surprised at the richness of the ore recently discovered; whilst the comparative shallowness of the mine, in contrast with the far greater depths of mines like Dolcoath and East Pool, was bound to prove advantageous. With tin commanding over £420 a ton, it is not difficult to understand the support extended to the shares during the current month. The £1 shares are being quoted at 24s. To provide the extra capital required for further development and working, the shareholders have been offered 25,000 shares of £1 *pro rata* at 16s., the directors preferring to give them the commission rather than the underwriters. This issue represented the amount of the authorised increase in the capital from £100,000 to £125,000. The renunciation letters have been in request at prices ranging from 4s. to 5s. Under favourable working conditions, and in the absence of any great fall in the price of tin, it is quite possible that by the date of the next balance sheet (June 30, 1920) the Company may be in a position to declare a small dividend.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, February 25, 1920.

Issue Department.

Notes Issued	£128,163,890	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	109,713,890
	£128,163,890		£128,163,890

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£85,152,523
Rest	3,509,269	Other Securities	90,704,526
Public Deposits	17,322,060	Notes	31,637,450
Other Deposits	172,824,755	Gold and Silver Coin	731,809
Seven-day and other Bills	17,224		
	£208,226,308		£208,226,308

Comparison with Previous Four Weeks [00,000's omitted.]

Date 1920.	Circulation	Coin and Bullion	Deposits—Public	Deposits—Other	Securities—Govt.	Securities—Other	Reserve	Ratio Reserve to Liabilities	Bank Rate *	Three Months' Bills
	£	£	£	£	£	£	£	%	%	%
Feb. 25	96,5	110.4	17,3	172.3	85,1	90.7	32.3	17·0	6	6
Feb. 18	93,6	108,5	26,3	164.8	87,1	88.8	33.3	17·4	6	5½
Feb. 11	88,9	106.0	22,0	132.2	53,9	83.8	34.5	22·4	6	5½
Feb. 4	89,3	103.1	18,7	124,5	46,5	82,4	32.2	22·5	6	5½
Jan. 28	88,2	99,9	20,1	135.1	62,6	80,3	30,1	19·4	6	6
J'y22,'14	29.3	40.2	13.7	42.2	11.0	33.6	29.3	52·40	3	2⅝

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 6%; Aug. 8, 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; April 5, 5%; Nov. 6, 1919, 6%.

Comparison of Bank Returns, Exchanges, Prices, &c.

	Feb. 27,	Feb. 26,	Feb. 27,	Feb. 28,	Feb. 26
Bank of England (in £'s sterling 00,000's omitted):	1920	1919	1918	1917	1910
Circulation	£96.5	£70.3	£47.3	£38.6	£27,7
Public Deposits	17.3	25.8	42.6	47.8	8,2
Other Deposits	172.8	119.2	124.8	169.0	44.4
Government Securities	85.1	50.2	56.3	82.4	14.0
Other Securities	90.7	83.1	98.6	117.4	29.4
Reserve	32.3	29.7	30.6	34.2	27.3
Ratio to Liabilities	17·0%	20·51%	18·25%	15·82%	51·87%
Coin and Bullion	110.4	81.6	59.4	54.3	36.6
Money:					
Bank of England Rate	6%	5%	5%	5½%	3%
Bank of France Rate	5%	5%	5%	5%	3%
Rate 3 months' Bills London	5⅝%	3½%	3⅜-3½%	5%	2½%
Exchanges:					
Paris Cheque	48·25	26 18	27 17½	27 82½	25 17½
New York 60 days	3·36	4 73	4 72½	4 72	4 84⅜
Bombay Telegraphic Transfers	2/7½	1/5⅝	1/4⅜	1/4⅜	1/4⅝
Prices:					
Consols 2½% Cash	50	59	54½	62¼xd	81⅜
French Rentes 3% Money	57·55	64 40	57·50	61·75	98 72
Silver, London spot oz.	82¼d.	47⅞d.	42¼d.	37⅛d.	23 1/16d.
Wheat, *Gazette* average qr.	72 7	72 8	72·2	76 9	33 4
Cotton, Mid Upland lb.	32 44d.	18 87d.	23 74d.	11·49d.	7·88d
Iron, Scotch pig ton	181/0	101/0	101/0	88/6	67/3

CURRENCY NOTE ISSUE.

Week to	Notes Issued	Notes Cancelled	Notes Outstanding	Gold Coin & Bullion	Bank of England Notes	% of Bank Notes & Gold to Notes
	£	£	£	£	£	%
Feb. 26, '20	6,051,499	7,131,339	324,993,792	28,500,000	4,100,000	10·3
Feb. 18, '20	6,443,233	7,741,973	326,073,632	28,500,000	4,100,000	10·0
Feb. 26, '19	7,921,496	5,897,301	314,804,681	28,500,000	—	8·9
Feb. 27, '18	7,533,885	5,258,242	218,409,636	28,500,000	—	13·0
Feb. 28, '17	6,232,187	6,986,915	144,351,173	28,500,000	—	19·7
Mar. 2, '16	4,919,643	3,372,466	100,892,505	28,500,000	—	28·2

Balance Sheet, February 25, 1920.

Notes outstanding—	£	Advances—	£
One Pound	254,823,970	Other Bankers ...	250,000
Ten Shilling	42,129,822	Trustee Savings Banks	190,000
Certificates outstanding ...	28,040,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500,000
Total	324,993,792	Bank of England Notes...	4,100,000
Investments Reserve A/c ...	15,858,165	Government Securities ...	306,748,447
		Balance at Bank of England	1,063,510
Total	340,851,957	Total	340,851,957

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

1920. Week to	Revenue	Expenditure	Excess of Expenditure	Loans, Advances, &c.—Cr.	Loans, Advances, &c.—Dr.	Net +	Cash Balance
Feb. 21	£52,118	£25,323	£2[illegible]	£136,286	£162,606	—£26,320	£5,417
Feb. 14	52,665	25,129	2[illegible]	72,699	100,095	—27,396	4,945
Feb. 7	44,087	25,887	1[illegible]	76,440	94,323	—17,883	4,963
308ds. '19-20	1,014,143	1,325,921	311,921	5,456,719	5,157,740	298,979	—7,382
324days '18-19	720,081	2,340,363	1,620,182	8,219,183	4,612,473	1,606,715	—13,467
*Yr. '19-20**	1,168,650	1,642,295	473,645	—	—	473,645	—
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	1,682,049	12,799
Yr. '17-18	707,234	2,696,221	1,988,987	7,499,604	3,616,023	1,983,581	21,030

Principal Items of Revenue and Expenditure.

1920. Week to	Revenue—Customs & Excise	Income Tax, &c.	Excess Profits Duties, &c.	Other Revenue	Expenditure—Int., &c., on Debt	Misc. Expend.	Supply Services
Feb. 21	£10,148	£21.[illegible]	£7,123	£13.[illegible]	£5,531	£[illegible]	£9,510
Feb. 14	4,165	23,856	8,237	16,307	1,021	[illegible]	[illegible]
Feb. 7	4,404	24.[illegible]	6,3[illegible]	8,311	2,870	11	23,005
308days '19-20	252,635	265,[illegible]46	254,[illegible]00	230,[illegible]53	[illegible]	[illegible]	1,170,317
328days '18-19	142,449	201,537	249,612	126,[illegible]83	249,950	[illegible]6	2,036,797
*Yr. '19-20**	276,000	354,000	280,000	258,650	345,000	18,[illegible]	1,280,700
Yr. '18-19	162,220	291,186	285,028	150,587	283,964	11,330	2,297,968
Yr. '17-18	110,033	239,509	220,214	137,478	189,851	11,401	2,494,968

FLOATING DEBT. (000's omitted.)		Treasury Bills	Ways & Means Advances	Total	Natnl. War Bond Rate.
Feb.	28, 1920 ...	£1,1[illegible]2,331	£[illegible]8,[illegible]30	£1,321,361	£1,732,780
Feb.	14, 1920 ...	1,101,163	185,130	1,286,494	1,732,780
Feb.	7, 1920 ...	1,[illegible]03,[illegible]63	1,[illegible]6,[illegible]50	1,[illegible]0,[illegible]13	1,732,780
Jan.	31, 1920 ...	1,110,461	208,230	1,318,691	1,732,780
June	30, 1919 ...	796,150	774,[illegible]37	1,570,387†	1,732,021

* Revised Budget and Supplementary Estimates. † Deficit.
‡ Excess of revenue.

FOREIGN BANKS.

[In £'s Sterling‡—000's omitted.]

	Cash			Advances			Bills Discounted, &c.
AUSTRIA-HUNGARY	Gold	Silver	Total	To Public	To Dual Govts.	Note Circulat'n	
July 23, '14...	£51,578	£12,141	£63,719	£7,772	—	£88,740	£31,993
Oct. 21, '19...	10,832	2,374	13,206	371,686	£1,373,083	2,013,363	240,845
Oct. 28, '19...	10,832	2,378	13,210	372,119	1,373,083	2,058,464	222,532
Dec. 7, '17...	11,000	2,300	13,300	603,990	—	739,300	117,600

BELGIUM.	Gold.	Silver	Total	Discounts	Circulation	Deposits
Aug. 6, '14 ...	£10,977	£633	£11,610	£41,925	£51,800	£66,263
Feb. 12, '20 ...	10,657	1,072	11,729	16,432	197,714	79,235
Feb. 19, '20 ...	10,657	1,072	11,729	16,759	196,226	81,333

	Cash						
DENMARK.	Gold	Silver	Total	Discounts	Balance Abroad	Circulation	Deposits
July 31, '14 ...	£4,100	£341	£4,441	£6,197	£786	£8,693	£47
Dec. 31, '19 ...	12,605	184	12,789	12,803	1,640	27,186	3,995
Jan. 31, '20 ...	12,602	188	12,790	15,084	912	26,375	1,902
Jan. 31, '19 ...	10,405	135	10,540	4,110	5,563	23,936	1,016
Jan. 31, '18 ...	9,650	135	9,785	3,402	2,446	18,282	3,338

	Gold—		Total Cash			—Deposits—	
FRANCE.	In Bank	Abroad	incl'g Silver	Bills	Circulation	Public	Private
July 30, '14 ...	—£165,654—		£190,667	£97,768	£267,327	£15,302	£37,903
Feb. 12, '20 ...	144,110	79,131	233,399	77,348	1,519,471	2,651	124,931
Feb. 19, '20 ...	144,120	79,131	233,365	76,001	1,518,342	2,290	12 ,789
Feb. 20, '19 ...	141,854	79,132	233,581	44,044	1,299,697	1,503	105,929
Feb. 21, '18 ...	133,185	81,484	224,809	50,115	959,451	772	104,324

	Cash			Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
GERMANY.	Gold	Silver	Total				
July 23, '14...	£67,843	£16,727	£84,570	£5,279	£40,055	£94,545	£47,198
Feb. 7, '20...	54,525	1,058	55,583	599,870	1,816,213	1,899,436	539,915
Feb. 15, '20...	54,543	1,087	55,630	604,166	1,805,118	1,938,933	597,781
Feb. 15, '19...	112,477	1,020	113,497	280,581	1,334,315	1,188,035	599,734
Feb. 15, '18...	120,326	5,787	126,113	61,657	644,126	554,886	310,792

	Cash						
HOLLAND.	Gold	Silver	Total	Discounts	Advances	Circulation	Deposits
Aug. 1, '14 ...	£13,496	£249	£13,745	£13,422	£10,332	£35,660	£1,437
Feb. 7, '20 ...	52,688	707	53,395	21,389	18,564	86,001	7,507
Feb. 14, '20 ...	52,732	733	53,465	23,476	18,539	85,574	10,014
Feb. 15, '19 ...	56,444	749	57,193	9,174	15,501	84,161	5,365
Feb. 16, '18 ...	59,695	606	60,301	2,700	11,622	71,395	7,345

	Cash			Other Cash	Loans & Discounts	Circulation	Deposits
ITALY.	Gold	Silver	Total	—£48,456—			
July 31, '14 ...	—	—	—		£25,017	£69,204	£8,887
Nov. 30, '19 ...	£32,198	£3,004	35,202	22,919	90,021	489,662	75,385
Dec. 10, '19 ...	32,198	3,004	35,202	17,701	90,319	491,363	74,657
Dec. 10, '18 ...	32,699	3,080	35,779	7,275	60,532	365,310	56,743
Dec. 10, '17 ...	33,419	3,509	36,928	6,847	53,073	256,698	57,245

						—Deposits—	
JAPAN.	Gold	Discounts	Advances	Notes	Public	Private	
Aug. 1, '14 ...	£21,867	£1,829	£7,863	£32,722	£13,918	£1,521	
Dec. 13, '19 ...	88,357	10,751	34,069	118,564	109,431	4,331	
Dec. 20, '19 ...	91,968	14,212	36,991	126,034	114,037	3,150	
Dec. 21, '18 ...	72,600	3,914	44,371	94,408	99,072	5,476	
Dec. 22, '17 ...	63,204	1,392	23,645	72,293	60,264	3,394	

NEW YORK BANKS & TRUSTS.	Cash Own Vaults	Aggregate Reserve	Loans, Disc'ts, Invest.,&c.	Net Deposits—Demand	Time	Total	Excess Reserve
Aug. 1, '14 ...	—	£89,888	£411,938	—	—	£387,165	£1,720
Feb. 14, '20 ...	£19,662†	114,783	1,029,678	£928,338	£10,026	8 4,404	4.7 6
Feb. 21, '20 ...	19,732†	113,254	1,021,360	819,550	50,022	877,814	4,360
Feb. 22, '19 ...	19,576†	107,553	958,810	760 97)	23,138	841,290	6,762
Feb. 23, '18 ...	19,730†	104,082	850,020	715,460	40,294	838,403	8,748

		Balance	Norw. & For.	Disc'nts		
NORWAY.	Gold	Abroad	Govt. Secs.	& Loans	Circulation	Deposits
July 31, '14 ...	£2,960	£1,678	£493	£4,868	£6,752	£7 3
Feb. 7, '20 ...	8,130	3,542	579	18,069	22,584	3,451
Feb. 16, '20 ...	8,128	3,076	579	17,616	22,183	3,238
Feb. 15, '19 ...	6,712	3,528	716	21,233	22,560	5,447
Feb. 15, '18 ...	8,526	3,665	713	19,878	17,331	10,000

			Discounts & Note Circu-			
PORTUGAL.	Gold	Silver	Total	Advances	lation	Deposits
Nov. 28, '19 ...	£1,906	£3,921	£5,827	£11,063	£76,570	£4,635
Dec. 3, '19 ...	1,906	3,920	5,826	10,881	74,948	7,186
Dec. 10, '19 ...	1,906	3,921	5,827	12,898	78,528	6,349
Dec. 17, '19 ...	1,906	3,921	5,827	12,954	80,275	4,860

ROUMANIA.	Cash	Discounts	Advances	Total	Circulation
Dec. 20, '18 ...	£54,921	£8,671	£2,218	£10,989	£163,559
Jan. 10, '20 ...	58,335	9,016	2,333	11,492	172,577
Jan. 19, '20 ...	58,949	9,173	2,239	11,477	172,157
Jan. 18, '19 ...	33,701	8,084	1,387	9,471	99,416

	Gold—		Total Cash	Loans &	Circula-	Notes in	Total
RUSSIA.	In Bank	Abroad	incl'g Silver	Disc'ts	tion	Reserve	Deposits
July 21, '14...	£160,114	£14,395	£181,892	£76,081	£163,411	£6,539	£109,911
Oct. 29, '17...	128,523	230,865	378,205	1,869,559	1,836,217	15,783	345,550

	Cash			Loans,	Spanish	Circula-	Deposits,
SPAIN.	Gold	Silver	Total	&c.	4%	tion	&c.
Aug. 1, '14 ...	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,956
Feb. 7, '20 ...	98,140	25,259	123,399	89,046	13,779	155,595	44,113
Feb. 14, '20 ...	98,134	25,257	123,391	87,396	13,773	155,142	45,321
Feb. 15, '19 ...	89,144	25,608	114,752	72,074	13,778	137,911	44,605
Feb. 16, '18 ...	79,498	28,302	107,800	48,953	13,777	113,280	39,959

SWEDEN.	Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
Aug. 1, '14 ...	£5,717	£6,150	£1,555	£7,495	£13,432	£3,903
Feb. 7, '20 ...	14,810	6,292	2,634	27,230	37,163	10,365
Feb. 14, '20 ...	14,794	6,208	2,631	26,184	36,561	10,751
Feb. 15, '19 ...	16,922	8,38	3,031	18,203	39,246	4,914
Feb. 16, '18 ...	13,084	7,529	2 891	11,432	29,250	6,003

SWITZERLAND.	Cash— Gold	Silver	Total	Discounts & Advances	Circulation	Deposits
July 23, '14 ...	£7,202	£758	£7,960	£4,817	£10,716	£2,026
Feb. 7, '20 ...	21,176	3,309	24,485	13,976	37,124	5,169
Feb. 14, '20 ...	21,173	3,340	24,513	13,949	36,789	5 131
Feb. 15, '19 ...	16,442	2,542	18,984	18,036	34,063	4,465
Feb. 16, '18 ...	14,525	2,262	16,787	9,412	24,429	2,964

† Not reserve. ‡ Converted at par rate of exchange approximately.

U. STATES FED. RES. BANKS.	Gold— Held by Banks	With Agents	Total Cash	Bills Discount'd	Accept-ances.	Deposits— Govt.	Total Net.	Circulation
Feb. 16, '20 ..	148,016	249,660	410,532	458,688	109,520	4,844	357,450	591,818
Feb. 23, '20 ...	141,986	251,976	393,962	471,704	106 340	15,118	357,160	595,424
Feb. 22, '19 ...	162 828	264,180	440,306	363,690	53,984	41,136	346,160	493,650
Feb. 22, '18 ...	175,056	179,423	366,505	101,907	59,234	11,233	292,525	262,916

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed		%	Date Fixed
Amsterdam ...	4½	July 1,'15	Lisbon	5½	Jan. 15,'14
Berlin	5	Dec. 23,'14	Madrid	5	Nov.10,'19
Berne	5	Aug. 21,'19	Paris	5	Aug. 20,'14
Bombay	7	Feb. 5,'20	Petrograd ...	6	July 29,'14
Brussels	3½	Oct. 2,'19	Rome	5	Jan. 11,'18
Calcutta	5	June 5,'19	Stockholm ...	6	June 12,'19
Christiania ...	6	Dec. 18,'19	Tokio	8·03	Nov. 18,'19
Copenhagen ...	6	Oct. 7,'19	Vienna	5	Apr. 12,'15

III.—FOREIGN EXCHANGES.

LONDON ON—		Feb. 27, '20	Feb. 20, '20	Feb. 13, '20	Feb. 6, '20
Berlin	Cable	337½m.	325½m.	337½m.	325m.
Brussels	Cheques	46fr. 75c.	45fr. 35c.	46fr. 75c.	47fr. 25c.
Denmark	Cable	22kr. 80	22kr. 80	23kr. 30	22kr. 20
Holland	do.	9d. 20c.	9d. 22½c.	9d. 20c.	8d. 95c.
Italy	do.	62lr. 25	61lr. 25	61lr. 50	65lr. 00
Lisbon and Oporto	do.	17½d.	17½d.	17½d.	17½d.
New York	do.	$3 37	$3 46½	$3 39½	$3 33
—	Cheques	$3 39	$3 48	$3 42	$3 35
Norway	Cable	19kr. 80	19kr. 80	19kr. 55	19kr. 20
Paris	3 mos.	49fr. 10c.	46fr. 20c.	49fr. 15c.	48fr. 70c.
—	Cable	48fr. 35c.	45fr. 50c.	48fr. 55c.	48fr. 05c.
Spain (Bank places)	3 mos.	60½d.	60½d.	60½d.	60½d.
—	Cable	19p. 50	19p. 65	19p. 60	19p. 20
Sweden	do.	18kr. 22½	18kr. 27½	18kr. 20	18kr. 10
Switzerland	3 mos.	21fr. 30c.	21fr. 60c.	20fr. 05c.	20fr. 40c.
—	Cable	21fr. 00c.	21fr. 35c.	19fr. 60c.	20fr. 15c.
ON LONDON—		Feb. 27, '20	Feb. 20, '20	Feb. 13, '20	Par
Alexandria	Sight	97½pi.	97½pi.	97½pi.	97½pi.
Amsterdam	Cheques	9d. 22½c.	9d. 27c.	9d. 18c.	12.107d.
Athens	Cable	31dr. 75	30dr. 25	29dr. 75	25dr. 22½
Bombay	Transfers	2s. 7½d.	2s. 8½d.	2s. 9½d.	1s. 4d.
Brussels	Cheques	46fr. 77½c.	45fr. 15c.	46fr. 75c.	25fr. 22½c.
Buenos Ayres	Transfers	69½d.	62½d.	69½d.	47.58d.
Calcutta	do.	2s. 7½d.	2s. 8d.	2s. 9½d.	1s. 4d.
Christiania	Sight	19kr. 82½	19kr. 79	19kr. 51	18.159kr.
Copenhagen	do.	22kr. 79½	22kr. 95	23kr. 27	18.159kr.
Helsingfors	Cable	77½m	85m.	85½m.	25m. 22½
Hong Kong	Transfers	5s. 8 l.	5s. 10d.	6s. 1d.	—
Italy	Sight	62lr. 37½c.	61lr. 47½c.	61lr. 50c.	25l. 22½c.
Lisbon	do.	17d.	17d.	17d.	53½d.
Madras	do.	2s. 7½d.	2s. 8½d.	2s. 9½d.	1s. 4d.
Madrid	do.	19p. 57	19p. 74	19p. 60	25p. 22½
Montevideo	Transfers	71½d.	71d.	72d.	51d.
Montreal	Cable	$3 90	$3 99	$3 96	$4 86½
New York	Sight	$3 39	$3 39½	$3 37½	—
—	60 days	$3 36	$3 33	$3 35	—
—	Cable	$3 39½	$3 39½	$3 38½	$4 86½
Paris	Cheques	48f. 35c.	45f. 75c.	48f. 60c.	25f. 22½c.
Rio de Janeiro	90 days	18½ d.	18½d.	18⅞d.	16d.
Shanghai	Transfers	8s. 4d.	8s. 0d.	8s. 1d.	—
Singapore	Sight	2s. 4½d.	2s. 4 l.	2s. 4½d.	—
Stockholm	do.	18kr. 21½	18kr. 28½	18kr. 19	18.159kr.
Switzerland	do.	20f. 99c.	21f. 35c.	20f. 56c.	25f. 22½c.
Valparaiso	90 days	15⅛ d.	15⅜d.	14 13/16d.	18d.
Yokohama	Sight	2s. 9⅜d.	2s. 10d.	2s. 10⅜d.	24.58d.

NEW YORK ON—	Rate Current* Feb. 27, '20	Feb. 20, '20	Par as usually Quoted	Rate July 3.
Amsterdam, sight ...	36·875c.	37·125c.	40·20c. for 1 guilder	40·25c.
Bombay, cheques ...	45c.	46c.	32·44c. for 1 rupee	33·00c.
Buenos Aires, cheques ...	101·30	101·80		
Christiania, cheques ...	17·15c.	17·25c.	26·80c. for 1 kroner	
Copenhagen, cheques ...	14·90c.	14·75c.	26·80c. for 1 kroner	23·85c.
Greece, cheques ...	10·60c.	11·60c.	19·295c. for 1 drachma	
Hongkong, cheques ...	96c.	98c.	74·59c. for Mex. $1	48·4c.
Italy, sight	18·25l.	18·10l.	5·18½ lire for $1	5·17l.
Lima, cheques	4·68l.	4·72l.	4·8665 $ for 1 libra	
Manila, cheques... ...	49c.	49c.	50c. for 1 peso	49·8c.
Montreal	13·75% disc.	14·25% disc.	Premium per $100	Par
Paris, sight	14·10fr.	14·10fr.	5·18¾ francs for $1	5·16fr.
Petrograd, sight ...	—	—	51·46c. for 1 rouble	51·37c.
Rio de Janeiro, cheques	26·50c.	27c.	32·42c. for 1 milreis	
Shanghai, cheques ...	154c.	152c.	52·96c. for 1 tael	83·00c.
Singapore, cheques ...	49·50c.	50c.	56·77c. for $1	57·12c.
Spain, cheques	17·40c.	17·25c.	19·30c. for 1 peseta	
Stockholm, cheques ...	18·60c.	18·55c.	26·80c. for 1 kroner	
Switzerland, cheques ...	6·20fr.	6·12fr.	5·18¾ francs for $1	5·18¾fr.
Valparaiso, cheques ...	21·75c.	21·50c.	20·61c. for 1 peso	
Yokohama, cheques ...	47·75c.	48c.	49·84c. for 1 yen	49·90c.

* According to Guaranty Trust Company of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount	Inc. or Dec.*	1920 Agg.	Inc. or Dec.*
	1920.	[In £'s sterling 000's omitted.]			%
BIRMINGHAM ...	Feb. 21	£3,728	+ £1,387	£30 068	+ £10,022	+ 50·0
BRISTOL ...	„ 21	1,738	+ 557	14,825	+ 5,501	+ 60·0
DUBLIN ...	„ 21	8 965	+ 2,304	71,994	+ 17,272	+ 31·6
LEEDS ...	„ 21	1,530	+ 687	13 835	+ 5,276	+ 61·3
LEICESTER ...	„ 21	1,317	+ 598	11,625	+ 4,875	+ 72·2
LIVERPOOL ...	„ 21	20,681	+ 9,467	148,673	+ 59,209	+ 66·2
MANCHESTER ...	„ 21	34,277	+ 19,387	265,700	+ 142,737	+ 116·1
NEWCASTLE ...	„ 21	3,583	+ 2,007	26,263	+ 11,836	+ 81·9
NOTTINGHAM ...	„ 21	1 047	+ 486	9,231	+ 3 929	+ 73·4
SHEFFIELD ...	„ 21	1,264	+ 438	11,531	+ 2,739	+ 31·0
LONDON—	1920.					
TOWN ...	Feb. 25	621,642	+ 279,482	5,263,226	+ 2,150,314	+ 69·0
METROPOLITAN	„ 25	41,113	+ 10,916	350,033	+ 83,063	+ 31·1
COUNTRY ...	„ 25	76,677	+ 24,091	665,102	+ 192,763	+ 40·8
TOTAL ...	„ 25	739,432	+ 314,489	6,283,416	+ 2,426,145	+ 63·0

* Compared with a year ago.

V.—FREIGHTS.—According to Messrs. J. C. Gould, Angier and Co.

HOMEWARDS.	1920 Feb. 27	1920 Feb. 20	1913 Feb. 28
Alex. to U.K. ...	42/6	42/6	9/3
Aust. to U.K. ...	205/0	205/0	37/6
Azoff to L.H.A.R.	—	—	11/0
Bombay to p.p.d.w.	130/0	d.w.135/0	d.w.22/6
Burman o.c.	—	—	d.w.31/6
Calcut.top.p.(jute)	—	—	30/6
Danube to U.K. ...	—	—	—
Odessa to U.K. ...	—	—	10/0
R. Plate to U.K.	190 0	180/0	25/6

Homewards.— *cont.*	1920 Feb.27	1920 Feb.20	1913 Feb.28
U.S.Atl.Ports to L'pl. (cotton, 100lb.)	—	—	—
U.S.Gulf to U.K.Cont.(gr.)	—	—	3 1½
Gulf Ports to U.K.Cont. (cotton&grain)...	—	—	18 0
OUTWARDS—Cardiff to			
Aden	90/0	90/0	—
Colombo ...	—	—	14/3
Port Said ...	80/0	75/0	11/0
River Plate ...	37 6	37/6	16/0
St. Vincent ...	40/0	40/0	10/1½

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	FEB. 27, 1920.	FEB. 28, 1919.	JUNE 30, 1914
Iron—Scotch pig warrants ...ton	181 0	101/0	57/0
— Middlesbro' warrants ...ton	175/6	95 0	51/0
— Hematite warrants ...ton	220/0	122 6	61/0
— Staffordshire bars, London ton	£27	£17	£8 10
— Common bars ...ton	£24 10	£14 15	£6 16
Steel Rails ...ton	£19 15—£20 15	£10 17 6	£6 2 6
Galvanised Sheets ...ton	£51—£53	£29	£16 17 1
Copper—Standard ...ton	£120 10	£75	£66
Tin—English Ingots...ton	£293	£228	£142 15
— Straits ...ton	£399 10	£230	£139 10
Tinplates, I.C. Coke, S. Wales...box	72 0	33 3	11/10½—12/0
Lead—Soft Foreign ...ton	51 12 6-52 12 6	£23—£28 10	£19
Spelter—Ord. Foreign ...ton	£59 15—£61 10	£37—£41	£21 7 9
Quicksilver—(75lb.) ...bottle	£24—£24 10	£22	£7
Aluminium ...ton	£195	£150	£80
Antimony—Regulus Foreign ...ton	£67	£40	£27 10
— English ...ton	£89	—	—
Coal—(best) Yorkshire ...ton	21 6—22 6	23/6—24/6	17/6
— Steam (best) Newcastle ...ton	46/0—51 0	40/0—45 0	14/6
CHEMICALS, OILS, &c.			
Nit. of Soda—f.o.b. Chile, per quintal	16 6	nom.	7/4
Soda—Crystals ex ship ...ton	130 0—140 0	87 6	42 6—45 0
Copra—Malay and Straits ...ton	£72	£33 10	£23 15—£24 7/6
Gambier—Good marks ...cwt	52 0	38 0	16 10/
Indigo—Bengal good to fine ...lb.	13 0—16 6	9/0—10 6	3/2—3/8
Linseed Oil—Raw ...ton	£122	—	£25 5
Linseed—Calcutta, spot ...ton	£57 10	£23 15	£13 16 9
— Cakes, U.K. made, ex mill...ton	£25	£19 ...	£7 17/6–£8
Olive Oil—Spanish ...tun	—	nom.	£49 10
Palm Oil—Lagos ...ton	£96	£45	£31 10
Petroleum—American ...gallon	2 1	1 1½	7½
Rape Oil—Refined English ...ton	£135	£71	£32
Soya Oil—Refined ...ton	£135	£75	£24 10
Tallow—Imported ...cwt.	107/0—117/0	—	29/3—33 3
Turpentine—American ...cwt.	310 0	100 0	33 7½
Rape Seed—Toria ...ton	£54 5	£22 15	£13 5
Rubber—Para, spot ...lb.	2 7½	2 6	2 9½
— Fine plantation (stnd. crepe) lb.	2/7	2 0½	2/2
— World's Production* Dec. tons	31,291	20,580	8,467
Shellac—T.N. orange, fair ...cwt.	830 0 ... 250/0—260 0		63/0—64/0
TEXTILES.			
Cotton—Middling Upland ...lb.	32·44d.	18·87d.	7 53/64
— Egyptian, good fair ...lb.	82·00d.	26·84d.	8 75/64
— Pernambuco fair ...lb.	35·69d.	21·10d.	7·73d.
— Midland Upl. New York...lb.	39·85d.	26·90d.	13·25c.
— Stocks, Liverpool (bales)	1,062,910	505,850	934,600
Flax—Petrograd, Yarapol ...ton	—	nom.	£28
Hemp—New Zealand ...ton	£65	£55	£25 10
— Manila, Fair ...ton	£77	£80	£26 10
Jute—First Marks ...ton	£71	—	£26 15
— Red S/C ...ton	£58	—	£24 15
Silk—Blue Elephant ...lb.	57/6	20 0	11/3—11 6
Wool—Pt. Philip unwashed av. lb.	5/0	nom.	11½d.—1/0
— Lincoln Half Hogs ...lb.	2/3½	1/7½nom.	1 0¾
Hides—Eng. Ox, best, 65lb. up lb.	15½d.—16½d.	9½d.—10½d.	7½
Leather—Dressing Hides ...lb.	4/6—5/0	2/5—3/1	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus	90,685,000	193,341,000	34,640,000
— Red, price, N.Y. 60lb....bushel	nom.	237½c.	67½c.
English Gazette, aver. 480lb. qr.	72 7	72 8	34/3
Flour—G.P. ...280lb	44 3	44/3	28/6
Barley—Eng. Gaz., aver. 400 lb. qr.	100/7	62 6	25/4
Oats—Eng. Gaz., aver. 312 lb. qr.	60/0	49 4	20/0
Maize—N.Y. (new bushel)...56lb.	171½c.	149½c.	76½c.
— Amer. mixed, Liverpool...480lb.	nom.	79·9	32 4
— La Plata ...480 lb. qr.	65 0	72 0	25/9
Potatoes—Good English ...ton	285/0	176 0	70/0—75/0
Rice—Bassein ...cwt.	26 0	25/0	7 0—7 3
Tapioca—Pearl, medium ...cwt.	40 0	34 0	14/0—17/8
Hay—best ...2,018lb. ...load	—	176 0	82/6
Hops—English ...	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs ...8lb.	6 8	9 0—9 6	3/8—3/10
— Scotch sides ...8lb.	10/0	9/6	4/6—5/0
— English ...8lb.	10/0	9/6	4 2—4/5
Mutton—Scotch wethers ...8lb.	10/6	10/0	5/8—6 0
— English wethers ...8lb.	10/6	10/0	4/6—5 4
— New Zealand frozen ...8lb.	10/6	10/0	2/4—3/2
Pork—English and Irish ...8lb.	11/8	10 8	3/6—4/0
Bacon—Irish, delivered ...cwt.	200 6	188/0	60/0—74/0
— Danish ...cwt.	†192/0	—	58/0—68/0
— Canadian, ex Port ...cwt.	†187/0	—	—
— American, ex Port ...cwt.	†187/0	176/6	72/0—74/0
Hams—Amer. long cut, ex Port cwt.	†190 0	170 0	75 0—79 0
— — short cut, ex Port ...cwt.	†190/0	170 0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt.	†198/6	158/0	51/9—52/9
Butter—Danish ...cwt.	303/4		117/0—120/0
— French ...cwt.	303/4	Controlled	96/0—108/0
— Australian ...cwt.	303/4	252/0	98/0—110/0
— New Zealand ...cwt.	303 4		108/0—114/0
Cheese—Canadian ...cwt.	†145 0	Controlled	66/0—68/0
— United States ...cwt.	†145 0	163 4	—
— Dutch ...cwt.	†145 0		53/0—64 0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Jan. 31 ...cwt.	2,033,658	1,659,971	19,777,254
— Home consump'n. to Jan 31 cwt	2,239,853	1,784,914	17,272,000
— In Bond Jan. 31 ...cwt	6,196,000	7,625,000	6,306,000
— Price, Java, 96° Pol. ...cwt	7/6 0	36 0	10 3
— — Yellow crystals ...cwt	66 0	57 9	12/8—14/0
— — Tate's Cubes, No. 1 ...cwt	72 0	64 9	18/0
Coffee—Imports to Jan. 31 ... cwt	80,062	26,303	720,360
— Home consumpt'n to Jan. 31 cwt.	26,645	31,053	141,410
— Exports to Jan. 31 ...cwt	52,600	10,781	340,250
— In Bond Jan. 31 ...cwt.	701,000	601,000	484,000
— **Price, Costa Rica gd. to fine** cwt.	178/0—188/0	145/0—155/0	80/0—93/0
— — **Brazil (Santos) Good** ...cwt.	137/0—139/0	65/9	41 6
Tea—Imports to Jan. 31 ...lb.	48,598,454	24,810,846	123,230,277
— Home consump'n. to Jan. 31 lb.	31,751,769	23,456,822	155,447,972
— Exports to Jan. 31 ...lb.	3,048,709	113,857	26,561,765
— In Bond Jan. 31 ...lb.	238,354,000	132,127,000	78,292,000
— Price, Indian, Fek. Soug. ord.lb.	1/3½	1/4	8½d.
— — Ceylon, Pek. Soug. Ord. lb.	1 3½	1 4	8½d.
— — Common Congou ...lb.	1 3	1 4	5½d.
Cocoa—In Bond Jan. 31 ...cwt.	819,000	614,000	309,000
— Grenada, good to fine ...cwt.	133/0—134 6	85.0	52/6—56/0

* Estimated † Controlled.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific	Dec.	$17,0.6 000	+1,275,000	$1,682,000	—$1,129,000
	12 *mos. to*	Dec. 176,929,000	+19391000	32,933,000	— 1,569,000
Grand Trunk	Nov.	£1,251,900	— £15,700	£103,300	— £81,800
	11 *mos. to*	Nov. 12,853,900	+1,702,200	1,566,200	+ 104,400

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open.	Gross Receipts.	+ or — on Year Ago.	No. Wks	Aggregate Receipts.	+ or — on Year Ago.
Assam Bengal	Jan. 17	993	R2,32,352 +	36,855	16	35,34,529 +	8,60,826
Barsi Light ...	Jan. 24	118	31,000 +	9,100	44	12,42,400 +	5,01,900
Bengal & N.W.	Jan 17	2,065	4,93,160 +	12,994	16	68,00,213 —	7,13,961
Bengal Dooars	Jan. 24	158	33,929 —	1,621	16	7,98,832 +	103,902
Bengal Nagpur	Jan. 17	2,695	13,03,000 +	2,47,000	42	5,09,38,434 +	39,24,245
Bomb. Baroda	Feb. 14	2,871	18,53,000 —	1,16,000	20	3,55,39,000 +	16,47,000
Burma	Jan. 10	1,342	6,16,468 +	45,669	41	2,21,21,174 +	25,13,624
Del. Um. Kalk.	Jan. 14	239	83,300 +	18,058	20	17,66,879 +	45,925
East Indian ...	Feb. 14	2,771	26,70,000 —	1,85,000	20	5,02,20,000 —	24,15,000
Godavari Pen	Jan. 14	3,121½	27,35,000 —	55,100	20	5,12,84,404 +	44,82,590
Madras & S.M.	Jan. 24	3,152	10,60,000 —	4,494	17	1,76,10,347 +	7,67,095
Nizam's Guar.	Jan. 10	900	3,15,652 +	53,322	15	38,53,349 +	5,47,979
Ren. & Kurn.	Jan. 17	576	97,800 —	12,183	16	14,31,601 —	2,64,596
South Indian	Jan. 17	1,852½	6,73,549 +	79,977	42	3,14,85,231 +	33,17,248
South Punjab	Oct.	716	6,29,697 —	1,07,922	1m	—	—
COLONIAL							
Can. Northern	Feb. 14	9,588	$971,900 +	87	6	6,084,700 +	331,900
Can. Pacific ...	Feb. 21	13,388	3,9[illegible] —	172,000	7	23,405,000 +	2,186,000
Grand Trunk	Feb. 21	3,616	£19[illegible] —	9,355	7	1,723,0[illegible] +	237,448
Mashonaland	Aug.	810	65,465 —	7,046	11m	—	—
Mid. W. Aust.	Dec.	277	12,327 +	1,286	6m	60,085 +	6,890
New Zealand	Jan. 24	205	3,67[illegible] —	6[illegible]9	4	12,546 +	2,555
Rhodesia Rys.	Sept.	1,397	113,817 —	8,708	12m	1,051,865 —	72,122
Temiscouata...	Oct.		$30,562 +	2,154	10m	304,661 +	22,504
W. Pass.&Yuk	Aug.	122	—	—	8m	$968,676 +	31,021
FOREIGN.							
Argentine.							
Arg. N. East...	Feb. 21	752	£ 11,200 +	1,100	34	394,000 +	81,100
Arg. Transand.	Feb. 21	111	£ 4,330 —	220	34	92,336 —	28,224
B. A. & Pacific	Feb. 21	3,536	£ 156,000 +	35,000	34	4,884,000 +	1,082,000
B.A.Gr. South	Feb. 22	3,792	£ 198,000 +	35,000	34	5,958,000 +	1,329,000
Do.	Feb. 22	Nor	£ 76,000 +	25,000	34	2,027,000 +	1,093,000
B. A. Western	Feb. 22	1,882	£ 105,000 +	25,000	34	3,286,000 +	964,000
Do.	Feb. 22	Nor	£ 29,000 +	10,000	34	1,127,000 +	579,000
B. A. Central	Jan.	190	£ 43,675 +	2,467	7m	314,683 +	29,827
ent. Argent.	Feb. 21	3,305	£ 182,000 +	45,000	34	5,928,000 +	1,605,600
Do.	Feb. 21	Nor	£ 62,000 +	11,500	34	1,817,100 +	1,234,200
Cord. Central	Feb. 21	1,205	£ 55,500 +	12,130	34	2,018,100 +	532,690
Entre Rios ...	Feb. 14	831	£ 28,800 +	6,300	33	771,000 +	117,700
Brazilian.							
BrazilGt.South	Jan.	110	M 58,750 —	11,660	1m	—	—
Brazil Railway	Dec.	3,530	M4,859,000 —	141,271	12m	57,772,000 +	7,619,243
Gt. W. Brazil	Feb. 21	1,010	£ 28,000 +	7,200	8	228,600 +	70,100
Leopoldina ...	Feb. 21	1,831	£ 53,885 +	25,228	8	419,158 +	214,609
Maceyana ...	Dec.	1,180	M 1,581,000 -	956,490	12m	22,267,000 —	2,474,651
Pambeas ...	Dec.	766	M 2,650,000 —	906,038	12m	32,479,000 —	1,225,892
San Paulo ...	Feb. 22	153½	£ 40,578 +	9,606	8	361,231 +	162,936
Sorocabana ...	Dec.	1,003	M 1,749,000 —	246,163	12m	21,953,000 +	976,692
S.of Brazil S.W.	Jan.	52	M 104,000 —	21,000	1m	—	—
Chilean and Peruvian.							
Antofagasta ...	Feb. 22	838	£ 55,415 +	27,965	8	446,965 +	206,295
Arauco ...	Dec.	84½	£ 12,500 +	500	12m	136,800 —	21,200
Nitrate Works	Feb. 15	390	£ 37,727 +	13,515	6	86,499 —	60,742
Peruvian Corp.	Jan.	1,140	S 1,297,520 +	287,870	7m	8,280,294 +	1,249,929
Talcal ...	Jan.	180	£ 30,398 +	19,275	7m	127,515 +	2,668
Cuban.							
Cuban Central	Feb. 21	362	£ 41,383 +	3,966	34	742,250 +	137,732
Havana Cent.	Feb. 7	70	£ 12,053 +	805	32	336,032 +	57,088
C. of Havana	Feb. 21	681	£ 97,495 +	12,293	34	2,066,691 +	356,203
W. of Havan	Feb. 21	155	£ 13,430 —	440	34	302,691 +	44,747
Uruguayan.							
Cent. Uruguay	Feb. 21	273	£ 19,639 —	6,008	34	760,035 +	45,965
,, (E. Ext.)	Feb. 21	311	£ 6,725 +	193	34	202,374 +	31,350
,, (N. Ext.)	Feb. 21	185	£ 3,021 —	1,383	34	123,964 —	2,117
,, (W.Ext.	Feb. 21	211	£ 2,556 —	327	34	92,429 +	3,702
Mid. Uruguay	Jan.	319	£ 18,298 +	714	7m	136,809 +	19,192
N.W. Uruguay	Jan.	113	$ 8,805 +	1,800	7m	48,240 +	2,526
Urug. Northn.	Jan.	73	£ 2,915 +	556	7m	16,903 +	2,608
Miscellaneous							
Aboy & Gandia	Feb. 21	33	Ps. 11,000 —	—	8	85,000 +	8,000
Bilbao ...	Jan.	15	£ 2,452 —	299	1m	—	—
Bolivar ...	Jan.	136	£ 9,500 —	1,595	7m	62,928 +	4,829
Colomb. Natnl.	Dec.	86	£ 18,040 +	4,600	12m	171,120 +	23,800
Costa Rica ...	Dec.	189	£ 27,352 +	6,376	6m	145,671 +	14,080
Dorada Ext....	Jan.	70	£ 12,000 +	4,200	1m	—	—
Egyptian Delta	Jan. 31	559½	£ 15,574 +	1,907	43	332,107 +	15,546
Gt. S. of Spain	Feb. 14	104	Ps. 83,731 —	68,656	7	466,513 —	468,573
La Guaira&Ca.	Jan	22[illegible]	£ 14,370 +	6,265	1m	—	—
Ottoman Ry...	Feb. 7	379	£ 5,10[illegible]	—	—	—	—
Paraguay Cent.	Feb. 7	255	£ 3,470 —	1,660	32	163,140 +	38,940
Puerto Cabello	Jan.	34	£ 5,250 +	950	1m	—	—
Salvador ...	Feb. 14	100	£ 7,794 +	3,325	33	119,427 +	49,551
Santa Fe Prov							
French Rys.	Dec.	1,181	£ 167,982 —	3,774	12m	1,927,543 +	58,032
S'm'na&S'ti'go	Jan.	80	£ 11,260 +	4,417	1m	—	—
Zafra & Huelva	Dec.	112	£ 13,201 +	370	12m	128,863 —	24,925
TRAMS.							
Anglo-Argent.	Feb. 18	400	£ 72,346 +	14,556	7	481,403 +	111,413
Auckland Elec.	June 30	27	—	—	52	292,502 —	2,063
Bombay Elec.	Dec.	39	R. 7,87,141 +	1,74,980	12m	86,11,7[illegible] +	16,17,94
Brazilian Trac.	Dec.	378½	M 9,739,000 +	1,208,000	12m	113,074,000 +1	1,180,00
Brisbane Elec.	Jan.	40½	£ 44,800 +	6,22[illegible]	1m	—	—
Brit. Columbia	Dec.	334	$ 783,324 +	92,[illegible]59	6m	4,221,916 +	803,821
B. A. Lacroze	Jan.	51	£ 52,642 +	11,[illegible]86	7m	346,219 +	47,439
Calcutta ...	Feb. 14	35½	R 87,833 +	[illegible]50	7	553,389 +	40,[illegible]97
Cape Electric	Jan.	42½	£ 33,836 +	4,[illegible]84	7m	178,161 +	15,636
Corth. & Herr	Jan.	9	£ 4,742 +	1,093	1m	—	—
Cuchan&Dist.	Feb. 12	15	£ 1,443 +	346	8	8,663 +	1,074
Havana Elec.	July	86	$ 794,768 +	100,679	7m	5,116,661 +	402,587
Isle of Thanet	Feb. 18	20½	£ 578 +	267	21	8,270 +	2,064
Kowloon	Oct.	20½	£ 3,095 +	260	10	27,633 —	372
Leamington	Feb. 12	28½	£ 3,869 +	449	6	23,885 +	446
Lima Light ...	Nov.	85	£ 52,086 +	7,716	11m	531,788 +	51,653
London O.C. ...	Feb. 25	141½	£ 76,175 +	9,064	47	3,761,881 +	634,088
Malta Elec.	Jan. 31	15½	R. 35,511 —	9,965	4	84,394 —	3,882
Matan Elec.	Nov.	55	$ 247,599 +	33,307	11m	2,320,607 +	231,138
Port Elizabeth	Jan. 22	59	£ 8,475 +	3,596	8	62,731 +	26,035
Pernambuco	Feb. 14	21½	£ 2,962 +	537	20	55,632 +	9,620
Rangoon Elec.		25	£ 7,487 +	1,034	1m	—	—
Singapore Elec.		26½	M $.$138,000 +	14,000	1m	—	—
Sunderland Dist.	Jan. 17	26½	$ 20,231 +	4,389	3	60,308 +	14,240
Tram of Montevid.	Jan.	90½	£ 47,787 +	6,857	3m	132,450 +	21,401

UNION BANK OF CANADA

HEAD OFFICE - WINNIPEG.

55th ANNUAL STATEMENT.

PROFIT AND LOSS ACCOUNT, 29th November, 1919.

Balance at credit of account 30th November, 1918		$126,298.90	
Net profits for the year, after deducting expenses of management, interest due Depositors, reserving for interest and exchange, and making provision for bad and doubtful debts and for rebate on bills under discount, have amounted to		932,256.80	
Premium on New Stock		1,781,170.00	
		$2,839,725.70	

Which has been applied as follows:—		
Dividend No. 128, 2½ per cent., paid 1st March, 1919		$125,617.45
Dividend No. 129, 2½ per cent., paid 2nd June, 1919		132,770.03
Dividend No. 130, 2½ per cent., paid 2nd September, 1919		142,143.62
Dividend No. 131, 2½ per cent., payable 1st December, 1919		167,799.32
Transferred to Rest Account		2,000,000.00
From Premium on New Stock	$1,781,170	
From Current Profits	218,830	
Contribution to Officers' Pension Fund		10,000.00
Contribution to General Hospital, Winnipeg		5,000.00
War Tax on Bank Note Circulation to 29th November, 1919		58,172.41
Balance of Profits carried forward		198,222.87
		$2,839,725.70

LIABILITIES, 29th November, 1919.

Capital Stock		$7,968,150.00
Rest Account	$5,600,000.00	
Balance of Profit and Loss Account carried forward	198,222.87	
	$5,798,222.87	
Unclaimed Dividends	10,951.73	
Dividend No. 131, payable 1st December, 1919	167,799.32	
		5,976,973.92
		$13,945,123.92
Notes of the Bank in circulation	12,508,819.00	
Deposits not bearing interest	51,119,804.54	
Deposits bearing interest	84,376,709.79	
Balances due to other Banks in Canada	572,355.79	
Balances due to Banks and Banking Correspondents elsewhere than in Canada	5,058,941.92	
		153,636,631.04
Acceptances under Letters of Credit		7,186,940.91
Liabilities not included in the foregoing		220,361.60
		$174,989,057.47

ASSETS, 29th November, 1919.

Gold and Silver Coin	$953,902.93	
Dominion Government Notes	13,724,823.00	
		$14,678,725.93
Deposit with the Minister of Finance for the purposes of the Circulation Fund		260,000.00
Deposit in the Central Gold Reserves		5,500,000.00
Notes of other Banks		1,576,481.00
Cheques on other Banks		7,509,201.41
Balances due by other Banks in Canada		102,287.30
Balances due by Banks and Banking Correspondents elsewhere than in Canada		3,569,800.66
Dominion and Provincial Government Securities not exceeding market value		13,048,913.69
Canadian Municipal Securities and British, Foreign and Colonial Public Securities other than Canadian		15,818,016.79
Railway and other Bonds, Debentures and Stocks not exceeding market value		2,602,740.30
Call and Short (not exceeding 30 days) Loans in Canada, on Bonds, Debentures and Stocks		3,439,410.79
Call and Short (not exceeding 30 days) Loans elsewhere than in Canada		7,956,854.74
		$76,062,432.61
Other Current Loans and Discounts in Canada (less rebate of interest)		86,529,156.17
Other Current Loans and Discounts elsewhere than in Canada (less rebate of interest)		3,672,372.29
Real Estate other than Bank Premises		268,476.29
Mortgages on Real Estate sold by the Bank		150,645.10
Overdue Debts, estimated loss provided for		248,532.51
Bank Premises, at not more than cost, less amounts written off		532,740.61
Liabilities of Customers under Letters of Credit, as *per contra*		7,186,940.91
Other Assets not included in the foregoing		337,760.98
		$174,989,057.47

JOHN GALT, President. **H. B. SHAW**, General Manager.

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF THE UNION BANK OF CANADA.

In accordance with the provisions of Sub-sections 19 and 20 of Section 56 of the Bank Act, we report to the Shareholders as follows:—We have audited the above Balance Sheet with the books and vouchers at Head Office and with the certified returns from the Branches. We have obtained all the information and explanations that we have required, and are of the opinion that the transactions of the Bank which have come under our notice have been within the powers of the Bank. In addition to our verification at the 29th November, we have, during the year, checked the cash and verified the securities representing the investments of the Bank at its chief office and principal branches and found them to be in agreement with the entries in the books of the Bank relating thereto. In our opinion the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Bank, according to the best of our information and the explanations given to us and as shown by the books of the Bank.

Winnipeg, 20th December, 1919.

T. HARRY WEBB, E. S. READ, Auditors, of the firm of GEORGE A. TOUCHE & CO., with which is amalgamated WEBB, READ & CO.

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The Statist.

LONDON, SATURDAY, FEBRUARY 28, 1920.

IRELAND.

We do not propose to discuss the Irish Home Rule Bill introduced into the House of Commons this week, for it is altogether repudiated by the Irish people; and therefore, as it cannot settle the quarrel between the two countries we think it useless even to examine and appraise it. We believe that it is a matter of the gravest importance to the whole British Empire that we should end the hostility between the two islands as quickly as possible. We are convinced that we are entering upon a condition of things which will try our statesmanship to the utmost; and, therefore, we have not even the slightest doubt that it is of the greatest importance to create good feeling between the British and the Irish peoples, and in every way possible to strengthen the attachment of the various populations of the Empire to the Empire itself. Our readers should not cherish extravagant hopes. They should, on the contrary, look at the present dangerous condition of the whole world. And they should recognise that there are forces at work which are extremely likely to bring us face to face with formidable dangers. Therefore, apart altogether from other considerations, we think it of the highest interest to the whole Empire that we should do everything in our power to create a spirit of loyalty in the whole of our people. Apart from that, it is a humiliating thing that we, when all the rest of Europe has abandoned misgovernment, insist upon continuing a kind of management in Ireland which is driving the people almost mad in their hatred of the Government. It is useless, then, to consider a Bill which Ireland will not have and will not work. We think it more useful to declare frankly at once that the Bill is of no value, and that we must wait for a truer representation of British opinion before we can hope to end this state of things, which we say frankly we consider most formidable.

THE PAISLEY ELECTION.

The result of the Paisley election, which was made public on Wednesday, has greatly relieved the aristocratic classes, and is encouraging them to hope that, after all, the trades unionists are not as formidable as they were beginning to fear. It is, perhaps, very natural that this should be so, for we are all so constituted that a very little encouragement leads us to hope that our worst fears are ill-founded. For ourselves, we think the more hopeful feeling assumed by the two old governing classes is utterly misplaced, and that, instead of being discouraged, as our contemporaries generally assume the trades unionists will be, they should, on the contrary, look upon the result of the election as really vindicating the hopes they have been entertaining of late. Our readers of all parties and all classes, if they would really try to understand the present temper of the public, should remember that until a very few months ago the trades unionists were looked upon as a presumptuous, small class, who were trying to make an impression upon their superiors by pretending to believe that they were attaining to an extraordinary possession of power amongst the constituencies. We believe that the two old parties have been utterly wrong. They did not appreciate the impression which the trades unionists were making, and they did not understand the great decline in their own popularity. Now they are seizing upon the victory of Mr. Asquith as a means of restoring their equanimity. But we would ask, in all seriousness, and in all desire to arrive at the truth, Are the facts, as brought out by the result of the Paisley election, calculated to restore the confidence of either Tories or Liberals? To us the facts appear, on the contrary, to prove that the trades unionists have the best possible grounds for rejoicing, and that if they persevere in their efforts to win over the whole of the working classes they are as sure to succeed as it is possible to say of any body of men engaged in any undecided enterprise.

Let us look quite impartially at the facts, and putting party motives aside, let us try to see what in real truth they tell us. To begin with, then, we find that the whole voting power of Paisley is 38,508, and of that entire body only 30,433 have voted. In other words, a large proportion of the people did not vote. Consequently, while the United Kingdom, speaking broadly and generally, was interested in a fight between a man who had been Prime Minister of the United Kingdom for over 8 years, and a working-man candidate of whom, outside of his own class, scarcely anybody knew anything, yet this unknown working man obtained votes amounting to 11,902, or 30.9% of the total which Paisley could give; while the ex-Prime Minister, who entered into all the arrangements which enabled the Entente Powers to meet Germany as they did, and which resulted in a complete victory, only obtained 14,736 votes, or 38.3% of the total. Consequently, the unknown working man obtained 80.9% of the number of votes given to the ex-Prime Minister. Would anybody—we will not say of this class or that party, but anybody of any class or any party—have believed a short time ago that not only had Mr. Asquith fallen in public opinion so low that he was run so close by an unknown working man, but that there was very active betting as to who really would win? Mr. Asquith, remember, was a most popular leader of the Liberal party until the War began. He obtained three great victories over the Tories. And until his mismanagement, first of Ireland, and afterwards of the War, alienated a large proportion of his supporters he was believed to be one of the most popular Liberal leaders ever known. Yet at the end of the War this ex-Prime Minister is able to obtain only 2,834 votes more than an unknown working man in a constituency which has over 38,000 voters. Will anybody seriously maintain that this is not a fact of the very gravest significance, and that it does not warrant us in saying that if the trades unionists keep up their courage, and continue to exert themselves to win over to themselves the great body of the classes that may be made trades unionists, they will succeed as certainly as that day follows night? The real truth is that, instead of a victory which justifies the Liberals to exalt themselves and their party, the result of the election is more than gratifying to those who desire to see a real democratic Government in power. Already we have a trades unionist vote which amounts to 80.9% of the whole Liberal vote, and, what is more remarkable, still, out of an electorate amounting altogether to considerably over 38,000, there voted for Tories, Liberals and trades unionists only 30,433. Clearly, then, there are a great many voters who did not take the trouble to cast their votes, much interest as the contest excited outside of Paisley; and, that being so, it is clear that the working men have but to set to work

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more vigorously and more determinedly in order to win the great majority of seats in this country.

It is to be recollected that Paisley has always prided itself upon being a safe Liberal seat. It never chose a Tory. And its voters are not yet satisfied that it would be wise to choose a trades unionist who is untried and who is not likely to obtain a high position in a new Government. All the trades unionists have to do is to win enough of seats to show that they must have a very powerful voice in the next really Liberal Government. When that happens it will not be Paisley alone, but all really advanced constituencies, that will turn to them for the finding of the men who are to make the United Kingdom what it ought to be. We would advise our trades unionist readers, therefore, not to be in the least discouraged by the majority obtained by Mr. Asquith. On the contrary, the majority seems to us a very small one, and the whole voting entirely encouraging. We would say, then, to the trades unionists, Remember that you represent the great body of the people, and that even those who earn £130 a year, and are called upon to pay income tax, do not number even 2¼ millions. There are at least 45½ millions, probably a good many more, in the United Kingdom. There is plenty of opportunity, therefore, to win a majority of seats in the House of Commons, and, that being so, we would urge upon the trades unionists to remember that it is to them, and to them alone, that we can look at present for the right measures which will enable us to secure a really healthy and a really comfortable working class. We want wholesome houses for our people. Does anybody suppose that the landowners will make sacrifices to enable such houses to be built? We want the debt paid off. Are our readers really convinced that the rich will volunteer to pay off the debt? Again, we want laws that will make the lives of our working people as comfortable and as healthy as we can provide. To whom are we to look for such laws if not to the working people themselves, who suffer where they are employed in unhealthy premises? The opportunity for the working classes is as great as any reasonable man can desire. We, therefore, would urge working men to increase their activity, to work even more diligently than before, so as to secure such a vote as will very soon enable us to get a Government which will really and truly set itself devotedly to the providing of the nation with the best possible laws.

THE NEGOTIATIONS.

Nearly sixteen months have passed away since the German Army broke up in disorder and the Kaiser took refuge in Holland. Yet we have not completed the peace negotiations. Nor is it possible to guess when they will be brought to an end. Yet the task does not seem, to the ordinary observer, a very difficult one. We had opposed to us only four Powers—Germany, Austria-Hungary, Turkey, and Bulgaria—two of them very small Powers. Yet we have not completed our arrangements respecting Turkey. We have not even, at the moment when we are writing, made up our minds as to whether Turkey is, or is not, to remain at Constantinople. And, to all intents and purposes, we have done nothing towards settling with Bulgaria. This state of things does not look very promising for the future. The victorious Powers are so divided in opinion as to what ought, or ought not, to be done that in the course of sixteen months they have been unable to make up their minds how Turkey is to be treated, or what is to be done with Bulgaria, while they have so managed with regard to Austria-Hungary that it seems clear that the present arrangement cannot last. That Austria proper can stand alone does not seem very likely. And that the position of Hungary, stripped as she has been of so many territories, will be at all lasting appears to most observers extremely doubtful. In short, our conduct of the peace negotiations is as unsatisfactory as that in regard to the War itself. We are not agreed in anything, except in the desirability of lessening the dangerous power of Germany. Apart from that, we differ on almost every single question of any importance. It is greatly to be desired that the public should thoroughly understand this fact. We have, in consequence of the War, to deal with a Europe completely different from the Europe to which we have hitherto been accustomed. It had come to be regarded as impossible that Russia, Germany, and Austria could be deprived of the portions of Poland which they had distributed amongst themselves. Similarly, it was taken for granted everywhere that Russia was too powerful to be materially reduced in size. In fact, before hostilities began the general impression seems to have been that Russia must necessarily grow and the rest must either accept support from countries outside of Europe, or else become more or less subordinate to Russia. Now we are drifting towards the almost opposite conclusion—that Russia is so backward in organisation, and, indeed, in civilisation, that her position before the War was an unnatural one, that could not be very long maintained, and that, in consequence, the Europe of the present moment is so different from the Europe of only six or seven years ago that people are not capable of dealing adequately with it.

It is very much to be desired that the great public of Europe should awaken up, and should come to understand the gravity of the questions which have to be settled. For example, let us take Russia alone. She possesses, when everything is said, power so great that, according to all reasonable probability, she must exercise an immense influence upon the future of Europe. On the other hand, her people are very backward in civilisation, and do not seem to understand clearly how they desire to rearrange their affairs. That there is an Imperialist party can hardly be doubted. That there is a still stronger Bolshevist party is unquestionable. And that there is, in addition, a great peasant party which differs in many respects from the other two is, to say the least, highly probable. But outside of Russia we do not understand the relative strength of these parties, and we have taken no means of properly informing ourselves. We have had disputes as to whether we should make war upon the Bolshevists, and also as to whether we should allow Russia to settle her own affairs in her own way. But we seem incapable of making up our minds to any conclusion. We see all the dangers and difficulties of a conflict with Russia. But we do not recognise how to deal with the Russian people, or how to so approach them as to make it at least possible that we may be able to come to a friendly arrangement—or, if the word "friendly" be objected to, at least an unhostile arrangement—in regard to the future. Yet it seems absolutely necessary that we should have an understanding with Russia. When everything is said, her population is the greatest in Europe. And judging from the course of affairs during the past couple of years that population is, for the time being, at all events, under the influence of opinions which do not commend themselves to the Entente. Common-sense would recommend, therefore, that negotiations should be opened with Russia, and that some formal arrangement should be adopted which would make it possible for both Russia, on the one hand, and the Entente Powers, on the other, to live side by side without actually quarrelling. Yet the common-sense view is not taken, and we are squabbling amongst ourselves as to whether we ought not to make war upon Russia, or, at the utmost, to allow Russia to settle her own affairs in her own way without interference by us in any respect.

To let Russia settle her own affairs in her own way would unquestionably be better than quarrelling. But is there any serious objection possible against opening negotiations? However extravagant people

may talk to the contrary, Russia has done nothing to make herself an inevitable enemy to the other European Powers; and, that being so, it is surely common-sense to try and live at peace with Russia, and leave her free to develop her own resources in her own way. The summer is coming on, it is true, and those who are hankering after a war with Russia may think that by-and-by it will be possible to get up such a wild adventure. We trust that the great public will refuse to have anything to do with such mad politics, and that Russia will be left to settle her own affairs in her own way. The history of the world surely ought to teach us that a compulsory arrangement may ultimately succeed, it is true. But it succeeds only after many generations have passed which live in constant fear either of revolution at home, or of foreign war by those who sympathise with the conquered, or, perhaps, a combination of both. That being so, it surely is the wise policy to settle with Russia in as friendly a spirit as we can. We are not advocates of the policy of the present rulers of Russia. In fact, so far as we are aware, nobody outside of Russia properly understands what the real policy of those people is. Consequently, it seems to us the duty of sane people to settle with Russia as peaceably as we can, and to throw upon herself the obligation to settle her own affairs in her own way. There are very many people who have, or at least think they have, interests that conflict with this desire. Some would gladly restore the Imperial Monarchy. Others would like to see a Government more under the control of the Great Powers. While others, again, would welcome a form of Republic more in accordance with what we are familiar with, say, in France and the United States. But we have not the slightest right to put forward a claim to settle for the Russians how they are to live. If the Russians will keep the peace towards their neighbours and exert themselves to make their country as pleasant for living in as they know how, they will have thoroughly performed their duties to their neighbours. We have no right of any kind to dictate to Russia how she is to be governed. We have a right, on the other hand, not to be attacked by Russia, and not to be kept in constant fear of either aggression or actual hostility. Consequently, what we reasonably can ask from Russia is that she should settle her own affairs in her own way; and, in the meantime, should respect the rights of foreigners, whether inside or outside of their country. That is the utmost we have a right to demand. And we can hardly expect it to be conceded so long as we go on threatening intervention and advocating even invasion.

EUROPE.

In the preceding article we have called attention to the exceedingly unwise manner in which negotiations are being carried on for the settlement of Europe after the Great War. We have done so mainly in the interest of Europe taken altogether. But we do not forget, at the same time, that outside Europe there are countries which have a just desire to see matters settled favourably without serious delay. The United States is, taking it altogether, the greatest trading country in the world. It bases its well-being upon favourable trade relations with Europe, and, though it is wisely looking for a great extension of its trade elsewhere, more particularly in the extreme East, yet it is to Europe firstly that it looks for real prosperity. The population of the United States is very large. Probably it will be found that it now considerably exceeds 100 millions. How largely we need not take upon ourselves to guess, for very shortly, it is to be hoped, the correct figures will be published. But it will surprise few people if the population of the United States is found to be little short, perhaps not at all short, of 120 millions. And, as matters stand at present in Europe, it looks in the highest degree likely that the increase of population on the other side of the Atlantic will be greater in the next 10 years than in the last 10 years—firstly, because we hope that the world will not be at war during the coming 10 years; and, secondly, because, in the present condition of Europe, it seems to us highly probable that the emigration from Europe will be large. Just now emigration of the kind is difficult—is, indeed, in many cases impossible. But the shipping of the United States is growing rapidly, and we hope that the more advanced of European countries, like our own, France, Italy, and Germany, will grow rapidly likewise, and therefore that very soon it will be possible for Europe to facilitate the removal of a considerable proportion of her population to the United States. If that be so, the United States will become not only stronger from a military point of view, but immensely more productive likewise; and, therefore, we may expect to see a very rapid growth of the trade of the United States. At present it seems certain that the United States will push its trade with our own country, with France, with Germany, and with Italy, while it will be surprising if it does not also exert itself to the utmost to increase very largely its trade with such countries as, for example, China. China at the present time does not look as if she would engage in a policy which would deter Europeans from cultivating her trading instincts to the utmost. On the contrary, there is little love for soldiering in China, and consequently China, if properly encouraged, is capable of conducting a very large trade. It is true, of course, that she wants railways, aircraft, canals, and the like. These, however, can be provided gradually. There is not the capital in China to build them up very rapidly. But there is a superfluity of cheap labour, and, therefore, those who look to what is necessary will see that there are opportunities for making China a desirable home for enterprising Europeans, using the word "Europeans" to embrace all who are descended from Europeans.

If there is a rapid exploitation of the trade of China, the United States is likely to build up a trade immensely larger than any other country at present possesses. Our own country ought to increase its trade very largely likewise, for the foundations have been laid throughout Asia; and, indeed, throughout the world. On the other hand, our debt is enormous, and while we have to pay the interest upon, let us say 10,000 millions of debt at the rate of 5%, or thereabouts, it is not probable that our trade can grow at all as quickly as will that of the United States. During last century it will be recollected that wars of different kinds made it impossible for the United States to push its trade at all as actively as the leading spirits desired. To begin with, there was for a long time a latent hostility between the free States and the slave States. Both desired to postpone the quarrel as long as was possible; and those who know the United States best will be well aware how successful the attempt was to ensure that postponement. But in the end the quarrel had to be fought out. It led to a war of extraordinary magnitude and cost; and for a long time it made it impossible for the United States to push its foreign trade as the people desired. On the contrary, the main effort of Americans for a long time after the Civil War was to draw North and South as close as possible together, and to develop those portions of the great Republic which were very thinly populated, so that they might make it certain that another civil war of anything like the same seriousness should not take place. There have been many other questions to turn away American attention from extending their foreign trade as actively and as soon as seemed desirable. But it is questionable whether the real development of American trade has thereby been delayed. On the contrary, we are not at all sure that the building of railways, to which for so long the capital and the enterprise of Americans was so largely turned, was not essential if the United

States was to become the great provider of the necessaries of life for the whole world. Anyhow the real political difficulties have now apparently been overcome. The population of the United States undoubtedly exceeds 100 millions. It is likely to grow in the next 10 years at an extraordinary rate, and a population of over 100 millions, reinforced by a very large immigration, ought to augment with striking rapidity in the near future. According to all reasonable probability, therefore, the United States will immensely increase her trade with Europe; will develop in China and elsewhere a trade now considered impossible; and before very long it will be apparent to all persons who look impartially at the matter that the United States is, beyond all question, the richest, the most enterprising, and the most successful in foreign trade of any country in the world.

The fact ought not to be overlooked by our people. On the contrary, we think it so important that it should be well understood that we again and again call attention to it. We are adding already to our vast foreign Empire Palestine, Mesopotamia, and Persia; while we shall, of course, be induced by these additions to add other bits of territory as the years pass. We ought, therefore, if events favour us, to develop a great foreign trade. But it will be small compared with that of the United States. At the outside, our population can hardly be 50 millions as yet. Making allowance for the consequences of the War and the losses of male lives between the ages of 18 and 40, it is highly probable that our growth in the next 10 years will be slow. It is one of the amazing follies of the Tory party that, knowing the difficulties in which we are, they deliberately try to keep Ireland in a state almost bordering on rebellion, whereas the real interest of the United Kingdom and the Empire is that everything possible should be done to draw the three kingdoms as closely together as, in the nature of things, is possible. However, we have to deal with the most ignorant and besotted race upon the earth at the present time; and that race, unfortunately, is in possession of the ruling power. Therefore, we are kept backward—deliberately kept backward—by the Government which we are foolish enough to allow to exercise authority. And yet we are making such additions to our foreign Empire as have already been mentioned. In India alone we have a population which probably is rapidly approaching towards 350 millions. For it is to be recollected that the population exceeded 315 millions ten years ago, and that we are now taking a new Census, which, if the population has grown at anything like the rate of the previous ten years, will show us that we probably have in India the greatest population that exist in any single country at the present time. We would especially invite the attention of the trades unionists throughout the country to this state of things. To them more than to anybody else in the world the growth of trade is essential. Some years ago they told us that their numbers considerably exceeded five millions. And it is notorious that those numbers have been growing ever since. But the trades unionists live by labour. They devote themselves to work for wages. They have no settled incomes. They do not own land worth talking of. They do not own house property worth talking of. Their real support is derived from the wages received for the work of their hands. And, therefore, to them, more than to anybody else in the country, the growth of our trade is a necessity of the very first degree. We would, therefore, invite our trades unionist readers to carefully consider that while we had before the War the largest foreign Empire the world has ever seen—even including the vast Roman Empire itself—yet we are adding new countries so vast as Persia, Mesopotamia, and Palestine. In these there can be no question there are opportunities to raise materials which would immensely increase the trade of the country. And yet our Government is wasting its time, as well as hindering the industries of the whole of Ireland, by a policy of the most criminal kind.

It is essential that the trades unionists should bestir themselves, should make it clearly known that they will tolerate this policy no longer, and should insist that the representatives of Ireland should be invited to attend Parliament and to help in every way they can to make the whole United Kingdom as happy as the exertions of mankind can make it. We shall be told, of course, that the electors of Ireland are Sinn Feiners, and a lot of other nonsense. But every sane man knows that what is going on at present is due mainly to the fact that a great fight is being conducted in the United States between Republicans and Democrats, and that the struggle will go on until early November. Just for the present year it is probable that no change of policy will tempt many Irish members to attend at Westminster. But wise policy always wins; and if a Government which inspires confidence in Irishmen comes into existence, there will be no doubt about the attendance of Irishmen. What we want is, firstly, union at home. Whatever we do we shall be inferior to the United States. It is quite true probably that the new Census taken will show that the people of the United States considerably exceed twice the population of the United Kingdom. And if our view is correct that the poverty and the difficulties of the new European States will increase the emigration to America, it is reasonably certain that the next ten years will see a very large increase of the American population. In all reasonable probability, then, we must make up our minds to see the population of the United States three times that of the United Kingdom before very long. But there is a great deal to be done at home. Take, for example, such a town as Southampton. Hitherto it has not made the exertions to improve its trade which might have been expected. But the articles we are publishing from our correspondent there shows that there is a new spirit active at present, and that we have every ground for expecting to see a very considerable development in Cork. Ireland, hitherto, has been kept back by the abominably bad Government she has been subjected to. We hope the two aristocratic Parties are now utterly discredited; and that, in future, we shall have the advantage of a Government which will, above everything, be desirous to improve in every possible way the welfare of the people. When that time comes Cork is sure to become a great trading town, all the more because it is so convenient for the trade between these countries and the United States; and, therefore, we look for a marked improvement in the south-west of Ireland before very long. We hope to see both Tories and Liberals swept away, and really practical Governments which do not content themselves with professing regard for the interests of the people, but devote themselves wholeheartedly to such development of the natural resources of the United Kingdom as will make every portion of it happy and contented. More particularly, we hope that this will occur in the case of Ireland, which by bad government has been kept in a state of misery. And that, therefore, we shall see, before long, a marked rise in wages of all kinds, both in Great Britain and in Ireland.

THE PORT OF SOUTHAMPTON.

Port development in the United Kingdom owes much to the railway companies, which have been induced to take it up, partly, to meet the competition that arose in various forms and threatened to diminish traffic, and, partly, to realise to the full the latent possibilities of their different systems. In some cases the primary object has been to extend goods traffic, in others to attract passenger traffic. The chief examples of railway enterprise are the Humber ports, where a diversion from the West to the East Coast of a portion of the heavy import and export traffic of the northern midlands was aimed at, and Southampton, where a share

was sought of the large Continental passenger traffic to and from England and America. Hull, Grimsby and Immingham had prior to the War abundantly justified their establishment, but their distance from coal-producing centres, and their dependence on trade with Northern Europe, have brought about a decline in their coal exports and general activity. Southampton was not seriously affected by the War since, though it was closed to practically all civilian traffic after August 1914, the passenger trade on which it depends revived automatically, unlike the coal trade, with the cessation of hostilities.

In certain respects a railway company is more fitted than other bodies for the ownership of a port, since the variety of its sources of revenue enables it to bear with ease the initial losses usually associated with projects of harbour development. A public trust, as at Swansea, or an ordinary limited company, as at Newport, must pay its way out of port receipts, or otherwise find itself in difficulties. Again, where a port is in the hands of a municipality any insufficiency of revenue to meet expenditure must be made up from the rates, as in the case of Bristol, and this may make the port burdensome and unpopular. The railway company alone can afford to take a long view, and without dipping into the public purse carry traffic at less than paying rates so as to build up a business connection. Before the London and South-Western Railway took over the port of Southampton the latter was owned by a company which, while seeing the necessity of development, could not provide for it, and was, moreover, finding it yearly more difficult to meet its liabilities. At last the port was offered as a going concern to the Corporation, but the latter, fearful of deficits, declined to purchase. A similar offer made to the railway company was accepted in 1892, and not only was the decay of the port arrested, but a period of vigorous and successful development set in. The old property consisted of two docks. New wet and dry docks were added, the harbour was deepened, the approaches improved, and the channel buoyed and lighted, until to-day Southampton can claim to be the only port in the United Kingdom accessible to the largest steamers in any state of the tide and at any time of the day or night.

A combination of natural advantages, which was judiciously exploited by owners not averse to casting their money on the waters in the hope of an ultimate return, alone made possible this startling transformation of a once impoverished and declining port. The chief physical asset of Southampton is its double tides, which ensure practically four hours of high water instead of the usual two. In explanation of this phenomenon it might be observed that the incoming tide is split up by the Isle of Wight into two sections, one of which, taking the shorter route *via* the Solent, has gone up Southampton Water and is already receding when it is caught by the other portion sweeping around the east of the Isle of Wight *via* Spithead and dammed back. The rise and fall of the tide being only 13 feet, open docks are permissible, especially as the depth of water, naturally great, has been further improved by dredging. In this respect Southampton has a tremendous advantage over other liner ports, such as Liverpool, London, and Glasgow, which are all of the high-water type, with locked docks that vessels can leave or enter only at certain states of the tide. For ships using Southampton the most unfavourable circumstances possible are 35 feet of water in the channel and 40 feet in the White Star Dock and the swinging ground outside. These minimum depths are, indeed, comparable with the best obtainable elsewhere. The southern harbour is, moreover, perfectly sheltered, as it lies at the head of a deep land-locked inlet which is at the same time easily reached from the open ocean. A complete system of gas-buoys up the Southampton Water to the dock entrances renders navigation by night both safe and comfortable.

These various improvements have not been effected without expense, and in pursuit of their object to make Southampton the ideal liner port the railway company have already laid out more than five millions sterling, and the limits of development have by no means been reached. Proximity to London, from which it is only 79 miles distant, gives Southampton a considerable advantage for mail and passenger traffic. It is nearer the Metropolis than any other large English port, and from the geographical standpoint it is finely situated as a depôt for passengers moving in any direction between the United Kingdom, the Continent, America, and the West Indies. This geographical advantage has been turned to good account by the provision of the perfect railway facilities which distinguish Southampton as the port catering *par excellence* for the convenience and comfort of passengers. The landing arrangements at Liverpool have been justly admired, but in Southampton from ship to train is only a few yards, and even these few are under cover owing to an admirable arrangement of movable passage-ways. The Hampshire port is also better suited for American travellers visiting Europe, as London can be taken in very easily, and a round-about journey is avoided up the West Coast of England to the Mersey and down south by train to the Metropolis. London is usually the only English city which Transatlantic visitors desire to see before proceeding to Paris, and it can be reached from Southampton in one hour and forty minutes. The use of tenders, as at Plymouth and other centres, to convey passengers to and from liners, is unknown in the southern harbour, and travellers are thus spared much undesirable exposure in rough, foggy or wet weather.

In addition to these contributory comforts, which make up the pleasure of travel, the port is in direct communication with the entire railway system of England and Scotland, and any desired point can be reached with the minimum of inconvenience. Southampton is, of course, equally accessible from the land side, and by means of a daily service to the Continent speedy transport to all European countries is assured for tourists and business men. There are several weekly sailings also to the Channel Islands, and geared turbine steamers minimise the terrors of all sea journeys. Apart from passengers an important goods traffic is carried on with Jersey, Guernsey, and Northern France in fruit, flowers, and various items of agricultural produce. For extra-European trade most liners based on Southampton, being fitted with refrigerating chambers, naturally bring on their inward journey large supplies of meat, butter, bacon, eggs, and other foodstuffs. If necessary, these can be stored in the 1,200,000 cubic feet of storage space provided by the International Cold Storage Company's plant, which is built at the quayside and fitted with every appliance to ensure the safe and expeditious transfer of produce by direct lift from ship to warehouse or rail.

COMMERCE
AND
INDUSTRY

VOL. I.
HISTORICAL REVIEW
VOL. II.
STATISTICAL TABLES

Edited by WILLIAM PAGE, F.S.A. Preface by SIR WILLIAM ASHLEY, M.A., Ph.D. Vol. I. 32/- net, Vol. II. 24/- net.

AN INVALUABLE SURVEY OF BRITISH ECONOMIC HISTORY.

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Besides this express traffic in perishable goods the "fine goods" usually handled by liners are also imported and exported. Imports include in normal times ostrich feathers, embroidery, raw and manufactured silk, cigars, tobacco, and photographic and optical apparatus. As a makeweight to enable vessels to ride comfortably bark, sugar, ores, hides, and Cape wool are also taken on. Exports include cotton, woollen and linen goods, lace, hats, and other articles that can bear high freights, as well as heavy iron and steel manufactures to act as ballast.

The future of the port lies in the development of this traffic in fine goods and in mails and passengers. The stream of emigrants and tourists between the Old and New Worlds should naturally be focussed in Southampton; and little detriment will ensue from this to Liverpool, which will always hold its own as a great cargo port through its importance as a transhipment depôt and its proximity to the centres where imported food and raw materials are consumed and manufactured goods for export are produced. The shipping companies that make regular calls to Southampton now include the Cunard Line, the American and White Star Lines, the Canadian Pacific Ocean Services, the Nederland Royal Mail Line, and the Rotterdam Lloyd. Ships of other lines—such as the Aberdeen and Shaw, Savill and Albion—call frequently, but at present irregularly. The services embrace principally North America, the West Indies, Brazil, and South American ports, the Cape and the Dutch East Indies, including Batavia. The largest vessels in the world, the s.s. *Imperator*, *Leviathan*, *Mauretania*, *Olympic*, and *Aquitania* have made Southampton their home port, and the taking of such a step by the liner companies not only shows their trust in the future of the port and their satisfaction with the railway and dock equipment provided, but demonstrates beyond cavil their confidence in the absolute safety of Southampton for vessels of all dimensions in all weathers.

IRISH INDUSTRIAL COMMISSION.—EVIDENCE.—VI.

Mr. Tomlinson, E.E., pointed out that when coal was delivered on the coast at 10*s*. per ton there was scant opportunity of developing the use of peat, but now that coal in Dublin stands at 42*s*. the situation has altered materially. In considering the peat problem under prevailing circumstances, the important point to be borne in view is that the peat industry in Ireland did not decay until the price of imported coal fell below 16*s*. per ton. He did not urge extensive enterprises at the moment, but pleaded for experiments towards the utilisation of Irish bogs under the following heads: (1) Domestic fuel, (2) reclaimed land, and (3) producer fuel for power generation. The production of a domestic fuel could be realised within a year, reclaimed land within three years, but a producer fuel for power generation would take more time.

Witness quoted an extract from the *Journal Officiel* of November 1919, setting out the French Government's offer of a reward for the production of peat and the invention of a suitable mechanical cutter of turf. The Dolberg machine used in Germany was twice as costly as hand labour before the War, but the rise in wages might now entitle the machine to a more favourable comparison.

A perusal of the elaborate inquiry into Irish bogs conducted in 1810-14 showed that the Commissioners did not apprehend any difficulty from the engineering side in the reclamation of boglands. The difficulties that existed at that time arose from the fact that turbary rights were undefined and the provision of the necessary remedies was thus only a matter for the Legislature.

The essence of power generation is to get it cheaply, and, consequently, extensive handling of turf must be avoided. The idea is to leave it on the bog and allow Nature to dry it. This drying operation is sufficient, as producers can work with peat containing 50% to 60% moisture. The existence of turbary rights over a large area was a bar to getting the turf, and he did not think this difficulty would be solved by co-operative enterprise. For dealing with the peat he would recommend a plant of about 300,000 kw. Part of this power could be employed for processes such as the fixation of atmospheric nitrogen.

In the opinion of Mr. McAndrew, C.E., the development of the mineral resources of Ireland involved the co-operation of Irishmen and Irish capital. Prominent business men in different parts of the country have agreed to form a parent company for the purpose of organising subsidiary companies to develop the various industries of commercial value, especially the fuel resources of the country. The fuel deposits which the Company will first develop will be (*a*) Slieveardagh Collieries in Tipperary; (*b*) the Rossmore coal area near Carlow, which forms part of the Leinster coalfield; (*c*) the acquisition of the present interests at Arigna, if they can be obtained on reasonable terms, with a view to developing the whole of that area fully and by modern methods; (*d*) the Tyrone coalfields; (*e*) the lignite deposits at Lough Neagh and Portrush.

In the Slieveardagh Collieries the percentage of slack in the mines is very large, but no systematic mining has been undertaken for some time, and at present operations are confined to driving a level which will drain the whole field; when that is completed it is estimated that 36 million tons of coal will be available in the district. Of the Carlow area it is said there are 17,000 acres of proved coal of good quality anthracite. The Arigna field is rich in coal and iron ore, but the transport facilities are deficient. The quality of the coal is semi-bituminous, but in order to develop the area properly additional capital is required. Were this provided an output of 750,000 tons per annum could be attained within three years, assuming means of distribution existed. At present borings are being made from the known coal area in Tyrone towards Lough Neagh, and if coal is found between the faulted area around Coalisland and Lough Neagh, it will be one of the most valuable fields in the United Kingdom. Lignite deposits cover a large area of the north-east of Ireland. It is estimated that the Tertiary formation, in which the lignite beds occur, cover an area equal to 100 square miles. Variations naturally occur in the thickness of the beds, but by actual borings it has been proved that near Sandy Bay, Co. Antrim, the three beds give a total of 60 feet of lignite. Borings and trial shafts sunk in other parts of the district have given somewhat similar results. The lignite around Lough Neagh occurs practically on the surface and can be cheaply converted into charcoal.

Other mineral resources available in the country which have been proved of commercial value are the hæmatite iron ore of counties Londonderry, Antrim, Down, mostly within 20 miles of Belfast, and counties Leitrim and Wicklow; antimony, lead and zinc in the counties of Monaghan, Armagh, Wicklow and Clare; gypsum deposits in Monaghan and North Meath; barytes in West Cork, Sligo and Monaghan; and kieselguhr, or diatomised earth, in Londonderry. Some of these deposits have already been developed on a small scale.

Regarding the utilisation of the water-powers of the country for the purpose of supplying light and power to factories, railways, and tramways, witness outlined a scheme which aimed at the serving of a northern area by the river Erne, and a southern area by the river Shannon. By treating Loughs Allen, Ree and Derg a constant supply of 50,000 h.-p. can be relied on throughout the year. Lowering Lough Allen for a depth of 10 feet would produce on an average 340,000,000 cubic feet per foot, and as Loughs Ree and Derg are each of them three times as large as Lough Allen there can be no question as to their value as reservoirs in the dry season. The

northern area would be supplied from a power-house on the river Erne, situted at Ballyshannon, where a fall of 135 feet can be obtained. The power could also be employed for the manufacture of nitrates and calcium carbide, especially as the quality of the limestone in the vicinity of the power-house is quite suitable. A considerable revenue could also be counted on for the sale of electricity for agricultural purposes. He instanced the Hereford dairy plant, consisting of an 8 h.-p. open-type motor running at a speed of 960 r.p.m., with a starting panel alongside. The vacuum plant for the milking machinery requires 1½ h.-p., used daily for two hours in the morning and 1½ hours in the evening, and the number of cows milked in that time is 70. To do similar work five to six expert milkers would be required. Similarly, a motor is started for root-pulping, chaff-cutting, &c.; a machine for kibbling corn and rolling oats is also installed, as is also a circular saw for splitting wood and fencing material.

ARGENTINA.

A MISTAKEN VIEW.

It would appear from articles appearing in the Argentine Press that there is a strong agitation in various parts of the country for broadening the basis of its economic development. Two causes have led to this conception of a healthy economic life. One was the experience of the United States of America, now nearly 20 years ago, and the other the actual experience of the Argentines themselves during the progress of the recent European War. They will not be well advised to take drastic action upon such experience as that quoted. It is, of course, a notorious and well-known maxim in economics that at a certain point in a nation's development to rely almost wholly upon one or two sources of income, or even to depend mainly upon the production of food and raw materials, as in the case of Argentina, is not healthy, and will not admit of a country becoming sufficiently powerful to hold its own in the comity of nations, as one of the determining factors, for example, in a great war. Highly developed economic resources are necessary, as the experience of the late War showed in Europe. In war it is only practicable to use what are known as the mobilisable resources of the nation; and, consequently, a high development in an economic sense, and particularly in an industrial sense, is an essential to a nation which aims at playing as great a part in the affairs of the world as Argentina is justified in doing at some period in the future. That time, however, has not arrived yet. Economically the Argentine Republic is in a very youthful stage of development. Egypt depended too long upon the cultivation of cotton. Argentina's great neighbour, the United States of Brazil, depended altogether too long upon Sao Paulo coffee and Amazonian rubber. For its modest population and extensive area Argentina is exceedingly well developed. It would not be true to say that Argentina depends upon any one product or any two products. She has an immense sheep and wool industry. Next to the United States she is probably the greatest beef exporter in the world. She is developing an important canning industry; and she has, and always has had, an enormous hide industry, and Argentine hides always have affected the international market for leather. As a wheat exporter she is one of the principal factors in the international wheat trade of the world. In maize she is only second to the United States. As an exporter of linseed that is a flax other than for fabric purposes—she is pre-eminently ahead of any other nation in the world. She does not play a great part, perhaps, but she certainly does a very large business in sugar and in wine.

During the progress of the recent War Argentina's exports of sugar played a very important part in the total international supplies available. On the whole, bearing in mind that the whole population of Argentina is only about eight millions, her economic development, and the basis on which that economic development rests, is exceedingly large, as distinct from being restricted. If she were dependent wholly upon her trade in hides, as she was, say, in the decade which preceded the declaration of independence, then it would be true that she was relying unduly upon one source of revenue. Even if she were dependent wholly on the meat trade, big as it is, it would still be a fact that practically she was living upon the ox, which, although a good stand-by for an agricultural country, is not sufficient to build up a sound economic basis for a country extending practically from the tropics to the 56th parallel. Of course, the idea underlying the proposals now made is that Argentina should develop a great manufacturing industry. Argentina has neither the accumulated resources nor the population which would admit of her developing a great manufacturing industry, and she could only attempt it at the expense of the real industries actually standing at her door. If she attempts to develop a manufacturing industry while neglecting to develop her natural resources she would be very like a man who has a fine estate which he owns and could develop, but, instead of doing that, he goes to some city to practise some trade for which he has no special qualification, and which anybody else could do just as well; and, moreover, he does it at the expense of the property which he owns, and which he is able to develop to an extent which no one else has the same facilities for developing. Of course, the argument is that the United States once went on producing raw materials and food to such an extent that ultimately there was a greater supply of food and raw materials than the world was capable of absorbing, and, consequently, that this led to a crisis in the United States. Moreover, she was without the resources which would enable her to employ her people in various branches of industry. It has to be remembered that the United States had a population of nearly 80 millions of people, or about ten times that of the present population of Argentina. In addition, the conditions were totally different. For a whole generation England had been investing immense sums of money with the express object of increasing her supplies of food and raw materials on as favourable an economic basis as possible. The result was that the production outstripped for a time the consumption, and led to the very serious crisis which our Argentine contemporaries observed in the United States.

A totally different state of things presents itself at present. There is a shortage, and an acute shortage, likely to last several years, in food and raw materials in all parts of the world. Argentina is pre-eminently suited for the production of this food and raw materials. Consequently it should be more profitable for her to develop her own estate than to seek to start industries for which she has neither the resources nor the population. It is, further, argued—and, of course, the argument has its weight—that experience showed that, although Europe was such a wonderful manufacturing centre, in fact, when the War came, it was not in a position to supply Argentina with the manufactured products she required; and, assuming that we are about to have another war very soon, it will be necessary for all other parts of the world to provide themselves with manufactured articles if Europe is going to cease to be in a position to produce them. But assuming, on the other hand, that Europe has had enough of war for the present and concentrates her energies on the production of manufactured goods of various kinds, it is practically impossible that even the United States, and still less Argentina, could compete with any reasonable prospect of success. The United States at present is competing with the world as a great shipowner and shipbuilder, but she is doing

so by producing ships that require a subsidy from the Government, and by running them with the assistance of that subsidy. The United States happens to be so wealthy that she can go a long way before she does herself serious harm. But she has a very much larger population than the Argentine, and she is likely to get very tired of subsidising shipbuilding and ship-running for an indefinite period. During the recent War, when Europe was unable to supply either manufactured goods or the freight in which to carry them, it was possible for the newer countries, and particularly the United States, to manufacture goods and offer freightage facilities at terms which appeared comparatively economic. But assuming, as we have said above, that Europe has had enough of war for the present, and is anxious to concentrate her energies on the development of her trade and manufactures, which are the only resources available to Western Europe for development, there is certain to be sooner or later a tremendous slump in fabrics turned out by the hundreds of millions from our great manufacturing centres in different parts of Europe. And, moreover, it is as certain as anything can be that has not yet happened that there will be a great slump in freights. The extravagant rise in freights was due to the fact that the various belligerent Governments took over about half the available shipping, used it most uneconomically, and applied it wholly for the carriage of more or less destructive substances. Now practically all this shipping has been returned. Moreover, new shipping is being constructed upon an immense scale, from which, as already said, we argue a very sharp decline in freights within a comparatively short space of time.

The conditions of Western Europe, where manufactures are centred upon a great scale, and the conditions—meaning the economic conditions—prevailing in a country like the Argentine Republic are as different as it is possible to imagine those of two expanses of the earth's surface inhabited by human beings. Take, for example, the island of Great Britain and the Argentine Republic. The United Kingdom, all told, is about one-tenth the size of the Argentine Republic. And yet it has, taking eight millions as the basis of the Argentine population, very nearly six times the population. It is situated in a very much colder region of the earth's surface. It is, as already said, one-tenth the size. Consequently, our people, from the earliest period, have been compelled to resort to seafaring, to trading, to manufacturing, to almost any kind of industry which promised to afford our surplus population a living. The exact contrary is the condition prevailing in the Argentine Republic. You have there a country ten times as big as ours, with, as we have said, roughly about one-sixth of the population. Such a population could not man a manufacturing industry, even if it could find the resources to erect the machinery and start such an industry going. Moreover, it has not the trained or inherited skill. It would require at great expense to attract trained manufacturers and trained supervisors of the various branches of mechanical industry, and to do all these things it would be neglecting a great estate which it owns already, and which simply requires careful development. From the tropics, or semi-tropics, of the Gran Chaco to the snowclad mountains of Tierra del Fuego there is a variety of climate, a variety of resources, and a potentiality of development which it would be difficult to equal in any other country of the world. And until the population of Argentina has increased very much beyond what it is at present, and until her realised mobilisable resources are very much greater than they are at present, surely it would be more advisable to develop her own estates rather than attempt to develop manufactures which came into existence under exceptional circumstances, and which it is to be hoped will not require to be developed for a long time to come.

A BIRMINGHAM-SEVERN WATERWAY.

It is rarely emphasised that an improvement in the inland waterways of Great Britain would in some measure facilitate that decentralisation of industry which alone can remedy existing congestion and overcrowding in towns, and without which all efforts at solving the housing question and its associated problems will inevitably fail. A properly co-ordinated scheme of inland transport reform would also prevent that migration of industries from the interior to the seaboard which has been responsible, in some cases for the decay, and in others for the arrested growth, of towns situated far from the coast and lacking direct access to the sea. In the case of Birmingham and Sheffield, the adverse effect of an inland situation has made itself felt in the removal coastwards of certain branches of the heavier trades, and the tide of change which has set in will gain in volume and strength unless it is checked by wise and timely precautions. The obvious and most efficacious remedy is the improvement of communications to seaboard. As matters stand, railways from the interior are capable of little further development, though their working efficiency may fall considerably short of the theoretical maximum, but alternative means of communication—by waterway—have undergone only rudimentary development.

British canals flourished until the advent of the railways, which deprived them of their traffic and obtained, by judicious purchase of pivotal sections here and there throughout the country, a stranglehold on the whole system, which was somewhat ruthlessly exercised. It became difficult to raise capital for waterways extension or improvement, with the result that our inland navigations, omitting exceptional works such as the Manchester Ship Canal and a few others, are in approximately the same condition as in the middle of last century. Since they are 70 years behind time, the expense of bringing them up to date will be the greater, and it is questionable in many cases if the outlay would be at all remunerative. Apart from aeronautical developments, railway transport is the most expeditious as well as the safest and most reliable method of moving goods and passengers, and it must always continue in favour for this purpose, especially in the United Kingdom. Disparaging contrasts between the British and Continental attitude towards waterways are, in fact, largely beside the mark owing to the difference in physical conditions here and abroad. All parts of our islands are within easy reach of the sea, and in the absence of great rivers the natural means of communication are by rail, particularly as the railway network here is superior to anything of its kind on the Continent. In the circumstances our canals cannot hope to tap much railway traffic, but for raw materials and bulky non-perishable articles, such as coal, iron ore, pig iron, cotton, wool, pottery, clay, machinery and building materials, they possess certain advantages in cheapness of haulage that should not be overlooked. The railways would positively benefit by the diversion of this low-grade mineral and allied traffic, which is at present widely regarded by experts as an uneconomical freight.

We do not propose to examine in the light of the foregoing the various canal routes that would repay development, but the most obvious example, and one that clamours for attention, is the route from Birmingham to the Severn. It is made up of the following stretches: The Worcester and Birmingham Canal, between the towns named, which can take barges up to 35 tons; the Severn Navigation from Worcester to Gloucester, accommodating boats up to 200 tons, and the Berkeley Canal, from Gloucester to Sharpness, navigable for vessels of 1,200 tons. To improve the system so as to handle boats of 100 tons throughout only the small though difficult stretch from Worcester to Birmingham, a distance of 20 miles, requires radical alteration. The

Westgate Bridge at Gloucester, which is built so low that it gives little headway when the water is at all high, would also have to be modified.

Of the various routes suggested from Birmingham to the sea the one outlined here is not only the cheapest, but it presents the fewest engineering difficulties, besides affording the most plentiful water supply, an asset of incalculable value. It may be contended that Birmingham interests would be better served by opening up communication with the Mersey or the Thames, as the natural flow of trade is towards Liverpool and London, which are not only great consuming centres in themselves, but provide steamer services to all parts of the world. The contention, though not without some weight, is largely illusory, since, with regard to shipping, the Bristol Channel has forged rapidly ahead owing to the opening of the deep-water docks at Avonmouth and the development of the overseas traffic of Cardiff, Swansea, and Newport. From the point of view of consumption also the Bristol Channel area has expanded enormously, and now contains a population of no less than seven and a-half millions, which is rapidly increasing.

Apart from these considerations, it is a matter of common knowledge that before the War the greater part of Birmingham's imported requirements came in *via* the Severn ports, though her exports were shipped as to 40% from Liverpool, 30% from London, and 20% from the Severn. To meet possible objections from Midland exporters on the latter count, it is only necessary to point out that London, Liverpool, and Sharpness are respectively 135, 94, and 76 miles from Birmingham, and thus the Severn route, besides possessing a small length of canal and a long, well-conditioned river navigation, has the supreme advantage of shortness. Rivers are superior to canals for many reasons, but chiefly because they possess a natural channel and water supply and few locks, and are, therefore, more easily adapted for carrying big vessels and for bearing the wash incident to greater speeds. The Severn Navigation to Gloucester and Worcester is one of the best of its kind in the country, and from the latter city the canal to Birmingham is under the control of a single company, whereas from Birmingham to London there is a multiplicity of small and differently constructed canals, including the Birmingham and Warwick Junction Canal, less than three miles, the Warwick and Birmingham Canal, the Warwick and Napton Canal, under 15 miles, the Oxford Canal, the Grand Junction Canal, and finally the Regent's Canal, less than 11 miles.

With regard to the third route—Birmingham to the Mersey—the configuration of the intervening country would cause difficulties, as a height of 470 feet at Wolverhampton has to be surmounted, while a dip into the valley of the Peak is followed by a further rise to a summit level of 450 feet on the ridge dividing the basins of the Mersey and the Trent. The crossing of the Manchester Ship Canal or other means of providing access to the Mersey might also give trouble. The only practicable route, starting from the Birmingham and Warwick Junction Canal, would run through the Coventry Canal, the Trent and Mersey Canal, and the Weaver Navigation, which contain in all 82 locks and one lift, as compared with 62 locks on the Birmingham-Severn route. By judicious improvements the work of the 82 locks to the Mersey could be performed by 15 locks and 12 lifts, but a much smaller outlay would reduce the 62 locks on the other route to six locks and seven lifts. In the latter case, the capital expenditure and maintenance being less and the speed of navigation greater, the cost of transit would obviously be much lower. The material elements in such cost are the tolls levied, the outlay on boats, and the price of traction for dumb barges and of power for those that are self-propelled. Labour expenses on the boat at each end, in addition to wharfage and warehousing charges, must also be taken into account. Almost all these items would work out at a lower figure in the case of the Severn route, and, in addition to advantages such as the practical unity of ownership and the small length of canal requiring radical alteration, the descent from Birmingham to sea-level at Sharpness is neither so great nor so abrupt as to cause any difficulty in construction or navigation. The obvious national advantages of carrying out this project should not be overlooked by any Government professing solicitude for the economic welfare of the country, especially as the scheme has already received the unqualified approval of expert engineering opinion.

SOUTH AND CENTRAL AMERICA.

THE NITRATE POSITION.

We publish below a list of the prices of nitrate shares at the end of last year, and we compare them with the latest prices we have been able to obtain. It may interest some of our readers who follow the movements of these securities to know that we gave a table at the beginning of the year showing the appreciation which had already taken place, and we now give a table showing the further appreciation which the very strong position of the industry, as indicated at the dawn of the present year, would probably lead to a further appreciation in the price of the shares. That the position was, and is, an exceedingly strong one cannot be denied. 1919, on the whole, was an exceedingly disappointing year for the nitrate interest, speaking generally. Even in the United States the demand was nothing like what was expected, or comparable to what it had been in the years preceding the outbreak of the recent War. As a matter of fact, the various companies engaged in the production of nitrate became utterly hopeless of disposing of the enormous stocks which gradually accumulated on their hands. They knew, of course, that there would ultimately be a good demand both from Europe and from the United States. Meanwhile, stocks accumulated at the West Coast ports. Even the stocks which were held in Europe were not being used, and the United States showed no signs of purchasing upon any considerable scale. As a result, whereas the total stocks at the end of 1918 held at the other side were only a little over three-quarters of a million tons, at the end of last year, when we were writing at the beginning of January, they were more than one and a-half million tons. This had been brought about by a natural course of events, which, however, had lasted for a length of time out of all proportion to what was originally anticipated. It was of, course, perfectly evident that with the signing of the Armistice the purchase of nitrate upon a

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great scale for the making of explosives and for the needs of the hospitals must necessarily come to an end. Meanwhile, however, it had been hoped that a demand, and a keen demand at that, would spring up for agricultural purposes and the uses to which nitrate had formerly been put in the period that preceded the outbreak of the War. What has happened with nearly all other industries occurred with regard to nitrate. The demand in connection with the War closed down, and industry was not ready to absorb the large stocks which were offering. More especially it was found impossible to find freightage accommodation for carrying nitrate. When the Armistice was signed, in November 1918, it became, first, essential to bring the troops home, or to move them, at any rate, from the scene of operations, and give them a well-deserved, indeed, an imperatively necessary rest. As soon as the pressing anxieties with regard to the various armies were satisfied it became evident that the first essential was to revictual the civilian populations of the various countries. No single country was sufficiently fed. Doctors, medical officers of health, and others were urging upon the Government the importance of providing food ships as quickly as possible. The epidemic of influenza which broke out all over Europe and spread to North and South America and to the Antipodes showed how widespread were the causes generally undermining the health of the various belligerent populations of Europe; and, moreover, showed clearly that the state of health of the belligerent populations was very likely to affect the state of health more or less of the whole human race. The War was so widespread, and it affected so many lands, that if a real series of devastating epidemics had been allowed to break out in Europe it is quite possible that they would have spread more or less throughout the whole world. In the final result, as soon as the urgent needs of the armies were satisfied, the very first thing was to obtain more and more food; and for months practically nothing was done, except to devote ships as far as possible to bringing food supplies from the newer countries of the world to the great congested centres of Europe, and particularly to those countries where the armies had recently been operating.

All through last year nitrate of soda was shipped from Chili, but for something like eleven months after the Armistice it was shipped only in exceedingly small amounts. Immense quantities accumulated at the West Coast ports. In addition, enormous quantities, which had been purchased for War purposes on account of our own and the other Allied Governments, had accumulated, principally here in this country; and for some time it was found exceedingly difficult to find purchasers for these large accumulations. At last, about the middle of October, the European stocks began gradually to disappear, and shipments upon something like the pre-War scale, or, at any rate, in a measure approaching that scale, commenced once more from Chili. A very large number of producing companies had meanwhile been forced to close down. So unsatisfactory was the position regarded that it was decided, towards the end of last year, to form an association, which the majority of the producing companies, and ultimately nearly the whole of them, were induced to join, whereby a central association was formed for the sale of nitrate in Europe and elsewhere. It has to be remembered that the industry is, therefore, from the distributing side faced by a totally new condition of circumstances. In the days before the War each individual producer dealt directly with his own customers. Buying and selling were free and unrestricted. There was, of course, as in the case of all great markets, very active speculation when the demand, particularly on account of the United States and Central Europe, was keen, the dealing in what are called "Futures" was upon an immense scale, and dealings took place by various interests not really directly connected with the nitrate industry at all. There was, in fact, an immense speculation, and when the demand threatened for any reason to fall off there were speculative sales, very much of the nature of what upon the Stock Exchange were in those days called "bear" sales. These operations are now forbidden, and each interest belonging to the allied Association is restricted in the matter of output, and deals through the Association, and not with its customers. The price, moreover, is not fixed by the producers, but by the Association as a composite body and the prospective customers in Europe, or elsewhere. There was naturally very considerable opposition to such an arrangement on the part of a large proportion of the interests concerned. But the position became so difficult that the larger producers felt that unless they had the assistance of such an Association it would be exceedingly difficult to carry on. At one time, as we reported in these columns, so menacing did the position appear that an appeal was made by the nitrate interest itself for assistance from the Chilian Government. The Chilian Government, wisely, as we think, decided to have nothing to do with the question except to give a sort of benevolent assistance in the matter of negotiations. Practically, with the formation of the Association already referred to, and which we described fully when it was formed last autumn, the Chilian Government has exercised nothing in the nature of a control of the industry; and, consequently, it rests between the interests concerned and the controlling body to deal with the distribution of this fertiliser. So far the new arrangement has worked exceedingly well, and, as our table shows, holders of nitrate shares have certainly, up to the present, had nothing to complain of. The shares of the Pan du Azucar, or Sugarloaf Company, have appreciated since the end of last year from 9¾ to 19; the shares of the Alianza from 15½ to 23¾; and the Aguas Blancas from 19*s.* to 43*s.* 6*d.* Similar appreciation will be noted in nearly every company, as the reader can see for himself in the table we publish below. We also give in the table the prices on July 27, 1914. It will be seen that those who have had their shares since the outbreak of the War have nothing to complain of. Great as has been the appreciation in the Pan du Azucar shares in the first two months of the current year, they have more than trebled in price since the end of July 1914, and in only one single instance, according to our table, are the shares lower than they were at that period. The price of the commodity itself has appreciated, and appreciated very considerably, whether we compare it with that ruling at the end of last year or at the period just before the outbreak of the recent War.

It will be remembered that it was announced just towards the end of January that the Nitrate Producers' Association at their meeting held in Valparaiso decided to sell by tender 40,000 tons for April delivery, 80,000 tons for May, and 80,000 tons for June, at a minimum price of 13*s.* 9*d.* per quintal, and 50,000 tons for July-December at a minimum price of 13*s.* 6*d.* for July, 13*s.* 8*d.* for August, 13*s.* 10*d.* for September, 14*s.* for October, 14*s.* 2*d.* for November, and 14*s.* 4*d.* for December, per quintal. According to a circular recently issued by Messrs. Thomson, Aikman the result of these tenders for 200,000 tons April-June and 300,000 tons July-December delivery is that the average prices obtained were 14*s.* 8½*d.* per quintal for April-June, the bids accepted ranging from 14*s.* 3½*d.* to 15*s.* 2*d.*, against a minimum price asked of 13*s.* 9*d.* per quintal. The average obtained for July-December worked out at about 15*s.* 4½*d.* per quintal, the bids accepted ranging from 14*s.* 8*d.* to 15*s.* 9½*d.*, against the average minimum asked of 13*s.* 11*d.* It is understood that a fresh tender for various amounts, ranging from 10,000 tons to be delivered early in the year and 40,000 tons and 25,000 tons monthly at various periods ranging up to the end of December, making a total of a quarter of a million tons, will be announced later. The minimum price at which these quantities are to be offered is stated to be 17*d.* per quintal. As a result of the recent sales and of the confidence

displayed by the Association the market has developed great strength, and it seems likely, therefore, that prices will be well maintained. The advance is not too rapid.

Nitrate—Prices of Securities.

	July 27, 1914	Dec. 30, 1919	Feb. 26 1920
Aguas Blancas Nitrate	1 13/16	19/-	41/0
Alianza Company	14	15 5/8	23 1/2
Anglo-Chilian Nitrate & Railway ...	17 1/2	15 1/4	18 1/8
Lagunas Nitrate	1 1/2	1 1/2	2
Lagunas Syndicate	5/16	5/6	8/3
Lautaro Nitrate	8 1/2	9 1/4	16 1/4
Liverpool Nitrate	2 1/2	3 3/4	5 1/4
London Nitrate	2 1/8	2 1/4	3 1/4
New Pacocha and Jazpampa	1 1/4	2 3/8	4 1/8
New Tamarugal	22/6	26/-	41/3
Pan du Azucar	6 3/4	9 1/4	20
Rosario Nitrate	8 1/4	6 1/4	10 1/2
Salar del Carmen	2 1/2	2 3/8	3 3/8
San Lorenzo	2 1/4	3	4
San Sebastian	10/-	11/-	17/0
Santa Rita	1 1/2	1 5/8	1 3/4
Santiago	2 1/4	1 3/8	3 3/4
Tarapaca and Tocopilla	—	15/4 1/2	29/7 1/2
Nitrate per quintal	10/4 1/2	9/6	16/6

THE PROSPECTIVE WOOL POSITION.—III.

In our last article upon this subject, published on December 13 last, we detailed the revised Government programme for dealing with the Australasian wools in the hands of the Government on October 31, and to be purchased by them up to the end of June 1920, on which date the control of buying and selling in Australia and New Zealand comes to an end. This programme, drawn up by the Ministry of Munitions, may be briefly stated as follows:—

(*a*) *Stocks and New Purchases.*	Bales.	Bales.
New Zealand.—Wool in stock October 31, 1919	220,000	
Estimated 1919-20 clip	550,000	
		770,000
Australia.—Old clips in stock October 31, 1919	780,000	
Estimated 1919-20 clip	1,900,000	
		2,680,000
Total to be shipped		3,450,000
United Kingdom.—Australasian wool in stock October 31, 1919	800,000	
Afloat for United Kingdom ...	270,000	
		1,070,000
Total to be sold		4,520,000
(*b*) *Shipping Arrangements.*		
From New Zealand—November 1919 to November 1920, 13 months at about 60,000 bales per month		770,000
From Australia—November 1919 to September 1920, 11 months at about 240,000 bales per month		2,680,000
		3,450,000
(*c*) *Disposal Programme*—		
Sales in United Kingdom, November 1919 to December 1920, 14 months at 225,000 bales per month		3,150,000
Shipments to Antwerp, Dunkirk, Boston, Genoa, and Japan		840,000
Surplus		530,000
		4,520,000

In our last article we expressed the opinion that the Ministry's programme could not possibly be fulfilled, and that, in order to forecast the situation next summer and autumn, the problem before the trade was to gauge the extent by which the Government would fail to carry out their proposals. During last year more or less regular statements on the wool position were given to the Wool Council, and were published in the official reports of that body. No meeting of the Council has been held since September last, and there is no immediate prospect of one taking place, and we therefore suggest to the Ministry of Munitions that an announcement of the exact position would be welcomed by all sections of the trade. In the meantime it will be useful to examine the matter in the light of the incomplete information at present available.

As regards the total quantities to be dealt with, it will be remembered that the original official estimates of the 1919-20 clips were reduced by 100,000 bales for Australia and 25,000 bales for New Zealand. It would be interesting to know whether the latest information on the effects of the drought in Australia has necessitated any further alteration in the total quantity to be purchased.

Turning to the shipping programme, it may be noted that the total imports of wool from New Zealand during 1919 amounted to 254,196,274 lb., which, assuming the bale to weigh 330 lb., is equivalent to about 770,000 bales. This quantity represents an average monthly shipment of 64,000 bales, against the 60,000 bales budgeted by the Ministry for 1920. So far as New Zealand is concerned the Government should, therefore, have no difficulty in lifting the whole of the State-purchased wool by the end of November, thus leaving the way clear on the other side for the 1920-21 clip, which will begin to appear on the market in that month. The imports from Australia during 1919 amounted to 587,057,420 lb., which is equivalent to about 1,779,000 bales at 330 lb. to the bale. The average monthly shipments were, accordingly, about 148,300 bales, against the Ministry's estimate of 240,000 bales until September next. Of this total import of 1,779,000 bales no less than 1,341,410 bales were received before September 1. The shipments made in the early part of 1919, averaging about 168,000 bales a month, were the highest ever recorded, and they represented the maximum effort of the Government, made to replenish the exhausted stocks of the industry in this country. In the summer and autumn it was necessary to reduce the tonnage allocated to wool, because the available machinery in Europe was unable to manipulate the whole of the supplies, and docks and warehouses were consequently congested. This reduction of tonnage was reflected in the imports for October, November, and December, during which months the arrivals *from all sources* (including South America, the Cape, &c., as well as Australasia) were respectively 181,416, 257,865, and 154,382 bales. It is unlikely that the Ministry have yet been able to arrange for shipping on the same scale as in early 1919, but, in any case, a serious deficiency in the programme seems inevitable.

The examination of the disposal arrangements is more difficult because no definite information as to actual sales is available. We have kept a careful record of the quantities *catalogued* at the various auctions since November 1, and we have converted the weight of tops offered into bales of greasy wool. Such a calculation is necessarily very rough, and, as no deduction for unsold lots can be made, the results of our efforts are inconclusive. In the absence of definite official information it is, however, interesting to note the following estimate of the quantities of Australasian wool offered for sale on Government account in this country since November 1:—

	Bales
During November	258,000
„ December...	288,000
„ January	192,000
Total	738,000

The programme provides for the *disposal* of 225,000 bales per month, or 675,000 bales in three months. Our estimate of the quantities *offered* is thus practically the same as the Ministry's estimate of the quantities to be *sold*, and it appears that the Government are below their programme only by the extent of the withdrawals at the sales. If this deduction is correct we frankly admit that the Ministry have done better than we expected. It is little use guessing the actual sales, but if the unsold lots were 10 per cent. of the total offered, the surplus at the end of the year is increased by 67,000 bales, and if these conditions continue throughout the year the total surplus will

be increased by some 250,000 bales. We will refrain however, from further speculation on the incomplete data in the hope that an official statement will be made at an early date.

It is not at all improbable that this important question of the sale of the remainder of the State-purchased wool will acquire an entirely new aspect at an early date. Up to the present traders have been anxious to forecast whether the 1920-21 "free" clip will have fair chances of shipment and a clear market in this country, or whether an accumulation will interfere with private trading. At the beginning of January we mentioned that the Australian wool growers were contemplating forming a large combine for selling their products, but at that time the proposal was not treated very seriously by the trade in this country. All the recent information shows, however, that the movement in Australia is of a very determined character, and it is likely that the combination will be complete before the Government purchasing ends in June.

We are informed that a branch of the National Bank, Limited, will be opened on Monday next at 21 Leadenhall Street, E.C. 3, under the management of Mr. George Costello.

"Quin's Metal Handbook and Statistics." Seventh year of publication. Price 3*s.* 6*d.* net. Compiled by L. H. Quin and published by The Metal Information Bureau, Limited, 7 East India Avenue, E.C. 3.

The price of the *Financial Times* on and after Monday, March 1, will be raised from 1*d.* to 2*d.* The great and continued rise in cost of production and the big advance in the price of paper make this change in the selling price of the paper inevitable. The new price will permit of new features being introduced.

In connection with the cablegram received this week from the management in charge of the oilfields of the Buchivacoa Concession in Venezuela, to which reference was made at the extraordinary general meeting held on February 24, we are asked by the Bolivar Concessions (1917), Limited, to state that although the cablegram advises oil of good quality has been struck at 637 feet and the various geologists are unanimously of the opinion that a large and permanent field will be opened up, it is of the greatest importance the public should understand that a considerable amount of drilling must be carried out to prove the real commercial value of this field.

The British Industries Fair, which opened on Monday last, is by far the largest and most important held since the inception of the scheme in 1915. The Crystal Palace, in which the London section is housed, is the largest exhibition building in the world, but none the less it has proved too small to accommodate the manufacturers who applied for space. In addition to the trades which participated last year, visitors will find sections devoted to jewellery, cutlery, silver, electro-plate, musical instruments, scientific instruments, optical instruments, and export furniture. Admission to the Fair is restricted to wholesale trade buyers, and the general public has, consequently, no opportunity of seeing the enormous size of the Fair. How large the Fair is may be judged by the fact that the gangways measure no less than 3½ miles, while the stand frontages amount to five miles. No less than 150,000 invitations to visit the London section of the Fair have been issued by the Board of Trade, 50,000 of them to firms abroad, and 100,000 to firms in this country. From the reports so far received there appears to be no doubt whatever that the foreign buyers are prepared to visit the Fair in large numbers. In fact, we understand that already, even on the opening day, considerable business was transacted with buyers from Greece, Belgium, France, the United States, the Scandinavian countries, and even with Russian buyers.

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Financial Notes.

OPINION was much divided in the City during the week as to whether there would be an advance in the Bank rate on Thursday last. In the event, those who were of opinion that there would be no change proved to be correct. It is now generally felt, even in circles which have long been most opposed to an advance in the Bank rate, that this step cannot long be delayed. Money is becoming increasingly dear in New York, and if money is dear in New York in February, what is it likely to be when it becomes necessary to finance the sowing of the spring crops and to meet the demands of the spring trade? We learn by cable that the weather, as is usual at this season of the year, has been exceedingly unfavourable in New York and in various other parts of the United States. But in a few weeks' time now the seasonal demands in connection with the crops will be coming upon the markets. In the present state of the European exchanges it will be exceedingly unwise for the London Money market to affect to maintain low rates of money if New York, as seems likely from the advances which have taken place in the actual price of money during the present week, is obliged to put up its rates very materially at no distant date.

Of course, it is evident that no advance in the English Bank rate of discount can have the influence that it had in pre-War days, partly, because we no longer enjoy the preponderating position in the world's money markets that we did at a time when every country in the world was more or less our debtor; and also because, owing to the magnitude of the floating debt and the immense amount of Treasury bills, Exchequer bonds, and various other securities, the Government has such a control of the market that it it is not possible for the Bank of England to exercise such a control of the London Money market as it did in the pre-War period, and as it would be eminently desirable for it to do if it were practicable now. To a large extent, we hope and believe it will become practicable at no distant date, provided always the Government can see its way to consolidate, or pay off, the heavy floating debt which has so long weighed upon the London Money market. While things are as they are the Bank of England is not in a position to exercise

a really healthy control over the market, even if it did put up its rate. That it should put up its rate we think desirable. And that it will do so at no distant date we are, of course, not alone in thinking. There seems every reason to hope that the Government really will be in a position ere long to pay off part of the floating debt, and it may be in a position to consolidate the remainder.

As we explained when discussing the Board of Trade returns some time ago, there seems good ground for hoping that the excess in the value of our imports over our exports is practically, if not wholly, covered by what are known as our invisible exports. It has to be borne in mind that, in addition to the value of our manufactures and our exports of coal, we render a multiplicity of services that give us, and always have given us, a quite peculiar position in the international trading markets of the world. For long we were out of all proportion the world's greatest ocean carriers. We were for long the international Carter Patersons; and we performed those services so satisfactorily that no less an authority than the late ex-President Roosevelt said in a public speech that England performed her duties as international carriers so satisfactorily and so cheaply that it would not be worth the while of any other nation to compete with her. This was not due to extraordinary genius on the part of the English; but it will be well for nations, and particularly new countries, before engaging upon an important shipbuilding programme, to consider why it is that England has held so long the pre-eminent position she has held in shipping.

As we have said, it is not due to any national genius. It is due to the real necessities of the case. We are a very small island, with a very large population, and unless we engaged in various enterprises we could not possibly live. No amount of bolstering up of our agricultural potentialities would admit of our feeding 45½ millions of people on our area, and with our climate. Consequently, we were forced into international trade, and international trade, to be successfully carried on, means international shipping. We took out in volume principally coal; but in value mainly manufactured goods. The reason why we did this was because we had to bring home food and raw materials. We required to import 80% of the raw materials of our manufactures, and we required to import, roughly, two-thirds of our foodstuffs. As a result, it suited us, in a sense that it did not suit, and does not now suit any other nation, to provide shipping upon an immense scale. We were quite willing to send out large quantities of a bulky substance like coal, because we wanted the space for cotton and wool and various articles of food which we were, and are, compelled to import. As a result, we gave the shipper of produce, from whatever part of the world he might be sending it, a rate of freight which he could not obtain elsewhere, except in the case of a few ships belonging to our late enemies, and other instances where a Government deliberately subsidised a fleet for a particular object. But then this is not trading in any sense of the word. But on a sound economic basis, no other nation had the same interest in providing shipping and freight accommodation as we had, and still have.

In addition, and as a natural corollary of being under the necessity of importing the bulk of our raw materials and two-thirds of our food supply, we were merchant bankers upon a scale that no other country was. Finally, being the largest shipowners in the world, we were before the War, and we are still, the biggest marine insurance people. And we were so because shipping and marine insurance were of more vital interest to us than to anybody else. Other countries grow the bulk of their food supplies, and a large part of their raw materials within their own borders, and we do not. Consequently, the shipping interests and the interests connected with international trade were vital to us, and are vital to us in a sense that they are vital to no other people at present holding an important position in the international economics of the world.

Returning to the question of money; whereas before the War we were a rich creditor nation to whom were indebted a large proportion of the whole world, we are now heavily in debt. As we have endeavoured to show at some length, we believe we are right in saying that England alone, taken by herself, is just about now paying her way. But she has not been paying her way all through the years of the War. And, moreover, recently she has been giving credits to her allies who are not yet themselves able to pay their way. Consequently, there is a demand for credit out of all proportion to the amount of sound credit available. The price of money, like that of all other commodities, is regulated by the desire of people to make their credit immediately available. That is the object for which bills are discounted. Consequently, when there are, as is the case at the present time, an abnormal number of people desiring to make their credit immediately available, there is an abnormal demand for money, which means that money rates must sooner or later go up; and the longer the period is postponed the more dangerous is the position likely to become.

An interesting letter appeared recently in *The Times* on the importance of increasing the wheat supply of this country. It was pointed out that since the middle of last century the wheat grown in this country has decreased by about one-half, which, of course, is perfectly true. In so far as it is possible to improve the wheat supply by pursuing improved methods in the practice of agriculture, the proposal is perfectly sound; but only in so far. In so far as it is proposed to maintain an artificial price for wheat in this country by Government assistance, such a proposal would be wholly unsound and wholly unsuited to our conditions. In the middle of last century wheat, as at the present time, was extravagantly dear. Our population, exclusive of the population of Ireland, which was not at that time a wheat-producing country to any appreciable extent, was only about half what it is at present. And the price was maintained because it was only possible to import comparatively small quantities of wheat from the Baltic provinces, from which the well-known exchange in St. Mary Axe takes its name.

It was the opening up by means of railways, first of the North and then of the South American Continent, and of the various parts of our Colonies, that gave us the large supplies of food during the second half of last century which enabled our population to grow so rapidly and gave us such a preponderating position in the trade and commerce of the world. To improve agriculture by means of better fertilising and better methods of farming is, of course, all to the good. But to attempt to bolster it up with Government assistance can only end in ultimate disappointment to the farmer and serious loss to the country taken as a whole. We have seen the result of the various Control Boards which have endeavoured from time to time to carry on the trade of the country during the War period, with the result that we have had to be rationed in nearly every commodity which we either wear or grow or, indeed, use in any way. So unsatisfactory has been the control even of shipping—one of the vital necessities of an Empire the centre of which is situate as is ours—that even now, more than a year and a quarter after the Armistice, it is exceedingly difficult to get passages to different parts of the world, notwithstanding the fact that probably nobody disputes that one of the most important interests which it is desirable to encourage at the present time is the shipping interest

It seems inevitable that the next two harvests, at any rate, will be gathered under controlled prices. But as soon as the engagements actually entered into between the Government and the food producers come to an end it is eminently desirable that the trade should be left to obtain food in as plentiful supplies as it can and at as reasonable prices as it is able to obtain it, from whatever part of the world it may come. Even if it were desirable to bolster up so important an interest as that of our wheat supply, which we do not think is true under any circumstances, the Government at present is not in a position which would justify it in playing any further with the taxpayers' money. It has already landed itself in an exceedingly difficult position, for which the taxpayers will ultimately have to pay, with regard to the cost of operating our coal-mines. There is a heavy loss, the actual figures of which are disputed between the various interests concerned, on the running of our railways. It is necessary to find an immense sum in order to sell bread at a fictitious price. And, finally, the Post Office, which used to be a revenue-earning department, has now in these later days come to be a revenue-spending department.

Unfortunately, Government departments show exceeding reluctance to demobilise. According to a White Paper issued at the end of last week, the Government departments still retain a personnel of nearly 177,000 people. This is exclusive of more than 200,000 people employed by the Post Office, which, as we have just said, has ceased to be a self-supporting department. Over 2,300 people, says the statement before us, have been demobilised since December 1 last. But this, unfortunately, does not apply to every department. More than 1,200 people have been added to the Pensions Department, which comprises a *personnel* of 20,970. The Department of Labour employs 19,540; Inland Revenue Department 18,953; Munitions still retain 16,914; the Admiralty has over 14,537; the Customs House, 12,591; the War Office 9,000; the Board of Trade, 5,498; the Food Control, which ought never to have been established, 4,453; while the Board of Agriculture has 3,590, and the Air Ministry 2,461. Various other departments, exclusive, as above said, of the Post Office, are responsible for 47,909.

We deal rather fully in another column with the position of the nitrate industry. We hope to return to the subject next week. It will be observed that there has been a very appreciable rise in the price of nitrate shares recently. We take in the article a hopeful view of the soundness of the industry on an economic basis. It has to be remembered, however, that the present price for nitrate of soda is the highest that has ever been known. It has to be remembered, moreover, that only a very small part of the business recently done has been transacted upon the basis of those prices. Moreover, it will be remembered, as we point out fully in the article, that 1919, far from being a boom year, was a year of real depression for the industry. In any case, however favourable may be the basis on which an industry may rest, it is manifest that the prospects of an industry can be unduly discounted by a very rapid rise in the price of the shares by which that particular industry is represented upon the London Stock Exchange.

THE PEAT PROBLEM.

In spite of the close attention directed to it in recent years the problem of utilising to the best advantage the peat deposits of these islands, estimated approximately at 5,000 million tons as free from moisture, cannot yet be said to have approached solution. On the Continent and in the United States the commercial exploitation of various processes for dealing with peat has a somewhat chequered history, and in the latter country especially the failures have been numerous. It must be said, however, that a frequent cause of these failures has been the heavy capital outlay on imposing office equipment and the consequent narrow margin left for operating expenses. Peat producer-gas has been used in the Swedish steel industry for a number of years, and it is said to be preferred to coal-gas on account of its low sulphur content. At Oretano, in Italy, an installation deals with 1,482 acres of bog, and gasifies the peat for the production of power and the recovery of by-products, while at Codigoro in the same country a plant is operated mainly for the recovery of ammonium sulphate from the nitrogenic content of the peat. The twofold object seems to be more in accordance with general practice, for then the gas not required for steam-raising and drying can be economically employed for power production. Concentration on the extraction of ammonia, however, possesses attractions, although the preliminary outlay in plant is heavy. Dry peat on the average contains about 1.5% of nitrogen, and in some cases this ascends to between 2.5 and 3%. By gasifying the material in producers claims have been made that as much as 85% of the nitrogen is recoverable as ammonia, and authentic records of commercial practice indicate a figure of 70% and over. On a commercial basis, therefore, and on the assumption of an average nitrogen content of 1.5%, the deposits in the United Kingdom represent a potential source of upwards of 50 million tons of nitrogen, equivalent to over 250 million tons of ammonium sulphate; in Ireland alone with her 1,800 square miles of bogs the yield of the sulphate on a conservative estimate could scarcely be less than 100 million tons. As the major part of the output of the by-product ammonia industry is in chief demand in the form of the sulphate as a fertiliser, the ready market an agricultural country would afford, can easily be appreciated. The point, however, must be borne in mind that samples taken from the same bog disclose frequently, on chemical analysis, a quantitative variability of the nitrogenic factor, and the success of an industry might, consequently, be seriously compromised unless the suggested bog site of operation was subjected to a careful examination. To work peat profitably for by-product recovery practical experience urges a nitrogenic content of at least 1.5%. The chemical analysis of specimens taken from the various layers composing Irish bogs, which we understand is at present proceeding, should be of great assistance in this matter.

The report of the Nitrogen Products Committee contains some interesting information and instructive data as to the utilisation of peat for power production and other purposes. To generate electricity on a large scale from peat is regarded as impracticable on account of the enormous tonnage required for a large power installation, and the annual drain on even the largest of peat bogs. For the generation of electrical energy on a moderate scale, and at a reasonably low cost, it is stated that peat could most suitably be utilised with gas-engine electric plant. The preference for this plant as compared with a steam turbo-electric plant is based on the lower capital and operating costs consequent upon the higher thermal efficiency of gas-engines and the much smaller scale of the necessary recovery producer installation. Moreover, it is said to possess the additional advantage of being less influenced by variations in the price of peat or fluctuations in the market prices of the by-products.

The gasification of peat has been successfully undertaken for some years at Portadown, in Ireland, and the resultant power-gas is employed to drive a weaving factory. Here water supplies an economical medium of transport for bringing the turf to the producers, which are about ten miles distant from the bogs. In this instance, so far as we know, there is no effort made to extract any by-products from the peat, yet its use has been found more economical than that of coal.

The comparative costs of both fuels in Ireland now forms a factor which is more deserving of consideration than before the War. About 1906 ambitious schemes were projected for the exploitation of Irish bogs on a large scale, but notwithstanding the favourable nature of the preliminary estimates, this question of comparative costs did much to prevent their fruition. Circumstances might encourage the adoption of a different policy to-day. A careful investigation of a bog in the north-east of Ireland, having an area of four square miles and containing sufficient raw peat (85% water) to last for a period of 50 years, was made in 1906, and its utilisation for the production of power-gas, both for the use of the installation and for sale, and the recovery of ammonia, was deemed commercially feasible. This scheme was not carried out, apparently for the reason that a moderate profit could only be expected, and, as it was calculated that 40% of the annual revenue would accrue from the sale of ammonium sulphate standing at £11 per ton, a certain risk arose from the fluctuations in the market price of this product. There are obvious attractions for further attempts to grapple with the peat problem in Ireland, but without doubt the success of such efforts will largely depend on reducing the multifarious items of expenditure involved to as low a point as possible. To secure the maximum economy in operation it would, in all probability, be essential to instal a power scheme at the bog as the costs of transporting a bulky material like peat fuel are heavy. It might be remarked incidentally that the main cause of the failure of a concern started some years ago in county Kildare to manufacture paper from peat was the unlooked-for heavy expense involved in transferring a certain proportion of the material to the factory, which afterwards, owing to its lack of fibrous substance, was quite unsuitable for its designed purpose. Obviously a bog can best be utilised when the demand for power is found in the immediate vicinity; when this does not obtain the producers might supply gas to a battery of gas-engines near at hand, from which power could be transmitted electrically, or alternatively the gas might be conveyed through pipe-lines to the desired points without any great loss.

As a source of energy, or for other purposes, raw peat, however, presents some serious disadvantages. The "winning" of it by hand under present conditions can scarcely be regarded as other than uneconomical. Labour is scarce and the wages bill of even a moderate-sized installation would be impressive. Mechanical aids, such as dredgers, are still very imperfect, and some of the Continental plants, even with the assistance of machinery and labour cheaper than that found in these islands, are frequently obliged to operate with less than a full load factor, a proceeding not fruitful of profitable results. In its original state the moisture content of peat varies widely, but frequently runs up to 90%. Could this high figure be reduced to 35% at a reasonable cost the prospects of manufacturing a good grade peat fuel in the United Kingdom suitable for power production, with by-product recovery as an auxiliary, would be bright, but it is doubtful whether the processes so far discovered can satisfactorily achieve that object here.

THE IRISH BACON-CURING INDUSTRY.

Pig breeding is a very important form of agricultural activity in Ireland—in 1912-13 1,656,000 pigs, valued at £7,700,000, were sold or consumed by Irish farmers—and it is natural to assume the existence of a flourishing industry, having for its object the working up of pig products. Bacon curing, in particular, is undertaken on a large scale in Limerick, Cork, Tralee and Waterford, in the South, and Belfast, Ballymena and Londonderry, in the North. Comparing these opposite ends of the country differing characteristics are noticeable in the complexion of the industry. In the South the curing concerns are more heavily capitalised, and are consequently not so numerous as in the North. The curer in the former region has to make provision for an elaborate slaughtering equipment, as the bulk of the fat pigs are purchased alive, whereas in Ulster, arising from the preference for another system of marketing, the pig is killed on the farm and the carcase is disposed of in the local market at a price which, of course, recompenses the extra labour of the producer. A difference, too, is to be noted in the nature of the raw material in demand by the curing establishments, as the particular requirements of the Southern branch of the industry call for an animal yielding a smaller proportion of fat.

The quality of Irish bacon and hams records an ever-growing appreciation, and the explanation is to be found in the degree of attention now paid to pig fattening and to the increasing acquaintance of the feeder with food values. Although the onerous conditions imposed by the War in connection with the supply of feeding materials arrested this development to some extent, there is little reason to doubt that the wider outlook of the agriculturist, strikingly manifested by the economic programme of the Farmers' Unions, and his increasing capital resources, will encourage him to proceed energetically on progressive lines when a more normal position is secured. The bacon curers, and other bodies, have wisely done much useful work in assisting the pig raiser to turn out an animal consuming a smaller amount of food than formerly and capable of being finished in a shorter time. The competition of Denmark, where, in contrast to the practice pursued in Ireland, large-scale feeding diminishes labour and food costs, is not likely to reach its previous intensity for some time, but, in the meanwhile, no effort should be spared by those interested in the pig industry in Ireland to strengthen their hold in the British market. Within the three years preceding the War the Danes had succeeded in ousting the United States in regard to the value and bulk of the bacon supplied to the United Kingdom, and, consequently, exercised the greatest influence in the determination of the general run of prices. The attainment of this position was in the main due to the growth of a well-organised marketing system, co-operative and otherwise, which ensured uniformity in qualities and regularity of supplies. Danish feeders were, however, placed in an awkward dilemma during the War. Imports of mill offal and meals fell off, grain stocks were insufficient to replace them, and large numbers of unfinished pigs were killed, and even cows were turned into bacon. As a result of these and other circumstances, the competition of Denmark collapsed during the past few years; and the increase in the porcine population of the United States brought about by the abundance of feeding materials, consequent on increased tillage, helped it to regain its old position. The products of the American packer are, however, inferior in quality to the Southern Irish mild-cured green bacon, which, in the usual course of trade, went to the London market, or the more strongly cured Northern boned rolls and hams which are consumed in the industrial and manufacturing towns of the North and Midlands of England. Are Danish prices commanded a lower price in the market, but when the adverse exchange is taken into account they constitute a relatively dear article of diet. Still the fact remains that bacon must be procured and that the United States now represents our principal source of supply. Below we set out particulars of the imports of bacon and hams into the United Kingdom for the years 1914 and 1919. For all practical purposes it may be assumed

that Great Britain is the destination of the Irish exports:—

Bacon and Hams (Imports into U.K.).

	1914 Tons	1919 Tons	Increase (+) or decrease (−), 1919 on 1914 Tons
Denmark	155,740	532	−155,208
U.S.A.	114,858	380,616	+265,758
Canada	20,004	108,391	+ 88,387
Other countries	26,154	15,316	− 10,838
Exports from Ireland (average 1909-13)	55,232	25,402	− 29,830
Total	352,078	530,117	+178,039

Normally a considerable quantity of American and Danish bacon is imported into Ireland, notwithstanding the fact that it is a pork-raising and bacon-exporting country. The former commodity, in particular, graced the household larder of many smallholders who were themselves engaged in raising pigs, but who found it more profitable to consume the foreign pig meat. This trade has not yet swung back to its pre-War basis; for example, in the year just ended the imports of bacon and hams into Ireland totalled 17,496 tons, which denotes a decline of 12,931 tons on the average of the five years 1909-13.

A glance at the export figures for 1919 would lead one to draw the not unwarrantable conclusion that Irish curing establishments are not yet working to the full extent of their capacity. This is confirmed by the fact that the number of pigs cured in Ireland is very much below its pre-War average. Signs of a revival of activity are not wanting, and it is satisfactory to note that the total of pigs purchased by curers increased from 726,647 in 1918 to 875,267 in 1919, or 20.5%. A large export trade is done from Ireland in live pigs, generally of the heavy-weight class, but these are deemed unsuitable for the requirements of Irish bacon-curers. They are, however, in demand in English provincial centres, where they are utilised for consumption as fresh pork or for turning into sausages Shortage of feeding materials is still a serious factor, and tends to restrict the raw material available for the curer. Since 1917 the production of potatoes has shown a progressive diminution, and fatteners are only receiving 34% of their usual supplies of maize. All these circumstances tend to discourage the farmer from taking full advantage of the prolific nature of the pig, and explain the drop in the agricultural census of the animals—accepted, of course, with reservations—from 1,290,289 in 1916 to 977,963 in 1919, or 24.2%.

Some years ago it was apparent to most Irish bacon-producers that the volume of Irish supplies to the British market could be appreciably increased if pig-keeping was more widely indulged in and if there was a regular supply of marketable pigs maintained, month by month, throughout the year. Indeed, bacon-curers generally held that they could, with existing buildings, equipment, and working staffs, handle from 25% to 50% more pigs in the year than they were dealing with at that time, provided the increase was gradual and regular. Some breeders and feeders, however, looked askance at this programme, on the reasoning that home prices of pork would be depressed by a more extended offering of pigs for sale. This might possibly happen, but such an addition to the turnover of these firms could scarcely fail from reacting to the benefit of producers and curers alike, as the enhanced proportion forwarded would probably strengthen the position and values of Irish bacon in the British market, and be easily absorbed without any break in prices.

The *Stock Exchange Gazette* has just published, at the price of one shilling, an annual Financial and Commercial Review, which establishes a very fine record from the character of its editorial articles, on the year's activities and progress in the Empire's finance, commerce and trade.



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American Topics.

THE WEST JERSEY AND SEASHORE RAILROAD COMPANY.

In the report of this Company for the year 1918 the directors state that the operations and maintenance of the line were conducted under Federal control during the year. This was in accord with the President's Proclamation, which placed the whole of the railways of the United States under the direction of the Director-General of Railroads. The lines of this Company constituted part, for purposes of Federal administration, of what was known during the War as the Eastern Railroads Region. This region embraced the roads north of the Chio and Potomac rivers and east of Lake Michigan and the Indiana-Illinois State line. This immense region was in due course, as the War progressed, found to be too large, and the Director-General of Railroads constituted a new region, placing this Company for the purpose of operating the line in Federal interest in the Allegheny region. The line was operated for the Director-General by the Regional Director and the Federal manager and his staff, who were required to sever their official connection with the railroad corporation and to become exclusively representatives of the United States railroad administration. At the time the report was made up a settlement covering the compensation for the year 1918 between the officers of the Company and the Federal Government had not been made, and there were also various items in the general balance sheet to be determined. The increase in rent for leased ferries is due to the standard compensation accrued under the net rental leases of the Kensington and New Jersey Ferry. This was allowed, as this part of the line had been worked at a heavy loss duirng 1917, owing to substantial increase in wages and other charges.

This line is in no sense really an independent system. It was really owned and forms part of the Pennsylvania Railroad system. It was originally incorporated in 1896, under the laws of New Jersey. It acquired the control of various smaller lines, ultimately itself to fall under the control of the great Pennsylvania system. The total mileage is only 363, which is very small for an American railroad. Its traffic is principally mineral, nearly half of its freight traffic being derived from this source, the balance being principally the carrying of manufactures and various kinds of merchandise.

As we have pointed out on various occasions, Government control of a system like the West Jersey and Seashore Line, which is already under the control of a great system, does not operate to the disadvan-

tage of the Company in the sense that Government control usually does in the case of independent lines, capable of initiating and carrying out an independent policy, which necessarily must take time to develop.

GRAND TRUNK RAILWAY COMPANY.

At the meeting of the Grand Trunk Railway Company of Canada last week, Sir Alfred Smithers, the Chairman, stated that in the whole 67 years of its existence the Grank Trunk Company had only received 3 millions sterling, advanced by the Canadian Government about 50 years ago.

The object of this assistance had been to build a line to Portland, Maine, in order to furnish Montreal with a port. Sir Alfred contrasted this attitude adopted by the Canadian Government towards the Grand Trunk Railway Company with that which the same Government had always adopted to the Canadian Pacific Railway, which had received in a period of a little over 30 years £70,000,000, in addition to £60,000,000 for the Canadian Northern, or £130,000,000 in all, to help the newer line in completing its transcontinental system. Sir Alfred said that he had on many occasions explained to the stockholders their relations with the Canadian Government, and added that he had endeavoured to do so with all possible restraint. That is precisely the crux of the whole position. As we said last week, when commenting on Sir Alfred's speech, the Grand Trunk Railway's position in Canada has from its outset been an exceedingly difficult one, and the initiative of the project was a complete mistake, as the results have conclusively demonstrated. From the very outset of the building of the Grand Trunk Company, while it was not absolutely forbidden, received little or no encouragement, and actually encountered a certain measure of hostility from various sections of the Government. One would have expected that at the time the railway was built, now nearly 70 years ago, a Company proposing to open up Canada would have been welcomed, but this was very far from being actually the case. On the contrary, it had encountered opposition. Canada, in those days, was not in a position to raise money as she did for constructing the Canadian Pacific Railway. It was essential that the money should be raised here in England. Those, however, who opposed the Grand Trunk and all its works wanted a line built on the lines of the Canadian Pacific, which was afterwards constructed. A very large part of the money for the constructing of the Canadian Pacific was obtained in England. The Canadian Government only came to the assistance of the Company when it appeared to be getting itself into difficulties, and when the London Money market showed reluctance to furnish more assistance.

The Canadian Pacific, although largely financed with money obtained in London, and having a large part of its stock held by British shareholders, is a Canadian Company with a Canadian Board, and its policy and management controlled in Canada in a sense that was never true of the Grand Trunk. The Grand Trunk was essentially an English Company operating in Canada, with a London Board, and its policy controlled from this side. Consequently, from the very outset there was antagonism between the Grand Trunk Company and the Canadian Government.

Apart from the interest peculiar to the stockholders themselves, the only public interest in the matter now is that Canada, having permitted the Company to operate in its territory for a period now of nearly 70 years, should treat the stockholders with fairness, erring, if it is to err at all, on the side of generosity, rather than on the side of parsimony; and, in addition, an important public aspect of the question is that a great British Colony should not take advantage of the position of the Grand Trunk shareholders to obtain a valuable asset like the Grand Trunk itself, and particularly its Western extension, the Grand Trunk Pacific, at a forced sale price.

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Rubber Topics.

In common with all the other markets, the fear of a higher Bank rate—a fear which the current Bank return proved to be groundless—prevented any great display of activity. Consequently, the market remained on the whole quiet during the week. At the same time, the tone was firm, and the issue of good reports continued to attract attention to the several companies concerned. It was noted, however, that there were comparatively few shares on offer. There were a few minor reactions, mainly the natural outcome of the rises of the previous week. Thus Golcondas, which had come in for so much attention last week, reacted at the opening to 82*s*. 6*d*., and closed lower still on Thursday at 80*s*. Bukit Rajahs dropped a little at first to 11⅝, but then recovered to 11¾, and closed firm at 11¼ ex-div. on Thursday. Djapoera, with a dividend of 20%, advanced rapidly to 42*s*. 6*d*., and closed at 44*s*. on Thursday.

Not every scheme for sale as amalgamation goes through. It is announced that the proposed amalgamation between Pegoh, Limited, and Chimpul (F.M.S.) Rubber Estates, Limited, has had to be abandoned. Again, strong opposition has been offered to the sale of the Johore Rubber Lands (1913), Limited, at £2 7*s*. 6*d*. per share, plus a dividend of 15%, less tax, for 1919, and of the Segamat (Johore) Rubber Estates, Limited, at £3 3*s*. per share, in addition to a final dividend of 10%, less tax, for 1919. At both meetings, which were held on February 24, the resolution in favour of the sale was defeated by a show of hands, and a poll was demanded, the result of which will be known early next week. A contrast is afforded by the sanctioning of the proposed increase in capital of the Bukit Mertajam Rubber Company this week from £175,000 to £300,000 by the creation of 1,250,000 shares of 2*s*. each. It is proposed to issue 274,083 shares at 4*s*., of which 27,524 are reserved for subscription by the staff, and the remaining 246,559 are to be offered to existing shareholders at the rate of one share for every seven shares held. As these shares stand at 6*s*. in the market, there is contained in this offer a good bonus, which no doubt will help to secure the prompt acceptance of these shares.

TAIPING (PERAK).

Issued Capital: £208,890 in 2/0 Shares

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Yield per Bearing Acre lb.	Price Realised per lb.	"All in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915–16	2,390	1,990*	627,170	315	2/0¾	1/4¼	52,134	33,426 (a)	[illegible]
1916–17	2,500	1,990*	675,197	340	2s 8d	1/4¼	52,383	35,856 (a)	[illegible]
1917–18	2,780	—	599,610	—	1/7·0	1/0¼	15,191	7,767 (a)	5
1918–19	2,859	—	681,562	—	1/8·0	1/0·7	23,343	14,623 (a)	10

(a) After deduction of income tax. * Six years' bearing.
† Including selling charges. ‡ Exclusive of income tax.

Price of Shares, 5 4. Market Capitalisation per planted acre, £196.

A rather healthy improvement in the condition of this Company is revealed in the annual report for

the year ended September 30, 1919. Although the output of rubber is over 9,000 lb. below the restricted output for 1917-18, the average price realised per lb. has increased approximately 1*d.* per lb. with no increase in the "all-in" cost. Consequently, a net profit of £20,343 is realised, as compared with £15,451 for 1917-18, thus enabling the directors to recommend a dividend of 10% less tax. In 1917-18 a very large portion of the crop—391,626 lb.—was sold in the East at 1*s.* 6.61*d.* per lb. For the year under review the amount thus sold reached 280,050 lb. at the higher average gross price of 1*s.* 8.24*d.* per lb. On the other hand, whilst in 1917-18 a price of 2*s.* 1.97*d.* per lb. was secured for 124,611 lb. retailed in London, the sale of 203,160 lb. in that market in 1918-19 was only effected at the lower average gross price of 1*s.* 9.78*d.* per lb. For the current year the estimated output of rubber is 650,000 lb. During the four months of the year that have now elapsed an output of 221,000 lb. has been secured, which is well up to the estimate, and compares more favourably still with 179,000 lb. for the corresponding period of 1918-19. At present, in addition to 2,839 planted acres, arrangements are made for the planting during the year of 200 acres in accordance with the adopted policy of planting that area every year. Some 300 other acres have been felled, which gives a total of 3,300 acres planted, being planted, or ready for planting. The area of the whole estate is 5,274 acres, which leaves a substantial margin of reserve land. During the year under review arrangements were made for the working of tin on some 60 acres of the Company's property; but a difficulty has arisen through the refusal of the Government to grant the application for water-rights, on the ground that the water was required to satisfy the needs of the rapidly growing Trong Town.

The position of the Company as disclosed in its balance sheet as on September 30, 1919, is very favourable. Liquid assets to the value of £21,269 are available to meet the claims of sundry creditors amounting to £15,369. Moreover, the value of the estates, buildings, and machinery, including the necessary expenditure for development purposes, and allowing for depreciation, stands at £269,000; whereas the subscribed capital of the Company is only £208,000 Availing themselves of the cessation of the Treasury embargo upon issues of capital during the War, the directors have decided to redress this position, and to raise the capital to a figure more in keeping with the sums expended on the property. Accordingly, at the last general meeting it was agreed to increase the authorised capital to £300,000 by creating 900,000 shares of 2*s.* each. In addition to the dividend of 10% less tax, a bonus of 20% free of tax (equivalent to 28½% subject to tax) was declared. The bonus is not, however, to be paid in cash, but in shares at the rate of one new share for each five shares held. This involves an issue of 417,780 shares of 2*s.*, increasing the issued capital by £41,778 to £250,668, and reducing in consequence the balance carried forward from £54,598 to £12,820, out of which excess profits duty has yet to be paid. Thus the shareholders actually receive a dividend, including bonus, of 38½% less tax; but if the market price of the bonus share be considered the total dividend is about 87% less tax. And this is not the end; for the directors also propose to issue a further 417,780 shares of 2*s.* at par to existing shareholders, at the rate of one share for each five shares held, on February 6, 1920. As the shares are quoted at 5*s.* 4*d.* in the market, this offer confers a further substantial bonus upon the shareholders, and will consequently find prompt acceptance.

ESCOT RUBBER (SELANGOR).

Issued Capital: £30,030 in 2s. Shares.

Debentures: £100 (convertible into shares as to four 2s. shares for every £1 of Debentures).

Results for Years to September 30

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit† £	Dividend Amt. £	Dividend %
1916 ...	1,035	761*	209,511	274	2/6.78	1/5.3	11,228	6,523	25
1917 ...	1,118	764*	245,403	333	2/4.65	1/5.5	11,268	5,421	20
1918 ...	1,118	765*	180,373	236	1/9.25	1/6.6	2,156	5,888	20
1919 ...	1,118	800‡	235,581	295	1/10.50	1/1·1	9,419	7,478	25

* Including 513 acres of 1910, 1911, and 1912 plantations.
† After writing off depreciation of buildings and machinery. ‡ Estimate.

Price of Shares, 10/3. Market Capitalisation per planted acre (including fina. conversion of £100 Debentures), £131.

In common with most other rubber companies this firm suffered during 1917-18 from the restricted output involved in the agreement with the Rubber Growers' Association. Moreover, whilst the "all-in" cost for that year had increased by 1.1*d.* per lb., the price realised per lb. had fallen by over 7¼*d.* The result was to produce a net profit of £2,156, as compared with £11,268 in the preceding year. The dividend of 20%, less tax, in that year was only rendered possible by the existence of a large balance of £20,578 carried forward from the previous account. For 1918-19 restriction of output only applied to three months. Consequently the Company were able not merely to improve on the low output for 1917-18, but were also able to exceed their estimated output of 211,600 lb. by over 20,000 lb. In addition, whilst securing a higher average price per lb. of 1*s.* 10½*d.*, they were successful in effecting a considerable reduction in the "all-in" cost to 1*s.* 1.1*d.* These factors were instrumental in leaving a net profit over four times that secured in 1917-18, out of which a dividend of 25%, subject to tax, could be paid. Prospects for the current year seem very favourable. The estimated crop is 319,300 lb., representing an increase of more than 33⅓% over that of 1918-19. Confirmation is to hand to some extent, for it emerges that the yield for the last three months of 1919 is approximately one-fourth of the estimated crop. Moreover, forward sales for the current year have taken place at prices allowing a profit at least of 11*d.* per lb., as compared with 9½*d.* in 1918-19, and such sales have reference to 114,000 lb. In the absence of unforeseen circumstances, therefore, the promised resumption of an interim dividend in July will take place.

The position, as seen from the balance sheet dated September 30, 1919, is admittedly strong. The estate account, including expenditure on development for the year under review, and after allowing £502 for depreciation, amounts to £57,116. Against this stands a capital of £30,030 and £100 Debenture stock. But since the accounts were published this stock has been converted into Ordinary shares in accordance with the agreement, thereby making the total capital £30,070. In addition, 60,140 shares have been allotted to existing shareholders at 4*s.* each. Consequently, the existing capital consists of 360,840 shares of 2*s.* each, or a total of £36,084. Even at this figure the difference between the capital and the estate account is great enough to suggest the likelihood in the immediate future of the capitalisation of profits or reserves to redress the balance. The ultimate disappearance of the Debenture stock from the balance sheet sets free a redemption reserve of £4,801, to which an addition has been made out of the profits of the last year of £4,199, thereby providing a general reserve of £9,000. In addition comes the balance of £12,434 in the share premium account, which has been increased to £18,448 by the premium of 2*s.* on the shares issued since the accounts were closed. Thus the Company has a total sum of £27,448 which can be utilised for purposes of capital conversion. Sundry creditors amount only to £5,568, to meet which there are liquid assets exceeding £13,000, consisting of a cash balance of £1,264, sundry debtors amounting to £753, National War Bonds to the value of £2,000, and rubber estimated to be worth £9,857.

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Insurance Notes.

SUN LIFE ASSURANCE SOCIETY.

A GOOD many life offices that have not yet issued their annual reports for 1919 have given the figures of their new business returns for that year, and a large increase in this respect has almost invariably been reported by them in these cases. This shows that life assurance business has vastly benefited by the return of so many workers from the warlike to the pacific sphere, and also by the great demand for new policies from the vast body of young Britons who had been debarred for some years from obtaining them, except at practically prohibitive rates, on account of their lives being temporarily subjected to war risks. Another reason for the increased demand for new assurances has undoubtedly been the diminished value of money accompanied by the rise in prices for all commodities. The amount previously provided by all policies of life assurance is found, as compared with post-War standards, to be inadequate to the purposes for which these contracts were intended, and a large addition to the amounts of their policies in force has evidently been thought necessary by a vast number of people. It is clear that the new life business record of 1919, when available, will be found very largely in excess, not only of any year during the War, but of any year in the entire history of the business. Some of the offices which have already given their new business figures, show increases of cent. per cent. over those of 1918 and even more. But the annual report of the Sun Life Assurance Society, which is now to hand, puts into the shade all the records of proportionate progress during 1919 hitherto given, although it is quite possible, of course, that other life companies, when their accounts are presented, may submit equally startling and gratifying figures. The new policies issued by the Sun Life Company in 1919 numbered 9,784 for a net sum assured (after deduction of re-assurances of £206,500) of £4,432,205, as compared with the 1918 record of 2,780 new policies for a net sum of £1,673,093. Thus the number of the new policies was increased by about 250%, and the net amount of the new sums assured by about 165%. The whole of the new life business of the Sun Life Company was obtained in both years in the United Kingdom, there being no colonial or foreign business, and the Company's record so far has been surpassed on very rare occasions (there is only one which the writer of these notes remembers) under these conditions by any British life office not transacting industrial life business. The Sun Life is one of our oldest life offices. It was founded in 1810, just a century after its fire insurance namesake and close business associate, the Sun Insurance Company, and it is very satisfactory to see signs of such active and vigorous development in a veteran of its class. Despite its age its business methods are quite up to date and in accordance with the requirements of modern times, and in some respects it has been ahead of its contemporaries in putting forward new and attractive schemes to suit the latest requirements of the life-assuring community. For many years before the War it had a fine and consistent bonus record. On the last quinquennial valuation occasion, which occurred during the War, following the close of the period ended December 31, 1916, no general distribution of profits was made, owing to the exigencies of those abnormal times, but the position of the Company and the prospects of future bonuses to its participating policyholders were strengthened by the carrying forward to the now current quinquennium of an unappropriated valuation balance amounting to £626,277. This was accompanied by a decision to pay interim bonuses of appropriate amounts in the cases of all participating policies maturing or becoming claims by death before the next investigation on December 31, 1921, in respect of each premium paid since the last general distribution of bonus as at the close of 1911.

The Company's total net life premium income in 1919 amounted to £1,196,582, showing the large increase of £132,860 as compared with the corresponding figure for the previous year. The expense ratio, comparing premium income with expenses of management, commission, and a transfer of £8,500 to the superannuation fund, seems to have been about 18.2%. This is higher by nearly 3% than the expense ratio in 1918, but some considerable increase was only to be expected from two causes—(1) the greatly enhanced amount of the new business, involving a large amount of initial but reproductive expenditure, and (2) the increased cost of administrative and clerical labour now necessarily imposed upon all life offices. The ratio is under these circumstances by no means excessive, and it is well within the margin of premiums which was reserved by the Company at its last valuation for costs and contingencies. The death claims in 1919 amounted to £546,911. Endowment assurances for £276,932 matured by survivance. Surrenders were paid to the extent of £70,209, including surrenders of bonuses. The life assurance fund, as the result of the year's operations, was increased by £487,259 to £10,907,556. The gross interest earnings on the life assurance fund amounted to £508,624, and the net interest earnings (after deduction of £92,299 for income tax, less a rebate in respect of past payments) to £416,325. The interest yield on the fund was £4 17*s.* 9*d.* per cent. before and £3 19*s.* 8*d* per cent. after deduction of income tax, as compared with the rate of 3% assumed for valuation purposes. The difference represents a very substantial contribution to the profits of the current quinquennium.

The Company granted new annuities for £6,645 in 1919. The consideration received therefor, added to renewal premiums on deferred and reversionary annuities, amounted to £31,943. Annuities for

£123,263 were paid. The annuity fund on December 31, 1919, amounted to £1,417,323.

The minor operations of the Company, apart from the main business of life assurance, embrace sinking-fund and capital redemption business and a very small accident section. The sinking-fund and capital redemption premiums in 1919 amounted to £113,829, and at the close of the year the relative fund was £1,773,918. The accident premiums totalled £3,820, and the accident fund at close of year £17,664.

The Company is proprietary in constitution. The authorised capital amounts to £1,000,000, of which £480,000 is subscribed and paid up, in 48,000 shares of £10 each, fully paid. The dividends, which are declared free of tax, have been considerably reduced of late years, on account of the non-declaration of profits in respect of the quinquennium ended December 31, 1916. For 1913, 1914, and 1915 they were 20*s.* per share in each year, and for 1916 they were 18*s.* per share, but in each year since then they have been only 7*s.* 6*d.* per share. That this is believed by the market to be but a temporary condition is shown by the fact that recent prices have not been far short of £20 per share. The proprietors' fund on December 31, 1919, amounted to £492,240, inclusive of the share capital.

The balance sheet at the close of last year showed total assets of £14,949,221, of which over £7,500,000, or more than half, represented British Government securities.

The Company has branches in most of the principal business centres in the United Kingdom, as well as in 10 different districts in the Metropolitan area. Amongst its particular schemes are the assurance of lives under certain conditions without requiring the ordeal of medical examination, and the acceptance of payment of premiums, when so desired, by monthly instalments. Special inducements are given to total abstainers, reductions in the amount of premiums paid, according to the tabular rates, being granted in their favour to the extent of 5% under whole-of-life tables, and of 2½% in case of endowment assurances.

Messrs. Morland and Impey, Limited, of Kalamazoo Works, Northfield, Birmingham, ask us to state that their Company was formed in 1908.

We understand that an issue will shortly be announced of 300,000 shares of £1 each in a Company with the title MARITIME SALVORS, LIMITED, which has been formed with a capital of half a million to carry on the business of marine salvors, wreck removers, ship and tug owners, and towage contractors.

The profit of the General Electric Company, Limited, for the year ended with March last amounts to £480,827. The Preference dividend absorbs £85,292, and 10% on the Ordinary accounts for £113,867. There is carried forward £141,502, while the total reserve now amounts to £300,000.

"Modern Japan: Its Political, Military, and Industrial Organisation." By William Montgomery McGovern, Ph.D., Lecturer on Japanese at the School of Oriental Studies, University of London, Priest of the Nishi, Hongwanyi, Kyoto, Japan. With a Preface by Prof. Sir E. Denison Ross, Ph.D., C.I.E. This is an interesting book by one who is well qualified to attempt a description of the evolution of Japan as a Great Power. Mr. McGovern at an early age was attracted to the study of Japanese, and before coming to England two years ago he had spent ten years in the Far East, of which six were devoted to studies in Japan. He finally took a distinguished degree in Buddhist philosophy, which entitles him to priestly dignity. The reader will find in this work much of value in the acute analysis of the Japanese nation. The publishers are Messrs. T. Fisher Unwin, Limited, and the price is 15*s.* net.

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Commercial.

EMPIRE TIN.

OUT of a total estimated production throughout the world of something exceeding 130,000 tons more than 70,000 is obtained in the British Empire. The principal source of supply of British-mined tin is the Straits Settlements and the Federated States of the Malay Peninsula, which produce in a normal year roughly about 50,000 tons. The next largest contributor is Australia, then come the Cornish mines of the United Kingdom itself. Next in importance in the source of supply are the tin deposits found in Nigeria, and next to them those of the Union of South Africa. The Federated Malay States, India, and Swaziland contribute to a small extent to the British total, which exceeds, all told, as above stated, some 70,000 tons.

How exceedingly modern is the use of tin upon the scale to which in recent times we have become accustomed will be appreciated when we say that until well into the eighteenth century the principal source of the world's supply of tin was the Cornish mines of the United Kingdom. This had been the case from very remote antiquity, as far as the European supply was concerned. Then, as now, the total supply mined in the United Kingdom did not much exceed 5,000 tons. The British mines, tradition asserts, have been worked for a period extending over 25 centuries, at a period when the great cities of Western Asia were the principal centres of distribution of the metal trades, as they were practised at that remote period. It is asserted that Cadiz, in Spain, was the chief market for the raw products, tin which had been mined in Cornwall being brought to Cadiz for distribution. Why this was so has never been fully explained. Tin was, and still is, mined in Spain, and Spain with Britain appears to have been, even in very early times, a source of supply for the raw products. Spanish tin, however, is in modern times a low-grade ore, and presumably was so in ancient times as well. Cornish tin appears always to have commanded a higher price, although, owing to the comparatively poor metal contents of the Spanish ores, the cost of working must have been considerable

Of course the Spanish mines had in those days the advantage of being much nearer to the distributing markets. Freight from Britain, with the shipping presumably available in the open seas along the Atlantic coast, must have been a hazardous enterprise.

Countries outside the British Empire produce altogether some 60,000 tons, the principal source of supply being the Republic of Bolivia in South America. The quantity of tin mined in Bolivia varies in different years between 20 and 30 thousand tons. Text-books on the subject will tell you that tin-mining in Bolivia is an entirely new industry, the mines only being discovered in the last quarter of the last century. What they really mean is that Bolivia as a source of supply for tin for the requirements of the modern world is quite recent. Tin, however, was mined in Bolivia at a very remote period, as there seems no reasonable doubt that the ancient Peruvians, who, as the reader is aware, had attained a very high degree of civilisation at the time Peru was conquered by Pizarro, obtained their tin from that part of the possessions of the ancient Bolivian monarchy. In what we call Peru proper tin is not known to exist even to-day. We will refer to the matter more fully in discussing the uses of tin in ancient as well as in modern times later. Suffice it to say that tin, mixed with copper, formed the principal weapon of offence, and defence, of the armies of the ancient Peruvian Government. Exactly how the combine was brought about has been lost, not because it did not make an exceedingly sharp and effective weapon in its way, but because it was so extravagantly expensive that Europeans, who were well acquainted with the use of steel, declined to have anything to do with it. It would appear from the knowledge that has come down to us that the ancient Peruvian army owed its sensational and rapid defeat to the fact that it was so poorly supplied with these costly weapons, whereas every Spanish soldier was armed with a steel sword or bayonet.

The next most important foreign source of tin after Bolivia is the East Indies, which belong to Holland. The Dutch East Indies produce between 17,000 and 20,000 tons each year. China comes next with an output varying between 7,000 and 9,000 tons, and China is closely followed by Siam, which produces between 6,000 and 9,000 tons per annum. The United States produces some tin, but an amount so small that it hardly has any appreciable effect upon the enormous consumption of that country. Spain, as we have said, has been for an immense length of time, possibly as long as our own mines in Cornwall, a source of supply. At one time she appeared to have produced nearly as much as was and is produced in this country, although, as we have said, the metal contents are exceedingly low. In these latter days Spain has fallen off greatly as a source of supply; since the War it has almost ceased to be of any importance at all. Even before the War the output varied very greatly, in some years rising to an output of between 5,000 and 6,000 tons, while in others less than 30 tons were obtained from the Spanish mines. Tin is also found in Portugal, but the Portuguese contribution to the world's total supply is not large. Tin deposits are believed to exist in Poland, but as far as we are aware they are not and never have been worked. There seems no reasonable doubt that tin deposits of unknown value, distributed over an extensive area, do in fact exist in the Ural Mountains of Russia, and it is also believed that tin deposits are found in far away Siberia, in the neighbourhood of the Baikal Lake.

Tin prices have been high for a long time now, although the metal was formerly comparatively inexpensive. The keen demand for it from the United States, to which we refer in the next paragraph, has brought about a state of things which clearly indicates the shortage of supplies. Practically, it may be said that the United States, or rather certain industries of the United States, have found a new use for tin. The price of the metal, even before the War, had become extravagant. When estimated in money values of those days, which approximated nearer to commodity values than they do now, they were such that it was evident the world would welcome the development of tin deposits known to exist in various parts of the world. Even before the War tin of approved quality commanded in the London markets, when freights were exceedingly low, as much as £200 a ton. At present the price varies between £390 and over £400 a ton. Whether this can be regarded as any appreciable rise in price, bearing in mind the total change that has taken place since the War in relative values when expressed in money and commodities, we do not feel ourselves in a position to speak with any certainty. If the reader studies commodity prices, and the changed relations that have taken place in values, when expressed in money and expressed in commodities, he is in as good a position to form an opinion as we can pretend to be.

With the exception of its use in pipes for distilleries and the form of tinfoil, tin is practically never used alone. Owing perhaps to its low specific gravity it is one of the easiest metals to smelt, even in a primitive form of the smelting furnace. Doubtless this was one of the reasons why it was so much used by the ancients, who do not appear to have possessed smelting plants capable of dealing with the refractory metals which smelters in modern times are accustomed to handle. It melts at a comparatively moderate temperature. In ancient, as in modern times, it appears nearly always to have been used as an alloy in combination with some other metal, usually, apparently, in the past with copper. It is now used, in combination with lead, to make, for example, the well-known English pewter; in combination with bismuth to make various kinds of solder products, and for fusible metals with cadmium, and also with phosphorus. It is also used sometimes in combination with zinc. In modern times it is used for making soldering products, for electric fittings, for fusible metals, in combination with copper, for making bronze coins, tin metal, bell metal, phosphor bronze, and bronze bearings. In addition, it is an important constituent in the making of pipes, as well as Britannia metal for spinnings, rollings, and castings, tinplates, solder, bearing metals, brass and bronze, tinfoil, collapsible tubes, and white metal. Formerly it was used almost exclusively in combination with copper or lead for the purpose of making weapons and various articles, chiefly for domestic use, or the ornamentation of public buildings, or the residences of wealthy persons.

In these latter days nearly 40% of the world's total production of tin from the various countries is imported into the United States of America. During the past half-century, owing to the growth of the demand for food products of various kinds in the growing centres of manufacture in Western Europe, and in other parts of the world, an ever-increasing demand has developed for various kinds of food products, which it has been found most convenient to pack in tins, for the purpose of their preservation. Meat products, different kinds of prepared cereals

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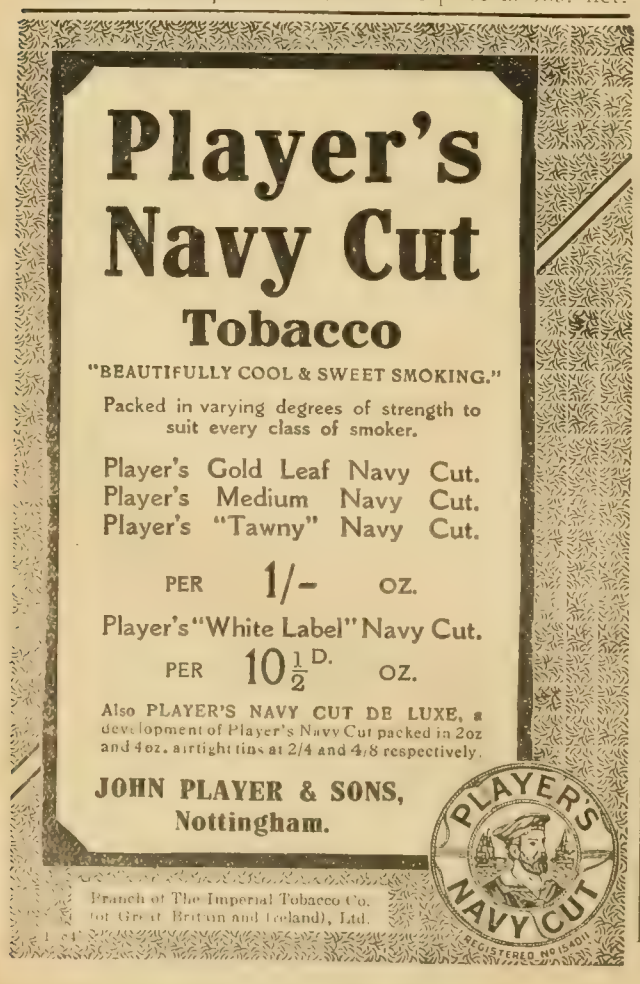
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fruit, and canned fish, make an ever-growing demand on the sources of tin supply. This has been brought about by the development upon an enormous scale of what is known as the tinplate industry. Until about 20 years ago tinplates were made almost exclusively in South Wales, but about that time the metal workers in the United States determined to develop a tinplate industry of their own. Tinplates are made by heating to a certain temperature very thin sheets of iron or steel, and pouring upon them in molten state boiling tin. After going through a certain process, and being allowed to cool, these sheets can be cut into the various forms of tin packages which are used in the packing industry in the United States and in other parts of the world. South Wales is still perhaps the most imprtant source of manufacture for tinplates, but the United States, as said above, also manufactures a large proportion used in the various industries.

Messrs. S. Instone and Company, Limited, of London, Cardiff, and elsewhere, have purchased the entire share capital and assets in the Woolston Steamship Company, Limited, which Company's fleet of steamers amounts to some 20,000 tons d.w., with new tonnage nearing completion. The Company was formed in 1915, and possessed at one time 30,000 to 40,000 tons of shipping, but lost several fine vessels during the War. The deal is said to be approaching a million sterling. Messrs. S. Instone and Company, Limited, who own and control a considerable amount of tonnage, are also large colliery proprietors and exporters.

"Zanzibar: The Island Metropolis of Eastern Africa." By Major F. B. Pearce, C.M.G., British Resident in Zanzibar. This work deals with the history of Zanzibar from the earliest times. The country is fully dealt with, and its present ruler is introduced to the reader in a personal interview. The latter portions of the work are devoted to descriptions of the ruined Arab and Persian stone-built towns. The text is elucidated by a series of photographs and by specially prepared maps. Messrs. T. Fisher Unwin, Limited, are the publishers, and the price is 30*s.* net.



New Issues.

LEVER BROTHERS, LIMITED.

Messrs. Lever Brothers, Limited, invite subscriptions for an issue of four millions 7 per Cent. Cumulative "C" Preference share of £1 each at par, the first dividend on which will be payable on July 1 next. Messrs. Lever Brothers in its present form was instituted in 1894 to acquire the business of soap and glycerine manufacturers carried on at Port Sunlight by the private firm which preceded the existence of the Company. Lever Brothers, Limited, now has an authorised capital of 100 millions sterling, of which there has been issued £25,916,943 5*s.* in various classes of shares.

OILFIELDS OF EGYPT, LIMITED.

This Company has acquired three oil concessions totalling 75 square miles on the Red Sea. Drilling already carried out, as well as geological surveys, indicate that the concessions include the same series of formations as are being worked by the Anglo-Egyptian Oil Fields, Limited. The Company is formed with a capital of £750,000 in £1 shares, of which £450,000 will be issued, and £300,000 offered within the next few days to public subscription. The vendors are Messrs. Graham and Company, East India merchants, with allied firms and friends; and £110,000 have already been spent by them on the property. Several well-known men in the oil world are included on the board.

Dawson Car, Limited, are offering for subscription at par 200,000 Ordinary shares of £1 each. The authorised capital is £250,000 in shares of £1 each, of which there have been issued as fully-paid 44,102, 30,602 having been paid for in cash. There are issued and outstanding to secure temporary advances £30,000 Five per Cent. First Mortgage Debentures, which are to be repaid out of the proceeds of the present issue. The Company was formed in October last as a private concern, and the new Company secures works at Walsgrave Road, Coventry, which have just been built and equipped for the turning out of high-class pleasure cars. It is stated that there are at present orders on the Company's books for 512 cars approximating a total sales figure of £300,000.

South Wales Fuel Company, Limited, invite subscription for an issue at par of 120,000 7½ per Cent. Cumulative Participating Preference shares of £1 each, and participating as to 25% of all further profits available for distribution, of which 95,000 are now offered for subscription at par. The authorised capital is £125,000, divided into 120,000 7½ per Cent. Cumulative Participating Preference shares of £1 each, and 100,000 Ordinary shares of one snilling each. The Company has been formed for the manufacture of briquettes and patent fuels hitherto carried on at King's Dock, Swansea.

Trawlers (White Sea and Grimsby), Limited, has been formed with an authorised capital of £500,000 divided in Ordinary shares of £1 each. The Company invites subscription for an issue of 300,000 Ordinary shares of £1 each at par. The Company has been formed for the purpose of acquiring and taking over, as from March 1920, a fleet of 12 steam trawlers, all of which are now fishing out of the Port of Grimsby.

Trinidad Western Oilfields, Limited, with an authorised capital of £150,000, divided into 600,000 shares of 5*s.* each, have issued £100,000, or 400,000 shares of 5*s.* each. This issue was made under licence of H.M. Treasury under the Defence of the Realm Regulations. It has been publicly announced, in accordance with the regulations of the Committee of the London Stock Exchange, and is for information only.

Elite Picture Theatre (Leeds), Limited, with an authorised capital of £125,000, have made an

issue of 75,000 7½% Cumulative Preference shares of £1 each at par and 50,000 Ordinary shares of £1 each at par, of which 71,000 Cumulative Preference shares and 46,000 Ordinary shares are offered to the public. The object of the Company is to operate a picture theatre and tea-rooms in Leeds.

Lloyds Bank Limited are authorised to receive subscriptions for 300,000 8% Cumulative Participating Preference shares at par in R. W. Crabtree and Sons, Limited. The Company has been formed to acquire as a going concern the business of R. W. Crabtree and Sons, makers of printing machines and other machines used in the printing trade.

Goodson's Mantle and Costume Company (1920), Limited, make an issue of 400,000 8% Cumulative Preference shares of £1 each and 600,000 Ordinary shares of 1*s.* each. The object of the Company is to acquire the business of Messrs. Goodsons, Limited, carried on in Manchester and London and various provincial cities for the sale of ladies' mantles and costumes.

The General Film Renting (1920) Company, Limited, has been formed with a capital of £600,000, in Ordinary shares of £1 each, of which a quarter of a million are now offered at par. The object of this Company is to acquire 80% of the share capital of Barker Motion Photography, Limited, producers of cinematograph films.

W. Barratt and Company, Limited "Footshape" Works, Northampton, has been formed with a share capital of £100,000. The Company now invites subscriptions for 30,000 New 5½ per Cent. Cumulative Preference shares of £1 each, at par. The Company has been formed to take over the business of "Boots-by-Post," which was founded in 1913 by Mr. William Barratt, the present Chairman and Managing Director of the Company.

Brolt, Limited, has an authorised capital of £350,000 in shares of £1 each, the whole of which are now issued, and applications for the same are invited at par. Brolt, Limited, are patentees and manufacturers of electric lighting and self-starting sets for motor cars. The Company takes over as from January 1 of the present year the net assets of a Company with the same name registered in 1911.

The New Royalty Kinema (Brixton), Limited, has been formed with a capital of £60,000, divided into 240,000 Ordinary shares of 5*s.* each, the whole amount of which are now issued, and applications are invited for these shares. The Company has been formed to acquire the picture-theatre of this name at Brixton.

The Lower Segama Rubber Estates, Limited, has been formed with a capital of £100,000, divided into 1,000,000 shares of 2*s.* each, of which 250,000 shares will be issued fully-paid in part payment of the purchase price, and 525,000 shares are now offered for subscription at par. The Company has been formed to acquire the The New Darvel Pay (Borneo) Tobacco Plantations, Limited, their rubber estate on the Segama River, British North Borneo, and to work and develop the same.

A Company with the name of The Dobson Steam Fishing Company, Limited, has been formed to acquire from Mr. Charles Dobson his fleet of eleven steam-fishing trawlers, his business of fish salesman, commission agent, and ships' chandler, and the leasehold premises, store, and net warehouse at Grimsby. Applications are now invited for 100,000 Ordinary shares of £1 each at par.

With the object of acquiring three separate groups of alluvial tin-lands now being actively operated in Northern Nigeria, the Nigerian Consolidated Mines, Limited, has been formed with a share capital of £70,000, divided into 280,000 shares of 5*s.* each. Applications are now invited for 280,000 shares at par, payable as to 2*s.* 6*d.* per share on application and 2*s.* 6*d.* per share on allotment.

LLOYDS BANK LIMITED.

HEAD OFFICE: 71, LOMBARD STREET, E.C. 3.

CAPITAL SUBSCRIBED	(Dec., 1919)	£5[illegible],878,400
CAPITAL PAID UP	do.	9,420,544
RESERVE FUND	do.	9,675,105
DEPOSITS, &c.	do.	325,938,436
ADVANCES, &c.	do.	135,763,591

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Industrial Companies.

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Year ended Oct. 31	Net Trading Profits &c.	To General Reserve	Ord. Div. Amount	Ord. Div. %	Bonus to Customers†	Carried Forward‡
	£	£	£		£	£
1914...	2,533,360	1,000,000	971,103	35	241,742	315,417
1915...	3,699,891	1,000,000	1,113,800	40	282,157	313,588
1916...	3,912,686	1,000,000	1,253,252	22½(a)	326,623	219,571
1917...	3,538,539	1,000,000	1,253,981	22½	311,815	271,025
1918...	3,826,191	1,000,000	1,358,479	16⅔(a)	324,025	466,708
1919...	4,665,109	1,000,000	2,089,105	15 (b)	194,426(c)	613,412

Including bonus and free of tax. † Full bonus paid for year
‡ Including reserve for customers' bonus for half-year ended October 31.
(a) On increased capital through issue of bonus shares.
(b) On capital doubled by issue of share for share at par.
(c) Interim payment only.

The accounts of this great tobacco combine for the year ended October 31, 1919, reveal a marked improvement upon the satisfactory progress of the previous year. Glancing over the above analysis of the accounts since the War, it is evident that the last financial year has been one of outstanding prosperity, yielding a total profit of over 20% higher than that of 1917-18. All through the War period the earnings of the combine were sufficiently high to permit a steady annual allocation of £1,000,000 to the general reserve. The working of the bonus scheme, through which the Company induces traders to push their products, is evidenced in the gradual rise of the sum spent in this direction from £241,742 in 1914 to £324,025 in 1918. Moreover, there has been created a fund amounting to £1,100,914 to provide suitable pensions for the employees. In addition, it was proposed to grant to each employé a bonus equal to the profit of the year. After paying the usual Preference dividends, there was allocated to the Ordinary shareholders on account of £2,089,105, and proposed a dividend of 15%, free of tax (equal to 21% less tax) on the existing capital of £16,661,987. However, if allowance is made for the £2,784,199 bonus shares given in 1916, and a further bonus of shares of £2,786,624 awarded in 1918, the dividend for the last financial year on the

actual amount of capital subscribed by the shareholders works out at over 32%, less tax.

The real strength of the combine stands out more clearly in the balance sheet:—

Balance-sheet Figures as on October 31.

LIABILITIES.	Issued Capital—Preferred	Issued Capital—Ordinary	Sundry Creditors	General Reserve	Carry-forward
	£	£	£	£	£
1914 ...	12,857,936	2,784,499	965,308	5,250,000	1,616,609
1915 ...	12,857,936	2,784,499	1,734,902	6,250,000	1,756,995
1916 ...	12,857,936	5,573,248	3,235,001	4,465,501	1,749,553
1917 ...	12,857,936	5,573,248	3,845,270	5,465,501	1,805,796
1918 ...	12,857,936	8,359,872	9,355,258*	3,678,877	2,100,049
1919 ...	12,857,936	16,661,987	10,035,413*	4,678,877	2,905,047

ASSETS.	Fixed Assets	Goodwill & Patents	Invests. in Assoc. Co.'s.	Stock	Debtors	Cash
	£	£	£	£	£	£
1914 ...	1,419,467	9,428,335	1,771,168	6,468,842	1,985,627	1,225,630
1915 ...	1,292,478	9,425,270	1,793,728	7,683,691	2,330,787	700,965
1916 ...	1,214,688	9,425,270	1,805,643	8,429,159	3,285,960	839,851
1917 ...	1,258,580	9,422,582	1,809,095	9,791,153	4,178,400	1,083,331
1918 ...	1,250,642	9,422,582	3,267,351	14,242,307	4,845,243	1,961,989
1919 ...	1,909,334	9,422,582	3,880,603	21,484,055	6,208,802	1,741,747

* Including provision for excess profits duty for two years and income tax and estimated capital liability under dividend guarantees.

The growth of the Ordinary capital has been very marked during the War. In 1916, £2,784,499 of the reserve was capitalised, and a bonus was given to each shareholder of one share for each share held. The next year another bonus of one share for each two shares held was awarded, thus increasing the total of the Ordinary capital to £8,359,872. Finally, during 1919 the capital was doubled by issuing share for share to existing shareholders at par. This represented another substantial bonus, seeing that at no time during 1919 did the Ordinary shares fall below 57*s.* in the market. However, the business of the concern has been developing so rapidly that further capital will again be needed, and, according to the Chairman, details of the scheme will be available shortly. Seeing that the market quotation of the shares is now 73*s.* 6*d.*, it is evident that such new shares could be issued at a fairly high premium and still leave a good bonus to the shareholders. The very great increase in sundry creditors to £10,035,413 is attributed partially to the increased cost of the leaf, but largely to the provision for excess profits duty for 1918 and 1919, for income tax, and for estimated capital liability in connection with dividend guarantees, employers' liability, marine and other funds. At the same time this sum, large as it is, is well covered by liquid assets, sundry debtors and cash alone amounting to nearly £8,000,000. Despite the large reduction in the reserve necessitated by the capitalisation schemes, the total now is £4,678,877; whilst the amount carried forward has increased rapidly from £1,616,609 in 1914 to £2,905,047 in 1919. Fixed assets increased during the year by £658,692, the increase mainly representing the price paid for the purchase of the Bristol factories of the British-American Tobacco Company. Since 1914 also there has been a marked rise in the amount representing the investments in associated companies, which has more than doubled, standing in 1919 at £3,880,603. The explanation lies in the additional purchases of shares in the British-American Company, this and similar investments producing a large proportion of the total income of the combine.

Yet one other asset invites attention. "Stock-in-trade at or under cost, less amounts set aside to meet fluctuations in the value of leaf tobacco," is returned at no less a figure than £21,484,055. Since 1914, indeed, the growth in value of the stock as appearing in the annual balance sheets has been rather remarkable. Starting in 1914 with £6,468,842, the value rose steadily to £9,791,153 in 1917. Then came an addition of over 50% in 1918 with a value of £14,242,307, whilst the last return gives a further rise of more than 50% to £21,484,055. Taking this large stock into consideration—the value of which is reduced by an unknown reserve against fluctuations in the value of the leaf—as well as the latest profit of £4,665,109 and the generous dividend to shareholders, the ordinary man in the street finds it rather difficult to grasp the necessity for the further rise in the price of tobacco announced at the general meeting of the combine. At the same time, it is only fair to refer to the forces mentioned by the Chairman as causing this rise. Undoubtedly the fall in the American exchange must result in an increased cost of the leaf. But according to the recent report of the Tobacco Sub-Committee the value of the leaf imported in 1918 was only £15,674,102, as compared with the duty levied on it of £40,386,488. Thus the cost of the leaf is, comparatively speaking, a small proportion of the total cost. To quote the report again: "Out of 10*s.* 8*d.* per lb. charged to-day for a cheap tobacco about 8*s.* must be regarded as tax." Consequently, without further figures as to the exact extent to which the loss in exchange, in conjunction with the actual increase in the price of the leaf, has increased this part of the cost, and the relation which such cost has to the total cost, including manufacturing charges and taxation, it is not easy to arrive at a just decision. Moreover, the Chairman of the combine has stated that their large stocks have considerably declined, and this, of course, weakens any argument for postponing the rise that might have been advanced in view of the large stock disclosed in the latest balance sheet. Again, it is well to bear in mind that the Government draws a very large revenue from tobacco, which is chargeable as soon as the raw material is taken out of bond. Interest on the large amount paid in taxation is charged to the retailer by the manufacturer, and interest on this swelled amount is charged, in turn, by the retailer to the consumer. This species of charge for interest on money paid during the early processes for taxation is thus an additional burden falling on the consumer, and helps to make the price charged to him appreciably higher. Consequently the recommendation of the Tobacco Sub-Committee that some way ought to be found of obviating this unnecessary charge merits consideration.

Finally, it is necessary to refer to the decision arrived at by this Committee, to the effect that the rise in the price of tobacco since 1914 is in no way attributable to the existence of the Imperial Tobacco Company. This combine, supplying 55% to 60% of the tobacco consumed in the United Kingdom, has, to all intents and purposes, a virtual monopoly of the trade. Yet whilst since 1914 the duty on tobacco has increased by 122%, the cost to the consumer has advanced only 110%. "We cannot but conclude," reads the report, "that down to this date (December 13, 1919) the existence of the Imperial Tobacco Company, with its present policy, has not resulted in raising the price of tobacco or cigarettes to the consumer, but, on the contrary, has tended in the opposite direction. Nor have we discovered that the Imperial Tobacco Company has so far exercised any injurious influence on the trade." In the light of this unqualified verdict, it may be that the recent rise in price is inevitable; but the combine, in its own interests, would do well to place before the consumers such figures as would enable them to realise the necessity for it. At present, beyond some general reference to the unfavourable exchange and the cost of the leaf—factors which are too vague for the average man to comprehend—the consumer is in the dark, and, consequently, the ill-considered charge of profiteering is freely made.

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MEETINGS
OF PUBLIC COMPANIES.

ST. JAMES' AND PALL MALL ELECTRIC LIGHT COMPANY, LIMITED.

THE ordinary general meeting of this Company was held on February 24 at the offices, Carnaby Street Station, Golden Square, London, W., Mr. Walter Leaf (the Chairman) presiding.

The Chairman, in moving the adoption of the report, said: Ladies and Gentlemen,—The year through which we have just passed has been a remarkable one, and its character is reflected in the very remarkable figures which we lay before you to-day. The revival of trade in the leading industries of the country has been most striking, and all the more striking because of the labour troubles through which we have been passing. In this revival the electrical industry has had its full share, and our main difficulty in 1919, especially in the later months, has been not to extend our output, but to cope with the fresh business which has been pouring in upon us, and, I may add, is still pouring in. In 1918 we sold to the public 10,593,000 units; in 1919 this had risen to 12,190,000, an increase of over 15%; while our revenue rose from £160,205 to £208,466, or about 30%. We have had, in fact, a record year. This increase in revenue is not due to any raising of price to the consumer during the 12 months, for we have not raised our prices since September 1918; but of course we have had, during the whole of the 12 months, the revenue from the increase which came into force only in the latter part of 1918. Against this we have, of course, to set a large increase in the cost of production, mainly in the price of coal, due to circumstances which are prominently enough before the public to excuse me from mentioning them here. The lost of generation and distribution has in fact risen from £95,105 in 1918 to £116,763 in 1919. After deducting this increase, however, there still remains a large addition to our profit for the year, and the allocation of this has involved various important matters.

Important extension work.

The most important of these is the financing of the central Company, from which we now draw all but about 2½% of our supply. The growth of our business has involved large obligations in the extension of our Grove Road station. It has been our fundamental policy to keep this station thoroughly up to date and well in advance of our requirements and those of our friends and allies, the Westminster Company; and well for us it is that we have done so. But for the foresight of our engineers and managers we should have been overwhelmed this winter by the calls that have come upon us. And we have further requirements pressing us hard. We are already giving a supply in bulk to the Chelsea Company, and it is probable that before long we may be called upon to render assistance to other important undertakings who find themselves unable to meet the heavy demands now being made upon them. Fortunately we decided early last year upon a large extension of the buildings and plant of the Central Company, and very good progress has already been made. Unfortunately there have been delays beyond our control in the delivery of the new 10,000 kw. set on which we are dependent for our next year's supply; but so far as that goes we shall be prepared in good time. The fresh demands have, however, made it essential that we should order yet another 10,000 kw. set, and push on with building extensions in the form of a new boiler-house, which in our original estimates we thought could have been postponed for a year or two. In fact we have in hand by way of extension what would have been regarded only a few years ago as a complete new generating station of the first order.

Solution of financial problem.

This has involved us in financial commitments of very large amount; and the way in which the cash is to be provided has been a matter of serious pre-occupation. The moment is singularly unfavourable for public borrowing in the form of either Debentures or shares, not only because of the high rate of interest now required, but because the short and uncertain tenure of our concession would involve terms so onerous that we could not possibly suggest them to you. Under these circumstances we have to provide the money from our own resources; and we have felt bound, therefore, to keep a large amount of our profits in hand. It is for this purpose that we are asking you to extend up to a sum of £300,000, the total nominal capital of the Company, the borrowing powers which you entrust to the board. We do not think that we can possibly finance the Central Company without increasing our loans to them to an extent which will make it necessary for us to borrow large amounts ourselves from time to time. This I say in anticipation of the resolution which will presently come before you.

But we wish to have as little recourse to loans as possible, and to provide what we have to find out of our own money in hand. Our resources are, as you see by the balance sheet, to some extent locked up in the form of investments. These we have hitherto considered rather as an investment of our capital reserve. But it is possible that it may be necessary for us to realise part of them and invest the proceeds in the business. We have hitherto taken them at cost price, on the ground that we did not expect to realise before the termination of our life in 1931; but the time has now come when we must revise that view, and adapt ourselves to altered conditions. We have, therefore, decided to add to our depreciation account the whole sum required to write down these securities to their market value on December 31 last, and for this purpose we have set aside the sum of £14,728, which makes us safe if the necessity should arise; while, if there should be a recovery from the present low market values, this will all come back to you as a realisable reserve. In any case it is, of course, an addition to our resources which will be of material assistance in helping us to make the necessary advances to the Central Company before we have to borrow from the Bank.

Increase of Dividend: pending Concession to Consumers.

After making this large reserve, we still have enough in hand to justify us in proposing to you that you should raise the dividend of the year from 10% to 12%, the dividend of the year before the War. This we trust will not be disagreeible to you, and we ask for your support. But I confess that I should not be quite happy if we did not couple this rise in dividend with some relief to our consumers. The total rise in our prices has been accepted by them with the best of good will; I think they have freely recognised that the increase in the cost of lighting has been considerably less than that of most other items in the housekeeper's bills. We shall, under the instructions of the Coal Controller, return them a small amount of their current quarter's bills, in consideration of the reduction of 10s. per ton in the price of coal used for domestic or household purposes, but that, I fear, will be an almost negligible amount. We hope, however, shortly to be able to announce a concession which will have the effect of reducing the cost of supply to our consumers.

Workmen's comfort considered.

In spite of the troublous times through which we have been passing, I am thankful to say that our relations with our workmen have been entirely friendly, and in every way satisfactory. Of the cost of the new extensions at Grove Road a quite considerable part is due to the provision of greater comfort for our men there, in the shape of better mess-rooms, facilities for bathing, and the like. The expense is large, but it is one to which we consider that the men are fully entitled. During the past year the majority of our men who left their work to fight for their country have returned to their employment, and we are proud to welcome them upon their return.

Despite the fact that nearly 18 months have elapsed since hostilities ceased, times have remained difficult, owing to the great demands upon manufacturers for reconstruction purposes, machinery and materials being increasingly difficult to obtain. The maintenance of the supply of coal has been a continual source of anxiety. The Controller of Coal Mines has restricted supplies to the Grove Road Power Station throughout the period of heavy load, in order to enable other undertakings to maintain their position, and the reserve stocks which we accumulated, at very considerable cost, to secure supplies to our own consumers have been heavily depleted. This is, of course, a matter entirely beyond our control.

It is of interest to record that an Industrial Council for the electricity supply industry, on the lines of the Whitley scheme, has recently been formed for the London area, through the medium of which representatives of employers and employees will meet at regular intervals to discuss matters affecting their interests. This should go far to strengthen the amicable relations which have always existed between the directors and the employees.

We have mentioned in our report a matter which has naturally occupied a very large part of our time and attention during the past year, the Electricity Supply Bill which was before both Houses of Parliament last summer. I may tell you that it has been a great tax upon all of us. The meetings which one or other of your directors have had to attend during the year in this connection, by way of conferences between the various London companies, have, in fact, exceeded the number of meetings of our own board, and have on the average, I think, involved considerably more time and study

Collaboration of London Supply Companies.

The outcome of these conferences has been the formation by the companies in the West End group, including the Charing Cross Company, led by its able Chairman, Mr. Fladgate, who has throughout presided over our meetings, of a small private limited Company, with a capital of £50,000, for the purpose of drawing up a scheme for the electrical supply of London. That Company, in which the St. James' has taken 729 shares of £1 each, was intended to form the nucleus of a general combination of all the London companies. There is, I hope, a good prospect that it will end by including all the companies and the presentation of one common scheme. The municipal authorities, we understand, have got out a scheme of their own, which will also be put before the Commissioners, so that we shall have a straight issue between public and private supply. We believe that we shall make our case good. At all events, we are grateful for the Electricity Supply Bill as ultimately passed. It is a great step forward that a Commission of technical experts should have been appointed. The head of the Commission, Sir John Snell, enjoys the confidence of all; and we shall rejoice that we can present our case to such a capable tribunal, instead of to a Committee of the House of Commons. I can only promise you that we shall all use our most earnest efforts towards the protection of your industry. (Applause.)

Mr. Marlborough R. Pryor seconded the motion, which was carried unanimously.

SELFRIDGE AND COMPANY, LIMITED.

THE twelfth ordinary general meeting of this Company was held on February 26 at the Company's Store, Oxford Street, London, Mr. H. Gordon Selfridge, Chairman and Managing Director, presiding.

The Secretary (Mr. A. H. Youngman) having read the notice convening the meeting and the report of the auditors,

The Chairman moved the adoption of the report, and said: In the conduct and management of a great distributing business such as this there are four or five primary and absolutely vital points or factors which must be constantly watched and scrutinised, and upon the degree of care, judgment, and broadmindedness with which that work is done will be determined to a great extent the position and progress of the business. These points are the stock of merchandise, the amount of returns, the percentage of gross profits, the expenses, the character and *personnèl* of the staff, and the abnormal times through which we have been for years, and still are, passing make this necessity of watchfulness and care much greater.

Have you ever thought what it means to carry on a business such as this?—a business which has no copyrights, patents, or special protection of any kind whatever, but, instead, is one which anyone who chooses may enter into and compete with. Have you realised the mountain of details which are all part of the day's work, and the infinite care with which those details must be systematised and then carried out?

And if the stock of merchandise—which is, after all, the chief attraction to the public—is not right in values, in variety, in general excellence, the enterprise suffers. This merchandise must be secured from the markets of the world, and one even not familiar with the details of management can easily imagine the difficulties associated with its selection and buying. At all times the great stock is a sensitive point, but in abnormal times like the present it is doubly and trebly so.

The daily or yearly returns are vital, because upon these depend absolutely the life of the business. The goods are bought at one price and sold at another, and from the difference, representing what is called the gross profit, are deducted the expenses of every kind and nature. The difference is the net profit.

Causes of high prices.

During the past year prices have been high—not because merchants and shopkeepers have been "profiteering," but because the entire world requires more of nearly everything than is being produced, and is, therefore, bidding prices up, and also because of the greatly added cost of production owing to the shortened number of working-hours and the great increase in wages and salaries. When the shelves and warehouses of the world are again filled prices will become steadier, but until that time it becomes difficult to expect seriously reduced prices, and even then there is no likelihood of a drop to anything like pre-war rates.

Increased prices, making the cost of living higher, are irritating to the public, who are too often disinclined to take into consideration their own increased incomes. To somewhat mitigate this irritation we, as one of the largest distributing houses, have continually marked goods at a lower gross profit per cent. than ever before in our history. Thus you see another of the vital points of the business—the gross profit per cent.—has been affected.

Now a further factor comes into the case, and this, too, is of utmost importance, not only to the progress, but to the very life of the business—namely, expenses. Out of our list of several hundred monthly items of expense, almost every one has increased during the past three or four years enormously, and, more to-day than ever before, it becomes obligatory to scrutinise continually with greatest care the expenses of the business.

The bright spot in our list of the five important divisions of this house is the character and quality of our staff, which is to-day at a higher point of efficiency, of creative ability, and a general all-round excellence than at any previous time, and it is largely owing to their continually intelligent effort and attention to almost infinite details that our returns have been so excellent. It has been hard to do business this past year, and the difficult after-War conditions have been associated with other difficulties which are the children of legislation.

Legislative interference v. Free Competition.

Business always thrives best when let alone by the lawmakers, and competition is so every ready and so severe that it can usually be depended upon to keep business up and profits down to the point consistent with the public's requirements. Departments of the State must desire business to be as healthy and as good as possible, because such a condition brings prosperity and contentment to the people of the State. But interference or control by public officials has never yet in any nation or in any period of history done other than injure business, and the businesses of a nation are one of its chief assets. Is it not, then, wiser, now that the War is over, to relieve business from control to the greatest extent and as quickly as possible? Will not the Government let us all trade where we will and how we will? Let us be restrained from making monopolistic combinations, and let us compete with each other up to the hilt. As for ourselves, we will guarantee that none of our neighbours and friendly competitors will be given the opportunity of being too greedy in the way of prices, even if they would, and we have no doubt they will be equally aggressive in holding us up to the mark.

A word in season.

During recent years success has been regarded by many of the public with a certain unhappy disrespect, and it has almost seemed necessary to apologise for doing well in business. The public has been made to feel, through occasional ill-advised Government action, and by unfortunate newspaper articles, that nearly everyone in business is making undue and unfair profits. No consideration has been given to the vastly greater capital required, the greater risks, the enormously increased expenses, &c. The fact is, as far as our observation goes—and this extends in detail over a very wide area—the distributors of merchandise, the big stores and shops, are not getting as much average gross profit per cent. as before the War or up to 1918, and, instead of being guilty of that easily spoken word "profiteering," are paying their greatly increased taxes with a smile, and assuming their obligations as "the wage-earners of the State" with just that earnestness and feeling of patriotic responsibility which the most severe critic would fairly wish. The men of business must eventually, more than any other part of the community, find the money to pay their nation's debt, and they should be encouraged to build their businesses larger and larger, so that they will have the wherewithal with which to do it. Is it not true that we are having from all sides too much destructive rather than constructive criticism?

But I have digressed too much. This is a meeting in which the year's figures are to be gone over. Very well, let us examine them, and in examining them see how they confirm some of the above observations.

Our stock of merchandise, which has been reduced to the low point for stocktaking purposes, is much greater than last year. The entire commercial world has had a seller's market for several years, which means that the seller or maker of goods could sell more than he could make, and was therefore independent. This condition still exists, and our high stock represents excellent value. The sundry debtors is high, because we have so heavily increased our returns, but all this means, of course, a greater capital outlay.

Record Net Profit.

Our net profit is the largest in our history, and unless our net profit continues always to be larger every succeeding year, we shall feel that something is entirely wrong with the management. This is a progressive undertaking, and that means doing continually better. I may add, however, that our per cent. profit is much smaller than heretofore, and our per cent. expense is higher than we like to see it. But because of a handsome increase in the annual turnover, we are able to show an increased net profit. This net profit of £372,479 7*s*., *plus* the amount brought forward of £173,719 11*s*. 11*d*., makes a total of £546,198 18*s*. 11*d*., which it is proposed to distribute as follows:—

	£	*s*.	*d*.
Debenture interest	16,744	10	0
Dividend Preference shares ...	63,360	0	0
Reserve excess profits duty	95,000	0	0
Expense of Issue Preference shares	31,890	19	5
To create a reserve fund	150,000	0	0
Dividend Ordinary shares	50,000	0	0

Leaving a balance to be carried forward of £139,203 9*s*. 6*d*.

The profits of our branch houses are not included. A number of them have not yet been for 12 months under our control, and in most of them we have used the profits in creating a better physical condition. We have increased their stocks of merchandise, built new fittings, and added departments, but this work has only just begun, and we shall try to develop each one into a continually better and greater "buying headquarters" for its public. They are all doing well, and we have added to the list since this balance sheet was prepared, and shall continue to do so. The provincial branches of this business will in time become a very important part of the whole.

The resolution was seconded and adopted, and the retiring director and auditors were reappointed.

The meeting terminated with a vote of thanks to the Chairman, directors, and staff.

Increase of Capital.

At an extra-ordinary general meeting subsequently held a resolution was passed to increase the capital to £2,550,000 by the creation of 250,000 Preferred Ordinary shares of £1 each, ranking in priority both in respect of capital and income to the Ordinary shares for the time being of the Company.

HARPER BEAN, LIMITED.

The statutory meeting of Harper Bean, Limited, was held at Caxton Hall, Westminster, S.W., on February 24, Mr. H. J. Whitcomb, the Chairman of the Company, presiding.

The Secretary (Mr. W. J. Collins) having read the notice convening the meeting,

The Chairman said: Ladies and gentlemen, this meeting is the ordinary statutory meeting of the Company to deal with the question of allotment of shares and cash paid up, and the disposal of that cash. These particulars are set forth in the notice which has been sent to you. Before dealing with the details of these items I would like just to give you a little more information about the working of our Company.

When we formed the Company time was rather stringent with us. We had been working quite a long while in preparation, and at the last moment we found that we had not the time to give you all the details which we would have liked to give. Nevertheless, it was very gratifying to those of us who promoted this Company to find the extraordinary support that was given to us. It was a mark of very great confidence in your directors. Now, I should like to give you a little more information which I think will be very pleasing to you.

Dividend prospects of Associated Companies.

In the first place I will deal with the associated companies, that is, the companies outside the main company of Harper, Sons and Bean, Limited. From a very close investigation which I have made of the working of all those companies and of the progress which they are making, I can tell you now that I see no reason at all to change our forecast of our being assured of a 10% earning upon the capital of the associated companies. In dealing with some of them I think we can reasonably look forward to a greater return. For instance, there is the Vulcan Motor and Engineering Company. That we had taken in hand some time before the formation of Harper Bean, Limited—that is, those of us who were connected with the formation of the Company—and we got well away with our reorganisation of that Company. The result is that to-day that Company is in a most satisfactory condition. Its production is exceeding all our expectations, and with prices ruling as they are to-day, and the very big market there is, I shall be very much surprised if the Vulcan's earnings for 1920—the first year of the interest of Harper Bean in that Company—do not show a very much larger return than 10% on the amount we have invested in that company.

We will now go to the Swift Company. The reorganisation of the Swift Company came on much later, but the strides we are making in that reorganisation are so rapid that I anticipate the production from that factory will be at least double in 1920 what I thought and forecasted in making up my estimate of the profit earnings of Harper Bean in the prospectus. The spirit which is prevailing in those two of the principal auxiliary manufacturing companies is splendid. There has been no opposition to our advancement, and everyone is working so well together that we should have excellent results.

Now as to the main factory—that is, the factory of Harper, Sons and Bean, of Dudley, Tipton and Smethwick. Those works are run in several sections. The foundries are treated as though they were a distinct business. These foundries were working right through the moulders' strike—not at full pressure, but fortunately for us the end of the moulders' strike came very soon after the formation of our Company. We were able during that strike to manufacture or cast sufficient parts to keep the whole of our programme going, and the result was that the Vulcan Company were able to get an extraordinary production during the moulders' strike while the production of other companies was dwindling away. We were also able to get together a large supply of castings for our own products, so it has not been retarded at all. Then there are the stampings and drop forging shops. These also are worked as separate sections. They have been working at full pressure right through; there has been no diminution of profit-earning at all from these, and I think we can safely look forward to the profit from these two sections—that is, the foundries and the stampings and drop forging shops—coming well up to our expectations this year.

But the car manufacturing section is the one where we have made greatest strides. As far back as last August, when I went into this matter with Mr. Bean, we took the precaution of placing on order special machinery, and much of that special machinery had to come from the U.S. The result is that right from the very start of our Company we have been in the position of being equipped with the very latest machinery that this world has for car production. I think I might say, too, that that section at Tipton, which is now complete for the production of the Bean car so far as our 1920 programme is concerned, is probably the most up-to-date car-producing factory in the world. Its machinery is in many cases of later type than that which exists in many of the advanced American factories. Our organisers have been working very hard indeed, and the production of cars from that plant is going very greatly to exceed our expectations.

Manufacturing profits: estimate doubled.

In the prospectus I forecasted a profit of £350,000 for 1920 from our production of car chassis and component parts of cars—I refer there, of course, to what we call the machining or manufacturing of parts of cars from forgings and castings. Well, we are so far advanced that I can see no reason at all to anticipate any less than double the return in 1920 upon our forecast—(hear, hear)—in fact, I shall be very much surprised if we do not even exceed that. That estimate I gave you in the prospectus of £350,000 on this section is so very conservative that I think when our eventual results come out you will all be very pleased, and will feel much greater confidence in those who promoted this Company for having given you such a conservative estimate. (Hear, hear.)

Advance purchases justified.

All the investments which we have are to-day of an appreciating nature. We have invested in quite a number of companies—those companies which form the combine—and we have perhaps invested rather more than was necessary just for car production; but that has been done to safeguard supplies. As a result of that safeguarding on our part I should like to tell you that our stocks to-day are extraordinarily high. Much of that stock was purchased at prices which are lower than the prices ruling to-day. There does not seem to be any indication of the cost of raw materials going down, and I think we have got to congratulate ourselves on the foresight of our Managing Director in taking the bull by the horns and piling up his supplies in the way he has done. They are really extraordinary. (Hear, hear.) Again, I should like to tell you that as a result of his foresight much of the machinery which we have purchased was obtained at a fixed rate of exchange, and that has saved us a very large sum of money, and that, quite apart from the fact that we have been able to get that machinery, whereas I make bold to say there are very few other British motor manufacturers requiring up-to-date machinery who will be able to get it this year. (Applause.)

Interest of Employees in results.

There is one point in connection with the advance we have made which I should like to emphasise. If our expectations are realised, the workers who have the shares we made over to them, will get a very big return this year. There is no question but what the earning on these shares will be realised, and, after all, the earning is a good point even if they do not get it in the form of dividends. It will be very gratifying, I think, at the end of the year, to be able to show the workers that the way in which they have helped us to carry through this gigantic scheme has resulted in such a substantial sum—we will say 10%, or even a greater percentage of dividend—being shown on the shares they hold. It will mean that a lump sum almost unprecedented in the history of industrial work will be placed in the funds of the workers on their first year.

Low cost of flotation

Coming to the report, there is very little in this to which I need draw your attention, except one point which should be of interest to you, and that is, that the cost of floating this Company is a record. Here is a Company with £6,000,000 of capital floated at an outside cost, including brokerage, registration fees, and stamp duties, of less than £60,000—less than 1% on the capital. (Hear, hear.) I make bold to say that such a thing has never happened before, and it should be indeed gratifying to the shareholders to feel that no large part of the profits earned by the Company have to go in writing off preliminary expenses. (Hear, hear.) In dealing with this we will take the passing of the report and the resolution with regard to Messrs. Hadfields together. That resolution is only a slight modification of the original contract, in that it provides for Messrs. Hadfields being represented on the board for a period of 21 years, instead of ten as in the original agreement. I will now move that the report be adopted and the resolution be approved. (Applause.)

Sir Lyle Samuel, M.P.: Mr. Chairman, ladies and gentlemen, I have very great pleasure in seconding that resolution. I think that every shareholder in Harper Bean has every reason to have the greatest confidence in the board which is

conducting our affairs. I should imagine that, with Mr. Whitcomb, we might truly say that never has a Company of such magnitude been formed in this country at such a small margin of cost for preliminary expenses. When one considers that in the ordinary way this Company would have cost £300,000 in underwriting—the basis on which most of such companies are underwritten—I think the board are to be congratulated. (Hear, hear.) I think we may be confident also that in our Chairman and Managing Director we have in this Company two men who will carry it through in such a manner as to much more than exceed the very conservative promises on which we undertook to take our shares in this Company. I venture to think that everything they have fore told will be much exceeded, and I am sure that I am expressing the opinion of everyone in this room when I say that we look forward with great confidence to the future. (Applause.) I have much pleasure in seconding this resolution that the report be adopted, and the agreement between Messrs. Hadfield and the Company be approved

The resolution was carried unanimously, and the proceedings terminated.

LEGAL AND GENERAL ASSURANCE SOCIETY.

The annual general meeting of this Society was held on February 24 at 10 Fleet Street, London, Mr. Romer Williams, D.L., J.P. (the Chairman), presiding.

The Actuary and Manager (Mr. E. Colquhoun) read the notice.

The Chairman, in the course of his speech, said : The number of policies issued in the past year was 5,417, against 3,932 issued in 1918. The sums assured were £3,538,445, as against £2,170,058, and the premiums £168,741, as against £137,493. Deferred annuities were granted for £18,809. These figures are before deducting reassurances, the totals of the life and general funds being combined for brevity. The figures, after deducting reassurances, are : Sums assured, £3,335,104; deferred annuities, £18,809 per annum, as against £2,127,104 and £1,374 per annum in 1918, the net new premiums being £160,677, as against £133,647 in the previous year.

A New Business record.

These figures how a substantial increase under every heading in comparison with those of the previous year, and I am pleased to be able to add that the amount of net new sums assured for 1919 is the largest in the history of the Society. (Applause.) In 1919 the gross sums assured amounted to £3,865,614, a slightly higher figure than for last year, but a larger amount had then to be given off in reassurances, leaving the net figure of sums assured retained by the Society at £3,050,878 only, as against the £3,335,104 for 1919. Having regard to the fact that this Society has discontinued the issue of with-profit contracts since the middle of the year, I think you will agree that the figures are especially satisfactory. The total net premium income of both funds amounted to £1,166,813, an increase of £55,723 on that for 1918. The Society has received as consideration for annuities purchased the sum of £75,089. The total expenses and commission were 13.26% of the premium income, as against 11.2% in 1918. This increase is, of course, primarily due to the cost of the larger new business, but to a large extent it is due to a very considerable increase in the cost of all materials and the payment of increased emoluments to the staff rendered necessary to meet the high cost of living.

The total claims on the life-assurance fund amounted to £671,969, of which £196,532 represent claims under endowment assurances maturing for payment during the year. The remaining claims, amounting to £475,437, are due to the deaths of 306 lives assured, and of this amount £20,395 is attributable to deaths directly due to the War. For 1918 the death claims were £546,914, including £111,829 due directly to the War. The Society's mortality experience in 1919 was a favourable one, the total mortality, including War claims, being only 80% of the expectation. As a result of the Society's operations the funds have increased by £557,036 during the year. With regard to the Stock Exchange securities, a valuation by the Society's brokers as at December 31 last shows a deficiency of £67,582, but this is more than covered by the investment reserve fund of £40,694 and £64,672 shown as actual profit realised on investments sold. The average rate of interest has increased from £4 17*s.* per cent. to £4 18*s.* 6*d.* per cent., but any satisfaction in this is unfortunately largely discounted by the counteracting influence of the high rate of income tax.

The new classes of business.

With regard to the fire, accident, and miscellaneous business, a revenue account appears for the first time. The figures shown are small, but I would point out that they represent less than three months' actual working, and, as you know, we are already doing a substantial amount of reassurance business, and our endeavour is to build up a sound and profitable business in house-property and private insurance, though this plan must necessarily involve a slower ratio of progress. The results so far are distinctly encouraging.

The abandoned fusion.

You will no doubt expect me to say something to you as to the proposed fusion with the Guardian Office, which, as you know, has—in our opinion unfortunately—fallen through, because of the opposition of a minority of the shareholders. You must not suppose for one minute that the directors had any doubt as to the ability of the Legal and General to hold its own in these days of competition, but there is before us a serious time of hard work to build up the necessary machinery for the proper control of the fire and general business, which I have no doubt will come to us from our agencies and organisation, which I think are second to none. At the same time, it was the opinion of the directors that to ally themselves with the Guardian, who already had developed their fire and general business, would have been to the advantage of both parties. But, as I have said, the shareholders as a body do not take that view, and they are desirous, as I understand, of maintaining the Legal and General as a legal office, and we must therefore rely upon their cordial assistance in carrying out this end. I move that the report be adopted.

The Deputy-Chairman (Mr. Charles P. Johnson, J.P.) seconded the motion, which was carried unanimously.

UNITED SERDANG (SUMATRA) RUBBER PLANTATIONS, LIMITED.

The twelfth annual ordinary general meeting of this Company was held on February 24 in the Council Room of the Rubber Growers' Association, 38 Eastcheap, London, E.C., Mr. George Croll (the Chairman) presiding.

Mr. J. M. Kemp, the representative of the Secretaries (Harrisons and Crosfield, Limited), having read the notice convening the meeting and the report of the auditors,

The Chairman said : Gentlemen,—I have no doubt it will be your pleasure to take the report and accounts as read. There is no change in the issued and paid-up capital of the Company, which remains at £250,000. The amount standing at the credit of premiums on shares account is £170,141 7*s.* 5*d.*, which is the same as a year ago, whilst the amount at the credit of reserve account is £95,000, as against £85,000 at the end of August, 1918. If you approve of our recommendation to transfer £10,000 from last year's profits to reserve account the total amount standing at the credit of premiums and reserve account will be £275,141 7*s.* 5*d.*, which is equal to £24 11*s.* 9*d.* per planted acre. If these amounts are deducted the net book cost of the 11,191 acres planted at the end of August last was £25 5*s.* per acre, and this makes no allowance for the area of good plantable reserve land, estimated at 2,949 acres.

At the end of the financial year we had a deficit on capital account of £20,218, and we have to meet during the current year an estimated capital expenditure of £24,807. Against this we have the sum of £10,000, which we propose placing to reserve account, and a net carry-forward of undistributed profits of £31,461, which is the balance after making allowance for the estimated liability for excess profits duty for 1918-19 of £12,500. If our estimate of capital expenditure is adhered to, we should finish the current year with a deficit on capital account of £3,564, but this amount will be more than met by the sum which we shall write off for depreciation during the current year.

Crop estimate exceeded.

The crop of rubber harvested during the year was 3,084,945 lb., against a revised estimate of 2,961,832 lb., and a previous year's total of 2,678,564 lb. The crop was harvested from an average bearing area of 9,547 acres, or about 85% of the total planted area. The yield was at the rate of 321 lb. per acre, or 3.97 lb. per tree. At the commencement of the year 534,542 trees were being tapped, and this number was increased to 789,372 by the end of August last.

The cost of production free on board at port of shipment, including provision for commissions to staff, depreciation, &c., but excluding loss in exchange, was 1*s.* 0.86*d.* per lb., as against 1*s.* 1.88*d.* in the previous year. The crop realised a net average price of 1*s.* 9.35*d.* per lb., as against 1*s.* 10.26*d.* per lb. in the previous year. During the year a further area of approximately 500 acres was planted, bringing the total cultivated area up to 11,191 acres. A detailed statement of the plantings is set out in the directors' report. The standard system of clean weeding has been kept up, and the estates are in a clean weeded condition throughout. Including the upkeep of terraces, the cost of this work averaged 7.30*d.* per acre per month, which is a very low figure for first-class work.

The thinning out of the older areas was continued in a thorough and systematic manner. Each block of rubber has been considered separately on its merits, and each individual tree has been carefully selected. The Visiting Agent reports that, as the result of the earlier thinning out, the remaining trees in these areas show improved growth and bark renewal. Further progress was made with terracing the planted areas, and the work undertaken was carried out to the satisfaction of the Visiting Agent. The usual attention was given to the upkeep of roads, bridges, and drains.

No new disease made its appearance during the period under review, and our estates remain comparatively free from disease.

The labour force, which was sufficient for all ordinary requirements, numbered 4,932 at the end of August, as against 5,035 at the end of the previous year. Apart from a recurrence of the influenza epidemic towards the end of the year 1918, the health of both the European staff and the labour force was good.

For the current financial year our managers have estimated for a crop of 3,366,000 lb., and for the five months to January 31, 1,641,284 lb. had been harvested, so that, given normal conditions during the remaining months of the financial year, the estimate should be fully secured. Out of the current year's crop we have sold to date, including forward sales, 1,882,871 lb., at an estimated average net price of 1*s.* 10¼*d.* per lb., and out of the 1920-1 crop we have sold under forward contracts 241,920 lb., at an estimated average net price of 1*s.* 10½*d.* per lb.

The Year's Profit and Dividend.

The net profits for the year's working amounted to £107,725 15*s.*, to which has to be added £46,235 16*s.* 3*d.*, being the amount of the carry-forward from 1917-18, plus a refund of excess profits duty, less a small amount paid in respect of Netherlands Indies War Profits Tax. From the resulting total of £153,961 11*s.* 3*d.* we have to deduct the interim dividend of 10% paid in June 1919, leaving a balance of £128,961 11*s.* 3*d.* to be dealt with to-day. Our proposal is that a final dividend of 30%, less income tax, be paid, making 40% for the year; that the sum of £10,000 be placed to reserve account, and that the balance of £43,961 11*s.* 3*d.* be carried forward. This carry-forward is subject to excess profits duty for 1918-19 and Netherlands Indies War Profits Tax, if any.

Our thanks are due to our General Manager, divisional managers, and assistants for the very good work carried out by them during the year, and I shall be glad if the shareholders will show their appreciation of the services they have rendered by someone moving a vote of thanks to them before the meeting closes.

Large demand for product assured.

Since I addressed you last year a great change has come over the rubber position. As the result of War conditions large stocks had accumulated in the producing countries, and we were entering upon the period when, as the outcome of the large plantings in the years 1911, 1912, and 1913, most of us had looked to the possibility of two or three years of over-supply. The experience of the past twelve months has entirely dissipated any prospect of this, while the large and ever-increasing requirements of manufacturers to meet the demands made upon them in connection with the rapid development in the use of motor vehicles of all descriptions—quite apart from the innumerable other uses of rubber—justify one in anticipating that the rubber industry during the next few years is more likely to be faced with a shortage of the raw material than with any prospect of over-supply.

While, however, the marketing of our produce gives us no cause for anxiety, the present adverse rate of exchange and the exceptionally high price of rice very considerably add to the cost of production, and it is well that this should be borne in mind by shareholders in rubber companies.

I now beg to move: "That the directors' report and statement of accounts in respect of the financial year ended August 31, 1919, be and the same are hereby adopted." I will ask M. de Guigné, whom we are all very pleased to see here with us to-day, to second the adoption of the report, after which, if anyone wishes to ask any questions, I shall be pleased to answer them.

M. de Guigné seconded the resolution, which, in the absence of questions, was put to the meeting and carried unanimously.

The Chairman: I now beg to move: "That a final dividend of 30%, less income tax, be paid on the shares of the Company in respect of the financial year ended August 31, 1919, that the sum of £10,000 be placed to reserve account, and that the balance be carried forward to 1919-20." I will ask Mr. C. E. Morrison to second that.

Mr. C. E. Morrison seconded the resolution, which was unanimously agreed to.

Mr. Chas. Heath Clark: I have very much pleasure in moving that our Chairman, Mr. Geo. Croll, be and he is hereby re-elected a director of the Company. I do not think it is necessary for me to add anything to that; I expect you are all as convinced as we on the board are that Mr. Croll has unrivalled knowledge of the business of the Company, and certainly a very large part of the credit for the position which the Company occupies to-day is owing to his constant and wise attention to the business of the Company. I have very much pleasure in proposing that he be re-elected a director.

Mr. Hugh Roberts seconded the resolution.

Mr. G. L. Moore: I have very great pleasure in rising to support this resolution. I admit it is an unusual occurrence for a shareholder to rise and support such a resolution, but we all admit the justice of the remarks made by Mr. Heath Clark, and I may add that in the commercial world, and with all who have to do with rubber estates and rubber shares, Mr. Croll is looked upon as an authority—would it be exaggerating to say as the greatest living authority? (Applause). It is very pleasing to hear him so optimistic as he is; there is a clear ring about what he has said to us, and I am quite sure the future of this Company is quite safe under his chairmanship, as is the future of all those other companies over which he so frequently presides. I have very great pleasure in supporting the resolution. (Applause.)

The resolution was carried unanimously.

The Chairman: I thank you very much for the very kind way in which you have accepted the proposition before you.

Loss on Exchange.

Mr. S. Ellis asked what the loss on exchange had been, and suggested that this information should be given in future balance sheets.

The Chairman said he did not think there was any objection to giving the information in future balance sheets. For the past year the loss on exchange had been .73*d.* per lb., while for the previous year it was 2.36*d.*

On the motion of Mr. L. Lowe, seconded by Mr. Hugh Roberts, Messrs. McAuliffe, Davis and Hope were reappointed auditors.

The Chairman: That concludes the business of the first meeting.

Mr. Gordon: Before closing this meeting I should like to endorse the remarks made with regard to the Chairman, and also to move that a vote of thanks be passed to the directors, agents and staff in the East for their services during the past year.

The motion was seconded by Mr. Duncan and unanimously accorded.

The Chairman: I thank you on behalf of my co-directors, and particularly on behalf of the staff in the East, who, I am certain, will be gratified to receive your vote of thanks.

An extraordinary general meeting of the Company was then held for the purpose of considering resolutions enabling the directors to issue bonus shares and to increase their remuneration.

The representative of the Secretaries having read the notice,

The Chairman said: Gentlemen,—The first extraordinary resolution which you have just heard read provides for alterations in the Company's Articles of Association to permit of the issue of bonus shares. The board are of opinion that the time has come when it would be advantageous to have the issued capital of the Company more nearly representative of the amount of the fixed assets as shown by the balance sheet.



Proposed Capitalisation of Reserves.

At August 31 last these fixed assets stood in the Company's books at £545,658 6*s.* 1*d.*, whereas the issued and paid-up capital is only £250,000. This difference will be met, to a large extent, by the capitalisation of £250,000 of the amount at present standing at the credit of premiums on issues of shares and reserve accounts, and by the subsequent distribution to the shareholders of 2,500,000 shares of 2*s.* each, credited as fully paid.

If this extraordinary resolution is passed to-day, it will be submitted for confirmation at a further extraordinary meeting to be held on March 17, after which there will be submitted, as ordinary resolutions, one to increase the capital of the Company, and one to give effect to the distribution of the bonus shares among the members of the Company whose names are in the register on March 17.

The second extraordinary resolution which you have heard read proposes to alter the Company's Articles with a view to increasing the remuneration of the directors. In this connection I might mention that since 1910 the directors' fees have been at the rate of £150 per annum, with an additional £100 to the Chairman. We have felt -and I think you will agree—that these fees are hardly adequate remuneration for the work and responsibil'ty which devolve upon the directors of this Company. We propose that the fees be increased by £100 per annum, and, further, that the directors shall be entitled to a sum equal to 5% on the amount by which the dividend distributed in respect of any financial year of the Company on the Ordinary shares in the capital of the Company shall exceed 10%, but that such remuneration shall not exceed £1,500 in any one year.

I trust that you will consider the terms of this resolution fair and equitable, and that it will receive your approval. I now beg to move the first resolution as read by the representative of the Secretaries.

Mr. C. Heath Clark seconded the resolution, and it was unanimously agreed to.

The Chairman moved the second resolution, with regard to the directors' remuneration.

This was seconded by Mr. H. W. Morrison and carried unanimously.

The proceedings then terminated.

JOHORE RUBBER LANDS (1913), LIMITED.

An extraordinary general meeting of this Company was held on February 24 at Cannon Street Hotel, London, E.C., to consider a resolution confirming a provisional agreement for the sale of the undertaking. Mr. Joseph Ramsden, the Chairman, presided.

The Chairman said : Ladies and Gentlemen,—The circular you have received has told you quite plainly the nature of the business we are to transact to-day. Summarised, the agreement, which unhesitatingly we ask you to adopt, means that each shareho'der will receive £2 7*s.* 6*d.* per share and a dividend of 3*s.*, less tax, or, say, practically £2 10*s.* net for each share, which shares, on the day the agreement was entered into, were selling on the market here at 38*s.* to 39*s.* It provides that all the existing contracts, liabilities, and assets of every description, including the Segamat Ordinary shares and Debentures, shall be taken over by the purchasers, who shall also bear the costs of liquidation of the Company and the compensation to the board. That compensation amounts to approximately 2% on the purchase price—that is, a commission which would certainly have had to be paid had this big transaction been carried through, as is most frequently the case, by an intermediary. I think we are entitled to some credit for the fact that there was absolutely no leakage of information to the detriment of the shareholders as a whole. I can say, both for myself and all my colleagues, and also for the purchasers, that they have not acquired any shares whatsoever since these negotiations were initiated. (Hear, hear.) We think the purchasers have paid a fair in fact, a generous—price, and our unanimous considered judgment is that the shareholders would be well advised to confirm the contract.

The Chairman concluded by moving the adoption of the provisional agreement.

Mr. James Davenport, in seconding the resolution, said that it was due to Mr. Ramsden in very great measure that the very existence of the Company had been assured, and that the shareholders were called together that day to decide whether or not they would accept an offer of over one million sterling for the property.

A lengthy discussion ensued, in which several shareholders criticised the scheme.

The Chairman, in reply to various questions, said that the purchaser was Mr. Ormrod, a stockbroker, of Manchester. It was true that he was Chairman of the Dunlop Rubber Company, but he (the Chairman) did not know whether he was buying it on behalf of that Company. As to the future of prices and crops that was all pure conjecture.

Sir Chas. Jackson moved that the meeting be adjourned to give time for further consideration.

Mr. France seconded the amendment, which on a show of hands was carried, but the Chairman declared it lost in view of the proxies held by the board.

The resolution was then put to the meeting, and lost on a show of hands.

The Chairman demanded a poll, announcing that the result would be declared on Monday next.

SEGAMAT (JOHORE) RUBBER ESTATES, LIMITED.

An extraordinary general meeting of this Company was held on February 24 at Cannon Street Hotel, London, E.C., to consider a resolution confirming a provisional agreement for the sale of the undertaking. Mr. Joseph Ramsden (the Chairman) presided.

The Chairman said : Ladies and gentlemen,—The circular you have received plainly sets before you the nature of the business we are to transact to-day. The agreement we ask you to adopt means that each shareholder will receive £3 3*s.* per share and a final dividend of 2*s.* per share less tax for each share which he holds. The agreement provides that all existing contracts, liabilities, and assets of every description shall be taken over by the purchasers, who shall also bear the costs of liquidation of the Company and the compensation to the board. I should be placed in a very difficult position if I were to attempt to give you the whole of our reasons for the advice we give you to accept this contract. This much I can say—that if the last visiting agents' reports had been of a more satisfactory character, one might perhaps have obtained a slightly better price. Our manager, Mr. MacKay, has been home on leave, and, as I am afraid sometimes happens, affairs on the estate have not gone with the same vim as when he was there. Also we are faced with a considerable expenditure on a water scheme. We think the purchasers have paid a generous price, and our considered judgment unanimously is that the shareholders will be well advised to confirm the contract.

The Chairman concluded by moving : "That the provisional agreement for sale, dated February 14, 1920, which has been explained to this meeting, be confirmed, and that the directors be authorised to carry the same into effect with such modifications (if any) as the directors may approve."

Mr. Joseph C. Dunbar seconded the motion.

Mr. Long contended that the directors should have sold the property on the basis of £200 per acre. The shareholders had been waiting for years for their dividend and the prospects were now better.

Mr. Chas. Johnson moved the total rejection of the proposal. The shareholders, he said, ought to have been taken into the confidence of the board.

Mr. Wade seconded the rejection.

The Chairman said it would have been impossible to take the shareholders into their confidence before, as in that case there would have been no deal. Future possible profits were entirely problematical.

The resolution was defeated on a show of hands. The Chairman demanded a poll and said that the result would be announced next Monday. He added that the scheme had to be accepted by both the Johore Company and this Company; otherwise it could not be carried through.

A vote of thanks to the Chairman and the directors concluded the proceedings.

MAPLE AND COMPANY, LIMITED.

The thirtieth annual general meeting of Maple and Co., Limited, was held on the Company's premises, Tottenham Court Road, London, on February 26, Mr. Clare Henry Regnart, J.P. (the President), in the chair.

The Secretary (Mr. Walter Short) having read the notice convening the meeting and the auditors' report,

The President said : Ladies and gentlemen,—The balance sheet before you to-day requires little commendation from me—it speaks for itself. Let me just mention the various landmarks.

Distributions to shareholders.

First, the dividend of 17½% now proposed to be paid and the interim dividend paid in September last amount together to 20% for the year. Secondly, you will remember that in March last, after paying 15% dividend, we gave you a final dividend in the shape of 100 000 new fully-paid shares, and at the same time issued 250,000 new Ordinary shares at 30*s.* each. Thirdly, in October we capitalised £450,000 of the reserve fund, then standing at over a million, and distributed this in shares at the rate of one for three, thus making for the year new capital additions of £800,000. Even with this liberal distribution to the shareholders, our reserve fund still stands at the large figure of £620,500.

Now, this very satisfactory position has been attained, not by an increased ratio of profit, for on the total sales there has been a decreased ratio. The increased total profit is due to the enormous turnover, the largest in the history of the Company. (Applause.) It is further gratifying to see that this result has not been brought about by large contracts, but is the consequence of a large increase in the number of our customers, who doubtless are attracted by the more moderate prices just alluded to. The whole of the year,

1918 was greatly devoted to very large Government contracts and munition work, and even the spring of last year was occupied in completing and clearing up after the Government work—which, I may say, however acceptable during the war, we were glad to be relieved of when our normal trade returned. (Hear, hear.) Since June last the portion of our premises previously devoted to Government work—about one-third of the whole—has been reconstructed and renovated, and is now in full swing with our regular trade.

There is one point in the balance sheet I would call your attention to—namely, sundry debts of over £2,000,000, against £1,628,976 in 1918—a large increase, owing to the much greater turnover. Everyone of these debts has been carefully valued on our usual basis, and will quite realise the value put upon it. It will be interesting to you to know that on this basis our bad debts for the year 1919 only came to 6*d*. per £100. (Applause.)

Business expanding at home and abroad.

Our affiliated companies situated in Paris, Buenos Aires, and Monte Video, like ourselves, did a largely extended business. Unlike our financial year, which ends on December 31, their year ends in September, and I am pleased to tell you that all their figures show a considerable increase over those of the corresponding period of the preceding year. With regard to our future here, I dare not put into figures the increase in business we have made this year, but, should the same ratio continue, it will exceed our most sanguine expectations. (Applause.)

The President concluded by moving: "That the report, accounts, and balance sheet of this Company for the year 1919 be approved and adopted, and that a final dividend of 17½% be declared and paid, making, with the interim dividend of 2½% paid on September 1, 1919, a distribution of 20% for the year; that the holders of the management shares receive by way of dividend the amounts provided by the Articles of Association; that £70,000 be placed to reserve, in addition to £167,500, being the premium received on the April 1919 issue of Ordinary shares, raising the total reserve to £620,500; that £20,000 be paid as War bonuses to certain members of the staff; that £330,000 be placed to a reserve account for the purposes of excess profits duty, income tax, and contingencies; and that the sum of £1,286 13*s*. 3*d*. be carried forward to the credit of the Ordinary shares."

Outlook for Future Trade.

Mr. Frederick A. Dinham (Vice-President), in seconding the motion, said that in the old pre-War days the Company's foreign trade amounted to something like one-third of their whole turnover, but last year it amounted to only about 3%. There had been great difficulties in shipping goods owing to the restrictions of the Board of Trade and to foreigners not being able to come over to this country. They had lost one-third of their shipping business, but they would regain it. This time last year they were very short of Oriental carpets. The President, when he was head of the carpet department, always prided himself on having the largest stock of carpets in the world. About May of last year their establishment in Smyrna, which had been closed during the War, was reopened. Two representatives were sent out, and they were successful in getting large consignments of carpets. They had been arriving during the latter part of last year, and, although only about seven weeks of the current financial year had elapsed, they had already sold more Oriental carpets, or as many as they did during the whole of last year. (Applause.) The foreign trade was a source to which they must look for a good deal of their business in future. Sir Kingsley Wood, the Parliamentary private secretary of the Minister of Health, speaking of the future of building, said that there was enough building required to keep 1,000,000 men working steadily for ten years at the very least, and that more houses meant not only more roadmaking and more sewering, but the making of more furniture and other productive work. This Company hoped to get a great many orders for supplying furniture for those houses when they were built. He pointed out that £20,000 had been written off fixtures and furniture and £4,000 off gilt-edged securities. A great many people seemed to think that a distribution of 20% was rather excessive. The capital involved in the business at the present time, including the reserve fund, was short £4,420,000. They were paying away this year in dividends and Debenture interest £457,500, which really meant about 10% all round. They were also paying the Government its quota; the sum of £330,000 had been reserved for excess profits duty, and he thought they would pay the Government nearly as much as they were paying their Ordinary shareholders.

Mr. Baldwin asked if there was any possibility of the management shares being extinguished.

The President replied that the directors had not considered that matter; it might come up in the future.

The motion was carried unanimously.

The retiring directors having been re-elected and the auditors reappointed, the best thanks of the meeting were unanimously accorded to the President, Vice-President, Directors, and officials for their services during the past year, and to Mr. Clare Henry Regnart for presiding, the mover of the resolution, Mr. Herbert S. Cox, remarking that the gentlemen who had so well directed the fortunes of that big undertaking were almost without exception men who had served their business lives in Maple and Company, and consequently they knew their business from A to Z.

CEREBOS, LIMITED.

The sixteenth annual meeting of the shareholders of Cerebos, Limited, was held on Tuesday, February 24, at the Station Hotel, Newcastle-upon-Tyne, Mr. W. H. Collins, the Chairman and Managing Director, presided.

The Chairman, before moving the adoption of the annual report and accounts, referred in sympathetic terms to the loss sustained through the death of Mr. Jas. R. Stewart, one of the original directors.

Referring to the balance sheet, the Chairman thought the figures spoke for themselves, and that very little in the way of detailed comment was necessary.

Benefits from Middlewich Purchase.

He dealt at some length with the acquisition of the business of the Middlewich Salt Company, Limited, and explained that it was now some 16 years since they purchased the Greatham Works, and ever since they took possession they had at various times improved and increased the output. Following the fire in 1912, they installed a vacuum plant, the output of which they considered would be ample for their requirements, but, owing to the continual growth of their business and the increased demand for their goods, they had found it necessary during the last year or two to purchase salt. In saying this he did not mean to convey that they had reached a maximum output at Greatham. They could easily increase the output by installing an additional vacuum plant or other means of producing salt. But to do this would mean that all their goods would of necessity still have to come from one source of supply. At home they had a very big trade in every town in the United Kingdom, and anything that they could save in railway carriage or other transport charges meant additional profit to the Company, and when deciding to purchase the Middlewich Company the board took all these factors into most careful consideration. It was obvious to them that, if they had a factory in Cheshire, it would not only serve as an additional source of supply, but also as an alternative in case of fire or other accident, but most important was the saving to be effected by packing and distributing from there, as well as from Greatham, which must prove very beneficial by the saving of carriage in delivering to customers nearer to Cheshire than Greatham. They only took over this business in August of last year, and during the few months before the close of their financial year, November 30, 1919, they had had considerable assistance from Middlewich, which he hoped would be increased as time went on. They had a capable resident engineer in charge of the business, also one of their men from Greatham, who had been with the Company upwards of 20 years. He would say no more about this subject, only that it was another step in the progress made by the Company, and he hoped and believed it would turn out as successful as the purchase of the Greatham estate had done.

French and Canadian Demands.

As had been mentioned a year ago, the factory in Paris was not nearly large enough for the present business, and since then every effort had been made to secure new premises. Ultimately, a factory had been purchased, which, with a few alterations and improvements, would be large enough for the French business for some years to come.

The Chairman went on to say that he had only just returned from a visit to Canada, in which country the Company had done a steady business for the last 20 years. During his visit he was pleased to find their goods in demand, and it was surprising how they had maintained their sales, seeing that during the last few years they had only been able to ship a war package instead of their usual high-class packages, which were known throughout the world. He had visited a number of the large stores and discussed their goods with 20 of their Toronto agent's salesmen, who had all assured him that there was a greatly increased trade to be done with their goods in Canada. As the result of his visit they would now take steps to open a factory in Toronto, which, he hoped, would be the means of increasing their business, seeing that they would be able to give better service to their Canadian customers from a factory in Toronto than they could possibly give by shipping everything from England.

Contemplated Increase of Capital.

From the figures presented to them it must be obvious that they were doing a greatly increased business, both in value and volume, and, to cope with this increase, it was necessary to provide the means to deal with it. During the last year they had made additions to their plant and machinery, and at Greatham had extended the buildings to quite a considerable extent. In addition to these extensions they had placed all orders in their power in London, and had replaced some of the horse vehicles by motor lorries on hire contract. Further developments were contemplated, all necessitating capital outlay, and the directors were very carefully considering this question, and might find it necessary to raise capital. He

need hardly remind them that there was scarcely a business in the country but what had required additional capital to carry on since the War, owing to the increased values and the increased business. They had been able to manage without any increased capital, although their business had increased more than 100% in value and volume, compared with pre-War figures.

After expressing the indebtedness of the shareholders and the directors to the staff and workpeople for their loyal help during the year, the Chairman concluded by moving the adoption of the report, which was carried unanimously.

SOUTH AMERICAN STORES (GATH AND CHAVES), LIMITED.

An extraordinary general meeting of this Company was held on February 23 at Winchester House, Old Broad Street, London, for the purpose, nominally, of increasing the number of the directors, and also to hear an explanation from the Chairman with regard to the offer received from Harrods (Buenos Aires), Limited, to purchase the shares of the undertaking. Baron F. A. d'Erlanger (Chairman of the Company) presided.

The Chairman, in the course of his remarks, said: Many of the shareholders present are, no doubt, acquainted with the history of the firm of Gath and Chaves—by far the largest concern of its kind in South America; it was, indeed, looked upon with pride by the Argentine population as a kind of national institution when we became associated with it in 1912. Our trade in Buenos Aires, in the provinces of Argentina and in Chile, where our stores occupy the premier position, is as large to-day as it has ever been; and, as regards the financial position of the concern, the figures which I gave to you at the last general meeting are sufficiently eloquent. Our peace of mind was not seriously disturbed by the advent in 1914 of an important competitor, namely, Harrods (Buenos Aires), Limited, who opened their premises about a mile and a-half away from our stores; for Buenos Aires is a large city boasting of 1,652,000 inhabitants, and there was room for two large houses. Both Messrs. Harrods and ourselves are contemplating extensive building operations, which will result in a very substantial increase of our respective trading capacities, and Messrs. Harrods approached us with a view to seeing whether some arrangement could be devised by which the South American Stores and Harrods (Buenos Aires), Limited, could join hands. We reached an understanding as to the terms which we should be willing to accept in respect of our own holdings, and consequently to recommend to our shareholders. They are the following:

Three Ordinary shares in Harrods (Buenos Aires), Limited, for every two Preference shares of our Company, or in lieu thereof 32*s*. 6*d*. in cash for each Preference share.

The terms are exactly the same in respect of our Ordinary shares.

As regards the Deferred shares, you are offered either one Ordinary share in Harrods (Buenos Aires), Limited, for every three Deferred shares of our Company, or 7*s*. 2½*d*. in cash for each such Deferred share.

Harrods (Buenos Aires), Limited, showed last year a divisible profit of £194,531. As regards the current year, the directors have informed us that they have no doubt as to the profits of their company, supplemented by the dividends on the shares of our Company which they may acquire under the scheme, being sufficient to enable the payment of 10% upon the whole of the existing and proposed new Ordinary shares in respect of the year ending August 31, 1920. The profit and loss account which we laid before you in respect of the year ended July 31, 1919, shows a profit of £335,734. Our business is progressing very satisfactorily, and, given a continuation of present conditions, the profit for the current year may exceed that of last year by £150,000 to £200,000, possibly more. Nevertheless, we have come to the conclusion that Messrs. Harrods' offer is one which the shareholders will be well advised in accepting.

Our opinion is based on the following considerations: Our shares, Preference and Ordinary, on which a dividend of 8% and 8½% respectively has been paid for the last two years, were quoted during that period from par to 22*s*. The proprietors are now given the opportunity of exchanging them for shares in Harrods (Buenos Aires), Limited, on a basis equivalent to 37*s*. 6*d*., if these shares maintain their price. They can, if they prefer to do so, accept 32*s*. 6*d* in cash. Though we have not so far been seriously interfered with by competition, it behoves us to take into consideration the large extensions contemplated by Harrods and the consequent possibility of our profits being adversely affected by their increased trade. We are, at the present time, trading under abnormally favourable conditions, for the rise in exchange is benefiting us very substantially. It may be assumed that this additional factor of prosperity will gradually vanish in the course of time. We must therefore ask ourselves what would be the market value of our shares during the next three years on the basis of the dividends mentioned. The answer is, of course, a matter of opinion, but we are inclined to think that 30*s*. to 32*s*. is a correct estimate.

What would be the market value of our Preference and Ordinary shares three and a half years hence, if they enjoyed dividends of, say, 15%? That is still harder to say, but 38*s*. or 39*s*. appears to us to be a reasonable estimate.

The Deferred shares would, on that latter hypothetical basis, be receiving about 11*d*., and probably be worth 9*s*. to 10*s*. By accepting the offer that is made you will be obtaining what we are confident may be looked upon as a fixed income, and that income higher than the one which you would otherwise be likely to enjoy for a considerable time to come.

The Chairman having moved "That, until otherwise determined in general meeting, the number of directors shall not be less than four nor more than ten,"

Mr. Allen Kerr seconded the resolution.

A number of shareholders criticised the proposed arrangement, and on a show of hands the resolution was defeated. The Chairman thereupon demanded a poll, which resulted as follows: For the resolution, 229,325 votes; against, 787. The resolution was therefore declared carried.

JEREMIAH ROTHERHAM AND COMPANY, LIMITED.

The twenty-second annual general meeting of this Company was held on February 25 at the Shoreditch Town Hall, London, Mr. Frederick Snowden (Chairman of the Company) presiding.

The Chairman, in moving the adoption of the report and accounts, said: I am particularly pleased to be able to present to you a balance sheet showing such a result as is indicated by the figures in the accounts before you. The first thought that occurs to me is that I should say something in regard to the large profit we are dividing, in case any of you should have any qualms of conscience at taking so large an amount without knowing that it has not been obtained by that process about which we have heard so much of late—namely, profiteering. Far from that being the case, the result of our year's working is that we have made less profit per cent. than we obtained last year. Our ability to pay this large dividend arises absolutely from the tremendously increased volume of trade that we have done during the past 12 months. If I could show you the figures, you would be surprised. It may interest you to know that since January 15 the increase in our trade has been at an even greater rate than it was 12 months ago. (Applause.)

With regard to the figures in the balance sheet, I should like to refer first to the book debts owing to us, because they bear upon the statement that I have just made. As compared with last year, they are £193,659 more, bringing up the total indebtedness to us to £606,410. On the liability side our Ordinary shares show an increase of £100,000, arising out of the new issue which we made last year. We propose, as you will see by the report, to add £11,147 to the general reserve, in order to make up the general and capital reserves to exactly £250,000. The directors have it in their mind to capitalise a certain amount of this reserve fund, and under advice and under certain conditions which may or may not operate, we shall in a very short space of time submit to you a scheme for your approval. The interim dividends paid in September amounted to £21,666, and we propose to distribute in further dividends £80,000, besides placing £46,147 to reserve accounts. If you take those items together you will see that we have paid out of profits £147,813, against £84,000 last year. Now we come to the balance remaining. This year we show a balance of £212,676, subject to excess profits duty. Owing to the tax being reduced, taking a liberal view, we consider we may have to pay £105,000, which would leave a working balance untrammelled in any way of £107,000, against the £52,852 that we had last year. (Applause.) Mr. William Ellis seconded the motion, which was carried unanimously, as was one for payment of dividends and bonus.

MARITIME SALVORS, LIMITED.

An extraordinary general meeting of the above Company was held on February 16 at the registered offices, 101 Leadenhall Street, London, E.C., for the purpose of considering resolutions for the increase of the capital to £500,000 and taking the necessary steps to make the Company a public one.

The Chairman (Lieut.-Colonel C. H. Hopkins), in moving the adoption of the resolutions, briefly described the formation of the present company, stating that no difficulty was met in obtaining the existing capital; for, in fact, they had to turn down many applicants. The future activities of the Company made it necessary, however, for them to seek fresh capital, and consequently they decided to make the Company a public one, which should appeal to future subscribers. Salvage work was most important, and offered large scope for a remunerative return upon results, and not only had the Company acquired a large number of experts, but after successful negotiations with the Government of the U.S.A they were now in possession of two of the best salvage boats in the kingdom—viz., the *Reliant* and the *Restorer*, which might well be the envy of any up-to-date Salvage Company, fitted as they were with most valuable plant and machinery and all necessary adjuncts in connection with successful salvage work; for instance, the steamship *Ophis* had been salvaged with a valuable cargo of flour by one of these boats. The policy of the directorate is to have at hand one of the boats at home

and the other at a permanent station in the Mediterranean, thus being in a position to tackle any heavy salvage work at a moment's notice. The Company is also in possession of powerful tugs and various other small craft. The Company has established a permanent salvage base at Newhaven, where they can berth their boats and carry out all repair work. In conclusion, the Chairman remarked that the whole of the proposed further issue had been underwritten by a well known firm in the City.

The resolutions were carried unanimously.

WM. FRANCE FENWICK AND COMPANY, LIMITED.

The nineteenth annual meeting of this Company was held at the Cannon Street Hotel, London, E.C., on February 26, Mr. C. F. H. Leslie (Chairman of the Company) presiding.

The Chairman said that the trading profit for 1919 was £197,435, after deduction of all expenses of management and direction, provision for all taxation, and the expenses incidental to the issue of new share capital. They had also, as usual, depreciated the wharf property and steamers and made provision for certain contingent liabilities. They had acquired four steamers suitable to their trade, two of them new and two about nine years old. Their fleet, after having been for some months comparatively free, had again come under the sway of the Shipping Controller, and every steamer was either requisitioned, directed, or running at controlled rates. Shipowners had been given some latitude within the control which enabled them in some parts of their business to obtain an efficiency and economy which would not otherwise be possible, and it was in the extension of that latitude that he hoped some solution of the present troublesome and costly working conditions might be found. Their present fleet had a deadweight capacity of about 37,000 tons, as compared to its pre-war capacity of 50,000 tons, and they were endeavouring not only to replace this deficiency in tonnage, but to add new steamers to it. A certain part of their business consisted in carrying general cargo from London to the Humber, and in this trade their principal competitors were the railway companies, largely subsidised by the Government; but the Company had held its position, although the use of their steamers in other directions would have been more remunerative. They understood that a general revision of the railway goods rates and charges would be undertaken, and when this had been completed they would be in a position to decide as to the desirability of building more steamers for this part of their trade.

The world required far more ships and dock and wharf facilities than before the war. These could not be provided in a moment, and must involve a largely increased capital cost. For this reason he thought that shipping would continue to do well, and when the supply of shipping overtook the demand he hoped the low capital cost at which this Company owned its assets would enable them to compete successfully in those markets for which their fleet was especially adapted.

The Chairman concluded by moving the adoption of the report and accounts, which was unanimously agreed to, and a final dividend of 5% and a bonus of 2½%, both tax free, on the Ordinary shares, were declared, making a total of 15%, tax free, for the year.

An extraordinary general meeting was afterwards held, when resolutions were passed to give effect to a recommendation that £150,000 of the reserve fund be capitalised.

HOLBORN AND FRASCATI, LIMITED.

The twenty-fourth ordinary general meeting of this Company was held on February 26 at the Restaurant Frascati, Oxford Street, London, Mr. Alfred R. Holland (Chairman of the Company) presiding.

The Chairman said: I should like first of all, on behalf of myself and my colleagues, heartily to congratulate the shareholders upon the result of their trading. The result is really a record one both in volume of business done and also in the net profit, secured solely by the large volume of business done, and not as a result of high or unfair charges. Our expenses in proportion to the business done have also been considerably higher, with the result that our actual net percentage of profit is somewhat less than it was even in 1918. I would like also to add that a considerable part of these extra charges have only been borne by the accounts since the month of July last. During the year a very considerable amount of money has been spent in upkeep and repairs and maintenance generally at both establishments. I need hardly add that the cost of doing this work has been certainly two and a-half times, if not three times, as much as would have been the case if the charges had been on the pre-War basis. The whole of the expenditure has been debited to the accounts under review.

For some years the directors have felt strongly that some kind of benevolent fund should be established to enable us to deal in as liberal a way as possible with the old members of our staff, some of whom have served us faithfully for from 20 to 25 and even 30 years. We have had a good year's trading, and your board thought it was only fair that the ordinary members of the staff should profit by the Company's prosperity, and we ask your permission to place £5,000 to a fund to be distributed among the ordinary members of the staff as the board and the management may think best. The superior or leading members of the staff have already been provided for in the accounts now before you.

New Capital and a Bonus Issue.

Although the question of additional capital is not before this meeting, I hope you will pardon me if I very briefly comment upon it. Unfortunately the cost price of everything we deal in and require to carry on our business has increased to a phenomenal extent. This is the reason why we are asking for this additional capital. A special meeting will be called to deal with that question at the earliest possible moment, and naturally due notice will be sent to all the shareholders. During the whole period of the War this Company has been fortunately able to pay a dividend on its Ordinary share capital. For several years, however, it was a very small one, and as a little compensation to the patient shareholders, in dealing with this additional capital your directors propose, by the capitalisation of part of the reserve, to issue £30,000 as a free gift to the shareholders, or at the rate of one share for every five.

After a warning against the propaganda in favour of Prohibition, the Chairman concluded by moving: "That the report of the directors, with the accounts submitted, be and the same are hereby received and adopted, and that the dividends therein recommended be declared."

Mr. F. E. Sidney seconded the motion, which was carried unanimously.

The retiring director and the auditors were re-elected.

The Chairman then moved that there be paid to the directors by way of extra remuneration for the year to December 31, 1919, a sum equivalent to the income tax payable in respect of their remuneration for that year.

Mr. John Balfour, in seconding the motion, expressed the view that the arrangement should be made permanent.

The motion was carried unanimously.

SPENCER, TURNER AND BOLDERO, LIMITED.

The twenty-sixth annual general meeting of this Company was held on February 26 at Duke Street, Lisson Grove, London, N.W., Mr. Henry J. Turner (managing director) presiding.

The Chairman, in moving the adoption of the report and accounts, referred to the relinquishing of the joint appointment of director and managing director by his brother, Mr. Frank S. Turner. I fear, he said, that the duties which he took upon himself from a national point of view, coupled with the strain of business affairs, have unhappily proved too much for him, and I am sure your sympathy will go out to him. (Hear, hear.) I will take this opportunity of making a statement with regard to the late retail section. The doing away with it has long been talked about, and this year one began to experience what might be the complications and responsibilities of those engaged in the retail trade; and, taking into consideration the very small dimensions it had shrunk to, and the impossibility of doing anything to help it by reason of the great wholesale interests involved, the directors came to the conclusion that it was logical and wise to do away with it.

The net profit, after paying directors' and auditors' fees, all other expenses, writing off all bad debts, and providing for excess profits duty, shows a balance of £107,365. Adding the amount brought forward, after deducting additional remuneration voted to directors at last annual general meeting, we have an available total of £143,204. Deducting interim dividends paid in August last, £10,500 reserve for redemption of leaseholds, &c., a balance remains of £126,395. The directors propose to deal with this amount as follows: In payment of half-year's dividend at 5% per

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annum on Preference shares, £3,750; in payment of half-year's dividend at 9% per annum on Ordinary shares, making 8% for the year, £13,500; in payment of a bonus of 6s. per share (free of income tax) on the Ordinary shares, £18,000; to general reserve account, £30,000; to special reserve for contingencies and development, £15,000; and to carry forward £46,145.

Mr. John Boldero, in seconding, said that with the additions made this year, the reserves, plus the undivided profit carried forward, would amount to £271,000. The Ordinary share capital was £300,000, so that it really misrepresented them in the eyes of the public if they distributed as profits on a capital of £300,000 an amount of profit really earned on £570,000. The distribution of reserve which might eventually be decided upon would be of a somewhat modest character.

The resolution having been carried unanimously, the dividends were approved, and £1,500 was voted to the directors as additional remuneration.

BRADFORD DYERS' ASSOCIATION, LIMITED.

The twenty-second ordinary general meeting of the Bradford Dyers' Association, Limited, was held yesterday in the Mechanics' Institute, Bradford. Mr. Milton Sheridan Sharp, Chairman of the Board of Directors, presided, and he was supported by Mr. George Douglas (managing director), and Mr. James Sharp and Mr. Henry Sutcliffe Smith (of the Executive Committee). The minutes of the twenty-first ordinary general meeting were confirmed, and the report and accounts, together with the auditors' report, which have been published, were taken as read.

The Chairman, in moving the adoption of the report and accounts, said,—Ladies and Gentlemen,—I should not be acting in accordance with either my own or my colleagues' feeling if my first words to-day were not in expression of our deep regret at the death, since our last meeting, of our Vice-Chairman, Mr. Abraham Grandage, who occupied that position from the formation of the Association. Those of us who were most closely associated with Mr. Grandage feel his loss most and best appreciate the value of his services over a period of more than 20 years. Up to the last he displayed the deepest interest in everything connected with our affairs, and he frequently expressed to me the satisfaction and pleasure it afforded him to have lived to see the Association, in the formation of which he took a leading part, attain such a high and honourable position.

A year ago I devoted a large part of my address to a statement as to our relations with Labour over the whole period of the Association's history, and I desire to-day to revert to the subject. At the outset I may be permitted to express the abiding and deep regret of your directors at the death, since our last meeting, of Alderman Joseph Hayhurst, Lord Mayor of Bradford, who, as you know, was Secretary to the Amalgamated Society of Dyers, the trade union of which the majority of our employees are members. It is almost impossible to pay too high a tribute to the memory of Alderman Hayhurst. Whilst he strove vigorously for the interests of his union, his scrupulous fairness and never-failing courtesy won the regard and, in many cases, the personal friendship of employers; it was in no small measure due to his wise guidance that our friendly relations with Labour were maintained over a long period, and still continue.

Interdependence of industries.

During the past year every question which arose between us and our workpeople was dealt with and settled in a friendly and conciliatory spirit; happily there was not one single day's work lost on account of a dispute at any one of the Association's works, but both our employees and ourselves have suffered severely by strikes in other industries, especially the strike of the Yorkshire coalminers. It is amazing how far reaching is the influence of a strike in one industry upon other industries with which in many cases there is apparently no connection whatever. The recent moulders' strike is an outstanding illustration of this. On the face of it, to a non-expert there would appear to be no possible connection between iron-castings and the dyeing of aniline black cotton goods; but had the moulders' strike continued only a short time longer the whole of the aniline black dyeing plant in the kingdom would have been laid idle, and many thousands of men thrown out of employment. As it was, we were put to the greatest inconvenience, as without iron borings there can be no aniline oil, because they are an indispensable ingredient in its manufacture. Interdependence of industries is a point which seems to be entirely ignored in strikes and lock-outs. A recent official return of the Ministry of Labour disclosed the appalling fact that last year 34,000,000 working days were lost by strikes and lock-outs, but that computation was based on the loss of time of only those directly concerned in the respective disputes, and takes no account whatever of those affected in other industries. If such additional loss could be computed it would add enormously to the distressingly large figure just quoted; there is also the further loss in production both before the stoppage of work and after its resumption, arising from the absence of good will, which is inevitably associated with strikes and lock outs.

Although from this it may appear that we are getting farther from and not nearer to the era of peace and good will which it was hoped the termination of the world war would usher in, I am still an optimist and have sufficient faith in the common-sense of my fellow-countrymen to believe that we shall recover sanity and leave this period of unrest behind us. The main causes of industrial unrest may, I think, be fairly stated to be the worker's dread of the time when he will be incapable of work, and of the time when there may not be sufficient work to afford him reasonable means of subsistence. Then there is the suspicion that Labour is not getting its fair share of the profits of industry, and the feeling of Labour that it has no voice in control, even of matters which closely affect it.

In regard to the former, which up to now employers and trade unions have failed adequately to deal with, we have long held that it is incumbent upon employers to contribute jointly with trade unions in making adequate provision for unemployment; and so long ago as 1907, following on an arrangement relating to the reorganisation of the works of the Association, with the consequent possibility of men being thrown out of work, the Association agreed that to men displaced from any cause whatever they should pay an amount equal to and in addition to that paid under their out-of-work benefit by the societies. This arrangement continued in force until 1913, when, in the course of negotiating the existing agreement, the provision was, at the instigation of the unions, abandoned, although from time to time *ex gratia* arrangements have been entered into by the Association to meet specific cases, and always on a joint contributory basis.

To remove the dread of Unemployment.

So recently as October last the Association again urged upon the unions the need for much more generous provision for unemployment, and proposed, providing the unions would increase their allowance by the cost of living index-figure, to add an equal amount, thus providing at the then index-figure a total amount of 43s. per week. I am convinced that until this matter of unemployment and the concomitant questions of under-employment and superannuation are faced and dealt with on broad and generous lines, both by employers and trade unions, there is no assured prospect of attaining that hearty concord of which our industries and our country stand so much in need. Your directors earnestly hope, in conjunction with the trade unions, to be able in the near future to make such arrangements as will entirely remove all fears from the minds of our workpeople as to what may happen when they are no longer capable of working, and we are making a beginning to-day by asking your approval to a proposed appropriation of £50,000 for the establishment of a superannuation fund for workers, which proposal I have no doubt will meet with your hearty approval. We have always recognised that, to gain the confidence of our workpeople, sympathy with their mental outlook is required, and the whole tenor of our labour policy has been to carefully cherish and promote the end we carry constantly in view, namely, the removal of suspicion and the creation of confidence by sympathetic treatment and just dealing.

Employees' interest in Profits.

Coming to the question of the suspicion that labour is not getting its fair share of the profits of industry, I venture to state that, in addition to paying wages which, by comparison, are at high rates, we have given incontestable and visible proof of our consideration for our workpeople by the manner in which your directors, with your support and express approval, have disposed of our profits during the last three prosperous years. If you refer to the accounts for 1917, 1918, and 1919 you will find that our profits—after deducting all charges prior to Debenture stock interest—were: 1917, £717,088; 1918, £515,945; 1919, £671,141; giving a total profit for the three years of £1,904,174. I think it will come as a surprise to you when I tell you that if you agree to the appropriations which your directors recommend to you to-day no less a sum than £470,886 has been, or will be, handed over in support of the various schemes we have inaugurated for the benefit of our employees. This amounts to 25% of the profits for the three years 1917, 1918, and 1919. Can there be any question that such action has conferred immense benefits on our employees or that it is recognised and appreciated by them?

Under the employees' bonus register, which was established in 1912, and which it is proposed to amend at the extraordinary general meeting to-day, our employees hold upwards of £320,000 of our share capital. Your directors have given much thought to this scheme, and particularly as to whether other steps could with advantage be taken with a view to extending the good relationship existing with our employees. We have come to the conclusion that for the present at any rate the amendment of the scheme in the manner proposed is the best method of dealing with the question, and I heartily recommend the proposal to you.

Joint Works Councils plus Goodwill.

On the subject of the control of industry, I must say how valuable the Whitley reports are in this connection. The establishment of industrial councils has been going on apace throughout the country, and in the third Whitley report it is recommended that part of the reorganisation of industry should be the establishment of joint works coun-

cils at every works. I fear the establishment of these works councils has not been given the importance it deserves. To my mind they are an essential integral part of the organisation recommended by the reports, and it is through them that the personal touch between management and workers, which has been largely lacking since the advent of the joint-stock company, will be re-established. Your directors have great confidence in this movement, and the Association is gradually establishing such councils at its various works, in the hope that by this means our employees may have a voice in the control of many matters of vital importance to their daily life and work, and that it may be demonstrated to them that they are indeed working *with* us rather than *for* us. Whatever shape our ideas may take in the future as regards the question of the relationships of labour and management, one thing I can say with the utmost confidence, and that is that, provided we and our workpeople continue to work together hand in hand and go forward to the discussion of all problems in the same spirit of mutual confidence and goodwill as has characterised our actions in the past, there is no reasonable ambition on their part which cannot be fulfilled.

British Dye Industry: Progress and Opportunity.

We have heard much criticism on the failure of British dye-makers to meet the requirements of the country, especially in regard to the production of the higher-class dyes. Most of those who have been in the closest daily touch with the problem since that fateful day in August 1914, when war was thrust upon the world by Germany, have scant sympathy with such criticism. It is a certainty that before the War not 10% of the aniline dyes used in the United Kingdom were made in this country, and the total weight manufactured would not exceed 2,000 tons a year. We have it on the authority of the *Board of Trade Journal* of the 5th inst. that the production is now 25,000 tons a year, which is more than 20% in excess of the total weight of aniline dyes consumed in this country in the years immediately before the War, and I think it may be safely said the progress made by the colour-making industry since 1914 has been greater than those having real knowledge of the difficulties and the problems involved would have thought possible. When I look at the value of dyed and printed textiles exported last year in conjunction with the total weight of aniline dyes imported during the same period, it tends to deepen my appreciation of what British dye-makers have done during the last five and a-half years. The value of our exports of dyed and printed textiles in the period named reached a total of £181,990,350, and the total weight of aniline dyes imported from all sources amounted to only 3,234 tons, of the value of £1,826,574. It must be remembered further that the home consumption of dyed and printed textiles during the same period was certainly greater than at any time in the history of the country. It is true we have not the variety, and that we lack some of the best colours, but, on the other hand, it is beyond question or doubt that in the supply of dyes we in this country are in a much better position than any other country in the world, not excluding Germany, though there is strong evidence dyes are being hoarded in Germany in the hope of still higher prices.

An enormous responsibility, however, still rests upon British dye-makers. They know better than it is possible for the general public to know how vitally important it is from the standpoint of national safety that the dye-making industry should be established in this country on a great scale. I have seen the report of the Mission to Germany which, headed by General Hartley, inquired on behalf of our Government into the extent to which the German colour works had been used for war purposes. I earnestly wish it could be read by every colour user in the Kingdom, as I am confident nothing would be more conducive to strengthening their determination to support the British dye-making industry, and it must be pointed out that there is need for the greatest progressiveness in the production of certain specific dyes, urgently needed in order to fulfil the requirements of the trade. The lack of such dyes is proving a hindrance to giving results that are necessary to put our trade on a firm footing, and we hope this question will meet with the serious and energetic attention of the dye manufacturers. In some quarters there appears inclination to advocate bounties for British dye-makers. In the present position of our national finances I do not think there is any probability of any Government giving heed to such a suggestion. It is true that in the early days of the War your directors most strongly advocated grants-in-aid to the dye-makers, but in my opinion, though it is not shared by all my colleagues, the circumstances have entirely changed. German industry is out and under, and a breathing time is still left to British dye makers in which to firmly establish themselves, and they will be wanting in their duty if they fail to take the utmost advantage of it. From all I hear of present conditions in Germany, and of what they are likely to be for a long time to come, I have no hesitation in expressing the opinion that British dye makers have before them the most magnificent opening ever offered to leaders of industry, and that it will be entirely their fault if within a not distant future the British dye-making industry does not throughout the world occupy the position which was occupied by Germany before the War.

Licensing of Imports—with safeguards.

I cannot look with favour on another suggestion for encouraging and protecting British dye-makers—that is, by means of import duties—as in the light of the latest knowledge there would not appear to be the slighest reason for so doing. For five and a-half years I have been almost constantly engrossed in the dye question, and what I favour is what I believe to be the view of most men (not only in this country but also in America) who have been in daily contact with the problem during that time—namely, prohibition of import of dyes except under licence; but the Licensing Authority must be so organised as to be able to act in the promptest way and have unquestionable power to grant licences, not only for any colour which is not made here, but also on account of inferior quality or higher price of the British article. If that is the policy ultimately decided upon, the Government will obviously have to make provision against dumping.

Threatened Cotton Shortage.

A subject of the most vital importance, not only to us but to all in any way interested in cotton, is now engaging much public attention. I refer to the grave danger threatening the textile industries of the country by the extreme probability, amounting almost to a certainty, of a future shortage of cotton. A glance at the total value of our exports of cotton cloth and yarn will alone suffice to convince the most casual observer of the supreme importance of the maintenance of an ample supply of cotton. Last year such exports reached a value of £240,864,832. Adding to this 20% as an estimate for consumption in the home trade, we reach a total of £289,037,798; but even that huge figure is very far from indicating fully the magnitude of the cotton industry. Take one illustration. Bradford manufacturers use an immense weight of cotton warps with wool, alpaca, or mohair weft. When such goods are exported they are classed as worsteds. It is manifest, therefore, that it will be courting disaster of the gravest kind if steps are not immediately taken to remove the menace which overhangs the cotton industry, and the only way this can be done is by securing the growth of cotton on an adequate scale within our own Empire. Your directors, who have knowledge of the conditions in America, are unanimously of opinion that every year will see an increase in the percentage of the crop retained in that country, and they feel a remedy must be found for such a serious and threatening danger, to meet which immediate action is imperatively demanded. Except in one way I do not presume to express an opinion as to what such action should be. The Government will, I feel confident, readily afford their utmost aid. There is so much at stake that they simply dare not do otherwise, but we must recognise the financial position of the country, and not expect the Government to do everything. What I do venture to suggest is that, having regard to the prosperity of the cotton trade, those engaged in it should themselves find the greater part of the money required. The proceeds of the proposed levy of 6*d*. a bale on cotton will furnish only an almost inappreciable percentage of the money which it will be necessary to spend to attain the object in view, which is of such inestimable importance that it needs to be faced steadily, firmly, and unflinchingly, as there is no time for uncertainty or irresolution, and every day's delay is fraught with perily.

New Zealand's verdict on State Mining.

The threat of some of the miners' leaders to force, by means of direct action—that is, by a strike—the nationalisation of the coal industry will, if carried out, precipitate the most serious domestic conflict we have had in this country since the days of civil war. I do not propose to discuss the ethics of nationalisation, as that has been done at length by men infinitely more capable than I am, and you have, no doubt, all read what the Prime Minister and Mr. Asquith have recently said about it; but I would like to refer to what has recently taken place in New Zealand in reference to the question. I confess I knew nothing of it until I read a letter in the *Spectator* of January 17 last, from which it appears that New Zealand has had 15 years' experience of a State-owned and managed coal mine. Sir Joseph Ward, who has been Prime Minister and leader of the Opposition in that country, advocated at the General Election, held in December last, the nationalisation of all coal mines in that part of the British Empire which has had the longest experience of State mining. The result was that he lost his seat, and his party was defeated. The opinion is also quoted of a New Zealander who has held a high position in the Mines Department. He says: "State mining was introduced to catch votes for the Seddon Government, and has been one of the greatest curses the Dominion has ever suffered from." The letter in the *Spectator* concludes with the common-sense words: "Before committing ourselves to such a gamble as the nationalisation of mines, let us consider carefully New Zealand's verdict after 15 years' experience of State mining." If the threat of direct action is given effect to it will certainly be met by the most determined opposition from an overwhelming majority of the community. Britishers will suffer all things rather than submit to the tyranny of brute force. We may know that there are some revolutionaries among the Labour Party who demand a Bolshevist Government and the entire control of industry, but they are an

insignificant minority. I am confident the vast majority of the working classes will prove to be as much opposed as any other class to the attempted tyranny. I have lived amongst a working-class population the whole of my life, having never lost close touch with them, and I am satisfied that more than 90% of them are absolutely sound at heart. They will, I believe, bitterly resent the precipitation of a crisis which will speedily affect every living person in the country, and bring, almost immediately, acute suffering into working-class homes.

Imperilling the very life of the whole community by an attempt to starve it into surrender cannot possibly succeed, and, in spite of appearances, it will be a surprise to me if the attempt is made. The utterances of such men as Mr. Bromley and Mr. Cramp have made the public realise the absolute certainty of what was before only suspected by few, namely, that they are out for revolution. In opposition to their narrow and malignant views, if it is put to the test, they will find the whole force of public opinion ranged against them, and the stronger and more uncompromising the resistance of the Government is, if the mad scheme is embarked upon, the more will the Government command the support of the country. After the strikingly brilliant speech of the Prime Minister when the subject was debated in Parliament a fortnight ago, we have the assured confidence that the Government will take the right line, in which, happily, they will have the support of Mr. Asquith. There never was a time when employers generally were so sympathetic to the reasonable demands of Labour as they are to-day; but a departure from constitutional methods in pressing such demands cannot fail to alienate much of that sympathy, to the great and probably permanent loss of Labour.

There is another matter connected with the trade unions to which I feel bound to refer with deep regret—that is, the cruel tyranny of a few of them who, to their disgrace, are preventing demobilised soldiers from earning their living, thus inflicting upon them the most odious of all wrongs. The welfare of these men, who have gloriously fought, and suffered, and conquered for us, should be one of the first considerations of every right-thinking man, and it is well that the trade unions should know that their best friends are deeply disturbed and shocked by such action. If it is persisted in it will inflict incalculable injury on the trade unions, and we who recognise that they have raised the moral and improved the material condition of the working classes, and that workers have only bettered their condition by united action, view with sorrow anything which is calculated to weaken their influence and power.

A great deal is being said just now on two subjects rather closely related—namely, a levy on Capital and a tax on War Fortunes. Much can be said for the latter, largely from the point of view of sentiment; but I think it will be found beyond the wit of man to find a just and equitable method of imposing such a tax, which objection applies with greater force to a levy on Capital, the main objection to which, however, is that it would inflict a most staggering blow on industry, lessening production just when we are in crying need of it.

In regard to coal, whilst we have managed to keep going by constant vigilance, we are seriously handicapped by shortage of supply; notwithstanding this, certain of our contracts for supplies are being diverted to public utility companies, and we view the future with a certain amount of anxiety. The quality of small engine coal now supplied to industrial users has deteriorated seriously during the past few years. Owing to the fact that no grading and screening is done at the pits, a great deal of incombustible material is contained in the coal, with the result that great loss is occasioned in wastage of transport, labour at the furnaces, and the carting of the incombustible material to the ash-heap. It is estimated that the annual coal consumption for industrial purposes is 70,000,000 tons, of which about one-third is small engine coal. From careful records of our own consumption we estimate the increase of incombustible material above the normal at no less than 5%. On that basis, therefore, the amount of waste material transported which could be entirely eliminated at the pits is upwards of a million tons per annum. On an average distance of 20 miles over which the coal is transported from the pits to the consumer this means an annual loss of 25 million ton miles, representing the use of nearly 800 wagons doing three journeys each week for 12 months.

A lesson from Belgium.

The need for increased production has been insisted upon *ad nauseam*, but I do wish to draw attention to a country which is affording an object-lesson to the world of the only way by which the ravages of the War can be made good. In this, heroic little Belgium sets us a notable example. For nearly five years that country was under the cruel heel of German militarism in its foulest form, the unspeakable horrors of which we in this country know by the murders of saintly Nurse Cavell and the heroic Captain Fryatt. Belgian industry under German rule was practically extinguished; but what do we see to-day? Recently I had the opportunity of discussing the present position of Belgium with business men of very high standing, who speak with the authority of intimate and unique knowledge. I found their views to coincide almost exactly. They told me that so rapid has been the recovery in Belgium since the Armistice that the country was already in the early part of this year producing over 70% of its pre-War output, and that this has been done by all classes pulling together as one unit in the work of reconstruction, the inspiring spectacle of which was to be seen on all hands. Bearing on this I recently had sight of a letter written by Lloyds National and Provincial Foreign Bank in Brussels, one paragraph of which referred to the Belgian 5% Restoration Loan in the following terms: "This loan was issued by the Belgian Government in June last at 95% for the restoration of this country, and owing to the remarkable progress made by Belgium since the Armistice quotations have risen 10% and may go higher still."

Everything points to the probability that Belgium in the near future will be the most prosperous country in Europe. There every class has realised that the only way by which their country can be restored is by work, and that they are working with the utmost energy and ardour is the testimony of everyone I have met who has up-to-date knowledge based on personal observations. A striking illustration of the spirit animating the working classes is afforded by a recent official announcement that Monsieur Jasper, the Minister of Economic Affairs, has had a conference with the delegates of the miners on the question of an increase in their working day by one hour in order to increase the production of coal. The miners have signified their willingness to agree to this. What a splendid spirit this displays. If it pervaded this country, as it does Belgium, what a momentous change would be quickly effected.

Actual Trading, Profits Lower.

To turn now very briefly to the accounts. After the various provisions stated in the profit and loss account are made, with the addition of the income from investments and loans and transfer and registration fees, our gross profits reach a total of £911,252, which, with the addition of £286,537 brought forward from last year's accounts, make a total of £1,197,789, from which the deductions as set forth in the report have to be made, thus leaving us with a balance of £707,051, of which it is our business to-day to dispose. Your directors recommend that it be appropriated as follows: To trustees for superannuation purposes for workpeople, £50,000; to the payment of a dividend on the Ordinary shares for the six months to December 31, 1919, at the rate of 38% per annum, making, with the interim dividend, 22½% per annum, £257,730; to carry forward, £399,321.

You will doubtless have observed that our profits exceed those of last year by £155,197. This amount is more than accounted for by fortuitous amounts which are not due to the year's trading, and our results purely from our dealings with our customers show a reduction on last year's returns, in spite of the alteration of the excess profits duty from 80% to 40%. You will observe a new feature in the report, namely, a statement as to the percentage of net profits on the total capital employed by the Association. For the reasons just given, the figure of 10.1% is an overstatement of our real trading results, and a still lower percentage would be exhibited if the calculation were made on the recent valuation of our assets. The intention of your directors is to make it a permanent feature. You will be interested to hear the figures for the last ten years. They are as follows: 1910, 5.5; 1911, 5.7; 1912, 5.4.; 1913, 5.7; 1914, 4.9; 1915, 8.0; 1916, 11.6; 1917, 11.1; 1918, 7.7; 1919, 10.1; the average for the ten years being 7.7 and for the last five years 9.7. I make no comment on these figures, as I think they speak quite eloquently for themselves.

Your directors have paid £20,000 to the casualty fund. This will place it upon a permanently sound basis and permit of the payment of present allowances to the end. I am sure you heartily approve of this. As an Association we may, I think, view with satisfaction and pride all we have done to show grateful appreciation of the sacrifices and sufferings of our employees in the Great War. There is one thing more which I trust we shall do—that is, the erection in Bradford of a permanent memorial, worthy of the Association and of the city, to the 606 of our workpeople who gave their lives for their country. The names of such men should never die, and our posterity for hundreds of years hence ought by the sight of such memorials to be taught how much we in our day and generation have sacrificed and suffered for them.

Works abroad: steps taken.

I told you a year ago that the profits of our American works for 1918 were not included in the accounts then presented to you. Such profits are included in the figures now before you, but I have to tell you that our American profits for 1919 are not included this time, because the accounts have not come to hand; but I must make it clear that the incidence of this is not very serious, as the American and British Governments, by reason of the grossly unfair exaction of excess profits duty and income tax in both countries, take by far the larger part of the profit made. This has compelled us to review our position, with the result that we have determined to make our business in Bradford, Rhode Island, into a purely American Company, so that in future our interest in this business will be as stockholders only, and the income from our holding will be included in the

profit and loss account under the heading of "Income from investments and loans."

Since the date of our last meeting your directors have sold our works in Kingersheim, Alsace, to a great organisation which controls an overwhelmingly large percentage of the bleaching and dyeing works in France, with the heads of which we have been for very many years on terms of intimate friendship. The retrocession of Alsace to France, had we retained the works, would have involved active competition between our two organisations, and, although there is no doubt it would have been of an entirely friendly character, we both felt it would be better avoided, and a sale and purchase was arranged without difficulty, and I think I may say unreservedly that both sides are satisfied. As in the past, we shall continue to give mutual aid to each other by the exchange of information of various kinds.

During the year we gave 15 travelling scholarships, at a cost of about £300 each, for the study of foreign languages, the only condition being that successful applicants should be connected with or undertake to enter the textile trade. Eight scholarships were allotted for Spanish, three for Portuguese, and four for Arabic. The Spanish scholars are now scattered over Spain, where they are learning the language and the manners and customs of the people, and the Portuguese scholars are in Lisbon. All the scholars are progressing in a very satisfactory manner. The four Arabic scholars are at present at the Oriental School of Languages in London, and they will be sent out very shortly to Cairo and Bagdad. I think I ought to make it clear that these men are not under any obligation to enter our service after the period of the scholarship has expired, as we are giving these scholarships for the general benefit of the textile trade of the country.

Trade with Germany advocated.

Now I am going to say something which may not commend itself entirely to you. I believe it to be our duty to do everything in our power to aid all the late enemy nations to recover themselves. We know pretty well how Germany would have treated us had she been the conqueror; but we are not Germans, we are Britishers, and it is not a Briton's way to kick a man when he is down. We know that the German conduct of the war was marred by an unscrupulous disregard of justice and humanity, and that the horrible atrocities which marked its course have branded the German name with an indelible stain, but I hold it would be most unwise to think of imposing a perpetual trade boycott on Germany; if we are wise we shall certainly do everything in our power to aid Germany and Austria to recover economic prosperity. In this respect our French Allies are setting us an example we should do well to follow. We all know the burning indignation with which they justly and rightly regard Germany, but they are a logical race, and see clearly that it would be absurd in their own interests to cut themselves adrift from a market at their very door with a population of over 60 millions.

One of our first and most insistent needs is the expansion of our export trade to help to set exchange right. The head of one of the most important Bradford houses trading with the United States told me some days ago that he could sell three times as much to that market if he could get the cloth. The Trade and Navigation Returns for 1919 show that our exports of dyed cotton goods of all classes were, in yardage, 36% less than in 1913. Comparing with this the yardage which passed through our hands in the two periods, only one deduction is possible, namely, that the home trade has consumed enormously more than in 1913. This has caused me to wonder whether it would not be possible to ration textiles in the home trade in order to free more for exports. Some manufacturers and merchants are, to their honour, doing it voluntarily.

To-day, as an outcome of the War, the world generally is in a serious condition. The great essential for its recovery is real peace the world over—not only peace between nations, but also an ending of all internecine strife in the nations, and the union of all classes to promote the common good. The sternest and most drastic economy, both national and personal, is also imperatively called for. If the country generally could be brought to recognise that there is the same obligation to make sacrifices to win the peace as they so cheerfully recognised as essential to the winning of the War, and, following such recognition, if men and women would throw themselves into the work of reconstruction as they threw themselves into the work of the War, our difficulties would rapidly disappear. I have so much faith in my countrymen that I have a settled and steadfast confidence that that spirit will even yet appear. We have, and shall have for some time, the world's trade at our feet, and I refuse to believe that we shall be guilty of such incredible folly as to fail to take full advantage of the truly marvellous opportunities which are presented to us. You will be right in inferring from this that, in my opinion, unless some great labour upheaval or other catastrophe occurs, we may look forward to receiving a year hence a report at least as favourable as that which it is my privilege to present to you to-day. As an Association we continue to go from strength to strength. In the past we may fairly claim to have rendered no small service to the textile trade. In the future I firmly believe the service we shall render will be even greater, and you may count with confidence on no slackening in the devotion of your directors to your interests.

I cannot conclude without again paying the warmest tribute to the whole of our staff. Their devotion to the interests of the Association is most noticeable to everyone brought in contact with them, and I am confident no business in England is better served. You will, I am sure, again join your directors in the expression of deep obligation to them and of our pride in them. I now beg to move that the report and accounts for the year to December 31, 1919, as now submitted, be and are hereby approved.

Mr. Joseph Briggs seconded the resolution.

The Chairman invited questions, but none were asked, and the resolution was adopted unanimously.

The Chairman then moved: (a) That £50,000 be paid to Trustees appointed from among those in the Employment Association for Superannuation purchases for workpeople, subject to a reduction therefrom of any sum which may be levied thereon by the Inland Revenue authorities in respect of taxation; (b) that a dividend be paid on March 8, 1920, on the Ordinary shares of this Association for the six months to December 31, 1919, at the rate of 38% per annum, this dividend being the balance of a total dividend of 22½% for the twelve months ended December 31, 1919; and (c) that £99,321 2*s*. 1*d*. be carried forward.

Mr. George Douglas seconded the resolution, and it was carried unanimously.

Mr. W. B. Gurney moved: "That Messrs. Harry Ramsden Armitage, Joseph Robert Butland, Thomas Douglas Buttercase, George Hamilton, Henry Sutcliffe Smith, Harold Sumner, Jeremiah Whitaker, Percy Kay Whitehead, Joe Wilkinson, Arthur Wilson, and Samuel Woodhead be and are hereby re-elected to the General Board of the Association."

Mr. John Waterhouse seconded the resolution, which was carried.

Mr. Ezra Clough moved that the sum of £2,000 be voted to the general board for their services as directors for the year to December 31, 1919, this sum to be divided as the Board may determine.

Mr. Richard Head seconded the resolution, which was carried.

A resolution was also adopted, on the motion of Mr. H. H. Pulman, seconded by Mr. E. H. Oldroyd, re-appointing Messrs. Jones, Crewdson and Youatt, of Manchester, auditors of the Bradford Dyers' Association, Limited, for the period of accounts to December 31 next.

This terminated the business of the Ordinary General Meeting, and immediately following this was held an extraordinary general meeting to amend articles of association of Company in relation to Employees' Bonus Register. On the motion of the Chairman, seconded by Mr. George Douglas, the clauses were agreed as set forth in the print circulated amongst the shareholders. The proceedings terminated by vote of thanks to the Chairman for presiding, moved by Mr. Ezra Clough, seconded by Mr. H. H. Pulman.

WANDSWORTH, WIMBLEDON AND EPSOM DISTRICT GAS COMPANY.

The half-yearly ordinary general meeting of the above-named Company was held on February 24 at Cannon Street Hotel, London, Mr. H. E. Jones (Chairman of the Company) presiding

The Chairman said: You will see, in the first place, that the business of the Company is booming, that there is, perhaps, the largest increase in the sale of gas that we have recorded almost in our career 17.6%. There never was a time in my review of many gas companies in all parts of the world for I deal with them in South America, in India, and in France—when the essential value to the housekeeper of gas as a fuel was so completely proved. There never was a better prospect for the gas industry. You will probably ask me "Why with such a boom in gas has such a miserably inefficient dividend to be offered to the shareholders, who put down the money to produce this effect—such a miserable dividend as you are going to ask us to declare to-day?" You will also ask me "Why was it necessary to raise the price of gas 6*d*. per 1,000 feet for this current half year, and that for the present half year your dividend must, on the sliding scale, be still further mulcted by six half crowns per cent." I will tell you why. We are being provided with coals which are essential for gas making by a Government who appoint a Coal Controller. In the second year of the War he plumped successively in, and then by a vote on the coal which incidentally, put a large sum into the excess profits tax duty went to the Treasury. He never asked us what effect that 6*d*. and 5*s*. 6*d*. would have on our accounts—business and on our dividend. Of course, it meant that we had to raise the price of gas to pay this extra cost and gas *trade* diminish the dividend. Only last July and now I come to the 6*d*. We got a sudden notice that we should have to pay back from a previous date an extra 6*d*. a ton. This was supposed to be necessary for the later cost of getting the coal. Well, owing to disputes between the Coal Controller and the Government, or the people working the

mines, we have discovered now that this was all a mistake; it was a blunder, and, after we had made up our minds that we would have to charge 6*d.* extra for the gas, there came along a notification that they had found out there had been a great mistake and that they would be able to give people who used gas in their houses domestically, not industrially, some relief.

That large number of domestic people who are voters were to have a reduction of 10*s.* a ton on the coal used for their purposes, but we who turned the coal into gas were to have no interest whatever in the reduction in price. You were to hand this bonus, or almsgiving—whatever it was—to the domestic consumer, simply deducting a small percentage to pay for bookkeeping and generally to deal with the proposition. In that way we have been made the catspaw, the sport, of the coal question from start to finish. At the same time we have paid more for labour. The great burden that has crushed us has been the cost of the coal. If that 10*s.* a ton had been given to us to work "straight through" it would have enabled us to give the consumer his gas 7*d.* or so per 1,000 feet, cheaper, and at the same time would have enabled the Company to earn another 2¼% and to pay 1¼% more than you are going to get.

I have now to refer to the Bill, with regard to which I met you here a fortnight ago. We deposited that Bill with the idea that it would enable us more promptly to get any such financial relief as is possible to be extracted from Parliament. But we are for the second time intercepted by a vague promise which was made by the head of the Board of Trade that something would be done for the gas companies *en bloc* to relieve them. The first promise of that sort proved to be a fiasco, because when the Bill got before the Committee they had appointed on the Committee two or three members representing practically the London County Council, and if there is a body which sets itself out to oppose for mere opposition's sake anything for the relief of the gas companies, it is always the L.C.C. They are advised by very able men, who make the most of their case. That resulted in our getting from Parliament a provision which would not have done this company any good at all, except one section of our shareholders—the Wimbledon shareholders. Now we have another promise—that by Easter probably there will be another measure of relief—and we are looking forward in the hope that it will eventuate. I have heard a great many of these promises and have watched for their fulfilment during the last two years, and I must say I have not a great deal of faith in them. The board felt that the Company was under a very grievous wrong, and that something must shortly be done to relieve them or they must take such steps as would at any rate satisfy the authorities that they were not going to put up with it any longer. (Applause.)

He moved the adoption of the report and accounts, which was unanimously approved.

RAILWAY DEBENTURE AND GENERAL TRUST COMPANY, LIMITED.

The forty-seventh annual general meeting of this Company was held on Friday, the 27th inst., at the Cannon Street Hotel, London, E.C., Mr. R. S. Guinness presiding.

The Chairman, in moving the adoption of the report and accounts, again read the speech prepared by Mr. C. C. Macrae, which stated that the figures in the balance sheet and profit and loss account showed a slight improvement over those of last year, and were in themselves quite satisfactory. The net profits, at £57,856, were £1,848 higher. With the balance forward they had in hand £67,356, and they were paying a final dividend at the rate of 9% per annum on the Ordinary stock, making a total dividend of 6% for the year, carrying forward £9,845. To the reserve account was credited the large sum of £27,369, balance of profits on realisation of certain investments. That was an increase of nearly £23,000, and was mainly due to the favourable rate of exchange at which some of the American Dollar Securities had been sold, and to the handsome profits realised on certain recent investments. To writing down some of the old investments £21,569 had been applied, and £5,000 taken out of the profits for the year was put to the credit of the reserve fund, which now stood at £270,917. That might seem a large amount, but in view of the depreciation of securities, and the maturing in 1927 of the 4% Debenture stock, the board felt they should go on building up that fund as opportunity offered. In the matter of depreciation the board must confess to disappointment; it was the one unsatisfactory feature of the year 1919. The hardship for their Company, which by its constitution was limited to investment in Debentures, and restricted from the greater risk formerly deemed to be involved in the purchase of shares, was that that very high-class of security had been the chief sufferer in the depreciation disclosed by the statistics published in the "Bankers' Magazine." It was little short of a tragedy that the result of a policy regarded as so conservative and wise at the time should have involved the Company in so severe a loss by depreciation. It was instructive to compare the position of the Company in that matter with the position of its sister Company—the Railway Share Trust—which, expressly authorised to invest in shares and junior securities, showed for the year under review no depreciation on its invested capital. He did not wish them to think, however, that he considered the whole amount of the depreciation to be irrecoverable.

Sir Reginald MacLeod, K.C.B., seconded the motion, and, the Chairman having replied to questions, it was carried unanimously.

The dividend recommended was approved, the retiring director and the auditors were re-appointed, and a hearty vote of thanks to the Chairman, directors, and staff, in which it was requested that the board should take into consideration the question of an increase in directors' fees, terminated the proceedings.

RAILWAY SHARE TRUST AND AGENCY CO., LTD.

The thirty-first annual general meeting of this Company was held on Friday, the 27th inst., at the Cannon Street Hotel, London, E.C., Mr. R. S. Guinness presiding.

The Chairman, in moving the adoption of the report and accounts, referred first to the absence through illness of the Chairman of the Company, Mr. C. C. Macrae. That gentleman had prepared some notes for the occasion, in which he pointed out that for the year under review the Company had done even better than in the preceding year. The gross profits were £75,811, against £69,342, and, in addition, no less than £61,091 had been realised as profit on securities sold in the course of the year. The directors had taken diligent advantage of the American exchange and of the remarkable activity in the placing of capital in new issues which had occurred in the latter part of the year. When the exchange in favour of dollar securities went, as it did last year, to such unprecedented figures, the board had felt it would be unwise to let slip the opportunity of realising many of the American securities at figures which showed large profits on their book values. All profits so made had been credited direct to the reserve fund, together with profits on realisation of certain home industrial securities. The normal revenue of £75,811 was made up of interest and dividends, £73,483, underwriting and other commissions, etc., £2,195, and interest on loans and deposits, £133. The income from investments was most encouraging; it was equal to just over 6% on the invested capital, and was the highest on record. Heavier taxation and labour troubles might at any time reduce the earnings of the undertakings in which their capital was invested. In a year of prosperity such as the Company had enjoyed it was salutary to hint a caution against any too sanguine views that this must be the normal position of the Company in the future. The directors were happy in being able to pay 5% on the Deferred stock. That was the highest dividend for five years past, and they trusted to be able to continue to pay it. The board could congratulate the shareholders on the position to which the Company had attained. The yield on the Deferred stock at the market price was no less than 8%, and the break-up value on the balance sheet presented was about £122, whereas it stood in the market at 61.

Sir Reginald MacLeod, K.C.B., seconded the motion, and it was carried unanimously.

The dividend recommended was approved, the retiring director and the auditors were re-elected, and an informal resolution was unanimously passed suggesting an increase in the directors' fees by £1,000 per annum.

A vote of thanks to the Chairman, directors, and staff terminated the proceedings.

FREDERICK SAGE AND COMPANY, LIMITED.

An extraordinary general meeting of the above-named Company was held at Winchester House, Old Broad Street, London, E.C., on February 27, when a resolution providing for the increase of the capital was submitted. Dr. G. T. Moody presided.

The Secretary (Mr. William Atkinson) having read the notice convening the meeting,

The Chairman said that some such proposal was no doubt expected by the shareholders, for the Chairman of the Company, in his address at the recent annual general meeting, directed attention to the fact that the Company's trade was expanding in all directions, and that the reputation and goodwill of the business were capable of earning dividends on capital substantially in excess of the amount authorised. The Government restrictions which existed during the five years of war, and which prevented their customers from improving, enlarging, and refitting their business premises, had now been withdrawn, with the result that demands of an unprecedented and extraordinary character were being made for the products of this Company, the orders already secured and in execution on the first of last month having considerably exceeded in value £1,500,000. The skilled technical specialists, the well-equipped factories, and the international organisation which the Company commanded had enabled them to secure these contracts with firms of the highest standing in Great Britain, France, Belgium, South America, and South Africa; and they were confident that they would be able to maintain their present position as the largest and best-known house in their special industry, and that they would earn substantial dividends on the additional capital which they were asking the shareholders to

authorise to-day. When, as in their case, factories were operated at high pressure, the cost ratio was lowered, and the profit ratio increased; but, if work was to proceed regularly and smoothly, it was necessary to acquire and maintain large stocks of timber and other materials, the cost of which had risen enormously. The liability for heavy and greatly increased wages had also to be provided. Both these factors added materially to their requirements of working capital.

He concluded by moving the resolution that the capital be increased from £225,000 to £450,000 by the creation of an additional 450,000 Ordinary shares of 10s. each.

Mr. George A. Coulson, in seconding the motion, said that their factories at home and abroad were full of work, and the prospects of the Company earning substantial profits were very good.

The resolution was carried, and the proceedings then terminated.

SANTA MARIA CONSOLIDATED OILFIELDS, LIMITED.

The statutory meeting of this Company was held on February 25 at Winchester House, Old Broad Street, London, E.C., Mr. J. B. Braithwaite (Chairman of the Company) presiding.

The Chairman said this was a formal meeting to comply with the Companies Acts, and there were no resolutions to present, but he thought it right to give all the information he could about the Company. The whole of the shares had been allotted and they had paid off all the Second Debentures, as was anticipated, leaving outstanding only $117,000 of the First Debentures, which were being redeemed by a sinking fund of 20% on every barrel of oil produced; so that, if the production was anything like that which they hoped, this would be entirely extinguished within the next two years. The preliminary expenses were estimated at £5,000 and were well inside that amount, and they had remitted to California £27,403. They had invested nearly £10,000 in Treasury bills and they had got a certain sum of cash in the bank. Then they had £35,000 to come in from calls on March 1 and another £35,000 on June 1, so that their capital position was very satisfactory.

In the prospectus it was estimated that the production from the four wells in operation would be about 15,000 barrels a month. On commencing work it was found it would be more economical to concentrate the steam-power plant, and consequently, while the centralised plant was being fixed, all the wells were not producing, so that the production for the two months during which they had been carrying on this reconstruction work had been less than the 15,000 barrels. The latest news stated that one of the four producing wells was being redrilled, and the other three had been connected with the centralised steam plant and were producing 400 barrels a day. These were wells Nos. 5, 7 and 8. No. 2 well, which had not been producing for some time, was expected to be producing in a fortnight, as also well No. 4, which had been redrilled. The minimum production from these two wells was estimated at 300 barrels daily, bringing up the production to 700 barrels daily. They were soon starting work to rehabilitate wells Nos. 1 and 6. With regard to the new wells, it was proposed to drill eight, of which one, No. 9, was down 2,800 ft. and was expected to be completed about the middle of March. After that they expected to bring in one new well every six or eight weeks, so that their production would be steadily mounting month by month. Another important point was that they had purchased the balance of the Shaw ranch for shares in the common stock of the Santa Maria Oil Fields, Incorporated. They had every reason for satisfaction with the prospects of the Company.

THE INTERNATIONAL PAINT AND COMPOSITION COMPANY, LIMITED.

The twelfth ordinary general meeting of the above Company was held at Winchester House, Old Broad Street, London, E.C., on February 27, Colonel Sir Herbert Jekyll, K.C.M.G. (the Chairman), presiding.

The Chairman, in moving the adoption of the report and accounts, said that after writing off bad debts the profit of the Company in 1919 was £63,655, as compared with £83,232 in 1918. The decrease of nearly £20,000 was accounted for wholly by the suspension of orders for war material consequent upon the conclusion of the War. Taking all the circumstances into account, the result of the year was not unsatisfactory. Income tax and depreciation accounted for £10,377, reducing the amount at their disposal to £53,277, as compared with £73,454 in 1918, but the amount brought forward was again much larger, being £42,786, against £26,332. They, therefore, had £96,064, as compared with £99,786 a difference of less than £4,000. It was proposed to make provision for excess profits duty by setting aside £40,000, which the expert advisers expected would more than cover the liability, and to pay a final dividend at the rate of 3% on the Preference shares, making the full amount of 6% for the year, and a final dividend at the rate of 7% on the Ordinary shares, making 10% for the year—the same as in 1918. It was also proposed to add £10,000 to the stocks contingency fund which was set up last year.

Prices, stocks, and turnover had all increased largely in the course of the year. One of the peculiarities incidental to their business was that they had to carry very large stocks. The last three years had not been normal, and there had been great difficulty in purchasing raw materials and getting them delivered at the factory and in despatching finished goods abroad. They had endeavoured to meet these difficulties by ordering in advance, with the result that their stocks were larger in volume and much larger in value than they had been at any time in the history of the Company. Goodwill, which stood originally at £115,000, remained at £30,000, the same as last year. In every month except two the output of the works was larger in 1919 than it was in the corresponding month of 1918, pointing to a steady growth, which became especially marked in the last half of the year.

Increased Output of Staple Products.

After comparing the salient figures of 1919 with the corresponding figures of the last year of peace before the War, namely, 1913, the Chairman said those figures were both instructive and encouraging, because they showed that, notwithstanding the disturbance caused by the War—a disturbance that could not be measured in figures—the Company was within measurable distance of the position which it occupied at the height of its prosperity. The general outlook was still too uncertain to warrant an attempt to forecast the future, yet there was much ground for hope in the progress made in the past year, and especially in the last six months. They had come through difficult and anxious times; the turnover had been larger in value, though not in volume, than ever before; there had been a substantial increase in the output of their staple products, which were the backbone of the undertaking; they had had a satisfactory profit from almost every part of their world-wide organisation, pointing to a healthy all-round expansion of business; and, lastly, they had so far succeeded in dispelling the prejudice from which they had unjustly suffered that the name of the Company had been restored to the list of Admiralty contractors, and they were resuming business with shipowners who had broken off relations with them. They were using their most strenuous endeavours to promote the interests of the shareholders, who now numbered nearly 2,000, by extending the business, and their efforts were meeting with a considerable measure of encouragement.

The report and accounts were unanimously adopted.

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THOMAS WALLIS AND COMPANY, LIMITED.

THE twenty-ninth ordinary general meeting of this Company was held at the First Avenue Hotel, London, W.C., on February 27, Mr. William Henry Nicholls, H.M.L., Chairman of the Company, presiding.

The Secretary (Mr. John H. Barnard) read the notice convening the meeting and the auditors' report.

The Chairman said: Ladies and gentlemen.—The report does not say so, but I assure you it gives the directors the greatest pleasure to meet you to-day with such an account of our stewardship for the past year. This time last year I was able to announce that we had transacted the largest volume of business ever recorded in our history. That which has just ended eclipses it entirely, and our extensive turnover beats all records. It was 127% in excess of 1913, and 146% over that of 1914. I need scarcely say that it is entirely owing to the support accorded by our numerous patrons—to whom we tender our sincere acknowledgments—that the results are so satisfactory, for no attempt to secure excessive profits has been or ever will be made by us. To show how closely profits are watched I find that the gross rate placed upon the goods for the year pans out at .01 less than in the preceding year—or, say, 2½*d.* in the £100. I was conversing recently with an old official of a large West End kindred establishment, and he remarked how wonderfully well Wallis's were doing. I said yes, we are doing very well. He then said it was an example of the good old maxim, "Give customers a good article at a moderate profit and they will crowd round you." I replied, "That is exactly what we always had done and what we always will do." Of course, the year has not been without its anxieties, and we have had to be continually on the alert. The difficulties, as you know, are the increased cost of all necessaries, the trouble to secure a proper supply of finished goods, and, last but not least, the heavy additional cost of labour in all its branches, and I repeat my previously expressed opinion, that although the level of high prices may continue for many months to come, I consider the future is still fraught with some uncertainty, and it behoves us above all things to strengthen the Company's position by all the means in our power. International and national finances are of course objects of interest to us all, but I confess I am of those who have confidence in our present Chancellor of the Exchequer, and believe he will pull us through the present abnormal position, and in all probability may have a pleasant surprise for the country at the end of the fiscal year. I said this a few weeks before the Prime Minister told the House that the Budget would more than balance.

As regards salaries and wages, whilst at Wallis's we never have any anxiety about our excellent staff, to whom we again offer our thanks for their loyal and zealous services. We consider the question of a living wage has come to stay, and the directors not only sympathise with the movement, but will exert their best efforts to secure a fair and satisfactory settlement. The Shop Assistants' Union and the Drapery Chamber of Trade are, I am glad to say, conferring together in a most harmonious spirit, and we fully anticipate results fair and honourable to all parties. All we hope is that workers of all classes will appreciate what may be done, and do their level best all round to maintain and expand the resources of the glorious Empire to which we are all so proud to belong. That and increased production are, in my opinion, the most pressing of the questions upon which the future prosperity and happiness of the country depend. The welfare of our own staff has always been a matter of great interest to us. We have done all we consistently could. We have continued the bonus and paid income tax wherever chargeable, and now we are asking you to enable us to give effect to a plan we have long had at heart—to set apart £10,000 for the fund we propose to call the Staff Benevolent and Pensions Fund. The old Benevolent Fund has been of great value and been much appreciated. The new proposal, if approved of, will place us in the position to assist in their old age the many excellent men now nearing a patriarchal age who have spent the best years of their lives in our service. We hope this will have your unanimous assent. We are also asking you to make a special grant of £500 to St. Bartholomew's Hospital towards their new nurses' home. It is one of our oldest and noblest of our City hospitals, and one we have always supported. If any accident occurs in or near our premises, the unfortunate victim is carried off to Barts, where at all times he or she is certain of the skilful and kindly treatment for which the institution is justly famed. We hope you will approve of this also.

We now venture to hope that the proposed moderate increase of 1% in the dividend and a bonus of 6*d.* per share (the latter free of tax) and the transfer to reserves, &c., will have your approval, for we attach great importance to this favourable opportunity for strengthening the Company's position. I will now move the resolution that the report and balance sheet be approved and adopted and the various allocations of profits agreed to.

Mr. D. Reynolds seconded the resolution, and it was carried unanimously.

PROVINCIAL CINEMATOGRAPH THEATRES, LIMITED.

AN extraordinary general meeting of this Company was held on February 27, at Winchester House, Old Broad Street, London, E.C., for the purpose of submitting resolutions altering the articles of association and increasing the capital of the Company. Mr. S. P. Derbyshire (the Chairman), who presided, said: Provincial Cinematograph Theatres, Limited, has for the past ten years been the most progressive Company in the cinematograph industry in this country. It has occupied a unique position and developed its business on a sound financial and commercial basis. Those responsible for its management realised from the inception of this Company what a great future there was for the cinematograph industry. A wide and far-reaching scheme of development came to a standstill when war broke out in 1914. Your directors and managers did everything possible to keep closely in touch with the trade situation, which left them in a position, when hostilities ceased, to proceed with their programme of development, amended and improved, at a somewhat more rapid rate than would otherwise have been possible. I am pleased to be able to inform you that the profits for 1919 approximate something in the neighbourhood of £175,000, which, I think, we can consider a magnificent return. In March last you authorised an increase of the capital of the Company from £400,000 to £1,000,000; and of this amount £300,000 was publicly issued and fully subscribed at par in June last. In December last we received an offer of £400,000 for the unissued balance of 300,000 shares. At that time the directors were about to appeal for further capital, and they therefore decided to accept this offer, seeing that the purchasers agreed to pay a premium of £100,000, which has been added to your reserve account. Our position to-day is, therefore, that we have issued and fully paid a capital of £1,000,000, £600,000 having been subscribed since June of last year. Our reserve account stands, including the £100,000 premium received, at approximately £180,000. In addition, we have large amounts standing in reserve against properties, fixtures, fittings, furniture, &c., and I think you can take it for granted that the Company's properties (acquired and built before the War) are to-day, without taking into consideration the value of goodwill, worth at least double what they cost us. It is not possible for me to tell you in detail of the great developments taking place in this industry. Many of you may know that it is at the present time, in the United States of America, the third industry in importance and magnitude; and I am informed on reliable authority that the gross receipts in that country for the last year amounted, roundly, to the stupendous sum of £200,000,000 sterling. But for the War and the five years' stagnation as regards development, it would have reached a much more important position in this country at the present time. The film provides the easiest, the most healthy, and the most accessible form of entertainment extant; and your Company, Provincial Cinematograph Theatres, Limited, to maintain its pre-eminent position, must take advantage of the existing opportunities and develop on "P.C.T." lines. During the past 12 months your directors have acquired, or agreed to purchase, after very careful investigation, existing picture-houses in different parts of the country, including short under-leases of the New Gallery Kinema, Regent Street, London, and also the Albany Ward Circuit in the South-West of England. Whereas, therefore, at the last annual meeting your circuit of theatres consisted of 18 only, it is now a circuit of 50 of the very best theatres in the country. In addition, your directors have acquired a number of freehold and leasehold sites, all situated in important centres, on which it is intended to erect first-class picture-houses with cafés, &c. Negotiations are pending in other directions in such a way that I have every confidence that this Company will continue to maintain its position as the most successful and most progressive cinematograph business in existence.

The proposition now before us involves increasing the present capital of £1,000,000 to £3,000,000—a proposed increase of £2,000,000—but the directors now recommend an immediate issue of only £1,000,000, upon the terms which are fully set out in the resolution. In considering this proposal, regard must be given to our various classes of shareholders, and I propose, with your permission, to deal with these separately. As we have no Debentures, our 100,000 "A" Preference shares rank first. It is quite evident no objection whatever can be raised from their point of view to the proposed new issue, as such additional capital must naturally strengthen and make more secure the very high security which they now hold. The same remarks apply to the "B" Preference shares, of which there are 600,000. Every holder of "B" Preference shares to whom I have spoken on this matter welcomes this additional security. If the proposed new issue is in any sense of the word a burden, it can be so only to the Ordinary shareholders, but when I tell you that holders of nearly 60% of the Ordinary shares have, after full and careful investigation, requested your directors to develop on these lines and ask you to authorise this issue, I think you will therefore readily see that the future of this Company seems in every way assured, and you can have every confidence in voting for the resolu-

tion. When I tell you that the recently acquired new theatres are now earning a substantial profit, you will realise that, so soon as the business gets the benefit of the new capital, the profits of the Company should very considerably increase; in fact, at the present time, your Company is earning profits at a rate more than sufficient to pay a substantial dividend not only on the issued capital but on the proposed new issue.

The resolutions submitted were duly passed.

DUNLOP RUBBER COMPANY, LIMITED.

THE twenty-first ordinary general meeting of this Company was held on February 25, at 14 Regent Street, London, S.W., Mr. A. L. Ormrod (the Chairman of the Company) presiding.

The Chairman, in moving the adoption of the report and accounts, said: Ladies and Gentlemen,—I need hardly remind you that this is the twenty-first ordinary general meeting of the Company, and the first of such meetings with your board as constituted at present and with myself in the chair. Having survived the dangers of adolescence, the Company marks its majority and clearly establishes its manhood in the industrial world by presenting you with a report that records a great advance on any previous one, in that the profits are the largest, and arise from production and sales which are also the largest in its history.

Profit increase of Forty per Cent.

Looking back at my predecessor's remarks on the occasion of your last ordinary general meeting, I find the net profit brought in of £650,000 took no account of a sum of £325,000 remaining in the business in one form or another, which, if added to the amount of £650,000, brought the actual earnings of the year to approximately £975,000. Our net profit for the year ended August 31, 1919, amounted to £1,368,432 odd. The £975,000 was after the payment of retrospective charges for excess profits duty covering the years 1914-15 and 1916: the £1,368,432 is after making provision for similar duty to the period ended August 31, 1918, and, more particularly for the specific year ended that date, as the anticipation that excess profit duty would not be payable in respect of the year ended August 31, 1917, was practically realised. The comparative profit shown, therefore, is an increase of 40% over that for the previous year. The profits in the rubber estates and a portion of the profits of the other subsidiary companies retained for development or additional working capital, amounting in all to approximately £178,000, are not included—the comparative figures retained from the preceding year being £164,000. The total issued paid-up capital at August 31, 1918, amounted to £4,687,500, whereas at August 31, 1919, it amounted to £5,500,000, the difference arising through a further £1,500,000 7% Cumulative Preference shares having been issued, thus completing the total authorised issue of £3,000,000 7% "C" Preference shares. Outside the period under review, these shares have been paid up to the extent of 10s. per share, so that at to-day's date we have still £750,000 uncalled of our Preference capital issued, exclusive of the uncalled capital on the issue of Ordinary shares made since the date of the balance sheet.

Now, ladies and gentlemen, you have all received simultaneously with the report and balance sheet a pamphlet or brochure containing photographs of many of the properties embraced in the Dunlop Rubber Company. If you look at them you will find many of the buildings are in a state of construction and incompleteness. The development which you can see is occurring was initiated and much of it carried out under the conditions of war, and during the not very much less difficult conditions that have existed in the transition period since the Armistice. Self-evidently you will gather from the photographs a great deal of recent capital raised and spent is as yet unproductive. I also wish to emphasise that the balance sheet presented to you covers the results attained during a period of war and peace, and covers the transition period from war work to peace work. Taking the figure of earnings as shown at £1,368,000, you will see that if the recommendations of the board are endorsed by you the total sum paid out in dividend to the shareholders from such earnings will come to £713,599, or 52½% of the year's earnings.

The National Exchequer benefits.

You will note that out of the profits we recommend setting aside £250,000 to income-tax reserve account. You will, I am sure, agree with the wisdom of writing out absolutely the expenses of new capital issues, £120,000, rather than spread such writing off over a period. (Hear, hear.) Incidentally I may remark that, although outside the period of review, the recent expenses of raising five and one-third times the amount of money (viz., £8,000,000, as against £1,500,000) which has been successfully accomplished since the close of the balance sheet, will come to very little more than the figure of £120,000. (Applause.) It is satisfactory to know that our prosperity is reflected so much, not only over our own shareholders, but over all sections of the community, by the big contribution we are making to the National Exchequer, which will draw not much less than the shareholders. I dealt at the recent meeting so much in detail with the assets, prospects, and powers of production of the Company that now you will not expect me to deal in equal detail with such matters. With what I then told you, the summary of the position as given in the report, the balance sheet, and with the communications you have received, and what you know has happened since the last meeting in December, you know as much about the position as I do, other than on points of detail and matters under consideration that have not attained a finality of policy.

It is never wise to prophesy unless you know, and the results presented to you may or may not tally with the anticipations you may have formed from any remarks at the meeting held on December 1 last—but the statement I then made that I was satisfied that the Company had beaten all its records has proved to have been well within the mark. (Hear, hear.) Such results, I hope, are satisfactory to you. They should be satisfactory to the Government and to the general community, and, as we paid about 60% more in wages, labour has benefited by our progress. Taking a rough general average, the increased cost of labour in our productions would be about 35%. During the current year we are paying still more in wages, and the average cost will be higher still.

The other people concerned are our own customers, and we strain every nerve to meet the requirements and to provide ever-improving manufactures. It is only the wise provision of the past and careful consideration of the future that allows us to supply at present-day prices, for such are not based on to-day's prices of raw materials.

The Cotton Mills.

Our investments now stand at £2,006,879, against £1,294,611—or an increase of £712,268. This comes about by a further £294,525 having been invested in the rubber estates in cash, in addition to the profits left in, and is to be covered by a further issue of shares to this Company. The associated companies' amount is increased from £267,601 to £711,798, mainly by the inclusion of an investment in the shares of a French company which now owns the assets we previously possessed there. At the close of the year our investment in the Ordinary shares, and those Preference shares we had acquired by purchase, of that venture to which this Company and the purchasers of its products owe so much—namely, the Dunlop Rubber Cotton Mills—disappeared by liquidation. In its place we now have the No. 2 D.R. Cotton Mills, in which we hold all the Ordinary shares, with a merely nominal amount paid, and standing in our books to-day at a figure which for practical purposes is almost nil. The mills are even more vital to the success of the Dunlop Company to-day than the most sanguine could have thought when either their origin or further development was planned.

Regarding France, the arrangements in regard to the extension of our business there are progressing, and Mr. Procter, the Continental director, is absent from to-day's meeting from that cause.

The Supply of Rubber.

In regard to your rubber estates, the actual area planted at December 31, 1919, was 38,260 acres, subject to survey; 9,374 acres were in tapping; and the average area in tapping during 1919 was 9,196 acres. The crop harvested was 3,537,437 lb., or an average yield per acre of 384 lb. It has been considered more important to devote more attention to our existing planted areas rather than to hurry development, with the present shortage of labour in Malaya. The Company's estates are in as satisfactory a position as the condition affected by the War and the general shortage of labour in Malaya permit, and there is some evidence of recent improvement in conditions. The Company is not yet within appreciable distance of producing the quantity of rubber for such a proportion of its own requirements as the Board considers ought to be provided. To that end negotiations recently occurred with the representatives of two other rubber-producing companies whose shareholders met only yesterday. The crop from these two last year was in the neighbourhood of 2,300,000 lb., so that from these and our own estates we should probably be safe in estimating a harvest of about 6,500,000 lb. this year, which would mark a substantial forward step. What we want is to safeguard a considerable portion of our raw material supply. We must now await the result of the poll of their shareholders.

Regarding Dunlop, America, the works are to be situated at Buffalo. The site has been obtained, the contracts for the buildings let, and in about eight months' time the Company should be in a position to start work. It will start possessed of the "last word" in tyre production. With our modern plant here, and our still more modern plant there, no tyre manufacturers in the world should beat us the pioneers of this industry.

Referring to the recent issue of 1,000,000 Ordinary shares at a premium of £1, and the objection eventually raised by the Stock Exchange Committee, the Chairman said that the upshot of the whole matter was that the issue was more successful than could have been anticipated.

The Right Hon. Sir Henry Dalziel, Bart., P.C., M.P.,

seconded the motion, which was carried unanimously, as was one for the confirmation of the dividends recommended.

With the re-election of the retiring directors and the re-appointment of the auditors the proceedings terminated.

JOHN KNIGHT, LIMITED.

THE annual general meeting of this Company was held on February 27 at the Great Eastern Hotel, London, Mr. John W. Hope, C.B.E., Chairman and managing director, presiding.

The Chairman, in moving the adoption of the report, said: I am glad to be able to report a general expansion in all departments of the Company's business during the year under review. We are not now dependent upon any one trade for our income, and I think it is correct to say that each department of the business has contributed its full share to the year's profits.

Reserves—Strong Financial Position.

First of all we will now have, if our proposals meet with your approval, an actual reserve fund of £100,000, which is invested outside of the business. Then we have charged against profits a depreciation reserve of £61,129, while we charge all repairs to revenue, so that the item of £251,737 for freehold land, buildings, plant, and machinery is thereby substantially written down, whereas, in the opinion of well-informed experts, it might well be written up very substantially. The same remarks might be applied to the item of £89,135, "other investments," and if we look at the figures for goodwill, £68,000, it will be evident that this amount, which represents the original cost, has little relation to its present value. You will notice an increase in stock of over £45,000, and I should like to say that the stock we held on November 30 last and our purchases for forward delivery show to-day a satisfactory appreciation in value. Debts due to the Company are naturally heavier, being more than £120,000 over last year, and the item of £267,230 can be regarded as a perfectly sound asset. Our liquid assets, after providing for sundry creditors (including excess profits duty), excluding freeholds, lands and buildings, plant, machinery, &c., amount to £574,426, or nearly £5,000 in excess of our entire capital, which you will probably consider satisfactory.

Profit-sharing Distribution.

The dividend we are asking you to confirm to-day will entitle all our profit-sharers to seven and a-half weeks' extra remuneration, which is equal to 15% upon their present rate of wages. It may be desirable to explain that our profit-sharing scheme provides that for every ½% in dividend paid over 5 % on the Ordinary shares our workers receive one-half week's extra wages. This is paid as to half in cash, and half in special certificates carrying the same dividend as is paid on the Ordinary shares, thus giving all our helpers a real interest in the furtherance of the prosperity of the business. We have good reason to believe that the broad-minded and liberal policy which the shareholders of John Knight, Limited, have so long followed is greatly appreciated, especially by those thoughtful, capable and energetic men and women who form the backbone of a factory staff, as well as by the travellers, clerks, and others more particularly concerned in the selling side of the business. The cordial goodwill and co-operation of the whole staff is essential to secure efficiency, economy, and the smooth working of a large manufacturing business, and we believe our profit-shaing policy has helped materially in this direction.

New Cleansing Soap—"Hustler!"

Our manufactures continue to enjoy the favour of the retailer as well as of the general public, and we have secured a considerable addition to our export trade in all our specialities. Since our last meeting we have introduced a new cleansing soap which, owing to its unusual detergent properties, we have named "Hustler," and have secured the necessary trade mark for it in the United Kingdom and Colonies, and in all the important countries to which soap is exported. This soap is already much in favour, and is being sold as rapidly as it can at present be produced. It has not affected the sale of our sheet anchor, the Royal Primrose Soap, nor of any of our other specialities.

Lord Leverhulme's Offer.

Since I dictated this speech we have been approached, as has already been indicated, by Lord Leverhulme, with whom I entered into negotiations on Monday last, which have resulted in an offer being made by Lord Leverhulme as detailed in the circular posted to each shareholder on Wednesday evening. Notwithstanding the very strong and satisfactory position of the Company and its prospects, I feel it is my duty to point out to the Ordinary shareholders that, under our existing constitution, it would be very difficult, if not impossible, for us to pay a dividend of 25% on the Ordinary shares, for the reason that, after these shares receive a dividend of 6%, the remainder of the profits earned has to be divided equally between the Deferred shares and the Ordinary shares. Your Board has, therefore, unanimously agreed to recommend to you the acceptance of Lord Leverhulme's offer. It seems quite unnecessary for me to make any similar recommendation to the holders of the Deferred shares.

Mr. Samuel Barnett (Deputy Chairman) seconded the motion, and after some discussion with reference to the offer made by Lord Leverhulme, the report and accounts were adopted.

Acknowledging a vote of thanks, the Chairman said that in the past he had opposed any combination with Messrs. Lever Brothers. He fought them at the "Soap Trust" time, and his own feeling had always been that as a Company they should maintain their independence. If the offer had not been of such a tempting nature he would not have even brought it before his colleagues. They must, however, look at things as they were. They were, he was afraid, nearing the peak of high profits, and, in his opinion, the shareholders would be well advised to take advantage of what was neither more nor less than a guaranteed 25 per cent.

The proceedings then terminated.

HARROD'S (BUENOS AIRES), LIMITED.

South American Stores Purchase—Approval by Shareholders.

AN extraordinary general meeting of Harrods (Buenos Aires), Limited, was held on February 27 at Brompton Road, London, S.W., for the purpose of passing a resolution authorising the directors, subject to the acceptance of an agreement dated February 12 last, to increase from time to time the capital to an amount not exceeding the nominal amount of £4,712,000, by the creation of new Ordinary shares of £1 each ranking equally with the existing 900,000 Ordinary shares of £1 each of the Company, and also a resolution that "until otherwise determined by the Company in general meeting the number of directors should not be less than four nor more than ten." Sir Alfred J. Newton, Bart., presided.

The Chairman said they had met to consider the proposed acquisition by this Company of shares in the South American Stores (Gath and Chaves), Limited. The directors of the two companies had taken into consideration the past and present trading values and positions, and carefully estimated and weighed future prospects, trade possibilities, and tendencies, with the result that they had come unanimously to the conclusion that their recommendations to the shareholders should be adopted for the common welfare of all concerned. The capital of the South American Stores as at July 31, 1919, consisted of 400,000 Preference shares of £1 each, 1,500,000 Ordinary shares of £1 each, and 1,050,000 Deferred shares of 1s. each, making a total capital of £1,952,500. At that date there were outstanding first mortgage Debentures amounting to £864,700, and since the close of their financial year they had issued a further £1,250,000 mortgage Debentures, making a total of £2,114,700, upon which 5½% per annum was payable, free of income tax. The Preference shares were entitled to a cumulative preferential dividend of 6% per annum, and the Ordinary shares were entitled to a non-cumulative dividend of 6% per annum. The surplus profits were then divided as to 15% among the Preference shares, 65% among the Ordinary shares, and 20% to the Deferred shares. The dividends respectively paid last year amounted to 8½% upon the Preference shares, 8½% upon the Ordinary shares, and 2½d. upon each of the Deferred shares. The distribution in all amounted to about £166,600, and in addition £60,000 was placed to Contingencies Fund and £32,267 was transferred to the General Reserve Fund, which stands at £300,000. He need not recite the sound commercial reasons which influenced the board to make the proposals. Those who attended their annual meeting last December, or who read the report which was circulated afterwards to all the shareholders, knew the view which the board held as to the bright prospects of Argentine trade, and here they had a market in which were two British companies engaged in departmental store trade dealing in very much the same class of merchandise. How much better, therefore, for British commerce that these two companies should work harmoniously. On a cool and deliberate consideration of the position, he thought they would all agree there could be but one decision. Amalgamation and co-ordination in working and control was the one desirable thing. Although he had not heard any really serious objection to amalgamation, there had been statements made by the respective shareholders against the terms. On the one hand, at the South American Stores meeting, shareholders thought the terms arranged were unsatisfactory to them, that a higher price should be paid; while, on the other hand, they themselves had comments from their shareholders that the price they were paying was too high. In these circumstances it was therefore only fair to claim that the directors of the respective companies had been successful in arriving at a fair and satisfactory middle course.

The trading results for the current year, combined with the profits arising from the proposed acquisition of the shares of the South American Company, justified the directors in stating that the continuance of the present state of trade would, in their opinion, more than suffice to cover the

dividends of 6½% upon the Preference shares, make the necessary provision for reserve, and pay a full dividend of 10% for the year upon the existing and proposed new Ordinary shares. The accounts of the two Companies for last year showed combined profits sufficient to cover the whole of such dividends, besides making provision for reserve and leaving a dividend for the Deferred shares of this Company. He moved the resolution for the increase of the capital.

Sir Woodman Burbidge, Bart., C.B.E. (Managing Director), in seconding the resolution, said that the fusion would enable the respective Companies to give better value to customers in Buenos Aires, and would also enable them to work at a considerably lower profit than was possible at the present time, and thereby further increase their turnover. They had large factories, and their own Company was just about to erect very large ones also, and with certain alterations, when the fusion of the two Companies took place, there was no reason why the present factories should not manufacture for both concerns, and thereby save a great deal on the goods manufactured. This would be one of the strong features of the proposed unity of control. They had a magnificent business and the future prospects were very great, and whether the purchase went through or not they were sure to give very satisfactory returns to our shareholders.

Mr. Soutter said he thought the shareholders should have had greater details. He considered that a full amalgamation would have been preferable. He moved an amendment for an adjournment, but this was not seconded.

Mr. W. H. Sheel and Mrs. Thomson-Price heartily endorsed the proposals. One or two shareholders expressed the opinion that the price being paid was too high.

The resolutions for the increase of the capital and for the alteration in the Articles as to the future directorate were carried in each case, with one dissentient.

RAND GOLD OUTPUT.

Aurora West United.—Authorised capital £300,000, in 600,000 10*s.* shares; issued, 212,705 shares.

Year ends Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Pr. ton	Expenses Amt. £	Expenses Pr. ton	Profit Amt. £	Profit Pr. ton	Price end of Period
1917 ...	80	177,250	13	212,739	24/0	168,165	19/0	44,574	5/0	12/3
1918 ...	78av.	153,550	8¼	178,462	22/6	176,053	22/2	2,409	–/4	10/6
1919 ...	—	160,850	—	167,573	20/9	193,236	24/1	25,663*	3/4*	7/6
1920. Jan. ...	—	14,200	—	17,464	24/7	17,464	24/7	*111*	—	7/6

* Loss.

Brakpan.—Capital issued, 808,000 £1 shares; 160 stamps. Ten tube mills now working.

Year ends Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Pr. ton	Expenses Amt. £	Expenses Pr. ton	Profit Amt. £	Profit Pr. ton	Price end of Period
1917 ...	110	677,500	14½	1,168,454	34/6	694,451	20/6	474,003	14/0	6⅞
1918 ...	111	617,100	13½	1,089,950	35/4	723,643	23/5	366,317	11/11	3½
1919 ...	—	544,200	—	1,038,585	38/2	723,259	23/7	315,436	11/7	3¼
1920. Jan. ...	—	48,400	—	86,038	35/6	69,281	28/7	16,754*	6/11	4

The fixed charge for development has been increased to 3*s.* 6*d.* per ton as from July 1, 1918.

* Excluding gold premium, £23,125.

Dividends—1917, June, 22½; Dec., 25 per cent.
1918, June, 20; Dec., 12½ per cent.
1919, June, 12½; Dec., 15 per cent.

City Deep.—Capital £1,250,000, in £1 shares. 200 stamps and tube-mill accessories. Capacity 80,000 tons per month.

Year to Dec. 31	Stps.	Tons Milled	Sorting %	Revenue* Amt. £	Revenue* Per ton	Expenses Amt. £	Expenses Per ton	Profit* Amt. £	Profit* Per ton	Price end of Period
1917 ...	154	744,100	14½	1,469,953	39/6	796,137	21/5	665,569	17/11	3⅜
1918 ...	154	670,100	9¾	1,274,970	38/0	821,768	24/6	453,202	13/6	2⅞
1919 ...	—	617,800	—	1,180,942	38/4	856,198	27/10	324,744	10/6	3⅛
1920. Jan. ...	—	56,000	—	127,018*	45/4	71,939	26/9	52,079	18/7	3⅛

* Gold calculated at 107/6 per fine oz.

Dividends—1917, June, 22½; Dec., 22½ per cent.
1918, June, 20; Dec., 7½ per cent.
1919, June, 10; Dec., 12½ per cent.

Crown Mines.—Capital £1,000,000, in 2,000,000 shares of 10*s.* each; issued, 1,880,212. £573,500 Five per Cent. Debentures. Milling capacity about 230,000 tons per month.

Year to Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Per ton	Expenses Amt. £	Expenses Per ton	Profit Amt. £	Profit Per ton	Price end of Period
1917 ...	660	2,100,000	8¼	2,700,095	25/9	2,026,129	19/4	673,966	6/5	2⅛
1918 ...	660	1,861,000	9¼	2,528,760	27/1	2,118,055	22/8	410,705	4/5	2⅛
1919 ...	—	1,845,000	—	2,702,708	27/10	2,241,943	23/2	460,765	4/8	3⅛
1920. Jan. ...	—	176,000	—	281,327*	32/0	192,446	21/10	88,925	10/2	3⅛

* Gold calculated at 107/6 per fine oz.

Accumulated slimes profits included.

Dividends—1917, June, 20; Dec., 20 per cent.
1918, June, 15; Dec., 5 per cent.
1919, June, 5; Dec., 35 per cent.

City and Suburban.—£1,360,000, in £4 shares. Two tube mills. Yearly profit is exclusive of accumulated slimes revenue.

Year to Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Per ton	Expenses Amt. £	Expenses Per ton	Profit Amt. £	Profit Pr. ton	Price end of Period
1917 ...	150	306,450	15⅛	527,076	34/4	367,604	23/11	159,472	10/5	1 3/16
1918 ...	150	248,730	12½	416,923	33/6	369,516	29/8	47,407	3/10	⅛
1919 ...	93*	220,066	—	343,119	31/6	380,195	35/1	37,10 †	7/†	9/0
1920. Jan. ...	—	13,722	—	24,971	36/5	31,747	46/4	6,766†	9,11†	8/6

* 70 stamps shut down owing to labour shortage. † Loss.

Dividends—1917, June, 6¼; Dec., 3⅜ per cent.
1918, June, 1⅞ per cent.; Dec., nil.

East Rand Proprietary Mines.—Capital issued, £2,445,897, in £1 shares; £835,620 Convertible Five per Cent Debentures in issue. Twenty-five tube mills.

Year ends Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Pr. ton	Expenses Amt. £	Expenses Pr. ton	Profit Amt. £	Profit Pr. ton	Price end of Period
1916 ...	820	1,939,200	9½	2,365,107	24/4	1,867,943	19/3	497,164	5/1	12/3
1917 ...	820	1,741,000	7½	1,885,648	21/7	1,721,451	19/8	164,197	1/11	5/9
1918 ...	600	1,372,300	10	1,597,075	23/2	1,544,160	22/6	52,915	–/8	4/10
1919 ...	—	1,409,500	—	1,765,061	25/1	1,655,858	23/7	109,203	1/6	11/9
1920. Jan. ...	—	125,000	—	178,219*	28/6	149,130	23/10	29,089	4/8	12/6

* Gold calculated at 107/6 per fine oz.

Accumulated slimes profits included throughout.

Geduld Proprietary.—The capital authorised is £1,500,000; issued, £1,151,824, in £1 shares.

Year ends Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Per ton	Expenses Amt. £	Expenses Per ton	Profit Amt. £	Profit Pr. ton	Price end of Period
1917 ...	77av.	425,550	7.5	631,364	29/8	418,526	19/8	212,838	10/0	28/0
1918 ...	100	513,200	10.1	747,905	29/2	513,654	20/0	234,242	9/2	1 3/8
1919 ...	—	516,000	—	776,468	30/0	522,867	20/2	253,601	9/10	7/32
1920. Jan. ...	—	45,000	—	89,029*	39/7	50,142	22/3	38,887	17/4	2 1/16

* Gold calculated at 107/6 per fine oz.

Profits include sundry revenue.

The sorting in this mine is both on surface and underground; very light on surface.

Dividends—1917, June, 5: Dec., 5 per cent.
1918, June 5; Dec., 6¼ per cent.
1919, Dec., 16 per cent.

Government Areas.—Capital £1,400,000, in £1 shares. 200 stamps, 20 tube mills; 5 tube mills being added to increase mill capacity to 135,000 tons a month. The returns include sundry revenue.

Year ends Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Per ton	Expenses Amt. £	Expenses Per ton	Profit Amt. £	Profit Pr. ton	Price end of Period
1916 ...	110	744,000	12½	1,008,779	27/1	804,091	21/7	216,400	5/10	51/3
1917 ...	186	1,298,000	8	1,930,657	29/9	1,236,741	19/0	700,439	10/10	3 1/16
1918 ...	189	1,303,500	10¼	2,159,642	33/1	1,282,226	19/8	877,416	13/5	4 1/16
1919 ...	—	1,361,000	—	2,418,582	35/7	1,423,036	21/0	995,546	14/7	5¼
1920. Jan. ...	—	111,000	—	240,848	43/5	120,516	21/10	120,332	21/7	5 5/16

Langlaagte Estate.—Capital £950,000; issued, 886,500 £1 shares. 200 stamps, five tubes. No sorting.

Year to Dec. 31	Tons Milled	Revenue Amt. £	Revenue Pr. ton	Expenses Amt. £	Expenses Pr. ton	Profit Amt. £	Profit Pr. ton	Price end of Period
		[Profits include estate, &c., revenue.]						
1917 ...	539,618	622,491	23/0	503,030	18/7	119,461	4/5	15/0
1918 ...	533,690	647,999	24/2	508,916	19/0	139,083	5/2	20/6
1919 ...	475,480	590,781	24/10	562,950	21/4	87,831	3/6	20/6
1920. Jan. ...	35,650	50,916	2/7	42,421	23/11	8,495	4/8	21/3

Dividends—1917, June, 5; Dec., 5 per cent.
1918, June, 5; Dec., 7½ per cent.
1919, June, 7½ per cent.

Modderfontein.—Capital, £1,400,000, in 10*s.* shares. Fifteen tube mills in use.

Year to June 30	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Pr. ton	Expenses Amt. £	Expenses Pr. ton	Profit Amt. £	Profit Pr ton	Price end of Period
1916-17	180	656,700	14	1,423,500	43/4	638,483	19/5	785,017	23/11	20⅛
1917-18	195av.	684,100	8	1,559,177	45/7	725,913	21/3	833,263	24/4	2/4
1918-19	236	920,500	10.41	2,018,901	43/10	929,102	20/2	1,089,799	23/8	26½
1919-20. Sept. qr.	236	218,500	11.10	486,723	44/7	235,318	21/7	251,410	23/0	28
Dec. qr.	—	230,600	—	517,033	44/10	240,574	20/10	276,483	24/0	35½
Jan. ...	—	81,000	—	225,095*	55/7	87,889	21/8	137,209	33/11	4

* Gold calculated at 107/6 per fine oz.
† £1 shares now split into 1*s.* shares.

Returns include profit from accumulated slimes.

Dividends—1917, June, 16½; Dec., 18¾ per cent.
1918, June, 21⅞; Dec., 30 per cent.
1919, June, 32½; Dec., 37½ per cent.

Consolidated Langlaagte.—£950,000, in £1 shares. £100,000 5½% Debentures. 100 stamps and 10 tubes. About £400 monthly sundry revenue included below.

Year to Dec. 31	Stps.	Tons Milled	Sort-ing %	Revenue Amt. £	Revenue Pr. ton	Expenses Amt. £	Expenses Pr. ton	Profit* Amt. £	Profit* Pr. ton	Price end of Period
1917 ...	100	585,650	¼	729,938	24/11	501,385	17/1	231,226	7/11	21/0
1918 ...	100	503,300	—	635,853	25/2	478,113	19/0	157,740	6/2	20/0
1919 ...	—	507,800	—	638,304	25/2	518,562	20/6	119,742	4/8	1⅝
1920. Jan. ...	—	43,500	—	63,977	29/5	46,930	21/7	17,047	7/10	1¾

* Includes slimes profit and sundry revenue.

Dividends—1917, June, 10; Dec., 7½ per cent.
1918, June, nil; Dec., 5 per cent.
1919, June 5; Dec., 7½ per cent.

Springs Mines.—Issued capital £1,193,236 in £1 shares; £130,000 6% Debentures. Capital being increased to £1,500,000. Plant capacity 40,000 tons per month. Trial crushings started January 1917:—

Year to Dec. 31	Tons Milled	Sort-ing %	Revenue Amt. £	Revenue Per ton	Expenses Amt. £	Expenses Per ton	Profit Amt. £	Profit Per ton	Price end of Period
1917 ...	313,065	13½	610,440	39/0	345,998	22/1	264,442	16/11	3½
1918 ...	427,610	18·7	905,777	42/4	475,222	22/3	430,555	20/1	3¾
1919 ...	434,610	—	829,286	38/2	578,719	26/8	250,567	11/6	2⅝
1920. Jan. ...	40,500	—	75,968	37/6	57,316	28 3	18,652*	9/3	3⅛

* Excluding gold premium, £20,473.

Development charge raised 2s. 6d. per ton milled as from July 1, 1919.

Dividend—1918, June (Springs West shares); Dec., 12½ per cent.

PRELIMINARY ANNOUNCEMENT.

The Oilfields of Egypt

LIMITED

CAPITAL - - - £750,000

Divided into 750,000 Shares of £1 each.

Issue of 450,000 Shares of £1 each

Of which 150,000 are to be issued as fully paid up in respect of purchase consideration, and 300,000 will be offered for Public Subscription at par, within the next few days.

DIRECTORS—FRANCIS ALLEN, J.P., 16, Eastcheap, London, E.C., Chairman of the North Caucasian Oilfields, Ltd. HOWARD CHAPLIN BACK, of Back and Manson, Merchants, London, Cairo and Alexandria; Egypt House, New Broad Street, E.C. ESMOND CAILLARD, Director of T. Cooke and Sons, Limited, 3 Broadway, Westminster, London, S.W. J. MONCRIEFF DICK, 5 Bishopsgate, London, E.C., East India Merchant. J. ST. JOHN GRAHAM, 5 Bishopsgate, London, E.C., East India Merchant. EDWARD HUME, Warnford Court, London, E.C., Director of the Ural Caspian Oil Corporation, Limited. STEPHEN J. SPURLING, Warnford Court, London, E.C., Member of the London Stock Exchange.

TECHNICAL ADVISERS—EASTLAKE & SUTTON, 17 Gracechurch Street, London, E.C.

CONSULTING ENGINEER IN EGYPT—JOHN WELLS, F.G.S., M.Inst.P.T., late Inspector-General of Mines to the Egyptian Government.

FIELD MANAGER—WILFRID F. MACDONALD, M.B.E., A.Inst.M.M., 53 Palace Court, London, W.

BANKERS—LONDON JOINT CITY & MIDLAND BANK, LIMITED, Threadneedle Street, London, E.C., and Branches. BARCLAY'S BANK, LIMITED, 54 Lombard Street, London, E.C., and Branches. THE CLYDESDALE BANK, LIMITED, Glasgow and Branches.

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All Editorial communications should be addressed to the Editor.

Business communications should be addressed to the Manager,

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51 Cannon Street, London, E.C. 4.

Telegrams: "Statist Cent. London." *Telephone: City 5258-5259.*

The Statist.

LONDON, SATURDAY, MARCH 6, 1920.

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The Money Market.

Friday, March 5, 1920.

	Current Rate %	Current Rate Fixed	Previous Rate %	Previous Rate Fixed
Bank of England Rate...	**6**	**(Nov. 6,'19)**	**5**	**Apr. 5,'17**
Deposit Rates:—				
Banks & Discnt. Ho. (Call)	**4**	**(Nov. 6,'19)**	**3½†**	**Oct. 6, '19**
Discount Houses (Notice)...	**4¼**	**(Nov. 6,'19)**	**3¾**	**Oct. 6, '19**

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.

† Foreign and Colonial banks give Special Rates only upon deposits for a year.

Discount Rates:—	60 Days. %	3 Mos. %	4 Mos. %	6 Mos. %
Treasury Bills	—	5½	—	5¼
Bank Bills	$5\frac{13}{16}$-$\frac{7}{8}$	$5\frac{13}{16}$-$\frac{7}{8}$	$5\frac{7}{8}$-$\frac{15}{16}$	6
Trade Bills	—	6¼	6½	6¾

CREDITS were more plentiful in the Money market during the week than has been the case for some time past. This was doubtless due to the large Government disbursements on Monday. In addition to £2,000,000 New South Wales 4½% Debentures, which matured on that day, Government payments in respect of 3½% War Loan, Victory Loan, and National War Loan reached nearly 20 millions. Thursday's conditions were comparatively easy, though this is usually an uncomfortable day for the market, on account of the transfers of cash to the Treasury in connection with the ingathering of taxes. The previous week's revenue, as will be seen below, was below the average for some weeks past, and the state of the market would indicate a similar occurrence for the week just past. The Bank of England contributed again to the ease of the market by helping to meet the present large demands of trade on credit resources. Demand was rather slack in the early part of the week, and the ruling rate was 4% for short loans on Monday. Conditions became easier on Tuesday, and business was done in the afternoon at 3½%, closing balances being offered at 3%. The demand was stronger on Thursday at from 4% to 4¼%, but balances were offered in the afternoon down to 2½%. Weekly fixtures were slightly firmer, and the demand was strong at 4¼% to 4½%.

In the Discount market the demand was stronger, especially for short bills. April maturities were bought at 5¾% to $5\frac{13}{16}$%; three months bills ranged from 5⅞% to $5\frac{15}{16}$%, and six months maturities were firm at $5\frac{13}{16}$% to $5\frac{15}{16}$%.

The feature in the Foreign Exchange market was a sharp rise in the New York cable transfer rate from 3.37¼ a week ago to 3.59 to-day. The cause of this phenomenal jump is a report in financial circles in Wall Street that a gold shipment is being prepared from London to New York to the value of between $100,000,000 and £200,000,000. Both Paris and Brussels cheques show a steady rise to 49.01½ and 47.19½ respectively. The Italian sight rate rose in sympathy from 62.45 to 63.57½. Spain moved in our favour to 19.91½. German marks were further depressed from 338½ at the end of last week to 343½ yesterday. Helsingfors was unsteady, but showed a net rise for the week at 77½. Of the Scandinavian group both Christiania and Stockholm moved in our favour to 20.23½ and 18.30 respectively. Following an unfavourable movement on Wednesday Copenhagen rose to 22.72½ yesterday. Dutch florins moved in our favour to 9.46 on Thursday. There is little change to report in the South American group. The Shanghai tael was fairly steady at 5s. 7d. the Hongkong dollar showed little change at 2s. 5d. Japanese yen were quoted up to 2s. 10¼d. Monday but closed yesterday with a movement to 2s. 9¾d.

The Public Income and Expenditure Account for the period ending February 28 is more than usually interesting. [illegible]

to the 5¾% Exchequer Bonds, 1925, for which the list closed on Saturday last. It will be remembered that the amount of the issue was unlimited and that the proceeds were to be used to repay the Exchequer Bonds maturing on February 16, on March 24, and on December 1 of this year, any surplus presumably being applied in reducing the floating debt. The total maturities amount to over 198 millions, and, as announced by the Chancellor of the Exchequer last week, the terms of conversion from the maturing bonds into the new 5¾% issue were availed of to the extent of 100 millions aproximately. According to the return issued this week, the cash subscriptions to the 5¾% Exchequer Bond issue amount to £53,550,000, and therefore there remains, roughly, £44,000,000 of the expiring bonds uncovered by conversions into and cash subscriptions to the new issue. This estimate, which does not take account of applications that may have been received by the Post Office or the banks not yet transferred to the Treasury, indicates that the 5¾% issue met with greater success than was generally anticipated in the City. The revenue for the week ending February 28 is only £37,170,253, as against £52,118,068 for the preceding week and £28,274,037 for the corresponding week last year. Income from Excise is over 5 millions lower, and income from property and income tax nearly 2 millions under the preceding week's income. The main cause of the falling-off in revenue, however, is a decline of nearly 9 millions in "Miscellaneous" receipts, under which heading sales of Government assets have been included for some time past to swell the revenue. On the other hand, expenditure for the week is nearly 5 millions lower than the previous week's expenditure. The total expenditure to February 28 exceeds the total revenue by over £295,000,000, and as there are only four weeks more of the financial year to run it will be interesting to see how income will be made to balance with the expenditure. According to a statement by the Chancellor in the House of Commons on Tuesday night, this end will be brought about by including the sales of disused Government stores and materials as revenue. As we were led to expect that the proceeds of these sales would be applied directly to reducing the Debt, this announcement is rather disappointing. As was only to be expected a reduction was effected in the floating debt; Treasury bills outstanding were reduced by £32,246,000; and Ways and Means Advances by £31,000,000. A further payment of £2,050,000 was made in respect of the 6% Exchequer Bonds which matured on February 16. Other debt under the War Loan Acts (1914-19) was increased by £2,417,584. The correspondence arising out of applications by the Treasury on behalf of the Government to the Bank of England, as printed in a White Paper published on Tuesday, includes some interesting comments made by the Governors of the Bank on the Government borrowings. On March 20, 1919, they wrote: "The Court of Directors desired us to draw your attention to the amount which has already been advanced on the credit of Ways and Means, and to convey the expression of their hope that you will realise the inadvisability of an increase in these advances, and their earnest desire that measures should be taken for repayment." Again, on September 22, 1919: "The Court [of Directors] desire us to draw your attention both to the amount and to the duration of these advances, which for the past two years have in effect to a large extent partaken of the nature of a continuous loan, and again to express the earnest hope that such loans may hereafter be obtained from the public, and the advances from the Bank once more confined to the temporary requirements of the Treasury, which it has long been the Bank's privilege to furnish."

In conjunction with an increase in the active circulation of Bank of England notes, as indicated below, there is also an increase of £2,535,143 in the amount of currency notes and certificates outstanding. Fresh issues totalled £8,494,128, as against cancellations amounting to £5,958,985, thus bringing the total up to £327,528,935. £500,000 Bank of England notes has been added to the currency note redemption account, with the result that the ratio of Bank of England notes and gold to notes is again higher at 10.1%. The fiduciary issue, on the other hand, is over 2 millions higher at £294,428,935.

BANK OF ENGLAND.

WHATEVER fears yet remain of a rise in the Bank rate in the immediate future should disappear on perusal of the Bank return for the current week. The ratio of the reserve to liabilities has increased by 2.6% to 19.6%. The amount of the reserve itself, it is true, has fallen by £1,476,000 to £30,893,000, but this has been more than counterbalanced by the reduction in liabilities from £190,164,000 to £157,867,000. This has been accomplished entirely through the withdrawal of £37,413,000 from "other deposits," as compared with the increase of £5,117,000 in public deposits. The double movement is closely associated with the success of the cash subscription to the 5¾% Exchequer bond issue, which amounted, according to the Chancellor of the Exchequer, to over £60,000,000. Reducing the cash deposits of the banks, these subscriptions enabled the Government to repay the bulk of the loan they had secured from the Bank, on the credit of Ways and Means Advances, a fortnight ago to enable them to meet the maturity of such Exchequer bonds as had not been renewed. Consequently, during the week Government securities were reduced by £32,432,000 to £52,721,000. The ingathering of revenue, in conjunction with these cash subscriptions, probably furnishes the explanation of the increase in public deposits, just as the former factor was instrumental in adding £1,627,000 to other securities. The influx of gold still continues, an addition of £3,152,000 being made to the stock of bullion during the week. *Per contra* notes in circulation have expanded by £4,629,000, the excess of £1,477,000 coinciding with the actual loss in the reserve. Of this increase in circulation £500,000 has gone to the credit of the Currency Note Redemption account in connection with the issue of an additional £2,600,000 currency notes, thereby raising the total of this Bank-note reserve to £4,600,000.

BULLION.

FROM 82¾*d.* per oz. on February 27, the cash price of silver advanced to 84d. on Monday, but declined subsequently under heavy selling pressure from the Continent. China was again a buyer, but her demand was chiefly for future delivery, with the result that the forward discount dwindled from ¾*d.* per oz. on Saturday last to ⅝*d.* on Monday, ½*d.* on Tuesday, and ⅜*d.* on Wednesday. To-day, on account of the rise in the American exchange, there was a phenomenal drop in the price of both silver and gold. The spot quotation fell to 77⅞*d.* per oz., and the forward price to 77¾*d.*

Business in the Gold market was again on a very small scale, the amount available being taken by

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South America and the Straits. Price movements were more or less nominal, in accordance with the fluctuations in the dollar-sterling exchange. To-day's quotation is 114*s.* 6*d.* per oz.

NEW YORK.

Following the unfavourable report issued last week by the members of the New York Clearing-House Association, the report presented this week shows an exceptionally improved position, and, indeed, the actual position at the close of business on February 28 is stronger than it has been for some weeks past. Cash held by the members of the Federal Reserve Bank shows a decrease of $1,220,000, and the aggregate reserve is lower by over 1.5 millions. As against this, however, the average net demand deposits have declined by 40.7 millions, and net time deposits by over 2 millions, so that the net result is an improvement in the excess reserve by $3,770,000 to $25,570,000. Furthermore, the actual excess reserve is at the substantial figure of $35,190,000—an increase of over 27 millions on the actual excess reserve a week previously.

A slight improvement is also indicated in the Federal Reserve Board's weekly statement, though the ratio of reserves to liabilities is still very low. The depletion of the gold reserves of the system still continues, though the loss for the week ending February 28 is much less than it has been for some weeks previously, being only 3 millions, as compared with an average loss of over 23 millions for the three weeks immediately preceding. A large increase has occurred in other legal-tender reserves, on the other hand, which in effect is sufficient to increase the total resources available against liabilities. A contraction in deposits is also shown in the statement, but as against this an unusually large increase is shown in the net circulation of Federal Reserve notes, which now amounts to $3,019,980,000—the largest since the beginning of the year.

The total gold reserves of the twelve Federal Reserve banks are now $1,966,840,000—the lowest reported since July 12, 1918. After deducting 35% against net deposit liabilities there remains a ratio of gold resources to Federal Reserve notes in circulation of only 44.8%—*i.e.*, only 4.8% above the minimum consistent with safety as fixed by the Federal Reserve Board. The continued weakness of the Federal Reserve system is all the more remarkable as it is usual to expect strong reserves at this time of the year, when, under normal conditions, the huge payments in January in respect of dividends and interest begin to flow back to the great reserve centres, and but indicates the existence of an abnormal situation. The fact is that the necessity of financing her foreign trade is the great problem which controns the United States at the present day. The War, which has left practically every other great Power of the world to contend with economic and financial disorders, has placed America in a position relative to the commerce of the world which has never been enjoyed by any other country in pre-War days. There is presented to her a golden opportunity of attaining the economic superiority of the world and reaching even a greater predominance in trade than England enjoyed in her most prosperous times, and America herself is not slow to recognise that fact, and her commercial community is rapidly being educated to seize the immense possibilities that lie before her. On account of the huge exports of munitions and foodstuffs which she had to make to the Allies during the War, her foreign trade has developed enormously and is now of greater importance to her than ever before; moreover, instead of, as before the War, selling her industrial securities to foreign capitalists, she is now herself investing to an increasing extent in the industries of other countries. For instance, Latin America, which formerly looked to Europe for funds, is now turning for her necessary capital to the United States, with the result that the United States is gradually acquiring a stronger and stronger hold on South American trade. The result is that far-seeing Americans look for an American predominance in the markets of Europe, Latin-America, and even of Asia. There are, however, many powerful checks operating against American expansion. She has, as a result of the War, to contend with internal extravagance, social unrest, impaired productivity, and disorganisation of her railways, which are the arteries of American commerce. But far more important than these is the demoralised state of the European exchanges, which, by weakening the buying power of the European importer, acts as a tariff against her exports. This partly explains the present stringency of credits in America, for, since it is vital for her to keep up her export trade, she is under the necessity of finding long-term credits for her European customers, and that is why the bankers are so anxious that loans should only be made for essential trade purposes. Side by side with this strong tendency towards credit expansion there is the fact that since the removal of the embargo on the export of gold America is rapidly losing the immense stock of precious metals she had amassed during the War, and this drain is likely to continue, for while she is under the necessity of parting with gold and silver to those countries such as China, India, and the South American countries, which are her creditors, she cannot hope to receive any as an offset from her European debtors, and it is imperative if the supremacy of the dollar is to be maintained that she should keep a free gold market. Nevertheless, it can hardly be doubted, in view of the prevalent feeling of financial security among Americans, that the ratio of gold reserves to liabilities could be allowed to sink to a much lower figure than at present without imperilling the financial structure. It must not be forgotten in this connection that the Federal Reserve system, which exerts a unified control over the banking resources of the whole country and can apply them wherever pressure is greatest, is on this account an admirable safeguard against a financial crisis, and should go far towards helping Americans to realise their dreams of greatness.

Stock Exchange.

The causes which operated to depress the Stock markets last week became apparent again at the beginning of this week, and a very poor beginning was made in nearly all markets. The gilt-edged section set the example with heavy selling, and the general gloom became more pronounced on Tuesday. On Wednesday, however, a reaction set in, and, though business is on a small scale, the closing tone is much more cheerful. The large amount of cash released on Monday, referred to in a previous column, did not seem to find its way into the markets. The cheerfulness which prevailed towards the end of the week was no doubt helped by the favourable Exchequer return, and the announcement that no change was made in the Bank rate on Thursday was welcomed in the markets.

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AMERICAN EXCHANGE.

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though fears of a change were not so pronounced as on the previous week.

On account of the proposals at present being mooted for a levy on war wealth, the Gilt-edged section opened the week in a very nervous condition, and a fresh spurt of liquidation took place, especially in War Loan and Victory Bonds.

On Wednesday, however, it became evident that the unusually low prices were beginning to attract buyers and a recovery began. Five per Cent. War Loan, which had descended to 87⅜ on Tuesday was in demand yesterday at 88. Victory Bonds gained a point net since the market found supporters. Funding Loan was also prominent in the general movement, and it closed strong but without a net change for the week at 70. The new 5¾% Exchequer Bonds closed rather weakly yesterday at 98⅞. The Colonial market was quiet, but the trend of prices was downward. Canadian Fours lost 2½, West Australia Fours lost two points, New Zealand Fours were marked down two points, and Natal Three and a-Halfs, Union of South Africa Fours, and Victoria Four and a-Halfs fell a point each.

In the foreign market the French issues opened the week with a decline, owing to the weakness of the exchange. Chinese and Japanese issues also suffered. On Wednesday, on the news of the railway strike settlement, French and Belgian bonds improved. The Chinese Four and a-Half per Cents. also displayed strength with a rise of 3 points to 61.

Prices sagged in the Home Railway market early in the week, but the movement was arrested on Wednesday. In the Foreign Rail market movements were very irregular, but the closing tendency is firm. Among Argentine descriptions Central Argentine closed yesterday at 74⅜, Argentine North-Eastern at 37½, Buenos Aires Great Southern at 84½, Buenos Aires Great Western at 84¾, Entre Rios Ordinary at 46½, Sao Paulo at 185, and Leopoldinas at 48¾.

The week-end accumulation of orders in the industrial section was much smaller than usual, and the market opened in a very dull condition. Engineering Iron and Steel shares opened firm, but developed a markedly dull tendency later. Textiles were irregular. Dunlop Rubbers declined in the early part of the week, but showed a sharp recovery later to 11 5/16. Nitrates were quiet. Scattered liquidation still continues, and the market has not been helped by the recovery in gilt-edged investments.

Movements in the Oil market sympathised with those in the gilt-edged section, and at the close of the markets proved one of the strongest features. Prices began to sag on Monday, Shells being notably weak. The market was influenced at first by the Sub-Committee's report on petrol prices, but it is unlikely that this will depress prices of shares in view of the reply made thereto by the combines. Mexican Eagles yielded premier place to Shells at the close, and with a few unimportant exceptions prices have advanced all round. Thursday's quotations were: Shells 11⅜, Mexican Eagles Common 11¼, Mexican Eagles Preferred 10⅞, Burmahs 18⅛, Royal Dutch 86⅜, Scottish Americans 40/3, and Trinidad Centrals 7¼.

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Mining Topics.

It now seems very likely that no considerable revival will take place in the Mining market until the Budget proposals have been disclosed. The general uncertainty as regards the levy on war profits or on capital does, and will undoubtedly continue to, restrict operations. Partially influenced by this factor, comparatively little interest was displayed in gold-mines during the week. The settlement of the French railway strike and the improvement in the position of the black labour strike helped at first to maintain a firm tone. But the effect wore off as the price of gold declined to 114*s*. 6*d*., and towards the close of the week the leaders showed a tendency to languish.

Were it not for the continued vitality exhibited by tin descriptions, the market would have remained well-nigh stagnant. Early in the week the price of tin jumped up £8 to £411, and the market responded with a good demand for the leading shares. The Eastern group were very buoyant, Siamese tin advancing to 4½. Nigerian descriptions also attracted attention. Tin Areas rose to 16*s*., but reacted later to 15*s*. 6*d*., closing firm at this price. Nigerian Tin Corporation were strong around 7*s*. 9*d*. Cornish shares came in for a certain amount of support, Killifreths showing a strong front at 23*s*. 6*d*. Kassa Ropp Tin, which have just declared a dividend of 10%, less tax, were quoted at ⅝, whilst Malayan Tin Dredging, whose directors have announced an interim dividend of 1*s*. per share, less tax, stand at 2⅛. Towards the end of the week Anglo-Continentals became the focus of attention, moving up 1*s*. 9*d*. to 29*s*. 6*d*., but reacting later on profit-taking to 29*s*. Although the price of tin fell to £398 on Thursday, the market on the whole continued firm.

EAST RAND MINING ESTATES.

The report of this Company for the year ended June 30, 1919, holds out hope to the shareholders of dividend prospects in a somewhat near future. For the year under review the results at best have been very mediocre. It will be remembered that in 1914 a loss of £30,000 was incurred in connection with the liquidation of the Modderfontein Proprietary Mines, Limited. This loss was written off by utilising £22,500 standing to the credit of share premium account, thereby leaving a balance of £7,500 to be dealt with in the profit and loss account. As the net profit for 1913-14 amounted only to £2,162, the final result was to yield a loss on that year of £5,338. A surplus revenue of £3,693 in 1914-15 reduced this unfavourable balance to £1,306, whilst the working results for 1915-16 enabled this amount to be entirely written off, and, in addition, left a credit balance of £569 to be carried forward. During the next year this credit balance was increased to £4,895, and in 1917-18 a further addition of £3,310 left it standing at £8,205. For the year 1918-19 the total revenue derived from all sources amounted to £6,062. Expenses, however, were rather heavier, as a net profit of only £1,021 was left. Thus there is carried forward to the next accounts £9,227.

The position as disclosed in the latest balance sheet is by no means unfavourable. The issued capital remains unchanged at 450,000 shares of £1 each. Creditors only amount to £1,336, whilst cash at bankers reached a total of £12,037. Liquid assets are in fact available to the extent of £72,000. The amount of £18,875, representing a loan to the Grootvlei Proprietary Mines, Limited, has been repaid since the accounts closed, and consequently increases the liquid assets of the concern. No alteration has taken place in the amount of shares held in these mines; but the prospects of development would appear, according to the report under review, to be very promising. During the year the capital of the Grootvlei Company has been increased to £1,500,000, and an issue of 250,000 shares at a premium of one shilling per share has taken place. Of this issue, a considerable proportion was acquired by the East Rand Mining Estates for their shareholders, who accepted over 80% of the shares thus offered them. The additional capital will enable this mining Company to continue its satisfactory development operations. Progress during the year came fully up to expectations, and the mine, it is now held, will prove to contain "reef of as high an average grade as that already opened up throughout the whole of this Far East Rand area." Property account has been reduced from £191,374 to £180,805, mainly owing to the deduction of £10,500, representing the allocated cost of coal rights which had been disposed of to the Largo Colliery Company. This had been offset by the increase in shares held in other companies from £168,899 to £178,444, the addition being the valuation attached to the 100,000 shares acquired in the Largo Colliery Company. This colliery had already started delivering coal to the Victoria Falls and Transvaal Power Company. Moreover, the output of the colliery had been disposed of by contract on very good terms. In addition to the benefits derived as a large shareholder, the East Rand Mining Estates are entitled to a royalty on all coal mined on the farm Palmietkuil in proportion to its interest in the farm. Consequently, it would appear that a rather substantial revenue would accrue to the Company in the near future from this combined source. Development work is also being done on the farms Palmietkuil and Vlakfontein. The former has been proved to contain the Main Reef over an extensive area, and it is expected to obtain equally satisfactory results by boring as regards the latter. Thus, despite the low net profit of the year, shareholders have reason to look forward to the future with a better outlook for dividends. Income from the coal-mining rights should shortly begin to accumulate, whilst the prospects of the Grootvlei Mines are rather rosy. The East Rand Mining Estates shares are quoted in the market at 18*s.* 1½*d.*

TINCROFT MINES.

Half-Year to	Ore Milled Tons	Tin Output — Tons	Tin Output — Yield per Ton lb.	Av. Price Obtained per Ton of Tin £	Working Costs per Ton of Ore £	Lord's Royalty £	Net Profit £
June 1917 ..	27,774	233½	19	115 7/20	28 4	1,524	3,565
Dec. 1917 ..	28,747	215½	16¾	114 9/20	32 7	1,125	11,389
June 1918 ...	28,550	203¾	16	185¼	35 9	1,837	14,974
Dec. 1918 ...	25,826	175½	15½	199 3/20	40 0	1,571	771
June 1919 ...	20,895	170¼	18¼	127½	41 4	816	12,461
Dec. 1919 ...	15,849	143½	20⅛	159¾	46 11	651	3,424

* Loss.

It is not very difficult to understand the frequent appeals made on behalf of the tin-mining industry for Government assistance when the working results of some of the companies thus engaged come to light. The accounts of the Tincroft Mines, Limited, of Cornwall, for the year ended December 31, 1919, provide a case in point. Not only is there a marked decline in the amount of ore milled, from 54,356 tons in 1918 to 36,744 tons in 1919, but there has been also a falling-off in the output of tin. Moreover, whilst the average price obtained for tin per ton was much lower, not exceeding £159 15*s.* for the latter half of 1919, as compared with £199 10*s.* for the latter half of 1918, the working costs have increased considerably. For the year under review they were very onerous, working out on an average at 41*s.* 4*d.* for the first six months of 1919, but jumping up to 46*s.* 11*d.* for the latter half of the year. The combined result of these factors was to turn a profit of £15,685 for 1918 into a loss of £15,885 for 1919, the bulk of the loss (£12,461) being attributed to the first half of the year. Although the working costs were far higher during the last six months of the year, and the number of tons of ore crushed had fallen to 15,849, as compared with 20,895, yet only £3,424 of the total loss accrued during this period. The explanation of this apparent phenomenon resides in the abnormal rise in the price of tin and arsenic after June 1919. From £238 the price of tin soared up to almost £300 by the end of 1919; whilst refined arsenic rose from £30 to £62 per ton. What difference this made can be seen from the accounts. Up to June 171 tons of tin were sold for £21,792; between July and December £22,943 were obtained from the sale of 143½ tons. Similarly, arsenic, which brought in £3,582 for the first six months of 1919, yielded £10,041 for the latter half of the year. At present the price of tin is over £390 per ton, and a continuance of the price at this height, in conjunction with the maintenance of the price of arsenic at £62 per ton, cannot fail to improve the position of the Company. In the report to the general meeting held on February 18 it was stated that at a price of £380 per ton the mine was now working at a small profit every month. Face to face, however, with a rather heavy loss for 1919 no dividend could be declared. After allowing £1,598 for depreciation, and deducting the credit balance of £4,376 brought forward from 1918, there is carried forward a debit balance of profit and loss amounting to £13,107.

The issued capital of the Company consists of 96,953 Ordinary shares of 5*s.* each and 50,000 Priority shares of 5*s.* each. In 1916 it was agreed that the holders of the Priority shares were to receive all dividends until they had been paid an amount equivalent to 16*s.* per share. By May 1918 the amount thus disbursed to them was 3*s.* 6*d.* per share. At [illegible] was then made to the interests of the Ordinary shareholders to induce them to relinquish their preferential claims to 12*s.* 6*d.* per share by offering them [illegible] fully-paid Ordinary shares for each Priority share held. Failing evidently to secure approval, the directors withdrew the scheme. In July 1918 a further 2*s.* 6*d.* per share was paid, thus leaving 10*s.* per share

to be paid before the Priority shares would be transformed into Ordinary shares and the Ordinary shareholders would have an opportunity of securing a dividend. The position of affairs during 1919 did not permit any further payment, so the situation remains thus far unchanged. In the light of these facts the prospects of the Ordinary shareholders are not very bright. The relative position of both is well expressed in the market quotations, for whilst the Priority shares command a price of 6*s.* 9*d.*, the Ordinary shares stand only at 3*s.* 9*d.* The balance sheet can hardly be described as favourable. Sundry creditors amount to £14,540, and these include the bulk of the Debenture interest (£687) and royalties to the extent of £2,302. To satisfy this amount there is on hand a cash balance of £304, sundry debtors to the extent of £3,387, a stock of tin, arsenic, and wolfram valued at £4,822; and stores and materials to the amount of £3,598.

KAMFERSDAM MINES.

It will be remembered that at the outbreak of the War the directors of this diamond mine were compelled to suspend operations and to shut down the mine and the works. In the interval all that has been done was to keep the plant and machinery in working order with the minimum of expense. On June 30, 1914, the total loss on working appearing in the balance sheet was £164,963. The balance sheet for the year ended June 30, 1919, shows an unfavourable balance of profit and loss account to a total of £203,630. This additional loss has been accumulated in fairly regular instalments over the period. The year under review witnessed a net loss of £10,916, and would have been slightly greater but for a profit of £373 on the sale of diamonds. Early in 1919 it was hoped to resume operations, but unfortunately the managing director was unable to secure a passage to the Cape before the end of December. However, arrangements have been made to have the plant and machinery in full working order to enable a start to be made on his arrival. Turning to the balance sheet as on June 30, 1919, the assets, mainly consisting of plant, machinery, stores, and the property, remain practically at the same value as in 1914. Sundry creditors stand at £19,520, in addition to which there is a bank overdraft of £22,409. The Debenture capital has been increased by £4,000 to £44,000, the addition, representing the bonus of 10% which was due on the maturity of these Debentures in 1917, having been made with the consent of the holders. Arrears of interest on these Debentures are outstanding to the amount of £11,556. Altogether the position is by no means cheerful from the point of view of the Ordinary shareholder, at least in the immediate future, and it is not surprising to find that the £1 shares are quoted at 10*s.* only in the market.

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TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, March 3, 1920.

Issue Department.

Notes Issued	£131,360,620	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	112,910,620
	£131,360,620		£131,360,620

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£52,720,786
Rest	3,525,656	Other Securities	92,331,805
Public Deposits	22,438,621	Notes	30,205,660
Other Deposits	135,411,806	Gold and Silver Coin	687,272
Seven-day and other Bills	16,440		
	£175,945,523		£175,945,523

Comparison with Previous Four Weeks [00,000's omitted.]

Date 1920.	Circulation	Coin and Bullion	Deposits: Public	Deposits: Other	Securities: Govt.	Securities: Other	Reserve	Ratio Reserve to Liabilities	Bank Rate *	Three Months' Bills
	£	£	£	£	£	£	£	%	%	%
Mar. 3	91.5	113.6	22.4	135.4	52.7	92.3	30.9	19·6	6	5⅞
Feb. 25	96.5	110.4	17.3	172.8	85.1	90.7	32.3	17·0	6	5⅞
Feb. 18	93.6	108.5	26.3	164.8	87.1	88.8	33.3	17·4	6	5⅞
Feb. 11	88.9	106.0	22.0	132.2	53.9	83.8	34.5	22·4	6	5⅛
Feb. 4	89.3	103.1	18.7	124.5	46.5	82.4	32.2	22·5	6	5⅛
J'y22,'14	29.3	40.2	13.7	42.2	11.0	33.6	29.3	52·40	3	2⅛

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 6%; Aug. 8, 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; April 5, 5%; Nov. 6, 1919, 6%.

Comparison of Bank Returns, Exchanges, Prices, &c.

	Mar. 5, 1920	Mar. 5, 1919	Mar. 6, 1918	Mar. 7, 1917	Mar. 4, 1910
Bank of England (in £'s sterling 00,000's omitted):					
Circulation	191.5	£71.1	£47.6	£38.2	£28.3
Public Deposits	22.4	25.7	41.0	120.9	11.2
Other Deposits	135.4	128.7	137.7	123.2	40.2
Government Securities	52.7	59.2	67.7	32.0	14.0
Other Securities	92.3	84.7	98.2	196.0	29.6
Reserve	30.9	28.6	30.9	34.2	26.1
Ratio to Liabilities	19 6%	18·52%	17·31%	14·02%	50·73%
Coin and Bullion	113.6	81.2	60.1	54.0	35.9
Money:					
Bank of England Rate	6%	5%	5%	5½%	3%
Bank of France Rate	5%	5%	5%	5%	3%
Rate 3 months' Bills London	5⅛%	3 1/16-1%	3 1/16-3⅛%	4⅛%	2 1/16%
Exchanges:					
Paris Cheque	49·01	26·10	27·20½	27·82½	25·18¾
New York 60 days	3·44	4·73¼	4·72½	4·72	4·85
Bombay Telegraphic Transfers	2/7⅞	1/5⅜	1/4⅜	1/4 3/32	1/4⅛
Prices:					
Consols 2½% Cash	49¼	58¼xd	54xd	52⅞	81 7/16xd.
French Rentes 3% Money	58·20	63·25	57·50	81·25	99 20
Silver, London spot os.	77⅞d.	47⅛d.	42½d.	37 7/16d.	23⅛d.
Wheat, *Gazette* average qr.	72/6	72/7	72/2	77/4	32/7
Cotton, Mid Upland lb.	31·55d.	18·66d.	23·65d.	11·95d.	8·08d.
Iron, Scotch pig ton	181/0	101/0	101/0	88/8	57/9½

CURRENCY NOTE ISSUE.

Week to	Notes Issued	Notes Cancelled	Notes Outstanding	Gold Coin & Bullion	Bank of England Notes	% of Bank Notes & Gold to Notes
	£	£	£	£	£	%
Mar. 3, '20	8,494,128	5,958,985	327,528,935	28,500,000	4,600,000	10·1
Feb. 25, '20	6,651,499	7,131,339	324,993,792	28,500,000	4,100,000	10·0
Mar. 5, '19	7,957,484	4,606,871	318,155,284	28,500,000	—	8·9
Mar. 6, '18	6,449,940	4,170,153	220,689,323	28,500,000	—	12·9
Mar. 7, '17	6,462,901	6,856,376	143,957,699	28,500,000	—	19·8
Mar. 9, '16	5,149,127	3,574,238	102,467,394	28,500,000	—	27·8

Balance Sheet, March 3, 1920.

	£		£
Notes outstanding—		Advances—	
One Pound	257,315,043	Other Bankers ...	—
Ten Shilling	42,283,892	Trustee Savings Banks	180,000
Certificates outstanding ...	27,930,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500,000
Total	327,528,935	Bank of England Notes...	4,600,000
Investments Reserve A/c ...	16,581,494	Government Securities ...	310,080,686
		Balance at Bank of England	739,743
Total	344,110,429	Total	344,110,429

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

1920. Week to	Revenue	Expenditure	Excess of Expenditure	Loans, Advances, &c.—Cr.	Loans, Advances, &c.—Dr.	Net +	Cash Balances
Feb. 28	£37,170	£20,513	£16,657‡	£152,299	£169,792	—£17,493	£4,582
Feb. 21	52,118	25,323	26,795‡	136,286	162,606	—26,320	5,417
Feb. 14	52,565	25,129	27,436‡	72,699	100,095	—27,396	4,943
335ds. '19-20	1,051,313	1,346,434	295,121	5,621,817	5,326,686	295,131	— 8,217
335days '18-19	748,455	2,385,211	1,636,756	6,329,663	4,706,643	1,623,020	—13,737
Yr. '19-20*	1,168,650	1,642,295	473,645	—	—	473,645	—
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	1,682,049	12,799
Yr. '17-18	707,234	2,696,221	1,988,987	7,499,604	3,616,023	1,983,581	21,030

Principal Items of Revenue and Expenditure.

1920. Week to	Revenue: Customs & Excise	Revenue: Income Tax, &c.	Revenue: Excess Profits Duties, &c.	Revenue: Other Revenue	Expenditure: Int., &c., on Debt	Expenditure: Misc Expend.	Expenditure: Supply Services
Feb. 28	£4,456	£19,620	£7,125	£5,969	£1,463	£71	£18,979
Feb. 21	10,148	21,334	7,128	13,508	5,531	282	19,510
Feb. 14	4,165	23,856	8,237	16,307	1,021	158	23,950
335days'19-20	257,141	287,266	261,334	245,572	294,834	12,274	1,039,326
335days'18-19	145,565	220,340	253,928	128,695	254,921	8,616	2,124,152
Yr. '19-20*	276,000	354,000	280,000	258,650	345,000	18,595	1,280,700
Yr. '18-19	162,220	291,188	285,028	150,587	269,964	11,380	2,297,958
Yr. '17-18	110,033	239,509	220,214	137,478	189,851	11,401	2,494,968

FLOATING DEBT. [000's omitted.]	Treasury Bills	Ways & Means Advances	Total	Natnl. War Bond Rqmts.
Feb. 28, 1920 ...	£1,070,085	£187,830	£1,257,915	£1,732,780
Feb. 21, 1920 ...	1,102,331	218,830	1,321,161	1,732,780
Feb. 14, 1920 ...	1,101,168	185,330	1,286,498	1,732,780
Feb. 7, 1920 ...	1,106,668	196,230	1,302,898	1,732,780
June 30, 1919 ...	796,150	774,237	1,570,387†	1,733,021

* Revised Budget and supplementary estimates. † Highest.
↔ Excess of revenue.

FOREIGN BANKS.

[In £'s Sterling‡—000's omitted.]

AUSTRIA-HUNGARY.	Gold	Cash Silver	Cash Total	Advances To Public	Advances To Dual Govts.	Note Circulat'n	Bills Discounted, &c.
July 23, '14...	£51,578	£12,141	£63,719	£7,772	—	£88,740	£31,993
Oct. 21, '19...	10.832	2,374	13,206	371,686	£1,373,083	2,013,363	240,845
Oct. 28, '19...	10,832	2,378	13,210	372,119	1,373,083	2,058,464	222,532
Dec. 7, '17...	11,000	2,300	13,300	603,990	—	739,300	117,600

BELGIUM.	Gold.	Silver	Total	Discounts	Circulation	Deposits
Aug. 6, '14 ...	£10,977	£633	£11,610	£41,925	£51,800	£66,263
Feb. 19, '20 ...	10,657	1,072	11,729	16,759	196,226	81,333
Feb. 26, '20 ...	10,657	1,079	11,736	18,282	197,148	81,637

DENMARK.	Gold	Cash Silver	Cash Total	Discounts	Balance Abroad	Circulation	Deposits
July 31, '14 ...	£4,100	£341	£4,441	£6,197	£786	£8,693	£47
Jan. 31, '20 ...	12,602	188	12,790	15,084	912	26,375	1,902
Feb. 28, '20 ...	12,597	186	12,783	16,948	599	26,396	3,293
Feb. 28, '19...	10,400	136	10,536	3,959	5,342	23,402	920
Feb. 28, '18...	9,641	136	9,777	2,827	2,712	18,478	1,635

FRANCE.	Gold In Bank	Gold Abroad	Total Cash incl'g Silver	Bills	Circulation	Deposits Public	Deposits Private
July 30, '14 ...	£165,654		£190,667	£97,768	£267,327	£15,302	£37,903
Feb. 26, '20 ...	144,132	79,131	233,365	73,962	1,515,546	1,819	129,277
Mar. 4, '20 ...	144,155	79,131	233,356	78,948	1,534,230	2,051	128,379
Mar. 6, '19 ...	142,358	79,132	234,057	40,998	1,323,676	3,088	102,833
Mar. 7, '18 ...	133,296	81,484	225,023	44,298	936,901	1,163	105,228

GERMANY.	Gold	Cash Silver	Cash Total	Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
July 23, '14...	£67,843	£16,727	£84,570	£5,279	£40,055	£94,545	£47,198
Feb. 15, '20...	54,543	1,087	55,630	604,166	1,335,118	1,938,933	597,781
Feb. 23, '20...	54,550	1,180	55,730	616,509	1,893,163	1,976,010	592,000
Feb. 22, '19...	112,368	1,043	113,411	289,313	1,246,481	1,137,355	494,691
Feb. 23, '18...	120,334	5,835	126,169	63,049	618,095	558,124	303,461

HOLLAND.	Gold	Cash Silver	Cash Total	Discounts	Advances	Circulation	Deposits
Aug. 1, '14 ...	£13,496	£249	£13,745	£13,422	£10,332	£35,660	£1,437
Feb. 21, '20 ...	52,749	757	53,506	24,386	17,761	84,495	11,249
Feb. 28, '20 ...	52,770	782	53,552	24,733	17,899	85,745	10,677
Mar. 1, '19 ...	56,412	768	57,211	9,379	17,408	85,121	6,031
Mar. 2, '18 ...	60,312	603	60,915	2,853	10,335	72,721	5,747

ITALY.	Gold	Cash Silver	Cash Total	Other Cash	Loans & Discounts	Circulation	Deposits
July 31, '14 ...	—	—	£48,456	£25,017	£69,204		£8,887
Dec. 31, '19 ...	£32,193	£3,004	35,197	21,538	110,071	507,671	83,394
Jan. 10, '20 ...	32,194	3,004	35,198	20,480	112,555	495,477	78,868
Dec. 31, '18 ...	32,710	3,086	35,796	15,238	65,984	369,934	63,868
Dec. 31, '17 ...	33,434	3,496	36,930	8,448	47,745	261,568	57,941

JAPAN.	Gold	Discounts	Advances	Notes	Deposits Public	Deposits Private
Aug. 1, '14 ...	£21,867	£1,829	£7,863	£32,722	£13,818	£1,521
Jan. 10, '20 ...	95,135	14,618	33,847	124,151	113,647	4,350
Jan. 17, '20 ...	94,977	12,516	34,532	122,786	108,537	11,790
Jan. 18, '19 ...	71,360	4,477	39,589	89,949	93,880	11,280
Jan. 19, '18 ...	66,038	725	19,564	66,469	60,593	2,839

NEW YORK BANKS & TRUSTS.	Cash Own Vaults	Aggregate Reserve	Loans, Disc'ts, Invest.,&c.	Net Deposits—Demand	Net Deposits—Time	Net Deposits—Total	Excess Reserve
Aug. 1, '14 ...	—	£89,888	£411,238	—	—	£387,165	£1,720
Feb. 21, '20 ...	£19,782†	113,254	1,021,960	£819,550	£50,022	877,614	4,360
Feb. 28, '20 ...	19,542†	112,950	1,019,144	811,414	49,545	865,680	5,114
Mar. 1, '19 ...	19,194†	110,412	958,684	767,438	28,366	853,204	8,774
Mar. 2, '18 ...	19,840†	103,192	855,294	713,828	39,723	839,365	8,076

NORWAY.	Gold	Balance Abroad	Norw. & For. Govt. Secs.	Disc'nts & Loans	Circulation	Deposits
July 31, '14 ...	£2,960	£1,678	£493	£4,868	£6,752	£793
Feb. 16, '20 ...	8,128	3,076	579	17,616	22,183	3,238
Feb. 23, '20 ...	8,128	3,131	579	18,164	22,186	4,027
Feb. 22, '19 ...	6,711	3,567	716	21,345	22,560	5,939
Feb. 22, '18 ...	6,525	3,631	713	19,393	17,424	9,749

PORTUGAL.	Gold	Silver	Total	Discounts & Note Circulation Advances	Circulation	Deposits
Nov. 26, '19 ...	£1,906	£3,921	£5,827	£11,063	£76,570	£4,635
Dec. 3, '19 ...	1,906	3,920	5,826	10,881	74,948	7,186
Dec. 10, '19 ...	1,906	3,921	5,827	12,888	78,528	6,349
Dec. 17, '19 ...	1,906	3,921	5,827	12,954	80,275	4,860

ROUMANIA.	Cash	Discounts	Advances	Total	Circulation
Dec. 20, '19 ...	£54,821	£8,671	£2,218	£10,889	£163,559
Jan. 10, '20 ...	58,035	9,016	2,383	11,402	172,577
Jan. 17, '20 ...	58,049	9,178	2,299	11,477	172,157
Jan. 18, '19 ...	33,701	8 084	1,387	9,471	99,416

RUSSIA.	Gold In Bank	Gold Abroad	Total Cash incl'g Silver	Loans & Disc'ts	Circulation	Notes in Reserve	Total Deposits
July 21, '14...	£160,114	£14,395	£181,892	£76,081	£163,411	£6,589	£109,911
Oct. 28, '17...	129,523	230,865	378,205	1,869,559	1,836,217	15,783	345,550

SPAIN.	Gold	Cash Silver	Cash Total	Loans, &c.	Spanish 4%	Circulation	Deposits, &c.
Aug. 1, '14 ...	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,956
Feb. 21, '20 ...	98,131	25,357	123,488	88,193	13,779	154,213	45,777
Feb. 28, '20 ...	98,131	25,485	123,616	87,436	13,779	154,053	44,027
Mar. 1, '19 ...	89,148	25,816	114,964	74,281	13,778	138,312	41,232
Mar. 2, '18 ...	79,740	28,392	108,132	49,673	13,777	113,960	34,036

SWEDEN.	Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
Aug. 1, '14 ...	£5,717	£6,150	£1,555	£7,495	£13,432	£3,903
Feb. 14, '20 ...	14,784	6,206	2,684	26,184	36,561	10,751
Feb. 21, '20 ...	14,771	5,670	2,834	26,645	35,432	10,879
Feb. 22, '19 ...	16,019	8,396	3,034	18,022	37,953	5,742
Feb. 23, '18 ...	13,069	7,364	3,143	11,421	29,596	5,676

SWITZERLAND.	Gold	Cash Silver	Cash Total	Discounts & Advances	Circulation	Deposits
July 23, '14 ...	£7,202	£758	£7,960	£4,817	£10,716	£2,026
Feb. 14, '20 ...	21,173	3,340	24,513	12,948	36,289	5,131
Feb. 23, '20 ...	21,167	3,372	24,529	12,283	35,563	5,003
Feb. 23, '19 ...	16,432	2,568	19,000	20,224	33,820	5,992
Feb. 23, '18 ...	14,662	2,274	16,936	10,241	24,516	3,584

† Not reserve. ‡ Converted at par rate of exchange approximately.

U. STATES FED. RES. BANKS.	Gold Held by Banks	Gold With Agents	Total Cash	Bills Discount'd	Bills Accept-ances.	Deposits Govt.	Deposits Total. Net.	Circulation.
Feb. 23,'20 ...	141,986	251,976	407,088	471,704	106,340	15,118	357,160	595,424
Mar. 1,'20 ...	393,368		416,644	490,702	106,274	26,782	350,132	603,996
Mar. 3,'19 ...	163,016	261,584	437,746	375,964	55,384	42,110	359,348	494,462
Mar. 1,'18 ...	174,283	181,183	367,554	100,505	59,842	30,156	287,977	270,218

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed		%	Date Fixed
Amsterdam ...	4½	July 1,'15	Lisbon	5½	Jan. 15,'14
Berlin	5	Dec. 23,'14	Madrid	5	Nov.10,'19
Berne	5	Aug. 21,'19	Paris	5	Aug. 20,'14
Bombay	7	Feb. 5,'20	Petrograd ...	6	July 29,'14
Brussels	3½	Oct. 2,'19	Rome	5	Jan. 11,'18
Calcutta	8	June 5,'19	Stockholm ...	6	June 12,'19
Christiania ...	6	Dec. 18,'19	Tokio	8·03	Nov. 18,'19
Copenhagen ...	6	Oct. 7,'19	Vienna	5	Apr. 12,'15

III.—FOREIGN EXCHANGES.

LONDON ON—		Mar. 5, '20	Feb. 27, '20	Feb. 20, '20	Feb. 13, '20
Berlin	Cable	325m.	337½m.	325½m.	337½m.
Brussels	Cheques	47fr. 25c	46fr. 75c.	45fr. 35c.	46fr. 75c.
Denmark	Cable	22kr. 20	22kr. 80	22kr. 80	23kr. 30
Holland.....	do.	8fl. 95c.	9fl. 20c.	9fl. 22½c.	9fl. 20c.
Italy	do.	65lr. 00	62lr. 25	61lr. 25	61lr. 50
Lisbon and Oporto	do.	17½d.	17¾d.	17½d.	17½d.
New York	do.	$3 33	$3 37	$3 46½	$3 39½
—	Cheques	$3 35	$3 39	$3 48	$3 42
Norway	Cable	19kr. 20	19kr. 80	19kr. 80	19kr. 55
Paris	3 mos.	48fr. 70c.	48fr. 10c.	46fr. 20c.	48fr. 15c.
—	Cable	48fr. 65c.	48fr. 35c.	45fr. 50c.	48fr. 55c.
Spain (Bank places)	3 mos.	60½d.	60½d.	60½d.	60½d.
—	Cable	19p. 20	19p. 50	19p. 65	19p. 60
Sweden	do.	18kr. 10	18kr. 22½	18kr. 27½	18kr. 20
Switzerland	3 mos.	20fr. 40c.	21fr. 30c.	21fr. 60c.	20fr. 05c.
—	Cable	20fr. 15c.	21fr. 00c.	21fr. 35c.	19fr. 60c.

ON LONDON—		Mar. 5, '20	Feb. 27, '20	Feb. 20, '20	Par
Alexandria	Sight	97¼pi.	97¼pi.	97½pi.	97¼pi.
Amsterdam	Cheques	9fl. 66½c.	9fl. 22½c.	9fl. 27c.	12·107fl.
Athens	Cable	31dr. 37	31dr. 75	30dr. 25	25dr. 22½
Bombay	Transfers	2s. 7½d.	2s. 7½d.	2s. 8½d.	1s. 4d.
Brussels	Cheques	47f. 82c.	46f. 77½c.	45f. 15c.	25f. 22½c.
Buenos Ayres	Transfers	68½d.	69¾d.	62½d.	47·58d.
Calcutta	do.	2s. 7⅜d.	2s. 7½d.	2s. 9d.	1s. 4d.
Christiania	Sight	20kr. 43½	19kr. 87½	19kr. 79	18·159kr.
Copenhagen	do.	22kr. 76	22kr. 79½	22kr. 95	18·159kr.
Helsingfors	Cable	75½m.	77⅜m	85m.	25m. 22½
Hong Kong	Transfers	5s. 7½d.	5s. 8d.	5s. 10d.	—
Italy	Sight	64lr. 50c.	62lr. 37½c.	61lr. 47½c.	25l. 22½c.
Lisbon	do.	16⅝d.	17d.	17d.	53½d.
Madras	do.	2s. 9¼d.	2s. 7½d.	2s. 8¼d.	1s. 4d.
Madrid	do.	20p. 30	19p. 57	19p. 74	25p. 22½
Montevideo	Transfers	72d.	71½d.	71d.	51d.
Montreal	Cable	$4 08½	$3 90	$3 99	$4 86⅝
New York.....	Sight	$3 46	$3 39	$3 38½	—
—	60 days	$3 44	$3 38	$3 33	—
—	Cable	$3 46⅜	$3 39½	$3 39½	$4 86⅝
Paris	Cheques	43f. 85c.	48f. 35c.	45f. 75c.	25f. 22½c.
Rio de Janeiro ...	90 days	18⅛d.	18⅛d.	18⅛d.	16d.
Shanghai	Transfers	8s. 4d.	8s. 4d.	8s. 0d.	—
Singapore	Sight	2s. 4¾d.	2s. 4½d.	2s. 4¼.	—
Stockholm	do.	18kr. 36	18kr. 21½	18kr. 28½	18·159kr.
Switzerland	do.	21f. 17½c.	20f. 99c.	21f. 35c.	25f. 22½c.
Valparaiso	90 days	14⅜d.	15⅛d.	15⅝d.	18d.
Yokohama	Sight	2s. 8½d.	2s. 9⅛d.	2s. 10d.	24·58d.

NEW YORK ON—	Rate Current* Mar. 5, '20	Rate Current* Feb. 27, '20	Par as usually Quoted	Rate July 3.
Amsterdam, sight ...	36·75c.	36 875c.	40·20c for 1 guilder	40·25c.
Bombay, cheques ...	45·50c.	45c.	32·44c. for 1 rupee	33·00c.
Buenos Aires, cheques ...	101·70	101·30		
Christiania, cheques ...	17 15c.	17·15c.	26·80c. for 1 kroner	
Copenhagen, cheques ...	15·15c.	14·90c.	26 80c. for 1 kroner	23·85c.
Greece, cheques ...	11·10c.	10·60c.	19·295c. for 1 drachma	
Hongkong, cheques ...	96c.	96c.	74·59c. for Mex. $1	46·4c.
Italy, sight	18·35f.	18·25f.	5·18½ lire for $1	5·17l.
Lima, cheques	4·68f.	4·68f.	4·8635 $ for 1 libra	
Manila, cheques... ...	49c.	49c.	50c. for 1 peso	49·8c.
Montreal	12·75% disc.	13·75% disc.	Premium per $100	Par
Paris, sight	14·15fr.	14·10fr.	5·18½ francs for $1	5·16fr.
Petrograd, sight ...	—	—	51·48c. for 1 rouble	51·37c.
Rio de Janeiro, cheques	27c.	26·50c.	32·42c. for 1 milreis	
Shanghai, cheques ...	158c.	154c.	52·96c. for 1 tael	83 00c.
Singapore, cheques ...	49·50c.	49·50c.	56·77c. for $1	57·12c.
Spain, cheques	17·35c.	17·40c.	19·30c. for 1 peseta	
Stockholm, cheques ...	18·80c.	18·60c.	26·80c. for 1 kroner	
Switzerland, cheques ...	6 15fr.	6·20fr.	5·18½ francs for $1	5·18½fr.
Valparaiso, cheques ...	21·50c.	21·75c.	20·61c. for 1 peso	
Yokohama, cheques ...	46c.	47·75c.	49·84c. for 1 yen	49·90c.

* According to Guaranty Trust Company of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount.	Inc. or Dec.*	1920 Agg.	Inc. or Dec.*
	1920.	[In £'s sterling 000's omitted.]			%
BIRMINGHAM ...	Feb. 28	£3,887 +	£1,087	£33,953 +	£11,109 + 48·6
BRISTOL	,, 28	1,812 +	601	16,637 +	6 102 + 57 9
DUBLIN	,, 28	8·683 +	2,344	80,667 +	19 616 + 32·1
LEEDS	,, 28	2,124 +	992	15 959 +	6,198 + 63·5
LEICESTER	,, 28	1,237 +	529	12,862 +	5,404 + 72·5
LIVERPOOL	,, 28	19,094 +	6,558	167,772 +	65,767 + 64 5
MANCHESTER ...	,, 28	33,290 +	18,153	298,990 +	160 890 + 116·5
NEWCASTLE ...	,, 28	3,750 +	1,527	30,416 +	13 353 + 80·1
NOTTINGHAM ...	,, 28	99 2 +	401	10,272 +	4,330 + 72·9
SHEFFIELD	,, 28	1,646 +	228	13,227 +	2,988 + 28·9
LONDON—	1920.				
TOWN	Mar. 3	737,397 +	353,824	6,005,623 +	2,504,138 + 71·5
METROPOLITAN	,, 3	42,941 +	10 113	393,029 +	93,176 + 31·1
COUNTRY	,, 3	81,648 +	21,795	746,750 +	214,563 + 40·3
TOTAL*	,, 3	861,986 +	385,732	7,145,402 +	2,811,877 + 64·9

* Compared with a year ago.

V.—FREIGHTS.—According to Messrs. J. C. Gould, Angier and Co.

HOMEWARDS.	1920 Mar. 5	1920 Feb. 27	1913 Mar. 7
Alex. to U.K. ...	—	42/6	9/0
Aust. to U.K. ...	205/0	205/0	36/0
Azoff to L.H.A.R.	—	—	11/0
Bombay to p.p.d.w.	130/0	d.w.130	0d.w 20 0
Burmah o.c.	—	—	30 0
Calcut.top.p.(jute)	—	—	d.w.27/6
Danube to U.K. ...	—	—	—
Odessa to L.H.A.R.	—	—	9/0
R. Plate to U.K.	190/0	190/0	23/0

Homewards.—Coal	1920	1920	1913
U.S. Atl. Ports to L'pl.	Mar 5	Feb 27	Mar 7
(cotton, 100lb.)	—	—	53 9
U.S. to U.K. Cont. (qr.)	—	—	3 1½
Gulf Ports to U.K. Cont. (cotton & grain)...	—	—	19 6
OUTWARDS—Cardiff to			
Aden	90 0	90 0	—
Colombo ...	—	—	14 3
Port Said ...	77 6	80/0	11/1½
River Plate ...	37 6	37 6	16/3
St. Vincent ...	—	40/0	10/0

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	MAR. 5, 1920.	MAR. 7, 1919.	JUNE 30, 1914
Iron—Scotch pig warrants ...ton	181/0	101/0	57/0
— Middlesbro' warrants ...ton	175/6	95/0	51/0
— Hematite warrants ...ton	220/0	122/6	61/0
— Staffordshire bars, London ton	£27	£17	£8 10
— Common bars ...ton	£24	£14 15	£6 16
Steel Rails ...ton	£19 15—£20 5	£16 17 6	£6 2/6
Galvanised Sheets ...ton	£50—£53	£29	£16 17/1
Copper—Standard ...ton	£114 10	£74—£74 10	£66
Tin—English Ingots ...ton	£387	£237—£238	£142 15
— Straits ...ton	£394	£239 10	£139 10
Tinplates, I.C. Coke, S. Wales...box	72/0	33 10½	11/10½—12/0
Lead—Soft Foreign ...ton	£48—£50 5	£25 10—£28	£19
Spelter—Ord. Foreign ...ton	£56—£59 5	£36—£38	£21 7/9
Quicksilver—(75lb.) ...bottle	£24 10—£25	£20	£7
Aluminium ...ton	£185	nom.	£82
Antimony—Regulus Foreign ...ton	£69	nom.	£27 10
— English ...ton	£72	—	—
Coal—(best) Yorkshire ...ton	23 0—24 0	23/6—24/6	17/6
— Steam (best) Newcastle ...ton	46/0—51/0	40/0—45/0	14/6
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b. Chile, per quintal	16/6	nom.	7/4
Soda—Crystals ex ship ...ton	185/0—190/0	87/6	42/6—45/0
Sopra—Malay and States ...ton	£70	£33	£23 15—£24 7/6
Gambier—Good marks ...cwt	52/0	37/0	16/10½
Indigo—Bengal good to fine ...lb.	13/0—16/6	9/0—10/6	3/2—3/8
Linseed Oil—Raw ...ton	£127	£58	£25 5
Linseed—Calcutta, spot ...ton	£57 10	£23 15	£13 16/9
— **Cakes**, U.K. made, ex mill...ton	£25	£19	£7 17/6—£8
Olive Oil—Spanish ...tun	—	nom.	£49 10
Palm Oil—Lagos ...ton	£96 10	£45	£31 10
Petroleum—American ...gallon	2/1	1/4½	7½d.
Rape Oil—Refined English...ton	£135	£71	£32
Soya Oil—Refined ...ton	£136	£75	£24 10
Tallow—Imported ...cwt.	107/0—117 0	—	29/3—33/3
Turpentine—American ...cwt.	220/0	96/0	33/7½
Rape Seed—Toria ...ton	£54	£22 15	£13 5
Rubber—Para, spot ...lb.	2/7½	2/5½	2/9½
— Fine plantation (stnd. crepe) lb.	2/6	2 0½	2/2
— World's Production* Jan. tons	30,370	20,630	8,467
Shellac—F.N. Orange, fair ...cwt.	820/0	230/0—250/0	63/0—64/0
TEXTILES.			
Cotton—Middling Upland ...lb.	31·55d.	18·66d.	7·53d.
— Egyptian, good fair ...lb.	75·50d.	26·84d.	8·75d.
— Pernambuco fair ...lb.	34·80d.	19·78d.	7·73d.
— Midland Upl. New York...lb.	40·65c.	26·15c.	13·25c.
— Stock, Liverpool (Feb. 27) bales	1,109,810	502,090	934,600
Flax—Petrograd, Yarapol ...ton	—	nom.	£28
Hemp—New Zealand ...ton	£64	£55	£25 10
— Manila, Fair ...ton	£77	£80	£26 10
Jute—First Marks ...ton	£69	—	£26 15
— Red SCC ...ton	£58	—	£24 15
Silk—Blue Elephant ...lb.	57/6	20/0	11 3—11/6
Wool—Pt. Philip unwashed av. lb.	5/6	nom.	11½d.—1/0
— Lincoln Half Hogs ...lb.	2 3½	1 7½nom.	1/0½
Hides—Eng. Ox, best, 65lb. up lb.	15½d.—16½d.	9½d.—10½d.	7½d.
Leather—Dressing Hides ...lb.	4/0—4/6	2/5—3/1	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus	87,767,000	183,721,000	34,640,000
— Red, price, N.Y. 60lb....bushel	nom.	237½c.	67½c.
English Gazette, aver. 480lb. qr.	72/6	72/7	34/3
Flour—G.R. ...280lb	44/3	44/3	28/6
Barley—Eng Gaz., aver. 400 lb. qr.	93 1	62 7	25/4
Oats—Eng. Gaz., aver. 312 lb. qr.	59/5	48 8	20/0
Maize—N.Y. (new bushel)...56lb.	171½c.	151½c.	76½c.
— Amer. mixed, Liverpool...480lb.	nom.	79/9	32/4
— La Plata ...480 lb. qr.	65/0	72/0	25/9
Potatoes—Good English ...ton	300/0	196/0	70/0—75/0
Rice—Basseln ...cwt.	26/0	25/0	7/0—7/3
Tapioca—Pearl, medium ...cwt.	42/0	35/0	14/0—17/8
Hay—best ...2,018lb. ...load	—	176/0	82/6
Hops—English ...cwt.	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs ...8lb.	6/8	7 10—8/4	3/8—3/10
— Scotch sides ...8lb.	10/0	8/4	4/6—5/0
— English ...8lb.	10/0	8/4	4/2—4/5
Mutton—Scotch wethers ...8lb.	10 6	8/10	5/8—6/0
— English wethers ...8lb.	10/6	8/10	4/6—5 4
— New Zealand frozen ...8lb.	10/6	8/10	2/4—3/2
Pork—English and Irish ...8lb.	11/8	10 8	3 6—4/0
Bacon—Irish, delivered ...cwt.	200 6	188/0	60 0—74/0
— Danish ...cwt.	†192/0	—	58/0—68/0
— Canadian, ex Port ...cwt.	†187/0	—	—
— American, ex Port ...cwt.	†187/0	176/6	72/0—74/0
Hams—Amer. long cut, ex Port cwt.	†190/0	170/0	75/0—79/0
— — short cut, ex Port ...cwt.	†190/0	170/0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt.	†198/6	158/0	51/9—52/9
Butter—Danish ...cwt.	303/4		117/0—120/0
— French ...cwt.	303/4	Controlled	96/0—108/0
— Australian ...cwt.	303/4	252/0	98/0—110/0
— New Zealand ...cwt.	303/4		108/0—114/0
Cheese—Canadian ...cwt.	†145/0	Controlled	66/0—68/0
— United States ...cwt.	†145/0	163 4	—
— Dutch ...cwt.	†145 0		53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Jan. 31 ...cwt.	2,033,656	1,659,971	19,777,254
— Home consump'n. to Jan 31 cwt.	2,239,953	1,784,914	17,272,000
— In Bond Jan. 31 ...cwt.	6,196,000	7,625,000	6,306,000
— Price, Java, 96° Pol. ...cwt.	75/0	36/0	10/3
— — Yellow crystals ...cwt.	66 0	57/9	12/6—14/0
— — Tate's Cubes, No. 1 ...cwt.	72 0	64/9	18/0
Coffee—Imports to Jan. 31 ...cwt.	80,062	26,303	720,360
— Home consumpt'n to Jan. 31 cwt.	25,645	31,053	141,410
— Exports to Jan. 31 ...cwt.	52,600	10,781	340,250
— In Bond Jan. 31 ...cwt.	701,000	601,000	484,000
— Price, Costa Rica gd to finecwt.	178/0—188/0	145/0—155/0	80/0—93/0
— — Brazil (Santos) Good ...cwt.	138/0—143/0	65/9	41 6
Tea—Imports to Jan. 31 ...lb.	48,598,454	24,810,846	123,230,277
— Home consump'n. to Jan. 31 lb.	31,751,769	23,456,822	155,447,972
— Exports to Jan. 31 ...lb.	3,048,709	113,857	26,561,765
— In Bond Jan. 31 ...lb.	232,354,000	132,127,000	78,292,000
— Price, Indian, Pek. Song. gd lb.	1 1½	1 4	8½d.
— — Ceylon, Pek. Soug. Ord. lb.	1/2½	1/4	8½d.
— — Common Congou ...lb.	1/1½	1 4	5½d.
Cocoa—In Bond Jan. 31 ...cwt.	819,000	614,000	309,000
— Grenada, good to fine ...cwt.	133/0—135/0	85/0	52/6—56/0

* Estimated. † Controlled.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific	Jan.	$13,915,000	+ 887,000	$586,000	— $967,000
	12 *mos. to* Dec.	176,929,000	+19391000	32,933,000	— 1,569,000
Grand Trunk	Nov.	£1,251,900	— £15,700	£203,300	— £81,800
	11 *mos. to* Nov.	12,853,900	+1,762,200	1,566,200	+ 104,400

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 6, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open.	Gross Receipts.	+ or — on Year Ago.	No. Wks	Aggregate Receipts.	+ or — on Year Ago
Assam Bengal	Jan. 24	993	R2,28,301	+ 20,143	17	37,82,730	+ 8,80,969
Barsi Light ...	Jan. 31	118	41,500	+ 23,700	45	12,83,900	+ 5,25,600
Bengal & N.W.	Jan. 17	2,065	4,93,160	+ 12,994	16	68,00,213	— 7,13,961
Beng. Dooars	Jan. 31	158	31,787	— 2,098	17	8,20,619	+ 101,804
Beng. Nagpur	Jan. 24	2,695	13,16,000	+ 1,68,000	43	5,23,42,276	+ 41,79,936
Bomb. Baroda	Feb. 2	2,871	20,47,000	+ 80,000	21	3,75,86,000	+ 19,27,000
Burma ...	Jan. 17	1,342	5,87,232	— 29,326	42	2,26,98,656	+ 24,73,948
Del Um. Kalk	Feb. 21	239	88,400	+ 23,083	21	19,15,661	+ 1,29,330
East Indian ...	Feb. 21	2,771	26,17,000	+ 1,67,000	21	5,30,37,000	— 22,48,000
Gt. Indian Pen	Feb. 21	3,121½	26,90,000	— 1,40,209	21	5,39,74,404	+ 43,48,119
Madras & S.M	Jan. 31	3,152	11,00,000	— 5,294	18	1,67,10,347	+ 7,61,802
Nizam's Guar	Jan. 31	900	3,62,949	+ 24,396	18	48,77,544	+ 6,31,668
Rob. & Kumn	Jan. 24	576	112 374	— 6,477	17	15,43,975	— 2,58,119
South Indian	Jan. 24	1,852½	7,69,410	+ 1,10,735	43	3,22,54,641	+ 34,27,983
South Punjab	Oct.	716	6,29,697	— 1,07,922	1m	—	—
COLONIAL							
Can. Northern	Feb. 21	9,588	$925,500	+ 59,100	7	7,010,200	+ 391,000
Can. Pacific ..	Feb. 28	13,388	3,472,000	+ 881,000	8	27,123,000	+ 3,031,000
Grand Trunk	Feb. 28	3,616	£273,996	+ 14,995	8	1,997,017	+ 252,443
Mashonaland	Aug.	810	65,465	— 7,046	11m	—	—
Mid. W. Aust.	Dec.	277	12,327	+ 1,286	6m	60,085	+ 6,890
NewCapeCent.	Jan. 2	205	3,670	+ 659	4	12,546	+ 2,555
Rhodesia Rlys.	Sept.	1,397	113,817	— 8,708	12m	1,051,865	— 72,122
Temiscouata..	Oct.	—	$30,562	+ 2,154	10m	304,661	+ 22,504
W. Pass. & Yuk	Aug.	122	—	—	8m	$968,676	+ 31,021
FOREIGN.							
Argentine.							
Arg. N. East...	Feb. 21	752	£ 11,200	+ 1,100	34	394,000	+ 81,100
Arg. Transand.	Feb. 28	111	£ 5,500	+ 1,080	35	97,866	— 27,144
B. A. & Pacific	Feb. 28	3,536	£ 164,000	+ 39,000	35	5,048,000	+ 1,121,000
B.A.Gt. South	Feb. 22	3,792	£ 198,000	+ 35,000	34	5,958,000	+ 1,329,000
Do.	Feb. 22	Net	£ 76,000	+ 25,000	34	2,027,000	+ 1,093,000
B. A. Western	Feb 28	1,882	£ 119,000	+ 50,000	35	3,405,000	+ 1,014,000
Do.	Feb. 28	Net	£ 33,000	+ 14,000	35	1,160,000	+ 593,000
B. A. Central	Jan.	190	£ 43,675	+ 2,467	7m	314,683	+ 29,927
Cent. Argent.	Feb. 28	3,305	£ 192,000	+ 46,000	35	6,120,000	+ 1,651,600
Do.	Feb. 28	Net	£ 65,000	+ 19,000	35	1,882,100	+ 1,274,200
Cord. Central	Feb. 21	1,205	£ 55,500	+ 12,130	34	2,018,100	+ 532,690
Entre Rios ...	Feb. 21	811	£ 27,600	+ 6,600	34	798,600	+ 124,300
Brazilian.							
BrazilGt.South	Jan.	110	M 58,750	+ 11,660	1m	—	—
Brazil Railway	Dec.	3,530	M4,859,000	— 141,271	12m	57,772,000	+ 7,619,243
Gt. W. Brazil	Feb. 28	1,010	£ 29,700	+ 9,400	9	258,300	+ 79,500
Leopoldina ...	Feb. 28	1,831	£ 64,475	+ 31,946	9	483,633	+ 246,555
Mogyana	Dec.	1,180	M 1,561,000	— 956,490	12m	22,267,000	— 2,474,651
Paulista	Dec.	766	M 2,650,000	— 906,038	12m	32,479,000	— 1,225,892
San Paulo ...	Feb. 29	153½	£ 42,882	+ 8,595	9	404,113	+ 171,531
Sorocabana ...	Dec.	1,003	M 1,749,000	— 246,168	12m	21,953,000	+ 976,692
S.of BahiaS.W.	Jan.	52	M 104,000	+ 21,000	1m	—	—
Chilean and Peruvian.							
Antofagasta ...	Feb. 22	838	£ 55,416	+ 27,965	8	446,965	+ 206,295
Arauco	Dec.	84½	£ 12,500	+ 500	12m	136,800	— 21,200
Nitrate(2wks.)	Feb. 29	390	£ 33,902	+ 13,610	8	130,401	+ 74,352
Peruvian Corp.	Jan.	1,140	S 1,297,520	+ 287,870	7m	8,280,294	+ 1,249,929
Taltal	Jan.	180	£ 30,398	+ 19,275	7m	127,515	+ 2,668
Cuban.							
Cuban Central	Feb. 28	362	£ 43,745	+ 7,196	35	785,995	+ 144,926
Havana Cent.	Feb. 7	70	£ 12,053	+ 805	32	336,032	+ 57,088
U. of Havana	Feb. 28	681	£ 98,258	+ 7,438	35	2,164,949	+ 363,641
W. of Havana	Feb. 28	155	£ 13,589	+ 1,740	35	316,280	+ 46,487
Uruguayan.							
Cent. Uruguay	Feb. 21	273	£ 19,639	— 6,008	34	760,033	+ 45,965
" (E. Ext.)	Feb. 21	311	£ 6,725	+ 193	34	202,374	+ 31,350
" (N. Ext.)	Feb. 21	185	£ 3,021	— 1,383	34	123,964	— 2,117
" (W.Ext.)	Feb. 21	211	£ 2,556	— 327	34	92,429	+ 3,702
Mid. Uruguay	Jan.	319	£ 18,298	+ 714	7m	136,809	+ 19,192
N.W. Uruguay	Jan.	113	$ 8,805	+ 1,800	7m	48,240	+ 2,526
Urug. Northn.	Jan.	73	£ 2,915	+ 556	7m	16,903	+ 2,608
Miscellaneous							
Alcoy & Gandia	Feb. 21	33	Ps. 11,000	—	8	85,000	+ 8,000
Bilbao	Feb.	15	£ 2,831	+ 469	2m	5,283	+ 170
Bolivar	Jan.	136	£ 9,500	— 1,595	7m	62,928	+ 4,828
Colomb. Natnl.	Dec.	86	£ 18,040	+ 4,600	12m	171,120	+ 23,800
Costa Rica ...	Jan.	189	£ 27,765	+ 4,640	7m	173,436	+ 18,720
Dorada Ext....	Jan.	70	£ 12,000	+ 4,200	1m	—	—
Egyptian Delta	Feb. 10	559½	£ 13,525	+ 1,374	45	345,632	+ 16,920
Gt. S. of Spain	Feb. 21	104	Ps. 72,955	— 73,289	8	539,498	— 541,862
La Guaira & Ca.	Jan.	22½	£ 14,370	+ 6,265	1m	—	—
Ottoman Ry...	Feb. 14	379	£ 5,035	—	—	—	—
Paraguay Cent.	Feb. 7	255	£ 3,470	— 1,650	32	163,140	+ 38,940
Puerto Cabello	Jan.	34	£ 5,250	+ 950	1m	—	—
Salvador	Feb. 28	100	£ 8,382	+ 4,379	35	136,927	+ 58,660
Santa Fe Prov.							
French Rys.	Jan.	1,181	£ 154,792	— 1,077	1m	—	—
S'm'na & S'tiago	Jan.	80	£ 11,260	+ 4,417	1m	—	—
Zafra & Huelva	Dec.	112	£ 13,201	+ 370	12m	128,863	— 24,925
TRAMS.							
Anglo-Argent.	Feb. 25	400	£ 76,209	+ 17,212	8	557,612	+ 128,625
Auckland Elec.	June 30	27	—	—	52	282,502	— 2,063
Bombay Elec.	Dec.	39	R. 7,87,141	+ 1,74,980	12m	86,41,723	+ 16,17,940
Brazilian Trac.	Dec.	378½	M 9,739,000	+ 1,208,000	12m	113,074,000	+11,180,000
Brisbane Elec.	Jan.	40½	£ 44,800	+ 6,225	1m	—	—
Brit. Columbia	Dec.	334	$ 783,324	+ 92,259	6m	4,221,916	+ 803,821
B. A. Lacroze	Jan.	51	£ 52,642	+ 11,086	7m	346,219	+ 45,439
Calcutta	Feb. 21	35½	R 91 773	+ 4,341	8	645,142	+ 44,898
Cape Electric	Jan.	42½	£ 33,836	+ 4,384	7m	178,161	+ 15,636
Carth. & Herr.	Feb.	9	£ 4,008	+ 1,657	2m	6,756	+ 2,750
Chatham & Dist	Feb. 19	15	£ 1,495	+ 352	7	10,153	+ 1,727
Havana Elect.	July	86	$ 794,768	+ 100,679	7m	5,116,661	+ 402,587
Isle of Thanet	Feb. 25	20½	£ 553	+ 279	22	8,270	+ 1,949
Kalgoorlie ...	Nov.	20½	£ 2,859	— 74	11m	30,492	— 348
Lanarkshire ...	Feb. 19	28½	£ 3,924	+ 550	7	27,808	+ 995
Lima Light ...	Nov.	85	£ 52,086	+ 7,716	11m	531,788	+ 51,653
London C.C. ...	Mar. 3	141½	£ 77,930	+ 9,299	48	3,839,820	+ 633,397
Madras (2wks.)	Feb. 15	15½	R. 38,278	— 5,021	6	122,672	— 8,683
Manila Electric	Dec.	55	$ 276,000	+ 39,383	12m	2,597,090	+ 274,333
Pernambuco...	Feb. 29	59	£ 7,872	+ 2,451	9	70,603	+ 24,686
Provincial ...	Feb. 21	21½	£ 3,068	+ 696	21	58,699	+ 10,326
Rangoon Elec.	Jan.	25	£ 7,467	+ 1,094	1m	—	—
Shanghai Elec.	Jan.	26½	M x. $136,000	+ 14,000	1m	—	—
Singapore Elec.	Jan. 24	26½	$ 19,715	+ 5,395	4	80,023	+ 19,635
U. of Montevid	Jan.	90½	£ 47,767	+ 6,957	3m	132,450	+ 21,401

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The Statist.

LONDON, SATURDAY, MARCH 6, 1920.

TRADES UNION ACTION.

It is difficult for those who are not actually engaged in the work to judge whether a party is, or is not, pursuing the best available course. Therefore, we speak with some hesitation. Yet we confess that it seems to us that the trades unionists are not at present advocating their own cause as strongly and as wisely as they ought. It would be difficult to imagine circumstances more favourable to them than those which prevail at present. We have rarely had a Government which has become in so short a time so discredited as that under which we live at present. It was elected with great enthusiasm, and the Liberal party appeared almost to have been extinguished. Yet we do not remember any Administration which in so short a time has become so utterly discredited. We do not hear, wherever we go, a single word in praise either of the Cabinet or of the work which it has done. While, wherever we go, we are met with almost universal condemnation of its conduct. Moreover, Mr. Asquith discredited himself so grievously that for a time it looked as if he could never again hope to command the Liberal party. Yet he was welcomed at Paisley as enthusiastically as could be imagined, and one hears people now predicting that in a very short time Liberalism will be reorganised and will succeed the present Administration. We refer to these statements, not so much because we believe in them, as because they show how rapidly public opinion is changing, and how entirely the Coalition, as it desires to be called, is falling hopelessly into discredit. We think that the result is due very largely to the manner in which the trades unionists are carrying on their propaganda. They may be meeting with much greater success than we are aware of. But unquestionably it looks as if the trades unionists do not desire to take up too hostile an attitude to the present Prime Minister—as if, in fact, they were leaving the door open for a reconciliation. That Mr. Lloyd George intends to become a Conservative we are not prepared to believe. That he hopes even to keep the Conservative party attached to himself we greatly doubt. But he has such a hold upon popular opinion that, apparently, the trades unionists are not making the proper use of their great opportunity and are likely, therefore, to fail. That there may be a rapid and even unexpected revival amongst Liberals is, to say the least, possible. We do not ourselves really anticipate such a course. We think that circumstances have been so changed by the War that there is no room any longer for more than two parties, and that the only two parties that can permanently subsist are the Conservatives and the trades unionists. That even trades unionism may in the long run be out-grown we are not prepared to deny. On the contrary, it is reasonable to assume that as the less well-paid and the less organised portion of the working classes become organised and aware of their real strength, they will force their way into the party of working men and greatly modify the existing feelings. But that cannot take place immediately. For the present, the fight is between the advocates of the maintenance of all old abuses, and the trades unionists.

The trades unionists—put their case as lowly as we wish—are compelled to advocate the reforms which are necessary for the real recovery of the whole British people; whereas the Conservative party is nothing but a party in support of abuses. Every kind of privilege is maintained by the Conservative party. The party would die out almost immediately if privilege was abolished. Consequently, there is no room for a real support of privilege except amongst the Conservatives; while the Liberals are not sufficiently declared against privilege; and, consequently, are more or less hostile to the real interests of the great public. We have often in this Journal pointed to the fact that the total number of persons liable to pay income tax is rather less than 2¼ millions. And it is to be recollected that every person who has an income of £130 a year is bound to pay income tax. Consequently, it will be seen that the number of persons who are able to live in anything that even the most sanguine would describe as a decent manner is quite fractional; that the great majority of our population lives in poverty; and, consequently, that, if we are ever to see a United Kingdom which is comfortable in its homes, we must greatly enlarge the number of persons who, at all events, earn £2 10s. per week. The matter would have less importance than it possesses if it affected only the political rights of the trades unionists. But, unfortunately, we must never forget that the trades unionists now number over five millions of persons; and, consequently, that they represent an enormously large proportion of the whole population. Above them there are numerous classes who ought to belong to the trades unionist organisations. Beneath them there are still more numerous classes which must attach themselves to trades unionism if ever they are to become entitled to the rights of citizenship. Therefore the present condition of things is from every point of view unsatisfactory. And it is unsatisfactory largely because it looks—to put

the matter as gently as possible—as if the trades unionists are hesitating to declare too openly against Mr. Lloyd George; and, therefore, are practically leaving the road open to him to come over if circumstances render it desirable from his own point of view. The circumstances being such, we would urge the trades unionists to act with more promptitude and more decision. There must before very long be a new General Election. The Government is losing influence. And if things go on as they are going on at present, it will become intolerable to put up with a condition of things such as exists at present. On the other hand, the Liberals are utterly disorganised. A very large number of persons who call themselves Liberals are supporting the present Administration. Of course, it is very evident that such persons are not really Liberals. They may flatter themselves that they are entitled to call themselves Liberals, bearing in mind what Liberalism has been at various times in the past. But it is certain that the Liberal supporters of the present Government of Ireland are not Liberals, have no claim to the title, and will be discarded except, indeed, they come forward frankly as Tories whenever they have to apply for re-election.

The trades unionists should remember that they are, in real truth, the only persons who at present can claim to be Liberals. The supporters of the present Cabinet are supporters of every kind of privilege and of nothing else; while the very poor have so little share in any of the real advantages of the Empire that they are ready to sell their rights for a mere pittance. The trades unionists alone can change the Government. And the whole course of events since the German army broke up and refused to fight any longer proves decisively that the feeling of the country is more strongly in favour of a sweeping change in the Liberal direction than it has been, at all events, since the great agitation for the First Reform Bill in 1832. If the trades unionists will put themselves at the head of a great agitation to carry a Reform Bill that will really admit to the suffrage all who have a right to it, then we shall have a real Liberal party; or, if that be considered too strong an expression, for the first time a party that has a reasonable claim to be considered really Liberal. We want, to begin with, the Debt that is pressing us down paid off. And as that Debt amounts to at least 10 or 12 thousand millions sterling, and is steadily increasing, the payment of the Debt is a task of great difficulty, which will require the best thought of the public and their generous sacrifice in the interests of the Empire. When the Debt is paid off a sufficient income will be set free to enable great reforms to be carried—to enable, for example, wholesome houses to be built for the whole of the working classes; to make it possible to give a true system of education to all classes without distinction; and to enter upon a definite and an irreconcilable attempt to put an end to preventable disease. It would be easy to go on lengthening the list of great reforms that we require. But surely we have said enough when we remind our readers that it is absolutely necessary to pay off the Debt so that we may give our people wholesome houses, good education, and such freedom from disease as the best intellects of the future can provide. All this we want, and we want with urgent need. It can be given to us if the working classes will set themselves to the task with a determination to win, and we can thus be freed from all self-interest, all mere class ambitions, and all unworthy personal self-seeking. The work has to be done if the country is ever to be governed decently. And if it is not done, then some other country will step forward and will show that what our trades unionists shrank from doing can be done, and is being done by a people who will deem us no longer worthy of the position we hold among the nations.

EUROPE.

Are our readers carefully watching the course of events all over Europe, and we may add the United States as well? And, if so, do they appreciate the difficulties which the several nations have to fight against, and the serious dangers with which they are threatened? We will not spend much time in discussing the cases of the defeated Powers. Practically, the Austro-Hungarian Empire has disappeared. Even Hungary and Austria proper do not keep together. And it is very doubtful whether, even if they attempted to do so, they would be successful. Austria has lost all the territory which was either Slav or non-Austrian for some other reason. It has lost all the Slav countries, and it has equally lost that large part of Hungary which was really Rouman. Therefore, what used to be called the German States of Austria are complaining that they are so small in population and so weakly in capital that they cannot pretend to play a part in the Europe as now organised. Hungary, again, has been completely cut up. It has lost its Rouman population and its German. Whether it will be able to maintain itself in the future is a question which he would be a bold man who would attempt to answer with confidence. Turkey is practically non-existent. There are no real Turks. And if we mean by the phrase a Turkish population, there never has been, outside of a few large towns, a real Turkish population. There are Mussulman populations; but that is a very different thing from a Turkish population. The Turks came in and conquered what had been a great Arab Empire, and although the Empire was really inhabited by peoples who were not Arab, or, at all events, were only very partially Arab, yet the mere fact that they were Mussulman and that Turkey was strong induced them to side with the Turks and so to make Turkish rule last for some centuries. But the Turks have proved utterly incapable of maintaining a great Empire. They are now stripped of all pretensions to such. And whether they can last for any length of time is a question which few sensible men would care to undertake to answer. The German-speakers, the Magyars, and the Turks proper being thus apparently deprived of the means of forming permanent States, there remains of the enemies in the late War only Germany proper and Bulgaria.

Germany proper is still a great country. It is absolutely exhausted. And if it has to pay the sums which the Allies have decided it must pay, then it looks as if Germany is doomed. At the same time, we must remember that the German people are a very hard-working and a very thrifty people. They are not Germans in the proper sense of the word. Half of Germany proper may be German; but the other half is by descent Slav, or something similar to Slav. And, therefore, it is exceedingly doubtful what will be the future of Germany. That there is a strong Imperialist party seems to be clearly established. That there is a still stronger Militarist party nobody who gives attention to the matter will seriously dispute. And that, finally, there is a large party which has Liberal instincts dashed with warlike impulses, is also clear. We have, therefore, a country which is largely inhabited by Imperialists and Militarists, with a very large extra population which is Liberal in instincts but timid in counsels. What will Germany do? therefore, is a question of exceedingly great difficulty. That she must make some attempt to pay damages is clear, for she has not an army that could seriously undertake to fight the Entente States. We must not be too positive, however, in making the statement. That, at the present time, it would be madness on the part of the Germans to refuse to carry out the Treaty of Peace everybody will probably agree. But what will be the state of feeling in, let us say, a year or two, or still more, three or four years? There is exceedingly great disappointment in France. France did the real fight-

ing. When everything is said, we should have been defeated but for the splendid gallantry of the French: firstly at the Marne, and secondly before Verdun. Therefore, the French argue—and argue with a truth that no honest man can dispute—that the War was really won by France. But the immediate cause why the German troops threw down their arms and refused to fight any longer was the discovery that already a great American army had been landed in France, and, therefore, that the Germans, practically half starving, and almost certain to starve worse if they held out, were called upon not only to fight England, France, Italy, and so on, but the United States as well. The United States, it was believed at the time, had already landed three millions of troops in Europe; and if she had gone on landing at the same rate for a few months longer, it was plain to even the most ignorant soldier in the German ranks that the destruction of Germany was inevitable. Therefore, the troops threw down their arms, and peace ensued. But we must remember that the United States had only just begun to land a great army; that she had not had time to bring millions of men to bear upon the enemy; and that, therefore, what happened was that the starving German troops felt that they could not go on fighting a well-provided army like that of the United States unless the blockade was brought to an end. The circumstances being such, it is clear that Germany at present is not in a position to refuse to do her best to carry out the peace terms. That she will be able to carry them out to the end remains to be seen. But that she will have to do her best for a time is plain. And such being the case, it is impossible for anybody to judge what Germany will undertake to do, say, in a couple of years. The answer will depend upon a great many things, of which the determination of Germany will be, perhaps, the least.

The most important will be the feeling in the United States. Will the United States agree that Germany is to be made to carry out the terms of peace? And if the United States is not willing, what will the consequences be, let us say, three or four years hence? The election of a new President will take place at the beginning of November, and the new President will enter upon office on March 4, 1921. In, say, twelve months, then, the United States will become free, if it so pleases, to take any action it cares to take with regard to Europe. The freedom will depend, of course, firstly, upon the result of the elections, which will take place at the beginning of November; secondly, upon the character and policy of the new President; and, thirdly, upon the influence that will be exercised upon the opinions of Europe and America by the course of events during the next year or two. Will all the terms decreed against Germany be enforced? And if they are not enforced, what will be the result upon Europe? That there is a great feeling of dissatisfaction in France is beyond the possibility of dispute. France found herself the real object of the German attack. The Germans entered Belgium, and marched as quickly as possible upon Paris, hoping to encircle the great capital and by detaching France from the Alliance to make such terms of peace as would justify the boast that Germany was the greatest of all military Powers, and could enforce what terms she liked. Fortunately for Europe, Germany failed. She failed so completely at the Marne, that she never attempted again to march direct upon Paris. And she failed still more completely in front of Verdun, where the fighting went on for five whole months. We have, therefore, if we would understand the present condition of Europe, to bear clearly in mind that France bore the real brunt of the fighting against Germany; that in the very second month of the War she defeated Germany completely at the Marne; and that, not very long afterwards, she defeated Germany still more completely in front of Verdun. We have to bear these facts clearly in mind. France had a population perhaps 30 millions less than that of Germany, and yet she had the good fortune to possess four eminent generals. They defeated the Germans in every drawn battle, and they never suffered a real defeat themselves. We won some battles against the Prussians, and we lost others very disgracefully. But France always won when she set herself to a downright struggle against her aggressors. France now feels that neither England nor the United States is acting to her as they ought. France has an enormous debt—a debt which is almost crushing the people. And the people of France are without a moan or a complaint bearing that vast burden. All they are asking is that the two richest countries which were leagued against the Germans—the United States and Great Britain—should give her on reasonable terms the loans she so urgently needs, and they do not find the response as friendly and as ready as they anticipated. We would remind our readers, then, that if it were not for France we should have been defeated utterly in August 1914, and that we should have been still worse defeated before Verdun if the French had then shirked the challenge that was given to them.

It is to be hoped that our people will bear these facts in mind, and will remember that in the August of 1914 if the Marne had been lost, and Paris had been encircled by a great military force of over a million of men, we had not a trained army in existence. Our trained men were garrisoning distant posts, and distant colonies. And we were training recruits at home and in France in the hope that in a year, or at the outside two, they would be fit to meet the enemy. France met the enemy in time, and defeated him. Consequently, we had no serious apprehension. We were relieved from the consequences of a march upon, let us say, Calais, when we had not a single well-organised army, and when our artillery was beneath contempt. We have dwelt at some length upon the case of France because it seems to us of the first importance that the alliance between England and France should be maintained. France is not what she once was—the possessor of the greatest population in Europe. On the contrary, she is much inferior even to Germany, and to England, aye, and still more seriously to Russia. Therefore, France does not seem quite as important as she seemed, let us say, a hundred years ago. But France has a knack of recovering strength more quickly, and more surprisingly, than any other European country. France was defeated by Edward the Third and Henry the Fifth—both, it will be recollected, French generals of almost purely French blood. But remember how rapidly France recovered when the Maid of Orleans came forward, and how almost every sod of French territory was taken from us. France has, then, a knack of recovering beyond all expectation. And she will recover. Her people just now are over-anxious, as is natural considering the magnitude of her debt, and the difficulties she has to raise the immense sums she requires. If, therefore, England and the United States are wise, they will come forward in time and will lend readily to their ally. France probably could have made terms with Germany not by any means unfavourable to herself after the Marne and Verdun. But France was determined to keep all her engagements, and she has recovered her lost provinces, and now is in a position to recover also her lost prosperity. Remember that the French are a persistent people. They may have a fool at their head, as they had in 1870, but the people of France are not fools, and when the necessity arises they will find a leader who will enable them to borrow what they need and to build up France once more. It is eminently desirable that we should assist France. If England, the United States, and France were united in a really loyal friendship, they would be able to secure the peace of the world, for formidable as Germany may become, and still more formidable as it is possible Russia may become, yet we doubt if there is any Government in the world which would deliberately pick a quarrel with the United States, the United Kingdom, and France.

THE WEST INDIES.

Mr. McAdoo's proposal that this country should sell to the United States Bermuda, the Bahamas, Jamaica, and other islands is, perhaps, not so surprising as at first sight it may seem, although few persons in these islands were prepared to hear that a public man of eminence in the United States thinks it highly probable that we may be glad of the suggestion to get rid of a financial obligation. The proposal, however, is made, and our readers should be prepared for many other suggestions that will appear to them equally uncalled for and unacceptable. We have managed our political affairs through two aristocratic parties so exceedingly badly that the world does not understand how to judge our real financial condition. We know ourselves that, though we have a rather stiff time before us, we shall get over our troubles, re-establish our trade, and build up our credit even to a higher level than it attained before the War. But we must not be surprised, and, especially, we must not be offended, if foreigners take an entirely different view. Mr. McAdoo, we venture to think, misunderstands not only his own people, but the British people as well, and is hardly well advised in putting forward the proposal at the present moment. On the other hand, the fact that the proposal has been put forward, and put forward by a gentleman who has filled the responsible position of Secretary of the Treasury of the United States, brings home to the most confident of us that our credit at the other side of the Atlantic does not stand as high as hitherto we have been inclined to think. As a matter of fact, for a very long time our people have been the richest in the world; and, consequently, when the Government needed to borrow it had to apply only to its own people. But the great War through which we have passed proved to be a much more costly affair than anybody amongst us anticipated; and now our kinsmen at the other side of the Atlantic are actually coming to believe that we cannot easily get rid of our debts except by selling territory. Whether the West Indian Islands are at the present time of as much importance to us as they were, let us say, at the close of the eighteenth century is open to question. Many will think that they are not; while others, without entering into the dispute as to their value, will insist that England does not need to sell territory merely to maintain her credit. Putting those points aside, however, we think it worth while calling the attention of our readers to the fact that a gentleman who has filled the office of Secretary of the Treasury in the United States thinks that it would be advantageous to us to hand over some of our West Indian Islands for the sake of wiping out debt to the United States, is a new revelation as to the real opinion entertained concerning us at the other side of the Atlantic, and ought to open the eyes of not a few to the kind of impression which our financial policy has made in a large part of the world.

We do not believe, speaking for ourselves, that this country has done justice to the West Indian Islands. We feel convinced that when slavery was given up the aristocratic Governments which prevailed in the United Kingdom were incapable of judging the impression that would be made all the world over, and that they adopted a policy which has been extremely unfavourable both to us and to the West Indies. It is not easy now to remedy it. But even if we do not remedy it, it is desirable that we should understand it; and in this proposal of Mr. McAdoo we have clear evidence that a man deemed capable of discharging satisfactorily a great financial position in the United States thinks that we should benefit if we were to sell territory in the West Indies to the United States. Whether he is right or wrong is, of course, a question open to discussion. But we ourselves hold that we ought not to treat human beings as we treat cattle, and sell them or keep them, not as human beings, but as suits our financial credit. We have not done justice to the West Indies. We made them hotbeds of slavery when it suited us. We left them to get out of their difficulties when it seemed advantageous to us to give up slavery. Consequently, we have no right to complain if American public men believe that we care nothing for the West Indies, and are ready either to keep them or to sell them as appears to ourselves most likely to prove profitable. But is it not time that we should change our policy in this respect? Is it not urgent that we should show that we have some, even slight, appreciation of the claims upon us which the populations subject to us abroad possess? We have acted towards the West Indies without regard for the real interests of the West Indies, and with little regard for anything but what seemed to be our own interests. And, therefore, we have no right to complain if Mr. McAdoo, or anybody else, tells us in effect that we care nothing for the people, and will do only what suits ourselves. We think it desirable that the public should clearly understand the impression we have made upon our own kinsmen at the other side of the Atlantic, and, therefore, we have spoken quite frankly and quite freely. We need hardly add that it is entirely contrary to our desire to get up a bad feeling against any man, or any class, or any party in the United States. On the contrary, we desire to see the friendliest possible feelings between the two countries. But we must get rid of aristocratic government if we are to succeed. We must call in the great public to decide how we are to deal with colonists abroad, and especially with the colonists of the West Indies, who are amongst the very oldest of our colonists, and who, at the same time, are so split up into small territories that they are hardly in a position to make their feelings and their determinations understood and appreciated here at home.

EGYPTIAN COTTON.

The more active period of our season being now over a review of the market covering the strenuous times just passed may be of interest. Since September 1 last the value of our Basis Grade—viz. Sakellarides Fully Good Fair—has risen from \$59 to \$181, whilst Ashmouni (or Upper Egyptian Fully Good Fair), which was quoted \$51 on September 1, stands at \$154 to-day. During the same period the price of American Middling in New York has only advanced from \$31 to \$39. The principal reason for the enormous rise in our staple, amounting to no less than \$122, whilst American cotton has only advanced by \$8, has been repeatedly stated in these notes. It is due, on the one hand, to the practical failure of the American long-staple crop, and, on the other, to the tremendous expansion in the motor-tyre industry, especially in the U.S.A. It being as yet impossible to utilise for this purpose cotton of less than 1½-inch staple, manufacturers have been obliged to purchase almost all their requirements in this line from Egypt. It must be remembered that American spinners have been able to buy our cotton at a very important discount, owing to their favourable exchange position. This has naturally been an important factor, especially when it is borne in mind that their purchases were made very largely when our cotton was quoted from \$60 to \$70. Since we last wrote a further enormous rise has taken place, March going from \$132¼ to \$171, whilst November rose from \$112½ to \$134.

H. C. Thomas.

Alexandria: February 14, 1920.

INDUSTRIAL SOUTHAMPTON.

As a distributing centre for foreign and colonial produce Southampton has many obvious advantages, but its distance of 100 miles from South Wales and 140 miles from the Midlands places it at a disadvantage as regards cheap or abundant supplies of coal, iron ore, and other raw materials of industry. Further, the tendency to bring ships to goods instead of goods to ships has brought about the development of interior ports, such as Manchester and Glasgow, and correspondingly discouraged the transport of goods by rail where the ultimate destination is an overseas market. Such circumstances have in the past been unfavourable to the industrial development of Southampton, which, unlike London and other cities situated far from the coalfields, is not the centre of a thickly populated area. Recent years have, however, witnessed a change in industrial methods, and manufacturing at the point of distribution, particularly for export, has been seen to admit of certain economies not obtainable at many inland centres. Owing to their classification, manufactured goods generally pay higher rates than raw materials, and the difference in transit expenses is thus saved. Where coastwise shipping offers an alternative route, rates for raw material may rule still lower, and this twofold advantage of excellent land and sea communications has made it economically possible to undertake manufacturing operations in Southampton. A further attraction was the cheap electric current provided by a progressive Corporation, which still supplies on very favourable terms. A huge electric generating station erected by the Government at Woolston, near the town, has practically been disposed of to a private syndicate, and this will further increase the supply for power purposes and perhaps reduce costs. Again, the new shipping Company, Coast Lines, Limited, formed under the auspices of Lord Pirrie and Sir Owen Philipps, will mean an addition to the number of vessels engaged in coastwise collection and distribution, and will presumably lead to a cheapening in the costs of manufacture and marketing. Distribution from Southampton has hitherto been largely by rail, and the use of coastal steamers to act as distributors, as well as feeders, will heighten the popularity of the port with passenger and cargo liners. The Town Quay offers excellent facilities for coastal traffic as railway lines run alongside all the berths and electric cranes and concrete warehouses are provided for handling and storing goods. Not only can cargoes be more easily collected and distributed, but bunker and industrial coals will become more plentiful. The nearest coal-mining centre is South Wales, and the bunkers carried by sea are usually transferred to lighters, which are accommodated in a specially constructed coal-barge dock capable of floating 14,000 tons of coal. When required, these lighters are brought round to the ships, which continue to load or discharge cargo while bunkering, being boomed off sufficiently from quayside to enable the barges to pass between.

Cheaper and more adequate supplies of coal would also be a great boon to the land industries, which in Southampton consist principally of the three allied trades of shipbuilding, ship repairing and marine engineering. Interest was at one time centred principally on naval repairs and construction, when Southampton shared with Portsmouth the honour of being a large naval port. As the former gradually concentrated on commercial development and became a resort of merchant vessels, the character of its work naturally changed, while Portsmouth became more exclusively preoccupied with naval matters. Southampton had, however, made a name in connection with high-speed torpedo-boat destroyers, and these are still turned out from the Woolston yards, on the left bank of the Itchen, where it merges with the Test into Southampton Water. In this neighbourhood, and on the Hamble, and up Lymington and other Hampshire creeks, the building of yachts and small boats was extensively carried on before the War, but business in yacht construction is now practically at a standstill owing to the prohibitive price of even the smallest vessels. The war-time suspension of racing and the danger still arising from floating mines have also interfered with the popularity of the pastime.

Ship repairs in Southampton have necessitated an extensive provision of dry docks, six in number, the largest of which is 100 feet wide at the gates and 897 feet long to the head, with a depth of 35 feet over the sill at high-water ordinary spring tide. The Trafalgar Dock, as it is called, is the biggest single dock in the world, and can hold the largest liner afloat, with the exception of the s.s. *Impèrator*, which was recently refitted at Liverpool. The Gladstone Dock on the Mersey, where the work was carried out, is a double dock capable of being used as one. The extension of Trafalgar Dock or the building of a new graving dock is essential in the interests of Southampton's ship-repairing industry. Not only is it uneconomical to dock a liner away from its base, but many thousands of pounds are thereby lost in wages and otherwise to the city.

Merchant ship building, as distinct from repairs, has not been prominent in Southampton, but many steam yachts are at present being reconditioned, and one firm, famous for its naval work, is embarking on a considerable mercantile programme which will involve the construction of vessels up to several hundred feet in length. Other firms, on the west side of the Itchen, have also undertaken merchant ship construction, and the present keen demand, which is likely to persist for several years, for vessels of all sizes will ensure easy and profitable disposal of such tonnage as can be produced.

The other industries of the city, though not very extensive, are rather diverse. At a large cable works all kinds of electric cables are turned out, and competition can be maintained with other centres which at first sight seem more favourably situated for cable manufacture. Up the Test are chemical manure works, while gasworks and tar distilleries are also a feature of the neighbourhood. A seed crushing and vegetable-oil refining establishment has its natural complements in a margarine factory and a paint works. As grain imports have expanded, flour milling has grown in importance, and a new port mill of considerable capacity is projected by a well-known Isle of Wight firm. Imports of timber have encouraged local saw-milling developments and a number of small factories have sprung up, attracted partly by the larger trades, to which they act as subsidiaries, and partly by the cheap electric power available.

Amongst notable industrial extensions planned for Southampton it may be mentioned that the Ford Motor Company have purchased sites at Millbrook on the Test and at Woolston on the Itchen, the latter, which runs to 26 acres, being the smaller of the two. There is some uncertainty as to the exact intentions of the Company, and developments in their case, as elsewhere round Southampton, have been held up by the ubiquity of Government entrepreneurs, who are ever planning new aerodromes and similar enterprises, though the legacy of Government undertakings left by the War already constitutes a formidable hindrance to business. Rolling-mills of enormous extent for the manufacture of brass cartridge cases were built for the Government at Woolston, and part of this property has fortunately been disposed of to the British-Mexican Oil Company, which intends to build oil reservoirs to supply fuel to oil-burning ships. The mills occupy a very valuable site, quite close to the land purchased by the London and South-Western Railway Company for the construction of new docks. Dock development is checked by the delay in defining the State's attitude towards railways. Disclosure of the Government's final

plans is anticipated within a few months at the outside, and if the announcement is favourable the Company will not hesitate to develop its newly-acquired property. It is possible that the construction of a mammoth graving dock will be undertaken, and the new accommodation for shipping will be devised more on the jetty principle, as in New York, than on the dock principle.

No adequate reasons exist why development around Southampton should be limited to the Woolston area, and it can readily be seen from an examination of the locality that the opposite, or Hythe shore of Southampton Water, presents a great opportunity to men of enterprise and capital for dock and factory development along the sea front, and further inland for building development. The work of the Harbour Board in deepening the channel and approaches and in lighting and buoying Southampton Water should benefit this western shore, which is within three-quarters of a mile of the existing docks. If projecting piers were built into the river from either bank a swing bridge could easily cover the intervening space. Some physical connection would be the first step necessary for exploiting the new area, and there is little doubt that an ample addition to the industrial and residential sections of the city would soon justify the comparatively small initial outlay required.

PERU.

THE ARICA DISPUTE.

At a time when the world is anxious to see South America devote itself to increasing its production, it is very much to be regretted that there should be a revival of the dispute between Chili and Peru about the territory situated around Tacna and Arica. It may not be uninteresting to recall the facts of the case to those readers who are not accustomed to keep themselves in close touch with the affairs of the Western Republic. In a general way, of course, every reader is familiar with the facts, but it is not possible for every reader to keep himelf sufficiently closely in touch, unless particularly interested with Peruvian affairs as to enable him to know always what are the varying influences affecting from time to time the political and economic interests of the several Republics. It will be remembered that the result of the war, in which Bolivia was involved, between Peru and Chili in the early 'eighties of last century was a decisive victory for Chili, and a crushing defeat for Peru, from which Peru has never really recovered, although nearly a whole generation has passed during the interval; in spite of the fact, moreover, that the material losses inflicted on Peru were very far from being crushing, and, in addition, that nearly all of her most valuable assets were left to Peru. Had she devoted herself to economic development, as distinct from political experiment, she would ere this have recovered from the difficult position from which she emerged as a result of that war. Had she really devoted herself to economic development she should be by now the first, as she was in ancient times, of all the States of Western South America. Not one of them, during the past 30 years, has really devoted herself to the real development of her permanent economic resources. Chili has done best, but no one who knows Chili would say that she spent the last generation in the development of her economic resources. She has, in fact, done nothing of the kind. All she has really done has been to develop one particular branch of the mining industry. Other branches of mining industry have been partially developed, but only partially. She has concentrated on the development of the nitrate fields, which she won from Peru more than a quarter of a century ago, very largely to the detriment of every other industry of the country. She has denuded her agricultural provinces of labour to feed the demands of the nitrate fields, and as, in spite of a high birth-rate, her population does not grow, and she failed to attract immigrants, one of her greatest difficulties in attempting to develop her economic resources is her perennial scarcity of labour. None of the Northern Republics have done any better. Colombia and Venezuela might be supplying the congested areas of Europe with abundant supplies of meat, instead of contenting themselves with furnishing a small supply of hides. Ecuador has missed an unrivalled opportunity of being the world's source of supply of cocoa, and if she chose to occupy it she could, of course, be the world's source of supply of vanilla. Whether such a *rôle* as the latter, bearing in mind that vanilla is a parasite crop, is worth cultivating we do not propose to argue at present, but if she cared to occupy it her soil, climate, and forest conditions afford opportunities which it would be difficult to equal, and perhaps impossible to beat, in any of the now accessible portions of the tropical world.

The war of 30 years ago left Peru in an exceedingly difficult position, and during the life of a whole generation she has made no serious effort to raise herself to the position which she ought to occupy on the west coast of South America. She seems, decade after decade, to sit down and regret the past, which is not a hopeful way of providing for the future. What enterprise she does show is in the direction rather of political experiments than of any serious attempt at economic development. Of course, her position is an exceedingly difficult one, and it has been for the past 30 years; but that she could improve that condition has been shown conclusively by the improvement in her trade which has occurred as a result of the recent European War. Her population, although in numbers it compares favourably with that of her neighbours, none of whom have an adequate population capable of developing their resources, is a backward population. It will be remembered that in the treaty it was arranged that Tarapaca was to be handed over finally to Chili. The ports of Tacna and Arica, on the other hand, were to be the subject of plebiscite, and they were to decide whether they should finally belong to Chili or to Peru. Owing mainly to the unsettled state of Peru ever since no plebiscite has ever been taken. The proposal now made is for Chili, which has occupied Arica ever since the end of the war—that is, all through the life of most people engaged in any kind of active business—to hand over a strip of territory and part of the port of Arica to Bolivia without consulting Peru in the matter at all. Peru protests, but she is hardly in a position to make her protest very effective. Doubtless pressure will be put upon the Governments of both Republics by various interests concerned to induce them to arrive at some sort of an amicable decision, but it will be highly desirable that some sort of an arrangement could be come to whereby the conflicting claims of Peru itself, of Chili, and of Bolivia could be reconciled upon some equitable basis. It is perfectly evident that Bolivia cannot be expected to be permanently satisfied, excluded as she is at present from any direct outlet to the Pacific Ocean. She formerly had a seaboard of her own, but lost it as a result of a disastrous war. It is, of course, for the various conflicting interests to arrange amongst themselves what course it would be most desirable for them to adopt, but it is evident that while the three Powers are continually engaging in disputes about the seaboard question, and particularly the possession of the nitrate provinces, they will be more interested in disputes with each other than in the developing of their own natural resources.

Of course, as we have said, the position of Peru has been exceedingly difficult. The recent War in Europe has probably done more towards the encouragement of Peruvian trade and commerce than the whole efforts her Government and trading community accomplished in the past 30 years. If she

takes advantage of the opportunities afforded her by the European War she may ere long be in a position to develop her natural resources to such an extent as may place her in the forefront amongst the western Republics of South America.

Partly as a result of the war with Chili, but still more in consequence of the extravagance of the various Governments which controlled Peru subsequent to that event, Peru became unable towards the closing decade of the last century to meet her liabilities to her foreign creditors. In consequence an arrangement was arrived at between those creditors and the Peruvian Government whereby the railway system of the country, which constituted her principal means of affording transport facilities was handed over to a Corporation which has since managed the lines on account of the Peruvian Government. The Corporation which now manages those lines have, during the long period the railway system has been under its control, increased the system, and it now extends to some 1,800 miles. It is of course a very serious disadvantage for any country to have its principal means of transportation facilities under the control of a foreign Corporation. It is a bad thing for the country, without being a good thing for the Corporation. Had the Corporation been merely a railway company, which from the outset had built and owned the system, it might, and probably would, have conferred extraordinary economic benefits upon the country, as similar institutions have done in various parts of South America and elsewhere. The Corporation, however, came into existence as trustees for the foreign bondholders of Peru. The railway system was handed over as a pledge that Peru would do what she could to meet the obligations into which her Government at various periods had entered. Consequently the Corporation were primarily trustees, as distinct from the workers of the principal means of transport of the country. Hence the Corporation's position was, and has been throughout, nearly as unsatisfactory and nearly as difficult as that of the Peruvian Government itself. Its interests and its duties were divided, in a sense that was perhaps true of no other body of railway managers in any other country in the world. Primarily the Corporation is responsible to Peru's foreign creditors. Against this it controls the principal means of transportation in the country. If Peru is to be prosperous, no one is more conscious than those who have to work the railways for the Corporation that the railway system should be extended, and that the demand of Peru for improved railway accommodation should be considered. The principles under which it works are in a sense definitely prescribed, but the application of those principles is a problem which opens up a field for endless discussion. Naturally in such a difficult position there has in the past been considerable friction between various Peruvian Governments and the Corporation. The present Government, of which President Leguia is the head, appears to fully appreciate the difficulties under which the Corporation has to work, and seems to realise that its aim is to assist the Peruvian Government as far as possible. The Government naturally wants to improve the railway system, but the present Administration appears to realise that this object will be best attained by cordial co-operation with the Corporation, whose powers and resources are naturally limited by the causes which brought it into existence.

Peru is between two and three times the size of France, but the greater part of it, and potentially the richer part of it, is almost wholly undeveloped. The population does not much exceed 4½ millions, of whom about 2½ millions are Indians. It has to be remembered, however, that when we speak of Indians in Peru, with the possible exception of some more or less barbarous tribes in the eastern forests of the Andes, we are speaking of a race that was, in its day, the most highly civilised and most intelligent of all peoples found upon the continent of South America. With better means of transport such a race, with such a history, ought to be able to do very much better than they do at present.

RAILWAY RATES.

The recent increase in railway goods rates should help to direct public attention to the anomalies of the system as at present existing in the United Kingdom, and to the imperative need for reform in the interests alike of traders and consumers. Under conditions of free competition, rates would probably be fixed at equitable levels, but free competition is impossible, owing to the quasi-monopoly of carrying powers exercised by railways. Between important points, such as London, Liverpool, and Manchester, parallel lines have, of course, been constructed, but the harm arising from this partial competition has been so great that traffic-pooling and rate-fixing agreements have received the sanction of the Legislature. There has been a noticeable tendency in areas free from competition to fix rates higher than elsewhere, and this may be done though no traffic is carried actually at a loss. The effect of such low rates to populous districts served by one or more lines is that they bring about a further overcrowding of population, and thus intensify an already serious problem.

The existence of alternative means of transport by sea also tends to a lowering of rates, with the result that long-distance traffic to districts so favoured may be carried more cheaply than short-distance traffic of the same class to an intermediate centre. Such an anomaly constitutes a violation of the common-sense axiom that equal rates should be charged for goods of the same class carried equal distances. Some critics of railway administration argue that mileage should be the sole factor in rate determination, but in practice such a method of calculation would mean the levying of prohibitive charges on long-distance traffic. It is true that mileage alone decides passenger fares, but in the case of goods the expense of handling at the termini is independent of the distance to be traversed, and, therefore, deserves separate consideration. Besides, railway expenditure takes so many forms, in addition to those of haulage and station expenses, that various other items have to be considered in formulating a rate schedule. Expenditure on head office and on technical and general administration, as well as on permanent-way maintenance and auxiliary works, accounts annually on many lines for more than 50% of the total outlay. Such multifarious items render impossible the simple and obvious method of fixing goods rates according to mileage. Passengers are, on consideration, seen to be in a different category, as their movements at termini are not the occasion of special expense to the companies.

Granting then the necessity of admitting a large number of factors as relevant in the construction of a rates schedule, it is nevertheless far from clear why certain errors which have in practice crept in should still be tolerated. As is well known, goods are divided into five classes, and the classification has been drawn up chiefly by reference to values. In the circumstances, goods of the same value should be carried at equal rates for equal journeys, but a system of preferential rates has grown up which discriminates in favour of certain traders. This leads to more onerous charges on other traffic, sets up an unfair system of subsidised competition, and is responsible, within certain limits, for the instability of commodity rates. It has been maintained that the prepayment of all rates would cause the cessation of [illegible] but there is nothing in this objection to prevent the [illegible] rates. Apart altogether from the question of preferences the prepayment of rates has many considerable, as it would spare companies endless [illegible] and trouble, and a considerable [illegible] of bad debts. It is thought

by many that a wide-sweeping innovation of this character would be injurious to trade and to some extent impracticable, as very heavy articles have often to be sent to a special depot to be weighed. Exceptions of the latter kind are, however, comparatively rare, and as consumers ultimately bear all transit costs, it is not easy to see how any injury to trade is involved.

Attention may be drawn to a further anomaly that occurs in the matter of cartage charges. Some rates at present include cartage at either end, but in many instances where goods are delivered to or conveyed from the depot, no refund is made, nor indeed is a claim for refund entered, as the public are generally unaware of the inclusive nature of the freight charge. The prevailing uncertainty as to the amount of a goods rate and the services which it covers is very bewildering to traders, who find it difficult to forecast what the charges will work out at before the goods have actually reached their destination. A scientific system of rate-fixing would show separately the charges for cartage and for conveyance by rail, as they are already shown in the companies' private accounts. The uncertainty frequently cannot be dispelled by inquiry at local stations or from local representatives, since railway administration as a whole is highly centralised—a rather serious defect—and inquiries made in the provinces have often to be referred to London or other headquarters for answer. The large number of classes—five—also introduces an element of complexity, and it has been cogently argued that a reduction to three would be a boon alike to railway proprietors and to the public. At present the highest class pays two or three times the rate of the lowest, and if the latter were abolished a general levelling up of rates would result. It is possible, however, by grouping the first two classes together, to offset this increase, and then allow the existing third class to remain as it is. The unpopularity of the current scale of charges with the public is largely due to widespread belief that they are based not so much on the all-in cost of handling as on the ability of the traffic to pay. While it may be defensible to some extent to charge what the traffic will bear, it leads to discouragingly heavy rates on goods of high classification, and imposes on them a differential burden which is very difficult to justify.

TRADE WITH THE BALTIC.

Early in the New Year the United States Shipping Board started a regular service of big cargo vessels up to 9,000 tons between New York and Copenhagen, and this has not incorrectly been taken as an indication of a serious bid on the part of America for a share in the extensive trade of the Baltic. British interests in that sea have always been considerable, and though they received a set-back during the War, later political developments have opened the way to a resumption of trading. Our chief ports, especially those on the East Coast, nominally carry on a large import and export trade with the Baltic. Outward cargoes of coal and inward cargoes of timber usually constitute the round trip. London, Hull, Newcastle, Leith, and Dundee have benefited from the trade, which is mainly seasonal, as the winter closing of the Baltic by ice naturally interrupts traffic. In consequence a distinct falling-off in the trade of our Eastern ports recurs each year, but the gap is partly filled by increased activity in other directions. Baltic traffic is carried mainly in steamers of a handy size, as the ports are not accessible to vessels of deep draught. Timber, hides, flax, and other raw materials form our chief imports, while exports include coal, iron and steel manufactures, and textiles. Coal is of great importance, since the fuel is raised in insufficient quantities for home consumption in Russia and Scandinavian countries. The deficiency in our supplies since the Armistice has, however, enabled the United States ot make inroads into markets formerly regarded as a British preserve. The American position is, indeed, insecure by reason of the high freights attendant on the long sea journey, and at present it is being realised more and more that the natural suppliers of the Baltic zone are the United Kingdom and Germany. Since the Armistice the Germans have come to look upon the Baltic as the prime field of endeavour in their commercial resuscitation, and for a long time this district will be the only ground where formidable German competition may be expected. It tells against our former enemy that as a coal exporter she is badly crippled by the loss of some of her mining areas. In consequence of the seizure of her large merchant ships she is left, however, with only small vessels, which, being unsuited for deep-sea work, will necessarily be used in the Baltic and near-by trades. The efforts of Germany in the sphere of foreign trade are therefore for a considerable period likely to be concentrated on its eastern and northern neighbours. For large ocean-going steamers Hamburg was at one time a great port of transhipment of products which were subsequently distributed by coastal boats throughout the Baltic, but much of this traffic was attracted by the preferential rates offered at the North German port. The levying of such rates is henceforth to cease, and both Antwerp and Copenhagen are making great efforts to win a share of the trade formerly passing through Germany. The Danish port is the more favourably situated, but, despite the sailings of United States Government and private lines, and of tramp vessels, its overseas communications are not equal to those of Antwerp. In this respect London and other East Coast ports have also an advantage owing to the excellence of their steamship connections with all parts of the world.

The political disorganisation of the countries to the east and south of the Baltic and the chaotic condition of their currencies appreciably increase the difficulty of reopening trade. The meagre supply of the precious metals and the ample supply of paper, combined with the absence of external credits, make recourse to some system of barter inevitable. For internal purposes barter has long been employed because of the progressive devaluation of the currencies. Bartering is new to our merchants, and, owing to the peculiar considerations which it involves, an organisation working on the spot and conversant with the relative demand for the commodities exchanged can alone handle a project of the kind with success. Co-operation between British and Danish interests has already yielded profitable results, as the experience of the United Baltic Corporation can testify. *En passant* mention must also be made of the splendid results that have accrued from the reliable commercial intelligence transmitted by Board of Trade representatives in different countries.

As bearing on the subject of barter it may be observed that various Governments, following the example of Czecho-Slovakia, afford special encouragement to transactions that involve a simultaneous balancing of import and export, thus dispensing with the ordinary method of settlement. It is becoming daily more clear to the countries of East and Central Europe which suffered principally from the War that the economic situation, already dangerous by reason of the chronic excess of imports over exports, will be beyond handling unless drastic measures are taken and a more rigid supervision is exercised over goods coming from abroad. Sumptuary legislation is being framed with a view to stopping traffic in luxury articles, but the economic repercussions of such a policy, which, to be effective, should be carried out on a large scale, would be far-reaching and probably destructive. Different schemes have been mooted for obtaining foreign credits to aid in the reconstruction of industry and trade, but as creditors require substantial Government guarantees covering both the payment of interest and the repayment of capital, the

granting of these foreign credits has been delayed, though it is hoped that some of the more urgent requirements may be filled by international action, either through the League of Nations or through a commission representative of the banking and financial interests of the various countries involved. Pending such action, which has already been approved of in principle, British trading interests can cover the risk involved in trading with the new Baltic States and their neighbours by means of the Exports Credits Scheme, which has recently been further elaborated by the Government. Under this scheme applications are considered from exporters for advances of not more than 80% of the cost of goods to the seller, the cost to be taken as inclusive not only of freight and insurance but of commission paid to the Government department concerned for its services. In many cases import restrictions abroad offer a serious obstacle to trade, and are all the more annoying as the licensing authority is not infrequently controlled by manufacturing interests within the country, who seek to exclude all finished goods and allow only imports of food and raw materials. Extensive food imports from the United States have naturally set up a kind of trade bond of which Americans have not been slow to take advantage. At Danzig American banks and commercial houses have opened up branches, but our pre-War organisation for trade, which was very efficient, has been to some extent revived, though it is now being called upon to deal with an entirely new set of conditions.

A FLOURISHING BRITISH MOTOR ENTERPRISE.

A New Development by Guy Motors, Ltd.

The history of Guy Motors, Limited (Wolverhampton), though comparatively short, is one of great enterprise and increasing prosperity. Their well-known 2-ton lorry was designed and built early in 1914, and has attained an eminent position amongst commercial vehicles for its satisfactory service in all parts of the world. For the first two years of the War the Company were entirely engaged in the manufacture of their commercial vehicles, but in the later period were entrusted with various contracts from the Ministry of Munitions, in the execution of which they achieved records in regard to output and speed of production. In 1919, in spite of reconstruction difficulties, Guy Motors, Limited, were one of the first to resume deliveries of their lorries.

At the recent Olympia Motor Show the Company exhibited the Guy 20-h.p. eight-cylinder touring car—the first and only all-British eight-cylinder car to be marketed as a standard production. It had a wonderful reception by the trade and public as the most advanced of modern designs, and it is the intention of Guy Motors, Limited, to specialise on this one model. For commercial vehicles and touring cars the Company has orders in hand to the value of £2,500,000.

The Company owns 60 acres of freehold land. In order to cope with the increased business, large extensions in building and plant have been rendered necessary, and these are nearing a state of completion. The buildings have all been erected and equipped on the most modern lines and with the latest labour-saving machinery, and will eventually enable the Company to more than treble its output.

At the annual meeting held in January last it was decided to increase the capital from £300,000 to £750,000. For the year that closed in September a dividend at the rate of 15% was paid, a considerable sum placed to reserve, and a much larger sum carried forward. The Ordinary shares of the Company stand at a premium, and an offer has now been made to the existing shareholders to take up a further £300,000 shares on the basis of one to each share now held by them. The offer remains open until the 10th inst., and no doubt shareholders will avail themselves of the opportunity of increasing their holdings in a Company which has made steady progress and has such a promising future.

The Directors of the Phœnix Assurance Company, Limited, have appointed Mr. R. A. C. Thomas, F.I.A., Secretary of the Company. Mr. Thomas will continue to hold the appointment of Joint Secretary of the Union Marine Insurance Company, Limited.

The International Petroleum Company, Limited, are issuing 1,353,101 shares of £1 each of the Common Capital stock on the basis of share for share of the Preference and Common Capital stock paid up on March 5, 1920.

THE BANK OF TAIWAN, Ltd.

Incorporated by the Special Charter of the Imperial Japanese Government, 1899.

Capital Subscribed.. .. Y. 60,000,000
Capital Paid up .. .. Y. 37,500,000
Reserve .. .. .. Y. 8,210,000

Head Office .. .. TAIPEH, FORMOSA.
London Office .. 58 OLD BROAD ST., E.C. 2.

BRANCHES:—Amoy, Batavia, Bangkok, Bombay, Canton, Foochow, Hankow, Hongkong, Kiukiang, Keelung, Kobe, Moji, New York, Osaka, Semarang, Shanghai, Singapore, Soerabaya, Swatow, Tainan, Tokyo, Yokohama, &c., &c., and Correspondents in every principal town in the World.

The Bank is incorporated by Special Charter of the Imperial Japanese Government, and is authorised to issue its own notes in Formosa; conducts general Banking, Exchange Business; undertakes Trust business, and acts as Business Agents for other Banks. Special facilities are available for exchange business on Japan, China, India, Straits Settlements, Dutch East Indies, and France, where the Bank has special working arrangements with Cox & Co. (France) Ltd. Deposits are received for fixed periods on terms which may be ascertained on application.

Financial Notes.

In another column we deal fully with the scandal which has arisen in connection with the distribution of chilled and frozen meat at a time when every medical officer of health in the country is proclaiming that the vitality of our people is at a low ebb, and that every means should be taken to improve our resisting power to the attacks of disease and to strengthen us for the strenuous period of reconstruction which is before this nation as well as the various countries of the world. We commence that article by saying that no more scathing indictment of the effect of Government control upon an industry was ever penned than that written by the eminent firm whose report on the trade conditions connected with the chilled and frozen meat industry is the text upon which we base our article. At the time those words were written, however, we had not read—because it had not been given—the evidence of Lord Devonport before the Industrial Commission on the condition of the various ports of the United Kingdom, and particularly on the condition of the Port of London Authority, upon which Lord Devonport speaks with the experience of having been its Chairman ever since its inception in 1909. On such a question Lord Devonport speaks with exceptional authority, because, as we have already said, he has occupied—and occupied, on the whole, very satisfactorily—a great position in connection with the Port of London Authority.

Lord Devonport is a well-known and eminently successful business man. Lastly, and by no means least, he was our first Food Controller, and he wisely decided, after trying the experiment, to resign from a position which no man could hope to fill with credit to himself and advantage to the nation. If it were possible that a single individual could control with advantage the whole supplies necessary for the feeding of between 45 and 50 millions of human beings, the great mass of traders would be, as some of our more advanced political thinkers imagine, merely parasites. They would serve no useful purpose, and the whole trade of the country could be carried on by a handful of people, instead of by the enormous number of people who are actually and continuously employed in every country in the world in the important business of providing the food of the people and for its distribution. With the meat question we have already dealt, and if the reader is interested he can turn to another part of this issue for enlightenment on that subject. We will now take Lord Devonport's evidence on the wool position.

Wool, said Lord Devonport, has been one of the prime causes of congestion. In 1919 there were imported two million bales of wool, as against 800,000 bales before the War—that is to say, practically three times as much as was required, for no apparent reason. It was a wonderful sight, said the witness, to see this wool spread about all over the docks with improvised accommodation. That complicated the

situation to an extraordinary extent. Then, at the other end, there was a total inability on the part of the railways to take the stuff away. There was an enormous shortage of trucks at the moment. They were standing still for about 3,000 trucks, and witness supposed that they got about 30% only of their requirements. This congestion arose entirely from a new-thought-out plan of dealing with goods coming in, over which the Government had had control. It would appear from Lord Devonport's evidence that it is hopeless to criticise any individual department of industry in this country at the present time. It is, of course, notorious that the railways are endeavouring to deal with an enormously increased tonnage with a depleted number of trucks.

We have from time to time—and we think with perfect justice—criticised the railways for the way the freight traffic of the country is handled, or rather remains waiting to be handled. But, reading Lord Devonport's evidence, it is perfectly apparent that the railways, taken as railways, were faced with a perfectly impossible position. The Government took over control, and retains control, of the railways. It took over the control of meat, and retains control of the meat business. It took over the control of wool, and, as Lord Devonport showed on Wednesday, it retains control of the wool trade. The Government decides the import two million bales as against 800,000 bales, which was the practice in the pre-War period. The railways were constructed, or at any rate had developed themselves, in, say, 1913, for the purpose of handling 800,000 bales. They are suddenly asked, for no reason in particular, but because the Government thinks there is a shortage of wool, and that it is about time it should be increased, to handle something like three times what they were accustomed to do in the pre-War period. Manifestly they were faced with a perfectly impossible position. To ask a man with one hand-cart to do the work which three carts should do is of course out of the question. That does not relieve the railways of responsibility. It only lands us in the position that a fair criticism of the railway control is only possible if we denounce Government control of every industry.

The wool importers, to take the instance which we have just cited, and the evidence on which was taken from Lord Devonport at the particular Port of London in which he is interested, showed that something like three times the amount of wool was imported which the Port is capable of handling with expedition. No practised trader who is really acquainted with what he is doing would think of ordering goods to be sent to a particular port three times in excess of what the particular port to which he ordered the goods to be shipped was capable of handling. The various Control Boards instituted by the Government apparently act in watertight compartments. The Control Board for meat, as we show elsewhere, on the authority of one of the biggest traders in the country, orders meat to be imported according to its idea. The Wool Control Board, according to the evidence of Lord Devonport, has its notion of how much wool should be imported at any given time. The Railway Control, who apparently were consulted by none of these authorities, is expected to provide transportation facilities to relieve the congestion at the docks occasioned by excessive and extravagant imports of meat and wool; and, as we showed several weeks ago, even on such a modest consignment as that of port wine from Portugal to the United Kingdom.

We will, however, proceed with Lord Devonport's evidence. The Port Authority was accustomed before the War to employ 6,500 men per day on an average. Since the Armistice this number had been expanded to 11,000 men. The percentage of permanent men was 47%, and of preferential men 40%. Before the War the percentage of casual labour had become almost negligible. All the advantage that has been obtained by this increased employment at the docks results, according to the witness's evidence, in congestion at the Port of London, which demoralises everything. The way to keep a port going, says Lord Devonport, is to keep a free flow of commodities. This is impossible if you import commodities greatly in excess of the capacity of the port at any single time for which the transportation facilities are wholly unable to cope.

At this juncture, the witness intimated that he desired to speak on the question of tea. In June last, said the witness, the Government placed a whole flotilla at the disposal of the shippers in India and Ceylon, which are the principal sources from which we obtain tea in this country. The result was that immense quantities of tea were "pitchforked," as the witness expressed it, into the Port of London The result was that the bonded stores were soon full to repletion. The Government had been given warning as to what would happen. Last week a desperate effort was made to relieve this congestion, but the relief was more apparent to the eye than actual. The Government diverted eight vessels from the London river, containing 16,400 tons of tea, to other ports, such as Plymouth, Leith, Glasgow, and Greenock. In the opinion of the witness, 75% would have ultimately to return to London. The Port of London was requested to find accommodation for 50,000 tons of sugar expected to arrive early next month. At present, they had not room to swing the proverbial cat round. It seemed almost as if they would have to lock and bar the doors to the port, or it would be impossible to carry on at all. Asked as to what was responsible for the congestion, the witness said it was shipping. The arrival of this great batch of shipping in no ordered sequence rushing itself against out gates —that is to unload at the Port of London Authority.

In a letter somewhat too long for reproduction in The Statist Mr. F. A. Govett writes to complain of the injustice of the recent attempt of the Indian Government to stabilise the rupee exchange. It will be remembered that when the value of the rupee was fixed, now more than 20 years ago, at 1*s.* 4*d.*, we criticised the policy then adopted. The attempt of the Indian Government to regulate the currency is, we fear, fated to meet the consequences which usually await Governments which attempt feats wholly beyond their power and entirely outside their province. The Indian Government, says Mr. Govett, appears to think that they have effected a momentous and beneficial change in their attempt to fix the ratio of the rupee by tying the value of the silver in the rupee to the amount of gold in the sovereign at 10 rupees to the sovereign in gold, instead of the previous statutory ratio of 15 rupees to the sovereign in currency. In a sense, it is a momentous change, for it proposes to make a present of five rupees to every debtor in respect of every 15 rupees of his debt, and robs each creditor precisely of the same amount.

There are, unfortunately, says Mr. Govett, two errors of large magnitude in this conception—first, any fixed ratio between gold and silver is quite impossible; and, secondly, the change in the tie from currency to gold is just no change at all. To take the first point, seeing that remittance of gold is the ultimate method of adjustment of the exchanges when bills are scarce, the exchanges in effect are just the ratio between the price of gold and currency. This is not apparent, for so long as the exchanges move around parity the price of gold remains approximately constant. But when, as at the present moment, the exchanges become normal the price of gold varies directly with the exchange. At present the rupee is

still fluctuating with the American exchange. But when at last the price of gold falls to normal parity, they will have fixed the elusive rupee.

After pointing out that the rupee in India is not a token coin, Mr. Govett arrives at his second point. He is undoubtedly right when he says that the Government has forgotten the real nature of the rupee, and forgotten the fluctuating price of silver. Above all, they have forgotten the impossibility of fixing a ratio at all. The Indian Government, says Mr. Govett, appears to have forgotten the bimetallist controversy at the end of last century, and the simple fact stated by the gold men that you cannot fix a ratio between two fluctuating values. This is a fact, with the possible exception that it could be fixed if all the world would agree to do it. But as universal agreement was impossible the monometallists, or gold men, won. Bimetallism is forgotten, says Mr. Govett, but the Indian Government found itself with its fixed ratio of rupees in sterling, and in due time it was found impracticable to work the rupee at a fixed ratio, as it was pointed out to them more than 20 years ago would be the case. That the fixing of the rupee in the interest of sterling remittances did, in fact, inflict a grave injustice upon the great mass of the Indian people who are in no way interested in the international exchanges is now generally admitted. What effect the influence of fixing the rupee at two shillings will have it is as yet early to say with any degree of certainty; but that Mr. Govett is undoubtedly right, and the Indian Government wrong, in attempting to fix a ratio between two fluctuating values he, and we, and all those whom it may concern, can await experience to demonstrate.

We have received from the International Institute of Agriculture of Rome a short synopsis of the cereal harvests now being gathered in the Southern hemisphere. After dealing with the difficult position of exchange, and the handicap which it places on the importer, increasing as it does the prices of all imports without any advantage to the importer or to the importing countries, the Bureau of Statistics of the International Institute of Agriculture say the cereal harvests of the Southern Hemisphere are now practically complete. To the data published in January last is now added the yield of barley in the Argentine Republic, amounting to 240,000 tons, which is beyond the 200%, the five-year average of 1913-14 to 1917-1918. The increase is partly due to the area being 37% over the average, but is chiefly the result of the propitious season, which has doubtless had its influence upon the wheat crop, though that yield is not yet officially announced. No information is to hand of the actual wheat yield of Chili, but according to reports received, the conditions during harvest time have been excellent, and other cereals promise well. Indications seem to point to a reduced acreage under winter wheat in the United States of America.

IRISH INDUSTRIAL COMMISSION.—EVIDENCE.—VII.

Mr. George Russell, editor of the *Irish Homestead*, read before the Commission an interesting memorandum on the organisation of agriculture in Ireland and the best methods of liberating and most effectively setting in motion the energies of the agricultural community. Twenty-five years ago he used to hear the farmers in every country labelled as unprogressive. An exception was made in the case of Denmark, but to him the Danes did not appear to have any greater natural endowment of intellect or energy than his own fellow-countrymen. But they, before Irishmen or any other people engaged in farming, had applied to agriculture the principle of association in work. They had formed co-operative organisations, and had developed the energies of the countryman, so that in Denmark it was the farmers who were progressive.

Twenty-five years ago the Irish farmer was isolated and individualistic in his methods. Whatever progress he could make was confined strictly to work upon his own holding. He might cultivate more intensively than his neighbours, but circumstances flung him back all the time upon personal activity and its limitations of outlook and capital. Both when he bought and sold there were always many intermediate agencies between him and the source of his raw materials and the markets in which his produce was finally disposed of. By organising the Irish farmer to buy directly from the manufacturer or wholesaler, to utilise through co-operation machinery and scientific inventions too expensive for the individual small farmer, and to sell directly to the market through his own agents, an astonishing change took place. It is easier now to get farmers in a district to subscribe three or four thousand pounds for some agricultural enterprise than it was to induce them to subscribe three or four hundred pounds seven years ago. As a result of becoming members of dairying or other societies, of which there are hundreds in the country, the farmers acquired business experience and a confidence which impelled them to embark on larger enterprises. Confidence has led to the Irish farmer putting his hand into his pocket to develop his own industry. He really never lacked capital, but preferred to retain his money on deposit in the bank rather than run the risk of losing it in some business he did not understand. This psychological obstacle was much more formidable than any material disabilities, and it has been overcome. The Enniscorthy Society, started by the farmers in that district some 20 years ago, is an instance. Their first object was to get cheap fertilisers and reliable seeds, but gradually other branches of activity were opened up. Now they are butchers, importers of machinery, makers of saddlery, harness, and boots. They run a general store, are vendors of coals, control the local cinema, a sawmill where carts, gates, barrows, and general woodwork for the neighbourhood are undertaken, and they probably do the largest trade in agricultural requirements in the south of Ireland. Deposits of over £16,000 show the confidence of the members in the Society. It was a group of members of this Society who promoted the Wexford meat and bacon factory, whose turnover is now about £500,000 a year. The example of this Society has led to a new project to start another co-operative factory on a large scale in Waterford, and the promoters are asking for, and are confident of obtaining, £100,000 in share capital from the members of other societies and farmers in the south-eastern counties of Ireland. A striking action of the Enniscorthy Society was the creation of a fund to investigate the natural resources of the locality—earths, ores, and minerals. Experiments with specimens of these earths for paint-making have been carried out by some enterprising business men in Belfast, and it is believed a practical outcome will result from the investigations. Another instance of the evolution of business ability is the case of the society at Templecrone, in north-west Donegal. The average holding in this district is about 5 acres, of which about 1½ acres represent arable land. In 1906 a group of 14 small farmers started a society in a one-room shanty in a "boreen" among the rocks. Their united capital was not £5, but they have built up a business whose turnover is now £70,000. Among their other enterprises is a factory where about 120 girls are employed, who earn an average wage as high as in any factory in Munster.

Probably this method of organising farmers in co-operative societies was the most effective one of industrially vitalising the rural districts of Ireland, and at the same time allowing control to be retained by Irishmen. A great change is taking place in the

methods of agriculture, the last of the great industries to be organised in the large modern way. In Great Britain before the War a few companies were started to farm on factory lines. They paid interest at rates varying from 8% to 20%, and their success has led to amalgamation, and only a month or so ago a company with a capital of £2,000,000 was floated in England to explore the possibilities of farming on factory lines. Mr. Russell was convinced that this is the beginning of many such enterprises, which economically he believed to be sound; and one of the best services the agricultural organisation movement has rendered to Ireland has been to prepare Irish farmers to undertake this organisation in a big way for themselves without having foreign capitalist control, which would be inevitable otherwise.

On examination by the Commission, Mr. Russell said he saw no reason why the average annual yield of milk per cow in Ireland—400 gallons—should not be as high as in Denmark, where the yield had, by means of cow-testing associations, been raised from 350 to 700 gallons per annum. Compulsion was, however to be avoided. Propaganda work would best secure the adoption on a large scale of cow-testing in Ireland. As regards large-scale production in farming, it was desirable that where a multitude of small farmers existed they should co-operate in working the land, as is the fashion in some parts of France and Italy. Savings would thus be effected in machinery and other ways. Irish farmers are at present too individualistic to follow this course. In Denmark, however, the small farmers are coming to the conclusion that they must unite in one big co-operative farm, and it is significant to note that in Italy co-operative farming is scoring heavily over individualist farming. Making allowance for shelter requirements, there was no doubt that much ground was wasted by the maintenance of hedges and headlands, and much of this waste could be avoided by a co-operative farming system.

SOUTH AND CENTRAL AMERICA.

NITRATE.—II.

We return, as promised, to a consideration of the nitrate position. The position of the industry, taken as an industry, is an exceedingly sound one. This, however, is very far from saying that it is a matter of indifference what price one pays for the shares of any particular company. Owing to the recovery which took place in the demand since last October there has been, as we showed in our table last week, a very remarkable, and a very rapid, rise in the prices of these shares. We do not say that present prices are not justified. To enable us to do so it would be necessary to examine very carefully the actual position of each individual company, and we should require ourselves to know with a very considerable degree of accuracy to what extent the prospective output of individual concerns was sold, and at what prices. Certain it is that the speculative element upon the Stock Exchange came to the conclusion in the closing days of last week that they had gone far enough; and the probability is that the opinion is sound. The Stock Exchange performs an exceedingly useful function. But it has the defects of its qualities. This is, of course, true of every human institution. In the days that preceded the outbreak of the recent War, and before we were subjected to rationing and Control Boards, the bankers, financiers, and the Stock Exchange between them performed an exceedingly useful function in financing the various new enterprises which were brought upon the London Money market by enterprising pioneers of industry in different parts of the world. The enterprising pioneer is rarely himself a man of fortune, and he requires the assistance—and the expert assistance at that—of the bankers, financiers, and the Stock Exchange in order to find the money for the enterprises which his skill, enterprise and energy plan. He is apt to be an exceedingly enthusiastic individual. Because he has discovered copper in some inaccessible mountain two or three hundred miles from any possible port of shipment it does not necessarily follow that money should be found to work this copper mine, and possibly to go to the expense of building a railway to convey the metal from the source at which he discovered it to the nearest available port of shipment. It is desirable, however, that his project should be carefully considered; and if it is found to be based upon sound economic principles it is eminently desirable in the interest of the community as a whole, as well as of the individual, that the copper mine should be worked and, perhaps, the railway built. It was to this kind of enterprise in the past that we owed the ample supply of food and raw materials which made it possible to carry on industry in Western Europe on the extensive scale to which we were accustomed in pre-War years. The financial classes, who aid so materially in the enterprise of the pioneers, perform, or should perform, the functions of ascertaining whether the various proposals put before them are sound or otherwise. The proposal may be to increase the food supply, or, as in the instance given above, to increase the supply of one particular mineral. These financiers, however, rarely own any large proportion of the money which they use for assisting and stimulating enterprise. The actual owners are very generally comparatively small people who themselves have no means of employing the money to profitable advantage, and have still less facilities for ascertaining whether any particular proposal—whether it be to open up new wheat lands on the South American plains, or to work a copper mine in the remote Andes—is a proposition that has any sound economic basis. Ultimately, therefore, it is the investor who pays. Nevertheless, the value of the services of the financial classes such as the banks, the professional financiers, and the stockbrokers, deserve to be fully acknowledged. To them belongs a very large part of the credit for the advantages which we enjoy in the supplies of large quantities of food and raw materials at so reasonable a price as we were able to obtain commodities in the pre-War period. The disadvantage to which the world is subjected by a cessation of their activities for five whole years is apparent in the present state to which we have all been reduced, even to those who have neither the need, nor the inclination, to take any interest in the study of economic subjects at all. But as we have said, these services, valuable as they are, are accompanied by certain drawbacks. Seeing a promising venture, the financial classes, and those who follow them, are apt to, in the phrase of the Stock Exchange, discount possibilities; and in very many cases an exceedingly promising proposition is seriously marred by the fact that the shares are run up to an extravagant price, which would only be justified after the proposition had long been worked and was paying a very high rate of dividend.

In the case of the nitrate shares, which we are discussing at present, the industry is an old one, dating back to the 'eighties of last century. But it has gone through a period of very severe vicissitudes. It received a very serious shock on the outbreak of the War. It recovered from this, and made phenomenal profits during the continuance of the War. Again, with the return of peace, it passed through a very trying period. And, naturally, it took some considerable time before it was possible for the industry to readjust itself to these conditions. Whether it has actually readjusted itself to these peace conditions is a question that can only be answered when we are in possession of a larger measure of experience than we at present possess. At present the demand for nitrate is exceedingly good, and the price paid for the fertiliser is exceptionally high. Those, however, who jump to the conclusion that,

because the recent price is the highest on record, the industry is about to enjoy a period of phenomenal boom will do well to consider the conditions which have lately prevailed. In the years that preceded the War the total output was a little under two million tons. The most important customers were Germany and Austria, which between them took 900,000 tons. France took 350,000 tons; Belgium, 205,000 tons; the United Kingdom, 123,000 tons; Holland, 100,000 tons; Russia, 60,000 tons; Egypt, 65,000 tons; and Spain, 50,000 tons. These were all demands connected with agriculture, which we may describe as the legitimate peace demand upon which the industry can hope to thrive in a permanent form. As we said last week, the two most important customers just given above must be eliminated from consideration because, owing to the present depressed state of the respective currencies of these two countries, neither Germany nor Austria are in a position to buy nitrate from Chili to any appreciable extent. It is true that new factors are coming into the market in the form of increased demands from various sources. The Spanish demand, which, as above stated, was of comparatively small dimensions, is gradually assuming enlarged proportions. From Australia there appear to be excellent prospects for a good consumption as soon as freight rates are based upon a more reasonable level than that to which we have been accustomed. Japan in the pre-War years was hardly a factor in nitrate consumption at all. But the Japanese agriculturalist is becoming thoroughly converted to the value of nitrate as a fertiliser. And he is taking very much larger quantities than he was accustomed to purchase in pre-War years. Those actually engaged in the trade, and well acquainted with agricultural conditions in the United States of America, assure us that the demand for the United States is very much greater than it has been at any former period. And some of them go so far as to predict that the United States will ere long be the most important customer of Chili for nitrate of soda. These are exceedingly favourable factors; but it is evident that hundreds of thousands of tons of nitrate will not be shipped by aeroplane; and, consequently, some time must elapse before the consumption of the market will right itself upon a sound basis which will enable us to judge to what extent the demand equals, or has improved upon, the conditions which prevailed before the War.

Another factor which is exceedingly important from the investor's point of view, although if we were considering the purely economic interests of the industry, as an industry, we should probably ignore it, is the prices at which nitrate of soda has been sold in the period between the Armistice and the recent great advance in the price of nitrate. It will be remembered that the Association which has recently been formed for the regulation of the industry, finding that certain interests were unwilling to enter the combine, sold forward half a million tons for shipment to Europe and elsewhere between October last and the present month on the basis of 9*s*. per quintal. These sales were almost immediately followed by a further disposal of a quarter of a million tons at the same figure. In other words, three-quarters of a million tons have been disposed of for shipment over a series of months at the price of 9*s*. per quintal. It will be remembered, moreover, that so unsatisfactory was the position of the industry, as we explained fully some months ago when the Association was originally formed, that the industry itself approached the Chilian Government with a view to something of the nature of a control. Fortunately, the Chilian Government was not so anxious as certain other Governments that might be mentioned to assume control of any and every industry in the country on the top of an opportunity. And it contented itself with offering advice to the various interests concerned. The result was the formation under the benevolent neutrality of the Chilian Government of the Association to which we have referred. The net result of this was that, whereas the various companies had dealt as traders direct with their customers in Europe, the United States and elsewhere, they have now become members of an Association which, in a sense, leaves them free, but in another sense is something in the nature of a combine as that term is understood here in Europe and, of course, in the United States. The Association does not control the actual working of the various companies. They are permitted to carry on their work according to their own methods and in such a way as suits their convenience. Their production is not interfered with. But the amount that they may offer for sale is strictly regulated by the Association; and the Association itself, moreover, deals with the respective buyers, and itself arranges the price.

We explained the matter fully when the Association first came into existence in the early part of last autumn. But the very fact that it was necessary to form such an Association, and still more that a body of traders found themselves in such an unsatisfactory position that they approached the Government of the State in which they were working with a view to receiving assistance in the carrying out of their own industry, is evidence that it would be a matter of prudence to await actual experience as to the conditions under which the industry will actually have to work when peace conditions are thoroughly established.

We have, therefore, the position that for several months after the Armistice the industry was almost paralysed. When business was ultimately resumed upon a serious scale, the prices at which hundreds of thousands of tons were sold were little more than half the price ruling at present, and we have yet to see whether the recent level to which prices were advanced can be maintained for any appreciable period.

According to Messrs. Thomson Aikman's nitrate circular, of the tenders invited for a quarter of a million tons at a minimum price of 17*s*. per quintal, it is commonly believed, according to cable advices, that the total amount applied for was only some 45,000 tons, at prices ranging between 17*s*. 1½*d*. and 17*s*. 2*d*. per quintal; and that, as a result, the Producers' Association are unlikely to offer further parcels at present. The indifference shown by the large buyers is the result of the continual advance in prices, which have now reached a figure above that at which nitrate, combined with current freights, can at present be sold in European consuming markets. Since the middle of last month the demand from consumers has been good at prices equal to about 25*s*. to 26*s*. 6*d*. per cwt., and a steamer cargo which will shortly arrive has been sold at 26*s*. 1½*d*. With current freights and a price of 17*s*. per quintal, the price for next season's delivery would work out at about 27*s*. to 28*s*.

INDUSTRIAL ULSTER.

The highly industrialised area of Northern Ulster embraces the counties of Antrim, Down, Armagh, Tyrone, Londonderry and Monaghan, or, roughly speaking, the basins of the rivers Foyle, Bann and Lagan. In this region the principles that govern mass production, whether in connection with linen, shipbuilding or engineering appliances, are grasped and applied with a success and economy that will stand the test of comparison with the great manufacturing districts of Lancashire and Yorkshire, South Wales and the Clyde. Yet there were difficulties in the way of securing the concentration of industry in this area that, fortunately for herself, were largely absent in Great Britain. Possession of ample stores of coal and iron, coupled with the creation of steam-power, transformed the industrial structure of the latter and gave her a lead in manufacturing processes that could, in the case of a country such as Ireland, less favourably situated, be only surmounted by the intensity of effort summoned up by the human factor for the occasion. Contiguity to the mines of northern England and southern Scot-

land confers on Ulster no mean advantage, but a further impetus to her manufacturing activity would undoubtedly result if a coal suitable for steam-raising were revealed by the explorations proceeding in the Coalisland district.

At the beginning of the last century the textile industry of Ulster was primarily represented by cotton manufacture, and to two events—the practical cessation of raw cotton supplies from the United States during the American Civil War and the invention of flax-spinning machinery—must be ascribed the transference of labour and capital which enabled the linen trade to claim first place amongst the varied activities of the province. For the execution of certain processes, such as bleaching, printing and finishing, cotton piece-goods are still sent from Lancashire to Ulster, whence they are returned, or are retained to form the basis for the manufacture of numerous classes of wearing apparel. A pre-War estimate put the amount of capital invested in the linen industry at about £19,000,000, and the value of the total output of the trade was approximated at £15,000,000 per annum, of which nearly £9,500,000 was represented by the export trade. In certain forms of manufactured goods—sheetings, tailoring linens, tablecloths and towels—rivals on the Continent competed strongly with the Ulster manufacturers in normal times, but made very little impression so far as bleached linen for shirts, collars and cuffs and other classes of piece-goods and finished articles were concerned. The incontestable advantages of Ulster in this sphere rest on the dexterous handiwork displayed by the Ulster operator in the art of bleaching and the beneficent influences exercised by the moist climate and suitable water. These advantages have been recognised by Continental countries, and as a consequence linen is frequently sent to Ulster from abroad for bleaching.

As with large-scale industries in Great Britain, the linen industry in Ulster has been steadily tending towards specialisation and localisation. Some of the larger concerns still combine all the processes of linen manufacture, from the purchase of the raw material to the marketing of the finished product, but the tendency has been for firms to limit their activities to the performance of a specific operation. Flax merchants pass on the raw material to the spinners, and the product of the weaving establishments is in turn transferred to the bleacher, who bleaches and finishes the goods for distribution to the merchant. Certain towns actively identify themselves with the manufacture of cambrics, damasks, and diapers, all goods with varying degrees of finish. The connection of Lurgan with the first-named is well known, and damasks proceed from the same town and many other centres. Belfast is, however, the pivot of the linen industry in Ulster, and maintains a considerable number of spindles and looms.

While the demand for linen on home and foreign account shows no surcease, linen producers are placed under severe restrictions as to output owing to the difficulty experienced in obtaining flax and tow from Russia. Under the circumstances, it is not surprising that in order to keep mills going it is sought to make good the shortage of flax by the more extended use of cotton and hemp. Unions, in the production of which cotton and flax figure, have long been turned out in Ulster, as, especially in the making of fancy-dress goods, the former has the strong point in its favour that it takes and holds dyestuffs better than linen, its fibre being softer and more penetrable. The introduction of hemp is more of a novelty, and the success attending its utilisation deserves to be watched with interest. Signs are not wanting that the political situation in Russia is attaining some degree of stability, and the obtaining of flax from that source would tend to ease the problem of Ulster linen producers. The United States market has always absorbed a large proportion of Irish linen fabric exports, in spite of Continental competition, and would probably absorb much more if they could be supplied. Although the linen industry is the most important in Ulster and would naturally be singled out for special mention, it is only one of a very long list. The making-up trades which turn out ready-made clothing of all kinds are very active. Shirts and collars issue from the extensive factories of Londonderry, which employ high-speed, power-driven machinery. Machine embroidery on handkerchiefs, d'oyleys, teacloths, occupies a large number of hands. Shipbuilding and engineering, rope-making and tobacco manufacture, represent industries which are dependent on outside sources for their supplies of raw material. Distilling in Belfast, Coleraine, and Comber, woollen manufacture in Ballymena, Crumlin, and Caledon, and the production of mineral waters in Belfast, Derry, and Lurgan are assisted by the utilisation of local resources. As a shipbuilding centre Belfast's reputation is well known throughout the world. Its yards are well provided with the necessary equipment for not only turning out the largest but the most varied types of vessels. The facilities here afforded for making good the ravages of the War on shipping must be rated at a very high value. In no less than 14 years one of these establishments headed the list of shipbuilders in the amount of tonnage launched, culminating in 1914 with six ships aggregating 156,047 tons. During the War the satisfaction of naval requirements was an important consideration, and the work done included monitors, cruisers, and destroyers. In addition, a number of liners and standard ships were also launched. Mention might also be made of the progress achieved in shipbuilding by Londonderry, where the construction of vessels up to 11,000 tons deadweight can now be undertaken. During the year 1919 the output of the Ulster yards was reckoned at 38 vessels of 215,095 tons. The demand for ships' machinery and fittings and textile machinery has naturally given a great impetus to the engineering trade in Belfast. Rope-making and twine-spinning is also a firmly established industry in that city, as also in Derry and elsewhere. Ropes of the largest sizes are turned out for ships' use, transmission of power, oil, well-boring, and haulage, while the smaller sizes find employment as box-cords and clothes lines. Characteristic products of the twine section are window-blind cord, fishing lines, trawl nets, and Manila binder-twine.

The diversion of manufacturing activities to the production of war materials during the past few years has occasioned such a scarcity of the goods required by a world working under normal conditions that producers in Ulster will scarcely be disturbed by the spectre of over-production for some time to come. It must be borne in mind, when glancing at the accompanying list of figures for the export trade, that the War lasted over the greater part of 1918, and that some of these figures are capable of great expansion; furthermore, that the classification "woollen or cotton goods," for example, necessarily excludes a number of manufactured articles which in the aggregate total up to a large amount.

Exports of Certain Commodities from the Port of Belfast in 1918.

	Exports from Belfast	Total Exports from Ireland	Estimated Value of Total for Ireland
			£
Linen yarn, lb.	7,989,408*	7,989,408	1,323,246
,, goods, cwt.	904,518	926,823	32,438,805
Ships and steam vessels	—	—	10,147,000
Cotton goods, cwt.	178,501	243,567†	7,307,010
,, yarn, lb.	400,512	692,160	145,642
Rope, cordage, and twine, cwt. ...	277,504	278,788	1,477,576
Manufactured tobacco, lb. ...	7,138,572	7,670,169	‡1,214,443
,, thread, lb.	3,190,592	3,524,864	1,219,016
Machinery (unclassified), tons ...	9,191	10,732	1,153,690
Woollen goods, cwt.	19,999	47,934	1,999,646
Iron manufactures (unclassified), tons	4,287	5,310	398,285

* Including exports from ports of Londonderry and Newry.
† Principally from Belfast and Londonderry. ‡ Exclusive of duty.

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American Topics.

A WELCOME CHANGE.

As we have pointed out again and again, it is practically impossible to compare the economic conditions which prevail in the congested countries of Western Europe with those of the United States of America. The United States, it will doubtless be recollected, is in area some 25 times the size of these small islands, and, according to the then Census of population, now ten years ago, the total number of people in that country is only about twice what it is in our restricted area. A new Census is just due in the United States and a considerable growth in the American population may be looked for with reasonable certainty. Nevertheless, according to the estimates of the Statistical Bureau at Washington, it is hardly probable that the population will be anything like three times the number of people who have somehow or other to endeavour to make a living here. As it is relatively easy to make a living in the United States, the Government there has not the constant fear before its eyes which faces our Government, of what will be the political and economic effect of decontrolling any particular industry. The United States Government is guided, and can afford to be guided, by what it regards as the true economic policy of the country taken as a whole, in a sense that is hardly possible here. Our Government, which during the War, and against all advice, was anxious to mobilise everybody and everything as far as it could, has now raised a series of difficulties for itself which it finds increasingly troublesome to overcome. These difficulties are checking the expansion of every industry in the country, notwithstanding a world-wide shortage of manufactures as well as of raw materials, and, consequently, an exceptionally keen demand for the goods which our traders are able and willing to supply, and would supply, in far greater quantities, if the Government could be induced to release the various industries from control. Exclusive of over 200,000 people employed by the Post Office, we showed last week that there are more than 170,000 people employed at the present time in the various Government departments. These figures, it has to be remembered, only include what we may call for convenience practically the clerical staff of the various departments.

Unhampered by the considerations which frighten our Government, the Government of the United States during the past week has decided to release from control, and return to private ownership, 230 railway companies with an aggregate mileage of 253,000 miles, and a capital value estimated at some $20,000,000,000. It will be remembered that the United States Government assumed control of the railways by a proclamation by the President dated December 28, 1917. The President acted under powers conferred on him by Congress. The President appointed the then Secretary of the Treasury, Mr. W. G. McAdoo, as Director-General of Railways. Mr. McAdoo was later succeeded by Mr. Hines. A Bill to return the railways to the various companies was signed at the end of last week by the President of the Republic. As the railways have received very severe handling by the Government while they have been under Federal control, the Bill provides that the companies receive an income for a fixed term of 5½%. According to cable advices received the Bill does not appear to have given very general satisfaction. On the contrary, the railway employees on the one hand, and the directors of the various companies on the other, raise on different grounds very serious objections to the proposed methods. It is estimated that while the railways of the United States have been under Federal control the increased cost of working has amounted to something like 100%, while the railway managements have only been permitted to make this good by increasing rates to an extent of something less than one third. According to the table before us the Director-General of Railroads himself estimates that the working of the lines under Federal control has resulted in a period of less than three years in a deficit exceeding $800,000,000. Whether those responsible for the working of the railroads in the future will accept even this estimate as adequate remains to be seen.

FOREIGN TRADE OF UNITED STATES.

While the American manufacturer is finding difficulty in disposing of his goods owing to the fact that a very large proportion of his prospective customers are weighted by a heavy adverse exchange, the manufacturer complains, according to a statement issued by the National City Bank of New York, that the prices of the raw materials which he uses are against him to whatever part of the world he turns for supplies. Great as are the natural resources of the United States, although she stretches from the cold zone to the semi-tropical, it is not possible for her to produce everything within her own borders. The first anniversary of the Armistice, American manufacturers complain, found prices higher than they were during the period of the War. This is no new complaint, and it is certainly not confined to the United States. The average import price of raw silk, for example, says the statement before us, brought into the United States in November 1919, as shown by the figures furnished by the Bureau of Statistics at Washington, was $9.10 per pound, as again $6.09 in November 1918, at the termination of the War, and $3.09 in the first year of the War; and yet the quantity imported in 1919 was greater than ever before, and nearly twice as much as in the pre-War year. Goat skins imported, of which the price in the countries of production—chiefly Latin America, China, India, North Africa, and Europe—averaged 26 cents a pound in the year before the War, advanced to an average of 51 cents per pound in November 1918, and an average of 92 cents a pound in November 1919, the increase in price per pound in the one year following the War being actually greater than that of the entire War period of practically five years. Hemp, of which the import value based upon cost in the country of production, averaged $177 a ton in the year immediately preceding the War, stood at $372 a ton in November 1918, that is to say, at the period of the Armistice, and has advanced to $677 a ton in November 1919. Raw cotton, imported chiefly from Egypt, but also in limited quantities from Latin America, China, and India, averaged 16 cents per pound in the records of production for that imported in the fiscal year 1914, 35 cents a pound in November 1918, and 48 cents a pound in November

last. The Egyptian cotton grower, for example, who had seen his export price of raw cotton increased 100% during the War period, has not seen his way to reduce his price in spite of the fact that the guns had become quiet. On the contrary, the price of Egyptian raw cotton is now practically 50% more than at the end of the War, in November 1918. The jute growers of India are also demanding, and receiving, an advance of more than 50% on their prices at the close of the War. Producers of goat skins in Latin America, China, India, North Africa, and Southern Europe, not content with an increase of 100% during the War period, have decided to increase their prices by a further 50%. Raw silk, as already said, had increased during the War period by 100%. But during the year which has elapsed since the termination of the War this price has been increased by a further 50%. Very much the same may be said of the livestock producers of South America, Australasia, South Africa, and India, whether cattle, sheep, goats, pigs, horses, or whatever type of animal it might be, have not been satisfied with the prices they received during the War, but have in nearly every instance further increased them. And this remark also applies to the skins of these various animals. Hence the extravagant prices to which hides have attained in the United States and in the international markets of the world

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"Social Theory." By G. D. H. Cole. Price 5*s.* net. (London: Methuen and Company, Limited.) This is an attempt to set out the new ideas in relation to social theory which are steadily gaining adherents. Special attention is devoted to the importance of the economic factor in society, and to the function of the State in relation both to the individual and to other forms of association.

"Coal Mining and the Coal Miner." By H. F. Bulman. Price 12*s.* 6*d.* net. (London: Methuen and Company, Limited.) Mr. Bulman deals with certain aspects of the coal-mining industry which are attracting so much attention at the present time—the labour employed at collieries, the wages paid, disputes and methods of settling them, the profits of colliery-owners, and the relations between the miners and their employers. He also deals with health, housing, and rescue work.

"Foreign Exchange." By A. C. Whitaker. Price 25*s.* (London: D. Appleton and Company, 25 Bedford Street, Covent Garden.) This work deals with the plans of payment and the methods of banking and financing followed in international trade. It treats of foreign exchange as meaning the commercial paper of international trade, or the cheques, drafts, and bills utilised therein. The book should be useful to all students on the questions of national policy that arise out of foreign commerce, as well as to those following foreign trade and banking as a business calling.

The Banque Belge pour l'Etranger, 2 Bishopsgate, E.C. 2, announce that they have received information from Brussels to the effect that in order to get in all applications from foreign countries it has been decided to keep open until March 13 the subscription list to the new 5% Internal Loan.

Under the auspices of the Anglo-French Society, Viscount Burnham in the chair, Baron Emile d'Erlanger will deliver a lecture on "The Channel Tunnel" at the Aeolian Hall on Saturday, March 6, at 5.45 P.M. The lecture will deal with the enterprise and the prospects of its realisation from several novel points of view.

The Liverpool and London and Globe Insurance Company, Limited, have just issued a little brochure on "Aviation and Insurance," which should prove of assistance to those who are called upon to consider the question of aviation from the point of view of insurance.

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Rubber Topics.

THE Rubber market was not characterised by any great display of activity during the week. Whilst price movements on the whole were in a downward direction, nevertheless the market was firm, if somewhat dull. Operators were restrained by the fear of an impending levy on war profits or capital. But the absence of business was due in part also to the unwillingness of holders to sell.

ANNUAL REPORTS ANALYSED.

MALAY RUBBER PLANTERS.

Issued Capital: £39,080.

Convertible Debentures: £920.

Results for Years to September 30

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1916 ...	982	790	307,471	388	2/6	1/3½	15,554	5,734	25
1917 ...	1,360	790	340,499	431	2/7½	1/4	20,431	7,773	20
1918 ...	1,360	790	310,220	393	1/6½	1/4	3,916	—	—
1919 ...	1,360	815*	322,909	396	1/9	1,3	9,685	13,678	35

* Estimate.

Price of Shares, £5⅜. Market Capitalisation per planted acre, £161.

LAST year we stated that the severe contraction in the profits of this Company, largely the outcome of the restricted production in accordance with the Rubber Growers' Association scheme, and the subsequent absence of any dividend, did not warrant any undue despondency on the part of the shareholders. The report for the financial year ended September 30, 1919, is perhaps the best justification of our judgment. The output has increased from 310,220 lb. to 322,909 lb. Assuming that about one-quarter of the acreage planted in 1914 came into bearing during the year under review, the yield per bearing acre has risen slightly to 396 lb.; but, of course, should this estimate prove too great, a correspondingly higher yield would have been secured. The price realised per lb. has gone up from 1*s.* 6¼*d.* to 1*s.* 9*d.*, whilst the "all-in" cost has fallen from 1*s.* 4*d.* to 1*s.* 3*d.* The joint result is to produce a net profit of £9,685, as compared with £3,916 for the previous financial year. With a balance carried forward of £11,996 this gave a sum of £21,681, out of which shareholders have received a dividend of 35%, by far the highest dividend paid in the history of the Company. Moreover, it is well to bear in mind that this large dividend has been paid despite the fact that the Company had experienced a bad year. Sales of rubber had been effected at very low prices, the average for June 1919 being 1*s.* 7½*d.* to 1*s.* 8½*d.* per lb. Only in the last month of their financial year was a price exceeding 2*s.* per lb. obtained. Under these conditions the payment of a dividend of 35%, as compared with the previous highest level of 25%, is a great achievement. The balance carried forward to the next account is £7,119, out of which had to be met any claims for excess profits duty for the year in question. Large payments had been made in respect of this charge for the four years 1914-17, and the Company had sub-

stantiated claims for a return amounting to £4,000 to £5,000. Prospects for the current year are distinctly favourable. Nearly all the 88 acres planted in 1914 should come into bearing, thus raising the total in bearing to over 850 acres. The estimated output is recorded at 360,000 lb., the highest yet attained. The actual output for the four months ending January 31, 1920, amounts to 141,050 lb., which would indicate the rather conservative nature of the estimate. Added to this comes the statement of the Chairman that during the current year sales of rubber have already taken place at a price as high as 2*s*. 10½*d*. per lb.

In the balance sheet the issued capital remains unchanged at £40,000, of which £920 represents 6% First Mortgage Debentures, convertible into Ordinary shares. The estate account stands at £48,893, whilst investments, including the 7,740 shares in the Parit-Bruas (Malay) Rubber Company, amount to £20,181. These shares are estimated for balance-sheet purposes at £7,762, or a little over £1 each, whilst in the market they are quoted in the neighbourhood of 50*s*. The stock of rubber is valued at £13,683. Cash in hand amounts to £3,944—a sum which more than amply covers the claim of sundry creditors for £2,006. Sundry debtors are recorded at £826. Reviewing the whole position—a total of £70,000 to the credit of the estate and investments accounts, in which Parit-Bruas shares appear at so moderate a value, as against a capital of £40,000—it is by no means excessive to propose a capitalisation scheme by which that capital would be increased to £60,000 by the issue to existing shareholders of one fully-paid share for each two shares held. The scheme was approved of at the recent general meeting, and, consequently, will be carried into execution as soon as possible. The change will involve a transfer of £20,000, which is readily available in the reserve account, which amounts to £27,748, which total does not include the balance of £7,119 carried forward, or the return of £4,000 to £5,000 in respect of excess profits duty already paid. In view of this bonus and the favourable outlook for the current year, the market quotation of £5⅜ for the existing £1 shares can hardly be regarded as unduly high.

BROOKLANDS SELANGOR.

Issued Capital: £125,202 in 2/0 Shares.

Loan: £20,000, convertible into shares at 4/- per Share.

	Results for Years to June 30						
	Rubber Planted Acres	Rubber Output lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amount £	Dividend %
1915-16 ...	2,707	397,607	2/4·8	1 1½	23,580	16,734	15
1916-17 ...	2,887	611,310	2/7·7	1/2¼	41,409	25,027	20
1917-18 ...	3,000	634,551	1 11¾	1 5·17	14,523	12,521	10
1918-19 ...	3,000	520,612	1 6½	—	10,627	12,521	10

Price of Shares, 6/6. Market Capitalisation per planted acre, £133.

Judging by the report for the year ended June 30, 1919, this Company, in common with many other rubber companies, has been suffering from the difficulties that have marked this vital period of transition from war to peace. The output for the year was over 40,000 lb. smaller than that secured in 1917-18, and fell considerably short of the original estimate of 750,000 lb. Considerable difficulty has been experienced in securing the freight necessary for the carriage of the rubber to the United Kingdom and America. So acute was the shortage of shipping facilities that it became necessary to resort to a voluntary restriction of output. The result is very clearly seen in the prices realised by the sales of the crop. The portion disposed of in the United Kingdom amounted to 299,973 lb., and realised an average gross price of 1*s*. 9.07*d*. per lb. On the other hand, sales effected in the F.M.S. covered 218,469 lb., but an average gross price of 1*s*. 2.98*d*. per lb. only could be obtained. Moreover, this inability to secure adequate transport facilities forced the Company to sell a large portion of the crop in Singapore, which caused the price of rubber to fall for a time as low as 1*s*. per lb. Again, towards the end of 1918 the influenza epidemic which swept over the Malay States, causing great havoc, produced a serious decline in the available labour. Further complications were created in connection with the problem of management. The net result was a considerable reduction in the output, which was disposed of at a price much less advantageous than that secured in 1917-18. No reference is made in the report to the "all-in" cost, from which it is to be inferred that no great change was observed in this item. A net profit of £10,627, as compared with £14,523 for the previous financial year, was secured. A dividend of 10%, absorbing £12,521, was declared. In view of the trading results of the year this is a very generous distribution, and was rendered possible by the balance of £4,619 brought forward from the previous accounts. There is good reason for believing that much better results will be obtained during the current year. Not only is the shipping situation easier, but the price to be expected from the sale of the crop will be much higher. Moreover, the modification of the tapping system adopted towards the end of the year under review will prove of great benefit to the estate. The output for the current year is estimated at 700,000 lb. During the seven months ended January 31, 1920, the output actually secured amounts to 384,688 lb., which is in close approximation to the estimate. Again, since the accounts were closed the Company acquired for £10,145 an adjoining estate, the "Padang Rusa," which has a total area of 713 acres, of which 393 acres are planted. Of this, 210 acres were planted in 1915-16 and should come into bearing in the near future; whilst 183 acres were planted in 1919. Thus the area of the Company's properties now reaches 5,335 acres, of which 3,393 are planted with rubber and 705 with coconuts. From the latter much is expected in the immediate future in view of the rising prices of copra and other coconut products. The crop of 374,275 nuts, sold mainly in Singapore during the year under review, brought in £1,412. For the current year the estimated crop amounts to 500,000 nuts, which are expected to yield a much greater rate of profit. The difficulties experienced in connection with the management of the year under review will be considerably lessened in view of the division of the estate into two separate units, "Brooklands West" and "Brooklands East," with areas respectively of 2,327 acres and 3,008 acres.

The position as in the latest balance sheet leaves a very favourable impression. Sundry creditors, including bills payable, amount to £29,196, to meet which liquid assets are available to the extent of £33,541, and in addition War Loan stock and War Bonds to the amount of £8,750. The estate account, from which have been deducted premiums on shares to a total of £9,498, stands at £143,580; whilst fixed assets less depreciation are valued at £15,239. The capital as issued amounted to £125,202, but has been increased to £135,202 since the accounts closed owing to the conversion of the £20,000 in Debentures into Ordinary shares at a price of 4*s*. per share. It is announced, moreover, that the unissued capital may be shortly issued, and in view of the general position of the Company it is likely that such issue will be made at a premium. This is particularly the case when it is remembered that a capitalisation scheme is under consideration. An expert is at present engaged in valuing the estate with that end in view, and though no authoritative information is yet to hand, it is evident from the Chairman's remarks that shareholders may receive in the reconstructed Company as many as 3½ shares for each share already held. In addition, it appears that any assets, such as cash and undistributed profits, remaining in the possession of the existing Company at the date of reconstruction are to be divided amongst existing shareholders in the form of a final dividend. At present, in addition to a balance carried forward of £2,718, there is a reserve account of £24,000. Considering these dividend prospects and the forthcoming share issue, the market quotation of 6⅜ per share is not unreasonable.

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Insurance Notes.

LEGAL AND GENERAL ASSURANCE SOCIETY.

The annual report of the above Company for the year ended December 31, 1919, is specially interesting for several reasons. First of all, after an existence of 83 years, the scope of the operations has been extended to other spheres of insurance than life business, and consequently the title has been altered and shortened so as to be in accordance with the conditions thus brought about. Secondly, although during the year the effecting of participating policies was discouraged, a larger new business was reported than had been obtained by the Company in any former year. Thirdly, a proposed fusion with the Guardian Assurance Company through the purchase by it of Legal and General shares has not eventuated, the proposal having failed to find the necessary amount of support from the L. and G. proprietary.

To appreciate all these happenings a brief glance at the past achievements and present prospects of the Company may be helpful. The Legal and General has been one of the most successful of proprietary life assurance companies. Its development, especially of late years, has been remarkable. During the period covered by the last five quinquennial valuations, that is from December 31, 1891, to December 31, 1916, its net life premium income and its life and annuity funds were both more than quadrupled, the premiums rising from about £175,000 to about £1,000,000, and the funds from about two and a half millions to about eleven millions. This progress was concurrent with the maintenance of the bonus to participating policyholders throughout the whole period at one of the highest rates declared by any British life office. The bonus rate was slightly increased following the 1896, as compared with the 1891, valuation. Since then it has been continuously declared on each successive quinquennial occasion, up to the last, as at December 31, 1916, at the uniform rate of 38*s.* per cent. per annum in reversionary form, and this notwithstanding the fact that the valuations were made on one of the most severe standards adopted by British actuaries, the rate of interest assumed being only 2½%, as compared with the far more usual 3%. The proprietary, which is restricted to members of the legal profession has contemporaneously benefited by the profitable extension of the business. They are entitled to one-tenth of the distributed valuation surpluses. This proportion has not proved burdensome to the policyholders, who have, indeed, probably benefited to a greater extent than is represented by a charge of this kind from the influential business connections obtained through the shareholding connection, and from the conduct of their business by an unusually experienced and able board of directors. But necessarily, under normal circumstances, increase in first-class business meant an enhancement in shareholders' dividends. The profits apportioned to shareholders were more than trebled during the 25 years under review. Their dividends arising from the last quinquennial distribution, as at the close of 1916, were sufficient to provide annual dividends during the now current quinquennium at the rate of 30*s.* per share, as compared with the dividends of 24*s.* paid in each year of the immediately preceding quinquennium, these distributions being in both cases free of income tax. The paid-up capital amounted on December 31, 1919, to £160,000, in 20,000 shares of £50 with £8 paid on each.

The maintenance of the bonus to policyholders at the exceedingly high standard referred to, concurrently with the increase in the shareholders' dividend, in the face of the War conditions, which adversely affected every life office in the country, was a remarkable achievement. But as the Legal and General Company had to face these conditions like others, having to write off large amounts for depreciation in Stock Exchange securities as well as to provide large sums for war claims, it is clear that this result could not have been brought about unless the Company had possessed a large amount of hitherto unappropriated reserves, and if previous valuations had not been made on a specially conservative basis. As a matter of fact, the Company's large holdings of reversions seem to have been previously valued at amounts which gave opportunities for large profits resulting, and a revaluation of these securities at the close of 1916 fortunately showed that the appreciation in this section was, roughly, sufficient to neutralise the effect of the depreciation in the negotiable holdings.

A 38*s.* per cent. compound bonus requires, however, a lot of living up to, and yet the directors appear very anxious to maintain it so far as their existing participating policyholders are concerned. This seems to supply the main reasons which have influenced the fresh developments and altered conditions to which reference has been made. Since the close of the last quinquennium the conditions affecting life assurance business have been none too helpful. Securities have continued to fall, expenses have necessarily increased owing to enhanced salaries and expenses following the rise in the cost of living, and, of course, War claims continued up to the date of the Armistice. In order to assist in the maintenance of the bonus it has accordingly been decided by the Legal and General board to discourage the issue of new participating policies, and to open up new fields of assurance through the help of the Company's influential connections, from which some profit is fairly to be anticipated.

The proposed fusion with the Guardian was probably contemplated with the view of assisting the development of the new commercial departments. The terms proposed were liberal and would have given a value, if converted into cash, of about £50 per share, taking the market quotation of the Guardian shares for which Legal and General shares were to be exchanged, the investment of which would have given a somewhat higher yield than the current dividend. The offer has not, however, been thought sufficiently attractive by the necessary proportion of Legal and General shareholders, and has thus fallen through. This is a purely domestic affair, in which the shareholders have a right to please themselves, and nothing more need be said of this matter.

The confidence, however, which the dissenting shareholders have shown in the future of the Company and in its present management and directorate seems abundantly justified by the figures disclosed in the annual report for 1919. The new life business shows a remarkable increase, all the more surprising because of the discouragement of participating policies, which were previously so attractive to new entrants on account of the great bonus achievements. Five thousand three hundred and sixty-three new life policies were issued for £3,327,061, of which £211,185 was reassured, the net retention at the sole risk of the Company thus being £3,123,920, exceeding the corresponding figure of 1918 by nearly a million sterling, and being the largest amount yet recorded in any single year of the Company's operations throughout its long

and successful history. The total net life premium income, amounting to £1,134,134, shows an advance of about £64,000, apart from a sum of £75,089 received as consideration for new annuities granted. The expense ratio was about 13%, as compared with 11% in 1918, but looking to the increase in new business, and to other conditions, this must be esteemed a moderate proportion. The death claims after deduction of reassurances amounted to £475,437, of which £20,395 represented direct War claims, and the mortality experience was described by the Chairman at the annual meeting as favourable, being only about 80% of the expectation. Policies for £196,532 matured by survivance. Through the year's operations the life and annuity funds were increased by £589,110 to £12,156,882. The general account, dealing with capital redemption and sinking-fund policies, shows a premium income of £32,680, and a fund (at the close of the year) amounting to £371,324.

The account relating to the new departments (fire, personal accident, employers' liability, and miscellaneous insurances) shows a premium income of 19,432, and after payment of claims and expenses a balance of £8,538 is carried forward in this account to 1920. This is by no means a bad beginning, and further developments in this direction will be watched with interest. The proprietors' fund at the close of last year amounted to £214,356.

The balance sheet as at December 31, 1919, shows total assets of £13,012,924. The directors certify that in their belief these assets, at the date of their report, were in the aggregate fully of the value stated, less the investment reserve fund, amounting to £40,694. It is stated in their report that, omitting the amount invested in the purchase of reversionary interests, the funds, productive and unproductive, yielded an average rate of £4 18s. 6d. per cent. before deduction of income tax.

A cable received by the Standard Bank of South Africa this week states that trade generally reflects the improved farming prospects, the monetary restrictions only substantially affecting produce. Merchandise is still arriving slowly. Business with this country is expanding, but owing to the exchange it is restricted with the United States. The freight position is improving. The stocks of agricultural implements, fencing material, and galvanised iron are low and in strong demand. Very little timber has recently been received, while there is a great demand. Notwithstanding heavy imports of motor vehicles recently, all arrivals have been immediately sold. The stocks of paper are depleted and difficult to augment. Large country orders for soft goods are attributed to speculation. The demand exceeds supply. A shortage is anticipated of woollens, Manchester cotton goods, ready-made clothing, and men's underwear.

The directors of the Bank of Athens have decided to form a London Committee for the purpose of fostering and developing such trade, and have invited Messrs. O. V. G. Hoare and W. H. Hollis to become members, and act in conjunction with Messrs. E. M. Rodocanachi and P. N. Caridia. Mr. Hoare is a director of Barclays Bank, Limited, and the Colonial Bank, Chairman of Cox and Co. (France), Limited, and a partner in Cox and Co., Charing Cross. Mr. Hollis is General Manager and Director of the British Bank of South America, Limited, and a director of Cox and Co. (France), Limited. Mr. Rodocanachi is a director of the London Joint City and Midland Bank, Limited, and of the Bank of Athens, and senior partner in the firm of Rodocanachi Sons and Company. Mr. Caridia is the London manager of the Bank of Athens, and a director of Cox and Co. (France), Limited. The Bank of Athens is established in Greece, Cyprus, Turkey, and Egypt.

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CHILLED AND FROZEN MEAT.

A more scathing indictment has seldom been penned of the effect of control upon industry than that contained in the annual circular of Messrs. W. Weddel and Company, Limited, the well-known importers of chilled and frozen meat, in their review of the trade for 1919. The outstanding features of the past year's history, say Messrs. Weddel, were the unlooked-for retention of control by the Government, and its employment to maintain prices at an artificially high level instead of reducing them. Consumption has fallen off to the extent of 30% from its pre-War standard, and there were large stocks on hand at the close of the year which could not be marketed for lack of demand. The fundamental disability under which the community is labouring is the result of high prices rather than short supplies. At the close of 1918 the days of control were to be numbered, but after the interval of a year the position is that under a fresh guarantee to British farmers trading in home-fed meat remains as difficult as ever, while as regards imported meat no more than the preliminary steps have as yet been taken to free their sales from hampering official regulations. The most determined optimists, who believe in the virtues of Government control as a panacea, have come to realise that their pet remedy is a delusion; but with extraordinary pertinacity Government departments, more than a year after cessation of hostilities, still cling to the powers handed over to them during the War. Masses of people wonder why they have to pay such high prices, in spite of the accumulation of supplies—so great that the markets of the country could not absorb, the stores are blocked, and many ships hung up in the ports waiting to discharge. Protesting traders have been promised relief, only to be disappointed by the countermanding of decisions which had been accepted as final. Apparently, two sets of views have striven for mastery in the Ministry of Food. Each hesitating step towards decontrol seems to have been followed by a set-back to a complete official domination over the food of the people. The position would be ridiculous if it did not so seriously compromise the best interests of the consumer, whose interests it is supposed to serve. The Government must accept the whole responsibility for the present inflated prices of beef. It will, however, remain matter for surprise why they have shrunk so long from cutting a loss which was inevitable upon their meat transaction in the closing stages of control. It is one of the besetting sins of Government departments that they are loth to admit that there has been a loss of public money in any of their transactions. The Food Control Ministry, or, indeed, any of the Control Boards, were not, and are only to a limited extent even now, responsible for the difficulties in which the country is placed. The responsibility belongs wholly to the Government and the House of Commons. The Control Boards were established by the Government, and consequently all the Boards had to do was to make the best of a difficult position. We thought at the time, and we think still,

that the Government completely mismanaged the War both from its military and economic sides. They attempted to do the impossible with inadequate means. They completely failed to use the real power of the country to its full capacity. They overstrained our economic strength for the purpose of accomplishing in the field feats which the training of our people, and our preparations, did not admit of our achieving with any prospect of success. In our opinion the Control Boards should never have been established at all, and we thought at the end of the War, and we think still, that the sooner they are abolished the better. The end of the War naturally found the Food Ministry saddled with contracts which must necessarily mean a loss. These losses should have been frankly acknowledged and cut at once, and the trade freed to supply the demands of the country. The difficulties of the Food Control, as well as those of the public, have been enormously increased by the new contracts entered into after the Armistice to purchase supplies in New Zealand, the River Plate, Patagonia, as well as in the United Kingdom itself. These contracts appear to have been entered into in the hope of mitigating to some extent the loss inevitably incurred by fixing prices for home-grown meat. These further contracts have, of course, greatly increased the difficulties with which decontrol is faced if ever, and whenever, it is decided to free the trade. If, however, as has been reported in the daily Press this week, we are to be saddled for the next five years with a Food Control, in the hope of achieving the impossible feat of alleviating the difficult situation on the Continent, prices will inevitably continue extravagantly high, until there is either a change of Government or the home public become so exasperated that the Government itself will realise that the whole system must forthwith be swept away.

The overseas production of meat has been well maintained, and the prospects of supplies available appear to be considerably in excess of the probable demand. New Zealand, Australia, Canada, and South Africa have augmented their shipments. On the other hand, owing mainly to the shortage of freight, exports from the River Plate, from Brazilian ports, and from Patagonia have been considerably checked. It is satisfactory to learn that the United States of America is returning to its pre-War position as a non-exporting country, as conditions in the United States no longer admit of cattle and sheep being raised for export upon a sound economic basis, except at an extravagant price to the consumer. The average weight of beef, mutton, and lamb shipped in 1919 by the various freezing-works in the world was over 1,078,000 tons, compared with 1,130,000 in 1918, 965,000 in 1917, 915,380 in 1916, 881,075 in 1915, 8,375 in 1914, and 767,111 in 1913. These figures reveal a satisfactory state of the industry, in spite of the difficulties of transport under war conditions. They augur well for supplies being forthcoming if and when the trade is free to develop on sound economic lines. Of the 1,078,000 tons exported from various countries in 1919, about 320,000, or, roughly, one-third, were furnished by the American group. This is a much smaller proportion than in 1918, because more Australasian meat is shipped, owing to the willingness of the Shipping Control to afford greater shipping facilities. Considerable quantities were again shipped to destinations other than those of the United Kingdom. It is estimated that about 30,000 tons were thus diverted, as against 64,000 tons in 1918, 532,000 tons in 1917, 381,600 tons in 1916, 218,150 tons in 1915, 105,000 tons in 1914, and 46,650 tons in 1913. The imports into the United Kingdom in 1919 amounted to 528,354 tons, an appreciable increase on the previous year's total of 489,336 tons. Arrivals during the last quarter of last year were in excess of the Company's demand, and at the end of the year stocks in store and in ships lying in port were not less than 150,000 tons, equal to more than five months' prospective requirements, with additional quantities afloat sufficient for two months' further demand. The total receipts in 1917 were 433,200 tons, in 1916 533,631 tons, in 1915 662,935 tons, in 1914 694,427 tons, and in 1913 720,257 tons. The meat export trade has been hampered during the past year, amongst other things, by an irregular supply of ships fitted to carry chilled and frozen meat. The total imports of frozen mutton last year from all sources amounted to very nearly 6½ million carcases, or an increase of 160% compared with the preceding year. Imports of lamb amounted to just under 3½ million tons, an increase of 72% compared with 1918. Imports of frozen beef amounted to something over 3 million tons, an increase of 7% compared with 1918.

The difficulties with which the importers of chilled and frozen meat have been faced, owing to their inability to obtain ships properly fitted for carrying the produce in which they deal, have been strikingly illustrated by the falling off in the imports of what is technically known in the trade as chilled beef—that is, beef carried under two points below freezing. In the early days importers were forced to bring only frozen meat, but some years ago a process was invented whereby meat only sufficiently frozen to enable it to bear the voyage could be conveyed from the country of production to the country of consumption. This meat practically thaws itself when taken out of cold storage. It approximated to a surprising degree in quality to that of home-killed meat. Naturally there was a large and growing demand for this product before the War. Receipts of this class of meat showed a sharp decline in 1915, when only 2,818 quarters were imported, as compared with 82,395 in 1918. Argentina shipped 21,550 quarters, Uruguay 1,268 quarters, Brazil nothing, as compared with 58,469 quarters, 12,231 quarters, and 11,695 quarters respectively in the previous year. The importation of chilled beef has been practically suspended during the War. Up to the present the Government has opposed the wish of importers to be allowed to resume this trade. Messrs. Weddel are of opinion that the feat of establishing a strong competitor against what they describe as subsidised English beef, and a desire to avoid competition in the sale of their accumulations of Australian, are the causes which have led the Government to adopt this attitude, which it is otherwise difficult to explain.

Of course it has to be remembered that, as a result of the policy pursued by the Food Control Board, the total consumption of meat is falling off by something over 30%. A remarkable factor, however, is brought out by the figures before us. Practically three-quarters of the consumption of beef and mutton in November and December of last year was supplied from home sources. This compares with less than 60% in the pre-War period. It cannot be denied that a rationing policy may have been successful, but that success may be purchased at the price of the health of a community.

THE WOOL TEXTILE INDUSTRY.

The series of sales of Colonial wool which ended in London last week mark yet another advance in the prices of this commodity. During the first week of the series record prices were paid for greasy combing merino wools, and the level established for this class of material was about 10% higher than at the January sales. Practically the whole of this wool was bought by American buyers, who were able, owing to the rate of exchange, to outbid all competitors. English firms, being unable to buy the best wools, competed keenly for all average types, and the consequence was a rise of 5% to 10% on January rates. Medium crossbreds were generally sold without difficulty at previous prices, but no demand existed for lower qualities, the majority of which were withdrawn. No appreciable advances have taken place on the Bradford Exchange in the values of tops, but makers' prices are firm in view of the course of events in London. Some eight weeks

have now elapsed with the combs working normal hours, and the fact that no shortage is yet apparent seems to indicate that spinners accumulated good stocks during the latter months of last year. It is justifiable to assume, therefore, that if the woolcombers had continued to work overtime a substantial reduction in prices would have been observed by this date.

A somewhat informal Conference of woollen manufacturers has taken place at the offices of the Board of Trade on the subject of a new scheme of standard clothing. The Government have agreed in principle to the production of standard goods, providing the scheme is worked on a voluntary basis and without official interference or control of any kind. The present suggestions apply to the woollen trade, the members of which have agreed to the principle, providing the worsted and Scottish trades contribute their quota, and they are based upon the purchase of materials (both wool and rags) in the open market in the usual way. This method will avoid all possibility of trouble with the Australian farmers, but the resultant prices of the cloths will be substantially higher than they would be if made from wool issued at Government fixed prices. The trade representatives present at the Conference agreed to the desirableness of such a scheme, but the practical difficulties are very great. In the first place, means must be found of securing the co-operation of the majority of wholesale and retail merchants, or of placing the goods on the market without their aid. Standard materials will only be manufactured by delaying the making of goods for export orders, and at the present time a deliberate reduction of our export trade can only be viewed with uneasiness. Further, it is clear that standard cloths, to be made at cheap prices, must be composed of medium and low crossbred wools and corresponding types of British wools, together with a proportion of shoddy. The sale for such materials is now very limited, for the whole world is demanding cloths of the finest qualities only. It is therefore probable that, whilst manufacturers may agree with the principle of such a scheme, great trouble will be experienced in inducing them to provide the money necessary to finance it. Perhaps the greatest difficulty of working the proposals on a voluntary basis is that of ensuring that the consumers in this country receive the full benefit of the artificially restricted prices. Under the war-time Government control an elaborate system and a large staff were necessary to prevent the goods being sold in this country at more than the regulation prices, or even being exported at big profits, and a voluntary scheme, with no legal penalties attached, would almost certainly be a failure. On the whole, it will be surprising if this latest attempt to solve the difficulty of the dearness of clothing will be any more successful than the earlier ones.

Considerable interest is now being shown in the industry in the events taking place in Australia in connection with the suggested combine for selling wool. Some doubt still exists as to the origin and nature of the "Association," but apparently the prime movers are the Colonial wool merchants together with a proportion of the farmers. The published intention of the "Association," or "Wool Council," is to regulate the sale of wool during the time taken to clear the surplus of Government wool which will exist during 1920 and early 1921, in order to prevent a serious slump in prices. We have not forgotten, however, that when the scheme was first propounded, a few months ago, the avowed intention was "to dictate wool prices to the whole world," &c., and whilst these extravagant ideas have been modified by the vigorous opposition they produced, we are not yet prepared to agree that the combine is quite so innocuous as its promoters would now have us believe. The discussions on this subject in Australia have, unfortunately, been accompanied by bitter attacks upon the Imperial Government and the British taxpayer. During the War the world consumption of wool was reduced because of the isolation of the enemy countries and certain districts of France, and the present surplus of raw material is the result. In addition to this circumstance, shipping difficulties prevented the normal quantities being exported from Australia, and it is no exaggeration to say that but for Government control the Australasian farmers would have experienced great financial suffering, if not actual bankruptcy. The Imperial Government paid cash for the whole clips, whether shipped or not, and in return for this consideration the British taxpayer obtained wool for military purposes at low prices, and during the present transition period is receiving one-half of the profits on the sale of this material. The loss of half of the present profit is the price the Australian growers have to pay for being saved by the British taxpayer from financial difficulties during the War, for it is improbable that private shipments during the last four years would have left the farmers any better off than they are to-day. The Australasian farmers were very patriotic in their wool deals; the bargain made with them was a fair one, and the main body of sensible Englishmen do not begrudge them the enormous sum of money which they will receive from the British Government as their share of the present sale profits. In the circumstances the statements—such as the Australian farmers having been "robbed" by the British taxpayer—are not only ill-placed, but are actually untrue, and we trust that such remarks are receiving in Australia the treatment which is their due. Before agreeing that the proposed "Council" is not a combine of the very worst type, we should require to be satisfied with the effectiveness of the arrangements for breaking up the organisation as soon as the present accumulation of wool has been liquidated and the less objectionable aims of the scheme thus attained.

Industrial Companies.

DUNLOP RUBBER COMPANY.

Year to Aug. 31	Net Profit*	Preference Dividends	Ord. Div. Amount	%	Special Allocations	Carried Forward
	£	£	£		£	£
1914 ...	381,919	26,200	149,102	15	211,055	33,241
1915 ...	411,640	44,875	149,178	15	175,000	75,529
1916 ...	432,439	48,000	150,000	15	227,037†	82,930
1917 ...	435,109	99,933	150,000	15	164,649	103,457
1918 ...	649,503	196,450	312,500	23½	121,250	122,760
1919 ...	1,386,132	249,849	468,750	31¼	370,000	102,595

* After deducting all expenses and interest on income stock.

† Including £41,037 written off sundry debtors in respect of amount due from German Dunlop Company.

It is perhaps a curious though appropriate coincidence that the report presented to the twenty-first general meeting of the Dunlop Rubber Company should record the largest profits from production and sales in the history of the concern. The advance of 50% in the net profit of 1917-18 over that of 1916-17 represented, admittedly, a great achievement under war conditions; but that in a period covering the transition from war to peace this record should not merely be retained, but should actually be out-Heroded, can only be accounted for by the existence of an organisation of a high degree of efficiency, in which the stimulating forces of individual initiative and enterprise have been allowed full play. That for the year ended August 31,

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Australia, Borneo, Canada, Ceylon, China, India, Japan, Java, Malaya, Morocco, New Zealand, South Africa, Sumatra, U. S. A.

The Company acts as Agents for the storage, shipment and sale of produce.

1919, there should have been earned a net profit of £1,386,432, or an increase of 113% over the satisfactory profit of the previous year, indicates a rate of progress for which it would not be easy to find a parallel. But if the fact to which the Chairman referred—that the net profit of 1917-18 excluded the sum of £325,000 invested in the business in one form or another, and which would in consequence make the real net profit nearly £975,000—is taken into account, the rate of increase falls to 40%. Nevertheless, even at this level the increase is still very satisfactory. For it has to be remembered that such net profits have been arrived at after excluding £178,000, representing a portion of the profits of the rubber estates and subsidiary companies, this amount being retained in the business for purposes of development, as compared with £164,000 retained under similar conditions in the previous financial year. Furthermore, this record total of net profits has been subjected to a deduction of £325,000 for charges that will not recur, and for excess profits duty up to the period ended August 31, 1918. Out of this fund Preference shareholders have received their respective dividends of 6%, 6½%, or 7%, less tax. The dividend to Ordinary shareholders amounts to 31¼% free of tax, which is equivalent to over 44½% less tax. To meet the liability in respect of income tax on such dividends a special reserve of £250,000 has been created out of the profits of the year under consideration. Moreover, the directors have wisely taken advantage of the large profits to write off at once the expenditure of £120,000 incurred in connection with the issue of £1,500,000 7% Cumulative Preference shares during the year under review. Despite this rise in the Ordinary dividend from 23¾% to 31¼%, and the encroachment made by the great increase in the amount of special allocations, there is carried forward a balance of £402,593, as compared with £122,760 for 1917-18. But as excess profits duty for the year ended August 31, 1919, has to be paid out of this sum, the directors do not anticipate that the final balance will be very big.

As far as can be seen the outlook for the current year is distinctly promising. In December last the Chairman forecasted a turnover for 1920 which would be 60% in excess of the record of 1919. Progress in the interval reveals an actual increase of more than 30%. Difficulty has been experienced in securing adequate plant and machinery; whilst the effect of the moulders' strike has been to leave the firm four months behind in their programme at Fort Dunlop and Rochdale. The need of the moment in this, as in most other industries, is increased output. Granted that, the Company is confident of its ability to multiply its sales. As regards production, everything possible is being done, alike at Fort Dunlop and Rochdale. Negotiations are being conducted for the acquisition of 7,000 acres of planted rubber, practically all in bearing. Judging by the Chairman's remarks on the opposition offered by the shareholders of the properties concerned, it is evident that the estates which it is sought to purchase are the Johore Rubber Lands and the Segamat Rubber Estates. The rubber estates already in possession of the Company produced in 1919 an output of 3,537,437 lb., as compared with an estimate of 3,600,000 lb., the difference between the yield and the estimate being mainly due to the persistence of abnormally wet weather during the last three months of the year. Should the existing negotiations prove successful—and the Chairman definitely stated that the price offered was the maximum that they were prepared to pay—the output for the current year from the total estates should be in the neighbourhood of 6,500,000 lb. The Company would then be in the position of producing itself a quantity of rubber representing, in the judgment of its directors, a more reasonable proportion of its total requirements. However, the result of the polls announced this week shows that the terms have been accepted by the majority of the shareholders in both cases, and the estates will in due course be acquired.

The balance sheet as on August 31, 1919, shows a total issued capital of £5,500,000, as compared with £4,687,500 in the previous balance sheet. The increase is partially due to the fact that in the interval the call of 4*s*. 2*d*. on the 1,500,000 7% Cumulative Preference shares had been paid, and that on the subsequent issue of a further 1,500,000 £1 shares of the same category an amount of 6*s*. 8*d*. had been paid. Since the accounts were closed a further call of 3*s*. 4*d*. had been paid on these shares, thereby increasing still further the amount of the Preference capital by £250,000. Similarly, there had been a successful issue of 1,000,000 Ordinary shares of £1 each at a premium of £7 per share. It is of interest to note that the expenses incurred on this issue of £8,000,000 amounted to little more than the £120,000 which it had cost to issue the 1,500,000 7% Cumulative Preference shares. The success of this latest issue at such a high premium affords strong evidence of the faith of the investor in the future of the Company. And this faith is not likely to prove unfounded, for at the general meeting the Chairman announced that the reorganisation of the capital was being carefully discussed by experts, and that as soon as the board had considered their recommendation a scheme for the capitalisation of reserves would be submitted to the shareholders. At present the only point emerging was that the issue of bonus shares would involve no liability on the part of existing shareholders. In the light of this announcement, and in view of the future prospects of the Company, it is not surprising to find that the Ordinary shares (£1) command an average price of £12½ ex-div. in the market. The 7% Cumulative Preference shares, which are fully paid, are quoted at 20*s*. 9*d*. The 6½% "B" Cumulative Preference shares stand at 19*s*. 6*d*., whilst the 6% "A" Cumulative Preference shares are listed at 18*s*. 6*d*., all quotations being ex-dividend. No further allocation has been made to the reserve account pending the receipt of the substantial premium of £7,000,000 in connection with the recent issue of the Ordinary shares, and consequently the amount remains unchanged at £300,000. The necessity for securing large supplies and stocks in advance is in the main responsible for the increase of £335,000 in sundry creditors, which amount to £998,561. Fixed assets, after making ample provision for depreciation, are valued at £620,601. An increase of £737,000 brings the total of sundry debtors up to £2,348,571. Stocks, as already indicated, are higher by £148,000 at £2,490,306. Investments have increased by £712,000 to £2,006,879, partially due to additional interests acquired in rubber estates, but largely to investments in a French Company now in possession of the assets hitherto held by the parent Company in France. Furthermore, during the year there were purchased the entire shares of the Nile Spinning and Doubling Company, Limited, the Ross Spinning Company, Limited, and the D.R. Cotton Mills, Limited. Thus the Company not only are able to supply a large quantity of their essential raw material—rubber—but have also command over extensive cotton mills, the possession of which is of vital importance to them. To add to this, the firm has a substantial interest in a new American Company which they are establishing at Buffalo, and which should be ready to start work before the end of 1920. That a company with so great a capital as the Dunlop Rubber Company, with such extensive investments and rubber estates, with such valuable fixed assets, and, above all, with such wonderful trading records and so renowned a trading reputation, should have as the total of its goodwill, patents, and trade-marks an amount as small as £340,000 is perhaps the best tribute that could be paid to the wisdom of its directors.

DEEBOOK DREDGING.

Year to May 31	Dredged Cubic Yards	Tin Oxide Output Tons	Per Cubic Yard— Yield d.	Costs d.	Profit d.
1916	1,128,228	358	7·18	4·83	2·35
1917	642,586	230	8·66	5·79	2·87
1918	582,617	235	11·82	5·41	6·41
1919	518,049	167½	11·58	7·53	4·05

TAKEN in conjunction with the circular issued in the middle of 1919, the report of this Company for the year ended May 31, 1919, would seem to indicate that its operations, in so far as its present working area is concerned, had drawn to a close. As far back as 1916 No. 1 dredge had been disposed of to the Ronpibon Extended in return for 15,000 fully-paid shares of £1 each, representing half the issued capital, and these shares still figure in the current balance sheet at £24,450, which was the value of the dredge in the books at the time of the transfer. Reduced thus to one dredge it was inevitable that there should be a great falling off in the area dredged. The rather marked decline to 518,049 cubic yards for the year under review was in the main due to the difficult nature of the ground worked. Convinced of this fact, and realising that in the future it was more than likely that working operations would result at best merely in covering the actual outlay, the Company transferred the dredge with all the machinery, plant, and stores to the Taiping Tin Dredging Company on May 10, 1919. This cessation of work for a period of three weeks before the close of the financial year also helped to contribute to the lower output. The sale to the Taiping Company was effected for a total of £40,896, of which £7,896 represents the price paid for the dredge, stores and spares. Payment is to be made in equal monthly instalments spread over three years, commencing from March 1, 1920. Bearing in mind not only the considerable reduction in the latest output as compared with previous years, but also the great increase in working costs from 5.41*d.* per cubic yard in 1917-18 to 7.53*d.* in the year under review, the directors were wise in deciding to sell their plant and machinery. It is proposed to utilise the proceeds of this sale to acquire another property on which to work. Inquiries in this direction have hitherto yielded no result, and it appears to be rather difficult to secure suitable ground on profitable terms. Should this difficulty persist the directors intend to distribute the sum thus acquired to the shareholders as a refund of capital. For the year under consideration the income derived from the sale of tin ore amounted to £24,953; whilst dividends on the 15,000 Ronpibon shares were received to the extent of £3,500. Working expenses accounted for £16,250, and £1,116 was spent in general administration. There was left a net profit of £10,913, which, with the balance of £24,099 brought forward from the last accounts, gave a total of £35,012. Out of this were paid dividends of 4*s.* per share, requiring £20,000, and leaving a balance of £15,012 to be carried forward. The issued capital comprises 95,000 fully-paid shares of £1 each and 5,000 contributing shares of £1 each, on which 12*s.* 6*d.* per share only has been called up. Consequently, the dividend works out at 20% on the fully-paid shares, as compared with 10% in 1917-18; but on the contributing shares it represents a rate of 32%. In the balance sheet, as a result of the sale of the existing plant and machinery, the actual paid-up capital stands at £61,255, this amount being arrived at by deducting from the sum actually paid up (£98,125) the balance of mine account (£52,855), after allowing for the premium of £15,985 on the shares. Sundry creditors are returned at £1,866, whilst cash in hand and in bank amounts to £7,234. Sundry debtors figure at £45,916, in which is included the purchase price of the assets sold to the Taiping Company and the balance of the loan made to the Ronjubon Company. During the year a sum of £3,250 was received in repayment, thereby reducing the amount outstanding to £2,253. Since the accounts were closed a further payment of £1,000 had been made. Sundry stores and furniture and fittings are estimated to be worth £533. In the market the £1 shares are quoted at 15*s.*

New Issues.

FRENCH FIVE PER CENT. BONDS (1920).

THE Comptoir National D'Escompte de Paris, the Crédit Lyonnais, the Société Générale de Crédit Industriel et Commercial, and the Société Générale de Paris are authorised by the Government of the French Republic to receive subscriptions for an issue of 5% bonds of 1920 at par, repayable in sixty years at the rate of 150 francs per 100 francs of capital by means of half-yearly drawings, which will take place on the 16th of March and the 16th of September of each year, the first drawing to be made on the 16th of September next. The interest will be payable half-yearly on May 1 and November 1, but the first coupon, payable on November 1, 1920, will be 3.50 francs. Capital and interest will be exempt from all French taxes. Subscriptions to this loan, which is now being issued in France, will be received and transmitted in France by the banks whose names have already been given, and who all have offices in London.

LEVER BROTHERS, LIMITED.

Messrs. Lever Brothers, Limited, as stated in our last issue, are making an issue of 4,000,000 7% Cumulative "C" Preference shares of £1 each. The authorised capital now stands at £100,000,000, of which there are issued and fully paid £25,916,943 5*s.* The first dividend will be paid on July 1, 1920. The dividends paid by the Company for the year 1913 was 15%; for each of the next three years, 10%; for 1917, 15%; and for 1918 and 1919, 17½%. In 1919 the sum of £500,000 was placed to reserve. The subscription list will close on or before Monday next.

MARITIME SALVORS, LIMITED.

This Company, with a capital of half a million sterling, divided into 500,000 Ordinary shares of £1 each, of which 100,000 are already issued, is offering to the public 300,000 shares at par to rank, when fully paid, in all respects *pari passu* with the existing shares. The Company was formed in December 1918 for the purposes implied in the title. As to the profitable nature of the work which the Company is expecting to carry out, the Directors point out that in the case of the s.s. *Demerara* the salvors were awarded by the Admiralty Court £47,800 for 62 days' work, while the out-of-pocket expenses were only £14,110. After paying all expenses in connection with the present issue, repaying loans to bankers, and completing the purchase of a steam tug, there will be available for the general purposes of the Company £96,500.

THE GENERAL ELECTRIC COMPANY, LIMITED.

The General Electric Company, Limited, is making an issue of 1,600,000 7½% "B" Cumulative Preference shares of £1 each at par, and 400,000 Ordinary shares of £1 each at the price of £1 8*s.* The capital now stands at £6,000,000, of which there are already issued £1,655,790 in 6½% "A" Cumulative Preference shares, and £1,225,000 in Ordinary shares, while there is £200,000 of First Mortgage 4% Debenture stock authorised and issued. In addition to the shares offered a further 450,000 Ordinary shares are being offered as to 408,334 to the holders of existing Ordinary shares in the proportion of one to three, and as to 41,666 to the staff and workpeople employed by the Company. The proceeds of the present issue are required for extensions, developments, and acquisitions of new lands for factories. The Company has paid 10% dividends in each of the last six years. In the last three years the dividend has been declared free of income tax.

THE KENT PORTLAND CEMENT COMPANY, LTD.

The Kent Portland Cement Company, Limited, has been formed with a capital of 2½ millions sterling in 2½ million Ordinary shares of £1 each. The Company

invites subscriptions for an issue of 750,000 of these shares at par, being part of an issue of 1,200,000 Ordinary shares of £1 each. The Company has been formed to acquire the whole interest in Kent Portland Cement Works, Limited, which Company has extensive freehold and leasehold properties at Stone, Greenhithe, Kent, where its new and important cement works, with railway and wharfage facilities, are already in a well advanced state of construction. The works at Stone, which form the chief factor in the undertaking, will consist of three units of rotary plant, comprising six kilns, for the manufacture of Portland cement.

KARRIER MOTORS, LIMITED.

Karrier Motors, Limited, has been formed with a capital of £650,000, divided into a quarter of a million 8% Cumulative Preference shares of £1 each, participating up to 12%, and 400,000 Ordinary shares of £1 each. The present issue is of 250,000 8% Cumulative Preference shares of £1 each, participating up to 12%. Karrier Motors, Limited, has been formed to take over the well-known firm of Clayton and Company, Huddersfield, manufacturers of commercial motor vehicles. Messrs. Clayton and Company, the vendor Company, has, according to the prospectus, shown an increasing turnover, as well as an increase in profits since 1909.

THE BRITISH MOTOR SPIRIT COMPANY, LTD.

With a share capital of £1,000,000, divided into 1,000,000 shares of £1 each, this Company is making an issue of 950,000 shares of £1 each at par, of which 200,000 shares will be allotted as part consideration of the purchase price of oil lands, and 68,750 as part consideration of the purchase of oil refinery interests set out in the prospectus, leaving 681,250 shares, which are now offered at par. The Company was originally the British Motor Spirit Syndicate, Limited, and was formed for the production and distribution of petrol and petroleum products, and the present issue is made to acquire share interests in the Anglo-Texas Oil Company, and the Louisiana Petroleum Products Company. In the case of the former Company, the entire share capital, and in the case of the latter the whole of the 8% Preferred and 40% of the Common shares are being purchased. The properties of the Anglo-Texas Oil Company have been inspected by Mr. Campbell M. Hunter, an oil expert, who reports that on the basis of present production and current selling prices, the gross revenue is £253,000 a year, which should show a net profit to the Company of over £200,000. In addition, substantial profits are anticipated from further drillings and from the Company's holdings in the Louisiana Company, while another source of income should be the Company's trading profits from petroleum distribution in the United Kingdom.

UNITED STRIP AND BAR MILLS, LIMITED.

This Company has been formed to erect a strip and bar mills in connection with the works of the United Steel Companies, Limited, at Sheffield, and for the further development of those works. The latter Company is a combine of several well-known firms, and has issued capital of £8,910,200. The combined pre-War standard of profits of the amalgamated cost is given as £736,607, and the aggregate net profits for the year ended with June last, £959,828. Further large extensions, involving an outlay of five millions are being carried out. The United Strip and Bar Mills, Ltd., has an authorised and issued capital of £2,000,000, dividend into £1,500,000 8% Cumulative Preference shares of £1 each, which are now offered to the public, and 500,000 Ordinary shares of £1 each, which have been subscribed for by the United Steel Companies, Ltd., to be paid up as and when required by the Company. The issue is guaranteed both as to capital and dividend by the United Steel Companies, Ltd. The profits and tangible assets of the United Steel available, if necessary, to meet this guarantee amount to £757,388 and £9,000,000 respectively. These are sufficient to cover the dividend on the shares now offered, and their capital value about six times, without adding the proceeds of the present issue to the assets of the guaranteeing Company, or taking into account the profits to be earned by this Company.

EASTWOODS, LIMITED.

Eastwoods, Limited, with a capital of £300,000, in £1 shares, are offering to the public 260,000 shares at par, the balance of 40,000 shares to be allotted fully paid to the vendor in part satisfaction of the purchase consideration. The Company has been formed for the purpose of acquiring and extending the business of brick manufacturers, barge and wharf owners, and builders' merchants carried on in various parts of the country by Messrs. Eastwood and Company, Limited. The property to be acquired has been valued at £300,463, while the price to be paid by the Company, including goodwill, is £175,000, being £135,000 in cash and the balance an allotment to the vendor of 40,000 shares in the Company. Materials and stock-in-trade include over 40 million bricks ready for sale, which will assure an immediate trading profit to the Company.

Richard Thomas and Company, Limited, the well-known tin-plate manufacturers, with an authorised capital of 9 millions sterling, of which £3,261,219 are issued, is making a further issue of 1,500,000 Six per Cent. Cumulative Preference shares of £1 each at par. The yield on these shares, calculating income tax at 6*s.* in the £, is equivalent to £8 11*s.* 5*d.* less tax. The Company which has been in existence for 35 years, is practically self-contained from raw material to finished product, and owns 14 tin-plate factories situated in South Wales and elsewhere, working 114 mills with a capacity of over 4,500 tons per week, and two steel works at Llanelly and Swansea, capable of producing 6,500 tons of steel bars per week. The average net profits of the Company for the four years ended with September last cover dividend requirements of the Preference Share Capital, including present issue, more than 2½ times.

The Tenasserim Hevea Plantation, Limited, has been formed with a capital of £200,000, divided into two million shares of 2*s.* each. The Company invites subscriptions for an issue of 700,000 shares of 2*s.* each at the price of 2*s.* 9*d.* per share. The Company was incorporated in 1910 with the object of acquiring and developing rubber estates, and in particular certain estates in Lower Burma. The property now owned by the Company consists of the Thaget Estate. The present issue is for the purpose of acquiring the estates belonging to the Mergui Rubber Estates, Limited, a Company domiciled at Singapore. Of course, it has to be remembered that conditions in Burma are not those of the Federated Malay States. The prospectus gives yields from the estate which they themselves own. On the whole, the yields are fairly satisfactory, but the total, or "all-in" cost, as it is called, strikes one as rather high.

Mount Ayliff Syndicate, Limited, has been formed with a capital of £25,000, divided into 24,750 Ordinary shares of £1 each and 5,000 Management shares of 1*s.* each. The whole of the Ordinary shares, less seven signatory shares already issued for cash, are now offered for subscription at par. The Company has been incorporated for the purpose of adopting and carrying into effect an agreement made between the Insizwa Nickel, Copper and Cobalt Developing and Mining Company, Limited, of Kokstad, East Griqualand, South Africa, of the one part, and this Company, of the other.

The Var Oil and Coal Company, Limited, has been formed with a capital of £750,000, in shares of £1 each, of which 150,000 shares will be held in reserve to acquire the entire share capital of a French company, the Société des Mines de L'Estérel, which owns concessions totalling 3,411 acres in the Province of Var, in the South of France, on which are situate deposits of oil shale and coal. The directors and friends have already subscribed for 300,000 shares. The board consists of three well-known Englishmen and two Frenchmen. An estimate based on an initial output of 300 tons of shale and 500 tons of coal daily gives expected profits of £220,000 per annum.

With a capital of £250,000 divided into 50,000 Cumulative 7% Preference shares of £1 each, and 200,000 Ordinary shares of £1 each, the Kent Hop, Fruit, and Stock Farms, Limited, has been formed to acquire certain freehold and leasehold properties in Kent for the purpose explained in the title. Fifty thousand of the Ordinary shares have been already applied for by the directors and their friends at par, and the remaining 50,000 Preference shares and 150,000 Ordinary shares are now offered for subscription at par. Of the proceeds of the present issue £65,047 will be available for working capital, and the directors are anticipating dividends of at least 15%.

United Automobile Services, Limited, with an authorised capital of £300,000, divided into 300,000 Ordinary shares of £1 each, of which 60,000 are issued, and 105,000 will for the present remain unissued, invite applications for 135,000 Ordinary shares at par. The Company was formed in 1912 to operate services of motor omnibuses in East Anglia and South Durham. The present issue is required for the purchase of new omnibuses, and to erect garages on existing and new routes. The average ratio of profit to capital shown for the whole period since the Company's inception is 24%.

Maypole Dairy Company, Limited, directors have decided to make an issue of 9,249,997 Deferred Ordinary shares of 2s. each at par to holders of Deferred Ordinary shares on the register at February 23 last, and to holders of Bearer Shares at that date in the proportion of three new shares for every four existing shares held.

Applications are invited for £2,000,000 of Sheffield Corporation 6% Redeemable Debenture Stock (1930/1940), of which £500,000 have already been placed. The issue price is par, and the stock is to be redeemed at par on March 19, 1940, unless previously cancelled by purchase in the open market, or by agreement with holders. The Corporation will have the option to redeem at par at any time on or after March 19, 1930, on giving six calendar months notice. The proceeds of the present issue are required as to £500,000 for the repayment of existing loans, and £1,500,000 for extension of water, electric light, and tramway undertakings

Barclays Bank Limited are authorised to receive subscriptions for an issue of £230,000 5½% Redeemable stock at 88%, and of £400,000 in 40,000 shares of £10 each at par, of The Yorkshire Electric Power Company, Limited. The Company was formed at the beginning of the century for the purpose of supplying with power a large area in the Yorkshire coalfields and the chief manufacturing centres of the West Riding.

British Cellulose and Chemical Manufacturing (Parent) Company, Limited, invite subscriptions for an issue of 4¼ millions 7% Cumulative Participating Preference shares of £1 each at par. The particular business of this Company is the manufacture of cellulose acetate, of which it is the largest maker. The prospectus states that His Majesty's Government have agreed to take £1,450,000 Preference shares and are appointing two directors to the board of the Company.

Barclays Bank Limited are authorised by the Western Counties Shipping Company, Ltd., to invite subscriptions for an issue of one million Ordinary shares of £1 each at par. The Western Counties Shipping Company, Limited, was incorporated in July 1915, and, says the prospectus, has been successful from its inception, having between December 1915 and December 1919 paid dividends amounting in the whole to 50%. It has to be remembered, however, that this Company since its inception has been working under extraordinarily favourable conditions as regards freights.

Sherbro Palm Oil Company, Limited, has been formed with a capital of £150,000, divided into 150,000 shares of £1 each. The Company, as its name implies, has been formed to deal with the copra industry. It takes over a concession from the Governor of Sierra Leone which confers on the holders the right for a term of years to erect mills for the extraction of oil from palm fruit within an area of 314 square miles. The present issue is of 135,000 shares of £1 each at par.

Provincial Cinematograph Theatres, Limited, has a capital of three millions sterling, of which two millions is already issued, and appears since its formation in 1909 to have earned exceedingly satisfactory dividends. Apparently the Company sees a further demand for the ever-growing picture theatre, and accordingly invites subscriptions for a million 10% Cumulative Participating Preferred Ordinary shares of £1 each at par. The Company controls, or owns, an immense number of picture theatres in various parts of the provinces, including great cities like Liverpool, Manchester, Birmingham, Edinburgh, Glasgow, Belfast and Leeds, besides smaller towns situated in various parts of the country.



ASBESTOS

Turner Brothers' Asbestos Co., Ltd.

MANUFACTURERS

ROCHDALE, ENGLAND

MEETINGS
OF PUBLIC COMPANIES.

THE ANGLO-SOUTH AMERICAN BANK, LIMITED.

An extraordinary general meeting of the Anglo-South American Bank, Limited, was held at Winchester House, Old Broad Street, London, E.C., on March 2, for the purpose of hearing from the Chairman an explanation of the terms of the arrangement recently come to for the acquisition by the Company of the shares of the British Bank of South America, Limited. Mr. R. J. Hose, the Chairman of the Company, presided.

The Assistant Secretary (Mr. E. E. Hayes) having read the notice convening the meeting,

The Chairman said: Ladies and gentlemen,—You are aware that this Bank was established in the first case as the Bank of Tarapaca and London, with branches in Valparaiso, Iquique, and Pisagua in the North of Chile. The development of our business from the year 1902, when we first decided to extend our operations beyond Chile, to which country we had up to then confined our attention, has always been based upon the policy of expanding in such directions as would enable us to afford the maximum of facility to British merchants trading in or with South America. In 1902, English banking in that Continent included four banks working in the River Plate and Brazil, and one bank (our own) in Chile, but in no other part of that enormous territory was there an English bank of importance, and even in the Argentine, Brazilian and Chilian Republics the facilities so offered were limited to a very few of the most important towns. Even within the limited area covered, there was none of that co-ordination which we realised to be necessary for the most successful development of our business, a principle which has since been so strongly recognised by the great English banks, with the result that they have carried the principle of amalgamation to its utmost limit. Will you now do me the favour to consult the map which we have sent you whilst I trace our developments?

A Decade's Extension.

We commenced in 1902 the extension of our sphere of operations by the purchase of the Anglo-Argentine Bank, thereby obtaining an entry into the Argentine and Uruguayan Republics, that bank having branches at Buenos Aires and Montevideo, and this was at once extended by opening at Mendoza and Bahia Blanca, later on linking these up with Patagonia by opening at San Julian, Santa Cruz, and Deseado, whilst we also established branches at Rosario, and subsequently at Comodero Rivadavia. In the meantime we were not idle in Chile, where we opened a number of new branches, completing a chain from Iquique in the North to Punta Arenas in the South, whilst by establishing in New York in 1908, in Paris, and later on in Spain, we provided facilities for the increased business between the cities in question, South America and the home country. By the purchase of the London Bank of Mexico and South America in 1912 we obtained interests in Peru, Bolivia, and certain of the Central American States, and two years later, through the Commercial Bank of Spanish America, secured an entry into Ecuador, Venezuela, Nicaragua, and Colombia.

You will observe that by this time the only important South America country—and its importance is very great indeed—in which we had not obtained a footing was Brazil. But even when one describes it as of very great importance, one fails in adequacy of expression. Observe its immensity, study its productive capacity in commodities such as coffee, rubber, cattle, minerals, and many other articles, and one is impressed with the fact that, great as is the foreign trade of some of its neighbours where we have already satisfactory and increasing connections, we could not claim to be able, as we would wish, to deal comprehensively with the South American business of merchants and companies unless we secured direct representation in Brazil. Hence our desire—now, we trust, about to be accomplished—to acquire an established business of a character which we could consider worthy of our legitimate ambitions.

Effect of Arrangement with British Bank of South America.

I need not say much, ladies and gentlemen, about the British Bank of South America, for it is already well-known to most of you. Established in 1863, it has pursued a course of almost uninterrupted prosperity, and has built up a reserve fund equal to its paid-up capital of £1,000,000, possessing, in addition, assets, such as premises and other items, which bring up the total figure to an amount which amply justifies us in paying the price we are giving for its shares. You will see that we have offered to pay for each £10 of paid-up capital either £30 in cash or £13 15*s.* of paid-up capital in our Bank, and satisfactory arrangements have been made with a group of guarantors that they will take up any of our shares for which the shareholders of the British Bank of South America may elect to take cash. It is possible that not quite all the shares of that bank will come in; there is generally a small proportion of shareholders who prefer not to make a change; but should they all accept either of the two alternative offers, we would issue 275,000 new shares of £10 each, credited with £5 paid up, or £1,375,000 of new paid-up capital, which would have an outstanding liability of a similar amount. The net profits of the British Bank for many past years (excluding part of the war period) were practically sufficient to pay a dividend on £1,375,000 at 15%, less income tax—the rate which we paid last year on our own shares. You will note therefore that, assuming these profits to be maintained, the arrangement will involve no sacrifice of income on your part, whilst if, as we hope, the purchase results in increased earning power for either or both of our Banks, you will benefit therefrom.

It is our intention to carry on the two institutions under their present constitution as separate concerns, thereby retaining the advantage of the goodwill of the British Bank of South America in Brazil and the Argentine, and enabling us to retain the services of those members of its directorate who may not wish to retire. One or two members of that board have expressed the feeling that they have reached an age at which they are entitled to greater leisure, and we have consented to their retiring, but the majority of the board will remain in office, and will continue to give the benefit of their mature experience. Arrangements have been made whereby the whole of the staff remains, on conditions which we hope, whenever it appears desirable and expedient, to make more favourable than those under which they have worked up to the present.

Apart from the slight change in our articles of association, enabling an addition to the number of our directors, there is no resolution before you in connection with the acquisition of these shares, for the articles of association confer upon the board full power to effect the transaction. This arrangement is, however, so important that we felt you would not consider it a trouble to come and hear our reasons for having arranged it. If any of you wish for further information we shall be pleased to answer any inquiries you may now make. (Applause.)

The Purchase Price.

Mr. S. Russell: Mr. Chairman, I should like to compliment you and the directors generally on the progressive history of this institution which you have laid before the shareholders here this afternoon. I do not want to detain the busy men of the City, and therefore I shall go straight to the point that I want to mention. I acknowledge with great freedom that the unity which has been brought about by the acquisition of the British Bank of South America is all to the good—a most excellent thing for the shareholders of this Bank, but what I would like to understand, Mr. Chairman, if you can explain it to the meeting, is just exactly why you considered it necessary to give £30 in cash for the shares of the British Bank of South America, or 2¾ shares of this Bank. I have discussed this matter with myself from four points of view. I looked at the quotation in *The Times* on January 1, and found that, whereas the shares of this Bank were quoted at £11, the shares of the British Bank of South America were quoted at £20. The dividend of this Bank for the last twelve months was 15%; the dividend of the British Bank of South America was 14%. If I compare the capital that we have paid per share I find that, as we are giving 2¾ shares of our Bank for one share of the other, that represents £13 15*s.* cash paid up for £10 of the other; and if I want to find out what interest we are getting for our money upon the purchase of those shares, I find that we are getting 28*s.* in dividend, which was the dividend which was paid by the British Bank of South America last year for £30 cash; so that, Mr. Chairman, it is a very simple calculation to work out what the rate of interest is, namely, £4 13*s.* 4*d.* per cent. I do not know that in these days £4 13*s.* 4*d.* per cent. would be considered a very good business transaction. Still, I can quite understand that our directors, wishing and having made up their minds to acquire the predominance in the British Bank of South America, may have been forced to give a price which perhaps they would not have given if the pressure had not been so great. Still I shall be glad if you will kindly explain this matter, so that I may feel to a certain extent satisfied.

No Payment for Goodwill.

The Chairman: I am glad that Mr. Russell has raised some interesting points which it would have been difficult for me to have entered into except in response to inquiries from the shareholders. You see we are paying for the British Bank of South America shares a price of £1,375,000 of our own share capital in shares of £5 paid up. Now the investigation of their affairs which I made previous to signing the conditional agreement showed me that we were getting ample value for our money, even without

allowing for the very considerable appreciation of their capital which is in Brazil and the Argentine—and I object to including that appreciation, because unless the money can be brought home (and it obviously cannot be brought home if you are going to continue business) it cannot be realised—apart from that I found that the capital assets which we are taking over exceed the liabilities by a sum equal to more than £2,750,000, so that if we give them shares of half that amount we are really purchasing a business and paying for it in the issue of our own capital at £10 per share. I think that is perfectly clear. Well, gentlemen, you had the opportunity of subscribing for new shares in this Bank a very few months ago at £9 per share. I think, therefore, you will hardly complain if we are now purchasing a new business and asking other people to pay £10 per share. I regard it in that way. We have very ample value for our money, because we are issuing shares to them at a price which is superior to the price which we asked all of you to pay only two or three months ago. We are convinced of the soundness of the business, we are convinced of the earning power and the value of the assets. As regards the earning power, Mr. Russell said that they received last year 14% on the shares of the British Bank of South America, and that therefore we shall be receiving only £4 13*s.* 4*d.* per cent. on our investment. I regret to differ from him. What we shall be receiving on our investment, assuming we should get the whole of the shares in that bank, will be the benefit of the whole of the profits of that bank and not simply the amount distributed, and the profits of that bank exceed by a very considerable sum the amount that is distributed, as is the case in every conservatively managed institution. We, it is true, shall pay in dividends on the shares we give to them a sum very likely in excess of the amount earned in the last year, or perhaps in the last series of years, and distributed in dividends by that bank, but in effect we shall purchase a business without paying anything for the goodwill. I have never in my business career been able so to buy a business, for remember there is a great difference between buying a thing and getting it under your control, your complete control, and having a fusion or amalgamation where you have divided control—I say I have never until now been able yet to find a person willing to sell me a business, established over 57 years, without paying anything for the goodwill. I rather congratulate you, ladies and gentlemen, and ourselves that we have got this business at a price which includes nothing for goodwill. (Hear, hear.) I hope these explanations will satisfy you entirely, Mr. Russell.

Mr. Russell: Thank you very much, Mr. Chairman. I thought the questions rather important, and that I would like to let you have the opportunity of replying to them.

Mr. Mackay: I happen, Sir, to be a shareholder not only of this Bank, but also of the British Bank of South America, and I can assure the gentleman behind me that he need not be at all anxious about the bargain that is being made. I do not think the shareholders of the British Bank of South America were at all anxious for the amalgamation. The advantage is all on the side of this Bank, and therefore all the wise people who are shareholders of the British Bank of South America will be very glad to come in to this bank as shareholders instead of receiving cash. I think the Anglo-South American Bank has made a jolly good bargain, and I hope they will continue to be justified in the arrangement by a continuance of the prosperity we have already had. (Hear, hear.)

The Chairman: Of course, the last speaker is one of the very lucky ones. (Laughter.) I wish I had been in the same case as himself. Now we have to hold another meeting, which is of a formal kind, and I will ask the Assistant Secretary kindly to read the notice.

The Assistant Secretary then read the notice convening an extraordinary general meeting to consider a resolution for altering the articles of association increasing the maximum number of directors to 15.

The Chairman: The resolution, gentlemen, which I shall have pleasure in moving requires very little explanation. As part of our arrangement we admit one of the directors of the British Bank of South America to our board, and I am happy to say that their general manager and director, Mr. Hollis, has been nominated, and we shall thereby retain the benefit of the great experience and knowledge of their business possessed by the man who has run the business for many years. At the same time, we thought it would be wise to increase the number of our directors, not from 12 to 13, but from 12 to 15, because you may observe from our recent balance sheets that we have made extensions in certain new directions. We, perhaps, may be contemplating even further extensions in other new directions, and we may desire to have the assistance of gentlemen experienced in those particular spheres. I think the resolution needs no further explanation, and therefore I have pleasure in moving: "That the maximum number of directors of the Company be increased to 15, and that article 54 of the articles of association be and the same is hereby altered accordingly." After it has been seconded by Sir Robert Harvey we shall be pleased to hear any observations you have to make.

The Vice-Chairman (Sir Robert Harvey): I beg to second that resolution.

The Chairman: Any observations, gentlemen?

Mr. Russell: I wish that some other gentleman in the hall had spoken on this matter, because I do not care particularly about speaking twice; but there is a point here that I would like you to explain. I assume for the moment that all the shares of the British Bank of South America have come into the possession of the Anglo-South American Bank. I am coming now to the question of profits. The shareholders, I dare say, or many of them, know how our directors are paid. I do not know how the directors of the British Bank of South America are paid, but I am supposing they are also paid on a percentage of the profits. ("No, no.") I assume that, as it is often the case that directors receive a commission or a percentage on the profits in addition to some fixed amount. Assuming that to be the case, and say that 3% is paid to them on the profits, I want to know whether we shall be paying that percentage to the directors of both the banks. I should like to understand that we are not paying twice over for the same work done, or on the same profits.

The Chairman: I understand that the fees of the directors in the British Bank of South America are, at their forthcoming meeting, to be increased to a certain extent with our consent. That does not include any participation in the profits, but it is on the basis of a fixed amount. The percentage that is paid in the case of the directors of the Anglo-South American Bank will not be altered, but those of us who are at present on the board will have the privilege of receiving one-fifteenth part instead of one-twelfth part, so we shall be reducing our own income. There are three sets of people to be benefited in banking. The first—I think almost the most important—are the employees. I think they are well looked after. The second, and perhaps almost the first, are the shareholders; and, when you get our announcement of the interim dividend in a few weeks, I believe you will not be displeased with us. The third are the directors, and I will only repeat the old saying that "the labourer is worthy of his hire," and I think when you see our figures you will not be disposed to feel that the fees that may be paid to the directors of the British Bank of South America, and the fees and commission paid to the directors of this Bank are out of relation to the dividends and benefits the shareholders will receive. I will now put the motion to the meeting.

The resolution was carried unanimously.

Developments and Possibilities.

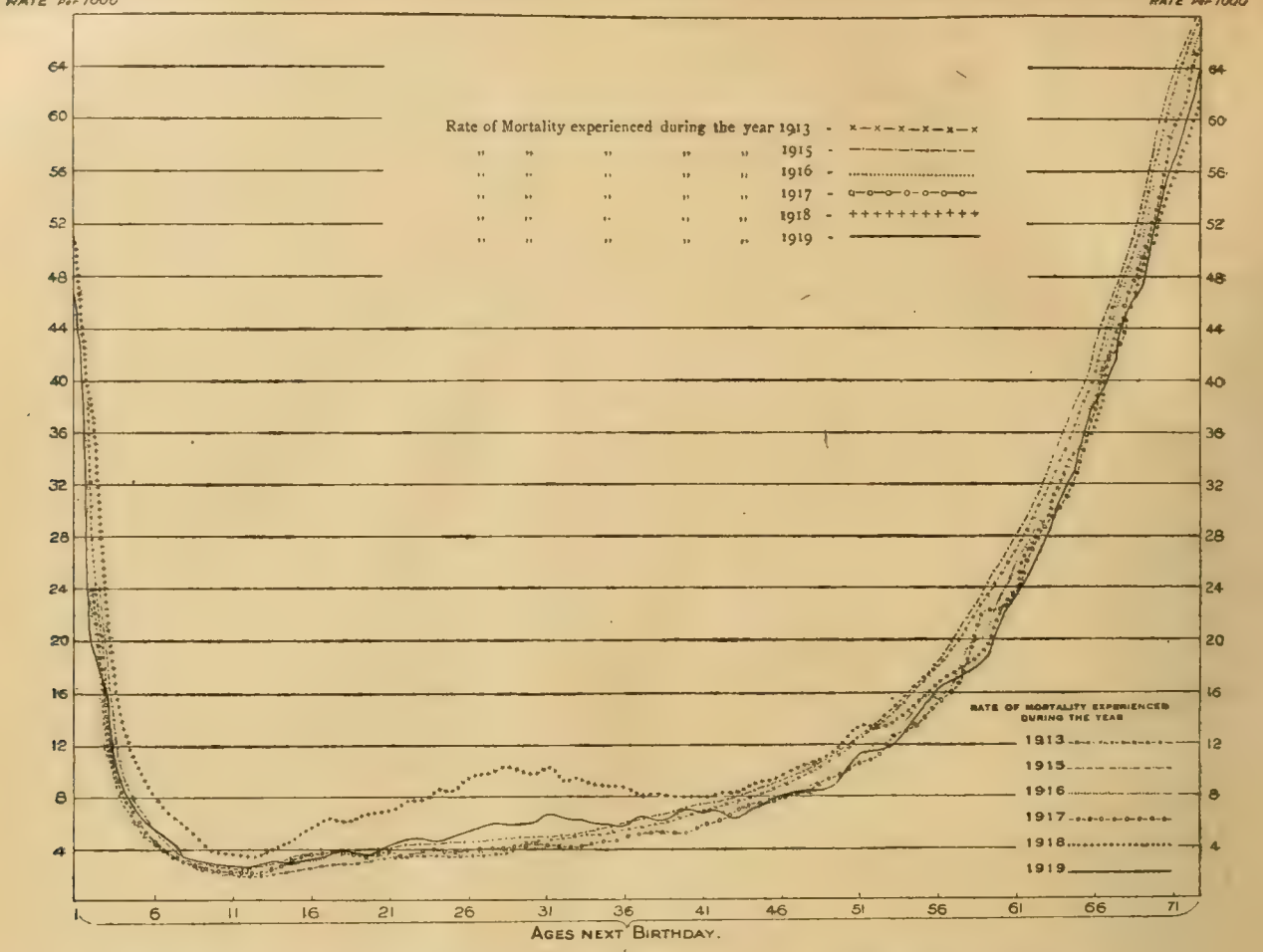
Mr. Waldron: I should like to propose a hearty vote of thanks to the Chairman, and to congratulate both the Chairman and the board upon carrying through this very important amalgamation. This is the first meeting I have been able to attend. Five weeks ago I was in Southern Brazil, and was very much impressed with the possibilities of that country and with the necessity of our banking facilities being extended there. I have been connected with this Bank as a shareholder for a great number of years. I was one of the original clients of the Bank when it opened a branch at Punta Arenas. I forget how many years that was ago, but I think it was about seven or eight years ago that my firm extended its operations to Southern Brazil. I remember seeing your Chairman then and telling him there was a great field for a bank there. His answer was that at present the Bank was too busy to think about Brazil; but he said that might come later. I am very glad to see that it has now come. When I am speaking of Southern Brazil—and I may remind you that Southern Brazil covers a very large area—I am speaking more particularly of the States of San Paulo and Minas. San Paulo is by far the most progressive and up-to-date State in Brazil. It is five or six years since I was previously there, and it then took two or three days to go up to the properties riding on a mule. Those properties are in the interior, some 500 miles away. Now there are roads and motor-cars, and you can get there in a few hours, whereas before it used to take days. One thing which struck me rather in Brazil during my last visit was the great number of Americans everywhere. Well, there is room for everybody. We want to see British interests upheld and extended there, and I am proud to say that British prestige stands to-day higher in Brazil than ever before, and the Brazilians' one idea is that we should be able to extend our trade as in the old days before the War; and I am convinced that we can easily hold our own against everybody. The more British banks there are out there the better. The old fashioned type of banking has done well and made good profits, but it will not do to remain content with what has been done in the past. We must be progressive. Now, gentlemen, I will say no more, but I hope someone will second the vote of thanks which I have proposed. I will only add that I feel, as an old shareholder, that it is a great asset to have acquired an interest in Brazil. (Hear, hear.)

Mr. Johnson: I have great pleasure in seconding the motion.

The vote was unanimously accorded.

The Chairman: On behalf of the board and myself I thank you all for this vote of thanks. I am especially grateful to Mr. Waldron for indicating his great pleasure at our going to Southern Brazil, and I look forward to his immediate call at the British Bank of South America to transfer his accounts to that Bank, if he has not already done so. (Laughter.)

RATES OF MORTALITY AMONGST FEMALE INDUSTRIAL POLICY-HOLDERS IN THE PRUDENTIAL ASSURANCE COMPANY, Ltd.



PRUDENTIAL ASSURANCE COMPANY.

THE annual general meeting of the Prudential Assurance Company, Limited, was held on Thursday, March 4, at the Chief Office, Holborn Bars, London, Sir Thomas C. Dewey, Bart., the Chairman of the Company, presiding.

The Secretary, Sir George May, K.B.E., having read the notice convening the meeting and the auditors' report,

The Chairman, who was enthusiastically received, said: Ladies and Gentlemen, -In presenting the accounts for the 71st year of the Company's corporate life I am sure that no one can fail to be struck by the amazing vitality shown in each page of the report. We have now passed the allotted span of three score years and ten, and have transacted a volume of business that makes our past records—splendid as they were—seem puny by comparison. The year has seen the commencement of the period of reconstruction, and it is now quite clear that we have to look forward to many years of high prices, high wages, and high rates of interest, and we have not yet accustomed ourselves to thinking in the new range of values. One effect of the new range of values must, I think, be an increase in the average premium per policy which, in due course, cannot fail to have a material effect in reducing the ratio of expense. Ten years ago the average premium per week of the new industrial branch policies issued was 2.45*d.*, five years ago it was 2.88*d.*, and last year it was 7.02*d.*, that is to say, the average premium per week in 1919 was nearly three times as large as it was ten years ago, so that the upward tendency is already marked. This is largely due to the great increase in our monthly business, under which the premium income has increased from 2% of the total in 1909 to 11% in 1914 and to 35% at the end of last year.

Total Income of the Company.

You will see from the accounts that the total income of the Company was £24,560,020, which is greater than the pre-War revenue of more than half the European Governments. Of this amount, interest accounted for £5,084,584, which is about equal to the pre-War revenue of Bulgaria, and the premiums received totalled £18,876,389, which is greater than the pre-War revenue of Switzerland, Greece, and Norway combined.

Industrial Branch Business.

In the industrial branch the premiums received amounted to £11,155,874, an increase of £1,419,471 over 1918. The annual premiums receivable on policies in force at the end of the year were £12,515,332, an increase of £1,799,766 over the previous year, which you may remember was £1,104,462 in excess of that for 1917. The average duration of our 23,097,157 policies in force exceeds 14 years and the average age of lives assured is 35 years.

Ordinary Branch Business.

In the ordinary branch the results are equally progressive. The number of policies issued during the year was 138,037, the sum assured under these policies was £22,319,642, and the new premium income was £1,639,762. In our record year before the War we issued 86,080 policies, assuring £8,156,865 with a premium income of £466,357. The lessons I draw from these figures, ladies and gentlemen, are that the Prudential possesses the full confidence of all sections of the people of this country, that we are supplying a definite want, and that assurance is to play a much larger part in the future than it has in the past.

Claims.

The total claims and surrenders for the year in all branches amounted to no less than £9,654,313, and, although I am pleased to say this is nearly a million less than the previous year, it nevertheless is an enormous amount and represents about £30,000 per working day. The reduction in the amount of claims would have been considerably greater but for the epidemic of influenza in the early part of the year and the fact that, although hostilities had ceased, we had to pay, in 1919, £497,060 in respect of deaths due to the War.

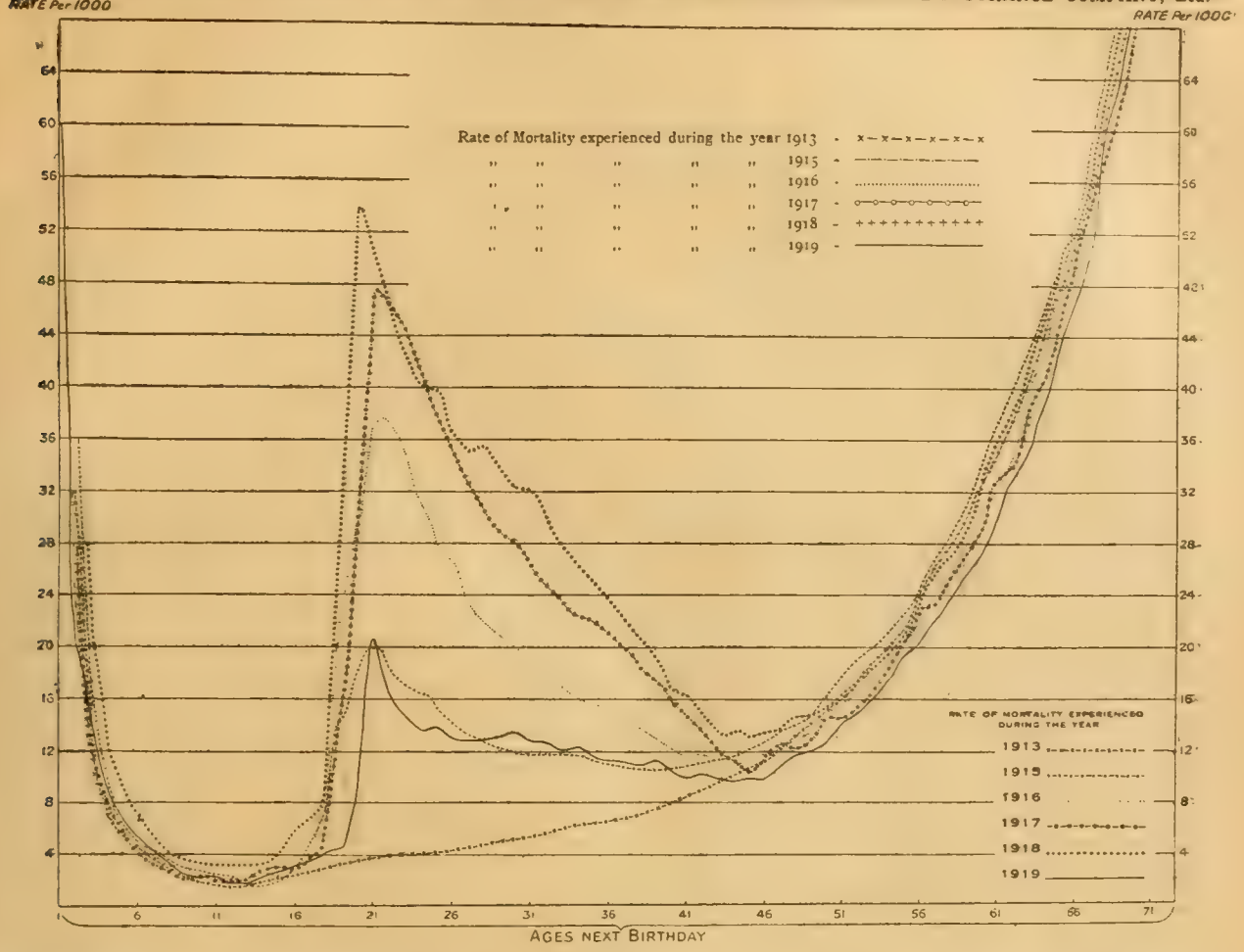
In the ordinary branch the total amount of claims for the year was £5,425,526, of which £1,625,266 was on account of deaths, £3,642,129 was paid on maturity of endowment assurances, and £158,131 was allowed by way of surrender values. In this branch the improvement in mortality has not been so marked as in the industrial branch, for although the War claims have decreased by £229,196, the reduction in the total amount paid in death claims was only £176,777. This was due to the fact that the influenza epidemic in the spring had a proportionately greater effect in the ordinary branch than in the industrial branch.

The total claims paid in the industrial branch for the year amounted to £4,184,935; of this sum £3,650,307 was in respect of death claims, £346,831 on account of matured endowments, and £187,797 surrenders. These amounts include £304,735 paid under free policies which have been granted under our old-age concession or in cases where the payment of premium was discontinued. Included in the death claims just mentioned is the sum of £321,178 paid in respect to policyholders who died as a direct result of War service.

Mortality.

For the last few years I have given you a diagram showing the effects of the War on our industrial branch mortality. These diagrams have proved of interest to statisticians and others here and abroad. I have, therefore, again had diagrams of our industrial branch mortality prepared.

RATES OF MORTALITY AMONGST MALE INDUSTRIAL POLICY-HOLDERS IN THE PRUDENTIAL ASSURANCE COMPANY, Ltd.



Although hostilities ceased more than a year ago, the effect of the War, I am afraid, will probably continue to be felt for some time to come. Any deterioration that may have taken place in the general vitality of the nation as a consequence of the War will tend to spread itself over the future lifetime of the population. Last year, however, we had to pay claims actually due to the fighting, and if you look at the diagram for the males you will see that these claims were almost as numerous as in 1915. The influenza epidemic undoubtedly had a large share in producing the abnormally heavy mortality shown between ages 20 and 40. The ravages of this disease are more clearly shown on the female chart, where there is no disturbance from War deaths.

There is one more satisfactory feature in our mortality to which I must draw your attention before I leave this part of the subject: the mortality among infants of under two years of age shows a very marked decrease as compared with the previous year. I regard this as a hopeful sign that we are returning to more normal conditions.

Valuation Report.

Turning to the valuation report, the profits of the industrial branch are higher, although they are still considerably below the pre-War standard. They are not yet sufficient to enable us to resume our profit-sharing scheme, and the holders of fully-paid shares have, for the fifth year, to forgo £100,000 of their fixed dividend. In these changing times it is difficult to prophesy, but there is every indication that we shall steadily progress to our pre-War level of profits. This, of course, is subject to our being free from epidemic and to the financial situation being not more unfavourable than at the present time. The Courts (Emergency Powers) Act is still with us, and by the operation of the new Defence of the Realm Act has been extended so that it will remain in operation for 12 months after the end of the War, and will therefore still be in force on December 31 next. The reason for this extension is not difficult to see. I have, ever since the Act was introduced, pointed out the danger of persuading people by Act of Parliament to fall into debt. Now that the time has come for its termination the Government is faced with the fact that tens of thousands of policyholders have, under the shelter of the Act, allowed their premiums to remain unpaid for three, four, and five years, and, owing to the practical impossibility of finding these arrears in one lump sum, are in danger of losing the benefit of their policies if the terms of this mischievous Act be adhered to by the Company. Further, I have frequently pointed out that these terms would still inflict heavy loss on the Company, but we are in the interests of these policyholders, willing to shoulder this loss and go even further by offering to waive the arrears and issue new policies on generous terms to those who have taken advantage of the Act. On December 31 last the outstanding arrears on policies on which premiums had been suspended under the Act amounted to upwards of £620,000, most of which would have been paid at the due date without distress to the policyholder had not Parliament in 1914 entirely misread the future. We are retaining the Courts (Emergency Powers) Act reserve of £100,000 to meet the liabilities and contingencies that may arise under the Act before it is repealed.

Ordinary Branch Bonus.

In the ordinary branch I am pleased to be able to say that we are able to increase the bonus from 26*s.* to 28*s.*, and at the same time carry £593,000 to the investments reserve fund.

Victory Bonds.

As you are all aware, the Government in July last issued Victory Bonds which contained some features that are novel so far as British Government securities are concerned. The bonds were issued at 85% with provision for redemption at par, over a period of about 56 years, by means of a cumulative sinking fund commencing at ½%. The first annual drawing takes place in July next, and bonds drawn then will be repaid on September 1, 1920. It is thus possible that holders of the bonds may realise a profit of £15 per £100 bond within the year.

In addition the bonds will be accepted at their nominal value of £100 in payment of death duties, provided they have formed part of the deceased's estate for at least six months before death. This is a valuable concession, since by means of it the very heavy death duties now imposed on all large estates may be reduced by 15%.

It was at once apparent to us, however, that, valuable as were these features, they would be very much more so if combined with the advantages of life assurance. Accordingly the Company at once issued their "Victory Bond Policy," which gives to the policyholder the full advantage of the benefit of drawing, so that, after paying the annual premium of, say, £5, £7, or £10, he may receive £100 within the year, without further payment of premium being required.

The only point which rendered the policy less attractive than a direct subscription was the fact that technically the bonds would not form part of the assured's estate for at least six months before death, but after representations made by us the Treasury agreed that they should be available for death duties in the same way as if they had been in the

possession of the deceased for six months, provided they formed part of an original subscription of a Life Assurance Company.

Providing for Death Duties.

I am sure, therefore, it will be perfectly clear to everyone that the ideal method of providing for death duties is to take out a Prudential Victory Bond policy, especially when it is remembered that, in effect, not only is a rebate obtained from the amount payable in duties at death, but also a rebate of tax on income during life.

We have issued policies assuring £3,000,000 Victory Bonds under this scheme, which has thus, as might have been expected, proved very popular and successful. As our total holding is £7,500,000 of these bonds we are, therefore, still able to issue policies to the amount of 4½ millions. It was necessary for the Bank of England to supply us with a large number of bonds in different denominations in order to supply the varying requirements of our clients. The actual number we have received is over 66,000, and the consequent coupon cutting will be no light task.

Satisfactory Progress in General Branch.

The progress made in the general branch I regard as eminently satisfactory. Last year I said that our new venture in fire and accident business must be regarded as an offspring which would require careful consideration during its youth. Our offspring is still only a few months old and shows every sign of healthy development. The fire risks which we have accepted have been selected with the greatest care. Our rate of claim has been low, and in view of the high class of the business accepted may be expected generally to continue so; but at the same time I feel sure you will all agree with me that our wisest course is to husband our resources and hold reserves sufficient to provide against the possible fluctuations in the claim ratio which is inevitable in business of this kind, and more particularly whilst the premium income in the early days is necessarily small. A large proportion of our personal accident business was in connection with ordinary and industrial branch policies with the right of renewal, which right, as you know, does not usually attach to accident policies; one result of this special advantage which we are offering in accident insurance is that it is necessary to hold a larger proportion of reserve.

"B" Shares.

Our "B" shares must, I think, be regarded as an investment which cannot be expected to bear immediate dividends, but which, if the business continues to develop satisfactorily, as I feel confident it will, should in the future fully justify the faith of those who have for many years regarded everything Prudential as safe, sound, and profitable. (Applause.)

Invested Funds.

I now propose to refer to the invested funds of the Company, which, after making allowance for the loan we have obtained from our bankers, stand in the balance sheet of the Company at a figure of over £114,000,000. These funds are available to meet liabilities of the Company under its various contracts, and are, in fact, necessary in order to ensure the fulfilment of such contracts. They form unquestionably an unsurpassed record of growth and progress, but by very reason of their magnitude alone they involve responsibilities which are particularly marked in the times we have passed and are passing through. I refer in this connection to the depreciation which has taken place in the values of practically all investment securities. The promise of last year, evidenced by temporary appreciation in investment values, has not been fulfilled, and we have again witnessed heavy falls in the market prices of securities.

The country is gradually and painfully adjusting itself to the altered conditions induced by the War; the standard of values has changed on all sides and money expressed in terms of commodities has fallen heavily in value.

Investors are demanding higher rates of interest on their new investments, with the natural corollary of further falls in the prices of existing securities. The result has been that the Company has again to devote a large proportion of the year's surplus to meet depreciation, £593,000 having been carried to the investments reserve fund in the ordinary branch and £400,000 to the investments reserve fund in the industrial branch. In addition we have carried £100,000 to the common contingency fund, which is not only available to meet depreciation, but has the further advantage that it may be used for other purposes if required.

Co-operation of all Classes.

Last year I thanked all classes interested in the Company for the loyal co-operation and the uncomplaining manner in which they had borne the sacrifices entailed by the War. This year I again ask for their co-operation and support, and I am sure I shall not ask in vain. We are still passing through a period of reconstruction which is profoundly affecting financial values all over the world. That our Company will emerge successfully I have not the least doubt, but the directors would be false to the trust reposed in them by the shareholders and policyholders, and would be unworthy of their own traditions, if they did not take every step in their power to preserve the undoubted reputation of the Prudential for security.

Book Values of Securities written down.

For reasons which I have explained to you on previous occasions, it has not been considered advisable during the past few years to use our investments reserve funds to write down the value of securities. This year, however, it was felt that the time had arrived when certain writings down should be undertaken, and we have accordingly applied out of our investments reserve funds £1,443,000 in the ordinary branch and £1,100,000 in the industrial branch towards reducing the book values of securities. These amounts have been applied in the main part towards writing down the values of those securities where it was thought there was but little chance of recovery in prices for many years.

Reduction of Loan.

You will remember that in the balance sheet of the industrial branch for 1918 we showed an item of £4,237,500, which represented the outstanding balance of the loan we obtained from our bankers in order to subscribe for £25,000,000 of 5% War Loan.

Our large subscription for Victory Bonds necessitated obtaining a further loan from our bankers, and in July last the sum of £5,000,000 was advanced to us. This loan was obtained in the ordinary branch of the Company, as Victory Bond policies have been issued only by that branch.

During the year we have reduced the loan in the industrial branch from £4,237,500 to £250,000, and the loan in the ordinary branch from £5,000,000 to £3,250,000, having thus repaid during the year the total sum of nearly £5,750,000.

British Government securities now represent 38% of the total assets. This is the highest proportion ever recorded by us, and may be usefully compared with the 20% suggested by the late Chancellor of the Exchequer as a suitable figure.

Government Enquiry.

In May last a Departmental Committee was appointed by the Government to inquire into the business carried on by industrial assurance companies and collecting societies . . . and to report whether any amendment of the law is desirable.

Evidence was given before this Committee by the principal officers and solicitor of the Prudential, as well as by those representing other industrial companies and societies, and by a number of other witnesses.

We, of the Prudential, will welcome any well-considered attempt to improve the system under which the business is conducted, and we have no hesitation in appealing to our past record as evidence of good faith in this connection.

We have always felt that we have occupied the status of pioneers in this class of business, and we have not been unmindful of the responsibility which that status involves.

The haphazard system of provision for funeral benefits through the agency of burial clubs has, under our administration, given place in a comparatively short term of years to a well-ordered and established plan under which the benefits assured by the contracts are absolutely and undeniably secure.

The industrial branch of the Prudential provides for its policyholders the same security and most of the advantages which are to be obtained from a first-class ordinary life office by a man able to take out a policy for thousands of pounds.

Criticism has always, and quite reasonably so, been directed to what has been, in the past, the unavoidably high ratio of expense associated with the business, owing to the weekly collection of premiums at the homes of the assured.

Block System.

This admitted defect has now been overcome by the adoption of the block system, under which one agent will collect all the premiums payable within a given area.

More than 70% of our industrial premium income is now collected under the block system, and the economy thus rendered possible is only retarded by our proper consideration for our agency staff.

Reinstatement of Returned Employees.

Whilst thousands of our agents were on active service during the War, those left behind rendered extremely valuable service to the Company, and with regard to those who joined His Majesty's Forces we undertook to reinstate them in positions not less advantageous than those they had previously occupied with us. (Applause.)

Proper consideration for both of these classes of men requires that, subject to faithful service on their part, we

should retain them in our employment should they desire so to remain, notwithstanding the fact that we have many hundreds of men in excess of the present needs of our work.

This latter condition is, however, only temporary, and is in process of adjustment by the operation of two factors, on the one hand by the reduction of the agency staff owing to retirements and promotions, and, on the other hand, by the continued growth of the business.

Future Prospects.

At our present rate of progress we should be in a position to secure most of the economical advantages of our block system in a few years' time, and we are looking for a reduction of not less than 10% in the ratio of expenditure.

You will share my regret that owing mainly to the depreciation in investments our profit-sharing scheme which had to be suspended owing to the payment of War claims must again remain inoperative; having regard to the magnitude of the income of the Company your dividend is not a large one, and you will remember that out of any additional profit that may be made in the industrial branch over and above the fixed dividend, five-sixths go to the policyholders and the outdoor staff.

Every year brings nearer the time when your fixed dividend will be provided, in the main, by the ordinary branch, and when the contribution made by the industrial branch will not exceed the one-sixth which the profit-sharing scheme allows you out of surplus profit.

Minimum Wage.

In addition to the interest aroused by the departmental inquiry, public attention has been directed to industrial assurance business by agents, not associated with this Company, on whose behalf demands were made which included recognition of the principle of a minimum wage.

Prudential Staff Federation.

We have always believed in the wisdom of keeping closely in touch with our men, and a year ago a consultative committee was established in which members of the management and officers of the staff take part with representatives of the Prudential Staff Federation, a trade organisation to which a number of our men belong as members.

This Committee has held meetings at regular periods during the past year, and a few weeks ago they made a unanimous recommendation to the Company in favour of those of our agency staff who, capable of being employed as full-time men, have, owing to one reason or another, been earning, on commission terms, less than three pounds per week.

Recognition was given to the difficulty to which I referred when addressing you last year, of maintaining "a standard rate of wage for . . . men who for half the week are working, or perhaps not working, on commission terms."

Our block system helps us to bridge this difficulty, and although the cost to the Company is considerable, it will remove what has hitherto been regarded in some quarters as a hardship, and the advice of our General Manager that the recommendation of the Consultative Committee should be adopted was cordially agreed to by the board.

In these days we hear on all sides the cry for reconstruction, the cry for new methods, in fact for a new world. The growth of the past is judged to have been unduly slow, and there is a demand to accomplish at one stroke all that we have desired and painfully struggled to achieve.

The Prudential was the pioneer of industrial assurance. We have seen it advance and, in face of what many thought insuperable difficulties, we have persevered until, as we believe, many of the most desirable results are in sight.

Anxious as we are for still more rapid progress, we believe that the best results will be achieved by still persevering on those lines which have already attained so much, and in which, guided by our unrivalled experience, we have complete confidence.

Ladies and gentlemen, I now beg to move the adoption of the report and accounts, and I will ask Sir William Lancaster to second the motion. (Applause.)

Sir Wm. Lancaster's Speech.

Sir William J. Lancaster, who was received with applause, said: Ladies and gentlemen, I have very much pleasure in seconding the resolution which has been so ably proposed to you to-day by our worthy Chairman. As I think you know, I am taking the place to-day of our Deputy-Chairman, Mr. W. E. Horne, who at the present time is engaged in a long-deferred holiday and is taking a trip round the world. We have received interesting letters from him, informing us of what he has seen and done; and in the last letter, I am happy to tell you, he speaks of himself as being in the best possible health. Well, ladies and gentlemen, it is somewhat of a disappointment to you, and, I may say, to us, that we are unable to declare the bonus which we had hoped to declare in respect of the ordinary branch policyholders. As, however, the Chairman has very clearly told you, we thought it better to be wise and prudent and to write down as far as possible those securities of ours which had depreciated so much during the stormy period through which we have lately passed, and also to strengthen our reserves in order to provide for any possible contingency that may arise in the future, owing to the troubled state of the money market and of the country generally—not only of this country, but of almost every country in Europe. We therefore hope that we shall have your support in carrying out this policy, which we believe to be in the best interests of the Company. I am happy to say that we have been able to help our large indoor and outdoor staff with the means of providing against the terrible increase in the cost of maintenance which has taken place, as you know, in all households, and we are very glad indeed to have done so, even at considerable expense, in order to repay them to some extent for the loyal and admirable services that they have rendered to us under circumstances of very great difficulty.

In ordinary times we might have hoped to see some considerable reduction in our expenses; but, as you know very well, everything that one touches now is about double the price it used to be. There was a great financial philosopher in the City some years ago who propounded the query, "What is a pound?" and a great deal of difficulty was found in answering that simple question. We have, however, changed all that now. Sir John Bradbury has put his name to a little piece of paper, and he calls it a pound; but he knows, as you know and I know, that two of those pounds, or even more, have to go now to buy as much as one good old sovereign did in the days gone by. I suppose most of you in the room to-day could put your hands on half-a-dozen of those flimsy bits of paper—those Bradbury notes—but possibly I am the only man in the room who could produce a real sovereign. (Laughter.) I have always carried a few about with me to remind me of the good times gone by, and I hope that those good times will come back again.

The Interest factor.

Well, ladies and gentlemen, there are two points to which I should like to refer before I sit down. While the outlook has been a little dark, there are, nevertheless, two bright spots in our affairs. One is the enormous amount of increased business, to which the Chairman has alluded, and the other is the high rate of interest at which we are able to invest our money, and which, before very long, must have a very fine effect. It is quite remarkable to think that nowadays we can invest in Government securities paying well over 6%; indeed, our Secretary brought before us to-day an investment in a Government security which will pay us over 7%. This must have its advantage in the immediate future. The other point is the great increase which has taken place in our business during the past year in both branches. A month or so back a certain hysterical scientific philosopher prophesied that the year 1919 was going to be the last year of the world, and as he did not wish to keep that information entirely to himself (laughter), being an honest man, he went so far as to predict the particular day on which the world would come to an end. I think that the result of our business during the past year will show that his philosophical point did not catch on very much with the general public. We had, however, a very curious illustration of its influence. One of our policyholders in the industrial branch wrote to us to say that, as the end of the world was so close at hand, he would like to have his money down at once. (Laughter.) However, apparently he did not wish to put us to any inconvenience, as he said he would take it by instalments if we liked. We pointed out that we did not follow his argument; we believed that the world was going to last some little time yet, and we expressed the hope that he would live to pay a good many more premiums to us. (Laughter and applause.)

Sir William Plender: Sir Thomas Dewey, ladies and gentlemen, my remarks do not lend themselves to humorous illustrations. They have to follow, more or less, somewhat prescribed lines, so that I hope you will forgive me if I appear dull after the amusing comments of Sir William Lancaster. The year 1919 was noteworthy, not only as regards the number of new policies issued and the growth in premium income, but also in the reduced mortality. The subject, however, which more particularly concerns my firm is that of verifying the existence of the investments. The combination of increased new business and decreased mortality has resulted in a considerable growth in the gross assets, the total on the balance sheet on December 31, 1919, being, in round figures, 117¾ millions. Investments in British Government securities now stand at practically 44¾ millions, thus forming 38 % of the total assets, as against 31 % in 1914. This increase arises mainly from the Company's large subscription to the Victory Bond last year, and sets a very patriotic example to other financial institutions in the country. I have pleasure in, once more stating, as I have stated in this room for over 20 years, that I have found all the investments in excellent order and that the deeds, bonds and certificates representing them are in safe and secure custody. (Applause.)

Mr. H. C. Willis said that when he received the balance

sheet he was very gratified with the progress it exhibited, but when he came to the item of depreciation of investments he had to confess that he did not feel satisfied; he thought that probably the Company had gone too far. Then he remembered what his father had said to him a generation ago—that Mr. Harben always did the right thing, and that he was a far-seeing man. Well, Mr. Harben was now the Prudential, so they must be right and they must be far-seeing. The balance sheet was dated February 17, and when he, from the position which he held in the financial world, noticed the large depreciation which had taken place since then in the value of gilt-edged securities, he still saw that the Prudential was Mr. Harben and that they were far-seeing.

The resolution was then put to the meeting and carried unanimously.

Dr. John Irvine Boswell then proposed the re-election of the retiring directors—namely, Sir Thomas Dewey, Bart., Mr. W. E. Horne, M.P., and Sir John Luscombe. He said he would be wanting if he did not say a word of grateful appreciation of the great services which those gentlemen had rendered to the Company. (Hear, hear.) Sir Thomas Dewey was a most tremendous asset to the Prudential. (Applause.) How he had struggled on it was difficult to imagine, for he had been bearing a double load of responsibility during the past anxious years. He had not only been a great asset to the Company, but he had also been a great national asset. (Applause.) None of them would ever know how much they owed in the way of debt to his wise counsels, which had enabled them to struggle through and meet the difficulties experienced in financial matters all through the war. He (the speaker) was sure that it was the wish of everybody in the room that Sir Thomas might long continue to hold the position which he now occupied. (Applause.) During these anxious years the double strain had been tremendous, but now that half the load had been removed they felt that the Chairman had renewed his youth, and they must all have been struck by the masterly way in which he had handled his figures and facts on the present occasion. Mr. Horne, as Sir William Lancaster had stated, was travelling round the world, though not entirely on a mission of pleasure, because he was travelling partly on the business of facilitating and encouraging English trade in out-of-the-way corners of the earth. It was an unofficial mission, but it was none the less a real mission. The other director who came up for re-election was their old friend Sir John Luscombe. Sir John was a man well versed in affairs and in knowledge of men, and they were constantly indebted to him for his sane and wise outlook upon life and for his knowledge of all that concerned them in the Prudential. (Hear, hear.)

Mr. F. Schooling, in seconding the motion, stated that Mr. Horne, who had written several letters home, was keeping himself fully abreast of insurance doings in the United States. From his letters they knew that he might have some suggestions to make to the directors as a result of what he had picked up over there. Sir John Luscombe, he believed, had been Chairman of Lloyd's more often than any other man, and when he was not Chairman of Lloyd's they insisted upon having him at Lloyd's Register. With regard to their Chairman, they all knew that they had a man of the greatest ability and the keenest intellect, and his colleagues also knew that they had in him one of the best and most kind-hearted men in the whole world. (Applause.)

The motion was unanimously agreed to.

A First-Class Life.

The Chairman: Gentlemen.—I have to thank you for having re-elected the Deputy-Chairman (Mr. Horne), Sir John Luscombe, and your present Chairman. I have heard with a great deal of pleasure the kind words that Dr. Boswell and Mr. Schooling have said in reference to my work in the Prudential. In my speech I have reminded you that the Prudential has been in existence for three score years and ten. I ought also to remind you that I go one better than the Company—(laughter)—for during the present year I shall reach the age of four score years. (Applause.) I think it right for you to know that I then contemplate resigning the chairmanship—(cries of "No, no")—but I shall be only too pleased to continue to serve the Company in any other capacity. Thank you all very much for your re-election. (Applause.)

Mr. I. H. A. Marchand next moved that Messrs. Philip Secretan and William Henry Nicholls be reappointed auditors for the current year, and that the best thanks of the meeting be given to them for their past services. The names of those gentlemen, he said, were well known to all the shareholders, and for a great many years it had been their privilege to re-elect them to the responsible office which they filled. The fact that their re-election had been each year so cordial and unanimous proved that they enjoyed the entire confidence of every shareholder. He was sure the shareholders would join in the hope that these gentlemen might continue in office for many years. (Hear, hear.)

Mr. Charles Willis seconded the motion, which was passed unanimously.

Mr. Nicholls thanked the shareholders on behalf of Mr. Secretan and himself.

Mr. A. W. Willey said he had great pleasure in proposing a hearty vote of thanks to the Chairman and his co-directors for their services during the past year. They had heard from the platform eulogies of their worthy Chairman from his colleagues, and he would like to add a few words on behalf of the shareholders. The Chairman had told them that he was reaching his eightieth birthday this year. Sir Thomas was a very wonderful man. He had come there year after year, and for the last ten years he had appeared to be more and more rejuvenated. The Chairman had stated that the Prudential had the confidence of the public. He (the speaker) would like to say on behalf of the shareholders that the directors also had the same unbounded confidence of the shareholders. Most of them, no doubt, had studied the balance sheet. Perhaps the last 12 months had been the most difficult period in the history of the Company, and it was wonderful to have to relate that they had a surplus on the ordinary and industrial branches of somewhere between 2½ and 3 millions. Not only were the results which had been laid before the present meeting of great interest to the shareholders, but the activities of the Prudential were watched by many hundreds of thousands of people throughout the country, who had the greatest confidence in the institution. (Applause.)

Mr. T. R. C. Dill seconded the motion, remarking that the Chairman had let the shareholders into a secret about his age, which very few of them would have guessed, and had also in his opening remarks referred to the amazing vitality of the Company. That amazing vitality was only paralleled by the amazing vitality of the Chairman himself. Sir Thomas Dewey was supported by a board which gave unlimited time and an exceptional amount of ability to the affairs of the Company. Under such a Chairman and such a board it was little wonder that the affairs of the Company were attended with such extraordinary success. (Hear, hear.)

The vote was unanimously accorded.

Sir John Luscombe, in replying on behalf of the Chairman and his colleagues on the board, said he desired to return to the shareholders their most sincere and hearty thanks for the kind manner in which the resolution had been received. It was very gratifying to them to feel that they continued to enjoy the confidence of the shareholders, and that, in spite of any disappointment they might feel, such as Sir William Lancaster had alluded to, at there being no additional bonus this year, they were satisfied that that was not in any way owing to any negligence on the part of the directors. As long as they continued to possess the confidence of the shareholders it would be a pleasure and privilege for them to serve on the board, and he hoped that on future occasions they might be able to present an even better report than they had that day. (Applause.)

"The men are splendid."

Mr. W. T. Pugh said that no director could have a more great pleasure to him to join in asking the shareholders to express their recognition of the services which had been rendered magnificent. They did their duty, it was true, but there were two ways of doing one's duty, and the staff of the Prudential always selected the nice way. (Hear, hear.) No doubt Sir George May thought he was going to say something nice about him, but he was not. (Laughter.) That had already been said many times. He intended simply to move a very hearty vote of thanks to the management and the indoor and outdoor staffs of the Company for the manner in which they had performed their respective duties. (Applause.)

Mr. D. W. Stable, in seconding the motion, said it was a great pleasure to him to join in asking the shareholders to express their recognition of the services which had been rendered by the whole of the staff, from the management and the high executive downwards. From personal association the board recognised how much they were indebted to the management and the indoor staff for their constant and courteous help at all times. If any words of his could reach them, he would like especially to express his satisfaction with the work of the outdoor staff, whom he would like to be made conscious of the respect and admiration which the directors and shareholders had for the way they upheld the banner of the Prudential with credit to themselves and honour to the Company. (Applause.)

The motion was unanimously adopted.

Sir George May said he had great pleasure in acknowledging the resolution which had been passed. Although Mr. Pugh had not included him personally in it, or had not referred to him personally, it had been a source of great gratification to him to know that he had assisted in giving that gentleman a thrill. (Laughter and applause.) After being away for three or four years it had been his good fortune to return home at the beginning of this year, and he felt, as he was sure the majority of those who had been away during that period serving their country felt that it was really returning home. The reason why they felt that was the way in which they had been treated on their return. He had had considerable experience of large staffs while he had been away, and could honestly say that nowhere had greater reliance, greater generosity, and greater goodwill been displayed towards the staff than were displayed by the share-

holders and directors of this Company. He could only speak nominally in the name of the whole of the staff, inasmuch as it would be beyond anyone's power to know what they all thought, and he therefore spoke from information he had received from his colleagues, Mr. Thompson and Mr. Burn, who had themselves received it from below, but he could speak personally as regarded the staff with which he was intimately associated.

The sound policy.

Sir William Davison remarked that before the meeting separated there was one more duty which they would all desire to discharge, and that was to pass a very hearty vote of thanks to the Chairman for his conduct in the chair, for having led that great Company through the vicissitudes of the past year, as well as through the vicissitudes of the War, and for the many services which he had rendered to the Company. The shareholders came to these meetings year after year in two capacities—first, as citizens of the Empire to hear of the great national work in which the Company had been engaged during the preceding 12 months; and, secondly, in the capacity of shareholders who looked to the Company to provide them with some of that ever-diminishing income upon which they relied for their daily bread. In regard to the first category, they had every reason to rejoice in the report which the Chairman had put before them. In regard to the second, their first thought was possibly one of slight disappointment, but when they looked at the position again and took a wider and bigger view, when they considered that honesty and fair dealing were not only right and proper in themselves, but also the right policy for even a mercantile concern, he thought they would agree that from every point of view the Chairman's statement was one with which the proprietors and the policyholders had every reason to be satisfied. (Applause.)

Mr. George Hopkins, speaking as a member of the outdoor staff, said it gave him great pleasure to second the proposition.

The motion was cordially approved.

The Chairman briefly thanked the shareholders for their vote, and also for attending and patiently listening to the statement he had had to make.

The proceedings then terminated.

MATHER AND PLATT, LIMITED.

The twenty-second annual general meeting of this Company was held at the Chartered Accountants' Hall, Manchester, on Friday, February 27, Mr. L. E. Mather presiding.

The Chairman said: Considering the uncertainties of the year which has just passed and the abnormal conditions prevailing, I think the result may be considered satisfactory. The profit made in 1918 was almost entirely for war purposes, whereas during 1919 we have been entirely on our normal civil work.

The directors have transferred to income tax equalisation account a further £31,500 from the profits of the year. It will also be seen in the balance sheet that £30,000 has been transferred from that account and £120,000 from the amount brought forward at December 31, 1918, to the reserve account, bringing that account up to £450,000, being the amount recently capitalised. By the recent distribution of bonus shares the shareholders are only receiving what has been held in reserve for them during the last few years, principally before the War, and but for the War these reserves would no doubt have been capitalised sooner. The total amount we are now paying in dividend on the enlarged share capital is exactly the same as we paid last year on the smaller capital.

A feature of strength.

A comparison of the figure, £613,246, at which the fixed assets stand, with the corresponding figure in previous years, shows the strength of our financial position. Although year by year we have extended our facilities for production and improved our plant, owing to the ample depreciation which we have consistently allowed, the value shows but little increase. Under present conditions the replaceable value of our buildings and plant is vastly greater than their book value.

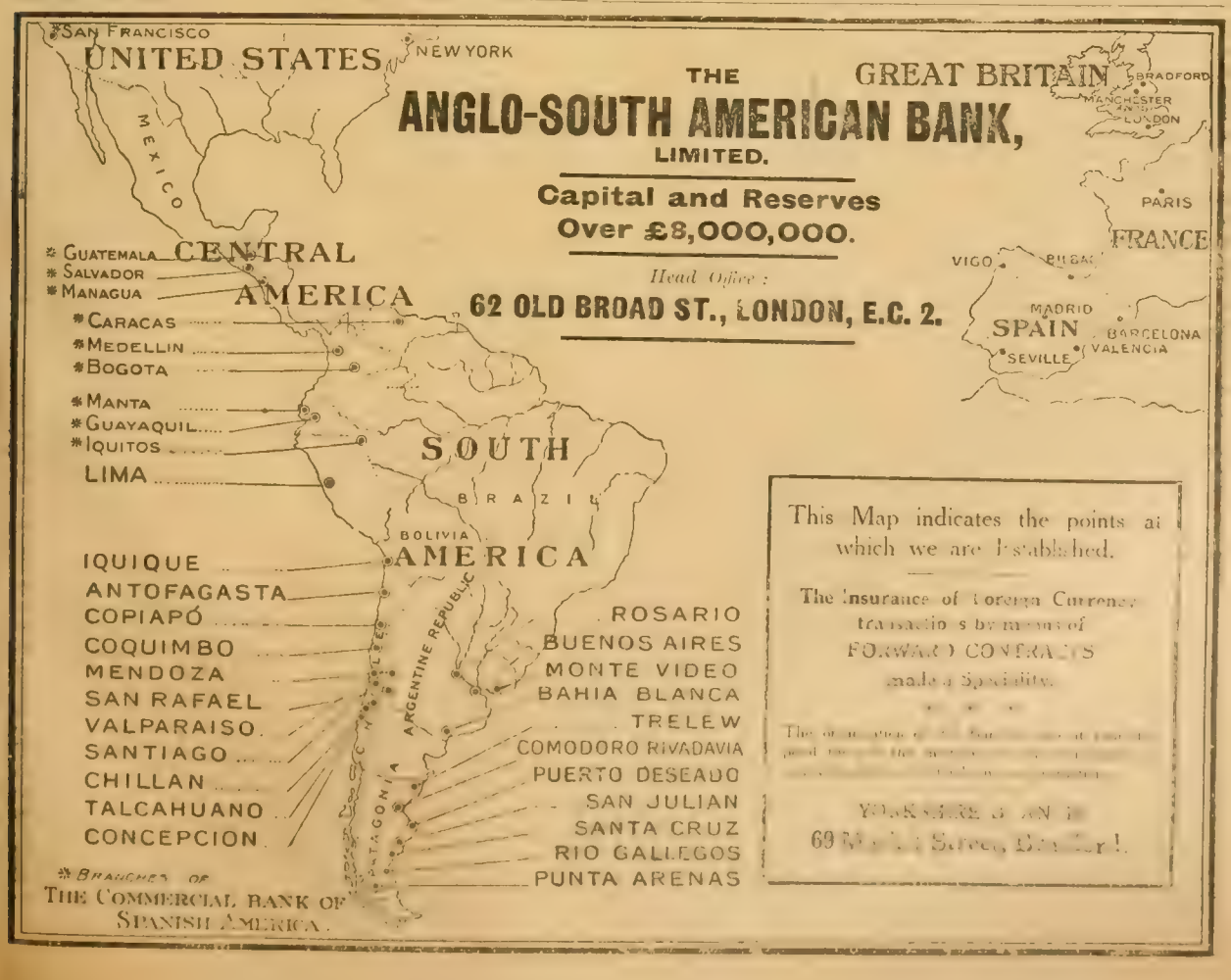
A new director has been appointed, subject to your confirmation, in the person of Sir Clement Simpson, a business friend of ours for many years. His wide knowledge of India, where we have now such large business interests, will, I am sure, commend him to you as a very fitting person to become a director of this Company.

Two years ago I informed you that we had instituted a works' school for apprentices on the lines laid down in the new Education Act. This school, held during working hours, was the first of its kind in Manchester to be approved by the Board of Education. Every boy between the ages of 14 and 16 obtains instruction for eight hours a week. The improvement in the boys attending the classes has been very noticeable, and the foremen are satisfied with the good results.

I have recently returned from a three months' visit to the United States, where I was able to study many methods which may be usefully employed on this side. I am glad to say that, although I went through some of the most prominent engineering works in America, in my opinion we have at Park Works a plant, for its size, as well designed and as up to date as any to be found across the Atlantic.

Foreign Trade Prospects.

Our trade prospects abroad are encouraging. We have always had extensive and close trade connections with France, and we are now executing a large order for machinery placed with us in 1916. We are resuming business in Poland. It will be the settled policy of the board to help our old and trusted clients abroad to restore their pre-War producing



power. The abounding prosperity of India and the removal of various restrictions have brought about a remarkable increase in the volume of orders we are receiving from that country. We must, however, always look to our home trade as having the first claim upon us, and here there is a large volume of work already placed upon our order books. We cannot obtain the materials needed in our manufactures as quickly as we should like, due to the heavy demand on all sides and delays caused by strikes, but we ask our customers to have patience and appreciate that we are doing our utmost. I have every confidence that those who work for us are satisfied with our conditions, and will all help to keep up and increase the reputation of the Company. (Applause.)

The Chairman then moved the adoption of the directors' report and balance sheet and the declaration of dividends, &c., on the Preference shares at the rate of 5% per annum, less income tax, and on the Ordinary shares (old and new) at the rate of 10% per annum, free of income tax, and less the interim dividend of 5% paid on September 1, 1919.

Mr. John Platt seconded the motion.

In reply to a shareholder, the Chairman explained that the advantage of the conversion of reserves into capital was that the capital was thereby placed on a proper basis. They had shown in the last few years certain capital on which they had been paying for the last two years 17½ . That 17½% was really paid on that capital plus the reserves. He thought it was placing them in a false position to declare a large dividend such as they had been doing, as it led some people to say that here was a Company paying big dividends—perhaps profiteering—whereas that dividend was dependent on the reserves. (Hear, hear.)

The resolution was carried unanimously.

The directors retiring by rotation having been re-elected, the election of Sir Clement B. Simpson to the board confirmed, and the auditors reappointed, a cordial vote of thanks to the Chairman, directors, and 4,000 employees brought the meeting to a close.

THE EXPLORATION COMPANY, LIMITED.

The ordinary annual general meeting of this Company was held on March 3 at the Cannon Street Hotel, London, E.C. Mr. J. H. M. Shaw (Managing Director) presided, in the absence of the Chairman, Mr. R. T. Bayliss, through illness, and read a statement prepared by that gentleman :—

Mr. Bayliss' Statement.

Gentlemen,—I beg to move "That the report of the directors and audited statement of accounts and balance sheet to December 31, 1919, presented to this meeting, be and the same are hereby received, approved, and adopted." The profit and loss account shows a gross trading profit of £107,020. This is substantially more than we have made in any year since the reconstruction of the Company in 1904. On the other side general expenditure represents a charge of £13,812. This shows an increase of roughly £3,003 compared with last year, mainly due to the larger sum payable to the managing directors as commission on net profits. Then we come to sundry investigation expenses, £2,784. This item is in the main made up of retaining fees paid to our consulting engineers in the United States and Mexico, and also includes a sum of £729, the upkeep of the New York office to March 31 last year. At that date we decided to close that office, for, under the conditions then existing, we believed it unnecessary to incur this expenditure. There remains a net balance of profit of £88,287 as the result of our year's work. Adding it to the carry-forward last year of £66,101, we have a total sum to credit of £154,388. On the assets side of the balance sheet you will see that the cash position is again satisfactory and has been strengthened. Shares and interests in mining and other companies taken at book cost stand at £276,000, and, valued at their market price on December 31, show a very substantial appreciation over cost. (Applause.)

Out of the balance at our disposal in the profit and loss we recommend the payment of a dividend of 15%, free of income tax. Including the amount of the tax, this dividend represents a distribution of rather more than 21% upon the capital. It will, of course, be apparent to you that we might have made a larger distribution, but the satisfactory results of the past year's work emphasises the fact that, for a company of this sort to make money, it must have money.

The Company's Mexican Interests.

I have a few words to say to you with regard to Mexico and our interests therein. While at the moment I cannot say that conditions throughout the Republic are much better than they were a year ago, I believe they are going to be. There is indication of a desire for peaceful reconstruction from within, and a determination that order and good government must prevail in Mexico from without—that is to say, on the part of the people of the United States. On a previous occasion, when addressing you, I ventured the suggestion that the solution of the Mexican difficulty would be found in the creation of an International Commission operating with the United States, and I am still of that opinion.

Our subsidiary Company, the El Oro, and its allied timber property, the Suchi Company, have worked during the past year with little interruption, and, all things considered, have done remarkably well. The directors of the El Oro have decided to utilise their knowledge of the country, and the technical skill at their command, to investigate and acquire other mining properties, to be worked either independently or in conjunction with the mines of El Oro. The Santa Rosa Mine, in the State of Zacatecas, is still closed down; when a favourable opportunity to resume work arrives, I think there is little doubt that we shall be quickly reimbursed the amount of our original investment therein. The operation of the Buena Tierra Mine, in the State of Chihuahua, during the past year has been a very troublesome and disappointing undertaking. General Villa and his band of revolutionaries have kept this district in a condition of perpetual unrest, and have been a constant menace to the orderly operation of the mines in the Santa Eulalia district. The ore bodies in this limestone formation are very irregular in occurrence, equally irregular in extent. Persistent development is bound to locate them sooner or later, and some of them are of enormous proportions.

In the matter of interests in copper in Mexico and Chile, there is not very much for me to say. The Greene-Cananea and the Chile Copper Company, in common with all other large producers, have been hampered by the necessity for a restriction in output, brought about by a combination of circumstances over which the copper industry had not any control.

In regard to new business, we have interested ourselves in the Mexican Corporation, a company formed with exceptional financial support to acquire mining properties principally in Mexico. We are also renewing our investigations of Mexican properties. (Applause.)

Mr. Rochfort Maguire seconded the resolution.

The Chairman having replied to questions put, the resolution was carried unanimously.

The payment of a dividend of 15%, or 1*s*. 6*d*. per share, free of income tax, was unanimously agreed to, and after the usual formal business the meeting terminated.

LONDON ASIATIC RUBBER AND PRODUCE CO, LTD.

An extraordinary general meeting of this Company was held on March 3 at the registered office, 1-4 Great Tower Street, London, E.C., to consider a resolution increasing the capital from £260,000 to £500,000 by the creation of 2,400,000 additional shares of 2*s*. each. Mr. C. D. Rotch presided.

Mr. Ernest Martin, F.C.I.S., representing the Secretaries (Messrs. Harrisons and Crosfield, Limited), having read the notice convening the meeting,

The Chairman said : Gentlemen,—In the absence of the Chairman of the Company, Mr. H. J. Welch, I have been asked to preside at our meeting to-day. As you will probably remember, Mr. Welch intimated at the last annual general meeting that he intended going to the East towards the end of the year and visiting the Company's estates. He is still abroad, but I have every reason to believe that he will be back in this country in time to take the chair at our forthcoming annual general meeting. You are asked to-day to sanction the increasing of the authorised capital of the Company from £260,000 to £500,000. As explained in the circular which accompanied the notice convening this meeting, the object of the increase is to have further capital available for issue as and when required. The board have not yet decided as to the date or the terms on which any of the new shares will be offered for subscription. I can say, however, that when any new shares are issued the shareholders will be given the first opportunity of subscribing for them *pro rata* to their holdings on a given date and at a price which will be attractive to them.

Addition to Reserve Land.

You will have noticed in the circular to which I have already referred that mention is made of the acquisition of additional reserve land. The total area of our estates is shown in the acreage statement contained in the last annual report as 6,700 acres, of which 5,100 acres are already cultivated, the greater proportion being in full bearing. That leaves 1,600 acres of reserve land. This Company's land consists of four or five estates spread over the Malay States, and the reserve land is largely what I may call "fag-ends" of land which is not suitable for cultivation or extensions. We have recently had an opportunity of acquiring 1,000 acres of first-rate land adjacent to one of the principal divisions of our largest estate—Diamond Jubilee—in Malacca. This was bought from the Government at what seems to us in these days a pretty stiff price, but, owing to its proximity to our large estates in Malacca, we hope to neutralise this by economies in opening out, because it is easier and cheaper to open estates adjoining existing cultivation than it is if you have to go and pioneer in the wilds. We hope to have about one-third of this area planted up by the end of the present year, and we shall plant the balance as circumstances—particularly labour—permit, but we have no reason to suppose that there will be any great delay about it. I may add that negotiations are nearly completed for the purchase of another block of land which we hope to obtain for the Com-

pany on particularly favourable terms. I cannot say more about that at present, but I have no doubt that Mr. Welch will be able to give you further details when you see him next.

Some people may say, "Why not be content with our acreage as it is at present?" The board of this Company, however, are trying to look further ahead to the day which we hope is far distant when the margin between the cost of production and the price realised will be considerably reduced. The larger the acreage, provided that it is well distributed so that it is in convenient units for administration, the less the cost of production. There is one other point which I want you to think over, and that is that any company which has year by year extensive acreages of fresh young rubber trees coming into bearing must have a great advantage over those which have not, because as time goes on I think we shall find that it will be more advantageous to rest the older portions, and the extra areas of new, well-cultivated rubber will enable us to stabilise the yield and to rest the older trees whenever necessary, without affecting the bulk yield of the whole crop. I think that that is all I have to say, but I shall be pleased to answer any questions which any shareholder would like to put. I now beg to move "That the capital of the Company be increased from £260,000 to £500,000 by the creation of 2,400,000 additional shares of 2*s.* each."

Mr. M. Wilkinson seconded the resolution, which was unanimously agreed to.

The proceedings then terminated.

B. MORRIS AND SONS, LIMITED.

The annual general meeting of this Company was held on March 3 at Winchester House, Old Broad Street, London, E.C., Mr. W. S. L. Schuster, Chairman of the Company, presiding.

The Chairman, in moving the adoption of the report and accounts, compared the figures for the last year with those of the previous one. In the capital account, he said, there is now included the issue of £100,000 7% Cumulative Preference shares made last year. Our reserve account is up £20,000, and now stands at £40,000, which will be increased to £60,000 on the passing of the accounts. We paid the same interim dividend. Our stock is up no less than £89,400, and stands at the large figure of £273,800. The balance of profit for the year is £31,900, as against £23,400. Our profit on trading is £55,800, against £42,400—an increase which I think all here will consider most satisfactory.

The year's events have been the most important since the Company has been in existence in its present form. Mr. Thomas May, our Managing Director for many years, tendered his resignation to take up another important position elsewhere. I cannot speak too highly of the good and successful work he has accomplished. Your board appointed in his stead his brother, Mr. Arthur May.

The issue of £100,000 Cumulative Preference shares was attended with great success, and the expense of the issue amounted to only 3¾%. As far as trade is concerned, it has been a very heavy year, and not without considerable difficulties. The price of leaf has been ever on the increase and the duty is still at a very high figure. Our stock of tobacco stands at a figure which a few years ago I could never have anticipated, but which is essential, and represents more value to the Company at the present moment than an equal amount of money. Your directors, subject to your approval, propose to capitalise £32,592 out of the reserve fund and to distribute to each shareholder one new Ordinary share for every three shares held.

Mr. Arthur J. May seconded the resolution.

On the motion of Mr. David Smith, seconded by Mr. William Foyle, it was unanimously resolved that a sum of not less than 100 guineas be voted from the Company's funds for the purpose of a presentation of suitably-inscribed silver plate to Mr. Thomas May, as an expression of esteem for his past services.

It was resolved to pay a final dividend at the rate of 15% per annum (less income tax) for the six months ended December 31, 1919.

On the motion of the Chairman, seconded by Mr. J. Duckworth, a special resolution was passed authorising the capitalisation of £33,592, being part of the undivided profits.

UNITED STATES DEBENTURE CORPORATION, LTD.

The ordinary general meeting of this Company was held on March 2 at Winchester House, Old Broad Street, London, E.C., Mr. Nathaniel Spens (Chairman of the Company) presiding.

The Chairman, in moving the adoption of the report and accounts, first referred to the loss the Company had sustained by the deaths of Sir Walpole Greenwell, one of their trustees and their most trusted financial adviser, and of their dear friend and legal adviser, Sir Frank Crisp. Continuing, he said: I think that we have great reason for congratulating ourselves and you on the results which we submit to you to-day. Notwithstanding all the troubles which the world has had to face, we meet with our capital considerably more than intact, because any depreciation, so-called, which exists in your investments is not more than covered by your reserve. It was because we recognised that this Company is a trust whose concern and whose obligations are of an income character and not of a capital character that we thought it right on this occasion not only to pay the dividend which we have for so many years paid the Ordinary shareholders, but to add to it a bonus of 2½%, and to recommend you to declare a total dividend of 12½% upon our Ordinary shares. It gives us all the more satisfaction because it completes the work which we always hoped to do of paying a satisfactory dividend upon the original capital of £450,000, which was the Ordinary capital of this Company. A great amount of the success of this Company is due to the personality of our Managing Director, Mr. Charles Lock. (Applause.) Only at the moment of coming to meet you we have had the dread news that his doctor has said that he must retire from active business. It is the greatest comfort to know that those who carry on the business take over his affairs in so satisfactory a state.

All of you are aware that very great changes have taken place in the relative return on capital in America and in this country; that taxation is threatened in the United States; and that a company which tries to conduct its business in the two countries will be subject to double taxation. Availing ourselves of the favourable exchange which has prevailed during the year, we have been bringing home gradually sums of your money to this country upon terms which were advantageous, and we have found no difficulty in maintaining or increasing the income which they yielded in America. I have no doubt whatever that it will be your feeling that the true wish of most British shareholders is that their money should now be applied to support, develop, and build up the British Empire.

Mr. Frank Chaplin seconded the motion, which was unanimously adopted, and the usual formal business was followed by a resolution of sympathy with Mr. C. Lock.

OXFORD ELECTRIC COMPANY, LIMITED.

The twenty-ninth ordinary general meeting of this Company was held at the Randolph Hotel, Oxford, on March 2, Sir Henry C. Mance, C.I.E., LL.D., M.Inst.C.E., the Chairman, presiding.

The Chief Engineer having read his report on the work of the year.

The Chairman, in proposing the adoption of the report, said: In my remarks last year I referred to the factors which were operating seriously against our interest and progress. While some of these causes continue to operate adversely, and are even aggravated by the increased cost of labour and materials, our chief stumbling-block—the restrictions upon the output of our undertaking—has been removed. It was not until the end of November last that the Household Fuel and Lighting Order was suspended. During the early part of 1919 the transition from war to peace conditions also affected us adversely. However, when the colleges were reopened, all restrictions removed, and local normal conditions restored, a substantial improvement took place, resulting in nearly 25% increase of business over and above the corresponding period of the previous year, thus enabling us to recover lost ground and to submit a satisfactory balance sheet. Having regard to the large number of consumers recently connected to our mains, we have no reason to doubt that this very satisfactory increase will be maintained. You will, I am sure, understand how the restrictions referred to, and other unfavourable War conditions, have interfered with our progress during the last few years. I think we may consider that we have now turned the corner, and that the prospects for the future are highly encouraging. Our fuel bill continues to disproportionately increase. I do not think the Electricity Bill which became law during the last session is likely to affect us to any material extent for many years. Your directors have given this Bill their unremitting attention, our efforts having been directed to secure fair compensation for the shareholders in the event of Government desiring to acquire our generating station.

You will have gathered from the report now before you that it has become necessary, in order to provide funds for additional plant and machinery to meet the anticipated in-

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creased demand, to make some additional issue of capital. Our last capital issue was made early in 1915, and the economic conditions created by the War will compel us to pay a much higher rate of interest. We have £20,000 of the Preference capital created some years ago unissued. This is, of course, at 5%, and we propose to call the shareholders together in the near future to sanction either an increase of some sort in capital, or an increase in the rate of interest on the present Preference capital authorised, but not issued. It is not intended to make a public issue, but to offer the new shares to the present proprietors in proportion to their holdings.

Alderman Sir Robert Buckell seconded the motion, which was agreed to unanimously.

THE UNION COLD STORAGE COMPANY, LIMITED.

Meetings of the shareholders of the above-named Company were held at Winchester House, Old Broad Street, London, E.C., on March 5, for the purpose of approving of the proposed purchase of the steamers controlled by the Blue Star Line, Limited, and increasing the capital of the Company. Mr. Roger P. Sing, the Chairman of the Company, presided.

The Secretary (Mr. E. Hinchliff) having read the notice of a separate class meeting of the holders of the 10% Cumulative "A" Preference shares,

The Chairman said: Ladies and Gentlemen,—When I had the pleasure of addressing you at our annual meeting last autumn, I took the opportunity of telling you that your directors were contemplating the purchase of the fleet controlled by the Blue Star Line, Limited, and therefore the notices convening the meetings which we are now assembled together to hold will have in no way been a surprise to you.

In proposing the resolution which has been read to you, I should like to say a few words about this very important and very valuable acquisition. The fleet of 15 refrigerated ships is not only one of the most efficient, but is also one of the largest of its kind in existence. The total deadweight capacity, including insulation, is over 140,000 tons, and it is scarcely necessary for me to point out what a substantial asset this forms and how peculiarly valuable the refrigerated shipping space will be to our Company, and how greatly this acquisition will assist us in furthering the development of the Company's business.

Your Company has from the commencement of its business made it a primary duty to provide for its customers the best service that our experience and knowledge of the trade requirements show us to be necessary. I think I can say that we have earned the premier position in our business by giving our unrestrained and best efforts to meet our customers' requirements, and by providing them with those facilities which we found they were otherwise lacking. You will remember that in 1916 your directors, realising the importance to the Company of obtaining some control of refrigerated shipping space, arranged to make a loan on four steamers, and the policy then initiated is now being carried a step further. This is the logical conclusion of what we did in 1916, and a point worth drawing your special attention to is that there will be no change in the present efficient management and handling of the steamers. I might mention that it is not our intention to do more in the way of providing refrigerated cargo space than to lend assistance to our customers, who otherwise are unable to obtain suitable refrigerated space for their shipments. The estimated figures which your directors have considered are anticipated earnings based on normal post-War conditions, and not on the present high basis of freights. The steamers have a value of approximately £4,500,000, and we propose to purchase them subject to charges which already exist on them, so that the fresh share capital which we ask you to authorise to-day, namely, a total of £2,700,000, will provide us with sufficient funds to complete the purchase.

New Preference Capital.

The resolution before you is for the purpose of creating this fresh capital, and your directors propose to increase the 10% "A" Cumulative Preference shares from 300,000 to 1,000,000, thus creating a further 700,000 of such shares, and to provide the balance by the creation of 2,000,000 new Preference shares of £1 each ranking after the 6% Preference shares but before the "A" Preference shares, and that these new Preference shares shall carry dividends at the rate of 7% per annum, and in other respects their rights will be of the same nature as those enjoyed by the 6% Preference shareholders.

Our intention is to make an immediate issue of the share capital which we are creating to-day, and preference in allotment will be given, as usual, to existing shareholders, particularly in respect of applications from shareholders who apply for both classes of shares. The new 7% Preference shares will be issued at par, and the 10% "A" Preference at 26s. per share. I may say that, judging by the large number of proxies received, the arrangements made by your directors are approved by those shareholders who are unable to be present.

I now formally propose the resolution as set out in the notice, consenting to the creation of 700,000 further 10% Cumulative Preference shares of £1 each, and of 2,000,000 7% Cumulative Preference shares of £1 each. I will ask Mr. Horsfield to second the resolution, and after that, if any shareholders present would like to ask any questions, I shall, of course, be glad to answer them. I must also ask you to note carefully that the present meeting is a class meeting of the 10% "A" Preference shareholders, and that they alone should vote. A general meeting follows, when all shareholders, whatever class of share they hold, will have the opportunity of signifying their approval or otherwise of the proposals.

Mr. T. B. Horsfield seconded the resolution, which was carried unanimously.

An extraordinary general meeting was next held for the purpose of considering and, if thought fit, passing resolutions (1) approving of the proposed purchase of the steamers controlled by the Blue Star Line, Limited, at the price of £4,342,780, and authorising the directors to enter into the necessary contract; (2) increasing the capital of the Company to £4,780,000 by the creation of 700,000 further 10% Cumulative "A" Preference shares of £1 each and of 2,000,000 7% Cumulative Preference shares of £1 each; (3) authorising the issue of the new shares; and (4) extending the borrowing powers of the Company.

The Chairman formally moved, and Mr. Horsfield seconded, the resolutions contained in the notice, which were unanimously adopted.

A meeting of the holders of the First Mortgage Debenture stock was subsequently held, at which resolutions were passed (1) amending clause 10 of the Trust Deed of January 8, 1904, by inserting after the words "any real or leasehold property" the words "or steam or other ships or vessels"; and (2) varying the rights of the Debenture stockholders so far as necessary to give effect to the foregoing resolution.

The Chairman stated that the resolutions had the approval of the trustees' corporation, who were trustees for the Debenture stockholders. He thanked the shareholders and the stockholders for the unanimous way in which they had passed the resolutions submitted, and for the confidence they had thereby displayed in the directors, who, he said, would do their best to deserve that confidence and to promote the interests of the Company in every department.

The proceedings then terminated.

UNDERGROUND ELECTRIC RAILWAYS COMPANY OF LONDON, LIMITED.

The annual general meeting of this Company was held on March 5 at Caxton Hall, Caxton Street, Westminster, S.W., the Rt. Hon. Lord Ashfield, Chairman of the Company, presiding.

The Chairman, in moving the adoption of the report and accounts, said: The net revenue, including the carry forward, is £627,299, which is £82,450 less than was available in 1918, and the balance available for interest on the 6% Income Bonds is £384,656, which is less by £97,947 than was available in 1918. This year we can only pay 4% on the Income Bonds, and even to do this we have had to reduce our carry forward by £13,754. I need not tell you that this result is a disappointment to your board, as it was unexpected by them. In the first six months of 1919 the gross receipts of the operating companies increased faster than the expenses, and those companies were consequently able to increase their interim dividends, and consequently their payments over to your Company. In the second half of the year expenses increased much faster than the gross income. I regret to say the end is not yet. Since the close of the year expenses have still continued to rise.

I come now to the work of the allied companies. The Associated Equipment Company has large works at Walthamstow engaged in the manufacture of heavy commercial and omnibus chassis. It also provides the repair parts for the Omnibus Company. The results for the year are very encouraging. It earned a net profit of over £185,000. The operating companies carried nearly 1,400,000,000 passengers, 200,000,000 more than the previous year. They ran 159,000,000 car and bus miles, an increase of 22,000,000. They earned roundly £12,385,000, an increase of over £3,032,000. But they spent £3,134,000 more to earn it, with the net result that they were over £102,000 worse off than in the previous year. The financial results of the operating companies were unsatisfactory. The Omnibus Company fell £424,000 short of meeting its expenses, and, taking all the ten companies together, an increase of 32% in receipts is met by an increase of 37% in the cost of earning them. The share capital of the ten companies is £30,650,222. The amount available for dividends upon this capital was £798,192, equivalent to an average dividend of 2.72%, and out of this £798,000, £566,000 is due to the single item "Government compensation." This sum is of the nature of a subsidy, and if it were withdrawn, as you will

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see, there would have been left some £200,000 to pay dividends on over £30,000,000 share capital. The outlook for 1920 shows no improvement, but indicates that the position will become steadily worse. The Tramway Companies results are even more unsatisfactory.

It has been asserted in some quarters that the capital of these companies is partly or even largely fictitious, what is commonly called "water," and that the Underground is endeavouring to increase fares in order to pay dividends on this watered capital. I desire to say in the most emphatic manner possible that these allegations and assertions are untrue. (Hear, hear.) I and my co-directors will welcome any investigation into the history of these undertakings, for we know that the result will be to prove that these suspicions are entirely unfounded. (Hear, hear.) These railways are, as you know, at this moment, inadequate for the traffic which needs to be carried. The companies are doing what they can to meet the situation. There are essential improvements needed, and we are ready to go ahead with our full programme of important extensions and improvements immediately. But at this moment there is one insuperable obstacle. Until the position is altered it is hopeless to contemplate raising the money. But this is not all. The £6,000,000 is only the beginning. It will only produce additions to and improvements of existing railways. London urgently needs, and in my judgment must have before long, entirely new underground railways, including at least one—probably two—high-level lines. How and where these urgently needed new railways shall be constructed will need long and careful consideration. The crucial question is not construction and location, however, but how the money required is to be raised. The Associated Companies are promoting two sets of Bills in the present Session of Parliament. The subjects dealt with are (*a*) in the first place, the extension and improvement works of which I have already spoken, and, secondly, and far more important, the increase of the maxima now fixed by statute for our fares. For the current year it is estimated that without including the Government subsidy, and to provide for increased working expenses, adequate sums for renewals and depreciation, interest on the Guaranteed and Preference stocks, and only 4% on the Ordinary shares, it will be necessary for the operating companies to increase their revenue by £2,680,000. And this is estimated on the assumption, already untenable, that no new burdens will be imposed upon us.

Mr. H. A. Vernet, the Deputy-Chairman, seconded the motion, and, the Chairman having replied to questions, it was carried unanimously.

The retiring directors and the auditors have been re-elected..

HARROD'S STORES, LIMITED.

THE thirtieth annual general meeting was held on March 5 on the Company's premises, Brompton Road, London, S.W. 1.

Sir Alfred J. Newton, Bart., who presided, and moved the adoption of the report and accounts, said the results of the past year's trading were most satisfactory. Although the Company had not been free from difficult, even anxious, times during the year, the balance sheet showed increased strength and substantial progress. The net profit amounted to £583,635, which included the profits for the half-year ended January 31, 1920, of the Manchester business of Kendal, Milne and Company, acquired by this Company in July 1919. In the balance sheet, under the heading of capital and liabilities, there were three items representing the Company's total liabilities to the public, for which they could conceivably be called upon to make payment—namely, deposit and current account balances in their banking department, sundry creditors, and loan from bankers, making a total of £2,515,175. Against these they had assets totalling £7,705,146, all of which were free and unencumbered, so that, for every £1 they owed, they had more than £3 to to meet it—a highly satisfactory position. The past year had been one of their most eventful years, evidencing financial strength and commercial progress without parallel in the history of the Company. For many years this business had been making records in respect to annual increases in total turnover. Last year had eclipsed them all, as they were able to report the magnificent increase on the previous year of £1,850,000, and this excluded Manchester returns. He thought he was correct in saying that such an increase had never even been approached by any retail business in the United Kingdom.

From the reserve fund a sum of £532,779, representing the item created by the conversion of the founders' shares into Ordinary shares, and the value of the goodwill of the business of Kendal, Milne and Company, Manchester, had been written off. Notwithstanding this reduction, the reserve fund stood at £1,763,670. In addition to the share capital of £2,625,000, their large reserves were also employed in the business of the Company. The investments as set out were of the value of £982,548, but the 54,000 Buenos Ayres Deferred shares were taken in at cost—namely, £2,700, whereas the market value stood at over half-a-million.

Having referred to the formation of a separate Company called Harrods (Continental), Limited, the Chairman said that the acquisition of the business of Messrs. Kendal, Milne & Co., of Manchester, was carried out on very favourable terms. From his personal interviews with heads of departments in Manchester he was satisfied that all were impressed with the firm conviction that their interests would not in any way suffer by the change, and that the business under its new management would achieve still greater prosperity. Negotiations in respect to Swan & Edgar were in progress, but he was not in a position to give any detailed information. Dickins and Jones, Limited, was making most satisfactory progress. The profits in 1914—the year of purchase—were £68,597, and for the year to January 31, 1920, they were £130,191. (Applause.) The Directors proposed to pay a final dividend of 15% on the total issued ordinary capital of £1,425,000, and to carry forward £218,890, subject to excess profits duty, London and Manchester, if any.

Capitalisation of Reserves.

The directors referred in their report to the question of capitalising a portion of the reserve fund, with a view to bringing the nominal capital of the Company more into harmony with the actual capital employed in the business, and they asked the shareholders' endorsement of their recommendation to create and issue 475,000 fully-paid £1 shares to be distributed among the holders of Ordinary shares in the proportion of one fully-paid Ordinary share in respect of every three Ordinary shares now held. Notwithstanding the distribution of these bonus shares, they confidently anticipated that the dividend for the current year would be maintained. The directors were asking the shareholders to authorise an increase of the Company's Ordinary capital by 700,000 shares. This figure, of course, included the 475,000 bonus shares referred to, and the balance would be utilised to meet future developments.

The Company's Aim.

Sir Woodman Burbidge, Bt., C.B.E. (Managing Director), in seconding the motion, said there was a very bright future before the Company. There was no doubt they were going to show a very big increase in trade during the next twelve months, and for many years to come, and he could conscientiously say that the business was only in its infancy. The great thing the directors had in their minds was how to keep prices down, and the only way to do this was by centralising the purchase and distribution of merchandise, which should be on a scale large enough to ensure obtaining the best results.

The motion was carried unanimously, and the dividends recommended were declared.

Resolutions were afterwards passed increasing the capital, altering the articles of association with a view to the issue of bonus shares, and changing the name of the Company to Harrods, Limited.

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By Order,
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The Statist.

LONDON, SATURDAY, MARCH 13, 1920.

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The Money Market.

Friday, March 12, 1920.

	Current Rate %	Current Rate Fixed	Previous Rate %	Previous Rate Fixed
Bank of England Rate...	6	(Nov. 6,'19)	5	Apr. 5,'17
Deposit Rates:—				
Banks & Discnt. Ho. (Call)	4	(Nov. 6,'19)	3½†	Oct. 6, '19
Discount Houses (Notice)...	4½	(Nov. 6,'19)	3¾	Oct. 6,'19

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.

† Foreign and Colonial banks give Special Rates only upon deposits for a year

Discount Rates:—	60 Days. %	3 Mos. %	4 Mos. %	6 Mos. %
Treasury Bills	—	5½	—	5½
Bank Bills	$5\frac{11}{16}-\frac{3}{4}$	$5\frac{11}{16}-\frac{3}{4}$	$5\frac{7}{8}-\frac{15}{16}$	$5\frac{15}{16}$-6
Trade Bills	—	6¼	6½	6¾

An outstanding feature of the week was the sudden recovery in the New York exchange, which yesterday touched a point 62c. higher than the lowest quotation reached during February. The initial impetus to the rise was given by the announcement that the British and French Governments had decided to repay the Anglo-French Gold Loan of $500,000,000 maturing on October 15 of this year. It will be remembered that this loan was floated in October 1915 on the joint and several liability of the British and French Governments. The issue was on a 5% basis, both principal and interest being free of British and French taxation, and payable in New York in United States gold coin. The bonds are redeemable at par on October 15, 1920, but holders have the option of converting on any date before April 15, 1920, or (provided that notice be given not later than that date) at maturity, par for par, into 15-25-year Joint and Several 4½% bonds of the Governments of the United Kingdom and the French Republic. The Chancellor announced in the House of Commons that preparations were already being made

for repaying the loan by the purchase of Anglo-French bonds at a price considerably under par, and reports from Wall Street indicate that such purchases were very heavy, purchases of as much as £20,000,000 being reported. But in addition to such purchases direct gold shipments to New York between this and October next are being prepared, and, indeed, large quantities of the metal are reported to be already on the seas. As to the origin of this gold, it has been suggested that from 32 to 40 millions of it came from Germany after the Armistice in payment for foodstuffs, and was earmarked by the Treasury for shipment to United States. Besides payments in connection with the Anglo-French Loan, South African gold is also being bought in the market here and sent to America for the account of the Federal Reserve Banks, whose reserves have been abnormally low for some time past. At any rate, from whatever sources the gold enters the United States, it is evident that its ultimate effect will be to relieve the strain of the Federal Reserve Banks and, consequently, to bring about easier conditions in the Wall Street Money market, and thus give a fresh impetus to speculation. When the fact of the impending gold shipments became known in New York a veritable panic ensued among "bear" operators, and there was a rush for cover; sterling was bought up eagerly and the rate jumped precipitately. As to the future course of the exchange, it is evident that the influences which produced a rise in the rate during the week are at best transitory and do not indicate a fundamental or permanent improvement in our position relative to the United States. That is, to say, so long as the movement of gold from this country to the United States continues, with its concomitant of a favourable situation for "bull" operators in Wall Street and the probability of a further extension of credits to Europe on the part of the United States, the upward movement in sterling will be maintained, but when the influences acting at present are removed it will fall again, unless in the meantime our adverse trade balance with America is reduced.

The tendency of the Money market, though rather irregular on Monday on account of large disbursements in respect of railway dividends, was on the whole fairly easy during the week. In the early part of the week the quotations ranged from 4½% down to 3%, but the bulk of the business was done at about 4%, though unemployed balances were on offer at as low as 2½%. On Thursday the demand was stronger at 4½% to 4% on account of payments in connection with the revenue collections, but there was no market scarcity in the supply of floating credits, and closing balances were offered at 3%. The demand for weekly fixtures was rather more pronounced at 4¼% to 4½%. In the Discount market the tone became latterly rather easier, though there was no notable change in quotations. On Monday business in June maturities was reported at as low as 5⅝%, though the ruling rates were from 5⅛% to 5⅜%. The banks bought short-dated securities pretty freely and April paper was taken at 5⅝% yesterday, though some business was done at 5½% earlier in the week.

In the Foreign Exchange market movements were very rapid, the general tendency being towards an appreciation of the pound sterling. Following last Friday's quotation of $3.62 for the pound sterling, the rate slumped on Monday to 3.55, but quickly recovered afterwards. Yesterday the rate at one time touched 3.82½, but closed lower, though with a substantial improvement for the day at 3.76½. Another important feature was the large appreciation of the German mark, the rate falling from 352 on Friday last to 267½ on Wednesday, and again to 257½ on Thursday. Doubtless sentiment was impressed by the intention of allowing Germany to float an international loan adumbrated in the manifesto of the Supreme Council. Considerable speculation in the mark is reported from Wall Street. Finnish marks also improved to 65 yesterday. French and Belgian francs continued their recent improvement, and in spite of a set-back on Tuesday are substantially lower for the week. The Dutch florin moved considerably in our favour, but a strong reaction set in yesterday. The South American group generally moved in our favour in sympathy with the dollar. Following the fall in the price of silver the Shanghai rate dropped sharply, yesterday's quotation being 7*s*. 10*d*. the tael, a drop of 9½*d*. on the week.

The revenue for the week ending March 6, according to the latest Public Income and Expenditure Account, is £56,440,622. This figure is more than 19 millions over the revenue for the preceding week and 22 millions over the revenue for the corresponding week last year. On examining the sources of this abnormally high revenue, however, it becomes apparent that it is mainly due to "miscellaneous" receipts of over 19 millions, as against only 2 millions under this item in the preceding week, and but indicates the pursuance of the policy announced by the Chancellor in the House of Commons recently, whereby income would be made to balance expenditure by the sale of disused war assets. But though it would be preferable to see the accounts for the year balanced without the help of such sales, it is obvious that their inclusion in current revenue has one desirable effect, and that is that by their means a steady reduction in the floating debt is made possible, and occasionally, as is the case for last week, they help the Government to meet abnormal expenditure during any particular week without having to resort to further borrowing on Ways and Means Advances. This week, for instance, disbursements of nearly 20 millions had to be made in respect of interest on war debt, while expenditure on supply services was nearly 31 millions, as against under 19 millions during the previous week. Thus the ordinary expenditure for the week was over 50 millions, and it becomes apparent that such an unusually heavy demand on the Exchequer would have to be met by an increase in the floating debt were it not for the large receipts above-mentioned from the sale of Government assets. As a matter of fact, for the week under consideration a net reduction was effected in the floating debt to the extent of £13,423,000 in Treasury bills and £2,400,000 in the amount of Ways and Means Advances outstanding. Besides this reduction in the floating debt "other debt" under the War Loan Acts was reduced by £1,259,143. Another feature worthy of note is that a further sum of £12,850,000 was transferred to the Exchequer during the week in connection with the recent 5¾% Exchequer Bond issue, which brings the total cash subscriptions up to £66,400,000—a sum higher even than that given by the Chancellor in the House recently. The total income being £131,192,905, and the total outgo being £132,174,856, the balances in Exchequer were reduced by £981,961 to £3,599,624.

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The Currency Notes Return for the week ended March 10 reveals a slight increase in the total of currency notes and certificates outstanding. Fresh issues totalled £6,875,051, against cancellations amounting to £6,213,569, thereby adding £661,482 to the total outstanding, which now consists of notes, £299,598,935, and certificates, £27,930,000. A further addition of £200,000 has been made to the Bank of England notes in the Currency Note Redemption Account; nevertheless, the ratio of Bank of England notes and gold to currency notes is a trifle lower for the week at 10.15%. As a result of these movements the fiduciary issue has gone up by £461,482 to £294,890,417.

BANK OF ENGLAND.

A VERY favourable Bank return has been published this week. The remarkable growth in the revenue as evidenced in the latest official return, in conjunction with the very satisfactory response to the Exchequer Bond issue, the cash subscriptions to which have exceeded £66,000,000, enabled the Government to reduce their debt to the Bank by £12,334,000. A slight reduction of £275,000 brings the total of other securities down to £92,057,000. Public deposits have been depleted by £3,884,000, probably in connection with the payment of interest on war loans or the repayment of advances on the credit of Ways and Means. A drop of £8,073,000 in other deposits to £127,339,000 bears evidence to the fertility of the revenue collections. This double depletion of public and other deposits reduces the total liabilities to £145,910,000, as compared with £157,867,000 last week. Meanwhile the addition of £2,391,000, which raises the total bullion to £115,989,000, coincides with an increase of £1,732,000 only in the note circulation. And of this increase an amount of £200,000 has been definitely ear-marked for the Currency Note Redemption account, in accordance with the recommendation of the Cunliffe Committee. Thus the reserve has been increased by £659,000 to £31,552,000. With an increase in the amount of the reserve coinciding with a rather marked decrease in the total of liabilities, the ratio of the reserve to liabilities has moved up 2% to 21.6%.

BULLION.

MOVEMENTS in the Silver market were more violent during the week than has been the case for some time past. These movements, however, were for the greater part nominal, and merely represented an adjustment of the London quotations to the parity with America. Nevertheless, the ordinary factors influencing the supply and demand were of a nature to depress the price during the week quite independently of the exchange factor, for the rise in the dollar-sterling rate brought about a selling rush from the Continent, which, incidentally, is making it very difficult for the French Government to conserve the silver coinage. At the same time the buyers on Chinese account showed a disposition to await developments, induced partly by the fall in the Eastern currencies, and also perhaps by the expectation of a still lower price. It may be noted that, though China still dominates the market, her influence has shown a tendency to weaken ever since the opening of the Chinese New Year. Nevertheless, considering the very eccentric nature of her demand, predictions as to the future course of the market must necessarily be vague. It can hardly be doubted, however, that the Chinese demand, representing as it does the demand of practically the whole of Asia, is bound to continue as long as her ability to buy the metal, as represented by her favourable trade balance, continues. Meanwhile, should the price of silver go much lower, it is more than probable that buying for Indian account will again become a potent factor in the market.

The quotations for spot fell rapidly from 78¾*d.* per ounce on Monday to 69⅞*d.* yesterday, yesterday's fall alone being 5⅛*d.* per ounce. The forward quotation, on the other hand, showed a tendency to resist the general movement, for while on Monday the discount for two months' delivery disappeared altogether, yesterday the forward quotation was even higher than the cash price at 70½*d.* per ounce. This was undoubtedly due to the selling pressure for cash from the Continent, but also it may be taken to indicate the market opinion as to the future course of quotations. Thursday's quotations for cash and forward delivery were respectively 13⅞*d.* and 13⅝*d.* lower than those of the preceding Thursday. To-day's prices are 70*d.* cash and 70½*d.* forward.

On account of the strength of the American exchange the price of gold also was nominally marked down, Thursday's quotation being 107*s.* 2*d.* per oz. fine. Business was more active during the week than it has been for some time past. India still withholds from the market, but some shipments to the United States were reported. South America and the Straits were the other buyers. To-day's quotation was 112*s.* 1*d.* per oz. fine.

NEW YORK.

THE weekly average statement of the members of the New York Clearing-House Association shows a further loss of $1,240,000 in the average gold holdings of the members of the Federal Reserve Bank. The steady reduction in loans, which has been a feature of the statement since the beginning of the year, is repeated in this week's returns, the decline in the average figure for the week, as compared with the previous week, being $1,240,000. Net time deposits expanded by $35,570,000, and net demand deposits by $1,110,000, and the aggregate reserve was $790,000 lower, with the result that the average excess reserve is $5,390,000 lower. The actual position at the end of the week, however, is much more unfavourable than the average figures would indicate, for the excess reserve on March 6 stood at the unprecedentedly low figure of $2,700,000, which represents a decline during the week of over 38 million dollars.

The weekly statement of the New York Federal Reserve Bank, issued on March 6 shows a decrease of $18,390,000 in gold reserves during the week, a decrease of $67,480,000 in total net deposits, and an increase of $5,420,000 in note circulation. The ratio

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of total reserves to net deposit and Federal Reserve note liabilities combined is only 38.1%. The actual figure for the gold reserves is $164,830,000, for net deposits $743,480,000, and for the Federal Reserve note circulation $831,690,000, so that the gold reserves have fallen far below the legal requirements.

The position of the 12 Federal Reserve Banks combined, however, is much more favourable, and the weekly statement of the Federal Reserve Board shows that the position, though still very weak, has yet slightly improved since the previous week. The total gold reserves have been reduced still further by $29,760,000, though other reserves have increased slightly. On the other hand, deposits are about 42 millions lower, and the actual Federal Reserve note circulation is $7,960,000 under the previous week's figure, the result being that the ratio of total reserves to the combined deposit and Federal Reserve note liabilities is fractionally higher at 42.6%.

The conditions in the Money market were easier during the week than of late, call loans ruling at from 7% to 8%, and as a result speculation in stocks has received a fresh impetus, which is accentuated by the reports of engagements of gold in London for shipment to New York. Prime mercantile paper was quoted yesterday at 6½% to 6¾%.

Stock Exchange.

The Stock markets opened the week in a fairly cheerful condition with a good accumulation of orders, but later on business was on an extremely restricted scale, and prices generally showed a sagging tendency on account of a marked scarcity of buyers, though no general selling pressure became evident. The Gilt-edged section set a good example to the other markets in the early part of the week, but became depressed subsequently when the large impending new issues, including Corporation loans, became known. Prices did not seem to be helped much by the overwhelming vote against "direct action" at the Trades Union Congress. The decision of the Governments concerned to repay the Anglo-French loan impressed sentiment favourably with regard to the national finances, but had little appreciable influence on prices. As a result of the foreign exchange movements stocks with an international market were automatically marked down.

Considerable support was afforded to the Gilt-edged section in the early part of the week and prices generally rose. On Tuesday Consols were marked up at 49¾, War Loan Fives at 89, and the Fours at 97¾, Funding Loan at 80, India Threes at 49¾, and India Three and a-Halfs at 55¾. In the depression which set in afterwards, however, Consols lost ¼, War Loan Fives ⅜, and Funding Loan 1. Bank of Englands declined to 186½. Indian issues were unchanged. Movements were small in Colonial issues, but the tone was weak. New South Wales 5¼% lost a point, Canada Fours ½, Natal Three and a-Halfs ½, West Australia Fours ½, and Union of South Africa Four and a-Halfs ½. In the Foreign market Belgian Threes showed strength with a net rise of a point. Japanese, French, and Chinese issues declined.

Prices were inclined to sag in the Home Rail market. Great Northern Deferred was rather weak yesterday at 33½. Lancashire and Yorkshire declined to 64, and London Brighton and South Coast Deferred to 53¼. London and North Westerns were marked down to 89½, Midland Preferred receded to 56, and the Deferred to 37.

Argentine Rails were dull. The traffic receipts of the San Paulo, Buenos Ayres Great Southern, and Buenos Ayres Great Western lines show further improvements at £15,862, £65,000, and £12,000 respectively. Argentine North Easterns fell to 36, Entre Rios Ordinary to 45, and Leopoldinas to 47¾. In connection with the improvement in the dollar exchange above mentioned, Canadian Pacifics fell to 164 yesterday.

With the exception of the Textile department the tone of the Industrial section was distinctly dull. Business was on a small scale, and prices generally fell, though movements were unimportant. Cements and Dunlop Rubbers declined in the absence of support. Imperial Tobaccos were firm. Nitrates were weak, with the exception of Rosarios and Pan de Azucars, which were marked up 10¾ to 21⅛ respectively. In the Textile section Amalgamated Cottons were marked up to 6½, Calico Printers to 45*s.* 9*d.*, Bradford Dyers to 3⅛, British Cotton and Wool Dyers to 13*s.* 9*d.*, and Bleachers Ordinary to 56*s.* 9*d.*

Little attention was directed towards the Oil market during the week. There were strong rumours circulating as to big impending amalgamations among certain American companies, which, however, have not so far been confirmed. Regarding the negotiations which have been taking place for some time for the absorption by the Scottish-American Company of the Trinidad Central Oilfields Company, it is announced that the proposals will shortly be put before the shareholders of the latter concern. The offer to the Trinidad Central shareholders is £4 10*s.*, including cash and shares in the offering Company, the proportion being 2¼ for each share held. As was anticipated, the recent issue of Tankers was largely over-subscribed, subscribers receiving only a tenth of their applications. The shares give good promise of popularity, and were quoted at a small premium on Thursday.

PRICES OF COMMODITIES.

"THE STATIST'S" INDEX-NUMBERS.

(In Continuation of Sauerbeck's Figures.)

The rise in the cost of living both here and abroad, instead of abating, seems only to gather momentum as the weeks pass. Our index-number for February gives point to the general complaint and anxiety about soaring prices. The number is designed upon 45 representative commodities, the average prices of which for the years 1867 to 1877, both inclusive, are taken as being equal to 100. At the end of January our total number stood at 245.3, which in itself constituted the greatest advance on record for any one month. The index-number of prices at the end of February shows a still more remarkable increase, a rise of 15.1 points having taken place, thus bringing the total number up to 260.4.

International Wholesale Prices.

	Index-Numbers				Expressed as a Percentage of 1913			
	U.K. ("Statist")	America (Bradstreet's)	Japan (Bank of Japan)	France	United Kingdom	United States	Japan	France
1913...	85·0	9·2115	132·2	115·6	100·0	100·0	100·0	100·0
1914...	85·0	8·9034	126·3	117·9	100·0	96·7	95·5	102·0
1915...	108·0	9·8530	127·8	161·6	127·1	107·0	96·7	139·8
1916...	136·0	11.8237	154·9	217·6	160·0	120·3	117·2	187·0
1917...	175·0	15·6385	196·4	302·4	205·9	170·0	148·5	261·6
1918...	193·0	18·7117	259·0	392·1	227·1	203·2	197·0	339·2
1919								
Jan....	190·7	17·6344	283·2	401·8	224·4	191·5	214·2	348·0
Feb....	187·5	17·2244	281·6	393·5	220·6	187·1	213·0	340·0
March	184·7	17·2795	272·0	388·1	217·3	187·7	206·3	336·6
April	184·6	17·2576	273·2	384·0	217·2	187·2	206·6	332·0
May....	194·6	18·0900	283·7	375·8	228·9	196·5	214·6	329·0
June....	199·8	18·8964	301·6	380·0	235·0	205·2	228·1	329·0
July....	206·4	20·0017	326·8	403·0	242·8	217·2	247·2	349·0
Aug....	212·7	19·4720	331·5	401·7	250·2	211·5	251	347·0
Sept.	211·8	19·5215	339·2	416·2	252·7	211·9	257	360·0
Oct....	224·3	19·9026	357·7	441·4	261	216·3	271	382·0
Nov....	231·0	20·1756	370·1	468·5	272	218·4	280	405·0
Dec....	235·2	20·3658	—	479·5	276	220·6	—	417.0
1920								
Jan....	245·3	20·8690	—	—	288	228·7	—	—
Feb....	260·4	· ·	—	—	306·3	—	—	—

Index-numbers for some of the principal foreign countries, shown above, correspond in their general tenor with price movements in this country. Bradstreet's number for February 1 indicates a new high

level of prices in the United States. Raw and manufactured textiles, especially cotton goods, were largely responsible for the increase. Food prices, leather and miscellaneous materials, including building materials, showed a tendency to decline, and the general hope prevails that prices of textiles and manufactured products generally will ultimately follow suit. While in this country we have not yet seen anything like a tendency for the general level of food prices to fall—as a matter of fact, the rise for February in the index-number for food is greater than the rise in materials—it is worth while to reiterate our observation of last month that materials have during the last six months or so shown a more persistent tendency than food to advance in price.

The following table illustrates the advances which have occurred in the different categories of commodities as compared with a year ago and with June 1914:—

	—Monthly Index-Nos.—				—+or—% Feb. 1920 on—		
	Feb. 29 1920	Jan. 31 1920	Feb. 28 1919	June 30 1914	Jan. 1920	Feb. 1919	June 1914
Veg. Food ...	206·2	190·4	173·6	66·5	+ 8·2	+18·7	+210·0
Animal Food	236·4	229·3	225·2	97·5	+ 3·0	+ 4·9	+142·4
Sugar, Coffee & Tea ...	222·2	190·7	118·8	51·8	+16·5	+87·0	+328·9
Foodstuffs ...	**220·7**	**204·8**	**181·1**	**74·8**	**+ 7·7**	**+21·8**	**+195·3**
Minerals ...	295·4	282·8	172·8	96·7	+ 4·4	+70·9	+205·4
Textiles ...	301·2	288·1	203·7	80·6	+ 5·5	+29·3	+277·4
Sundries ...	244·8	260·3	196·4	82·5	+ 5·5	+39·9	+233·0
Materials ...	**283·4**	**274·9**	**192·4**	**85·7**	**+ 5·2**	**+50·4**	**+237·6**
Total ...	260·4	245·3	187·5	81·2	+ 6·1	+38·8	+220·6

The increase in the general price-level since June 1914 amounts to 220.6%, while the rise since February of last year is 38.8%. During last month alone an advance of over 6.1% is recorded. Such figures require no comment.

The rise in foodstuffs has been 7.7%, the principal contributor being the group "Sugar, Coffee, and Tea," the latter having more than recovered last month's decline. Barley, oats, and potatoes have also risen somewhat. The controlled price of maize is unchanged at 105*s.*, but a reduction is understood to be due on Monday next. The prices of butter and pork have gone up, but beef and mutton show no change. The mineral group shows an all-round increase, the advance in the average export price of coal being especially notable. English lead comes second in prominence, copper and iron bars show rises of some dimensions, while Scotch pig and Cleveland remained stationary. The price of tin rose appreciably, a movement which is ascribed to speculative operations. Advances in the quotations for cotton, wool, and silk are mainly responsible for the increase in the index-number for textiles, but jute has also been active as a result of movements of the rupee exchange.

With the single exception of palm oil, no decreases have taken place in the section "Sundry Materials." The prices of hides and leather have moved up, the average import price of imported leather shown by the Board of Trade returns for February being the outstanding factor. Seeds, petroleum, nitrate, and soda all show well-marked advances, but indigo is unchanged. Timber shows a slight advance, despite a very remarkable increase in the quantity of pitprops and pitwood and other cheap qualities of timber imported during February.

The following table affords a comparison of movements of the index-number during the last century and, in greater detail, since June 1914.

—Annual Numbers—		—End-of-Month Numbers—					
Year							
1809 [Jevons'...	189	June '14 ...	81.2	Aug.'17 ...	175.7	Jan. '19 ...	192.1
1810 adjusted...	171	Dec. „ ...	118.4	Oct. „ ...	180.6	Feb. „ ...	187.5
1818 Figures	159	Jan. '16 ...	123·6	Nov. „ ...	182.9	Mar. „ ...	184.7
1873	111	Mar. „ ...	130.4	Dec. „ ...	185.1	May „ ...	194.6
1880	88	April „ ...	134.2	Jan. '18 ...	186·2	June „ ...	199.4
1896	61	Oct. „ ...	141.5	Feb. „ ...	187.3	July „ ...	206.4
1911	80	Nov. „ ...	150.8	Apr. „ ...	189.8	Aug. „ ...	212.7
1912-13-14 ...	85	Dec. „ ...	154.3	May „ ...	191.1	Sept. „ ...	214.8
1915	108	Jan. '17 ...	159.3	July „ ...	192.9	Oct. „ ...	224.3
1916	136	Feb. „ ...	164.0	Aug. „ ...	195.9	Nov. „ ...	231.0
1917	175	April „ ...	173.0	Oct. „ ...	197.8	Dec. „ ...	235.2
1918	193	May „ ...	175.0	Nov. „ ...	195.3	Jan. '20 ...	245.3
1919	206	June „ ...	180.4	Dec. „ ...	196.0	Feb. „ ...	260.4

Mining Topics.

The Kaffir market, in view of the pending South African elections, the decline in the gold premium, and the poor returns for February, remained in a state of depression during the week. A relapse in the price of tin kept this market quiet, with the exception of Killifreths, which spurted to 31*s.* 6*d.* on rumours of the discovery of rich ore. Anglo-Continentals at 29s. 3d., and Naraguta Extended at 16*s.*, also found support.

TONGKAH HARBOUR TIN-DREDGING COMPANY.

Years ended Sept. 30	Ground Dredged Cubic Yards	Tin Oxide Produced Tons	Av. Yield per Cubic Yard Lb.	Av. Value per Cubic Yard d.	Av. Total Cost per Cubic Yard* d.	Av. Profit per Cubic Yard d.	Value of Tin Output† £	Net Profit £
1916...3,363,750		1,076	0·717	8·204	4·636	3·568	114,993	10,808
1917...3,682,550		1,188	0·723	9·439	4·103	5·056	144,845	67,923
1918...3,383,250		1,314	0·870	15·717	5·021	10·696	221,561	118,920
1919...3,208,350		1,149	0·802	12·969	5·949	7·020	170,796	75,548

* Excluding depreciation. † Excluding royalty.

The report of this Company for the year ended September 30, 1919, is, from all points of view, decidedly satisfactory. Owing to the high cost of labour and material the directors were obliged to postpone an order for a seventh dredger. Moreover, they were forced during the year to overhaul several of the dredges in use, and this, in conjunction with the shorter hours worked, was primarily responsible for the decline in the output of tin oxide. Again, the increased cost of labour and material raised the average cost of production per cubic yard from 5.021*d.* to 5.949*d.* And, in addition, the average price secured for tin ore during the year fell to £149, as compared with £169 in the previous year. The result was to leave a net profit of £75,548 for the year under review, as compared with £118,920 for 1917-18. By drawing on the substantial balance of £106,748 brought forward from the last accounts four dividends were paid to shareholders during the year, amounting in the aggregate to 55%, as compared with 50% in 1917-18 and 25% in 1916-17, the total sum required to pay such dividends being £82,500. The gross income of the Company for 1918-19 amounted to £93,848. Charges against this, in addition to the above dividend, included £14,910 in respect of depreciation on buildings, plant and machinery. The balance carried forward to the next accounts is £97,321. For the current year the high price of tin, especially since the beginning of 1920, should prove very advantageous to the Company and should do far more than counterbalance the rise in the cost of production. At the same time, the exchange situation, upon which the directors comment, will require careful handling. The current report dwells on the loss necessarily incurred in this manner, pointing out how the Siamese tical, which was worth 1*s.* 6*d.* prior to the War, had risen in value to 1*s.* 10*d.* There is, however, no reason for anticipating any serious loss in this direction, seeing that the board are alive to the of production. Arrangements have been made with the Bang Tao Company to work their properties on a royalty basis, and this should increase the output for the current year. The financial position, as disclosed in the balance sheet, is very good. Liquid assets amounting to £71,706 are available to satisfy the demands of creditors, amounting to the small figure of £1,617. The mine property stands at £100,000, whilst buildings, plant and machinery, less depreciation, are valued at £82,876. The issued capital of the Company consists of 150,000 shares of £1 each. The balance of profit and loss carried forward amounts, as already mentioned, to £97,321. The opinion of the market on the prospects of this tin mining concern is best expressed in its quotation of £3 for the shares.

MESSINA TRANSVAAL DEVELOPMENT.

It cannot be said that the report of this Company for the year ended June 30, 1919, is very cheering from the standpoint of shareholders, especially from the point of view of actual results achieved during the year. There has been a further reduction of over 10,000 tons in the quantity of ore milled. Moreover, the inclusion of an unusually large quantity of Messina development rock has lowered the grade of the ore to 3.26% Cu., as compared with 3.45% in the previous year. Then came a decline in the percentage recovery from 83% to 79.6%. All these factors resulted in a falling-off in the total shipping product, which only amounted to 4,549 tons, as compared with 6,498 tons in 1917-18, with a consequent reduction in the copper contents to 2,704 tons, as against 3,537 tons. The average price realised per ton of copper fell from £125 15*s.* in 1917-18 to £106 17*s.* 3*d.* in 1918-19. This loss was not offset by any great reduction in the costs of working, which amounted to £103⅛ per ton of copper, as compared with £105¾ in 1917-18. The final result is to replace a small working profit of the previous year by the substantial loss of £54,658, or an actual working loss of £20 4*s.* 3*d.* per ton of copper. Sundry revenue to the extent of £15,285 lowers this loss to £39,373. The main items in this miscellaneous revenue consisted of interest to the amount of £11,875, and £2,589 representing a surplus reserve in respect of South African taxes for 1917 and 1918. This relief was more than counterbalanced by payments of £11,339 in respect of Debenture interest and £35,000 in respect of redemption of Debentures. Consequently, the actual loss for the year works out at £85,712. Deducting this from the balance of £133,770 carried forward last year, there is left a favourable balance of £48,058 to be carried forward to the next accounts. A comparison of the working for the year under review with the previous four years is provided in the following tables:—

Year to June 30	Ore Sorted & Milled Long Tons (Dry)	Average Grade Copper %	Total Extraction Obtained %	Total Shipping Product (Concentrates,&c.) Tons	Average Assay Copper	Total Copper Contents Tons	Yield per Cent.
1915 ...	91,033	7·31	81·2	12,989	41·0	5,330½	5·85
1916 ...	112,043	5·43	88·8	12,794	44·8	5,732	5·1
1917 ...	147,783	3·87	89·5	10,223	50·0	5,111	3·46
1918 ...	127,434	3·45	83·0	6,498	54·4	3,537	2·77
1919 ...	117,163	3·26	79·6	4,549	59·4	2,704	2 31

Year to June 30	Value of Output £	Price* Copper, &c. per Ton £	Total Working Costs† Per Ton of Ore Treated s. d.	Total Working Costs† Per Ton of Copper £	Working Profit £	Working Profit Per Ton of Copper Output £ s. d.
1915 ...	329,282	73½	43 9	37½	129,948	24 7 7
1916 ...	559,202	109	56 7	55½	242,324	42 2 0
1917 ...	653,106	143½	52 4	75½	266,388	52 2 4
1918 ...	387,576	125¾	58 8	105⅝	13,655	3 17 1
1919 ...	224,733	106⅝	47 8	103½	54,658*a*	20 4 3*a*

* Average price on basis of which output was realised.
† Including all expenditure except realisation charges, profits tax and Debenture charges, and special writings off. (*a*) Loss.

	Years ended June 30— 1919 £	1918 £	1917 £	1916 £
Working profit	54,658†	13,655	266,388	242,324
Sundry revenue	15,285	11,540	11,773	6,451
Received on account of surrender of Canadian Agency Debentures	—	—	—	21,657
Total net revenue	39,373†	25,195	278,161	270,432
Deduct—				
Directors' extra remuneration ...	—	—	1,700	2,980
South African taxes	—	—	40,071	42,660
Excess profits tax, 1915 and 1916	—	—	—	110,000
Debenture interest, &c. ...	11,339	13,113	15,000	15,000
Debenture redemption... ...	35,000	35,000	35,000	—
Total	46,339	48,113	91,771	200,580
Balance profit	Dr.85,712	Dr.22,917	186,090	69,852
Dividends paid	—	—	36,357 (20%)	72,715 (40%)
Surplus profit	Dr.85,712	Dr.22,917	150,032*	Def.2,863
Brought forward	133,770	156,687	6,654	9,517
Carried forward	48,058	133,770*	156,687*	6,654

* Subject to balance of excess profits duty, in respect of which negotiations are pending. † Loss.

Under such conditions the absence of any dividend for 1918-19 is not surprising. Taken in conjunction with the experience of 1917-18, the position might at first sight seem very disheartening. But reviewing the actual situation, it must be admitted that prospects for the current year are much more promising than might appear from these tables. Much work was done during the past year which will only bear fruit in the future. There has been a substantial increase in the ore reserves, which are estimated at 415,589 tons, against 297,803 tons in 1917-18. Unfortunately, there has been a reduction in the grade of the ore, which only averages 3.26% of copper, as compared with 3.45%, and, according to the General Manager, it seems likely that the grade will become lower rather than higher. However, in view of the prevailing high prices of copper, in conjunction with the arrangements being made to provide more efficient smelting works, the working of such low-grade ore at a profit becomes a tangible proposition. It is announced that a special Smelting Company is to be formed in South Africa with a capital of £10,000, to be subscribed as to 95% by the Messina Company, and with a Debenture issue of £40,000, to be taken up also by the Messina Company. By utilising the most recent machinery it is possible to work the low-grade ore. The ore will be sold by the Messina Company to the Smelting Company at prices more remunerative than could be secured in any part of the world. Any profits on smelting are first to be applied to redeeming the Debentures. Afterwards 95% of such profits will accrue to the Messina Company. In this way it is hoped to produce 3,600 tons of copper annually at a cost, including carriage, of £75 a ton. Retailing this at £100 a ton—and the present price is nearer £115—there will be left an excess of revenue over expenditure of £90,000 per annum, out of which general and administrative expenses have to be met. Should this rosy estimate prove accurate the outlook for shareholders would be very bright. At the same time it is well to remember that the new plant may not be in operation for any great portion of the current year. As regards the actual mining operations, the Chairman definitely asserted that, in his opinion, the life of the mine would be comparatively short. Development work during the year under review, but more particularly since the closing of the accounts, has brought to light ore of very promising grade in K lode. A drive east on the 4th level shows ore of 3.8% over a length so far driven of 69 feet; whilst cross-cutting exposed a considerable width of 3% ore. Satisfactory results have also been attained on the Bonanza hanging-wall vein at the 16th level, where ore of 3.3% was found. As a result of this development work ore is now available containing 16,000 tons of copper, and of this as much as 13,000 tons should be recoverable by modern methods of extraction.

Reverting to the present position of the Company as seen in the latest balance sheet, sundry creditors, including Debenture interest outstanding and the balance of an advance against shipments by the National Bank of South Africa, amount to £193,246. They are almost covered by the cash balance of £64,141 and the value of concentrates and matte, which is estimated at £134,286. Other liquid assets are available to the extent of £263,768, representing mainly investments in Exchequer bonds and War Bonds and sundry debtors. Buildings, plant, and machinery, less the depreciation of £20,000 written off, despite the adverse trading of the year, stand at £31,834. The mine property account remains un-

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changed at £141,672; whilst a balance of £72,390 is outstanding in respect of deferred development charges. An agreement has been come to with the South African Government by means of which the liability in respect of the railway guarantee—that is, the payment for 10 years of any loss on the working of a defined section of the line which was to be defrayed by the Company to an extent not exceeding £35,640 in any one year—is deferred in any year in which the Company, owing to the unsatisfactory position of its revenue account, is unable to meet the whole or part of the liability. In virtue of that agreement the full amount of £35,640 for which the Company were liable in the year under review has been held over. The total contingent liability in this respect now amounts to £62,346, and whilst any portion of it is outstanding the Company cannot pay any dividend in any one year in excess of 10%. This liability, which has ultimately to be met, must detract from the otherwise bright prospects for the future. On the other hand, the Company continues to redeem its Debenture stock. During the year under review the amount redeemed exceeded £37,000, and the amount of £171,956 outstanding at the close of the accounts has been further reduced in the interval to £134,000 by the purchase of £38,000 at an average price of £91.7%. The issued capital of the Company consists of 727,154 fully-paid shares of 5*s.* each, which, in view of the general prospects, stand at a premium of 1*s.* 6*d.*

The Financial and Commercial Review of the Swiss Bank Corporation for 1919 contains an interesting investigation into the economic condition of the principal belligerent countries. It draws attention to the decline in production as illustrated especially in the fundamental industries of coal and iron, and enumerates, amongst other causes of this decline, the prevalence of strikes and the shortage of transport. An intense demand face to face with a reduced output has created a condition in which "trade and industry are literally overwhelmed with orders, which it will take several years to execute in full." Nationalisation of industry, which is now so much in the forefront, is held to be on the whole undesirable; and an appeal is made for loyal co-operation between Capital and Labour. A special section is devoted to the Foreign Exchanges and the causes of the depreciation of the exchanges of the belligerent nations are carefully examined, with the aid of an interesting chart. The money and stock exchange markets of Great Britain during 1919 are surveyed, and an illuminating table is supplied showing the yield at existing prices of the principal securities of the leading nations. Business men will be especially attracted by an elaborate commercial section where food products, textiles, metals, and miscellaneous products such as rubber are discussed from the point of view of production and distribution.

COMMERCE
AND
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TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, March 10, 1920.

Issue Department.

Notes Issued	£133,799,580	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	115,349,580
	£133,799,580		£133,799,580

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£40,387,343
Rest	3,533,011	Other Securities	92,056,616
Public Deposits	18,555,037	Notes	30,912,210
Other Deposits	127,339,396	Gold and Silver Coin	639,760
Seven-day and other Bills	15,431		
	£163,995,935		£163,995,935

Comparison with Previous Four Weeks [00,000's omitted.]

Date 1920.	Circulation	Coin and Bullion	Deposits: Public	Deposits: Other	Securities: Govt.	Securities: Other	Reserve	Ratio Reserve to Liabilities	Bank Rate *	Three Months' Bills
	£	£	£	£	£	£	£	%	%	%
Mar. 10	102,8	115,9	18,5	127,3	40,3	92,1	31,5	21·6	6	5⅛
Mar. 3	101,5	113,6	22,4	135,4	52,7	92,3	30,9	19·6	6	5⅛
Feb. 25	96,5	110,4	17,3	172,8	85,1	90,7	32,3	17·0	6	5⅛
Feb. 18	93,6	108,5	26,3	164,8	87,1	88,8	33,3	17·4	6	5⅜
Feb. 11	88,9	106,0	22,0	132,2	53,9	83,8	34,5	22·4	6	5⅛
J'y22,'14	29,3	40,2	13,7	42,2	11,0	33,6	29,3	52·40	3	2⅝

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 6%; Aug. 8, 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; April 5, 5%; Nov. 6, 1919, 6%.

Comparison of Bank Returns, Exchanges, Prices, &c.

	Mar. 12, 1920	Mar. 12, 1919	Mar. 13, 1918	Mar. 14, 1917	Mar. 11 1910
Bank of England (in £'s sterling 00,000's omitted):					
Circulation	£102,8	£71·4	£47·3	£38·1	£28,0
Public Deposits	18.5	24 3	38.4	86.4	8.4
Other Deposits	127.3	125.9	129.0	119.1	42.2
Government Securities	40.3	55.3	56.6	24.1	14.0
Other Securities	92.1	83.6	97.6	165.4	29.1
Reserve	31.5	29.5	31.3	34.2	25.7
Ratio to Liabilities	21 6%	19·62%	18 67%	16 62%	50·82%
Coin and Bullion	115,9	82·4	60,1	53.8	35,2
Money:					
Bank of England Rate	6%	5%	5%	5½%	3%
Bank of France Rate	5%	5%	5%	5%	3%
Rate 3 months' Bills London	5⅛%	3⅞-4%	3⅝-3⅞%	4⅛%.	2⅛%
Exchanges:					
Paris Cheque	49·52	26·23	27·24	27·82	25·19⅛
New York 60 days	3·73	4·73⅛	4·72⅛	4·72	4·84⅛
Bombay Telegraphic Transfers	2/5⅛	1/5⅝	1/4⅜	1/4⅜	1/4⅛
Prices:					
Consols 2½% Cash	49⅛	58	53⅛	53⅛	81⅛
French Rentes 3% Money	57·50	£4·00	57·50	61·50	99·15
Silver, London spot oz.	70d.	47⅛d.	43d.	35⅛d.	23⅝d.
Wheat, *Gazette* average qr.	72/7	72/6	72/3	78/0	32/7
Cotton, Mid Upland lb.	30·10d.	19·00d.	23·55d.	12·15d.	7·96d.
Iron, Scotch pig ton	208/0	101/0	101/0	88/6	57/7½

CURRENCY NOTE ISSUE.

Week to	Notes Issued £	Notes Cancelled £	Notes Outstanding £	Gold Coin & Bullion £	Bank of England Notes £	% of Bank Notes & Gold to Notes %
Mar. 10, '20	6,875,051	6,213,569	328,190,417	28,500,000	4,800,000	10·1
Mar. 3, '20	8,494,128	5,958,985	327,528,935	28,500,000	4,600,000	10·1
Mar. 12, '19	7,787,426	4,602,325	321,140,385	28,500,000	—	9·9
Mar. 13, '18	6,451,740	3,324,348	223,316,715	28,500,000	—	12·8
Mar. 14, '17	5,558,449	5,734,049	143,822,099	28,500,000	—	19·8
Mar. 16, '16	4,226,745	3,251,346	103,442,793	28,500,000	—	27·5

Balance Sheet, March 10, 1920.

	£		£
Notes outstanding—		Advances—	
One Pound	257,710,296	Other Bankers ...	—
Ten Shilling	42,300,121	Trustee Savings Banks	190,000
Certificates outstanding ...	28,180,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500,000
Total	328,190,417	Bank of England Notes...	4,800,000
Investments Reserve A/c ...	15,739,139	Government Securities ...	309,204,247
		Balance at Bank of England	1,235,309
Total	343,929,556	Total	343,929,556

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

1920. Week to	Revenue	Expenditure	Excess of Expenditure	Loans, Advances, &c.—Cr.	Loans, Advances, &c.—Dr.	Loans, Advances, &c.—Net +	Cash Balance
Mar. 6	£56,441	£50,249	£6,192‡	£74,752	£81,926	—£7,174	£3,600
Feb. 28	37,170	20,513	16,657‡	152,299	169,792	—17,493	4,082
Feb. 21	52,118	25,323	26,795‡	136,286	162,606	—26,320	5,417
342ds. '19-20	1,107,753	1,398,683	288,930	5,696,570	5,407,640	288,930	— 9,199
342days '18-19	782,498	2,437,494	1,654,996	6,438,355	4,796,974	1,641,381	—13,615
*Yr. '19-20**	1,168,650	1,642,295	473,645	—	—	473,645	—
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	1,682,049	12,799
Yr. '17-18	707,234	2,696,221	1,988,987	7,499,604	3,616,023	1,983,581	21,030

Principal Items of Revenue and Expenditure.

1920. Week to	Revenue: Customs & Excise	Revenue: Income Tax, &c.	Revenue: Excess Profits Duties, &c.	Revenue: Other Revenue	Expenditure: Int., &c., on Debt	Expenditure: [illegible]	Expenditure: [illegible]
Mar. 6	£4,099	£24,296	£6,590	£21,455	£19,607	£10	£30,631
Feb. 28	4,456	19,620	7,125	5,969	1,463	71	18,979
Feb. 21	10,148	21,334	7,123	13,508	5,531	282	19,510
342days'19-20	261,240	311,562	267,924	267,027	314,431	12,280	1,069,957
342days'18-19	242,115	260,571	130,047	257,649	255,162	8,626	2,173,696
*Yr. '19-20**	276,000	354,000	280,000	258,650	345,000	16,595	1,280,700
Yr. '18-19	162,220	291,186	285,028	150,587	269,964	11,380	2,297,956
Yr. '17-18	110,033	239,509	220,214	137,478	189,851	11,401	2,494,968

FLOATING DEBT. [000's omitted.]	Treasury Bills	Ways & Means Advances	Total	Natnl. War Bond Rqmts.
Mar. [6, 1920 ...	£1,056,662	£185,430	£1,242,092	£1,732,780
Feb. 28, 1920 ...	1,070,085	187,830	1,257,915	1,732,780
Feb. 21, 1920 ...	1,102,331	218,830	1,321,161	1,732,780
Feb. 14, 1920 ...	1,101,168	185,330	1,286,498	1,732,780
June 30, 1919 ...	796,150	774,237	1,570,387†	1,733,021

* Revised Budget and Supplementary Estimates. † Excess of revenue. ‡ Highest

FOREIGN BANKS.

[In £'s Sterling‡—000's omitted.]

AUSTRIA-HUNGARY	Gold	Cash Silver	Cash Total	Advances To Public	Advances To Dual Govts.	Note Circulat'n	Bills Discounted, &c.
July 23, '14 ..	£51,578	£12,141	£63,719	£7,772	—	£88,740	£31,993
Oct. 21, '19...	10,832	2,374	13,206	371,686	£1,373,083	2,013,363	240,845
Oct. 28, '19...	10,832	2,378	13,210	372,119	1,373,083	2,058,464	222,532
Dec. 7, '17...	11,000	2,300	13,300	603,990	—	739,300	117,600

BELGIUM.	Gold.	Silver	Total	Discounts	Circulation	Deposits
Aug. 6, '14 ...	£10,977	£633	£11,610	£41,925	£51,800	£6,963
Feb. 26, '20 ...	10,657	1,079	11,736	18,382	197,143	81,687
Mar. 4, '20 ...	10,657	1,074	11,731	19,184	197,638	82,000

DENMARK.	Cash Gold	Cash Silver	Cash Total	Discounts	Balance Abroad	Circulation	Deposits
July 31, '14 ...	£4,100	£341	£4,441	£6,197	£786	£8,693	£47
Jan. 31, '20 ...	12,602	188	12,790	15,094	912	26,375	1,902
Feb. 28, '20 ...	12,597	186	12,783	16,948	599	26,396	3,293
Feb. 28, '19 ...	10,400	136	10,536	3,959	5,342	23,402	920
Feb. 28, '18 ...	9,641	136	9,777	2,827	2,712	18,178	1,635

FRANCE.	Gold In Bank	Gold Abroad	Total Cash incl'g Silver	Bills	Circulation	Deposits Public	Deposits Private
July 30, '14 ...	—£165,654—		£190,667	£97,768	£267,327	£15,302	£37,903
Mar. 4, '20 ...	144,155	79,131	233,356	78,948	1,534,930	2,051	128,379
Mar. 11, '20 ...	144,170	79,131	233,309	67,012	1,538,593	1,714	126,096
Mar. 13, '19 ...	142,396	79,132	234,090	41,716	1,329,360	2,699	108,695
Mar. 14, '18 ...	133,346	81,484	225,078	42,564	993,765	1,552	103,927

GERMANY.	Cash Gold	Cash Silver	Cash Total	Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
July 23, '14...	£67,843	£16,727	£84,570	£5,279	£40,055	£94,545	£47,198
Feb. 23, '20...	54,550	1,180	55,730	616,509	1,898,163	1,976,010	592,006
Feb. 28, '20...	54,567	1,261	55,828	641,635	1,947,723	2,051,683	607,113
Feb. 28, '19 .	112,286	1,038	113,324	286,818	1,367,037	1,205,141	591,532
Feb. 28, '18...	120,342	5,839	126,181	65,761	652,857	565,541	324,502

HOLLAND.	Cash Gold	Cash Silver	Cash Total	Discounts	Advances	Circulation	Deposits
Aug. 1, '14 ...	£13,496	£249	£13,745	£13,422	£10,332	£35,660	£1,437
Feb. 28, '20 ...	52,770	782	53,552	24,733	17,899	85,745	10,677
Mar. 6, '20 ..	52,805	800	53,605	24,890	17,205	85,316	10,613
Mar. 8, '19 ...	56,412	776	57,188	9,102	15,798	84,260	5,777
Mar. 9, '18 ...	60,175	602	60,777	2,639	9,264	71,767	5,329

ITALY.	Gold	Cash Silver	Cash Total	Other Cash	Loans & Discounts	Circulation	Deposits
July 31, '14 ...	—	—	—£48,456—		£25,017	£69,204	£8,887
Dec. 31, '19 ...	£32,193	£3,004	35,197	21,538	110,071	507,671	83,394
Jan. 10, '20 ...	32,194	3,004	35,198	20,480	112,555	495,477	78,868
Dec. 31, '18 ...	32,710	3,086	35,796	15,238	65,984	368,934	63,866
Dec. 31, '17 ...	33,434	3,496	36,930	8,448	47,745	261,563	57,941

JAPAN.	Gold	Discounts	Advances	Notes	Deposits Public	Deposits Private
Aug. 1, '14 ...	£21,867	£1,829	£7,863	£32,722	£13,818	£1,521
Jan. 17, '20 ...	94,977	12,516	34,532	122,786	108,537	11,790
Jan. 24, '20 ...	94,641	13,252	34,400	125,452	112,689	8,954
Jan. 25, '19 ...	71,324	7,875	41,932	93,140	101,684	8,917
Jan. 26, '18 ...	65,411	3,101	20,162	69,780	54,034	2,466

NEW YORK BANKS & TRUSTS.	Cash Own Vaults	Loans, Aggregate Reserve	Loans, Invest.,&c.	Net Deposits Demand	Net Deposits Time	Net Deposits Total	Excess Reserve
Aug. 1, '14 ...	—	£89,888	£411,238	—	—	£397,165	£1,720
Feb. 28, '20 ...	£19,542†	112,950	1,019,144	£811,414	£49,546	865,680	5,114
Mar. 6, '20 ...	19,294†	112,792	1,018,836	818,528	49,768	871,900	4,036
Mar. 8, '19 ...	19,798†	110,516	966,804	771,464	28,896	849,974	8,318
Mar. 9, '18 ...	20,008†	104,132	877,136	722,912	40,206	855,264	7,704

NORWAY.	Gold	Balance Abroad	Norw. & For. Govt. Secs.	Disc'nts & Loans	Circulation	Deposits
July 31, '14 ...	£2,960	£1,678	£493	£4,868	£6,752	£793
Feb. 23, '20 ...	8,128	3,131	579	18,164	22,186	4,027
Feb. 28, '20 ...	8,127	3,194	579	19,030	22,717	4,405
Feb. 28, '19 ...	6,710	3,463	716	21,521	22,939	5,799
Feb. 28, '18 ...	6,525	3,458	713	19,395	17,678	9,124

PORTUGAL	Gold	Silver	Total	Discounts & Advances	Note Circulation	Deposits
Nov. 26, '19 ...	£1,906	£3,921	£5,827	£11,063	£76,570	£4,635
Dec. 3, '19 ...	1,906	3,920	5,826	10,881	74,948	7,186
Dec. 10, '19 ...	1,906	3,921	5,827	12,888	78,528	6,349
Dec. 17, '19 ...	1,906	3,921	5,827	12,954	80,275	4,860

ROUMANIA.	Cash	Discounts	Advances	Total	Circulation
Jan. 24, '20 ...	£58,449	£9,161	£2,304	£11,465	£173,982
Jan. 31, '20 ...	59,349	9,177	2,343	11,520	177,169
Feb. 7, '20 ...	60,909	8,969	2,549	11,518	179,245
Feb. 8, '19 ...	33,701	7,034	1,470	8,504	100,091

RUSSIA.	Gold In Bank	Gold Abroad	Total Cash incl'g Silver	Loans & Disc'ts	Circulation	Notes in Reserve	Total Deposits
July 21, '14...	£160,114	£14,395	£181,892	£76,081	£163,411	£6,589	£109,911
Oct. 28, '17...	129,523	230,865	378,205	1,869,559	1,836,217	15,783	345,550

SPAIN.	Cash Gold	Cash Silver	Cash Total	Loans, &c.	Spanish 4%	Circulation	Deposits, &c.
Aug. 1, '14 ...	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,955
Feb. 28, '20 ...	98,131	25,485	123,616	87,436	13,779	154,053	44,027
Mar. 6, '20 ...	98,131	25,283	123,414	87,509	13,779	154,990	43,926
Mar. 8, '19 ...	89,148	25,710	114,858	74,800	13,778	139,061	41,448
Mar. 9, '18 ...	79,911	28,171	108,082	49,364	13,777	114,767	33,985

SWEDEN.	Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
Aug. 1, '14 ...	£5,717	£6,150	£1,555	£7,495	£13,432	£3,903
Feb. 21, '20 ...	14,771	5,670	2,684	26,645	35,432	10,879
Feb. 28, '20 ...	14,735	5,790	2,684	27,991	38,085	10,180
Mar. 1, '19 ...	16,010	8,152	3,034	19,377	40,753	4,838
Mar. 2, '18 .	13,069	7,316	3,137	12,720	31,721	5,519

SWITZERLAND.	Cash Gold	Cash Silver	Cash Total	Discounts & Advances	Circulation	Deposits
July 23, '14 ...	£7,202	£758	£7,960	£4,817	£10,716	£2,026
Feb. 23, '20 ...	21,157	3,372	24,529	12,283	35,563	5,003
Feb. 28, '20 .	21,153	3,395	24,543	13,684	37,582	4,577
Feb. 28, '19 ...	16,419	2,580	18,999	19,768	35,632	3,808
Feb. 28, '18 ..	14,661	2,242	16,903	11,141	26,867	3,079

† Net reserve ‡ Converted at par rate of exchange approximately.

U. STATES FED. RES. BANKS.	Gold Held by Banks	Gold With Agents	Total Cash	Bills Discount'd	Bills Accept-ances.	Deposits. Govt.	Deposits. Net.	Circulation.
Mar. 1, '20 ..	—393,368—		416,644	490,702	106,274	26,782	376,914	603,996
Mar. 8, '20 ...	—387,416—		410,926	481,738	102,770	16,776	358,478	606,002
Mar. 10, '19 ...	171,626	256,270	441,092	377,646	54,698	39,112	360,418	497,708
Mar. 8, '19...	174,246	183,394	369,576	104,068	63,590	11,242	294,488	276,798

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed		%	Date Fixed
Amsterdam ...	4½	July 1,'15	Lisbon	5½	Jan. 15,'14
Berlin	5	Dec. 23,'14	Madrid	5	Nov.10,'19
Berne	5	Aug. 21,'19	Paris	5	Aug. 20,'14
Bombay	7	Feb. 5,'20	Petrograd ...	6	July 29,'14
Brussels	3½	Oct. 2,'19	Rome	5	Jan. 11,'18
Calcutta	5	June 5,'19	Stockholm ...	6	June 12,'19
Christiania ...	6	Dec. 18,'19	Tokio	8·03	Nov. 18,'19
Copenhagen ...	6	Oct. 7,'19	Vienna	5	Apr. 12,'15

III.—FOREIGN EXCHANGES.

LONDON ON—		Mar. 12, '20	Mar. 5, '20	Feb. 27, '20	Feb. 20, '20
Berlin	Cable	270m	348m.	337½m.	325½m.
Brussels	Cheques	47fr. 70c.	47fr. 75c	46fr. 75c.	45fr. 35c.
Denmark	Cable	21kr. 60	20kr. 75	22kr. 80	22kr. 80
Holland	do.	10fl. 15c	9fl. 60c.	9fl. 20c.	9fl. 22½c.
Italy	do.	67lr. 00	64lr. 50	62lr. 25	61lr. 25
Lisbon and Oporto	do.	13½d.	17⅛d.	17⅛d.	17½d.
New York	do.	$3 68½	$3 59	$3 37	$3 46½
—	Cheques	$3 70	$3 61	$3 39	$3 48
Norway	Cable	21kr. 20	20kr. 40	19kr. 80	19kr. 80
Paris	3 mos.	50fr. 25c.	50fr. 50c.	49fr. 10c.	46fr. 20c.
—	Cable	49fr. 55c	49fr. 75c	48fr. 35c	45fr. 50c.
Spain (Bank places)	3 mos.	54½d.	55⅝d.	60⅛d.	60¼d.
—	Cable	20p. 87½	20p. 25	19p. 50	19p. 65
Sweden	do.	18kr. 47½	18kr 35	18kr. 22½	18kr. 27½
Switzerland	3 mos.	22fr. 10c	21fr. 45c.	21fr. 30c.	21fr. 60c.
—	Cable	21fr. 80c.	21fr. 25c.	21fr. 00c.	21fr. 35c.

ON LONDON—		Mar. 12, '20	Mar. 5, '20	Feb. 27, '20	Par
Alexandria	Sight	97⅛pl.	97⅛pl.	97⅛pl.	97⅛pl.
Amsterdam	Cheques	10fl. 16c.	9fl. 66¼c.	9fl. 22¾c.	12.107fl.
Athens	Cable	47dr. 65	31dr. 37	31dr. 75	25dr. 22½
Bombay	Transfers	2s. 5⅞d.	2s. 7⅛d.	2s. 7½d.	1s. 4d.
Brussels	Cheques	47f. 65c.	47f. 82c.	46f. 77½c.	25f. 22½c.
Buenos Ayres	Transfers	63⅛d.	63⅛d	63⅞d.	47.58d.
Calcutta	do.	2s. 5⅞d.	2s. 7⅛d.	2s. 7½d.	1s. 4d.
Christiania	Sight	19kr. 79	20kr. 43½	19kr. 82½	18.159kr.
Copenhagen	do.	18kr. 47	22kr. 76	22kr. 79½	18.159kr.
Helsingfors	Cable	62m.	75½m.	77½m	25m. 22½
Hong Kong	Transfers	5s. 2d.	5s. 7⅛d.	5s. 8d.	—
Italy	Sight	67lr. 87c.	64lr. 50c.	62lr. 37½c.	25l. 22½c.
Lisbon	do.	16⅞d.	16⅞d.	17d.	53½d.
Madras	do.	2s. 8½d.	2s. 9½d.	2s. 7½d.	1s. 4d.
Madrid	do.	20p. 91	20p. 30	19p. 57	25p. 22½
Montevideo	Transfers	65⅞d.	70d.	71⅛d.	51d.
Montreal	Cable	$4 12	$4 08½	$3 90	$4 86⅝
New York	Sight	$3 75	$3 66	$3 39	—
—	60 days	$3 73	$3 63½	$3 36	—
—	Cable	$3 75⅛	$3 65½	$3 39⅛	$4 86⅝
Paris	Cheques	49f. 52c.	49f. 85c.	48f. 75c.	25f. 22½c.
Rio de Janeiro	90 days	18⅝d.	18⅛d.	18⅜d.	16d.
Shanghai	Transfers	8s. 2d.	8s. 4d.	8s. 4d.	—
Singapore	Sight	2s. 4½d.	2s. 4½d.	2s. 4⅛d.	—
Stockholm	do.	21kr. 20	18kr. 36	19kr. 21½	18.159kr.
Switzerland	do.	21f. 80c.	21f. 17½c.	20f. 99c.	25f. 22½c.
Valparaiso	90 days	14⅞ d.	14⅝ d.	15⅛ d.	18d.
Yokohama	Sight	2s. 7 d.	2s. 8½d.	2s. 3⅞ d.	24.58d.

NEW YORK ON—	Rate Current* Mar. 12, '20	Rate Current* Mar. 5, '20	Par as usually Quoted	Rate July 3.
Amsterdam, sight ...	35·75c.	36·75c.	40·20c. for 1 guilder	40·25c.
Bombay, cheques ...	46·50c.	45·50c.	32·44c. for 1 rupee	33·00c.
Buenos Aires, cheques ...	101·70	101·70		
Christiania, cheques ...	17·65c.	17·15c.	26·80c. for 1 kroner	
Copenhagen, cheques ...	17·05c.	15·15c.	26·80c. for 1 kroner	26·85c.
Greece, cheques ...	10·80c.	11·10c.	19·295c. for 1 drachma	
Hongkong, cheques ...	97c.	98c.	74·59c. for Mex. $1	46·4c.
Italy, sight	17·35l.	18·35l.	5·19½ lire for $1	5·17l.
Lima, cheques	4·65l.	4·68l.	4·8665 $ for 1 libra	
Manila, cheques... ...	49c.	49c.	50c. for 1 peso	49·8c.
Montreal	11·25% disc	12·75% disc.	Premium per $100	Par
Paris, sight	13·17fr.	14·15fr.	5·18½ francs for $1	5·16fr.
Petrograd, sight ...	—	—	51·46c. for 1 rouble	51·37c.
Rio de Janeiro, cheques	38·70c.	27c.	32·42c. for 1 milreis	
Shanghai, cheques ...	144c.	158c.	52·96c. for 1 tael	83·00c.
Singapore, cheques ...	43c.	40·50c.	56·77c. for $1	57·12c.
Spain, cheques	17·75c.	17·35c.	19·30c. for 1 peseta	
Stockholm, cheques ...	26·25c.	18·80c.	26·80c. for 1 kroner	
Switzerland, cheques ...	5·87fr.	6·15fr.	5·18½ francs for $1	5·18½fr.
Valparaiso, cheques ...	25·50c.	21·50c.	20·61c. for 1 peso	
Yokohama, cheques ...	46·50c.	46c.	49·84c. for 1 yen	49·90c.

* According to Guaranty Trust Company of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week. 1920.	Amount.	Inc. or Dec.*	1920 Agg.	Inc. or Dec.*
		[In £'s sterling 000's omitted.]			%
BIRMINGHAM ...	Mar. 6	£5,960	+ £2,713	239,913	+ £13,822	+ 5·3
BRISTOL ...	,, 6	2,267	+ 904	18,997	+ 7,006	+ 58·9
DUBLIN ...	,, 6	9,267	+ 1,446	89,934	+ 21,062	+ 30·6
LEEDS ...	,, 6	2,041	+ 807	18,000	+ 7,105	+ 63·7
LEICESTER ...	,, 6	1,587	+ 671	13,349	+ 6,075	+ 72·6
LIVERPOOL ...	,, 6	19,076	+ 8,017	186,848	+ 73,784	+ 65·3
MANCHESTER ...	,, 6	37,215	+ 19,761	336,205	+ 180,151	+ 115·4
NEWCASTLE ...	,, 6	3,736	+ 1,604	33,752	+ 14,957	+ 79·6
NOTTINGHAM ...	,, 6	1,365	+ 585	11,637	+ 4,915	+ 73·1
SHEFFIELD ...	,, 5	3,037	+ 1,239	16,264	+ 4,207	+ 34·9
LONDON—	1920.					
TOWN ...	Mar 10	652,024	+ 302,753	6,657,647	+ 2,806,891	+ 72·9
METROPOLITAN	,, 10	43,176	+ 11,182	436,205	+ 104,358	+ 31·4
COUNTRY ...	,, 10	90,302	+ 29,566	837,052	+ 244,129	+ 41·2
TOTAL ...	,, 10	785,502	+ 343,501	7,930,904	+ 3,155,378	+ 66·1

* Compared with a year ago.

V.—FREIGHTS.—According to Messrs. J. C. Gould, Angier and Co.

HOMEWARDS.	1920 Mar. 12	1920 Mar. 5	1913 Mar. 14
Alex. to U.K. ...	—	—	9/0
Aust. to U.K. ...	—	205/0	34/0
Azoff to L.H.A.R.	—	—	—
Bombay to p.p.d.w.	120/0d.w.	130/0d.w.	22/0
Burmah o.c.	—	—	26/9
Calcut.top.p.(jute)	—	—	—
Danube to U.K. ...	—	—	9/6
Odessa to U.K.	—	—	8/0
R. Plate to U.K.	185/0	190/0	22/0

Homewards.—*Cont.*	1920 Mar. 12	1920 Mar. 5	1913 Mar. 14
U.S. Atl. Ports to L'pl. (cotton, 100lb.)	—	—	42/6
U.S. to U.K. Cont.(gr.)	—	—	3 1½
Gulf Ports to U.K. Cont. (cotton&grain)...	—	—	17/6
OUTWARDS—Cardiff to			
Aden	90/0	90/0	—
Colombo	—	—	14/3
Port Said ...	75/0	77/6	11/0
River Plate ...	—	37/6	16/0
St. Vincent ...	40/0	—	9/9

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	MAR. 12, 1920.	MAR. 14, 1919.	JUNE 30, 1914
Iron—Scotch pig warrants ...ton	206/0	101/0	57/0
— Middlesbro' warrants .....ton	200/6	95/0	51/0
— Hematite warrants .....ton	260/0	122/6	61/0
— Staffordshire bars, London ton	£27 —£28	£17	£8 10
— Common bars .....ton	£24	£14 15	£6 16
Steel Rails .....ton	£19 15—£20 5	£16 17/6	£6 2/6
Galvanised Sheets .....ton	£50—£53	£29	£16 17/1
Copper—Standard .....ton	£110	£76	£66
Tin—English Ingots .....ton	£392 £239	£240	£142 15
— Straits .....ton	£388	£241	£139 10
Tinplates, I.C. Coke, S. Wales...box	80/0	33/0†	11/0½—12/0
Lead—Soft Foreign .....ton	£48 10—£50 15	£25 10—£28	£19
Spelter—Ord. Foreign .....ton	£55 - £53	£36 10—£38 10	£21 7/9
Quicksilver—(75lb.) .....bottle	£26 10nom.	£20 10	£7
Aluminium .....ton	£195	£150	£82
Antimony—Regulus Foreign ...ton	£70	£35	£27 10
— English .....ton	£72	—	—
Coal—(best) Yorkshire .....ton	23/0—24/0	23/6—24/6	17/6
— Steam (best) Newcastle .....ton	46/0—51/0	40/0—45/0	14/6
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b. Chile, per quintal	16/6	nom.	7/4
Soda—Crystals ex ship .....ton	185/0—190/0	87/6	42/6—45/0
Copra—Malay and States .....ton	£68	£33 10	£23 15—£24 7/6
Gambier—Good marks..... cwt	52/0	37/6	16/10½
Indigo—Bengal good to fine ...lb.	13/0—16/0	9/0—10/6	3/2—3/8
Linseed Oil—Raw .....ton	£127	£58	£25 5
Linseed—Calcutta, spot .....ton	£54	£23 15	£13 16/9
— Cakes, U.K. made, ex mill...ton	£25	£19	£7 17/6—£8
Olive Oil—Spanish .....tun	—	nom.	£49 10
Palm Oil—Lagos .....ton	£91 10	£47	£31 10
Petroleum—American .....gallon	2/1½	1/4½	7½d.
Rape Oil—Refined English.....ton	£137	£71	£32
Soya Oil—Refined .....ton	£136	£75	£24 10
Tallow—Imported .....cwt.	105/0—115/0	—	29/3—33/3
Turpentine—American .....cwt.	250/0	95/0	33/7½
Rape Seed—Toria.....ton	£54	£22 15	£13 5
Rubber—Para, spot .....lb.	2/6†	2/5½	2/9½
— Fine plantation (stnd. crepe) lb.	2/6†	2/0½	2/2
— World's Production* Jan. tons	30,370	20,630	8,467
Shellac—T.N. orange, fair ...cwt.	800/0	215/0—220/0	63/0—64/0
TEXTILES.			
Cotton—Middling Upland .....lb.	30·10d.	19·..d.	7·53d.
— Egyptian, good fair .....lb.	77·50d.	26·84d.	8·75d.
— Pernambuco fair .....lb.	33·60d.	19·48d.	7·73d.
— Midland Upl. New York.....lb.	41·00c.	26·10c.	13·25c.
— Stock, Liverpool (Mar. 5) bales	1,067,340	503,250	934,600
Flax—Petrograd, Yarapol .....ton	—	nom.	£28
Hemp—New Zealand .....ton	£65	£55	£25 10
— Manila, Fair .....ton	£73	£80	£26 10
Jute—First Marks .....ton	£68	—	£26 15
— Red SCO .....ton	£58	—	£24 15
Silk—Blue Elephant .....lb.	55/0	20/0	11/3—11/6
Wool—Pt. Philip unwashed av. lb.	5/6	nom.	11½d.—1/0
— Lincoln Half Hogs .....lb.	2/3†	1/7½nom.	1/0½
Hides—Eng. Ox, best, 65lb. up lb.	18½d.—19d.	9½d.—10½d.	7½d.
Leather—Dressing Hides .....lb.	4/0—4/6	2/5—3/1	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus	86,793,000	185,980,000	34,640,000
— Red, price, N.Y 60lb....bushel	237½c.	237½c.	67½c.
English Gazette, aver. 480lb. qr.	72/7	72/6	34/3
Flour—G.R. 280lb	44/3	44/3	28/6
Barley—Eng. Gaz., aver. 400 lb. qr.	97/4	69/7	25/4
Oats—Eng. Gaz., aver. 312 lb. qr.	58/11	48/6	20/0
Maize—N.Y. (new bushel) ...56lb	171½c.	151½c.	76½c.
— Amer. mixed, Liverpool...480lb.	nom.	79/9	32/4
— La Plata .....480 lb. qr.	65/0	72/0	25/9
Potatoes—Good English .....ton	302/0	195/0	70/0—75/0
Rice—Bassein .....cwt.	26/0	25/0	7/0—7/3
Tapioca—Pearl, medium .....cwt.	41/0	33/0	14/0—17/8
Hay—best .....2,018lb...load	—	176/0	82/6
Hops—English .....cwt.	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs ...8lb.	6/8	7/10—8/4	3/8—3/10
— Scotch sides .....8lb.	10/0	8/4	4/6—5/0
— English .....8lb.	10/0	8/4	4/2—4/5
Mutton—Scotch wethers .....8lb.	10/6	8/10	5/8—6/0
— English wethers .....8lb.	10/6	8/10	4/6—5/4
— New Zealand frozen .....8lb.	10/6	8/10	2/4—3/2
Pork—English and Irish .....8lb.	11/8	10/8	3/6—4/0
Bacon—Irish, delivered .....cwt.	200 6	188/0	60/0—74/0
— Danish .....cwt.	†192/0	—	58/0—68/0
— Canadian, ex Port .....cwt.	†187/0	—	—
— American, ex Port .....cwt.	†187/0	176/6	72/0—74/0
Hams—Amer. long cut, ex Port cwt.	†190/0	170/0	75/0—79/0
— — short cut, ex Port .....cwt.	†190/0	170 0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt.	†198/6	158/0	51/9—52/9
Butter—Danish .....cwt.	303/4	Controlled	117/0—120/0
— French .....cwt.	303/4	Controlled	96/0—108/0
— Australian .....cwt.	303/4	252/0	98/0—110/0
— New Zealand .....cwt.	303/4	Controlled	108/0—114/0
Cheese—Canadian .....cwt.	†145/0	Controlled	66/0—68/0
— United States .....cwt.	†145/0	183/4	—
— Dutch .....cwt.	†145/0	Controlled	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Feb. 29 ...cwt.	2,435,843	1,110,547	19,777,254
— Home consump'n, to Feb 29 cwt.	2,078, 69	2,189,234	17,272,000
— In Bond Feb. 29 .....cwt.	6,310,000	6,201,000	6,306,000
— Price, Java, 96° Pol. .....cwt.	75/0	36/0	10/3
— — Yellow crystals .....cwt.	68/0	57/9	12/6—14/0
— — Tate's Cubes, No. 1 .....cwt.	72/0	64/9	18/0
Coffee—Imports to Feb. 29 ...cwt.	122,624	64,903	720,360
— Home consumption to Feb. 29 cwt.	49,844	51,881	141,410
— Exports to Feb. 29 .....cwt.	86,065	16,527	340,250
— In Bond Feb. 29 .....cwt.	685,000	810,000	484,000
— Price, Costa Rica gd. to finecwt.	178/0—188/0	145/0—155/0	80/0—93/0
— — Brazil (Santos) Good ...cwt.	133/0—143/0	65/9	41/6
Tea—Imports to Feb. 29 .....lb.	74,131,957	62,537,893	123,230,277
— Home consumption to Feb. 29 lb.	62,515,253	43,551,718	155,447,972
— Exports to Feb. 29 .....lb.	7,083,201	1,405,196	26,561,765
— In Bond Feb. 29 .....lb.	223,192,000	147,042,000	78,292,000
— Price, Indian, Pek. Soug. gd.lb.	1/2	1/4	8½d.
— — Ceylon, Pek. Soug. Ord. lb.	1/2½—1/3	1/4	8½d.
— — Common Congou .....lb.	1/1nom.	1/4	5½d.
Cocoa—In Bond Feb. 29 .....cwt.	955,000	762,000	309,000
— Grenada, good to fine .....cwt.	135/0 —137/6	85/0	52/6—56/0

* Estimated. † Controlled.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific	Jan.	$13,915,000	+ 887,000	$586,000	— $967,000
	12 *mos. to* Dec.	156,929,000	+19391000	32,933,000	— 1,569,000
Grand Trunk	Nov.	£1,251,900	- £15,700	£103,300	— £81 800
	11 *mos. to* Nov.	12,853,900	+1,702,200	1,586,200	+ 104,400

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open.	Gross Receipts.	+ or — on Year Ago.	No. Wks	Aggregate Receipts.	+ or — on Year Ago
Assam Bengal	Jan. 31	993	R2,13,489	+ 15,347	18	32 76 219	+ 8,96,316
Barsi Light ...	Feb. 7	118	44,700	+ 11,600	46	13 28 600	+ 5,47,200
Bengal & N.W.	Jan 31	2,065	5,15,210	— 6,024	18	80,65,913	— 4,56,918
Beng. Dooars	Jan. 31	158	31,787	— 2,098	17	8,20,619	+ 1,01,804
Beng. Nagpur	Feb. 7	2,695	13,35,000	+ 83,000	45	5,49,86,276	+ 44,10,943
Bomb. Baroda	Feb. 28	2,871	21,68,000	+ 3,02,000	22	3,97,54 000	+ 21,29,000
Burma	Jan. 24	1,342	6,01,542	— 9,296	43	2,32,9 ,180	+ 24,59,634
Del Um. Kalk.	Feb. 28	239	85,200	+ 9,194	22	20,00,801	+ 1,38,524
East Indian ...	Feb. 28	2,771	28,51,000	+ 23,000	22	5 58,83,000	— 22,25,000
Gt. Indian Pen.	Feb. 28	3,121½	29,15,000	+ 4,68,307	23	5,70,56,731	+ 44,93,329
Madras & S.M.	Feb. 7	3,152	11,25,000	— 78,217	19	1,98,35,347	+ 6,38,584
Nizam's Guar.	Feb. 7	900	3,12,516	+ 30,857	19	51,90,060	+ 6,54,396
Roh. & Kumn.	Jan. 31	576	111 537	+ 6,661	18	16,55,512	— 2,51,458
South Indian	Jan. 31	1,852½	8,03,821	+ 1,19,846	44	3,31,72,281	+ 36,61,643
South Punjab	Oct.	716	6,29,697	— 1,07,922	1*m*	—	—
COLONIAL							
Can. Northern	Feb. 28	9,704	$1,052,800	+ 282,000	8	8,063,000	+ 673,200
Can. Pacific ...	Mar. 7	13,388	3,244,000	+ 775,000	9	30,367,000	+ 3,806,000
Grand Trunk	Mar. 7	3,616	£243,669	— 7,918	9	2,240,686	+ 244,525
Mashonaland	Oct.	810	79.892	+ 29,783	1*m*	—	—
Mid. W. Aust.	Dec.	277	12.327	+ 1,286	6 *m*	60.085	+ 6.890
NewCapeCent.	Feb. 14	205	3,132	+ 54	7	22,335	+ 2,757
Rhodesia Rlys.	Oct.	1,397	106.819	+ 29,789	1*m*	—	—
Temiscouata...	Oct.	—	$30,562	+ 2,154	10*m*	304,661	+ 22,504
W. Pass. & Yuk	Aug.	122	—	—	8*m*	$968,676	+ 31,021
FOREIGN.							
Argentine.							
Arg. N. East ..	Feb. 28	752	£ 12,000	+ 500	35	406,000	+ 81,600
Arg. Transand.	Feb. 28	111	£ 5,500	+ 1,080	35	97,866	— 27,144
B. A. & Pacific	Mar. 6	3,536	£ 170,000	+ 43,000	36	5,218,000	+ 1,164,000
B.A.Gt. South	Mar. 7	3,792	£ 206,000	+ 76,000	36	6,334,000	+ 1,460,000
Do.	Mar. 7	Net	£ 91,000	+ 65,000	36	2,222 000	+ 1,210,000
B. A. Western	Mar 7	1,882	£ 105,000	+ 43 000	36	3,510,000	+ 1,057,000
Do.	Mar. 7	Net	£ 29.000	+ 12,000	36	1 189,000	+ 605.000
B. A. Central	Jan.	190	£ 43,675	+ 2,467	7*m*	314,633	+ 29.827
Cent. Argent.	Mar. 6	3,305	£ 183.000	+ 46,000	36	6,303.000	+ 1,697.600
Do.	Mar. 6	Net	£ 59.000	+ 39.000	36	1,911.100	+ 1,313,200
Cord. Central	Feb. 28	1,205	£ 61.500	+ 15.960	35	2,179.600	+ 548.650
Entre Rios ...	Feb. 28	811	£ 31.400	+ 9.200	35	830.000	+ 133,500
Brazilian.							
BrazilGt.South	Jan.	110	M 58,750	— 11,660	1*m*	—	—
Brazil Railway	Dec.	3,530	M4,859.000	— 141.271	12*m*	57.772.000	+ 7,619,243
Gt. W. Brazil	eb. 28	1,010	£ 29.700	+ 9,490	9	258 330	+ 79,500
Leopoldina ...	Feb. 28	1,831	£ 64,475	+ 31,946	9	483 633	+ 246,555
Mogyana	Dec.	1,180	M 1,561,000	— 956,490	12*m*	22,267,000	— 2,474,651
Paulista	Dec.	766	M 2,650.000	— 906,038	12*m*	32,479.000	— 1,225,892
San Paulo ...	Mar. 7	153½	£ 53,192	+ 15,862	10	497,305	+ 187,393
Sorocabana ...	Dec.	1,003	M 1,749.000	— 246,168	12*m*	21,953.000	+ 976.692
S.of BahiaS.W.	Feb.	52	M 77,000	— 10,000	2*m*	181,000	+ 11,000
Chilean and Peruvian.							
Antofagasta ...	Feb. 29	838	£ 63,260	+ 35,705	8	510.225	+ 242.000
Arauco	Dec.	84½	£ 12,500	+ 500	12*m*	136,600	— 21,200
Nitrate(2wks.)	Feb. 23	390	£ 33.902	+ 13,610	8	130.401	+ 74,352
Peruvian Corp.	Feb.	1,140	S 1,122.010	+ 178,540	8 *m*	9,402,304	+ 1,428,469
Taltal	Feb.	180	£ 43.605	+ 35,543	8 *m*	171.120	+ 38,211
Cuban.							
Cuban Central	Mar. 6	362	£ 48,000	+ 17,310	36	834.915	+ 162,238
Havana Cent.	Feb. 21	70	£ 12.767	+ 1,334	34	362.005	+ 60.869
U. of Havana	Mar. 6	681	£ 84.957	+ 46,006	36	2,243.906	+ 409.647
W. of Havana	Mar. 6	155	£ 17,107	+ 13,558	36	333.387	+ 60.045
Uruguayan.							
Cent. Uruguay	Feb. 28	273	£ 23,937	+ 5,910	35	793,970	+ 42,875
" (E. Ext.)	Feb. 28	311	£ 7,571	+ 105	35	209,945	+ 31,455
" (N. Ext.)	Feb. 28	185	£ 4.145	+ 674	35	128,109	— 1,443
" (W.Ext.)	Feb. 28	211	£ 3,162	— 389	35	90,531	+ 3,313
Mid. Uruguay	Feb.	319	£ 18,511	+ 416	8 *m*	154, 15	+ 20,411
N.W. Uruguay	Jan.	113	$ 8,805	+ 1,800	7*m*	48,240	+ 2,526
Urug. Northn.	Feb.	73	£ 2,394	+ 130	8 *m*	19,531	+ 2,972
Miscellaneous							
Alcoy & Gandia	Feb. 28	33	Ps. 14,900	+ 1,700	8	99.900	+ 9,700
Bilbao	Feb.	15	£ 2.831	+ 469	2 *m*	5,233	+ 170
Bolivar	Jan.	136	£ 9.500	— 1,595	7*m*	62,928	+ 4,829
Colomb. Natnl.	Dec.	86	£ 18.040	+ 4,600	12*m*	171.120	+ 23,800
Costa Rica ...	Jan.	189	£ 27.765	+ 4,640	7*m*	173 436	+ 18,720
Dorada Ext....	Jan.	70	£ 12.000	+ 4,200	1*m*	—	—
Egyptian Delta	Feb. 20	559	£ 12.438	+ 532	46	358.070	+ 17,452
Gt. S. of Spain	Feb. 28	104	Ps. 82,103	— 53.279	9	62..601	— 595.141
La Guaira&Ca.	Jan.	22¾	£ 14.370	+ 6.265	1*m*	—	—
Ottoman Ry...	Feb. 14	379	£ 5.035	— —	—	—	—
ParaguayCent.	Feb. 28	255	£ 3.520	— 1,300	35	173,560	+ 34.950
Puerto Cabello	Jan.	34	£ 5.250	+ 950	1*m*	—	—
Salvador	Feb. 28	100	£ 8.382	+ 4,379	35	136.927	+ 58.660
Santa Fe Prov. French Rys.	Jan.	1,181	£ 154.782	— 1.077	1*m*	—	—
S'm'na&S'ti'go	Jan.	80	£ 11.260	+ 4,417	1*m*	—	—
Zafra & Huelva	Jan.	112	£ 14.121	+ 2,684	1*m*	—	—
TRAMS.							
Anglo-Argent.	Mar. 4	400	£ 88.165	+ 29.784	9	615.777	+ 158,409
Auckland Elec.	June 30	27	—	—	52	29 .502	- 2.063
Bombay Elec.	Dec.	39	R. 7,87,141	+ 1,74,980	12*m*	86,41,723	+ 16,17,940
Brazilian Trac.	Dec.	378½	M 9.739 0	+ 1,208.000	12*m*	113.07 .000	+11,180,000
Brisbane Elec.	Jan.	40½	£ 44.800	+ 6.225	1*m*	—	—
Brit. Columbia	Dec.	334	$ 783.324	+ 92,259	6 *m*	4,221,916	+ 803,821
B. A. Lacroze	Feb.	51	£ 52.468	+ 10.039	8 *m*	388 037	+ 55,478
Calcutta	Feb. 28	35½	R 89 87	+ 893	9	731 937	+ 45,791
Cape Electric	Jan.	42½	£ 33.836	+ 4,384	7 *m*	178 161	+ 15,636
Carth. & Herr.	Feb.	9	£ 4.002	+ 1,657	2	5,756	+ 2,750
Chatham&Dist	Feb. 26	15	£ 1.44	+ 144	8	11,500	+ 1,871
Havana Elect.	July	86	$ 794.768	+ 100,679	7*m*	5,110,501	+ 402,587
Isle of Planet	Mar. 3	20½	£ .067	+ 247	23	1 .801	+ 5,035
Kalgoorlie ...	Nov.	20½	£ 2.8 9	+ 74	11*m*	3 .42	— 346
Lanarkshire ...	Feb. 26	28½	£ 3.90	+ 447	8	51 .61	+ 1,443
Lima Light ...	Dec.	85	£ 57.179	+ 9,214	12 *m*	684.967	+ 60,867
London C.C. ...	Mar. 10	141½	£ 77 995	+ 7,926	49	3,917.725	+ 641,329
Madras (2wks.)	Feb. 15	15½	R. 38.278	— 5.074	6	..,.67	— 8.883
Manila Electric	Dec.	55	$ 276.000	+ 39,383	12*m*	2,3 7,000	+ 274,333
Pernambuco...	Feb. 29	59	£ 7.872	+ 2,451	9	70.653	+ 24,686
Provincial ...	Feb. 28	21½	£ 3.017	+ 484	22	61.717	+ 10,801
Rangoon Elec.	Jan.	25	£ 7.487	+ 1,094	1*m*	—	—
Shanghai Elec.	Jan.	26¼	M. $136.000	+ 14,000	1*m*	—	—
Singapore Elec.	Jan. 31	26½	$ 16.895	+ 2 813	5	99 718	+ 22,478
U.of Montevid.	Jan.	90½	£ 47.787	+ 6,857	3*m*	132.450	+ 21,401

Preliminary Announcement.

Cook, Son & Co. (St. Paul's) Limited

(Incorporated under the Companies Acts, 1908 to 1917).

Manufacturers, Wholesale Warehousemen and Shippers.

AUTHORISED CAPITAL - £4,000,000.

An Issue will be made on Monday next, 15th March, 1920,

OF

1,625,000 7 per Cent. Cumulative Participating Preference Shares of £1 each,

AND

1,625,000 Ordinary Shares of £1 each, both at par.

The Cumulative Participating Preference Shares are entitled to:

(1) A Cumulative Preferential Dividend at the rate of 7% per annum.

(2) 25% of the profits which it shall be determined to distribute in the particular year remaining after providing for the payment of 7% per annum on both the Preference and the Ordinary Shares.

(3) The right in a winding-up to priority as to repayment of capital and any arrears of the 7% dividend, but no right to further participation in property or assets.

The Ordinary Shares are entitled to:

(1) A Non-Cumulative dividend at the rate of 7% per annum, after providing for the payment of the dividend of 7% on the Preference Shares.

(2) 75% of the remaining profits which it shall be determined to distribute in the particular year.

(3) The right in a winding-up to the assets remaining after payment of the capital paid up or credited as paid up in respect to the Preference Shares and all arrears (if any) of the Cumulative 7% Dividend thereon.

SPECIAL FEATURES OF THE PROSPECTUS.

The Vendors are taking one-third of the issue of each class of Share in part payment of the purchase price, being the largest amount allowable by the Stock Exchange to obtain an official quotation.

Any Shares not applied for by the Public will be taken by the Vendors upon the terms of the Prospectus.

No part of the issue has been underwritten.

There are no Debentures, and the Articles of Association provide that the Company shall not issue any Debentures or Debenture Stock without the consent of the holders of the Preference Shares forming part of the original capital of the Company to be given by Extraordinary Resolution passed at a separate General Meeting of such holders at which the quorum shall be members holding three-fourths of such Shares, or in default of such quorum then by a Resolution passed at an adjourned meeting irrespective of the amount of Shares represented thereat.

Trading Profits for the last eight years are shown.

Applications by the Firm's Employees and Customers, and Manufacturers doing business with the Firm, will receive prior consideration.

The Board of Directors consists of the present partners of the Vendor firm and four of the principal employees.

Directors.

Sir FREDERICK LUCAS COOK, Bart. (Chairman).

HERBERT FREDERICK COOK (Vice-Chairman).	RALPH MONTAGUE COOK, J.P.
GEORGE JAMES GRIBBLE, J.P.	JAMES KENT.
ARTHUR PRAGNELL (Managing Director).	ERNEST EDWARD THOMAS LAWRENCE.
CECIL COTTON, M.C. (Assist. Managing Director).	FREDERICK JOSEPH SALMON.

Bankers.

GLYN, MILLS, CURRIE & CO., 67 Lombard Street, London, E.C.3.

Solicitors.

J. N. MASON & CO., 32 Gresham Street, London, E.C. 2.
BIRCHAM & CO., 50 Old Broad Street, London, E.C. 2.

Brokers.

CAZENOVE & AKROYDS, 43 Threadneedle Street, London, E.C. 2.
EYKYN BROS., 1 Tokenhouse Buildings, London, E.C. 4.

Auditors.

NICHOLSON, BEECROFT & CO., 12 Wood Street, E.C. 2, and 1/4 Paternoster Row, London, E.C. 4.

Secretary and Registered Office:

SIDNEY PEPPER, 22 St. Paul's Churchyard, London, E.C. 4.

PROSPECTUSES CAN BE OBTAINED FROM THE BANKERS, BROKERS, SOLICITORS OR ACCOUNTANTS.

Full Prospectus will appear in the Daily Press on Monday, the 15th of March.

The Statist.

LONDON, SATURDAY, MARCH 13, 1920.

THE MOST NECESSARY WORK.

We cannot too often, or too seriously, impress upon the public the urgent need there is that we should exert ourselves to the utmost to recover our great trade, and to use it for the universal benefit of all our people. Hitherto we have worked too much for the interests of individuals. We have left it to individuals to bestir themselves. And, naturally, as each man felt that he was working for himself and for his own desires, he thought more of self and less of the country than was proper. We have seen during the four years and four months of the War how that great struggle made it necessary for us to call upon one another to risk even life itself and everything that we deemed valuable for the maintenance of our independence; and now that we once more enjoy peace we ought to realise more thoroughly and more seriously than we hitherto have done that a nation really and truly consists of a great body of people all bound to give everything, even life itself, for the common interest. That is the first great truth that we ought to learn from the War, and it is a truth that, if we do realise it, will enable us to secure for ourselves greater prosperity than any nation in the past has ever hitherto enjoyed. Let us, then, remember that it is now just a year and four months since the German Army broke up, unwilling to fight longer, and we have to confess if we are truthful to ourselves, that during that long period of sixteen whole months we have done practically nothing to recover our prosperity, or to put an end to the miseries that have been so obvious to us all in the past. Are we utterly incapable of realising our duties? Or is duty to us only a word to be used when we wish to appear eloquent, but to be treated as of no account in all our actual practice? We would, then, impress upon our readers that in the sixteen months during which we have had an opportunity to do much in the interest of the Empire, we have practically done nothing. We have not seriously attempted to recover our prosperity. And although our trade has been maintained much better than we had a right to expect, it is infinitely bad compared with what it ought to be, and it is leaving the country in a condition which will bring disaster upon us if we do not exert ourselves to improve all our conditions without further delay.

We have no hesitation in saying that the first duty of all is to reduce the enormous debt which is weighing us down. Up to the present wages have been maintained surprisingly well. But, then, the value of the wages we have earned has been immensely reduced by the enormous prices we have had to pay. Happily, the high wages have gone far to lessen the evil effects of very high prices. But let us not forget that there is a very large proportion of our people whose earnings have not increased as satisfactorily as those of the really trades union classes; and that, consequently, there is much suffering as well as, in certain quarters, greater prosperity. There are women who have lost their husbands during the War, and who have, somehow or other, to bring up children. Just think of the condition in which these women find themselves. And remember that it is impossible, even with the best intentions, to give very much assistance. The wealthy people after all are few. They are large if we take them in the bulk. But if we compare the number of rich with the number of poor we shall soon recognise that even a distribution of wealth would not go very far to end extreme poverty. There is, it is quite true, extraordinary wealth in certain cases. There is moderate comfort in a still larger number of cases. But, on the other hand, there is great poverty, likewise; and when you consider what the poverty is, and how general, you will soon begin to recognise that we have done nothing so far to put an end to real suffering. It is, perhaps, not to be expected that the rich should exert themselves very actively to put an end to suffering; firstly, because they have no personal acquaintance with it; and, secondly, because all their habits have disqualified them for fighting poverty in its worst forms. Poverty must be attacked, firstly, by classes who understand what it is and what it means; and, secondly, these must be supported by the poor, for it is impossible to raise the poor if they will not assist in the upraising. There is no class amongst us perhaps so well qualified to improve the condition of the people as the trades unionists; firstly, because they are near enough in condition to the very poor to understand their misfortunes better than the rich; secondly, because many of the difficulties which the very poor have to fight against have had to be faced and overcome by those who are now enrolled amongst the trades union classes. It is, then, to the trades union classes that we would especially address ourselves. They have it in their power, if they use their influence properly, to benefit the whole country. And they can do so only if they extend their view beyond their own immediate class; and clearly appreciate that the very poverty of the very poor is an active agent in dragging down many who would, under other circumstances, be in a position to take up a place amongst the fairly well-to-do.

Our country has the reputation of being the richest in Europe. A little while ago, indeed, it was common to hear it said that England was the richest of all countries in the world. That never has been true, for there has always been in England a very large proportion of exceedingly poor people; whereas in such a country as the United States there are opportunities for every man who cares to work to secure at least comfort, if nothing more. Here it is not every man who can secure comfort, firstly, because the very poor are often so ignorant, so weak in health, so depressed in intelligence that they are not able to carve out for themselves a position of comfort; whereas in a country like the United States a man who will avoid drink and is willing to work can, if he pleases, secure at least comfort. A very extensive country, then, with plenty of land on which men can settle, must, in the nature of things, be a more favourable country to the very poor than a small country like ours, which is crowded with millions of very poor people, each one of whom is suffering in so many ways that he is always on the look-out for anything that may offer him a little improvement. But, on the other hand, it is not to be forgotten that there are opportunities to help in this country which do not so usually offer themselves in a country like the United States. Great numbers of the poorest in the great cities at the other side of the Atlantic are foreigners, not very familiar with the country to which they have come; not thoroughly understanding how to take advantage of the favourable opportunities it offers; and not, perhaps, understanding the language well enough to make themselves thoroughly explicit to those they would try to enlist on their behalf. Therefore there are many difficulties in a country like the United States which have to be set off against the immense advantages which a

country of such extent and so many resources affords. There are, then, it will be clearly understood, many opportunities in this country to help the more unfortunate, even though the opportunities for placing the unfortunate are very much smaller than a country like the United States offers. But, putting comparisons aside and looking at our own country as it is, everybody who will think for himself can see that there is a great deal of poverty, and even of distress, which seems, at all events, to be much greater than it ought to be. It is easy, of course, to say that much of the distress is due to the ignorance of the distressed; that a still larger part is probably due to faults of their own—want of a desire to get on, of a resolve not to be defeated. But all these things are excuses which everyone can make to excuse himself from taking part in helping to lift up the very poor. However, we are not in this article advocating personal help to the poor, firstly, because we are well aware that busy men have not very much time to give to what is called helping others; and, secondly, because waste of time must necessarily take place where busy men have to lose time in trying to help others. We are not sure, then, that the individual effort to help individuals is likely to do very much in ending the miseries of the world. On the contrary, we are inclined to think that much more can be done by removing the causes of misery than by helping the individual sufferer to obtain better employment, or even a better start in life.

Much of the misery of the world is due to the conditions under which men find themselves. A man, perhaps through his own fault, perhaps not so much through his fault as through his misfortune, is compelled to find a home in some miserable slum. He is out of health, let us say, or for some reason or other he is out of employment, and he finds it difficult to get a fresh start. Granted even that it is partly his own fault, there is still the unquestionable fact that a man who looks out at elbows, and who seems to be degraded, does not readily commend himself to an employer, and, therefore, may fail to get employment even though, if he had the chance, he would be able to show that he would make a good servant. There is much, then, that fights against the very poor man. Sometimes the fault may be that of the very poor man. But very often, even if the first fault was his, his continued poverty is the result more of the position in which he finds himself, and the unwillingness of those who know little about him to have anything to do with a man who looks so unpromising. There is, then, an immense deal to be gained if the trades unionists will seriously insist upon the building of decent houses for the poor. We want to root out all the worst slums and alleys. And we want the erection of an immense number of homes that can be made—we will not say comfortable, for that implies the means to make it comfortable, but that may be made at least not such as to discourage a would-be employer from offering employment. There is nothing perhaps more important for the elevation of the very lowest classes than the providing of decent homes for people who will live decently if they get a reasonable chance. And that can be done only by the party which understands the need for wholesome houses, and insists upon them being built. We know all that is said to be doing at present in the way of building decent houses for the poor. But, frankly, we attach no weight to that nonsensical talk. We want the building of houses to be undertaken at the expense of the National Government. No local government has the credit, or commands the resources, to do what is really needed. We want the whole national authority itself to do the work, and we want it done with the feeling that the Parliamentary class which supports the Government intends that it shall be carried out in perfect reality, and will visit upon the recalcitrant Government all failure to do the work.

Remember that heretofore we have lived under Governments which, when everything is said, were essentially aristocratic. There may have been—there very often were—many persons really honest in their efforts to see the proper kind of houses built. But they were not numerous enough, and they had not the power to insist that the work should be done as they thoroughly understood it ought to be done. The real Government consisted of a few people who were aristocrats, in plain language. It does not matter whether they had or had not titles. They were above the knowledge of the poor, and their interests were in wars and foreign policy, and a thousand and one other things that do not matter one single fig in the real prosperity of the people. They were not men who understood that the mass of the British people are very poor; that a few weeks' idleness may bring down a man from real comfort to real misery, and may risk the whole future of all his children. Therefore we have had hitherto no Government in existence which was animated by a sincere desire to see the people properly housed. And that being so, we have had during the past century or so an accumulation of slums in all our great towns, which are a danger, such as the ordinary man does not appreciate, to the future of the Empire. It is not a little surprising that the slums and alleys of such towns as London and Dublin, and other similar places, have not done more to destroy the real character of the very poor than has yet been accomplished. But it must come if it is allowed to continue. And whether it is to continue depends mainly upon the trades unionists. There has been a great deal of talk respecting the necessity for preventing the immense number of preventable deaths of children; for providing wholesome houses for the poor of the great cities; and for rooting out what it is the fashion to call "preventable disease." But how little has been done! Of course, if you bring before us some list drawn up by some eminent doctor of the improvements which have really been effected, one would at first sight be inclined to say that it is unfair to the public to deny how much has been done. But is that really true? It would be unfair to deny that individuals have been so struck by the horrors of the mode of life of a large proportion of our people that they have worked with an enthusiasm that is not a little surprising, and have succeeded beyond all expectation. But just walk through the slums and alleys of any great city in England—take London, for example—and then will you look any man in the face and say that what has been done is creditable to anybody but a small number of very ardent improvers of a state of things which it is a scandal should exist? Much has been done to the credit of individuals. But practically nothing has been done to the credit of parties. We have done nothing as yet to raise the population, and we never shall do anything until we have a party in power that really understands how incumbent it is upon us to make the country at least moderately healthy.

GERMANY.

Are our readers paying attention to what is being done by the representatives of the Entente Powers in regard to the resettlement of Europe after the War? We greatly fear that the matter is attracting practically no interest, and that, before very long, we shall wake up to find that wars are threatening from various directions, and consequently that the Great Powers, especially our own country, the United States, France, and Italy, will all try to throw the blame upon one another. As a matter of fact, the fault rests with the Governments. So far as we are able to judge, there is not at the present time a single Government in existence that understands either the real interests of its own country or the real task to which it ought to devote itself. We put Germany, in the first place, on one side, because Germany was

the leader of the hostile parties, and Germany practically had to accept the terms drawn up against her by the conquerors. Similarly, we except Russia. The Russian Government which plunged into the War ceased to exist some years ago. The Government that now rules in Russia is a Government which, outside of Russia, nobody thoroughly understands. What does the present Government represent? We ourselves should not like to undertake to answer the question fully. We are not sure whether Germany has not a greater control over the present rulers of Russia than she ought to have. We are equally ignorant as to whether there is any concerted party supporting the present Government of Russia. One would think, as almost a necessary consequence of what we see going on, that there must be a strong party supporting the Government. But is it a Russian party, or is it partly a German party? We feel ourselves at a loss to determine. We know that the old Imperial party is, for the time being, practically out of the running. We know, also, that what are called "Bolshevists" support the Government. But who are the Bolshevists, and what are their real principles? Are they, in any sense of the word, in league with the German Government? And if they are not, who is it that is finding them the leadership and the money to keep a great civil war going on for so long? Honestly, we confess we do not understand what is going on in Russia. We have turned to a great number of sources, home and foreign, and we find everyone as ignorant as ourselves. Consequently, we see a great civil war going on in Russia. We understand that there are parties not as united as they might be which would like to restore the Empire, but which have not the leadership—possibly have not even the resources—that would enable them to do so. But who are the actual people in Russia who are enabling the present Government gradually to extend its authority more and more we fail to find evidence to satisfy us. In some way or other Russia is exhausting herself. But who will in the end govern the country seems to be as difficult to understand as if it was a country of which we knew nothing until the last few months. To all intents and purposes there is a revolutionary Government. But whether the object is an alliance with Germany, or a recovery of all the territory that used to be ruled over by the Tsars, or whether, in fact, it is little more than a mob fighting, it does not very clearly understand for what, we are at a loss to determine.

The case being such, it surprises us greatly that so little interest is felt in the matter by the Entente Powers. They seem to think that all that is wanted is to induce a really military Power—let us say, Japan—to invade Russia, and that then everything will be quickly settled. It may be so. We confess we are at a loss to understand the present condition of Russia. But we are inclined to think that the difficulties are much greater than our contemporaries imagine, and that Europe by and by will be faced by a formidable danger in Russia. We do not set up to be prophets. In fact, we look upon those who pretend to be able to predict with anything but respect. Therefore, we do not know what kind of Government will be set up in Russia. But we greatly fear that it will be a danger to future peace. And we fear it all the more because the condition of Germany is, if possible, quite as dangerous as that of Russia. Germany is, for the moment, unwilling to continue the War, or, to speak more correctly, to resume the War. The real fighting men have had enough of the struggle. They have thrown down their arms and refused to fight further. But is their resolution taken once for all? Or is it only a decision to end the actual fighting and to make it possible to obtain food? We do not believe very profoundly in the peaceable intentions of the Germans. In saying this we do not mean that Germany will next month, or even next year, renew the struggle. She has suffered too much to begin to fight again. We take for granted that after four years and four months fighting against France, England, Italy, and the United States, not to mention the smaller Powers, and not to mention, also, Russia, Germany is too exhausted to begin a second fight just yet. But if Germany does not begin a second fight she will have to pay large indemnities to the countries she plundered; and it is difficult to believe that after the exhaustion of the War and the exhaustion caused by paying indemnities, Germany will be in a position to renew the struggle very soon. There is, so far as can be judged at present, no man of real military capacity high up in the German Army. We find it difficult to believe that there are not very capable officers in the German Army. Remember the great men that the grandfather of the Kaiser was able to call to his counsels—Moltke, Bismarck, and von Roon. Therefore there must be many very capable men in the German Army. But the Kaiser had no knowledge of character. And, fortunately for those he meant to make war upon, he surrounded himself with men who were unfit for the task he called upon them to carry out. But there must be capable men in the lower ranks of the German Army. That, however, is comparatively a small matter. There is nobody at present in a position to renew the War; and if Germany has not only to bear all the consequences of the War, but, likewise, to repay damages to France, Belgium, and so on, for all the injury done to them, it is difficult to believe that Germany can supply herself with all the military equipment of every kind that is necessary in a reasonably short time. We take for granted, therefore, that there will be a considerable period before Germany is ready to fight.

As far as it is possible to understand Germany at present, her people are in anything but a subdued state of mind. They are not prepared for a fresh war. They have suffered too much for that. But as soon as peace is regularly settled, we take it for granted that Germany will set to work to repair her military arrangements. And then we shall once more have predictions of war, which sooner or later are certain to be verified. Looking at Russia, and seeing how a Government that is at least not friendly to this country is winning, it seems reasonable to conclude that there will follow an alliance between Germany and Russia. Russia may, of course, find a great soldier, and may attempt to recover the provinces she has lost. But, upon the whole, that does not seem probable. What seems most probable is that the present Government is winning, and that it will take very good care that no really competent general gets to the top. If so, there may be an alliance between Germany and Russia, which will be a threat to all the new Powers, and will be anything but pleasant to our own Government. But it does not seem likely that either Germany or Russia will be prepared for a new war very soon. Nothing is more difficult than to form a reasonable judgment as to how long it may take a country like Germany to reorganise. If she really has not lost either in actual killed, or in disabled, more than three millions of men she will be a very formidable Power in another ten years. Presumably, the population after the recent struggle will begin to increase rapidly. In any event, there was a rapid growth of population between 1870 and 1914. And, consequently, Germany will be a formidable Power, even though she has lost a good deal of territory. Russia may be even more formidable. Just now she does not look likely to become so, for there is no evidence of real talent on any side. But the present struggle is giving opportunities to a great number of military men; and suppose a military man of real ability arises, will he be able to make himself master, or will he first draw close to Russia, and then attempt to make himself master of the State which is the most populous of all in Europe? The outlook is certainly not pleasant. We think it is utter folly to talk of a war with Russia. In the first place, our Army did not distinguish itself even in Germany. The Germans

marched out of their own country and took up positions in France and in Belgium, and during four years and four months we failed utterly to dislodge them. In the end, the landing of three millions of Americans induced the private soldiers to refuse to fight any longer. But that, remember, was not the result of defeat. It was the result of a feeling on the part of the private soldiers that they had done their utmost and had failed utterly to crush the enemy; that the European enemy was being reinforced by at least three millions of Americans; and that, under the circumstances, longer fighting would be madness. But does that prove that Germany will not fight some time in the future; or that there is not a better understanding between Germany and Russia than is generally supposed?

THE AMERICAN MONEY MARKET.

Our readers, we take for granted, are carefully watching the course of the American Money market. It is unnecessary to remind them that the United States is now the one country that is able to lend upon a great scale, and that the War which has weighed so heavily upon Europe has been exceedingly favourable to the Money market of the United States. To begin with, the United States, not being immediately concerned with the war declarations of Germany and Austria-Hungary, was able to keep out of the struggle for a long time. Consequently, the American Government was in a position to prepare gradually and thoughtfully; while the War broke down so soon after a large American force was landed in Europe that the costs of the War have not been such as seriously to affect the wealth of so rich a country. It is quite true, of course, that Europe from the very beginning was plunged into financial trouble, because the War was fought upon such a vast scale that European nations had to raise loans which previously were thought impossible. But the loans presumably were made after careful throught and careful examination; and, consequently, the United States can reasonably anticipate that not only will the interest on those loans be paid with fair punctuality, but that the capital itself will be returned when the time comes. The result of those great loans, then, is that America has become practically the only country which can lend upon a great scale, and that the leading Governments of Europe are all indebted to the new Power at the other side of the Atlantic. It is a testimony to the extraordinary rapidity with which America has grown, both in population and in wealth. Remember that it was not until nearly the end of the eighteenth century that the United States declared itself independent; and already—that is to say, in less than a century and a half—it has become the one Power in the world which is able to lend in hundreds of millions sterling. It is a remarkable testimony to the resources, as well as to the ability, of the American people; and it reminds us that whatever concerns the American Money market must have a potent influence upon the Money markets of every European State. The fact is of special interest just now, for the War has involved all the great European States in such a labyrinth of debt that the matter is of the utmost importance to even the very richest of European communities.

It would be arousing what, we hope, will prove to be unnecessary alarm if we said that the American Money market is not as satisfactory at present as we should like to see it. The great Reserve Banks, which were created only seven years ago, have already begun to lend to the member banks at a rate that, to say the least, is hardly reassuring; while the great public is carrying on business upon a scale so vast as inevitably breeds somewhat of apprehension. Against this it is never to be forgotten that the United States has not carried on business upon an exceptionally large scale for a long time. The panic of 1907 was followed by a loss of credit which enforced moderation upon all parties. But since the War began the applications for loans to America have been on such a scale that it is not surprising to find that they have given rise to some rashness. For all that it is to be recollected, firstly, that the United States, as has just been said, has not begun to lend and to speculate upon a rash scale until quite recently; and, secondly, that this year is the year during which a new President must be elected for the United States. That may so absorb the attention of the great public that there may not be by-and-by as rash pecuniary business as in some quarters seems to be apprehended. Both the great parties will select candidates in June. From June till early November the attention of the public will be largely absorbed by preparations for the election itself. And that event will not take place until early November. It is quite possible, therefore, that the anticipated gamble may not become anything like as reckless as in some quarters seems to be apprehended. For all that, we have thought it wise to remind our readers that the United States is now the only great country which can lend upon a vast scale; that, in the second place, the United States has not spent unduly upon the War; that, in fact, it was not until almost the very end of the War that the United States landed a really great force in France. Consequently, America has not wasted her resources much upon war, and we may trust, as a result, that she will not suffer as some people seem to apprehend. For all that, we think it advisable to warn our readers that this is a time when speculation is likely to become rampant; and, consequently, it will be wise to exercise caution.

RAILWAY RATES REVISION.

It is estimated that the various increases in rates recently recommended by the Railway Rates Advisory Committee will mean an addition of practically fifty millions to the revenue of railway companies in the United Kingdom. No thought appears, however, to have been given to the possibility that the large increases, which range from 30% to 60%, may result in a diminution of traffic. Road transport received a tremendous impetus from the War, and was further encouraged by its surprising utility as revealed in the railroad strike of last October. As a result of the recent rise in rates road competition has spread over an even wider area, and it will increase still further if the present high price of petrol is reduced. Already from places as far apart as London and Southampton, a distance of 80 miles, traffic hitherto carried by rail is being sent by road, and though the rate works out at a higher figure per ton, the difference is but slight and is the more readily borne as the delay of several days incident to conveyance by rail is avoided. The handicap on railways will, however, not always be so great, and when the present congestion has cleared away the companies will be in a position to guarantee more speedy delivery, and so to recover all or portion of this lost traffic according to the inducement held out to traders in the shape of lower rates.

Water carriage, both by sea and canal, has ceased to compete seriously with railways during recent years, and in the circumstances it seems unreasonable for traders to demand a continuance of the exceptionally low rates that obtain between centres served by both land and sea carriers. The fact that such rates were raised as a result of the recent revision makes them none the less favourable, when viewing the tariff schedule as a whole, since the increase was of an all-round character and took the form not only of flat-rate additions, but of a percentage expansion. The inequity of these exceptions, which throw a burden on certain consignors, who, in the absence of alternative means of transport, have to submit to such rates as may be levied on them, is clearly apparent. Besides, the system accentuates the gravity of existing transport problems by attracting minerals and goods that ought to be carried by water, and so taking up wagon and wag-

house accommodation which could be turned to more useful account. Charges should be altered so as to remove inequalities and to remedy the traffic congestion, which still shows no sign of material improvement. Of course, in some instances railway companies have considered it wise to provide transportation at less than the differential cost of the actual service to themselves for the purpose of encouraging the growth of more profitable traffic, but these discriminations, though theoretically valid, are undesirable, as they may be made on a personal rather than on a trade basis. Moreover, the need for such low charges is now not so pressing as in early days, because of the developed condition of the country, and accordingly it seems justifiable to urge their abolition.

Many of the anomalies apparent on an examination of rates schedules arise from the quasi-monopolistic character of railways. Owing to the enormous cost of construction, the magnitude of equipment and incidental charges, and the permanent character of the undertakings, capital can only be attracted by the offer of semi-exclusive carrying privileges. Competition is, however, not altogether ruled out, especially by water, and thus a railway company in fixing its charges may find itself, subject to the various legal maxima, in all positions, ranging from that of the monopolist with almost arbitrary powers to that of one of several competing parties who must join in a general scramble for business. The consequence is a tariff list full of unexpected, and at first sight inexplicable, variations. Why agricultural produce should be carried all the way from the Channel Islands via several South of England ports to London more cheaply than similar produce from Hampshire or Devonshire is not at a glance very obvious. The reason, if not the justification, of the preference is the desire to attract other and more paying traffic, and also to meet the competition of sea carriers running direct to the Thames. Yet a differential burden is thereby imposed on British agriculturists which has the deplorable effect of decreasing the supply of home-grown food. Through rates on traffic originating on the Continent have frequently been less than rates on British-made goods for much shorter journeys, and anomalies of this character should, where possible, be removed, as they are inconsistent with our primary responsibility of fostering all home industries.

The rise in railway rates will cause difficulties because of the existence of contracts between traders for the future delivery of goods carriage paid at firm prices. Where these contracts made no specific provision for such an eventuality it will obviously be a question of interpretation as to who will bear the difference. Contingencies of this kind are inseparable from future dealings and can only be borne with fortitude by the losing party. A stronger case, and one worthy of some consideration, is, however, presented where the railway company has bound itself to carry goods at fixed rates and now seeks to evade performance. Apparently the *ipse dixit* of the Minister of Transport is sufficient to override such contracts, but the Courts have before now shown reluctance to sanction such wholesale breaches of agreement. The Act constituting the Transport Ministry does not deal specifically with the point, though certain sections expressly order the companies to obey the directions of the Transport Minister in regard to all tolls and dues.

When opportunity is afforded for a thorough investigation of railway charges, many inconsistencies will, we are sure, be detected in the owner's risk and company's risk rates. It is generally known that where a "risk note" is signed, relieving the companies of liability in respect of loss or deterioration of goods in transit, except where such is caused by the wilful misconduct of the company's servants, the consignment is carried on specially favourable terms. The reduction varies, however, between 20% and 50%, and such a wide margin is certainly unjustifiable, though the need for partial grading may be admitted.

A large section of the trading community is unaware of the possibility of securing relief from various injustices by appeal to the Transport Minister, and it is desirable that such appeals be made in all cases where trading interests are adversely affected. As bearing on this point, it is not irrelevant to recall that over 15 years ago the then President of the Board of Agriculture appointed a Committee to inquire into charges made by railway companies in Great Britain for the carriage of foreign and Colonial dairy and market produce to our chief cities. In its report the Committee, while admitting preferential treatment, denied that any undue preference was given, and declared further that no additional legislation on the subject was necessary, as agriculturists had already ample statutory means of ventilating and remedying their grievances, if only they chose to avail of them. Similarly, at the present time there is a danger that traders may content themselves with grumbling when vigorous and direct action is required. In the case of goods carried by passenger train, where the prepayment of rates has recently been enforced on a large scale, special attention is necessary, as these goods, which occupy a separate group in the ordinary classification, consist mainly of perishable articles of food intended for human consumption. Milk, butter, fruit, and fish are leading examples, and the urban as well as the farming community is vitally interested in seeing that a minimum scale of charges is enforced on such indispensable articles. It might, indeed, be sufficient to impose only the differential cost of the service rendered while increasing the rates for higher-class traffic, such as racehorses, motors, mails, and small parcels, which are mainly conveyed by passenger train.

BRITISH AND AMERICAN MOTOR INDUSTRIES.

Some interesting developments have recently been taking place in the British motor industry. The anticipated invasion of American-made products has assumed rather an unexpected form, as more than one proposal has been mooted to establish manufacturing instead of assembling depôts in the United Kingdom. While the obvious explanation is the desire to evade our tariff, the latter may prove only temporary, and it seems that on the whole makers' costs here are considered, adding an allowance for freights, to compare favourably with those across the Atlantic. As a counter-offensive, a leading British company has extended its manufacturing activities to the United States, where the excellence of its cars in design and finish is bound to attract a large number of purchasers. High-priced cars are now bought much more freely by Americans than was the case some years ago, as many citizens have been enriched by the War. The quality indelibly stamped on the more reputable British products should ensure for them a growing sale, despite the import duty of approximately one-third the c.i.f. price. For British chassis an even more promising opening awaits development, as the importation can be fitted with an American-designed body to suit the whims of the individual purchaser. To hit off the taste of the American market some radical changes in the standard features of our cars are necessary. Small high-speed engines such as we use in the United Kingdom have not been in great request since petrol has been cheap and plentiful, but the increased cost of fuel may make the British type of engine more popular. Otherwise our makers must adapt themselves to American ideas of engine construction. For export purposes steering-wheels should be fixed on the left-hand side, because of the difference in the American rule of the road, while three speeds and the self-starter favoured by Americans should

also be provided. Minor points, such as the methods of quoting and packing and the supply of accessories, also require attention, but knowledge of these details is best gathered by experience.

The present may seem a difficult time to open up trade with the United States, as our makers are so far behind in filling orders for the home market. Manufacturers across the Atlantic are, however, in a similar position, and it would be well to take advantage of the opportunity now offering, especially as additional profits are possible owing to the condition of exchange. The necessity of rehabilitating the pound sterling should also appeal to the British industry, which has hitherto been too much troubled by thoughts of American competition to dream of adventuring into Transatlantic markets.

The American motor industry started into the peace era under much happier auspices than the British, which was for a long time thrown out of gear by strikes and sectional disturbances. Further, the concentration on war work had been much more marked here than in the United States, with the result that the manufacture of pleasure cars in the United Kingdom was practically brought to a standstill, while the demand from the many markets which we were forced to abandon caused a great expansion in the exports of American passenger and commercial vehicles. The following table shows the exports in the three years 1916-18:—

	1916.		1917.		1918.	
	No.	Value. Dols.	No.	Value. Dols.	No.	Value. Dols.
Automobiles, Commercial	18,921	52,948,021	514,479	36,755,236	10,208	26,814,952
Exported to :						
France ...	6,494	21,922,944	2,718	8,496,861	3,356	12,920,029
Russia in Europe	2,186	7,466,957	726	2,376,174	2	5,454
United Kingdom	6,279	14,835,351	7,637	20,356,879	2,264	6,671,230
Canada ...	527	1,001,144	827	1,089,440	1,596	2,035,464
Cuba ...	—	—	—	—	557	1,109,298
Argentina	—	—	—	—	45	40,707
Russia in Asia ...	1,197	3,805,706	193	622,883	15	18,200
Other countries ...	2,238	3,917,919	2,378	3,812,999	2,473	4,014,500
Automobiles, Passenger	61,922	43,725,087	65,756	51,872,905	36,936	36,278,292
Exported to :						
Denmark ...	1,444	1,050,840	247	223,616	98	159,516
France ...	1,983	1,356,902	1,637	1,225,593	1,003	1,134,818
Norway	929	797,220	676	715,585	198	430,514
Russia in Europe	954	1,079,606	634	1,341,925	10	8,325
Spain ...	—	—	—	—	808	1,042,789
United Kingdom	3,019	2,250,265	1,286	1,733,828	423	1,082,347
Canada ...	11,656	7,964,056	16,448	12,505,321	8,542	7,140,776
Mexico ...	—	—	—	—	1,916	1,538,893
Cuba ...	4,618	2,810,865	3,037	2,682,662	1,909	2,638,001
Argentina	4,970	2,581,064	4,171	2,808,869	1,628	1,673,137
Japan ...	1,405	867,661	3,937	3,481,061	1,734	2,315,386
Uruguay ...	—	—	—	—	1,351	799,787
British India ...	3,432	2,422,515	1,509	1,165,158	72	70,254
Dutch East Indies	2,762	2,044,091	2,273	2,215,040	1,260	1,567,766
Russia in Asia ...	1,197	1,441,024	260	419,463	3	11,731
Australia ...	6,082	4,569,218	4,577	3,572,852	3,826	3,271,317
New Zealand ...	3,615	2,661,871	2,753	2,080,919	1,418	1,228,864
Philippine Islands ...	949	717,329	1,243	959,683	1,690	1,462,571
British South Africa ...	3,267	2,282,482	3,395	2,491,329	1,205	1,070,570
Other countries ...	9,342	6,828,078	17,673	12,250,001	7,842	7,630,927

After America entered the War the total exports fell rapidly from 96½ million dollars in 1916 to 88½ millions in 1917 and 63 millions in 1918. Still the 1918 total compares very favourably with that for 1913, which was only 26 million dollars. In the same period the value of British exports of complete cars declined from £2,396,369 to £2,036,635. The increased foreign trade in American-built commercial vehicles has been very noticeable, and this is a department in which very little business was done before the War, the British lorry being recognised as supreme of its type. Makers in the United States have specialised in light quick-delivery vans, which carry weights up to one ton. These are not lorries in the proper sense, as they are built on a passenger-car chassis and are fitted with passenger-car tyres. In most cases the passenger and commercial bodies are interchangeable, and this is a valuable asset in the eyes of the small trader, with whom they have chiefly found a sale. The principle of standardisation, which has done so much to cheapen the American passenger car and obtain for it a universal market, is now being widely applied in the case of commercial vehicles, the production of which in the current year is estimated to exceed 350,000. At the recent motor show in New York the number of commercial cars catalogued showed a surprising increase, and the makers totalled 74, as against 84 exhibitors of the passenger type. The rapid advance in motor-truck output is shown in the following table:—

Year	Number	Year	Number
1904	411	1918	227,250
1911	10,655	1919	305,142
1917	128,157		

So far the American product has gained no foothold in our market, but its advent may not be long delayed if our output continues to lag behind the demand.

Perfection of service from the motor-user's point of view is to-day most apparent in the United States, as parts are standardised and interchangeable and can, therefore, be purchased cheaply and without delay. For imported cars it would be difficult to set up a service equal in efficiency, especially as the area to be covered is of such wide extent and embraces such a division of terrain. An attempt should, however, be made to provide large supplies of spare parts at central depôts, whence they could immediately be distributed when necessary to outlying districts. There is no doubt that the elaboration of some such scheme would do much to popularise British cars in the United States, where they are now forced to lie up for long periods, waiting on small but relatively important parts.

Extravagant spending by inhabitants of the United Kingdom has interfered with the export business in many departments of British industry, especially as regards automobiles. Manufacturers and merchants think it absurd to incur the additional risk and trouble of exporting while the home market can absorb the major portion of their products. They content themselves with sending a surplus abroad, though the economic interests of the country require that only the surplus should be disposed of at home. It is by the latter means that we can best liquidate our foreign indebtedness and meet our adverse balance of trade. Highly manufactured articles, such as motor-cars, are a most advantageous form of export, as they are expensive to the purchasers and have already given employment to the maximum amount of productive labour at home. It is useless, however, to expect our manufacturers to compete in tariff-protected markets abroad if our home market is once again to be opened to unrestricted importation of foreign cars duty free. Some members of the public may maintain that as the home demand cannot be supplied from home sources the deficiency should be made up by importation. No such course is, however, being pursued by countries similarly situated to our own, and if sufficient supplies of raw and semi-manufactured materials were coming forward it is beyond question that our productive capacity would prove equal to our requirements. There has of late been an agitation to urge on the Chancellor of the Exchequer the repeal of the import duty on cars, but public opinion as a whole does not seem to be in favour of this drastic measure, which, it is explained, is intended to bring British manufacturers to their senses. Many would-be buyers have, no doubt, been disappointed at the frequent and substantial advances made in the price of cars which, though ordered 12 months ago, are still undelivered. Others have been annoyed by demands for an increase in their deposit, so as to swell still further the enormous sums which manufacturers have without reciprocal value already obtained from the public. But the Chancellor of the Exchequer must maintain the revenue, besides bearing in mind the excellent services rendered during the War by motor manufacturers, services which are now proving a handicap to them, as the old staff and the old organisation have disappeared, and must be painstakingly reconstructed. The Government has itself done much to impede reconstruction in the motor industry, more particularly by its pernicious system of labour awards, which were announced from time to time without previous notice and had the effect of upsetting all costing calculations previously made.

ECUADOR.

Cable advices from Quito state that it is regarded as practically certain that Señor Tamajo will succeed Dr. Moreno as President of Ecuador when the latter's term of office comes to an end shortly. Señor Tamajo has been President of the Senate and President of the Chamber of Deputies, and has also held high office in the Republic. The new President during his forthcoming term of four years of office will have plenty of opportunity of occupying his time usefully in the interests of his country. Ecuador badly needs developing in every sense of the term. With great natural advantages, it is one of the least progressive of the South American Republics. Its position is an exceedingly difficult one, and its lack of communications will add to the difficulties which face the new President. Ecuador is by far the smallest of the four great States on the Pacific or Western side of South America. The four are Colombia, Ecuador, Peru and Chili. Looked at on the map, it is exceedingly difficult to realise why Ecuador was ever cut out from its neighbours as a separate State. Its total size, excluding the Galapagos Islands, is some 260,000 square miles. But there is a dispute between Ecuador and Peru regarding the actual boundary; and, consequently, it is not possible to say with any degree of accuracy what the actual size of Ecuador is.

The more one studies the political and economic conditions of the various States on the West Coast of South America the more one comes to regret that the irascible temper and ill-balanced judgment of the famous Simon Bolivar completely neutralised his really far-sighted judgment of the importance of uniting these States in one great consolidated Republic. He saw clearly that it was desirable that the shoulder of South America which is formed by Venezuela, Colombia, and Ecuador should comprise one State. But his unfortunate upbringing and his inability to control himself made it practically impossible for any of his greater contemporaries either to serve under him or to serve with him; and the result was that intrigues and dissensions paralysed every effort to unite these Republics into one great State as a composite whole. The result has been that they have devoted their energies now for more than a century to political experiments rather than to economic development. Consequently, they constitute as a whole vast territories of enormous potential richness, but which have hardly been developed at all.

Ecuador formed part of the Republic of Colombia for several years after the throwing off of the Spanish yoke by this part of South America. Colombia itself is comparatively new as a separate State. But Ecuador is very old, and has a history going back apparently far beyond that of Peru itself. When the Spaniards first conquered Peru, what we now call Ecuador formed part of the Peruvian Dominions. But it was the fight between the Peruvians and Ecuador that ultimately brought the Peruvian State to such a pass that it was conquered by 300 or 400 Spaniards under Pizarro. Whether the natives of Ecuador are originally of the same stock as the ancient Peruvians is still matter of dispute. The general impression is that wherever they came from originally, they were an allied people, but the Ecuadorians were an earlier migration to that part of South America than the peoples who ultimately established the Inca Empire in Peru. However that may be, in early times there seems no reasonable doubt from the writings of the Jesuit Fathers, from whom we obtain really all we know about ancient Peru and Ecuador, that the people of Ecuador and the people of Peru regarded themselves in pre-colonial times, and for a long time after the conquest, as a separate and distinct people. Quito, then and now the capital of Ecuador, is one of the most ancient cities of South America, and is believed to be at least as old as some of the most ancient cities in Europe.

Ecuador to-day, as already said, is a country about 260,000 square miles in extent. Wedged in between Colombia on the one side and Peru on the other, she has an extensive seaboard on the Pacific, and one of the finest natural harbours in the world in the port of Guayaquil. Topographically she is almost exactly like Colombia and Peru, with a comparatively narrow coastline of great fertility, the Andean plateau rising beyond and to the east of these forest-covered lands, very like Eastern Peru and Eastern Colombia. These lands, as is the case with those of her two great neighbours, are potentially the richest part of her territory. But they are at present wholly uncultivated, and are practically of very little use to Ecuador, except for the purpose of gathering rubber and other products of the South American forests. The total population of Ecuador is usually estimated at about one and a-half millions, although, of course, it will not be necessary to remind the reader that Census figures in these north-western Republics are not to be accepted as absolutely accurate. About half a million of the people are either of Spanish descent, or of mixed Indian and Spanish descent. Consequently, something like 66%, or two-thirds, of the whole population are native Indians. When, however, we speak of native Indians in a country like Ecuador we are speaking of a people who are descended from one of the most highly civilised races found on the continent of South America when these lands first became known to Europeans. They should not be confused with savages, or even considered as barbarians. For the most part the natives of Ecuador, as we know them to-day, are peasants, and poor peasants at that. But they are capable of a high degree of civilisation, as the achievements of their ancestors amply demonstrated. And even to-day they show qualities which make it evident that, were the political and economic conditions of the country better developed than is the case, they are eminently trainable for manufacturing purposes. For example, the Panama hat, so well known all over America, and in recent years in Europe, is practically entirely made in Ecuador, and obtained the name of Panama simply because it was shipped from the isthmus of that name. It would be really more correct to describe the Panama hat as a product of Ecuador, although it has always been shipped, and is shipped still, through the isthmus of Panama. Ecuador exported in 1917 over 3¼ millions sterling of commodities, nearly two-thirds of which were made up of her cocoa exports.

Until quite recently, and, in fact, until the premier position was wrested from her by the British Gold Coast Colony, on the west coast of Africa, Ecuador was the greatest source of supply of cocoa known to the international markets of the world. Even to-day she is one of the principal sources of supply, and there is no reasonable doubt that if the people of Ecuador engaged in the trade were seriously to set themselves to increasing the supply of cocoa, the extraordinary natural fertility of their soil, and the advantages of climate and rainfall, would enable them very materially to increase the production of their principal export. In the present shortage of cocoa and the present high price which this extremely palatable food commands, they need have no fear of competition either from the Gold Coast or elsewhere. The present price proves conclusively that there is a far greater demand for cocoa than there is cocoa available to supply that demand. Panama hats we have already referred to. Vegetable ivory for making buttons, which is found in similar quantities in very few other countries of the world, is another important export of Ecuador. The Andean chain of mountains which runs all through the Republic and rich in various minerals as is the case, of course, of the Peruvian Andes, and of Colombia. Gold, copper, iron, lead and coal are found in considerable quantities; but none of these deposits are worked to any appreciable extent. The capital Quito, has still a population of some 80,000, but the principal

city on the coast, and the one best known by foreigners, is Guayaquil, with a population of between 90,000 and 100,000. Guayaquil rises high above the gulf of that name, and has naturally one of the finest situations of any city in the world. Owing to the fact, as we have said above, that the Republic throughout nearly the whole of its history has been more interested in political experiments than in developing its natural resources, the city is not, and never has been, healthy. Although there seems no reason to believe that any form of disease is naturally endemic in this beautifully situated city, the fact remains that in modern times it has been subject to visitations from time to time of malaria and yellow fever, and, in fact, many steamers avoid calling at the port of Guayaquil, not because there is no traffic for them, but that they are afraid they will be refused entrance to the ports of Peru, and particularly of Chili, in the event of either yellow fever or malaria prevailing at Guayaquil at the time of their visit. If the new President during his term of office can see his way to do for the port of Guayaquil what has been done for Panama, he will confer a great benefit upon his country and signalise his term of office by a memorable achievement. In order to achieve this object it will be necessary to drain the swampy lands which come close up to the harbour. This, in itself, would not merely improve the health of Guayaquil and its neighbourhood, but would render a vast territory now subject to inundation available for cultivation either for cocoa or cotton. These low-lying lands are exceedingly like some of the richest cotton-growing lands of the Southern States in North America, with the additional advantage that they are situated directly under the Equator. In the present great shortage of cotton an exceptionally favourable opportunity presents itself for increasing the cotton supply which is already produced in Ecuador. The natives are, and apparently have been from time immemorial, well acquainted with the growth of cotton. The point is disputed, but there is a certain amount of evidence that cotton was grown in Ecuador in pre-Spanish times. But the cultivation, as well as the manufacturing industry, had fallen off to a very great extent at the period when the country first became known to Europe, owing to the war between Ecuador and Peru, which immediately preceded the Spanish conquest. It will readily occur to the reader that a country which has proved itself so eminently capable of growing cocoa and cotton is equally suitable for the production of sugar-cane, although this industry has so far been very little cultivated.

We need not add that in a country situated as we have described, with such a comparatively extensive area and such an exceedingly small population, one of the greatest needs is transportation facilities. At present the total railway mileage is under 400. Of course, it has to be borne in mind that the difficulties are very great. A really satisfactory railway system has to mount the Andes, as is the case with the railways in Peru and in Chili; and, again, would require to be built on the eastern side for the purpose of opening up the rich lands in Eastern Ecuador. If the country, however, can obtain the means of doing so, the reward would be quite in accordance with the expense and the hazardous nature of the enterprise.

The Bank of Australasia announces its intention to seek the authority of the proprietors to a capitalisation of £1,000,000 of the reserve fund. The capitalisation is proposed solely in order that the published capital should represent more closely than at present the actual capital of the proprietors. If given effect to it would not increase the Bank's resources, and would not affect the amount of the profit available for distribution, and should not, therefore, increase the actual amount distributed.

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Financial Notes.

THERE are some sensational reports in our daily contemporaries regarding labour troubles in the Argentine Republic. Of course there has been unrest in Argentina, as in every country in the world, as a result, directly or indirectly, of the recent War. Instead of the War ending the world's troubles, as seems to have been expected, it has rather accentuated them, and there has been everywhere a feeling of grave disappointment that as soon as peace was declared industry did not at once resume its wonted activity and supplies become automatically plentiful. As a matter of fact, those either whose age or studies had acquainted them with what had happened in various parts of the world, and even the world in general, in the past never anticipated anything of the kind. It was evident that the waste of material during a period of five years and the displacement of industry from productive to destructive purposes could not fail to influence the world for a long period after the conclusion of hostilities. Although Argentina is herself one of the great world producers of food and raw materials, prices have been extravagantly high throughout the Republic. Wages, of course, have risen, and in a sense the people in Argentina, as in most of the advanced countries of the world, are exceedingly prosperous. But as is the case nearer home, the wage-earner, as well as other classes, finds that the unit of values, when received, no longer purchases commodities to anything like the extent that he was accustomed to in the period that preceded 1914.

From what we can learn, the labour troubles have been greatly exaggerated, and have now virtually come to an end. This is the early autumn in Argentina, and as far as we can learn the crops have been extraordinarily prolific. We cannot confirm officially what we are about to say, but we believe we are right in saying that the British Government has practically arranged to purchase a large portion of the wheat crop and other feeding stuffs in the Republic for use this season. Anyhow, there seems no reasonable doubt that whether we measure prosperity in the sense of money values received by the Argentine population of all classes from the great capitalist down to the most

modest peon, there are each and all receiving either exceptionally large profits or exceptionally high wages according to their station. These big returns, of course, we need not add, do not yield what they were accustomed to yield in the sense of their control of commodities. As we have said, whether we measure prosperity by money values or whether we measure it by the extraordinary demand for the services of all classes, from the capitalist down to the most modest peon, the Republic appears to be enjoying perhaps the most remarkable period of prosperity in its history. We are informed by those who are in a position to know, and who are actually engaged in business in Argentina, that it is as difficult to fill the place of any competent man, should such place become vacant, as it is here. No doubt there is a certain amount of unemployment in Argentina as elsewhere. But from all we can learn it is exceptionally small.

We sounded a note of warning last week regarding the prices of nitrate shares. There has been some setback, and the activity which has recently characterised the market has materially decreased. But investors would do well to remember that present prices for nitrate are not the prices which the companies have been receiving during the past year. It is exceedingly doubtful if even the most active companies—that is to say, the companies which have done the largest measure of business—have received on an average more than, say, ten shillings per quintal for their product. The activity is largely due to reports, which we believe are quite well-founded, that two particular companies have been acquired by important British interests connected with Valparaiso. The terms on which they were acquired are, we believe, highly satisfactory, and the shareholders who were on the register some time ago will, we believe we are justified in stating, have no reason to regret their purchases. We do not say—we would not even insinuate—that the shares are not worth their present price. But the reader contemplating increasing his investments would do well to consider, and to take counsel with competent authority, whether it is not possible to pay too high a price for the shares of any company engaged in any industry, however prosperous that industry may be.

There seems no reasonable doubt that the original loan negotiated in the United States in the early days of the War for France and ourselves will be paid off when it falls due in the coming autumn. It will be remembered that the loan was only for 100 millions sterling, which in these times seems a very small sum between nations. Nevertheless, to our surprise and chagrin, we had very considerable difficulty in raising this sum, which only amounted to 50 millions sterling each for France and ourselves. It will be remembered that we had to place collateral security, just as the humblest individual borrower has to do. The joint credit of France and England was not considered in itself sufficient security. At the present level of exchange the loan practically was upon an 11% basis. It is certainly high time, therefore, that it should be liquidated. Various resources are in our hands, and in those of our Allies, which can readily be transferred to our creditor when the time comes. The completion of the transaction will, it is generally anticipated in the City, involve a certain measure of shipment of gold. Nevertheless, it is eminently desirable that a loan raised under such circumstances and on such onerous terms should be paid as soon as possible.

At the present time there is an intensely keen competition for raw materials all over the world. Owing to the destruction which went on during the War, and the small measure of production, there is a shortage not merely of raw materials, but of manufactured goods, everywhere. Consequently, provided we are able to obtain the raw materials, there is virtually a certain market for the finished product. Therefore, it is exceedingly good business to import raw materials upon a large scale, because there is practically no doubt that they can be readily sold abroad to our various customers.

As nearly every country is working more or less under pressure at the present time, nearly every country is exceedingly prosperous. As we have said, there is an exceptionally heavy demand for food and raw materials on the one side, and an equally exceptionally heavy demand for manufactured goods like textiles, clothes, preserved foods, and so on, on the other. As the countries which produce the primary articles of necessity are actively employed, they are in a position to buy large quantities of manufactured goods which they were not able to obtain during the prolonged period of the War, partly owing to the fact that so little was manufactured, but still more to the fact that ships to carry the goods were not available. We and all other manufacturing countries in a similar position, knowing that we have a large number of orders on our books for various classes of goods which we are able to manufacture, are anxious as a nation to obtain as large a supply of raw materials as possible for the express purpose of fulfilling these orders.

On the whole, the Exchequer returns for recent weeks have been quite satisfactory. The revenue is coming in even better than was expected. And provided that the receipts during the few remaining weeks of the financial year, which will end on the 31st instant, are up to the present level, it seems not impossible that there will be a surplus over Mr. Chamberlain's Budget Estimate. The Government, with the balance in hand, has been able to reduce to some extent the total of the floating debt. That debt has been reduced to 1,231 millions sterling. The floating debt consists of Treasury Bills and Ways and Means Advances, which are practically Government I.O.U.s to the Bank of England. We have lumped both of these together in our total. Since the beginning of the year the floating debt has been reduced by somewhat over 50 millions sterling.

Of course, against this, there are various credits created from time to time by the banks. But a credit created by the banks is a totally different thing from the national floating debt. A credit created by the banks is against securities, and for the purpose of carrying on actual business. And that credit, as we explained in a recent article, tends to right itself when the transaction is completed. The Government, on the other hand, not being a trader, borrows money, just as it obtains the taxes, for the purpose of spending them on non-productive purposes; and, consequently, it can never right itself until it has either been paid off by some form of permanent debt which is taken by the investing public, or it is repaid, as is being done at present, out of the taxes.

Mr. Austen Chamberlain, the Chancellor of the Exchequer, stated in the House of Commons this week that the total of the debts of our Allies receivable by ourselves amounted to 1,666 millions sterling. Unfortunately, of this amount no less than 568 millions is due from Russia. Whether Russia will ever be the composite kingdom that we knew it to be before the War, of course, remains to be seen. Even if it is not, and the various component parts gradually develop some settled form of Government and accept responsibility for the debt created by the late Russian Government when it was a composite entity, it is evident that they will not be in a position to repay in any readily realisable form. The only way that one can think of that it seems probable the various Russian Governments could pay, if they were so disposed, would be to grant various concessions, which our Government might, in turn, sell to syndicates and others.

Of course, the potential wealth of Russia, whether we take it in part or as a whole, is far greater than the amount of 568 millions; and, ultimately, provided that some such course is adopted, the money would be received by this country. Meanwhile, however, we have to pay our way, and it is by no means certain that any such course will be adopted. Against these actual debts, for which we are responsible, the United States has advanced to us directly over 800 millions sterling, and a total to all the Allied countries, including Russia, of 1,900 millions sterling, very many of which loans we are, if not wholly, at least partially, responsible. Consequently, in addition to our debit for various things supplied recently from the United States to this country, we are liable directly for 800 millions sterling, and for a part of the balance of the other loans in which we acted as joint guarantors.

The Supreme Council has issued a declaration this week on the economic condition of the world as a result of the recent War. There is really nothing in the statement which has not appeared in journals like our own, and in papers read before various societies interested in economic subjects, and, of course, in the speeches of the various Finance Ministers of the Allied and neutral Powers. Possibly the declaration may do some good, inasmuch as it has been widely published in the popular Press, and may have some influence upon a large class of readers who would not be reached by those who speak or write mainly upon economic subjects. Probably its greatest value, if it is preserved, will be as an historical document in the archives of the various Chancelleries in the future. Assuming that our civilisation lasts, it will be of great interest in the coming centuries for students to study the condition of Europe after a period of four years of war in which all the great Powers of the Continent were engaged. Even if our civilisation disappears, it will doubtless be of interest to some other peoples to study the conditions under which a great war was fought in Europe in the past century. It would be of immense interest to our students, and to all of us who are interested in economic subjects, if we could find a similar document relating to what happened in some civilisation in the remote past. Practically all the declaration does, after summarising the extent to which prices have risen and the causes which are well known to our readers, it recommends increased production; the reduction of credit and currency; international credits to be granted to enable various countries to acquire raw materials; the various countries to act in concert with the object of removing obstacles to the exchange of commodities; the restoration of the devastated areas of Northern France; and to give a reasonable time to our late enemies to enable them to fix the total of the reparation payments.

SOUTH AND CENTRAL AMERICA.

ARGENTINE RAILWAYS.

BUENOS AYRES GREAT SOUTHERN.

Although not absolutely the oldest, the Buenos Ayres Great Southern is one of the very greatest, most highly developed, and wealthiest of the railway companies of the Argentine Republic. It would be remarkable if this were not so, because the Buenos Ayres Great Southern serves the most highly developed districts of a country whose rapid development has been brought about by the supply of vast quantities of capital for the purpose of enabling that country to supply food and raw materials in enormous quantities for the consumption of those who deliberately supplied the capital with this object. The original main line may be said to have started from Buenos Ayres to Mar del Plata, the fashionable seaside resort of the capital, which is now itself becoming a great mercantile port, and the line which runs also to Bahia Blanca, the naval arsenal of the Republic. Consequently, it will be seen that the two arms of the main line run through the very richest part of the metropolitan province of Buenos Ayres, and, therefore, the line carries enormous quantities of produce both to the capital and to Bahia Blanca for shipment to Europe.

The route opened up by the Buenos Ayres Great Southern is entirely modern. The country which we regard as so rich, for the opening up of which the Buenos Ayres Great Southern has spent such large sums, and which furnishes Europe in these modern days with such immense supplies of produce, was hardly valued at all in the colonial period, and for long after the Argentine Republic had thrown off the yoke of Spain. It was not, in fact, until the steamship, the electric telegraph, and, above all, the discovery of the possibilities of bringing over chilled and frozen meat in such a form that it could readily be consumed in Europe, that the real potentialities of the Argentine Republic as a field for investment and a source of supply for food and raw materials for Europe came to be really recognised and fully appreciated. In ancient times, except for the trade in hides, no one would have thought of building even a bridle-path into the wilderness which we now value so much as the rich pampas country of the flat plains of the valley of the Rio de la Plata. The whole trend of traffic in those ancient times was to the seat of colonial Government, the viceroyalty in Peru, and, consequently, north-west. The very country that we regard now as so difficult to open up, so essential that it should be drained and cleared from malaria and yellow fever, was the country that the original Spanish travellers traversed year by year and generation by generation.

When it became fully realised that Western Europe in general, and England in particular, required immense supplies of foodstuffs and various raw materials, it became evident that the Argentine Republic would be one of the important sources of supply for those markets. The territory selected by the Buenos Ayres Great Southern is, of course, ideal. It runs, through nearly the whole of its course, so far as we have traced it up to the present, through a country practically as level as almost any existing country in the world. As we shall show later, it is now going into a totally different type of country, nothing like so rich, and one which is demanding, and is being supplied with, irrigation upon an immense scale, partly by the building of the Neuquen Barrage, mainly at the expense of the Federal Government; but the Buenos Ayres Great Southern Company is spending large sums for development. But this is a totally different country to that which we propose to describe, and which is the main source upon which the original prosperity of the Buenos Ayres Great Southern was built up, and which still yields an enormous revenue and a handsome return upon the investments of the Company. When British investors sought for a new source of supply for food and raw materials in the last quarter of last century, realising that the United States of America could no longer supply them upon the same economic basis to which they were accustomed, it was to the Argentine Republic they naturally turned. There, at the mouth of the Rio de la Plata, was a single province, nearly as big as the whole of England proper, fertile to a degree rarely equalled and still more rarely surpassed, in any other part of the world, which was as flat as a pancake, and which simply required a railway to be laid down for the purpose of transporting produce which grew almost without any assistance at all. The wild cattle of the plains remained, and had remained from early colonial times. It will be remembered that the Spanish Government required all colonists equipping an expedition to take out a number of live cattle, and it is remarkable that they were able to take out in small boats of from 150 to 200 tons a company of armed men capable of fighting the Indians, and, in addition, to carry a proportion of cattle. This, however, they did, and the cattle were turned out in

immense numbers on to the plains of what we now call the Province of Buenos Ayres, and it is from these cattle that the native cattle of to-day are descended. When it was practicable to establish a chilled and frozen meat industry upon a great scale, all that was necessary was to import from England and France and Spain, but particularly from England and France, really sound strains of approved beasts, and these were crossed with the native cattle and produced the Argentine beast, with the meat of which we are all now so familiar. Before dealing with the traffic of this favoured railway, we will give a short description of the efforts it is now making to develop its southern regions. The Argentine Republic, all told, lies between the 21st and the 56th parallels south latitude. But the Argentine Republic which the Buenos Ayres Great Southern serves lies between the 34th and the 36th parallels. The Company is making great efforts to open up new country south of where the Neuquen, Limay, and the Rio Negro join. This is a totally different country from the type to which the Buenos Ayres Great Southern has been accustomed throughout nearly the whole of its history. The country, which has really only been opened up since the War, is a rolling country with rivers and hills of considerable size, never very high, but of sufficient elevation to divide up the plain and make railway construction a totally different proposition from what it is on the level plains, which are more like a bowling green than the broken country to which the Company was so long accustomed between the capital and Mar del Plata, and the capital and Bahia Blanca. In the extreme north of the Republic, far beyond that served by the Buenos Ayres Great Southern, there are practically tropical rains. As we have said, Northern Argentina is only one degree south of the real tropics. But in the country served by the Buenos Ayres Great Southern we have passed out of the semi-tropical, and are in a country more like Southern Europe than anything to which we are accustomed here. It cannot be said that there is a rainy season, but there are very heavy rains, the average being over 40 inches. A rich soil and a considerable fall of rain give the agriculturists practically no anxiety, and all the farmer has to do is to breed cattle or grow cereals season after season, and rarely or never is he disappointed; except upon those unfortunate occasions when the locusts come from the Chaco country and devour his crops.

The country south of Neuquen—the Neuquen Barrage country—is, as we have described it, not unlike in appearance parts of Scotland, only, of course, without the great mountains. The soil is naturally fertile, but it requires a great deal of irrigation. There is an abrupt change after the Rio Negro is crossed. The territory served by this railway changes to a more or less arid country with an annual rainfall varying between 10 and 12 inches, and in some parts, particularly inland, falling as low as 5 inches. Of course, it is perfectly evident that in a country like that, without irrigation, nothing but the rough kind of grass found in this district would grow. It has been said that 10 inches of rain with a fairly good soil is a wheat country. But 10 inches cannot be depended upon south of the Rio Negro, until, of course, one comes to the colder region of Tierra del Fuego. Consequently, in order to develop their territory south of this river it is essential to build irrigation works. Once this is done the soil itself is capable of giving a very handsome return for the expenditure incurred. But it is one of the reasons for the delay which has occurred in the development of this southern region that until the railway could afford to spend, and spend lavishly, and until, for that matter, the Government itself could be of assistance—because it is not the business of a railway company to do the whole irrigation of a great province like Neuquen—it is evident that there would be a very small proportion of traffic available for the railway.

Probably, even as things are, the railway would not have entered this territory but for the fact that the wool industry is now becoming of such great importance, and the shortage of food in Europe is making it thoroughly essential to develop the chilled and frozen meat industry in the more southern regions of the Republic. The Province of Buenos Ayres is already becoming too thickly settled to admit its being devoted to cattle pure and simple. It is becoming more and more every day a country for the agriculturist, as distinct from the pastoralist. But the region south of Neuquen is essentially a pastoral country, and this railway is already deriving an appreciable, although a relatively small, part of its traffic from sheep products. It carried in the year ended with June 1918 over 100,000 tons of wool, and for that carriage received more than £300,000. And this traffic will, of course, manifestly increase as the railway opens up increasingly new territories. It carried over three million sheep alone during the year ended June 30, 1918. How diversified is the traffic of this railway—a strong asset for any railway—will be appreciated when we say that it derives nearly two millions sterling from the carriage of passengers, and only a little over 3½ millions from the carriage of goods and live animals combined. Its revenue from the carriage of live animals is very nearly a million sterling, and its revenue from the carriage of goods is a little over 2½ millions. It will be seen that, as in the case of all new countries, the prosperity of the Buenos Ayres Great Southern depends mainly upon its freight traffic. Nevertheless, for a country so new and so thinly peopled and of such an extensive area as the Argentine Republic, it is a remarkable fact that its passenger traffic represents very nearly one-fifth of its total receipts. This is, of course, largely due to its metropolitan traffic, and particularly to the valuable traffic it obtains in carrying passengers between Christmas and about this season of the year between Buenos Ayres and the fashionable watering-place of Mar del Plata. From the carriage of wheat alone the Company derives about half a million sterling a year. Its principal traffic is wheat, linseed, maize, oats, flour, frozen beef, frozen mutton, wool, hides, and skins, and its secondary traffic hides and skins, hay, flour, salt, sand, lime, and coal.

Buenos Ayres Great Southern Railway.

	1918-19	1917-18	1916-17	1915-16
	£	£	£	£
Gross earnings	7,332,000	5,838,000	5,734,000	5,549,000
Expenses	5,716,000	4,447,000	3,674,000	3,165,000
Ratio	(77.96)	(76.16)	(64.06)	(57.04)
Net earnings	1,616,000	1,391,000	2,060,000	2,384,000
Miscellaneous income	431,000	336,000	271,000	1,731,000
Total net income	2,047,000	1,727,000	2,331,000	2,557,000
4% Debenture stock	624,000	624,000	624,000	624,000
4½% Saladillo Deb. stock ...	46,000	46,000	46,000	46,000
Rentals, &c.	124,000	108,000	107,000	113,000
Income tax	—	—	—	121,000
Total charges	794,000	778,000	777,000	904,000
Net profit for Pref. stock ...	1,253,000	949,000	1,554,000	1,653,000
5% Preference stock ...	400,000	400,000	400,000	400,000
Profit for Ordinary	853,000	549,000	1,154,000	1,253,000
Dividend on Ordinary	873,000	582,000	1,164,000	1,167,000
Rate per cent.	(3%)	(2%)	(4%)	(4%)
Balance	Dr.20,000	Dr.33,000	Dr.10,000	Cr.86,000
To reserve, &c.	—	—	—	60,000
Balance	Dr.20,000	Dr.33,000	Dr.10,000	26,000
Brought forward... ...	41,000	74,000	84,000	58,000
Carried forward	21,000	41,000	74,000	84,000

The London and River Plate Bank, Limited, inform us that an agency was opened on the 6th inst. at Pelotas, in the State of Rio Grande do Sul.

"Thoughts on a Capital Levy." By John Zorn. Price 2s. (London: St. Clements Press, Limited.) This treatise formed the basis of articles published in the *Daily News* in November and December 1919.

THE COAL MINES BILL.

An emphatic negative was delivered by the Trades Union Congress on Thursday to the proposal put forward on behalf of the Miners' Federation that the nationalisation of mines should be forced on the country by means of a general strike. If the folly of the extremists can, as seems likely, be held in check, the coal industry will have an opportunity of turning to the more serious problems that require attention, and of these the most urgent at the moment is the question of control. Various important issues will crop up for consideration under this head, but it would be only blinking facts to imagine that the spectre of nationalisation has been laid, though the conclusion is warranted that the overwhelming majority of the workers, in so far as the Congress is entitled to speak for them, will not adopt unconstitutional methods to ensure the success of any campaign in favour of State ownership. Legitimate pressure through Parliament will alone be tolerated, and the present Government Bill dealing with the status of mines accordingly deserves full and earnest consideration from both masters and men. The Bill is in the nature of an emergency measure, as it is to have effect only till August 31 next, when the position will once more be reviewed in the light of then existing circumstances.

It is unfortunate that the coal industry should be singled out for a continuance of the hateful system to which it was first introduced at the end of 1916, when, as will be remembered, control was set up in the South Wales area. In the following year it was extended to the whole country, with the understanding that it was to be withdrawn as early as possible. In 1918, however, the Coal Mines Agreement, to which owners and miners, as well as the Coal Controller, were parties, was ratified by Parliament, and it worked well for a period. The growing divergence between the prices of home and export coal tended to upset the calculations on which the agreement had been based, and when fixed prices for the export trade were abolished, exporting collieries gained an enormous advantage over others less fortunately situated. The latter were under an obligation to sell their products inland at the low figures settled by the Controller. As the Exchequer was thereby threatened with serious loss and labour troubles were crowding thick and fast upon the industry, the Sankey Commission was appointed in 1919. Besides making recommendations as to wages, which were carried out, the Commission also reported in favour of the limitation of profits. With this object a Bill was introduced in the autumn session, but it was withdrawn owing to the strong opposition which it excited in most quarters. The questions with which it was concerned still remain undecided, and it is principally for the purpose of settling mines finance for the current financial year up to the end of March, and for the ensuing period up to August 31 next, that the present Bill has been introduced. It is to be followed by another measure which will deal more or less on a permanent basis with the future of the industry, and there is no doubt that the action of the Trades Union Congress, in administering such a decisive snub to the extremists, will strengthen the hands of the Government in acceding to the owners' request for equitable treatment of their rights and claims.

The main objects of the Coal Mines (Emergency) Bill are, first, to continue the wages awards made by the Sankey Commission and treat them as prime expenses of the industry; secondly, to provide for interest on the increased capital required to carry out a properly co-ordinated scheme of mineral development; and, thirdly, to lay down what is considered a fair plan for distributing profits. Subject to certain reservations, it is proposed that the agreement confirmed by the Coal Mines Control (Agreement) Act, 1918, shall cease to have effect from April 1 next, and a general pooling of profits will take place. A clause was inserted that the pool should primarily bear the cost of coal control administration, but it was struck out of the Bill in Committee. Profits arising for the 17 months to August 31 next are to be aggregated, and, after the deduction of certain prior charges, the balance will form the pool. From this pool each colliery company will draw its pre-War percentage or standard, an amount determinable under the Finance Act. It is also provided that no assets employed in any undertaking shall be removed or disposed of without the consent of the Controller, and this prohibition extends to all unauthorised distributions of profit. Further, no loans shall be raised, repaid, or varied as to any of their conditions without the consent of the Controller. These are not innovations in principle, but they indicate an undesirable tendency to tighten rather than relax control. As a result of the financial arrangements, the profits of the more well-to-do mines will go to compensate others which have been worked at a loss, and, though this proposal is not a novel one, the new terms will leave the prosperous collieries with a smaller share of their excess earnings than was the case under the Coal Control Agreement. By the latter they were allowed to retain their pre-War profits plus one-fifth, and it seems unfair to increase the already heavy burden which collieries well situated for the export trade have to bear, especially as high purchase prices have in many cases been paid for the mineral rights solely on account of such position.

Where the amount of the pool exceeds the aggregate standard payable to all the collieries, 10% of the excess will be made available for further distribution. One-half of this 10% will be divided in proportion to outputs, and the other half in proportion to the sums paid into the pool. The latter provision will, of course, principally benefit those undertakings whose profits have been greater than the standard allowed them. The standards are to be fixed in accordance with the various acts relating to excess profits duty.

Though it has its drawbacks, the Bill is certainly a much more welcome measure from the coalowners' point of view than the proposal put forward last year to limit profits to 1*s.* 2*d.* per ton. Its main provisions treat only of the finances of the industry for a certain period, and in the last analysis it does not really prejudge anything with regard to the future. It seeks merely to deal with the lamentable results which the absence of specific direction on certain important points from the House of Commons has had on the administration of coal control, but the exact machinery by which accounting and other necessary functions are to be looked after is not quite clear. It is also regrettable that the estimated profits of the industry were not plainly set forth in the financial statement that accompanied the Bill. Bewilderment on this point is inevitable, as Mr. Smillie put the amount of profit from July 1919 to July 1920 at 70 millions, and a Government accountant at less than 7 millions. The light which, as agreed by all the four reports of the Coal Commission, should be shed on matters relating to the industry has, in fact, been withheld, and it is to be hoped that members of the House will elicit the necessary details from the Government before finally approving the Bill in its present form.

Mr. John Moody, President of Moody's Investors' Service, 35 Nassau Street, New York, has just published a review and forecast relating to 1919 and 1920, in which he sets out the current financial and business situation in the United States. Briefly, Mr Moody looks for a cessation of the recent rise in commodity prices, for a tendency towards liquidation before the end of the year, for less acute labour troubles, for the pricking of many speculative bubbles, for large increases in American imports from Europe, for a stabilisation in exchange rates, and for substantial progress in European rehabilitation.

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BY-PRODUCTS.

In certain great departments of industry the United States will necessarily remain predominant. But it is evident that economic conditions in the States of the Union are so shaping themselves that she will no longer take the prominent part as an exporter of food and raw materials to the extent that she did in, we will not say the period that preceded the outbreak of the recent War, but in the generation which preceded that period. As a matter of fact, it had become evident during the 10 years that preceded the outbreak of the War that the United States was no longer in a position to export food and raw materials in the immense quantities which she had been accustomed to do in the later part of the reign, say, of Queen Victoria. It was the perception that the United States could no longer export to us upon the scale and magnitude to which she had been accustomed that induced our bankers and financiers to apply to the investing classes of this country for the means of opening up South America, the British colonies, India, and various other places. This country lives almost entirely upon rendering services. According to the last Census 80% of our people were urban dwellers, as distinct from the producers of the prime necessities of life. Even our exports, with the exception, of course, of coal, are in the nature of rendering services. For what do we do? We import raw materials in a rough state from the various parts of the earth and turn them into a condition which makes them serviceable to man. We import cotton from America, from Egypt, and from India, though not very much from India, and turn them into garments, or piece-goods, or sewing cotton, or whatever is likely to sell to our various customers in the world. We do the same with iron, steel, copper and the various other metals, and turn them into ships, which—at any rate before the War, and apparently we are beginning to do it again—we are able to sell at a price lower than that of any of our competitors. It is generally expected that the next April Census will show that even a smaller proportion of our population than formerly are engaged in the production of articles of prime necessity. Consequently, any serious attempt at bolstering up our agricultural system is foredoomed to failure. It may be possible, and it may be desirable, to offer home-grown produce and colonial produce a certain preference, as was suggested by the late Mr. Chamberlain, but to fix prices for home-grown produce can only result in rousing a feeling of animosity against the farming classes, who are now so rapidly taking the place of the old landowners all over England. Consequently, it is eminently desirable that every assistance should be afforded to our colonies and to the newer countries of the world to induce them to produce food and raw materials upon such a scale as would tend to rapidly reduce the cost of living here.

Meanwhile, the United States, although she is ceasing to export meat on the scale which she did during the War, is doing a very large business in various by-products. The National City Bank of New York calls attention to the fact that during 1919 she exported 50 times as much condensed milk as she had ever done in the period that preceded the War. The total value of these exports was 125 million dollars. The trade before the War in these exports was quite trifling. The phenomenal growth in the demand is, of course, explained by the extreme scarcity of milk in Europe owing to the extravagant way our cattle population was dealt with during the recent War. In this country we took over 400 million lb. weight, against only a little over 100 million lb. in 1916. France, which did not take any before the War, and only took some 40 million lb. as recently as 1918, last year took 112 million lb. Asia, which was hardly a factor in the demand for American canned milk products in the pre-War period, took approximately 60 million lb. Africa, which had only been accustomed to take half a million lb. before the War, took 15 million lb. South America, which might, indeed, be supposed to supply its own milk requirements, nevertheless in 1919 imported 15 million lb., against a million lb. in the first year of the War. Condensed milk, of which the present output of the factories of the United States is probably some 2,500 million lb., with a money value approximating 500 million dollars, is produced in various States, stretching from New York westward to the Pacific coast. Nearly all of them are more or less on approximately the same latitudinal parallel. They include the States of New York, Ohio, Illinois, Michigan, Wisconsin, Iowa, Nebraska, Oregon, and Washington. So recently as 1910 the value of condensed milk as an export by the United States was considered of so little value that it was not recorded in the trade returns of the Bureau of Statistics at Washington. Nevertheless, the Bureau itself obtained information on the subject, and retains possession of it. From this it appears that the total value of the exports was about a million dollars. This value trebled by 1915, as a result of the War. It had increased to 13 million dollars by 1916, to 25 million dollars in 1917, to 68 million dollars in the fiscal year 1918, and, as said above, to nearly 125 million dollars last year.

IRISH INDUSTRIAL COMMISSION. EVIDENCE.—VIII.

THE DEAD-MEAT TRADE AND CO-OPERATION.

In connection with the industrial development of Ireland Father T. A. Finlay, S.J., Professor of Economics, National University, held that the value to a country of its resources and, indeed, of all its wealth depends upon the estimates we form of the material well-being of the people as a whole rather than of the fortunes that are made in the country by those who accumulate its wealth. He deprecated the steady flow of the rural population to the towns, and pointed out that this inflow was not to manufacturing towns like Belfast, Lisburn, and Portadown, where large industries are conducted. In his opinion, however, the establishment of industrial areas of this description was not to be desired in Ireland.

Although the population of the country has been steadily declining over a long period, it was a striking fact that the number of small trades had steadily increased. This was not a healthy condition of things. To counteract this the development of industries should be encouraged. Agriculture in particular is capable of great development and has in recent years been considerably developed. Farmers, however, do not realise that no industry requires so much scientific knowledge and acquaintance with business methods. Their great system of co-operation had done much, as farmers had been brought together and instructed in the best methods of carrying on their industry by pooling all small resources. Individually they were unable to procure for themselves the most suitable machinery.

Witness admitted that the distribution of an industry like the woollen industry over the country would entail greater overhead expenses than its concentration with a large number of men and women under unified control. The welfare of the workers should, however, be the first consideration, and he was prepared to say that co-operation could compete successfully with capitalists. At Sixmilebridge a small farmer had started a small factory, and his success was such that if he had the necessary capital he could multiply his plant five times over. Along the Barrow, in Wexford, the farmers had their own woollen mills, and in the same county a farmer had established a factory for turning out reaping hooks.

Mr. Wheeler, manager, Enniscorthy Dressed-Meat Industry, referred to the change in the past 25 years from a national to an international meat trade. In 1881 the home supplies of meat in the Smithfield market, including the products of imported foreign live-stock, was 86.1% and foreign imports 13.9%, whereas in 1908 the home supplies stood at 34.9% and the foreign imports at 65.1%. Comparing British produce with foreign and colonial produce, the British percentage was 18.4% and foreign and colonial produce 81.6%.

The trend of events shows that the dead-meat trade in Great Britain will consist to a great extent in the buying and selling of dressed meats imported from overseas, with the result that the by-products will not be manipulated by Great Britain, and that will mean the loss of a large amount of capital year by year. It is significant that the Colonies and foreign countries who have laid themselves out for supplying the British markets with meat have developed the handling of the by-products to such an extent that practically nothing is wasted. The profits arising from the sale of the specialised articles into which meat products are converted, when added to the price obtainable for the carcase, makes it possible for the carcase to be landed in the English markets at a much cheaper price than it pays to grow the carcase at home. The effect of the dumping of chilled and frozen meat at a cheaper price into the British markets will be to interfere with the growing of live-stock in these countries, which is the principal pursuit in agriculture, to the point where it will be supplanted by foreign supplies of meat. It is a question whether the British Government will continue to encourage the importation of foreign meat to such an extent that it will not pay to grow beef in these countries.

Ireland is an exporter of cattle, sheep and pigs. According to the *Meat Trades Journal* the exports of the first six months of the present year (1919) were the largest recorded, the number of fat cattle being 85,000 head greater than in the year 1914. During the second week of August Ireland exported 13,013 fat cattle, 2,658 fat sheep, and 1,859 fat pigs. In connection with the delivery of this live-stock at cross-Channel ports there were the railway and shipping charges, the wastage in transit, and the loss of raw material for industrial purposes in this country. The loss by wastage of cattle amounts very probably to £1 per head, and the loss of raw material to £5 per head. In that case the wastage would amount to £13,000 and the raw material to £78,000 for that particular week. Probably the loss of raw material would be £2 millions per annum, and the loss by wastage in transit £400,000. With the dead-meat trade all the disadvantages of shipping would be avoided, and the retention of the raw material would create new industries and create national wealth. The Colonies and foreign companies have amply demonstrated the success of this trade. In Wexford the dead-meat trade has been organised on a basis different from that prevailing abroad. Here it is worked on a co-operative basis, not like the packing companies, in which the profits are concentrated in the hands of a few. The co-operative society in Wexford is owned by Wexford farmers, and the resulting profits are divided amongst them. The Wexford farmer produces his own stock, sells the dead carcase, and manufactures the by-products.

According to a statement handed in by Mr. Knowles, O.B.E., Managing Director, Irish Packing Company, experts claimed that under careful intensive farming three bullocks per acre can be produced, against one under ordinary conditions, and also that a steady flow of mature cattle can be secured all the year round in place of seasonal maturity as at present. By greater care in the selection of stock breeders could improve the quality of their animals. Carelessness in selection is resulting at present in a great quantity of scrub cattle being produced on ground that is naturally capable of feeding high-class stock. The Farmers' Union and the Irish Agricultural Organisation Society can do much to develop the cattle trade, both alive and dead, by promoting scientific selection. Good land should not be wasted on inferior stock. It is stated that experiments in America show that it takes as much to produce 600 lb. per animal as 1,000 lb., and scrub cattle will not put on weight beyond a certain easily reached limit. The same applied to poultry. The table-bird industry in Ireland is rapidly diminishing, and should be revived, as it is a very profitable one. With the co-operation of the bacon companies a very high standard of pig has been produced, and there was no reason why beef, mutton, and poultry should not reach the same standard. Measures should be taken to eradicate parasitic and infectious diseases, which are responsible for the loss of a considerable percentage of edible food. The present system of transport by sea, road, and rail results in deterioration of animals both in quality and weight. By building up a dead-meat industry in Ireland the formation of numerous industries dealing with the by-products would be encouraged. Amongst those in successful operation in England are tanneries: bone manufacture and allied trades (toothbrushes and knife handles, buttons, glue); fertilisers; fowl and pig food; medicinal requirements; meat extracts; tinning, canning, and bottling of tongues; calves' feet and margarine manufacture.

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In 1919 the Company for the first time made its entrance into the ranks of millionaires in new life business, and in this respect far surpassed all its previous records. The new life policies issued covered contracts for £1,076,370, of which £52,100 was reassured, the net retention at the Company's sole risk thus being £1,024,270, which exceeds by more than £400,000 the next highest annual record—viz., that of 1918. The whole of the new assurances were obtained in the United Kingdom, to which the Company's agency system is restricted, and they included no policies of the War Bond type, more than five-sixths of the amount being of the good old-fashioned whole-of-life and endowment-assurance types. This is a remarkably fine achievement, and it is gratifying to find a single-line company, limiting its commitments to life assurance, securing such a large volume of business in the face of the energetic and increasing competition of the great composite companies, whose agency organisations are of much greater magnitude. It is noticeable that the average amount of each new policy is well over £600, which is about half as much again as the average shown in the Company's last quinquennial valuation returns. This leads to the conclusion that life entrants generally are wisely making larger provisions for their beneficiaries than was formerly the case, in view of the diminished value of money as compared with commodities. Apropos of the million record, it is interesting to note that 20 years ago the Company's new business was about a quarter of a million, and 10 years ago it was about half a million sterling. This is geometrical progression so far over the last 15 years, taken in groups of five years, which is certainly a very good ratio.

The total net life premium income was increased in 1919 by £54,108 to £502,145, the passing of the £300,000 limit being another new record. The expense ratio, comparing the total cost, inclusive of commission, with the premiums, was about 16.7%, as compared with 14.7% in 1918. The greatly increased amount of the new business, entailing a large amount of necessary initial but reproductive expenditure, is sufficient in itself to account for this advance, apart from the enhanced cost of administrative and clerical labour which all life offices have had to meet. But the cost is still about one-third less than that provided for at the last valuation, so that a considerable profit must have accrued from economy in 1919.

In other respects substantial profits seem to have accrued during the last financial year towards the formation of the anticipated surplus at the close of the current quinquennium on December 31 next. The incidence of mortality seems to have been favourable. The death claims (apart from matured endowments for £50,062) amounted to £103,624. Although these claims included a number due to the influenza epidemic and to war losses, the ratio of actual to expected death claims was less than 80%. As the result of the year's operations the Company's life assurance revenue account shows an increase of £196,078 to £2,867,306, and the net interest yield seems, as in 1918, to have been about 4⅛%, as compared with the valuation assumption of 3%.

The small subsidiary personal accident account shows a premium income of £5,247. After transfer of £1,332 therefrom to profit and loss account the relative fund at the close of last year amounted to £5,971.

The paid-up capital is of modest amount—viz., £50,000 in respect of a subscribed capital of £250,000, in shares of £5 each with £1 paid thereon. It is claimed to be less burdensome to the assured than that of any British proprietary office, the participating policyholders being now entitled to 95% of the distributed surplus arising from the life and annuity business. The dividend was, nevertheless, quite satisfactory, amounting to 10%, free of income tax, more than three-fifths of the distribution being covered by interest on the proprietors' own funds and the profit arising from the little accident business.

The total assets shown in the balance sheet as at December 31, 1919, amounted to £2,971,852. The amount invested in British Government securities was £1,198,628. These are the principal items of a year's remarkable progress.

PROFITS AND INCOME INSURANCE CO., LTD.

Founded in 1901 under good and influential auspices, all of the directors being experienced insurance men of high standing, the Ordinary shares in this Company seem to have proved very remunerative investments to their original holders. The issued capital amounts to £120,000, of which £20,000 is represented by fully-paid 5% Non-Cumulative Preference shares of £1 each. On December 31, 1918, there were also 100,000 Ordinary shares of £1 each, of which 13*s.* had been paid up, the greater part thereof having been credited out of profits. There had been declared thereon in respect of the year 1918 a dividend at the rate of 6%, and also a bonus of 5*s.* per share, both free of income tax, the amount previously credited as paid up having been 8*s.* per share. The annual report for 1919 announces a dividend of 10%, free of income tax, concurrently with the appropriation of a bonus of 7*s.* per share for the purpose of meeting the full liability upon the Ordinary shares. The total issued capital thereafter amounts to £120,000, all fully paid.

The Company transacts a small amount of life business, all of which is understood to be of the nature of non-participating reassurances. The last quinquennial valuation thereof was made on December 31, 1915, on a 3% basis so that a similar investigation is due at the close of the current year. The premiums in 1918 amounted to £22,611, showing an increase of £2,205. The life business was managed at an expense

ratio of 10%, and the relative fund, which at the close of the year stood at £148,779, was credited with interest at the net rate of 4%. The net new life assurances covered by policies issued in 1919 amounted to £101,962.

The general revenue account deals with many other descriptions of insurance, including marine and sickness insurance, and much of it is also of the nature of reassurance. The premium income in this section shows a great increase, having advanced from £450,385 to £663,246. After transfer of £25,000 to profit and loss account, the general fund at the close of 1919 amounted to £357,812.

After the allocations referred to a balance of £9,984 in profit and loss account is carried forward to 1920. The balance sheet as at December 31, 1918, shows total assets of £902,678, which indicates an increase during the year of £223,579. The Stock Exchange securities represented £275,021, and these were valued by the Company's stockbrokers at cost prices. The directors certify that in their belief the assets were in the aggregate fully of the value stated in the balance sheet.

JAPAN.—Money in Japan showed considerable ease at the beginning of February, but towards the 19th of the month the tone became steadier in view of the seasonal settlement which in some localities is made on that date. Money at call was quoted at from 8% to 9⅘% per annum. After the 19th money again slackened, only to stiffen again at the close of the month owing to increased demands of the exchange banks for foreign bills, coupled with the need for large sums for the Stock Exchange. Money at one time towards the close touched 10.9% per annum. The Silk market became very firm, due to a keen home demand, though no fresh orders came from abroad during the month. The standard brand was quoted at £380. The rice crop of 1919 was officially reported to amount to 303,650,000 bushels, surpassing the yearly average by 31,200,000 bushels. As a consequence of this report the market price further declined, the standard touching Yen 47 per koku at one time, though it recovered to Yen 50 owing to speculative buying, and at the end of the month, owing to shortage of supplies from abroad, the price went to Yen 51.93. The Cotton market fell at one time into disorder, owing to Government prohibition of the export of yarns under 20 count on and after March 1. In anticipation of a coming greater spring demand in the country, as well as increasing exports to China, the market improved. The Stock market generally was dull throughout the month. The notes in circulation and the advances of the Bank of Japan at the close of the month stood respectively at £136,000,000 and £50,500,000.

Sir William S. Meyer, late Financial Member of the Government of India, will read a paper before the Indian Section of the Royal Society of Arts on Friday, 19th inst., on "The Indian Currency System and its Developments." The chair will be taken at 4.30 P.M. by Lord Chalmers, and the reading of the paper will be followed by a discussion.

We learn from Warsaw, through the Polish Information Committee, that it is proposed to take a Census of the Republic of Poland on June 30 next. The Census will be significant on account of its giving for the first time free and unfalsified statistics of united independent Poland.

We are informed that Mr. Fernand Haegler, hitherto Manager of the Banque Belge pour l'Etranger, 2 Bishopsgate, E.C. 2, has been appointed General Manager, and Mr. Henri Dewex, hitherto Sub-Manager, Assistant Manager of this institution.

The London office of the Merchants' Bank of Canada announces that branches of the Bank have been opened at Ardley, Alberta, and on Portage Avenue, Winnipeg. A sub-agency of the Bank has been opened at Bagot, Manitoba.

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CORRESPONDENCE INVITED.

Rubber Topics.

DULL and idle, if not actually stagnant at times, is the best description of the Rubber market during the week. In the absence of speculation on impending or announced capitalisations, comparatively little business would have been transacted. Early in the week Golden Hope became prominent for this reason, and moved up steadily to 78*s.* 9*d.* by Wednesday, closing firm at this level on Thursday. Expectations were fully realised in the subsequent announcement of the proposed bonus issue of three new shares of £1 each for every five shares held. The output of 37,715 lb. of rubber for February, as contrasted with 23,347 lb. for the same month of 1919, affords a measure of the bright prospects for shareholders in the current year. A similar improvement has taken place in the output of the Rubber Estates of Johore, the directors of which announce a capitalisation of reserves which will allow of the issue of one bonus share for every two shares held. In this case the rise is from 47,744 lb. in February 1919 to 61,182 lb. for the past month. The suggested reconstruction of the Tenom (Borneo) Rubber Company provides for the issue of 3⅕ shares in the new Company for each share held in the existing concern. This announcement again synchronises with an improved output of 62,000 lb., as against 45,000 lb. in February 1919. Yet another capitalisation scheme is forthcoming, in which the Tebrau Rubber Estates offer existing shareholders one new share for every five shares held. The shareholders have approved of the proposed reconstruction of the Sungei Choh Rubber Estate Company, according to which they will receive four shares in the new Company for each share held in the original Company. This is yet another of the many companies whose February outputs for the current year exceed considerably those of the same month of 1919. Here the contrast is between 64,659 lb. and 42,801 lb. Shareholders have also sanctioned the reconstruction of the Seremban Rubber Estate Company, in which they are to be allotted two fully-paid shares for each share held in the parent concern.

DJAPOERA (SUMATRA).

Issued Capital: £112,014 in £1 Shares.

Results for Years to August 31

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.*	Net Profit £	Dividend Amt. £	Dividend %
1915–16	2,038	—	330,780	—	2/8½	11·58*d.*	26,311	19,601	17½
1916–17	2,168	—	380,646	—	2/1·6	1/2·52	18,021	—	—
1917–18	2,168	—	459,560	—	1/10	1/2·84	7,418	11,201	10
1918–19	2,160	—	400,700	—	1/8½	1/1·83	14,601	22,401	20

* Approximate.

Price of Shares, 46/10½. Market Capitalisation per planted acre, £124.

DESPITE rather adverse circumstances, the report of this Company for the year ended August 31, 1919, is very satisfactory. The actual output just exceeded the estimate by 700 lb. However, there was a rise of ½*d.* per lb. in the estate costs to 10.28*d.*, as against 9.75*d.*—a rise due in the main to the increase in the

cost of rice supplied to the native labour. This was more than offset by the disappearance in the charge for freightage of the heavy item of war-risk insurance. Consequently, the "all-in" cost was reduced by 1*d.* to 1*s.* 1.83*d.* On the other hand, the acute shortage of transport facilities forced the Company to dispose of a large portion of the crop in the East at very low prices, with the result that the gross price realised per lb. worked out nearly 1¾*d.* below the rather low level of the previous year. Though handicapped in these directions the Company secured a net profit of £14,901, over double that of 1917-18. With the balance of £11,765 brought forward from the last accounts this gave a sum of £26,666, out of which shareholders received a dividend of 20%, less tax, as compared with 10%, less tax, in 1917-18. In addition, another £1,000 was transferred to the reserve, thereby raising it to £20,000; whilst £1,000 was allowed for depreciation on buildings and machinery. Thus there is carried forward to the next accounts a balance of £2,265, out of which has to be discharged any liability in respect of excess profits duty or the Netherlands Indies tax. The outlook for the current year is, on the whole, favourable. The estimated output is 25% higher at 500,000 lb., and when it is remembered that there will be no period of restricted tapping and that the labour situation is improving, there seems no reason why such an estimate should not even be exceeded. Moreover, the actual output for the first three months of the current year is given as 133,732 lb. Furthermore, a forward contract has been entered into for 72 tons to be sold at 2*s.* 4*d.* ex godown Singapore, equivalent to 2*s.* 6½*d.* London. Again, it is very unlikely that transport facilities will prove so great an obstacle as in the year under review, and, consequently, there will be less need to dispose of so great a portion of the crop at unfavourable prices in the East. Moreover, 269 acres of the reserve land have been cleared for planting. On the other hand, two factors operate in the reverse direction. During the year under review the loss on rice amounted to £2,572, and the directors believe that a greater loss will be experienced in the current year. Added to this, allowance has to be made for the exchange situation, which resulted in a loss of £1,311 in 1918-19 and which has become more complicated during the current year.

In the balance sheet sundry creditors, including unclaimed dividends, amount to £7,986, whereas cash in hand exceeds £9,029. Liquid assets are, in fact, available to a total of £30,910. The estate account stands at £120,842, whilst buildings and machinery, less depreciation, are credited with £11,941. During the year the issue of 7,986 shares of £1 each to existing shareholders at a premium of 5*s.* was well oversubscribed. These shares rank for dividend in the current financial year. Consequently, the issued capital now stands at £120,000, in shares of £1. At the general meeting it was agreed to increase the authorised capital to £200,000, and to convert the shares into shares of 2*s.* each, in order to widen the market in them. It is the intention of the directors to utilise a portion of this extra capital for the financing of a subsidiary company to develop 1,500 acres of the reserve land, the shares to be offered to existing shareholders only. Moreover, the increase in the authorised capital will enable the directors to capitalise the existing reserve of £20,000 should they desire to distribute bonus shares. With a forest reserve of 2,250 acres there is evidently plenty of scope for further development, even allowing for the 1,500 acres proposed to be worked by the new subsidiary company. The condition of the present estate is very satisfactory, for, according to the Visiting Agents, the rubber was remarkably free from all disease. Bearing in mind the whole situation—the increased yield from the existing area under rubber, the flotation of the subsidiary company, in which existing shareholders have preferential claims for shares, and the probability of a bonus issue of shares—the market quotation of 10½*d.* for the shares becomes comprehensible.

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Commercial.

IRISH AGRICULTURAL AND TRADE STATISTICS.

THE following figures are compiled from statements issued by the Irish Department of Agriculture. It was not found practicable in 1919 to collect the agricultural statistics in the usual manner through the police, but, quoting the Department, complete returns of areas under all crops other than hay were prepared with great accuracy from actual field surveys made by the inspectors appointed to check the declarations of corn areas furnished by farmers under the Cereals (Ireland) Declaration Regulations, 1919. The extent under hay and the numbers of live-stock on June 1, 1919, were estimated in the following manner:—"Signed returns referring to June 1, 1919, were required from all farmers, and were compared with corresponding returns formerly obtained through the police. Many of the returns had to be discarded for one reason or another, but, after excluding such returns, there still remained hundreds of thousands giving a reliable measure of the changes in the area under hay and in the numbers of the various classes of live-stock on the holdings of small and large farms in every part of Ireland. Proportionate changes were assumed to have taken place on all farms." The up-to-date figures given below in connection with the export trade have been secured by the courtesy of the Irish

Returns Order issued by the Ministry of Food. Considering the value now placed on accurate and timely trade statistics, it is to be hoped that there will be no break in the series.

The production of oats and barley between 1916-19 has been considerably stimulated, and this is especially so in the case of the former. Large stocks of oats are, according to some opinions, still held by farmers owing to the difficulty of moving them. Horses and cattle record an augmentation in the same period, but in other classes of live-stock there has been a decline. The extent to which dairying practice has been affected by the War is revealed by the impressive advance in cheese exports—13,569 tons, or 4,508%—and the marked decline in the exports of butter. On the basis of the comparison of the average of the five years 1909-13 with 1919, the predominance of the minus sign shows that Irish trade generally has not yet swung by any means into its normal channels.

I. Acreage under Certain Crops.

	1916	1917	1918	1919	Inc. (+) or Dec. (−) 1916-19	
	Acres	Acres	Acres	Acres	Acres	%
Wheat ...	76,438	124,082	157,326	69,663	− 6,775	− 8.9
Oats ...	1,071,593	1,163,727	1,579,537	1,442,458	+ 370,865	+ 34.6
Barley & bere	150,063	177,135	184,712	186,625	+ 36,562	+ 24.4
Potatoes ...	586,308	709,265	701,847	588,802	− 2,494	+ 0.4
Flax ...	91,454	107,705	143,355	95,610	+ 4,156	+ 4.5
Hay ...	2,406,247	2,532,723	2,470,417	2,520,096	+ 113,849	+ 4.7

II. Total Production of Above Crops.

	Average 1905-14	1916	1917	1918	1919	Inc.(+) or Dec.(−) 1916-19	
	Tons	Tons	Tons	Tons	Tons	Tons	%
Wheat	40,385	75,724	122,487	152,422	65,678	− 10,046	−13.3
Oats ...	909,368	890,767	1,352,313	1,448,556	1,222,006	+331,239	+37.2
Barley & bere ...	158,902	140,086	168,710	179,128	174,107	+ 34,021	+24.3
Potatoes	3,103,011	2,433,346	4,152,740	3,863,334	2,746,588	+313,242	+12·9
Flax ...	10,349	14,492	15,362	15,703	13,720	− 772	− 5.3
Hay ...	4,984,005	5,325,432	4,701,942	4,728,183	4,809,645	−515,787	− 9.7

III. Numbers of Live-Stock.

	1916	1917	1918	1919	Inc.(+) or Dec.(−) 1916-19	
						%
Horses ..	598,978	597,692	618,807	624,501	+ 25,523	+ 4.3
Cattle ...	4,970,441	4,908,516	4,863,282	5,029,450	+ 59,009	+ 1.2
Sheep ...	3,763,705	3,744,453	3,627,178	3,313,345	−250,360	− 6.7
Pigs ...	1,290,289	947,472	974,385	977,963	−312,326	−24.2
Goats & kids...	293,390	268,853	277,114	233,287	− 60,103	−20.5

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IV. Exports from Ireland.

	1909-13	1918	1919	Inc.(+) or Dec.(−) 1919 on 1909-13	
	Tons	Tons	Tons	Tons	%
Oats	64,385	83,848	140,638	+ 76,233	+118
Potatoes	143,607	343,099	284,779	+141,172	+ 98
Hay	19,460	65,426	25,330	+ 5,870	+ 30
Grass seeds	21,838	14,341	13,294	− 8,544	− 39
	No.	No.	No.	No.	
Fat cattle...	297,237	375,705	531,842	+234,605	+ 79
Store cattle	404,490	289,694	194,781	−209,709	− 52
All other cattle	110,961	54,713	38,628	− 72,333	− 65
Total	812,688	720,112	765,251	− 47,437	− 6
Milch cows	37,401	29,859	29,879	− 7,522	− 20
Fat sheep	330,480	308,181	276,416	− 54,064	− 16
Lambs	360,622	301,056	230,230	−130,392	− 36
Fat pigs	276,525	165,712	192,540	− 83,985	− 30
	Tons	Tons	Tons	Tons	
Bacon and hams ...	55,232	20,571	25,402	− 29,830	− 54
Lard	5,803	962	1,977	− 3,826	− 66
Wool	6,519	5,792	4,791	− 1,728	− 27
Butter	36,110	22,796	16,191	− 19,919	− 55
Cheese	301	6,823	15,870	+ 13,569	+4,508
Margarine	3,319	6,318	6,532	+ 3,213	+ 97
Condensed milk ...	13,388	13,496	12,732	− 656	− 5
Biscuits	16,466	18,686	15,331	− 1,135	− 7
Stout, beer and porter...	214,417	142,072	221,639	+ 7,222	+ 3
Eggs, great hundreds ...	6,358,171	8,769,698	8,829,768	+2,471,597	+ 39

New Issues.

FRENCH FIVE PER CENT. BONDS (1920).

As we explained fully last week, the Comptoir National d'Escompte de Paris, the Crédit Lyonnais, and other associated banks, are inviting on behalf of the Government of the French Republic subscriptions for an issue of 5% bonds of 1920 at par, repayable in 60 years at the rate of 150 francs per 100 francs of capital by means of half-yearly drawings.

COOK, SON AND CO. (ST. PAUL'S), LIMITED.

Messrs. Cook, Son and Company (St. Paul's), Limited, the well-known textile manufacturers and warehousemen, invite subscriptions for an issue of 1,625,000 7% Cumulative Participating Preference shares of £1 each and 1,625,000 Ordinary shares of £1 each at par. The Cumulative Participating Preference shares are entitled to a Cumulative Preferential dividend at the rate of 7% per annum; to 25% of the profits, which it shall be determined to distribute in the particular year remaining, after payment of 7% on both the Preference and the Ordinary shares; and to the right in a winding-up to priority as to repayment of capital and any arrears of the 7% dividend. The Ordinary shares are entitled to a non-Cumulative dividend at the rate of 7% per annum, after payment of the dividend of 7% on the Preference shares, and to 75% of the remaining profits, which it shall be determined to distribute in the particular year. The vendors are taking one-third of the issue of each class of shares in part payment of the purchase price. Any shares not applied for will be taken by the vendors. There are no Debentures, and the articles of association provide that the Company shall not issue any Debentures or Debenture stock without the consent of the holders of the Preference shares forming part of the original capital of the Company.

THE UNION COLD STORAGE COMPANY, LTD.

Subscriptions will be invited on Monday next for an issue of 2,000,000 7% Cumulative Preference shares of £1 each at par and 700,000 10% "A" Cumulative Preference shares of £1 each at 26*s.* per share in The Union Cold Storage Company, Limited. The capital of the Company is £4,780,000. Of the present issue the directors and their friends have subscribed for 500,000 of the 7% Preference shares and 350,000 of the "A" Preference shares. The Company was formed in 1897, and in the period that has elapsed its business has grown until it has now become by far the largest of its kind in the world. For the last 17 years regular dividends of 10% have been paid on the Ordinary, while £559,156 of Debenture stock and specific mortgages have been paid off. The pro-

ceeds of the present issue are required for the purchase of the whole of the tonnage of the Blue Star Line, Limited, consisting of 15 steamers, which have been valued at £4,342,780. There will be charges on the steamers for a sum not exceeding £1,500,000. The balance of working accounts of the Company for the past three years has been over £300,000. Adding profits anticipated from the present purchase, estimated at a minimum of £300,000, there is a total excess of £600,000. Interest charges and Preference dividend absorb £148,366, so that there should be a balance of £451,634 to meet administration, depreciation, and dividends upon the 7% Preference and the "A" Preference shares, which require only £240,000. All the expenses of this issue, including registration of the further capital, will be repaid to the Company by the Blue Star Line, Limited.

CROSSES AND WINKWORTH CONSOLIDATED MILLS, LIMITED.

This Company has a capital of £7,000,000, divided into 5,000,000 10% Cumulative Participating Preference shares of £1 each and 40,000,000 Ordinary shares of 1*s.* each. Of the above, 3,000,000 10% Cumulative Participating Preference shares of £1 each and 9,000,000 Ordinary shares of 1*s.* each are offered for subscription. The price of issue is 33*s.* for one £1 Preference share with three 1*s.* Ordinary shares. No application for either Preference or Ordinary shares alone will be entertained. Eleven million Ordinary shares have been sold to the directors and their friends at par. The Company has been formed to acquire the businesses of Crosses and Winkworth, Limited; Ward and Walker, Limited; Lord Hampson and Lord, 1919, Limited; and all the Ordinary share capital of W. and C. Ainsworth, Limited, and Ainsworth Brothers and Company, Limited. All these concerns are cotton mills operating 13 mills with 785,268 mule and 116,604 ring spindles in the Bolton and Preston districts of Lancashire. The earnings of the amalgamated companies for the past three years were:—In 1916-17, £316,382; in 1917-18, £676,813; and, in 1918-19, £628,432. A valuation of the mills is placed at £6,000,000, and shows the Preference shares to be covered twice over. The yearly earnings, estimated at £750,000, are sufficient to ensure the Preference dividend 2½ times, and, if distributed, would pay over 12% on the Preference, taking into account the participating rights, and 38% on the Ordinary shares now issued.

CROSSE AND BLACKWELL, LIMITED.

This well-known jam and preserves Company is offering for subscription on Monday next 2,625,321 7½% First Cumulative Preference shares of £1 each at par. The total issued capital is now £7,354,382. The Company at present owns or controls the companies or businesses of Cross and Blackwell (Manufacturing Company), Limited; J. Keiller and Son, Limited; E. Lazenby and Son, Limited; Cosmelli Packing Company, Limited; and Robert Kellie and Son, Limited. The proceeds of the present issue are to be devoted towards the acquisition of the businesses of Batger and Company and Alexander Cairns and Sons, towards making advances to the subsidiary companies and to the extension and development of the businesses.

BRITISH AND IRISH STEAM PACKET COMPANY, LIMITED.

This Company has been formed with a capital of 2½ millions, of which one million is paid up. The capital is divided into 1,500,000 Participating Preference shares of £1 each, now offered for subscription, and 1,000,000 Ordinary shares of £1 each, which, as already said, have been issued and are fully paid. The Participating Preference shares are preferential as to capital, and are entitled to a non-Cumulative preferential dividend of 6% per annum in each year, and (after the payment of a 6% dividend for the year on the Ordinary shares) they rank with the Ordinary shares equally for additional dividend up to 10% per annum. The Company was established in 1836 by deeds of settlement, and registered as a limited company in 1879. Modern memorandum and articles of association were adopted in 1914 in substitution for the original deeds of settlement of 1836 and 1838. Since 1836 the Company has continuously carried on regular services of first-class steamers carrying passengers and cargo between Dublin and London, calling at the principal ports on the South Coast of England. The Company recently acquired on favourable terms certain steamers with the trades in which they were engaged between Dublin and Liverpool and Manchester, formerly carried on by the City of Dublin Steam-Packet Company and the Tedcastle, McCormick and Company, Limited, and the steamers and other assets so purchased now form part of the assets of the British and Irish Steam-Packet Company, Limited.

W. G. C. Hayward and Company, Limited, has been formed with a capital of £120,000 to develop a business already established for the making of the "Whippet" motor-scooter, the "Jones" 6 to 8 horse-power cycle-car, the "E.C." electric iron, the "Blue Bird" steam turbines, and the "Feyens" engine and power sets. The capital is divided up into 239,800 10% Participating Preference shares of 10*s.* each and 2,000 Ordinary shares of 1*s.* each. 160,000 10% Participating Preference shares of 10*s.* each are now offered at par. The original Company was registered in 1916, with a nominal capital of £5,000, as a private company to carry on general engineering work. During the War it executed a number of contracts in relation to the production of munitions of war, mainly for the manufacture of parts of aeroplane engines. As a result of its operations during the past four years, the Company has equipped itself with works, machinery, plant, and materials of general engineering utility, which have been valued at £30,470, with liabilities amounting, after setting off book debts and cash, to £4,668, and this has been done after providing 10% dividends for the Preference shareholders. The nominal capital of the Company has recently been increased with the object of turning to account the Company's organisation and equipment on the lines indicated. The Company hopes to do a large business with the "Whippet" motor-scooter, but it remains to be seen whether there is a real public demand for this type of locomotion. For the cycle-car, provided a satisfactory article is turned out, there should, of course, be a very large demand. Intending investors will do well to consider the merits of the other articles in the manufacture of which the Company proposes to specialise.

Meadow Dairy Company, Limited, has been formed with a capital of £750,000, divided into 700,000 7½% Cumulative Preference shares of £1 each and £50,000 in 1,000,000 Ordinary shares of 1*s.* each. £263,892 in Preference shares have been issued, and the whole of the Ordinary. The Company now invites subscriptions for an issue of 236,108 7½% Cumulative Preference shares of £1 each at par. Every applicant

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for Preference shares of this issue receiving an allotment will be entitled to purchase, under an agreement made by the Company, at their nominal or par value of 1*s.* such a number of fully-paid Ordinary shares of the Company as shall be in the proportion of one Ordinary share for every complete four Preference shares of this issue. The Company takes over a private business, and, in addition, owns the whole of the Ordinary share capital and over 96% of the issued Preference capital of Pearks' Dairies, Limited, trading as Pearks' Stores in the South of England and Scotland.

Derek's Tin Mines, Limited, has been formed with a capital of £100,000, divided into 100,000 shares of £1 each, of which 45,000 are now offered for subscription at par. The Company has been formed for the purpose of acquiring and working a group of tin mines at Stannery Hills, in the Herberton Tin Field, North Queensland. The land is held under the usual mineral leases granted by the Government of Queensland, and the original leases have been deposited with solicitors and notaries in Sydney, New South Wales. The prospectus states that the Stannery Hills mines in North Queensland are about 55 miles from the port of Cairns, with which it is connected by railway and tramline. There is, of course, at present an extraordinary demand for this metal, and in a sense it is likely to continue for a considerable time. But it has to be remembered that tin is at a very extravagant price, and although freights are likely to come down, and to come down very materially in the near future, nevertheless, it has to be remembered that these mines are situated at a considerable distance from any probable centre of consumption.

Kalahari Diamonds, Limited, a Company with a capital of £80,000 in 160,000 shares of 10*s.* each, is offering for public subscription 60,000 shares of 10*s.* each at par. The Company is to acquire and develop certain diamond properties, which it will purchase from Mr. W. E. Bleloch, having a total area of about 12,500 acres, about 120 miles west of Kimberley. Mr. Bleloch selected these farms on account of their situation relative to diamond pipes already discovered, and of the surface indications found on them. The enterprise is described by the prospectus itself as "necessarily speculative," but adds that even if one payable diamond pipe is found there is certainty of success.

Messrs. A. and W. Richards, of 37 Walbrook, E.C. 4, are offering for subscription £25,000 7% Redeemable Debenture stock of the Lea Bridge District Gas Company at par. The stock is to be redeemed at par on the last day of December 1929. The net revenue for last year was £15,676, while the interest on the existing Debenture stock and the £25,000 now to be raised amounts to £3,620, leaving available for dividend on the Preference and Ordinary stock £12,056.

Pelman Institute, Limited, has been formed with a capital of £150,000, divided into 75,000 8% Cumulative Participating Preference shares of £1 each, and 75,000 Ordinary shares of £1 each. The former are now offered for subscription at par, while of the Ordinary shares 50,000 are issued to the vendors as part consideration for the purchase, the remaining 25,000 being held in reserve. The assets taken over by the Company stood in the books of the Company at January 1 last at £109,000, and at the same date the liabilities to trade creditors proposed to be taken over amounted to £39,538.

Home Grown Sugar, Limited, has an authorised share capital of £1,000,000 divided into Ordinary shares of £1 each. The present issue is of 500,000 Ordinary shares at par, of which 250,000 are now offered for public subscription. The Government have agreed, upon the Company becoming entitled to commence business, to subscribe for a number of Ordinary shares, not exceeding 250,000, equivalent to the number allotted to the public. Of the 250,000 shares now offered, the directors and other members of the British Sugar Growers' Society, Limited, and their friends have already applied for 125,000, and a similar number have been underwritten at a commission of 1¼% and an over-riding commission of ¼%. A dividend of 5% on 250,000 shares is guaranteed by the Government up to March 31, 1930. The fundamental object of the Company is to develop and complete the scheme of the British Sugar Growers' Society on national lines, and with this object to build a factory on the Kelham Estate, near Newark, for the manufacture of beet sugar and its by-products; to provide a market for same; and generally to assist in reviving and re-creating rural life and industry. It is proposed to build a factory ready to receive sugar beet in the autumn of 1921. Its capacity is provisionally fixed at 600 tons of roots per day, representing approximately a supply of roots of about 60,000 tons, and sugar production of about 8,000 tons.

The recent issue of 250,000 8% Cumulative Preference shares in Karrier Motors, Limited, has been over-subscribed, and letters of allotment will be posted within the next few days.

We are informed that the issue by Messrs. Lever Brothers, Limited, of 4,000,000 7% Cumulative "C" Preference shares has been fully subscribed.

The South African Gold Trust, Limited, announce that the realised net profit for the year ended December last, mainly derived from dividends on investments and interest on loans, amounts to £107,538 14*s.* 8*d.* An interim dividend of 1*s.* per share was paid in September 1919. The dividend on the Preference shares and French Government tax have been deducted, leaving £51,568 13*s.* 11*d.*, which, with the amount brought forward from last year, gives a total of £114,296 1*s.* 3*d.* The directors recommend a distribution of a final dividend of 1*s.* 6*d.* per share free of tax, making in all 2*s.* 6*d.* per share for the year, which will absorb £37,500, leaving a balance of £76,796 1*s.* 3*d.* An extraordinary general meeting will shortly be held and a resolution submitted to shareholders authorising the sale of the assets of the Company to a new Company, owing to the fact that the objects of this Company as set out in its memorandum are unusually limited.

A new Bank has been established under Polish Laws, 1920, entitled the Anglo-Polish Bank. The new institution is the outcome of an arrangement between the British Overseas Bank, Limited, and Messrs. A. Peretz and Company, bankers of Warsaw. The subscribed and paid-up capital is 25 million Polish marks. Mr. Henri de Dolanski, President of the Agricultural Syndicate of Poland, is the President of the Bank; while among the list of Vice-Presidents is Mr. A. C. D. Gairdner, Chairman of the British Overseas Bank, Limited. The board of management consists of Messrs. Alfred Rollo, Adolphe Peretz, and Michel de Biatobrzeski.

The 1920 volume of the "Mining Manual and Mining Year-book" is the thirty fourth consecutive issue since the publication of the first in 1887. The number of companies dealt with in the present volume is 1,400, and the supplementary index with its references to earlier volumes covers a further 2,390 companies. The work covers every section of the Mining market, and many mines whose shares are not dealt in at present on the London Stock Exchange are included. The supplementary index contains the names of those companies which, although still in existence, have either ceased to be of public interest or are in too dormant a state to justify their inclusion in the body of the work. The work is published by Mr. Walter R. Skinner, of 11 Clements Lane, E.C. 4, at the price of 20*s.* net.

LLOYDS BANK LIMITED.

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CAPITAL SUBSCRIBED	(Dec., 1919)	£58,878,400
CAPITAL PAID UP	do.	9,420,544
RESERVE FUND	do.	9,675,105
DEPOSITS, &c.	do.	325,938,436
ADVANCES, &c.	do.	135,763,591

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THE LONDON AND RIVER PLATE BANK, LIMITED.

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DIRECTORS.

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Col. H. F. Bowles, M.P.
Sir George Younger, Bart., M.P.
H. E. Carter (Managing).

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Year to June 30	Net Profit	Amounts Written off	Excess Profits Duty	Deb. Int.	Pref. Div.	Ord. Div.	%	Amt. of Carry-forward
	£	£	£	£	£	£		£
1914	131,517	55,000	- -	19,151	21,000	25,000	5	16,396
1915	134,791	54,000	—	18,960	32,337	25,000	5	40,890
1916	150,223	21,755	—	18,627	42,000	30,000	6	78,731
1917	225,138	36,000	35,000	18,176	52,500*	35,000	7	127,193
1918	258,764	50,000	75,000	17,932	52,500*	35,000	7	155,525
1919	322,825	60,000	140,000	17,130	52,500*	35,000	7	173,720
1920	372,479	181,891	95,000	16,745	63,360*	50,000	10	139,202

* Pref. div. paid free of income tax.

The ultimate justification for the existence of any type of industrial structure is best measured by the extent to which it fulfils the functions for which it was called into being. The continued success of the great London stores can, indeed, only be accounted for by the fact that they meet efficiently and promptly the needs of the public as expressed in the demand for specific commodities of a given quality. Interpreted in this light, the best justification for the existence of the London stores in general, and of the firm of Selfridge and Company in particular, is to be found in the annual presentation of satisfactory trading accounts. That the accounts of Selfridge and Co. for the year ended January 31, 1920, reveal a very satisfactory state of affairs will be freely admitted by anyone who even casually glances over the comparative analysis contained in the table at the head of this article. That under conditions as adverse as these Selfridge and Company not merely maintained their previous record of net profit, but actually achieved a still further record of £372,479, is no mean tribute to the ability of the directors. During the year under review the range of operations was considerably extended by the acquisition of large businesses in leading provincial towns, such as Liverpool and Leeds, and, venturing still further afield, a branch was opened in Dublin. Now it emerges that this record net profit of £372,479 does not include the profits of such branch houses. In the first place, certain branches have not yet been in the ownership of the firm for twelve months. But, secondly, the directors, looking to the future rather than to the present, have utilised any such profits to strengthen the position of the branches by building up their stocks or adding to their departments. There is no doubt that under such conditions the branches will soon be in a position to vie with the parent firm as dividend-earning concerns. Yet, despite the exclusion of these branch profits, the directors have available a sum of £546,199, including the balance of £173,720 brought forward from the last accounts. Out of this there is set aside for excess profits duty a sum of £95,000, as compared with £140,000 for the previous year. The sum of £31,891, representing expenses incurred with the recent issue of 600,000 6% Cumulative Preference shares, is entirely written off, whilst a special reserve fund is created, to which £150,000 is allocated as a beginning. Then, after paying Debenture interest amounting to £16,745, Preference shareholders receive a dividend of 6%, free of tax, equivalent to more than 8½%, less tax, which absorbs £63,360. The dividend on the Ordinary shares, which are held by Mr. Gordon Selfridge, has been increased from 7% to 10%, and as it is paid free of tax, the actual rate works out at nearly 14⅓%, less tax. There is left to be carried forward to the next accounts a balance of £139,203. In the absence of unforeseen circumstances the outlook for the coming year is decidedly promising. Profits from the several branches should begin to accumulate: whilst the character and ability of the men at the head of the London concern is the best guarantee for the continuance of its successful trading. At the same time it is necessary to make allowance for persistent increase in the various items that go to make up the cost in such a business. Speaking of the year under review, Mr. Gordon Selfridge said at the general meeting: "Our per cent. profit is much smaller than heretofore, and our per cent. expense is higher than we like to see." However, during 1919 that difficulty was overcome by a greater increase in the annual turnover, and what has been done in the past can again be done in the future.

In the balance sheet the issued capital has been increased to £1,800,000 by the addition of £600,000 derived from the very successful issue at par of 600,000 6% Cumulative Preference shares (free of income tax up to 6s. in the £). It will be remembered also that this payment of dividend free of tax was extended to the 70,000 similar shares previously issued—a concession which was equivalent to raising the dividend to 8½%, less tax. The 5% First Mortgage Debentures have been reduced by £10,700 during the year to £330,400. Fixed assets, after due depreciation has been written off, stand at £2,094,340. Liquid assets amount to £1,360,276, out of which have to be met the claims of creditors, amounting in all to £981,358, this total including £330,978, the outstanding amount of mortgages and advances on funding loans, and the liability in respect of excess profits duty and dividends due to the Ordinary and Preference shareholders. Turning to individual items, the stock-in-trade is returned at £560,008, as compared with £424,207 in the previous balance sheet. But as the demand of the world, now resuming its pre-War industrial pursuits, is becoming much more acute, this large stock represents a very valuable asset which could not be acquired to-day on such favourable terms. The increase in sundry debtors from £250,351 to £344,306 is [illegible] the [illegible] trading relationships. In the market the 6% Cumulative Preference shares of £1 each are quoted about 21s., at which price the net yield free of tax is 5%. Quoted at 90, the 5% First Mortgage Debentures bring in approximately [illegible]

MEETINGS
OF PUBLIC COMPANIES.

LANCASHIRE AND CHESHIRE INSURANCE CORPORATION, LIMITED.

THE annual general meeting of this Company was held on March 11 at River Plate House, Finsbury Circus, London, E.C., Sir A. Trevor Dawson, Bart., R.N. (the Chairman), presiding.

The Secretary (Mr. E. O. Jeffries) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Ladies and Gentlemen,—Before considering the business of the Company I know you will wish me to express our deep regret at the loss the Company has sustained in the sudden and lamented death of Admiral Noel Grant, C.B., the distinguished naval officer, who had so lately been elected to the board of the Corporation.

The report and accounts having been in your hands for some days, you will doubtless permit me to take them as read. There being no item in the accounts which appears to call for special comment or explanation, I do not propose to discuss them in detail, and I will turn at once to the general questions affecting the interests of the Company.

This Company started its own direct marine underwriting department at the beginning of 1917, and until November 1918 a considerable portion of the premiums was derived from war risks. The abnormal conditions prevailing at the time of the Armistice, the practical elimination of premia from war risks, and the fact that the new conditions were such that pre-War experience was no guide to the future, compelled the board and the underwriter to give special consideration to the future marine underwriting policy of the Company.

There were many factors to consider. We had cargoes carried on new wood steamers and auxiliaries, on steel ships built under war conditions, and we had the desire of insurers to include the continuance to interior destination in the new countries and elsewhere, many additional hazards, such as theft and pilferage, and various other liabilities which were more or less unusual in pre-War time.

The question of theft and pilferage and loss of goods shipped to certain of the countries which were still disorganised, and which, in some cases, had not succeeded in affording adequate protection for goods, was and is extremely serious.

Apart from this, the total volume of premium on cargo business early in 1919 was very small, and the demand for premium being greater than the supply, rates in many cases were below the pre-War standard, notwithstanding the fact that the conditions were below the pre-War grade both as regards vessels and crews manning them.

Marine Business: necessity for caution recognised.

Having carefully reviewed these facts with the underwriter, your directors came to the conclusion that, with a comparatively young Company such as the Lancashire and Cheshire, it would be cautious policy for the time being to accept the position, and, instead of endeavouring to maintain a premium income approaching that written during 1917 and 1918, it would be the wisest course to adopt a conservative policy, and write only such selected risks as were available until conditions more nearly approached the normal, or, alternatively, until underwriters had experience of post-War results.

It will be noticed that the loss ratio on the first year's settlement of 1917 was 35.43%, in 1918 36.30%, and in 1919 23.05%. Taking round figures, in the period from January 1, 1917, to December 31, 1919, we have accepted a total premium of £780,182, and our claims, &c., have amounted to £444,867, which, over a period of three years, gives a loss ratio of approximately 57%, which cannot be considered as otherwise than satisfactory. The directors also believe that, with a cautious and careful policy, the future of the Company is assured, and that their policies will continue to rank with their clients as favourably as those of the older-established concerns.

There is, perhaps, a temptation for small companies to undertake commitments beyond their resources, but shareholders will find that the Lancashire and Cheshire has in this respect erred on the side of safety, as at the end of 1918 the cash capital of the Company was £50,000, and it was only during 1919 that the cash capital was increased to £100,000.

I wish to impress upon the shareholders that, had the directors and underwriter so desired, there would have been little difficulty in writing a considerably increased premium income, but it would only have been done at the expense of carrying very much greater lines on individual risks than had been the practice in 1917 and 1918. Our underwriter informs me that the volume of acceptable business is now increasing, and that we may look upon the year 1919 as the low-water mark in point of premium income.

From the beginning our underwriter has confined himself mainly to cargo risks, and avoided, as far as possible, what are known as hull and machinery risks under full conditions, so we have no anxiety in respect to the increased cost of repairs on hulls. As will be seen from our balance sheet, we have taken the somewhat unusual course of showing the actual figures of our third year's settlements.

We are able now to accept from insurance brokers increased lines, as we have entered into an agreement with another company to act as their London underwriters, and we anticipate that this arrangement will be mutually advantageous.

Turning now to the general section of the Company's business, the shareholders will observe that, for the purposes of the accounts, the premiums have been dealt with as a whole. It will be observed that the loss ratio over the whole of the general business is 37.06%, and upon this result I think the shareholders should be congratulated.

The employers' liability section of the Company's business continues to show a very good profit.

There is another class of insurance which this Company is at present satisfactorily developing, namely, motor-car insurance.

Early in the year rates on this class of business were generally increased by 20%, owing to the increased cost of material and labour, but I am pleased to say that, as the result of our 12 months' business, our claims experience has only been, roughly, 30%, which must be considered very satisfactory.

Branches are now opened in Newcastle, Leeds, Manchester, and Nottingham, and although we, together with other companies, have had great difficulty in acquiring premises in these towns, we have been fortunate in obtaining offices in the best positions, and we are already beginning to receive a substantial flow from those centres where offices have been opened. Agencies have been established in Paris, Amsterdam, Rotterdam, and Antwerp, from which fire business is now coming forward in satisfactory volume.

American Fire Business started.

Arrangements have been entered into by which the Company will operate in America as from January 1, 1920, as regards fire business. The necessary deposits called for by American law have been made, and shareholders will be pleased to hear that the transaction was carried out without any loss in exchange.

I think the shareholders will agree with me that their thanks are due to the underwriter, managers, and staff, to whose efforts the prosperity of the Company is so largely due.

I will now propose: "That the report and statement of accounts be received, adopted, and entered on the minutes," and I will ask Mr. Small to be kind enough to second the resolution.

Mr. Charles W. Small seconded the motion, which was carried unanimously, and it was further resolved that the final dividend recommended in the report be declared and paid.

The retiring directors (Sir Park Goff, M.P., Mr. F. W. Ashe, and Mr. G. U. Price) were re-elected, and the election of Mr. Samuel Pattinson, J.P., to the board was confirmed.

The auditors (Messrs. Jackson, Pixley and Co.) were reappointed, and a vote of thanks to the Chairman concluded the proceedings.

CONSOLIDATED CAMBRIAN, LIMITED.

THE eighth ordinary general meeting of the shareholders of this Company was held at the Great Western Royal Hotel, Paddington, on March 9. Mr. Edward A. Mitchell Innes, K.C., Chairman of the Company, presided, and there was a full attendance of the directors.

The Chairman, in the course of his speech, said: The kernel of the report is the recommendation of a 5% dividend, making 10% for the year on the Ordinary shares, and of the carrying forward of £46,977 6s. 9d.—a little over half as much again as the sum carried forward last year.

During the past year, pursuing the policy of the eventual replacement of the older collieries, the undertaking known as the Tower Collieries, lately owned by the Marquis of Bute, has been acquired.

Since our last meeting there have occurred several public events of great importance to the coal industry. On March 20, 1919, appeared the three reports of the members of the Coal Commission on hours and wages; and on June 20 their four reports on the ownership and control of minerals and mines.

With regard to the former, the proposals for increased wages and reduced hours have come into operation, but the

proposal for the limitation of coalowners' profits to 1s. 2d. a ton of output has perished, as it deserved to perish, unwept and unhonoured. It was, in the view of coalowners and investors, a proposal unsound in principle, and calculated, in its results, to cripple, if not destroy, the industry. This, however, was not, in itself, enough. What killed it was the refusal of the miners to accept it in satisfaction of their demands: still, whatever the cause, its death is a welcome fact.

Emergency Legislation.

A Bill containing alternative proposals is now before Parliament. Broadly stated, without detail, this measure, to be known as the Coal Mines (Emergency) Act, 1920, provides that the Coal Control Agreement of 1918 shall be deemed to have ceased to have had effect as from April 1, 1919. From that date all coal-mine profits are to be pooled. Out of this pool

(1) The costs of the Coal Controller's Department are to be paid, though this clause has been deleted in Committee.

(2) Each undertaking is to get its pre-War or percentage standard, the richer paying for the poorer, who have not attained their standard.

(3) Of the balance remaining, 10% is to be divided among the undertakings; half of that 10% in proportion to output, and half in proportion to the amount contributed to the pool.

Substituted standards are abolished; and pre-War or percentage standards are to be fixed in accordance with the Acts governing excess profits. The Act is to remain in operation till August 31, 1920.

Under these provisions, which are certainly better than the 1s. 2d. per ton proposal, profitable collieries will be less well off than under the Coal Control Agreement, which permitted the retention of their pre-War profits *plus* one-fifth. The position of a colliery which has a substituted standard will of course depend on the figure of the percentage as compared with the substituted standard.

Nationalisation of Mines or Minerals.

Turning to the Coal Commission Reports of June 20, I do not intend to attempt to deal at any length with the question of nationalisation. It is impossible in the time at my disposal. But I commend to everyone interested in this question a close study of the speech of the Prime Minister in the House of Commons on February 11 of this year. Perhaps, however, I may be allowed to make one or two observations.

By the elimination of private profit the principal motive for efficiency and economy is destroyed. That is the way men are made. You cannot change the basic facts of human nature by Act of Parliament. Further, the loss so incurred will be made good by the Government out of the taxpayers' pockets. This is nothing less than a premium on waste and extravagance. Under private enterprise, efficiency and economy are secured by the fact that the loss is personal, and falls upon the shareholders, to whom the directors are responsible.

Bureaucratic management has always been cumbrous, expensive, and inefficient. The only alternative to bureaucratic management put forward by the Labour party is management by the miners themselves—in other words, the domination of the community by a section. That is the path of Syndicalism. If I am told that I should have more confidence in the common-sense of the miners and their spirit of public service, I answer that if only sinister counsels are absent I have that confidence. But it has been found possible for what I believe to be a comparatively small number of fanatical extremists, in the teeth of the advice of their wisest leaders, to infect their official organisations with the poison of "direct action"—a form of sectional tyranny which is inconsistent with personal liberty, or, indeed, with ordered government. This is the "class war" of Karl Marx, now in operation in Russia, where it has destroyed society from top to bottom, and is erecting upon the ruins a grinding conscription of Labour such as the world has never seen.

It may be possible to devise, compatibly with the freedom of commercial enterprise, some form of joint arrangement in which consumers, miners, and coalowners alike may bear a part. But some change of spirit is a condition of success for any such experiment.

The Government has promised a Bill providing for the acquisition of minerals by the nation on a basis of fair compensation to the owners. This means a revolution in the common law of this country. I frankly recognise that many arguments against the nationalisation of mines do not apply in the case of minerals. But it should be observed that this proposal, while solving no industrial difficulty, affords the extreme nationalisation party opportunity of pressure in the direction of their demands; and that Mr. Smillie, Mr. Hodges, and Mr. Herbert Smith, differing from the other members of the Commission, demand the confiscation of royalties, while allowing "compassionate allowances" in the case of small royalty owners.

The Chairman concluded by moving the adoption of the directors' report and statement of accounts, together with the auditors' report for the twelve months ending December 31, 1919.

Mr. T. J. Callaghan, in seconding the resolution, said it was largely due to the action taken by the Consolidated Cambrian, Limited, against what was known as the one-and-twopenny proposal that it had been withdrawn.

The motion was carried unanimously.

The Chairman then moved, and Lady Rhondda seconded, "that a dividend at the rate of 6% per annum on the Preference shares for the half-year ended December 31 last, and a dividend of 5% on the Ordinary shares (making 10% for the year), less income tax, absorbing £50,028 4s. 5d., be paid, and the balance, amounting to £46,977 6s. 9d., carried forward." This was carried.

Sir Leonard Llewellyn and Mr. H. Seymour Berry, the retiring directors, were unanimously re-elected.

On the motion of Mr. A. E. Harrison, Messrs. James Fraser and Sons were re-elected auditors to the Company.

The Chairman moved, Sir Edward Llewellyn seconded, and it was unanimously agreed, to increase the number of directors from seven to eight, whereupon the Chairman moved the election of Mr. D. R. Llewellyn. This was seconded by Major F. S. Cartwright and carried unanimously.

A vote of thanks to the staff, proposed by the Chairman, was passed, and the proceedings terminated with a vote of thanks to the Chairman.

THE BURLINGTON HOTELS COMPANY, LIMITED.

THE twenty-third annual general meeting of the Burlington Hotels Company, Limited, was held at the Connaught Rooms, Great Queen Street, London, W.C., on March 10. Mr. George Harvey (Chairman) presided.

The Secretary (Mr. Herbert M. Gowar, F.C.A.) read the notice convening the meeting.

The Chairman said the year just closed had marked a very considerable advance in the fortunes of the Company, and he hoped the state of affairs disclosed met with the approval of the shareholders. When he addressed them a year ago his colleagues and he had been discussing what arrangement they could suggest for liquidating the arrears of Preference dividend. The meeting had the object of enlisting the shareholders' suggestions. A suggestion had been made to him to dispose of the Buckingham Palace Hotel property. A definite offer was afterwards made, and after a special consultation with his colleagues, with the details of the negotiations before them, the offer was promptly accepted.

Arrears of Preference Dividends reduced.

He had already explained the deal at the special meeting called on December 11 last for another purpose. They called the Debenture-holders together to ask their approval of the deal, as they were principally concerned in the capital sum which the deal brought to the Company. They had reason to congratulate themselves that the Company had been extricated from an unpleasant position. It was no longer necessary to study a compromise with the Preference shareholders. They had the much better remedy in view of clearing up the indebtedness to their Preference shareholders by complete payment, and they had made a healthy bite into that indebtedness in proposing that day to sanction the payment of six and a-half years' (out of the eight and a-half accumulation) arrears. This left them with only two years' arrears, or what would be three years' complete at the end of the current year.

Income Bonds to be paid off.

They were contemplating the withdrawal of the 8% Income bonds during the current year. The interest due on those Income bonds fell due for the half-year on 31st inst. This interest would be paid on the due date, and they had decided, at the same time as the interest warrants went out, to give

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six months' notice of the repayment of the principal, so that on September 30 the principal, interest, and the 5% premium would be all paid together. It would be a great pleasure to the directors to be clear of this indebtedness, and to those who kindly took up their bonds at the time the Company so badly needed their backing the directors were very grateful.

The year's business had been good, but the cost of working the business had been considerably greater than in previous years. He need not detail all the items of increase. There had, however, been no decreases. There had been an accumulation of repairs due to the War period, and some of such deferred repairs had only been completed within the last two weeks. Both the hotels had been much improved. In making a comparison between the profit and loss accounts of last year with those of 1918, the profit shown was more by £4,099, on increased gross returns amounting to £12,449, after meeting the additional charges to revenue of £2,157 for repairs and maintenance and £1,681 for income tax.

Value of properties held.

After a review of the leading items in the accounts, the Chairman referred to the properties as set out in the balance sheet. The two remaining hotels—the Burlington Hotel, Cork Street, and the Hôtel Burlington, Boscombe—were both freeholds, and he did not think anyone who was an expert in property would say that they were not considerably under the value they would fetch in the open market to-day. In conclusion, he expressed his appreciation of the efforts of the staff, and particularly for the very admirable appearance and tone of their hotel at Boscombe. At Cork Street some management changes became necessary during the latter part of the year, and he thought an effort would now be made there to emulate Boscombe. At Boscombe the current year was going ahead, though business in London had not quite the same push about it as it had a year ago—no doubt because of the efflux to the Riviera. The prospects, however, all round were extremely good, and he hoped they might meet at their next annual general meeting with at least an equally satisfactory report as that they had been considering that day. He moved the adoption of the report and accounts.

Mr. William H. Burgess, in seconding the resolution, said the transaction relating to the Buckingham Palace Hotel had materially changed the whole position of the Company. Since the last meeting they had secured the services of their Chairman, Mr. Harvey, as managing director. Mr. Harvey himself had carried through the Buckingham Palace Hotel deal. They all knew Mr. Harvey as a gentleman with wide experience in hotel management and catering generally, and therefore they could look forward to the future with confidence.

The resolution for the adoption of the report, after a brief discussion, was unanimously carried, and the payment of 6½ years' Preference dividend arrears sanctioned.

EASTMANS, LIMITED.

THE thirty-first ordinary general meeting of Eastmans, Limited, was held on March 10 at Cannon Street Hotel, London, E.C., Mr. Andrew Dunlop (Chairman and Managing Director) presiding.

The Chairman, in moving the adoption of the report and accounts, said that the past year had been one of the Company's good years, but they had still some leeway to make up. The main factors which had brought about the satisfactory results recorded were an increased turnover in the Company's retail shops, a busy time at their refrigerator stores, and the low rate of American exchange, which increased the sterling value of remittances from New York. During the year food control was partially relaxed, and this helped in a degree to increase the volume of trade. Prices, both wholesale and retail, were regulated by the Food Controller right through the year. This still continued, and was likely to continue in some form until Government stocks were cleared.

It was common knowledge that refrigerated stores in this country were packed with meat, and that ships were being held up and discharge delayed for want of storage accommodation. This, in his opinion, was not because the cold-storage capacity in this country was insufficient for normal needs, but because high prices considerably checked the consumption and caused an accumulation of supplies far in excess of the demand. Long storage raised the cost and lowered condition and quality.

The wholesale price of imported mutton, we were told in the Press, was coming down 1½*d.* to 9*d.* per lb., but that would be an altogether insufficient reduction to have the desired effect of getting rid of the glut. The price of lamb was to go up to 1*s.* 1*d.* per lb., but lamb would sell freely at the advance, because it was relatively more economical to the consumer. It was mutton that had kept the cold stores full—not lamb or beef. If for any reason there should be a cessation of shipments of beef from the Argentine for a week or two at any time before the autumn, there would be a very serious shortage here of prime quality beef.

The net profit on the year's working, after providing £20,000 for depreciation, was £130,287, to which had to be added the balance of £10,236 brought forward from 1918, making a total of £140,524. Out of this the Preference dividends had been paid, and the directors now recommended the placing to reserve of £30,000, making the reserve fund £125,000, the establishment of a benevolent reserve for employees, £15,000, and the payment, on March 12, of a dividend of 12% (less income tax) on the Ordinary shares, leaving a balance to carry forward of £12,711. This year's trading of the Company was so far satisfactory.

Mr. Russell Momo seconded the motion, which was carried unanimously.

CLAUDIUS ASH SONS AND COMPANY, LIMITED.

AN extraordinary general meeting of this Company was held on March 11 at the offices, 5-12 Broad Street, Golden Square, London, W., for the purpose of submitting a resolution increasing the capital from £1,000,000 to £1,500,000 by the creation of 500,000 additional Ordinary shares of £1 each.

Mr. George Edwards (the Chairman) presided, and, in moving the resolution, said: When the Company was formed in 1905 it was thought that £1,000,000 capital would be sufficient. We commenced with an issue of £820,000, but the business has so increased that since that time it has been found necessary to supplement it—first in 1911 by £80,000, and in 1913 by £100,000, thus making the whole of our authorised capital of £1,000,000 fully issued. We have found, as our business has continued to expand both at home and abroad, that it was essential to acquire or to erect additional factories and depôts and to provide larger stocks, and it is necessary, for the efficient and successful working of our Company, to have more capital. On the three issues of our capital the amount asked for was largely oversubscribed, and no portion of it was underwritten. The Company has had the benefit of its accumulated reserves and undistributed profits from year to year, which at the end of 1918 amounted to £325,000, although £100,000 of this amount was utilised in writing off one-half of the goodwill. On the other hand, it must be remembered that, since the closing of our accounts for 1913, capital to the extent of over £200,000 lying in the countries with which we were at war has been cut off so far as dividend-earning capacity is concerned.

During the War, in common with all commercial undertakings, we had to live largely on stocks on hand, experiencing great difficulty in replenishments, with the result that our stocks fell below the standard requisite to be in a position quickly to meet the demands of the dental profession. The great advance in cost of labour and raw material has, as we all know, completely altered all pre-war values, so that the maintenance of stocks can only be effected by a big increase in the cost, to be provided out of the accumulated funds or by new capital. The general outlook of our business

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amply warrants, in the opinion of the directors, their decision to issue more capital for development purposes in all departments.

Mr. W. H. Ash, J.P. (Deputy-Chairman), seconded the resolution, which was carried unanimously.

The Chairman then announced that the directors had decided to make an immediate issue of 150,000 £1 Ordinary shares at 27*s.* 6*d.* per share, to be offered in the first place to the existing Ordinary shareholders on the basis of three new shares for every ten at present held.

METROPOLITAN ELECTRIC SUPPLY COMPANY, LTD.

THE thirty-third ordinary general meeting of this Company was held on March 9 at Winchester House, Old Broad Street, London, E.C., Mr. A. W. Tait, C.B.E., Chairman of the Company, presiding.

The Secretary (Mr. F. Hipwell, F.C.I.S.) read the notice convening the meeting and the report of the auditors.

The Chairman, in moving the adoption of the report and accounts, said that the gross revenue for the year, excluding interest and dividends on investments, was £413,059, as compared with £348,726 in the previous year, being an increase of £64,333, or 18%. The revenue from sale of current was £396,590, as compared with £334,214, being an increase of £62,376, or 19%. The number of units sold was 25,127,000, as compared with 26,761,000 last year, or a decrease of 1,633,000, or 6%. This was approximately the same percentage of decrease as that shown in 1918 as compared with 1917.

The increase in revenue was largely due to the extension of the lighting load during the last quarter of 1919, when all lighting and other restrictions were removed. A certain portion of the increase was also to be attributed to the increased charges which were necessitated because of the large increase in costs running for the full year. The decrease in the number of units sold was not surprising when it was remembered that they had a large load for power supply, and that the pressure of munition work came to an end with the conclusion of the War. There had also been a large cessation of night work, and a further shortage was caused by the adoption of the 48-hour week.

Growing demand for current.

While this decrease was very marked in the early part of the year, the load improved steadily as their various power consumers began to reach their normal output, and towards the end of the year they again commenced to register growing increases in load over the corresponding period of the previous year. One satisfactory feature had been the number of new consumers connected during the year, representing 2,867 kw. There was every evidence that the demand for electricity for all purposes was broadening out considerably, and their chief difficulty at present was to cope with the new business which was offering, particularly in their industrial area in the west. The new consumers in London alone were nearly five times more numerous than in 1918. Since the close of the year the units generated had shown a satisfactory increase, and there was every indication of this continuing. The expansion naturally entailed additional capital expenditure on plant and mains.

The costs of generation and distribution showed an increase of £29,000, of which £14,000 was due to coal. The increase in wages and salaries accounted for £9,700, and the wages for the current year would be still further increased by the War allowances which had been made. He hoped it would not be long before they could call a halt to the constant cycle of increasing costs and inflated prices. This could only be done by the strictest economy on the part of the Government and of each individual citizen. The difficulty of maintaining supplies of coal had been greater during the last few months than at any period during the War, owing to labour troubles and the shortage of trucks. The situation with regard to coal was one of constant anxiety, and it was only by extraordinary efforts on the part of the executive that they had been able to maintain a stock to provide against contingencies and delays in delivery. The capital expenditure during the year was £53,805, as against £25,267 in the previous year. The new 4,000-kw. turbine was just about to be put on load at Willesden Station, and they had placed contracts for an increase in boiler capacity there. Capital expenditure would show a substantial increase in the next few years in order to provide further plant.

Increase in Dividend.

The balance carried to net revenue account was £100,950, as compared with £90,614 in the previous year. They had paid an interim dividend at the rate of 2% per annum, and now recommended a final distribution of 10%, making 6% for the year, absorbing £50,000, and leaving £4,440 to be carried forward. The directors were pleased again to be able to recommend an increase in the dividend, accompanied as it was by a substantial increase in the amount carried to depreciation and reserve fund. The results of the year justified the distribution, and they hoped to be able to continue it. The progress made since the close of the year so far supported this opinion, and he trusted that at the end of the current year they would have as good a report to present.

Mr. Geo. Verity, J.P., seconded the resolution, and it was carried unanimously.

The retiring directors and auditors were reappointed, and the proceedings terminated with a vote of thanks to the Chairman.

THE COLISEUM SYNDICATE, LIMITED.

SIR OSWALD STOLL presided on March 11 at the twelfth annual general meeting of the Coliseum Syndicate, Limited, held at the London Coliseum. Others present included Mr. H. J. Thomas, Major B. W. Broad, M.B., and Sir James W. McCraith (directors), a number of shareholders, and Mr. W. S. Gordon Michie (Secretary).

The Secretary read the notice convening the meeting and the auditors' report.

The Chairman said: I rise to move the adoption of the report and accounts, which I assume may be taken as read. There is no point in particular to draw attention to except the one which is rather notable—that the balance carried to the balance sheet is over 160% more than the ordinary capital of the Company.

We have had an excellent year, and, although in the West End of late there have been unmistakable signs of a fall from the high grade prosperity which has of late attended favourably placed theatres, the Coliseum has not as yet experienced any drop in profits as compared with the profits of last year. It is a pleasure to present so good a balance sheet, and to be in a position to recommend a substantial return upon your investment.

In considering what the return should be the board realised that our property was worth much more than the figures at which it stood in the balance sheet; that we had a considerable accumulation of undivided profits; and that our investments remained at the same figure as that of last year, although they included our interest in the Opera House Syndicate, which has since become so much more valuable than its nominal figure.

Distribution of Shares from Undivided Profits.

When our position was less favourable some time ago we capitalised undivided profits and made a distribution of one Preference share for every Ordinary share held in the Company. This we decided we should do once more, besides recommending a dividend at the usual rate.

It cannot be denied that during the past year we had generous support, both direct and indirect, from a very prosperous public. Prosperous public entertainments are always an index to the prosperity of the people in general, because entertainments suffer first and suffer most when the public are short of money. That is why any views of mine on public finance have always been taken from the standpoint of keeping the general public not only nominally, but really prosperous.

That is the best possible condition for the country to be in from every point of view, not excluding, but rather specially including the point of view of the investor.

Criticism of Export Policy.

Those who collect and direct the funds of the investor do wrong in directing them to the promotion of such export trade as denies an adequate supply of desirable products to the home consumer. The big business men who have the world as their horizon may feel independent of the home consumer, and may even make larger profits by ignoring him, but the folly of doing so can be readily realised by imagining the industry of the country exporting everything and the people consuming nothing. In such a situation the wildest extremist would get the nation almost solidly behind him in any attempt to pull the system down.

It is for that reason difficult to believe that it is towards such a policy that the country is tending. The Government is favouring that kind of export policy on the ground that by means of it the adverse balance of our international accounts will be wiped out quickly and adverse exchanges rectified. Whatever the exports may do towards balancing international accounts, they do little towards rectifying foreign exchanges. This is proved, as if in mockery of the exports, by the fact that the more nearly our exports recently balanced our imports in trade with the United States, the more adverse the exchange became.

Adverse exchanges cannot be rectified without rectification of legal tender money. Such exchanges tend to exclude imports which form the raw material of manufactures. They raise the prices of all such manufactures and eventually cause the closing down of factories and the dismissal

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of staffs, from managers downwards. International accounts have then to be balanced with exports of home products alone, mainly natural resources and specialities which are shipped away in gigantic quantities—in ships going out full and coming back empty. This makes sections of workers prosperous in earnings, but angry that the earnings will buy so little; whilst the rest of the wage-earners are made not only too prosperous, but seriously alarmed at their prospects.

It ought to be remembered that those who direct the investment of capital favour the export policy of the Government for another reason. They feel that the making of profits in this country is rapidly becoming unlawful, and that capital is seriously threatened either by levies or extraordinary taxation or both; and so they feel that capital would be better off abroad in places where it would be fully appreciated and well rewarded. Capital cannot leave the country except in the form of exports, and hence very powerful interests are thrown into the export policy. But capital which is lent by individuals here to individuals abroad, or which is merely transferred to another country and retained in the same individual ownership, does not reduce the national indebtedness of this country to another country.

Only such exports as are *not* to be balanced by imports, and the ownership and proceeds of which are *not* to be retained by the exporters, can adjust the truly national discrepancy in our international accounts. To suppose otherwise is to suppose that individual exporters pay our National Debt abroad at their own expense.

The Exporters' incidental profit.

But the fact is quite the contrary. These exporters increase the debt and they benefit by doing so when they are used by the Government as a means to reduce it. Exports to America give them a claim to dollars there. They sell these dollars to our Government for use in redemption of the nation's American debt. But while each exporter receives £1 for every 3½ dollars, the Government receives only 3½ dollars towards every five dollars of debt—that is, 14*s.* towards every £1.

In this way, leaving out the purchase of debt at a small market discount, it costs the British taxpayer nearly £65,000,000 to pay a debt of £50,000,000, and considerably more when the debt has to be repaid at a premium. It is the exporters who pocket the great difference.

Therefore, although a debt incurred at an exchange rate of 4.76 may ultimately be repaid thus extravagantly at an exchange of 3.50 (equalling something over 27*s.* per £1 sterling), yet to look to exporters who make such large profits out of the low exchange for a means of rectifying that exchange is to look in vain.

The sooner that our Government recognises these fundamental facts in its export policy, the less likely is this country to be drained of necessary capital, and, after a vicious export boom, left with trade paralysed and workers desperate.

Whether the nation is to become contented and permanently prosperous, and shareholders are to be confronted year by year with gratifying balance sheets, depends, in my opinion, entirely upon the industrial policy, particularly in relation to industrial finance, with which the Government attempts to cope with the investment and industrial conditions which exist at present, and which have no precedent in history.

I care nothing for politics, but as I judge the political situation the Prime Minister personally still has the confidence of the people. Besides being sectional head of one party, he is, in fact, if only partly in name, at the head of another powerful party who are not so much reactionary as afraid to adapt conventional ideas to new situations. They allow themselves to be misguided by facts which ought not to be facts, and to keep which as facts is to beg the question.

But some of their conventional ideas about industrial finance will have to be readapted. That is their Gordian-knot, and circumstances invite the Prime Minister to be their Alexander.

I have made this digression because, knowing something of economics, I believe that there is nothing more fateful to the general business interests and people of this country—nothing now more worthy of the primary attention of the Prime Minister—than our present very active, deceptive, and contradictory economic situation.

Sir Oswald Stoll moved: "That the directors' report, balance sheet, and profit and loss account for the year ending December 31, 1919, be approved and adopted, and that the balance of £102,863 10*s.* 2*d.* at the credit of profit and loss account be dealt with as follows: (1) That £5,000 be set aside for the redemption of Debenture stock; (2) that £25,000 be transfered to reserve account; (3) that a dividend be paid on the Ordinary shares for the second half of the year at the rate of 25% per annum (less tax), absorbing £6,176 9*s.*, which makes 25% for the year, less tax; (4) that the balance of £66,687 1*s.* 2*d.* be carried forward to the current year's accounts, subject to the managing director's remuneration according to his agreement, and tax on the final dividend.

Mr. Thomas seconded the resolution, which was carried unanimously.

Sir James McCraith moved the re-election of Mr. H. J. Thomas as a director of the Company, and this was seconded by Major Broad and carried.

Mr. J. Thompson moved the re-election of Messrs. Gillespie Brothers and Company as auditors. Before moving this he paid a high tribute to the work of Sir Oswald Stoll, whom he congratulated on the honour which had been conferred on him. The honour had been richly deserved, because of the efforts Sir Oswald put forward during the War.

Mr. Wieland seconded, and the motion was carried.

Sir Oswald Stoll acknowledged the complimentary remarks made regarding himself.

BORAX CONSOLIDATED, LIMITED.

THE twenty-second ordinary general meeting of this Company was held on March 11 at Cannon Street Hotel, London, E.C., the Right Hon. the Earl of Chichester (the Chairman) presiding.

The Chairman, in moving the adoption of the report and statement of accounts, said: Ladies and Gentlemen,—The net profits for the year ended September 30, 1919, amount to £442,023. We have allocated £40,000 to buildings and plant depreciation reserve account. It has been, as you know, our policy to write down our buildings and plant vigorously. We have, during the past seven years, written down this account by about £317,000. We recommend adding to our general reserve fund £25,000, which will make this fund total up to £350,000. A new item of reserve appears in our balance sheet this year—namely, the premium on Deferred Ordinary shares issued last year. This, less the expenses of the issue, amounts to £188,626. This issue was made on very favourable conditions, the price being very close to that of the then market price of the Deferred Ordinary shares. The money is required for various purposes, not the least being the much larger capital required in these days to carry on our business. The total reserves, including the premium I have referred to, now amount to about £762,000. We propose to place to the pensions and grants fund the sum of £5,000, being the same as last year.

Mines in Asia Minor.

On the credit side of the balance sheet the mines account stands at the same amount as last year. The stocks at mines, factories, &c., are about £70,000 less, but we can look to this item increasing, as we can accumulate the necessary stocks of raw and refined material to meet the business we are offered. At our last general meeting I informed you that the Turkish Government was prepared to hand over our mines in Asia Minor. This has since been done, and I am glad to be able to tell you that no serious damage was done to the mines. Certain plant was taken out but this we have replaced, and we have a claim against the Turkish Government for the cost. The mines are now producing, although not to the same extent as before the War, largely owing to shortage of labour. Our mines and deposits in North and South America are capable of producing very large quantities of our raw material. We have at the present time a larger amount of ore in sight than at any time in the history of the Company. We have had to face very serious difficulties, which have taxed to the utmost the resources of our management in getting through from our mines to our associated refiners and to our works in various countries the necessary raw material. We have also had great difficulty in obtaining coal, soda, and other materials for our Continental works. Conditions are improving, and we have every confidence that the business we are now doing will show a satisfactory result for the current year. New uses are being found for borax and boric acid, and there is every prospect of the demand increasing. I need hardly remind you of the important part our products play in many leading industries.

In these days one hears much about the respective claims of capital and labour. In our case the capital used, including the Debentures, the reserve, and the carry-forward, amounts to about £5,370,000, and therefore our net profit amounts to about 8% on this sum. This does not point to any profiteering. I find, after providing for income tax, that the Deferred Ordinary shareholders receive about one part to three parts received by labour, or, if we include the fixed dividends paid upon our Preference and Preferred shares, then the proportion is about two to labour and one to the shareholders of all classes. This does not look like an undue proportion of the profits going to capital, and it is the shareholders who have taken the risks of the business. We have paid the 6% dividend due to our Preferred shareholders, and we recommend a final dividend on the Deferred Ordinary shares of 2*s.* per share, making with the interim dividend of 1*s.* per share already paid, 3*s.* per share, or 15% per annum. Our carry-forward, after paying this, will be £103,347.

Colonel J. W. Reid (Vice-Chairman) seconded the resolution, which was carried unanimously.

The payment of a final dividend of 2*s.* per share (less income tax) on the Deferred Ordinary shares, making 15% for

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of

MOTORS

and

CYCLES

	January	February	Total
BEAN CHASSIS	100	125	**225**
VULCAN CHASSIS	160	180	**340**
SWIFT CHASSIS	26	46	**72**
SWIFT CYCLES	1,200	1,956	**3,156**

HARPER BEAN LTD., 50, PALL MALL, S.W.1.

BRITISH MOTOR TRADING CORPORATION, LTD., 50, Pall Mall, S.W.1. (Distributing Company).

St. James's s.

the year, was approved, and the retiring directors and auditors were re-elected.

It was resolved that the fees of the directors for the past year should be paid free of income tax.

The proceedings then terminated.

FORTUNA NITRATE COMPANY, LIMITED.

An extraordinary general meeting of this Company was held on March 8 at Winchester House, London, E.C., for the purpose of considering a resolution for the sale of the property. Mr. H. W. Sillem presided.

The Chairman, having explained the retirement from the board of Mr. Herbert Gibbs and Sir Brien Cokayne, as being members of the firm of Gibbs and Company, who had made the offer to purchase the Company's undertaking, said: The Fortuna Company was formed in February 1908 to take over the undertaking of a Chilian Company named La Compania Salitrera Fortuna de Chile. This concern owned the Carmela grounds, which were small in extent but satisfactory as to quality of raw material, the profits arising from working this area having been the most satisfactory feature of the Company's business. In 1912, oficinas Celia and Aurelia were purchased from the Pacific Nitrate Company, Limited. The nitrate contents in Aurelia were small, and they have now been practically worked out. The cost of operating Celia has always been excessive. A new type of nitrate-manufacturing plant was installed at Celia and taken over by the Company in 1917. It has enabled us to obtain a larger yield of nitrate from the raw material than would have been possible with the old system. The fact remains that the cost of production at Celia is very high, and it is practically certain to be higher still.

From 1908 to 1918 inclusive the gross profits of the Company were, in round figures, £358,000, and the net profits £240,000. During that time dividends aggregating 32½% were paid. The sale price of £385,000 offered us represents more than the gross profits of the Company for a period of 11 years. From cabled information we understand there was a net loss last year of about £54,000.

The position, then, may be summarised somewhat as follows:—The remaining nitrate contents of the Carmela grounds are small, and the cost of dealing with them will probably become progressively higher; Aurelia is practically exhausted, and Celia contains low ley material which is very expensive to treat. On the other hand, we have efficient plant and machinery at all three oficinas—an important asset at a time when new material is high in price and difficult to obtain. The sum to be paid to shareholders is £385,000, without any deduction, thus leaving a clear £2 10s. per share payable in respect of each issued £1 share of the Company. The board have no hesitation in recommending you to accept the offer.

The resolution approving the conditional agreement of sale was unanimously adopted.

MIDLAND RAILWAY COMPANY OF WESTERN AUSTRALIA, LIMITED.

An ordinary general meeting of the stockholders of this Company was held on March 9 at Winchester House, Old Broad Street, London, E.C., Sir George A. Touche (the Chairman) presiding.

The Chairman said: Gentlemen,—Since the lamented death of Sir William Capel Slaughter the chair of the Company has been occupied, with great advantage to the shareholders, and most acceptably to his colleagues, by our excellent friend, Mr. Andrew Williamson, one of the ablest men of business in the City of London. The burden of new and important duties in another direction made him feel it was necessary to retire from the chair at the end of last year, but happily he still remains a member of the board.

As will be seen from the figures in the report, both gross and net receipts show a substantial improvement on those for the previous year, although War conditions continued for a great part of the time. The aggregate amount of both through and local traffic was adversely affected by the decreased acreage under wheat, following on poor harvest seasons. Owing to Federal Government restrictions, the ore traffic from the Northampton district ceased entirely, but the latest reports received indicate that the mines have been re-opened, and that this traffic is again coming forward. The harvest season for the current year is also reported to be better. Working expenses have continued to increase, with the advancing cost of materials and labour. It is, therefore, the more satisfactory to be able to report that the ratio of expenses to earnings was 62.88%, against 69.59% in the previous year. With increased takings, some reduction in the percentage of working expenses was, of course, to be expected, as the overhead charges are spread over a larger area. The heavy costs now ruling in all departments of industry hamper the production and development which alone can bring a return of prosperity. With expanding costs, higher tariffs, although they bear hardly on industry, are inevitable if revenues essential to good service are to be maintained.

The Arbitration Court in Western Australia has recently awarded considerably increased wages to the railway workers. This will involve an additional expenditure during the current year of something like £10,000, so far as this Company is concerned. The Government has consequently found it necessary to make certain increases in the fares and freights, which will apply to our railway also. The increase in fares and freights, however, does not make any provision for the advance in the price of materials, which has been considerable. If the railways are to be run on a business-like paying basis, further increases in all transport rates will be required.

The net revenue for the year (including interest and registration fees) and after charging a proportion of the Federal Land and income tax and State Land tax, allocated to the railway accounts and administration expenses, was £39,768. There remains a credit balance of £11,516. Interest on the 4½% First Mortgage and the 5% Debenture stock, amounting together to £28,129, converts this credit balance into a debit balance of £16,612. The debit balance at June 30, 1918, was £69,036, so that, after charging Debenture interest, which, as you are aware, has been funded in 5% Debenture stock, there is now a total debit balance of £85,649. You know the causes of this growing deficiency in the amount required to meet the Debenture interest. They are entirely beyond our control. We must find such comfort as we can in the fact that there is a diminution in the growth of the shortage.

State Handicaps.

But for land taxation, and the losses inflicted by the construction of the Wongan Hills-Mullewa line, the Company would have been in a prosperous condition to-day. The series of bad seasons has been unfortunate and discouraging for our improved farm settlers. The Government of Western Australia have felt constrained to issue a 16-page pamphlet seeking to justify the actions of their State in its dealings with the railway. Much as we dislike controversy, the pamphlet could not remain unanswered, and our observations on it have been circulated with the report. We long since showed our good faith by offering to submit the questions between us to arbitration. This offer was not responded to We cannot, however, bring ourselves to believe that an equitable measure of adjustment will be denied us permanently.

I now move: "That the report of the directors and the accounts for the year to June 30, 1919, be and are hereby received and adopted." (Applause.)

Mr. Andrew Williamson, in seconding the motion, said: The passage within the last few months of the Midland Railway Bill is, we trust, an earnest of such future action on the part of the Government of Western Australia as will remove all cause of friction and all sense of injury. (Applause.)

The motion was carried unanimously.

AFRICAN AND EASTERN TRADE CORPORATION, LTD.

Alteration in Articles of Association.

An extraordinary general meeting of the African and Eastern Trade Corporation, Limited, was held on Friday, March 5, at the Law Association Rooms, Cook Street, Liverpool, when an extraordinary resolution adopted by the shareholders at a previous extraordinary general meeting, authorising minor alterations in the articles of association of the Company, which are required by the London Stock Exchange for the purpose of an official quotation, was unanimously confirmed as a special resolution. Mr. Mazzini Stuart, a director of the Company, presided.

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CHAMBER OF SHIPPING OF THE UNITED KINGDOM.

Resume of Annual Report, 1919-20.

THE annual report of the Chamber of Shipping, which is a most informative document, deals with a variety of questions that are of interest not only to the shipping and shipowning community, but to the general public. The opening paragraphs are concerned chiefly with the various steps taken by the Government in the release of shipping from requisition and in the disposal of merchant ships under construction for the Ministry of Shipping at the termination of hostilities. It is pointed out that control has by no means ceased, as direction, coupled with limitation rates, is applied in the following cases: Wheat from Canada, Australia, U.S.A., and the Plate; maize from the Plate; sugar from Cuba, British West Indies, and Mauritius; timber from Canada; and coastwise coal in the U.K. Other disabilities from which British shipping suffers in comparison with its foreign competitors are mentioned, and the conclusion is irresistibly drawn that the margin of profit left to the British owner is small indeed when contrasted with the high net earnings of foreign tonnage.

Congestion of Ports.

The congestion prevailing at the ports is ascribed to a number of causes, mainly to reduced working hours on docks and railways, the shortage or inefficiency of railway rolling-stock, and the policy of the Government in importing and holding up large stocks of foodstuffs. The consequent loss in shipping efficiency is estimated at between 30% and 40%, and the delays incident to loading, unloading, and bunkering are stated to be the most serious contributing factor in the maintenance of high freights, since they are tantamount to a withdrawal from service of a considerable portion of the available tonnage of the world. Though the actual shipping afloat to-day exceeds the pre-War aggregate of 49 million gross tons by 2½ million tons, the diminution in efficiency makes the present merchant fleet equal in carrying power to only 31-36 million tons of pre-War shipping. Increased costs of building and operating ships are also cited as potent factors in keeping freights at a high level, and some striking details are given of the various advances since 1913. New and second-hand ships have risen by 400%, repairs by 339%, wages by 130%, labour from 115% to 150%, and cargo handling from 150% to 200%. Foodstuffs, stores, dock and canal dues, and all equipment items have risen correspondingly, but the greatest increase of all has been in the case of coal.

Coal Control and Prices.

A rise of from 600% to 700% in bunkers is a very serious matter, and it is shown that the present abnormal quotation is not due to economic causes, such as shortage of output, but to the action of the Government in reserving the bulk of supplies for domestic and industrial consumption at home and thus forcing up prices for the small quantity available for shipping. The pernicious results of the zone system as applied to the bunkering of ships are also described, and it is shown that the change of method involves the diversion of tonnage at a time of great scarcity, the provision of special labour previously not required, and increased delay and expense of handling. The unfairness of supplying all British industries except shipping with a sufficiency of coal and at a reduced price is emphasised, and it is urged that equality of treatment should be accorded and the zone system abolished. An interesting calculation puts the excess over the cost to other industries of the 12 million tons of coal required annually for our ships at £24,000,000, a differential burden that bears heavily on shipping and affects every member of the public as a consumer. The anomaly of supplying coal to cotton mills at 40*s.* per ton and charging a shipowner 125*s.* is apparent, while it is equally anomalous to supply coastwise vessels with bunkers at about 34*s.* per ton. High coal prices and wages have compelled many owners to turn to oil fuel, and on December 24, 1919, 480 British vessels of 2,827,749 tons had been or were being built or adapted for oil propulsion.

State Competition in Shipping.

State competition in shipping is a new and formidable factor that British shipowners are called upon to face. The United States, Australia, and Canada have adventured on this policy of State ownership, and danger lies in the possibility that the three Governments concerned may run their vessels without regard to those economic considerations which must be taken into account by the private owner. Whether the taxpayer would be willing to make good any deficiencies incurred on a State-owned mercantile marine is, however, doubtful, and it is stated that when the supply of tonnage outruns the demand, the *raison d'être* of the present policy will have vanished and the field of shipping will be left to individual enterprise, to the unmixed benefit of all concerned.

The value of our shipping, so obvious in time of war, is no less real though less apparent in time of peace, and it is estimated that out of an adverse trade balance for the year of £669,206,953 no less than £350,000,000 to £400,000,000 have been made good by the gross earnings of British shipping. The recovery of our pre-eminence in shipbuilding is taken as a good omen for the continuance of our shipping supremacy, especially as economic factors which were disregarded by the United States and other countries during the War, come gradually into play, eliminating the unfit. As a condition precedent to our success complete freedom from Government control at the earliest possible moment is however essential.

EVANS SONS LESCHER AND WEBB, LIMITED.

THE eighteenth ordinary general meeting of this Company was held at the Law Association Rooms, Cook Street, Liverpool, on March 12, Mr. William P. Evans (Chairman of the Company) presiding.

The Secretary, Mr. Geo. E. Gillard, having read the notice convening the meeting, it was resolved to take the report, profit and loss account, and balance sheet as read.

The Secretary having read the auditors' certificate and report,

The Chairman, in moving the adoption of the report and accounts, said: Since we met last year Peace terms have been ratified, and by slow degrees we are getting back to normal times. I noticed a debate in the House of Commons the other night, when it was stated that unemployment, to a large extent, was due to many employers refusing to reinstate those who had been fighting for their King and country. I am proud to say that it does not apply to our Company, because we have fulfilled our promise to those of our staff by reinstating all who applied; in addition to which we have loyally supported the King's request to find positions for many who, on demobilisation, were wanting employment, even at a period when we were not requiring their services.

You will notice by the report we have had a very satisfactory year's trading. May I point out that this is due not to a larger margin of profit, but to the very large increase of business.

A paragraph in the report in reference to the recent new issue speaks for itself, and I would only repeat that the response given was a matter of much pride and gratification to your directors.

Foreign trade expanding.

You will be pleased to hear that our export trade shows a considerable increase on previous years, and we are doing a large business in various countries where we were unknown before the War. We have representatives and agents at the present time in all parts of the world, and you may rest assured that we shall leave no stone unturned to capture the trade hitherto done by other countries, and to use our best endeavours to considerably increase it.

May I express the hope that during this year Government control will be relaxed as regards the exportation of many articles.

To cope with this extra foreign trade you will see by the report that we have purchased, since the commencement of the year, a large block of buildings in Seel Street, Liverpool, adjoining our present premises.

As regards our export trade, I was very much struck in reading an article which appeared recently in the *Board of Trade Journal*, which is well worth the attention of all those connected with our trade. The case is put very clearly as regards the position of "Fine Chemicals and Drugs." My answer to the article, and the suggestions contained therein, is that we were doing, all through the War, and are doing to-day, exactly what is suggested—viz., that as to fine chemicals we have looked ahead and established works at Runcorn, where we are now manufacturing many of the chemicals hitherto made in Germany. This is what we have used, and are using, part of your money in the recent new issue for in the extension of this branch of our business.

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As regards "Drugs," our New York branch has been of great service to us during the last few years, enabling us to buy first-hand many of the drugs which are required in our business and putting us in a position to compete with other countries.

Increased Profit distribution.

Turning to the profit and loss account and balance sheet, I think you will agree the figures speak for themselves, the result being that we are able to declare the same dividend as last year, but make the bonus 5% instead of 2½%. We might have declared a larger dividend, but we want, in these still anxious times, to act on the cautious side. We have therefore added to the reserve a large amount, and are also carrying forward an equally substantial figure. We have also provided out of the profits of the Company a sum of money which to-day we are distributing amongst our staff as a recognition for services rendered during the past year. Let me take this opportunity of publicly acknowledging the loyalty of all our managers and staff generally.

In conclusion, I am pleased to see that my remarks made last year are more than fulfilled, and we are glad to put before you such a satisfactory report, and if business continues as it has commenced this year I trust we may all be spared to meet again and be able to do as well for you in twelve months' time.

I now move "That the directors' report with profit and loss account for the year 1919 and balance sheet at December 31, 1919, as presented to this meeting, be and hereby are received and adopted, and that a dividend at the rate of 10% per annum for the half-year ending December 31, 1919, making with the interim dividend of 10% per annum declared and paid on July 1, 1919, 10% per annum on the Ordinary shares of the Company for the year 1919, together with a bonus of 5% for the year, both dividend and bonus free of income tax, be declared and paid on April 1, 1920, to the Ordinary shareholders."

Mr. E. A. Webb seconded the resolution, which was carried.

Mr. J. M. Tallantyre proposed, Mr. J. Andrew seconding, "That Messrs. William Paterson Evans, A. B. Evans, and Harold E. Webb, the retiring directors, be hereby and are re-elected directors."

The resolution was carried.

It was proposed by Mr. F. H. Gibson, and seconded by Mr. George Greenwood, "That the directors be paid out of the profits of the Company remaining after payment of the Debenture interest and dividends on the Preference shares at the rate of £8,000 per annum, such sum to be divided as they themselves may determine, and further, that they be reimbursed the travelling, hotel, and other out-of-pocket expenses incurred by them during the past and ensuing years in or about the discharge of their respective duties as directors of the Company."

It was proposed by Mr. C. F. Malvern, and seconded by Mr. Frank Russell, "That Messrs. Chalmers Wade and Company be and hereby are appointed auditors to the Company for the year 1920, and that their remuneration be £750 per annum."

The resolution was carried.

PEGOH, LIMITED.

The eighth ordinary general meeting of this Company was held on March 12 at 38 Eastcheap, London, E.C., Sir Ernest Woodford Birch, K.C.M.G. (the Chairman), presiding.

The Chairman said that the profit on the year's working had increased from £11,402 to £28,619. The rubber sales and rubber in stock were of a greater value than in the previous year by £20,571, while the cost of production, freight, and selling charges were only £2,907 greater—a very satisfactory result. With the balance of £15,274 brought forward, and the sum of £17,030 refunded in connection with the excess profits duty, there was a total of £60,923. The interim dividend distributed on October 6 represented £13,000, and from the balance of £47,923 the directors recommended the payment of a final dividend of 25%, less tax, carrying forward £15,423. Of the total of 35% distributed, the interim dividend of 10% really belonged to the previous year, payment having been delayed until the excess profits duty refund had been obtained. The board had sold forward 25 tons of rubber (say 56,000 lb. a month), March to December 1920 10 tons delivery London at 1*s.* 11½*d.* per lb., and 15 tons *ex* godown at an average of 2*s.* 6*d.* per lb. That would realise £4,200 monthly, and would about cover all estate expenditure. The estimated crop for the current year was 1,025,000 lb. As 416,934 lb. had been harvested in the first four months, the estimate should be largely exceeded, and there would be a very considerable margin of crop unsold to make up profits. For 1921 there had been sold 10 tons monthly at 2*s.* 4¾*d.* per lb. *ex* godown. The board believed there would be no liability to pay anything for excess profits duty for the financial year under review.

Dealing with the report, the Chairman said there were 3,597 acres under rubber and well over 1,000 acres to plant up. The board hoped to turn their attention to further cultivation. The labour force showed an eminently satisfactory increase of nearly 300 coolies. The crop had exceeded the estimate by 149,300 lb., and was greater than the previous year's crop by 183,000 lb. Generally the outlook was most encouraging. The visiting agent (Mr. J. W. Campbell) reported that the growth of the trees, with few exceptions, was satisfactory, and weeding was in good order. Tapping was well done, and the curing was good. The percentage of No. 1 crepe and sheet was 77½% on one division, and 78% on the other, while the yield had been 287 lb. per acre on the Home division and 315 lb. on Rumbia. Mr. Campbell wrote that there had been a great improvement in the general appearance and condition of the estates, and he looked forward to a substantial decrease in the working costs.

The report was unanimously adopted, and £1,250 was voted as a bonus to the directors and staff, both at home and abroad.

ISAAC WALTON AND COMPANY, LIMITED.

The sixteenth annual general meeting of this Company was held on March 12, at 169 Newington Causeway, London, S.E., Mr. Charles Stuttaford presiding.

The Chairman said: I have to congratulate the shareholders on a record year's trading. During the War our business has been curtailed by the number of our customers who served in the Army, and consequently our sales have been very much restricted; in the year just completed we are fortunate in having the men home again, and consequently more normal trading. The trading profit amounts to £82,657, after making provision for excess profits duty. The stocks are considerably higher, showing an increase of £67,273. This is caused solely by our increasing business, and is satisfactory in every way. All bad and doubtful debts have been provided for. The goodwill has been written down to £25,000. Our mortgages show an increase of £4,500. During the year we have bought the freehold of two extra sites adjoining our Grainger Street premises in Newcastle, at an outlay of £36,000, which will give us very valuable additional showroom and window space. This has tended slightly to increase our mortgages. To the profit of £82,657 has to be added the balance brought forward, less the special remuneration voted to the directors last year, making a sum of £90,639. After paying directors' remuneration, interest on mortgages, repairs and renewals, and income tax, there remains £77,061 to be dealt with. For the Preference dividend we require £8,400; and to pay a final dividend on the Ordinary shares of 2*s.* 6*d.* per share, making 3*s.* 9*d.* for the year, £9,375; we are transferring £785 to the sinking fund, and there remains to be carried forward £58,501. In conclusion, I would say the success attending the Company has been due to the moderate prices, enormous variety and honest workmanship of our goods, and I would draw your attention to how much we owe to the efforts of our managing director and the staff under his control.

The report and accounts were unanimously adopted.

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An extraordinary general meeting was then held for the purpose of considering a resolution altering the articles of association so as to enable the directors to issue bonus shares.

The Chairman said: From the figures presented to you it must be obvious that we are doing a greatly increased business, and consequently it is necessary to conserve and strengthen the position of the Company. The assets as at January 31 stand at £413,559, and the paid-up capital is only £190,000; the difference will be to some extent met by capitalising £50,000 of the undivided profits of the Company and distributing one Ordinary share for each share held. If the extraordinary resolution is passed to-day, it will be submitted for confirmation on March 29; and resolutions will then be submitted increasing the capital, and authorising the distribution of bonus shares.

The resolution was carried unanimously.

PARA ELECTRIC RAILWAYS AND LIGHTING COMPANY, LIMITED.

The fifteenth ordinary general meeting of this Company was held at 9 Cloak Lane, Cannon Street, London, E.C., on March 12, Mr. Follett Holt, M.Inst.C.E. (the Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said that he thought the shareholders would agree that they showed a satisfactory state of affairs. The directors proposed that the dividend on the Ordinary shares should be increased from 7% last year to 8%. They had placed £20,000 to depreciation and renewal reserve, written down their holding in the Gas Company by £5,000, and placed £22,000 to a general reserve account, although after paying the increased dividend the amount carried forward at £21,930 would be £13,495 less than last year. It had not been necessary to add any sum to the contingency and bad debt reserve, as the provision already made was ample, particularly in view of an arrangement made with the Pará Municipality, by which their indebtedness to the Company was being liquidated by an issue of 6% Ten-Year Sterling Treasury Bills, which gave, in place of a debt on paper, something tangible, interest-bearing, and negotiable.

In view of the low prices ruling for rubber, which was one of the staples of the Amazon trade, it was very satisfactory to see that commercial activity at Pará continued to grow, as reflected in the increase of 6% in the Company's passenger traffic, and the increase of over 5% in the number of consumers of electric current. Mr. C. H. Julius, one of the directors, had recently visited Pará, and he reported that the tramway and lighting undertakings had been kept in an excellent state of repair, and that the local organisation was all that it should be. In conjunction with the Manager he had arranged a number of modifications which would tend to the ultimate improvement of the undertaking and give satisfaction, it was hoped, to the inhabitants.

The directors had been asked by shareholders from time to time to sub-divide each of the Company's £5 shares into shares of £1 each, and they had decided to submit the necessary resolutions. The gross receipts continued to show expansion, but it was probable that on account of the increased remuneration demanded by labour, and of the ever-increasing cost of fuel and all materials, any gain might be more than set off by increased expenditure. On the other hand, they might expect a material advantage from the very much improved value of the milreis for remitting purposes. The average value of the milreis last year was about 14*d*., whereas they were now receiving remittances at 18*d*. On the whole, therefore, the directors considered that the immediate prospects of the Company are quite satisfactory.

Mr. W. K. Whigham seconded the motion, which was carried unanimously.

Resolutions were afterwards passed sub-dividing each of the Company's £5 shares into shares of £1 each.

Messrs. Geo. Stewart and Company, of 92 George Street, Edinburgh, have sent us a copy of their new stock and share table, which shows fractions of £1 and their values in columns of 10, 50, and 100 shares: also fractions of 1*s*. in columns of 10, 50, 100, and 200 shares. It should prove valuable to all who have dealings in any kind of securities.

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The Statist.

LONDON, SATURDAY, MARCH 20, 1920.

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The Money Market.

Friday, March 19, 1920.

	Current Rate % Fixed		Previous Rate % Fixed	
Bank of England Rate	6	(Nov. 6, '19)	5	Apr. 5, '17
Deposit Rates:—				
Banks & Discnt. Ho. (Call)	4	(Nov. 6, '19)	3½†	Oct. 6, '19
Discount Houses (Notice)	4¼	(Nov. 6, '19)	3¾	Oct. 6, '19

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.
† Foreign and Colonial banks give Special Rates only upon deposits for a year

Discount Rates:—	60 Days. %	3 Mos. %	4 Mos. %	6 Mos. %
Treasury Bills	—	5⅞	—	5⅞
Bank Bills	5⅝–¾	5⅝–¾	5⅞	6
Trade Bills	—	6¼	6½	6¾

CONSIDERING the rapidity with which the revenue is coming in conditions in the Money market were surprisingly easy during the week. Fresh issues of capital during the week amounted to something like 20 millions, which is probably a record, nevertheless supplies of floating credits seemed to be sufficient for all purposes. The rates for day-to-day money varied between 4% and 4½%, a rather heavier amount of business being transacted at the lower quotation. Yesterday the abundance of credits was, if anything, more pronounced, and short loans were freely offered at 4% and under, afternoon balances being offered at 2½%. Weekly fixtures were in fair request at 4¼% to 4½%.

The Discount market was affected by renewed fears of a rise in the Bank rate, and in consequence the tone was decidedly firm during the early part of the week. May bills were quoted at 5¾% to 5⅞%, and three-months paper at 5⅞% to 5⅞%. On Thursday, pending the announcement with regard to the Bank rate, business in the market was very restricted, but when the

news came that no alteration had been made in the official minimum rate, dealings in short-dated bills were vigorously resumed and rates fell slightly; two months paper changed hands at 5⅜% to 5⅛%, and three-months paper at 5⅛% to 5⅛%. Full six-months paper was quoted at 6%, but there is evidently a tendency to avoid the longer-dated bills.

In the Foreign Exchange market a feature was the slump in the value of the franc and lira. Following last week's downward movement in the French franc to 49.22 a sharp reaction set in this week, and since Tuesday quotations have been above the 50 mark. The close is unsteady at 50.87½. The Belgian franc weakened in sympathy to 49.17½. The upward movement in the lira was more pronounced, and the close was distinctly weak at 70.05. Swiss currency moved in our favour and finished firm at 21.77½. After the weaker tendency in the dollar-sterling exchange noticed at the end of last week, a reaction set in this week. The rate opened firmly at 3.64¾ and rose progressively to 3.72¾. It seems likely that the rate will be kept at about this level while sentiment is affected by the shipments of gold to the United States and by the decision of the Governments concerned to repay the gold loan maturing next October. Considerable interest is being taken by New York in our floating debt and note circulation, and there is little doubt that a substantial curtailment of both would be promptly reflected by an improvement in the dollar-sterling exchange. Among neutrals the Spanish and Dutch rates moved in our favour. Stockholm rose to 18.34 and the Copenhagen and Christiania rates, after some minor fluctuations, closed with a net fall for the week at 21.35½ and 20.82½ respectively. Of the Eastern group the Shanghai tael, following the downward movement in silver quotations, was quoted yesterday at 7*s.* 2*d.*

With only 2½ weeks more of the financial year to run revenue to date is still over 273 millions behind expenditure, so that if, as the Chancellor recently promised us, the total income for the year will be made to balance with the total outgo, it is evident that the revenue will have to come in at a much faster rate than heretofore. No doubt, on account of the expedient of grouping the sales of war assets under the head of revenue, there can be little anxiety as to this desirable result being brought about. It is to be hoped, however, that having made both ends meet with the help of such sales, there will still be a balance on hand sufficient to enable a substantial reduction to be made in the floating debt, which at present stands at £1,228,158,000. For the week ended March 13 the revenue totalled £57,165,000, as compared with £56,440,662 for the preceding week. The increase, which occurred in spite of a decline of nearly 8 millions for the week in receipts from property and income tax, is due to an expansion of nearly 10 millions in "miscellaneous" receipts, the week's revenue under this head alone being £28,712,000. The expenditure has not shown a corresponding expansion for the week, and is, in fact, nearly 9 millions lower than the preceding week's expenditure, in spite of a disbursement of nearly 20 millions in respect of interest on War Debt. Receipts for Treasury bills amounted to £43,417,000, and were in excess of maturities, the total amount outstanding being increased to £1,059,228,000. On the other hand, the substantial reduction of £16,500,000 was effected in the amount of Ways and Means Advances outstanding a further sum of £525,000 in respect of the recent issue of 5¾% Exchequer Bonds was transferred to the Treasury during the week, thus bringing the total cash subscriptions up to £66,925,000. A sum of £285,764 was received as dividends on shares held in the Anglo-Persian Oil Company. The total income being £107,892,764, and the outgo being £107,773,055, the balances in Exchequer were increased by £119,709 to £3,719,333.

Following last week's increase in the currency note circulation the currency note return for the week ended March 17 registers a decline greater than the previous increase. Fresh issues of notes and certificates combined amounted to £6,732,690 against cancellations amounting to £8,664,221, the net result being a reduction in the total outstanding of £1,931,531 to £326,258,886. As the amount of gold coin and notes in the currency note redemption account remains unchanged the fiduciary issue is lower at £292,958,886, and the ratio of Bank of England notes and gold to currency notes and certificates has accordingly risen to 10.2%.

BANK OF ENGLAND.

YET another Thursday has come and gone, and the fears and forebodings that kept the Stock markets in a state of idleness and depression during the week have proved once again groundless. Not only is there no alteration in the Bank rate, but the general situation, as revealed in the current return, would seem to indicate that any such rise was a remote contingency. The ratio of the reserve to liabilities now stands at 23.5%, which is not only the highest proportion for the current year, but has only been exceeded on one occasion in 1919—namely, in the return for the week ended August 13, when it reached 24.2%. Consequently, unless some unforeseen circumstances should intervene to disturb this ratio seriously, there seems to be no reason for looking for any higher Bank rate until after the Budget has been introduced. The fears that dominated the City during the week were largely connected with the flood of new issues that are now being launched on the market. It was felt that these multifarious demands for capital would place such a strain on banking credits that the rate would have to be advanced to curb them. But it is well to remember that the rapid flow of new issues just now is mainly the consequence of the compliance with the request of the Chancellor of the Exchequer that such issues should be held over until the lists for the 5¾% Exchequer Bonds had been closed. Hence it is likely that in the course of the next week or two the rate at which such issues appear will begin to slacken. Should it happen, however, that the flow continues undiminished, the necessity for a higher Bank rate would again become an urgent question. The general position of national finance is not of such a nature as to give rise to such an increase. Revenue is still coming in satisfactorily, and expenditure is not unduly heavy. The current Bank return reveals, it is true, a slight increase of £1,673,000 in Government securities, but this is merely a temporary phenomenon, associated very likely with a decline in the applications for Treasury bills. Fearing a higher Bank rate, holders waited to renew, in the anticipation of the inevitably higher Treasury bill rate. The market, on the other hand, repaid a small portion of its indebtedness to the Bank, other securities falling to £91,954,000. The rapid ingathering of revenue is corroborated in the decline of £5,692,000 in other deposits, whilst a small reduction of £136,000 brings public deposits down to £18,419,000. A further accession of £2,281,000 raises the total stock of bullion to £118,270,000, and this coincides with a contraction of £1,715,000, which reduces the circulation to £101,172,000.

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FRANCE.

For the moment a good deal of interest is centered on the position of France, and it will be useful to glance at the present economic and financial position of our ally and to see how she is facing the gigantic task of reconstruction. It must be admitted that the burden of the War fell more heavily on France than it did on this country, both as regards destruction of capital and loss of manhood; but at the same time her legacy of disorganisation has been augmented by her lax financial policy during the War, for, apparently, in the expectation of a large indemnity in the event of victory for her arms, she relied more on the use of the printing press and Government borrowing than on taxation to meet the cost of the War.

The devastated areas in Northern France comprise over 5% of her total arable land and include a large number of industries which have been completely disorganised. Her productive capacity, which at the end of last year had been impaired by a depletion of nearly 40% in her working population and a 50% decline in her coal output from pre-War days, is being further seriously hampered by the adoption of an eight-hour day and by the prevalence of strikes and sabotage. Her deadweight debt has been increased from £1,311,480,000 on August 1, 1914, to £3,611,388,140 in 1917, and to £8,266,420,000 at the end of 1919. Of this latter figure £1,420,000,000 was due abroad, including nearly 471 millions due to us and about 705 due to the United States. This enormous increase in the public debt compares with an increase of roughly £7,292 millions in our own debt. The increase *per capita* for France has been from £33 before the outbreak of the War to about £206 at the end of last year, as compared with an increase from £15 to £178 for the corresponding period in this country.

The unwise policy pursued by the Government in regard to taxation during the War is shown by a glance at the national accounts. The revenue for the year 1913 was approximately £190,000,000; in 1914 it increased to 208 millions, but, strange to say, in the following years it declined to 150 millions in 1915 and 182 in 1916. On the other hand, following an expenditure of 190 millions in 1913, the expenditure for the first year of the War was over 477 millions, and increased to 1,614 millions in 1917. In 1913 there was a slight balance of revenue over expenditure, but in 1914 there was a deficit of £269,407,215, which increased fivefold by 1917. The national accounts do not seem to have improved very much since the termination of hostilities, for though, owing to increased taxation, the amount of revenue has increased considerably, the expenditure has shown little diminution, the Budget estimates for the coming year being in the neighbourhood of 1,900 millions, in spite of a considerable reduction effected in the estimates by the new Minister, M. Marsal.

As regards the effect of the War on prices, it is not surprising to find that the price level in France is now very high as compared with pre-War days. From 1913 to the end of 1919 prices have risen in France by 317%. This figure, which enables one to gauge the magnitude of the difficulties that France has to contend with in the way of reconstruction, compares with an increase in prices of 176% in the United Kingdom and of 120.6% in the United States for the corresponding period.

Considering the outlook for the future, it can hardly be doubted that France will soon turn the corner, though in order to set her industries fully going again she will have to make a capital outlay of something like £3,000,000,000. The references to France contained in the manifesto of the Allies' Supreme Council give hope that she will be able to obtain this necessary capital, and for the rest it remains to be seen how the present French loan for reconstruction purposes will be received by the investing bourgeois—the greatest saving people of the world.

NEW YORK.

Following last week's exceptionally unfavourable report of the New York City banks and Trust Companies in the New York Clearing House, the statement of the average position for the week ending March 13, 1920, showed that a substantial improvement has been made. Loans, discounts, investments, &c., were $15,930,000 higher at $5,110,410,000; net demand deposits were $3,450,000 higher at $4,096,090,000; and net time deposits $1,970,000 higher at $250,810,000, so that the reserve requirements were $480,000 higher. At the same time the average aggregate reserve was increased by $8,170,000 to $572,130,000, so that the excess reserve stood $7,690,000 higher at $27,870,000. The actual position is even stronger, the excess reserve being $29,040,000, as compared with $2,700,000 a week previously.

The weekly statement of the New York Federal Reserve Bank shows a better position on the whole as compared with the previous week, though the gold reserves are still very low. Net deposits declined on the week by $27,010,000, and the Federal Reserve note circulation by $1,160,000. On the other hand, a further loss of $6,770,000 occurred in the gold reserves, which now stand at $158,060,000, and of $5,730,000 in the total reserves. The ratio of total reserves to net deposit and Federal Reserve note liabilities combined is 48.6%.

The combined statement for the twelve Federal Reserve Banks shows a slightly weaker position on the whole. The total gold reserves declined by a further $720,000 to $1,936,360,000, though other reserves increased by $2,820,000 on the week. Paper discounted for member banks increased by $14,760,000, but bills bought in the open market declined by $9,680,000. Government deposits declined by $29,000,000, and "other" deposits increased by $34,280,000 to $1,742,790,000. The Federal Reserve notes in actual circulation also increased to $3,039,750,000, so that the ratio of reserves to deposit and Federal Reserve note liabilities combined is slightly lower at 42.5%. This ratio, it may be noted, is the lowest ever reported, with the exception of the ratio according to the statement issued on February 28, 1920, which was also 42.5%.

Sentiment in Wall Street was not much affected by the news of the German revolution, and attention still continues to be directed rather towards the money situation. The general opinion is that no substantial ease in the credit situation will come till the Federal Reserve Banks are able to improve their position. Nevertheless, Money-market conditions were easier during the week, and a fresh spurt of speculation took place. After ruling at from 8% to 9% in the earlier part of the week the ruling rate for call money on Thursday was 7%, and the last loan was placed at 6%. Prime Mercantile paper was quoted at 6½ to 6¾%.

BULLION.

The rapid fall in the price of silver, which was the feature of the market last week, was continued during the present week, though, on account of the less

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violent fluctuations in the dollar exchange, to a somewhat less marked extent. Large supplies of melted coin from the Continent were again on offer, and this fact, coupled with the abstention of Chinese buyers from the market, depressed the quotations for both cash and forward delivery from 70*d.* per ounce and 70½*d.* per ounce respectively on the 12th inst. to 65¾*d.* and 66*d.* on Wednesday last. Wednesday's prices were appreciably under the parity with America, and this gave strength to the market, and with a recurrence of Chinese buying yesterday the spot price rose 2½*d.* per ounce to 68¼*d.* and the forward quotation rose to 68½*d.* On account of selling pressure for cash the price for two months delivery remained above the forward price during the week, but the difference shows a tendency to become less. To-day's quotations are 70⅝*d.* cash and 71*d.* forward.

Prices in the Gold market moved nominally with the fluctuations in the American exchange. Business was on a smaller scale this week, the small amount available being taken for South America, the Straits, and the United States. The price declined from 112*s.* 4*d.* per ounce fine on Monday to 108*s.* 4*d.* to-day.

Recent movements in the Indian Currency Returns are shown below:

	Note Circulation	Silver			Gold		% of Metallic Res. to Notes	Government Securities	
		In India	Elsewhere	Total	In India	Elsewhere		Indian	British
1920	Lacs	Lacs	Lacs	Lacs	Lacs	Lacs		Lacs	Lacs
Mar. 15 ...	18,274	3,890	—	3,890	4,464	110	46·3	1,560	8,250
Mar. 7 ...	18,244	3,864	—	3,864	4,204	366	46·2	1,560	8,250
Feb. 29 ...	18,303	3,899	—	3,899	4,130	464	46·4	1,560	8,250
Feb. 22 ...	18,294	3,872	—	3,872	4,033	579	46·4	1,560	8,250
Feb. 15 ...	18,399	3,888	—	3,888	4,121	580	46·7	1,560	8,250
Feb. 7 ...	18,329	3,947	—	3,947	3,534	1,038	46·5	1,560	8,250
Jan. 31 ...	18,515	4,033	—	4,033	3,510	1,162	47	1,560	8,250
Jan. 22 ...	18,495	4,099	—	4,099	3,386	1,200	46·9	1,560	8,250
Jan. 15 ...	18,691*	4,163	—	4,163	3,500	1,028	46·5	1,750	8,250
Jan. 7 ...	18,621	4,257	—	4,257	3,421	943	46·3	1,750	8,250
1919									
Dec. 29 ...	18,291	4,367	—	4,367	2,961	1,010	45·6	1,703	8,250

* Highest since war began.

Stock Exchange.

This week in the Stock markets found no reaction from last week's depression, but, on the contrary, markets became generally heavier, and at the same time the volume of business was smaller. Several factors combined to produce the prevailing dulness, and all things considered, the immediate outlook is not any rosier, and it is probable that many weak spots will be discovered in the near future. The fear of a rise in the Bank rate, the large new issues of capital, and, to a less extent, the uncertainty regarding the Budget proposals, were the chief influences which affected prices adversely, while the news of the German revolution and a considerable amount of selling pressure from the Continent affected particularly the Foreign market. As regards the anxiety concerning the Bank rate, the announcement yesterday that no alteration had been made had very little effect beyond temporarily arresting liquidation, for it is felt that all the signs point to a rise in the official minimum rate, and that the market will have to adjust itself to a rise sooner or later.

The gilt-edged section led off the downward movement in prices and the closing tendency though less weak is still very heavy, the high yields which make many gilt-edged stocks particularly attractive just now not seeming to find any supporters. Funding Loan was foremost in the downward movement and finished unsteadily at 66⅞. War Loan Fives declined to 87$\frac{7}{16}$, the Four and a-Halfs to 79¼, and the Three and a-Halfs to 81½. Consols closed in ragged fashion yesterday at 47⅛. Bank of England stock declined to 184½. India Three and a-Halfs fell to 54¾. In the Colonial market New South Wales Five and a-Halfs declined to 96, the Five and Three-quarters to 97, and the Five and a-Quarters to 96. Australian Five and a-Halfs weakened to 95½, Canada Fours to 72½, and the Four and a-Halfs to 91. New Zealand Fours declined to 82 and West Australia Fours to 70½.

The Foreign market was particularly weak. Under Continental selling Chinese Four and a-Halfs lost ground to 58¾. Japanese and Mexican issues shared in the general depression. French bonds also declined, but were rather firmer at the close. Belgian Threes declined to 50. Egyptian Unified Debt closed strong at 76.

The Home Rails market continued in a depressed state and prices sagged persistently during the week. Midland Deferred were weak at 54½. Great Westerns fell to 84¾. North Easterns declined to 90½, but were rather firmer at the close. Great Northern Preferred weakened to 49½, and the Deferred to 32½. Great Central Preference shares were lower at 14¼. Hull and Barnsley were a weak spot at 50. Underground Electric Income bonds were weaker at 69, and the "A" shares at 6*s.* 6*d.*

Movements in the Foreign Rails market were irregular. While liquidation was not pronounced, lack of support caused many stocks to decline. On the news of a strike on the railway Leopoldinas fell sharply to 44¼. San Paulos were quoted at 176. Entre Rios Ordinary fell to 42½. Argentine descriptions, though heavy earlier in the week on news of labour trouble, show latterly a good resistance to the general tendency of the market.

Fears of dearer money, the rush of new issues, and the outbreak of the German Revolution were the main factors responsible for a depression in the Industrial market. Nevertheless, no general selling pressure was noticeable, and in many cases prices were merely marked down as a precautionary measure owing to the absence of buyers. Scattered liquidation still continues. Textiles continued their upward movement from last week, but, with the exception of Fine Spinners and Courtaulds, the closing tendency was heavier. Engineering, Iron and Steel shares were depressed, and Shipping shares were dull. Good features were not absent, however. Aerated Breads recovered sharply to 4⅞. Dunlop Rubbers closed firm at 10⅝. Associated Cements were a bright spot with an advance to 32*s.* The Nitrate market was irregular. Alianzas and Lautaros declined. Rosarios were again prominent, and closed firm at 10¼. Santa Catalinas advanced to 46*s.*

The influences which adversely affected other sections were also at work in the Oil section. Dealers were chary of taking stock on their books, buyers were scarce, and business was on a small scale. In consequence prices suffered in the earlier part of the week. Yesterday, however, a reaction set in, and the favourites were well supported, and prices were marked up, though in other directions liquidation still continues. Shells moved irregularly, but closed firm at 10¾. Mexican Eagles Common declined sharply in the early part of the week, but rallied subsequently to 10⅛, and the Preferred shares, having changed hands at 9¾, were eventually bid up to 10⅛. Royal Dutch was a strong feature with a rise to 82½. Scottish Americans displayed little activity at 38*s.* 6*d.* Burmahs declined in the beginning, but met with good support latterly, and closed strong at 17⅜. Trinidad Centrals and Trinidad Leaseholds were weak. Tankers continue in popularity, and were quoted a $\frac{5}{16}$ premium.

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Mining Topics.

With such a variety of adverse factors at work it is not difficult to realise the wave of depression that swept over the Mining market during the week. It opened under the cloud of the revolution in Germany, and the reactions that set in amongst the leaders became more universal as the fears of a rise in the Bank rate began to spread. The news that the Cape elections were not giving General Smuts a satisfactory majority intensified the downward tendency of prices. Moreover, the February returns, in so far as they have come to hand, were not very reassuring. The addition of nearly 10,000 natives to the labour supply was more than counterbalanced by the reduction in working days, amounting to two days for the Rand Mines, as a result of the strike of the natives. Similarly the benefits derived from the calculation of the gold output at £5 10*s.* per ounce were considerably discounted by the increase in the Bank exchange rate from 8*s.* 9*d.* per cent to £4⅛ per cent, and by the addition to the wages bill consequent upon the retrospective increases to white employees sanctioned by the Chamber of Mines. Thus in the case of Village Deep retrospective adjustments of white wages for the three months ended January 31 involved an addition to the working costs of February of £6,622, whilst the estimated loss on the working of the month amounts only to £5,358. However, with the Bank rate remaining unchanged after Thursday, the market assumed a somewhat steadier tone and the leaders began to recover, Rand Mines closing at 4, City Deep at 2⅛, and Crown Mines at 3½.

The heavy fall in tin to £355½ by Thursday set the tone for this market, and shares became dull, with a tendency to decline in sympathy with the other stock markets. Profit-taking reduced Killifreths from 31*s.* 9*d.* to 27*s.* Other descriptions participated in the depression, Geevors dropping from 23*s.* 9*d.* to 22*s.* 6*d.*, whilst Nigerians followed suit, with the exception of Tin Areas, which rallied to 14*s.* on Thursday, and Associateds, which hardened to 9*s.* on the issue of the circular confirming the improved prospects, and announcing an interim dividend at the rate of 10% per annum less tax.

SIMMER AND JACK.

Year to June 30	Ore Milled Tons	Gold Yield per Ton	Working Costs per Ton	Working Profit £	Working Profit Per Ton	Net Profit* £	Dividends £	Dividends %
1915...	808,300	21/5	13/2	334,556	8/3	293,060	300,000	10
1916...	797,900	21/11	14/5	298,665	7/6	275,757	262,500	8¾
1917...	765,300	21/5	15/6	227,187	5/11	205,886	225,000	7½
1918...	685,400	23/1†	17/5	195,304	5/8	167,574	112,500	3¾
1919...	605,900	21/11¾	19/11	62,575	2/0¾	5,333	37,500	1¼

* After deduction of taxes. † Including £12,916 of gold taken from reserve.

As these figures reveal, this Company, in common with many other gold-mining concerns, has had many obstacles to encounter during the financial year ended June 30, 1919. In the first instance operations were hampered by the outbreak of the influenza epidemic, which pruned down a supply of native labour already insufficient for the purposes of the mine. The degree of the loss thus incurred was modified by the success of the jack-hammer machines installed in the previous year. Added to this was the inadequate supply of white underground labour. The situation was not improved by any increase in efficiency, but was, in fact, rendered worse by the shorter hours worked. Finally, the destruction by fire of one of the best-equipped shops on the Witwatersrand and several adjoining repair shops proved almost the proverbial last straw. Under such circumstances the reduction in the ore milled to 605,900 tons was by no means abnormal. Again, whilst the gold yield per ton declined to 21*s.* 11¾*d.*, the working costs per ton advanced to 19*s.* 11*d.*, with the result that the working profit of £195,304, or 5*s.* 8*d.* per ton, in 1917-18, was replaced by the amount of £62,575, or 2*s.* 0¾*d.* per ton, in the year under review. Moreover, as the working costs, high as they were, excluded expenditure on taxes, which reached in 1918-19 as much as 3.64*d.* per ton, the final net profit is only £5,333, as compared with £167,574 in 1917-18. The dividend of 1¼%, amounting to £37,500, was met primarily out of the balance of £138,193 brought forward from the previous accounts. After meeting all expenditure and paying this dividend, which contrasts with 3¾% in 1917-18, there is carried forward to the next accounts a balance of £106,026. To estimate the prospects for the current year is rather difficult in view of the variety of factors at work. To begin with, it is necessary to repeat the warning that the life of the Company is not destined to be a long one. The shortage of labour, native and white labour combined, seems likely to remain; whilst the cost of working is almost certain to rise. In this the miners' phthisis legislation played no small part, involving the Company in an additional annual outlay for the next five years of some £60,000. Moreover, the recent additions to the wages of labour, consequent upon the decision of the Chamber of Mines as regards the white employees, and as a result of the strike of the native workers, is bound to reduce the balance available as profit. On the other hand, two forces are operative in the reverse direction. During the year under review the bulk of the capital expenditure, exceeding £37,000, as compared with £4,897 in 1917-18, was directed to making the Rhodes shaft ready to deliver the ore. This shaft, which has a capacity of 30,000 tons, was to be in working order by the end of 1919, and would enable ore hitherto handled through Nos. 1 and 2 shafts to be dealt with more economically. But in the main the pressure of the increase in the cost of working will be eased by the premium on gold, which came into operation after the close of the year under review. How the rival forces will ultimately work out it is yet too early to foresee. Yet it is possible to afford some indications.

Working operations during December 1919 yielded gold worth £50,219, but with working costs at 24*s.* 3*d.* per ton there was an actual working loss of £2,572 and a net total loss of £1,072, due to holidays, shortage of native labour, and the rise in wages of the white employees. But if the gold had been estimated at £5 per ounce instead of £4 5*s.* there would have been a profit of £8,158. The continuance of the premium was probably the decisive factor which enabled the declaration of an interim dividend of 2½% in January. The February returns showed that working costs were still rising, being returned at 24*s.* 6*d.* Yet with the high premium on gold a working profit of £6,126 was secured, based on the calculation of gold at £5 10*s.* per ounce. The claim area intact at the close of the year under review was returned at 101.117 claims, including the 40.6 claims acquired from the Simmer Deep. The ore reserve at the same date amounted to 1,318,000 tons of an average value of 5.83 dwt. per ton, and there was, in addition, partially developed ore of the value of 5.43 dwt. per ton to the extent of 149,000 tons. Owing to the necessity of taking a higher paying limit, there have been excluded from the reserves 240,000 tons of ore averaging in value 4.1 dwt. per ton. Thus, as compared with the previous year, there has been a reduction of over 200,000 tons in the fully-developed ore reserve, and of over 60,000 tons in the partially developed ore. On the other hand, the quality of the ore was raised from 5.67 dwt. to 5.83 dwt. The balance sheet creates a favourable impression. Liquid assets exceed £146,161, whereas liabilities, in which sundry creditors and unclaimed dividends are included, amounted only to £121,031. The reserve account stood at £632,937. The capital consists of 3,000,000 Ordinary shares of £1 each, quoted in the market in the neighbourhood of 6*s.*, at which price the interim dividend of 2½% would be equivalent to a rate of 8⅓%.

WANKIE COLLIERY.

When due allowance is made for the adverse circumstances experienced, the report of this Rhodesian coal-mining Company for the year ended August 31, 1919, is very satisfactory. The financial results of the year's working in contrast with those of 1917-18 is furnished in the following table:—

Year ended Aug. 31	1919		1918	
	£	£	£	£
Sales and sundry receipts		263,695		254,159
Mine costs and royalty	156,762		142,801	
Depreciation	24,837		26,711	
Administration—London and Africa	12,760		12,383	
Interest on Debentures	4,039		4,459	
		198,398		186,354
Profit		65,297		67,805
Dividends		56,733 (10%)		56,726 (10%)
Balance		8,564		11,079
Brought forward		6,838		7,761
Carried forward		15,402*		18,840
Coal sold (tons)		273,531		327,949
Coke sold (tons)		99,108		80,494

* The previous balance of £18,840 was reduced to this by the creation of an extra reserve for excess profits duty.

During the year under review the actual amount of coal mined and raised to the surface was 477,824 tons, as compared with 553,856 tons in 1917-18. A corresponding reduction was recorded in the sales of coal, which fell from 327,949 tons in 1917-18 to 273,531 tons in 1918-19. Several factors were at work to bring about this result. To begin with, the Company had to face the same obstacle that is operating against many of the African mining concerns—the insufficiency of the supply of native labour, especially, in this case, for underground work. But, in addition to this, a slackening in output was occasioned by repeated visitations of the influenza epidemic during the year under review. The first outbreak, in October 1918, caused a loss in output of half a month. Whilst the actual output was being unfavourably influenced in this manner, forces were operating also against the sale of such output as was obtained. The prevalence of floods, and even at times a temporary suspension of traffic on the railways south of the colliery, hampered the transport of coal. As the market for coke lay mainly to the north, it was unaffected by these disadvantages, and, consequently, during the year under review, the sale of this commodity increased by 18,614 tons to 99,108 tons. There has been a further addition of 328,000 tons to the coal reserves, which now stand at 5,508,000 tons. The net financial result of the year was a profit of £65,297, out of which shareholders received, as in the previous year, a dividend of 10%. Prospects for the current year are very promising. Admittedly, working expenditure has been increasing, especially wages. But, as the Chairman stated at the general meeting, the price of coal has been advanced, and it seems likely that the advance will cover a considerable portion of this additional cost. Boring investigations on the new coalfield acquired appear to be yielding satisfactory results. Moreover, it is anticipated that within a few months the Company will have 140 retort ovens in operation.

An analysis of the balance sheet discloses a strong position. To meet the claims of sundry creditors including bills payable and unclaimed dividends, amounting to £81,543, there is available a large range of liquid assets. These liabilities are, indeed, almost covered by the investment of £81,150 in 4% National War Bonds; whilst sundry debtors and cash balances amount to £62,490. The actual balance of sundry creditors of £77,000 is large because of the inclusion of a large provision for excess profits duty. Fixed assets, comprising permanent works, buildings, machinery and plant, have increased by £89,000 to £280,428. But against this total stands a depreciation reserve of £80,000. There has been, as a matter of fact, a considerable outlay in the nature of capital expenditure during the year, which accounts for the reduction of some £45,000 in the balance of cash and investments. This expense has been incurred in connection with the provision of 40 new retort ovens and with the development work on the new colliery. Further heavy expenditure is contemplated in both these directions, which will necessitate not merely the issue of the remaining 65,481 shares of the authorised capital, but also a further increase in the amount of the authorised capital. The present capital consists of 1,200,000 shares of 10*s.* each, of which there have been issued to date 1,134,663. At present these shares command the price of 11*s.* 6*d.* in the market. Considering that an offer to take over the unissued capital of the Company at 14*s.* per share has been refused, the existing market price seems rather low. This is especially the case when the general prospects of the concern are remembered, as well as the fact that the directors intend to issue the shares still remaining to existing shareholders upon favourable terms. As soon as preliminary investigations on the new colliery are sufficiently complete to enable a reasonable estimate of the necessary outlay to be formed, a meeting of the shareholders will be held to deal with the problem of increasing the capital.

HAMPDEN CLONCURRY COPPER MINES.

Half-Year to	Crude Ore Treated‡	Blister Copper Produced† Tons	Blister Copper Produced† Yield per Ton of Ore %	Aver. Price of Electrolytic Copper £	Working Costs Per Ton of Ore s. d.	Working Costs Per Ton of Blister Copper £	Working Profits§ £	Working Profits§ Per Ton of Blister Copper £
Feb. 29, '16	44,247	3,330	7·5	95½	82 7	54½	163,408	49½
Aug. 31, '16	51,497	3,100*	6.0*	120*	78 11	65½	165,224	53½
Feb. 28, '17	42,163	2,710*	6·4*	100*	94 5	73½	64,539	23¾
Aug. 31, '17	52,000*	2,950*	5·6*	120	87 2	77	116,363	39½
Feb. 28, '18	42,300*	2,750*	6·5*	—	103 1*	79*	67,550	24½
Aug. 31, '18	50,451*	3,000*	6·0*	—	101 1*	85*	61,016	20⅓
Feb. 28, '19	30,135	1,759	5·8	—	114 1	97½*	51,393*a*	29*a*
Aug. 31, '19	—	—	—	—	— —	—	3,507*a*	—

* Approximate.
† Includes gold and silver. Excludes produce from treatment of custom ore
‡ Excluding custom ore treated.
§ Working profit includes profit on treatment of custom ore, &c. (*a*) Loss.

As can be seen from the above table, the report of this Queensland copper-mining Company for the half-year ended August 31, 1919, can scarcely be described

as encouraging. During the previous half-year there had been a considerable decline in the quantity of crude ore treated to 30,135 tons, as compared with 50,451 tons for the six months ended August 31, 1918. For the half-year under review the reduction works were entirely closed down, and in consequence no ore was treated, with the exception of a few tons which were operated upon for experimental purposes. Work during this period was entirely concentrated upon development. At the 600-foot level in the Hampden mine a length of pyritic ore of 772 feet has been exposed of 20 inches to 12 feet wide, averaging 5% of copper. In the Duchess mine attention was mainly devoted to stoping the ore reserves. Prospecting at the 1,000-foot level did not yield any encouraging results. From this mine 7,625 tons of ore were raised during the period, and it is the only mine on which ore extraction is being proceeded with. Satisfactory results have been obtained from development work at the 500-foot level of the Trekelano mine, where ore of as high a grade as 8.5% was encountered. The estimated ore reserves remain unaltered at 218,000 tons, containing 13,020 tons of copper. But this estimate takes no account of a quantity of high-grade ore in the Magnet, Mt. MacNamara, and Arbitration mines, which are capable of yielding, in the opinion of the General Manager, some 400 to 500 tons of copper. It excludes also some 60,000 tons of low-grade ore from which as much as 1,500 to 2,000 tons of copper could be obtained by some less costly process than smelting. The net result of all this work is to produce a net working loss of £3,507, which turns into an actual loss of £23,147 when administrative expenses are included and an allowance of £12,610 is made for depreciation. Thus, for the year 1918-19 a total loss of £89,730 has been experienced. Such a position at once explains the absence of any dividend during the year. The loss was met by transferring the necessary balance from the equalisation reserve, which in consequence has been reduced to £299,149. According to the balance sheet the Company have been working largely on an overdraft, which amounted to £133,287 on August 31, 1919. Including this overdraft liabilities amount to £144,053, and, according to the directors' report, these are amply secured by liquid assets to the value of £244,061. But it is wise to bear in mind that the bulk of these assets consist of stores and products which it might not be found easy to realise at profitable prices. However, such assets do not include shares in various kindred companies, on which £39,938 have been paid up. At the same time the Company has built up several important reserves. The equalisation reserve, despite the heavy loss written off for the year 1918-19, still amounts to £299,149; the premiums reserve fund stands at £68,836. In addition there is a reserve for depreciation of £152,139, and one for plant expenditure of £42,920. Seeing that the total of the mine, plant, and properties accounts does not exceed £761,540, this double reserve of £195,059 is a fairly generous figure. The issued capital of the Company consists of 350,000 fully-paid shares of £1 each, which stand in the market at a slight discount, being quoted in the neighbourhood of 17*s.* 9*d.* At present it is somewhat difficult to estimate the prospects for the current year. Since the last accounts closed smelting operations have been resumed, and an output of blister copper of 1,955 tons—a figure already in excess of the total output for the similar half-year in 1918-19—has been obtained. Moreover, the ruling prices of copper, if maintained, would yield satisfactory profits. However, the item of cost will also have increased, as the recent award on the arbitration in connection with the wages problem will add, it is estimated, £23,000 to the annual wages bill of the Company. Here again it seems that this advance in wages is being counteracted in part by the increased efficiency of the workers; but to what extent it will not be possible to decide before the accounts for the half-year just closed have come to hand.

TABULAR APPENDIX

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, March 17, 1920.

Issue Department.

Notes Issued	£136,110,015	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	117,660,015
	£136,110,015		£136,110,015

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£42,059,349
Rest	3,543,505	Other Securities	91,954,013
Public Deposits	18,419,000	Notes	34,938,100
Other Deposits	133,030,922	Gold and Silver Coin	610,062
Seven-day and other Bills	15,297		
	£169,561,724		£169,561,724

Comparison with Previous Four Weeks [00,000's omitted.]

Date 1920.	Circulation	Coin and Bullion	Deposits: Public	Deposits: Other	Securities: Govt.	Securities: Other	Reserve	Ratio Reserve to Liabilities	Bank Rate *	Three Months' Bills
	£	£	£	£	£	£	£	%	%	%
Mar. 17	101,2	118,2	18,4	133,0	42,1	91,9	35 5	23·5	6	5⅛
Mar. 10	102,8	115·9	18·5	127,3	40.3	92,1	31.5	21·6	6	5⅛
Mar. 3	101.5	113,6	22.4	135.4	52,7	92,3	30.9	19·6	6	5⅛
Feb. 25	96,5	110.4	17.3	172.8	85,1	90,7	32,3	17·0	6	5⅛
Feb. 18	93,6	108,5	26,3	164,8	87,1	88.8	33.3	17·4	6	5⅛
J'y22,'14	29.3	40.2	13.7	42,2	11.0	33.6	29.3	52·40	3	2⅞

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 6%; Aug. 8, 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; April 5, 5%; Nov. 6, 1919, 6%.

Comparison of Bank Returns, Exchanges, Prices, &c.

	Mar. 19, 1920	Mar. 19, 1919	Mar. 20, 1918	Mar. 21, 1917	Mar. 18 1910
Bank of England (in £'s sterling 00,000's omitted):					
Circulation	£101,2	£72.2	£47.4	£37.8	£27.8
Public Deposits	18.4	27 2	35.4	67.9	9.6
Other Deposits	133.0	121.8	134.4	124.3	40.9
Government Securities	42.1	56.6	57.0	24,1	14.0
Other Securities	91.9	80.8	99.2	151.8	29.9
Reserve	35.5	29.6	31.7	34.6	24 9
Ratio to Liabilities	23·5%	19·89%	18·67%	17·99%	49·32%
Coin and Bullion	118.2	83.4	80.8	54.0	34.4
Money:					
Bank of England Rate	6%	5%	5%	5½%	4%
Bank of France Rate	5%	5%	5%	4%	3%
Rate 3 months' Bills London	5⅛%	3⅛%	3⅜-3⅛%	4⅛%	3⅛-4%
Exchanges:					
Paris Cheque	50·85	27·11½	27·20	27·31¼	25·22½
New York 60 days	3·72	4·68	4·72½	4·72	4·83¼
Bombay Telegraphic Transfers	2/4½	1/5⅜	1/4⅜	1/4⅜	1/4⅛
Prices:					
Consols 2½% Cash	47⅛	57½	54¼	53	81⅛
French Rentes 3% Money	57·00	62 50	56·75	61·60	98·27
Silver, London spot oz.	70⅛d.	47¼d.	45d.	35 15/16d.	23 11/16d.
Wheat, *Gazette* average qr.	72/6	72/5	72/1	78/10	32/6
Cotton, Mid Upland lb.	30 64d.	19·14d.	24·82d.	12·46d.	8.11d
Iron, Scotch pig ton	206/0	101/0	101/0	88/6	57/6

CURRENCY NOTE ISSUE.

Week to	Notes Issued	Notes Cancelled	Notes Outstanding	Gold Coin & Bullion	Bank of England Notes	% of Bank Notes & Gold to Notes
	£	£	£	£	£	%
Mar. 17, '20	6,732,690	8,664,221	328,258,886	28,500,000	4,800,000	10·2
Mar. 10, '20	6,875,051	6,213,569	328,190,417	28,500,000	4,800,000	10·1
Mar. 19, '19	8,241,827	5,186,757	324,195,455	28,500,000	—	8·7
Mar. 20, '18	5,289,141	4,663,759	223,922,097	28,500,000	—	12 7
Mar. 21, '17	4,642,561	5,421,508	143,043,152	28,500,000	—	19·9
Mar. 23, '16	4,431,586	3,371,106	104,503,273	28,500,000	—	27·2

Balance Sheet. March 17, 1920.

	£		£
Notes outstanding—		Advances—	
One Pound	256,183,081	Other Bankers ...	—
Ten Shilling	42,315,805	Trustee Savings Banks	190,000
Certificates outstanding ...	27,760,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500,000
Total	326,258,886	Bank of England Notes...	4,800,000
Investments Reserve A/o ...	15,883,077	Government Securities ...	307,377,578
		Balance at Bank of England	1,274,385
Total	342,141,963	Total	342,141,963

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

1920. Week to	Revenue	Expenditure	Excess of Expenditure	Loans, Advances, &c.—Cr.	Loans, Advances, &c.—Dr.	Net +	Cash Balance
Mar. 13	£57,165	£41,515	*15,650*‡	£50,728	£66,258	—15,530	£3.719
Mar. 6	56,441	50,249	*£6,198*‡	74,752	81,926	—£7,174	3.600
Feb. 28	37,170	20,513	*16,657*‡	152,299	169,792	—17,493	4,582
349ds. '19-20	1,164,918	1,438,196	273,278	5,747,298	5,474,018	273,280	— 9.080
349days '18-19	817,732	2,479,902	1,662,171	6,528,243	4,879,317	1,648,926	—13,246
*Fr. '19-20**	*1,168,650*	*1,642,295*	*473,645*	—	—	*473,645*	—
Yr. '18-19	889.021	2,579,301	1,690.280	7,033,402	5,351,353	1,682,049	15,793
Yr. '17-18	707,234	2,696,221	1,988.987	7,499,604	3,616,023	1,983,581	21,030

Principal Items of Revenue and Expenditure.

1920. Week to	Revenue: Customs & Excise	Revenue: Income Tax, &c.	Revenue: Excess Profits Duties, &c.	Revenue: Other Revenue	Expenditure: Int., &c., on Debt	Expenditure: Misc. Expend.	Expenditure: Supply Services
Mar. 13	£3,661	£16.696	£5,168	£3[illegible],640	£1.937	£1.028	£38,550
Mar. 6	4,099	24,296	6,590	21,455	19.607	10	30.631
Feb. 28	4,456	19.620	7,125	5,989	1,463	71	18,979
349days'19-20	284.901	328,258	273,392	298.687	316.378	13,313	1,108.507
349days'18-19	152,088	261,329	264,544	139,791	265,812	8,594	2,204.896
*Fr. '19-20**	*276,000*	*354,000*	*280,000*	*258,650*	*345,000*	*16,595*	*1,280,709*
Yr. '18-19	162.220	281,188	285,028	150.587	289.964	11,380	2,297.956
Yr. '17-18	110.033	239,509	220,214	137,478	189,851	11,401	2,494.988

FLOATING DEBT. [000's omitted.]	Treasury Bills	Ways & Means Advances	Total	Natnl. War Bond Rcpts.
Mar. 13, 1920 ...	£1,059,228	£168,930	£1,228,158	£1,732,780
Mar. 6, 1920 ...	1,056,682	185,430	1,242,092	1,732,780
Feb. 28, 1920 ...	1,070,085	187,830	1,257,916	1,732,780
Feb. 21, 1920 ...	1,102,331	218,830	1,321,161	1,732,780
June 30, 1919 ...	796,150	774,237	1,570,387†	1,732,021

* Revised Budget and supplementary estimates. † Highest.
‡ Excess of revenue.

FOREIGN BANKS.

[In £'s Sterling‡—000's omitted.]

AUSTRIA-HUNGARY.	Cash Gold	Cash Silver	Cash Total	Advances To Public	Advances To Dual Govts.	Note Circulat'n	Bills Discounted, &c.
July 23, '14...	£51,578	£12,141	£63,719	£7,772	—	£88,740	£31,993
Oct. 21, '19...	10,832	2,374	13,206	371,686	£1,373,083	2,013,363	240,845
Oct. 28, '19...	10,832	2,378	13,210	372,119	1,373,083	2,058,464	222,532
Dec. 7, '17...	11,000	2,300	13,300	603,990	—	739,300	117,600

BELGIUM.	Gold.	Silver	Total	Discounts	Circulation	Deposits
Aug. 6, '14 ...	£10,977	£633	£11,610	£41,925	£51,800	£6,263
Mar. 4, '20 ...	10,657	1,074	11,731	18,184	197,638	82,000
Mar. 11, '20 ...	10,657	1,070	11,727	20,203	198,032	83,425

DENMARK.	Cash Gold	Cash Silver	Cash Total	Discounts	Balance Abroad	Circulation	Deposits
July 31, '14 ...	£4,100	£341	£4,441	£6,197	£786	£8,693	£47
Jan. 31, '20 ...	12,602	188	12,790	15,084	912	26,375	1,902
Feb. 28, '20 ...	12,597	186	12,783	16,948	599	26,398	3,293
Feb. 28, '19 ...	10,400	136	10,536	3,959	5,342	23,402	920
Feb. 28, '18 ...	9,641	136	9,777	2,827	2,712	18,478	1,635

FRANCE.	Gold In Bank	Gold Abroad	Total Cash incl'g Silver	Bills	Circulation	Deposits Public	Deposits Private
July 30, '14 ...	£165,654		£190,667	£97,768	£267,327	£15,302	£37,903
Mar. 11, '20 ...	144,170	79,131	233,309	67,012	1,538,593	1,714	126,096
Mar. 18, '20 ...	144,193	79,131	233,275	66,817	1,526,400	4,416	135,392
Mar. 20, '18 ...	142,469	79,132	234,168	41,176	1,330,481	4,401	110,674
Mar. 21, '18 ...	133,406	91,484	225,121	41,591	952,999	2,207	109,624

GERMANY.	Cash Gold	Cash Silver	Cash Total	Treasury & Loans & Other Notes	Discounts	Circulation	Deposits
July 23, '14...	£67,843	£16,727	£84,570	£5,279	£40,055	£94,545	£47,198
Feb. 28, '20...	54,567	1,261	55,828	641,635	1,947,723	2,051,688	667,113
Mar. 6, '20...	54,589	1,335	55,904	651,652	2,013,553	2,082,418	667,635
Mar. 7, '19...	112,216	1,048	113,264	300,926	1,326,346	1,212,399	544,972
Mar. 7, '18...	120,351	5,873	126,224	65,931	653,591	566,205	329,552

HOLLAND.	Cash Gold	Cash Silver	Cash Total	Discounts	Advances	Circulation	Deposits
Aug. 1, '14 ...	£13,496	£249	£13,745	£13,422	£10,332	£35,660	£1,437
Mar. 6, '20 ...	52,805	800	53,605	24,890	17,205	85,316	10,613
Mar. 13, '20 ...	52,811	823	53,634	22,917	17,005	84,775	9,080
Mar. 15, '19 ...	56,253	789	57,042	9,819	16,149	83,616	6,361
Mar. 16, '18 ...	60,317	610	60,927	2,412	8,632	71,805	4,631

ITALY.	Cash Gold	Cash Silver	Cash Total	Other Cash	Loans & Discounts	Circulation	Deposits
July 31, '14 ...	—	—	£48,456		£25,017	£69,204	£8,887
Dec. 31, '19 ...	£32,193	£3,004	35,197	21,538	110,071	507,671	83,394
Jan. 10, '20 ...	32,194	3,004	35,198	20,480	112,555	495,477	78,868
Dec. 31, '18 ...	32,710	3,086	35,796	15,238	65,984	368,934	63,866
Dec. 31, '17 ...	33,434	3,496	36,930	8,448	47,745	261,568	57,941

JAPAN.	Gold	Discounts	Advances	Notes	Deposits Public	Deposits Private
Aug. 1, '14 ...	£21,867	£1,829	£7,863	£32,722	£13,818	£1,521
Jan. 24, '20 ...	94,641	13,252	34,400	125,452	112,689	8,954
Jan. 31, 20 ...	94,433	24,943	37,969	137,517	111,863	4,853
Feb. 1, '19 ...	71,301	13,109	45,383	101,483	101,775	8,608
Feb. 2, '18 ...	64,804	5,533	23,823	72,943	54,710	3,272

NEW YORK BANKS & TRUSTS.	Cash Own Vaults	Loans, Aggregate Reserve	Loans, Disc'ts, Invest.,&c.	Net Deposits—Demand	Net Deposits—Time	Net Deposits—Total	Excess Reserve
Aug. 1, '14 ...	—	£89,888	£411,238	—	—	£387,165	£1,720
Mar. 6, '20 ...	£19,294†	112,792	1,018,896	£818,528	£49,768	871,900	4,036
Mar. 13, '20 ...	19,514†	114,426	1,022,082	819,218	50,162	872,992	5,574
Mar. 15, '19 ...	19,164†	112,394	970,065	781,030	29,552	852,942	8,920
Mar. 16, '18 ...	20,330†	107,364	863,768	734,478	40,059	845,696	9,548

NORWAY.	Gold	Balance Abroad	Norw. & For. Govt. Secs.	Disc'nts & Loans	Circulation	Deposits
July 31, '14 ...	£2,960	£1,678	£493	£4,868	£6,752	£793
Feb. 23, '20 ...	8,128	3,131	579	18,164	22,186	4,027
Feb. 28, '20 ...	8,127	3,184	579	19,080	22,717	4,405
Feb. 28, '19 ...	6,710	3,463	716	21,521	22,938	5,799
Feb. 28, '18 ...	8,525	3,458	713	19,395	17,678	9,124

PORTUGAL.	Gold	Silver	Total	Discounts & Advances	Note Circulation	Deposits
Nov. 28, '19 ...	£1,906	£3,921	£5,827	£11,063	£76,570	£4,635
Dec. 3, '19 ...	1,906	3,920	5,826	10,881	74,948	7,186
Dec. 10, '19 ...	1,906	3,921	5,827	12,888	78,528	6,349
Dec. 17, '19 ...	1,906	3,921	5,827	12,954	80,275	4,860

ROUMANIA.	Cash	Discounts	Advances	Total	Circulation
Jan. 31, '20 ...	£59,249	£9,177	£2,343	£11,520	£177,109
Feb. 7, '20 ...	60,009	8,969	2,549	11,518	179,245
Feb. 14, '20 ...	60,009	8,546	2,440	10,986	179,211
Feb. 15, '19 ...	33,701	7,064	1,527	8,591	99,792

RUSSIA.	Gold—In Bank	Gold—Abroad	Total Cash incl'g Silver	Loans & Disc'ts	Circulation	Notes in Reserve	Total Deposits
July 21, '14...	£160,114	£14,395	£181,892	£76,081	£163,411	£6,589	£109,911
Oct. 29, '17...	129,523	230,865	378,205	1,869,559	1,836,217	15,783	345,550

SPAIN.	Cash Gold	Cash Silver	Cash Total	Loans, &c.	Spanish 4%	Circulation	Deposits, &c.
Aug. 1, '14 ...	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,955
Mar. 6, '20 ...	96,131	25,283	123,414	87,509	13,779	154,990	43,926
Mar. 13, '20 ...	98,123	25,249	123,372	85,981	13,779	154,742	44,661
Mar. 15, '19 ...	90,250	25,739	115,989	73,752	13,778	138,976	41,456
Mar. 16, '18 ...	79,938	28,194	108,132	49,450	13,777	114,548	33,849

SWEDEN.	Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
Aug. 1, '14 ...	£5,717	£6,150	£1,555	£7,495	£13,432	£3,903
Feb. 28, '20 ...	14,735	5,790	2,684	27,991	36,085	10,180
Mar. 6, '20 ...	14,717	5,955	2,684	28,744	38,192	10,304
Mar. 8, '19 ...	16,004	7,920	3,034	19,534	40,060	5,369
Mar. 8, '18 ...	13,060	7,340	3,130	12,715	31,560	5,183

SWITZERLAND.	Cash Gold	Cash Silver	Cash Total	Discounts & Advances	Circulation	Deposits
July 23, '14 ...	£7,202	£758	£7,960	£4,817	£10,716	£2,026
Feb. 28, '20 ...	21,153	3,395	24,548	13,684	37,582	4,577
Mar. 6, '20 ...	21,151	3,410	24,561	12,953	37,133	4,329
Mar. 7, '19 ...	16,377	2,571	18,948	19,504	36,418	3,937
Mar. 7, '18 ...	14,686	2,244	16,930	11,248	25,514	3,803

† Not reserve. ‡ Converted at par rate of exchange approximately.

U. STATES FED. RES. BANKS.	Gold—Held by Banks	Gold—With Agents	Total Cash	Bills Discount'd	Accept-ances.	Deposits—Govt.	Deposits—Total Net.	Circulation
Mar. 8, '20 ...	—387,416—		410,926	481,738	102,770	16,776	358,478	606,0
Mar. 15, '20 ...	—387,272—		411,346	484,690	100,834	11,064	359,622	607,8
Mar. 17, '19 ...	167,932	257,974	439,346	377,272	52,428	30,156	353,880	500,6
Mar. 15, '18 ...	180,506	178,142	370,438	103,497	64,649	14,404	292,904	281,2

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed		%	Date Fixed
Amsterdam ...	4½	July 1,'15	Lisbon	5½	Jan. 15,'
Berlin	5	Dec. 23,'14	Madrid	5	Nov.10,'
Berne	5	Aug. 21,'19	Paris	5	Aug. 20,'
Bombay	7	Feb. 5,'20	Petrograd ...	6	July 29,'
Brussels	3½	Oct. 2,'19	Rome	5	Jan. 11,'
Calcutta	5	June 5,'19	Stockholm ...	6	June 12,'
Christiania ...	6	Dec. 18,'19	Tokio	8·03	Nov. 18,'
Copenhagen ...	6	Oct. 7,'19	Vienna	5	Apr. 12,'

III.—FOREIGN EXCHANGES.

LONDON ON—		Mar. 19, '20	Mar. 12, '20	Mar. 5, '20	Feb. 27,
Berlin	Cable	290 m.	270m.	348m.	337½m.
Brussels	Cheques	49fr. 70c.	47fr. 70c.	47fr. 75c	46fr. 75
Denmark	Cable	21kr. 35	21kr. 60	20kr. 75	22kr. 8
Holland	do.	10fl. 30c.	10fl. 15c.	9fl. 60c.	9fl. 20c.
Italy	do.	70lr. 50	67lr. 00	64lr. 50	62lr. 25
Lisbon and Oporto	do.	15½d.	13½d.	17¾d.	17½d.
New York	do.	$3 78½	$3 68½	$3 59	$3 37
—	Cheques	$3 80½	$3 70	$3 61	$3 39
Norway	Cable	20kr. 65	21kr. 20	20kr. 40	19kr. 6
Paris	3 mos.	52fr. 55c.	50fr. 25c.	50fr. 50c.	49fr. 10
—	Cable	51fr. 75c.	49fr. 55c	49fr. 75c.	48fr. 35
Spain (Bank places)	3 mos.	55½d.	54½d.	55¾d.	60½d.
—	Cable	20p. 30	20p. 87½	20p. 25	19p. 50
Sweden	do.	18kr. 27½	18kr. 47½	18kr. 35	18kr. 22
Switzerland	3 mos.	22fr. 40c.	22fr. 10c	21fr. 45c.	21fr. 30
—	Cable	22fr. 05c.	21fr. 80c.	21fr. 25c.	21fr. 00

ON LONDON—		Mar. 19, '20	Mar. 12, '20	Mar. 5, '20	Par
Alexandria	Sight	97½ pi.	97½ pi.	97½ pi.	97½pi.
Amsterdam	Cheques	10fl. 31½c.	10fl. 16c.	9fl. 66½c.	12.107fl.
Athens	Cable	33dr. 50	47dr. 65	31dr. 37	25dr. 22
Bombay	Transfers	2s. 4½d.	2s. 5¾d.	2s. 7¾d.	2s.*
Brussels	Cheques	49fr. 65c.	47fr. 65c.	47fr. 82c.	25fr. 22½
Buenos Ayres	Transfers	62d.	63½d.	63½d	47.58d.
Calcutta	do.	2s. 4½d.	2s. 5½d.	2s. 7¾d.	2s.*
Christiania	Sight	20kr. 73	19kr. 79	20kr. 43½	18.159kr.
Copenhagen	do.	21kr. 25	18kr. 47	22kr. 76	18.159kr.
Helsingfors	Cable	67¼m.	62m.	75¼m.	25m. 22
Hong Kong	Transfers	5s. 8d.	5s. 2d.	5s. 7½d.	—
Italy	Sight	70lr. 50c.	67lr. 87c.	64lr. 50c.	25l. 22½
Lisbon	do.	15½d.	16⅛d.	16¾d.	53½d.
Madras	do.	2s. 4½d.	2s. 8½d.	2s. 9½d.	1s. 4d.
Madrid	do.	21p. 23½	20p. 91	20p. 30	25p. 22½
Montevideo	Transfers	70½d.	65½d.	72d.	51d.
Montreal	Cable	$4 23	$4 12	$4 08½	$4 86⅔
New York	Sight	$3 73½	$3 75	$3 66	—
—	60 days	$3 72	$3 73	$3 63½	—
—	Cable	$3 74½	$3 75½	$3 65½	$4 86⅔
Paris	Cheques	5f. 65c.	49f. 52c.	49f. 85c.	25f. 22½
Rio de Janeiro	90 days	17 35/64d.	18 5/64d.	18 13/64d.	16d.
Shanghai	Transfers	7s. 5d.	8s. 2d.	8s. 4d.	—
Singapore	Sight	2s. 3 33/64d.	2s. 4 13/64d.	2s. 4½d.	—
Stockholm	do.	18kr. 27	21kr. 20	18kr. 36	18.159kr.
Switzerland	do.	22f. 35c.	21f. 80c.	21f. 17½c.	25f. 22½
Valparaiso	90 days	14¾d.	14 7/16d.	14 13/32d.	18d.
Yokohama	Sight	2s. 6½d.	2s. 7d.	2s. 8¼d.	24.58d.

* Fixed at Rs. 10 to the gold sovereign, February 2, 1920.

NEW YORK ON—	Rate Current* Mar. 19, '20	Rate Current* Mar. 12, '20	Par as usually Quoted	Rate July 3,
Amsterdam, sight ...	36·75c.	35·75c.	40·20c for 1 guilder	40·25c.
Bombay, cheques ...	44·50c.	46·50c.	48·66c. for 1 rupee	33·00c.
Buenos Aires, cheques ...	101·80	101·70		
Christiania, cheques ...	18·10c.	17·65c.	26·80c. for 1 kroner	
Copenhagen, cheques ...	17·50c.	17·04c.	26·80c. for 1 kroner	26·85c.
Greece, cheques ...	11·25c.	10·80c.	19·295c. for 1 drachma	
Hongkong, cheques ...	93c.	97c.	74·59c. for Mex. $1	48·4c.
Italy, sight	18·40l.	17·35l.	5·18½ lire for $1	5·17l.
Lima, cheques	4·95l.	4·65l.	4·8665 $ for 1 libra	
Manila, cheques... ...	49·25c.	49c.	50c. for 1 peso	49·8c.
Montreal	11·25% disc.	11·25% disc.	Premium per $100	Par
Paris, sight	13·50fr.	13·17 fr.	5·18½ francs for $1	5·16fr.
Petrograd, sight ...	—	—	51·46c. for 1 rouble	51·37c.
Rio de Janeiro, cheques	39·20c.	38·70c.	32·42c. for 1 milreis	
Shanghai, cheques ...	137c.	144c.	52·96c. for 1 tael	83·00c.
Singapore, cheques ...	—	43c.	56·77c. for $1	57·12c.
Spain, cheques	17·70c.	17·75c.	19·30c. for 1 peseta	
Stockholm, cheques ...	20·25c.	20·25c.	26·80c. for 1 kroner	
Switzerland, cheques ...	5·84fr.	5·87fr.	5·18½ francs for $1	5·18½fr.
Valparaiso, cheques ...	21c.	25·50c.	20·61c. for 1 peso	
Yokohama, cheques ...	46·20c.	46·50c.	49·84c. for 1 yen	49·90c.

* According to Guaranty Trust Company of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount.	Inc. or Dec.*	1920 Agg.	Inc. or Dec.*
	1920.	[In £'s sterling 000's omitted.]			%
BIRMINGHAM ...	Mar. 13	£3,762	+ £1,588	£43 675	+ £15,410 + 6
BRISTOL ...	,, 13	1,658	+ 470	20,555	+ 7,476 + 5
DUBLIN ...	,, 13	10,248	+ 3,510	100,182	+ 24,572 + 3
LEEDS ...	,, 13	1,859	+ 966	19,859	+ 7,971 + 6
LEICESTER ...	,, 13	1,814	+ 742	16,263	+ 6,817 + 7
LIVERPOOL ...	,, 13	19,421	+ 8,294	206,269	+ 82,078 + 6
MANCHESTER ...	,, 13	33,380	+ 17,980	369,585	+ 198,131 + 11
NEWCASTLE ...	,, 13	3,300	+ 1,483	37,052	+ 16,440 + 7
NOTTINGHAM ...	,, 13	1,565	+ 958	13,202	+ 5,873 + 8
SHEFFIELD ...	,, 13	1,305	+ 380	17,569	+ 4,587 + 3
LONDON—	1920.				
TOWN ...	Mar 17	640,800	+ 293,212	7,298,447	+ 3,100,103 + 7
METROPOLITAN	,, 17	42,626	+ 11,220	478,831	+ 115,578 + 3
COUNTRY ...	,, 17	84,046	+ 24,916	921,098	+ 269,045 + 4
TOTAL ...	,, 17	767,472	+ 329,348	8,698,376	+ 3,484,726 + 6

* Compared with a year ago.

V.— FREIGHTS.—According to Messrs. J. C. Gould, Angier and O

HOMEWARDS.	1920 Mar. 19	1920 Mar. 12	1913 Mar. 21
Alex. to U.K. ...	—	—	9/0
Aust. to U.K. ...	205/0	—	34/6
Azoff to L.H.A.R.	—	—	10 6
Bombay to p.p.d.w.	120/0	d.w. 120/0	d.w. 21/6
Burmah o.c.	—	—	25/0
Calcut.top.p.(jute)	—	—	25/0
Danube to U.K. ...	60/0	—	9/6
Odessa to L.H.A.R.	—	—	8/0
R. Plate to U.K.	200/0	185/0	20/8

Homewards.—*Cont.*	1920 Mar. 19	1920 Mar. 12	1913 Mar
U.S.Atl.Ports to L'pl. (cotton, 100lb.)	—	—	47
U.S.toU.K.Cont.(gr.)	—	—	2/
Gulf Ports to U.K.Cont. (cotton&grain)...	—	—	17
OUTWARDS—Cardiff to			
Aden	—	—	90/0
Colombo	—	—	12
Port Said ...	75/0	75/0	11
River Plate ...	38/9	—	15
St. Vincent ...	40/0	40/0	9

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	MAR. 19, 1920.	MAR. 21, 1919.	JUNE 30, 1914
Iron—Scotch pig warrants ...ton	206/0	101/0	57/0
— Middlesbro' warrants .....ton	200/5	95/0	51/0
— Hematite warrants .....ton	260/0	122/6	61/0
— Staffordshire bars, London ton	£27—£28	£17	£8 10
— Common bars .....ton	£24	£14 15	£6 16
Steel Rails .....ton	£21 5—£22 5	£10 17 6	£6 2/6
Galvanised Sheets .....ton	£55	£29	£16 17/1
Copper Standard .....ton	£106 10	£78	£66
Tin—English Ingots.....ton	£350	£235 6	£142 15
— Straits .....ton	£355	£239	£139 10
Tinplates, I.C. Coke, S. Wales...box	80 0	33/10½	11/10½—12/0
Lead—Soft Foreign .....ton	£46 —£48 5	£28	£19
Spelter—Ord. Foreign .....ton	£54 10—£56 10	£37 10—£39	£21 7/9
Quicksilver—(75lb.) .....bottle	£26 10nom.	£20 10—£21	£7
Aluminium .....ton	£185	£150	£82
Antimony—Regulus Foreign ...ton	£70	£45	£27 10
— English .....ton	£72	—	—
Coal—(best) Yorkshire.....ton	23/0—24/0	23/6—24/6	17/6
— Steam (best) Newcastle .....ton	46/0—51/0	40/0—45/0	14/6
CHEMICALS, OILS, &c.			
Nit. of Soda—f.o.b Chile, per quintal	16/6	nom.	7/4
Soda—Crystals ex ship .....ton	185/0—190/0	87/6	42/6—45/0
Copra—Malay and States .....ton	£67	£35 10	£23 15—£24 7/6
Gambier—Good marks..... cwt	52/0	37/6	16/10½
Indigo—Bengal good to fine ...lb.	13/0—16/0	9/0—10/6	3/2—3/8
Linseed Oil—Raw .....ton	£125	£58	£25 5
Linseed—Calcutta, spot .....ton	£54	£23 15	£13 16/9
— **Cakes**, U.K. made, ex mill...ton	£25	£19	£7 17/6—£8
Olive Oil—Spanish .....tun	—	nom.	£49 10
Palm Oil—Lagos .....ton	£91	£47	£31 10
Petroleum—American .....gallon	2/1⅜	1/4½	7½d.
Rape Oil—Refined English.....ton	£137	£71	£32
Soya Oil—Refined .....ton	£127	£75	£24 10
Tallow—Imported .....cwt.	106/0—116/0	—	29/3—33/3
Turpentine—American .....cwt.	240/0	96/0	33/7½
Rape Seed—Toria.....ton	£51 10	£22 15	£13 5
Rubber—Para, spot .....lb.	2/4½nom.	2/4⅝	2/9½
— Fine plantation (stnd. crepe) lb.	2/4½—⅝	2/0½	2/2
— World's Production* Jan. tons	30,370	20,630	8,467
Shellac—T.N. Orange, fair ...cwt.	800/0	217/6	63/0—64/0
TEXTILES.			
Cotton—Middling Upland .....lb.	30·64d.	19·14d.	7·53d.
— Egyptian, good fair .....lb.	75·60d.	26·84d.	8·75d.
— Pernambuco fair .....lb.	34·14d.	19·38d.	7·73d.
— Midland Upl. New York.....lb.	41·00c	28·45c.	13·25c.
— Stock, Liverpool (Mar. 12) bales	1,047,380	490,840	934,600
Flax—Petrograd, Yarapol .....ton		nom.	£28
Hemp—New Zealand .....ton	£65	£56	£25 10
— Manila, Fair .....ton	£72	£65	£26 10
Jute—First Marks .....ton	£68	—	£26 15
— Red SCO .....ton	£55	—	£24 15
Silk—Blue Elephant .....lb.	50/0	20/0	11/3—11/6
Wool—Pt. Philip unwashed av. lb.	5/6	nom.	11½d.—1/0
— Lincoln Half Hogs .....lb.	2/3½	1/7½nom.	1/0½
Hides—Eng. Ox, best, 65lb. up lb.	18½d.—19d.	9¾d.—10½d.	7½d.
Leather—Dressing Hides .....lb.	4/0—4/6	2/5—3/1	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ....bus	82,954,000	181,907,000	34,640,000
— Red, price, N.Y 60lb....bushel	237½	237½c.	67½c.
English Gazette, aver. 480lb. qr.	72/6	72/5	34/3
Flour—G.R. 280lb	44/3	44/3	28/6
Barley—Eng Gaz., aver. 400 lb. qr.	96/5	62/5	25/4
Oats—Eng. Gaz., aver. 312 lb. qr.	57/11	46/8	20/0
Maize—N.Y. (new bushel)...56lb.	171½c.	173½c.	76½c.
— Amer. mixed, Liverpool...480lb.	nom.	79/9	32/4
— La Plata .....480 lb. qr.	65/0	72/0	25/9
Potatoes—Good English .....ton	†295/0	195/0	70/0—75/0
Rice—Bassein .....cwt.	26/0	25/0	7/0—7/3
Tapioca—Pearl, medium .....cwt.	40/0	32/6	14/0—17/8
Hay—best .....2,016lb. ..load	—	176/0	82/6
Hops—English .....cwt.	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs ...8lb.	6/8	7/10—8/4	3/8—3/10
— Scotch sides .....8lb.	10/0	8/4	4/6—5/0
— English .....8lb.	10/0	8/4	4/2—4/5
Mutton—Scotch wethers .....8lb.	10/8	8/10	5/8—6/0
— English wethers .....8lb.	10/6	8/10	4/6—5/4
— New Zealand frozen .....8lb.	10/6	8/10	2/4—3/2
Pork—English and Irish .....8lb.	11/8	10/8	3/8—4/0
Bacon—Irish, delivered .....cwt.	200/6	188/0	60/0—74/0
— Danish .....cwt.	†192/0	—	58/0—68/0
— Canadian, ex Port .....cwt.	†187/0	—	—
— American, ex Port .....cwt.	†187/0	176/6	72/0—74/0
Hams—Amer. long cut, ex Port cwt.	†190/0	170/0	75/0—79/0
— — short cut, ex Port .....cwt.	†190/0	170/0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt.	†198/6	158/0	51/9—52/9
Butter—Danish .....cwt.	303/4		117/0—120/0
— French .....cwt.	303/4	Controlled	96/0—108/0
— Australian .....cwt.	303/4	252/0	98/0—110/0
— New Zealand .....cwt.	303/4		108/0—114/0
Cheese—Canadian .....cwt.	†145/0	Controlled	66/0—68/0
— United States .....cwt.	†145/0	163/4	—
— Dutch .....cwt.	†145/0		53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Feb. 29 ...cwt.	2,435,843	1,110,547	19,777,254
— Home consump'n. to Feb. 29 cwt	2,076,568	2,189,234	17,272,000
— In Bond Feb. 29 .....cwt	6,310,000	6,201,000	6,306,000
— Price, Java 96° Pol. .....cwt	72/0	36/0	10/3
— — Yellow crystals .....cwt	66/0	57/9	12/6—14/0
— — Tate's Cubes, No. 1 .....cwt	72/0	64/9	18/0
Coffee—Imports to Feb. 29 ..cwt	122,624	64,902	720,360
— Home con umpt'n to Feb. 29 cwt.	49,644	51,881	141,410
— Exports to Feb. 29 .....cwt	86,065	16,525	340,250
— In Bond Feb. 29 .....cwt	685,000	810,000	484,000
— Price, Costa Rica gd to finecwt	130/0—190/0	145/0—155/0	80/0—93/0
— — Brazil (Santos) Good ...cwt.	138/0—142/0	65/9	41/6
Tea—Imports to Feb. 29 ..... lb.	74,131,857	62,537,899	123,230,277
— Home consump'n. to Feb. 29 lb.	62,515,253	43,554,718	155,447,972
— Exports to Feb. 29 .....lb.	7,383,201	1,405,196	26,561,765
— In Bond Feb. 29 .....lb.	223,192,000	147,042,000	78,292,000
— Price, Indian, Pek. Soug. gd. lb.	1 2½	1/4	8½d.
— — Ceylon, Pek. Soug. Ord. lb.	1/3½	1/4	8½d.
— — Common Congou .....lb.	1/1nom.	1/4	5½d.
Cocoa—In Bond Feb. 29 .....cwt.	955,000	782,000	309,000
— Grenada, good to fine .....cwt.	138/0—138 0	85/0	52/6—56/0

* Estimated. † Controlled.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific	Jan.	$13,915 000	+ 887,000	$586.000	— $967 000
	12 *mos. to* Dec.	176.929.000	+1939000	32,933.000	— 1,563.000
Grand Trunk	Nov.	£1 251.900	— £15,700	£103.300	- £81 800
	11 *mos. to* Nov.	12.853.900	+ 1.702.200	1.566 200	+ 104.400

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August* 5, 1914, *the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act,* 1871. *The Irish railways, similarly, were taken over as from January* 1, 1917.

INDIAN.	Week or Month.	Miles Open.	Gross Receipts.	+ or — on Year Ago.	No. Wks	Aggregate Receipts.	+ or — on Year Ago
Assam Bengal	Jan. 31	993	R2,13,489	+ 15,347	18	39,76,219	+ 8,96,316
Barsi Light ...	Feb. 14	118	38,600	+ 10,600	47	13,56,600	+ 5,36,630
Bengal & N.W.	Feb. 14	2,065	4,79,650	— 12,320	20	90,52,953	— 4,94,381
Beng. Dooars	Feb. 14	158	26,373	+ 1,611	20	8,76,075	+ 1,04,060
Beng. Nagpur	Feb. 14	2,695	10,52,000	— 2,31,000	46	5,60,38,276	+ 41,80,391
Bomb. Baroda	Feb. 28	2,871	21,68,000	+ 3,02,000	22	3,97,54,000	+ 21,29,000
Burma	Jan. 24	1,342	6,01,542	— 9,296	43	2,32,95,180	+ 24,59,634
Del Um. Kalk.	Feb. 28	239	85,200	+ 9,194	22	20,00,861	+ 1,38,524
East Indian ...	Feb. 28	2,771	28,51,000	+ 23,000	22	5,58,88,000	— 22,25,000
Gt. Indian Pen.	Feb. 28	3,121½	29,15,000	+ 4,68,300	23	5,70,56,731	+ 44,93,329
Madras & S.M.	Feb. 14	3,152	11,50,000	— 47,858	20	2,09,85,347	+ 6,35,726
Nizam's Guar.	Feb. 7	900	3,12,516	+ 30,857	19	51,90,060	+ 6,54,396
Roh. & Kumn.	Feb. 14	576	115 445	— 1,662	20	19,20,182	— 2,05,004
South Indian	Feb. 14	1,852½	7,55,857	+ 58,514	46	3,46,88,779	+ 37,47,766
South Punjab	Oct.	716	6,29,697	— 1,07,922	1m	—	—
COLONIAL							
Can. Northern	Mar. 7	9,704	$1,020,900	+ 249,200	9	9,083,900	+ 922,400
Can. Pacific ...	Mar. 7	13,388	3,244,000	+ 775,000	9	30,367,000	+ 3,806,000
Grand Trunk	Mar. 14	3,616	£256,642	+ 18,422	10	2,497,328	+ 262,944
Mashonaland	Oct.	810	79,892	+ 29,783	1m	—	—
Mid. W. Aust.	Jan.	277	12,717	+ 3,082	7m	72,803	+ 9,972
NewCapeCent.	Feb. 21	205	3,037	+ 339	8	25,372	+ 3,096
Rhodesia Rlys.	Oct.	1,397	106,819	+ 29,789	1m	—	—
Temiscouata...	Oct.	—	$30,562	+ 2,154	10m	304,661	+ 22,504
W. Pass. & Yuk	Aug.	122	—	—	8m	$968,676	+ 31,021
FOREIGN.							
Argentine.							
Arg. N. East...	Mar. 6	752	£ 13,100	+ 2,800	36	419,100	+ 84,400
Arg. Transand.	Mar. 6	111	£ 5,920	+ 1,510	36	103,788	— 25,634
B. A. & Pacific	Mar. 6	3,536	£ 170,000	+ 43,000	36	5,218,000	+ 1,164,000
B.A.Gt. South	Mar. 7	3,792	£ 206,000	+ 76,000	36	6,384,000	+ 1,460,000
Do.	Mar. 7	Net	£ 91,000	+ 60,000	36	2,222,000	+ 1,210,000
B. A. Western	Mar 7	1,882	£ 105,000	+ 43,000	36	3,510,000	+ 1,057,000
Do.	Mar. 7	Net	£ 29,000	+ 12,000	36	1,189,000	+ 605,000
B. A. Central	Jan.	190	£ 43,673	+ 2,467	7m	314,683	+ 29,827
Cent. Argent.	Mar. 6	3,305	£ 183,000	+ 46,000	36	6,303,000	+ 1,697,600
Do.	Mar. 6	Net	£ 59,000	+ 39,000	36	1,941,100	+ 1,313,200
Cord. Central	Mar. 6	1,205	£ 60,300	+ 17,350	36	2,139,900	+ 666,000
Entre Rios ...	Mar. 6	811	£ 26,300	+ 2,500	36	856,300	+ 136,000
Brazilian.							
BrazilGt.South	Jan.	110	M 58,750	+ 11,660	1m	—	—
Brazil Railway	Dec.	3,530	M4,859,000	— 141,271	12m	57,772,000	+ 7,619,243
Gt. W. Brazil	Mar. 6	1,010	£ 30,500	+ 13,100	10	288,800	+ 92,600
Leopoldina ...	Mar. 13	1,831	£ 63,900	+ 30,002	11	611,602	+ 310,679
Mogyana	Dec.	1,180	M 1,561,000	— 956,490	12m	22,267,000	— 2,474,651
Paulista	Dec.	766	M 2,650,000	— 906,038	12m	32,479,000	— 1,225,892
San Paulo ...	Mar. 14	153½	£ 51,047	+ 17,021	11	508,352	+ 204,414
Sorocabana ...	Dec.	1,003	M 1,749,000	— 246,168	12m	21,953,000	+ 976,692
S.of BahiaS.W.	Feb.	52	M 77,000	— 10,000	2m	181,000	+ 11,000
Chilean and Peruvian.							
Antofagasta ...	Mar. 7	838	£ 57,490	+ 34,960	10	567,715	+ 276,960
Arauco	Dec.	84½	£ 12,500	+ 500	12m	136,800	— 21,200
Nitrate(2wks.)	Feb. 29	390	£ 33,902	+ 13,810	8	130,401	+ 74,352
Peruvian Corp.	Feb.	1,140	S 1,122,010	+ 178,540	8m	9,402,304	+ 1,428,468
Taltal	Feb.	180	£ 43,605	+ 35,543	8m	171,120	+ 38,211
Cuban.							
Cuban Central	Mar. 13	362	£ 45,437	+ 32,204	37	880,352	+ 194,442
Havana Cent.	Feb. 28	70	£ 13,312	+ 1,790	35	375,317	+ 62,659
U. of Havana	Mar. 13	681	£ 100,549	+ 62,582	37	2,350,455	+ 472,229
W. of Havana	Mar. 13	155	£ 14,712	+ 9,709	37	348,099	+ 69,754
Uruguayan.							
Cent. Uruguay	Mar. 6	273	£ 27,036	+ 4,857	36	811,006	+ 47,732
,, (E. Ext.)	Mar. 6	311	£ 7,857	+ 1,534	36	217,802	+ 32,989
,, (N. Ext.)	Mar. 6	185	£ 5,392	+ 1,320	35	133,501	— 1
,, (W.Ext.)	Mar. 6	211	£ 3,929	+ 1,327	36	99,520	+ 4,640
Mid. Uruguay	Feb.	319	£ 18,511	— 416	8m	157,015	+ 20,411
N.W. Uruguay	Feb.	113	$ 6,382	+ 582	8m	54,918	+ 3,674
Urug. Northn.	Feb.	73	£ 2,394	+ 130	8m	19,531	+ 2,972
Miscellaneous							
Alcoy & Gandia	Mar. 13	33	Ps. 12,000	—	11	123,900	+ 11,700
Bilbao	Feb.	15	£ 2,831	+ 469	2m	5,283	+ 170
Bolivar	Feb.	136	£ 9,014	— 4,065	8m	71,942	+ 764
Colomb. Natnl.	Dec.	86	£ 18,040	+ 4,600	12m	171,120	+ 23,800
Costa Rica ...	Jan.	189	£ 27,765	+ 4,640	7m	173,436	+ 18,720
Dorada Ext....	Feb.	70	£ 11,500	+ 6,500	2m	23,500	+ 10,700
Egyptian Delta	Feb. 29	559½	£ 10,977	+ 2,139	48	368,947	+ 19,591
Gt. S. of Spain	Mar. 6	104	Ps. 66,190	+ 62,216	10	687,791	+ 657,357
La Guaira&Ca.	Feb	22½	£ 14,200	+ 6,510	2m	28,570	— 12,780
Ottoman Ry...	Feb. 21	379	£ 6,775	— —	—	—	—
Paraguay Cent.	Mar. 6	255	£ 4,060	— 710	36	177,620	+ 34,240
Puerto Cabello	Feb.	34	£ 5,250	+ 25	2m	10,500	+ 975
Salvador	Mar. 6	100	£ 8,042	+ 3,532	36	144,969	+ 62,192
Santa Fe Prov. French Rys.	Jan.	1,181	£ 154,782	— 1,077	1m	—	—
S'm'na&S'tiago	Jan.	80	£ 11,260	+ 4,417	1m	—	—
Zafra & Huelva	Jan.	112	£ 14,121	+ 2,664	1m	—	—
TRAMS.							
Anglo-Argent.	Mar. 11	400	£ 75,786	+ 15,029	10	721,583	+ 173,438
Auckland Elec.	June 30	27	—	—	52	292,502	— 2,063
Bombay Elec.	Dec.	39	R. 7,87,141	+ 1,74,980	12m	86,41,723	+ 16,17,940
Brazilian Trac.	Dec.	378½	M 9,739.0.0	+ 1,208.000	12m	113,074.000	+ 11,180.000
Brisbane Elec.	Feb.	40½	£ 41,600	+ 7,220	2m	86,400	+ 13,445
Brit. Columbia	Jan.	334	$ 828.709	+ 151,220	7m	5,05[illegible]	[illegible]
B. A. Lacroze	Feb.	51	$ 52,468	+ 10,038	8m	398,687	+ 55,478
Calcutta	Feb. 28	35½	R 89 857	+ 893	9	734,997	+ 45,791
Cape Electric	Jan.	42½	£ 33,836	+ 4,384	7m	178,161	+ 15,638
Carth. & Herr.	Feb.	9	£ 4,008	+ 1,657	2m	8,766	+ 2,750
Chatham & Dist	Mar. 11	15	£ 1,391	+ 109	10	14,408	+ 2,211
Havana Elec.	July	86	$ 794.768	+ 100.679	7m	5,116.681	+ 402,587
Isle of Thanet	Mar. 10	20½	£ 542	+ 217	11	12,346	+ 5,252
Kalgoorlie ...	Nov.	20½	$ 2,879	— 74	1m	30,492	— 316
Lancashire ...	Mar. 11	28½	£ 3,857	+ 315	10	39,[illegible]	[illegible]
Lima Light ...	Dec.	85	£ 57.179	+ 9,214	12m	583,[illegible]	[illegible]
London C.C. ...	Mar. 17	141½	£ 76.888	+ 6.011	50	3,841,[illegible]	[illegible]
Madras (2wks.)	Feb. 29	15½	R. 41,[illegible]	— 8,928	8	169,[illegible]	[illegible]
Manila Electric	Dec.	56	$ 276.000	+ 39.383	12m	2,597,091	+ 274,333
Pernambuco ..	Mar. 7	59	£ 8.100	+ 2,414	10	78,700	+ 27,110
Provincial ...	Mar. 6	21½	£ 3,118	+ 502	23	64,833	+ 11,371
Rangoon Elec.	Jan.	25	£ 7,487	+ 1,094	1m	—	—
Shanghai Elec.	Jan.	26½	x. $136,000	+ 14,000	1m	—	—
Singapore Elec.	Feb. 7	28½	$ 20.916	+ 1.509	6	120 634	+ 23.987
U. of Montevid.	Feb.	90½	£ 45.259	+ 6.437	4m	177.709	+ 27 868

A Copy of this Prospectus has been duly filed with the Registrar of Joint Stock Companies.
Application is being made to the Committees of the London, Manchester and Liverpool Stock Exchanges for permission to deal in the Shares offered below, after allotment.

The Subscription Lists will be Opened on the 22nd day of March, 1920, and will Close on or before the 29th day of March, 1920.

Joseph Crosfield & Sons, Limited

Bank Quay, WARRINGTON.

(Incorporated under the Companies Acts, 1862 to 1890.)

CAPITAL.

Authorised.		Issued and Paid up.
£ 500,000 in	500,000 5% Cumulative Pre-Preference Shares, each of £1 ...	£ 400,000
£ 500,000 in	500,000 6% Cumulative Preference Shares, each of £1 ...	£ 500,000
£3,000,000 in	3,000,000 6½% Cumulative Preference Shares, each of £1 ...	£1,000,000
£3,000,000 in	3,000,000 "A" Cumulative Preference Shares, each of £1 (entitled to Dividend at a rate to be fixed at the time of issue)	£ - -
£3,000,000 in	3,000,000 Ordinary Shares, each of £1 ...	£1,000,000
£10,000,000		£2,900,000

The Debenture Debt of £ 90,000 has, with the exception of £5,945, in respect of which the Holders have not yet claimed redemption, been redeemed in pursuance of Resolutions of the Stockholders of the 25th February, 1919.

The Directors are taking steps to have the Articles of Association of the Company so altered as to provide that no issue of Debentures or Debenture Stock other than the £5,945 outstanding as above stated can be made ranking in front of the Preference Capital now created without the consent of a three-fourths majority of the several classes of Preference Shareholders given at separate meetings at which not less than two-thirds of the whole outstanding amount of each respective class are present or represented.

Issue of 1,500,000 7½ per Cent. "A" Cumulative Preference Shares, each of £1, at Par.

Payable—1s. on Application, 19s. on the 3rd May, 1920.

The Shares now offered carry a fixed **Cumulative Preferential Dividend at the rate of 7½% per annum** on the Capital for the time being paid up thereon and rank, both as regards Capital and Dividend, in priority to the Ordinary Shares, but without any further right to participate in profits or assets.

Dividends will be paid half-yearly on the 1st day of May and the 1st day of November. **A full half-year's Dividend will be paid on the 1st day of November, 1920.**

DIRECTORS.—GILES HUNT (Chairman), CHARLES FREDERICK HUFFAM, ROBERT FENEMORE JONES, HENRY ROBERTS, GEORGE HOLMAN KENT KINGDON, FREDERICK JOHN BURLTON, EDWARD EPANKLAND ARMSTRONG, CHARLES HENRY HAMILTON, THE HON. WILLIAM HULME LEVER, JOHN GRAY, JAMES LEVER FERGUSON.

BANKERS.—THE MANCHESTER & LIVERPOOL DISTRICT BANKING CO., LTD., Manchester, Warrington, London, and other Branches; LLOYDS BANK LIMITED, Lombard Street, London, E.C., and Branches.

BROKERS.—London—SHEPPARDS & CO., 57 Old Broad Street, E.C. 2; Manchester—HENRY COOKE & SON, St. Ann's Churchyard; Liverpool—T. & T. G. IRVINE, 3 Rumford Street.

SOLICITORS.—HOLMES, SON & POTT, Capel House, New Broad Street, E.C. 2.

AUDITORS.—COOPER BROTHERS & CO., Chartered Accountants, 14 George Street, Mansion House, London, E.C. 4.

SECRETARY AND REGISTERED OFFICES.—H. CLAYTON, Bank Quay Soap Works, Warrington.

PROSPECTUS.

The Company was formed on the 11th July, 1896, with a Capital of £300,000, to acquire the Soap, Glycerine, and Chemical Business established in Warrington by Joseph Crosfield & Sons in the year 1815.

The business has grown rapidly since the incorporation of the Company, and in order to provide Capital for still further expansions and increases in Works, Premises and Plant, Investments and Stocks, which have been made in the last five years, a further issue of Capital has now become necessary.

In October 1919 the whole of the Ordinary Shares in the Capital of the Company were purchased by ASSOCIATED ENTERPRISES, LIMITED, a Company whose whole Capital is held by LEVER BROTHERS, LIMITED.

The Directors are of opinion that the intimate connection thus formed between the Company and Lever Brothers, Limited, will, in view of the immense resources of Lever Brothers, Limited, in Raw Materials, Transport, and Organisation be greatly to the advantage of the Company.

The Capital outlay from the 1st December, 1914, to the 30th November, 1919, has been as follows:

Works, Premises and Plant	£494,903
Investments in Allied Companies	141,796
Other Investments	174,459
Stocks	1,258,971
Redemption of Debentures	210,719
	£2,170,808

£1,000,000 of this sum was provided by an issue of 6% Cumulative Preference Shares which was made in March 1919. Provision has now to be made for the balance of £1,170,808 and for further sums for extensions now in progress.

During the past year the holders of the Ordinary Shares have capitalised out of Reserves the sum of £700,000 and the Ordinary Capital of the Company has been paid up by that amount, which capitalisation increases the security of the Preference Shares.

The following Certificate has been furnished by the Company's Auditors:

To MESSRS. JOSEPH CROSFIELD & SONS, LTD.

We certify that the Assets and Liabilities of the Company as set forth in the Balance Sheet of the 30th November, 1919, were:—

ASSETS.

Freehold and Leasehold Works, Premises and Plant ...	£1,252,338	
Less Depreciation Account	352,483	
		£899,855
Shares in and Loans to Associated Companies and Investments ...		587,945
Stocks (as certified by the Directors) ...		1,915,884
Debtors (after providing for Discounts) ...		678,034
Bank Balances and Cash ...		195,670
		4,277,388

LIABILITIES.

Creditors (including full provision for Excess Profits Duty and Dividends) ...	1,282,266
	£2,995,122
to which will be added the proceeds of the present Issue ...	1,500,000
making a total surplus of Assets over Liabilities ...	£4,495,122

NO VALUE IS INCLUDED IN THE ASSETS OF THE COMPANY FOR GOODWILL, PATENTS OR TRADE MARKS.

We also certify that the Annual Profits of the Company for the last five years, after making the necessary adjustments and providing for Depreciation of Buildings, Plant, Machinery, &c., but before charging Excess Profits Duty, Income Tax, Allowances paid to the Company's Employees whilst serving with H.M. Forces, Interest on Bank Advances and Debentures (which were repaid out of the proceeds of the previous issue), have been as follows:—

Year ended 30th November, 1915 ...		£290,800
1916 ...		388,523
1917 ...		500,052
1918 ...		760,240
1919 ...		1,038,940
making a total of ...		£2,978,555
giving an average of ...		£595,711

London, 10th March, 1920.

COOPER BROTHERS & Co., Chartered Accountants.

The annual amount required to pay the Dividends upon all Preference Shares, including the Shares now offered, is **£227,500.** The surplus profits for the year ended November 30, 1919, after deducting Depreciation and Income Tax and making full reserve for Excess Profits Duty, would have been sufficient to provide the above-mentioned total Preference Dividend more than THREE TIMES OVER.

The average surplus profits for the five years ended the 30th November, 1919, after deducting Depreciation, making full reserve for Excess Profits Duty, and after payment of Interest on Debentures and the Dividends on the existing Preference Shares, amounted to **£308,937,** which sum would have been adequate to pay the Dividend on the present issue nearly THREE TIMES OVER.

The following information is given, in compliance with the Companies Consolidation Act, 1908:—

No holder of Preference Shares, except he be a Director of the Company for the time being, shall be entitled to have notice of, or to attend or vote at, or to join in any requisition requiring the Board to convene any General Meeting, Extraordinary General Meeting, or other Meeting of the Company, unless and until the Dividend on such Preference Shares shall then be in arrear or anything is proposed to be done at such Meeting which shall directly affect the interests of the holders of such Shares.

Subject to any special terms as to voting upon which new Capital may be issued, every member shall have one vote in respect of each share held by him, other than a Preference Share. At every Meeting at which the holders of the Preference Shares are entitled to vote in respect thereof, every member shall have one vote for every £10 in nominal amount of such shares held by him.

Holders of the Ordinary Shares are entitled to one vote in respect of every Ordinary Share held.

On the 12th March, 1919, 300,000 Ordinary Shares were offered to the existing Ordinary Shareholders for subscription at par, for cash, and the whole thereof allotted.

On the 18th March, 1919, 1,000,000 6½% Cumulative Preference Shares, each of £1, were offered for public subscription at par, and the whole thereof subscribed and allotted and £25,000 Commission paid.

On the 25th November, 1919, 400,000 Ordinary Shares, each of £1, were offered to the existing Ordinary Shareholders for subscription at par, for cash, and the whole thereof allotted.

The undermentioned Contracts have been entered into during the last two years, in addition to Contracts in the ordinary course of business:

(1) Dated the 4th March, 1919, between the Company of the one part; and K. E. Markel and T. J. Ridgway, the Trustees for the First Mortgage Debenture Stockholders, of the other part.

(2) Dated the 4th March, 1919, between the Company of the one part; and K. E. Markel and T. J. Ridgway, the Trustees for the "A" Debenture Stockholders, of the other part.

(3) Dated the 17th March, 1919, between the Company of the one part; and Sheppards, Pelly, Price & Pott, of the other part.

(4) Dated the 8th October, 1919, between Brunner, Mond & Co., Limited, of the first part, Joseph Crosfield & Sons Limited of the second part, William Gossage & Sons Limited of the third part, Associated Enterprises Limited of the fourth part, and Lever Brothers Limited of the fifth part.

(5) Dated the 18th March, 1920, between the Company of the one part; and Sheppards & Co., of the other part, underwriting the present issue of 1,500,000 Shares for a commission of 3 per cent. including overriding commission.

The above-mentioned Contracts, or copies thereof, and the Memorandum and Articles of Association of the Company can be inspected at the Registered Offices of the Company at any time during business hours whilst the Subscription Lists are open.

The minimum subscription on which the Directors will proceed to allotment of the present issue of Preference Shares is 1,500,000 Shares.

A brokerage of 3d. per Share will be paid on allotments made in respect of applications bearing a Broker's Stamp.

(Continued on page 547).

For the Development of Trade

PREVAILING international conditions afford the British manufacturer and exporter unusual opportunity for the development of profitable trade with the United States.

This Company, because of its comprehensive banking organisation, is in a special position to serve those interested in the American trade. It is equipped to finance shipments; to accept deposits; to issue letters of credit and travellers' cheques; to buy and sell securities for the account of customers, and to offer a complete banking service.

Our officers will be pleased to put their special knowledge at your disposal.

Guaranty Trust Company of New York

London Offices: 32 Lombard Street, E.C. 5 Lower Grosvenor Pl., S.W.

Liverpool Office: 27 Cotton Exchange Buildings

NEW YORK PARIS BRUSSELS HAVRE

Resources more than - - $800,000,000

The Statist.

LONDON, SATURDAY, MARCH 20, 1920.

GERMANY.

THE success of the militarist party in Berlin at the end of last week turns out to have been less decisive than at first was supposed. Apparently there is great difference of opinion in the capital. Clearly the militarists have a considerable following there, but it seems equally evident that there are very many staunch opponents; and, consequently, it is difficult as yet to decide what is the real opinion of Northern Germany. Respecting the smaller States, it seems clear that opinion has moved more and more decisively against the late Imperial Government; and, consequently, that it would have been wiser of the Entente Powers to have separated the smaller States from Prussia, throwing in the German-speaking provinces of Austria, so as to make up with the smaller States of Germany proper such a combination as would give a reasonable chance to the new State to work out for itself an independent position. That Prussia proper is as militarist as ever appears to be clear; and, consequently, that the militarists may ultimately succeed as matters now stand, even in Southern Germany, is by no means improbable. On the other hand, there is a strong reaction against Prussianism, and if the smaller States play their cards cleverly it is possible that they may attract the German-speaking provinces of Austria, and so make it possible to build up a State which can hold its own even against militarist Prussia, and possibly prevent the great war which is absolutely inevitable if Prussia succeeds in recovering its control of the smaller German States. Each of those small States is too weak to properly resist Prussia for any long time. For a while Bavaria ought, with such assistance as she can receive from the other States, to be able to hold her own. But, in the long run, Prussia is very much stronger than any single small State; and, consequently, the smaller German States will again fall under the yoke of Prussia if in some way the smaller States do not attract to themselves the German-speaking States of Austria. It seems to us to have been a very grave mistake on the part of the Paris Conference to have destroyed Austria proper without making any preparation for the resurgence of such a portion of the Austrian dominions as might enable Southern Germany to maintain herself independently of Prussia. The feeling in Prussia is altogether different from that in the smaller southern States. In the first place, the smaller States are, for the most part, Catholic. And if they were reinforced by the ten or twelve millions of German-speaking Austrians they might be able to build up such a Republic as would be able to hold its own even against Prussia. On the other hand, if the Austrian-Germans are not able to associate themselves with the southern Germans proper, then it is difficult to see how those Austrian-Germans can continue to live. To fall completely under the yoke of Prussia would be unfortunate for them, while they seem to be too much divided amongst themselves to be able to build up a really independent State.

The Paris Conference was, unfortunately, too much under the influence of President Wilson and Mr. Lloyd George. It was assumed that France was too intent upon utterly crushing Prussia; and, consequently, that good policy recommended that Prussia should be overmuch favoured. Now it is becoming quite plain that both Mr. Lloyd George and President Wilson took an entirely wrong view of the situation, and that they have rendered it extremely difficult to enable Europe to re-form itself in such a manner as will hold out a reasonable hope of being both permanent and favourable to liberty. It has always seemed to this Journal that the true course would have been to have separated the smaller States of Germany from Prussia, and to have united the German-Austrians with the smaller States, firstly, because both are Catholic, and, secondly, because no one either of the smaller States of Germany, or any portion of German Austria, is powerful enough to construct a great military Government which would become a danger to Europe. As matters have gone, German Austria is placed in a position of the greatest difficulty, while the smaller States of Germany proper are placed under the military rule of Prussia. Just at present it is hardly likely that even the Prussians will be foolish enough to rush into war either with the Entente Powers in general, or with any particular Entente Power, such, for example, as France. What seems most likely is that after a period of hesitation, doubt, and perhaps civil war, the German States will be compelled to submit to Prussia, and that then Prussia will deliberately set herself to prepare for the great war of revenge which, as has been shown in the case of France, can be prepared successfully even over half a century. France has won back Alsace-Lorraine. Therefore, Prussians will ask, Why should not Germany be able to win back the great position she threw away in 1914? Consequently, we have to look forward to a period during which every effort will be used to reconstruct the military prospects of Germany, and so to prepare for the *revanche*. All this is said judging from the present attitude both of Prussia, the smaller German States and the German-Austrians. Something may, of course, happen to upset all calculations; and there may be an appeal to force much earlier than anybody now anticipates. We do not ourselves, however, think that an appeal to force will be made. Whatever else may be said of the Prussians, they have proved again and again that they are capable of waiting. They waited all through the time which elapsed from the end of the Thirty Years' War until the beginning

of the reign of Frederick the Great; and they showed that they had used the period most judiciously and were ready for the policy they had mapped out for themselves. Again, Bismarck wisely decided that if he pushed matters too far against France he might find England and Russia interfering; and, consequently, he made terms of such a kind as enabled his successors to carry on his policy for nearly half a century. The probability is that what was done by the Great Elector will be done by Prussian Governments in the future, and that war will not be undertaken until the Prussians can feel a reasonable certainty that they are able, at all events, to avoid disastrous defeat, while they have some ground for hoping that they may win even a great victory. That at least is the view which alone seems to us reasonable respecting Prussia. But circumstances may occur which may make all views of the kind impossible to retain. Something may happen, for instance, which may compel war much earlier than is desired. At the same time, it does not look probable at present.

FRANCE.

The French Government, much to its credit, is labouring with determination to pay off the loan which, in concert with this country, it raised in America at the beginning of the late War, and so to prepare the way for a system of borrowing which will enable the country to gradually recover the great position it once occupied in Europe. There are at the present time numerous writers and speakers who treat France as if they believed she was played out and will never again occupy the commanding position she held so long when Spain began to decline. We differ absolutely and decidedly from this point of view. And we differ so completely that we hold that the writers and speakers referred to are utterly wrong in the view they take, both of the causes and of the consequences of the stationariness of the French population for so long. Partly that decline, in our estimation, is due to the unwisdom with which Frenchmen, speaking generally, took up Napoleon the Third and placed him in a position which very nearly destroyed French chances of ever controlling Europe. France suffered enormously, of course, from the series of wars which she waged from 1792 till 1815. But even after Waterloo France showed that she had military strength enough to play a very great part upon the Continent, and if Napoleon the Third had not attained to the position which he really won for himself nobody, we venture to think, whose opinion is worth considering will doubt that France by this time would have once more come to be regarded as the first of European nations. It may be objected that Stein and Hardenburg, by introducing the system of universal liability to military service, had made French aims impossible. That may be so, of course. But we ourselves are convinced that it is not so, that it is an entirely wrong view to take, and that it attributes the fall of France to entirely wrong causes. Nobody who knows what war is, and who has studied the havoc it makes both with populations and with finance, will, of course, controvert the opinion that the Revolutionary Wars from the beginning of 1792 till the middle of 1815 did exhaust Europe, France included. But France did not suffer more than other States. We are inclined to think, indeed, that she suffered somewhat less than some, at all events, of the other States. She had to send military forces to assist all those she compelled to become her allies. Therefore she exhausted to a very considerable extent her military power, and she also seriously wounded her financial efficiency. But it is to be recollected that France never was more powerful than when Napoleon started for the invasion of Russia. He prepared the way for the downfall of France, firstly by not preparing Poland to be a place to which the French could fall back if anything unfavourable happened, and secondly by not coming to some reasonable terms either with Russia or with Turkey. He had come by that time to believe too utterly in his own command of fortune. He rushed into Russia at the beginning of winter, and so he brought about the downfall of France. But everybody who has studied the history of Europe from Waterloo until, let us say, the election of Louis Napoleon to the Presidency in France must be aware that France, like England and like Prussia, had already by that time materially recovered from the exhaustion of the great Revolutionary Wars, and that the real downfall of France was due to the election of Louis Napoleon, first as President of the Republic, and afterwards as Emperor. Perhaps there never has been a more incapable ruler. He was never trained in any kind of business that would have prepared him for the management of a great war. And yet, because he was the nephew of his uncle, he fancied that he was a great general and a great statesman, and, for the misfortune of France, multitudes of Frenchmen took the same absurd view. Napoleon, then, by the turn he gave to the policy of France, prepared the way for her downfall.

We do not deny for a moment that the division of France into small farms owned by the peasantry helped to make Frenchmen impatient of war and unwilling to face its costliness. But Frenchmen have proved again and again that, much as they are attached to peace, they have lost none of their exceptionally brilliant military virtues. It was France, and France alone, that fought Germany successfully in the late War. Germany chose her own time for making the War; selected, also, the way in which she should enter France; and prepared on her own principles the policy she should pursue in France. And yet at the Marne the German armies were so completely defeated that an eminent military historian gave it at that time as his opinion that, if France had been strong enough to throw a force upon one of the flanks of the Germans, she would in all reasonable probability have made an end of the War. So complete was the defeat of the Germans that they never again attempted to march directly upon Paris. But they sent the heir to the Imperial Throne, with the pick and choice of the German Army, to force his way to Paris. For five whole months the attack upon Verdun continued, and it ended in a complete victory by France over Germany. In these two incidents we have the clearest proof that can be desired that the French are as capable of waging war to-day as ever they have been in the past, and that they are not foremost on the Continent only because they are unwilling to give birth to sons enough to play their old part in Europe. France, therefore, is not played out. She has a population, roughly, let us say, of 40 millions, against nearly 70 millions in Germany. It is an enormous disproportion, and it fully accounts for the part which Germany was able to play, while France had to confine herself to such efforts as broke the German plans, firstly at the Marne and afterwards before Verdun. The question is, Will the French population now begin to increase once more? We do not set up to be prophets, and therefore we abstain from everything like prediction. But there are many reasons which seem to encourage the belief that we are about to see a marked increase in the population of France. That there will be, for some time at all events, a falling off in the population of Germany is likely, firstly because the Germans lost in killed and in wounded so hopelessly that they hardly count for military purposes. Therefore, we do not expect to see a very rapid revival of the growth of the German population, for, while the male population has been greatly thinned, the whole population of Germany is condemned to pay heavy indemnities to the States which she invaded and plundered, and, therefore, we fail to see where the capital is to come from which

will enable Germany to resume that growth of population which was so marked before 1914. We are inclined to anticipate, therefore, that the population of Germany will increase more slowly than it increased during the 20 or 30 years immediately preceding the War, while we are disposed to anticipate a very rapid increase in the population of France.

In the first place, France has to reorganise her whole manufacturing arrangements, and it is incredible that she will not see what a great opportunity is now offered to her to win a foremost place in Europe. Germany, by adopting an excellent system of education, and by placing all the resources of the Government at the service of trade, did unquestionably force a growth of population which astounded most observers. But Germany cannot satisfy her recent opponents and do the same thing in the immediate future. If she pays the large sums required of her she will be unable to place capital as it is required at the service of the productive classes; while if she refuses to carry out the terms of the Peace Treaty she will, at all events, expose herself to the danger of being called upon to fulfil her promises, or else to defend herself in war. It would be difficult, to say the least, for Germany during the next 20 years to act as she acted during the 20 years immediately preceding the Great War, whereas everything urges France to exert herself to the utmost. She has remained very much behindhand from a financial and economic point of view. In no respect have her resources been properly cultivated, and in no respect does she produce anything like what she ought to produce. Even in the wine trade it is doubtful whether she has used her opportunities to the best advantage. In the silk trade it is still more doubtful, and, generally, her manufactures are not as advanced as they ought to be. On the other hand, the War has proved beyond yea or nay that France is still the greatest military Power in Europe. As we have pointed out already, both at the Marne and before Verdun she proved herself greatly the superior of Germany, and, if her men are as good soldiers as ever Frenchmen have been, what ground can there be found for arguing that France is incapable of building up a great economic structure? We ourselves expect to see France making a very rapid advance. Everybody knows that France was so discouraged by the war of 1870 that the population shunned the neighbourhood of the German border, and that the development of France's resources was postponed. But now it is Germany that has been subjected to defeat, while France has proved once more that, of all the nations engaged in the War, she displayed the greatest military capacity. That being so, it is difficult to believe that women will refuse to incur many births. It may, of course, turn out to be true. But it is difficult to believe that it will—that men are so ready to die for France, and that women are so selfish that they will not increase the population so as to make their country once more the leader upon the continent of Europe.

THE GOVERNMENT.

Many of our contemporaries are full of rumours of the great things the Prime Minister is about to accomplish. He is going to reform his great majority. He is going to put an end to the discontent with his Government. In fact, he is going to prove once more that he is able to show the world that all his opponents are wrong, and establish his own right to command. It is all very pretty, but is there anything in it? When we see the present majority reorganised, disciplined, and obedient to order we shall believe it. And when we, further, see the Liberal party completely break up and place themselves under the orders of Mr. Lloyd George we shall also believe that the great change [illegible]

worked out has made more rapid progress than we have hitherto believed, and that, in fact, Liberals are so persuaded of the uselessness of Liberalism that they are going to place themselves at the orders of the statesman who gave up his position as a great light amongst advanced thinkers, and settled down as a mere leader of the Tories. It will be a very amusing spectacle if the predictions referred to turn out to be true. Mr. Lloyd George has always, hitherto at least, proved that he could play a part for himself, and that he could make himself so useful to people who really distrusted him that they would follow him blindly wherever he led. If he is now going to confess that all his ability has been used in vain, and that he can do nothing better than settle down as a Tory leader—well, it will be a spectacle for gods and men. Meanwhile, we wish the trades unionists would show themselves a little more active and a little more energetic than they are doing at present. Has the victory of Mr. Asquith at Paisley put the trades unionists so completely out that they have lost courage for the moment? We do not believe it. On the contrary, we are convinced that the trades unionists are working much more quietly than is supposed, and that they will cause not a little surprise by-and-by when they give proof of the progress they are actually making. We do not see the resurrection of the agricultural labourers as trades unionists. Perhaps it is a more difficult task than we had believed. But it is a task which ought to be possible, and it is a task which is especially necessary just now, when so many of the old owners of the land are disposing of their possessions and new men are coming forward to take their place. It is much to be desired that the condition of the working classes upon the land should be greatly improved. It is very unsatisfactory, and it ought to be altered altogether. But, of course, it cannot be altered until the labourers themselves join with the trades unionists, and so make it necessary that their demands for better housing, better feeding, and better clothing should be attended to

Again, there is not as much evidence as was expected a little time ago of the success of the trades unionists with the clerks, teachers, and workers behind counters. Probably all that will be shown by-and-by to be going on as quickly and as satisfactorily as could reasonably be expected. It is not, of course, the business of the trades unionists to hold meetings every now and then for the express purpose of informing the public what progress they have made in winning additional support. They have a large support. That much is certain. And their support is steadily growing month by month. But there is no reason why the trades unionists should volunteer evidence that each week, or each month, or even each quarter, they make advances. That they know what they are doing themselves is certain. And if they are satisfied, that is the main thing. What we all desire is that we should have a really good Government. Unfortunately, the present Government is one of the worst existing in Europe at the present time; which is saying a good deal. And instead of holding out a hope that it will be improved, we are told that it is about to be replaced by some other hotch-potch, which will be more to the taste of those who control it, and less to that of the great public. So be it. The worse the existing Government becomes the greater will be the impatience of the public with it; and we may hope that some fine day the electors will do somewhat like what the fighting men in Germany did in November [illegible] give us a Government somewhat better than that under which we groan at present.

We could invite the attention of our readers of [illegible] to the fact that France, [illegible] Germany, and

is certain that whenever Germany next draws the sword it will be to plunge it into herself, yet finds time for paying off the loans raised in the United States at the beginning of the War, with the intention of beginning that great system of borrowing which is to enable France to take the place in Europe to which her great qualities entitle her. It is a vast work. Her debt is enormous; her difficulties are supreme; and her population is stationary. Yet she is discouraged by none of these circumstances. On the contrary, she is quietly and steadily preparing, firstly, to pay off debt incurred for the purpose of defending herself, but to be followed by loans intended to provide France with all the accommodation necessary to make it possible for her to become one of the first trading countries in the world. The French people are an extremely peaceable people. They have got the soil into their own hands. They wish to develop it in the best manner possible. And they desire, therefore, to raise all the funds needed to enable them to turn the land of France to the very best advantage. We wish them every success. We feel perfectly convinced that everywhere their decision will be applauded, and that thrifty people who have saved money in every country in Europe will help to make the French effort successful. We have no doubt at all that our own people will fully recognise the wisdom of what France is about to do, and will gladly help to make her borrowing successful. And we have no doubt that other countries will take the same view. It is greatly to be desired that all the States which have suffered from German invasion and German plundering shall set to work without a moment's delay to reorganise the different countries, and so enable Europe to take a proper position. The War cost money on so enormous a scale that it has taken the heart out of large numbers of people, who feel that it is almost impossible to borrow after such sums have been raised. That, however, is a mistake. The loans raised for the War were raised for the purpose of maintaining the independence of the several countries. It is quite right and quite proper that those loans should be repaid. And it is equally right that everything necessary should be done to raise the money required for enabling the people to live decently, healthily, and contentedly. France is setting an example which other countries will have to follow. We ourselves, for example, must pay off the enormous debt we raised to repel German aggression. We have our own views as to how that debt ought to be swept away; and we think that no sooner is it swept away than great sums should be raised to build houses that shall be healthy for the great body of the people, and that measures should be adopted which will put an end to actual preventable disease. That there should be preventable disease is a scandal at the present time. Formerly the fact was known; but how to put an end to preventable disease was not equally appreciated. Now that excuse can no longer be offered. We know how preventable disease can be rendered impossible in the future, if we are willing to take the trouble and to lay out the money. Consequently, it is the interest of all peoples in all countries to see that everything necessary is done to make life healthy and safe in the future.

THE ESTIMATES.

THE Estimates for 1920-21 have appeared at a time when they would naturally be subjected to more than ordinary scrutiny on account of general apprehension of some ingeniously disguised scheme of capital levy. The impression gained from such scrutiny is that the Government's repeated appeals for economy are little more than academic counsels of perfection where the spending departments are concerned. For each department economy seems to commence everywhere but at home, and the result is easily imaginable. The real responsibility for public finance rests ultimately with the House of Commons, and though it made a show of asserting its authority last week by defeating the attempts to apply the guillotine in the case of votes on public account, its spasm of activity suddenly stopped short, and the votes were passed as presented. The remedy is obvious, since a nation with a responsible Parliamentary Government is not so much the victim as the author of its Government's blunders.

In the full year 1920-21 the estimated expenditure approximates to 1,200 millions, the various contributory items being as follows:—

Department.	Amount of Estimate.
Civil Services and Revenue Departments	£557,474,000
Interest on National Debt, &c.	400,000,000
Army	125,000,000
Navy	84,000,000
Air Force	21,000,000
Total	£1,187,474,000

As regards the first of these items it was stated in October last that the amount in a normal year should not exceed 300 millions, and yet the estimate presented is almost twice that figure. The coming year is apparently not to be considered as normal, and though we may concede the point, the reduction is all too insignificant as compared with the grants of 651 millions made under the Appropriation Act for 1919-1920. These grants do not, indeed, represent the whole of the current year's expenditure, as they exclude certain supplementary estimates, while, on the other hand, in respect of 1920-21 votes for £43,602,000, included for the Ministry of Munitions and the Ministry of Shipping, will be met by a corresponding addition to Exchequer revenue. Despite these allowances the Estimates remain so large that they strengthen the conclusion already drawn on independent grounds, that the Government's professions of economy and retrenchment are not sincere. We have been assured that the policy of subsidising, which is contrary to all sound economic principles, was to end, but the bread subsidy for the coming year is estimated at 45 millions, the coastwise transport subsidy at £978,000, the coal mines deficiency at 15 millions, and payments under railway agreements at 23 millions. The bread subsidy conceals from the public the real facts of the market situation and the necessity of economy, while the falling tendency of the British wheat harvest makes a return to unsubsidised bread increasingly difficult. Twelve millions of the sum asked for the mines are expected to be recouped within the financial year, but the remaining three are a direct subsidy. The 23 millions for railways constitute part of the sum due for arrears of maintenance and renewals in pursuance of the agreement made with the companies at the beginning of the War. As such they are not, strictly speaking, a subsidy. It is hoped that the recent rise in goods rates will help to cover the railway deficit and so prevent the travelling public from being saddled with still greater burdens. Apart from these items the repayment of the British portion of the Anglo-French loan of 100 millions in the United States is another problem that will confront the Chancellor when attempting to balance his next Budget.

The variation in the estimates from the pre-War standard and from the normal post-War standard, as indicated last October by Mr. Chamberlain, is shown in the following table:—

Estimates—in millions of £.

	1914–15	1920–1	Normal post-war year.
Civil Services and Revenue Departments	92	557	300
National Debt Services, &c.	36	400	373
Navy	51	84	60
Army and Air Force	29	146	75
Total...	208	1,187	808

We are still 379 millions in excess of the Chancellor's ideal, and though much of next year's expenditure is of a non-recurring nature, the estimates of permanent departments, which before the War were remarkable for the frugality of their outlay, are now steadily mounting up, as if infected by the spirit of the new bureaucracy, which regards high expenditure

as the measure of its importance and the sole criterion of its efficiency. The Post Office estimate at £49,688,000 exceeds that for the current year by over 8 million pounds, and is 23½ millions in excess of the 1914 figure. The other two chief revenue departments, the Customs and Excise and Inland Revenue, show between them the comparatively modest increase of less than two millions. In lately established departments a kind of megalomania appears to prevail. The Ministry of Pensions has an estimate for £123,235,000, compared with £104,899,000 last year. The increase is large, but the object is unquestionably good. It would be well, however, if the charges of administrative extravagance that have been made from various quarters were answered, and, if possible, refuted. Such a step would restore our confidence that the Ministry is properly discharging the functions entrusted to it. For other new and recent Ministries the following are typical examples of the expansion that has taken place.

Department.	Grants for 1919–20	Net Estimate 1920–1
	£	£
Ministry of Labour	7,435,053	25,369,134
Ministry of Health	6,650,590	27,572 797

In many cases the estimates are presented in such form that comparison with previous years is rendered almost impossible owing to the sub-division or transfer of functions and the alteration of accounts. Yet a plea for a clearer and more detailed presentation of our estimated future outgoings by the Government will probably pass unheeded. The main recommendations of the Select Committee on National Expenditure as regards the public accounts are apparently not to be adopted. No Estimates Committee will be appointed, and, further, the action of the House of Commons in passing the estimates practically as they stood will but whet the rapacity of the great spending departments and postpone for an indefinite period the return to Mr. Chamberlain's "normal year." The Education Estimates show a very large expansion, from £32,853,000 to £45,755,000, but money should not be stinted on this laudable purpose while millions are being frittered away on armaments. The extent of the national education Bill is, however, by no means conveyed in the Government figures. Grants for special purposes, such as scientific research and investigation, and to special institutions, such as universities and colleges, which run to a large amount, are excluded, as are also the estimates of £6,877,000 and £3,358,000 that are set forth separately for public education in Scotland and Ireland respectively. Neither are payments in respect of intermediate education and agricultural and technical instruction taken into account, while no mention is made of the big sums contributed from local sources in Great Britain. Money devoted to education may not be misspent, but some idea of the total outlay is necessary if we are to judge of the efficiency of the system.

The most disappointing feature in the whole of the Estimates is the Government's failure to redeem its promise of reducing the votes for the Civil Services. Herein lay the greatest opportunity for economy, and it has slipped by. If increased expenditure were accompanied by increased efficiency citizens might be content to bear the burden, but departments with more than a competence, like individuals, seem to degenerate. It may be possible to balance the next Budget without recourse to any material extent to new taxation, beyond a reform of the income tax, but the position of the country will not be greatly improved in consequence. A reduction of the floating debt, which consists of over 1,000 millions of Treasury Bills and 169 millions of Ways and Means Advances, is essential, and until all or part of these immense sums has been funded or paid off the country will not be in a healthy financial condition. It is futile to adduce arguments in favour of a discriminating tax on wealth arising out of the War as long as we are without assurance or guarantee that the present or subsequent Governments will not expand the floating debt beyond a reasonable figure whenever it happens to suit their purpose. The old-time checks of the House of Commons and of the Money market, acting through the Bank of England, are now inoperative, and some effective substitute must be provided. Every rise in taxation reduces the money available to the community for reproductive and industrial purposes and swells the ranks of officialdom, thereby increasing the non-productive element, which acts as a drag on the country's efficiency.

LOCAL FINANCE AND BUILDING.

The various town councils throughout the United Kingdom have been receiving from their chief committees the estimates of revenue and expenditure for the coming year, on which the rates will be based, and the general outlook is not wholly reassuring. During the War there was little expenditure on local public works. Just enough work was done on schools, roads, drains, and mains to keep things going. Now there is a great deal of arrears to be worked off, and very high prices have to be paid for all labour and material. The officials, high and low, in all municipal departments have demanded, and have received, higher rates of pay. The education estimates alone are, on an average, double what they were six years ago.

If rents had advanced in similar proportion local bodies would not be so perplexed as they are at the present moment. A 50% rise in assessment would have brought a 50% greater return for a penny rate. By the ratepayer, no doubt, this automatic adjustment might not be enthusiastically welcomed. It may be no consolation to him to know that if his rent is advanced from £40 to £60 the municipal revenue will rise automatically from £20 to £30 at his expense. But the fact that the basis of municipal rating has not been increased, while the price of everything else has risen, ought not to be forgotten in considering the very serious questions of municipal finance which are arising, and which the chief municipalities are to force on public attention at a joint conference to be held soon in London. Without higher rating values local councils can only do one thing when they find, let us say, their estimated expenditure has risen from 60% to 70%. They must raise the rates proportionately. This they have been doing. Dublin is to enjoy a rate of 20*s.* in the pound; Hull has to resign itself to 18*s.*; several large towns are demanding 15*s.*; and 12*s.* 6*d.* and 10*s.* must now be considered as low rates.

The chief work (apart from education and police) of a big municipality is of a purely business character. We may hope that in the near future improved mechanism and methods will lead to a reduction of cost, and that until a better day arrives everything that is purely ornamental will be postponed. But even if economy is pushed to the utmost limit consistent with efficiency, rates will remain high for several years, and it is necessary that citizens of all classes, workmen included, should make up their minds to face the inevitable. If wages are more than 100% higher a 7*s.* or an 8*s.* a week rent, including rates, for a small five-roomed house will inevitably become a thing of the past.

The adjustment of rents has become an acute question in connection with the numerous building schemes, which, after long delay, are beginning to be carried out. For a five-roomed house, consisting of "living-room," scullery, and three bedrooms, with bathroom and garden, forming part of a garden city (as most of the new schemes do), the municipalities are having to pay from £900 to £1,100. [illegible] guaranteed by the State against loss beyond what is involved in a penny rate. And after the seven years there is the promise (not absolutely definite) to fall back on that the State will take over one-third of the total cost.

[illegible] financial question may be

stated. Take, as an illustration, the house which costs £900. After deducting one-third there remains £600 to be covered by rent. It is now necessary to calculate rent on a 6% basis. This gives £36 a year. If to this is added £18 for rates the workman will have to give £54 a year—very nearly 21*s.* a week. To obtain such a sum for a five-roomed house (the rooms in most cases are small) will not be an easy task. At several meetings in the North, when the state of affairs was disclosed to representative workmen and women, there were loud protests and threats of a rent strike.

By impressing on the workers the value of the amenities—garden, larger air-spaces, better locality, &c.—it is probable that a more reasonable spirit will become manifest; but it is plain that, in addition to the great Imperial financial difficulties, there will be serious municipal ones in the near future, and these will be all the greater if a reduction in building changes is not secured. The competition of iron and cement is doing a little, but the price asked for every item in the construction of a house is still very high. And in considering these charges one must never forget that a house is not a thing of to-day or to-morrow. The relation of cost to rent will have to be faced ten years hence as well as to-day.

In the past many of the municipalities used to obtain their loans through the State. Some of them believe that their credit is now better than the State's. Appeals are being made to the public for short-dated loans, on which interest from 5% to 5¾% is being offered. Where industry is flourishing, as it is through the greater part of the country, particularly in the iron, cotton, and woollen centres, the security is very good; but the time may come soon when an absence of elasticity in the rating system will make a radical change in the basis of local taxation necessary; and if there comes no check to the increase of expenditure and of the housing liabilities, a period of depression would try the strength of the wealthiest municipality.

THE BRITISH WEST INDIES.

Some time since the Prime Minister in Parliament, in reply to a question, informed the House of Commons that there was no foundation for any report that the British West Indies were for sale. Of course, in this country such an assurance was not necessary, nor do we believe it was necessary in any part of the British Empire. But it was useful that the question should be asked and officially answered, as it will inform foreigners that this country has no intention of disposing of some of the oldest possessions of the British Crown. In a sense, our readers are aware that we have possessed the British West Indies for a very long time, but probably not all our readers are aware that the capture of Jamaica during the Protectorate of Oliver Cromwell was the commencement of the founding of what we have come to call the British Empire as a composite entity. In order to encourage the sugar industry in Jamaica, and for the purpose, if possible, of making the new colony self-supporting, Cromwell adopted the practice of serving out a ration of rum to each sailor on board the men-o'-war of the period, and this practice has continued to the present day.

Now what do we mean by the West Indies? Again, an equally pertinent question is What do we mean by the British West Indies? The West India Islands taken altogether form a great arm or archipelago, as it is called, uniting as it were by stepping-stones North and South America on the eastern side, and enclosing, with the exception of narrow ports of entry, the Caribbean Sea. These islands stretch from Florida, to the south of North America, to the British island of Trinidad on the northern coast of Venezuela in South America. If we take them altogether they cover an area considerably over 100,000 square miles. They are not quite as big, taken as a whole, as the United Kingdom, but they are considerably bigger than the island of Great Britain taken by itself. During the eighteenth century a large part of the fighting, which resulted in the capture of the plantations in the West and of the trade of the East took place by this country against her enemies in those seas. But of this immense area only some 12,000 square miles is British territory, and more than one-third of this includes the great island of Jamaica, the largest island possession of the British Crown in the Caribbean Sea. Now what do we mean, again, when we talk of the British West Indies? If it is difficult to define the West Indies taken as a whole, how do we define the British West Indies? It depends upon what you mean, and what authorities you consult. The islands of the British West Indies in the Caribbean Sea constitute all told a little over 12,000 square miles, one-third of which includes the island of Jamaica. In a paper read some time ago before the West India Association, a distinguished West Indian merchant said that the extent of the British West Indies exceeded 112,000 square miles, and that the trade was worth 30 millions a year. The well-known and popular Secretary of the West India Committee gives a still different estimate. But then he includes not only the islands of the Caribbean and British Guiana, which was included by the authority above referred to, but also the 8,000 square miles which constitute British Honduras. Consequently, the British West Indies sometimes are understood simply—to mean the islands of the Caribbean Sea; sometimes they include the islands and the sugar plantations of British Guiana. British Honduras, as it is at present, is a more or less negligable quantity, because although it exceeds in extent the Principality of Wales, and is naturally one of the richest countries in the world, it has never been developed in any sense; has practically no transportation facilities; and has less than 50,000 people in the whole territory, most of whom are native Indians. Belize, the capital, practically exists on the export of timber, some of the finest mahogany known in the world being found in this part of Central America. We will consider briefly the economic situation of the West Indies, taking them as a composite whole, the islands themselves and the two mainland colonies of British Guiana and British Honduras. At present the actual trade of the British West Indies is not large if we compare it with the total trade of the Empire taken as a whole. Potentially, however, these islands and the colonies on the mainland have great economic value, quite apart from the natural feeling that no people ever disposes of part of their territory unless they are compelled to do so. One result of the recent War is likely to be a real endeavour to encourage the products of our own Empire as distinct from purchasing—and purchasing at a disadvantage—goods from countries which have lately been our enemies, and in which we have only a relative interest in their economic development.

It is manifestly our interest to develop, particularly when it can be done with economic advantage, the natural resources of our own Empire. The British West Indies are eminently capable of producing more than enough sugar for the whole consumption of those parts of the Empire which are not themselves capable of producing sugar. In this country, for example, before the War we were accustomed to consume practically two million tons every year, or something over 10% of the total estimated world production. India should be a source of supply to the Empire whenever the time comes that the Indian methods of growing sugar are improved, and, above all, proper machinery installed which would enable the Indian native to extract a more reasonable proportion of the sweet juice from the cane than he is able to do at present. Meanwhile, as we have said, the British West Indies are capable of growing ample supplies of sugar, not merely to satisfy the demands of these islands, but for other

parts of the Empire which would be far better employed in the production of cereals suitable to the latitude in which they are situated and the type of soil which they possess. In addition to producing sugar, and producing sugar on a scale very much greater than anything they have attempted to do at present, for reasons into which it is not necessary to enter now, they can produce—and produce readily and with great economic advantage—increased supplies of cocoa which are urgently needed, as we showed on a recent occasion in an article on cocoa, the steadily rising price of which indicates that the world's supply is insufficient. Recently efforts have been made to develop cocoa-growing in the Gold Coast Colony on the West Coast of Africa, and with such marked success that the output is already greater than that of Ecuador, which formerly was the greatest source of the world's supply. It is becoming increasingly apparent that the United States is no longer able to supply cotton upon the same economic basis which she was accustomed to do in the past. Growing cotton within her own borders, it is not unnatural that a great and enterprising people with a growing population should increasingly manufacture the cotton which they grow themselves. And, moreover, the growth of the population of the United States, which is one of the wealthiest per head of any populaton of the world, tends to create in an increasing proportion consumers for the cotton grown. Consequently, it is becoming eminently desirable that there should be increased supplies of cotton within the British Empire. The British Cotton-Growers' Association have done excellent work under somewhat trying circumstances, and their efforts seem to be about to be crowned with a measure of success by increased production in Egypt and in the Soudan. It is manifest, however, that there is a limit to the amount of cotton which can be grown in Egypt. Egypt is a country dependent upon the Nile. Consequently, the more cotton grown in some parts of Egypt the less can be grown in other parts. Moreover, it is not desirable for any country to be unduly dependent upon one crop. The British West Indies from very early times have been cotton growers; and in nearly all the islands and in the two colonies on the mainland cotton grows naturally without cultivation at all. In many cases the cultivation has been given up because the competition of the United States for many years made it unprofitable. Efforts, however, should be made to increase the cotton supplies derived from, not merely the islands, but from the two great colonies of British Guiana and British Honduras.

Another aspect of the question which may partly be regarded as economic, but which is very largely political, is the field for immigration which the British West Indies offer for those of our fellow-subjects who do not happen to be born in these islands. In certain parts of our Colonies there is a strong prejudice against immigrants from another part of the Empire, except these islands, and the different colonies which receive each other's nationals. This prejudice is wholly indefensible, and if it is persisted in must prove most seriously embarrassing, if not absolutely disastrous, to the future of the Empire. It is clearly the right of any subject in every Empire to have free ingress and free egress to all parts of the Empire. Otherwise, what is the advantage of belonging to such an Empire?

For the time being, however, we must recognise facts as they are. And, since there is not a free field for immigration for a large portion of our fellow-subjects in different parts of the Empire, it is manifestly desirable to encourage the economic development of such parts of that Empire as welcome willingly any subjects who will obey the laws, submit to such discipline as is necessary for the maintenance of order, and work so as not to become a burden upon the community which receives them. These principles apply to the British West Indian colonies, to British Guiana, and to British Honduras. It is, of course, evident that no country can receive a large number of newcomers unless, of course, they be wealthy capitalists bringing the means of providing for themselves till a certain amount of economic development has taken place. All these colonies are in a more or less backward state economically. No one of them, with the possible exception of Barbadoes, is really developed. There is a field for immigration in practically every one of the islands, and particularly in British Guiana and British Honduras. British Guiana, owing to its great size, offers, of course, pre-eminently the greatest field for immigration. But until such time as the colony is opened up immigration upon a really serious scale is impossible. The same, of course, is true of British Honduras. British Honduras, it has to be remembered, is a very small country compared with a great colony like British Guiana, which is between 10 and 12 times its area.

We will conclude with a brief paragraph showing what are the principal means of living in the West India Islands, including the great colonies of British Guiana and British Honduras. The exports of these colonies consist, so far as the islands are concerned, of cocoa, coffee, raw cotton, bananas, honey, molasses, fuel oil, oranges, sugar and its by-product, rum. They import articles of apparel, largely from this country; beer and ale, also from this country; cotton manufactures from this country; agricultural machinery, iron and steel manufactures, soap, wool and textiles, and various kinds of fertilisers, mainly from the United States of America. The only absolutely healthy island is Barbadoes, and this is due to the fact that there are no swamps, and apparently never have been, in any part of the island; and, consequently, there has always been in Barbadoes an absence of what are known as tropical diseases. British Guiana lives almost wholly on sugar and its by-products. It was at one time an important exporter of cocoa and coffee, and grew a considerable amount of cotton. Cocoa is still grown. Coffee has been largely abandoned, and efforts are being made to revive the cotton industry. The only other important industry is the production of balata, a kind of rubber. The country is very rich in timber, a small amount of which is exported, but, owing to the difficulty of transport, it is very expensive to obtain the rich woods with which the interior abounds. Within recent years rice has been cultivated to a considerable extent, but this industry is almost wholly in the hands of coolies. The colony imports clothes, articles of furniture, and machinery used in the sugar industry. British Honduras, as we have said, lives mainly upon the production of timber. It is developing a trade in fruit, particularly bananas, and is also cultivating the cocoanut. This colony, like British Guiana, is eminently suitable for the growing of cotton, and it would be very desirable if this industry could be fostered to a really serious extent.

EGYPTIAN COTTON.

This week has witnessed further wildly excited markets. A new high record has been made, viz., $198 for March and $152 for November on February 17, whilst the quickest slump of recent months has also taken place, March falling to $165 on February 19, and November to $127. As may well be imagined, legitimate business demands had little to do with either of these operations, which were almost entirely the result of local speculation. Egyptian cultivators and merchants, having by now realised most of their spot cotton with tremendous profits, have turned their attention to the Futures market. The unprecedented sight has been witnessed of fellaheen, four and five deep, crowded round the pit of the Futures market and buying wildly. When the slump came many of them doubled their positions, and, though they lost a great deal of money, their persist-

ence was rewarded by the recovery of much of the ground lost, March contracts recovering to $185½ and November to $145.

The Spot market has been inactive and dull, it being practically impossible to do business with futures fluctuating in the manner described above. When the fall came native holders would take but little notice of it, and would hardly reduce their prices at all. As an instance of the present feeling of the Egyptians with regard to their cotton, I enclose a translated copy of a printed circular which was distributed broadcast in the Cotton market on the day following the fall:—

"DO NOT SELL YOUR COTTON.

"O Egyptians! the Egyptian cotton has played a most important part this year in the world of Commerce, thanks to the efforts of the native merchants whom the Nation entrusted to ensure its financial independence.

"Cotton has reached a price which dazzles the eyes of those who do not know its value; if only you knew how small that price is compared with what you have to pay for what you purchase abroad! In these difficult times the price of your cotton should not be less than £100 per cantar (equal to £1 per lb.), and you will obtain that price if you hold your cotton for a certain time.

"All the Powers, even those that grow the most cotton, have an urgent need of Egyptian cotton, which has become as necessary to the world *as salt is to food*. Do not let yourselves be deluded by false rumours which are circulated by certain interested persons, whose only object is to rob us of our money. Be careful, then, and keep your eyes open!

'DO NOT SELL YOUR COTTON."

The week's statistics show the following:—

	Arrivals	Exports	Exports to U.S.A.
1919-20 ...	Crs. 5,145,000	Crs. 4,372,000	Crs. 1,541,000
1918-19 ...	Crs. 4,109,000	Crs. 2,150,000	Crs. 87,000
1917-18 ...	Crs. 4,667,000	Crs. 2,340,000	Crs. 172,000

Closing prices February 20, 1920: March, $181½; May, $178; November, $140.

H. C. THOMAS.

Alexandria: February 21, 1920.

INCOME TAX REFORM.

THE newly-issued Report of the Royal Commission on Income Tax represents the first complete survey of the subject since 1861, and the ground traversed is accordingly considerable. The labours of the Commission must, however, have been facilitated by the practical codification of income tax law in the Act of 1918. No minority report has been presented, though reservations are made on various points, particularly with respect to the incidence of the tax on women and on co-operative societies. The principles and application of the tax are not altered, but the recommendations are numerous and far-reaching. Of prime importance is the proposal that all income from employments now assessable under Schedule D, such as those of employees of firms and of individuals, should be transferred to Schedule E, in which officers of Government departments, of municipalities and of public companies are already assessed. Farmers are gradually to be transfered to Schedule D, and losses under this schedule are to be carried forward for six years. Separate assessment of partners is allowed at their option and the basis of assessment under Schedule D is to be the income or profits of the preceding year. All averages are to be abolished. The reasons for this radical change are, first, the increased simplicity and uniformity obtained, and, secondly, the fact that on the new basis the amount of profits, &c., assessed will correspond much more closely in point of time with the actual profits being made. The period within which claims for repayment can be lodged is extended from 3 to 6 years, and, an important point for mining and kindred companies, allowance is to be made for inherently wasting assets created by expenditure of capital where the life is less than thirty-five years.

An exemption limit is proposed of £150 for single persons, and £250 for married persons without children, together with £40 relief for the first child, and an increase in the relief for each additional child from £25 to £30. A new method of graduation is suggested. If the income is earned, or on such part of it as has been earned, a deduction of one-tenth is permitted, after the various other allowances mentioned have been subtracted, and the residue is deemed to be the taxable income. Simplification in the number of different rates is to be secured by a graduation scheme under which two rates of tax only are necessary—the standard rate and another rate equivalent to one-half the standard. Of the residue £225 will be taxable at the lower rate and the remainder at the higher rate. In illustration we may take the case of a married couple with one child and an income of £900 per annum, of which £100 comes from investments. From the £800 of earned income £250 plus £40 are to be deducted, leaving £510. From this one-tenth must be subtracted, leaving £459. Tax would be levied at the rate of 3*s.* in the pound on £225, and 6*s.* in the pound on £234 plus £100, and would total £133 19*s.*

Recommendations are also made in regard to super-tax. This tax, so-called because it is super-imposed upon the tax charged at the standard rate, was first levied in 1909 upon incomes in excess of £5,000. It was charged for that year at sixpence in the pound upon the amount by which such incomes exceeded £3,000. The point in the scale of income at which super-tax begins has since been lowered to £2,500, and the Commission recommend that it should henceforth begin at £2,000. The lowering of the limit will have the effect of bringing about 20,000 additional persons within its operation and will thereby aggravate its already serious incidence upon the higher income.

The relief accorded to married couples throws an additional burden on bachelors whose incomes amount to £350 or more. At £300 earned income the postulated charge is equal to the old charge, while at or under £250 it is less. On all incomes up to £2,000 married couples with children secure a substantial abatement, but without children the amounts assessed on earned incomes between £700 and £1,500 are greater under the new schedule. Thus the Commission, which was appointed to inquire *inter alia* into the scope, rates, and incidence of the tax, together with allowances and reliefs, has not dealt as tenderly as might have been expected with the tax-paying public, although everyone will welcome the relief given to married men with families. The Commission affirm, however, that in reaching their decisions they have been influenced by the desire not to restrict commercial activities, or to suggest anything that might cause a decline in national prosperity, as the latter was a factor on which the success of the tax primarily depended. They have indeed been successful in removing certain anomalies and anachronisms, though it is noticeable that the joint assessment of married persons is to continue. The justice of bringing co-operative societies within the net is also recognised, though dissentient voices are raised in some reservations appended to the report. It is stated that any part of the net proceeds of a distributive co-operative society which is not actually returned to the members as "dividend" or "discount" should be considered a profit and charged accordingly to income tax, and also that the income derived from invested reserves should, irrespective of the particular mode of investment, be subject to tax. The effect of the recommendation is to treat a society exactly as a limited liability company trading in similar circumstances and under similar conditions, and if the proposal is adopted by the

Chancellor of the Exchequer, who, it should be remembered, has promised sympathetic consideration to the findings of the Commission, the statutory exemption of co-operative societies will have to be revoked by a special Act.

The long-standing grievance of double income tax is partially remedied, as relief is asserted to be necessary where incomes which arise within the Empire are being charged with tax both here and in a Dominion. While this reform would relieve many trading companies of a severe burden it will be a disappointment to companies operating here and in foreign countries to learn that no change in the existing situation as to double taxation is recommended. It may be that the Commission desired British subjects living in this country who derive their income from foreign sources to send no further capital abroad, but on the other hand, many foreign residents in the United Kingdom may be induced to leave owing to the high rate of tax. Special difficulties, however, surround the problem of reform in this particular department, and it would be difficult, if not impossible, to secure reciprocal treatment for British subjects domiciled abroad. Conferences with representatives of the self-governing Dominions were necessary before the measure of modified relief recommended by the Commission was drafted, and under existing circumstances the possibility of a round-table interchange of views with other nations on the subject is remote.

A rather startling recommendation from the City point of view is that casual, non-recurring profits should be brought within the ambit of income tax. In suggesting this change the Commission were undoubtedly prompted by the consideration that many attempts have been made abroad to rope in these occasional profits for revenue purposes. Such attempts have not been uniformly successful owing to the number of loopholes that remain open to the would-be evader. No doubt the profits reaped in Stock Exchange operations through capital appreciation and otherwise have in recent years been enormous, and it seemed inequitable to the Commission that highly remunerative transactions of this kind should lie outside the taxable range on the narrow technical ground that the resulting profits were of a non-recurring character. The Commission's opinion is that "any profit made on a transaction recognisable as a business transaction, that is, one in which the subject matter was acquired with a view to profit-seeking, should be brought within the scope of income tax." In other words it is not be treated as an addition to capital simply because the transaction was something altogether apart from the taxpayer's normal line of business, or because the opportunities for making such profits are in the ordinary course limited and occur only at infrequent intervals. It is difficult to see how the Inland revenue authorities can trace sources of income of this character, notwithstanding the severity of any penalties inflicted for non-disclosure, and the novelty of the recommendation is the more striking as the opinion formerly held was that the losses on such transactions eventually balanced the gains. If the gains are now to be liable, surely the losses should be admissible as deductions.

PULVERISED FUEL.

The need for conservation of our fuel supplies is too well known to be discussed here, and all will admit the desirability of adopting every device that can without reduction of mechanical efficiency diminish the consumption of coal. An outcry has arisen against the use of raw coal in our industrial furnaces and domestic hearths on the ground that valuable by-products thereby escape through grates and chimneys, constituting not only an economic loss of considerable extent to the nation but also a menace to the public health through atmospheric pollution. In condemning this waste we must not overlook the fact that coal is of varying composition, and the value of its by products varies within such a large range that it would in many cases be uneconomical, with the facilities at our disposal, to subject it to destructive distillation before using it as fuel. Despite washing and screening a large quantity of low-grade coal is left at every colliery, and it has often been a problem how to utilise it. Pulverisation is a method that could be widely adopted, but it must be understood that it is not applicable to every grade of coal, whether poor or rich in volatile content, though much of the culm and slack at present regarded as worthless for fuel purposes could be utilised. In the United States, according to the Fuel Research Board, over ten million tons of coal are pulverised annually, and if the method proves economical where coal is comparatively cheap, British coal users would certainly derive benefit from its adoption. Pulverised coal has been tried on a large scale in only one industry in Great Britain—the making of Portland cement—but firing with the pulverised material is here possessed of such obvious advantages that other industrial users would naturally require further proof before making alterations in their power plant. For metallurgical work powdered coal is much favoured in the United States, especially in copper smelting, where, by its use, an estimated saving is made of 100,000 tons of coal per million tons of charge smelted. The heating power is extracted from the coal to a greater extent than is possible by any other means of firing, and though the British production of copper is unimportant relatively to the American, a close study of reverberatory furnace practice in the United States would repay the trouble involved. Fuels with a high ash content are, however, to be avoided, as the ashes choke up the flues, and where a process is designed to be continuous, much valuable time is lost in cleaning away these deposits.

In many branches of iron and steel work pulverised coal has already gained considerable popularity in the United States. In the case of puddling furnaces more heats have been obtained per day, and the iron can be worked to a greater uniformity by the puddler. For open-hearth, steel-smelting furnaces powdered coal has strong competitors in natural gas, producer-gas and oil, and it has not been very extensively used, though its advocates claim for it not only a saving in fuel but a larger output of steel. Heavy and light forge-furnaces show a great advantage in favour of pulverised fuel as against hand firing, and the quality of the work has been found superior to that produced by gas or hand-fired furnaces. Where producer-gas plants have already been installed it would, of course, not pay to dismantle them and set up new apparatus for preparing the coal. It would also be uneconomical to replace mechanical and other installations on account of the twofold capital outlay involved.

Besides initial cost running cost has to be taken into account, and the latter varies considerably with the dimensions of the plant and the continuity of its working. In its preparation the fuel passes through several stages, and the mode of handling will depend on whether anthracite or bituminous coal, lignite or peat is used. Though anthracite alone will serve, it may sometimes be well before pulverisation to mix in, according to the type of furnace, a varying quantity of bituminous coal. As it is necessary in the case of peat and lignite to get rid of the excessive moisture which they contain, their reduction to the powdered form may be the occasion of considerable trouble and expense. Here again a mixture with high-grade bituminous coal will be found to facilitate combustion.

In general the method of preparation followed is that the fuel is passed through a crusher, whence it is conveyed to a drier. At this stage care must be taken by keeping the temperature at a fairly low level to prevent the volatile constituents from escaping. [illegible] separator to eliminate any particles of iron. When

powdered, the fuel, which has semi-liquid properties, enabling it to flow easily, can be transported to the point of consumption by means of screw conveyors or otherwise. It may be stored in bins until required for use, but there is a danger of spontaneous combustion or explosion if it is kept too long, though where specially designed storage bins are provided, the imposition of a time limit is not necessary. Such accidents as have taken place have arisen chiefly from the neglect of the ordinary precautions employed in the case of elevator dust and other combustible dusts. Particles of coal dust suspended in the air and coming into contact with sparks and open fires or lights will necessarily ignite. As the air may be saturated with such particles, and deposits may have accumulated on girders and other exposed surfaces, the danger of a serious outbreak of fire is not inconsiderable, and should be guarded against. With modern plants risks of this kind are reduced to a minimum, as care is taken to abate the dust nuisance.

The economic advantage of pulverised fuel lies mainly in the completeness of its combustion. Before being introduced into the furnace it is mixed with air, and each particle, which is thus surrounded with a supply of oxygen, burns quickly and gives forth the maximum amount of heat. Where lump fuel is used, the disintegration of the lump is usually a slow process, and the heat energy developed is not so great. Associated with pulverised coal installations is a considerable saving in labour as compared with the method of hand firing, and this is an advantage of great and increasing importance.

AGRICULTURAL ORGANISATION AND THE JOINT-STOCK PRINCIPLE.

Of all the various branches of industrial activity that of agriculture has been least affected by the striking advances in methods of organisation and mass production that have characterised the history of the past 50 years. It must, however, be borne in mind that the conditions of his environment impose a check on the farmer which is not nearly so sensibly felt by the manufacturer in the great towns. Ideas are slow to circulate in a rural community, and extensive propaganda work must be undertaken before a desired result is brought about. Latterly, however, notable developments have been recorded in the conduct of the industry, and it is not unreasonable to conclude that these developments will proceed with an ever-increasing velocity. Before the War the profits of the agriculturist were measured by a very narrow margin owing to the competition of cheap foreign produce, and neither his credit nor his capital was sufficient to encourage a recourse to the more economical means of production afforded, for instance, by the use of mechanical appliances. Facilities for obtaining cheap and adequate supplies of credit are not readily at the disposal of the individual farmer, and at one time in Ireland the extortionate price charged for this accommodation by shopkeepers seriously imperilled the industry. So far as the commercial community is concerned their needs are amply provided for by the joint-stock banks, but inasmuch as these institutions do not care to lose control of their money for a longer period than 90 days, the services they render to the farmer are not nearly so valuable. In Ireland the banks played a useful part in making advances to co-operative credit societies on the security afforded by the unlimited liability of its members; but co-operative credit, even there, has been a comparatively slow growth, and, although it has done much useful work, this has been confined to a rather limited sphere. The provision of co-operative credit, which, by the way, is on a very limited scale in England and Scotland, forms only one phase of agricultural development. It was clearly envisaged by pioneers in Ireland at the end of the last century that the loosely knit agricultural industry demanded a more intensive organisation if the competition of foreign producers was to be met on anything like even terms. The reform of the dairying system was urgently demanded. Farmers were induced to combine on a co-operative basis and set up creameries where milk could be worked up into butter and marketed with the intervention of the least possible number of middlemen. The purchase of agricultural requisites, seeds, implements, and machinery at wholesale prices was also undertaken on similar lines. In a like manner, modifications in the agricultural structure of Denmark were introduced as the natural outcome of a strenuous progressive policy. Quite recently another stage has been reached. The South African farmers have formed a huge Federation for the purpose of purchasing their requirements direct from the manufacturers, and this particular instance is only illustrative of a widespread tendency in other countries.

In all these countries, however, the individual farmer works a particular portion of land, and, consequently, produces on a small scale. He may invoke the aid of the co-operative principle to assist him in the disposal or purchase of commodities, but the farming in common of a large district, with the deliberate object of utilising land now lying waste in boundaries, of economising in the use of barns and storehouses, and of employing machinery to the best advantage, has hitherto been little in evidence, except in Italy. Here the system of collective farming is pursued by societies composed of small tenants or labourers, who purchase land outright or obtain it on lease. The whole of the property is managed in common, members having the status of profit-sharing employees and supplementing their earnings by work done outside, either for private farmers or on contracts for public works. A striking amount of success has attended the operations of these groups, far more so than that attendant on the other type of co-operative farming society in the same country, where a separate portion of land is cultivated by each individual and his family. Where the former type has been established a number of the results indicate that to-day the holdings produce about three times as much as they did before the inception of such societies, that they now support 28 families where formerly they supported five, and that they are capable of paying the landowner a much higher rent. The adoption of large-scale farming has thus had a satisfactory issue, due largely to the fact that it has been found possible to promote the extensive employment of machinery and to ensure continuous management and cultivation.

In Great Britain co-operation is not a very pronounced feature of the agricultural industry, but, on the other hand, there has been a marked development in the principle of joint-stock association in farming there within recent years. The company promoter, long content to ignore this realm of the national economy, has been quite active recently, and big amalgamations with large capitals at their disposal have been completed recently, reminiscent of the textile industry and the iron and steel trades. High prices of food products and the belief that the Government, following its war policy, will continue to take an active interest in the industry throw out an encouragement. The acquisition of land, too, is favoured to some extent by the fact that many landowners, attracted by the prices ruling for land and fearful of labour troubles, show a marked inclination to transfer their holdings for money capital. From home and foreign experience during the War it is believed that agricultural machinery, including steam-ploughs, traction engines, and other equipment applied to the farm to a much greater extent than hitherto, will be of the greatest utility in solving the labour problem. In this connection, however, undue reliance may be placed on the mechanical arm. We have in mind the case of a farmer, not lacking in either practical experience or scientific knowledge, who started business in the East of England during the War, and ascribed his

failure to the fact that machinery was not a paying proposition.

The large tracts of arable and pasture land controlled by these joint-stock concerns are farmed with the idea of maximising production so far as it may be economically possible. At the same time it is aimed to secure a wide variety of produce—wheat, oats, potatoes, flax, vegetables, hops, fruits, dairying, beef, mutton, and pork—in order to provide against the contingency of failure in any one particular, due to a bad harvest or to a drop in price. The fortunes of agriculture are intimately dependent on the vagaries of the weather, and common-sense demands a programme of this description. Undoubtedly the efficiency of our present farming system could, on the whole, be raised appreciably, and the introduction of scientific management, presuming theory and practice were suitably reconciled, could scarcely fail to be of advantage. A better crop rotation would effect large economies, as would also the distribution of storage and transport facilities on the uniform plan rendered possible by the possession of large estates. Moreover, the production of food specialities, bottled and preserved beans and peas, to be undertaken by these enterprises is a useful side-line, more especially as we have been accustomed to rely on the Continent for these goods. On the commercial side these businesses naturally act as merchants, and by doing their own import and export businesses retain the profits that the isolated farmer is, as a rule, deprived of.

The individual farmer is bound to the soil by economic and sentimental ties, and critics of the new departure allege that the employees of a joint-stock company will not work the land with a similar assiduity or interest. There may be some truth in these statements, and the profit-sharing schemes of some companies are apparently intended as a counter. Notwithstanding any drawbacks that may arise in this way, we would, however, be inclined to attach considerable weight to the opinion of Mr. George Russell and other Irish agricultural economists, who believe that the public company has a future before it in the agricultural sphere, although Mr. Russell, an ardent protagonist of co-operation, has no particular love for the *rôle* it plays in that connection.

SOUTH AND CENTRAL AMERICA.

ARGENTINE RAILWAYS.

THE BUENOS AYRES WESTERN.

It will be remembered that in last week's issue we reported a great improvement in general business throughout the Argentine Republic. The long period of anxiety brought about by the serious labour troubles which have been the great feature, or, at any rate, a very disturbing feature, of the past two years, seems to be at last coming to an end. The crops, speaking generally, are exceedingly satisfactory; and gradually the transportation facilities throughout the various areas of the Republic are being improved. Hence, those in close touch with Argentina are exceedingly hopeful regarding the prospects of the Republic. The recent period of difficulty through which the Republic has been passing is in no way surprising when we remember the peculiar economic conditions which exist in Argentina, and, if we may be permitted the expression, the very reason for which these economic conditions exist.

It has to be remembered that the dominant factor in Argentine economics is that the Republic has been built up in an extraordinarily short space of time, and that the population has grown at an exceptional rate to perform practically one specific object. No one will really appreciate the economic conditions as they prevail in Argentina who contents himself with a visit to Buenos Ayres and a drive out to one of the great estancias, but who omits altogether to study how all the evidences of great wealth he sees about him came into existence, and whose interest it was to create the evidences of prosperity which face the visitor on every side. Nearly everything in this world, if we carefully study it, has a perfectly simple explanation, and can be readily accounted for if we are sufficiently well acquainted with the facts. The present conditions in the Argentine Republic, and the difficulties which the Government and those responsible for the direction of her economic policy have had to face recently, and probably will have to face still to some extent, are due to causes which are perfectly well understood, and which were inevitable if any link in the chain which worked the economic conditions so smoothly in the period before the War became dislocated. As a matter of fact, the War totally dislocated the whole working of the economic machinery; and the result has been very serious trouble for all classes, manifesting itself naturally amongst the labouring poor—or what are commonly called "the working classes"—by strikes and open demonstrations of discontent. But all classes, from the highest to the lowest, have felt the difficulties more or less. Had Argentina been left to herself to grow gradually as the attractions of her climate and the inclination of wandering immigrants might have suggested, she would have had nothing like the population she has now. Her railway system, instead of being the largest in South America, would almost certainly have been quite small, and her economic conditions would have been so small that the outside world would have taken little or no account of them. It was because modern Argentina, as we know it, came into existence for the express purpose of feeding the peoples of Western Europe, as well as of providing them with materials for their industry, that the growth of Argentina has been as extraordinarily rapid as we have witnessed it in the past generation. No more striking illustration of what we mean can be found than the condition of the two great railway companies of the Republic—the Buenos Ayres Great Southern, which we dealt with last week, and the Buenos Ayres Western, which we propose to deal with now. The very nature of their traffic, and the predominant features which at once strike the reader who has made any study of economic subjects, and taken up a report of either of these railways, is that the traffic is not at all what one would expect in a very new country just beginning to develop.

The Buenos Ayres Western, as its name implies, runs straight out to the west from the city of Buenos Ayres, perhaps through some of the richest districts of that rich alluvial plain which we call the Province of Buenos Ayres, the soil of which we believe came down from even a greater river than the Parana in some remote period of antiquity. Be that as it may, the soil through which the Buenos Ayres Western runs is, perhaps, amongst the richest to be found in any part of the world; and as it runs almost straight out from Buenos Ayres to the West, nearly the whole road may be described as on the Buenos Ayres parallel, or about the Buenos Ayres parallel, say, the thirty-fourth degree of south latitude, equivalent, shall we say, to the conditions prevailing in Andalusia, in Spain, although very little of Spain can claim a soil so rich as that through which the Buenos Ayres Western runs. Take, again, the nature of the traffic. The gross earnings, in the last year for which figures are available, amounted to practically, as our table shows below, 3¾ millions sterling. Between one-fifth and one-fourth of the whole was made up by earnings on passenger traffic; and this line last year earned nearly £50,000 out of a total of something like three-quarters of a million sterling from season-ticket passenger traffic from Buenos Ayres to the suburbs. When we remember that the Argentine Republic is roughly ten times the size of the United Kingdom, that it has a population very little greater than what

we call Greater London—that is the complete Metropolitan Police area of this city—that it should be possible for even one of the greatest of the Argentine railways to earn £50,000 a year from season-ticket rates alone, and to earn nearly three-quarters of a million sterling from passengers, or, as we say, between one-fifth and one-fourth of its whole earnings from passenger traffic, as though it was situated in a country that was thickly populated and had been developing its economic resources for centuries is truly remarkable. As a matter of fact, here again the explanation is perfectly simple. It happens that the City of Buenos Ayres contains very nearly one-sixth part of the whole population of the Argentine Republic. There, again, the economic conditions which have made Argentina what the visitor sees her to-day have brought about these results, and were bound to bring about these results. As a matter of fact, a very large part of the Argentine Republic is hardly inhabited at all. The same, of course, is true of the United States, and was still more true of the United States in the period when the United States of America were mainly engaged in the supply of food and raw materials for the teeming populations of Western Europe.

To return to Argentina, we have in Buenos Ayres an intensely congested area. People who are familiar with the city will remember that there are streets in the fashionable quarters of Buenos Ayres, and round about the docks also, which are as crowded as anything to which we are accustomed in London, or Paris, or in New York, for that matter. We speak subject to correction. But if we remember correctly, there are streets in the fashionable quarters of Buenos Ayres in which vehicular traffic is forbidden at certain hours of the afternoon, so crowded are the footways with passengers, and the shops which display fashionable clothing are thronged throughout these hours with purchasers. Buenos Ayres already has a tube railway. It will be evident from what we have said that central Buenos Ayres is almost a prohibitive area for anyone to reside in. As we have mentioned above, it is evident that if one wanted to have a private dwelling-house he would have to compete with people who are keeping shops, offices, warehouses, and so on, which are thronged throughout certain hours of the day with purchasers; and, consequently, a private individual would be maintaining a house in competition with people who are making a living, and sometimes a great fortune, out of the occupation of those premises; and, consequently, the rent would be almost prohibitive. Naturally, only the wealthiest live in the central districts of Buenos Ayres. Certain fashionable districts are, as in all cities, reserved for very wealthy residents who are willing to pay enormous rents. But, practically speaking, all ordinary people find it more or less increasingly impracticable to live in central Buenos Ayres; and, consequently, the suburbs are growing just as they are growing in all the large cities of Europe and of America, and for the same reason. The reader may ask how it comes about that in a country so extensive, so favourably situated, and where there is plenty of land to be had on most reasonable terms, people should be willing to duplicate in the Argentine Republic the conditions which they presumably left in Western Europe. The answer is that somebody must do it. The great bulk of Argentine produce—something like two-thirds of it—is raised for export, and, consequently, it is essential that there should be an enormous urban population somewhere or other and willing to deal with the export and import trade, and particularly the export trade, which is the main thing on which Argentina lives.

Curious as it may seem, comparatively few people are required to deal with the actual growing of the raw materials compared with the large number who are required to transport goods, say, from the Pampas regions, or, indeed, a very short distance of the route, say, of the Buenos Ayres Western to the port of Buenos Ayres. A comparatively small number of people on a farm will raise the raw produce with which this railway deals, compared with the number of people who will be required to transport it to the railway, do the carting, loading, unloading, preparing for the ships, for the European agents at Buenos Ayres, financing it, cataloguing it, writing the invoices, and doing all the hundred and one things that are necessary before the particular bale of any kind of textile can be actually got on board the steamer and the bill of lading handed to the captain. Consequently, an enormous population at such a centre as Buenos Ayres is essential, because the Republic has grown up and has been specifically financed from Western Europe for the very purpose of raising food and raw materials at as reasonable rates as possible. These included the transport of the produce as rapidly as possible from the scene of production to the port of shipment. Apart from the passenger traffic, on which we have already commented at some length, the grain traffic forms one-third of the whole mercantile traffic, the general goods 31%, and the sundry traffic 17%. The grain traffic consists of wheat, oats, linseed—as the Buenos Ayres Western runs through the linseed country—maize, and barley. Linseed and maize comprise the two big items. Sundry traffic comprises wool, hay, bran, flour, fencing, hides and skins, bricks and stone, and general goods. General goods consist very largely of fuel. And in recent years this has meant very largely timber which has been brought down from the interior to the various cities as distributing centres. We must not forget the important item of live-stock. Of these the Company carried over 18¼ million head during the year ended with June 1919. It should be remembered that Argentina is one of the great sources of supply for various meat products, and, consequently, this great railway, as well as the Buenos Ayres Great Southern, which we dealt with a week ago, derives a large proportion of its traffic from the carriage of livestock and various meat products intended either for the freezing-house or for the port of shipment at Buenos Ayres or Bahia Blanca, as the case may be.

	1918–19	1917–18	1916–17	1915–16
	£	£	£	£
Gross earnings	3,724,275	2,858,639	2,504,939	2,714,622
Expenses	2,796,125	2,163,370	1,675,361	1,580,482
Ratio	(75·08)	(75·68)	(66·68)	(58·22)
Net earnings	928,150	695,269	829,578	1,134,140
Miscellaneous income ...	338,599	305,738	263,024	276,545
Total net income	1,266,749	1,001,007	1,092,602	1,410,685
First charges, bonds, Debentures, &c.	558,108	597,977	513,628	515,041
Net profit for Preference ...	708,641	403,030	578,974	895,644
Div. on 5% Preference ...	15,000	15,000	15,000	15,000
Balance	693,641	388,030	563,974	880,644
Div. on 4½% Preference ...	114,855	114,855	114,855	114,855
Net profit for Ordinary ...	578,786	273,175	449,119	765,789
Div. on Ordinary	537,777	255,878	477,061	767,634
Per cent.	(4%)	(2%)	(3%)	(5%)
Balance	41,009	17,297	Dr.27,942	Dr. 1,845
Brought forward	41,421	24,124	52,066	53,911
Carried forward	82,430	41,421	24,124	52,066

Barclays Bank Limited have acquired the business of Messrs. Tubb and Company, of Bicester, which was established in 1793. Mr. Henry Tubb will still supervise the Bicester Bank as Local Director to Barclays Bank Limited.

The Executive Committee of the Guaranty Trust Company of New York announce the appointment of Mr. Reginald Hale to be assistant secretary at the London office. Mr. Hale, who is a Londoner, has had fourteen years' experience in foreign banking in the City. He was on active service in Mesopotamia for two years and three months, and upon his return in August 1919 entered the service of the Guaranty Trust Company of New York.

THE BOARD OF TRADE RETURNS.

On the whole the Board of Trade returns for February are quite satisfactory. We notice that some of our daily contemporaries are disappointed that the expansion in the exports has been relatively small compared with what we have been accustomed to in recent months, and especially last January. Fluctuations are inevitable in the course of trade. Moreover, in these returns, if they are carefully examined, it will be seen that the feature which has characterised our trade returns practically ever since the Armistice is still maintained, and that is a highly satisfactory feature. The growth in imports is nearly wholly due to increased imports of food and raw materials; the relatively small increase in the present instance in the growth of our exports as compared with our imports has been the enormous increase in our imports of raw materials needed for our manufactures. This has been particularly the case with regard to cotton, which is accountable for an advance of more than 29¾ millions sterling. There has also been an increase in the actual volume of cotton imported; but, of course, the bulk of the increase is due to the enhanced price which it has been necessary to pay for the raw material. For the reasons which we have explained so often, it is desirable that we should submit to the necessity of increasing our expenditure upon necessary food for maintaining the well-being of our people; and, of course, inasmuch as we are dependent to the extent of 80% upon foreign countries for the raw materials upon which our people are employed, it is necessary that we should obtain such raw materials for their employment. The imports amounted to 170½ millions sterling in February. This shows an increase of over 63¾ millions compared with February of last year, and an increase of 106¾ millions over compared with February of 1913, the last clear year before the War. The re-exports were over 22½ millions sterling, an increase of 17½ millions compared with February of last year, and an increase of over 11¾ millions compared with February 1913. The net imports are therefore valued at just under 148 millions, being an increase of over 46¼ millions compared with February of last year, and of 94¾ millions compared with February of 1913. The excess of imports over exports is very nearly 62 millions, which compares with a little over 52 millions in January last, and with 55 millions in February of 1919, or an excess of 49 millions over the figures for the same month of 1913. This would show that our excess of imports on the basis of last month's figures is over 700 millions sterling a year. But if we take the two months it will be seen that it is only 660 millions. Bearing in mind the present rate of freights, the very large earnings of our bankers and discount houses, the rates for marine insurance, and the various services which we still render almost to the same extent as we did in the years that preceded the War, it would look as if, in spite of the growth in the relative value of the imports compared with the exports, that we are practically paying our way, especially if we bear in mind that a large proportion of that excess is due to increased imports of textiles which, when they are manufactured, will sell for a relatively high ratio of value.

Course of Foreign Trade.

(000's omitted.)

	Feb. 1920.	Inc. or Dec. on		2 Mos. to February 1920	Inc. or Dec. on	
	Amount.	1919.	1913.	Amount.	1919.	1913.
	£	£	£	£	£	£
Imports ...	170,514	+ 63,825	+ 106,727	354,013	+ 102,777	+ 219,034
Re-exports ...	22,604	+ 17,184	+ 11,859	48,068	+ 38,389	+ 26,617
Net imports ...	147,910	+ 46,341	+ 94,868	305,945	+ 64,388	+ 92,417
Exports ...	85,964	+ 39,050	+ 45,791	191,844	+ 97,586	+ 106,221
Excess of imports	61,946	+ 7,291	+ 49,077	114,101	− 33,198	− 13,807

Excess of Imports into United Kingdom.

Month	1920	1919	1918	1917	1916
	£	£	£	£	£
Jan. ...	52,154,000	82,615,000	54,202,000	35,301,000	29,348,000
Feb. ...	61,946,000	55,039,000	57,214,000	24,668,000	22,470 000
Mar. ...	—	43,715,000	68,042,000	29,465,000	39,707,000
April ...	—	40,382,000	77,621,000	40,244,000	30,805,000
May ...	—	59,318,000	77,516,000	27,852,000	25,786,000
June ...	—	46,120,000	64,176,000	35,999,000	30,780,000
July ...	—	76,068,000	63,525,000	35,703,000	22,515,000
Aug. ...	—	58,718,000	64,435,000	46,220,000	20,632,000
Sept. ...	—	66,376,000	56,094,000	39,870,000	26,842,000
Oct. ...	—	54,783,000	72,768,000	39,405,000	28,781,000
Nov. ...	—	36,188,000	70,732,000	62,621,000	39,310,000
Dec. ...	—	52,717,000	74,797,000	44,450,000	29,434,000

External Trade of the U.K.: Last 6 Years.

(000's omitted).

Year	Imports	Re-Exports	Net Imports	Exports	Excess of Imports
1920	£	£	£	£	£
Feb. ...	170,514	22,604	147,910	85,964	61,946
Jan. ...	183,498	25,464	158,034	105,880	52,154
1919					
Dec. ...	169,735	26,160	143,575	90,858	52,717
Nov. ...	143,565	20,267	123,298	87,110	36,188
Oct. ...	152,486	19,642	133,844	79,061	54,783
Sept. ...	148,625	15,749	132,876	66,500	66,376
Aug. ...	148,832	15,311	133,521	74,773	58,748
July ...	153,140	11,757	141,383	65,315	76,068
June ...	122,946	11,964	110,982	64,562	46,420
May ...	135,657	11,495	124,162	64,344	59,818
Apr. ...	112,211	13,347	98,864	58,482	40,382
Mar. ...	105,772	8,949	96,823	53,108	43,715
Feb. ...	107,073	5,119	101,954	46,915	55,039
Jan. ...	134,518	4,560	129,958	47,347	82,615
Year					
1919 ...	1,631,902	164,322	1,467,580	798,373	669,207
1918 ...	1,316,150	30,945	1,285,205	501,419	783,786
1917 ...	1,064,164	69,677	994,487	527,080	467,407
1916 ...	948,506	97,566	850,940	506,280	344,660
1915 ...	851,983	99,062	752,921	384,868	368,053
1914 ...	696,635	95,474	601,161	430,721	170,440

According to a final memorandum issued by the Department of Statistics, India, the area sown under sugar-cane in British India is estimated at 2,667,000 acres, a decrease of 7%, compared with the previous year. The total yield of raw sugar is estimated at 3,001,000 tons, as against 2,370,000 tons last year, or an increase of 27%. The season, on the whole, has been favourable to the crop.

JOSEPH CROSFIELD & SONS, LTD.—*continued from p. 534.*

Applications for Shares must be made on the accompanying form, and forwarded with the amount due on application to the Company's Bankers, The Manchester & Liverpool District Banking Company Limited, Manchester, Warrington, London, and other Branches, or to Lloyds Bank Limited, Lombard Street, London, E.C., and Branches.

Where the number of Shares allotted is less than applied for the balance of the deposit will be repaid to the applicant.

Failure to pay the final instalment due on 3rd May, 1920, will render the amount previously paid liable to forfeiture, and the allotment to cancellation. Interest may be charged on any amount in arrear at the rate of 10% per annum.

Application will be made to the Committees of the London, Manchester, and Liverpool Stock Exchanges for an official quotation of the Shares now being issued.

Copies of this Prospectus and Forms of Application can be obtained at any Branch of the Manchester & Liverpool District Banking Company Limited, or of Lloyds Bank Limited, or from the Brokers named herein.

19th March, 1920.

APPLICATION FORM.

No. 1. No. .....

JOSEPH CROSFIELD & SONS, LIMITED, WARRINGTON.

Issue of 1,500,000 7½ per Cent. "A" Cumulative Preference Shares of £1 each at Par.

To the Directors of
JOSEPH CROSFIELD & SONS, LIMITED.

Having paid to the Bankers of the Company the sum of £....., being a deposit of 1s. per Share on application for ..... Shares of the above issue, I/we request you to allot the same to me/us upon the terms of your Prospectus, dated the 19th March, 1920, and the Memorandum and Articles of Association of the Company, and I/we hereby agree to accept the same or any less number that you may allot to me/us, and authorise you to place my/our name(s) on the Register of Members of the Company in respect of the Shares so allotted. I/we hereby declare that this application is not made by or for the benefit of any enemy subject within the meaning of the Trading with the Enemy (Amendment) Act, 1916.

Usual Signature .....

Name in full .....
(Giving title (if any) or stating whether Mr., Mrs., or Miss.)

Address in full .....

.....

Description or Occupation .....

Date ..... March, 1920.

Please write distinctly.

Cheques to be made payable to **Bearer** and crossed "NOT NEGOTIABLE." (If "Order" Cheques are altered to "Bearer" the alteration must be signed.)

The Bankers of the Company will not acknowledge receipt of the deposits paid upon application for Shares, but Letters of Allotment or Regret will be posted in due course.

This Application should be sent entire with Remittance to THE MANCHESTER AND LIVERPOOL DISTRICT BANKING COMPANY LIMITED, WARRINGTON, or other Branches; or to LLOYDS BANK LIMITED, Lombard Street, London, E.C., or Branches.

THE BANK OF TAIWAN, Ltd.

Incorporated by the Special Charter of the Imperial Japanese Government, 1899.

Capital Subscribed .. .. Y. 60,000,000
Capital Paid up .. .. Y. 37,500,000
Reserve .. .. .. Y. 8,210,000

Head Office .. .. TAIPEH, FORMOSA.
London Office .. 58 OLD BROAD ST., E.C. 2.

BRANCHES:—Amoy, Batavia, Bangkok, Bombay, Canton, Foochow, Hankow, Hongkong, Kiukiang, Keelung, Kobe, Moji, New York, Osaka, Semarang, Shanghai, Singapore, Soerabaya, Swatow, Tainan, Tokyo, Yokohama, &c., &c., and Correspondents in every principal town in the World.

The Bank is incorporated by Special Charter of the Imperial Japanese Government, and is authorised to issue its own notes in Formosa; conducts general Banking, Exchange Business; undertakes Trust business, and acts as Business Agents for other Banks. Special facilities are available for exchange business on Japan, China, India, Straits Settlements, Dutch East Indies and France, where the Bank has special working arrangements with Cox & Co. (France) Ltd. Deposits are received for fixed periods on terms which may be ascertained on application.

Financial Notes.

We offer our congratulations to Sir Brien Cokayne, the Governor of the Bank of England, on his elevation to the Peerage. Sir Brien is a member of Messrs. Anthony Gibbs and Sons, the well-known firm of South American merchants of Bishopsgate. Very few who are not brought into close relations with the Governor of the Bank of England appreciate how onerous are the duties of a Governor, even in normal times. Practically it means that from the period the particular Director is nominated Deputy-Governor, until he has filled his full time as Governor, he is expected to, and in practice does, devote his whole time to the service of the public in directing the affairs of the London Money market to the neglect of his own private business. It has been the custom, from the establishment of the Bank at the end of the seventeenth century, to select the directors from the great merchants of London; and, consequently, they are all men who have spent the greater part of their lives in the development of British trade, and mostly of British trade abroad. As a result, even under normal conditions, the Governor of the Bank of England for the time being has to sacrifice his private interests in the service of the Bank.

The new Peer succeeded the late Lord Cunliffe as Governor of the Bank in 1918; and, consequently, it fell upon him to discharge the onerous duties which inevitably fell upon the head of the Bank of England during the concluding stages of the late War. In the years that preceded the outbreak of that War the Bank of England to a very large extent fixed the exchanges and regulated the price of money throughout the world. In those days two circumstances contributed to enable us to do this. One was our world-wide trade, and the other our premier position as the great creditor country of the whole world. The War has very materially altered that position to our disadvantage. We are no longer able to regulate the exchanges to suit the convenience of a country which is primarily an importing one, because we are dependent for nearly two-thirds of our food supplies and a still larger proportion of the raw materials of our manufactures on overseas sources.

The difficulties of the Bank of England as the one ultimate source of supply for loanable capital have been increased rather than diminished by the altered circumstances. In the days when the London Money market was for practical purposes able to regulate the world's exchanges it was possible by the various changes in the Bank rate to adjust the price of loanable capital to the economic needs of the moment. This is no longer possible to anything like the same extent, partly owing to our indebtedness abroad, but mainly to the fact that the Government itself has such an abnormal supply of floating credits on the market that it is not possible for the Bank to exercise effective control. The result is that the Bank has to endeavour to the best of its ability to regulate the price of loanable capital so as to inflict as little injury as possible, and to encourage to the utmost of its power the trade of the country. Thursday's Bank return, which we discuss fully elsewhere, shows a somewhat improved position of the Bank; and, consequently no change was made in the official rate of discount. The Bank's profit for the past half-year exceeded half a million sterling, and the usual half-yearly dividend was declared.

There is a growing impression in the City that money rates must inevitably go up. Already it has been necessary upon one or two occasions for those who found it difficult to obtain accommodation in other quarters to apply to the Bank of England. The dominant factor in the world's Money markets at the moment is the state of the Money market in New York. The United States has obtained great advantages as a result of the War, and has, of course, increased its supply of loanable capital to a great extent. Nevertheless, when we bear in mind the great destruction of wealth which has taken place as a result of the War, and the fact that the United States itself expended large sums in connection with the War, it is by no means clear that the supply of loanable capital in the United States is adequate to her own needs. In pre-War days whenever New York was really in need of money she had no difficulty in obtaining whatever she required from the immense reserves which were available in Europe, and particularly in London, where a large proportion of the balances of the different countries of the world were constantly kept. Now New York has to rely entirely upon herself. We saw last autumn the extravagant rates to which money rose in New York. We are now approaching the spring sowing time, which naturally causes a certain demand for money in the United States. Later in the year there will be the necessity for gathering; and, finally, for distributing the crops. And it seems inevitable that there will be a very keen demand for money, not merely in New York, but all over the world.

Every country, from the Far West to the Far East, is in process more or less of reconstructing its economic fabric, which was to some extent disorganised during the War period. Consequently, everybody is in need of supplies. And when we say everybody, we mean, of course, those who have readily realisable securities to offer for the loans which they expect to get. Practically, it is impossible for the State bank of any country to refuse to make loans upon Government securities. We arrive at the position, therefore, that there is an abnormal demand for credits; and, in the nature of the case, instead of being an increasd there is a decreased supply as a result of the destruction of wealth which took place during the past five years. When we talk of the price of money what we really mean is at what rate are those in a position to grant economic credits prepared to sell, provided always that suitable realisable securities are forthcoming? In the last resort, as we have already said, it is practically to the State banks that borrowers have to go in the event of real stringency; and to avoid such stringency it is clearly the duty of those directing those State banks to take such measures as will safeguard the relatively limited amount of credit at their disposal.

We publish below a table which has been compiled by the National Federation of Iron and Steel Manufacturers. It is exceedingly interesting and very informative. It will be noted that the production is very far from being equal to what it was before the War, whether we take the grand totals or whether we take the monthly average. In 1913 the production of pig-iron amounted to 10,260,000 tons, giving a monthly average of 855,000 tons. In 1918 the total was 9,072,000 tons, giving a monthly average of 756,000 tons. In 1919 the total, as shown below, was 7,398,000 tons, giving a monthly average of 617,000 tons. The output in January of last year was as high

as 661,000 tons, but fell in the month of October to as low as 445,000 tons. The figure for the month of January of the present year is somewhat better, having been as much as 665,000 tons.

Turning now to steel ingots and castings, it will be seen that in 1913 the total output amounted to 7,664,000 tons, or an average of 639,000 tons. In 1918 the total output was £9,591,000 tons, and the monthly average 799,000 tons. The total production for 1919 was 7,894,000 tons, giving a monthly average of 658,000 tons, or a better figure than for the period before the War. Most months since show this, as will be seen from the figures of the table. But there was a big falling off in the figures for August and October of last year. For the month of January of the present year the output was 754,000 tons. The pig-iron analysis in the concluding table part of the table is on the whole satisfactory. It will be seen that the monthly average for hematite in 1919 was 232,000 tons, but it had advanced to 240,000 tons in January of the present year. The monthly average output of basic steel in 1919 was 198,000 tons. This improved to 229,000 tons in January of the present year. The average output of forge and foundry iron in 1919 was 171,000 tons, with an improvement in January last to 180,000 tons. The figures for the alloys were in both years the same.

Output of Pig Iron and Steel.

	Pig Iron Tons	Steel Ingots and Castings Tons
1913	10,260,000	7,664,000
Monthly average	855,000	639,000
1918	9,072,000	9,591,000
Monthly average	756,000	799,000
1919		
January	661,000	718,000
February	626,000	734,000
March	691,000	758,000
April	647,000	668,000
May	671,000	755,000
June	658,000	631,000
July	647,000	618,000
August	521,000	474,000
September	581,000	718,000
October	445,000	433,000
November	624,000	695,000
December	632,000	692,000
Total 1919	7,398,000	7,894,000
Monthly average	617,000	658,000
January 1920	665,000	754,000

Pig Iron Analysed by Kinds.

	Monthly Average, 1919 Tons	January 1920 Tons
Hematite	232,000	240,000
Basic	198,000	229,000
Forge and Foundry	171,000	180,000
Alloys	16,000	16,000
Total	617,000	665,000

We give below a table, taken from the *Board of Trade Journal*, giving the output of our collieries for the four separate weeks ended March 6. On the whole, the latest figures show an improvement on the preceding week, and they show, moreover, that we are closely approaching an output of five million tons, which was the average in the period before the War.

	Feb. 14 Tons	Feb. 21 Tons	Feb. 28 Tons	March 6 Tons
Northumberland	240,178	228,192	231,742	225,057
Durham	684,556	648,024	675,204	646,427
Yorkshire	787,605	787,725	778,916	780,763
Lancashire, Cheshire and North Wales	457,985	453,394	458,512	460,350
Derby, Nottingham and Leicester	601,342	596,010	599,848	600,374
Staffordshire, Shropshire, Warwick and Worcester	361,056	357,335	360,098	368,822
South Wales and Monmouthshire	1,004,949	1,008,128	963,996	1,022,047
Other English districts	96,306	97,822	97,146	101,961
Scotland	663,334	678,915	670,466	666,626
Total	4,897,311	4,855,845	4,835,928	4,852,427

A statement was issued at the end of last week to the effect that there had been a reduction of 7,707 members in the staffs of the various Government offices. The statement deals with something like 90% of the staffs of the various Government departments. It shows, however, that 383,183 persons were still employed in the various departments, mainly on clerical work, on February 1 last. 210,293 of these persons were employed by the Post Office. The next big figure is that of the Pensions Office, which is responsible for 21,643; and next comes the Labour Bureau with a staff of 18,718. One of the first essentials of national economy is that the Government, while preaching economy to the subject, should itself practise what it preaches. We would not, of course, say dogmatically that it is not necessary to employ in the various Government departments nearly 400,000 persons to carry on the ordinary functions of the departments. But we would point out to those whom it may concern that there is a strong impression, not merely in the City, but throughout the country, that these staffs are abnormally large. If the Government can satisfy the public that the business cannot be effectively carried on without the employment of this enormous army of people there is nothing more to be said. It is one of the difficulties which the country has been landed in as a result of the War. Surely, however, it would be to the credit of the Government, and to the national advantage, to appoint a committee, independent of the Government and independent of the Civil Service, which would ascertain if these abnormal staffs are really required.

The Finnish Central Board of Commerce and Industries has agreed to allow the Administrative Council of the Finnish Fair, which is to open at Helsingfors on June 27 next, to arrange a special section for foreign exhibitors, who will not be required to obtain import licences for articles exhibited. The goods should be addressed to the Finnish Fair, Helsingfors, and the Customs dues levied on foreign exhibits will be refunded on their removal from the country. In cases where it is desired that articles should remain in the country it will be possible to apply for licences after the exhibition closes. The Central Board of Commerce and Industries states that licences will more readily be granted for raw materials, machinery, and industrial and agricultural requisites, especially such as are not produced in Finland. Imports of articles of luxury will not be permitted at present.

The Indian Department of Statistics has issued a Final General Memorandum on the cotton crop of 1919-20, which is based on reports furnished by provinces, and refers to the entire cotton area of India, and with both early and late crops. The area under cotton is reported at a little over 23 million acres, or nearly 10% greater than the revised figure of last year. The total yield is estimated at 5,845,000 bales of 400 lb. each, which is 47% larger than the yield last year. The estimate of outturn, as compared with the sum of actual net exports, mill consumption, and extra-factory consumption in 1918-19, shows an increase of 46%.

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IRISH INDUSTRIAL COMMISSION. EVIDENCE.—IX.

Co. Council [illegible] Bryan stated that, from preliminary [illegible] a total [illegible] possible to develop between 3,000 h.-p. and 6,000 h.-p. by damming the river Slaney. As in the south-west of England, the agricultural community of Wexford could make use of the power thus developed.

Last year the meat supply and bacon factory of Wexford turned over £235,000, and this year, he believed, it would turn £400,000. Provided sufficient capital was available there are great opportunities of development. £20,000 has been supplied by the farmers, but a big capital is required, and they must be backed by the banks. In Continental countries there are co-operative banks which are prepared to finance co-operative trade bodies with loans, but these facilities are not available in this country. He thought it was a mistaken policy to refrain from organising co-operative banks and to remain satisfied with bank overdrafts at the rate of 4%. If the banks do not modify their arrangements and provide some machinery by which, on the collective credit of a number of individuals, money would be lent, there must be some co-operative institution started.

Up to the present England has been the best market of the whole world for food products. The cattle industry could now best be developed by shipping the meat and working up the by-products. It must be remembered, however, that it is possible to bring cattle to a certain stage as stores and then transfer them to men who can fatten them.

At Wexford between 200 and 300 cattle are killed per week, and the dressed meat is shipped. Considerable difficulty is, however, experienced in hot weather, and last summer between £100 and £200 was lost in this way owing to the lack of suitable transport facilities. During nine months of the year the meat is chilled, but there is room for another chill-room. To put in a tanning plant would cost £20,000 capital. Presuming the establishment of a dead-meat factory in Waterford, economies could be effected by the joint use of one plant.

Large farming as against small farming, if intelligently carried out, leads to larger production, but the difficulty is that on a large farm the men only work as laid down in accordance with prevailing ideas as to hours and conditions. In Italy a large number of farmers farmed co-operatively for their own interests. In the East of England a farmer had instituted a profit-sharing system which worked out very successfully, but the drawback is that elaborate accountancy is needed.

As regards the present educational system in vogue in agricultural districts, it is notorious that the smarter a boy is the less idea he has of taking up agriculture. Some of the secondary schools impart a distaste of anything savouring of manual labour.

Both capital and labour have been sweated in agriculture as compared with other industries, and he hoped to see agriculturists combining to get fair play as well as industrialists.

Adding together economic conditions, bureaucratic arrangements, and whatever there may be of the Hidden Hand, the Irish shipping system is as bad now as it was 200 years ago. Irish people should own their own ships, and refrain from selling them on a slight appreciation in the capital value.

Mr. Stephen O'Mara detailed his experience as a farmer. In 1917 he started a herd of Shorthorns which were all carefully selected cows giving an average of four gallons at the flush. With the coming of autumn the cattle went off colour in the land at his disposal, rated in Limerick of second quality, so he replaced them by a Kerry herd, which he discovered to be of a hardy nature and good milkers. Some of them milk over four gallons at the flush, two will give over 800 gallons for the year, and the average will be over three gallons at the flush. Probably three Kerries are as easily kept as two Shorthorns. The annual yield is a fairly constant multiple of 190 to 210 of the daily yield at the flush. A five-gallon cow would yield about 1,000 gallons annually, and a four-gallon cow about 800 gallons. Other things being equal the larger cows yield better than the smaller, but the difference in size does not make the difference in production one would expect. The size is very much dependent on the lands the cattle graze. Many of the Kerries in Limerick are as big as the ordinary cow, but they may be in-bred. From his experience a four-gallon Kerry cow is much commoner than a five-gallon Shorthorn. The average butter-fat from the latter is about 3.3%, while that from the former averages about 4%. That is an important point, as the creameries pay upon butter-fat content. Our aim would presumably be to keep the greatest number of large-yielding cows in whatever breed we may select. To do that milk records must be kept and breeding must be carried out on fixed lines, as keeping the heifers of the best breeding cows is not enough. The experiments of Mendel, an Austrian monk, in breeding peas, newly expounded some years ago, might, if his results were examined, throw some light upon the breeding of animals, and more particularly breeding cattle for milk production. His theories certainly coincide with the results gained when cattle are crossed. In large breeds of cattle there are three grades which we have to consider—500, 750 and 1,000 gallons annual yield—and witness contended that if the low grade is called white and the high grade red, and mated together, the result will be a roan of middle grade. Some years ago the Danish Herd Book was examined and the three grades found therein, and it was further found that the highest grade were the daughters of dams of their own grade or of the middle grade, and not of the lowest grade. Careful experiments would have to be made in this direction, as, unfortunately, milk yields in cattle are not so distinct or so fixed as the length and colour of the pea plant. Count Ahlefeldts, a Dane, crossed Jerseys and Red Danish. Red Danish gave 3% butter-fat and Jerseys 5%. He found that the yield was intermediary, about 4%. He (witness) had a similar experience in crossing a Dexter with a Jersey. It would be quite an impossible task for the average farmers to keep tests of 20 or 30 bulls for five or six years. It should be done by the State.

Some interesting details were given by Mr. Lough, Killeshandra, as to the improvement in the milking strain effected by the introduction of well-bred bulls. In particular he drew attention to the very successful results following the importation of a Red Lincoln bull into the district. There was a good deal to be said in favour of a "dual purposes" cow. In a county like Cavan, which is not first-class land, a fine type of dairy cow can be got to produce a good store beast. The best type would be a proper milking strain for Shorthorns. With regard to the dairy cow, he considered the Department of Agriculture had left them in the lurch. Cow-testing was absolutely essential. From his own experience he found that cows with a good milk yield had a very bad test so far as butter-fat was concerned.



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A CHANGED POSITION.

Mr. Paul M. Warburg recently read an interesting paper before the Second Pan-American Conference, at Washington, on "The Changed Conditions of Credit more or less throughout the World as a Result of the Recent War." Mr. Warburg began by stating that while the theory of banking is the same to-day as it was in the past, in practice its most fundamental feature has been almost universally abandoned. The essential characteristic of pre-War banking in the leading countries was that their paper circulation and their deposit liabilities were protected by, and therefore kept in a certain relation to, large gold reserves assembled in their central banks. These central institutions, in turn, could strengthen themselves by drawing on the floating gold supply carried in the pockets of the people and in the vaults of the banks, or by collecting their holdings of other nations' gold obligations. In other words, pre-War banking, in the issue of its credits, was based upon what used to be called for convenience a gold reserve; but it was based upon something more—it was based upon a gold reserve supplemented by real economic and realisable assets. Mr. Warburg pointed out that with the War it was no longer possible to purchase securities upon a sound economic basis, either resting upon gold or resting upon any real tangible values. Although, as Mr. Warburg in his paper rightly points out, the principles of banking remain the same in practice, whereas credit was granted upon some tangible asset, it has now come to be granted upon holdings of Treasury bills and Government paper, the only basis of which is the credit of the respective Governments issuing such paper. The result is that where these Governments are in a position to supplement their credit by some sort of tangible asset, their exchanges with relation to neutral countries, and countries which are still more or less upon a gold basis is comparatively good, whereas in those countries which can yield little or nothing in the way of tangible assets, and whose credit is merely a promise that in some undefined future they will be able to meet their obligations, the exchanges are exceedingly unfavourable. Practically, Mr. Warburg arrives at the conclusion which nearly all economists who have carefully studied the question have likewise come to, that the real difficulty arose from the necessity of issuing extravagant supplies of Government paper; and, consequently, to finance this Government paper, which was intended to purchase war material, and to enable the civil population to carry on, it was necessary to issue abnormal supplies of credit, as, for example, our own Treasury notes and similar issues, based upon the security practically of the credit of the Government alone. There was not only little or no gold behind it, but there were no tangible assets behind it, as in the case of trade bills. A bank in the pre-War period could, and did, grant large amounts of credit on trade bills. But, inasmuch as these trade bills were themselves issued against tangible realisable assets of at least as great value as the bills, as soon as the commodities were sold in the market the bills themselves could be at once liquidated. But it is not possible to sell in the market hundreds of thousands of Government securities against which no tangible assets exist, and which were issued for the purpose of expending them on shells and for other unremunerative purposes of government. To some extent they were issued to enable the civil population to carry on. But even here a great deal of the issue was for purposes other than those of a productive nature. Consequently, the goods did not form an economic asset, but were destroyed without replacing the credit granted against them. Mr. Warburg is in agreement with most economic observers in finding that the appeals of private individuals in various countries to reduce expenditure have not proved a conspicuous success. How, indeed, as he rightly argues, could it be otherwise when the Governments themselves making the appeal do not restrict their expenditure within their respective revenues? Mr. Warburg argues that the principles of banking, being the same in post-War as in pre-War periods, it will be necessary more or less to return to the practice as expressing those principles. He naturally comes to the conclusion that the first thing essential for the rehabilitation of credit and the improvement of the exchanges of those countries which are adverse, in the sense that they are not able to offer tangible assets to their creditors, can only be restored by the Governments themselves drastically cutting down their expenditure within the measure of their income.

Mr. Warburg incidentally exposes the fallacy that the peoples of those countries which did not impose heavy war taxation really escaped taxation during the War. As a matter of fact, they paid taxes, and taxes in the most onerous form, by the extravagant prices which they had to give for a steadily decreasing supply of commodities.

"Statistics of Income." Compiled from the returns for 1917 under the direction of the Commissioner of Internal Revenue. Published by the Treasury Department, United States Internal Revenue, Washington, U.S.A.

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Rubber Topics.

THE weakness that characterised the Rubber market during the week was but the reflection of the dull and depressed state of the Stock markets in general. No relief was afforded by the Bank return with its improved position and absence of change in the rate. With the raw material falling to 2*s.* 4*d.* per lb. there was little inclination to invest in shares. Neither was there, however, any undue pressure on the part of sellers, for it was generally realised that this decline in the price of rubber was more of the nature of a temporary phenomenon consequent on the reduction in the American demand, which had been so much in evidence for months past. Reconstructions and capitalisations still continue to take place. Shareholders in Devon Estates (Malacca) have approved of a scheme whereby in the new Company they will receive five fully-paid shares of £1 for each £1 share held. The directors of the Bikam Rubber Estate propose to increase the capital to £120,000, and to capitalise £20,000, which is to be distributed amongst the shareholders in the ratio of one 2*s.* share for every three shares held. In the Anglo-Malay Rubber Company reconstruction will raise the capital to £500,000, of which existing shareholders will receive £375,000 in fully-paid shares of £1 each for every four shares of 2*s.* held in the existing Company, and, if profits permit, a final dividend of 45% is to be paid in respect of 1919.

GLEN BERVIE (SUMATRA).

Issued Capital: £69,910 in £1 Shares.

	Results for Years to September 30—						
	Total Planted Acres	Rubber Output lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend— Amount £	%
1915-16 ...	1,446	237,588	2/7	1 6½	12,400	7,500	15
1916-17 ...	1,446	278,406	2 6½	1 8	11,718	7,500	15
1917-18 ...	1,847	265,751	1 8½	1 8¾	2,033*	—	—
1918-19 ...	2,229	348,946	1 10	1 3¼	10,677†	7,805‡	15‡

* Loss. † Free of tax. ‡ Less tax.

Price of Shares, 74/0. Market Capitalisation per planted acre, £116.

ONCE again this Company has resumed its career as a dividend-paying concern. For shareholders 1917-18 was a year of sterility. In the main this was due to the participation in the restriction of output advocated by the Rubber Growers' Association, the crop harvested during that year falling to 265,751 lb. and producing a net loss of £2,033, as compared with a profit of £11,718 in the preceding year. For 1918-19 the harvested crop of 348,946 lb. represented not merely a considerable improvement on the yield of 1917-18, but was also in excess of the estimate of 330,000 lb. There was an increase of 3¾*d.* in the average gross price realised per lb., whilst the total cost fell to 1*s.* 3¼*d.* per lb. Thus a net profit of £10,677 was secured, out of which shareholders receive a dividend of 15%, subject to tax, which absorbs £7,805. The outlook for the current year is still more promising. The estimated crop is as high as 425,000 lb., and the crop harvested during the first four months of the current year amounts to 166,795 lb, which would indicate the rather conservative nature of the estimate. No less important is it to note that the crop during the year under review did not benefit fully from the prevailing high price of rubber, for, as the Chairman pointed out, sales at high prices were only effected during the latter quarter of the year. Since the accounts closed much of the stock in hand has been disposed of at prices in excess of the prescribed valuation of 2*s.* 1*d.* per lb., and contracts are in existence for the realisation of the output of the current year at prices of 2*s.* 3*d.* per lb. as regards seven tons a month, whilst two tons a month of the 1921 crop have been sold forward at 2*s.* 3½*d.* per lb. Prospects for the more distant future are no less satisfactory in view of the potentialities of the estate. Hitherto only 115,594 trees were in tapping out of a total number of 243,724; and this number will be still greater when the remaining 101 acres of the Glen Bervie estate will have been planted, as is expected, during the current year. The report of the Visiting Agent leaves no doubt as to the excellent condition of the whole plantation. In particular, emphasis is laid upon the almost complete absence of disease among the rubber trees. Draining and cultivation work recently executed on Glen Bervie have improved considerably the condition of the backward areas. The report on the Futura estate is no less enthusiastic, and dwells upon the great prospects for the future, as evidenced in the satisfactory development of the property. Caution, however, is engendered as regards the immediate future by the loss arising from two sources—the scarcity of rice and the exchange rate. In rice during the year under review almost famine conditions were prevailing in the East. Having to supply native labour with rice rations at a fixed rate, there was incurred a loss of £3,599, representing over 5% on the issued capital of the Company, and there is no reason for expecting any considerable relief during the current year. The unfavourable exchange resulted in a loss of £1,193, and in this respect the situation has since become worse, involving a loss of 5*s.* in every £1 remitted to Sumatra. A partial relief may be afforded by the further reduction anticipated in the weeding costs, which worked out during the year under review at 9½*d.* per acre per month, as against 10½*d.* per month in 1917-18.

A survey of the balance sheet confirms this favourable impression of the condition of the Company. To meet the small claim for liabilities, amounting to £6,419, there is an investment in National War Bonds of £7,000, whilst the total of liquid assets exceeds £37,500. The issued capital of the Company, ignoring outstanding calls of £455, amounts to £69,910. in shares of £1, whilst the estate account stands at £86,863, and this amount does not include buildings and machinery, the former of which have been written down to the nominal sum of £1 in both estates. Thus the position would seem ripe for capitalisation, especially in view of the fact that reserves, including premiums on shares, amount to £35,512, excluding the excess profits duty reserve of £5,000, which, it is anticipated, will not be required for this purpose. But this is not the policy of the directors. Unless forced by legislative enactments against high dividends, they do not intend to follow the example set by so many rubber companies. They propose, on the other hand, to provide for the further development of the Futura estate by issuing the remaining 5,090 shares to existing shareholders at a premium of £2 per share. That the issue will be promptly accepted there seems little reason to doubt when it is borne in mind that the market quotes the existing shares in the neighbourhood of 74*s.*

YAM SENG (PERAK).

Issued Capital: £42,000. in 419,000, 2/0 Ordinary Shares and 1,000 2/0 5% Preference Shares.

	Results for Years to October 31								
	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit* £	Ord. Dividend Amt. £	Ord. Dividend %
1915-16	1,134	1,000	356,556	356	2/7½	1/4	18,661	11,592	35
1916-17	1,298	1,050	403,803	384	2/6¼	1/3	21,248	11,770	37½
1917-18	1,709	1,050	346,360	340	2/1½	1/6¼	12,541	3,775	12½
1918-19	1,709	1,307	443,471	340	1 11½	1/2¾	18,019	10,473	25†

* Including balance brought forward, &c. † Free of tax.

Price of Shares, 11/9. Market Capitalisation per planted acre, £144.

According to the report of this Company for the year ended October 31, 1919, there has been a marked improvement in almost every direction. A record output has been obtained, which is not only considerably in advance of the output of the previous year, but also exceeded the estimate by over 23,000 lb. It will be observed that the average yield per bearing acre remains unchanged at 340 lb. Consequently, the increased output is in the main due to the increase in the area in bearing from 1,050 acres to 1,307 acres. Sales were not effected at such favourable prices as in 1917-18, the average for the year under review falling by 2½*d.* to 1*s.* 11¼*d.* On the other hand, it is gratifying to record a still greater decline in the "all-in" cost, which only amounts to 1*s.* 2¾*d.* per lb., as compared with 1*s.* 6¼*d.* in 1917-18. The profit available for dividend amounts to £18,019, as against £12,541, and consists of a working profit of £11,155, a balance from the last accounts of £5,766, bonuses forfeited to the amount of £100, and a windfall in the form of a refund of excess profits duty to a total of £997. Having met the trivial dividend of £3 12*s.* 1*d.* on the 5% Preference shares, Ordinary shareholders were allotted £10,473, representing a dividend of 25%, which was paid free of tax, whereas the previous dividend of 12½% was subject to tax. Hence shareholders receive a dividend of over 35½% subject to tax, or nearly three times as much as in 1917-18. There is left over a balance of £7,542 to be carried to the next accounts.

The balance sheet discloses a very satisfactory position. Sundry liabilities, including an overdraft on the Bank of Ireland for £22,674, amount to £30,071, whereas the total of liquid assets available exceeds £63,353. The capital account is unaltered at £42,000, whilst the estate account, after deducting the usual allowance for depreciation, is estimated at £74,316. The comparison at once suggests capitalisation, and the suggestion develops strength when it is seen that, in addition to a share premium account of £17,587, there is a general reserve fund of £30,000, in addition to the balance of profit and loss account of £7,542, to provide the funds necessary for the operation. It is not surprising, therefore, to learn that the directors propose to increase the authorised capital from £45,000 to £85,000, and to capitalise £41,900 of the reserves to enable a bonus distribution of shares to the existing shareholders at the rate of one share for each share already held. When such a transfer has been effected the share premium account will have vanished, and the general reserve fund will have been reduced to £5,687. With such immediate prospects in view the high price of 11*s.* 9*d.* at which the existing shares stand in the market becomes more intelligible. This is especially the case when the future prospects of the Company are estimated. In the current year a crop of 450,000 lb. is expected, and the actual crop harvested during the first quarter amounts to 115,489 lb., which is somewhat in excess of the necesssary proportion of the estimate. Moreover, there is good reason for believing that the crop will fetch better prices. Forward sales have been entered into as regards 60 tons at 1*s.* 11¾*d.* per lb. and 48 tons at 2*s.* 4¾*d.* per lb., both ex godown at Singapore, whereas the average for the year under review worked out at 1*s.* 11¼*d.* only.

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PEARL ASSURANCE COMPANY, LIMITED.

THE name of the Pearl Assurance Company was much before the public a few months ago in connection with a trade dispute which has now been happily settled. At the annual meeting on February 26 statements of a reassuring character were made both by the directors and by representatives of the outdoor staff as regards this matter, and the settlement arrived at appears to be creditable to all parties concerned.

Meanwhile the Company seems to be making good and, indeed, remarkable progress. The revenue account for the year ended December 31, 1919, in the industrial branch, which used to be the principal section of the Company's operations, though likely to lose that position in the future, shows an advance of £439,956 in the total premium income, which amounted to £3,832,382. The policies taken out in this department are of small amount, being really designed in the main to cover funeral expenses. Part of the increase is due to additional policies being taken out by existing policyholders. As was remarked at the meeting, expenses of dying have increased concurrently with expenses of living, and provision is being made to meet some of the additional costs of this kind accordingly. It was interesting to hear that the average premium paid in the Company's industrial section is more than double what was the case a few years ago, about 4½*d.* weekly in place of about 2*d.* The industrial fund at the close of last year amounted to £8,143,521, showing an increase of £886,184.

Industrial assurance, owing to the conditions imposed by weekly collections of premiums and the increased remuneration which has to be paid to agents, must always be an expensive form of thrift, and there really seems little necessity for it when the assured has put by the modest sum which is involved in provision for his decent interment. It is satisfactory to note that the leading insurance offices hitherto engaged in this sphere are making a great and successful attempt to educate their public to effecting ordinary life policies, which is a much better way of achieving the purpose in view. The progress of the Pearl in this direction is very great. The Company grants ordinary life policies for £25 and upwards, the premiums for which may be paid by annual, half-yearly, or quarterly instalments. In this way it is doing excellent service to the community, for its agents, like those of other offices of its kind, come into connection with an immense number of persons belonging to the wage-

earning population who are unable to effect policies for large amounts, and with whom the agents of middle-class life offices seldom get into touch at all. The ordinary assurance department of the Pearl bids fair to become its most important section. In 1919 the Company issued in this department no fewer than 60,383 policies for £8,399,239, producing a new annual premium income of £553,600. This volume of new life business (which is greater by about 50% than was reported for 1918) has never been surpassed in the history of the business in this country, save in the case of the altogether exceptional Prudential Company, which a director described at the Pearl annual meeting as his Company's "big brother." Meanwhile the little brother is growing rapidly. The Company's total ordinary life premium income was increased in 1919 by £428,334 to £1,817,425. This department is managed with commendable economy, the relative expenses, inclusive of commission, having absorbed only about 12.2% of the premiums, which is less than one-third of the expense ratio in the industrial section. The ordinary life funds were increased by £1,294,603 to £7,197,427, and the net interest yield thereon, after deduction of income tax, seems to have been about £3 18*s.* per cent., as compared with the valuation assumption that 3% would be earned. The bonus, declared in reversionary form, on participating policies for the present year is 25*s.* per cent.

The war claims paid by the Company during 1919 amounted to £75,081, and the total paid by it in this way from the commencement to the close of hostilities was £766,816. The total claims paid during the year exceeded two millions sterling.

The Company entered last year upon the transaction of fire and general business, in addition to employers' liability and accident business, which it had previously begun. These subsidiary departments are relatively small at present, but in due time may be largely and successfully developed. The premium income and funds (at the close of the year) in other departments than life assurance were as follows:—

	Premium Income	Funds
	£	£
Accident	38,388	23,993
Employers' liability	5 041	5.050
Fire and general	5,265	12,746
Capital redemption	844	3,573

The balance sheet of the Company as at December 31, 1919, shows total assets of £17,015,672, of which £7,641,664 represents investments in British Government securities.

WEST OF SCOTLAND INSURANCE OFFICE, LTD.

New insurance companies have sprung up like mushrooms by the dozen during the last few months, and many of them will seek to justify their existence by writing a vast amount of business. But insurance is a highly specialised business, and it does not always thrive best under forcing tactics. The new offices that are all out for premiums, however rates may be cut to obtain them, have as a rule but a mushroom existence. Those that are content to wait, and are careful in the selection of the risks undertaken, do not make much of a show at first, but if well managed they succeed in the long run. The history of the West of Scotland insurance office might be studied with profit by some of the latest ventures. It has taken it more than 30 years to build up its business to its present magnitude, and, although its operations are not yet on a large scale, its experience within its self-imposed limitations has been so uniformly successful and its reserves are now so strong that its prospects must be considered generally excellent. Prior to last year its subscribed capital amounted to £175,000, of which only £35,000 was paid up, in shares of £5 with £1 paid on each. The dividend for 1918 was at the rate of 25% (surely a very good return), and the reserves in hand, apart from capital, represented something like a whole year's premium income. Opportunity was taken in 1919 to issue a further 15,000 shares to existing shareholders at a premium of £1 per share, which on the basis of the dividend paid made them very attractive. The subscribed capital, therefore, now amounts to £250,000, of which £50,000 is paid up. The amount of £15,000 represented by the premium on the new issue was added to the general reserve fund.

The premium income in 1919 amounted to £176,163 (fire business, £111,012; employers' liability, £6,470; general, £58,681), as compared with £145,185 in 1918. The profits as deduced from the departmental revenue accounts appear to have amounted to £21,552, of which £15,458 arose from trading, while £6,094 is represented by interest earnings. £15,000 is transferred to general reserve (making with the premium on shares above referred to a total addition of £30,000 to that fund), and £7,350 is applied in providing a dividend at 30% less tax on the original 35,000 shares. The balance carried forward thereafter in the profit and loss account to 1920 is £12,684, as compared with £13,481 in the previous year.

At the close of 1918, after these allocations the general reserve fund amounted to £75,000, the departmental funds to £112,618 (fire fund, £64,405; employers' liability fund, after deduction of estimated liability in respect of oustanding claims, £7,588, and general insurance fund, £40,625), and these added to the balance in profit and loss account above shown aggregate £200,302, representing over 114% of the premium income. The total assets as shown in the balance sheet amounted to £335,593. Few companies, whatever their age, can show stronger proportional reserves, and the Company evidently possesses a select and profitable business. The results to shareholders have been eminently satisfactory, and its career is an example which some of the recently established concerns might well be content to follow.

Industrial Companies.

HARRODS STORES.

Year ended Jan.31.	Gross Trading Profit	Working Expenses.	Reserve	Pref. Div.	Ord. Div. Amount.	Ord. Div. %	Founders' Shares Div. Amt.	Carried *Forw'd.
	£	£	£	£	£	%	£	£
1915..	873,514	542,676	21,350	47,726	156,000	26	86,075	17,072†
1916..	771,102	524,032	9,488	60,000	120,000	20	49,500	28,967‡
1917..	855,965	576,604	12,125	60,000	90,000	15	49,758	46,330‡
1918...	991,870	612,342	16,023	60,000	90,000	15	67,103	81,432‡
1919...	1,183,718	763,577	27,514	60,000	166,250	17½	—	66,481
1920...	1,852,861	1,099,320	51,795	60,000	261,250	20(*a*)	—	218,890(*b*)

* In September 1917 the 1,100 Founders' shares of £1 each were by agreement exchanged for 350,000 Ordinary shares of £1 each.
† To credit of Ordinary shares.
‡ To credit of Ordinary and Founders' shares.
(*a*) But only 15% on 500,000 Ord. shares recently issued.
(*b*) Subject to excess profits duty, if any.

This is essentially the era of the big business. Whether it be in the sphere of finance, manufacture, transport, or distribution, the result is the same: the economies derived from operations conducted on a large scale confer upon the business unit thus organised advantages so great that the small individual can scarcely hope to compete with success against it unless he can command skill of a unique personal character, or has at his disposal some secret process or patent. Out of the realisation of this fact have sprung the many combines that are to-day so salient a feature of the economic structure. And the success that has attended the majority of these amalgamations is perhaps the best testimony to the wisdom of the policy that gave birth to them. High up in the list of successes achieved through large-scale organisation stands Harrods Stores. For the London stores—as, indeed, for most forms of industry and commerce—the past year has been one beset by the many difficulties that characterise the transition from war to peace. Despite this drawback Harrods have continued to replace old records by new ones. The gross trading profit of £1,852,861 represents an advance of over 50% on the record of the previous financial year. As can be seen from the

above table, working expenses have increased markedly since 1916, being over double the total of that year. But owing to economies rendered possible by the size of the business and by the wisdom of the directorate, the expansion in the gross trading profit was greater still. Thus for the year under review, despite a big increase in the working expenses, there was available a net profit of £583,635, as against £352,042 for 1918-1919. Out of this profit, in accordance with the articles of association, there has been a steady allocation to reserve, the amount for 1919-20 being £51,795. After paying the necessary dividend to the Preference shareholders, Ordinary shareholders received a dividend of 20%, and there was carried forward to the next accounts a balance of £218,890, out of which any liability in respect of excess profits duty was to be discharged. This expansion of trade, as evidenced in the remarkable increase in the annual turnover, is mainly the outcome of the policy of the directors in acquiring such other businesses and opening such new branches as they conceived advisable. Previous acquisitions have by their development justified the outlay. The firm of Dickins and Jones had earned for 1919-20 a trading profit of £130,191, as compared with £68,597 when purchased in 1914, and the Ordinary dividend had been increased to 7%. More successful still had been the venture of Harrods (Buenos Ayres), Limited, whose purchase of the South American Stores had been almost completed. Here the parent firm possessed 54,000 Deferred shares, which appeared in the current balance sheet at the cost price of £2,700, but which were estimated to command £500,000 in the market. Within the year under review there had been acquired the well-known Manchester business of Kendal, Milne and Company, whose profits for six months contributed to the record turnover already noted. As regards future prospects, the keynote was supplied by the Managing Director, who declared that "he could conscientiously say that the business was only in its infancy," and sounded still more clearly by the Chairman in his assertion that the business of the current financial year was already showing an increase over the same period of the year under review. And it cannot be said that such views are unduly optimistic. For in the current year the full effect of the purchase of Kendal, Milne and Company will be felt, and the increased prosperity of the parent firm and of Harrods (Buenos Ayres) cannot well be gainsaid. Moreover, there is good reason to believe that the firm will succeed in acquiring one of the outstanding business sites in London, as a result of the negotiations that are being conducted with Messrs. Swan and Edgar. Whilst no certain information is to hand, it is understood that the purchase price will be in the neighbourhood of £650,000. Again, there has been registered still another development in the form of Harrods (Continental), Limited, to supply goods to the Continent, and especially to Belgium. But owing to the abnormal exchange situation this business has, during the year under review, resulted in a loss.

The strong financial position of the Company is clearly revealed in the balance sheet. Liabilities, including all conceivable charges on which payment would have to be made, amount to £2,515,624, and these are fully covered by the total of sundry debtors and investments, which stands at £2,600,348, and this includes the Deferred shares in Harrods (Buenos Ayres) already noted. Other liquid assets in the form of cash and stock are available to the extent of £1,864,904, whilst fixed assets are recorded at over £3,000,000. The share capital as issued comprises £1,200,000 in 5% Cumulative Preference shares and 1,425,000 Ordinary shares of £1 each. After 1917 the 1,400 Founders' shares of £1 each were replaced by agreement by 350,000 Ordinary shares of £1 each, thereby raising the Ordinary share capital to £950,000. The further increase to £1,425,000 was the outcome of a very successful issue during the year under review. It was agreed at the general meeting to increase the authorised Ordinary capital by 700,000 shares. Of these the directors propose to allot 475,000 as bonus to existing shareholders at the rate of one fully-paid share for every three Ordinary shares held, the balance to be held available to meet future developments. The £475,000 required for this purpose is being taken from the reserve, which stands at £1,763,671, after writing off £532,779, representing the value of the goodwill of their recent Manchester purchase, and the item connected with the conversion of the Founders' shares into Ordinary shares. The 5% Cumulative Preference shares of £1 are quoted in the neighbourhood of 15*s.*, whilst the Ordinary shares command a price of 86*s.* 3*d.* ex dividend. Even at this price they are a promising investment in the light of the announcement of the directors that the proposed bonus issue will not in their opinion reduce the rate of dividend for the current financial year.

New Issues.

JOSEPH CROSFIELD AND SONS, LIMITED.

This Company has an authorised capital of £10,000,000, of which £2,900,000 are issued and fully paid. A Debenture debt of £290,000 has, on a resolution passed last month, been redeemed, with the exception of £5,945, the holders of which have not yet claimed redemption. No new Debentures or Debenture stock can be issued ranking in front of the Preference capital now created without the consent of a three-fourths majority of the several classes of Preference shareholders. The Company is now making an issue of 1,500,000 7½% "A" Cumulative Preference shares of £1 each at par, carrying a fixed cumulative preferential dividend at the rate of 7½% on the capital for the time being paid up. The Company was formed in July 1896 with a capital of £300,000 to acquire a soap, glycerine, and chemical business established in Warrington as far back as 1815. The business grew rapidly, and in October 1919 the whole of the Ordinary shares were purchased by Associated Enterprises, Limited, a Company whose whole capital is held by Lever Brothers, Limited. The surplus of assets over liabilities on November 30 last was £4,495,122. During the past five years the profits of the Company have grown from £290,800 to £1,038,840, the average being £595,711. The annual amount required to pay the dividends upon all Preference shares, including those now offered, is £227,500. The surplus profit for the past financial year, after allowing for depreciation, income tax, and excess profits duty, would have been sufficient to provide the Preference dividend more than three times over.

WATERFALL (SELANGOR) RUBBER ESTATES, LIMITED.

This Company has been formed with a capital of £1,000,000 in £1 shares, 850,000 of which it is now offering for subscription at par. The Company has secured various estates aggregating 5,581 acres in the Ulu Selangor district of the State of Selangor, F.M.S. The property consists of 4,295 acres devoted to rubber, of which 3,500 acres are in bearing; 23 acres to coconut, all in bearing;

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The Company offers the services of its organisation to manufacturers and others desirous of establishing new connections in the East and elsewhere.

and 291 acres to building sites; while there are 972 acres of jungle reserve. The estates are equipped with factories, bungalows, and other buildings of a permanent type; have an excellent water supply, roads, bridges, and fences. The property has been valued at £758,132. The vendors, Messrs. Boustead Bros., of Fenchurch Street, are taking payment as to £900,000 British Government Funded Bonds, 1919, with May coupons attached, which have been acquired for the purpose at the price of £70, making £630,846; and as to £75,000 in cash. All the directors are men intimately connected with the rubber industry.

With the object of acquiring, developing, and working 35 tin properties in the Bauchi district of Northern Nigeria, the YARDE KERRI GROUP TIN MINES, LIMITED, has been formed with a capital of £150,000, divided into 600,000 shares of 5*s*. each, 200,000 of which are now offered for public subscription at par. The directors hold a firm offer to take any part of the present issue if they are not fully applied for. The vendor disposes of the properties for £130,000, payable either in cash or partly in cash and partly in shares, the purchase price to include buildings on the various properties and all loose plant, while tools and stores will be taken over at a valuation.

BUKIT NILAI RUBBER ESTATE, LIMITED, has been formed with a capital of £50,000, divided into 500,000 shares of 2*s*. each, and the public are invited to subscribe for 245,000 of these at par. The Company is to take over from March 31 the Nilai Estate of 600 acres, situate in the Labu district of Negri Sembilan, Federated Malay States, within 2½ miles of the main railway line to Singapore. The estate is held under a direct grant from the Government of the States in perpetuity. Of the 600 acres acquired 472 have already been planted, while the remainder is already cleared and in course of planting. Trees in the districts are tapped at the age of 4½ years, and in the next seven years a production of 735,400 lb. is looked for.

WOLSEY, LIMITED, has been formed with a capital of £3,000,000, and invites the public to subscribe for 600,000 7½% Cumulative Preference shares of £1 each at par and 120,000 Ordinary shares of £1 each at 30*s*. per share. The Company has been incorporated with the object of acquiring the business and property and all the undertakings and assets of Walker, Sons and Tyler, Limited, manufacturers of the well-known Wolsey and Rameses underwear.

THE AMALGAMATED GLASS BOTTLE WORKS, LIMITED, has been formed with a share capital of £200,000. These shares are divided into 75,000 10% Cumulative Participating Preference shares of £1 each and 125,000 Ordinary shares of £1 each. The public are invited to subscribe for the Preference shares. The Company has been formed to acquire the existing glass bottle works of E. Youldon, Limited, of Treby Street, Mile End Road, and the Nucla Glass Works, Limited, of Barking, Essex. Both these are going concerns, and the object of the Company is to manufacture bottles of many types for trade uses, and proposes to erect a number of new furnaces.

BENZOL AND BY-PRODUCTS, LIMITED, has been formed with a capital of £700,000, divided into 350,000 10% Cumulative Convertible Preference shares of £1 each and 350,000 Ordinary shares of £1 each. 100,000 Ordinary shares are held in reserve under option to the vendors at 25*s*. each. The public are now invited to subscribe for an issue of 336,000 10% Cumulative Convertible Preference shares of £1 each at 21*s*. 6*d*. per share. The Company has been formed to acquire and amalgamate the undertaking of Crigglestone Colliery and Coke-oven and By-product Works, producing coke, tar, ammonia sulphate, benzol, fuel oil, &c., with Mitcham Benzol Refinery, capable of an output approaching a million gallons per annum of standard quality motor spirit, with by-products of solvent naphtha (for paint and rubber industries), fuel oil, naphthalene, and certain other products. The Company will manufacture from its own raw material (crude benzol) and supply standard quality motor-spirit direct to the public.

THE ANGLO-BRAZILIAN EXPLORATION AND TRADING COMPANY, LIMITED, with a capital of £50,000, is offering for public subscription 40,000 Ordinary shares of £1 each at par. The Company has acquired about 12,000 acres in a district of Minas Geraes, said to be rich in diamonds and gold. The property, we are told, is suitable for the production of maize, tapioca, and cotton, and for grazing and farming generally. The Company has also acquired an option for twelve months on a platinum property, while negotiations are in progress for further concessions.

The Bank of England is authorised to receive applications for an issue of £4,000,000 Liverpool Corporation 6% stock, interest payable half-yearly on April 6 and October 6. The stock may be redeemed by notice, or at latest will be paid off at the Bank of England on October 16, 1950. The proceeds of the issue are required for general sanitary purposes, waterworks, tramways, electric supply, and in connection with housing. The stock is secured upon the whole rates and revenues of the Corporation. The rateable value of the city exceeds £5,000,000 sterling.

CLAUDIUS ASH, SONS AND COMPANY, LIMITED, the well-known mineral teeth and dental requisite makers, invite subscriptions for an issue of 150,000 Ordinary shares of £1 each. The capital of the Company consists of 500,000 5½% Cumulative Preference shares of £1 each and 650,000 Ordinary shares, including the present issue of £1 each out of a total authorised Odinary rapital of £1,000,000.

THE ANGLO-BALTIC AND MEDITERRANEAN BANK, LIMITED, invites subscriptions for an issue of 189,393 Ordinary shares of £5 each at par. The capital of the Bank is £1,002,500, divided into 200,500 Ordinary shares of £5 each, of which 11,107 have already been allotted for cash. The Bank has been established for the purpose of financing imports of approved raw materials and providing assistance to British manufacturers, merchants, exporters, contractors, and shipowners.

TIMBANG-DELI (SUMATRA) RUBBER COMPANY, LIMITED, has been formed with a capital of £400,000. divided into four million shares of 2*s*. each, of which 3¼ million shares are offered for public subscription at par. A quarter of a million shares will be allotted to the vendors as part consideration for the purchase of the estates. The Company has been formed for the purpose of acquiring various estates under a concession held from the Sultan of Serdang in Sumatra, Dutch East Indies.

CROWDEN AND KEEVES, LIMITED, has been formed with a capital of £300,000, and invites subscriptions for an issue of 150,000 8 Cumulative Preference shares an issue of 150,000 8% Cumulative Participating Preference shares of £1 each at par, and 75,000 Ordinary shares of £1 each, also at par. The Company has been formed for the purpose of taking over as going-concerns Messrs. Crowden and Garrod, Limited, of Southwark, and Messrs. James Keeves and Sons, Limited, of Boundary Street, Shoreditch, engaged in the hardware and brush manufacturing trades.

NATIONAL WELSH SLATE QUARRIES, LIMITED, has been formed with a capital of £280,000, divided into 180,000 7½% Cumulative and Participating Preference shares of £1 each, and 2,000,000 Ordinary shares of 1*s*. each. 100,000 of the Preference shares are now offered for subscription at par. Arrangements have been made to enable applicants for Preference shares to purchase two 1*s*. Ordinary shares at par for each Preference share subscribed. The Company has been incorporated to acquire and develop certain slate quarries in Merionethshire, North Wales, within four miles of Aberangell Station, on the Cambrian Railway.

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Commercial.

THE PROSPECTIVE WOOL POSITION.—IV.

On February 28 we examined the progress of the Government in carrying out their revised programme for dealing with the remainder of the controlled Australasian wool, and we suggested to the Ministry of Munitions that an announcement of the exact position should be made. The Ministry have since published a statement of the situation as it existed on December 31 last, and although we hoped for more up-to-date details, it is now possible to verify the estimates made in this series of articles. The position at October 31 and at December 31, 1919, may be stated briefly as follows:—

	October 31 Bales	December 31 Bales
Wool in stock or afloat for:—		
United Kingdom	1,070,000	875,844
Antwerp	—	19,403
U.S.A.	—	98,551
Stock and estimated balance of clips in:—		
Australia	2,680,000	3,050,384
New Zealand	770,000	
	4,520,000	4,044,182
Less for Colonial use, &c.	...(no allowance)	181,000
Total to be sold	4,520,000	3,863,182

The Ministry of Munitions do not supply any definite information on the two most important points, viz. shipments and disposals, and the importance of giving the trade precise details on these matters cannot be too strongly urged. In regard to shipping, the official notice admits for the first time the existence of a definite contract with the Australasian Refrigerated Tonnage Committee to clear all Government purchases of wool from Australia before September 30, and from New Zealand before November 30 of this year. We have repeatedly stated that, in our opinion, the shipping programme will not be fulfilled, and the latest announcement gives no ground for modifying this view. On the contrary, the Ministry themselves have now apparently given up hope of keeping to the time-table, but they add that no effort will be spared to exact the performance of the contract as nearly as possible. It will be noted from the summary given above that, assuming no change having been made in the estimated yields of the 1919-20 clips, the quantity of wool shipped from Australia and New Zealand together was only 400,000 bales in the two months November and December last. Under the programme 600,000 bales should have been lifted, and in the first two months there is thus a deficiency of 200,000 bales. Further, the imports of wool into this country in January were only 191,236 bales *from all sources*, and it is very probable, therefore, that the shipping arrangements are already fully two months behind. Unless an improvement is made the Australian clip, due to be cleared before September 30 next, will not be entirely removed until about the end of February, 1921. The 1920-21 "free" clips will begin to appear on the Australian markets about October 1 next, and the seriousness of the position from the point of view of the resumption of private trading needs no emphasis.

Turning now to the disposals in the United Kingdom, on which the Ministry of Munitions are unfortunately silent, it was estimated in our last article that the total quantity of wool offered for sale in this country from November 1 to January 31 was 676,000 bales, the figure for November and December only being 486,000 bales. If we omit the small deduction of wool to be used in the Colonies (which item appears only in the recent statement), the total quantity of wool to be dealt with has fallen in two months by about 476,000 bales. We very tentatively suggested that the withdrawals at the sales might be 10%, and our estimate of the sales in November and December was thus about 440,000 bales. It is quite certain that the withdrawals were more than 2%, and part of the drop of 476,000 bales must, therefore, be attributable to transactions not disclosed in the official report, probably to shipments direct to Japan. Proceeding on the lines previously set out, our estimate of the total quantity of wool offered for sale in this country is now as follows:—

	Bales
During November	228,000
,, December	258,000
,, January	190,000
,, February	183,000
Total	859,000

If the unsold bales be again taken at 10%, the actual sales will be only about 773,000 bales, against the 900,000 bales estimated by the Government. There is as yet no apparent reason why the existing rate of sale should be increased, and unless a change of this kind takes place the disposal programme in the United Kingdom will be at least four months in arrears on December 31 next. This four months includes two months' deficiency in sales in this country and the 530,000 bales shown in the Government's statement as a surplus at the end of the year. We are justified in assuming that this surplus will remain for sale in this country, for the Ministry is apparently even more behind in their shippings direct to foreign ports than they are in imports and sales in this country. The Government intended to send 840,000 bales direct to Antwerp, Dunkirk, Boston, Genoa, and Japan. We are not aware of any arrangements for sales having yet been made in Dunkirk or Genoa. The quantity sold to date in Antwerp and Boston is about 120,000 bales, so that, even allowing a liberal supply to Japan, on which no particulars are available, it is evident that an extension of the foreign sales must take place to absorb even the 840,000 bales without drawing at all on the surplus of 530,000 bales.

The plain facts of the case are these. The period under review began with large stocks of Australasian wools in this country; imports have fallen below the sales, and the deficiency has been made up from the initial stock; and unless the receipts in February and the following months show a distinct improvement we may expect an early reduction of the present buying facilities. As things stand at the moment the probability is that Government selling of wool would not end before April 30, 1921, even if no other method of securing these wools were available in the meantime. Wool is purchasable on private account in Australia from July 1 next; the Colonial farmers and merchants are forming a combine "to regulate" the sale of this material; and there is no great certainty that tonnage will be available for private consignments during 1920 or the first few months of 1921. It is as yet too early to formulate any very clear ideas of the effect this combine and the shipping difficulties will have upon the situation.

The London office of the Union Bank of Canada announces that branches of the Bank have been opened at Birch Hills, Sask.; Caistorville, Ont.; Cardall, Man.; Carmel, Sask.; M'Connell, Man. The name of the branch at East End, Hamilton, Ont., has been changed to "Barton and Ottawa Streets" Branch, Hamilton, Ont.

MEETINGS
OF PUBLIC COMPANIES.

IMPERIAL BANK OF PERSIA.

THE thirtieth ordinary general meeting of the Imperial Bank of Persia was held on March 15 at the Cannon Street Hotel, London, Sir Hugh S. Barnes, K.C.S.I., K.C.V.O., the Chairman, presiding.

The Chairman said: Gentlemen, Our financial year ends on September 20. Therefore, as you will remember, the first half of the year with which we are now dealing was an unquiet period, owing to the disturbances I alluded to last April. But since April, apart from some symptoms of unrest here and there, and the anxieties connected with the disturbed conditions beyond the northern frontiers, Persia has been at peace. Under the wise administration of his Highness Vossough ed Dowleh, the present Prime Minister, and of his colleagues, the country is gradually settling down. Business is reviving; all our branches have been actively at work, with the exception of Sultanabad, which shortage of staff has prevented our reopening, and if, as we shall all devoutly hope, Persia is not exposed to any fresh attack from without, either in the form of military operations or of aggressive Bolshevist propaganda, there is reason to believe that the country will speedily recover from the effects of the War and regain its former prosperity.

The period since last spring has been distinguished by three notable events—first, the conclusion of the important Anglo-Persian Agreement; secondly, the memorable visit to this country of H.I.M. the Shah; and, lastly, the grant to the Persian Railway Syndicate of permission to carry out the survey of a railway from the Mesopotamia border through Hamadan to Teheran, with a branch to Enzeli on the Caspian. No events could show more clearly the progressive character of the present Government and their determination not to be left behind in carrying out their share of the work of reconstruction which must everywhere follow the War. It will be not only the business, but the privilege and the pleasure of the officials of the Bank, as the State Bank of Persia, to do all in their power to assist and co-operate with the Persian Government and their official adviser in the important work of financial reform, on which the progress of the country will so largely depend.

You will also have seen from the statement which appeared in the newspapers that the Bank is one of the members of the Railway Syndicate. I venture to think that the Persian Government have shown much wisdom in deciding that the first railway to be made should be one connecting their capital with Baghdad. When the gaps in the Baghdad railway are completed, the construction of the Persian line will place Teheran in direct railway communication with Europe. The effect on the trade and general business of the country cannot fail to be considerable.

Turning next to the domestic affairs of the Bank, in October last our chief manager, Mr. Wood, decided to retire from active service. I spoke last year of the debt we owed to Mr. Wood for the ability, resource, and constant vigilance with which he guided the Bank through the difficulties and dangers arising out of the War. We entertain the hope that when Mr. Wood settles in this country we may succeed in persuading him to join the board. We have appointed as chief manager Mr. James McMurray, recently our branch manager in Hamadan.

In May last we decided to open an agency in Bombay. We expect the agency to be of great value in financing the increasing trade of India with Persia.

I think you will agree that the figures we are able to present to you show increased strength and progress and a satisfactory extension of business, the total on each side of the account amounting to no less than £10,076,303, as against £7,716,747 a year ago. The reserve account, you will see, now stands at £250,000. Notes in circulation have increased from £667,153 to £1,109,201. Deposits have risen from £1,789,368 to £2,830,064. Bills payable are £5,184,733, against £4,337,837. On the other side of the account, cash in hand, at bankers, and money at call in London are £2,103,003, while last year they stood at £1,392,389. The increase in bills discounted, loans, and advances from £1,996,274 to £3,241,933 is another indication of the extension of the Bank's business in Persia arising from the large calls made upon us for the requirements of the British and Persian Governments. Bills receivable are £987,733, as against £790,620. The net profit after providing for all charges amounts to £80,235—only £2,901 less than that of last year. The sum brought in is £27,388, making a total of £107,623. You will, I am sure, be glad to see that we have again added £30,000 to reserve; £40,000 represents the two dividends paid of 3s. and 5s. per share and we carry forward £27,309. It is essential for the present that we should be more than usually cautious and conservative in our finance. Next year I trust there may be a clearer and more assured prospect before us. I will now move the following resolution: "That the report presented be adopted, that the accounts to September 20, 1919, as rendered, be accepted, and that a final dividend of 5s. per share, paid free of income tax, on December 30, 1919, be and is hereby confirmed."

Mr. V. A. Cæsar Hawkins seconded the motion.

The Chairman having replied to one or two questions, the motion was carried unanimously.

The retiring directors were re-elected; and Messrs. Kemp, Sons, Sendell and Co., chartered accountants, were re-appointed auditors to the Bank.

ENGLISH INSURANCE COMPANY, LIMITED.

THE statutory meeting of the English Insurance Company was held on March 16 at Winchester House, London, E.C., the Right Hon. the Earl of Clarendon, D.L. (Chairman of the Company), presiding.

The Secretary (Mr. Robert Gray) having read the notice convening the meeting and the statutory report of the directors,

The Chairman said: Gentlemen,—Before I say anything in regard to the Company I should like to tell you that we have received letters of regret for non-attendance from two directors, Mr. Robert Wilson and Mr. James Beattie. Three other directors are not present to-day owing to their being under doctors' orders and not well enough to attend. These are Sir George Carter, Sir Johnstone Wallace, and Mr. Julian Orde. We are here to-day for the purpose of reporting progress in regard to this Company. As you have heard, the amount which was subscribed when the issue was put before the public was 589,396 shares, and, having regard to the slump which was more or less going on at that time and the enormous number of other undertakings appealing to the public for capital, your directors are of opinion that the response to their appeal was highly satisfactory. I may say here that the underwriters of the shares were relieved of all the obligations they undertook. As you are aware, the directors have made a call of 10s. per share upon the issue, and perhaps it would be right for me to point out here that there is a little divergence between my figures and those shown under the heading of receipts in the report which the Secretary has just read. The total amount which we shall have received when all the calls have been paid will be £294,698, and the explanation of the difference between that figure and the figure which appears in the report as shown in the first few paragraphs of the report. That amount, in our opinion, is ample capital with which to do business, and it will, moreover, give plenty of security for all contracts entered into.

Constitution of the Board.

I pass from that for the moment to deal with certain alterations which have been made on the board of your Company. Your late Chairman, Mr. Diamond, immediately after the pronouncement of the verdict last week handed in his resignation, not only as Chairman of the board, but as a director of the Company. Every man is entitled to his own political opinions, and, however much we may disagree with what Mr. Diamond said, he has, in our opinion, made the *amende honorable* by resigning his position as Chairman of the board and director of the Company. I would like to say one extra word in regard to Mr. Diamond. I think I am voicing the opinions of my colleagues when I say that we all feel that so far as his business capabilities, insight, and energy are concerned, we have lost a most loyal friend and a very valuable colleague. (Hear, hear.) In regard again to the board, I have to announce that Mr. Beattie, who is chairman of A. S. Henry, Limited, and a director of a good many other important commercial undertakings in the Midlands and the North of England, has been appointed a director. We feel confident that in having appointed him we have made a very wise and excellent choice.

Energetic policy adopted.

The policy of this Company will be a thoroughly forward one. We are going to employ thoroughly modern methods, and I may say that, in so far as the business which has already been done by this Company is concerned, your directors consider that we are progressing along most satisfactory and sound lines. As to the selection of the managerial staff, the board had in mind two important facts. In a Company of this description we shall not be satisfied—no one will be satisfied—unless we secure the services of the very best men obtainable: secondly, having done that, we consider that the salaries paid to these officials must be on generous lines if we are going to get the best work out of them. The board have exercised the utmost care in the selection of those who now belong to the managerial staff. The appointments are not yet complete, but the board feels confident that in those they have already chosen they have got energetic, sound, and live men. (Hear, hear.)

In touch with shareholders.

I have to announce that under the guidance of our most capable Managing Director, Mr. Percival J. Alexander, we have every reason to believe that important developments of the Company's business which are now being considered will shortly reach fruition, and we look forward with great confidence to ever-increasing support from all those concerned in the insurance world. There is one policy we have adopted, and which I think has met with appreciation, and that is the policy of meeting our shareholders in various centres throughout the country. Meetings have already taken place with shareholders in Manchester and in Newcastle, which I have every reason to believe were highly appreciated. It is hoped that in the near future meetings will be held in other centres.

I pass for a moment to another matter intimately connected with the Company, and that is with the procuring of suitable offices. We are at present housed in this street in offices which are totally inadequate. Negotiations have been proceeding for a very long time, and I think will shortly approach completion, by which we shall enter into possession of highly suitable premises in the City, in the heart of the insurance world. Towards the end of this month a very important event—an Inter-Varsity event—is going to take place. Oxford and Cambridge are going to row against each other. Our motto, like theirs, is "Forward," and if we all pull together, as each crew will when the event comes off, I feel sure the future of this Company is assured, and the English Insurance Company will occupy the position among big insurance companies of this country that it ought to do

The only other announcement I have to make is a personal one. Your board have done me the honour of asking me to succeed Mr. Diamond in the Chairmanship. I have accepted that position with a certain amount of diffidence. I feel a heavy responsibility rests on my shoulders, but with your assistance and the assistance of my colleagues and the managerial staff I can assure you I will do my utmost to make the Company the success it deserves to be. Mr. Packer, a member of the board, has been appointed Vice-Chairman. He is a man of vast business experience, and I shall look with much hope to him for the guidance and advice I am sure he will be ready to give me at all times. I sincerely hope—in fact, I believe—that the future of this Company as a successful undertaking is assured. Before I call on the Managing Director (Mr. Alexander) to make a statement the Secretary will read the auditors' report. (Applause.)

The Secretary then read the auditors' certificate.

Managing Director's Statement.

Mr. Percival J. Alexander (Managing Director) said: Mr. Chairman, Ladies, and Gentlemen,—Earl Clarendon has briefly outlined the present position of this Company. In conformity, however, with our consistent policy to take the shareholders into our full confidence in every possible manner—not only as required by the law, but in order that your directorate shall have the benefit of your co-operation—I have been asked by my colleagues to tell you more fully what has been accomplished during the three months of our life, and the lines on which we hope to achieve success. Since we obtained our certificate to trade on December 18 last we have gone far in organising our various departments, and after a great amount of careful selection and consideration we have appointed the heads of our most important departments. From the commencement, as we foreshadowed, the Company was a success, and, indeed, our activities have actually been hampered by the amount of business we have had to deal with before we were ready for it. Do not think I am complaining of this—it was what we could wish, but the difficulties in obtaining sufficient office accommodation for our increasing staff have been immense. Now to deal with our various departments. The fire department, under the capable personal management of Mr. Ashley E. Clayton, our General Manager, has met with immediate and most gratifying support, and the volume and quality of the business we are underwriting in that department are most satisfactory. With regard to our marine department, the directors' choice of Mr. Mercer as our marine underwriter has been amply justified by the results up to date, and this account should also prove in every way satisfactory, handled with the care and caution it is at present receiving. We have secured the services of two gentlemen, well known in their respective spheres, to act as the Company's accident and boiler department managers respectively, and already good business is being written in these departments. The appointment of a qualified life manager is now receiving our earnest attention, for we have already received numerous inquiries for life insurance. As far as it is possible to fit non-technical men into the complex technical organisation of an insurance company we are giving preference in all our appointments to demobilised officers and men who served in the Great War. (Applause.) The policies we issue, that is to say, the goods we sell, will be attractive and displayed to the best advantage. We are out to meet the needs of the public, and our aim is to give absolute satisfaction. Insurance was never more in demand, and insurance offers an inexhaustible field for enterprise. Finally, we are convinced, by the large amount of high class business we have already attracted to us, that there is a great future for an "independent" company which gives security and shows enterprise and initiative. (Applause.)

The Chairman: I now beg to move the adoption of the report which you have heard read to the meeting by the Secretary.

Mr. W. A. Packer seconded the resolution, and it was carried unanimously

The Chairman said he would like to thank the shareholders for their presence at the meeting. It was regarded by the board as a sign of the interest they had taken to make the Company a success. That augured well for the future.

Mr. Hopkins proposed a vote of thanks to the Chairman, which was duly seconded and unanimously approved.

The Chairman having briefly acknowledged the compliment, the proceedings terminated.

METROPOLITAN LIFE ASSURANCE SOCIETY.

The ordinary general meeting of the above-named Society was held on March 18 at the Cannon Street Hotel, London, E.C., Sir John B. Wimble, K.B.E. (Chairman), presiding.

The Actuary and Manager (Mr. Henry J. Baker, F.I.A.) read the notice and the auditors' report.

The Chairman expressed regret at the death of Mr. William C. H. Hunt and at the retirement of Mr. William C. Scott, who had been on the directorate for 36 years and 29 years respectively, and stated that Mr. Henry Tudor Crosthwaite had been appointed a member of the board. Proceeding, he said that the new business for the year consisted of 231 policies for £315,139, producing new annual premiums of £11,035. Reassurances were effected to the extent of £21,500, at annual premiums of £534, the net new amount of business being, therefore, £293,639, with annual premiums of £10,501.

A record New Business.

These figures showed the very satisfactory increase of £111,800 in the net new sums assured as compared with 1918. Last year's new business was, in fact, the largest in the history of the Society. They had not, however, been singular in this respect, as most life insurance companies had greatly increased their new business in 1919.

Influenza swells Claims.

Claims by death had arisen under 193 policies for £169,859, while the number and amount expected according to the table of mortality used in the actuarial valuations were 224 policies assuring £186,210. It was interesting to note that 75% of the policies which became claims last year were on lives aged at death 60 and upwards, 60% were on lives aged 70 and upwards, and no less than 25% were on lives aged 80 and upwards. The claims were £33,870 more last year than in 1918, as the result, principally, of the influenza epidemic. During the past five years the total claims by death had amounted to £798,749, as compared with £610,061 for the previous period of five years, the excess of £188,688 being to a large extent accounted for by the War and influenza.

Interest revenue increase swamped by extra Income Tax.

The rate of interest earned on the Society's funds was £5 per cent. before and £3 12*s.* 1*d.* per cent. after deduction of income tax, whereas five years ago the rates were £4 4*s.* 11*d.* and £3 18*s.* 6*d.* per cent. respectively. Thus the high rate of income tax which bore with exceptional force, and in his opinion very unfairly, upon life assurance offices more than offset the higher gross interest yield now obtainable. As compared with 1914 the gross interest had increased by £12,638, and the income tax by £23,474, the net interest being therefore less by £10,836.

Depreciation of high-class securities.

The Society's assets had, as usual, been carefully scrutinised, and the marketable securities had been valued at their selling prices on December 31 last. There had been, unfortunately, a further fall during the year in the value of first-class securities such as those held by the Society, but full provision had been made for this. Since January 1, 1920, they had had to provide, in order to meet the depreciation in the value of their investments, a total of over £325,000, a sum which would have been sufficient to increase the rates of abatement of premium by about 20%, or 1% per annum. About one-half of the £325,000 would, he hoped, be ultimately recovered as and when the redeemable securities which they held were paid off at par on maturity.

Rates of Premium Abatement Maintained.

It was very satisfactory that in spite of the large sums the Society had had to find to meet depreciation due to the War and influenza, heavy income tax and serious depreciation in the value of securities, they had been able to maintain their pre-War rates of abatement of premiums, ranging from 7½ under the best series to 3½ under the "Old" series. He had hoped to be able to restore to policyholders the present reduction an increase in the rates of abatement, and this would have proved possible but for the depreciation to which we had referred. He trusted that the large sum on the account payable to the Society passed to the enhanced

fall in the value of marketable securities might shortly cease, and that as a result they might be able to resume the periodical increases in the rates of abatement. It was very disappointing that the excellent results of the past two years' working had been entirely spoilt by the depreciation in their securities, but their experience had been a common one to all similar institutions.

In further remarks the Chairman paid a warm tribute to the services of Mr. Baker (manager and actuary), Mr. Hanmer (accountant), and the members of the staff. He then moved the adoption of the report and accounts.

Mr. William F. Courthope seconded the motion, which was carried unanimously.

SCOTTISH WIDOWS' FUND LIFE ASSURANCE SOCIETY.

THE 106th annual general court of the above named Society was held in the Society's Office, Edinburgh, on Tuesday, March 16, R. Nevill Dundas, Esq., W.S., Chairman of the ordinary Court of Directors, presiding.

In moving the adoption of the report and accounts the Chairman said: At the time of our meeting last year the world was eagerly awaiting the conclusion of peace. This was slow in coming, and even now can hardly be said to be complete; but at least the mind of the country has been enabled to turn from thoughts of war to the equally pressing, though less tragic, problems of reconstruction. These problems have brought home, alike to those who have family responsibilities and to those who are beginning their lives afresh after the rude disturbance of the War, the necessity for the protection of life assurance. In consequence, life offices in general experienced last year a notable revival of new business, and I am glad to say that our Society has had its full share in this revival.

New Business nearly equal to previous two years' completions.

Our new business last year amounted to well over three millions gross and just under three millions net—more than double the business of 1917 and nearly equal to the combined business for the two years 1917 and 1918. In greater detail I may say that we issued 5,229 policies assuring the gross amount of £3,127,793, of which £153,000 was reassured with other offices, leaving net new sums assured of £2,974,793, producing a net new annual premium income of £125,579. You will certainly share both our gratification at this result and our appreciation of the efforts of the Society's officials and agents which have secured it.

The increased new business naturally brings with it an increase in expenditure, and this partly accounts for the fact that the expenses and commission during the year amounted to about 12½% of the premium revenue, or 7½% of the total revenue, rates which are considerably higher than those to which we have been accustomed in the past. The question is constantly before the management, and every effort will be made to keep the expenses as low as possible, consistently with efficiency and with the proper remuneration of our staff, a matter which has had the very careful attention of the directors and which is at present under their special consideration. The question of increased expense is one which affects all offices in more or less equal degree, and I am happy to say that our rate of expense, though higher than heretofore, still remains much below the increased average rate of offices in general.

In our report last year we pointed to the probability that there might be a higher rate of mortality among the civilian population as the result of long-continued war conditions, and there is some apparent indication of this in the fact that our death claims last year amounted to about 1¼ million sterling, which is rather higher than in 1917 and 1918, although those years included a considerable amount of War claims, from which the past year was almost free. The claims of 1919 were, however, but little above the average of the pre-War quinquennium 1909-13, and were only about 78% of the amount provided according to the stringent table of mortality employed in the Society's valuations. The careful selection of lives, I need hardly say, is one of the most important parts of our work, and the care we give to it is, I think, justified by these satisfactory results.

The investment of the Society's funds is a question to which the directors and the management give unremitting attention, and I am glad to say that the gross rate of interest earned on the entire funds showed a satisfactory increase over that of the previous year and amounted to £5 0s. 10*d.* per cent. The operations of the year resulted in a surplus of income over outgo amounting to £352,000, and this having been added to the funds, they stood at just over 22½ millions at the end of the year.

A time for increasing life assurance provision.

We have now, except for a few matters of detail, got to the end of the problems directly connected with the War, but the period of reconstruction brings its own problems, both financial and administrative, and I need hardly assure you that these are engaging the constant attention of your directors. Such problems are universal, extending to Governments on the one hand and to individuals on the other. To the individual none of them is more pressing than that of making proper provision, both for his own future and for the future of those dependent on him; and in the revival of new business, to which I have referred, we see an increasingly wide recognition of the fact that the solution of this problem is to be found in a fuller and more widespread use of the advantages of life assurance. There is yet, however, much to be done in bringing this home to the general public. Many a man who recognises that the increased cost of everything, consequent upon the depreciation in the value of the monetary unit, makes it necessary to protect himself by increasing the fire insurance on his property, yet fails to recognise, or to recognise sufficiently, that his life is more valuable than his goods, and that his life assurance should be at least correspondingly increased. I ask, not only those present at this meeting, but also our members in general—of whom there are a very large number scattered all over the kingdom—earnestly to think over this question as it affects themselves, and to consider whether they should not increase their own life assurances. Those who do so for the benefit of their dependants will be giving the best possible answer to those who say in their bitterness—and there are many of them—that self-interest is the guiding principle of the day. After they have dealt with their own case they will be more able to urge upon their friends the necessity of making full life assurance provision, and the advantage of doing so in a great mutual society like our own. We hear much to-day of "profiteering" and the undue remuneration of capital. The existence of this feeling, whether justified or not, must do much to draw attention to the great advantages of the mutual principle wherever it can be applied. By the consistent exercise of that principle for over 100 years the Society has built up a great business for the sole benefit of the members themselves and without the incubus of shareholders' capital or the drain of dividends to shareholders. The advantages of life assurance on this basis were never greater, nor more apparent, than they are at the present time, and I will conclude by saying that although our membership is large there is always room for more. (Applause.)

The report and accounts were unanimously adopted; the election or re-election of directors was carried; thanks were accorded to the directors and office-bearers, and the meeting terminated with a vote of thanks to the Chairman.

COUNTY OF LONDON ELECTRIC SUPPLY CO., LTD.

THE twenty-sixth ordinary general meeting of this Company was held on March 15 at the Institute of Chartered Accountants, London, Sir Ernest V. Hiley, K.B.E. (the Chairman), presiding.

The Chairman, in moving the adoption of the report and accounts, said he was able to announce satisfactory progress in every direction in spite of the difficult times through which they had passed during the last year. The net results were that £50,000 was being placed to reserve for depreciation, the same as last year; they were creating a general reserve account, and placing thereto a sum of £45,000 out of revenue; preliminary expenses had been written down out of revenue by £5,000; an increased dividend of 1% was to be paid on the Ordinary shares, making 8%, instead of 7%, for the year, while £19,188 was being carried forward against £15,515 brought into the accounts. The associated companies continue to make satisfactory progress.

Referring to the Electricity (Supply) Act, the Chairman said that the Bill had been radically amended in the House of Lords, the compulsory powers being struck out and certain disabilities and restrictions under which the industry was hampered removed, while many useful provisions which should materially assist the industry had been inserted. The powers of the new Act, he continued, will be exercised by the Electricity Commissioners appointed under its provisions. Upon these Commissioners devolves the responsibility for delimiting areas throughout the country, and it is probable that London and the surrounding district will be treated as one area. Undertakers are to be invited to submit schemes in each area, and it is common knowledge that several schemes are in course of preparation. It is inevitable that considerable time must elapse before any complete scheme could become effective, and probably the more comprehensive the scheme the longer it would take to complete. In the meantime, the electrical load of London is growing rapidly and our own Company is faced with the need of large developments. We therefore propose to proceed with the erection of the Barking power station, designed and equipped on the most up-to-date lines. This station will suffice to meet the requirements of our own area, and it will be so designed as to be capable of rapid expansion to meet in a supplementary manner increased requirements for bulk supplies which other areas may desire to receive. It will thus be our policy to assist in any way in our power all reasonable attempts—whether by companies or local authorities—to solve the common problem of securing an ample, cheap, and efficient electrical supply for the Metropolitan area. It is possible that the Government may introduce into Parliament this session a Bill containing some of the clauses rejected last year, and you may rely on the board taking all steps to protect your interests.

Mr. H. B. Renwick seconded the resolution, and it was carried unanimously.

LEVER BROTHERS, LIMITED.

The twenty-sixth annual general meeting of shareholders was held at the Bridge Inn, Port Sunlight, on Thursday, March 11.

The Right Honourable Lord Leverhulme (Chairman of the directors) presided, supported by the Hon. W. Hulme Lever (Acting Chairman), Mr. J. Gray (Vice-Chairman), Mr. J. L. Ferguson, Mr. E. V. Salaman, Mr. C. C. Knowles, Mr. J. L. Buchanan, Mr. H. R. Greenhalgh, Mr. J. McDowell, Major-General S. S. Long, Mr. J. Inglis, Mr. J. L. Simpson, Mr. H. G. Hart, and Mr. E. Walls (directors), and the following deputy-directors :—Dr. E. L. Peck, Mr. W. Easterbrook, Mr. L. H. Moseley, Mr. C. F. R. Knowles, Mr. H. G. Rushton, Mr. J. Cheshire, Mr. J. G. Tyrell, and Mr. A. P. Miller; also Mr. L. V. Fildes (Secretary), Mr. J. M. B. Stubbs (Secretary Foreign Associated Companies), Mr. R. N. Barber (Chief Accountant), Mr. J. P. Timperlake, and Mr. R. McLean (Joint Assistant Secretaries), Mr. F. D'Arcy Cooper (Messrs. Cooper Bros. and Company, auditors), and Mr. W. Glasgow (Messrs. Simpson, North, Harley and Company, solicitors).

The Secretary (Mr. L. V. Fildes) read the notice convening the meeting and the auditors' report to the shareholders, and also letters of apology for absence from two directors, Mr. W. K. Findlay, on account of the serious illness of his son, and Mr. Leonard Cook, owing to extreme pressure of business elsewhere.

Lord Leverhulme said : I am sure we all sympathise with Mr. and Mrs. Findlay in the illness of their son, and hope for his early recovery.

I now move the adoption of the statement of accounts, and I can again congratulate the shareholders on the successful year's trading. I am reminded of the story of what is said to be the extreme punishment of a bigamist, which is, as perhaps you will remember, that a bigamist has two mothers-in-law. I suppose in the commercial world, with over 100 associated companies, Lever Brothers, Limited, may perhaps be considered as bigamists, and consequently have to suffer in some way. Our suffering takes the form of attacks on the size of our balance sheet. I will endeavour to prove a little later that those attacks have no foundation whatever.

We have now got to face what we may call peace conditions. I am certain everyone engaged in business finds that the problems to be solved under peace conditions to-day are difficult and trying, and call for more strenuous efforts to maintain business conditions than even during the War. I am happy to say our Brussels works are restored to us and are in full operation, and I cannot speak too highly of the courage and devotion of our staff at Brussels during the War, and the ability, skill, and assiduity with which they have restored the works to full working order. The same applies to our works at Lille, but owing to the fact that the Germans had stripped the works at Lille of all plant and machinery and we have had considerable difficulty in replacing the same, it will not be until May that the Lille works can be opened. Our German works, owned before the War, are still in the hands of the enemy, and it is a little difficult to say at this date whether they will be restored or not.

Support of Territorial Movement.

Our staff have been demobilised and have returned to duty, and I cannot speak in too high praise of the way they are doing so. They have not been demoralised by the War, but have been raised and elevated and ennobled. I should like to see, now the War is over, greater activity here in Port Sunlight in the Territorial movement, and we are rather anxious now that peace is restored that we should take the same interest in the Territorials as the men of all grades of Service with the firm did during the War in the Volunteers, under the captaincy of our Acting-Chairman, Mr. Hulme Lever. We made certain allowances for camping and so on, and we propose now to allow leave of absence not exceeding, with the usual annual holiday, a full three weeks for the Territorials in camp, and to pay them such a sum of money as with the Government grants will make their wages up to the full amount they would have received had they not been absent from work.

A speaking testimonial.

I am glad to announce that the number of men with 25 years' service with the firm is 235; the number with 15 years' service is 1,554. Considering that it is only 34 years last January since we first boiled soap, beginning in a very small way, it shows that we have men who commenced with us still in our service, and we are very proud of that fact.

I am sorry to have to announce that we have lost by death during last year Sir John McCallum, of Messrs. Isdale and McCallum, of Paisley, than whom there was no more devoted colleague, nor keener, shrewder business man. We had the benefit of his mature wisdom while he lived, and we ourselves and the whole nation are the poorer by his death. We have also lost, in connection with Messrs. Wilkie and Soames, by death, the services of Mr. Charles Allman. Mr. Allman became secretary to myself some 34 or 35 years ago. There was a period when he was away from us. Messrs. Wilkie and Soames will find it extremely difficult to fill his position. We have also lost in connection with Messrs. E. Cook and Co., Ltd., of London, by death, the services of Mr. Barrow, who was an employee of Lever Brothers and their associated companies continuously since 1892. There was no more loyal or true man than Mr. Barrow. He was devoted to his duties, whole-hearted in his services, and we feel his loss very much.

Record Sales : Minimum Advance in Prices.

Now with regard to accounts, you will note that our created capital now figures at £100,000,000, and I am confident that figure is not in excess of what this great business will require in the future. You will be pleased to hear that the recent new issue was all applied for. Our shareholders now number over 80,000, and except in the case of one or two of the largest railway companies, it is the largest list of shareholders of any limited company in the United Kingdom. Our home and export trade sales have created a fresh record, and I think we can congratulate Mr. Ferguson and those associated with him in the home trade, and Mr. Salaman and those associated with him in the export trade. We have acquired certain new businesses in the last twelve months, and these combine for the greater efficiency of the service to the public by a steady and regular supply of raw materials, and generally enable us to maintain a lower price for our soap in the United Kingdom than would otherwise be possible. It is quite evident from the Press that the public hate what is called "combines" with a much greater and deeper hatred than they love the economy which combination enables manufacturers to introduce into their work and which enables them to give the advantage to the consumers. The new companies we have acquired during the last twelve months are Joseph Crosfield and Sons, Limited, William Gossage and Sons, Limited, Price's Patent Candle Co., Limited, John Knight, Limited, the Niger Company, Limited, and the Southern Whaling Co., Limited. The last two will place us in a very strong position for important raw materials essential to our industry. I want to tell you, as proof of the advantages of this combination we have got, that the prices of soap in the United Kingdom have, to the best of my knowledge, made a lower percentage advance than in any other country in the world. I have an extract here from a German paper quoting the price of soap at the beginning of this year, and it shows that even one single advance had increased the price by as much as 100 per cent. That is in Germany. All our efforts are to supply ourselves with raw materials to enable us to serve the public efficiently and well.

Now with regard to the increased stocks of raw materials we are called upon to carry, these have risen in price and value, and we have to carry a greater stock than was necessary before the war.

Charges of Profiteering : facts for critics.

With regard to the charge of profiteering, I have gone carefully into the figures and asked our auditors to check and verify the same; I find that our dividends, as you will see yourselves from the balance sheets during the period of the war, and including last year, average less per cent. than prior to the war. I may go further; the dividend divided amongst the Ordinary shareholders and the co-partners, including the large amount carried to the special reserve, is less than 2½% on our turnover. There are other profits that do not appear in the balance sheet, out of which we have provided for excess profits duty. These profits we have not felt as a board were the ordinary manufacturers' profits, but profits made on repeated rises in the prices of raw materials, and we have always felt that such profits would be merely indications of what we should require to provide for the losses that otherwise would be inevitable when the prices of raw materials fell. I mentioned to you on one occasion that we were asked by the Government not to advance our prices for margarine until our stocks of raw materials were exhausted, and I made a special journey myself to London to see the Oil and Fat Controller, and I asked whether the Government would guarantee us against loss when the prices of raw materials fell. I was told that they would not. I therefore pointed out that it was impossible to avoid following the markets when raw materials rose because every buyer would over-buy and over-stock, knowing that the article was at less than the cost of production, and that equally, if we did not follow the markets when raw materials fell, we should be unable to carry on our business because no buyer would buy from a firm who did not follow the raw material market downwards. I therefore feel we have taken the only possible course in following the markets of raw materials, and in doing so we have carefully watched before advancing the price of soap to see that the margin which we were selling it, based on the market price of raw materials showed an absolute loss. You will see from a recent report of a Committee on Profiteering dealing with a thread firm, that had the thread firm taken their profit from the export trade they could have [illegible] Now that equally applies to us. It was [illegible] in the export value of the business [illegible] of soap to the United Kingdom [illegible] business man knows it is impossible. If you had two [illegible] which was to the United Kingdom and another for the export, the one that was the lower of these would be the one list that both the home and export buyers

would buy from. I am sure everybody realises that except the profiteering committees. By recent correspondence you will see that we were held up to great odium for an order that was taken for 1,400 cases of soap which was diverted to the export trade. I do not know whether the gentleman who made that criticism made it with the knowledge that under Government approval and permit the export trade of soap in the United Kingdom last year totalled £7,000,000 for laundry soap and close upon £1,500,000 for toilet soap, a total of £8,500,000, while this particular order that was held up as a villainous act was for £3,000. It is impossible if we are to maintain the trade of the United Kingdom that we should not make soap for the foreigner. But all this is done out of the raw materials available, and we have always maintained the supply necessary for the home trade, and the surplus only has been exported.

I would like to tell you what the rises in raw materials have meant, and had we not provided in our business some kind of reserves what difficulty we would have been in when prices fell. In June 1914 tallow was £33 a ton; in December 1919, £101; since then it has advanced to £107. Artificial tallow, which we make by a patent process, was in 1914 £26 14*s.* a ton; in December 1919, £95; cotton oil was in 1914 £28 19*s.*, in December 1919, £99 15*s.*; kernel oil was in 1914 £40 9*s.* 8*d.*; until recently none was available for soap-making; it all went to the margarine maker, and inferior oil at £97 took its place—I do not mean that it is inferior for soap-making, but it is not suitable for edible purposes. Palm oil in 1914 was £28; in December 1919, £90. Resin in 1914 was £14; in December 1919, £67. We are sure to have a loss when these materials come down, and if we had not got anything more than what you may call ordinary manufacturers' profits, then I am confident that we would have been in difficulties when that fall took place.

Reduced Profit Percentages.

I wish now to refer to the profit on soap, based again on the market price for raw materials. On laundry soap in the June quarter of 1914 we had a profit of 10.83%; in the December quarter 1919 it was 6.34%. On laundry flakes for laundrymen, in June quarter 1914 it was 10.23%; in December quarter 1919 it was 1.25%; on toilet soaps, in June 1914 it was 12.91%; in December 1919 it was 11.13%; on the speciality called Lux, which is extensively advertised, it was in June 1914, 24.80%, and in December 1919, 18.38%.

You will see, therefore, that so far from taking any advantage from the scarcity of raw materials, we have not followed the market prices as closely during the War and since the War as we did before the War, when war conditions were never even thought of.

The stocks of ourselves and associated companies total over £16,000,000, at market price on December 31 last. A 10% fall on that, or a 15% fall, and where would our balance sheet be? I am only mentioning this so that you may understand accurately the difficulty boards of directors have in dealing with large undertakings at the present moment. Of course, if it is held that we can make a different price in the home trade than in the export trade, that can only be held by Government officials, who are attempting to deal, say, with coal, on that basis. I do not know whether you know, but coal for bunkering purposes in Liverpool is £7 9*s.* per ton at the present time. That coal at that price has to come from South Wales. Over 80% of the bunkering coal before the War was Lancashire and Yorkshire coal, which was reached at little expense and was adequate for the purpose. No such coal is provided to-day for bunkering in Liverpool. The ships going from Liverpool pay £7 9*s.*; you can buy house coal from Lancashire at 37*s.* 4*d.*, and coasting steamers are bunkering at 35*s.* 6*d.* per ton. Now, mark this—in addition there are some 600 to 700 steamers lying in the Bristol Channel waiting to bunker with coal. It is said the optimist is the man who hopes to buy from a Jew and sell to a Scotsman at a profit; but the super-optimist is the man who tries to conduct his business efficiently, and to the benefit of all classes of the community, under Government control.

Capital's Sensitiveness.

We pay super-tax, and if there be anything left—and it may be very little—it is intended, I understand, to deal with that also. I do not think we need entertain for one moment what we may call tender thoughts on behalf of the people who would be called upon to pay this new taxation, but we will consider it entirely from the point of view of the Government. I have had Stock Exchange figures prepared of some leading industrial Preference shares, certain Government securities, Indian securities, Corporation stocks, and Bank of England shares at the beginning of 1914 and again to-day. These show conclusively that the fall has been greatest on our Indian Government securities; in the next place on British Government securities and Corporation stocks; and next on Bank of England stock, and least of all on industrial preferential securities. I am pleased to note that Lever Brothers' securities have fallen less, even those with the greatest depreciation, which are the 5%, than the least fall of Government securities. Our 6% and 6½% have fallen 16% and 13 respectively. The Government securities, Consols, and so on, have fallen over 30%. Ladies and gentlemen, there must be some reason for this. The quotation price shows the confidence the investor has in the security, and if the public show more confidence in the policy and management of industrials than in the character of Government securities you may depend on it that the national credit has received a shock, and you will see that at each fresh inquiry on the subject of nationalisation or the conscription of wealth or war profit a further slump takes place in the quoted value of Government securities. When I was in the United States what is called the Yellow Press came out with glaring headlines prophesying the bankruptcy of the United Kingdom, but I never found a single business man who attached any importance to them. I never found a business man who would not have been ready to buy the securities of the British Empire at many times the liability attached to them. But I did find an utter lack of confidence in investing money in the United Kingdom for fear of some fresh Government scheme of taxation being evolved. A general nervous timidity prevented the Americans seeking British investments if they could get them in any other countries. In other words, our national credit for investment is nearly as low as the Chinaman's to-day; not because the security of the British Empire is not greater than ever before, but for fear of some mad scheme of taxation or conscription of the investments that may be made in this country. I think it behoves us all to call attention to this position, which is a very serious one, and it has, as you know, a very serious effect upon our national finances in connection with the great war. On the other hand, we hear of a national income exceeding all expectations, and why should there be this nervous haste to repay the war debt when our fathers steadily ploughed away at the war debt left at the end of the Napoleonic wars and the national prosperity increased while the debt was gradually reduced?

Now, I want to refer to one or two developments we have. As you know, we have been planting cocoanuts at the Solomon Islands and rearing cattle there for years, and we have had largely increased profits. I am pleased to tell you that the Belgian Congo is making handsome profits, and they continue to make greater profits each succeeding year. Omitting the war period, this result has been achieved in much less time than we anticipated when we undertook the work in that country. I think the greatest credit is due to my colleagues, Mr. Greenhalgh and Mr. Moseley, and others associated with them in Liverpool, and to Mr. Brissel and his colleagues in the Congo, for these magnificent results.

Competition in Margarine.

With reference to margarine, there is a very extraordinary position, and at present a very severe competition. Our profits on margarine would not require a very large bag to carry them to the bank; in fact, we are having to draw on other more profitable departments of the business to make good the losses on margarine. This competition is the natural result of the disturbance of the relationship of certain firms by Government control during the war. We have no fear from it. We draw our sources and supply of raw materials from West Africa and from all parts of the world first hand, and whilst we keep our books as you would wish us to do, so that each department of the business does not lean on any other department, still we are able in the making of our balance sheet to look with perfect calmness for very many years, if necessary, to the present competition in the margarine trade.

With regard to reserves for depreciation, repairs, and renewals, we no longer show this in the balance sheet, but I will tell you exactly what we did last year. The total written off at normal rates—required for repairs and renewals, advertising, and depreciation—was 1¾ millions. Add £500,000 carried to special reserve, and it makes a total of 2¼ millions. That has been all written off. Probably these figures will give you a clearer idea of the extent of our business, and the number of separate individual works and plant, than any other figures I might give you. It gives you an idea, I hope, of the enormous extent of our business, which requires such an expenditure as that.

Workers' Welfare and Co-partnership.

With regard to "Safety First," I would like to refer to this because I believe it is the duty of every works to give the first and foremost consideration to the life and limb and health and happiness of the staff. We were one of the first firms to undertake this work. I have a letter addressed to myself from the United States, dated as far back as 1907, asking for particulars of what we were doing, but now, alas! the United States have gone ahead. They have developed on those lines in the last dozen years at a far greater speed than we have in the United Kingdom, but I am certain it will not be long before the manufacturers of the United Kingdom pull up lost ground.

With regard to housing, we have built over 1,032 cottages. We have now in hand another 1,000, of which I think 120 are getting near completion.

Our co-partners number over 7,000. The value of the co-partnership certificates is £1,155,204, and we have had to create a further £1,000,000, making a total amount created of £2,000,000.

Dividends independent of Port Sunlight.

Now, the dividends that are indicated in the balance sheet could have been made without any reference to profits made by Lever Brothers at Port Sunlight. We have from our businesses all over the world, both civilised and uncivilised, the wilds of Africa, the Solomon Islands, as well as the United States and Canada and elsewhere, profits and dividends that do not require that we should make money or run these works at all at Port Sunlight. The works here could be closed, and the whole of the staff disbanded, and whilst we believe the British consumer would be inconvenienced, and while we believe that the workmen might be also inconvenienced until they got occupation in other industries, which they would easily get, there would be no inconvenience or loss in Lever Brothers to the shareholders. That has been my policy for over 30 years. It makes us secure in any industrial dispute, or even war itself, in any one section of the United Kingdom or elsewhere.

Twelve months ago I said I was sanguine that we should be able to put into force the six-hour day. Owing to opposition of trade unions we have not been able to do it. That matter, which I believe would be greatly to the benefit of the staff, to enable the staff to organise their time so that they could become greater participators in what modern science and art have placed at our disposal, has been deferred. But another item I referred to is one which we have been able to carry out—that is the payment of wages by a credit to the employees' bank. Our bankers, the Manchester and Liverpool District Bank, have been specially helpful to us and have opened a branch in Port Sunlight in connection therewith. I am confident our staff will find it so much easier to leave money in the bank than to take it to the bank. It will be more convenient to leave it there than to draw it out and spend it, as they no doubt would do if they had it in their pockets. This will all tend to facilitate in the direction of saving and will be hindrances in the direction of spending, and this will all make for success of each member of the staff.

I am pleased to tell you that our Staff Training College under Mr. Knox has proved a greater success than the most sanguine of us in our wildest dreams thought possible. We have in the Junior Clerks 43 boys and 81 girls; in the Senior, 36 boys and 87 girls, and 88 apprentices. Of the unskilled we have 46 boys and 186 girls, and in the evening classes we have 120; a total of 687. You will notice, ladies and gentlemen, the ladies are showing a greater keenness of availing themselves of these advantages than the men. I suppose we may take that as a fair sign that the ladies are coming into their own, and, having got the vote, they are educating themselves at this rate, and it will not be long before they have the power which can only come from education, study, and so on.

Directors' visits to Overseas Companies.

Our directors have paid very extensive visits to our overseas associated companies during the year. There have been long arrears to pull up. I myself have visited France, Belgium, Norway, the United States, and Canada. My son has visited France and Belgium. Mr. Knowles, Mr. McDowell, and Mr. Inglis have visited Belgium and Germany. Mr. Buchanan visited Norway and Germany. Mr. Greenhalgh visited Belgium, France, and Germany. Mr. Tatlow has visited France, Germany, the United States, and Canada, and is now at the present time on a tour in China, Japan, and India, and will be returning, I think, in April. General Long has visited France. Mr. Simpson, of our architectural department, has visited France, Belgium, and Holland. Mr. Hart, who was with me in most of my journeys, and whose services were invaluable, has visited Canada, the United States, Holland, Norway, Sweden, and Denmark. Mr. Barnish, deputy-director, has visited Switzerland, Italy, Belgium, and France, and is now in South Africa; Mr. Moseley has visited France, Belgium, West Africa, and the Belgian Congo. My son and myself and the Chairman of one of our associated companies, Mr. Giles Hunt, of Crosfields, and Mr. Buchanan leave to-morrow for South Africa. I hope to be back at the end of April, and that will give me seven days there, but I think you will agree we can do a great deal in seven days.

I want now to thank my colleagues on the board, our Acting Chairman, our Vice-Chairman, and all our managers, foremen, and staff for all the support they have given to me in a very difficult and trying time, and without which it would have been impossible for me to continue in the position I occupy. I am most profoundly grateful for their support, whole-hearted and generous on every occasion, and to the directors, managers, foremen, and staff of each of our associated companies in all parts of the world. No one could have a more loyal body connected with their undertakings than Lever Brothers have. No one could have greater pleasure in visiting these works than myself and colleagues. They are whole-hearted in this direction of loyal and devoted service to the public, knowing that only on these lines can we ourselves reap any advantage from the great organisation we have got together.

The profits for 1920, I would like to say before I sit down—and this includes the profits of these associated companies acquired during the last twelve months, viz., Messrs. Crosfield, Gossage's, Price's, Knight's, the Niger Company, the Southern Whaling Company—will total, I am certain, approximately three and three-quarter millions, and we will require to decide next year how we shall deal with this matter. I want to say that these profits will have been made exactly on the same basis as the profits of 2½ millions for the last year. It is owing to the enormously increased volume of business we are doing, and the larger service we are rendering to the public. I beg to move the adoption of the report and that the statement of accounts now submitted be received and adopted. I shall ask Mr. Gray to second the resolution.

Mr. Gray: Ladies and gentlemen, I have the very greatest possible pleasure in seconding the resolution which the Chairman has just put before you.

Lord Leverhulme: Before I put it to the meeting I inquire if any shareholders have any questions to ask.

There were no questions, and the resolution was carried unanimously.

The retiring directors, Lord Leverhulme and Mr. E. Walls, were unanimously re-elected; and Messrs. Cooper Brothers and Co. were reappointed auditors for the year 1920.

Votes of thanks were passed to the Chairman and directors of the respective associated companies and their staffs, and to the agencies abroad and to the heads of departments, office staff, and employees of Lever Brothers, Limited, generally for their zealous and efficient services during the year.

Lord Leverhulme, at the close of the meeting, paid tribute to the memory of the late Mr. John S. Ferguson, father of Mr. J. L. Ferguson, director. Mr. John S. Ferguson was with him (Lord Leverhulme) in the grocery business, came to Port Sunlight as first Secretary, was one of the earliest directors of the Company, and retired, through failing health, over 20 years ago. There was no man ever connected with the business more beloved than was the late Mr. J. S. Ferguson. He was honest as the day, loyal, and a true colleague to everyone he worked with. The meeting then rose in silence as a mark of condolence with the widow and son.

The meeting then concluded.

SCHILL BROTHERS, LIMITED.

The annual general meeting of shareholders of this Company was held on March 18 at Manchester.

The Chairman said: Before moving the adoption of the report, I would like to make a few remarks, as usual, concerning the figures which make up the balance sheet. First of all, let me tell you that these figures have been arrived at in exactly the same way as has always been adopted—that is, after giving the most careful attention to the values of our stocks (which are, comparatively speaking, very small), after writing off all bad debts (which amount to next to nothing for last year), and after making all necessary provision for possible emergencies and for the definite items which we shall have to pay, such as income tax, excess profits duty, &c.

Unfavourable incidence of Excess Profits Duty.

In this way we arrive at a net profit of £44,968, which is only slightly better than last year, and not as good as the year before, in spite of a very much increased turnover and no losses to speak of. You will naturally want to know how this comes to pass. The reason is a simple one, and lies in the enormous amount which we have to reserve this year for excess profits duty. You will all remember only too well how bad trade was in most of our markets during the few years preceding the war, and, quite apart from the losses which we suffered during that time, we could not have expected to obtain even normal results during that time. Nevertheless, those were the years which had to form the basis for the assessment of our excess profits tax, and therefore we compare unfavourably with other businesses which were not hit by such unfavourable circumstances during that time. The losses to which I referred resulted in the reconstruction of the Company, and were taken into consideration in arriving at the basis for excess profits duty. We were able to largely reduce these losses in 1917 and to completely expunge them in 1918. In this latter year, therefore, only a part of our profits had to bear the burden of the duty; but, as there were no more losses left to be made good in 1919, 1919 had to carry the full weight of the tax, and, as the profits were really larger than ever before, the amount which we shall have to pay and pay in cash out of the concern is a very large one indeed. You understand what I mean? I mean that for 1919 we had to calculate our excess profits on the full rack-bottom basis without any allowances, and we shall have to do so again for 1920 and in future, so long as the tax remains. It is highly improbable that this basis will be changed either favourably or unfavourably to us. Of course, the excess profits tax was created at the time as a war measure, and was not supposed to continue after the end of the War; but, though reduced, it is still there, and is now acting most unfairly in such cases as ours. The country requires money, and, that being the case, none of us will grumble at having to pay our share; but it is hard for a concern now making good profits out of purely legitimate trading to have to pay more than

its fair share, due to an arbitrary and specially heavy assessment. It is to be hoped that this tax will soon disappear, because, even if its place has to be taken by an increase in the income tax, we shall at least be on the same basis as everyone else.

Trading prospects bright.

Our profits being larger, it has, of course, been necessary to reserve a larger figure for the income tax proper; but it is the former figure, the excess profits item, which has made our net profits look small in comparison with the result actually achieved. That, I think, is the only point in the figures which calls for an explanation; but the fact that we shall have to pay out these large amounts, coupled with the uncertainty as to what the new form of taxation may be—and, indeed, expenses generally—makes it necessary to guard our liquid finances very carefully, not to pay out more than is strictly advisable, and to keep the carry-forward at a high figure. Fortunately, the prospects of being able to carry out this programme are at present very cheering. Last year started, as you know, with a certain amount of mild anxiety owing to the partial suspension of trade abroad after the Armistice, due to the expectation of a heavy drop in prices. Orders fell off, and there were many attempts at cancelling orders. No one felt very uneasy as to these points, but the uncomfortable question was as to how long it would be till they had to begin to order again. We knew all markets were bare of necessary goods and would soon be compelled to buy, but would they begin in time for orders to be executed within the year, so that we could attain our turnover, and should we be able to get delivery if we did? Well, they began again about May, and since then orders have flowed in and are still flowing in at an enormous rate. We were, on the whole, able to do very well for deliveries, and closed the year with a very good turnover indeed. We also closed it with an exceedingly good carry-forward of undelivered orders. These have since been augmented in quite an extraordinary way, so that the prospects of another good year are very bright if nothing intervenes to spoil it all, such as serious labour troubles to interfere with deliveries, or heavy new taxation in a form which would cripple our ability to finance the volume of business. These are the great anxieties of the moment, which affect not us alone, but every trading concern in the country. So far as this Company is concerned, it is many long years since we have come before you in a more contented frame of mind as to present position and the prospects of the business.

The Chairman then moved the adoption of the report, which was seconded and passed unanimously.

The following resolutions were also passed :—

"That a dividend of 17½%, less income tax at 6*s.* in the £ (which with the interim dividend of 7½% paid September 30, 1919, makes a total dividend of 25% for the year), be now declared for the year ending December 31, 1919, on the Ordinary shares of the Company, payable 19th inst."

"That the Company do abstain from exercising its right under Section 49 (2) of the Finance Act, 1916, of recovering from any of the directors any excess profits duty which the company may be required to pay in respect of remuneration paid to the directors and disallowed for the purpose of excess profits duty for the year ending December 31, 1919."

Mr. Thomas W. Brown, the retiring director, was re-elected a director of the Company.

Messrs. David Smith, Garnett and Co., chartered accountants, were re-elected auditors of the Company for the ensuing year.

Proposed issue of Bonus Shares.

At the extraordinary general meeting of shareholders which followed, the Chairman said : Ever since we had to reconstruct the capital of the Company, three years ago, we have had it constantly before us to seize the first opportunity for making good, in some way or the other, the losses which the Ordinary shareholders then consented to bear. Nothing was possible in the first two years, but as last year went on, and we began to realise that we were going to have a very good year, we began to think that it might be possible to do something towards the fulfilment of our wishes. As I told you at the meeting which we have just held, it is of the greatest importance that no more capital than is absolutely necessary should be paid out of the firm, and that our reserves and carryforward should remain at as high a figure as possible; and if all goes well it is more than probable that these will be considerably augmented during this year. We therefore consider that it would be quite a safe step to take to issue a certain number of the unissued Ordinary shares against our reserve and to allot them as bonus shares to the Ordinary shareholders. Our ideas were at first a little more ambitious than those which we now submit to you, but as the figures became worked out, and when we were able to ascertain the amount which we are advised to reserve for the excess profits duty, we modified them somewhat and decided to await another opportunity before carrying them out in full. Our scheme now is to distribute these bonus shares in the proportion of one fully-paid share to every four shares held—and to pay any fraction in cash—and it is this scheme which I now ask you to consider and to approve of. It means an issue of not quite £15.000 of new shares, which will, of course, rank *pari passu* with the existing Ordinary shares; and, if you consider to-day's market value of our Ordinary shares, it means that the Ordinary shareholder will hold very nearly the value which he paid for his original shares.

These new shares represent profits made *after* payment of income tax, and there can therefore be no question as to their liability to that; and we are further advised that, as the law stands to-day, there can be no claim on the holders for super-tax so far as they are concerned.

Preference shareholders not affected.

We have naturally considered the position of the Preference shareholders, their rights and security, and have come to the conclusion that they are not affected at all, since the whole of the reserve capital and carryforward remain intact in the Company and are increasing.

It is thus only a question of the ability to pay the dividend on these new shares, which would absorb less than £3.000 after deduction of income tax; but, as the margin last year was over £25.000 between the amount put to reserve and the additional carryforward, there seems no reason to doubt that—so long as we are allowed the free use of our increased capital.

We had hoped to be able to settle this matter without so many meetings, but we are advised by our solicitors that it will be necessary to alter our articles of association slightly in order to be quite safe before the law; and it is therefore necessary to hold this special meeting and the next confirmatory meeting before we can resolve to adopt the directors' recommendation and issue these bonus shares.

If, therefore, it is the intention of the shareholders to sanction the scheme at our second meeting on April 8, I must ask them now to pass the resolution No. 1, of which you have had notice.

This will then be confirmed at our first meeting on April 8, and, after that, resolution No. 2, which sanctions the issue, can be passed at the second meeting.

The resolution was put to the meeting and passed unanimously.

A. W. GAMAGE, LIMITED.

THE twenty-third annual general meeting of this Company was held on March 15 at the Holborn Restaurant, London, Mr. A. W. Gamage (Chairman and Governor) presiding.

Mr. E. M. Gamage (Director and Secretary), having read the notice convening the meeting and the report of the auditors,

The Chairman said : Ladies and Gentlemen,—On behalf of the directors I have to express to you our sincere pleasure in meeting you again under such favourable circumstances.

You will have noticed that the meeting is being held much earlier in the year than our previous ones. This has been possible by the improvements we have been able to make in our clerical organisation through the return of so many of our old employees from army service. It was also important to get the accounts through in record time, as I had planned to take some of our buyers with me to the United States of America, and I wished to welcome you at our annual meeting before we sailed. Owing to the bad rate of exchange the visit has been postponed for the present.

Now, with regard to the report, of which you all have a copy, the figures are so plainly set forth and are so exceedingly satisfactory that no good purpose will be served by my dwelling on them at length.

Nearly 50% Profit Increase.

I will, therefore, content myself with drawing your attention to the fact that for the year ended January 31 last, the gross profit is £310.080, net profit being £92,462, whereas during the preceding year the gross profit was £218.279 and net profit £65,147, before deducting excess profits duty.

Dealing with the liabilities, you will notice that the amount owing to sundry creditors is less than last year by nearly £30,000.

The reserves, with the present allocations, now amount to £100,000. This, in relation to the capital of the Company, is an extremely satisfactory figure.

On the assets side there is very little to call for special notice, except that generous depreciations have been made under the various headings.

Stock in hand, £340.599, shows an increase, but from my own personal knowledge I assure you the stock has been well bought and is well worth the money.

The amount under sundry debtors is £37.000 only—a very low figure indeed in proportion to our turnover.

All our investments are highly satisfactory. I would call special attention to Benetfink's, who have done remarkably well, paying a 10% dividend, the same as for the previous year, with a substantial amount carried forward. Your directors are very optimistic as to the future of the Cheapside business.

It is with more than ordinary pride that I call your attention to the fact that we hold £60.500 worth of War Stock and War Bonds, which are fully paid, but as they

now stand at a small depreciation we have thought it well to set aside £2,305 as a reserve. £50,000 of this investment is in War Bonds, redeemable at a premium in 1922, so that there is no possibility of any permanent loss to the Company.

With regard to the expenses of running the business, you will find these fully set out in the profit and loss account.

We must forget what these were in pre-War times; and in spite of the great increase in wages, cost of advertising space, packing materials, transport charges, etc., we are able this year to declare a dividend of 10% on an increased Ordinary share capital, to add increased amounts to reserves, and to carry forward a much larger sum than we have ever done before.

The turnover has surpassed all previous records, in spite of our not having had the large Government contracts with which we had previously been favoured. Four years ago we made up our minds that there must be a setback when the War came to an end; the figures were large, but I am pleased to say that each year has brought increase upon increase, with the result that the past year has been the best of all. (Applause.)

A 5-figure Turnover.

I am proud to tell you that we have passed well over the million mark, and we are still forging ahead. (Hear, hear.) The figures for the first few weeks of our present financial year show a steady increase over those of the corresponding weeks of 1919. I see no reason why this should not continue, especially when we have the new departments running, and I hope it will not be long before it will be my pleasant duty to tell you that we are well within sight of a turnover of two millions a year. And we shall not stop there, but still go on to greater things. I have no doubt about it, for the simple reason that your business has been built up on a steady and progressive basis; it is no mushroom growth, but the result of 42 years of hard work and steady progress.

It is an established fact that when turnover reaches a certain stage standing charges do not increase in a like ratio, the outcome naturally being increased net profits.

With regard to the issue of 150,000 Ordinary shares in May last, this was largely over-subscribed, £565,000 being applied for.

Extension of Holborn premises.

Your directors are pleased to tell you that they have completed the purchase of the Holborn depôt of the Great Western Railway Company, and also the freehold of 105 Hatton Garden.

We have carried out many of the suggested improvements, and it is hoped all our extensions will be completed in time for the Christmas trade. In the near future the business will be complete as a departmental store, and we shall be able to offer our customers the convenience of doing all their shopping under one roof and at Gamage prices.

The ladies' and children's boot and shoe department is already open, and has proved a great success.

We have all heard about profiteering, but so far as Gamage's are concerned there has been "nothing doing!"

A shareholder has kindly sent me a Press cutting, which deals with the matter very happily, as follows:—

> "We suppose nobody, however crazy he might be on the subject of profiteering, will be disposed to charge Gamage's with anything of the kind, for it would be totally opposed to the whole policy of the Company and of its founder."

The Company's prices: a testimonial.

I do not want to labour this subject, but it is exceedingly gratifying to me personally that Gamage's prices have been quoted by various tribunals as the standard for fair profits.

Just a word as to the prospects of the future. It is worth recalling my remarks at our last meeting that Gamage's did not cater for the luxury trade, but dealt in essentials and things of every-day need. This is important as viewed from the standpoint of the high wages and shorter hours which now prevail, which means that there is going to be more time for recreation, with the net result that Gamage's will score heavily.

In conclusion, your directors feel in duty bound to pay a tribute of appreciation to the staff as a whole for their loyal and zealous co-operation during the past year, and they feel that the shareholders will be pleased to know that during the whole year there has not been a whisper of discontent, because we have always tried to do the right thing for every one of our employees. (Applause.) I now beg to propose: "That the report and accounts, with balance sheet as presented, be adopted."

Mr. J. S. Parker seconded the motion.

The Chairman, in reply to a question, said that the Company had started a drapery department, which was already doing very well. It was in order to provide the necessary accommodation in this and other directions that they were making the extension of premises to which he had referred in his speech.

The motion was carried unanimously.

The Chairman next moved: "That the dividend on the Preference shares paid on August 1, 1919, and February 1, 1920, be confirmed, and that a dividend be paid on the Ordinary shares at the rate of 10% per annum, less income tax."

Mr. J. Dunn seconded the motion, which was unanimously adopted.

On the proposition of Mr. L. Fletcher, seconded by Mr. Charlton, Messrs. Sydney Jeffrey and Company were reappointed auditors.

Extraordinary General Meeting.

An extraordinary general meeting was then held for the purpose of submitting resolutions increasing the capital of the Company and altering the articles of association.

The Chairman proposed: "That the capital of the Company be increased to £750,000 by the creation of 250,000 Ordinary shares of £1 each to rank *pari passu* with the existing Ordinary shares of the Company." In doing so he said that, as stated in their report, the directors did not propose to make any immediate issue, but as a meeting was being held for the purpose of altering the articles of association and the business was growing so rapidly that the time was not far distant when they would want more capital, the directors felt that if this resolution were submitted now it would obviate the necessity for calling an extraordinary general meeting some months hence. With ample capital available, they were able to take advantage of cash discounts by making prompt payment, and this meant additional profit. He wanted shareholders to understand, however, that the directors were not intending to make any immediate issue.

Mr. E. M. Gamage seconded the resolution.

In reply to Mr. Chalmers Hunt, the Chairman said that in the late issue a preference was given to the shareholders, and he believed they were well satisfied. The directors would continue that policy in the future, but he would not promise that the shares would be issued at par.

The resolution was passed unanimously.

The Chairman then explained, in regard to the resolution altering the articles of association, that it was mainly for the purpose of bringing them into line with modern practice and fixing the remuneration of the directors on a basis more commensurate with the present magnitude of the business.

The resolution was proposed by Mr. W. A. Vincent, seconded by Mr. Weston, and carried unanimously.

PETER ROBINSON, LIMITED.

The twenty-fourth annual general meeting of this Company was held at 7 Great Portland Street, London, W., on March 17, Mr. Ernest W. Robinson (the Chairman of the Company) presiding.

The Secretary (Mr. William Massey) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Ladies and Gentlemen,—The report and balance sheet will, I am sure, have been interesting reading to you all, and I think everyone will agree that the position of the Company is very satisfactory. The fact is that the Company's position, strong as it always has been, was never stronger than it is to-day. All records have been broken as regards sales, turnover of stocks, profits, and number of customers served during the past year. These results are only as they should be, and what we expect; but I may tell you that we have adhered to the sound principles upon which this business has been built up—that is, of supplying goods of the *right* quality at the *right* price. In speaking of prices, it is a source of satisfaction to be able to tell you that, in this Company, profiteering is not allowed, and that the first effort of the Government to cope with this evil does not cause us anxiety, but, on the other hand, we sincerely hope that the next effort in this direction will be more successful.

Important Re-building Scheme.

At our last annual meeting I promised to tell you something more definite regarding our rebuilding plans which have been previously referred to at these meetings, but which were unfortunately delayed by the outbreak of war. I need hardly say that prices and conditions to-day are so different from what they were that the whole situation has had to be gone thoroughly into again. The position to-day is that we have drawn up a scheme of finance, and this will be referred to at the extraordinary general meeting which follows this annual meeting. In referring you to the balance sheet, I may mention that the further outlay this year (sixth item on the credit side), amounting to £17,582, includes the Surveyor's

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charges for the preparation of quantities for the first section to be rebuilt. We have received tenders for this section, and a satisfactory form of contract has been drawn up for the builders' acceptance. You will probably be aware that the western block (the first one to be rebuilt) is our main building, and that that portion of it facing Regent Street is Crown property, while the remainder, as previously reported to you, is held by us under a 999 years' lease from Lord Howard de Walden. We do not intend to rebuild the whole of the western block at one time, as this would greatly inconvenience the conduct of our business. The new block will be built in sections, and the first section to be rebuilt is the whole of the Crown site, with an adjoining strip on the Howard de Walden site, comprising about one-third of the whole block. At the expiration of our old leases with the Crown, the only condition on which we could renew was to enter into a building agreement, which, in due time, will give the Company an 80 years' lease dated from the year 1916. These are, as you know, the best terms the Crown will grant, and the time is approaching when we must fulfil our obligations under this building contract. It will be obvious from these remarks, as well as from your own reading of the balance sheet now before you, that our finance has always been conducted with an eye to the very heavy charges which the impending operations will entail. To this end, the directors have decided to pay a dividend of 15% per annum rather than the pre-War dividend of 18%, despite the fact that the Company has done more business, and therefore earned more profit, than in pre-War times. Our policy during the last few years has been to leave money in the business, with a view to having a large sum in hand before asking for new capital; and you will see from the first two items on the credit side of the balance sheet some result of our efforts in this direction. The third item (War Loan investment) will also be available for the same purpose. You will notice that this item has now been written down by the sum of £5,000 to allow for the lower market value prevailing to-day. The next item on the balance sheet (Sundry Debit balances) is nearly £30,000 higher than last year, and is due solely to continued expansion of business during the past year. The stocks are about £24,000 higher than last year, and I can assure you that this item is represented by clean, saleable goods worth at least the amount appearing in the balance sheet.

Staff Sports Ground and Staff Restaurant.

As regards the next item (premises, &c.), this includes the charges in connection with our new building to which I have already referred; also the purchase of land at Wembley for a staff sports' ground, and some of the fitments and alterations to premises for our new staff restaurant in Little Portland Street. The new staff restaurant is a preliminary item in our general rebuilding scheme, and we do not intend to cater for the staff in our new building. Lower down you will see that we have written off our main asset no less a sum than £40,000. This large amount is in pursuance of the yearly practice of this Company in reducing its book values, with a particularly large reduction now that we are about to pull down part of our premises. On the debit side of the balance sheet you will find that sundry credit balances are about £90,000 more than last year. This large increase is almost entirely due to (1) the high rate of income tax on our property, as well as on our profits, and (2) the provision made against our liability for excess profits duty calculated up to January 31, 1920. The next item (employees' benevolent fund) has been increased by £5,000. The reserves accounts, amounting to £200,000, need no comment from me now, but I will refer to them at the extraordinary general meeting later in the day. This brings us to the profit and loss account. I have already told you that we have deducted some large amounts before arriving at our net profit for the year; you will find a reference to these on the front page of the directors' report. We have also given special donations of a thousand guineas to the Middlesex Hospital and a thousand guineas to the Marylebone War Memorial. I need not apologise for this, for I know the shareholders will agree that these are duties placed upon our shoulders under the conditions immediately following the War.

Policy and Profits.

Reverting to the business, we have followed our custom of providing against all contingent liabilities, so that no unexpected charge may fall on our revenue during the rebuilding period. I must not leave this subject of profits without giving you my assurance that the past year's results have not been obtained by charging higher rates, but by doing more business, and that in the ensuing year, since prices are still rising, we shall continue to charge our customers as low a rate of profit as increasing expenses, plus higher taxation, will allow. If I may venture into the region of prophecy at the advent of our rebuilding period, I would say that I anticipate equally good results next year. However, to deal with facts, the net profit this year, after exercising the greatest prudence, is nearly £6,000 better than last year, and with the amount brought forward it gives us £162,604 to deal with. Our proposed method of dealing with this sum is shown below the balance sheet in the appropriation account, and all I need emphasise is the "Further Reserve for Rebuilding, £40,000," which still leaves the "carry-over" about equal to one year's ordinary dividend. In the year under review we have been able to re-establish the smooth running of the business, which was to some extent disturbed by the War. We have a good and loyal staff of over 2,000 persons, who understand their work and are employed under conditions which will bear comparison with any similar business. I now beg to move: "That the report of the directors and the balance sheet to January 31, 1920, now presented to the meeting, be received and adopted; that a dividend at the usual rate of 5% per annum for the half-year ended January 31, 1920, be and is hereby declared on the 200,000 5% Preference shares of £1 each, and that such dividend be payable, less income tax, on and after March 17, 1920. As regards the 306,365 Ordinary shares of £1 each and the 8,727 Ordinary shares of £5 each, that a further dividend at the rate of 10% be declared payable, less income tax, on and after March 17, 1920. This, added to the 5% paid in September last, makes the total payment for the year at the rate of 15% per annum."

I will ask Mr. Rabbidge to second this resolution.

Mr. Richard Rabbidge seconded the resolution, which was carried unanimously.

The retiring director, Mr. Henry G. M. Phillips, was re-elected, and the auditors, Messrs. Arthur J. Hill, Vellacott and Co., were reappointed.

An extraordinary general meeting was afterwards held for the purpose of increasing the capital of the Company.

The Chairman said: Ladies and Gentlemen,—As most of you will remember, this Company was incorporated on the death of my father, in the year 1896, 24 years ago. At that time, not more than three-fourths of the island site, known as the Western Block, was in possession of the Company; the remainder has since been acquired, shop by shop, and the last few properties fell in during the period of the War. Since its incorporation the sales of the Company have trebled in amount, and we now find ourselves faced with the position that we could do a great deal more business if only we had the selling space, and, particularly, if we had a twentieth century building in the place of this poor old relic of the eighteenth century. You may try to improve by knocking holes in the walls to connect up various premises, but the simple truth is that you cannot convert an early Hanoverian building into a modern departmental store. This site is worthy of the best building and internal equipment that modern ingenuity can devise. Notwithstanding the acquisition of so much additional property, it is interesting to note that the Company's premises, goodwill, machinery, and furniture now appear in the balance sheet at a smaller sum than when the Company was formed. Another interesting fact is that there is cash to the amount of over £200,000 in excess of what the Company started with; also, that the original share capital has not yet been increased, but, on the other hand, the debentures have been reduced by nearly £100,000.

Advantages of Large Reserves.

From these figures it will be obvious that the Company is in a strong position, and ready, with its reserve funds, to face, if necessary, a lean period. These reserves have been built up year by year out of trading profits. They have served their purpose of keeping the capital low, and now they will be useful in partly financing our new building. The capital of the Company is exceptionally low. Another strong feature of the business is that we turn the stock over more than four times per annum. During the past few years we have seen the best buildings in this country and in other countries, and we have gone to a great deal of trouble to ensure that our new building shall be of the most suitable design, and that it shall contain the best results of modern experience. The plans have been prepared by Messrs. T. P. and E. S. Clarkson and H. Austen Hall, and I consider we are fortunate in that one of our architects has had 24 years' experience as a director of the Company, and during that time he has been the Company's regular architect. We are expecting the approval of our plans by the London County Council in the present month, and we believe in two or three years' time we shall have the best building of its kind on the best site in London. But all this will cost money. The building alone will cost round about a million pounds, and then we must provide for the internal equipment, and, later on, for additional working capital. This may cause some of you to ask, "Why, then, are you only taking powers for an additional 950,000 £1 shares?" The answer to that is, that we shall first utilise our reserve funds, amounting to about £300,000; then, the further accumulations which we expect this year. In addition to this, the proposed new capital will give the directors a discretion to raise or borrow further sums for the purposes of the Company. This is provided by Article 54 of the Company's Articles of Association. I do not want to be asked too many details as to the particular kind of shares we propose to issue, because the times are changing, money is dear, and, further, because it would not be wise to say what we may propose to do in, say, two

years' time. I think I have made it quite clear that we have all the money we shall require for the next year or so, and I can assure you that our scheme of finance is sufficiently elastic to meet changing conditions.

I now beg to move: "That the capital of the Company be increased to £1,500,000 by the creation of 950,000 new shares of £1 each, of which 200,000 shares shall be Ordinary shares ranking for dividend, and in all other respects *pari passu* with the existing £1 Ordinary shares in the Company."

I will ask Mr. Rabbidge to second this resolution. He was the auditor of the business in my father's time; he is one of the original directors of the Company, and he has been chancellor of the Company's exchequer since that time.

Mr. Rabbidge seconded the resolution, which was unanimously adopted.

A hearty vote of thanks was accorded to the staff and the proceedings terminated.

JOHN COOPER AND SONS (BEEHIVE), LIMITED.

THE first ordinary general meeting of this Company was held on March 16 at the Institute of Chartered Accountants, Moorgate Place, London, E.C., Mr. A. F. Dickin (the Chairman) presiding.

The Secretary (Mr. C. W. Sampson) having read the notice convening the meeting,

The Chairman said: Ladies and Gentlemen,—As is stated in the report, the accounts have been taken for the first six months of the Company's trade, the reason being that November 30 is the most convenient date for taking stock. In future it is proposed to close the accounts annually on that date. The result of the trading for the six months has been a profit of upwards of £36,000, which, however, is subject to excess-profits duty, the amount of which has not yet been determined. As shareholders in a boot and shoe manufacturing company, you have doubtless read with great interest the very able speeches which have been made in the past few weeks by Chairmen of similar companies, and have got a very shrewd idea of the position of the industry. There is no question that we are gradually, if slowly, getting back to more normal and competitive conditions—a state of affairs for which personally I am profoundly thankful. We are now able to devote our energies to the development of our ordinary commercial business, unhampered by military requirements, and I am happy to state that there is no evidence of any falling off in the demand for our products. On the contrary, our sales for the six months under review show a very satisfactory advance, both over the previous six months and the corresponding period of the previous year, and—which is very important—the profit shown has been made without any suspicion of profiteering.

Preliminary expenses reduced.

From the profit and loss account you will observe that depreciation has been written off machinery, plant, freeholds, and leaseholds to the amount of £1,995, and £4,429 from preliminary expenses. The only other item which I think requires any mention from me is that of interest on vendors' account. Shortly after the Company was formed it became apparent that they could profitably use considerably more money than was provided by the issue of Preference shares, and in these circumstances the vendors refrained from pressing for settlement of the amount due to them, so that the Company has had the advantage of a considerable sum of additional working capital, amounting at the closing of the accounts to nearly £68,000.

Turning to the balance sheet, you will see that the stock-in-trade amounts to upwards of £133,000, as against £91,000 at the date of the formation of the Company. In the present conditions it is inevitable, if a business such as ours is to be profitably conducted, that at all times an adequate stock should be kept, and this to a large extent accounts for the utilisation of the increased working capital. A study of the accounts of similar companies will show you that in every case a large increase in the value of stocks held is a feature. The fact that the vendors, who are also by far the largest holders of Ordinary shares, should be satisfied to leave such a substantial part of the purchase money in the hands of the Company is, I think, conclusive evidence of the faith they have in the future of the business. (Hear, hear.)

Conservative dividend policy.

As regards the division of profits, the directors propose that a dividend at the rate of 15% per annum shall be paid upon the Ordinary shares for the six months ended November 30 last, although it will be apparent to you that it would have been quite competent for them to have proposed a much larger distribution. It is, however, their desire and intention to give the Company a position of unassailable financial stability, the more so on account of the unsettled conditions of finance generally. It is for that reason that they propose this comparatively modest dividend.

Employees' Profit-sharing contemplated.

The board are considering proposals by which in the future some part of the profits of the Company may be allocated for the benefit of its employees: that is, a proposal that practically every commercial company is considering at the present time. Before sitting down I should like to express the directors' appreciation of the services which have been rendered to the Company by its managers, travellers, and employees. It is our desire, and I am sure it is yours, that at all times the most cordial relations shall exist between the Company and its employees, and I am very glad to state that those relations do now subsist, and I hope they may continue.

The Chairman concluded by moving the adoption of the report and accounts and the declaration of the dividend recommended.

Mr. Charles Baker seconded the motion.

Mr. Rawnsley, in supporting the motion, said that the directors, in formulating their dividend proposals, appeared to have expressed the prosperity of the business in a rather conservative manner. It was not easy to hold the balance justly between a legitimate demand for substantial dividends in our depreciated currency and the requirements of cautious finance during a time of prosperity. He thought the shareholders might congratulate themselves on having as Chairman of the Company such an able accountant as Mr. Dickin. Mr. Baker, another director, was a very able lawyer, whose advice would be of great value to the Company, especially as he had had great experience in connection with this particular trade. Mr. Wright was well known as a very successful boot manufacturer, and was a thoroughly practical man, while Mr. Hill was a man of energy and initiative; so that altogether they had a very strong board. It was no exaggeration to say that the whole world very greatly needed shoe leather just now, and consequently a wholesale boot and shoe manufacturing company had at the present time an unparalleled opportunity of establishing itself. It was equally obvious that the present extraordinary demand for boots and shoes would to some extent become assuaged in course of time, and that was why the present policy of the Company in developing a factoring as well as a manufacturing organisation appeared so sound. He believed that the factoring part of the business was a very profitable one. In the matter of the initial dividend, it was satisfactory to feel that, in denying themselves some of the good things now, the shareholders were providing for better things later on. (Hear, hear.)

The motion was carried unanimously, and Messrs. A. C. Palmer and Company were reappointed auditors.

Mr. A. C. Palmer, in thanking the meeting for the re-election of his firm, said it was a pleasurable duty to audit the accounts of the Company and to certify to such a satisfactory result. He was not surprised at that result, because, when the present Company was organised to take over the old-established business of John Cooper and Sons, which had such a good name throughout the world for producing admirable articles of footwear, it was a foregone conclusion that it would be a success. When, coupled with that, they had the energy of the present board, who, while not forsaking the old paths, also migrated to new paths where good business could be developed, he felt sure they were on the high-road not only to success, but to a very extraordinary success. (Applause.)

On the motion of Mr. F. Newson Smith, seconded by Mr. Hays, a cordial vote of thanks was passed to the Chairman and directors, and the proceedings then terminated.

LAMPORT AND HOLT, LIMITED.

THE ordinary general meeting of this Company was held on March 15 at 36 Lime Street, London, E.C., Sir Owen Philipps, G.C.M.G., M.P. (the Chairman of the Company), presiding.

The Secretary (Mr. W. J. Moynihan) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Gentlemen, The accounts which you have before you to-day set out clearly the position of the Company. Owing to the gradual return to more normal conditions a satisfactory increase is shown in the amount of profit earned for the year under review. We have been enabled to add to our reserve account the sum of £75,000, bringing our reserve up to £675,000. We are pleased to be able to recommend the payment of 10% on the Ordinary shares, which is the same rate as we have paid for the last four years.

You will see that our financial position is very sound, and the magnitude of the Company's business is indicated by the fact that our paid-up share and Debenture capital and reserves amount to well over three and a-half millions sterling. Our holdings in shipping, &c., stand in the books at a very moderate figure. Our fleet has now been released from requisition by the Government, but it is still largely under Government control and direction. During the year we have added to it nine large steamers, namely six new steamers which have been delivered to us by the builders and three somewhat similar vessels which we purchased. Exclusive of vessels still under construction, the fleet consists of a total of 44 steamers aggregating about one quarter of a million tons gross register, which is over 46,000 tons in excess of our fleet in August 1914. This, I think, is a very satisfactory position.

During the past year our chief concern has been the maintenance of our regular trades, but we have been confronted with many serious difficulties

To a greater degree than most shipping companies we were obliged during the War practically to abandon established services which we had built up as a result of many years of hard work and enterprise. The gaps thus created were to some extent filled by others, and it was not an easy matter for us to regain our old position.

America's vast Merchant Fleet.

The U.S.A., as we all know, rendered great service to the Allied cause in the latter stages of the War by the tremendous energy they threw into their shipbuilding programme in order to assist to defeat the German submarine campaign. They now find themselves in possession of an enormous fleet of State-owned merchant vessels, in addition to the German steamers which had sought refuge from the British Navy by interning themselves in U.S.A. ports prior to America's entry into the conflict.

The cost price of the vessels of the mercantile fleet built for and still owned by the U.S. Government is stated to be about six hundred millions sterling. In other words, the American Government has now invested in shipping a sum about equal to the total of our National Debt just prior to the War. It is true that the U.S.A. Government have sold a certain number of vessels since the Armistice to American shipping companies and American citizens, but the ships thus disposed of do not, I understand, exceed approximately 15% of their total fleet.

If the United States Government continues to own and run this large fleet of merchant vessels, British shipowners and the British nation may presently find themselves confronted with an entirely new set of conditions, such as has never existed before. The whole of a vast and vital industry, upon the maintenance and success of which the welfare, if not the very existence, of the British nation depends, will be faced with the competition of a merchant fleet which is State-owned and backed by all the resources of a very rich and prosperous country. We have no cause to complain of the action of the U.S.A. in this matter, but we will need to strain every effort in order to maintain our historic place in the great ocean trades of the world.

Free Play wanted for initiative.

Provided the British shipowner is not handicapped by State control of trade, I am confident we shall succeed in holding our position, as the genius of overseas commerce is inherent in our race; but it may be a strenuous struggle for many years to come. It is absolutely essential that we should have behind us the sympathy of the British Government and of the British public.

It may be said we should meet great State-owned fleets with a State-owned fleet of our own. On the contrary, I believe that only by allowing free play and scope to the initiative, enterprise, and energy of the British shipowners can we hope to be able to hold our own.

Great changes have taken place in the shipping industry in the past five years. The cost of new steamers is from 2½ to 3 times greater; the cost of everything necessary to run the vessels is substantially increased, so that freights and passenger fares must inevitably be higher than in pre-War times if voyages are to show any profit at all.

External Labour Hindrances.

Labour difficulties have affected us on this side and also in South America, where our steamers have had frequent delays owing to strikes. On the other hand, Argentina, with which country this Company is so largely connected, is in a prosperous condition. Crops have been abundant and the cattle industry is flourishing. The general outlook, therefore, is good, though it is still qualified by many abnormal difficulties.

The Staff's interests.

As you are aware, we recently established for the benefit of our staff, afloat and ashore, a superannuation fund, and we desire steadily to build up this fund and to place it upon a thoroughly sound financial footing. With this object in view the sum of £12,000 has been transferred to the credit of the superannuation fund out of the profits earned during the past year.

I may also mention that the Allied staffs' restaurant which was recently established in Liverpool is working very satisfactorily and proving a great boon to our staff.

In conclusion, I would like again to express appreciation of the valuable work done by our managing directors (Mr. George Melly and Mr. Arthur Cook) and by all the members of our staffs at home, abroad, and at sea in caring for the interests and welfare of the Company. During the past year Mr. Arthur Cook went on a business tour to America, and Mr. George Melly has been to North America, and is now in South America on the Company's business. These visits are very useful to the Company, and we thank them. I now have pleasure in moving: "That the report of the board and the accounts and balance sheet submitted to this meeting be and the same are hereby received and adopted, and that a dividend of 10% (less income tax) for the year ended December 31, 1919, be and the same is hereby declared."

Mr. Arthur Cook seconded the resolution, which was carried unanimously.

The Chairman next moved the re-election of the Most Hon. the Marquis of Carisbrooke, G.C.V.O., the retiring director, and the motion was seconded by Mr. Cook and unanimously agreed to.

The auditors (Messrs. Price, Waterhouse and Company) were reappointed on the motion of Mr. D. I. Conradi, seconded by Mr. Picton H. Jones, and the proceedings terminated.

AUTOMATIC TELEPHONE MANUFACTURING COMPANY, LIMITED.

THE eighth ordinary general meeting of this Company was held at Liverpool on March 16, Mr. James Taylor, J.P., Chairman, presiding.

In moving the adoption of the report and accounts for the year 1919, the Chairman said the results of the year were as disappointing to the directors as they could possibly be to any individual shareholder, in that the profits did not allow of the payment of any dividend on the Ordinary shares. The War and its after-effects had hit the Company much more severely than had been the case with most other industrial concerns. During the War the Company's efforts had been concentrated on war work. That had now ceased, and an important factor which seriously affected the Company's interests had been the failure of the British Post Office to place orders for automatic exchanges, which represented the chief item in the Company's business.

Baffled by Post Office attitude.

Leading Government officials had said that the Post Office had declined to place orders of the kind because of the high prices prevailing. But so long as they continued the policy of ordering in driblets instead of in bulk they could not expect cheap prices, and it was a matter of regret, considering the successful manner in which the automatic exchanges erected by the Company were working, that the Post Office should adopt this attitude. Prior to the Company purchasing automatic patents the Post Office had been consulted, and the promoters of the Company were led to expect sympathetic support. To be put to the immense trouble and expense of preparing estimates for the Post Office, only to be told that prices were too high, had been a source of bitter disappointment to the directors.

Resourcefulness directed into new channels.

In view of the delay in the introduction of automatics on a large scale, the Company had given considerable attention to other branches of business and had extended its work in railway-signalling apparatus, in which matter an exceedingly good system had been designed and perfected, which had been favourably received by railway engineers and from which good results were expected. A special set of mine-signalling apparatus to meet the latest Board of Trade regulations had also met with a very cordial reception from mining engineers, and orders were coming in very satisfactorily. In other branches new development work had taken place, the costs of which were debited to the past year, whilst the profits could not come in until a later date. A large new machine shop had been erected, and they had the satisfaction of knowing they were now equipped to turn out much larger quantities of work in the most economic way. The Company had suffered very severely from the increase in labour rates, mostly granted by way of award of the Court of Arbitration and in some cases made retrospective. Thus goods had already been delivered before the award was given, and it had been impossible to collect the extra cost from the buyer. It was estimated that from this source alone the Company's profits had suffered to the extent of £15,000. There had also been difficulty in recovering from the Government in respect of contracts made with various departments the extra cost due to increase in labour and material. The directors were still persevering in trying to get Government officials to meet the Company in a reasonable manner.

International Syndicate: contract ratified.

The Chairman proceeded to refer in detail to the arrangement made with the International Syndicate for the exchange of shares, as mentioned in the circular of February 7 sent out to shareholders in the Company. He said a large majority of the shareholders had agreed to the new scheme, and the directors had therefore proceeded with the arrangements and the new Company had been formed, the contract having been ratified on Friday last. They could now go ahead and manufacture on a mass production scale, under which costs were bound to go down very considerably, and the British Post Office would no longer have the excuse to say that automatics which the world was adopting were too high in price.

In concluding, he thanked the staff for the work they had done. In a poor year the staff had harder work than in a good year. All had been called upon to work early and late on estimates and plans which, through no fault of theirs, had poor results. All, however, had done their very best.

Mr. D. Sinclair, Managing Director, seconded the motion, which was carried unanimously.

The usual routine business followed.

SUN FUEL COMPANY, LIMITED.

ACQUISITION OF THE ATLANTIC PATENT FUEL COMPANY'S WORKS.

IMPORTANT DEVELOPMENTS FORESHADOWED.

A MEETING of the Sun Fuel Company, Limited, was held on March 1 at Cannon Street Hotel, Mr. Ivor Etherington presiding.

The Secretary (Mr. Walter Bramall) read the notice convening the meeting.

The Chairman said: Ladies and Gentlemen,—You have all been acquainted by the circular issued to the shareholders with the particular business for which the directors have asked you to attend here to-day, and we are pleased to see such a good attendance, as being evidence of the interest taken in the affairs of the Company. The Sun Fuel Company is a young concern, for it is only very recently that we met to hold our statutory meeting: but it is none the less energetic and enterprising, for it is not often that the shareholders of a Company are asked to double its capital within a few months of its formation. Your directors have been perfectly unanimous over this business, which the circumstances of the case demanded should be dealt with by careful but rapid consideration and prompt action, and I hope you will to-day express your approval of what has been done.

Before proceeding to the particular purpose for which the increased capital is required, I wish to tell you something of the Company as it is to-day. In the prospectus issued in October last, I stated that the necessary machinery and plant, which was then on order, was likely to be delivered by the end of March, but this estimate has had to be considerably modified, owing to the difficulties of the moulders' strike, which delayed delivery of all supplies, and to-day the time, I would mention, as being that when the Sun Fuel Works will be fully equipped with that machinery, must be altered to the late summer.

Output—Present and prospective.

I have no reason to vary my estimate that, when this plant and machinery is installed, the Company will be capable of an output at the rate of 150,000 tons of fuel per annum, nor have I reason to alter my estimate that, with present costs and selling prices, this should show the Company a profit of about 10*s.* per ton. In fact, this is confirmed by actual results, as I shall tell you later. The present position is that with one press, and working a single shift, our output is at the rate of 30,000 tons per annum, whilst when the machinery is installed there will be three presses, and such accommodation for storage and handling as will allow us to work double shifts, so that by a simple arithmetical sum you can see that 150,000 tons should be an under-estimate rather than an over-estimate of what the Sun Fuel Company can do.

So much for the present position, and I now come to the more important business of the meeting.

Next to the Sun Fuel Company's works, and with frontages also on the North Dock, Swansea, are the works of the Atlantic Patent Fuel Company. This is a very old-established business, founded as long ago as 1880, which has been for many years supplying the Continent with those oblong briquettes known to most of you, and which no doubt many of you have seen at stations, and on the engine tenders of the French railways, and in other parts. So well known, in fact, is this fuel that inquiries from abroad for block briquettes ordinarily specify Atlantic Fuel, whether the briquettes have been made by that Company or not. This Company, the Atlantic Patent Fuel Company, has not, in my opinion, ever produced to its full capacity, but within recent time it has obtained an output of close on 300,000 tons per annum, although for the last few months it has not exceeded the rate of 200,000 tons per annum. On that comparatively small output, as compared with the capacity of the works, the Company has, however, made substantial profits, and we are satisfied from our auditors' investigation that the profit per ton is no less than we had estimated in the case of our own business, the net profits for the past five months exceeding £53,000.

London brings Swansea neighbours together.

I have frequently cast envious eyes on the works of the Atlantic Patent Fuel Company, and often thought what a splendid thing it would be for us if only we had their works and their position on the dock; it always seemed to me that the amalgamation of the two works, the Sun and the Atlantic, would be almost an ideal combination; especially as we had an option on the ground adjoining the sites of the two Companies and giving that natural space required for the further development of the Atlantic Fuel Works, whilst they also owned two lines of railway tracks right alongside the Sun Fuel Works. It did not appear to us that it would ever be possible to secure on favourable terms what was evidently so profitable an undertaking; but recently, to our surprise and gratification, the opportunity came. Strangely enough, although the Atlantic and ourselves have been next door neighbours ever since we started, the offer comes to us not from Swansea but from London, and happily from our friends, George Clare and Company, who are well known to you all, at any rate by name and reputation, as it was they who underwrote our first public issue. George Clare and Company obtained the offer of the majority holding of the shares of the Atlantic Patent Fuel Company, and, in fact, to-day they hold all but 31 of the whole of the shares issued.

Having made the purchase they were almost immediately offered what might appear a very tempting profit, and this, I may tell you, was confirmed to me by the actual buyer, who was prepared to give them £20,000 more than they had paid. I may also mention that there have been several other would-be purchasers of the Atlantic Company, and, had it not been for prompt and decisive action on the part of our friends, the property of that Company would never have passed into our possession. Fortunately for us, however, George Clare and Company are particularly interested in the fortunes of the Sun Fuel Company; they refused the profit in order to offer us what they had purchased at the same price that they had paid. The position now, gentlemen, is this. The Sun Fuel Company have purchased the whole of the assets of the Atlantic Patent Fuel Company, and, after allowing for the large amount of cash and securities which the latter Company holds, the amount paid by this Company will approximate £180,000. To provide the money for this purpose we propose to issue 190,000 shares of those which I shall later invite you to authorise the issue of to-day; when the position will be that this Company, with an issued capital of £300,000 in Ordinary shares, will own both the Atlantic Patent Fuel Company and the Sun Fuel Company, two Companies which together should, in my opinion, before the end of this year be producing at the rate of close on 500,000 tons per annum. It is, of course, impossible to forecast for more than a few weeks ahead the course of costs and prices, but certainly to-day the profits are no less per ton than I have previously mentioned, and under certain conditions, in supplying countries abroad, might rise to a considerably higher figure. That, I think you must agree, should put us in an extremely satisfactory position, and I would like to be able to assure you that the new shares we are issuing will be offered to you in proportion to your holdings. This, I am sorry to say, I cannot do, because one of the terms upon which George Clare and Company purchased the shares of the Atlantic Fuel Company was that the shareholders of that Company should have the first offer of the shares of any Company that would eventually be formed to work it, so that in making us the offer George Clare and Company have found it necessary to stipulate that such shares as are issued shall be issued to them, and they must in turn offer them to the shareholders of the Atlantic Patent Fuel Company.

Advantages secured by the combination.

By this purchase the Company becomes one of the most important patent fuel works in the United Kingdom. We are

London and Brazilian Bank, Limited.

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Subscribed Capital - £3,000,000
Paid-up Capital - - £1,500,000
Reserve Fund - - £1,500,000

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YORK STREET, MANCHESTER.

Belfast Agency:
NORTHERN BANKING CO., LTD.

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in the very heart of the coal district, both for the anthracite coal, which we chiefly use for sun fuel briquettes, and for the bituminous coals which are the principal ingredient of the Atlantic fuel. Geographically, no Company could possibly be better situated. We have railways running right into the works, and alongside the works three steamers can be loaded at the same time, and within a few yards of the presses where the briquettes are made. This puts us in an absolutely impregnable position in respect of any future competition. Throughout the world, the shortage of all fuel is perhaps one of the most serious problems that we have to face. Bad as the position of coal is in this country, it is nothing compared with the difficulties that the Continent and the Near East are suffering, and you all know how the price of all other fuel has risen of late. I contend, gentlemen, that this Company makes a most useful contribution to our fuel supplies by utilising what otherwise would be waste material, and forming it into a most useful fuel. Those of you here who have used sun fuel in your homes will, I have no doubt, agree with me that there is nothing better for the open grate. Once having used it, most people greatly prefer it to any form of coal.

The use of the Atlantic fuel briquettes is not so much for domestic purposes, but is particularly for steam raising and industrial purposes. We are, therefore, in the happy and fortunate position of being able to supply the Continental fuel requirements both for domestic and industrial purposes from the same works.

As you know, extensions are now well in hand at the Sun Fuel Works, and already we have in view improvements and developments at the Atlantic Fuel Works which in due course will be carried out to their considerable advantage.

Dividend-earning stage : Increase of Capital.

There is one other point that may interest you before I put the resolution to the meeting, and that is, that as we have taken over the assets of the Atlantic Patent Fuel Company as from the end of September last, the profits of that Company will come into our balance sheet as from that date, so that the effect of this purpose will be to bring the Company to the dividend-earning and dividend-paying stage at an earlier date than we had foreshadowed in our prospectus, and, without making definite promises, I hope that our shareholders will soon benefit from that fact. I now have pleasure in proposing "That the capital of the Company be increased to £500,000 by the creation of 250,000 additional shares of £1 each," and I will ask Mr. Haschke to second the proposal.

Mr. A. W. Haschke : Ladies and gentlemen, I have pleasure in seconding the proposal. I do not think there is anything more I can usefully add, as Mr. Etherington has more or less covered the ground. I have been down to the works of the Atlantic Patent Fuel Company myself and can only tell you that this Company is very fortunate. The acquisition of the Atlantic Patent Fuel Company will add very largely to our dividend-earning capacity, and that Company can be very largely improved, I think, by being worked on modern scientific lines. It has been worked lately in rather a haphazard fashion, but still they have made very large amounts of money, and I think if it is worked on the same principles as the works of the Sun Fuel Company you will find the profits very largely increased. I have much pleasure in seconding the motion.

The resolution was then put to the meeting and carried unanimously, and the proceedings terminated with a vote of thanks to the Chairman.

IMPERIAL TOBACCO COMPANY (OF GREAT BRITAIN AND IRELAND), LIMITED.

A MEETING of the shareholders of this Company was held on March 16 to consider the issue of new capital.

Mr. G. A. Wills (the Chairman of the Company) said : The resolutions read deal with two matters—an increase in the Company's capital, and an alteration in the Company's articles of association. The most important reason for the increase of capital is connected with the Company's stocks of leaf tobacco. The expansion of the Company's business makes it imperative to carry larger stocks. The low rate of the American exchange has substantially accentuated the high prices we have had to pay for our leaf. The amount of additional capital we require is, approximately, £11,000,000, and the greater part of this amount is needed for purchases already made. We propose that the nominal capital should be increased to £45,000,000 by the creation of 12,000,000 additional Ordinary shares. Of the 12,000,000 shares so created we propose to offer approximately 5,600,000 to the existing Ordinary shareholders, each shareholder being entitled to take up one new share for each three shares at present held; fractions will be disregarded. The price at which the new shares will be offered will be £2 a share, which will give the Company, approximately, the £11,000,000 required.

Payment for the new shares is to be made on or before April 28, and the formal offers will be posted to shareholders on March 26. The new shares will be entitled to participate in all future dividends to the same extent as the existing Ordinary shares. The balance of the Ordinary shares we propose to create will be left in the hands of the directors to dispose of in such a way as they consider expedient in the interests of the Company. The directors have no present intention of issuing the balance of these shares.

In regard to the proposed alteration in the Company's articles of association the Chairman said : We propose that in future share certificates should be sealed in the presence of one director instead of two. A large number of certificates have to be sealed every month, and the alteration will reduce to some extent the increasing burden of work falling on the directors.

The Chairman then moved three resolutions, which were formally seconded by the Deputy Chairman, Mr. H. W. Gunn. The first resolution authorised the creation of 12,000,000 additional Ordinary shares of £1 each; the second authorised the issue of 5,600,000 Ordinary £1 shares at £2 each, to be allotted to present shareholders in the proportion of one new share to three now held; the third resolution sanctioned certain alterations in the articles.

The resolutions were carried without further comment. A confirmatory meeting will be held in London on April 1.

JAMES W. COOK AND COMPANY, LIMITED.

THE twenty-third annual general meeting of this Company was held on March 15 at the Institute of Chartered Accountants, Moorgate Place, London, E.C., Mr. William Clarke (Chairman and Managing Director) presiding.

The Chairman, in moving the adoption of the report and accounts for the year ended December 31, 1919, said : Gentlemen,—There is one thing which I want particularly to emphasise, and that is that there is something missing from our accounts to-day, for the mortgages that formerly existed have been paid off, leaving the whole of our property, afloat and ashore, absolutely free and untrammelled (Hear, hear.) We have also added to our reserve for contingencies fund a further £27,500, making that item stand to-day at £55,000. We show it as a reserve for contingencies, because one never knows what one will have to face. We may have to transfer and to re-transfer that account, but now it is available for anything that we need. We have paid our excess profits duty for 1918, and have provided for that which we have estimated as due for 1919, so that whatever funds we have available are free for the working of the business. Our funds have increased, and we shall carry forward an amount slightly in excess of the sum brought into the accounts after having seen that every man has had his due, both by wage and commission, and we think we are surrounded by a satisfied staff. The work done this year has been of an exceedingly heavy character, and has demanded the best abilities of your directors. And here I should like to say how much we are indebted to the younger members of the board, who have during the War period, and last year as well, given their undivided attention to the business, forgoing all holidays. It is principally due to them that the business is to-day in such a prosperous condition. (Hear, hear.) You all know how troublesome the labour question universally has been, but I am glad to say that, except for one branch, we have gone straight on, and we are hopeful that we may see the year through with success. When we meet you again we trust that we may be able to present to you as good a report as the one now before you. We have been asked why we have not increased the dividends. To this we have replied that we find we require so much more money in the business that we decided that the best course was to go slowly and cautiously, in the hope that at our next annual meeting we shall feel justified in increasing the bonus.

Mr. W. J. Clarke seconded the resolution, which was unanimously adopted.

LONDON AND THAMES HAVEN OIL WHARVES, LTD

THE twenty-second ordinary general meeting of this Company was held on March 16 at Winchester House, Old Broad Street, London, E.C., Sir Owen Philipps, G.C.M.G., M.P. (Chairman of the Company), presiding.

The Chairman said : Gentlemen, I think you will agree that we have every reason to be satisfied with the results shown. Our issued capital has increased from £245,000 to £357,500, of which £318,600 is paid up, there being 15s. per share still to be paid up on 51,867 new shares. The £112,500 received as premium on the shares issued to our shareholders in June last has been placed to reserve, which now amounts to £250,000. Your directors are pleased to be able to recommend a dividend at the rate of 10% for the year, free of income tax. There appears to be a reasonable prospect of our being able to keep up this rate of dividend in future. Otherwise we would have hesitated to recommend any departure from the payment of 8% per annum consistently maintained for the past 13 years.

The Company's business is progressing steadily in all departments. We have been building oil storage tanks continuously during the year. The Company will probably be required to handle much larger stocks in the future, and it is always the aim of your directors to be fully prepared to meet all the requirements of the trade. Our new refinery plant is gradually nearing completion. During the year we have purchased between 400 and 500 acres of additional freehold land, having in view the housing of members of our staff and workpeople. Our relations with our workers continue to be good, as hitherto.

In view of the measure of publicity recently given to alleged "profiteering" in petrol, some of you may have become a little concerned, looking to the important position we hold in the petrol world to-day. I think I can reassure you as to this Company's responsibility for any part of the increase in price. Our Company does not deal in any product; it does not buy anything except plant and equipment; it does not sell anything except good public service, and the use of the appliances necessary for handling the goods of other people. When I tell you that the whole of the Company's revenue for the year does not represent one halfpenny per gallon on the whole of the products handled, you will realise that the charges for the services we render, the attention and skill the Company's staff devotes to the business, and the provision of efficient handling and storage facilities are an inconsiderable factor in the price of petrol to the consumer. The Chairman concluded by proposing the adoption of the report and accounts, and the payment of a dividend on the Ordinary share capital at the rate of 10% per annum free of income tax.

Mr. A. C. Adams seconded the resolution, which was carried unanimously.

RIVER PLATE TRUST, LOAN AND AGENCY COMPANY, LIMITED.

The thirty-ninth ordinary general meeting of this Company was held, on March 17, at 52 Moorgate Street, London, E.C., Mr. James Anderson presiding.

The Chairman said that a considerable change had been in progress during the last few years in the character of their business. In 1913 83% of their assets was invested in the River Plate and 17% in London. At the close of last year the figures were 48% in the River Plate and 52% in London. The cause of that transfer of funds was that the prosperous season enjoyed by the farmers in the Argentine Republic for some years past and the war prices obtained by them for their wool and grain had so materially improved their financial position that mortgages had been paid off on a great scale and the demand for new loans had been very limited. In consequence money had flowed back on them, and the capital they could not profitably employ in Buenos Aires they had had to invest in London. For some years past the demand for loans had been very small. That phase would no doubt pass, as there was still room for further development in the farming indnstry, but they could no longer look for the same margin of profit that they had enjoyed for so many years. Even with a reduced margin of profit their business was a sound and profitable one. As to the prospects for the current year, the position as regarded their mortgage business showed signs of improvement. Repayments of loans still continued, but on a decreased scale, and the demand for new loans had been more active. Rates of interest had somewhat stiffened. Their total investments in London at the close of last year amounted to £2,562,000, an increase of £336,000 as compared with the previous year. Of that total 54% was represented by British Government securities, the remaining 46% being in high-class securities of a general character. It had been estimated that the fall in the market value of high-class investments in the course of last year was equal to 6%. They had not suffered in such a degree, as the greater part of their holding in British Government stocks was represented by short-term War Loan and Exchequer bonds, which had but a few years to run.

The report was adopted.

BRITISH L. M. ERICSSON MANUFACTURING CO., LTD.

The seventeenth ordinary general meeting of this Company was held on March 17 at the Memorial Hall, Farringdon Street, London, E.C., Mr. W. M. Crowe (Chairman and Managing Director) presiding.

The Chairman said: The profit shown in the accounts is smaller than that shown in the previous two years, but comparing the results with those of some of our competitors in the telephone industry, they may be considered as satisfactory. The past year has been a difficult one for telephone manufacturers from the fact, first of all, that the Post Office officials left it late in the year before they decided to place orders on a large scale. Then there came the difficulty of getting raw material, and, after that, the difficulty of getting the workpeople to turn out sufficient output. The prospects of the present year are extremely bright for the Company if we can only count on getting raw material and sufficient output. We have already in hand very large orders for telephone material of all kinds, and we are informed by the British Post Office that there are plenty of further orders only waiting to be placed. In addition, there is an immense demand from the Colonies and from foreign countries.

I referred last year to the country's necessity for increased output. I think I am safe in saying that British made material is demanded probably more than the manufactures of any other country in the world America included. I do not think that employers are in the least inclined to take advantage of the workers, and I am certain that it would be to the immense advantage of both sides if labour would do its share and deliver the goods as they are being delivered in other countries. If, on the other hand, the trade unions are to force workers to limit the output, and that even against the wishes of a large proportion of these same workers, then the country must thank the trade unions for leading it towards disaster. How different is the attitude of the people of Belgium, where, although the country was almost depleted of the best of its machinery, its factories made unworkable, and its mines to a great extent destroyed, already they have recovered, and are turning out nearly as much coal and manufactured material as was turned out in 1913.

Turning to the accounts, we see that the net profit amounts to £25,877. The directors recommend that after payment of the Preference dividend the balance be appropriated as follows: By payment of 10% (free of income tax) to the Ordinary shareholders, the same dividend as was paid last year; by placing to reserve account £10,000: and to a reserve account for depreciation of investments, £2,500. I have much pleasure in moving the adoption of the report and accounts, and the allocation of the profits recommended.

Mr. Allan F. Wood seconded the motion, which was carried unanimously.

RATANUI RUBBER ESTATES, LIMITED.

The tenth annual general meeting of this Company was held on March 18 at the registered office of the Company, Martin's Lane, Cannon Street, London, E.C., Mr. W. Arthur Addinsell (Chairman of the Company) presiding.

Mr. J. Lewis, on behalf of the Secretaries, Messrs. Bright and Galbraith, Limited, having read the notice convening the meeting and the report of the auditors,

The Chairman said: Gentlemen,—I move "That the directors' report and accounts for the year ended September 30, 1919, as submitted to this meeting, be approved and adopted, and that a final dividend of 20%, making a total dividend of 30% for the year, be declared and paid on the issued capital of the Company as at September 30, 1919." Having regard to the improved condition of the rubber industry as compared with the position twelve months ago, the accounts and balance sheet now before you must, I am sure, give every satisfaction. The net profit for the year, £10,928, nearly doubles that of the previous year, and the directors have every confidence in recommending a final dividend of 20%, making a total of 30% for the year. We also recommend the transfer of £9,000 to reserve account and the carrying forward, subject to the usual reserves, of £4,031.

Prices and Prospects.

The satisfactory results attained were secured from a net average sale price of 1*s.* 10½*d.* per lb. for the crop harvested. As you are aware, the market value of plantation rubber



ASBESTOS

Turner Brothers' Asbestos Co., Ltd.

MANUFACTURERS

ROCHDALE, ENGLAND

recently rose to close on 3*s.* per lb., but owing to the present financial and political disturbances the price has somewhat sagged; but even at to-day's value—2*s.* 5*d.* per lb. for standard grades—investors in rubber can, I think, view the situation with equanimity. Personally, I am quite confident as to the future of rubber. When the exchange question between this country and America becomes stabilised, and the Central European countries are in a position to procure and use raw rubber, the increased demand will, in my opinion, exceed the supply.

Acquisition of new areas.

When we last met I referred to the policy decided upon by the board in regard to the development of new areas. The position now is that whereas our original estate comprised 782 acres only—the whole of which is planted up and practically all in bearing—the acquisition of the "new division" has enabled the planted area to be increased by 333 acres, with an additional 80 acres felled and drained and 92 acres in course of development. Recent advices from the Company's local agents indicate that the whole of the new division will be planted up this year, when the total area under rubber will amount to 1,287 acres. Your directors have continued their policy of extending the Company's areas, and accordingly instructions have been given to secure a further block of 1,000 acres of land adjoining the new division. We have not yet heard definitely that the application has been granted, but our agents state that there is not the slightest doubt that this land will be secured. This acquisition will provide us with a total of 2,287 acres, which fact prompted your directors to recommend an increase in the capital; this subject will be dealt with at the extraordinary general meeting to be held at the close of this meeting. Our manager, Mr. Latham, has recently been in this country on leave of absence, and your directors have been able to discuss with him personally all matters of detail pertaining to the working of the estate. Mr. Latham is now back on the estate, and I am quite sure I am only anticipating your wishes by putting on record the Company's appreciation of his past services. I will ask Mr. de Winton to second the resolution.

Mr. Cecil de Winton seconded the motion, which was unanimously adopted.

The retiring director and the auditors were reappointed.

Increase of Capital: Issue of Bonus Shares.

At a subsequent extraordinary general meeting resolutions were unanimously passed increasing the capital to £100,000 by the creation of 50,000 new shares of £1 each, and altering the articles of association so as to permit of the capitalisation of undivided profits, with a view to the distribution of 40,000 £1 shares as fully paid among the shareholders, subject to approval at an extraordinary general meeting to be held on April 16.

REMBIA RUBBER ESTATES, LIMITED.

THE eleventh ordinary general meeting of this Company was held on March 16 at 4 Lloyd's Avenue, London, E.C., Mr. T. C. Owen (Chairman of the Company) presiding.

The Chairman, in moving the adoption of the report and accounts, said that the trading account showed a profit of £15,687, as against £6,655 last year. They had already paid a 10% dividend on both classes of shares, and now proposed to pay a similar amount and to carry forward £10,926. The question of excess profits duty was an important one for them. If it was decided that they could not take advantage of the "annual value" decision, but that they could take advantage of the Merlimau decision, their liability for excess profits duty for the years during which it had been in force amounted to only £73. They had actually paid £7,188, so that they would have a counter-claim. If the Merlimau decision was overthrown their liabilities would be £18,125.

He had just returned from a visit to the F.M.S. They had three divisions in the Malacca district—Jelutong, Tanjong, and Lendu—the latter distinct from the company of that name. Jelutong was in good condition in every respect, and there was absolutely nothing to criticise. A good deal of Tanjong was much younger, and consequently the cost of production was higher. Lendu was unfortunately unhealthy. It had suffered during the influenza epidemic, and recourse had had to be had to Chinese labour. An improvement in that respect was hoped for in the early future. They wished to acquire other properties, and for that purpose proposed to increase the capital, but not to issue any fresh shares until additional land had actually been acquired.

There were three sources of anxiety in the East—exchange, rice, and labour. The maintenance of the F.M.S. dollar at about the pre-War rate was a source of difficulty when Tamil labour was imported to Ceylon, and was paid there in rupees. The rice difficulty had been increased by the failure of the Siam crop, resulting in high prices and a serious loss on rice, which had to be met. With regard to labour, the immigration of Tamils had not been quite as satisfactory of late as they would have liked, but he thought there was no fear of any very serious shortage of labour in the immediate future.

Mr. J. Crowther seconded the motion, and it was unanimously agreed to.

At a subsequent extraordinary general meeting, and also at separate meetings of Preference and Ordinary shareholders, resolutions were adopted increasing the capital to £150,000 by the creation of 70,000 new Preference shares of £1, and making certain alterations in the articles.

BILBAO RIVER AND CANTABRIAN RAILWAY COMPANY, LIMITED.

THE forty-ninth ordinary general meeting of the shareholders of this Company was held on March 19 at the Company's offices, 2 Broad Street Place, Finsbury Circus, London, E.C., Mr. John Mews, LL.D. (the Chairman), presiding.

The Secretary (Mr. L. H. Buck) having read the notice convening the meeting and the auditors' report,

The Chairman said: The past year, from which we looked for at least moderate progress, has brought us, instead of a gradual elimination of the after-effects of the War, an accentuation of difficulties which have retarded recovery and are answerable for the unsatisfactory tonnage shown in our report, with results which have had no counterpart in the long and prosperous history of the Company. The difficulty which, above all others, has influenced our operations so unfavourably is the deficient supply of vessels for the transport of ore from Spain to this country. We are experiencing the consequences of the destruction of vessels due to the War and the diversion of ships to the necessary work of providing food supplies for the requirements of the country. At the same time we are bound to realise that our principal ports have been and are still blocked—although I believe now in less degree—with vessels awaiting discharge, and this in reality amounts to their use for enforced storage. Clearly we must look to the cessation of control and of labour difficulties to bring us back to the individual and successful management of ships which placed the United Kingdom in the forefront as sea carriers, and did so much to cheapen freights and extend and develop our trade with all parts of the world. Once we can see the docks cured of congestion and good despatch assured, there is every reason for anticipating that all the contingent consequences of that impaired condition will disappear and give place in growing measure to the invigorating influences of reviving industries, expanding exports, and increasing construction of new vessels, with the result of enlarged demand for iron and steel products, wherewith to restore the waste and arrears of the past memorable five or six years.

Labour unrest in Spain.

The labour question in Spain has been the cause of a considerable addition to our expenses, and in the spring gave rise to the first strike initiated by our own men. We were able to bring this to an end in a few days, but it was none the less an unexpected event to us, as we have always been ready to do as much for them as the nature of the work and the economic conditions of the country would justify. Spain experiences, with the rest of Europe, great labour unrest, but it may be doubted whether its increasingly important industrial development is wide enough to justify in the ultimate interests of the men themselves the application last autumn by the Spanish authorities of the eight-hours' day as a matter of public policy. This means in practice that the same pay is to be given as for the previous 10-hours' system, after largely increased wages had already been granted to meet the extra cost of living, which applies to Spain as to other countries. This question of shorter hours may, indeed, even here at home, unless counteracted by greater output, bring greater evils than it is presumed to cure. The eight-hours' system falls with especial severity upon this Company, owing to the fluctuating character of shipments, which has obliged us to keep the men together during a period in which we have only had to deal with little more than half the tonnage carried in 1918, and have for weeks together had no vessel at our shipping staithes In these adverse circumstances it is hardly to be wondered at that the result of the year's working gives a profit of only £1,962. To this amount there is to be added interest on investments and bankers' balances, £12,623, and £11,573 brought forward from 1918, making an available total of £26,159. An interim dividend of 5%, absorbing £8,201 5*s.*, was paid in September, and it is proposed to pay a further 5%, making 10%, or 6*s.* per share, less income tax, for the year. Provision for depreciation on investments calls for £5,416, leaving a balance of £4,341 to be carried forward. This is the first time since 1902 that a bonus beyond 10% is absent from the distribution, but, as I have just mentioned, we have had to provide for depreciation of investments, the fall in Government stocks having been severe, and this has continued since the end of the year. The release of the pent-up stream of demand for additional capital for new, and for extension of existing, enterprises has absorbed immense sums, and has brought about the sale on a large scale of Government stocks. We shall probably have to wait for a recovery from the fall in price of best securities for the Chancellor's Budget, in the hope that it may be of such a character as to assure economy in expenditure and equilibrium in the finances of the State. The balance sheet will need but brief comment. On the debit side, reserve

fund, staff fund, and suspense account are unaltered. Amounts owing are £27,259, against £29,504, and accident insurance fund £898, against £1,062. On the credit side the investments for repayment of capital reserve fund are the same as before, while provisional balances at £22,628 are £5,000 less than in 1918. This last-mentioned amount is not, as you are aware, in the nature of a reserve, but represents temporary investment for outstanding liabilities. Stock of stores, at £10,057, compares with £10,253. The Bank loan against War stock, which first appeared in 1917, has been paid off out of part proceeds of Colonial Bonds which fell due on July 1 last, the balance of proceeds, £5,000, having been re-invested in Funding Loan at the time this was issued for public subscription. Cash balances are £14,002, against £27,441 at the end of 1918. Interest on investments and balances gives £12,623, against £12,460. Gain in exchange, which appears under the head of net revenue, was £1,822, compared with £10,833, this large difference being due to reduced receipts. Further appreciation of Spanish currency took place last year, and the rate for sterling moved gradually from piastres 23.73 to piastres 19.80. So far as the Spanish returns are available, it would seem that the volume of trade, both of imports into and exports from Spain, materially increased; but the continued excess of the latter no doubt accounts in great measure for the depreciation of sterling, and probably speculation has been a considerable factor in exchange operations in Spain, and, it may be, in all the exchanges whose equi-

The pressure of expenditure.

When we turn to the expenditure for the year we see at once that the great fall in tonnage, combined with the additional cost of wages and materials, have together absorbed all our receipts and left a small balance on the wrong side of the railway working, although, taking into account the royalties received, as a set-off against the royalties paid, there is, after miscellaneous receipts, a credit balance of £1,357 carried to revenue. The necessities of our business require us to keep a number of men always available for the services of loading into waggons, transport over the line, and shipment from our staithes into vessels as presented. In conditions such as have been met with during the past year this involves a heavy outlay. In the case of the permanent way, extra cost has been incurred in the deviation of line to correspond with development of Galdames Mines. Locomotive expenses continue to be affected by the high cost of fuel, which at present shows no signs of improvement, while the outlay on repairs and renewals of locomotives, waggons, workshops, and shipping expenses is increased by the higher cost of labour and material. Traffic expenses, which were practically the same for 1919 as for 1918, exemplify the effect of small tonnage, seeing that the percentage was 11.43, against 6.51%. General charges, which were abnormal in 1918, were for 1919 about the average. Every effort has been made by the management to keep expenses down, and we must depend principally upon a better supply of tonnage to bring the cost of our operations to a more satisfactory level. This all-important question of tonnage is a matter which is regulated by the demand for ore in relation to the production of the mines. It has been long known that the mines, after 40 years of output, have fallen off in output very largely; yet it is clear that this steady drain upon the resources of the district cannot account for the difference between shipments from Bilbao of over 2¼ million tons in 1918, compared with 1½ millions in 1919. We must look beyond the capacity of the mines to the causes which have restricted demand, and, after what I have said about the scarcity of vessels and the very high rates of freight, we cannot but conclude that these difficulties are in great measure due to control and to strikes and congestion of ports. I hope that we shall not now have long to wait for improvement, and that the necessary stimulus to unity will be evolved from the common sense and common interest of all concerned in promoting the active development of the great industries of the country.

Iron Ore Shipments.

The distribution of iron ore shipped from Bilbao last year included 526,000 tons to South Wales, representing a large falling-off compared with 993,000 tons for the previous year; 530,000 tons to East Coast, against 576,000 tons; 193,000 tons to Scotland, compared with 519,000 tons—another large decrease; 133,000 tons to Lancashire and Cumberland, against 275,000 tons, as well as 53,000 tons to France, 58,000 tons to Belgium, 9,000 tons to Holland (no doubt for Germany), and 1,000 tons to the United States. The Company's returns for the first two months of the current year show but a slight increase over those of the corresponding period. March, however, has brought us a larger supply of vessels than we have had since July 1919, and, looking to our stocks alongside the line on January 1 of 185,000 tons of ore available for shipment we are encouraged to anticipate increased tonnage and better results. I shall be glad to answer any questions, and will conclude by moving: "That the report of the directors, together with the statement of accounts for the year 1919, be and the same are hereby approved and adopted."

Mr. G. F. France seconded the motion, which was carried unanimously.

The Chairman next moved: "That a balance dividend of 3s. per share (less income tax) be and is hereby declared on the Preference and Ordinary shares, making 6s. per share for the year 1919, and that the same be payable on the 20th instant to the shareholders registered in the books of the Company on the 12th instant."

Mr. J. A. Clutton-Brock seconded the motion, which was unanimously agreed to.

Mr. Thomas Harrison (General Manager) then proposed: "That Mr. J. Mews, LL.D., and Mr. J. A. Clutton-Brock be and are hereby re-elected directors of the Company." He said that the invaluable services rendered to the Company by the Chairman and Mr. Clutton-Brock were well known to the shareholders, and no one had better reason to appreciate their work than himself, because he had had for many years the advantage of the helpful counsel and active assistance of the Chairman, and the benefit at all times of Mr. Clutton-Brock's broad views on finance and railway management. Both gentlemen had very effectually served and promoted the interests of the Company.

Mr. G. F. France seconded the motion, which was passed unanimously.

Messrs. Harper Brothers and Feather and J. H. Hugill and Co. were reappointed auditors for the ensuing year, on the motion of Mr. A. F. Judd, seconded by Mr. H. A. Carman.

Mr. Judd proposed a cordial vote of thanks to the Chairman and directors, and also to the staff, both in London and Bilbao, for their services during the past year.

Mr. Carman seconded the vote, which was unanimously accorded.

The Chairman briefly acknowledged the compliment, and the proceedings terminated.

SALT UNION, LIMITED.

The thirty-first ordinary general meeting of shareholders in this Company was held yesterday at the Exchange Hotel, Liverpool, Mr. G. H. Cox presiding over a large attendance.

In moving the adoption of the report and balance sheet, the Chairman said the most important item in the balance sheet was the reduction of £171,069 under the heading of freehold, copyhold, and leasehold properties. They had not only written down all their plants more severely than in the past, but they had also disposed of the depreciation reserve account, £125,000, which stood on the debit side of last year's balance-sheet. As compared with pre-War years it required three times the amount of money to pay for wear and tear and to effect replacements and alterations, although the actual quantity of work might be the same. It was well for shareholders to bear this in mind from the point of view of the floating capital required, and the necessity for earning large gross profits if dividends were to be maintained. For the same reason Labour, if it ever reflected on these matters, must remember that for continuance of its high wages large gross earnings were equally required. A fall in earnings would adversely affect both shareholders and labour. Referring to their trade, he was happy to say that last year they had regained a substantial amount of it, but there was still leeway to make up. Prices had ruled high in many export markets, which had fully equated the greater working costs, but they could not expect this state of things would be permanent. In 1918 their trade to the East was nearly brought to a standstill owing to the want of freight room, but now it had reached 17,000 tons. Although that was only half what they used to supply, the prospects for the current year were good, and they were being allotted a fair amount of tonnage.

German Competition.

A new competitor would have to be taken into account in the near future, namely, Germany, and she had large supplies of crushed rock salt ready for shipment from Hamburg, and now offering f.o.b. at that port at moderate rates. She had no steamers of her own, but the British steamers were likely to establish a trade from Hamburg, and would doubtless be prepared to carry salt, which would naturally compete with theirs on arrival at Calcutta. As regards home trade, German salt had already made its appearance in our ports, including the Scotch fishing centres and Manchester, and, as a large proportion of it consisted of crushed white rock, this competition was formidable, not only here, but in other parts of the world. There had, however, been an active demand for their salt at remunerative prices. At the same time their costs of production had been greatly enhanced by the rise in wages, and materials used had also risen tremendously.

Labour's Demands and its Nemesis.

They would have noticed that the Profiteering Committee was investigating the cost of manufacture and distribution of salt. As they had throughout refused to take undue advantage of the shortage of supplies, having been satisfied with a reasonable rate of profit, he was not afraid of the outcome, but he felt bound to utter a protest against the inquisitorial nature of all these inquiries. Labour entered largely into their costs, both directly and indirectly. At the present moment they were faced with further extravagant demands, both as regards wages and hours of working, while output was only 77 per cent. of what they had before the War. It

was perfectly clear that advances in wages could only be maintained so long as consumers at home and abroad would pay correspondingly higher price for their products, but the time was fast approaching when the purchasing power of the consumer would be curtailed by the prices necessitated, and they would then be unable to market the full output, with the result that Labour would suffer owing to diminished production.

New Properties acquired.

As to acquisitions of property, the Cheshire property, which had been converted from leasehold to freehold, had not yet been paid for, thanks to the law's delays. In the meantime they had acquired the freehold of a further property, at a cost of £10,600. With regard to their Somersetshire interests they had added to them by the purchase for £36,000 of the existing brine wells and salt works which belonged to and were developed by Messrs. Board and Company. They had also bought an adjoining plot for £7,000. The Board and Company contracts had been signed, but the matter still awaited completion.

With regard to the future, the Salt Union had enjoyed an exceptional measure of prosperity during the past few years, and they might perhaps count upon its continuance during the current one, but he dared not look beyond that, because there were social and economic elements at work which might upset all their calculations and render the best skill and foresight on the part of the management null and void. In the present situation there was a new and potent factor. He alluded to the vast and powerful combinations of labour. The world had never seen anything like it in previous eras, and there was a strong tendency on the part of labour to ruthlessly use this new instrument. Labour was determined if it could to nationalise coal and other industries, and to take complete control of them solely for its own benefit. What the men's leaders were striving for, he was convinced, would, if obtained, result in disaster to all concerned, and nationalisation of industry was only another name for paralysis of industry. Meanwhile the recent decision of the Trade Union Congress was, let them hope, a healthy sign of returning sanity on the part of labour.

Mr. F. W. Clark seconded the motion, and the report was approved.

Dividends of 2*s.* 4*d.* per share on the Preference shares and 3*s.* per share on the Ordinary shares were declared, and Mr. John Rigby and Mr. Jas. H. Beazley were re-elected directors.

A very elaborate and profusely illustrated volume has just been issued by the Bank of Chosen entitled "Pictorial Chosen and Manchuria." It has been compiled in commemoration of the decennial of the Bank's establishment, which falls on October 29 of the present year. The period of ten years has seen a great change in the conditions both of the country and of the Bank. The progress made constitutes ample reason for the publication of such a work as that which we have received. A great number of photographs are given, representing every phase of social and economic progress. We congratulate the Bank both on the completeness and detail of the volume and on the progress made in so short a period as ten years.

A pamphlet, prepared by the Foreign Trade Department of the Royal Bank of Canada, entitled "British Empire Tariffs and Their Relation to Canadian Trade" sets forth the advantages which Canada derives from the preferential treatment accorded merchandise produced within the Empire when imported into Great Britain and several of the British Dominions and possessions. Information is given regarding the extent of preference accorded Canadian products, the intention being to indicate openings for the enlargement of the trade of the Dominion. Copies of the pamphlet can be had without charge on application to the Bank's offices.

The Final General Memorandum on the Rice Crop of 1919-20, issued by the Department of Statistics, India, and made up to the 23rd of last month, states that reports have been received from provinces which contain 99% of the total area under rice in British India. The statistics of acreage, outturn, &c., refer to all crops of rice, both early and late, in all the reporting provinces. The total area reported is over 81½ million acres, comparing with 79½ million acres last year. There is thus an increase in acreage of 3%. The total yield is estimated at a little under 35¾ million tons of cleaned rice, as against less than 24¾ million tons last year, showing an increase of 45%. Weather conditions were, on the whole, favourable, and the condition of the crop is reported to be generally good, except in Burma, where late rains were deficient.

"Foreign Exchange and Foreign Bills in Theory and in Practice." By William F. Spalding. Third edition. (London: Sir Isaac Pitman and Sons, Limited.) As Mr. Spalding's book is written from a practical standpoint—and from his position he is eminently fitted to explain the nature of exchange—it is a useful addition to the ever-growing mass of literature on economic subjects. It has been truly said that if one really understands the subject oneself there is no difficulty in making it plain to the reader. Mr. Spalding, of course, defines the question of the exchanges in the dictionary sense, but having done so, he explains the subject so clearly that the matters on which he writes should be easily comprehended by any reader, even if he has no real acquaintance with foreign banking and the course of the exchanges. In theory the question of the exchanges is perfectly simple. All that it implies is to find some ready means whereby the varying balances between different countries, and, indeed, different parts of the same country, can be readily adjusted. Bills of exchange from very ancient times have fulfilled this function. Mr. Spalding, unlike many authorities, says that the practice of issuing bills of exchange is quite modern, and dates only from the practice of the Florentine bankers in the twelfth century of issuing notes not unlike what we should call letters of credit. Modern research, however, would indicate that bills of exchange were well known to the ancient world and to the remote civilisations of Egypt and the East. However that may be, the bill of exchange has become an almost essential instrument in the conduct of international trade in our own time. The reason why the exchanges have become so wholly upset as a result of the recent War is simply that the belligerent countries have unduly pledged their credit in order to obtain supplies during the War. Consequently, we have not the means in an economic sense of adjusting the different balances. In normal times either commodities are sent, or services rendered which adjust the balances, and it is only necessary to remit between different countries very small amounts of gold. It would not at any time be possible to adjust balances between nations in gold because the amount of gold in the world is not sufficient. Nor, of course, would it be desirable. The difficulty that most people experience in understanding the question of exchanges between different countries is that rarely in any country do exports and imports balance. They are usually supplemented by what, for convenience, are called services rendered.

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All Editorial communications should be addressed to the Editor.

Business communications should be addressed to the Manager,

THE STATIST,
51 Cannon Street, London, E.C. 4.

Telegrams: "Statist Cent. London." *Telephone: City 5253-5259.*

IMPORTANT NOTICE.

EASTER HOLIDAY ARRANGEMENT.

"THE STATIST" will be published on Thursday next, April 1, instead of on Saturday.

The Statist.

LONDON, SATURDAY, MARCH 27, 1920.

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The Money Market.

Friday, March 26, 1920.

	Current Rate %	Current Rate Fixed	Previous Rate %	Previous Rate Fixed
Bank of England Rate...	**6**	**(Nov. 6,'19)**	**5**	**Apr. 5,'17**
Deposit Rates:—				
Banks & Discnt. Ho. (Call)	**4**	**(Nov. 6,'19)**	**3½†**	**Oct. 6, '19**
Discount Houses (Notice)...	**4¼**	**(Nov. 6, '19)**	**3¾**	**Oct. 6,'19**

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.

† Foreign and Colonial banks give Special Rates only upon deposits for a year

Discount Rates :—	60 Days. %	3 Mos. %	4 Mos. %	6 Mos. %	12 Mos. %
Treasury Bills ...	—	5½	—	—	5½
Bank Bills ...	5⅝	5⅝	5⅞	6	—
Trade Bills ...	—	6¼	6½	6¾	—

TOWARDS the end of last week the demand in the Money market was keener and rates were firm about 4% in the beginning of this week, with afternoon balances on offer at 3½%. Over eight millions of Exchequer bonds fell due for repayment on Wednesday, and this repayment brought about easier conditions, which still continue. Short loans were on offer yesterday at 3% to 3½%. Weekly fixtures are firmer at 4½% to 5%.

The easier tendency which was apparent in the Discount market at the end of last week did not continue over the week-end. On the contrary, on account of the uncertainty regarding the future course of money rates, the general tone became decidedly firm. All during the week, however, there was a strong inquiry for June bills, and April and other short-dated paper

was discounted at the Bank of England in order to change into June paper. As a result the rate for three months' bills weakened to 5⅝% to 5 11/16%. Other dates were firm.

The outstanding feature of the Foreign Exchange market during the week was the collapse of the chief Continental exchanges. The rates with France, Belgium, and Italy touched points during the week which were never before reached. The reason for the high exchanges with our Allies is not far to seek. It lies primarily in the disorganised state of their finances, currencies, and industries, and the recent upward movements merely indicate the slowness of the recuperation of these countries as compared with our own. It can be confidently stated, however, that the recovery of all three countries, though necessarily slow, is a real movement. A glance at the trade statistics of both France and Belgium shows that imports of the raw materials necessary for industry are mainly responsible for their increasing adverse trade balances, and at the same time their exports of manufactured articles show a more than corresponding increase. As regards the currencies of the three countries, a comparison of the present with the pre-War position reveals at a glance one of the fundamental causes of their adverse exchanges. Briefly, the position is as follows:—

	Note Circulation (Thousands of £'s)			Percentage of Gold to Notes		
	July 1914	Nov. 1918	End of 1919	July 1914	Nov. 1918	End of 1919
France ...	267,327	1,162,896	1,506,422	62.0*	18.8*	14.5*
Belgium...	39,056	no data	190,552	26.8	no data	5.6
Italy ...	69,204	364,412	507,671	70.8†	9.0	6.3

* The gold held abroad is taken into account in the calculation.
† Silver is included with gold.

As regards the exchange rates with these countries during the past week, there is no doubt that the upward movements were accentuated by heavy purchases of sterling for American account. The portfolio of exchange of the Bank of France, for instance, was depleted to the extent of nearly £20,000,000.

Our own rate with America still continues to improve and seems to have been influenced during the past week by further shipments of gold from London to New York. Evidently Americans are impressed and are even beginning to be alarmed by the rapid development of our foreign trade. During the War we had to yield to the United States premier place in the export of manufactured articles. During last year the United States exports of manufactured articles amounted to £697,000,000—only 82 millions over our own figure, and it is more than probable that we have by now regained our pre-War position as the leading exporters of manufactured goods. All things considered it may safely be said that, taking into account our "invisible" exports, which at present work out at the rate of about 50 millions a month, our adverse trade balance has already disappeared. Such being the case one would expect a sharp recovery in the dollar-sterling rate. A recovery would be immediate if we could get back to the gold standard, but this seems out of the question for some time to come. Again, it must be remembered that the disorganised state of the Continental exchanges will continue to be detrimental to our own rate with New York. Indeed, the firmness of the dollar-sterling rate during the week, in spite of the collapse of the values of the franc and the lira, affords the best possible indication of the strength of our position at present.

As regards the actual quotations, the French franc was at one time over 57, but the Belgian franc went up to 54.62½, and the lira to 58.75. The latest tendency, however, with the exception of the lira, is towards an improvement. The effect of the decline in the Continental currencies upon our rate with New York was clearly marked during the week. The general tendency, however, was remarkably firm, to-day's quotation being 3.90½. German marks, after an upward movement in the beginning of the week, closed with an improvement to 287. Finnish marks, on the other hand, moved up to 74. Little change occurred in the Scandanavian rates. The Dutch rate moved in our favour. A general set-back occurred in the South American group in sympathy with the dollar. The Shanghai tael and the rupee declined slightly.

A study of the national accounts for the period to March 20 enables one to gauge how the accounts for the full financial year will work out. The total revenue from April 1, 1919, to March 20, 1920, is £1,231,397,197, against a Budget estimate of £1,201,100,000, and the total expenditure during the same period is £1,498,962,489, against an estimate of £1,673,059,000. The deficit is thus £267,565,292. Should revenue and expenditure continue at the same rate as during the week ended March 20, this deficit would be reduced by only a comparatively small amount by the 31st inst., though it would still be substantially under the deficit according to both the Budget estimates and the revised estimates made by the Chancellor of the Exchequer in October last. It is probable, however, that both revenue and expenditure will be on a much larger scale during the remaining ten days of the financial year, for experience shows that towards the end of the year disbursements are abnormally high, and the revenue will, if the Chancellor's policy is carried out, be much increased by sales of Government assets. Indeed, we may look forward to, not a deficit, but to a balancing of the final accounts by means of the realisation of some of the enormous disused war assets. Strictly speaking, perhaps, the proceeds of such realisations should be hypothecated to the reduction of the floating debt, and expenditure should be met out of revenue alone; but, at all events, the result will not be undesirable if they obviate the necessity of borrowing on Ways and Means Advances. The revenue for the week to March 20 is £66,478,672,

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of which over 36 millions are accounted for by "Miscellaneous" receipts, under which are included the sales of assets above referred to. The expenditure for the week is £60,764,083. The amount of Treasury bills outstanding was reduced by £10,456,000, but Ways and Means Advances, on the other hand, have been increased by 9½ millions, the net result being a reduction of £956,000 in the floating debt, which puts the outstanding total at £1,227,202,000. In addition to this reduction, other debt under the War Loan Acts (1914-1919) was reduced by £2,382,671. £1,000,000 was transferred to the Treasury during the week in respect of subscriptions to War Savings Certificates.

A slight increase in the currency note issue is shown in this week's currency-note return. Fresh issues of notes and certificates combined amounted to £8,149,492, against cancellations amounting to £7,836,167, the net result being an increase in the total outstanding of £313,325. A further £100,000 Bank of England notes has been added to the currency-note redemption account, so that the ratio of gold and notes to the total of currency notes and certificates outstanding remains practically unchanged at 10.2%. The fiduciary issue is now £293,172,211, an increase of £213,325 for the week.

BANK OF ENGLAND.

The Bank return for the current week bears evidence of the maturity of £8,000,000 Exchequer Bonds. Herein lies the explanation of the increase of £3,335,000 in Government securities, the outstanding total of which is now £45,395,000. Were it not for the remarkable sum received in revenue during the week ended March 20, a sum exceeding £66,478,000, the amount borrowed on Ways and Means Advances to discharge this liability would have been much greater. This rapid ingathering of revenue is again reflected in the increase of £1,344,000 in public deposits and in the decline of £1,274,000 in other deposits, which have been reduced in consequence to £131,757,000. The circulation has declined by £35,000 to £101,137,000, notwithstanding the earmarking of an additional £100,000 for the currency note redemption account in respect of an increase in the note issue of £313,325. The total coin and bullion is lower at £115,783,000. A reduction of £2,451,000 in the reserve reduces the ratio to liabilities by 1.7% to 21.8%.

BULLION.

Spasmodic offerings from the Continent and difficulty of telegraphic communication with the East were instrumental in causing sharp fluctuations in the Silver market during the week. At the end of last week, on account of smaller supplies, the resumption of buying for the Indian bazaars and the continuance of the Chinese activity in the market, the prices for both spot and forward delivery advanced steadily from 70⅝*d.* per ounce and 71*d.* per ounce respectively on Friday to 77*d.* and 76¾*d.* on Monday. It will be noticed that the premium for forward delivery was thus converted into a discount of ¼*d.* per ounce. This discount, which was due to spot buying for the Indian bazaars, disappeared on Tuesday, when, on account of a fresh spurt of Continental selling and a slackening of the demand, the quotations again declined. A moderate rally occurred yesterday, owing to diminished offers. The latest feature is a renewal of Continental selling and a comparative absence of buying orders. To-day's quotations are 71*d.* per ounce for both spot and two months forward.

With an improvement in the New York exchange, the price of gold fell fairly steadily from 108*s.* 4*d.* per ounce fine on the 19th inst. to 105*s.* 8*d.* to-day. The small amounts on offer were rapidly absorbed by the East, South America, the Straits Settlements, and the trade.

NEW YORK.

The average position of the New York City banks and trust companies associated with the New York Clearing House was substantially better during the week ended March 20. There was a slight increase in loans and a decrease of $3,000,000 in the cash held by the members of the Federal Reserve Bank. The aggregate reserve was nearly 19 millions higher, but at the same time, on account of the abnormal expansion of $107,720,000 in net demand deposits, the reserve requirements were $14,140,000 higher. Nevertheless, the excess reserve was $4,660,000 higher at $32,530,000. The actual position on the date the statement was compiled, however, is much worse than the average figures for the week would indicate, for the aggregate reserve is under the legal requirements, the deficit being $7,980,000.

The statement of the 12 Federal Reserve Banks for the week ended March 22 shows, as might have been expected, an improved position, though the reserves are still very low. A decline of $115,260,000 occurred in deposits, and of $9,610,000 in the Federal Reserve note circulation. On the other hand, the gold reserves were depleted to the extent of nearly two millions, but legal-tender notes and silver reserves rose by over five millions, with the net result that the ratio of total reserves to net deposit and Federal Reserve note liabilities combined is 43.5%, as compared with 42.5% on the 13th inst.

The rate for call money advanced at the end of last week, but since then conditions have been easier, the ruling rate being 7%. Latterly, however, the rate hardened to 12%. The credit stringency is still pronounced, but considerable optimism prevails in financial circles regarding the outlook for the immediate future. Time money was firm at 8% to 8½%. Prime mercantile paper was quoted at 6% to 6¾%.

Stock Exchange.

The firmer tone which was noticed in the Stock markets at the end of last week was not maintained during this week, and a heavier tendency again became apparent. Business was on a small scale, and it appears that buyers are unwilling to make fresh commitments in view of the approaching holidays and the uncertainty regarding the Budget. Nevertheless, there was no pronounced selling pressure, and liquidation during the past fortnight seems to have been pretty thorough, so that the undertone at the close was firm. Nevertheless, scattered liquidation still continues, and in the absence of buyers the markets are rather ragged. As a result of the depression of Continental currencies further blocks of securities were thrown on the market on Continental account. A bright feature was the Foreign Rail section, where, on account of the favourable dividend announcements, Argentine Rails met with good support.

Early in the week the gilt-edged section was distinctly dull, but a recovery began on Wednesday and still continues, Funding Loan leading the market with a rise to 67⅞xd. War Loan Three-and-a-Halfs closed at 80⅞ and the Four-and-a-Halfs at 79½. Bank of Englands lost five points. India Three-and-a-Halfs were firm. Consols dropped to 45¼. The Colonial market was dull and prices sagged persistently. Australian Five-and-a-Halfs were marked down to 91. Union of South Africa Fours finished rather weakly at 73. Natal Three-and-a-Halfs declined to 65½, and West Australian Fours to 68.

In the Foreign Market, French and Belgian issues suffered considerably on account of the rise in the exchange rates with France and Belgium, but have become firm latterly with the recovery in the rates. Belgian Threes closed firm at 49. French 5% War Loan recovered to 48. Chinese issues declined early in the week, but were rather firmer at the close. Japanese issues were firm. Of recent movements

Brazilian 5% Funding Loan of 1914 was a weak spot with a decline to 64.

The Home Rail market was quiet, but the tendency was dull in sympathy with other markets, and many prices declined. Latterly the tone is firmer, and prices, with the exception of Lancashire and Yorkshires, show a tendency to harden, though recent movements are unimportant. Underground Electrics Ordinary are firmer at 2⅜, and the Income Bonds hardened to 68⅛. Lancashire and Yorkshires finished weakly at 62⅛ on the news of the strike in the railway. The miners' rejection of the Government's offer had a depressing effect on the market on Wednesday, but prices suffered little.

The interim dividends declared during the week by the Argentine and Uruguayan railways in respect of the year to June 30 next have been encouraging. Earnings have shown an increase, and considerable profits have arisen out of exchange. Many of the chairmen at the meetings expressed hope of an early return to the pre-War rate of dividend. The Buenos Ayres Western and Buenos Ayres Great Southern distributions on account have risen in each case from 1% to 3%; Buenos Aires and Pacific, from nil to 2%; Argentine Great Western, from nil to 2½%; Central Uruguay of Monte Video, from 2¼% to 3%, and its Eastern Extension subsidiary from 2¼% to 3%. The Northern Extension subsidiary maintains its interim rate at 3%. If traffics continue satisfactorily, and stoppages through labour trouble and otherwise are avoided, the pre-War level of distribution to the Ordinary shareholders may be reached at the end of the year. Buenos Aires Great Southern were quoted at 78¾xd., and Buenos Aires Western at 79¾xd. Buenos Aires and Pacific closed at 69½. San Paulos were a weak spot at 170.

Business was on a very small scale in the Industrial market and though there was no pronounced desire to sell, there was a marked scarcity of buyers. Liquidation was scattered, but sufficient to impart a dull tone to the market as a whole. Textiles were heavy with the exception of Joshua Hoyles. Fine Spinners, having declined owing to lack of confirmation of the absorption rumours, show a firmer tendency at the close. Engineering, Iron, and Steel shares were depressed, but Bengal Irons and Howard and Bulloughs were strong features. Savoy Hotels were a bright spot with a rise to 12⅝ for the Ordinary and to 8 for the Preference shares. The nitrate section was weak, and even the favourites declined through lack of support. Rosarios weakened to 9⅞. Alianzas were marked down to 21⅜. Aguas Blancas lost ground to 38*s*., and Lautaros closed lower at 15¼.

The Oil-share market commenced the week badly, not so much because of a surplus of selling orders as through continued public indifference to a market formerly so well patronised. In the circumstances a minor amount of liquidation had the effect of unduly depressing prices, while later in the week stock which had been in pawn to the bankers as cover for loans was thrust upon the market and accentuated the existing weakness. A few minor rallies took place, but they were neither sufficiently important nor sufficiently long-lived to alter the general tone until yesterday, when a strong upward movement set in which redeemed a large portion of the losses of the leading counters during the week. Despite erratic movements in the price of crude oil in America, the opinion is generally held that the rise which has been characteristic of recent months has now practically reached its limits, and the conclusion of some firm contracts seems to point in the same direction. Talk of a bonus for Royal Dutch and Shells has not been able to stay their downward course. The former fell from 84½ to 80 during the week, and the latter from 10⅜ to 9 31/32. Scottish Americans declined from 37*s*. to 33*s*. 6*d*., and Tankers (5*s*. paid) from a premium of 5-32 to 3-32. Amongst Eastern groups British Burmah dropped from 2⅞ to 2¼, Burmah from 17 to 16⅝, and Anglo-Persian Preference from 23*s*. 6*d*. to 22*s*. 6*d*.

Mining Topics.

The opening of the week found depression still reigning supreme in the Mining market. The Transvaal output of 625,330 ounces of gold for February, as against 670,503 ounces for January and 636,728 ounces for February 1919, passed unnoticed. The general weakness exhibited by the Kaffir Circus was accentuated by the adverse movement of the French exchange. With a rate of 57 francs to the £, dealers, to prevent heavy realisations, were obliged to mark down prices still lower. After the middle of the week, though Paris realisations still conduced towards weakness, the leaders began to present a steadier front, and as the week drew to a close a somewhat firmer tone became evident. For the shareholders of Knight Central, however, the preliminary summary of the report for the current year contained little encouragement, and, should the present premium on gold remain unaltered, there are prospects of liquidation in the near future. On the other hand, according to the report of the consulting engineer, development work would indicate a much longer life for the Shamva mine than was anticipated. The first results of the liquidation of the Eldorado Banket Mining Company have exceeded expectations, the first distribution of 7*s*. per share having been declared. The shares, in consequence, advanced 2*s*. to 7*s*. 6*d*. Dividends have been declared of 10% by Ferreira Deep and of 7½% by the Transvaal Gold Mining Estates, and a final dividend of 3*s*. per share by the Ivanhoe Gold Corporation.

Partially in sympathy and partially owing to a further decline in the price of the metal, tin shares were dull, with a tendency to react. Keffi tin provided a strong feature, rising to 11*s*. 3*d*. early in the week on receipt of a cablegram from Mr. Davidson confirming the favourable nature of the deposits, to which reference had been made at the general meeting. Steady reactions brought Killifreths from 29*s*. on Monday down to 27*s*. 4½*d*. on Friday.

KASSA-ROPP TIN.

Having been incorporated to exploit tin areas in Northern Nigeria on April 25, 1917, the Kassa-Ropp Tin Company have since July 1919 ceased their career as a tin-producing Company, having disposed of their property to the Associated Nigerian Tin Mines, Limited. In the interval their career, if short, was on the whole a prosperous one. Despite the difficulty experienced not only in securing mining tools, but also in acquiring an adequate supply of native labour, working operations between April 25, 1917, and June 30, 1918, resulted in the production of 159 tons of concentrates. The tin was disposed of at an average price, after allowing for smelting charges, of £218 4*s*. per ton. Deducting all expenses, including the sum of £200 in respect of the preliminary expenses, there was left a net profit of £11,289. Out of this shareholders received a dividend of 15% free of tax, and a balance of £5,639 was carried forward, subject to excess profits duty and income tax. The report for the year ended June 30, 1919, which has just come to hand, reveals an equally satisfactory state of affairs. The output amounted to 138 tons of tin concentrates, the tin being disposed of at the lower price of £163 12*s*. 6*d*. The net profit, after making allowance for all working and administrative expenses, amounted to £6,743. Shareholders secured a dividend of 10% free of tax, equivalent to a little over 14% subject to tax, and a balance of £8,607 was left to meet liability incurred in connection with income tax and excess profits duty. In the balance sheet as on June 30, 1919, liabilities, excluding income tax and excess profits duty, amounted to £7,071, whereas the cash balance is returned at £7,089. Liquid assets are

available to a total of £18,403. The property account, including plant and machinery, stands at £32,022, whilst the issued capital stands at £37,746 10*s*. The property has been disposed of, as already mentioned, to the Associated Nigerian Tin Mines, Limited, the purchase price being 200,000 fully-paid shares of 5*s*. in that Company. Thus at par value the price represents £50,000, or £10,000 more than the total authorised capital of the Company itself. But as the shares thus obtained in the purchasing Company stand at 7*s*. 9*d*., the price paid is actually £77,500. Not only is the bargain very advantageous from the financial point of view, but the amalgamation of this estate, including as it does the New Lafon and Yelwa properties, with those held by the Associated Tin Mines will, it is anticipated, enable the joint working to be effected at considerably lower costs. It is estimated that in place of a normal production of 40 tons of tin a month the output of the combine will average at least 75 tons a month. Already in the current year the Associated have declared an interim dividend of 10%, and Kassa-Ropp, evidently in virtue of this revenue, have also declared an interim dividend of 10% less tax. In addition to the benefits accruing from this sale, shareholders are being offered 10,000 Kuru shares, at present quoted at 8*s*. 6*d*., at the par price of 5*s*. per share, at the rate of one share for every eight shares held in the parent Company. Moreover, it is announced that the interest possessed in an exclusive prospecting licence has been disposed of to the joint owner, the Jemaa Exploration Company, in return for fully-paid shares in that concern, the purchase consideration giving the Kassa-Ropp Company a good return on its original outlay. Whilst thus possessing valuable interests in companies of good financial standing, the Company intend, if possible, to acquire other tin-producing properties to work themselves. The 10*s*. shares command in the market a price of 13*s*. 9*d*., which is by no means high when the general prospects are taken into consideration.

MOUNT MORGAN GOLD MINING CO.

WHILST representing a slight improvement on the somewhat disheartening results of the previous half-year, the working operations of this Australian gold-mining Company for the half-year ended November 30, 1919, leave still much to be desired. The quantity of ore treated is nearly 40,000 tons less than the quantity treated in the corresponding period of 1918. The actual mining results of the six months under review, as well as the financial outcome, are supplied in the following table in conjunction with a comparison for the four preceding half-years:—

	Half-Years ended				
	Nov. 30, 1919	June 1, 1919	Dec. 1, 1918	June 2, 1918	Nov. 25, 1917
Total ore treated (tons)	146,453	141,628	181,274	180,107	212,883
Copper produced (tons)	2,749	2,688	3,580	3,505	1,113½
Gold produced (oz.)	41,191	50,942	42,942	38,138	48,081
Copper delivered (tons)	3,550	1,130	4,031	1,698	1,639
Price copper realised per ton	—	—	—	£119 10*s*.	£117 1*s*.
	£	£	£	£	£
Total revenue	195,982	126,166	548,485	608,822	617,877
Total expenditure*	102,648	101,310	162,000	180,917	193,033
Net profit†	93,334	25,155	86,485	127,905	124,844
Dividends paid	50,000 (5%)	50,000 (5%)	50,000 (5%)	150,000 (15%)	100,000 (10%)
Balance profit	43,334	Def. 24,845	36,485	Def. 22,095	24,844
Brought forward	110,375	135,220	98,735	120,830	95,986
Carried forward	153,709	110,375	135,220	98,735	120,830
Price of shares end of half-year	24/3	22/6	29/6	31/0xd	—

* Includes all expenses and taxation.
† Net profit after writing off depreciation.

Efforts made during the period to secure further contracts from the British Ministry of Munitions proved fruitless. The situation was, however, somewhat ameliorated by regular sales of copper effected through the medium of the Copper Producers' Association. Thus in the six months in question 3,550 tons of copper were delivered, as against 1,130 only in the preceding half-year. The copper shipped realised an average price of £96 18*s*. per ton. Financially the results were a distinct improvement over those of the half-year ended June 1, 1919, for, in addition to meeting the expenditure incurred and a dividend of £50,000 paid on September 30, there was left over a favourable balance of £43,334, which, with the balance previously brought forward of £110,375, left a balance on hand of £153,709. Out of this a further dividend of £50,000 was paid on December 10, thus giving shareholders in respect of the current financial year interim dividends to the extent of 10%. These results were secured in the face of rather difficult circumstances. The prevalence of the influenza epidemic and a temporary cessation of productive operations as a consequence of the seamen's and transport workers' strikes, contributed towards the reduction in output already noted. Again, costs already high were still further increased by rises in wages awarded by the Arbitration Court, which added £22,000 per annum to the wages bill. It is rather difficult to estimate future prospects. Ore reserves show a slight reduction, amounting on November 30, 1919, to 3,538,204 tons, averaging 2.59% of copper and 6.12 dwt. of gold. Further claims in respect of wages that are being heard by the Arbitration Court will, if conceded, involve an additional cost of £11,000 a year. The leaching process, which it was hoped would help to reduce costs, is still in the experimental stage. Results as regards the treatment of copper have proved satisfactory, and a plant capable of treating 10 tons of calcined ore daily was to be in operation by the end of December 1919. Gold extractions had not, however, hitherto proved so satisfactory. Nevertheless, the new plant was to treat the residues for gold by chlorination, and the results were eagerly awaited. Yet another obstacle was presented by the difficulty, largely due to lack of shipping facilities, of securing adequate supplies of coke, as a result of which the reserves were drawn upon so extensively as to be well-nigh exhausted. On the other hand, certain factors were operating in favour of the Company. Additional revenue will accrue from the steady increase in the premium on gold. Furthermore, owing to local interruptions and the decline in the demand for copper, ascribed to the unsettled industrial conditions in Great Britain, the stock of copper at hand at the close of the half-year was estimated at 2,987 tons. But it was valued only at £55 per ton, whereas copper now commands over £100 a ton. This high price of copper is bound to improve the financial position of the current half-year, provided it remains long enough to enable the Company to dispose of its output of copper at around this price.

The balance sheet as on November 30, 1919, shows that the Company is in a sound financial position. To meet sundry liabilities to a total of £127,647 liquid assets are available to the extent of £671,378. In addition to the balance of undivided profits carried forward of £153,709, there is a contingent reserve of £234,198, an insurance fund of £58,420, and a reserve account of £100,000. The issued capital consists of 1,000,000 fully-paid shares of £1 each, which were quoted in the market at the close of the half-year under review at 24*s*. 3*d*., and which have improved slightly in the interval to 24*s*. 7½*d*.

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EXPLORATION COMPANY.

Year ended Dec. 31	Gross Profits	Total Expenses	Net Profit	Dividend Amount	%	Carried Forward
	£	£	£	£		£
1917	38,960	17,978	21,024	18,750	5	62,184
1918	47,445	15,755	31,742	28,125	7½	66,101
1919	107,020	18,877	88,287	56,250	15	98,138

Including receipts from transfer fees.

For the Exploration Company the financial year ended December 31, 1919, has been one of marked prosperity, for which no parallel exists since the Company was reconstructed in 1904. The record gross profit of £107,020 compares with £47,445 for 1918, and the net profit of £88,287 is nearly three times that of the previous year. The comparatively small increase in expenditure is due to the larger commission payable to the managing directors out of the net profit. Shareholders receive a dividend of 15%, free of tax, as compared with 7½% in 1918. This dividend, which is equivalent to 21½% subject to tax on the existing capital, actually represents only a little over 10% on the paid-up capital, which was reduced from £750,000 to £375,000 in 1916, to correspond with the depreciation in investments. There is carried forward to the next accounts a balance of £98,138, as compared with £66,101 in 1918. The directors wisely point out that a *sine qua non* of a business such as theirs is the possession of adequate liquid capital, and consequently they refrain from declaring as large a dividend as their record profits would permit. For the year under review, as the accounts testify, the investments of the Company have in most cases yielded excellent results. Primarily, their holding in the famous El Oro mine of Mexico has come well up to expectations, with its dividend of 90% for the last financial year. The comparatively short life of the mine is referred to, and the intention is expressed of assisting the El Oro directors in acquiring any other mining properties they deem it advisable to work. Satisfactory results have also been secured from the Suchi Timber Company. But Mexico, as the Chairman pointed out, is a country of weird contradictions, and, whilst it is correct to postulate a general desire for peaceful reconstruction, yet it is not possible to foresee when and to what extent peace will be restored. Thus, whilst these first two concerns have been operated under successful conditions during the year under review, business in other parts of Mexico has been seriously hampered by the disturbed political conditions. Such is the case of the Santa Rosa mine, in the State of Zacatecas, which was closed down during the year, and which so far shows no signs of resuming operations. The Buena Tierra mine, in the State of Chihuahua, was worked at a loss, partially due to the disturbance created by General Villa and his band. Restrictions in output and the abnormally adverse condition of the Copper market in the United States reacted against the success of the Greene-Cananea and the Chile Copper Companies, in which this Company was interested. For the current year better results are expected from the Tomboy mine, whilst further investigations are being made into other Mexican properties. An interest has also been acquired in the Mexican Corporation, formed to acquire mining concerns in Mexico.

According to the balance sheet, the Exploration Company is in a strong financial position. To meet liabilities, including unclaimed dividends, amounting to £21,523 there is in hand cash to the extent of £23,862. Liquid assets reach a grand total of £274,584. The shares and interests held in other companies, having been duly written down, stand at £276,327, a figure substantially below their market value on December 31, 1919. The issued capital consists of 750,000 shares of 10*s.*, which, in view of the rather bright prospects of the Company, are quoted in the market at 13*s.* 6*d.* ex dividend, at which price they yield, calculated on the dividend for 1919, a little over 11%, free of tax.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, March 24, 1920.

Issue Department.

Notes Issued	£133,659,920	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	115,209,920
	£133,659,920		£133,659,920

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£45,394,854
Rest	3,542,920	Other Securities	91,142,983
Public Deposits	19,763,290	Notes	32,523,275
Other Deposits	131,757,028	Gold and Silver Coin	573,266
Seven-day and other Bills	18,140		
	£169,634,378		£169,634,378

Comparison with Previous Four Weeks [00,000's omitted.]

Date 1920.	Circulation	Coin and Bullion	Deposits: Public	Deposits: Other	Securities: Govt.	Securities: Other	Reserve	Ratio Reserve to Liabilities	Bank Rate *	Three Months' Bills
	£	£	£	£	£	£	£	%	%	%
Mar. 24	101.1	115.8	19.7	131.7	45.4	91.1	33.1	21·8	6	5⅝
Mar. 17	101.2	118.2	18.4	133.0	42.1	91.9	35.5	23·5	6	5⅞
Mar. 10	102.8	115.9	18.5	127.3	40.3	92.1	31.5	21·6	6	5¾
Mar. 3	101.5	113.6	22.4	135.4	52.7	92.3	30.9	19·6	6	5½
Feb. 25	96.5	110.4	17.3	172.8	85.1	90.7	32.3	17·0	6	5¾
J'y22,'14	29.3	40.2	13.7	42.2	11.0	33.6	29.3	52·40	3	2⅝

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 6%; Aug. 8, 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; April 5, 5%; Nov. 6, 1919, 6%.

Comparison of Bank Returns, Exchanges, Prices, &c.

	Mar. 26, 1920	Mar. 26, 1919	Mar. 27, 1918	Mar. 28, 1917	Mar. 25 1910
Bank of England (in £'s sterling 00,000's omitted):					
Circulation	£101.1	£73.6	£47.8	£38.3	£28.7
Public Deposits	19.7	25.8	43.8	19.9	7.2
Other Deposits	131.7	121.7	137.5	123.6	42.4
Government Securities	45.4	57.0	55.9	24.0	13.9
Other Securities	91.1	79.4	112.3	139.6	30.4
Reserve	33.1	29.0	31.2	34.2	23.5
Ratio to Liabilities	21·8%	19·71%	17·22%	19·02%	47·4%
Coin and Bullion	115.8	84·2	60.6	54.0	33.5
Money:					
Bank of England Rate	6%	5%	5%	5½%	4%
Bank of France Rate	5%	5%	5%	5%	3%
Rate 3 months' Bills London	5⅞%	3⅜%	3⅜-3⅝%	4⅛%	—
Exchanges:					
Paris Cheque	56·10	27·60	27·24½	27·78¾	25·23
New York 60 days	3·84½	4·62	4·72½	4·72	4·83¾
Bombay Telegraphic Transfers	2/4½	1/5¾	1/4¾	1/4⅜	1/4⅛
Prices:					
Consols 2½% Cash	46¼	56	54	53¼	91
French Rentes 3% Money	58·50	63·00	57·25	61·40	98·42
Silver, London spot oz.	71d.	50d.	45½d.	36d.	23⅞d.
Wheat, *Gazette* average qr.	72/7	72/7	72/3	80·3	32/6
Cotton, Mid Upland lb.	30·66d.	19·45d.	24·23d.	12·82d.	8·14d.
Iron, Scotch pig ton	206/0	101/0	101/0	88/6	57/9

CURRENCY NOTE ISSUE.

Week to	Notes Issued	Notes Cancelled	Notes Outstanding	Gold Coin & Bullion	Bank of England Notes	% of Bank Notes & Gold to Notes
	£	£	£	£	£	%
Mar. 24, '20	8,149,492	7,836,167	326,572,211	28,500,000	4,900,000	10·2
Mar. 17, '20	6,732,690	8,664,221	326,258,886	28,500,000	4,800,000	10·2
Mar. 26, '19	9,008,167	5,139,552	328,064,070	28,500,000	—	8·6
Mar. 27, '18	10,299,041	6,071,849	228,149,289	28,500,000	—	12·5
Mar. 28, '17	6,134,292	4,490,373	144,687,071	28,500,000	—	19·7
Mar. 29, '16	5,166,183	2,978,466	106,690,991	28,500,000	—	26·6

Balance Sheet March 24, 1920.

	£		£
Notes outstanding—		Advances—	
One Pound	255,925,123	Other Bankers ...	—
Ten Shilling	42,297,088	Trustee Savings Banks	190,000
Certificates outstanding ...	28,350,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500,000
Total	326,572,211	Bank of England Notes...	4,900,000
Investments Reserve A/c ...	15,787,165	Government Securities ...	307,581,652
		Balance at Bank of England	1,187,724
Total	342,359,376	Total	342,359,376

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

1920. Week to	Revenue	Expenditure	Excess of Expenditure	Loans, Advances, &c.: Cr.	Loans, Advances, &c.: Dr.	Loans, Advances, &c.: Net +	Cash Balance
Mar. 20	£66,479	£60,764	*5,715*‡	£58,123	£63,848	—5,725	£3,709
Mar. 13	57,165	41,515	*15,650*‡	50,728	66,258	—15,530	3,719
Mar. 6	56,441	50,249	*£6,192*‡	74,752	81,926	—£7,174	3,600
356ds. '19-20	1,231,397	1,498,962	267,565	5,805,421	5,537,855	267,586	— 9,080
356days '18-19	850,906	2,528,246	1,677,340	6,604,086	4,940,372	1,673,714	—13,626
*Yr. '19-20**	*1,168,650*	*1,642,295*	*473,645*	—	—	*473,645*	—
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	1,682,049	12,799
Yr. '17-18	707,234	2,696,221	1,988,987	7,499,604	3,616,023	1,983,581	21,030

Principal Items of Revenue and Expenditure.

1920. Week to	Revenue: Customs & Excise	Revenue: Income Tax, &c.	Revenue: Excess Profits Duties, &c.	Revenue: Other Revenue	Expenditure: Int., &c., on Debt	Expenditure: Misc. Expend.	Expenditure: Supply Services.
Mar. 20	£10,462	£12,987	£4,010	£39,120	£6,853	£774	£53,137
Mar. 13	3,661	16,696	5,168	31,640	1,937	1,028	38,550
Mar. 6	4,099	24,296	6,590	21,455	19,607	10	30,631
356days '19-20	275,383	341,145	277,102	337,787	323,231	14,087	1,161,644
356days '18-19	157,758	276,317	271,870	144,961	266,533	9,782	2,251,930
*Yr. '19-20**	*278,000*	*354,000*	*280,000*	*258,650*	*345,000*	*16,595*	*1,280,700*
Yr. '18-19	162,220	291,188	285,028	150,587	269,964	11,380	2,297,958
Yr. '17-18	110,033	239,509	220,214	137,478	189,851	11,401	2,494,968

FLOATING DEBT. [000's omitted.]	Treasury Bills	Ways & Means Advances	Total	Natnl. War Bond Rcpts.
Mar. 20, 1920 ...	£1,048,772	£178,430	£1,227,702	£1,732,780
Mar. 13, 1920 ...	1,059,228	168,930	1,228,158	1,732,780
Mar. 6, 1920 ...	1,056,662	185,430	1,242,092	1,732,780
Feb. 28, 1920 ...	1,070,085	187,830	1,257,915	1,732,780
June 30, 1919 ...	796,150	774,237	1,570,387†	1,732,027

* Revised Budget and supplementary estimates. † Highest. ‡ Excess of revenue.

FOREIGN BANKS.

[In £'s Sterling‡—000's omitted.]

AUSTRIA-HUNGARY	Gold	Cash Silver	Cash Total	Advances To Public	Advances To Dual Govts.	Note Circulat'n	Bills Discounted, &c.
July 23, '14...	£51,578	£12,141	£63,719	£7,772	—	£88,740	£31,993
Oct. 21, '19...	10,832	2,374	13,206	371,686	£1,373,083	2,013,363	240,845
Oct. 28, '19...	10,832	2,378	13,210	372,119	1,373,083	2,058,464	222,532
Dec. 7, '17...	11,000	2,300	13,300	603,990	—	739,300	117,600

BELGIUM.	Gold.	Silver	Total	Discounts	Balance Abroad	Circulation	Deposits
Aug. 6, '14 ...	£10,977	£633	£11,610	£41,925	£51,800	£6,963	
Mar. 11, '20 ...	10,657	1,070	11,727	20,203	198,022	83,425	
Mar. 18, '20 ...	10,657	1,064	11,721	20,727	196,020	86,633	

DENMARK.	Cash Gold	Cash Silver	Cash Total	Discounts	Balance Abroad	Circulation	Deposits
July 31, '14 ...	£4,100	£341	£4,441	£6,197	£786	£8,693	£47
Jan. 31, '20 ...	12,602	188	12,790	15,084	912	26,375	1,902
Feb. 28, '20 ...	12,597	186	12,783	16,948	599	26,398	3,293
Feb. 28, '19 ...	10,400	136	10,536	3,959	5,342	23,402	920
Feb. 28, '18 ...	9,641	136	9,777	2,827	2,712	18,478	1,635

FRANCE.	Gold In Bank	Gold Abroad	Total Cash incl'e Silver	Bills	Circulation	Deposits Public	Deposits Private
July 30, '14 ...	£165,654		£190,667	£97,768	£267,327	£15,302	£37,903
Mar. 18, '20 ...	144,193	79,131	233,275	66,817	1,526,400	4,426	135,392
Mar 25, '20 ...	144,230	79,131	233,247	47,106	1,502,759	21,054	140,506
Mar. 27, '19 ...	142,575	79,132	234,227	40,017	1,334,866	1,874	120,508
Mar. 28, '18 ...	133,457	81,484	225,158	53,129	1,007,173	1,891	112,342

GERMANY.	Cash Gold	Cash Silver	Cash Total	Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
July 23, '14...	£67,843	£16,727	£84,570	£5,279	£40,055	£94,545	£47,198
Feb. 28, '20...	54,567	1,261	55,828	641,635	1,947,723	2,051,688	667,113
Mar. 6, '20...	54,569	1,335	55,904	651,652	2,013,553	2,082,418	667,635
Mar. 7, '19...	112,216	1,048	113,264	300,926	1,396,346	1,212,399	544,972
Mar. 7, '18...	120,351	5,873	126,224	65,931	653,591	566,205	329,552

HOLLAND.	Cash Gold	Cash Silver	Cash Total	Discounts	Advances	Circulation	Deposits
Aug. 1, '14 ...	£13,496	£249	£13,745	£13,422	£10,332	£35,660	£1,437
Mar. 13, '20 ...	52,811	823	53,634	22,917	17,005	84,775	9,080
Mar 20, '20 ...	52,816	848	53,664	21,948	16,881	84,153	8,718
Mar 22, '19 ...	55,854	800	56,654	10,919	15,878	82,926	6,731
Mar. 23, '18 ...	60,254	612	60,866	2,320	9,082	72,215	5,358

ITALY.	Cash Gold	Cash Silver	Cash Total	Other Cash	Loans & Discounts	Circulation	Deposits
July 31, '14 ...	—	—	£48,456	—	£25,017	£69,204	£8,887
Dec. 31, '19 ...	£32,193	£3,004	35,197	21,538	110,071	507,671	83,394
Jan. 10, '20 ...	32,194	3,004	35,198	20,480	112,555	495,477	78,868
Dec. 31, '18 ...	32,710	3,086	35,796	15,238	65,984	368,934	63,866
Dec. 31, '17 ...	33,434	3,496	36,930	8,448	47,745	261,568	57,941

JAPAN.	Gold	Discounts	Advances	Notes	Deposits Public	Deposits Private
Aug. 1, '14 ...	£21,867	£1,829	£7,863	£32,722	£13,818	£1,521
Feb. 7, '20 ...	94,285	18,123	36,123	126,775	113,891	4,282
Feb. 14, 20 ...	94,129	18,814	37,899	129,485	113,670	3,788
Feb. 15, '19 ...	71,935	2,160	41,443	82,767	104,347	5,093
Feb. 16, '18 ...	65,221	3,519	24,240	66,660	60,748	3,189

NEW YORK BANKS & TRUSTS.	Cash Own Vaults	Loans, Aggregate Reserve	Loans, Disc'ts, Invest.,&c.	Net Deposits—Demand	Net Deposits—Time	Net Deposits—Total	Excess Reserve
Aug. 1, '14 ...	—	£89,888	£411,238	—	—	£387,165	£1,720
Mar. 13, '20 ...	£19,614†	114,496	1,022,082	£819,218	£50,162	872,992	5,574
Mar. 20, '20 ...	18,914†	118,186	1,022,120	840,762	51,266	898,750	6,506
Mar. 22, '19 ...	19,012†	119,914	976,450	797,736	30,022	893,424	14,226
Mar. 23, '18 ...	20,294†	107,306	858,344	741,910	38,826	835,957	8,550

NORWAY.	Gold	Balance Abroad	Norw. & For. Govt. Secs.	Disc'nts & Loans	Circulation	Deposits
July 31, '14 ...	£2,960	£1,678	£493	£4,888	£6,752	£793
Mar. 8, '20 ...	8,125	4,577	579	19,017	22,552	6,058
Mar. 15, '20 ...	8,123	4,642	579	18,901	22,735	5,502
Mar 15, '19 ...	6,707	3,354	716	22,042	22,799	6,204
Mar 15, '18 ...	6,521	3,347	713	19,672	18,270	8,867

PORTUGAL.	Gold	Silver	Total	Discounts & Note Circ'n Advances	Circulation	Deposits
Nov. 26, '19 ...	£1,906	£3,921	£5,827	£11,063	£76,570	£4,635
Dec. 3, '19 ...	1,906	3,920	5,826	10,881	74,948	7,186
Dec. 10, '19 ...	1,906	3,921	5,827	12,888	78,528	6,349
Dec. 17, '19 ...	1,906	3,921	5,827	12,954	80,275	4,860

ROUMANIA.	Cash	Discounts	Advances	Total	Circulation
Jan. 31, '20 ...	£59,249	£9,177	£2,343	£11,520	£177,109
Feb. 7, '20 ...	60,009	8,969	2,549	11,518	179,245
Feb. 14, '20 ...	60,009	8,546	2,440	10,986	179,211
Feb. 15, '19 ...	33,701	7,064	1,527	8,591	99,792

RUSSIA.	Gold In Bank	Gold Abroad	Total Cash incl'g Silver	Loans & Disc'ts	Circulation	Notes in Reserve	Total Deposits
July 21, '14...	£160,114	£14,395	£181,892	£76,081	£163,411	£6,589	£109,911
Oct. 28, '17...	129,523	230,865	378,205	1,869,559	1,836,217	15,783	345,550

SPAIN.	Cash Gold	Cash Silver	Cash Total	Loans, &c.	Spanish 4%	Circulation	Deposits &c.
Aug. 1, '14 ...	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,955
Mar 13, '20 ...	98,123	25,249	123,372	85,981	13,779	154,742	44,661
Mar. 20, '20 ...	98,112	25,259	123,371	86,282	13,779	153,841	44,374
Mar. 22, '19 ...	90,348	25,795	116,143	74,605	13,778	138,544	41,720
Mar. 23, '18 ...	179,948	28,241	108,189	49,341	13,777	114,017	33,519

SWEDEN.	Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
Aug. 1, '14 ...	£5,717	£6,150	£1,555	£7,495	£13,432	£3,903
Mar. 13, '20 ...	14,682	5,992	2,684	37,093	38 353	14,432
Mar. 20, '20 ...	14,504	6,280	2,548	34,162	37,737	17,579
Mar 22, '19 ...	16,002	7,823	3,003	21,132	38,968	8,118
Mar 22, '18 ...	13,599	7,287	3,937	14,755	32,173	8,138

SWITZERLAND.	Cash Gold	Cash Silver	Cash Total	Discounts & Advances	Circulation	Deposits
July 23, '14 ...	£7,202	£758	£7,960	£4,817	£10,716	£2,026
Mar 6, '20 ...	21,151	3,410	24,561	12,953	37,133	4,329
Mar. 15, '20 ...	21,148	3,432	24,580	12,781	36,500	5,040
Mar. 15 '19 ...	16,383	2,589	18,972	19,407	35,288	4,230
Mar. 16, '18 ...	14,718	2,255	16,971	11,382	25,533	3,968

† Not reserve. ‡ Converted at par rate of exchange approximately.

U. STATES FED. RES. BANKS.	Gold Held by Banks	Gold With Agents	Total Cash	Bills Discount'd	Bills Accept-ances.	Deposits. Govt.	Deposits. Total, Net.	Circulation
Mar. 15,'20 ..	—387,272—		411,346	484,690	100,834	11,084	359,622	607,950
Mar. 22,'20 ...	—386,916—		412,066	441,536	92,646	11,606	337,112	609,426
Mar. 24,'19 ...	180,486	247,682	441,716	376,308	52,384	57,156	353,730	502,138
Mar. 22,'18 ...	180,579	179,984	372,474	108,624	65,776	18,301	301,154	285,932

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed		%	Date Fixed
Amsterdam ...	4½	July 1,'15	Lisbon	6½	Jan. 15,'14
Berlin	5	Dec. 23,'14	Madrid	5	Nov.10,'19
Berne	5	Aug. 21,'19	Paris	5	Aug. 20,'14
Bombay	7	Feb. 5,'20	Petrograd ...	6	July 29,'14
Brussels	3½	Oct. 2,'19	Rome	5	Jan. 11,'18
Calcutta	5	June 5,'19	Stockholm ...	6	June 12,'19
Christiania ...	6	Dec. 18,'19	Tokio	8·03	Nov. 18,'19
Copenhagen ...	6	Oct. 7,'19	Vienna	5	Apr. 12,'15

III.—FOREIGN EXCHANGES.

LONDON ON—		Mar. 26, '20	Mar. 19, '20	Mar. 12,'20	Mar. 5, '20
Berlin	Cable	287½m.	290 m.	270m.	348m.
Brussels	Cheques	53fr. 40c.	49fr. 70c.	47fr. 70c.	47fr. 75c.
Denmark	Cable	21kr. 20	21kr. 35	21kr. 60	20kr. 75
Holland	do.	10fl. 52½c.	10fl. 30c.	10fl. 15c.	9fl. 60c.
Italy	do.	77lr. 00	70lr. 50	67lr. 00	64lr. 50
Lisbon and Oporto	do.	15d.	15½d.	15¾d.	17¾d.
New York	do.	$3 90½	$3 78½	$3 68½	$3 59
—	Cheques	$3 92½	$3 80½	$3 70	$3 61
Norway	Cable	20kr. 72½	20kr. 65	21kr. 20	20kr. 40
Paris	3 mos.	57fr. 05c.	52fr. 55c.	50fr. 25c.	50fr. 50c.
—	Cable	56fr. 10c.	51fr. 75c.	49fr. 55c.	49fr. 75c.
Spain (Bank places)	3 mos.	52¾d	55¼d.	54¾d.	55¾d.
—	Cable	22p. 15	20p. 30	20p. 87½	20p. 25
Sweden	do.	18kr. 25½	18kr. 27½	18kr 47½	18kr. 35
Switzerland	3 mos.	22fr. 75c.	22fr. 40c.	22fr. 10c.	21fr. 45c.
—	Cable	22fr. 40c.	22fr. 05c.	21fr. 80c.	21fr. 25c.

ON LONDON—		Mar. 26, '20	Mar. 19, '20	Mar 12, '20	Par
Alexandria	Sight	97⅛pi.	97⅛pi.	97⅛pi.	97⅛pi.
Amsterdam	Cheques	10fl. 47c.	10fl. 31½c.	10fl. 16c.	12·107fl.
Athens	Cable	36dr. 37½	33dr. 50	47dr. 65	25dr. 22½
Bombay	Transfers	2s. 4⅛d.	2s. 4⅛d.	2s. 5⅛d.	2s.*
Brussels	Cheques	53f. 30c.	49f. 65c.	47f. 65c.	25f. 22½c.
Buenos Ayres	Transfers	60⅜d	62d.	63½d.	47·58d.
Calcutta	do.	2s. 4⅛d.	2s. 4⅛d.	2s. 5⅛d.	2s.*
Christiania	Sight	20kr. 64½	20kr. 73	19kr. 79	18·159kr.
Copenhagen	do.	21kr. 23	21kr. 25	18kr. 47	18·159kr.
Helsingfors	Cable	72m.	67½m.	62m.	25m. 22½
Hong Kong	Transfers	4s. 11⅛d.	5s. 8d.	5s. 2d.	—
Italy	Sight	78lr. 00c.	70lr. 50c.	67lr. 87c.	25l. 22½c.
Lisbon	do.	14⅛d.	15⅛d.	16⅜d.	53¼d.
Madras	do.	2s. 4⅛d.	2s. 4⅛d.	2s. 8⅛d.	2s.*
Madrid	do.	22p. 14	21p. 23½	20p. 91	25p. 22½
Montevideo	Transfers	62⅛d.	70⅛d.	65⅛d.	51d.
Montreal	Cable	$4 22½	$4 23	$4 12	$4 86⅜
New York	Sight	$3 86	$3 73½	$3 75	—
—	60 days	$3 84⅛	$3 72	$3 73	—
—	Cable	$3 86½	$3 74½	$3 75½	$4 86⅜
Paris	Cheques	55f. 25c.	5f. 65c.	49f. 52c.	25f. 22½c.
Rio de Janeiro	90 days	16½ d.	17⅛d.	18⅜d.	16d.
Shanghai	Transfers	7s. 5d.	7s. 5d.	8s. 2d.	—
Singapore	Sight	2s. 3⅞d.	2s. 3⅞d.	2s. 4⅛d.	—
Stockholm	do.	18kr. 27	18kr. 27	21kr. 20	18·159kr.
Switzerland	do.	22f. 43½c.	22f. 35c.	21f. 80c.	25f. 22½c.
Valparaiso	90 days	13 13/16d.	14⅛d.	14 7/16d.	18d.
Yokohama	Sight	2s 4⅜d.	2s. 6½d.	2s. 7d.	24·58d.

* Fixed at Rs. 10 to the gold sovereign, February 2, 1920.

NEW YORK ON—	Rate Current* Mar. 26, '20	Rate Current* Mar. 19, '20	Par as usually Quoted	Rate July 3.
Amsterdam, sight ...	36·75c.	36·75c.	40·20c for 1 guilder	40·25c.
Bombay, cheques ...	44·50c.	44·50c.	48·66c. for 1 rupee	33·00c.
Buenos Aires, cheques ...	102·25	101·80		
Christiania, cheques ...	18·35c.	18 10c.	26·80c. for 1 kroner	
Copenhagen, cheques ...	17·97c.	17·50c.	26 80c. for 1 kroner	26·85c.
Greece, cheques ...	10·80c.	11·25c.	19·295c. for 1 drachma	
Hongkong, cheques ...	96·50c.	93c.	74·59c. for Mex. $1	46·4c.
Italy, sight	19·40l.	18·40l.	5·18½ lire for $1	5·17l.
Lima, cheques	4·90l.	4·95l.	4·8665 $ for 1 libra	
Manila, cheques... ...	49·50c	49·25c.	50c. for 1 peso	49·8c.
Montreal	8·25% disc.	11·25% disc.	Premium per $100	Par
Paris, sight	14·27fr.	13·50fr.	5·18½ francs for $1	5·16fr.
Petrograd, sight ...	—	—	51·46c. for 1 rouble	51·37c.
Rio de Janeiro, cheques	36·75c.	38·20c.	32·42c. for 1 milreis	
Shanghai, cheques ...	143c.	137c.	52·96c. for 1 tael	83·00c.
Singapore, cheques ...	46c.	—	56·77c. for $1	57·12c.
Spain, cheques	17·40c.	17·70c.	19·30c. for 1 peseta	
Stockholm, cheques ...	20·90c.	20·25c.	26·80c. for 1 kroner	
Switzerland, cheques ...	5·82fr.	5·84fr.	5·18½ francs for $1	5·18½fr.
Valparaiso, cheques ...	21·25c.	21c.	20 61c. for 1 peso	
Yokohama, cheques ...	45·75c.	46·20c.	49·84c. for 1 yen	49·90c.

* According to Guaranty Trust Company of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount.	Inc. or Dec.*	1920 Agg.	Inc. or Dec.*
	1920.	[In £'s sterling 000's omitted.]			%
BIRMINGHAM ...	Mar 20	£3,573 +	£1,764	247,248 +	£17,174 + 57·1
BRISTOL ...	,, 20	1,820 +	723	22,375 +	8,199 + 57·8
DUBLIN ...	,, 20	7,963 +	1,359	108,145 +	26,531 + 32·5
LEEDS ...	,, 20	1,554 +	650	21,413 +	8,621 + 67·4
LEICESTER ...	,, 20	1,054 +	244	17,317 +	7,061 + 68·8
LIVERPOOL ...	,, 20	17,457 +	7,127	223,726 +	89,205 + 66·3
MANCHESTER ...	,, 20	31,410 +	17,389	400,995 +	215,250 + 116·2
NEWCASTLE ...	,, 20	2,939 +	938	39,991 +	17,378 + 78·6
NOTTINGHAM ...	,, 20	1,063 +	515	14,265 +	6,389 + 81·1
SHEFFIELD ...	,, 20	1,499 +	646	19,068 +	5,232 + 37·8
LONDON—	1920.				
TOWN ...	Mar 24	662,584 +	297,693	7,961,031 +	3,397,796 + 174·5
METROPOLITAN	,, 24	42,292 +	12,244	521,123 +	127,822 + 32·5
COUNTRY ...	,, 24	76,448 +	24,522	997,546 +	293,567 + 41·7
TOTAL	,, 24	781,324 +	334,459	9,479,700 +	3,819,185 + 67·5

* Compared with a year ago.

V.—FREIGHTS.—According to Messrs. J. C. Gould, Augier and Co.

HOMEWARDS.	1920 Mar. 28	1920 Mar. 19	1913 Mar. 28
Alex. to U.K. ...	—	—	2/6
Aust. to U.K. ...	205 0	205/0	34 6
Azoff to L.H.A.R.	—	—	10 9
Bombay to p.p.d.w.	120/0d.	w.120/0d.	w.19/0
Burmah o.c.	145 0	—	23 6
Calcut. to p.p.(jute)	—	—	25/0
Danube to U.K. ...	—	60 0	10 0
Odessa to L.H.A.R.	—	—	8 6
R. Plate to U.K.	185/0	200/0	20/6

Homewards. (cont'd)	1920 Mar. 28	1920 Mar. 19	1913 Mar. 28
U.S.Atl.Ports to Lpl.(cotton, 100lb.)	Mar 26	—	47 6
U.S.Atl.Ports to U.K.Cont.	—	—	2 9
Gulf Ports to U.K.Cont. (cotton&grain)...	—	—	17 0
OUTWARDS -Cardiff to			
Aden	90 0	—	—
Colombo ...	—	—	12/3
Port Said ...	75/0	75 0	10 6
River Plate ...	38 0	38 9	15/9
St. Vincent ...	40 0	40/0	9/9

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VI.—WHOLESALE PRICES OF COMMODITIES.

	MAR. 26, 1920.	MAR. 28, 1919.	JUNE 30, 1914
METALS, MINERALS, &c.			
Iron—Scotch pig warrants ...ton	206/0	101/0	57/0
— Middlesbro' warrants ...ton	200/0	95/0	51/0
— Hematite warrants ...ton	260/0	122/6	61/0
— Staffordshire bars, London ton	£27—£28	£17	£8 10
— Common bars ...ton	£24	£14 15	£8 16
Steel Rails ...ton	£21 5—£22 5	£10 17/6	£6 2/6
Galvanised Sheets ...ton	£56	£29	£16 17/1
Copper—Standard ...ton	£103 10	£78	£66
Tin—English Ingots ...ton	£335 £234 10-235 10		£142 15
— Straits ...ton	£340	£237 10	£139 10
Tinplates, I.C. Coke, S. Wales...box	77/0	33/10½	11/10½—12/0
Lead—Soft Foreign ...ton	£40 5—£41 15	£27	£19
Spelter—Ord. Foreign ...ton	£48 10—£51	£37—£39	£21 7/9
Quicksilver—(75lb.) ...bottle	£26 10nom.	£20 10—£21	£7
Aluminium ...ton	£155	£150	£82
Antimony—Regulus Foreign ...ton	£66—£70	£35	£27 10
— English ...ton	£72—£75	—	—
Coal—(best) Yorkshire ...ton	23/0—24/0	23/6—24/6	17/6
— Steam (best) Newcastle ...ton	46/0—51/0	40/0—45/0	14/6
CHEMICALS, OILS, &c.			
Nit. of Soda—f.o.b Chile, per quintal	15/10½	10/1	7/4
Soda—Crystals ex ship ...ton	185/0—190/0	87/6	42/6—45/0
Copra—Malay and States ...ton	£63 10	£36 £23 15—£24 7/6	
Gambier—Good marks ...cwt	52/0	37/6	16/10½
Indigo—Bengal good to fine ...lb.	13/0—16/6	9/0—10/6	3/2—3/8
Linseed Oil—Raw ...ton	£126	£58	£25 5
Linseed—Calcutta, spot ...ton	£54	£23 15	£13 16/9
— **Cakes, U.K. made, ex mill**...ton	£25	£19	£7 17/6—£8
Olive Oil—Spanish ...tun	—	nom.	£49 10
Palm Oil—Lagos ...ton	88	£51—£52	£31 10
Petroleum—American ...gallon	2/1½	1/4½	7½d.
Rape Oil—Refined English...ton	£135	£71	£32
Soya Oil—Refined ...ton	£100	£75	£24 10
Tallow—Imported ...cwt.	106/0—116/0	63/6	29/3—33/3
Turpentine—American ...cwt.	225/0	96/0	33/7½
Rape Seed—Toria ...ton	£45	£22 15	£13 5
Rubber—Para, spot ...lb.	2/4nom.	2/4½	2/9½
— Fine plantation (stnd. crepe) lb.	2/3½	2 0½	2/2
— World's Production* Jan. tons	30.370	20.630	8.467
Shellac—T.N. Orange, fair ...cwt.	770/0	217/6	63/0—64/0
TEXTILES.			
Cotton—Middling Upland ...lb.	30·66d.	19·45d.	7·53d.
— Egyptian, good fair ...lb.	76·50d.	26·84d.	8·75d.
— Pernambuco fair ...lb.	34·16d.	19·11d.	7·73d.
— Midland Upl. New York...lb.	42.00c	27·40c.	13·25c.
— Stock, Liverpool (Mar. 19) bales	1,037,950	497,740	934,600
Flax—Petrograd, Yarapol ...ton	—	nom.	£28
Hemp—New Zealand ...ton	£65	£56	£25 10
— Manila, Fair ...ton	£69	£62	£26 10
Jute—First Marks ...ton	£88	—	£26 15
— Red SCC ...ton	£54	—	£24 15
Silk—Blue Elephant ...lb.	59/0	20/0	11/3—11/6
Wool—Pt. Philip unwashed av. lb.	5/6	nom.	11½d.—1/0
— Lincoln Half Hogs ...lb.	2/3½	1/7½nom.	1/0½
Hides—Eng. Ox, best, 65lb. up lb.	18½d.—19d.	9½d.—10½d.	7½d.
Leather—Dressing Hides ...lb.	4/0—4/6	2/5—3/1	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus	82,715,000	169,084,000	34,640,000
— Red, price, N.Y 60lb....bushel	nom.	237½c.	67½c.
English Gazette, aver. 480lb. qr.	72/7	72/7	34/3
Flour—G.R. ...280lb	63/6	44/3	28/6
Barley—Eng Gaz., aver. 400 lb. qr.	93/10	62/1	25/4
Oats—Eng. Gaz., aver. 312 lb. qr.	57/10	46/4	20/0
Maize—N.Y. (new bushel)...56lb	171½c.	177c	76½c.
— Amer. mixed, Liverpool...480lb.	nom.	79/9	32/4
— La Plata ...480 lb. qr.	82/6	72/0	25/9
Potatoes—Good English ...ton	†295/0	195/0	70/0—75/0
Rice—Bassein ...cwt.	48/6	25/0	7/0—7/3
Tapioca—Pearl, medium ...cwt.	39/0	34/0—35/0	14/0—17/8
Hay—best ...2,016lb...load	—	176/0	82/6
Hops—English ...cwt.	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs ...8lb.	6/8	7/10—8/4	3/8—3/10
— Scotch sides ...8lb.	10/0	8/4	4/6—5/0
— English ...8lb.	10/0	8/4	4/2—4/5
Mutton—Scotch wethers ...8lb.	10/6	8/10	5/8—6/0
— English wethers ...8lb.	10/6	8/10	4/6—5/4
— New Zealand frozen ...8lb.	10/6	8/10	2/4—3/2
Pork—English and Irish ...8lb.	11/8	10/8	3/6—4/0
Bacon—Irish, delivered ...cwt.	200/6	188/0	60/0—74/0
— Danish ...cwt.	†192 0	—	58/0—68/0
— Canadian, ex Port ...cwt.	†187/0	—	—
— American, ex Port ...cwt.	†187/0	176/6	72/0—74/0
Hams—Amer. long cut, ex Port cwt.	†190/0	170/0	75/0—79/0
— — short cut, ex Port ...cwt.	†190/0	170/0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt.	†198/6	158/0	51/9—52/9
Butter—Danish ...cwt.	303/4		117/0—120/0
— French ...cwt.	303/4	Controlled	96/0—108/0
— Australian ...cwt.	303/4	252/0	98/0—110/0
— New Zealand ...cwt.	303/4		108/0—114/0
Cheese—Canadian ...cwt.	†145/0	Controlled	66/0—68/0
— United States ...cwt.	†145/0	163/4	—
— Dutch ...cwt.	†145/0		53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Feb. 29 ...cwt.	2,435,843	1,110,547	19,777,254
— Home consump'n. to Feb. 29 cwt	2,076,569	2,189,234	17,272,000
— In Bond Feb. 29 ...cwt	6,310,000	6,201,000	6,306,000
— Price, Java, 96° Pol. ...cwt	72/0	36/0	10/3
— — Yellow crystals ...cwt	71/9	57/9	12/6—14/0
— — Tate's Cubes, No. 1 ...cwt	84/0	64/9	18/0
Coffee—Imports to Feb. 29 ...cwt	122,624	64,902	720,360
— Home consumpt'n to Feb. 29 cwt.	49,644	51,881	141,410
— Exports to Feb. 29 ...cwt	86,065	16,525	340,250
— In Bond Feb. 29 ...cwt	685,000	810,000	484,000
— Price, Costa Rica gd. to finecwt	130/0—195/0	145/0—155/0	80/0—93/0
— — Brazil (Santos) Good ...cwt	136/0—140/0	65/9	41/6
Tea—Imports to Feb. 29 ...lb.	74,131,857	62,537,899	123,230,277
— Home consump'n. to Feb. 29 lb	62,515,253	43,554,718	155,447,972
— Exports to Feb. 29 ...lb.	7,083,201	1,405,196	26,561,765
— In Bond Feb. 29 ...lb.	223,192,000	147,042,000	78,292,000
— Price, Indian, Pek. Soug. gd. lb	1/1	1/4	8½d.
— — Ceylon, Pek. Soug. Ord. lb	1/1½	1/4	8½d.
— — Common Congou ...lb	1/0nom.	1/4	5½d.
Cocoa—In Bond Feb. 29 ...cwt.	955,000	762,000	309,000
— Grenada, good to fine ...cwt.	135/0—139/0	85/0	52/6—56/0

* Estimated. † Controlled.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific	Jan.	$13,915,000	+ 887,000	$586,000	— $967,000
	12 *mos. to* Dec.	176,929,000	+19391000	32,933,000	— 1,569,000
Grand Trunk	Nov.	£1,251,900	— £15,700	£103,300	— £81,800
	11 *mos.to* Nov.	12,853,900	+1,702,200	1,566,200	+ 104,400

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act,* 1871. *The Irish railways, similarly, were taken over as from January 1,* 1917.

INDIAN.	Week or Month.	Miles Open.	Gross Receipts.	+ or — on Year Ago.	No. Wks	Aggregate Receipts.	+ or — on Year Ago
Assam Bengal	Feb. 14	993	R2,17,150	+ 7,910	19	44,18,500	+ 9,17,385
Barsi Light ...	Feb. 21	118	30,700	+ 9,000	48	13,87,300	+ 5,45,600
Bengal &N.W.	Feb. 14	2,065	4,79,650	— 12,320	20	90,52,953	— 4,94,381
Beng. Dooars	Feb. 14	158	26,373	+ 1,611	20	8,76,075	+ 1,04,060
Beng. Nagpur	Feb. 14	2,695	10,52,000	— 2,31,000	46	5,60,38,276	+ 41,80,391
Bomb. Baroda	Mar. 13	2,871	21,04,000	— 20,000	24	4,38,56,000	+ 20,04,000
Burma ...	Feb. 7	1,342	6,50,260	+ 65,972	45	2,45,96,870	+ 26,22,911
Del.Um. Kalk.	Mar. 13	239	1,01,000	+ 6,475	24	22,84,304	+ 2,46,536
East Indian ...	Mar. 13	2,771	28,01,000	+ 55,000	24	6,12,50,000	— 24,37,000
Gt. Indian Pen.	Mar. 6	3,121½	27,36,300	+ 2,07,400	24	5,97,93,031	+ 50,73,748
Madras & S.M.	Feb. 21	3,152	11,75,000	— 56,322	21	2,27,55,695	+ 11,74,763
Nizam's Guar.	Feb. 14	900	3,29,699	+ 36,514	20	55,19,759	+ 6,92,556
Roh. & Kumn.	Feb. 14	576	115,445	— 1,662	20	19,20,182	— 2,05,024
South Indian	Feb. 14	1,852½	7,55,857	+ 58,514	46	3,46,88,779	+ 37,47,786
South Punjab	Nov.	716	7,68,548	+ 24,397	2m	13,98,245	— 63,525
COLONIAL							
Can. Northern	Mar. 14	9,704	$991,600	+ 112,500	10	10,075,500	+ 1,034,900
Can. Pacific ...	Mar. 21	13,388	3,283,000	+ 451,000	11	36,780,000	+ 4,742,000
Grand Trunk	Mar. 21	3,616	£271,317	+ 17,547	11	2,768,645	+ 280,494
Mashonaland	Oct.	810	79,892	+ 29,783	1m	—	—
Mid. W. Aust.	Jan.	277	12,717	+ 3,082	7m	72,803	+ 9,973
NewCapeCent.	Feb. 28	205	3,593	+ 489	8	28,966	+ 3,506
Rhodesia Rlys.	Oct.	1,397	106,819	+ 29,789	1m	—	—
Temiscouata...	Oct.	—	$30,562	+ 2,154	10m	304,661	+ 22,504
W. Pass.&Yuk	Aug.	122	—	—	8m	$968,676	+ 31,021
FOREIGN.							
Argentine.							
Arg. N. East...	Mar. 13	752	£ 11,900	+ 1,400	37	431,000	+ 85,800
Arg. Transand.	Mar. 20	111	£ 4,280	— 310	38	113,886	— 24,804
B. A. & Pacific	Mar. 20	3,536	£ 170,000	+ 40,000	38	5,558,000	+ 1,241,000
B.A.Gt. South	Mar. 21	3,792	£ 177,000	+ 30,000	38	6,758,000	+ 1,528,000
Do.	Mar. 21	Net	£ 53,000	+ 10,000	38	2,340,000	+ 1,230,000
B. A. Western	Mar 21	1,882	£ 116,000	+ 50,000	38	3,733,000	+ 1,144,000
Do.	Mar. 21	Net	£ 36,000	+ 20,000	38	1,255,000	+ 636,000
B. A. Central	Jan.	190	£ 43,675	+ 2,467	7m	314,683	+ 29,827
Cent. Argent.	Mar. 20	3,305	£ 180,000	+ 33,000	38	6,672,000	+ 1,782,000
Do.	Mar. 20	Net	£ 60,000	+ 38,600	38	2,065,100	+ 1,395,700
Cord. Central	Mar. 20	1,205	£ 53,500	+ 10,780	38	2,243,500	+ 583,850
Entre Rios ...	Mar. 13	811	£ 25,400	+ 3,300	37	881,700	+ 139,300
Brazilian.							
BrazilGt.South	Jan.	110	M 58,750	+ 11,660	1m	—	—
Brazil Railway	Dec.	3,530	M4,859,000	— 141,271	12m	57,772,000	+ 7,619,243
Gt. W. Brazil	Mar. 13	1,010	£ 29,300	+ 8,900	11	318,130	+ 101,500
Leopoldina ...	Mar. 13	1,831	£ 63,900	+ 30,002	11	611,602	+ 310,078
Mogyana	Dec.	1,180	M 1,561,000	— 956,490	12m	22,267,000	— 2,474,651
Paulista	Dec.	766	M 2,650,000	— 906,038	12m	32,479,000	— 1,225,892
San Paulo ...	Mar. 21	153½	£ 46,906	+ 13,158	12	555,258	+ 217,572
Sorocabana ...	Dec.	1,003	M 1,749,000	— 246,168	12m	21,953,000	+ 876,588
S.of BahiaS.W.	Feb.	52	M 77 000	— 10,000	2m	181,000	+ 11,000
Chilean and Peruvian.							
Antofagasta ...	Mar. 14	838	£ 59,180	+ 32,050	11	626,895	+ 309,010
Arauco	Jan.	84½	£ 14,500	+ 2,000	1m	—	—
Nitrate(2wks.)	Mar. 15	390	£ 47,710	+ 24,980	10	178,111	+ 99,332
Peruvian Corp.	Feb.	1,140	S 1,122,010	+ 178,540	8m	9,402,304	+ 1,428,468
Taltal	Feb.	180	£ 43.605	+ 35,543	8m	171,120	+ 38,211
Cuban.							
Cuban Central	Mar. 13	362	£ 45,437	+ 32,204	37	880,352	+ 194,442
Havana Cent.	Mar. 6	70	£ 13,407	+ 7,402	36	388,724	+ 70,061
U. of Havana	Mar. 20	681	£ 100,871	+ 8,723	38	2,451,326	+ 230,972
W. of Havana	Mar. 20	155	£ 15,273	+ 3,869	38	363,372	+ 73,423
Uruguayan.							
Cent. Uruguay	Mar. 13	273	£ 23,295	— 3,185	37	834,301	+ 44,547
,, (E. Ext.)	Mar. 13	311	£ 7,704	+ 210	37	225,506	+ 33,199
,, (N. Ext.)	Mar. 13	185	£ 3,723	— 739	37	137,224	— 932
,, (W.Ext.)	Mar. 13	211	£ 2,922	— 339	37	102,442	+ 4,301
Mid. Uruguay	Feb.	319	£ 18,511	— 416	8m	157,015	+ 20,411
N.W. Uruguay	Feb.	113	$ 6,382	+ 582	8m	54,918	+ 3,674
Urug. Northn.	Feb.	73	£ 2,394	+ 130	8m	19,531	+ 2,372
Miscellaneous							
Alcoy& Gandia	Mar. 20	33	Ps. 15,000	+ 3,000	12	138,900	+ 14,700
Bilbao	Feb.	15	£ 2,831	+ 469	2m	5,283	+ 170
Bolivar	Feb.	136	£ 9,014	— 4,065	8m	71,942	+ 764
Colomb. Natnl.	Feb.	86	£ 13,960	+ 6,100	2m	31,760	+ 10,840
Costa Rica ...	Jan.	189	£ 27,765	+ 4,640	7m	173,436	+ 18,729
Dorada Ext....	Feb.	70	£ 11,500	+ 6,500	2m	23,500	+ 10,700
Egyptian Delta	Feb. 29	559½	£ 10,377	+ 2,139	48	368,947	+ 19,591
Gt. S. of Spain	Mar. 13	104	Ps. 86,566	— 31,297	11	774,357	— 688,654
La Guaira&Ca.	Feb	22½	£ 14,200	+ 6,510	2m	28,570	— 12,780
Ottoman Ry...	Mar. 6	379	£ 7,452	—	—	—	—
ParaguayCent.	Mar. 13	255	£ 4,270	— 60	37	181,890	+ 34,180
Puerto Cabello	Feb.	34	£ 5,250	+ 25	2m	10,500	+ 875
Salvador	Mar. 6	100	£ 8,042	+ 3,532	36	144,969	+ 62,192
Santa Fe Prov. French Rys.	Jan.	1,181	£ 154,782	— 1,077	1m	—	—
S'm'na&S'ti'go	Jan.	80	£ 11,260	+ 4,417	1m	—	—
Zafra & Huelva	Jan.	112	£ 14,121	+ 2,664	1m	—	—
TRAMS.							
Anglo-Argent.	Mar. 18	400	£ 72,773	+ 8,555	11	794,336	+ 181,993
Auckland Elec.	June 30	27	—	—	52	292,502	— 2,053
Bombay Elec.	Dec.	39	R. 7,87,141	+ 1,74,980	12m	86,41,723	+ 16,17,940
Brazilian Trac.	Jan.	378½	M 9,655,000	+ 1,133,000	1m	—	—
Brisbane Elec.	Feb.	40½	£ 41,600	+ 7,220	2m	83,400	+ 13,448
Brit. Columbia	Jan.	334	$ 828,709	+ 151,220	7m	5,05,625	+ 955,041
B. A. Lacroze	Feb.	51	£ 52,468	+ 10,039	8m	398,687	+ 55,478
Calcutta	Mar. 13	35½	R 88,550	— 605	11	904,969	+ 48,940
Cape Electric	Jan.	42½	£ 33,836	+ 4,384	7m	178,161	+ 15,835
Carth. & Herr.	Feb.	9	£ 4,008	+ 1,657	2m	8,756	+ 2,750
Chatham&Dist	Mar. 11	15	£ 1,391	+ 100	10	14,408	+ 2,211
Havana Elect.	July	86	$ 794,768	+ 100,679	7m	5,116,661	+ 402,557
Isle of Thanet	Mar. 17	20½	£ 537	+ 165	25	12,883	+ 5,417
Kalgoorlie ...	Nov.	20½	£ 2,859	— 74	11m	30,492	— 348
Lanarkshire ...	Mar. 11	28½	£ 3,857	+ 315	10	39,508	+ 2,225
Lima Light ...	Dec.	85	£ 57,179	+ 9,214	12m	583,967	+ 60,867
London C.C. ...	Mar. 24	141⅛	£ 81,834	+ 10,742	52	4,076,457	+ 658,092
Madras (2wks.)	Mar. 15	15½	R. 49,949	+ 19,645	10	216,803	+ 19,890
Manila Electric	Jan.	55	$ 278,338	+ 46,752	1m	—	—
Pernambuco...	Mar. 21	59	£ 8,078	+ 2,797	12	94,565	+ 32,406
Provincial ...	Mar. 13	21½	£ 2,936	+ 298	24	67,768	+ 11,662
Rangoon Elec.	Feb.	25	£ 7,667	+ 1,973	2m	15,134	+ 3,067
Shanghai Elec.	Feb.	263½	M X. $133,750	+ 27,750	2m	269,750	+ 41,750
SingaporeElec.	Feb. 7	26½	$ 20,916	+ 1,509	8	120,634	+ 23,987
U.of Montevid.	Feb.	90½	£ 45,259	+ 6,487	4m	177,709	+ 27,584

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EASTER HOLIDAY ARRANGEMENT.

"THE STATIST," will be published on Thursday next, April 1, instead of on Saturday.

The Statist.

LONDON, SATURDAY, MARCH 27, 1920.

IRELAND.

The members of the Irish Government in the House of Commons, and particularly Mr. Macpherson, are replying to questions concerning what is going on at the other side of St. George's Channel in a manner that is equally offensive and intolerable. We, the great public at this side of the water, are desirous of knowing what is the real history of the murder of the Lord Mayor of Cork. Apparently, he was one of the most popular public men in the city, and quite recently he was made its Lord Mayor. Suddenly a band of armed men have compelled his wife to open his door to them; have rushed in and murdered this popular public man; and we are all naturally desirous of knowing whether the Government has any information to give respecting either the causes or the persons engaged in the tragedy; and, instead of expressing regret at a murder which has astonished everybody, language is used which, to say the least, is offensive. Now we would warn those gentlemen, and particularly Mr. Macpherson, that we are not in a temper just now to put up with insolence of this kind. Our public men are servants of the public, paid by the public, and judged by the public, and when we ask for information it is understood, as a matter of course, that we do not require an answer that would be likely to make proper respect for the law impossible to preserve. We want such information as can be given; and we want no false charges and no attempt to deceive the public. If Mr. Macpherson is to remain in his present position he will do well to alter his manner, for we can assure him that the British public is not disposed to put up with insolence of this kind. We want facts as far as they can be stated in full regard for the enforcement of the law, and we want the statements made in language that is respectful to those who put the questions. It is not often that we have to use language of this nature. But Mr. Macpherson is becoming intolerable, and the sooner he is brought to his senses the better it will be for all parties. Meanwhile, we would remind the members of the Government, whatever offices they hold, and however they may think themselves free from the Irish imbroglio, that the state of things in Ireland is utterly distasteful to the people; that it cannot be continued much longer without serious consequences; and that the sooner, therefore, the Government alters its proceedings the better it will be for the United Kingdom and for the Empire. We have a Government in power at present which is showing how it can defy every respectable opinion in the nation; how it can profess to be observant of the law and the Constitution and, at the same time, to defy every principle of good government. The sooner this state of things is changed the better it will be for all parties.

We would especially address ourselves to the Trades Unionists. They are now the only Party which can really give us a good Government. The return of Mr. Asquith to the House of Commons for a while inspired a hope amongst his followers that he might give a fresh chance to Liberalism. But the hope was always vain, and most persons, we anticipate, now are convinced that it has been so. The Liberal party is played out. It was never anything much better than the Liberal wing of an aristocratic party, supported by a few persons who hoped that even an aristocratic party might adopt some democratic principles. We have seen during the past half-dozen years how vain that hope was. Mr. Asquith had professedly put himself at the head of the Irish party, as well as of the advanced party at this side of the Channel, and he had promised to realise the hopes of the Irish people. The Bill he brought in to do so never had the slightest chance of satisfying Ireland. But it was supported by that wing of the Irish party which then followed Mr. Redmond. Now everybody recognises that the Bill is unworkable, and that the real demands of Ireland require an entirely different measure. We would urge upon our Trades Unionists friends, therefore, to recognise that the future of Europe largely depends upon their conduct at the present moment. Between now and the end of June the two great parties in the United States must choose the candidates they will put forward for the Presidency. At the same time nearly every State will have important elections to carry through. Consequently, we are near to an overhauling of American Governments, and in this overhauling every party in the United States that can exercise influence will make itself felt. In particular, we may be as firmly convinced as we are of our own existence that the Irish party and the German party will exert themselves to the very utmost, and if Irishmen and Germans really act with judgment they can bring to bear upon the two great parties an amount of influence which the British public does not understand. It is doubtful whether the Irish or the Germans are the most influential. But it is certain that when they combine they can bring to bear upon the two parties an influence which it will not be easy to set at defiance. And when the two parties choose their candidates, and the real work of preparing for the voting begins, remember the result must be settled in November, and between June and November there is abundant time for making an impression that will have a large influence upon the immediate development of affairs in Europe.

We will not use any language that is in the least likely to appear to any sensible man to be threatening anyone or any party. But we would ask every wise man to consider whether it is loyal to the Constitution—we will leave Ireland and Ireland's interests altogether out of the question and confine ourselves to the United Kingdom of Great Britain and Ireland—and we will ask, Is it loyal to the real interests of the United Kingdom and the British Empire to adopt measures which may bring us into uncomfortable relations—we will say nothing stronger—with our near kinsmen at the other side of the Atlantic? We have it in our power to show that as we have great influence and immense resources we can, if we please, confer untold favours upon Ireland. On the other hand we can, if we please, curse the country by even worse government than it is suffering from at present. Which, we will ask our Trades Unionist friends, are they prepared to adopt? Are they going to show that they hate all the misgovernment of the aristocratic classes, and are about to prove that they know how to recognise the real interests of the people of Ireland, and to show them that there may be prosperity and happiness even if Ireland throws in her lot heartily with them? The Liberal party can, of course, assist the Trades Unionists. But it can only assist. Just now the object to be aimed at is to bring down the present Government; to send Mr. Lloyd George upon a long period of rest, that will enable him.

to recover from his over-exertions during the War, and that will end, we hope for ever, the rule of aristocraticism in this country. The Liberal party can help. It can, however, only help. There is just a chance that a Government might be formed with Mr. Asquith at its head, but with real power vested in the Trades Unionists. Upon the whole, it does not matter very much what the new Government is called provided that the spirit which governs it is the spirit of the Trades Unionists, of the men who live by work, who are anxious to see great reforms carried out that will bring peace and, we hope, happiness to all classes of the community, and that will draw closer the relations between the English-speaking peoples all the world over. As matters stand at present the English people scattered all over the world are not in a position such as secures their future. Look, for example, at the position of Canada, and then look at the position of South Africa. There are large districts over which the English flag flies the future of which it would be impossible for the most far-seeing man to predict, and what is desirable in these anxious times is that we should adopt real popular Government in its true sense and allow the whole people, whether they be Irish or anything else, to control their own destinies and make provision for a future which, at the present time, is anything but certain.

THE EMPIRE.

We shall not know the actual population of the United Kingdom for another year, and it is hardly worth while to speculate as to its actual proportions. For, in the first place, we have gone through a costly war which has affected the population seriously, and will continue to affect it for some time to come; and, secondly, we must remember that the next Census will be taken next year, and, consequently, that it is hardly worth while to waste time in speculating what will be ascertained so soon. Let us assume, then, that the authorities are very nearly right when they take it that the population of the United Kingdom at present amounts to 46 millions, and that there is likely to be a considerable emigration as soon as emigration becomes easy from all points of view. The condition of Ireland is so unsatisfactory that Irishmen, no doubt, will emigrate in large numbers; while in England there are many who have been rendered more or less dissatisfied with their own modes of life, and who are likely, in consequence, to try whether they cannot better themselves by going abroad. Let us assume, then, just for the sake of argument, without attaching any special importance to the figures, that the population of the United Kingdom at the present time is somewhere about 46 millions, and then let us look around and see how we stand. In the first place, we have in England and Wales a population of, let us assume, 37 millions, and we have, consequently, in Ireland and Scotland a population of, roughly, 9 millions, or somewhat more. On the other hand, we shall learn in a very short time now what the population of the United States is. It will be recollected that it stretches from the south of Canada to almost the extremely hot regions, and that, therefore, it is capable of containing several hundreds of millions. However, we may content ourselves with saying that the population is likely to prove to be somewhere about 110 millions. If these figures are anything like correct, there is to-day in the United States a population considerably more than twice the population of the United Kingdom. Furthermore, the population of the United Kingdom is growing very slowly. If there was good government in Ireland, such as ought to have existed for centuries, but which the misgovernment of England has prevented, we cannot hope that the population will for some time longer at least much exceed 4½ millions, or, at the outside, 5 millions. Of course, it is to be borne in mind that the Irish did not join the Army during the War in the numbers that they would have joined if they had been treated properly. Consequently, Ireland did not suffer from the War as much as England and Scotland. It is probable, therefore, that the population of Ireland is somewhat larger than we have allowed for, while the population of England and Scotland may be smaller. Particularly, there may be this great disadvantage in regard to England and Scotland, that the women immensely exceed the males. Allowing for all the consequences of the War, it is probable that the excess of women over men is very much larger than a few years ago we used to believe, and that, probably, at present there are three or four millions of women more than men. In that case our prospects for the future would be less bright than at the first glance we should expect them to be. If, for example, the population of Ireland and Scotland put together does not largely exceed 9 millions, then nearly 37 millions would be in England and Wales, and if there is an excess of 3 or 4 millions of women over men the growth of population in England and Wales will be considerably checked for some time to come; and for 10 years, at all events, we may safely say that the growth of population will be exceedingly slow.

Now, if we turn to the United States, we can hardly believe that the population will be found next month much under 110 millions. It is possible that more males in the vigour of youth returned from the United States when the War broke out than is generally believed. But it does not seem likely, because it will be recollected that for several years before the War broke out hostilities seemed on the point of occurring between Germany, on the one hand, and Russia and France, on the other. Several times the expectation was disappointed; and, therefore, when the disagreement at the end of July 1914 occurred people hoped that it would be settled, as so many differences had been settled previously; and then the conflict began quite suddenly. We are not inclined to think, therefore, that the return of young men from the United States either to Germany, or to Italy, or to Austria, or to France was anything like as large as in some quarters we have seen it estimated. If we are right, then, the population of the United States will probably be found by-and-by not very much under 110 millions. In other words, the population of the United States even to-day is considerably more than twice the population of the United Kingdom. Furthermore, there is a strong feeling of attachment on the part of the Irish people to the United States; and, consequently, Irishmen, whether at home or abroad, would be at least as ready to join the United States as to join England. Therefore we have, in measuring the military power of the United States, to allow, firstly, for the fact that the British Empire was quite unprepared when the War broke out. It reckoned upon fighting the War mainly with the Fleet, and it hoped that the small preparation made by Lord Haldane for land warfare would prove sufficient. We all know that Lord Kitchener was made War Minister, and that he immediately proceeded to call up an army and a navy which, according to Mr. Asquith, amounted altogether to about seven millions. That being so, we have in this country a considerable decrease of the male population, and we have in the United States a very large immigration, which continued almost unstopped for, let us say, five years or nearly. In all reasonable probability, then, the population of the United States when the figures are ascertained will be found to be considerably more than twice the population of the United Kingdom. And in the whole American continent there is not a single Power capable of defying the United States. There is no country with even what could be called a formidable population compared with the United States, and, therefore, the United States may reckon upon quietude, so far as her neighbours are concerned, unless, indeed, for one reason or another, she annexes, let us say, such a country as Mexico. To begin with, then, we have a population considerably less than 50 millions; and out of that population, roughly, one-tenth is not ardently loyal to the British

Government. We need say nothing of the immigrants, for they for more than a century now have been flowing into the United States in vast numbers because of their discontent with the countries of their birth, and of their attachment to the United States. We have, then, on the one hand, perhaps, taking it altogether, the most formidable population in the world, numbering, let us say, roughly, about 110 millions; and recollect that it is always being reinforced by immigration, which means that of the immigrants the majority are always, or nearly always, men. There is, then, taking it from every point of view—from numbers, disposable wealth, available resources of every kind, shipping, railways, aircraft, and so on—the most formidable country in the world, and on the continent of America there is not a single Power which, for example, could offer serious resistance to, let us say, the three millions of men that America landed in France in the last few months of the recent War. Now it is as plain as anything can be that if we could form a very intimate alliance with the United States the English-speaking peoples would be able to guarantee the safe up-growing of each and all during the present century. We have immense foreign possessions. They are of very great value. They are, in fact, the principal buyers of the immense commodities which we turn out every year. Therefore, the Navy, to which we very properly attach so much importance, is really used to ensure our retaining the greatest foreign Empire the world has ever seen. And that Navy, recollect, was nearly equalled in little more than 20 years by Germany, and certainly could be surpassed in another 20 years by the United States.

We wonder do our public men, who are apparently so blind to all their interests that they are deliberately daring the United States to annex Ireland, ever think of the folly of their proceedings, or of the extreme self-control the Americans exercise in refusing to be excited by what is going on? The American people are a very peaceful people. They have no love of war. On the other hand, there is no people upon the face of the earth so ready to enter upon war if they once are made to believe that they are defied. The South took it into its head that the North would not fight to preserve the Union; we all know what the result was. And Spain took it into its head that the United States might be flouted; and we all know with what result. Therefore, the American people are, let alone, as peaceable as any upon the face of the earth; but, on the other hand, they are as ready to flare up if they think themselves defied as any people living. Now America, as we have said, is a very peaceful country, and we do not think that America will pick a quarrel if she is not openly defied. But there are other parts of the world which are not quite as satisfied with all the prospects as is the United States. The United States stretches from the borders of Canada practically down to the Panama Canal, or very nearly so, at least; and it may very well, therefore, rest content with its possessions. But there is a very disturbed country close to the United States which is constantly giving offence. And there are many other reasons why Americans should think that matters are not quite as much to their liking as they would wish. Therefore, we would again ask that furious party in the North of Ireland, which has induced the Orangemen and, strange to say, Mr. Lloyd George, in addition, to begin once more the persecution of Ireland, Is it that Mr. Lloyd George has overworked himself, and is no longer able to judge events as they present themselves to him? Or is it that he thinks he can reckon safely upon President Wilson? In any event, we would ask him, Does he think he is serving the interests of the country, which has raised him to the great position he now occupies, by deliberately adopting and continuing a policy which he knows to be hateful to the American people? Or is he in reality only showing his real character? He used to be believed to be an extreme Radical, whose interest in the very poor made of him an advocate of what in its time used to be called extreme measures. Was he, then, only acting a part? Are his real sentiments aristocratic? And does he care no more for the interests of the poor or the good government of a country, that lies absolutely at his mercy, that he lets loose police and soldiers to work their will upon it? We have no desire to make charges against either the police or the soldiers. In their place, when strictly controlled, they are sometimes useful, though wise men employ them as seldom as possible. But we would ask again, Has Mr. Lloyd George so overworked himself that he is presenting to us at present not the real Mr. Lloyd George, but a very bad imitation? Or was it while he was working his way up that he concealed his real principles, and is he now showing us how he thinks the poor, who have not the means of fighting with disciplined troops and real artillery, should be treated?

THE OUTLOOK.

It has taken longer than most people expected for the Liberal party to reorganise itself sufficiently to make a fight for retaining its old position. Mr. Asquith's election for Paisley has, however, given the party a leader, and inspired it also with some hope. Whether it will be able to make a good fight remains to be seen. We venture to think that the party, though not actually dead, has lost a great part of its former vigour, and that it will never again be able to rank as a serious competitor with the Tory party. On the other hand, Toryism is sure of a future, for it represents every abuse of every kind, and it will be a very long time until abuses can be so much diminished that they will not furnish an excuse for the maintenance of a party in their defence. Consequently, we are inclined to think that, while Liberalism has ceased to be a great party capable of independently fighting Conservatism, yet it will hold its own after a fashion for some time yet; probably, indeed, it will be able to furnish a Prime Minister in the next few Liberal Governments. We take it that the immediate object of all parties will be to determine who is to form the Government that will succeed that which now presses upon us with a very depressing weight. The present party, as already said, represents every abuse, and, therefore, is sure of an ardent support until abuses are diminished one by one. But Liberalism has no real foundation since Trades Unionism has become as strong as it now is. The election for Paisley has somewhat deceived the ordinary public. If we read the signs of the times correctly, there seems to be a notion that the Paisley election proved that Trades Unionism is by no means so strong as it was supposed to have become, and that therefore, in fact, the fight at the next General Election will be between Toryism and Liberalism. That may prove to be the right view, but we confess we do not believe that it will be so. On the contrary, we are inclined to look for a reunion between the Trades Unionists and the Liberals; a victory for them at the coming election; the formation of a Government, with Mr. Asquith probably at the head, but ending with the complete success of the Trades unionists. Liberalism has no real foundation of its own. It is too aristocratic to have a real foundation amongst the people. And it is not sufficiently popular to arouse such a spirit as would make sure of giving complete power to whoever happens to be at the time the leader of the Trades Unionist party. We are looking, in fact, for a short period in which both Liberals and Trades Unionists will find it to their interests to coalesce, ending with the complete victory of the Trades Unionists. However, perhaps we have gone a little too far in saying "complete victory," for the Trades Unionists, as we know them, do not represent the whole body of the poorer classes. Therefore there needs to be an organisation of that portion of the poorer classes which is not yet fully embattled,

and in the meantime it is essential that the trades unionists should put themselves at the head of the real working classes, and, if possible, should train them all to join it and share in its successes.

However, we are looking to a future that is not yet present. We have, first, to get rid of the present Government, and to do that we need a coalition of the Trades Unionists with the Liberal party. We need also, probably, such an acknowledgment of the superiority of the Liberals as will be implied in recognising the Liberal leader as Prime Minister. But that will be only a period in the advance that has to be made. We want to get rid of the aristocratic classes as a political power absolutely and completely; and for that purpose we must take such measures as will be certain to drive a large portion of the Liberals into the support of the Conservatives—to give them the title which they have sufficient knowledge of the public to recognise is the best suited to further their own interests. Meantime the result of the Paisley election has made people doubt whether, as a matter of fact, the Trades Unionists have made as much progress as they were supposed to have made. We ourselves entertain no doubt upon the point. There are certain doubts in our minds. We do not think, for example, that the Trades Unionists as yet have gained as good a footing as is desirable with those classes whose support is essential to them. We mean the clerks, the teachers, and those who work behind counters. They have to be won over if Liberalism is to be altogether disposed of, and if Trades Unionism can take its place as the acknowledged antagonist of all abuses, Trades Unionism is, everybody can see, growing with extraordinary rapidity. Indeed, it has in the business department obtained such success that no Government which is not prepared for civil war will intentionally provoke a fight with Trades Unionism. But, apart from that, Trades Unionism is not known to be as strong as, in our opinion, it really is, and therefore we anticipate that it will be good policy on the part of the Trades Unionists to come to terms with Mr. Asquith, and to make it possible for him to resume the position of Prime Minister. Mr. Lloyd George, with many very great qualifications, is not a real popular leader. Whether he understands the real wants of the people is very doubtful. At all events, it is perfectly clear that he is not prepared to fight the battle of the poorer classes. That being so, he is the natural leader of the Tories. They have no real fighting man qualified to promise them success. Therefore they have to go outside their own ranks, and they seem to have judged with a good deal of ability that Mr. Lloyd George is, taking everything into account, perhaps better suited than any other that they can find to lead them in the severe struggle which is preparing. The Liberals, on the other hand, are very much divided. A large number of them prefer to fight under the banner of Mr. Lloyd George than under that of Mr. Asquith. And, calling to mind what happened during the past five or six years, one is not very much surprised to find that the fact is so.

On the other hand, it is quite clear that Mr. Lloyd George has no real popular instincts. He found a very popular policy best suited to him while he was struggling for notoriety. But, now that he has a great Coalition acting under his orders, he finds it difficult, if not impossible, to go back to the position he occupied as a mere Liberal. He desires to be the first man in the State, and unquestionably, if he can win the next election he will have, in all reasonable probability, an exceedingly good chance of filling such a position for four or five years. It is, then, the duty of all who do not wish to see the present kind of Government continued to do their very utmost to get rid of Mr. Lloyd George and those who are supporting him. The so-called Liberal wing must be regarded just as the supporters of the late Mr. Chamberlain were regarded in his lifetime. They have ceased to be Liberals. They have thrown in their lot with the Tories, and as Tories they must be looked upon. Those Liberals who have refused to follow Mr. Lloyd George will continue to support Mr. Asquith, no doubt, or at all events the large majority of them will do so; and a coalition between the Liberals led by Mr. Asquith and the Trades Unionists will give that voting power when the next election takes place which is necessary to ensure us that we shall have a Liberal party pledged to carry out everything necessary to secure the welfare of the great body of the people. We are at present faced, upon the one hand, by a party which has no interest but the support of abuses of every kind, and we have, on the other hand, a party that is growing with extraordinary rapidity in strength throughout the United Kingdom, and which is pledged, unless it ruins itself, to carry out as far as is possible everything that is necessary to secure the welfare of the great body of the people. Just at present we are afraid the lower working class is not organised, and we fear also is not very well disposed towards the Trades Unionists. Therefore the immediate object of the Trades Unionists should be to attract to their support so many clerks, teachers, and workers behind counters as will give them, in conjunction with the Liberals, a majority in the House of Commons. That is the first great essential. What is to be done when we have got rid of the party of abuses it will be time enough then to consider. We want, in fact, everything done to ensure the welfare of the great body of the people. In the meantime we want such an increase in the immediate supporters of the Trades Unionists as, with the help of the Liberals, will ensure us for at least five years after the next election a Government pledged to carry out as far as can be done everything needed to secure the happiness and comfort of the great body of the people. Meantime, we would remind our readers that the present Government is doing its utmost to create throughout the world a prejudice against Great Britain. They are governing Ireland in a manner that can be compared only to the government of the Slav provinces of Austria-Hungary just before the War broke out. They are showing that even men in their own employment are not satisfied with carrying out the orders of a Government that stinks in the nostrils of all decent people, but they break through law and humanity to commit actual murder. It is, therefore, essential that we should prove to the world that the great body of the British people wishes to govern all parts of the Empire with justice, and with regard for the welfare and the well-being of all its people.

AMERICAN CROP POSITION.

Portland, Oregon, U.S.A.: March 1920.

General market conditions in this country are dull. Never in recent years has so little trading been done in the primary markets. A general air of uncertainty prevails amongst the grain trade, and this may be ascribed to a number of things. One of the first reasons for the slump in the market was the statement of Mr. Julius Barnes, United States Wheat Director, issued in the middle of January, that "farmers, millers, and dealers (outside of the Grain Corporation) own and are now carrying 437,000,000 bushels of wheat, against 299,000,000 bushels a year ago." Supposing this statement to be true, it would mean that this country would have a large carry-over into the new crop season. While this statement did not have a panicky effect on the exchange, it created an uncertainty amongst the buyers, and resulted in a "watchful waiting" policy on their part. Only such amounts as are absolutely needed to carry over present orders are being bought.

Just at the time when the market showed a slight reaction from Mr. Barnes's statement came the sudden drop in foreign exchange, and while the exchange rate on the pound sterling was dropping to the lowest rate

ever known came the Bill of United States Senator Gronna, aiming at the abolition of the Grain Corporation immediately. These two factors have played an important part in the present dulness of the market. Since the rate of the pound sterling has dropped to its low level, and then recovered slightly, the market has been dead.

Under the present rate of exchange, which is hovering around $3.35 and $3.40 for the English pound sterling and 14.20 to 14.40 for the French franc, exports to Europe are practically at a standstill. The exchange rate is prohibitive for export, and no business can be expected until credits are established at a more nearly normal exchange level.

The Gronna Bill, which halted the Grain market completely for a few days, is now a dead issue. It was doomed from the beginning, as it did not have the support of the Grain Administration, and would have been a cancellation of the Government's pledge to pay the fixed prices for the 1919 crop.

As has been said before, our grain export trade for the present is practically closed. Europe is eliminated because of the exchange situation; the Far East, for different reasons. The Pacific North-west is in a position to ship flour and wheat to the Orient, but cannot do so on account of the existing shipping situation. The Australian embargo on the export of wheat and wheat products took effect on January 31. A field was thereby opened for the export of flour and wheat. Japan, China, and the Straits Settlements were, in the ordinary course of events, outlets for the flour and wheat export trade of the North-West. But this channel has been partially closed, due to the lack of space and also the prohibitive freight rates asked for flour and wheat by privately-owned steamship carriers. In pre-War times freight rates were from $4.50 to $5 per ton. Now the rate is $12, and very little space is available even at that price. Merchandise is given preference, with the freight carriers commanding a price from $18 to $20 a ton. No space can be had at the present time, and bookings are full well into April. So, very little flour is moving to the Orient, and it is a question when the export trade will be resumed on any appreciable scale.

Millers in this country have lodged a protest with the United States Shipping Board concerning the new ocean freight rates on wheat and flour, which establishes a $2 differential in favour of wheat export shipments. This is particularly true of the millers of the South-East, who claim to be most affected by the new ruling. Freight rates on the Atlantic range from $24 to $40 per ton, with the Shipping Board rate averaging around $30, with $2 under for wheat.

The car shortage, which is in an acute stage in this country, has had the effect of firming the market for a time. However, with the export trade practically closed and taxes due March 1, wheat and flour prices have shown some weakness. Millers and dealers are buying from hand to mouth, as they do not wish to have stocks on hand the first of the month. Flour prices have wavered and dropped to some extent. Prices are apt to take a jump after March 1. The outlook for the 1920 wheat crop is favourable at the present time, although it will take another 30 days before the snow is off the ground and the result of winter weather is known. There is, however, a tendency to reduce acreage on account of the oats demand. Increased facilities for the handling of wheat in bulk are rapidly going forward. Almost 50% of last year's crop was handled in this manner in the Pacific North-West, and a further increase in the construction of elevators is looked for in the near future. Some contracts have already been let for the coming year. Prices at the present range from patent flour at $12.90 to $13.15, Montana flour $13.75, straights $11, and cut-offs $10.50 to $10.75.

There has been practically no demand for barley. However, with the opening of spring an increase in sales can be looked for from the soft-drink people. Present quotations are: Standard barley $71, and No. 3 Blue $72. Unless California has rain in the very near future and plenty of it there will be an almost complete crop failure there. At best some reduction in the crop is very probable. The condition of the crop is serious. The new crop will probably command a good price.

Oats have shown a firm undertone, and have held more steady than any of the grains. Present prices of 36 lb. clipped at $63 and 38 lb. clipped at $65 will probably show a strong tendency to advance very shortly as the seeding season approaches. There is a limited amount of export trade going on in oats, with a little heavier demand than for the other grains. There is considerable activity in Middle Western markets, but with oats, as the rest of the grains, the car shortage holds up sales. There is a limited amount of Eastern demand, but that market is also affected by the car shortage.

Corn has had the most spectacular changes of any of the grains, showing a decided weakness for a time, then a gradual recovery, and has ended by showing a general unsettled condition. With the first news of the break in the Foreign Exchange market corn took a decided drop. Since then it has recovered to a certain extent, but the market on the whole is unsatisfactory. The car shortage has helped to steady the market to a great extent, as the offerings have been light. An improvement is looked for in the near future which will relieve the Corn market considerably. No. 3 Yellow is quoted at $59, with a fairly active demand. The outlook for the new crop is still reported as favourable.

The outlook for the 1920 crop is generally favourable throughout the North-West, while from the Middle West reports are to the effect that Hessian fly has done some damage. It is almost too early to predict with any degree of certainty what damage has been done there. With the closing of the Grain Corporation on May 31 a period of wild speculation will probably be experienced is the belief of many of the prominent grain men. Grain men and millers during the period of Grain Corporation control have not kept as close touch as formerly with the stocks in the country, leaving that to the Government. In private control a period when uncertainty exists as to actual stocks in farmers' hands may be looked for. However, this will be only for a short time, or until the grain men can make a complete survey of actual stocks. As to future prices, there is a great variance of opinions as to what the 1920 wheat crop will command. Some leading grain men are of the opinion that the farmers, if they have as large a carry-over as is predicted by Mr. Barnes, will proceed to dump their wheat on the market previous to the expiration of Government control. With the new crop coming shortly after the market will be loaded, and prices would then naturally drop. The main question of disagreement is whether or not the farmers actually have the wheat credited to them by Mr. Barnes. If so, a lowering of prices may be expected in the coming year.

THE CRISIS IN EUROPEAN FINANCE.

In pre-War days we used to sell £180,000,000 worth of goods to Europe, and to-day we are threatened with the diminution, if not the total extinction, of this colossal trade owing to the breakdown of the internal finances and the foreign exchanges of many of the purchasing countries. It needs little consideration to show that the ensuing reaction on British trade will be widespread and attended with very serious results unless immediate steps are taken to remedy a situation which has already assumed a menacing aspect. Special measures must be concerted to cope with unusual difficulties, and it is essential that the desire of seeing the British pound at a premium in European

countries should not, as in the case of the United States and the dollar exchange, make us unwilling to remove what really constitutes a handicap to our export business. The low value of the French, Belgian, and Italian currencies in terms of sterling not only hampers our trade but it depreciates our stock markets by causing a realisation of foreign-owned securities in London.

Enormous orders have been coming to British manufacturers from all over Europe, but a want of confidence and a feeling that payment cannot be relied on have negatived all chance of large-scale business. The position has not been improved by recent events in Germany, and it seems useless under present conditions that the Reparations Commission, with its President, M. Poincaré, who embodies in its most extreme form the spirit of French nationalism, should continue its frequent sessions in Paris while the world is crumbling about its ears, and the hope of indemnities is growing more remote. Economic pressure, aided by unemployment, has had an evil effect in forcing the German proletariat into extreme courses, and it would be well to profit in time by the lesson of recent events. The facts of the case are extremely plain. The Treaty of Peace provides that the payment of indemnities shall be a prior charge on former enemy countries. These indemnities, though vast in extent, are still not defined with exactitude, but together with subsequent impositions they have prior claims on all realisable enemy State assets. Accordingly, it is impossible to expect any outside group of international financiers, even if well-disposed towards Germany or Austria—and the reasons for such benevolence are small—to come to their assistance by the provision of credits, as the chance of interest payments being met is small, and that of capital repayment is smaller. The necessity for these credits has never been so great as the machinery of exchange has hopelessly broken down, and the demand for all classes of raw material and manufactured goods is unprecedently high. Our Allies and our enemies on the Continent find themselves in the same plight, the difference between them being one of degree, not of kind. In the case of Germany, for example, the refusal of credits is tantamount to a refusal of raw materials, since the mark is at too ludicrously low a figure to allow of any big import business being transacted. No raw material means no production, and no production means no indemnities. Hence the last position of France and ourselves, if we refuse to give help where help is needed, will be no better than our first, though we may have the melancholy satisfaction of seeing the political and economic fabric of a once arrogant and powerful enemy sinking to its final dissolution.

From the storm-centre of Russia it is noticeable that within recent months the spirit of Bolshevism, or at least of some revolutionary scheme of reform, has been creeping eastward as well as westward. On the east it has reached Vladivostok on the further confines of Siberia, and leaping over the intermediate stretch of sea has touched Japan. Japanese regiments tainted with the Bolshevik virus have been recalled from the Siberian front, but they preach the newly-found gospel to their fellow-workers at home with all the fervour of evangelists. The Japanese Diet, powerless in the hands of the Emperor and his ministers, and itself chosen by a propertied electorate on a franchise more limited than that of any progressive country in the world, may make substantial concessions in the way of voting and electoral reform which will save the State and at the same time pave the way for a programme of sane and practical social reform. Such a scheme should rally to the Government's support all the best elements of the country. In Europe the problem is not so easy, owing to the ravages of war and the desperate condition of the masses. In Germany the danger cannot readily be averted, as the forces of disorder dispose of great military strength, and their action, though intermittent, is on that account the more volcanic and destroys all the good that has been done in the intervals of quiet. Food has been acclaimed as an antidote to Bolshevism, and where applied it has proved effective. Raw materials and manufactured goods are needed to complete the cure, and these can only be provided if some system of international credits following on lines approved by the Supreme Economic Council is devised. Even for countries such as France, which are in a sound condition compared with their neighbours, the need of co-ordinated international action is apparent. The marked rise in the French exchange during the past week may to some extent be due to market manipulation, but it has been aggravated by the purchase of foodstuffs and of coal from England, and by the desire of English bankers to call in foreign deposits owing to the great demand for capital at home. The response in new money to the French loan is said not to have been so great as was anticipated in view of the thrifty character of the race, and the total of the foreign subscriptions is alleged to be rather small. In these circumstances it will be difficult for the French Government to reduce the enormous paper circulation. Further, events in Germany have had an unfavourable repercussion as the stabilisation of French credit depends to a large extent on Germany's ability to pay the French bill for damages. The necessary intimacy between French and German interests is here seen at its clearest, and if Germany fails to meet its obligations France will look to us to sell as cheaply and to buy as extensively as we can from her. To supply coal and other materials at a low figure a low rate of exchange is necessary. One method of arresting the depreciation of the franc is to pay cash for what we buy and give credit for what we sell. This helpful change need not apply to all commodities, but only to such as are adjudged to be necessary for restoring the devastated areas and winning back the old powers of production.

In a different category from the problem of the French, Belgian, and Italian currencies is the problem of exchanges with the new States of Eastern Europe, and here from the trading point of view the Export Credits Department of the Board of Trade has, considering the resources at its disposal, done much to facilitate trade. The procedure adopted is worthy of note in connection with any contemplated scheme for action on international lines. The general object of the Board of Trade scheme is to guarantee British exporters against risks of total or partial loss. A bill of exchange is drawn in the ordinary way by the British seller on the foreign buyer, and the latter, in addition to accepting the bill, is also required as a guarantee of *bona fides* to deposit with some accredited and responsible bank in his own country a sum in foreign currency determined by the Exports Department. This is the simplest method, but many variations are possible. Thus a guarantee in the form of goods or the *del credere* of another foreign bank may be given, but in every case it is necessary, owing to the rapid fluctuations in the price of goods and the value of securities, to obtain as ample a margin of safety as is possible. In general the amount of the credit given by the Board of Trade does not exceed 80% of the value of the goods, including freight and insurance, and provision is made for the formation out of commissions of a reserve fund to meet possible losses. Arranged credits bear interest at 1% above the Bank of England rate, with a minimum of 6% per annum. A danger in schemes of this kind is that repeated requests may be made for the renewal of bills, but such renewals ought to be discouraged, otherwise funds may be locked up for years in long commercial credits. In the event of failure to meet a bill the goods or the money deposited in guarantee should be sequestrated, or compensation sought from the endorsers and acceptor of the bill. Selected items of merchandise

which are vitally necessary should alone come under the operation of a scheme of this kind, and all transactions bearing on the international exchanges of goods under the scheme should pass through banks of approved standing. Only thus can the risk of undue loss or undue profits be avoided, and the successful working of a scheme on these lines would prove, if not a panacea for European ills, certainly a material alleviation of present conditions.

ARGENTINA.

THE COST OF LIVING.

THERE are indications, partly shown as a result of the recent elections held in different parts of the Argentine Republic, and partly from information received through private sources in close trading and financial relations with the Republic, that the sober element is more and more inclined to exercise patience and to bear the difficulties through which Argentina is passing as best it can. The causes of these difficulties at the present time are widespread—in fact, are world-wide. They extend to the neutral countries as well as to those of the belligerents in the recent Great European War. Other causes are manifold, and it would not be possible within the space of a single article, if it were to be restricted within any reasonable limits such as our space will admit of, to deal with all of them. Each particular cause—and their name we might describe as legion—would itself require a longer article than we are at liberty to give to explain any one of them separately. We propose to-day only to show the very trying time which the various classes of the population of the Argentine Republic are passing through, due to the high cost of living, as one of the contributory causes to which we have referred. It has to be borne in mind that when we talk of the high cost of living we mean that we have to give a larger measure of services or of material, according to what the producer may happen to have to offer, in order to obtain certain results. For example, the manufacturer has greater difficulties in obtaining the substance on which he works; while the operative, including in that term all those who are engaged in the service of production, has to give a greater measure of service to obtain a result commensurate to what he obtained in the period preceding the outbreak of the recent War. In the 'nineties of last century, when commodities of all kinds were so abundant, it was said, and said with a large measure of truth, that the expense of living even for the poor man, was mainly to obtain such luxuries as he could afford and the custom of his class appeared to demand. The actual cost of food and clothing really demanded only such a comparatively small measure of his services that he was able to earn the bare necessaries of existence in a comparatively short time. The manufacturer was offered raw produce at extraordinarily low prices. He had not to appeal to a Control Board to obtain it. He had no thought of being rationed as to the quantity which he was about to obtain. On the contrary, agents of the sellers waited upon him and offered immense quantities of material, and were prepared, within limits, to supply it on almost any reasonable conditions to suit his convenience. Exactly the reverse of this picture prevails at the present time, and prevails not merely in England and France and other of the belligerent countries, but prevails equally in those countries which were in no way directly engaged in the recent War. We have said above that the sober elements in Argentina show clear indications that they wish to discourage the more extreme people, who aim at the reconstruction of society from the effects of the recent War by a short cut. The sober element realises that there is no such thing as a short cut to restore the terrible destruction of food and raw materials—not to mention human life as well—which has taken place during the past five years. This is, of course, true of every country. The sober element forms the vast majority everywhere. Were it not so organised society would be impossible. Even the wilder element could not obtain a band of followers upon whom they could depend.

The Chamber of Commerce interested in the trade of the United States in the city of Buenos Ayres has compiled a useful list of prices, showing the cost of living in the Argentine capital at the end of January last. The compilation was mainly designed for the use of American commercial men interested in trade between the Argentine Republic and the United States of America. Consequently, for the most part the figures deal with costs as they affect the American trader visiting Buenos Ayres or any other Argentine city for a short time in the interests of his trade. Incidentally, however, the figures compiled give a very brief *résumé* of the cost of living as it affects the great bulk of the Argentine population. It would be exceedingly desirable if we were able to obtain the figures—and we hope to do so shortly—showing the relative cost of living of the average Argentine resident, say, either in Buenos Ayres or in Bahia Blanca, or in any of the principal cities of the Republic, compared with the prices ruling in different parts of Europe, and particularly in this country. As far as we have been able to obtain the figures, they appear to indicate a greater approximation between the cost of living in Argentina, in the United States, and here than was the case before the War. On the whole, the indications are that Argentina still is, particularly in the cities, one of the most expensive places in the world to live in—even more expensive than the United States. The cost of living here, so far as we have been able to obtain the figures—but we warn the reader that our information is not complete—would indicate that it is considerably lower than in any important city either in North or South America. Naturally, the publication of these figures has attracted widespread attention in the Press of the Republic. And they appear to have created no small measure of surprise that articles of prime necessity should have risen in Argentina to an extent approximating the level of such prices in Europe and in the United States. As a matter of fact, they should have occasioned no surprise at all, bearing in mind that Argentina lives on the production of food and raw materials, and on the production of those commodities upon an immense scale for the direct and specific purpose of export. In an article dealing with the economic conditions of the Republic we went at a length which we cannot do on the present occasion into the causes which had brought about the economic development of Argentina to the extent and in the manner which the visitor to the Republic witnesses to-day. There are evidences of great wealth on every side; but this wealth has been rapidly accumulated and brought about by special causes, and economic conditions due to causes which we endeavoured to explain as clearly as in us lay in that article. We cannot recapitulate the terms, as we have not the space. Suffice it to say, in order to recall the subject to the mind of the reader who is not accustomed to follow closely economic conditions in South America, that the present conditions in Argentina were brought about by the investment of immense amounts of capital from Europe for the purpose of enabling the Argentine Republic to supply food and raw materials to the countries which invested there on as favourable an economic basis as possible. Inasmuch as economic conditions have been brought about for the specific object of enabling the Republic to send abroad enormous quantities of food and raw materials, it is only natural that food and raw materials should be sent abroad until prices at home rose approximately to those which prevailed abroad. Those who are not accustomed to consider economic questions very carefully are surprised that a country whose business it is to raise food and raw materials should not have immense supplies on what we call for convenience

a low economic value. But the very circumstances which have brought about the conditions which those who visit Argentina witness at the present day forbid that. If Argentina had been allowed to develop herself slowly, as the inclination of wandering immigrants and chance capitalists desiring to settle in the country might dictate, there would have been, wherever the settler had devoted himself to industry, a certain rude plenty. Such things as were grown on his farm would, of course, have been very abundant. But there would have been few, if any, railways. Foreign goods would have been either unobtainable altogether or only to be got at enormous cost. The country, it is true, would not have had to remit any appreciable part of its produce to foreign countries in payment of the sums raised in those countries for its own development. On the other hand, it would hardly have been developed at all, and the population would have been so small that it would hardly have afforded a market for traders from any country. Being developed as it has been, the major part of the population are engaged in industries other than those, or, rather, subsidiary to those, of the actual production of food and raw materials. The principal services which the Argentine Republic is rendering to the world at the present time are to produce immense quantities of food and raw materials, and to hurry these from the scene of production, which is the farm, the plantation, or whatnot, to some port of shipment—say Buenos Ayres, for example—to get them on board a steamer, and to transmit the produce as rapidly as possible to the consuming markets in Europe or elsewhere as may be required. This kind of business naturally means an abnormal proportion of the population engaged in what for convenience we may call town activities, differentiating that term from the actual producers of food or raw material. As a result the figures before us show an abnormal rise, in prices, comparing the period before the War and at the time when they were taken, which was the beginning of the present year. These prices deal with meat, bread, oil, rice, sugar, coffee, tea, tobacco, yerba matte (the tea of the Argentine), vegetables, wine, fat, flour, milk, wood fuel and coal fuel, gas, rent in cities, clothing, and sundries. Now, if the prices of all these are added together, before the War and at the time when the balance was struck at the end of January last, it will be found that there is an increase of, roughly, 180%. Naturally, the increase varies very much when one comes to specific articles. The most modest of all is the increase in rent. But this has practically doubled. Food, per unit, costs practically two and a-half times as much as it did before the War. Clothing, which is, of course, in Argentina imported, naturally shows the highest increase. Textiles of all kinds, including cotton and woollen goods, cost approximately three times what they did.

We will sum up in a brief paragraph a question which will probably interest the reader, although in reality it has only a relative bearing upon the economic condition of the Argentine Republic from the point of view of the native Argentine resident. The figures before us were, of course, calculated by an American Chamber of Commerce for citizens of the United States. Therefore they are calculated in United States currency. The reader is aware, however, that the Argentine Republic has a currency of its own. The real currency of Argentina is not the *peso oro*, on the value of which international trade is based, but the *peso papel*, or paper dollar. The *peso oro*, like the golden sovereign with ourselves in these later days, is very rarely seen in the Argentine Republic. The real currency is, as we have said, the *peso papel*. Approximately, the *peso papel* works out in the relative proportion of 100 *peso papel* to 40 dollars United States currency, or, say, 100 paper dollars to between £8 and £9 when the British and United States currencies were at par. On this basis the Chamber recommends that a representative of a good American business firm who is required to maintain a good appearance would need a salary approximating 900 dollars, Argentine currency, per month. Assuming him to be a married man, something like 50% should be added to this amount. Hotel rates, according to the nature of the accommodation afforded, appear to vary very little in any part of the world. They are quoted in the table before us as ranging between 10 dollars and 25 dollars, local currency, per day—that is to say, approximately from 27*s.* 6*d.* to 35*s.* per day. Those who elect to live in a boarding-house should pay anything from 200 to 260 dollars, local currency, per month, or from £15 to £23 per month, approximately. Ten dollars, local currency, is the usual charge for extracting a tooth. Maids and nurses expect to receive 75 dollars, local currency, per month.

BRITISH LINER TRAFFIC.

The elimination of German and Austrian competition from deep-sea trade necessitates a reorganisation of the passenger traffic between European ports and North America. Hamburg, Bremen, Trieste, and Fiume were the bases used at one time by the North German Lloyd, the Hamburg-American, and the Austrian Lloyd. The German lines were well known, and the Austrian Company, though not equally famous, was the largest and most important shipping and navigation concern in the country, possessing a fleet of 70 vessels, aggregating a quarter of a million tons. The disappearance of these powerful competitors has naturally diverted the bulk of their passenger-carrying business to other European lines, and particularly to British-owned vessels which make a speciality of catering for the trade. Emigrants from Ireland and from other European countries supplied the foundation of this class of traffic across the Atlantic, and emigration has since proved its mainstay, though the tourist and purely business traffic was, before the Great War, of ever-growing proportions. Up to the time of the American Civil War emigration to the New World was confined principally to the United Kingdom, especially Ireland, though the Latin countries annually sent a substantial number of people to South America. After 1865, owing to the pressure of population on the means of subsistence, due to the comparative lack of economic development, an exodus set in from Eastern Europe and from Russia, and the tide of emigration was swollen by the large number of political malcontents driven abroad through exasperation with Governmental methods at home. At present it looks as if the latter cause will again be operative to an even greater extent than hitherto as soon as internal communications in Eastern Europe are restored and free access is once more opened up to the seaboard. The westward flow of European emigration will then be resumed, though in volume it may not reach the proportions of the pre-War exodus, which averaged over 1,000,000 per annum, as can be seen from the following table:—

AVERAGE ANNUAL IMMIGRATION INTO THE U.S.A. FROM VARIOUS COUNTRIES DURING THE YEARS 1895-1914.

(Based on figures published by the U.S. Immigration Bureau.)

	Average Annual Immigration from								Percentage contributed by						
Period	All Countries No.	United Kingdom No.	Germany No.	Scandinavia No.	Italy No.	Austria-Hungary No.	Russia No.	Greece, Roumania, Turkey, and Portugal No.	United Kingdom %	Germany %	Scandinavia %	Italy %	Austria-Hungary %	Russia %	Greece, Roumania, Turkey, & Portugal %
1895–99 ...	275,000	53,000	24,000	25,000	69,000	47,000	41,000	5,000	19	9	9	25	17	15	2
1900–04 ...	651,000	59,000	31,000	52,000	168,000	157,000	113,000	31,000	9	5	8	26	24	17	5
1905–09 ...	989,000	104,000	35,000	45,000	218,000	244,000	187,000	46,000	11	4	5	22	25	19	5
1910–14 ...1,035,000		89,000	32,000	36,000	221,000	226,000	211,000	69,000	9	3	3	21	22	20	7

Emigration from the United Kingdom increased at a much faster rate than from Germany, and was particularly high in the quinquennial period 1905-09. In the closing years covered by the table Italy, Austria-Hungary, and Russia contributed nearly 70% of the total number of immigrants, and from the point of view of the possible handling of the trade through British steamers these countries were unfavourably situated. Besides, the freedom of competition which prior to 1892 had obtained in regard to Transatlantic traffic from Europe was gradually restricted by pooling agreements, and these agreements in many cases worked to the disadvantage of British lines. The first move towards a common pool was made in 1892, when the German, Dutch, and Belgian companies divided the Continental traffic on a percentage basis. The arrangement worked smoothly, as no attempted aggrandisement at the expense of their Continental neighbours was made by German interests. The first real effort towards a German monopoly was made some years later, when a severe outbreak of cholera in Russia led to the establishment of control stations on the Russo-German frontier to obviate the danger from infected emigrants who desired to travel through Germany to their port of embarkation. Though at first these stations undoubtedly served a valuable medical purpose, they were subsequently used to direct the flow of traffic to German steamship companies by holding up passengers whose tickets had been taken by other routes. The class of people affected, being largely unlettered and ignorant of their rights in the matter, bowed to what seemed inevitable, and intending emigrants, warned by the treatment of those who had gone before, booked through the German Conference lines.

After some negotiation British and German interests came to an understanding, whereby the latter were to retire altogether from third-class business from the United Kingdom and Scandinavia, and the former were to restrict the number of their Continental emigrants to 6% of the total carried by all lines which were parties to the understanding. As the traffic from Europe, especially from Eastern and Southern countries, developed much more rapidly than traffic from the United Kingdom or Scandinavia, the agreement was ultimately seen to penalise British companies by conferring on their competitors a monopoly over 90% of this new and extensive European business. A rate war followed on the withdrawal of one of the chief British lines from the pool as a protest against the inequality of the traffic division. When harmony was restored in 1908 the terms of the new agreement were, from the British point of view, slightly more favourable, though all British and Continental steerage business was henceforth thrown into the pool. Now that the German and Austrian liner fleets have been dispersed the reversion of their trade will mainly fall to the United Kingdom. The extent of the trade, the lines sharing it, and the ports from which it was carried, as well as the proportion carried by British lines, are shown in the table below compiled from figures supplied by the North Atlantic Passenger Conference.

As may be seen from the table, over 50% of the total traffic was in enemy hands, and for a long time this proportion will be shared exclusively with friendly disposed competitors. The change of bases of certain of our North Atlantic lines from Liverpool to Southampton was undoubtedly inspired by a desire to benefit from the new situation that has arisen and to exploit to the full the possibilities of Southampton for handling passenger traffic of all kinds to and from the Continent. A Baltic service from Danzig has been established by one of our leading British lines. Scandinavian, Belgian, and French ports are also being touched at, but strong shore organisations must be built up throughout the Continent for securing and economically distributing traffic. The depopulated condition of Europe negatives the idea that any large surplus population will take to the emigrant ship, but the devastation wrought by the War and by the subsequent civil disturbances will make a period of exile compulsory for many, while the unsettling effect of events of the last five years will in general tend to increase rather than stem the tide of emigration. Keenness for new business is manifest on the French side, where Havre and Cherbourg are engaged in friendly rivalry for a share of the Transatlantic passenger trade. As a liner port Cherbourg has probably a less important future before it than Havre, which is in the direct route from England to the Continent and has, moreover, a superior system of railway communication with the interior and with countries bordering on France.

As regards Southern Europe, it may be necessary

NUMBER OF *CONTINENTAL* THIRD CLASS PASSENGERS CARRIED TO U.S.A. AND CANADA BY CERTAIN STEAMSHIP LINES IN 1911, 1912, AND 1913, WITH CERTAIN FURTHER PARTICULARS FOR 1913.

Name of Line and Flag	Number of Passengers Carried in—			Number carried in 1913 (included in preceding column)	Ports from which carried in 1913—					Percentage of Total Number in 1913
	1911	1912	1913		Libau	Bremen and Hamburg	Belgian and Dutch Ports	French Ports	Trieste etc. Ports	
A. Lines sailing from and transhipping passengers in the U.K.:—	No.	No.	No.	No.	No.	No.	No.	No.	No.	per cent.
Cunard (Br.)	10,600	19,000	29,700	4,100	13,500	1,200	2,600	9,300	–	3·6
Anchor (Br.)	1,200	2,700	4,900	—	2,500	100	600	1,600		0·6
Canadian Northern (Br.)	900	1,000	1,300	1,300	200	–	1,100	–	–	0·1
Donaldson (Br.)	100	1,600	1,800	–	900	–	900	–		0·2
Allan (Br.)	5,100	7,500	8,500	5,800	2,000	600	1,300	4,600		1·0
White Star (Br.)	2,900	18,500	72,200	5,400	5,500	8,400	3,800	14,400		7·1
American (U.S.A.)	10,300	15,200	22,900	–	5,100	4,200	800	12,500		2·8
TOTAL	38,100	65,500	101,300	16,600	29,500	17,800	11,100	42,400	–	12·3
B. Lines sailing direct from Continental ports:—										
Canard (Br.)	29,100	31,500	38,900	– –			–			1·7
Canadian (Br.)	15,100	27,200	18,800	9,000			18,800			2·3
Canadian Pacific Ry. (Br.)	18,100	22,400	33,200	33,200			33,200			4·1
White Star-Dominion	54,900	55,000	71,200	– –			71,200			8·7
General American (Dutch)	22,700	53,800	47,700	–			47,700			5·8
Cie. Générale Transatlantique (Fr.)	70,500	49,000	69,300	3,100			–			8·4
Russian-American (Russian)	16,200	27,100	31,700	9,100			–			3·8
Cunard (N.D.L.A.) Line	13,200	20,800	48,300	48,300			18,300			5·9
Hamburg-Amerika (German)	65,900	161,200	147,700							18·0
North German Lloyd (German)	55,900	138,000	105,600							12·9
Austro-American (Austrian)	8,000	13,500	25,000	4,000						3·0
TOTAL	369,100	517,500	725,100	107,000						88·3
TOTAL OF A & B	574,500	583,000	826,500	123,600				111,700		100·0
Inter-Mixed Lines { Head A	28,000	50,500	54,400	12,000	24,400	13,600				9·4
{ " B	69,800	81,100	90,900	4,200						11·0
Inter-Party Lines (including Cunard)										
North Atlantic	175,000	178,500	180,000	5,000						21·8

*The Inter-Mixed Lines are Northern [illegible]

to insist that British vessels will receive equitable treatment at northern and eastern Adriatic ports such as Trieste and Fiume. These ports are the natural outlet for countries which prior to the War were contributing a large and expanding number of emigrants. It is possible, indeed, to notice in the annual statistics an ebb and flow according to variations in the prosperity of the United States, but over long periods the volume of emigration showed a steady rise. Thus the crisis in finance and trade in the United States in 1907 seriously checked the westward drift of population, as reports of the growing unemployment filtered back to the remote places of Eastern Europe; but the check, though decisive at the time, was only momentary. A similar revival may be looked for now, and as emigrant ships require to be licensed, it will be necessary to see that licences are accorded to British vessels on equally favourable terms with their competitors.

The increased difficulty of assimilating the various nationalities that come within its borders has led the Government of the United States to view with something approaching disfavour the large hosts of alien immigrants who were so eagerly welcomed before the War. The propaganda in favour of Americanising the existing population and holding up big-scale emigration until this educational process has been completed is carrying great weight in influential quarters. As the demobilised American soldiers and munition workers have, however, been fully reabsorbed into industry, the major objection to a renewal of the old policy of the open door to all white races has been removed. The necessities of economic expansion will also demand an increased labour force, which can best be obtained through immigration.

THE UTILISATION OF IRISH MINERAL RESOURCES.

Brick clays are not ungenerously distributed throughout Ireland, but their commercial exploitation does not seem to have reached a very advanced stage. Outside Ulster this is particularly so; and it is scarcely necessary to point out that, in view of the large housing schemes now about to be executed, the best economic interests of the country would be served if some efforts were made to utilise the numerous deposits now lying unworked in many parts of the country. Such a development would be greatly assisted by the excellent system of inland navigable waterways, as this would often provide a cheap means of transport for the products of the brickfield. At the present moment Ireland is thoroughly alive to the necessity of making the utmost use of her mineral resources, and there seems little reason to doubt that capital could easily be attracted for the furtherance of any project promising to give an adequate return. Regard should, however, be paid to the circumstances responsible for the partial eclipse of the brick industry in Ireland during the past half-century. Formerly, the improvements and changes occasioned by the requirements of modern architecture were in great part neglected, and some of the bricks, though of a very durable character, were unable to compete with the more highly finished articles turned out by competitors. This furnishes an explanation of the fact that the Irish brick output contains a very small proportion of facing bricks, the demand for which is met mainly from outside sources. Nevertheless, there seems little reason to doubt that many of the Irish deposits are of first-rate quality, even admitting that nothing quite so good as the Bridgwater brick has been produced. Taking into account the prevailing scarcity of building materials, attention might also be drawn to the necessity of securing a greater output of inferior or "place" brick. In that connection the many brickfields now lying derelict might be reopened with some prospect of success. Some degree of caution must, however, be exercised in this matter. Clays have frequently been labelled "brick clays" when, as a matter of fact, they did not nearly possess sufficient plasticity for that purpose.

So completely have the ceramic industries disappeared from their former fields in Ireland that it is impossible to ascertain, in many cases, the source whence they drew their raw materials. Still, the working of pottery clays was not uncommon in Ireland, and the excellence of the product may be judged from the specimens of delft and pottery, glazed and coloured, frequently on view. That Irish pottery clays will repay attention is the opinion of experts, although information on the subject of certain deposits is not nearly so ample as it might be. There is, however, little reason to doubt that the ball clays of Devonshire and Dorsetshire, which form the basis of most ordinary pottery, are also to be found in Ireland. To determine the suitability of the clays existing in most Irish counties for a specific purpose definite tests would require to be made. For pottery making certain conditions must be satisfied: ease in moulding and shaping when wet, and change of state to a hard, unalterable condition when fired. The possibilities afforded by the utilisation of Irish stoneware clays should not be lost sight of, due regard being paid to the fact that clays of this nature which fulfil the conditions imposed by the manufacturer of vessels for holding corrosive liquids, such as acids and other chemicals, sanitary appliances and sewerage pipes, must satisfy certain exacting conditions. As the sources of good stoneware clay are rather limited research work in Ireland might profitably be undertaken in this direction. Openings for the successful manufacture of fireclay goods are not lacking in certain parts of the country. Fireclay occurs in quality and of excellent quantity under the coal seams of Coalisland and Annaghmore; it is also found at Arigna in Roscommon and in the Leinster coalfield of Kilkenny and Carlow. Where these clays cannot be classified as first-grade they may be employed for the manufacture of blocks for domestic fireplaces, glazed bricks, and fire bricks not intended to resist furnace temperatures. It is satisfactory to note that within recent years the tendency to exploit Irish clays is becoming more pronounced. Thus in Dublin the production of Portland cement is now undertaken, and enterprises of a similar nature could certainly be developed in Cork, where the requisite raw materials exist. Cork would also provide a good local market and furnish excellent facilities for establishing an export trade. For the manufacture of white glass bottles in Belfast sands from county Donegal were availed of during the war. These developments serve to show that there are opportunities in Ireland for the exploitation of her native mineral resources.

Ireland is fortunate in possessing an abundance and a great variety of good building stone. Of grey carboniferous limestone there is, especially in the midlands, an almost inexhaustible reserve. Sandstone peculiarly fitted for use in architectural work in town, and owning as fine a texture as any in the United Kingdom, occurs in the counties of Donegal and Fermanagh, and would have a larger sale in Great Britain if its qualities were better known. Connemara serpentine has been used in the Manchester Exchange and at St. Pancras Station, and, indeed, its varieties of shades, of which the ruling colour is green, should make a strong appeal to the architect. Increased output can, however, be secured only by the reform of the present method of quarrying, which is uneconomical, inasmuch as it entails the employment of a maximum amount of hand labour. The introduction of machinery is essential before Irish serpentine can win its way in the world's marble markets. Of Irish quarries generally it can be said that the output is small, due partly to the neglect of machinery and to the consequent difficulty experienced in filling large orders. Suggestions have been made that local federations of quarry owners should be formed, and by the pooling

of interests place themselves in a position to tender for large contracts. Another proposal, aiming at the adoption of standard sizes for dressed stones, would, if carried out, be in the best interests of the industry, as continuous work would thereby be facilitated the whole year round.

Industrial expansion in Ireland is undoubtedly very seriously retarded by the relative insignificance of her coal-mining output. Dependence on Great Britain is practically universal in this connection, as the import figures eloquently testify. In 1918 imported coal totalled 4,301,083 tons, while the output of the home mines was represented by the insignificant figure of 92,001 tons. That the latter figure can be increased is the confident expectation of Irish colliery managers. Now that the Leinster and Arigna fields are fairly well served by railway communications, and that additional mining plant and pumping machinery have been installed, there is every hope that this expectation will be justified. Well over 90% of the Irish coal raised is anthracite, and engineers, from practical experience, find that for gas production it answers all their purposes admirably. The cause of industrial enterprise should therefore receive a useful stimulus in the immediate neighbourhood of these mining areas, as promoters will be freed from the burden of the heavy freight charges borne by imported coal.

Some of the Irish metallic deposits have been extensively worked in the past, and, bearing in mind the high prices ruling for metals, there is a prospect that some of the old copper and lead mines, as with the tin mines of Cornwall, could be reopened successfully. In former days the depth to which workings were carried depended on the capacity of the pumping plant then in vogue for unwatering the levels. Modern pumping machinery will allow of much deeper working, and the mineralised areas of Wicklow, Clare, Antrim, Waterford, and Cork might repay further investigation. During the War the preparation of sulphuric acid has been facilitated by the employment of the iron pyrites of Wicklow; and in the same county occur important lead ores. The lead deposits of the county Clare were also worked extensively in a previous period. Molybdenite, of great importance in increasing the tensile strength of steel, and likely to be of still greater importance if the merits of a new discovery are as reported, occurs in Galway. The working of the deposit is unfortunately prevented by a question of title. Accurate explorations will have, however, to be made before the practicability of reopening old mines and exploiting new fields is determined. The Geological Survey of Ireland has accumulated some valuable data on these questions since the War broke out, but field work to any large extent is seriously handicapped by the inadequacy of the funds at its disposal.

Underneath we give particulars of the chief minerals produced in Ireland in 1918. Without doubt some of these figures are capable of considerable expansion.

Irish Mineral Output for 1918.

	Tons		Tons
Coal	92,001	Gravel and sand	110,243
Barium (compounds) ...	8,123	Igneous rocks	336,375
Bauxite	9,589	Limestone (other than chalk)	262,400
Iron ore and pyrites ...	31,048	Sandstone, &c.	83,986
Rock salt	26,638	Slate	1,273
Chalk	155,313		
Clays (other than China clay or oil shale)	50,857		

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Financial Notes.

THERE has again been no change in the Bank of England rate of discount, and the figures of the Bank return which we publish elsewhere show that there has been no such material alteration in the position as would indicate any immediate necessity for a change. Nevertheless, the feeling is growing in the City, and more or less throughout the country, that a period of dear money will have to be faced sooner or later. What the banker has to sell is really credit, and credit is very scarce at the present time, and in consequence is exceedingly dear. Everywhere there is a shortage of commodities. All Europe requires more or less to reconstruct its plant, to build more houses, to improve the transportation facilities of nearly every country, and to replace the depleted stocks which a period of War extravagance and practical cessation from attempting to make good that extravagance has brought about. Consequently there is, and must continue for some considerable time, a very keen demand for money. Business people want to increase and improve their businesses. Private individuals want to restock their wardrobes, partially or wholly refurnish their houses, have their houses redecorated—all these things cost money. Of course, all these things are required in normal times. But the demand for the reconstruction of half Europe and the refurnishing more or less of the world does not come suddenly upon the world's markets except after a period of prolonged war such as we have recently passed through.

It will have been observed that during recent months there has been a quite exceptional rush of new issues of capital of various kinds. As far as we can learn, the earlier issues were well subscribed, but the later ones are finding it increasingly difficult to obtain capital. For the most part we have refrained from offering any considerable criticism of the different issues. We refrained from doing so deliberately, because we thought no good purpose could be served by criticising them. If we were to apply the standard of criticism that we did in the period that preceded the outbreak of the War it might be said with confidence that nearly every new issue was, and is, overcapitalised. But on the present basis of values it is

inevitable that if an issue is to come out at all proposing to purchase anything it must purchase it at extravagant values. Reconstruction in itself is desirable, and, provided that the issue of capital is not manifestly extravagant, no useful purpose would be served by saying that the various issues are over-capitalised. Everything is at extravagant values at the present time, whether it be an egg, or a pair of boots or a company dealing in machinery.

It has been pointed out in various directions that the fall in the value of what for convenience we may call the Funds, including the various Government issues, has already equalled a sum equivalent to that which the Treasury hopes to obtain by imposing a levy on what are known as War fortunes. It has to be remembered that, while a depreciation sooner or later from various values seems inevitable, there is for the moment an extraordinary demand for manufactured goods, as we are, of course, not large exporters of raw materials, and, consequently, it is quite possible that the prices obtained for the goods sold may for a period justify, or partially justify, issue prices. The extraordinary rise in prices was simply brought about by the enormous expenditure, mainly by the various Governments in connection with the recent War, and the winding up of military operations since the Armistice, and as soon as the various Governments ceased spending upon an extravagant scale a fall in prices was more or less inevitable.

Ordinary consumers who are not in a position to borrow on the terms and conditions which a Government can do, must purchase commodities upon a more or less economic basis. There is a limit to what the private consumer can afford to pay. If prices rise unduly the man who bought three suits of clothes before the War contents himself now with only two, the man who previously bought two suits now buys only one, while the man who used to content himself with but one suit now wears it until its freshness has long since disappeared. The fall in the prices of securities comes about because bankers are naturally unwilling to create abnormally large credits for the purpose of financing ordinary business, as distinct from creating credits at the call of the Government when it is urged that the creation of such credits is essential for the successful conduct of a war. When the borrower finds that his banker is not inclined to increase his credits to any extent, and being anxious to obtain money for his business, he naturally sells securities, and in that way prices gradually find their natural level.

According to cabled advices received from the Argentine Republic this week, there has been a renewal of labour troubles, and in some quarters there is a measure of anxiety regarding the outlook in the Republic. From information we have been able to gather from those in close touch with the financial and commercial world in the Republic, we are assured that there is no real reason for apprehension. The crops now being gathered are so abundant that although, as we explain elsewhere, prices are exceedingly high—in fact, extravagantly high—nevertheless there is such an abundance of food and raw materials that there seems to be no fear of anyone having to go short, particularly as the handling of this vast amount of business will give an exceptionally large measure of employment of the various classes of the Argentine population.

There were no tenders this week for the Chilian nitrate offered, and this has had a somewhat adverse effect upon the Chilian exchange. Too much importance, however, should not be attached to this circumstance, as very large quantities of nitrate have already been disposed of, both in Europe and in the United States, as we explained in a recent issue dealing with the nitrate industry. It will be remembered that the sale of nitrate is now in the hands of a kind of committee, which acts for nearly all the principal producing companies in Chili. Before the War it was the custom for the various companies to deal direct with purchasers in Europe and the United States. But, owing to reasons which we have explained on various occasions, it was deemed advisable to form this committee. The committee takes a certain proportion of the fertiliser from the various companies, itself sells the nitrate, and, moreover, fixes the price. This week it would appear that it fixed the price a little too high, with the result above stated.

Presiding at the meeting of the British Italian Corporation on Wednesday last, Mr. J. Beaumont Pease, the Chairman, said that from all the information at their disposal the directors derive the conviction that the social and economic position of Italy is substantially sound, and that, provided a sufficient inflow of coal and raw material is secured to keep industries going, and avoid unemployment, no untoward event need be feared. Everything points to the belief that the country is rapidly recovering, and has the best possibilities of greater prosperity than ever before. The great mass of the population seems to be governed by the right spirit, and no exaggerated importance should be attributed to the sporadic political and social unrest which periodically appears here and there. The causes of it are more or less the same as everywhere else, but for the difference in temperament of our friends, which is apt to make them particularly sensitive to the disappointments which they have sustained in some of their dearest aspirations. But they are a strong and sensible people, and a visitor to Italy returns with the lively impression that the Italian people are determined to see their country through her present straits.

The real difficulties of Italy, or rather the difficulties which militate against her recovery from the effects of the recent War, are the short supply of coal and the difficulty which she is experiencing in obtaining raw materials for her various industries. Next to the badly wanted supplies of coal and raw material, the aggravating depreciation of the exchange is the matter of greatest concern to Italy. The theory has now at last prevailed, in Italy as everywhere else, that no artificial means can be devised for an effective checking of this calamity. Only sufficiently large and long loans abroad can bring relief, but these are, on the other hand, an unwelcome hypothecation of the future. Anyhow, it is plain that such loans cannot be forthcoming until the credit of would-be borrowing nations is restored, and unless the investing public in would-be lending countries show more readiness or preparation to invest in foreign securities than they do at present. It is recognised that the remedy lies in Italy, as in other countries, in its own hands, and that is: the restoration of finance by taxation and consolidation of floating debt; the gradual reduction of the excess of fiduciary circulation; the reduction of internal consumption of foodstuffs as well as other necessities; the increase of home production, agricultural, and industrial, to its maximum potentiality; the limitation of imports as much as possible to raw materials, and the consequent expansion of exportable industrial production.

We had recently the advantage of receiving information from a high financial authority on the economic condition of Switzerland. On the whole, conditions are eminently satisfactory in that Republic, and contrast in a marked degree with the conditions prevailing with many of her neighbours. She has, during the War, been able to sell enormous quantities of the products for which Switzerland is especially famous. In fact, she has benefited very materially as a result of the War. Some of her manufacturers

complain that they cannot obtain raw materials at the advantage which some other countries are enjoying. But it is evident that it is not practicable for countries which have enjoyed advantages from the War to obtain from countries similarly circumstanced supplies of raw materials on practically advantageous terms. As a matter of fact, the countries which at the present time are capable of supplying raw materials upon a great scale are, like Switzerland herself, those which have profited, and profited very materially, as a result of the War. Nevertheless, it is evident that Switzerland has no great fear of selling the embroideries and the lighter silk goods for which she is famous, as she is capable of taking ample supplies of the materials from which these are made.

The position of the Swiss watch trade illustrates what we may expect to happen in various directions, and throws a flood of light upon what we have just said above regarding a general fall in prices sooner or later. During the War it will be remembered that there was an extraordinary craze for cheap watches. Nearly everybody, soldier and civilian alike, had what was called a wrist watch; and the demand for these was upon a phenomenal scale. Germany, Belgium, Austria, England, and the United States were none of them in a position to make cheap watches upon an immense scale. Switzerland has had for a very long time the plant and the necessary training for the making of these watches, and she made them upon a colossal scale during the War period. And she probably did in watches a greater trade than she has ever done in any period of her history, important as the cheap-watch trade is to Switzerland. For the most part the great armies of Europe have been disbanded. Nearly a year and a-half has elapsed since the Armistice. Many of those who bought watches so eagerly two or three years ago would be glad to have in their pockets once more the money that purchased them. Anyhow, the demand for these watches is not what it was.

Efforts are being made, and we believe with a certain measure of success, to find new markets for the large surplus of watches which the new plant which was laid down during the War period have turned out. But naturally they will have to be sold on a more modest basis of values than was current during the boom period occasioned by the War. In this industry there appears already to be a larger supply of commodities than there is demand for them. It will take time for this to occur in other industries. But gradually, as Governments find it increasingly difficult to raise money by loan, and bankers are unwilling to grant ordinary commercial credits on the terms which they were willing to finance their several countries during the War, it seems inevitable that the reckless expenditure, supported by the large outlays of the various Governments, must gradually come to an end as those outlays themselves cease. When that time comes prices, we take it, must seek an economic basis, which apparently is already occurring in the Swiss watch trade.

There is a welcome increase in the production of coal in the United Kingdom, according to the current issue of the *Board of Trade Journal*. The output for the week ended March 13 amounted to 4,900,640 tons. It would appear that improved working is to a large extent covering the reduction in the number of hours operated. The largest individual source of supply is South Wales and Monmouthshire, which produced 995,923 tons. Next comes Yorkshire, with 793,907 tons, and next to that Durham, with 675,512 tons. Within a very small amount, it may be said, therefore, that the collieries have reached the pre-War level of a little over five million tons per week. It would, of course, be desirable, owing to the accumulated great shortage, that a further increase of output should be attained. As we have said on many occasions, the advisability or otherwise of the export of coal—and it is only our very best coal that is exported—is a question that might be debated, and debated with advantage, in normal times. But at present, when it is so important to increase our exports, it is desirable that we should be in a position to export what we can, so far as this can be done without detriment to the general interests of the country.

SOUTH AND CENTRAL AMERICA.

ARGENTINE RAILWAYS.

THE CENTRAL ARGENTINE.

Tradition asserts that of all the Argentine railways the Central Argentine is the oldest; not the Central Argentine which the modern visitor knows, running from Retiro, in Buenos Ayres, to far-away Santiago del Estero and very nearly approaching the Chaco country of the far north-west, but a very small portion, and that remote from the capital, which is now incorporated in this great system, the second, if our memory serves, in point of actual mileage of all the great railway systems of the Argentine Republic. It will be remembered that towards the end of the first half of last century, when all the world was anxious for railways, a Mr. Wheelwright, who was an engineer and, in a sense, and certainly in the very best sense of the term, what we should call a promoter, was wrecked on the coast of the Province which we now call Santa Catalina, in Brazil, and wandered down into the Argentine Republic. With his knowledge of engineering and his practical skill, Mr. Wheelwright at once saw what an extraordinarily favourable opportunity was offered for the opening up of what he rightly recognised as one of the very richest countries in the world. His clear vision at once disclosed to him what an exceedingly easy country Argentina was in which to construct a railway. Argentina, in fact, is one of the few countries in the world that appears to have been laid down by Nature for the convenience of the railway engineer. There is certainly nothing like it in any other part of the great continent of South America, if we except the level plain in Central Brazil. But there, of course, you have an exceedingly difficult country to approach before you get your ideal strip for railroad building. Argentina, from the port of Buenos Ayres right away down to the south, if one takes the territory of the Buenos Ayres Great Southern, runs right away to the west, although there is a considerable gradient from Argentina in the territory of the Buenos Ayres Western, as we showed last week. And, of course, there is a certain gradient in the Central Argentine. But, speaking generally, the country is most marvellously well suited to meet the convenience and the requirements of the railway

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engineer. Only a comparatively short distance north you have the railways of Brazil, which have first to mount a great coastal mountain chain before they get into the interior at all. In Argentina you have the capital situated at a level of about 30 feet above the sea, or, say, approximately the level at which the Meteorological Office in South Kensington in London stands to-day. Consequently, you have an almost ideal position for constructing a railway straight across a level plain for hundreds and hundreds of miles The Central Argentine soon leaves the rich province of Buenos Ayres, and takes its route far away to the north-west. It is a remarkable fact that while the Great Southern opens up the southern territory, which was so little valued in early times, the Central Argentine follows very much the track of the early Spanish conquerors. Practically, if one prolonged the Central Argentine through the Chaco country and into Bolivia, one would travel as nearly as may be the route so long followed from the Atlantic seaboard to the viceroyalty of Peru at Lima. Potentially, the Central Argentine opens up one of the very richest districts in the Republic. But actually it is nothing like as fine a territory as that served by either the Great Southern or the Western. Its track now exceeds 3,300 miles, and, consequently, it is the second longest railway in the Republic. But it runs through a territory differing, and differing very materially, from that of the great Metropolitan Province. Since the acquisition by the Line some years ago of the Buenos Ayres and Rosario, the route approximately from Retiro Station takes very much the same course as the Western line. But when it strikes out into the far north it is running through a totally different type of territory and working under totally different conditions from those experienced in Buenos Ayres proper. It runs, as we have already said, from the Retiro Station, in the capital, right up to almost the Chaco country If it entered the Province of Jujuy it would, of course, be in the Chaco territory.

In its original inception it was very much like what the forest-land part of the railway is still. It was intended to develop the cattle and timber possibilities of the far north. In those early days, of course, it was not possible to develop the chilled- and frozen-meat trade, which has made the south and south-west so valuable, because the practice of cold storage was quite unknown. Wheelwright, as we have said above, was wrecked on the coast of Santa Catalina, and was struck by the extraordinary potentialities of the Argentine Republic as a promising field for railway investment. He was, however, somewhat before his time. Wheelwright was an American, and he went back to his own country in the hope of raising money to build what has now developed into the Central Argentine. At that very time the big interests in New York, Boston, and the principal New England cities were exceedingly anxious to build railways for the purpose of opening up the United States of America itself. And not only had they no money to give for the purpose of building railways down in far-away Argentina, but they were in no way friendly to the proposal that money urgently needed for the development of the American railroad system itself should be diverted to the Argentine Republic. The result was that Wheelwright got fairly disgusted with his countrymen and made up his mind, being a man of determination, and well assured that his plan was a sound one, to come to England and try to raise the money here. It was very largely in that way that the London Money market first became interested in the transportation problems as they affected the opening up of the Argentine Republic. It was in that way that London merchants came to realise the potentialities of the Argentine Republic from the point of view of the railway engineer and the practicability of developing the transportation facilities. It was in that way also, and, perhaps, more important than all, that the leading merchants and financiers of the London Money market came to appreciate the potentialities of the Argentine Republic as a source of supply for food and raw materials. At that time, as we have said already, North America was being so rapidly opened up that vast supplies of food and raw materials were being poured into Europe from the United States, and for the moment there was no urgent need for the opening up of any part of South America. As a matter of fact, the prairies of the north were supplying grain in very large quantities, and, consequently, there was really no object in rapidly opening up the Argentine Republic. Nevertheless, the London merchant, the London financier, and the London Money market became acquainted with the fact that in the event of a new territory being required for the purpose of feeding the populations of England and feeding their industries, there existed at a comparatively short distance from Europe a great country, ten times the size of the United Kingdom, which was more or less as flat as a pancake, and which could be opened up with comparative ease, and the fertility of whose soil would ensure that it could supply vast quantities of produce of various kinds, which would over and over again pay the expenses of railway building, on however extensive a scale it was carried out. The great lines running south and west were, of course, very easy propositions. But the Central Argentine has always been faced with exceedingly serious difficulties. For a considerable portion of its track it runs, of course, through a similar territory to that of the Western lines, and from this section it derives an exceedingly valuable traffic. But as it approaches the north it is already in semi-tropical country. And in the more advanced regions, which it has recently opened up, it is quite in the semi-tropical regions of the north of the Republic, and closely approaches, as already said, the Chaco country.

It will give the reader some notion of the kind of country the line runs through if we give its traffic. Its traffic consists of maize, linseed, sugar—that is, sugar-cane and the by-products of the sugar-cane—flour, timber, and firewood. Now at the last general meeting the Chairman complained that the line had had to carry an abnormal amount of timber, and we will explain that later on. But in any case the Central Argentine is, and from the nature of the country it runs through must be, a very important timber-carrying line. The figures are not separately stated, but we believe we are right in saying that the great bulk of the quebracho traffic is carried over the metals of the Central Argentine. After timber and firewood comes bran. Then comes charcoal, an exceedingly important item in the traffic of this line. Then come various kinds of timber other than for fuel. Then come petroleum and naphtha products. Then cereals, then hay, feeding-grasses and lucerne, or alfalfa, and, finally, limestone and lime products and wool. There was a big increase—in fact, the increase amounted to one-fifth—in the revenue derived from the carriage of live-stock. Now the Central Argentine does not run through the best live-stock country, but it has derived a large traffic from the carriage of native, or criollo, cattle, due to the scarcity of beasts not merely in Argentina, but in all the South American countries, and of course, for that matter, in all parts of the world. Until recently, as readers will remember who have been good enough to follow our series of articles on the subject, the criollo cattle were regarded as quite unfit for the freezing-house; and, of course, the criollo cattle, properly so called, are still regarded as unfit for the freezing-house. But a beast very different from the type of animal which the freezing-house buyers would look at before the War has, in fact, found its way to the freezing-house. As a result, the packing companies have been taking something very little better than the criollo beast; while, of course, those devoted to the interests of *zarque* beef have, as formerly, depended entirely upon the criollo cattle. The result is that wherever native

beasts have been available in up-country districts there has been an extraordinary growth in the traffic of the various railways in carrying those beasts to different markets which, in the period which preceded the recent War, had only a local demand. Another reason why they have been brought to the more central districts over this line, as, of course, over all the other lines, is that breeders are very short of stock, and they have been willing to stock their lands with a proportion of beasts if not actually criollo cattle, at any rate certainly very different from the type of beast to which they were accustomed to collect upon their farms. These have been crossed with approved animals imported from Europe and elsewhere, but mainly from Europe, for the purpose of improving the depleted herds which the extravagant demands of the past five years had threatened to almost completely denude their estates.

Perhaps the most striking feature in the traffic of this line has been the abnormal amount of timber which it has been compelled to carry for fuel purposes. The Chairman at the meeting last autumn complained that this traffic was wholly unremunerative, because it was impossible to charge such rates as would justify them in bringing the timber down and sending up their cars empty on the return journey, which is exactly what they have had to do. There was an extraordinary shortage, as the reader knows, of fuel of every kind, and this line, in addition to carrying enormous quantities of fuel timber at more or less unremunerative rates, has experienced the difficulty of converting its own engines to the consumption of this timber; and, in addition, has used as much oil as it has been able to obtain for its own purposes. It is hoped that about one-third of the line will be worked by oil, but at present the oil is imported, and until the results of experiments in the south determine whether or not the Republic will be self-supporting in the matter of the supply of oil for the railways it is impossible to say to what extent the lines of the Republic can be run on oil. The earnings and expenses of the Central Argentine Railway are set out below:—

Year to June 30—	1919	1918	1917	1916
	£	£	£	£
Gross earnings	6,925,000	6,184,000	5,246,000	5,737,000
Expenses	5,859,000	4,572,000	3,605,000	3,702,000
Ratio	(84·59)	(73·95)	(68·71)	(64·53)
Net earnings	1,066,000	1,612,000	1,641,000	2,035,000
Miscellaneous income	264,000	249,000	241,000	225,000
Net income ...	1,330,000	1,861,000	1,882,000	2,260,000
Interest on Deb. stocks ...	541,000	541,000	541,000	541,000
Western section annuity ...	91,000	91,000	91,000	91,000
Interest on notes	204,000	200,000	165,000	160,000
Miscellaneous ...	—	1,000	281,000	8,000
Total charges	836,000	833,000	1,078,000	800,000
Profit for Preferences ...	494,000	1,028,000	804,000	1,460,000
4½% Preference stock	436,000	436,000	436,000	436,000
Profit for Ordinary	58,000	592,000	368,000	1,024,000
Div. on Ordinary stock ...	564,000	564,000	282,000	1,128,000
Rate per cent. ...	(2%)	(2%)	(1%)	(4%)
Surplus	Dr.506,000	28,000	86,000	Dr. 104,000
Brought forward ...	556,000*	228,000	142,000	346,000
Total surplus ...	50,000	256,000	228,000	242,000
To reserve fund, &c. ...	—	—	—	100,000
Carried forward ...	50,000	256,000	228,000	142,000

*Including £400 transferred from general reserve fund.

The board of directors of the Central Argentine Railway, Limited, have this week declared the following dividends (less income tax) for the half-year ended December 31 last, being interim dividends in respect of the year ending June 30, 1920: On the 4½% Preference stock a dividend of 2¼%, being at the rate of 4½% per annum; on the Consolidated Ordinary stock a dividend of 2½%, being at the rate of 5% per annum. The dividend warrants will be posted on April 29, 1920.

IRISH INDUSTRIAL COMMISSION. EVIDENCE.—X.

CONTINUOUS CROPPING, DAIRYING AND DEAD-MEAT INDUSTRY.

The position of Irish agriculture was dealt with by Professor T. Wibberley. There was a large number of farms in Ireland in comparison with the available acreage, and there is no country in Europe with such a small amount of land under the plough. At the commencement of the War in 1914 11% of the acreage was under tillage. As a result of the higher prices paid for foodstuffs and the Compulsory Tillage Order this had increased in 1918 to 15%.

When witness came to Ireland first he was put in charge of a farm, belonging to a private gentleman, which grew magnificent crops, but nevertheless proved a financial failure. The farmers around held that farming would not be a success, owing to the heavy rainfall. From investigations he then initiated in the county Limerick he found that, excluding Sundays and the Catholic holidays, the days on which men could work on the land amount to 40%. Furthermore, he discovered that the system of tillage pursued there, copied from the North of England, was quite unsuitable for the climate and market conditions. Take the Norfolk system, discovered by Lord Townshend 200 years ago. In Norfolk the annual rainfall is about 24 inches, whereas in Ireland generally the average is 40 inches, in Cork 45 inches, and in the West about 50 or 60 inches. This helped him to arrive at the conclusion that the system suited to the North of England would not suit Ireland, which possessed a heavy rainfall. Most of the rain falls in springtime and harvest, just the time when the farmer does not want it.

Continuous cropping is a common-sense farming system. Under this system from 70% to 80% of the tillage operations is done in the summer and autumn, when the rain is a help instead of a hindrance. As to the remaining 20% or 30%, this is done in the spring, the time of the year frequently referred to as unsuitable for tillage operations because of rainy weather. He outlined the following standard rotation for a 20-acre holding, a rotation that may be modified to suit any abnormal conditions. The rotation is as follows:—First year—tares for soiling; second year—tares for hay, followed by winter forage crops; third year—roots, consisting of mangolds and potatoes; fourth year—tares for hay, with seeds; fifth year—seeds for soiling. On a 20-acre holding cropped on these lines there would be four acres in each break of the rotation. Pasture land has been entirely eliminated, and in its stead four acres of vetches and four acres of seeds as summer soiling have been substituted. There is a sound economic reason for this. It requires two acres of good and three acres of inferior pasture land for the summer feeding of a dairy cow, whereas one acre of land properly cropped with forage crops will

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provide enough green food to feed at least three cows throughout the summer. In cropping eight acres of land with summer fodder crops provision is made for the feeding of 20 cows, and a surplus left over which may, if desired, be turned into extra fodder for winter feeding. It is a mistake to think that forage crops cannot be substituted for pasture land. The three factors of production to the farmer are land, labour, and capital, and when land is in pasture, excluding derelict land, the minimum is being produced from each factor. In this connection it is well to remember that in such countries as Denmark, Belgium, and Holland forage cropping in place of pasture is quite common. Live-stock in Ireland has decreased alarmingly. If we can carry our cattle, however, on less land, more land will be available every year for crops, and this, of course, has an important bearing on milk production. In Ireland it takes two acres of land to pasture a full-grown beast or "collop," and 2½ acres to pasture a dairy cow.

There is a number of farms worked under this system in Ireland, but it is difficult to obtain results. From a farm in county Meath, over 1,000 acres Irish or 1,600 acres English, particulars, however, show that where formerly only a man and a dog were employed there are now 25 people, better paid than in any part of Ireland. In the county Wexford this system and the co-operative purchase of farming machinery had been adopted to some extent, and the result was that the amount of milk sent to the creamery had actually doubled. The Ford tractor was adapted to Irish needs, as it was small and cheap, and he referred to the assistance afforded him by the Ford Company in his work at the University College, Cork. They had given him a grant of money and 20 or 30 acres of land for the purpose of demonstrating the utility of a tractor they had presented to him.

On the conclusion of Professor Wibberley's evidence, which, as in the case of the other witnesses examined, contains a number of interesting details, the insertion of which is unfortunately precluded by considerations of space, the Commissioners adjourned for lunch. Their return to the School of Science, Cork, where the evidence was heard, was, however, barred by a posse of police armed with rifles, and an adjournment had to be made to the Cork County Council Chamber, where Mr. O'Shaughnessy, Chairman of the Newmarket Dairy Company and the Dripsey Woollen Mills, was heard with reference to the production of milk and the woollen trade. As regards dairying generally, witness said that the relative merits of cows could only be determined by means of the cow test. The milk should be weighed and a record kept of quality and quantity throughout the year. Defending the creamery system, witness said that the farmer or his employee now lost very little time at the creamery owing to the celerity with which the milk was separated. Moreover, the dairy owners of the world had very largely adopted it. The fact that one of the best dairying districts in the world, the county Limerick, had adopted this system was proof of its superiority. Under old conditions the butter turned out was inferior and variable in quality. The farmers of Ireland are at present working in the dark. Every farmer should know the records of his cows, and breed from the best by selection. He may keep the calf of a cow that gives 300 or 400 gallons, and discard the calf of a cow that gives 700 gallons per annum. The bull should be selected with the greatest care, and should be the best type of dairy bull, and not meant for beef. Cheese-making was not in accord with Irish circumstances. In Ireland the dairying industry is accompanied by the subsidiary industry of cattle-raising and the feeding of pigs, and in the last few years cheese-making had developed so rapidly that there was a risk of destroying cattle-raising and pig-feeding. In the near future the competition of outside cheese producers would be much more seriously felt.

As the manager of a woollen mill, witness stated that he was under no apprehension of being swamped by huge industrial combines. Much Irish wool is now exported to Bradford, where it is used to make tops. A large portion of it is too gross-fibred for fine cloth manufacture, although, on the whole, it is excellent and very durable.

According to Mr. Nagle, the 500,000 cattle exported annually from Ireland suffered a loss in transit of 28 lb. per animal. At 1*s.* 3*d.* per lb. this amounted to £1,000,000 per annum. For this and other reasons he advocated the establishment of a dead-meat trade. At present the closing of Irish ports on an outbreak of foot-and-mouth disease meant a loss to the country of possibly £3,000,000, and the machinery was not in existence to enable dead meat to be exported. It was believed that foreign syndicates were making great efforts to capture the Irish fat cattle trade. In 1910 a great effort was made in Cork by some members of the cattle-trade victualling and farming community to erect a public abattoir to deal with export trade alone, but strong local opposition compelled an abandonment of the project. Future action in this matter will, in all likelihood, meet with similar opposition. Nevertheless, there were immense possibilities in front of an industry aiming at the sale of dead meat and the working up of the by-products, and witness emphasised his belief that its development called primarily for the employment of Irish capital.

THE NAVY ESTIMATES.

Naval estimates for 1920-21 foreshadow a gross expenditure of £96,590,181, equivalent, after deducting £12,217,881 for appropriations in aid, to a net sum of £84,372,300, compared with £157,528,810 in the current year. A reduction of nearly 50% is certainly an achievement in which the Admiralty are to be congratulated, but our congratulations must to some degree be tempered by the knowledge that no new construction is provided for next year, and that an omission of this kind cannot be regarded as a permanent feature. On the other hand, various liabilities and commitments arising out of the War are in course of liquidation, and these items of outlay will not recur. Over 19 millions of the present estimates represent expenditure of a non-recurring nature, and of the balance of 77 millions 40 millions are accounted for solely by increases in wages, pensions, separation allowances, and similar items. The remaining sum of 37½ millions thus represents the present naval expenditure on the basis of pre-War rates and prices, and this sum is little over 2¼ millions in excess of the last pre-War estimates for 1914-15, if we disallow the sum included in that year's vote for new construction. This is the proper basis of comparison to adopt, but it is not amiss to point out that the present estimates, taken as a whole, though 50% below 1919-20, are still 50% above 1913-14. It cannot therefore be inferred that the Admiralty have pursued a cheeseparing policy, and from a memorandum prepared by the First Lord we gather that they are fully alive to our present and probable future responsibilities. We may be called upon to assist in restoring internal peace to Europe or in carrying out future decisions of the Allied Councils, while we owe it to the Empire and to ourselves to maintain a fleet sufficiently large to assure our national safety and to prevent interruption of our national commerce. That we can do this without further construction at the moment is due to the abnormal rate of war-building, which substantially augmented the strength of our Fleet. The Admiralty outlay in the years of hostilities, of which some interest-

ing figures are now furnished, was as follows: 1914-15, £103,302,000; 1915-16, £205,734,000; 1916-17, £209,877,000; 1917-18, £227,389,000; 1918-19, £334,091,000—a total of over £1,000,000,000. This colossal expenditure corresponded with a steady growth in personnel from 142,960 in 1913-14 to a maximum of 406,977 in 1917-18, while the outlay on shipbuilding, repairs, and maintenance rose from 24 millions to a maximum of £168,415,000 in 1918-19. In the latter year 94¼ millions were paid for outside contract work, but in the coming year practically all the sum of £28,642,000 set down for building, repair, and maintenance work will be expended in the Royal dockyards, which now number seven, in comparison with six existing before the War, Rosyth having been completed in the interval.

The reduction in the estimates has not been forced on an unwilling naval staff by civilian superiors, as the present Board of Admiralty is altogether made up of officers who have seen service afloat. No other power can in fact claim to have left the decision of naval policy so completely in the hands of experts. It is of interest to note that as regards future policy these experts, headed by Admiral Beatty, declare their unshakeable confidence in the capital ship which has time and again been marked down for destruction by armchair critics of naval administration. Submarines were defeated by the use of destroyer screens, the alteration of tactical movements, and the evolution of new methods both of attack and defence. Aircraft proved annoying but not dangerous, and in no case during the war was a single capital ship belonging to the Grand Fleet lost either to submarines or aircraft. Movements were indeed considerably restricted for a time, but various protective devices speedily restored mobility. As has often been the case in warfare, both on land and sea, the appearance of a deadly weapon of attack has, after the first period of surprise, been countered by effective measures of protection. The chief value of the submarine may eventually prove to be as a commerce destroyer and of aircraft as a medium of scouting, observation, and fire-direction. Big surface vessels seem for the moment to have got the measure of their twin opponents. The Board are, indeed, of opinion that without the service of the German High Sea Fleet the operations of enemy underwater craft would have been rendered impossible. All the submarine campaign was built up on the power of this Fleet, and thus the Board arrive at the conclusion that the battleship must remain the principal unit and that fleet tactics and tactical training must be carried out with the battle squadrons as the main unit. It is recognised, however, that the type of ship may require to be altered, and it is stated definitely that advances in electricity, in the internal-combustion engine and in science generally will eventually call for radical changes. The Board, in their endeavour to pierce the veil of the future, venture on the prophecy that the present battleship may change to one of a semi-submersible type, or even of a flying type, but admit that such types are visions of the distant future, not practical propositions of the moment. The decision to retain the battleship has met with approval in quarters most competent to judge in such matters, and it is not irrelevant to point out that the Board's decisions in the past on questions of naval policy have in the light of subsequent events been proved correct. Thus, after the introduction of torpedo craft, it was generally believed, twenty years ago, that the proper course was to scrap battleships and confine attention to the building of small high-powered vessels. The Board refused to be stampeded into the popular belief, and the wisdom of their action was afterwards demonstrated beyond cavil. The approaching doom of the battleship is a scare cry that has risen more than once and proved without foundation. To ensure, however, that the senior service will be kept abreast of the latest developments in science a Department of Scientific Research and Experiment has been set up under the Controller of the Navy. Full cognisance will be maintained of scientific progress as related to the naval problems of ship construction, sound signalling, navigational appliances, and kindred matters.

The failure of the First Lord to outline a definite programme as to the future disposition of the Fleet when he introduced the Supplementary Naval Estimates last November, evoked at the time some criticism which is now answered by an Admiralty memorandum on the subject. On home waters is to be based our main force—the Atlantic Fleet—consisting of one flagship, two battle squadrons together comprising nine ships, two light-cruiser squadrons, four destroyer flotillas, three submarine flotillas and attendant vessels. In the Mediterranean, our policy of maintaining a fairly strong force is to be continued, and this is a wise precaution in view of possible developments in the Near East. Six battleships, one light-cruiser squadron, and one destroyer flotilla, with the necessary supply ships, are allocated to the Mediterranean; and that the force is not excessive was shown but a short time since, when a squadron had to be detached from the Atlantic Fleet for action in the Levant, the Mediterranean units being unable to attend to all the important demands made upon them. Elsewhere throughout the world squadrons will be maintained on the China, African, North and South American, and East Indies stations, and these will be, it is hoped, of sufficient strength to police the seas and protect British political and commercial interests.

A telegram received in the City this week from Cairo states that the Egyptian Budget for the fiscal year 1920-21 gives the revenue and the expenditure both at £E.40,271,000, being an increase compared with the Budget of the previous year of £E.11,000,000.

The trade of British India for the month of February shows an increase in the imports of £4,409,000 compared with February of last year, and an increase of £3,624,000 in the exports. Of the latter increase raw cotton accounted for aproximately £3,000,000.

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American Topics.

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As will be seen from the directors' report, which we publish in our advertisement columns, the Canada Steamship Lines, Limited, earned a total revenue last year closely approximating to 15¼ million dollars, an advance of more than a million dollars over the previous year. The net earnings of this Company rose from $4,000,000 in 1917 to $4,330,000 in 1918 and over $4,000,000 in 1919. The operating charges in 1919 were, however, very high, exceeding 10½ million dollars, equal to as much as 70% of the gross revenue. After deducting mortgage, Debenture and other interest, and after increasing the provision for depreciation, besides various other charges, there remains a net profit of $2,330,000. Adding the balance brought in from 1918, and a net profit on sales of fixed assets, deducting the 7% dividend on the Preference stock and 4% on the Common stock, there remained more than 6¾ million dollars to be carried forward, as compared with $5,000,000. The surplus for 1919 equals 56% on the Common stock. The directors' report states that the freight and passenger earnings have been eminently satisfactory since the figures we have quoted were made up. The directors have purchased several modern steamers, which have enabled them to inaugurate a new service between Canada and Europe and between New York and the West Indies and South America.

Messrs. Moody, of the Investors' Service Bureau, and the compilers of the well-known Railroad Manual, have issued a brief review of the finances of the United States in the past year. And, incidentally, they paint a very bright picture of the changed conditions in the United States as a result of the War. They admit that even in the United States prices have risen enormously, and there is a great shortage both of raw materials and of manufactured products. This is largely due, of course, to the fact that while the United States has supplied on the most advantageous terms immense quantities to the belligerent countries of Europe, inasmuch as those belligerent countries are not in a position to pay for what they have received, the United States is only enjoying in part the advantages which she has secured. The position of the New York Money market in the pre-War period and at present presents, however, a striking contrast. When the War opened in 1914 the United States was a debtor nation. European investors held various American securities to the extent of 2,000 millions sterling. In addition, they held real estate and were interested in private companies to, perhaps, as great, or even greater, extent. The United States had to pay in interest to Europe something like 200 millions sterling a year. Before the War the problem before American exchange bankers and financiers was to keep the dollar up to par with sterling and other European currencies. Now the London and other European Money markets are trying to keep their currencies as near par as they can get them with the dollar. As a result of the War the United States has become a great creditor nation. Instead of the United States remitting over 200 millions sterling every year for interest on its borrowings from Europe, Europe now owes the United States an immense sum of money. Changes in the European Money markets, which were so important before the War, have ceased to be of the same material importance in New York which was formerly the case. On the other hand, the United States Government's interest-paying debt was only about 200 millions sterling before the War. It is now 5,000 millions sterling. Consequently, the annual interest charge exceeds 200 millions sterling. In other words, the interest charges in 1919 are considerably larger than the entire debt of the Federal Government in July 1914. But relative to the Government debts of the other great nations of the world the total burden was small. England, France, Italy, Germany, Austria, Belgium, Russia, and so on, have run their debts up to fabulous totals during the War, and by further borrowing since, as will be found at the close of 1919. If the increased debt of the United States be offset against the amounts advanced to the Allies and the amounts repurchased by the Treasury, the debt of the United States is a very moderate burden compared with that of any of the other belligerents. Perhaps the most striking feature of the period between 1914 and 1919 has been the decreased purchasing power of the dollar as a unit of currency in all the belligerent countries. Practically during the period the buying power of the dollar has fallen by 50%. It costs the individual in the United States about twice as much to live as in 1914 on the same scale, and this is disregarding war and other taxes; and, approximately, it costs the business man twice as much as it did to earn the same relative profit. But here, again, the relative purchasing power of the dollar is far greater, because it is based on more sound economic values than is the purchasing power of the unit of currency of most of the belligerent countries.

MERCHANTS TRUST, LIMITED.—In his speech at the meeting of the Merchants Trust, Limited, recently, Mr. Robert Benson said: Looking at Great Britain and the Empire at the present time, and the "money" needed for education, housing, raw materials of industry, rehabilitation of railways and plant of every kind, electricity supply, and hundreds of scientific speculations, to develop production and employment and restore the solvency of the nation, he thought the theory that the available "capital" was limited to annual savings would have to go by the board. Those who had experienced what it was to finance incorporated industry, feeding the open capital account with sums of money that often largely exceeded the annual income, and knowing that if they got behindhand industry would gradually cease to be able to perform its function in public economy and would drift into bankruptcy, knew that antiquated theories of currency and credit were unequal to the present task. After discussing the opinion of many leading bankers that industry would have to go slow, as the necessary loanable capital is by no means unlimited—an opinion from which Mr. Benson apparently dissented—he added: "The solvent captain of industry could not be denied his right to get advances on good collateral for a period long enough to bring to fruition a legitimate enterprise whose product would finally contribute to taxation and the solvency of the State, for taxes are really the Government's share of the price of the products, and the taxable stream of distribution would cease to flow freely, or even would dry up, unless the source of it was continually replenished."

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THE rather cheerful tone that was evident at the opening of the market was of short duration, and before Monday was out the familiar signs of depression again put in an appearance. With the French exchange continuing to get worse as the week wore on business became reduced to small dimensions. Such business as was done was in the nature of further realisations. On the whole, however, it were more correct to describe the market as stagnant rather than depressed; for whilst little support was forthcoming in the form of buying orders, yet there was no undue tendency on the part of sellers to dispose of their shares. With the Easter holidays looming largely in the background, it is almost certain that no revival will take place in this market for the next week or two. A final dividend of 20%, making, with the interim dividend of 5%, a total of 25%, less tax, for the year 1919, has been announced by the directors of the Golden Hope Rubber Estate. Shareholders in the Lunderston Rubber Company will receive in respect of 1919 a dividend of 10%, less tax, as compared with 5% for 1918. Malakóff Rubber Company have declared a final dividend of 15%. It is proposed to increase the authorised capital of the Rubana Rubber Estates to £400,000, and to distribute 50,000 bonus shares to existing shareholders at the rate of one share for every five shares held. The £1 shares of the Company are quoted at 40*s*. The Panawatte Tea and Rubber Estates announce a meeting to sanction an increase in the authorised capital to £300,000. It is furthermore intended to capitalise £57,500 of the existing reserve and to distribute the shares to existing shareholders at the rate of one share for every two shares held. The £1 shares command 55*s*. 6*d*. in the market.

ANNUAL REPORTS ANALYSED.

SOEMBER AJOE (JAVA).

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Year ended Sept. 30	Area under— Rubber Acres	Rubber and Coffee Acres	Coffee Acres	Rubber Output lb.	Coffee Output Cwt.	Net Profit* £	Dividend— Amount £	%
1916 ...	142	947	—	101,033	3,159	6,486	7,442	10†
1917 ...	330	759	40	148,941	1,046	4,825	4,648	6
1918 ...	449	640	85	194,825	748	108	—	—
1919 ...	500	559	117	279,888	423	8,628	5,810	7½

* After deducting reserves for depreciation, income tax and excess profits duty
† Free of income tax.

Price of Shares, 2/11. Market Capitalisation per planted Acre (excluding acreage under coffee only), £107.

THE report of this Java rubber Company for the year ended September 30, 1919, is from all points of view satisfactory. Not subjected to the drastic restriction in output which made 1917-18 so lean a year for the shareholders, the Company was able as regards rubber to exceed its large estimate of 210,000 lb. by nearly 40,000 lb. On the other hand, the coffee crop fell short of the estimate of 600 cwt., amounting only to 423 cwt. But, as the Chairman pointed out, coffee is always an uncertain crop, the yield being so dependent upon weather conditions at the time of blossoming and harvesting. Owing to the marked improvement in shipping facilities in the latter half of 1919, it was possible to dispose of a far greater portion of the crop under more favourable conditions in London than in the previous year. During 1917-18, owing to difficulties of transport, it was necessary to sell nearly two-thirds of the crop in Java at prices averaging only 1*s*. 2.2*d*. per lb., with the result that the average gross price realised was only just above 1*s*. 8½*d*. In the year under review over 60% of the crop was marketed in London at an average price of 1*s*. 10½*d*. per lb., whilst the remaining 40% was sold in the East at 1*s*. 5¾*d*. per lb. Consequently, the average gross price realised rose to 1*s*. 9¾*d*. per lb. The net profit amounted to £8,628 in comparison with £108 in the previous year. Hence, shareholders received a dividend of 7½% less tax. Analysing the area planted, it can be seen how, since 1916, the tendency has been to diminish the area under rubber and coffee combined and to add considerably to the area under rubber only, whilst establishing a distinct plantation for coffee alone. The outlook for the current year is rather promising. For coffee the estimated crop is the same as for the year under review, 600 cwt. Of rubber, however, there is expected a harvest of 375,000 lb., or over 50% in advance of the estimate for 1918-19. The actual output of rubber for the first five months of the year amounts to 141,000 lb., which is slightly behind the estimate. Yet, assuming the average output for the remainder of the year not to fall below the 29,550 lb. secured during the short month of February, the total crop would reach 348,000 lb., which would represent another considerable advance on the large output of the year under review. Moreover, it is very likely that a greater portion still of the crop will be disposed of in London, thereby adding to the average gross price realised. For the calendar year 1920 forward contracts have been arranged for 73 tons at prices ranging from 2*s*. 0½*d*. per lb. to 2*s*. 10½*d*. per lb.; whilst for 1921 36 tons have been sold forward at prices between 2*s*. 1½*d*. per lb. and 2*s*. 8¾*d*. per lb. Furthermore, with the estate in good condition, costs are being materially reduced. On the other hand, any advantages accruing in this manner will be discounted by the loss on exchange in connection with sales in London. In the year under review the actual loss thus incurred amounted to £323, and the situation has become worse in this respect since the accounts closed, thereby causing some anxiety to the directors. Yet there is no reason to anticipate any very serious loss in this direction. In the balance sheet the strong financial position of the Company stands clearly out. The total of liquid assets available exceeds £21,427, whilst sundry liabilities only reach £3,487. The estate account, including the value of buildings and machinery, after making due allowance for depreciation, stands at £70,114. The issued capital consists of 774,700 fully-paid shares of 2*s*. each, which are quoted in the market at 2*s*. 11*d*., at which price they appear to be a rather attractive investment for the future.

GARING (MALACCA).

Issued Capital: £76,372, in 68,000 £1 Ordinary and 8,372 £1 Preference Shares.

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Div. Amt. £	Div. %
1915–16...	1,119	575	157,37[illegible]	276	2 8[illegible]	1 2	12,[illegible] 13 1[illegible]	[illegible]	1[illegible]
1916–17...	1,119	—	197,[illegible]83	—	2 4[illegible]	1 3[illegible]4	[illegible]8,921	[illegible]	N[illegible]
1917–18...	1,119	—	23[illegible],[illegible]85	—	2 0[illegible]	1 4[illegible]5	[illegible]8,[illegible]50	8,150	1[illegible]
1918–19	1,129	1,109	308,747	278	2	1 3 5	12,[illegible]3[illegible]	9,[illegible]8[illegible]	[illegible]

* Ord. div.; Pref. [illegible] 97·16%. † Ord. div.; Pref. [illegible] 18·73%.
‡ Ord. div.; Pref. [illegible] 56·9.

Price of Ord. Shares, 36/10½. Market Capitalisation per planted acre, £125.

Satisfactory progress is recorded in the report of this rubber Company for the year ended September 30,

1919. For three of the best yielding months of the year they were labouring under the ban of the restriction in output. Despite this drawback the actual crop harvested not only came up to the estimate of 278,500 lb., but exceeded it by as much as 30,247 lb. This crop of 308,747 lb. is nearly 33⅓% higher than that of the previous year, and is easily the record output in the history of the Company. This was disposed of at an average price of 2*s.* 2*d.* per lb., as compared with 2*s.* 0½*d.* in 1917-18. The "all-in" cost has fallen by more than 1¼*d.* per lb. to 1*s.* 3½*d.*, and this net reduction has taken place in spite of higher costs, especially in connection with the supply of rice to the native labour force. Owing to a severe shortage of rice crops in the East the price of this necessary foodstuff rose by more than 100%. To cope with the situation some 15 acres were planted at a net loss of ½*d.* per lb., which therefore added to the "all-in" cost. The net profit works out for the year at £12,363, as against £8,286 in 1917-18. Ordinary shareholders received a dividend at the strange rate of 6.62%, whilst the dividend to Preference shareholders was paid at the equally strange rate of 53.79%. From the accounts it appears that the same amount—to wit £4,504—was required to meet each dividend. Good as were the results for the year under review the prospects for the current year are still better. The original estimate for the current output was 350,000 lb., but this has since been revised and increased to 420,000 lb. The actual output for the first four months of the year is returned at 128,782 lb., and is therefore midway between the requisite proportion of both estimates. However, the Visitor and Manager are confident of securing the higher output. The Chairman, at the general meeting, inclined to the view that it was moderately certain that a minimum output of 350 lb. per acre, or in all 395,000 lb., would be secured, and the actual output to date would justify this opinion. The determining factor is the quantity of native labour available. With an adequate supply the higher estimate may very likely be realised. Moreover, the average price realised per lb. is likely to be higher; and while freights and general estate costs still rule high, it is expected that the "all-in" cost will not be unduly increased in view of the economies which the growing yields will render possible.

With the payment of a dividend of 53.79% to the Preference shareholders the obligation incurred in the issue of these shares in 1913 has been fully met. Holders have in the interval received in dividends the requisite 200% on the nominal value of the shares. Consequently, from this date forward these shares lose their preferential character and rank only *pari passu* with the existing Ordinary shares. Hence the capital now consists of £76,372 in Ordinary shares of £1 each. Upon this capital the net profit of the last financial year represents a gain of some 16%. It is easy, therefore, to realise the improvement which has taken place in the position of the Ordinary shareholders—an improvement which is reflected in the existing market quotation for their shares of 42*s.* Seeing that the dividend-earning capacity of the Company is on the increase, this price is by no means unduly high. An offer to purchase one of the divisions of the estate at £122 per acre has been rejected on the advice of the expert, who held that the estate was more valuable than one in the neighbourhood which was sold recently at £140 per acre. This verdict would indicate that the market capitalisation per acre of £125 was to some extent under the real value. In the balance sheet creditors, including unclaimed dividends, amount to £4,620; whereas the value of the stock of rubber on hand alone amounts to £20,866, and, in addition, liquid assets, in the form of sundry debtors and cash, are available to the extent of £807.

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Insurance Notes.

SCOTTISH TEMPERANCE LIFE ASSURANCE COMPANY, LIMITED.

This Company was founded in Glasgow in 1883, and its history has shown consistent and steady progress. It has built up a flourishing business of large dimensions within a comparatively short period. Special reductions of varying amount, according to the nature of the policy, are made from premium rates in the case of total abstainers, but a large proportion of the business, nevertheless, relates to the non-abstaining section of the population. The bonus record up to the last quinquennial valuation before the War was quite good. The surplus ascertained at the valuation on December 31, 1917, after providing for depreciation in securities to the extent of £130,000, amounted to £107,573, and that amount was carried forward as unappropriated to the now current quinquennium; provision being made, however, for the payment of interim bonuses on claims arising during that period at the rate of 10*s.* per £100 for each annual premium paid under participating policies since December 31, 1912.

The financial year ended December 31, 1919, was the second of the current quinquennium, and the first following the cessation of hostilities. The Company has fully shared in the recrudescence of life assurance under peace conditions. New life policies were issued for £1,134,294, of which £96,500 was reassured, the net retention at the Company's sole risk being £1,037,794. Congratulations have to be tendered on the volume of the new business for the first time passing the million mark. The net amount exceeds the corresponding figure for 1918 by £365,238. The total net life premium income in 1919 amounted to £308,402, showing an increase of £14,433, and indicating another record with an entrance over the three hundred thousand line. The expense ratio, comparing expenses of all kinds inclusive of commission, with premium income, is about 15.7%, as compared with 14.1% in 1918. The increase in this respect is less than might have been expected, looking to the much greater amount of the new transactions, and also to the enhanced cost of salaries and other charges under the altered conditions of life now prevailing. It is a moderate proportion, and is well within the margin of premiums reserved by the Company for costs and contingencies.

The death claims amounted in 1919 to £82,169

and the matured endowments to £102,186, the figures in both cases being given after deduction of reassurances. The mortality experience, though it was affected by war claims and also by the influenza epidemic, is stated to have been well within the amount expected and provided for. Through the year's operations the life assurance fund was increased by £166,788 to £2,906,205, and the average net interest yield (after deduction of income tax) during the year appears, by the application of the usual formula to the revenue account, to have been about 4%. This is higher by 2*s*. 7*d*. per cent. than was deduced in a similar way from the figures of 1918, and compares with the valuation assumption of 3%, so that about one-fourth of the net interest earnings in 1919 may be regarded so far as actuarial profit.

The capital redemption account for last year shows a premium income of £2,098, the relative fund at its close being £31,754.

Subsidiary to the life account is that relating to the small but select personal accident business transacted by the Company. The premiums in this section amounted to £3,985, and the fund at the close of the year to £15,807.

The shareholders' paid-up capital amounts to only £25,000, there being 100,000 shares of £1, on each of which 5*s*. has been paid. The dividend for 1919 is declared at the rate of 6*d*. per share (10%). More than half of the amount required for this distribution was earned from interest on the shareholders' funds, the balance thereof carried forward to 1920 amounting to £4,157.

The Company's balance sheet as at December 31, 1919, shows total assets of £3,029,300, of which more than one-third was invested in British Government securities.

PROVIDENT MUTUAL LIFE ASSURANCE CORPORATION.

For the sake of identification, and so that an old friend with a new face may be recognised, it may at once be stated that this popular life office was known until three years ago as the Provident Clerks' and General Mutual Life Assurance Association. It was founded as long ago as 1840, before King Edward was born, so that it can boast quite a respectable antiquity. The main purpose of its promoters, as indicated by its original name, was to give life assurance facilities to the important and deserving section of the community who earn their living by clerical labour. Though its doors are open to all comers it has still a very large connection amongst the class referred to, from which the majority of its new entrants are still drawn. As few clerks can afford to devote more than a few pounds a year to purposes of thrift, the average amount of policy in the Society's books is less than is usually the case with non-industrial life offices, and, consequently, a mass of small transactions have to be dealt with. This by itself would tend to a fairly high expense ratio, but a great deal of ingenuity has been shown in book-keeping and collection of premiums, with the result that the ratio referred to is in this case little above the average. The Society has always been admirably and economically managed. The policyholders, selected from a well-living and naturally thrifty section of the community, have consistently shown a favourable incidence of mortality. The investments have been prudently and carefully made. As a result of these favourable conditions the Society, which is constituted on the mutual system, has made a good reputation for itself as a producer of profits. Although the premium rates charged are somewhat below the average, the declared bonuses prior to the War were at an attractive standard. The following are the rates, declared in simple reversionary form, per £100 assured by participating policies per annum at successive quinquennial valuations over a period of 30 years, ending with December 31, 1912:—

Quinquennium ending December 31,	1887	30*s*.
.. ..	1892	32*s*.
.. ..	1897	32*s*.
.. ..	1902	32*s*.
.. ..	1907	34*s*.
.. ..	1912	35*s*.

On each of these occasions the surpluses available for distribution showed a gratifying and more than proportionate increase. The valuation of 1917 was interfered with, of course, by war conditions, and after making provision for depreciation in securities and other circumstances it was decided to make no general distribution of bonus in respect of the relative period, but an unappropriated surplus of £86,088 was carried forward to the now current quinquennium, and it was arranged to pay interim bonuses (subject to reconsideration at the end of any year if thought desirable) on claims arising under participating policies at the rate of 10*s*. per cent. in respect of each full year's premium paid since December 31, 1912.

Last year was the second of the current quinquennium, and a splendid account of new business is presented, showing that following the return of our citizen army to civic occupations the Society has enjoyed an unprecedented demand for its policies. No fewer than 15,336 new life assurances were effected for £1,703,318. The number and amount of these contracts is by far the largest in the Society's experience. Both are more than twice what was shown in the similar record for 1918, and the amount of the new policies in 1919 is in itself nearly one-fourth of that which was on the books of the Society at the last quinquennial valuation. The total net life premium income amounted to £299,775, showing an increase during the year of £49,782, or about 20% of the 1918 amount. The expense ratio was about 18.5%, or about 2% more than in the immediately preceding year, which is by no means excessive considering the large amount of the new business and other conditions. Claims by death amounted to £146,989, and claims by maturity to £68,058. The life and annuity funds were increased by £121,831 to £3,013,707, and the average net interest yield, after deduction of income tax, appears, as in 1918, to have been about 4%, as compared with the valuation assumption that 3% would be earned. Capital redemption insurance premiums of £478 were received and the relative fund at the close of the year amounted to £8,977. Total assets, December 31, 1919, £3,284,816.

We have received a copy of the special report on the Ottoman Public Debt, for the year ended February 28, 1918, by Sir Adam Block, K.C.M.G., representative of the British and Dutch bondholders. The gross receipts of the Debt Administration for the year 1917-18 were £T.6,087,495, the largest amount received since the date of unification. This increase is mainly due to the high prices of the articles on which the taxes are levied. It should not be forgotten, moreover, that the taxes are now paid in a depreciated currency, and not in gold as previously. Instead of a pre-War circulation of about 48 millions of metallic currency, with about three millions of paper notes of the Ottoman Bank, Turkey possesses a paper currency guaranteed solely by the credit of a foreign Government. To-day in a reduced area there are in circulation about £T. 160,000,000 of paper currency only. The coupons unpaid of the Unified Converted Debt to September 1919 amounted to £6,320,361. At the current rates the funds at the disposal of the Council in Constantinople, Berlin, Vienna, Paris and London would produce £1,968,994. There is thus an insufficiency of £4,351,417. Sums earmarked for sinking fund would produce another £633,431 which would reduce the insufficiency to £3,717,986. Excluding the Egyptian and Cyprus Tribute loans, the amount in circulation of the pre-War debt at the beginning of September last was £126,064,800. Various advances, amounting to £6,289,556, are also not included in this total. Unpaid coupons account for £15,820,361.

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Commercial.

TRADE IN CENTRAL AFRICA.

An exceedingly interesting paper was read early in the month, at the Royal Society of Arts Building, by Mr. G. F. Scott Elliot, on British trade in that part of Africa with which he was formerly well acquainted. Mr. Scott Elliot commenced by telling the audience that it is now nearly a quarter of a century since he walked the whole way from Mombasa to the Victoria Nyanza. The journey took him 2½ months to reach Uganda. There was then neither road nor railway, and Nairobi did not exist. At that time, said Mr. Elliot, there were not probably 20 Europeans in the whole of East Africa. Now Nairobi alone has a population of 15,000, and there are some 800 miles of railway in the East African Protectorate.

Mr. Scott Elliot pointed out that the British either now own or have what he describes as a kind of option over, roughly one-third of the total area of Africa. It was not difficult for him to show, therefore, that the potentialities, either for trade or for the production of food and raw materials, were very great. This immense region is undoubtedly capable of being made one of the greatest and most valuable assets of the British Crown. Its potentialities are really far greater than Mr. Scott Elliot appeared at all willing to admit, as we propose to show shortly. Mr. Elliot appeared to cling to the belief that Central Africa is, and always must remain, very much as he saw it in the early 'nineties of the last century. In the interval the possibilities of improving the health of the natives living in tropical regions, and of making those regions fit for peoples from the temperate zone to live in, have been completely changed.

Mr. Scott Elliot pointed out that we either own or control about one-third of the whole continent of Africa. Africa, with the exception of Asia, is the largest of all the continents. It is virtually three times the size of Europe, consequently the ownership or control of an area extending over about one-third of the whole of Africa means that England controls, or British subjects at any rate control, an estate of approximately the size of the whole of Europe. It is, of course, impossible to say with any degree of accuracy what is the total population of the whole of this vast continent, but it is generally estimated that the total population of the whole of the area is considerably under 200,000,000 human beings. From this it would appear that a continent three times the area of Europe has a population considerably less than half of the number of inhabitants who are able to find means of subsistence in Europe. Against this it has to be remembered that a very large part of Africa is either desert or would require irrigation upon an extensive scale in order to make it fruitful in the sense that Europe is fertile. Europe, owing to the fact chiefly that it has been so long comparatively highly civilised, is a very fertile continent. Potentially, and from a superficial view, it would appear that the African continent is capable of sustaining, upon the economic basis which the present European population exists, a population equal to roughly about three-quarters the total estimated population of the world. But if ever this is to be possible it would be necessary to bring under cultivation an enormous proportion of the total area of Africa which now is desert and semi-desert.

Mr. Scott Elliot dealt in his paper with some of the most fertile parts of the African continent, and unless this part of Africa is suitable for settlement, both by Europeans and by other subjects of the British Crown, it is very far from being the valuable asset we believe it to be. In his memorable expedition, mainly for the purpose of collecting plants, Mr. Scott Elliot traversed on foot the whole region between Mombasa and Lake Tanganyika, taking in his course Ruwenzori and the region where Nairobi is now. Mr. Elliot reports, as every traveller does, the exceeding richness and fertility of this region, but he entirely ignores what has been done in the past 26 years to make tropical areas healthy. Mr. Scott Elliot agrees with most travellers when he states that there are four main climatic divisions in tropical Africa, which must be carefully distinguished. Distinguished assuredly for purposes of agriculture, but not necessarily distinguished for all time as possible places of residence for the varying races of mankind. Valleys, alluvial flats, besides comparatively low-lying ground up to 3,000 feet of altitude, make up the first zone. These lands, says Mr. Elliot, were, when he saw them, occupied by jungle or tropical forest, and land in such an altitude in the tropics can never be made healthy for Europeans. Why not try the experiment of drainage? Mr. Elliot's dictum is not borne out by experience so far as it has gone in South America. A sentence in Mr. Elliot's paper shows clearly that he observes the effect, if not the cause, which has struck all travellers to tropical countries. Jungle swamps are exceedingly unhealthy places to dwell in either for natives or for members of races born elsewhere.

As things are at present in the part of Africa that Mr. Scott Elliot's paper deals with, the swampy regions would probably mean death to any European settling there. But as they are at present they are not fit for anybody of the European or any other race. Mr. Scott Elliot confirms this when he says the natives of the wet, swampy jungle are usually the least interesting and most backward of all Africans, and also are, in nearly every instance, men of poor physique. In a country such as this no white man can retain his normal vigour and energy. Surely this is for the same reason that the native fails to develop any kind of energy. It is because he lives in an insanitary area. Europeans living in insanitary areas are usually, as Mr. Elliot puts it, uninteresting, and people of poor physique. The real difficulty of developing the potentialities of Africa, either from the point of view of the trader or the man who would increase the world's supply of food and raw materials, is how to develop the arid regions. How to drain the swamps of the tropics has already been shown to be merely a question of incurring expense.

The country up to 3,000 feet of elevation, says

Mr. Elliot, is the country of cane-sugar plantations, the land that produces the copra of commerce derived from the palm-tree, the cocoa from which we obtain our chocolate, and many other valuable products. For the human inhabitant it is a country of yellow fever, of dysentery, and of malaria, and must prove fatal to the European. That was true when Mr. Scott Elliot visited these regions, which lie between the 10th parallel south and the Equator, and is true to this day of a very large part of it. At the beginning of the present century the worst jungle swamp, as it exists in tropical Africa, could not beat that part of the Isthmus of Darien which we know to-day as the Panama Canal Zone, and the property of the United States of America, as a source of death and disease. There is no reason why what has been done at Panama, in Cuba, even in New Orleans, and in the principal Brazilian cities from Rio de Janeiro to Manaos on the Amazon, should not be done in Africa. It will, of course, take time and will entail a very heavy expenditure.

The second zone, about 3,000 feet in elevation, which includes a large part of Nyassaland and a larger part of Uganda, is quite healthy. This zone is suitable for the growth of cotton upon an extensive scale, which is so urgently needed at the present time. It is also a splendid coffee country, and capable of raising tobacco and maize in very large quantities. In both these zones, and particularly for the development of cane sugar and cotton plantations, there seems to be an excellent field for the immigration of our Indian fellow-subjects, and, in our opinion, we have no doubt that if proper sanitary measures are taken there is wide scope for the immigration of Europeans. To open up, however, a wide field of immigration for our Indian fellow-subjects is more important, because their immigration is restricted over a large part of the Empire. Such a policy, if pursued, must ultimately be fatal to the Empire as a composite whole, but meanwhile it is desirable to encourage the immigration of Indians who desire to leave India to seek their fortunes in other parts of the Empire which offer more favourable opportunities.

It is not positively certain that India is overpopulated, but her economic development is such that a large proportion of her people live at a low economic standard. Unfortunately, the free immigration of our Indian fellow-subjects, although they form such a large proportion of the population of the Empire, is restricted in many parts of the Empire, but there is no reason that their immigration should not be encouraged in the newly acquired territory of tropical Africa. Above the 5,000 feet of altitude the conditions are very much those to which the European is accustomed; but at this altitude, however, the perennial difficulty asserts itself. The rainfall is deficient, and in consequence the country is covered with grass of poor quality, or with thin forests. There is an immense area of this kind of country in British East Africa. Tropical Africa appears to be divided, as far as exploration has yet gone, more or less into two zones. From the Pungwe River, at about the 20th parallel of south latitude, to Lake Rudolf beyond the Equator, there appear to be two great troughs, each of great breadth. The land one extends for a breadth of 40 miles; the other is formed by the great lakes; and on each side of these depressions are very extensive areas eminently suitable for European settlement, which, while hot in the daytime, are very generally subject to frost at night during about three months of the year. The low-lying lands are capable of producing nearly all the products which we associate with the tropics, and the highlands those which we are accustomed to obtain in the temperate zone.

The great difficulty is, and will continue, the drainage of the swamps. The drainage of these swamps appears to present certain difficulties in Africa, but there seems no reason to doubt that it is from them, as it has proved to be true in South and Central America, that the diseases which we are accustomed to call tropical nearly all originate.

New Issues.

BRISTOL CORPORATION 6% REDEEMABLE STOCK.

The National Provincial and Union Bank of England, and the London County Westminster and Parr's Bank, Limited, are authorised to invite subscriptions for an issue of £750,000 Bristol Corporation 6% Redeemable Stock, 1930 to 1940. Interest is payable half-yearly on April 1 and October 1 of each year. The first dividend, which will bear a full six months' interest, is payable on October 1 next. The price of issue has been fixed at £100 per cent. The stock will be redeemed at par on April 1, 1940, unless it shall have been previously cancelled either by purchase in the open market or by agreement with the stockholders.

THE BITING RUBBER ESTATES, LIMITED.

The Biting Rubber Estates, Limited, has been formed with a capital of £75,000, divided into 750,000 shares of 2*s*. each, and subscriptions are invited for 650,000 shares at par. The Company has been formed to acquire the whole of the capital of the Cultuur Maatschappy Biting of Soerabaya, which Company is registered in Java, and owns the property known as the Kliwat Soengi 1 and 2. The estate is held under a lease granted in 1881 for 75 years, and consists of 1,069½ acres, of which 621 acres have been planted with Hevea, 68 acres consist of buildings, roads, &c., while 380½ acres are unopened; 499 acres are interplanted with coffee, there being 300,000 coffee trees in bearing. Of the present issue there will be available for working capital £26,000.

Geo. and R. Dewhurst (1920), Limited, has been formed with a capital of £1,500,000, divided into 750,000 7½% Cumulative Preference shares of £1 each and 750,000 Ordinary shares of £1 each; 500,000 of each description are in issue. The purchase price of the vendor company (except that part represented by reconstruction expenses) is payable entirely in shares of the present issue, and the 500,000 Ordinary shares and 300,000 of the Preference shares are reserved for the shareholders of the old company. The remaining 200,000 7½% Cumulative Preference shares are now offered for subscription. The business taken over is that of merchants, shippers, commission agents, cotton spinners, and manufacturers, established in 1827 and carried on in Manchester, Preston, London, and elsewhere. The surplus of assets over liabilities taken over amounts to £800,000, to which is added the amount by which the valuer's estimate exceeds the sum at which the properties are transferred, amounting to £400,000, making together £1,200,000, which, with the net proceeds of the present issue of 200,000 Preference shares, gives a sum amounting to nearly three times the amount of the present issue of £500,000 Preference shares, irrespective of the trade-marks and goodwill.

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The Company acts as Eastern Agents for manufacturers and others, and invites correspondence with the view of developing foreign trade.

The Craggs Steamship Company, Limited, with a capital of £300,000, divided into 300,000 Ordinary shares of £1 each, of which 112,000 shares have already been issued, are offering for subscription at par 188,000 shares of £1 each. The Company was formed in February of last year to carry on the business of shipowners in all its branches, and the object of the present issue is to expand the operations of the Company and to purchase new tonnage.

Gwynnes Engineering Company, Limited, manufacturers of the Invincible centrifugal pump and Albert motor-car, are making an issue of £300,000 Debenture stock at 95%, carrying interest at 7½%, and 550,000 Ordinary shares of £1 each at par, of which 350,000 Ordinary shares will be allotted to Gwynnes, Limited, as fully paid in part payment of the purchase price. Applications are now invited for £300,000 of the above-mentioned Debenture stock and for 200,000 Ordinary shares.

United Oil and Refinery Company, Limited.—This Company has been formed with a nominal capital of £500,000, divided into 500,000 shares of £1 each. Of this capital 430,000 shares of £1 each are now issued, and 180,000 shares are being taken by the vendors as part payment of the purchase consideration. A quarter of a million shares at £1 each are now offered for subscription at par. The Company is to acquire the property and assets of the Kansas-Oklahoma Oil and Refinery Company, Limited, including lands and leases of oil-bearing lands in Oklahoma and Kansas, a refinery situated in Coffeyville, Southern Kansas, and a pipeline extending from the oil-producing properties in the Cherokee Shallow Territory to the refinery, together with considerable stocks of oil, refined products, and stores.

A somewhat speculative proposition is the Incomati Estates, Limited, with a capital of a quarter of a million sterling, and which now invites subscriptions for an issue of 150,000 Ordinary shares of £1 each at 25*s.* per share. The Company was incorporated in February 1914, and carried on business as sugar-cane planters and manufacturers on the Incomati River, near Delagoa Bay. The estates owned by the Company consist of about 50,000 acres, situated along both banks of the river, and has a frontage of about 35 miles. Of the area owned by the Company it is estimated that 35,000 acres is excellent sugar land, the balance being suitable for other crops. The estate manager estimates that the cane crop for the current year will be some 30,000 tons.

The Batang Consolidated Rubber Estates, Limited, has been formed with a capital of £300,000, divided into 3,000,000 shares of 2*s.* each. The Company has been formed for the purpose of acquiring various rubber plantations owned by Batang Malaka Rubber Estates, Limited. The estates which the new Company acquire comprise in area 2,892 acres. Part of these are situated in Malacca and part in Negri Sembilan.

Messrs. Rowntree and Company invite subscriptions for an issue of 650,000 Cumulative Second Preference shares of £1 each. The authorised capital of the Company is 3½ millions sterling, of which £750,000 6% Cumulative Preference and one million Ordinary shares of £1 each have already been issued. The present issue is required for the purpose of developing the Company's business.

Sunday Pictorial (1920), Limited, invites subscriptions for 500,000 8% Cumulative Preference shares of £1 each. The capital of the Company is £1,250,000, divided into 500,000 8% Cumulative Preference shares and 750,000 Ordinary shares of £1 each. The latter will be issued to the Vendor Company fully paid in respect of purchase price. The weekly circulation of *The Sunday Pictorial* is certified by the auditors to exceed 2,700,000 copies.

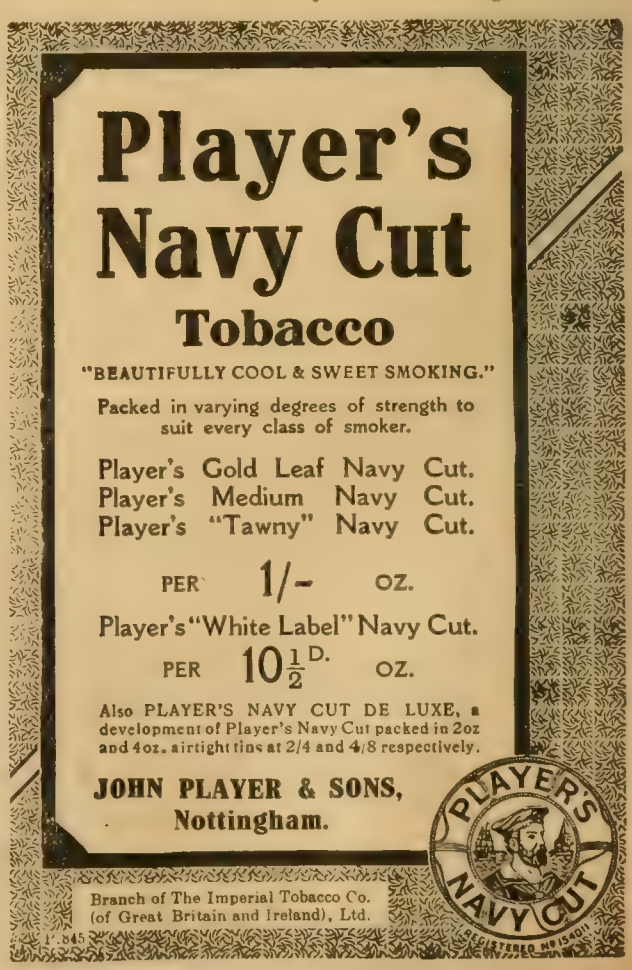
Anglo-Marine Insurance, Limited, has an authorised capital of £500,000, divided into 495,000 Ordinary shares of £1 each and 100,000 Deferred shares of 1*s.* each. The Company invites subscriptions for an issue of 400,000 Ordinary shares of £1 each. Subscribers for these shares will have the right of subscribing at par for one Deferred share for every five Ordinary shares applied for and allotted to them.

"Berna" Lorries, Limited, has been formed with a capital of £350,000, divided into 350,000 Ordinary shares of £1 each. Subscriptions are invited for 240,000 of these shares at par. The Company has been formed to acquire the trade-marks and patent rights in "Berna" motor-lorries and a controlling interest in the various companies manufacturing these cars.

A B C Motors (1920), Limited, has been formed with a capital of £500,000, divided into 250,000 10% Cumulative Participating Preference shares of £1 each and 250,000 Ordinary shares of £1 each. Subscriptions are now invited for the 250,000 Preference shares issued at par. The Company has been formed to acquire the business of A B C Motors, Limited, makers of motor engines and cars, as well as a special light car, for which Harper Bean, Limited, are supplying the principal materials. The latter company have agreed to purchase 5,000 cars or less from the Company for a period of five years.

Frederick Sage and Company, Limited, the shop-fitting contractors, invite subscriptions for an issue of 400,000 Ordinary shares of 10*s.* each at a premium of 6*d.* per share. The authorised capital of the Company is £450,000, divided into 150,000 6% Cumulative Participating Preference shares of £1 each and 600,000 Ordinary shares of 10*s.* each. 139,550 6% Cumulative Preference shares have been issued and £70,000 in 10*s.* Ordinary shares, making the total amount issued £209,550.

E. G. Wrigley and Co., Limited, have an authorised capital of a million and a half. The Company now invites subscriptions for an issue of 627,201 shares at the price of 22*s.* per share, being part of an issue of 750,000 Ordinary shares of £1 each. The object of the present issue is to acquire certain interests in various other companies, with the object of developing the business of the various joint undertakings.



LLOYDS BANK LIMITED.

HEAD OFFICE: 71, LOMBARD STREET, E.C. 3.

CAPITAL SUBSCRIBED (Dec., 1919)		£58,878,400
CAPITAL PAID UP	do.	9,420,544
RESERVE FUND	do.	9,675,105
DEPOSITS, &c.	do.	325,938,436
ADVANCES, &c.	do.	135,763,591

AFFILIATED BANKS:
THE NATIONAL BANK OF SCOTLAND, LIMITED.
THE LONDON AND RIVER PLATE BANK, LIMITED.
AUXILIARY:
LLOYDS AND NATIONAL PROVINCIAL FOREIGN BANK LIMITED.

BRITISH & ALLIED INVESTMENTS CORPN., LTD.

3 and 4 Lothbury, London, E.C. 2.

DIRECTORS.
The Rt. Hon. the Earl of Harrowby, D.L., J.P., Chairman.
Col. H. F. Bowles, M.P.
Sir George Younger, Bart., M.P.
H. E. Carter (Managing).

The Corporation undertakes the provision of Capital for sound and progressive established British Industries, Foreign and Colonial Municipalities, Transport, Electric Lighting, Harbour, Dock and other Companies.

Industrial Companies.

HENRY BESSEMER AND COMPANY.

Year ended Dec. 31	Net Profit	Depreciation	Reserve	Pref. Div.	Ord. Div. Amount	Ord. Div. %	Carried Forward
	£	£	£	£	£		£
1914 ...	35,827	10,000	20,000	5,000	20,000	10	40,729
1915 ...	55,348	15,000	10,000	5,000	25,000	12½	41,077
1916 ...	49,575	20,000	-	5,000	25,000	12½	40,653
1917 ...	54,462	20,000	-	5,000	30,000	15	40,115
1918 ...	50,845	15,000	—	5,000	30,000	15	40,960
1919 ...	35,568	10,000	-	5,000	20,000	10	41,528

* After paying all charges and Debenture interest, amounting to £1,800.

From the above analysis it is not difficult to perceive that for this celebrated Sheffield steel firm the War period was one of great and steady prosperity. On November 8, 1915, their works at Sheffield and Bolton became "Controlled Establishments" under the Munitions of War Act, 1915, and remained so until November 5, 1919. The difficulty involved in determining the liability of the Company for war taxation was evidently so great that the complete statement of accounts for 1916 and 1917 could not be furnished until February 1919. Now that these figures are available they have been incorporated in the above table. Compared with a net profit of £35,827 for 1914, the net profit for the next four years averaged over £52,000, or an increase of nearly 50%. Whilst after 1915 no further addition was made to the reserve, which then amounted to £50,000, there was a marked increase in the sums set aside for depreciation. Nevertheless, the Ordinary dividend grew in amount from £20,000 in 1914 to £25,000 for 1915 and 1916 and to £30,000 for 1917 and 1918. Thus Ordinary shareholders received 15% in 1917 and 1918, as compared with 10% in 1914. But up to and including 1914 the dividend was paid free of tax, and since that year, owing to the onerous nature of this tax, these dividends, in common with the Preference dividends, have been paid less tax. Consequently the dividend of 15% for 1918 actually represents only 10½% free of tax. Turning to the accounts for the year ended December 31, 1919, the net profit is returned at £35,568; almost on a level with the profit of the last pre-War year. This decline in net profit coinciding with the cessation of the War has not, as might appear on the surface, any direct connection with this salient fact. It is in the main the outcome of a variety of adverse factors that resulted in very intermittent working operations during the year in review. As most people can recall, the year 1919 was characterised by a succession of strikes affecting not only supplies, but also the transport of raw material and fuel. The dislocation produced by the railway strike in the autumn was only paralleled by the reduction in output resulting from the unnecessary prolongation of the moulders' strike. In all some eight weeks' work had been lost during the year. Moreover, the firm had to face the ever-increasing cost of production. Thus it emerges that hematite pig iron, which was purchased in 1914 for £3 12*s.* 6*d.* per ton, now commanded £11 15*s.* 0*d.*, whilst coal, which could then be procured at 13*s* a ton, was now 31*s.* 6*d.* a ton. Added to this came the increase of wages, amounting to 230% over the period, whilst the turnover of the Company had only gone up by a little over 100%. Under this combination of circumstances a net profit of £35,568 for 1919 is a creditable achievement. The allowance for depreciation is reduced to the pre-War level of £10,000, and the Ordinary dividend amounts to £20,000, or 10%, but is paid, as already stated, less tax, and is consequently equivalent only to 7% free of tax. There is carried forward to the next accounts a sum of £41,528.

The financial position as disclosed in the balance sheet is very favourable. Liabilities, including £40,000 in respect of Debentures, amount to £228,997, and are more than fully secured by sundry debtors and stock with a total of £303,495. Other liquid assets include a cash balance of £12,776 and investments amounting to £37,341. Fixed assets in the form of buildings, plant and machinery stand at £313,715 after making the necessary allowance for depreciation. The reserve fund remains unchanged at £50,000, in addition to which there is a workmen's compensation reserve fund amounting to £19,301. The issued capital consists of 10,000 5% Preference shares of £10 each and 200,000 Ordinary shares of £1 each. At the general meeting it was agreed to increase the authorised total of the Ordinary capital to £300,000. Of the 100,000 Ordinary shares thus created, 50,000 are to be offered to existing shareholders in proportion to their holdings at a premium of 5*s.* per share. The £62,500 of new money thus acquired is necessary to enable the Company to deal with its expanding business, and in addition to anticipate further developments. That the future prospects of the industry are very promising will be readily admitted by anyone who can visualise the gigantic nature of the task involved in the rehabilitation of the industries and transport facilities of the War zone. Already the firm report a full order book despite the high costs of manufacture, and as soon as the general exchange situation is cleared up there should be a still further expansion in the turnover. In the market the Ordinary shares of the firm are quoted above 34*s.*, so that there is every reason to believe that the new issue of 50,000 shares at 25*s.* will be promptly absorbed.

The Swiss Trade Exhibition will be opened at Basle on the 15th of next month, and will remain open until the 29th. The object is to promote the sale of Swiss products on the home market and to encourage export. [illegible] that this an excellent opportunity for becoming acquainted with goods [illegible] Swiss goods. [illegible] Swiss Legation, 32 Queen Anne Street, London, W. 1.

MEETINGS
OF PUBLIC COMPANIES.

ENGLISH, SCOTTISH AND AUSTRALIAN BANK, LTD.

Increase of Capital Sanctioned.

An extraordinary general meeting of this Bank was held at 5 Gracechurch Street, E.C., on March 24, for the purpose of increasing the capital of the Bank from £1,078,875 to £3,000,000. Mr. C. J. Hegan (the Chairman) presided.

The Chairman said: I took occasion, at our annual meeting in 1918, when we first declared a dividend at the rate of 10%, to give you a few figures showing the progress the Bank had made since the year 1894, when its first balance sheet was issued. If I refer to those figures again, it is because they constitute the best possible argument in favour of the resolution which is before us to-day.

When the constitution of the Bank was settled in 1893 the authorised capital was limited to the then requirements of the business, no one at that time foreseeing, I think I am safe in saying, the remarkable expansion which has since taken place. Taking the 1894 balance sheet as the basis for comparison, as I did on the occasion referred to, but bringing the figures up to date, I will merely point out that, starting without any reserve in our balance sheet at all, we have gradually built up one which now amounts to £585,000. We have, at the same time, cancelled indebtedness to the extent of £1,539,000. Our premises, although considerably increased in value by the erection of important buildings in Sydney, Brisbane, and elsewhere, had been already written down by £222,000 when I made that statement in 1918, while the item, "Advances and other assets," which in our 1894 balance sheet stood at £4,025,000, now totals £9,158,000.

In fact, I do not hesitate to say that the business to-day is in a more liquid state than at any time in the past history of the Bank.

It would have been impossible to cope with this accession of business but for the steady increase in the amount of money entrusted to us by the public, the total of our deposits and current accounts having increased from £950,000 in 1894 to over £10,000,000 in 1919.

In framing our procedure we have been actuated throughout by the wish to make the issue attractive to our shareholders. We are asking for the very moderate premium of £4 per share, which leaves a substantial margin of profit when compared with the price at which the shares stand in the market. Then we make the payment of the calls as easy as possible by spreading them in fairly equal proportions over the ensuing nine months. We ask you to make a first payment of £1 per share on May 1—an extension of time being given to those of our shareholders who are resident in Australia. On July 1 a payment will fall due of £5 10s., £4 of which will be the premium; and two further payments of £5 each will be due on October 1 and January 1, 1921. We further make the new shares rank for dividend from July 1 next, although the shares will not be fully paid for on that date, the effect of this being to make a present of three months' and six months' interest respectively on the calls due October 1 and January 1, 1921. I think you will admit, gentlemen, from this that, while taking this step with the sole object of improving the position of the Bank as a whole, we have at the same time been not unmindful of the interests of our shareholders individually.

Assuming, then, that the resolution on which we have to vote to-day is carried—of which I think there can be no doubt whatever, as we have received proxies in favour of it from 392 shareholders, representing 24,113 shares, and no proxy whatever against it—an allotment letter will be posted before the end of the week to every shareholder on the register at the close of business to-day, setting forth the number of new shares to which he is entitled, accompanied by forms of acceptance and renunciation, with full directions for their use.

It only remains to add that in deciding to issue one new share for every two of the existing shares, omitting fractions, we adopted what is admitted to be the simplest and least troublesome form of procedure. The result will be to leave some 450 surplus shares in the hands of the board, which will be disposed of by them to the best advantage in the interests of the Bank—£12 10s. per share, the face value, being credited to capital; while the balance of the net proceeds will be treated as premium and credited to the reserve fund.

I will now move: "That the directors be and they are hereby authorised to increase the capital of the Company from time to time to an amount not exceeding £3,000,000 by the issue of new shares ranking *pari passu* with the existing shares."

The Right Hon. Viscount Knutsford seconded the resolution, which was carried unanimously.

The proceedings then terminated.

EASTERN BANK, LIMITED.

The tenth annual general meeting of this Bank was held on March 25 at the Cannon Street Hotel, E.C., the Right Hon. Lord Balfour of Burleigh, K.T. (the Chairman), presiding.

The Chairman, in moving the adoption of the report and accounts, said: The past year, from an exchange banker's point of view, has been a very eventful one. Silver, which on December 31, 1918, stood at 48 7/16*d.* per standard ounce, a year later had risen to 76*d.* Gold, nominally £3 17*s.* 9*d.* per standard ounce, rose to just over £5, while the rupee, in which we are so greatly interested, rose in the same period from 1*s.* 6*d.* to 2*s.* 4*d.* This is reflected in the figures of our balance sheet, which, of course, are based upon the rate current on December 31, though, after taking this fact into due consideration, a large and satisfactory increase is shown on all counts. The capital of the Bank was increased in November last by £500,000, and now stands at £2,000,000, of which £800,000 is called up. The new shares were issued at a premium of 30*s.* per share, and were readily taken up by the existing shareholders, though, owing to the final call being made payable at the end of the year, it was hardly to be anticipated that the full payments would be received on that date. This accounts for the broken amount at which the capital and reserve fund stand in the balance sheet, but this will be rectified, no doubt, quite shortly. The net profit for the year, including the amount brought forward, and after providing for contingencies and excess profits tax, amounts to £122,451. Out of this has been paid £22,500, the interim dividend of 3*s.* per share paid in October last, and there is £99,951 now to be disposed of. We propose to pay a final dividend at the rate of 4*s.* per share, less income tax at the rate of 6*s.* in the £, making 8¾% for the whole year, which will absorb £30,000; to place a sum of £40,000 to the reserve fund, which, when the premium on the new shares is fully credited, will then stand at £225,000; and to carry forward the balance of £29,951 (£10,000 more than last year) to the next account.

Satisfactory Progress.

Current and deposit account balances stand at £12,520,390, more than double the figure of last year. Bills payable, £1,325,080. This account stands at a figure almost three times larger than that of last year. The amount of £288,768, relating to acceptances on account of customers, shows an increase of nearly £200,000 over the previous year. Loans payable against bills and securities stand at £1,206,000—a considerable increase over 1918. Sundry accounts, including exchange adjustments on both sides of the balance sheet, represent the entries necessary to adjust the Bank's figures at the end of each year. Cash in hand, at call and at bankers, stands at £5,330,337—a rather larger proportion to our current account balances than is customary, but the variation adds strength to our position. British Government and other securities show a large increase, due, as I explained last year, to branch holdings of short-dated securities of the Indian Government. Bills receivable, loans receivable, and advances also stand at largely increased figures over the previous year. I need not repeat that our advances have the most careful and continuous supervision of the board, and it is our constant endeavour to ensure that the assets of the Bank be kept as liquid as possible. The net profits for the year are £102,645, against £68,887. This is after providing a large sum for income tax and excess profits duty. Charges in the year under review were naturally higher, salaries accounting for the greater proportion of the increase. The enhanced rate of exchange has also a very considerable effect on this item. Since the date of our last report we have opened branches of the Bank at Mosul, Basra City, and Colombo. This may be taken as an indication of our intention to enlarge the sphere of our operations, and we hope, in due course, to extend still further afield.

The resolution was carried unanimously.

At an extraordinary general meeting, which was afterwards held, it was resolved: "That the capital of the Company represented by the creation in September 1919 of 50,000 new shares of £10 each shall not to the extent of £5 in respect of each of such shares be capable of being called up except in the event of and for the purpose of the Company being wound up."

EXCESS INSURANCE COMPANY, LIMITED.

Mr. Cuthbert Heath on New Insurance Schemes.

THE twenty-seventh ordinary general meeting of this Company was held at 3 and 4 Royal Exchange Buildings on March 23, Mr. Cuthbert E. Heath, Chairman of the Company, presiding.

The Secretary (Mr. F. E. Johnson) read the notice convening the meeting and the auditors' report.

The Chairman, in moving the adoption of the report and statement of accounts, said : Gentlemen, The accounts before you need very little explanation. I think the shareholders have now been educated into the dissection of these accounts for themselves, and will, therefore, understand the bearing of them. In the ordinary way we should have taken from the underwriting amount of 1918 a certain proportion of the balance carried forward to the third year. On the present occasion, however, we have thought it better, in view of the large amount of war taxes paid and the very satisfactory results of 1917, not to touch any of the 1918 balance carried forward. As was foreshadowed at our last general meeting, premiums have fallen very considerably—by a third. I do not look for any very large further reduction of these premiums, because, although the rates are falling very considerably, especially in the marine branch—and as a consequence we shall decline business which we think to be unprofitable—still, we shall make up any loss from this cause by premiums derived from other directions.

You will notice it is stated in the report that the dividend represents under 3% on the accumulated capital of the Company. By accumulated capital is understood the capital *plus* the reserves put together out of the profits of former years. If we were to take the reserve carried forward for 1918 the dividend would be an infinitesimal proportion of the capital, but we prefer not to call our unfinished year's funds capital. We have had dinned into us by every authority the necessity for economy and of putting by money. I think that the fact that we are only dividing less than 3% on our capital shows that we are carrying out our duty in that direction.

Insurance and Industrial Disputes.

During the past year some new forms of insurance have cropped up, and we have been amongst the first to satisfy the demand for them. When last I had the pleasure of addressing you I mentioned that insurance might become a factor in industrial disputes. It so happens that during the last year we have joined in schemes, not in this country, but abroad, for helping in this direction. The special insurances in this connection in which we have participated have been those in relation to industrial disputes, but we have entered on them only on conditions which we have thought fair to both parties in the dispute. In these special instances we have refused to undertake insurances against disputes unless it was quite clear that the loss was only to be paid if the dispute was of such a nature as would, in the opinion of impartial people, not be due to faults on either side. In other words, the unfair employer would not recover his damages, and, on the other hand, we strengthen the hands of the fair employer against unfair demands from the employed. I think on those lines this branch of insurance, which I may say was in existence in some countries before the War, especially in Germany, may develop into a system which will go far to diminish the risk of industrial disputes.

Future of Credit Insurance.

Then there is credit insurance, which we think has got a great future before it if it is properly worked in connection, not with speculation, but with the *bona-fide* trade of the country. As you know, we are intimately connected with the Trade Indemnity Company, Limited, an offshoot of the British Trade Corporation. Since January 1 I have become Chairman of the Trade Indemnity Company, and I have been induced to accept the post by my feeling that great developments in the direction of credit insurance are on the way. Inasmuch as the Excess Insurance Company is a partner of the Trade Indemnity Company in their business, it will not be outside our business if I explain the system which we are adopting. It is to enlist the co-operation of the best foreign insurance companies and other institutions fitted for the scheme. We have already made alliances in several countries with first-class companies who, as regards the credit on bills drawn on their compatriots, will not only advise us as to the security afforded by these bills, but will themselves share in the risk with us. On these lines we believe we shall build up a perfectly sound business, and at the same time help British trade to a very large degree. I will ask Mr. Arthur Burns to second the adoption of the report and accounts.

Mr. Arthur Burns seconded the resolution, which was carried unanimously.

On the motion of the Chairman, seconded by Mr. George Heath, a final dividend of 5*s.* per share for the year 1919 was declared.

Mr. H. S. Spain proposed the re-election of the retiring auditors (Messrs. Turquand, Youngs and Company) at a fee of 400 guineas.

Mr. T. K. C. Monk seconded the resolution, which was unanimously carried.

On the motion of Mr. H. S. Spain, seconded by Mr. Nichols, a vote of thanks to the Chairman and directors for their services during the past year was unanimously accorded.

The Chairman, in responding to the compliment, said he would like to mention that Mr. Tylor deserved the greatest possible credit for his management of the underwriting during the past year, and, indeed, since he first undertook the duties of underwriter. He was sure that the shareholders would heartily agree with him.

The proceedings then terminated.

BENGAL DOOARS RAILWAY COMPANY, LIMITED.

THE thirtieth ordinary general meeting was held at the offices of the Company, Gresham House, Old Broad Street, E.C., on March 25, Mr. Robert Miller presiding.

The Chairman, in moving the adoption of the report and accounts, said : I am pleased to be able to inform you that the business of the Company during the year under review has, notwithstanding the increased cost of working and maintenance which we in common with all other railways have had to contend, proved in our opinion to be satisfactory. In my remarks at the last annual general meeting I referred to the increases in salaries and wages, the abnormal prices of materials necessary for renewals, &c., which we should have to face in the future, but stated that notwithstanding this we hoped our standard of earnings would be maintained. I think I may say that to date our anticipations have been realised.

It is true that our gross earnings for the year under review, amounting to Rs. 16,62,419, show a decrease of Rs. 77,247 compared with the year 1917-18, but this is more than accounted for by a heavy falling-off in goods traffic during the latter six months of the year, when there was so acute a shortage of shipping and warehouse accommodation in Calcutta that goods, principally tea and jute, which would in the ordinary course have been carried by us during that period, were held back until the congestion became relieved. This relief has, to a large extent, occurred since the close of our financial year, and I am pleased to say that up to February 14, 1920, the approximate gross receipts from all sources show an increase of Rs. 1,04,060 against those of the corresponding period of the previous year. The receipts from coaching traffic were quite satisfactory, being Rs. 4,77,221 compared with Rs. 4,07,628 for the previous year, an increase of Rs. 69,593. The total number of passengers carried was 123,686 more than for 1918-19, accounted for partly by a rush of coolies to work on the tea gardens where there was a scarcity of labour, and partly by the freer movement of the travelling public.

Goods traffic receipts declined by Rs. 1,48,564, being Rs. 11,39,441 against Rs.12,88,005. This reduction may, for the reasons which I have already given you, be considered to be of a deferred nature.

The working expenses increased by Rs. 1,24,132, being Rs. 8,59,620 against Rs. 7,35,488. Increases in expenditure are shown under every head, with the exception of steamboat (ferry) expenses, which are slightly reduced. These increases are no heavier than was anticipated, and I would again ask you to bear in mind that they are all considerably augmented by the higher wages and increased cost of material which we have been obliged to bear, and which apply equally to all departments.

I am glad to say that, under the able and tactful control of our manager in India, Mr. Polwhele, our native employees appear to be satisfied and have worked quietly and without evident unrest.

During the year we have experienced very little trouble from floods, and there have been no incidents nor expenditure of an extraordinary nature for me to report upon.

Net Revenue Account.

The net earnings from the railways show a decrease of Rs. 2,01,379, being Rs. 8,02,799 as compared with Rs. 10,04,178. After deduction of Indian income tax, Rs. 50,175, the balance available is Rs. 7,52,624, equal in sterling at 1*s.* 4*d.* per Rupee to £50,174. This has been materially swollen by the profit made on exchange, £6,492, and by interest earned, £1,348, and with the amount of £28,860 brought in from the previous year gives an aggregate of £86,875 to be dealt with. From this we have paid and made provision for the year's dividend on the Preference stock, £14,400, provided for payment of English income tax and Indian super-tax, £1,810, charged interest on reserve account, £6,042, and paid in interim dividend of 3½% on the Ordinary stock, £14,000, leaving £50,623. The transfer of £4,000 to reserve account reduces this to £46,623, and we are pleased to recommend the payment of a final dividend on the Ordinary stock of 3½% and a bonus of 2%, making with the interim dividend of 3½% paid on August 1 last, a total of 9% for the year, and leaving a balance of £24,623 to be carried forward subject to any claim for excess profits duty. I hope you will share our view that the results for the year under consideration are far from being unsatisfactory.

With regard to the future I can, I think, only reiterate my remarks at the last meeting, that we hope our standard of earnings will be maintained, but we are living in artificial and difficult times, and I hesitate, under the present conditions, to attempt to forecast events. I cannot, however, say that I am anything else but hopeful.

Sir A. Kay Muir, Bart., seconded the resolution, which was carried unanimously.

The Chairman next moved: "That a dividend of 3½%, and a bonus of 2% on the Ordinary stock of the Company for the six months ended September 30, 1919, free of Indian, but subject to English income tax, making with the interim dividend of 3½% for the six months ended March 31, 1919, a distribution of 9% for the year, be and they are hereby declared to be paid to the holders of Ordinary stock standing on the registers of the Company on March 9, 1920, and that warrants for the dividend be issued on March 25, 1920."

Mr. J. D. Tannahill seconded the motion, which was agreed to.

The other formal business was transacted, and the usual votes of thanks concluded the proceedings.

BRITISH ITALIAN CORPORATION, LIMITED.

ECONOMIC CONDITIONS IN ITALY.—NEED FOR INTERNATIONAL CREDITS.

The fourth ordinary general meeting of the British Italian Corporation, Limited, was held on March 24 at the offices of the Corporation, 12 Nicholas Lane, E.C., Mr. J. W. Beaumont Pease (Chairman of the Company) presiding.

The Secretary (Mr. C. A. Radice) having read the notice convening the meeting.

The Chairman said: Gentlemen.—Before dealing with business, I wish to commemorate our colleague and friend, Mr. Arthur Hill, whom we had the sorrow of losing in the course of last year. He had been a director of this Company since its foundation. He was a man of remarkable business knowledge and a charming personality. His experience and advice were very valuable to us, and we miss him greatly. You will certainly associate yourselves in our regret, and allow me to convey the expression thereof to his relatives. (Hear hear.)

I suppose you will agree, as usual, to dispense with the reading of the report and balance sheet, which were distributed in advance. The figures submitted to you testify to a considerable expansion of our business during the past year. One item will particularly attract your attention, and that is the figure of £2.783.092 16*s.* 1*d.* in respect of guarantees, and I suppose you would like a word from me on this point.

These are guarantees given to His Majesty's Ministry of Shipping in respect of instalments spread over several years, of 60% and, in some cases, 50% of the price of tonnage sold to Italian shipowners. These guarantees do not involve advances of money on our part.

Credits for Italian Trade.

In other cases we have extended to Italian shipowners facilities by way of actual advances, or acceptance credits, for the purchase of tonnage, and we have also arranged some important credits, in connection with supplies to Italy, of raw materials used for the production of exportable manufactures. It is especially in these transactions that we have found the usefulness of our particular constitution. Most of our shareholding banks have lent us their assistance with a readiness which we are pleased to acknowledge with thanks.

These credits extend over a longer period of time than is usually practised, but this is justified by their particular nature. They are, in fact, practically self-liquidating; in the case of ships, the outstanding balance of the purchase price is paid off by the freights earned in sterling; in the case of raw materials of the above-mentioned description, their cost is covered by the export of manufactures. As a matter of fact, the proceeds of such export, which represent only a portion of the production, pay also for the raw material corresponding to the internal consumption. Apart from this feature, we hold adequate guarantees in all cases, including the guarantees mentioned in the first place.

We consider that for purposes of this kind we are justified in lending our assistance over longer periods than we would think advisable for commodities solely destined for internal consumption. In this case the granting of long credits amounts merely to the postponement and piling up of indebtedness abroad, in the expectation of a more favourable exchange, introducing thus an unwelcome speculative factor in commercial calculations. In the former cases the purpose of the credits is exactly to avoid an unnecessary speculation on the exchange by bridging over the period within which the exchange is provided for automatically, as I have just described. We think we are right in adhering to this distinction, in the well understood interests of ourselves and of our customers.

Development of Business.

As to our current business it has been steadily and satisfactorily developing. In order to stimulate trade and initiative between the British Empire and Italy, which is our main purpose, we have found it necessary to place ourselves, as well as our Italian auxiliary, in the position of acting as agents both in the mercantile and maritime line. For this purpose we have established special departments, and our Italian auxiliary has opened an office in Genoa, taking over the business of an old-established firm of British merchant bankers, which was formerly conducted under the style of Messrs. Granet, Brown and Company, and in late years of Messrs. Kirby and Le Mesurier. We think this departure will prove profitable to ourselves, and be of assistance to the trade between the two nations. If experience confirms this assumption, wider developments may follow.

We have undertaken on behalf of the Ministry of Munitions the disposal of the Government surplus property existing in Italy. We took the matter in hand from June 1 of last year, and by the end of this month all property entrusted to us for sale shall have been disposed of. The arrangements made for this purpose and on our behalf by our Italian auxiliary have proved most satisfactory, and it is thanks to same that we have been enabled speedily to carry the transaction through to a good result. No credit is taken in the account for 1918 for any profits arising out of this transaction.

Italy's Industrial Future.

In spite of the difficulty of the present time, which a freer supply of coal and raw materials would greatly alleviate, the industrial prospects of Italy for the future are indeed bright. We have always thought that the industrial development of Italy should be viewed with favour in this country, as a welcome integrating factor of our home production, on account of Italy's geographical position, and her peculiar adaptability. We wish this idea could be more widely recognised here, and that British manufacturers would seize the opportunity offered by the exaggerated depreciation of the Italian exchange, of taking a direct interest in kindred industries in Italy. This is a development which, sooner or later, must commend itself to them, just as it commended itself, in previous times, to others. It is unlikely, however, that as favourable exchange conditions as now will prevail in the future. By that time, furthermore, the harnessing of water-power in Italy may probably have attained that great development to which it is susceptible, freeing Italian industry from its present handicap of imported coal, and placing it in a more competitive position than it is now. Whether our hint is taken up or not, Italy is bound to become an increasingly important market for raw materials produced in the British Empire, and must not be allowed to be lost to it simply on account of the difficulties which exchange and transport at present place in the way of a free supply. Help in time of stress does much to strengthen commercial bonds, and I would recommend that the British Colonial trade should now take into sympathetic consideration, and meet with all possible facilities, the needs of the Italian market. Our organisation here and in Italy should prove helpful to this end, through the facilities which it can extend both on the commercial and on the financial side.

The Russian Factor.

The possibility of a diversion of sources of supply by an early opening up of the vast resources of Russia should not be lost sight of. The shorter distance, the great need of Russia for manufactures and services, as well as the breakdown of her exchange, make her a very serious competitor for the near future. The Italians are enterprising enough to fetch from there what they find it difficult to obtain elsewhere. We hope this second hint of ours will not pass unheeded.

From all the information at their disposal, the directors derive the conviction that the social and economic position of Italy is substantially sound, and that, provided a sufficient inflow of coal and raw material is secured to keep industries going, and avoid unemployment, no untoward event need be feared. Everything points to the belief that the country is rapidly recovering, and has the best possibilities of greater prosperity than ever before. The great mass of the population seems to be governed by the right spirit, and no exaggerated importance should be attributed to the sporadic political and social unrest, which periodically appears here and there. The causes of it are more or less the same as everywhere else, but for the difference in temperament of our friends, which is apt to make them particularly sensitive to the disappointments which they have sustained in some of their dearest aspirations. But they are a strong and sensible people, and a visitor to Italy returns with the lively impression that the Italian people are determined to see their country through her present straits.

Foreign Exchange Problems.

Next to the badly wanted supplies of coal and raw material, the ever-aggravating depreciation of the exchange is the matter of greatest concern to our friends. The theory has now at last prevailed, in Italy as everywhere else, that no artificial means can be devised for an effective checking of this calamity. Only sufficiently large and long loans abroad can bring relief, but these are, on the other hand, an unwelcome hypothecation of the future. Anyhow, it is plain that such loans cannot be forthcoming until the credit of would-be borrowing nations is restored, and unless the investing public in would-be lending countries show more readiness or preparation to invest in foreign securities than they do at present. It is recognised that the remedy lies, for every country, in its own hands, and that is: (1) The restoration of finance by taxation and consolidation of float-

ing debt; (2) the gradual reduction of the excess of fiduciary circulation; (3) the reduction of internal consumption of foodstuffs as well as other necessities; (4) the increase of home production, agricultural and industrial, to its maximum potentiality; and (5) the limitation of imports as much as possible to raw materials, and the consequent expansion of exportable industrial production.

The Consolidated Loans.

The present Italian Premier, Signor Nitti, a recognised authority on modern economics and finance, has outlined this policy in his remarkable speeches of the last six months. It forms the basis of the Memorandum recently issued by the Supreme Council. The Italian Government, under the able and energetic leadership of Signor Nitti, is taking the right course on these lines. The internal Consolidated Loan, now under issue, has already yielded nearly 20,000,000,000 lire. This is a most remarkable performance, by which the Italian people prove their self-confidence, and it once more justifies the unshakable confidence which the true friends of Italy have always reposed in her. It will permit Signor Nitti's Government to proceed most effectively with their programme, which is, as Signor Nitti told us, to apply the greater part of the proceeds of the loan towards the consolidation of the floating debt, and towards the reduction of paper circulation to the fullest advisable extent. Enough should remain fully to liquidate the last outstandings due to the War. On the other hand, the new taxation scheme appears to be well thought out, and should enable the Minister of Finance, Signor Schanzer, to raise a considerable revenue, which, coupled with the drastic reduction of civil and military expenditure outlined by Signor Luzzatti, whose return to the Treasury can only be welcomed, is likely finally to place the Italian Budget on a satisfactory basis.

Financial and Trade Position.

The expansion of revenue is another interesting feature. Quoting from an article by the former Minister of Finance, Signor Meda, published on February 27 in the *Financial News*, the taxation figures, in millions of lire, were for the years 1914 to 1919 the following :—

1914-15	1,393
1915-16	1,877
1916-17	3,227
1917-18	4,152
1918-19	5,243

The increase has continued during the year 1919-20, the figures for the first half-year (July-December 1919) being 3,114. The full year's revenue is not less than 6,500 million lire.

During the last twelve months the exports from Italy have recorded a steady and remarkable improvement. The following figures, published by the Supreme Economic Council, illustrate the post-War progress of the exports from Italy in thousands of £st., calculated at par exchange :—

Monthly average over the full year ...	1913	8,372
Monthly average over 11 months ...	1919	16,063
Month of September	1919	22,224
Month of October	1919	25,456
Month of November	1919	23,766

Taking the monthly average for 1913 (8,372,000 £st.) as 100, the average of the above last three figures (£23,815) compares with it as 284, while the average index numbers for Italy for the same period stand at 396 as compared to 100 in 1913. This suggests that the exports of Italy in quantities are only 26% short of her pre-War exports, while the same terms of comparison applied to France and the United Kingdom work out to a diminution of export of, respectively, about 66% and 30%.

These are good omens for the view we take that the Italian exchange will not be the last one to restore itself. (Hear, hear.) The resumption of the stream of visitors to this land of delight, and the renewed incidence of the other factors creating balances abroad—as, for instance, the emigration of labour, and now, we hope, also of enterprise—will be further contributory causes to this effect, if only the general position of the world gradually improves. At present, of course, in whatever direction it is considered, it is far from satisfactory. The problems set up by peace do not compare favourably with those of the War. The latter could be met by temporary and impulsive emergency measures, while the solutions to be found now must be permanent and constructive. One single and common aim presided over War measures, while now the widely different conditions in which the War has left the various nations is complicating the task.

Need for Raw Material.

Considering that the dislocation of national and international economy caused by the War is not removed, *ipso facto*, by the ceasing of actual fighting, we cannot reconcile ourselves to the theory, established since the Armistice, that any measures adopted during the War were to be suddenly discontinued as inefficacious and calamitous, though the reasons which dictated them were still operative. Among these measures was the interstate financial assistance, to which, in our opinion, recourse should have been taken for one more purpose, and that is, the replenishment, for a congruous period of time, say one year, of the stocks of raw materials necessary to all industrial countries, in order that they could resume the cycle of their production. It was impossible to presume that, under the prevailing dislocation of exchange, such initial restocking could be financed on a sufficiently wide basis through the ordinary channels of credit, which could only set in again when once the wheel of international trade was turning. The principal obstacle to the return of settled conditions, everywhere, and the resumption of international trade, was, and still is, industrial unemployment through lack of raw materials, and the recommendation to increase production is idle talk as long as supplies of raw materials are not provided.

We have seen, with regret, this theory confirmed by the Supreme Council in their Memorandum, and we wonder what good can be brought by the International Conference on finance and exchange, which will apparently be held in April or May, if this factor of mutual assistance is to be ruled out of its deliberations. In any case, the practical effectiveness of such a Conference will depend on the composition of the delegations.

Evil Effects of Control.

Let us hope that the principle of friendly and sympathetic co-operation, expressed by the Supreme Council in their recent Memorandum, will not remain a phrase, and will be acted upon loyally by all concerned. Relative prosperity and happiness must be apportioned as equally as sacrifice, and a great deal more than good advice is required to quench bitterness and unrest. The resumption of normal conditions of life must be brought about everywhere in a reasonable measure. Means must be found to break the many vicious circles under which the world is labouring. Scientific solutions are sought for, where probably the instinct of the trader would find the right course. Regulation and restriction, always palliative and in the last resort destructive, are opposed to the straightening and constructive functions of freedom. The latter may temporarily appear to work against certain aims, as, for instance, in the case of exchanges, but the mentors are apt to forget the ultimate beneficial effect which the making of profits has on general economy. In Italy as elsewhere two currents of opinion, freedom and control, are contending the field with each other. We are glad to have reason for thinking that Signor Nitti will take the lead also in this direction, by embracing the blessed policy of freedom of trade, save perhaps in respect of a restricted number of articles for which the extension of State control for some further time may be regarded as advisable. I am afraid I have allowed my speech to take



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the aspect of a lecture, and I will not enlarge any further on the subject.

Taxation of War Wealth.

In connection with the new Italian taxation scheme, it may be interesting to see how Italy has dealt with some of the problems which are also confronting this country. There is, at the present moment, a Commission sitting here to inquire into the possibility of taxing war wealth, and in some quarters a general levy of capital is advocated, while we have recently seen published a voluminous report on income tax. These questions have been carefully considered by our Ally, and a law was promulgated last year which dealt with them all. I will not venture an opinion as to how far these proposals are practical, and especially how far they would be so in this country, nor can I go into all the arguments as to their respective advantages and disadvantages, but, briefly, the following are the main features, and they cannot fail to be of interest to us: (1) A progressive tax on any increase of wealth directly attributable to the War. The total profits of companies on shares or others as well as of individuals, accrued in the period from August 1, 1914, to December 31, 1919, are to be compared with their ordinary profits as assessable for ordinary taxation. The excess, under deduction of contributions made towards benevolent purposes, shall be considered as an increase of wealth due to the War, and shall be taxed on a sliding scale from 10% to 60%. (2) A progressive tax on total wealth ascertained as per December 31, 1919, and to be levied only on individuals, companies as such being exempted. The ratio of this tax is from 5% to 25%, but in order to avoid compulsory liquidation of property, its payment will be spread over 30 yearly instalments. Foreigners residing in Italy are taxed only on property they possess in Italy; foreigners residing abroad only on real estate possessed in Italy, and on Italian securities wherever held (except Government War Loans, if held abroad, and, I am told, balances in Italian banks). Foreign companies on shares are totally exempted like the Italian ones. (3) The reform of the existing "Tassa di Ricchezza Mobile" by the institution of a new progressive tax on total income. The new tax is divided in: (i) The normal tax on income comprising four schedules: (*a*) income from real estate and movable investments, 18%; (*b*) incomes from trade, industry, and professions, 15%; (*c*) earned incomes, 12%; (*d*) salaries of State officials and employees of provincial, communal, and similar administrations, 9%. (ii) The complementary tax on total incomes (a supertax), on a rising scale from 1% on a total income of 1.500 lire to 25% on a total income of 2,500,000 lire. (4) Increase from 2% to 5% of the tax on interests, bonuses, and dividends paid by joint-stock companies, corporations, municipalities, and provinces on bearer securities. (5) The revision of the succession duties and of a number of minor taxes and excises.

I now propose the following resolution, namely, "That the report and balance sheet just taken as read be received and adopted, and that in accordance with the recommendation of the directors, a dividend for the year ended December 31, 1919, at the rate of 4% per annum, free of income tax, viz., 16*s.* per share of £st.20, be declared, such dividend to be payable from April 1, 1920." Before putting this resolution to the meeting, I shall be glad to answer any questions you may wish to ask.

Mr. Robert Benson's Speech.

Mr. Robert Benson: Mr. Chairman and Gentlemen,—On this occasion, which marks the fruition of the formation of this Corporation, you will, I think, pardon me for a few minutes while I recapitulate the history of the concern. The Corporation was formed with the support of the Foreign Office and the Board of Trade and the whole of the Government to supply the place which Germany had occupied in the 20 to 25 years immediately preceding the war. None of us, I am sure, would undervalue the services rendered to Italy by Germany in developing her industries, and it was a great loss to Italy to be suddenly deprived of that support. We stepped in to fill the place of Germany, and you see the results to-day—results which could not be shown until the War had ended. From the Chairman's remarks you will see that we have made a beginning in reinstating the industries of Italy in two great respects; first, in regard to sea transport; and, secondly, in furnishing raw materials. When you remember that Italy was the one country in Europe which, in the earlier years of the twentieth century up to the War, showed a public debt continually improving in value, so that her 3¾% stock stood finally at par, while our Consols, French Rentes, German Three per Cents., and Austrian and Russian stocks were steadily declining in value, you may feel some confidence in assisting in the reconstruction of Italy's industries. There are three things which, in the first 15 years of this century, created the solvency of Italy. The first was the remittance of balances from the New World, which have been estimated at about 750,000,000 lire; the second was the travelling of the peoples of all other nations to Italy, and the money they spent there; and the third was Italian frugality and industry. There is an Italian proverb which we may quote in London because, at the present time, it is particularly appropriate. It runs: "L'Inglese crepa di fame dove l'Italiano fa fortuna." Translated this means that the Englishman starves in misery in circumstances in which the Italian makes a fortune. I think that will appeal to our shareholders, and contribute to the confidence with which they back the efforts of this Corporation to help to reinstate Italy. I think it will give in miniature the course we have to pursue. If only our miners and other workers could emulate that frugality and that industry, what is called inflation and depreciation of the sterling would cease to exist. Finally, I would like this meeting to congratulate our Italian friends whose names are enumerated in this report on the efforts they have made and the way in which they have contributed to the success and the profits which are shown in the accounts. (Cheers.)

The resolution was carried unanimously.

The formal business was transacted, and the meeting closed with a hearty vote of thanks to the Chairman.

CITY OF LONDON ELECTRIC LIGHTING COMPANY, LIMITED.

The ordinary general meeting of this Company was held on March 24 at Winchester House.

Mr. J. B. Braithwaite, who presided, said he was justified in describing the year under review as the most difficult year that the Company had ever been through. There had been a series of strikes and labour difficulties which had put them to great inconvenience throughout the year. A great deal of the time and energy of the directors and officers had been taken up in connection with the Electricity Bill which had been before Parliament, and which at one time had seemed likely to pass into law in a form which would have been very unjust to all shareholders in electricity supply undertakings working under provisional orders. As to their coal supply, they had had great difficulty in regard to quantity, quality, and price. In all those circumstances he thought they had some reason to congratulate themselves on being able to present to the shareholders such a relatively good statement.

Accounts of the Company.

Dealing with the accounts, the Chairman said that the gross revenue was £521,115, which disclosed an increase of £134,707, but that increase had been very largely absorbed by increased costs. The result was that they carried £179,991 to net revenue account as compared with £138,156, or an increase of £41,835. In many respects it was satisfactory that they should have any balance at all; the fact that they had was almost entirely due to the great activity which had prevailed in the City, and the great increase of business which had come to the Company in the latter months of 1919. The result of that was that they had sold 4,599,693 additional units. Had it not been for that increase in the units sold, which had produced in round figures something like £73,000, the Company would have come out without any increase in profit at all, and possibly with a deficit. Where as much as 60% over pre-War charges had been charged to customers for War expenses, the Company had been able to take off one-third of the extra charge for the last quarter of 1919. They were raising the dividend from 8% to 10%—the pre-War figure—and in addition to that they were restoring two years of the War-rate to the 10% basis, which would take the form of a bonus of 3%, and would still leave two years to be made good on a future occasion if profits admitted. The carry-forward was being raised from about £20,000 to about £23,000. With regard to the depreciation fund, he would like to point out that the total amount provided from revenue and other sources from 1901 to 1918 was no less than £1,161,314. In other words, they had carried on the affairs of the Company for 19 years without making any further capital issue.

Prospects of the Business.

With regard to the Electricity Supply Act, its passing had marked an important era in the development of the supply of electricity throughout the whole country. In the Act as it stood the Electricity Commissioners would have power to approve schemes brought forward by authorised undertakers for giving a supply of electricity on a comprehensive scale. Their own Company was in a position to aid very materially in the provision of a comprehensive supply for the London area, and the directors had already placed orders for large generating units which would enable them to provide for the growth of the Company's own business, and to give bulk supply to the neighbouring undertakers pending the completion of the super-power-house down the river, which it was anticipated would form a feature of any comprehensive scheme put forward. The board had already entered into an agreement with the County of London Electric Supply Company for the supply of a considerable amount of current in bulk, and it was hoped to have that supply available by the end of the year. It was obvious that capital expended on works of this character undertaken in the interests of the general supply of electricity to the London area must receive special protection, and in his opinion the only chance of cheapening the supply of electricity in the London area was by utilising and co-ordinating the resources of the existing companies. Their engineer estimated that it would be possible to put down additional plant at Bankside to increase the capacity up to 100,000 kilowatts; that figure included the present plant and the three large units now on order, and would still leave a margin for a substantial contribution to tide over the inter-

regnum until the new power-house down the river was ready to deliver current. Accordingly, if proper security was given for the capital outlay their Company would be able to save the whole of London from running short of an electricity supply during the next three or four years.

As to the outlook for the present year, their own business continued to show extraordinary expansion, and the demand showed no signs of slackening at present. To carry out the extensive programme outlined above would involve the expenditure of a considerable amount of capital, and resolutions for increasing the capital by £600,000 would be proposed at an extraordinary meeting to be held on April 14.

The report was unanimously adopted.

MIDLAND ELECTRIC CORPORATION FOR POWER DISTRIBUTION, LIMITED.

Increase of Capital Authorised.

Sir J. S. Harmood Banner, M.P., who presided at the annual meeting in Liverpool on Monday, March 22, of the above-named Corporation, pointed out that the net revenue for the year amounted to £89,438, which was an increase over 1918 of £28,171. To the former figure was added the sum of £21,989, brought forward from last year, making a total of £111,427 to be dealt with. After appropriating to various accounts £66,609, there was a balance of £44,818, out of which the directors recommended payment of a dividend upon the Ordinary shares of 10%, which would absorb £15,000, leaving £39,818 to be carried forward, subject to excess profits duty.

Uncertainties as to Working Costs.

The capital expenditure for the year, amounting to £32,814, was chiefly for mains, transformers, &c., necessitated to take on additional customers. The increase of £64,018 in gross receipts was very satisfactory, but, as regarded working expenses, it was quite impossible under existing conditions to say what the cost of generation and distribution will be in the future, owing to the continual awards made against companies like theirs in respect of coal prices and wages.

Dealing with coal first, the Company had been recently asked to pay additional freight charges which would amount to a further charge of £2,500 per annum. It had been indicated in the Press that it was also possible that another demand would be made by the Miners' Federation for higher wages, which was estimated to work out at 3*s.* per ton. Should this demand be acceded to the extra charges to the Company would be about £15,000 per annum.

An increase in wages of 5*s.* per week per employee, plus Mr. Churchill's 12½%, was made in December last, while a further increase of 6*s.* per week, plus the 12½%, had been agreed upon in the engineering trade. In addition, the undertaking had been recently re-assessed at a much higher figure for local rating purposes.

They were not, of course, alone in having these extra heavy charges placed upon them, but it made one almost despair of the future. Everyone was complaining of the high cost of living, but how could the cost come down when charges such as he had mentioned were made on an electrical industry such as theirs, which, in producing power, was a key industry? With these extra charges it was impossible for the board not to make further advances in the price for energy supplied. The increased profits for the year were largely due to the expansion of the Company's business, and to economies effected in working.

The Government Electricity Bill.

With regard to the Government Electricity Bill, he said that as passed it was, he believed, generally regarded as being of advantage to the electrical industry, and the Commissioners appointed were looked upon as being thoroughly representative. The compulsory powers of purchase of generating stations, which most of them thought very unfair, had been dropped, and, it was hoped, would not be reintroduced.

The Chairman concluded by expressing, on behalf of himself and the board, their obligation to Mr. Saies, the Secretary, and Mr. Parkinson, the engineer, for the very heavy additional work they had gladly taken on themselves in the extension of the Company's business and in the promotion of the success of the Company.

The report and accounts were adopted, a dividend was declared as stated, and Mr. D. Sinclair was re-elected a director of the Company.

An extraordinary general meeting of the Company was subsequently held, at which, in order to provide for additional expenditure incurred in extending the Company's business, resolutions were passed increasing the Ordinary share capital by £200,000, and authorising the division of the £5 Ordinary and Preference shares into five shares of £1 each respectively.

Preference shareholders and the additional capital.

Asked if the Preference shareholders would be given an opportunity of subscribing to the increased capital when it was issued, the Chairman said he thought the Preference shareholders ought to be considered in the matter, and he would see that the point was kept before the board.

RANGOON ELECTRIC TRAMWAY AND SUPPLY COMPANY, LIMITED.

The fourteenth ordinary general meeting was held on March 24 at the Chartered Institute of Secretaries, 65A London Wall.

The Chairman, Sir Frederic W. R. Fryer, K.C.S.I., who presided, said, in moving the adoption of the report, that the board were able to present to the shareholders a very favourable statement, and one that was a considerable improvement in many ways upon its predecessors. The profit for the past year was £89,356—an increase of £11,695 on that for the previous year. After providing for the interest on the Debenture issues, the dividend on the Preference capital, and the several allocations enumerated in the report, there remained (including £4,447 brought forward from 1918) the sum of £16,750, from which the directors recommended the payment of a dividend on the Ordinary share capital of 7% (free of income tax), which would absorb £12,390, leaving £4,360 to be carried forward. To meet whatever their liability might be for British income tax and excess profits duty, £14,119 had been set aside. The increases in the tramway service were most gratifying. The cars travelled 1,715,406 miles, against 1,494,544 during 1918, and conveyed 2,401,690 more passengers than they did in 1918, the result being an increase in the gross receipts of Rs. 135,866 over those for the previous year. This was the last occasion upon which the pleasant duty of presiding at the annual meeting of that undertaking would devolve upon him. The resolutions that the shareholders had recently passed would, no doubt, be confirmed at the confirmatory meeting which would be held after that meeting was concluded. Speaking for his colleagues and himself, he expressed their sincere regret in taking leave of the shareholders, who had reposed so much confidence in them. They would resign the trust that the shareholders had reposed in them for so long into the hands of gentlemen who, being on the spot and intimately connected with Rangoon, were well fitted to carry on the work that the English board had hitherto conducted. On and after April 1 next the Company would be represented in London by Messrs. R. Lawrence Spicer and Co., as London agents, and Messrs. Allen Charlsworth and Co., chartered accountants.

The payment of dividends to all shareholders on the London register and the transfer of shares and Debenture stock would be attended to by the London agents. All communications should be addressed as heretofore to the Company, at Nos. 3 and 4 Great Winchester Street, London, E.C.

The resolution was unanimously adopted, and at a subsequent extraordinary general meeting resolutions relating to the transfer of the control of the Company to Rangoon were unanimously confirmed.

BRITISH INSULATED AND HELSBY CABLES, LTD.

In the absence through indisposition of the Chairman, Mr. James Taylor, the Vice-Chairman, Sir J. S. Harmood Banner, M.P., presided at the twenty-fourth ordinary general meeting of the shareholders of this Company, held on March 22 at the Exchange Station Hotel, Liverpool.

In moving the adoption of the report and balance sheet the Chairman said the profit for the year amounted to £328,688, as compared with £288,280 for the previous year, being an increase of £40,408. With the exception of 1917 this was the highest profit earned in any year in the history of the Company. During the year all work for the Ministry of Munitions was brought to a close, and a complete change over to the Company's ordinary business in wires and cables took place, and so great had been the demand for these that they had been subjected throughout the year to a constant pressure to deliver more than they could manufacture, and that pressure still continued. The same applied to the accessory products, which now formed a very important part

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of the Company's business. Having referred to these, the Chairman proceeded to call attention to the profit and loss account. Adding the balance brought forward from 1918 to the profit for the past year, there was a sum of £427,980 available, out of which there had been paid £7,165 directors' and trustees' fees, and after placing £50,000 to depreciation on buildings, plant and machinery account, £50,000 to reserve account, £5,000 to Debenture stock redemption account, and after paying Debenture interest, Preference dividend, and interim dividend on Ordinary shares amounting to £100,000, there remained available for distribution a balance of £215,815. From this sum the directors recommended the payment of a further dividend of 8¾%, making with the interim dividend already paid a distribution on the Ordinary shares of 12½% for the year, and in addition a bonus of 2½%, which latter, however, was not to be taken as a precedent, leaving, after making provision for estimated liability for excess profits duty, a balance to carry forward of £103,315. Referring to the investments of the Company, the Chairman said that the Midland Electric Corporation for Power Distribution, Limited, in which they were largely interested, continued its satisfactory progress, having this year declared a dividend of 10% on the Ordinary shares, as against 6% for the previous year. The position of the Electric Supply Company of Victoria, Limited, remained very much as previously described, and it had again paid a dividend on its Preference shares. With regard to the Automatic Telephone Manufacturing Company, Limited, he regretted to say that this Company, in which the British Insulated were shareholders, failed to pay a dividend on its Ordinary shares in the past year. The principal immediate cause of this was the fact that the Government did not place any orders for automatic telephone exchanges during the year, and that an award of increased wages was made retrospective, thereby causing a loss of profit on materials sold and delivered during several months of the year; but, apart from these circumstances, this Company had been very adversely affected by the War, which came at a time when in the ordinary course of events it should have been reaping the fruits of its pioneer work.

Future of the Industry.

The shareholders might have seen in *The Times* last week an announcement to the effect that the Government were going to spend a large sum of money on the telephones of the country, and that they were to have a splendid system in existence; but it was just as well for those who used the telephone to remember that it was going to be the old-fashioned system, and not the automatic system adopted in America almost entirely and elsewhere, and in his opinion the Government would very shortly have to pull out what they were spending and come back to them for automatics. Referring to the other side of the balance sheet, the Chairman said it would be observed that £50,000 had been added to the reserve for this year, bringing the total amount standing to the reserve account to £200,000. Sundry creditors amounted to £1,025,594, being an increase of £210,722; this seemed a large sum, but it was accounted for by the increased cost of materials and by a largely increased turnover. Referring to the staff, the Chairman said the honest endeavour of the Company to provide the Ministry of Munitions during the War with exactly what they required in the largest quantity of the best quality and in the shortest time had its marked effect on the works themselves; industries new to the British Insulated were established, old shops were put to new uses, additional shops were erected, and special machinery was constructed and installed. When, practically at a moment's notice, orders for war material ceased to come in, a new and serious problem had to be faced, and it was due to the skill and foresight of the staff that orders for the manufacture of the standard goods of the firm had been secured and that they got so rapidly into their old swing. The changes which had been made during the War and the immediate patriotic duty to ensure the largest possible output of commodities made it necessary to rearrange the works and to add important buildings and machinery, and the very satisfactory result of the year's working was largely due to the devotion of the staff under new and trying conditions.

Sir Alexander Roger seconded the adoption of the report and balance sheet, and the motion was carried unanimously.

On the proposition of the Chairman, seconded by a shareholder, a further dividend was declared on the Ordinary shares of 8¾%, making, with the interim dividend already paid, a total of 12½%, and in addition a bonus of 2½%, for the past year.

Mr. James Taylor and Mr. G. Crosland Taylor, the retiring directors, were re-elected on the proposition of the Chairman, seconded by the Hon. Sir Arthur Stanley, and on the motion of Mr. G. Cochrane, seconded by Mr. J. Dudgeon, Messrs. Chalmers, Wade and Company were reappointed auditors, a vote of thanks to the Chairman and directors concluding the meeting.

Creation of New Capital sanctioned.

An extraordinary general meeting followed, when, on the proposition of the Chairman, seconded by Sir Alexander Roger, a resolution was passed increasing the capital of the Company from £1,500,000 to £2,000,000 by the creation of 500,000 new shares of £1 each, to be issued at such time and upon such terms as the directors might determine.

Referring to the creation of new capital, the Chairman said that in the future they might have to find enormous funds for stores, there might be big rises in price of material, wages were up, and they did not want to be caught so that when they found a favourable opportunity for the issue of capital they would not have the means at their disposal. He pointed out that there was not the slightest intention of an immediate issue, but they wanted to be ready when the time came, because they were quite certain that it was much better for the money to be in the hands of the shareholders than in the hands of their bankers.

The proceedings then closed.

SOUTH AFRICAN GOLD TRUST, LIMITED.

The ordinary general meeting of this Company was held at the Cannon Street Hotel, E.C. Lord Harris (Chairman of the Company), who presided, said, in moving the adoption of the report and accounts: Taking the revenue and expenditure account first, the directors' fees and commission amount to £5,000, as compared with £4,798 odd last year. Office management and expenses are £5,976 odd, as compared with £5,738 odd. The profits realised by sales of investments, &c., less commission and amounts written off, are £118,381 odd, as compared with £106,325 odd, showing an improvement of £12,056. There has been a considerable falling-off in receipts from dividends, due to the absence of dividends from Robinson Deep, Simmer Deep Second Debentures, Falcon, Goldfields American and Goldfields Rhodesian, we having sold our shares in the last-named company; while there was an increased dividend from Government Areas, there were decreases of dividend from American Trona and Gold Mines Investment. Profits from underwriting and commission have been useful, some £1,400 odd as against nothing last year, and from profits, less losses, on sale of investments, some £32,000 odd. That gives us a balance to carry down of £107,538 odd, as compared with £95,740 odd, and adding to that the balance from December 31, 1918, after paying the dividend of 2*s.* and a transfer to reserve of £20,000, namely, £62,727, we get £170,266 odd, as compared with £163,752 odd last year; from which have to be deducted the Preference dividend, costing £30,000, an interim dividend of 1*s.* per share, costing £25,000, and French Government duty and stamps, £970, leaving us to carry to the balance sheet £114,296 odd, as compared with £132,727 odd. You must remember that last year we put £20,000 to reserve out of that £132,727.

The capital is unaltered, and the reserve now amounts to £130,000, as compared with the previous year £110,000. It may be convenient to explain what we propose to do with that reserve. We propose, if you approve the scheme which will be dealt with at the extraordinary meeting, to retain assets to the amount of £90,000, representing that amount of the undistributed profits standing to the credit of profit and loss account and reserve at the date of sale to the new Company. This is retained as a security for the Preference shareholders. If the new Company is able to build up a reserve of its own this £90,000 might be by degrees reduced. The balance of the accumulated profits, which will amount to approximately £120,000, will be utilised to write down some of the holdings which, although entered at cost, are nevertheless above the market price. Sundry creditors are £10,256 odd, as compared with £14,824 odd. Preference dividend due is £11,061 odd. Proprietors' uncleared warrants and coupons amounted to £3,581 odd, as compared with £4,370 odd last year. The investments at cost or under amounted to £1,035,178 odd, as compared with £1,053,852 odd, the difference being due to sales over purchases. Advances and loans are £30,700 odd, as against £21,308 odd. Sundry debtors are £39,012 odd, as compared with £21,193 odd. Treasury bills are £99,824 odd, as compared with £129,551 odd. Cash at bankers and in hand is £64,480 odd, as compared with £45,871 odd.

The assets show a useful increase over last year. The valuation of the Ordinary shares works out considerably above the market quotation. The contingent liabilities on investments not fully called up amount to £212,069 odd, as compared with £167,859 odd. Out of the balance of profit we propose that you should take 1*s.* 6*d.* per share, free of tax, which, with the interim dividend, will make 2*s.* 6*d.* per share for the year, leaving £76,796 odd to carry forward, as compared with £62,727 odd last year. The cash position is also satisfactory. Taking the usual figures on each side it shows £209,117 odd, as compared with £188,874 odd. In the receipts from sales I ought to mention that we sold our Gold and Platinum Company's Preference shares to Messrs. Lewisohns at a good profit, retaining our large block of 92,300 $5 Common shares, and I have to say that that company is in a very prosperous condition.

Extraordinary General Meeting.

At an extraordinary general meeting held afterwards for the purpose of considering the following resolution, it was proposed and unanimously carried "That the Company hereby approves of the action of the directors in arranging for the sale of the undertaking and assets of the Company, under the powers contained in its memorandum of associa-

tion, for fully-paid shares of a new company, to be registered under the name of 'New Gold Trust, Ltd.,' or such other name as can be obtained, and having for its objects the carrying on of all such mining, mineholding, mercantile, manufacturing, and other business as may be approved by the directors of the new company, and authorises and directs the directors for the purposes aforesaid to enter into an agreement in the terms of the draft now produced to the meeting, and for identification initialled by the Chairman, with such modifications (if any) as the directors may approve, and to carry the same into effect."

The proceedings then terminated.

DICKINS AND JONES, LIMITED.

The twentieth annual ordinary general meeting of this Company was held on March 24 at the offices of the Company, 29 Argyll Street, W., Sir Woodman Burbidge, Bart., C.B.E. (the Chairman), presiding.

The Secretary (Mr. J. P. Oldroyd) read the notice and the report of the auditors.

The Chairman, in moving the adoption of the report and accounts, said the year had been one of continued increase in the volume of business, and this in spite of the fact that for eight months of it they had been "carrying on" with one-third of their premises in the hands of the builders. The large increase in the turnover was reflected in the increase of profits by £26,000 odd, making a total for the year of £130,191. Adding the amount of undivided profits brought from the previous year (£49,796), and deducting the usual directors' fees and interest on the employees' investment and bonus fund, the amount to be dealt with was £176,048. After payment of the six months' interest at 5% on the Preference shares, due April 1 next, the first half-year's interest having been paid in October, the directors proposed to pay a further dividend at 10% on the Ordinary shares, making 7% for the year, as against 6% a year ago. They then proposed to carry the sum of £50,257 to the account for general reserve and for equalisation of dividends, bringing this fund up to £75,000, after payment thereout during the year of interest on bank loans. To continue the arrangement for ultimately discharging building expenditure within the period of the leases they proposed to add to the sinking fund for that purpose a further sum of £15,000, at 4%, self-accumulating, to cover the outlay during the period of the accounts now submitted, and as estimated for the current year. They were then adding to the special reserve for future development of business £25,000, making a total of £55,000. This left them with the substantial balance of £48,791, which they were carrying forward to the current year. Viewing the position of the Company generally, he did not hesitate to say that with the rapid increase in the number of their customers and the near approach of the time when they would be in a position to offer them the greater conveniences and attractions of their new premises, the prospects were extremely encouraging, and he had no doubt that on the next occasion he had the pleasure of meeting the shareholders he would be able to report even more satisfactory progress.

The Chairman's motion was carried unanimously.

The proceedings then terminated.

NATIONAL MORTGAGE AND AGENCY COMPANY OF NEW ZEALAND, LIMITED.

The forty-fourth ordinary general meeting of this Company was held at Winchester House, E.C., on March 24, Mr. Robert Logan presiding.

The Chairman, in moving the adoption of the report and accounts, said that since he had the pleasure of addressing the shareholders a year ago many difficulties had been encountered, but, nevertheless, excellent results had been obtained. Owing to increased competition for land, values had risen considerably, and commissions received on land sales during the year had been very satisfactory. Following the signing of the Armistice, shipping diverted from New Zealand by the exigencies of the War was gradually returned, and goods lying for some time in New Zealand came away with a rush, but, owing to this and dislocation of railway transport, the docks and warehouses in this country became very badly congested with wool, hemp, and frozen meat. This state of affairs still continued; their ships were unable to discharge quickly, while importers viewed with anxiety the future position, not only here, but in New Zealand, when the present frozen-meat contract expired at June 30 next. With regard to wool, the Imperial authorities purchased the last clip on the same terms as in previous seasons. The wool, however, was not in such good condition as usual owing to an unfavourable season. The wool contract would expire in June, and the Director of Wool Supplies had stated that every effort would be made to ship all wool purchased for the Government by November next, so that next year's clip might be sold on a free market. The gross profit for the past year had risen from £156,640 to £169,882, while the charges had decreased from £75,531 to £69,260. It was proposed to pay a dividend at the rate of 7½% per annum, with a bonus of 3*s.* per share (both free of income tax), for the half-year ended September 30 last, making, with the interim dividend, 15% for the year, to add £5,000 to the reserve fund, which would now stand at £250,000, as against a paid-up capital of £200,000, and to carry forward the balance of £30,752. They were also paying a bonus to the staff, and, in addition, had granted them a peace bonus of 10% on their salaries. With regard to the prospects of the Company, the General Manager wrote that these appeared to be quite promising.

The report was unanimously adopted, and at an extraordinary general meeting a resolution was passed amending the articles of association.

The Chairman stated that the proposed new capital issue would probably be made very shortly. Before the War the intention was to issue the new shares at a premium of 15*s.* per share, but in view of the enhanced market price of the Ordinary shares the directors thought they should be able to fix a price more commensurate with the existing value of the shares.

MYSORE GOLD MINING COMPANY, LIMITED.

The fortieth ordinary general meeting of this Company was held on March 25 at the Cannon Street Hotel, E.C.

The Right Hon. Lord Ribblesdale (Chairman of the Company), who presided, said: I will give a summary of the financial issue of the year's operation. The gold produced realised £694,317. A total of £663,825 stands at the credit of revenue account. The expenditure on revenue account was £477,382, and the profit resulting was £186,443. We brought forward from the previous year £1,690, and adding thereto the profit, plus £1,013 received as dividend on shares held in the Kolar Mines Power Station, Limited, we had at our disposal at the credit of profit and loss account £189,147. That amount has been debited, of course, in the usual way, with dividends and income tax. We have put £10,000 to reserve fund, we have written off expenditure on capital account £37,694, the new issue expenses cost you £1,453, and there is a new item which you have not seen before in the statement—insurance and contingency fund, to which we have placed £5,000. The balance remaining after those deductions is £37,700, in respect of which a final dividend for 1919 of 1*s.* per share, less income tax at the rate of 6*s.* in the £, has been declared. It will be paid on April 8. That dividend will absorb £30,500, and we shall carry forward to 1920 £7,200, which, however, will be subject to royalty payable to the Mysore Government on the final dividend, &c.

With regard to the £10,000 which has been carried to reserve fund, it may have occurred to some of our shareholders that with the fresh capital we have recently raised there was no occasion to write off anything to reserve fund account in respect of last year, but I can hardly believe that anybody holds that idea. As you know, one of the reasons why we got the capital was that we must work up that back work. Making up back work is very often expensive work, dead work, as it were, and it was for that reason that you dividend will absorb £30,500, and we shall carry forward to the par value of 10*s.* each, which, all subscribed, would give us £305,000. That, of course, is a considerable sum, but as our scheme of development must necessarily extend over some years, you will again see the desirability that we should have as large an amount of cash at our disposal as possible.

Extraordinary General Meeting.

The Chairman: This extraordinary general meeting, as you know, has been convened for the purpose of the directors submitting to you a special resolution, having for its object the granting of the necessary authority to the board of directors to petition the Court for the substitution of a new memorandum of association for that now in use. The Company was incorporated on July 6, 1880, nearly 40 years ago, and it is desirable that the present memorandum of association, in view of the many Acts of Parliament affecting limited liability companies which have, in the meantime, come into force, and the very restricted powers originally granted to the Company under such memorandum, should now be brought into line with the powers conferred upon companies incorporated within recent years.

The Chairman formally moved the adoption of the resolution, which was passed unanimously.

The proceedings then terminated.

FANTI CONSOLIDATED MINES, LIMITED.

The ordinary general meeting was held on March 24 at the Cannon Street Hotel, E.C.

Major the Right Hon. Lord Teynham, Chairman of the Company, who presided, said, in moving the adoption of the report and accounts: I beg to draw your attention to the various items set out in the accounts. Capital, £488,448, is the same as at the December 31, 1918. Creditors and credit balances, £42,449, show an increase of about £20,000. Reserve account, £25,995, shows no change. The only other item on this side of the balance sheet is profit and loss account, which, in the first instance, is brought in at December 31, 1918, at £72,365, from which has been deducted the dividend paid for our previous financial year, amounting to £50,880, and directors' percentage of the profits, leaving a balance of £16,906, to which has been added the profit for the year ended December 31, 1919, £82,013, leaving a balance available of £98,921. We have cash at bankers and in hand, loans and interest accrued debtors and debit balances, £136,181, an increase of £9,568 over the amounts under the

same headings at the date of our previous balance sheet. National War Bonds in our present accounts stand at £200,000, a reduction of £20,000. The £30,000 Treasury Bills have matured and have been paid. The next item on this side of the balance sheet is shares and interests in other companies at market prices or valuation where there was no quotation, but in no case over prices fixed for the reduction of capital or cost of shares acquired since. The figure is £294,561, comparing with £209,024, an increase of £85,537 over the amount under the same heading at the date of our previous accounts. Leasehold mining and other properties in West Africa, £22,168, show no change. Building plots and bungalows, £1,031, show a reduction of about £470, and stores and equipment, at £1,875, an increase of about £1,500. On the credit side of the profit and loss account, interests and dividends, income from a property and sundry receipts show a decrease of £14,885 when compared with our previous profit and loss account. West African sundry receipts, at £649, show a decrease of £340. Transfer and other fees, at £579, show an increase of £448. Trustees' fees, £50, is the same. Difference on realisation of shares, less amounts written off shares and interests, £42,632, shows a satisfactory increase of £27,791, the result of the year's operations being a balance of £82,018, which is an increase of £9,653 over the previous year.

Mr. Edmund Davis, managing director, in seconding the motion, which was carried unaimously, dealt at length with the manganese position.

The proceedings then terminated.

THE CAIRN LINE OF STEAMSHIPS, LIMITED.

The importance of the Shipping Industry to the Nation.

The annual meeting of the Cairn Line of Steamships, Limited, was held at Tilley's Rooms, Newcastle-upon-Tyne, on Thursday last, Mr. W. J. Noble presiding.

The Secretary (Mr. N. Brittain) having read the notice convening the meeting, and the Auditors' certificate and report,

The Chairman said: Gentlemen,—Before I ask you to adopt the report of the directors and the balance sheet, you will no doubt expect me to make some reference to the principal figures. The first item that calls for remark is the amount of issued capital. This now stands at £1,200,000, which is very small having regard to the real value of the assets. It does not even represent to-day's market value of the steamers already in commission, to say nothing of the substantial payments made on account of the new steamer now building and the investments in first-class securities as shown in the balance sheet. The outstanding Debentures at December 31 last amounted to £81,000 odd, and this has since then been reduced to under £70,000 by purchases in the market. In view of the amount set aside in 1917 to meet this liability, this item in the balance sheet may, for all practical purposes, be disregarded. The contingency account is automatically reduced from last year by the operations which are explained in the report. Coming to what I may call the Company's physical assets, I have already indicated the wide difference between the book and the real value. This satisfactory feature is mainly owing to the fact that all of our replacements of tonnage lost and sold were effected before the market reached its present level. The question of further additions to the fleet will be dealt with as need arises and as circumstances may justify later. In the meantime the Company is in a position to maintain its principal services, and has funds available for expansion when the opportune times arrives. The only assets of the Company that have fallen in value are the investments in trustee securities, represented for the most part by British Government War Loan and Bonds. To meet that it is proposed to appropriate £10,000.

Profit and Loss Account.

Turning now to the profit and loss account, the main item is the gross profit for the year. This, as you will see, is £326,000. It is greatly in excess of the previous year, but you will remember that prospect was foreshadowed in the last annual report.

The fact is that in 1918 the two most valuable steamers of the Company were under Government liner requisition for twelve and nine months respectively, and instead of contributing their proportion to the profit, their trading barely paid out-of-pocket expenses. I am still hopeful that the Government may be persuaded to rectify this manifest injustice, especially in view of the large profit—amounting to £178,000—which they earned for the Government. For practically the whole of the year 1919 they traded for the benefit of the Company, and, further, we had the advantage of the trading of the two new steamers for the greater part of last year. Good earnings, however, in these days are largely discounted by the heavy expenses for upkeep and the claims of His Majesty's Inland Revenue Department. The result is that after providing for these charges and depreciation, the net profit is reduced to something like £120,000. The dividend which you are asked to declare, while at the same rate per cent. as last year, absorbs about £16,000 more in consequence of the increased capital. In order to simplify the distribution and to bring all the shares to a uniform basis, you are not asked to deal with the unappropriated balance of £76,000, which is consequently carried forward. As mentioned in the report, this is done with a view of making an early division on account of 1920. Your directors, at their meeting this morning, decided to make this payment 5%, to be remitted on April 15.

Increased Interest in Shipping Securities.

There is one apparently trifling item in the profit and loss account to which I might draw your attention. I refer to transfer fees. These for 1919 are three times the amount of the previous year. What this means is perhaps not quite so obvious to a shareholder as to the Company's Secretary—and perhaps I should add our friends from the Stock Exchange. It represents nearly 4,000 transfers, and is evidence not only of the interchange of shares, but of the distribution and subdivision of larger holdings among the general public. I find that in the year before the War the average interest held per individual on a capital of about £230,000 was 750 shares. In December last, on a greatly increased capital of £600,000, the average was about 325. And now, on a capital of £1,200,000—five times the pre-War figure—it is only about 450 per head, and the process is still going on. This interesting development led me to make inquiries with regard to other companies, and I have ascertained that it is typical of them all. I find that, taking five of the principal shipping companies—representing a capital of about £24,000,000—there are no less than 44,000 individual shareholders, and the average interest is just a trifle over £500. This shows how widespread the personal interest in shipping is, and that whatever profits are earned are reaching the pockets of a very large number of the community. I think it is all to the good that this should be so and that there are so many who have a financial stake in an industry which is of supreme national importance. But, even so, it may be asked—What about those who had neither the courage nor the faith—shall I add the patriotism—to invest their savings in shipping?

Importance of the Shipping Industry.

Let us therefore for a moment try to visualise our old friend the average man—the man in the street—in his financial relations to the shipping industry. Let us examine the facts and try to understand to what extent sea carriage affects his domestic budget—what he is paying for the overseas conveyance of his daily staple needs. His breakfast tea, which costs him perhaps three shillings per lb., has been carried over 6,000 miles for less than 1½*d.* per lb.; the oatmeal for his porridge, three-fifths of one penny per lb.; his bacon—such as it is—at from 1*s.* 8*d.* to 2*s.* 9*d.* per lb., paid from one farthing to one halfpenny in freight. The flour from which his bread is made was conveyed for one-third of one penny per lb., and the butter on it at slightly more than three farthings per lb., all brought from a distance of over 3,000 miles. His Mallaby-Deeley suit at £3 10*s.* to £5 5*s.* cost in the carriage of its raw material sixpence, and if he is the proud possessor of a higher quality serge suit at £12 12*s.* the ship which brought the wool 12,000 miles claimed 8*d.* out of that cost. The tobacco for his pipe was carried 3,000 miles for one-twelfth of one penny per ounce. The Sunday joint which he now gets from the Argentine paid 1¼*d.* per lb. for a journey of 6,000 miles—or for the double journey 12,000 miles. Before the War this service was performed for one halfpenny per lb., and the shipowner made a satisfactory profit. To-day at 1¼*d.* he is positively losing money. The cheese, out of the 1*s.* 8*d.* it costs him, travelled 3,000 miles for one-third of one penny per lb., and the apples which he may indulge in came from Canada for three farthings per lb. And so on through the whole range of his daily needs. These are authentic figures, and, for the most part, can be substantiated from our own manifests. I shall be glad to supply the details from which I have drawn these conclusions to the Press if they desire them. And, further, the figures I have given—ridiculously low as they may appear in comparison with the service rendered—are the payments not to the shipowner himself, but to the shipping industry as a whole. Out of them there have been paid port charges, vastly increased labour charges in loading and discharging, crews' wages and victualling at three or four times the pre-War cost, and insurance and standing charges on a capital cost of five or six times pre-War figures. And last, but not least—coal. Public attention is constantly being drawn to the high freights, but the public is not informed that the Government is throwing upon the shipping industry the burden of making good the loss it quite unnecessarily incurs on the supply of coal to all other industries and to the domestic consumer. That is a form of taxation and discrimination contrary to the spirit of the constitution. This injustice has been partially redressed by the new price which came into operation yesterday. I commend these facts to the pseudo-economists who try to convince the working man that the shipowner is his enemy. The wonder is, indeed, not only that the commodities I have referred to were carried to this country cheaply, but that they were carried at all. This, it should be remembered, was not due simply to the fact that there was shipping, but that there was British shipping; not to the fact merely

that we had a mercantile marine, but that we had an enormous mercantile marine.

Mercantile Marine and the War.

Had we not at the beginning of the War been the supreme shipowning nation the result would have been very different. The existence of a large commercial fleet under American or French or Norwegian ownership would not have saved us in the last six years. The salvation of this country was that it had shipping in excess of its own domestic needs, ships which could be diverted to home service when the emergency arose. The same factor of safety will continue to be needed. It should be the deliberate policy of this country to encourage such a reserve. The need is urgent even in this time of reconstruction, when the accumulated debt of years is to be liquidated. Looking at the subject even from the point of view of the National Exchequer, shipping must be encouraged. Such freights as are really remunerative are not paid by the British consumer. Our vessels are not solely engaged in bringing cargo to this country. They carry our manufacturers' products and our coal to the foreigner at his expense; they carry one foreigner's commodities to another foreigner without touching the United Kingdom; they have even been doing this and earning profits thereby for our own Government when that Government was not paying us a hire sufficient to meet our expenses incurred in the process. Our taxes also are paid, not on the mere earnings of domestic trade, but on earnings derived from sources quite outside this country. Before the War no less than 35% of British shipping was employed in doing the carrying trade of other nations. The fruits of these services would almost certainly be lost to this country under any scheme of Government ownership. Even if it were possible to carry them on by Government it would not only be unprofitable, but it would be fraught with the gravest risk of continual international differences which at any time might develop into international quarrels, with all their ghastly possibilities. I say the lesson of all this, the teaching of the long period of War, whether you regard it from the standpoint of the consumer here, the National Exchequer, or national defence, is that the reinstatement and maintenance of a supreme mercantile marine is not only desirable, but vital to the nation's existence.

I now beg formally to move "That the report of the directors and the annual accounts be adopted.

The Exchange Factor.

Colonel S. Wishart, V.D.: Gentlemen,—I have much pleasure in seconding this resolution. I am going to do so in a very few words because we have had such an interesting and such an illuminating address from the Chairman that there is practically nothing more to be said on the subject. If there is one point that occurs to me which he has not touched upon in connection with shipping it is this, and it is a very important one; it has reference to the question of foreign exchanges. We are suffering badly—we are not suffering as badly as the Continental nations—in the matter of exchange; but you will know that while the experts quarrel about the remedy for our little financial troubles (none of them agree), there is one point upon which they do agree and on which one can follow them, because it is such a simple one, and that is that the remedy must be exports. If you can export you will adjust your exchanges, and if you do not your exchanges will go against you. Shipping plays a very, very valuable part in this. Shipping provides what is sometimes called an invisible export. You send out your goods, and those are all recorded and the statistics are published, and you see that your excess of imports is such and such a figure above your exports, and you wonder where the balances come in. It comes in from two or three sources. Perhaps one of the most important is the operation of your mercantile marine, and that is one reason why, as Mr. Noble has told you, this is really a national industry and of vast national importance. I do hope that there will be no attempt to tamper with it. If there is, it will be utterly ruined. It has been built up by private enterprise, and it will maintain itself by private enterprise. It will never maintain itself in any other way. The Chairman has explained to you how largely the public in general is interested. He has rubbed in most effectively the answer to the stupid remark that you hear in the street every day that the high price of commodities is due to high freights. I have very much pleasure in seconding the resolution.

No questions being asked, the resolution was put to the meeting and carried unanimously.

Mr. James Todd, J.P., moved: "That the dividend already paid at the rate of 10% per annum, free of income tax, for the year ending December 31, 1919, be declared," and in doing so said that after Mr. Noble's statement that the shareholders might expect another 5% by April 15, they were pretty well assured, looking at the fact that that dividend was more than covered by the balance brought forward in the current year, that they would receive another 10%, free of income tax, which would bring the dividend up to a very nice figure. As long as they were able to pay 10% on their increased capital and to have such a reserve as they had in excess of that capital in values not taken into account in the books of the Company, they might be very well satisfied with the manner in which the business was managed.

Major T. R. Cairns seconded the resolution, which was unanimously passed.

Mr. Crosthwaite moved "That the remuneration of the directors for the ensuing year be at the rate of £100 each, and a bonus of £50 each, free of income tax." This was seconded by Mr. H. O. Blenkinsop and unanimously agreed to.

Mr. Middleton proposed: "That Colonel S. Wishart and Mr. T. B. Charlton, the directors who retire in rotation, be re-elected," and in doing so said he hoped that the shareholders would see those gentlemen for many, many years as efficiently carrying out the business of the Company as they had carried it out in the past.

Mr. Geipel seconded the motion. He said that he had known Colonel Wishart for nearly 40 years, and Mr. Charlton had been well known to him for very many years. The shareholders could not do better than re-elect two such worthy gentlemen.

The motion was put to the meeting and carried unanimously.

Mr. A. O. Carr moved, and Mr. Russell seconded, the re-election of the auditors, Messrs. Monkhouse, Goddard and Company, which was unanimously agreed to.

Major T. R. Cairns: Gentlemen, I have to propose a hearty vote of thanks to the staff of the Company which is employed on the Quayside looking after your business. During 1919, certainly at the beginning of the year, the staff had to work very hard to keep the business going and to keep the books up to date. During the year the men were released by driblets from the Army and the Navy, and so on. I believe that the last one arrived in the office from Bagdad about Christmas time. Mr. Noble has already told you about the large number of new shareholders who came into the Company. In consequence the necessary work, both in the office and in the secretarial side of the office, has largely increased, and I consider that the thanks of the shareholders are due also to the accountants' department for their work during the year.

Mr. Daniel Stephens seconded the motion.

The Chairman: I should like to associate myself with this resolution. During the last few years we have had an extremely strenuous time. We have perhaps as efficient a staff as any shipping company in the country possesses. I ask the shareholders to carry the motion with acclamation.

The motion was carried with acclamation.

The Chairman then read to the meeting a personal letter from Lord Inchcape pressing the claims of the *Dreadnought* Sanatorium for the treatment of seamen suffering from tuberculosis, and suggested that the shareholders should authorise the directors to set aside a sum of £1,000, not necessarily for that particular scheme, but for any other scheme which, in the judgment of the directors, was deserving of the support of the shipping community. He was quite sure that that particular one ought to be supported by the Cairn Line, and if the shareholders would authorise the directors to spend during the current year a sum of £1,000 they might rest assured that it would be very wisely and properly distributed; and he begged to formally propose this.

The motion was seconded by Mr. Crosthwaite and carried unanimously.

A hearty vote of thanks to the Chairman was carried with acclamation. The Chairman briefly responded, and the proceedings then terminated.

BON MARCHE, LIMITED.

Record Year's Turnover—Increase of Capital Approved.

THE twenty-ninth annual ordinary general meeting of this Company was held on March 25 at 442 and 444 Brixton Road, S.W.

Mr. H. T. Holdron (the Chairman), who presided, said, in moving the adoption of the report and accounts: You will gather from the balance sheet before you that we have had a most exceptional and satisfactory year. The net profit is £77,526; last year it was £50,475. Freeholds stand at £189,425, against £184,832; stock £97,969, against £83,043; book debts £29,589, against £20,778; cash and investments £23,115, against £9,415. Our trade creditors for goods amount to £131 10s. 1d. Your directors have purchased the old-established business of Pratts, Limited. They are fine premises with ample room for extension, and the business has great possibilities. The purchase will consolidate our own business and forestall any large competition in the neighbourhood. It was the opinion of your directors that the only possible firm to succeed Messrs. Pratt was the Bon Marche. The purchase price was £90,000; the balance sheet will inform you that the assets amount to, in round figures, £70,000, with liabilities standing at £9,807. We intend to cater for the same class of trade that is now being done, making various improvements as time may suggest.

The Chairman's motion was unanimously adopted.

The Chairman next moved: "That the capital of the Company shall be increased from £120,000 to £270,000 and that such increase shall be effected by the issue of £150,000

Cumulative Preference shares of £1 each, bearing interest at the rate of 8% per annum, such shares to have prior right to dividends, and also priority as regards any arrears of dividends and as to capital, but confer no further interest in the profits and assets, and that the holders of such shares shall be entitled to attend and vote at meetings should the dividend upon their shares to be six month in arrear, but not otherwise; and the directors propose to issue the 40,000 unissued Ordinary shares to the existing shareholders, at par, in the proportion of one new share for every two held." The Chairman said that the Ordinary called-up capital stood at £80,000, and no increase had been asked for since July 1900. During that time the trade had increased by over 250%. The profit in 1900 was £20,183, while in 1920 it was £77,526, nearly equal to the Ordinary capital. It must be apparent to shareholders that, independent of the purchase of Pratts, fresh capital was urgently needed in the business. The purchase of Pratts would absorb £90,000 of the new capital, while there was also the new front of the Bon Marché building to be paid for. The structural alterations would cost something in the neighbourhood of £25,000.

The proceedings terminated with the unanimous passing of the resolution.

TOWN LINE (LONDON), LIMITED.

Increase of Capital.

An extraordinary general meeting of this Company, called in accordance with the notice sent to shareholders, was held at the registered offices of the Company, 78 The Exchange, Cardiff, on Tuesday, Mr. G. A. Harrison, the Chairman of the Company, presiding, supported by Mr. G. Fred Harrison, Mr. O. W. Harrison, and a large number of shareholders.

The Chairman, in his opening remarks, stated that the occasion made him recall the similar meeting held in September, 1918, when the capital of the Company only stood at £40,000. At that meeting, it would be remembered, it was agreed to distribute amongst the shareholders a bonus of 100% in shares and increase the capital to £250,000, the balance of the shares to be taken up by the shareholders at a premium of 5*s.* per share. On that occasion the new capital which the managers asked for was subscribed ten times over. The £5 shares of the Company then stood on the Stock Exchange at about £20, and, continued the Chairman, I had been approached by several stockbrokers, who informed me of the great difficulty they were experiencing in dealing with such a high-priced share. They made various suggestions as to making the shares of the Company more marketable, and you will probably remember that, after consulting our shareholders, it was agreed to split the shares into £1 shares —a proceeding which has proved very advantageous to the shareholders. (Hear, hear.) After this split took place the shares dropped to about 30*s.*, probably due to the fact that, because of the regulations which were then in force under D.O.R.A., we were unable to get the sanction of the Treasury for the issue, although such sanction has since been given. Directly after this sanction had been given the shares rapidly rose, until they approached the high figure of 95*s.* per share.

Appreciated Value of Assets.

Viewing the assets of the Company, you will notice that there is a very large appreciated value shown. We have expended on the fleet we own a sum of over £1,039,000, and we have a steamers' depreciation account of over £147,000. According to our last balance sheet we have other reserves amounting to nearly £80,000, while our fleet has been valued by a competent authority in London, who places their value as close on £2,000,000. Viewing this and the fact that our share capital is as low as £250,000, and our overdraft at the bank quite a moderate one, we think the present time opportune to put the shareholders on something like an equitable basis to the capital they hold. These are the reasons we have called this extraordinary general meeting. We propose to distribute to you, our shareholders, as a bonus, one £1 fully-paid share for each £1 share now held by you. Further, we ask you to subscribe to a further £250,000 shares at a premium of 5*s.* per share. This will then give us a share capital of £750,000, and we shall be in this position: We shall have a capital of £750,000, no overdraft, and shall own ships for which we have paid £1,039,000, at the same time retaining the whole of our reserves, which are of great value.

Condition and Prospects.

In considering our position as it will then be, I am of the opinion that our £1 shares should be worth £3. The cost of steamers is not decreasing, particularly the class of tonnage we own, and we do not see any prospect for some considerable time of any reduction in value. Our boats are all of a good class, and there is hardly a commercial port of any importance between Holland and South America that we have not a ship that we can fit in. I am certainly of the opinion that the proposition which we are putting before you to-day is a sound and businesslike one. I really think the position of the Town Line is quite unique in the annals of shipping, and I really feel that our position is the envy of the whole of the United Kingdom.

With reference to the remaining £250,000 which is mentioned in our circular, and which will come on for consideration on April 7, we have received various letters from our shareholders, some requesting that they shall have preference when this is issued, while others go so far as to suggest that they be given an allotment even now. Shareholders of the Company, however, may rely on it that if this amount is to be offered to the public for subscription they will have preference. That is the course we have always followed in the past. We are pleased to say that since 1918 we have not had to rely upon stockbrokers for any capital that the Company has required. I therefore have very much pleasure in proposing that the capital of this Company be increased to £1,000,000 by the creation of 750,000 additional shares of £1 each, ranking for dividend and in all other respects *pari passu* with the existing 250,000 shares of £1 each. I shall thank one of the shareholders present to second the resolution.

Able Management of the Company.

Mr. W. H. Diamond: It is a very great pleasure to me to-day to second the resolution of the Chairman and to thank him for the particulars he has given us regarding the Company, which are so very clear and simple. The principal thing which has appealed to me at all times in connection with Town Line is the fact that there is no camouflage and no desire on the part of the managers to hide anything from the shareholders. I hope that the other shareholders share the confidence I have in the managers. I know perfectly well that they would not make the recommendations they do unless they were satisfied that it was in the interest of the shareholders to do so. With regard to the question of tonnage held by the Company, it is quite different to the class of tonnage which has been put before various interested parties in the locality in the form of a big line. The boats owned by the Town Line vary from 350 tons deadweight to 8,000 tons deadweight, and from my knowledge of them they are the most competent set of boats which you could have for general purposes, and involve a tremendous amount of detail work on the part of the managers. I was one of the original shareholders of the Company, and I must say that at every meeting I have attended at which our Chairman has been present, his statements at all times have been most able, and I have very great pleasure in supporting the resolution put to the meeting by the Chairman and his co-managers.

Mr. George Willie spoke in support of the resolution, and stated that he had been a close friend of the Chairman for over 40 years, and although he had only lately become a shareholder, it was his own fault that he was not one before. He heartily endorsed the remarks of Mr. Diamond, and he thought that the proposition in front of them was a fair and equitable one to the shareholders. He trusted that the whole of the shareholders would avail themselves of the opportunity they had in regard to the further issue of 250,000 shares, and take their portion of them.

The resolution was unanimously carried.

The Secretary then informed the meeting that the confirmatory meeting in accordance with the notice issued to shareholders would be held at 11 o'clock on April 7. There would be a further extraordinary general meeting at 11.15 the same day, and he hoped that as many of the shareholders as possible would be present.

A hearty vote of thanks was accorded to the Chairman for presiding, to which he suitably responded.

This concluded the business.

NEWCASTLE-UPON-TYNE ELECTRIC SUPPLY CO., LTD

The thirty-second annual general meeting of this Company was held at the Central Station Hotel, Newcastle-upon-Tyne, on March 25, the Chairman, Mr. John Hobart Armstrong, presiding.

In moving the adoption of the report and accounts, the Chairman said: As you will observe from the directors' report, we again recommend the payment of an 8% dividend on the Ordinary share capital, after transferring out of available profits the sum of £30,000 to reserve for plant renewals and improvements account, as against £40,000 last year.

This reserve is debited with the expenditure actually incurred during the year in connection with renewals and improvements of our plant, and shows a final credit balance of over £43,000.

The general plant has been maintained out of revenue, the expenditure incurred on such maintenance having been charged direct to costs, and represents, on account of the year under review, a total sum of £137,392, as against £118,500 in the year 1918—an increase of practically £19,000, which is mainly accounted for by the rise in wages and materials.

On this occasion we propose to make no addition to the reserve for special depreciation and contingencies. The value of the assets of the Company fully represents the amount at which they stand in the books, without bringing into account the unappropriated balance standing to the credit of this particular reserve fund. This account, after deducting the costs and expenses of the recent issue of shares and the stamp duty on the increased capital, now stands at £277,463.

We have now in commission some of our newer and more economical plant, and we look forward before long to having further sections of this plant available for service; we are thus in a favourable position to deal with any loads which are likely to be called upon to meet. As to applications for

supply received, you will probably remember that at the last annual meeting I mentioned they represented 65,000 horse-power—of which 28,000 horse-power related to the Middlesbrough area. The applications on hand at the present time represent 82,900 horse-power, which shows a substantial increase over the position 12 months ago.

The Electric Supply Bill.

Mr. Sloan: Considerable opposition was raised in connection with many of the provisions of the Electricity Supply Bill, which opposition resulted, *inter alia*, in the deletion of the clauses dealing with the setting up of District Boards and the compulsory purchase of generating stations by such boards. Through the deletion of these clauses, the worst features of the Bill disappeared. The Act provides for the setting up of a Board of Electricity Commissioners, and these have now, in fact, been appointed. Their chief work will be promotion, regulation and supervision of the supply of electricity throughout the whole country. Another matter to which I would refer briefly, is the establishment of a National Joint Industrial Council for the electricity supply industry, and the setting up of Joint District Councils in various areas throughout the country. It is hoped that the opportunities afforded by these Councils of bringing together the employers and workmen engaged in our industry and enabling them to discuss and settle questions affecting working conditions, wages, etc., in a prompt and equitable manner, will have beneficial results to the industry generally.

The result of the moulders' strike was that as soon as the stocks of castings on hand in the various engineering and other works were used up, it became necessary for many manufacturers to work shorter hours or reduce the number of their employees, with the result that the consumption of electrical energy by such works was considerably reduced. Another effect upon the Company has been the delay caused in completing our new generating plant. The delay in completion of the Tees generating station is particularly regrettable, as the Cleveland area has for some considerable time been handicapped through shortage of generating plant, and it has been necessary, in order to meet the demands made upon that Company, to depend largely upon supplies obtained from generating plant which is far from economical—this fact has been referred to at previous annual meetings.

The applications on hand—namely, 82,900 horse-power—represent approximately 20% of the total connections to the system of the Newcastle Company and its associated companies since the commencement of their operations, and considerably exceed the disconnections which have taken place as a result of the stoppage of munitions manufacture.

Reference has been made in the directors' report and in the Press to the proposed main line electrification scheme of the North Eastern Railway, which will be one of the most important railway developments for many years—covering as it does the electrical equipment of some 120 route miles of the Railway Company's main line system.

The payment of 2½% on the Preference shares, making 5% for the year, and 5½% on the Ordinary shares, was agreed to.

With the adoption of the report the proceedings terminated.

INDO-BURMA OILFIELDS (1920), LIMITED.

The statutory general meeting of this Company was held on March 26 at River Plate House, E.C., Sir Bindon Blood, G.C.B., presiding, in the unavoidable absence of the Earl of Denbigh, Chairman of the Company.

The Chairman, after remarking that the Company had had a good start, said that the shareholders would have gathered from the notice convening the meeting that certain resolutions were to be submitted to them. He first dealt with the proposed acquisition by this Company of the assets of the Yenangyaung Oil Company, Limited—a local company formed in Burma, whose career had not been, the board understood, very successful, owing entirely to the absence of adequate working capital with which to develop its 18 well sites on the Yenangyaung fields. As the result of this shortage of capital, it only succeeded in sinking one well to the oil-bearing strata, but that well was giving the satisfactory yield of 120 barrels per day, being four times that estimated by Mr. Davies, their geologist, as the probable average of their own wells. The London Burma Development Company, Limited—the vendors to this Company—had made an offer of Rs.460,000 for the property, which had been accepted. Realising that the Yenangyaung Company's sites could be most economically worked by this Company, the London Burma Development Company had offered to transfer their bargain to this Company at cost price. Subject to the shareholders' approval, the board had decided to accept this offer. Mr. Davies estimated that, after paying the entire purchase price and all costs of production, eight of the Yenangyaung Company's oil sites would, during the next five years, yield a net profit of Rs.3,000,000, to which must be added a further Rs.100,000, which he estimated would be received in royalties on account of their 10 remaining well sites, which had been leased to one of the big producing companies. Another resolution to be submitted to the meeting was to convey the shareholders' formal approval to a re-arrangement which had been made with the London Burma Development Company as regarded some of the well sites purchased from them by this Company. As a result of the re-arrangement there would be transferred to them 21 well sites free of charge. The result of these new acquisitions would be to increase the Company's holding of well sites on the Yenangyaung field by over 75%. Another matter on which they were to be congratulated was the recent information received as to the Padaukpin field. They had always felt certain of the great potential value of this area of 18 square miles, and there could be no doubt as to the first importance of the recent tracing by Mr. Davies of two complete "domes"—one of which extended a considerable distance beyond the north-west boundary of their property into what was known as the Okpon area. The Chairman referred to the immense possibilities of the Company's outside areas, but pointed out that such results as were expected from them could only be obtained by the provision of a large amount of further capital. The question of the policy to be adopted with regard to the outside areas was one to which the board had to give early attention, offers having already been made to them to provide capital for their immediate developments. The shareholders would, he felt sure, realise the importance of the fact that entirely outside interests, some British and some Indian, had offered to provide large sums of money for the development of a portion of their property. These offers, applying as they did to areas which were made of secondary importance in the prospectus would, he was sure, be deemed by them to be very satisfactory. The Chairman concluded by moving a resolution approving the acquisition of the property of the Yenangyaung Oil Company, Limited.

Mr. R. F. McNair Scott seconded the resolution.

The Chairman then called upon Mr. Sampson, the company's field manager, to address the meeting.

Mr. Sampson on Prospects.

Mr. S. C. Sampson: Gentlemen,—You have every justification for absolute confidence in the future. Personally, my only anxiety is in the delivery of the plant. Get the necessary machinery on the ground, and I have no fear as to the results. I should like to say that when I accepted the position of field manager to this Company all I knew about it was the property it was going to take over on the Yenangyaung field, and what are called the "outside areas." I had never then seen Mr. Davies's report; in fact, I saw that document for the first time on my arrival in England

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GENERAL

Reg. 183

20 days or so ago. I have very carefully checked all the figures given by Mr. Davies as to working costs and profits for the Yenangyaung site, and I have no hesitation in describing them as conservative. (Applause.) I should like to say I have known Mr. Davies for many years, and I do not think there is any more capable gentleman in Burma. Whilst, as the man who has to do the work—to come through with a profit, so to speak—I accept Mr. Davies's figures for Yenangyaung; in my opinion I think you may look for even greater—probably very much greater—profits from one or other of your three outside areas. I have had drilling under me men who many years ago sank the trial wells for the Burmah Oil Company on these areas, and I can confirm the figures given in Mr. Davies's report as to yields, except that in the case of Yenangyaung my information is that the actual yield was double that given by Mr. Davies, but, accepting his figures that Yenenma is only a three-barrel field, under present conditions such a yield from a large number of shallow wells means an immense annual profit. I may also mention that the Padaukpin area is a very difficult place to shut off water. At the time this area was tested by the Burmah Oil Company the use of Portland cement was unknown for shutting off water in oil wells. Since that time it has come into use in almost every oilfield in the world. This means that when this area was tested, if water could not be shut off in a natural manner above an oil-bearing strata—that is, by merely sitting the pipe down on top of the oil sand—the water had to be carried into the oil sand, which made this particular sand valueless so far as this one well is concerned. This means that this Company can operate this area at a much better advantage than the former owners. Fifteen to 20 years ago the Burmah Oil Company were perfectly justified in abandoning the 33 square miles of "outside areas" you now own, but to-day you are equally justified in looking to them for annual profits that may be reckoned in millions sterling.

Sir William Henry: Mr. Chairman and Gentlemen,—Prior to taking up a large block of shares in the Company, I decided that an investigation on the spot by my own representatives was necessary in the interests of my firm. Every facility was afforded for my friends to inspect the Company's properties, and the cabled advices I then received have since been confirmed in a carefully drawn report, some extracts from which are, I venture to think, of particular interest to the shareholders generally, and which, with your permission, I now propose to read:

"After visiting the oil fields at Yenangyaung with Mr. Colin Campbell and Mr. C. Johnson, and after discussing matters connected with the oil industry with many well-informed people in Burma, we sent a cable (copy enclosed). We candidly admit that before visiting Yenangyaung we both had certain misgivings on the subject of the prospects of our new Company, which we realised would be looked upon by the B.O.C. with some disfavour. We found it difficult to imagine that that powerful Company, after being connected for so many years with the Yenangyaung oil field, would have left open to a new company the acquisition of really valuable well sites or the prospect of successfully working same.

"We personally inspected the various oil-bearing areas in the Yenangyaung fields. We saw wells of various companies in all stages of development; we watched boring operations which an American driller explained to us in detail; we saw wells being pumped with up-to-date machinery, yielding from a few barrels per day up to 500 barrels per day; we also saw shallow wells of 150 ft. (compared with wells of 1,500 to 2,000 ft.) owned by Twinzas and worked by Coolies under, what seemed to us, rough and trying conditions. In the Yenangyaung fields wells belonging to wealthy companies, wells belonging to 'wild-cat' companies, primitive native wells, and untouched sites of less or greater promise are all intermingled in what at first appears to be confusing. An oil expert and a geologist working together can, however, easily distinguish between the workable and unworkable propositions, and a layman on the site can follow their line of argument and draw his own conclusions. As a result of our inquiries and of what we ourselves saw, our final conclusions are that Mr. Campbell has selected for us a number of really promising well sites, the working of which should yield handsome and satisfactory returns. As to the relative importance of the Yenangyaung and outside areas, it is somewhat premature to form a definite opinion. We think that the Yenangyaung area may be accepted as absolutely proved, but its capacity is limited. We have very great hopes of the outside areas, and it behoves the Company to keep their early and effective development in the forefront of its programme. This brings us to the question of the sufficiency of the present working capital. As a result of our inquiries and lengthy discussions with Mr. Campbell, we are convinced that, in the interests of the Company and its shareholders, the establishment of a refinery and arrangements for distribution of the Company's products are a necessity, and should be considered immediately, in order to see whether Mr. Campbell's apprehension, which we share, that a working capital of one million will before long prove insufficient, is justified or not."

The resolution was then put and carried unanimously.

Resolutions were also unanimously adopted approving the substitution of certain well sites for others and the acquisition of the Okpon area, and the proceedings terminated.

Salt Union, Limited.—Through a telegraphic error in the report of this Company's ordinary general meeting published in our last issue, the Chairman was stated to have said that the Company's trade in the East—after having been brought practically to a standstill in 1918 through want of freight room—had now reached 17,000 tons. This figure should have read 67,000 tons, and as the Company is now being allotted a fair amount of tonange, the prospects for the current year are good.

The balance-sheet figures of the Commonwealth Bank of Australia for the half-year ending December 31, 1919, show deposits at £57,022,259, including £17,691,487 at credit of depositors in the Savings Bank Department at all post offices throughout Australia. General deposits aggregate less than a year previously, due to a reduction in the Government loan transactions after the War, though the total deposits are 12½ millions larger than in December 1917. Cash balances are £6,137,277, Australian Government notes £3,065,370, fixed deposits with other banks £1,089,000, while money at short call in London reaches the large total of £21,565,000, or nine and a-quarter millions more than a year previously. Profit for the half-year is £440,530, an increase of £52,000, as compared with £388,673 at June 1919. The total profit for the last twelve months is £829,203, as against £775,345 for the twelve months ended December 1918. During the seven years of its existence the Commonwealth Bank has accumulated profits of £2,363,500, which it holds as reserve fund. The bank has no issued capital, all its obligations being guaranteed by its owners, the Commonwealth Government.

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Reserve Fund	2,100,000

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Sir Carl Meyer, Bart. The Hon. Sidney Peel, D.S.O., M.C.

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The Statist.

LONDON, SATURDAY, APRIL 3, 1920.

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The Money Market.

Wednesday, March 31, 1920.

	%	Current Rate Fixed	%	Previous Rate Fixed
Bank of England Rate...	6	(Nov. 6,'19)	5	Apr. 5,'17
Deposit Rates:—				
Banks & Discnt. Ho. (Call)	4	(Nov. 6,'19)	3½†	Oct. 6, '19
Discount Houses (Notice)...	4¼	(Nov. 6,'19)	3¾	Oct. 6,'19

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.
† Foreign and Colonial banks give Special Rates only upon deposits for a year

Discount Rates:—	60 Days. %	3 Mos. %	4 Mos. %	6 Mos. %	12 Mos. %
Treasury Bills ...	—	5½	—	—	5½
Bank Bills ...	5⅝	5⅝	5⅞	6	—
Trade Bills ...	—	6¼	6½	6¾	—

THE demand for short loans is stronger in the Money market this week, in connection with the holiday requirements and the payment of various calls. Up to 5% was paid yesterday for day-to-day money, and loans could rarely be got under 4%. Weekly fixtures commanded from 4% to 5%. The suspension of the issue of six months' Treasury bills seems to have driven more money into the three months' bills, and April paper was freely discounted at the Bank of England in order to change into June Treasury bills. The Bank also did a considerable business in weekly loans at 6½%. Three months' paper was quoted at 5 9/16% to 5⅝%, and full six months' paper at 6% to 6⅛%.

A feature of the Foreign Exchange market was a further depreciation in the values of the French and Belgian franc and the lira. The Paris cheque rate rose to 58.02½ yesterday, the Belgian rate touched 44.65, and the lira went up to 80.12½. The Swiss rate, having been as high as 22.52½, declined to 22.25. The Spanish rate moved further in our favour to 22.48. The escudo was quoted as low as 14¼*d.* on Saturday last, but has since improved to 14¾*d.* Movements of the German mark were erratic, but the closing tendency is firmer at 284. Finnish marks were firm at 70. Among the Scandinavian group, Christiania moved against us to 20.16½, and the Stockholm rate went under par to 18.12½. The Copenhagen rate was weaker. The Dutch rate closed with a slight movement in our favour. The dollar rate was quoted as high as 3.95 on Saturday, but, on account of the weakness of the franc, it has since lost 10 cents. In the South American group the Buenos Aires rate received a setback to 59*d.* Montevideo moved in our favour to 60¼, and the Rio three months' quotation is down to 16 27/32. Of the Eastern group, the Shanghai tael moved up to 7*s.* 7*d.*, following the strength of the Silver market. The Hong-Kong dollar advanced to 5*s.* The rupee weakened to 2*s.* 4 1/16*d.* The Japanese yen was firmer at 2*s.* 4 3/32*d.*

NEW YORK.

A RATHER disappointing situation is shown by the statement of the New York City banks and Trust Companies in the New York Clearing House for the week ended March 27. Reserve requirements were $10,330,000 lower, but the aggregate reserve was $24,730,000 under last week's figure, the average excess reserve being in consequence $14,400,000 lower. The cash in vault of the members of the Federal Reserve Bank increased by $1,140,000. Net demand deposits were $79,200,000 lower, and Government deposits $5,400,000 lower. Loans, discounts, investments, &c., declined by nearly 10 millions. The average excess reserve was $18,130,000, and the actual excess reserve on March 27 was $31,830,000, as compared with a deficit of $7,980,000 on the 20th inst.

Following last week's slight improvement in the condition of the 12 Federal Reserve Banks, this week's statement shows a slight reaction. The ratio of total reserves to net deposit and Federal Reserve note liabilities combined is .8% lower at 42.7%—only .2 of 1% higher than the lowest ratio ever recorded. The average ratio during January of this year was 44.7%, during February 43.1%, and during the present month 42.8%. The cause of the decline during the present week is mainly an expansion of $117,660,000 in deposit liabilities. Federal Reserve note circulation also increased by $910,000. The gold reserves were slightly higher at $1,934,760. Re-discounts rose by $241,550,000, and bills bought in open market declined by $11,350,000.

The expansion in the re-discounts of the Federal Reserve Banks, though not so significant a factor at the moment as it had been some time ago, draws attention again to the money situation in New York. Few of the Federal Reserve Banks are at present able be bear a further expansion of liabilities, and the New York Federal Reserve Bank has even allowed its ratio of reserves to liabilities to fall below the legal minimum. This state of things occurs at a time when the period is approaching of unusually heavy demands on credit for legitimate trade purposes apart from the constant pressure on credit resources for the purpose of speculating in stocks and commodities. Thus we may expect to see a squeeze in the money situation in the near future. The reduction in the loaning power of the Federal Reserve system during the past two months to a level never before reached in the history of the Federal Reserve Banks, was due to the rapid depletion in the stocks of gold held by the banks, which has been a cause of uneasiness ever since the removal of the embargo on the export of gold last June. During the past eight months gold imports were $43,000,000, against $362,000,000 exports. This drain of gold still continues, the bulk of the consignments going to the Argentine. At the same time it must not be forgotten that the recent recovery in sterling by stimulating exports will cause a still further addition to the credit demands of trade. As regards the shipments of gold to the Argentine it may be pointed out that the amounts sent to that country are already more than sufficient to counterbalance America's adverse trade-balance with the Argentine, so that it is not improbable that a slackening in the demand for bullion from that quarter will be a factor in the situation. Meanwhile, though the exports of gold outstrip the imports at present, the large shipments of gold to America which are being made in London, both in order to provide for the withdrawal of the Anglo-French loan maturing in October, and as purchases of South African gold on American account, will do much to alleviate the strain which the Federal Reserve Banks are undergoing. Incidentally, it may be noted that the plight of her European debtors is the root cause of the present financial situation in America, and the fact that both France, Italy and Belgium have started on the road to recovery while Great Britain is hampered only by the backward state of those countries, has done much to affect a more favourable sentiment on the other side of the Atlantic, and will afford considerable relief to New York bankers. Up to quite recently considerable ignorance prevailed in New York about the true state of affairs in Europe. Wildly exaggerated descriptions of the havoc wrought by the War in the battlefields of France and Belgium, and of the disorganisation of the financial and economic structures of the European Allies were responsible for a very low opinion of European public credit being held in New York. One need only recall Mr. Vanderlip's recent prediction of a financial crash in Europe to realise to what extent New York sentiment was impressed. The announcement that the Anglo-French $500,000,000 loan would not be renewed came, therefore, as a complete surprise to America and was responsible for a complete reversal of opinion, as witnessed by the recovery of sterling from the low level of $3.20 touched in February last to last Saturday's quotation of $3.94¾. As far as the trade factor may be taken to influence the situation, the figures for America's foreign trade during February show that her "favourable" European trade balance has increased. Her balance of trade against Europe was $280,000,000, while her adverse balance with Africa was $18,000,000, with Asia $49,000,000, and with South America $27,000,000.

Opinion in America is divided regarding the money outlook. Some are inclined to emphasize the fact that the imports of gold will allow a basis for further credit expansion or, at all events, for relieving the present tightness, while others are inclined to the belief that the Federal Reserve banks will continue their contraction policy, and, indeed, forecast a further rise in re-discount rates. Sentiment in Wall Street is, on the whole, "bullish" on account of the improved exchange situation, the passage of the Railroad Bill, and the recent Supreme Court decision making stock received as dividends free of tax, and in general the cheerful industrial outlook. Money continues firm. On Saturday and on Monday actual rates for call loans ranged from 8% to 12%. Yesterday the ruling rate was 8%, and 10% was the highest and last rate paid.

INDIA.

In addition to the measures already adopted by the Secretary of State for India, following the recent report of the Committee on Indian Exchange and Currency, it has been announced that the notification of the Finance Department of September 11, 1897, is cancelled. This notification provided for the issue at the Reserve Treasuries at Calcutta, Madras, and Bombay of rupees in exchange for sovereigns and half-sovereigns at the rate of 15 rupees to the sovereign and 7 rupees 8 annas to the half-sovereign. The notification of the Government of India dated December 11, 1906, providing that gold bullion and gold coins other than sovereigns and half-sovereigns will not be received by the Mints of Calcutta and Bombay, is also cancelled. Silver may now be imported free of duty into India, but the prohibition on its export remains. The notifications under the Defence of India Act, 1915, prohibiting the use of gold and silver coins otherwise than as currency or dealing therein at a premium are also cancelled.

The recommendations of the Committee above referred to seem to have met with a lot of opposition in India itself, and certainly the arbitrary control of the currency system of India by the Government does not seem to have been very beneficial to Indian interests. Criticism of the new system must wait till its full effects have had time to work themselves out, but one cannot help remarking in general that the system of selling Council drafts and sterling reserve drafts in order to stabilise the value of the rupee seems to be a wholly unnecessary proceeding on the part of the Secretary of State and the Government of India, and entails a great deal of arbitrary manipulation. In the history of the currency of no country has there been more changes and remodellings made than in that of India, and as long as the Gold Exchange standard

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remains the currency standard of India, such changes and remodellings will have to be made. The whole difficulty could be avoided by adopting the Gold Standard in its entirety, with the sovereign as the standard monetary unit and the rupee as a subsidiary coin with limited legal tender. Gold and not silver, it may be noted, is the traditional money of India, and there is no reason why it should not be reinstalled as the sole standard of value. At any rate the *laisser faire* policy could be given a trial.

BULLION.

RATHER larger amounts were on offer in the Gold market, and with an improvement in the American exchange the price declined from 105*s.* 8*d.* per ounce fine on Friday to 105*s.* per oz. on Monday. Yesterday, in sympathy with the set-back in the dollar rate, there was a reaction to 106*s.* 7*d.* per oz. The amounts available were taken for the Straits Settlements, South America, and New York. To-day's quotation is 106*s.* 2*d.*

The feature in the Silver market was a rather stronger Chinese demand, which was sufficient to absorb the Continental offerings. The price for both spot and forward delivery rose from 71*d.* per standard ounce on Friday to 72⅝*d.* per oz. to-day.

On Monday evening in the House of Lords the Silver Coinage Bill passed through Committee and was reported without amendment to the House.

IT is rather difficult to understand some of the objections which have been put forward to the Silver Coinage Bill both in Parliamentary debates and in the public Press. Considering the prevalent clamour for economy in Governmental expenditure one would have thought that the measure would be welcomed as providing a means whereby a source of expenditure on the part of the Government could be converted into a source of profit. It has been asserted against the Bill that one of its effects would be a further rise in prices. In considering this objection it must be borne in mind that the question of an *increase in the volume* of our silver currency does not arise; consequently, it is only reasonable to assume that the point of view of those who make the objection is that a reduction in the intrinsic value, or, as some critics have called it, a debasement, of our silver coins will result in more coins having to be tendered for commodities. This argument would be valid if our silver coinage formed the greater part of our media of exchange, and if every silver coin circulated only at its intrinsic value; but the proportion borne by the volume of silver money to the total circulation of money in the United Kingdom, including bank deposits liable to be operated on by cheque, is only between 2% and 3%; and it is hardly necessary to point out that our silver coins circulate at values which depend on the authority of the Government and are accepted by the community, and are entirely unrelated to their values as pieces of silver. If this were not the case the purchasing power of our silver coins would vary with every fluctuation in the price of silver, but the existence of even a tendency towards such a variation has yet to be proved. Does anyone suppose, for instance, that the rise in the price of silver which occurred during the past 12 months, making the bullion value of our silver coins greater than their money value, had any effect in retarding the general rise in commodity prices? To state the matter briefly: Since silver coins are not our standard money, and are legal tender to a limited extent, fluctuations in their purchasing power depend directly on the fluctuations in the purchasing power of our standard monetary unit, which is at present the paper pound, and are therefore the effect, and not the cause, of fluctuations in the general price level. As regards the characterisation of the proposals of the Bill as a debasement of the silver coinage, all that need be said is that when these proposals will have come into effect the intrinsic value of every silver coin will still, at present prices of silver, be greater than it was before the War.

After all, it might well be urged that the costly operation of buying silver at present prices for the purposes of coinage is a more potent influence in raising prices than the economical one of reducing the cost of providing such subsidiary currency.

To come to the other side of the matter, it can be pointed out that the benefits entailed by the proposals of the Bill are obvious. The present situation, which enables a handsome profit to be made by anyone who is prepared to brave the Government prohibition and melt down silver coins for sale as bullion, is a constant menace to the very existence of our subsidiary coinage, and this menace will be removed automatically by reducing the standard fineness of the coins from 925 to 500. Then there is the obvious saving which the Bill will effect. The mere fact that a commodity is forced to fulfil the function of a medium of exchange at a nominal value lower than its true value in exchange is an economic loss to the community. It is like plating a gold ornament with base metal. It is hardly necessary to point out that if the Silver Coinage Bill comes into operation not only will this loss be removed, but, in addition, a substantial gain will accrue. Indeed, we see no reason why the whole question should not be pushed to its logical conclusion and nickel tokens be substituted for the present silver coins. Provided they were durable and difficult of forgery, nickel coins would serve the purpose of a money just as well as the expensive silver ones. The fact that they would be legal tender up to only £2 provides an automatic check on their over-issue, and they ought to prove at least as acceptable to the public as the present issue of currency notes, which are unlimited legal tender and constitute virtually a fiat currency.

We have been more fortunate in the matter of preserving our silver coinage than France has been, for since silver rose over 66*s.* an ounce standard, over which price the melting of our silver coins for sale as bullion becomes profitable, we have experienced no shortage of silver coins; in France, on the other hand, hoarding and melting of the silver coinage has been carried on on a considerable scale. To remedy the consequent silver scarcity the Finance Minister has announced that the Paris Chamber of Commerce has been authorised to fill the gap by the issue of notes of small denominations, and it is expected that an issue of nickel coinage will shortly take place as well.

Stock Exchange.

A REVIEW of the markets shows that many weak spots continue to be disclosed, but all signs would indicate that during the recent depression liquidation has been pretty thorough, and the outlook for the future certainly gives ground for more hope. A demand for

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purely investment stocks has been quite a recent feature of the markets. Evidently the low prices that ruled in the Gilt-edged market has at last begun to attract buyers, and money finds it way into these securities all the more freely now that the proposals for a War Wealth tax seem to have been abandoned. The opening of the Budget about April 19 will remove a further cause of uncertainty, and with rather more settled opinion as regards the prospects of dear money the markets should show a more cheerful turn.

Gilt-edged stocks have started on the up-grade, though the close was generally under the best to-day. Funding Loan continues in favour, and the War Loan Fives and Fours came in for good support. The National War Bonds showed an all-round advance. Consols were sluggish at 46. Bank of Englands declined. Among Colonials New Zealand Fours were well supported and exchanged hands as high as 72.

The rise in the Continental exchanges operated adversely on French and Belgian issues in the foreign markets. The Japanese Fives and Fours were weak. Chinese issues were firm. Mexican bonds are awaiting confirmation of the telegram announcing that the Mexican Finance Department intended the resumption of payments on Mexico's foreign debts.

Business was quiet in the Home Rail section, and price movements were unimportant. Renewed support was found for the Underground Electric Income bonds in which business was done at 74. A firm tone prevailed in the Foreign Rail section, though Leopoldinas and San Paulos were irregular. Central Argentines were bid up to 72. Buenos Ayres Great Southerns and Buenos Ayres Great Westerns were firm. The strike on the Great Western Railway of Brazil has been settled, but the general labour situation in Brazil shows signs of becoming more acute.

In view of the approaching Easter holidays business was on small scale in the Industrial section; nevertheless bright features were not lacking. Fine Spinners and Courtaulds led a strong movement in textiles. British Oil and Cake Mills advanced strongly. Sun Fuel displayed notable strength. British Cellulose declined. Dunlop Rubbers were firm at 11. Imperial Tobaccos were weak at 51*s*. Nitrates showed strength. Angelas changed hands at 54*s*. Rosarios were bid up to 10¼. Aleanzas were firm at 22 to 23. Pan de Azucars were marked up. Aguas Blancas were dealt in at 39*s*. Salar del Carmen were firm at 3 3/32.

The Oil section was one of the most active of the markets, and the week-end recovery was well maintained. Prices continue to be bid up and show a ready response to buying. Shells were quickly marked up to 10 23/32. Business was done in Royal Dutch at 84. Mexican Eagles Common changed hands at 10¾, and the Preference at 10. Scottish Americans were inquired for at 38*s*. 3*d*. Burmahs were dealt in at 18⅝. Roumanian Oilfields were active, and quotations ranged from 1 3/16 to 1¼. Tankers (5*s*. paid) rallied again to a 5/32 premium.

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Mining Topics.

The cheerful tone that characterised this market at the close of last week did not remain long in evidence on Monday. Before long it was replaced by the more familiar, though none the less monotonous, dull tone, with a tendency towards further reductions. It was not merely the approach of the holiday season that produced this result. The farewell speech of Sir Evelyn Wallers, of the Transvaal Chamber of Mines, was a powerful factor, with its pessimistic outlook on the prospects of the mines on the decline or disappearance of the gold premium. It is not a "bull" point for the market to hear that, with gold at 100*s*. per oz., and working costs at their present level, 16 mines would be working at a loss, whilst at a price of 90s. for gold the number would rise to 26; and, finally, that no fewer than 31 mines would prove unproductive should gold return to its parity price of 85*s*. It is well to bear in mind that this must be regarded as the point of view of Sir Evelyn Wallers, and that other men, such as Sir Lionel Phillips, no less competent judges of the situation, do not accept it in its entirety. It is of value, however, as a warning against the undue tendency to look upon the gold premium as a perpetual source of profit. Admittedly its existence has enabled certain mines to turn a working loss into a profit. Moreover, though it cannot be said with certainty how long the premium will continue or what levels it will reach, nevertheless there is good reason for believing that the price of gold will not exceed 120*s*., and that it is much more likely to oscillate between 100*s*. and 110*s*. As soon, therefore, as it approaches this lower level there will be an opportunity of discovering to what extent Sir Evelyn

Waller's statement is likely to be verified. The speech, however, coming at a moment when the market was still in the throes of depression, only served to accentuate the movement. Again, the prices ruling here were sufficiently above those at the Cape to give rise to realisations from that source, despite the high cost of the exchange. On top of these realisations came the fear of impending sales on French account as the French exchange began to approach 58 francs.

An official circular has been issued by Bantjes Consolidated effectively refuting the statement made in a circular by Mr. R. W. Stephens, but no hope is held out to shareholders of any resumption of crushing operations in the immediate future. The effect of the gold premium is well seen in the summary of the report of the East Rand Proprietary Mines. For 1918 a tonnage milled of 1,372,300 tons yielded a working profit of £52,916 with working costs at 22*s.* 6*d.* per ton; whereas, in 1919, with a crushing of 1,409,500 tons, and working costs at 23*s.* 6*d.* per ton, the working profit had risen to £286,596. The Waihi Gold Mining Company announce that mining and milling have been entirely suspended owing to a strike on the part of the miners and engineers, who are seeking considerable rises in wages. The Golden Horse Shoe Estates Company report a loss of £1,298 as a result of February operations, shortage of power being mainly instrumental in producing the loss. The celebrated Hampton Plains field was visited by the Minister for Mines, who expressed the opinion that there were good prospects before the White Hope and Celebration leases. A final dividend of 1*s.* 6*d.* per share on both Preference and Ordinary shares has been declared by the Oregon Gold Mining Company of India, making, with the interim dividend, a total for the year ended December 31, 1919, of 32½% on the Preference and 22½% on the Ordinary shares.

Tin shares did not respond fully to the recovery of the metal to £359¼. In the Nigerian groups there was a tendency towards firmness, Anglo-Continentals hardening to 25*s.* 9*d.* and Tin Areas to 12*s.* 6*d.* An easier labour situation was reflected in the improvement of Killifreths to 29*s.* 6*d.* and of Geevors to £1.

FALCON MINES.

Year to June 30	Ore Treated Tons (2,000 lb.)	Blister Copper Produced Tons (2,000 lb.)	Yield %	Gold Contents Oz.	Silver Contents Oz.	Value £	Working Profit £
1916 ...	218,792	3,477½	1·5	38,569½	73,863	540,527	194,482
1917 ...	203,049	3,480½	1·7	35,247	70,876	548,144	194,265
1918 ...	170,074	3,596	2·1	37,700	80,529	485,406	88,449
1919 ...	16 ,961	3,023	2·0	33,597	68,795	411,744	56,321

The report of this Rhodesian Mining Company for the year ended June 30, 1919, is not very encouraging from the standpoint of shareholders. There has been a further decline of 19,113 tons in the quantity of ore treated. The explanation furnished by the Consulting Engineer is to the effect that the circumstances of the year were abnormally unfavourable. Before the first quarter of the financial year had drawn to a close the area from which ore could be drawn was materially reduced by a large underground subsidence, which resulted in the loss of the 5th level. During October and November 80% of the white and native employees fell victims to the influenza epidemic, and the consequent shortage of labour disorganised the whole concern. To add to the difficulty of the situation, the price of copper began to fall to such an extent as to cause much anxiety. Lack of shipping facilities during the War held up the output for months, and by the time it reached the New York market the price of copper had fallen off, and remained stagnant at a price just under £80 a ton until after June 1919. This was the average price realised, whereas owing to the exchange situation silver brought in 4*s.* 9*d.* per oz. and gold 90*s.* 10*d.* per oz. The net result was to yield an output worth £411,744. But working costs had advanced by 10*d.* per ton to 47*s.* 7½*d.*, leaving a working profit of 6*s.* 11¼*d.* per ton, amounting to £52,355. Including sundry receipts, the total working profit for the year reaches £56,321. Deducting from this income tax to the extent of £1,820, Debenture interest amounting to £9,347, and interest on loans estimated at £7,450, the net profit worked out at £37,704. Out of this £30,000 is set aside for the redemption of Debenture stock. The balance, in conjunction with a refund of £50,733 received on account of excess profits duty paid or reserved in advance, but not justified by the previous year's accounts, added to the balance brought forward of £101,471, gives a total credit balance of £159,908, which the directors advised should be carried forward to the next accounts. To explain the absence of dividends it is necessary to look at the general financial position of the Company, and in particular at its liabilities. In the first place, Debentures have to be entirely redeemed by July 31, 1922. Taking into consideration the £30,000 set aside for this purpose in the accounts under review, there is still outstanding a total of £98,092. Thus it becomes urgent to have funds accumulated to be in a position to discharge this liability. Then comes the claim for income tax in the United Kingdom to the extent of £32,000 in respect of the year ending April 5, 1920. Next ranks the claim of the Gold Fields Rhodesian Development Company in respect of an advance of £47,500, against which as security a further amount of £50,000 Debentures has been deposited. One of the terms of the loan was that all available profits were to be utilised to repay this advance; but this condition has, by agreement, been suspended for 12 months, to enable the Company to accumulate working capital and carry out the necessary development work. The marked lack of working capital has been primarily responsible for the loans raised by the Company, and recourse was had to the bank to provide the essential monthly working expenses. Such a combination of liabilities prevent the declaration of any dividend. The position in the balance sheet is the inevitable outcome of these facts. Sundry creditors, in which such loans and interest due on them account for £144,238, stand at £209,413, whereas liquid assets amount only to £144,860. But if £79,975, representing the value of broken ore in stopes, is included, these liabilities are just covered. There is, moreover, the large sum of £118,218 locked up in stores and materials. It is rather difficult to estimate the position in the immediate future. The ore reserve is 138,000 tons down at 662,000 tons, which is estimated to contain 5.16 dwt. of gold and 2.14% of copper, worth 60*s.* per ton if copper is taken at £80 per short ton and gold at 5*s.* per dwt., but increasing to 68*s.* 7*d.* if copper is calculated at £100. Working costs, on the other hand, fell off considerably, amounting only to 35*s.* 0½*d.* per ton in the September quarter of the current year. In the December quarter, however, they had risen to 39*s.* 2*d.* per ton, and with the increase in the cost of fuel and the rise in wages since the New Year it was not anticipated that they would fall below 40*s.* for the remainder of the year. Moreover, the mining aspect is not over-bright. Development work in the year under review was not very fruitful in results, and the Consulting Engineer is not very optimistic as regards the future. On the other hand, some relief in the cost of working is anticipated from the introduction of the briquetting plant in substitution for the sintering process. But genuine assistance has been rendered by the high price ruling both as regards copper and gold, and receipts thus increased have allowed the reduction in the amount of loans outstanding on June 30, 1919, to £47,500. Granted a good development, a steady output, the maintenance of high prices for copper and gold, and uninterrupted working, the Chairman held that a successful future lay before them. January returns indicate that the majority of these conditions have been in force, for

the yield of copper and gold, calculated at £100 per short ton for copper—and the market price is still above this—and £5 7*s*. 6*d*. per oz. for gold, is estimated to be worth £42,420. In the market the £1 shares are quoted at 12*s*. 6*d*., which would seem to indicate that, in the opinion of the market, the prospects of dividends in the near future are not very rosy.

FANTI CONSOLIDATED.

Year ended Dec. 31	Gross Revenue £	Expenses £	Net Profit £	Dividend Amount £	Dividend %	Carried Forward £
1918 ...	76,222	3,857	72,365	50,880	10 5/12	21,485
1919 ...	89,243	7,225	82,018	76,320	15 3/8	22,605

THE accounts of this Company for the last two years would seem to indicate that the prospects before the shareholders were much more encouraging than they appeared to be in 1917, when the nominal value of the shares was reduced from 10*s*. to 8*s*. As can be seen from the above table, a gross revenue of £76,222 was secured in 1918, out of which shareholders received a dividend of 10*d*. per share, which is equivalent to a rate of 10 5/12 %. During 1919, the year under review, there was earned a higher gross revenue of £89,243, and the dividend paid to shareholders was increased by 50% to 1*s*. 3*d*. per share, or 15 3/8%, leaving a balance of £22,605 to be carried forward to the next accounts. The position of the Company as disclosed in the balance sheet as on December 31, 1919, is admittedly strong. Liquid assets, excluding investments other than National War Bonds, amount to £336,181, whereas liabilities do not exceed £42,450. Other investments of a semi-liquid nature are held to an estimated value of £294,561. Fixed assets, mainly consisting of mining and similar properties in West Africa, stand at £23,200. The issued capital as written down in 1918 comprises 1,221,120 shares of 8*s*. each. The reserve account amounts to £25,995. The outlook for the current year seems no less bright; but the degree of success is contingent upon a variety of factors. Under the heading of investments good results are expected from investments in a French mining and a French phosphate company. Difficulties are being experienced, however, in connection mainly with their West African interests. At present the Seccondee-Tarquah line is not able to cope with the manganese traffic, but relief is expected through the decision of the Government to construct considerable railway extensions. The lack of a deep-sea harbour accentuates the shortage of shipping facilities. Again, the labour problem is no less acute, and the supply of native labour is still far from adequate. The full exploitation of the manganese property, from which much, indeed, is expected, has been delayed by the action of the Inland Revenue authorities. At present this property is held by the Wassaw Exploring Syndicate, consisting of 20,000 shares of 1*s*. each, all the shares being held by Fanti Consolidated. The scheme adopted involved the formation of a new company with a capital of £750,000, of which £480,000 was to be allotted in £1 shares in exchange for the 20,000 shares of 1*s*. in the Wassaw Exploring Syndicate. But the transaction is being held up because the Inland Revenue authorities have so far declined to state beforehand whether such an exchange would or would not be liable for income tax or excess profits duty. The contention of the Company is that no such charge should be made until the shares so exchanged are actually realised. On the other hand, it is not easy to understand on what grounds the Inland Revenue authorities would exempt so marked a capital appreciation as is involved in this transaction. The 8*s*. shares of Fanti Consolidated are quoted in the market at 10*s*. 4½*d*., at which price they yield at the rate of dividend for 1919 a little over 12%.

TABULAR APPENDIX

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, March 24, 1920.

Issue Department.

Notes Issued	£133,659,920	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	115,209,920
	£133,659,920		£133,659,920

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£45,394,854
Rest	3,542,920	Other Securities	91,142,993
Public Deposits	19,783,290	Notes	32,523,275
Other Deposits	131,757,078	Gold and Silver Coin	573,266
Seven-day and other Bills...	18,140		
	£169,634,378		£169,634,378

Comparison with Previous Four Weeks [00,000's omitted.]

Date 1920	Circulation £	Coin and Bullion £	Deposits Public £	Deposits Other £	Securities Govt. £	Securities Other £	Reserve £	Ratio Reserve to Liabilities %	Bank Rate * %	Three Months' Bills %
Mar. 24	101.1	115.8	19.7	131.7	45.4	91.1	33.1	21·8	6	6½
Mar. 17	101.2	118.2	18.4	133.0	42.1	91.9	35 5	23·5	6	5⅞
Mar. 10	102.8	115.9	18.5	127.3	40.3	92.1	31.5	21·6	6	5½
Mar. 3	101.5	113.6	22.4	135.4	52.7	92.3	30.9	19·6	6	5½
Feb. 25	96.5	110.4	17.3	172.8	85.1	90.7	32.3	17·0	6	5½
J'y22,'14	29.3	40.2	13.7	42.2	11.0	33.6	29.3	52·40	3	2 5/8

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 8%; Aug. 8, 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; April 5, 5%; Nov. 6, 1919, 6%.

Comparison of Bank Returns, Exchanges, Prices, &c.

	Mar. 31, 1920	Mar. 26, 1919	Mar. 27 1918	Mar. 28, 1917	Mar. 25 1910
Bank of England (in £'s sterling 00,000's omitted):					
Circulation	£101.1	£73.6	£47.8	£38.3	£28.7
Public Deposits	19.7	25 8	43.8	19.9	7.2
Other Deposits	131.7	121.7	137.5	123.6	42.4
Government Securities	45 4	57.0	55.9	24.0	13.9
Other Securities	91.1	79.4	112.3	139.6	30.4
Reserve	33.1	29.0	31.2	34.2	23.5
Ratio to Liabilities	21·8%	19·71%	17 22%	19·02%	4[illegible]·4%
Coin and Bullion	115.8	84·2	60.6	54.0	33.5
Money:					
Bank of England Rate	6%	5%	5%	5½%	4%
Bank of France Rate	5%	5%	5%	5%	3½
Rate 3 months' Bills London	5⅛%	3⅝%	3⅝-3⅛%	4⅛%	—
Exchanges:					
Paris Cheque	58·02	27·60	27·24⅜	27·78⅛	25·23
New York 60 days	3·84	4·62	4·72⅛	4·72	4·83⅛
Bombay Telegraphic Transfers	2/4⅛	1/5 31/32	1/4 31/32	1/4 3/32	1/4⅛
Prices:					
Consols 2½% Cash	46 3/16	56	54	63¼	81
French Rentes 3% Money	59·10	63·00	57·25	61·40	98·42
Silver, London spot ..... oz.	72⅝d.	50d.	45⅛d.	36d.	23½d.
Wheat, *Gazette* average .....qr.	72/8	72/7	72/3	80/3	32/6
Cotton, Mid Upland .....lb.	30·01d.	19·45d.	24·23d.	12 82d.	8·14d.
Iron, Scotch pig .....ton	206/0	101/0	101/0	88/8	57/9

CURRENCY NOTE ISSUE.

Week to	Notes Issued £	Notes Cancelled £	Notes Outstanding £	Gold Coin & Bullion £	Bank of England Notes £	% of Bank Notes & Gold to Notes %
Mar 24, '20	8,149,492	7,836,167	326,572,211	28,500,000	4,900,000	10·2
Mar. 17, '20	6,732,690	8,664,221	326,258,886	28,500,000	4,800,000	10·2
Mar 26, '19	9,008,167	5,139,552	398,064,070	28,500,000	—	8·6
Mar 27, '18	10,299,041	6,071,849	228,149,989	28,500,000	—	12·5
Mar 28, '17	6,134,292	4,490,373	144,687,071	28,500,000	—	19·7
Mar. 29, '18	5,166,183	2,978,466	106,890,991	28,500,000	—	26·8

Balance Sheet March 21, 1920.

	£		£
Notes outstanding—		Advances—	
One Pound	255,925,123	Other Bankers ...	—
Ten Shilling	42,297,088	Trustee Savings Banks	190,000
Certificates outstanding ...	28,350,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500,000
Total	326,572,211	Bank of England Notes...	4,900,000
Investments Reserve A/c ...	15,787,165	Government Securities ...	307,581,652
		Balance at Bank of England	1,187,724
Total	342,359,376	Total	342,359,376

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

1920. Week to	Revenue	Expenditure	Excess of Expenditure	Loans, Advances, &c. Cr.	Loans, Advances, &c. Dr.	Loans, Advances, &c. Net +	Cash Balance
Mar 20	£66,479	£60,764	*5,715*‡	£58,193	£63,848	—5,725	£3.709
Mar 13	57.165	41.515	*15 650*‡	50.728	66,258	—15.530	3,719
Mar. 6	56,441	50.249	£6,192‡	74,752	81,926	—£7,174	3,600
356ds. '19-20	1,231,397	1,498,962	267,565	5,805,421	5,537,855	267,566	— 9,090
356days '18-19	850,906	2,528,246	1,677,340	6,604,086	4,940,372	1,673,714	—13,626
Fr. '19-20*	1,168,650	1,642,295	473,645	—	—	473,645	—
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	1,682,049	12,786
Yr. '17-18	707,234	2,696,221	1,988,987	7,499,604	3,616,023	1,983,581	21,630

Principal Items of Revenue and Expenditure.

1920. Week to	Revenue: Customs & Excise	Income Tax, &c.	Excess Profits Duties, &c.	Other Revenue	Expenditure: Int., &c., on Debt	Expenditure: Misc. Expend.	Supply Services.
Mar. 20	£10,462	£12,987	£4,710	£33,120	£6,853	£774	£53 137
Mar. 13	3,661	16.696	5,168	31,640	1,937	1.028	38.550
Mar 6	4,099	24,296	6,590	21,455	19,607	10	30 631
56 days '19-20	275,363	341.145	277,102	337,787	323,231	14,087	1,161,644
356days '18-19	157,758	276,317	271,870	144,961	266,533	9,782	2,251,930
Fr. '19-20*	276,000	354,000	280,000	258,650	345,000	16,595	1,280,700
Yr. '18-19	162,220	291.188	285,028	150,587	269,984	11.380	2,297,956
Yr. '17-18	110,033	239,509	220,214	137,478	189,851	11.401	2,494,968

FLOATING DEBT. [000's omitted.]	Treasury Bills	Ways & Means Advances	Total	Natnl. War Bond Repts.
Mar. 20, 1920 ...	£1,048,772	£178,430	£1,227,702	£1,732,780
Mar. 13, 1920 ...	1,059,228	168,930	1,228.158	1,732,780
Mar. 6, 1920 ...	1,056,662	185,430	1,242,092	1,732,780
Feb. 28, 1920 ...	1,070,085	187,830	1,257,915	1,732,780
June 30, 1919 ...	796,150	774,237	1,570,387†	1,732,021

* Revised Budget and supplementary estimates. † Highest.
‡ Excess of revenue.

FOREIGN BANKS.

[In £'s Sterling‡—000's omitted.]

AUSTRIA-HUNGARY.	Cash Gold	Cash Silver	Cash Total	Advances To Public	Advances To Dual Govts.	Note Circulat'n	Bills Discounted, &c.
July 23, '14...	£51,578	£12,141	£63,719	£7,772	—	£88,740	£31,993
Oct. 21, '19...	10,832	2,374	13,206	371,686	£1,373,083	2,013,363	240,845
Oct. 28, '19...	10,832	2,378	13,210	372,119	1,373,083	2,058,464	222,532
Dec. 7, '17...	11,000	2,300	13,300	603,990	—	739,300	117,600

BELGIUM.	Gold.	Silver	Total	Discounts	Circulation	Deposits
Aug. 6, '14 ...	£10,977	£633	£11,610	£41,925	£51,800	£6,263
Mar. 18, '20 ...	10,657	1,064	11,721	20,727	198,020	86,633
Mar. 25, '20 ...	10,657	1,101	11,768	22,607	197 884	86,230

DENMARK.	Cash Gold	Cash Silver	Cash Total	Discounts	Balance Abroad	Circulation	Deposits
July 31, '14 ...	£4,100	£341	£4,441	£6,197	£786	£8,693	£47
Jan. 31, '20 ...	12,602	188	12,790	15,084	912	26,375	1,902
Feb. 28, '20 ...	12,597	186	12,783	16,948	599	26,396	3,293
Feb. 28, '19 ...	10,400	136	10,536	3,959	5,342	23,402	920
Feb. 28, '18 ...	9,841	136	9,777	2,827	2,712	18,478	1,635

FRANCE.	Gold In Bank	Gold Abroad	Total Cash incl'e Silver	Bills	Circulation	Deposits Public	Deposits Private
July 30, '14 ...	£165,654		£190,667	£97,768	£267,327	£15,302	£37,903
Mar. 18, '20 ...	144,193	79,131	233,275	66,817	1,526,400	4,426	135,392
Mar. 25, '20 ...	144,230	79,131	233,247	47,106	1,502,759	21,05	140,506
Mar. 27, '19 ...	142,575	79,132	234,227	40,017	1,334,866	1,874	120,508
Mar. 28, '18 ...	133,457	81,484	225,158	53,129	1,007,173	1,891	112,342

GERMANY.	Cash Gold	Cash Silver	Cash Total	Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
July 23, '14...	£67,843	£16,727	£84,570	£5,279	£40,055	£94,545	£47,198
Feb. 28, '20...	54,567	1,261	55,828	641,635	1,947,723	2,051,688	667,113
Mar. 6, '20...	54,569	1,335	55,904	651,652	2,013,553	2,082,418	667,635
Mar. 7, '19...	112,216	1,048	113,264	300,926	1,326,346	1,212,399	544,972
Mar. 7, '18...	120,351	5,873	126,224	65,931	653,591	566,205	329,552

HOLLAND.	Cash Gold	Cash Silver	Cash Total	Discounts	Advances	Circulation	Deposits
Aug. 1, '14 ...	£13,496	£249	£13,745	£13,422	£10,332	£35,660	£1,437
Mar. 13, '20 ...	52,811	823	53,634	22,917	17,005	84,775	9,080
Mar. 20, '20 ...	52,816	848	53,664	21,848	16,881	84,153	8,718
Mar. 22, '19 ...	55,854	800	56,654	10,919	15,878	82,926	6,731
Mar. 23, '18 ...	60,254	612	60,866	2,320	9,082	72,215	5,358

ITALY.	Cash Gold	Cash Silver	Cash Total	Other Cash	Loans & Discounts	Circulation	Deposits
July 31, '14 ...	—	—	£48,456	£25,017		£69,204	£8,887
Dec. 31, '19 ...	£32,193	£3,004	35,197	21,538	110,071	507,671	83,394
Jan. 10, '20 ...	32,194	3,004	35,198	20,480	112,555	495,477	78,868
Dec. 31, '18 ...	32,710	3,086	35,796	15,238	65,984	368,934	63,866
Dec. 31, '17 ...	33,434	3,496	36,930	8,448	47,745	261,568	57,941

JAPAN.	Gold	Discounts	Advances	Notes	Deposits Public	Deposits Private
Aug. 1, '14 ...	£21,867	£1,829	£7,863	£32,722	£13,818	£1,521
Feb. 7, '20 ...	94,285	18,183	36,123	126,775	113,891	4,282
Feb. 14, '20 ...	94,129	18,814	37,899	129,485	113,670	3,788
Feb. 15, '19 ...	71,935	2,160	41,443	82,767	104,347	5,093
Feb. 16, '18 ...	65,221	3,519	24,240	66,660	60,748	3,189

NEW YORK BANKS & TRUSTS.	Cash Own Vaults	Aggregate Reserve	Loans, Disc'ts, Invest.,&c.	Net Deposits—Demand	Net Deposits—Time	Net Deposits—Total	Excess Reserve
Aug. 1, '14 ...	—	£89,888	£411,238	—	—	£387,165	£1,720
Mar. 20, '20 ...	£18,914†	118,186	1,022,120	£840,762	£51,266	899,750	6,506
Mar. 27, '20 ...	19,142†	113,240	1,020,180	824,922	51,540	882,104	3,626
Mar. 29, '19 ...	19,234†	108,098	967,434	781,158	30,332	862,456	4,578
Mar. 30, '18 ...	20,593†	108,726	867,370	748,040	37,217	813,508	9,200

NORWAY.	Gold	Balance Abroad	Norw. & For. Govt. Secs.	Disc'nts & Loans	Circulation	Deposits
July 31, '14 ...	£2,960	£1,678	£493	£4,868	£6,752	£793
Mar. 15, '20 ...	8,123	4,642	579	18,901	22,735	5,532
Mar. 22, '20 ...	8,122	4,501	579	18,607	22,820	5,059
Mar. 22, '19 ...	6,706	3,382	691	21,529	22,896	5,725
Mar. 22, '18 ...	6,741	3,619	713	18,792	18,830	7,880

PORTUGAL.	Gold	Silver	Total	Discounts & Note Circ. Advances	Circulation	Deposits
Nov. 28, '19 ...	£1,905	£3,921	£5,827	£11,063	£76,570	£4,635
Dec. 3, '19 ...	1,906	3,920	5,826	10,881	74,948	7,186
Dec. 10, '19 ...	1,906	3,921	5,827	12,888	78,528	6,349
Dec. 17, '19 ...	1,906	3,921	5,827	12,954	80,275	4,860

ROUMANIA.	Cash	Discounts	Advances	Total	Circulation
Jan. 31, '20 ...	£59,249	£9,177	£2,343	£11,520	£177,109
Feb. 7, '20 ...	60,009	8,969	2,549	11,518	179,245
Feb. 14, '20 ...	60,009	8,546	2,440	10,986	179,211
Feb. 15, '19 ...	33,701	7,064	1,527	8,591	99,792

RUSSIA.	Gold—In Bank	Gold—Abroad	Total Cash incl'e Silver	Loans & Disc'ts	Circulation	Notes in Reserve	Total Deposits
July 21, '14...	£160,114	£14,395	£181,892	£76,081	£163,411	£6,589	£109,911
Oct. 29, '17...	129,523	230,865	378,205	1,869,559	1,836,217	15,783	345,550

SPAIN.	Cash Gold	Cash Silver	Cash Total	Loans, &c.	Spanish 4%	Circulation	Deposits &c.
Aug. 1, '14 ...	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,955
Mar. 20, '20 ...	86,112	25,259	123,371	86,282	13,779	153,841	44,374
Mar. 27, '20 ...	98,112	25,303	123,415	86,184	13,779	153,703	44,604
Mar. 29, '19 ...	90,372	25,905	116,277	74,572	13,778	138,852	43,035
Mar. 30, '18 ...	80,292	28,341	108,633	49,610	13,777	114,123	33,621

SWEDEN.	Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
Aug. 1, '14 ...	£5,717	£6,150	£1,555	£7,495	£13,432	£3,903
Mar. 13, '20 ...	14,682	5,992	2,684	32,093	38 353	14,432
Mar. 20, '20 ...	14,504	6,230	2,548	34,162	37,737	17,579
Mar. 22, '19 ...	15,002	7,823	3,003	21,132	35,068	8,118
Mar. 22, '18 ...	13,599	7,287	3,937	14,755	32,173	8,138

SWITZERLAND.	Cash Gold	Cash Silver	Cash Total	Discounts & Advances	Circulation	Deposits
July 23, '14 ...	£7,532	£728	£7,960	£4,817	£10,716	£2,026
Mar. 15, '20 ...	21,148	3,432	24,580	12,781	36,500	5,040
Mar. 23, '20 ...	21,149	3,457	24,606	12,553	38,131	4,791
Mar. 22, '19 ...	16,530	2,600	19,130	20,180	34,178	4,862
Mar. 23, '18 ...	14,807	2,256	17,063	11,487	25,857	4,149

† Not reserve. ‡ Converted at par rate of exchange approximately.

U. STATES FED. RES. BANKS.	Gold Held by Banks	Gold With Agents	Total Cash	Bills Discount'd	Acceptances.	Deposits. Govt.	Deposits. Total. Net.	Circulation.
Mar 22,'20 ...	386,916		412,066	441,536	92,646	11,608	337,112	609,426
Mar. 29,'20 ..	386,952		411,432	489,846	90,376	5,542	354,580	609,608
Mar. 31.'19 ...	179,240	249,222	442,106	363,248	49,622	33,630	348,286	504,356
Mar 22.'18 ...	180,579	179,984	372,474	108,624	65,776	18,301	301,154	285,902

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed		%	Date Fixed
Amsterdam ...	4½	July 1,'15	Lisbon	5½	Jan. 15,'14
Berlin	5	Dec. 23,'14	Madrid	5	Nov.10,'19
Berne	5	Aug. 21,'19	Paris	5	Aug. 20,'14
Bombay	7	Feb. 5,'20	Petrograd ...	8	July 29,'14
Brussels	3½	Oct. 2,'19	Rome	5	Jan. 11,'18
Calcutta	5	June 5,'19	Stockholm ...	6	June 12,'19
Christiania ...	6	Dec. 18,'19	Tokio	8·03	Nov. 18,'19
Copenhagen ...	5	Oct. 7,'19	Vienna	5	Apr. 12,'15

III.—FOREIGN EXCHANGES.

LONDON ON—		Mar. 31, '20	Mar. 26, '20	Mar. 19, '20	Mar. 12,'20
Berlin	Cable	280m.	287½m.	290 m.	270m.
Brussels	Cheques	54fr. 50c.	53fr. 40c.	49fr. 70c.	47fr. 70c.
Denmark	Cable	21kr. 10	21kr. 20	21kr. 35	21kr. 60
Holland.....	do.	10fl. 45c.	10fl. 52½c.	10fl. 30c.	10fl. 15c.
Italy	do.	80lr. 50	77lr. 00	70lr. 50	67lr. 00
Lisbon and Oporto	do.	15d.	15d.	15½d.	13½d.
New York	do.	$3 87	$3 90½	$3 78½	$3 68½
—	Cheques	$3 88	$3 92½	$3 80½	$3 70
Norway	Cable	20kr. 05	20kr. 72½	20kr. 65	21kr. 20
Paris	3 mos.	59fr. 00c.	57fr. 05c.	52fr. 55c.	50fr. 25c.
—	Cable	58fr. 00c.	56fr. 10c.	51fr. 75c.	49fr. 55c.
Spain (Bank places)	3 mos.	52½d.	52½d	55½d.	54½d.
—	Cable	22p. 35	22p. 15	20p. 30	20p. 87½
Sweden	do.	18kr. 07	18kr. 25½	18kr. 27½	18kr 47½
Switzerland	3 mos.	22fr. 45c.	22fr. 75c.	22fr. 40c.	22fr. 10c.
—	Cable	22fr. 10c.	22fr. 40c.	22fr. 05c.	21fr. 80c.

ON LONDON—		Mar. 31, '20	Mar. 26, '20	Mar. 19, '20	Par
Alexandria	Sight	97½pi.	97½pi.	97½pi.	97½pi.
Amsterdam	Cheques	10fl. 43c.	10fl. 47c.	10fl. 31½c.	12.107fl.
Athens	Cable	36dr. 35	36dr. 37½	33dr. 50	25dr. 22½
Bombay	Transfers	2s. 4½d.	2s. 4½d.	2s. 4½d.	2s.*
Brussels	Cheques	54f. 35c.	53f. 30c.	49f. 65c.	25f. 22½c.
Buenos Ayres	Transfers	61d.	60½d.	62d.	47.58d.
Calcutta	do.	2s. 4½d.	2s. 4½d.	2s. 4½d.	2s.*
Christiania	Sight	20kr. 00	20kr. 64½	20kr. 73	18.159kr.
Copenhagen	do.	21kr. 24	21kr. 23	21kr. 25	18.159kr.
Helsingfors	Cable	72½m.	72m.	67½m.	25m. 22½
Hong Kong	Transfers	5s. 0d.	4s. 11½d.	5s. 8d.	—
Italy	Sight	80lr. 75c.	78lr. 00c.	70lr. 50c.	25l. 22½c.
Lisbon	do.	14½d.	14½d.	15½d.	53½d.
Madras	do.	2s. 4½d.	2s. 4½d.	2s. 4½d.	2s.*
Madrid	do.	22p. 31	22p. 14	21p. 23½	25p. 22½
Montevideo	Transfers		62½d.	—	51d.
Montreal	Cable	$4 29⅞	$4 22½	$4 23	$4 86⅝
New York.....	Sight	$3 85½	$3 86	$3 73½	—
—	60 days	$3 84	$3 84½	$3 72	—
—	Cable	$3 86⅝	$3 86⅞	$3 74½	$4 86⅝
Paris	Cheques	58f. 20c.	55f. 95c.	52f. 65c.	25f. 22½c.
Rio de Janeiro ...	90 days	17½d.	16½d.	17½d.	16d.
Shanghai	Transfers	7s. 7d.	7s. 5d.	7s. 5d.	—
Singapore	Sight	2s. 3½d.	2s. 3½d.	2s. 3½d.	—
Stockholm	do.	17kr. 99	18kr. 27	18kr. 27	18.159kr.
Switzerland	do.	22f. 11c.	22f. 43½c.	22f. 35c.	25f. 22½c.
Valparaiso	90 days	13⅞d.	13½d.	14¾d.	18d.
Yokohama	Sight	2s. 4½d.	2s. 4⅝d.	2s. 6½d.	24.58d.

* Fixed at Rs. 10 to the gold sovereign, February 2, 1920.

NEW YORK ON—	Rate Current* Mar. 26, '20	Rate Current* Mar. 19, '20	Par as usually Quoted	Par July 3.
Amsterdam, sight ...	36·75c.	36·75c.	40·20c. for 1 guilder	40·25c.
Bombay, cheques ...	44·50c.	44·50c.	48·66c. for 1 rupee	33·00c.
Buenos Aires, cheques ...	102·25	101·80		
Christiania, cheques ...	18·35c.	18 10c.	26·80c. for 1 kroner	
Copenhagen, cheques ...	17·90c.	17·50c.	26 80c. for 1 kroner	26·85c.
Greece, cheques ...	10·80c.	11·25c.	19·295c. for 1 drachma	
Hongkong, cheques ...	96·50c.	93c.	74·59c. for Mex. $1	46·4c.
Italy, sight	19 40l.	18·40l.	5·18½ lire for $1	5·17l.
Lima, cheques	4·99⅛.	4·95⅞.	4·8665 $ for 1 libra	
Manila, cheques... ...	49·50c.	49·25c.	50c. for 1 peso	49·8c.
Montreal	8·25% disc.	11·25% disc.	Premium per $100	Par
Paris, sight	14 27fr.	13·50fr.	5·18½ francs for $1	5·18fr.
Petrograd, sight ...	—	—	51·46c. for 1 rouble	51·37c.
Rio de Janeiro, cheques	36·75c.	36·20c.	32·42c. for 1 milreis	
Shanghai, cheques ...	143c.	137c.	52·96c. for 1 tael	83·00c.
Singapore, cheques ...	46c.	-	56·77c. for $1	57·12c.
Spain, cheques	17·40c.	17·70c.	19·30c. for 1 peseta	
Stockholm, cheques ...	20·90c.	20·25c.	26·80c. for 1 kroner	
Switzerland, cheques ...	5·82fr.	5·84fr.	5·18½ francs for $1	5·18½fr.
Valparaiso, cheques ...	21·25c.	21c.	20·61c. for 1 peso	
Yokohama, cheques ...	45·75c.	46·20c.	49·84c. for 1 yen	49·90c.

* According to Guaranty Trust Company of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount.	Inc. or Dec.*	1920 Agg.	Inc. or Dec.*
	1920.	[In £'s sterling 000's omitted.]			%
BIRMINGHAM ...	Mar. 27	£3,376 +	£1,345	250 624 +	£18,519 + 57·7
BRISTOL	,, 27	1.836 +	242	24 211 +	8·441 + 53·5
DUBLIN	,, 27	9.440 +	2.616	117.585 +	29.147 + 33·0
LEEDS	,, 27	2.097 +	1.121	23.510 +	9,742 + 70·8
LEICESTER	,, 27	1.333 +	541	18.650 +	7,602 + 58·0
LIVERPOOL	,, 27	— +	—	— +	— —
MANCHESTER ...	,, 27	33.877 +	19,875	434.872 +	235.395 + 118·0
NEWCASTLE ...	,, 27	3.926 +	2,072	43.917 +	19.450 + 79·5
NOTTINGHAM ...	,, 27	— +	—	— +	— —
SHEFFIELD	,, 27	1.437 +	327	20.505 +	5.559 + 37·2
LONDON—	1920.				
TOWN	Mar 24	662.584 +	297.693	7.961.031 +	3.397.796 + 74·5
METROPOLITAN	,, 24	42.292 +	12.244	521.123 +	127.822 + 32·5
COUNTRY	,, 24	76.448 +	24.522	997.546 +	293.567 + 41·7
TOTAL	,, 24	781.324 +	334.459	9.479.700 +	3.819.185 + 67·5

* Compared with a year ago.

V.—FREIGHTS.—According to Messrs J. C. Gould, Angier and Co.

HOMEWARDS.	1920 Mar. 31	1920 Mar. 26	1913 Apr. 4
Alex. to U.K. ...	—	—	8/6
Aust. to U.K. ...	205/0	205/0	32/6
Azoff to L.H.A.R.	—	—	10/9
Bombay to p.p.d.w.	120 0d.w.	120 0d.w.	18/6
Burmah o.e.	—	145/0	26/0
Calcut.(to p.p.(jute)	—	—	—
Danube to U.K. ...	60/0	—	10/3
Odessa to L.H.A.R.	—	—	9/9
R. Plate to U.K.	160/0	185/0	22/0

Homewards.—Cont.	1920 Mar. 31	1920 Mar. 26	1913 Apr. 4
U.S.A.(Ports to L'pl.(cotton, 100lb.)	—	—	47/6
U.S.(Gulf, U.K.(cotton,c.)	—	—	2/10½
Gulf Ports to U.K.(cont. (cotton,c.&s.)	—	—	17/6
OUTWARDS—Cardiff to			
Aden	—	90/0	—
Colombo	—	—	12/3
Port Said ...	75/0	75/0	10/0
River Plate ...	38 0	38 0	16/0
St. Vincent ...	37.6	40/0	8/6

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	MAR. 31, 1920.	APR. 4, 1919.	JUNE 30, 1914.
Iron—Scotch pig warrants ...ton	206/0	101/0	57/0
— Middlesbro' warrants ...ton	200/5	95/0	51/0
— Hematite warrants ...ton	260/0	122/6	61/0
— Staffordshire bars, London ton	£27—£28	£17	£8 10
— Common bars ...ton	£26	£14 15	£6 16
Steel Rails ...ton	...£21 5—£22 5	£10 17/6	£6 2/6
Galvanised Sheets ...ton	£56	£29	£16 17/1
Copper—Standard ...ton	£107 10 .. £78 10	£79	£66
Tin—English Ingots ...ton	£345	£224—£225	£142 15
— Straits ...ton	£348	£226 10	£139 10
Tinplates, I.C. Coke, S. Wales...box	77/6	33/10½ ... 11/10½	12/0
Lead—Soft Foreign ...ton	£43—£45	£25	£19
Spelter—Ord. Foreign ...ton	£50—£53	£37	£21 7/9
Quicksilver—(75lb.) ...bottle ...	£26 10nom.	£15—£16	£7
Aluminium ...ton	£185	£150	£82
Antimony—Regulus Foreign ...ton	£66—£72	£38	£27 10
— English ...ton	£72—£75	£45	—
Coal—(best) Yorkshire ...ton	23/0—24/0	23/6—24/6	17/6
— Steam (best) Newcastle ...ton	46/0—51/0	40/0—45/0	14/6
CHEMICALS, OILS, &c.			
Nit. of Soda—f.o.b Chile, per quintal	15/10½	10/1	7/4
Soda—Crystals ex ship ...ton	185/0—190/0	87/6	42/6—45/0
Copra—Malay and States ...ton	£61 10	£37 10 £23 15—£24	7/6
Gambier—Good marks ...cwt	51/6	37/6	16/10½
Indigo—Bengal good to fine ...lb.	13/0—16/6	9/0—10/6	3/2—3/8
Linseed Oil—Raw ...ton	£112	£58	£25 5
Linseed—Calcutta, spot ...ton	£45	£23 15	£13 16/9
— Cakes, U.K. made, ex mill...ton	£25	£19	£7 17/6—£8
Olive Oil—Spanish ...tun	—	nom.	£49 10
Palm Oil—Lagos ...ton	87 6	£51—£52	£31 10
Petroleum—American ...gallon	2/1½	1/4¼	7½d.
Rape Oil—Refined English...ton	£132	£71	£32
Soya Oil—Refined ...ton	£125	£75	£24 10
Tallow—Imported ...cwt.	106/0—112/0	63/6	29/3—33/3
Turpentine—American ...cwt.	218/0	96/0	33/7½
Rape Seed—Toria ...ton	£44	£28 10	£13 5
Rubber—Para, spot ...lb.	2/3nom	2/5	2/9½
— Fine plantation (stnd. crepe) lb.	2/2½	1/11½	2/2
— World's Production* Jan. tons	30,370	24,700	8,467
Shellac—T.N. Orange, fair ...cwt.	760/0	205/0	63/0—64/0
TEXTILES.			
Cotton—Middling Upland ...lb.	30·01d.	18·59d.	7·53d.
— Egyptian, good fair ...lb.	74·50d.	26·84d.	8·75d.
— Pernambuco fair ...lb.	34·01d.	19·08d.	7·73d.
— Midland Upl. New York...lb.	41·50c	28·90c.	13·25c.
— Stock, Liverpool (Mar. 26) bales	1,081,750	471,320	934,600
Flax—Petrograd, Yarapol ...ton	—	nom.	£28
Hemp—New Zealand ...ton	£64	£53	£25 10
— Manila, Fair ...ton	£67 10	£55	£26 10
Jute—First Marks ...ton	nom.	—	£26 15
— Red SCO ...ton	£54	—	£24 15
Silk—Blue Elephant ...lb.	50/0	20/0	11/3—11/6
Wool—Pt. Philip unwashed av. lb.	5/0	nom.	11½d.—1/0
— Lincoln Half Hogs ...lb.	2 3½	1/7½nom.	1/0½
Hides—Eng. Ox, best, 65lb. up lb.	18½d.—19d.	9½d.—10½d.	7½d.
Leather—Dressing Hides ...lb.	4/0—4/6	2/5—3/1	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus	82,715,000	161,617,000	34,640,000
— Red, price, N.Y. 60lb....bushel	nom.	237½c.	67½c.
English Gazette, aver. 480lb. qr.	72/8	72/7	34/3
Flour—G.R. ...280lb	63/6	44/3	28/6
Barley—Eng. Gaz., aver. 400 lb. qr.	91/8	62/8	25/4
Oats—Eng. Gaz., aver. 312 lb. qr.	56/5	46/11	20/0
Maize—N.Y. (new bushel ...56lb	181½c.	180½c.	76½c.
— Amer. mixed, Liverpool...480lb.	nom.	63/9	32/4
— La Plata ...480 lb. qr.	82/0	62/6	25/9
Potatoes—Good English ...ton	†295/0	192/0	70/0—75/0
Rice—Bassein ...cwt.	48/6	25/0	7/0—7/3
Tapioca—Pearl, medium ...cwt.	39/0	33/0	14/0—17/8
Hay—best ...2,018lb....load	—	176/0	82/6
Hops—English ...cwt.	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs ...8lb.	6/8	7/10—8/4	3/8—3/10
— Scotch sides ...8lb.	10/0	8/4	4/6—5/0
— English ...8lb.	10/0	8/4	4/2—4/5
Mutton—Scotch wethers ...8lb.	10/6	8/10	5/8—6/0
— English wethers ...8lb.	10/6	8/10	4/6—5/4
— New Zealand frozen ...8lb.	10/6	8/10	2/4—3/2
Pork—English and Irish ...8lb.	11/8	10/8	3/6—4/0
Bacon—Irish, delivered ...cwt.	200/6	188/0	60/0—74/0
— Danish ...cwt.	†192/0	—	58/0—68/0
— Canadian, ex Port ...cwt.	†187/0	174/0—178/0	—
— American, ex Port ...cwt.	†187/0	168/0—170/0	72/0—74/0
Hams—Amer. long cut, ex Port cwt.	†190/0	164/0—166/0	75/0—79/0
— — short cut, ex Port ...cwt.	†190/0	162/0—164/0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt.	†198/6	154/0	51/9—52/9
Butter—Danish ...cwt.	303/4		117/0—120/0
— French ...cwt.	303/4	Controlled	96/0—108/0
— Australian ...cwt.	303/4	252/0	98/0—110/0
— New Zealand ...cwt.	303/4		108/0—114/0
Cheese—Canadian ...cwt.	†145/0	Controlled	66/0—68/0
— United States ...cwt.	†145/0	144/8	—
— Dutch ...cwt.	†145/0		53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Feb. 29 ...cwt.	2,435,843	1,110,547	19,777,254
— Home consump'n. to Feb. 29 cwt	2,076,769	2,189,234	17,272,000
— In Bond Feb. 29 ...cwt.	6,310,000	6,201,000	6,306,000
— Price, Java, 96° Pol. ...cwt.	72/0	36/0	10/3
— — Yellow crystals ...cwt.	80/0	57/9	12/6—14/0
— — Tate's Cubes, No. 1 ...cwt.	84/0	64/9	18/0
Coffee—Imports to Feb. 29 .. cwt.	122,624	64,902	720,360
— Home consumpt'n to Feb. 29 cwt.	49,644	51,881	141,410
— Exports to Feb. 29 ...cwt	86,065	16,525	340,250
— In Bond Feb. 29 ...cwt.	685,000	610,000	484,000
— Price, Costa Rica gd. to fine cwt	179/0—195/0	145/0—155/0	80/0—93/0
— — Brasil (Santos) Good ...cwt.	135/0—138/0	65/9	41/6
Tea—Imports to Feb. 29 ...lb.	74,131,857	62,537,899	123,230,277
— Home consump'n. to Feb. 29 lb.	62,515,253	43,554,718	155,447,972
— Exports to Feb. 29 ...lb.	7,083,201	1,405,196	26,561,765
— In Bond Feb. 29 ...lb.	223,192,000	147,042,000	78,292,000
— Price, Indian, Pek. Soug. gd. lb.	1/3	1/4	8½d.
— — Ceylon, Pek. Soug. Ord. lb.	1/2½	1/4	8½d.
— — Common Congou ...lb.	1/1nom.	1/4	5½d.
Cocoa—In Bond Feb. 29 ...cwt.	955,000	762,000	309,000
— Grenada, good to fine ...cwt.	132/0—137/0	85/0	52/6—56/0

* Estimated. † Controlled.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific	Jan.	$13,915,000	+ 887,000	$586,000	— $967,000
	12 mos. to Dec.	176,929,000	+ 19391000	32,933,000	— 1,569,000
Grand Trunk	Nov.	£1,251,900	— £15,700	£103,300	— £81,800
	11 mos. to Nov.	12,853,900	+ 1,702,200	1,566,200	+ 104,400

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open.	Gross Receipts.	+ or — on Year Ago.	No. Wks	Aggregate Receipts.	+ or — on Year Ago
Assam Bengal	Feb. 14	993	R2,17,150 +	7,910	19	44,18,500 +	9,17,385
Barsi Light ...	Feb. 21	118	28,200 +	7,700	49	14,15,500 +	5,53,300
Bengal & N.W.	Feb. 21	2,065	4,87,690 —	20,702	21	96,49,325 —	4,06,501
Beng. Dooars	Feb. 14	158	26,373 +	1,611	20	8,76,075 +	1,04,060
Beng. Nagpur	Feb. 21	2,695	11,46,000 —	87,000	47	5,75,49,265 +	44,58,267
Bomb. Baroda	Mar. 13	2,871	21,04,000 —	20,000	24	4,38,56,000 +	20,04,000
Burma ...	Feb. 14	1,342	6,55,967 +	56,179	46	2,52,69,529 +	26,95,782
Del Um. Kalk.	Mar. 13	239	1,01,000 +	6,475	24	22,84,304 +	2,46,536
East Indian ...	Mar. 20	2,771	28,48,000 +	8,000	25	6,40,98,000 —	24,29,000
Gt. Indian Pen.	Mar. 6	3,121½	27,36,300 +	2,07,400	24	5,97,93,031 +	50,73,745
Madras & S.M.	Feb. 28	3,152	11,80,000 —	81,142	22	2,39,35,695 +	10,93,610
Nizam's Guar.	Feb. 21	900	3,10,748 +	28,545	21	58,87,806 +	7,75,974
Roh. & Kumn.	Feb. 21	576	116,385 —	4,763	21	20,36,567 —	2,09,767
South Indian	Feb. 14	1,852½	7,55,857 +	58,514	46	3,46,88,779 +	37,47,766
South Punjab	Nov.	716	7,68,548 +	24,397	2m	13,98,245 —	63,525
COLONIAL							
Can. Northern	Mar. 14	9,704	$991,600 +	112,500	10	10,075,500 +	1,034,900
Can. Pacific ...	Mar. 21	13,388	3,283,000 +	451,000	11	36,780,000 +	4,742,000
Grand Trunk	Mar. 21	3,616	£271,317 +	17,547	11	2,763,615 +	280,494
Mashonaland	Nov.	810	66,359 +	31,996	2m	146,251 +	61,779
Mid. W. Aust.	Jan.	277	12,717 +	3,082	7m	72,803 +	8,972
New Cape Cent.	Feb. 28	205	3,593 +	489	9	28,966 +	3,585
Rhodesia Rlys.	Oct.	1,397	106,819 +	29,789	1m	—	—
Temiscouata...	Oct.	—	$30,562 +	2,154	10m	304,661 +	22,504
W. Pass. & Yuk	Aug.	122	—	—	8m	$968,676 +	31,021
FOREIGN.							
Argentine.							
Arg. N. East ...	Mar. 13	752	£ 11,900 +	1,400	37	431,000 +	85,800
Arg. Transand.	Mar. 20	111	£ 4,280 —	310	38	113,886 —	24,804
B. A. & Pacific	Mar. 20	3,536	£ 170,000 +	40,000	38	5,558,000 +	1,241,000
B.A.Gt. South	Mar. 21	3,792	£ 177,000 +	30,000	38	6,758,000 +	1,528,000
Do.	Mar. 21	Net	£ 53,000 +	10,000	38	2,340,000 +	1,230,000
B. A. Western	Mar 21	1,882	£ 116,000 +	50,000	38	3,733,000 +	1,144,000
Do.	Mar. 21	Net	£ 36,000 +	20,000	38	1,255,000 +	636,000
B. A. Central	Jan.	190	£ 43,675 +	2,467	7m	314,683 +	29,827
Cent. Argent.	Mar. 20	3,305	£ 180,000 +	33,000	38	6,672,000 +	1,782,000
Do.	Mar. 20	Net	£ 60,000 +	38,600	38	2,065,100 +	1,395,700
Cord. Central	Mar. 20	1,205	£ 53,500 +	10,780	38	2,243,500 +	583,850
Entre Rios ...	Mar. 13	811	£ 25,400 +	3,300	37	881,700 +	139,300
Brazilian.							
Brazil Gt. South	Jan.	110	M 58,750 +	11,660	1m	—	—
Brazil Railway	Dec.	3,530	M 4,859,000 —	141,271	12m	57,772,000 +	7,619,243
Gt. W. Brazil	Mar. 13	1,010	£ 29,300 +	8,900	11	318,130 +	101,500
Leopoldina ...	Mar. 13	1,831	£ 63,900 +	30,002	11	611,602 +	310,679
Mogyana	Dec.	1,180	M 1,561,000 —	956,490	12m	22,267,000 —	2,474,651
Paulista	Dec.	766	M 2,650,000 —	906,038	12m	32,479,000 —	1,225,892
San Paulo ...	Mar. 21	153½	£ 46,906 +	13,158	12	555,258 +	217,572
Sorocabana ...	Dec.	1,003	M 1,749,000 —	246,168	12m	21,953,000 +	976,692
S.of Bahia S.W.	Feb.	52	M 77,000 —	10,000	2m	181,000 +	11,000
Chilean and Peruvian.							
Antofagasta ...	Mar. 21	838	£ 56,765 +	32,850	12	683,660 +	341,860
Arauco	Jan.	84½	£ 14,500 +	2,000	1m	—	—
Nitrate (2 wks.)	Mar. 15	390	£ 47,710 +	24,980	10	178,111 +	99,332
Peruvian Corp.	Feb.	1,140	S 1,122,010 +	178,540	8m	9,402,304 +	1,428,489
Taltal	Feb.	180	£ 43,605 +	35,543	8m	171,120 +	38,211
Cuban.							
Cuban Central	Mar. 20	362	£ 49,369 +	9,620	38	929,721 +	204,062
Havana Cent.	Mar. 20	70	£ 13,947 +	2,456	38	415,694 +	81,106
U. of Havana	Mar. 20	681	£ 100,871 +	8,723	38	2,451,326 +	480,952
W. of Havana	Mar. 20	155	£ 15,273 +	3,869	38	363,372 +	73,423
Uruguayan.							
Cent. Uruguay	Mar. 13	273	£ 23,295 —	3,185	37	334,301 +	44,547
,, (E. Ext.)	Mar. 13	311	£ 7,704 +	210	37	225,506 +	31,199
,, (N. Ext.)	Mar. 13	185	£ 3,723 —	739	37	137,224 —	882
,, (W.Ext.)	Mar. 13	211	£ 2,922 —	339	37	102,442 +	4,301
Mid. Uruguay	Feb.	319	£ 18,511 —	416	8m	157,015 +	20,411
N.W. Uruguay	Feb.	113	$ 6,382 +	582	8m	54,918 +	3,674
Urug. Northn.	Feb.	73	£ 2,394 +	130	8m	19,531 +	2,972
Miscellaneous							
Alcoy & Gandia	Mar. 20	33	Ps. 15,000 +	3,000	12	138,900 +	14,700
Bilbao	Feb.	15	£ 2,831 +	469	2m	5,283 +	170
Bolivar	Feb.	136	£ 9,014 —	4,065	8m	71,942 +	764
Colomb. Natnl.	Feb.	86	£ 13,960 +	6,100	2m	31,760 +	10,840
Costa Rica ...	Jan.	189	£ 27,765 +	4,640	7m	173,436 +	18,720
Dorada Ext....	Feb.	70	£ 11,500 +	6,500	2m	23,500 +	10,700
Egyptian Delta	Feb. 29	559½	£ 10,877 +	2,139	48	368,947 +	19,591
Gt. S. of Spain	Mar. 13	104	Ps. 86,566 —	31,297	11	774,357 —	686,654
La Guaira & Ca.	Feb	22½	£ 14,200 +	6,510	2m	28,570 —	12,780
Ottoman Ry...	Mar. 6	379	£ 7,452 —	—	—	—	—
Paraguay Cent.	Mar. 20	255	£ 4,000 —	580	38	185,890 +	33,600
Puerto Cabello	Feb. 34	100	£ 5,250 +	25	2m	10,500 +	975
Salvador	Mar. 13	100	£ 6,519 +	1,083	37	151,488 +	63,276
Santa Fe Prov. French Rys.	Feb.	1,181	£ 118,808 —	17,365	2m	303,500 —	17,442
S'm'na & S'ti'go	Jan.	80	£ 11,260 +	4,417	1m	—	—
Zafra & Huelva	Feb.	112	£ 12,963 +	4,222	2m	27,084 +	6,988
TRAMS.							
Anglo-Argent.	Mar. 25	400	£ 75,785 +	13,663	12	870,121 +	185,682
Auckland Elec.	June 30	27	—	—	52	292,502 —	2,063
Bombay Elec.	Dec.	39	R. 7,87,141 +	1,74,980	12m	86,41,723 +	16,17,940
Brazilian Trac.	Jan.	378½	M 9,655,000 +	1,133,000	1m	—	—
Brisbane Elec.	Feb.	40½	£ 41,600 +	7,220	2m	86,400 +	13,445
Brit. Columbia	Jan.	334	$ 828,709 +	151,220	7m	5,05,625 +	955,041
B. A. Lacroze	Feb.	51	£ 52,468 +	10,039	8m	388 687 +	55,478
Calcutta	Mar. 13	35½	R 88,550 —	605	11	904,969 +	48,940
Cape Electric	Jan.	42½	£ 33,836 +	4,384	7m	178,161 +	15,835
Carth. & Herr.	Feb.	9	£ 4,002 +	1,657	2m	8,756 +	2,750
Chatham & Dist.	Mar. 18	15	£ 1,389 +	116	11	15,797 +	2,327
Havana Elect.	July	86	$ 794,768 +	100,679	7m	5,116,661 +	402,587
Isle of Thanet	Mar. 17	20½	£ 537 +	165	25	12,883 +	5,417
Kalgoorlie ...	Nov.	20½	£ 2,859 —	74	11m	30,492 —	348
Lanarkshire ...	Mar. 18	28½	£ 3,903 +	197	11	43,411 +	2,422
Lima Light ...	Dec.	85	£ 57,179 +	9,214	12m	688,967 +	60,867
London C.C. ...	Mar. 24	141½	£ 81,834 +	10,742	52	4,076,457 +	658,092
Madras (2 wks.)	Mar. 15	15½	R. 49,949 +	19,645	10	216,803 +	19,890
Manila Electric	Jan.	55	$ 278,338 +	46,752	1m	—	—
Pernambuco...	Mar. 21	69	£ 8,078 +	2,797	12	94,565 +	32,408
Provincial ...	Mar. 20	21½	£ 3,075 +	490	25	70,843 +	12,124
Rangoon Elec.	Feb.	25	£ 7,667 +	1,973	2m	15,134 +	3,082
Shanghai Elec.	Feb.	26½	M X. $133,750 +	27,750	2m	269,750 +	41,757
Singapore Elec.	Feb. 21	26½	$ 24,256 +	7,627	8	166,881 +	36,829
U. of Montevid.	Feb.	80½	£ 45,259 +	6,487	4m	177,709 +	27,887

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The Statist.

LONDON, SATURDAY, APRIL 3, 1920.

IRELAND.

We have no intention to discuss the new Home Rule Bill which has been before the House of Commons this week, for it is universally believed in Ireland that it is a mere pretence; that it will never be placed upon the Statute Book; and that, in fact, it is intended rather to amuse the people of the United States and our Dominions than for any other purpose. Whether that view be right or wrong does not matter in the least to us at present. It is the view that everywhere prevails in Ireland, amongst Protestants just as well as amongst Catholics; and, therefore, the measure, even if it passes, will not merely not be accepted, but it will not even check the agitation for real Home Rule; or, if the phrase be objected to, what in Ireland is considered real Home Rule. It would be mere waste of time, therefore, to discuss what we believe will never be carried into practice; and there are too many things that really concern us intimately pressing for our consideration to waste our time in discussing what, rightly or wrongly, will be rejected by the whole Irish people. Even in Ulster, though a serious effort is made to satisfy Ulster, the measure is tolerated rather than liked. That being so, we are not inclined to waste our time in discussing what never is likely to even moderate the evil feeling that prevails in Ireland at the present time. What we would rather like to do is to urge our trades unionist leaders to bestir themselves, and bring about a better feeling at the other side of St. George's Channel. The present Government and its supporters are hopeless. They have refused to recognise through all the centuries that coercion has never been beneficial in Ireland; that it has never really effected anything except it be turning out the whole aboriginal population of the land from their homes, and giving those homes to foreign conquerors. That much we have done by main force. But we have never effected anything for good by mere force. What little good Government succeeded in doing has been by yielding to agitation, which it is the fashion to call violent and law-defying, but which alone has proved hitherto to be of any use in bringing the Government to a sense of what it was necessary they should do. We would, then, appeal to our trades unionist readers to recognise that they are hardly less responsible for what is going on in Ireland than is the present Government, for they can stop the present Government, and nobody else can—at least nobody else can by desirable and constitutional means. The trades unionists can compel the Government to yield, and they alone can do so. Now we would ask our trades unionist friends to bear in mind that in all reasonable probability the next General Election will give them an immense increase in representation in the House of Commons. It is conceivable, indeed, that it may even make them the largest of all single political parties. But even if it fails to do that the ultimate triumph of the party is only postponed. Before long the trades unionists must have a majority in the House of Commons; and with a majority in the country and in the House of Commons they will be in a position in which they can determine the policy that is to be pursued by the Government at home as well as abroad.

We would, then, point out to our trades unionist friends that they need not seriously interfere with their other activities if they make up their minds to insist that the present misgovernment of Ireland must cease. Only last week Mr. Bonar Law announced in the name of the Government that an Irish gentleman who was arrested on mere suspicion had adopted what is called "the hunger strike," and that the Government had decided that he should be allowed to cause his own death if he persisted in the course he had adopted. One single trades unionist reminded Mr. Bonar Law that that would compel the trades unionists to take action; and it was announced on Sunday last that not only has the Government given up its decision to let the gentleman die if he persisted in his hunger strike, but that the gentleman was transferred from the prison to a nursing home. Now it is unnecessary to labour this small transaction. It shows how very quickly, and how very easily, the trades unionists can compel a change of policy on the part of the Government; and, consequently, we would warn trades unionists that if they allow the Government to go on as it has been going on during the past few years, they will make themselves in the sight of all the world responsible for the consequences, let them be what they may. It is a considerable time since the trades unionists announced that their membership had then reached considerably more than five millions. Whether they all possessed the vote we were not informed. But it is probable that while some of the women who have joined the trades unionists may not be entitled to a vote, yet very nearly, if not quite, five millions of men and women must now be connected with the trades unionist organisation. We are assuming that no material addition has been made since it was openly announced that the trades unionists exceeded five millions. But it is difficult to believe that the growth of the party has stopped. Consequently, we shall probably not be very far wrong if we assume that the numbers of the trades unionists are now nearer to six than to five millions. If so, it is perfectly clear that at the next elections they will obtain so large an addition to their representation in the House of Commons that every party in the State will be eager to secure their support. We take it that union between the trades unionists and the present

Government is impossible, except for a very brief period. There may be a feeling for Mr. Lloyd George personally. And there may be reasons why trades unionists should desire to retain him in power for a little while longer. But it cannot be a very great while until the trades unionists gain such strength that they will be compelled to assert their own right to largely, if not entirely, decide the future policy of the Government. That being so, it is for the trades unionists to bear in mind that everybody knows that the trades unionists in Great Britain and Ireland are so numerous that if they take the trouble to organise their affairs they can at the next election gain such representation in Parliament as will render them, if not absolute, at least so powerful that every party will desire to win their support.

Now the first thing of all that is necessary is to establish peace at home, and to establish it on such terms that we are not likely to find ourselves in unpleasant relations with any great country, let us say, for example, the United States. There are in the United States at the present time probably 30 or 40 millions of people who are the sons, or at the outside the grandsons, of Irishmen and Germans. Irishmen are as bitter against England as they ever have been. Is it desirable that they should remain in that state of mind, and that now, when a most critical election is impending, they should be almost forced to employ all their influence in the United States in bringing about bad relations between the great American Republic and this country? Again, there are very large numbers of Irishmen in all the self-governing Dominions. They may not be powerful enough to influence the Governments of those Dominions directly. But they can affect the decisions taken very seriously. We are not appealing to the cowardice of our trades unionist friends. That would be a poor way of dealing with them. We are speaking to them as one fellow-countryman to another. And we are asking them to look at the ordinary way in which human beings regard extreme misgovernment; and, therefore, to put forward their strength and say "Misgovernment must cease." We ask for nothing more. We desire nothing more. If Ireland is well governed she will understand the fact as all other countries do; and just as the late Mr. Redmond and Mr. Dillon felt themselves in a position to promise that they could raise a great Irish Army to fight the Germans, so we may feel confident that good government will bring with it satisfaction and pride in the country of their birth and in the prospects newly opened to them. There is a healing power in good government which it is impossible to exaggerate, just as there is a diabolical influence in bad government. And we would appeal to our trades unionist friends to say that, just as they have for centuries now been labouring to make themselves strong, and so extract justice from their oppressors, so they desire to give proof, now that they have the strength, that they know the evils of bad government, and are determined to prove that their experience has not been thrown away upon them—on the contrary, that they hate misgovernment in all its forms, and that, so far as they are concerned, they are willing that the Irish people should, in all matters affecting the internal interests of Ireland, have absolute control of their own affairs.

THE OUTLOOK.

Hitherto we have held that the main duty of every great British association was to improve the condition of the people in every way possible, for we hoped against hope that the Reactionary party would be kept in some kind of control by Mr. Lloyd George. Unfortunately, Mr. Lloyd George is showing himself more reactionary than his supporters, and we are compelled now to regard him as the chief evil influence in the country. In short, we are persuaded, much against our will, that he is the greatest danger we have to deal with, and that the sooner he is driven for good and all from every influential position the better it will be for the whole of us. Regarding the party he leads, we have never deceived ourselves. We know that it exists to defend abuses of every kind; and, therefore, we anticipate that it always will be engaged in doing something wrong—it might be in Ireland; it might be in some foreign country; it might be even at this side of the water; but that it would be mischievous and evil. But we did not expect Mr. Lloyd George would carry out a policy so diametrically opposed to all his conduct until he became Prime Minister. Now we have to confess to ourselves that he is the worst danger to the welfare of the country, and that therefore the first duty of all who desire to see good government established at home and abroad is to drive him from power once and for all. The Liberal party is attempting to reorganise itself. Probably in the present state of dissatisfaction with the Tories it will get a large support at the next election, and it may then be desirable that the Trades Unionists should, we will not say amalgamate, but in a sense co-operate, with the Liberal party, and so establish something like good government in Ireland and at this side of the water, even if we do not get as much as we greatly desire to have. We hold that nearly all our institutions need to be completely overhauled, and that very great improvements should be made in them. We desire, for example, that the debt should be paid off as quickly as possible; that the land should be recovered from the present misappropriators; and that everything possible should be done to increase the well-being of the poor—the very poor as well as the active and working poor. There is an immense deal to be done, and as long as it was possible we tried to persuade ourselves that we could devote the bulk of our exertions to the improvement of the condition of the country and leave politics as much as possible apart. Unfortunately, we see that it is utterly hopeless. It is essential to get rid of the Reactionary party. And it is especially necessary to get rid of Mr. Lloyd George. He, unfortunately, has a reputation for getting things done. It is curious that such a reputation should cling to him, seeing that it is nearly a year and a half since the War ended, and that yet no attempt even has been made to reorganise a beginning of paying off the debt. But human beings are always blundering, and we have blundered into the conviction that Mr. Lloyd George can get things done. Unquestionably, he can get things done. But how rarely does he get good things done, and how often does he get exceedingly bad things done! We want to get rid of him once and for all. And we want to get rid, at the same time, of all the evil that keeps the Reactionaries in power, for they exist only because it is known that they will fight to the death for abuses. Consequently, it is the clear duty of every man, whatever his class and whatever his creed may be, to get rid of the Reactionaries and their leader, and to set about making the country as happy for the poor as the circumstances of human nature allow.

Now, it is unfortunate that the Tory party, in their eager desire to fight heavy taxation, and their absolute resolution to keep hold of the land as long as possible, have brought about such a state of things as forces us to admit that we cannot immediately apply ourselves to the urgent needs of the time—that, in short, it is absolutely necessary to get rid of the present Government and, if possible, to get rid once and for all of its leader. The Reactionary party is pledged, firstly, to keep the land for the great landowners. A very large number of the landowners, we are quite aware, have been selling during the past few years, and probably their selling will go on. But still the land belongs to the rich of some denomination, and the great body of the people are excluded from it. Now we hold, as strongly as it is possible to hold anything,

that one of the greatest needs of this country is to buy back the land, and to settle the real people upon it. We do not want anything in the nature of robbery. Many questions could be raised as to the means by which the present owners of the land obtained it. But all that is idle. We cannot go back to the times when the original grants were made; and the present proprietors, at all events, did nothing that would entitle anyone to punish them because of the manner in which they obtained their lands. The lands, then, belong to the present landowners, and those lands must be bought back. It is an exceedingly serious thing—so serious that we should have liked to postpone it for a while if the Reactionary party had not taken care to bring about such a state of things in Ireland as makes some remedy absolutely necessary, and even urgently necessary. They know their weakness, and they know that the land must go sooner or later. But it may be postponed by difficulties of one kind or another. The recent War caused a postponement, and what is going on in Ireland is causing another. And probably we shall have other causes for postponement. But the land must be distributed amongst the people, and the sooner we make up our minds to the fact, and the more clearly and the more resolutely we decide upon our mode of action, the better it will be for all of us. We are afraid that they will postpone the repayment of the debt. We do not think it necessary, for we think that the Established Churches of England and Scotland ought to be disestablished and disendowed, and the whole of the endowments of every kind should be put up for sale, and thereby should sweep away a very large part, at all events, of the heavy debt that is weighing upon us.

There does not seem to us any reason for postponing dealing with the land. It will have to be dealt with as soon as the present Government is got rid of, and we have a Government in power that knows its own duties and has made up its mind to carry them out. Therefore, we do not fear that there must be much postponement of the repayment of the debt. There will be some, for everything cannot be done all at once. But the estates of the Church in this country and in Scotland are numerous and valuable, and every one of them should be sold to the highest bidder. We sometimes are asked: Do you seriously propose that Westminster Abbey, for example, should be put up for sale to the highest bidder? Most certainly we do propose it! We see no serious objection to such a sale. If any body of Christians desire so strongly to get hold of the Abbey that they are willing to pay more than the members of the Church of England for it, we see no reason why they should not obtain it. But if the Church of England people are intent upon retaining the Abbey and all the other buildings which belong to the Church, we are quite ready to agree that if they pay most they should have what they have been taught to regard as exceptionally their own property. As a matter of fact, it is not their own property. We have no intention to enter into a discussion with any body of religious fanatics. If they like to say that the Reformation did not bring about a change of proprietors, it does not matter in the least to anybody. They can amuse themselves by saying so, and asserting so, and swearing so, as long as ever they please, so far as we are concerned. But it does not alter the fact that Westminster Abbey was built for the service which was immediately under the supervision of the Pope. How, therefore, you describe what took place at the time of the Reformation we are not in the slightest interested in disputing. You may say anything as absurd as you please, and we shall not bother our heads to disprove the correctness of your estimate. All we desire is that every religious establishment that was built in the remote past for the one religion that then alone was allowed to exist in England should be used now to relieve us of the oppressive load of debt which the War has heaped upon us. If good Churchmen are aggrieved it is a pity no doubt. But such is life. Disappointments and deceptions are constantly occurring. What we want is that the people should be relieved of debt. Whatever we do our taxation must be heavily increased. But there is no reason that we should make the increase intolerable by allowing the rich men who brag of being Churchmen to escape paying for the clergy who minister to them. All other religions in the United Kingdom have to support not merely the clergy, but also to provide, or to keep provided, all the buildings necessary for the service. We are only asking that the rule applied to all the other religions should be applied to the Church of England and the Church of Scotland, and that the greatest care should be taken to see that we get every penny that can be obtained for all the land and properties of every kind of those two Churches, so that the burden of debt may be reduced to as low a figure as the circumstances of the time permit.

It is not probable that a serious attempt will be made to pay off the debt just yet. The present Government is too indolent to undertake a difficult task which may even prove a dangerous one. And no other party at present is in a position to face the matter. We anticipate, therefore, that the present session will be allowed to run on; that nothing serious will be done; that whenever the Government ventures upon a real, or what professes, at all events, to be a real, attempt to deal with the debt it will be a very unsatisfactory and a very expensive one. Consequently, we anticipate that the present Government will be overthrown before the debt question is settled, and therefore that it will devolve upon the successors of the present Government to bring forward a scheme which can be discussed in a reasonable manner. That means that in all reasonable probability nothing will be done before the autumn, and possibly nothing even before the present year runs out. However, the debt must be dealt with by some one. We do not think that the Liberal party is very anxious to deal with the debt. But it will have to be dealt with, and in all reasonable probability, therefore, it will devolve upon the Trades Unionists. Are they prepared to deal with it is a plain business proposition? The land, houses, and other property belonging to the Church once belonged to non-Churchmen. And they have been acquired under the influence of religious teaching which some people think to be good even now, and which other people think to be absolutely wrong. But meantime the Church which originally got hold of those lands has been ejected, and another Church has been given the lands and properties, while probably the majority of the people have ceased to have any real interest in property which once belonged to the State, but which now is treated as the rightful property of a pampered class. There will have to be a fight about the Church properties sooner or later. We ourselves think it ought to be engaged in at once. That there is no way in which the land of the country can be more advantageously employed than in enabling the tax-payers of the whole country to rid themselves of a crushing debt we are convinced. A great many people are interested in stating that they exist for the sake of protecting all abuses, and they will fight as strongly and as long as they can. Whether they will succeed remains to be seen. But it is perfectly certain that the debt has grown, and is growing, at an alarming rate; that it threatens to oppress us very seriously; and that, however in our rashness just now we postpone consideration, it will force itself upon our attention before very long, and in some way or other we shall have to attempt to get rid of it. It may be done as Mr. Chamberlain suggests, though we doubt it very strongly. But it will have to be done in some way, unless, indeed, we so continue to mismanage our affairs that we blunder into another great war which will seal our fate.

THE DUTY OF THE PUBLIC.

The rejection of Mr. Lloyd George's Home Rule Bill was moved on Monday by Mr. Clynes. We hope that is more than a mere demonstration. It is the duty of all Trades Unionists to drive the present Government from office as soon as possible. We are not sure that our Trades Unionist friends will agree with us in the opinion just expressed. Some of them will think, and probably will not hesitate to say, that the main object of the Trades Unionists is, and ought to be, to acquire the greatest possible influence in the House of Commons, and that that is to be done, not by excessive zeal, but by cautious and well-considered action amongst the public and cautious operations in Parliament. We disagree altogether. There is an almost universal feeling of dissatisfaction with the present Government. It never represented the people of this country. Opportunity was taken to get rid of the last Parliament before the Army could be brought home. Consequently, the main body of the present members of the House of Commons were chosen, firstly, by the Reactionary party; and, secondly, by women, who were so much pleased by their admission to the franchise that they voted for the majority which had given them what they had been so eager to obtain. The result has been an utter disappointment of all expectations. Even the women themselves must now see that they made a mistake, while the Liberals cannot fail to recognise that they played into the hands of their opponents. The present Government, then, never represented the British public. And, if for no other reason, it ought to be got rid of without delay. But there is this further reason for urging that the present Government should be got rid of as quickly as possible, and it is that the present Government is proving, in a manner that cannot be disputed by any open-minded man, that the British Government now is the most reactionary of any Government in any country that even pretends to be civilised. We are governing Ireland with main force in actual opposition to every wish of the people. And we are doing so with such brutality that we have set even the most moderate men of the Nationalist party in open opposition to ourselves. It is as certain as anything can be that that is creating a hostile feeling against us throughout the world, and that the feeling will sooner or later make itself felt by us. Now the Liberal party is broken up. We have said on several occasions already that we believe it never will regain its old influence. And we repeat the statement to-day. The Liberal party may live on for some time, but it never will be powerful enough to form a Government out of its own supporters alone. Consequently, there are at the present time only two real parties in this country: the party which is pledged to support every kind of abuse—the party, that is to say, which holds office at present—and the party which represents that portion of the working classes which is well organised, and is being recognised throughout the country as the only party that can give us a really satisfactory Government in the future.

Now we would urge upon the Trades Unionists to recognise that Governments which lean upon mere money may be helped by false pretence; but Governments which lean upon real conviction must act up to conviction, or they will cease to be supported. The Trades Unionists must either do their utmost to get rid of the present Government, or they will convict themselves of playing into the hands of the most reactionary Government in any civilised country in the world at the present time. It will probably be replied, if not openly, at least in some form or other, that it is all very well to attack the Government, but that while the Government as a whole is distrusted, and even disliked, Mr. Lloyd George has not yet lost his popularity, and that it would not be safe to declare too decidedly against him. To that we reply that such an argument may very well suit the Tory party. They exist because they have the command of very large wealth, and because they are the open supporters of every kind of abuse in the British Empire. Therefore, they must often pretend. If they were to declare their real intentions they would drive away many of the foolish people who now support them; and, consequently, they have to play a double game. But a Liberal party—a party which looks to the great body of the people for its support—must make clear to the great mass of the people that it thinks only of the interest of the people themselves; that it is not a trickster; that it does not lie to hide its intentions; and that it is not afraid to declare, at all times and under all circumstances, that its policy is the making happy of the great body of the people. Even if it loses for the moment it will gain in the long run a thousandfold. The Trades Unionists have made wonderful progress, we admit. And we believe that they are in a position to make even greater progress in the near future. But they are too cautious, and caution is not a winning game when you are appealing for the support of the great body of the people. The conspirator, the man who is hiding his real intentions by false explanations, may find it convenient to hide his motives. But the party which appeals for support to the great body of the people should make it clearly understood that its intention now and henceforward is to promote the interests of the whole body of the people. We have at the present time a population which, because of the large strength acquired by the Trades Unionists is better paid than it ever has been in the past. Yet, in spite of that fact, there are in our great towns slums and alleys where the people are being utterly demoralised; where their vitality is being undermined; and where every hope for them is being destroyed. We want for those people an ending once for all of deaths by starvation. Even during the War, while the great body of the people were fighting for the country, no fewer than 20 deaths all attributed to starvation were recorded in a single year in England alone. We mean that state of things to end once for all, and it can only end by immediately turning out the present Government and putting in its place a Government which will address itself to the improvement of the condition of the whole body of the people, and more particularly to the improvement of the condition of those who are living in the worst state. We want the government of our great towns overhauled and reformed. And we want the land taken from the rich and distributed amongst the poor.

There is no intention on the part of those who ask for a reform of the land laws to rob the present possessors of the land. Whatever may be thought of the manner in which possession of the land was obtained, it is so long ago now that it would be unrighteous to visit upon the present owners misconduct committed centuries ago. The present owners of the land must be bought out. That we admit frankly, fully, and without hesitation. But we do not think that the buying out of the landlords should be at the rate that now rules for land sold in the open market. There will be a change in regard to that when the great reform is effected. But Parliament itself must make it clear that, while it will consider all the fair claims of the present landowners, it will not yield to extravagant demands. It will never forget that the land of the country belongs to the whole people; that it was mere usurpation which seized the land; and that, therefore, the grants made are grants which are not merely revocable, but are revocable on conditions which commend themselves to all reasonable people who desire to benefit the poor while not seriously injuring the rich. The thing has to be done. It must be done in one way or another. The question is, Shall it be done quickly and shall it be done peaceably, or is it to be put off until we are faced by revolution? We ourselves urge that it should be done now, without further delay; that the Trades Unionists, having attained the great power which they now possess, should put forward a claim for the entire improvement of our whole

system of government; and that one of its first decisions should be that the land should be used for raising the condition of the people, and putting an end to the slums and alleys of our great towns. It is hardly worth while to enter into all the other great questions which are pressing for a settlement. Take, for example, the Debt. It is acknowledged to amount to at least 8,000 millions sterling. It is known to exceed that sum very largely if we have the courage and the straightforwardness to admit that we do not expect that all the loans we made during the War will be repaid to us. Therefore we have to deal with the Debt. We have to deal with it as quickly as circumstances will permit. It is the Trades Unionists alone who can compel such a settlement. And on them depends whether they are to become the ruling party in the State, or whether, like others that have come forward ostensibly to champion the interests of the poor, they are sent into obscurity because they have had neither the courage nor the statesmanship to act up to the great principles which they ought to fight for. We shall not enter upon the many other subjects, such as preventable disease. As a matter of fact, the abuses that are crying aloud for action for putting them to an end are so numerous and so serious that it would require a long article merely to catalogue and explain them. We have said enough, however, to show that it is the duty of the Trades Unionists to set themselves without further delay to drive the present Government from office, and to establish a system of government which will be worthy of a great and a free people.

THE BANK RATE.

Much of the uneasiness and general depression displayed of late in the Stock markets is due to the fear of dearer money, consequent on a rise in the Bank rate. The international situation also gives cause for disquiet. The continued weakness of the American Federal Reserve position conjures up the possibility of a severe shake-out in the New York market, with consequent harmful effects on this side. Other indications are not lacking of serious financial strain across the Atlantic despite the unusual prosperity of recent years. Further, political and labour unrest on the Continent threatens to hit some of our best markets, particularly France. The last rise in the Bank of England rate to 6% occurred on November 5, after a 5% rate had been in force for more than 2½ years, since April 1917, and the action of the Bank was the subject of many explanations, none of which appeared to cover the case completely. Money was at the time plentiful, and the arguments urged in favour of the rise were twofold, first, that it might act as a check on speculative activity in stocks and commodities; and, second, that it might prop up the falling exchanges. Neither of these desirable objects was realised, as bullish sentiment carried certain stocks upwards with a rush and encouraged future dealings in commodities, while the American exchange, which was alleged to be the chief care of the Bank Court, has now fallen to 3.87, compared with an average of 4.40 for 1919. Though speculative stocks rose in value, there was a decline in investment and fixed-interest-bearing securities. International securities, which had been steady during the early part of the year, fell towards its close. The regulation forbidding the sale of stocks and shares which were not in physical possession in this country since August 1914 was revoked, and this led to large selling orders from France and Belgium, which increased as the exchanges continued to move against these countries.

The fall to 13.8% in the ratio of reserves to liabilities in October last may in itself have seemed sufficient reason for putting up the Bank rate by 1% in the following month, but on December 31, eight weeks after the rise, the ratio was only 9.2%. This result was disconcerting, and, in view of the abnormal conditions that prevailed, it might also have been foreseen that the old-fashioned tonic for depreciated sterling of an increased Bank rate would be ineffective. With regard to the Stock markets, since dealing for the account was at an end and it was no longer possible to carry over commitments with a comparatively small margin of capital, accommodation from bankers was necessarily in great request, and there is reason to believe that it was generally given, not only before, but after the rise in the rate. In the United States, however, steps had been taken to check the excessive zeal of Wall Street operators, and no doubt the Bank of England hoped that in London, where funds for speculative purposes were obtainable more cheaply than elsewhere, a return to saner trading would be hastened by the advent of dearer money. Its hopes proved ill-founded, but the action of the Bank paved the way for an advance in Treasury bills to 5½% for both three and six months' maturities. The rates previously ruling had been 4½% for three and 5% for six months' bills, but with the expansion in trade, banks and discount houses that previously had only the Government to deal with, found a new and more profitable sphere of employment for their funds. The Treasury was accordingly forced to advance rates in order to attract money. While the rise in the Bank rate was thus plainly connected with the subsequent rise in the rates for Treasury bills, it is more difficult to account for the recent withdrawal of six months' paper and the substitution of twelve months' maturities by the Treasury. The move has been interpreted as a sign that no immediate rise in the Bank rate is to be feared, but a more plausible explanation is that it is connected with the paying-off of the Anglo-French Loan, which is due on October 15 next. Revenue comes in but slowly in the autumn, and the Treasury probably does not wish to face simultaneously the double burden of meeting matured bills and paying off our obligations to America.

The merits and demerits of a rise in the Bank rate provide a theme for endless discussion, but the November rise undoubtedly failed in most of its objects, and in effect demonstrated that cheap money was not, as some contended, solely responsible for the depreciation of the £, since the rise did not bring the exchanges any nearer to parity level. Will a further rise be more successful? It may administer a more salutary check to speculation, but in doing so it will hit legitimate traders and interfere with schemes of business expansion which, in the national interest, should be facilitated rather than hindered. The abnormality of the situation renders it likely that, as before, no beneficial result will follow the change, which may, however, be attended with unwelcome influences in other directions. In the first place, gilt-edged stocks will be further depreciated and the national credit will be further impaired. Only last week Consols, the best index of British credit, touched a new low record of 45, as compared with an average of 60 at the time of the Armistice. A fall of fifteen points in little more than fifteen months makes it unwise to interfere further with the marketability of British securities. Otherwise the Government might ultimately be compelled to buy them in continuously in order to maintain capital values and marketability, in the same way as French Rentes are at the present time purchased on Government account in Paris. While our Government possess a large funded and floating debt, and are under the necessity of borrowing heavily in order to anticipate revenue or to make up the deficit between revenue and expenditure, they cannot afford to raise rates against themselves and thus add to the excessive interest burden already borne by the community.

The position might have been different had the

Victory Loan floated last year achieved more than mediocre success; but the large-scale funding operations for which the moneys were to be used could not be carried out since the total subscriptions, including conversions, were only £767,524,000. Of this sum cash applications amounted only to £556,000,000, of which the banks contributed over 90 millions. The action of the banks was prompted by the Government, but it ran directly counter to one of the chief objects of the loan, which was to reduce banking credits granted to the Government. The comparative failure of the loan seems to favour the advocates of dearer money, but there is no doubt the public response to the Government's Victory appeal would have been greater had it been assured that the Government desired an unchanged Bank rate, and would continue current rates for Treasury bills. Uncertainty on this point prevented many from subscribing, and their wisdom is shown by the present quotations, Funding Loan being 68⅛, as compared with the issue price of 80, and Victory Bonds 76½ as against 85. The next funding loan will share the same fate as its predecessor if its issue is overshadowed by the prospect of further jumps in the Bank rate. It is idle to cherish the belief that dear money puts an end to speculation. Rather does it lead to a continuous liquidation of high-class securities and to the reinvestment of the money in more speculative counters which hold out hope of capital appreciation. To put an end to big-scale speculation we require only the whole-hearted co-operation of the joint-stock banks, as the chance of big profits will always entice people to speculate, even if they have to pay 1% or 2% more for their money. On the other hand, borrowers, or those desiring to renew loans, who use the money entrusted to them for reproductive purposes, will be severely handicapped by even a small increase, as the profits of legitimate trading may not be able to bear the difference. Moreover, their liabilities will remain unchanged though their merchandise and general assets are depreciated, a position always dreaded by the business community.

Notwithstanding the foregoing considerations, one strong point in favour of an increased Bank rate is that foreign balances are retained in this country and new foreign money is attracted. This is, indeed, one of the means by which a high bank rate in theory, and in normal times in practice, counteracts a movement of the exchanges against us. The raising of the discount rate and the steps taken to make it effective in the market cause a general increase in interest rates and a restriction of credit. Business activity is accordingly checked, unemployment increased, and markets weakened as demand falls away. Those who are carrying goods and securities with borrowed money are forced to unload, and the consequent downward trend of prices helps to encourage exports and diminish imports, thus wiping out the adverse balance of trade, which was the primary cause of the unfavourable exchange movement. When the rise in the Bank rate had such a salutary effect these adverse balances were, however, only seasonal and temporary in character, but now they are quasi-permanent and likely to be for some time a feature in our relations with certain countries, at any rate until we have redeemed our foreign obligations. It must also be borne in mind that the difficulties created for the Government by higher interest rates would be considerable, since, in addition to the problem of maintaining the value of previous Government issues and of lessening the loss caused to the public by their depreciation, the rates on Treasury bills and on new Government issues would have to be raised. This would mean fresh revenue, in other words, fresh taxation, and for the present the trade and commerce of the country have got all of the latter that they can stand. The conclusion in the circumstances is inevitable, viz., that internal monetary conditions alone, regardless of the exchanges, should guide the discount policy of the Bank of England.

EGYPTIAN COTTON.

The moratorium mentioned in our last report has been maintained up to date, prices being $134 for March, $135 for May, $114 for November. This temporary suspension of business, except at the prices mentioned, has had a salutary effect on the position. In our Futures market it has permitted the brokers to fully examine the position of each client, and at the end of last week the Brokers' Corporation declared to the exporters that there existed a quantity of 31,000 cantars held in their books for account of clients whom they believed would be unable to meet their liabilities. They invited the export trade to state a price at which they guaranteed to take up this quantity of cotton, and the exporters decided that if these weak positions were sold by auction on the Bourse they would take up the quantity mentioned at the following prices, if not bought up at a higher quotation:—March, $123; May, $125; November, $103. As was to be expected, the exporters' willingness to take up these positions gave the market the support which it needed, and as a result the liquidation at $135 was carried out without any further suspension of payment. In the Spot market a considerable business was done, but on a lower basis than the official prices of the moratorium. On Monday, however, sellers refused to dispose of their cotton except at much higher prices. Owing to the improved position described above the Futures market was opened yesterday for trading, but with the proviso that no operation should take place at more than $5 above or below the moratorium prices. The maximum prices were reached immediately the market opened, without sellers at these prices. It is, of course, impossible to prophesy accurately the future trend of prices of our market, but I consider higher prices inevitable. There is an obvious shortage of long-staple cotton, and it must be remembered that six months elapse before new crop can reach the spinner.

Cottonseed.—The position in the Futures market for seed is still difficult, and three Bourse agencies were suspended yesterday. Unlike cotton, the foreign demand for seed is at the present moment very small, and without the support of the consuming markets it is probable that lower prices will be seen.

New Crop.—Preparations for sowing have been considerably hampered by the exceptional cold spell which Egypt has experienced during the past six weeks. The crop will consequently have a late start. With regard to acreage, it is too early to state definitely to what extent the enhanced price of cotton has induced the Egyptian cultivator to plant cotton in place of other crops, but it may be safely assumed that he will do his utmost to cultivate the greatest possible area in cotton.

H. C. Thomas.

Alexandra: March 10, 1920.

P.S.—March 11.—Maximum prices for to-day were fixed at:—March, $144; May, $145; November, $124. These prices were reached as soon as the market opened, without sellers.

BELFAST.

In the political sense of the word the history of Belfast has not been marked by any event of a particularly striking nature. On the other hand, the commercial and industrial development of the city has been very striking during the past century. One of the factors contributing in no small degree to this development has been the possession of a naturally well-sheltered harbour, the necessity of heavy expenditure on the construction of breakwaters being thus avoided. The modifications introduced into the system of land tenure at an early date by a fortunate historical event were also of great importance. Up to 1750 the ownership of most of the lands around Belfast was monopolised by the Donegall family.

Circumstances, however, then combined to effect its transfer to the citizens on easy terms, and as a result land afterwards came freely into the market and subject to but few burdens. The geographical position of the city must also be taken into account, as its proximity to the South of Scotland enabled it to obtain on advantageous terms the coal and iron needful for the establishment of its shipbuilding, engineering, linen, and other industries.

From a modern standpoint the year 1859 may be said to have witnessed the inception of the principal industries which laid the foundations of the city's prosperity. The shipbuilding enterprise, the continuation of a former undertaking, has long been identified with the policy aiming at the adoption of steel for ship construction. Prior to 1860 the cotton industry in Ulster greatly exceeded the linen trade in importance. This inequality was partly redressed by the introduction of machinery for the spinning of flax; but the preponderance of the linen trade and the practical extinction of its rival was not fully secured until the outbreak of the American Civil War and the consequent cessation of supplies of raw cotton from the States. History made an effort to repeat itself recently with the isolation of Russia, the principal source of flax supplies, but, though the danger was averted by the increased growth of flax at home, linen producers generally would rest more comfortably if there was less uncertainty in the present situation.

Belfast is, of course, the headquarters of the linen industry of Ulster, as within a radius of 30 miles from that city the vast majority of the mills and factories engaged in all the processes incidental to linen manufacture, spinning, weaving, and finishing are to be found. Flax is also grown in the same region, and its suitability in particular for thread and certain other yarns has undoubtedly tended to secure a large market for these products. The different linen textures extend over a wide range, and include fine lawns and cambrics, damasks, diapers, shirtings, as well as heavier fabrics, such as sailcloth and canvas. It is only within quite recent years that the making-up trade in Belfast, stimulated by the demand from foreign countries for articles ready for use, has received its due measure of recognition, and that machine embroidery on handkerchiefs, d'oyleys, teacloths, and other goods has assumed large proportions. A War departure was the manufacture of aeroplane linen, which was purchased in huge quantities by the Government, and fitted its purpose admirably. An idea of the magnitude of the interests involved in the linen industry may be grasped from a pre-War calculation estimating the capital invested in the country at £19,000,000. Shipbuilding is no less associated with Belfast than linen, and during the past half-century the great yards on the Lagan, where 27 building slips will shortly be in operation, have contributed to the many developments in that industry, amongst which may be enumerated the increase in the size of ocean liners, accompanied by improved arrangements for passenger accommodation, and the advancement in the facilities for the economical transit of cargo. Steamers of the largest tonnage are built, and marine engineering in all its departments is undertaken. Other branches of engineering, mechanical and structural, have also naturally made great progress in the city owing to the demand for their products. The large quantities of rope and cordage required in connection with shipbuilding encouraged the extension of ropemaking and twine-spinning. Ropes varying from half an inch in circumference to 24 inches and shop and sewing twines are characteristic products of the Belfast establishments. Tobacco manufacture has also assumed large proportions, and distilling, cotton printing and dyeing combine to build up the strong industrial structure of the city. Below we give figures relating to some of the typical exports from the Port of Belfast in the year 1918. As the Armistice was concluded in the latter portion of that year it is, however, in many respects an exceptional one.

Exports of certain Commodities from the Port of Belfast in 1918.

	Belfast	Total Exports for Ireland	Estimated Value
			£
Linen yarn (lb.)	7,546,672	7,989,408	1,323,246
,, goods (cwt.)	904,518	926,823	32,438,805
Thread (lb.)	3,490,593	3,524,864	1,219,016
Roofing felt (cwt.)	367,526	443,416	443,416
Steam vessels	—	—	10,147,000
Tobacco and snuff (lb.)	8,183,768	9,514,348	1,358,120
Rope, cordage and twine (cwt.) ...	277,504	278,788	1,477,576
Machinery (unclassified) tons ...	9,491	10,732	1,153,690
Metals and metal manufactures (cwt.)	944,215	1,476,509	1,722,375

Belfast is now entitled to rank with the best-equipped ports in the United Kingdom, as from 1830 onwards unceasing efforts have been made to render the port a suitable terminus for ships and a safe emporium for valuable cargoes. These developments have, of course, favoured the expansion of such "heavy" industries as shipbuilding and engineering. An important advantage is the comparatively small range of tide, which makes it possible for vessels to lie alongside the open quays and wharves in the river Lagan for the purpose of loading and discharging, and does away with the irksome necessity of waiting for nearly high tide for the operations of berthing and docking. Of the five, or to all intents six, wet docks opening out of the Victoria Channel and the river Lagan the York Dock is the principal seat of the foreign trade, and has a water area of over seven acres, with a lineal quayage of 3,071 ft. In addition to these docks there are the Abercorn Basin, containing a water space of over 10 acres, and the Milewater Basin with about half that area, the combined lineal quayage totalling 2,394 feet. In the Musgrave Channel are three quays with a total lineal quayage of 1,200 feet, well provided with cranage facilities. Noteworthy among the five graving docks is the Thompson graving dock, where the "Britannic," measuring 882½ feet in length, 94 feet in beam, and having a gross tonnage of 48,157 was docked. The special attention paid by the Port Authority to the shipbuilding industry is evidenced by the number of wharves and jetties with deep-water berths alongside for the purpose of accommodating vessels about to be fitted out after launching and those which are undergoing repair. The system of tramways serving the port links up with the three railway systems, and thus facilitates the rapid transfer of goods. Last year the net tonnage of vessels cleared from the port amounted to 2,405,735, a decrease of 803,799 compared with 1913, but a return to pre-War conditions cannot of course be immediately expected.

Harbour development on a large scale is about to be undertaken, the cost of which on completion is put at £3,000,000. A beginning has been made with the provision of new wharves and sheds for the coal trade. To meet the steadily growing demands of the city's industrial enterprises the Corporation has already under way the construction of a new electric station. When finally completed this station will, it is calculated, be capable of running all the city's industries and tramway service, and providing lighting facilities for Belfast and adjoining townships. This progressive spirit is, of course, dictated by the necessities of the time, and we have little doubt that in the future the commercial and industrial development of the city will be as striking as in the past.

BOLIVIA.

There has been for some time past a certain measure of anxiety regarding the relations between Bolivia and Peru, with regard to the ports in the province of Antofagasta. It is now announced that the question in dispute is to be referred to arbitration, and it is to be hoped that these ever-recurring questions of boundary arising between Peru and Bolivia and Chili will

finally be settled, and admit of the various countries attending to their economic development, thus providing for increased production of the various raw materials these countries are so eminently calculated to furnish, which productions are so very much needed by the world at the present time. In the disastrous war, now some 40 years ago, Bolivia lost the province of Antofagasta, which had given her a seaboard and access to the Pacific.

Bolivia is now an inland State, without direct access to the sea through her own territory. Until the recent unhappy dispute she had access, however, through various arrangements concluded between her Government and the Government of the Republics of Peru and Chili.

It will be remembered that in the war between Chili and Peru, to which Bolivia was a party, Chili took the nitrate provinces of Peru. She retained one of them in perpetuity, but she agreed to an arbitration regarding Tacna and Arica. Recently Peru called upon Chili to come to some sort of amicable arrangement regarding these provinces. Exactly what attitude Chili took up with regard to the matter has not been officially disclosed. Chili is accused in the Peruvian Press of having incited Bolivia to demand these districts for herself and of having promised her support if she did so. There have been some hostile demonstrations against Peruvian citizens; but all that is really known is that Bolivia has repeated what she has said again and again at every favourable opportunity since she lost direct access to Bolivia, that she desired to regain such access. As the matter is, we understand, to be submitted to arbitration, it is to be hoped that some reasonable settlement will be arrived at. That a country potentially so important and of such vast extent should be denied access to the ocean does not seem reasonable. Any settlement whereby she is denied such access by her two powerful neighbours can hardly be regarded as a permanent and satisfactory settlement.

As things are at present Bolivia is not in a position to enforce her demands against either of her two powerful neighbours, unless, of course, some third Power were prepared to champion her cause. The more the history of these various republics unfolds itself the more one regrets that the unfortunate training, and still more unfortunate temper, of Simon Bolivar made him so impracticable to work with, that he was never really in a position to carry out the policy which his clear-sighted vision saw was right.

For centuries before the Spaniards conquered Peru, what we now call Bolivia formed part of the Inca Empire. The ancient Inca Empire was very extensive. It extended from somewhere in what we now call Colombia, included Ecuador and Bolivia, the whole of modern Peru, the greater part of what we now call Chili, and extended over the northern part of the Andes into Argentina, apparently somewhere beyond the districts where Mendoza now stands. There was an Inca road or track of some kind from what we now call the Argentine Republic across the Cordilleras to the heart of the Inca Empire at Cuzco. Remains of this road are found from time to time in the remote forest regions on the eastern side of the Andes. It was never kept in repair by the Spaniards, and it was believed wholly to have disappeared. So little was known of this route, and particularly the object which it served, that for a long period very grave doubts were thrown on the fact that it had ever existed. Prescott mentions its existence, but during the latter part of the nineteenth century Prescott had come to be regarded as a modern Herodotus, who accepted any tradition any native chose to tell him, and recorded it as well-authenticated history. Modern exploration, mainly in connection with mining ventures in the different part of what once formed part of the Empire of the Incas, tends to show that Prescott, like his great Greek prototype, was by no means such a fool as the wiseacres of the nineteenth century had come to regard him. We know now that Herodotus took great pains to ascertain the accuracy of the alleged facts which he recorded, and modern research is tending more and more to show how conscientious a chronicler the great Greek historian really was. The mining engineer in western South America shows from time to time the high level of civilisation and the remarkable engineering skill to which the Peruvians had attained. Incidentally he tends to establish Prescott's reputation, and to clear him of the charge that he recorded as history every idle tale that he picked up in the market-place.

The purpose of this great causeway as it passes out of the region of tradition, and if it is proved to be an established fact, can now be presumably only a matter of conjecture, but it has, as we propose to show very briefly before dealing with modern economic conditions in Bolivia, a practical application which should, and could, be taken advantage of with the available engineering skill which the modern world possesses. Tradition asserts that this great causeway was nearly 2,000 miles in length. One of the greatest needs of economic South America at the present time is some form of transportation facility which would admit of a rapid transit between the northern and southern regions of the continent of South America. Until such transportation facilities are afforded the continent can never be opened up to supply the economic needs of our time. Curious as it may seem, such evidence as we possess points to the conclusion that the ancient Peruvians did not develop the rich tropical regions east of the Cordilleras, but which regions there seems no reasonable doubt formed an integral part of their empire, as they form an integral part of the modern Republics into which the ancient territory has been divided in modern times. Of course, it is quite possible that the rich tropical vegetation of these regions rapidly obliterated during the colonial period all traces of the engineering work of the ancient empire. On the other hand, if the tropical parts were not opened up, was the object of this great causeway to afford a means of bringing food from the plains of Argentina, to supply the needs of the population on the elevated plains of central Peru? It was on these central plains that the great bulk of the population were found to exist when Pizarro landed. In our time it would not be possible to feed a great population such as is alleged to have existed under the greater Incas from local sources of supply. Whatever may have been the object of this great causeway, which appears to have stretched from Bolivia far into the Argentine Republic in ancient times, it is certain that modern South America requires either a great causeway or a railway system which would connect the sheep-raising regions of Patagonia with the tropical regions adjacent to the Caribbean Sea. Such transportation as Bolivia enjoys at present is really from a part of the railway system either of Chili or of Peru, her natural outlet being to the Pacific, and that route is in the hands of one or other of her great neighbours. Bolivia, as we know her, is exceedingly backward in economic development in every sense of that term. More than 80% of her exports consist of minerals; and when we say minerals we mean to a very large extent Bolivian tin. It may be said, with a very small measure of exaggeration, that Bolivia lives on the raising and exporting of tin, and out of the export of this mineral she virtually meets all her foreign obligations as well as pays for her imports. She does export other minerals, and she also exports a very small amount of various tropical products, but not to any appreciable extent. She exports between 5,000 and 6,000 tons of raw rubber, not raised as a plantation industry, but gathered in her forests. It was in Bolivia that what we call quinine was first discovered, but so backward are her agricultural methods, and so lacking is she in adequate transportation facilities, the total railway mileage of this vast country being only about 1,400 miles, that she has practically ceased to be a factor in the supply of quinine to the outside world. She has

virtually lost this industry to Java and the East, where great plantations have been developed for the purpose of growing this valuable medicine. The rich Eastern provinces, known as Yungas, grow to some extent, but are capable of producing upon an immense scale sugar, cocoa, quinine, various other medicinal herbs, indigo, rice, maize, fruits in almost any quantity, and, of course, potatoes, which grow wild throughout the Republic, and the cultivation of which is believed to have originated in the neighbouring Republic of Ecuador. The vegetable products include, as we have said, cotton, cocoa, bananas, sugar-cane, oranges, lemons, various vegetables, most valuable timber, and even still more valuable gums extracted from this timber; but, above all, the great native industry is the growth of coca. This narcotic, which we know in Europe under the name of cocaine, is consumed by the native population throughout the Republic after simply being dried as a herb, not as an extract—the form in which it is known in the international markets of the world.

It is consumed so extensively by the natives that it is said that the very poorest will deny themselves necessary food in order to obtain the coca pellets.

We choose the subject because of the international trouble now threatened regarding the boundaries of this Republic. Consequently, it will be appreciated that it is not possible to say with any degree of accuracy what is the actual area of that political entity, which we call the Republic of Bolivia. It is believed, however, that it closely approximates in area of some 700,000 square miles. The population of this vast extent of territory, which is bounded by Brazil, by Paraguay, by Argentina, by Chili and by Peru, is well under 3,000,000 human beings. Some 60% are native Indians, and of the balance more than 25% are half Spanish and half Indian in origin. The remainder claim to be of more or less pure Spanish descent. It will be evident from what we have said that the two great needs of this vast country in order to make any economic development possible are an increased population and improved transportation facilities.

IRISH INDUSTRIAL COMMISSION. EVIDENCE.—XI.

COAL AND WATER-POWER.

Referring to the north-east of Galway, Sir Henry Grattan Bellew stated that a co-operative society had recently installed turbines in a mill, hitherto disused, for the purpose of utilising the water-power of the district. Exaggerated ideas were, however, held as to the possibilities of their water-powers. In the wet season there is a large flow of water, and in the dry season it may fail altogether. The necessity of supplementing hydraulic plant by other plant would then arise, and possibly it might not be thought worth while to undergo any expense in harnessing the water. Moreover, there is no great fall in the country. The watershed of his district was not more than 300 or 400 feet above sea-level, with the result that there is a great accumulation of backwater in time of flood. In connection with farming he thought there were opportunities for utilising these water-powers.

A progressive spirit, Sir Henry pointed out, was abroad amongst the farmers of his neighbourhood. They felt that local resources should be developed by means of local capital, and, not content with the *rôle* of mere producers of raw materials, they aimed to become manufacturers themselves. They were not by any means pleased with the present prices ruling for wool and other products, and desired that they should have more influence in fixing these prices. The farmer was not afraid to invest capital in an enterprise he was assured would be managed on sound business principles. The extent to which, in his district, the milling of flour and oatmeal was extending, and the use of water for power and lighting, provided sufficient answers. In Ireland as a whole a disproportionately large proportion of the population, more than five times too many, was engaged in the distributing trade. The co-operative movement would not yet prove a serious menace to the small shopkeeper, but there was little doubt that fear of that movement checked the expansion of the multiple-shop system.

Information in regard to Irish coal was furnished by Mr. L. Kettle, A.M.I.C.E., Electrical Engineer, Dublin Corporation. He stated that, of course, electricity supply works were by far the most efficient and economical users of fuel. Ten years ago he got in touch with all the Irish collieries then working, and obtained samples of their coal, which he tested with a view to using, if possible, in the works. Special furnaces would, he discovered, be necessary for this purpose, and, even if these furnaces were provided, Irish collieries could not compete with the imported coal owing entirely to lack of transport facilities. During the past ten years considerable progress had been made in the matter of the use of anthracite. The Dublin Corporation had spent much money in carrying out trials and in fitting furnaces for burning Irish coal.

There is at present a lack of accurate information regarding the extent of coal reserves in Ireland. It may, however, be said that there is in the country a substantial coal reserve, the working of which should pay a dividend, regarded from the national point of view and from the viewpoint of the exploiter. In 1866 the mines produced some 127,000 tons of coal, of which 73,000 tons represented anthracite and 54,000 tons bituminous, the latter coming from Ulster. The output now is some 100,000 tons, but with the transport facilities recently provided this should be substantially increased. The Ballycastle mine was worked again recently, but it is understood to be closed for the time being. There is a prospect that the Tyrone field will be reopened in the near future. Tyrone coal is bituminous in nature. Around Lough Neagh there are deposits of lignite. Lignite can be used for practically any fuel purpose, but special appliances are needed for its efficient consumption. In Germany a good deal of this coal is briqueted. Arigna coal belongs to the semi-bituminous class, while practically all the Leinster and Munster coal is anthracite. Witness had received the best sample of anthracite he had ever seen from county Tipperary, and he had received a small sample of bituminous coal from an outcrop near Mitchelstown, county Cork, where this class of coal was most unusual.

Detailing the uses of Irish coal, Mr. Kettle said that anthracite is by far the most suitable fuel for the manufacture of power-gas, such as is used in suction-gas engines. There is an aggregate of some 40,000 to 50,000 h.-p. working on power-gas in Ireland, practically all of them using anthracite, the bulk of which is imported from Wales or Scotland. Irish anthracite is quite suitable for these plants, and there should be no need to import such fuel if Irish mines were properly exploited. This kind of power is eminently suitable for country power plants, such as creameries, sawmills, corn mills, scutch mills, farm installations, and all purposes for which power is required away from the large cities. For steam raising anthracite can also be used, but, in general, special furnaces and appliances are necessary to enable it to be used efficiently. It is also suitable for metallurgical work, such as smelting, the manufacture of carbide of calcium, malting, hop-drying, lime-burning, or any purpose for which a steady smokeless heat is desired. Consumed in a closed-in stove, as on the Continent, it is the most economical fuel for domestic purposes. Insistence must be placed on the point that anthracite needs to be carefully prepared. Most of the prejudice against Irish anthracite is due to adverse reports based on results from coal improperly prepared. The Tyrone coal answers any purpose for which bituminous coal is employed, and the Lough Neagh and Ballycastle lignite could best be used in the form of briquets in conjunction with pitch and anthracite slack.

Witness regarded the following as a reasonable prediction of the output from Irish mines in a few years' time if an earnest effort were made to increase production.

	Tons per Annum
Castlecomer	... 350,000
Wolfhill	... 100,000
Tyrone Coalfields	... 150,000
Ariena Coalfields	... 100,000
Southern Coalfields	... 50,000
Northern Coalfields (lignite, &c.)	... 50,000
Total	... 800,000

A Government desirous of developing the industry can afford valuable assistance in various directions. The need exists of a full and comprehensive mining survey of Ireland—a survey based on geological data checked and verified by trial bores. Better transport facilities should be provided, and care should be taken that, as regards freights, the Irish coal industry does not labour under any disadvantages compared with imported coal. For the provision of additional machinery, equipment, and housing accommodation for miners some financial and technical assistance should be forthcoming. On their side the Irish coal-owners might endeavour to provide modern coal-winning tools and pumping plant, and pay greater attention to methods of preparing the coal for market.

CURRENCY AND PRICES.

THOUGH the amount of the floating debt as represented by Treasury bills and Ways and Means Advances showed a reduction last week of nearly one million pounds, the oustanding total reached the enormous figure of £1,227,202,000. Until this large sum is paid off or funded, and money is thereby set free for the purposes of trade, it is futile to talk of restoring our finances to a sound basis by reducing the volume of credit and currency. To assume that the rise in prices was due to what is called inflation, or an over-supply of money, is to misunderstand the real nature of money. Production has been low ever since the War started owing to the withdrawal of men from productive employment, distribution has been imperfect owing to defective transport by sea and land, and consumption has been wasteful, as is the case even in the best-conducted of wars. Speculators have also been at work, and the shortage of particular commodities due to bad harvests and other causes has been intensified by the efforts of quasi-monopolists to exploit the situation to their private advantage. These various non-monetary causes have all contributed to the rise in prices. Government spending departments, faced with the necessity of a large immediate outlay, and, finding the revenue insufficient for their purpose, borrowed from the banks in order to buy in competition with the public the share which they required of the limited quantity of goods available. Bankers had to increase their holdings of currency to maintain a safe ratio between cash and liabilities, and the higher wages paid to labour required currency out of proportion to the goods produced. Shorter hours caused a reduction in total efficiency, and, in addition, the output per man per hour fell in the majority of industries. The following table, which refers to a leading Tyne shipyard, helps us to form an idea of the effect of the reduction in hours and the increase in wages on production and on the demand for currency respectively:—

	Shipyard— Ironworkers	Other Trades
Average hours worked (summer 1914) ...	43 16	49 33
Average hours worked (summer 1919) ...	38 18	42 96
Average wages (summer 1914)	£1 14s. 6d. per week.	
Average wages (summer 1919)	£3 12s. 10d. per week.	

The inclusion of labourers, apprentices, and boys in the calculation of the averages in the table makes the hours worked appear better and the earnings smaller than they really were, but still the comparison is a useful one. The net profit of the same company during 1918 was only £363,000, and the amount paid in wages and salaries in the same year was £3,785,000. The latter sum represented such a big increase that it would naturally call for an increased volume of currency. To give another instance, at the recent annual meeting of a well-known colliery company it was stated that out of the total outgoings of £2,000,000 for the twelvemonth £1,500,000, or 75%, was accounted for by wages or salaries. Similar instances could be multiplied, all pointing to the increased volume of currency, in addition to subsidiary coinage necessary in the ordinary course of business.

The rise in prices has been general throughout the world, and the circulating media have increased, but the amount of gold held as cover in the different countries varies within very wide limits. In the following table we have arranged figures, taken to a large extent from compilations of the Supreme Economic Council, showing the amount of notes in circulation and the extent of the gold reserves in various countries now and before the War:—

NOTES IN CIRCULATION AND GOLD RESERVES.
Foreign Currencies Converted at Approximately Par Rates.
(In Millions of £s.)

	Notes— December 1913	Notes— Jan. 1920	Gold— December 1913	Gold— Jan. 1920
United Kingdom	—	—	34·9	128·4*
,, ,, Currency Notes	—	329·5	—	—
,, ,, Bank-notes ...	29·6	88·2	—	—
U.S.A. Federal Reserve Banks	573·9†	996·9	47·7 (1914)	405·3
Japan, Bank of	42·6	126·0 (Dec. '19)	22·4†‡	94·8† (Dec. '19)
France, Bank of	228·5	1503·3	140·3	223·2
Italy	111·3§	699·9§ (Oct. '19)	66·4‖	77·1‖
Germany, Imperial Bank of ...	129·6	2458·1¶	58·5	54·5
Holland, Netherlands Bank ...	26·0	86·5	18·1	52·7
Spain, Bank of	76·9	154·3	19·2	98·1
Norway, Bank of	5·9	22·7	2·6	8·1
Sweden, Bank of	12·1	37·4	5·7	15·1
Switzerland, Swiss National Bank	12·5	37·9	6·8	21·2

* Including Gold coin and bullion at the Bank of England and to the credit of the Currency Note Account and a small quantity of silver coinage.
† June 1915, after the amendment of the Federal Reserve Act in the preceding March. Federal Reserve Notes and other paper currency included in the American figures.
‡ Including silver.
§ Including Treasury Notes and Notes of the three Banks of emission—Bank of Italy, Bank of Naples, and Bank of Sicily.
‖ Total for the three Banks of emission.
¶ Including Imperial Bank Notes and Loan Bureau Notes, December 1919

As can be seen from the table Germany has now the largest note issue, totalling £2,458,100,000, followed by France £1,503,300,000, the United States £996,900,000, and the United Kingdom £417,700,000. For purposes of uniformity January 1920 has been selected as the later date for making up the necessary figures, but in some cases more recent data are available. Thus for the week ended March 25 the French circulation had fallen to £1,502,759,000, but the decline was not material. The English reserve of gold coin and bullion was £144,200,000. In connection with the increase in currencies and gold reserves it is interesting to compare the rise in wholesale prices in the four most important countries mentioned in the preceding table—viz. the United Kingdom, the United States, France, and Japan. For this purpose we reproduce a comparison recently published along with our Index-Numbers:—

International Wholesale Prices.

	Index-Numbers— U.K. ("Statist")	U.S.A. (Bradstreet's)	Japan (Bank of Japan)	France	Expressed as a Percentage of 1913— United Kingdom	United States	Japan	France
1913...	85·0	9·2115	132·2	115·6	100·0	100·0	100·0	100·0
1914...	85·0	8·9034	126·3	117·9	100·0	96·7	95·5	102·0
1915...	108·0	9·8530	127·8	161·6	127·1	107·0	96·7	139·8
1916...	136·0	11.8237	154·9	217·6	160·0	120·3	117·2	187·0
1917...	175·0	15·6385	196·4	302·4	205·9	170·0	148·5	261·6
1918...	193·0	18·7117	259·0	392·1	227·1	203·2	197·0	339·2
1919								
Jan....	190·7	17·6344	283·2	401·8	224·4	191·5	214·2	348·0
Feb....	187·5	17·2214	281·6	393·5	220·6	187·1	213·0	340·0
March	184·7	17·2795	272·0	388·1	217·3	187·7	206·3	336·6
April	184·6	17·2376	273·2	384·0	217·2	187·2	206·6	332·0
May...	194·6	18·0900	283·7	375·8	228·9	196·5	214·6	329·0
June...	199·8	18·8964	301·6	380·0	235·0	205·2	228·1	329·0
July...	206·4	20·0017	326·8	403·0	242·8	217·2	247·2	349·0
Aug....	212·7	19·4720	331·5	401·7	250·2	211·5	251	347·0
Sept.	214·8	19·5215	339·2	416·2	252·7	211·9	257	360·0
Oct....	224·3	19·9026	357·7	441·4	264	216·3	271	382·0
Nov....	231·0	20·1756	370·1	468·5	272	218·4	280	405·0
Dec....	235·2	20·3658	—	479·5	276	220·6	—	417.0
1920								
Jan....	245·3	20·8690	—	—	288	228·7	—	—
Feb....	260·4	—	—	—	306·3	—	—	—

An examination of the figures for notes, gold reserves, and prices shows clearly that the advance in wholesale quotations has not been caused by the issue of paper without a gold backing, as has often been alleged in discussions on the subject. In the United Kingdom

the currency note issue is uncovered by gold and bank-notes, except as to 10%, and the proportion of metal to the total note issue is 24%. In the United States gold to the extent of £405 millions is held against a note issue of £996 millions. Though the proportion of gold to notes is thus 40.6%, the increase in wholesale prices since 1913, as may be seen from the above table, has not been disproportionately short of our own, 128.7%, compared with 188% in the United Kingdom. In December last the Federal Reserve notes in circulation amounted to £622,847,000 and the gold to £415,700,000, a proportion of 66%. The gold position has, therefore, been much stronger across the Atlantic even than it is at present, but that has not prevented a very striking advance in prices, despite the fact that the United States produce a surplus of many commodities which we have to import. In France the rise in prices, 317%, has been much greater than in the other countries mentioned, and the metallic ratio there is only 15%. The Japanese ratio of gold to notes last November was 71%, and yet the rise in wholesale prices was represented by 180%, as compared with 118.4% in the United States and 172% in the United Kingdom, countries where the gold backing was proportionately much less. These figures tend to disprove the intimate connection commonly assumed to exist between inflated currency and high prices, as prices in those countries which have not been compelled to depart from the gold basis are gold prices; and they also tend to discount the clamour of those who insist on the need for piling up an enormous gold reserve behind our currency note issue.

INDIAN RAILWAYS.

The report on the Indian State Railways for the year to March 31, 1919, reveals, on the whole, a satisfactory state of affairs, despite the increasing difficulties of operation during the period. The gross earnings, which have shown a steady increase over recent years, reached the record figure of Rs. 76,35,00,000, or Rs. 7,34,00,000 more than in 1917-18. During the War the ordinary services were materially restricted, and those essential from the military and economic point of view were given unquestioned priority. Despite the restrictions, the total ton mileage of coal increased from 9,836 millions in 1917-18 to 10,114 millions in 1918-19. The ton mileage of other goods traffic also rose from 11,179 millions to 12,026 millions. Some concern was occasioned over the problem of fuel supply, and the Railway Board on account of the possibly limited quantity of first-class coal available in India decided to make investigations into the use of second-class coal in locomotives. One result of the inquiry was to establish definitely the value of pulverised coal, and certain trials made on the Great Indian Peninsula Railway indicated that if the proper degree of pulverisation and dryness were attained it would be quite feasible to utilise the lowest grades of Indian coal in locomotive boilers.

During 1918-19 the outlay incurred on railways was £4,159,870 or Rs.6,23,98,046, bringing the total capital outlay of the Government in the purchase and construction of railways, including the liability which remains to be discharged by means of annuity and sinking fund payments, to £370,180,560. The return made on the capital invested works out at 7.07%, as compared with 6.83% in 1917-18 and 5.12% in 1913-14. The following table shows the capital charge, the gross traffic receipts, and the working expenses of the State railways since 1913:—

(000's omitted)

	1913-14	1914-15	1915-16	1916-17	1917-18	1918-19
Capital at charge ...	£ 351,302	£ 351,560	£ 364,958	£ 366,483	£ 368,063	£ 369,218
Revenue	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Gross traffic receipts ...	56,31,92	54 1 ,78	57,2 ,43	62, ,89	68,9 ,3	76, ,50
Working expenses ...	29. ,91	29,52,87	29,53, 0	29, ,86	31, ,1	32,07,67
Net receipts	26,96,01	24,62, 1	27,7 ,43	32,97,85	37,5 ,2	39,1 ,0
Equivalent in sterling (Rs.15 = £1)	£ 17,973	£ 16,419	£ 18,489	£ 21,986	£ 25,042	£ 26,12
Percentage return on Capital at charge...	5·12	4·54	5·06	6·02	6·83	7·07

The improvement in receipts in 1918-19 is attributable mainly to the expanding traffic in coal and general merchandise and to larger receipts from the carriage of troops and military stores. The rise in working expenses of 5.72 crores above those of 1917-18 was due to the greater train mileage run, to the inauguration of a programme of special repairs and renewals, and to the enhanced scale of payment to officials. Conditions were to a certain extent abnormal, as there was an unusually heavy traffic in rice, grain and other foodstuffs to the various areas affected by famine in the period under review.

The gross earnings of railways other than State lines, such as District Board lines and Indian State lines, during 1918-19 amounted to Rs.993 37 lakhs, compared with Rs.835 24 lakhs in 1917-18, being an increase of Rs.158 13 lakhs, and as the working expenses were up by only Rs.77 13 lakhs over the preceding year, the net earnings improved by Rs.81, having risen from Rs.414 63 lakhs in 1917-18 to Rs.495 63 lakhs in 1918-19. These net earnings yielded a return on the capital outlay (Rs.67,31 76 lakhs) on the open lines, that is, on the mileage earning a revenue, of 7.36%, compared with 6.28% in 1917-18. It is interesting to compare with these figures the earnings of various classes of railway stock in the United Kingdom in the war years 1916 to 1918:—

Yield on Railway Stock in the United Kingdom.

Class of Stock	Average Rate per cent. of Dividend or Interest.		
	1916	1917	1918
Ordinary ...	3·47	3·50	3·84
Preferential ...	3·61	3·62	3·65
Guaranteed ...	4·00	4·00	4·01
Loans	3·79	3·83	3·88
Debenture Stock	3·44	3.43	3·45
Average U.K ...	3·55	3·57	3·70

Though new construction has been confronted with many difficulties 335 miles of railway were opened to traffic in 1918-19, bringing the total mileage up to 36,616 miles. In 1909 only 31,490 miles were open, and the increase in the intervening period has taken place mainly on lines worked by the State. A peculiar feature of the Indian railway system is the diversity of conditions that prevail in the relation of the State to the various lines in respect of ownership and control. Of the chief lines situated in British India, or in which the Government of India are interested, three are owned and worked by the State and eight are owned by the State but worked on its behalf by companies whose interest payments have been guaranteed by the Indian Government. Three important lines and many of less importance are the property of private companies, some being operated by the owning companies or some by the State or by the companies that work State-owned systems. There are several

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minor lines which belong to bodies called District Boards or have their interest guaranteed by such Boards. This striking diversity proves, however, on examination, to be less important than at first appears, since the Government exercise wide general powers over all the railways in British India and, by special arrangement, over the chief railways passing through the native States. In addition they have a financial interest in all companies in British India and a preponderating interest in most of those that are of first importance. The influence of the State over every line is therefore considerable, but a revision of the present somewhat complex arrangements is contemplated. A special committee is to be appointed to inquire into the desirability or otherwise, on financial and administrative grounds, of modifying the management of the Indian State-owned lines either by substituting for the present system of management by companies domiciled in India or by extending one or other of the existing methods of management. The Committee should not take long to complete the enquiry, and its report will be read with interest. Considering conditions in India at the moment, it is unlikely that its recommendations will involve any radical departure from the mode of administration that has so far been attended with a fair measure of success. The Indian Government may have laid itself open to criticism on the ground that strategic rather than economic considerations led to the building of many lines, and there has, accordingly, been an undue delay in opening up rich and promising tracts of country whose crops might afford relief to famine-stricken areas in the event of failure of the monsoon. To some extent, also, the administration is over-centralised, and this interferes with the efficient working of the whole system, especially in remote districts. On the other hand, a certain measure of unification is desirable so as to eliminate the existing diversity of railway authorities and to introduce management by experts. The Government of India must always be intimately associated with the railways, which have been built by British capital and British enterprise, but the time has come for stimulating local enterprise and obtaining aid from local sources.

The lines which are operated by the guaranteed companies are the property of the State, as the greater part of the capital has been contributed from Government funds. When further capital expenditure is necessary the Government have the option of undertaking it themselves or of calling on the company to do so. In the latter event interest at a fixed rate is guaranteed on the money by the Government, and if public money is supplied similar payments are made out of earnings to the Government. If after these distributions any surplus profits remain, they are divided between the Government and the company in the proportion laid down by the contract which governs the working of every guaranteed line. On account of their controlling interest, the Government, in every case, receive the lion's share of the surplus.

It is possible that a unified system of State control and working will be recommended by the Committee, despite the hint given in the proposed terms of reference as to the desirability of substituting management by companies domiciled in India for the present management of the State-owned lines. Such a course would entail no considerable legal or financial difficulties, as every contract between the Government and the different working companies, except one for a fixed term of 25 years, is terminable at the option of the Secretary of State at specified dates; and on termination the companies' capital is repayable at par, except in the case of the East Indian Railway Company which, for special reasons, is to receive a terminable annuity instead of a cash payment.

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Incorporated by the Special Charter of the Imperial Japanese Government, 1899.

Capital Subscribed.. .. Y. 60,000,000
Capital Paid up .. .. Y. 37,500,000
Reserve .. .. .. Y. 8,210,000

Head Office .. .. TAIPEH, FORMOSA.
London Office .. 58 OLD BROAD ST., E.C. 2.

BRANCHES:—Amoy, Batavia, Bangkok, Bombay, Canton, Foochow, Hankow, Hongkong, Kiukiang, Keelung, Kobe, Moji, New York, Osaka, Semarang, Shanghai, Singapore, Soerabaya, Swatow, Tainan, Tokyo, Yokohama, &c., &c., and Correspondents in every principal town in the World.

The Bank is incorporated by Special Charter of the Imperial Japanese Government, and is authorised to issue its own notes in Formosa; conducts general Banking, Exchange Business; undertakes Trust business, and acts as Business Agents for other Banks. Special facilities are available for exchange business on Japan, China, India, Straits Settlements, Dutch East Indies and France, where the Bank has special working arrangements with Cox & Co. (France) Ltd. Deposits are received for fixed periods on terms which may be ascertained on application.

Financial Notes.

SIR BRIEN COKAYNE, who has recently been raised to the Peerage, concluded on Thursday last his term as Governor of the Bank of England, and Mr. Montagu Collet Norman, D.S.O., the Deputy-Governor, was elected Governor of the Bank for the ensuing period. Mr. Norman has had wide experience in connection with merchant banking and as a member of the Exchange Committee, which will be very valuable to him during his present tenure of office, which term is likely to be a more or less trying period. Mr. Henry Alexander Trotter, of the firm of Messrs. Thompson, Hankey and Co., has been elected Deputy-Governor.

On the whole the figures of the French Board of Trade returns are decidedly more satisfactory than of late. The total imports for January and February 1920 amount to 4,644,099,000 francs, which compares with 3,556,723,000 francs in the corresponding two months of 1919. The figures show that the increase has been mainly in the imports of foodstuffs and the imports of raw materials, the imports of manufactured goods being comparatively slight. On the export side, the figures for January and February of the current year are 2,046,227,000 francs, comparing with only 702,145,000 francs in January and February of last year. This, it will be seen, is practically an increase of 200%, or multiplying the figures three times over. The adverse balance of French trade, which amounted to 2,854,600,000 francs in 1919, has been reduced to 2,598,000,000 francs. Of course, the exchange remains unfavourable to our recent Ally. But, as said above, on the whole the figures may be regarded as highly satisfactory, all things considered. In a modified form they reflect to an appreciable extent the tendency of our own Board of Trade returns, upon which we commented recently, and which we characterised as highly satisfactory.

The growth in the value of French imports of food is in itself highly satisfactory, as is the similar growth in the imports of food into this country. France, in the period that preceded the War, was, in normal years, usually able to feed herself; and even in abnormal years it was rare for her to require to purchase from outside any appreciable proportion of feeding stuffs. Owing to the fact that nearly twelve of her provinces were devastated during the War; and owing, in addition, to the fact that such a large proportion of her population was necessarily called up to the Colours to repel the invader actually upon her own soil, and to the heavy casualties from the War, the production of foodstuffs within France herself has been exceptionally small. Owing to the suffering incurred by the French people, the prime necessity of France, as, indeed, of all the belligerent countries, is as soon as possible to restore the vigour and *morale* of her people by proper and adequate feeding so far as her economic means will admit. Such expenditure is to be commended, as it is really a valuable investment which will enable her to right herself in due course. The

expenditure on raw materials for her manufactures is economically sound.

France, it will be remembered, lives for the most part on the production of articles of luxury; and, consequently, on articles which derive a very large proportion of their value from the labour expended upon them. They are hardly any of them of the nature of partially finished products—that is, raw materials, which have been prepared for further processes of manufacture. As a result, therefore, it may reasonably be expected that the expenditure upon these raw materials will, when the articles are sold abroad, return to France an exceedingly handsome profit. Already we see in the figures of the exports which we have quoted the enormous appreciation which has taken place in the first two months of the current year, as compared with the first two months of 1919. Practically, as we say, the exports have been multiplied three times over. Nearly every country is requiring to re-stock its stores of various kinds of commodities. Those countries which have suffered most during the recent War cannot, of course, afford luxuries to any appreciable extent. But they encourage enterprise in those countries which are capable of supplying machinery and raw materials for reconstructing their various industries. There are, however, fortunately, still a large class of countries which can afford luxuries—those belligerent countries which were comparatively only slightly injured during the progress of the late War and those neutral countries which made large profits by supplying munitions and raw materials to the belligerents—and it is to those that France must look for a market for her products, which more or less find a market in every country in the world able to purchase them.

According to Messrs. W. Weddel and Company, Limited, the weight of beef, mutton, and lamb shipped in 1919 by the various freezing works in the world was 1,978,000 tons, compared with 1,130,000 tons in 1918, 965,000 tons in 1917, 915,380 tons in 1916, 881,075 tons in 1915, 800,375 tons in 1914, and 767,311 tons in 1913. These figures reveal a satisfactory growth in the industry, despite all the difficulties of transport under war conditions; and they augur well for supplies when trade is again free to be developed by private enterprise. Of the foregoing output in 1919, about 370,000 tons, or 34%, were prepared in the works of the American group, situated as they are in most of the producing countries. This is a much smaller proportion than in 1918, because more Australian meat was shipped, and much less from the United States, owing to the diminishing requirements of the armies in France. Considerable quantities were again shipped to destinations outside the United Kingdom. It is estimated that about 513,500 tons were thus diverted, as against 640,000 tons in 1918, 532,000 tons in 1917, 381,600 tons in 1916, 218,150 tons in 1915, 105,948 tons in 1914, and 46,650 tons in 1913.

Now that military requirements are so greatly lessened, it is interesting to contrast the quantities taken for these outside markets in 1919 with the modest total for 1913. While they represent a great advance in volume, the proportion taken for the civilian trade in recent years cannot be ascertained, owing to the unsatisfactory method in which records of importations into most European countries are kept. The volume of the trade in 1919 was undoubtedly considerable, but did not approach the forecasts of the Ministry of Food. These latter were mostly based upon an assumed demand for not less than half a million tons per annum, whereas the actual civilian consumption on the Continent, fostered though it has been in many cases by Government aid, has not reached anything like that figure. The imports into the United Kingdom in 1919 amounted to 528,354 tons, an appreciable advance on the previous year's total of 489,336 tons. Arrivals during the last quarter were very much in excess of the consumptive demand, and at the end of the year stocks in store and in ships lying in port were not less than 150,000 tons—equal to more than four months' prospective requirements, with additional quantities afloat sufficient for a further two months' demand. The total receipts in 1917 were 433,208 tons; in 1916, 533,631 tons; in 1915, 662,935 tons; in 1914, 694,427 tons; and in 1913, 720,257 tons.

We have before us a report of the Committee on Cotton-growing in the British Empire. The report states that the solution of the problem before the Empire depends on the proper handling of three main questions: the acquisition of necessary knowledge and the supply of men to apply that knowledge; the establishment of efficient arrangements for controlling the growing of cotton crops and marketing the crops when grown, so as to secure the best possible results for the growers; and the provision of the necessary funds. The acquisition of the necessary knowledge and the supply of men to apply that knowledge can only be obtained, in the opinion of the Committee, by encouraging research in agricultural colleges in different parts of the Empire. To collect the supply of men will take time. Three classes are required. There are highly-trained men of outstanding ability, needed for pure research into the principles on which cotton should be grown, and the various varieties which should be selected for the different areas. Secondly, there are men with good scientific qualifications required for the direct investigations which must be done in each locality; and, thirdly, there are the practical men, without whom it will be impossible to do effective pioneer work, or to bring influence to bear on ordinary agriculturists. Apart from this the report favours the establishment of agricultural departments in various parts of the Empire, with administrative and executive officers, upon whom will depend the enforcing of regulations necessary for the proper control of the growers.

We think the Committee are rather on the wrong tack when they recommend disinterested buyers in various parts of the Empire for acquiring the cotton and distributing it to likely centres of consumption. Surely the experience of all successful trading has proved that practical men engaged in any particular industry are better qualified to find markets for their products than any body of Government officials, however highly trained they may be on the purely theoretical side. It was estimated before the War that the total world production of cotton was, roughly, 20 million bales, and in this country we consume about five millions. Owing to the demand for foodstuffs in consequence of the War it is probable that the present output is considerably less than in the pre-War period,

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while the demand has rather increased than diminished. Nearly 80% of the world's supply comes from the United States; and it is, of course, notorious that while that supply itself varies season by season, there is an ever-growing demand in the United States itself for an increasing proportion of the cotton which is produced within the country.

In the March Bulletin of Agricultural and Commercial Statistics issued in Rome by the International Institute of Agriculture, it is stated that although the area under wheat in Argentina had been reduced by 12%, the harvest of 1919-20 is estimated at 5,800,000 metric tons, or 16% more than in 1918-19, and 43% over the average yield from 1913-14 to 1917-18. It should be observed that considerable stocks from the previous wheat crop were in existence in Argentina at harvest time. As regards the present state of stocks, on March 1, 1920, there were 4,500,000 tons of wheat remaining in farmer's hands in the United States as compared with 3,500,000 tons at the same date in 1919, and an average of 4,100,000 tons in the years 1910 to 1914. The condition of the autumn-sown crops is described as favourable in Belgium, France, Great Britain and Ireland; while in Spain, Italy, Japan, Algeria, Morocco, and Tunis an average prospect is reported. Those who have followed the reports of the weather from the United States will have gathered that the season has not been favourable to winter-sown wheat, not so much owing to the extremity of the cold, as to the series of blizzards and tornadoes, the latest of which is reported this week from the Middle West.

From British India, where the wheat harvest has begun, reports are generally good. The rice crop is estimated at 55,900,000 metric tons of rough rice, representing a yield of 12% over the average of 1913 to 1917. According to official statements, the export of wheat will not be permitted until the new crop is secured, but shipments of rice from Burma to Europe are recommencing under Government control as to quantity and destination. Apparently, the irrigated area in Egypt does not suffice for the increased production of cotton required to meet the great demand, and cultivators are anxious to augment as far as possible the area owing to the high prices prevailing. In consequence, the Government have decided to adopt stringent measures to prevent on the part of cultivators the destruction of cereal crops, which has been going on to some extent by cultivators with the object of planting cotton in order to obtain the high prices at present ruling.

An exceedingly interesting article appears in the current issue of the *Journal of the Royal Society of Arts* on the "Water Supply in Jerusalem." From time immemorial the question of water-supply has been a difficult problem for the inhabitants of the Holy City. The geological formation of the country accounts for the fact that very little water remains on the surface of the ground, the winter rains rapidly disappearing owing to the nature of the soil. There are no rivers in Palestine with the exception of the Jordan. Hezekiah was instrumental in tunnelling a conduit of more than 1,700 feet through a limestone hill for the purpose of improving the water-supply of Jerusalem. Solomon appears to have built an aqueduct, and Pontius Pilate and Herod also took measures in their time for improving the water-supply of the Sacred City. The Turks had allowed all these sources of supply to fall into disuse, and the city at the time of the British occupation was dependent upon rain-water stored in cisterns and supplies sold in the streets.

The water-supply now is obtained from springs at Arub, about sixteen miles to the south of the city, and beyond Bethlehem. The British engineers found that the ancient Romans, during the Roman occupation of Palestine, had constructed a reservoir with a capacity of five million gallons, whereby water was obtained from these springs. In about three months, apparently, the British military engineers succeeded in cleaning the conduits which had conducted this water to the reservoir. This reservoir was situated at a distance of 2,000 feet from the main spring. From the reservoir the water was conducted to the centre of Jerusalem by an aqueduct which stands almost intact to this day. The water is now elevated by a pump worked by a 66 h.-p. gasoline engine into a new reservoir at the top of an adjacent hill, over 500 feet above the Temple site in Jerusalem. The result of this work has been to provide the 50,000 inhabitants of Jerusalem with about ten times the water-supply they received during the Turkish occupation.

We learn from a reliable source that the production of pig iron in this country during February amounted to 645,000 tons, or 20,000 tons less than in January. But when allowance is made for the shorter month, the rate in February was rather higher than in January, the daily rate being 22,300 tons against 21,500 tons. The production of steel ingots in the United States of America in February by 30 companies representing about 84% of the total steel ingot production in 1918, amounted to 2,865,124 gross tons, as compared with 2,704,683 gross tons in February 1919, an increase of 160,441 tons.

We are asked to state that the paragraphs which have appeared in the Press to the effect that the State Government of Sao Paulo has decided to expropriate the property of the City of Santos Improvements Company, Limited, are incorrect. It is proposed by the State Government to take over the waterworks belonging to the Company, which form, however, only a part of the Company's undertakings at Santos.

SOUTH AND CENTRAL AMERICA.

ARGENTINE RAILWAYS.

BUENOS AYRES AND PACIFIC.

THE Buenos Ayres and Pacific is one of the greatest of all the Argentine, and, indeed, of all the South American railways. Owing to its connections with the Chilian lines it is a transcontinental system. It runs through perhaps the richest and the most favoured territory of the Argentine Republic and some of the richest agricultural lands to be found in any part of the world. It has an extraordinary diversity of traffic, and a very appreciable passenger traffic, owing to the fact that it runs through the western suburbs of Buenos Ayres itself, which, for reasons we have explained on various occasions, is extraordinarily developed, bearing in mind that it is a country of only some 8,000,000 inhabitants. We have explained on various occasions why the Argentine capital has developed so rapidly, and to the extraordinary extent it has, so that it will not be necessary for us to go again into the question. For those readers who do not closely follow South American affairs generally, and Argentine economic questions in particular, it will suffice to say that the peculiar nature of the development of the Republic has necessitated an enormous proportion of the population devoting themselves to what we may call for convenience town occupations, as distinct from producing primary necessities. In a new country growing up, naturally, with comparatively little assistance from outside, the towns grow but slowly, and the agricultural part of the population forms by far the preponderating majority. In a country like Argentina, which has been developed practically within the lifetime of two generations, almost entirely with resources obtained from outside, the proportion of the population engaged in the manipulation of produce, as distinct from those actually producing, is extravagantly large. The reason for this is that the produce is raised for con-

sumption at enormous distances from the scene where it is produced, as distinct from being raised almost exclusively for local consumption. In a country growing up by what we have ventured to call a natural process produce is raised for local consumption, and gradually as towns and cities grow a market is found for the surplus raised in the agricultural districts. This was the case in nearly all the European countries practically until the invention of the steamship. It must not, of course, be imagined that there was no foreign trade, because England, for example, was a large exporter of wool, at least as early as the Angevin kings, and presumably very much earlier, although the records only go back to the twelfth century. Nevertheless, in countries which have grown up quite naturally, if we may be permitted to use the term, the business of the home markets is the main business of the country. It was essential, of course, for England to export wool, even as early as the periods at which records begin, to enable her to meet her foreign obligations, and also to permit of the payment for wines from Gascony, silks from Italy, and metal ware from Spain, which were the principal articles of import at that period. The foreign trade was an integral part of the business of England, even in those days, but very few people comparatively lived by it or directly ministered to it. Even supplying the few towns which existed in England, like the Cinque Ports and Norwich formed a comparatively small part of British economic polity. The existence of the towns was an advantage, and an advantage to places far removed from London, because transportation facilities were better in mediæval Europe, and particularly in the early time, than is generally supposed. All the same local business was the prime interest of something between 3,000,000 or 4,000,000 people, which are usually estimated to have constituted the population of England in early mediæval times.

No more illuminating light could be thrown upon the picture we have endeavoured to draw than the very existence of such a railway as the Buenos Ayres and Pacific. It stretches for more than 3,500 miles across that southern part of the American continent which we call the Argentine Republic. The greater part of that Republic is wholly unsettled. It has an area 10 times the size of the United Kingdom, and its total population is only about 8,000,000. What, would ask an economist unacquainted with the actual facts, is such a railway wanted for? and how long is it likely to have to wait for traffic? He would be amazed to learn that this great system earns over 6¼ millions sterling a year. That it pays handsome dividends; that besides a vast number of passengers, it carries 5½ million tons of goods, and obtains 4 millions sterling for their carriage.

Its wine traffic alone exceeds 600,000 tons and it earns more than £1,700,000 by the carriage of various products of the vine and of other fruits. The economist would be equally amazed to learn that there are at least two other railways with as great or a greater mileage, earning an immense revenue, and the total railway mileage of the country exceeds 20,000, or not very much less than that of Great Britain at the beginning of the present century. Were it not for the fact that these railways are particularly designed for the express purpose of conveying food and raw materials from the scene of production to the port of shipment for which these articles have been destined, these great railway systems would have hardly any real object for existence. They were specifically built with foreign money for the specific object of assisting in the raising of vast supplies of food and raw materials, and their rapid despatch from point to point, with the definite object of these products being consumed by the foreigners in whose country and in neighbouring countries the capital for the construction of these lines was raised.

The railway runs, as we have said, for a distance exceeding 3,000 miles along some of the most favoured territory in the world. The route is through a territory with a climate comparable to that of the extreme South of Europe or the North of Africa. Starting at some 30 feet above sea-level in the City of Buenos Ayres itself, it runs through the suburbs beyond St. Miguel, and then enters a country almost purely agricultural, although there are still some very important cattle estancias at various places on the line. Nevertheless, until it has attained almost the confines of the province of Buenos Ayres it is running through an almost unbroken line of some of the richest wheat fields to be witnessed in any part of the world, and owing to the nature of the country the enormous expanse of these fields gives the impression that the country is wholly devoted to the growth of wheat. In a sense so it is, so far as this section of the Buenos Ayres Pacific is concerned. We are now some 300 or 400 miles from the capital and the country has only risen to a little over 60 feet. That is to say, the elevation has only doubled in spite of the long stretch of country which has been traversed. In Santa Fé the country is rising, and as we run through Cordova to the Villa Mercedes in St. Louis, very considerably from that point the gradient rises rapidly until between 2,000 and 3,000 feet is attained in the region of Mendoza, at the foothills of the Cordilleras.

We turn now to the sources from which this line derives its traffic. Naturally, from the nature of the economic forces at work and the sources from which the Republic, taken as a whole, derives its sustenance, agricultural, or goods traffic, as the report describes it, and the carriage of live stock constitute by far the preponderating source from which this great railway derives the bulk of its revenue. The sources, however, as we have said, are many and are equally remarkable. This line enjoys an enormous passenger traffic. It carried in the last year for which figures are available very nearly 7¾ million passengers and derived a revenue considerably exceeding a million sterling from this source alone. It is not surprising that this line should derive a large revenue from passenger traffic. The receipts from passenger traffic amount to very nearly 16⅜% of the total earnings of the railway. The line runs just at the base of Palermo Park, and, consequently, obtains a very large share of the lucrative race traffic to and from the famous Palermo racecourse, where some of the finest horses bred in the world are run during the racing season. In addition, this Company's system passes through the Belgrano suburb, which is one of the most fashionable in Buenos Ayres, and compares with Belgravia, Chelsea and Kensington in this country. Excess passenger luggage yields the Company a revenue of over £25,000 a year; from the carriage of parcels it derives some 5% of its total receipts. From special trains alone it earned very nearly £9,000 in 1919, and the use of its telegraphic system accorded the Company a revenue of over £30,000. The congestion of traffic, which is a feature on the Argentine railway system, as it is on the railway systems of nearly every country in the world, is shown on this particular line by a large growth in revenue from storing goods which should have been sent forward had transportation facilities been available. No less than 1½% of the total revenue of this Company was derived from this source a year ago.

Seventy-three and a-quarter per cent. of the total earnings of the line were derived from the carriage of what are known as goods and from the carriage of live-stock. The aggregate quantity amounted to practically 4¼ million tons, and the revenue derived therefrom was over 4½ millions sterling. In the goods traffic, 24% of the total quantity and 15% of the goods revenue was derived from the carriage of wheat alone. Wine is the next big figure, exceeding a million and a half sterling, 11% in quantity and 7% in value. The goods traffic

includes wool, hair, hides, tin, grease, hay, wheat, maize, barley, linseed, flour, building materials, firewood, posts, wire, timber, raisins, grapes, wine, and a varied assortment of general goods. 2¼ million animals were carried, from which a revenue of over £400,000 was derived. These consisted of 900,000 head of cattle, 950,000 sheep, 30,000 horses, and 50,000 hogs.

	1918–19	1917–18	1916–17
	£	£	£
Gross earnings ...	6,270,000	5,270,000	4,421,000
Expenses	4,484,000	3,468,000	2,917,000
Ratio	(71·51)	(65·8)	(65·98)
Net earnings ...	1,786,000	1,802,000	1,504,000
Misc. income ...	337,000	174,000	319,000
Total income ...	2,123,000	1,976,000	1,823,000
Deb. interests on Co.'s own stocks ...	768,000	768,000	768,000
	1,355,000	1,208,000	1,055,000
Rents Payable.	£ £	£ £	£ £
A.G.W. Rly. ...	528,000	529,000	459,000
Bahia Blanca ...	440,000	440,000	433,000
Villa Maria	45,000	45,000	43,000
Argentine Trans. ...	60,000 1,073,000	60,000 1,074,000	34,000 969,000
	282,000	134,000	86,000
Miscellaneous ...	29,000	4,000	23,000
	253,000	130,000	63,000
Coy.'s own Divs.			
1st Pref.	60,000 (5%)	60,000 (5%)	60,000 (5%)
2nd Pref.	50,000 (5%)	50,000 (5%)	17,500 (1¾%)
Ord. div.	125,000 (2%) 235,000	Nil. 110,000	Nil 77,500
	18,000	20,000	Dr. 14,500
Brought forward ...	330,000	310,000	324,000
Carried forward ...	348,000	330,000	309,500

New Issues.

The Public Benefit Boot Company, Limited, has an issued capital of £350,000, with an authorised capital of £550,000. The public are invited to subscribe for 150,000 7½% Cumulative Preference shares of £1 each. The Company was formed as long ago as 1897 to acquire and amalgamate the business of wholesale boot and shoe manufacturers and retailers carried on mainly in the North of England and the Midlands. The item of goodwill is lumped up in a statement including freehold shops and headquarters leaseholds. The difficulty of estimating the capital values of recent new issues is clearly illustrated by this Company, which, to its credit, publishes as audited statement showing the profits earned by the Company from 1912 up to last year. In 1912 the auditors state that the profits earned were £21,032, while in 1919 they amounted to £125,133. It will be seen that it is almost impossible to define with any degree of accuracy upon what basis the capital value of such a business should be fixed.

Tebbitt Brothers, Limited, invite subscriptions for an issue of 250,000 Ordinary shares of £1 each at 20*s.* per share. The authorised capital is £400,000. The Company was incorporated in March 1920 to take over as a going concern and to develop a business of leather manufacturers and merchants of London. It is stated that the business taken over has been established for more than half a century.

"Historical Sketch of State Railway Ownership." By H. M. Acworth. (Price 3*s.* 6*d.* London: John Murray.) Mr. Acworth summarises the history of State ownership in all the principal countries, and compares the efficiency of public and private management as between France and Prussia, and as between Australia and the State of Texas. The book shows that in democratic States political influences have always interfered with business management. The possibility of management, not by the people, but for the people, under some scheme such as has been put forward by Mr. Justice Sankey for the coal mines is suggested.

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American Topics.

UNITED STATES COAL.

According to a report issued by the United States Geological Survey from the Government Printing Office at Washington, about 96% of the bituminous coal produced in the United States is used in that country, and more than 86% of the total output reaches the consumer by rail delivery. The States in which the coal is mined are the largest consumers, 37% of the total having been consumed in the State of Oregon in 1917. The railroads recovered 145,800,000 tons, or 26% of the total. In addition to this, the roads in New England and the roads in the North-West received 10,340,000 tons by way of tidewater and lake from Canada. Shipments to tidewater represent some 7% of the total production, and shipment to the lakes roughly 5% of the total.

The quantity of bituminous coal shipped to tidewater and placed in boats, either as bunker coal or as cargo, in 1917 was just over 59,000,000 tons. Of this total some 95% was handled at four North Atlantic ports, Hampton Roads, Baltimore, Philadelphia, and New York. Foreign exports by ocean vessels from both Atlantic and Pacific ports represented 5,000,000 tons, or 14% of the total placed in boats at tidewater. Coastwise shipments to New England amounted to 13,500,000 tons, or about a third of the total. Bunker coal engaged both in the foreign and domestic trade amounted to something over 10,750,000 tons, or 28% of the total, and the remainder, including that used in and about New York Harbour and in Chesapeake Bay, as well as that taken by the Army and Navy transport service, amounted to nearly a quarter of the total. The coalfield in Central Pennsylvania was in 1917 the largest shipper of coal to tidewater, mainly to New York Harbour, for use in and about New York City and for bunker coal. The New River field was the second shipper of coal to tidewater reaching Hampton Road, with coal from New England for foreign cargo and for bunker fuel. More than one-fourth of the total bituminous coal placed in boats at tidewater is used for steamship bunker fuel, about one-third of which is used by vessels in the coastwise trade and two-thirds by vessels engaged in foreign trade.

Exports to foreign countries represented only 15% of the total. Shipments by vessels to New England were about one-third of the total tidewater business, and local use in and about New York Harbour and Philadelphia and in Chesapeake Bay accounted for, roughly, 10,000,000 tons, or some 26% of the total.

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CORRESPONDENCE INVITED.

Rubber Topics.

THE Rubber market has evidently decided that it will take no part in a revival movement until the Easter holidays are over. Little business was done, the tone remaining dull and heavy. The continued weakness of the Commodity market, in which the price fell to 2*s.* 2½*d.* for plantation crêpe and 2*s.* 2¾*d.* for smoked sheet on Tuesday, was not calculated to inspire a feeling of confidence. The Mayfield Rubber Plantations (S.S.), Limited, announce a final dividend of 30%; the Selaba Rubber Estates, a final dividend of 17½% less tax; and the New Crocodile River (Selangor) Rubber Company a final dividend of 12½%, making with the interim dividend a total of 17½% for 1919. Very satisfactory results are contained in the report of the Dimbula Valley (Ceylon) Tea Company for the year ended December 31, 1919. This Company has 919 acres under rubber, and secured a crop of 343,525 lb., as compared with 273,625 lb. in 1918. The tea crop was no less satisfactory. The joint result was that shareholders receive the pleasing dividend of 30%, or twice that of 1918; in addition to which it is proposed to capitalise the reserve of £42,044 and to distribute the shares to existing shareholders at the rate of one share for every three shares held.

ANNUAL REPORTS ANALYSED.

PELEPAH VALLEY (JOHORE).

Issued Capital: £97,726 in 2/0 Shares.

Results for Years to April 30

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915-16	1,522	609	174,100	250	2/9½	1/5½	10,021	7,249	10
1916-17	1,522	1,000	300,000	300	2/5½	1/2½	18,077	9,603	15
1917-18	1,522	1,175	368,760	314	1/9½	1/4⅓	7,918	3,201	5
1918-19	1,527	1,207	381,290	316	1/9½	1/4	5,759	7,200	7½

Price of Shares, 4/0. Market Capitalisation per planted acre, £128.

The accounts of this Company for the year ended April 30, 1919, have reference—to quote the Chairman—to "one of the leanest periods there has ever been for rubber companies." The fact that hostilities terminated in November 1918 brought little benefit to the concern in view of the marked shortage of transport facilities and the general restriction in the demand. The situation was not rendered easier by the fact that "the Company's financial year corresponded with the period of great depression in the Rubber market itself." To add to the difficulties of the situation came the widespread influenza epidemic, which reduced alike the available staffs of white and native labour. That under such conditions an output of 381,290 lb. should be secured is, in every sense of the word, a creditable achievement. In like manner, the fact that the average gross price realised remained as low as 1*s.* 9½*d.* is readily comprehensible: a period of depression is not one in which high prices can be expected. On the other hand, there has been a slight reduction in the working costs to 1*s.* 4*d.* The net profit amounts to £5,759, and a dividend of 7½% less tax has been paid to Ordinary shareholders, as compared with 5% in the previous year. The future holds much more encouraging prospects. The estimated crop is as high as 450,000 lb., whilst the actual crop harvested during the first nine months of the year is proportionately higher, amounting to 340,000 lb. The freight problem has become easier and general selling expenses are tending to return to their normal level. The opinion is, indeed, expressed by the Managing Director that an "all-in" cost of 1*s.* to 1*s.* 2*d.* per lb. might be looked forward to in the future. Moreover, the great improvement in the prices prevailing for rubber will further enhance the profits. Furthermore, it appears that a forward contract at very satisfactory prices has been arranged as regards a percentage of the output for the calendar year 1920. Last year, when analysing the accounts of this Company, we remarked: "Not a few rubber plantations in the East have proved, when surveyed, to be much under the areas estimated for them," and we expressed the hope that such would not prove true of this Company. Our hope has materialised, for the survey showed that the area under cultivation—to wit 1,527 acres—was slightly in excess of the estimate of 1,522 acres. And the Visiting Agent has declared that the condition of the estate was excellent and that for growth there was none better in the Malay States. This verdict is upheld by the Managing Director as a result of his visit, and he goes further still and asserts that the estate will yield as much as 500 lb. an acre. The one thorny problem that is yet calling urgently for solution is connected—as might be anticipated—with the supply of native labour, which is far from adequate. During the year under review this shortage was accentuated by the boom in the tin industry of the Malay Peninsula, which still continues to attract much of the native labour. The Company suggest that in the best interests of the rubber industry the Government of the Federated Malay States should tackle the problem seriously. From their point of view the easiest solution lies in the free recruiting of Chinese and Indian labour. Unless the problem is solved satisfactorily it will react injuriously on all rubber companies by the way in which the wage of such labour is tending to become the governing factor in estate cost of production. However, that the Company have so far been able to produce more than the requisite proportion of the estimated crop would seem to indicate that the labour situation had become easier.

The situation as seen in the balance sheet is very good. Sundry creditors amount only to £3,616, whilst the cash balance alone exceeds £18,198. Furthermore, liquid assets are available to a total of £22,480. The issued share capital stands unaltered at £97,726; but at the general meeting it was agreed to increase the authorised capital from £100,000 to £250,000, by the issue of 1,500,000 shares of 2*s.* each, in order to enable the Company to deal with its reserve of unplanted land. At the same time it is well to bear in mind that against an actually issued capital of £97,726 there stands an estate account of £122,705. Here is a discrepancy that at once suggests the possibility of capitalisation of reserves, and the possibility is strengthened by the existence of a reserve account of £9,000 and a premium account of £27,461. In the market the shares command just over 4*s.*, and are a promising investment at that price if this point is kept in mind. Moreover, dividend prospects for the current year are good; already an interim dividend of 5% has been declared. In view of the high price of rubber and the satisfactory crop already harvested, these shares are a good investment, even from the point of view of dividends only.

VAL D'OR RUBBER.

Issued Capital: £88,057 in 2/0 Shares.

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915–16	1,262	923	292,715	317	2/7½	1/0½	20,520	17,611	20
1916–17	1,388*	1,125	314,179	294	2/0·9‡	1/3½†	15,880	13,209	15
1917–18	1,428*	1,240	257,264	212	1/6·1	1/2·6†	4,470	4,403	5
1918–19	1,428*	1,240	282,319	228	1/8·6	1/2·8	13,610	11,007	12½

* Also about 800 acres under coconuts. † Including development expenses, but not freight and selling charges. ‡ F.o.b. price.

Price of Shares, 5/0. Market Capitalisation per planted acre, £164.

The accounts of this rubber Company for the year ended October 31, 1919, reveal on the whole a marked improvement in comparison with those of the previous financial year. With no alteration in the area in bearing there has been an increase of over 25,000 lb. in the crop harvested over that of 1917-18, the actual total of 282,319 lb. being slightly in excess of the estimate of 282,000 lb. There was an increase of approximately 2½*d.* per lb. in the average gross price realised per lb., whilst the "all-in" cost was slightly greater at 1*s.* 2·8*d.* per lb. On the other hand, the f.o.b. cost had declined from 10.75*d.* per lb. to 10.14*d.* per lb. The coconut crop in particular exceeded expectations. From 500 bearing acres there was obtained a crop of 934,076 coconuts, as compared with 767,830 in 1917-18, and an estimate of 900,000. In 1917-18 there was an estate expenditure on coconuts of £2,389, whilst sales of the crop after deducting the necessary agents' commission and transport charges brought in £2,640. In the year under review the estate expenditure was slightly higher at £2,539, but the sales of the crop brought in no less than £6,278. This was mainly due to the very advantageous prices ruling as regards the copra, which was disposed of at an average of £6 14*s.* 5*d.* per 1,000 nuts, as compared with £3 8*s.* 9*d.* in 1917-18. From both crops there was in consequence derived a net profit of £13,610, as against the previous year's return of £4,470. Hence the dividend paid to Ordinary shareholders was increased from 5% to 12½% less tax. A balance of £8,235 is carried forward to the next accounts, and is being availed of mainly to cover an outlay on machinery which would have been installed a year or two ago only for the War. As regards the current year, prospects are rather favourable. There is expected a crop of 1,000,000 coconuts, and at the general meeting the Chairman stated that the prices realised for the copra that was sold or being sold were considerably higher than those secured in the year under review. For rubber the estimated crop is 300,000 lb., and the actual crop harvested for the first four months of the current year is recorded at 107,600 lb., which is just ahead of the requisite proportion of the estimate. And there is good reason for believing that the rubber will be disposed of at better prices, since the improvement in transport facilities will facilitate the marketing of the output in the most favourable markets. In the balance sheet, liabilities, including unclaimed dividends, amount to £3,378, and are amply covered by a cash balance of £8,362. The stock of rubber and coconuts is valued at £10,268, whilst sundry debtors stand at £208 and investments in the 5% War Loan at £4,743. The estate account now is recorded at £86,602. The issued capital remains unchanged at £88,057. The shares of the nominal value of 2*s.* each are quoted in the market at 5*s.*

The directors of Ind, Coope and Company (1912), Limited, have entered into a contract for the purchase of a controlling interest in Robinson's Brewery, Limited, a well-known Burton Company owning a large number of tied houses, principally of freehold tenure, and situated in the Midlands and elsewhere.

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Insurance Notes.

PRUDENTIAL ASSURANCE COMPANY, LIMITED.

In the life assurance world the Prudential Assurance Company occupies a unique position. It is far and away the largest operator both in the ordinary and industrial sections of the business. Compared with its rivals and imitators in the industrial field its predominance is perhaps not quite so marked as was the case a few years ago; but this is simply a question of degree, and it still towers above them all in this department, whilst its own individual rate of progress is as great as ever. In the ordinary life sphere its work lies amongst the masses rather than the classes, and up till recently it would have hardly been considered a competitor with the non-industrial companies for policies of more than very moderate amounts. Yet it can be seen from the increased average amount of its new policies that it is now attracting to itself a goodly number of middle-class entrants, and it is likely to become more prominent in this respect in the future. Not content with its supremacy in life assurance, the Company decided in the course of last year to extend its sphere of operations to fire and general insurance business. Powers to enter these new fields had been obtained some time previously, but an actual beginning had not been made until last year, except to a very small extent in respect to sickness and personal accident assurance. The Company's capital, which had previously amounted to £1,000,000 in fully-paid shares of £1 each, was increased in 1919 with the view of providing specific funds for the development of insurance business in the newly opened departments. A further issue of 1,000,000 shares (to be known as "B" shares) was made *pro rata* to the then existing shareholders, on which, however, up to the present, only 2*s.* per share has been called up. The capital at the close of last year amounted, therefore, to £2,000,000, with £1,100,000 paid. The "B" shares are in quite a different category to those previously existing, since for dividends they are only entitled to 75% of the par-

ticular profits distributed as the result of the operations of the new departments, and they do not share in the life surplus. As will be seen from the following analysis of the Company's figures as shown in the various revenue accounts for 1919, the general business has been commenced with caution and discrimination, for the figures are as yet comparatively small. But looking to the wonderful agency organisation of the Company, and its unequalled connections with the masses of the British population, there can be little doubt that in due course it will be able to command a very large amount of general insurance business of the classes most suitable to the requirements of householders and breadwinners in respect of fire, employers' liability, and burglary insurance—the very classes, indeed, which are most to be desired from a profit-earning point of view. It is evidently not the intention of the board to enter largely upon more hazardous risks at the present time.

The number and amount of new ordinary life assurances issued by the Company in 1919 far surpass its own best records. The new policies numbered 138,037, and their amount was £22,319,642. The amount is greater by 50% than the corresponding figure reported by the Company for 1918, which in itself was about double that of 1917. This shows that the Company has fully participated in the unprecedented demand for new life assurances on the return of the heroes of the War to their ordinary avocations which is shown by recent records. Very few British offices, it may be mentioned, have as much life assurance in force upon their books as is represented by this single year's crop of new transactions by the Prudential. The result is a tribute to the popularity of the Company, and shows that it is reaping the reward of its liberal settlements of war claims; in regard to which it may be pointed out that its example greatly influenced similar conduct by the other industrial offices. Although the Company was not technically liable in these cases, it disbursed in its ordinary and industrial branches no less a sum than £5,300,000 in the payment of these claims. The Company's total ordinary life premium income was increased in 1919 by £856,708 to £7,627,547. Claims of £5,267,396 were paid during the year in this section, of which £3,642,129 represented matured endowment assurances. The ordinary life assurance fund was increased during the year by £1,887,712 to £54,324,216. Annual valuations are made in both life departments, and, as the result of the investigation as at December 31, 1919, a bonus of 28*s.* (as compared with 26*s.* last year) per cent. is allocated as an addition to the sums assured by participating policies in the ordinary branch. Under normal, and apart from war, conditions the prospects of bonus for the future seem exceptionally good in this section. The cost of the ordinary life business in 1919 was under 12% of the premiums, a very moderate ratio under existing circumstances, and especially so looking to the enormous amount of the new premiums which have to bear initial charges and costs. The proportion is less than two-thirds of the margin of premiums reserved for these purposes at the valuation. Moreover, the valuation was made on a 3% basis, and the actual net interest yield on the ordinary life funds, after deduction of income tax, seems to have amounted in 1919 to about £3 18*s.* 5*d.* per cent.

Turning to the figures given in the annual report and accounts for the industrial branch, it will be found that the premium income in this section was increased by £1,419,471 to £11,155,874. The relative expense ratio seems to have been about 38.1%. Claims for £3,997,138 were paid in this branch, and, after giving effect to the operations and adjustments of the year, the industrial life fund was increased by £3,676,287 to £53,624,404.

The profit-sharing scheme in the industrial branch provides that, after the payment of a fixed dividend to the shareholders, any surplus profit shall be distributed as follows:—One-sixth to shareholders, one-sixth to the outdoor staff of the Company, and two-thirds by way of bonus to the industrial policyholders. Since 1908, when this scheme came into force, up to 1915 the amounts paid in this way have given £2,260,000 to the assured and £565,000 in each case to the shareholders and the outdoor staff. No profit, however, has been made or distributed from this source for the last four years, and the shareholders' dividend has been in consequence less than it was to the extent of £100,000 a year during the whole of this period. The reasons for this are, of course, due to war conditions—to heavy war claims, depreciation in securities necessitating large transfers to investment reserves, and to other causes, such as the operation of the Courts (Emergency Powers) Act.

The revenue account for the newly opened general branch shows a premium income of £84,583 in respect of fire, accident, and miscellaneous insurance business. It is indicated in the report that the relative contracts on the average carried about eight months of unexpired risk. The whole of the balance of the relative premiums, after deduction of claims and expenses, has, therefore, been carried forward as unappropriated to 1920. The relative insurance fund shows an increase of £32,652 to £81,767. The sinking-fund assurance account, for which separate figures are given, shows a premium income of £8,384 and a fund (at the close of the year) of £13,992.

The Company administers four "Prudential" approved societies in connection with the National Insurance Act, from which it derives no direct profit, although it may be assumed that its connection is thereby benefited. During last year the payments made to the insured amounted to £1,687,000, making a total of £10,224,000 since the operations of these societies were commenced.

It is announced that no fewer than 6,007 members of the staff have resumed duty on demobilisation after active naval and military service. The number of agents reported in the industrial branch in 1919 is 13,025, and they were responsible for the weekly collection of premiums under 21,060,762 policies.

The dividend on the original shares was continued during the year at the rate of 8*s.* per share (as compared with the pre-War dividend of 12*s.* per share) by quarterly payments. No increase is announced for 1920. The total assets of the Company in all its branches, as shown by the balance sheet on December 31, 1919, amounted to £117,739,336, after writing down book values of securities by £2,543,000, showing an increase of £5,112,474 as compared with the corresponding figure of last year.

"The Incorporated Accountants' Year Book for 1920," issued by the Council of the Society of Incorporated Accountants and Auditors, contains the names of 2,910 members. Of these 2,273 are in England and Wales, 115 in Scotland, 76 in Ireland, and 446 in the British Dominions and Colonies and foreign countries. The Society has district organisations in 13 of the leading towns of the United Kingdom, and there are also Branch Societies of Incorporated Accountants in Australia, South Africa, and Canada.

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Commercial.

PRICES OF WOOL GOODS.

Many traders had expected that the March series of Colonial wool sales in London would disclose a larger demand for all grades of raw material, but few were prepared for the degree of keenness actually shown by buyers. French competition was checked by the continued fall in the value of the franc, and the feature of the auctions was the heavy purchasing by the home trade. Once again a rise in prices must be recorded, the increase being about 7½% to 10% for practically all classes of wool. The values of tops, yarns, and pieces must of necessity be advanced correspondingly, and the day of cheaper goods is again postponed.

The increase in prices will be more marked in the fine, soft-handling materials, for the persistent demand from all classes and all countries during the past year has naturally accentuated the shortage of merino wools. The official statement of the Australasian wool position, issued by the Ministry of Munitions last month, disclosed the fact that, of the 4,044,000 bales of Government-owned wool to be dealt with from January 1 last, only 1,677,000 bales, or less than 42%, is estimated to be merino. According to the excellent review of the Australasian wool trade for 1918-19 prepared by Messrs. Dalgety and Company, merino wool constituted 54% of the clips of Australia and New Zealand together. It is well known, of course, that the production of merino wool has been declining for many years owing to the large crossbred sheep being more profitable for the frozen-meat trade. This tendency of substituting crossbred for merino sheep appears to have been arrested to a certain extent, and, with the developments in South Africa, it is hoped that the low-water mark in the production of fine wools has been reached. As long ago as October last we showed that the accumulation of Australasian wool included an unduly small proportion of fine wools, and the recent official summary confirms the statement. It is an interesting commentary on the perverseness of human nature that, at the time when labour is dear and the output of the world's textile machinery is restricted, the demand should be entirely for goods made from the very classes of wool which are scarce. It is quite clear that, so long as the world-wide demands for goods containing this material remains at anything approaching the present level, prices must continue to rise until people are forced to buy the coarser, but equally serviceable, goods. For some months past the prospect of a boom in medium and low crossbred materials has been discussed in trade circles, but attempts to popularise such goods have hitherto met with discouraging results, both in this country and in the United States. Some day the ever-advancing prices of fine wools will turn the scale, but whether the present advances will produce this desirable result is a matter of opinion.

A temporary aggravation of the prices of fine worsted goods is provided by the strike of combers in Roubaix. For a few months past large quantities of fine French dry-combed tops have been used in this country. The English woolcombers still decline to work overtime, although their action has already diverted trade to foreign countries, and has caused "short time" to be necessary for wool sorters. After some six months' delay the woolcombing employers have approved a draft scheme for giving a bonus on production, but this is unlikely to have any appreciable effect upon the situation. The reduction of working hours in woolcombing on January 1 last would have caused unemployment in the subsequent sections of the industry but for the facts that spinners had built up moderate stocks of tops, and that the insufficiency of the English output has been made good from France. At present English wool sorters are working short time, because the combers cannot keep pace with them and spinners are dependent upon French combs for an essential part of their supplies. Trade is thus lost to this country, and our industry is unnecessarily threatened with disturbance owing to strikes on the Continent. For many months the urgent problem in the worsted trade has been the increasing of the output of tops, and the present circumstances cannot be allowed to continue if we are to retain our self-respect as a business nation.

The voluntary Standard Clothing Scheme has had the short life which we predicted, for it has already been abandoned. The West Riding woollen trade agreed to support the proposals of their leaders, providing the worsted and Scottish trades contributed their proper quota. The woollen manufacturers knew perfectly well that this condition killed the scheme, because worsted manufacturers have always opposed a voluntary arrangement on account of the impossibility of making a scheme effective without the legal and financial support of the Government. As stated above, experiments have been tried in marketing cloths made from medium and low crossbred and similar wools, but it is impossible to make the public purchase materials that it does not want. Many firms, whose ordinary trade is in this type of goods, would be well pleased if a change in demand would take place, but until this occurs manufacturers will not invest money in these materials, whether such investment is made under the title of "Standard Clothing" or otherwise.

For all practical purposes the final step has now been taken in removing restrictions on the export of semi-manufactured materials for all qualities of tops, and yarns may now be exported without licence, except to Bolshevist Russia. It will be recalled that about a year ago the Wool Council decided to limit the exports of worsted yarn to 3,500,000 lb. per month, and that subsequently it was arranged that any balance of this quantity remaining in one month should be carried forward to the next month. The figure of 3,500,000 lb. has never been reached, and the balance carried forward has been so huge that for some months the licensing of yarn exports has been a meaningless formality. The case of tops is different, because the remaining restrictions were only upon the fine qualities so greatly in demand, and spinners and manufacturers in this country were naturally jealous of any extension of the market. Some merchants with valuable foreign connections, being unable to furnish their customers with English fine tops, have recently been able to purchase supplies on the Continent. To avoid the loss of connections such tops must obviously be repacked in this country, but the usual rigidity of Government departments would not permit the re-export of any fine tops landed in Great Britain. The mere fact that supplies are now available on the Continent renders urgent the reopening of our old trade connections, but it is unfortunate that suitable arrangements could not be made without prejudicing the home trade. Our present export trade in tops is only about one-third of the pre-War quantities, and, with the restricted output of our combs, any extension of the export trade, for which there is obviously ample room, must react upon prices in the home markets.

Industrial Companies.

JEREMIAH ROTHERHAM AND COMPANY.

Year ended Jan. 15	Net Profit*	Reserve Accounts Allocations	Other	Ord. Dividend Amount		Carried Forward†
	£	£	£	£	%	£
1917 ...	126,183	10,000	15,022	45,000	15	109,116‡
1918 ...	176,835	10,000	10,000	51,000	17	130,108
1919 ...	276,503	10,000	10,000	54,000	18	225,466
1920 ...	307,638	26,117	20,000	75,000	25(a)	212,677

* After providing for Debenture interest, directors' remuneration, auditors' fees, &c.

† Subject to excess profits duty for year under consideration.

‡ Subject to excess profits duty for period between July 16, 1914, and January 15, 1917 (£74,843).

(a) This has reference only to the original shares. A similar dividend of 25%, amounting to £16,666 13s. 4d., was paid on the new issue of 100,000 Ordinary shares for the period between May 15, 1919, and January 15, 1920.

It seems almost a commonplace to state that for drapery establishments in general the period of the War was one of great prosperity. The accounts of the firm of Rotherham and Company prove no exception to the rule. Not only do they supply an admirable illustration of it, but they also serve to show that the degree of prosperity became greater as time went on. For the year under review the net profit amounted to £307,638, as compared with £276,503 in 1918-19 and more than twice the profit earned in 1916-17. In common with many other businesses, emphasis is laid on the point that the increase in profit is entirely the outcome of a remarkable expansion in the volume of trade, and in support thereof it is asserted that the percentage of profit made on the year's trading showed a decline as compared with 1918-19. This progressive increase in profits enables the directors to pay a dividend of 25% on the Ordinary shares, the dividend being payable as regards the recent issue of 100,000 shares for a period of eight months only. Early in 1919 these 100,000 shares of £1 each were successfully issued at a premium of 10*s.*, and the amount of the premium, less the expenses of the issue, was transferred to the capital reserve account. As these expenses amounted only to £1,833 the reserve has been increased by £48,167 to £67,534. The balance sheet discloses a very favourable position. Sundry liabilities, including bills payable, deposits, and unclaimed dividends, amount to £151,313. To meet these cash balances and investments are available to a total of £1±1,701. Sundry debtors alone are recorded at £606,411, after allowing 2½% for discount, which amount furnishes an excellent measure of the growing trade relationships of the business. Stocks are valued at £427,618. The issued capital consists of 200,000 5% Preference shares of £1 each and 400,000 Ordinary shares of £1 each. In addition, 4% Mortgage Debenture stock to the extent of £200,000 is in existence, which is quoted at 77. The Preference shares stand in the neighbourhood of 16*s.* ex-div.; whilst the Ordinary shares command £3, but do not carry with them at this price any right to recent dividend or bonus. The secret of the high price is to be found in the announcement of an impending capitalisation of reserves. Excluding a special reserve for contingencies on book debts amounting to £25,000, reserves for this purpose are available to a total of £250,000, which would easily permit of a share bonus of one Ordinary share for each two shares held, and this is exactly the bonus which has just been announced. In addition to the attraction thus held out comes the fact that the progress achieved since the opening of the current financial year represents a still further advance on all previous records.

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COMPANY MEETING.

THE LAW LAND COMPANY, LIMITED.

The thirty-seventh ordinary general meeting of this Company was held on March 31 at the offices of the Company, 30 Norfolk Street, W.C., Colonel Sir T. Courtenay T. Warner, Bart., C.B., M.P., the Chairman, presiding.

The Chairman said: The Company is in much the same position as the whole country. We have been through anxious times, and, like a ship after a storm at sea, we see fine weather coming, and are practically clearing away the trouble that has existed during the War.

The rental for the past year was £157,320, against £151,734 for the year before. The balance available, after adding £4,848 to the leaseholds redemption account, writing off £1,000 for depreciation of investments, and including the £11,736 brought forward from last year, was £47,077. This is a little less than the previous year's balance, for although our receipts have been materially increased, our outgoings, including the £1,000 we have had to write off our outside investments, have more than counterbalanced our improvement in revenue. I shall have something further to say on this subject later on. We have added £13,000 to our reserve account, and, after paying a dividend on the Ordinary shares at the rate of 5%, as against 4½% for the previous year, we shall carry forward £8,737 to next account.

The leasehold redemption account is now £68,152, and the reserve account £177,000. We have wiped out the special reserve for improvements, amounting to £3,000, and we have reduced our mortgages by nearly £18,000. That, so far as the accounts are concerned, represents our position at the end of December last.

The position is better than it looks on paper, and our prospects are, I think, very good. We are to some extent suffering at present from what is turning out to be too much foresight in the past. We have always aimed to let our property to good tenants and on reasonably long leases. The good tenant is unquestionably sound, but we are finding the long lease a somewhat awkward proposition. As you know, the bulk of our property is let on conditions involving the payment by the Company of rates, taxes, and other outgoings, and providing the tenants with various services. Rates and taxes and the cost of service have largely increased and keep increasing. For some years past our leases have included a clause enabling the Company to charge the tenant with an increase of rates, and this helps matters somewhat. But in the case of a good many of the older leases the whole of the extra cost falls on the Company.

Of course, a certain proportion of the leases keep falling in, and in these cases we are able to re-let at rents sufficient to cover our increased outgoings and allow some margin for contingencies. With regard to our property in Kingsway, a good deal of this was unlet when War broke out, and we have been able to make satisfactory arrangements for letting the block of offices not already permanently disposed of to large business firms so soon as the Government gives up possession. This process is now in operation, and we hope in the course of a few weeks to have the whole of our Kingsway buildings occupied by business tenants.

While I am on the subject of letting, I should like to say a word or two on what one might call fancy rents. You hear a good deal just now of profiteering landlords. They possibly exist, but I do not think they are as common as profit-snatching tenants, for in nearly all cases where you hear of big premiums it is the tenant, not the landlord, who takes them. We know something about it. We do not believe in fancy rents. When we get a chance, we have, in self-defence, to put our rents up; but we know that it pays to treat one's tenants fairly, and we act on that principle.

It is impossible at the present time to say what is the real value of any property. It certainly is not represented by the prices you from time to time hear of being paid, and I do not think the present price of building is much of a guide, but I know we are quite safe in assuming that all our property is well worth what we gave for it, and that we shall in time recoup ourselves in respect of our heavily increased outgoings.

We have been busy all the year making good in the matter of repairs, and, in addition to spending a large sum out of revenue in this direction, we have used up the £3,000 which was held in reserve for those improvements which have periodically to be made in order to bring the older buildings up to date. We did a good deal last year, and we are still hard at work.

Mr. William Hunt, a shareholder, thought the shareholders would be interested to know particulars of the improvements made on the property.

The General Manager, Mr. M. E. F. Creabock, replied at length, and gave details of the work executed.

The Chairman, in reply to a further question, said the bad debts were under £200.

Mr. Pemberton compared the accounts for the past years, and remarked on the favourable position of the Company.

The report was unanimously adopted, and at an extraordinary general meeting which followed alterations in the Articles of Association were approved, making the shares £1 instead of £10, and giving the Company power to pay dividends in shares instead of cash.

MEETINGS
OF PUBLIC COMPANIES.

THE NATIONAL FEDERATION OF IRON AND STEEL MANUFACTURERS.

SUGGESTIONS FOR TAXATION AND ANTI-DUMPING LEGISLATION.

THE annual general meeting of the National Federation of Iron and Steel Manufacturers was held at the Hyde Park Hotel on Thursday, March 25, under the presidency of Mr. G. Scoby-Smith.

The Director (Mr. W. T. Layton), in his annual report, pointed out that the Federation now represented 85% of the total iron-producing capacity of the country, and 97% of the total steel-producing capacity, and had during the past year dealt with numerous problems affecting the iron and steel trades in connection with labour, transport, coal and coke supplies, iron ore, and other subjects. The Federation had, in addition, compiled statistical returns of production of iron and steel for monthly publication.

The meeting then adopted the following resolutions upon subjects of immediate and pressing interest to the trades, viz. :—

1. EXPORT TRADE.—Proposed by Mr. John Craig, seconded by Mr. H. C. Bond :—

This meeting recognises that the unsettled industrial conditions indicated by rising prices, increased cost of living, and the deterioration of the exchanges can only be improved and stabilised by the development of export trade to the full extent consistent with the requirements of British industry, which it is of paramount importance to re-establish on a firm basis. Such limitation of exports as may be needed to safeguard these requirements should, wherever possible, be carried out by agreement between the firms concerned in each case rather than by Government restrictions.

2. PRICES.—Proposed by Mr. A. Hutchinson, seconded by Mr. Geo. Hatton :—

This meeting views with grave concern the continued increase in the prices of commodities, arising out of deficiency of supply and the depreciation of currency. The effect of high prices is to inflate unduly the cost of new plant and development; reaction and depression of trade follow almost inevitably upon a period of inflated values, and violent movements in prices produce fluctuations in wages and employment almost equally violent. Earnest consideration should therefore be given to all schemes for increasing production.

3. FUEL.—Proposed by Mr. J. J. Burton, seconded by Mr. Henry Summers :—

This meeting views with alarm the present chaotic condition of the coal industry. Normal development has been impeded and the resettlement of industry gravely hindered. This meeting is convinced that, subject to such safeguards as may be necessary to prevent export at the expense of home industries, the production and distribution of coal required for industry should be permitted to follow its natural course.

4. TRANSPORT.—Proposed by Mr. W. Simons, seconded by Mr. Henry Summers :—

This meeting views with grave concern the failure to re-establish the efficient working of the transport services. Lack of traffic facilities is largely and increasingly answerable for increases in cost of production and for deficiencies in the supply of commodities. The meeting recognises the difficulty of reorganising the working of railways by reason of the reduction of hours, but deplores the delay in the reconstruction of rolling and other stock, and in the carrying out of new work arising out of the uncertainty as to the future of the railways. The meeting is of opinion that the railways should not be subject to bureaucratic or political control, and urges the Government to reappoint the Committee of 1918 to consider the whole problem of the future administration of the railways.

The meeting also views with apprehension the increasing congestion of the ports of the country.

5. ANTI-DUMPING LEGISLATION.—Proposed by Mr. A. K. McCosh, seconded by Mr. A. Hutchinson :—

This meeting approves generally of the policy and provisions of the Government's "Imports and Exports Regulation Bill" introduced in the House of Commons in November 1919, subject to the amendments in the attached schedule.

6. RELATIONS WITH EMPLOYERS.—Proposed by Mr. Fred Mills, seconded by Mr. M. L. Simpson :—

(1) That this meeting recognises the importance of interesting all workmen in the commercial aspect of industrial problems, and will welcome every well-thought-out experiment to that end.

(2) That, while recognising the force of the arguments in favour of State intervention in regard to conditions of employment and wages in unorganised industries, this meeting strongly urges that legislation with this object in view should provide the utmost latitude to well-organised industries, such as the iron and steel trades, to determine their own conditions of employment, wages, &c., by collective agreement between organisations of employers and workpeople.

(3) That a special scheme should be prepared for dealing with unemployment in the iron and steel trades within the terms of the Government Unemployment Insurance Bill.

7. NATIONALISATION.—Proposed by Mr. Wallace Thorneycroft, seconded by Mr. Fred Mills :—

That this meeting pledges itself to oppose in the national interest any attempt to extend State management of any branch of industry.

8. GOVERNMENT FINANCE.—Proposed by Mr. C. E. Lloyd, seconded by Colonel A. I. Parkes :—

(1) That this Conference urges that Government borrowing should be confined within the narrowest possible limits.

(2) This meeting is of opinion that, in view of the difficulty in arriving at a fair basis for the valuation of capital and the administrative difficulties involved in making this valuation, even if a basis of fairness could be arrived at, the proposals for either a levy on capital or the taxation of special war wealth are impracticable.

(3) This meeting welcomes the imminent abolition of the excess profits duty, and urges that in so far as the requirements of the Exchequer make it imperative to substitute for excess profits duty a special tax upon industrial profits that this imposition should be on the lines of the scheme recommended by the Taxation Committee of the Federation of British Industries.

9. HOUSING.—Proposed by Mr. A. Read, seconded by Mr. Frank Ley :—

That this meeting welcomes the principle of the assistance which is offered to public utility societies by the Housing (Additional Powers) Act, 1919, but regrets that the amount of the assistance is not sufficient to enable houses to be erected by these means under present prices and conditions upon a commercial basis. They desire to emphasise the extent to which commercial development and output is being retarded by the scarcity of houses, and they consider that in cases where the Ministry of Health are satisfied as to the necessity for the erection of new houses in connection with specific commercial works and the owners of the works are willing to erect them, the cost of such houses or the amount advanced on loans to or shares taken in public utility societies for the purpose of creating them, should be subject to adjustment on an economical basis for the purpose of income tax and any other similar taxation.

APPENDIX NO. 1: SCHEDULE OF AMENDMENTS TO GOVERNMENT ANTI-DUMPING BILL PROPOSED BY SCOTTISH IRON AND STEEL MAKERS.

(1) That the ten members of the Trade Regulation Committee proposed to be set up under Part 1 of the Bill should not be nominated by the House of Commons, but should be selected by the Board of Trade from a panel, constituted under Statute, of persons nominated by and fairly representative of all the interests in the country which would be affected by anti-dumping legislation, including shippers, manufacturers, distributors, and consumers.

(2) That the definition of "import price"—see Section 5 (2)—should be altered to mean, not the price charged by the consigner of the goods, plus freight and insurance, but the price of the goods *free on board* at the foreign port, or free on trucks at the frontier of the producing country.

(3) That, in supplement of the anti-dumping provisions of the Government's Bill, arrangements should be made under which—

(*a*) The Commissioners of Customs and Excise would furnish the Board of Trade with periodical returns with particulars of all importation of goods in respect of which anti-dumping Orders have been made by the Board of Trade; the Board, in turn, regularly to communicate these returns to British Consuls and trade representatives in the countries of consignment and production, who would forward to the Board, in exchange, any information on the subject in their possession; and

(*b*) The Board of Trade would make available from the returns, by publication or otherwise, statistics for the information of Manufacturers' Associations and other persons interested.

(4) That the provisions contained in Part III. of the Government's Bill for the safeguarding of British industries in cases in which undue competition by foreign manufacturers is created by the depreciation of currency in the country of production, should not be adopted as a permanent measure of protection, but should, under the Bill, be limited in its operation to meet the present abnormal conditions obtaining in consequence of the War.

APPENDIX No. 2: PROPOSALS OF TAXATION COMMISSION OF FEDERATION OF BRITISH INDUSTRIES.

That—

(1) The special tax should have no reference to capital, which would be difficult of assessment, and which could only create anomalies and hardships.

(2) It should be levied on the profits other than income from investments derived from all trades, businesses, professions, and agriculture, for example, on all who are liable for assessment under cases 1 and 2 of Schedule D., other than employees.

(3) It should be allowed as an expense against the business before calculation of income tax or other taxation.

(4) It should be charged on a flat rate, and not on a graduated scale.

(5) There should be an exemption up to, say, £500 per annum in order to protect the small trader.

(6) Deduction for remuneration of directors and managers should not be restricted as under excess profits duty, but should be allowed as for income-tax purposes.

(7) Depreciation, obsolescence, and other charges should be on the basis allowed for income-tax purposes.

(8) Deductions to be allowed for borrowed money (including Debentures) and other prior charges as under excess profits duty.

We suggest that the special tax should be extended to all classes of business, including professions and agriculture, but not salaried officials.

DORMAN, LONG AND CO., LIMITED.

REPORT of the proceedings of an extraordinary general meeting of shareholders, held on Tuesday, March 30, at the Company's offices, Zetland Road, Middlesbrough, Sir Arthur J. Dorman, K.B.E., in the chair.

The Chairman said: I will call upon the Secretary to read the notice convening the meeting.

The Secretary (Mr. T D. H. Stubbs) read the notice, a copy of which had been forwarded to each shareholder.

The Chairman: You have received, together with the notice which the Secretary has just read, a circular letter informing you that your directors have decided that it is necessary to ask the shareholders to sanction an increase in the capital of the company by the issue of 3,000,000 additional Ordinary shares, bringing the total capital of the Company to £7,500,000. You were also informed in that letter that the full circumstances would be explained to you at the extraordinary general meetings which were then called, of which this meeting is the first, for the purpose of passing the special resolutions contained in the notice.

History of the Company.

I think it may not be out of place if I commence by giving you a short history of the development of the Company since its formation in the year 1889. In that year a limited liability company was formed for the purpose of taking over the business then carried on by the late Mr. Albert de Lande Long and myself as partners at the West Marsh Works and at the Britannia Works. The output of finished materials was at that time about 100,000 tons per annum. In 1899 we acquired the Ayrton Rolling Mills, which were, and still are, engaged in the manufacture of galvanised corrugated sheets, and also the wire works, adjoining the Britannia Works, which were originally started by the Bedson Wire Company. Shortly afterwards your Company joined forces with the firm of Bell Brothers, Limited, ironmasters and owners of coal mines in the county of Durham and of ironstone mines in Cleveland. At a later date steel furnaces and rolling mills were added to this property. Your Company next acquired the Ordinary-share capital of the North Eastern Steel Company, Limited, the owners of blast furnaces, a Bessemer-steel plant, rolling mills, and coke ovens. This was followed by the purchase of the undertaking of Messrs. Walker, Maynard and Company, Limited, at Redcar, consisting of six blast furnaces and an ironstone mine, together with the coke oven and by-product plant of the Tees Benzole Syndicate adjoining the blast furnaces. In February 1916, at the instance of the Government, your Company commenced the erection of the Redcar Steel Works and Plate Mills, on a site adjoining the property purchased from Messrs. Walker, Maynard and Company, Limited. As the site of the new works was far removed from any housing accommodation, it was necessary to provide houses for the men employed in the works. Land was purchased and a model village laid out. At present about 400 houses have been built for the accommodation of the Company's workmen engaged in the Redcar works, and building is still proceeding. In November 1917 your Company purchased the undertaking of Sir B. Samuelson and Company, Limited, whose property comprises eight blast furnaces, coke oven and by-product plant, collieries, and ironstone mines. These works adjoin the Britannia Works, Middlesbrough, and their acquisition ensures a regular supply of hot metal to the Britannia Works, and has been a most valuable acquisition to your Company. Lastly, your Company have purchased as from January 1 of this year the Ordinary and Preference shares of the Carlton Iron Company, Limited, to which I will refer later. At the present time, therefore, we have under one ownership and control the six undertakings of Dorman, Long and Company, Limited, Bell Brothers, Limited, the North Eastern Steel Company, Limited, Walker, Maynard and Company, Limited, Sir B. Samuelson and Company, Limited, and the Carlton Iron Company, Limited. I have thought it desirable to give you this brief account of the history of your Company in order that you may have some idea of the expansion of its undertaking since the Company was formed in 1889. At that



time, as I told you, the output was approximately 100,000 tons of sectional steel per annum. The Company produced no pig iron, nor did it own any mineral properties whatever. To-day the iron and steel plants of your Company have an output capacity of 1,250,000 tons of pig iron and 1,000,000 tons of steel, which we believe to be the largest capacity under one control in the United Kingdom. Moreover, we possess mineral properties of great value, which, when the developments I will refer to later are completed, will render us almost self-supporting except in regard to foreign ore. During the whole of this period our policy has been to provide our own outlets for our steel, and with this object in view we have established bridge yards and constructional shops at Middlesbrough, London, and Melbourne, Australia, which form an important part of our undertaking, and which absorb a tonnage of steel which is increasing annually. We also own a half-interest in the firm of Wade and Dorman, Limited, constructional engineers, of Durban and Johannesburg, South Africa. It is unnecessary for me to remind you here that in 1918 we issued 1,500,000 Preferred Ordinary shares. The proceeds of this issue were devoted to the payment of the Samuelson property. In 1919 we issued a further 1,500,000 Ordinary shares, the greater part of which went towards paying for the construction of our new steel works at Redcar. When these works are completed—and they are now nearly so—their total cost to us, including the ironstone mine, blast furnaces, coke ovens, steel furnaces, plate mill, and the houses already built, will be in the neighbourhood of £2,500,000. A considerable portion of this sum was found by the Treasury, from whom we have obtained from time to time loans on satisfactory terms. At the present time we are indebted to them to the extent of £1,100,000, all on account of our Redcar undertaking.

Reasons for Increase of Capital.

I now come to the objects for which this additional capital is required. The first is the repayment of the Treasury Loan to which I have just referred. Your directors consider that this should be done, and your Company will then be the owners of a property which I am confident in saying is unsurpassed in this country—I will go further, and say there are few in the world to equal it.

The next is the Carlton Ironworks, an undertaking which we acquired as from January 1 last. This property consists of three blast-furnaces now engaged in the production of ferro-manganese, an essential material in steel making; the Mainsforth Colliery at Ferryhill; and Coke Ovens and By-Product Plant at Stillington in the County of Durham; together with a number of houses required for housing the workmen employed at these works. The purchase price is £650,000 for the blast-furnaces, colliery, coke-oven, and by-product plant, together with loose plant and tools, locomotives, &c. We also take the stocks of ferro-manganese and raw materials at a valuation which will probably amount to about £300,000. The cost of the whole undertaking, including stocks will, therefore, be about £950,000. The acquisition of this undertaking has already been of the greatest advantage to your Company. Owing to the present unsettled state of the coal trade, it would have been difficult to have maintained our output of steel during the last three months had we not been in a position to obtain coal from the Mainsforth Colliery. The ferro-manganese which is produced by the furnaces has also proved invaluable, as there is a great shortage of this material in the country. The present output of the Mainsforth Colliery is 8,000 tons per week, and by the expenditure of a comparatively small sum estimated at under £100,000, the output from this colliery can be considerably increased. The Mainsforth Colliery is situated in closer proximity to our works than any other colliery, and the coal produced is most suitable for our requirements. It is obvious, therefore, that the proper policy to pursue is to increase the output of this colliery.

Mineral Supply Problem.

This brings me to the question of mineral supplies generally, which is engaging the very serious attention of your directors. The reduced output from the collieries and the very great difficulty of securing either coal or coke from outside sources render it increasingly imperative that we should be self-contained in this respect. Your directors have, therefore, come to the conclusion that certain developments in their mineral properties, which they have had in view for some time past, but which they had hoped might have been put off for a few years, must be proceeded with at once. Your directors accordingly propose to proceed at once with the development of your collieries and ironstone mines, and also with the erection of additional coke ovens in order that our supplies of coke may be assured. It is estimated that at least £600,000 must be spent on these developments, and when they are complete we shall be, as I said before, as nearly as possible self-supporting, except for the foreign ore which we require, and for which we have made satisfactory contracts. At our last meeting I referred to the extensions and improvements we are carrying out at the North-Eastern Steel Works. These are proceeding satisfactorily. We are also remodelling our corrugated-sheet works at the Ayrton Rolling Mills. These two important alterations will involve a considerable expenditure, but we are confident that it will be justified by the increased output, together with the reduction in cost which we may reasonably expect. At the same meeting I also referred to our new system for employing steel in the building of small houses and cottages. You will be interested to hear that this system is developing successfully, and that it is regarded with much favour by the Ministry of Health and by local authorities and other public bodies. We have inquiries before us for several thousand houses, and we have orders for a large number—incidentally one for 418 houses for the Middlesbrough Corporation. We are setting aside all the steel we can for this purpose, but our capacity for rolling the small sections which are required is limited, and as the demand for these houses appears likely to continue for some years to come, we may find it necessary to lay down a new small mill to cope with it. This, gentlemen, brings me to the end of my statement to you. I have explained as fully as I can in the time at my disposal the present position of your Company with regard to its properties. I have told you where our efforts will be directed in the immediate future, namely, towards consolidation of the position we have attained—on the one hand, by developing our resources of raw material, and on the other hand by improving our manufacturing plants and by increasing, wherever we can, the outlets for the employment of our production of steel. I have outlined to you a great expenditure. If it exceeds, as it possibly may, the £3,000,000 for which we are asking you, we have a reserve to draw upon in the shape of the heavy stocks of raw material and finished steel which are at present abnormally high owing to transport and other difficulties. When transport improves, as we may reasonably expect it to, a considerable amount of capital which is now locked up will be released.

Hopeful Future.

Thanks to your liberal response to our appeals in recent years, your Company is now in a position which I could scarcely have dreamt was possible in those lean years gone by, when it was difficult, even impossible, to interest British capital in British undertakings. Those days are past, and at the present moment I have the brightest hopes for the future of your Company. We have order books which ensure regular work in all our departments for a long time to come; the greater portion of the expenditure which I have outlined to you is already productive of income, and I am satisfied that the remainder will form an equally fruitful source of revenue. I am confident, therefore, that, given normal working conditions, we can earn profits sufficient to pay a fair dividend on the increased capital, and I have no hesitation in recommending our shareholders to take up all the shares to which they are entitled. In order to make conditions of payment as easy as possible, we propose to spread the calls over a long period as follows: On application, 2*s.*; on allotment, 2*s.*; followed by 4*s.* calls on October 1, 1920, February 1, June 1, and October 1, 1921. I also wish to remind you that those shareholders who find themselves unable to take up their shares will be given power to dispose of their rights for the whole or any part. In the resolutions which will be put to the meeting your directors ask for power to dispose at their discretion of any balance of shares that may remain unissued. We propose in the first instance to give to the officials, staff, and workmen of the associated companies the opportunity of applying for them. If there still remains a balance of shares unissued, then I am in a position to state that certain members of the board of directors are prepared to take them at par. This will ensure the whole of the issue being taken up without incurring any cost to the Company for underwriting. Interest at the rate of 6% per annum will be paid on sums paid in advance of calls. Before I conclude I should like to say that if any of the shareholders present would like to see over the Redcar Works I shall be glad to make arrangements to take them down in the afternoon. I am sure they will be very pleased with what they see, and will find that I have not overstated the importance of this property. Before putting the resolutions to the meeting, I shall be glad to answer any questions.

No questions being asked, the Chairman said: I have now pleasure in moving:—

1. (A) That the capital of the Company be increased to £7,500,000 by the creation of 3,000,000 new Ordinary shares of £1 each, ranking for dividend and in all other respects *pari passu* with the existing Ordinary shares of the Company.

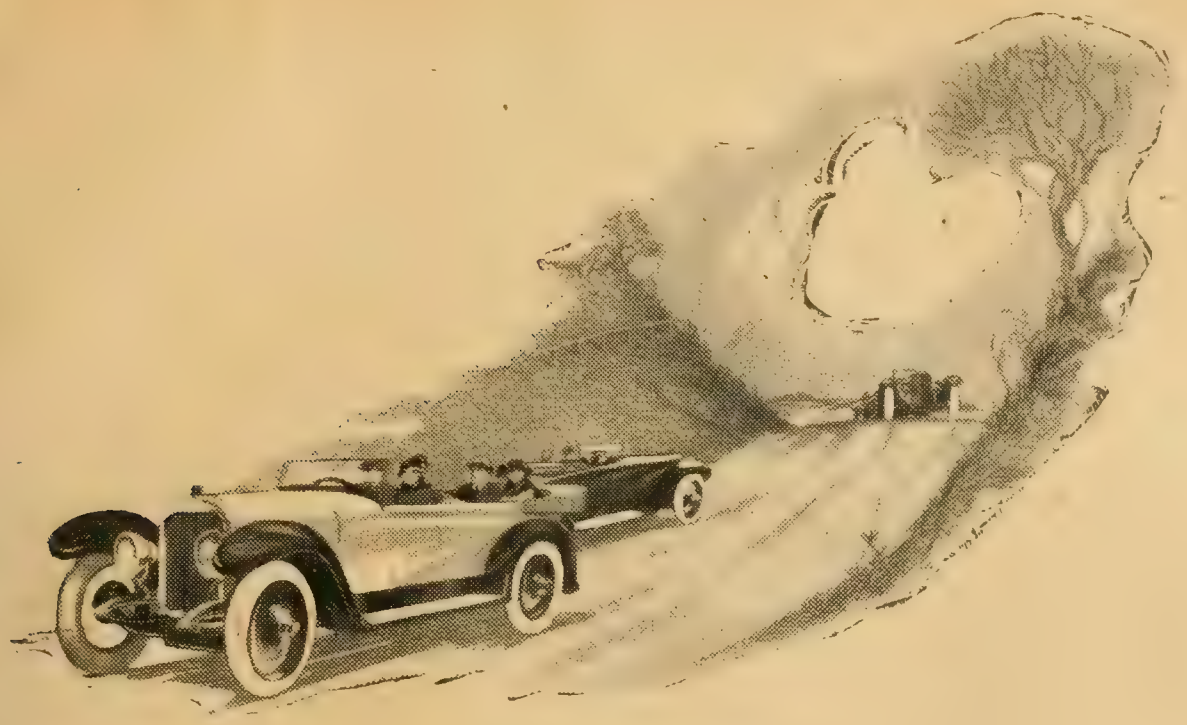
(B) The shares shall rank for dividend as from the first day of June, 1920, in respect of the amounts called up and paid upon the application and allotment of the shares, and as regards the balance from the date of the payment of the respective instalment or instalments.

Lieut.-Col. M. L. Bell, C.M.G.: I have pleasure in seconding the resolution.

The resolution on being put to the meeting was carried unanimously.

The Chairman: I now beg to propose:—

2. That the said shares shall be offered in the first instance at par to the holders of the existing Ordinary shares of the Company as registered on April 16, 1920, in the proportion of one of such shares for each share held, and upon the footing that the full amount of each share taken up shall be paid to the Company on acceptance of the offer by the instalments specified in such offer, and that the offer be made



EASTER.

GIVEN the boon of fine weather—and few Easters in recent years have been so full of promise—this coming Easter will see thousands of happy motorists again on the road, rejoicing in the crisp freshness of early spring.

The only "skeleton at the feast"—too often!—is the *fear* of tyre trouble. There is only one safe way to avoid this—look over your tyres before starting and replace any doubtful ones with new DUNLOPS.

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by notice specifying the number of shares to which each member is entitled, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and that the directors be empowered to dispose of the shares not taken in response to the offer as they may consider expedient in the interest of the Company.

Dr. Arthur Cooper : I have pleasure in seconding.

The resolution on being put to the meeting was also carried unanimously.

D. H. EVANS AND COMPANY, LIMITED.

INCREASED TURNOVER AND PROFITS.

THE twenty-sixth annual general meeting of the shareholders of D. H. Evans and Company, Limited, was held on March 29 on the Company's premises, Oxford Street, W., Sir Alfred J. Newton, Bart. (the Chairman), presiding.

The Secretary (Mr. John W. Jupe) having read the notice convening the meeting and the report of the auditors,

The Chairman said he thought he might fairly congratulate the shareholders upon the very satisfactory balance sheet and report which had been circulated among them. The balance sheet showed that the share capital had been increased by £118,000, the Company having compounded with the holders of founders' shares and distributed among them a certain number of Ordinary shares in lieu thereof. They were to be congratulated on having come to terms at the right moment with the holders of the founders' shares, the transaction, while not prejudicial to their interests, being undoubtedly of considerable benefit to the Company at large. The two items in the balance sheet, mortgage redemption fund £21,766, and the loan of £20,000 secured by mortgage, were in connection with the acquisition of the 999 years' leases. Here, again, he might assert that no transaction could have been more in the interests of the Company than the acquisition of these leases, because it put them in the position of holding their property free from all exacting covenants. They were not compelled under these leases to rebuild their premises within a certain number of years, as they would be if they held Crown leases, and this was a time when to face rebuilding was undoubtedly a very serious problem. It was a fortunate circumstance that a few years ago they rebuilt the block of premises in which they were now assembled. Had they to put up those buildings to-day, it was a very moderate estimate indeed to say that the cost would be at least twice, and probably two and a-half or even three times as great.

A Strong Financial Position.

On the assets side of the balance sheet the property, leases, and goodwill stood at £583,566, an increase of £13,666. Fixtures and fittings, electric plant, &c., stood at £66,709, a reduction of £3,450, brought about by writing off depreciation and other allowances. Stocks on hand amounted to £182,969, being £27,052 more, and having regard to the greatly increased volume of business it was not at all surprising that their stocks should stand at this comparatively moderate increased figure. Amounts owing to the Company were £110,577, or £48,466 more, also due to the large increase in business. Cash in hand and at bankers (£133,553) showed an increase of £56,347; and National War Bonds at cost (£41,267) an increase of £21,267. He thought he was perfectly justified in saying that the financial position of the Company was absolutely unassailable.

In the profit and loss account the expenditure for salaries, rents, rates and taxes, housekeeping, &c., amounted to £201,921—an increase of £44,500—while repairs and depreciations of fixtures and furniture, at £24,984, were larger by £10,810 on account of repairs and renewals which had been deferred during the War. The gross profit on trading was £408,413—an increase of £128,273. (Applause.) The increase in business had been phenomenal. Week by week and month by month the volume of business done by the Company had been on an ever-extending scale, but although this very material increase was shown in the total, the actual rate of gross profit was less than in previous years. The outcome of the profit and loss account was that they transferred to the balance sheet £169,280, an increase of £74,815. They were contributing to the staff benevolent fund £5,250, and setting aside £10,883 as further provision for part repayment of mortgage.

They added £14,655, balance from last year's account, and, having paid the usual interim dividends, they were now recommending a balance dividend of 3% on the Preference shares and a further dividend of 15% (making 20% for the year), and a bonus of 5% on the Ordinary shares. They were placing £14,114 to reserve in accordance with the memorandum of association, and were carrying forward, subject to excess profits duty, £66,639, being £51,984 more than they carried forward a year ago.

Addition to the Board.

The directorate had been strengthened by the appointment of Mr. W. G. Hayden, who had been in the service of the Company for 20 years. Following the trend of events at the present time, they were bringing the board into still closer touch with the management and the executive of the Company. During the War years, when the Company's profits were very much reduced, the directors voluntarily reduced their fees, and it was now suggested that the shareholders should vote them a bonus of £5,000, and also that the directors' fees should be increased by the sum of £2,000 per annum. The fact that the business of the Company had constantly increased, and was still increasing, necessitated considerably more attention and care on the part of the directors. He might mention that the directors' fees had not been raised since 1903. The Chairman concluded by moving the adoption of the report and accounts and the declaration of the dividends and bonus therein recommended.

Sir James Boyton seconded the motion, remarking that he thought the shareholders would agree with him that the report was a most satisfactory one. (Hear, hear.)

The motion was carried unanimously, and resolutions were passed voting a bonus of £5,000 to the directors and increasing their fees by £2,000 per annum.

The appointment of Mr. William G. Hayden as a director was confirmed, and the retiring director (Sir James Boyton) was re-elected.

Messrs. Hays, Akers & Hays were reappointed auditors, and a cordial vote of thanks to the Chairman, directors, and staff concluded the proceedings.

BRITISH ALUMINIUM COMPANY, LIMITED.

AT an extraordinary general meeting of this Company, held at Winchester House, E.C., on March 30, Mr. A. W. Tait, C.B.E. (the Chairman), presiding, resolutions were passed increasing the capital to £1,500,000, and authorising the capitalisation of £400,414 out of the general reserves and the distribution to the Ordinary shareholders of fully-paid Ordinary shares in the ratio of two new fully-paid Ordinary shares for each three Ordinary shares now held.

The ordinary general meeting of the Company was then held.

The Chairman said that the profit for the year, after making provision for excess profits taxation, amounted to £348,108, as against £420,426 in the previous year. The trading profits was £292,327, as against £351,697, a decrease of approximately £59,000. The decrease had arisen from causes which traced their origin to the cessation of hostilities at the end of 1918 and the consequent almost immediate stoppage of all war work on which the industry of this country was then engaged. As a result of this there was a large accumulation of stocks of metal in the hands of the Government and also of the manufacturers. For some months after the Armistice the demand for the metal was almost negligible, and the Company had to reduce the production of its various works to avoid piling up large stocks, and these conditions continued for at least the first seven months of the year. At the end of that period there were indications of a revival of demand, which had since gone on increasing, and, in consequence, orders were given that the works should again be brought up to full output, and in course of time this was done. The demand since then had continued to increase steadily, and the works were now fully engaged in giving their maximum output. There was a healthy demand, not only in this country but also abroad, to meet the heavy requirements for the motor trade and for domestic utensils. There was also a very large demand for manufactured metal, such as sheets and circles, not only at home but from abroad, particularly from India, where no doubt the exchange situation assisted the placing of orders in this country. Now that industry had returned in a large measure to its ordinary business, the prospects of the aluminium industry were good. Costs of operation had again shown substantial increases, and the difficulties of obtaining essential raw materials, such as bauxite, coal, &c., had also increased. Their principal raw material, bauxite, came from France, and the difficulties of transport and shipping had increased rather than decreased, and the export of bauxite from that country was still under licence from the French Government. He understood that they had under consideration the question of putting an export tax upon that material, which, if imposed, would be a serious handicap to this country, but would undoubtedly lead to the rapid development of the resources in this mineral which were known to exist within the British Empire. Labour charges had also still further increased, and there had been an almost universal adoption of the eight-hour day in the industries of this country. These two factors meant a considerable increase in the cost of the product, but he hoped that it would be compensated for in some measure by better and more efficient work, so that the industries of this country might be able to compete in the markets of the world. Their costs are largely influenced also by the question of freight, and it did not look as if there would be much improvement in facilities or reduction in price in this service for some time yet. Dealing with the balance sheet the Chairman pointed out that there had been increases of plant at the Company's various factories, and he added that considerable further additions were in contemplation with a view to increasing production, particularly at their alumina works and rolling mills. The directors were pleased to be able to maintain the dividend of 10% on the Ordinary shares. The prospects for the current year were good, and the results should show some considerable improvement over those for the past year. (Applause.)

The report was unanimously adopted, and the dividend recommended was declared.

LANGKAPOERA (SUMATRA) RUBBER, LIMITED.

THE adjourned ninth ordinary general meeting of this Company was held on March 29 at the Institute of Chartered Accountants, 2 Moorgate Place, E.C., Mr. H. de C. Hamilton, who presided, said, in moving the adoption of the report and accounts: Your Chairman, Mr. Burt, is still in Batavia, looking after the Company's affairs, and he has requested me to take the chair in his absence. Although the year under review was a most difficult one, we are able to show a small profit, which, with the amount brought in, enables us, with your sanction, to make the allocations set forth in the report and declare a dividend of 10%, less tax, carrying forward a satisfactory balance. The acreage in the report remains the same, but the visiting agent reports that 165 acres have since been opened, to be partly planted in the first place in foodstuffs and paddy to help out the rice supply, but which as soon as the crops are harvested will be planted with Hevea rubber, 30 by 15, which equals 96 trees per acre, with three rows of coffee running parallel. This plan is being adopted, as when coffee is fully planted throughout the rubber it retards the growth of the trees by at least two years, and, after all, rubber has got to be our permanent cultivation, and requires much care and attention in its early days. We intend to take out all the coffee that is only giving moderate crops, and discontinue planting it excepting where it can be done without interfering with the growth of the rubber. The profits from coffee look good in the balance sheet, but against this the loss of two years' growth on the rubber must be set.

The estimated crop of rubber was exceeded by 36,187 lb. and the coffee crop by 57 piculs. The estimated crops for this year are 341,786 lb. rubber and 2,200 piculs of coffee. Output for the first eight months is 182,490 lb. of rubber and 1,246 piculs of coffee. It is doubtful whether we shall get the full estimates, as there was a very severe drought during the end of last year, which threw everything back and burnt off the first coffee blossoms. The reduction shown in estate costs of the rubber is satisfactory, but there is still room for improvement. We cannot give you a reliable figure of "all in" costs, as a greater part of the crop was sold locally. The coffee crop, you will see, realised £7,545 16*s.* 1*d.* (which includes the amount realised over and above cost of the unsold stock brought in from the previous year), against an expenditure of £1,931 11*s.* 1*d.*, and showing a profit of £5,614 14*s.* 5*d.* Generally speaking, the estates and buildings are reported to be in good order, and we intend by degrees, as opportunity offers and labour permits, to eradicate the old Ficus fields and substitute Hevea.

I feel confident with the prices now ruling for our produce the future of the Company is a bright one.

The unanimous adoption of the Chairman's motion, with the declaration of a dividend of 10%, less tax, on the Ordinary and Preference shares, terminated the proceedings.

GULA-KALUMPONG RUBBER ESTATES.

THE tenth annual general meeting of this Company was held on March 30 at Cannon Street Hotel, E.C., Mr. Frederick Anderson (the Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said: Our net profits have more than doubled since 1918, and have enabled us to recommend a substantially increased dividend, so that the average for the two years 1918 and 1919 is slightly more than 16%, which was the percentage paid for 1916 and 1917. Our "all in" cost of production has been reduced to 11$\frac{5}{8}$*d.* per pound, all charges for depreciation, commission and bonus, London, Paris and Shanghai expenses and directors' fees being included in this figure. (Hear, hear.) Had we apportioned a part of these charges to copra, as we might very well have done, the "all in" cost of rubber would have been reduced by $\frac{7}{16}$*d.* per pound. The average gross price shows a slight increase on that for 1918, but it may be remembered that for a considerable period last year rubber was being sold at well under 2*s.* per pound. Our production has increased from 293 tons in 1913 to 690 tons in 1919. It is this larger production which has increased our profits and enabled us to reduce the cost per unit, in spite of the fact that expenses have been materially higher in every department. The profits on coconuts and copra have been very satisfactory, although with better shipping facilities they would no doubt have been better. In our report this year we have as a new feature—stated the profit earned per acre of mature rubber and coconuts, the figures being £21 10*s.* and £12 15*s.* 6*d.* respectively.

Plantation Developments.

Turning now to the profit and loss balance of £125,724 8*s.* 3*d.*, and the appropriation recommended by the board, it is proposed to transfer £20,000 to reserve fund, which will then amount to about £112,000. One-half of this has been spent on coconut development, as a second string to our bow, and the other half is in liquid assets, and represents nearly a year's estate expenditure. In these uncertain times I hope you will agree with us that it is prudent to maintain a strong financial position. (Hear, hear.) We have still about 700 acres of spare land available for coconut extension, and this will be developed gradually. From the summary of acreages given on page 7 of the report you will notice that we have now 4,460 acres under rubber and 3,382 acres under coconuts. We were only able to plant up 57 acres of coconuts in 1919 (owing to an error, the year of planting is stated as 1918), labour not having been available at a suitable time, but we hope to plant a larger area this year. When this development is completed I do not think the estates will stand at a very high value per acre in our books. I have noticed in various statistical publications that our capitalisation per acre is stated to be as high as £100, which is evidently arrived at by dividing our issued capital of £450,000 by 4,460 acres of rubber. This rough-and-ready calculation takes no account of the area under coconuts, part of which was planted 13 years ago. If our capital were divided between rubber and coconuts on the basis of last year's results, it would be found that rubber works out at a book value of £69 per acre and coconuts at £42, or, if we take our surplus cash reserve into account, at £6 per acre less than these figures. On this basis 3 acres of rubber would be equal in value to 5 acres of coconuts, and I think this will prove to be a fairly reliable estimate of the comparative value of the two cultivations. The Manager's estimates are before you, and also a statement of our forward sales of rubber for 1920. In addition to the 300 tons which have been sold for 1920 at 2*s.* 3$\frac{3}{8}$*d.* per pound, we have also sold 260 tons for 1921 at 2*s.* 3*d.*, and 145 tons for 1922 at 2*s.* 8$\frac{5}{8}$*d.* per pound. If we can improve on these prices for the unsold balance I think you will have no cause to be dissatisfied with the results. We have also sold 250 tons of copra, the bulk of our production for the first three months of this year, at a substantial advance on last year's prices. At the present time the prospects are very fair, and I have no fears for the future of either rubber or coconuts.

The motion was unanimously agreed to, and resolutions were then moved for the increase of capital for the purpose of purchasing additional land selected by Mr. Boyd during his recent visit.

The Chairman said it was for the purpose of developing this land under rubber that they were increasing the capital by £250,000 by the creation of 250,000 new shares of £1 each, such shares to be offered at the rate of one in two at par to existing shareholders.

The resolutions were carried unanimously, as was a further one for increasing the remuneration of the directors.

DIMBULA VALLEY (CEYLON) TEA, LIMITED.

THE twenty-fourth annual ordinary general meeting of this Company was held on March 29 at the offices of the Company, 4 Lloyd's Avenue, E.C., Mr. T. C. Owen, Chairman and managing director, presiding.

The Chairman said: Turning to the profit and loss account, you will see that we have a balance of £40,038 to our credit, as against £24,035 for the previous season. This amount is carried to the appropriation account, and is added to the balance carried forward from last year of £5,179. To this has to be added a refund on account of excess profits duty for 1918 amounting to £9,021, giving us in all £54,238 to dispose of. We propose paying a final dividend of 17$\frac{1}{2}$%, less tax, in addition to 12$\frac{1}{2}$% interim previously paid, to place £10,044 to reserve, and to carry forward a balance of £2,571. Turning to the balance sheet you will see that the reserve fund has been increased from £32,000 to £42,044.

The cost of the production of tea last year and the price realised are set out in the report, and you will notice that whereas the cost f.o.b. increased by only about 2$\frac{1}{4}$ cents, the cost in sterling increased by nearly 2*d.* per lb. owing to the effect of the higher exchange. The result was that we obtained 5.54*d.* per lb. on tea profit, against 2.78*d.* per lb. for 1918—a very substantial increase. As regards rubber, the effect of exchange is a little more marked. The cost of cultivation and putting f.o.b. was 50.14 cent, against 51.3 cents in the previous year—a decrease of over 1%, and yet in sterling the cost amounted to an extra 1$\frac{1}{2}$*d.* The general result was a net profit per lb. of 11.1*d.*, against 6.66*d.* for 1918, again showing a substantial increase.

We propose to capitalise our reserves by distributing our reserve fund of £42,044, which just enables us to give one share in three to the existing Ordinary shareholders, and the resolutions giving effect to that and increasing the capital to the necessary extent will be put before you in a few minutes. We have taken advantage of this opportunity to give certain additional remuneration to the directors by way of paying their fees free of tax, and the necessary alterations in the articles to enable that to be done is a part of the series of resolutions which will come before the extraordinary general meeting.

The resolution was carried unanimously.

The Chairman then proposed the payment of a final dividend of 17$\frac{1}{2}$%, less tax, on the Ordinary shares.

At a subsequent extraordinary general meeting resolutions were unanimously passed altering the articles for the purpose of (1) enabling the directors' fees to be paid free of tax, and (2) authorising the capitalisation of reserve.

The proceedings then terminated.

MAPPIN AND WEBB, LIMITED.

GOLDSMITHS, SILVERSMITHS, JEWELLERS AND CUTLERS.

The eleventh annual general meeting of Mappin and Webb, Limited, was held on March 31 at the Savoy Hotel, Mr. William Harris (the Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said that the balance sheet presented was the finest ever issued by the Company. The directors proposed to pay the substantial dividend of 15% for the year, to transfer £20,000 to the reserve fund, to write £19,311 off the goodwill, and to carry forward £26,683. This splendid result had been arrived at by the combined efforts of all their establishments in London, Sheffield, Paris, Rome, Nice, Lausanne, Johannesburg, Buenos Aires, Rio de Janeiro, Sao Paulo, and Montreal. The sales and the profits of the Company during 1919 exceeded all records, and they were yet far from the limits of their expansion. The higher prices now prevailing for goods accounted, to some extent, for the increase in sales, but, making every possible allowance under this head, the sales for the year 1919 were more than double the amount of those for any year before the War. Last year he ventured to predict that for the next four or five years the trade of this country would be phenomenal. His prediction had so far proved to be correct. South-East Lancashire, Huddersfield, Bradford, Birmingham, Glasgow, Belfast, Nottingham, and Sheffield were overwhelmed with orders. In the Company's factory in Sheffield they had at this moment two years' work on hand. For some years their Royal Works at Sheffield were able to produce all the goods they required, but in recent years its output had been wholly inadequate to supply their rapidly-expanding trade. They had, therefore, acquired in Queen's Road, Sheffield, a large plot of land, and on this site they were building what he hoped would be one of the most modern and efficient factories in this country, which would have an output double the capacity of the Royal Works. In this new factory they were carefully studying the comfort and convenience of their workpeople. The day had long passed when these matters could be neglected. They also proposed almost immediately to rebuild the premises they had recently acquired in Oxford Street. When these rebuilding operations were carried out they would have one of the most magnificent shops in London. Under strong pressure, they opened, a few months ago, a shop in Monte Carlo, and this, their latest development, was doing exceedingly well. He believed that in Monte Carlo the Company had one of the finest exhibitions of English goods in that part of the world.

Their antique silver department continued to grow and prosper and to contribute materially to their profits. They now had a magnificent collection of old silver, dating from the Elizabethan period, and well worthy of the inspection of anybody. During the year they had largely extended their factories for the manufacture of dressing bags and leather goods of the highest quality, and for the production of high-class jewellery. Their business with hotels, restaurants, and steamship companies was progressing rapidly, and the new factory in Sheffield could not be completed too early for them to fulfil the orders which were pouring in on the Company from the home market and from South America, South Africa, the East, Canada, and the United States of America.

During the year labour troubles were threatened in Sheffield, but, by negotiations, strikes had so far been averted. He could not help feeling and saying that half these troubles would be averted if the masters put themselves in the place of the men and voluntarily made fair and reasonable concessions instead of waiting until they were asked for or obtained by pressure. The English working man had many faults, but when all those were discounted he still remained the most skilful worker in the world. (Hear, hear.) He (the Chairman) had no fear of the industrial supremacy of England in the markets of the world. We should regain all we lost during the war, and more. Sheffield could hold its own any day against Rhode Island and against Solingen—or against both. The English working man was heir to the skill and wisdom of many past generations. It was probable that the bulk of the men who were making knives for the Company in Sheffield to-day were the direct descendants of the men who worked in the forges of Hallamshire 500 years ago.

Dealing with the accounts, the Chairman said that investments in subsidiary companies stood at £223,259, an increase of £27,668. Their expansion in Canada alone would more than account for this increase, and he might add that the Company obtained a splendid return from its investments in these subsidiary companies. The stock-in-trade amounted to £682,467, showing the large increase of £191,708, which, in view of their large turnover, was quite justified. Their principal leasehold premises were held for 999 years—practically a freehold. With the amount now being written off goodwill, that item would be reduced to £150,000. This goodwill could be sold in 24 hours for double the amount at which it stood in the balance sheet, but the directors had decided, nevertheless, to extinguish it. The profit for the year from branches and subsidiary companies was £148,887, against £112,031 in 1918, an increase of £56,856, which he trusted shareholders would regard as satisfactory.

When the Company was formed by the late Mr. John Newton Mappin, neither he nor any of his colleagues could have dreamt that it would ever reach its present dimensions. The result was that they found themselves bound by some regulations which were altogether unsuited to their present condition. One of these related to their borrowing powers, which, by the articles of association, were limited to £400,000. As £250,000 had been raised on Debentures, there remained a margin of only £150,000, which was utterly inadequate. To cope with their enormously extended and extending business, to buy the land they had acquired in London and Sheffield, to extend their business in Canada and Monte Carlo, and to acquire subsidiary businesses, they had been compelled to borrow in excess of the limit imposed upon them, and it was proposed that the Company's borrowing powers should be raised from £400,000 to £750,000. In the first instance they would borrow the additional money required, but ultimately he thought it would take the form partly of an issue of shares to the shareholders on favourable terms. The other part must be paid by yearly instalments out of profits. As long as he was Chairman of the Company he was determined that their finances should be conservatively handled, that their capital should be kept as low as possible, and that a substantial part of the funds for their expansion should be paid out of profits. By such a course they kept the Company financially sound and improved the value of their shares year by year.

Having paid a warm tribute to the services of the staff, he said that of the total sales a little more than one-third consisted of articles of luxury, not quite two-thirds articles of utility.

The Company had had a wonderful year, and the directors faced the future with serenity. They had three factors which told for success in the business. They had a splendid name—a name standing everywhere for good workmanship and good faith. They had a good reputation in the City of London; they had an even greater reputation in the great City of New York. They had a loyal and contented and a skilful staff, and, lastly, they had a united, a harmonious, and, he hoped the shareholders would think, an efficient board. (Applause.)

Mr. Walter J. Mappin seconded the resolution, which was carried unanimously, and a resolution was passed increasing the borrowing powers of the Company to £750,000.

ACHILLE SERRE, LIMITED.

The fourteenth annual general meeting of this Company was held on March 31 at the Great Eastern Hotel, E.C., Mr. Eugene A. Serre (Chairman of the Company) presiding.

The Chairman, in the course of his speech, said: During the year we had to contend with many difficulties, both old and new, and unfortunately the cost of materials, and indeed all expenses, did not drop as we anticipated, but with few exceptions rose steadily. To meet these increased charges we have revised our prices from time to time, but the cost of cleaning and dyeing is still very reasonable, and the difference between the prices charged in 1914 and 1919 is considerably less than 100%. In 1914, for instance, our charge for cleaning short gloves was 3*d*. per pair, in 1919 it was 4*d*., an increase of only 33%. Costumes, which before the War we cleaned for 5*s*. 6*d*. to 6*s*. each, were charged 8*s*. 6*d*. last year, and so on. The advance in the cost of new clothes is, as all of you know, a very much more serious matter, and it is partly because suits, costumes, and other garments cost so much that the public have made more use of our service. The difficulties of obtaining new goods during the War were so great that to many people the economies and advantages of cleaning and dyeing were forcibly brought home to them for the first time, and this habit has been continued, notwithstanding the fact that it is now easier to buy new clothes, although, of course, they are still very expensive. It is not surprising, therefore, that in 1919 our turnover increased to an extent quite unprecedented in the history of the business, and it is because of this large increase that, whilst our charges were reasonable, we were able to show considerably greater profits than in any previous year. So far this year has proved even more successful than the corresponding months of last year, and, thanks to improved organisation and greater efficiency, we are in a much better position to deal with the larger number of orders which we are receiving. Turning to the balance sheet, you will notice that the net profits, including the balance brought forward, amount to £30,742. That will enable us to pay a further 5% on the Ordinary shares, making 15% for the year, £2,500 on the Preference shares, making 9.½% for the year, and £2,500 will be distributed to the employees in proportion to the wages earned by each individual who is eligible to participate. Our financial position has greatly improved It is easy to talk about what has been accomplished, but in these times one cannot prophesy with any certainty as to the future.

The report and accounts were adopted, and the formal business was duly transacted.

GENERAL CEYLON RUBBER AND TEA ESTATES.

The twenty-third annual ordinary general meeting was held on March 30 at the offices of the Company, 4 Lloyd's Avenue, E.C., Mr. J. C. Owen (Chairman of the Company) presiding.

The Chairman said: The trading account shows a balance of £55,203, against £17,759 for the previous season. This amount is carried to profit and loss account, and after the addition of interest and allowance for London expenses the balance at credit is £52,302, against £18,205 for the previous season. In the appropriation account there is a credit of £6,417 recovered on account of excess profits duty previously paid, and this is the total amount which we have paid in the past, and which we have now reclaimed in full. We have already paid a dividend of 12½%, less tax, and propose to pay a further 17½%, making 30% for the year, and to carry forward £14,889. There is a small balance due on the purchase of Goomera Estate, which is added to the capital account, and all other expenditure on capital, which amounted to £6,487, is being included in the estates working account and deducted from the profits. The figures of cost and sale price of tea and rubber are set out in the report, and I would point out that the tea has shown a profit of 3.18*d.*, against 1.51*d.* last year, while the rubber has shown a profit of 10.68*d.* per lb., against 3.66*d.* last year. The yield of rubber per acre works out about 300 lb., which, considering that much of it has still got tea through it, and that considerable acreages, though being tapped, are not in full bearing, is a very fair result. The question of loss on rice and adverse exchange is important. The rice consumed by the coolies in Ceylon comes from Burma, and the whole supply is controlled by the Indian Government. They allow a certain portion of the crop to come to Ceylon for our purposes, but in doing so they charge us exactly 100% profit on the rice which they allow us to have. We are now losing over Rs.5 per bushel on rice issued to the coolies. I find that last year 45,000 bushels were consumed by our coolies, and at Rs.5 per bushel this comes to Rs.225,000, which is the loss which we should have to sustain this year if the same amount is consumed as was consumed last year. This comes to 7 cents per pound of tea or rubber, or nearly 2*d.* Exchange is, roughly speaking, 1*s.* higher than it was, and if you spread this over the cost of production it comes to very nearly 5*d.* per lb. of tea and rubber. Therefore these two items represent an extra cost of production at the present time of some 7*d.* per lb. over our pre-war cost. In 1920, our present season, the full effect of these two adverse influences will be felt, and it is therefore necessary that the price of tea should rise in proportion to this extra cost. The price of rubber has already done so.

The Chairman then proposed a final dividend of 17%, less income tax, on the Ordinary shares, payable on March 31.

WALFORD LINES, LIMITED.

An extraordinary general meeting of this Company was held at Winchester House, E.C., on March 31, when resolutions were passed increasing the capital of the Company to £2,000,000 by the creation of 1,500,000 "A" shares; and subdividing the 600,000 "B" shares of 5*s.* each into five shares of 1*s.* each. Mr. George Paget Walford, Chairman of the Company, presided.

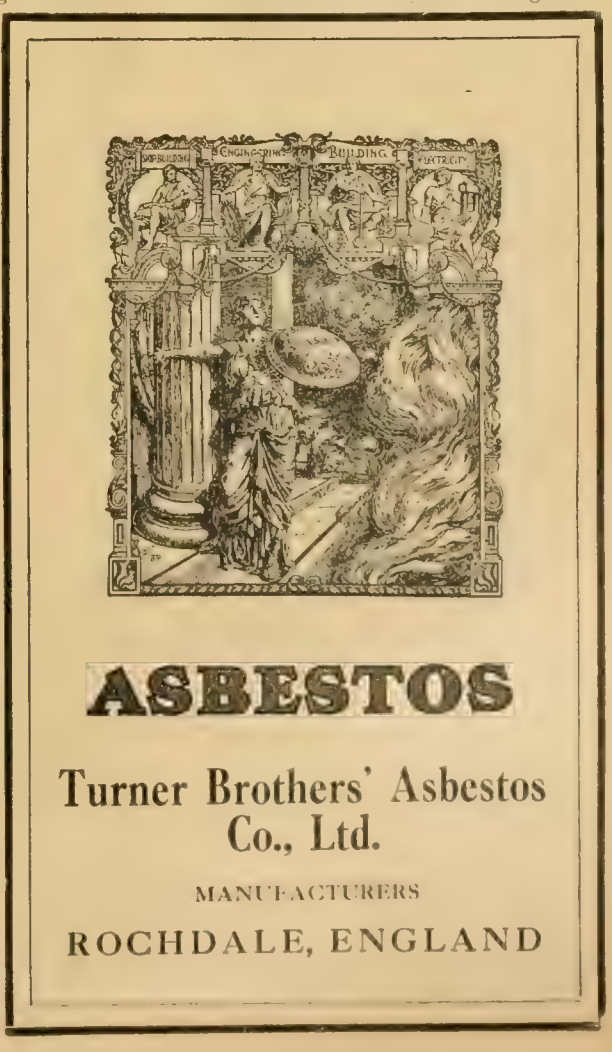
The Chairman, in moving the resolutions, said that the first financial year of the Company would come to an end on April 30, and the directors had every expectation that when the accounts were completed it would be possible to make a further substantial distribution in addition to the interim dividend of 1*s.* 6*d.* per share already paid. When the Company started, in May of last year, the business was carried on by chartered steamers pending the delivery of new steamers gradually put into service. Monthly profits were increased from October last, when the whole fleet came into normal service. From the inception of the Company 517 sailings, carrying 279,604 tons of cargo, had been made, or 13 sailings per week from United Kingdom ports, not counting return voyages. A very active trade had been maintained, in spite of the adverse influence of the fall in value of the franc, and while for the first eight months most of the ships returned in ballast, during the last few months there had been a larger proportion of homeward cargoes. The directors attached great importance to the Company's terminal facilities for handling of cargoes, and negotiations were proceeding to obtain further regular berthing accommodation, towards which the berths at various ports controlled by John Harrison, Limited, formed a valuable contribution. The absorption of the John Harrison line would benefit both services by the adjustment of steamers allocated to sailings between definite ports. The experience and counsel of Messrs. John Harrison and E. T. Lindley would be of great benefit. As the quantity of cargo from the Continent increased, bringing increased earnings, their organisation for rapid clearing of goods from discharging berths would be developed, and the fleet of motor lorries owned by the John Harrison line would be a most useful adjunct. During the last five years the gross profit of the John Harrison line averaged £115,570 9*s.* 6*d.*, although during the greater part much of their tonnage was under Government requisition. This year promised equal, if not better, results, with a proportionate increase when the five new ships came into service, which, it was hoped, would be by July. Regular services like theirs were less affected by the freight market than tramp steamers, because the cargoes contained a large number of small parcels, much of which business was contracted for over long periods. As traffic increased to the same stage of importance as before the War, and as Germany and Central Europe began trading, more tonnage would be required; and, as large steamers were not suitable, and recent tendency had been to build larger and larger boats, there was a great dearth of small tonnage. The fleets of the Walford and Harrison lines, if sold ship by ship at present prices, would realise substantial profits, steamers of 200 to 400 tons now selling at £90 to £100 per ton, as compared with the average rate of £65 17*s.*, at which the Harrison fleet had been acquired. He thought the shareholders would be satisfied with the terms arranged for the issue of Debentures carrying 7% interest and repayable by equal instalments over eight years at par. As to the issue of the new "A" shares, the directors came to the conclusion that it would be more to the benefit of the Company to give the shareholders an opportunity of subscribing at par or of disposing of their rights on the market.

Application would be made to the Stock Exchange Committee to deal in these new shares on allotment letters, and also in the rights. The proposed subdivision of the "B" shares was to secure continuity of management and prevent control possibly passing to purchasers of shares having other interests. Under this arrangement the "B" shareholders agreed to give up 20% of the share of the profit to which they were entitled, and to add that amount to the share of profit of the "A" shares. Both in connection with the first year's working and the future, the directors intended to follow a conservative policy on a sound financial basis, and were confident that the Company had before it a period of great prosperity and increasing business.

JONES AND HIGGINS, LIMITED.

The twenty-fourth annual ordinary general meeting was held on March 31 at Rye Lane, Peckham, S.E., Mr. C. H. Higgins presiding in the absence, through indisposition, of the Chairman, Mr. G. Randell Higgins.

The Chairman said that the figures in the balance sheet were, without exception, the best that had ever been presented to the shareholders. The profits exceeded those of the previous year by about £13,000, but that result had not been obtained by profiteering, against which the directors had determinedly set their faces. The increase in profits was due solely to the increase in returns, which had again been phenomenal. The increase in the number of their customers was no doubt attributable to the fact that they had given them the full benefit of the keenness and foresight dis-



[illegible] by their buyers. Advances had been made in salaries and wages of the staff, and these had also been compensated by the payment of a bonus, the directors considering that those who assisted so much in bringing about the results entitled share in the prosperity realised. Had the directors deemed it desirable, a higher rate of dividend could have been paid; but in view of the uncertainties of the future they had thought it better to capitalise a portion of the reserve by the issue of bonus shares. With a continuance of prosperity it was reasonable to hope that the shareholders would reap a substantial advantage by the issue of those shares. In regard to the proposed increase in the directors' fees, under Article 121 they were entitled to participate in the company's profits after paying 7½ on the original capital of £130,000, and, rather than make two classes of shares, the directors deemed it wiser to make the new shares rank with the old in every respect. The shareholders were asked to increase the directors' fees seeing that it was necessary to provide 7½ on the additional share capital before the directors became entitled to participate in the profits. Cash at bankers and in hand amounted to £41,000, as against £19,000 last year. The balance carried to balance sheet was £56,299, as against £35,274 a year ago. The reserve account, which figured at £90,805, had been increased by some £6,000 over and above the £2,000 added last year, which was accounted for by the Board having in previous years reserved in the accounts sums for possible as well as very probable contingencies. These contingencies had disappeared, and the amount standing had been transferred to the general reserve which, after capitalising £65,000, would stand, with the amount added this year, at the substantial sum of £27,800.

The report and accounts were accordingly adopted, and a resolution was unanimously adopted for capitalising £65,000 of the Company's reserve fund, the shares to be distributed as a bonus among the Ordinary shareholders in the proportion to their holdings.

D. DAVIS AND SONS, LIMITED.

The thirty-first ordinary general meeting of D. Davis and Sons, Limited, was held at Winchester House, London, on March 31, Mr. Archibald Mitchelson (the Chairman of the Company) presiding.

The Chairman, dealing with the accounts, said that the net profits for the year under review, after providing for depreciation and income tax, and setting aside reserves for excess profits duty, etc., amounted to £248,915. Adding the amount brought forward from 1918, there was a total available of £322,090, out of which dividends had been paid, leaving a balance to be carried forward to the current year of £91,215. The capital expenditure of £819,150 included 15,745 £10 Ordinary shares in the Welsh Navigation Company, which was an asset which should become increasingly valuable.

Reviewing the events of the past year in relation to the coal industry, the Chairman said it had been a period of greatly increased difficulty and complexity. At the time of their last annual meeting the Coal Industry Commission, which was set up to avert the catastrophe of a general strike in connection with the miners' demands, was sitting. Three sectional reports were made by this Commission on the conclusion of its first stage, that signed by Mr. Justice Sankey and three other members being accepted by the Government. The principal recommendations were the reduction of working hours to seven, and the payment of an increase of wages of 2s. per shift. The report also expressed the view that a change of the system of ownership and working is necessary, in the form either of nationalisation or of a method of unification by national purchase and/or by joint control. Questions of ownership and control, however, did not come within the terms of reference of the Commission, and therefore could not properly have formed the subject of a recommendation. Four additional reports were presented, but the net result of the inquiry was that the only material changes during the year in the reorganisation of the industry were the reduction of working hours to seven per day and the increase of wages. The effect of these two factors upon the output of coal and the cost of production had been exceedingly serious. It had, moreover, been greatly accentuated by a series of sectional strikes of miners in different parts of the country and by increased absenteeism. The most significant fact in connection with the decline of coal production was the serious drop in the output per man employed. According to official figures, though the number of men employed increased from about 208,000 in January, 1919, to 239,000 in December, 1919, the output per man per month had decreased from 20½ tons to 15⅔ tons, which was a very heavy decline indeed.

The output at Ferndale was actually 7,00 tons less in 1919 than in the previous year, notwithstanding that there were nearly 1,500 more men employed. There seemed very little doubt that the principle of a high minimum wage was fundamentally unsound, as tending to a diminution of output, and he earnestly hoped that whatever new arrangements might be made as the outcome of the present demand for increased wages they might be based on the principle of payment by results. The offer of the Government to the miners, in his view, was a generous one, and he hoped it would be accepted.

After indicating the legislative arrangements as affecting the coal industry, the Chairman recalled the fact that the Limitation of Profits Bill, which was a preposterous and confiscatory measure, was thrown out by Parliament, and there was now introduced a temporary measure containing financial provision for a period of seventeen months. But meanwhile a Bill of a more permanent nature, and therefore of much greater importance to the industry, was being drafted and might be introduced at an early date. Throughout the past year, therefore, the financial control of the coal industry had been of a most confused and chaotic character, and this state of uncertainty had resulted in the suspension of expenditure on extensions and improvements estimated to approximate £60,000,000.

In addition to the difficulties arising from the shortage and high prices of materials, their troubles during the year had been accentuated by the increased difficulties of railway transport and the appalling delays due to the very serious state of congestion at the ports, and all these causes had combined to make the regular working of the coal mines of the country an utter impossibility, with the result that there was a serious shortage of coal at a time that the maximum output possible was needed in the national interest.

In conclusion, the Chairman referred to the resignation of Mr. Peter Haig Thomas as director, owing to pressure of other engagements, and stated that the board had unanimously elected Mr. D. R. Llewellyn to fill the vacancy.

On the motion of the Chairman, seconded by Major F. S. Cartwright, the report of the directors and statement of accounts were adopted and the payment of the dividends confirmed.

Mr. D. R. Llewellyn, Mr. H. Seymour Berry, and Sir Leonard W. Llewelyn, K.B.E., were re-elected directors.

Messrs. Deloitte, Plender, Griffiths and Company were re-appointed auditors, and the proceedings concluded with a cordial vote of thanks to the officials and staff for their services during a year of complexities and difficulties.

WELSH NAVIGATION STEAM COAL COMPANY, LTD.

The fourteenth ordinary general meeting of the Welsh Navigation Steam Coal Company, Limited, was held at Winchester House, London, on March 31, Mr. Archibald Mitchelson (Chairman of the Company) presiding.

The Chairman said that as until the spring of 1919 the whole of the Ordinary capital of the Company was held by Messrs. D. Davis and Sons, Limited, this was the first occasion on which he had had the pleasure of addressing the general body of shareholders. The Company's financial year had also been made to coincide with that of Messrs. D. Davis and Sons. It might be of interest to mention that the shareholders numbered nearly 5,000, and as D. Davis and Sons, Limited, still held 15,745 of the £10 Ordinary shares, the average holding of all other shareholders worked out at eight or nine shares each.

The War and its consequences had affected very materially the development of the Company's properties, as much of the preliminary work had had to be suspended in consequence of the difficulties in obtaining the material and labour necessary for the provision of facilities both on the surface and underground in order to expedite the opening up of the various seams. They were endeavouring to pursue a policy that would result in a rapid growth of output, but their progress in this respect had been considerably retarded by the long delay in fitting up No. 1 shaft, which had been completed, and, provided they were spared further serious labour disturbances, other schemes, such as the provision of additional siding accommodation and the sinking of a third shaft, would be proceeded with vigorously in the course of the current year. All going well, they looked to a very big increase in the output of coal. In regard to the coke-ovens, two batteries were now in full commission, while the brickworks at Coedely had a capacity of 4,000,000 bricks per annum.

Referring to the accounts, the Chairman pointed out that operations on the property of the Company were commenced about 12 years ago, and until to-day no dividend had been declared on the Ordinary capital. This, he said, was a striking illustration of the risks taken by capital in a highly speculative industry. Large sums had been expended over a long period of years without any return whatever to the people who had found the money.

Having dealt in detail with various items in the accounts, including an item of £101,249 in respect of wagons, which, he remarked, was a very conservative figure and far from representing present-day value, in view of the greatly enhanced cost of labour and materials, the Chairman drew attention to the increase of capital made in March last year, which involved an issue of 40,000 Ordinary shares of £10 each, which were distribtued in the form of a bonus to shareholders of D. Davis and Sons, Limited. The dividend which it was proposed to declare that day fully justified that distribution. After a somewhat prolonged period of difficulties and delays, they were beginning to derive the fruits of their efforts and patience, and there was every reason for looking forward to increasing success.

On the proposition of the Chairman, seconded by Mr. H.

Sir Owen Berry the Directors' report and statement of accounts were adopted.

Mr. D. R. Lawrence, Major F. S. Cunningham and Sir Leonard W. Lawrence, K.B.E., were re-elected Directors.

Messrs. Deloitte, Plender, Griffiths and Company were re-appointed auditors, and the meeting concluded with a vote of thanks to the officials and staff.

THE EMPLOYERS' LIABILITY ASSURANCE CORPORATION, LIMITED.

The thirty-ninth ordinary general meeting of this Company was held at Hamilton House, Victoria Embankment, E.C., on March 31, Lord Claud Hamilton presiding.

The Chairman said the premiums received in 1913 amounted to £2,466,781 against £2,095,301 in 1912, showing an increase of £360,480. Premiums under policies assumed in 1914 amounted to £2,671,246 against £2,068,782 in 1913, or an increase of £602,464. The total funds of the Corporation at December 31, 1914 were £4,213,246, showing an increase of £637,921. The claims arising out of the European war, including the war allowance, amounted to £745,947, against £750,013 in 1913, showing a decrease of £4,071. The directors have already paid an interim dividend of 14s. per share free of income tax, and now recommended a further dividend of 26s. per share, making 40s. per share for the year, against 40s. per share in 1913. They made these distributions this year £200,000 more than the claims paid or outstanding, and an additional sum amounting to £50,000 was paid to the credit of the reserve against unexpired risks, making £250,000, or £1 per share, in all. The investments at December 31 last amounted to £6,224,736, showing an increase of £1,547,726. The premium income during the present year has shown a further increase, and the directors have every reason to anticipate a satisfactory result.

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6th November, 1919.

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The Statist.

LONDON, SATURDAY, APRIL 10, 1920.

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The Money Market.

Friday, April 9, 1920.

	Current Rate %	Fixed	Previous Rate %	Fixed
Bank of England Rate...	**6**	**(Nov. 6,'19)**	**5**	**Apr. 5,'17**
Deposit Rates:—				
Banks & Discnt. Ho. (Call)	**4**	**(Nov. 6,'19)**	**3½†**	**Oct. 6, '19**
Discount Houses (Notice)...	**4¼**	**(Nov. 6, '19)**	**3¾**	**Oct. 6, '19**

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.

† Foreign and Colonial banks give Special Rates only upon deposits for a year.

Discount Rates :—	60 Days. %	3 Mos. %	4 Mos. %	6 Mos. %	12 Mos. %
Treasury Bills ...	—	5½	—	—	5½
Bank Bills ...	5⅛	5⅝–¾	5⅞	5⅞–6	—
Trade Bills ...	—	6¼	6½	6¾	—

An important financial development during the week was provided by the announcement yesterday that the Bank of France raised its rate from 5% to 6½%. It is worthy of note that this is the first time since practically the beginning of the War that France showed its favour of the dear money policy, the previous date of fixing the rate being August 20, 1914. Two other Continental countries have also raised the Bank rate quite recently. The Bank of Italy raised its rate on the 6th inst. from 5% to 5½%, the previous date of fixing being January 11, 1918. The National Bank of Belgium has raised its rate for bills accepted from 3½% to 4½%, and for unaccepted bills from 4% to 5%. The interest rate on loans and advances on private national funds remains at 5%. The 3½% rate was on October 2, 1919.

The large Government disbursements, about to be a customary feature of the Money market during the early part of April, were responsible for considerable fresh creations of credit, as at this period the Income Tax receipts into the Exchequer are unusually small, and thus it is only natural to find that there was an abundance of floating credits in the market during the week. On the other hand, shifting of balances were on a

large scale coincident with the turn of the quarter and the holidays, so that the demand was strong and available supplies were readily absorbed. Short loans were renewed at 4%, and a considerable amount of business took place at lower rates with afternoon balances on offer at 2½%. In the Discount market business was chiefly centred in short-dated paper. Neither the banks nor the discount houses showed much readiness to buy bills at first, and March paper was quoted at rates ranging from 4⅞% to 4¾%. June maturities changed hands at as low as 4⅞%, and business was done in three months' paper at 5⅛% to 5⅜%. The latest tendency, however, is towards a hardening of rates.

In the Foreign Exchange market some sharp movements took place during the week. The dollar rate, for the first time for many months, went over the $4 quotation. On Saturday last the rate had improved to 3.94¾, and after a slight setback on Monday rallied to 4.02⅛. A reaction set in later, however, but the rate recovered again to 4.02 to-day

The French franc rose progressively to 61.22½ on Wednesday, but a moderate improvement occurred yesterday to 61.07½. The Belgian quotation culminated on Wednesday at 57.32½. Yesterday it rallied to 56.97½. To-day it rose again to 57.27½. The lira depreciated precipitately to 91.25 to-day, which is a rise on the week of 10.35. The Swiss rate moved irregularly, but closed with an adverse movement at 22.00. A good improvement took place in the Berlin rate, yesterday's quotation being 237½, as against 278 a week ago. Finnish marks rallied to 7*s*. A good improvement in this rate may confidently be looked for very soon. Last month the Finnish Government established control over imports and exchange operations. The present great scarcity of paper and high prices for pulp should be a great advantage to Finland, whose chief industry and natural resource is timber; she will also naturally be one of the first countries to take advantage of the opening up of trade relations with Russia, so that, all things considered, she ought to be able to present a favourable trade balance this year. Scandinavian rates were irregular. Copenhagen moved against us, but Christiania and Stockholm showed favourable movements. The Dutch rate advanced further to 10.63, but was as high as 10.69 on Wednesday. A setback in sympathy with the dollar occurred in the chief quotations of the South American group. Of the Eastern group, following the movement in the Silver market, the Shanghai rate dropped to 7*s*. 2*d*. the tael. The Hongkong dollar weakened to 4*s*. 11½*d*. The rupee hardened to 2*s*. 4⅝*d*. The Japanese yen declined to 2*s*. 4¾*d*.

Following last week's expansion of 8.8 millions in the outstanding total of currency notes, a further increase of £5,327,497 is to be noted this week, according to the return issued on the 7th inst. Fresh issues of notes and certificates amounted to £8,381,118, against cancellations amounting to £3,053,621, thus raising the total amount outstanding from £335,372,342 to £340,699,839. In consequence, however, of a further addition of £600,000 in Bank of England notes to the currency note redemption account the ratio of Bank of England notes and gold to the total outstanding of currency notes and certificates has improved from 10.2% to 10.3%. The fiduciary issue, as a result of these movements, has increased to £305,699,839, or £14,900,161 below the fixed maximum for this year.

BANK OF ENGLAND.

THE characteristic features of the Bank return for the week ended March 31, 1920, are such as are generally associated with this time of the year. The substantial decline of £24,983,000 in Government securities, in conjunction with the no less substantial increase of £16,485,000 in public deposits, bears eloquent testimony to the ingathering of revenue at the close of the financial year, which is again reflected in the marked reduction of £30,835,000 in other deposits. The usual demand for funds at the end of the quarter, which has been accentuated on this occasion by the eager desire to invest in three months' Treasury bills, forced the market to have recourse to the Bank, with the result that other securities have increased by £18,381,000 to £109,524,000. The normal holiday demand for currency accounts for the rise of £4,134,000 in the circulation to £105,271,000; but of this increase £1,000,000 were allocated to the Currency Note Redemption Account to cover the additional issue of nearly £9,000,000 currency notes. There is a further reduction of £3,611,000 in the amount of bullion, probably for shipment to America in preparation for repayment of the Anglo-French Loan. The combined result of all these movements is to lower the reserve by £7,746,000 to £25,351,000, with a consequent decline in the percentage from 21.8% to 18.5%.

The return for the current week is of a somewhat different nature. The comparative absence of revenue at the opening of the financial year gives rise to further Government borrowing, with the inevitable consequence that Government securities have jumped up from £20,412,000 to £59,049,000. Similarly, public deposits are £11,270,000 lower at £24,978,000. On the other hand, with the turn of the quarter funds flow back to the market—and in this connection it is well to note the payment of dividends by the Government early in the week to the extent of £6,500,000—and "other deposits" are increased by £32,786,000 to £133,708,000. With ample funds at its disposal the market has repaid part of its debt to the Bank, thereby reducing the outstanding total of other securities by £15,974,000 to £93,550,000. The holiday demand for currency persists; there is an additional net issue of currency notes exceeding £5,000,000, coinciding with a rise of £1,540,000 in the circulation. However, £600,000 of this increase represents the amount placed in the Currency Note Redemption Account to back the issue of currency notes, to which reference has just been made. There has been, apparently, a temporary cessation of the withdrawal of gold, or at least the amount withdrawn did not exceed the addition, if any, made to the total of last week, for the amount of bullion is only £27,000 lower at £112,145,000. There is a decline of £1,567,000 in the amount of the reserve, due mainly to the increased circulation, whilst liabilities, owing to the substantial addition to other deposits, have increased from £137,195,000 to £158,703,000. Consequently the ratio of reserve to liabilities has fallen 3.5% to 15%.

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NEW YORK.

A CONSIDERABLE strengthening of reserves is shown in the weekly average statement of the New York City Banks and Trust Companies associated with the New York Clearing House published on the 3rd inst. Besides an expansion of nearly $50,000,000 in loans, discounts, &c., net demand deposits increased by $53,130,000 and net time deposits by $1,440,000, so that reserve requirements were $555,080,000, as compared with $548,070,000 during the preceding week. On the other hand, the aggregate reserve rose to $585,890,000, an increase of $19,690,000, the average excess reserve being therefore $12,680,000 higher at $30,810,000. The actual excess reserve, however, on April 3 was over 10 millions under this figure.

A considerable expansion in deposit and Federal Reserve note liabilities, but a more than corresponding strengthening of the reserves, especially the gold reserves, is indicated in the combined statement of the 12 Federal Reserve Banks for the week ended April 5. The gain to the gold reserves is 15.5 millions, and the total gold resources now stand at 1,950.3 millions. Government deposits declined by 17.3 millions, and other deposits increased by 17.7 millions. Federal Reserve note circulation expanded by 29.3 millions, and now stands at $3,077,320,000. Discounts for member banks decreased by 48.7 millions, and bills bought in open market by 27.8 millions. The ratio of total reserves to net deposit and Federal Reserve note liabilities combined has risen 0.2% to 42.9%, as compared with 52.2% a year ago. Call-money was easier at 5½% bid and 6% asked. Time-money, however, continues dear, and is practically unobtainable. Prime mercantile paper was quoted at 6¾% to 7%.

BULLION.

OWING to the strength of the American exchange the price of gold was marked down, and was quoted to-day at 102*s.* 7*d.* per ounce fine. Business was small and the amounts available were taken for South America, the Straits Settlements, and the United States. Owing to Government sales the price of gold in the Bombay bazaar has dropped below the fixed equivalent of one rupee for 11.30016 grains of fine gold.

Movements in the Silver market have been unimportant, but the tendency of the market is weak. Continental sales of melted coin continue on a large scale, and with the weakness of the Shanghai rate the demand from China was less keen. Further buying on Indian account took place. Most of the orders were for immediate delivery, with the result that the two months' discount increased. On Wednesday the cash quotation was 72⅛*d.* per standard ounce, and the discount for forward delivery was ½*d.* per oz. To-day's quotations are 69⅞*d.* per oz. cash and 69⅜*d.* per oz. forward.

It is announced that the French Mint has ceased to coin silver. This step was, of course, rendered necessary by the rise in the market price of the metal, making it purchase for coinage purposes an unprofitable operation. It is expected that the subsidiary silver coinage will, to meet the scarcity of small change, be augmented as far as possible by the issue of nickel tokens and paper money of small denomination.

Recent movements in the Indian Currency Returns are shown below:

1920	Note Circulation Lacs	Silver: In India Lacs	Silver: Elsewhere Lacs	Silver: Total Lacs	Gold: In India Lacs	Gold: Elsewhere Lacs	% of Metallic Res. to Notes	Government Securities: Indian Lacs	Government Securities: British Lacs
Mar. 22 ...	17,903	3,894	—	3,894	4,422	100	47·1	1,560	7,927
Mar. 15 ...	18,274	3,890	—	3,890	4,464	110	46·3	1,560	8,250
Mar. 7 ...	18,244	3,864	—	3,864	4,204	366	46·2	1,560	8,250
Feb. 29 ...	18,303	3,899	—	3,899	4,130	464	46·4	1,560	8,250
Feb. 22 ...	18,294	3,872	—	3,872	4,033	579	46·4	1,560	8,250
Feb. 15 ...	18,399	3,888	—	3,888	4,121	580	46·7	1,560	8,250
Feb. 7 ...	18,329	3,947	—	3,947	3,534	1,038	46·5	1,560	8,250
Jan. 31 ...	18,515	4,033	—	4,033	3,510	1,162	47	1,560	8,250
Jan. 22 ...	18,495	4,099	—	4,099	3,386	1,200	46·9	1,560	8,250
Jan. 15 ...	18,691*	4,163	—	4,163	3,500	1,028	46·5	1,750	8,250
Jan. 7 ...	18,621	4,257	—	4,257	3,421	943	46·3	1,750	8,250

* Highest since war began.

Stock Exchange.

IN view of the cheerful expectations which were being indulged in before the holidays, the Stock markets opened the week in disappointing fashion. Accumulation of orders was on a small scale, with the result that a lack of activity discouraged buyers. The gloomy tone was attributed to the French advance in Germany, the demoralisation of the Continental exchanges, and the new Municipal loan issues. Nevertheless the recent shake-out in all markets seems to have been pretty complete, and though there is still a tendency among many people to weed out their list of stock holdings, there is no generally pronounced pressure to sell; price movements were generally important during the week. The markets, on the whole, are thoroughly prepared for a fresh wave of buying.

The Gilt-edged market led off a weak movement in the beginning of the week, but seems quite recently to have attracted supporters again, with the result that, with the exception of London County Council Three and a-Halfs, an all-round advance in prices is to be recorded. Consols had declined to 45¾ on Wednesday, but recovered to-day to 46⅞. Funding Loan, having dipped to 68x., rallied to 68¼. War Loan Fives hardened to-day to 88⅞. The Colonial market was singularly quiet in the early part of the week, but yesterday prices began to give way. New South Wales Five and a-Halfs moved to 94½. Natal Three and a-Halfs were weak at 64½. Australian 5½ per Cents. fell to 93½.

In the Foreign market many securities were affected by the appreciation of sterling in terms of francs and dollars. French Bonds were weak, the War Loan Fives declining to 45½ and the Fours to 34. Belgian Threes were unchanged at 47. Chinese issues declined: the Fives of 1896 having hardened to 80x.d. on Tuesday, subsequently weakened to 77x.d.: the 4½ per Cent. Gold Bonds dropped to 57, and the Fives of 1912 to 61½x.d. Brazilian Fours were firm. Chilean

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Four and a-Halfs of 1886 declined 7/8. Japanese issues were weak. Portuguese Threes were a strong feature with a rise to 32½. Peruvian Corporation Preferred were quoted at 28, and the Ordinary at 6¾.

Little business was doing in Home Rails, but the general tone was steady. Great Westerns hardened to 84. Great Central Preferreds were firm at 14½, and the Deferreds at 7½. South-Eastern Deferred improved to 33. Great Northern Deferred rose to 32½. London and South Western Deferred hardened to 23½ on Tuesday, and the rise was maintained to-day. Lancashires and Yorkshires displayed weakness at 60½. Midlands were irregular. Metropoliton Districts were quoted at 19. Underground Electrics Ordinary lost ½ to 2½, but the Income Bonds gained a point to 75.

The feature in the Foreign Rail market was the weakness of Argentine descriptions. Buenos Ayres Great Southern Ordinary declined to 80xd, and Buenos Ayres Western Ordinary to 81xd. Buenos Ayres and Pacifics were weak at 68. Leopoldinas declined to 44. The traffic receipts on this railway show considerable decreases during the strike period. Canadian Pacifics on account of the strength of the American exchange lost four points on Tuesday, but subsequently recovered 2 points to 153. Grand Trunk Ordinary was quoted at 6¼, but the Third Preference was weak.

The Industrial market also proved disappointing. Business was on an extremely restricted scale, and the general tendency was dull and price movements were inclined downwards, though bright features were not lacking. Losses, however, were generally a result of lack of support, and liquidation was not a marked feature. British Oil and Cake mills were in good request, and the price rose to 53*s*. 9*d*. Yesterday the Directors issued a circular announcing that negotiations have been opened for a fusion with the African and Eastern Trade Corporation, Limited, which would be mutually advantageous to both parties. Engineering, Iron, and Steel shares generally declined. Textiles were depressed, but Amalgamated Cotton Mills hardened to 2 5/16. Nitrates were bright, the favourites meeting with a moderate amount of support. Dunlop Rubbers rallied slightly. British Glass Industries were supported, to-day's closing price being 4. Crosse and Blackwell Ordinary (£1) shares were dealt in at 22*s*. to 22*s*. 6*d*.

At the commencement of the week the Oil market speedily shed the optimism which had prevailed immediately before the holidays. Burmahs after an initial spurt to 20 relapsed to 18⅛, operators being disappointed owing to the non-fruition of certain rumours that had been freely circulated. Contrary to expectation there was no accumulation of buying orders over the holiday period, and markets sagged rather from want of support than from a plenitude of selling orders. To illustrate the general apathy we might point out that Commonwealths made absolutely no response to a report showing further expansion in profits and production. Figures from the United States reveal a production of 33,980,000 barrels for January and an importation of 6,294,000 barrels from Mexico. The American consumption was 34,683,000 barrels, and it is significant that the imports from Mexico show an increase of 2½ million barrels, as compared with January 1919. Outputs in the latter country are evidently being speeded up, and at the same time crude oil prices show a tendency to improve on the successive increases registered during the year. The quotations at the beginning and end of the week for some of the leaders were respectively:—Burmah 19½-18⅛; Kern River 36.6-32*s*. 10½*d*.; Mexican Eagle Com. 11 1/16-10½; Royal Dutch 83-81⅞; Scottish American 37- 6[illegible]-35*s*. 6*d*; Shell Transport 10⅞-10¼.

Mining Topics.

The cheerful tone that was in evidence when the markets closed down for the Easter vacation was not, however, long maintained when business was resumed on Tuesday. With the Paris exchange exceeding 59 francs, Continental liquidation again became the order of the day; whilst the improvement in the New York rate, with its reflex action in lowering the price of gold to 103*s*., acted as a further damper on the market. The further rise in the French rate to 61 francs on Wednesday added to the rather delicate political situation in Germany, kept the "Kaffir" market depressed, and business was virtually at a standstill. A slight improvement in the Paris rate on Thursday found gold shares still weak but with a tendency to harden. The one bright feature was provided in the diamond group, where a strong Parisian demand pushed up De Beers Preferred ⅛ to 26¾, whilst a rise of ¾ left the Preference at 12¾. Jagers also found support, and finished ⅝ to the good at 6⅜.

The returns of the March outputs, so far as they have come to hand, are of a rather varied character. Comparison with February returns is in many cases vitiated by the fact that, in addition to the shortness of that month, the costs were unduly inflated by the inclusion of the retrospective adjustment of white wages. Moreover, the gold is calculated at the price of £5 5*s*., as compared with £5 7*s*. 6*d*. and £5 10*s*. for February. This fact in itself supplies food for thought, and gives point to the warning of Sir Evelyn Wallers as to the influence of the extent of the gold premium on the number of mines that can be worked remuneratively. Any marked improvement in the New York exchange during the current month may bring gold down to 100*s*., though we are not of opinion that such a level is likely to be reached so soon. Yet with gold at 103*s*. an ounce it is evident that, where internal economies connected with larger crushings are not possible, the outlook for April is none too bright for the low-grade mines. Reverting to the March returns, the estimated profit of the "Johnnies" group is £241,002, as against £174,380 for February. Government Areas constitute the outstanding feature of the group with its profit rising from £96,046 to £122,082. The returns of the General Mining and Finance Corporation indicate a profit of £30,197 for March, whereas February, with all its drawbacks, brought in £34,825. The explanation is terse and to the point: "Apart from the crippling influence of new rates of European pay, the results from all mines are seriously affected by the fall in gold premium and the abnormally high rate of exchange." As regards the latter point, the situation is likely to become more acute during the current month, for the National Bank of South Africa announces that after April 6 the rate for buying telegraphic transfers will be 6½% and the sight rate 7%.

Arizona copper provided another strong feature, finishing strong on Thursday at 2⅜. It appears that the delay in closing the deal with the American group is due to factors connected with the Arizona and New Mexico Railway and an improved process of treating the ore which, according to the Directors, will, on investigation, justify a much higher price for the shares than the £4 offered.

SOUTH AFRICAN GOLD TRUST.

Satisfactory as were the results of the South African Gold Trust for 1918, they are surpassed by those of 1919 which, according to the report, reveal a profit of £118,518, or over £12,000 more than the profit of 1918. The profit for the year under consideration, whilst in the main due to dividends, contains a far larger element derived from the sales of investments. It is admitted, indeed, that there was a

marked reduction in the receipts from dividends owing to the absence of dividends from several gold-mining companies. Furthermore, it appears that the Trona Corporation, which contributed so largely to the profit of the previous year, experienced difficulties in connection with its chemical processes, and consequently there was a decline in the dividends. On the other hand, there was realised a profit of £32,030 from the sales of investments after allowing for losses incurred in sundry realisations. Ordinary shareholders receive the larger dividend of 12½%, as compared with 10% in 1918. A comparison of the actual receipts, expenses, and dividends is furnished in the following table:—

	—Years to December 31—		
	1919	1918	1917
	£	£	£
Profits realised*	118,382	106,325	86,302
Transfer fees	136	140	128
	118,518	106,465	86,430
Office, &c. expenses	10,979	10,725	9,988
Net profit	107,539	95,740	76,442
Balance brought forward	62,727	68,012	72,222
	170,266	163,752	148,664
Appropriations—			
Preference dividend	30,000	30,000	30,000
To reserve	—	—	—
French duty and donations	970	1,025	652
Dividend on Ordinary† ...	62,500	50,000	50,000
	(12½%)	(10%)	(10%)
Carried forward	76,796	62,727	68,012

* Profits realised by sales of investments, dividends, interest on loans, &c., less commission and amounts "written off."
† Dividend free of tax.

Realising that the existing conditions of modern finance and industry afforded many more lucrative outlets for their capital than were contemplated in their memorandum of association, the directors decided—and their decision was approved of by the shareholders—to establish a new company, to be known as the New Gold Trust, to enable them to participate in industrial and analogous undertakings. The profits earned by the new company will be paid over to the old company, which still continues unchanged, to be distributed amongst the existing shareholders. With the exception of £90,000, representing three years' dividends on the Preference shares, all assets are being transferred to the new company. This reservation is retained as a security for their dividends, although the Preference shareholders have no legal claim to such protection. The balance of the reserve and undivided profits which, after the deduction of this £90,000, amounts to £120,000, approximately is to be utilised to write down investments standing in the books above the market price. Dealing with the specific nature of some of the existing investments, it appears that the Company are not only interested in the production of potash in America, but also in the British Cyanides Company in which they hold 15,271 Ordinary shares. Good results are anticipated from a recent acquisition of 4,625 shares in the Abyssinian Corporation, from 50,000 shares in the Britannic Syndicate, and from investments in the Rouxville Diamonds, Limited, and the South African industrial concern of Allen, Wack and Shepherd, Limited. The actual position, as disclosed in the latest balance sheet, in contrast with that of the previous four years, is as follows:

Year to December 31.

DR.	1919	1918	1917	1916	1915
	£	£	£	£	£
Capital					
Ordinary	500,000	500,000	500,000	500,000	500,000
6% Preference ...	500,000	500,000	500,000	500,000	500,000
Reserve	130,000	110,000	110,000	110,000	85,000
Account dividends & interest	11,611	11,526	14,801	11,250	12,562
Sundry creditors ..	10,257	14,824	12,103	10,532	1,747
Balance profit* ...	114,396	132,727	118,012	109,722	61,607
	1,269,197	1,273,077	1,254,916	1,241,504	1,160,916
	1919	1918	1917	1916	1915
CR.	£	£	£	£	£
Investments at cost or under	1,035,179	1,053,856	1,050,067	1,036,315	1,046,085
Mortgages on freeholds	39,006	21,308	12,461	61,777	52,414
Sundry debtors and accounts	39,012	21,194	24,612	41,793	29,479
Loans	—	1,299	3,370	3,770	6,004
Cash and Treasury bills	161,306	175,423	114,367	97,846	26,934
	1,269,197	1,273,077	1,254,916	1,241,504	1,160,916

* Before payment of Ordinary dividend.

In view of the varied nature of the interests of the Company, it is somewhat difficult to estimate future possibilities. With the exception of the low-grade South African mines, the Chairman declared that their existing investments afforded no cause for anxiety. The decision to seek a wider field of investment is indicative of the active policy of the directors, and there is no reason for doubting that their judgments in selecting these new outlets will be any less effective than in the past. At the same time, the general unsettled condition of the period introduces an element of uncertainty at least as regards the more immediate future. The existing financial position of the Company is very sound. As can be seen above, to meet liabilities to the extent of £24,901 there is on hand a cash balance alone of £64,481. Moreover, the Chairman asserted that the investments standing at £1,035,179 have, on the whole, considerably appreciated during the war. In the market the Ordinary shares of £1 command 27*s.* 6*d.*, at which they afford, on the latest dividend, a yield of a little over 9%, whilst at 15*s.* the 6% Cumulative Preference shares give a return of 8%.

MEXICO MINES OF EL ORO.

Yet another very successful year's working stands to the credit of these celebrated Mexican mines. The total ore mined for the year ended June 30, 1919, amounted to 131,455 tons, as compared with 117,152 tons in the previous year. Judging by the report sent in by the General Manager, working operations at several levels during the year not only came up to but exceeded expectations. Undoubtedly the high price which silver commanded during the financial year under review was a factor in the improvement, for it allowed the working of certain veins which hitherto were too poor to exploit. As regards the general output, it emerges that the 3rd level, for which no tonnage was estimated, produced 960 tons of ore averaging $16 and 14 oz., whilst from the small East vein came 230 tons of high-grade ore of $56 and 31 oz. per ton. In like manner the 4th level yielded results in excess of estimates both in quality and quantity, and still larger quantities were obtained from the high-producing 5th and 8th levels. Equally satisfactory was the working of the mill, which was in operation for nearly 85% of the time and which crushed 130,665 tons during the year. In the following table the financial results of the year are compared with those of the preceding five years:—

Year to June 30.

	1919	1918	1917	1916	1915	1914
	£	£	£	£	£	£
Total revenue ...	509,501	516,748	448,130	8,502*	90,560	320,262
Total expenses ...	274,053	246,114	166,494	28,991	60,072	137,126
Profit	235,448	270,634	281,636	20,489†	30,288	183,136
Brought forward ...	179,465	214,359	59,461	91,127	75,529	59,919
	414,913	484,993	341,097	70,638	105,817	243,055
Allocations—						
Gold export tax ..	—	—	—	—	5,476	13,715
Depreciation ..	25,577	1,598	2,699	5,238	2,241	2,109
Income tax	15,618	1,179	7,763	6,527	7,000	7,702
Dividends‡	189,000 (90%)	191,500 (95%)	115,500 (55%)	Nil	Nil	111,000 (80%)
Sundries	—	100,000	—	—	—	—
Carried forward	186,688	179,166	214,359	59,073	91,127	75,529
	414,913	484,993	341,097	70,638	105,817	231,610
Tons milled	130,665	121,795	81,640	Nil	50,805	—
	Per Ton	Per Ton	Per Ton	Per Ton	Per Ton	Per Ton
Bullion value	78 -	81 9	101 11		34 11	
Working cost	41 11	40 1	39 7		39 1	
Profit	36 1	41 8	62 4		14 6	

* All supply revenue except £811. † Loss. ‡ Free of income tax.

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Ore Reserves.

	June 30, 1919		June 30, 1918		June 30, 1917		June 30, 1916	
	Tons	Gold Value $	Tons	Gold Value $	Tons	Gold Value $	Tons	Gold Value $
	370,[illegible]	11.60	416,200	11.72	457,100	11.89	505,[illegible]	10.1

One of the outstanding features of the accounts for the year under review has been undeniably the marked rise in the costs of working to the figure of 41*s.* 11*d.* per ton. In estimating the prospects for the current year, it is necessary to keep this item in mind, although the hope is expressed in the report of a reduction. Considering the general upward trend of prices, it does not seem very likely that this hope will be realised. It is equally probable that a still further rise will be registered. Yet such is the combination of circumstances working in favour of the shareholders that the rise would have to assume large dimensions before it affected their interests very seriously. It is admitted that development work during the year was not very fruitful—that out of a total development footage of 4,603, no less than 3,125 feet were sterile. On the other hand, the ore reserves only declined by 37,000 tons to 416,200 tons, averaging $11.60 as against $11.72, this comparatively small decline in the reserves being explained by the fact "that several blocks of ore proved in stoping to extend to greater lengths and heights than could be anticipated from the showings on the levels above them." But granting even that development work during the current year should reveal no improvement, there still remains the properties recently acquired through the agency of the Exploration Company, in the formation of which the El Oro shareholders played so prominent a part. Two properties have so far been purchased and options acquired on seven others, and in three cases development work yielded satisfactory results. More important advantages still accrue to the Company through the existence of the big premium on gold since the close of the accounts, whilst the demand for silver, especially since the autumn of 1919, has forced up the price of this metal to levels hitherto undreamt of. The balance sheet indicates very clearly the strong financial position of the Company. Liabilities outstanding on June 30, 1919, amounted to £110,314, whilst cash balances alone were returned at £227,326. In addition further liquid assets were available as follows:—Investments £81,409, sundry debtors £43,885, and bullion in transit £38,211. For the year under review a dividend of 90% free of tax, equivalent of 128½% subject to tax, was paid on a share capital of 210,000 shares of £1 each. In the market these shares stand at £7⅜. Dividends for the current year have already been paid to the amount of 70% free of tax; but in estimating the extent of the dividend and the price which ought to be paid for the shares it is wise to remember that the scene of operations is laid in Mexico, and the unsettled condition of Mexico is tending to become a byword.

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TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, April 7, 1920.

Issue Department.

Notes Issued	£130,107,465	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	111,657,465
	£130,107,465		£130,107,465

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£59,049,103
Rest	3,127,396	Other Securities	93,560,299
Public Deposits	24,978,473	Notes	23,296,855
Other Deposits	133,708,245	Gold and Silver Coin	487,418
Seven-day and other Bills	16,561		
	£176,383,675		£176,383,675

Comparison with Previous Four Weeks [00,000's omitted.]

Date 1920.	Circulation £	Coin and Bullion £	Deposits—Public £	Deposits—Other £	Securities—Govt. £	Securities—Other £	Reserve £	Ratio Reserve to Liabilities %	Bank Rate * %	Three Months' Bills %
Apr. 7	106.8	112,1	24.9	133.7	59,0	93.5	23,8	15'0	6	5⅝
Mar. 31	105,2	112,1	36.2	100,9	20,4	109,5	25,3	18·5	6	5⅝
Mar. 24	101.1	115,8	19,7	131.7	45,4	91.1	33.1	21·8	6	5½
Mar. 17	101.2	118,2	18.4	133,0	42,1	91,9	35·5	23·5	6	5½
Mar. 10	102,8	115,9	18,5	127,3	40,3	92,1	31,5	21·6	6	5½
J'y22,'14	29.3	40.2	13,7	42,2	11,0	33,6	29.3	52·40	3	2⅛

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 6%; Aug. 8, 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; April 5, 5%; Nov. 8, 1919, 6%.

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (in £'s sterling 00,000's omitted):	Apr. 9, 1920	Apr. 9, 1919	Apr. 10, 1918	Apr. 11, 1917	Apr. 9 1910
Circulation	£106.8	£74.9	£47.3	£38.6	£28.9
Public Deposits	24.9	30.3	40.1	49.4	10.7
Other Deposits	133.7	116.3	132.2	128.3	46.9
Government Securities	59.0	58.0	56.9	37.6	18.5
Other Securities	93.5	77.6	102.1	123.6	34.0
Reserve	23.8	28.6	31.0	34.7	22.8
Ratio to Liabilities	15·0%	19·49%	18·00%	19 49%	39·55%
Coin and Bullion	112.1	85.1	60.4	54.9	33.2
Money:					
Bank of England Rate	6%	5%	5%	5%	4%
Bank of France Rate	5%	5%	5%	5%	3%
Rate 3 months' Bills London	5⅛%	3⅛	3⅛%	4⅛%	3⅛%
Exchanges:					
Paris Cheque	62·25	27·88	27·16⅛	27·20	25·25½
New York 60 days	3·96	4·61	4·72½	4·73	4·87½
Bombay Telegraphic Transfers	2/3⅛	1/5⅝	1/4⅛	1/4⅜	1/4⅛
Prices:					
Consols 2½% Cash	46⅜	56	54½	55	81⅜
French Rentes 3% Money	56·90	62	59·35	61·85	98·92
Silver, London spot oz.	69½d.	48⅛d.	46½d.	36⅝d.	24⅞d.
Wheat, *Gazette* average qr.	72/7	72/6	72/11	84/4	33/0
Cotton, Mid Upland lb.	30·24d.	18·75d.	24·77d.	12·93d.	7·94d
Iron, Scotch pig ton	206/0	101/0	101/0	88/6	57/6

CURRENCY NOTE ISSUE.

Week to	Notes Issued £	Notes Cancelled £	Notes Outstanding £	Gold Coin & Bullion £	Bank of England Notes £	% of Bank Notes & Gold to Notes %
Apr. 7, '20	8,381,118	3,053,621	340,699,839	28,500,000	6,500,000	10·3
Mar. 31, '20	13,720,034	4,919,902	335,372,342	28,500,000	5,900,000	10·2
Apr. 9, '19	8,077,577	4,875,675	335,324,613	28,500,000	—	8·5
Apr. 10, '18	6,065,191	4,543,743	232,372,640	28,500,000	—	12·3
Apr. 11, '17	4,108,004	2,944,841	151,712,514	28,500,000	—	18·8
Apr. 12, '16	4,622,680	3,040,458	111,019,438	28,500,000	—	25·6

Balance Sheet, April 7, 1920.

	£		£
Notes outstanding—		Advances—	
One Pound	267,267,959	Other Bankers ...	—
Ten Shilling	43,761,880	Trustee Savings Banks	190,000
Certificates outstanding ...	29,670,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500,000
Total	340,699,839	Bank of England Notes...	6,500,000
Investments Reserve A/c ...	16,419,016	Government Securities ...	321,179,968
		Balance at Bank of England	748,887
Total	357,118,855	Total	357,118,855

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

1920. Week to	Revenue	Expenditure	Excess of Expenditure	Loans, Advances, &c.—Cr.	Loans, Advances, &c.—Dr.	Net +	Cash Balance
Mar. 31	£108,174	£166,810	£58,636	£287,287	£222,991	+£64,296	£9,369
Mar. 20	66,479	60,764	*5,715*‡	58,123	63,848	—5,725	3,709
Mar. 13	57,165	41,515	*15,650*‡	50,728	66,258	—15,530	3,719
366ds. '19-20	1,339,571	1,665,773	326,202	6,092,709	5,766,507	326,202	— 3,430
365days '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	1,682,049	— 8,231
*Yr. '19-20**	*1,168,650*	*1,642,295*	*473,645*	—	—	*473,645*	—
Yr. '19-20	1,339,571	1,665,773	326,202	6,092,709	5,766,507	326,202	9,369
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	1,682,049	12,799
Yr. '17-18	707,234	2,696,221	1,988,987	7,499,604	3,816,023	1,983,581	21,030

Principal Items of Revenue and Expenditure.

1920. Week to	Revenue: Customs & Excise	Revenue: Income Tax, &c.	Revenue: Excess Profits Duties, &c.	Revenue: Other Revenue	Expenditure: Int., &c., on Debt	Expenditure: Misc. Expend.	Expenditure: Supply. Services
Mar. 31	£7,660	£17,954	£12,943	£61,517	£3,802	£2,034	£155,924
Mar. 20	10,462	12,887	4,010	33,120	6,853	774	53,137
Mar. 13	3,661	16,696	5,168	31,640	1,937	1,028	38,550
366days'19-20	283,023	359,099	290,045	407,404	332,034	16,171	1,317,568
365days'18-19	162,220	291,186	285,028	150,587	269,964	11,380	2,297,956
*Yr. '19-20**	*276,000*	*354,000*	*280,000*	*258,650*	*345,000*	*16,595*	*1,280,700*
Yr. '19-20	283,023	359,099	290,045	407,404	332,034	16,171	1,317,568
Yr. '18-19	162,220	291,186	285,028	150,587	269,964	11,380	2,297,956
Yr. '17-18	110,033	239,509	220,214	137,478	189,851	11,401	2,494,968

FLOATING DEBT. [000's omitted.]	Treasury Bills	Ways & Means Advances	Total	Natnl. War Bond Roots.
Mar. 31, 1920 ...	£1,107,318	£204,887	£1,312,205	£1,745,720
Mar. 20, 1920 ...	1,048,772	178,430	1,227,202	1,732,780
Mar. 13, 1920 ...	1,059,228	168,930	1,228,158	1,732,780
Mar. 6, 1920 ...	1,056,662	185,430	1,242,092	1,732,780
June 30, 1919 ...	796,150	774,237	1,570,387†	1,732,021

* Revised Budget and supplementary estimates. † Highest. ‡ Excess of revenue

FOREIGN BANKS.

[In £'s Sterling‡—000's omitted.]

	Gold	Cash Silver	Cash Total	Advances To Public	Advances To Dual Govts.	Note Circulat'n	Bills Discounted, &c.
AUSTRIA-HUNGARY							
July 23, '14...	£51.578	£12.141	£63.719	£7.772	—	£88.740	£31.993
Oct. 21, '19...	10.832	2.374	13.206	371.686	£1.373.083	2.013.363	240.845
Oct. 28, '19...	10.832	2.378	13.210	372.119	1.373.083	2.058.464	222.532
Dec. 7, '17...	11.000	2.300	13.300	603.990	—	739.300	117.600
BELGIUM.	Gold.	Silver	Total ‡	Discounts	Circulation	Deposits	
Aug. 8, '14 ...	£10.977	£633	£11.610	£41.925	£51.900	£6.963	
Mar. 25, '20 ...	10.857	1.101	11.768	92.607	197.884	86.930	
Apr. 1, '20 ...	10.657	1.103	11.760	24.004	202.226	83.695	
DENMARK.	Gold	Cash Silver	Cash Total	Discounts	Balance Abroad	Circulation	Deposits
July 31, '14 ...	£4.100	£341	£4.441	£6.197	£786	£8.693	£47
Jan. 31, '20 ...	12.602	188	12.790	15.084	912	26.375	1.902
Feb. 28, '20 ...	12.597	186	12.783	16.948	599	26.396	3.293
Feb. 28, '19 ...	10.400	136	10.536	3.959	5.342	23.402	920
Feb. 28, '18 ...	9.641	136	9.777	2.827	2.712	18.478	1.635
FRANCE.	Gold In Bank	Gold Abroad	Total Cash incl'g Silver	Bills	Circulation	Deposits Public	Deposits Private
July 30, '14 ...	—£165.654—		£190.687	£97.768	£967.327	£15.302	£37.903
Apr. 1, '20 ...	144.264	79.131	233.211	90.331	1.493.374	21.200	133.466
Apr. 8, '20 ...	144.279	79.131	233.138	86.840	1.500.232	18.483	128.168
Apr. 10, '19 ...	142.688	79.132	234.257	36.930	1.359.927	1.647	115.183
Apr. 11, '18 ...	133.568	81.484	225.257	63.330	1.043.471	72.287	131.878
GERMANY.	Gold	Cash Silver	Cash Total	Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
July 23, '14...	£67.843	£16.727	£84.570	£5.279	£40.055	£94.545	£47.198
Mar. 8, '20...	54.569	1.335	55.904	851.652	2.013.553	2.082.418	667.635
Mar. 15, '20...	54.568	1.595	56.163	666.760	2.017.340	2.125.232	721.637
Mar. 15, '19 ..	111.991	1.037	113.028	286.374	1.496.930	1.217.560	653.075
Mar. 15, '18...	120.360	5.897	126.257	66.109	667.781	567.764	337.255
HOLLAND.	Gold	Cash Silver	Cash Total	Discounts	Advances	Circulation	Deposits
Aug. 1, '14 ...	£13.496	£249	£13.745	£13.429	£10.332	£35.660	£1.437
Mar. 27, '20 ...	52.847	869	53.716	21.008	17.875	84.541	8.772
Apr. 3, '20 ..	52.868	884	53.752	22.700	18.076	88.084	7.095
Apr. 5, '19 ...	55.662	728	56.390	12.138	16.227	85.109	6.643
Apr. 6, '18 ...	60.116	596	60.712	3.019	9.593	74.656	5.195
ITALY.	Gold	Cash Silver	Cash Total	Other Cash	Loans & Discounts	Circulation	Deposits
July 31, '14 ...	—	—	—£48.456—		£25.017	£69.204	£8.887
Dec. 31, '19 ...	£32.193	£3.004	35.197	21.538	110.071	507.671	83.394
Jan. 10, '20 ...	32.194	3.004	35.198	20.480	112.555	495.477	78.868
Dec. 31, '18 ...	32.710	3.086	35.796	15.238	65.984	368.934	63.866
Dec. 31, '17 ...	33.434	3.496	36.930	8.448	47.745	261.568	57.941
JAPAN.	Gold	Discounts	Advances	Notes	Deposits Public	Deposits Private	
Aug. 1, '14 ...	£21.867	£1.829	£7.863	£32.722	£13.818	£1.521	
Feb. 14, '20 ...	94.129	18.814	37.899	129.485	113.670	3.788	
Feb. 21, '20 ...	93.977	[23.220	36.993	132.714	110.697	5.076	
Feb. 22, '19 ...	71.217	577	40.072	81.739	102.716	5.619	
Feb. 23, '18 ...	65.504	3.191	22.808	64.695	61.399	2.974	

NEW YORK BANKS & TRUSTS.	Cash Own Vaults	Aggregate Reserve	Loans, Disc'ts, Invest., &c.	Net Demand	Net Time	Net Total	Excess Reserve
Aug. 1, '14 ...	—	£89.888	£411.238	—	—	£387.165	£1.720
Mar. 27, '20 ...	£19.142†	113.240	1.020.160	£824.922	£51.540	882.104	3.626
Apr 3, '20 ...	18.624†	117.178	1.030.156	835.548	61.828	893.676	6.162
Apr. 5, '19 ...	18.846†	116.882	961.730	802.008	30.668	872.638	10.626
Apr. 6, '18 ...	20.600†	112.760	861.102	751.764	37.093	841.319	12.746
NORWAY.	Gold	Balance Abroad	Norw. & For. Govt. Secs.	Disc'nts & Loans	Circulation	Deposits	
July 31, '14 ...	£2.960	£1.678	£493	£4.868	£6.752	£793	
Mar. 15, '20 ...	8.123	4.642	579	18.901	22.735	5.502	
Mar. 22, '20 ...	8.122	4.501	579	18 607	22.820	5.059	
Mar. 22, '19 ...	6.706	3.382	691	21.529	22.836	5.725	
Mar. 22, '18 ...	6.741	3.619	713	18.792	18.830	7.880	
PORTUGAL.	Gold	Silver	Total	Discounts & Advances	Note Circulation	Deposits	
Nov. 26, '19 ...	£1.906	£3.921	£5.827	£11.063	£76.570	£4.635	
Dec. 3, '19 ...	1.906	3.920	5.826	10.881	74.948	7.186	
Dec. 10, '19 ...	1.906	3.921	5.827	12.888	78.528	6.349	
Dec. 17, '19 ...	1.906	3.921	5.827	12.954	80.275	4.860	
ROUMANIA.	Cash	Discounts	Advances	Total	Circulation		
Feb. 14, '20 ...	£60.009	£8.546	£2.440	£10.986	£179.211		
Feb. 21, '20 ...	60.009	8.068	2.532	10.600	178.230		
Feb. 28, '20 ...	68.009	7.825	2.483	10.308	180.003		
Mar. 1, '18 ...	33.701	6.439	1.659	8.098	99.332		
RUSSIA.	Gold In Bank	Gold Abroad	Total Cash incl'g Silver	Loans & Disc'ts	Circulation	Notes in Reserve	Total Deposits
July 21, '14...	£160.114	£14.395	£181.892	£76.081	£163.411	£6.589	£109.911
Oct. 28, '17...	128.523	230.865	378.205	1.869.559	1.836.217	15.783	345.550
SPAIN.	Gold	Cash Silver	Cash Total	Loans, &c.	Spanish 4%	Circulation	Deposits &c.
Aug. 1, '14 ...	£21.804	£29.187	£50.991	£40.572	£13.778	£77.557	£18.955
Mar. 27, '20 ...	98.112	25.303	123.415	86.184	13.779	153.703	44.604
Apr. 3, '20 ...	98.100	25.157	123.266	86.271	13.779	154.882	44.573
Apr. 5, '19 ...	90.448	25.731	116.179	75.698	13 778	140.457	43.064
Apr. 8, '18 ...	80.570	28.128	108.693	50.178	13.777	116.024	34 612
SWEDEN.	Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits	
Aug. 1, '14 ...	£5.717	£6.150	£1.555	£7.495	£13.432	£3.903	
Mar. 20, '20 ...	14.504	6.280	2.548	34.162	37.737	17.579	
Mar. 27, '20 ...	14.503	5.684	2.548	33.769	37.112	15.213	
Mar. 29, '19 ...	18.004	7.371	3.003	20.579	39.960	6.496	
Mar. 30, '18 ...	14.377	7.306	3.920	15.844	35.037	7.062	
SWITZERLAND.	Gold	Cash Silver	Cash Total	Discounts & Advances	Circulation	Deposits	
July 23, '14 ...	£7.202	£758	£7.960	£4.817	£10.718	£2.026	
Mar. 23, '20 ...	21.149	3.457	24.606	12.553	38.131	4.791	
Mar. 31, '20 ...	21.149	3.475	24.624	14.353	38.945	4.114	
Mar. 31, '19 ...	16.751	2.614	19.365	20.864	37.603	3.146	
Mar 30, '18 ...	14.867	2.193	17.060	14.489	27.825	4.378	

† Not reserve. ‡ Converted at par rate of exchange approximately.

U. STATES FED. RES. BANKS.	Gold Held by Banks	Gold With Agents	Total Cash	Bills Discount'd	Acceptances.	Deposits. Govt.	Deposits. Net.	Circu'lation
Mar. 29.'20 ..	—386.952—		411.432	488.846	90.376	5.542	354 580	609.609
Apr. 5.'20 ...	—390.052—		416.086	480.102	84 808	2.084	354.654	615.464
Apr. 5.'19 ...	189.220	240.970	443.726	373.596	48.158	17.002	340.674	509.534
Mar. 22.'18 ...	180.579	179.984	372.474	108.624	65.776	18.301	301.154	285.902

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed		%	Date Fixed
Amsterdam ...	4½	July 1,'15	Lisbon	5½	Jan. 15,'14
Berlin ...	5	Dec. 23,'14	Madrid	5	Nov.10,'13
Berne ...	5	Aug. 21,'19	Paris ...	6	Apr. 8,'20
Bombay ...	7	Feb. 5,'20	Petrograd ...	6	July 29,'14
Brussels ...	4½	Apr. 1,'20	Rome	6½	Apr. 6,'20
Calcutta ...	5	June 5,'19	Stockholm ...	6	June 12,'19
Christiania ...	6	Dec. 18,'19	Tokio ...	8·03	Nov. 18,'19
Copenhagen ...	6	Oct. 7,'19	Vienna	5	Apr. 12,'15

III.—FOREIGN EXCHANGES.

LONDON ON—		Apr. 9, '20	Mar. 31, '20	Mar. 26, '20	Mar. 19, '20
Berlin	Cable	230m.	280m.	287½m.	290 m.
Brussels	Cheques	58fr. 50c.	54fr. 50c.	53fr. 40c.	49fr. 70c.
Denmark	Cable	21kr. 25	21kr. 10	21kr. 20	21kr. 35
Holland	do.	10fl. 64c.	10fl. 45c.	10fl. 52½c.	10fl. 30c.
Italy	do.	97lr. 50	80lr. 50	77lr. 00	70lr. 50
Lisbon and Oporto	do.	15d.	15d.	15d.	15½d.
New York	do.	$4 02	$3 87	$3 90½	$3 73½
—	Cheques	$3 99	$3 83	$3 92½	$3 80½
Norway	Cable	19kr. 90	20kr. 05	20kr. 72½	20kr. 65
Paris	3 mos.	63fr. 25c.	59fr. 00c.	57fr. 05c.	52fr. 55c.
—	Cable	62fr. 25c.	58fr. 00c.	56fr. 10c.	51fr. 75c.
Spain (Bank places)	3 mos.	52½d.	52½d.	52⅞d.	55½d.
—	Cable	22p. 20	22p. 35	22p. 15	20p. 30
Sweden	do.	18kr. 12½	18kr. 07	18kr. 25½	18kr. 27½
Switzerland	3 mos.	22fr. 30c.	22fr. 45c.	22fr. 75c.	22fr. 40c.
—	Cable	21fr. 97½c.	22fr. 10c.	22fr. 40c.	22fr. 05c.
ON LONDON—		Apr. 9, '20	Mar. 31, '20	Mar. 26, '20	Par
Alexandria	Sight	97⅛pi.	97⅛pi.	97⅛pi.	97⅛pi.
Amsterdam	Cheques	10fl. 64c.	10fl. 43c.	10fl. 47c.	12.107f.
Athens	Cable	36dr. 00	36dr. 35	36dr. 37½	25dr. 22½
Bombay	Transfers	2s. 3⅞d.	2s. 4½d.	2s. 4½d.	2s.*
Brussels	Cheques	58f. 67c.	54f. 35c.	53f. 30c.	25f. 22½c.
Buenos Ayres	Transfers	59½d.	61d.	60½d.	47.58d.
Calcutta	do.	2s. 3⅞d.	2s. 4½d.	2s. 4½d.	2s.*
Christiania	Sight	19kr. 93	20kr. 00	20kr. 64½	18.159kr.
Copenhagen	do.	21kr. 23	21kr. 24	21kr. 23	18.159kr.
Helsingfors	Cable	73m	72½m.	72m.	25m. 22½
Hong Kong	Transfers	4s. 11d.	5s. 0d.	4s. 11½d.	—
Italy	Sight	97lr. 25c.	80lr. 75c.	78lr. 00c.	25f. 22½c.
Lisbon	do.	15½d.	14⅞d.	14½d.	53½d.
Madras	do.	2s. 3⅞d.	2s. 4½d.	2s. 4½d.	2s.*
Madrid	do.	22p. 27	22p. 31	22p. 14	25p. 22½
Montevideo	Transfers	—	—	62½d.	51d.
Montreal	Cable	$4 35⅛	$4 29⅛	$4 22½	$4 86⅝
New York	Sight	$3 97⅛	$3 85½	$3 86	—
—	60 days	$3 96	$3 84	$3 84½	—
—	Cable	$3 98½	$3 86⅝	$3 86½	$4 86⅝
Paris	Cheques	62f. 50c.	58f. 20c.	55f. 25c.	25f. 22½c.
Rio de Janeiro	90 days	15 29/32d.	17 7/32d.	16 13/32 l.	16d.
Shanghai	Transfers	7s. 2d.	7s. 7d.	7s. 5d.	—
Singapore	Sight	2s. 3⅞d.	2s. 3⅞d.	2s. 3⅝d.	—
Stockholm	do.	18kr. 12	17kr. 99	18kr. 27	18.159kr.
Switzerland	do.	21f. 98c.	22f. 11c.	22f. 43½c.	25f. 22½c.
Valparaiso	90 days	13 15/32d.	13 5/16 l.	13 11/32d.	18d.
Yokohama	Sight	2s. 4⅛d.	2s. 4⅛d.	2s 4⅛d.	24.58 l

* Fixed at Rs. 10 to the gold sovereign. February 2, 1920

NEW YORK ON—	Rate Current* Apr. 9 '20	Rate Current* Mar. 26, '20	Par as usually Quoted	Rate July 3.
Amsterdam, sight ...	37 25c.	36·75c.	40 20c for 1 guilder	40·25c.
Bombay, cheques ...	46·—	44·50c.	48 66c. for 1 rupee	33·00c.
Buenos Aires, cheques ...	102	102·25		
Christiania, cheques ...	19·90c.	18 35c.	26·80c. for 1 kroner	
Copenhagen, cheques ...	18·70c.	17·80c.	26 80c. for 1 kroner	26·85c.
Greece, cheques ...	11·10	10·80c.c.	19·295c. for 1 drachma	
Hongkong, cheques ...	97·50c.	96·50c.	74·59c. for Mex. $1	45·4c.
Italy, sight	21·90l.	19·40l.	5·13½ lire for $1	5·17l.
Lima, cheques	5·00l.	4·90l.	4 8365 $ for 1 libra	
Manila, cheques... ...	49·75	49·50c c.	50c. for 1 peso	49·8c.
Montreal	16·25%disc	8·25%disc.	Premium per $100	Par
Paris, sight	15·08fr.	14·27fr.	5·18½ francs for $1	5·16fr.
Petrograd, sight ...	—	—	51·46c. for 1 rouble	51·37c.
Rio de Janeiro, cheques	37·70c.	36·75c.	32·42c. for 1 milreis	
Shanghai, cheques ...	146c.	142c.	52·96c. for 1 tael	83·00c.
Singapore, cheques ...	47c.	46c.	53·77c. for $1	57·12c.
Spain, cheques	17·80c.	17·40c.	19 30c. for 1 peseta	
Stockholm, cheques ...	21·75c.	20·90c.	26 80c. for 1 kroner	
Switzerland, cheques ...	5·63fr.	5·82fr.	5·18½ francs for $1	5·18½fr.
Valparaiso, cheques ...	23c.	21·25c.	20·61c. for 1 peso	
Yokohama, cheques ...	47c.	45·75c.	49·84c. for 1 yen	49·90c.

* According to Guaranty Trust Company of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount.	Inc. or Dec.*	1920 Agg.	Inc. or Dec.*
	1920.	[In £'s sterling 000's omitted.]			%
BIRMINGHAM ...	Apr. 3	£4,644	+ £1.184	£55 268	+ £19.703 + 55 4
BRISTOL ...	„ 3	1.881	+ 402	23 092	+ 8.813 + 61 3
DUBLIN ...	„ 3	7.900	+ 449	125.485	+ 29.536 + 30 9
LEEDS ...	„ 3	2.281	+ 791	25.791	+ 10.533 + 69 0
LEICESTER ...	„ 3	1.423	+ 4.835	20.073	+ 8.037 + 67·5
LIVERPOOL ...	„ 3	15.075	+ 6.034	283.740	+ 102.615 + 63·6
MANCHESTER ...	„ 3	31.953	+ 15.264	468.825	+ 250.859 + 116·0
NEWCASTLE ...	„ 3	3.595	+ 1.893	47.512	+ 21.313 + 81·6
NOTTINGHAM ...	„ 3	1.366	+ 618	16.647	+ 7.311 + 78 3
SHEFFIELD ...	„ 3	2.345	+ 145	22.850	+ 5.701 + 33 3
LONDON—	1920.				
TOWN† ...	Apr. 7	553.539	+ 168.170	9,263 634	+ 3.939.261 + 74 9
METROPOLITAN†	„ 7	35.532	— 37	539.640	+ 137.350 + 29·7
COUNTRY† ...	„ 7	68.114	— 1.482	1,143.500	+ 313.831 + 37·7
TOTAL† ...	„ 7	657.235	+ 164.651	11.011,744	+ 4.359.492 + 65·5

* Compared with a year ago. † Week ending Good Friday and Easter Day.

V.—FREIGHTS.—According to Messrs. J. C. Gould, Angier and Co.

HOMEWARDS.	1920 Apr. 9	1920 Mar. 31	1913 Apr. 11
Alex. to U.K. ...	55/0	—	9/0
Aust. to U.K. ...	205/0	205/0	32/3
Azoff to L.H.A.R.	—	—	10/9
Bombay to p.p. ...	—	d.w.120/0	d.w.19/6
Burmah o.c.	140/0	—	26/0
Calcutta to p.p.(jute)	—	—	l.w.25/0
Danube to U.K. ...	—	60/0	10/3
Odessa to L.H.A.R.	—	—	9/0
R. Plate to U.K.	150/0	160/0	21/6

Homewards.—Cont.	1920 Apr. 9	1920 Mar. 31	1913 Apr. 11
U.S.Atl.Ports to L'pl. (cotton, 100lb.)	—	—	47/6
U.S.toU.K.(Contango.)	—	—	2/6
Gulf Ports to U.K.Cont. (cotton Grain)...	—	—	16/6
OUTWARDS			
Cardiff to Aden	—	—	—
Colombo	—	—	12/3
Port Said ...	75/0	75/0	9/6
River Plate ...	—	38/0	15/3
St. Vincent ...	—	37/6	9/3

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VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	APR. 9, 1920.	APR. 11, 1919	JUNE 30, 1914.
Iron—Scotch pig warrants ...ton	206/0	101/0	57/0
— Middlesbro' warrants .....ton	200/0	95/0	51/0
— Hematite warrants .....ton	260/0	122/6	61/0
— Staffordshire bars, London ton	£27—£28	£17	£8 10
— Common bars .....ton	£26	£14 15	£6 16
Steel Rails .....ton	£21 5—£22 5	£16 17/6	£6 2/6
Galvanised Sheets .....ton	£58	£28 £29	£16 17/1
Copper—Standard .....ton	£100 15	£76 10—£78 15	£66
Tin—English Ingots.....ton	£328 10	£223—£224	£142 15
— Straits .....ton	£333	£226	£139 10
Tinplates, I.C. Coke, S. Wales...box	77/0	33/10½	11/10½—12/0
Lead—Soft Foreign .....ton	£36 10—£38 15	£24—£24 10	£19
Spelter—Ord. Foreign .....ton	£46—£48 15	£36 £36 5	£21 7/9
Quicksilver—(75lb.) .....bottle	£25 10—£26	£15—£16	£7
Aluminium.....ton	£185	£150	£82
Antimony—Regulus Foreign ...ton	£66—£72	£36	£27 10
— English .....ton	£72—£75	£45	—
Coal—(best) Yorkshire.....ton	23/0—24/0	23/6—24/6	17/6
— Steam (best) Newcastle .....ton	46/0—51/0	40/0—45/0	14/6
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b. Chile, per quintal	15/10½	10/1	7/4
Soda—Crystals ex ship .....ton	210/0—220/0	87/6	42/6—45/0
Copra—Malay and States .....ton	£58	£39 10	£23 15-£24 7/6
Gambier—Good marks.....cwt	51/6	37/6	16/10½
Indigo—Bengal good to fine ...lb.	13/0—16/6	9/0—10/6	3/2—3/8
Linseed Oil—Raw .....ton	£105	£58	£25 5
Linseed—Calcutta, spot .....ton	£43 10	£23 15	£13 16/9
— **Cakes, U.K. made, ex mill**...ton	£24 10	£19	£7 17/6-£8
Olive Oil—Spanish .....tun	—	nom.	£49 10
Palm Oil—Lagos .....ton	£86	£51—£52	£31 10
Petroleum—American .....gallon	2/1½	1/4½	7½d.
Rape Oil—Refined English.....ton	£132	£71	£32
Soya Oil—Refined .....ton	£125	£75	£24 10
Tallow—Imported .....cwt.	106/0—112/0	65/10	29/3—33/3
Turpentine—American .....cwt.	220/0	99/0	33/7½
Rape Seed—Toria.....ton	£44	£28	£13 5
Rubber—Para, spot .....lb.	2/3½	2/5	2/9½
— Fine plantation (stnd. crepe) lb.	2/3	1/11½	2/2
— World's Production* Jan. tons	30,370	24,700	8,467
Shellac—T.N. Orange, fair ...cwt.	740/0	205/10—210/0	63/0—64/0
TEXTILES.			
Cotton—Middling Upland .....lb.	30·24d.	18·75d.	7·53d.
— Egyptian, good fair .....lb.	76·50d.	28·34d.	8·75d.
— Pernambuco fair .....lb.	33·74d.	20·10d.	7·73d.
— Midland Upl. New York.....lb.	42·50c	28·50c.	13·25c.
— Stock, Liverpool (Mar. 26) bales	1,081,750	495,130	934,600
Flax—Petrograd, Yarapol .....ton	—	nom.	£28
Hemp—New Zealand .....ton	£64	£54	£25 10
— Manila, Fair .....ton	£67	£56	£26 10
Jute—First Marks.....ton	£65nom.	—	£26 15
— Red SCO .....ton	£48	—	£24 15
Silk—Blue Elephant .....lb.	50/0	20/0	11/3—11/6
Wool—Pt. Philip unwashed av. lb.	5/0	3 1½	11½d.—1/0
— Lincoln Half Hogs .....lb.	2/3½	1/7½nom.	1/0½
Hides—Eng. Ox, best, 65lb. up lb.	18½d.—19d.	9½d.—10½d.	7½d.
Leather—Dressing Hides .....lb.	4/0—4/6	2/7—3/3	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus	78,435,000	152,832,000	34,640,000
— Red, price, N.Y. 60lb....bushel	nom.	237½c.	67½c.
English Gazette, aver. 480lb. qr.	72/7	72/6	34/3
Flour—G.R. 280lb	63/6	44/3	28/6
Barley—Eng Gaz., aver. 400 lb. qr.	90/4	62/8	25/4
Oats—Eng. Gaz., aver. 312 lb. qr.	55/7	47/2	20/0
Maize—N.Y. (new bushel)...56lb	181½c.	177c.	76½c.
— Amer. mixed, Liverpool...480lb.	nom.	63/9	32/4
— La Plata .....480 lb. qr.	75/0	62/6	25/9
Potatoes—Good English .....ton	†295/0	192/0	70/0—75/0
Rice—Bassein .....cwt.	48/6	25/0	7/0—7/3
Tapioca—Pearl, medium .....cwt.	38/0	34 0	14/0—17/8
Hay—best .....2,018lb. ...load	—	176/0	82/6
Hops—English.....cwt.	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs ...qlb.	6/8	7/10—8/4	3/8—3/10
— Scotch sides .....qlb.	10/0	8/4	4/6—5/0
— English .....qlb.	10/0	8/4	4/2—4/5
Mutton—Scotch wethers .....qlb.	10/6	8/10	5/8—6/0
— English wethers .....qlb	10/6	8/10	4/6—5/4
— New Zealand frozen .....qlb.	10/6	8/10	2/4—3/2
Pork—English and Irish .....qlb.	16/0—20/0	10/8	3/6—4/0
Bacon—Irish, delivered .....cwt.	†270/0	188/0	60/0—74/0
— Danish .....cwt.	†192/0	—	58/0—68/0
— Canadian, ex Port .....cwt.	†187/0	174/0 -184/0	—
— American, ex Port .....cwt	†187/0	168/0—180/0	72/0—74/0
Hams—Amer. long cut, ex Port cwt	†190/0	164/0 -185/0	75/0—79/0
— — short cut, ex Port .....cwt.	†190/0	162/0--185/0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt	†198/6	154/0	51/9—52/9
Butter—Danish .....cwt	303/4	Controlled 252/0	117/0—120/0
— French.....cwt.	303/4		96/0—108/0
— Australian .....cwt	303/4		98/0—110/0
— New Zealand .....cwt	303/4		108/0—114/0
Cheese—Canadian .....cwt	†145/0	Controlled 144/8	66/0—68/0
— United States.....cwt	†145/0		—
— Dutch .....cwt	†145/0		53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Feb. 29 ...cwt	2,435,843	1,110,547	19,777,254
— Home consump'n. to Feb 29 cwt	2,076,569	2,189,234	17,272,000
— In Bond Feb. 29 .....cwt	6,310,000	6,201,000	6,306,000
— Price, Java, 96° Pol. .....cwt	72/0	36/0	10/3
— — Yellow crystals .....cwt	80/0	57/9	12/6—14/0
— — Tate's Cubes, No. 1 .....cwt	84/0	64/9	18/0
Coffee—Imports to Feb. 29 .. cwt	122,624	64,902	720,360
— Home consumpt'n to Feb.29cwt.	49,644	51,881	141,410
— Exports to Feb. 29 .....cwt	86,065	16,525	340,250
— In Bond Feb. 29 .....cwt	685,000	610,000	484,000
— Price, Costa Rica gd. to finecwt	178/0—195/0	145/0—155/0	80/0—93/0
— — Brazil (Santos) Good ...cwt	135/0—138/0	65/9	41/6
Tea—Imports to Feb. 29 .....lb	74,131,857	62,537,899	123,230,277
— Home consump'n. to Feb. 29 lb	62,515,259	43,551,718	155,447,972
— Exports to Feb. 29 .....lb	7,083,201	1,405,196	26,561,765
— In Bond Feb. 29 .....lb	223,192,000	147,042,000	78,292,000
— Price, Indian, Pek. Soug. gd.lb	1/3	1/4	8½d.
— — Ceylon, Pek. Soug. Ord. lb	1/2½	1/4	8½d.
— — Common Congou .....lb	1/1nom.	1/4	5½d.
Cocoa—In Bond Feb. 29 .....cwt	965,000	762,000	309,000
— Grenada, good to fine .....cwt.	135/0—137/0	85/0	52/6—56/0

* Estimated. † Controlled. ‡ Decontrolled: Price Ex. Factory.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific	Jan.	$13,915,000	+ 887,000	$586,000	— $987,000
	12 *mos. to* Dec.	176,929,000	+19391000	32,933,000	— 1,569,000
Grand Trunk	Feb.	£957,700	+ £117,700	Dr.£102,500	— £33,800
	12 *mos. to* Feb.	1,996,200	+ 251,600	Dr.269,600	— 58,800

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open.	Gross Receipts.	+ or — on Year Ago.	No. Wks	Aggregate Receipts.	+ or — on Year Ago
Assam Bengal	Feb. 28	993	R2,49,690 +	16,967	22	49,13 334	+ 9,55,677
Barsi Light ..	Mar. 6	118	29,900 +	8,500	50	14,45,400	+ 5,61,800
Bengal & N.W.	Mar. 6	2,065	4,79,910 —	54,588	23	1,06,57,285	— 4,32,720
Beng. Dooars	Mar. 6	158	26,238 +	2,321	23	9,78,702	+ 1,26,203
Beng. Nagpur	Feb. 28	2,695	12,97,000 +	80,000	48	5,88,46,265	+ 45,38,006
Bomb. Baroda	Mar. 27	2,871	26,23,000 +	4,97,000	26	4,97,17,000	+ 36,14,000
Burma	Feb. 21	1,342	6,31,130 +	1,778	47	2,59,15,189	+ 27,12,090
Del Um. Kalk	Mar. 20	239	1,31,000 —	8,295	25	24,14,304	+ 2,38,241
East Indian ..	Apr. 3	2,771	27,69,000 +	4,66,000	1	—	—
Gt. Indian Pen	Mar. 31	3,121½	49,91,000 +	11,54,903	26	7,08,83,389	+ 59,97,633
Madras & S.M	Feb. 28	3,152	11,80,000 —	81,142	22	2,39,35,695	+ 10,93,610
Nizam's Guar.	Feb. 28	900	3,08,309 +	22,185	22	61,96,115	+ 7,59,860
Rob. & Kumn.	Mar. 6	576	111,790 +	11,958	23	22,66,662	— 1,82,169
South Indian	Feb. 28	1,852½	7,35,187 +	38,950	48	3,63,26,127	+ 45,05,728
South Punjab	Nov.	716	7,68,548 +	24,397	2m	13,98,245	— 63,525
COLONIAL							
Can. Northern	Mar. 31	9,704	$1,690,200 +	597,300	13	12,650,700	+ 1,706,550
Can. Pacific ...	Mar. 31	13,388	5,832,000 +	1,587,000	13	42,961,000	+ 6,494,000
Grand Trunk	Mar. 31	3,616	£411,188 +	21,834	13	3,179,833	+ 302,328
Mashonaland	Nov.	810	66,359 +	31,996	2m	146,251	+ 61,779
Mid. W. Aust.	Jan.	277	12,717 +	3,082	7m	72,803	+ 9,972
New Cape Cent.	Mar. 13	205	3,622 +	1,063	11	35,669	+ 5,038
Rhodesia Rlys.	Oct.	1,397	106,819 +	29,789	1m	—	—
Temiscouata...	Oct.	—	$30,582 +	2,154	10m	304,661	+ 22,504
W. Pass. & Yuk	Aug.	122	—	—	8m	$968,676	+ 31,021
FOREIGN.							
Argentine.							
Arg. N. East...	Mar. 27	752	£ 11,600 —	500	39	453,300	+ 84,100
Arg. Transand.	Apr. 3	111	£ 4,540 —	270	40	123,251	— 24,599
B. A. & Pacific	Apr. 3	3,536	£ 160,000 +	30,000	40	5,385,000	+ 1,311,000
B.A.Gt. South	Apr. 4	3,792	£ 175,000 +	34,000	40	7,128,000	+ 1,607,000
Do.	Apr. 4	Net	£ 55,000 +	14,000	40	2,466,000	+ 1,269,000
B. A. Western	Apr. 4	1,882	£ 93,000 +	20,000	40	3,928,000	+ 667,000
Do.	Apr. 4	Net	£ 32,000 +	15,000	40	1,319,000	+ 652,000
B. A. Central	Feb.	190	£ 45,205 +	6,985	8m	360,905	+ 37,828
Cent. Argent.	Apr. 3	3,305	£ 186,000 +	34,000	40	7,052,000	+ 1,865,900
Do.	Apr. 3	Net	£ 64,000 +	38,000	40	2,198,100	+ 1,480,600
Cord. Central	Apr. 3	1,205	£ 45,800 +	1,300	40	2,346,000	+ 597,590
Entre Rios ...	Mar. 27	811	£ 27,800 +	6,400	39	934,900	+ 147,900
Brazilian.							
Brazil Gt. South	Feb.	110	M 50,750 +	11,650	2m	109,500	+ 23,310
Brazil Railway	Dec.	3,530	M4,859,000 —	141,271	12m	57,772,000	+ 7,619,243
Gt. W. Brazil	Apr. 3	1,010	£ 29,200 -	1,000	14	362,800	+ 83,300
Leopoldina ...	Apr. 3	1,831	£ 56,916 +	20,085	14	734,469	+ 327,925
Mogyana	Dec.	1,180	M 1,561,000 —	956,490	12m	22,267,000	— 2,474,651
Paulista	Dec.	766	M 2,650,000 —	906,038	12m	32,479,000	— 1,225,892
San Paulo ...	Apr. 4	153½	£ 33,659 +	143	14	631,518	+ 227,179
Sorocabana ...	Dec.	1,003	M 1,749,000 —	246,168	12m	21,953,000	+ 976,692
S.of Bahia S.W.	Feb.	52	M 77,000 —	10,000	2m	181,000	+ 11,000
Chilean and Peruvian.							
Antofagasta ...	Apr. 4	838	£ 40,725 +	16,200	14	773,385	+ 381,615
Arauco	Jan.	84½	£ 14,500 +	2,000	1m	—	—
Nitrate (2wks.)	Mar. 31	390	£ 61,198 +	38,920	12	239,309	+ 138,252
Peruvian Corp.	Mar.	1,140	S 1,282,690 +	206,990	9m	10,634,994	+ 1,635,459
Taltal	Feb.	180	£ 43,605 +	35,543	8m	171,120	+ 38,211
Cuban.							
Cuban Central	Apr. 3	362	£ 47,617 +	5,653	40	1,021,866	+ 212,209
Havana Cent.	Mar. 20	70	£ 13,947 +	2,456	38	415,694	+ 81,106
U. of Havana	Apr. 3	681	£ 97,395 +	4,607	40	2,646,144	+ 491,669
W. of Havana	Apr. 3	155	£ 20,672 +	7,276	40	402,590	+ 85,431
Uruguayan.							
Cent. Uruguay	Apr. 3	273	£ 21,404 —	3,075	40	904,176	+ 36,534
,, (E. Ext.)	Apr. 3	311	£ 6,451 —	647	40	245,914	+ 30,333
,, (N. Ext.)	Apr. 3	185	£ 2,455 —	1,267	40	148,222	— 2,732
,, (W. Ext.)	Apr. 3	211	£ 3,152 +	212	40	111,836	+ 4,753
Mid. Uruguay	Feb.	319	£ 18,511 —	416	8m	157,015	+ 20,411
N.W. Uruguay	Feb.	113	$ 6,382 +	582	8m	54,918	+ 3,674
Urug. Northn.	Feb.	73	£ 2,394 +	130	8m	19,531	+ 2,972
Miscellaneous							
Alcoy & Gandia	Mar. 27	33	Ps. 12,000 +	3,000	13	150,900	+ 17,700
Bilbao	Mar.	15	£ 5,734 +	2,945	3m	11,017	+ 3,115
Bolivar	Feb.	136	£ 9,014 —	4,065	8m	71,942	+ 764
Colomb. Natnl.	Feb.	86	£ 13,960 +	6,100	2m	31,760	+ 10,840
Costa Rica ...	Jan.	189	£ 27,765 +	4,640	7m	173,436	+ 18,720
Dorada Ext....	Feb.	70	£ 11,500 +	6,500	2m	23,500	+ 10,700
Egyptian Delta	Mar. 20	559½	£ 11,567 +	6,031	51	393,324	+ 27,870
Gt. S. of Spain	Apr. 27	104	Ps. 63,617 —	80,024	13	933,195	— 812,442
La Guaira & Ca.	Mar	22¾	£ 14,630 +	4,700	3m	43,200	— 17,480
Ottoman Ry...	Mar. 20	379	£ 6,008 —	—	—	—	—
Paraguay Cent.	Mar. 27	255	£ 4,520 —	30	39	190,410	+ 33,570
Puerto Cabello	Feb.	34	£ 5,250 +	25	2m	10,500	+ 975
Salvador	Apr. 3	100	£ 4,356 —	846	40	171,719	+ 71,650
Santa Fe Prov. French Rys.	Feb.	1,181	£ 148,808 —	17,365	2m	303,300	— 17,442
S'm'na & S'ti'go	Jan.	80	£ 11,260 +	4,417	1m	—	—
Zafra & Huelva	Feb.	112	£ 12,965 +	4,222	2m	27,084	+ 6,886
TRAMS.							
Anglo-Argent.	Apr. 1	400	£ 73,232 +	11,631	13	943,353	+ 207,353
Auckland Elec.	June 30	27	—	—	52	292,502	— 2,063
Bombay Elec.	Jan	39	R. 7,79,874 +	1,45,829	1m	—	—
Brazilian Trac.	Jan.	378½	M 9,655,000 +	1,133,000	1m	—	—
Brisbane Elec.	Mar.	40½	£ 45,460 +	6,080	3m	131,860	+ 19,525
Brit. Columbia	Jan.	334	$ 828,709 +	151,220	7m	5,050,625	+ 955,041
B. A. Lacroze	Mar.	51	£ 55,000 +	7,630	9m	453,687	+ 63,108
Calcutta	Apr. 3	35½	R 85,192 +	646	14	11,67 885	+ 61,436
Cape Electric	Feb.	42½	£ 26,789 +	334	8m	214,950	+ 25,970
Carth. & Herr.	Mar.	9	£ 3,493 +	1,093	3m	12,249	+ 3,843
Chatham & Dist	Mar. 25	15	£ 1,525 +	279	12	17,322	+ 2,606
Havana Elect.	July	86	$ 794,768 +	100,679	7m	5,116,661	+ 402,587
Isle of Thanet	Mar. 31	20½	£ 686 +	343	27	14,222	+ 6,069
Kalgoorlie ...	Nov.	20½	£ 2,859 —	74	11m	30,492	— 348
Lanarkshire ...	Mar. 25	28½	£ 4,092 +	515	12	47,503	+ 2,937
Lima Light ...	Dec.	85	£ 57,179 +	9,214	12m	588,967	+ 60,887
London C.C. ...	Apr. 7	141½	£ 79,898 +	4,961	1	—	—
Madras (2wks.)	Mar. 31	15½	R. 54,985 —	—	12	271,788	+ 74,785
Manila Electric	Jan.	55	$ 278,338 +	46,752	1m	—	—
Pernambuco...	Apr. 4	59	£ 7,438 +	1,627	14	108,913	+ 35,380
Provincial ...	Mar. 27	21½	£ 3,180 +	622	26	74,023	+ 12,722
Rangoon Elec.	Feb.	25	£ 7,667 +	1,973	2m	15,134	+ 3,082
Shanghai Elec.	Feb.	26¼	M x. $133,750 +	27,750	2m	269,750	+ 41,757
Singapore Elec.	Feb. 28	26½	$ 22,322 +	6,833	9	189,133	+ 43,662
U. of Montevid.	Feb.	90½	£ 45,258 +	6,487	4m	177,709	+ 27,887

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The Statist.

LONDON, SATURDAY, APRIL 10, 1920.

OUR MOST URGENT DUTY.

For a considerable time past we have been urging upon the public that the most imperative duty of all who possess the Parliamentary franchise is to get rid, without a moment's avoidable delay, of the present Government. We are afraid that our readers do not understand how serious is the condition of things in which we find ourselves; and, therefore, that they think it will be time enough to change the Administration when they have used all their influence to strengthen their own power. Now this seems to us an entirely wrong view; and we think it advisable, therefore, to-day, to devote a little space and a little care to making it clear, especially to the trades unionists, that the first duty of all of every man and woman within the United Kingdom is to get rid of the existing Government as quickly as possible. It will be in the recollection of our readers, then, that the Government of Mr. Asquith deliberately avoided preparing for the War with Germany, which all well-informed persons, not only in this country, but all over Europe and America, recognised to be inevitable. We do not mean to imply that the Liberal party was specially to blame. On the contrary, we believe the fault was at least as great on the part of the Conservatives. For the Conservatives had been in power for a very long time; had sources of information which ought to have persuaded them that war was inevitable; and, moreover, had made concessions to Germany which made war more easy, and, consequently, more promising to Germany than it probably would have appeared to be under other circumstances. For example, Mr. Balfour came down to the House of Commons and stated for the information not only of his opponents, but of the whole country, that he, as Chairman of the Imperial Defence Committee, had inquired into the whole matter, and that he was justified by the opinion of every eminent naval man that Germany could not if she went to war land upon our shores more than 70,000 men. Therefore, he argued, the only real need we had for military preparations was for the defence of India. Now everybody who recollects the circumstances to which we have just been referring will remember that Mr. Balfour's opinion was accepted by almost everybody, except those who were supporting Lord Roberts at the time. Especially, the Liberal party gladly availed themselves of the statement of Mr. Balfour to assure their supporters that serious military preparations were not necessary; and, consequently, we drifted into the War without preparation of any kind. On the other hand, our readers will remember that the Government, in spite of the statement of Mr. Balfour, and in spite of the glee with which they welcomed that statement, made several attempts both by sending over representatives to Berlin and also by making offers in the House of Commons to bring about some kind of slowing down of the military and naval preparations. Germany, however, refused to accept any proposals so made; and, consequently, it was as well known as anything could be which had not actually happened, that war with Germany was inevitable.

The first thing, then, we have to bear clearly in mind is that both Conservatives and Liberals did their utmost to persuade the public that there was no need for naval and military preparations, and that, consequently, we went into the War hopelessly unprepared. Furthermore, so utterly did the Government of Mr. Asquith neglect the duties of their position that they made no preparation of any kind. We mean by that that they not only did not adequately increase the Army and the Navy, but that they did not make any preparations of any other kind that would have warranted them in believing that if war broke out they would be fairly well prepared. Nothing, of course, is easier than for accused persons to plead that they could not foresee what was coming, and therefore that they could not have anticipated that the War would be on the scale which it actually assumed. But that is an after-thought; that it is a pure invention, in fact, is clear from this: that one of the first things Mr. Asquith did on the outbreak of the War was to invite Lord Kitchener to become War Minister. Now Lord Kitchener at the time was Governor of Egypt. He was doing a most excellent work in Egypt, and he had made himself very popular amongst the poorer classes. Consequently, it was desirable if great military preparations were not required that Lord Kitchener should remain in Egypt, where he was doing so excellent a work. But, in spite of that, Lord Kitchener was induced to become War Minister, and without consulting Parliament or the constituencies, the Government proceeded to raise naval and military forces which, according to a public statement made in one of his speeches by Mr. Asquith, amounted to about seven millions for the Army and the Navy together. We have entered with some minutiæ into this matter because it is essential that the public should be induced to recognise the seriousness of the position in which we find ourselves. We actually refused to prepare until War broke out; and when War did break out we did not ask the consent even of the electorate. We called in a military man to call up about seven millions of men for the Army and the Navy.

If any reader is not convinced by this fact that the public men of the day understood the gravity of the circumstances in which we found ourselves, he must, indeed, be dead to all evidence. Everyone knew that a war with Germany, for which she had been preparing for half a century, would be a war of the most formidable kind, and that to postpone all preparation until Germany convinced herself that she was prepared and we were not, is the clearest evidence that, according to the best military authority of the time, we were almost in a hopeless condition, and Germany had, to say the least, a very fair chance of winning the War. Now it may be objected that, whether she had or had not a very fair chance, she did not win the War. That is happily perfectly true. It proves that the opinion of Europe and America regarding German military and naval preparations was a bad opinion, and that, in fact, we immensely exaggerated the military preparedness of Germany. Germany was not prepared, though her naval and military men thought she was. France was prepared, though perhaps nobody in Europe or America believed it at the time. And the result was that, first at the Marne, and afterwards before Verdun, France defeated Germany with such heavy losses that Germany in the end had to throw up the sponge. Now it seems almost unnecessary to waste so much space in calling to mind circumstances so recent as the outbreak of the War. Yet people write and talk as if they expected us to believe that everybody did his duty, and that the whole fault rested with the Germans. As a matter of fact, nobody—except perhaps the French, or, at all events, those Frenchmen who had the power to increase the military and naval preparations of France—fully under-

stood the preparedness of France and the incapacity of the German leaders; whereas Germany was so confident in her own certainty to win that she rushed madly to her own destruction. But our real object in recalling all these facts is not to convince our readers of this, that, or the other thing, but to make them understand once for all that we entered the War without preparation; and that, in consequence, during the four years and four months of the War we had to spend such immense sums that we very seriously endangered our own credit. If we had for forty years followed the example set by Germany, and made it known all the world over that while we had no intention of forcing war we were fully resolved to be prepared for war, it is quite possible that no war would have followed. In any event, if we had prepared amply we should have ended the War very much sooner than we actually did. As a matter of fact, when the War broke out we had no troops capable of meeting the Germans but the small Expeditionary Force prepared by Lord Haldane. When that was cut to pieces we had nothing left, and for two years, to all intents and purposes, we did nothing except compel Germany to keep a large military force both facing our troops and likewise in Belgium, lest a great Napoleon might arise and disappoint all expectation.

Now the result of this unpreparedness is that we in this country have built up a debt which is in danger of crushing us. Everybody admits that our own debt at the present time amounts, in round figures, to about 8,000 millions sterling. And, in addition, there is a debt which we borrowed for lending to our Allies and the Dominions, which amounts, roughly, to something under 2,000 millions. Therefore, we have at the present time debts of various kinds due to the War alone amounting to, roughly, something not far short of 10,000 millions sterling, which at the rate of 5% would involve an annual payment of interest alone of about 500 millions sterling. It may be objected that some of the debt will be paid back to us. Yes! We are inclined to hope that some of it will be. We think, for example, that our own Dominions will repay what they have borrowed. And we think it extremely probable that some of the Allies—say, for example, Belgium—will likewise repay. But what have we to say regarding Russia? If the old Russian Government remained in power the money would be repaid as soon as circumstances rendered possible. But is the present Government of Russia likely to repay debts which it did not borrow, and which it thinks ought never to have been borrowed? While there are a large number of other countries, such, for example, as Roumania and Serbia, which we do not doubt would like to repay, but which we fail to see that they have the means at present to repay. That such States may repay some time or other is very probable. But that they will be in a position to repay for many a long day is highly unlikely. Thus we have debts of various kinds running up to not far short of 10,000 millions; and, in addition, we have pledged ourselves in the most solemn manner to our own people that we are going to introduce all kinds of reforms, to give the public a real system of education, to abolish preventable disease, to get rid of the slums and alleys, and so on. It is unnecessary to go through the whole list. Everybody knows what we have promised, and everybody knows that at the present time there does not seem the slightest chance of those promises ever being realised. If the present Government remains in office, unquestionably the promises never will be realised. Something may be done. But it will be a something so insufficient that it will be much more likely to increase anger than to help us.

Over and above all these enormous outlays which we have so thoughtlessly promised, and which we are doing nothing to show that we intend to realise, there are many other things which will involve an immense debt. What are the pensions of all kinds due to the War? How many men altogether were killed whose widows and children are entitled to pensions? How many who were not even married have been disabled and are practically incapable of earning their bread? And, finally, what does the whole sum amount to that must be paid in pensions, gratuities, and so on to all those people, so many of whom actually lost their lives, and so many others of whom have lost their power of maintaining themselves? Is it necessary to go through the whole catalogue of things that we ought to do; that some day or other we shall be compelled to do; but which the present Government cavalierly treats as something that may be talked about, but that nobody seriously expects them to undertake. The result of all this is that we have at the present time a debt which neither the Chancellor of the Exchequer nor his best-informed advisers can tell us exactly what it amounts to. That it is of enormous amount we all know. That it is something between 10,000 and 12,000 millions most people would say. That it is very much larger still other people will assert. But, frankly, we confess we do not know ourselves, and we do not believe that there is a single man in the Cabinet who, if asked in the House of Commons, could answer offhand what the amount of the debt is for which we are responsible. Now the final outcome of all that is that our own nearest kinsmen outside the British Empire—we mean, of course, the people of the United States—did not believe when the War broke out that we were good, in combination with France, for a debt of a simple 100 millions sterling. To us in this country a debt borrowed by France and England of 100 millions seemed so small that at first we were incredulous that our near relations at the other side of the Atlantic should disbelieve that we should be able to repay it. Yet, as a matter of fact, it was not merely said in New York, but our agents in New York through whom we raised the money, after doing everything that they could do to convince the people of the absolute solvency of this country, had to lodge American and other securities which were well known in the United States, and the value of which was recognised, as collateral security. England and France together were not supposed to be good enough for a loan of 100 millions sterling. If that had proved to be a passing hallucination it would not have been so wonderful. The American people for a long time had been borrowers, and it might reasonably have been said that, just as the people of the United States when they required large sums of money had to go into the Money market and borrow, so it must necessarily be with England and France. But it is not that. To this day the people of the United States are persuaded that the money of both England and France is not worth what it professes to be worth in the English and the French Money markets. We coin and issue sovereigns, whether they be actual gold sovereigns or mere paper sovereigns. We expect our own people to accept them at their full twenty-shillings' worth. What are they worth in the markets of the world to-day? There has been lately a considerable improvement in sterling. Roughly speaking, the pound sterling now passes for about 16*s.* 4*d.* In other words, the English sovereign is, according to American opinion, only worth four-fifths of its nominal value, and we are all congratulating ourselves that it is up to 16*s.* 4*d.*, for it was considerably lower the other day.

In France matters are worse, firstly, because France had to do the real bulk of the fighting. She licked the Germans at the Marne, and before Verdun, and practically she convinced the Germans that, however they might hold out, they had lost the War; and that France had won. Yet the money of France has fallen even more than the money of England. That is not surprising, firstly, because France was threatened with a renewal of the War with Germany, and remembering what happened in 1870-71 opinion was not very favourable to France; secondly, there is, unfortunately for the French, a class in France

who are not as patriotic as is desirable; and, thirdly, France, because of her ill-success in the war of 1870, and all the enormous expense it involved, has been spending money altogether too recklessly. The world, therefore, believes that the financial condition of France is worse than it really is. We do not believe that. Quite the contrary. We are convinced that France will recover her credit. But we are dealing with facts now, and not with opinions. And the fact is that French money has fallen more severely than English money; and, consequently, that France is engaged in a most serious and difficult operation. She is going to pay off the loans she borrowed in New York; and she hopes to carry out a policy which ultimately will enable her to stand before the world practically free of debt. There are people who think she cannot do so. We are not amongst them. On the contrary, we believe she will do it. But we are calling the attention of our readers to the dangers which are staring us in the face, and which the present Government is wilfully and guiltily continuing. If it were possible to use stronger language, we should do it, for we think that the conduct of the present Government is beyond all possibility of excuse. We are piling up dangers and difficulties. And we have a Government that treats the debt as if it were of no consequence, which, in fact, is adding to the enormous debt that is crushing us. We would, therefore, appeal to every loyal Britisher, whatever his party opinions may be, to get rid of the present Government, and to give us a Government which, at the least, will earnestly endeavour to pay off the debt.

GERMANY.

A French army has undertaken to compel the Germans to evacuate Frankfurt. It seems hardly credible that the Germans will fight; for that, doubtless, would end in a renewal of the War, and it is quite evident that Germany is not in a position to make war already. Her militarists are exceedingly ill-advised and exceedingly reckless. There is no reason why Germany should not recover a great position. Her condition was worse at the end of the Thirty Years' War than it is now; and yet it is since the Thirty Years' War that Prussia has risen to the great position she occupied the other day. There seems no reason, then, why Germany should not occupy a great position in Europe once more, always assuming that she does not rush into a renewal of the War, and so make it impossible for her to recover quickly. War now, if it were to assume proportions that would alarm those who recently had to fight her, would mean not merely a review of the peace with Germany, but probably such a change in the terms of that peace as would render it, to use moderate language, difficult in the future for Prussia to ever again become a really first-class Power. The Prussian Junkers are, like the Tories amongst ourselves, an aristocratic class who believe that they ought to be the leaders of their country. That in Prussia proper they are exceedingly powerful is certain. And if a really eminent militarist were to put himself at their head and endeavour to recover a great position in Europe, she might be able to make a formidable stand. But we must not forget that in the recent War Germany had to do all the really severe and difficult fighting. The majority of the subjects of the Emperor of Austria were Slavs; had no sympathy with German aims or German ambitions; and, consequently, were but lukewarm supporters. When real fighting had to be done it was found necessary always to bring up strong German reinforcements. And without saying anything intended to make little either of the Turks or of the Bulgarians, nobody seriously believes that they counted for very much in the great fight. The fight had to be conducted by Germany mainly; and Germany, unfortunately for herself, was without one single general of real capacity.

It would be easy, of course, to make little of those who were in command of the German armies. We have no desire to do that, for we are fully prepared to believe that every man did his best. But, when everything is said, there was not on the German side a single general even of moderate capacity. It will be recollected that at the Marne the Germans marched upon Paris; got within about 20 miles of the city; and though for nearly half a century they had been planning how they would proceed when the great war occurred, yet they were never able to cross the Marne. On the contrary, an eminent German general admitted frankly that if the French had had men enough to make a strong attack upon one of the German flanks the War would probably have been quickly brought to an end. Respecting Verdun, it is enough to say that Germany brought up a force of enormous strength; that it continued to fight for five whole months; and that it had to confess itself beaten. Clearly then, Germany had not in the late War a really capable general. At the same time, we are not of those who think that because a really capable general did not get to the top, therefore there was no really capable general in the German Army. On the contrary, we have not the slightest doubt that there were men of great ability in the German Army. But they had not the qualities which won the admiration of the Kaiser; and so they were cast aside. We do not, therefore, venture to say that if Germany were to renew the War now she must inevitably be hopelessly beaten. We think it so probable that she would be that we believe Germany will not engage in such a war. But no man can tell how a fight would result if some young man were to be put forward as the leader of the Germans. It is true that the French have three very eminent generals; and, therefore, it is so unlikely as to appear very improbable that Germany will engage in a new war so soon. Still, the Prussians are a very obstinate people, and nobody will judge them hastily. After Jena the Prussians introduced universal liability to military service, although Prussia was in the possession of a French army, and Napoleon himself must have been thoroughly aware of what the Prussians were doing. Consequently, it would be extremely rash to say that the Germans will not fight. And it would be still rasher to say that if they do fight they cannot find a man capable of leading them properly. For all that, we cannot bring ourselves to believe that the Germans will throw away their chances. We assume that if the Germans prove to be more formidable than they appear at present the allies of France will give her any assistance she may require; and we take for granted that the Germans know that, and, consequently, will postpone fighting until a more promising occasion.

AMERICA.

The primary elections in preparation for the great election which is to take place early in November have begun, and apparently the Republican party is resolved upon having a man who will really represent the principles of the party, and will carry out those principles rigorously. It will be recollected that there was somewhat of a split in the party, inasmuch as the late Mr. Roosevelt was supposed to have principles of his own which did not accord with those of his party. We have no intention to inquire whether the suspicion was correct or not. Our object now merely is to remind our readers that the success of Mr. Wilson was mainly due to the fact that the Republican party had more or less broken up. It is too early as yet to form a definite opinion as to whether the differences have been healed and a really strong man will be chosen. But at this early date, as far as it is possible to judge, it looks as if the party intended to have a really strong man. The party is, when it acts unitedly, far stronger than the Democratic, because, in fact, the Democrats have not recovered even yet from the late

they adopted during the great Civil War, and still more because the negroes, speaking broadly and generally, are supporters of the Republicans. We are writing only at the beginning of April. The actual candidates will not be nominated till June, and the voting will not take place till November. There is plenty of time, then, for a great many changes, and for understandings which, just now, have not been arrived at. We would, therefore, warn our readers that we do not profess to see very clearly how the choice of the Republicans is going. But, as far as we can judge, they seem intent upon having a man who will in real truth represent the real party, and a man, moreover, who will be firm in the carrying out of his policy. If we are right, then, it seems extremely probable that the Republicans will win. Of course, as we have just been saying, we are only at the beginning even of the introductory elections. Consequently, nobody who has any regard for the opinions people form of his judgment will venture to speak with anything like confidence. At the same time, it seems to us that the Ministry of Mr. Wilson has greatly offended the *bonâ fide* Republican party; that they are resolved, therefore, to have at their head during the next four, and, if circumstances are favourable, during the next eight years, a man who can be depended upon to carry out Republican principles firmly and all the time. If we are right the majority over the Democrats will be considerable, and we may expect many new policies brought forth for which the world is not as yet quite prepared. Of course, everybody knows that, apart from the national policies of both Republicans and Democrats, there is, just now, a great force at work which is likely to deflect many of the votes given for both parties. Of course, we refer to the kind of semi-alliance between the Irish and the Germans in the United States for the purpose of influencing, as far as possible, the policy of the United States during the next four, or, if circumstances favour, eight years. On that, however, it is too early to speak. Everybody who knows the United States is aware that the Irish and the Germans added together constitute an enormous force. They are not all, of course, either Irish or German in their main policies. But they are very largely so. They are Americans first; that is quite true. But they regard everything that will make America the first country in the world as favourable to the interests of all mankind; and, therefore, both Irish and Germans will have little hesitation in using whatever power they can bring to bear upon the representatives of both parties, and, we should think, especially of the Republican party, so that there shall not be, when the next great war comes, a second President Wilson.

It would be the height of folly now, at the very beginning of April, to affect to have formed a judgment worth listening to respecting the result of the elections. We doubt if, apart from the thoroughgoing party men, anybody in the United States at the present time has a cut-and-dried policy. But the determined Republicans and the determined Democrats have their definite policies. In addition, the Irish and the Germans, or, at all events, a very large proportion of them, are intent upon using whatever influence they can bring to bear upon the two great parties so as to serve the interests of both Ireland and Germany. It will be easier to judge what progress they make when the two great parties elect their candidates in June. Until then the two parties will practically be working out the definite policies which are to be defended by the respective parties. Consequently, there may be changes in a great many details, and there may even be changes in important respects. But it will not be possible to form a definite opinion until we are well advanced in June. After that those who know the country well can hardly fail to form some kind of opinion as to the probable results. Apart, however, from the value of opinions expressed at present, we would point out that what is occurring in the United States at present is destined to have a very great influence upon human development in Europe, as well, of course, as in the American continent. America was drawn into the War, as we think, unwisely. And a great many principles respecting which Americans were not prepared to fight have been put forward, and may, by-and-by, be produced as policies of one or other of the two great Governmental parties. Therefore, we are witnessing the formation in embryo of a policy which will powerfully affect the development both of the American continent and of the European continent; and our readers will do well to give very careful attention to what transpires. They should not take the opinions of mere British writers for more than they are worth. As a general rule, Englishmen are surprisingly ignorant of the real opinions of other countries. And in respect of America they are exceptionally ignorant, partly because of the existence of the State system, which utterly befogs Englishmen, and partly because they are so persuaded that whatever exists in England is right, no matter what prevails in a contrary sense elsewhere, that they cannot persuade themselves that Americans can seriously believe what, in not a few instances, runs utterly contrary to English opinion. We would advise our readers, then, to put aside these purely local prejudices, and to try to understand the real opinion of the American people. We shall illustrate what we mean by a single incident. The American people are at present giving the most conclusive evidence that they believe England, France, Germany and Italy are all practically bankrupt; and, consequently, the moneys of each and all are ruinously depreciated. If on a matter that every business man is supposed to know at least something about Americans are so mistaken, it will be easy to understand how widely they must differ upon innumerable matters that we think to be beyond the possibility of doubt. Consequently, we would urge our readers that it may help to preserve a better feeling between the two great countries if they will endeavour honestly—ay, and even at some trouble to themselves—to understand the real feeling of the American people.

AMERICAN COTTON.

(From Our Special Correspondent.)

New Orleans, March.

Our Cotton market during this week has evinced some uneasiness over the outlook for the new crop. It is now well into March, when under ordinary conditions preparations for planting are far advanced; in fact, by March 20 cotton planting is generally under full swing in the south central portions of Texas, while in south-west Texas "chopping out" has begun. Such is not the case this year, however. As compared with a normal year, there has been little, if any, cotton planted, even in the Early Crop section of Texas, while preparations in that State, as a whole, are from three to four weeks late.

In the Early Crop section of Texas the delay in planting was due not to rains, but to recurring "Northers," such as blow up in Texas on short notice. The planters in the Early Crop section of Texas delay planting as long as the weather is cold and unsettled. The sandy soil in that section will not permit planting when high winds are blowing, and as long as there are indications of cold weather continuing the planters hesitate to take the chances of a freeze catching the seed just when it begins to germinate. One "Norther" after another has followed in rapid succession, the result being that planting in the Early Crop section was necessarily delayed beyond the usual date for pitching the seed. In some isolated instances there was some planting around the usual date in the Corpus Christi section, but the planters who took chances on the weather turning off

favourably have had to pay a severe penalty for their rashness. On Monday, March 8, freezing temperatures were reported over the entire belt, extending as far south as Brownsville on the Texas coast. Such cotton as had already been planted and was coming up has, therefore, been killed, and will have to be replanted, as already indicated, though the majority of planters in the Early Crop section had held off planting on account of the frequent "Northers" during the latter part of February and the early part of March. They are in the fortunate position, consequently, of having saved their seed for more propitious weather conditions, and the damage by the recent freeze has, therefore, been immaterial.

As to the central and northern portions of Texas, reports recently received in this market state that preparations are decidedly backward. The delay in preparing the ground for the new crop in these portions of the belt has not been due, as one might suppose, to excessive rainfall, for such is not the case. As a matter of fact, the average precipitation for Texas as shown by the records of 180 stations was 0.77 of an inch, which was 1.03 inches less than the State normal and compared with 1.97 last year and 1.02 in 1918. It was the heavy rains that occurred during January that caused the delay in preparations. These rains came on top of rather general rains during the fall, and left many fields in what is known as a water-soaked condition. This condition last fall and during the early part of this year caused the abandonment of considerable open cotton in the fields. With the fields a sea of mud it was impossible for the labour, even if it were available, to pick this cotton, which will be ploughed under for the new crop. While there was a fairly good proportion of sunshine during February, the fields were still in a water-soaked condition, and the usual February ploughing could not be done except in the higher lands. In the bottoms ploughing was out of the question, and when the fact is recalled that the best production of cotton is in the bottom lands, the backwardness of the preparations in the central and northern portion of Texas presents a somewhat serious aspect.

Owing to the scarcity of labour mechanical devices for ploughing up the cotton lands are being resorted to more than ever before. Large quantities of gasoline tractors have been bought by the planters and farmers, and thus equipped they will be able to prepare the soil for planting in much shorter time than in former years. After the plant is once out of the ground, however, labour is essential to chop it out and cultivate it with the hoe. Hence, it might easily develop that a large acreage will be planted if weather conditions are favourable during the next several weeks; but the question is, Will there be sufficient labour to cultivate a large crop. I have recently talked with merchants and planters from various parts of the belt, and they all agree that the scarcity of labour is a very serious problem. During the War negro labour was attracted away from the South to the manufacturing centres of the North and East. Much of this labour has never returned, and never will. Then many of the young white men who served in the Army during the War have had their vision broadened, and find life in the towns and cities much more to their liking. Hence the farms are, in a measure, denuded of labour, and this factor in the crop situation is likely to have a potent influence later on in determining the final outcome of the crop regardless of weather conditions.

Not only in Texas, but also in what is known as the Delta section, are crop preparations backward. During February a good deal of ground was broken up, but since then there have been heavy rains, which have washed the fields flat again, and much of the ploughing will now have to be done over again. The recent severe cold weather, unusual for March, has also tended to delay preparations. Over 4 inches of snow fell at Mt. Olive, Miss., on Monday, March 8. This is in South Mississippi, where snow seldom falls. One planter stated that after a snow of this sort it would be at least 12 days before the ground would be fit for ploughing. Snowfall was general in the central portions of the belt, some falling even here in this city, where a phenomenon of this sort is a rare occurrence.

The first acreage estimate of the season made its appearance on Tuesday of this week, the National Ginners' Association coming out with a report which stated that the indications were for an increase in acreage of 9% over last year. Owing to the small acreage planted last year a 9% increase would not mean a large acreage this year, and with the labour problem looming up ahead the outlook for a large production during the season 1920-21 is not very promising. The pink boll worm, which Government experts say is more destructive than the boll weevil, has been discovered in three Louisiana parishes, and a non-producing zone in that section is planned to protect the rest of the cotton area of this State from invasion by the pest.

CHARLES A. DANCY.

EGYPTIAN COTTON.

THE aspect of our Futures market since my last letter might aptly be described as the calm after the storm. Brokers and speculators seem to be mutually distrustful, and operations have been on a very limited scale. In the Spot market a steady business has been done in Sakellarides at hardening rates; other qualities being almost entirely neglected for the moment.

New Crop.—Sowings have been late everywhere: and though this cannot be considered as favourable it is not necessarily harmful. The area sown is greater than last year, though it is too early to give a definite estimate. It is to be hoped that a really abundant crop may result, but a word of warning is necessary to those who may think a greatly increased supply assured. The Nile is lower than had been anticipated. This will necessitate a good deal of pumping to irrigate all the land under cultivation, and the fuel crisis here, as elsewhere, is acute. The train service has been drastically cut down, and fears are expressed that the requisite amount of coal and mazout (crude oil) may not be forthcoming for Egypt's requirements.

H. C. THOMAS.

Alexandria: March 27, 1920.

BRAZIL.

EXTERNAL TRADE.

AT the moment of writing, in Brazil, as in other countries, there is a large measure of unrest amongst various classes of the population. Strikes are reported from very many centres in the different cities and towns of the Republic, and there is even unrest upon the plantations. This is due, in the great Southern Republic, as elsewhere, to the high cost of living and to heavy taxation.

In a sense Brazil is, of course, enormous, but she is very imperfectly developed in an economic sense. In entering upon the War on the side of the Entente Allies she incurred heavy responsibilities which strained such developed resources as she was in possession of. Potentially, as we have pointed out on various occasions when writing upon economic conditions in the country, Brazil is enormously rich, in fact is capable of becoming one of the very richest countries of the globe. At present, however, these potentialities have only been realised to a very moderate extent. She has, in fact, and had at the time she entered the War, only a very limited mobilisable capital, and it is with such assets alone that it is possible to conduct a war. Fixed capital, however valuable that may be, is not available for the conduct of military enterprise. Fixed capital is development in

the true economic sense, but it is only from its earning capacity that the means of conducting a war can be drawn. The result has been that in Brazil, as in all countries in a similar state of economic development, the strain upon its resources has been very much greater than in a country, a large proportion of the wealth of which consists of mobilisable capital. A great trading country is more advantageously situated for the conduct of a war than one whose wealth is derived mainly from the raising of raw products. Now Brazil is essentially one of those countries which lives by supplying the outside world with enormous quantities of food and raw materials for feeding the industries of the manufacturing countries. The results in economy effected are twofold. Such a country has a smaller mobilisable capital than a trading and manufacturing one, and in addition, although in a sense she makes what are called large profits, the economic value of her products rises at home as well as abroad in accordance with the outside demand for these products. Consequently, although she lives by raising food and raw materials, the price of that food and those raw materials tends to rise in the country where they are produced, as well as abroad. In the years that preceded the outbreak of the late War, Brazil did not export chilled or frozen meat at all, and even meat products of any kind only to a very limited extent. In 1919 she exported very nearly 80,000 tons of these products. The natural result was an enormous rise in the prices of all classes of cattle. Before the War, even cattle fit for the freezing-houses was very cheap, while criollo cattle, from which the cheaper kinds of zarque, or jerked beef, was made, were exceedingly low priced. As the demand for the freezing-houses steadily grew, the prices of cattle which had been bred partly from native and partly from imported stock, which we have described above as beasts for the freezing-houses, rose to such an extravagant extent that there was for a time almost a famine in this class of cattle. As the criollo cattle were not suited for the foreign trade they had to be used more and more to supply the needs of the home population, and the prices of these rose to a higher figure than the cattle of approved strain of breeding had commanded in the pre-War period. In other words, the prices of the cheapest kind of meat rose in the home markets in a relative proportion to that which they had risen to supply the demands of Brazil's foreign customers. In 1913 Brazil exported various animal products to the extent of 60,479 tons. In 1919 Brazil exported various animal products to the extent of 201,830 tons. For these products Brazil obtained in 1913 £3,875,000. In 1919 Brazil obtained for the 200,000 tons she exported £20,168,000. This is excellent business, no doubt, but inasmuch as you cannot have your cake and eat it too, it has resulted in shortage of supplies and high economic values to the home consumer as well as to the foreign purchaser.

In minerals the great increase, in fact the overwhelming increase, has been in the production of manganese ore, which has been required in enormous quantities by the Allies during the progress of the War. Before the War the amount of ore exported from Minas Geraes was only 120,000 tons, and Brazil only obtained £180,000 for the products. During the height of the War Brazil exported more than 500,000 tons in a single year, and obtained over £3,000,000 for the product. Even last year, although the demand for military purposes could only have been very slight, the total exports exceeded 200,000 tons in quantity, and Brazil received approximately £1,000,000 sterling for this valuable mineral. The total value of the exports of Brazil in 1919 amounted to £130,000,000, comparing with a total value varying between £60,000,000 and £65,000,000 before the War. Formerly vegetable products were, for practicable purposes, the source from which the United States of Brazil derived its income. She still derives the bulk of her income from these products, but not to anything like the extent which was formerly the case. As we have said, the total value of the exports amounted to £130,000,000, and of this amount animal and mineral products accounted for some £22,000,000. Of all the exports of Brazil, coffee is, and always has been, the preponderating and most valuable item in the present economic state of development in Brazil. Out of a total of £130,000,000, as we have said already, and out of a total of £108,000,000 for vegetable products, the exports of coffee alone were valued last year at £72,000,000 sterling. That is, however, not quite twice the value of the coffee before the War, but it has to be remembered that in those days the European continent was in a far better position, and was capable of paying for an immense quantity of Brazilian coffee. The next item, and it is a long way second, is rubber, but it only accounted for some £6,250,000 in the value of the exports. It is perfectly evident that unless Brazil takes to planting rubber as an industry, as distinct from setting half barbarous Indians to collect raw rubber in the remote recesses of the forest, the rubber industry in Brazil is doomed. New industries will, of course, take its place, but it has to be remembered that Brazil produced, without cultivation of any kind, what is still regarded in the market as the finest rubber produced in any part of the world. The black rubber of the Amazon forests has no equal perhaps anywhere, and there are still known to be some 3,000,000 of these trees which are hardly accessible to tapping. It is encouraging, however, to find that, if the rubber industry of Brazil is far from being what it was, the value of the export of hides equals within a very small amount the total value of Brazil's exports of rubber during 1919. No one who knew Brazil 20 years ago, and has any clear recollection of economic conditions as they were then, would believe it possible, but we are quoting from official statistics issued from the Office of the Director of Commercial Statistics at the Foreign Office in Rio de Janeiro itself. If rubber is declining in Brazil the cultivation of the various vegetable products is increasing to an enormous extent; rice, for example, was hardly exported before the War. Nearly 20,000,000 tons were exported last year of a value of £1,250,000 sterling. Then take sugar; a few tons of sugar were exported before the War, but in 1919 over 57,000 tons were exported to a value of £3,750,000 sterling. The cocoa exports have more than doubled during the War period, and their value in sterling multiplied five times over. Manioc, which we know in this country in the form of tapioca, was only exported in very small quantities before the War. The value of the exports last year amounted to over £20,000,000 sterling. The value of the tobacco exports last year exceeded £72,000,000. Over 90,000 tons of matte was exported last year, and the total value in sterling exceeded £3,000,000. The quantity of timber exported has multiplied five times over, and the value nearly seven times over. The result is that practically throughout the period of the War Brazil has exported, and at enormously enhanced values, an ever-increasing amount compared with the value of her imports from Europe, North America, and elsewhere. In other words, what is known as the balance of trade has been uniformly in favour of Brazil. Consequently, the Republic is in a position to place securities, take commodities, or accumulate balances in various parts of the world, according as she thinks most desirable.

It will be seen that, from what we have said, economically the position in Brazil is probably sounder now than it has ever been either in Colonial or Imperial times, and, of course, Brazil has never been so prosperous and so economically sound as at any period since the establishment of the Republic. Her crops for the coming season are reported as excellent, and consequently she should again have a highly favour-

able season. There is, of course, in Brazil, as in other places at present, a measure of unrest, due to shortage of commodities, to high prices, and to high taxation, but in the present favourable state of the country we cannot doubt that these difficulties will be overcome, and overcome easily, in a comparatively short space of time.

In conclusion, we have been asked to call attention to the fact that a large number of British traders, who presumably desire to do business in Brazil, persist in sending out their catalogues in English. In the case of the Federal Government, the State Governments, the Banks, and great Corporations it does not matter, because they all have in their service people well acquainted with our language, our customs, and with our weights and measures. Surely the British trader, if he has so little knowledge of Brazil that he does not know what is the language spoken in the country, can hardly expect to increase British trade? The language of Brazil is Portuguese, and the measures commonly used are those of the decimal system, as is the case with the European continent. It is a wicked waste of paper at the present time to send out catalogues printed in English to ordinary shopkeepers in Rio de Janeiro, in Santos, and the other principal cities of the United States of Brazil.

REVENUE AND EXPENDITURE.

THE recent returns for the year to March 31 reveal a deficit which, though smaller than the revised official estimate, is bigger than was anticipated in the closing months of the year. The amount to be made up by the Chancellor would certainly have been much larger had it not been for the special receipts under the heading of miscellaneous revenue. These amounted to £264,779,032, and resulted from the sale of war property and from trade undertakings. This non-recurrent revenue will not be available in future years, especially when the Ministry of Shipping and the Ministry of Food cease to function; but as a set-off the large administrative expenses of these Departments will be saved. Some help may also be anticipated from interest payments and repayments of principal on the loans to Allies and to Dominions made during the War. These advances amounted in all to £1,961,000,000. Even without such help our position has in the past year materially improved, as is shown in the following table, which contrasts the revenue and expenditure of 1918-19 and 1919-20:—

Public Accounts, United Kingdom.

	1918-19	1919-20
	£	£
Expenditure	2,579,301,188	1,665,772,928
Revenue	889,020,825	1,339,571,381
Deficit...	1,690,280,363	326,201,547

The deficit has been reduced to less than one-fifth of the 1918-19 figure. The total tax revenue amounted to £998,297,000, as compared with £783,614,000 in the previous year. This gratifying increase of over 214 millions indicates the steady expansion that has taken place in the spending power of the people. If we include excess profits duty as a direct tax the revenue from direct taxation reached £693,351,000, or 44% of the total revenue, as compared with £609,520,000, or 67%, in 1918. The decrease in the percentage is almost altogether due to the greater volume of miscellaneous receipts in the year just closed. If we compared direct and indirect taxation the proportion of revenue from the former source was 70% last year, as against 67% in 1918-19. Property and income tax, super-tax, excess profits duty, and land value duty accounted for practically all the direct taxation, and as these impositions do not, for practical purposes, fall on the wage-earning section of the community, they indicate what a large share of the nation's burden is being borne by the middle and upper classes.

The amount realised on excess profits duty fell short of the original Budget estimate by 10 millions, but it is understood that large arrears, amounting to £240,000,000, are still owing to the Exchequer. These arrears, which will, no doubt, be brought to the credit of the current year's account, will constitute a welcome relief to the Chancellor, especially as the revenue may not be so fruitful in the next 12 months. It is unlikely that the existing amount of the duty, 40%, will be reduced, and, in view of the present deficit and of the large floating debt that awaits funding or cancellation, it is also unlikely that the 6s. income tax, which is admittedly excessive, will be brought down to a lower level. An increase in spirit duties, and possibly in beer duties, is foreshadowed in the recent closing of bonded warehouses, and, as excise yielded 133½ millions last year, compared with 59½ millions the previous year, the chances are strong of a further expansion of revenue from this source by increasing the duties.

It is rather a difficult problem to maintain our revenue at a figure which, in pre-War days, would have paid our National Debt twice over. As a result of trade expansion it is, of course, quite on the cards that this year's taxation returns will on the whole exceed even those of last year, which set up a new record; but the burden placed on trade by any radical process of deflation such as the Treasury is known to favour might have the effect of reducing the aggregate revenue. The country certainly will be unable to stand a continuance of the 1919-20 expenditure, which worked out at the rate of £46,000,000 per day. Moreover, the Chancellor's receipts from miscellaneous sources will probably undergo curtailment, although a very large amount of War material still awaits disposal. Most of it is lying in unsheltered dumps, where deterioration rapidly diminishes its value. From the accountancy standpoint it is rather irregular to include in the ordinary revenue returns sums accruing from the realisation of War stocks. They are of an altogether exceptional character, and cannot be considered to balance annually recurring outlay. Further, as these stocks were purchased with borrowed money receipts from their disposal should be devoted to the repayment of the loans raised for their purchase.

The Government Departments which act more or less as trading bodies are fairly numerous, and there is a standing invitation to extravagance on their part in the manner in which their accounts are passed by Parliament. Estimates of expenditure are published without corresponding estimates of revenue, and any amount of inside adjustment goes on of which the public may be kept altogether ignorant. The miscellaneous receipts for last year, returned at £280,829,459, include sums of unknown amount received from these Departments, and unless queries on particular items are raised by the Comptroller-General or the Committee on Public Accounts it will be impossible to subject public administration in the branches concerned to effective criticism either inside or outside Parliament. Yet the Civil Service estimates of £557,000,000, which include the offending Departments, have been passed without question by the House of Commons. That body had even an additional reason for querying them, as the supply services are responsible for the greater part of the national bill. The following table shows the issues out of the Exchequer in respect of [illegible] services for the years to March 31, 1919 and 1920:—

Issues	1918-19	1919-20
	£	£
Permanent charge on Debt	23,[illegible], 93	[illegible], 62
Interest, &c., on War Debt	250,[illegible],787	302,260,656
Payments to Local Taxation Accounts, &c.	2,[illegible],8[illegible]	1,[illegible],140
Land settlement		3,477,447
Other Consolidated Fund services	1,699,406	1,947,631
Supply services	2,247,9[illegible],320	1,347,[illegible],450
Total expenditure chargeable against revenue	2,579,301,188	1,665,772,928

The sum of £557,000,000 is exactly £227,000,000 more than the Chancellor's estimate of £300,000,000 for the normal post-War expenditure for Civil Services, and, in view of the fact that the Army, Navy, and Air Force estimates, also passed by the Lower House, amount to £215,300,000, as against an estimated normal post-War outlay of £135,000,000, and will very likely be increased before the end of the year, the Chancellor's economy campaign amongst the Government Departments seems to have been attended with very slight success.

THE EGYPTIAN BUDGET.

Despite political disturbances that have at times assumed a threatening character, Egypt has enjoyed a spell of practically unbroken prosperity since the commencement of the War. Its importance as a base of military and naval operations resulted in large Government expenditure within the country, while its chief export, cotton, came, despite control, to command an unprecedentedly high price in foreign markets. The present wave of prosperity has not been marked by a speculative boom such as brought disaster to many in the last period of great trading activity in 1906, though wild dealings in futures in the Alexandria Cotton market have of late given some cause for anxiety. The revenue returns demonstrate the sound financial position of the country. For 1919-20 the Government income is estimated to exceed £E32,000,000, compared with an estimate of £E28,850,000, and the surplus will result in an increase in the Government reserve to £E14,000,000.

The outlook for the financial year 1920-21 is even more encouraging. The preliminary Budget figures show that the ordinary receipts will amount to £E.33,701,000, the ordinary expenditure to £E.31,594,148, leaving a surplus of £E.2,106,852. Extraordinary receipts will reach £E.6,570,000, making a total surplus of £E.8,676,852, which will be devoted to meeting unforeseen expenditure and various other purposes. If present forecasts prove valid it is unlikely that the extraordinary expenditure will absorb the surplus, and thus it seems probable that a large sum will be available for stabilising the exchange between the United Kingdom and Egypt. British Treasury bills are largely purchased there as cover for the issue of bank notes, and the operation is mutually advantageous, as it provides a guarantee for the notes and helps to settle trade balances. The bank deposits of the country are a reflex of its enhanced prosperity. Private deposits in the National and Anglo-Egyptian Banks, which before the War were £E.6,500,000, are now £E.35,500,000, and the condition of the landowners is shown by the reduction of mortgage loans from £E.40,000,000 to £E.28,000,000. The increased monetary resources of the people have been applied, first, to increasing Egypt's foreign investments, which between 1915 and 1919 rose by £E.152,000,000, and, secondly, in purchasing real estate. The price of land has reached unusual heights, and an acute housing shortage has everywhere sent up rents. These increases have especially affected the poorer classes, who, as Sir Paul Harvey, Financial Adviser to the Egyptian Government, points out, have also been hit by the enhanced cost of foodstuffs. These have expanded partly through the machinations of food speculators and partly through the reduction in the cereal area caused by the high price of cotton. Sir P. Harvey points out that the poorer classes have suffered a reduction in the standard of living, and estimates that amongst the lowest level of the population in Cairo the increase in the cost of food alone has been from 109 piastres in February 1914 to 305 piastres to-day. Further, durra has been largely substituted for wheat, and the resultant deficiency in protein is having a bad effect on the health of the lower grades.

Egyptian prosperity thus appears to be somewhat unevenly distributed, and the lot of the fellaheen has not been lightened by the fact that many employers, out of touch and sympathy with the humanitarian sentiments of Europeans, make no endeavour to advance wages in accordance with the higher cost of living. With more intensive cultivation and a developed system of irrigation the country could grow more and cheaper cereals, but the irrigation policy of the Government, which has in the past provoked so much criticism, is to-day still a target for those hostile to the Administration. In the current year probably not less than 180,000 tons of wheat will be required to supplement the home-grown crop, and the purchases to be made by the Government will result in a loss, at present selling prices in Egypt, of about £E.2,000,000. Steps were taken during the War to restrict the cotton area in the interests of food production, but it may require more drastic measures to induce landholders to sow a greater area with grain crops. The Government cannot continue indefinitely to purchase supplies of wheat and maize and sell them at a substantial benefit to the consumer.

As from August 1 last an open general licence was granted whereby raw cotton (ginned) could be freely exported to all destinations except certain countries in Eastern Europe, and from that date the exports have advanced. The extent of the profits to be derived from the trade may be gathered from the following table which also shows the various destinations of the crop:—

Exports of Raw Cotton from Egypt.

	1919		1918	
	Egypt Quant.	£E.	Egypt Quant.	£E.
United Kingdom ...	3,742,725	35,284,139	3,528,401	26,868,655
France...	592,472	5,287,221	223,735	1,642,403
Italy	326,604	3,198,832	290,000	2,187,620
Japan	195,887	1,793,823	121,455	919,808
Spain	85,129	803,696	133,272	1,019,577
Switzerland	186,781	1,759,120	115,189	890,298
U.S.A.	1,513,856	16,551,829	561,417	4,149,664
Other Countries ...	65,452	763,241	46,220	356,442
Total	6,708,906	65,441,901	5,019,689	38,034,467

While the total quantity increased by only 13.3%, the total value rose by 72.6%. The trade returns for last year show an increase in exports and a diminution in imports, with the result that an adverse balance of trade has now been converted into a very large balance in Egypt's favour, as the following table shows:—

	1919 £E.	1918 £E.	Increase or Decrease in 1919. £E.
Imports	47,409,717	51,155,306	— 3,745,589
Exports	75,888,321	45,370,020	+30,516,301
Re-exports	4,307,401	1,378,732	+2,928,669

Last year the total exports and re-exports exceeded the total imports by £E.32,786,005, though in 1918 they fell short of the imports by £E.4,406,654. The wealth of the country, which has grown at a very rapid rate, is still expanding, and its growth is helped by the practical absence of increased taxation since the outbreak of war. The taxes in existence five years ago have proved such lucrative sources of revenue that fresh impositions were not needed. The date tax has in fact been abolished from April 1. Portion of the Government's excess revenue should be applied towards ameliorating the condition of the fellaheen, who are often the victims of extortionate treatment by native and sometimes by European employers. They are largely unable to help themselves, as they possess little initiative and less ambition, and an improvement in their standard of living would transform them into more devoted supporters of the British *régime*.

The net profit of the Swiss Bank Corporation for the year ended December 31, 1919, together with 1,451,488 francs brought forward from the previous year, amounts to 14,527,372 Swiss francs, out of which they recommend to the shareholders the payment of a dividend of 9% (against 8% for 1918), the transfer of 2,000,000 francs to staff pension fund, and to carry forward 2,919,783 francs.

IRISH INDUSTRIAL COMMISSION. EVIDENCE.—XII.

THE SOUTHERN FISHING INDUSTRY.

In order to develop the important fishing industry of Kinsale Mr. M. Murphy, M.I.M.E., C.E., suggested as one of the first steps the extension of the railway to the pier. The distance between the landing pier and the railway terminus is 1,670 yards. About 20 years ago the Government set aside a sum of money for this purpose, but difficulties in connection with the acquisition of the necessary land arose to prevent its execution. Another matter worthy of attention was the establishment of an ice manufacturing plant so as to have at hand a supply of ice at all times. Curing sheds, with properly constructed appliances, should also be provided. Throughout the season mackerel and herrings now sell for little as, owing to the necessity of sending them fresh to England, great numbers go bad. On one occasion in the present year the catch of herrings came to 100,000. Had curing sheds been available the share accruing to each fisherman out of this particular haul would have been £10 instead of the £2 actually received. The small fleet of fishing boats belonging to Kinsale is privately owned, and only three of these boats are of any consequence; the others are open yawls, carrying crews of four men only, and possess small earning capacity as they can only fish during good weather. Hundreds of young seamen now leave the town for want of employment, and to retain them at home it was essential to establish a fleet of steam trawlers. The local men would be quite competent to work a fleet of motor boats or steam trawlers. Some means would, however, have to be found to provide them with the necessary capital to purchase these boats.

Mr. Bartholomew Murphy emphasised the fact that in Kinsale there were at present no facilities for the working fishermen. This year large quantities of fish were dumped over the quay as a result of the failure of fishermen and buyers to arrive at a price satisfactory to both parties. Had sufficient barrels been available the fishermen would have been able to salt the entire catch and to avoid a great waste of food. Of course, in the absence of barrels the fish could be salted on the floor, but, unfortunately, the fishermen had very little floor space at their disposal. In Kinsale the catch is sold by auction. The owner of the boat is the buyer of the fish, and the fisherman is more or less dependent on the nature of the price he as buyer is willing to pay himself as owner.

Witness had made an attempt to "kipper" herrings, but supplies could not be kept up the whole year round. He thought it would be a good idea if a local organisation undertook the establishment of a stock of salt and vats. By running the railway down to the pier twice the amount of fish could be sent away, but the railway extension could not be justified unless the quantity of fish landed was considerably increased. White fish were caught off the coast, but the hake fishing, formerly very important, was decaying, as the trawlers were destroying the spawn. Off Kinsale lobsters were caught in large numbers. Excepting net mending the women of the town did not care to assist in any of the operations incidental to the fishing industry, as they preferred to make lace. With regard to the future development of the fisheries this would have to be taken into account.

Mr. J. K. Cotter pointed out the fundamental difference in habits between mackerel and herrings. The latter fish deposit their spawn in deep bays and creeks and light sandbanks, while the mackerel leave their spawn in the wide ocean. The spawn of the latter was found sometimes, in fine weather, on the surface of the water and, at other times, two or three or more fathoms deep, and in the operation of hauling the nets a large quantity of fish was destroyed. French fishing fleets, by breaking up the mackerel shoals on the outer edge of the Irish boats, had done considerable damage to the Irish industry. The proof of this was the large increase in fishing since the War began. Before 1914 a catch of 10,000 for a night's fishing was remarkable, but now a catch of 30,000 was not regarded with any surprise. In the interests of the trade in cured mackerel carried on with America he suggested the sending of a deputation to the United States to study conditions on the spot, as the Norwegians were far in front of them. The setting up of co-operative curing stations along the Irish coast with the object of buying and curing ling, cod, and other large fish would be a source of profit to the country.

In their forty-eighth annual report the directors of the Swiss Bank Corporation say that it was generally expected that the advent of peace would herald a new era of prosperity, but the labour troubles and strikes which have taken place throughout the world, the disappearance of the sense of thrift, and universally increased taxation have militated against a return to normal conditions. The depreciation of most of the exchanges was strongly felt in Switzerland, whose highly developed industries largely depend on foreign markets. Notwithstanding the difficulties they have had to contend with, the leading industries have been able to maintain their position and to keep their workmen sufficiently employed. Certainly the report of the Bank shows no signs of depression. The deposits and current accounts show a total of £37,920,114, as against £32,943,515 in 1918. The bills receivable have increased from £8,517,447 to £14,362,568. This increase is mainly due to the London office having employed in Treasury bills and first-class bank acceptances funds previously on deposit at the Bank of England.

Guaranty Trust Company of New York

LONDON OFFICES: 32 Lombard Street, E.C. 5 Lower Grosvenor Pl., S.W.

LIVERPOOL OFFICE: 27 Cotton Exchange Buildings

NEW YORK PARIS BRUSSELS HAVRE

Condensed Statement, February 28, 1920

RESOURCES

Cash on hand and in Banks	$133,196,914.29
Exchanges for Clearing House	50,451,614.27
Loans and Bills Purchased	512,467,341.91
U.S. Government Bonds and Certificates	16,111,411.69
Public Securities	27,640,901.50
Other Securities	45,026,415.44
Bonds and Mortgages	2,165,800.00
Foreign Exchange	20,248,917.20
Credits Granted on Acceptances	56,394,470.63
Real Estate	6,405,038.05
Accrued Interest and Accounts Receivable	7,569,759.52
	$877,678,584.50

LIABILITIES

Capital	$25,000,000.00
Surplus Fund	25,000,000.00
Undivided Profits	6,607,738.33
	$56,607,738.33
Accrued Dividend	833,333.34
Notes and Bills Rediscounted with Federal Reserve Bank	25,800,000.00
Notes secured by Liberty Bonds Rediscounted with Federal Reserve Bank	45,678,271.65
Due Federal Reserve Bank against U.S. Government Obligations	2,000,000.00
Outstanding Treasurer's Checks	18,970,354.32
Sundry Foreign Accounts	22,895,157.17
Acceptances—New York Office	35,965,623.63
Foreign Offices	20,428,847.00
Accrued Interest Payable and Reserves for Taxes, Expenses, etc.	4,618,010.48
Deposits	643,881,248.58
	$877,678,584.50

THE BANK OF TAIWAN, Ltd.

Incorporated by the Special Charter of the Imperial Japanese Government, 1899.

Capital Subscribed.. .. Y. 60,000,000
Capital Paid up .. .. Y. 37,500,000
Reserve .. .. .. Y. 8,210,000

Head Office .. .. TAIPEH, FORMOSA.
London Office .. 58 OLD BROAD ST., E.C. 2.

BRANCHES:—Amoy, Batavia, Bangkok, Bombay, Canton, Foochow, Hankow, Hongkong, Kiukiang, Keelung, Kobe, Moji, New York, Osaka, Semarang, Shanghai, Singapore, Soerabaya, Swatow, Tainan, Tokyo, Yokohama, &c., &c., and Correspondents in every principal town in the World.

The Bank is incorporated by Special Charter of the Imperial Japanese Government, and is authorised to issue its own notes in Formosa; conducts general Banking, Exchange Business; undertakes Trust business, and acts as Business Agents for other Banks. Special facilities are available for exchange business on Japan, China, India, Straits Settlements, Dutch East Indies and France, where the Bank has special working arrangements with Cox & Co. (France) Ltd. Deposits are received for fixed periods on terms which may be ascertained on application.

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Financial Notes.

IF we are rightly informed, negotiations are virtually concluded for the purchase by one of the greatest of the Anglo-Chilian houses of a million tons of nitrate at a price which should prove highly remunerative to the various companies whose product will thus be disposed of. It will be remembered that, as a result of the cessation of demand after the conclusion of the Armistice, the nitrate industry in Chili experienced very great difficulty in the disposal of its product. So great, in fact, was that difficulty that the principal English, and, indeed, nearly all the foreign, companies concerned in the production of the fertiliser came to an agreement whereby the proportion of output was to be allocated to the various companies by a Syndicate representing the different interests. This Syndicate, in addition, was to fix the price at which nitrate was to be sold. For some time the native companies held out of this arrangement; but, finally, practically all the interests concerned have joined. The result is that the buyers no longer deal with the particular companies raising the caliché, but carry on their negotiations with the Syndicate which represents the whole.

Such a large purchase as that referred to has naturally had a very favourable influence upon the shares of the different companies. It will be remembered that when the report was first circulated there was something very nearly approaching a boom in the shares of the different nitrate companies dealt in upon the London Stock Exchange. Prices rose rapidly, until the big interests concerned became rather anxious at the speculative position which had been created in the market, not for the commodity, but for the shares; and they used their influence, and used it effectively, to check such speculation. It is to be hoped that no wild speculation will follow the official announcement of the conclusion of this transaction, which seems likely to be made at no distant date. It has to be remembered that while the demand for nitrate is very great and new markets for it have been opened up, and are being opened up in various directions, the effective demand, at any rate until recently, was by no means as large as had been hoped for in many quarters. Shortage of freight, for one thing, made shipments difficult; and it was found that many of the prospective users of this fertiliser are as yet only trying its use experimentally, and it will take some time before the new customers are able to use nitrate to the extent that it was formerly used by the various interests in different parts of Europe.

At a meeting of the board of the Anglo-South American Bank, Limited, held this week, an interim dividend was declared at the rate of 12% per annum, less income tax, being 6*s.* per share (less tax) on the shares of the Bank which were paid up to the extent of £5 per share prior to December 31 last, and 9*d.* per share (less tax) on the new issue made in October last, which latter, on December 31, had been paid up to the extent of only £2 per share. In addition, the directors have declared a special interim dividend at the rate of 20% per annum, less tax, being 10*s.* per share (less tax) on the "old" shares, and 1*s.* 3*d.* per share (less tax) on those shares issued in October last. This latter dividend has created considerable interest in the market. The Bank directors, however, thought it was desirable in the interests of the shareholders that such a dividend should be paid. In other words, they regard it as deferred dividend which accumulated during the prolonged period of the War. At the outbreak of the War it was not possible to see what effect the War would have upon trade between this country and the various South American States with which the Anglo-South American Bank deals. As the reader is aware, for a short time at the commencement of the War trade was virtually paralysed. In the sequel, the demand for food and raw material to feed and equip the combatant armies in Europe, and, indeed, for that matter, to feed the civil population as well and their various industries, became so great that the demand for the Bank's product—which is credit—was greater than it had ever been during the period of peace.

The Anglo-South American Bank now virtually covers all the settled parts of the vast continent of South America, as well as those parts which are settled in the five Republics of what we call Central America. Until peace was actually signed the directors of the Bank wisely decided to pursue a conservative policy, and to err, if they erred at all, in keeping in hand a larger proportion of their resources than they were accustomed to do rather than to distribute them amongst their shareholders. Owing to the great increase in the cost of living, both in South America and in Europe, as well as, indeed, in all parts of the world, the Bank's expenses increased enormously. Fortunately, those expenses were more than covered by the increased business done. Nevertheless, the expenses did increase, and the first duty which the directors felt was incumbent upon them was to secure the general efficiency of the Bank's working. Now that we are gradually getting back to relatively normal times the directors decided that the shareholders were entitled to a larger remuneration from their investments than they had received in the War period.

According to some figures which have been compiled by the National City Bank of New York on the growth of the boot and shoe trade in the United States, the quantity of material which has been imported for their manufacture is two and a-half times as much as it was last year, and the sum being paid in dollars amounts to four times as much. The quantity of hides imported into the United States in the seven months ended with January last was 545 million lb., against 210 million lb. in the corresponding months of the previous year, and the stated value was 241 million dollars, as against only 59 million dollars in the corresponding months of the previous year. Not the whole, of course, of this material has been used in the manufacture of boots and shoes, although the increase in this class of manufacture has

been very great. The quantity of calfskins imported into the United States in the seven months ended with January last was 50 million lb., valued at 27 million dollars, as compared with less than 3 million lb., valued at a little over a million dollars, in the corresponding period of the previous year, while the average import price in January 1920 was $56.6 per lb., against $18.4 at the termination of the War in November 1918.

According to a statement issued by the London Joint City and Midland Bank, Limited, the new capital issues in the United Kingdom during the first quarter of the present year amounted to £147,015,647, which compares with £39,886,406 in the corresponding three months of 1919. These figures do not include borrowings by the British Government, shares issued to vendors, allotments arising from the capitalisation of reserve funds and undivided profits, and issues for conversion purposes. Neither do they include issues of capital made by private companies, except where such information is made public. In the past three months, of the new capital issued, there was raised for the United Kingdom £127,010,000; for India and Ceylon, £1,340,000; for other British Possessions, £11,256,000; and for foreign countries, £7,410,000; the total being as above stated. It will be seen that in the past three months the preponderating value of the issues was for the United Kingdom, whereas in the period before the War the contrary was the case. In 1913, for example, our total capital issues exceeded 242 millions, and of this immense sum over 197½ millions were invested abroad, little more than 44½ millions being retained for employment in the United Kingdom.

According to a cabled advice received by the Guaranty Trust Company of New York, there is a very keen demand for grains and cotton in the United States. A reduction in the acreage of winter wheat appears certain, and weather conditions generally are considerably below average.

According to figures prepared by the Department of Commerce of the Bureau of Foreign and Domestic Commerce of the United States, of which Mr. Philip B. Kennedy is the Director, the total value of the United States imports for the eight months ended with February last amounted to 3,235¼ million dollars, while the total value of the exports was 5,231 million dollars, of which considerably over 5,000 million dollars were of domestic origin. Consequently, the excess of exports over imports amounted in the eight months ended with February last to considerably over 1,995¾ million dollars, comparing with an excess of 2,449¼ million dollars in the eight months ended with February of last year. Mr. Kennedy has had prepared some figures for the month of February itself. These show the total value of the imports in February last at nearly 467½ million dollars, comparing with 235¼ million dollars in February of last year. The exports in February last at 645¾ million dollars compare with 585 million dollars in the corresponding month of last year. The excess of exports, therefore, amounted to only 178¼ million dollars, compared with nearly 350 million dollars in February 1919. It would appear from these official figures that the high rate of exchange as between the United States and European countries is having the effect of relatively checking exports and stimulating imports into that country. This is, of course, what was to be expected, and is in itself a highly favourable and a highly satisfactory sign.

It has to be remembered, of course, that the result of the War, speaking broadly, has been highly beneficial in an economic sense to the United States of America; and, consequently, an abnormal proportion of the population have a considerable surplus revenue which they are in a position to spend upon imported luxuries. One of the first signs of a country's economic strength is its ability to afford a large measure of its surplus resources for imports. In the early period of our own history our exports of wool largely exceeded our imports of any commodity. But in the period in which we were regarded as the richest country in the world our imports for generations exceeded our exports. This was due to the fact that we were in those days the greatest creditor country in existence; and, consequently, nearly every country had to furnish us with some measure of interest each year and this was most conveniently paid by sending us some of their products, usually in the form of food and raw materials.

According to the current issue of the *Board of Trade Journal*, the provisional figures of the weekly tonnage output of coal in the United Kingdom during the week ended March 27 was 4,879,192 tons, against 4,872,642 tons in the previous week. This may be considered a fair average output. Only on three occasions during the last four months has the output exceeded 4,900,000 tons per week. The weekly outputs so far this year are set out below:—

1920.		1920.	
January 3 ...	3,494,603	February 21 ...	4,855,845
January 10 ...	4,540,723	February 28 ...	4,835,928
January 17 ...	4,902,906	March 6	4,852,427
January 24 ...	4,851,521	March 13	4,900,640
January 31 ...	4,866,066	March 20	4,872,642
February 7 ...	4,846,167	March 27	4,879,192
February 14 ...	4,897,311		

COAL PRODUCTION.

The total output of coal still continues below the five million tons per week which are deemed necessary for maintaining the economic life of the nation and providing an exportable surplus. The lowest recorded figure in 1920 was 3,494,603 tons in the week ended January 3, and the highest was 4,902,906 tons for the week to January 17. Taken altogether, the output for the first quarter is rather disappointing, especially as a steady rise in the preceding quarter up to 4,910,106 tons in the third week of December gave grounds for hoping that the five million mark would soon be reached. The failure to rise to pre-War level is not due to any lack of men. In the South Wales coalfield, though the number employed increased from about 208,000 in January 1919 to 239,000 in December 1919, the output per man per month declined from 20½ to 15¾ tons. It is a mistake to assume that the decrease is due to causes arising exclusively out of the War. The downward trend of output had been noted long before. Between 1904 and 1913 it continued without a break except in the early years, and the full effect of the fall is seen in the following table:—

	1904 Tons	1913 Tons
Total output	232,411,784	287,411,869
Total employees	833,629	1,110,884
Output per man underground	346·72	320·82
Output per man underground and above-ground	278·79	258·72
Decrease per man underground in 1913 ...	25·90 tons	
Decrease per man underground and above-ground in 1913	20·07 tons	

For purposes of comparison it is, of course, necessary that each year should have the same number of working days, and the value of 1913 as a standard is to some extent vitiated by the outbreak in that year of a strike in Lancashire that lasted for six weeks. The year 1904 was also, however, marked by some sectional disturbances which help to equalise matters, and besides, the general tendency towards decline is unmistakable. Between 1904 and 1913 the total number of persons employed in our coal mines increased by 33.25%, and the individual output decreased by 7.2%. The fall was due in large measure to causes outside the control of the miners. Thick seams and surface veins had been exhausted, and thinner seams and lower levels were being worked, while the precautions taken to ensure safety were not without their effect on output. The Workmen's Compensation

Act, which came into force in 1907, and the Eight Hours Act, which came into force in 1909 and 1910, have also had a limiting effect. In more recent times the Sankey award, which was made applicable from July last, with its high minimum wage and its reduction in working hours from eight to seven per shift, has militated against production.

One cause, not enumerated amongst the foregoing, has contributed very powerfully to the phenomenal drop in coal output during and after the War, and this is the complete cessation of developmental work in our fields. Uncertainty as to the future is still holding up this work, which is essential to the maintenance even of our present diminished production. A colliery, like any other mining venture, must, to prolong its life, be continually opening out new sources of supply. Expenditure on improvements and extensions is, however, held up, and will be as long as public companies are without definite assurance that the spending of shareholders' money on mineral properties will not be made unremunerative by Government intervention. Arrears of development work may now be estimated to comprise a total value of not less than forty millions sterling. The provisions of recent emergency legislation on the subject of coal mines afford little immediate hope of any guarantee to colliery proprietors of a fair return on capital outlay. The Bill introduced before Easter is intended to settle the finances of the industry for a period of seventeen months from April 1, 1919, to August 31, 1920. Collieries are allowed to retain their pre-War standard of profit plus one-tenth, while the remaining nine-tenths go into the coffers of the State. The enactment of this new legislation indicates the temper of Parliament when dealing with the industry, and does not encourage the belief that when the future status of the industry is to be settled on a permanent basis the settlement will be conceived in any more generous spirit. The coming session will give ample opportunities for raising questions as to the Government's coal-mines policy, and every interest in the country will be vitally affected by the decision reached. Not only does the future prosperity of the industry depend upon it, but the industrial position of the country as a whole hangs on the chance of finding a satisfactory solution of the various points at issue between the owners, the miners, and the State.

The cost of coal at pithead is affected by many factors. The output per man, the depth of the workings, the cost of mining machinery and other materials employed, and the cost of pumping, ventilating and winding are all contributory factors, while local and imperial taxation and legislative restrictions are also a potent influence. Prices, especially in the short period, depend to a large extent on the supply offering, and the amount of coal put on the market is also restricted by excessive consumption at the collieries. In 1913, out of a net output for Great Britain of 270,469,834 tons, 16,856,341 tons were consumed by collieries as boiler fuel. To this must be added 1,539,402 tons, the coal equivalent of the heat derived from coke ovens, blast furnaces and outside sources generally. The total consumed amounted to 18,395,743 tons, or 6.8% of the net output. Of the nine mining districts into which the coal-mining area of Great Britain is divided, the highest relative consumption of boiler fuel was in Kent, where it equalled almost one-third of the output. As the Kent output was, however, less than 53,000 tons, the significance of this figure is largely diminished. Coming to districts with a big output, Scotland led the way with 9.43% consumed at the pits. The Northern district, inclusive of Durham, Northumberland, and Cumberland, was the lowest with 5%. If the consumption in all the districts could be reduced to the level of the lowest, the saving in coal would be very material, as a reduction of only 1% would mean 2,700,000 tons of coal saved. Absolute uniformity cannot, however, be expected, as the ratio of coal consumption to output must vary, though a reduction in the present wide range could be effected with a little care. On the calorific value of the coal will largely depend the quantity used, and as many collieries make it a practice to market all their best coals, retaining only the poorest for their own use, the figures seem higher than they would be if we took into account only the amount of heat developed in combustion. In areas where the colliery undertakings are small, the number of small, separate power-houses sends up the figure for coal consumption, especially as the steam-raising plants are likely to be wasteful or inefficient. The working depths of the different levels and the length of the underground haulage, where performed by mechanical means, are also factors of importance. Winding, washing and screening are other operations that consume coal, but even allowing for these necessary services there is still left a substantial margin of avoidable waste which it is the duty of colliery owners and managers to attend to.

THE OUTLOOK IN THE LINEN INDUSTRY.

Production in the Irish linen industry continues to be seriously hampered by the difficulty experienced in obtaining supplies of raw material. Spinners, in order to eke out their scanty stores of flax, still find themselves unable to work a normal week, and weavers are, of course, in no better position. Formerly, as is well known, we were wont to rely on Russia for the greater proportion of our flax imports. Of the 100,000 tons of flax which measured the annual requirements of the United Kingdom before the War, Russia was responsible for from 70,000 to 80,000 tons, while Ireland contributed some 10,000 tons and Belgium, France, and Holland together another 10,000 tons. During the year just ended Russia provided only 3,895 tons, while the Netherlands, Belgium, and other countries contributed 7,213 tons. Under the head of linen yarns, which were extensively used in the North of Ireland on account of their cheapness and suitability for certain fabrics, the aspect betrays little change; in 1913 they represented an import into the United Kingdom of 27,863,154 lb., while in 1919 they totalled only 838,158 lb. Speculation is rife amongst all those interested as to the extent of Russia's holdings of flax stocks, and, in view of the uncertainty regarding the political and economic position of that country, it is not surprising that the opinions expressed on this subject show a wide divergence. It would, we imagine, be of the greatest value to linen producers and to all who were accustomed to trade extensively with Russia if our Foreign Office issued frequent and regular reports of the prevailing state of affairs, special attention being paid to such points as intimately concerned industry and trade. At present small parcels of flax arrive from Russia at irregular intervals, and are disposed of at inordinately high prices. These parcels are often obtained by the method of barter, as the old system of exchange has broken down. Barter has not so far met with any pre-eminent degree of success, but undeniably the success of trading in this primitive form will depend wholly on the personality of the agent selected and his acquaintance with the country. Later events have confirmed the view that an undeveloped country like Russia is discovering that she must continue to rely on the remainder of Europe for a supply of the instruments of production, and, possibly before the termination of the present year, the outlook as regards flax supplies will be far more hopeful. Shipping has, it is stated, now been resumed between Belfast and the Baltic, and from the hinterland of that coast there appears to be most likelihood of receiving some stores of flax. In 1912 the total fibre crop of Russia was aggregated at 786,000 tons, and the proportion of this figure supplied by the Baltic States amounted in 1913 to 125,300 tons, mainly fibre, or 16%. No estimate can for the moment be made of the flax reserves held in Russia, but, taking into

account the effect of warfare and the necessity of making up for shortage of cotton and other textiles by the utilisation of flax, it is safe to say that these reserves have suffered considerably. Moreover, it is worth remembering that last year in Lithuania the area under fibre was considerably curtailed on account of the shortage of seed and an addition made to the area under linseed.

Since 1917 the flax grown by the Irish farmer has been disposed of to the Government at a price which varied according to the grade it was assigned by Governmental experts. In 1918 the acreage under flax was 143,355 acres, as compared with 59,305 acres in 1913, but a decline to 95,610 acres was noticeable in 1919. Spinners have experienced considerable difficulty in obtaining the produce of last year's harvest, as many farmers, attracted by the high prices ruling for consignments of Russian, Dutch, and Egyptian flax, have, pending a higher valuation of their flax, refused to allow it into the hands of the Government agents. With some show of reason, the growers contend that, as the spinner is free to sell his yarns at any price they will fetch, they also should be freed from any coercion in the shape of a fixed maximum price. The dispute reached a bitter stage lately, but an arrangement has now been made whereby, after March 21, 1920, the spinners will be charged by the Flax Supplies Committee another £160 for every ton of flax received by them. This money will be credited to a fund which will only be distributed at the end of the season to all farmers who have marketed or will willingly market their flax between September 1, 1919, and August 31, 1920. Of last season's crop the yield was estimated at 13,720 tons; 9,500 tons have already been sold, and if, say, 5,000 tons were delivered by August 31 the bonus offered by the spinners would represent £800,000, sufficient to provide for a *pro rata* payment to growers who have delivered and who have still to deliver of 6*s*. 11*d*. per stone. This offer has met with a mixed reception from producers, a large section of whom demand a free market for flax and the removal of control by the Government. The opposition is, of course, strongly manifest amongst those who still retain their flax. The Government proposes to abandon all control over this year's crop, and on the basis of the market prices ruling at the moment it is probable that the Irish cultivators will put an increased acreage under flax. Other countries will hasten to do likewise, but there is on the whole very little likelihood of a marked drop in prices, unless Russia is in a position to release reserves on a scale that nobody at present credits her with possessing. Germany, Austria, France, and Belgium imported large quantities of fibre normally, and as the year advances will endeavour to increase the number of working spindles. In Great Britain and within the Empire generally the cultivation of flax has been systematically encouraged during the past few years. Thus in Canada and British East Africa 18,000 acres were laid down in 1918. In Australia it is interesting to note that Ulstermen have been responsible for an increase in the acreage under the crop from 500 to 2,200 acres, and next season it is anticipated that at least 5,000 acres will be planted. The flax acreage in Holland last season was estimated at 28,390 acres, but this fell short of the 1913 figure by 8,235.

The demand for yarns and all classes of linen goods is on a huge scale, but owing to the limitations imposed on output by the shortage of raw material the linen industry of the North of Ireland cannot make much headway in filling the many orders received. To express this dilemma in figures it is sufficient to contrast the imports of 9,577 tons of flax into Ireland in 1919 with an average annual import of 38,057 tons during the five years 1909-13. Since the War spinners have to some extent utilised hemp as a substitute for the fibre, but there are limitations to its use. The use of cotton, which, woven with linen, serves for the manufacture of union goods, is discouraged by the high price resulting from the low value of the pound sterling in the United States. The world is at present suffering from an acute shortage of linen goods, and under the circumstances it seems that the remedy cannot be provided until flax supplies are considerably augmented.

SOUTH AND CENTRAL AMERICA.

NEED FOR OPENING UP.

If we take the whole of the North American continent, it is in area more than double the whole of Europe. If we take the South American continent, it is considerably less in area, and we have to include the islands of the Caribbean Sea and Central America to make up the deficiency. If we include, then, the whole of South and Central America, we have an area for practical purposes twice the size of the whole of the European continent. And, like Europe, it is a continent which is capable of affording sustenance and shelter upon a generous scale to man and beast. From the torrid regions of the Caribbean to the cold and tempestuous shores of Tierra del Fuego there is hardly a part of the continent that is not eminently suitable for the settlement of man, and which will not repay his labours to a most generous extent, and over a large part of the area to an extent so generous that such prodigality of Nature is found in few other parts of the globe. There are deserts in Africa. There are deserts in Asia. Even North America, although it is bigger, as we have said, than the southern continent, still in the extreme north it is a very arid, cold, and wind-swept area. But in South America there is hardly any district that is not suitable for the settlement of man. True there is both ice and snow, particularly on the western side of Tierra del Fuego. But even there the climate is not wholly inhospitable, and in the interior the vegetation proves the general moderation of the seasons. The great difficulty of the extreme south-west of the continent of South America and of the adjacent islands is the terrible nature of the tempests which sweep across from the greatest ocean in the world—an ocean, in fact, which forms very nearly one-third of the total area of the earth's surface. Settlement and cultivation would bring about very much improved conditions even in Tierra del Fuego, though, of course, so far as our knowledge goes, presumably, the terrible hurricanes from the Pacific would remain. But we do not propose to deal to-day with Tierra del Fuego, with Patagonia, or with any part of the continent except the very richest. South America, as it exists at present, offers such extraordinary advantages, and possesses such enormous potential wealth, that those who propose to open it up and have really the means and the capacity for doing so, can afford to pick and choose, and only accept the particularly dainty morsels which especially appeal to the palate of the epicure. We deal in another part of this issue with the trade of the United States of Brazil, and it happens that the United States of Brazil constitutes very nearly one-half of the total area of the continent of South America. It happens, moreover, that some of the richest lands on that continent are included within the United States of Brazil. Now, until Brazil as a composite whole is opened up from north to south, it will not be possible to say what are the real potentialities of the continent of South America. The early settlers found it desirable to climb the coastal range of mountains and explore the elevated plain immediately lying at the back of this coastal range; and it was in this way that the potentialities of the coffee of São Paulo, the sugar of Pernambuco, and the tobacco of Bahia were first realised. Fortunately, the mineral State of Minas Geraes stands comparatively close to that part of Brazil which was selected as the capital, and which has since become the Federal District. About 200

years ago, explorers in Minas Geraes discovered gold and diamonds, as they have since discovered manganese-ore and iron-ore deposits. For very nearly two centuries, until the discovery of the rich Kimberley mines in South Africa, the pure white diamonds of Minas Geraes were amongst the most highly-valued stones in the world, and the area called Diamantina, from which these precious stones are extracted, was the principal source of the world's supply of diamonds; and this continued, as we have said, right down to the end of the third quarter of last century, when the discovery of the Kimberley mines showed their enormous richness. Even to-day the Diamantina area is the principal source in Brazil of the supply of diamonds, and the adjacent fields are the principal sources of the supply of gold. Rich and valuable as these diamonds are, and rich and valuable as the gold mines are, they are comparatively, as far as we know, small assets in the general wealth of Brazil. But we mention them merely to show the potential wealth that may be discovered in any part of Brazil whenever it is opened up. About 70 years ago, somewhat further inland than the great escarpment that marks the plateau of Matto Grosso, some of the richest iron-ore deposits were discovered. We believe we are right in saying that a great American syndicate is now working a small part of these iron-ore deposits; but until the recent great War in Europe drove up the price of iron to extravagant figures it was not found practicable to work the deposits, although they were known to be amongst the richest in the world. At the time the Great War in Europe broke out in August, 1914, these rich ore deposits in the centre of Brazil were not worked in any way, although competent mineralogists have reported over and over again that they were amongst the richest in the world, were comparatively easy to work, and only required a railway system capable of opening up the country. We know, also, that petroleum, or, at any rate, indications of petroleum, exist in various parts of Brazil. Nearly every writer of repute upon petroleum has mentioned the evident signs of petroleum in the Marahu district of the great tobacco State of Bahia. In various other States there are indications of petroleum. But at present there are no facilities which would make it possible to work these deposits with any prospect of success. It has to be remembered that in large areas where these deposits are found the country is marshy and more or less covered with mangrove swamps; and unless such areas are drained, the mortality from malaria and yellow fever will be enormous, and the cost would be something like £2,000 per square mile to drain such an area on the basis of pre-War prices. Until the whole country is opened up upon a well-considered scheme, to work these petroleum fields under existing conditions would be wholly impracticable.

Until quite recently, it would have been equally impracticable to open up the richest parts of the continent of South America, because we were unaware of the causes which made these regions so apparently unhealthy. Recent discoveries, into which we have not space to enter at the moment, but which we have referred to, and even described, upon various occasions, have shown that tropical diseases are due to well-known causes, and can be fought by means with which our medical and engineering experts are perfectly well acquainted. The work accomplished by the late Dr. Oswaldo Cruz in various parts of Brazil shows that there is no insuperable difficulty in dealing with what are known as tropical diseases. Briefly stated, it is practically a question of drainage. Now when we talk of tropical diseases only a very small part of the Tropics are really unhealthy. The reader, no doubt, is aware that what are known as tropical diseases were never prevalent in the island of Barbados. This is simply due to the fact that there are no swamps in Barbados. The Guianas north of Brazil are not unhealthy, and are never visited by what are known as tropical diseases owing to their great elevation. In reality, what are known as the Tropics are no more unhealthy than any other part of the world. But owing to the fecundity of living organisms of all kinds in these really favoured parts of the earth, the swampy areas of the Tropics are deadly, and deadly not merely to the white man, but to all human inhabitants. As a matter of experience, it has been found that peoples inhabiting swampy areas are never healthy in any part of the world. The high plateaus of Brazil are not unhealthy, even for people going out straight from Europe, because owing to their elevation there are no swamps. It is in reality only the swampy areas, and those parts of South America which are subject to inundation, which are so exceedingly unhealthy. The real problem to be solved whenever South America is properly opened up, and we mean in this connection Northern Brazil, is the drainage of a vast area between three and four times the size of France, which is subject to inundation twice every year. The engineer is both able and willing to undertake the solution of the problem. From his point of view it offers no very serious difficulties. It will, however, be an exceedingly costly business, and will require, in addition to great expense, a large expenditure of human effort. In other words, it is a question of the employment of a large amount of capital and the employment of a great number of labourers. Owing to the extreme depth of the Amazon the solution of the engineering part of the question is very materially assisted. The really difficult country to drain is the one which is very low-lying and has not a ready outfall to a sea or river. But this is not the case in the central regions which it would be necessary to drain for the purpose of opening up the northern regions of Brazil. What actually happens is that each season when rains come there is an inundation to the extent of about ten or twelve feet on each side of the Amazon; and owing to the fact that the Amazon itself runs almost exactly under the Equator, this inundation occurs twice a year. The Amazon is the only river in the world which receives the rains of the Northern Hemisphere and the rains of the Southern Hemisphere.

Owing to the recent wastage of war there is an exceptional demand at the present time for vastly increased supplies of food and raw materials, and food and raw materials which can be obtained at a low economic value. Consequently, the opening-up of this rich area is particularly desirable at the present time. The opening-up of South America would at any period be desirable, because, owing to its natural fertility, it would afford vast supplies of commodities useful to man. But in a period of plenty the urgent need is not felt to the extent which it is felt in a period like the present, when there is a great scarcity of all those commodities which we desire to have, and which are not merely desired at present in Europe, but are required everywhere. Cotton is scarce, sugar is scarce, cocoa is scarce, even wool is not as plentiful as it might be; and all those commodities could be supplied, and supplied in abundance, provided these immense areas were drained and opened up by means of a railway. The whole continent of South America which, as we have said, is for practical purposes twice as big as Europe, has a population only a little larger than that of the United Kingdom. But it is impossible to increase a population to any material extent until means are available for their sustenance and their maintenance, until they are able to provide for themselves. Provided that a railway scheme were brought into existence for the purpose of running, say, from the Guianas right down into Central Brazil, and connecting up the existing railway systems, with adequate capital to enable it to drain the area which it serves—and, of course, it would not be possible to drain the whole area at once—a great field for immigration would at once be opened up, and a vast territory brought under

cultivation, which would be capable of supplying immense quantities of the very commodities which are so urgently needed throughout the civilised world at the present time. Such a railway, if it were constructed by capitalists having adequate resources, would bring these potentially rich regions of South America practically as close to Europe as New England is at the present time. In the period before the War the steamers then running between Europe and the Caribbean Sea were accustomed to perform the journey in about fourteen days. The traffic between these regions and Europe is comparatively small. But if Northern Brazil were opened up as a great source of supply of cattle, and cocoa, and sugar, and cotton, it would be worth while for the great steamship companies to put on a line of steamers comparable with the great lines which now cross the Atlantic between New York and the principal European ports. Inasmuch as we have said even before the War, with comparatively modest traffic available, the steamers were able to do the journey in about a fortnight, it is perfectly evident that if great powerful steamers of the best modern type were provided for the service it would be quite possible to perform the journey in eight or ten days. This, of course, would not pay at present; but it is simply a question of providing adequate traffic for both journeys. These regions in South America would afford a traffic in cotton, in cocoa, in sugar, in cattle and the by-products of the cattle industry, and various kinds of food and raw materials, and in return the opening-up of this country would require immense quantities of manufactured goods from here and from various parts of Europe; and, for that matter, from various parts of the world. The people in the new area would need clothes, furniture, and the usual necessities of civilised life, while the railways would require rolling stock, steel rails, telegraphic and telephonic apparatus, and so on, which would provide a traffic for the outward, as well as for the home-coming, voyage; and, consequently, freights should after a time be upon a very moderate basis.

Messrs. Armstrong, Whitworth are preparing to add civil engineering and public works contracting, on a large scale, to their extensive enterprise. For this purpose a new department, we understand, has now been formed, under the control of Mr. Robert H. Mackenzie, and will commence operations immediately. In addition to their works at Elswick and Openshaw, they also have the assistance of Messrs. Armstrongs and Main for constructional work, and of Messrs. Crompton for electrical undertakings. Their recent purchase of Pearson and Knowles shares now places the Company in control of important supplies of raw materials, and completes a combine which will enable them to undertake throughout civil engineering contracts of any magnitude.

A cable from South Africa, received this week by the Standard Bank of South Africa, Limited, states that trade generally is buoyant as the result of favourable farming conditions, though in some centres retail trade is less brisk owing to increasing prices. Stocks are practically unchanged, but merchants are indenting sparingly, owing to the difficulty of obtaining delivery and the impossibility of forecasting the position months ahead. Arrivals of soft goods are satisfactory, and the demand is strong at higher prices. Good supplies of boots are expected, and hardware is scarce. The Union maize crop has improved, though, in consequence of the heavy frost which occurred in the Free State on March 29, considerable damage is feared. The Rhodesian crop is very favourable. Business in Rhodesia is well maintained, but was interfered with latterly by the railway strike, which is now settled. Stocks in Portuguese territory are equal to local requirements. East African trade is still dominated by the currency question, and is, consequently, unsettled.

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American Topics.

CANADIAN PACIFIC RAILWAY.

Our great colony, the Dominion of Canada, like its southern neighbour, the United States of America, has gone ahead and prospered at an extraordinary rate as a result of the recent War. Canada, like her neighbour, has been in a position to supply food and raw materials upon a very extensive scale, at a time when the wealthiest countries of the world, and those enjoying the greatest measure of accumulated resources, were wasting food and raw materials upon an unprecedented scale. As a natural result the one great transcontinental system of the Dominion has prospered, and prospered to a remarkable extent, as the principal means of transport which this enormous country possesses. Prosperity is written on every page of the report before us, the details of which will be found in another column. It will be observed the earnings of the Canadian Pacific Railway have been the greatest ever recorded, and, were we dealing with earnings alone, we should be justified in saying that never before had a railway such favourable prospects before it. Unfortunately, the enormous cost of earning its revenue has also increased upon an unprecedented scale. It may be said, and said with truth, that this is a feature not merely of the working of every railway, but of every industrial undertaking throughout the world. This, of course, is true, but it does not in any way alter the facts nor detract from their significance. It is only some two years ago the Company was allowed to increase its freight rates by the Dominion authorities, but it seems evident that unless methods are discovered

whereby the growing cost of working can be materially reduced it will be essential to further increase freight rates, and, indeed, to increase all the charges demanded on this great system. Of course, it is evident that no railway company can be expected to convert itself into a benevolent institution, and if no means can be found of reducing working costs railway charges throughout the world will have to be increased. It is, however, a real disadvantage, particularly for a new country, to have high transportation charges, or, for that matter, unduly high charges of working any industry.

There is, as the reader is aware, a remarkable demand for flax at the present time, and certain parts of Canada are peculiarly suited for the growth of this plant. One of the great difficulties of increasing the flax-growing area in Canada upon a really great scale is the obstacles in the way of making it economically successful until some means are found for performing what is known as the retting process by mechanical means. The report of the Canadian Pacific Railway Company says that the working expenses for the year ended December 31, 1919, amounted to 81.39% of the gross earnings, and the net earnings to 18.61% of such earnings. This compares with 78.10% and 21.90% respectively in 1918. Last year the working expenses amounted to over 78% of the gross earnings, and the net receipts at 21.90% of such earnings were regarded as an exceedingly low ratio. Before the War the working expenses amounted to 66%, and the net earnings of the line were as high as one-third of the total gross earnings. Even then they were already showing an advance, for the working expenses in the preceding year had been as low as 64%. Consequently, the net earnings had exceeded 35% of the gross takings of the line.

Results of Canadian Pacific Proper (000's omitted).

Year to Dec. 31—	1919	1918	1917	1916	1915
	$	$	$	$	$
Gross receipts	176,929	157,538	152,389	139,730	109,397
Oper. expenses and taxes	143,996	123,035	105,843	89,256	65,873
Ratio	(81·39)	(78·1)	(69·5)	(63·9)	(60·2)
Net earnings	32,933	34,503	46,546	50,476	43,524
Miscellaneous income ...	9,049	8,935	*a*8,744	*a**11,386	*a**10,454
Net income	41,982	43,438	55,290	*61,862	*53,978
Int. and other charges ...	10,162	10,177	10,229	*10,286	*10,377
Net profit	31,820	33,261	45,061	*51,576	*43,601
Div. on 4% Pref.	3,227	3,227	3,228	3,228	3,228
Profit for Ord.	28,593	30,034	41,833	*48,348	*40,373
= % on Ord.	(10·9%)	(11·5%)	(16·1%)	*(18·6%)	*(15·5%)
10% div. on Ord. ...	26,000	26,000	26,000	26,000	26,000
Surplus	2,593	4,034	15,833	*22,348	*14,373

* Approximate. Figures adjusted to coincide with calendar year.
(*a*) After making allowances to contingent reserves.

The course of the railway expenditure during the past few years is shown in the appended statement:—

Operating Expenses of the Canadian Pacific Ry.

Year to Dec. 31	Railway Earnings.	Maintenance of Way.	Maintenance of Equipment.	Cond. Transportation.	General Expenses.	Oper. Exp. & Taxes.
	$	$	$	$	$	$
1919	...158,730,000	28,912,000	33,898,000	71,884,000	6,106,000	140,799,000
1918	...142,379,000	22,646,000	28,227,000	64,059,000	5,422,000	120,354,000
1917	...135,304,000	17,470,000	23,404,000	56,114,000	5,024,000	102,012,000
1916	...124,735,000	17,249,000	18,908,000	45,326,000	4,346,000	85,829,000
1915	... 97,147,000	10,007,000	12,821,000	35,957,000	3,949,000	62,754,000
1914*	...114,746,000	16,427,000	16,617,000	45,877,000	4,322,000	83,243,000
1913*	...126,122,000	18,498,000	17,199,000	49,451,000	3,954,000	89,102,000

Ratio of Operating Exp. to Gross Receipts of Can. Pac. Ry.

	Maintenance of Way.	Maintenance of Equipment.	Cond. Transportation.	General Expenses.	Oper. Exp. & Taxes.
	%	%	%	%	%
1919	16·28	19.15	40.60	3.45	79.57
1918	14·37	17·91	40·66	3·44	76·39
1917	12·91	17·30	41·47	3·71	75·39
1916	13·83	15·15	36·34	3·48	68·80
1915	10·30	13·20	37·01	4·07	64·58
1914*	14·31	14·48	39·98	3·77	72·54
1913*	14·66	13·64	39·21	3·14	70·65

* Year to June 30.

Details of tonnage as set out in recent reports are given below:—

Principal Commodities Conveyed by Canadian Pacific Ry.

Year to Dec. 31	Grain	Flour	Products of Live Stock	Products of Forests — Lumber	Products of Forests — Other	Manuf. Articles	Misc. Articles	Total Freight
	Thous. Bushels	Thous. Tons	Thous. Head	Thous. Feet	Thous. Cords	Thous. Tons	Thous. Tons	Tons
1919 ...	121,060	1,278	2,663	3,143,431	280	7,854	7,589	25,103,000
1918 ...	137,070	1,330	2,395	3,241,313	340	9,718	9,798	29,857,000
1917 ...	213,341	1,373	2,191	3,178,555	295	10,149	8,788	31,199,000
1916 ...	256,107	1,112	2,172	3,017,964	289	8,872	8,488	30,169,000
1915 ...	219,388	894	2,525	2,376,175	263	6,571	7,368	24,895,000
1914* ...	184,954	880	2,481	2,953,126	288	8,148	9,159	27,801,000
1913* ...	171,953	809	1,783	3,210,306	294	9,519	9,626	29,472,000

* Year to June 30.

AMERICAN TELEPHONE AND TELEGRAPH COMPANY.

We publish elsewhere a full report of the recent operations of the American Telephone and Telegraph Company. This includes the well-known Bell system of the United States. The telephone was invented in the United States. The system of operating it has been mainly developed in the United States. The greatest manufacturers of telephone apparatus are located in the United States. And it is in the United States that the system has reached its most complete development. Until recently the Bell system in America was the model on which nearly every other exchange was formed. Since the War there have been complaints of the working of this system; and the reason for these complaints is fully explained in the report which we publish elsewhere. Readers really interested in telephone questions, whether actual shareholders in this particular Company or not, will gain an immense amount of information from studying the report referred to. The real difficulty under which the Company has been working is that, like the railways and so many other of the utility services of America, as well as of the other belligerent countries, they were controlled by the Federal Government. And, as a result, the Company was restricted to a certain fixed dividend which it had been earning during a specified period previous to the outbreak of the recent War. Consequently, except in so far as it suited the convenience of Government, it was practically impossible for the Company to develop its system.

We had hoped to show a comparison of the position of the Company in the last full year before the War and the period covered by the report above referred to. This, however, would serve no good purpose, inasmuch as only for a very short part of the period was the Company able to work upon a commercial basis, a very large part of the period covered being that under which the Company was controlled by the Federal authorities for practically war purposes.

AMERICAN CROPS.

According to some tables issued by the Crop Reporting Board of the Bureau of Crop Estimates at Washington, the amount of corn on the farms of the United States on March 12 was 1,092,095,000 bushels, or 37% of the crop of 1919, against 855,269,000 bushels, or 34% of the 1918 crop, on the farms on March 1, 1919, and 1,253,390,000 bushels, or 40% of the 1917 crop, on the farms on March 1, 1918. About 16% of the crop will be shipped out of the counties where they are grown, against 14½% of the 1918 crop and 22% of the 1917 crop so shipped: The proportion of the 1919 crop which is merchantable is about 80%, equivalent to 2,535,130,000 bushels, against 82%, equivalent to 2,062,041,000 bushels of the 1918 crop, and 60%, or 1,837,728,000 bushels, of the 1917 crop.

The amount of wheat on the farms on March 1, 1920, was roughly 165,539,000 bushels, or 17% of the 1919 crop, against 128,703,000 bushels, or 14% of the 1918 crop on the farms on March 1, 1919, and 107,745,000 bushels, or 16% of the 1917 crop, on the farms on March 1, 1918. About 60% of the crop will be shipped out of the counties where grown, against 58% of the 1918 crop and 51% of the 1917 crop so shipped.

The amount of oats on March 1 last was, roughly, 422,815,000 bushels, or 33% of the 1911 crop, against 590,251,000 bushels, or 38% of the 1918 crop, on the farms on March 1, 1919, and 599,208,000 bushels, or 37% of the 1917 crop, on the farms on March 1, 1918. About 25% of the crops will be shipped out of the counties where grown, against 27% of the 1918 crop and nearly one-third of the 1917 crop so shipped.

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Rubber Topics.

WITH the Easter recess over, the market resumed its activities on Tuesday in a rather promising fashion, the general trend of prices was upward, mainly owing to the reluctance of sellers to come forward. Selaba hardened to 52*s.* 6*d.* on the announcement of the final dividend of 17%, making a total of 22% for the year. Wednesday, however, witnessed the appearance of weakness. Realisations on Paris account produced reactions in Kuala Lumpur and Malacca, the former closing ⅛ lower at 3¾, whilst the latter lost ¼ at 5½. Generally speaking, such price movements as took place were rather irregular. On Thursday the market was, on the whole, quiet and featureless. Any shares on offer were nevertheless quickly picked up. The Commodity market was better on the week, Thursday's closing prices being 2*s.* 3*d.* for standard crêpe and 2*s.* 3¼*d.* for smoked sheet. Yet another reconstruction is announced. This time it is the Sungei Krian Rubber Estate, which is going into liquidation in order to form a new company. The existing Company has a capital of £100,000, consisting of 82,000 6% Cumulative Participating Preference shares of £1 and 18,000 Ordinary shares of £1. The new Company is to have an authorised capital of £250,000, of which £200,000 is to be issued in fully-paid shares to existing shareholders in the form of 164,000 6% Cumulative Participating Preference shares of £1 and 36,000 Ordinary shares of £1. The remaining 50,000 Ordinary shares are to be retained for issue as required. Out of the proceeds of liquidation shareholders are to receive a final dividend at the rate of 20% per annum, less tax, an interim dividend of 10% having already been paid. In the market the Preference shares, which are entitled first to a dividend of 6% and then to equal participation with the Ordinary shares after the Ordinary shareholders have received a like amount, are quoted at 68*s.* 9*d.* and the Ordinary shares at 61*s.* 3*d.* The final returns of the Jugra Estate for the year ended March 31, 1920, report an actual crop of 530,675 lb., the estimate being 495,000 lb., and the crop of the previous year being only 329,417 lb. Already an interim dividend of 50% has been declared, as compared with a total dividend of 40% for 1918-19, and these returns would seem to hold forth promise of a total dividend in the region of the 1916-17 record of 85%. Under such circumstances it is not surprising to find that the market regards the 2*s.* shares of the Company to be worth 18*s.* 3*d.* Rubber outputs for March are, on the whole, distinctly promising. Malacca Rubber Plantations have a crop of 290,000 lb., as against 260,500 lb. for the same month of 1919. Sungei Bidah increase their crop to 176,500 lb., as against 128,000 lb.; whilst the Seafield Rubber crop reaches 109,760 lb., the yield of March 1919 being only 83,466 lb. Devon Estates (Malacca) obtain 80,000 lb., as compared with 62,000 lb.; and British Malay Rubber Company as much as 99,500 lb., in comparison with 67,923 lb. And these are but typical of the general trend of the outputs, although the increases in these cases have been admittedly more pronounced.

ANNUAL REPORTS ANALYSED.

REMBIA (MALACCA).

Issued Capital: £80,000 in £1 Shares.

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Bearing lb.	Av. Yield per Price Realised per lb.	"All-in" Cost per lb.	Net Profit‡ £	Dividend Amt. £	Dividend %
	←Results for Years to September 30→								
1915–16	1,601	976	379,667	389	2/4·1	1/1¼	25,369	20,000	25(a)
1916–17	1,558½	1,394*	400,384	278	2/3½†	1/3½	24,553	8,000	10(a)
1917–18	1,560	1,452*	338,067	—	1 6·3	1/4†	6,259	4,800	6(a)
1918–19	1,560	1,464*	417,064	—	1 8¼	1/0¼†	15,640	16,000	20

* Considerable area in partial bearing. † Excluding selling charges, freight, &c. ‡ Before deduction of income tax. (a) Free of income tax.

Price of Shares, 46/3. Market Capitalisation per planted acre, £119.

THE accounts of this Company for the year ended September 30, 1919, are, from the point of view of the shareholders, very satisfactory. Whilst the output for the year fell short of the estimate of 440,000 lb.—a deficiency which can largely be explained by the influenza epidemic—it was nevertheless over 20% greater than that of 1917-18. With a decline of 3½*d.* in the "all-in" cost coincided an advance of nearly 2*d.* on the average gross price realised per lb. Consequently, the net profit amounted to £15,640, as compared with £6,259 for 1917-18. Shareholders receive a dividend of 20%, less tax, as compared with 6%, free of tax (equivalent to 8¼%, free of tax), in the previous financial year. A balance of £10,926 is carried forward, subject to excess profits duty. Owing to the unsettled nature of the principles of taxation so far as rubber companies are concerned, this Company, in common with many others, is in a strange position in this connection. As regards income tax, there is a liability for £7,100 for the two years 1917-19. To meet this there has been deducted £4,800 from dividends due to shareholders, and the balance of £2,300 is more than covered by the claim of £2,785 for annual values in respect of the 6% basis under the Boustead decision. The position as regards excess profits duty is, to say the least of it, vague. Payments have been made to the amount of £7,188. But if the Merlimau decision on the part of the Commissioners—a decision which so far the authorities refuse to accept—is upheld, the liability of the Company for excess profits duty is limited to £73, thereby entitling them to a refund of £7,115. On the other hand, if this vital decision is set aside their liability will amount to £18,125, necessitating a further payment of £10,937, which would thus eat up all the balance carried forward. Obviously it is of great importance that this matter should be decided once and for all by the revenue authorities, for as long as it remains unsettled rubber companies are handicapped by their inability to dispose of these floating balances, which not a few of them would be glad to expend in the further development of their estates.

For the current year the outlook is very bright. The estimated output reaches the high figure of 505,000 lb.—a figure which the actual crop of 202,757 lb. harvested during the first four months would indicate as erring on the side of conservatism. The Chairman, who had just visited the estate, commented upon its remarkable freedom from disease. He pointed out, however, that there were three factors operating against them. The exchange situation, whilst a source of anxiety, was not so unfavourable as in Ceylon, owing to the comparative stability of the dollar—about 2*s.* 4½*d.* On the other hand, owing to the higher value of the rupee in comparison with the dollar, it may become necessary to increase the wages of Tamil labour, in order to facilitate recruiting in competition with the demand from Ceylon. Much graver is the loss arising from the high price of rice, and the difficulty involved in cultivating it on the estate. Again, some difficulty is being experienced in securing an adequate supply of labour. The financial position of the Company, as seen in the latest balance sheet, is very sound. Whilst liquid assets amount to £16,161, liabilities do not exceed £5,917. All the available land of the Company has now been planted, but the

Company desire to acquire new areas for further development. To provide funds for this purpose it was agreed at the general meeting to increase the authorised capital to £150,000 by the creation of 70,000 new Preference shares of £1 each, to rank *pari passu* with the existing Preference shares. These shares are entitled to 6%, and, after the Ordinary shares have received 6%, to an equal share in the profits remaining. In view of this preferential position these shares command a price of 47*s.* 6*d.* in the market, whilst the Ordinary shares are quoted at 46*s.* 3*d.* At this price the Preference shares yield a little under 8½% at the existing rate of dividend, but in view of the prospects of higher dividends they are rather attractive even at this price.

SENDAYAN (NEGRI SEMBILAN).

Issued Capital: £68,993 in £1 Shares.

	Results for Years to September 30								
	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1916 ...	1,505	1,003	406,327	405	2/6½	1/0½	30,569	13,476	22½
1917 ...	1,502	1,044	416,707	400	2/5·3	1/1·6	27,625	10,481	17½
1918 ...	1,432	—	363,562	—	1/11·4	1/5·8	8,923	4,492	7½
1919 ...	1,468	1,432	523,912	366	1/11·1	1/1·4	21,604	10,500	15

Price of Shares, 59 4½.] Market Capitalisation per acre, £124.

The accounts of this Malayan rubber Company for the year ended September 30, 1919, represent a substantial improvement over the results of the previous financial year. The comparative absence of the drastic restriction on tapping that characterised 1917-18 is evidenced in the greatly increased output of 523,912 lb., which is in close approximation to the estimate of 534,000 lb. As the marked rise in the price of rubber did not take place until after the close of the year under review the gross price realised registers no improvement. As a matter of fact, it works out at .32*d.* less per lb. than in 1917-18. But this small loss was more than counterbalanced by the great decrease in the "all-in" cost from 1*s.* 5.79*d.* in 1917-18 to 1*s.* 1.43*d.* This reduction was mainly the outcome of the well-known economies connected with the handling of a larger output. Another factor which contributed to it was the shortage of labour, which not only prevented the realisation of the estimated output but, what was no less serious, prevented the completion of the scheme of cultivation work mapped out for the year, thereby reducing the actual outlay. However, the reduction, such as it was, enabled a net profit of £21,604 to be earned, as compared with £8,923 in 1917-18. Out of this shareholders receive a dividend of 15%, or twice the rate of the previous year. The profit actually earned during the year represented a dividend of 30% on the increased capital; but in view of the outstanding liability in respect of excess profits duty, including arrears to the extent of £13,000, in addition to the liability for the year under consideration, the directors wisely refrain from declaring any greater dividend, carrying forward a balance of £24,505 to meet these charges. For the current year the outlook is distinctly promising. The estimated crop is 568,000 lb., and with the full complement of native labour which has been obtained there should be no difficulty in securing it. The actual crop harvested for the five months ended February 29, 1920, amounts to 254,167 lb., which would point to a final crop in the neighbourhood of 600,000 lb. Of this no less than 259,000 lb. have been sold forward at a price of 2*s.* 1*d.* per lb. landed terms, which represents a satisfactory advance on the previous low level.

No less satisfactory is the financial position revealed in the latest balance sheet. Liabilities do not exceed £8,221, against which there is a cash balance alone of £15,069. Liquid assets are, indeed, available to the extent of £60,810. The estate account stands at £68,515, whilst the value of buildings and machinery, less depreciation, is estimated at £9,361. Since the publication of the previous balance sheet 9,098 shares were issued to existing shareholders at a premium of £1, thereby raising the issued capital to £68,993. In the interval elapsing between the closing of the accounts and the general meeting a further allotment of 1,007 shares has been made, bringing the total of the issued capital up to £70,000. The total of the share premium and the reserve account, in virtue of the premium on the new issue, was increased to £25,256 as on September 30, 1919. The money thus secured will provide the funds necessary to meet the heavy expenditure to be incurred during the current year on a new factory and machinery. In the market the shares command 59*s.* 4½*d.*, at which price they yield on the present dividend a return of a little over 5%; but as this dividend may be doubled in the immediate future, the ultimate return, ignoring any possibilities of capitalisation of reserves, would be nearer 11%.

GEDONG (PERAK).

Issued Capital: £57,300 in £1 Shares.

	Results for Years to October 31								
	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1916 ...	1,026	735	183,601	250	2/8.4	1/1⅛	13,510	8,595	15
1917 ...	1,026	735	277,508	377	2/4.8	1/0.6	18,608	8,595	15
1918 ...	1,026	954	219,661	230	1/10½	1/1½	8,679	5,730	10
1919 ...	1,076	974	287,332	295	2/0½	1/1½	12,720	8,595	15

Price of Shares, 56/10½. Market Capitalisation per planted acre, £151.

No longer handicapped by the drastic restriction of output which, in conjunction with the influenza epidemic, reduced the 1917-18 crop to so low a level, this rubber company was able to harvest in their financial year 1918-19 287,332 lb. of rubber, the record crop for the period of its existence. Whilst the "all-in" cost had only advanced slightly to 1*s.* 1¾*d.* per lb., the average price realised by the sale of the crop had increased by 2*d.* to 2*s.* 0¼*d.* A net profit of £12,720 was secured, as compared with £8,679 for the previous year, thus rendering it possible to return to the former dividend of 15%. Prospects for the current year are very encouraging. There is a considerable advance in the estimated crop, which is placed as high as 420,000 lb. Bearing in mind the cautious nature of the estimates of this Company, such an increase may well be anticipated. Already the actual output for the first four months of the year 1918-19, which ought, according to this estimate, to amount to 140,000 lb., is returned at 144,616 lb., and this period includes the short month of February. Moreover, at the general meeting the chairman pointed out how they had a considerable area of young rubber approaching maturity, which had hitherto been very gently treated and through which they expected to be able to exceed substantially their very sanguine estimate. With an eye to the future, they have secured an additional block of 600 acres, out of which it is proposed to plant a field annually, as their existing estate is now fully planted. Again, it is anticipated that somewhat easier conditions will prevail during the current year as regards the marketing of the produce, whilst the problem of the food supply for the native labour has been rendered less acute by producing a good deal of the food on the estate itself. In addition to the payment of the dividend of 15%, another £1,000 has been allocated to the reserve, thereby increasing it to £4,000; whilst the buildings and machinery account has been reduced by £500 in respect of depreciation. The balance of £3,127 carried forward is liable to a heavy call in respect of excess profits duty, but, on the other hand, relief is expected through the allowance to which the Company is entitled under the Boustead decision. The balance sheet as on October 31, 1919, shows the Company to be in a strong financial position. Liabilities, including the income-tax reserve of £1,708, stand at £3,297, whilst liquid assets are available to the amount of £16,749. The £1 shares are quoted at 56*s.* 10½*d.*, at which price they bring in, at the present rate of dividend, a little over 5⅛%. But as the chairman looked forward with confidence to the declaration of a higher dividend for 1919-20, and as all indications in the interval justify his confidence, the shares are not unattractive even at this price.

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REFUGE ASSURANCE COMPANY, LIMITED.

This Company, which was established in 1864 with headquarters in Manchester, has attained a high position both in the industrial and the ordinary life assurance spheres. The ordinary business did not get fairly under way until about midway in the Company's history, but since then the progress in this direction has been exceptionally rapid. The annual report for 1919 shows that the Company's figures in this section by far surpass all previous records, and gives another proof of the immense stimulus to ordinary life assurance since the close of the War. It is one of the most gratifying features of recent life assurance experience that vast numbers of policies for smaller average amounts than are usually issued by companies not engaged in industrial business have been lately effected. But for the instrumentality of offices of the industrial type this result could not have been achieved, and the work done by these institutions in extending the benefits of ordinary life assurance to the earners of weekly wages or of small incomes must be very beneficial to the State and to the community as a whole. Looking to the increased wages now earned by the labouring classes it is evidently within the capacity of many persons who have hitherto restricted their provision for insurance to industrial policies to adopt the much more economic and remunerative system, and it is gratifying to see that ordinary life assurance facilities are given to them in this way. Life assurance for the future is evidently going to become increasingly popular with the "masses" as well as with the "classes" of the population, when its merits are intelligently brought before them, and every advance in this direction is to be welcomed.

The annual report of the Refuge for 1919 shows that in that year the Company issued 70,664 new ordinary life policies for £7,216,889, as compared with 38,322 of such policies for £3,663,589 in 1918. It will be seen that the amount was nearly doubled, and that the average amount per policy (a very good sign) has increased from about £95 to about £120. The total ordinary premium income shows an advance of £384,080, and amounted to £1,947,403. The expense ratio was about 13%, which must be considered moderate, especially when the large proportion of new business is considered. Ordinary claims of £983,066 were paid. Through the year's operations the ordinary life assurance fund was increased by £905,998 to £12,266,220, and the average net interest yield thereon during the year, after deduction of income tax, seems to have been about £3 15*s.* 6*d.* per cent.

The annual valuation of the ordinary life branch, as at the close of last year, was made at 3% by the H^{M} Table of Mortality on a net premium basis. The surplus thus ascertained, after taking into account a balance of £210,002 from the previous year, transferring £55,000 to the investments reserve fund, and writing £25,000 off the book value of securities was £524,239. Of this £225,684 is carried forward as unappropriated to 1920, the residue of £298,555 being allocated according to the Company's regulations between shareholders and participating policyholders. The bonus on such policies is declared at the rate in reversionary form of 24*s.* per £100 assured, in comparison with 20*s.* for 1918, and 16s. for 1915, 1916, and 1917. It is satisfactory to note this increase of profits to policyholders following the conclusion of the War.

The Company's industrial premium income in 1919 was increased by £254,760 to £2,912,383. The amount paid in industrial claims was £1,297,350. The industrial funds were increased by £345,230 to £4,082,264. Since the establishment of the Company up to the close of last year it had disbursed £30,497,620 in claims of all kinds.

The total assets of the Company amounted on December 31, 1919, to £17,384,620, representing an increase during the year of £1,403,544.

MARINE AND GENERAL MUTUAL LIFE ASSURANCE SOCIETY.

From the title of the above Society it might be naturally assumed that one of its main spheres of activity was marine insurance, but this is not the case. Ninety-six per cent. of the premium income in 1919 related to purely life business, which is conducted on the mutual system, the remainder being in connection with the insurance of mariners' and passengers' effects. But the Company has an influential connection with the "Peninsular and Oriental" and "Royal Mail" steamship companies, and the original intention of its founders, when it was established in 1852, seems to have been to give life assurance facilities to the officers in their service. It has long outgrown such dimensions, and has proved one of the most successful offices of its class, so far as the earning of profits for participating policyholders is concerned. For many years bonuses were declared in reversionary form at the rate of 50*s.* per cent. per annum, excluding the first year of assurance. As the result of the quinquennial valuations in 1904, 1909, and 1914, the results were not quite so good, the bonuses, excluding the first year of assurance, being reduced to 40*s.* per cent. per annum, which nevertheless was a high comparative rate.

The quinquennium ended December 31, 1919, was subjected, of course, to nearly the full strain of the War, and owing to the heavy depreciation in securities of the highest class, to which reference is made hereunder, little surprise will be felt that as the result of the valuation at that date the directors have not felt justified in declaring a bonus distribution in respect of the period referred to. This decision is in conformity with general insurance experience, although there have been some exceptions due to special circumstances. The passing of the bonus may be regarded as a temporary incident, and there is reason to anticipate that under normal circumstances the Society will continue to maintain its excellent reputation as a producer of profits.

The annual report for last year shows a gratifying increase in the amount of the new business and of the total premium income. Policies were issued for a sum of £508,572, after deduction of reassurances, as compared with £218,148 in 1918, and the total

premium income rose from £177,329 to £193,033. That income was distributed as follows:—Premiums on life assurance policies, £180,459; on deferred annuity policies, £5,038; and on marine policies of the kind above referred to, £7,536. The claims by death amounted to £83,265, which sum is stated to have been within the "expectation" under the tables of mortality employed. Payments of £48,388 were made on maturity of policies. The claims on insurances covering mariners' and passengers' effects amounted to only £1,413, so that during the year a satisfactory profit seems to have been made on this small section of the business.

The depreciation shown in the revenue account of last year relating to the shrinkage of securities during the quinquennial valuation period up to December 31, 1919, amounted to £351,733, apart from a loss of £6,885 upon realisation. £80,000 thereof was provided by the writing-off an investment reserve fund of that amount. After giving effect to this adjustment the life assurance fund at the close of the year amounted to £2,153,393, and the total assets as shown in the balance sheet to £2,185,175.

At the annual meeting on March 3, 1920, the Chairman, while expressing a natural regret at the amount of this depreciation, took a hopeful view of the Society's prospects, which we have no reason to doubt is fully justified. It must be remembered that, apart from the loss on securities, the Society's mortality experience was adversely affected during the past quinquennium by claims directly due to the War, and also, though probably to a less extent, by the influenza epidemic. Thus the total claims by death over the quinquennium amounted to £428,798, as compared with £297,661 in the proceeding valuation period. One need not be considered sanguine in expressing the hope that in the now current quinquennium there will be a much more favourable record as regards both the adverse features which have pressed so heavily upon the war period.

A book containing the Federal Reserve Act, revised to include all amendments to December 24, 1919, has been issued by the National Bank of Commerce in New York. The volume is prepared for reference purposes, being fully indexed and provided with marginal annotations. Several of the amendments are particularly significant in connection with recent international developments affecting American banking, such as the Edge Act and sections relating to investment by national banks in foreign banking and financing corporations organised under Federal or State laws.

We would strongly recommend our motoring readers to secure a copy of the new Dunlop Touring Maps of the British Isles, with contours coloured. The maps are specially revised by experienced tourists, and were first published in "The Dunlop Book." They are now separately issued in compact form for carrying in a door-pocket on the motor-car. The price is 3s. Particulars of the latest editions of "The Dunlop Book" can be obtained from any of the Company's offices or agencies.

"Popular Chemical Dictionary." By C. T. Kingzett, F.I.C., F.C.S. Illustrated. Price 15s. net. (London: Baillière, Tindall and Cox.) Mr. Kingzett, who was one of the original founders of the Institute of Chemistry, has endeavoured to condense into a volume of 368 pages, in simple language, descriptions of the subjects of chemistry—its laws and processes, the chemical elements, the more important inorganic and organic compounds, and the methods of their preparation or manufacture, together with illustrated descriptions of chemical apparatus. The volume should prove invaluable as a work of reference to the practical chemist, as well as to those who occasionally have to interest themselves in chemistry. As an educational work, too, it should find a place in most private studies and libraries.

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NEED FOR EXPANSION.

In the light of experience gained during the War we shall have to reconsider our economic theories, and we shall have to recast our opinions on various subjects. But we should take time, and we should take counsel with those intimately acquainted with the subject we propose to consider, and endeavour to arrive at conclusions based upon the facts, as distinct from the preconceived opinions of those appointed to consider the facts. It has been truly said that a Parliamentary, or, for that matter, Départmental, Commission can be appointed to report anything, provided the terms of reference are sufficiently ingeniously drawn up. It is equally true, if you carefully select the members of the Commission, without any attempt to corrupt them, merely appointing certain individuals with well-known definite opinions, those who are in a position to appoint such a Commission can assure such a report as they desire to obtain. Now, in considering what it is desirable to do in increasing the world's supply of flax in general, and the British Empire production of flax in particular, it is preeminently desirable that such a course as we have indicated should be entirely avoided. As to the supply of flax from Imperial sources in particular, which, after all, are the only ones over which British people have any effective control, the matter should be considered as an economic question, always bearing in mind the importance of the safety of the Empire.

In the years that preceded the outbreak of the recent War it seemed a conclusive argument that we obtained vast supplies of various commodities from different parts of the world at economic values, at which we could not only not produce them at home, but could not produce them in any part of the Empire, that the policy we pursued was absolutely sound and economically defensible. As a matter of fact, experience has shown that the policy we pursued was economically unsound to a degree, and has proved

absolutely indefensible. We neglected for a whole generation to encourage our fellow-subjects in the West Indies, in India, and in various tropical and sub-tropical countries of the Empire to produce an adequate supply of cane sugar. On the contrary, we preferred to buy beet sugar from the two Empires with which we were lately at war, from France, from Holland, from Russia—from anywhere, in fact, outside the British Empire, provided always it could be obtained on cheaper terms than we could get it from Jamaica, or Demerara, or whatever part of the Empire one cares to select. There is a large body of medical opinion—although all authorities are not agreed on the subject—that beet sugar is not as good for the consumer as sugar derived from the cane. Probably the preponderating force of medical opinion holds this view. But against it a proportion hold that once sugar has been properly refined the impurities contained in beet sugar are removed, and it is as wholesome as cane. On the other hand, it is contended that beet sugar, however well refined, contains a larger proportion of acids injurious to the system than the natural-grown cane sugar. Whether this be so or not, we will not press the point. It is certain now, at any rate, that the growing populations of Europe and the very young in our own country are suffering, and suffering severely, from a shortage of sugar, which has been brought about by the ill-advised policy pursued by this country in the period that preceded the outbreak of the recent War. Consequently, a reasonable and careful reconsideration of the position is desirable, and seems imperative if we are to avoid the mistakes in the future which have been made in the past. We have taken the subject of sugar as it appeals to everybody—men, women, and children; and even those least acquainted with and least interested in economic subjects see for themselves that the growing children in Europe are suffering from want of sugar, and the want of sugar is due to the ill-advised policy pursued mainly by the British Government in the pre-War period. We will consider immediately the difficulties of the flax situation. But before doing so we would urgently point out that the matter should be considered on an economic basis. The merely thoughtless will say, "Oh, put on a heavy duty, and protect any badly managed, weed-strewn sugar plantation, provided it is situated in British territory, and never mind what the cost of sugar may be, provided, of course, we can get some." That, however, is not an economic way of looking at the subject; and the thoughtless, who would protect British industries at the expense of the consumer to an extravagant extent, is in reality doing as much harm to the cause he would assist as the policy of buying anywhere from anybody pursued before the War has done. Now, one advantage, although it has been purchased at a heavy price, which the policy pursued before the War in the case of sugar attained was the building up of an extraordinarily large confectionery and jam industry in this country. It was feared that recent events would have completely killed those industries. But apparently other belligerent countries are in no better economic position than ourselves, and consequently they are not really in a position to take our place. As far as we can ascertain from inquiries made, the jam-maker and the man who makes golden syrup, sweets, and various products of sugar is still able to make a fairly comfortable living. Now, while it is desirable to increase to the greatest possible extent the growth of sugar within the British Empire, it should be done by affording assistance to those who will grow sugar, and grow cane sugar at that, upon the soundest economic lines by the purchase of the very best and most efficient machinery, and by conducting their operations in such a way that it would be very difficult for any tropical country outside the British Empire to produce a better article at a lower price. That is the sound economic way of assisting an industry, not attempting to bolster up those who will not try to assist themselves.

Now, the world's difficulty with regard to flax, although it will not appeal to the reader unacquainted with the subject as sugar does, still the position has been brought about almost precisely by the same causes that have led to the short supply of sugar. It happens that Belfast produces a particular variety of linen fabrics which, for the purpose for which it is destined, is considered by the trade to be the very best in the world. It commands not merely in the London market, but in the markets of the Continent, and even in the highly protected markets of the United States of America, the very highest prices for the particular purposes for which, as we have already said, it is destined. Consequently, we have within the confines of the United Kingdom an industry of great importance, and highly developed. Moreover, as consumers, even those of us who are not in the least directly concerned in the Belfast linen trade are very much concerned to obtain certain garments which are neeessary to complete our clothing as fashion decrees it to be worn. Now, under pre-War conditions the total world's consumption, and consequently approximately the total world's supply, of raw flax—that is, linseed suitable for the making of fabrics, as distinct from oil-cake for cattle—was estimated at, roughly, half a million tons, and of this quantity no less than 400,000 tons were supplied from Russia. In other words, the policy pursued with regard to sugar was pursued also with regard to flax. "Never mind about the linen industry. Wherever you can get the flax cheap, get it." It happens that, in addition to the linen industry being highly developed in a certain part of the British Empire, there are immense areas suitable for the growth of the raw material within the confines of that Empire. And were we to take reasonable precautions, or had reasonable precautions been taken in the past, there should be no shortage in the future, and, as we say, had they been taken in the past there should be no shortage at the present time. There is nothing inherent in the conditions of the War which should have led to the shortage of flax for the consumption of the British peoples. Our total pre-War consumption of flax only amounted to 100,000 tons—that is to say, one-fifth, or 20%, of the world's total production. We ought to be, and in time, if reasonable precautions are taken, shall be in a position to obtain ample supplies. As we have said, of the total world's production we were dependent upon Russia for 80%, or four-fifths. Of the balance we produced only about 10,000 tons, almost exclusively in Ireland. In the early day of the War a good deal of flax was obtained from Russia. But of the other European countries growing flax and making various kinds of linen fabrics some were our Allies, but others were our enemies. The result was that we got little or none from the Continent, and the position became an exceedingly embarrassing one, as, first, we lost supplies because various countries were engaged as belligerents, and then we lost supplies because belligerent countries became Bolshevist. The difficulties of the trade steadily increased. Efforts, however,

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have been recently made by the various Governments, partly because linen is required in the manufacture of aeroplanes, and it was brought forcibly home to the various Departments of the Government that there was real importance in the industry which should have been considered in the pre-War period. There is still some flax obtained from Russia, although the total amount is trifling compared with what it was in the pre-War period. From various sources from which we have obtained information we gather that the total amount now being produced in the world can hardly be more than one-third of what was produced, say, in the season ended with the summer of 1913. The British supply has, if our information is correct, increased in a far greater ratio than that of any other country. From a mere trifle the Canadian output has been increased to several thousand tons. Of course, the reader will say several thousand tons is not a very big supply, which, of course, is quite true. Nevertheless, you cannot grow flax or anything else by magic. Ireland, we estimate, has increased its production by something like 50%. Various parts of England and Scotland must be between them producing very nearly half as much as Ireland was producing before the War. Altogether, we estimate that the production of flax in the British Empire cannot be less than 30,000 tons, and may exceed that amount. We have not included the flax that has been grown during the War period in British East Africa. We believe it is a considerable quantity. But as we have not the figures before us we cannot include them, although, in a sense, we have partially included them in the estimate, on the assumption that they amount to a certain figure which was supplied to us recently from a reliable source. There are various difficulties in increasing the supply of flax rapidly. One is the obtaining of seed—one of the worst difficulties, in fact. It has been partially overcome by our own Government obtaining from the Japanese Government large supplies—we believe several thousand tons of seed flax. Then there is the question of labour. Flax-growing requires a great deal of labour for a very short part of the season, and consequently it is a very difficult industry to carry on in a locality where the available labour is constantly and regularly employed. It lends itself best to a district where there are a considerable number of people who during a certain part of the year have leisure which they are willing to devote to the flax industry. There are two possible methods of increasing the supply. In a country like Canada, where the supply of labour is short, it will only be possible if the difficult processes known as retting or steeping can be performed by mechanical means, and various inventions are being pushed forward in the hope of achieving this. Flax could be grown in enormous quantities in India, where labour is, of course, comparatively cheap. And we believe we are right in saying, in fact, a Government Blue book some time ago estimated that there were at least 100,000 acres available in British East Africa, and with the large increase of our possessions in that area we do not think we shall be far wrong in saying that, from various sources of information, that estimate might easily be doubled. It has to be remembered, however, that hundreds of thousands of acres cannot be cultivated immediately. Before anything like such an area could be brought under cultivation for flax suitable for making linen a considerable number of years will have to elapse.

Mr. E. S. Montagu, M.P., Secretary of State for India, will preside at a meeting of the Indian Section of the Royal Society of Arts on Thursday next, when an address on "The Ports of India: their Administration and Development" will be given by Sir George C. Buchanan, K.C.I.E. The chair will be taken at half-past four o'clock.

LLOYDS BANK LIMITED.

HEAD OFFICE: 71, LOMBARD STREET, E.C. 3.

CAPITAL SUBSCRIBED	(Dec., 1919)	£58,878,400
CAPITAL PAID UP	do.	9,420,544
RESERVE FUND	do.	9,675,105
DEPOSITS, &c.	do.	325,938,436
ADVANCES, &c.	do.	135,763,591

AFFILIATED BANKS:

THE NATIONAL BANK OF SCOTLAND, LIMITED.
THE LONDON AND RIVER PLATE BANK, LIMITED.

AUXILIARY:

LLOYDS AND NATIONAL PROVINCIAL FOREIGN BANK LIMITED.

BRITISH & ALLIED INVESTMENTS CORPN., LTD.

3 and 4 Lothbury, London, E.C. 2.

DIRECTORS.

The Rt. Hon. the Earl of Harrowby, D.L., J.P., Chairman.
Col. H. F. Bowles, M.P.
Sir George Younger, Bart., M.P.
H. E. Carter (Managing).

The Corporation undertakes the provision of Capital for sound and progressive established British Industries, Foreign and Colonial Municipalities, Transport, Electric Lighting, Harbour, Dock and other Companies.

Industrial Companies.

BRADFORD DYERS' ASSOCIATION.

Yr. to Dec. 31	Net Trading Profit	Net Profit	Profit for Ord.	Div. on Ord. Earned	Div. on Ord. Paid	Special Allocations	Carried Forward
	£	£	£	%	%	£	£
1919...	906,391*	593,192	468,192	**34·53**	**22½**	305,208	50,000	399,321
1918...	641,854*	457,795	332,795	**24·54**	**17½**	237,384	20,000	288,537
1917...	807,089*	658,939	533,939	**39·21**	**17½**	237,384	300,000	215,126
1916...	797,331*	649,181	524,181	**38·64**	**15**	203,472	220,000	218,570
1915...	565,404*	417,254	292,254	**21·54**	**10**	135,647	164,628	117,861
1914...	381,883*	233,733	108,733	**8·01**	**5**	67,824	7,500	125,882

* After providing for excess profits duty, and deducting auditors' remuneration and legal charges.

THE great prosperity which has characterised the textile industries in general during 1919 has not been confined to any one section, but has been spread widely over the various branches of the cotton and woollen trades alike. The Bradford Dyers' Association is no exception to the rule; on the contrary, the accounts for the year ended December 31, 1919, are perhaps one of the most salient instances of its application. It is a curious, though none the less pleasing, coincidence that the twenty-first annual report should contain the record net trading profit in the history of the Association. The net trading profit of £906,391 which is left after making all necessary provision in respect of income tax and excess profits duty compares with the previous record of £807,087 in 1917, and is considerably in advance of the return of £641,854 for 1918. The actual net profit, after deducting interest on Debenture stock and certain allocations in respect of depreciation and reserves, does not, however, exhibit the same progressive tendency. Whilst with a total of £593,192 for 1919, as compared with £457,795 in 1918, it represents a marked improvement for the year, it is still below the record figure of £658,939 for 1917. It appears, indeed, that,

despite the reduction of the excess profits duty from 80% to 40%, the results of actual trading operations during the year showed a decline in comparison with those of 1918. Moreover, the allowance for depreciation has been almost doubled, amounting for the year under review to £235,250, as compared with £125,909 for 1918. The increase in the amount of the profit is mainly derived—to quote the Chairman—from "fortuitous amounts which are not due to the year's trading." On the other hand, it seems that the American profits for 1918 only are included in the current year's return, as the 1919 figures had not yet come to hand. Out of a profit of £468,192 available for the Ordinary shareholders there is paid a dividend of 22½%—an increase of 5% over the dividend of 1918. The amount carried forward to the accounts of the current year is increased to £399,321. A new and interesting figure is supplied, which the directors intend to make a permanent feature of future reports. It gives the percentage which the net profits, "after deducting all charges prior to Debenture stock interest and Preference share dividend," represent on the total capital employed by the Association. This figure for the last six years works out as follows:—

1914	1915	1916	1917	1918	1919
%	%	%	%	%	%
4·9	8	11·6	11·1	7·7	10·1

The strong financial position of the Association is clearly discerned in its balance sheet. The nature of the assets and a comparison with previous years are afforded in the following table:—

Dec. 31	Property, Goodwill, &c.	Stock	Sundry Debtors	Investments	Cash	Total Assets
	£	£	£	£	£	£
1919...	4,475,599	887,245	1,044,877	1,752,755	352,152	8,512,629
1918...	4,780,418	979,848	592,533	1,253,978	361,265	7,968,042
1917...	4,854,581	766,293	893,715	1,330,727	457,253	8,302,569
1916...	4,906,303	720,483	921,655	703,900	439,580	7,691,921
1915...	5,139,685	469,944	585,000	296,723	466,019	6,957,370
1914...	5,147,198	409,946	289,036	262,928	295,429	6,404,537

The decline in the fixed assets is mainly due to the large allowance for depreciation, which has been commented upon already. Another factor in the decline was the transfer of the value of the American property to the heading of loans and investments, consequent upon the decision of the Association, in view of the gross exactions to which they were subjected both by the American and British Governments in respect of excess profits duty and income tax, to transform the business in Bradford, Rhode Island, into a purely American company in which they would rank merely as stockholders. Consequently, in future reports the American profits will be included under "Income from investments and loans." There has been a large addition to the investments of the Association during the year under review, the total being nearly £500,000 higher at £1,752,755. The amount due by sundry debtors has nearly doubled, amounting to £1,044,877, as against £592,533 in 1918. This array of assets is available to meet a total liability of £1,362,850. In addition to the reserve fund of £1,000,000, there is an investments contingency fund of £70,000. The Debenture stock remains unchanged at £1,453,750, and the issued capital at £2,500,000, in 5% Cumulative Preference shares of £1 each and £1,356,477 in Ordinary shares of £1 each.

Prospects for the current year, bearing in mind the general outlook before the textile industry as a whole, are, if anything, more promising. Let it be recalled that the accounts for the year under review did not include the American profits for 1919, which are probably no less satisfactory than those of the home business. Again, trade during 1919 was hampered by a succession of adverse conditions, mainly the outcome of the labour situation. Shortage of coal handicapped the firm considerably, particularly during the strike of the Yorkshire miners. Again, though at first sight few people would establish the necessary connection, the moulders' strike constituted another serious obstacle, for it appears that "without iron borings there can be no aniline oil, because they are an indispensable ingredient in its manufacture." Here assuredly is an excellent illustration of the vital interdependence of industries, of which sight is too often lost. Keenly alive to the necessity of the mutual co-operation of capital and labour in the best interests of national production, the Association are straining every nerve to maintain the satisfactory relations which exist between them and their employees. Since 1912 they have had a scheme of bonus shares for their workers. Out of a total net profit of £1,904,174 for the three years 1917-19 a sum amounting to £470,886, or nearly 25%, has been allocated either as dividends on these shares or in support of the many schemes which the Association has devised in the interest of its workers. Further steps have been taken during 1919 to improve the position in this regard. The directors, realising the true nature of the evil of unemployment, have urged upon the trade unions the necessity for revising an arrangement in force between 1907 and 1913, according to which the amount contributed by the unions and the directors should be correspondingly increased to a total grant of 43*s.* per week. Moreover, out of the profits of the year under review £50,000 have been set aside to form the nucleus of a superannuation fund for the employees. Again, at the general meeting the bonus share scheme was revised, and henceforth workers holding Ordinary shares will be entitled to the same dividend as the other holders of the same class of share, instead of only half the rate of the Ordinary dividend. Furthermore, in view of the rise in the cost of living, it has been agreed to raise the limit of remuneration, above which employees were not entitled to purchase Preference shares for the purpose of having them placed on the register, from £250 to £500. It is easy to perceive that if this attitude towards labour were more universally adopted the existing labour problem would not have assumed such acute dimensions.

The 4% Debenture stock of the Association is quoted in the market at 73½, at which price it yields just under 5½%. At 16*s.* 9*d.* the yield from the 5% Cumulative Preference shares is practically 6%, whilst the Ordinary shares, commanding 56*s.* 3*d.*, bring in at this price exactly 8%.

Player's Navy Cut

Tobacco

"BEAUTIFULLY COOL & SWEET SMOKING."

Packed in varying degrees of strength to suit every class of smoker.

Player's Gold Leaf Navy Cut.
Player's Medium Navy Cut.
Player's "Tawny" Navy Cut.

PER 1/- OZ.

Player's "White Label" Navy Cut.

PER 10½D. OZ.

Also PLAYER'S NAVY CUT DE LUXE, a development of Player's Navy Cut packed in 2oz and 4oz. airtight tins at 2/4 and 4/8 respectively.

JOHN PLAYER & SONS, Nottingham.

PLAYER'S NAVY CUT

Branch of The Imperial Tobacco Co. (of Great Britain and Ireland), Ltd.

BRIGHTSIDE FOUNDRY AND ENGINEERING CO.

Year Ended June 30	Net Profit*	Reserve	Special Allocations	Pref. Div.	Ord. Div.† Amount	%	Carried Forward
	£	£	£	£	£		£
1914 ..	7,161	1,000		2,250	4,000	10	1,865
1915 ...	15,240	3,000	4,000	2,250	5,000	12½	2,855
1916 ...	17,817	5,000	6,000	2,250	5,000	12½	2,422
1917 ...	18,465	5,000	5,000	2,250	6,000	15	2,636
1918 ...	19,208	5,000	5,000	2,250	6,000	7½	3,595
1919 ...	18,683	5,000	5,000	2,250	8,000	10	2,028

* After deducting all charges including depreciation.
† Free of income tax.

The manner in which the War influenced the foundational iron and steel industry of the United Kingdom is again revealed in the accounts of this Sheffield engineering firm. For the year ended June 30, 1914, the net profit earned was £7,161, which allowed a dividend of 10% free of tax to be paid to the Ordinary shareholders. The next year, however, witnessed a net profit of £15,240, or an advance of well over 100%, out of which, after liberal allocations to reserve had been made, Ordinary shareholders obtained a dividend of 12½%. During the War period this marked prosperity increased and the dividend rose to 15% free of tax for 1917. In 1918, with the greatest net profit of the period of £19,208, the dividend is recorded at 7½%, but in amount is equal to the allocation of the previous year, £6,000. The explanation is furnished in the capitalisation of reserves, which took place before the close of the financial year in question, mainly as a result of the enhanced prosperity, and which resulted in increasing the Ordinary share capital from £40,000 to £80,000, by the distribution of bonus shares to existing shareholders at the rate of one share for each share held. It was on this new capital of £80,000 that the dividend of 7½% was paid. For the latest financial year, which ended on June 30, 1919, the net profit amounted to the satisfactory figure of £18,683. But had the financial year been prolonged into the autumn the adverse influence of the subsequent moulders' and railway strikes would have made itself felt. Consequently, whilst Ordinary shareholders received for the year under consideration a dividend of 10% free of tax, equivalent to 28½% subject to tax on the capital actually paid up, it is unlikely that the profits for the current financial year will permit of a similar dividend in view of the disturbing elements at work.

The position as disclosed by the balance sheet as on June 30, 1919, is admittedly strong. Liquid assets exceed £168,659, whilst liabilities are recorded at £135,760. In some respects the constitution of this latter total is rather vague. In the balance sheet it is thus described: "Sundry creditors and reserves for war taxation, &c." The inclusion of the reserve against excess profits duty is comprehensible, but what the "&c." comprises it is not easy to ascertain. The reserve fund, despite the recent depletion of £40,000 in connection with the distribution of the bonus shares, stands at £15,000, and an addition of £10,000 has been made out of the profits of the year, bringing the total now up to £25,000. Fixed assets are valued at £128,254, whilst the issued capital comprises 45,000 5% Cumulative Preference shares of £1 each and 80,000 Ordinary shares of £1 each. But in view of the rapid expansion of the business it has been decided to issue the remaining 20,000 Ordinary shares of the authorised capital. Existing shareholders are offered 10,000 shares *pro rata* according to their present holding at a premium of 10*s.* per share. The remaining 10,000 are to form the basis of a profit-sharing scheme, and are to be offered to the employees at par, to be paid for in regular instalments of 2*s.* 6*d.* No employee is entitled, however, to hold more than 250 shares, and any shares thus held are to be surrendered to the Company on payment of the amount paid up should the employee leave the employment or on the occasion of his death. All such shares rank for dividend purposes *pari passu* with existing Ordinary shares. This definite attempt to give the employees a tangible interest in the welfare of the business will be welcomed by all as one of the most promising signs of the times.

New Issues.

BIRMINGHAM CORPORATION SIX PER CENT. STOCK.

In pursuance of resolutions of the Council of the City of Birmingham, Lloyds Bank Limited and the London Joint City and Midland Bank, Limited, are authorised to receive applications for £3,000,000 Birmingham Corporation 6% stock of 1936 to 1946 at 98%. The stock will be redeemed at par on July 1, 1946, unless the same shall have been previously cancelled by purchase in the open market or by agreement with the holders, but the Corporation have the option of redeeming at par at any time on or after July 1, 1936, on giving six calendar months' notice by post to stockholders, or by public advertisement. Dividends will be payable half-yearly on January 1 and July 1 in each year at the head offices of the banks above named and their branches. The stock is secured upon the rates chargeable by the Corporation. The amount which may be levied by the rates is unlimited. The present issue of the stock is required for the extension of water, electric light, and tramway undertakings, and other public works which the Corporation are authorised to carry out, and in paying off bills amounting to £500,000; also, to a limited extent, in paying off mortgage loans falling due for repayment.

Hertfordshire County Council invite subscriptions for an issue of £2,000,000 6% Redeemable stock of 1940 to 1960. The price of issue is fixed at 98%. The proceeds of the loan are required to redeem certain outstanding mortgages, but primarily in connection with the housing scheme.

Hanwella Rubber Estates, Limited, has been formed with a capital of £160,000 divided into 160,000 shares of £1 each. Of these shares 90,000 will be issued at par credited as fully paid in part satisfaction of the purchase price, and 70,000 shares are now offered for subscription at par. The Company has been formed to acquire the Hanwella Group of Rubber Estates, consisting of various properties situated in Ceylon. The area of the various estates exceeds a thousand acres, and a large proportion of this area is already rubber-bearing. A valuation of the property has been made by a competent authority, but it has to be remembered that such valuations are made on the basis of the exceedingly high prices at present ruling.

The Anglo-Celtic Shipping Company, Limited, invites subscriptions for 400,000 £1 shares out of a total authorised issue of half a million sterling. The Company was formed in February last to carry on the business of steamship owners and to acquire certain steamships specified in the prospectus. Such a proposition can only be regarded as highly speculative, bearing in mind the very high price which must be paid for ships at the present time, and the uncertain duration of the present extravagant rates for freights.

Hongkong and Shanghai Banking Corporation.—After taking in $3,279,611, the amount brought forward from the last account, and allowing for all charges, deducting interest paid and due, and making provision for bad and doubtful accounts and contingencies, the net profits of this institution for the year ended with December last amounted to $10,666,474. Out of this sum, the Directors recommend the transfer of $2,000,000 to the credit of the Silver Reserve Fund, bringing that Fund up to $23,000,000, and $1,000,000 to be written off Bank Premises Account. After making these allowances, deducting the interim dividend of £2 5*s.* per share paid in August last, and remuneration to directors, there remains for appropriation $6,093,616, out of which the directors recommend the payment of a final dividend of £2 5*s.* and a bonus of £3 10*s.* This will absorb, at the exchange of 4*s.* 10½*d.*, $2,830,769. A balance of $3,262,847 is carried to the new account.

CANADIAN PACIFIC RAILWAY COMPANY

THIRTY-NINTH ANNUAL REPORT—FOR THE YEAR ENDED DECEMBER 31, 1919.

To the Shareholders:

The accounts of the Company for the year ended December 31, 1919, show the following results:—

Gross earnings		$176,929,060 00
Working expenses		143,996,023 58
Net earnings		$32,933,036 42
Deduct fixed charges		10,161,509 77
Surplus		$22,771,526 65
Contribution to Pension Fund		500,000 00
From this there has been charged a half-yearly dividend on Preference Stock of 2%, paid October 1, 1919	$1,613,638 42	$22,271,526 65
And three quarterly dividends on Ordinary Stock of 1¼% each, paid June 30, 1919, October 1, 1919, and December 31, 1919	13,650,000 00	15,263,638 42
		$7,007,888 23
From this there has been declared a second half-yearly dividend on Preference Stock of 2%, payable April 1, 1920	$1,613,638 42	
And a fourth quarterly dividend on Ordinary Stock of 1¼%, payable April 1, 1920	4,550,000 00	6,163,638 42
Leaving net surplus for the year (which amount has been placed in reserve to meet special taxes imposed by the Dominion Government)		$844,249 81

In addition to the above dividends on Ordinary Stock 3% was paid from Special Income.

SPECIAL INCOME FOR YEAR ENDED DECEMBER 31, 1919.

Balance at December 31, 1918	$16,114,502 37	
Less Dividend paid April 1, 1919	1,950,000 00	$14,164,502 37
Net Revenue from Investments and available resources, Exhibit "C"		1,765,220 18
Interest on Deposits, and Interest and Dividends on Other Securities, less Exchange		1,040,544 13
Net Earnings Ocean and Coastal Steamship Lines		3,567,510 38
Net Earnings Commercial Telegraph and News Department, Rentals and Miscellaneous		2,676,067 21
		$23,213,844 27
Less Payments to Shareholders in Dividends: June 30, 1919, October 1, 1919, and December 31, 1919		5,850,000 00
		$17,363,844 27
From this a dividend has been declared, payable April 1, 1920		$1,950,000 00

The working expenses for the year amounted to 81.39% of the gross earnings, and the net earnings to 18.61%, as compared with 78.10% and 21.90% respectively in 1918.

The gross earnings of your transportation system during the fiscal year under review exceeded those of any previous year in the history of the Company, and exceeded the gross earnings of 1918 by $19,391,362, but the net earnings were less by $1,569,351. This large addition of $20,960,713 to working expenses is due to the great advance in wages and the increased cost of fuel and other materials.

Your Directors cannot hold out any hope of substantial relief for some time to come from these high costs, which are reflected so strongly in the operating expenses of the Company, but every effort is being made to offset the effect on your revenues by economy in operation and the extension of the Company's freight and passenger business. It is not to be expected, however, that any normal increase in business can possibly equal the extraordinary increase in wage and other costs which all railway companies have experienced during the past two years.

The sales of agricultural land in the year were 681,763 acres for $13,668,443, being an average of $20.05 per acre. Included in this area were 80,795 acres of irrigated land which brought $52.53 per acre, so that the average price for the balance was $15.68 per acre.

There were no sales of 4% Consolidated Debenture Stock, 4% Preference Stock, or other capital securities during the year.

The late granting of the necessary statutory authority, combined with difficulty in securing labour and the early setting in of winter in the West, prevented extensive construction during the year of branch line mileage which you authorised at the last annual meeting. Your Directors are of the opinion that reasonable additional construction should be gone on with as conditions warrant, and your authority will be asked for proceeding with the construction of the following lines and for the issue and sale of a sufficient amount of 4% Consolidated Debenture Stock to meet the expenditure, namely:—

Wymark-Archive Branch, 25 miles.
Rosetown South Branch, 45 miles.
Weyburn-Lethbridge Branch from Altawan to Manyberries, 35 miles.
Moose Jaw Southwesterly Branch from Consul Southeasterly, mileage 35 to 60.
Moose Jaw Southwesterly Branch from Assiniboia Southwesterly, 30 miles.
Leader Southerly Branch, 50 miles.
Duchess or Rosemary North Branch, 34 miles.
Cutknife to Whitford Lake Branch, 40 miles.

An extension of the Swift Current Northwesterly Branch from Empress Northwesterly, a distance of 20 miles.

An extension of the Swift Current Northwesterly Branch from Sedgewick to Vegreville, 54 miles.

Your Directors appreciate that the construction of the above lines can only be proceeded with gradually in view of the probable shortage of labour available for such purposes, but they deem it desirable to obtain your authority in order that the work may be gone on with from time to time as circumstances permit.

In order to facilitate the economic handling of traffic in and out of Winnipeg your Directors think it desirable to double-track the line extending from Winnipeg to Molson, and, for the purpose of relieving the main line of pressure of traffic during grain shipping seasons, that capital expenditure should be made on the Bassano Branch, extending from Bassano to Java, with the view of raising it to the standard of the Company's main line, and thus permitting the expeditious and cheap handling of grain and other traffic from points west of Bassano. The estimated total cost of these works will be about $2,000,000, but in the opinion of your Directors the heavy present and prospective traffic in these districts amply warrants the outlay.

In anticipation of your confirmation, your Directors authorised capital appropriations, in addition to those approved at the last annual meeting for 1919, aggregating $3,359,000, and, subject to your approval, have authorised

GENERAL BALANCE SHEET, DECEMBER 31, 1919.

ASSETS.

	$	$
Property Investment:		
Railway, Rolling Stock Equipment and Lake and River Steamers		548,458,756 20
Ocean and Coastal Steamships, Exhibit "A"		29,894,172 43
Acquired Securities (Cost):		
Exhibit "B"		124,329,836 18
Advances to Controlled Properties and Insurance Premiums		8,065,575 66
Investments and Available Resources:		
(Including amount held in trust for 6% Note Certificates, $58,461,538.37)		
Deferred payments on lands and townsites	66,659,932 43	
Imperial and Dominion Government Securities	37,702,580 66	
Provincial and Municipal Securities	2,651,721 29	
Debenture Stock loaned to Imperial Government	40,000,000 00	
Miscellaneous Investments, Exhibit "C," Cost	31,762,214 85	
Assets in Lands and Properties, Exhibit "D"	95,211,438 66	
Cash	2,969,683 12	276,337,570 91
Working Assets:		
Material and Supplies on Hand	21,990,868 65	
Agents' and Conductors' balances	3,618,072 48	
Net traffic balances	809,397 19	
Imperial, Dominion and United States Governments, Accounts due for Transportation, &c.	4,176,864 15	
Miscellaneous accounts receivable	7,576,884 16	
Cash in hand	53,519,420 78	91,691,447 41
		$1,078,777,358 79

LIABILITIES.

	$	$
Capital Stock:		
Ordinary Stock	260,000,000 00	
Four per Cent. Preference Stock	80,681,921 12	340,681,921 12
Four per Cent. Consolidated Debenture Stock		216,284,882 10
Mortgage Bonds:		
Algoma Branch 1st Mortgage 5 per cent.		3,650,000 00
Note Certificates, 6 per cent.		52,000,000 00
Current:		
Audited Vouchers	10,700,097 44	
Pay-rolls	4,637,750 33	
Miscellaneous accounts payable	12,006,966 49	27,344,834 26
Accrued:		
Rentals of leased lines and coupons on Mortgage Bonds		570,621 28
Equipment Obligations		7,300,000 00
Reserves and Appropriations:		
Equipment replacement	3,376,703 28	
Steamship replacement	23,672,436 83	
Reserve Fund for Contingencies and for Contingent War Taxes	38,219,061 63	65,268,201 74
Premium on Ordinary Capital Stock sold		45,000,000 00
Net proceeds lands and townsites		91,770,593 26
Surplus revenue from operation		127,275,369 58
Special reserve to meet Taxes imposed by Dominion Government		3,247,871 02
Surplus in other assets		98,099,485 13
		$1,078,777,358 79

J. LESLIE,
Comptroller.

AUDITORS' CERTIFICATE.

We have examined the Books and Records of the Canadian Pacific Railway Co. for the year ending December 31, 1919, and having compared the annexed Balance Sheet and Income Account therewith, we certify that, in our opinion, the Balance Sheet is properly drawn up so as to show the true financial position of the Company at that date, and that the relative Income Account for the year is correct.

PRICE, WATERHOUSE & CO.,
Chartered Accountants (England).

Montreal, March 8, 1920.

expenditures on capital account during the present year of $9,613,353. Of this amount the principal items are :—

Replacement and enlargement of structures in permanent form	$1,267,144
Additional stations, roundhouses, freight sheds and shops, and extensions to existing buildings	2,009,166
Tie plates, rail anchors, ballasting, ditching and miscellaneous betterments	1,113,599
Replacement of rail in main and branch line tracks with heavier section	979,493
Additional terminal and side-track accommodation	442,363
New coal dock at Fort William Terminals	871,000
Proposed new station and yard changes at Trois Rivieres	500,000
Improvements in connection with Telegraph Service	575,860
British Columbia Coast Service	135,000
Mechanical Department, machinery at various shops	363,236

The balance of the amount is required for miscellaneous works to improve facilities over the whole system and effect operating economies.

Your Directors are making provision for obtaining the following necessary additions to your Company's equipment, namely : 3 Dining cars, 43 Sleeping cars, 67 Air dump cars, 2,500 60-ton box cars, 500 Refrigerator cars, at a total cost of approximately $13,162,000.

During the course of the year the following Steamships were disposed of, namely : S.S. *Prince George*, S.S. *Princess Margaret*, S.S. *Princess May*, S.S. *Virginian*, S.S. *Monmouth*. The S.S. *War Peridot* and *War Beryl*, having a dead-weight tonnage of 10,500 tons each, were purchased.

You will be asked to approve By-law No. 91, repealing By-law of the same number, naming officers authorised to prepare and issue Tariffs of Tolls pursuant to the provisions of the Railway Act of Canada.

The lease of the Nakusp and Slocan Railway, extending from Nakusp to Three Forks, with branches to Sandon and White Water, and having an aggregate mileage of 48.47 miles, which was executed in 1895 and under which the railway of that Company was leased to your Company for a period of 25 years from July 1895, will expire in July of the present year. Your Directors will therefore submit for your approval a new lease of the railway to this Company for a period of 99 years on the usual terms.

Appreciating the vital importance to Canada of the success of the Victory Loan of 1919, your Company subscribed to $20,000,000, of which $14,000,000 was taken for the Company's Special Investment Fund.

The Consolidated Mining and Smelting Company, in which your Company has a substantial direct interest through its holdings of Bonds and Stock and upon the success of whose undertaking the prosperity of Southern British Columbia and the consequent traffic for your railway depend to a marked degree, will require during the present year additional sums for needed extensions and additions to its plant. In anticipation of your consent your Directors have decided to advance such amounts as may be required pending the making of capital issues or other permanent financial arrangements by the Consolidated Company.

Your Directors regret to report the death on May 24 last of Mr. Wilmot D. Matthews, of Toronto, who had been a Director of the Company for thirty-one years, and whose advice and counsel have always been of the utmost value to his associates on the Board.

During the year the Hon. James Dunsmuir, of Victoria, resigned as a Director. The Hon. William J. Shaughnessy was elected to succeed the Hon. James Dunsmuir, and Sir John C. Eaton was elected to the Board to fill the vacancy created by the death of Mr. Matthews.

The undermentioned Directors will retire from office at the approaching Annual Meeting. They are eligible for re-election :—

SIR JOHN C. EATON.
MR. GRANT HALL.
SIR VINCENT MEREDITH, BART.
SIR AUGUSTUS M. NANTON.

For the Directors.
E. W. BEATTY, *President.*

Montreal, March 15, 1920.

FIXED CHARGES FOR YEAR ENDED DECEMBER 31, 1919.

		$
£200,000	St. Lawrence and Ottawa Railway First Mortgage Bonds, 4%	38,933 34
$2,544,000	Man. S. West. Colzn. Ry. 1st Mortgage Bonds due June 1, 1934, 5%	127,200 00
£4,007,381 15 5	Ontario & Quebec Ry. Debenture Stock, 5%	975,129 56
$2,000,000	Ontario & Quebec Ry. Ordinary Stock, 6%	120,000 00
£1,330,000	Atlantic & North West. Ry. 1st Mortgage Bonds, due January 1, 1937, 5%	323,633 34
£750,000	Algoma Branch 1st Mortgage Bonds due July 1, 1937, 5%	182,500 00
$300,000	New Brunswick Southern Ry. 1st Mortgage Bonds, 3%	15,000 00
$500,000	Lindsay, Bobcaygeon & Pontypool Ry. 1st Mortgage Bonds, 4%	20,000 00
	Rentals	927,023 43
	Interest on Montreal and Western Railway	9,419 80
	Interest on Equipment Obligations	391,275 00
		3,110,114 47
*£36,222,921	4% Consolidated Debenture Stock —	7,051,395 30
		$10,161,509 77

* Not including $40,000,000 4% Consolidated Debenture Stock loaned to the Imperial Government, on which the Government pays interest.

EXHIBIT "C."—MISCELLANEOUS INVESTMENTS.

	Par Value
Cœur d'Alene and Fend d'Oreille Ry. 1st Mortgage Bonds	$47,000 00
Consolidated Mining and Smelting Co. Stock, 177,025 shares	4,425,625 00
" " " Convertible Bonds	2,698,400 00
Cambridge Collieries Company, 1st Mortgage Refunding Bonds	250,000 00
Dominion Express Company Stock	2,000,000 00
Duluth, South Shore & Atlantic Ry. Ordinary Stock	6,100,000 00
" " " " Preferred Stock	5,100,000 00
Hull Electric Company	1,067,602 00
Minneapolis, St. Paul & Sault Ste. Marie Ry. Ordinary Stock	12,723,500 00
" " " " " Preferred Stock	6,361,800 00
Pennsylvania-Ontario Transportation Co. Stock	187,500 00
Quebec Salvage and Wrecking Company Stock	150,000 00
Spokane International Railway Company Stock	3,941,800 00
Trustee Securities	11,120,500 00
Toronto, Hamilton & Buffalo Ry. Co. Consolidated Mortgage Bonds	1,000,000 00
West Kootenay Power & Light Company Preferred Stock	55,000 00
	$57,228,727 00

Cost, $31,762,214.85.

We have examined all the Securities, including those listed above, held for account of the Canadian Pacific Railway Company by the Treasurer, and have received certificates from the Custodians for those deposited with the Banks and Trust Companies for safe custody, and having compared them with the records of the Company, find them correct and in order.

PRICE, WATERHOUSE & CO.,
Montreal, March 8, 1920. Chartered Accountants (England).

EXHIBIT "D."—ASSETS IN LANDS AND PROPERTIES.

Company's Collieries in Alberta and British Columbia, and Company's interest in other producing coal mines	$2,177,781 25
Surplus lands and buildings available for sale in the Provinces of New Brunswick, Quebec, Ontario, Manitoba, and British Columbia, representing mainly those purchased in excess of the requirements when securing right of way, station grounds, and shop sites, as being more economical than a resort to condemnation proceedings	2,840,608 66
Manitoba : Agricultural lands, 155,542 acres at $10	1,555,420 00
Saskatchewan : Agricultural lands, 1,258,349 acres at $13	17,658,537 00
Alberta : Agricultural lands, 2,099,336 acres at $13	27,291,368 00
A.R. & I. (500,000 acre tract, under agreement with Government), 16,013 acres at $5	80,065 00
Alberta—Irrigated lands :	
Western Section, 37,638 acres at $30	1,129,140 00
Eastern Section, 327,404 acres at $40	13,096,160 00
A. R. & I. Section, 2,101 acres at $40	84,040 00
Land reserved in Irrigation Block for right of way and operating purposes, 57,358 acres at $13	745,654 00
Demonstration Farms :	
Strathmore	100,000 00
Brooks	12,500 00
Mixed Farms (2)	20,000 00
Farms at Veterans' Colonies	122,000 00
Timber Lands and Mills : Timber and Tie reserve in British Columbia, 556,009 acres at $3	1,668,027 00
A. R. & I. Timber limit in Alberta, 25,000 acres at $1.50	37,500 00
Bull River Mill and improvements	150,000 00
British Columbia : Columbia & Kootenay Lands, 28,498 acres at $2	56,996 00
Unsold portion of Esquimalt & Nanaimo Land Grant, 1,041,324 acres at $5	5,206,620 00
Unsold Lands in Townsites :	
Subdivided sites in Manitoba, Saskatchewan and Alberta	6,500,000 00
Unsubdivided land adjoining Town Plots in Manitoba, Saskatchewan, and Alberta, 100,280 acres	4,442,700 00
Unsold lots in British Columbia, including Vancouver	4,500,000 00
Unsubdivided land adjoining Townsites in British Columbia, including Vancouver	5,000,000 00
Coal Lands :	
3,000,000 acres of coal right reserved under land sold and unsold in Alberta, to be developed on a royalty basis	1 00
46,933 acres of coal land in British Columbia at $10	469,330 00
Iron property in British Columbia	25,000 00
Natural Gas : Rights reserved in 100,000 acres of land sold and unsold in Alberta. (Revenue from area under lease to Dec. 31, 1919, $204,412.97)	1 00
Petroleum Rights : Rights reserved in 50,000 acres of land sold and unsold in Alberta, to be developed on a royalty basis	1 00
Improved Farms : Buildings and improvements on improved (ready-made) farms, Saskatchewan, Manitoba and British Columbia ; investment being repaid with land instalments with interest at 6%	237,662 21
Live Stock : Live Stock (horses, cattle, sheep and swine) advanced to farmers having land contracts with Company, on security lien notes	44,326 54
Total (5,804,852 acres)	$95,211,438 06

EXHIBIT "E."—CONSTRUCTION—BRANCH LINES.

Archive-Wymark Branch	$81,099 10
Bassano East (Milden South West) Branch	26,444 27
Langdon North (Acme-Drumheller) Branch	483,962 31
Lanigan North East Branch	347,657 80
Leader South East Branch	94,561 20
Moose Jaw South West (Consul South East) Branch	109,633 16
Rosetown South East Branch	136,964 26
Surveys	135,648 25
	$1,415,970 35

EXHIBIT "F."—DETAILS OF EXPENDITURE ON ADDITIONS AND IMPROVEMENTS FROM JANUARY 1 TO DECEMBER 31, 1919.

	$	$
Eastern Lines :		
Additional Sidings, Buildings, Stations and Yards	201,367 45	
Permanent Bridges and Improvements of Line	392,153 25	
		593,520 70
Montreal Terminals		142,940 44
Quebec Joint Terminals		23,317 77
Western Lines :		
Additional Sidings, Buildings, Stations and Yards	234,394 52	
Permanent Bridges and Improvements of Line	778,058 14	
Fort William Terminals, including Coaling Plant	47,263 92	
Winnipeg Terminals	2,075 51	
Vancouver Terminals	42,901 75	
Connaught Tunnel	66,009 47	
Right of Way	12,680 44	
		1,183,383 75
Additions to Office Buildings and Hotels		407,107 46
Telegraph Extensions and Additions		579,778 12
Rented and Temporary Sidings		165,685 84
		$3,095,694 08

EXHIBIT "G."—DETAILS OF EXPENDITURE ON LEASED AND ACQUIRED LINES FROM JANUARY 1 TO DECEMBER 31, 1919.

New Brunswick Railway	$152,875 97
Atlantic and North-West Railway	132,665 80
Montreal and Ottawa Railway	58,389 59
Montreal and Western Railway	21,931 85
Ontario and Quebec Railway	336,929 86
Campbellford, Lake Ontario and Western Railway	393,353 17
Manitoba and North-Western Railway	30,416 97
Manitoba South-Western Colonization Railway	4,009 82
Calgary and Edmonton Railway	22,056 13
Columbia and Western Railway	Cr. 24,210 79
Joliette and Brandon Railway	2,230 00
Northern Colonization Railway	1,539 12
Orford Mountain Railway	1,187 40
Ottawa, Northern and Western Railway	26,147 97
St. Maurice Valley Railway	24,548 00
Georgian Bay and Seaboard Railway	4,994 15
Walkerton and Lucknow Railway	4,291 31
Alberta Central Railway	4,292 54
Nicola, Kamloops and Similkameen Coal and Railway	329 69
	$1,198,548 55

RECEIPTS AND EXPENDITURES, Year ended Dec. 31, 1919.

RECEIPTS.

	$	$
Cash in hand, December 31, 1918		39,518,416 63
Surplus revenue as per statement	22,271,526 65	
Special income as per statement	9,049,341 90	
		31,320,868 55
LAND DEPARTMENT:		
Lands and Townsites:		
Proceeds of sales and interest, *less* cancellations	14,893,960 31	
Less sales expenses and irrigation	4,284,045 93	
	10,609,914 38	
Deferred payments on previous year's sales	3,228,239 02	
	13,838,153 40	
Amount remaining in Deferred Payments on the sales of the year	9,183,640 97	
		4,654,512 43
Amount received from Sales of Government Securities and repayment of Advances to Governments		9,917,458 13
Amount of West Kootenay Power and Light Co.'s First Mortgage Bonds transferred from Miscellaneous Securities to Pension Fund (Cost)		35,283 33
Amount applied in reduction of cost of mining and other properties, Exhibit "D"		17,956 58
Increase in Current Liabilities, Rentals of Leased Lines and Coupons on Mortgage Bonds, and Reserves and Appropriations		21,740,569 94
		$109,335,065 59

EXPENDITURES.

	$	$
Dividends on Preference Stock:		
2 per cent. paid April 1, 1919	1,613,638 42	
2 per cent. paid October 1, 1919	1,613,638 42	
		3,227,276 84
Dividends on Ordinary Stock:		
2½ per cent. paid April 1, 1919	6,500,000 00	
2½ per cent. paid June 30, 1919	6,500,000 00	
2½ per cent. paid October 1, 1919	6,500,000 00	
2½ per cent. paid December 31, 1919	6,500,000 00	
		26,000,000 00
Construction of Branch Lines, Exhibit "E"		1,415,970 35
Additions and improvements, main line and branches, Exhibit "F"		3,095,694 08
Expenditures on leased and acquired lines, Exhibit "G"		1,198,548 55
Shops and Machinery		64,452 85
Lake and River Steamers		27,115 40
Ocean and Coastal Steamships:		
Payments on Steamships acquired and under construction	10,294,443 06	
Less amount paid from Steamship replacement	8,009,690 30	
		2,384,752 76
Deposited with Trustee, Special Investment Fund		6,607,318 59
Securities Acquired:		
Consolidated Mining & Smelting Co. Bonds	2,698,460 60	
Lake Erie & Northern Ry. 1st Mortgage Bonds	6,700 00	
Nakusp & Slocan Ry. Bonds	647,072 00	
Alberta Stock Yards Co., Ltd., Preferred Stk.	430,500 00	
Public Markets, Ltd., of Manitoba, Stock	50,000 00	
Trustee Securities	2,201,539 69	
		6,034,211 69
Payments on subscriptions to Government loans		2,037,981 25
Payment of Equipment Obligations		940,000 00
Increase in Working Assets and Advances to Controlled Properties and Insurance Premiums		2,782,322 45
		55,815,644 81
Cash in hand, December 31, 1919		53,519,420 78
		$109,335,065 59

EARNINGS FOR THE YEAR ENDED DEC. 31, 1919.

From Passengers	$46,182,151 12
,, Freight	111,064,441 68
,, Mails	1,483,332 26
,, Sleeping Cars, Express and Miscellaneous	18,199,134 94
Total	$176,929,060 00

WORKING EXPENSES FOR THE YEAR ENDED DEC. 31, 1919.

Transportation expenses	$68,054,171 76
Maintenance of way and structures	28,912,220 30
Maintenance of equipment	33,897,727 64
Traffic expenses	3,829,686 56
Parlour and sleeping-car expenses	1,861,428 05
Expenses of lake and river steamers	1,355,003 19
General expenses	6,105,783 08
Total	$143,996,020 58

STATEMENT OF EQUIPMENT AT DECEMBER 31, 1919.

Locomotives	2,255
*1st and 2nd class Passenger Cars, Baggage Cars & Colonist Sleeping Cars	2,183
1st class Sleeping, Dining and Café Cars	475
Parlour Cars, Official and Paymasters' Cars	123
Freight and Cattle Cars (all kinds)	87,681
Conductors' Vans	1,324
Boarding, Tool and Auxiliary Cars and Steam Shovels	6,390

* Includes Cars in Line Service as follows:—*St. John and Boston Line.*—4 First Class, 4 Second Class, 4 Baggage—12 Cars, 80.04 percent. owned by other lines. *Montreal and Boston Line.*—2 First Class, 2 First Class and Smoking, 2 Dining and Smoking, 4 Second Class, 4 Baggage and Express—14 Cars, 68.33 per cent. owned by other lines. *Toronto, Hamilton and Buffalo Line.*—11 First Class, 4 Second Class, 4 Baggage and Express—19 Cars, 63.56 per cent. owned by other lines.

LAKE AND RIVER STEAMERS.

Upper Lakes.—Alberta, Athabasca, Assiniboia, Keewatin, Manitoba. *British Columbia Lake and River.*—Bonnington, Castlegar, Columbia, Hosmer, Kokanee, Kootenay, Kuskanook, Minto, Moyie, Nasookin, Naramata, Okanagan, Sandon, Sicamous, Slocan, Valhalla, Whatshan, Ymir, York. *Ferries.*—Michigan, Ontario.

DESCRIPTION OF FREIGHT FORWARDED.

	Years ended Dec. 31— 1917	1918	1919
Flour (barrels)	13,727,970	13,301,740	12,787,020
Grain (bushels)	213,340,507	137,070,428	121,059,921
Live stock (head)	2,190,596	2,364,870	2,603,571
Lumber (feet)	3,178,554,667	3,241,312,803	3,143,431,200
Firewood (cords)	295,277	339,631	279,925
Manufactured articles (tons)	10,148,568	9,718,373	7,854,163
All other articles (tons)	8,788,423	9,798,523	7,589,275

FREIGHT TRAFFIC.

Number of tons carried	31,198,685	29,856,694	25,102,821
Number of tons carried one mile	14,882,991,224	13,014,665,922	11,121,322,012
Earnings per ton per mile	0·70 cent	0·85 cent	1·00 cent

PASSENGER TRAFFIC.

Number of passengers carried		14,502,546	15,815,982
Number of passengers carried one mile		1,289,280,061	1,776,740,850
Earnings per passenger per mile		2·39 cents	2.60 cents

TRAIN TRAFFIC STATISTICS FOR TWELVE MONTHS ENDED DECEMBER 31, 1919, AND 1918.

(EARNINGS OF LAKE AND RIVER STEAMERS AND OF KETTLE VALLEY RAILWAY NOT INCLUDED IN THIS STATEMENT.)

	Year ended Dec. 31, 1919	Year ended Dec. 31, 1918	Inc. or Dec. Amt. or No.	Inc. or Dec. %
Train Mileage—Pass. trains	20,411,110	16,665,928	3,745,182	22·47
Freight trains	19,994,867	22,326,115	*2,331,248*	*10·44*
Mixed trains	1,943,410	1,966,362	*22,952*	*1·17*
Total trains	42,349,387	40,958,405	1,390,982	3·40
Car Mileage—Passenger:				
Coaches & P. D. & S. cars	110,759,727	82,747,310	28,012,417	33·85
Combination cars	2,400,909	2,366,268	34,641	1·46
Baggage, mail & express cars	46,196,600	40,903,961	5,292,639	12·94
Total passenger cars	159,357,236	126,017,539	33,339,697	26·46
Freight: Loaded	494,862,169	539,157,410	*44,295,271*	*8·22*
Empty	170,620,412	199,157,368	*28,536,956*	*14·33*
Caboose	23,988,547	25,343,851	*1,355,304*	*5·35*
Total freight cars	689,471,128	763,658,659	*74,187,531*	*9·71*
Pass. cars per traffic train mile	7·13	6·76	·37	5·47
Freight cars per traffic train mile	31·43	31·44	*·01*	*·03*
Passenger Traffic—				
Pass. carried (earning rev.)	15,671,752	14,396,753	1,274,999	8·86
Do. do. 1 mile	1,763,604,596	1,280,533,734	483,070,862	37·72
Do. 1 mile per mile of road	135,727	98,550	37,177	37·72
Av. journey per pass. (miles)	112·53	88·95	23·58	26·51
Av. amt. received per pass.	$2·91	2·12	·79	37·26
Av. amount received per pass. mile Cts.	2·59	2·38	·21	8·82
Av. No. of pass. per train mile	78·89	68·73	10·16	14·78
Do. do. per car mile	15·58	15·04	·54	3·59
Rev. from pass. per pass. car mile Cts.	40·32	35·81	4·51	12·59
Total pass. train earnings per train mile	$2·59	2·15	·44	20·47
Total pass. train earnings per mile of road	$4,463·87	3,078·88	1,384·99	44·98
Freight Traffic—				
Tons of rev. freight carried one mile	10,926,848,491	12,885,684,625	*1,958,836,131*	*15·20*
Tons non-rev. freight carried one mile	1,378,437,805	1,423,459,482	*45,021,677*	*3·16*
Total tons (all classes) fr't carried one mile	12,305,286,299	14,309,144,107	*2,003,857,803*	*14·01*
Tons of rev. fr't carried one mile per mile of road	840,928	991,680	*150,752*	*15·20*
Tons of non-rev. fr't carried one mile per mile of road	106,034	109,549	*3,465*	*3·16*
Total tons (all classes) fr't carried 1 mile per mile road	947,012	1,101,229	*154,217*	*14·00*
Av. amt. received per ton per mile of rev. freight Cts.	1·003	0·847	0·156	18·42
Av. No. of tons of rev. fr't per train mile	493·07	539·14	*46·07*	*8·54*
Av. No. of tons of non-rev. fr't per train mile	62·83	58·60	4·23	7·22
Av. No. of tons (all classes) fr't per train mile	560·90	589·04	*28·14*	*4·78*
Av. No. of tons of rev. fr't per loaded car mile	22·08	21·99	*1·89*	*7·62*
Av. No. of tons of non-rev. fr't per loaded car mile	2·79	2·64	·15	5·68
Av. No. of tons (all classes) fr't per loaded car mile	24·87	26·54	*1·67*	*6·29*
Fr't train earnings per loaded car mile Cts.	22·15	20·24	1·91	9·44
Fr't train earnings per train mile	$5·00	4·49	·51	11·36
Fr't train earnings per mile of road	$8,434·11	5,598·25	25·86	·13

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

ANNUAL REPORT OF THE DIRECTORS TO THE STOCKHOLDERS FOR THE YEAR ENDING DECEMBER 31, 1919.

New York, March 1, 1920.

To the Stockholders:

Herein is respectfully submitted a statement of the operations and the relations to each other of the properties in which your Company has direct or indirect financial interest and which, taken together, make up the Bell Telephone System.

This is followed by the usual report containing the balance sheet and statement of your Company's direct earnings, with full explanations, and other information of special interest at this time.

THE BELL TELEPHONE SYSTEM.

GENERAL.

In the mind of the public, the Bell Telephone System means the great national network of toll lines, local exchange lines, switchboards, buildings and other telephone property which together afford facilities for connection between any two telephone stations out of over eleven millions in the cities, towns, and rural districts of the United States. In this System your interest is large and controlling.

Your Company owns directly the long trunk toll lines joining together the territories operated by its associated companies and through their local plant and service bringing all telephone stations into direct connection with other parts of the System. It owns directly and indirectly 89% of the stock of these associated companies. The companies, of which it owns practically all of the profit-sharing stock, produce 75% of the revenue. Of the others, it owns a majority in three and a substantial minority in two. These companies are the successors of the original licensees under the Bell patents, and they are now in contract relations with this Company. Under these contracts this Company furnishes to the associated companies the telephone instruments used by them, and also licenses the associated companies under the many important patents now owned or controlled by it, and agrees to license them under all patents hereafter acquired. The contract also provides that this Company shall continue its research and development work for the benefit of the associated companies, and shall render to each of them services in connection with its executive, financial, legal, engineering, accounting, and other operating functions.

Your Company also owns other obligations of the associated companies.

The direct obligations of the associated companies in stocks, bonds, and notes owned by your Company are shown in its balance sheet. In some localities our associated companies have no exchanges, but connect with local companies, which we call connecting companies, occupying these fields. This Company has no permanent direct financial interest in these connecting companies, but, through its stock ownership in the associated companies, is indirectly interested where the associated companies hold their securities.

This Company also owns over 97% of the profit-sharing stock of Western Electric Company, Incorporated, which is the manufacturing and supply organisation of the Bell System, and it holds a minority interest in The Bell Telephone Company of Canada, with which its toll lines connect.

The System, although made up of many separate corporate entities, operates as one organisation and enjoys the benefits of one organisation: unity of purpose, standardisation of material and methods, a single manufacturing, purchasing and supply department, and a uniform policy.

The approach to a single ownership in these corporations has been of advantage both to stockholders and the public, independently of operating advantages. No local public utility has unvarying good fortune. In times of bad fortune, its stockholders participate and the utility is likely to be hampered in giving service. With a utility of national scope, occasional local variations in conditions, if only temporary, have hardly an appreciable effect either on service or revenue as a whole.

The General Organisation of this Company is the headquarters organisation of the System. Later in this report the activities of its various departments will be described. Without such a central organisation, the accumulated experience of all of the associated companies could not be made available for the service of any one. By co-operation, all experience is not only made available but is so applied as to make a comprehensive and co-ordinated system, capable of giving universal service. The personnel is stronger and more specialised than any individual company could maintain; and the records and data are invariably more extensive. Questions which can be dealt with once for all by a central organisation are so handled as to avoid the duplication and multiplication of effort which would follow if each associated company undertook to perform these functions for itself.

The organisations of the associated companies and of the Long Lines Department of this Company are the operating organisations for their territories.

Initiative is encouraged in all parts of the System, but it is the special function of the headquarters organisation to select, by study and trial, the best methods, materials, and plans for the benefit of all.

With a view to showing the operations of the Bell System with inter-company accounting eliminated, combined earnings statements and balance sheets have been given in previous reports and are continued this year.

For only the last five months have the telephone earnings of the System been the earnings of the stockholders, the previous seven months having been under Federal Control at a fixed compensation; for that reason a statement of this five month's period is given, as more significant as to present earnings than the complete earnings statements for the year.

In normal times we should consider the margin of undivided profits at the rate shown in the five months' statement ample. It compares favourably with any other similar period in the System's history; but the times are not normal and we are asking the Commissions to protect this necessary service to the public by allowing such a margin as will provide for any contingency above whatever returns to the investor may prove necessary to attract capital. We fully expect some increased rates, and we are prepared for some increased expenses.

During the first seven months of the year, the properties being under Federal Control, the principal source of earnings was the just compensation fixed by the contract with the Government. This compensation for the period of Federal Control was fixed at an equitable rate, "based on the then existing conditions and prospects," but was not earned by the Government because doubt, and finally litigation, as to the Government's powers to fix rates delayed the increases in the revenue in process before the State Commissions and necessary to meet unavoidably increasing expenses. In order to obviate the delay and expense of a long accounting, a basis of settlement with the United States was proposed and has been accepted.

Rates of pay to employees have been most carefully considered and have been increased to meet the present standards and, except possible in a few cases which are still under consideration, we believe are fair and sufficient to attract the high class of personnel which is necessary to and has been characteristic of our service.

We can say now, as has been said in previous reports, that the actions of the rate-controlling bodies have, in general, been such that we could accept them. As has always been the case, there are exceptions, but the tendency is towards more equitable and more sound treatment. It is becoming more clearly understood that, in a utility like ours, which in order to give service must extend with the growth of the community, the test of rates—assuming economy and efficiency—is the return which will attract capital.

In our effort to maintain our service at highest efficiency our policy has been to provide margins of surplus in plant, and reserves of men and women in training, ample to enable us promptly to respond to any unforeseen demands for facilities. No man and no corporation had a right to expect to come throught the Great War untouched. Our greatest loss was the loss of these margins for plant growth and reserves of men and women in training. During the War the restriction on the use of capital and material, coupled with the unprecedented demand for service, compelled us in some places to exhaust our plant margins and left us at the beginning of 1919 with an actual shortage of plant to meet the then demands. By the end of the year, except in a few localities, the usual facilities were restored.

We lost heavily during the War in men and women trained for work and in young men in the minor supervisory positions. Handicapped by this lack of plant and of employees, especially supervisory officials, we entered upon the year of the greatest demands upon us. Unavoidably, therefore, the service, particularly in congested centres, has been impaired. It is now improving, but it cannot be brought to the pre-War standard until conditions approaching those before the War again obtain. To do as well as has been done, no body of men and women ever laboured more loyally in the public service than have the thousands in this service during the past year.

Important contributions have been made during the year by our Department of Development and Research in the direction both of economy of plant and of increase in the scope of service.

The War has emphasised the value to the country both of purely scientific and of industrial research. This Company has long recognised the importance of both. The discoveries of Faraday and Henry made the inventions of Bell and Morse possible. The Company has in the past and again this year made contributions to scientific institutions for the purposes of research, under arrangements which insure benefits to the System and to the public.

EARNINGS.

Under the conditions which obtained before the War, we should have considered the rate of earnings since Federal Control as entirely satisfactory. You have, therefore, a right as stockholders to congratulate yourselves on the properties having come through the War unimpaired as to earnings.

Whether the present rate of earnings is sufficient for present times and conditions is debateable. In the Bell Telephone System taken as a whole, more than in any other utility, profits are conserved within the System for the benefit of the public and the stockholders. There are inter-company profits on use of patents, on expert engineering advice, &c., and on manufactures, but either through the 4½% payment or the dividends of the manufacturing company, these profits come into the treasury of the American Telephone and Telegraph Company, the financing company of the System. Except for the dividends on the small amount of stock of the associated companies in the hands of the public, all profits of the Bell Telephone System ultimately come to the treasury of the American Telephone and Telegraph Company, and all surplus over and above dividends is turned back into the System through investment in plant, particularly the long lines plant furnishing the intercommunication essential to universal service. Whether the total of the dividends paid is too much or too little is to be determined only by the market value of the shares and other securities of the American Telephone and Telegraph Company. The earnings must be enough to establish such market values as will make new shares or securities readily saleable.

There is a class of utilities which can give service by mantaining and operating without extending ther plants. They can put such limits as they may elect upon the *clientèle* they will serve. If a selfish public refuses remunerative rates, the reaction is only upon the utility as long as the plant is maintained and operated.

An essential part of telephone service is readiness to serve new patrons as well as old. Readiness to serve involves ability to extend and inabiilty to extend means an insufficient service; and consequently, a reaction upon the public as well as upon the company.

Therefore, with telephone service more than any other utility, the necessity of earnings which will attract capital is a necessity of the public as well as of the utility. This principle is generally recognised. As a rule, we have found the public willing to pay fair rates and the rate-controlling bodies ready to authorise them.

WAR SERVICE.

For the Bell System, not including Western Electric Company, Inc., the latest statistics of war service are of interest :

Entered into war service of the United States	15,010
On duty overseas	7,500
Wounded in action	550
Died in service	235
Given decorations, medals or citations	361
*Re-employed	9,798

* Practically all who have applied for reinstatement to date have been re-employed.

PERIOD OF FEDERAL CONTROL.

In the Act of Congress giving the President authority to take over and operate the telephone and telegraph properties of the wire companies, the period of control was to be terminated by the ratification of peace. The Armistice, therefore, foreshadowed the return of the properties to their owners.

At the beginning of the year the properties were under the control of an Operating Board appointed by the Postmaster-General and made up of men of experience and ability selected from different companies and systems. They operated through the existing organisations. So far at least as the Bell Telephone System is concerned, they made no change in the organisation, the methods, or the personnel. They were confronted by increased costs and a necessity of making frequent adjustments of wage scales to meet increased cost of living and increased wage standards, in the face of doubt as to where lay the power to authorise changes in rates for service.

The resulting failure to earn the compensation was inevitable. The power of the Postmaster-General to fix rates for service was finally established by a decision of the United States Supreme Court in June 1919, less than two months before the return of the properties.

By Act of Congress approved July 11, 1919, it was ordered that the properties should be turned back to private control on July 31, 1919, and that rates established by the Postmaster-General, unless previously changed by proper regulating bodies, should endure until December 1, 1919. The return made no change in operations. The compensation stopped and the earnings became the stockholders' earnings instead of the Government's.

Immediately after the return, negotiations were opened for a settlement of accounts. It was realised that unless a settlement could be made for a fixed amount, the operations of the Company would be hampered by a process of accounting, auditing, and checking likely to continue for years. It was found that certain items were debateable. After mature consideration, it was decided that a prompt settlement would justify the concession of all debateable points. A proposition was made and accepted.

STATISTICS AND FINANCIAL DATA.

There are in the United States approximately 11,000 separate telephone companies. Of them 36 are associated companies of the Bell System, 9,403 independent companies whose telephone stations are connected with the Bell System, and about 1,500 independent companies whose telephone stations are not connected with the Bell System. There are also a large number of rural lines and associations operated mainly on a mutual or co-operative basis and not rated as companies. Of these lines and associations there are 26,184 which connect with the Bell System.

At the end of the year the number of telephone stations which constituted the Bell System in the United States was 11,795,747, of which 7,739,159 were owned by associated companies of the Bell System and 4,056,588 by local, co-operative and rural independent companies or associations having sublicence or connection contracts, the so-called connecting companies.

In addition to these there are about 873,000 stations owned by independent companies not connected with the Bell System.

The following tables set forth the development of the Bell Telephone System in the United States at the end of the year and its growth during the year :—

TELEPHONE STATIONS.

	Number at End of Year	*Increase during Year*
Bell owned	7,739,159	537,412
Bell connecting	4,056,588	192,306
Total	11,795,747	729,718

TELEPHONE CONNECTIONS—BELL-OWNED EXCHANGES.

	Average Number Daily Since Federal Control
Exchange connections	29,561,000
Toll connections	1,239,000
Total	$30,800,000

EMPLOYEES—ASSOCIATED BELL COMPANIES.

Number at December 31, 1919 ... 209,810

MILES OF WIRE AT END OF YEAR.

	Aerial	*Underground*	*Total*	*Increase during Year*	*Per cent. of Copper Wire to Total Wire*
Bell Owned					
Exchange	7,206,497	13,436,993	20,643,490	696,260	15.2%
Toll	2,277,265	1,242,244	3,519,509	185,589	90.8%
Total	9,483,762	14,679,237	24,162,999	881,849	94.6%
Bell Connecting Toll	—	—	427,570	7,375	—

60.5% of the Bell-owned wire mileage—excluding submarine cable—is in underground cables, and this percentage is steadily increasing. The underground conduits represent a cost of $119,600,000 and the cables in the conduits $166,700,000, a total in underground plant of $286,300,000.

NET PLANT ADDITIONS—BELL-OWNED.

	Amount
Real Estate	$8,553,892
Equipment	35,631,942
Exchange Lines	18,168,196
Toll Lines	14,794,627
Construction Work in Progress	*3,702,535
Total	$73,146,032

* Decrease.

The above amount of net plant additions compares with the additions of the previous 19 years as follows :—

NET PLANT ADDITIONS DURING 20-YEAR PERIOD.

1900	$31,619,100	1907	$52,921,400	1914	$70[illegible]
1901	31,605,400	1908	26,637,200	1915	32,8[illegible]
1902	37,336,500	1909	28,700,100	1916	66,22[illegible]
1903	35,368,700	1910	53,582,800	1917	118,59[illegible]
1904	33,436,700	1911	55,660,700	1918	77,92[illegible]
1905	50,780,900	1912	75,626,900	1919	73,146,000
1906	79,366,900	1913	54,871,900		

Total $1,066,017,000.

EARNINGS AND EXPENSES.

To understand or correctly determine the actual costs and charges of the telephone service, and the ultimate distribution of the revenue, a consolidation must be made of the accounts of the Bell Telephone System which includes the American Telephone and Telegraph Company and its associated holding and operating companies in the United States, but does not include connecting independent or sub-licence companies, or the Western Electric Company, Inc., except as interest and dividends from these companies are included in non-operating revenues.

A consolidated income statement follows with all inter-company duplications eliminated so that the figures represent the business of the System as a whole in its relations to the public.

BELL TELEPHONE SYSTEM IN THE UNITED STATES.

INCOME STATEMENT, 1918 AND 1919.

(Duplications Excluded.)

	1918.	1919.
Total Income, including Compensation	$73,058,885	$79,650,186
Deduct Interest	23,111,118	27,692,621
Balance Net Profits	$51,947,767	$51,957,565
Deduct Dividends	39,734,719	39,839,927
Undivided Profits	$12,213,048	$12,117,638

For the last five months of 1918 and the first seven months of 1919 when the properties were under Federal Control, the Bell System revenues consisted mainly of compensation from the United States Government, the operating revenues and operating expenses being revenues and expenses of the Government and not of the Bell System. This necessarily makes a comparison between the detailed items of revenues and expenses for the years 1918 and 1919 of no significance. For this reason the income statement for the years 1918 and 1919 is shown above in a condensed form only. There is also shown a statement of earnings and expenses in detail from August 1, 1919—when the properties were returned to their owners—to December 31, 1919. This five months' statement reflects the operating results since Federal Control, and is significant in a general way of the status of the Bell System as to earnings and expenses after putting into effect the principal rate and wage adjustments made necessary by war changes in price levels.

BELL TELEPHONE SYSTEM IN UNITED STATES.

STATEMENT OF REVENUES AND EXPENSES, AUGUST 1, 1919, TO DECEMBER 31, 1919.

(Duplications Excluded.)

	Five Months ending
Exchange Revenues	$112,129,046
Toll Revenues	53,473,831
Miscellaneous Revenues	2,067,035
Total Operating Revenues	$167,969,912
Depreciation	$27,306,134
Current Maintenance	25,120,188
Traffic Expenses	48,462,131
Commercial Expenses	15,820,169
General and Miscellaneous Expenses	7,101,306
Total Operating Expenses	$124,110,228
Net Operating Revenues	$43,859,684
Uncollectible Revenue	$518,044
Taxes	10,471,628
Operating Income	$32,870,012
Non-Operating Revenues—Net	4,978,488
Total Gross Income	$37,848,500
Rent and Miscellaneous Deductions	$2,112,944
Interest Deductions	12,182,817
Total Deductions	$14,295,761
Balance Net Income	$23,552,739
Deduct Dividends	16,583,542
Surplus Earnings	$4,969,197

During the period of Federal Control the provision for depreciation and obsolescence was at the annual rate of 5.72% of the book value of the plant, excluding intangible capital, right of way and land. This is the average annual rate charged during the three years prior to Federal Control. In the five months since Federal Control $27,306,134 has been accrued for depreciation, or at the rate of 5.78% annually.

BALANCE SHEETS.

The following are the combined balance sheets of the Bell Telephone System in the United States for the years ending December 31, 1918 and 1919 :—

BELL TELEPHONE SYSTEM IN THE UNITED STATES.

COMBINED BALANCE SHEETS, 1918 AND 1919.

(Duplications Excluded.)

	Dec. 31, 1918	*Dec. 31, 1919*
Assets :		
Telephone Plant	$1,142,498,152	$1,215,944,184
Supplies, Tools, &c.		38,035,034
Receivables	122,953,290	84,109,519
Cash		72,879,842
Stocks and Bonds	115,054,876	118,806,351
Total	$1,380,506,318	$1,530,074,930
Liabilities :		
Capital Stock	$513,017,040	$512,121,868
Funded Debts	430,992,459	546,202,760
Bills Payable	47,064,765	1,774,207
Accounts Payable	38,196,095	72,158,014
Total Outstanding Obligations	$1,029,270,359	$1,132,256,849
Employees' Benefit Fund	9,244,000	9,244,081
Surplus and Reserves	341,991,959	388,574,000
Total	$1,380,506,318	$1,530,074,930

All intangible assets have been excluded in the above balance sheets, so that the combined surplus and reserves are shown in an amount considerably less than the aggregate of these items as they appear on the books of the separate companies.

At December 31, 1918, the major part of the supplies, cash and current receivables of the Bell System companies were in the possession and control of the United States Government, and were included in the accounts of the companies as receivables from the Government. They are accordingly shown in one amount with other corporate items without detail classification. No basis of comparison of these items as between the years 1918 and 1919 exists. The item of Accounts Payable ($38,196,095) for December 31, 1918, represents only corporate payables, there being excluded all current payables associated with Federal operation of the Bell System properties, and similarly no basis of comparison exists with Accounts Payable at December 31, 1919. The item Receivables ($84,409,519) for December 31, 1919, includes $9,483,715, comprising compensation with interest accrued thereon due and unpaid by the United States Government as of that date.

The true value of the telephone plant of the Bell System is much greater than the book value of the plant as shown in this balance sheet. Actual appraisals which have been made from time to time by rate-making bodies for rate-fixing purposes have clearly demonstrated the conservatism of the book values. The minimum replacement value of the property is far in excess of the book value.

Before the War the reproduction cost of the Bell Telephone System plant was substantially in excess of the book value and at present prices there is little doubt but that the reproduction cost exceeds the book value by several hundred millions.

The plant has been adequately maintained. Obsolescence, moreover, has in great part been taken care of, and there is a large and increasing reserve against any emergency. Surplus and reserves have increased $46,582,041 during 1919 and are now 32% of the book value of the telephone plant.

The capital stock, bonds and notes payable of the Bell Telephone System outstanding in the hands of the public at the close of the year 1919 were $1,060,000,000, while the net assets devoted to earning a return on these outstanding securities amounted to over $1,448,500,000. This is due to the fact that surplus and reserves of over $388,500,000 have been invested in productive property. On this amount, equal to approximately one-third of the investment in plant, it is not necessary to pay capital charges. As a result a relatively low return on the total net assets is sufficient to earn fixed charges and dividends.

STABILITY OF THE TELEPHONE BUSINESS.

Not only does the telephone business grow steadily even in times of business depression, as is shown by the diagram on the back cover of this report, but that it does not suffer any substantial retardation in its normal growth during such periods appears from the chart given in the pamphlet report.

The telephone business varies very slightly from its normal growth as compared with the fluctuations of general business. This is an element of security and enables the business to be carried on with a lower margin of surplus earnings than would be safe in general industrial undertakings.

REPORT OF AMERICAN TELEPHONE AND TELEGRAPH COMPANY.

EARNINGS.

The earnings of the American Telephone and Telegraph Company for 1919 include, for the five months since Federal Control which ended July 31, in addition to the net receipts of the long-distance lines, interest and dividends from investments in other than associated companies, and interest on bonds and notes of and advances to associated companies, only that part of their earnings which is received by the American Telephone and Telegraph Company out of their divisible surplus earnings as dividends. For the seven months of Federal Control the earnings include this Company's portion of the Bell System compensation under the contract with the Government in the place of net receipts from the long-distance lines and interest and dividends from associated companies for that period. Payments under the general service contracts with associated companies were made during seven months by the Government and during five months by the associated companies.

The disbursements of interest and dividends represent the charges on the securities issued by this Company mainly to finance the associated companies and the long-distance lines.

A statement of the earnings and expenses for the years 1918 and 1919 is shown at the end of this report.

Due to the fact that in 1918 compensation accrued during five months and in 1919 during seven months in the place of net receipts of the long-distance lines and interest and dividends from associated companies, a comparison of detailed items of earnings between the two years is not significant, but the total earnings for the year 1919 were $70,502,682.18, an increase of $9,446,519.48 over those for the previous year.

The net earnings for the year were $60,243,387.53. This result is after making provision for the federal income tax payable in 1920. The interest charges were $15,847,596.26, dividends $35,356,334.46, and the resulting balance $9,039,456.81, of which $5,000,000 was appropriated to reserve for contingencies and $4,039,456.81 was added to surplus.

For the fourth quarter of the year, which is the first complete fiscal quarter since the telephone properties comprising the Bell System were returned to the owners by the United States Government, the earnings available for dividends were $12,085,481.77 or $2.73 per share of stock. On an annual basis this rate of earnings is equivalent to nearly $11 per share of stock.

The following table shows the earnings per share available for dividends on the stock for each year since 1900 :—

1901...	$10 99	1906 ...	8 96	1911 ...	$10 01	1916 ...	8 97
1902...	8 92	1907 ...	11 89	1912 ...	9 86	1917 ...	9 48
1903...	9 19	1908 ...	11 64	1913 ...	9 59	1918 ...	9 97
1904...	8 63	1909 ...	10 85	1914 ...	9 38	1919 ...	10 05
1905...	9 91	1910 ...	10 54	1915 ...	9 52		

The Company and its predecessor have paid dividends to the public at the rate of at least $7.50 per share each year for the past 38 years; during the past 13 years the rate has been uniformly $8.00 per share.

BALANCE SHEET.

A comparative balance sheet of this Company for December 31, 1918, and December 31, 1919, is given at the end of this report.

During the year capital stock increased $34,100. Of this, $500 was issued for cash at par in accordance with the terms of the offer to stockholders of record at December 11, 1916. The balance of $33,600 was issued in the conversion of convertible bonds.

$46,000 of the convertible 4½% gold bonds of 1933 were converted into stock during the year at the ratio of $120 of bonds, or $100 of bonds and $20 of cash, for one share of stock. There remained outstanding at the end of the year $13,027,500 of these bonds out of a total of $67,000,000 issued in 1913.

The seven-year 6% convertible gold bonds maturing August 1, 1925, become convertible into stock after August 1, 1920, on the basis of $100 of bonds and $6 of cash for one share of stock.

As stated in last year's report, $40,000,000 five-year 6% gold notes dated February 1, 1919, were sold in order to provide funds for the payment of an equal amount of 6% notes of associated companies maturing on that date bearing the endorsement of this Company.

The usual financing in anticipation of expected growth of the Bell System was taken care of by the sale of $50,000,000 three-year 6% gold notes dated October 1, 1919.

All discounts on bonds and note issues are deducted in determining the net surplus, as shown in the balance sheet.

CAPITAL STOCK.

For the $441,981,200 capital stock $478,520,607.97 has been paid into the treasury of the Company; the $36,539,407.97 in excess of par value represents premiums on stock which are included as part of the Company's surplus.

The book cost of the assets underlying the capital stock of the American Telephone and Telegraph Company, including its interest in the assets of its associated companies, amounts to more than $185 for each share of stock. This amount would be much greater if present costs of replacement were taken into account.

The number of shareholders, not including employees purchasing stock under the plan of easy payments, was 120,460 on December 31, 1919, an increase of 8,040 during the year. That the distribution continues to be more general appears from the following :—

111,271 held less than 100 shares each;
8,840 held from 100 to 1,000 shares each;
321 held from 1,000 to 5,000 shares each;
15 held 5,000 shares or more each (omitting brokers, holders in investment trusts, &c.).

Of the holders of less than 100 shares each,
42,778 held 5 shares or less each;
91,329 held 25 shares or less each.

The average number of shares held was 37.

There are more women shareholders than men.

About 4½% of the stock was at December 31 in the names of brokers, and only 1½% of the stock is held in Europe.

To the 120,460 stockholders of record shown above there should be added some 9,000 employees of the Bell System in all parts of the country who are paying for stock out of their wages at the rate of $2 per share per month. (19,506 employees have already paid in full for their stock, and are now stockholders of record.) Counting these and also those persons whose stock is held for them in investment trusts and the like, there were probably at least 140,000 actual owners of stock in this Company at December 31, 1919.

A second stock purchase plan effective in 1920, by which employees of one year's service or more in the Bell System are asked to become stockholders of this Company to the extent of a limited number of shares each, for which they are to pay out of their wages at the rate of a few dollars a month, was announced the latter part of the year. Over 50,000 employees in all parts of the country have applied for shares under this plan.

INCREASE OF CAPITAL STOCK.

The limit of the authorised share capital, with a reasonable reserve against the conversion of the convertible bonds issued, has been reached. The issue coming due in 1925 becomes convertible August 1, 1920. In order to provide against the remote contingency of complete conversion and to provide for further issue of capital stock, if and when it shall be found desirable, it is recommended that the authorised share capital of this Company be increased from $500,000,000 to $750,000,000.

For the Directors,
H. B. THAYER, *President.*

AMERICAN TELEPHONE AND TELEGRAPH COMPANY.

STATEMENT OF EARNINGS AND EXPENSES FOR THE YEARS 1918 AND 1919.

Earnings (See Note)—	1918.	1919.
Dividends	$19,527,151 00	$16,161,671 20
Interest and other Revenue	18,922,220 18	19,955,436 96
Telephone Traffic (Net)	1,726,095 86	5,955,048 13
Compensation, Account Govt. Control	18,780,395 66	28,132,522 89
Total	$61,056,162 70	$70,502,682 18
Expenses	6,763,145 98	10,259,294 65
Net Earnings	$54,293,016 72	$60,243,387 53
Deduct Interest	10,391,649 89	15,847,596 26
Balance	$43,901,321 83	$44,395,791 27
Deduct Dividends	35,229,698 96	35,356,334 46
Balance	$8,671,622 87	$9,039,456 81
Carried to Reserves	$5,000,000 00	$5,000,000 00
Carried to Surplus	3,671,622 87	4,039,456 81
Total	$8,671,622 87	$9,039,456 81

NOTE.—Comparison of detailed items of earnings for 1918 and 1919 is not significant, as explained above.

W. S. GIFFORD, *Vice-President and Comptroller.*

ANNUAL EARNINGS AND DIVIDENDS.

Year	Net Revenue.	Dividends Paid.	Added to Reserves.	Added to Surplus.
1900...	$5,486,058	$4,078,601	$937,258	$470,199
1901...	7,398,286	5,050,024	1,377,651	970,611
1902...	7,835,272	6,584,404	522,247	728,621
1903...	10,564,665	8,619,151	728,140	1,217,374
1904...	11,275,702	9,799,118	586,149	890,435
1905...	13,034,038	9,866,555	1,743,295	1,424,388
1906...	12,970,937	10,195,233	1,773,737	1,001,967
1907...	16,269,388	10,943,644	3,500,000	1,825,744
1908...	18,121,707	12,459,156	3,000,000	2,662,551
1909...	23,095,389	17,036,276	3,000,000	3,059,113
1910...	26,855,893	20,776,822	3,000,000	3,079,071
1911...	27,733,265	22,169,150	2,800,000	2,763,815
1912...	32,062,945	26,015,588	2,800,000	3,247,357
1913...	32,920,090	27,454,037	2,500,000	2,966,053
1914...	32,334,814	27,572,675	2,500,000	2,262,139
1915...	34,618,638	29,100,591	2,500,000	3,018,047
1916...	38,013,277	31,122,187	2,500,000	4,391,090
1917...	38,471,106	32,481,611	2,500,000	3,489,492
1918...	43,901,322	35,229,699	5,000,000	3,671,623
1919...	44,395,791	35,356,334	5,000,000	4,039,457

W. S. GIFFORD, *Vice-President and Comptroller.*

AMERICAN TELEPHONE AND TELEGRAPH COMPANY.

BALANCE SHEETS DECEMBER 31, 1918 AND 1919.

ASSETS.

	Dec. 31, 1918.	Dec. 31, 1919.
Stocks of Associated Companies	$185,657,616 78	$190,742,063 02
Bonds and Notes of and Advances to Associated Companies	104,256,700 00	162,137,133 88
Stocks of other Bell System Companies	52,104,228 83	53,562,188 73
Special Demand Notes	21,583,112 10	12,000,000 00
Telephones	18,988,928 58	21,287,848 93
Real Estate	509,267 36	3,138,119 01
Office Furniture and Fixtures	288,162 55	336,521 50
Long Lines Plant	75,150,890 26	82,178,606 58
Trustees' Employees' Stock Purchase Plans	1,226,000 25	8,812,799 03
Current Accounts Receivable :		
Due from United States Government Account Compensation		9,483,715 52
Other Current Accounts Receivable	7,169,954 16	8,737,763 55
Accounts Receivable in Suspense	15,300,559 94	10,227,973 34
Deferred Assets	*1,002,156 16	
Temporary Cash Investments	5,642,974 94	36,571,185 40
Cash and Deposits	31,675,902 78	27,512,170 11
	$521,156,754 17	$626,781,088 60

* Cash turned over to Postmaster-General as Working Capital.

LIABILITIES.

	Dec. 31, 1918.	Dec. 31, 1919.
Capital Stock	$441,947,100 00	$441,981,200 00
Capital Stock Instalments	238 00	
4% Collateral Trust Bonds, 1929	78,000,000 00	78,000,000 00
5% Collateral Trust Bonds, 1946	78,333,900 00	77,434,900 00
5% Western T. and T. Co. Bonds, 1932	9,985,000 00	9,985,000 00
4% Convertible Bonds, 1936	2,589,000 00	2,589,000 00
4½% Convertible Bonds, 1933	13,073,500 00	13,027,500 00
6% Convertible Bonds, 1925	18,673,921 00	18,673,921 00
6% 3 Year Gold Notes, 1922		50,000,000 00
6% 5 Year Gold Notes, 1924		[illegible]
Notes Payable to Bankers	[illegible]	
Dividend Payable January 15	[illegible]	[illegible]
Interest and Rent Accrued not Due	4,775,911 15	6,108,390 08
Current Accounts Payable :		
Compensation Due Associated Companies when Corrected from United States Government		[illegible]
Other Current Accounts Payable	[illegible]	[illegible]
Employees' Benefit Fund	[illegible]	[illegible]
Reserve for Depreciation and Contingencies	43,900,076 83	17,262,123 43
Surplus including Capital Stock Premiums and excess of Debt Discount and Expense	[illegible]	[illegible]
	[illegible]	[illegible]

NOTE.—Accrued and other [illegible] Companies [illegible] Company [illegible] Bell System [illegible] Department [illegible] Dividends [illegible] Accounts [illegible]

W. S. GIFFORD, *Vice-President and Comptroller.*

MEETINGS
OF PUBLIC COMPANIES.

CHARTERED BANK OF INDIA, AUSTRALIA, AND CHINA.

FINANCIAL CONDITIONS IN THE EAST.

The sixty sixth ordinary general meeting of the shareholders of the Chartered Bank of India, Australia, and China was held on the Bank's premises, 38 Bishopsgate, E.C., on April 9. Sir Montagu Cornish Turner (the Chairman) presiding.

Mr. T. H. Whitehead (one of the Managers) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Is it your pleasure, gentlemen, to take the report as read? ("Agreed.") I have to apologise for the absence of my co-director, Mr. W. H. N. Goschen, to-day. He is taking a well-deserved holiday after some very arduous work during the past few months. I am sure we all congratulate Mr.—or, as he is now, Sir—William Henry Neville Goschen on the honour bestowed upon him by His Majesty the King in recognition of the extraordinarily good work he has done during the War, and also lately as Chairman of the Bankers' Clearing House Committee. (Hear, hear.) It is an honour which he has well earned.

Statement of Accounts.

Before moving the adoption of the report, I would draw your attention to the statement of accounts for the year 1919, which shows that there is now a paid-up capital of £2,000,000 in 100,000 shares of £20 each, and a reserve fund of £2,900,000, which, if the recommendations of the Court of Directors are approved of to-day, will amount to £3,000,000. This may be considered a highly satisfactory position, but of course it is always capable of betterment. You will also notice that in nearly every item of the balance sheet there is marked increase. In current and other accounts we have an increase of nearly £12,000,000; fixed deposits are larger by £2,600,000; acceptances are almost double; loans payable are increased by over 200%; and cash in hand and at bankers shows an improved position of about £4,600,000. The total entries on either side of the balance sheet show an increase of £20,000,000 over the figures for 1918. Looking back over the period of the last 60 years, it is interesting to find that in 1860 the capital of this Bank stood at £644,000, and the reserve fund at £5,000. In 1880 the capital had been increased to £800,000, and the reserve fund to £190,000. In 1900 the capital still remained at £800,000, but the reserve fund had increased to £525,000. By 1910 the capital had been increased to £1,200,000, and the reserve fund to £1,600,000. In 1920 the capital stands at £2,000,000, and the reserve at practically £3,000,000. The progress has been steady and consistent, and if we carry on as hitherto on the same cautious and circumspect lines, always alive to the possibilities of fresh business, and always desirous of meeting our customers' requirements and of treating old friends with all possible consideration, I have no doubt that in the years to come the business of this Bank will extend and the reports will show equally gratifying results.

Trade Prospects.

There is, of course, the possibility of a set-back in trade after the urgent and immediate world-wide demands for raw material and manufactured goods have been met. The political situation all the world over, and especially in Central Europe, is unsettled. High prices of foodstuffs have caused general discontent, and the demands of the wage-earners are apparently still unsatisfied, so that the immediate horizon is somewhat gloomy, and the top-heavy prices of raw material, such as cotton, and manufactured goods, are a menace to bankers and to traders alike. We may have troublous times ahead, but, in spite of all, I look forward with confidence to the future if all classes, especially in this country, unite to deal fairly and squarely with each other. (Hear, hear.)

Touching the results shown for the past year, I am confident that shareholders will fully appreciate the excellent services rendered by the staff, both at home and abroad, whose loyal and devoted labours have contributed so appreciably to the success we have won. (Hear, hear.)

Eastern Exchanges and Currencies.

For the managers, especially those at head office, it has been a period of unusual anxiety and harassment. The unprecedented fluctuations in the price of silver and gold has been very remarkable, and the volume of business which fell to the lot of this Bank in connection with the financing of exports, raw material, foodstuffs, &c., required for national purposes, has been far above the average, and the demands on the resources of the Bank have been at every point far in excess of the ordinary. During 1919 the price of silver rose from 47⅞*d.* per oz. to 79⅛*d.* per oz., a rise of 65.70%; and gold, when the restrictions on its movements were withdrawn in the fall of the year, commanded a premium of 43%. Of course, in other parts of the world, not only in the East, the fluctuations in exchange have been extraordinary. The Hong Kong dollar, the Chinese tael, and the Indian rupee have all been jumping about, so that you never know where to catch them. Look at the American exchange, which even to-day shows that the dollar is worth over 5*s.* compared with its ordinary value of about 4*s.* Look at France, where the franc is worth a little over 4*d.*; Germany, with a mark worth 1*d.*—not quite that; and Italy, with the lira at 2½*d.* Of course, Austria is simply unquotable; her current coin is worth less than 1*d.* I mention these facts to show you the difficulties that exchange bankers have to contend with, and the absurdity of people thinking that exchange banking means simply coining money; it is very often the reverse. In addition to this we have other difficulties. There was the uncertainty as to the ultimate standard value of the rupee measured in gold following on the report of the Babington Smith Currency Commission. Further cause of trouble has been the very serious delay in the transmission and receipt of cable messages. In some instances ordinary telegrams between India and the Far East and this country have occupied 14 days in transmission, and the average has been about seven days. The loss to the mercantile community, including the banks, owing to these deplorable delays, can scarcely be estimated. I am glad to say that within the last few days there has been an improvement, and we are getting messages through more quickly.

The report and recommendations of the Currency Commission, to which I have already alluded, have, on the whole, met with general approval. Some of us may have had our views as to the desirability of fixing the standard value of the rupee at a figure somewhat lower than that recommended by the Commission, but the reasons given in the report in favour of the 2*s.* rupee are fairly convincing. The ultimate decision has been arrived at, I fully believe, with all due and sincere regard for the interests of India as a whole. The most important object in which we bankers are concerned is the stability of the rate of exchange. A fluctuating value causes endless trouble and anxiety, and is a source of speculative and unsound trade. The decision to give the Government of India a free hand in the offer of reverse councils in India is sound, and there can be no doubt as to the wisdom of the committee in insisting upon the convertibility of the note throughout India and in the free import and export of the precious metals.

Indian Banking Changes.

The proposal for amalgamating the Presidency Banks in India under the title of the Imperial Bank of India is one that has attracted a considerable amount of attention. While regretting the partial disappearance of the individuality of the Presidency Banks, it seems to me that the movement for amalgamation is fully justified and is unlikely to be prejudicial to the interests of Exchange Banks in India, always provided that the present intention of not competing with the Exchange Banks in their ordinary business of exchange banking is fully and honestly adhered to. The Presidency Banks have always been the bankers of the Exchange Banks. The utmost good feeling and goodwill have prevailed, and I should greatly regret to see any interference with the harmonious working between the Presidency and the Exchange Banks. I notice that one of the conditions of the setting up of the Imperial Bank is the opening of a large number of sub-branches in various parts of India. Any measure which tends to encourage the development of banking in India, the attracting of deposits from the public at large, and the gradual cessation of the unprofitable system of hoarding can only be for the good of India, both for the individual and for the State. We wish the Imperial Bank a successful career, fully confident that there is ample scope in India both for the semi-State Bank and for the British Exchange Banks.

Mr. J. M. G. Prophit has been elected by the Court of Directors as a member of the board. Mr. Prophit, for many years past, has not only been connected with one of the most important firms in Calcutta, but at one time he was President of the Bank of Bengal, and he has always taken a very keen interest in the development of banking facilities in India. I can confidently recommend his election for your approval.

I need not dwell at length on the recommendations of the directors contained in the report. There can be no doubt whatever that as long as circumstances permit we should add to our reserves. The superannuation fund must also be maintained, and the extra amount ear-marked for premises account is fully justified when we bear in mind the necessity for providing increased accommodation and the opening

out of new branches, which entails in many cases the purchase of sites, as well as the building of premises.

In conclusion I desire to express the thanks of the directors to the staff, both home and foreign, for the splendid manner in which they had worked during the past year. Our appreciation has been marked by the granting of bonuses and of an improved scale of pay to meet the greatly increased cost of living. We know what the strain must have been. We know that the extra time and increased work have been cheerfully given, and especially we thank the managers at head office for the unwearied attention they have given to the general management of the Bank.

With those remarks I beg to move: "That the report now presented, together with the balance sheet and profit and loss account, be approved and adopted." (Applause.)

Sir Alfred Dent, K.C.M.G., seconded the resolution.

Mr. Frederick Tomkinson pointed out that the dividend of 20¼% now being paid had been earned, not only on the capital of £2,000,000, but also on the reserve. He calculated that the capital had earned something like 8%, while the reserve had earned 12%, and he thought it as well that publicity should be given to that fact, because not only here, but in the Colonies, they were reproached with paying enormous dividends. He had no doubt that it would be within the knowledge of most of the directors that a bank, equal in magnitude and success to their own, had lately thought it advisable to capitalise £500,000 of their reserve, and for his (the speaker's) part he thought it was a very wise policy to adopt. The Chairman did not perhaps agree with that policy, and no doubt it was necessary for a bank to have large reserves; but, in view of the trend of opinion, he thought that the suggestion could well be taken into the consideration of the directors.

The Chairman, in reply, said he purposely did not refer to the fact that the dividend had not been earned entirely on the capital, but was also earned on the reserve, because he had clearly indicated that at the meeting of the Bank last year. He admitted that, in these days, it was quite the fashion to capitalise reserves, but it was a practice which, while it had its merits, had considerable demerits. Before such a policy was adopted in the case of their own Bank, it would require very careful consideration at the hands of the board. He could assure Mr. Tomkinson that such consideration would be given, but he would tell the shareholders that full consideration had been given to the matter in the past, and the proposal had been rejected.

Mr. Robert F. Banks congratulated the directors and the officials of the Bank on the results presented.

The resolution was carried unanimously.

The Chairman next moved: "That a dividend at the rate of 14% per annum for the half-year ended December 31 last, together with a bonus of 25*s.* per share, both free of income tax, be now declared payable on and after the 16th inst."

Mr. Thomas Cuthbertson seconded the motion, which was unanimously adopted.

The retiring directors and auditors were re-elected, and a vote of thanks to the directors and the staff for their successful management of the Bank concluded the proceedings.

COMMERCIAL BANK OF LONDON, LIMITED.

GOOD PROGRESS OF NEW COMPANY.—FINANCING INDUSTRY AND TRADE.

THE statutory meeting of this Company was held on April 8 at Winchester House, Old Broad Street, E.C., the Rt. Hon. Sir Charles Hobhouse, Bt., P.C. (Chairman of the Company), presiding.

The Secretary (Mr. W. Ernest Treweek, F.C.I.S.) having read the notice convening the meeting and the statutory report,

The Chairman said: Gentlemen,—Although there is no business before this meeting, which has only been called for the purpose of complying with statutory requirements, I am glad to have this opportunity of meeting our shareholders and giving you some indication of how our business is progressing. You have just heard the statutory report and statement of accounts read, and they call for no detailed comment from me.

New Issue Over-Subscribed.

As you know, the response made to the offer of our new shares was most gratifying. The whole issue was very quickly over-subscribed, and, with each succeeding post bringing in heavier and heavier batches of applications, we were obliged to close the lists several days before the advertised date.

As to the business of the Bank, I am glad to be able to state that the results of our new issue of capital have more than justified the optimistic views which I put before our old shareholders when I addressed them on December 12 last. (Applause.)

We are still adhering to our policy of keeping our resources as liquid as possible. As I anticipated would be the case, the general business of the Bank has made great strides, and indeed has expanded to such an extent that it has far outstripped the capacity of our present premises, and necessitated a removal to new ones.

The New Building.

After meeting with considerable difficulty in our search for the ideal site, we have successfully concluded negotiations for the acquisition of an important block of new buildings occupying a commanding position in Gracechurch Street. (Applause.) We are there fitting up banking premises which would be worthy of this Company, and we hope to enter into occupation about the beginning of July next. This should mark a further development in the history of the Bank. Such part of the building as we do not immediately require has been let to tenants of high standing, on most satisfactory terms, and we have now completed negotiations which will make the acquisition of this building a most remunerative transaction for the Bank, quite apart from its other obvious advantages. (Applause.)

Successful New Issues.

On the financial side, I have to report satisfactory business during the comparatively brief period of three months since the incorporation of the new Company, which will result in substantial profits being earned. Our first large transaction was the issue of 800,000 new shares for British Glass Industries, Limited, at £3 10*s.* per share, involving £2,800,000. We had no difficulty in underwriting this large sum—indeed, we could have done it twice over—a testimonial not only to the investment itself, but also, I may fairly claim, to the issuing house. (Hear, hear.) Another transaction recently handled successfully by us was the issue of the Kent Portland Cement Company, Limited. As a result of these successes and of those which we had previously achieved, we have, as you can readily imagine, a very large amount of business offered to us, and we are in the fortunate position of being able to pick and choose. Negotiations are in an advanced stage for dealing with several important commercial undertakings. You will gather from what I have said that we are proceeding by mingled enterprise and caution, with the programme of the Bank, and devoting our energies and resources to supporting British trade and industry. (Applause.)

The Directorate.

We are glad to welcome back to-day Mr. Clarence Hatry, our Managing Director—(applause)—who has recently undergone a serious operation. While we hope and believe him to be completely cured, he will have to take a further brief holiday before returning to full activity. During his absence the business of the Bank has been continued and indeed expanded—a fact which will confirm the assurance I gave to the shareholders in my last speech, that, valuable as Mr. Hatry's services are to the Company, it is by no means what is termed a "one-man show." Moreover, we have added to the number and strength of your board by electing Mr. Stanley Passmore, of the firm of Langton and Passmore, as one of the directors. On Mr. Hatry's return to business he will find even greater scope for his energy and talents in the interests of the Company and in the development of its business than heretofore.

Rapid Expansion.

I can briefly summarise the results of our three months' work as follows: Firstly, on the financial side we have made substantial profits, and we have equally good business now well in hand. Secondly, the purely banking business is expanding in volume and profits. Our cash position is strong, and we have ample liquid resources to enable us to handle any good new business, however large, which we may decide to entertain. (Applause.) Thirdly, we have secured, on most favourable terms, magnificent premises, which are an absolute necessity for a business that is expanding so rapidly as ours is. I think this is a good record for three months' work—(hear, hear)—and one with which shareholders have every reason to be satisfied, and the directors have every reason to anticipate that they will be in a position to declare an interim dividend at the end of June of this year, which will be satisfactory to all of you. (Applause.) I have nothing more to tell you, gentlemen, and as there are no resolutions before us, this concludes the business of the meeting. (Applause.)

Mr. R. S. Griffin said he thought all present had heard with great interest and decided satisfaction of the work which had been done during the past three months, and the hopes that were held out. He was sure they all felt that those hopes would be realised before very long, and he had much pleasure in proposing a vote of thanks to the Chairman.

Mr. J. H. Cordner-James seconded the motion, which was passed unanimously, and the Chairman having acknowledged the compliment the proceedings terminated.

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THE SCOTTISH PROVIDENT INSTITUTION.
MUTUAL LIFE ASSURANCE.

THE eighty second annual general meeting was held in Edinburgh on March 31, James L. Ewing, Esq., LL.D., in the chair.

The report for the year 1919, which is of special interest, recording as it does the exceptional progress and prosperity of the Institution and changes of an important character in the *personnel* of the management, stated that the new proposals received were 3,804 for £3,422,296, and of these 3,457 were completed, assuring capital sums amounting to £3,118,796. The amount reassured with other offices was £479,500. The premiums of all kinds, including the price of annuities, but after deducting sums paid for reassurance, were £883,905. The total receipts, including net interest, amounted to £1,470,403. The accumulated funds amounted at December 31, 1919, to the sum of £16,283,103. The claims under 963 policies by the deaths of 740 members were £785,470, and the claims by survivance under endowment policies £85,119, making the total claims for the year £870,589.

The Chairman, in moving the adoption of the report, said :

The figures of the report on this occasion require little comment—they speak for themselves. The increase in the new business is of itself an exceptionally gratifying feature. As is stated in the report, the amount is more than double that for 1918, and is the largest business completed in any year since the office was founded. The new premiums naturally show a corresponding increase. A large proportion of the business transacted by this office has always been effected on the limited payment system, and as these payments expire and drop out, the tendency has been that the premium income is less progressive than in most offices; and on that account the present large increase in the new premium income (£116,829, against £66,518 for the previous year) is all the more welcome. The total receipts, including interest, after deducting tax, amounted, as you will notice, to close on one million and a half sterling.

Notwithstanding a considerable number of claims directly due to the effects of the War, and in spite of the devastating epidemic of influenza in the early part of the year, the mortality experience was again favourable, the amount of the claims by death (£785,470) being practically the same as in 1918, and well within the "expectation" according to the tables on which the calculations are made.

The total receipts were £301,577 in excess of the payments made during the year, and this sum has been added to the realised funds, which stand in the books as at December 31, 1919, at £16,283,102.

The expenses of management show an increase, as was to be expected. In addition to exceptional expenses incidental to the quinquennial investigation, the larger amount of new business has necessarily entailed increased expense, while, owing to the higher cost of living, salaries and all other costs are now on a higher level. When a comparison is made of the expenses in relation to the premium income it has always to be kept in mind that this ratio as a test of economy does not do justice to an office such as this, in which the whole-life premiums are considerably lower than those usually charged, and where a large proportion of the premiums are on the limited payment system and have ceased to be payable. Ample provision is always made at the investigation periods for the expenses in connection with such paid-up policies.

Realisation of American Holdings.

The rate of interest earned on the funds during the year was practically the same as in 1918—viz. : £4 17*s.* 9*d.* per cent. Advantage has been taken of the low rate of exchange prevailing during the past few months to realise a large portion of the Institution's holdings in American securities, most of which were deposited with the Treasury. The proceeds of these sales have been reinvested, principally in British Government securities, at an enhanced rate of interest, and the tendency should be to show an even higher return in the near future. It may be mentioned that the proportion of the Institution's holdings of British Government securities is now over 30% of the invested funds. Looking at the report from all sides, I think you will agree that it is at least as favourable as any the Board have issued, while the prospects appear to be exceptionally encouraging.

Whole-Life Assurance.

It has always been the policy of the Institution to advocate whole-life assurance, which, speaking generally, is the most desirable form of provision. In particular, it has been our practice to put forward and encourage the limited payment system of whole-life assurance. In this connection I may refer to an interesting article which appeared quite recently in the *Economist*, in which the writer gave some figures contrasting the advantages of whole-life as against endowment assurance. He points out that life assurance, as our fathers understood it, was whole-life assurance as a means of making a family provision. As regards endowment assurance, he considers that it appeals rather to the selfish element in human nature, that the provision for widow or children becomes, more or less, a secondary consideration, and that, human nature being what it is, the intended beneficiaries do not always find that the proceeds of the endowment assurance policy, which had matured previously, are to be found intact, or even in part, in the estate of the assured after his death. In the case of a policy on the whole-life scale, payable only at death, there is more certainty of the assurance moneys fulfilling the object for which they were originally destined, and its face value is not subject to adverse fluctuation.

Now, the great bulk of the existing business in this Institution has been effected under the whole-life system. Our premiums under the distinctive system of the office, being lower than are usually charged, enable an entrant to secure for his dependents the maximum amount for a given premium without sacrifice of the right to share in surplus; and assurances may often be effected under our limited payment system at rates as low as are charged during the whole of life by many offices. When payments are limited the assured has the satisfaction of knowing exactly the maximum amount he can be called upon to pay.

Necessity for Thrift

Under present financial conditions there seems to be a specially strong call on the heads of families while they are earning good incomes to make the largest possible provision for those whom they may leave behind. With the cost of living as high as it is now, with small prospect of reduction for some years to come, the amount which formerly would have sufficed to keep a family in comfort is now quite inadequate. It appears to me that this should be the first consideration when a man takes out an assurance on his own life. After he has fulfilled his obligations to those who are dependent on him he may then turn to the more speculative benefits of endowment assurance—and there are, admittedly, many cases in which that form of policy may be the most suitable. In any case, it is satisfactory to know that a whole-life policy with the Scottish Provident has lost none of its popularity.

The recently issued report of the Royal Commission on Income Tax does not bring to life assurance offices the prospect of relief which in some quarters had been hoped for, and it would appear as if life offices can look for no immediate modification in the basis on which they are taxed. It is gratifying, however, that the Commissioners recommend the continuance by the State of its encouragement to individual thrift by allowing a rebate on income tax in respect of each assurance premium paid.

The board loses in Sir Charles Bruce, who for 14 years has acted as a director of the Institution, a greatly esteemed and highly valued member. We all know the invaluable services which Sir Charles has rendered to the Empire as a great Colonial Administrator. The board has enjoyed the advantage of his large and varied experience of men and affairs, and has benefited much by his sound advice.

I now come to the important changes in the *personnel* of the management of the Institution as detailed in the report. The directors received with great regret the resignation of the Manager, which they accepted with much reluctance. Mr. James Graham Watson had intimated his desire to retire on the eve of the War, but at the earnest request of the directors he agreed to remain in office during its continuance. The directors gratefully recognise the ability and care with which he carried the Institution through the stress and anxiety of those five eventful years. I may remind you that the Scottish Provident Institution was in the main founded by Mr. Watson's father, the late Mr. James Watson, who was its Manager for 52 years. On his retiral his son was elected his successor, and has acted as Manager for 30 years. Thus father and son have carried on the management of this Institution for the long period of 82 years, certainly a unique record in life assurance management.

Tribute to Mr. Watson.

When Mr. Watson succeeded to the management in 1890 the funds amounted to close on £7,000,000, and the total receipts were £890,000. At the close of his management in this, the record year of the Institution, the funds amount to upwards of £16,000,000, and the receipts to £1,465,000. These figures show how highly the Scottish Provident has prospered under Mr. Watson's management. I am sure we all, directors and members, gratefully recognise the ability, zeal, and devotion with which Mr. Watson has attended to our interests, and how deeply we are indebted to him. The relations between the Manager and the board have always been cordial and intimate, and he has enjoyed the complete confidence of the directors. I can speak from personal knowledge of the excellent relations existing between the Manager and the whole staff, in whom he has always taken a deep personal interest and whose esteem and gratitude he has enjoyed throughout. We can all understand how great a trial it is for Mr. Watson to give up the management of the Institution, which has indeed been his life's work. He takes with him our warm regard and our best wishes for the enjoyment of his well-earned leisure. If the members agree, as I am sure they will, to elect him a director, we shall continue to enjoy the benefit of his long experience of life assurance affairs.

The directors have had no difficulty in selecting a successor. They at once appointed the Secretary, Mr. R. T. Boothby, who has been in the service of the Institution for 30 years. The directors are confident that under Mr. Boothby's management the Institution will continue to

prosper and to expand. I am sure the staff will welcome Mr. Boothby's appointment, for he is, I know, highly popular among them.

The directors have appointed Mr. C. W. Thomson and Mr. A. Graham Donald as joint secretaries in place of Mr. Boothby. These gentlemen are valued officials, and their promotion is well deserved.

The motion for the adoption of the report was seconded by Alexander Darling, Esq., LL.D., and votes of thanks to the directors, head office officials, branch secretaries, and the staff at head office and branches, and to the Chairman having been proposed, the meeting terminated.

LAW UNION AND ROCK INSURANCE COMPANY, LTD.

RECORD FIRE AND LIFE BUSINESS.

THE annual meeting of the above Company was held on April 8 at the head office, 7 Chancery Lane, Mr. Charles G. Hamilton (Chairman of the Company) presiding.

The Chairman, in the course of his address, said: I propose to deal first with the results of our departments other than the life department. In the fire department the premiums received were in round figures £368,000, the largest business we have ever done. The loss ratio was only 43.87%, a satisfactory ratio, and the expense ratio was 37.74%. The ratio of expenses in all our departments has increased—a misfortune which we share with all companies and one not to be wondered at when you remember not only the increase in salaries, but also the increased cost of everything. On our home fire business alone, the enhanced cost to the Company of clerical work amounted to no less than 6½ of the net premiums. The net profit, including interest, was the very satisfactory one of £70,000. The fire fund at the end of the year stood at £347,000, an increase of £10,000. Though the large business we did partly arises from the larger amount of cover now required by insurers, yet I believe that the majority of fire policies in force still do not adequately insure the owners. I doubt if many owners have doubled their fire policies, and yet it is certain that the cost of replacement has gone up far more than double. I venture, therefore, to suggest that every policyholder should carefully consider whether his present fire policy is sufficient to provide for the replacement of his property in case of loss by fire, having regard to the high prices now current. The employers' liability and accident accounts showed increased premiums, but the profits were less than in 1918. As regards the profit and loss account, I need only say that after payment of the usual dividend and after adding £7,000 to the pension fund, we are able to carry forward no less than £349,000 of undivided profit, an increase of £20,000 over the figures of the preceding year. Though we have brought nothing into the profit and loss account from the life department in respect of the last quinquennium, yet there was a substantial surplus in that department in which the proprietors are entitled to share, and this share has simply been carried forward.

The Life Department.

Coming now to the life department, the net new business was rather over £1,500,000. This constitutes a record for the Company. The net new premiums were £57,887, and the total premium income over £615,000. The total income of the life fund was over £1,040,000. The expense ratio was 17½%, an increase due partly to the general rise in expenses and partly to the very large amount of new business done during the year, the expense connected with which is always heaviest in the first year. Claims by death were about £508,000, an amount within the expectation. The net interest return on all the life funds is £4 9*s*. 5*d*. per cent. The life fund at the end of the year shows a decrease of about £180,000, but this is far more than accounted for by the depreciation in our securities, which, after deduction of reserves, was no less than £341,000. I will now refer to the quinquennial investigation. We decided to base our valuation of Stock Exchange securities on market prices at December 31, 1919. We might have valued our £3,000,000 of Government securities at cost. This would have been in accordance with the permission of the Board of Trade and would have had a material effect on the surplus, but we preferred to place the true position before the policyholders. The result of the valuation in the three funds is as follows: the Law Union and Rock the going fund shows a substantial surplus of over £370,000, the Rock nearly £63,000, and the Crown only £3,774. The directors have carefully considered the position with regard to these surpluses and have decided, owing to the uncertainty of the outlook at present, to make no general division of profits, but to carry forward the amounts to the quinquennium now current. In adopting this course the directors are satisfied that they are acting in the best interests of the policyholders, and in this view we are supported by the knowledge that some 27 life offices, many of them of the highest standing, whose quinquennial valuations have taken place since the beginning of the War, have decided to pass their bonuses. But for the exceptional war losses under life policies, which we calculate represent a net loss of £140,000, and the depreciation in Stock Exchange securities, all three funds could have paid bonuses well above the average of past valuations. While we have decided not to make a general distribution out of the surpluses in any of the funds, yet our present intention is to pay bonuses on the with-profit policies which become claims during the current quinquennium as follows: for the Law Union and Rock Fund £1 per cent. per annum, dating back so as to include the past quinquennium; for the Rock Fund 10*s*. per cent. per annum for the past, and 15*s*. per cent. for the present quinquennium, and for the Crown Fund 15*s*. per cent. per annum, not including the past quinquennium. As regards the current year, our business is most satisfactory. The figures of our life business are to date much ahead of the fine figures of last year. The fire premiums are growing, and no doubt in this department, as in the others, we are reaping the advantage of our connection with the London and Lancashire. The other departments also show progress.

The report was unanimously adopted.

BRITISH GENERAL INSURANCE COMPANY, LIMITED.

Capital Increased.

THE sixteenth annual general meeting of this Company was held on April 7 at Cannon Street Hotel.

Mr. Henry C. Walker, M.I.M.E. (the Chairman), who presided, said, in moving the adoption of the report and accounts, that in the matter of reserves, of the quality of the business offered to the Company, and the financial position generally, the British General was infinitely stronger than when the shareholders met a year ago. In the life department business had again increased satisfactorily, 475 new policies for £204,364 having been issued, and, judging by the way 1920 had commenced, it would not be very long before he was able to report new business at the rate of £500,000 a year. In the fire department they recorded the largest increase yet secured in any year, gross premiums being up to £185,048, reduced by reinsurance to £107,157. This latter figure compared with £63,114 in 1918, an increase of £44,043, or nearly 70%. As from January 1 arrangements had been made to transact fire business in Canada and the United States of America, this decision following a visit by their managing director to those two great countries. In addition to the usual 40% reserved for unexpired risk, they last year transferred £5,000 to the fire fund as an additional reserve. They now recommended the transfer of a further £45,000, making that additional reserve £50,000, or, including the reserve for underwriting, a total of 86.6% of the year's income. Each of the three accident departments showed satisfactory progress. The total net income was £209,607, against £166,295, and, after providing £83,802 for outstanding claims, against £63,440, and 40% for unexpired



KING'S HEAD Tobacco

A highly satisfying smoke. Richly-flavoured and cool.

It is made by the same process as

THREE NUNS

—a milder blend

Both are sold everywhere at 1/1 per oz.

Tins: 2-oz. 2/2—4-oz. 4/4

"THREE NUNS" CIGARETTES

	10's	20's	50's	100's
MEDIUM	6d	1/-	2/5	4/8
HAND MADE	8d	1/4	3/4	6/8

Stephen Mitchell & Son, Branch of the Imperial Tobacco Company (of Great Britain and Ireland), Limited, 36 St. Andrew Square, Glasgow

risk, £30,508 had been transferred to profit and loss account, against £24,405. Certain sections of the business had been adversely affected by conditions arising out of the War, particularly burglary, plate glass, and motor and drivers' business, and the margin of profit, if any, in some cases was very small indeed. The Company had hesitated to disturb their rates to old policyholders; but, in view of the serious increase in the cost of replacements, repairs and claims generally, due to the new standard of values, some increase was inevitable in the near future. Employers' liability business had yielded better results, but the future was somewhat uncertain, for new liabilities were being constantly laid upon employers of labour.

Development in Marine Business.

In the marine department, in spite of the cessation of war risks, their net premium income remained within a very few pounds of the 1918 figure at £147,100. Claims paid in respect of 1919 and previous years' settlements were distinctly moderate at £83,019, and after transferring £5,341 interest to profit and loss account, the marine fund at the end of the year was increased from £86,438 to £138,054, the latter figure representing not less than 93.85% of the premium in hand for 1919, as compared with 58.73% in the previous year.

It was proposed that the nominal capital of the Company should be increased to £1,000,000. They proposed to issue at once 250,000 shares, making the subscribed capital £500,000, of which £125,000 would be paid up. The new shares would be offered to the existing shareholders in the proportion of one new share for each old one, and on terms which would involve a substantial bonus.

The motion was carried unanimously, and a final dividend of 15%, making 25% for the year, was declared.

At an extraordinary general meeting the proposed increase of capital was unanimously agreed to.

SHEFFIELD STEEL PRODUCTS, LIMITED.

The first ordinary general meeting of this Company was held on April 7 at Winchester House, Old Broad Street, E.C.

Mr. A. H. Wild (Chairman and Managing Director), who presided, said, in moving the adoption of the report and accounts: The Company is the aggregation of concerns all of which have achieved prosperity, and some of which have been in operation for upwards of 200 years. They one and all were handicapped by circumstances of environment, which have hitherto applied alike to themselves and to their competitors in the so-called "Sheffield Light Trades." Our idea has been to amalgamate and concentrate them, to substitute the most up-to-date methods for those which are antiquated or obsolete, and by the addition of a first-class steel plant, rolling mills, stamping shops, blue water gas plant, &c., to make Sheffield Steel Products, Limited, independent of outside assistance and sources of supply in each of the many processes connected with the Company's business. We are convinced that, by means such as I have just indicated, the cost of production can—and will—be reduced by at least 35%.

It may interest you to hear something of the past history of a few of the amalgamated concerns.

W. K. and C. Peace, Limited, dates from 1710, and is known throughout the world for its manufacture of files and edge tools. At the present time it has orders on its books for nearly three million files.

Joseph Peace and Co., Limited, also was established more than two hundred years ago, and is one of Sheffield's best-known saw manufacturers, and has a most important export trade.

Moses Eadon and Sons, Limited, was established in 1823, and is famous for its "Vingo" high-speed steel, and for other special crucible steels. It manufactures saws, machine knives, and twist drills of the finest grades.

Boswell, Hatfield and Co., Limited, are the pioneers in this country of machine grinding for cutlery, and hold the master patents of the grinding machines for table and other blades.

Carr, Wild and Co., Limited, were one of the earliest firms to instal a large modern stamp shop in connection with the manufacture of scissors, pliers, spanners, turnscrews, &c., and for many years have contributed to the necessities of Sheffield manufacturers of this class of goods.

We attach material importance to the acquisition of the business of Oxley Brothers, Limited, who specialise in the production of castings used in the manufacture of machines needed for turning out the articles made by Sheffield Steel Products, Limited. As a result of this purchase we shall be able to hasten the equipment of our new and extensive factory, in which it is the intention to develop, to the utmost extent, the best systems of mass production.

Templeborough was formally handed over to us at the end of last year. The buildings in which our steel plant and rolling mills will be housed are well in hand, and, I hope, will be completed within the next three months. Contracts for the plant are now being executed. The site for our new stamp shop, which will be one of the largest in the kingdom, has been prepared, and the foundations are now being constructed. Similarly, progress is being made in connection with the new blue water gas plant, by the use of which we anticipate an economy of some £40,000 a year.

The principal factory building, which the Company acquired from the Government, and in which the finishing operations in connection with our products will in the main be conducted, covers an area of 8 acres and accommodates 6,000 workpeople. Already a large number of machines have been installed and are at work. When the new file plant (the foundations of which have already been completed) is finished I estimate that our output of files will be the largest in the world, and at a minimum will amount to 20,000 dozen per week. Templeborough already contains plant for the manufacture of magnets, which is accepted now as a "key" industry, and this, with machinery for the bulk production of spanners, wrenches, scissors, &c., already installed, is being rapidly increased week by week and day by day.

We already have installed sufficient grinding machinery to deal with 5,000 dozen table knives per week, and this is being steadily and constantly augmented. The above short reference to Templeborough would be very incomplete if I omitted to state that when our steel plant is in operation we anticipate a weekly output of 1,000 tons of Siemens steel, 150 tons of electric steel, and 50 tons of crucible steel. Of this the necessary proportion will be cogged, hammered, or rolled by our own plant and worked up into our finished products. Two hundred tons weekly will be utilised for the manufacture of stamping for the motor trade, and we have already concluded working arrangements with large steel consumers to satisfy the whole of their requirements. The production derived from Templeborough is entirely additional to the production already obtainable from our older establishments. I wish to emphasise the fact because it is estimated that the ultimate turnover to be derived from Templeborough factory when our present extensions are completed will be at least four times the present turnover obtained from the old factories. We propose to create another million shares, and to offer 500,000 of them, in the proportion of one new share for each two old shares, to our existing shareholders, at the price of 21s. The new shares will participate in 1920 dividends as from the dates of the instalments by which they are paid for. Before arriving at the year's profit of £145,876, depreciation has been provided for to the extent of £15,395. Land, buildings, &c., are valued at £365,205. Machinery, fixed plant, etc., amounts to £691,531, including £244,619 for the value of contracts entered into for extensions. The investments, which stand at £53,196, include the whole of the share capital of Moses Eadon and Sons, Limited, and this investment can be safely valued at £100,000. Goodwill stands at £30,570, which is equivalent to one-fifth of the year's profits earned by the combined companies. The actual profits earned represent over 15% on the net amount of capital paid up during the year. Patents, trade-marks, licences, stand at £178,616. We estimate that the master-patent for machine grinding, when used in connection with our full Templeborough output of knives, will save us £25,000 per annum on one process alone. Preliminary and foundation expenses stand at £64,159, and for this we hope to begin to make provision during the current year. Stock in hand represents £134,953, and sundry debtors £126,869.

The Chairman then moved the adoption of the report and accounts and the payment of a final dividend of 1s. per share, less tax, making a total distribution of 10% in respect of the year ended December 31, 1919.

The resolutions were unanimously adopted.

An extraordinary general meeting was then held for the purpose of submitting the following resolution: "That the capital of the Company be increased from one million pounds to two million pounds by the creation of one million new shares of £1 each.

The resolution was unanimously carried, and the proceedings terminated.

MAZAWATTEE TEA COMPANY, LIMITED.

Record Turnover.

Presiding at the twenty-fourth ordinary general meeting of this Company, held on April 8 at the Cannon Street Hotel, London, E.C., Mr. Alexander Jackson, the Chairman, in moving the adoption of the report and accounts, said it would be seen from the report that the profit for the year amounted to £74,220, against £59,341 for the year 1918—an increase of £14,879—which he thought they would agree was satisfactory. This increase was due to a considerable expansion in turnover, which was again the largest in the history of the Company.

Their tea department had been successful. They had experienced a record year in the sales of Mazawattee tea, which the directors felt was due to the high standard of quality which they had maintained by the great care and attention they gave to the selection and blending of tea of only really choice growths. Of their other departments he would like to mention chocolates and confectionery. This department had grown very considerably indeed, and their manufactures were very popular and in great demand. They had devoted a good deal of attention to trade abroad, which

HARPER BEAN LTD.

Production Returns

of

MOTORS

and

CYCLES

	January	February	March	Total for 3 Months
BEAN CHASSIS	100	125	175	**400**
VULCAN CHASSIS	160	180	280	**620**
SWIFT CHASSIS	26	46	72	**144**
SWIFT CYCLES	1,200	1,956	2,250	**5,406**

HARPER BEAN LTD., 50, PALL MALL, S.W.1.

BRITISH MOTOR TRADING CORPORATION, LTD., 50, Pall Mall, S.W.1. (Distributing Company).

St. James's 3.

had met with success. Business in European countries, however, at the present time was very difficult owing to the depreciation of Continental currencies, but when foreign exchanges improved they looked forward to good trading in those markets.

The amount of money required to finance the Company's business is very great indeed compared with previous years, and had it not been for the wisdom of the directors in consolidating their financial resources it would have been impossible for them to have financed the big turnover of the past year. The price of tea alone absorbed an immense amount of money with the high exchange value of the rupee which had been ruling for so long. As they knew, the exchange value of the Indian currency had been more than doubled, and some of their purchases of tea in Calcutta and Colombo were made on a rupee value of 2*s.* 3*d.* to 2*s.* 10*d.*

The addition of £10,000 to reserve would bring that account up to £40,000, and it was the directors' intention to add to this from time to time as opportunity offered. He was very pleased to say that their staff had worked well, and their representatives had been of the greatest possible value. Their manufacturing departments had needed extension and reorganisation to meet the increased demands, and since the closing of the books their tonnage output had increased considerably.

The directors knew that many shareholders were loyal supporters of the Company, but there were a large number who seemed to forget all about the Company except at the time of the publication of the balance sheet, and he would ask those shareholders to do what one had a right to look upon as their duty as shareholders by purchasing and recommending Mazawattee tea, cocoa, chocolates and confectionery, and extract of coffee. All these articles were manufactured at their own works, were of the highest possible quality, and there was nothing better to be had anywhere at the prices at which they were sold.

Notwithstanding the War had ended, they were daily faced with many anxious and difficult problems, but these he had no doubt would be solved satisfactorily as in the past. The directors viewed the result of the year's trading with pleasure, and he felt confident they also would share that view.

The retiring directors—Messrs. Joseph Alexander Densham and William Roberts—were re-elected. Mr. Alexander Frederick Jackson was also elected director, and the auditors, Messrs. Whinney, Smith and Whinney were reappointed.

The accounts were adopted, and a vote of thanks to the Chairman concluded the proceedings.

RIO TINTO COMPANY, LIMITED.

The forty-seventh ordinary general meeting of this Company was read on April 7 at 3 Lombard Street, E.C.

Sir Charles W. Fielding, K.B.E. (the Chairman), who presided, said that 1919 had been for this Company, like many others, a year of difficulties. During the War the Allied Governments accumulated reserve stocks of the chief imported raw materials required for explosives and shells, and at the close of active warfare these stocks had to be marketed. The Company's commodities—pyrites and copper—were among the largest stocks so accumulated, and as the Governments decided to sell out their stocks the Company's pyrites sales were greatly reduced. Markets for copper were also affected. While the Government stocks of pyrites in all countries had now disappeared, the consumption in the United States was—and would remain—greatly reduced through competition from very large stocks and the very largely increased output of native sulphur or brimstone. During 1918 the Company were forced, through the shortage of fuel, to warn their American friends that they might have to reduce their supplies of sulphur pyrites. The United States Government encouraged the development of sulphur to a very large extent, and the Company were having to sell the sulphur in their pyrites at very low prices to retain any considerable part of their American markets. In regard to copper, the average market price of 1919 dropped £25 per ton below that of 1918. The price, which was now under £110, should be over £200 per ton had this metal gone up in its old parity with the other products with which it formerly fluctuated. All Governments had, however, accumulated large safety stocks of copper, and the scrap and breaking up of war materials had given further supplies, so that the price of the refined copper was still strongly under the influence of accumulations. These were being gradually consumed, but, though very high costs of production throughout the world prevented low prices for copper, they must not look for such a rise in its price as would bring it to the full parity of other commodity values, unless the large American producers and holders of stocks decided to market the copper ready for delivery at enhanced values, while reducing the outputs of their mines. For the year 1920, and to some extent for 1921, the Company could not look for a full return to their old-time net earnings. He looked forward, however, with full confidence to the gradual improvement of conditions. The Company had such enormous proved ore reserves that they had no need to think of quantity, and could lay out their policy on the broadest lines and for the longest time ahead. They had such improvements in processes and economies of methods in view that they might expect to meet and defeat competition.

The report was unanimously adopted.

LABU (F.M.S.) RUBBER COMPANY, LIMITED.

The thirteenth annual general meeting of this Company was held on April 7 at the offices of the Rubber Growers' Association, 38 Eastcheap, E.C.

Brigadier-General the Hon. Charles Lambton, D.S.O. (the Chairman), who presided, said: Our issued capital now stands at £200,000, just double the amount shown in the accounts for 1918. This figure results from the reorganisation of capital carried out during the year. In June of last year £100,000 of our reserve fund was converted into 1,000,000 2*s.* shares and distributed as fully paid to shareholders. Simultaneously the entire share capital was converted from the denomination of 2*s.* shares into shares of 1*l.* The total authorised capital of the Company was at the same time increased to 250,000*l.* Our reserve, after taking into consideration the sum of £5,396 provided by the present accounts, will now stand at £10,000.

The "all-in" cost of production, owing mainly to the increased crop harvested, shows a welcome reduction of a little over 2½*d.* per pound, and our profit is increased by just under 3*d.* per pound. The actual profit for 1919 is £50,794, and, after making all due allowances and providing for the transfer of £5,396 to reserve, we are able to recommend a final dividend of 20 per cent., making 25 per cent. for the year. Failure to reach the estimated crop by 126,000 lb. was disappointing, but the explanation is adequate. Excessive rain in the last quarter of the year resulted in a great loss of tapping time, and, in addition, labour conditions were not favourable. During the five years of war, extension and development work all over the Federated Malay States was more or less in abeyance, and there is now a general disposition to make up for lost time.

Excellent Condition of Property.

With regard to the condition of the estate, I quote a few remarks from a report made by Mr. N. S. Mansergh, who, after over four years of service with the Army, resumed in October last the duties of visiting agent. He wrote:—"I was immensely struck with the improvement made on the estate since I last saw it, nearly five years ago, not only in the growth of rubber, but in the condition of the fields and in the renewal of bark in the old area. All timber has been removed, and this has had a great effect on disease, the estate showing very little. Labu has become a very fine estate, with, speaking generally, all the works at the same standard." With regard to our prospects for the current year, you have already seen from the directors' report that the estimated output is 1,260,000 lb., to be produced at about 9¾*d.* per lb. f.o.b. We have sold forward 474,800 lb. at an average price of approximately 2*s.* 2½*d.* per lb., landed terms. With regard to the future course of the rubber market no one can prophesy, but I believe that shareholders of this Company will be satisfied if the price of rubber is maintained at something like its present level, which should give us results at least equal to what we have been able to put before you to-day. I am sure I shall carry your cordial support in expressing our thanks and appreciation to the manager and those under him who, in spite of trying health conditions, have carried on the work of the estate in an efficient and satisfactory manner, and also to our agents in the East and in London. (Hear, hear.)

I now beg to move: "That the directors' report and accounts for the year ended December 31, 1919, now submitted to this meeting, be and the same are hereby approved and adopted, and that a final dividend at the rate of 20% (making 25% for the year) be paid to shareholders on the register as at March 17, 1920."

The resolution was carried unanimously.

Extraordinary General Meeting.

An extraordinary general meeting was afterwards held for the purpose of putting the following resolution as an extraordinary resolution:—

That article 86 of the Company's Articles of Association be cancelled and that the following article be substituted therefor:—



"86. As from the 1st day of January, 1920, the directors shall be paid out of the funds of the Company by way of remuneration for their services such sum as, after paying or providing for income tax in respect of such remuneration, according to the rate for the time being current, will secure to each director, other than the Chairman, a net sum at the rate of £200 per annum and to the Chairman a net sum at the rate of £300 per annum, free of all deductions, and such remuneration shall be deemed to accrue *de die in diem*. The Company in general meeting may from time to time and at any time increase the remuneration by this article provided."

The resolution was carried unanimously.

The proceedings then terminated.

GOLDEN HOPE RUBBER ESTATE, LIMITED.

THE fourteenth ordinary general meeting of this Company was held at 38 Eastcheap, E.C., on April 7, Mr. J. L. Anstruther, J.P. (the Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said that the final instalment of $34,500 due to the Federated Malay States Government on account of the loan which they had granted to the former proprietors of Reading Estate had now been paid off, and he thought the shareholders might be congratulated on having acquired an excellent property at a moderate price. It was proposed to open up and plant about 160 acres in the middle of Reading Estate as soon as the draining of it had been completed. The results for 1919 showed a considerable improvement on those for 1918, and had it not been that they were short of tappers on Golden Hope, and, at one time, of water for curing, the estimate would have been fully realised, as the crop from Reading was in excess of that estimated. The estate cost of production, at 11.02*d*. per lb., showed a reduction of 1.60*d*., whilst the net sale price, at 1*s*. 10.75*d*. per lb., including the estimated value of the unsold portion, showed an improvement of 2.27*d*. per lb. The total profit per lb. amounted to 9.22*d*., against 4.84*d*. last year, and the profit equalled 40% of the price, as against 23.6% for the previous year. The crop secured for the first two months of the current season showed an improvement of about 30,000 lb. over that of the same period last year. Forward contracts for 1920, amounting to 80 tons, or about 40% of the estimate, had been effected at an average net price of 1*s*. 11.11*d*. per lb.

The motion was carried unanimously, and the dividend recommended was declared.

The Chairman, in moving a resolution increasing the capital of the Company to £100,000 by the creation of 50,000 shares of £1 each, said it was proposed to capitalise £30,000 of the reserve and premium accounts by distributing 30,000 bonus shares of £1 each amongst the shareholders, in the proportion of three new shares for every five shares held. On the present capitalisation of the Company the value of its acreage in rubber, excluding 39½ acres planted on Government Road Reserves, amounted to £34 16*s*. 4*d*. per acre. The cost, however, inclusive of buildings and plant, but without placing any value on the forest reserves, was shown by the figures in the balance sheet to be £49 8*s*. 3*d*. per planted acre. After the distribution of the proposed bonus shares the issued capital would amount to £80,000, which was equal to £55 14*s*. 1*d*. per acre. The acquisition of Reading Estate had brought responsibilities with it, and more capital would be required for opening up the reserve land and for new buildings.

The resolution was carried unanimously, as were also two further resolutions altering the articles of association with a view to the capitalisation of reserves, &c., and the issue of bonus shares, and increasing the remuneration of the directors.

MONTE VIDEO WATERWORKS COMPANY, LIMITED.

THE forty-first ordinary general meeting of this Company was held on April 6 at 52 Moorgate Street, E.C. Mr. James Anderson (the Chairman), who presided, in moving the adoption of the report and accounts, said that the gross income, apart from any profit on exchange, showed an increase of £9,795, despite the fact that in September 1918 a reduction of 10% was made in the tariff, and that they were working on the reduced tariff during the whole of the year. Increased expenses absorbed £5,063 of the increase in the gross income, but the net results showed an increase of £6,732. In July last, in consequence of prolonged torrential rains, a serious flood occurred on the River Santa Lucia. A portion of the Company's pumping-station on the river bank was under water for some days, and considerable loss and damage resulted. The amount required to make good the loss was £5,876, the whole of which had been debited to profit and loss account. They had difficulties in keeping up a constant supply of water under pressure to the houses on the higher portion of the city during a few of the very hot days in summer. To augment the pressure and to provide for the special demand during the very hot weather they had been constructing another reservoir on elevated ground in the Cerrito suburb of Monte Video. Improvements and extensions of their system would involve heavy expenditure, and the board thought that, in view of this, they should have some understanding with the Government as to the future position of the Company. There had been for years past rumours of expropriation and competition. They ought to know where they stood before having to incur further heavy additional capital outlay. The board considered that this could best be facilitated by his (the speaker's) proceeding to Monte Video to confer with the Company's representatives there

The motion was carried unanimously.

W. T. HENLEY'S TELEGRAPH WORKS COMPANY, LTD.

THE forty first ordinary general meeting of this Company was held on April 9 at 13 and 14 Blomfield Street, London Wall, E.C., Mr. George Sutton, M.I.E.E. (Chairman and Managing Director), presiding.

The Chairman first referred with regret to the death of the Earl of Galloway, who, he said, had been a director of the Company for 35 years, and, proceeding to deal with the balance sheet, he said: Looking at the debit side, you will see there is shown an increase over the previous year of creditors and reserves of £148,000, caused to some extent by reserves for excess profits duty still outstanding. The general reserve account is brought up to the substantial amount of £150,000. The other small reserves call for no comment; they will, I expect, disappear in the current year. On the other side of the account you will see there has been added during the year for buildings and plant the sum of £30,000; this should have been a considerably greater amount, but buildings contracted for in the early summer of last year are still far from complete owing to the failure of the contractors to get sufficient labour, and the delays in the delivery of the steel construction material. The investments in War Loan and other securities are practically the same as on the last balance sheet. I intend to refer to the financial position later on. The stock is double the value of the previous year. The debtors are some £40,000 more, and the cash is £118,000, against £213,000.

Coming to the profit and loss account, you will have observed the curious similarity of the amount to the credit to that of the previous year, a difference of a few score pounds only; but you have to remember that the excess profits duty was a less percentage than in the previous year. It has not been necessary to write so much off for depreciation of machinery, &c., because the War machinery depreciation was dealt with in the last year, and the £25,000 written off this year is a large and ample sum. The carry-forward to the general account is £20,000 larger than in the previous year. We make a proposal for a further provision for the pension and deferred pay funds, and if you approve of that and of the dividends proposed there will be a carry-forward of £141,000, against the £122,000 brought in. I am sure you will consider that, so far as the accounts are concerned, your business is in the same healthy and robust condition as you have been accustomed to for so many years.

Post-war Conditions.

I will now quite briefly show you something of the details which have produced these accounts. We have had at our command more orders, both for home and overseas, than we could accept. We have never failed to recognise fully the need of exporting as much as possible, but our first consideration has had to be given to satisfying within our means the demands from our home buyers. Our output has been restricted by various causes, such as the delay in deliveries of raw material due to lack of transport and the reduced hours of labour, which I cannot say have up to the present resulted in increased efficiency. Our relations with our workpeople have been satisfactory. We have a Whitley Council for the cable industry, promoted by the Cable Makers' Association and the trade unions interested in the industry, and we have reason to hope that our relations with the unions representing our workpeople will keep us out of industrial turmoil.

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168 FENCHURCH STREET, E.C. 3.

As in the past year there has been abundance of work, so in the immediate future we do not doubt we can obtain all we can do: but for overseas trade—and it is overseas trade which is one of the principal sources of national wealth—there must be a reduction of the burden of present taxation if we are to reap any of the abundant harvest which the future promises. The conditions under which a manufacturing business has to be carried on are materially different from those in force prior to 1914. In some respects, such as the higher rates of wages, it may be that the present rates represent a minimum for the future years, but in regard to taxation I believe that it is essential to the success of our industries that they should not in the future be directly subjected to a taxation such as the excess profits duty. Just see our figures.

In 1914 we were taxed to roundly £12.000, and that would be about the rate for the previous 20 or 25 years. In 1919 we were taxed to £100.000, and that is much below the average of the war years. We have paid, or are liable to pay, for excess profits duty the huge sum of nearly £400.000. It is interesting to note that the amount paid in dividends has grown from £49.000 in 1914 to £69.000 in 1919, which, of course, is before deducting income tax. Hitherto this Company's business has relied for extension principally on undivided profits. From this source we have built new factories and extended our business throughout the world. The course we have adopted has been of benefit to the nation, to the Company, and to those who work in the Company's service. It is a course which may be said has been adopted for our own advantage, but if you take away the advantage by a severe limitation of profits, then nation and individual, capital and labour, will be the poorer.

The Capital Account.

Now a word or two as to the capital account. The increase of profits shown in recent years does not give a good indication of the increase in business. Profits have decreased as a percentage on turnover, but the turnover has very greatly increased both in quantity and value, and I think that you will consider that a very healthy development. But it brings with it the need of more capital. That increased capital, as I have already stated, was in former years derived from undivided profits, but, now taxation is so great, that source is to a great extent closed. We have large expenditure commitments in the coming months. We have embarked on an expenditure for new buildings and machinery to the amount of more than £150.000. The balance sheet shows that we have more than half a million in cash and trustee securities, but there is a large sum to go out of that for taxation. Nevertheless we can get along for the moment without asking you for more capital, and we do not propose to do so until it is absolutely necessary. The business is showing abounding prosperity. The orders brought forward from last year, added to those received this year, are already in excess of the whole of last year's turnover. That has a direct bearing on our capital requirements, as also may have the provisions of the country's coming Finance Bill. The Tyre Company may require more capital. Up to the present we have put nearly £200.000 into that business, and the justification is the great success attained. We went off commercial work during the War, but we have largely brought the factory's commercial work up to the level of the War work, or beyond. The tyres we make, both pneumatic and solid band tyres, for commercial vehicles, have achieved a remarkably fine reputation for durability, and therefore economy for the users. Everything, you see, points to the possible need of more capital, but should we wish to obtain it I think you will agree that our records and our reputation are such that no difficulties will present themselves. I beg to move: "That the report and balance sheet now presented to the meeting be and hereby are received and adopted."

Mr. Martin Roberts, M.Inst.C.E., seconded the motion, which was carried unanimously, and a final dividend on the Ordinary shares of 2*s.* 6*d.* per share, less income tax, making 3*s.* for the year, was declared.

The retiring directors (Mr. Sydney Gedge and Mr. W. J. Potter) were re-elected; Messrs. Ball, Baker, Cornish and Company were reappointed auditors; £5.000 was voted to the staff pension and deferred pay funds; and a vote of thanks was passed to the Chairman, directors and staff.

At an extra-general meeting subsequently held resolutions were passed altering the articles of association with regard to the number and remuneration of the directors and the payment of interim dividends.

The proceedings then terminated.

We have received from the Indian Department of Commerce and Industry a copy of "The Commercial Handbook for India," by Mr. C. W. E. Cotton, I.C.S., Collector of Customs, Calcutta. The work gives in very compact form much commercial information about Indian exports and Indian commercial organisations. The earlier chapters deal with the principal ports, and enumerate the facilities for trade at each, while the chief commercial organisations are enumerated and their activities described.

We learn that, subject to the approval of the shareholders of the City Life Assurance Company, Limited, Mr. Leonard Aldridge, of 36 Old Jewry, E.C., and Mr. Kenton Redgrave, of 22 Queen Anne's Gate, S.W., acting as representatives of an influential group of shipping and industrial interests, are purchasing at par 160,000 fully-paid £1 shares of the Company. The operation altogether involves a quarter of a million, and will result in the transfer of a controlling interest in the undertaking to the new group referred to. The City Life Assurance Company, Limited, was established in 1897, and has a premium income of nearly £450,000. Its funds total well over a million, and the new life business last year reached a record level of £3,500,000. The arrangements now announced will strengthen the general position of the Company. The board will be reconstituted in agreement with the shareholders on strong and representative lines. The Company has hitherto confined its business to life insurance. It is now intended to widen the scope of its operations by opening other departments, and the fusion of important new industrial and marine interests with the Company's already extensive connections promises a further material expansion in profitable business.

Brakpan.—Capital issued, 823,600 £1 shares; 160 stamps. Ten tube mills now working.

Year ends Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Pr. ton	Expenses Amt. £	Expenses Pr. ton	Profit Amt. £	Profit Pr. ton	Price end of Period
1917 ...	110	677,500	14½	1,168,454	34/6	694,451	20/6	474,003	14/0	5⅝
1918 ...	111	617,100	13½	1,089,950	35/4	723,643	23/5	366,317	11/11	3¾
1919 ...	111	544,200	14.13	1,038,585	38/2	723,259	26/7	315,436	11/7	3⅛
1920.										
Jan. ...	—	48,400	—	86,038	35/6	69,284	28/7	16,754*	6/11	4
Feb. ...	—	43,000	—	80,463	37 5	69,975	32 6	10,488†	4 11	3⅞

The fixed charge for development has been increased to 3*s.* 6*d.* per ton as from July 1, 1918.

* Excluding gold premium, £23,125.

† Excluding gold premium, £21,418, on gold calculated at 110.0 per fine oz.

Dividends—1917, June, 22½; Dec., 25 per cent.
1918, June, 20; Dec., 12½ per cent.
1919, June, 12½; Dec., 15 per cent.

THE CHATWOOD SAFE

***The Third Line of Defence**—continued.*

IN the early days of 1858, when the late Mr. Samuel Chatwood laid down the high standards upon which the great name of THE CHATWOOD SAFE has been built, amongst the many unique tests which were made to assure the utmost protection against Fire were the following:—

1. The Safe was placed upon a specially constructed coal fire for the period of two hours.

2. Whilst the Safe was in its heated condition it was raised to a height of 30 feet and dropped on to a solid concrete engine bed.

3. It was then immediately returned to the fire for a further period of two hours.

This is only one of the many ordeals which THE CHATWOOD SAFE had to successfully withstand before the words "Fire-proof" were allowed to be used in connection with this Safe.

THE CHATWOOD SAFE BOOK
gratis and post free upon request.

THE CHATWOOD SAFE Co. LIMITED
BANKERS' ENGINEERS
Head Offices and Works: BOLTON.
Branches: ENGLAND
LONDON MANCHESTER GLASGOW

Langlaagte Estate. — Capital £950,000; issued, 886,500 £1 shares. 200 stamps; five tubes. No sorting.

Year to Dec. 31	Tons Milled	Revenue Amt. £	Revenue Pr. ton	Expenses Amt. £	Expenses Pr. ton	Profit Amt. £	Profit Pr. ton	Price end of Period
[Profits include estate, &c., revenue.]								
1917 ...	539,618	622,491	23/0	503,030	18/7	119,461	4/5	15/0
1918 ...	533,690	647,999	24/2	508,916	19/0	139,083	5/2	20/6
1919 ...	475,480	590,781	24/10	502,950	21/4	87,831	3/6	20/6
1920.								
Jan. ...	35,650	50,916	28/7	42,421	23/11	8,495	4/8	21/3
Feb. ...	24,700	41,505†	33/7	45,165	36/8	3,660*	3/1*	20/6

* Loss. † Gold calculated at 110 0 per fine oz.

Dividends—1917, June, 5; Dec., 5 per cent.
1918, June, 5; Dec., 7½ per cent.
1919, June, 7½ per cent.

Consolidated Langlaagte.—£950,000, in £1 shares. £100,000 5½% Debentures. 100 stamps and 10 tubes. About £400 monthly sundry revenue included below.

Year to Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Pr. ton	Expenses Amt. £	Expenses Pr. ton	Profit* Amt. £	Profit* Pr. ton	Price end of Period
1917 ...	100	585,650	¼	729,933	24/11	591,385	17/1	231,226	7/11	21/0
1918 ...	100	503,300	—	635,853	25/2	478,113	19/0	157,740	6/2	20/0
1919 ...	100	507,800	—	638,304	25/2	518,562	20/6	119,742	4/8	1 5/16
1920.										
Jan. ...	—	43,500	—	63,977	29/5	46,930	21/7	17,047	7/10	1 11/16
Feb. ...	—	32,300	—	53,426†	33/1	47,088	29/3	6,338	3 10	1 15/16

* Includes slimes profit and sundry revenue.
† Gold calculated at 110 0 per fine oz.

Dividends—1917, June, 10; Dec., 7½ per cent.
1918, June, nil; Dec., 5 per cent.
1919, June 5; Dec., 7½ per cent.

Springs Mines.—Issued capital £1,193,236 in £1 shares; £130,000 6% Debentures. Capital being increased to £1,500,000. Plant capacity 40,000 tons per month. Trial crushings started January 1917:—

Year to Dec. 31	Tons Milled	Sorting %	Revenue Amt. £	Revenue Per ton	Expenses Amt. £	Expenses Per ton	Profit Amt. £	Profit Per ton	Price end of Period
1917 ...	313,065	13½	610,440	39/0	345,998	22/1	264,442	16/11	3¼
1918 ...	427,610	18·7	905,777	42/4	475,222	22/3	430,555	20/1	3 31/32
1919 ...	434,610	18-11	829,286	38/2	578,719	26/8	250,567	11/6	2 31/32
1920.									
Jan. ...	40,500	—	75,968	37/6	57,316	28,3	18,652*	9/3	3 3/16
Feb. ...	33,900	—	59,757	35/3	53,297	31,5	6,460†	3/10	3

* Excluding gold premium, £20,473.
† Excluding gold premium, £15,500, on gold calculated at 110 0 per fine oz.
Development charge raised 2s. 6d. per ton milled as from July 1, 1919.

Dividend—1918, June (Springs West shares); Dec., 12½ per cent.

Modder Deep.—Capital £500,000, in £1 shares. Milling started December 14, 1914. Plant capacity 44,000 tons a month.

Year ends Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Pr. ton	Expenses Amt. £	Expenses Pr. ton	Profit Amt. £	Profit Pr. ton	Price end of Period
1917 ...	70	494,400	4½	964,393	39/0	403,217	16/4	561,176	22/8	7½
1918 ...	70	506,100	5½	1,031,475	40/9	441,614	17/5	589,861	23/4	7⅝
1919 ...	70	507,200	9.93	1,107,372	43/5	466,551	18'5	640,721	25/6	2 7/16
1920.										
Jan. ...	—	44,000	—	125,103*	56/10	46,249	21,0	78,854	35/10	2
Feb. ...	—	39,600	—	117,900†	59.7	46,268	23.4	71,632	36/3	2⅞

* Gold calculated at 107/6 per fine oz.
† Gold calculated at 110/0 per fine oz.

Dividends—1917, June, 40%; December 45%.
1918, June 47½%; December, 50%.
1919, June, 50%; December, 65%.

PEARL
ASSURANCE COMPANY, LTD.

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Accumulated Funds £16,823,500
Total Claims Paid £25,500,000

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Paid-up Capital - £308,219 3 7
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Acts as Agent for clients and corporations and has exceptional facilities for investing British and Foreign Funds in carefully selected First Mortgages on Farms and improved City properties in Canada.
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PERRY'S GAZETTE & LIST OF CREDITORS are published Weekly, and are valuable to everyone in business.

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Established in 1817.
Capital Paid up, $20,000,000.
Reserve Fund, $20,000,000.
Undivided Profits, $1,812,854.

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Sir Charles Gordon, G.B.E., Vice-President.
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Head Office: Montreal.
General Manager: Sir Frederick Williams-Taylor.

LONDON OFFICES:
47 Threadneedle Street, London, E.C. 2.
9 Waterloo Place, Pall Mall, S.W. 1.
PARIS AGENCY: BANK OF MONTREAL (FRANCE)
17 Place Vendome, Paris.
London Committee: Sir Thomas Skinner, Bart.
Lieut.-Col. F. R. S. Balfour.
Manager: George Cyril Cassels.

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The Bank undertakes monetary business with all parts of the World, and with its numerous Branches offers exceptional facilities for the transaction of a general Banking business in Canada, Newfoundland, the United States, Mexico and France.

THE ROYAL BANK OF CANADA

ESTABLISHED 1869

Capital Paid up	$17,000,000
Reserve Funds	$18,000,000
Total Assets	$533,000,000

Head Office—MONTREAL.

Sir HERBERT S. HOLT, President. E. L. PEASE, Vice-President & Managing Director.
C. E. NEILL, General Manager.

555 Branches in Canada and Newfoundland. Branches in Cuba, Porto Rico, Dominican Republic, Haiti, Guadeloupe, Martinique, Costa Rica and Venezuela.

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THE ROYAL BANK OF CANADA (FRANCE).
PARIS—28 Rue du Quatre Septembre.

BANK OF NEW SOUTH WALES.

Established 1817.

LONDON OFFICE: 29 Threadneedle Street, E.C. 2.

Paid-up Capital	£ 000,000
Reserve Fund	3,200,000
Reserve Liability of Proprietors	4,000,000
	£11,200,000

Aggregate Assets, 30th Sept., 1919 £67 036,249

The London Office issues Drafts on demand on its Head Office and Branches in Australia, New Zealand, Tasmania, Fiji and Papua, and on its Correspondents in Tasmania. Makes Mail and Cable Transfers. Negotiates and Collects Bills of Exchange. Arranges Wool and other Produce Credits. Receives Deposits for fixed periods on terms which may be known on application; and conducts every description of Australasian Banking Business.

H. MELDRUM,
Assistant Manager.

THE WESTERN AUSTRALIAN BANK.

Established 1841.

Paid-up Capital	£250,000 0 0
(25,000 Shares of £10 each)	
Reserve Fund	£700,000 0 0
Reserved Profits ...	£23,460 0 0

Reserve Liability of Shareholders, £250,000.

Drafts issued, Remittances cabled, Bills negotiated or collected. Deposits received for fixed periods at rates to be ascertained on application, and all Banking and Exchange Business connected with Western Australia conducted through the London Agents,
The Bank of Adelaide, 11 Leadenhall Street, E.C.

UNION DE BANQUES SUISSES

(SWISS BANKING ASSOCIATION)

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THE EASTERN BANK, LIMITED.

Head Office:
4 CROSBY SQUARE, LONDON, E.C. 3.

Authorised Capital (200,000 Shares of £10 each)	£2,000,000
Paid-up Capital	£765,242
Reserve Liability of Shareholders	£1,197,468
Reserve Fund	£220,000

Branches:
AMARA, BAGDAD, BASRA, BASRA CITY, BOMBAY, CALCUTTA, COLOMBO, HILLAH, MOSUL

BOARD OF DIRECTORS.

The Rt. Hon. LORD BALFOUR OF BURLEIGH, K.T. (Chairman).
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The Bank issues Drafts, Telegraphic Transfers and Letters of Credit, Negotiates and Collects Bills of Exchange, and transacts Banking and Agency business in connection with the East.

Deposits are received for 1, 2 or 3 years at 5 per cent. per annum, and for shorter periods at rates which can be ascertained on application. On current accounts interest is allowed at 2 per cent. per annum on the minimum monthly balances.

F. H. SUTTON, *Manager.*

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BRANCHES:

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Bombay	Chittagong	Mombasa	British East Africa
Madras	Rangoon	Nairobi	
Karachi	Mandalay	Nakuru	
Cawnpore	Aden and	Kisumu	
Lahore	Aden Point	Entebbe	Uganda
Amritsar	Colombo	Kampala	
Delhi	Kandy	Jinja	
Tuticorin	Newera Eliya		
	Dar-es-Salaam	Tanganyika Territory.	
	Tanga		

SUBSCRIBED CAPITAL	£3,000,000
PAID-UP CAPITAL	£1,500,000
RESERVE FUND	£1,850,000

LONDON BANKERS.—Bank of England; National Provincial Bank of England, Limited; National Bank of Scotland, Limited.

The Bank conducts every description of Eastern Banking business.

Deposits received for fixed periods at rates to be obtained on application. Interest payable June 30 and December 31.

Current accounts are opened, and provided they do not fall below £50 interest is allowed on the minimum monthly balance at the rate of 2 per cent. per annum.

THE ANGLO-EGYPTIAN BANK, LIMITED.

SUBSCRIBED CAPITAL, £1,800,000.
PAID UP, £600,000. RESERVE FUND, £720,000.

BRANCHES: Alexandria, Cairo, Beni-Souef, Mansourah, Port Said, Tantah, Zagazig, Khartoum, Jaffa, Jerusalem, Malta, Gibraltar, Haifa.

BANKERS: The Bank of England; The London Joint City and Midland Bank, Limited.

The Bank transacts every description of Banking business in Egypt, grants Letters of Credit, and affords facilities to travellers proceeding to Egypt and elsewhere.

Deposits received for fixed periods at rates to be obtained on application. Interest payable February 28th and August 31st.

On current accounts, interest at the rate of 2 per cent. per annum allowed on minimum monthly balances provided they do not fall below the sum of £200.

27 Clements Lane, Lombard Street, E.C. 4.

UNION BANK OF CANADA.

Incorporated 1865. Head Office, WINNIPEG.

Paid-up Capital	$7,968,150
Rest and Undivided Profits ...	$5,976,973
Total Assets	$174,989,057

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Paid-up Capital ..	Fmk. 90,000,000
Reserve Funds ..	„ 55,000,000

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Authorised Capital	£4,000,000
Paid-up Capital	2,040,000
Reserve Fund	2,100,000

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URUGUAY.—Montevideo, Calle Rio Negro (Montevideo), Paysandu, Salto.
BRAZIL.—Rio de Janeiro, Sao Paulo, Santos, Pernambuco, Para, Bahia, Victoria, Curityba, Manaos, Porto Alegre, Pelotas, Maceio.
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Head Office: 5 Gracechurch Street, E.C. 3.

Subscribed Capital	£1,078,875 0 0
Paid-up Capital	539,437 10 0
Further Liability of Proprietors	539,437 11 6
Reserve Fund	58,000 0 0

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Capital, £3,000,000 (in 300,000 Shares of £10 each fully paid). Reserve Fund, £2,000,000.

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Head Office, Cairo.

London Committee:
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Sir Carl Meyer, Bart. The Hon. Sidney Peel, D.S.O., M.C.

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Manager—J. T. Beaty-Powell
Assistant Manager—A. F. Gillbee.

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Assets Exceed - - - - £17,300,000
Claims Paid Exceed - - - £30,000,000

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The Statist.

LONDON, SATURDAY, APRIL 17, 1920.

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The Money Market.

Friday, April 16, 1920.

	Current Rate % Fixed	Previous Rate % Fixed
Bank of England Rate	7 (April 15, '20)	6 (Nov. 6, '19
Deposit Rates:—		
Banks & Discnt. Ho. (Call)	5 (Apr. 15, '20)	4† (Nov. 6, '19)
Discount Houses (Notice)	5¼ (Apr. 15, 20)	4¼ (Nov. 6, '19)

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.
† Foreign and Colonial banks give Special Rates only upon deposits for a year.

Discount Rates:—	60 Days. %	3 Mos. %	4 Mos. %	6 Mos. %	12 Mos. %
Treasury Bills	—	6½	—	—	6½
Bank Bills	6-6⅛	6⅜-⅝	6¾	6⅞-7	—
Trade Bills	—	7	7¼	7½	—

THE large repayments of Treasury bills shown in this week's Income and Expenditure return, which the Government were forced to make, necessitating the borrowing of 55 millions from the Bank of England on Ways and Means Advances, taken in conjunction with the fact that such maturities of Treasury Bills will be very heavy in the near future, prepared the market for the raising of the Bank rate to 7 per cent. on Thursday, as a corollary to the raising of the Treasury Bill rates to 6½ per Cent. on Wednesday. Apparently the Government had no choice but to raise the official minimum rate unless it was prepared to borrow further large amounts on Ways and Means Advances, and it is within the bounds of possibility that it will have to force an 8% rate in the near future. As regards its effect on industry, it would be rash to expect, as has been affirmed in some quarters, that a 7% or even an 8% rate will lower prices and restrict speculation. The profits in industry and in speculation are so high under present conditions that a much higher rate in combination with discriminative action on the part of the Bank in the matter of credits, would be necessary before any appreciable effect would be produced in this direction. Meanwhile, the bad effects of a 1 per Cent. rise in the rate are immediate. Issues of capital will be more costly and production will be impeded, the interest charge the Government has to meet is automatically raised, and the decline in fixed interest-bearing securities will direct greater attention to speculative stocks.

The London Clearing Bankers raised the rate for deposits at seven-days' notice to 5%. Discount houses have raised the interest rate allowed by them on money at call to 5%, and on money at short notice to 5¼. Day-to-day money was placed at rates ranging from 4% down to 2½%. Weekly fixtures were firmer at 5½%. In the Discount market July maturities were quoted at 6⅞-6⅞, and full six-months' paper at 6¾-6⅞.

In the Foreign Exchange market the violent depreciation of francs and lire continued, while the German mark displayed remarkable strength. Paris cheques were quoted at 67.47½ on Monday, and, though the rate hardened to 63.70 on Wednesday, it rose again to 66.85 to-day. Belgian francs were quoted as high as 62.50 to the £, and, after a rally to 60.15, were quoted again to-day at 61.25. The Italian sight rate was at 104½ on Monday, and, following a rally to 84 on Wednesday in sympathy with the French and Belgian rates, was quoted to-day at 89. The German rate was as low as 196½ on Monday, but the improvement was not maintained, to-day's quotation being 240. The Scandinavian group moved against us, but Danish kronen weakened to 21.62½. The dollar rate weakened to 3.93¼ on Tuesday, but developed strength later. To-day it averaged 3.97. The South American group moved adversely. Of Eastern currencies, the rupee weakened to 2*s.* 3½*d.*, the Shanghai transfers declined to 6*s.* 3*d.*, the Hongkong dollar was quoted lower at 4*s.* 9*d.*, but the Japanese yen hardened to 2*s.* 5½*d.*

The National Accounts for the first 10 days of the new financial year show a surplus revenue of £100,278, as compared with a deficit of 45.6 millions for the first 12 days of April 1919. Though revenue from Customs and Excise and excess profits duties is below the normal, yet ordinary revenue is kept up to the mark by property and income tax, which yields 23.8 millions—an increase of 6.2 millions over the period April 1-12, 1919, and an increase of 5.8 millions as compared with the last week of the financial year just expired. But there would still have been a substantial deficit for the 10 days under consideration were it not for the large "miscellaneous" receipts. These are now presented in the accounts in the analysed form of "Ordinary Receipts" and "Special Receipts," and the latter (which presumably comprise receipts of a non-recurrent nature, such as sales of war assets and certain productive undertakings of the Government) account for fully 15 millions. The expenditure for the 10 days was, of course, abnormally swelled by disbursements in respect of interest on War Debt, which totalled 25.1 millions. A significant feature of the accounts is an increase of £58,950,000 in the total liability of the Government in respect of Ways and Means Advances outstanding, which includes a sum of 55 millions borrowed under this head from the Bank of England. Such an increase was rendered necessary by the large amount of Treasury bills which fell due for repayment, and the amount of bills outstanding was, in fact, reduced by £65,138,000. Thus the net result is a decline of nearly 5 millions in the floating debt, which now stands at £1,307,235,000, as compared with £1,446,191,000 on April 12, 1919. In addition to the change in the method of presenting miscellaneous receipts in the accounts, noted above, another useful change is provided by the sub-division of Ways and Means Advances into Advances by the Bank of England and Advances by Public Departments.

Very little change on the week is shown in the Currency Notes return issued on the 7th inst. The total outstanding of Currency Notes and Certificates has been reduced by £671,002. The Bank Note and Gold reserve in the Currency Note Redemption account is unaltered, and the proportion of the reserve to the outstanding liability is also unchanged at 10.3%. The Fiduciary Issue has, in consequence of these movements, declined to £305,028,837.

BANK OF ENGLAND.

WHAT the market has long been expecting and long been fearing has come to pass. The Bank rate, which was last fixed on November 6, 1919, at 6%, has been advanced to 7%. On that occasion it will be remembered that the order of events was first a rise in the Bank rate, and subsequently an advance in the Treasury bill rates. This time the procedure has been reversed. On Wednesday the City learned to its surprise that the rate for Treasury bills had been increased from 5½% to 6½%, and on Thursday the Court of Directors followed suit and announced the increase in the Bank rate. There is really nothing in the nature of the return itself to indicate the necessity for this advance to 7%. A slight increase of £305,000 in the total bullion coincides with a slight reduction of £793,000 in the note circulation, and the reserve in consequence is £1,097,000 higher at £24,881,000. The Government were able to repay £3,930,000 of their recent large borrowing on Ways and Means, whilst the market reduced its debt to the Bank by £13,659,000. Liabilities were considerably reduced, other deposits being depleted to the extent of £10,819,000, whilst public deposits were reduced by £5,663,000. In consequence the ratio of the reserve to liabilities has gone up by 2.5% to 17.5%, whereas in the corresponding return, when the Bank rate was raised to 6%, the ratio had declined from 15.9% to 15.8%. To account for the advance to 7% it is necessary to look at the latest official return of income and expenditure. There it is seen that receipts from Treasury bills fell short of maturities by over £64,000,000, thereby forcing the Government to resort to Ways and Means Advances extensively. To avoid a repetition of this undesirable form of borrowing the Treasury bill rate was advanced to 6½% in order to attract larger subscriptions. The subsequent rise in the Bank rate was then more in the nature of a protective measure, with the possible after-thought that dear money would bring home more urgently to people the necessity for economy. What is far more urgent, however, is that this fact should be realised by the Government itself; but in what way the rise in the Treasury bill rate or in the Bank rate will effect this it is not easy to see.

BULLION.

SUPPLIES in the Gold market, which were more plentiful than usual this week, were taken for the Straits and South America. The price varied nominally between 102*s.* 7*d.* and 104*s.* 10*d.* per oz. fine. To-day's quotation is 103*s.* 7*d.*

Prices in the Silver market receded rather sharply during the week. The usual supplies from the Continent were supplemented by arrivals of the metal from China, the Shanghai tael having weakened to 6*s.* 3*d.* Chinese offerings were for cash, and the orders for the Indian bazaars, which provided the main support of the market, were for immediate delivery, with the result that the forward discount advanced to 3*d.* per oz. on Tuesday and Wednesday. The cash and forward quotations per oz. standard declined from 69⅞*d.* and 69⅜*d.* respectively on the 9th inst. to 67¾*d.* and 64¾*d.* respectively to-day.

NEW YORK.

A MORE unfavourable report is presented this week by the New York Associated Banks and Trust Companies. In consequence of an increase in deposit liabilities, reserve requirements were $2.4 millions higher than on the preceding week. At the same time average reserve holdings during the week were 1.5 millions under last week's figure, so that the average excess reserve was lower at 37 millions. The actual excess reserve is still lower at $11,780,000.

The recent large movements of gold to New York are reflected in the latest statement to hand of the Federal Reserve banking system, by an increase of $7,230,000 in the gold reserves, and an improvement in the ratio of reserves to liabilities from 42.9% last week to 43.3% this week. A decline of 33 millions is shown in rediscounts, and of 1.8 millions in open market purchases of bills. Net deposits declined 29.5 millions and Government deposits 1.6 millions. On the other hand, the Federal Reserve note liability increased by 2.9 millions to 3,080.2 millions. The total gold reserves now stand at $1,967,490,000. The condition of the 12 Federal Reserve banks will be watched with interest by many during the crucial time which is now at hand, for the condition of the Money market depends at present almost entirely on the Federal Reserve Board. If the Board persists in its determination to curb credit expansion the influx of gold will have no immediate effect, and under normal conditions it would spell easier money rates. The

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probability that this policy will be continued, however, coupled with the fact that trade demands for credit promise to be unusually heavy during this month points to still higher rates in the Money market, and will undoubtedly have an unsettling effect on speculative stocks in Wall Street.

It is not surprising, considering the conditions, that the period of ease which occurred after the middle of last month had been passed was followed by a further period of stringency, just as it can hardly be doubted that the present comparative ease will again be succeeded by abnormally high money rates. Since the beginning of March many factors have intervened which have materially altered the situation and have affected a considerable change in Wall Street opinion. At the beginning of March it will be remembered that various factors were responsible for a gloomy view of the money outlook among many American economists and financiers. The reserves of the Federal Reserve banks, in proportion to the liabilities, were at levels lower than ever before reported in the history of the Federal Reserve system, and the continued and abnormal drain of gold to the Argentine and the East foreshadowed a strong control of the credit resources by the Federal Reserve Board if the legal ratio of reserves was to be maintained. The New York Federal Reserve Bank, indeed, had allowed its ratio of reserves to liabilities to fall below the legal minimum. Then there was the uncertainty regarding commodity prices, the hindrance to production caused by the demands of labour for increased wages and shorter hours, the demoralised condition of the European exchanges, and the low ebb to which European credit had reached. A consideration of these factors gave rise to the gloomiest predictions; in many influential and well-informed quarters there was, in fact, talk of a panic, and the date fixed for it was March 15, when huge cash displacements were due to take place in connection with the tax collections. Such predictions, happily, proved to be unfounded, for March 15 was safely passed, and though there was an unusual money stringency, the scheduled panic did not make its appearance. When the large sums paid in taxes began to return to circulation a period of ease manifested itself again, and though time money continued scarce and dear, call funds ruled for a short time at the comparatively low rate of 6%.

Since that time, as indicated above, other factors have made themselves felt, and will doubtless continue to influence New York opinion of the broad outlook for some time to come. These influences were—the arrival, for the first time for many months, of imports of gold, as a set-off against the exports, from Canada, the British Government, and of South African gold on private account; the recovery in sterling and the generally improved European outlook, the decisions of the Supreme Court in the railway valuation, steel, and taxation of stock dividend cases, and the handing back of the railroads to private ownership, while more attention was turned to the help to export trade given by the provisions of the Webb Law and the Edge Law. Incidentally, the decision on the taxation of stock dividends was turned into a strong "bull" point for the Wall Street markets and gave a fresh impetus to the rise in speculative stocks, which is regarded as a traditional spring feature in Wall Street.

During the period of strain the Federal Reserve Board seems to have acted wisely and prudently in keeping within safe limits the expansion in the unliquid resources of the banks, though opinions may differ as to the advisability of raising rediscount rates. The trouble is that a rise in rates, which is primarily designed to restrain speculative activity, has proved of little value for this purpose on account of the large and increasing profits which can be made in stocks and commodities, but have certainly raised costs in production at a time when, in view of the present world-wide competition for many great markets, it was most desirable for America that she should be able to compete with other progressive countries on a favourable basis. Moreover, manufacturers had a decided objection to any curtailment of their credit facilities which would result in a reduction of output. The Federal Reserve Board still lays a strong restraining hand on credit expansion, and will continue to do so until a sounder banking position is reached. As regards the imports of gold, it has stated its intention of making these help to place the reserves on a safer basis in proportion to liabilities rather than using them as a basis for further credit expansion. A Bill is now being considered by Congress which, if passed, will enable the Federal Reserve Board to impose a progressive rediscount rate where borrowing banks have already exceeded a certain maximum of rediscounts. The aim of this measure is apparent, for such borrowing banks could in the past assist Stock Exchange speculative activities and strengthen their reserves by rediscounting their paper with the Federal Reserve Banks.

Stock Exchange.

A MOVEMENT which promised to prelude a recovery of the markets from their wonted dulness was brought to a sudden halt by the rise in discount rates. Yesterday business, except for spasmodic outbursts of activity in the Oil section, was practically at a standstill, and dealers everywhere showed nervousness in doing new business. Nevertheless the effect of the rise in the Bank rate was discounted in advance during the past month, as witnessed by the depreciation of investment securities, and dealers, on the whole, were rather disposed to accept the news of a 7% rate with relief, as it removes a cause of considerable uncertainty. In view of the fate of the Hertfordshire Six per Cent. loan the increase in the Bank rate does not augur well for issues still open and for future issues of capital, and in this there is a promise of better support for existing stocks than has been the case during the recent glut of new issues. With regard to the future influence of the new Bank rate on the markets, it is evident that it establishes a new scale of values for fixed interest-bearing securities, but it can hardly be doubted that its influence on stocks of a speculative nature will be very slight. In the meantime pessimists are emphasising the collapse of the French, Belgian and Italian exchanges, and are foreshadowing an unfavourable Budget.

The Gilt-edged section opened the week with an upward movement in prices. War Loan Fives put on $\frac{1}{16}$ to 88$\frac{3}{16}$, Funding Loan went to 68$\frac{7}{8}$, Consols hardened to 46$\frac{1}{2}$, and India Threes were $\frac{1}{4}$ better at 49. The news of the rise in Treasury bill rates on Wednesday started a general reactionary movement, and almost the whole list declined. War Loan Fives receded to 86$\frac{13}{16}$, the Fours to 94$\frac{1}{2}$, and the Three-and-a-Halfs to 80$\frac{1}{2}$. Victory Bonds steadied at 86. Local Loans Three per Cent. gained 2 points. Bank of Englands lost 13 points. India Threes declined to 48, and the Three-and-a-Halfs to 57$\frac{1}{2}$. Funding Loan was

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AMERICAN EXCHANGE.

Barclays Bank Limited, through their Foreign Branch, 168 Fenchurch Street, E.C. 3, have concluded arrangements whereby they will, subject to approval of the transaction, insure importers and exporters against losses resulting from fluctuations in the American Exchange.

marked down to 68¾. Consols finished unsteadily at 45⅞. The Colonial market displayed similar weakness. Canadian Fours fell to 70. Nigerian Sixes, having displayed strength in the earlier part of the week, were quoted lower yesterday at 100; Union of South Africa Fours declined to 73; and West Australia Fours to 68½.

In consequence of the weakness of the franc the Foreign market was affected by Continental selling Belgian Threes are lower at 47. French Fives fluctuated with the movements in the franc, but finished weakly to-day at 45. Egyptian Unifieds fell to 74. Chinese Four-and-a-Halfs of 1898 declined to 59. Peruvian Corporation Ordinary was weaker at 61, and the Debentures declined to 80.

In the Home Rail market Prior Charge stocks suffered in consequence of the rise in the Bank rate. Great Easterns weakened to 32. Great Westerns were irregular, but finished unsteadily at 83¼. Midland Deferred, North Easterns, South-Eastern Deferred, and Great Central Preference all declined. Hull and Barnsleys were a weak spot, finishing at 51. Underground Electrics were weak.

Foreign rails showed many strong features in the beginning of the week, but with very few exceptions practically the whole list declined subsequently. Central Argentines, Buenos Ayres Great Southerns, and Buenos Ayres Westerns, in spite of favourable traffic receipts, were marked down to 68½, 77, and 78 respectively. San Paulos weakened to 167½, Grand Trunks declined. Leopoldinas fell to 42.

The Industrial market opened the week in dull fashion, and after a short period of brightness became depressed again when the Bank rate announcement was made known, the chief sufferers being fixed-interest-bearing securities. Business was again on a small scale, and price movements were generally unimportant. Good features were not lacking, however. British Oil and Cake Mills were conspicuous with a rise to 55*s.*; Imperial Tobaccos showed strength in the beginning, but finished unsteadily at 50*s.* 9*d.* Gloucester Wagons were a strong feature. Associated Cements and Dunlop Rubbers were irregular. Marconis were weak. Textiles were uninteresting, but Fine Cotton Spinners, after an early downward movement, attracted support later, and finished to-day at 5⅛. British-American Tobaccos were quoted at 5⅞ to-day.

Movements in the Oil section were very irregular, but the unfavourable influences which operated during the week seem to have spent themselves, and the undertone is quite good Prices displayed a downward tendency—with the exception of Royal Dutch in the beginning of the week—under the influence of Continental selling, Mexican Eagles being the chief sufferers. When the Paris cheque rate improved on Wednesday the list began to advance, the effect of the rise in the Bank rate being neutralised by talks of a bonus issue in the case of Royal Dutch, Shells, and Burmahs. Closing quotations for the leaders were Royal Dutch 88⅝, Shells 10¼, Mexican Eagles Common 9⅞ and the Preference 9¾, Scottish-Americans 33*s.* 7½*d.*, and Burmahs 17⅞.

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Mining Topics.

With the franc over 67.40 on Monday, as compared with the closing quotation of 64.85 on Saturday, it is little wonder to find a general depression in the Mining market at the opening of the week. Relapses in the Kaffir Circus were most pronounced amongst Central Mining, which closed ⅜ down at 9; Rand Mines, which reacted ¼ to 3⅛; Johnnies, which dropped 1*s.* 9*d.* at 30*s.*; and Randfontein, which suffered a similar loss at 20*s.* On Tuesday, however, the unexpected happened, and recovery began to set in. Buyers evidently conceived that the depression had reached its depths, and to this belief a further impetus was given by the improvement in the price of gold to £5 4*s.* 10*d.* per oz. Central Mining benefited most, finishing strong at 9⅛. Despite a slight relapse in the price of gold on Wednesday, and despite the still more dampening announcement of the rise in Treasury bill rates to 6½%, the market, on the whole, retained its firm tone, and Kaffirs closed distinctly steady. The subsequent rise in the Bank rate to 7% on Thursday produced little effect. The more serious factors were the relapse in the Paris exchange and liquidation on Cape account. Still the set-back was comparatively small, and it is generally held that for the Mining market the tide is very near the turn. During the week it was announced that the Transvaal gold output for March reached the satisfactory total of 707,036 ounces, as compared with 625,330 ounces for February. This increase was due not merely to the difference in the length of the respective months, but also to the addition of 3,379 to the number of native labourers working on the Rand during March, the total

being returned at 188,564. On Wednesday the Goldfields of Eastern Akim improved to 2⅝, owing to the report indicating satisfactory results from the tests of the gravels. Calculating gold at 100*s.* per oz. as high an average value as 34*s.* per cubic yard has been obtained from the lower gravels. The Paringa Mining and Exploration Company report that preliminary investigations would justify the development of Lease No. 108 of the recent gold discoveries in Western Australia, and that a Syndicate is being formed with a capital of £25,000 to conduct further prospecting work, with a view to the ultimate sale of the lease upon the purchase of which they have secured an option. The Westralian Mines Development Syndicate announce prospecting work on Lease 130 of the same properties, and that, as regards the Rothsay Mine, ore assaying £2 2*s.* per ton over 45 inches has been exposed in North Shaft No. 3 at a depth of 96 feet.

LUIPAARD'S VLEI.

Year ended June 30	Ore Milled Tons	Gold Revenue Per Ton	Working Expenses Per Ton	Working Profit— Amount	Working Profit— Per Ton	Net Profit	Dividends— Amount	Dividends— %
		£ s. d.	£ s. d.	£	£ s. d.	£	£	
1916	256,005	22 1	19 0½	39,178	3 0½	37,341	23,001	5
1917	251,529	21 7½	20 0½	19,594	1 6½	24,826	—	—
1918	246,910	20 3	20 11	8,322*	- 8*	3,449*	—	—
1919	244,120	20,6	21,3½	9,854*	- 9½*	5,316*	—	—

* Loss.

For the third year in succession the accounts of this South African gold-mining Company are, from the standpoint of shareholders, of a sterile and unprofitable nature. From the above table it can be seen that since the financial year 1915-16, the last year in which a dividend was paid, there has been a steady decline in the quantity of ore milled, an almost regular decrease in the gold revenue secured per ton, and a marked and persistent rise in the cost of working per ton. For the year ended June 30, 1919—the particular year under review—the gold revenue per ton represented, it is true, a slight improvement over that of the previous year. But the addition of 3*d.* per ton was more than offset by a rise of 4½*d.* per ton in the working expenses. Consequently, there was an actual loss on working of £9,854, or of 9½*d.* per ton, as against 8*d.* per ton in 1917-18. This in turn produced a net loss for the year of £5,316, as compared with £3,449 in 1917-18. Such loss does not, however, include a sum of £7,117, which the General Manager recommends should be written off in respect of depreciation. Including this, the actual loss on the working of the year amounts to £12,433, which is deducted from the credit balance of £114,517 brought forward from the profit and loss account of the previous year, leaving a credit balance of £102,084 to be carried forward to the current year's accounts. This unfavourable result is the outcome of the variety of adverse factors experienced by the Company during the year under review. To begin with, nearly half the year fell within the period of active war hostilities; and whilst the remainder was within the era of peace, conditions had not in any substantial manner altered for the better. The further increase in working costs was mainly due to the inevitable rise in wages and to the higher prices prevailing for stores and materials. The gold revenue of 20*s.* 6*d.* per ton, as against 22*s.* 1*d.* per ton in 1915-16, was thus low, because throughout the whole of the year under review this Company in common with the others was under an obligation to dispose of its gold to the Bank of England at the parity price of 85*s.* per fine ounce, whereas gold commanded a much higher price in the open market. Scarcely less serious in its effects was the pronounced shortage of native labour, accentuated by the outbreak of the influenza epidemic, which, appearing first in September 1918, disorganised the supply of labour for many months. For two months the natives were so panic-stricken that they refused to leave their kraals. At the end of October only 1,578 were at work, a number at least 500 below the bare requirements of the mine; and a month later it had fallen to 1,467. Not until after January 1919 was there any substantial improvement in the position. It is easy to understand how under such conditions the tonnage crushed during November was only 15,810 tons where as it should have been 22,500; and how with such a decline in the amount crushed there was a proportionate rise in the cost of working per ton. Similar forces retarded development work, which, though over 500 feet in advance of the previous year with a total of 10,998 feet, yet fell short of the programme outlined.

For the current year it is far from easy to estimate the prospects. The intact claim area on June 30, 1919, was returned at 485 claims on the Main Reef, 544 claims on the South Reef, and 163 claims on the Battery Reef. Ore reserves have been increased during the year by 77,805 tons to 771,000 tons, of which 713,870 tons of average value of 5.32 dwt. over a milling width of 34.74 inches are fully developed, and 57,879 tons assaying 5.94 dwt. are partially developed. Since the accounts were closed five other claims have been acquired, which on development have proved to contain ore of good value. On the other hand, the profitable working of the mine is largely dependent upon a satisfactory native supply and uninterrupted working to keep the working costs per ton relatively low. At the same time the premium on gold which has existed since July 1919 should swell the revenue of the Company considerably, especially with gold commanding a minimum price of 100*s.* per ounce, as compared with 85*s.* for the year under review. The advantage derived from this extraneous circumstance must be discounted in view of the heavy burden involved under the Miners' Phthisis Act, the increase in wages sanctioned recently by the Chamber of Mines, and, finally, the additional charge involved in the high rates now charged by the South African banks. In what manner these antagonistic forces will ultimately work out it is not easy to forecast. Recent returns as regards the monthly outputs are not so encouraging as might be anticipated. During December 1919 only 14,300 tons were crushed; and at the general meeting the Chairman bewailed the low figure of 15,810 tons for November 1918. Calculating gold at 85*s.* per ounce, the revenue per ton was only 18*s.* 11*d.*, whilst working costs had risen to the very high figure of 26*s.* 11*d.*, thereby leaving for the month a net loss of £5,480—a loss greater than the net loss for the year 1918-19! In January 1920 the quantity crushed had risen to 17,180 tons, and the revenue to 22*s.* per ton (calculating gold at 107*s.* 6*d.* per ounce), whilst the working costs had fallen to 24*s.* 9*d.* Again there was incurred a net loss amounting in this month to £1,580. Though February was a short month, the ore crushed increased to 18,100 tons. With gold estimated at 110*s.* per ounce the revenue was recorded at 22*s.* 10*d.* per ton, against which working expenses amounted to 24*s.* 2*d.*, leaving a net loss of £447. For the remainder of the current year it does not seem likely that the premium on gold can be safely calculated at a higher level than that of February. Indeed, it is possible that a reversion to a price in the neighbourhood of 105*s.* may become necessary. Consequently, unless a considerable improvement takes place in the quantity of ore crushed in order to bring down the cost of working per ton, the accounts for the current year may again reveal a net loss. In any case, it is by no means likely that such a profit will be secured as will enable a dividend to be paid. The balance sheet as on June 30, 1919 shows that the Company is in a sound condition. Liquid assets to a total of £38,269 are available to meet liabilities to the amount of £27,556. In addition to a credit balance of £102,084 in respect of the profit and loss account, there is a reserve of £28,137. The Debenture capital remains unchanged at £63,945, the permission of the Debenture-holders having been given to the suspension, in view of the nature of the

...ccounts, of the annual redemption of £8,000. The issued share capital consists of 472,012 fully-paid shares of £1 each. The opinion of the market on the immediate prospects of the Company is expressed in the quotation of 6s. for the Ordinary shares and of £58 for the Debenture stock.

LONELY REEF.

THE report which has just been issued by this Rhodesian gold-mining Company, dealing with its operations for the quarter ended December 31, 1919, supplies ample confirmation of the favourable opinion of this mine to which we have given expression in previous articles. During this period, which is the last quarter of their financial year, there were crushed 13,680 tons, as compared with 13,910 tons in the previous quarter, the decline being due to the holiday season in December. From this ore were obtained 18,186 oz. of gold, valued at £76,530 at par; but if the gold premium is taken into account the value rises to £97,981. Advances in wages and the rise in the prices of stores and materials brought about the higher working cost of 50*s.* 8*d.* per ton; but this additional expenditure was more than counterbalanced by the high premium on gold. The actual working profit for the quarter amounted to £55,904 and the net profit to £53,316. Combining the crushing returns for the whole year, it emerges that 55,420 tons of ore were crushed, yielding 71,798 ounces of gold, valued at £299,114 at par. Assuming even that the average cost of working was as high as 50*s.* per ton—and this figure is admittedly erring on the right side—the total working profit, ignoring again the premium on gold, would amount to £150,564, as compared with £91,294 in 1918. Including this premium and adjusting the cost of working, the profit will be found in all probability to exceed £200,000. Again there has been an improvement in the position of the ore reserves, which were estimated at December 31, 1919, at 199,739 tons, averaging 23.54 dwt., as compared with 191,430 tons, averaging 24.25 dwt. To quote the report: "The slight decrease in the average grade of ore in reserve is counterbalanced by the increased tonnage developed; over 235,000 oz. of gold, worth—at 85*s.* per oz.—£1,000,000, is contained in the ore developed. The value of the reserve is now higher than at any previous time in the history of the mine." Development work for the quarter reached a total of 1,078 feet, an advance of 170 feet over the work done in the previous quarter. High-grade ore, averaging 60.7 dwt. over 53 inches, was exposed in the drive south of the 19th level from 670 feet to 732 feet. From 295 feet to 405 feet in the drive south of the 21st level ore averaging 27.0 dwt. over 41.9 inches was revealed. Returns for the months of January and February 1920 promise well for the current year. In the former month 4,550 tons were crushed, yielding 5,916 oz. of gold, which, calculated at 110*s.* per ounce, would give a profit of £20,294 for the month. February, though a short month, contributed a profit of £16,637 from 4,300 tons of ore, the gold being estimated at 105*s.* per ounce. In March 4,580 tons were crushed at a profit of £16,516, calculating gold at 100*s.* per ounce. Development work still continued to yield satisfactory results. During February in the 19th level south ore averaging 32 dwt. over 61 inches was found from 747 to 767 feet; whilst in the 21st level south from 496 to 526 feet there was exposed ore of an average value of 28 dwt. over 12 inches. In March the best results were obtained in the 19th level south, where development was continued from 767 to 790 feet, exposing ore of an average of 36 dwt. over 42 inches. The £1 shares are quoted in the market at 58*s.* 9*d.*, at which price, in the light of the general prospects of the mine, they are a rather attractive investment.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, April 14, 1920.

Issue Department.

Notes Issued	£130,434,845	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	111,984,845
	£130,434,845		£130,434,845

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£55,118,694
Rest	3,107,632	Other Securities	79,891,326
Public Deposits	19,315,303	Notes	24,416,420
Other Deposits	122,888,542	Gold and Silver Coin	464,745
Seven-day and other Bills	26,658		
	£159,891,185		£159,891,185

Comparison with Previous Four Weeks [00,000's omitted.]

Date 1920.	Circulation	Coin and Bullion	Deposits: Public	Deposits: Other	Securities: Govt.	Securities: Other	Reserve	Ratio Reserve to Liabilities	Bank Rate *	Three Months' Bills
	£	£	£	£	£	£	£	%	%	%
Apr. 14	106,0	112,4	19,3	122.8	55,1	73.8	24 8	17·5	7	6⅛
Apr. 7	106.8	112,1	24,9	133,7	59,0	93.5	23.8	15·0	6	5⅞
Mar. 31	105.2	112,1	36.2	100,9	20.4	109.5	25.3	18·5	6	5⅛
Mar. 24	101,1	115,8	19,7	131,7	45.4	91·1	33.1	21·8	6	5⅛
Mar. 17	101,2	118,2	18,4	133,0	42,1	91,9	35·5	23·5	6	5⅛
J'y22,'14	29.3	40.2	13.7	42.2	11.0	33.6	29.3	57·40	3	2⅝

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 6%; Aug. 8, 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; Apr. 5, 5%; Nov. 8, 1919, 6%; Apr. 15, 1920, 7%.

Comparison of Bank Returns, Exchanges, Prices, &c.

	Apr. 16, 1920	Apr. 16, 1919	Apr. 17, 1918	Apr. 18, 1917	Apr. 15, 1910
Bank of England (in £'s sterling 00,000's omitted):					
Circulation	£106,0	£76·2	£47,9	£38,1	£28,6
Public Deposits	19,3	27·7	40,0	54,8	10,7
Other Deposits	122.8	116·5	138,2	124,5	43,1
Government Securities	55.1	56·1	58.3	37.6	18.5
Other Securities	79.8	78·3	105.9	124.0	29.3
Reserve	24,6	27·4	31,6	35,4	23.6
Ratio to Liabilities	17 5%	19·04%	17·71%	19·74%	43·95%
Coin and Bullion	112.4	85·2	61,0	55,1	33.8
Money:					
Bank of England Rate	7%	5%	5%	5%	4%
Bank of France Rate	6%	5%	5%	5%	3%
Rate 3 months' Bills London	6⅛%	3½%	3⅜%	4⅛%	3⅛%
Exchanges:					
Paris Cheque	65·50	27·82½	27·16½	27·16½	25·25½
New York 60 days	3·95	4·63	4·72½	4·73	4·84½
Bombay Telegraphic Transfers	2/3⅞	1/5⅜	1/5⅛	1/4⅞	1/4⅜
Prices:					
Consols 2½% Cash	46	55⅝	55½	55⅛	81⅜
French Rentes 3% Money	57·70	62·75	59·10	61·75	93·85
Silver, London spot oz.	67⅞d.	48⅜d.	47½d.	37⅜d.	24½d.
Wheat, *Gazette* average qr.	72/9	73/0	73/3	85/2	33/6
Cotton, Mid Upland lb.	29·15d.	18·69d.	23·07d.	12·34d.	7·87d.
Iron, Scotch pig ton	206/0	101/0	101/0	93/6	56/9

CURRENCY NOTE ISSUE.

Week to	Notes Issued £	Notes Cancelled £	Notes Outstanding £	Gold Coin & Bullion £	Bank of England Notes £	% of Bank Notes & Gold to Notes %
Apr. 14, '20	7,690,555	8,361,537	340,028,637	28,500,000	6,500,000	10·3
Apr. 7, '20	8,381,118	3,053,621	340,699,839	28,500,000	6,500,000	10·3
Apr. 16, '19	15,247,989	4,534,083	346,038,519	28,500,000	—	8·2
Apr. 17, '18	5,066,512	4,359,057	233,080,095	28,500,000	—	12·2
Apr. 18, '17	5,103,323	4,765,190	152,030,647	28,500,000	—	18·7
Apr. 19, '16	6,430,847	3,708,479	113,741,806	28,500,000	—	25·0

Balance Sheet, April 14, 1920.

	£		£
Notes outstanding—		Advances—	
One Pound	265,700,973	Other Bankers ...	—
Ten Shilling	43,257,864	Trustee Savings Banks	190,000
Certificates outstanding ...	31,070,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500,000
Total	340,028,837	Bank of England Notes...	6,500,000
Investments Reserve A/c ...	16,490,748	Government Securities ...	320,788,779
		Balance at Bank of England	540,806
Total	356,519,585	Total	356,519,585

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

1920. Week to	Revenue	Expenditure	Excess of Expenditure	Loans, Advances, &c.—Cr.	Loans, Advances, &c.—Dr.	Net +	Cash Balance
Apr. 10§	£50,455	£50,355	£100‡	£183,985	£189,724	— 5,739	£3,731
Mar. 31	108,174	166,810	58,636	287,287	222,991	+£64,296	9,369
Mar. 20	66,479	60,764	5,715‡	58,123	63,848	—5,725	3,709
10dys. '20-21	50,455	50.355	100	183,985	189,724	—5,739	— 5,638
12days '19-20	37,897	83,540	45,643	237,106	197,290	39,816	— 4,827
Yr. '19-20*	1,168,650	1,642,295	473,645	—	—	473,645	—
Yr. '19-20	1,339,571	1,665,773	326,202	6,092,709	5,766,507	326,202	8,369
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	1,682,049	12,789
Yr. '17-18	707,234	2,696,221	1,988,987	7,499,604	3,616,023	1,983,581	21,030

Principal Items of Revenue and Expenditure.

1920. Week to	Revenue: Customs & Excise	Income Tax, &c.	Excess Profits Duties, &c.	Other Revenue	Expenditure: Int., &c., on Debt	Misc. Expend.	Supply Services.
Apr. 10	£4,498	£23,766	£4,595	£17,596	£28,162	£179	£22,014
Mar. 31	7,660	17,954	14,943	69,517	8,802	2,084	155,924
Mar. 20	10,462	12,887	4,010	38,120	6,853	774	53,137
10days'20-21	4,498	23,766	4,595	17,596	28,162	179	22,014
12days'19-20	6,771	17,627	9,164	4,332	33,876	320	49,344
Yr. '19-20*	276,000	354,000	280,000	258,650	345,000	18,595	1,280,709
Yr. '19-20	283.023	359.098	280.045	407.404	332.034	16.171	1,317,568
Yr. '18-19	162.220	291.186	285.028	150.587	269.984	11.380	2,297,958
Yr. '17-18	110.033	239.509	220.214	137.478	189.851	11.401	2,494,968

FLOATING DEBT. [000's omitted.]	Treasury Bills	Ways & Means Advances	Total	Natnl. War Bond Rcpts.
Apr. 10, 1920 ...	£1,043,398	£268,837	£1,307,235	£1,745,720
Mar. 31, 1920 ...	1,107,318	204,887	1,312,205	1,745,720
Mar. 20, 1920 ...	1,048,772	178,430	1,227,202	1,732,780
Mar. 13, 1920 ...	1,059,228	168,930	1,228,158	1,732,780
June 30, 1919 ...	796,150	774,237	1,570,387†	1,732,021

* Revised Budget and supplementary estimates. † Highest. ‡ Excess of revenue § 10 dy

FOREIGN BANKS.

[In £'s Sterling‡—000's omitted.]

	Cash			Advances			Bills Discounted, &c.
AUSTRIA-HUNGARY.	Gold	Silver	Total	To Public	To Dual Govts.	Note Circulat'n	
July 23, '14...	£51,578	£12,141	£63,719	£7,772	—	£88,740	£31,993
Oct. 21, '19...	10.832	2,374	13,206	371,686	£1,373,083	2,013,363	240,845
Oct. 28, '19...	10.832	2,378	13,210	372,119	1,373,083	2,058,464	222,532
Dec. 7, '17...	11,000	2,300	13,300	603,990	—	739,300	117,600

BELGIUM.	Gold.	Silver	Total	Discounts	Circulation	Deposits
Aug. 6, '14 ...	£10,977	£633	£11,610	£41,925	£51,800	£8,263
Apr. 1. '20 ...	10,657	1,103	11,760	24,004	202,226	83,695
Apr. 8. '20 ...	10,657	1,105	11,762	24,542	199,671	87,467

DENMARK.	Cash			Discounts	Balance Abroad	Circulation	Deposits
	Gold	Silver	Total				
July 31, '14 ...	£4,100	£341	£4,441	£6,197	£786	£8,693	£47
Feb. 28, '20 ...	12,597	186	12,783	16,948	599	28,396	3,293
Mar. 31, '20 ...	12,589	172	12,761	18,055	590	29,123	2,024
Mar. 31, '19 ...	10,385	137	10,522	3,644	4,206	24,137	832
Mar. 30, '18 ...	10,269	136	10,405	2,892	13,159	19,499	955

FRANCE.	Gold In Bank	Abroad	Total Cash incl'g Silver	Bills	Circulation	Deposits Public	Deposits Private
July 30, '14 ...	£165,654		£190,667	£97,768	£267,327	£15,302	£37,903
Apr. 8, '20 ...	144,279	79,131	233,168	86,840	1,500,292	18,483	128,168
Apr. 15, '20 ...	144,298	79,131	233,117	88,900	1,497,372	10,861	136,999
Apr. 17, '19 ...	142,700	79,132	234,284	35,997	1,359,007	1,762	120,800
Apr. 18, '18 ...	133,625	81,484	225,252	57,650	1,049,271	1,679	128,540

GERMANY.	Cash Gold	Silver	Total	Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
July 23, '14...	£67,843	£16,797	£84,570	£5,279	£40,055	£94,545	£47,198
Mar. 23, '20...	54,588	1,941	56,409	680,738	2,024,158	2,167,356	726,443
Mar. 31, '20...	54,573	2,144	56,717	698,672	2,229,275	2,258,489	924,921
Mar. 31, '19...	95,800	1,033	96,833	336,608	1,509,659	1,274,524	725,147
Mar. 30, '18...	120,376	5,968	126,344	76,938	802,036	598,890	451,478

HOLLAND.	Cash Gold	Silver	Total	Discounts	Advances	Circulation	Deposits
Aug. 1, '14 ...	£13,498	£249	£13,745	£13,422	£10,332	£35,660	£1,437
Apr. 3, '20 ...	52,868	884	53,752	22,700	18,076	88,084	7,095
Apr. 10, '20 ...	52,876	896	53,772	25,614	17,474	87,620	9,939
Apr. 12, '19 ...	55,589	738	56,327	12,415	17,708	85,214	7,385
Apr. 13, '18 ...	60,846	595	61,441	3,735	9,308	74,761	6,124

ITALY.	Cash Gold	Silver	Total	Other Cash	Loans & Discounts	Circulation	Deposits
July 31, '14 ...	—	—	—	£49,456	£25,017	£69,204	£8,887
Dec. 31, '19 ...	£32,193	£3,004	35,197	21,538	110,071	507,671	83,394
Jan. 10, '20 ...	32,194	3,004	35,198	20,480	112,555	495,477	78,868
Dec. 31, '18 ...	32,710	3,086	35,796	15,238	65,984	368,934	63,866
Dec. 31, '17 ...	33,434	3,496	36,930	8,448	47,745	261,568	57,941

JAPAN.	Gold	Discounts	Advances	Notes	Deposits Public	Deposits Private
Aug. 1, '14 ...	£21,867	£1,829	£7,863	£32,722	£13,818	£1,521
Feb. 21, '20 ...	93,977	23,220	36,998	132,714	110,697	5,076
Feb. 28, '20 ...	93,811	27,685	39,945	136,045	111,964	2,609
Mar. 1, '19 ...	71,214	3,414	37,754	89,617	101 879	3,244
Mar. 2, '18 ...	64,643	6,683	23,183	68,099	62,126	2,415

NEW YORK BANKS & TRUSTS.	Cash Own Vaults	Loans, Aggregate Reserve	Disc'ts, Invest.,&c.	Net Deposits—Demand	Net Deposits—Time	Net Deposits—Total	Excess Reserve
Aug. 1, '14 ...	—	£89,888	£411,238	—	—	£387,165	£1,720
Apr. 3, '20 ...	£18,624†	117,178	1,030,156	£835,548	£51,828	893,676	6,162
Apr. 10, '20 ...	19,190†	116,880	1,031,680	839,410	50,386	903,074	5,390
Apr. 12, '19 ...	19,582†	112,180	968,360	796,836	30,318	874,178	8,534
Apr. 13, '18 ...	21,080†	110,322	872,890	750,858	36,422	844,169	10,430

NORWAY.	Gold	Balance Abroad	Norw. & For. Govt. Secs.	Disc'nts & Loans	Circulation	Deposits
July 31, '14 ...	£2,960	£1,678	£493	£4,868	£6,752	£793
Mar. 31, '20 ...	8,122	4,667	579	19,592	24,796	4,221
Apr. 7, '20 ...	8,122	4,524	579	19,257	24,480	4,129
Apr. 7, '19 ...	8,199	3,754	691	20,434	24,338	4,957
Apr. 8, '18 ...	6,737	3,429	713	18,614	19,390	6,974

PORTUGAL.	Gold	Silver	Total	Discounts & Advances	Note Circulation	Deposits
Nov. 26, '19 ...	£1,906	£3,921	£5,827	£11,063	£76,570	£4,635
Dec. 3, '19 ...	1,906	3,920	5,826	10,881	74,948	7,188
Dec. 10, '19 ...	1,906	3,921	5,827	12,888	78,528	6,349
Dec. 17, '19 ...	1,906	3,921	5,827	12,954	80,275	4,860

ROUMANIA.	Cash	Discounts	Advances	Total	Circulation
Feb. 14, '20 ...	£60,009	£8,546	£2,440	£10,986	£179,211
Feb. 21, '20 ...	60,009	8,068	2,532	10,600	178,230
Feb. 28, '20 ...	68.009	7.825	2,483	10,308	180.003
Mar. 1, '19 ...	33,701	6,439	1,659	8,098	99,332

RUSSIA.	Gold In Bank	Abroad	Total Cash incl'g Silver	Loans & Disc'ts	Circulation	Notes in Reserve	Total Deposits
July 21, '14...	£160,114	£14,395	£181,892	£76,081	£163,411	£8,589	£109,911
Oct. 28, '17...	129,523	230,865	378,205	1,869,559	1,836,217	15,783	345,550

SPAIN.	Cash Gold	Silver	Total	Loans, &c.	Spanish 4%	Circulation	Deposits &c.
Aug. 1, '14 ...	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,955
Aug. 3, '20 ...	86,109	25,157	123,266	86,271	13,779	154,882	44,573
Apr. 10, '20 ...	99,109	25,034	123,143	86,567	13,779	155,935	43,993
Apr. 12, '18 ...	90,444	25,728	116,172	75,117	13,778	140,548	43,304
Apr. 13, '18 ...	80,880	28,171	109,151	50,264	13,777	116,576	35,017

SWEDEN.	Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
Aug. 1, '14 ...	£5,717	£8,150	£1,555	£7,495	£13,432	£3,903
Mar. 27, '20 ...	14,503	5,664	2,548	33,769	37,112	15,213
Apr. 3, '20 ...	14,503	5,188	2,525	37,477	42,184	15,164
Apr. 5, '19 ...	15,987	7,420	3,002	21,171	41,021	6,052
Apr. 6, '18 ...	14,331	7,307	3,804	15,769	34,662	6,552

SWITZERLAND.	Cash Gold	Silver	Total	Discounts & Advances	Circulation	Deposits
July 23, '14 ...	£7,202	£758	£7,960	£4,817	£10,718	£2,026
Mar. 31, '20 ...	21,149	3,475	24,624	14,353	38,945	4,114
Apr. 7, '20 ...	21,149	3,489	24,638	14,588	38,159	4,863
Apr. 7, '19 ...	16,718	2,621	19,339	21,443	36,920	3,910
Apr. 8, '18 ...	14,931	2,210	17,141	14,908	27,350	5,220

† Not reserve. ‡ Converted at par rate of exchange approximately.

U. STATES FED. RES. BANKS.	Gold Held by Banks	Gold With Agents	Total Cash	Bills Discount'd	Acceptances.	Deposits. Govt.	Deposits. Total.	Circulation Net.
Apr. 5, '20 ...	390,052		416,086	480,102	84 808	2,084	354,654	615,464
Apr. 12, '20 ..	391,498		417,472	473,508	84,448	1,756	348,428	616,044
Apr. 12, '19 ...	189,072	239,504	442,398	393,584	43,718	33,994	355,584	508,718
Mar. 22, '18 ...	180,579	179,984	372,474	108,624	65,776	18,301	301,154	285,902

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed		%	Date Fixed
Amsterdam ...	4½	July 1, '15	Lisbon	5½	Jan. 15, '14
Berlin	5	Dec. 23, '14	Madrid	5	Nov. 10, '19
Berne	5	Aug. 21, '19	Paris	6	Apr. 8, '20
Bombay	8	Apr. 9, '20	Petrograd ...	6	July 29, '14
Brussels	4½	Apr. 1, '20	Rome	5½	Apr. 6, '20
Calcutta	5	June 5, '19	Stockholm ...	7	Mar. 18, '20
Christiania ...	6	Dec. 18, '19	Tokio	8·03	Nov. 18, '19
Copenhagen ...	6	Oct. 7, '19	Vienna	5	Apr. 12, '15

III.—FOREIGN EXCHANGES.

LONDON ON—		Apr. 16, '20	Apr. 9, '20	Mar. 31, '20	Mar. 26, '20
Berlin	Cable	240 m.	230m.	280m.	287½m.
Brussels	Cheques	61fr. 25c.	58fr. 50c	54fr. 50c.	53fr. 40c.
Denmark	Cable	21kr. 80	21kr. 25	21kr. 10	21kr. 20
Holland.....	do.	10fl. 72½c.	10fl. 64c.	10fl. 45c.	10fl. 52½c.
Italy	do.	83lr. 00	97lr. 50	80lr. 50	77lr. 00
Lisbon and Oporto	do.	15d.	15d.	15d.	15d.
New York	do.	$3 97	$4 02	$3 87	$3 90⅝
—	Cheques	$3 98	$3 99	$3 88	$3 92½
Norway	Cable	19kr. 55	19kr. 90	20kr. 05	20kr. 72½
Paris	3 mos.	66fr. 85c.	63fr. 25c.	59fr. 00c.	57fr. 05c.
—	Cable	65fr. 55c.	62fr. 25c.	58fr. 00c.	56fr. 10c.
Spain (Bank places)	3 mos.	51d.	52½d.	52½d.	52½d
—	Cable	22p. 80	22p. 20	22p. 35	22p. 15
Sweden	do.	17kr. 96½	18kr. 12½	18kr. 07	18kr. 25½
Switzerland	3 mos.	22fr. 40c.	22fr. 30c.	22fr. 45c.	22fr. 75c.
—	Cable	21fr. 90c.	21fr. 97½c.	22fr. 10c.	22fr. 40c.

ON LONDON—		Apr. 16, '20	Apr. 9, '20	Mar. 31, '20	Par
Alexandria	Sight	97⅛pi.	97⅛pi.	97⅛pi.	97⅛pi.
Amsterdam	Cheques	10fl. 71c.	10fl. 64c.	10fl. 43c.	12.107fl.
Athens	Cable	35dr. 40	36dr. 00	36dr. 35	25dr. 22½
Bombay	Transfers	2s. 4⅛d.	2s. 3⅞d.	2s. 4⅛d.	2s.*
Brussels	Cheques	61f. 17½c.	58f. 67c.	54f. 35c.	25f. 22½c.
Buenos Ayres	Transfers	59⅛d.	59⅛d.	61d.	47.58d.
Calcutta	do.	2s. 3⅞d.	2s. 3⅞d.	2s. 4⅛d.	2s.*
Christiania	Sight	19kr. 60	19kr. 93	20kr. 00	18.15kr.
Copenhagen	do.	21kr. 95	21kr. 23	21kr. 24	18.16kr.
Helsingfors	Cable	74½m.	73m	72½m.	25m. 22½
Hong Kong	Transfers	4s. 8⅛d.	4s. 11d.	5s. 0d.	—
Italy	Sight	83lr. 50c.	97lr. 25c.	80lr. 75c.	25l. 22½c.
Lisbon	do.	15d.	15⅛d.	14⅞d.	53½d.
Madras	do.	2s. 3⅞d.	2s. 3⅞d.	2s. 4⅛d.	2s.*
Madrid	do.	22p. 77	22p. 27	22p. 31	25p. 22½
Montevideo	Transfers	60⅛ i.	—	—	51d.
Montreal	Cable	$4 31½	$4 35½	$4 29½	$4 86⅝
New York.....	Sight	$3 96⅝	$3 97½	$3 85½	—
—	60 days	$3 95	$3 96	$3 84	—
—	Cable	$3 97⅜	$3 98½	$3 86⅜	$4 86⅝
Paris	Cheques	65f 50c.	62f. 50c.	58f. 20c.	25f. 22½c.
Rio de Janeiro ...	90 days	16⅞d.	15⅝d.	17⅜d.	16d.
Shanghai	Transfers	6s. 5d.	7s. 2d.	7s. 7d.	—
Singapore	Sight	2s. 3⅞d.	2s. 3⅞d.	2s. 3⅞d.	—
Stockholm	do.	17kr. 96	18kr. 12	17kr. 99	18.15kr.
Switzerland	do.	22f. 0½c.	21f. 98c.	22f. 11c.	25f. 22½c.
Valparaiso	90 days	13⅛ i.	13⅛d.	13⅛d.	18d.
Yokohama	Sight	2s. 5⅛d.	2s. 4⅛d.	2s. 4⅛d.	24.58d.

* Fixed at Rs. 10 to the gold sovereign, February 2, 1920.

NEW YORK ON—	Rate Current* Apr. 16, '20	Rate Current* Apr. 9, '20	Par as usually Quoted	Rate July 3.
Amsterdam, sight ...	37·25c.	37·25c.	40·20c for 1 guilder	40·25c.
Bombay, cheques ...	45·75c.	46c.	48·66c. for 1 rupee	33·00c.
Buenos Aires, cheques ...	101·70	102		
Christiania, cheques ...	20·85c.	19·90c.	26·80c. for 1 kroner	26·85c.
Copenhagen, cheques ...	18·40c.	18·70c.	26·80c. for 1 kroner	
Greece, cheques ...	11·25c.	11·10c.	19·295c. for 1 drachma	
Hongkong, cheques ...	92·50c.	97·50c.	74·59c. for Mex. $1	46·4c.
Italy, sight	22·50l.	21·90l.	5·18½ lire for $1	5·17l.
Lima, cheques	4·92½l.	5·00l.	4·8665 $ for 1 libra	
Manila, cheques... ...	49·60c.	49·75c.	50c. for 1 peso	46·8c.
Montreal	16·25% disc.	16·25% disc.	Premium per $100	Par
Paris, sight	16·09fr.	15·08fr.	5·18½ francs for $1	5·16fr.
Petrograd, sight ...	—	—	51·46c. for 1 rouble	51·37c.
Rio de Janeiro, cheques	38·50c.	37·70c.	32·42c. for 1 milreis	
Shanghai, cheques ...	128·.	146c.	52·96c. for 1 tael	87·00c.
Singapore, cheques ...	48·75c.	47c.	56·77c. for $1	57·17c.
Spain, cheques	17·40c.	17·80c.	19·30c. for 1 peseta	
Stockholm, cheques ...	22·20c.	21·75c.	26·80c. for 1 kroner	
Switzerland, cheques ...	5·55fr.	5·53fr.	5·18½ francs for $1	5·18¾fr.
Valparaiso, cheques ...	23·75c.	23c.	20·61c. for 1 peso	
Yokohama, cheques ...	47·90c.	47c.	49·84c. for 1 yen	49·90c.

* According to Guaranty Trust Company of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount.	Inc. or Dec.*	1920 Agg.	Inc. or Dec.*
	1920.	[In £'s sterling 000's omitted.]			%
BIRMINGHAM ...	Apr. 10	£2,742	+ £385	£58.010	+ 0·0
BRISTOL	„ 10	1,444	— 128	27,536	+ 8·715 + 46·3
DUBLIN	„ 10	9.683	+ 2,441	135.173	+ 32 037 + 31·2
LEEDS	„ 10	1.139	- 123	26.930	+ 10.405 + 63·0
LEICESTER	„ 10	1,164	+ 120	21.237	+ 8.207 + 63·0
LIVERPOOL	„ 10	13.919	+ 2.873	270.659	+ 105.488 + 63·8
MANCHESTER ...	„ 10	28.103	+ 13,346	491.928	+ 264.035 + 114·3
NEWCASTLE ...	„ 10	2,534	+ 759	50.046	+ 22.102 + 79·1
NOTTINGHAM ...	„ 10	1,306	+ 679	17.953	+ 7.993 + 80·2
SHEFFIELD	„ 10	1,577	+ 636	24.427	+ 6.340 + 35·0
LONDON—	1920.				
TOWN	Apr. 14	658.654	+ 285.100	9,926.258	+ 4,194.384 + 73·2
METROPOLITAN	„ 14	43.412	+ 9.477	643.052	+ 146.877 + 29·6
COUNTRY	„ 14	85.381	+ 21.400	1,228.881	+ 334.281 + 37·4
TOTAL	„ 14	785.447	+ 1315.977	11,797.191	+ 4 675.489 + 65·2

* Compared with a year ago.

V.—FREIGHTS.—According to Messrs. J. C. Gould, Angier and Co.

HOMEWARDS.	1920 Apr. 16	1920 Apr. 9	1913 Apr. 18
Alex. to U.K. ...	57 6	55 0	9/0
Aust. to U.K. ...	150 0	205 0	32 6
Azoff to L.H.A.R.	—	—	10 3
Bombay to p.p.d.w.	—	—	d.w.19.0
Burmah to U.K.	40 0	140 0	26 0
Calcut. to p.p.(jute)	—	—	d.w 25 0
Danube to U.K. ...	—	—	10/9
Odessa to L.H.A.R.	—	—	9 0
R. Plate to U.K.	150,0	150/0	20·9

Homewards.—Cont.	1920 Apr. 16	1920 Apr. 9	1913 Apr. 16
U.S. Atl. Ports to L'pl. (cotton, 100lb.)	—	—	47 6
U.S. to U.K. (gr.)	10 6	—	3/1½
Gulf Ports to U.K. Cont. (cotton & grain)...	12 0	—	16 9
OUTWARDS—			
Aden	—	—	—
Colombo	—	—	12 3
Port Said ...	75/0	75/0	9/6
River Plate ...	—	—	15/0
St. Vincent ...		—	9 2

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	APR. 16, 1920.	APR. 16, 1919.	JUNE 30, 1914
Iron—Scotch pig warrants ...ton	206/0	101/0	57/0
— Middlesbro' warrants ...ton	200/6	95/0	51/0
— Hematite warrants ...ton	260/0	122/6	61/0
— Staffordshire bars, London ton	£29—£30	£17	£8 10
— Common bars ...ton	£26	£14 15	£6 16
Steel Rails ...ton	£21 5—£22 5	£10 17/6	£6 2/6
Galvanised Sheets ...ton	£55—£56	£28 –£29	£16 17/1
Copper—Standard ...ton	£102 15	£76 15—£77	£66
Tin—English Ingots ...ton	£338	£221—£222	£142 15
— Straits ...ton	£344	£224 10	£139 10
Tinplates, I.C. Coke, S. Wales...box	76/6	33/10½	11/10½—12/0
Lead—Soft Foreign ...ton	£37 15—£40 5	£24—£24 10	£19
Spelter—Ord. Foreign ...ton	£47 10—£49 15	£35 5—£35 15	£21 7/9
Quicksilver—(75lb.) ...bottle	£25 10—£26	£15—£16	£7
Aluminium ...ton	£155	£156	£82
Antimony—Regulus Foreign ...ton	£66—£72	£36	£27 10
— English ...ton	£72—£75	£45	—
Coal—(best) Yorkshire ...ton	23/0—24/0	23/6—24/6	17/6
— Steam (best) Newcastle ...ton	46/0—51/0	40/0—45/0	14/6
CHEMICALS, OILS, &c.			
Nit. of Soda—f.o.b Chile, per quintal	15/6	10/1	7/4
Soda—Crystals ex ship ...ton	210/0—220/0	129/0—130/0	42/6—45/0
Copra—Malay and States ...ton	£58	£40 15	£23 15—£24 7/6
Camphor—Good marks ...cwt	51/6	37/6	16/10½
Indigo—Bengal good to fine ...lb.	13/0—16/6	9/0—10/6	3/2—3/8
Linseed Oil—Raw ...ton	£100	£58	£25 5
Linseed—Calcutta, spot ...ton	£41 15	£29 15	£13 16/9
— Cakes, U.K. made, ex mill...ton	£24 10	£19	£7 17/6—£8
Olive Oil—Spanish ...tun	—	nom	£49 10
Palm Oil—Lagos ...ton	£79	£44	£31 10
Petroleum—American ...gallon	2/1⅜	1/4½	7½d.
Rape Oil—Refined English...ton	£115	£71	£32
Soya Oil—Refined ...ton	£110	£75	£24 10
Tallow—Imported ...cwt.	100/0—106/0	65/0—72/0	29/3—33/3
Turpentine—American ...cwt.	210/0	99/0	33/7½
Rape Seed—Toria ...ton	£39 10	£30	£13 5
Rubber—Para, spot ...lb.	2/3nom.	2/5	2/9½
— Fine plantation (stnd. crepe) lb.	... 2/2	1/11½	2/2
— World's Production* Feb. tons	31,200	24,700	8,467
Shellac—T.N. Orange, fair ...cwt.	540/0	205/0—210/0	63/0—64/0
TEXTILES.			
Cotton—Middling Upland ...lb.	29·15d.	18·69d.	7·53d.
— Egyptian, good fair ...lb.	77·50d.	26·34d.	8·75d.
— Pernambuco fair ...lb.	32·90d.	20·66d.	7·73d.
— Midland Upl. New York...lb.	43·60c	28·65c.	13·25c.
— Stock, Liverpool (Apr. 9) bales	1,114,920	496,960	934,600
Flax—Petrograd, Yarapol ...ton	—	nom.	£28
Hemp—New Zealand ...ton	£63	£52	£25 10
— Manila, Fair ...ton	£68 10	£48	£26 10
Jute—First Marks ...ton	£65	—	£26 15
— Red SCO ...ton	£50	—	£24 15
Silk—Blue Elephant ...lb.	45/0	20/6	11/3—11/6
Wool—Pt. Philip unwashed av. lb.	5/0	3/1½	11½d.—1/0
— Lincoln Half Hogs ...lb.	2/3½	1/7½nom.	1/0½
Hides—Eng. Ox, best, 65lb. up lb.	18½d.—19½d.	9½d.—10½d.	7½d.
Leather—Dressing Hides ...lb.	4/0—4/6	2/7—3/3	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus	77,054,000	141,516,000	34,640,000
— Red, price, N.Y. 60lb....bushel	312	237½c.	67½c.
English Gazette, aver. 480lb. qr.	72/9	173/0	34/3
Flour—G.R. ...280lb	63/6	44/3	28/6
Barley—Eng. Gaz., aver. 400 lb. qr.	89/10	62/9	25/4
Oats—Eng. Gaz., aver. 312 lb. qr.	55/2	47/1	20/0
Maize—N.Y. (new bushel)...56lb	191c.	179c.	76½c.
— Amer. mixed, Liverpool...480lb.	nom.	63/9	32/4
— La Plata ...480 lb. qr.	73/6	60/0	25/9
Potatoes—Good English ...ton	†305/0	192/0	70/0—75/0
Rice—Bassein ...cwt.	48/6	25/0	7/0—7/3
Tapioca—Pearl, medium ...cwt.	36 0– 38/6	35/0	14/0—17/8
Hay—best ...2,018lb....load	—	176/0	82/6
Hops—English ...cwt.	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs ...8lb.	6/8	7/10—8/4	3/8—3/10
— Scotch sides ...8lb.	10/0	8/4	4/6—5/0
— English ...8lb.	10/0	8/4	4/2—4/5
Mutton—Scotch wethers ...8lb.	10/6	8/10	5/8—6/0
— English wethers ...8lb.	10/6	8/10	4/6—5/4
— New Zealand frozen ...8lb.	10/6	8/10	2/4—3/2
Pork—English and Irish ...8lb.	14/0—18/8	10/8	3/6—4/0
Bacon—Irish, delivered ...cwt.	†270/0	190/6	60/0—74/0
— Danish ...cwt.	†192/0	—	58/0—68/0
— Canadian, ex Port ...cwt.	†187/0	180/0—188/0	—
— American, ex Port ...cwt.	†187/0	174/0—180/0	72/0—74/0
Hams—Amer. long cut, ex Port cwt.	†190/0	174/0—185/0	75/0—79/0
— — short cut, ex Port ...cwt.	†190/0	172/0—184/0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt.	†198/6	160/0—169/0	51/9—52/9
Butter—Danish ...cwt.	303/4	Controlled 252/0	117/0—120/0
— French ...cwt.	303/4		96/0—108/0
— Australian ...cwt.	303/4		98/0—110/0
— New Zealand ...cwt.	303/4		108/0—114/0
Cheese—Canadian ...cwt.	†145/0	Controlled 144/8	66/0—68/0
— United States ...cwt.	†145/0		—
— Dutch ...cwt.	†145/0		53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Mar. 31 F...cwt.	6,544,960	5,462,565	19,777,254
— Home consump'n, to Mar 31 cwt.	6,641,980	6,366,991	17,272,000
— In Bond Mar. 31 ...cwt.	5,840,000	6,237,000	6,306,000
— Price, Java, 96° Pol. ...cwt	72/0	36/0	10/3
— — Yellow crystals ...cwt.	80/0	57/9	12/6—14/0
— — Tate's Cubes, No. 1 ...cwt.	84/0	64/9	18/0
Coffee—Imports to Mar. 31 ...cwt.	174,190	175,261	720,360
— Home consumpt'n to Mar. 31 cwt.	76,581	75,101	141,410
— Exports to Mar. 31 ...cwt.	141,103	45,763	340,250
— In Bond Mar. 31 ...cwt.	671,000	666,000	484,000
— Price, Costa Rica gd. to finecwt.	175/0—195/0	145/0—155/0	80/0—93/0
— — Brazil (Santos) Good ...cwt.	130/0—132/0	65/9	41/6
Tea—Imports to Mar. 31 ...lb.	121,260,481	109,012,636	123,230,277
— Home consump'n. to Mar. 31 lb.	94,378,017	73,382,736	155,447,972
— Exports to Mar. 31 ...lb.	11,783,351	5,269,059	26,561,765
— In Bond Mar. 31 ...lb.	230,575,000	150,570,000	78,292,000
— Price, Indian, Pek. Soug. gd.lb.	1/0½ –1/1	1/4	8½d.
— — Ceylon, Pek. Soug. Ord. lb.	1/2	1/4	8½d.
— — Common Congou ...lb.	1/0nom.	1/4	5½d.
Cocoa—In Bond Mar. 31 ...cwt.	1,902,000	902,000	309,000
— Grenada, good to fine ...cwt.	128/0—132/0	85/0	52/6—56/0

* Estimated. † Controlled. ‡ Decontrolled: Price Ex. Factory.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific ...	Feb.	$13,557,000	+2,493,000	$714,000	— $267,000
	2 mos. to Feb.	27,472,000	+3,380,000	1,300,000	— 1,235,000
Grand Trunk	Feb.	£957,700	+ £117,700	Dr.£102,500	— £38,800
	2 mos. to Feb.	1,998,200	+ 251,600	Dr.269,800	— 58,800

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open.	Gross Receipts.	+ or — on Year Ago.	No. Wks	Aggregate Receipts.	+ or — on Year Ago
Assam Bengal	Mar. 6	993	R1,99,291	+ 7,949	23	51,12,625	+ 9,63,626
Bars' Light ...	Mar. 13	118	24,300	— 3,400	50	14,70,200	+ 5,58,400
Bengal & N.W.	Mar. 13	2,065	5,13,230	— 26,295	24	1,12,76,370	— 3,53,160
Beng. Dooars	Mar. 13	158	24,270	+ 4,038	24	10,02,972	+ 1,30,241
Beng. Nagpur	Mar. 6	2,695	11,96,000	— 2,21,000	49	6,00,42,265	+ 43,17,408
Bomb. Baroda	Mar. 31*	2,871	19,77,000	+ 7,62,000	26	5,16,94,000	+ 43,76,000
Burma	Feb. 28	1,342	6,80,647	+ 1,14,423	48	2,66,01,237	+ 28,31,914
Del Um. Kalk.	Mar. 31	239	1,95,286	+ 78,533	26	26,10,590	+ 3,16,774
East Indian ...	Apr. 10	2,771	30,70,000	+ 2,48,000	2	42,57,000	+ 2,40,000
Gt Indian Pen.	Mar. 31	3,121½	49,91,000	+ 11,54,900	26	7,08,83,389	+ 59,97,633
Madras & S.M.	Mar. 20	3,152	11,10,000	— 1,43,788	25	2,80,51,286	+ 15,17,493
Nizam's Guar.	Mar. 13	800	3,37,189	+ 15,443	24	70,52,821	+ 10,23,322
Rob. & Kumn.	Mar. 6	576	111,790	+ 11,958	23	22,66,662	— 1,82,169
South Indian	Mar. 6	1,852½	7,30,233	+ 1,19,949	49	3,70,58,360	+ 41,25,677
South Punjab	Dec.	716	8,51,780	+ 53,964	3m	22,50,025	— 9,561
COLONIAL.	* 4 days						
Can. Northern	Apr. 7	9,704	$1,106,000	+ 269,700	14	13,756,700	+ 1,976,250
Can. Pacific ...	Apr. 7	13,388	3,817,000	+ 696,000	14	46,578,000	+ 7,190,000
Grand Trunk	Apr. 7	3,616	£301,918	+ 40,024	14	3,481,751	+ 342,352
Mashonaland	Dec.	810	75,580	+ 22,121	3m	221,831	+ 83,900
Mid. W. Aust.	Jan.	277	12,717	+ 5,082	7m	72,803	+ 9,972
NewCapeCent.	Mar. 20	205	3,068	+ 340	12	38,737	+ 5,378
Rhodesia Rlys.	Dec.	1,397	104,442	+ 15,099	3m	—	—
Temiscouata...	Oct.	—	$30,562	+ 2,154	10m	304,661	+ 22,504
W. Pass. & Yuk	Aug.	122	—	—	8m	$968,676	+ 31,021
FOREIGN.							
Argentine.							
Arg. N. East...	Apr. 3	752	£ 9,900	— 3,700	40	463,200	+ 80,400
Arg. Transand.	Apr. 10	111	£ 4,185	— 375	41	127,416	— 25,374
B. A. & Pacific	Apr. 10	3,536	£ 170,000	+ 35,000	41	6,055,000	+ 1,346,000
B.A.Gt. South	Apr. 4	3,792	£ 175,000	+ 34,000	40	7,128,000	+ 1,607,000
Do.	Apr. 4	Net	£ 55,000	+ 14,000	40	2,466,000	+ 1,269,000
B. A. Western	Apr 11	1,882	£ 104,000	+ 32,000	41	4,032,000	+ 1,232,000
Do.	Apr. 11	Net	£ 35,000	+ 19,000	41	1,354,000	+ 686,000
B. A. Central	Feb.	190	£ 45,205	+ 6,985	8m	360,905	+ 37,828
Cent. Argent.	Apr. 10	3,305	£ 210,000	+ 54,000	41	7,262,000	+ 1,919,900
Do.	Apr. 10	Net	£ 81,000	+ 47,000	41	2,279,100	+ 1,527,600
Cord. Central	Apr. 10	1,205	£ 60,300	+ 12,100	41	2,406,300	+ 609,690
Entre Rios ...	Apr. 3	811	£ 22,800	+ 1,800	40	957,700	+ 149,700
Brazilian.							
BrazilGt.South	Feb.	110	M 50,750	+ 11,650	2m	109,500	+ 23,310
Brazil Railway	Dec.	3,530	M4,859,000	— 141,271	12m	57,772,000	+ 7,819,243
Gt. W. Brazil	Apr. 10	1,010	£ 28,400	+ 9,100	15	389,200	+ 92,900
Leopoldina ...	Apr. 3	1,831	£ 56,916	+ 20,085	14	734,469	+ 327,925
Mogyana ...	Dec.	1,180	M 1,561,000	— 956,490	12m	22,267,000	— 2,474,651
Paulista ...	Dec.	766	M 2,650,000	— 806,038	12m	32,479,000	— 1,225,892
San Paulo ...	Apr. 11	153½	£ 43,696	+ 9,215	15	675,214	+ 236,394
Sorocabana ...	Dec.	1,003	M 1,749,000	— 246,168	12m	21,953,000	+ 976,692
S.of BahiaS.W.	Mar.	52	M 57,000	— 2,000	3m	238,000	+ 9,000
Chilean and Peruvian.							
Antofagasta ...	Apr. 4	838	£ 40,725	+ 16,200	14	773,385	+ 381,615
Arauco ...	Feb.	84½	£ 14,500	+ 4,500	2m	29,000	+ 6,500
Nitrate(2wks.)	Mar. 31	390	£ 61,198	+ 38,920	12	239,309	+ 138,252
Peruvian Corp.	Mar.	1,140	S 1,282,690	+ 206,990	9m	10,684,994	+ 1,635,459
Taltal ...	Mar.	180	£ 37,710	+ 29,272	9m	208,830	+ 67,483
Cuban.							
Cuban Central	Apr. 10	362	£ 42,235	+ 2,971	41	1,064,101	+ 215,180
Havana Cent.	Apr. 10	70	£ 15,127	+ 2,628	41	459,175	+ 88,217
U. of Havana	Apr. 10	681	£ 90,063	— 6,235	41	2,736,207	+ 485,434
W. of Havana	Apr. 10	155	£ 18,184	+ 5,586	41	420,774	+ 91,017
Uruguayan.							
Cent. Uruguay	Apr. 10	273	£ 25,859	+ 1,240	41	930,035	+ 37,774
" (E. Ext.)	Apr. 10	311	£ 7,241	— 33	41	253,155	+ 30,300
" (N. Ext.)	Apr. 10	185	£ 4,220	+ 233	41	152,442	— 2,499
" (W.Ext.)	Apr. 10	211	£ 3,164	+ 477	41	115,000	+ 5,230
Mid. Uruguay	Mar.	319	£ 20,638	— 411	9m	177,653	+ 20,000
N.W. Uruguay	Mar.	113	$ 6,063	— 605	9m	80,687	+ 2,273
Urug. Northn.	Mar.	73	£ 2,447	+ 34	9m	21,978	+ 3,006
Miscellaneous							
Alcoy & Gandia	Apr. 10	33	Ps. 12,000	+ 1,800	15	173,900	+ 22,500
Bilbao ...	Mar.	15	£ 5,734	+ 2,945	3m	11,017	+ 2,115
Bolivar ...	Mar.	136	£ 16,045	— 1,237	9m	87,987	- 473
Colomb. Natnl.	Feb.	86	£ 13,960	+ 6,100	2m	31,760	+ 10,840
Costa Rica ...	Jan.	189	£ 27,765	+ 4,840	7m	173,436	+ 18,720
Dorada Ext....	Mar.	70	£ 12,000	+ 4,500	3m	35,500	+ 15,200
Egyptian Delta	Mar. 31	559½	£ 13,219	+ 13,219	52	406,543	+ 41,089
Gt. S. of Spain	Apr. 3	104	Ps. 102,591	— 55,015	14	1,035,786	+ 867,457
La Guaira&Ca.	Mar.	22½	£ 14,636	+ 4,700	3m	43,200	— 17,480
Ottoman Ry...	Mar. 20	379	£ 6,008	— —	—	—	—
ParaguayCent.	Apr. 3	255	£ 4,130	— 490	40	194,590	+ 33,080
Puerto Cabello	Mar.	34	£ 7,000	+ 1,600	5m	17,500	+ 2,575
Salvador ...	Apr. 10	100	£ 7,576	+ 2,930	41	179,295	+ 74,580
Santa Fe Prov. French Rys.	Feb.	1,181	£ 148,806	— 17,365	2m	302,300	— 17,442
S'm'na&S'ti'go	Jan.	80	£ 11,260	+ 4,417	1m	—	—
Zafra & Huelva	Feb.	112	$ 12,863	+ 4,222	2m	27,084	+ 6,988
TRAMS.							
Anglo-Argent.	Apr. 8	400	£ 70,496	+ 3,508	14	1,013,849	+ 210,861
Auckland Elec.	June 30	27	—	—	52	292,502	— 1,051
Bombay Elec.	Jan	39	R. 7,79,874	+ 1,45,829	1m	—	—
Brazilian Trac.	Feb.	378½	M 9,381,000	+ 1,409,000	2m	19,938,000	+ 2,542,000
Brisbane Elec.	Mar.	40½	£ 45,460	+ 6,080	3m	131,860	+ 19,525
Brit. Columbia	Jan.	334	$ 828,709	+ 151,220	7m	5,50,625	+ 955,041
B. A. Lacroze	Mar.	51	£ 55,000	+ 7,630	9m	453,687	+ 63,108
Calcutta ...	Apr. 10	35½	R 83,774	+ 5,345	15	12,56 639	+ 66,781
Cape Electric	Feb.	42½	£ 26,789	+ 334	8m	214,950	+ 25,970
Carth. & Herr.	Mar.	9	£ 3,493	+ 1,093	3m	12,249	+ 3,843
Chatham&Dist	Apr. 1	15	£ 1,546	+ 238	13	18,868	+ 2,844
Havana Elect.	July	86	$ 794,768	+ 100,679	7m	5,116,661	+ 402,587
Isle of Thanet	Apr. 7	20½	£ 1,584	+ 1,146	28	15,806	+ 7,215
Kalgoorlie ...	Nov.	20½	£ 2,859	— 74	11m	30,492	— 348
Lanarkshire ...	Apr. 1	28½	£ 4,013	+ 418	13	51,516	+ 3,355
Lima Light ...	Jan.	85	£ 58,659	+ 13,329	1m	—	—
London C.C. ...	Apr. 14	141½	£ 79,528	+ 4,429	2	159,445	+ 9,409
Madras (2wks.)	Mar. 31	15½	R. 54,985	— —	12	271,788	+ 74,785
Manila Electric	Feb.	50	$ 278,243	+ 66,567	2m	556,581	+ 113,319
Pernambuco...	Apr. 11	59	£ 7,039	+ 1,603	15	115,952	+ 36,935
Provincial ...	Mar. 27	21½	£ 3,180	+ 622	26	74,023	+ 12,722
Rangoon Elec.	Mar.	25	£ 8,698	+ 1,165	3m	23,832	+ 3,787
Shanghai Elec.	Feb.	26½	M x.$133,750	+ 27,750	2m	289,750	+ 41,757
SingaporeElec.	Feb. 28	26½	$ 22,322	+ 6,833	9	189,133	+ 43,662
U.of Montevid.	Mar.	90½	£ 45,015	+ 3,945	5m	222,724	+ 31,833

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The Statist.

LONDON, SATURDAY, APRIL 17, 1920.

IRELAND.

THE debate in the House of Commons on Tuesday upon the question whether the Government is justified in starving men to death in the hope that thereby the opposition it is experiencing at the other side of St. George's Channel may be decreased begins a movement which we earnestly hope will lead before long to the final defeat of the Reactionary Government. The debate, from many points of view, is exceedingly disappointing. The numbers who took part in its were few, and the demonstration made was weaker than might reasonably have been expected. Yet it is to be recollected that the Government has an immense majority; and, furthermore, that it is without real knowledge of the true feeling of the public, whether at home or abroad. If the Irish prisoners, who refuse to take the food attempted to be forced upon them by the Government, were to persist in their action, and any of them were to die, there would be an outcry at home and abroad which would before long drive the present Government from office, and introduce new relations between the two great islands which make up the United Kingdom. It would be a brutal thing to express a hope that unfortunate men should be driven, whether rightly or wrongly, to cause their own deaths by the treatment to which they are subjected by the Government. But it seems clear that if any of these men were to be done to death there would be such a change of feeling in this country and abroad as would go far towards permanently ending the influence of the Tories in British Administration. It is hardly necessary for us to remind our readers that when the War broke out the late Mr. Redmond and Mr. Dillon offered to raise in Ireland a considerable army for the Crown, and that they were defeated by the refusal of the War Office to grant commissions to Roman Catholic gentlemen. There is no possibility of disputing the statement just made; for it was first laid before the House of Commons by the late Mr. Redmond; it was admitted to be true by the present Prime Minister; and the quarrel between England and Ireland, which had been in a fair way of being ended, was fanned into flame, firstly, by the conduct of the War Office, and, secondly, by the action of Sir E. Carson and his supporters in Ulster. The new quarrel between the two islands, then, is a quarrel fomented by the Tory party; a quarrel which both the late Mr. Redmond and Mr. Dillon did their utmost to prevent; and a quarrel, finally, which was exasperated, firstly, by the refusal of the Government to give commissions to loyal Roman Catholic gentlemen; and, secondly, by the unnecessary severity with which the rising of a few hundred rash boys in Dublin was suppressed. From that day to this the action of the Irish Government has been framed, apparently, for the express purpose of making Ireland more and more discontented. Even now, when numbers of prisoners confined in gaol without a definite charge being brought against them, and, of course, therefore, without any real proof of guilt on their part, refused to take the prison food, Mr. Bonar Law affirmed in the name of the Government that he would allow those men to starve themselves to death rather than make any change in the treatment accorded to them.

Now the supporters of the Government seem to think that no sane man who desires good government can dispute the propriety of the decision at which the Government has arrived. If that be really regarded as correct, we say definitely, explicitly, and clearly that we of this Journal altogether repudiate such a charge. We do not believe that any Government in any country in any part of the world is entitled to so treat prisoners not convicted of crime as to cause or bring about their death, and, consequently, we feel as convinced as we are of our own existence that if those prisoners were to be allowed to die their death would be chargeable to the Government, and there would be such universal condemnation not only in the United Kingdom itself, but throughout the whole civilised world, as before very long would drive the party out of office and out of influence. Governments exist, it is quite true, for the purpose, or, at all events, in the hope, that they will promote the safety of subjects and the orderly management of public business. Unfortunately, Governments themselves are much more frequently found to be the real disturbers of the peace; and in Ireland, in particular, Governments have been almost always the real disturbers of the peace and the real cause of the unhappy state in which that country has been kept ever since English rule has been established there. Occasionally a Prime Minister of exceptional liberality has introduced a mode of governing the island which for a time soothed feeling and brought about a promise of better things. But no sooner did the Tories recover power than they began to aggravate, to irritate, and to provoke public feeling, and to bring about a state of things similar to what we see at the present moment. The majority in the House of Commons at the present time are bold enough to affirm openly that it is the Irish people who have caused the disturbance in Ireland, and not themselves. We deny that emphatically and completely. We believe the whole evil has been done by the existing Government, and that a fairly satisfactory state of things could be restored in Ireland in a surprisingly short time if there was a honest will to do so on the part of the Government, and of the persons employed by it. Persons who at times and

characters would be accepted as proof that they really mean to govern to the best of their ability.

It requires not a little patience to read calmly some of the speeches delivered by those who support the conduct of the present Government in Ireland. For everybody who knows the history of Ireland, and who has carefully followed the steps by which the present state of things has been brought about, is aware that there was an honest desire in Ireland in the spring and early summer of 1914 to let bygones in regard to the government of Ireland become bygones, and to accept in all sincerity the hand of friendship offered by the Liberal party. If Mr. Asquith had been a real statesman he could have ensured not merely an end of hostile agitation in Ireland, but he could have secured the active support of the young men of Ireland in the War against Germany. That a quarter of a million of men could have been raised in Ireland at the time is as certain as anything which has not happened can be said to be certain; and it was prevented simply and solely by the refusal of the War Office to grant commissions to Roman Catholic gentlemen. Even now, excited as Ireland is, and criminal as are many of the actions reported from day to day, we are as convinced as ever we were of anything in our lives that order could be restored without violence and without bloodshed if the right sort of Government were instituted. Feeling so, we would appeal once more to the trades unionists to bestir themselves. They can, if they will, put a stop to the misgovernment of Ireland. The trades unionists can compel the Government to act reasonably and to act justly. Whether they will do so remains to be seen. Speeches in the House of Commons are excellent, especially such speeches as that of Mr. Clynes on Tuesday. But they are not enough. There must be clear proof that the trades unionists are in earnest; that they will not allow the name of England to be made to stink throughout the world; and that they will insist upon Irishmen being treated just as Englishmen or Scotchmen would be treated if there were disturbances at this side of the Channel. We want real good government. And we want, in especial, such a transfer of the power of government from England and Scotland to Ireland herself as will give Irishmen the power to provide for their own needs and to govern themselves in the way that suits them. There is no real demand for an utter break between Ireland and England. No doubt there are Irishmen who at present are so exasperated that they would go any length in hostility. But there are not, at the present time, the means of forming such a Government in Ireland as would have a fair chance of permanently surviving supposing that circumstances occurred which would make Ireland really independent. The population of Ireland is too much divided amongst themselves. The whole Protestant party do not believe that they would get fair play from the Catholics; for, to speak frankly, they have never given fair play to the Catholics in the past. Therefore, it would be difficult to govern Ireland as a really free country ought to be governed if British rule were entirely withdrawn and Ireland had to manage her own affairs in the teeth of all Protestant opposition. But there is no reasonable doubt that if Englishmen and Scotchmen were willing to trust Ireland there could be such a Government formed as would prove to the world that Catholics desire the liberation of Ireland so intently that they would make concessions to Protestants much greater than ordinary Protestants would believe could fairly be asked from them. If, then, the trades unionists will but exert themselves and secure the power which is now being offered to them, they can establish a state of things in Ireland which will not only silence permanently all accusations of their unfitness to govern, but will prove to the satisfaction of all the world that a great free Liberal party, drawn from the real workers of the country, is the only one that can give thorough peace and thorough prosperity to a country.

EATING THE LEEK.

We are glad to say that the Government has refused to act up to the outrageous doctrine proclaimed by Mr. Bonar Law in the debate on Tuesday respecting Irish prisoners detained without any special charge of any kind being brought against them. We presume that feeling throughout England was too strong even for the most fanatical supporters of Mr. Bonar Law. No doubt our readers noticed that, although the Government was supported by the votes of those who follow it, it was not encouraged by many speeches; while it is perfectly certain that if Irish prisoners had been starved to death the outcry in England itself would have been such as speedily would have driven the Government from office. There is a very wide distinction between openly voting down the Government of a party's choice and ultimately backing up and justifying a decision which, to use the mildest language, cannot be denied to be unchristian and brutal. The public feeling of the country would have revolted if there had been deaths, and even the majority of the party itself probably was not prepared to go far enough to risk actual sacrifice of life. Anyhow, the country has been saved from a grave scandal, and the national reputation cannot now be accused of doing men to death where evidence could not be produced to justify legal punishment. The Government has acted throughout in a manner so stupid, as well as so unfeeling and unnatural, that it has damaged itself beyond repair, and so has brought nearer that change of Government which we are all hoping to see hastened as much as possible.

MONEY PROSPECTS.

It is hardly to be expected, perhaps, that busy men who have large interests to protect, and who see those interests more or less endangered in this direction and in that, should pay less attention to the Money markets of the world than under ordinary circumstances they would do. Firstly, there is the action of Germany in moving troops in a direction which led to the immediate advance of French troops to drive them back. In addition to that, Mr. Lloyd George, who is perhaps one of the most ignorant Prime Ministers that ever mismanaged our affairs, has—it is not very clear, indeed, what he has done—but at least has done something which induced the French public to believe that England was drawing out of her close connection with France. Such a circumstance is well calculated to excite uneasiness; and, therefore, we do not wonder that the newspapers were more occupied with Germany and France than with the Money market. Then, again, we have had extraordinary ups and downs in the money values of the countries which were engaged in the War, especially the German, French and Italian. And over and above all this, there have been somewhat disquieting reports respecting the state of affairs in the New York Money market. It is hardly necessary to remind our readers that the New York Money market is the centre of the American Money market; that, therefore, the really spare money is kept there, and that, if anything calculated to prove apprehensive is likely to happen, it is always wise to watch New York closely. We are now reaching a period of the year when business ought to be growing very active, and when, as a matter of fact, business has become exceedingly active. We printed last week a very interesting and informing article respecting cotton-growing in Texas; and we hope that our well-informed correspondent will keep us well posted respecting what happens henceforward. From now on cotton will be of great interest. But before cotton we have to bear in mind that other great harvests

have to be gathered in. For instance, the wheat crop precedes the cotton, as does the Indian corn—or maize as it should be more correctly called—and that, in fact, the real activity of the United States is only fully setting in just now. The United States, owing in large measure to the War, is the principal Money market of the world now. During the War every belligerent turned to the United States for help, and since peace was restored everybody has been looking to the United States for accommodation. It is quite true that the London Money market is recovering more quickly than most persons ventured to hope. During the War we raised immense sums at home. And we borrowed very large sums in America. But still it was thought that we should remain more dependent upon the United States than would be convenient to us for a long time to come. We are glad to find that the home Money market is recovering more rapidly than we considered ourselves justified in expecting heretofore. And therefore it is matter for sincere congratulation, firstly, that our resources are not so small as they seemed a little time ago; and, secondly, that we are not so entirely dependent upon the United States. Still, the United States is the richest country in the world. And its Money market is enormously influential.

There has been, quite naturally, greater activity in the United States than in any other country. She not only raised an immense army and a great navy, but she sent over to Europe more than three millions of men, while she lent fabulous sums to the Entente Powers. At one time in the autumn of last year there was not a little apprehension excited, for it looked as if the great Reserve Banks were lending somewhat recklessly to the banks which immediately accommodate the ordinary public with the means of carrying on their businesses. The turn of the year brought a cessation of many of the causes of anxiety, and for some time hopes were entertained that the Reserve Banks would be able to establish a wiser and safer policy than they insisted upon last year. Now, however, money is again becoming scarce and dear. There is every reason to anticipate that it will be a year of great activity; and, if so, there are some apprehensions that rates may rise unduly, and that Europe may suffer because New York will not be in a position to lend as in the interests of Europe it is desirable she should be able to lend. We have no wish to say anything that would in any wise create anxiety. We are still early in the year. The great Reserve Banks are very ably managed. And their resources are immense. The public in the United States is well aware of the demand that exists at home and abroad for American accommodation. And therefore we trust that the apprehensions that are beginning to be felt will not prove to be as formidable as in some directions they are considered to be. But it would be no real kindness to our readers, or, indeed, to the American public themselves, if we did not say frankly that it is in the interest not only of the United States, but of Europe also, that great care should be taken in regard to the way in which the vast capital of the United States is disposed of. America is wonderfully prosperous. She has much to tempt her people to engage in new enterprise. And her resources are vast. But there are demands which also are enormous; and what is desirable is that while the really necessary accommodation should be given no unnecessary accommodation should be parted with; that, on the contrary, mere gambling should be checked, while all legitimate business should be fully furnished with the means of acting for the benefit of the whole world. It is quite early in the year. We therefore entertain no fear of exciting unnecessary alarm. But it is well that everywhere it should be understood that while there is great wealth there is also an enormous demand for the use of that wealth, and that it is incumbent upon the great controlling banks to see that the vast resources they have at their disposal shall be employed wisely and for the benefit of the world.

THE UNITED STATES.

We regret to notice that unfavourable reports respecting the health of President Wilson are again in circulation. We sincerely hope that the reports are much exaggerated, and that before long he will be able to resume his attention to public affairs. Meantime, the period is rapidly approaching when the two great parties will have to select their candidates for the Presidency, and to begin that campaign which will not end until November, but then will decide who is to be the Chief Magistrate of the United States for at least four years beginning with March of next year, and probably for eight years, if not possibly even for twelve years. The negotiations for peace have been so badly conducted, more particularly by this country and the United States, that there is extreme dissatisfaction amongst Americans with the decisions arrived at, and it looks to a great many people at the present time as if it were likely that America would refuse to continue to take an active part in European politics. We ourselves do not attach very much importance to the predictions that are made in that direction by so many persons. In the first place, we doubt very much whether there is anybody in a really influential position in the United States who as yet has made up his mind as to what ought to be the policy of the United States in regard to Europe. And, in the second place, we greatly doubt whether people, either in Europe or in America, are yet able to judge how politics are likely to run for some years to come, or how the course of affairs may drive people into policies which now they do not even contemplate. The relations between the United States, on the one hand, and Europe, on the other, are not to be settled either by an individual here and there—no, nor even by the prejudices or the past policies of great parties. They will be worked out under the influence of actions which have not yet been entered upon, but which are already in preparation. The United States, we take it, is deeply interested not only in all American affairs, but likewise in all European affairs, firstly, because it is mainly with Europe that the trade of the United States is conducted; and, secondly, because it is from Europe that the United States has drawn its whole population, except that portion of it which came from Africa. The United States is, when everything is said, a European country with European interests, European engagements, and European prospects. And unless changes are about to occur greater than any of us anticipate at present, the United States will draw nearer and nearer to Europe instead of drawing backward.

Even now it is obvious to anybody who knows what is going on that the American people are taking, and will continue to take, a very great interest in China. But the United States cannot carry out its policy in regard to China without also influencing to a greater or less extent the policy and the conduct of Japan. While it is equally plain that if Russia ever again becomes a really great world Power, she must exercise such influence upon China and Japan as will nearly touch the interests of the United States, and thus will affect the whole policy of the United States. Over and above all this, it is to be recollected that we of these little islands, with a population of under 50 millions, are taking under our control not only the vast multitude that inhabits India, and everything that is dependent upon India, but also Persia, Mesopotamia, and Palestine, and, of course, both Egypt and the Sudan. Now, does any reader who has a fairly good knowledge of the relations between the United States and, let us say, England, Russia, China and Japan, really think that the United States can lay down the law that China must not be cut up by ambitious Powers; that, furthermore, Russia and Japan must not push too far their demands in respect to China; and, finally, that the United States will not be influenced to some extent, at all events, in its relations with the United Kingdom by the policy which we in these islands pursue, let us say, in Persia and in Mesopotamia. We have no

intention, and but little desire, to enter just now upon the very serious and very thorny question of the relations of Europe and America with China. But he must be either a very sanguine man, or else a man very easily satisfied by soothing answers, who thinks that the present condition of China and the present ambitions of so many other countries respecting China do not give rise to the gravest possible questions. Just now the people of the United States are making their arrangements for choosing the man who is to be President of the United States from midday on March 4 next for the following four years. But the whole election will be over early in November. November will tell which of the great parties is to control American politics. And it will give us some hint, at all events, as to the temper which will be breathed into the policy. Therefore wise men will not indulge in foolish predictions as to what the United States will, or will not, do between now and early in March next year. We are in a preparatory state. We are about to enter upon a new condition of things in March of next year.

Such of us as wish to have a reasonably safe opinion respecting the policies of the great Governments will watch, will study, will think, but they will avoid rash and over-early predictions. What is perfectly certain is that the United States has received absolute proof that if she provides herself with an adequate Navy she can land an immense military force in Europe. The Germans, whatever else they may have been, were at least watchful observers of the preparations of the United States in the last year of the War; and yet it came as a surprise upon the Germans that America, with the aid of the English Fleet, was able to land three millions of soldiers in Europe. Is there anybody so ignorant of the United States as to believe that the experience of 1918 has been already forgotten, or is likely to be very soon forgotten? And if there is not, is it not perfectly plain that we in this country are acting without even an idea of how we ought to prepare for a future which, whatever it may be, will, at all events, introduce great changes? We have, as already said, not only added to the greatest Empire the world has ever seen Persia, Mesopotamia and Palestine, but we seem to be convinced that we can practically rule all these without trouble to ourselves; that we can at the same time show to all the world that we are the most reactionary and most tyrannical Government upon earth, that we can rob the natives of Ireland of their land and give it to Englishmen, Scotchmen and Welshmen, but that we are determined to keep the memory of the fact in the mind of the Irish people, and so to proclaim to all the earth that while we are adding and grabbing in the most voracious way lands all over the earth, we are at the same time showing that even in a little country only 60 miles from our shore we are not able to govern with ordinary decency. Is it not time that we should waken up? We have been wonderfully fortunate. We have allowed the idle rich to play the fool to their hearts' content. And we have allowed the Liberal wing of the well-to-do to moderate to some small extent the misgovernment of the idle rich. Is it not time that we should open our eyes and recognise that we are making enemies all the world over, and are proving that even in a country which has been more or less connected with us since the reign of Henry the Second we cannot maintain—we will not say moderate government—but even government that is not calculated to shock all free-born men?

THE POTTERY INDUSTRY.

At the recent British Industries Fair an impressive display of British pottery was witnessed, and the consensus of expert opinion was that the various new shapes, designs, and decorations exhibited proved beyond question that the industry was fully alive to the need for technical and artistic excellence in its wares. Though there are redoubtable competitors in the field, the British craftsman is apparently able to hold his own not only in earthenware and stoneware, but in the most delicate types of porcelain. Earthenware is made by exposing the moulded clay to a moderate heat, and when finished has a comparatively soft surface. Greater heat is employed in the making of stoneware, which is accordingly much harder, but the maximum temperatures are reached in the firing of porcelain. The term "pottery" to-day is restricted for the most part to the porcelain group, and here North Staffordshire occupies the leading position. Other English centres besides "The Potteries" have become famous in connection with pottery wares, and distinctive features mark the products of Chelsea and Derby, while Bow, Lambeth, Worcester, and other porcelains are familiar not only to lovers of *articles de vertu*, but to the general public. Commencing with the time of Wedgwood in the latter half of the eighteenth century, North Staffordshire has, however, gradually established its claim to be considered *par excellence* the home of the pottery industry.

Ceramics at first developed very slowly in England, though a high state of development had been attained abroad, but by degrees both craftsmen and artists as they improved in execution and finish raised this country to a level where it could claim to be equal, if not superior, to other countries in an art which boasts many remarkable triumphs. In recent years the standard of colouring and design has been further improved, mainly through the influence of the art exhibitions held by the Ceramic Society at Stoke. Better methods of firing have also been introduced in the biscuit-oven before glazing, and in the glost-oven after glazing. For earthenware and semi-porcelain services new devices for multiplying production have been utilised, and in a large number of cases in the Staffordshire district factories have been enlarged and factory organisation, rather rudimentary in character in the past, has been improved out of recognition.

As a result of the advance in industrial methods, many firms are now turning out record quantities of wares, even if we take into account the best pre-War output. In not a few instances, however, outputs show a decline on account of reduced working hours and decreased supplies of raw materials. It is unnecessary to enlarge on the first and principal reason for the decline, as it represents a phenomenon common to all industries. As regards raw materials the pottery industry requires coal and clay in large quantities. Coal has been very scarce, but the situation now shows a tendency to improve. Among the various clays needed the best and purest is kaolin or china-clay, which comes from Cornwall. Even at present consignments are held up for long periods owing to traffic congestion. The delivery of pipe-clay from Dorset has been similarly interfered with, but the sand, chalk, and other materials obtainable in the Staffordshire district have been coming forward in satisfactory quantities. Transport difficulties have also been responsible for holding up finished goods and for diverting to the home market wares intended for export. These annoyances are now being perceptibly lessened and manufacturers are able to see their way more clearly ahead. The export market, which is of prime importance, extends all over the globe, largely in the two Americas and in China and the Far East. The trade is catered for to a great extent by merchants with expert knowledge of the tastes of each country, and manufacturers have, of course, to adapt their products to the requirements of particular customers. The range of production extends from toby jugs and grotesques to the most elaborate dinner-ware, and manufacturers must be constantly thinking ahead so as to forestall competition and attract new purchasers. Thus, in South America and in the East Japanese competition has become a factor to be seriously reckoned with, and makers of medium and common sorts of ware have been much exercised over the possibility of

losing substantial markets. By taking thought they have to a large extent neutralised the various advantages possessed by Japan and have retrieved a position which was almost lost. Designs were improved and the idiosyncrasies of buyers were exactly hit off, thus proving once again the unequalled faculty for adaptation possessed by British industrialists.

A factor that will continue to make for our supremacy is the increased attention now devoted to research. The word is here not used in the scientific sense of work undertaken to extend the bounds of human knowledge, but refers to laboratory efforts undertaken with limited industrial objectives. Discoveries made in pure science are often, indeed, after a short period, found to admit of useful application in industry, but the moulding, baking, glazing, and enamelling of clay do not afford a wide scope for work of this kind. All kinds of research, however, involve an intelligent appreciation of the trend of the public demand and of the possibilities of manufacturing development, and in the various branches of the pottery industry a progressive spirit is apparent to the investigator. Old rule-of-thumb methods are fast disappearing, utility of purpose is being wedded to beauty of design, and everywhere a striving for higher standards is unmistakably manifest.

BRITISH RAILWAY STATISTICS.

STATISTICAL practice on British railways has lagged far behind that of the United States and Continental countries, and to remove this reproach an attempt is now being made by the Ministry of Transport, with the cordial co-operation of the companies, to modernise our railway statistics. Any comprehensive scheme of transport reform in the United Kingdom must be based on exhaustive knowledge of existing conditions, and this knowledge is obtainable only through the compilation and study of data on the various salient features of railway economics. Not only the Ministry, but the trading community and the general public, will then be in a position to lay their finger on the weak points in our system. At present the Rates Advisory Committee are attempting a general revision of freight rates, and some time ago we indicated the principles on which the reformed schedules should be drawn up. It will be remembered that last year the Committee completed an interim revision, which was put into force early in 1920; but their deliberations were hurried, as the main object of the increase was to produce equilibrium between the income and expenditure of our railways, and so relieve the Exchequer of the existing large subsidy. The interim revision, though it practically achieved its object, has evoked much criticism from traders, and railway companies to some extent are also dissatisfied. The new statistics, when available, will enable rates reform to be carried out on more logical lines. For instance, no information has ever been tabulated, with regard to commodities, as to the amount of each commodity transported, the average rate paid per ton, or the distance hauled. Henceforth, for 72 commodities, representing 85% of the goods traffic on our railways, the number of tons carried, the receipts, and other particulars will be issued for each period of four weeks. With such information at the disposal of the Committee a more equitable system of rate-fixing is obviously possible.

We have been foremost in advocating for many years the reform of British railway statistics on the ground that they would, when properly drawn up, supply what is in effect the only real measure of the working efficiency of our railways. Too much faith had been placed in tonnage figures, which, after all, indicate only the sum-total of the demand for rolling-stock and terminal accommodation. Distance must be considered, and ton-miles, representing weight multiplied by distance, are the natural units to adopt. With the aid of other figures the average haul, the average rates paid, and other important statistical units can be deduced, while the density of traffic, or the number of ton-miles in relation to the number of route-miles of the railways, can also be considered. The primary figure is the ton-mile, and we urged time and again that this is the sole test, on the goods side, of the amount of work done by a railway system. It is in fact the unit of freight transportation that is sold to the railway's customers. It is gratifying to note that in the new departure, which involves an attempt to supervise from actual data the working of the railways, pride of place is given to the ton-mile. Ton-miles, along with wagon-miles and engine-hours, now take a recognised place in British railway statistics. Further figures as to passenger traffic, maintenance of permanent way and rolling-stock, and a close analysis of the figures of train-miles and engine-miles usually published are, however, required before we can be said to be abreast of the best American practice. The following table represents the first results of the new *régime*:—

Average Freight Train Loads and Lengths of Haul for the Four Weeks ended Feb. 1, 1920.

Railway Company	Average Freight Train Load	Average Length of Haul — General Merchandise	Coal, Coke and Patent Fuel	Other Minerals	Total
ENGLAND AND WALES—	Tons	Miles	Miles	Miles	Miles
Great Central ...	174·15	43·21	33·15	36·57	35·94
Great Eastern ...	102·58	46·99	65·88	44·78	53·30
Great Northern ...	156·36	60·33	41·33	34·10	45·89
Great Western ...	143·43	73·42	39·82	49·79	48·76
L. & Y.	139·01	37·12	19·96	22·61	25·36
L. & N.W.	146·35	70·70	28·23	43·14	43·55
L. & S.W.	102·93	53·06	37·70	38·93	44·74
L.B. & S.C.	88·75	37·05	35·13	25·20	33·85
Midland	145·11	70·58	52·67	38·38	54·11
North Eastern ...	154·81	57·53	24·32	30·66	32·25
North Staffs. ...	90·70	21·51	12·27	18·52	16·39
S.E. & C.	105·63	37·10	30·69	28·58	32·53
Taff Vale	144·19	12·66	12·93	11·84	12·89
SCOTLAND:					
Caledonian	105·81	54·43	15·95	44·51	33·19
Glasgow & S.W. ...	93·42	44·86	20·06	30·24	28·69
North British ...	103·16	57·04	24·49	28·91	33·87
*ALL RAILWAYS IN GREAT BRITAIN	132·38	91·24	43·79	50·84	55·73

* Covers all railways constructed to standard gauge.

These figures are subject to slight alteration on revision, but this does not affect the importance of the results obtained. The division of ton-miles by train-miles gives the average freight trainload, a most important figure, now appearing for the first time and given in the second column above. The average load for Great Britain is only 132.38 tons, and no figure could be more eloquent of the need for improvement if our transportation charges are ever to be reduced. With the present limited size of wagons and limited clearances there is, it may be observed, little chance at the moment of a material diminution. The average length of the haul, 55.73 miles, is probably much longer than before the War, owing to the reduction in coastwise shipping, which carried much of the long-distance traffic. It will be noted that in the table the average

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length of haul for Great Britain is higher than for any particular railway in respect of general merchandise, "other minerals," and in the general total. The British average represents the total distance which the consignments travel, perhaps over more than one railway, while the average for each company takes into account only the distance travelled on the particular system. The general average of nearly 56 miles approaches that for the German State Railways before the War.

A second table, prepared by the Ministry of Transport, is even more informative:—

Train-Miles per Train Hour and per Engine-Hour for the Four Weeks ended February 1, 1920.

Railway Company	Coaching Traffic—Train-miles per Train-hour	Coaching Traffic—Train-miles per Engine-hour	Freight Traffic—Train-miles per Train hour	Freight Traffic—Train-miles per Engine-hour
ENGLAND AND WALES:—	Miles	Miles	Miles	Miles
Great Central	15·99	10·56	5·62	2·58
Great Eastern	10·95	9·30	8·71	4·10
Great Northern ...	12·04	9·59	7·29	3·61
Great Western	12·97	9·89	6·62	3·89
Lancs. & Yorks. ...	11·95	9·29	4·48	1·72
L. & N. W.	13·28	9·15	6·68	3·02
L. & S.W.	22·91	11·26	16·28	3·08
L.B. & S.C.	11·55	10·13	6·64	3·42
Midland	12·69	9·96	7·16	3·50
North Eastern	13·21	10·56	8·09	3·08
North Staffs.	12·72	9·51	6·10	2·25
S.E. & C.	10·30	7·90	7·48	2·79
Taff Vale	8·55	7·32	6·25	2·24
SCOTLAND:—				
Caledonian	14·33	9·90	10·15	2·62
Glasgow & S.W. ...	13·01	9·37	11·28	4·17
North British	11·75	9·34	7·97	3·32
*ALL RAILWAYS IN GREAT BRITAIN	13·10	10·02	7·29	3·07

* Covers all railways constructed to standard gauge.

Particulars as to wagon-mileage reveal the percentage of empty haulage, a most important factor in the economical operation of any railway. At the moment this figure is not available for British railways, though by the aid of various data, including the above, it is expected to be soon ready for publication. Wagon-mileage also enables the average wagon-load to be calculated, and for the four weeks ended February 1, 1920, this figure worked out at 5.142 tons for British standard-gauge railways The tonnage is low, seeing that the average truck capacity is about nine tons, and that in making the calculation coal, iron ore, and limestone, which usually load to the full capacity of the truck, have been taken into account.

Considered together, wagon-miles and ton-miles are really units of production, and the cost of producing them, or, in other words, the expense of railway operation, must be determined by reference to other data, chiefly engine-hours. The latter show to what extent effective use is made of the tractive power called out to handle traffic. The figures given in the second table above include non-productive mileage entailed by shunting and other causes, and in the interests of railway efficiency such mileage should be rigidly curtailed. It is also necessary to utilise every locomotive to the fullest degree, and to see that the maximum of its time is spent in train-running. Yet the movement per hour of freight traffic is, as can be seen from the above table, only 3.07 miles, showing that the best use is by no means made of the locomotive power available.

The receipts per ton-mile form the subject of an interesting table, which we print as supplied by the Ministry of Transport:—

Freight Train Receipts and Receipts per Ton-Mile.

	January 1920 (27 Working Days)	Estimated Receipts for 24 Working Days	Receipts per Ton-Mile
	£	£	Pence
Gross freight train receipts ...	8,789,945	7,813,284	1·276
Freight train receipts (less cost of collection and delivery) ...	7,952,620	7,068,996	1·155

The gross and net receipts per ton-mile, 1.276*d.* and 1.155*d.*, will provide interesting comparisons on the publication of future tables, but by themselves they are of no immediate significance. They are, of course, invaluable as symbolising the spirit of reform which has seized our railway statisticians, and, in consequence, of the new field on which British railways are now entering, our railway managers will henceforth be able to exercise adequate supervision over operation and over maintenance, and so provide more efficient and economical transportation for the public.

WAR WEALTH LEVY.

In the deliberations of the War Wealth Committee of the House of Commons there is a noticeable lack of attention paid to the very vital problem of the effect on industry of ultra-radical measures of taxation. The difficulties surrounding the tax are considered to be mainly administrative, and the economic repercussions of this new but thinly disguised scheme of capital levy are almost wholly ignored. It is obvious that the more the State appropriates the greater will be the disturbance caused; but at the same time the return will have to be sufficient to justify the extreme measure taken and to recoup the outlay involved in collection. These are the horns of the dilemma which now confronts the House of Commons Committee. Many of those likely to be affected by the proposed tax have their money locked up in business, and industrial enterprise would suffer by the withdrawal of any substantial portion of such funds, while the liquidation of industrial assets which tax payments would involve might lead to a general demoralisation of markets. Many assets would eventually be found unrealisable, and British internal credit would suffer, while externally our high standing would be impaired, since recourse to any revolutionary scheme would imply that our finances had reached a desperate pass. It might do some degree mitigate the evil effects if payments into the Treasury were spread out over a series of years, and on this point the Board of Inland Revenue have been ingenious, not to say fanciful, in their imaginative flights. They will not, however, persuade sober business men that the mere drawing out of the agony will make it any more bearable.

The increased wealth resulting from the War aggregates, exclusive of scarcity values, £4,000,000,000, and the amount, according to the calculations of the Inland Revenue, is made up as follows in millions sterling:—

(000,000's omitted.)	Increase £	Decrease £
Lands	150	—
Buildings	280	—
Other profits assessed to income tax, Schedule A ...		—
Farmers' capital, including goodwill	290	—
United Kingdom National Debt, &c.	2,650	—
Bank deposits	400	—
Railways—United Kingdom	—	260
Railways—Out of United Kingdom	—	220
Coal and other mines	—	Nil
Ironworks		
Gasworks, waterworks, docks, &c.	—	—
Businesses not otherwise detailed	830	—
Foreign and Colonial securities, &c. (whether assessed to income tax under Schedule C or Schedule D) ...	—	445
Property owned by individuals not liable to income tax	400	—
Movable property	400	—
Life insurance policies	15	—
Municipal debt	—	100
Total increases	5,065	1,075
Less decreases	1,075	—
Aggregate net increase of value in hands of individuals ... ... say	3,990 4,000	— —

Estimates of this character cannot be considered reliable, since a basis of valuation is extremely difficult to find, and a large measure of duplication is inevitable. While public companies might be valued on the basis of their working capital, if it is decided to include them as such in the scope of the duty, the valuation of private concerns bristles with difficulties. Further, to apportion the value of joint-stock undertakings between the different classes of shares would be no easy task. Stock Exchange quotations might often suffice to show the value of shares which formed part of the wealth of individuals, but the number of those who possess interests not so readily valued is legion. Market value would presumably give estimates as to Government and corporation stocks and various loans and Debentures, but the suggestion that has been made to tax insurance policies on their surrender values is surely iniquitous. The fluctuating profits characteristic of some industries, such as farming, seem to defy the efforts of orthodox valuers; but it appears that to make their way out of the financial imbroglio in which the country has been involved the Government are not inclined to stick at what they consider trifles. According to the statement of the Chairman of the Committee, the Chancellor is looking to them

to provide some means of dealing with the floating debt which would save him from imposing a heavy weight of taxation on the country. The Chancellor, it is also stated, is of opinion that any scheme which produced less than £500,000,000 would not compensate for the trouble entailed in its execution or for the unpopularity which the Government would necessarily incur.

A number of possible scales have been considered by the Committee. At first it was suggested that all taxpayers should be liable if their post-War wealth exceeded £5,000 and had been increased during the War by more than £2,000, plus an allowance for wife and family. An alternative proposal was the adoption of the same limit of £5,000, bringing in those whose wealth had increased by more than 10% during the War. These schemes would affect respectively 170,000 and 200,000 persons, and, as it was desired to reduce the number affected within the narrowest possible limits in the event of the tax being decided on, fresh schemes have been elaborated by the Inland Revenue authorities, to all of which the limit of £5,000 suggested in their original proposal is to be deemed to apply. The first scheme, which would bring within its scope 45,000 people, allows an abatement of 100% of the first £100,000, 50% of the next £100,000 of pre-War wealth, and an abatement of 20% on the balance. After making these deductions the rate of duty on the remainder of the increase would be 80%. Quite apart from the question of principle, a flat-rate is objectionable *per se*, especially at the high level fixed, but the introduction of a sliding scale would reduce the estimated yield from £450,000,000 to £300,000,000, which is undesirable, from the Chancellor's point of view. The other proposals are open to similar objections, both in principle and details, and, with the encouraging revenue returns of the year just past, there is every reason to hope that Mr. Chamberlain will not be driven to any desperate expedients in order to make ends meet in the current year.

MARCH TRADE.

STEADY IMPROVEMENT.

Slowly, but none the less steadily, our trade is improving, and if only national expenditure could be brought well within the limits of national income there seems no reasonable doubt that the British trader is as capable to-day of pulling the country out of its difficulties, as a result of the recent War, as the British trader has been at any period in the past.

The Board of Trade returns for the month of March show that our trade is expanding, both in imports and exports, but the wide gap between our excess of imports over exports incurred during the progress of the European War is being gradually bridged. During the month of March our imports were valued at 176½ millions sterling, being six millions greater in value than in the preceding month, or some 3½%. Our exports, at £103,700,000, show an expansion of practically 17¾ millions sterling, or 17%. The re-exports, at 27 millions, show an expansion of very nearly 4½ millions, or 16%. Comparing March of the present year with March 1919, the imports have grown to the extent of 40%, and our exports by 48%. That is to say, they have practically doubled, and our re-exports have expanded by more than two-thirds.

Taking the longer period of the first three months of the current year, ended with March 31 last, and comparing this with the first three months of 1919, we find that the value of our imports has increased approximately by one-third; the value of our exports, as near as possible, by one-half; and the value of our re-exports—that is, goods on transit on which we earn insurance and commission—by as much as three-quarters of last year's figures. The excess of imports over exports during the first three months of the current year is valued in sterling at £151,000,000. This compares with £181,000,000 in the first three months of 1919 and some 38 millions in the first quarter of the last clear year before the War. Comparing the figures of the pre-War period with those of the present time, it will be approximately accurate to say that the value or total amount of the excess of imports over exports in the first quarter of the last clear year before the War was, roughly, £110,000,000, or £40,000,000 less than the actual figures for the last quarter. Taking the basis of present prices and comparing them with the last clear year before the War, they would approximate to an adverse balance, as it is called, of some £450,000,000. The actual adverse balance will appreciably exceed £600,000,000. We know that in the last year before the War we were able to invest, after paying all our expenses and living in a style of extravagance which incurred the reprobation of moralists at the time, something like £250,000,000 for the development of various countries overseas. It would appear that there was a considerably larger balance to bridge by means of what are known as our invisible exports, but it has to be remembered that, measured in money values, these services have appreciated quite as much as the prices of commodities. With the rise in freights the reader is well acquainted, and it is only necessary to add that there has also been a rise in the value of the services of the merchant bankers, the various insurance agencies, and of all those, in short, who handle goods in transit.

Course of Foreign Trade.

(000's omitted.)

	March 1920.	Inc. or Dec. on— 1919.	Inc. or Dec. on— 1913.	3 Mos. to March 1920— Amount.	Inc. or Dec. on— 1919.	Inc. or Dec. on— 1913.
	£	£	£	£	£	£
Imports ...	176,648	+70,896	+115,306	530,572	+183,583	+334,293
Re-exports ...	27,031	+18,082	+ 17,398	75,100	+ 56,472	+ 44,016
Net imports ...	149,617	+52,814	+ 97,908	455,472	+127,111	+290,277
Exports ...	103,699	+50,590	+ 62,009	295,543	+148,176	+168,233
Excess of imports	45,918	+ 2,224	+ 35,899	159,929	− 21,065	+122,044

Excess of Imports into United Kingdom.

Month	1920	1919	1918	1917	1916
	£	£	£	£	£
Jan. ...	52,154,000	82,615,000	54,202,000	35,301,000	29,348,000
Feb. ...	61,946,000	55,039,000	57,214,000	24,668,000	22,470 000
Mar. ...	45,918,000	43,715,000	68,042,000	29,465,000	39,707,000
April ...	—	40,382,000	77,621,000	40,244,000	30,805,000
May ...	—	59,318,000	77,516,000	27,852,000	25,786,000
June ...	—	46,420,000	64,176,000	35,999,000	30,780,000
July ...	—	76,068,000	63,525,000	35,703,000	22,515,000
Aug. ...	—	58,748,000	64,435,000	46,220,000	20,632,000
Sept. ...	—	66,376,000	56,094,000	39,870,000	26,842,000
Oct. ...	—	54,783,000	72,768,000	39,405,000	28,781,000
Nov. ...	—	36,188,000	70,752,000	62,621,000	39,310,000
Dec. ...	—	52,717,000	74,797,000	41,450,000	29,434,000

External Trade of the U.K.: Last 6 Years.

(000's omitted).

Year	Imports	Re-Exports	Net Imports	Exports	Excess of Imports
1920	£	£	£	£	£
March ...	176,648	27,031	149,617	103,699	45,918
Feb. ...	170,514	22,604	147,910	85,964	61,946
Jan. ...	183,498	25,464	158,034	105,880	52,154
1919					
Dec. ...	169,735	26,160	143,575	90,858	52,717
Nov. ...	143,565	20,267	123,298	87,110	36,188
Oct. ...	152,486	19,642	133,844	79,061	54,783
Sept. ...	148,625	15,749	132,876	66,500	66,376
Aug. ...	148,832	15,311	133,521	74,773	58,748
July ...	153,140	11,757	141,383	65,315	76,068
June ...	122,346	11,964	110,982	64,562	46,420
May ...	135,657	11,495	124,162	64,344	59,818
Apr. ...	112,211	13,347	98,864	58,482	40,382
Mar. ...	105,772	8,949	96,823	53,108	43,715
Feb. ...	107,073	5,119	101,954	46,915	55,039
Jan. ...	134,518	4,560	129,958	47,343	82,615
Year					
1919 ...	1,631,902	164,322	1,467,580	798,373	669,207
1918 ...	1,316,150	30,945	1,285,205	501,419	783,786
1917 ...	1,064,164	69,677	994,487	527,080	467,407
1916 ...	948,506	97,566	850,940	506,280	344,660
1915 ...	851,383	99,062	752,321	384,268	368,053
1914 ...	636,635	95,174	601,161	430,721	170,440

"America's Merchant Marine." This is a little volume compiled by the Bankers' Trust Company of New York, giving a presentation of the history and development to date of the merchant marine of the United States. Every statement, we are assured, has been derived from official reports or from other trustworthy sources, and the proof sheets were submitted to a number of leading maritime men in the United States, who were requested to give them a critical reading. The book is of exceptional interest to this country at the present time.

PRICES OF COMMODITIES.

"THE STATIST'S" INDEX-NUMBERS.

(In Continuation of Sauerbeck's Figures.)

THE rise in the cost of living during the month of March, as shown by our index-number, compiled from 45 representative commodities, is of a comparatively tame nature, compared with the violent movements which have been the rule for many months. This pause may prove to be only temporary, but nevertheless it will be a relief to everybody to find at last some indication that the upward trend of the general level of prices is losing momentum. While it is too early to say positively that the turning-point has been reached, the general aspect of the economic situation leads us to expect, in the absence of unforeseen happenings, the commencement of a downward movement in the not distant future. Board of Trade returns for the month of March show very satisfactory totals for exports and imports; the "visible" trade balance against this country is reduced; the American exchange shows some sign of improvement from its extremely bad condition of a few weeks ago; and reports from the provinces as to the condition of industry are, upon the whole, reassuring. It only remains for the Government to make a serious effort to regulate its finances, and, by putting an end to its incessant borrowing on Way and Means Advances, to allow the country to restore its currency and credit to something like their former excellence.

The actual index-number for the month of March is 261.4, a rise of just one point over February. Vegetable food is almost entirely responsible for the increase, the quotations for flour, rice, and American wheat having risen enormously, to some extent as a result of the reduction of the wheat subsidy. On the other hand, maize, oats, and barley show a decline in price, but not to an extent sufficient to counterbalance the upward movement of the other cereals. On balance, prices in the vegetable group have risen by some 15%. Reports as to the condition of the wheat crops in the United States, Canada, and the Argentine are rather unfavourable, while from the East is reported a scarcity of rice, which, by the way, is reacting unfavourably upon the rubber companies in the Federated Malay States.

The following table illustrates the position of the different categories of commodities as compared with February last, March 1919, and June 1914:—

	Monthly Index-Nos.				+ or − % Mar. 1920 on		
	Mar. 31 1920	Feb. 29 1920	Mar. 31 1919	June 30 1914	Feb. 1920	Mar. 1919	June 1914
Veg. Food ...	237·6	206·2	167·1	66·5	+15·2	+42·1	+257·2
Animal Food	236·4	236·4	204·6	97·5	—	+15·5	+142·4
Sugar, Coffee & Tea ...	210·7	222·2	127·6	51·8	− 5·2	+65·1	+306·7
Foodstuffs ...	**231·5**	**220·7**	**167·7**	**74·8**	**+ 4·8**	**+38·0**	**+209·4**
Minerals ...	291·1	295·4	170·5	96·7	− 1·5	+70·7	+201·0
Textiles ...	302·3	304·2	197·2	80·6	− 0·7	+53·2	+275·0
Sundries ...	265·9	274·8	205·8	82·5	− 3·3	+29·2	+222·3
Materials ...	**283·9**	**289·4**	**193·6**	**85·7**	**− 1·9**	**+46·6**	**+233.1**
Totals ...	**261·4**	**260·4**	**184·7**	**81·2**	**+ 0·3**	**+41·5**	**+221·9**

Iron prices advanced during the month, and the price of export coal put on some points; but tin, lead, and copper show substantial decreases. Among textiles, cotton, hemp, jute, and silk have fallen in price, but flax and wool continued to advance. Among sundry materials, the quotations for hides, leather, timber, palm-oil, and seeds eased off somewhat, while rises were recorded in nitrate and petroleum. No changes occurred in the quotations for animal food during March, while all-round decreases took place in the sugar, coffee, and tea group.

Bradstreet's Index-Number on March 1 of wholesale commodity prices in the United States shows a decline of 0.3% from February 1, the first fall to be recorded since last September. The main contributors to the fall were cereals and food generally, livestocks and oils. The index-number of the *Bulletin de la Statistique Generale* for France shows a very marked increase during January, which is accounted for by the growing scarcity of raw materials, notably cotton, silk, and pig iron, and—above all—by the dearth of coal. Unfavourable exchanges also play their part in the rise. The latest index-numbers for Japan, Italy, and Canada also record increases. In some other countries, such as Sweden, prices appear to be on the decline.

The following table affords a comparison of general price movements in some of the more important countries:—

International Wholesale Prices.

	Index-Numbers				Expressed as a Percentage of 1913			
	U.K. ("Statist")	America (Bradstreet's)	Japan (Bank of Japan)	France	United Kingdom	United States	Japan	France
1913...	85·0	9·2115	132·2	115·6	100·0	100·0	100·0	100·0
1914...	85·0	8·9034	126·3	117·9	100·0	96·7	95·5	102·0
1915...	108·0	9·8530	127·8	161·6	127·1	107·0	96·7	139·8
1916...	136·0	11·8237	154·9	217·6	160·0	120·3	117·2	187·0
1917...	175·0	15·6385	196·4	302·4	205·9	170·0	148·5	261·6
1918...	193·0	18·7117	259·0	392·1	227·1	203·2	195·9	339·2
1919								
Jan....	190·7	17·6344	283·2	401·8	224·4	191·5	214·2	348·0
Feb....	187·5	17·2244	281·6	393·5	220·6	187·1	213·0	340·0
Mar....	184·7	17·2795	272·7	388·1	217·3	187·7	206·3	336·6
April	184·6	17·2376	273·2	384·0	217·2	187·2	206·6	332·0
May...	194·6	18·0900	283·7	375·8	228·9	196·5	214·6	329·0
June...	199·8	18·8964	301·6	380·0	235·0	205·2	228·1	329·0
July...	206·4	20·0017	326·8	403·0	242·8	217·2	247·2	349·0
Aug....	212·7	19·4720	332·2	401·7	250·2	211·5	251·3	347·0
Sept.	214·8	19·5215	340·5	416·2	252·7	211·9	257·6	360·0
Oct....	224·3	19·9026	352·1	441·4	264	216·3	266·3	382·0
Nov....	231·0	20·1756	370·2	468·5	272	218·4	280·0	405·0
Dec....	235·2	20·3658	381·5	479·5	276	220·6	288·6	417·0
1920								
Jan....	245·3	20·8690	397·0	562·0	288	228·7	301	488
Feb....	260·4	20·7950	—	—	306·3	225·7	—	—
Mar....	261·4	—	—	—	307·5	—	—	—

The following table affords a comparison of movements of the index-number during the last century and, in greater detail, since June 1914.

Annual Numbers		End-of-Month Numbers					
Year							
1809 [Jevons'...	189	June '14 ...	81.2	Aug.'17 ...	175.7	Feb. „ ...	187.5
1810 adjusted...	171	Dec. „ ...	118.4	Oct. „ ...	180.6	Mar. „ ...	184.7
1818 Figures]	159	Jan. '16 ...	123·6	Nov. „ ...	182.9	May „ ...	194.6
1873	111	Mar. „ ...	130.4	Dec. „ ...	185.1	June „ ...	199.4
1880	88	April „ ...	134.2	Jan. '18 ...	186·2	July „ ...	206.4
1896	61	Oct. „ ...	141.5	Feb. „ ...	187.3	Aug. „ ...	212.7
1911	80	Nov. „ ...	150.8	Apr. „ ...	189.8	Sept. „ ...	214.8
1912-13-14 ...	85	Dec. „ ...	154.3	May „ ...	191.1	Oct. „ ...	224.3
1915	108	Jan. '17 ...	159.3	July „ ...	192.9	Nov. „ ...	231.0
1916	136	Feb. „ ...	164.0	Aug. „ ...	195.9	Dec. „ ...	235.2
1917	175	April „ ...	173.0	Nov. „ ...	195.3	Jan. '20 ...	245.3
1918	193	May „ ...	175.0	Dec. „ ...	196.0	Feb. „ ...	260.4
1919	206	June „ ...	180.4	Jan. '19 ...	192.1	Mar. „ ...	261.4

A dividend at the rate of 12% per annum upon the paid-up capital stock of the Imperial Bank of Canada has been declared for the three months ending April 30, 1920, together with a bonus for the year of 1%.

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The Bank is incorporated by Special Charter of the Imperial Japanese Government, and is authorised to issue its own notes in Formosa; conducts general Banking, Exchange Business; undertakes Trust business, and acts as Business Agents for other Banks. Special facilities are available for exchange business on Japan, China, India, Straits Settlements, Dutch East Indies and France, where the Bank has special working arrangements with Cox & Co. (France) Ltd. Deposits are received for fixed periods on terms which may be ascertained on application.

Financial Notes.

For various reasons, domestic and foreign, the Bank of England directors at their meeting on Thursday decided to raise their rate of discount to 7%. That a rise in the Bank rate must occur at no distant date had long been regarded as inevitable. Nevertheless, the actual announcement, or rather the announcement on the preceding night, of the advance in the rate for Treasury bills came rather as a surprise to the market, which had not expected such an announcement for about a fortnight. It will be remembered that for some time past money rates in New York have been steadily advancing; and it was evident that the New York Money market, as we explain elsewhere, has quite enough to do at present to finance its own requirements. The actual cause of the advance in the Bank rate at the particular moment was the fact that the market is not, and has not been for some time, buying Treasury bills to any extent; and, consequently, it was essential to make those securities more attractive to purchasers than they have been hitherto.

As a consequence, the Government during recent weeks—in fact, since the end of the financial year—has been living on what are known as Ways and Means Advances from the Bank of England. In other words, it has been borrowing very much on what are called in private life I.O.U.'s. Every Chancellor of the Exchequer admits that it is, perhaps, the most objectionable form of floating debt which the Government can create; but in the circumstances, and for the time being, it was unavoidable. Of course, it has to be remembered that in the first few weeks of the new financial year very little revenue is coming in. The vast bulk of the income tax and allied taxes, which, as the reader will have seen from the recent Treasury statement, constitute more than half of the total revenue raised in this country, including the sum derived from the sale of stores, was collected as far as possible in the closing weeks, and the closing days, for that matter, of the financial year.

Everyone knows that in the present state of the national finances pressure is put on income-tax payers to pay up as much as possible; and, consequently, there is exceedingly little revenue which can readily be collected due to the Government in the early days of a new financial year. In normal times, and when the State finances are in a more satisfactory position than they are in at present, borrowing of a few millions at the Bank in the early days of a new financial year would attract, and would deserve, very little attention. But it will be observed that the amount stated in the public Press amounts to a very large sum; and in the present state, moreover, of our floating debt it is not desirable that it should be unduly increased, and especially should not be unduly increased by means of issuing what are known as Ways and Means paper.

Of course, a large section of the City are exceedingly disappointed at the rise of the Bank rate. They point out that the 6% rate was never made effective, and what is the good of increasing the price of money? They argue that a better way of achieving the object which the Bank has in view, and which, of course, they readily admit is the right one, would be for the Bank to refuse to discount Treasury bills, and to leave them at the present high rate of interest which they yield as an investment pure and simple. As things are, they argue, the market does not know from week to week when the Bank rate is going to have another jump; and, consequently, what will be the yield on Treasury bills. The answer to that is that it would be an exceedingly difficult thing for the Bank to refuse to discount Treasury bills. And, moreover, even if it did, it is by no means certain that it would be desirable that a further large amount of Treasury bills should be created.

The Bank of England argument is an exceedingly difficult one to answer effectively from the point of view of those who are anxious for, and are demanding, cheap money and plenty of it. Everybody would like cheap money and plenty of it. It is good for trade, and it helps to expand enterprise in every direction, both at home and abroad. But is it possible, and is it practicable, at the present time? The argument of the Bank of England is, and always has been since the question arose between the advocates for and against cheap and dear money, that what bankers deal in is credit, and credit at the present time is exceedingly scarce. The Bank must lend upon approved Government securities unless it wishes to depreciate the credit of its own Government. Consequently, its position is a very difficult one. Those who argue in favour of cheap money maintain that ultimately the public must pay. This is, of course, perfectly true. But whether the public pays in the form of dear money or in the form of a further advance in prices resulting from increased credits seems to matter very little.

The real difficulty which the whole world is experiencing, from China to Peru, at the present time is the scarcity of consumable commodities. Money was maintained artificially cheap during the War at the desire of the Government. But the result has been to create a vast superstructure of credit out of all proportion to the economic value of commodities based upon our conception of values in the pre-War period. In effect, there is no adequate economic basis for the credits which have been created in any country. It is not merely a question of sending gold, because very little gold was, in fact, sent in the pre-War period. It was a rare thing for Europe to despatch gold to the United States, or for the United States to despatch gold to Europe, except in the ordinary methods of trade, because the United States is a country which produces large quantities of gold. But in the settlement of the balance of trade it was very rare that gold was sent by any of the countries, except in very small amounts, and for purposes of convenience at comparatively rare intervals. The real international trade was conducted by sending produce or by rendering services.

As a matter of fact, very few people want gold. If an Englishman, for example, is about to visit the Argentine Republic, either in normal times or now, he does not go to his banker and ask for a firepro f safe filled with gold. On the contrary, he takes a letter of credit to his banker's agent at Buenos Ayres, and when he gets to Buenos Ayres he pays in the ordinary *peso papel*, as it is called, which he gets from the bank for his meals at the hotel and the purchases which he makes from the various shops in the capital of the Argentine Republic. He probably pays over the Royal Mail Steam Packet Company a cheque here in London for his passage to and from Southampton and the La Plata. And what he requires during the

two or three months of his visit are consumable commodities of various kinds. And in only very rare instances does he require the precious metals, and then, in all probability, it is to purchase some article of adornment probably for some member of his family. We obtained in the pre-War period the means of investing something like 200 millions sterling abroad every year, partly, it is true, by exporting manufactured goods, partly by exporting coal, but very largely by the great services we were able to render in our capacity as public carriers, merchant bankers, and insurance agents.

The Swiss Bank Corporation has recently acquired a controlling interest in the well-known private banking house of Messrs. Pury and Company, of Neuchâtel. This Bank was established as far back as 1846 as Martin and Pury. Switzerland was one of the countries which, being a non-belligerent, obtained material advantages as a result of the late War. In consequence she comes out with a very favourable exchange compared with most of the belligerent countries. As a result she is finding some difficulty in exporting to the extent that she has been accustomed to do. Owing, however, to the great shortage which exists at present, she is meeting with a large measure of success, although the buyers have to pay enhanced prices for her usual exports of silk, silk goods, ribbons, laces, and other cotton fabrics, which find a ready market in the various countries of the world. It may be remembered that some time ago we reported that owing to the new plant put down, and the increased cost of production of Swiss watches, she is finding exceedingly great difficulty in disposing of the enormous supply which has accumulated. During the War nearly every soldier was sent a wrist-watch as a present. Since demobilisation the demand for these cheap watches has fallen to very much what it was in the pre-War period; and as a large proportion of the younger generation of the European population is in possession of these watches, it is exceedingly difficult to dispose of them.

In the course of the next few years it is evident that this process will be witnessed in the case of nearly every commodity for which there is a general demand. The various countries recently at war have demobilised the greater part of their military forces. As the difficulty of raising revenue is increasing they will sooner or later have to demobilise the abnormal number of Government departments which have grown up in nearly every country as a consequence of the War. For a time pressure may be put upon Governments to induce them to continue these departments as long as possible. But it is evident that a Government is only inviting trouble which continues to borrow money for the purpose of maintaining great civilian establishments long after the War has come to an end.

An effect of the high rate of exchange between the United States and the various European countries came under our notice quite recently. A ship, having a carrying capacity of nearly 30,000 tons, left New York with a considerable company of passengers, but only about one-sixth of the freightage capacity was occupied.

Much attention has been given in recent years to the question of manufacturing alcohol within the Empire for use as motor spirit. The great difficulty has been that those vegetables which readily yield any kind of alcohol are usually required for purposes other than for the supply of motor fuel. Consequently, it has always been regarded as an almost insoluble problem to produce motor spirit by growing vegetables, particularly in this country, where practically every available acre is required for the production of food either for man or for beast. Of course, it would be perfectly easy to grow a large amount of barley to produce alcohol, but it would not be a sound economic process.

The current number of the Bulletin of the Imperial Institute argues the possibility of using the *mowra* flowers, which apparently grow in great profusion in India. These flowers possess thick, juicy petals, rich in sugar. They are used by the natives as a foodstuff, and especially for the preparation by fermentation of an alcoholic liquor called *daru* or *mohwa* spirit. A single tree will yield as much as from 200 to 300 lb. of flowers in a year. The tree also produces a valuable oil-seed, which is exported in fairly large quantities to Europe. During the War the flowers were used in India for the production of acetone, the yield being said to be ten times as much as that obtained by distilling woods, which is the usual source of this substance. The demand for acetone in India in peace time, however, is not great, and large quantities of the flowers would be available for the manufacture of alcohol, and would appear to be an exceptionally cheap source of this material, as the yield is high compared with that from potatoes and other materials commonly used, about 90 gallons of 95% alcohol being obtainable from one ton of dried flowers. It has been estimated that in the Hyderabad State alone there are already sufficient *mowra* trees for the production of 700,000 gallons of proof spirit per annum, in addition to that necessary for the local liquor requirements.

According to a circular issued by the Guaranty Trust Company of New York, in the Indian fiscal year 1907-08 imports of American goods were valued at only 32 million rupees (or 10 million dollars); in 1913-14, the last pre-War year, the figure was 48 million rupees. For the year 1918-19 imports amounted to 174 million rupees, and for the following six months (April-September 1919) no less than 140 million rupees' worth of American goods—at the rate of 280 million rupees a year—entered the country. In 1907-08 kerosene oil was the only American commodity sold in India in an important amount. During the first six months of the present fiscal year motor cars valued at 6½ million rupees; metals and hardware valued at 30 millions, including large quantities of pipes, fittings, bars, sheets and plates, tinplates, wire and nails, builders' hardware (locks, hinges and bolts); machinery and millwork valued at 19 million rupees, ranging from typewriters to electrical appliances; and from agricultural machinery to leather belting; patent and other medicines; canned goods and other prepared foods; dyes and dyestuffs in considerable quantities; in addition to kerosene oil valued at 19 million rupees, and sundry other articles, comprised the imports.

In the period 1907-19 there were just two constant elements in Indian foreign trade. One was the supremacy of Great Britain in that trade; the other was the supremacy of cotton manufactures among imports. Raw cotton—for which Japan has consistently been the best customer—held first place among exports until the great War demand for jute and the growth of jute manufacture in India won for gunny cloth and gunny bags primacy in the list of commodities exported. Considering the great change in trade currents in the last decade there is a remarkable degree of regularity in Indian foreign trade totals. This is illustrated very strikingly in a table compiled by the Guaranty Trust Company of New York. In the season 1907-08 the excess value of the exports over the imports amounted to 436 million rupees. Just before the War the excess of exports amounted to 610 million rupees. In 1916-17 the excess was 835 millions; in 1917-18, 830 millions; in 1918-19, 703 millions; and in the six months April-September 1919, 527 million rupees. Nowadays India's imports consist of cotton manufactures, metals, hardware, &c.; sugar and molasses, railway plant, machinery, mineral oil, and

manufactured silk and silk goods. Her exports of raw cotton and the cheaper kinds of manufactured cotton, rice, raw jute, gunny bags, and other forms of manufactured jute, oil-seeds, and hides and skins.

According to the *Monthly Crop Reporter*, published under the authority of the Secretary of the Board of Agriculture at Washington, the amount of wheat, in bushels, on the farms of the United States on March 1, 1920, was 165½ million bushels. This compared with 128¾ million bushels in 1919; 107¾ million bushels in 1918; 100½ million bushels in 1917; 244½ million bushels in 1916; and 165½ million bushels as an average for the period between 1912 to 1916. The amount shipped from the county where grown, but not necessarily despatched to some destination overseas, amounted to 565½ million bushels in 1920; to 541½ million bushels in 1919; to 325½ million bushels in 1918; to 361 million bushels in 1917; to 633½ million bushels in 1916; and the average for the quinquennial period 1912-16, 477 million bushels. The proportion of the crop despatched from the counties where grown was 60% in 1920; 58¾% in 1919; 51.1% in 1918; 56.7% in 1917; 61.7% in 1916; the average for the quinquennial period being 58.8%.

As was to have been expected, the provisional figures of the weekly tonnage output of coal in the United Kingdom for the week ended with April 3, shows a considerable falling off. This reduced output is accounted for by the occurrence of the first part of the Easter holidays. The figure for the week was 3,979,747 tons, which compares with 4,879,192 tons in the preceding week. Declines are shown in all the coal districts with the exception of Scotland, and Stafford, Shropshire, Warwick, and Worcester.

MEXICO.

Nearly 300 millions sterling of British capital is invested in Mexico; and with recurring trouble, in which various provinces are again reported to be in revolt against the Central Government, it is not surprising that there should be a large measure of anxiety amongst British investors and traders interested in the Republic. Even in the United States for some time past it has been exceedingly difficult to obtain accurate information of what is actually going on in Mexico; and it has been still more difficult, as the reader will appreciate, in England. It has to be remembered, moreover, that the reports are largely unconfirmed. Finally, it should not be ignored that the reported risings are in the far Western States, which are not, and never have been in modern times, developed to any appreciable extent.

The real difficulty, of course, in Mexico is that President Carranza has never yet succeeded in making his authority really respected. On the other hand, it may be stated with confidence that last year, at any rate over the greater part of Mexico, he had established quiet—quiet to this extent, that the trade of the country and the revenue which his Government derived was larger than at any period even during the administration of the late President Diaz. The great weakness of his Government all along has been that he has only been able to maintain his authority by spending an undue proportion of his revenue—amounting, in fact, to something like three-quarters of the total—upon keeping employed military aspirants to supreme power. The difficulty of such a system is that it is exceedingly doubtful if it can be indefinitely maintained; and, if it cannot, sooner or later the drain upon the resources of the Republic is likely to be exceedingly severe. It has to be remembered that owing to the great War in Europe, and the consequent demand for food, raw materials, and particularly petroleum, in which the Republic is extraordinarily rich—richer perhaps than any country, with the possible exception of the United States, Mexico has enjoyed, like the United States, and, indeed, like all countries well out of the War zone, a remarkable period of prosperity. The difficulty which a Government such as President Carranza's has to face is what is likely to happen when things in the course of the next few years return to normal. As a matter of fact, while the President was able to keep the principal military aspirants to the supreme magistracy in order he has really only had to deal with small guerilla bands who were operating, and have been operating, all through the revolution in the Western States which are now reported to be in revolt. The best opinion which we are able to obtain in London from those who, from their business or financial connections, are in as close touch as it is practicable for European business men to be at the present time, is that the reports of the revolt are greatly exaggerated. At the same time, it cannot be denied that the reports are exceedingly disquieting, and they argue that the Western States are at least in as bad condition as they have been in any period of the revolution.

Meanwhile, as we have said, last year, at any rate, the trade and the finances of the Republic were in a better state than they had been for many years before. The exports of oil, food, fibres, and various products of the country were upon an exceptionally large scale. Moreover, the revenue was, of course, out of all proportion to that which ever has been enjoyed by a Mexican President in the history of the Republic. It was derived, however, to a large extent from quite illegitimate sources. As a consequence of the revolution, the Government took over various railway companies, and sequestrated the earnings without paying any kind of dividend to the owners, who were shareholders either in Europe or in the United States. The owners of the silver mines were better treated. And, of course, those working the great petroleum industry of the East had quite exceptional treatment, although there can be no reasonable doubt that they were required to pay in various forms large sums of money which cannot be described as taxes, unless we are to define the term "taxes" in a very different manner from that in which it is defined in the various dictionaries published in the different languages of the world. Of course, President Carranza has been faced with an exceedingly difficult position. Last year he sent over a Commission to Europe with a view to arriving at some sort of an understanding whereby the owners of property sequestrated by the Government, and particularly the owners of the railways, might receive some sort of a return on their investments, and ultimately receive back their properties which the Government had seized during the period of the revolution. It is, of course, evident that President Carranza desired, and probably desires still, to restore order throughout the whole area of the Republic. And it cannot be doubted that if he saw his way to do it, he would return railways, like the Mexican Railway, to their proper owners, from whom they were seized now nearly eight years ago; and, moreover, he would return the mines to the directors, who would have to control them in the interests of their shareholders.

What the outside world complains of with regard to Mexico is that there is no Government which can really be described as master in its own house. The object of a Government is to maintain order at home, to police the frontiers, and to provide some authority with whom foreigners can treat, possessing sufficient authority, when it agrees to any particular course, that the foreign Government or foreign traders entering into negotiations with it can feel that its decisions will be enforced within its own boundaries. During the last nine years there has been a complete absence of such authority in Mexico, with the result that foreigners have been unable to obtain [illegible] justice from the Mexican Government. As a natural consequence, that Government has alienated the favourable opinion of nearly every country in the world having any kind of business relations with Mexico. Of course, it goes without saying that President

Carranza, from the very fact that he is President of the Republic, does not desire such an outrageous state of things to continue. President Carranza is, of course, a very able man, or he would not have got to the position he has attained in Mexico. And it is manifest that the most ordinary intelligence, once it attains to a position of authority in any country, desires that that country should be prosperous, and that foreign Governments and the subjects of foreign Governments having business within its territories should receive justice, and should be satisfied, as far as is reasonable, with the treatment they receive. Mexico, in particular, is a very big and a very backward country. Her area is very nearly four times the size of France. She has a population of only fifteen millions, a very large part of which are Indians. She is endowed with extraordinarily rich natural resources which have never been developed, at any rate, in modern times. She has some of the richest petroleum fields in the Tampico area on the Atlantic coast, and oil experts are of opinion that even these are nothing like so rich as the great petroliferous area of the west coast of the Republic.

Bearing in mind that there are indications of oil from Alaska, through Western Canada, California, the Pacific Slope of the United States, Central America, down to Venezuela, Colombia, and Peru, it is exceedingly probable that this western area, if and when it is developed, will prove to be one of the richest oilfields in the world. It is natural, therefore, that anybody of the most ordinary intelligence being in the position of President of the Republic would desire to put the country in such a state that foreigners would be willing to venture capital for the development of the rich resources of the Republic. In the sequel, the President is quite intelligent enough to know that it would give his country a revenue out of all proportion to that which he can enjoy during the period of chaos through which Mexico has passed during the past eight or nine years. Nobody, therefore, doubts that when President Carranza says that he is using his utmost efforts to restore order and really desires to see his country prosperous, he is saying anything different from what he really feels and from what he says both in public and in private. What the outside world does doubt, and what the outside world asks for, is signs of ability to maintain such order and to secure to those foreigners who have already invested large sums in Mexico such treatment as they are justly entitled according to the custom of the comity of nations.

As we have said, from all the information we are able to gather, there is reason to hope, and even to believe, that the revolt in the Western provinces has been, and is, greatly exaggerated. In addition, there is every reason to believe that the effect of the revolt will be comparatively small in the economic sense in a country in the present state of Mexico's economic development. One of the reasons why the late War has been so disastrous in Europe is the fact that European countries have such a comparatively highly developed economic system. So much of their wealth, and so much of the assets on which they can hope to derive new wealth, consist of machinery and appliances which are extraordinarily expensive to produce; take a very long time to produce; and, when destroyed, cannot be readily replaced. In a country in the state of development in which Mexico is at the present time, this is, of course, not so to any appreciable extent. There are, of course, certain utility companies, like the railways, for example, the pipelines of the petroleum companies, and various mills in different parts of the country. But, speaking generally, Mexico lives upon the annual produce of her soil and the wealth of her mines. Shafts may be destroyed here. Part of a railway may be torn up in another place. But, on the whole, the mines with their rich mineral contents remain, and the earth is as capable of yielding its fruits of increase after the revolution as it was in 1910. Mexico is naturally one of the richest countries in the world; and, provided that either President Carranza, or someone else, can establish a Government which will obtain, and deserve, the confidence of its own subjects and the necessary capital assistance from foreigners, a country in the state of development in which Mexico is at present could recuperate in a very short period of time.

SOUTH AND CENTRAL AMERICA.

A CHANGING POSITION.

Whether or not self-determination is to become the fate of nations, it is becoming less and less so in those units which compose our various branches of industry in the economic world. The change that has come over the nitrate industry during the past few years is complete in the sense that it cannot fail to have far-reaching consequences. It is not, of course, complete in the sense that it is final, because every industry is working from day to day under ever-changing conditions. The nitrate industry was founded a little over half a century ago by Col. North, and it has developed until the export of nitrate from Northern Chili—particularly from the three provinces of Antofagasta, Tacna, and Arica—has become the principal source of Chili's ability to pay her overseas obligations. Something like two-thirds of Chili's exports consist of nitrate of soda, while very nearly half the revenue of the Republic is derived from this source. Consequently, in heading this article "A Changing Position" in one of the great countries of South America, one of the most enterprising, and one that seems destined to play a great part upon the South American continent, we are in no way exaggerating the facts. Chili in her present stage of economic development is dependent upon this valuable fertiliser, which appears to be found in the condition in which it is discovered in Chili in no other part of the world, to an extent that makes nitrate an asset in a sense which it is an asset to no other country. A complete change in the conditions under which the industry is worked in the course of a short period of five years is, in a sense, an economic revolution, and an economic revolution of such magnitude that it cannot fail to have an influence not merely on this particular industry of Chili, but on various industries throughout the Republic, as well as on various industries throughout the continent of South America. The whole tendency has been amalgamation upon amalgamation, and the concentration in a few hands of industries which in the past belonged to a small number of individuals, each working for his own end in a very small way with a modest capital, and paying very little attention to his neighbours and competitors, even engaged in the same industry. We have seen in England practically five great banks absorb the bulk of our banking capital. We have seen our shipping companies amalgamate more and more into one composite whole. We have seen, as a result of the War, a series of purchases of various cotton-manufacturing interests in Lancashire and their formation into one or two great combines. And now we see the Chilian nitrate industry dealing as a composite whole with one great buyer, who at a single deal acquires a million tons of the fertiliser.

We publish below the latest quotations of nitrate shares, and compare them with those ruling on December 30 last and immediately prior to the outbreak of the War. These companies are merely those financed from England and quoted upon the London Stock Exchange. There are, in addition, various interests which are not quoted on the London Stock Exchange. Further, there are a very large number of foreign companies, most of which are not quoted in England. And, finally, there are native companies whose interests have never been amalgamated with those of the foreign companies, which are the principal producers of nitrate of soda in Chili.

It may be taken as an axiom that no set of people voluntarily surrenders their independence to a great combine which controls every unit composing the various interests concerned until they are faced with a grave necessity and very serious difficulties are ahead of them. As a result of the Armistice, it became for months and months impossible to sell nitrate in any form to any appreciable extent; and, consequently, a very large number of companies found themselves in an exceedingly difficult position. So difficult was the position that they appealed to the Chilian Government to practically exercise the kind of control to which all the belligerent States of Europe have become so familiar, from the food they eat to the clothes they wear. Fortunately for the industry—and to the credit of the Chilian Government be it said—they resisted the temptation to control the one great industry of the country from which they derived such an enormous revenue, and which formed such an appreciable part of their exports. It was a remarkable instance of sound economic views prevailing against what must have been a very serious temptation to the Chilian Government. Europe is so much engaged now in its economic difficulties, its labour troubles, and the state of almost economic chaos in which it has drifted as a result of the recent War, that it pays little or no attention to events which would have been regarded—as, indeed, they are—of far-reaching significance in other parts of the world. It is, however, a very remarkable fact, and will in its turn attract more interest than has been directed to it up to the present, that the Chilian Government, although approached by the principal interests in the nitrate world, resisted the temptation of converting the Chilian nitrate industry into a Government monopoly, and acquiring the interests at more or less a knock down price, at a period when the industry itself was so depressed that it was anxious to approach the Government for assistance. The Chilian Government saw that such a course would prejudice its position with the sound business instincts in every country; and, consequently, was wise enough to see that such a temporary advantage would be a permanent mistake. Nevertheless, the temptation to seize a temporary advantage is so natural to human nature that one cannot help congratulating the Chilian Government on resisting the allurements offered to it. As the Chilian Government was willing only to act with benevolent neutrality for the various nitrate interests concerned, the industry decided that something in the nature of a combine must be formed to protect their various interests. Some companies, no doubt, were strong enough to hold out. But many of them were by no means in a strong position. Of course, it may be said, Why did not the strong ones hold out and let the others take care of themselves? Those who are well acquainted with the workings of any great industry are aware that such a policy is never sound. To allow the weaker brethren to go wholly to the wall is to so completely disorganise the industry that it ceases itself to be capable of playing an important part in the world's commerce. Consequently, it ceases to be a great economic force in any sense. Two things are necessary to any industry to be a really great and important force. One is that it can supply a commodity in a form, and at an economic price, which is more satisfactory than that in which a similar one can be supplied in some other form; and, secondly, that the industry can supply that commodity upon such a scale that it satisfies the actual demands of the time. It is essential that the industry should be able to supply as much as, and, if possible, rather more than, the world is demanding. To be able to supply only a small proportion of the world's demands would mean a temporary advantage, but ultimate disaster, as consumers would cease to rely upon it as of any real importance. It would be felt that the time had come when it was desirable to find some substitute. As we have said, no industry voluntarily surrenders its independence, or the independence of the various units composing the industry. The serious difficulties threatening the foreign companies, and particularly the English companies, which are the largest producers in the industry, was the principal cause of the arrangement whereby the whole industry became associated as more or less one concern. For a very long time the other foreign companies held out from the combine proposed by the English companies. But seeing the difficulty of the position, and the prolonged period during which the crisis lasted, they became even more enthusiastic than the English owners for some sort of arrangement whereby they could act as a united body than as single free lances. Even this did not convince the native companies. But, finally, as the crisis lasted they all came in, and the result has been that for purposes of selling and the question of how much nitrate is to be raised in any given period, and various questions regarding the policy on which the several "oficinas," as they are called, or works, are to be operated is arranged by one great board acting for the industry throughout the three provinces.

It will be remembered that in the period before the War the principal customers for Chilian nitrate were Germany and Austria; the Netherlands and Russia coming next. The United States always has been a large consumer, but to nothing like the extent to which she has become in recent years. We in this country were never large consumers, but we are undoubtedly increasing our consumption of nitrate, and it is desirable, so far as opportunity offers, that we should increase it. We have taken a very peculiar position in the nitrate world, very much as we did in the Santos coffee market. We owned some of the biggest nitrate works in Chili. We owned, also, the fields in which the nitrate was raised. We shipped the nitrate from Antofagasta, or Arica, or wherever any particular consignment happened to be shipped from, and our merchant bankers financed the whole operation. But we were not the great consumers of the nitrate when it arrived at the port for which it was destined. Very much the same was true of coffee. We have never been large consumers of coffee in this country. And such coffee as we did consume before the War came mainly from Central America, and we were, and are, very largely interested in the coffee plantations of Sao Paulo. We are interested in marketing the produce directly and indirectly in the City of Santos. Our merchant bankers were largely interested in financing the moving of the coffee crop; and finally we shipped it to Europe, or to the United States, and insured it mainly through British underwriters. Very much the same, as we have said, was the case with nitrate. Now it happens that, as a result of the War, those countries which were formerly the principal purchasers have ceased to be in a position to purchase to any appreciable extent owing to the adverse exchange, which adds so enormously to the cost of the fertiliser that it would be of very little use as a fertiliser unless it could grow a crop of the value of gold. It would be hardly possible to grow a crop economically if one had to use a fertiliser the price of which is multiplied many times by the mere fact of the adverse exchange in the purchasing country. Consequently, as a result a new group of customers has grown up; and, apparently, they are so numerous and buy upon such a considerable scale that virtually they are as valuable as the old *clientèle*. But, practically, they are spread over North America and far away to the East. Negotiations, as we write, are in progress between one of the greatest of the Anglo-American merchant banking houses and the combine which represents the Chilian nitrate for the sale of a million tons of the fertiliser at a price which should give a very handsome profit to any oficina which is reasonably well managed. There has been for a long time a certain amount of haggling between the interests representing the nitrate works and the banking house to which we have referred. Naturally, those repre-

senting the industry want to get as good a price as they can. But, as the bankers are well aware that the price offered yields a very substantial profit to the industry, they are of opinion that the latter is inclined to open its mouth too wide. We hope that this will not be the case, as it is desirable to encourage the industry as far as possible. The significance, however, of the transaction is that practically the greatest industry in the country is represented by one body of sellers, and one single great banking firm practically takes what was equivalent to half a year's total production in the period that preceded the outbreak of the recent War.

Nitrate : Prices of Securities.

	July 27, 1914	Dec. 30 1919	April 15, 1920
Agua Santa Nitrate ...	1 13/16	19	39 -
Alianza Company ...	1 1	15 1/4	23
Anglo-Chilian Nitrate & Railway	17 1/2	15 1/2	17
Lagunas Nitrate	1 1/2	1 1/2	1 3/8
Lagunas Syndicate	5/16	5 6	9 6
Lautaro Nitrate	8 1/2	9 3/4	16 1/2
Liverpool Nitrate	3 1/4	3 7/8	4 3/8
London Nitrate	2 1/2	2 1/4	2 7/8
New Pacheo and Jazpampa ...	1 1/2	2 3/8	1 1/4
New Tamarugal	22 6	26 -	33 6
Pan da Azucar	6 3/4	9 1/2	20 1/4
Rosario Nitrate	8 1/4	6 1/2	9 3/8
Salar del Carmen	2 1/4	2 1/2	2 3/8
San Lorenzo	2 3/4	3	3 1/2
San Sebastian	10	11/-	15 6
Santa Rita	1 1/4	1 3/8	33/9
Santiago	2 1/4	1 3/8	3
Tarapaca and Tocopilla	—	15 7/16	17
Nitrate per quintal	10 4 1/2	9 6	15 6

THE AUSTRALIAN WOOL COMBINE.

On several occasions we have referred to the proposal under discussion in Australia for the formation of a combine of wool growers and brokers to regulate the sale of the 1920-21 clip. The suggestion originated with Sir John Higgins, chairman of the Australian Central Wool Committee, and in the first instance the declared intention was to dictate the price of merino wool to the whole world. This extravagant idea provoked determined opposition, which led to its being dropped as the ostensible object of the scheme, but we fear that the exaction of extreme prices for wool is still the mainspring of the movement. We are confident, however, that, if Australian farmers do not realise that they are a long way from being in the position of monopolists, the fact will be duly impressed upon them at no distant date.

The scheme now being considered in Australia provides for the appointment of a private Wool Council, representing the growers' and brokers' organisations, and this Council will negotiate with the Imperial Government in regard to marketing the 1920-21 clip, which is free from Government control. The promoters estimate that on June 30 next there will be about 1,600,000 bales of the 1919-20 clip in Australia or in transit, and, in addition, there will be large unsold Government stocks in London and elsewhere. The Australian farmers are concerned with the prospects of disposing of their next season's clip, and they also have a big interest in the sale of the Government stocks because they are entitled to one-half of the profits. We may note, in passing, that this Australian estimate of 1,600,000 bales in Australia or afloat on June 30 next confirms the conclusions formed in our articles on "The Prospective Wool Position," the readers of which will already be acquainted with the fact that a very large accumulation of Australian crossbred wool exists. The British Government have contracts existing for the shipping of the remaining State-owned wool from Australia by September 30 next, but it is unlikely that the whole will be lifted much before the end of the year. It is clear that if the Government were to insist upon their undoubted rights in regard to the removal of this material, great hardship would be caused to Australia by the delay which would take place in selling the first free clip. It is not likely that the Government will adopt an unreasonable attitude, and, so far as making some suitable arrangement in this matter is concerned, there is certainly room for a body such as the suggested Wool Council. Thus far we are able to support the Australian proposals.

It is here necessary to remind our readers that no small part of the present inflated values of raw wool is caused by the method followed by the Government in placing the material on the market. Anyone connected with the wool trade will know that an essential feature of the industry is the plaicng of contracts for considerable periods ahead, and that in ordinary times topmakers and spinners frequently "cover" such contracts by buying suitable wools in Australia or other markets abroad. The Government declined to permit sales of wool in Australia, and the result has been that both immediate and future requirements have been focussed upon the sales held in this country under the direction of the Committee of London Wool Brokers. The huge stocks in Australia have been, and are still, unavailable for "covering" purchases, and the natural result has been an unnecessary rise in prices. By this means the Government have prevented the fall in values which was confidently expected a year ago, and have actually succeeded in obtaining very much higher prices for their wools than were current even at that time. The appetites of the Australian farmers have thus been whetted, and many of them are annoyed that one-half of the present profits will be retained by the British Treasury. The proposed combine is merely an attempt to continue the present abnormal state of affairs, but, as this cannot readily be done by retaining the undue demand in London, it is intended to achieve the end by transferring the "focus" to Australia. We thus find it suggested that all wool growers should send their wools to recognised Australian brokers, to be valued and offered at public auction in Australia, as soon as the Wool Council considers it advisable that such auctions should be held. To make the plan effective it is proposed that no wool shall be sold for export unless it has first been submitted to public auction, and that, if 75% of the growers agree to the scheme, legislation will be asked for to make it compulsory for all. It will be noted that no wool would be exported until it had first been offered at public auction in Australia, and that, such auctions being controlled by the combine, it follows that all exports would be regulated by the brokers and growers through the Wool Council.

The result of the voting on the scheme is not yet known, and, judging from the recent decision of the Australian Government on a somewhat similar proposal relating to wheat, it is unlikely that the desired coercive legislation would be granted. There is no reason at present, therefore, to anticipate that an attempt will be possible to carry out the price-controlling functions of the combine, and this is obviously its main object in spite of all declarations to the contrary.

The scheme is announced as applying to the 1920-21 clip only, but if its promoters really believe that the present accumulation of wool can be removed by June 1921, they are more optimistic than we can pretend to be on the subject. Australian farmers and dealers must realise that some decline from the present unduly high basis of values is inevitable, and their time would be better spent in reopening connections with their old customers and making the best possible use of the tonnage available. The present surplus of wool has been caused by a large part of the world's machinery being cut off from supplies for several years. If this accumulation were placed upon the markets now available a fall in prices of some qualities would result of such an extent as to entail serious consequences for the industry in all countries. Such a fall would probably be followed by a rise to the economic level of the time, and these violent fluctuations would doubtless be accompanied by undesirable speculation. The only method of preventing these dangerous alterations in values is to withhold the present surplus from the market until Austria, Germany and Russia are in a

position to absorb it. The suggested Australian combine is an attempt to carry out this plan, but we fear that its promoters are too closely interested to permit the operation being carried through without further inflation, instead of a moderate reduction, of the prices of material needed for current use. We suggest that a much better method would be for some arrangement to be made with the British Government to carry certain stocks until the remaining European countries are able to buy. The Government have made unexpected and enormous profits out of their wool dealings, and it should not be impossible to produce a scheme which would be just to all concerned. If the result of the voting on the present scheme is unfavourable, or if the Australian Government refuse to grant the essential powers, we commend this better plan to the careful consideration of the Australians concerned, and we believe that in adopting such a policy they would secure the support of the industry in this country.

THE EMPLOYMENT OF MACHINERY IN AGRICULTURE.

Recent events have given a considerable stimulus towards the application of machinery to the agricultural industry. Faced during the War with the necessity of increasing the production of foodstuffs and, at the same time, handicapped in the execution of this programme by the withdrawal of labour to the Army, many farmers found themselves obliged to adopt machines which were to them more or less a novelty. A valuable object-lesson has thereby been given by the stress of circumstances, and it is not too much to say that similar results would only have been attained in peace times after many years of earnest demonstration and propaganda work. In the adoption of up-to-date cultivating, drilling and harvesting implements our farmers have somewhat lagged behind their brethren on the Continent and America, although criticism on that ground must be tempered by certain considerations. Conservative thinking is no doubt associated, to a marked degree, with the farming industry, but it may well be pleaded by the agriculturist that the financial return from his labour in normal years was not such as to encourage experiments in elaborate labour-aiding devices. The fact, too, that labour was then comparatively cheap and plentiful must also be taken into account. Under the circumstances of the time the aim of the community is to induce the farmer to maintain a large area under tillage and to maximise the production of food crops. From the conditions ruling in the labour market, however, the average farmer will scarcely be in a position to realise these objects unless he utilises mechanical aids to the best advantage. With suitable machinery an increase in the output per man can be lawfully expected and a decrease in the cost of production. Possession of a tractor carries with it a greater control over farming operations and enables the owner to exploit brief spells of favourable weather more thoroughly than if dependent on the employment of horses. Ploughing can be done in the late summer and early autumn, and sowing when the agriculturist desires. The amount of fallow cropping may be reduced and winter oats got in early if the land favours this procedure. From the experience gained in the past few years there has [illegible] of opinion in favour of the tractor, but undoubtedly many machines are designed primarily for use on large farms and fairly dry land, and are not very well adapted for work on the small fields or the hilly, stony, and wet land frequently encountered, for example, in Ireland and Wales. On the part of the farmer the tendency to utilise machinery will be quickened by the shortage of labour, skilled and unskilled, and by the great increase in the cost of farm [illegible]. Regarding this increase we append figures taken from the Report of the Departmental Committee on Agricultural Machinery, indicating the amount of wages paid per acre for actual operations on the Rothamsted Experiment Station in respect of certain crops; expenditure on roads, ditches, hedges, and other items is omitted.

	1913–14	1914–15	1915–16	1916–17	1917–18	% Increase 1917–8 over 1913–14
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	%
Wheat ..	1 4 4	1 6 8	1 18 9	2 4 3	3 8 1	180
Barley ..	1 5 9	2 0 0	2 0 4	2 4 2	3 14 11	191
Oats ..	1 6 6	1 7 7	1 18 9	1 16 7	2 3 1	65
Roots ..	6 4 0	4 18 9	—	9 11	11 7 0	85
Potatoes ..	5 11 2	5 10 4	6 16 9	8 0 8	13 2 2	136

There was every reason to believe that the expenditure for 1918-19 and 1919-20 would be still higher, and during the present year it is well known that wages are steadily advancing. The above figures refer, of course, to only one particular locality, but the indication they convey of the rising cost of labour is not likely to be in any way abnormal. In Ireland the question of labour supply has latterly assumed an acute form for the farmer. Its diversion to urban districts has been a noteworthy feature in all parts of these islands for many years, but there are other aspects to the problem the Irish farmer has to solve. Besides the attractions of the United States for the rural population, the yearly migration to Great Britain has, especially within the past three years, tended to assume very large proportions. Attracted by the higher rate of wages obtaining in the latter country the farm labourer, after helping to perform the preliminary tillage operations on his own, or his father's little plot, deserts his native countryside and, frequently, returns only when the British harvest is completed. To make up for the deficiency of human labour the Irish agriculturist will be obliged to have a larger recourse to time-saving and labour-aiding machinery and implements in the future. It must be understood that the demand for such implements as potato-planters and diggers, turnip-lifters, binders, tractors and traction ploughs is of very recent growth in Ireland. Some idea as to the extent to which machinery was employed in Irish agriculture before the War may be gleaned from the following table:—

Table showing the Numbers of Farm Horses, Farm Implements, Machines, &c., used in Irish Agriculture in 1912:—

	Number On Holdings Under 30 Acres	Number On Holdings Over 30 Acres	Total
Horses used for agricultural purposes ...	142,148	240,015	382,163
Carts	210,165	249,409	459,574
Ploughs (mainly single furrow)	143,351	218,768	362,119
Harrows (mainly ordinary fixed tooth) ...	118,333	185,937	304,270
Cultivators, horse-hoes, rollers, &c. ..	84,381	177,279	261,660
Potato-sprayers (principally knapsack) ..	25,492	37,064	62,556
Seed-sowing machines	8,137	53,805	61,942
HARVESTING MACHINERY:			
Mowers and reapers...	19,142	77,624	96,766
Binders	257	9,137	9,394
Potato diggers	1,403	7,265	8,668
Swathe turners, horse rakes, rick lifts ..	10,842	83,742	94,584
BARN MACHINERY:			
Ordinary threshers	8,090	21,622	29,712
Thresher and finisher combined	317	1,634	1,951
Winnowers or fanners	14,433	34,074	48,507
FOOD-PREPARING MACHINERY:			
Root slicers and pulpers	28,279	74,815	103,094
Chaff cutters	5,642	21,516	27,158
Corn crushers	570	6,066	6,636
Cream separators	664	7,758	8,422
MECHANICAL MOTOR POWER USED ON THE FARM:			
Water wheels or turbines	99	558	657
Windmills	10	106	116
Steam engines, No.	91	709	800
.. .. h.p.	694	4,381	4,980
Gas engines, No.	8	77	85
.. .. h.p.	59	862	921
Oil .. No.	34	531	565
.. .. h.p.	221	3,077	3,298
Petrol engines, No.	8	84	92
.. .. h.p.	28	579	607

Under the old system of land tenure, a tenure that has now been practically swept away by the operation of the Land Purchase Acts, the incidence of rent was too heavy to permit the Irish farmer to invest much money in improving his land. The new system allows him to hold his land on easy terms, and many farmers are now in a fair way to become owners of their farms. The strengthening of the financial resources of the Irish agricultural community is reflected in the more extensive utilisation of machinery. Tractors and tractor ploughs, of a small and compact type, have become very popular during the War and will probably become more so when the utility of the

tractor as a stationary engine is more fully demonstrated. It will be noted from the previous table that the farms containing over 30 acres were the greatest users of machinery. Holdings under 30 acres number 408,579, or 71% of the total number of holdings, 572,045, in the country. The problem of supplying these occupiers with machinery of the more expensive and heavier type, where needed, will, in all probability, be solved through the medium of co-operative societies. During the past few years the loan scheme instituted by the Department of Agriculture with the object of enabling all classes of farmers to purchase mechanical requisites has been largely availed of, but it is obvious that highly-priced machinery must lay beyond the reach of individual small farmers unless they collaborate in its purchase and use.

INVESTMENT INDEX-NUMBERS.

The monthly Investment Index-Figures of the British, Foreign and Colonial Corporation, Limited, show that after making the necessary adjustments for bonus distributions, new issues of capital, &c., 100 standard investment securities of an aggregate value on December 31, 1918, of £2,991 millions, and on December 31, 1919, of £3,031 millions, had a market value on March 31, 1920, of £2,890 millions, a decrease of 3.36% on the quotations on December 31, 1918, and a decrease of 2.52% on the quotations on February 28, 1920. Taking the 1918 figures as 100, the percentage totals of the different classes of investments are as follows:—

Index-Figures.

Type	December 1913	December 1918	February 1920	March 1920
Gilt-edged	121·5	100	92·3	91·7
Investment (fixed interest) ...	114·1	100	95·5	90·3
Investment (varying interest) ...	117·4	100	103·2	100·2
Semi-speculative	101·3	100	134·3	124·3
Speculative	111·1	100	149·2	130·2
	118·34	100	99 16	96·64

All sections, the return adds, show a further fall—gilt-edged less than others. It is noteworthy that the greatest stability in value is shown by varying interest stocks of an investment character, such as the Ordinary shares of banks, insurance companies, and great industrial concerns like Brunner, Mond and Company, and J. and P. Coats; the percentage total of this section at the end of March (100.2) was almost the same as at the end of 1918 (100).

Japan.—The tone of the Money market in Japan throughout last month was firm, and towards the close it still further stiffened, owing to large demands for money for the Stock Exchange settlement, heavy collection of taxes, and "window-dressing" by the banks which act as agencies of the Treasury. Money at call was quoted at 12% per annum, the discount rate being 9.80%. In the middle of the month, owing to enormous transactions caused by the heavy fall in the prices of stocks generally, the Stock market had to close for two days. The reasons given were the cautious attitude previously adopted by the banks, the unprecedentedly large excess of imports over exports, and the pessimistic forecasts of the future conditions of export of cotton goods owing to the heavy depreciation in the price of silver. The market was dull even after the reopening, and nearly all stocks depreciated. The settlement, however, was smoothly transacted. Prices of commodities declined in sympathy with the depreciation of securities. Owing to the Government ban on exports of cotton yarn stocks accumulated, and the market became dull. Silk, notwithstanding an early collapse, recovered later on account of buying by export houses, together with decreased production. Standard silk was quoted at Yen 342.70. Rice declined to Yen 46, affected by the fall in prices of yarns and stocks.

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American Topics.

GENERAL ELECTRIC COMPANY.

On another page will be found a report of the operations of the General Electric Company for the year ended December 31, 1919. During the year ended with December the value of the orders received by the Company amounted to $237,623,932. This compares with $234,000,000 for the whole of the year 1918. It compares with $11,800,000 in the clear year before the War and $26,250,000 at the commencement of the present century. Measured in dollars it will be seen that the growth of this Company's business has been enormous. Measured in this way, it will be seen that it has multiplied in the course of 19 years something like 10 times over. Equally satisfactory is the evidence afforded that the transition from war to peace conditions has not checked expansion in the Company's operations. The report says, however, as indeed one would naturally expect, that for some time after the conclusion of the Armistice the volume of business booked by the Company was very materially reduced; but during the last eight months of the year 1919 orders poured in and increased so rapidly that at the end of the year the demand for the Company's products was actually in excess of the capacity of the factories to fulfil them. At the end of the year the amount of orders on the books and still uncompleted amounted in value to $98,880,000. This compared with the value, measured in dollars, of 80 millions of uncompleted orders at the end of 1918. The income from the sales of the Com-

pany's products during 1919, before the deduction of taxes, interest on loans, or the payment of dividends, exceeds $33,000,000. Income from various other sources amounted virtually to $5,250,000. The Federal, income and excess profits taxes actually exceeded in value the dividends paid in cash, as will be seen from the report published elsewhere, leaving a surplus for the year of $15,500,000. So pressing are the unfilled orders on the books of the Company that it has been found necessary to add substantially to its manufacturing capacity. This has been partly done by enlarging the present plant and partly by leasing factories already constructed.

Most of these leased factories have been taken over with option of purchase. The object of acquiring them is to obtain immediate facilities for increasing output, as this would be delayed if the Company were to wait to construct factories of its own. The total factory floor-space has been enormously increased during recent years. Ten years ago it was only 7 million square feet; at the end of 1911 it was under 10 million square feet; at the end of last year it had been more than doubled and amounted to 20,681,000 square feet; but as already said, this vast space has been found inadequate for the requirements of the Company.

CANADIAN GENERAL ELECTRIC COMPANY, LIMITED.

In their report for the year ending December 31 last the Directors of the Canadian General Electric Company, Limited, state that in the past they have from time to time placed to their surplus profits a very large sum from a reserve account for the depreciation of plant and machinery. This reserve for depreciation now amounts to $4,700,000, and this sum is equivalent to 81% of the book value of the machinery, tools, patterns and drawings, which are carried on the book at $5,500,000.

The real estate and buildings owned by the Company have increased in value to an extent largely in excess of any appreciation through wear and tear which may have taken place, and therefore this reserve for depreciation, says the report, may be considered applicable to the old plant. The net profit earned during the year, while less than that of the preceding year, when the Company was busily engaged on war work, is nevertheless satisfactory and encouraging. The profit for the year amounted to $1,617,989, from which is deducted the sum of $500,000, which has been reserved for depreciation, leaving a net profit of something over $1,000,000.

Dividends at the rate of 8% per annum have been paid on the Common stock and 7% on the Preference stock of the Company, and $313,000 has been carried to the credit of profit and loss, which, added to the balance from the preceding year, makes a total of $836,000 to the credit of that account.

It will be appreciated that a Company like the Canadian General Electric has passed through an exceedingly trying period since the summer of 1914. During the last six years, says the report, we have witnessed the declaration of War and the Treaty of Peace. With the declaration of War their business for a time almost wholly disappeared. Fortunately, with some alteration and the adaptation of the plant to new conditions the Company was able to engage in the manufacture of munitions of war, particularly marine engines, which in a very short time they succeeded in producing upon an enormous scale. Having adapted itself to war conditions this Company did an enormous business and earned large profits for the shareholders, but it had only one customer, or only one customer upon whose orders it could depend for keeping its plant occupied. Just as it had been plunged into difficulties by the outbreak of the Great European War the sudden cessation of that War in November 1918 proved an equally serious blow to the Company. The Government, for whom the Company had been working, had been for years pressing the Company to use its plant to the best of its capacity suddenly ceased its orders altogether. The comparatively small number of customers other than the Government, who were themselves engaged on war work, also decided to cancel their contracts. The natural result was that, in the words of the report, during the earlier months of the year immediately succeeding the Armistice the business of the Company was conducted without it being possible to earn any profits at all. This condition of things lasted for some months. After a time the trading world came to realise that the work of the world would have to go on although it was not necessary to make munitions, and, consequently, orders came pouring in from various directions for the specialities in the making of which the Company had achieved a reputation.

We welcome the March-April number of the *Polish Economic Bulletin*, which has been enlarged and revised. The paper covers a wide field, and of especial interest is the series of articles on industrial reconstruction, particular interest attaching to the paper industry of Poland. Two speeches are included by Mr. Grabski, the Polish Finance Minister in the Polish Diet, in which he explains his plans for the rehabilitation of his country. Poland seems to be more than ready to seize every opportunity, and even to improve upon the trade relations which prevailed in Europe before the War. According to the latest reports, it has been calculated that from 18% to 30% of the factories in Lodz are again in full working order, and only await an adequate supply of raw materials.

A novel form of appeal is that which is being circulated on behalf of funds for the University of Manchester. The appeal takes the form of an ordinary company prospectus entitled "Lancashire Development, Unlimited," and a call is made for half a million sterling in order to develop the University and to make it one of the greatest in the world. At present it is badly under-capitalised; and, in consequence, profitable growth in many directions has come to a standstill. We commend the prospectus to the attention of all patriotic men of Manchester, and, indeed, to educationists throughout the Kingdom.

"Mines and the Speculative Investor." By J. A. L. Gallard, mining editor of the *Financial Times*. Price 7*s*. 6*d*. (London: Walter R. Skinner, 11-12 Clements Lane, E.C. 4.) This book elucidates the salient features of mining operations and their relations to share values for the benefit of those who, being neither mining engineers nor mining financiers, have only a casual acquaintance with mines and mining companies. It is a book for the man in the street who operates in mining shares and takes, or wishes to take, an intelligent interest in the matter. A chapter is devoted to notes on the chief commercial uses of the products of mines, a glossary of mining terms and a couple of mine plans to illustrate the method of opening up a mine, and explains the terms used in connection with underground operations.

"The Stock Exchange Year-Book" for 1920 has just been published. It runs into close upon 3,000 pages, and the price is 40*s*. net. In his usual interesting preface Sir Thomas Skinner deals with the effect of the increased demand for capital upon the market value of existing securities, which in no quarter has been felt more than in National War Stocks. Of the successive issues great quantities were taken from patriotic motives, and from rivalry between the great cities, and now that business activity has regained much of its pre-War proportions, realisations have had to be made that capital might be put to its accustomed uses. Moreover, owing to the greatly increased cost of raw material and of labour, much more capital is required per output than was formerly experienced. The result is that National War Bonds are at a discount; that the great municipal governments have to issue 6% stock to meet their necessities; while industrial corporations have to offer preferential dividends of at least 7%.

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Rubber Topics.

THE Rubber market opened dull and depressed on Monday, mainly as a result of the severe relapse in the French exchange. With francs at 67.40 liquidation on Parisian account set in and was reflected in the reactions of Malacca Plantations to 4⅞, Kuala Lumpur to 3 5/16, and Eastern International Trusts to 29*s*. Tamiang and Sennah also suffered, and the tendency spread itself to other shares, Vallambrosa receding 3d. to 22*s*. 6*d*. With the improvement in the franc on Tuesday the market assumed a better tone and Paris favourites regained lost ground. Kuala Lumpur closed 1/16 up to 3⅝, whilst Malacca Plantations put on ⅛ to 5, and Eastern International Trusts were 1*s*. better on the day at 30*s*. Very little business was transacted on Wednesday. However, despite the sudden announcement of the rise in Treasury Bill rates, which the market realised would be followed almost inevitably by a 7% Bank rate, price movements on the whole were favourable. Kuala Lumpur was ⅛ higher at 3¾, whilst Sennah moved up to 31*s*. 3*d*., and Malacca Plantations and Eastern International Trusts closed firm at the previous day's quotations. Thursday found the market well prepared for the high Bank rate, which, in consequence, had little influence on prices. Though business was slack the tone was firm and Paris counters, in particular, maintained their previous recovery. It is too early as yet to look forward to an immediate revival of activity in this market. With the Budget bogey, however, out of the way after next week, it may be that next month would usher in a much more lively market. The commodity market is still rather weak, Thursday's quotations being 2*s*. 2*d*. for plantation crepe and 2*s*. 2¼*d*. for smoked sheet. An interim dividend of 10% for the financial year ending June 30, 1920, has been declared by the Sungkai-Chumor Estates and the Straits Plantations. For Seaport (Selangor) Rubber Estates the amount of the interim dividend is 5%. The Consolidated Estates announce an interim dividend of 10% on their Ordinary shares, and state that, whilst it seems unlikely that the original estimate of 2,265,000 lb. of tea will be realised, the final crop will be in excess of that of the previous year. On the other hand, there are good prospects of securing the estimated rubber crop of 1,119,000 lb. In both cases the prices obtained through sales effected to date represent an improvement on those of last year; but owing to the adverse rupee exchange and the congestion at the docks, profits are being much reduced. March outputs are still pouring in and they continue to reveal satisfactory advances over those of the previous March. Bukit Sembawang have secured 129,500 lb., as against 45,500 lb.; Sungei Kapar obtained 79,500 lb., in comparison with 43,900 lb.; Sungei Choh report 66,281 lb., as against 37,255 lb.; New Crocodile River (Selangor) had an output of 70,140 lb., in contrast with 26,710 lb.; with the United Serdang the crop reaches 316,381 lb. instead of 207,774 lb.; whilst for the Rubber Plantations Investment Trust the figures are 99,629 lb. for March 1920 and 62,696 lb. for 1919; Lanadron Rubber Estates secured 118,097 lb., as against 98,712 lb.; the Anglo-Malay Rubber Company report a crop of 107,710 lb., in comparison with 93,183 lb.; Heawood Tin and Rubber Estate obtained 32,867 lb., or over double the crop for March 1919; Sarawak Rubber Estates record an advance of 14,000 lb., with a crop of 83,700 lb.; whilst Vallambrosa Rubber Company harvested 81,744 lb., as compared with 77,128 lb. in March 1919.

ANNUAL REPORTS ANALYSED.

GOLDEN HOPE (SELANGOR).

Issued Capital: £50,000 in £1 Shares.

	Results for Years to December 31								
	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1916 ...	1,161	1,000*	268,286	268*	2/5	1/1.4	17,399	11,000	25
1917 ...	1,446	1,300*	352,242	270*	2/4.7	1/4.8	18,414	8,800	20
1918 ...	1,446	—	290,571	—	1/8¼	1/7	6,857	4,400	10
1919 ...	1,436	—	376,849	—	1/10½	1/3¾	15,080	12,500	25

* Approximate.

Price of Shares, 83/9. Market Capitalisation per planted acre, £146.

HANDICAPPED during 1918 by the restriction in tapping adopted in accordance with the scheme drawn up by the Rubber Growers' Association, this Company with a much diminished output, realising in the depressed condition of the Rubber market a very low price, was compelled, in view of the increased cost of production, to reduce its dividend to 10%. The report for the year ended December 31, 1919, indicates a return to more normal conditions. The actual crop harvested reached 376,849 lb., in comparison with 290,571 lb. for 1918. The estimated crop was 380,000 lb. and the deficiency was due to the unfavourable circumstances prevailing on the Golden Hope Estate. Reading Estate contributed a crop in excess of the estimate, and the total estimate would have been exceeded were it not for a shortage of tappers on Golden Hope and a period of drought, which reduced the water available for curing to a low level. It will be noted that the total area planted has been reduced to 1,436 acres. The reduction represents an adjustment rendered advisable by the subsequent discovery that 10 acres of the area planted on the Golden Hope Estate in 1910 were planted on Government road reserve not included in the Company's titles. With a further 18 acres also planted on Government road reserve, the Company now has a total of 39½ acres planted in this manner, in addition to the above 1,436 acres. The price realised per lb. has improved somewhat to 1*s*. 10¾*d*.; but, in addition, there has been a satisfactory reduction in the "all-in" cost to 1*s*. 3½*d*., as compared with 1*s*. 7*d*. in 1918. This resulted in the production of a net profit of £15,080, in comparison with the poor figure of £6,857 in 1918, which enabled the Company to pay a dividend of 25%, whereas shareholders received only 10% in 1918, leaving a balance of £5,439 to be carried forward to the next accounts.

The outlook for the current year is still more encouraging. The estimated output is placed as high as 439,000 lb. For the first quarter there has been secured 118,359 lb., which is nearly 9,000 lb. in excess of the requisite proportion of the estimate. About 40% of the estimated crop has been sold forward at an average price of 1*s*. 11.11*d*. per lb. Plans for future development include the planting of a further 160 acres on the Reading Estate as soon as the draining of it has been finished. A much healthier condition is disclosed in the balance sheet as on December 31, 1919. Liabilities, including some £200 in respect of unclaimed dividends, and £4,025, the balance of the loan on the Reading Estate, amounted to £17,273.

The total of sundry creditors at £13,044 compares with £5,981 in 1918, and is largely due to the inclusion of income tax in respect of the profits of the year. However, to meet these liabilities there are available liquid assets to the amount of £43,743, and of these investments in Treasury bills and the cash balance account for £21,648. In the interval that elapsed between the closing of the accounts and the general meeting the final instalment of £4,025 of the 34,500 dollars due to the F.M.S. Government by the Reading Estate has been paid off. The issued capital now agrees with the amount of the authorised capital, £50,000, as a result of the successful issue of the remaining 6,000 shares to existing shareholders during the year at a premium of £1. Alive to the necessity of developing the Reading Estate by opening up the reserve land and providing the new buildings required, such as a new smoke-house on Golden Hope Estate, it was agreed at the general meeting to increase the authorised capital to £100,000 by creating 50,000 new shares of £1 each. It is proposed, however, to utilise part of this new creation to aid in capitalising the reserve of £30,000, in order to distribute 30,000 shares *pro rata* amongst existing shareholders whose names will be on the register on April 23, 1920, the date on which a meeting is to be held to pass a resolution embodying this proposal. In view of this bonus the shares are quoted in the market as high as 83*s.* 9*d.* A purchase of shares at this price in the ratio necessary to secure an integral number of bonus shares (that is a purchase of five shares, which will entitle the holder to a bonus of three shares) means that the average price of the total shares thus acquired works out at 52*s.* 4*d.* Assuming the rate of dividend remains unchanged on the higher capital, the shares at this price would yield a little over 9½%, and are consequently high enough at this level.

GULA-KALUMPONG.

Issued Capital: £150,000 in £1 Shares.

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1916	4,417	2,825	1,195,959	313	2/5	– 11.2	90,888*	73,125	16¼
1917	4,417	4,068	1,333,328	328	2/3½	1/0⅝	85,741†	73,125	16¼
1918	4,460	—	1,013,200	—	2/1½	1 3	55,086‡	45,000	10
1919	4,460	4,363	1,549,500	352	2/2½	–/11⅝	125,724§	101,250	22½

* Including £5,515 from coconuts. † Including £5,169 from coconuts.
‡ Including £4,835 from coconuts. § Including £26,924 from coconuts.

Price of Shares, 40/0xd. Market Capitalisation per planted acre, £202xd (excluding 3,382 acres under coconuts).

Whilst 1919 was, on the whole, a rather prosperous year from the point of view of most rubber companies, and especially of those which were situated in the Federated Malay States, it was, as might be naturally expected, the big producers who derived the greatest benefit. A striking testimony to this fact is furnished in the report of Gula-Kalumpong for the year ended December 31, 1919. Against a crop of 1,013,200 lb. in 1918, there was harvested during the year under review no less than 1,549,500 lb. of rubber, representing an excess of 99,500 lb. over the estimate. Owing, however, to the rather low prices prevailing for rubber for the greater part of the year, the average price realised per lb. was only one penny better at 2*s.* 2½*d.* At the same time, the economies of large-scale production, rendered possible by the growth in the output, reduced the "all-in" cost to 11½*d.*, and that, despite the materially higher expenses incurred in every department. And it is asserted that if a due proportion of the administration expenses had been assigned to the other product—copra—that the "all in" cost would actually have been as low as 11⅞*d.*, as compared with 1*s.* 3*d.* in 1918. Seldom have the advantages of large-scale production been so well illustrated. As a result of this reduction the net profit for 1919 (including £26,924 in respect of the coconut crop) amounted to £125,724, or considerably over twice that of the previous year. Such satisfactory profits enabled the Company to declare a dividend of 22½%, in contrast with 10% for 1918. In addition, £20,000 has been added to the reserve, thereby increasing the total to £112,824. There is carried forward to the next accounts a balance of £25,984. Not all this is due to the rubber harvest, although it has been the main factor in the result. As already indicated, the Company has also 3,382 acres under coconuts. During the year under review this department was worked with considerable advantage. The estimate amounted to 4,600,000 nuts, whilst the actual harvest reached 5,015,600 nuts. Of these, 33,745 nuts were sold at $46.50 per 1,000. The remainder yielded 1,078 tons of copra, of which 325 tons were sold in England and the rest locally or in America. The cost of production f.o.b. Penang was £11 10*s.* 6*d.* per ton. The exact proportion in which both products contributed to the profit can be determined; for according to the report the 4,363 acres of rubber in bearing gave a net profit of £21 10*s.* per acre, whilst the 2,200 acres of coconuts in bearing yielded a profit of £12 15*s.* 6*d.* per acre.

Prospects for the current year are very bright. For coconuts a crop of 6,000,000 nuts, equivalent to 1,325 tons of copra, is estimated, and arrangements are being made to develop the 700 acres of spare land still available. There has been sold already 250 tons of copra at prices far in advance of those realised last year, and there is no reason for anticipating any serious fall in the price of copra in the immediate future. The position as regards rubber is still more satisfactory. The estimated output is 1,560,000 lb., and the crop actually harvested for the first quarter of the current year (in which the short month of February is included) amounts to 415,000 lb., which would promise, if the rate of production remained unaltered, a crop of over 1,600,000 lb. And of this crop, 672,000 lb. have been sold forward at 2*s.* 3⅝*d.* per lb. gross London terms. Furthermore, contracts have been entered into also for the disposal of 260 tons of the 1921 crop at 2*s.* 3*d.* per lb., and of 145 tons of the 1922 crop at 2*s.* 8⅝*d.* per lb. One of the directors, who has returned from visiting the estate, gives a very satisfactory report of its condition. A strong financial position is disclosed in the balance sheet. Liabilities, including unclaimed dividends, amounted to £32,222, and were amply covered by the cash balance and Treasury bills which matured in February, the combined total of which was £40,967. Including all liquid assets, there was available for any such liabilities a sum of £116,672. At the general meeting it was agreed to increase the authorised capital to £750,000 by the creation of 250,000 Ordinary shares of £1 each. To existing shareholders, 225,000 of these shares were offered at par, at the rate of one share for every two shares already held. This capital was required for the purchase and development of an estate of 5,000 acres of land about which the directors were negotiating, and which, if acquired, they proposed to plant with rubber. In the market the shares stand at 40*s.* ex div., at which price they yield, on the existing rate of dividend, 11¼%; but if the terms of the new issue are taken into consideration, they are still more attractive. A purchase of the shares in such numbers as to avail of the offer of an integral number of the new shares at par would mean that the average price of the shares would be only 33*s.* 4*d.* One other point is worthy of notice. Excluding the area under coconuts, the market capitalisation per acre works out at the rather high figure of £202. But if this area is included in the ratio suggested by the Chairman of 3 acres of rubber as equivalent to 5 acres of coconuts, then the market capitalisation becomes reduced to the more normal figure of £138.

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THE INCREASE IN LIFE ASSURANCE BUSINESS.

ALL indications in regard to the matter which are at present available confirm previous estimates made in these columns, that the amount of new life assurances transacted by British companies in the course of 1919 would be found to exceed that ever previously reported in respect of a single year's operations. And it is now clear that this excess will be much greater than was generally anticipated. The larger number of annual life reports have still to appear, but the figures already presented by individual offices show a scarcely disturbed unanimity in this respect, and some of their records put their best pre-War achievements of the kind completely in the shade. And as far as can be ascertained the improvement in new business returns, comparing the first quarters of 1920 and 1919, is still continued. This is a very gratifying piece of information to all interested in the development of thrift, and in the extended adoption of the most useful device for its application to the requirements of the community as a whole that has ever been arranged.

There was reason, of course, for the belief that some revival of life assurance activity would follow the demobilisation of vast numbers of citizens, and their release from liability for military service, which, while they were subjected thereto, had made their lives unacceptable by the offices except at practically prohibitive surcharges. But it remained to be seen whether they would prove as responsive to the efforts of life assurance agents as before, looking to the fact that the vast majority of British life offices had felt themselves unable, under the adverse conditions imposed by the War, to make any distribution of bonus on the occasion of their last quinquennial investigations. No doubt in most cases some distribution might have been made if the offices had been disposed to lower their standards of valuation and to make more liberal assumptions in regard to the recuperative capacity of their business. But the decision was generally taken by the offices to look facts in the face, to make full provision for the depreciation in securities, mainly caused by the issue of Government loans at much higher rates of interest than had been offered to investors for the last hundred years, and after payment of heavy war claims and greatly enhanced taxes out of existing resources, to employ the former valuation standards, so that the reserves carried forward should suffer no diminution of strength, even although doing so necessitated a postponement of any distribution of profits. This decision was undoubtedly in the best interests of new entrants into life assurance, for it preserved the full bonus-earning power of the companies for the future, so far as post-War conditions rendered this possible. But there was some danger that the passing of bonuses would be to some extent misunderstood by the general public, and that for this reason the response to life assurance appeals by men returning to their ordinary avocations might be less hearty than would otherwise have been the case.

The greatly increased number of new life policies effected since the date of the Armistice shows, however, that the popularity of British life offices has not been appreciably affected by the general passing of the bonuses, and that the community of eligible new entrants has taken a correct view of the situation. Indeed, a moment's reflection will show that the existing life policyholders have suffered much less from the War, so far as the face value of their contracts is concerned, than the holders of almost any other form of negotiable security. If, for example, the money expended in the payment of premiums had been invested in ordinary gilt-edged Stock Exchange securities a large amount of depreciation would have resulted, whereas the only disadvantage to life policyholders has been the non-accretion of a comparatively small amount of profit which they might have expected to receive under normal circumstances. The public has evidently come to look on the passing of bonuses in its true perspective as a temporary and exceptional incident, however unfortunate, and is disposed to entertain the view, which may be considered as well justified, that there is no reason to take a pessimistic view of the future profit-earning possibilities of well-managed life assurance institutions.

One interesting and specially gratifying feature of the new business returns for 1919 already published has been the vast amount of ordinary life assurances transacted by offices possessing industrial departments. The fact, as exemplified in the results of the industrial section of these companies' life business, as disclosed by the report of the recent Parliamentary Commission, that this form of insurance, under the system of weekly collection of small premiums, is an extravagant form of thrift, has been repeatedly emphasised in these columns. But these companies have recently paid great attention to the development of ordinary life asurance on sound and economic lines, and their success in this respect is a very satisfactory feature of recent insurance history. By virtue of their extensive organisations they are in the position to get into touch with masses of the population which are outside the pale of the activities of the agents of companies confining their operations to ordinary life assurance, and their achievement in obtaining a vast number of ordinary life policies from the industrial classes is a matter of great national and social importance. Now that weekly wages generally have been so much increased there is no reason why those recipients should not avail themselves of an improved form of thrift, and it is good to see that a large and increasing number of them are now doing so. It is really one of the outstanding factors, as evidenced by insurance reports, that ordinary life assurance is now attracting in large numbers masses of the population who had previously been either unable or unwilling to avail themselves of its greatly superior advantages to those of the industrial form.

An analysis of the new business returns of life offices recently published shows an advance not only in the total amount of new policies but in the average sum assured by each new contract. This is a feature that may be expected to continue. The rise in the prices of all commodities and the decline in the purchasing power of money make it very desirable not only that policies now effected for the first time should be of larger amounts than formerly, but that the great majority of existing life policyholders should, by effecting new policies, add to such protection as is presently afforded to them in this way. We have now to deal with new measurements of value in all social economics. Just as in fire insurance large additions to policies are desirable on account of the enhanced costs of replacements, so also in life assurance a policyholder has to remember that the existing amount of his life policy will not go nearly as far as formerly in meeting the requirements of his beneficiaries at the present moment. It would not be an over-estimate to suggest that the amount assured by life policyholders should be doubled in order that it may cope at all adequately with existing conditions, as compared with those which prevailed a very few years ago. And what better way could be found for the accumulation

of savings at the present moment than is available through this method? The depreciation that is still, unfortunately, going on in the value of the very best classes of investment must inevitably be a deterrent as regards the placing of savings in Stock Exchange securities, apart from the inherent difficulties of dealing in this way with small amounts of money at annually recurring intervals. On the other hand, there is but little risk of depreciation in the proceeds of life policies in sound and well-conducted companies. Here, then, is another reason for the great increase in new life policies, which it may be hoped will be continued and intensified.

It may be pointed out that at the present time life assurance, apart from the benefit afforded by income-tax relief according to amount of premium payments, possesses yet another attraction. It is quite possible, in fact it is expected by many who have studied the problem, that the purchasing power of the sovereign will eventually recover much of its present depreciation. If this surmise turns out to be correct, the proceeds of a policy in 20 or 30 years' time, taking the average duration of a contract, will be more valuable than they are to-day. It is necessary, in order to cover the contingency of premature decease, to take present purchasing power into account, but an improvement in that respect might considerably improve the investment value should life be prolonged to the normal expectation. Probably this has occurred to many people, and it is certainly a justification for an increased demand for life assurance.

New Issues.

LONDON COUNTY 5¾ PER CENT. BONDS, 1930.

The Bank of England has been authorised to receive applications for an issue of £7,000,000 London County 5¾% Bonds, 1930, at an issue price of £95. The bonds are secured by a charge on the whole of the land, property and revenue of the Council, and on the County funds and County rates leviable by the Council upon the rateable property within the Administrative County of London, and rank equally with all London County Consolidated stock already created and issued. The annual assessable value of the County of London amounts approximately to 45½ millions sterling, and a rate of 1*d.* in the £ produces about £190,000. The debt of the Council outstanding on March 31, 1919, consisted of Consolidated stock, £71,862,472, and other liabilities amounting to £929,830. On the other hand, the Council has assets applicable to a redemption of debt of very nearly £27,000,000.

A. AND S. HENRY AND COMPANY, LIMITED.

This Company, whose operations are very extensive, and include the handling of all textile productions, such as cotton, linen, woollens, and jute, also iron and hardware, with a large import trade in raw materials and produce, invites public subscription for 640,000 Ordinary shares of £1 each at 30*s.* per share. The business was established in Manchester in 1807 and formed into a limited company in 1889, since which date the business has been uniformly progressive. Extensive additions have from time to time been made to the Company's properties, and various important concerns have been acquired, which policy of expansion has been more than justified by the increased yearly profits. The present issue is made to provide additional working capital and for future extensions. The prospectus, which will be found in full elsewhere, sets out in detail the assets and liabilities. The land, buildings, and machinery at Manchester, Bradford, Dundee, London, and Belfast stand at pre-War value after liberal depreciation. The stock-in-trade is taken at cost price or market price, whichever is the lower. The total assets show a surplus over liabilities, to which must be added the net proceeds of the new issue. When the Company was formed in 1889 a value of £300,000 was placed on the goodwill. This has been since written off, but the directors are of opinion that its value to-day is considerably higher than on the incorporation of the Company.

Messrs. Peek, Frean and Company, Limited, invite subscriptions for an issue of £50,030 8% Cumulative "A" Preference shares of £1 each at par. The Company has an authorised capital of £1,500,000, of which £800,000 has been issued. There is, in addition, £300,000 of 4% Debenture stock, all of which has been issued. The profits of the Company available for distribution are applicable, first, in payment of the fixed cumulative dividend of 5% on the Preference shares; secondly, in payment of the fixed cumulative dividend on the "A" Preference shares.

Newfoundland Fish Products, Limited, has been incorporated, with a capital of £300,000, divided into 250,000 8% Cumulative Participating Preference shares of £1 each and one million Ordinary shares of 1*s.* each. The Company invites subscriptions for 18,700 8% Cumulative Participating Preference shares of £1 each and 187,700 Ordinary shares of 1*s.* each. The Company has been formed to carry on the business of dealing in fresh, frozen, smoked and dried fish, and the manufacture and sale of fish meals and fertilisers and other products of fish offal and fish waste.

Inter-Northern Corporation, Limited, has been formed with a capital of £250,000, divided into £245,000 Preferred shares of £1 each and 100,000 Deferred shares of 1*s.* each. The whole of these shares are now issued, 120,000 Preferred Ordinary shares and 70,000 Deferred shares have been already applied for by the directors and their associates, and will be allotted in full. Applicants for both classes of shares have the right to an allotment in the proportion of one Deferred share for every five Preferred Ordinary shares applied for and allotted. The Company has been formed for the purpose of affording financial and other assistance to various industrial enterprises in this country.

Majunga Oilfields of Madagascar, Limited, has been formed with a capital of £200,000, divided into 200,000 Ordinary shares of £1 each, and 50,000 of these shares are now offered for subscription at par. The Company has been formed for the purpose of acquiring mining permits (principally petroleum) option, and agreements, and the concessions to be acquired thereunder, held by Mr. John Martin, relating to an area of land duly surveyed, beaconed, and subdivided into eight areas of 2,500 hectares each, making a total of 20,000 hectares, equal to about 78 square miles, in the Province of Majunga, in the Island of Madagascar.

North of England Cinema, Limited, invite subscriptions for an issue of 100,000 Cumulative 10% Preference shares of £1 each at par, and 50,000 Ordinary shares of £1 each, being part of an authorised capital of £250,000. The Company has been formed to acquire freehold cinematograph and variety theatres situated in Middlesbrough, Leeds, and West Hartlepool.

(*Continued on page 742.*)

HARRISONS & CROSFIELD,
LIMITED.

Eastern and General Merchants.

Agents and Secretaries for
RUBBER, TEA AND PRODUCE COMPANIES.

ESTATES FINANCED.

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THE CONSOLIDATED
Assurance Company, Limited.
ESTABLISHED 1903.

Authorised Capital £1,000,000
Paid-up Capital £176,334
Total Funds now exceed a Million.

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Manager: J. Herbert E Lane.

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London, E.C. 4.
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Chas. Windett.

Commercial.

THE WORLD'S FLEECES.

Messrs. Dalgety, in their annual review of the wool trade of Australasia, publish an exceedingly interesting table showing the Australasian fleeces for the past nine years. The highest figure attained for the Commonwealth of Australia and New Zealand combined amounted to 117 million fleeces. At the time of the Armistice this had declined to 111½ millions. During part of the War period the sheep population both of the Commonwealth and of New Zealand declined to considerably under 100 millions. This was not wholly due to war demands. It was partly accounted for by drought. Various diseases affect the sheep in the outlying districts of different parts, particularly on the continent of Australia. But the great dominating factor which determines the growth or decline of the sheep population in the Antipodean colonies is the occurrence or absence of drought. We would recall to the mind of the reader who has many things to remember that we published in the autumn of last year a series of articles dealing with the live-stock population of the world. We dealt with cattle, with sheep, and with oxen; and we showed that the total sheep population of the world was at that time, as far as we could estimate it, 612¼ million fleeces. The Australian sheep population at the period when the highest figure was attained was only a little over 117 millions. Out of a total of 612¼ millions this would not appear as a controlling factor in the world's markets.

It may surprise the reader that, having given the figures of the world's total sheep population, we should commence this article by quoting and emphasising the importance of the tables which have been carefully prepared by Messrs. Dalgety. But as a fact the Australasian wool clip is the determining factor in the supply of wool, in abundance or otherwise, in the international markets of the world. It is owing to the fact that Australasia forms part of the British Empire that this Empire controls to the extent of no less than 80% the world's total supply of wool as known to what for convenience we call the international markets. That really only means the supply of wool which is available for making garments of various kinds used by the civilised races in different parts of the world, and Australasian wool is produced to such a texture as to meet those requirements in a sense that no other wool has so far been produced in sufficient quantities to be of international importance. In ancient times Spain was the main source from which the most prized wools were obtained, and it was from the fact that the Spanish word "merino" means a sheep that the term has come to be used practically in all trading countries, whether they speak Spanish or any other language, as a convenient expression denoting a particular quality of wool. As a matter of fact, now the trade understands the term in a purely technical sense. It does not necessarily mean that the wool is grown on the back of a particular kind of sheep. All it really means is that when the wool is scoured and what is called combed—that is the first process of manufacture necessary to make it fit for the spinning looms—it is of a certain texture which the members of the trade understand as entitling it to be classed under this particular term. Owing to the enterprise of Anglo-South American firms, particularly working in Uruguay, and still more in Argentine and Chilian Patagonia, the actual number of fleeces in South America has risen approximately to the number recorded by Messrs. Dalgety over a period of many years as the total sheep population of Australasia. But they have not so far succeeded in producing a type of wool which is so peculiarly suited for the combing machines of Yorkshire as is Australian wool; and consequently Australian wool commands, or at least did command in pre-War days, a higher price, and was, and to a large extent still is, the dominant factor in the market. Inasmuch, as we have said, as the South American companies, particularly those in Argentine and Chilian Patagonia, in our own little island colony of the Falkland Isles, and in Tierra del Fuego, are almost wholly financed from this country, we may, in a sense, be said to control the South American product as we control the wools of Australasia.

How the whole thing came about is quite simple, and it may interest the reader to state it. It will be remembered that this country has been engaged in the woollen trade from the very earliest periods of our history. The industry of the Manuscripts Commission, of various writers, notably the late Professor Thorold Rogers, and others who searched through the ancient chronicles preserved in the monasteries, at our great educational foundations, and in the mansions of our greater nobles, as well as in the archives of the guilds of the trading companies of London, Norwich, and other cities where such records have been preserved, gives us, in fact, the prices of wool as far back as the early periods of the Plantagenet reigns; and it was in the time of the Plantagenets that a Queen Consort who had come from the Netherlands was really instrumental in making this country a wool-manufacturing as well as one of the two most important sheep-producing countries of Europe. Wool manufacturing for centuries was carried on here by the hand loom. With the invention of machinery and the discovery of the potentialities of steam when applied to manufacturing England took the lead, which even yet no other country has been able to overtake. Consequently, wool suitable for the machines produced in England and to the requirements of the manufacturers in Yorkshire came gradually to be the standard type of wool required for the manufacturing interests of the world. Nearly all the wool-manufacturing machinery was for a long time, and a large proportion still is, manufactured here; and even those countries which do manufacture a large amount of wool at home buy their machinery in this country, and particularly adapt themselves to the fashions which were originally set by the manufacturers of Yorkshire. Inasmuch as England was the pioneer in the wool-manufacturing trades, woollen broadcloths came to be, and to a large extent still are, modelled on the English fashion; and although we no longer manufacture wool in the relative proportion that we did in the past, nevertheless, for the reasons which we have explained, the wool which suits the manufacturing districts of Yorkshire is the wool which commands the highest prices and is the most esteemed in the world's international markets.

Since the War, in fact a little before the War began, South African flockmasters were devoting their attention to producing a high-grade breed of wool which would admit of the scoured fleeces being combed to a high degree of fineness. In the trade this high degree of fineness is described by figures, and the figures rise according to the degree of fineness. Consequently, when we wish to say that the demand is

for the higher counts, we say that the manufacturers in Yorkshire require the higher counts; whereas we should say that wool produced, say in India or in the East, generally suitable for making carpets, belongs to what are called the lower counts. South Africa at the present time is devoting so much attention to the production of wool for what we have described as the higher counts that those interested in sheep-breeding and sheep-production in various parts of the world may derive useful information by following the experiments which are going on. In Australasia, and, indeed, in all sheep-breeding countries where the object was simply to sell wool, and where the meat had little or no economic value, the aim was to produce what was known as "merino" sheep—that is to say, sheep whose wool when scoured and combed could be run up in the combing mill, and of so fine a texture as to entitle it to be classed in what are known as the higher counts. Apparently sheep-breeders in South Africa are deliberately returning to this method of breeding. With the discovery that it was possible, by means of cold-storage ships, to bring meat from the place where the sheep were raised to a great consuming market like England it was thought to be wholly unprofitable to produce sheep with a view merely to the price of wool. The Australian growers prided themselves, therefore, on devising a method whereby they could produce a wool capable of being combed to a fineness which would entitle it to be classed amongst the higher counts and would also produce a sheep having a relatively high meat content. Before the discovery of the potentialities of the cold-storage ship, and before the practicability of adapting these to the necessities of trade had been demonstrated, experience seemed to show—and we are not aware that there is any change of opinion on the point—that the wools most readily made suitable for the higher counts produced the least meat contents. But Australia, as the pioneer in this branch of industry, came to the conclusion that it was unprofitable to produce wools purely for the ease with which their wool could be dealt with by the combing mills, and consequently they devised a method whereby they could breed a sheep whose wool could be effectively dealt with in the combing mill and which also would have a high meat content.

It is a remarkable fact that while Australasia, according to the figures compiled by Messrs. Dalgety, had its largest sheep population in 1911, this was the year of terrible drought in the United Kingdom. And from this year dates the general fall in our sheep population, which has been greatly accentuated, but only accentuated, by the demands of the recent War. In the year 1911 the sheep population of these islands exceeded 30 million fleeces. In the table we published, which gave the figures immediately before the War, we estimated it at 27,700,000 fleeces. And from information we have been able to gather we think we may say with confidence that it has not increased—rather the reverse—since that time. A sheep population even of 120 millions, or four times what we attained in the year 1911, is a relatively small number for the Australasian colonies. The great difficulty, of course, is drought. And we in this country, as already stated, lost heavily from this cause in 1911. Drought, however, in England is such a very rare occurrence that it would hardly be practicable to make provision for its recurrence. It is now nearly 10 years since 1911, and we have certainly had no drought since. In Australasia, on the other hand, particularly in the Commonwealth, drought is a recurring factor every three or four years, or at any rate every five years. It is well known, and expected by the industry, and the industry is under no illusion that if adequate provision could be made the reward would be commensurate with the expense incurred.

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This Corporation issues Deposit Receipts to Companies, Corporations or Individuals at very attractive rates, according to the Bank Rate.

The Bank Rate has been raised again and our interest rates are consequently high.

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LEVER BROTHERS, LIMITED.

Issued Capital: £25,707,312, in 400,000 5% Cum. 1st Preference £10 Shares; 5,750,000 6% Cum. "A" Preference £1 Shares; 4,000,000 6½% Cum. "B" Preference £1 Shares; 4,000,000 7% Cum. "C" Preference £1 Shares; 2,313,014 15% Cum. Preferred Ordinary £1 Shares; 1,189,920 15% Cum. "A" Preferred Ordinary £1 Shares; 6,000,000 20% Cum. Preferred Ordinary 5s. Shares; 157,000 20% Cum. "B" Preferred Ordinary £1 Shares; 2,069,513 5% Cum. Preferred Ordinary 5s. Shares; 228,000 Ordinary £10 Shares.

Year	Net Profit†	Co-Partnership Divs.	Pref. & Prefd. Ord. Divs.	Ord. Div.		Balance Carried to Reserve	Stocks	Surplus Liquid Assets*
	£	£	£	£	%	£	£	£
1915...	1,105,728	42,947	858,708	200,000	10	4,073	1,696,994	10,118,164
1916...	1,155,649	70,209	881,119	200,000	10	4,311	2,748,968	9,080,748
1917...	1,342,107	150,834	905,683	300,000	15	5,580	3,189,819	9,668,330
1918...	1,553,589	206,143	991,492	350,000	17½	5,953	4,038,362	10,416,379
1919...	2,439,067	271,299	1,308,092	355,658	17½	4,038	6,054,004	16,406,120

* Including "Debentures, shares, and loans to, less deposits of, associated companies, and investments" (£21,068,681 at December 31, 1919), but excluding stock.
† After providing for renewals, depreciation, and excess profits duty.

THE great expansion in the trading activities of this celebrated firm is indelibly imprinted in the report for the year ended December 31, 1919. After deducting the usual trade expenses and making the necessary allowance for repairs, renewals and alterations, depreciation and insurance, there remains standing to the credit of profit and loss account a balance of £2,439,067, as compared with £1,553,589 in 1918. The satisfactory nature of this large figure, representing net profit, stands out still more clearly in the light of the facts furnished by Lord Leverhulme at the recent general meeting. There it was disclosed that, taking into consideration the sum of £500,000 transferred to special reserve, the amount written off during the year under review in respect of repairs, renewals, advertising and depreciation reached a total of £2,250,000—a sum in close approximation to the net profit itself. Out of this net profit, dividends in connection with the new celebrated co-partnership

scheme account for £271,299, as compared with £206,143 in 1918. Already over 7,000 employees hold share certificates under this scheme to the value of £1,155,204, and to meet further demands it has been found necessary to increase the share capital available for this purpose to £2,000,000. And—as is well known—Lord Leverhulme's interest in his workers does not stop at that. He has provided a well-staffed training college for technical and secondary education. In addition to 1,032 cottages built for his housing scheme, another 1,000 are in hand, and of these 120 are near completion. Anxious to develop thrift, he has arranged for the payment of his workers by a credit to the employees' bank, realising that money once in the bank is not so easily squandered. Furthermore, he is a staunch advocate of the six-hours day, and ascribes his failure to introduce it so far to the opposition of the trade unions. There is no doubt that such a practical display of interest in the welfare of the workers conduces to that harmonious co-operation between labour and capital in which alone resides the true key to the solution of the problem of increased national production which is so vital nowadays. Lord Leverhulme wisely recognises that in promoting this good atmosphere he is acting also in the genuine interests of the public who invest in his shares. For to them he is thus in a position to guarantee the steady continuance of their dividends. And this factor it is which explains in part the readiness with which each fresh issue of capital by this gigantic combine is quickly assimilated by the public. Dividends on such shares during 1919 amounted to £1,308,092, an increase of nearly 50% over that of 1918. This increase was due in the main to the successful issue of 2,000,000 6½% Cumulative "B" Preference shares, 4,000,000 7% Cumulative "C" Preference shares, and 6,000,000 20% Cumulative Preferred Ordinary shares during the year under review.

The firm may well be regarded as the outstanding combine in the industrial world. Its authorised capital now reaches the total of £100,000,000, and—to quote Lord Leverhulme—"that figure is not in excess of what this great business will require in the future." Whilst in the eyes of the general public it is mainly identified with the manufacture of soap at Port Sunlight, its actual trading activities cover a far wider area. It now embraces over 100 associated companies, and has its factories and stores scattered broadcast over the world. The works in Brussels are again in full swing, while those in Lille are expected to reopen in May. Its varied sphere of activities ranges from cattle-rearing and cocoanut plantations in the Solomon Islands to factories in the United States and South Africa. And it may come as a surprise to the public to learn that the profits and dividends accruing from these manifold interests outside the United Kingdom are so great that there is no absolute necessity for continuing operations at Port Sunlight. Shareholders in this combine exceed 80,000. It carries a stock to the value of £6,054,004, as compared with £4,038,362 in 1918, the increase representing not merely the increased activities due to further acquisitions during the year, but also in part the rise in the price of stores and materials. The remarkably strong financial position of the combine is reflected in the great surplus of its liquid assets over liabilities, including the dividends just declared. And the figure of £16,466,120 in the above table is arrived at without including the stock.

During the year under review the large net profit secured took no account of profits derived not in the ordinary course of trade, but as the result of unforeseen repeated rises in the prices of raw materials. These the directors wisely decided to set off against their liability in respect of excess profits duty. At the same time it seems that this satisfactory profit was obtained free from anything like profiteering. Lord Leverhulme pointed out how the percentage rise in the price of soap in the United Kingdom was much lower than in any other country, and that they invariably waited before advancing the price of soap until the price at which they were selling it, based on the market price of raw materials, showed an absolute loss. The extent to which raw materials have gone up in price since 1914 may be gauged from the following figures: Tallow, costing £33 a ton in June 1914, was commanding £101 in December 1919; palm oil, retailing at £28 in 1914, was selling at £90 in 1919; resin, worth £14 in 1914, could only be secured at £67 in 1919. Furthermore, the percentage profit obtained on the sale of soap had actually declined in the interval. Laundry soap, which brought in 10.83% in the June quarter of 1914, only gave 6.34% in the December quarter of 1919. In the same period the profit on toilet soap fell from 12.91% to 11.13%. The growth in the profit was mainly the outcome of an enormously increased volume of business. Lord Leverhulme asserted that the dividend allocated to the Ordinary shareholders and the co-partners was actually less than 2½% of the turnover. One of the exceptions to the general prosperity of the concern was the manufacture of margarine, which, owing to the severity of the competition, was being run temporarily at loss. Despite this, it was anticipated that the current year will create a new record in home and foreign trade, and it was estimated that the net profits would advance by nearly 50% to £3,750,000. The following table gives the prices and the yields of the different categories of share capital:—

	5% First Pref.	6% Pref. "A"	6½% Pref. "B"	7% Pref. "C"	15% Prefd. Ord.	20% Prefd Ord.
Price... ...	8	18 6	18 7½	20 9	37 9	13 0
Yield per cent.	6	6½	7	6½	8½	7½

NEW ISSUES.

(*Continued from page* 739.)

Carbon Syndicate, Limited, has been formed with a capital of £500,000, divided into 499,475 Ordinary shares of £1 each and 10,500 Deferred shares of 1s. each. The Company offer for sale 245,000 Ordinary shares of £1 each at par; the purchasers thereof will be entitled to acquire the fully-paid Deferred shares at the price of £1 in respect of every £50 Ordinary shares purchased. The Company was formed in June, 1913, with the object of developing means for the production of motor spirit, oil, and sulphate of ammonia from colliery waste. As a result of experiments conducted over a period of many years, the Company's object has been attained, and a plant devised which embodies the desiderata.

Fireproof Wood (Oxylene) Manufacturing Company, Limited, invite subscriptions for an issue of 100,000 shares at par, being part of an authorised capital of £150,000. The Company has been formed to acquire from the Timber Fireproofing Company, Limited, which is the parent Company, the right to have wood treated by that Company's oxylene process of fireproofing, for use in the erection and fitting of wooden and other houses and buildings, and in the manufacture of deed-boxes, safes and other articles.

Folkestone Gas and Coke Company invites application for an issue of £25,000 7% Debenture stock at par. The net revenue of the Company during the year ended December 31 last exceeded £12,000. The interest on the existing Debenture stock and upon the £25,000 now offered for subscription amounts all told to a little over £2,100, leaving, therefore, a balance available for dividends upon the Ordinary stock, which considerably exceeds £9,000. It will be seen, therefore, that the interest is covered five times over.

Simms Motor Units (1920), Limited, has been formed with a capital of £120,000, divided into 120,000 shares of £1 each, all of which are offered for subscription at par. The Company has been formed for the purpose of acquiring as a going concern the well-known business and undertaking of Simms Motor Units, Limited.

GENERAL ELECTRIC COMPANY.

TWENTY-EIGHTH ANNUAL REPORT—FOR THE YEAR TO DECEMBER 31, 1919.

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A. W. BURCHARD, *Vice-President.*
ALBERT G. DAVIS, *Vice-President.*
G. E. EMMONS, *Vice-President.*
J. R. LOVEJOY, *Vice-President.*
G. F. MORRISON, *Vice-President.*
FRANCIS C. PRATT, *Vice-President.*
O. D. YOUNG, *Vice-President.*
HENRY W. DARLING, *Treasurer.*
C. E. PATTERSON, *Comptroller.*
M. F. WESTOVER, *Secretary.*

COUNSEL.

ALLAN H. JACKSON, Schenectady.
CHARLES NEAVE, New York.

IN MEMORIAM.

MAJOR HENRY L. HIGGINSON.

"Major Henry L. Higginson, an honoured member of this board since the organisation of the General Electric Company in 1892, and who has rendered invaluable service by his wise counsel, constructive thought, and tireless devotion to the interests of the Company, died on November 14 at the Massachusetts General Hospital.

"Upon motion, duly seconded, it was

"Resolved that the members of this board deeply lament the death of their friend and fellow-director, Henry L. Higginson, and desire to record their affectionate appreciation of his striking and lovable personality, his genius for friendship, and to express their admiration for his varied public and private benefactions, and of his ever high and unswerving spirit of patriotism.

"It was further

"Resolved that the Secretary shall transmit a copy of these resolutions to Major Higginson's family."

(*Adopted by the Board of Directors, November* 21, 1919.)

Schenectady, N.Y., March 25, 1920.

To the Stockholders of the
General Electric Company.

The value of orders received by your Company in the year 1919 was $237,623,932, compared with $234,134,037 for the year 1918. For some months succeeding the Armistice the volume of business booked was much curtailed; but during the last eight months of the year orders steadily and rapidly increased, so that the present demand for your Company's products is greatly in excess of the capacity of its factories.

At the close of the year the amount of orders unfilled was $98,880,000, compared with $80,000,000 at the end of 1918.

The amount of sales billed was $229,979,983.41, or $13,164,705.38 more than in 1918 and $33,053,665.62 more than in 1917.

Income from sales during 1919, before deduction of taxes, interest and dividends		$33,124,299 87
Income from other sources		5,230,920 68
Total income		$38,355,220 55
Less: Interest on Debentures	$571,685 53	
Interest and discount on notes payable	1,705,564 34	
		2,277,249 87
Available for Federal taxes and dividends		$36,077,970 68
Federal income & excess profits taxes estimated	$11,000,000 00	
Dividends paid in cash	9,545,469 00	
		20,545,469 00
Surplus for the year		$15,532,501 68

The great increase in orders for all classes of apparatus manufactured by your Company makes it necessary to add substantially to its manufacturing capacity. This is being accomplished partly by enlarging its present plants, and in part by purchasing, or leasing with option to purchase, factories already constructed which offer immediately available facilities, thus enabling your Company to secure an earlier output than would be possible by erecting and equipping new factories of like capacity.

The expenditures for additional land, buildings, machinery, and other equipment during 1919 amounted to $14,462,285.77. The sum of $7,688,893.68 has been written off the plant account or added to the general plant reserve, making the net increase in the book value of plant and equipment $6,773,392.09. The summary of the plant account at December 31, 1919, is as follows:—

	Gross Book Value.	General Plant Reserve.	Net Book Value.
	$	$	$
Real estate and buildings	45,886,549 73	15,061,505 86	30,825,043 87
Machinery	36,931,128 33	16,942,627 85	19,988,500 48
Patterns	1,899,059 46	1,899,058 46	1 00
Furniture and fixtures	3,812,964 21	3,812,963 21	1 00
Total	88,529,701 73	37,716,155 38	50,813,546 35

On January 31, 1893, the book value of the manufacturing plants was	$3,958,528 21
During the twenty-six years ended December 31, 1918, additional expenditures were made aggregating	132,549,801 51
Expended during 1919	14,462,285 77
Total	$150,970,615 49
Written off or carried to "General plant reserve" during the twenty-seven years	100,157,069 14
Book value of all plants, December 31, 1919	$50,813,546 35

The total factory floor space in recent years has been as follows:—

	Square Feet.		Square Feet
1908	7,000,000	1914	14,840,000
1909	7,180,000	1915	14,830,000
1910	8,530,000	1916	15,300,000
1911	9,770,000	1917	17,573,000
1912	12,160,000	1918	19,581,000
1913	13,900,000	1919	20,681,000

The inventories in factories and district warehouses and consignment stocks have been taken with the usual care, and, after providing sufficient reserves, are carried at $83,978,463.02, a decrease of $4,327,217.69 as compared with 1918.

Customers' accounts and notes receivable have been reviewed by a committee of the Board of Directors, and, after deducting the necessary reserves, are carried at $45,885,527.92, which is $4,336,839.58 more than the balance shown at December 31, 1918.

Careful examination has been made of the investment securities, which are now carried at $51,142,309.80. This amount is an increase of $10,312,096.34 over the book value at the close of 1918, representing principally investments in affiliated corporations and in subsidiary manufacturing enterprises.

The patent account of your Company is, as heretofore, carried at a net value of $1.00, that proportion of the actual cost which represents the unexpired life of patents and franchises being offset by a reserve of like amount.

Your Company has for several years been engaged, in its research laboratories and factories, in the development and manufacture of apparatus and devices essential to the transmission and reception of wireless communications. Its inventions have had a far-reaching effect on the entire radio art. The Marconi Wireless Telegraph Company of America is also the owner of valuable patents, rights, and licences, and it has seemed wise to the Boards of Directors of both companies that their research and engineering resources should

hereafter be used in closest co-operation. To this end, and in order to secure the benefits of the long and varied electrical manufacturing experience of the General Company on the one hand, and the operating experience of the Marconi Company on the other, a new Company has been formed, known as the Radio Corporation of America, in which both your Company and the Marconi Company have accepted a considerable participation.

The $10,000,000 6% notes due December 1, 1919, were paid at maturity.

In the year 1919 dividends were declared as follows :—

Cash dividends, 8% (2% quarterly)	$9,545,469 00
Stock dividends, 4% (2% semi-annually)	4,772,918 00
	$14,318,387 00

The outstanding capital stock of your Company has been increased from $115,874,800 to $120,557,200 in the following manner :—

Amounts of the semi-annual stock dividends of January 15 and July 15, 1919	$4,679,300
Additional stock issued as of January 1918, at par, on the basis of one share for each ten shares then outstanding...	3,100
Total increase	$4,682,400

On May 13, 1919, Mr. George F. Baker, Jun., of New York, was elected a director of the Company, and on November 21, 1919, Mr. Francis L. Higginson, Jun., of Boston, was elected a director to fill the vacancy caused by the lamented death of the late Major Henry L. Higginson.

During the year two additional Vice Presidents were elected Mr. Francis C. Pratt, on May 16, and Mr. Albert G. Davis, on November 21. Both Mr. Pratt and Mr. Davis have rendered important service on the Company's staff for many years.

INTERNATIONAL GENERAL ELECTRIC CO., INC.

In the report of your Company for the year ending December 31, 1918, reference was made to the incorporation of the International General Electric Company, Inc., for the purpose of taking over the assets, investments, and activities of your Company in foreign countries, covering manufacturing, selling, engineering, utility enterprises, &c. In accordance with that announcement your Company subscribed for the entire capital stock of the International General Electric Company, Inc., consisting of $10,000,000 of 7% Preferred stock at par and $10,000,000 of Common stock at 110, paying therefor the sum of $21,000,000 cash (part before December 31, 1919, and the balance in January 1920), and sold to the International General Electric Company, Inc., securities and accounts of like value.

The widespread and diversified interests involved have prevented the completion, at December 31, 1919, of all of the transfers, and therefore this report combines, for the sake of convenience, the assets and liabilities of the International Company with those of your Company.

The officers of the International General Electric Company, Inc., are, as stated in the last report : Charles Neave, Chairman of the board; Gerard Swope, President; M. A. Oudin, Vice-President.

The customary certificate of the certified public accountants, testifying to the correctness of the published financial statements, will be found below.

It is with pleasure and gratitude that the board of directors renews the expression of its sense of obligation to the employees in all departments for their able and devoted service to the Company during the past year.

By order of the Board of Directors :

C. A. COFFIN, *Chairman of the Board.*

CONDENSED PROFIT AND LOSS ACCOUNT, December 31, 1919.

Net sales billed		$229,979,983 41
Less: Cost of sales billed, including operating, maintenance and depreciation charges		196,855,683 54
		$33,124,299 87
Sundry Income :		
Interest and discount	$1,938,391 03	
Income from securities	2,887,144 93	
Sundry revenue	105,384 69	
		5,230,920 65
Net income		$38,355,220 55
Less: Interest on Debentures	$571,685 53	
Interest and discount on notes payable ..	1,705,564 34	
		2,277,249 87
		$36,077,970 68
Less: Federal income and excess profits taxes, estimated		11,000,000 00
Profit available for dividends .. .		$25,077,970 68
Less: 8% cash dividends		9,545,469 00
Surplus for the year		$15,532,501 68
Surplus, January 1, 1919		53,250,661 45
		68,783,163 13
Less: 4% dividends payable in stock		4,772,918 00
Total surplus		$64,010,245 13

CONDENSED BALANCE SHEET, December 31, 1919.

ASSETS.

Fixed Investments :			
Manufacturing plant, including land, buildings and machinery	$88,529,701 73		
Less: General plant reserve	37,716,155 38		
Net book value		$50,813,546 35	
Real estate, buildings, warehouses, &c., other than manufacturing plants ...		713,736 06	
Furniture and appliances (other than in factories)		1 00	
Patents and franchises ...	$4,296,499 18		
Less reserve	4,296,498 18	1 00	
			$51,527,284 41
Investment securities :			
Stocks, bonds and other securities ...			51,142,309 80
Current assets :			
Merchandise—at factories —at district offices, in transit, on consignment, &c.	$70,346,290 71 13,632,172 31	$83,978,463 02	
Installation work in progress		4,974,173 93	
Notes and accounts receivable		45,885,327 92	
Advances to subsidiary companies ...		4,675,712 00	
Cash		30,994,397 04	
			170,508,273 91
Deferred charges to income			1,298,141 29
Libby Glass Company contract (per contra)			2,265,000 00
			$276,741,009 41

LIABILITIES.

Debenture bonds :			
3½% due in 1942		$2,047,000 00	
5% ,, ,, 1952		10,000,000 00	
			$12,047,000 00
Bonds deposited under Libby Glass Company contract (per contra)			2,265,000 00
Notes payable :			
6% notes, maturing July 2, 1920 ...			15,000,000 00
Current liabilities :			
Accounts payable		$12,996,272 27	
Accrued taxes, estimated		18,956,408 74	
Accrued interest payable...		234,268 75	
Dividend payable January 15, 1920 (cash)		2,410,098 00	
			34,597,047 76
United States Government Loan			1,500,000 00
Advance payments on contracts			13,654,418 52
Dividend payable January 15, 1920, in stock			2,410,098 00
Capital stock issued			120,557,200 00
General reserve			10,700,000 00
Surplus :			
At January 1, 1919		$53,250,661 45	
Added during year		15,532,501 68	
		$68,783,163 13	
Less: 4% dividends paid in stock ...		4,772,918 00	
			64,010,245 13
			$276,741,009 41

MARWICK, MITCHELL & CO.
ACCOUNTANTS AND AUDITORS
79 Wall Street, New York, March 12, 1920.

TO THE BOARD OF DIRECTORS OF THE GENERAL ELECTRIC COMPANY,
120 Broadway, New York.

DEAR SIRS,—We have examined the books and accounts of the General Electric Company for the year ended December 31, 1919, and hereby certify that the Condensed Profit and Loss Account and Balance Sheet appearing on pages 11-13 of this report are in accordance with the books and, in our opinion, correctly record the results of the operations of the Company for the year and the condition of its affairs as at December 31, 1919.

We have verified the cash and securities by actual count and inspection or by certificates which we have obtained from the depositaries. The valuations at which the investment securities are carried have been approved by a Committee of the Board of Directors and, in our opinion, are conservative. Our audit has not included the examination of the accounts of companies which are controlled through stock ownership, but Balance Sheets of these companies have been submitted to us.

We have scrutinised the notes and accounts receivable and are satisfied that full provision has been made for possible losses through bad and doubtful debts.

Certified inventories of work in progress, merchandise, and materials and supplies have been submitted to us, and we have satisfied ourselves that these inventories have been taken in a careful manner, that they have been valued at or below cost price, and that full allowance has been made for old or inactive stocks. Provision has also been made for possible allowances or additional expenditures on recently completed contracts and on installation work in progress.

Expenditures capitalised in the Property and Plant accounts during the year were properly so chargeable as representing additions or improvements. Ample provision has been made in the operating accounts for repairs, renewals and depreciation, as also liberal reserves for contingencies.

Yours truly,
MARWICK, MITCHELL & CO.

MEETINGS
OF PUBLIC COMPANIES.

National Bank of Egypt.

Satisfactory Accounts. Prosperity of Egypt and the Sudan.

THE twentieth annual general meeting of the shareholders in the National Bank of Egypt was held on March 29 at the head office of the Bank in Cairo, Sir F. T. Rowlatt, K.B.E. (the Governor), presiding. The directors' report was as follows :—

The directors present to the shareholders the balance sheet and profit and loss account for the year ended December 31, 1919.

The gross profit for the year, after providing for depreciation on the bank's buildings and furniture, for rebate of discount and for bad and doubtful debts amounts to		£1,030,160 14s. 4d.
After deducting from this sum :		
For directors' fees	£6,650 0 0	
For current expenses...	£308,830 13 11	£315,480 13 11
there remains		£714,680 0 5
The directors propose to allocate :		
For depreciation of Government securities	£196,824 12 7	
For depreciation of securities in guarantee for the Note Issue ...	£62,558 16 0	£259,383 8 7
Leaving a net profit of ...		£455,296 11 10
In conformity with Article 49 of the Bank's Statutes, a dividend of 4% is payable on the Share capital ...		£120,000 0 0
After this statutory distribution there remains		£335,296 11 10
Adding to this the balance brought forward from last year		£106,635 15 1
the amount available is ...		£441,932 7 2
From this amount the directors recommend the payment of an additional dividend of 10% on the share capital which will absorb		£300,000 0 0
and leave a balance to be carried forward of		£141,932 7 2

Each share will thus be entitled to a dividend of 28*s.*, equivalent to 14% on the share capital. An interim dividend of 8*s.* per share = 4%, having been paid on September 4, 1919, the balance remaining to be distributed is 20*s.* per share = 10%.

Balance Sheet, December 31, 1919.

LIABILITIES.

	£E.	MM.	£St. s. d.
Share Capital :			
300,000 fully paid Shares of £10 each	2,925,000	—	3,000,000 0 2
Statutory Reserve Fund	1,462,500	—	1,500,000 0 0
Special Reserve...	487,500	—	500,000 0 0
Current, Deposit and other Accounts	18,791,033	928	19,275,932 1 8
Egyptian Government	12,267,343	212	12,581,890 9 6
Mixed Tribunals	2,745,971	898	2,814,330 3 0
Bankers' Accounts	2,386,786	447	2,447,986 2 0
Cheques and Bills payable	290,452	101	297,899 11 10
Rebate of Discount on Bills not yet due	65,269	848	66,943 8 8
Staff Provident Fund	14,633	832	15,009 1 2
Dividends Unclaimed	27,989	516	28,707 3 11
Provision for payment of final dividend at the rate of 10% p.a. ...	292,500	—	300,000 0 0
Profit and Loss Account Balance ...	138,384	050	141,932 7 2
	41,896,364	832	42,970,630 11 11

ASSETS.

	£E.	MM.	£St. s. d.
Government Securities and Securities guaranteed by the Egyptian Government	16,145,322	021	16,559,304 12 9
Sundry Securities	284,941	289	292,247 9 6
Advances on Merchandise	7,274,340	982	7,460,862 10 11
Advances on Securities	1,441,594	408	1,481,635 5 10
Advances otherwise secured	349,562	976	358,526 2 7
Sundry other Advances	536,344	082	550,096 9 11
Sudan Government	1,052	204	1,079 3 8
Bills of Exchange	7,355,985	001	7,524,087 3 7
Local Bills Discounted	55,957	984	57,392 16 1
Cheques Receivable	1,147	222	1,176 12 9
Buildings, Furniture, &c.	296,728	958	304,337 7 10
Money at call and at short notice	2,371,125	—	2,435,000 0 0
Bankers' Accounts	905,029	873	928,235 15 4
Bank of England	108,552	148	111,335 10 9
Cash :			
Notes			
£E. 1,445,330,250 Gold and Silver coin, &c.	287,350,134	4,782,689	684 4,905,313 10 5
	41,896,361	832	42,970,630 11 11

There is a contingent liability in respect of bills rediscounted of £E.3,045,059,363 = £3,123,137.16.2.

Under the heading "Bankers' Accounts" is included £604,705 17*s.* 11*d.* to credit with Banks in Germany and Austria.

Issue Department.

	£E.	MM.
Notes issued	67,300,000	—
	67,300,000	—

	£E.	MM.	£E.	MM.
Gold	3,535,189	578		
*British Treasury Bills	30,510,810	422	33,650,000	—
Securities—				
Egyptian Government Securities and Securities guaranteed by the Egyptian Government	436,995	555		
British Treasury Bills and National War Bonds	33,215,054	145	33,650,000	—
			67,300,000	—

* By authority of the Egyptian Government these Treasury Bills are deposited in lieu of gold. (See *Journal Officiel* of October 30, 1916.)

Profit and Loss Account.

DR.	£E.	MM.	£St. s. d.
Directors' Remuneration	6,483	750	6,650 0 0
Current Expenses	301,109	927	308,830 13 11
Depreciation of Government Securities	191,904	044	196,824 12 7
Depreciation of Securities deposited in guarantee for the Note Issue ...	60,994	830	62,558 16 0
Interim Dividend at the rate of 4% p.a.	117,000	—	120,000 0 0
Provision for payment of Final Dividend at the rate of 10% p.a. ...	292,500	—	300,000 0 0
Balance carried forward	138,384	050	141,932 7 2
	1,108,376	571	1,136,796 9 8

CR.	£E.	MM.	£St. s. d.
Gross Profit for the year ended December 31, 1919, after providing for depreciation of Buildings and Furniture, for rebate of discount, and for bad and doubtful debts	1,001,406	760	1,030,160 14 4
Balance brought forward from last year	106,969	871	106,635 15 1
	1,108,376	571	1,136,796 9 8

Directors :
V. HARARI.
M. C. SALVAGO.

Governor :
F. T. ROWLATT.

Report of the Auditors.

We have examined the books of the National Bank of Egypt, and in our opinion the above balance sheet is properly drawn up so as to exhibit a true and correct view of the state of the Bank's affairs as shown by the books. We have also verified the cash, notes, and securities at the head office and the Cairo and Alexandria branches, and have found the same correct. The London returns have been audited and certified by Messrs. Deloitte, Plender, Griffiths and Co., chartered accountants.

F. H. RUSSELL.
J. GIBSON HARRIS.

Cairo, March 4, 1920.

Governor's Speech.

The Governor said : Gentlemen,—We have the pleasure of submitting to you the balance sheet and profit and loss account for 1919. The net profits, before depreciation of securities, amount to £714,680, and we propose to dispose of them in the following manner. For depreciation of securities we have to provide £259,383, and after payment of a 14% dividend, which absorbs £420,000 (including the 4% distribution already made), there will remain £35,297. This, with £106,635 brought forward from last year, makes a total of £141,932 to be carried forward to the profit and loss account for 1920. We think, gentlemen, that these figures can be considered quite satisfactory. We have decided to recommend the payment of a dividend 4% higher than the one paid last year, and we feel little doubt that you will approve of this measure.

The depreciation of Government securities has been very heavy during the year, but of the large amount that we have had to set aside for this purpose to bring them to a valuation not higher than the market rate on December 31, 1919, I am glad to say the greater part refers to short dated securities such as British Exchequer Bonds and National War Bonds : so in the course of the next three or four years the amount set aside for depreciation of these securities will be eliminated. The general expenses of the Bank have again increased, but

with the development of our work, higher salaries, and the increased cost of everything, this had naturally to be expected.

Analysis of Balance Sheet.

The prosperity of Egypt has tended to swell the volume of our work. The total of the balance sheet on December 31, 1919, amounts to £E.41,896,000, compared with £E.34,866,000 on December 31, 1918. The Government securities, amounting to £E.16,145,000, are represented as to £E.15,500,000 by British Treasury Bills, Exchequer Bonds, National War Bonds, and War Loans. In regard to other important items in the balance sheet I would remark that the advances on merchandise are almost entirely against cotton, and made to the leading commercial houses. The total of these advances has been considerably reduced at the present time. Bills of exchange, £E.7,500,000, are first-class bills, mostly London acceptances, and the money at call and short notice, £E.2,400,000, is on the London market. On the other side of the balance sheet the current and deposit accounts of the general public have increased during the year by £E.4,000,000, that is to say to £E.18,000,000.

Note Circulation.

The Bank's note circulation, including about £E.5,000,000, held as cash in the banking department, amounted, on December 31, 1919, to £E.67,300,000, as compared with £E.46,000,000 on December 31, 1918. The maximum circulation during the year under review was that reached on December 11—namely, £E.68,200,000. The maximum circulation touched in 1918 was £E.46,100,000 on December 30. The following statement shows the amounts of the different denominations of notes that composed the issue at the above dates :—

December 30, 1918.

Notes of P.T.	25	£E. 661,593
,, ,, ,,	50	,, 3,876,094
,, ,, £E.	1	,, 8,611,378
,, ,, ,,	5	,, 8,932,705
,, ,, ,,	10	,, 11,747,730
,, ,, ,,	50	,, 4,649,200
,, ,, ,,	100	,, 7,621,300
		£E.46,100,000

December 11, 1919.

Notes of P.T.	25	£E. 535,673
,, ,, ,,	50	,, 3,353,470
,, ,, £E.	1	,, 9,456,297
,, ,, ,,	5	,, 13,159,710
,, ,, ,,	10	,, 20,154,500
,, ,, ,,	50	,, 8,822,550
,, ,, ,,	100	,, 12,717,800
		£.E.68,200,000

After December 30, 1918, the circulation steadily declined during the liquidation of the cotton business, till the lowest circulation for the year was touched—namely, £E.39,900,000. The note circulation then expanded by £E.28,300,000 during the last months of the year, reaching the above-mentioned maximum of £E.68,200,000. This expansion can be attributed solely to the financing of a cotton crop computed to realise the large figure of about £E.100,000,000.

The trade balance in favour of Egypt for 1919 was £E.33,000,000.

The yearly increase in the amount of bank notes in the hands of the public has been due to the country's growing wealth realised from the export of produce, and the large sums of British money spent in Egypt during the War. There is, however, a considerable movement, which it is hoped will develop further, in buying back Egyptian securities from Europe. This, while in the right direction for improving the rates of exchange with France, is also good from the Egyptian economic point of view and tends to reduce the circulation. Large amounts of cash must also be held in this country, awaiting investment in the form of imports from Europe. The note circulation has now fallen to £E.57,900,000, that is, by £E.9,400,000, since December last.

Our Bank note issue, as you are aware, is backed by British and Egyptian Government securities and a certain amount of gold. I may say it is almost entirely guaranteed by British Treasury bills at short usance, which, with the stabilisation of the exchange, makes our currency practically equivalent to British currency.

Progress of Egyptian Trade.

I think it is always interesting to look at the yearly import and export figures made up to August 31, as the commercial year is generally recognised as beginning in Egypt on September 1, with about the commencement of the moving of the cotton crop, and when the results of the last crop have shown their effect on the general commerce of the country. The following are the yearly statistics from August 31, 1913 :—

	Imports	Exports
1913-14	£E.28,325,693	£E.32,646,805
1914-15	,, 15,327,835	,, 22,642,780
1915-16	,, 27,545,340	,, 29,882,393
1916-17	,, 30,095,371	,, 44,587,950
1917-18	,, 47,285,226	,, 48,019,952
1918-19	,, 44,334,720	,, 48,829,951

Exports for the year ended August 31 last, you will see, are approximately the same as for the previous year. In 1918 the cotton crop was 4,800,000 cantars. The Government restricted the area under cotton cultivation, but this was compensated for by the high price. The falling-off in imports as compared with 1917-18 is no doubt due to the reduction of the military forces in Egypt and Palestine and their consequently diminished requirements.

But it is during the last six months, on account of the limited supply of cotton (especially of the Egyptian quality) to meet the world's demand, that the price of cotton, assisted by the American exchange rates, rose to over four and five times its recent value; with the result that although only about one half of the 1919 crop had been exported by the end of the year, the total exports from Egypt for 1919 were worth £E.80,000,000, as compared with £E.46,000,000 in 1918, and the balance of trade in favour of Egypt reached the record figure of £E.33,000,000, to which we alluded above. It is to be noted that the rise of the price of cotton, in so far as it is due to the American exchange, corresponds with the premium on gold.

Speculative Activity and Cost of Living.

Needless to say, there has been a rush by cultivators to increase their holding of land, and transactions have been done at very high figures. Banks and mortgage companies have wisely taken the opportunity to part with any land they had on their hands, and remembering the crisis of 13 years ago, they have been very careful in making new advances. Unlike what occurred formerly, there is little borrowed money involved, so although we must all be careful, the effect of a reaction is not much to be feared. This prosperous state of affairs has again put up the cost of living. This falls heavily on the urban population, but the Government, pending the adjustment of things in the usual course of trade when international commerce will be easier, are very wisely importing grain and flour and selling it to the public at less than cost price. Co-operative societies are also making a real start, and the new law limiting the increase of rents will be most useful. It is to be regretted that many landowners and others have been indulging in heavy cotton speculations. This culminated about three weeks ago in a crash on the contract market, which is expected to have a salutary effect.

The cotton crop of 1919 is estimated to be about 6,000,000 cantars, but would have been more, it is said, if the area restrictions had been taken off at an earlier date. If climatic conditions are satisfactory, the crop of 1920 should easily exceed this quantity, and again add considerably to the wealth of Egypt.

The Sudan.

According to the returns of the Sudan Customs, the total value of the external trade of the Sudan in 1919 (exclusive of specie) amounted to £E.7,835,314, as against £E.8,234,966 in 1918. The export trade showed a falling off of about £E.1,200,000, as compared with the preceding year, but the value of imports, on the other hand, has increased by about £E.800,000. In making the comparison between the two years, it should be borne in mind that the year 1918 was one of exceptional prosperity. The decline in the value of the export trade cannot, therefore, be considered as a real setback in the development of trade.

The following table of the value of the external trade reproduced from my Note of the past year and brought up to date may be of interest in this connection :—

1913	£E.3,388,517
1914	,, 2,999,740
1915	,, 3,412,656
1916	,, 5,176,982
1917	,, 6,831,924
1918	,, 8,234,966
1919	,, 7,835,314

The decline in the export trade was due to the low Nile, which affected the riverain cultivation, to the short rainfall of the previous autumn, and also to the dislocation of communications with Egypt during the spring.

The export of dura, cattle, sheep, dukhn, beans, &c., was considerably less, as the following figures will show :—

	1918	1919	Decrease
Gum	£E.638,765	£E.548,244	£E. 90,521
Dura	,, 592,134	,, 22,608	,, 569,526
Cattle	,, 516,920	,, 357,936	,, 158,984
Sheep and goats	,, 615,257	,, 352,703	,, 298,554
Dukhn	,, 177,233	,, 52,439	,, 124,794
Beans, dried	,, 122,326	,, 47,990	,, 74,336

The internal trade of the country, however, has, on the whole, been brisk.

The following table shows the value of imports, exports, and re-exports for 1919 as compared with those of 1918 :—

	1918	1919
Imports	£E.4,024,582	£E.4,805,745
Exports	,, 3,923,771	,, 2,740,759
Re-exports	,, 286,613	,, 288,810
	£E.8,234,966	£E.7,835,314

The Sudan Government have now obtained the guarantee of the British Government to a loan of £E.6,000,000, and I am glad to say that in the flotation of a first instalment of the loan our Bank was able to be of considerable assistance. We had in the past, in anticipation of this measure, advanced considerable sums to the Sudan Government to begin the development of their resources. It is proposed to construct dams on both the White and the Blue Nile for the extension of cultivation in Egypt and the Sudan.

In conclusion, gentlemen, I have to inform you that Sir Carl Meyer, one of your London directors, goes out of office by rotation this year, and I submit his name for the honour of re-election. Finally, I wish to tender to the sub governors, managers, and staff the expression of our sincere satisfaction with the result of their labours during 1919.

NATIONAL BANK OF INDIA, LIMITED.

Satisfactory Results of Year's Working.—Expansion in Business.

THE ordinary general meeting of the shareholders of the National Bank of India, Limited, was held on April 12 at the Wesleyan Hall, Bishopsgate, E.C., Mr. Robert Campbell (the Chairman) presiding.

The General Manager (Mr. H. Chalmers) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Ladies and Gentlemen,—I presume that, as usual, the report may be taken as read. (Agreed.)

You will see that since our meeting a year ago we have carried through a very important operation, namely, the addition of £500,000 to our paid-up capital and a similar amount to our reserve fund. In then asking your sanction to this enlargement of our resources we alluded to the necessity of anticipating and preparing for the great increase in the volume of business which was confidently expected as soon as peace was finally assured. I think you will agree that the correctness of that forecast is abundantly established by the figures of the balance sheet now in your hands. (Hear, hear.) Every item shows a substantial increase over the corresponding figures of 1918, the rise in deposits of £7,600,000 being particularly gratifying. I am not going over all the other items of the account, but the increase of nearly ten millions in the total summation shows how necessary it had become that we should bring our capital and reserve more into harmony with our increased liabilities, while the extra million thus provided formed a very welcome addition to our resources.

The expansion of business, which I am glad to say appears to be general, is very gratifying from another point of view, inasmuch as it goes to show that we are recovering from the effects of the violent financial upheavals and disturbances occasioned by four years of the greatest war in the world's history. There has no doubt been a great expansion of business generally, and particularly a great increase in exports to the East; and, if that is the case generally, I trust it may mean that trade balances are turning in our favour, or at least that the adverse balance is being steadily reduced—a point as to the vital importance of which I need not enlarge.

Indian Currency Problem.

The past year has been characterised by unprecedentedly violent fluctuations in Indian exchange, rates rising from the old rate of 1*s.* 4*d.* to 2*s.* 10*d.* in February last, with a reaction to about 2*s.* 4*d.* at the present time. This is not surprising when we consider the erratic course of the exchanges all the world over. These violent movements made business very difficult and necessitated very careful handling, and I think it shows the inherent soundness of Indian trade that, in spite of these violent disturbances, there have been no failures of any consequence in Indian business circles. A very important event in this connection is the report of the Committee on Indian Exchange and Currency—an exceedingly able and comprehensive document. Its conclusions are in favour of linking the rupee with gold in order to facilitate the stabilising of Indian exchange at about 2*s.* per rupee. Had the stereotyped price of gold remained as it did for years and years round about 77*s.* 10*d.* per ounce, this might have been a comparatively easy task; but lately gold, like everything else, has taken a very erratic course, advancing as high as 127*s.* 4*d.* an ounce and again reacting to 103*s.*, so that the question of stability for the moment at least disappears. It must, of course, be remembered that the times are exceptional, that all values and all international rates of exchange have been upset by the War and its financial consequences, and that it will take time before these matters settle down again to steady or normal conditions. The Indian Government have not yet allowed a free market for gold in India, but it is understood that that step will not be much longer delayed. (Hear, hear.)

The Profit and Loss Account.

Coming to our profit and loss account, the figures are very significant. Compared with the previous year, our gross profits show an increase of £201,000, while our general charges are higher by £153,000, the net profit being up £48,000. Our experience in regard to the increase in our charges is not singular, every other kindred institution having the same tale to tell, and with the increased cost of living and prices all round on a higher level higher charges are inevitable. Fortunately, our gross profits have risen in even greater proportion, the net profit of £452,169 showing, as I have said, a substantial increase after writing down our securities to their present market value. You will have observed that we are asking for an appropriation of £20,000 to the officers' pension fund instead of the usual £10,000. With a larger staff and the number of our pensioners increasing the pension fund is barely holding its own. The increased cost of living is also affecting our old pensioners, and we have had various appeals for some augmentation—appeals which we consider not unreasonable. In dealing with this matter we do not propose to alter our pension rules or our present scale of pensions. We have met the case by granting our pensioners a bonus from the fund for one year only, to be reconsidered from year to year as circumstances may seem to require. (Hear, hear.) We are also asking for an appropriation of £20,000 towards property account. We have just bought the premises we now occupy in Colombo, together with some adjoining property, in order to provide the additional accommodation necessary for our increasing business there. These increased charges are unavoidable, and may be regarded as the price we pay for our continued growth and expansion. To summarise the result of the year's operations, we are paying a dividend of 20%, free of income tax, on the increased capital; we are putting £150,000 to the reserve fund, bringing it up to £2,000,000; writing £20,000 off property account, adding £20,000 to the officers' pension fund, and carrying forward a balance of £135,653, as against £125,464 brought in—a result which I am sure you will consider as quite satisfactory. (Hear, hear.)

The Amritsar Riots.

You have all heard of the violent disturbances and riots at Amritsar in April of last year; of how a seditious mob got the upper hand for a time, and, among other atrocities, broke into the bank, brutally murdered Mr. Stewart, the manager, and Mr. Scott, his assistant, and looted and burned the office and godowns. It was a terrible fate to overtake these poor young men while endeavouring to protect the bank's property, and our sincerest sympathy is due to their relatives and friends. We have made a claim for loss and compensation, including a claim on behalf of Mr. Stewart's widow. After some negotiation, our claim has been admitted by the Government of India and we are now awaiting payment of the amount.

I will now move the adoption of the report, which I shall ask Mr. Williamson to second, and before it is put to the meeting there will be an opportunity for any questions or remarks. The resolution which I move is: "That the report of the directors and statement of accounts for the year ended December 31, 1919, be received and adopted, and that a dividend for the six months to December 31, 1919, at the rate of 20% per annum, be paid on the shares of the Company registered at this date, the same to be payable free of income tax on and after April 13, 1920." (Applause.)

The Deputy-Chairman (Mr. Robert Williamson) seconded the resolution, which was unanimously carried without discussion.

In moving the re-election to the board of Mr. Robert Campbell, the Deputy-Chairman said he was sure no words were wanted from him to recommend the motion to the favourable notice of the shareholders. (Hear, hear.)

Mr. Robert Miller having seconded the proposition, it was unanimously agreed to.

The Chairman thanked the meeting for his re-election, and then proposed the re-election as a director of Sir Charles C. McLeod, and this was seconded by Mr. Alfred Simson and approved.

On the motion of the Chairman, seconded by Sir Charles C. McLeod, the other retiring director, Mr. J. A. Toomey, was also re-elected.

The auditors, Messrs. Cooper Brothers and Company and Messrs. W. A. Browne and Company, were reappointed.

Mr. Osman Halliday proposed: "That a vote of thanks be given to the Chairman and directors for the care and prudence exercised in conducting the affairs of the Bank during the past year."

Sir J. A. Boyson having seconded the vote, it was unanimously accorded.

Mr. H. H. Nelson said that the various fluctuations in exchange and the terrible difficulties in regard to communication—especially the telegraphic delays—had undoubtedly thrown a burden of anxiety on those who had had to administer the Bank's affairs. He felt sure that in bringing these matters to the notice of the meeting he was voicing the shareholders' feeling of gratitude to the staff, on whose efforts so much depended, and to whom they were so much indebted for the great prosperity of the Bank. He then moved: "That the thanks of the meeting be given to the General Manager and the staff for their valuable services during the past year." (Applause.)

Mr. P. W. Robertson seconded the vote of thanks.

The Chairman: I have the greatest pleasure, gentlemen, in putting this resolution to the meeting, because I feel that a hearty vote of thanks to our excellent staff was never better deserved than on the present occasion. Our furlough arrangements were all upset by the War, and furlough leave had to be suspended for a time. The result was that many of our men cheerfully remained at their posts at the risk of impaired health with their leave long overdue. All these difficulties and trials have been met with the utmost loyalty and devotion to duty, and our warm thanks are due to the whole staff, both at home and abroad, for the admirable results achieved in the face of difficulties, and for unremitting devotion to duty. But mere thanks alone are not

enough. By a revised scale of salaries and by liberal bonuses we have enabled our staff to meet with comfort the increased cost of living which now prevails. (Applause.)

The motion was passed unanimously, and the proceedings then terminated.

HONGKONG AND SHANGHAI BANKING CORPORATION, LIMITED.

China's Politics, Trade and Finances. Gratifying Results.

The ordinary yearly general meeting of the shareholders of the Hongkong and Shanghai Banking Corporation was held in Hongkong on February 28 last, Mr. J. A. Plummer in the chair. The Chief Manager read the notice convening the meeting.

The Chairman said: Gentlemen, before proceeding with the business of this meeting I have to refer with very deep regret to the sudden death of Mr. C. H. Ross, in England, in November last. Mr. Ross served for some years on the directorate of this Bank, and a few months before his death joined the London Committee, where his sound judgment and wide experience were of great value. By his death we lose an able counsellor, and many of us, I am sure, a personal friend.

Results of Year's Working.

The report and statement of accounts having been in your hands for some days, I shall, with your permission, take them as read. The result, including $3,279,611.48 brought down from the preceding year, shows a net profit of $10,666,473.57. After deducting the interim dividend of £2 5*s.* paid in August last—viz.: £270,000 @ 3*s.* 6*d.* = $1,542,857.14—and $30,000 remuneration to directors, there remains for distribution $9,093,616.43, which it is proposed to deal with as follows:—

A final dividend of £2 5*s.* per share, and a bonus of £3 10*s.* per share, subject to deduction of income tax, together amounting to £690,000, and payable at 4*s.* 10½*d.*, absorb $2,830,769.23; transfer to silver reserve fund, $2,000,000.00; write off Bank premises account, $1,000,000.00; and carry forward to the current year the balance of $3,262,847.20.

The total return to shareholders for the year amounts to £960,000, or £8 per share, as against £708,000, or £5 18*s.* per share the previous year, which I may say compares very favourably with the profits distributed by the great home banks. Your directors trust that you will be gratified by a result which they cannot but regard as very satisfactory, and that the proposed allocation of profits will meet with your approval. They also hope that you will endorse their action in voting a bonus to the staff of 25 per cent. on salaries for the year: it has been well earned in all cases.

After writing $10 lacs off bank premises account, the balance will stand at $5,948,288.26; perhaps not a large figure for a Bank like ours, but we are committed to heavy expenditure ahead. Plans have been approved for a large up-to-date building in Shanghai, work on which will be commenced this year. The offices here are being extended by building next door; new buildings are in course of construction at Manila, Colombo, and Canton, and plans are being prepared for offices at Harbin and Dairen, where we have acquired suitable properties. We shall also have to extend our building in Singapore by utilising the adjoining property recently purchased.

Our balance sheet on this occasion appears in a slightly altered form, as sterling equivalents, calculated at the rate of exchange at the end of the year, appear against the different items. With so many of our offices in gold countries, this simply means reconverting into sterling the amounts transferred into dollars, and the sterling figures will convey better information as to the Bank's position in countries where not much is known about our local dollar currency. Under the new system we do away with the nominal rate of 2*s.*, at which the sterling reserve fund has appeared in the accounts for so many years, and in future the equivalent will be shown in the accounts at the current rate. It is purely a sterling reserve fund, in the same way as the silver reserve is purely a silver reserve fund, and consequently the dollar equivalent in the former, and the sterling equivalent in the latter case, have no real significance, but simply show the respective values in the alternative currency at the current rate at the end of the year. I would mention that it is the intention of your directors to transfer from the silver to the sterling reserve during the current year a sum sufficient to bring the latter up to £2,500,000. It is not proposed to invest this additional amount in securities, but to keep it liquid in sterling for the purpose of financing trade.

Full provision has been made for all bad and doubtful debts and contingencies; and I think I can safely say that ample provision has also been made for all war losses, though it will be some considerable time yet before outstandings are cleared off. An official of the Bank has been in Hamburg for the past few months, going into matters there, but a final statement of the position has not yet been reached.

Our holdings of British Government, Indian, Colonial, and other securities are either written down to well below current market prices or ample provision made for depreciation.

Dislocation of the Exchanges.

Amongst the many perplexing problems arising from the chaos into which the world has been plunged by the late war, not the least urgent and serious is the dislocation of the foreign exchanges to an extent which, in pre-war days, could never have been conceived. These fluctuations, coupled with the difficulty of obtaining silver sufficient for the requirements of the China trade, and of keeping it in circulation when obtained, have added greatly to the ordinary complexities of exchange operations, and have taxed to the full the watchfulness and capacity of our managers and agents. Their difficulties have been further accentuated by the slowness and irregularities of the telegraph service to the Far East, both from Europe and America. These irregularities have been, and still are, a most serious handicap to merchants as well as to bankers, and therefore to trade generally, and it is hoped that those concerned will realise this and use their utmost efforts to restore the telegraph services to the satisfactory state of efficiency they had reached before the War.

As will be seen from recent reports and telegrams which have appeared in the Press, the depreciation of the pound sterling as distinct from the sovereign, and the continued fall of the exchanges between America and her European Allies in the Great War, to figures never before recorded, have aroused the serious apprehension of the Governments concerned, who see in this divergence from the gold parity economic dangers for the countries involved. They have called to their aid financiers and economists of the greatest knowledge and experience, and no doubt their counsels will suggest remedies for mitigating the situation. So far as Great Britain is concerned, the effective cure would appear to lie in the enforcement of economy, both on the part of the State and the individual, in the encouragement of production, and in the removal, as soon as it may be possible, of restrictions upon the export of gold.

Silver Prices during the past Year.

The effect of the China demand for silver has been intensified by a marked decrease in its supply, the world production having declined from 232,000,000 oz. in 1913 to 175,000,000 oz. in 1917, and by a greatly extended demand for silver for coinage throughout the British Empire and on the Continent of Europe, as a consequence of the world's inflation of prices. The effect upon silver of this combination of shortage of supply and increased demand was concealed for a time by the action of the Government in fixing a maximum price for silver. During the first half of 1919 the price of silver was, in fact, treated in the same way as that of other controlled commodities. Such action was of course only possible by arrangement with the Government of the United States of America, the maximum price of silver being fixed in New York at 101½ cents per ounce fine, and in London at "such price as is equivalent at the current rate of exchange to 95 cents per ounce standard." The arrangement came to an abrupt end in May 1919. The maximum price, first in New York and then in London, was removed, and silver uncontrolled was left exposed to the contending forces of supply and demand. The result was that, from 48⅝*d.*, the controlled price at the beginning of May, silver continued to soar upwards until, after frequent and violent fluctuations, the then record price of 79½*d.* per ounce standard was reached in the last month of the year.

The silver situation in China, which was aggravated by excessive exports during the earlier period of the war, has now more than adjusted itself with the removal of all restrictions upon the metal. The imports of silver during the period 1914 to 1917 amounted in round figures to Tls. 57,000,000, as against exports of Tls. 119,500,000, or an excess of exports over imports of Tls. 62,500,000. The imports during the period 1918 to 1919 were Tls. 82,000,000, and exports Tls. 13,000,000, or an excess of imports over exports of Tls. 69,000,000; while actual imports to January 26 of the present year amount to over Tls. 16,000,000, not including a considerable further quantity on the water. The figures given are in Haikuan taels, which may be taken as approximately equal to one and a-quarter ounces pure silver.

The highest price touched by silver in America during the year under review was gold $1.39 per oz. fine, which, on the basis of gold parity between New York and London—namely, 4.8666—would make the London equivalent about 63*d.* instead of 79½*d.*, as already stated. The high price in London is therefore due to the low cross-rate between the two countries, and cannot be taken as representing the actual price of silver in terms of gold. The fact is that the American quotation for silver has been fairly steady for some time past, and the fluctuations in the London price have been chiefly due to changes in the New York/London rate.

Eastern Exchanges.

During the year the value of the rupee rose from 1*s.* 6*d.* in April to 2*s.* 4*d.* in December, and since the turn of the year Indian exchange has been fixed on a gold basis of Rs. 10 per gold sovereign; consequently the rate of exchange

in India on London will fluctuate with the premium on gold in England. The latest quotation to hand is T.T. 2*s.* 7*d.*

Hongkong and China sterling exchanges have followed more or less irregularly the upward course of silver in London, while other Eastern exchanges on London have risen with the declining rate between New York and London. During the last six months of the year the Hongkong rate advanced from 3*s.* 5⅝*d.* to 5*s.* 2*d.* T.T.; and the Shanghai rate from 5*s.* 3*d.* to 7*s.* 10*d.* T.T., with occasional sales as high as T.T. 8*s.* 6*d.* The Siamese tical advanced from 1*s.* 6⅝*d.* to 2*s.* 1½*d.*; the Philippine peso from 2*s.* 1*d.* to 2*s* 6½*d.*; the Japanese yen from 2*s.* 2½*d.* to 2*s.* 6¾*d.* There has been no change in the sterling rate in the Straits Settlements. Since the end of the year the following rates have been touched: Hongkong, T.T. 6*s.* 2*d.*; Shanghai, T.T. 9*s.* 3*d.*; Manila, T.T. 3*s.*; Japan, T.T. 2*s.* 9¾*d.*; while silver in London reached 89½*d.*, and the London/New York rate dropped to the low level of 3.19, but has recently improved to 3.37¾, and there has been a sympathetic decline in the price of silver in London and also in Eastern sterling exchanges.

China's Trade and Finances.

Speaking generally, 1919 was a prosperous year for China trade. The steady appreciation of silver appeared to have little effect on the export trade; in the principal markets of the world the keen demand for China's products—silk, oil, seeds, wool, hides, skins, &c.—at advancing prices more than offset the effect of the high exchange which, on the other hand, enabled the Chinese to buy foreign goods freely even at the unprecedented values they have now attained. Shipping facilities were, on the whole, adequate, and the volume of China's foreign trade, according to the Customs revenue collections, must have greatly exceeded all previous records.

There is but little change to record in the internal condition of China during the past year North and South seem as far as ever from coming to an agreement, and the army continues to be a crushing burden upon the Government, under which all attempts at financial reform appear hopeless. The high level of exchange has reduced China's annual foreign debt, in terms of silver, to an extent which has placed at her disposal huge surpluses from both the Customs and Salt revenues, which, under happier conditions, would have gone far to restore her to a position of financial independence.

The Maritime and Native Customs collections under the I.G. of Customs amounted respectively to H.K. Tls. 46,000,000 and H.K. Tls. 4,500,000, and are the highest on record. From the surpluses available, after providing for all obligations, including the Reorganisation Loan, Tls. 22,600,000 have been handed over to the free disposal of the Chinese Government. The foreign loan and indemnity services dependent on the Customs revenues require an annual disbursement of £7,000,000. At present rates of exchange the revenues controlled by the I.G. of Customs produce about £20,000,000 annually; and it will therefore be seen that if silver maintains its present price, the margin of unpledged Customs revenue at the disposal of the Chinese Government will continue to be very considerable.

The salt revenue collection during the year 1919 is reported by the chief inspectors to have shown remarkable vitality, notwithstanding the disturbed state of the country. The total revenue was $80,672,000, as compared with $71,864,000 in the preceding year; although it has to be observed that, of this sum, over $26,000,000 were retained by the provincial authorities for their own use, a not very encouraging evidence of the barely nominal control retained over them by the Central Government. The obligations and charges met from the salt revenue during the year amounted to the comparatively small sum of $11,500,000, and a surplus of about $55,000,000 was released to the Chinese Government.

Political Situation.

But all these immense sums, aggregating, at present rates of exchange, a total of considerably more than £25,000,000 (the amount of the Reorganisation Loan of 1913), and so sorely needed for the work of reconstruction and reform, have been poured out, like water upon sand, in meeting so far as may be the demands of an army over which the Central Government has ceased to have control, and of an administrative machinery exploited by political factions; demands which have no finality, and which the resources of the Government, even under the peculiarly favourable conditions resulting from high exchange and improved collection, are quite inadequate to satisfy in full. The disbandment of superfluous troops is talked of, but no serious steps have been taken to effect it; and indeed it is difficult to see where the necessary funds for the purpose are to come from.

To find a practical solution which will bring unity and order into this complex situation may well baffle the wisdom and ingenuity of the greatest statesmen; and China has not yet produced the master mind which can accomplish it. Nevertheless, the remedy must lie with the Chinese themselves; and the most hopeful feature of the moment is the growing political consciousness of the great middle classes of China, upon whose practical common sense and moderation I believe the country may rely, in the end, to bring unity and order out of the present chaos.

For many months past negotiations have been in progress for the formation of a new consortium, composed of British, French, Japanese, and American financial groups, with the object of furnishing financial assistance to China, with the support of their respective Governments. The realisation of this object has, unfortunately, been delayed by the claim of the Japanese Government to exclude Southern Manchuria and Eastern Inner Mongolia from the scope of the consortium; a claim to which it is clearly not only beyond the power of the other groups to agree, but is in conflict with the fundamental principle of the consortium, which is the establishment of complete equality in financial and industrial enterprise, with due regard to the sovereign rights of China and the abolition of political spheres of influence. It is sincerely to be hoped that the widening of her political outlook, which must ensue to Japan through her membership in the League of Nations and her association with the Great Powers in the work of world reconstruction, will cause her to modify her attitude.

In the face of heavy demands for money by all the Allied countries for reconstruction and the financing of trade, the degree of assistance which the consortium will be in a position to accord to China is likely to be far short of her requirements; while the high rate of exchange necessarily makes borrowing in gold a most costly operation. In short, China must mainly depend in the future on her own resources for the means to carry out her three most urgent reforms—namely, the reduction of the army, the improvement and extension of internal communications, and the reform of the currency.

There is undoubtedly a great amount of hoarded wealth in the country, and of patriotism and a real desire for better things I am convinced there is no lack; but even patriotism demands good security, attractive terms, and adequate guarantees for the proper expenditure of funds, and it rests with China herself to provide these for the successful flotation of loans in her own country.

Chinese Currency Reform.

With regard to currency reform, the reported intention of the Chinese Government to act upon the recommendation of the recent conference of British Chambers of Commerce in Shanghai, for the establishment there of a Government Mint for the free coinage of silver dollars, with adequate guarantees for the maintenance of their fineness and weight, marks an important step in the right direction; its importance, indeed, in the interests of trade, cannot be overestimated. It will raise the dollar to its proper position as the national currency, superseding the use of the now antiquated sycee, and it will undoubtedly benefit all classes; but one would like to see it go a step further. The depreciation of native bank notes in recent years has driven the Chinese to the habit of hoarding specie, to such an extent as seriously to affect its circulation. The only remedy is to provide a paper currency which will command the fullest confidence, and unfortunately the Government bank issues fall far short of this essential. In Peking, the place of largest issue, these notes are accepted at little more than half their face value; and to restore them to parity would necessitate such a thorough reorganisation of the system on which the management of those banks has hitherto been conducted, as would involve the settlement of many difficult questions, and demand the expenditure of much time. A simple and practical alternative, if only provisional, would appear to present itself in the proposed establishment of a mint in Shanghai; namely, that the mint, as a Chinese Government department, might itself issue notes against coined dollars held in reserve, which reserve, under due safeguards controlled by the mint authorities, might in time be reduced, so as to free a corresponding amount of specie for the use of the market. Not the least advantage of such a step would also be that it would create a precedent for the reorganisation, on a sound basis, of the note circulation of the two Government banks.

I feel I cannot conclude this brief summary without a reference to the approaching departure and retirement of the British Minister, Sir John Jordan. During his long term of office, which has exceeded that of any of his predecessors, he has laboured unceasingly to protect and further British interests. By his wise counsel, fairness and integrity he has earned the lasting respect and gratitude, not only of Britons, but of the Chinese, and all others with whom he has been brought in contact; and he leaves behind him a name which will ever hold a foremost and honoured place in the history of foreign intercourse with China. In wishing Sir John Jordan a pleasant voyage, and the enjoyment for many years to come of the rest and leisure which he has so fully earned, I feel sure that I express the desire of everyone here in adding the hope that his ripe experience and intimate knowledge of affairs in the Far East may still be at the service of His Majesty's Government in its decisions on the questions which the future may have in store for us.

Mr. C. H. P. Hay said: Mr. Chairman and Gentlemen. It is with very great pleasure that I rise to second the adoption of the report and accounts now before us, and I feel confident that I am voicing your wishes in congratulating the court of directors, the chief manager, the various managers, agents and staff upon the excellent result of their

labours. The enormous difficulties which have arisen during the year under review are, I feel sure, fully realised by all of us, and we have listened with no inconsiderable interest to the Chairman's concise *résumé* of the exchange complexities which have had to be faced. Gentlemen, it is indeed gratifying that, in spite of all, we are presented with figures showing increasing prosperity which allow for the payment of an enhanced dividend without departing from the eminently successful policy of building up reserves. It is this policy which enabled the outbreak of war to be faced with equanimity, and to-day especially the necessity for strengthening reserves is more than emphasised if we wish to ensure the maintenance of the Corporation's high position among the great banking institutions of the world.

The showing of the sterling equivalents against the various items in the balance sheet is a natural sequence to the growth of the Bank's business to and in other countries, and we recognise the importance of showing the true value of resources in a currency more widely and readily understood.

In thanking our Chairman for his very able and informing speech upon the condition of affairs in China, and for his apt expression of our feelings upon the retirement of Sir John Jordan, let us hope that the restoration of order in China may be nearer than the present position would appear to indicate.

In conclusion I would like to express particular pleasure in the announcement that the staff have been voted a bonus of 25% on the salaries for the year. It has been richly deserved, and I feel sure will meet with your hearty approval.

Gentlemen, I have much pleasure in seconding the adoption of the report and accounts as presented.

The Chairman: There being no questions. As proposed by myself and seconded by Mr. C. H. P. Hay, the motion now before the meeting is the adoption of the report and statement of accounts as presented.

The motion was carried unanimously.

The Chairman: The business now before the meeting is the election of directors.

Mr. R. M. Dyer proposed that the appointment of the Hon. Mr. John Johnstone, Mr. Ross Thomson, and Mr. J. W. C. Bonnar as directors be confirmed, and that the Hon. Mr. Stanley H. Dodwell, Mr. W. L. Pattenden, and Mr. J. A. Plummer be re-elected directors.

Sir Ellis Kadoorie seconded, and the motion was unanimously agreed to.

On the motion of Mr. T. Arthur, seconded by Mr. H. R. B. Hancock, Mr. F. Maitland and Mr. E. A. M. Williams were re-elected auditors for the year.

The Chairman: That is all the business, gentlemen. thank you for your attendance. Dividend warrants will be ready on Monday.

WESLEYAN AND GENERAL ASSURANCE SOCIETY.

THE seventy-ninth annual general meeting of the Wesleyan and General Assurance Society was held on April 6 at the Central Hall, Corporation Street, Birmingham, Mr. B. Shirley Smith, President of the Society, in the chair.

The Chairman, in moving the adoption of the reports, said: You will notice that the report speaks about the new business of the year in the Ordinary department being the largest transacted in any one year, the new business in the Industrial department being of a most gratifying description, the claims being considerably less than the previous year, and the premium income showing the largest increase in any one year in the history of the Society. Such optimism is fully justified by the records of last year's transactions.

Ordinary Department.

Taking first of all the Ordinary department. The number of new assurances issued during the year amounted to 12,953. This is not only the largest increase in any one year, but is of itself a result of the most gratifying description. It shows clearly that the Society is enabled to attract and obtain Ordinary business in competition against all comers, which you can rest assured is of a satisfactory kind. Ordinary life assurance business was the natural successor to the Society's original business of sickness benefit, and it is pleasing to all friends of the Society to see how steadily such business has grown and to what goodly proportions it has attained. The claims in this department show a satisfactory diminution on the claims of last year, notwithstanding that the large growth of the Society's business means increased liability for payments. There is a large increase in the item of commission, but that is due to the increase in the business. The expenses of management show a small increase on last year, but even now such expenses only represent under 6% of the premium income.

Industrial Department.

Turning now to the Industrial department, the number of policies issued last year was nearly one-third more than in the previous year, and the amount thereby assured was correspondingly large. Every care is taken in the issuing of these policies, and that the business is of a character which is satisfactory and beneficial alike to the assured and to the Society. The number of policies issued does not touch the highest record of increase in the history of the Society, but the sums assured represent a larger amount than the Society has ever put upon its books in one year. I am glad to be able to report that in the Industrial department the average duration of the policies and the average amount these policies represent steadily increase. The claims during the year were less than the claims in the previous year by over £50,000. The commission paid is larger, and also the new business charges are larger than in the previous year, but that is natural on the expansion of the business. The expenses of management show only a normal increase in amount.

Dealing with the increases of business in these two departments, it may be interesting if I remind you that such increases are only made after the premiums on policies which become claims and surrenders have been made good. This shows what a large amount of business has been transacted by the Society during last year. Although the War was practically ended in 1918, claims due to the War still kept coming in. During last year your Society paid a further sum of nearly £20,000 under this heading, making a grand total of £260,220 paid in War claims alone. And most of these were a moral rather than a legal liability. Another cause of loss to the Society last year was the influenza epidemic. The claims paid on this account reached £17,544.

Victory Bond Policies.

You will remember that the Government wished to obtain as much money as possible under the Victory Loan and the Funding Loan. The directors felt that the Victory Loan, with its opportunity for early repayment by means of annual drawing, offered facilities for assurance business and that it was to the interest of the policy-holders of the Society and any others who cared to become policy-holders that they should have an opportunity for purchasing such Bonds through the Society by the payment of annual or monthly premiums. Schemes were formed which proved exceedingly popular, and through this medium practically £750,000 worth of Bonds were taken up in the Ordinary and Industrial departments.

The Society's Balance Sheet.

There has been a very gratifying increase in the rate of interest provided by the invested funds during the year. In 1913 the net rate was £3 10*s.* 4*d.* Last year the net rate was £3 18*s.* 6*d.*—an increase of 8*s.* 2*d.* in spite of the very large addition to the rate of income tax. As your investments at low rates are paid off or realised, better rates will be obtained, and I hope that the rate of interest on the funds as a whole for some time to come will tend to increase. The item of mortgages is still a diminishing quantity. In the year that has just closed they have

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diminished by about £45,000. Comparing the same figure with the figures of three years ago, the diminution is still more marked, the reduction in this direction during such period amounting in round figures to £140,000. Your directors do not feel that the time has yet come to lend much of the Society's funds on mortgages, so the item is likely to grow smaller for some years to come. Loans on parochial and other public rates also show a decrease of nearly £80,000 in the twelve months, or nearly £160,000 during the last three years. Here, again, your directors welcome the reduction. Most of these loans are for a fixed period, repayable by recurring instalments. The security is absolutely safe, but the interest is low. As the instalments are paid, the directors are enabled to re-invest them at a better rate of interest, and consequently to the advantage of the Society. British Government securities show an increase of about £640,000. This is largely due to the Victory Bond campaign. Outstanding premiums are £9,000 less than twelve months ago, notwithstanding the expansion of the Society's business. This is very much to the advantage of the Society, as it means that we can invest the premiums more quickly and get the interest accruing therefrom. The grand total of assets of the Society exceeds four millions. The life-assurance funds of the various departments amount to £3,493,097. The investment reserve is £20,000. Your directors feel that your best interests are served by a strong balance sheet, and, while they believe that the assets of the Society are well worth the amounts at which they figure in the balance sheet, they feel that funds of such magnitude require a strong investment reserve to meet any unexpected slump in values. The general reserve is £14,000.

Reversionary Bonus declared.

In accordance with law and custom, the Society's Actuary has made the annual valuation of the Society's contracts, and a copy of his report is annexed to the statement of accounts now in your hands. It was with no small pleasure your directors learned that there was a surplus in each department of the Society's activities, and it is with added pleasure that they are recommending the declaration of a reversionary bonus on the with-profit policies of the Society. They rejoice the time has now arrived when the Society is in a position to recommence the allocation of such bonuses.

With regard to the prospects of the Society I will content myself with saying that your business is healthy and progressive, and that, if normal conditions prevail, the year which lies before us ought to be a year of prosperity.

Mr. H. Scott Richards (Deputy-Chairman) seconded the resolution, and the reports were unanimously adopted.

Votes of thanks to the Chairman and directors and to the staff concluded the business of the meeting.

THE BRITISH FIRE INSURANCE COMPANY, LTD.

Good Progress—New Issue Over-Subscribed.

THE tenth annual general meeting of the British Fire Insurance Company, Limited, was held at the Cannon Street Hotel, E.C., on April 15, the Rt. Hon. Viscountess Rhondda (the Chairman) presiding.

The Secretary (Mr. H. H. Hince) having read the notice convening the meeting and the auditors' report,

The Chairman (who was received with applause) said: Ladies and Gentlemen,—Since our last annual meeting the authorised and subscribed capital of this Company has been increased, as you know, to £500.000 by the issue, at a premium of 6*d*., of 492,000 £1 shares, which are now paid up to the extent of 4*s*. each, bringing the paid-up capital to £106,400.

It is gratifying to know that this issue was subscribed five times over, and, further, that ever since the new issue the shares have stood steadily at a premium of from 200% to 250%.

With an issue five times over-subscribed, you will realise that the question of dealing with the allotment presented very considerable difficulty to your directors, and that it was impossible to avoid disappointing a very large number of people. The only method of procedure was to lay down a definite line of policy by which to be guided, and to adhere to it very strictly. Only those applicants, therefore, were considered who were likely to support the Company with business—(hear, hear)—and I may say that this policy has been most fully justified by results.

The Company has met with a good reception from the insuring public, and the future prospects show very great promise.

Factors Contributory to Success of the Company.

A number of factors have contributed to its success.

The strong support given by the directors and their friends, who have spared no effort to promote the Company's interests, has been of great value in this connection. I should like especially to mention the valuable work done by our Managing Director, Mr. Fletcher, and also by Mr. Craggs, who has just returned from a long tour abroad, where he has been on the Company's business. These gentlemen have worked early and late in the Company's interest, and it would be impossible to over-estimate the value of the work they have done for us. (Hear, hear.)

The help given by a number of the shareholders who have worked very actively for the Company has also been of great assistance. On the other hand, there are many shareholders who could give us much more valuable help than they have yet done, and the present balance sheet should indeed be an incentive to do this for an enterprise in which they are part proprietors.

The policy pursued by the directors in securing for their managerial staff the services of executive officials of high standing with long and wide experience with leading companies has shown itself to be justified by results; in this connection I should like especially to mention the names of Messrs. Hince, Jackson, and Cawley. The simplicity of all the forms of contract and policies issued, the practice of paying all claims immediately upon the assessment of the loss, and the rating of individual risks on their merits, have also undoubtedly been contributing factors in the success of the Company.

The policy of not establishing branch offices, with their attendant heavy expenses, is being adhered to. It will, however, be necessary, for the proper direction and development of the business, to have qualified representatives in important towns, and these appointments will be made during the year.

In connection with the marine and foreign departments, arrangements have been made with our friends, the Provincial Insurance Co., Ltd., whereby each class of business is underwritten and managed jointly for the benefit of both offices. By doing this, the expenses to each Company is reduced, and by being in a position to deal with larger lines better facilities are offered to clients.

So far as the marine department is concerned, the development under Mr. C. H. Thomas will be upon conservative lines, as the directors do not feel justified in acquiring a large premium income until they are satisfied that the rates and conditions which at present obtain will yield an ultimate profit.

Foreign Policy.

In the foreign field (where the directors realise the difficulties which have beset young companies) equal caution will be exercised, and it is their intention to avoid what is generally known as treaty and surplus line business, and instead to appoint foreign agents of proved experience. Whilst by restricting the operations to direct business, progress may not be so quick, we hope we shall be establishing a solid goodwill, which should prove more remunerative. In this connection we have been fortunate in securing the services of Mr. S. W. F. Crofts, who has had world-wide experience of this business.

Analysis of Accounts.

Dealing with the accounts in general, it would be seen that the total gross premium income was £75,539, reduced by re-insurance to £46,993, against which the commission, expenses, and losses amounted to £34,203, the total outgo being 72.77% of the net income, whilst £8,095 was provided out of trading revenue to maintain the 40% reserve for unexpired risks on the fire and general accounts, and the whole of the marine fund is carried forward to this year.

After writing off the £3,000 establishment of business account, the total assets will be £212,437, and the funds (apart from provisions for outstanding claims) are £134,690, being 286% of the net income; the total security for policyholders, including uncalled capital, exceeding £525,000.

A Conservative Policy.

The aim of your directors in respect to the financial position has been to pursue a conservative policy, and all liabilities having been liberally provided for (including the full retrospective liability under the Workmen's Compensation (War Addition) Amendment Act, 1919), you will notice that the premium income that has been secured is a very substantial one; and the reserve of 40% for unexpired risks puts the Company into a strong position.

The fact that the whole of the reorganisation expenses, amounting to £7,300, together with establishment of business account, amounting to £3,000, have been written off, and a reserve fund formed of £5,000 is one which, I think, promises well for future development, especially when we remember that there is no depreciation in capital to meet, and there is a net credit balance of £1,045 in profit and loss account—i.e., after writing off the £3,000 for establishment of business account.

Your directors have felt it wise to adopt this policy of strengthening the reserves of the Company, and that it would be undesirable to pay any dividend until the interest earnings of the Company are such as will enable this to be done; nor, in pursuance of the same policy, have they felt that they should suggest the payment of any directors' fees for the year under review. (Hear, hear.)

In regard to the present year I may say that for the first quarter the results in respect both of premium and losses have been most satisfactory.

I have much pleasure in moving that the report and accounts as presented be approved and adopted. (Applause.)

Mr. Barry on Progress of the Company.

Mr. H. Seymour Barry, J.P., one of the Deputy-Chairmen, said that when the Company blossomed forth into a large one the board was composed of more or less novices in the insurance world. They had, of course, the great advantage, to which the Chairman had referred, of having on the board two gentlemen who had had a very large experience, and the confidence which had been placed in them, as Lady Rhondda had said, had not been misplaced. Although the directors as a whole were probably greater novices than most people who ventured on a big new business of this sort, he thought that the balance sheet submitted on the present occasion, having regard to the fact that they had been trading practically for only a few months—because the Company did not come into its real existence until close on to the September quarter—was something with which they could all feel quite satisfied. If they referred to the history of a large number of insurance companies in existence to-day and compared their records, he thought the shareholders would find that this Company had done in a few months what it had generally taken most insurance companies very many years to accomplish. He thought, too, he would be correct in prophesying that this year they would at least double what they did last year, and with that he felt sure the shareholders would not be dissatisfied. He hoped that the association which had been started in this venture would be continued, and that all of them would keep their shares and endeavour to bring as much business as they could to the Company. He had much pleasure in seconding the adoption of the report and accounts. (Applause.)

There being no remarks from shareholders, the resolution was then put to the meeting and carried unanimously.

Mr. William Carruthers moved the re-election of the retiring directors (the Rt. Hon. Viscountess Rhondda, Mr. D. R. Llewellyn, and Mr. H. J. Thomas), and this having been seconded by Mr. W. E. Clare, was unanimously agreed to.

On the proposition of Mr. Llewellyn, seconded by Mr. A. H. Swain, the appointment as directors of Mr. William Carruthers, Mr. W. Walter Hughes, and Mr. J. Gomer Berry was confirmed.

The auditors (Messrs. Baker, Sutton and Co.) were re-appointed, on the motion of Mr. Gomer Thomas, seconded by Mr. H. Moxon Gibson.

Mr. Gibson proposed a cordial vote of thanks to Lady Rhondda for presiding, and to the directors generally for their conduct of the business of the Company during the past year.

The vote was unanimously accorded, and Lady Rhondda having made a brief acknowledgment, the proceedings terminated.

BURTON SON AND SANDERS, LIMITED.

Conditions and Prospects. Reconstruction of the Company.

A GENERAL meeting of the holders of Deferred Ordinary shares in Burton, Son and Sanders, Limited, was held on April 13 at Winchester House, Old Broad Street, E.C., Mr. B. H. Burton (the Chairman) presiding, to consider resolutions for the reconstruction of the Company.

The Secretary having read the notice convening the meeting and the resolutions,

The Chairman said: Gentlemen,—As you have heard from the resolutions which have been read to you, this is a meeting held for the purpose of asking you to give your approval to a scheme of reconstruction of this Company, and I am sure it will be your pleasure for me to give you as much information as I can as to the progress of the Company, and, as far as I am in a position to do so, with regard to its near future. The audited accounts are not ready for distribution. The nature of the business is such that it is always very difficult to get the audited accounts ready until a considerable time after they have been closed. I am in a position, however, to give you material information as to the past year's trading, and my information is of a very gratifying character; at least, I think you will consider it so.

Increased Profits.

The Company has had a prosperous year's trading, accompanied by a considerable expansion of its business. In consequence, the directors, as you know, have felt amply justified in declaring for the year a dividend of 2*s.* per share upon the Deferred shares and of 1*s.* 5*d.* per share—or, to be precise, 16.97*d.*—on the Preferred Ordinary shares—double that which was declared in the previous year. (Hear, hear.)

I need hardly say that in declaring these increased dividends the directors have pursued a very conservative policy. They have distributed only a comparatively small proportion of the increased profits earned, for they will place to reserve on account of increased income-tax liability, due to the good profits of the last year or two, a sum of £25,000, and will carry forward about £35,000, compared with £10,000 in the previous year. (Applause.) It is hardly necessary to defend the conservative policy to which I have referred. Not only would it be very undesirable to distribute in dividends the whole of our earnings on ordinary grounds of prudence, but also it is very important, owing to the expansion of our business and the greatly increased capital required, due to rising prices, to conserve our capital as far as possible. If you give your consent to the reconstruction proposals, as I hope you will, the shareholders will receive on April 29, in addition to the dividends they have already received for the past year's working, a dividend at the same rate upon the first four months of this year's working—namely, 8*d.* upon the Deferred and 5.656*d.* on the Preferred shares. You will therefore receive for the four months' working exactly the same rate of dividend as for last year. (Applause.)

There is little doubt that if our business continues to expand and the high level of prices is maintained, the directors will be compelled to have under consideration the provision of additional capital.

Alteration in Company's Capital.

You will see by the resolutions that the reconstruction will provide for an alteration in the capital of the Company (and I must ask your patience in reading out what you have already heard, but it is very desirable that it should be made quite clear to you) from £146,840, which is the old capital of the Company—divided into (*a*) 7,329 5% Preference shares of £10 each, (*b*) 242,715 Preferred Ordinary shares of 5*s.* each, and (*c*) 257,425 Deferred Ordinary shares of 1*s.* each—into a capital of £444,721, divided into (*a*) 73,290 7½% Cumulative Preference shares of £1 each, (*b*) 242,715 Cumulative Participating Preferred Ordinary shares of £1 each, with a fixed rate of 8%, and (*c*) 257,432 Deferred Ordinary shares of 10*s.* each, and that the board shall have power, without further sanction, to create 155,279 further Preference shares ranking *pari passu* with the 73,290 Preference shares.

I think I may here remind you that the profits of the Company, after providing for the interest of the other various classes of shares and all other charges, are divisible as to 40% among the Preferred and 60% among the Deferred Ordinary shares.

Under the terms of the reconstruction, therefore, (*a*) the holders of the existing 5% Preference shares of £10 each in the Company will receive in exchange for them 10 fully-paid 7½% Cumulative Preference shares of £1 each of the new Company for each Preference share of £10 in the existing Company; (*b*) the holders of the existing Preferred Ordinary shares of 5*s.* each in the Company will receive therefor one fully-paid Preferred Ordinary share of £1 of the new Company for each Preferred Ordinary share of 5*s.* in the existing Company; and (*c*) the holders of the existing Deferred Ordinary shares of 1*s.* each in the Company will receive in exchange therefor one fully-paid Deferred Ordinary share of 10*s.* of the new Company for each Deferred Ordinary share of 1*s.* in the existing Company.

It is also proposed to redeem the Debentures and to issue in their place an equivalent amount of 7½% Cumulative Preference shares.

This reconstruction will therefore simply substitute a £1 Cumulative Participating 8% Preferred share for the 5*s.* share, and will abolish the 1*s.* share and substitute for it a 10*s.* share.

I think I should mention to you that some of the Company's assets—such as its real property, machinery, fittings, and so forth—stand at figures in the books very much below their value. Taken altogether, the scheme of reconstruction will bring the nominal capital of the Company much more nearly to the true value of its assets and its earning capacity.

Price Level and Outlook.

You will like me to say a word with regard to the current year's trading, and I am glad to be in a position to report favourably. The volume of the Company's business is maintained in almost every direction, and the conditions all round continue of good omen. It is to be regretted from many points of view that prices in so many directions continue to advance, but I am bound to say that, while that condition does apply, it cannot be other than to the advantage of the shareholders. Opinions may differ as to when the purchasing power of the sovereign will begin to increase, but I am afraid that, until the production of the world overtakes the demand for such staple articles of food as we manufacture and distribute, we cannot expect any material reduction in prices. So far as sugar—our principal article—is concerned, even higher prices may have to be experienced. No doubt times of difficulty will come, as they must to all commercial undertakings, but one of the features of strength in our business is that we deal in such a wide range of articles, all of them in daily consumption, and almost all by the whole population, that it is almost impossible for adverse

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conditions to apply at the same time to such a wide range of articles as our business deals with. I think I may remind you at this point—it will be suitable for me to do so now—that this is one of the largest businesses, if not the largest, of its kind in the country, and that the magnitude of its operations is a material feature of strength. I have pleasure in informing you that we have added to the strength of our board by electing Mr. Stanley Passmore, of the firm of Langton and Passmore, whose advice will undoubtedly be of service to us. (Applause.) I am glad to have been able to give you so favourable a report of the Company's trading, both past and present, and think I may invite you to give your consent to reconstruction with every confidence in the future. I beg to propose the resolutions which the Secretary has read to you, and will call on Mr. Hatry to second them. I shall, of course, be pleased to answer any questions which any shareholder may wish to put to me. (Applause.)

Mr. Clarence Hatry briefly expressed his pleasure at seconding the motion, which was at once unanimously carried.

At a general meeting of the holders of the Preferred Ordinary shares the resolutions were also unanimously agreed to.

An extraordinary general meeting of the Company was held subsequently, when the resolutions were again unanimously approved.

On the motion of Mr. Henry Charles Green, seconded by Mr. E. C. Bayley, a cordial vote of thanks was passed to the Chairman for presiding, and the proceedings then terminated.

CONSOLIDATED WATERWORKS COMPANY OF ROSARIO, LIMITED.

The twenty-fifth ordinary general meeting was held on April 15.

Mr. James Anderson, who presided, said: The past year's results must, I think, be regarded as on the whole satisfactory. The gross receipts show an increase of £11,632, while the increase in the expenses only amounted to £1,620. A considerable part of the increase in the gross revenue is due to a larger gain in exchange, the profit from this source in 1919 having been £11,587, as against £4,624 in the preceding year. There has, however, been a satisfactory expansion in the general business of the Company, the number of services at the close of the year showing an increase of 675 and the gross income in dollars an increase of $66,178. In pre-War days the question of fuel for our pumping engines gave us no anxiety. We knew that if coal for any reason became scarce or dear, we had wood. Our confidence in the alternative to coal has not, however, been altogether justified. The price of wood, however, has gone up to such an extent that there is little economy in using it as compared with coal even at 200% or 300% over pre-War prices. We had hopes of economising in our pumping expenses by the use of oil, and we have prepared two of our boilers for the use of that fuel. At present, however, there is no oil to be had. The existing heavy cost of cast-iron pipes and other materials creates a great obstacle in the way of extending our system. To-day we find it very difficult to get orders for cast-iron pipes executed, and by the time they get to Rosario the cost is from four to five times the pre-War figure. Under these circumstances only such extensions as are urgently wanted can be carried out. Our engineers have recommended the erection of a large elevated storage tank. The plans for this tank are now under consideration, and it is hoped that a commencement will be made of the work at an early date.

The report and accounts were adopted and the dividends recommended were declared.

BRITISH ELECTRIC TRANSFORMER COMPANY, LTD.

An extraordinary general meeting of this Company was held on April 14 at the offices of the Company, Hayes, Middlesex, to consider a special resolution increasing the Preference dividend from 6% to 7% and an ordinary resolution authorising an increase in the capital of the Company to £1,000,000 by the creation of a further 137,500 Preference shares.

Mr. A. F. Berry (the Chairman of the Company), who presided, said that it had recently been brought to his knowledge as Chairman of the Electrical Development Association that something approaching £150,000,000 had been invested in the electrical industry. It was difficult to over-exaggerate its importance. It had been built up in pre-War years under very great difficulties, and was neither a hot-house plant nor a War creation. This Company was one of the few that had an almost unbroken record of successful effort since its inception, up to, through, and since the War. Manufacturing firms of all kinds depended largely upon a supply of power through the Berry transformers which they designed and made. They were also required largely for electrified railways and wireless telegraphy. The domestic demand for electricity was developing at an unprecedented rate. He hoped that the time was not far distant when they could pay more than 12½% on the Ordinary shares. The Company during the War and since the Armistice had not earned so large a percentage of profit on its output as it had done in the best pre-War time. They gave the best and most efficient service possible, and there was a world-wide appreciation of the superiority of their products from a technical standpoint over those of other countries. It was their intention to maintain this pre-eminence, and the increased scale of operation on which they worked would, he hoped, make it possible to outdistance still further their rivals. There were times when a certain amount of self-congratulation was needed, and the present moment, when they were considering the question of raising further capital for the development of what was proving to be one of the best British electrical enterprises, was one of them. He congratulated the shareholders upon a rare combination of private enterprise, joint-stock capacity, and a combination of scientific and technical skill with an artisanship of which the country might be proud.

The resolutions were carried unanimously, and subsequent class meetings of Preference and Ordinary shareholders were adjourned to immediately preceding the general meeting on April 20, in order that the directors might obtain the support of a substantial number of each class of shareholder.

ENGLISH CHINA CLAYS, LIMITED.

The first annual general meeting of this Company was held on April 14 at the Institute of Chartered Accountants, Moorgate Place, E.C.

Mr. R. Martin (Chairman and Managing Director), who presided, said, in moving the adoption of the report and accounts, that china clay had suffered as the result of the War. It was anticipated that when the Armistice was signed a revival would take place, but unfortunately the first six months of the year were as bad for their trade as any period during the War. The position was aggravated by the lack of united policy during the time the negotiations for the amalgamation of the three firms were in progress. As soon, however, as the amalgamation became an accomplished fact, and the board were able to get to work, strenuous efforts were made to recover the lost ground, and the second half of the year retrieved the position. There had been other difficulties to face—increased cost of production, lack of transport, high freights and serious shortage of coal—and the chaotic state of the foreign exchanges, which had an unfortunate effect on the financial results, also greatly affected the turnover, making it half what it should have been. The Company had a potential annual production of approximately half a million tons of clay, and was placed in a unique position to take full advantage of any boom that came along.

The contracts booked for 1920 indicated a generally increased demand for china clay, but, until political and financial conditions in Europe became more stable, there was little prospect of a return to the pre-War position. Competition of the foreign domestic clay was an important factor to be reckoned with in the future. During the War, owing to the impossibility of obtaining supplies of clay from England, such countries as America, Germany, Sweden, and Denmark developed their own domestic clays to an enormous extent, and this was a serious menace to the English china clay trade. They hoped that the lower freight which they were expecting would enable them to get the clays in at somewhere near a rate which would compete with these foreign clays. So far these clays had not to a great extent been in competition with the clays of this Company, inasmuch as the bulk of their production was confined to the best qualities. Mr. Walter Sessions, one of the managing directors, had been recently to America, where he secured good business for the Company and laid the foundation for capturing a larger share of the American business. With regard to the future, he thought that, provided better transport facilities were available, that there were no serious labour troubles, and that adequate supplies of coal were forthcoming, they could look forward to a prosperous year. Orders in hand were quite good and shipments for the three months of the present year were practically already double what they were in the corresponding three months of 1919.

The report was unanimously adopted and a dividend of 5% on the Ordinary shares declared, and the usual formal business having been transacted the meeting terminated with a vote of thanks to the Chairman.

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BARRY, OSTLERE AND SHEPHERD, LIMITED.

Record Profits and Turnover.

THE annual meeting of Barry, Ostlere and Shepherd, Limited, was held at Kirkcaldy on April 14, Mr. John Barry, J.P., the Chairman, presiding.

The Chairman, in moving the adoption of the report and balance sheet, said: As the annual report has been in your hands for some time I will, with your permission, and following our usual custom, take it as read. I have no doubt that shareholders read the report with feelings of great satisfaction and pleasure, revealing as it does a record year of business and profits, which place the board in a position to recommend a substantial increase of dividend, and at the same time to strengthen the financial position of the Company by carrying £90,000 to the special depreciation and contingency fund, bringing that amount up to £150,000. Last year we carried forward a sum of £124,000 7*s.* 1*d.*, but it was subject to excess profits duty, which amounted to £53,578 6*s.* 11*d.* This year, after making full provision for excess profits duty on the increased profits, and placing £90,000 to special depreciation and contingency fund, as against £35,000 last year, we propose to carry forward £99,755 7*s.* 11*d.*, or more than sufficient to pay the same amount of dividend which we propose to distribute this year. (Cheers.)

There is another feature of the report which I think will meet with the approval of all shareholders, and that is that we propose to pay the dividend free of income tax. In coming to that decision, we felt that the income tax was now a heavy burden, and pressed unduly upon many shareholders, and that as we had enjoyed an extremely good year it was right and proper that the shareholders should participate to a greater extent in the good result of the year's trade. The payment of income tax will make the proposed dividend equal to about 17½%.

Reasons for Satisfactory Results.

Several things have contributed to the satisfactory results attained. In the first place, there was a strong and, I am glad to say, an increasing demand for our goods in every market, and, as you know, our operations are world-wide. Then, I will presume to say that by the exercise of much thought and forethought by the board, we were well bought in raw materials before the extraordinary advances came upon us. But the principal cause was the large increase in our production. In previous years we had been greatly crippled by shortage of labour. Since the Armistice, and more especially during the past year, the return of our men from the War has greatly relieved the labour situation. Although we have not reached our pre-War maximum output, yet we have increased the output of the previous year by fully 25%. Now that our Rosslyn Works are in full operation—an end that was only attained in January, the last month of our financial year—and in view of the big demand for our goods, which is well maintained, I am fairly confident that we shall not only reach our pre-War maximum output, but exceed it, and thus help to secure a good increase in our profits for the current year. (Cheers.)

Wages and Prices.

In our industry and throughout the country generally wages have advanced considerably, and working hours have been reduced—from 58 to 47 hours per week. It is too soon yet to form a definite opinion as to the effect of the shorter hours upon the health and general physique of the workers, but I am satisfied the result must be good and the effect will soon be visible in a body of healthier, stronger, and more vigorous workers. The general advance in wages, although at present greatly neutralised by the high cost of living, will, as food prices fall to a more reasonable level, set up and firmly establish a higher standard of living, bringing into every humble home in the land more comfort and happiness, and more cheerfulness and brightness in the domestic surroundings of the people. This improvement and advance in social conditions will have a beneficial effect upon every industry in the country, and upon none to a greater extent than our own, which caters so largely for supplying the requirements of the masses. You have no doubt observed that the amount written off this year for upkeep and depreciation, amounting to £55,035 3*s.*, is considerably larger than in previous years. That is explained by the fact that material and wages now cost much more, and certain matters of upkeep which had to be postponed during the War had to be dealt with in the past year.

The past year has been a record one in regard to turnover and profits, but it is also one in the smallness of bad debts, which amount to only £65. (Cheers.) Considering the great upheaval which we have just passed through, with its consequent derangement of commerce all over the world, it is an extraordinary fact that the greater and largely increased trade has been conducted with practically no bad debts. This fact may be taken as a tribute not only to the soundness of our business, but also to the great care and judgment exercised in the granting of credit.

Completion of Rosslyn Works.

I have already referred to the completion of our Rosslyn Works. We had the mortification of seeing these extensive works standing unfinished during the whole period of the War, and since the Armistice in November 1918 we had to bear with many heartbreaking delays in getting delivery of the essential parts of the necessary machinery. In January, however, in the last month of our financial year, our sorely tried patience was rewarded, and goods were produced in that month. Now, I am happy to say, these works are in full operation, and we look to them not only to relieve the pressure on our previous productive power in the current year, but also to contribute a substantial addition to our profits. (Cheers.)

Economic Position in France.

Last year, in presenting our annual report, I held out hopes of an improvement of trade conditions in France. I regret to say such hopes have not been realised. When speaking last year, the rate of exchange in Paris was about Frs. 30 to the £ sterling; to-day it has reached the extraordinary figure of over Frs. 60, making business operations most perplexing and difficult. There is, however, one redeeming feature in the outlook, and that is that, in spite of the very high prices which circumstances compel us to demand for our goods, the demand continues active. The high prices for food and all commodities have called for a corresponding advance in wages, and created much unrest in labour circles. In spite of all these trials and difficulties, the French operatives are settling down to steady work, and the confidence I have in French industry and frugality leads me to hope that greatly improved conditions will soon be attained in France.

The Excess Profits Duty.

At our last three annual meetings I had occasion to refer to that crude, unjust, and, as far as the future of British commerce is concerned, that deplorable and dangerous thing known as "excess profits duty." Its authors never claimed that it was a just and equitable measure. It was a war measure only, and the Government was pledged to the hilt to terminate it at the end of the War. That pledge, like every other Government pledge, was not kept. The tax, although reduced from 80% to 40%, is still in existence. For the period to January 31, 1919, we had to provide £53,578 6*s.* 11*d.* for this tax; for the past year we had to set aside about double that amount, and now we are in the second year of peace. There was never a time in the history of British commerce where more capital was required for conducting ordinary business. From two to three times more capital is required than was needed in pre-War times for conducting the same business, not to speak of extensions and developments that innumerable trades have to face. We are quite aware that very heavy taxation is necessary, and the burden is willingly borne, but the incidence of this odious tax is glaringly unjust. It would be far better to remove the element of inequality and injustice, and to put a special tax on all profits to be levied before ordinary profits are declared. I believe such a tax, if wisely calculated and considered, would bring in as much revenue as the so-called and miscalled excess profits duty. I respectfully present that suggestion to the Chancellor of the Exchequer. (Cheers.)

Bonuses for Workpeople.

With a view of directly interesting our workpeople, male and female, young and old, in the success of the Company, we are formulating a bonus scheme based on the annual earnings of the workers. The bonus will be dependent on results, and will be distributed at the discretion of the board. We hope and believe the amount of the bonus will be a substantial one, and will contribute to the happiness and comfort of all concerned. We also venture to hope that the granting of the bonus will lead to greater manufacturing efficiency in which all will participate and benefit. I venture to say, on behalf of myself and my colleagues on the board, that the idea was the outcome of a friendly and fraternal spirit, and we earnestly trust it will be received in the same spirit. (Cheers.) I have now to express my satisfaction and thanks to all our workers, male and female, for the way they have worked in a very trying year. We have in some small measure thanked them by paying wages during the ordinary holidays, and we hope that the spirit of comradeship and mutual help will be strengthened and developed in the days to come.

I would also like to take this opportunity of expressing my warm thanks to my colleagues on the board of their unfailing support in a year of exceptional trial and difficulty. The most cordial and friendly spirit prevails on the board, where the cement which binds us together is the furtherance of the Company's interests. During the year the vacant place on the board was filled by the appointment of Mr. A. Alison, our chief engineer—an appointment which comes up for your approval to-day. Probably, no man in the trade has had greater experience in linoleum machinery and manufacturing than Mr. Alison; he is also a man of very sound judgment. His colleagues feel that his presence adds considerable strength to the board.

I mentioned last year that in place of our late secretary, Mr. Kellock, Mr. P. Byrne had been appointed, and that we had full confidence that the duties of secretary would be well discharged. I have now to say that Mr. Byrne has more than fulfilled the high hopes we had formed of his ability. It

would be impossible to speak too highly of the good service he has rendered to the Company.

Future of the Business.

I have always a certain hesitation in predicting future results. I said last year that given certain conditions I should have a better report to submit at the next annual meeting. I am glad to say that prediction has been fully realised, and to-day circumstances justify me in taking an optimistic view of the future. I am quite sanguine that, unless some great and unexpected change comes over the business outlook, I shall, if I have the honour of presiding at the next annual meeting, have a still better report to submit for your approval. (Cheers.) I have pleasure in formally moving, "That the report and balance sheet be adopted; that a dividend at the rate of 12½%, free of income tax, on the Ordinary share capital of the Company, absorbing £77,125, be paid on April 21, and that the balance of £99,755 7*s.* 11*d.* be carried forward, subject to directors' fees."

The report was unanimously adopted, and a sum of £7,000 was voted as directors' fees.

JOHN BARKER AND COMPANY, LIMITED.

Extraordinary Progress.

The twenty-seventh ordinary general meeting of this company was held at the Town Hall, Kensington High Street, W., on April 16, Mr. Sydney Martyn Skinner, J.P. (the Chairman), presiding.

The Chairman said: The report presented tells of a very extraordinary year's trade—a record in turnover, with a net profit much more than doubled. The gross profit has risen during the last two years from £407,190 to £861,859, and the net profit from £115,783 to £294,367. These figures indicate that the great Barker businesses are going ahead tremendously, gathering to themselves every year new customers in ever-increasing numbers. In both businesses, Barker's and Ponting's (for the figures of our new acquisition, Derry and Toms, do not influence the present balance sheet), the progress registered has been most exceptional. I make bold to say that no retail business in London has made a greater advance. The percentage of increase in the combined businesses during the past year is something like 76%—an increase in turnover altogether remarkable. Turning to the accounts, you will observe that our assets amount to the substantial sum of nearly £2,500,000, which, moreover, is a figure based on conservative estimates. Our stocks have been taken very carefully by our buyers and managers, after consultation with your managing directors, and stand at the very large figure of £573,000. In view of the difficulties in obtaining supplies and the increasing cost of most commodities, this is perhaps not such a very large figure as it appears to be at first sight. A possible fall in prices must, of course, be taken into consideration. When that will take place, however, one cannot say; but whatever the future state of the market, the Barker prices to their customers will be based upon profitable buying. Indeed, it is to this invariable policy that the great increase in our trade during the past year has been due. The huge trade of the Barker business has been built upon values; and it will be the one aim of your Board to continue that policy. It is a pleasure to be able to tell you that the business, both at Barker's and Ponting's, since the opening of the current year has been more than maintained over the figures of last year; and our new undertaking, Derry and Toms, also continues to show a very satisfactory increase from week to week. On the liability side of our balance sheet the amount of our general reserve fund has been reduced by the sum of £120,000, which represents the terms agreed upon between the management shareholders and the Company, and since ratified by an order of the Court and duly approved by the Ordinary shareholders at meetings that were specially convened for the purpose of obtaining their sanction to the conversion scheme. The 80,000 Ordinary shares forming part of the terms of this conversion have also been issued, and will, of course, participate in the past year's dividend on the Ordinary shares. Our trade and sundry creditors stand at a fairly high figure, but the amount is amply covered by the value of our stock and the book debts owing by customers. We have, in fact, a very handsome surplus. Another reason for the large amount represented by sundry creditors is that we have had to pay in advance for large purchases before delivery.

Most of the items in the profit and loss account show a considerable increase upon the previous year—an increase over which your directors, in several instances, have no control, especially in regard to national taxation. The demands of labour have also to be met; the staff expenses have risen from £158,250 to £313,439 in the last two years, and the cost of postage, printing, and stationery has nearly doubled. Transport expenditure is likewise another problem to be grappled with. Our horses cost more to feed, petrol is treble its pre-war price, the cost of repairs to, and the general up-keep of vans, as well as premises, are charges that show no perceptible signs of being reduced. With regard to the appropriation account, in addition to the amount required for the dividends which your directors are recommending, the sum of £5,000 has been placed to the credit of the employees pension and benevolent fund. We have several very old servants that we contemplate pensioning off at no very distant date. We have also set aside £20,000 for the general reserve fund, and a further £20,000 has been added to the fund created two or three years ago for the rebuilding of Clarence Mews and for the erection of new depositories, which expenditure will be incurred very shortly. The sum of £100,000 has also been allocated for contingencies and excess profits duty. Any balance remaining after the payment for items of this nature has been met, will, of course, be added to the substantial amount of £64,355 which we are carrying forward to the next account. It affords my co-directors and myself the greatest possible pleasure to place on record our sincere appreciation of the efforts of the staff on the Company's behalf. To give tangible expression thereto, we have again devoted a substantial portion of the profits towards the payment of a bonus on similar terms as hitherto.

Mr. Ralph Millbourn seconded the motion, and after some complimentary remarks from shareholders with regard to the services of the directors and the staff, it was carried unanimously.

An extraordinary general meeting was afterwards held, at which new articles of association were approved, one of the main alterations giving the board power to appoint additional department directors.

OOREGUM GOLD MINING COMPANY OF INDIA, LTD.

The ordinary general meeting of this Company was held on April 16 at the Cannon Street Hotel, Mr. Malcolm Low (Chairman of the Company) presiding.

The Chairman said that in the past year 90,434 oz. of fine gold were produced, an increase of 803 oz. The value of the ore treated per ton showed little alteration. The ore reserves on December 31 were very nearly 428,000 tons, having increased by over 36,000 tons in the year. Of 2,296 ft. of underground development, 833 ft. occurred at the all-important Circular shaft, which was down to 1,165 ft. at the close of the year. The gold produced realised £383,439, and a profit of £134,477 resulted, in addition to £1,052 of dividend on shares in the Kolar Mines Power Station. They had written off £10,000 for buildings, machinery and plant, or more than was spent under this head during the year, and £22,000 of the expenditure on Circular shaft, which was £27,766. The board proposed a final dividend of 1*s.* 6*d.* per share on both classes of shares, making a total for the year of 32½% on the Preference and 22½% on the Ordinary shares. The increased working costs were £12,300, of which £5,750 was due to increased underground development, £2,400 to increased wages and salaries, and the remainder to increased prices of material. With regard to the prospects of outturn of gold in the current year, the superintendent indicated that the output would be about the same as in the year under review, but having regard to the condition of the reserve and to the current developments in both the Oakley's and the Bullen's sections of the mine, it would appear that the superintendent had exercised the utmost caution in preparing his message. Having alluded to the visit of Mr. Henry Taylor, one of the managers, to the field, the Chairman went on to say that the health of the workpeople was fairly satisfactory on the whole; and the anxiety about the water supply expressed at the last meeting was allayed shortly afterwards by the rains.

The report announced that they had taken a one-third share in a prospecting company—the Indian Mines Development Syndicate—formed to prospect certain richly mineralised regions in Burmah; and that they had secured a prospecting licence with options over an extended copper area at Kharsawan, a very accessible region not more than 150 miles from Calcutta. He had long advocated their taking part in some well-selected projects of the kind, provided they were not too numerous or too costly. True, the Ooregum Mine was very far indeed from exhaustion; indeed, it was showing symptoms of greatly increased vitality. Looking ahead, however, it seemed prudent to provide a spare string or two for the bow, even although the string in use was perfectly sound. Better so than to wait until the existing string began to show any symptoms of decay. Having alluded to the value of the work done by the superintendent, Mr. H. M. A. Cooke, and the staff at the mine, and by Mr. F. H. Williams, the Secretary of the Company, the Chairman moved the adoption of the report and accounts.

Mr. John Taylor, M.Inst.C.E., seconded the motion.

Mr. Edgar Taylor said that in the course of the year 189,326 tons of ore had been opened up, which was a very fine figure, and since the superintendent's annual report was written distinct improvement had occurred in Bullen's section of the mine. Negotiations for the future disposal of the gold produced by this and other Indian mining companies had resulted in a new arrangement (to take the place of that expiring on May 14) whereby the Indian Government had the option to purchase the whole or part of the output at the London market price calculated at the current rate of exchange, the gold being delivered, as heretofore, at the Bombay Mint. Any gold not acquired by the Indian Government the companies could sell in other markets. The Government had decided to take 75% until further notice. While this arrangement was satisfactory in that they secured

at least the London price for gold, they could not derive the same benefit from the appreciated price as companies operating where exchange questions did not arise to the same extent, if at all.

The report and accounts were unanimously adopted, and the usual formal business was transacted.

SELABA RUBBER ESTATES, LIMITED.

The tenth ordinary general meeting of this Company was held on April 15 at 38 Eastcheap, E.C.

Mr. E. L. Hamilton (the Chairman), who presided, said in moving the adoption of the report and accounts: By virtue of the resolutions recently passed and confirmed our authorised capital is now £250,000, while our issued capital is raised to £150,000 by the capitalisation of £25,000 of the reserve fund and the issue therefor of fully paid shares proportionately among the shareholders. These alterations having taken place since December 31 last are not shown in the balance sheet. Capital expenditure was principally on account of the opening work on Hamiltonia estate, and amounted to £8,779. The crop harvested during the year amounted to 670.291 lb., as against a restricted yield in the previous year of 530,871 lb. The crop in 1917, which was the last year in which tapping was unrestricted, was 660,409 lb. The area then in tapping was the same as during 1919—that is, 2,479 acres on Selaba and Somerset—so that the figure for the past year may be regarded as quite satisfactory. The average yield per acre was 270 lb., and per tree 3.12 lb. The f.o.b. cost was 9.84*d.* per pound, which is a most satisfactory figure in view of the increased cost of all kinds of materials. The net average price realised (after taking the unsold portion at a fair valuation) was 1*s.* 10.10*d.* per pound, as against 1*s.* 8.02*d.* in 1918. The condition of the estates is good. Since the clearing of timber on Selaba and Somerset, pests and disease have been on the decrease. Weeding costs are up on the all-round average, but this is due to the heavy expense of weeding the young clearings of Hamiltonia. The costs on Selaba and Somerset are down, and work out at 19 cents per acre per month. The system of surface drainage is being extended, and continues to give satisfactory results. On Hamiltonia an additional 222 acres were planted with rubber, bringing the total planted area up to 510 acres. We intend to plant a further 250 acres during the current year, which will give us at the end of this year a planted area of 760 acres. The young rubber is reported to be in a healthy condition. We have to plant in all at least 1,125 acres of the 1,500 in terms of the conditions under which the land is granted. All of that except 60 acres has been felled.

The net profit for the year is £33,855, and after adding the sum of £11,195 odd carried forward from last year and subtracting £6,250—the amount of dividend at 5% distributed last October—there remains £38.801 odd to deal with. Out of this we propose to transfer £2.000 to income tax reserve account, and recommend a final dividend to be paid on the full issued capital of £150,000 of 17%, leaving a carry-forward of £11,301. With regard to the current year, the Manager estimates the crop to be harvested at 700,000 lb., of which 167,189 lb. were secured up to the end of last month. Out of the 1920 crop we shall deliver against forward contracts approximately 114 tons, or 225,360 lb., at an average price of 1*s.* 11½*d.* per pound net.

The motion was carried unanimously, and the dividend recommended was declared.

Aurora West United.—Authorised capital £300,000, in 600,000 10*s.* shares; issued, 212,705 shares.

Year ends Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Pr. ton	Expenses Amt. £	Expenses Pr. ton	Profit Amt. £	Profit Pr. ton	Price end of Period
1917 ...	80	177,250	13	212,739	24/0	168,165	19/0	44,574	5/0	12/3
1918 ...	78av.	158,550	8¼	178,462	22/6	176,053	22/2	2,409	-/4	10/6
1919	80	160,350	8·98	167,573	20/9	193,236	24/1	*25,663**	*3/4**	7/6
1920.										
Jan. ...	—	14,200	—	17,464	24/7	17,464	24/7	*111*	—	7/6
Feb. ...	—	11 900	—	15,466†	26/0	17,649	29/10	*2,183**	*3/10**	7/0
Mar. ...	—	14,000	—	15,346	21/11	17,837	25/9	*2,491**	*3/10**	1/32

* Loss. † Gold calculated at 110*s.* per fine oz.

Van Ryn Deep.—Capital, £1,196,892, in £1 shares. 90 stamps, 9 tube mills, started 1913, 10 stamps and a tube mill being added. Profits include sundry revenue.

Year to Dec. 31	Tons Milled	Sorting %	Revenue Amt. £	Revenue Per ton	Expenses Amt. £	Expenses Per ton	Profit Amt. £	Profit Per ton	Price end of Period
1917 ...	517,870	20	1,129,892	43/7	505,901	19/6	637,964	24/7	3 3/32
1918 ...	530,550	21	1,163,005	43/9	545,921	20/7	617,084	23/2	3⅛
1919 ...	568,400	20.38	1,262,563	44/4	604,143	21/4	658,410	23/0	5⅜
1920.									
Jan. ...	51,400	—	143,122	55/8	55,984	22/2	87,138	33/6	5 11/16
Feb. ...	46,900	—	133,187*	56/10	62,847	27/1	70,340	29/9	5
Mar. ...	53,000	—	149,019*	56/3†	66,263	25/3	82,756	31/-	4¾

* Gold calculated at 110/0 per fine oz.
† Gold calculated at 105/0 per fine oz.

Dividends—1917, June, 20; Dec., 22½ per cent.
1918, June, 22½; Dec., 22½ per cent.
1919, June, 22½; Dec., 25 per cent.

Langlaagte Estate. — Capital £950,000; issued, 886,500 £1 shares. 200 stamps; five tubes. No sorting.

Year to Dec. 31	Tons Milled	Revenue Amt. £	Revenue Pr. ton	Expenses Amt. £	Expenses Pr. ton	Profit Amt. £	Profit Pr. ton	Price end of Period
[Profits include estate, &c., revenue.]								
1917 ...	539,618	622,491	23/0	503,030	18/7	119,461	4/5	15/0
1918 ...	533,690	647,999	24/2	508,916	19/0	139,083	5/2	20/6
1919 ...	475,480	590,781	24/10	502,950	21/4	87,831	3/6	20/6
1920.								
Jan. ...	35,650	50,916	28/7	42,421	23/11	8,495	4/8	21/3
Feb. ...	24,700	41,505†	33/7	45,165	36/8	*3,660**	*3/1**	20/6
Mar. ...	42,000	59,240†	28/2	53,244	25/5	5,996	2/9	18/-

* Loss. † Gold calculated at 105/0 per fine oz.

Dividends—1917, June, 5; Dec., 5 per cent.
1918, June, 5; Dec., 7½ per cent.
1919, June, 7½ per cent.

Brakpan.—Capital issued, 823,600 £1 shares; 160 stamps. Ten tube mills now working.

Year ends Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Pr. ton	Expenses Amt. £	Expenses Pr. ton	Profit Amt. £	Profit Pr. ton	Price end of Period
1917 ...	110	677,500	14½	1,168,454	34/6	694,451	20/6	474,003	14/0	5 5/16
1918 ...	111	617,100	13½	1,089,950	35/4	723,643	23/5	366,317	11/11	3½
1919 ...	111	544,200	14.13	1,038,585	38/2	723,259	26/7	315,436	11/7	3 1/16
1920.										
Jan. ...	—	48,400	—	86,038	35/6	69,284	28/7	16,754*	6/11	4
Feb. ...	—	43,000	—	80,463	37/5	69,975	32/6	10,488†	4/11	3 15/16
Mar. ...	—	52,300	—	89,583	34/3	76,551	29/3	13,032‡	5/0	3 5/16
Mar qr.	—	143,700	—	256,084	35/9	215,810	20/1	40,274§	5/8	3 5/16

The fixed charge for development has been increased to 3*s.* 6*d.* per ton as from July 1, 1918.

* Excluding gold premium, £23,125.
† Excluding gold premium, £21,418, on gold calculated at 110/0 per fine oz.
‡ Excluding gold premium, £13,032, on gold calculated at 105/0 per fine oz.
§ Excluding gold premium, £58,795.

Dividends—1917, June, 22½; Dec., 25 per cent.
1918, June, 20; Dec., 12½ per cent.
1919, June, 12½; Dec., 15 per cent.

Springs Mines.—Issued capital £1,196,796 in £1 shares; £130,000 6% Debentures. Capital being increased to £1,500,000. Plant capacity 40,000 tons per month. Trial crushings started January 1917:—

Year to Dec. 31	Tons Milled	Sorting %	Revenue Amt. £	Revenue Per ton	Expenses Amt. £	Expenses Per ton	Profit Amt. £	Profit Per ton	Price end of Period
1917 ...	313,065	13½	610,440	39/0	345,998	22/1	264,442	16/11	3½
1918 ...	427,610	18·7	905.777	42/4	475.222	22/3	430,555	20/1	3 3/32
1919 ...	434,610	18-11	829,286	38/2	578,719	26/8	250,567	11/6	2 3/32
1920.									
Jan. ...	40,500	—	75,968	37/6	57,316	28/3	18,652*	9/3	3 7/16
Feb. ...	33,900	—	59,757	35/3	53,297	31/5	6,460†	3/10	3
Mar. ...	41,000	—	74,687	36/5	60,428	29/6	14,259‡	6/11	2 15/16
Mar. qr.	115,400	—	210,412	36 5	171,041	29/9	39,371§	6/8	2 15/16

* Excluding gold premium, £20,473.
† Excluding gold premium, £15,500, on gold calculated at 110/0 per fine oz.
‡ Excluding gold premium on gold calculated at 105/- per fine oz.
§ Excluding gold premium, £47,766.

Development charge raised 2*s.* 6*d.* per ton milled as from July 1, 1919.

Dividend—1918, June (Springs West shares); Dec., 12½ per cent.

The exceptional prosperity which Egypt is at present enjoying is brilliantly reflected in the account of the past year's working of the National Bank of Egypt, Limited, as set out in the statement of the governor at the annual meeting held in Cairo in March last. On December 30, 1918, the amount of the Bank's note circulation reached a total of £E.46,100,000. It then steadily declined during the liquidation of the cotton business to under £E.40,000,000. In the last months of the year, owing to the need for financing an exceptionally good cotton crop—which, indeed, is expected to realise £E.100,000,000, the circulation of the Bank reached the sum of £E.68,200,000. The yearly increase in the amount of bank notes in the hands of the public is due to the country's large exports of produce, and the large sums of British money spent during the occupation. Of good omen for the future is the fact that there has of late been considerable buying back of Egyptian securities from Europe.

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The Statist.

LONDON, SATURDAY, APRIL 24, 1920.

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The Money Market.

Friday, April 23, 1920.

	Current Rate %	Fixed	Previous Rate %	Fixed
Bank of England Rate	7	(April 15, '20)	6	(Nov. 6, '19
Deposit Rates:—				
Banks & Discnt. Ho. (Call)	5	(Apr. 15, '20)	4†	(Nov. 6. '19)
Discount Houses (Notice)	5¼	(Apr. 15 20)	4¼	(Nov. 6, '19)

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.

† Foreign and Colonial banks give Special Rates only upon deposits for a year.

Discount Rates:—	60 Days. %	3 Mos. %	4 Mos. %	6 Mos. %	12 Mos. %
Treasury Bills	—	6½	—	—	6½
Bank Bills	5⅞	6⅝	6¾	6⅞	—
Trade Bills	—	7	7¼	7½	—

Much relief will be felt in the Money market by the Chancellor's announcement on Monday that the Government does not contemplate any further fresh borrowing, and also by his proposals to make a definite, though comparatively small, reduction in the National Debt, and especially in the Floating Debt during the coming year. Though any exhortation to spend less applies more fittingly to the Government than to anyone else, yet the Chancellor's remarks on the necessity of individual economy cannot be too strongly emphasised. We cannot help remarking, on the other hand, that what is wanted really is a saving by the community, that is to say, a real postponement of consumption, and experience shows that the savings of private individuals do not always mean a real saving in consumption when such savings are placed in the hands of the Government, and the Chancellor has yet to give proof that such savings are more wisely placed in Government loans than in sound industrial securities. At the present value of money, also, many more attractive propositions present themselves than five-year £1 Savings Certificates at 15*s.* 6*d.*

The Money market was not substantially affected by the Budget, the most prominent features being the strong inquiry for 6½%, Treasury bills, and a rather abundant supply of floating credits coupled with a strong demand. Day-to-day money was steady at 4% bid and 5% asked, with afternoon

balances occasionally offering down to 3%. A call of about four millions on Dunlop Rubbers hardened quotations on Wednesday. Business was quiet in the Discount market, and supplies of bills were small; nevertheless the tone was decidedly firm. May bills changed hands at about 5½%, and June maturities were bought at about 5¾%. Four months' paper was weaker yesterday at about 6⅝%.

In the Foreign Exchange market a feature was the recovery of the Paris cheque to 63.20 on Tuesday, but later the rate rose again to 64.85. The political situation seems to have been responsible for the recent decline in the franc, for the advance of the French armies was responsible for a temporary withdrawal of American credits, with the result that the cheque rate advanced automatically. Trade reports from France are encouraging; indeed, the recent rise in the Bank of France discount rate was but the reflex of an increasing commercial and industrial activity, which resulted in very large demands being made on the Bank. The Belgian franc, after a rally to 59.47½ on Tuesday, closed higher at 60.82½. The German mark was steady. Finnish marks continued their recent improvement, which is justified, we think, by the trade prospects of that country, and closed substantially better at 69. The dollar rate dropped steadily to 3.90⅛ on Thursday, and fell further to-day to 3.88. Americans are at present taking a very keen interest in our finances, and it can hardly be doubted that Monday's Budget will impress New York sentiment favourably. In this connection attention can profitably be drawn to last month's trade figures. Our "visible" adverse trade balance during March was 45.9 millions, but if we estimate "invisible" exports at 600 millions for this year, which is not an excessive computation, it will readily be seen that our foreign trade position is stronger than is generally believed.

The large expansion which occurred at the turn of the year in the currency note circulation has not yet been offset by cancellations of returns, yet a substantial reduction of 2.8 millions in the amount of notes and certificates outstanding is shown in this week's Currency Notes Return. The Bank of England note and gold reserve in the Currency Note Redemption Account remains unchanged, and consequently the fiduciary issue is lower at £302,181,577, and the ratio of reserve to the outstanding note and certificate liability is slightly better at 10.4%

As is customary to expect at this time of the year, the revenue, according to last Saturday's income and expenditure return, is comparatively small, but it must be noted that the rate of expenditure during last week has also abated. The total revenue since April 1 is 79.9 millions, last week's figure being 29.5 millions, against a revenue of 49.5 millions for the first 19 days of April 1919. The expenditure since the 1st of the month was 72.2 millions, against a corresponding expenditure last year of 106.2 millions. These figures, combined with the figures of the courageous, perhaps too courageous, Budget introduced by the Chancellor on Monday, should go far to show our cousins across the Atlantic that the recent rise in the value of sterling is not due merely to a temporary improvement of our position, but to a determined effort on our part to return to a more solid financial position, which will gather momentum as time goes on.

The rise in the Treasury bill rates seems to have had the desired effect, and money flowed freely into Treasury bills last week. Notwithstanding that 103.5 millions were paid off, the amount of Treasury bills outstanding was increased by £10,772,000 to £1,054,170,000. This surplus of Treasury bill receipts, combined with an excess of revenue for the week of £7,661,381, enabled a reduction of 18 millions to be made in the amount of Ways and Means Advances outstanding. This reduction, moreover, was largely effected in the liability under this head to the Bank of England, which was reduced from 55 millions to 39.5 millions. In consequence of these movements the floating debt was reduced by £7,228,000 to £1,300,007,000.

For the convenience of our readers we give below the more important changes proposed by the Budget.

	£
Estimated revenue, 1920-21	1,418,300,000
Estimated expenditure,* 1920-21	1,184,102,000
Amount available for redemption of debt	234,198,000

* Exclusive of sinking fund.

Income Tax.—The standard rate of 6*s.* in the £ is to be retained. In all earned incomes abatement to the extent of one-tenth of the total to be granted, provided such abatement does not exceed £200. Exemption limit to be raised to £150 in the case of a single person and £250 in the case of a married couple where the income is earned, and to £135 and £225 respectively when the income is an "investment" income. The abatement allowance is also raised to correspond with these exemption limits.

Super Tax.—The exemption limit to be £2,000 instead of £2,500. The super-tax rates are to be raised to 1*s.* 6*d.* on £2,500, 2*s.* on £3,000, and for each additional £1,000 of income up to a maximum income of £9,000 the rate is to be increased by 6*d.* Thus on an income of £9,000 the super-tax rate would be 5*s.* The same rate would be levied on an income of £10,000 and on an income of £20,000. On an income of £30,000 the rate would be 5*s.* 6*d.*, and on an income of over £30,000 the rate would be 6*s.* 6*d.*

Double Income Tax.—Where an income is taxed twice within the Empire (*i.e.*, by the United Kingdom Government and by a Dominion Government) the whole of the lower tax is to be remitted. This is to be effected by reducing the United Kingdom income-tax rate by

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one-half, and, if necessary, making up the balance of the required relief by a reduction in the Dominion rate.

Sundry temporary reliefs introduced as special War measures applying to the pay of soldiers, sailors, and others, are to be discontinued.

Excess Profits Duty.—The excess profits duty is to be raised from 40% to 60%.

Corporation Tax.—A new permanent tax, known as the corporation tax, is to be introduced, and is to be levied at the rate of 1*s.* in the £ on the profits and income of limited liability companies engaged in trade. Where a company is liable to excess profits duty as well both the corporation tax and the excess profits duty are to be deducted from the profits before the assessment for income tax, and the excess profits duty is to be deducted before assessing the profits for the new tax. After the payment of interest and dividends on Debentures and Preference shares in no case shall the duty exceed 2*s.* in the £ on the remaining profits.

Beer.—The duty is to be raised from 70*s.* to 100*s.* per standard barrel, which means an addition of 1d. per pint to the retail price.

Wine.—The existing wine duties are to be doubled. That is to say, the duty is to be raised to 2*s.* 6*d.* a gallon for light wines and to 6*s.* a gallon for heavy wines. The additional surtax on wine imported in bottle is to be increased to 2*s.* per gallon for still wine and 5*s.* per gallon for sparkling wine. In the case of imported sparkling wine an additional *ad valorem* duty of 50% is to be levied. Thus the average duty payable on a bottle of champagne would be 6*s.*

Spirits.—The spirit duty is to be increased from 22*s.* 6*d.* to 72*s.* 6*d.* a proof gallon. The consequent rise in retail prices in public bars would be 2½*d.* per gill and 2*s.* per bottle.

Cigars.—In addition to the existing surtax of 2*s.* 2½*d.* per lb. on imported cigars, an *ad valorem* duty of 50% is to be levied.

Letters, Postcards, and Parcels.—The letter rate is to be raised to 2*d.* for 3 oz. or under and ½*d.* for every additional ounce. The postcard rate is to be 1½d. The parcels post is to follow the increased rates for carriage of parcels by mail.

Newspapers.—The newspaper rate is to be increased to 1*d.* for 6 oz. or less and ½*d.* for every additional ounce.

Telegrams.—The new minimum is to be 1*s.* for a dozen words and 1*d.* for every additional word.

Land Values Duty.—With the exception of the mineral right duty, the land values duty is to be repealed.

The Motor-vehicle and Motor-fuel Taxes.—These taxes are to be retained until December 31, 1920, after which date they will be revised in accordance with the recommendations of the Committee appointed by the Ministry of Transport to inquire into the subject.

Stamp Duties.—The duty on the transfer of stocks and shares is to be raised from 10*s.* to £1 per cent., and the duty on marketable securities and share warrants to bearer will also be doubled. The duty payable on the registration of a company is to be raised from 5*s.* to £1 per cent. on the capital. The receipt duty and the duty on scrip certificates are to be raised to 2*d.* The duty on sea insurance policies is to be graduated, not as at present according to increments of £100, but is to rise (the rate being suitably adjusted) with every increment of £250 up to a total insurance of £1,000, and when the insurance exceeds £1,000 with every £500 only or portion of £500 of the amount of the excess. The duty on fire and accident insurance policies is to be raised from 1*d.* to 6*d.*

BANK OF ENGLAND.

Generally speaking, there are no big movements in the Bank return for the current week. The notes issued to meet the holiday demand for currency continue to return slowly. This week the circulation is lower by £55,000. This reduction has been partially offset by a decline of £29,000 in the total bullion, which stands at £112,421,000. The reserve, in consequence, is increased by £26,000 to £24,907,000. The increase does not serve, however, to improve the position; on the contrary, the rate of the reserve to liabilities has fallen from 17.5% to 17.3%. This is accounted for by the addition of £1,368,000 to other deposits and of £732,000 to public deposits, thereby raising the total of the liabilities to £144,229,000, as compared with £142,231,000 last week. Furthermore, the Government has increased its indebtedness to the Bank by £2,357,000, which would seem to indicate that the response to the rise in the Treasury bill rate to 6½% has not so far obviated the necessity for borrowing on Ways and Means. Further evidence in this direction is furnished by the reduction of £278,000 in other securities, in conjunction with the increase already noted in other deposits. There is no doubt, however, that in the absence of this higher rate the amount borrowed on Ways and Means would have been substantially higher.

NEW YORK.

An increase of 12.3 million dollars in loans, discounts, investments, &c., of 15.6 millions in net demand deposits, of 7.2 millions in Government deposits, and a decrease of $160,000 in net time deposits is shown in the weekly average statement for the 17th inst. of the New York City Banks and Trust Companies associated with the New York Clearing House. In consequence of these movements reserve requirements were $2,040,000 higher than on the preceding week. The average aggregate reserve, however, was $700,000 lower at $583,700,000 and the average excess reserve in consequence was $2,740,000 lower. The actual excess reserve on April 17 was lower than the average figure for the week at $23,680,000.

The New York Federal Reserve Bank has apparently been buying freely the gold arrivals in New York, for in its most recent return is indicated an increase of $14 millions in its gold reserves, which brought about an increase to 41¾% in its reserve ratio.

The combined statement of the 12 Federal Reserve banks show a loss of 2.2 millions in the gold reserves. The liabilities, however, have shown a corresponding decrease, for the Federal Reserve note circulation declined by 6.5 millions to $3,073,690,000, while net deposit liabilities were 11.3 millions lower on the week, so that its reserve ratio remains unchanged at 43.3%. Bills discounted for member banks increased 43.7 millions, but open-market purchases of bills declined by 5.5 millions.

Bradstreet's index-number for the month of March showed a decrease of $\frac{3}{10}$ of 1% as compared with April. The increase since April 1, 1919, is 20%, and since August 1, 1914, 138%.

Stock Exchange.

With the Budget following so closely on the heels of the rise in the Bank rate, this was a critical week for the Stock markets, and, as might be expected, business was on a restricted scale, and dealers showed nervousness in making new commitments until they have had time to digest the Budget proposals. Nevertheless, scattered realisations were sufficient to impart a weak tone to the markets. Broadly speaking, the effect of the Chancellor's speech on Monday will be to favour gilt-edged securities at the expense of the more speculative stocks. The increase in the excess profits duty to 60%, combined with the new corporation tax, came as a totally unexpected blow, and expectations that the duty would be either reduced or repealed were blighted by the Chancellor's announcement on Thursday of his determination to stand or fall by the proposal. Yet we cannot help thinking that with prices and profits at their present scale and the likelihood, as indicated by the taxation and debt proposals of the Budget, that they will continue so if not go higher,

too much importance is being attached to this increase in the excess profits duty. Home rails still lack support, and at present prices this section seems well worth looking into. Argentine rails, after an initial downward movement, rallied sharply, but did not maintain a firm tone at the close.

A feature of the gilt-edged market in the opening of the week was the decline in the 5% War Loan to 86⅛. It recovered ⅞ later, but finished weakly again at 86⅝. Consols, after an initial decline, were well supported, and rose to 47⅛. Funding Loan was a firm spot with a rise to 69½, and Victory Bonds are also better on the week at 76½. Bank of Englands were weak. Colonial stocks were steady, but Union of South Africa Fours declined to 69½. L.C.C. Three and a-Halfs fell to 58. The new London County Five and Three-quarters, of which 90% was left in the hands of the underwriters, quickly went to a discount and finished at 93½. The new Birmingham 6% Loan, which fared better in the matter of applications, was quoted at 97¾.

Foreign stocks were subject to heavy selling. French issues rallied on Wednesday with an improvement in the franc, but declined later, the Fives closing at 41¾ and the Fours at 34. Belgian Threes of 1914 were steadier at 48. Russian issues declined. Portuguese Threes closed better at 36. Brazilian Funding Loans were weak. Mexican Fives of 1899 fell to 40, and the 6% Treasury bonds to 65½. Uruguay Fives of 1896 rose to 92½. Mexicans were weak. Japanese Fours of 1905 declined to 72 and the Fives of 1907 to 68.

Home Rails suffered heavily, and at present prices many of the stocks are very attractive. Dover "A" fell to 30. Great Westerns were marked down to 83. Great Centrals Preferred declined to 13. Barry Ordinary fell to 117½. Great Northern Deferreds receded to 30, and the Preferred to 48¾. Underground Electrics were a weak spot.

Foreign Rails were irregular, but on the whole, the trend of prices was downward. The quotations at the beginning and end of the week for some of the leaders were: Grand Trunk Ordinary 5½-5⅛, and the First Preference 44-43, Canadian Pacifics 150-149½, Central Argentines Ordinary 66½-66¾, Buenos Ayres Great Southern Ordinary 76½-77¾, Buenos Ayres Western Ordinary 77½-79¼, Buenos Ayres and Pacific Ordinary 64xd.-63½xd., Central Uruguay Ordinary 78xd.-74¼xd., Argentine North Easterns 28-29, and Leopoldinas 40½-40⅞.

Business was very restricted in the Industrial market. The unfavourable Budget, however, seems to have been pretty well discounted in advance, and there was no general selling, nevertheless the trend of prices was downward and the market closed in a depressed condition. British Oil and Cake Mills fluctuated rather wildly, but on the whole was well supported, closing at 52*s*. Imperial Tobaccos were strong, the finishing quotation being 53*s*. Associated Cements improved to 29*s*. 7½*d*. Textiles were irregular, but Courtaulds closed firmer at 7⅞. Shipping and Nitrates were dull. Iron and steel shares declined in the early part of the week, but found support later Gramophones were irregular and closed at 2.

The event in the Oil group was the expected announcement by the Shell Company of an issue of bonus shares in the proportion of one new share for every two held. Shells were, in consequence, quickly marked up, but gave way moderately yesterday under Continental selling. Some holders were nervous yesterday and showed an anxiety to clear out, but the time for profit taking has not, we think, arrived yet. The Oil market will undoubtedly attract a lot of attention in the future. The quotations at the opening and closing of the week for the favourites were:—Shells 10⅛ and 10⅛ respectively; Royal Dutch 87¾, 87⅝; Mexican Eagle Common 9⅛, 9⅛, and the Preference 9, 9⅜; Scottish-Americans 34*s*., 34*s*.; Tankers (5*s*. paid), 3/32 premium, 3/32 premium; Burmahs, 18⅛, 17½; and Roumanian Consolidated 22*s*., 20*s*. 3*d*.

Mining Topics.

Budget week found the market opening dull, despite the recovery in the price of gold to 105*s*. The news that the excess profits duty was to be increased to 60% acted as a damper and kept the Kaffir Circus still depressed. After the middle of the week the further relapse in the French exchange caused a series of reactions. With the Paris rate at 68 francs to the £1 liquidation of her favourites became the order of the day, and the advance in the price of gold to 106*s*. on Thursday was powerless to check the downward movement of prices. Amongst the chief sufferers were Crown Mines, which lost ⅛ on Thursday, closing at 2⅞, and Rand Mines, which were 3/32 lower at 2⅛. One of the few bright spots was supplied by the Rhodesian section, where Lonely Reefs moved up steadily from 3 on Wednesday to 3¼ on Thursday. A strong justification of the support was furnished in the announcement of a bonus of 25% in respect of the year 1919, making with the dividends already paid a total of 75% for the year.

MYSORE GOLD MINING COMPANY.

Year ended Dec. 31	Ore Crushed Tons	Tailings, &c., Treated Tons	Total Bar Gold Produced Oz.	Total Revenue £	Total Expenditure £	Net Profit £	Dividend Amount £	Dividend %
1916	305,845	433,625	216,519	798,726	348,192	450,534	289,750	95
1917	307,126	261,299	217,317	803,731	399,435	404,296	259,250	85
1918	293,186	568,635	193,663	708,367	443,846	264,521	137,250	45
1919	270,425	578,584	181,975	663,826	477,382	186,443	61,000	20

The further reduction in the quantity of ore crushed by this Indian gold-mining Company for the year ended December 31, 1919, was not altogether unexpected. At the previous general meeting in April 1919, and again at the extraordinary meeting in December of the same year, emphasis was laid upon the backward state of development work as a necessary consequence of the War period, and it was intimated that a more vigorous development policy would have to be pursued to compensate for the 50,000 feet by which the amount of this work done for the four years ended December 31, 1918, fell short of the normal development work for that period. Consequently, the reduction in the revenue to £663,826, as compared with £708,367, was perhaps, on the whole, less than might have been anticipated. A less pleasing feature, however, was a considerable rise in the working costs over the already high level of 1918. Thus, whilst the total working cost, including development charges, worked out at 24*s*. 8¾*d*. per ton for 1917, it had risen to 28*s*. 6*d*. per ton in 1918, and had suffered a further increase of 4*s*. 4*d*. per ton to 32*s*. 10*d*. in 1919. Of this increase no less than 2*s*. 4*d*. per ton is due to the decline in the quantity of ore crushed; 7*d*. per ton represents the increase in wages and salaries; whilst the prevailing high prices of materials and stores accounted for the remainder. Under these conditions there is secured a lower net profit of £186,443, as against £264,521 in 1918 and £404,296 in 1917. A necessary consequence is the considerable reduction in the dividend, shareholders receiving only 20%, whereas they had obtained 45% in 1918, and as much as 85% in 1917. However, if the dividends for the four years 1916-19 are averaged, it is seen that shareholders have secured an average dividend of 61¼%—a dividend which, to say the least of it, is decidedly generous. This dividend of 20% has been paid after writing off £37,964 in respect of capital expenditure, £1,453 for expenses on the new issue, and £66,189 for income-tax liability. Moreover, there has been added to the reserve fund £10,000 to increase the amount of liquid capital at the disposal of the Company for its extensive scheme of post-War development. Again, an insurance and contingency fund has been established, to which £5,000 is allocated. The object of this fund is to enable the Company to

provide superannuation allowances for old employees and to compensate the unlucky victims of those unforeseen accidents that occur even in the best regulated mines. After making all these provisions and paying the final dividend there is left over a balance of £7,200, subject to the royalty on that dividend of 2½% payable to the Mysore Government.

Prospects for the immediate future are promising; for the more distant future, distinctly bright. Partly owing to the restricted output of the last two years, and partly owing to the more fertile results of stoping operations, ore reserves on December 31, 1919, amounted to 870,000 tons, or only 40,000 tons less than on December 31, 1918. And of that decline part is due to the exclusion of lower-grade ore owing to the increased cost of working. The grade of the ore has slightly declined, being 8.6 dwt., as compared with 8.7 dwt. in 1918. But it is stated that no further reduction in the grade of the ore is anticipated. Neither is it expected that the quantity of ore crushed will decline any further. Efforts are being made to keep the working costs as low as possible for 1920. Relief in this respect is expected from a reorganisation of the milling arrangements, under which No. 2 mill has been discontinued. At the same time it is wise to bear in mind the Chairman's statement that the War has left "a legacy of higher working costs all round," and that shareholders in all industrial undertakings "will have to recognise that, however good their industry may be, however well managed, they are up against higher costs of all kinds than they were before the waste of War." On the other hand, in view of the premium on gold, greater revenue is anticipated, especially as negotiations with the Government of India with reference to the contract expiring on May 14, 1920, are expected to enable the Company to secure for the gold thus sold the price ruling in the London market. Arrangements have been made for an extensive scheme of development work, which from preliminary investigations promises good results, especially on the 51st and 53rd levels of the Ribblesdale section, and in the 44th level south of McTaggart's vertical shaft. It was furthermore agreed at the extraordinary general meeting to amend the rather ancient memorandum of association to permit the Company to extend its sphere of action by the inclusion of such things as "oil and other bituminous products, electric light and power works, refineries and brickworks." In the balance sheet, to meet liabilities amounting to £159,435 there are liquid assets in the form of cash, stock of gold, and sundry debtors to a total of £268,209. The issued capital stands at £353,689, the addition of £48,689 representing the amount paid up on the recent allotment of 389,513 shares of the new issue. The old fully-paid shares of 10*s.* are quoted at 17*s.*, at which price they yield on the 1919 dividend nearly 12%; the new shares of 10*s.*, now 5*s.* paid, command 7*s.* 9*d.* At these prices both shares are, in the light of future prospects, a very promising investment.

RIO TINTO.

The report of this Spanish copper- and sulphur-mining Company for the year ended December 31, 1919, explains the reduction in the dividend from 50% in 1918 to 40% for the year under review by the fact that for them, as for many other companies, 1919 was a year of difficulties. During the War the Allied Governments had wisely accumulated considerable stocks of pyrites, copper, and sulphur for the manufacture of munitions. With the advent of peace these stocks were thrown on the market, with the result that during 1919 the ruling prices of these commodities were considerably lower than those of 1918. Thus standard copper, which realised £115 11*s.* 6*d.* per ton in 1918, only brought in an average of £90 19*s.* 4*d* per ton for 1919. As regards sulphur pyrites, the situation was aggravated by the American competition, which was mainly the outcome of the inability of the Company, owing to fuel shortage, to guarantee a sufficient supply of this commodity to the American Government during 1918. Owing to the encouragement which the United States authorities gave to the development of sulphur, the Company were obliged, in order to retain any great hold on the American market, to dispose of the sulphur in their pyrites at exceptionally low prices. And it is not anticipated that high prices will be obtained for such sulphur in the near future, since, in order to extend their market for the copper contents of the pyrites, it is the policy of the Company to look upon the sulphur merely as a by-product, to be retailed at the price that will contribute to the largest possible consumption of their ores. Yet another factor influencing seriously the profits on sales was the marked increase in the cost of production. Expenditure on fuel, iron, freights, and labour advanced again during 1919 over the high level of 1918. Administration expenses reached £130,386, as against £120,986. Added to this was the effect of the adverse exchange, although in this case the situation had improved in contrast with 1918. The actual financial results of the operations for 1919, and a comparison with those of the previous four years, are supplied in the following table:—

	1919	1918	1917	1916	1915
	£	£	£	£	£
Profit on produce ...	941,822	1,268,263	2,348,112	2,219,310	1,348,618
Interest & sundry receipts	53,986	49,996	55,823	31,828	10,605
	995,808	1,218,259	2,403,935	2,251,138	1,359,223
Deduct:—					
Administration expenses	171,595*	120,986	105,136	90,569	102,212
Workmen's pensions, &c.	49,699	56,269	98,034	38,313	33,300
Allowance to directors	2,027	4,875	12,506	12,782	6,638
Depreciation	4,300	10,949	61,835	47,263	17,493
Staff provident fund ...	3,000	4,000	5,000	5,000	3,000
Taxes	127,711	79,557	116,432	70,648	87,252
Total	358,332	276,637	398,943	264,575	249,895
Net profit	637,476	1,041,622	2,004,992	1,986,563	1,109,328
Divs. on Pref.	81,250	81,250	81,250	81,250	81,250
Divs. on Ord.	750,000 (40%)	937,500 (50%)	1,687,500 (90%)	1,781,250 (95%)	1,031,250 (55%)
Balance profit ...	...Dr. 193,774	22,872	236,242	124,063	Dr. 3,172
Brought forward ...	542,444	519,572	283,330	159,267	162,439
Carried forward ...	348,670	542,444	519,572	283,330	159,267

* Including £41,209 in respect of charges on interest and discount accounts.

For the current year the outlook is not any more encouraging. To quote the Chairman himself: "For the year 1920, and to some extent for 1921, we cannot look for a full return to our old-time net earnings, because, I am afraid, the world will take some time to free itself from the effects of the War in regard to markets, freights, exchanges, taxes, fuel, labour, and the like." Apparently all the Government stocks of pyrites were disposed of during 1919; but fairly large quantities of copper still remain in the hands of the various Governments, and their disposal is expected to influence unfavourably the price of copper during 1920. As yet the price of standard copper, though an improvement on the average figure realised for 1919, is below £110 a ton. On the other hand, a reduction in the cost is expected from improvements in processes and certain economies of methods about to be introduced. Any such reduction would be a welcome alleviation, especially in view of the great increase in the cost of fuel. For 1913 the coal bill of the Company was £137,000: in 1919, although only 65% of the 1913 quantity was used, the cost of coal reached the large total of £310,000. Furthermore, during the early months of the current year the Company, in common with other shippers to neutral countries, were obliged to pay for coal a price of 115*s.*

CANADA'S GRAND TRUNK RAILWAY
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EUROPEAN TRAFFIC OFFICES.
LONDON, S.W.—17-19 Cockspur Street. LIVERPOOL.—20 Water Street.
LONDON, E.C.—44-46 Londenhall Street. GLASGOW.—75 Union Street.
F. C. SALTER, European Traffic Manager.

per ton f.o.b. All these factors give point to the warning of the Chairman quoted above. At the same time, the position as seen in the latest balance sheet is very satisfactory. Liabilities, including dividends due, amounted on December 31, 1919 to £1,200,969, whilst liquid assets in the form of sundry debtors, cash, and investments exceed £1,412,850. And it is well to bear in mind that if the prospects for the next year or two are rather uncertain, the life of the mine is more than long enough to repay for this waiting period. As far back as 1905 it will be recollected that the ore contents of the mine were estimated to be equal to 60 years' supply. This is evidently what the Chairman had in mind when he said: "We have such enormous proved ore reserves that we have no need to think of quantity, and can lay out our policy on the broadest lines and for the longest times ahead." There is little doubt that the investor who is content to possess his soul in patience for the next few years will find his confidence amply justified. At the low level of £33½ which the shares reached on April 13 they are worth acquiring by a man of this disposition. The following table gives the existing quotation of the £5 Ordinary shares, with the highest and lowest prices attained in recent years:—

	1914	1915	1916	1917	1918	1919	Present
Highest ...	74⅝	64½	66¼	69	70½	69½	34
Lowest ...	50	52½	56½	61	63½	41½	

KERR LAKE MINES.

An interim report has been issued by this Canadian mining Company covering its operations for the six months ended February 29, 1920. Dealing with the Cobalt property, it appears that the actual production for the six months in question amounted to 610,231 ounces of silver; and to this the contribution made during the first two months of 1920 was 213,234 ounces. The developed ore reserves on August 31, 1919, were estimated at 500,000 ounces, but it has not been found possible to supply an accurate estimate of them at present. Whilst it is expected that the Cobalt mine will continue production for some time yet, the report reiterates the statement previously made to the effect that the duration of the life of the mine cannot be definitely calculated. Realising this, the Company have acquired control over two other promising mining concerns. The first consists of a silver mine in Utah. This mine having been equipped, began productive operations in December 1919 with a mill of a capacity of 150 tons a day. The estimated ore reserves are recorded at 87,000 tons, averaging 18 ounces of silver and 80 cents of gold. From geological investigations it seems that the area holds out promise of developing a tonnage considerably in excess of this. Calculating silver at the rather moderate price of $1.10 per ounce, this ore is expected to yield a net profit of $9.50 per ton, which would bring in some $265,000 net every year to the Kerr Lake Mines. A gold-dredging property in New Zealand constitutes the second investment made. This concern, in which a two-thirds interest has been acquired, is expected to yield an annual income to Kerr Lake Mines of $287,000, or nearly 50 cents per share on its issued capital. After exhaustive tests the ground has been reported on very favourably by the engineers. The equipment of the property is expected to be complete by next spring. It will be remembered that in the autumn of 1919 the issued capital of the Company, which consisted of 600,000 shares of $5 each, was reduced to 600,000 shares of $4 each, and that a distribution of $1 per share was made out of $600,000 received from the Kerr Lake Mining Company. In addition to the money expended on the two new properties acquired, it appears that the Company had in hand on February 29, 1920, in cash and Government securities alone, no less than $2,415,027, or a sum exceeding its present issued capital by $15,027. Should the new properties come up to expectations, the prospects before existing shareholders are distinctly encouraging.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, April 21, 1920.

Issue Department.

Notes Issued	£130,436,470	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	111,986,470
	£130,436,470		£130,436,470

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£57,475,621
Rest	3,113,440	Other Securities	79,612,868
Public Deposits	20,046,771	Notes	24,473,080
Other Deposits	124,256,819	Gold and Silver Coin	434,036
Seven-day and other Bills	25,775		
	£161,995,605		£161,995,605

Comparison with Previous Four Weeks [00,000's omitted.]

Date 1920.	Circulation	Coin and Bullion	Deposits—Public	Deposits—Other	Securities—Govt.	Securities—Other	Reserve	Ratio Reserve to Liabilities	Bank Rate*	Three Months' Bills
	£	£	£	£	£	£	£	%	%	%
Apr. 21	105,9	112,4	20,0	124,2	57,4	79,6	24.9	17·3	7	6⅛
Apr. 14	106,0	112,4	19,3	122.8	55,1	79.8	24 8	17·5	7	6¾
Apr. 7	106.8	112,1	24.9	133.7	59.0	93.5	23.8	15·0	6	5⅝
Mar. 31	105,2	112,1	36,2	100,9	20,4	109,5	25,3	18·5	6	5⅝
Mar. 24	101,1	115,8	19,7	131,7	45,4	91,1	33.1	21·8	6	5⅛
J'ly22,'14	29.3	40.2	13,7	42,2	11.0	33.6	29.3	52·40	3	2⅝

* July 30, 1914 + to 4%: July 31, 8%: Aug. 1, 10%: Aug. 6, 6%: Aug. 8, 5%, July 13, 1916, 6%: Jan. 18, 1917, 5½%: Apr. 5, 5%: Nov. 6, 1919, 6%: Apr. 15, 1920, 7%

Comparison of Bank Returns, Exchanges, Prices, &c.

	Apr. 23, 1920	Apr. 23, 1919	Apr. 24 1918	Apr. 25. 1917	Apr. 2 1910
Bank of England (in £'s sterling 00,000's omitted):					
Circulation	£105.9	£76·2	£48.4	£38.2	£28.5
Public Deposits	20,0	24·6	34.8	52.4	9,3
Other Deposits	124.2	117·2	140.2	117.2	41.3
Government Securities	57.4	50·2	56.7	37.5	14.8
Other Securities	79.6	81·8	104.8	114.4	77.8
Reserve	24.9	27·4	31.0	35.5	25.6
Ratio to Liabilities	17 3%	19·32%	17·74%	20 90%	50·68%
Coin and Bullion	112.4	85·1	61.0	55.2	35.7
Money:					
Bank of England Rate	7%	5%	5%	5%	4%
Bank of France Rate	6%	5%	5%	5%	3%
Rate 3 months' Bills London	6⅝%	3½%	3⅞%	4⅛-4⅜%	3⅜-⅜%
Exchanges:					
Paris Cheque	64·85	27·30	27·16	27·17	25·26
New York 60 days	3·86	4·63	4·72½	4·73	4·84½
Bombay Telegraphic Transfers	2/0	1/5⅜	1/6⅜	1/4⅝	1/4⅛
Prices:					
Consols 2½% Cash	46	55⅝	55½	54⅛	80⅛
French Rentes 3% Money	56·52½	62·30	58·75	61·50	98·60
Silver, London spot oz.	69½d.	48⅛d.	49½d.	37⅝d.	23½d.
Wheat, *Gazette* average qr.	72/8	73/1	73/3	84/10	33/7
Cotton, Mid Upland lb.	29·02d.	19·25d.	22·17d.	12·73d.	7·96d
Iron, Scotch pig ton	206/0	101/0	101/0	98/6	56/6

CURRENCY NOTE ISSUE.

Week to	Notes Issued	Notes Cancelled	Notes Outstanding	Gold Coin & Bullion	Bank of England Notes	% of Bank England Notes & Gold to Notes
	£	£	£	£	£	%
Apr. 21, '20	5,860,981	8,708,241	337,181,577	28,500,000	6,500,000	10·4
Apr. 14, '20	7,890,535	8,361,537	340,028,837	28,500,000	6,500,000	10·3
Apr. 23, '19	5,764,680	2,694,901	349,108,293	28,500,000	—	8·1
Apr. 24, '18	6,078,958	3,968,446	235,190,607	28,500,000	—	12·1
Apr. 25, '17	4,578,712	4,529,474	152,079,835	28,500,000	—	18·7
Apr. 26, '16	4,020,769	1,518,422	116,244,153	28,500,000	—	24·5

Balance Sheet April 21, 1920.

	£		£
Notes outstanding—		Advances—	
One Pound	263,478,393	Other Bankers ...	—
Ten Shilling	42,723,254	Trustee Savings Banks	190,000
Certificates outstanding ...	30,980,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500,000
Total	337,131,577	Bank of England Notes...	6,500,000
Investments Reserve A/c ...	16,696,528	Government Securities ...	318,016,702
		Balance at Bank of England	671,403
Total	353,878,105	Total	353,878,105

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

1920. Week to	Revenue	Expenditure	Excess of Expenditure	Loans, Advances, &c.—Cr.	Loans, Advances, &c.—Dr.	Net +	Cash Balance
Apr. 17	£29,499	£21,827	£7,662‡	£120,334	£127,276	—6,942	£4,450
Apr. 10§	50.455	50,355	*100*‡	183,995	189,724	—5.739	3,731
Mar. 31	108,174	166,810	58,636	287,287	222,991	+£64,296	9,369
17dys.'20-21	79,944	72,182	7,762	313,689	321,450	—7,761	— 5,189
19days'19-20	49,492	106,176	56,684	316,705	266,212	50,494	— 6,191
Yr. '20-21*	1,418,300	1,184,102	*234,198*‡	—	—	—234,198	—
Yr '19-20	1,339.571	1,665.773	326.202	6.092.709	5,766.507	326.202	9.369
Yr. '18-19	889,021	2,579.301	1,690.280	7,033.402	5,351.353	1,682.049	12,789
Yr. '17-18	707,234	2,696.221	1,988.987	7,499.604	3,616.023	1,983,581	21,030

Principal Items of Revenue and Expenditure.

1920. Week to	Revenue: Customs & Excise	Income Tax, &c.	Excess Profits Duties, &c.	Other Revenue	Expenditure: Int., &c., on Debt	Misc. Expend.	Supply Services.
Apr. 17	£7,484	£5,418	£4,587	£12,000	£2,832	£195	£18,800
Apr. 10§	4,498	23.766	4,595	17,596	23,162	179	22,014
Mar. 31	7.660	17,954	12,943	69.517	3.802	2,034	155,924
17days'20-21	11,582	29.184	9.184	29,595	30,194	374	40,814
19days'19-20	10,364	21,010	12,083	6,035	36,487	420	68,983
Yr. '20-21*	348,650	385,800	220,000	463,850	345,000	31,198	807,904
Yr. '19-20	283.023	359.099	290.045	407.404	332.034	16.171	1.317.568
Yr. '18-19	162.220	291.186	285.028	150.587	269.964	11.380	2,297,958
Yr. '17-18	110.033	239.509	220.214	137.478	189.851	11.401	2,494,968

FLOATING DEBT. [000's omitted.]	Treasury Bills	Ways & Means Advances	Total	Natnl. War Bond Rcpts.
Apr. 17, 1920 ...	£1,054,170	£250,837	£1,305,007	£1,745,720
Apr. 10, 1920 ...	1,043,398	268,837	1,312,235	1,745,720
Mar. 31, 1920 ...	1,107,318	204,887	1,312,205	1,745,720
Mar. 20, 1920 ...	1,048,772	178,430	1,227,202	1,732,780
June 30, 1919 ...	736,150	774,237	1,570,387†	1,712,021

* Budget estimates. † Highest. ‡ Excess of revenue. 10 ...

FOREIGN BANKS.

[In £'s Sterling‡—000's omitted.]

	Gold	Cash Silver	Cash Total	Advances To Public	Advances To Govts.	Dual	Note Circulat'n	Bills Discounted, &c.
AUSTRIA-HUNGARY.								
July 23, '14...	£51,578	£12,141	£63,719	£7,772	—		£88,740	£31,993
Oct. 21, '19...	10,832	2,374	13,206	371,686	£1,373,083		2,013,363	240,845
Oct. 28, '19 ..	10,832	2,378	13,210	372,119	1,373,083		2,058,464	222,532
Dec. , '17...	11,000	2,300	13,300	603,990	—		739,300	117,600

	Gold.	Silver	Total	Discounts	Circulation	Deposits
BELGIUM.						
Aug 8. '14 ...	£10,977	£833	£11,810	£41,925	£51,800	£6,263
Ap 8. '20 ...	10,857	1,105	11,762	24,542	199,671	87,467
Ap 15. '20 ..	10,857	1,115	11,762	25,601	201,140	87,903

	Gold	Cash Silver	Cash Total	Discounts	Balance Abroad	Circulation	Deposits
DENMARK.							
July 31. '14 ...	£4,100	£341	£4,441	£6,197	£788	£8,693	£47
Feb. 28. '20 ...	12,597	188	12,783	18,948	599	28,396	3,293
Mar. 31. '20 ...	12,589	172	12,761	18,055	590	29,123	2,024
Mar. 31. '19 ...	10,395	137	10,532	3,644	4,206	24,137	832
Mar. 30. '18 ...	10,289	136	10,405	2,892	3,159	19,499	955

	Gold In Bank	Gold Abroad	Total Cash incl'g Silver	Bills	Circulation Public	Deposits Public	Deposits Private
FRANCE.							
July 30. '14 ...	£165,654		£190,687	£97,768	£267,327	£15,302	£37,903
Apr. 15. '20 ...	144,288	79,131	233,117	88,900	1,497,372	10,861	136,999
Apr. 22 '20 ...	144,310	79,131	233,273	85,834	1,493,069	12,113	133,535
Apr. 24. '19 ...	142,721	79,132	234,280	35,887	1,359,138	1,075	123,219
Apr. 25. '18 ...	133,670	81,484	225,397	55,993	1,055,810	2,231	132,530

	Gold	Cash Silver	Cash Total	Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
GERMANY.							
July 23. '14...	£67,843	£16,727	£84,570	£5,279	£40,055	£94,545	£47,198
Mar. 31. '20...	54,573	2,144	56,717	698,672	2,229,275	2,258,489	924,921
Apr. 7. '20...	54,573	2,283	56,856	715,236	2,156,063	2,280,853	855,890
Apr. 7. '19...	95,696	1,038	96,734	335,561	1,378,849	1,274,741	582,629
Apr. 6. '18...	120,386	6,990	126,376	76,229	710,437	595,852	379,745

	Gold	Cash Silver	Cash Total	Discounts	Advances	Circulation	Deposits
HOLLAND.							
Aug. 1. '14 ...	£13,498	£249	£13,745	£13,422	£10,332	£35,660	£1,437
Apr. 10. '20 ...	52,876	896	53,772	25,614	17,474	87,820	9,939
Apr. 17. '20 ...	52,903	923	53,826	25,159	16,660	87,581	9,009
Apr. 19. '19 ...	55,550	746	56,296	12,642	17,174	85,701	7,614
Apr. 13. '18 ...	60,846	595	61,441	3,735	9,308	74,761	6,124

	Gold	Cash Silver	Cash Total	Other Cash	Loans & Discounts	Circulation	Deposits
ITALY.							
July 31. '14 ...	—	—	—	£48,456	£25,017	£69,204	£8,887
Dec. 31. '19 ...	£32,193	£3,004	35,197	21,538	110,071	507,671	83,394
Jan. 10. '20 ...	32,194	3,004	35,198	20,480	112,555	495,477	78,868
Dec. 31. '18 ...	32,710	3,086	35,796	15,238	65,984	368,934	63,866
Dec. 31. '17 ...	33,434	3,496	36,930	8,448	47,745	261,568	57,941

	Gold	Discounts	Advances	Notes	Deposits Public	Deposits Private
JAPAN.						
Aug. 1. '14 ...	£21,867	£1,829	£7,863	£32,722	£13,818	£1,521
Feb. 28. '20 ...	93,811	27,685	39,945	136,046	111,964	2,609
Mar. 6. '20 ...	93,682	21,495	37,496	123,509	114,307	3,504
Mar. 8. '19 ...	71,193	1,666	38,893	80,710	109 418	3,986
Mar. 9. '18 ...	65,252	3,841	22,735	62,620	65,970	2,577

	Cash Own Vaults	Aggregate Reserve	Loans, Disc'ts, Invest.,&c.	Net Deposits—Demand	Net Deposits—Time	Net Deposits—Total	Excess Reserve
NEW YORK BANKS & TRUSTS.							
Aug. 1. '14 ...	—	£89,888	£411,238	—	—	£387,185	£1,720
Apr. 10. '20 ...	£19,190†	116,880	1,031,660	£839,410	£50,386	903,074	5,390
Apr 17. '20 ...	18,996†	116.740	1,034,224	842,536	50.354	907,600	4.842
Apr. 19. '19 ...	19.466†	116,150	987,980	794,546	30.790	895,344	10,840
Apr. 20. '18 ...	20,848†	111,222	898,830	753,740	36,328	856,904	10.970

	Gold	Balance Abroad	Norw. & For. Govt. Secs.	Disc'nts & Loans	Circulation	Deposits
NORWAY.						
July 31. '14 ...	£2,980	£1,678	£493	£4,868	£6,752	£793
Apr. 7. '20 ...	8,122	4,524	579	19.257	24,480	4,129
Apr. 15. '20 ...	8,121	4,250	579	19.794	24,091	4,782
Apr. 15. '19 ...	8,197	3,802	691	19.986	24,771	4,089
Apr. 15. '18 ...	8,735	3,648	713	18,572	19,875	6,736

	Gold	Silver	Total	Discounts & Note Advances	Circulation	Deposits
PORTUGAL.						
Nov. 26. '19 ...	£1,906	£3,921	£5,827	£11,063	£78,570	£4,635
Dec. 3. '19 ...	1,906	3,920	5,826	10,881	74,948	7,186
Dec. 10. '19 ...	1,906	3,921	5,827	12,888	78,528	6,349
Dec. 17. '19 ...	1,906	3,921	5,827	12,954	80,275	4,860

	Cash	Discounts	Advances	Total	Circulation
ROUMANIA.					
Feb. 14. '20 ...	£60,009	£8,546	£2,440	£10,986	£179,211
Feb. 21. '20 ...	60,009	8,068	2,532	10,600	178,230
Feb. 28. '20 ...	68,009	7,825	2,483	10,308	180,003
Mar. 1. '19 ...	33,701	6,439	1,659	8,098	99,332

	Gold In Bank	Gold Abroad	Total Cash incl'g Silver	Loans & Disc'ts	Circulation	Notes in Reserve	Total Deposits
RUSSIA.							
July 31. '14...	£160,114	£14,395	£181,892	£76,081	£163,411	£6,589	£109,911
Oct. 28. '17...	129,523	230,865	378,205	1,889,559	1,836,217	16,783	345,550

	Gold	Cash Silver	Cash Total	Loans, &c.	Spanish 4%	Circulation	Deposits &c.
SPAIN.							
Aug. 1. '14 ...	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,956
Apr. 3. '20 ...	98,109	25,157	123,266	86,271	13,779	154,382	44.573
Apr. 10. '20 ...	98.109	25.034	123,143	86,567	13,779	155,955	43,993
Apr. 12. '19 ...	90,444	25,728	116,172	75,117	13,778	140,548	43,304
Apr. 13. '18 ...	80,880	28,171	109,151	60,264	13,777	116,576	35.017

	Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
SWEDEN.						
Aug. 1. '14 ...	£5,717	£6,150	£1,555	£7,495	£13,432	£3,903
Apr. 10. '20 ...	14,505	4,771	2,525	32,770	39 240	15.410
Apr. 17. '20 ...	14,501	4,905	2,524	35,582	38,121	15,829
Apr. 19. '19 ...	15,977	7,530	3,003	18,308	39,534	8,016
Apr. 20. '18 ...	14,321	7,383	3,894	13,49)	33,044	6,204

	Gold	Cash Silver	Cash Total	Discounts & Advances	Circulation	Deposits
SWITZERLAND.						
July 23. '14 ...	£7,202	£758	£7,960	£4,817	£10,716	£2,026
Apr. 7. '20 ...	21.149	3,489	24,638	14,568	38.159	4,863
Apr. 15. '20 ...	21,150	3,627	24,877	14,398	38,840	5,433
Apr. 15. '19 ...	16,758	2,614	19,372	21,180	38,491	4,521
Apr. 15. '18 ...	14,971	2,237	17,208	12,447	28,619	3,532

† Net reserve. ‡ Converted at par rate of exchange approximately.

	Gold Held by Banks	Gold With Agents	Total Cash	Bills Discount'd	Accept-ances.	Deposits. Govt.	Total Net.	Circulation
U. STATES FED. RES. BANKS.								
Apr. 12.'20 ..	391.498		417,462	473.508	84.448	1.756	348.478	616.044
Apr. 19.'20 ..	391.058		417.546	482.238	83.356	6.120	350.536	614.738
Apr. 19.'19 ...	191.702	240.730	446.172	384.454	39,378	21.312	345.014	508.740
Apr. 19.'18 ...	191.030	175.800	379.702	101.130	61,055	16.100	300.450	302.858

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed		%	Date Fixed
Amsterdam ...	4½	July 1.'15	Lisbon	5½	Jan. 15.'14
Berlin	5	Dec. 23.'14	Madrid	5	Nov.10.'19
Berne	5	Aug. 21.'19	Paris	6	Apr. 8.'20
Bombay	8	Apr. 9.'20	Petrograd ...	6	July 29.'14
Brussels	4½	Apr. 1.'20	Rome	5½	Apr. 6.'20
Calcutta	5	June 5.'19	Stockholm ...	7	Mar. 18.'20
Christiania ...	6	Dec. 18.'19	Tokio	8·03	Nov. 18.'18
Copenhagen ...	7	Apr. 16.'20	Vienna	5	Apr. 12.'15

III.—FOREIGN EXCHANGES.

LONDON ON—		Apr 23. '20	Apr. 16. '20	Apr. 9. '20	Mar. 31. '20
Berlin	Cable	238½m.	240m.	230m.	280m.
Brussels	Cheques	60fr. 82½c.	61fr. 25c.	58fr. 50c	54fr. 50c.
Denmark	Cable	22kr. 65	21kr. 80	21kr. 25	21kr. 10
Holland	do.	10fl. 62c.	10fl. 72½c.	10fl. 64c	10fl. 45c.
Italy	do.	85lr.	89lr. 00	97lr. 50	80lr. 50
Lisbon and Oporto	do.	15½d.	15d.	15d.	15d.
New York	do.	$3 88	$3 97	$4 02	$3 87
—	Cheques	$3 89½	$3 98	$3 99	$3 88
Norway	Cable	20kr. 05	19kr. 55	19kr. 90	20kr. 05
Paris	3 mos.	65fr. 75c	66fr. 85c.	63fr. 25c.	59fr. 00c.
—	Cable	64fr. 85c.	65fr. 55c	62fr. 25c	58fr. 00c.
Spain (Bank places)	3 mos.	51½d.	51d.	52½d.	52½d.
—	Cable	22p. 90	22p. 80	22p. 20	22p. 35
Sweden	do.	17kr. 94	17kr. 96½	18kr 12½	18kr. 07
Switzerland	3 mos.	22fr. 38½c.	22fr. 40c.	22fr. 30c.	22fr. 45c.
—	Cable	21fr. 94c.	21fr. 90c.	21fr. 97½c.	22fr. 10c.

ON LONDON—		Apr. 23, '20	Apr. 16, '20	Apr. 9, '20	Par
Alexandria	Sight	97½pi.	97½pi.	97½pi.	97½pi.
Amsterdam	Cheques	10fl. 60½c.	10fl. 71c.	10fl. 64c.	12.107fl.
Athens	Cable	35dr. 70	35dr. 40	36dr. 00	25dr. 22½
Bombay	Transfers	2s. 3⅞d.	2s. 4½d.	2s. 3⅞d.	2s.*
Brussels	Cheques	60f. 85c.	61f. 17½c.	58f. 67c.	25f. 22½c
Buenos Ayres	Transfers	80⅝d.	59½d.	59½d.	47.58d.
Calcutta	do.	2s. 3⅞d.	2s. 3⅞d.	2s. 3⅞d.	2s.*
Christiania	Sight	20kr. 09	19kr. 60	19kr. 93	18.159kr.
Copenhagen	do.	22kr. 72	21kr. 95	21kr. 23	18.159kr.
Helsingfors	Cable	88½m.	74½m.	73m	25m. 22½
Hong Kong	Transfers	4s. 9¼d.	4s. 8¼d.	4s. 11d.	—
Italy	Sight	89lr. 75c.	89lr. 50c.	97lr. 25c.	25l. 22½c.
Lisbon	do.	15½d.	15d.	15½d.	53½d.
Madras	do.	2s. 3⅞d.	2s. 3⅞d.	2s. 3⅞d.	2s.*
Madrid	do.	22p. 87	22p. 77	22p. 27	25p. 22½
Montevideo	Transfers	60⅞	60⅝ i.	—	51d.
Montreal	Cable	$4 25	$4 31¼	$4 35½	$4 86⅔
New York	Sight	$3 87½	$3 96⅝	$3 97½	—
—	60 days	$3 86	$3 95	$3 96	—
—	Cable	$3 88⅛	$3 97⅜	$3 98½	$4 86⅔
Paris	Cheques	64f. 85c.	65f. 50c.	62f. 50c.	25f. 22½c.
Rio de Janeiro	90 days	16½d.	16⅝d.	15⅝d.	18d.
Shanghai	Transfers	6s. 9½d.	6s. 5d.	7s. 2d.	—
Singapore	Sight	2s. 3⅞d.	2s. 3⅞d.	2s. 3⅞d.	—
Stockholm	do.	17kr. 97	17kr. 96	18kr. 12	18.159kr.
Switzerland	do.	21f. 84c.	22f. 01½c.	21f. 98c.	25f. 22½c.
Valparaiso	90 days	12⅞d.	13⅛ i.	13⅛d.	18d.
Yokohama	Sight	2s. 5⅜d.	2s 5¾d.	2s. 4⅞d.	24.58d.

* Fixed at Rs. 10 to the gold sovereign, February 2. 1920.

NEW YORK ON—	Rate Current*—Apr. 23. '20	Rate Current*—Apr. 16. '20	Par as usually Quoted	Rate July 3.
Amsterdam, sight ...	36 75c.	37·25c.	40·20c for 1 guilder	40·25c.
Bombay, cheques ...	46c.	45·75c.	48·66c. for 1 rupee	33·00c.
Buenos Aires, cheques ...	102·20	101·70		
Christiania, cheques ...	19·90c.	20·65c.	26·80c. for 1 kroner	
Copenhagen, cheques ...	17·30c.	18·40c.	26 80c. for 1 kroner	26·85c.
Greece, cheques ...	10·80c.	11·25c.	19·295c. for 1 drachma	
Hongkong, cheques ...	92·50c.	92·50c.	74·59c. for Mex. $1	46·4c.
Italy, sight	22·60l.	22·50l.	5·18½ lire for $1	5 17l.
Lima, cheques	49·97l.	4·99½l.	4·8665 $ for 1 libra	
Manila, cheques... ...	49 60c.	49 60c.	50c. for 1 peso	49·8c.
Montreal	15%disc	16·25%disc.	Premium per $100	Par
Paris, sight	16·37fr.	16 00fr.	5·18½ francs for $1	5·16fr.
Petrograd, sight ...	—	—	51·46c. for 1 rouble	51·37c.
Rio de Janeiro, cheques	38·40c	39·50c.	32·42c. for 1 milreis	
Shanghai, cheques ...	130c.	128c.	52·96c. for 1 tael	83·00c.
Singapore, cheques ...	47·25c.	48·75c.	56 77c. for $1	57·12c.
Spain, cheques	17·15c.	17·40c.	19 30c. for 1 peseta	
Stockholm, cheques ...	22·05c.	22·20c.	26 80c. for 1 kroner	
Switzerland, cheques ...	5 57fr.	5·55fr.	5·18½ francs for $1	5·18½fr.
Valparaiso, cheques ...	22·75c.	23·75c.	20·61c. for 1 peso	
Yokohama, cheques ...	48c.	47·90c.	49·84c. for 1 yen	49·90c.

* According to Guaranty Trust Company of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount.	Inc. or Dec.*	1920 Agg.	Inc. or Dec.*
	1920.	[In £'s sterling 000's omitted.]			%
BIRMINGHAM ...	Apr. 17	£3,794	+ £2,270	£61 804	+ £22.358 + 58·7
BRISTOL ...	,, 17	1.898	+ 791	29·434	+ 9.506 + 47·7
DUBLIN ...	,, 17	7.435	+ 2,596	142 603	+ 34.633 + 32·1
LEEDS ...	,, 17	2.167	+ 1,459	29.097	+ 11,884 + 68·8
LEICESTER ...	,, 17	1.814	+ 1.077	23.051	+ 9.284 + 67·4
LIVERPOOL ...	,, 17	17,533	+ 9.757	288.192	+ 115.245 + 66·6
MANCHESTER ...	,, 17	34.838	+ 24,893	529.768	+ 288,898 + 119·9
NEWCASTLE ...	,, 17	3,075	+ 1,890	53.121	+ 23,992 + 82·4
NOTTINGHAM ...	,, 17	1.321	+ 856	19.274	+ 8.945 + 86·6
SHEFFIELD ...	,, 17	1,561	+ 938	25.983	+ 7.279 + 38·9
LONDON—	1920.				
TOWN ...	Apr. 21	630.142	+ 426.648	10.585.400	+ 4.621.039 + 77·5
METROPOLITAN	,, 21	43.845	+ 24.667	686 897	+ 171.494 + 33·3
COUNTRY ...	,, 21	87.947	+ 56.859	1.318.828	+ 391.140 + 42·3
TOTAL ...	,, 21	791.934	+ 508.174	12,598.125	+ 5.183.643 + 70·0

* Compared with the week of three working days in a year ago.

V.—FREIGHTS.—According to Messrs. J. C. Gould, Angier and Co.

HOMEWARDS.	1920 Apr.23	1920 Apr. 16	1913 Apr. 25
Alex. to U.K. ...	55 0	57 6	9/0
Aust. to U.K. ...	150.0	150,0	3?/6
Azoff to L.H.A.R.	—	—	10 9
Bombay to p.p.d.w.	—	—	d.w.20 0
Burmah to U.K.	140/0	40 0	26 0
Calcut.to p.p.(jute)	—	—	d.w 25 0
Danube to U.K. ...	—	—	10/9
Odessa to L.H.A.R.	—	—	9/9
R. Plate to U.K.	120/0	150/0	19/6

Homewards.—*Cont.*	1920 Apr.23	1920 Apr. 16	1913 Apr.23
U.S.Atl.Ports to U.K. (gr.) (cotton, 100lb.)	—	—	45/6
U.S. to U.K. (gr.)	10 6	10 6	2?/1
Gulf Ports to U.K.Cont. (cotton&grain)...	12 0	12 0	15/9
OUTWARDS— Cardiff to —			
Aden	—	—	—
Colombo ...	—	—	12/6
Port Said ...	75/0	75/0	10/0
River Plate ...	—	—	16/6
St. Vincent ...	37/6	—	9/3

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	APR. 23, 1920.	APR. 25, 1919.	JUNE 30, 1914
Iron—Scotch pig warrants ...ton	206/0	101/0	57/0
— Middlesbro' warrants ...ton	200/6	95/0	51/0
— Hematite warrants ...ton	260/0	122/6	61/0
— Staffordshire bars, London ton	£30	£17	£8 10
— Common bars ...ton	£26 10	£14 15	£6 16
Steel Rails ...ton	£21 5—£22 5	£10 17/6	£6 2/6
Galvanised Sheets ...ton	£56	£28 10	£16 17/1
Copper—Standard ...ton	£101 10	£75 15	£66
Tin—English Ingots ...ton	£344	£223—£225	£142 15
— Straits ...ton	£347 10	£227	£139 10
Tinplates, I.C. Coke, S. Wales...box	75/0	33/10½	11/10½—12/0
Lead—Soft Foreign ...ton	£40 5—£41 15	£24 5	£19
Spelter—Ord. Foreign ...ton	£46 10 £48 2 6	£35—£35 5	£21 7/9
Quicksilver—(75lb.) ...bottle	£25 10—£26 nom.	£15—£16	£7
Aluminium ...ton	£185	£150	£82
Antimony—Regulus Foreign ...ton	£89	£37—£38	£27 10
— English ...ton	£65	£45	—
Coal—(best) Yorkshire ...ton	23/0—24/0	23/6—24/6	17/6
— Steam (best) Newcastle ...ton	46/0—51/0	40/0—45/0	14/6
CHEMICALS, OILS, &c.			
Nitrate of Soda—f.o.b. Chile, per quintal	15/6	10/1	7/4
Soda—Crystals ex ship ...ton	220/0—230/0	129/0—130/0	42/6—45/0
Copra—Malay and States ...ton	£60—£61	£43 10	£23 15—£24 7/6
Gambier—Good marks ...cwt	51/0	37/6	16/10½
Indigo—Bengal good to fine ...lb.	13/0—16/6	9/0—10/6	3/2—3/8
Linseed Oil—Raw ...ton	£106	£58	£25 5
Linseed—Calcutta, spot ...ton	£44 10	£30	£13 16/9
— Cakes, U.K. made, ex mill...ton	£25	£19	£7 17/6—£8
Olive Oil—Spanish ...tun	—	nom	£49 10
Palm Oil—Lagos ...ton	£78	£44	£31 10
Petroleum—American ...gallon	2/1½	1/4½	7½d.
Rape Oil—Refined English...ton	£120	£71	£32
Soya Oil—Refined ...ton	£115	£75	£24 10
Tallow—Imported ...cwt.	96/0—102/0	70/0—72/0	29/3—33/3
Turpentine—American ...cwt.	215/0	99/0	33/7½
Rape Seed—Toria ...ton	£40 10	£30	£13 5
Rubber—Para, spot ...lb.	2 3/4	2/4	2/9½
— Fine plantation (std. crepe) lb.	2/1½	1/10½	2/2
— World's Production* Feb. tons	31,200	24,700	8,467
Shellac—T.N. Orange, fair ...cwt.	465/0	220/0—225/0	63/0—64/0
TEXTILES.			
Cotton—Middling Upland ...lb.	28·02d.	19·25d.	7·53d.
— Egyptian, good fair ...lb.	75·50d.	26·34d.	8·75d.
— Pernambuco fair ...lb.	31·77d.	20·76d.	7·73d.
— Midland Upl. New York...lb.	41·75c	28·50c.	13·25c.
— Stock, Liverpool (Apr. 16) bales	1,134,250	492,800	934,600
Flax—Petrograd, Yarapol ...ton	—	nom.	£98
Hemp—New Zealand ...ton	£62	£52	£25 10
— Manilla, Fair ...ton	£69 10	£47	£26 10
Jute—First Marks ...ton	£62	£39	£26 15
— Red SCC ...ton	£49	—	£24 15
Silk—Blue Elephant ...lb.	45/0	20/6	11/3—11/6
Wool—Pt. Philip unwashed av. lb.	5/0	3/1½	11½d.—1/0
— Lincoln Half Hogs ...lb.	2 3½	1/7½nom.	1/0½
Hides—Eng. Ox, best, 65lb. up lb.	18½d.—19d.	9½d.—10½d.	7½d.
Leather—Dressing Hides ...lb.	4/0—4/6	2/7—3/3	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus	73,187,000	132,031,000	34,640,000
— Red, price, N.Y. 60lb....bushel	315	237½c.	67½c.
English Gazette, aver. 480lb. qr.	72/8	73/1	34/3
Flour—G.R. ...280lb	63/6	44/3	28/6
Barley—Eng. Gaz., aver. 400 lb. qr.	87/3	62/9	25/4
Oats—Eng. Gaz., aver. 312 lb. qr.	55/5	47/3	20/0
Maize—N.Y. (new bushel)...56lb	192½c.	183½c.	76½c.
— Amer. mixed, Liverpool...480lb.	nom.	63/9	39/4
— La Plata ...480 lb. qr.	72/6	62/0	25/9
Potatoes—Good English ...ton	†320/0	200/0	70/0—75/0
Rice—Bassein ...cwt.	48/6	25/0	7/0—7/3
Tapioca—Pearl, medium ...cwt.	36/0—38/0	42/6	14/0—17/8
Hay—best ...2,018lb. load	—	176/0	82/6
Hops—English ...cwt.	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs ...8lb.	6/8	7/10—8/4	3/8—3/10
— Scotch sides ...8lb.	10/0	8/4	4/6—5/0
— English ...8lb.	10/0	8/4	4/2—4/5
Mutton—Scotch wethers ...8lb.	10/6	8/10	5/8—6/0
— English wethers ...8lb.	10/6	8/10	4/6—5/4
— New Zealand frozen ...8lb.	10/6	8/10	2/4—3/2
Pork—English and Irish ...8lb.	13/4—18/0	10/8	3/6—4/0
Bacon—Irish, delivered ...cwt.	†270/0	190/6	60/0—74/0
— Danish ...cwt.	†192/0	—	58/0—68/0
— Canadian, ex Port ...cwt.	†187/0	180/0—188/0	—
— American, ex Port ...cwt.	†187/0	174/0—186/0	72/0—74/0
Hams—Amer. long cut, ex Port cwt.	†190/0	174/0—188/0	75/0—79/0
— — short cut, ex Port ...cwt.	†190/0	172/0—190/0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt	†198/6	160/0—171/6	51/9—52/9
Butter—Danish ...cwt.	303/4		117/0—120/0
— French ...cwt.	303/4	Controlled	96/0—108/0
— Australian ...cwt.	303/4	252/0	98/0—110/0
— New Zealand ...cwt.	303/4		108/0—114/0
Cheese—Canadian ...cwt.	†145/0	Controlled	66/0—68/0
— United States ...cwt.	†145/0	144/8	—
— Dutch ...cwt.	†145/0		53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Mar. 31 ...cwt	6,544,960	5,462,566	19,777,254
— Home consump'n. to Mar 31 cwt.	6,641,880	6,366,991	17,272,000
— In Bond Mar. 31 ...cwt.	5,840,000	6,237,000	6,306,000
— Price, Java, 96° Pol. ...cwt	75/6	36/0	10/3
— — Yellow crystals ...cwt.	80/0	57/9	12/6—14/0
— — Tate's Cubes, No. 1 ...cwt.	84/0	64/9	18/0
Coffee—Imports to Mar. 31 ...cwt.	174,190	175,261	720,360
— Home consumpt'n to Mar. 31 cwt.	76,581	75,101	141,410
— Exports to Mar. 31 ...cwt.	141,103	43,764	340,250
— In Bond Mar. 31 ...cwt.	671,000	666,000	484,000
— Price, Costa Rica gd. to fine cwt.	165/0—185/0	145/0—155/0	80/0—93/0
— — Brazil (Santos) Good ...cwt.	125/0—130/0	65/9	41/6
Tea—Imports to Mar. 31 ...lb.	121,260,481	109,012,836	123,230,277
— Home consump'n. to Mar. 31 lb.	94,378,017	73,382,736	155,447,972
— Exports to Mar. 31 ...lb.	11,783,351	5,269,059	28,561,765
— In Bond Mar. 31 ...lb.	230,575,000	153,570,000	78,292,000
— Price, Indian, Pek. Soug. gd.lb.	1/1½	1/4	8½d.
— — Ceylon, Pek. Soug. Ord. lb.	1/1	1/4	8½d.
— — Common Congou ...lb.	1/1nom.	1/4	5½d.
Cocoa—In Bond Mar. 31 ...cwt.	1,002,000	902,000	309,000
— Grenada, good to fine ...cwt.	128/0—132/0	85/0	52/6—56/0

* Estimated. † Controlled. ‡ Decontrolled: Price Ex. Factory.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific	Feb.	$13,657,000	+2,493,000	$714,000	— $287,000
	2 mos. to Feb.	27,472,000	+3,380,000	1,300,000	— 1,235,000
Grand Trunk	Feb.	£957,700	+ £117,700	Dr.£102,500	— £38,800
	2 mos. to Feb.	1,896,200	+ 251,600	Dr.269,600	— 58,800

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

	Week or Month.	Miles Open.	Gross Receipts.	+ or — on Year Ago.	No. Wks	Aggregate Receipts.	+ or — on Year Ago
INDIAN.							
Assam Bengal	Mar. 13	993	R2,02,347	— 19,095	24	53,14,972	+ 9,44,531
Barsi Light ...	Mar. 20	118	33,200	+ 13,800	51	15,03,400	+ 5,72,200
Bengal & N.W.	Mar. 20	2,065	4,35,610	— 62,841	25	1,17,11,993	— 4,16,001
Beng. Dooars	Mar. 20	158	26,201	+ 707	25	10,29,173	+ 1,30,948
Beng. Nagpur	Mar. 13	2,695	12,41,000	— 5,57,000	50	6,12,83,265	+ 37,60,579
Bomb. Baroda	Apr. 10	2,871	20,40,000	+ 2,05,000	2	28,45,000	+ 2,24,000
Burma	Mar. 6	1,342	6,42,545	+ 41,812	49	2,72,55,512	+ 28,85,456
Del Um. Kalk.	Apr. 17	239	97,200	+ 19,739	3	2,63,014	+ 48,176
East Indian ...	Apr. 17	2,771	28,35,000	+ 1,12,000	3	70,92,000	+ 3,52,000
Gt Indian Pen.	Apr. 10	3,121½	40,07,100	— 3,72,900	1	40,07,100	+ 3,57,100
Madras & S.M.	Mar. 20	3,152	11,10,000	— 1,43,788	25	2,80,51,286	+ 15,17,493
Nizam's Guar.	Mar. 20	900	3,23,000	+ 48,665	25	73,75,821	+ 10,58,448
Roh. & Kumn.	Mar. 13	576	111,744	+ 11,435	24	24,08,798	+ 1,40,342
South Indian	Mar. 20	1,852½	6,97,564	— 13,426	51	3,84,31,832	+ 40,49,804
South Punjab	Dec.	716	8,51,780	+ 53,964	3m	22,50,025	— 9,561
COLONIAL.							
Can. Northern	Apr. 14	9,704	$1,060,723	+ 110,674	15	14,817,423	+ 2,086,924
Can. Pacific ...	Apr. 14	13,388	3,635,000	+ 767,000	15	50,213,000	+ 7,987,000
Grand Trunk	Apr. 14	3,616	£230,300	— 29,320	15	3,712,051	+ 313,032
Mashonaland	Dec.	810	75,580	+ 22,121	3m	221,831	+ 83,900
Mid. W. Aust.	Feb.	277	12,145	+ 1,034	8m	84,948	+ 11,606
NewCapeCent.	Mar. 27	205	3,387	— 206	13	42,125	+ 5,172
Rhodesia Rlys.	Dec.	1,397	104,442	+ 15,099	3m	—	—
Temiscouata...	Oct.	—	$30,562	+ 2,154	10m	304,661	+ 22,504
W. Pass. & Yuk	Aug.	122	—	—	8m	$968,676	+ 31,021
FOREIGN.							
Argentine							
Arg. N. East ...	Apr. 10	752	£ 10,100	— 2,000	41	473,300	+ 78,400
Arg. Transand.	Apr. 10	111	£ 4,165	— 375	41	127,416	— 25,374
B. A. & Pacific	Apr. 10	3,536	£ 170,000	+ 35,000	41	6,055,000	+ 1,346,000
B.A.Gt. South	Apr. 11	3,792	£ 217,000	+ 77,000	41	7,345,000	+ 1,684,000
Do.	Apr. 11	Net	£ 65,000	+ 29,000	41	2,53[illegible],000	+ 1,298,000
B. A. Western	Apr 11	1,882	£ 104,000	+ 32,000	41	4,03[illegible],000	+ 1,232,000
Do.	Apr. 17	Net	£ 35,000	+ 19,000	41	1,354,000	+ 686,000
B. A. Central	Feb.	190	£ 45,205	+ 6,985	8m	360,905	+ 37,828
Cent. Argent.	Apr. 17	3,305	£ 222,000	+ 76,300	42	7,484,000	+ 1,996,200
Do.	Apr. 17	Net	£ 88,000	+ 61,300	42	2,367,100	+ 1,588,900
Cord. Central	Apr. 10	1,205	£ 60,300	+ 12,100	41	2,406,300	+ 609,690
Entre Rios ...	Apr. 10	811	£ 25,300	+ 2,300	41	983,000	+ 152,000
Brazilian.							
BrazilGt.South	Feb.	110	M 50,750	+ 11,650	2m	109,500	+ 23,310
Brazil Railway	Dec.	3,530	M4,859,000	— 141,271	12m	57,772,000	+ 7,619,243
Gt. W. Brazil	Apr. 10	1,010	£ 26,400	+ 9,100	15	389,200	+ 92,900
Leopoldina ...	Apr. 10	1,831	£ 56,688	+ 23,195	15	791,157	+ 351,120
Mogyana	Dec.	1,180	M 1,561,000	— 956,490	12m	22,267,000	— 2,474,651
Paulista	Dec.	766	M 2,650,000	— 906,038	12m	32,479,000	— 1,225,892
San Paulo ...	Apr. 18	153½	£ 38,391	+ 11,240	16	713,605	+ 247,634
Sorocabana ...	Dec.	1,003	M 1,749,000	— 246,168	12m	21,953,000	+ 978,692
S.of BahiaS.W.	Mar.	52	M 57,000	— 2,000	3m	238,000	+ 9,000
Chilean and Peruvian.							
Antofagasta ...	Apr. 11	838	£ 44,245	+ 17,230	15	817,630	+ 398,845
Arauco	Feb.	84½	£ 14,500	+ 4,500	2m	29,000	+ 8,500
Nitrate(2wks.)	Apr. 15	390	£ 41,740	+ 24,956	14	281,049	+ 163,204
Peruvian Corp.	Mar.	1,140	S 1,282,690	+ 206,990	9m	10,684,994	+ 1,635,458
Taltal	Mar.	180	£ 37,710	+ 28,272	9m	208,330	+ 67,483
Cuban.							
Cuban Central	Apr. 17	362	£ 41,129	+ 4,928	42	1,105,230	+ 220,108
Havana Cent.	Apr. 17	70	£ 14,451	+ 2,265	42	473,626	+ 90,482
U. of Havana	Apr. 17	681	£ 93,470	+ 10,240	42	2,829,677	+ 435,674
W. of Havana	Apr. 17	155	£ 16,937	+ 5,661	42	437,711	+ 96,678
Uruguayan.							
Cent. Uruguay	Apr. 10	273	£ 25,859	+ 1,240	41	930,035	+ 37,774
" (E. Ext.)	Apr. 10	311	£ 7,241	— 33	41	253,155	+ 30,300
" (N. Ext.)	Apr. 10	185	£ 4,220	+ 233	41	152,442	— 2,499
" (W.Ext.)	Apr. 10	211	£ 3,164	+ 477	41	115,000	+ 5,230
Mid. Uruguay	Mar.	319	£ 20,638	— 411	9m	177,653	+ 20,000
N.W. Uruguay	Mar.	113	$ 6,063	— 605	9m	60,687	+ 2,273
Urug. Northn.	Mar.	73	£ 2,447	+ 34	9m	21,978	+ 3,006
Miscellaneous							
Alcoy & Gandia	Apr. 17	33	Ps. 10,000	+ 2,000	16	183,900	+ 24,500
Bilbao	Mar.	15	£ 5,734	+ 2,945	3m	11,017	+ 3,115
Bolivar	Mar.	136	£ 16,045	— 1,237	9m	87,987	— 473
Colomb. Natnl.	Mar.	86	£ 15,636	+ 5,776	3m	47,396	+ 16,616
Costa Rica ...	Feb.	189	£ 30,440	+ 7,928	8m	203,876	+ 26,846
Dorada Ext....	Mar.	70	£ 12,000	+ 4,500	3m	35,500	+ 15,200
Egyptian Delta	Mar. 31	559½	£ 13,219	+ 13,219	52	406,543	+ 41,089
Gt. S. of Spain	Apr. 10	104	Ps. 104,355	— 10,087	15	1,140,141	— 877,544
La Guaira & Ca.	Mar	22½	£ 14,630	+ 4,700	3m	43,200	— 17,480
Ottoman Ry...	Apr. 10	379	£ 7,836	— —	—	—	—
Paraguay Cent.	Apr. 10	255	£ 3,810	— 1,430	41	198,350	+ 31,650
Puerto Cabello	Mar.	34	£ 7,000	+ 1,600	5m	17,500	+ 2,575
Salvador	Apr. 17	100	£ 5,927	+ 1,138	42	185,222	+ 75,718
Santa Fe Prov. French Rys.	Feb.	1,181	£ 148,808	— 17,365	2m	303,600	— 17,442
S'm'na & S'ti'go	Mar.	80	£ 13,200	+ 5,251	3m	36,880	+ 14,435
Zafra & Huelva	Mar.	112	£ 13,522	+ 3,874	3m	40,596	+ 10,580
TRAMS.							
Anglo-Argent.	Apr. 15	400	$ 81,304	+ 21,114	15	1,095,153	+ 231,975
Auckland Elec.	June 30	27	—	—	52	292,502	— 2,063
Bombay Elec.	Jan.	39	R. 7,79,874	+ 1,45,829	1m	—	—
Brazilian Trac.	Feb.	378½	M 9,381,000	+ 1,409,000	2m	19,036,000	+ 2,542,000
Brisbane Elec.	Mar.	40½	£ 45,460	+ 6,080	3m	131,880	+ 18,525
Brit. Columbia	Jan.	334	$ 828,709	+ 151,220	7m	5,050,825	+ 855,041
B. A. Lacroze	Mar.	51	£ 55,000	+ 7,630	9m	453,687	+ 63,108
Calcutta	Apr. 17	35½	R 92,740	+ 16,946	16	13,49,379	+ 83,727
Cape Electric	Feb.	42½	£ 26,789	+ 334	8m	214,950	+ 25,970
Carth. & Herr.	Mar.	9	£ 3,493	+ 1,093	3m	12,249	+ 3,813
Chatham & Dist	Apr. 8	15	£ 1,695	+ 277	14	20,563	+ 3,121
Havana Elect.	July	86	$ 794,768	+ 100,679	7m	5,116,681	+ 408,587
Isle of Thanet	Apr. 14	20½	£ 917	+ 355	29	16,723	+ 7,570
Kalgoorlie ...	Dec.	20½	£ 2,560	— —	12m	33,052	—
Lanarkshire ...	Apr. 8	28½	£ 4,280	+ 409	14	55,796	+ 3,783
Lima Light ...	Jan.	85	£ 58,659	+ 13,329	1m	—	—
London C.C. ...	Apr. 21	141½	£ 81,337	— 1,327	3	240,803	+ 8,133
Madras (2wks.)	Apr. 15	15½	R. 55,515	+ 25,566	14	327,303	+ 100,441
Manila Electric	Feb.	55	$ 278,243	+ 66,567	2m	556,581	+ 113,319
Pernambuco...	Apr. 18	59	£ 7,095	+ 1,647	16	123,017	+ 38,630
Provincial ...	Apr. 10	21½	£ 3,90[illegible]	+ 1,037	38	81,363	+ 14,495
Rangoon Elec.	Mar.	25	£ 8,698	+ 1,185	3m	23,832	+ 3,787
Shanghai Elec.	Mar.	26[illegible]	M £145,644	+ 21,644	3m	415,394	+ 63,394
SingaporeElec.	Feb. 28	26½	$ 22,322	+ 5,833	5	189,133	+ 43,662
U.of Montevid.	Mar.	80½	£ 45,015	+ 3,946	5m	222,724	+ 31,833



THE BUDGET ESTIMATES

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The Statist.

LONDON, SATURDAY, APRIL 24, 1920.

THE BUDGET.

THE speech of the Chancellor of the Exchequer on Monday, when introducing his Budget for next year, is one of the most audacious things it has been our fortune to meet with in the course of our lives. He represented to Parliament that he was then proposing a plan by which the enormous debt of this country is to be paid off in about twenty years; and he did not even condescend to tell his hearers how the money to do this extraordinary thing was to be raised, or even whether there is the shadow of a probability that it will be raised—or, indeed, can be raised. It is a fiction from beginning to end, and it cannot be carried out. The income for the coming year he estimated at 1,418¼ millions sterling, but he entertains such consummate contempt for his hearers that he does not condescend to explain where the money is to come from, or how it is to be paid over. We have been free from war for, let us say, a year and a half, and we have borrowed during that time an alarmingly large amount of money. We owe, according to the Chancellor of the Exchequer, for funds raised to enable us to carry on the War against Germany, very nearly 8,000 millions; and we owe, in addition, very large sums which we have lent to our Dominions and to our Allies. In addition to all this, we have borrowed very large sums for all sorts of purposes, so that at the present time it is probable that if the loans raised by us for carrying on the War ourselves, for enabling our Dominions and Allies also to carry on the War for various other purposes, were all added together, they would amount to probably 12,000 millions. And yet the Chancellor of the Exchequer has the audacity to tell the House of Commons, and through the House of Commons the nation, that we are in the coming financial year about to pay off 234 millions. Nay, more, he goes so far as to assure us that in about twenty years the whole debt will be paid off, although he knows as well as we know, or you know, readers, that we have not got the money, and that it is impossible that we can pay it off, except by borrowing from the people of England, so that what he proposes is not in the least to pay off the debt, but to borrow immense sums here at home; and from such borrowing to pay off over 230 millions in the coming year with whatever may follow in succeeding years. It is a deception of the people. It is encouraging the ignorant to believe that we are rich enough to pay our debts in a few years, whereas everybody knows that we can get rid of these debts to foreigners only by incurring corresponding debts from our own people. In plain language, what the Chancellor of the Exchequer asks Parliament to do is to give him authority to borrow at home during the next ten or twenty years, or whatever time it may take, such immense sums as will free us from liability to pay those immense sums to foreigners. We owe the money. That cannot be disputed. And the way in which the pound sterling, as well as the franc and the lira, have fallen brings clearly before us the difficulty we are in so long as we owe these immense sums to foreigners. Therefore the incompetent Government that is ruining us proposes to borrow at home and to pay the foreigner.

If the public is willing to lend it may be better than to continue in a position in which our credit can be played with by every foreign creditor. But to talk of the proposal of the Chancellor of the Exchequer as a repayment of debt is to impose upon the ignorant public, and to ask it to believe that we are about to repay, when in reality we are only borrowing at home for the purpose of getting free from foreigners who do not believe in our ability to pay, and who in their eagerness to get paid are every now and then running down the value of the pound sterling throughout Europe. The speech is one of the most daring attempts to mislead the public that we have met with for a long time, and if it is acted upon it will simply bring the country into greater and greater difficulties. We are glad to be able to say that the credit of the country is being maintained at home better than most of us hitherto dared to expect. But that credit has been maintained because it has been plain to thoughtful persons that there are various ways of raising the funds necessary to get rid of the debt, and it has been hoped that, incompetent as our Government is, it will at least be forced to raise the money in such a way as would save us from the worst consequences. If the present Government is allowed to remain in office, it is quite clear that it is incapable of dealing properly with the debt; and, consequently, that the longer the present Government remains in office the more serious will our difficulties become. It is quite possible, of course, that the country may lend 300 or 400 millions each year until foreigners are paid off, and the whole debt becomes due to residents at home. That will be an advantage. The British people will not get frightened in regard to the credit of their own country; and they will not, therefore, lower the value of the pound, or lose faith in their ability to maintain their credit. At the worst they can deal by Act of Parliament with their creditors. But the real way to recover our standing in the world is very different from that adumbrated by Mr. Chamberlain. We can pay our debts. In this Journal we have pointed out frequently several ways in which the debt could be paid off. We content ourselves at present with reminding our readers that there are two great incomes nominally owned by the Church of England and the Church of Scotland; that these two incomes are held by the two Churches merely on trust from the nation; that we have a perfect right to take up those

great incomes and to use them in paying off our debts; and that if we do so we are simply calling upon those persons who attend the services of the Churches of England and Scotland—the persons, that is to say, who ought to pay the clergymen who minister to them—to do what it is their duty to do, namely, to compensate the clergy for the services rendered; and that our clear duty is to sell that great property and to deliver ourselves from debt without a moment's delay.

The point to be never forgotten is that the whole land of this country belongs to the people of the country; that it was seized in the past by victorious conquerors; that the owners of much of the land were expelled from their territories; and that some of the land was given to the Churches, while other land was given to provide adventurers who enabled the conquerors to bring the United Kingdom under their heels. How the Church of England and the Church of Scotland got possession of the lands does not really matter to us one iota. Those lands must have been granted to the Churches by individuals who, conscious of the wicked manner in which they had lived, desired to buy safety from Heaven by granting lands they had pilfered to the Churches. There is nothing sacred in the ownership of these lands. The persons who granted the lands probably had no real right to the lands. Whether they had or not, they were unscrupulous adventurers and plunderers, and grants made by them hundreds or thousands of years ago have no sanctity and are not binding. The lands now can be taken up, and can be used for the payment of the National Debt. We were drawn into war by the ambition of Germany to practically make herself mistress of Europe and Asia. We resisted, and, luckily, we have succeeded in our resistance. The cost of the War has proved infinitely greater than any of us expected it to be, so much so, indeed, that the Governments that existed before the War thought so little of the probable cost of what Germany was intending that they took no reasonable steps to prepare themselves for the conflict. We find now that the cost of defending ourselves was infinitely greater than anybody in Europe anticipated. That being so, we are perfectly justified in taking over all those Church lands and selling them for the best price we can obtain for the purpose of freeing the population from a charge which ought not to fall upon the people. If anybody is really responsible for the condition of things in which we find ourselves now, it is the Tory party and the Liberal party. They were urged as strongly as men could urge them to prepare for the War which Germany was making ready for. They refused to prepare. And it would be quite just and quite reasonable to hold the principal leaders responsible for what has happened, and make them pay a large part of the debt. But putting aside the responsibility of the leaders of the two great parties, it is perfectly clear that the Church lands belong to the people; that they were seized by unscrupulous conquerors in the distant past, and that they are now used to maintain churches which only a small portion of the population believe in. Therefore it is quite right that, as the members of other Churches have to support their clergymen, so the members of the Church of England and of the Church of Scotland should be made to support their clergymen, while the lands should be taken by the nation and used for the paying off of a debt which cannot be redeemed except at such a cost as will sink us seriously in the future. Even now the debt acknowledged by the Chancellor of the Exchequer amounts to very nearly 8,000 millions sterling. In addition, there is a large debt which we have made ourselves responsible for by borrowing it and lending it to our Dominions and to our Allies; and, therefore, there is probably a total debt due to the War of, in round figures, 10,000 millions sterling. Over and above all this we have pledged our credit as a nation to carry out all sorts of reforms; to plant men upon the land; to provide wholesome houses for the working classes; to get rid of preventable disease; and to generally do everything in our power to increase the health, the comfort, and the prosperity of the whole population. These things will cost a great deal of money.

The funds that are wasted upon idle Churchmen would enable us to do a most excellent work; and, instead of taking advantage of the conditions of things in which we find ourselves, we are asked to engage in a kind of playing with the national credit which must prove ruinous. We cannot as things stand pay off the immense debt we have incurred except by loading the whole tax-paying population intolerably; and, therefore, the plan sketched out on Monday is simply a plan to take up so much of the capital of the country as will make it difficult for the nation to recover its old prosperity for the sake of redeeming our credit in the United States, and showing that, when everything is said, we can pay our debts. Yes, we can take possession of the capital that now is employed in promoting the welfare of the people, and therefore we can beggar ourselves if the gentlemen who now mismanage our public affairs are allowed to trifle with our credit. If any of our readers labour under the mistake that we have condemned the speech of the Chancellor of the Exchequer too gravely, we would ask them to consider what the Chancellor's proposals really amount to. We have a debt which, if we include all our borrowings during the War and since, cost an annual sum of not much less than 500 millions at the present time. We do not suppose that any reader of THE STATIST believes that the large debt we lent to Russia is being paid for by Russia at the present time. That a time may come when Russia will undertake to repay both interest and capital we do not take upon ourselves to deny. But at the present time Russia pays neither interest nor capital, and beyond question, furthermore, we have incurred an enormous debt for pensions of all kinds, both to soldiers and to sailors, and to their widows and children. In addition, we have imposed upon the local authorities an immense charge for providing the public with wholesome houses; and, in addition to all that, we have pledged ourselves to place large numbers of men upon the land, and generally to raise the condition of the people in every direction. We think, therefore, that few readers will dispute that the present charge of the debt cannot be much less than 500 millions sterling per annum, and probably is considerably more. In addition to this we have pledged ourselves to immense expenditure for roads, for all sorts of improvements, for maintaining a great Navy, and so on. And while we have thus an annual charge for debt of at least 500 millions a year, we are borrowing on an immense scale even since the War ended for all sorts of unnecessary purposes. And yet the Chancellor of the Exchequer has the coolness to tell us that he is proposing to pay off the debt. He is doing nothing of the kind. He is asking the wealthy amongst ourselves to lend him further large sums for the purpose of paying such creditors as do not trust us resident abroad. What he proposes really is to transfer the whole burden of the debt from outsiders to the people at home, and to dangle before the eyes of the people at home a sum of 200 or 300 millions a year, which, if anybody is credulous enough to believe him, will be set aside to cover the interest for those who may lend money to him. That is the sum and substance of the speech, and if the public allows this thing to be carried through they are simply preparing for themselves not only a great disappointment, but a serious financial condition of things before very long.

THE ANGLO-FRENCH UNDERSTANDING

IT looks as if Mr. Lloyd George were intent upon breaking up our understanding with France, which so completely secured to us our victory in the late War. Of the many services rendered by the late King Edward, perhaps the greatest was his success in bring-

ing about a thorough understanding with France. We do not forget the importance of the work he did in reconciling this country with Russia. But, nevertheless, we venture to think that in bringing about a good relationship with France he not only made sure our victory over Germany, but he conferred the greatest of all his services upon the country. It looks now, if we can trust the information that reaches us from San Remo, as if Mr. Lloyd George is intent upon breaking with France, and substituting Italy as our principal Ally. We have no desire to say anything that in any way would seem to imply that we do not highly value our understanding with Italy. But it would be absurd to maintain, at the same time that Italy has the power and the influence in the world which is possessed by France. As long as France and England seemed to be separated by an ungovernable feeling of hostility we were more or less at the mercy of Germany. Had the Germans really understood their interests, they would have exerted themselves to the utmost to have prevented the making up of the two countries; they would, indeed, have sacrificed much to retain the old relationship with England. Happily for us, they did not believe that a real conciliation between the two countries was possible, and thus King Edward was able to carry out a policy which not only secured to us the victory in the Great War, but has placed us in a position which, if we have common-sense enough to guide us properly, will make it impossible that Germany can again affect to dictate terms to the whole of Europe. There is, of course, no reason why we should maintain a hostile feeling towards Germany. If the militarists lose power, and a wise policy is adopted by Germany, there is no reason that we can see why we should not cultivate a really friendly understanding with Germany. But whatever our relations with Germany may be, it is of the first importance that the friendship of France should be maintained, for friendship between England and France makes it possible to maintain peace in Europe; whereas dissension between the two countries would give opportunities to ill-wishers of this country which it is in the highest degree desirable should not be conferred upon them. Just now there are many persons who think that France has outlived her great days and that, though she may continue to flourish, she never will be able to play a leading part upon the Continent. He would be a very vain, as well as a very stupid, man who would pretend to be able to foresee what part will be played by any nation in the future. But we fail to see any reason why France should not again become, if not the first, at least one of the first, nations in Europe. She has, when everything is said, the most unquestionable superiority as a military nation. There have been times, of course, when, owing to accidents, she failed to keep up her great reputation. But in spite of occasional failures she has always proved that, taking her altogether, she is the first military nation in Europe. Just now there is an unwillingness on the part of the mothers of France to give birth to great numbers of children. That may continue to be the feeling of Frenchwomen. But we doubt it very strongly. France is destined to play a great part. And neither her women nor her men will be willing that she should be treated as of no account simply because her population is stationary. By-and-by there will be an increase in the French population, and gradually France will become one of the first of the great nations. It is in the highest degree desirable that England and France should continue to be friendly, so that they may be able to avoid quarrels, and especially to prevent great European wars. Acting together they can do much to increase the welfare of the world. Acting hostilely they can do much to bring Europe under the heel of nations that are more fruitful and more daring.

IRELAND.

It is greatly to be regretted that Liberal-minded voters do not take the trouble to ascertain for themselves the real causes of the deplorable state of things which exists in Ireland at the present time. It will be in the recollection of our readers that there was a very strong national feeling in Ireland to support England to the best of their ability in the War against Germany. The late Mr. Redmond and Mr. Dillon undertook to raise a large army of Roman Catholics, and they came to London to urge upon the War Office to grant commissions to Irish Roman Catholic gentlemen, so that they should be able easily and quickly to fulfil their promise. But the War Office refused to grant the commissions, and the two gentlemen failed in their efforts to raise an Irish army. Now to a great extent both Mr. Asquith and Mr. Lloyd George were responsible. The former was Prime Minister at the time, and the latter, although he held a subordinate position, was one of the most influential men in the country. Therefore, these two men are largely responsible for all that has happened in Ireland since. But it is to be recollected that Sir Edward Carson undertook to stir up Ulster to oppose the then Home Rule Bill, and that he was supported by the Conservative party. Therefore, the Conservative leaders and the Liberal leaders are to a very large extent responsible for the turn which events took in Ireland; and they must have known the dangers they were incurring, for Mr. Redmond explained in the House of Commons that he and Mr. Dillon came over to represent the facts to the War Office, and that the War Office refused to yield. Practically, therefore, the two great political parties are mainly responsible for the condition of things which now exists in Ireland; and, however they may excuse themselves, they are exposing the nation to serious danger. It seems almost incredible that at this time of day men should deliberately foment such trouble as we are experiencing in Ireland at present because of sheer bigotry. Whether either of the leaders of the then Liberal party were so enamoured of their own religious beliefs as would seem we do not take upon ourselves to say. We have, in fact, no means of judging. But it is not a little discreditable to British fair play and British statesmanship that in this twentieth century troubles like those with which we are confronted in Ireland at present were stirred up by sheer religious bigotry. The Belfast men come of a stock which always has been extremely bigoted; and, therefore, one is not very much surprised to find that when a clever man like Sir Edward Carson deliberately set himself to excite religious hatred he succeeded. But that the leaders of the two great English parties should encourage such a state of things, and should lead Ireland from one step to another to its present state is astounding.

It is greatly to be feared that the majority of voters at this side of St. George's Channel do not give any very serious thought to what happens in Ireland. They are not interested in politics, except when they think that the rights of the landlords in the land are in danger. The great majority of English people, therefore, take matters with little concern, and probably until things become serious in Ireland refuse to believe that anybody can bother his head about anything so silly as politics. Nobody cares very much who is in office, or who is out of office, here in England. The really rich desire, of course, to have the control of all the good things which the Government disposes of. But, except in that way, it is much to be doubted whether anybody in England cares very much who is in office, or what is proposed. They look to trade for their great prosperity and their future position. For anything else, politics may be an invigorating pursuit for once in a way, but it is not a thing to be thought much about; and, especially, it is not a thing to be bothered with when people lose their tempers. The final result, however, is that we see Ireland in a position now in which it would be

exceedingly easy to bring about an alarming state of things if only some nation with a strong fleet could throw a force into that country. It is greatly to be regretted that the trades unionists have not bestirred themselves during the past couple of months as they ought to have done. At the end of the past year and the beginning of this, the trades unionists were making extraordinary progress; and if they had continued to exert themselves they would now have a very strong position in the country. But they became too confident; and, to speak quite frankly, they left it to women in too great a measure to carry on the movement which they had begun so capably. The result is that we saw a great check delivered at Paisley, and the check then suffered has been aggravated since. The trades unionists are very powerful. They can practically bring the trade of the country to a standstill whenever they like. And, probably, their consciousness of this leads them to look upon earnest effort as unnecessary. At all events, it is quite clear that recent elections have shown that the trades unionists either did not exert themselves as they ought to have done, or else they selected exceedingly bad agents. What is clear is that the trades unionists have received a very serious check; and, consequently, the present Government is stronger now by a very considerable degree than anybody believed three months ago. It is for the trades unionists to recognise the great mistake they made, and to throw themselves heart and soul into the working up of a great majority. They can win a majority. There is no question at all about that. There is widespread discontent amongst the clerks, the teachers, and those who work behind counters; while amongst the working class proper there are large numbers who could, if they wished, join the trades unionists, and make them stronger from every point of view. There is no question, then, that the trades unionists can win control of Parliament if they exert themselves. But clearly they must exert themselves.

There is a kind of semi-hostility between the trades unionists and the lower shopkeepers, which is not a little puzzling. The small shopkeeper thinks himself superior to the trades unionist, and he actually takes a pride in the victory of classes which look down upon him with absolute scorn. It ought to be very easy for the trades unionists to arouse the very lower grade of shopkeepers, the clerks, and the teachers; and yet they unquestionably are not making the progress which they ought to make. It may be, as has been suggested, that they have put forward too many women candidates, and that the majority of men do not care to be represented by women. Upon that point we hold no opinion. But there is some reason which during the past few months has decidedly checked the progress of the trades unionists. If the trades unionists were few there would be no cause for surprise. But it is a considerable time since they declared openly that the trades unionists number over five millions; and if they have gone on increasing since they ought to be in a position in which they can largely influence the voting of the House of Commons. The whole body that supports Mr. Lloyd George does not make up a clear half of the House of Commons. It is nearly half, but not quite. And yet this large number of Conservatives, backed by a small number of recalcitrant Liberals, is able practically to do what they like with the laws of this country. If any really capable trades unionist wants to convince himself of the incapacity of the present Government, he need not go any farther than carefully to read the speech of the Chancellor of the Exchequer on Monday last. It is one of the most utter failures it has ever been our fortune to read. We have a debt, the magnitude of which, we do not believe, there is a public man in England who understands at present. And yet a nominee of a great party can stand up in the House of Commons and deliver a flow of words which a mere boy ought to be ashamed of. He shows an almost incredible ignorance of the present condition of this country, of its allies, and of it recent enemies. And yet the Press writes about it as if it was a serious grave statement by an important public man. If the trades unionists want to exercise a real control they must bestir themselves. Mere talk is very good in its way. But it must be backed up by real action; and if trades unionists are to influence either the legislation or the political action of our Government, they must make themselves powerful in the House of Commons. They can do much, it is true, by hampering trade. They can, indeed, even bring trade to a partial standstill. But that is a course of conduct which cannot very often be resorted to. There is a very great public which has to be considered; and even the trades unionists cannot stop the trade of the country too often and too seriously. There are other ways in which a banded force, numbering more than five millions of people, can make themselves felt, and we would urge our trade unionist friends to remember that, and to be up and doing.

BRITISH POTTERY EXPORTS.

A MARKED improvement is noticeable in the pottery exports for March and the first quarter of the year. The figures for the three months to the beginning of April total 732,059 cwt., valued at £1,281,508, compared with 314,153 cwt., valued at £829,492, in 1919. Though satisfactory the volume of trade is still far below the 1913 level as regards quantity, but far above it in respect of values. The prospects for expansion are, however, excellent. Bookings from foreign sources are heavy and extend to all branches, from the simplest earthenware to the highest grade porcelain de luxe. All our pre-War markets are again being supplied, and shipments to Argentina and France have been heavier than even in 1913, while to every country, except Austria and Germany, exports show a higher value than in pre-War days. Scandinavian and Spanish markets, where German interests once had a strong footing and are again attempting to establish themselves, now provide an additional and remunerative outlet for our wares. So great has been the general pressure for goods that in not a few cases resident agents have been appointed in the Potteries district by home and foreign firms, particularly American and Canadian, so as to speed up deliveries and buy up any "free" pottery available. As the United Kingdom is the only country at present producing a large export surplus of ceramic goods, the eagerness of foreign buyers can be readily understood, and it is estimated that the shortage in foreign markets, caused by the absence of their wonted supplies for over five years, will provide work in the Potteries for a long time to come, apart altogether from the home demand. Manufacturers are at present rather disposed to give precedence to foreign requirements, where the packing difficulty is not too great, since the export trade is to the country's advantage and helps to redress unfavourable exchange movements. This attitude is in part responsible for the steady advance in pottery imports, which for the first quarter amounted to £162,865, compared with £9,931 for a similar period in 1919 and £244,535 in 1913. Increased imports are also due to an expansion in the re-export trade, which, however, has little chance of complete revival until the various European potteries are again producing. The outlook for production on a large scale on the Continent is at present not very bright, and at the last Leipzig Fair the number of pottery firms that exhibited was small. Complaints are general of a shortage of fuel and raw materials, and the course of exchange prevents Continental potters from purchasing requirements in anything like adequate quantities from outside sources. The firms that attended at Leipzig made a good display of wares and are stated to have booked a fair amount of foreign business. At present buyers from all countries are scouring the Continent

for goods; and as illustrating the shortage of ceramic products, even in England, it might be mentioned that a leading London store recently sent a buyer to Japan to pick up Japanese wares, as home deliveries were altogether short of the demand. Earthenware manufacturers are, however, specialising in various branches so as to secure a maximum output of a high quality, and though costs are not going to return to pre-War standard, the result of the new movement, if carried out on an extensive scale, should be to provide increased supplies at low prices. The internal lay-out of works is being improved by means of conveyors, and double jolleys are being installed. The automatic double jigger and jolley is recognised as being the speediest machine for making ware. Mechanically filled batteries of plaster moulds for casting ware have come into favour, and everywhere the tendency is evident to use labour-saving appliances. The technique of decoration is also much better understood, and transfer printers in Great Britain can now claim that their lithographic transfer decorative processes are superior to any of the importations on which we relied in the old days. The helpful effect of the numerous innovations that are being made throughout the industry will eventually be seen in an increased export trade, and the strong foothold which British pottery has already gained in foreign markets will then be rendered even more secure.

ECUADOR.

THE HARBOUR OF GUAYAQUIL.

In acknowledging a letter we have received on the harbour of Guayaquil from a correspondent on the west coast of South America, we would express not merely our indebtedness to this particular correspondent, but our indebtedness to those who write to us giving real information on various subjects. All anyone can hope to do is to study his subject year after year as carefully as in him lies, and to bring to bear upon it the light of experience, knowledge, study and travel. A resident in one of the west coast ports, and particularly one like our correspondent, who has long been engaged in business, has facilities for giving information regarding the particular district with which he is really well acquainted which it is not possible for the student or the visitor, who can only see part of the countries he writes about, and can only hope to get partial information of any particular district, to attain.

In the particular instance with which our correspondent deals, that is the harbour of Guayaquil, our correspondent deals with a subject which is so generally well known that one was in no great danger of falling into any serious error. To have been at Para does not necessarily ensure one's capacity to describe the head-waters of the Amazon. But on the harbour of Guayaquil there is such a mass of information available that the student is not likely to go very far wrong. Our correspondent calls our attention to the fact that the City of Guayaquil is situated on the Guayas River, 34 miles above the head of the Gulf. Now it happens that one of the things we said was that the City stands on ground which steadily rises above it, and, consequently, the river has a rapid fall. So swift, says our correspondent, is the current of the port that ships have to lie some distance apart. Ships cannot anchor abreast of one another in the river, because the width of the channel would not give them room to swing clear of each other at the turn of the tide. With four ships of 350 to 400 feet in length the river at a convenient distance from the mole where passengers and cargo are landed would be full, and the upper ship of the four anchored above the mole would be in bad holding ground. The depth of water in the anchorage is in some places only 27 feet at low-water spring tides, and on the bar, 27 miles below Guayaquil, there is 28 feet 6 inches of water at high-water spring tides. Our correspondent says that he has known of a case where a ship drawing 26 feet 6 inches crossed the bar and entered the harbour, but very few ships drawing more than 25 feet can, as a matter of experience, do so. Our correspondent suggests that a sea wall should be built along the river-front, for ships to lie alongside, and the river should be dredged in the shallow places. Now all this, particularly the draught of water up to Guayaquil, is information which we are glad to receive, and which, frankly, we were not in possession of when we wrote the article referred to. The general criticism of our correspondent is eminently sane; and as we certainly do not pretend to be living encyclopædias of all the knowledge connected with Ecuador, we welcome any information we can get on this or any other subject. With the general tenor of our correspondent's letter we are thoroughly in accord, and we think that if he will read our article he will see that what he proposes is very much what we did ourselves suggest. If the harbour of Guayaquil were already one of the greatest harbours in the world, it would be simply foolish to suggest that it should practically be reconstructed, which is what we said in our article. Our correspondent suggests that a better plan than rebuilding the wharves and jetties on the Guayas River facing Guayaquil would be to run out a railway to Santa Elena Bay, about 60 miles from Guayaquil, which lies near to the end of the Gulf, and is sheltered from the south-westerly winds. We certainly hold no brief now, and we held no brief in January, for a scheme for deepening the river, although we do think that the river should be deepened and the bar removed. All we said was that the Gulf of Guayaquil offers potentialities for the construction of one of the greatest harbours in the world. As a matter of fact, and as we are well aware, and explained in the article referred to, the Port is unsanitary, and the conditions are highly unsatisfactory, and such as no State could tolerate that hoped to carry on a great trade. We explained that while the area of the country amounts to some 270,000 square miles, the greater part of it is virgin forest. The total number of inhabitants, so far as it is possible to estimate them, is only about a million and a-half, and very nearly two-thirds of these are native Indians. As we explained in the article, when we talk of native Indians in a country like Ecuador the reader should bear in mind that we are talking of the Cara people, who founded the ancient city of Quito, and were in their day amongst the most civilised peoples of the South American continent. In many ways they were far and away ahead of the Spaniards who conquered them—and conquered them so easily. But the reason the Spaniards conquered them was the fact that the Ecuadorian Empire and the Peruvian Empire were engaged in a bitter civil war at the time. They were not united; they could not

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be induced to act together; and they were more desirous of assassinating one another than of resisting the common enemy. The two civilisations of Ecuador and Peru had only been partially assimilated under the last of the great Incas, and his division of the kingdom between his legitimate and his illegitimate son led to so bitter a civil war that for a whole generation the Ecuadorians and the Peruvians were, as we have said, more hostile to one another than to anyone else; and, consequently, the Spaniards had no difficulty in crushing their divided forces. While we remember that the history of these people is not a history to be despised, and that in their day they were as great on their own continent as any of the European Powers are upon ours at the present time, it has to be remembered that for centuries and for generations they have been oppressed and have been very little better than slaves. As a result, the country is exceedingly poor, exceedingly backward, and requires practically to be reconstructed from the beginning. Consequently, the port of Guayaquil requires rebuilding altogether. We think our correspondent is quite right in suggesting that it would be better to run a railway out from the capital to Santa Elena, or any suitable place that could be agreed upon which would bring the cargo ready to the ships where deep-water docks could readily be constructed. Sooner or later, assuming that civilisation goes on, and that we are not about to face some great catastrophe, the port of Guayaquil is destined to be one of the world's great ports. It is a curious fact that although the west coast of South America stretches for thousands of miles from Colombia, down to Southern Chili, it is singularly deficient in ports of any kind. The great port of Valparaiso grew up because it is the natural outlet for the richest portion of Chili. It is not the kind of place that anyone would have chosen as a port. It happens to be, as we have said, the natural outlet for the richest part of the Chilian Republic; and, consequently, a port had to be built there. But as Chili's trade expands, and Chili becomes one of the great nations of South America, as she is capable of becoming, and, indeed, one of the great nations of the world, immense sums will have to be spent upon the port of Valparaiso so to guard the shipping from the terrible storms to which it is more or less subject throughout the year, and particularly susceptible at certain seasons. In the far south of Chili there are excellent harbours; but the seas are very tempestuous, and it would be difficult to enter those harbours; and, moreover, that part of Chili, so far, has never been opened up to any considerable extent, with the exception of the sheep runs which have been opened up in Chilian Patagonia. The port of Guayaquil is, however, entirely different. You have there an immense gulf which, as our correspondent truly points out, is protected from the prevailing winds. The river, in spite of the bar and in spite of its disadvantages, is, as our correspondent says, nearly 28 feet deep, and can be, and in our opinion ought to be, deepened. And it should be arranged for a railway to run down into the Bay to bring down the principal products of the Republic, which are cocoa, rubber, hides, coffee, sugar, cotton, panama hats, and vegetable ivory. We concluded our article in January, to which our correspondent refers, by saying that two things were needed before Ecuador could take the place to which a country of nearly 300,000 square miles, with perhaps some of the richest soil in the world, is naturally entitled, and they were increased population and improved transportation facilities. If we are rightly informed, there are about to take place very important developments in Ecuador. The reader is no doubt aware, as we have all been for some time past, that there are what is known as seepage indications of petroleum in various areas of Ecuador. Inasmuch as oil has been found in enormous quantities in the neighbouring Republic of Peru, in the more northern Republic of Colombia, and in the eastern Republic of Venezuela, it is not surprising that oil indications are to be found in Ecuador. If we are rightly informed, an English syndicate is being formed for the purpose of working the Ecuadorian oilfields; and sooner or later we may expect very important developments in this Republic. Owing to the urgency of obtaining oil in large quantities at the present time, particularly for the mercantile marine, there seems every probability that facilities will be given to enable the syndicate to obtain the necessary funds for thoroughly exploiting these oilfields. If this is done, the probability is that there will be very important immigration into Ecuador in the not distant future. The syndicate is, we understand, almost wholly in British hands, and the money has been found from this side. Assuming that the oilfields are as rich as indications appear to show, the oil industry in Ecuador is going to attract a very large amount of capital and a very considerable amount of labour; and the expenditure in connection with this interest will necessitate improved transportation facilities, presumably the building of pipe lines, which the conformation of the country will facilitate, and consequently increased demand for the rich agricultural products which Ecuador is capable of supplying in such large quantities. It has to be remembered that until the cocoa industry was recently developed on the Gold Coast, Ecuador was for more than a generation the principal source of supply for cocoa; and probably to this day Ecuadorian cocoa is at least as well esteemed, if not better esteemed, than any other cocoa produced in the world.

In conclusion, we would say that as the west coast of South America, in spite of its enormous length, is so singularly devoid of really good ports, the bay, or gulf, or port of Guayaquil, whichever way we designate it—not necessarily the few feet of wharfage in front of the city up the Guayas River, but the large mass of water relatively close to the capital of Ecuador, which affords exceedingly good anchorage and is protected from the gales of the Pacific—should be improved, developed, and utilised, because it is a natural gateway, not merely for the Republic of Ecuador, but with proper transportation facilities it could draw traffic from an immense area, over the Western Andes, both from Colombia and Peru, and possibly even beyond the mountains.

IRISH BANKS AND RURAL CREDIT.

Possessing a large agricultural *clientèle*, the Irish banks have a somewhat difficult task to fulfil in providing the necessary credit facilities. The preservation of the liquid character of its credit is a necessity for a joint-stock bank, and considering that its deposits are mainly at call or on very short notice, it cannot very well consent to the utilisation of its funds for a long-term investment purpose. Occasionally it is a difficult matter to keep this object in view and at the same time to meet the needs of the farming community. Agricultural returns are mainly seasonal, and, unlike commercial and business receipts, do not continue to flow in regularly at all periods of the year. To accommodate the farmer, therefore, a fairly long time may be required to elapse between the grant of the loan and its repayment. Agriculture, too, is a calling liable to peculiar risks, in regard to crops and live-stock, from weather and disease. Consequently the security offered is somewhat uncertain. Land itself, especially before the War, was not regarded as an ideal form of security. The steady upward trend in its price and the comparatively large demand for it might be expected to have appreciated the value of this security to-day. In this connection, however, a new factor has given rise to some uneasiness. Representatives of Irish labour associations have interfered with the freedom of sale in a number of places, and have insisted on the allocation to themselves of a certain proportion at a price distinctly below that ruling in the market.

Under normal conditions the large farmer experiences little difficulty in obtaining banking accommodation. The same cannot always be said, however, of the small farmer. Credit is used by him for the purchase of seeds, manures, feeding-stuffs, live-stock, agricultural implements, and the holding over of stock. In order that he may be in a position to repay from the sale of his crops the advances obtained for the purchase of seed a loan for a term of less than six months is of comparatively little use to him. For the purchase of live-stock or implements a year, perhaps more, would be the shortest period admitting of a satisfactory settlement of the advance. Where expenditure on permanent improvements to the land, such as drainage, is intended the period of the loan must still further be extended. Ordinarily the banks make loans for a period of three or four months, but not infrequently an extension is granted up to eight months and sometimes more. Such an extension, however, is scarcely in accordance with the principles of joint-stock banking, and, despite keen competition to satisfy the requirements of the small farmer, it is unlikely that this practice will become more popular or that there will be any marked disposition to desert the safe standard of the three months loan. Many of the agricultural bills discounted are for very small amounts, and frequently yield no profit to the banks. As a matter of fact, the representatives of one of these concerns expressed the view some years ago that this particular business should be taken over by the co-operative credit societies. This step would undoubtedly possess some advantages. The applicant for banker's credit is often at a loss to find a surety agreeable to the banks; but where a credit society, composed of his own neighbours, is in existence the path would be made more smooth for him. He would also be relieved from the onerous obligation of making some return to a surety who had inconvenienced himself to oblige him. The united security of the small agriculturalists affords a safe basis for dealing with the banks, and enables them to obtain overdrafts from the latter at a lower rate of interest than the members could hope to obtain individually. A number of these societies based on the Raiffeisen system is in active operation in Ireland. Capital is provided by the joint-stock banks, by individuals who deposit cash at a rate of interest and, up to lately, by Government Departments. A characteristic is that no profits earned by the society may be divided amongst its members by way of bonus or dividend, or otherwise disposed of. They must be allowed to accumulate as a reserve fund, which may be used to augment the capital of the society, and which, being free of interest, will in time enable the society to reduce the rate of interest charged to borrowers. Uniform success has not attended the working of these banks. Losses on the year's working often arise from the fact that the narrow margin of profit available on the small transactions of banks backed by no more than a couple of hundred pounds capital, is more than absorbed by the expenses. During the War this credit movement has betrayed marked symptoms of decline. In 1911 there were 236 co-operative credit societies nominally in existence, 224 in 1916, 171 in 1918, and 138 in 1919. It is worth noting, however, that the deposits of the banks still actively functioning increased from £43,872 to £56,644, or 29%, between 1918 and 1919. For the apathetic condition of this branch of the co-operative organisation various reasons have been advanced. The inability of the guiding body, the Irish Agricultural Organisation Society, to pay much attention to its development is no doubt an important contributory factor. Withdrawal of State loans also imposed a severe strain on the finances of some units, as they were unable to substitute other capital therefor. Probably most weight is to be attached, however, to the improvement in the status and position of the farmers brought about by the operation of the Land Purchase Acts, the stimulus given to agriculture by increased tillage, and the high prices realised for foodstuffs. The remarkable increase, amounting to 120% between June 30, 1914, and June 30, 1919, of the deposits and cash balances of the Irish joint-stock banks serves to give point to this view.

Deposits and Cash Balances in Irish Joint-stock Banks on June 30 of the following years:—

	£		£
1914 ...	61,955,000	1917 ...	75,991,000
1915 ...	67,955,000	1918 ...	102,417,000
1916 ...	68,285,000	1919 ...	136,134,000

In all likelihood a proportion of the members who formerly belonged to credit societies is now in a position to obtain a needful advance from a banker by way of overdraft. This change is to be welcomed as before the War the practice of usury was very strongly in evidence in Ireland. Still there must remain large groups of tenant farmers and agricultural labourers who would be benefited by the operation of credit societies, and from the point of view of these classes the rejuvenation of the movement is to be desired. Recent legislation should augment the number of small holders, and agencies aiming at supplying their credit needs would be of great benefit to the country.

A study of the prices now paid for tenants' interests in their holdings gives rise to the suspicion of inflation. There are not wanting cases where these prices represent an increase of 300% and more on the purchase money advanced by the Land Commission to the original tenant for the purchase of his holding. A slump in the price of foodstuffs and an increase in rates and taxation would chasten the optimism of those who are now inclined to put an extravagant value on land. As it is, new holders are apt to find themselves handicapped by lack of working capital. Agriculture in these islands bears certain relations to the State which may not be of a permanent character. When supply is adjusted to demand and the dislocation occasioned by the War is removed the consumers of Great Britain may not view the payment of a subsidy to home producers with any degree of satisfaction. Farmers should, consequently, not allow themselves to be blinded by their present spell of prosperity, and should prepare for an uncertain future by strengthening the machinery of credit at their disposal.

ECONOMIC IMPORTANCE OF POTTERY INDUSTRY.

Beginning with Josiah Wedgwood, whose activities covered the latter half of the eighteenth century, to his death in 1795, the pottery industry entered on an ever-widening sphere of activity, and in the succeeding century it assumed dimensions of national importance. The significance of Wedgwood's work is happily conveyed by the inscription on Flaxman's monument to the great potter, which stands at Stoke-on-Trent:—"He converted a wide and inconsiderable manufactory into an elegant art and an important part of national commerce." The truth of this statement has been called in question, not with any desire to detract from Wedgwood's achievements, but in an endeavour to allocate to him a more appropriate, if less considerable, niche in the history of ceramics than he has hitherto occupied. It is said that the real effect of his life-work was precisely the opposite of what Flaxman's inscription would have us believe, and that what he did was to convert an art, struggling, it is true, and somewhat inchoate, but still an act, into a manufacture. The criticism is not beside the point, as Wedgwood was keen on reproduction work, and in style he betrayed himself into a somewhat stilted classicism. He infused no very striking originality into the potter's craft, and his tastes, which inclined to the archaic, did not fully appreciate the need for new expression and vitality in fictile work and the special demands which it necessarily made, as distinct

from other arts, on methods of design and decoration. There was, accordingly, a certain lack of spontaneity even in his best productions, but beyond these reservations no other faults can be laid at his door. His positive achievement ranks very high. He introduced new materials and manufacturing processes into the industry, and perfected a method of glazing. In imposing on ceramic surfaces reliefs, or intaglios, he showed himself to be the best *potter* of camei in the world. His jaspers and basalts and his cream or queen's ware have earned for him an undying reputation and have given British pottery a high standing, both artistically and commercially, which laid the true foundations of its economic importance.

Wedgwood's association with North Staffordshire finally determined the location of the British pottery industry in the Upper Trent Valley, where a variety of natural clays and an abundance of coal were to be found. The area is one of the two important industrial divisions of Staffordshire, that to the south forming part of the Black Country. Between the two lies a large strip of agricultural land famed alike for its beauty and its fertility. The clays of North Staffordshire are mostly coarse, and under the influence of the new impetus towards finer forms given by Wedgwood and his contemporaries and successors, superior clays came to be in demand. The deposits of china clay and china stone which were discovered in Cornwall in Wedgwood's time supplied this need, and they helped to supplement the white clays of Dorsetshire and Devonshire which had been in use since the beginning of the eighteenth century.

Historically, Burslem may be said to have been the headquarters of the industry, and it is to-day still favoured with the title, "Mother of the Potteries." The potting villages which grew up around it were in the nature of annexes that gradually expanded as the industry continued to thrive. Nowadays North Staffordshire potters not only occupy the Upper Valley of the Trent but extend into the neighbouring valleys. Within a space measuring practically ten miles by three is the greatest concentration of potting interests in the world, forming at the present time a corporate whole, though divided, up to 1910, into six separate towns—Hanley, Stoke-on-Trent, Burslem, Tunstall, Longton and Fenton. Important collieries, iron and steel works and engineering works are also located in the district, but its fame and prosperity rest on its pottery manufacture. The magnitude of this industry is not at all appreciated by the public, though its products are in daily use in every household. In location it is a little out of the main stream of British industry, and it lacks the faculty for self-advertisement possessed by other, though less important, economic units in our national life. Yet as far back as 1907 the annual output of the industry was valued at practically eight million pounds sterling. In the following table the values under the different headings are taken from the Census of Production:—

Output of British Pottery, 1907.

PRODUCTS	Value	Percentage of Total
	£	%
Earthenware, including best qualities of white earthenware	3,237,000	41·2
Earthenware, including jet, Rockingham, red, brown, yellow and stone ware ...	1,045,000	13·3
Chinaware, including porcelain and Parian	1,026,000	13·0
Sanitary ware and fittings	1,306,000	16·6
Tiles mosaic, glazed, decorated, white and cream (except those of brick earth) ...	593,000	7·6
Crucibles	412,000	5·2
Other pottery ware, including electrical and chemical ware, door fittings, etc.	147,000	1·9
Tobacco pipes	91,000	1·2
Total	£7,857,000	100·0

The figures here given do not include factories making clay products, such as bricks and sewer pipes, and as the bulk of British earthenware and china is manufactured in North Staffordshire, the potteries can take credit for the major portion of the products tabulated in the list.

In 1907 the total number of pottery employees in the United Kingdom was 68,168, of whom upwards of 50,000 were located in the Stoke district. Other estimates show a slight discrepancy. Thus, according to the Departmental Committee which was appointed by the Home Office to inquire into the dangers attendant on the use of lead in the trade, there were in 1907 63,000 persons employed in pottery manufacture, and of these 48,000 belonged to the Potteries. The difference deserves no more than passing mention, since the various estimates all agree as to the leading position of North Staffordshire. No other centre in the United Kingdom or elsewhere supplies the world's market with such a profusion of useful and artistic ware of every kind. Of its enormous production a large percentage finds its way abroad, and from 1907 onwards this proportion has been increasing in practically every department, as is shown by the following table, which relates to the United Kingdom as a whole:—

United Kingdom—Exports of Pottery.

ARTICLES	1908	1913	Increase or Decrease
	£	£	%
Earthenware, other than tiles and sanitary ware	1,423,000	1,919,000	+ 35
Porcelain, chinaware, and Parian ...	138,000	213,000	+ 53
Jet, Rockingham and glazed terra-cotta ware	13,700	5,600	— 59
Red pottery, stoneware, brown and yellow ware	250,000	350,000	+ 56
Sanitary ware	275,000	557,000	+102
Electrical and chemical ware, and door fittings	99,700	62,300	— 60
Floor tiles for tessellated pavements ...	71,900	70,700	— 2
All other tiles (except for roofing and street paving)	72,200	183,000	+ 45
	2,343,500	3,360,600	+155

Since 1913 the exports have increased very substantially in value, though quantities have shown a diminution in most departments. The divisions given in the table, which number eight in all, correspond roughly with the natural divisions of the industry. If we take the constitution of the National Council of the pottery trade as a guide, we find that representation is given to employers in six sections, which comprise general earthenware, jet and Rockingham, chinaware, sanitary and fireclay goods, glazed and floor tiles and electric fittings. The Council, which is not exactly co-extensive with the trade, consists of representatives of a few hundred employers and some 47,000 operatives, and its prestige and influence are steadily expanding. Its first object is to bring all manufacturers and operatives within their respective associations, and here it has done very satisfactory work, though its task is by no means completed.

The dimensions of the industry, great as they are at present, promise to be still greater in the future. Reorganisation on a large scale is required to improve its productive capacity and to cater properly for the health and welfare of its employees. Already there are signs of a widespread regenerative movement setting in. Hitherto the industry has been carried on on a small scale in numerous little factories which were handed down through generations of the same family. The turnover in most cases was not big enough to warrant an invitation to outside capital to come in, and besides the results were often in individual cases not sufficiently attractive to lure the investor. Before the War potting suffered from internal competition to a greater degree than from external, serious though the latter was, and the earnings of capital, where they were not zero, were never very high. As a result, labour was also poorly paid. Now all traces of internecine conflict have disappeared and the former cut-throat competition no longer persists. A Federation of Pottery Manufacturers has been set up, and being comfortably assured of their markets, manufacturers are able to pay labour better, at the same time reaping greater profit on their capital.

Despite the new spirit that pervades the industry, the volume of production is still far below requirements. No factories have been built since the War and existing factories have deteriorated in some cases. The demand, on the other hand, has multiplied, as we are now the only country in the world producing an appreciable quantity of pottery for export. New factories must be built and old factories must be modernised and

newly equipped if we are to meet this enlarged demand, which possesses a distinct element of permanency. In the cheaper lines a policy of mass production must be initiated. All these changes will require capital, and many concerns now private will probably be sooner or later formed into public companies and make public issues of capital. Owing to increased costs of raw material and labour a sum of money can now finance less than one-half the amount of business it would put through before the War. Present-day difficulties are increased by the fact that, through its low pre-War standard, the incidence of the excess profits duty on the industry has been much more severe than in the case of cotton, iron and steel, and other staple industries which had fairly high levels of pre-War profits. The unprofitable character of potting was, indeed, in addition to the causes mentioned above, due to some extent to the conservatism of the potters, but the latter are now desirous of innovations and improvements. Factories are selling for more than three times their pre-War value, and it is not unlikely that a movement similar to that which took place in respect of the Lancashire cotton mills may be soon inaugurated. Factories will then be capitalised on a new basis more in accordance with their present values, and the true importance of the potting industry in our economic hierarchy will then be more clearly revealed to the public.

ARTHUR GUINNESS, SON & CO., LTD.

Capital (subscribed and fully paid): Preference Stock, £2,000,000; Ordinary Stock, £5,000,000.

Year to June 30	Gross Revenue	Sundry Expenses	Net Profit	Ord. Div. £	Ord. Div. %	Special Allocations	Carry-forward
	£	£	£	£	%	£	£
1913	2,587,593	1,478,119	1,125,202	475,000*ft*	16½*a*	150,000	38,655
1914	2,813,295	1,549,726	1,280,506	350,000*ft*	14	200,000	194,233
1915	4,242,168	2,756,206	1,511,679	450,000*ft*	14*b*	550,000*o*	206,449
1916	5,538,882	3,997,122	1,581,553	350,000*ft*	16*c*	496,000*x*	104,443
1917	4,976,798	3,049,157	1,994,886	500,000*ft*	16*d*	200,000	177,833
1918	4,170,266	2,118,307	2,132,668	500,000*ft*	16*e*	200,000	187,389
1919	5,954,744	3,843,174	2,175,816	500,000*ft*	16*f*	250,000	192,549

(*a*) Including bonus of 2½ per cent. (*b*) Including bonus of 4 per cent. (*c*) Including bonus of 6 per cent. (*d*) Including bonus of 1 per cent. (*e*) Including bonus of 4 per cent. in addition to special bonus distribution, free of income tax, of £1,000,000 5 per cent. War Loan, £20 War Stock for each £100 Ordinary Stock. (*f*) Including bonus of 4 per cent. (*o*) Including £250,000 for writing down value of investments. (*x*) Including £296,000 placed to credit of excess profits; (*f*) reserve account for years to June 30, 1915 and 1916.

The trading operations of this Company have been very successful during the year ended June 30, 1919. Compared with the similar period in 1918 gross profit on brewing increased from £4,102,602 to £5,855,877, or 43%, while income from other sources advanced from £67,664 to £98,867, dividends on investments accounting for most of the advance. As might be expected, general expenses have shown a marked expansion, an increase of £1,724,868, or 83%, on 1918 being recorded. On Excise and licence duties rests the responsibility for the greater part of this increase. Under this head the figures for 1919 amount to £3,700,774, a substantial increase of 85% on the previous year. The dividend and bonus on Ordinary stock stand at 16%, tax free, a figure which has been maintained since 1916.

On June 30, 1918, the reserve amounted to £2,560,000. Deduction of the cost of the special bonus distribution of War stock brought it down to £1,615,593. Following out a wise policy the directors have augmented the allocation to this account, and last year it figures at £1,865,593 in the balance sheet.

There is reason to believe that the next statement of accounts will disclose a satisfactory position. It was only at the beginning of last year that brewers were practically freed from all restraints as to barrelage. The impetus given to the export trade in stout, beer and porter from Ireland is displayed by the returns of 214,417 tons, 142,072 tons, 221,639 tons for the average of the five years 1909-13, 1918 and 1919 respectively. Prohibition in the United States does not yet seem to have affected this trade to any extent. As the stocks on hand of malt, hops, barley and porter, &c., were valued at £2,504,354 in 1918 and in 1919 at £3,413,998, it is reasonable to conclude that the Company was favourably placed for meeting the expanding demand for its products. The increased duty of 30s. per standard barrel may, of course, diminish consumption, but the Chancellor is of opinion that no serious decline is likely. The higher gravity of Guinness's stout and porter makes it liable to a heavier duty than English beers, and to this extent its consumption may, indeed, suffer. "The trade" has, however, shown great resilience despite successive excise increases, and though the last imposition was of a very drastic nature, it will probably be found that the brewing industry, despite its protests, has not been strained beyond bearing point.

POTTERY MANUFACTURE IN THE UNITED STATES.

The pottery industry of the United States gave employment to more than 30,000 persons before the War, and its growth in recent years has been very rapid. From 1901 to 1912 the value of American pottery products increased by 62%, from $22,463,860 to $36,504,164. The chief increases took place in sanitary ware, porcelain and electric appliances, and chinaware, although red and white earthenware and stoneware, yellow and Rockingham ware, also shared to an appreciable extent in the rise. The significance of these developments is best shown by comparing them with the corresponding movement in pottery imports:

U.S.A. Pottery.—Domestic Production and Imports.

Class of Ware	Value 1901	Value 1912	Percentage Increase
	$	$	%
Domestic pottery products (f.o.b. U.S. potts)	22,463,860	36,504,164	62·50
Imported pottery products (f.o.b. country of production)	9,197,036	9,870,852	7·33

The increase in imports has been much less than the increase in home production. Imports expansion was confined largely to the common varieties. Exports of ware from Great Britain to the United States consist mainly of better-class goods, and the comparatively inexpensive character of the trade up to the outbreak of the War may be gathered from the following table:—

U.S.A. Imports of Earthenware and Chinaware.

Class	Value 1901	Value 1912	Percentage Increase or Decrease
	$	$	%
Earthenware and chinaware:			
Not decorated	1,165,258	1,100,706	— 5·54
Decorated	7,965,200	8,614,075	+ 8·15
Common yellow or brown earthenware or stoneware, including Rockingham ...	58,700	143,140	+143·85
Other ware not specified	7,878	12,931	+ 64·14
Total	9,197,036	9,870,852	+ 7·33

Recent manufacturing developments in America have taken place principally in Ohio, New Jersey, West Virginia and New York, which are the principal seats of the pottery industry, while Pennsylvania and Indiana have also shared in the increase. The Tariff Act of 1913 brought down the average rate of duty collected on imported earthen-, china-, and stone-ware from 58.9% to less than 50%, and as a result pottery imports for the 12 months ended September 30, 1914, were valued at $10,075,411, an increase of 3.99%, while the duty collected was $5,013,661, a decrease of 11.91% on the previous year. How far this increase would have been permanent had the War not intervened is a debatable point, but during the last five years the American market has become much more self-supporting, and the beginnings of an export trade have been built up.

The economic position of the industry in the United States, as compared with other countries, has been the object of an exhaustive inquiry undertaken by the Washington Government, and the detailed report which was presented during the War is full of interest. To some extent the findings are vitiated by the fact that exact data as to costs of production were not available in the countries embraced by the inquiry, which comprised England, the United States, Germany and

Austria. The margin of error was narrowed down by the selection of a small number of potteries in each country where detailed figures were available, but it is, of course, questionable how far these potteries can be considered typical. Even in the small number chosen extreme variations were found in costs of production and in earnings and profits, due largely to a difference in the plants and in the methods of the manufacturers. After taking all possible precautions to avoid statistical errors as well as errors in basic material, it was found that the average cost of manufacturing white earthenware in representative establishments in the United States was 38.43% higher than in England. These figures represented conditions as they obtained at the factories. Before English earthenware can compete in America a number of expenses other than cost of manufacture must be added. To reach a market such as New York consular fees, freight and insurance charges and import duties must be paid. The difference which these items make against the English manufacturer is shown in the following table, where the charges to New York from East Liverpool, Ohio, and from Stoke-on-Trent are compared:—

Cost of 100-piece Dinner Set delivered at New York.

Items	From East Liverpool, Ohio.	From Stoke-on-Trent
Manufacturers' selling price at factory...	$3·58	$2·55
Invoice charge for crate and packing ...	.20	.27
Import duty on ware and package (35 per cent. of $2.82)	—	.99
Inland freight charges	.14	.13
United States Consular fees, England ...	—	.17
Insurance, dock and town fees, England	—	.02
Custom-house charges, New York ...	—	.02
Ocean freight charges, Liverpool to N.Y.	—	.16
Total cost landed in New York ...	3.92	4·31

While the difference in selling price at the factories is 40.39% in our favour, the additional costs borne by English ware make its price in New York 9.95% higher than the price of American ware delivered to the same city. Some items in the above table, notably freight, insurance, packing, and dock dues, have of late shown a substantial advance, and have raised the handicap under which all foreign pottery labours in the United States.

Costs of production in America were found, in the course of the Government inquiry, to be so high that the lowest figure for an American pottery exceeded the highest for a European. The net earnings in American earthenware and vitreous china factories worked out at 8.8% and 5.73% respectively on the output, while in other countries the percentage earnings of the value of the product were: England, earthenware, 5,95%; Germany, earthenware, 10.21%, china, 11.96%; Austria, china, 12.14%. The low figure for England bears out what we say elsewhere regarding the poor return on capital invested in the English industry in pre-War days. However, the American investigators are compelled to pay tribute to the unique advantages which our manufacturers possess in the purchase, transportation, and assembling of raw materials. These advantages are described in detail, and it is pointed out that the qualities of our domestic china and ball clays and china or Cornish stone are unsurpassed. The clay mines of Cornwall and Devonshire contain practically unlimited supplies of these principal ingredients. As regards other materials, we must go to France for the best flints, though British flints are also available. The good class of coal required by the potter is mined at his door in the centre of the industry, North Staffordshire, while lead, fire, sagger and wad clays, plasters and colours are also domestic products. Spanish lead is imported and manufactured in Derbyshire. Borax is brought from the United States, and feldspar from Norway. Cobalt oxide, decalcomania, and liquid gold are in normal times imported from Germany, though decalcomania is also made in considerable quantities at home. Clays are economically transported in large vessels from Cornwall to Runcorn, where they are transferred to canal boats, which bring them direct to Stoke-on-Trent.

In view of these advantages it is unquestionable that but for the tariff the American market would be ours. The only point which the American has in his favour is the greater efficiency of his workmen. Despite the fact that the average wages paid in American potteries in the different occupations are higher than those paid in European potteries by from 90% to over 600%, the labour cost per unit of product never showed in the course of the inquiry so great a difference as 82% except in German china plants. Higher American costs are in part due to the poor situation and bad arrangement of many of the American potteries and to lack of modern plant and machinery. The need for more scientific methods of production was strongly urged in the Government report, and it was suggested that highly skilled instruction should be provided in various branches where it was needed, and that scientific research should be undertaken on a larger scale. The recommendations in the report have been partly carried out, and the result has been a great expansion in output, which, however, has gone mainly to satisfy the increased needs of the home market. In the export trade there is, in the opinion of experts, little as yet to fear from the Americans, especially while we enjoy the natural advantages which have brought our pottery industry to its present position of importance.

EGYPTIAN COTTON.

Since our last letter our Cotton markets both for spot and future have been on the dull side. The double Easter holiday which Egypt enjoys, the absence of speculation, and the restricted demand from abroad have all tended to produce the result above mentioned. Prices for May and November have risen since we last wrote from $150 and $124 respectively to $159 and $139. The tone of the market is undoubtedly strong, and there has been considerable inquiry for new crop. With regard to the latter, it is reported that the weather has been beneficial and water sufficient, but the official report of the Government draws attention to the considerable amount of resowing which had to be done, owing to the cold experienced during the usual sowing time.

H. C. Thomas.

Alexandria: April 14, 1920.

SOUTH AND CENTRAL AMERICA.

BRAZILIAN TRADE.—II.

A fortnight ago we commented upon the exceedingly interesting table furnished to us through official sources upon the international trade of Brazil, and particularly dealing with the trade of the Republic with this country. We said that Brazil, although she had suffered as a belligerent, was one of the countries which had profited—and profited to a marked extent—as a result of the War. This is true, although if we had space to go into the question it would be necessary to show that there are very serious qualifications. In the first place, the very fact that she supplied such immense quantities increased the cost of living in Brazil itself by depleting the supplies of food and raw materials. We have not, however, space to enter into that aspect of the question to-day. She profited in the sense that she did an enormous trade—in fact, a larger trade than in the pre-War period—and, of course, at greatly enhanced prices. The aspects of the question which we propose to consider to-day are those which have led to high prices and world-wide shortage.

The Brazilian trade returns before us, which, as we have already said, have been furnished to us through official sources, and, therefore, may be thoroughly relied upon, throw an illuminating light upon the causes of that shortage. So far as Brazil herself is concerned they show that one result

of the War has been to develop vast sources of income which lay dormant in the period which preceded the outbreak of the European War. But so far as the outside world is concerned they show equally that those resources were not developed as a result of economic demands on the part of those belligerent nations which formed the bulk, as well as the most profitable, of her customers. Had Brazil been developed as a result of a genuine economic demand—that is to say, had her produce been required for the building up of industries in Europe—the whole world would have profited. But as it is enormous quantities of produce, minerals, and raw materials were raised in Brazil and despatched to Europe for purposes of destruction; and, consequently, they constitute rather a debt to the belligerent countries than a basis upon which new produce could be raised. As we shall show shortly, part of Brazil's exports consisted of manganese ore. This ore is required for strengthening steel; and, in fact, without it certain kinds of hard steel cannot be constructed with our present knowledge except by the use of other minerals which are exceedingly expensive and exceedingly difficult to procure. Assuming that these supplies of manganese ore had been required for purposes which for convenience we call economic, as, for example, the building of railways with heavy steel rails for the purpose of opening up, say, Brazil herself, Australasia, India, or any new country capable of yielding increased supplies of food and raw materials, we should by this time—that is to say six years after the investment—be reaping the benefit in abundant supplies of those materials which would feed and clothe our population; and, in addition, would feed the industries upon which their labour is expended. This would have been a sound economic basis. In the years that preceded the War this was one of the important, if not the most important, forms of activity upon which the City of London was engaged. We were accustomed to raise large loans in London out of the surplus which we obtained as a result of our annual operations. These loans were expended for the purpose of opening up new countries and supplying us with food and raw materials upon a relatively cheap basis. The tendency of prices, say from the time of the South African War until the outbreak of the great European War, had been to rise, showing that we were not quite keeping up with the growing demands of the various industrial countries throughout the world. Nevertheless, on the whole, the result of our investments up to and including the year 1914 was eminently beneficial, not merely to the people of these islands, but to the industrial classes in all countries, and, of course, incidentally to those countries which produced food and raw materials. Such investments created a demand for the annual products of their farms, mines, and forests. And they created a demand which had every prospect of continuing, because, as we have endeavoured to explain, they were raised on a sound economic basis, and whereas we obtained food and raw materials we were able, in our turn, to sell our finished products at such a profit as enabled us, not merely to live, but to save something for reinvestment in the succeeding year. With the outbreak of the War, on the other hand, these immense quantities of food and raw materials were imported for the purpose of being consumed either on the field of battle or in feeding the civil population at home, who, to a very large extent, were also engaged in providing what were called munitions—that is, the various articles required by an army in the field. Consequently, we were providing nothing to pay for those imports. On the contrary, our people at home were consuming food and raw materials for the purpose of providing articles like shells, which it was intended to destroy almost as soon as they were manufactured; and which, consequently, could not be sold to those from whom we had acquired the means of producing them.

While prices, as we propose to show, or the economic values, were increased by practically double, it must not be assumed that the quantities were reduced. On the contrary, they were increased. The grand total of exports of the Republic of Brazil in 1919 amounted to 1,907,688 tons; whereas in 1913 she only exported 1,382,072 tons. That is to say, she actually exported considerably more in quantity than in the clear year before the War. But whereas, as we have already explained, the goods purchased in 1913 were raised on a sound economic basis, the goods purchased in 1919 were required to replace those which had been destroyed in the previous five years, and which we were not in a position to pay for on the same sound economic basis as we had done in the years with which the figures were compared. Now in 1913 the United States of Brazil exported goods to the quantity of 60,479 tons in the form of animal products; in 1919, 201,830 tons of these same products. The important figures in 1913 were the exports of hides, which amounted to 41,392 tons out of a total, as we have already said, of 60,479 tons, that is to say, more than two-thirds. In 1913 Brazil exported 25 tons of lard, and in 1919 she exported 20,028 tons. In 1913 she exported 223 tons of preserved meats, and in 1919 she exported 25,323 tons. In 1913 Brazil did not export chilled and frozen meat at all; but in 1919 she exported 54,170 tons, having exported as much as 66,452 tons in 1917. Now we come to values. As we have said, Brazil exported 25 tons of lard in 1913; she got £2,000 for this export. In 1919 she exported 20,000 tons; and for this enormous quantity she got considerably over 2¼ millions sterling. For preserved meats the 223 tons which she exported in 1913 produced in sterling £13,000, whereas in 1919 for an export of over 25,000 tons she got 2½ millions sterling Chilled and frozen meat, as we have already said, she did not export at all in the pre-War year. She exported 54,170 tons in 1919, and for this amount she got £3,600,000. Her exports of hides, owing to the scarcity of cattle, which will readily be appreciated with such an enormous export of meat, increased in quantity from 41,392 tons in 1913 to 56,790 tons in 1919; but whereas in 1913 she obtained 2½ millions sterling, for her exports in 1919 she obtained over 6 millions sterling. She exported actually less wool in 1919 than she did in 1913—2,953 tons in the pre-War year and 2,261 tons in 1919; but whereas in 1913 for her export she obtained £180,000, in 1919 she obtained £684,000. Skins, that is other than hides, she exported to the quantity of 3,584 tons in 1913; she exported 5,166 tons in 1919. But whereas she obtained £834,000 in 1913, she obtained over 3 millions sterling for her exports of skins in 1919. Of jerked beef, which comes from criollo cattle, and which is a hard and inferior kind of beef only consumed on the Pampas, she exported 21 tons in 1913 and 5,556 tons in 1919; but whereas she got £1,000 for her exports in 1913, she received £543,000 in 1917 and £470,000 in 1919. In 1913 she obtained only £181,000 for her exports of manganese ore; in 1917 over 3 millions sterling; and in 1919, £987,000. The total value of Brazil's mineral exports in 1913 amounted to £706,000. The total value on the equivalent basis of 1919 was £1,675,000. We come now to vegetable products. Here equally striking figures illustrating the remarkable position brought about by the War are disclosed. In 1913 Brazil

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exported 37,424 tons of raw cotton; in 1919 she exported only 12,153 tons. But whereas for 37,000 tons she obtained £2,308,000 in 1913, for less than one-third in 1919 she obtained practically 2½ millions sterling. Her exports of rice in 1913 amounted to 51 tons; in 1919 to 28,423 tons; but whereas in 1913 she obtained for an export of 51 tons £2,000, she obtained for 28,000 tons in 1919 practically a million and a quarter sterling. Sugar is a still more striking illustration. In 1913 Brazil exported 5,371 tons of sugar, rising to as high as 138,159 tons in 1917, 115,634 tons in 1918, and 69,429 tons in 1919. She obtained £65,000 for her exports of sugar in 1913; £3,860,000 in 1917; £5,459,000 in 1918; and £3,714,000 in 1919. In 1913 she did not export potatoes at all, but she exported over 376 tons in 1919. She obtained £47,000 for her potatoes in 1917; £46,000 in 1918 and £3,000 in 1919. She exported 36,232 tons of rubber in 1913 and 33,252 tons in 1919. She got 10¼ millions sterling for her rubber exports in 1913 and 6¼ million for her rubber exports in 1919. In 1913 she exported 13,268 bags of coffee of 60 kilos to the bag, and in 1919, 12,963 bags, also of 60 kilos. She got 40¾ millions sterling for her coffee exports in 1913, and 72½ millions sterling for her exports in 1919. Carnauba wax nearly doubled in quantity between 1913 and 1919, and whereas in 1913 she got £439,000, she got practically a million and a quarter for her doubled exports in 1919. She exported 4,876 tons of mandioca meal, which we in this country know in the form of tapioca. For this she got £47,000 in 1913 and £400,000 in 1919. She exported just 7 tons of haricot beans in 1913 and 58,607 tons in 1919. What she got for these 7 tons in 1913 is not stated, but in 1919 she got £1,303,000. Oil-producing seeds were exported in 1913 to the amount of 54,493 tons and in 1919 to the extent of 84,295 tons. In 1913 she received £415,000 for these, and in 1919, £2,626,000. Her exports of tobacco increased from 29,743 tons in 1913 to 43,280 tons in 1919, and the amount she got for them increased from £1,652,000 to £4,357,000. Matte tea from 65,843 tons in 1913 increased to 90,200 tons in 1919, and the amount in sterling increased from 2¼ millions to 3¼ millions. Her timber exports increased from 20,000 tons to 103,824 tons, and the value from £135,000 to £806,000. Altogether the quantities of vegetable exports increased from 1,191,000 tons to 1,494,000 tons, and the value in sterling from 60¾ millions to 108¼ millions.

Our space will not admit of our analysing the average value per unit; but we will take one or two striking examples. As we have said, no chilled or frozen meat was exported in 1913, but the average value per unit in 1919 amounted to £66 9*s*. Lard, which was sold at £75 18*s*. per unit in 1913 was exported at a value of £118 12*s*. per unit in 1919. Wool, which was exported at £61 per unit in 1913, fetched £302 14*s*. per unit in 1919; and skins, which had been at £232 14*s*. per unit in 1913, fetched £594 15*s*. per unit in 1919. Manganese ore, which had been sold at £1 9*s*. per unit in 1913, fetched £4 15*s*. in 1919.

The weekly tonnage output of the collieries in the United Kingdom during the four weeks ended with April 10 is again very small, but it has to be remembered that the week refers to that which contained the Easter Bank Holiday, while the preceding return dealt with Good Friday week. It may be hoped that the next return will show a total of close up to 5,000,000 tons. For the week ended April 10 the output was only 3,337,793 tons, and each colliery district shows a considerable falling off compared with the preceding week, with the exception of Durham, Lancashire, Cheshire, and North Wales.

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Financial Notes.

AT their meeting on Thursday, the Bank of England directors made no change in the official rate of discount, which, consequently, remains at 7%. It is hoped that this figure will be sufficient, at any rate, for the present. If we are rightly informed, the other banks, and the Money market generally, are loyally supporting the Bank of England in endeavouring to maintain rates as far as is possible. Of course, it has to be remembered that the position is a wholly artificial one. The Bank of England has no real control over the Money market, as it had in, say, three-quarters of a century which preceded the outbreak of the recent War. After Waterloo the Money market was disturbed very much as it is now. And it can hardly have been said that for some time after the Great War with Revolutionary France, the Bank of England had any real control over the Money market. Debt then, as now, weighed upon the market. And the Government was constantly resorting to various expedients to obtain money and to avoid increasing the taxation, which then, as now, was exceedingly heavy and exceedingly oppressive.

To-day, as the Chancellor of the Exchequer told us in his Budget speech, we have 300 millions sterling of floating debt weighing upon the market, and, although the Chancellor of the Exchequer has pledged himself that he will not increase the debt permanently, he cannot, of course, pledge himself that he will not increase Ways and Means borrowings at any particular moment if Government payments fall due, and neither the return from the revenue nor the sales of Treasury bills are adequate to enable him to meet obligations. In such a position the Treasury has a control of the Money market which should really be in the hands of the Bank of England. Until such times as we are able to buy and sell upon a sound economic basis is not possible that the country can be in a really healthy condition. Credits have from time to time to be granted for the purchase of absolutely essential commodities. Sometimes it is to import fresh food, cereals, meat, eggs, and what not, and at other periods, textiles, like cotton, flax, and so on. When these goods arrive and it becomes necessary to manipulate

them in our own markets, the Government, in its turn, has to pour out Treasury notes to the extent that they may be required.

No good purpose would be served by unduly restricting the supply of Treasury notes, because, in some form or other, adequate paying facilities must be afforded to a man who has ample credit and an ample balance at his banker's to enable him to carry on his business. It would be utterly unreasonable for a man who had a balance of, say £1,000, at his bank to refuse him facilities to draw £500 out for the purpose of paying wages. He would still have a balance of £500, and it is evident that he is entitled to draw the money. Moreover, such action would practically bring the trade of the country to an end. But, all the same, credits abroad and credits at home tend unduly to inflate prices, and the relations between nominal money values, and actual commodity values becomes wider and wider, or, in other words, as we put it, prices rise, and the cost of living becomes increasingly great.

The only real remedy is to bring the supply of commodities up to the level of the various credits combined. If that were done we should be in a position, as we were in the pre-War period, of either exporting commodities or rendering services for practically the whole of the goods which we needed to import. There was, then, and there always is, a small balance, which from time to time can be settled by sending gold. But, inasmuch as the gold supplies of the world are limited, only a small amount can be sent in gold, nor is it necessary at any period to send a large amount of gold. No-one requires gold in large amounts. What we do require is consumable commodities. Food, clothes, house rent, the expenses of our holidays, and so on, are practically all paid by cheque. Rarely, except in matters of small change, at the theatre, and at the places where we are quite unknown, is it necessary to pay money in specie at all, even in periods when the country is in the highest credit. All the ordinary tradesmen with whom we deal are quite willing to receive our cheques; and, indeed, except for small and comparatively unimportant payments, specie is not required. But the nation taken as a whole must be in a position to render equivalent services for the goods required from abroad in order to stabilise those credits.

In order, however, to improve the credit of the country, to encourage production, and to induce people to economise, it is first essential for the Government itself to reduce its expenditure. Of course, it is exceedingly difficult with our peculiar Parliamentary system. No member of Parliament, and no Government, likes to incur the unpopularity inevitable from reducing expenditure and demobilising unnecessary Departments. As soon as any group of individuals fear that they are about to be demobilised there is an immediate deputation to the Minister concerned; and he, in turn, desiring to conciliate the deputation, puts off the evil day as long as possible. One cannot blame the members of the deputation. However useless a department may be, it is quite easy to see that, being in it, we should none of us desire to be turned out. And our Parliamentary system, being such as it is, it is equally natural that both private members and departments in their corporate capacity, should shrink from the inevitable unpopularity of demobilising these useless bodies. Until, however, they are demobilised the difficulties of Government will continue. It means an abnormal expenditure which is a great strain on the resources available at the Treasury; and, in addition, it hampers trade. It is argued that when a Control Board is dissolved prices immediately rise. Naturally they do, because a period must elapse while the trade is adjusting the needs of the market to the new conditions. But the ultimate result of de-control is to stimulate increased production. And, sooner or later, with de-control there will be a largely increased production.

Before the members of the Institute of Civil Engineers, Sir Henry Maybury, Director-General of the Ministry of Transport, read a remarkable and informative paper on Monday night on the roads, primarily of England and Wales, but including the whole of the roads of the United Kingdom. Sir Henry, like all those who have studied the subject, admits our great indebtedness to the past in the construction of our roads. He goes as far back as the period of the Romans, and he likens the present system to that pursued by the Romans during the four centuries of their occupation of Britain. As far as one can understand the question, it would seem that the Roman system was much more like that which we pursue in India at the present day than the work of the Transport Board as it is proposed to be carried out at the present time in this country.

Sir Henry, however, raises a point which we have not noticed elsewhere, and which is exceedingly interesting, and, once raised, the relevance of which is very readily appreciated. Nothing was more striking to observers during the progress of the late European War than the readiness with which the labours of generations were destroyed in a few weeks. Those of us who had grown up during the later years of the nineteenth century had been accustomed to regard the achievements of what we were pleased to call civilisation as of a permanent nature, and we had really no appreciation of the readiness with which those achievements are destroyed. Those of us who lived through the period of the late War came to realise, as it would not have been possible for us to realise but for the experience demonstrated before our eyes, how readily a great civilisation is destroyed. Even in England, where no invader appeared, and after the first three or four weeks, when it was seen that the change from sails to steam had in no way impaired the efficiency of the British Navy, no invasion was really practicable, we were reduced from a land of plenty to a land in which we were rationed like a beleaguered garrison. Every branch of industry was reduced more or less to a state of chaos, and even yet we are struggling to try to reconstruct the country upon the basis on which it existed before the War.

While, therefore, Sir Henry pays tribute to what the Romans did for Britain, and the evidences which still remain of the great road system which they maintained, he argues that, in the long period of chaos which followed their evacuation of the island, not only was no attempt made to maintain the road system, but the feeling of our ancestors was that good roads were a danger to, rather than a protection for the country. Practically, there was no central Government; there were no means of organising armies; there were no resources which could supply munitions; and, consequently, great roads would rather have facilitated the operations of an invader than have enabled our barbarous and impoverished ancestors to defend themselves. Consequently, if Sir Henry's view is correct, and it is certainly a view that deserves careful consideration before being rejected, there was a deliberate attempt, for the purpose of securing various districts from molestation from roving bands which constantly landed on the island, to destroy the existing transportation facilities.

Practically, our road system as we know it dates from the reign of Philip and Mary, when an Act of Parliament was passed imposing certain obligations upon the parishes as the units for the maintenance of roads. It must not be assumed that our ancestors in the Middle Ages did not travel, because evidence is afforded that, after Duke William of Normandy

firmly established a central Government, there was constant travelling over the greater part of the kingdom. The Historical Manuscripts Commission and various students have collected evidence to show that goods were sent over considerable distances, for those times, in different parts of the kingdom; and evidence has even been accumulated showing the prices at which factors and others belonging to great manors paid for their board and lodging for one night at a particular inn, showing that travelling had become sufficiently common that a definite charge had come to be arranged for the maintenance of a man and a horse for one night or more.

Sir Henry naturally dwelt upon the inconveniences of the parish as the authority for the maintenance of the roads, and he gave in his paper an account of the various authorities which, from time to time, have been established to take over all or part of the duties formerly exercised by the parish. Sir Henry estimates the total road mileage for the whole of the United Kingdom—that is, including Scotland and Ireland—at 234,000 miles. Of this, although Sir Henry does not say so, between 130,000 and 150,000 miles should be allocated to England and Wales. It was commonly estimated before the War that the great primary roads of England extended for a distance of about 30,000 miles, while the balance was made up of secondary and smaller roads, like country lanes connecting one village with another; but not, of course, including private roads, either to works or to private domains, or similar aids to transport.

The total area of land covered by our roads—that is, for the whole of the United Kingdom—Sir Henry estimates at 680,727 acres. Then he was bold enough on Monday night to essay the question of estimating the capital cost of constructing our roads. He arrived at a figure of a little under 1,000 millions sterling; and, consequently, he said that the construction of the roads was cheaper than the construction of the permanent way of our railway companies. It is a bold assertion, and we may leave it at that. Of course, Sir Henry is perfectly well aware that there are elements in the calculation which it is almost impossible to get at. The great majority of our existing roads were originally bridle paths. Then they developed into something approaching what we should call roads; and, finally, about the time the Act to which Sir Henry refers was passed, in the middle of the sixteenth century, when vehicular traffic first really came into existence, something in the nature of what we should call a road in the proper sense came into existence. It was exceedingly rough, and remained so for more than a century later, because, as Sir Henry reminded his hearer on Monday night, an Englishman visiting Paris in Cromwell's time was struck by the fact that the sidewalks were paved with level stones, contrasting with the uneven surface to be found in London.

Nevertheless, with the adoption of vehicles it became necessary to make roads more or less level. The upkeep of the roads, it must be remembered, being in the hands of various parishes, varied. Some districts did the work fairly well, and others did it very badly. Another element came in which is usually most destructive of all human enterprise, and that is temper. Sir Henry recalls that the Strand was notorious until comparatively recent times for the bad state in which the road was maintained. But this was due to the fact that so many parishes were responsible for its maintenance. The north side of the road belonged to one parish, the south to another. Where were you, and how were you, to delimitate how much work belonged to each; and, consequently, which parish was to pay the cost? These questions led, and led naturally, to endless disputes, and, of course, the unfortunate travellers suffered.

Sir Henry, as we have said, estimates the total cost at something under 1,000 millions, and of this amount about 22½ millions he allocated to the cost of acquiring the necessary lands from the various owners. A very important factor which Sir Henry brought out in his paper on Monday night is the growth of road traffic, and few will disagree with his confident prediction that this must increase. Sir Henry pointed out that, whereas the traffic by road was some 60% in 1909, when statistics were collected for the purposes of the Road Boards Act, by 1913—that is, the last clear year before the War—it had increased to 68%, and only 32% of traffic was carried by rail. The War and the experience we have gained since the Armistice have demonstrated clearly the inadequacy of our railway system. And if the transportation facilities of the country are to be maintained and improved, starting with the basis, say, of 1913, it is evident that some form of transportation other than the railways will have to be devised. Sir Henry rightly points out that the great increase in the use of our roads has developed as a result of the invention of motor traction. What direction the development will take depends largely upon the possibility of evolving a really cheap motor, and, perhaps still more important, of evolving the problem of supplying a really cheap motor power.

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A telegram received from Rio de Janeiro by the Agencie Americana, states that the Brazilian Government has sent to London about £113,361, and to Paris 120,500 francs, for the payment of expenses incurred by Brazil in Europe.

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American Topics.

UNITED STATES FOREIGN TRADE.

We have before us the official statement of the foreign trade of the United States, issued from the Department of Commerce at Washington. The trade figures before us cover the three years ended with December 31, 1919. The total value of the imports into the United States in the year 1917 amounted to 2,952½ million dollars, to over 3,000 million dollars in 1918, and to 3,900,000,000 dollars in 1919. Something between two-thirds and a quarter of the imports are admitted into the United States duty free. The value of these non-dutiable articles in 1917 exceeded $2,100,000,000, in 1918 over $2,200,000,000, and in 1919 $2,600,000,000. The articles which are admitted entirely free of duty comprise crude materials for use in manufacturing, and these account for more than one-half of the total value of the goods which are admitted duty free. Foodstuffs in a crude condition, as well as animals imported for food, foodstuffs partly manufactured, manufactured articles in such a stage of manufacture that they require further treatment, and certain manufactured goods of small value, which cannot be readily manufactured within the Union, are imported in small quantities into the United States. Turning to the exports from the United States, we find that the total value of the exports was in 1917 $6,233,000,000, in 1918 $6,100,000,000, in 1919 $7,900,000,000.

In 1917 the excess value of the exports over the imports amounted to $3,281,000,000, in 1918 to $3,117,000,000, and to over $4,000,000,000 in 1919. Naturally, by far the preponderating part are the exports of domestic produce. The exports or transit trade of the United States is relatively insignificant. Out of a total value, as said above, of $6,200,000,000 in 1917, the value of the domestic exports amounted to over $6,100,000,000, in 1918 to over $6,000,000,000, and in 1919 to $7,750,000,000. The influence of the War upon the water-borne commerce of the United States and the growth of the American mercantile marine are shown in the expansion which took place during the three years under review. In 1917 only 28% of the United States exports were carried in American bottoms, while in 1919 the amount carried in American vessels exceeded one-third of the total exports of the United States.

A BANK MERGER.

The recently announced plan for the merging of the Chemical National Bank and the Citizens' National Bank of New York affords an opportunity for giving a short *résumé* of the history of the two merging institutions. The combined institution will begin operations on May 1 under the name of the Chemical National Bank, and will have resources of more than $215,000,000, placing it seventh among banks in New York City in this respect. The consolidated bank will have a capital of $4,000,000, surplus $13,000,000, and undivided profits of approximately $1,000,000. The present quarters of the Chemical National Bank, situated in Broadway, will be further enlarged, and will form the quarters of the consolidated Bank. The Chemical Bank was founded as a chemical manufacturing company in 1834. The charter of the company included a banking privilege. After a short time the manufacturing part of the business was abandoned, while the banking business, which had grown rapidly, was developed, and soon became the sole object of the Company's business. The Citizens' National Bank was founded in 1851 as the Citizens' Bank, a title which it retained till 1865, when it absorbed the Ninth National Bank and took the name of the Citizens' Bank. In 1904 it consolidated with the Central National Bank, and became known as the Citizens' Central National Bank. Later the present name was adopted. The interest of the banks which form the Citizens' National Bank in the wholesale dry goods district brought about wide banking connections with that branch of industry.

HYDRO-ELECTRIC POWER IN CANADA.

An exceedingly interesting statement with reference to the development of water-power in the Dominion of Canada appears in the report for last year of the Canadian General Electric Company. Owing to the great rise in the cost of production for nearly every article which we consume at present, one of the most urgent necessities of the time is the adoption, where possible, of some means whereby cheap power can be obtained. In this country we have so little water-power that it is doubtful if we can, to any extent, use hydro-electric plant as it is being used abroad. The great continent of South America is probably more favourably situated than any part of the globe for the development of cheap power upon a really extensive scale. Certain parts of North America are also very favourably situated in this manner, although, of course, to nothing like the extent that is the case in the southern continent. In Ontario, says the report of the Canadian General Electric Company, the Hydro-electric Commission are about to complete the Chippewa power development scheme at an estimated cost of $35,000,000, which will provide an additional 400,000 horse-power of electrical energy. The Company hope, as no doubt will be the case, that the development of this scheme will bring to their own doors a very favourable market for the apparatus they are prepared to supply. The International Joint Commission on Waterways are preparing plans for an international water-power development scheme on the St. Lawrence River, which, if proceeded with, will create upwards of 2,000,000 horse-power of electrical energy.

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Rubber Topics.

THOUGH a rather dull tendency was in evidence in the market at the opening, support was forthcoming for several of the Paris favourites that had suffered through the heavy reactions of last week. Kuala Lumpur was especially a strong feature, moving up ¼ to 4 7/16. Tamiang put on 7/16 to 5*s.* 3*d.*, whilst Sennah was in good demand at 1⅝. Here again the unexpected advance to 60% in the excess profits duty created consternation, and a general decline set in. As might be anticipated, reactions were most marked amongst those producers who at the already existing level of 40% were subject to heavy levies in this connection. Selangor River dropped ¼ on the day to 6¾, and a similar relapse left Semblilan at 3½. Losses of ⅛ were by no means uncommon, and caused Damansara to close at 97*s.* 6*d.*, and United Sua Betong at 4 15/16. Even such popular issues as Golconda were 2*s.* lower at 70*s.* With the heavy Budget taxation discounted, the market was rather easier on Wednesday, though the volume of business was small. The unfavourable French exchange was again reflected in further liquidation, which left Kuala Lumpur weaker at 3⅞, and Malacca at 4⅛. Bah Lias relapsed to 2⅜ on the announcement of the dividend for 1918-19, which was only at the same rate (10%) as in the previous financial year. Thursday found the market still dull, but very few shares were changing hands. On the other hand, although the lower price of 2*s.* 1½*d.* was being quoted alike for plantation crêpe and smoked sheet, the tone in the Commodity market was much more encouraging.

Several dividend announcements have come to hand. Bikam Rubber Estate proposes a final dividend of 12½% for the year 1919, making, with the interim dividend, a total of 22½% for the year, in comparison with only 10% for 1918. For the Selangor Rubber Company the final dividend amounts to 9*d.* per share, giving, with interim dividends, a total of 50% for 1919, as against 100% in 1918. But taking into consideration the capitalisation of £90,000 in 1918, the dividend on the capital actually paid up by the shareholders amounts to 200%. It is not surprising to find the 2*s.* shares quoted at 8*s.* 5*d.* A final dividend of 30%, making a total of 40% for 1919, as compared with 22½% in 1918, is proposed by the Sungei Kapar Rubber Company, whose 2*s.* shares stand at 8*s.* 9*d.* The Anglo-Dutch Plantations of Java announce that the accounts for 1919 cannot be presented for some months, but that the results justify the declaration of an interim dividend of 5%. Ratanui has joined the list of companies capitalising their reserves. The authorised capital is to be raised from £50,000 to £100,000, and the issued capital from £40,000 to £80,000 by capitalising £40,000 and distributing to existing shareholders a bonus of one share for each share already held. The £1 shares command 73*s.* 9*d.* in the market.

The Chancellor's intention to raise the excess profits duty from 40% to 60% as from January 1, 1920, and his subsequent declaration to stand or fall by the tax may or may not be justified by the position of the national accounts. Without entering into this controversial discussion—and admittedly many strong arguments can be advanced on either side—it must be recognised that this decision came upon the business community as a thunderbolt. Introduced as a war measure and continued last year as a temporary expedient, this tax was tolerated as a necessary evil, and the community in general looked forward to the probable repeal of the tax this year. To find, then, that not only is there no repeal, but that the rate has been raised to 60%, was decidedly an unpleasant shock. But, in particular, the rubber industry has good grounds for complaint; for here the tax does not discriminate mainly between those companies which are and those which are not earning what might be justly described as abnormal profits owing to war conditions. What it really does is to favour the old-established producers at the expense of the younger companies. It ignores the pregnant fact that investors in rubber companies have to wait six years before they can receive any material return upon their capital; that the subsequent large dividends really contain an allowance for this compulsory period of sterility. Consequently a company which was in full maturity before the outbreak of the War escapes comparatively lightly, whilst the young estate which has attained maturity in the interval is mulcted heavily through this tax. What is really happening is that rubber companies which, through no merit of their own, came into bearing just before the War, pay on what may be accurately described as excess profits; but the younger companies which, through no fault of their own, were floated later, and consequently did not reap good crops until after war had broken out, are now paying excess profits duty upon what would be regarded as normal crops for the older producers. Such a situation is manifestly unjust, and the Chancellor ought in equity to take these facts into consideration. It does not pass the wits of man to frame an amendment to this tax which would free rubber companies from being penalised through an accident of birth.

ANNUAL REPORTS ANALYSED.

SELABA (LOWER PERAK).

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	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1916 ...	2,479	2,327	651,023	281	2/5·4	1/2¾	43,190	35,000	28
1917 ...	2,479	2,479	660,409	266	2/3	1/5·34	28,702	22,500	18
1918 ...	2,774	—	530,871	—	1/8	1/4	17,824	12,500	10
1919 ...	2,989	2,479	670,291	270	1/10	1/0¼	33,856	31,750	22*

* But only 17% on the £25,000 added by capitalising reserves.

Price of Shares, 48/9. Market Capitalisation per planted acre, £135.

THE report of this rubber Company for the year ended December 31, 1919, bears the indelible imprint of the removal of the drastic restrictions on tapping that caused such a decline in the output for 1918. Because of this fact a more useful comparison is made between the results for 1917 and 1919. The validity of the contrast is more apparent when it is remembered that in both these years the area in bearing was the same—to wit, 2,479 acres. For the year under review the estimated crop was 660,000 lb., based evidently on the actual yield of the last year of unrestricted tapping, whilst the actual crop harvested exceeded this estimate by 10,291 lb. The average price realised per lb., although slightly better than that of the previous year, was nevertheless 5*d.* less than that secured in 1917. On the other hand, a further reduction in the "all-in" cost to 1*s.* 0½*d.*, as compared with 1*s.* 4*d.* in 1918 and 1*s.* 5.34*d.* in 1917, practically counterbalanced the falling-off in the sale price, with the result that the net profit amounted to £33,856, as against £17,624 in

1918 and £28,702 in 1917. Out of this shareholders received a dividend of 22% for 1919, as compared with 10% in 1918 and 18% in 1917. But the dividend is actually greater, for in March 1920 £25,000 of the reserves were capitalised, and the shares resulting from this operation were distributed amongst the existing shareholders, free of income tax, in the proportion of one share for every five held. On October 7, 1919, an interim dividend of 5% was paid on the then issued capital of £125,000, whilst the final dividend of 17% declared at the general meeting was paid on the £150,000. Thus the actual dividend of £31,750 paid during 1919 represented over 25% on the capital actually paid up; whilst if the bonus shares be included, shareholders received during 1919 an actual dividend of nearly 45½%. In addition to the payment of this final dividend of 17%, a sum of £2,000 was transferred to income-tax reserve account, leaving a balance of £11,302 to be carried forward to the next accounts, as compared with £11,196 in the previous year.

For the current year prospects are no less bright. The estimated output has been increased slightly to 700,000 lb. For the first quarter of the year, as against a calculated crop of 175,000 lb., there has been harvested a crop of 167,189 lb.; but it is advisable to remember that this quarter embraced the short month of February. Of this crop forward contracts have been entered into covering 225,360 lb. at an average net price of 1*s.* 11½*d.* per lb. Moreover, reports indicate the condition of the estates to be very favourable. The clearing of timber on Selaba and Somerset has brought about a decline in pests and disease. Whilst weeding costs are still high, the general tendency of the f.o.b. and "all-in" cost is downward, and that despite the loss involved—amounting to £1,400 for 1919—in the sale of rice below the market price to the coolies on the estates. The average yield per bearing acre, at present 270 lb., is expected to improve; but the Chairman asserted at the general meeting that, although every effort was being made to increase the productivity of the peaty areas to the south of the Government road, the inclusion of such areas would always have the effect of lowering the average yields obtained from their properties. The balance sheet as on December 31, 1919, reveals a strong financial position. To meet liabilities, including the final dividend of 17%, amounting to £49,868, liquid assets are available to the extent of £67,262. Out of a total area of 4,256 acres, 2,989 acres were planted by 1919, the actual acreage planted during the year being 444 acres. Arrangements are being made to plant 250 acres more on Hamiltonia during the current year, thereby raising the planted area of this estate to 760 acres. Hitherto the policy of this Company was to utilise their profits for development purposes. However, in March of the current year the authorised capital of the Company was increased from £125,000 to £250,000. As already mentioned, the issued capital was simultaneously raised from £125,000 to £150,000 by capitalising £25,000 of the reserves. The margin of £100,000 provides the Company with the means of obtaining any further funds required for the future development of the estate. Consequently, there will no longer be the necessity of encroaching on profits for this purpose, since the directors announce that fresh issues of capital, offered in the first instance to existing shareholders, will be made as required. The £1 shares are quoted in the market at 53*s.* 9*d.* Assuming the rate of dividend to remain unchanged at 22%, the yield at this price is only just over 8%. But taking into consideration the fact that in future no deduction need be made from profits in respect of development, it is by no means unlikely that dividends will rise above this level. Moreover, the possibilities of bonuses in the form of the issue of shares at par should not be ignored. From both these points of view the shares of this Company possess at 53*s.* 9*d.* rather attractive investment merits.

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Insurance Notes.

BRITANNIC ASSURANCE COMPANY, LIMITED.

This Company transacts both industrial and life assurance business from headquarters in Birmingham. It was founded in 1866, and until a few years ago it was known as the British Workman's and General Assurance Company. The subscribed capital amounts to £179,992, of which £82,497 is paid up, some of the shares being fully and others partly paid. From the proprietors' point of view the transactions in 1919 were particularly satisfactory, for dividends and bonuses to shareholders were paid to the extent of £24,749, to which the ordinary life section contributed £7,985 and the industrial section £16,764. It will be seen that the total amount of these distributions represents 30% on the paid-up capital. In each of the first two years of the War, 1914 and 1915, the corresponding distribution was 5%; in 1916, 1917, and 1918 it was 10%. There was, therefore, a great advance in this respect in the course of last year.

In both departments the premium income and funds show large increases in 1919. In the ordinary section 16,326 new policies for £1,638,000 (after deduction of reassurances) were issued, the amount being more than double what was reported for 1918. The total ordinary premium income was increased by £55,321 to £382,530, of which expenses of all kinds, including commission, absorbed about 14.8%. The claims in the ordinary branch amounted to £207,342, of which £92,192 represented death claims and £115,150 payments on maturity of contracts. Through the year's operations the ordinary life assurance funds were increased by £199,042 to £2,210,325, and the net interest yield thereon, after deduction of income tax, appears to have been about £4 14*s.* 7*d.* per cent., as compared with about £4 13*s.* 10*d.* per cent. in 1918.

The industrial premium income was increased in 1919 by £175,425 (or by about one-eighth of the corresponding figure in 1918) to £1,475,985. The expense ratio in this section shows a considerable increase, having risen from about 40.9% (in 1918) to about 44.7%. This ratio is higher than that shown in industrial assurance accounts generally, and, after making all allowances for necessarily increased expenses under new and difficult conditions, some amendment in this respect is to be desired. Notwithstanding the advance in industrial agents' remuneration, which is inevitable, some of the leading industrial companies are otherwise reducing the cost of their collections, and it is to be hoped that a similar result will be attained by the

Britannic, for no form of life assurance can be considered satisfactory when the expenses absorb nearly half the premium income. The industrial life fund shows an increase during 1919 of £289,663, after giving effect to the year's operations and adjustments. On December 31 last it amounted to £2,805,077.

The revenue account for 1919 in respect of sinking-fund and capital redemption insurance business shows a premium income of £4,713, and a fund at the close of the year amounting to £58,149.

The annual valuation of the whole of the Company's business on December 31, 1919, shows a surplus of £157,914, out of which £30,000 has been allocated to the staff pension fund, which is increased to £50,000. Of the remaining surplus, the sum of £68,329 is declared as divisible amongst the participating policyholders in the ordinary branch and the shareholders, the balance of £59,585 being carried forward to 1920 as unappropriated.

The balance sheet as at December 31, 1919, shows total assets of £5,453,743, of which over 40% takes the form of British Government securities.

It appears from the annual report for 1919 that the total amount of War claims paid from the commencement of hostilities in both branches up to the close of that year was £239,500. Since the date of its establishment until 1919 the Company has paid £14,170,254 in claims on policies arising through death or survivance.

SCOTTISH WIDOWS' FUND LIFE ASSURANCE SOCIETY.

No finer illustration of the beneficial effects of well and wisely managed life assurance on the mutual principle has been given than is afforded by the study of the history of the Scottish Widows' Fund. It is the largest British institution of the kind in existence, and its funds are larger than those of any British life assurance institution. Its bonus record is one of the best and most consistent in the country. For a period of 40 years prior to the Society's last pre-War valuation (at the close of 1913) the distributions to participating policyholders were at the rate of 34*s.* per cent. per annum in reversionary form, which is a remarkably fine achievement over so prolonged a period. But for losses directly and indirectly due to the Great War the Society would have been able to repeat this record as the result of the quinquennial valuation on December 31, 1918. But these losses amounted to nearly two millions sterling, more than one-half of which was due to depreciation in securities, while about a quarter of the amount represented war claims. Under these circumstances it was decided, as in the case of many other first-class offices, that no general distribution of bonus should be made as the result of the post-War investigation, although it was arranged to make some provision for interim bonuses in the case of claims. The sum of £700,000 was reserved as a special provision for contingencies, after making a conservative valuation of the liabilities on a 3% interest basis, and a balance of £58,728 was carried forward to the now current quinquennium. Thus the finances were strengthened and the profit-earning capacity for the future maintained as far as possible.

The report for 1919 deals with the first year of this period, and it is clear from the record of new business in the twelve months under observation that the Society has lost none of its popularity by reason of its meeting the difficulties of the day in the fashion indicated. New policies were issued in the course of last year for £3,127,793, of which £153,000 was reassured, the net amount retained at the Society's sole risk thus amounting to £2,974,793. This is in excess of the similar record of 1918 by about one million and a quarter, and it is more than double the record of 1917. Only on one occasion during the Society's history of 105 years has the amount of the 1919 new business been surpassed. In this connection it may be pointed out that the proportion of the Society's new business transacted beyond the limits of the United Kingdom in the course of last year did not amount to 1% of the whole amount. This small overseas business appears to have been effected in South Africa.

The total life premium income of the Society was increased in 1919 by £28,062 to £1,496,243, apart from a sum of £111,616 received as consideration for new annuities granted. The expenses of management, inclusive of commission, represented about 12½% of the premium revenue. The corresponding ratio in 1918 was about 10½%, and the increase is less than might have been reasonably anticipated, looking to present conditions affecting the cost of clerical labour, and also to the largely augmented new business. As the margin of premium income reserved for costs and contingencies at the 1918 valuation was about 22½%, it is evident that there has been a substantial profit in 1919 from economy in management. In all other respects affecting the normal working of the business the year's report is satisfactory. Claims by death amounted to £1,256,454, and claims by maturity to £385,115. The amount of the death claims is reported as having been only about 78% of the amount anticipated by the valuation mortality tables employed. An indication of the favourable results obtained by participating policyholders is given in the statement that the payments under claims in respect of participating policies represented on the average £156 for each £100 originally assured, although in many cases bonuses had been previously commuted for cash or applied in reduction of premiums. In 241 cases the sums payable under claims, including bonus additions, were more than double the original amount of the policies.

Through the year's operations the life assurance and annuity funds were increased by £349,854 to £22,490,776, and the average net interest yield during the year, after deduction of income tax, seems to have been about £3 18*s.* 9*d.* per cent., as compared with the valuation assumption that 3% would be earned.



LLOYDS BANK LIMITED.

HEAD OFFICE: 71, LOMBARD STREET, E.C. 3.

CAPITAL SUBSCRIBED	(Dec., 1919)	£58,878,400
CAPITAL PAID UP	do.	9,420,544
RESERVE FUND	do.	9,675,105
DEPOSITS, &c.	do.	325,938,436
ADVANCES, &c.	do.	135,763,591

AFFILIATED BANKS:

THE NATIONAL BANK OF SCOTLAND, LIMITED.
THE LONDON AND RIVER PLATE BANK, LIMITED.

AUXILIARY:

LLOYDS AND NATIONAL PROVINCIAL FOREIGN BANK LIMITED.

BRITISH & ALLIED INVESTMENTS CORPN., LTD.

8 and 4 Lothbury, London, E.C. 2.

DIRECTORS.

The Rt. Hon. the Earl of Harrowby, D.L., J.P., Chairman.
Col. H. F. Bowles, M.P.
Sir George Younger, Bart., M.P.
H. E. Carter (Managing).

The Corporation undertakes the provision of Capital for sound and progressive established British Industries, Foreign and Colonial Municipalities, Transport, Electric Lighting, Harbour, Dock and other Companies.

Industrial Companies.

WILLIAM WHITELEY, LIMITED.

Issued Capital: £900,100, in 450,000 4½ % Cum. Pref. £1 Shares, 450,000 Ord. £1 Shares, and 100 Management Shares. 4% Debentures: £900,000.

Year to Feb. 14	Trading Profit £	Net Profit £	Deb. and Pref. Interest £	Ordinary Div. £	Ordinary Div. %	Reserve and Depreciation £	Carry-forw'd £	Stock-in-Trade £	Surplus Liquid Assets* £
1915	117,635	95,545	56,250	22,500	5	15,000	14,125	262,891	30,140
1916	113,479	91,481	56,250	22,500	5	13,000	12,122	295,174	46,509
1917	124,516	102,823	56,250	27,000	6	17,161	12,345	291,583	72,833
1918	133,325	113,744	56,250	36,000	6	21,000	19,651	345,996	111,514
1919	219,239	191,562	56,250	36,000	8	17,236	92,808†	416,138	232,150†
1920	331,874	299,567	56,250	63,000	14	13,000	210,017†	499,066	357,304†

* Includes stock-in-trade. † Subject to excess profits duty.

On more than one occasion during the present calendar year we have drawn attention in these columns to the great prosperity that has characterised the operations of the London stores for their latest financial year. It is but fitting, then, that, in dealing with the pioneer of this noted development in the structure of industry and commerce, we should have to record not merely great prosperity, but the greatest prosperity that has been experienced during its career as a public company. For a survey of the report of William Whiteley, Limited, the original Universal Provider, shows the year 1919-20 to have been an outstanding landmark in its history. By one of those strange coincidences, more usually identified with the realm of fiction than found in the world of reality, this well-known company presents its shareholders with the best balance-sheet they have ever received on the occasion of their twenty-first annual meeting. According to the report for the year ended February 14, 1920, there has been earned a trading profit of £331,874, as compared with £219,239 for the previous financial year, and with £117,655 for what may be described as the first year of the War. The increase in the net profit is no less satisfactory despite the marked growth in all items of expenditure. The year 1918-19 yielded a net profit of £191,562, or an increase of over 68% on that of 1917-18. For the year under review the net profit amounted to £299,567, representing a further advance of more than 56% on the previous satisfactory record. Out of this profit a sum of £10,000 is allocated to the reserve account, thereby increasing the total to £190,000. An addition of £3,000 raises the amount of the reserve for depreciation of investments to £14,000, representing nearly one-ninth of the actual total of the investments at cost or under, which is, in consequence, reduced to £115,084, whereas the approximate market value of the investments in question is said to be £115,255. A sum of £2,000 is set aside for the Employees' Benevolent Fund, and an extra grant of £5,000, free of income tax, is made to the directors for services rendered during the year under review. After meeting the usual charges in respect of interest on the Debenture stock and the 4½% dividend on the Preference shares, Ordinary shareholders receive the generous dividend of 14%, as compared with 8% in 1918-19 and 5% in 1914-15. The Management shares of £100, which obtained £2,189 in the previous financial year, now secure the gigantic return of £5,108. There is carried forward to the next accounts £210,017, as compared with £92,808 in 1918-1919. But this large sum is subject to excess profits duty, which, in view of the great increase shown by the profits over those of the previous year, is likely to reach a large sum despite the reduction in the rate to 40%. For 1918-19, according to the accounts in hand, the charge for excess profits duty amounted to £38,000.

If the experience of the past be any guidance for the future, the outlook for this great London store for the current year is very encouraging. The financial position disclosed in the balance sheet as on February 14, 1920, is exceptionally strong. The keystone of the position was revealed by the chairman himself at the last general meeting in the statement: "The liquid assets alone in the balance sheet exceed the amount owing to trade and other creditors by over half a million." Even if all conceivable liabilities are taken into account, including the dividends just then declared to the amount of £60,233, the liquid assets still show a surplus of £357,304. Of these assets stock-in-trade amounts to £499,066, as compared with £416,138 in 1919. But the holding of what might appear as an unduly large stock is wholly the outcome of the abnormal conditions of the day, in which it is not found possible to get manufacturers to make deliveries at stated times. "They had to go into the market and buy winter goods in the summer and summer goods in the winter." Such was the admission of the managing director. Yet this large stock was taken into account at a very conservative estimate, and, consequently, represented a far more valuable asset. Moreover, despite these disadvantages accruing from the difficulties in purchasing—and that, though the purchases were on a cash basis in accordance with the well-recognised policy of the firm—the stock had been turned over six times during the year under review. This was the achievement which was in the main responsible for the great increase in the profits. The measure of prosperity was great because throughout the store generally there had been a remarkable rise in the volume of business done. Here, and not in charging high prices, lay the secret of their success, for, according to a lady shareholder, the prices charged "compared very favourably with those of any other firm of the same standing and type in London." And there was every prospect of a continuance of this satisfactory volume of trading during the current year. "I would like to mention," said the Chairman at the general meeting, "that the trade since the close of the financial

year is still showing very marked increases over last year." It was hoped, too, that the early release of Government control over provisions would enable that branch of the business to exhibit a healthier development. Yet another favourable sign is at hand in the conservative nature of the dividend declared during the year under review, although at 14% it represents a considerable increase over that of 1918-19. Whilst a larger dividend could have been declared the directors deliberately preferred instead to build up a strong financial position for the future. Furthermore, it emerges that freehold land and buildings standing in the balance sheet at £1,401,527 are probably worth double that amount in view of the existing situation. With a directorate at the helm that take the long view in industry: that sacrifice a little in the present to benefit a hundredfold in the future: there is every reason for anticipating that the future reports of this Company will continue to disclose still further progress. One other point is worthy of consideration: has not the time arrived for the disappearance of the Management shares? Shares of nominal value of £100 which receive £5,108 in one year in dividends constitute a nucleus for complaint on the part of Ordinary shareholders, no matter how satisfactory may be the dividend allocated to them. We venture to suggest that the conversion of these shares into Ordinary shares could be easily effected on terms satisfactory alike to the owners and to the Ordinary shareholders. We look forward to the disappearance of this anomaly in the near future. In the market the 4% irredeemable Debenture stock is quoted at 62, at which price it gives a return of 6½% approximately. The 4½% Cumulative Preference shares stand at 12*s.*, yielding at this level 7½%. At 28*s.* 3*d.* the yield from the Ordinary shares at the latest rate of dividend is almost 10%; and, bearing in mind the general prospects of the business, they are a sound investment at this price.

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Commercial.

LIVE-STOCK AND THE MEAT CONTROL.

We have before us the report of Messrs. Swift and Company, the well-known meat-packing firm of Chicago for the year 1919. This great Company claim that they have the largest number of names on their share register of any American company, with the exception of four, which include two of the greatest railway systems of the United States. In any case, Messrs. Swift's business is one of the largest of its kind, if not actually the largest anywhere, and their account of the meat trade and the facts relating to the rise in prices during the war period, and to the fall in meat prices since, is as illuminating as information given by those who thoroughly understand a business usually is. The circulars which most of the great foreign banks now publish give us an enormous amount of information of the trades of the various districts in which their several branches are located. A report like that of Swift and Company gives us an enormous amount of information upon the meat trade in different parts of the world, which it would be exceedingly difficult for any newspaper, and practically impossible for a private individual, who was not interested, and interested upon a great scale, in the world's meat trade to collect. Swift's complain that, whereas there was a rise in the price of meat so great that they had to pay 20 dollars per hundred pounds for steers, and that this was succeeded by a fall to 15 dollars per hundred pounds for steers. Now the causes for the rise and fall in prices of meat during the past five years has been almost exclusively due to the action of Government, which has rested upon no economic basis. Some countries from the exigencies of their position were compelled to act with desperate recklessness; other countries like our own thought they were. The result was that, whereas in normal times meat, and indeed all kinds of food and raw materials, are produced in response to an economic demand—that is to say, for the meat asked for equivalents are returned, either in service or produce—during the War this

was not the case. Countries actually invaded and in real danger of being conquered and held for years by an enemy not unnaturally discarded all economic considerations in their endeavour to drive out the invader. We, as said above, copied this course for no apparent reason, and the result has been an extraordinary waste of food and raw materials all over the world, as a result of a great increase in prices. In other words, the high prices reflect the unsatisfactory credits of the purchasers. If we in this country, or any of the countries of Western Europe, were in a position to buy with equivalent values in our hands there would be no need for the present extravagant prices. Recently there were negotiations between the Argentine Government and representatives of our Government, and others of the Allies, with a view to arranging a credit. Assuming that the negotiations come to anything, which is uncertain in view of the temper of the Argentine Congress, it will be stipulated that the Allied Governments shall purchase wheat, maize or other produce within the confines of the Republic. If we were in a position to render equivalent economic services it is evident that no such credit would have been considered.

It has to be remembered of the 1,600 odd millions, which is the estimated population of the globe, something between one-third and one-half only are consumers of meat in any form. The extraordinary rise in the price of meat, and of meat products, was due to the extravagant consumption of the armies in the field. It was in fact brought about, as were the high prices generally, by the ill-advised policy pursued by those Governments which were not called upon to make extravagant and extraordinary sacrifices, but should have confined themselves to assisting those States which had no option but to defend their invaded territories. The result was that meat and meat products were consumed with such reckless extravagance that it became necessary to ration the whole of the civil populations of Europe. In consequence, all classes and all ages were seriously underfed. The European of to-day is suffering from nerves brought on mainly from underfeeding. Those who actually served in the Army are suffering from the effects of exposure and the strain incidental to all wars; but, owing to the ill-advised policy pursued above referred to, those who were never near the firing-line are suffering from the effects of partial starvation. For those who are well past their first youth the effects are transitory, but the effects of partial starvation upon the young in various European populations has been, and will remain, a very serious influence upon the course of European social, and economic, and political events. That these causes will exercise a serious influence on the lives of the young now growing up in different places in Europe there can be very little doubt, but there is no reason to aggravate these influences by further ill-advised Government action. It appears to have been decided to continue the Food Control, and presumably nothing that can be said in the Press will induce Government to abandon it. It is one of the great objections to establishing an unnecessary department as vested interests naturally grow up, which it is exceedingly difficult for subsequent Governments to ignore.

Now it is notorious that the supplies of meat in England at the present time are greater than they were at the period which preceded the outbreak of the recent War. It would appear that an opportunity presents itself for giving our public, and particularly the young, an opportunity of feeding up, and of recovering at least a part of the vitality lost during the period of the recent War owing to the privations, and unnecessary privations, enforced by the Government in pursuit of its policy. To release from cold storage and hand over to the distributing classes a large supply of meat would be the natural business policy which traders and business men would pursue. Not so the Food Control. When the extreme restrictions were taken off, a few months after the Armistice, it was found that the consumption of meat increased by, roughly, 50%. It stopped there, and has remained stationary practically ever since. The Food Control, notwithstanding that the cold-storage facilities were overworked, and that meat ships were waiting to unload in the docks, declined to reduce the price of meat to the consumer by more than one penny in the pound. The result was, as we have said, that there has been practically no increase in consumption. Business methods would have been entirely different; and, of course, they would have had to be, because the business man is forced by the exigencies of his position to pursue business methods or go out of business. Not so a Government, where no individual, or group of individuals, has any particular interest affected either way, or indeed has the power of initiative, even if willing to act with decision in any particular direction. The Food Control, once established, is practically bound down by regulations from which it is very difficult either for any individual connected with the department, or the department taken as a whole, to depart.

The natural business method, which would, of course, be enforced upon any trader, whether an individual or a company, by his banker, would be to dispose of surplus produce. When the trader finds that he has bought supplies out of all proportion to the demand of his customers on the basis of a certain level of prices, he would at once lower those prices, as indeed he would be compelled to do by his banker. A trader is rarely a millionaire, otherwise he would not need to go into trade. Consequently, when he is shipping a large quantity of produce, either meat or anything else, he takes acceptable security to his banker, and obtains a loan upon the goods in transit, to be repaid as soon as the meat is sold. Now if the big interests in Smithfield or elsewhere, having imported large quantities of meat, decided to retain it indefinitely in cold storage, the banker would at once say, When do you propose to sell the meat? A Government, of course, with the immense resources supplied by the taxpayer, can do as it likes, and hold up supplies until some change in authority decides to act differently. It is, however, unnecessarily locking up capital, withholding supplies for the purpose of obtaining prices which only a certain portion of the public are able and willing to pay, and inasmuch as it checks the growth of consumption it is deferring the period of recuperating so imperatively needed by the young after the prolonged period of restriction to which they were so unnecessarily subjected.

British Electric Transformer Company, Limited, has been formed with a capital of £1,000,000, divided into 300,000 7% Cumulative Preference shares of £1 each, 162,500 of which are issued and fully paid, and 700,000 Ordinary shares of £1 each, 152,500 of which are issued and fully paid. The Company now invites subscription for 137,500 7% Cumulative Preference shares and 162,500 7% Ordinary shares.

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Eastern and General Merchants.

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New Issues.

LYSOL, LIMITED.

Lysol, Limited, has been formed with a capital of £150,000, divided into 150,000 Ordinary shares of £1 each, of which 100,000 shares are now offered for subscription at par. The Company has been formed to take over as a going concern the present private Company of Lysol, Limited, of St. Mary-at-Hill, E.C. and Crayford Mills, Warton Road, Stratford, E., and Lysol Works, Raynes Park, S.W., together with the subsidiary Company of Lucille Frères, Limited, of Crayford Mills, Stratford E., including trade marks, goodwill, freehold and leasehold property at Raynes Park and at Stratford. The private Company was incorporated in October 1914, primarily to manufacture the well-known antiseptic and disinfectant Lysol.

COCONUT PLANTATIONS OF PERAK, LIMITED.

The Coconut Plantations of Perak, Limited, has been formed with a capital of £1,500,000, and invites subscriptions for an issue at par of 600,000 shares of £1 each. The Company has been formed to acquire and further develop as coconut-producing properties Strathmashie, Melentang, Teluk Buloh, and Flemington Estates; also to take over a block of suitable land, about 10,000 acres in extent, adjoining or near to Teluk Beloh Estate. All the estates are situated in Lower Perak, Federated Malay States, in the area between the estuaries of the Bernam and Perak Rivers. Strathmashie and Melentang Estates adjoin each other, the former having a frontage of over six miles on the Perak River. Teluk Buloh Estates have a short frontage on the Bernam River, whilst Flemington Estate, aproximately four miles distant, has a frontage on the Teluk Anson-Bagan Datoh Road. The Company has already over 10,000 acres planted; and, in addition, will acquire some 10,000 acres of virgin jungle out of a block of 23,000 acres. Approximately 3,350 acres are in bearing, and by next year very nearly 10 million nuts will be actually produced, equal approximately to some 2,200 tons of copra.

John Brownhill and Company, Limited, has been formed with a capital of £250,000, equally divided into 125,000 7½% Cumulative Participating Preference shares of £1 each and 125,000 Ordinary shares of £1 each. The Company, which has no Debenture stock, invites applications for the whole of the 125,000 7½% Cumulative Participating Preference shares at an issue price of 22*s.* 6*d.* per share. The Preference shares confer the right to a fixed cumulative preferential dividend at the rate of 7½% per annum on the capital for the time being paid up thereon, together with a further 25% of the surplus profits which it shall be determined to distribute after the Ordinary shares of the Company have received a dividend at the rate of 7½%. The Company has been formed to take over the business of manufacturers of cotton and silk fabrics, carried on since 1900 by John Brownhill and Company, Limited.

With a nominal capital of £300,000, the Akim Diamond Fields, Limited, is making an issue of 185,000 shares of £1 each, of which 115,000 are issued fully paid in part payment of the purchase price, and 70,000 shares are offered for public subscription. The Company acquired four long leases, totalling 20 square miles, in the Gold Coast Colony. An official report states that in 17-days' prospecting a total of 620 diamonds were found varying in size from a split pea to a pin's head, and that many were beautiful, perfect crystals. The vendors are the Goldfields of Eastern Akim, Limited. The purchase price is £135,000—£20,000 in cash and £115,000 in shares. Fourteen thousand shares of the present issue are reserved for subscription at par by the King of Eastern Akim and his chiefs and people.

Prah Trading and Development Company, Limited, with a capital of £120,000 divided into 480,000 shares of 5*s.* each, is making an issue of 368,084 shares, of which 240,000 will be issued as fully paid up in part payment of the purchase price, and the remaining 128,084 are now offered at par, in the first instance as rights to the shareholders of the West African Mahogany, Petroleum, and Gold Company, Limited, and, so far as not taken by them, for public subscription. The Company is to acquire a lease of all the timber and other surface rights other than mineral over a concession owned by the vendor company, comprising about 145 square miles in the valley of the Prah River, Gold Coast Colony.

COMPANY MEETING.

CLAYTON AND SHUTTLEWORTH, LIMITED.

Developments in the Industry.—Great Strength of the Company.

The nineteenth annual meeting of shareholders of Clayton and Shuttleworth, Limited, was held at the registered offices at The Stamp End, Lincoln, on April 22, the Managing Director, Mr. P. W. Robson, presiding.

In moving the adoption of the report and balance sheet the Chairman referred to the increase of profit from £62,944 7*s.* 4*d.* for 1918 to £77,715 13*s.* 7*d.* for the past year. The Ordinary dividend would be increased from 7½% to 8%, and as against £29,280 14*s.* 3*d.* brought in there would be an increased carry-forward of £53,496 7*s.* 10*d.* He congratulated the shareholders on the great strength of the Company, by which the directors had been enabled to write off foreign debts and investments amounting to £520,000, this large sum representing over five-eighths of the paid-up capital, without encroaching upon the general reserve fund of £150,000, which remained intact. These foreign debts and investments resulted from the firm's long trading connections, extending over 80 years, in Russia, Austria-Hungary, Rumania, and Bulgaria. He anticipated substantial realisations eventually from these foreign outstandings upon the restoration of these countries to normal prosperity.

Increased Capacity.

The Chairman made the important statement that, while the Company's ability to produce its famous agricultural machinery remained unimpaired, the works had been enlarged to over three times their former capacity by the addition of new boiler works for the manufacture of water-tube boilers, and of a large modern steel foundry, and also by important new works which had been erected to deal respectively with the manufacture of steam motor-wagons, railway rolling-stock, and drop forgings, which the company had been developing successfully for some years past.

The Company had now over 1,000 steam wagons in regular service. Most of the arduous and anxious preliminary work had been accomplished, and if they could go on with freedom from strikes, and if all their workpeople would join with them in securing satisfactory production, as he hoped and believed they would, then they might with confidence look for satisfactory profits in a large line at an early stage.

Formation of an Associated Company.

An associated Company with a capital of £1,000,000, styled "Clayton Wagons, Limited," had been formed to operate these three important departments, and there would be a public issue of £450,000 in 8% Cumulative Participating Preference shares, to provide the necessary working capital. The whole of the purchase price of £550,000 for the properties would be taken by the parent Company in Ordinary shares of the new Company. The prospectus for the new issue will appear on April 26.

The Chairman further explained that, as a result of the general policy adopted in these large new undertakings, the Company would in future occupy a very important position in industrial engineering, in addition to its old-established agricultural engineering business. The works and business of the parent Company were expected to yield satisfactory returns on its capital, while in future there would accrue the additional revenue from dividends on the 550,000 £1 Ordinary shares which would be acquired in the new Company.

He further indicated that the board of both companies would be principally composed of whole-time directors who were experts in their respective departments, and they would be assisted by local directors, who had given promise of their suitability for promotion to the directorate proper as vacancies might occur. He anticipated that a very prosperous future would result from these important developments.

Necessity for Fair Taxation.—Co-operation with Labour.

If production was to be increased and industrial enterprise stimulated, it would be necessary that the authorities responsible for the assessment of taxation should seek to make its incidence as fair as possible. In conclusion, Mr. Robson hoped for the hearty co-operation of labour. He was looking forward to the day when an apprentice in their works would work through to the top by ability and grit, and he hoped some day to have a special director on the board as the workmen's representative to deal with labour matters.

The balance sheet and report, declaring an 8% dividend, less income tax, was adopted.

MEETINGS
OF PUBLIC COMPANIES.

LONDON AND BRAZILIAN BANK, LIMITED.

Satisfactory Financial Results.

THE forty-ninth annual ordinary general meeting of the London and Brazilian Bank was held on April 20 at the offices, 7 Tokenhouse Yard, E.C., Mr. John Beaton (the Chairman) presiding.

The Chairman said: Gentlemen,—Our report and balance sheet show that the result of the business of the Bank for the year ended last January was a net profit of £363,000, being an increase of, say, £56,000 on that of the year before. It is, I consider, a satisfactory result having regard to the difficulties that attended the abnormal movements of the foreign exchanges, as well as their daily fluctuations, especially after the ruling of the low exchange in the United States. Business in Portugal has been greatly interfered with since last October by the diversity of the Governmental decrees respecting trade restrictions, which applied not only to imports but also to the business of the exporters. Then there is a law of January 10 last which imposes delay and loss in sterling remittances against foreign imports, and which, if maintained, must inevitably lessen, if not stop, the export trade of this country to Portugal.

I am very glad, however, at being able to report the continued prosperity of the three countries in South America in which our Bank is established—namely, Brazil, Argentina, and Uruguay. We have now quite a goodly number of competitors in Brazil. There are no fewer than 20 foreign banks established at Rio de Janeiro, and representing 12 nationalities—exactly double the number there were in 1913. The native banks number 22—say, 42 banks in all. It is evident that the country should not lack banking facilities for the financing of its foreign trade, even when much larger than at present.

Progress of Trade of Brazil.

It will interest you to have figures showing the commercial progress of Brazil. The exports and imports last year valued £208,000,000, as against £132,000,000 in 1913, the value of the exports being £130,000,000 and that of the imports £78,000,000; the large balance of £52,000,000 was shown in favour of exports. When I mention that the value of the exports in 1913 (£65,000,000) was just one-half of their value last year, it is easy to realise the great benefit Brazil has derived and is deriving from the higher prices obtained for its products, and, I should also add, from its larger exports and the greater diversity of them. A good report has been received from the State of Sao Paulo concerning the recovery of the coffee plantations from the effect of the great frost of June 1918.

Towards the close of last year a somewhat sensational speculation in the exchange occurred at Rio, being ascribed in the first instance to the action of two of the newly established foreign banks. It culminated about the end of November in the rate being pushed up from 16½ to 18½, and the export trade being brought to a standstill. I refer to the circumstance, as it doubtless influenced the Government to submit to Congress to make permanent the fiscalisation of all banks, native and foreign, under a special decree of the year 1918 which had remained in abeyance. Under this decree the fiscals are to verify, among other matters, whether the foreign banks are operating in accordance with the decree authorising their establishment. The Government is, of course, quite right in seeking to protect the commerce of the country from loss and inconvenience in connection with these exchange speculations, and I wish it all success.

Results of New Capital Issue.

The additional capital of £500,000 which was voted at the general meeting last year and offered *pro rata* to the shareholders was fully subscribed, the premium, amounting to £250,000, being transferred as I set forth at that meeting—namely, £100,000 to the reserve fund and £150,000 to the balance carried forward. It is perhaps desirable that I should read to the meeting the explanation I gave to the one last year of this application of the premium. It was as follows: "As regards the proceeds of the premium of £10 per share, amounting to £250,000, we propose on this occasion to transfer £100,000 thereof to the reserve fund, making it equal in amount to the paid-up capital of the Bank—£1,500,000—and to add the remainder, £150,000, to the balance carried forward, which is, of course, a reserve, our object being to strengthen our cash resources here, having regard to the growing use of cable payments.

In consequence of the Anglo-South American Bank having taken over the British Bank of South America, the arrangement that existed between this Bank and the Anglo-South American Bank has naturally been determined. During the past year our branches in South America were visited by our veteran inspector, Mr. Richardson, for the first time since 1914. The report of his inspection was most satisfactory; he found that the management of the branches was being conducted in strict accordance with the standing orders of the board, and that the risks were well spread and of good class.

Balance-Sheet Items.

If you will now turn to the balance sheet, its total, compared with that of the one last year, is more by £3,823,000—say, 17%; and I would remind you that last year the increase on 1918 was about the same—£3,600,000. On the liabilities side, the paid-up capital at £1,500,000 and the reserve fund of like amount are respectively more by £250,000 and £100,000; the deposits have an increase of £727,000; the bills payable £1,026,000, and the bills for collection £1,285,000, which is equal to 22½%, and is confirmatory of continued trade activity. You will miss the note in last year's balance sheet of contingent liabilities, amounting to £78,818, as endorsers of foreign bills negotiated. These, we are glad to state, have all been paid. On the assets side, cash and cash, &c., *in transitu* at £7,529,000 is £602,000 more; also bills receivable £1,435,000 and discounts, &c., £505,000. In the profit and loss account the gross profit, £813,772, is £141,000 more, and is a record amount. The charges show the large increase of £93,000, the explanation being that over one-half the amount is represented by the higher rates of exchange and, say, £34,000 by increases in salaries and allowances. Payments of dividend and bonus will absorb £270,000 of our available balance, leaving £575,618, which we recommend should be dealt with as stated in our report, namely, £50,000 in reduction of bank premises account, £20,000 for the payment of a bonus to the staff of 10% on their salaries, and £505,618 to the credit of profit and loss new account.

The appropriation in reduction of premises account may seem large, but we have to face a heavy expenditure in the extension of our premises at Rio and Sao Paulo, and most likely at one or two other places, in order to meet an increasing business. It is an imperative outlay, and, I think you will agree with me, a very reassuring one. (Applause.) The sum at which the Bank premises stands in our books is quite disproportionate to their market value; indeed, I am assured that it does not even represent the present value of a certain one of them. Nevertheless it is undesirable for us to have a large amount of capital locked up in premises, and as it is they represent a latent additional reserve.

I now propose: "That the report and accounts of the directors, now read, be received and adopted, and that, in accordance with the recommendation of the directors, a dividend of 14*s.* per share (less income tax), making with the interim dividend of 14*s.* per share paid in October last a dividend for the year at the rate of 14% per annum (less income tax) on the paid-up capital of the Bank, be declared, and also that, in accordance with such recommendation, a bonus of 8*s.* per share, or 4% (less income tax) on the paid-up capital, be declared, such dividend and bonus to be payable on and after Friday, April 23, 1920."

The resolution was carried unanimously.

Votes of thanks were passed to the Chairman and staff, and the proceedings terminated.

THE STATE ASSURANCE COMPANY, LIMITED.

A Record Year.

MR. CHARLES HENRY MORTON, J.P. (Chairman), at the twenty-ninth annual meeting of the Company, held in Liverpool on the 19th inst., said: The premiums, compared with the previous year (1918), showed a gratifying increase of £124,546, bringing the aggregate premium revenue to £580,529. This was a vigorous step in the right direction, and was justified by results. The claims paid and outstanding amounted to £287,411, or 48.67% of the premiums. After charging the items of losses, commissions, and management expenses against revenue, there was a balance of £90,601, the largest

they had ever been able to report. This balance was subject to deduction of a sum calculated at 40% of the increased revenue, to provide for the unexpired liability thereon, so that there was left a net underwriting profit of £40,783. Interest, dividends, and rents amounted to £16,523. Adding to these £30 transfer fees and the balance of £38,293 brought forward there was a total of £95,600. On the other side of the account, £13,606 was charged for the shareholders' dividend, £2,250 for directors' fees, £10,936 for income tax, £574 had been written off the value of the Company's property and furniture, and, after providing £10,000 as the nucleus of a staff superannuation fund and carrying £30,000 to the general reserve (making it £100.000), there was a balance of £28,263 carried forward.

With regard to the progress of the Company during the past five years, the premium income had increased from £287,318 in 1914 to £590,529 in 1919. In other words, the turnover since 1914 had more than doubled. The reserve for unexpired liability had been increased from 33⅓% to 40% of the premiums. The aggregate reserves, apart from capital, had increased from £183,712 to £424,474, and have been further strengthened by the premium of £150,000 received on the new shares allotted since the close of the year. Thus, approximately speaking, they had in hand, apart from capital, a sum equivalent to the total annual revenue of the Company. During each of the intervening years the trading surpluses had shown continuous increases ranging from £29,464 in 1915 to £90,601 during 1919, each year's surplus in its turn being the largest the Company had shown. The shareholders' dividend had been increased from 12½% to 30%.

The issue of new capital, although not embraced in the actual period under review, would help in this and similar directions. The 30,000 unissued shares were offered to the shareholders in strict relation to their holdings respectively registered on January 7, 1920, at the uniform price of £6 each, of which £1 per share had been placed to capital, thereby increasing the paid-up capital from £70,000 to £100,000, and the balance of £5 per share, amounting to £150,000, had been carried to general reserve.

They were all sensible of the help forthcoming from the members of the boards at home and abroad, and for the services rendered by the United States trustees, and he wished to offer those gentlemen an expression of thanks. During the year the London board had been strengthened by the acquisition of the Right Hon. Lord Vaux of Harrowden and of Mr. P. C. C. Francis.

Mr. Morton then formally moved that the report and accounts as presented be adopted, and that a dividend of 17½%, subject to deduction of income tax, be declared on the paid-up capital of the Company as on December 31, 1919, making with the interim dividend paid October 1 last a dividend at the rate of 30% for the year 1919, and that a dividend be declared on the additional paid-up capital of £30.000 at the rate of 17½%, subject to tax.

Mr. C. W. Carver seconded the resolution, which was carried unanimously, and the meeting terminated with the transaction of the formal business.

UNITED KINGDOM TEMPERANCE AND GENERAL PROVIDENT INSTITUTION.

Continued Prosperity and Strength.—Tribute to the late Sir Thomas Whittaker.

THE annual meeting of the members was held on April 21, the Right Honourable Walter Runciman (Chairman) presiding.

Mr. H. W. Hasler (Secretary) read the notice convening the meeting.

The Chairman, in moving the adoption of the report, said: "Last year the annual report of this Institution was presented to you by Sir Thomas Whittaker, who for 17 years had been its Chairman, and for 23 years its managing director. During this period he had seen the total funds doubled, and the strength and prestige of the Institution under his fostering care had placed it in the front rank of mutual life assurance offices. His services cannot be too highly extolled. For many years he had devoted more and more of his time to public work, as an important private Member of Parliament, as Chairman of many Select and Departmental Committees, and of more than one Royal Commission. His opinions on taxation and social questions were sought by Ministers of the Crown of all parties, and his standing in the House of Commons and in the country enhanced the reputation of the Institution over which he presided. He appeared to be in enjoyment of his full vigour when, without warning, he died suddenly and peacefully in November of last year. His colleagues on the board mourn the death of their late Chairman, whom they admired for his shrewdness and for his upright and forceful character, and loved for his loyalty to friendship and to principle. May I ask this meeting by silent tribute to him to authorise me to convey our members' sympathy to Lady Whittaker and his family?

New Business.

The new business amounted in 1919 to £2,156,369, after deducting reassurances exceeding the total of 1918 by £1,154,000, and of 1913, the last pre-war year, by £730,000. This satisfactory volume of new business was obtained without extensive advertising and without resort to the issue of War Bond or Victory Bond policies, which, in accord with the attitude previously adopted by them, the directors regarded as undesirable business, and, indeed, a form of inflation of credit.

Rate of Interest Earned.

The gross rate earned on the Insurance Fund, excluding reversions, was £4 16*s*. 6*d*. per cent. before deduction of income tax. Owing to our change of practice in making the interest on policy loans payable in arrear instead of in advance, a substantial amount of interest income amounting to about £6,500 was not brought into the accounts for 1919. But for this postponement of income, the gross rate earned last year would have been £4 17*s*. 9*d*. per cent. instead of £4 16*s*. 6*d*. per cent. This calculation is, of course, affected by the fact that our investments stand at the values ruling at the date of our last quinquennial valuation at the end of 1915. Offices which write down their book values annually on a falling market appear to show a greater increase of yield. It is our practice to deal with the problem of depreciation once only in the quinquennium. When we come to our usual quinquennial valuation of assets and liabilities at the end of 1920 the rate of interest earned should show a considerable increase.

Since August 1914 £1,650,000 American, Canadian, and foreign securities have been sold, at an apparent loss of only £1,900 on book values; but the yield before sale was £5 2*s*. 9*d*. per cent., whereas reinvestment of this sum, chiefly in War Loan, gives a present gross yield of £5 7*s*. 9*d*., an approximate gain of nearly £4,000 per annum.

Working Expenses.

The working expenses of the year represented 13.84% of the premium income, or 2.55% more than the corresponding figure for 1918. The increase is, in the first place, largely due to the abnormal amount of new business transacted in 1919. Thus the item of commission shows an increase of £14,600 in consequence of the increased new business, and medical fees have also increased considerably. A substantial portion of the first year's premium on new assurances—ranging, in the case of the commission-paying British offices, from 60% to as much as 90% of the annual premium—is absorbed by the heavy initial expenses of securing the business. Consequently the immediate effect of a sudden and abnormal increase in new business is to raise the expense ratio. The full advantage of new business is, of course, realised later on, after the heavy initial expense has been met. I may, however, observe that the percentage of new and renewal premiums absorbed by working expenses on the assumption frequently made that new business costs ten times as much as existing business to conduct was less in 1919 than in the previous year.

Stronger Membership.

Two striking facts indicate the stronger financial condition of our policy holders. The first is that the total amount paid away in surrenders of policies in 1919 was only £24,186. In 1918 the amount was over £40,000, and it is necessary to go back 30 years to find a sum paid in surrenders as low as the 1919 figure. This is the more remarkable when one remembers that it is £24,186 at a time when we have in force 72,000 policies assuring £27,000,000; whereas 30 years ago the surrenders were about £23,000 amongst 44,000 policies assuring only £11,600,000.

The second fact is the fall in the total figure of loans on policies, which for years was never below £1,000,000, and in 1914 stood at £1,065,000. At the end of 1919 it had dropped to £818,709.

Low Death Claims.

The mortality during the year has again been favourable, and it is satisfactory to note that the death claims, excluding war casualties, are only 70.5% of the amount expected, notwithstanding the serious influenza epidemic which occurred in the early part of the year. Endowment assurances maturing for £232,000 make the total claims for the year £684,000. Partly owing to the comparatively light claims of the year, our funds show an increase of £437,000 during 1919. They now amount, for the first time in the history of the Institution, to over £11,000,000.

The Financial Position.

With your permission I shall now offer some observations on the general financial position, which confronts not only this but all life assurance offices.

We are all in greater or less degree deeply involved in British Government stocks, and we responded as far as we could to the appeals made by the Chancellors of the Exchequer to support State loans during the War. This Institution did its duty so fully that by the end of 1919 the amount of its money thus invested in Government securities was £3,355,962, representing just under 30% of our total funds. This is a larger proportion in one form of investment than would have been dictated by the rules of simple, sound finance, but the directors obeyed a patriotic obligation of which the policyholders no doubt approved. That the security is immaculate, and default or repudiation is impossible, goes without saying, so that the interest income from this investment is unlikely to suffer any decline. A

fall in capital value, however, is bound to affect the quinquennial valuations on which bonus distributions are based. A drop in market value of these Government stocks is not the concern of wealthy capitalists alone. In this institution there are over 70,000 policyholders all affected by the rise or fall in the securities held on their behalf, and they are keenly interested in the £3,355,962 lent to the British Government. They are justified in expecting the Exchequer to realise that, in responding to the appeals made on grounds of patriotism, the lenders count on a full recognition of the responsibilities of Ministers to mantain the capital value of the official stocks which they issued, as well as provide the interest in full. During the past six months there has been a heavier fall in our Government stocks than in any other Stock Exchange investments held by the Institution.

Mr. Runciman on Government Borrowing.

We do not ask for any special treatment for life offices as holders of Government stocks, although they are, next to the banks, the largest holders. And, for my own part, I would look with suspicion on any clever dodges for maintaining the market values of these securities artificially. The simple, sévere, and salutary course will have to be followed, sooner or later, if values are not to slide lower and lower. Redemption must take the place of issuing. As long as the Government continues to borrow for current expenditure, and commercial establishments have to unload their Government stocks in order to resume normal business, so long will the decline continue. Borrowing for current expenditure must be brought to an end. The Government must live within the limits of its tax revenue, and it must set free funds for the redemption of debt forthwith, if it is to act up to the responsibility which it owes to the patriotic lenders to the State from 1914 to 1920. These are hard sayings, and the task is arduous, but is a duty to those who, like our policyholders, whether collectively or individually, in lending their money to the State expected the State to keep their capital intact. The sound solution is to be found not so much in an increase of taxation as in a decrease of non-essential national expenditure.

This is not the only direction in which the obligations and frugality or improvidence of the State affect our members. The income tax is now a heavy burden on life offices, and is unlikely to become lighter. In 1913 this Institution paid £19,133 for income tax; for 1919 the sum paid was £117,293.

Inadequate Policies.

Our own policyholders would do well to consider whether the amounts of their existing life assurances are still adequate. The depreciation in the real value of the sovereign, the increased cost of living, and the rise and extension of death duties all in their way affect the insufficiency of old policies to provide for the future. I venture to advise our members to revise the amounts of their existing life policies, and to bring them at an early date into closer conformity with altered values and the new conditions of the present time. The main principles on which the Institution has been conducted have been justified by its growth and solidity, and, judged by every canon of sound life assurance, of prudent finance, and of economical and skilful administration, it continues to claim the confidence of both its temperance and its general members.

The resolution was seconded by the Rt. Hon. Lord Clwyd and carried unanimously.

KIMBERLEY WATERWORKS COMPANY, LIMITED.

THE fortieth annual general meeting of this Company was held on April 21 at Cannon Street Hotel, E.C.

Mr. James Jackson (the Chairman of the Company), who presided, said, in moving the adoption of the report and accounts: The year's working is a good one. The consumption of water was 30% greater than that of the second best year, which was 1913. During the year a severe drought prevailed throughout South Africa. Stocks of water in the dams and mines became wholly exhausted, and the mining industry became entirely dependent on us to carry on their work. Nearly half of our consumption was taken by the mines, and this at a low price. Our profit is, consequently, not commensurate with the increased volume of consumption. Our accounts, notwithstanding this, made quite a good showing.

The receipts on the sale of water and other sources, £66,000, are £16,700 better than last year's. Unfortunately, there is a foil to this amount, for our expenses have gone up by £11,700, the largest increase I can remember in these items in any year. Out of this £11,700, £4,000 is accounted for by the increased cost of coal for pumping the larger quantities of water. Another £4,000 has gone in increased remuneration to our staff, and £2,000 was represented by higher income tax, part of which applies to the previous year.

The concession under which we supply water to Kimberley expires on May 5, 1926. When that day arrives there are several alternatives open to the municipality. They may either acquire our whole works and business by compulsory purchase, either at a fixed figure of £250,000, plus the cost of additions to plant, &c., since the beginning of the present concession in 1905, or they may acquire it compulsorily at a price to be fixed by arbitration. There is a third course they may follow, which is to erect their own works. If they do this they are precluded from selling a single gallon of water until after May 20, 1926. Further, a move in this direction is rather complicated by the fact that our Company holds the Beaconsfield concession, which expires in 1937, and it would not suit the municipality to have their operations curtailed in the Beaconsfield area.

We received recently a communication from the Town Council of Kimberley, asking us to name a price for the expropriation of the undertaking. Considering the uncertain outlook generally, we replied by naming a price which we would recommend the shareholders to accept, or at any rate to consider. If any communication comes from the Town Council the shareholders will be at once called together to see whether the proposal can be accepted.

The resolution was unanimously adopted.

Votes of thanks having been passed to the Chairman, directors and staff, the proceedings terminated.

MAYPOLE DAIRY COMPANY, LIMITED.

Necessity for Free Competition.—Future of Prices.

THE twenty-second annual general meeting of the ordinary shareholders of the Maypole Dairy Company, Limited, was held at Winchester House, Old Broad Street, E.C., on April 21, Sir W. George Watson, Bart. (Chairman of the Company), presiding.

The Secretary (Mr. W. J. Latty) read the notice convening the meeting, and the report of the auditors (Messrs. Whinney, Smith and Whinney) was read by Mr. C. J. G. Palmour.

The Chairman said: Ladies and Gentlemen,—With your permission we will adopt our usual plan and take the report and balance sheet as read.

We have had rising markets during the latter half of the past year, but within the last two months, owing largely to the improvement in the British exchange, the cost to us of the raw materials we use in our factories has fallen in the producing countries. We shall hope soon to be using these cheaper goods and so be enabled to reduce our prices to the public. I am now very hopeful that provided competitive trading is allowed we shall see lower prices for some food products during the current year, possibly before the European crops are gathered. With more plentiful supplies competition will be more severely felt. This will be to the advantage of everybody, more especially to the consuming portion of the community. Without competition it is difficult to prevent extravagance, and business is apt to become both unprogressive and uninteresting. I am hopeful that the Government will soon see the wisdom of withdrawing the control from butter and allow free imports and free trading in that important food. We shall then be able to supply consumers with their full requirements of butter at lower prices and with better quality. Government control of perishable articles prevents consumers getting the goods promptly, and the delay causes deterioration in quality in perishable articles like butter, bacon, meat, etc. When goods are in sufficient supply I consider the consumers' interests are best served by free competition. It is only during a war period of scarcity that Government control and rationing is necessary to ensure that everyone gets a share of the available supplies, and to prevent manufacturers and distributors exploiting the necessities of the consumer. Control prices must necessarily be fixed high enough to prevent loss to the most uneconomical manufacturers and distributors, and to cover the cost of the control. In consequence of this the prices paid by the consumer are increased, and the profits of most manufacturers and distributors are necessarily enhanced during a period of control. When free import and trading in butter is allowed Maypole will again import high-class Danish buyer from their own buying stations in Denmark. Latterly, large quantities of Maypole's Danish butter have gone direct to America. This is one of the causes of the shortage of butter in the United Kingdom. In pre-War days Denmark was the largest supplier of butter to the British market, and I therefore hope that Maypole may soon be allowed to supply it again direct to their stores in England.

Co-Partnership and Profit-sharing with Employees.

I am pleased to be able to report that our employees now hold over 670,000 Maypole Trust shares, and we hope to be able to continue to keep them interested in the shares of the Company, and so stimulate their personal interest in the success of our companies. I do not believe in flat rates of pay, which ignore ability or productive output, nor do I believe in flat prices for food, which ignore quality and prevent healthy competition.

Turnover.

The value of the sales made by our British Companies during the year exceeded £51,000,000. The net profit shown on our balance sheet represents less than 5½% on these sales, and is considerably less than ½d. per lb. on the weight of the goods manufactured and sold. We do not fear competition whilst we are in a position to give better value than those of our competitors who do not possess our unique manufacturing and distributing facilities, and so long as we can maintain this large turnover and low rate of profit on sales. In spite of the great increase in the cost of raw materials we have

not increased the price of best Maypole Margarine to the consumer above 1*s.* 1*d.* per lb. Our old customers flocked back to Maypole stores immediately the control of margarine was lifted, in order to again obtain the "Maypole" value and quality. The advance in the cost of our raw materials was largely caused by the difficulties with the exchange in the producing countries. Most European countries are still suffering from high prices in a much greater degree than the United Kingdom, owing to the continuance of exchange difficulties in those countries.

I will now move: "That the report and balance sheet for the financial year ended December 27, 1919, as certified by the auditors, Messrs. Whinney, Smith and Whinney, be and is hereby confirmed and adopted, and that a final dividend for last year of 1*s.* 3*d.* per share (less income tax) be declared and paid on the Deferred Ordinary shares as issued on December 27, 1919, such dividend to be paid to shareholders on or before May 8 next."

I will ask Mr. Burton kindly to second that proposition, but before I put it to the meeting I shall be pleased to answer any questions that any shareholders may think well to ask.

Mr. J. W. Burton seconded the resolution.

Suggestion for Wider Activities.

Col. Hans Hamilton said they could congratulate themselves on the fact that they had a very large number of distributing agencies, or shops, and he understood that the policy of the directors in the past had been to sell only butter, margarine, and tea. It seemed to him that with those very valuable distributing agencies they ought to sell other things. (Hear, hear.) It would be satisfactory to the shareholders to know whether there was any possibility of the Company enlarging its sphere of distribution by selling well-known articles which are in public demand quite as much as butter and tea. It had been stated in some of the newspapers that there was some amalgamation or some important distribution in contemplation, of which the shareholders had never heard. If there was any secret of that kind, and it was in the shareholders' interests to be told of it, he was sure the Chairman would give them the necessary information. (Laughter and applause.)

The Chairman, in reply, said he understood the last speaker to suggest that the Company should distribute other articles besides their three specialities. His experience in business was that if they did a thing they should be thorough masters of it and do it better than anyone else, instead of endeavouring to copy other people or to go into trades which they did not understand so thoroughly as the particular one to which they had given their whole life and thought, and the success of this Company had rather justified the wisdom of that policy. His idea of business was to adopt a good deal of the system which had been so very successfully carried out by Mr. Henry Ford of motor-car fame. His aim was to be the manufacturer of margarine of the best value and quality. With regard to the question of amalgamation, the directors had received propositions from many of their competitors, but up to the present they had always turned them down, and as they thought they understood their business better than their competitors they would probably continue to do so. Still, he did not want to bind himself with regard to the future, but he did not see any advantage in amalgamating with any existing firm from the Maypole Dairy point of view.

Mr. Digby remarked that two or three years ago the Company received about £1,000,000 from a Danish company. He would like to know whether their Company still had that money, or whether it was engulfed in the general accounts. He also wished to ask whether they still held the £500,000 of War Loan which they possessed a year or two ago, as he did not see it in the accounts.

The Chairman stated that they still had the capital profit which they had realised on the shares in the Danish company. Shareholders would notice in the balance sheet an item "Suspense reserve fund (capital profit on shares realised), £783,764." With regard to the War Loan, they had had to sell their holding in order to provide capital for the carrying on of their growing business. They were unable to make any issue of capital during the War, but quite recently they made an issue, and they now hoped to have sufficient money to carry on the business.

Mr. Whitton, speaking as a small shareholder, congratulated the directors on the splendid report which they had presented, and said he was very pleased with one remark in the Chairman's speech, namely, that they did not anticipate having to raise the prices of their commodities, but that, on the other hand, they might be able to reduce them.

Amalgamation.

Mr. Burton said that, with regard to the question of amalgamation, it occurred to him that there might be some advantage in such a course in view of the possibility of a difficulty in obtaining an adequate supply of raw materials. For instance, some of them were a little doubtful as to whether copra would be so easily obtainable as it used to be.

The Chairman, in reply, said that the only amalgamation which would tempt him would be something that would secure the necessary raw materials, but to a great extent they were already secured. It might not be within the knowledge of all the shareholders, but during the last four or five years the Company had established a business in West Africa, from which they obtained last year between 25,000 and 30,000 tons of ground nuts. Of course, in amalgamating with another business one generally had to pay a good sum for goodwill, whereas the success of their own Company had been built up owing to the fact that they had not bought existing businesses at big prices, but had developed their trade, and thus created their own goodwill. They had opened up stations in different parts of Europe and Africa. The policy they had adopted was to pick out men of special ability to go to distant places, and the directors were quite sure that they would conduct the business successfully. When he had turned down amalgamation proposals he had always had it in his mind that some day or other they might consider amalgamation if it promised them a larger supply of raw materials than they had at present under their own immediate control. (Applause.)

The resolution was carried unanimously.

The retiring directors, Mr. G. F. Jackson, Mr. J. A. Watson, and Mr. P. O. Watson, were unanimously re-elected, and Mr. J. B. Wakefield was elected to a seat on the board as a managing director.

Messrs. Whinney, Smith and Whinney were reappointed auditors.

Tribute to Directors.

Mr. Palmour thanked the shareholders on behalf of his firm for their re-election, and said he would like to congratulate the Company and the board on the election of Mr. Wakefield as a director. He had known that gentleman for some years, and he hoped that now he had joined the board he was not going to give up his duties on the accountancy side of the business, because if he did it would be necessary for the auditors to ask for a higher fee. (Laughter.) He wished also to congratulate the shareholders upon the enormous success of the Company during the past year. He candidly confessed that twelve months ago, when he did the audit, he was somewhat sceptical, because the Company had received such a terrible hammering from the Ministry of Food, as to whether they would get their trade back again. However, they had done so to a large extent, and he considered that indicated very great efficiency on the part of the directors. (Hear, hear.)

Cordial votes of thanks were then passed to the Managing Directors and the staff, also to the Chairman and the other directors, and the proceedings terminated.

UNITED ALKALI COMPANY, LIMITED.

Difficulties of the Transition Period.—Cordial Relations with Workers.

The adjourned twenty-seventh and twenty-eighth ordinary general meetings of shareholders in the United Alkali Company, Limited, and also the twenty-ninth ordinary general meeting were held at Liverpool on April 21, Mr. Max Muspratt, the Chairman, presiding.

At the ordinary general meetings held in 1918 and 1919 completed accounts for the years 1917 and 1918 could not be submitted pending the settlement of matters outstanding with the Government, and hence both meetings had been adjourned until April 21. Completed accounts of the two years in question was now submitted, but in respect of the operations for the year 1919 the directors reported that they had not yet been able to submit a statement. For the two years ending December 31, 1918, the credit at profit and loss account, including amount brought forward from 1916, was £759,141 14*s.* 8*d.*, which had been dealt with by way of paying dividends and transferring sums to reserve, leaving an amount of £88,282 15*s.* 10*d.* to be brought forward to 1919.

The Adjourned 27th and 28th Annual Meetings.

The adjourned twenty-seventh and twenty-eighth annual meetings were first held.

The Chairman, in moving the adoption of the report and accounts, regretted it was not possible to incorporate the corresponding figures for 1919, which would have been desirable, as, under existing conditions of taxation, the accounts of an individual year could easily be misleading. He proceeded: Three of the very many reasons for this are the following, firstly, income tax payable in one year is charged on the average of the three previous years; this, with the present high income tax, means that for every £100,000 difference in profit from the average, there is a divergence of £30,000 in the accounts for the single year. Secondly, excess profits duty is chargeable against the year in which it is made, but it may happen that through unavoidable delay in the agreement of what is in cases like ours a complicated account, the recovery of income tax on the amount paid as excess profits duty comes to the credit in a different year. Thirdly, capital expenditure may have been undertaken under agreement with the Ministry of Munitions which may be written off in whole or in part out of excess profits, but it may be a year or two, or even three, before the work is completed and the amount certified and credited in the accounts. These are really matters of bookkeeping, and average out in the end, but it makes the figures for one year singularly misleading.



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Inland Revenue Disputes.

A more serious matter is the attempt of the Inland Revenue Authorities to dispute our claims for deferred repairs. These are most moderate in view of the serious delay in repairs which the War prevented being done in our works, but the aggregate amount is very large. Here, however, we have statutory rights which we intend to press to the utmost. Another claim of the Inland Revenue is that we should write up our minimum working stocks, which are mainly base stocks which are never realised except when a works is finally closed, in order that they may take excess profits duty on the fictitious profits so created. Here the statutory position is not so clear, as, in spite of the very sympathetic assurance of Mr. Bonar Law when Chancellor of the Exchequer, the regulations of the White Paper lay down almost impossible conditions for relief from this indirect capital levy. Almost every industry is affected on this question, and we are combining with others interested, especially the Federation of British Industries, to resist this impost. In the figures before you we think we have made sufficient allowance for these and other contingencies. I wish to put on record the warmest appreciation of the services of Mr. Hewetson Nelson in all matters connected with income tax and excess profits duty.

The Accounts.

A detailed comparison of the figures before you with those of 1916 is not of great value, but I will deal with some of the larger items. The gross profit for the two years is about £100,000 over the 1916 figures doubled, or an average of £50,000 per annum better. Taxation, which totals £566,622, is £276,000 less than the 1916 figure doubled, but that figure included excess profits duty for two previous years, and the comparison is not of much value. As will be readily understood, practically every other item on the debit side of the profit and loss account is higher, except Debenture interest, which is progressively reduced as Debentures are redeemed.

Balance Sheet Items.

Turning to the balance sheet, the principal increase in liabilities is in debts owing by the Company, which, with cash due to bankers, amounts to £634,000 more than at the end of 1916. This increase is due largely to the great increase of prices of all articles we had to buy, and the very high value of some of the raw materials required for war purposes; it also includes accrued taxes which had not been fully paid pending final agreement as to amounts. On the property and assets side, after adjustment of writings off, there is an increase of some £400,000. Stocks show a decrease of £71,000, but debts owing to us an increase of £630,000, due to the same causes as explained in respect of the increase in the debts owing by us. Investments show an increase of £85,000, but in place of the cash balance at the end of 1916 of £99,000 there is an item cash due to bankers already referred to. I shall be pleased to answer any questions after the resolution has been seconded, and now submit the figures for your adoption, with the belief that apart from a certain stringency in working capital they demonstrate that the Company is in a satisfactory financial position.

Sir Edward Brotherton seconded the adoption of the report and accounts, and there being no questions the motion was unanimously adopted.

29TH ANNUAL MEETING.

High Costs of Production.

The twenty-ninth annual meeting was then proceeded with.

In proposing the adoption of the report for 1919 the Chairman said: The situation developed much as foreshadowed in my annual address. The transference of our operations from a war basis to a peace basis has taken, however, much longer than we anticipated, and it will be well on in this year before we shall be completely on our new processes in the most up-to-date plants, while our enormous programme of deferred repairs can scarcely be completed for some time yet. It will be readily understood that we are at present manufacturing under adverse conditions, and our costs are extremely high. This is accentuated by the excessive cost, poor quality, and uncertain supplies of fuel and other raw materials. Whilst it is true that our competitors are at the moment equally affected by these conditions, from a national point of view one cannot fail to be alarmed at the universal high cost of production of all commodities, as of course the manufacturing supremacy of England depends on her power to produce more cheaply than other countries. Unless we can maintain this position the country will undoubtedly fall behind in the race for world trade. We are hopeful, however, that with improved working in our own and allied industries it will not be long before we can reduce our costs. We shall then be only too pleased to make our contribution to reducing the cost of living in so far as we can influence the question.

The Labour Position.

Our relations with our own workmen continue cordial. The reaction after the strain of war produced a lassitude that seemed to permeate all the works, and even after our returned solders (every one of whom we took on again) came back to work matters did not improve, probably as a result of the exhausting trials they had gone through, until the year had considerably advanced. Then a steady improvement was shown, and though the present idea of a reasonable day's work militates strongly against the increased production so essential for the rehabilitation of the world, we realise the necessity of patience, and have confidence in the ultimate common sense of our men, whom we look upon as partners and try to treat as such. We have had no strikes except a very few purely local and temporary ones, but we have been seriously affected by the national strikes, notably those of the Yorkshire miners in August, the railwaymen in September, and the six months' strike of the moulders. Both in production and reconstruction we have not yet overtaken the arrears created by these strikes. The general outlook for the present year is good, apart from the artificial basis of high prices on which it rests, and we shall spare no effort to maintain the Company in the forefront of the chemical industry. The necessity of high prices will be readily understood when I give you the following figures for two items in manufacturing cost. Labour, which cost £750,000 per anunm before the War, cost last year over £1,750,000, and fuel, of which we use some 800,000 tons, costs 27*s.* per ton, against 11*s.* in 1915. Supplies are frequently inadequate, causing temporary stoppage and loss of output, whilst the quality of so-called "slack" is at present so bad that to keep some of our processes running at all lump coal has to be purchased. Similar factors influence the cost of every other raw material we use and every service we require.

As in previous years we have had the most cordial support of a loyal and efficient staff, to which has been added a considerable number of demobilised officers of high qualifications, and to all I wish to tender grateful thanks for their services during the year. The question of salaries has been a difficult one, and we have given three substantial all-round rises, the third in the last few weeks. We believe that these increases will give substantial satisfaction, unless there be further increase in the cost of living. A scientific industry such as ours cannot be indifferent to the educational needs of the district, and in connection with the appeal for funds by the University of Liverpool we have decided to make a donation of £10,000, spread over five years, a decision which we feel sure will have the cordial support of the shareholders. In the course of the year, and in accordance with a policy of concentration, we have closed and dismantled the Gerards Bridge Works at St. Helens and the Muspratt Works at Flint; the latter we have sold to Messrs. Courtaulds, Limited, on not unfavourable terms. Concluding, the Chairman referred to the vigilant attention given by the Board to the world-wide ramifications of the business. During the War it was practically impossible to visit personally the foreign markets or the Company's overseas properties, but during the last twelve months visits had been paid to the Near and Far East, to Spain, Tunis, and the United States, and other journeys of the kind were proposed for the immediate future.

Dr. Clayton on Progress.

Dr. G. C. Clayton, C.B.E. (director), in seconding, said the task of reorganisation had made considerable progress, but there was still a large amount to be done before the present programme was completed. With a live company like the United Alkali reorganisation and development were never ending. The last word to-day was the starting point to-morrow, and they were therefore always open to consider possible improvements, whether brought to their notice by staff, workpeople, or from outside.

The motion was carried unanimously, and dividends were declared of 7% on the Preference, and 3*s.* per share on the Ordinary shares.

Dr. G. C. Clayton, C.B.E., Mr. R. H. Davidson, Col. James B. Gaskell, and Mr. J. Howard Temple, O.B.E., were re-elected directors, and the auditors were also re-appointed.

It was resolved to adjourn the meeting to a subsequent date for the reception of the balance sheet for the year 1919, and the proceedings closed with a cordial vote of thanks passed to the Chairman.

THARSIS SULPHUR AND COPPER COMPANY, LTD.

THE annual ordinary general meeting of this Company was held on April 21 in the Company's offices, 136 West George Street, Glasgow. The Right Hon. Lord Glenconner, Chairman of the Board, who presided, said, in moving the adoption of the report and accounts: Last year was generally unfavourable to us, due largely to the reduced demand for ores from our mines. Considerable quantities of pyrites had been accumulated as war stocks in this and other countries. We had some share in building up these stocks, and we had anticipated that when the War came to an end a period would elapse while these stocks went into consumption, during which our exports would be curtailed. Our markets are world-wide, and we must expect some time to pass before we can return to our full activity again; nevertheless, in the certainty that as the world settles down there will be an increasing demand for our ores, your board continues their policy previously outlined to you of developing the great resources which we have in Spain.

The opening up of the Sierra Bullones lode at Tharsis

has been continued, and we are breaking an appreciable quantity of ore from this open cast this year, and the quantities available thereafter will be on a progressive scale. At the North Lode, Tharsis, we have also continued active development, and a quantity of ore becomes available this year, while next year and in successive years these quantities will greatly increase. This ore contains appreciably more copper than that which we have been mining for some time. I may add that the overburden from this scheme has been generally of a favourable nature, and this is reflected in the cost of removal.

At our Calanas mine we have continued the development by removal of overburden from the south extension scheme, and also by underground workings in the opencast workings. We have large reserves of ore ready for breaking, due to the fact that practically no ore was extracted from these workings last year, in consequence of the reduced export already mentioned. The larger part of the ore at present exported comes from the Calanas underground workings, and these are capable at the shortest notice of producing greatly increased quantities.

We have now proved that in depth this ore body joins up with the Perrunal lode, belonging to our French neighbours. This gives us a great extension to the west beyond the limits of the present workings. To keep pace with the development of these great ore bodies we had to make provision for shipping on a commensurate scale, and for that purpose we embarked on a scheme for extending our existing pier in the Huelva River. This has been delayed, due to the difficulty of getting the necessary material, but a large quantity is now on the site and the erection work is well under way.

The Spanish exchange has been much against us in 1919, but the position is now much better, and I hope it will still further improve.

Our works in this country were kept fully employed until towards the end of the year, when the reduction in pyrites imported began to be felt by the reduced quantities of cinders available at the works, and we were then obliged to close down our Willington works. We have been able to meet the increased cost of labour and material in part by improved plant, and we continue unceasingly to work in this direction. Due to the heavy amount now represented by income tax and to official recommendations which have recently been made, we have decided to alter our practice and to declare our dividend less British income tax. With regard to prospects, we expect a greater export of ore this year than last. The price of copper is distinctly low, but this metal is entirely under the control of the American producers, and we do not know what policy they may pursue.

With regard to the sulphur in our ore, it is possible that we may require to enlarge our business operations in order to make ourselves more independent in certain directions than we have been hitherto, and investigations are being carefully pursued to this end. For the immediate future I can only say that so far this year promises rather better than last.

The Chairman's resolution was carried unanimously, and a dividend of 5*s*. per share, equal to 12½%, less income tax, was declared, the balance of £23,456 to be carried forward A further resolution increasing the directors' remuneration during 1920, and thereafter, to £6,000 was then proposed and carried unanimously. A hearty vote of thanks to the Chairman concluded the business of the meeting.

BRITISH AND ARGENTINE MEAT CO., LTD.

The annual general meeting of this Company was held on April 22 at River Plate House, Finsbury Circus, Mr. Sidney Young, O.B.E. (Chairman of the Company) presiding.

The Chairman prefaced his remarks by paying a tribute for his valuable services to Mr. J. A. Wood, who had resigned the chairmanship of the Company. During the year under review the difficulties under which they had laboured in 1918 had been accentuated. Although some of the restrictions under which they were trading had been removed, others were still in force, and were the more irksome because they felt that there was now no necessity for them. They were looking forward to the time when they would be allowed to manage their own business, without the hindrance from the authorities. If the Government thought that by the removal of control prices of meat in this country might rise to an unreasonable level, their remedy was to fix reasonable maximum prices, and other restrictions could then be removed. The larger portion of their meat importation last year was taken by the Government for the use of their own and the Allied armies, but as those armies were disbanded the quantity taken was a diminishing one until now it was quite small. The proportion handled by the Company for the civilian population, realised the prices fixed by the Food Controller. Taking the year through the prices at which the meat was sold to the Government and sold for civilian consumption were remunerative, although there were times during the year when the reverse was the case. Hides and other by-products made good prices during the year, and compensated to a large extent for the increased price they had to pay in the Argentine for live-stock. Cattle prices during 1919 were about 20% more than in 1918 and 50% more than in 1913.

The Question of Meat Supplies.

The season was again good in the River Plate, and they were now entering the winter under quite good conditions, and there was every reason to suppose that there would be a plentiful supply of cattle and sheep. There had been a good deal in the papers recently about a world shortage of meat, which he considered non-existent. Shortage of freight had been the trouble, not only because of the shortage of ships, but also because of the very serious delays that were now taking place, more particularly in this country. He did not think he was over-stating the case when he said that existing meat ships could carry 25% more cargo in a year if they were turned round in anything like a normal time. The trouble was that the Government had accumulated large stocks of meat in Australia and New Zealand, and shipping it in large quantities had meant that there had not been sufficient cold storage accommodation for it in this country, and it had not been possible for it to go into consumption at anything like the present controlled price. Nobody blamed the Government for having large stocks when the War ended —as it did rather abruptly—but they were showing very great reluctance in cutting their loss. Some of the meat had been in store for about two years, and was gradually deteriorating. A considerable reduction in the price would increase the consumption, and he was sure that as a business proposition it would be sound finance.

Working expenses had again been a good deal higher; after wages, coal had had been their most serious item. At the present time they were paying £5 5*s*. per ton f.o.b. South Wales. Prior to the War very considerable quantities of coal were shipped to the Argentine for the use of the British-owned railways and other users of fuel, and went a long way towards paying for the meat and other foodstuffs that the Argentine sent to this country. Now their imports from the Argentine greatly exceeded their exports to that country, and, consequently, the exchange had gone against Great Britain. The high price paid for coal, and the adverse exchange had both been added to the cost of meat.

Referring to the accounts, he said that they had added £175,000 to the reserve fund, which was £50,000 more than in the previous year. Not only all their stocks of meat and by-products were worth more than double the figure they then stood at, but such items as coal and general stores stood at infinitely more than they then did. The pension fund received an addition of £25,000, instead of £15,000 as in previous years. The turnover for last year was rather over £16,000,000, as against £14,000,000 the year before, so that the net profits were still under 4%, or very little more than in the previous year.



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Dealing with the Budget, the Chairman pointed out that the proposed increase in the excess profits tax, and the corporation tax, must of necessity reduce their profits during the current year. He was strongly of opinion that the excess profits tax could have been done away with altogether. It was economically unsound, and he was sure the increase of 20% would have a deterrent effect upon any new enterprise. No one was going to experiment in new ventures if they were to stand the whole loss in the case of failure, and were to pay 74% of the profit to the Government, which was, he calculated, what the excess profits tax, corporation tax, and income tax would come to. He knew that the country must have the money, and that if the excess profits tax was done away with something else had to take its place, if it was impossible to reduce expenditure, which he did not admit. He would have liked to have seen legislation brought in that would make the foreigner doing business in this country taxed the same as the Britisher doing a similar business. Theoretically they were now, but in actual practice he was afraid that it was very far from the case. He quite expected that the effect would be to drive capital away from this country: in fact, as long as the foreigner trading in this country was in a better position than our own countrymen, it seemed the only thing to do. The Chairman concluded by moving the adoption of the report.

Mr. Walter Blease seconded the resolution, which was carried unanimously.

TEXTILE CORPORATION, LIMITED.

Effect of Excess Profits Duty upon Competition.

THE statutory meeting of the Textile Corporation, Limited, was held on April 21 at the Institute of Chartered Accountants, Moorgate Place, Moorgate Street, London, E.C., Mr. B. J. Redman (the Chairman) presiding.

The Assistant Secretary (Mr. B. L. Ransome) read the notice convening the meeting.

The Chairman, in moving the adoption of the report, said: Ladies and gentlemen,—As you have all got a copy of the report we will, with your permission, take it as read.

On Tuesday, January 20, the Textile Corporation came into being with the opening of the underwriting lists, and at four o'clock the next day three times the amount of underwriting was offered to the issuing house. The public subscription list opened on Monday, January 26, and the issue was very largely over-subscribed almost immediately, the lists being closed on Wednesday night excepting for country applicants.

The Ordinary shares of Chas. Semon and Co., Limited, were acquired by the Corporation, and full details of the financial position of that Company were inserted in the prospectus, which showed that, without taking any account of items such as goodwill, there were net assets totalling £600,000, which is the issued capital of the Company, and the profits for the period ending September 30, 1919, were shown to be at the annual rate of £200,000, after making ample provision for everything, including excess profits duty. (Applause.) The payment of the dividend on the Preference shares requires the sum of £26,250, leaving available the sum of £173,750, which represents 70%, for the benefit of the Ordinary shares, all of which are held by this Company, which acquired them at £2 per share. It might be advisable here to tell you that it requires £60,000 to pay 10% on the Ordinary shares and £80,000 to pay 2*s*. per share on the Deferred shares, thus absorbing £140,000. You will remember that the full year was guaranteed by the vendors to be approximately at this rate, and just now I may say that, as far as we can ascertain, there will be no need to call upon the vendors in respect of this guarantee. I will refer to the real commercial details of Chas. Semon and Co., Limited, later.

After the purchase of the Ordinary share capital of Chas. Semon and Co., Limited, there will be a balance of £165,000 from the recent issue for further transactions and development, in addition to the accrued profit from October 1, 1919, which is guaranteed to exceed £150,000 for the six months ending March 31, 1920. I feel confident that that figure will be reached. (Applause.)

This is capital which is available for our ordinary financial business, but naturally our first thoughts are to develop the business of Chas. Semon and Co., Limited, and use all our financial resources which they may require for the extension of their business and the financing of other and allied businesses, which, besides the financial profit, would help to sustain and foster the business of Chas. Semon and Co., Limited. Since we were incorporated many excellent businesses have been offered to us on this plan, but all of them have been impracticable, mainly because of the difficulty in our recognising the enormous prices to would-be vendors. We rather feel that in the establishment of foreign branches to help our export business we shall better utilise our money than by buying machinery at present prices.

Our Managing Director (Mr. G. H. Lougee) joined the Company in the middle of March, and we feel that he will be a great acquisition to us, as he has had 25 years' responsible banking experience in the trade in which Messrs. Chas. Semon and Co. specialise, and he is extremely well adapted for all branches of textile business.

The business of Chas. Semon and Co., Limited, was founded in the year 1857, and occupies to-day an eminent position, with wide connections and representatives in all the chief trading centres of the world. We are physically well adapted for the control and the enlargement of the business, and with the formation of the Textile Corporation, Limited, are in an extremely strong financial position, which enables us to cope with a larger volume of trade and to make plans for the extension of all the departments. (Applause.)

Outlook for the Immediate Future.

One can look forward to extreme prosperity in the immediate future, owing to lack of production in countries which would normally compete with Great Britain, lack of machinery here, and the corresponding limitation of production. There is also the lack of new competition in this country, which is largely the result of high prices and the present system of taxation. The current Budget proposals, with the increased excess profits duty, have made it safe for old-established firms like ours, and make it almost impossible for younger firms to exist and futile for new firms to commence, and as the excess profits duty has the effect of raising prices of all commodities, we as a merchant firm will have to pay more for our products and sell them for more, which will have the effect of increasing our profits per quantity of material handled. (Hear, hear.)

Mr. G. H. Lougee (Managing Director) seconded the motion, and said that he thoroughly endorsed all the remarks of Mr. Redman. The future of the textile trade was, in his opinion, assured—certainly for two, three, or four years to come. The output in all branches of industry to-day was very much less per hour per man than it was before the War, and as there was a world shortage of goods, there must be a continuous demand for clothing. He thought the idea of utilising the liquid resources of the Textile Corporation for the development of the export trade was the right one, and that this would be the most profitable policy for them to adopt. The directors had discussed the matter on several occasions, but had not yet come to any decision. In Yorkshire they had an old habit of "hurrying slow," but he thought the shareholders could rely upon the board to pursue the course which was most likely to make the Textile Corporation a success. (Applause.)

The motion was carried unanimously, and the proceedings then terminated.

POONMUDI TEA AND RUBBER COMPANY, LTD.

Satisfactory Results.

THE tenth annual ordinary general meeting of this Company was held at the offices, 4 Lloyd's Avenue, E.C., on April 23, Mr. J. R. H. Pinckney, C.B.E. (Chairman of the Company), presiding.

Mr. E. Langley, representing the Secretaries (Messrs. Rowe, White and Co., Limited), having read the notice calling the meeting and the auditors' report,

The Chairman said: Gentlemen,—Our tenth report and balance sheet has been in your hands for the usual time, and you will, I presume, wish me to take it as read. The results are very satisfactory, and the profit of £16,395 is considerably better than we have obtained before. The directors feel that they are justified in paying a bonus of 10%, in addition to the dividend, and that this will leave the Company in a strong financial position. Shareholders in the past have been content to see their property improved in value by the planting of reserve land in tea or rubber out of their profits, while, in addition, substantial amounts have been placed to reserve. It is the intention of the board to proceed on the same lines, and, as you will see, the planted acreage is now 1,973 acres, while a further 75 acres is being planted this year. The present planted acreage stands in the property account at rather under £30 an acre, which must be considered very satisfactory. After paying the final dividend and bonus which we propose, and placing £1,000 to reserve, which will bring that account to £10,000, we have a carry-forward for next year of £4,496. Out of this a certain sum is due for excess profits tax, and it may be of interest to shareholders to hear what payments we have made and received under this heading. For the years 1914-15 we paid £2,490, and for 1916 we paid £2,026, while for 1917 we obtained a return payment of £1,279, and for 1918 £1,330. For last year's account we shall have to pay about £4,000, but, as we have not yet taken into account the repayment of £2,609 for 1917-18, we shall only have to charge our carry-forward with the difference between these two amounts—that is, £1,400.

Planting Difficulties.

The crop of tea for last year is disappointing, and is due partly to a long period of rain from June to the end of November, with hardly any fine weather, and to blight, which is our worst enemy. We have had to alter our usual methods of pruning to try and avoid the attacks of this pest, but the alteration is not favourable for increased crops. The scientific departments of the various Tea Associations are hard at work endeavouring to find a remedy for these attacks. It has been ascertained that, where soils are deficient in certain constituents, trees are more liable to attack, and in a small way it is suggested that inoculation of the trees with proper chemical salts may be the best remedy. Tea plants, however, are planted about 2,500 trees to the acre, so that any system of this kind is obviously a very expensive process. However, we hope that some effective remedy may yet be found. Our programme of cultivation for the past year has not been as large as we should have wished, owing to difficulties of supply and road transport. Consequently only 428 acres have been manured, and we hope

to be able to cultivate twice this acreage in a normal year, which in itself may be a help to the bushes in resisting blight. The cost of production of the tea and rubber are both very reasonable, but I am bound to say that under present conditions it will not be possible to produce again at anything like the same figure.

Increased Cost of Production.

I will take tea first. The average rate of exchange at which we purchased rupees for the Estate working last year was 1*s.* 8$\frac{5}{8}$*d.*, while for the current year we must estimate for the cost of 2*s.* 4*d.* per rupee, or an increase of 8*d.* for each rupee we have to buy. This means an addition of 2$\frac{1}{2}$*d.* to the cost of producing each lb. of tea. In addition to that, in common with other estates, we have had to increase the wages paid to the Coolies by about 15%. This will add another $\frac{1}{2}$*d.* to the cost of production. The cost of sending tea home and selling in London now amounts to 3$\frac{3}{8}$*d.* per lb., of which freight, which, I may say, is now over five times what it was before the War, is responsible for over 2*d.* Starting with the f.o.b. cost of 6.88*d.* given in the report now before you, and making the above additions, we obtain an estimated cost f.o.b. for the current year of 9.88*d.*, and a cost sold in London, before we have obtained any profit, of 1*s.* 1.58*d.* As you are aware, a great deal of tea is selling to-day at considerably below this price, and we can only hope that an improvement will be shown in the market before very long. The Chancellor of the Exchequer, in his Budget speech, stated that the clearances for home consumption increased from 328,000,000 lb. in 1918/1919 to over 400,000,000 in 1919/20, but, as against that the stocks in bond on March 31, 1920, are given as 230,000,000, or rather more than double what they were on March 31, 1913. It is an encouraging feature that the home consumption for the first three months of this year should have exceeded by 24,000,000 lb. that for the first three months of 1913, and that exports should be within a million of the figure for 1913.

Turning to rubber, we find the cost of production f.o.b. increased in the same way by about 5*d.* a lb., and it is estimated to cost 1*s.* 4*d.* f.o.b. for the current year. The only relief in expenditure that may come is a falling freight. It is widely stated that the shipping now in existence is 4,000,000 tons heavier than in pre-war days, and that a further 8,000,000 tons is on the stocks for completion within the next 12 months. There would therefore seem to be a great possibility of a fall in freight rates, which, as I stated before, are now over five times what they were in pre-war days. Generally speaking, therefore, I must warn shareholders that next year's report cannot show anything like the same result as this one unless prices for our produce advance very considerably. The continuation of the excess profits tax has been a great surprise, and it would almost seem as if the figure had been increased in order that more credit might be taken when the rate is lowered. The new Corporation tax would have cost this Company approximately £800 off their profits had it been in force over the past year; but, as it is a charge before the assessment of income tax, the net cost to the Company would have been about £560. One naturally fears that a tax of this kind is merely the thin end of the wedge, and that future Budgets may show a rise in the rate of taxation.

In moving the adoption of the report and accounts, I should wish to include a very hearty vote of thanks to our staff in the East, so ably headed by Mr. Ross, our Managing Director in India.

Major Guy Owen seconded the resolution, which was carried unanimously, and the dividend and bonus recommended having been declared, the retiring director and the auditors were re-elected.

The proceedings then terminated.

ENGLISH, SCOTTISH AND AUSTRALIAN BANK (Limited).

Head Office: 5 Gracechurch Street, E.C. 3.

Subscribed Capital	£1,078,875 0 0
Paid-up Capital	539,437 10 0
Further Liability of Proprietors	539,437 10 0
Reserve Fund	585,000 0 0

LETTERS OF CREDIT AND DRAFTS on the Branches and Agencies of the Bank in Australia can be obtained at the Head Office or through the Agents of the Bank in the Chief Provincial Towns throughout the United Kingdom.

REMITTANCES made by TELEGRAPHIC TRANSFER, BILLS NEGOTIATED or forwarded for COLLECTION, BANKING and EXCHANGE business of every description transacted with Australia.

E. M. JANION, Manager.

THE LONDON AND RIVER PLATE BANK (Limited).

Established 1862.

Authorised Capital	£4,000,000
Paid-up Capital	2,040,000
Reserve Fund	2,100,000

BRANCHES.

ARGENTINE.—Buenos Aires and Sub-Branches, Rosario, Mendoza, Concordia, Bahia Blanca, Cordoba, Tucuman, Parana.
URUGUAY.—Montevideo, Calle Rio Negro (Montevideo), Paysandu, Salto.
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PARAGUAY.—Asuncion.
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BELGIUM.—Antwerp (22 Place de Meir).
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Letters of Credit, Drafts and Cable Transfers issued.
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7 Princes Street, E.C. 2.

THE CUNARD STEAM SHIP COMPANY, LIMITED.

NOTICE IS HEREBY GIVEN that the Forty-third Ordinary General Meeting of the Cunard Steam Ship Company, Limited, will be held at the Britannia Rooms, 6th Floor, Cunard Building, in the City of Liverpool, on Wednesday, the 28th April, 1920, at eleven o'clock A.M.

1. To receive and consider the Statement of Accounts and Balance Sheet to the 31st December, 1919, with the Reports of the Directors and Auditors.
2. To sanction the declaration of Dividend.
3. To elect Directors and Auditors in place of those retiring, but who, being eligible, offer themselves for re-election, and to fix the remuneration of the Auditors.

NOTICE IS HEREBY ALSO GIVEN that the Ordinary Share Transfer Books will be Closed until after the Meeting.

By Order of the Board,
W. DRANFIELD,
Secretary.

Offices: Cunard Building,
Liverpool,
17th April, 1920.

Under Contract with H.M. Government.

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& 20 Water St., Liverpool.

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Established in 1817.
Capital Paid up, $20,000,000.
Reserve Fund, $20,000,000.
Undivided Profits, $1,812,854.
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Sir Charles Gordon, G.B.E., Vice-President.
R. B. Angus, Esq., Lord Shaughnessy, K.C.V.O., C. R. Hosmer, Esq., H. R. Drummond, Esq., D. Forbes Angus, Esq., William McMaster, Esq., Lt.-Col. Herbert Molson, M.C., Harold Kennedy, Esq., H. W. Beauclerk, Esq., George B. Fraser, Esq., Colonel Henry Cockshutt, J. H. Ashdown, Esq., E. W. Beatty, Esq.
Head Office: Montreal.
General Manager: Sir Frederick Williams-Taylor.
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9 Waterloo Place, Pall Mall, S.W. 1.
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Lieut.-Col. F. R. S. Balfour.
Manager: George Cyril Cassels.
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The Bank undertakes monetary business with all parts of the World, and with its numerous Branches offers exceptional facilities for the transaction of a general Banking business in Canada, Newfoundland, the United States, Mexico and France.

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ESTABLISHED 1869

Capital Paid up	$17,000,000
Reserve Funds	$18,000,000
Total Assets	$533,000,000

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President. Vice-President & Managing Director.
C. E. NEILL, *General Manager.*
555 Branches in Canada and Newfoundland.
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BRAZIL	Rio de Janeiro.
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FRENCH AUXILIARY.
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PARIS—28 Rue du Quatre Septembre.

THE WESTERN AUSTRALIAN BANK.

Established 1841.

Paid-up Capital	£250,000 0 0
(25,000 Shares of £10 each)	
Reserve Fund	£700,000 0 0
Reserved Profits ...	£23,460 0 0
Reserve Liability of Shareholders,	£250,000.

Drafts issued, Remittances cabled, Bills negotiated or collected. Deposits received for fixed periods at rates to be ascertained on application, and all Banking and Exchange Business connected with Western Australia conducted through the London Agents,
The Bank of Adelaide, 11 Leadenhall Street, E.C.

BANK OF NEW SOUTH WALES.

Established 1817.
LONDON OFFICE: 29 Threadneedle Street, E.C. 2.

Paid-up Capital	£4,000,000
Reserve Fund	3,200,000
Reserve Liability of Proprietors	4,000,000
	£11,200,000

Aggregate Assets, 30th Sept., 1919 £67 036,249
The London Office issues Drafts on demand on its Head Office and Branches in Australia, New Zealand, Tasmania, Fiji and Papua, and on its Correspondents in Tasmania. Makes Mail and Cable Transfers. Negotiates and Collects Bills of Exchange. Arranges Wool and other Produce Credits. Receives Deposits for fixed periods on terms which may be known on application; and conducts every description of Australasian Banking Business. H. MELDRUM,
Assistant Manager.

THE CANADIAN BANK OF COMMERCE.

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Paid-up Capital ... $15,000,000 (£3,082,192)
Reserve Fund ... $15,000,000 (£3,082,192)
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General Manager: SIR JOHN AIRD., [D.C.L.
Assistant General Manager: H. V. F. JONES.

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C. CAMBIE, Manager.

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CAPITAL, all paid up	$15,000,000
STERLING RESERVE, held in London at Exchange of 2s. per $ =£1,500,000	$15,000,000
SILVER RESERVE ...	23,000,000
	$38,000,000
RESERVE LIABILITY OF PROPRIETORS	$15,000,000

Head Office—HONGKONG.
Chief Manager—N. J. STABB.
BRANCHES and AGENCIES:
Amoy, Bangkok, Batavia, Bombay, Calcutta, Canton, Colombo, Foochow, Hankow, Harbin, Horgkow (Shanghai), Ipoh, Johore, Kobe, Hiogo, Kuala Lumpur, London, Lyons, Malacca, Manila, Nagasaki, New York, Peking, Penang, Rangoon, Saigon, San Francisco, Shanghai, Singapore, Sourabaya, Tientsin, Taingtao, Vladivostok, Yloilo, Yokohama.
COMMITTEE IN LONDON:
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Hon. Cecil Baring. C. A. Campbell.
David Landale Sir George Sutherland.
A. M. Townsend. C. F. Whigham.
W. M. BLACKIE, Accountant.
9 Gracechurch Street, London, E.C.

THE ANGLO-EGYPTIAN BANK, LIMITED.

SUBSCRIBED CAPITAL, £1,800,000.
PAID UP, £600,000. RESERVE FUND, £720,000
BRANCHES: Alexandria, Cairo, Beni-Souef, Mansourah, Port Said, Tantah, Zagazig, Khartoum, Jaffa, Jerusalem, Malta, Gibraltar, Haifa.
BANKERS: The Bank of England; The London Joint City and Midland Bank, Limited.
The Bank transacts every description of Banking business in Egypt, grants Letters of Credit, and affords facilities to travellers proceeding to Egypt and elsewhere.
Deposits received for fixed periods at rates to be obtained on application. Interest payable February 28th and August 31st.
On current accounts, interest at the rate of 2 per cent. per annum allowed on minimum monthly balances provided they do not fall below the sum of £200.
27 Clements Lane, Lombard Street, E.C. 4.

NATIONAL BANK OF EGYPT.

(Established under Egyptian Law, June 1898, with the exclusive right to issue Notes payable at sight to bearer.)
Capital, £3,000,000 (in 300,000 Shares of £10 each fully paid). Reserve Fund, £2,000,000.
Governor—Sir Frederick T. Rowlatt, K.B.E.
Head Office, Cairo.
London Committee—
E. W. P. Foster, C.M.G. Hon. Algernon Mills.
Sir Carl Meyer, Bart. The Hon. Sidney Peel, D.S.O., M.C.
LONDON AGENCY.
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Manager—J. T. Beaty-Pownall.
Assistant Manager—A. F. Gillbee.

Accounts opened with traders and private persons. Circular Notes issued. Every kind of Banking business transacted.
Offices in Egypt at Cairo (Head Office), Alexandria, Assiout, Assuan, Benha, Beni Suef, Chibin-El-Kom, Damanhur, Fayoum, Keneh, Luxor, Mansourah, Minieh, Mousky (Cairo), Port Said, Rod-el-Farag (Cairo), Sohag, Tantah and Zagazig; and in the Sudan at Khartoum, Port Soudan, Suakim, and the Sub-Agencies at El Obeid, Tokar, and Wad Medani.

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Head Office: Helsinki (Helsingfors) Finland.
Branches: 120 all over Finland.

Paid-up Capital ..	Fmk. 90,000,000
Reserve Funds ..	„ 55,000,000

Every kind of Banking and Exchange Business Transacted.
Telegraphic Address: "Kansallispankki"
London Agents: London Joint City & Midland Bank.

NATIONAL TRUST COMPANY, LTD.

Reserve Fund -	£328,767 2 7
Paid-up Capital -	£308,219 3 7

Assets under Administration £16,457,192
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SHAREHOLDERS' LIABILITY	$3,000,000.00
SURPLUS AND PROFIT	$7,500,000.00

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Bombay	Chittagong	Mombasa	British East Africa
Madras	Rangoon	Nairobi	
Karachi	Mandalay	Nakuru	
Cawnpore	Aden and	Kisumu	
Lahore	Aden Point	Entebbe	Uganda
Amritsar	Colombo	Kampala	
Delhi	Kandy	Jinja	
Tuticorin	Newera Eliya		
	Dar-es-Salaam, Tanga		Tanganyika Territory.

SUBSCRIBED CAPITAL	£3,000,000
PAID-UP CAPITAL	£1,500,000
RESERVE FUND	£1,850,000

LONDON BANKERS.—Bank of England; National Provincial Bank of England, Limited; National Bank of Scotland, Limited.
The Bank conducts every description of Eastern Banking business.
Deposits received for fixed periods at rates to be obtained on application. Interest payable June 30 and December 31.
Current accounts are opened, and provided they do not fall below £200 interest is allowed on the minimum monthly balance at the rate of 2 per cent. per annum.

THE EASTERN BANK, LIMITED.

Head Office:
4 CROSBY SQUARE, LONDON, E.C. 3.

Authorised Capital (200,000 Shares of £10 each)	£2,000,000
Paid-up Capital	£765,242
Reserve Liability of Shareholders	£1,197,468
Reserve Fund	£220,000

Branches:
AMARA, BAGDAD, BASRA, BASRA CITY, BOMBAY, CALCUTTA, COLOMBO, HILLAH, MOSUL.
BOARD OF DIRECTORS.
The Rt. Hon. LORD BALFOUR OF BURLEIGH, K.T. (Chairman).
SIR EDWARD SASSOON, BART.,
SIR JAMES LEIGH-WOOD K.B.E., C.B., C.M.G., JAMES H. BATTY, ESQ., G. BROMLEY-MARTIN, ESQ., EMILE FRANÇQUI, ESQ., J. S HASKELL, ESQ.
The Bank issues Drafts, Telegraphic Transfers and Letters of Credit, Negotiates and Collects Bills of Exchange, and transacts Banking and Agency business in connection with the East.
Deposits are received for 1, 2 or 3 years at 5 per cent. per annum, and for shorter periods at rates which can be ascertained on application. On current accounts interest is allowed at 2 per cent. per annum on the minimum monthly balances.
F. H. SUTTON, *Manager.*

Ernesto TORNQUIST & Co.

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Head Offices: NATIONAL HOUSE, NEWGATE STREET, LONDON, E.C. 1.
Marine Underwriting Rooms: 74 CORNHILL, LONDON, E.C.3.

REFUGE
ASSURANCE COMPANY LIMITED.
Chief Office: OXFORD STREET, MANCHESTER.

For the year ending December 31st, 1919.

Annual Income Exceeds - £5,400,000
Assets Exceed - - - - £17,300,000
Claims Paid Exceed - - - £30,000,000

Subscription to "The Statist," to include all Special Numbers.

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One Year (52 weeks)	£1	17	4
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Offices: 51 CANNON STREET, LONDON, E.C.4.

The Statist.

LONDON, SATURDAY, MAY 1, 1920.

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The Money Market.

Friday, April 30, 1920.

	CURRENT RATE %	CURRENT RATE FIXED	PREVIOUS RATE %	PREVIOUS RATE FIXED
Bank of England Rate...	7	(April 15, '20)	6	(Nov. 6, '19)
Deposit Rates:—				
Banks & Discnt. Ho. (Call)	5	(Apr. 15, '20)	4†	(Nov. 6, '19)
Discount Houses (Notice) ...	5¼	(Apr. 15, 20)	4¼	(Nov. 6, '19)

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.
† Foreign and Colonial banks give Special Rates only upon deposits for a year

Discount Rates :—	60 Days. %	3 Mos. %	4 Mos. %	6 Mos. %	12 Mos. %
Treasury Bills ...	—	6⅛	—	—	6½
Bank Bills ...	5⅞–6	6⅝–11/16	6¾–13/16	6⅞	—
Trade Bills ...	—	7	7¼	7½	—

PRESUMABLY it was the fact that a surplus of only 70 millions is calculated on for redemption of our enormous floating debt during the coming year that led the Chancellor to decide on the forthcoming issue of Treasury Bonds. The prospectus, which will presumably be published to-night, will be welcomed generally, we have no doubt, for the many good features it contains. The subject is dealt with in detail in a leading article, but we may discuss here its probable effect on the Markets. In the first place, then, since the life of the Bonds ranges from 5 to 15 years at the option of the holders, it is evident that the joint stock banks will avoid the issue as being too long-dated. On the other hand, a trustee security should mature at a remoter period, so that the bulk of the subscriptions may be expected from the private investor. This fact, in conjunction with the fact that the issue will be open for daily applications over an indefinite period, promises to provide the minimum of disturbance for the Money Market. As regards the ingenious sliding-scale of interest, it should be noted that this will hide fluctuations in the capital value to only a limited extent. Should the Treasury bill rate go higher than it is at present, it is obvious that the value of the Bonds will decline, as the maximum rate of interest is 7%. Such an eventuality, however, is unlikely to occur. On the contrary, if the new issue meets with a good response and a substantial contraction of the floating debt is thereby effected, the probability is that Treasury bill rates will drop back to 5½%, or even lower. In that case the interest rate on the new Bonds would automatically be lowered, and for this reason we may assume that there will be few changes from existing Government stocks into the new issue (although the flat yield on existing funds is generally lower than 7%, which will be the yield on the new Bonds for the coming six months), for a permanent and safe yield at about 6¼% can be got on certain British funds at present prices, whereas the interest on the coming issue may, and in all probability will, drop back to 5% later on.

A strong demand was noticeable in the Money market on Monday and Tuesday, and day-to-day money commanded from 4½% to 5%, and even afternoon balances were not offered below 4%. On Wednesday, however, supplies of floating credits were more plentiful, although calls amounting to over 12.5 millions were due, including about 11 millions on Imperial Tobaccos, and closing balances were on offer down to 3%. To-day calls of about 2.5 millions were due, but dividend disbursements were also on a considerable scale, while to-morrow about 11 millions interest on the Funding Loan falls due. Weekly fixtures were quoted 5⅛% to 5¼%. In the Discount market short paper was in good request, and rates were slightly easier. May bills were quoted at about 5⅜%, and June paper was done in about 5⅜%. The longer dated tenancies, however, were firmer, three-months bills being quoted 6⅜% to 6½%, and six-months paper 6⅝% to 6¾%. Treasury bills seem to have been taken up pretty freely. The announcement of the new Treasury bond

issue had the effect of slightly hardening rates and imparting a more hesitating tone to the markets.

In the Foreign Exchange market the outstanding feature during the week was the relapse and subsequent recovery of the New York rate. On Wednesday the pound sterling was quoted about $3.77\frac{3}{4}$, but by to-day it rose again to 3.84. The reason for both movements is not far to seek. At the end of last week francs and lire were weakening in New York, and Continental bankers evidently took advantage of our stronger rate to effect remittances to New York to the detriment of sterling. The downward movement was probably accentuated by offerings of sterling in New York on account of the money stringency in Wall Street, and also in connection with the recent financial crisis in Tokio. It must also be noted that raw cotton orders from Manchester were exceptionally heavy during last week. The subsequent rally of the rate was apparently due to purchases of sterling in order to provide "bear" covering to Wall Street operators. The franc improved steadily during the week, to-day's quotations being 64.10 and 60.25 for Paris and Brussels respectively. The lira rallied to 86. German marks hardened to 218. The Scandinavian group moved in our favour, but Stockholm remained steady. South American rates advanced and declined simultaneously with the dollar. In the Eastern group the Shanghai tael dipped to 6*s*. $5\frac{1}{2}$*d*. on Wednesday, but hardened to 6*s*. 6*d*. to-day. The Hong-Kong dollar weakened to 4*s*. 9*d*. Japanese yen rose to 2*s*. $7\frac{1}{8}$*d*.

A falling-off on the week of about $5\frac{1}{2}$ in the revenue as compared with the previous week is indicated in the Public Income and Expenditure return issued on Saturday last. The decline, however, is accounted for by reduced "special (miscellaneous) receipts," which, strictly speaking, should not be classed as ordinary revenue at all. The expenditure, on the other hand, was also substantially lower at 16.3 millions, leaving a surplus available for the floating debt redemption of 7.6 millions. The amount of Treasury bills outstanding was reduced by 3.5 millions, and Ways and Means Advances by £500,000, though a further million was borrowed from the Bank of England. Other Debt under the War Loan Acts, 1914-19 (chiefly foreign debt) was reduced by $1\frac{1}{2}$ millions. Nearly $1\frac{1}{2}$ millions of Government securities were tendered in payment of death duties, excess profits duty, &c., as authorised by Section 34 of the Finance Act, 1917, which, of course, involved an issue of a corresponding amount from the Exchequer. These movements indicate the necessity for the further borrowing on Ways and Means Advances from the Bank of England, as mentioned above, but, at all events, it is satisfactory to note that the net result on the floating debt was a reduction on the week of £4,036,000, making the present total £1,295,971,000.

An expansion of £195,315 occurred in the currency-note circulation, according to the Currency Notes statement for the week ended the 28th inst., and apparently, in accordance with the fixed policy of the Treasury, an addition of £100,000 Bank of England notes has been made to the Currency Note Redemption Account, thus keeping the ratio of reserve to the outstanding note liability at 10.4%. The Investments Reserve Account was credited with further interest payments on advances and securities, thus bringing the balance to over 17 millions again, though it had to stand the probable loss on the liquidation of some of the Government securities held in the Redemption Account.

BANK OF ENGLAND.

The Bank return this week shows that the ratio of the reserve to liabilities has fallen from 17.3% to 16.4%. This is not due to any increase in the total liabilities, for public deposits have been depleted during the week by £2,144,000, whilst other deposits have been drawn upon to the extent of £1,779,000. The cause of the decline resides in the reduction of the reserve from £24,907,000 to £23,084,000, which is explained by an expansion in the circulation of £1,921,000 offset to a small extent by an addition of £97,000, which increases the total bullion to £112,518,000. It would be interesting to learn the reason for this increase in the note circulation. As regards £100,000 the cause is known: this amount was transferred to the currency note redemption account in connection with an increased issue of £200,000 of these notes. The higher Treasury bill rate is not yet fully effective. Government borrowing on Ways and Means still continues, the amount of Government securities being increased during the week by £2,329,000 to £59,805,000. This excess of Treasury bill maturities over new issues is again partially reflected in the reduction of £4,449,000 in other securities which are returned in consequence at £75,164,000. It is to be hoped that the new Government bond, yielding at present interest at the rate of 7%, will meet with a favourable reception. A whole-hearted response by the genuine investor, who is assured of a good return on his capital, will help to solve this vital problem of the floating debt, and will, according to the measure of the support, render easier the position of the Bank.

NEW YORK.

The weekly average statement of the New York City Banks and Trust Companies issued on the 24th inst. repeats what has been a feature of these statements since the beginning of March, namely, an expansion in the credit superstructure of the banks. This week's expansion is about $10.7 millions. At the same time the deposit liabilities are lower on the week by about 25 millions, which is significant, in view of the present money situation in New York, as an indication of the rapidity with which credit facilities are being availed of. In consequence of these movements reserve requirements were $3,230,000 lower on the week, but the aggregate reserve increased from 583.7 millions to 583.81 millions, and the average excess reserve was therefore 3.34 millions higher. The actual excess reserve at the close of the week was substantially higher at $35,550,000, which foreshadows a stronger position for the ensuing week.

Following last week's decline of over 2 millions in the total gold reserves, as shown in the combined statement of the 12 Federal Reserve Banks, this week's statement registers a further decline of $5,600,000. Rediscounts were increased and open-market purchases of bills declined, the net change being an increase of 54.9 millions in the bills held by the banks. Notwithstanding this, owing to large returns of notes from circulation in connection with revenue payments the effective Federal Reserve note circulation declined by 5.9 millions. As regards the reserve basis, the deposit liability expanded more than the note circulation declined, so that the ratio of total reserves to net deposit and Federal Reserve note liabilities combined is 43.0%, as compared with 43.3% last week and 52.1% a year ago.

As we foreshadowed some weeks ago the money situation in New York has reached an acute stage, and was, indeed, responsible for a disorganisation in the stock markets last week which amounted almost to a panic. The immediate outlook is not rendered more encouraging by the state of the Federal Reserve system,

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as indicated in recent statements of the Federal Reserve Banks, for in spite of imports of gold from London the continued drain of the metal to Argentina is constantly depleting the gold resources of the banks and has already reduced their proportion of reserves to liabilities down to levels which are not only abnormally low for this time of the year, but are, in fact, lower than the Federal Reserve System has ever before experienced. Should the drain in gold continue at the same rate New York's free gold market would very soon be seriously imperilled. For the eight months ending February last America's loss of gold was $319.4 millions. Since the beginning of the year her gold exports to Argentina approximate 70 millions, whereas the imports from this side total only about 45 millions. These exports of the precious metal to the Argentine Republic were due to the continued weakness of her exchange with Buenos Ayres since November last. The parity between the two countries is 1.0364 gold pesos for the U.S. dollar; a quotation of about 1.0225 induces a flow of gold from the U.S., and during the past few months the rate has frequently dipped below this point. At the present time, however, the rate is improved considerably; not only has it passed the gold point, but promises in the near future to rise even above par. Moreover, the exchange will be supported by the retirement of the Argentine 6% loan for $50,000,000 maturing on May 15, of which half is held by New York bankers and half by London bankers. We may assume therefore that there is no immediate danger of further gold shipments from U.S. to Argentina, and with the prospect, on the contrary, of continued gold imports from London, we are in a position to forecast the course of the New York money situation during the coming months. The first point to be noted then is that the gold arrivals from this side could be made the foundation for new and much-needed creations of credit, but that this will be done is in the last degree unlikely, for already the unliquid resources of the banks are so great, and cash reserves are so small, that, far from increasing the present credit structure, the banks will have much ado to get back to a sounder financial footing before the autumn trade demands are upon them. Besides this consideration the Federal Reserve Board seems determined to lower commodity prices by forcing liquidation in stocks and commodities. Thus the determined policy of the Board is to restrict as far as possible further credit extensions on the part of the member banks. Unfortunately this policy, which is after all the most reasonable and most prudent one the Federal Reserve Banks could adopt under the circumstances, is not only reacting with great hardship on the Wall Street stock markets, but is a source of considerable friction in industry as well. It is these latter effects of the situation and the prospect of their continuance that lead many people to predict a crisis, but it must not be forgotten that the fundamental economic position of America, as, indeed, of the whole world, is not one of over-production or under-consumption which have precipitated crises in the past, but of acute under-production. In the financial field there can be no doubt that credits will be very scarce and rates abnormally high, but we think that the existence of the Federal Reserve banking system is a sufficient guarantee that nothing in the nature of a financial crisis will occur. All that is required is that existing credits be rationed wisely for the present period of "tightness" to be passed in safety.

Movements in the Stock markets have been extremely irregular, and, judging from the symptoms, no strong "bull" movement is likely until money becomes cheaper and more plentiful. Steel, copper, and railway issues are coming well to the fore, and give promise of great activity in the future. Trade prospects in the two former lines are exceedingly encouraging, while the railways will benefit to no little extent by the U.S. Supreme Court decision regarding the valuation of railway lands by the Bureau of Valuation of the Inter-State Commerce Commission. This decision provides that the basis for the valuation of lands owned by the railways shall be—not the present value of adjoining lands, but the present cost to the railroads of their purchase over and above their market value for ordinary purposes. Few valuations have as yet been worked out on this basis, but it can hardly be doubted that when the scheme comes into operation 5½% on the new valuation will allow a handsome margin to shareholders.

Stock Exchange.

THE volume of business was again on a small scale during the week in the Stock markets. As might be expected, the tone was generally depressed, but this was due to a lack of support rather than to any pronounced selling pressure. In view of the recent comparatively small demands for Treasury bills there was talk in some quarters of a further rise in the Bank rate, and the gilt-edged section suffered slightly in consequence, the weakness being most pronounced in the Five per Cent. War Loan. A sagging of prices in the gilt-edged section yesterday was attributed to the new issue of Treasury bonds proposed by the Chancellor, but the view held generally, and we think correctly, is that this movement is only a temporary one, and that no disposition to change from existing stocks into the new issue may be expected. We deal elsewhere with the general aspects of the new issue, but we may fittingly remark here that inasmuch as the proceeds of new bonds will be applied to a reduction of the floating debt, and on that account will in all probabilitiy obviate the necessity for any legislature in the nature of a capital levy, to that extent both the gilt-edged and the more speculative stocks will benefit. The improvement in the franc was a favourable feature, as for the moment it checked the flow of continental liquidation. Home Rails continued dull and Foreign Rails, with the exception of Grand Trunks, were also depressed.

Though the gilt-edged section rallied in the early part of the week under a substantial accumulation of week-end buying orders, most of the price improvements were subsequently lost, but the present undertone is firmer. Closing quotations were: Consols 47½, War Loan Fives 83⅞xd, War Loan Fours 93¾, Funding Loan 69¾, Victory Bonds 77, India Threes 47¾, and India Three-and-a-Halfs 58. Colonial issues were firm, but Natal Three-and-a-Halfs lost a point to 63½. The popularity of the recent municipal stocks continued. London County Council 5¾% bonds were dealt in yesterday at 93¾. Hertfortshire County Sixes finished at 96¾. Birmingham Sixes changed hands at 98¾.

The strength of the Continental exchanges helped the Foreign market, and the tone was firmer. Brazilian issues rallied; the Fours of 1889 went to 45, the 5% Funding Loan rose to 71, while the 4% Rescission were better at 47, and 5% Funding Loan of 1914 improved to 65. Belgian Threes were supported at 51½. French War Loan Fives improved to

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42½, and the Fours, British issue, went to 35. Japanese Fours of 1905 declined to 71, and the Fours of 1910 receded to 51, but the first and second series of Four-and-a-Half per Cents. of 1905 rallied to 100. Mexican Six per Cent. Treasury Bonds fell to 60½.

The Home Rail market continued throughout the week in a depressed condition, but a steadier tone was noticeable at the close. Midland Deferred, after an initial lapse to 52½, rallied afterwards to 53. Great Westerns closed at 83. London and North-Westerns finished at 86. Central London Deferred dropped from 47½ to 43½. Lancashire and Yorkshires declined to 57½. Great Northern Preferred weakened to 46½, and the Deferred to 29¾. South-Eastern Deferred weakened to 29½.

In the Foreign Rail market Argentine descriptions continued their week-end improvement over Monday, but were neglected subsequently. Buenos Ayres Great Southerns closed weaker at 75½. Buenos Ayres Westerns are lower at 76½. Central Argentines Ordinary declined to 66. Mexican Rails were weak. Grand Trunks put on a good recovery in the early part of the week, when it became known that the Amended Acquisition Bill had passed the third reading in its amended form, but the closing undertone was weak. Many Preference stocks in this section were noticeably strong. United Railways of Havana closed at 84xd.

In the Industrial market little business was in progress, but a renewal of scattered liquidation was sufficient to impart a dull tone to the market, and the tendency of prices was downward, though movements were generally unimportant. Rather heavy liquidation in certain favourites was reported from Ireland. Nitrates were dull. Dunlop Rubbers were notably weak with a decline to 8¼xd. Tobaccos declined, British-Americans closed at 5⅜ and Imperials at 52*s*. Associated Cements fell to 26*s*. xd. on Thursday. Good features were not altogether lacking. Engineering iron and steel shares were fairly steady; Ebbw Vales after a spurt in the early part of the week, closed more unsteadily at 32*s*. 9*d*. Imperial Continental Gas displayed strength at first but closed weakly at 129. Textiles were firm: Joshua Hoyles finished at 4½, Sewing cottons were firmer at 3⅛, Fine Spinners closed rather unsteadily at 5 5/32, and Amalgamated Cotton Mills Trusts were dealt in freely about 1 1/16.

The Oil market was interested on Monday in the rumours regarding Government control of the Shell group, and Shells were bid up to 11⅝. The price lapsed, however, on the denial of the rumour by the company. Mexican Eagles relapsed owing to the unfavourable political news from Mexico. Practically from Monday onwards the only noticeable feature in the market was a steady stream of liquidation, and prices suffered severely in many cases. Some Irish selling was also reported in this market. The quotations at the beginning and end of the week for the leaders were: Shells, 11⅛ and 10⅝ respectively; Mexican Eagles Common 9½ and 9¼, and the Preference, 9⅛ and 8⅜; Scottish Americans, 33*s*. 9*d*. and 32*s*. 3*d*.; Tankers (5*s*. paid), par and 3*d*. discount; Burmahs, 17½ and 17.

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Mining Topics.

Faced with a relapse in the French exchange, the Mining market opened the week with a bout of Paris liquidation. The gradual improvement in the Paris rate during the week at best prevented further reactions, for it coincided with irregular changes in the gold premium and with the fear of a crisis at the Cape over the Profiteering legislation. Thus the market continued idle, share values remaining rather easier. Thursday witnessed a few nominal reactions on account of a small liquidation on Paris account. The situation is not likely to be any better in the immediate future because of the announcement on the part of the Standard Bank of South Africa of further advances in the buying and selling rates for drafts and cable transfers in London. After May 1 buying rates for telegraphic transfers will be 8% discount, whilst selling rates for amounts up to £500 will be 7¼% discount, and for amounts in excess of this 7½% discount.

The general news from the mines was of a varied character. Modderfontein East reports that milling was started at the Apex plant on April 23, and was yielding satisfactory results. On the other hand, the directors of New Kleinfontein have decided to suspend all operations other than pumping in the No. 7 or Apex section of the mine owing to the unsatisfactory nature of the development work and the increased costs of working. Shareholders are furthermore informed that the situation is not likely to improve for a long time to come. The agreement for the absorption of the Giant Mines of Rhodesia by the London and Rhodesian Mining and Land Company has been confirmed by a large majority. A final dividend of 9*d*. per share free of tax is declared by the Arizona Copper Company, making a total dividend for 1918-19 of 10*s*. 6*d*. per share, as compared with 3*s*. per share for 1917-18.

OOREGUM.

The report of this well-known Indian gold-mining Company for the year ended December 31, 1919, indicates in some respects an improvement and in others a set-back, as compared with the results achieved in 1918. There is an increase in the quantity of ore crushed to 154,050 tons, with the resulting production of 90,434 ounces of fine gold, as compared with 89,632 ounces for 1918. The value of the gold secured per ton of ore is just a little higher at 49*s*. 9½*d*. However, working expenses have risen by £12,301 to £234,526, thus reaching 30*s*. 5½*d*. per ton, as against 29*s*. 1*d*. per ton in 1918. This increase was not merely due to the world-wide advance in the prices of labour and materials, but also to the greater amount of development work done and to the loss on the adverse rate of exchange, especially during the first quarter of the year under review. And were it not for an agree-

ment entered into in May 1919 with the Government of India, whereby it purchased one half the gold output of the Kolar mines for payment in India in rupees, a much heavier loss would have been incurred on the transfer of the money needed to meet the wages and general expenditure of the mine. The following table gives the actual working operations and a comparison with those of previous years:—

Year to Dec. 31	Ore Crushed (2,000 Lb.) Tons	Total Value of Gold Secured £	Per Ton	Expenses, not including royalty Per Ton	Working Profit £	Per Ton	Ore Reserves Tons	Approx Lowest Level Vertical Depth Ft.	Price of Ord. 10s Shs. end of Period
1905...	136,393	248,505	36/5	24/4	82,348	12/1	146,973	2,600	17/6
1910...	149,416	357,119	47/10	23/6	181,962	24/4	184,278	3,750	17/0
1914...	154,893	366,800	47/4	22/10	190,075	24/6	266,360	4,800	22/0
1915...	153,266	366,739	47/8	24/10	176,161	22/10	367,625	5,000	23/3
1916...	155,317	384,302	49/6	25/10	184,130	23/8	420,821	5,100	19/9
1917...	155,080	384,717	49/7	25/8	185,465	23/11	414,783	5,200	18/3
1918...	152,780	380,220	49/9	29/1	157,995	20/8	392,690	5,500	18/0
1919...	154,050	383,439	49/9½	30/5½	148,913	19/4	427,966	5,500	16/3

The working profit of £148,913 compares with £157,995 in 1918. Including sundry revenue and the net balance of £5,757 brought forward from the last accounts, but deducting the royalty charge which remains practically unchanged at £21,257, there is available for dividends a sum of £141,287. From this there is written off £10,000 in respect of depreciation and £22,000 representing the bulk of the capital expenditure during the year on the circular shaft, and £963 in connection with the outlay on the Kolar Gold Field Prospecting Department. Sundry charges, including income tax, account for £1,506. Shareholders receive in dividends £93,174, as compared with £102,193 in 1918, the dividend being reduced from 25% to 22½%. A balance of £2,173 is carried forward to the next accounts. A summary of these financial results is embodied in the following table:—

	1919 £	1918 £	1917 £	1916 £	1915 £
Working profit	148,913	157,995	185,465	184,130	176,161
Less royalty	21,257	21,383	21,622	21,992	21,572
Net working profit ...	127,656	136,612	163,843	162,138	154,599
Sundry revenue*	7,874	8,438	7,663	6,266	6,858
Brought forward	5,757§	8,778	1,627	1,567	1,478
Total available	141,287	153,828	173,133	169,971	162,935
Allocations:—					
Dividends paid ‡	93,174 (22½%)	102,193 (25%)	120,232 (30%)	120,231 (30%)	120,231 (30%)
Income tax	12,434	12,701	7,135	10,932	6,906
Extra to directors and managers	541	722	2,000	2,165	2,165
Amount written off† ...	32,000	24,473	28,373	29,516†	26,565
Placed to reserve	—	5,000	5,000	5,000	5,000
Insurance and contingency fund	—	1,000	1,000	500	500
Sundries	965	901	551	—	—
Carried forward	2,173	6,839	8,778	1,627	1,567
	141,287	153,828	173,173	169,971	162,935
Surplus liquid assets (a) ...	63,594	79,532	56,203	41,642	61,932

* Including dividends on Kolar Mines Power Station shares.
† Includes depreciation of plant and capital expenditure written off.
‡ Ordinary dividend. Preference dividend, 10% more in each year.
§ £6,839 less £1,082, the amount of Directors and Managers' percentage on final dividend of 1918.
(a) Allowing for final dividend payment.

For the current year the outlook is distinctly favourable. The circular shaft, which is intended, when finished, to be the main shaft of the mine, has been deepened 833 feet during 1919, and was at the close of the year 1,165 feet below the surface. Development operations exceeded expectations. In quality it reached a total of 10,766½ feet, an increase of 2,296½ feet over the total of 1918. From the qualitative point of view, its effect is reflected in the greatly improved position of the ore reserves, which have risen from 392,690 tons to 427,966 tons—the highest figure yet reached. The outstanding feature of the development work is seen in the results from Oakley's section. At the 59th and 60th levels ore yielding one ounce of gold to the ton has been exposed for considerable lengths; in the former level it is found over 783 feet with a width of 18 inches. A recent development of the 61st level reveals for 75 feet quality averaging 1 oz. 8¼ dwt. per ton over a width of 30 inches. "The re-making of this ore-shoot," says the superintendent in his report, "has already added much valuable ore to the reserves, and holds out, in addition, a most encouraging prospect for the future of the mine in depth." On the other hand, development work in Bullen's section has not proved as productive as might have been expected. Yet since the close of the year under review a distinct improvement has been recorded in this section, and work in Oakley's section continues to yield satisfactory results. In the light of these facts the estimate of an output for the current year of a quantity of ore equal to that of the year under review is decidedly conservative. To what extent the cost of working per ton will increase is, of course, problematical. But there is no reason for expecting any such rise as would outweigh the increased profits likely to accrue from the contract recently entered into with the Government of India for the future disposal of the gold output on the termination of the present contract on May 14, 1920. According to this contract Indian gold-mining companies have given the Indian Government an option over the whole or part of their output at the London market price calculated at the current rate of exchange, the gold to be delivered, as usual, at the Bombay mint. The balance of their output, not taken by the Government, could be sold in any other market. For the present the proportion taken by the Indian Government amounts to 75%. Realising, however, that whilst latest indications would point to an increasingly long life for their mine, it was advisable, in the interests of the shareholders, to visualise the more distant future, the directors have decided to extend the sphere of their activities. In conjunction with two other companies of the Kolar Gold Field, they have formed the Indian Mines Development Syndicate, Limited, with an authorised capital of £20,000, subscribed as to one-third by each of the three companies. This syndicate is to investigate certain regions in Burmah known to be rich in minerals, and has already acquired options over certain areas. In addition to this the Company has obtained a prospecting licence and options over extensive copper areas in the State of Kharsawan, lying not more than 150 miles from Calcutta. The balance sheet reveals a strong financial position. To meet liabilities, including the final dividend of £54,116, amounting to £114,498, liquid assets are available to the extent of £778,092. The Ordinary shares of 10*s.* are quoted at 17*s.* 6*d.*, at which price they yield on the 1919 dividend nearly 14½%, whilst at 24*s.* the Preferred Ordinary shares of 10*s.*, with their dividend of 32½%, bring in over 13½%.

DOLCOATH.

Half-Year to	Ore Milled Tons	Black Tin Output Per Ton Tons	Lb.	Av. Price Obtained per Ton of Tin £	Working Costs per Ton of Ore £	Gross Profit £	Lord's Royalties £	Net Profit £
June '16 ...	41,384	576½	31·2	108½	25/1	11,040	4,157	6,883
Dec. '16 ...	37,963	500½	29·5	99⅝	26/4	413	3,323	2,910*
June '17 ...	35,174	500	31·8	125⅝	31/9	8,560	4,203	4,357
Dec. '17 ...	34,640	467½	30·3	145	35/4	10,685	4,630	6,055
June '18 ...	32,783	423½	29	188½	40/2	17,642	2,830	14,813
Dec. '18 ...	28,716	403	31·4	188¾	47/9½	14,446	—	14,446
June '19 ...	28,877	387½	[illegible]	118⅝	46/9½	Nil	—	19,510*
Dec. '19 ...	32,826	345½	23·6	162¾	47/0¾	Nil	—	18,063*

* Loss.

It would be difficult even for the most optimistic shareholder to derive much comfort from the report of this Cornish tin-mining Company for the half-year ended December 31, 1919. Reverting for a moment to the operations of the previous six months, it can be seen from the above table that, despite a small increase in tonnage milled for the six months ended June 30, 1919, the output of black tin had fallen to 387½ tons in comparison with 403 tons for the period up to December 31, 1918. This smaller output was disposed of at the remarkably low price of £118⅝ per ton of tin, as against the previous price of £188¾. The alleviation afforded by the reduction in the working costs of 1*s.* per ton to 46*s.* 9½*d.* was, in consequence, comparatively slight, with the final result that a profit of £14,446 for the second half of 1918 was converted into a loss of £19,510 for the first half of 1919. No substantial difference characterised the working for the period under review—the remaining six months of

1919. The poorer grade of the ore is reflected in the yield of 345⅕ tons of black tin from a quantity of ore nearly 4,000 tons in excess of that crushed in the June period. Matters were not improved by the rise in the cost of working to 47*s.* 0¾*d.*, which total now includes interest on the Debenture stock in lieu of Lord's Royalties. The main factors bringing about this rise were the increasing cost of materials, especially coal, the expenditure on which increased by £3,570 over the period, and the advances in wages which involved an additional outlay of £4,188. Were it not for a satisfactory advance in the price per ton realised by the output, which reached £162¾, or over £44 per ton more than the price prevailing for the first six months of the year, there is no doubt that the working loss for the period under review would have considerably exceeded that incurred during the previous six months. As it was, the actual working loss recorded amounted to £18,063. Adding to this the sum of £448, representing the loss on realisation of National War Bonds, and £1,188, in respect of income tax, the total loss for the period reached £19,699. To meet this loss the reserve fund of £15,000 has been transferred to the profit and loss account, and this, in addition to the balance of £2,928 brought forward from the last accounts, leaves a debit balance of £1,771 to be carried forward.

It cannot be said that the prospects for the future are very encouraging. Whilst the labour trouble has been averted, there is little doubt that the working costs, in view of the increased wages, will, if anything, increase. However, with tin rising to £418 a ton towards the end of February and being quoted as high as £350 in the middle of April, it has been possible to work the mine at a small profit for the first quarter of 1920. By confining the entire crushing to the western battery of twelve heads of pneumatic stamps, a more efficient treatment of the tinstuff is expected, which will lead to great economies. Whilst the development work during the period showed an increase over the previous six months, it was still far from adequate, and only enabled the output to be approximately maintained. In the balance sheet liabilities amount to £17,182, whereas liquid assets, consisting of sundry debtors, investments, and cash balances, reach a total of £17,723. Including the value of stocks of tinstuff and stores on hand, the actual surplus of liquid assets over liabilities is only £6,528—a margin which is by no means very large. The Chairman himself was by no means optimistic, for his opinion was that: "The future of the Company lay in the development of other holdings, rather than of Dolcoath proper. The only present policy was to endeavour to tide over their difficulties in the hope that financial arrangements could be made to enable adequate development to be effected." And there is little doubt that what he had in mind in this respect was financial assistance from the Government, for he subsequently stated that "he thought the strongest possible case for Government aid had been made out." The "other holdings" to which the attention of shareholders was directed were those purchased in 1918 by Dolcoath in conjunction with East Pool and Agar, and subsequently floated under the title of "Tehidy Minerals Limited." According to the memorandum supplied to shareholders these holdings comprise "the most highly-mineralised zone in England," a large portion of which has hitherto been unworked and unprospected. For 1918, including rents and royalties, a total revenue of £20,000 was derived from these properties, which are said by experts to contain rich deposits of China clay, in addition to tin, iron, silver, and lead. Meanwhile, the £1 shares in Dolcoath itself command only 5*s.* 1½*d.*, and its 6%, free of income tax, Debentures stock is only quoted at 68. Taking a broad view of the whole situation, especially as regards the immediate future, these price levels are not unduly low and reflect accurately the judgment of the market upon the more immediate prospects of the concern.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, April 28, 1920.

Issue Department.

Notes Issued	£130,436,765	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	111,986,765
	£130,436,765		£130,436,765

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£59,804,621
Rest	3,090,870	Other Securities	75,164,428
Public Deposits	17,902,788	Notes	22,552,820
Other Deposits	122,478,225	Gold and Silver Coin	531,546
Seven-day and other Bills	28,532		
	£158,053,415		£158,053,415

Comparison with Previous Four Weeks [00,000's omitted.]

Date 1920.	Circulation	Coin and Bullion	Deposits: Public	Deposits: Other	Securities: Govt.	Securities: Other	Reserve	Ratio Reserve to Liabilities	Bank Rate •	Three Months' Bills
	£	£	£	£	£	£	£	%	%	%
Apr. 28	107,8	112,5	17,9	122,4	59,8	75,1	23,1	16·4	7	6⅛
Apr. 21	105,9	112,4	20,0	124,2	57,4	79,6	24·9	17·3	7	6⅛
Apr. 14	106,0	112,4	19,3	122,8	55,1	79,8	24·8	17·5	7	6⅛
Apr. 7	106,8	112,1	24,9	133,7	59,0	93,5	23,8	15·0	6	5⅞
Mar. 31	105,2	112,1	36,2	100,9	20,4	109,5	25,3	18·5	6	6⅛
J'y22,'14	29,3	40,2	13,7	42,2	11,0	33,6	29,3	52·40	3	2⅛

• July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 8%; Aug. 8, 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; Apr. 5, 5%; Nov. 8, 1919, 6%; Apr. 15, 1920, 7%

Comparison of Bank Returns, Exchanges, Prices, &c.

	Apr. 30, 1920	Apr. 30, 1919	May 1, 1918	May 2, 1917	Apr. 30 1910
Bank of England (in £'s sterling 00,000's omitted):					
Circulation	£107,8	£77.1	£49.4	£38.8	£28.2
Public Deposits	17·9	21,9	34.4	47.2	8.4
Other Deposits	122,4	124.7	137,7	128.9	43.5
Government Securities	59.8	55.1	56.5	45.0	13.8
Other Securities	75.1	82.3	102.9	114.1	29.5
Reserve	23.1	26.9	30.4	34.7	26.4
Ratio to Liabilities	16·4%	18.38%	17·66%	19·69%	50·70%
Coin and Bullion	112.5	85,6	81,4	55.1	36.1
Money:					
Bank of England Rate	7%	5%	5%	5%	4%
Bank of France Rate	6%	5%	5%	5%	3%
Rate 3 months' Bills London	6⅝-½%	3½%	3⅝%	4⅛-4⅜%	3⅛-3½%
Exchanges:					
Paris Cheque	64·10	28·23½	27·18	27·17½	25·25
New York 60 days	3·82½	4·64	4·72½	4·73	4·84⅜
Bombay Telegraphic Transfers	2/3⅛	1/5⅜	1/5⅝	1/4 5/32	1/4 1/32
Prices:					
Consols 2½% Cash	47	55½	55¼	55⅜	81⅛
French Rentes 3% Money	57·15	62·40	58·50	61·50	98·50
Silver, London spot os.	64½d.	48⅛d.	49½d.	38½d.	24 13/16d.
Wheat, *Gazette* average qr.	72/8	73/1	73/3	81/1	33/7
Cotton, Mid Upland lb.	28·52d.	19·66d.	21·51d.	12·96d.	7·92d.
Iron, Scotch pig ton	206/0	101/0	101/0	98/6	56/3

CURRENCY NOTE ISSUE.

Week to	Notes Issued	Notes Cancelled	Notes Outstanding	Gold Coin & Bullion	Bank of England Notes	% of Bank Notes & Gold to Notes
	£	£	£	£	£	%
Apr. 28, '20	7,005,683	6,810,368	337,376,892	28,500,000	6,600,000	10·4
Apr. 21, '20	5,860,981	8,708,241	337,181,577	28,500,000	6,500,000	10·4
Apr. 30, '19	6,666,768	7,435,440	348,339,626	28,500,000	—	8·2
Ap 1, '18	6,707,957	3,840,959	238,057,605	28,500,000	—	12·0
May 2, '17	5,873,642	3,585,729	154,367,798	28,500,000	—	18·5
May 3, '16	4,611,190	3,695,777	117,159,565	28,500,000	—	24·3

Balance Sheet, April 28, 1920.

	£		£
Notes outstanding—		Advances—	
One Pound	263,931,018	Other Bankers ...	—
Ten Shilling	42,645,874	Trustee Savings Banks	190,000
Certificates outstanding ...	30,800,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500,000
Total	337,376,892	Bank of England Notes...	6,600,000
Investments Reserve A/c ...	17,062,027	Government Securities ...	317,984,202
		Balance at Bank of England	1,164,717
Total	354,438,919	Total	354,438,919

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

1920. Week to	Revenue	Expenditure	Excess of Expenditure	Loans, Advances, &c.—Cr.	Loans, Advances, &c.—Dr.	Net +	Cash Balance
Apr. 24	£23,958	£16,338	*£7,620*‡	£112,377	£121,181	—£8,204	£3,866
Apr. 17	29,489	21,827	*7,662*‡	120,334	127,276	—6,942	4,450
Apr. 10§	50,455	50,355	*100*‡	183,935	189,724	—5,739	3,731
24dys. '20-21	103,901	88,520	*15,381*	417,297	442,048	—24,751	— 5,503
26days '19-20	63,171	138,912	75,741	391,850	322,776	69,074	— 6,666
Yr. '20-21•	1,418,300	1,184,102	*234,198*‡	—	—	—234,198	—
Yr '19-20	1,339,571	1,665,773	326,202	6,092,709	5,766,507	326,202	5,363
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	1,682,049	12,798
Yr. '17-18	707,234	2,696,221	1,988,987	7,499,604	3,616,023	1,983,581	21,030

Principal Items of Revenue and Expenditure.

1920. Week to	Revenue: Customs & Excise	Revenue: Income Tax, &c.	Revenue: Excess Profits Duties, &c.	Revenue: Other Revenue	Expenditure: Int., &c., on Debt	Expenditure: Misc. Expend.	Expenditure: Supply Services.
Apr. 24	£8,341	£3,615	£4,653	£7,349	£3,814	£225	£12,300
Apr. 17	7,484	5,418	4,587	12,000	2,832	195	18·800
Apr. 10§	4,498	23,766	4,595	17,596	28,162	179	22,014
24days'20-21	20,323	32,799	13,835	31,944	34,807	598	53,114
26days'19-20	14,704	23,770	17,167	7,530	37,523	420	100,969
Yr. '20-21•	348,650	385,800	220,000	463,850	345,000	31,198	807,904
Yr. '19-20	283,023	359,099	290,045	407,404	332,034	16,171	1,317,668
Yr. '18-19	162,220	291,186	285,028	150,587	269,964	11,380	2,297,956
Yr. '17-18	110,033	239,509	220,214	137,478	189,851	11,401	2,494,968

FLOATING DEBT. [000's omitted.]	Treasury Bills	Ways & Means Advances	Total	Extnl. War Bond Repts.
Apr. 24, 1920 ...	£1,050,634	£245,337	£1,295,971	£1,745,720
Apr. 17, 1920 ...	1,054,170	245,837	1,300,007	1,745,720
Apr. 10, 1920 ...	1,043,398	263,837	1,307,235	1,745,720
Mar. 31, 1920 ...	1,107,318	204,887	1,312,205	1,745,720
June 30, 1919 ...	796.150	774,237	1,570,387†	1,732,021

• Budget estimates. † Highest. ‡ Excess of revenue. § 10 dys.

FOREIGN BANKS.

[In £'s Sterling‡—000's omitted.]

AUSTRIA-HUNGARY	Cash Gold	Cash Silver	Cash Total	Advances To Public	Advances To Dual Govts.	Note Circulat'n	Bills Discounted, &c.
July 23, '14...	£51.578	£12.141	£63.719	£7.772	—	£88.740	£31.993
Oct. 21, '19...	10.832	2.374	13.206	371.686	£1.373.083	2.013.363	240.845
Oct. 28, '19 ..	10.832	2.378	13.210	372.119	1.373.083	2.058.464	222.532
Dec. 7, '17...	11.000	2.300	13.300	603.990	—	739.300	117.600

BELGIUM.	Gold.	Silver	Total	Discounts	Circulation	Deposit
Aug. 6, '14 ...	£10.977	£633	£11.610	£41.925	£51.800	£6.263
Apr. 15, '20 ...	10.657	1.115	11.772	25.831	901.140	87.903
Apr. 22, '20 ...	10.657	1.112	11.769	27.698	200.918	89.228

DENMARK.	Cash Gold	Cash Silver	Cash Total	Discounts	Balance Abroad	Circulation	Deposits
July 31, '14 ...	£4.100	£341	£4.441	£6.197	£786	£8.693	£47
Feb. 28, '20 ...	12.597	186	12.783	16.948	599	26.396	3.293
Mar. 31, '20 ...	12.589	172	12.761	18.055	590	29.123	2.024
Mar. 31, '19 ...	10.395	137	10.532	3.644	4.206	24.137	832
Mar. 30, '18 ...	10.269	136	10.405	2.892	3.159	19.499	955

FRANCE.	Gold In Bank	Gold Abroad	Total Cash incl'g Silver	Bills	Circulation	Deposits Public	Deposits Private
July 30, '14 ...	£165.654	—	£190.667	£97.768	£267.397	£15.302	£37.903
Apr. 22, '20 ...	144.310	79.131	233.973	85.834	1.491.069	12.113	133 535
Apr. 29, '20 ...	144.321	79.131	233.915	92.340	1.507.504	3.594	135 179
May 1 '19 ...	£142.759	79.132	234.318	36 643	1.384.012	1.884	135 369
May 3 '18 ...	133.702	81.484	225.431	52.643	1.089.325	1.607	125.414

GERMANY.	Cash Gold	Cash Silver	Cash Total	Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
July 23 '14...	£67.843	£16.727	£84 570	£5.279	£40.055	£94.545	£47.198
Apr. 7, '20...	54.573	2.283	56.856	715.236	2.156.063	2.980.853	855 890
Apr. 15, '20...	54.585	3.438	58.023	719.141	2.038.793	2.285.308	854.982
Apr. 15, '19	95 601	1.026	96.627	341.973	1.500.794	1.293.556	651.801
Apr. 15, '18...	120.389	5.020	126.409	73.195	698 559	596.360	368.766

HOLLAND.	Cash Gold	Cash Silver	Cash Total	Discounts	Advances	Circulation	Deposits
Aug. 1, '14 ...	£13.496	£249	£13.745	£13.422	£10.332	£35.660	£1.437
Apr. 17, '20 ...	52.903	923	53.826	25.159	16.661	87.581	9.009
Apr. 24, '20 ...	52.931	944	53.875	23.851	16.593	87.278	7.780
Apr 26, '19 ...	55.979	676	55.955	13.899	18 831	86.457	7 672
Apr. 27, '18 ...	60.481	606	61.087	4.195	12.827	78.244	5.775

ITALY.	Cash Gold	Cash Silver	Cash Total	Other Cash	Loans & Discounts	Circulation	Deposits
July 31, '14 ...	—	—	£48.456	£25.017	£69.204	£8.887	
Dec. 31, '19 ...	£32.193	£3.004	35.197	21.538	110.071	507.671	83.394
Jan. 10, '20 ...	32.194	3.004	35.198	20.480	112.555	495.477	78.868
Dec. 31, '18 ...	32.710	3.086	35.796	15.238	65.984	368.934	63.866
Dec. 31, '17 ...	33.434	3.496	36.930	8.448	47.745	261.568	57.941

JAPAN.	Gold	Discounts	Advances	Notes	Deposits Public	Deposits Private
Aug. 1, '14 ...	£21.867	£1.829	£7.863	£32.722	£13.818	£1.521
Mar. 6, '20 ...	93.662	21.495	37.496	123 509	114.307	3.504
Mar. 13, '20 ...	93.513	19.776	36.403	118.734	115.873	2.557
Mar. 15, '19 ...	71.155	1.277	40.949	79.055	113 481	3.349
Mar. 16, '18 ...	65.533	3.258	23.139	62.953	66.593	2.170

NEW YORK BANKS & TRUSTS.	Cash Own Vaults	Loans, Aggregate Reserve	Loans, Disc'ts, Invest.,&c.	Net Deposits Demand	Net Deposits Time	Total	Excess Reserve
Aug. 1, '14 ...	—	£89.888	£411.238	—	—	£387.165	£1.720
Apr. 17, '20 ...	£18.996†	116.740	1,034.294	£842.536	£50.354	907.606	4.842
Apr. 24, '20 ...	18.626†	116.762	1.036.372	837.566	50.210	910.006	5.510
Apr. 26, '19 ..	19.852†	116.446	981.956	809.474	31.098	892.126	10.088
Apr. 27, '18 ...	21.148†	111.568	901.584	746.684	36.291	852.691	12.224

NORWAY.	Gold	Balance Abroad	Norw. & For. Govt. Secs.	Disc'nts & Loans	Circulation	Deposits
July 31, '14 ...	£2.960	£1.678	£493	£4.868	£6.752	£793
Apr. 7, '20 ...	8.122	4.524	579	19.257	24.480	4.129
Apr. 15, '20 ...	8.121	4.250	579	19.794	24.091	4.782
Apr. 15, '19 ...	8.197	3.802	691	19.986	24.771	4.089
Apr. 15, '18 ...	6.735	3.648	713	18.572	19.675	6.736

PORTUGAL.	Gold	Silver	Total	Discounts & Note Circulation Advances	Circulation	Deposits
Nov. 28, '19 ...	£1.906	£3.921	£5.827	£11.063	£76.570	£4.625
Dec. 3, '19 ...	1.906	3.920	5.826	10.881	74.948	7.186
Dec. 10, '19 ...	1.906	3.921	5.827	12.888	78.528	6.349
Dec. 17, '19 ...	1.906	3.921	5.827	12.954	80.275	4.860

ROUMANIA.	Cash	Discounts	Advances	Total	Circulation
Feb. 14, '20 ...	£60.009	£8.546	£2.440	£10.986	£179.211
Feb. 21, '20 ...	60.009	8.068	2.532	10.600	178.230
Feb. 28 '20 ...	68.009	7.825	2.483	10.308	180.003
Mar. 1, '19 ...	33.701	6.439	1.659	8.098	99.332

RUSSIA.	Gold In Bank	Gold Abroad	Total Cash incl'g Silver	Loans & Disc'ts	Circulation	Notes in Reserve	Total Deposits
July 21, '14...	£150.114	£14.395	£181.892	£76.081	£163.411	£6.589	£109.911
Oct. 28, '17...	128.523	230.865	378.205	1.869.559	1.836.217	16.783	345.550

SPAIN.	Cash Gold	Cash Silver	Cash Total	Loans, &c.	Spanish 4%	Circulation	Deposits &c.
Aug. 1, '14 ...	£21.804	£29.187	£50.991	£40.572	£13.778	£77.557	£18.955
Apr. 17, '20 ...	86.109	25.023	123.132	85.688	13.779	156.467	43.863
Apr. 24, '20 ...	86.103	25.137	123.245	84.416	13.779	155.144	44.298
Apr 26, '19 ...	90.445	26.010	116.455	74.672	13.778	140.115	43.918
Apr. 27, '18 ...	81.589	28.486	110.025	50.673	13.777	116.432	35.185

SWEDEN.	Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
Aug. 1, '14 ...	£5.717	£6.150	£1.555	£7.495	£13.432	£3.903
Apr. 17, '20 ...	14.501	4.905	2.524	35 582	38.121	15.829
Apr. 24, '20 ...	14.500	4.963	2.524	34.394	36 908	15.230
Apr. 26, '19 ...	15.974	7.418	3.003	18.647	38.294	6.471
Apr. 27, '18 ...	14.316	7.632	3 886	13.027	32 88.	9.917

SWITZERLAND.	Cash Gold	Cash Silver	Cash Total	Discounts & Advances	Circulation	Deposits
July 23, '14 ...	£7.202	£758	£7.960	£4.817	£10.716	42.026
Apr. 15, '20 ...	21.160	3.527	24.677	14.398	33.810	5.433
Apr. 23, '20 ...	21.241	3.560	24.801	11.226	33.484	4.411
Apr. 23 '19 ...	16.789	2.625	19.414	21.232	36.407	4.487
Apr. 23, '18 ...	15.014	2.262	17.276	12.033	26.411	3.447

† Not reserve. ‡ Converted at par rate of exchange approximately.

U. STATES FED. RES. BANKS.	Gold Held by Banks	Gold With Agents	Total Cash	Bills Discounted	Acceptances.	Deposits. Govt.	Deposits. Total Net.	Circulation.
Apr 19 '20 ...	—391.058—		417 546	482.938	83 356	6.120	350.536	614.738
Apr 26 '20 ..	—389.938—		416.714	495.836	80 934	8.562	354.682	613.662
Apr. 26 '19 ..	189.166	244.678	448.032	390.092	37,164	18.346	350.418	509.910
Apr 26 '18	195.760	169.640	378.190	119.958	60.480	26 134	311.380	305.246

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed		%	Date Fixed
Amsterdam ...	4½	July 1, '15	Lisbon	5½	Jan. 15, '14
Berlin	5	Dec. 23, '14	Madrid	5	Nov. 10, '19
Berne	5	Aug. 21, '19	Paris	6	Apr. 8, '20
Bombay	9	Apr 22 '20	Petrograd ...	6	July 29, '14
Brussels	5½	Apr. 28, '20	Rome	5½	Apr. 6, '20
Calcutta	5	June 5, '19	Stockholm ...	7	Mar. 18, '20
Christiania ...	6	Dec. 18 '19	Tokio	8·03	Nov 18, '19
Copenhagen ...	7	Apr 16, '20	Vienna	5	Apr. 12, '15

III.—FOREIGN EXCHANGES.

LONDON ON—		Apr 30, '20	Apr 23, '20	Apr. 16 '20	Apr. 9, '20
Berlin	Cable	220 n	238½m.	240m	230m.
Brussels	Cheques	63fr. 05	63fr. 82½c	61fr. 25c	58fr 50c.
Denmark	Cable	22kr. 67½	22kr. 65	21kr. 80	21kr. 25
Holland.....	do.	10fl 59c	10fl. 63c.	10fl. 72½c.	10fl. 61c.
Italy	do.	86fr. 00	85fr.	83fr 00	97fr. 50
Lisbon and Oporto	do.	13½d	15½d.	15d.	15d.
New York	do.	$3 83⅞	$3 88	$3 97	$4 02
—	Cheques	$3 84⅜	$3 89½	$3 93	$3 99
Norway	Cable	19kr 99	20kr. 05	19kr. 55	19kr. 90
Paris	3 mos.	64fr. 80c	65fr. 75c	66fr. 85c	63fr. 25c.
—	Cable	64fr. 10c	64fr. 85c.	65fr. 55c	62fr. 25c.
Spain (Bank places)	3 mos.	51¼d.	51½d.	51d	52½d.
—	Cable	22p. 72½	22p. 90	22p. 80	22p. 20
Sweden	do.	17kr 98	17kr. 94	17kr. 96½	16kr 12½
Switzerland	3 mos.	22fr 05c	22fr. 38½c.	22fr. 40c	22fr 30c.
—	Cable	22fr. 67½c	21fr. 94c.	21fr. 90c	21fr. 97½c.

ON LONDON—		Apr. 30, '20	Apr 23, '20	Apr. 16 '20	Par
Alexandria	Sight	97½pi.	97⅝pi	97⅛pi.	97½pi.
Amsterdam	Cheques	10fl. 64c.	10fl. 60½c.	10fl. 71c.	12.107fl.
Athens	Cable	33dr 47	35dr. 70	35dr. 40	25dr. 22½
Bombay	Transfers	2s. 3⅞d.	2s. 3⅞d.	2s 4⅛d.	2s.*
Brussels	Cheques	60f 17½c.	60f. 85c	61f. 17½c.	25f. 22½c.
Buenos Ayres	Transfers	60⅜d.	60⅛d.	59½d.	47.58d.
Calcutta	do.	2s. 3⅞d.	2s. 3⅞d.	2s. 3⅞d.	2s.*
Christiania	Sight	19kr. 99	20kr. 09	19kr. 60	18.159kr.
Copenhagen	do.	22kr. 65	22kr. 72	21kr 95	18.159kr.
Helsingfors	Cable	73m	68½m.	74½m.	25m. 22½
Hong Kong	Transfers	4s. 10d.	4s. 9½d.	4s. 8½d.	—
Italy	Sight	84½r. 57½c.	89½r. 75c.	89½r. 50c.	25l. 22½c.
Lisbon	do.	13⅜d.	15¾d.	15d.	53½d.
Madras	do.	2s. 3⅜d.	2s. 3⅞d.	2s. 3⅞d.	2s.*
Madrid	do.	22p. 69	22p. 87	22p. 77	25p. 22½
Montevideo	Transfers	60⅞	60⅞	60⅝ d.	51d.
Montreal	Cable	$4 21½	$4 25	$4 31½	$4 33⅓
New York.....	Sight	$3 87½	$3 87½	$3 96⅝	—
—	60 days	$3 82⅞	$3 86	$3 95	—
—	Cable	$3 88	$3 88⅛	$3 97⅛	$4 86⅔
Paris	Cheques	64f. 20c.	64f. 85c.	65f. 50c.	25f. 22½c.
Rio de Janeiro ...	90 days	16½d	16⅛d.	16⅝d.	16d.
Shanghai	Transfers	6s. 7d.	6s. 9½d.	6s. 5d.	—
Singapore	Sight	2s. 3⅞d.	2s. 3⅛d.	2s. 3¼d.	—
Stockholm	do.	17kr. 93	17kr. 97	17kr. 96	18.159kr.
Switzerland	do.	21f. 57½c.	21f. 84c.	22f. 01½c.	25f. 22½c.
Valparaiso	90 days	12 1/16 d.	12 7/16 d.	13 1/16 d.	18d.
Yokohama	Sight	2s. 6¼d.	2s.5⅞d.	2s 5½d.	24.58d.

* Fixed at Rs. 10 to the gold sovereign, February 2, 1920

NEW YOR ON—	Rate Current* Apr. 30 '20	Rate Current* Apr. 23 '20	Par as usually Quoted	Rate July 3.
Amsterdam, sight ...	36 50c.	36*75c.	40·20c for 1 guilder	40·25c.
Bombay, cheques ...	46c.	46c.	48 66c. for 1 rupee	33·00c.
Buenos Aires, cheques ...	103·0	102·20		
Christiania, cheques ...	19 15c.	19·90c.	26·80c. for 1 kroner	
Copenhagen, cheques ...	17·0c.	17·30c.	26 80c. for 1 kroner	26·85c.
Greece, cheques ...	10·90c.	10·80c.	19·295c. for 1 drachma	
Hongkong, cheques ...	97·50c.	92·50c.	74·59c. for Mex. $1	48·4c.
Italy, sight	22·15f.	22·60f.	5·18½ lire for $1.	5·17f.
Lima, cheques	4·90½f.	49·97f.	4·8665 $ for 1 libra	
Manila, cheques... ...	49 60c.	49 60c.	50c. for 1 peso	49·8c.
Montreal	7·5% disc.	15% disc.	Premium per $100	Par
Paris, sight	16 65fr.	16·37fr.	5·18½ francs for $1	5·16fr.
Petrograd, sight ...	—	—	51·48c. for 1 rouble	51·37c.
Rio de Janeiro, cheques	38·80c	38·40c.	32·42c. for 1 milreis	
Shanghai, cheques ...	136c.	130c.	52·96c. for 1 tael	83·00c.
Singapore, cheques ...	46·50c.	47·25c.	56·77c. for $1	57·12c.
Spain, cheques	17·05c.	17·15c.	19 30c. for 1 peseta	
Stockholm, cheques ...	21·15c.	22·05c.	26 80c. for 1 kroner	
Switzerland, cheques ...	5 6½fr.	5·57fr.	5·18½ francs for $1	5·18½fr
Valparaiso, cheques ...	22 75c.	22·75c.	20·61c. for 1 peso	
Yokohama, cheques ...	49·50c.	48c.	49·84c. for 1 yen	49·90c.

* According to Guaranty Trust Company of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount.	Inc. or Dec.*	1920 Aggr.	Inc. or Dec.*
	1920.	[In £'s sterling 000's omitted.]			%
BIRMINGHAM ...	Apr. 24	£3.266 +	£1.185	265 070 +	£23 543 + 68·7
BRISTOL	„ 24	1.595 +	417	31 029 +	9 923 + 47·0
DUBLIN	„ 24	9.575 +	3 069	152.183 +	37.711 + 32·9
LEEDS	„ 24	1.780 +	816	30.877 +	12.680 + 69·7
LEICESTER	„ 24	1 361 +	633	24.412 +	8.917 + 69·6
LIVERPOOL	„ 24	16 103 +	6.503	304 295 +	101.749 + 66·9
MANCHESTER ...	„ 24	28.880 +	16.414	558.648 +	305.312 + 120·5
NEWCASTLE ...	„ 24	3 144 +	1.120	58.265 +	25.112 + 80·6
NOTTINGHAM ...	„ 24	950 +	451	20 224 +	9 317 + 86·8
SHEFFIELD	„ 24	1.959 +	278	27 047 +	7.557 + 38·8
LONDON—	1920.				
TOWN	Apr. 28	625.555 +	267.553	11.210.955 +	4.883.587 + 77·3
METROPOLITAN	„ 28	41.720 +	7.911	728.617 +	179.415 + 32·7
COUNTRY	„ 28	75.798 +	8.282	1.393.626 +	399.413 + 40·2
TOTAL	„ 28	743.073 +	283.756	13.332.198 +	5.467.399 + 69·5

* Compared with the week of three weeks' interval a year ago

V.—FREIGHTS.—According to Messrs. J. C. Gould, Angier and Co.

HOMEWARDS.	1920 Apr. 30	1920 Apr. 23	1913 May 2
Alex. to U.K. ...	55 0	55 0	90
Aust. to U.K. ...	150.0	150.0	32 0
Azoff to L.H.A.R.	—	—	11 0
Bombay to p.p.d.w.	—	—	d.w. 1 6
Burmah to U.K.	140.0	140 0	26 3
Calcut.to p.p.(oats)	—	—	d.w. 25 0
Danube to U.K. ...	—	—	10/9
Odessa to L.H.A.R.	—	—	10 6
R. Plate to U.K.	120.0	120/0	17.3

Homewards.—Cont.	1920 Apr. 30	1920 Apr. 23	1913
U.S. Atl. Ports to L'pl. (cotton, 100lb.)	—	—	45/0
U.S. to U.K. (gr.)	10 6	10 6	2/9
Gulf Ports to U.K.(cot. (cotton & grain)...	12 0	12 0	15 2
OUTWARDS — Cardiff to			
Aden	—	—	—
Colombo	—	—	12/3
Port Said ...	75/0	75/0	9 6
River Plate ...	—	—	18 6
St. Vincent ...	35 0	37 6	9 3

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	APR. 30, 1920.	MAY. 2, 1919.	JUNE 30, 1914.
Iron—Scotch pig warrants ...ton	206/0	101/0	57/0
— Middlesbro' warrants ...ton	200/5	95/0	51/0
— Hematite warrants ...ton	260/0	122/6	61/0
— Staffordshire bars, London ton	£29	£17	£8 10
— Common bars ...ton	£26	£14 15	£6 16
Steel Rails ...ton	£21 5—£22 5	£16 17/6	£6 2/6
Galvanised Sheets ...ton	£56	£28 10	£16 17/1
Copper—Standard ...ton	£101 15	£75 10—£75 15	£66
Tin—English Ingots ...ton	£342	£226—£226 10	£142 15
— Straits ...ton	£346	£227	£139 10
Tinplates, I.C. Coke, S. Wales...box	75/0	33/10½	11/10½—12/0
Lead—Soft Foreign ...ton	£40—£41 5	£24—£24 10	£19
Spelter—Ord. Foreign ...ton	£46 15—£48 10	£35 5—£35 10	£21 7/9
Quicksilver—(75lb.) ...bottle	£25 10—£26nom.	£15—£16	£7
Aluminium ...ton	£185	£150	£82
Antimony—Regulus Foreign ...ton	£65nom.	£40	£27 10
— English ...ton	£72nom.	£45	—
Coal—(best) Yorkshire ...ton	23/0—24/0	23/6—24/6	17/6
— Steam (best) Newcastle ...ton	46/0—51/0	40/0—45/0	14/6
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b Chile, per quintal	15/6	10/1	7/4
Soda—Crystals ex ship ...ton	220/0—230/0	129/0—130/0	42/6—45/0
Copra—Malay and States ...ton	£64	£46	£23 15—£24 7/6
Gambier—Good marks ...cwt	51/0	37/6	16/10½
Indigo—Bengal good to fine ...lb.	13/0—16/6	9/0—10/6	3/2—3/8
Linseed Oil—Raw ...ton	£103	£58	£25 5
Linseed—Calcutta, spot ...ton	£43 15	£30	£13 16/9
— Cakes, U.K. made, ex mill...ton	£25	£19	£7 17/6—£8
Olive Oil—Spanish ...tun		nom.	£49 10
Palm Oil—Lagos ...ton	£77 10	£44	£31 10
Petroleum—American ...gallon	2/1½	1/4½	7½d.
Rape Oil—Refined English...ton	£115	£71	£32
Soya Oil—Refined ...ton	£110	£75	£24 10
Tallow—Imported ...cwt.	90/0—99/0	70/0—72/0	29/3—33/3
Turpentine—American ...cwt.	210/0	95/0	33/7½
Rape Seed—Toria ...ton	£42	£30	£13 5
Rubber—Para, spot ...lb.	2/2½nom.	2/4½	2/9½
— Fine plantation (stnd. crepe) lb.	2/2½	1/11	2/2
— World's Production* Feb. tons	31,200	24,700	8,467
Shellac—T.N. Orange, fair ...cwt.	545/0	237/6—240/0	63/0—64/0
TEXTILES.			
Cotton—Middling Upland ...lb.	28·59d.	19·66d.	7·53d.
— Egyptian, good fair ...lb.	75·50d.	26·34d.	8·75d.
— Pernambuco fair ...lb.	31·77d.	19·75d.	7·73d.
— Midland Upl. New York...lb.	41·46c.	23·40c.	13·25c.
— Stock, Liverpool (Apr. 23) bales	1,131,750	520,740	934,600
Flax—Petrograd, Yarapol ...ton	—	nom.	£28
Hemp—New Zealand ...ton	£62	£50	£25 10
— Manila, Fair ...ton	£70	£44	£26 10
Jute—First Marks ...ton	£62	£39	£26 15
— Red SCO ...ton	£48	—	£24 15
Silk—Blue Elephant ...lb.	45/0	20/6	11/3—11/6
Wool—Pt. Philip unwashed av. lb.	5/0	3/1½	11½d.—1/0
— Lincoln Half Hogs ...lb.	2/3½	1/7½nom.	1/0½
Hides—Eng. Ox, best, 65lb. up lb.	18½d.—19d.	9¾d.—10½d.	7½d.
Leather—Dressing Hides ...lb.	4/0—4/6	2/7—3/3	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus	72,884,000	117,952,000	34,640,000
— Red, price, N.Y. 60lb....bushel	312	237½c.	67½c.
English Gazette, aver. 480lb. qr.	72/8	73/1	34/3
Flour—G.R. ...280lb	63/6	44/3	28/6
Barley—Eng. Gaz., aver. 400 lb. qr.	85/0	62/9	25/4
Oats—Eng. Gaz., aver. 312 lb. qr.	56/5	48/1	20/0
Maize—N.Y. (new bushel)...56lb	198c.	181½c.	76½c.
— Amer. mixed, Liverpool...480lb.	nom.	63/9	30/4
— La Plata ...480 lb. qr.	73/6	63/6	25/9
Potatoes—Good English ...ton	†325/0	201/0	70/0—75/0
Rice—Bassein ...cwt.	48/6	25/0	7/0—7/3
Tapioca—Pearl, medium ...cwt.	36/0	37/0	14/0—17/8
Hay—best ...2,018lb....load	—	176/0	82/6
Hops—English ...cwt.	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs ...8lb.	6/8	7/10—8/4	3/8—3/10
— Scotch sides ...8lb.	10/0	8/4	4/6—5/0
— English ...8lb.	10/0	8/4	4/2—4/5
Mutton—Scotch wethers ...8lb.	10/6	8/10	5/8—6/0
— English wethers ...8lb.	10/6	8/10	4/6—5/4
— New Zealand frozen ...8lb.	10/6	8/10	2/4—3/2
Pork—English and Irish ...8lb.	14 8—17 4	10/8	3/6—4/0
Bacon—Irish, delivered ...cwt.	†270/0	190/6	60/0—74/0
— Danish ...cwt.	†192/0	—	58/0—68/0
— Canadian, ex Port ...cwt.	†187/0	180/0—190/0	
— American, ex Port ...cwt.	†187/0	174/0—186/0	72/0—74/0
Hams—Amer. long cut, ex Port cwt.	†190/0	174/0—192/0	75/0—79/0
— — short cut, ex Port ...cwt.	†190/0	172/0—190/0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt.	†198/6	160/0—184/0	51/9—52/9
Butter—Danish ...cwt.	303/4		117/0—120/0
— French ...cwt.	303/4	Controlled	96/0—108/0
— Australian ...cwt.	303/4	252/0	98/0—110/0
— New Zealand ...cwt.	303/4		108/0—114/0
Cheese—Canadian ...cwt.	†145/0	Controlled	66/0—68/0
— United States ...cwt.	†145/0	144/8	—
— Dutch ...cwt	†145/0		53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Mar. 31 *...cwt	6,544,960	5,462,566	19,777,254
— Home consump'n. to Mar 31 cwt.	6,641,880	6,386,991	17,272,000
— In Bond Mar. 31 ...cwt.	5,840,000	6,237,000	6,306,000
— Price, Java, 98° Pol. ...cwt	75/0	36/0	10/3
— — Yellow crystals ...cwt.	80/0	57/9	12/6—14/0
— — Tate's Cubes, No. 1 ...cwt	84/0	64/9	18/0
Coffee—Imports to Mar. 31 ...cwt	174,190	175,261	720,360
— Home consumpt'n to Mar.31cwt.	76,581	75,101	141,410
— Exports to Mar. 31 ...cwt.	141,102	45,763	340,250
— In Bond Mar. 31 ...cwt.	671,000	666,000	484,000
— Price, Costa Rica gd. to finecwt	160/0—180/0	145/0—155/0	80/0—93/0
— — Brazil (Santos) Good ...cwt.	125/0—130/0	85/9	41/6
Tea—Imports to Mar. 31 ...lb	121,260,481	109,012,636	123,230,277
— Home consump'n. to Mar. 31 lb.	94,378,017	73,382,736	155,447,972
— Exports to Mar. 31 ...lb	11,783,351	5,259,059	26,561,765
— In Bond Mar. 31 ...lb	230,575,000	150,570,000	78,292,000
— Price, Indian, Pek. Soug. gd. lb	-/10½—0 11	1/4	8½d.
— — Ceylon, Pek. Soug. Ord. lb.	-/11	1/4	8½d.
— — Common Congou ...lb	-/10—1/0nom	1/4	5½d.
Cocoa—In Bond Mar. 31 ...cwt	1,002,000	902,000	309,000
— Grenada, good to fine ...cwt.	128/0—132/0	85/0	52/6—56/0

* Estimated. † Controlled. ‡ Decontrolled: Price Ex. Factory.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific	Mar.	$15,715,000	+3,342,000	$1,958,000	+ $419,000
	3 *mos. to* Mar.	43,188,000	+ 6,721,000	3,258,000	— 816,000
Grand Trunk	Feb.	£957,700	+ £117,700	Dr.£102,500	— £38 800
	2 *mos. to* Feb.	1,986,200	+ 261,600	Dr.269,600	— 58,800

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open.	Gross Receipts.	+ or — on Year Ago.	No. Wks	Aggregate Receipts.	+ or — on Year Ago
Assam Bengal	Mar. 20	993	R2,04,652	— 5,111	25	55,79,940	+ 9,99,736
Barsi Light ...	Mar. 20	118	33,200	+ 13,800	51	15,03,400	+ 5,72,200
Bengal &N.W.	Mar. 20	2,065	4,35,610	— 62,841	25	1,17,11,980	— 4,16,001
Beng. Dooars	Mar. 20	158	26,201	+ 707	25	10,29,173	+ 1,30,948
Beng. Nagpur	Mar. 20	2,695	12,77,000	— 4,84,000	51	6,29,24,271	+ 36,40,746
Bomb. Baroda	Apr 17	2,871	20,65,000	+ 2,31,000	3	49,10,000	+ 4,55,000
Burma ...	Mar. 13	1,342	6,12,337	+ 4,224	50	2,78,86,306	+ 29,08,137
Del Um. Kalk.	Apr. 17	239	97,900	+ 19,739	3	2,63,014	+ 48,176
East Indian ...	Apr. 24	2,771	28,41,000	+ 2,63,000	4	99,33,000	+ 6,15,000
Gt. Indian Pen.	Apr. 17	3,121½	28,99,700	+ 2,56,200	2	69,06,800	— 91,416
Madras & S.M.	Mar. 20	3,152	11,10,000	— 1,43,788	25	2,80,51,286	+ 15,17,493
Nizam's Guar.	Mar. 20	900	3,23,000	+ 48,665	25	73,75,821	+ 10,58,448
Roh. & Kumn.	Mar. 20	576	122,647	+ 25,787	25	25,31,445	— 1,14,555
South Indian	Mar. 20	1,852½	6,97,564	— 13,476	51	3,84,31,832	+ 40,49,804
South Punjab	Dec.	716	8,51,780	+ 53,964	3m	22,50,025	— 9,561
COLONIAL							
Can. Northern	Apr. 21	9,704	$1,105,700	+ 259,800	16	15,923,123	+ 2,346,724
Can. Pacific ...	Apr. 21	13,388	3,624,000	+ 587,000	16	53,837,000	+ 8,544,000
Grand Trunk	Apr. 21	3,616	£247,735	— 8,767	16	3,959,786	+ 304,265
Mashonaland	Dec.	810	75,580	+ 22,121	3m	221,831	+ 83,900
Mid. W. Aust.	Feb.	277	12,145	+ 1,034	8m	84,948	+ 11,606
NewCapeCent.	Apr. 3	205	3,937	+ 1,080	14	46,062	+ 16,252
Rhodesia Rlys.	Dec.	1,397	104,442	+ 15,099	3m	—	—
Temiscouata...	Oct.	—	$30,562	+ 2,154	10m	304,661	+ 22,504
W. Pass.&Yuk	Aug.	122	—	—	8m	$968,676	+ 31,021
FOREIGN.							
Argentine.							
Arg. N. East ..	Apr. 17	752	£ 12,500	+ 2,000	42	485,800	+ 80,400
Arg. Transand.	Apr. 17	111	£ 4,565	+ 155	42	131,981	— 25,219
B. A. & Pacific	Apr. 17	3,536	£ 180,000	+ 48,000	42	6,235,000	+ 1,394,000
B.A.Gt. South	Apr. 18	3,792	£ 218,000	+ 87,000	42	7,563,000	+ 1,771,000
Do.	Apr. 18	Net	£ 86,000	+ 57,000	42	2,617,000	+ 1,355,000
B. A. Western	Apr 18	1,882	£ 120,000	+ 55,000	42	4,152,000	+ 1,287,000
Do.	Apr. 18	Net	£ 42,000	+ 28,000	42	1,396,000	+ 714,000
B. A. Central	Feb.	190	£ 45,205	+ 6,985	8m	360,905	+ 37,828
Cent. Argent.	Apr. 24	3,305	£ 216,000	+ 68,500	43	7,700,000	+ 2,064,700
Do.	Apr. 24	Net	£ 83,000	+ 57,000	43	2,450,100	+ 1,645,900
Cord. Central	Apr. 17	1,205	£ 63,000	+ 25,200	42	2,469,300	+ 534,800
Entre Rios ...	Apr. 17	811	£ 28,300	+ 7,600	42	1,011,300	+ 159,000
Brazilian.							
BrazilGt.South	Feb.	110	M 50,750	+ 11,650	2m	109,500	+ 23,310
Brazil Railway	Dec.	3,530	M4,859,000	— 141,271	12m	57,772,000	+ 7,819,243
Gt. W. Brazil	Apr. 17	1,010	£ 28,000	+ 11,800	16	415,200	+ 104,700
Leopoldina ...	Apr. 17	1,831	£ 53,914	+ 23,624	16	845,071	+ 374,744
Mogyana	Dec.	1,180	M 1,561,000	— 956,490	12m	22,267,000	— 2,474,651
Paulista	Dec.	766	M 2,650,000	— 906,038	12m	32,479,000	— 1,225,892
San Paulo ...	Apr. 25	153¾	£ 41,613	+ 12,476	17	755,218	+ 260,110
Sorocabana ...	Dec.	1,003	M 1,749,000	— 246,168	12m	21,953,000	+ 978,692
S.of BahiaS.W.	Mar.	52	M 57,000	— 2,000	3m	238,000	+ 9,000
Chilean and Peruvian.							
Antofagasta ...	Apr. 18	838	£ 36,370	+ 16,420	16	854,000	+ 415,265
Arauco	Feb.	84½	£ 14,500	+ 4,500	2m	29,000	+ 6,500
Nitrate(2wks.)	Apr. 15	390	£ 41,740	+ 24,956	14	281,049	+ 183,208
Peruvian Corp.	Mar.	1,140	S 1,282,690	+ 206,990	9m	10,684,994	+ 1,635,459
Taltal	Mar.	180	£ 37,710	+ 29,272	9m	208,830	+ 67,483
Cuban.							
Cuban Central	Apr. 24	362	£ 40,000	+ 5,633	43	1,145,230	+ 225,741
Havana Cent.	Apr. 24	70	£ 14,457	+ 991	43	488,093	+ 91,473
U. of Havana	Apr. 24	681	£ 92,963	+ 3,855	43	2,922,640	+ 499,526
W. of Havana	Apr. 24	155	£ 16,060	+ 3,608	43	453,771	+ 100,288
Uruguayan.							
Cent. Uruguay	Apr. 17	273	£ 27,076	+ 2,271	42	957,111	+ 40,045
,, (E. Ext.)	Apr. 17	311	£ 7,632	+ 657	42	260,737	+ 30,957
,, (N. Ext.)	Apr. 17	185	£ 4,921	+ 412	42	157,363	— 2,087
,, (W.Ext.)	Apr. 17	211	£ 2,243	+ 211	42	117,243	+ 5,441
Mid. Uruguay	Mar.	319	£ 20,638	— 411	9m	177,653	+ 20,000
N.W. Uruguay	Mar.	113	$ 6,063	— 605	9m	60,687	+ 2,273
Urug. Northn.	Mar.	73	£ 2,447	+ 34	9m	21,978	+ 3,006
Miscellaneous							
Alcoy& Gandia	Apr. 24	33	Ps. 14,000	+ 4,000	17	197,900	+ 28,500
Bilbao	Mar.	15	£ 5,734	+ 2,945	3m	11,017	+ 3,115
Bolivar	Mar.	136	£ 16,045	— 1,237	9m	87,987	— 473
Colomb. Natnl.	Mar.	86	£ 15,636	+ 5,776	3m	47,396	+ 16,616
Costa Rica ...	Feb.	189	£ 30,440	+ 7,926	8m	203,876	+ 26,646
Dorada Ext....	Mar.	70	£ 12,000	+ 4,500	3m	35,500	+ 15,200
Egyptian Delta	Apr. 10	559½	£ 12,184	+ 12,184	2	—	—
Gt. S. of Spain	Apr. 17	104	Ps. 113,881	+ 41,887	16	1,254,022	— 835,857
La Guaira&Ca.	Mar	22½	£ 14,630	+ 4,700	3m	43,200	— 17,480
Ottoman Ry...	Apr. 10	379	£ 7,836	—	—	—	—
ParaguayCent.	Apr. 17	255	£ 4,320	— 380	42	202,670	+ 31,270
Puerto Cabello	Mar.	34	£ 7,000	+ 1,600	5m	17,500	+ 2,575
Salvador	Apr. 24	100	£ 6,145	+ 2,114	43	191,367	+ 77,832
Santa Fe Prov. French Rys.	Mar.	1,181	£ 163,690	— 4,344	3m	467,280	— 20,788
S'm'na&S'ti'go.	Mar.	80	£ 13,200	+ 5,251	3m	36,880	+ 14,435
Zafra & Huelva	Mar.	112	£ 13,522	+ 3,674	3m	40,596	+ 10,580
TRAMS.							
Anglo-Argent.	Apr. 22	400	£ 80,571	+ 25,165	16	1,175,724	+ 257,140
Auckland Elec.	June 30	27	—	—	52	292,502	— 2,083
Bombay Elec.	Jan.	39	R. 7,79,874	+ 1,45,829	1m	—	—
Brazilian Trac.	Feb.	378½	M 9,381,000	+ 1,409,000	2m	19,036,000	+ 2,542,000
Brisbane Elec.	Mar.	40½	£ 45,460	+ 6,080	3m	131,860	+ 18,525
Brit. Columbia	Feb.	334	$ 746,030	+ 100,615	8m	5,796,655	+ 1,055,656
B. A. Lacroze	Mar.	51	£ 55,000	+ 7,630	9m	453,687	+ 63,108
Calcutta	Apr. 24	35½	R 94,660	+ 17,630	17	14,44,939	+ 101,367
Cape Electric	Feb.	42½	£ 26,789	+ 334	8m	214,950	+ 25,970
Carth. & Herr.	Mar.	9	£ 3,493	+ 1,093	3m	12,249	+ 3,843
Chatham&Dist	Apr. 15	15	£ 1,624	+ 125	15	22,186	+ 3,246
Havana Elect.	July	86	$ 794,768	+ 100,679	7m	5,116,661	+ 402,587
Isle of Thanet	Apr. 21	20½	£ 790	— 188	30	17,513	+ 7,382
Kalgoorlie ...	Jan.	20½	£ 2,573	+ 11	1m	—	—
Lanarkshire ...	Apr. 15	28½	£ 4,027	+ 3,916	15	59,824	+ 17,879
Lima Light ...	Jan.	85	£ 58,669	+ 13,329	1m	—	—
London C.C. ...	Apr. 28	141½	£ 84,282	+ 12,113	4	325,195	+ 20,326
Madras (2wks.)	Apr. 15	15½	Rs. 55,515	+ 25,586	14	327,303	+ 100,441
Manila Electric	Feb.	55	$ 278,243	+ 66,567	2m	556,581	+ 113,319
Pernambuco...	Apr. 25	58	£ 6,823	+ 1,438	17	128,870	+ 40,068
Provincial ...	Apr. 17	21½	£ 3,042	— 233	29	84,105	+ 14,404
Rangoon Elec.	Mar.	25	£ 8,698	+ 1,185	3m	23,832	+ 3,767
Shanghai Elec.	Mar.	26½	M $145,644	+ 21,644	3m	415,394	+ 63,324
SingaporeElec.	Mar. 20	26½	$ 22,374	+ 6,952	12	258,831	+ 64,884
U.of Montevid.	Mar.	90½	$ 45,015	+ 3,945	5m	222,724	+ 31,833

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Paid-up Capital & Surplus - $50,000,000
Total Assets more than - $800,000,000

The Statist.

LONDON, SATURDAY, MAY 1, 1920.

AN IMPUDENT MISREPRESENTATION.

On Monday last there took place in the House of Commons a discussion—if we may go so far as to dignify by that title what was really a misrepresentation of facts—respecting the present condition of the Irish question. We think it objectionable that this dressing up of what took place should be allowed to pass without explanation as to its real character; and, therefore, we would point out that it does not tell the real facts as they took place, but gives a picture of those facts which the two gentlemen would like to see generally accepted, but which are in strong opposition to the real occurrences. If readers are sufficiently interested to be able to throw back their minds to the period immediately preceding the War, they will remember that, owing to the early death of Sir Henry Campbell-Bannerman, it fell to the lot of Mr. Asquith to bring in and carry through Parliament a Bill granting a kind of Home Rule to Ireland. The measure is now generally recognised by all parties to have been utterly unfit for the purpose for which it was intended. It did not carry out the real wishes of Ireland, and it made arrangements which it is now generally agreed cannot possibly, however people may wish it, be carried into effect. However, the Irish Nationalist party was so anxious to make friends with England, to obtain something which would pave the way for a real Home Rule Bill, and which would at the same time give assurance to all reasonable Englishmen, that even Irishmen most strongly interested in obtaining Home Rule were willing to accept a notoriously insufficient measure as proof that they honestly desired to come to a friendly agreement with the majority of Englishmen. The Bill passed. It was carried through the House of Lords. It was signed by the King. And at the present moment it is an Act of Parliament which ought to be carried into effect in Ireland. But it pleased Mr. Asquith to fool the Irish members, and to show the English members that he did not intend to give effect to his promises. And so the condition of Ireland now is infinitely worse than it was when the Home Rule Bill was originally introduced. At that time Irishmen were so anxious for a real conciliation between the two countries that they accepted what notoriously could not be made to work, in the hope that, having thus proved their willingness to act in a friendly spirit, they would be met in a corresponding spirit by Englishmen, and some kind of really effective Home Rule would be granted.

As a matter of course, the Bill, objectionable as it was from the Irish point of view, gave great offence to the Ulstermen. And a considerable proportion of Ulstermen—most of them men who were loud in their declarations of loyalty to the Crown and to the Empire—actually began to buy arms abroad and to import them into Ireland. The buying was conducted by Orangemen who were always boasting of their loyalty, and the guns and ammunition were actually hidden away in the houses of magistrates and grand jurors, and so distributed throughout Ulster. What would have been the result if Mr. Asquith was honest we need not stop to inquire now. He assumed when he undertook to introduce a Home Rule Bill that Ulstermen would make all sorts of legal opposition, but that they would not descend to actual revolution. He found that not only were the great body of Orangemen ready to revolt, but that even officers in the Army did not hesitate to express an opinion that they would not fight against Ulstermen. What was said by the general in command of the cavalry at the Curragh, and by the three colonels immediately under his command, has never been publicly stated. We shall not, therefore, pretend to know what, as a matter of fact, nobody can affirm confidently. But it was believed that they had used language so strong that the gentleman who at the time was Minister for War felt called upon to resign. The Prime Minister himself took his office, adding it to the Prime Ministership; and he went out of his way not only to kowtow to the Ulstermen, but actually to disavow any intention to compel Ulster to obey the law. Whether Mr. Asquith was, or was not, justified in acting as he did it is useless now to inquire. Years have passed, and the facts have become more or less open to dispute. But there is no question at all that Mr. Asquith, with his eyes open, introduced a Bill into Parliament which he carried through, even inducing the King to sign that Bill, and yet the man who did so, who encouraged the Irish Catholics to believe that their claim was recognised as a reasonable one—as so reasonable that it ought to be conceded by Parliament—yet refused to carry that Act into effect; and to this day it is an Act of Parliament but never has been enforced. That is the first fact which has to be borne in mind: that in obedience to military language which at the time, at all events, was believed to be rebellious, and in fear of what the Ulstermen would do, and of how they would be supported by the Conservative party, Mr. Asquith actually concealed the language used by the commander of the cavalry at the Curragh; and, furthermore, so conducted himself that the Act which occupied Parliament so long and so seriously has never been acted upon to this day.

If Mr. Asquith had the courage to which he lays claim he would have introduced the measure which he still professes to think Ireland insists upon having. But Mr. Asquith is a man apparently without convictions of any kind. He is willing to do almost anything that will ensure him power. But he is very easily frightened into refusing to do even what the

plainest duty enjoins he should do if his opponents are formidable. Now there is no doubt at all that the Orangemen were formidable. In themselves they are not formidable. They are a small minority in a country where they do not form even one-third of the population—probably they do not form even one-fourth of the population. But they had on their side, in the first place, nearly all the Protestant population of Ireland—that it to say, the great landowners of every portion of the island; and they had, in addition, the Conservative party. It will be in the recollection of our readers that the late Mr. Chamberlain, having broken up the Liberal party, first joined the Conservative party, and then proceeded to break that up also. Consequently, the party which a little before had been so enormously strengthened by the junction with it of a large portion of the prevailing public men in Birmingham that it looked as if the Liberal party would have been crushed out, soon became itself torn asunder by faction, and Mr. Chamberlain, having broken up the Liberals, proceeded to break up the Tories in turn. Since then the Tory party, owing to the want of courage of Mr. Asquith and Mr. Lloyd George, have recovered their governing position. But they are not the prevailing party in the country. Just now they have a majority in the House of Commons, or, perhaps, it would be more correct to say that if the Irish Members are left out of account they have a majority in the House of Commons. Yet it is doubtful whether that majority could be made to act unitedly if we had a man of any ability in the place occupied by Mr. Asquith. Mr. Asquith, however, is a very weak man without any real convictions of his own—a man desirous of playing a great part without the abilities necessary to play it successfully. And he has not that indomitable courage which would enable him to overcome real opposition. In the House of Commons, then, although the country is really and truly Liberal, the majority is Tory, and is led by men like Mr. Bonar Law and the present Mr. Chamberlain. Perhaps the Liberal party has never been so badly supplied with a chief, and most certainly Mr. Lloyd George has neither the statesmanlike mind nor the extent of knowledge to qualify him for the great position he holds. We have, then, a gentleman like Mr. Lloyd George as Prime Minister merely on the strength of the belief that when we wanted plenty of ammunition he was the only man capable of providing it for us; not that he made any himself, or that he personally understood how to make them, but that, to use the language of the day, he had "the knack of making people do things." Secondly, we have a Canadian gentleman acting as chief of the Conservative party; and, thirdly, we have—bless the mark!—Mr. Chamberlain acting as Chancellor of the Exchequer. Anything more bizarre it would be difficult to imagine. Of the three men, not one even is in the least qualified to do the work he is supposed to be responsible for. And it is doubtful whether any one of the three understands what his real duties are.

The Conservative party has made grievous blunders. The wonder is it has not blundered even worse. And the most respectable members of the Conservative party—men who, at all events, even their opponents can respect—are left in the background, while the most incompetent and the most ignorant are flaming before the world as the representatives and the mouthpieces of the Government of England. It is a deplorable state of things, but it is a natural result. Mr. Asquith was no more fitted to be the head of a Government than his humblest menial servant; and Mr. Asquith, therefore, has been more or less shoved upon one side, and the Government is being carried on by men who have no more notion of how a great Government ought to be conducted than they have of the principles which govern the management of the universe. The great majority of the supporters of the present Government are Conservatives. As such they are idle men, who have never done any real work, who are incapable of doing real work, who have strong prejudices and strong dislikes, but who no more know how a great Empire ought to be governed than they know how it is that the universe is kept together. The universe does keep together, but how, or why, or wherefore they know nothing; and they know just as little of the Government of the Empire which, to our misfortune, they are permitted to mismanage. They are probably well-meaning. In all reasonable probability they are persuaded that they know things, and that because they own large estates and have inherited dignified positions, therefore they are fit to govern the Empire. Unfortunately, we have only to look around us to see how hopelessly everything is going wrong and how we are drifting into a most dangerous condition unless something fortunate happens to save us. The Tory party, partly because of the ignorant dislike of Catholicism, are persuaded that Irish opinion ought to be disregarded, and that the country ought to be governed, not as the country itself desires to be governed, but as these ignorant English ne'er-do-wells think it desirable it should be governed. As a matter of course, therefore, Ireland is in hopeless disorder, and we shall be fortunate if the disorder does not extend to this side of St. George's Channel. Everything that is being done is done wrong, and the real interests of the country are utterly disregarded. We want the Debt paid off, and we have just been treated to a Budget speech which tells us as plainly as language can tell us that the Debt is not to be paid off. Furthermore, we talk of ruling the greatest Empire the world ever saw, and yet we have no Army. Even yet we have not discharged all the men that we called up for the War, and we have not discharged them because we have not brains enough to form a real Army suited to the Empire as it has lately been increased. Turn how we will we see mismanagement, waste, and borrowing; and we see nothing done that ought to be done.

NEED OF ORGANISATION.

ELSEWHERE we have stated quite plainly and quite frankly the unfortunate position in which we stand. We have a Government over us which does not understand its duty; and, consequently, is always doing what it ought to avoid. Secondly, we have to govern, or at all events we say we have to govern, an Empire the largest the world has ever seen. And we have no Army capable of carrying out the decisions at which we may arrive. Furthermore, we have a debt which is crushing us, and we have chosen to act as our Finance Minister a gentleman who knows no more about finance than he knows about the constitution of the sun. He is asked to make proposals for the payment of the Debt, and he produces a Bill which, if it did not deal with so very serious a subject, would be simply ridiculous. We, in short, have a majority in the House of Commons which does not understand what constitutes the wealth of the country, or what it is desirable to do to enable the country to recover the great prosperity it enjoyed only six or seven years ago. We have an immense Empire, which we are so light-headed as to have increased quite lately. And we have not even consulted amongst ourselves as to what Army ought to be maintained to enable us to make that Empire safe. In short, we are acting as the worst fools in the country might be expected to act, and the remonstrances of reasonable men are treated as of no account, while every idiot seems to be listened to and to be followed. There is only one way to save us; and there seems no serious inclination to adopt it. The Government is chosen by the Tory party, which is a party of ignorant men. And, being ignorant, it naturally selects ignorant people. And so we go from bad to worse. We want to get rid of that Government. The worst Government that pos-

sibly could be selected, supposing it were the will of some really powerful personage to select the worst Government that could be found even within the limits of the British Empire, would be probably a Government comprised of people so ignorant that, except about amusements, they have really scarcely any knowledge. And that is not very far from a truthful explanation of our present Government. We want to get rid of that Government. But the question is, How are we to do so?

The present Government consists mainly of Tories, and persons who, while calling themselves Liberals of one kind or another, really are more Tory than Liberal. Then we have a certain number of Liberals. But they have no organisation. Mr. Asquith has just returned to Parliament, and he is apparently accepted as the Liberal leader. But we have had full experience of Mr. Asquith. We have had him as our Prime Minister through a long period of great prosperity. And we had him also as our Prime Minister during the early years of one of the most formidable wars ever waged. We think that few persons will disagree with us when we say that a more unsatisfactory Prime Minister it would be exceedingly difficult to find. Yes, Mr. Lloyd George is more unsatisfactory. That we admit. For he not only works with the most ignorant and the most objectionable of all parties in the State, but he has thrown in his lot completely with them. Therefore, Mr. Lloyd George is worse even than Mr. Asquith. But putting Mr. Lloyd George apart, it would be difficult to find a second more objectionable person, for he would not do anything that was necessary to be done to prepare the country for the great War which he ought to have known was coming, and when he found himself involved in the War he practically ceased to even pretend to control the preparations for the War. He allowed Lord Kitchener to do what seemed proper to Lord Kitchener. We are not engaged now in judging Lord Kitchener. We admit that he had some very great qualities: especially, he showed by the speed and the success with which he raised six or seven millions of men that he was a very great organiser. But if Mr. Asquith is entitled to credit for selecting Lord Kitchener, he is entitled to the very opposite because he did nothing in any way to enable the great organising capacity of Lord Kitchener to be employed to the very best advantage for the nation. It was not until Mr. Lloyd George became Prime Minister that all the Allied Armies were brought under one command. Mr. Asquith's whole administration, from first to last, was bad, and nothing that can be said can make it appear anything but bad.

The Tory party and the Liberal party thus being both out of the way, there remain the trades unionists. We had exceedingly strong confidence in the Labour Party. They seemed a little while ago to have completely mastered the fact that the control of the government of England was open to them if they exerted themselves properly. Therefore, we recognised their claims to govern the country, and we even invited our readers to help in bringing them into power. Unfortunately, since the fight for Paisley, they have lost either confidence in themselves, or a true conception of the course which they ought to follow. They are the one party capable of getting rid of the Tories, and at the same time of not oppressing us with the mismanagement of the Whigs. We want a real popular party; and at the present time we can get that only through the trades unionists. Will they come forward boldly and honestly, and declare that they mean that the government of the British Empire shall be conducted for the benefit of all classes within the Empire; that it must not be left to such a class as the Tories, or even to such as those who call themselves Liberals. We want the real people, the *bona-fide* people, the people who create our wealth; and we want both classes of that people, the employers and the employed, the men whose lives depend upon the prosperity of the country. We want, therefore, the employers and the employed working honestly and truly for the benefit of the whole State. And we want them so powerful that the old parties can never again usurp power. We want the Tories, in particular, got rid of. The Liberals are not what we desire. But they are a great improvement upon the Tories. Still, what we want is representatives of the real people, the men who work, the men who give us the wealth we possess, the men who are willing to labour hard day after day and week after week; and these we can get only through the trades unionists. They told us some months ago now that they had even then over five millions of associates. How have they increased their numbers since? and when are they going to challenge Tories and Liberals alike and to give us a real Government of the real people—a Government that will not hanker after mere class interests, but will consider the needs and the wants of every class? We mean every class in the strictest sense of the words, and of the poorer classes in particular. And we want the wealth of the country used to make those poorer classes more comfortable than they are at present, to give them decent homes, and decent food, and decent modes of life. We can get that only through the people who know what the really poor have to suffer. We want, therefore, the real poor. But the real poor are not wealthy enough to upset the old parties at present. It is the trades unionists who must do that; and they can do it if they will rally around us and dismiss the mere supporters of abuses once for all.

IRELAND.

We have been requested to express an opinion of the view taken of the Government's Irish proposals by the *Irish Statesman*. We are entirely in accord with it. We think the Government Bill so bad that we have not thought it worth while even to criticise it. We would recommend the Irish people to refuse to have anything whatsoever to do with the measure. If it pleases Parliament, that cannot be helped But the Irish people can refuse to have anything whatsoever to do with the measure, and we would strongly recommend them so to act. The Bill is bad from beginning to end. The temper in which it has been approached by the Government is utterly objectionable; and if Irishmen submit to it, all we can say is that they will go out of their way to bring further grave disadvantages on their country.

A BOLD MIS-STATEMENT.

On Wednesday, Mr. Shortt, the Home Secretary, made a statement respecting the condition of things in Ireland which is as bold a misrepresentation of what has happened in that country during the past five or six years as we remember to have ever seen. It purports to explain the misconduct of the Irish in quarrelling, in the first place, with the Government of this country; and, in the second place, of setting all law at defiance. Now we undertake to say that every man of good memory, who chooses to think over what has happened in Ireland since the early summer of 1914, must know as well as we do ourselves that the quarrel did not begin with the Irish people; that, on the contrary, the Irish people went so far as, through their leaders, the late Mr. Redmond and Mr. Dillon, to promise to raise a large army to fight the Germans; and that Mr. Redmond, subsequently, in his place in the House of Commons, stated explicitly that they could have raised the army if the War Office would appoint Roman Catholic gentlemen officers of that force, and that the War Office refused to do so. Furthermore, the present Prime Minister, who was in the House at the time, admitted that what Mr. Redmond said was true, and that his disappointment in not being able to raise an army to fight against Germany was due to

the refusal of the War Office to appoint Roman Catholic gentlemen as officers. If Mr. Shortt has forgotten these plain facts, which have been repeated again and again in this Journal, all we can say is that he is utterly unfit to fill the place he now occupies, and that it is his duty, when his attention is called to the subject, to stand up in the House of Commons and admit that his statement on Wednesday was false, and that the original quarrelling in Ireland was begun, not by the Irish Catholics, but, firstly, by the Ulstermen; secondly, by the military officers; and, thirdly, by the War Office; that, furthermore, the attention of the Government was called to the matter, and that neither Mr. Asquith, who was then Prime Minister, nor Mr. Lloyd George, who was, next to the Prime Minister, the most important man in the Cabinet, did anything to ensure that Mr. Redmond and Mr. Dillon should be enabled to carry out their promises to the Government. The real plain truth is that Ireland was driven into her present course of conduct, firstly, by Ulster; secondly, by the Conservative party; and, thirdly, by the military officers, especially those stationed at the Curragh. The simple plain facts are that the Irish Catholic party wished to obtain such a measure of Home Rule as would enable them to manage Ireland in their own way; and that Mr. Asquith and Mr. Lloyd George undertook to gratify the Irish Catholics, and give them what they demanded; that the Ulstermen not only refused to agree to a Home Rule Bill which would enable Catholics to legislate for them, but proceeded to buy arms abroad; that the arms were bought in large numbers; that the whole of the Protestant gentry in Ulster supported them; that there were declarations made by military officers which were supposed to have amounted to a promise that the Army would not act against Ulster; and that Mr. Asquith and Mr. Lloyd George were so much frightened by the language attributed to General Gough and his three colonels that they practically refused to carry out their Home Rule pledges, and so acted as to bring about the rising in Dublin shortly afterwards. That is the plain statement of the facts; and we defy anybody to contradict them.

It may be said, of course, that the Catholics ought not to have rebelled, and ought not to have engaged in the conduct which is so serious at the present time. That, however, is a mere matter of argument. What we are concerned with is: Whose fault is it that Ireland now is in her present state? And we assert positively and deliberately that the fault rests, firstly, with the Ulstermen; secondly, with the Protestant gentry of Ireland, and more particularly with the Ulster Protestant gentlemen; and, thirdly, with the Government of England, which not only refused to make Ulster obey the law, but through the mouth of Mr. Asquith declared that it was "unthinkable" that Ulster should be coerced into obedience to the law. It is convenient for turn-coats like Mr. Shortt to forget these things now; and it is especially convenient for the Conservative party, which deliberately egged on the whole conspiracy of Ulster, promising assistance and protection. But honest men who desire the triumph of good government all the world over will not allow such mis-statements to pass without being sharply contradicted. It is no part of our business to defend the present conduct of the law-breakers in Ireland. But it is our duty to see that the Government of the United Kingdom is carried on legally, lawfully, and in obedience to truth and justice. It has not been so carried on in regard to Ireland since the Ulstermen rose against the Home Rule Bill passed by Mr. Asquith; and we shall go on repeating that it is the fault of our own Government that Ireland is in its present unhappy state. It is not necessary to justify crime. But it would be sheer hypocrisy to pretend that we are surprised that crime should be had recourse to when a country is treated as the Irish Catholics have been treated since the early summer of 1914. Until Parliament makes up its mind to govern Ireland as civilised countries ought to be governed, there will be breaches of the law and misconduct. And no amount of disapproval of illegality will induce us to pass over the provocation given, firstly, by the Tory party; and, secondly, by Mr. Asquith and Mr. Lloyd George. It would be easy to continue our disapproval of the conduct of the Government, and to show that that conduct has sinned, from first to last, against every rule of good government. But we do not see that any good service could be done by merely recalling the misconduct of the Government. What we sincerely desire, above all things, is that those Englishmen who are in favour of good government should bestir themselves, and should drive from office a party which is utterly unfit to exercise the power of the Crown. Especially, we would call upon the trades unionists, and the men who are engaged in real business, to bestir themselves; to insist that it is no time for stirring up enmities at home; that, on the contrary, it is the duty of every right-thinking man to do his best, firstly, to restore the prosperity of the country; and, secondly, to bring about as soon as is humanly possible a good and friendly feeling between all the subjects of the Crown.

THE EXCESS PROFITS DUTY.

The debate on the Chancellor's Budget proposals with regard to Excess Profits Duty on Wednesday last revealed once again the inability of our legislators to look after the economic interests of the nation. A tax imposed for war purposes is not only being continued, but increased in time of peace, and its iniquitous effects in raising prices and thereby accentuating industrial unrest are altogether ignored. The advantages of the alternative proposal, which had been entertained by the Chancellor, and rejected for no very sufficient reason, were overlooked. A tax graduated like the super-tax according to the amount of profits has many features to recommend it, as compared with an excess profits duty levied at a flat rate. Moreover, of the 220 millions which the latter is estimated to bring in in the current year, 190 millions are arrears, and the balance of 30 millions represents the total amount of new revenue. Hence the deficiency caused by its reduction, or even its rejection, would not have been high, as Governmental figures go, particularly as the new corporation tax would in the latter event be in full bearing. This tax, which is calculated to produce 50 millions in a normal year, must fall short of that amount by about 15 millions while the levy on excess profits is in operation.

One of the reasons for the high post-War level of cost of production in many British industries is that extravagant and wasteful methods were encouraged by the excess profits imposition, especially at its old level of 80%. Rises in wages, salaries, and establishment charges were viewed with equanimity when four-fifths of the burden fell ultimately on the Exchequer, and the same baneful results will follow its continuation, even though the percentage has been reduced. As labour in controlled establishments was subject during the War to compulsory arbitration and wage-fixing, it was only just to limit the profits of capital, but now that labour has been freed, capital should, to some extent at any rate, be relieved of its shackles. It is true that some relief is afforded, even at the 60% level, since the average burden, which works out at 50% since the fighting ceased, was 66% during the actual period of hostilities. Under present arrangements excess profits over the average for the two years prior to the War are taxed, and old businesses with a low standard and new businesses with no pre-War standard are badly hit. It is certainly imprudent to check new enterprise and stifle competition by hampering the establishment of new or the development of recent industrial undertakings. Vague concessions

have indeed been promised, but it will be impossible to devise ameliorative clauses covering all cases of hardship.

Last year over 35 million working days were lost owing to industrial disputes, largely because the verdicts of informal courts and the agreements even of trade union leaders were openly flouted. As if such discouragement were not sufficient to check the flow of capital into industry, the Chancellor proceeds to impose further burdens under the pretence that he is going to redeem the National Debt in an impossibly short time. It is manifestly unfair, moreover, to make the increase in duty retrospective, as price lists have been drawn up on a basis of a 40% impost, and a volume of business of unknown but considerable magnitude has been put through on that basis. Manufacturers, in calculating costs, must take taxation into account, and it is contrary to all received canons on the subject, apart altogether from the injustice of the proceeding, to place a burden on past industry that no amount of foresight could have anticipated.

The levy on excess profits is particularly obnoxious, because its amount is assessed on an obsolete base-line, a pre-War standard that bears little or no relation to existing conditions. The actual profits realised at the present time are, if the tax is to be imposed at all, the proper subject for taxation, and if an equitable modification is sought the relation between profits and turnover might be so adjusted that where the ratio exceeds a certain standard the Exchequer draws a corresponding benefit. In no case, however, should a ratio equal to or below the pre-War standard, where data for the determination of the latter are available, be subject to tax. Under this system there would remain a greater incentive to increased and economical production, while the concession would not seriously diminish the revenue-yielding power of the tax.

Though the question of excess profits duty monopolises attention in industrial circles to the exclusion of other proposals for raising revenue, the possibility of providing the Chancellor with income from other sources sufficient to justify the dropping of his excess profits proposals must not be overlooked. The War Wealth Committee of the House of Commons are dallying with a scheme that has superficial attractions—for making a levy on fortunes acquired during the War. It may be contended that such an expedient has been resorted to abroad and that British capital will not be more penalised than foreign by its adoption. Action taken abroad was, however, dictated by the direst need. The extremely harmful character of the tax was recognised by all shades of opinion, and it was admittedly adopted as a *pis aller*. If we take one example—in Italy—a recent decree, modifying a law passed last November, provides that a graduated rate running from 10% to 80% be levied on war fortunes, in addition to the ordinary tax to which they are already liable. The professed aim was to confine the tax to those who turned an occasion of great national stress into an opportunity for private gain; but the difficulties confronting the Cabinet who tried to elaborate a scheme along these lines were so great that all pretence at discrimination between money earned by legitimate means and otherwise was dropped. An exemption limit of 50,000 lire is allowed, and payments may be spread over a period of 20 years. At the par of exchange the wealth exempted is equal to £1,982 of British money, but only to £578 at the current rate. The proposal is thus a very drastic one, but the exchange quotation, 86¼ lire to the £, as against a par of 25.22½, alone shows the desperate necessity that exists of rehabilitating the national finances and restoring the country to a semblance of economic health.

Of the various schemes submitted by the Inland Revenue to our War Wealth Committee, none proposes a reduction of post-War wealth to below £5,000. It is interesting to compare the proposed rates with those mentioned above for Italy, bearing in mind that the scheme will probably receive its *coup de grâce* if the Treasury bonds issue is a success:—

In Thousands of Pounds

Amount of pre-War Wealth		Rate of Duty where the amount of post-War Wealth lies between				
Exceeding £	Not exceeding £	£25 and under £50 %	£25 and £50 %	£50 and £100 %	£100 and £500 %	£500 and over %
—	25	40	50	60	70	80
25	50	—	55	65	74	80
50	100	—	—	72	78	80
100	200	—	—	—	80	80
200	500	—	—	—	80	80
500	—	—	—	—	—	80

As will be seen from the table, 40% is to be levied on incomes up to £25,000 and 80% on incomes over £500,000. The total yield would approximate to £450,000,000, on the assumption that the duty would in no case bring the post-War wealth below £5,000.

The rates on smaller incomes are generally higher than those in force abroad, especially if we take into account the other forms of taxation to which they have been or are subject. To some extent the fate of Mr. Chamberlain's proposal for an increased excess profits duty depends on the findings of Sir William Pearce's Committee, but as regards the latter's labours a leap in the dark taken by the Chancellor just now would probably work more damage than a continuance of recognised, if harmful, methods of raising revenue. Uncertainty on this point would also prejudice the prospects of the Funding Loan, if not militate seriously against its success.

THE FIVE REPUBLICS.

With an area some 20,000 square miles bigger than the whole United Kingdom, and a population of under 5 millions, the Five Republics are surprisingly little developed considering their position and considering their history. That they will be taken in hand for immediate development as soon as the world settles down from the effects of the recent War, and assuming that we are not immediately plunged into another great conflagration, there seems to be very little doubt. The Isthmus of Panama and the Isthmian States fascinated and fired the imagination of the early Spanish conquerors of that region, and it was to the Isthmus, not to La Plata or Rio or any of the ports of the eastern seaboard of South America, that the early conquistadores went; and it was at Nombre de Dios that they made their headquarters. It was to cross the Isthmus that they set out to discover Peru. And it was after crossing the Isthmus that Pizarro set out upon his memorable voyage which ended in the subjugation and destruction of the Inca and Cara empires. Doubling Cape Horn was naturally as little relished by the navigators of the sixteenth century as it is relished to-day; and even the discovery of the Straits of Magellan made little difference in the route by which the rich and highly-civilised countries on the Pacific seaboard were conquered, and in a sense settled, at any rate, when exploited for their immense mineral wealth. In the absence of steam, and owing to the swiftness of the current, perhaps, it is not surprising that the Straits of Magellan was very little used. Even to-day, with powerful steamships with reciprocating engines, the swiftness of the currents in the narrows towards the Pacific are a serious strain on the nerves even of the most competent navigator. With the kind of vessels and the only means of propulsion available to the early conquerors it is, perhaps, not surprising that they avoided the Straits almost as much as they dreaded the route round Tierra del Fuego. The difficulty of crossing the continent in face of the hostile Indians made it practically impossible, particularly in the early time, to select either the River Plate or Rio as a point of departure for expeditions into Peru, because it has to be remembered that South America was inhabited and was inhabited even

in its more barbarous parts—by tribes capable of cohesion and of acting together in a sense that was not true of the tribes in North America. The Indians of the North American continent were a far more barbarous people than the Indians of the South American continent, with, of course, the exception always of the Mexicans. But, speaking generally, the intelligent Indians, and, particularly, the civilised Indians, were found in the regions which we now call Spanish America. As a result, the most practicable selection was the Isthmus, the Caribbean port of embarkation from which being Nombre de Dios and the Pacific one the Bay of Panama, but not, of course, the Panama that we know. Appreciating all these factors, it is exceedingly surprising that these lands which now form the countries of the Five Republics have been so little developed. They are fertile, and fertile to a degree. They are highly mineralised. They are capable of raising almost any crop from those associated with the tropics to those associated with the temperate regions; and they could afford, and do afford, pastures for an enormous number of cattle. Nevertheless, they have never been developed as one would expect. Of course, there was a far better road maintained along the route between old Panama, which was nearer Colombia than the present city of Nombre de Dios. But comparatively little was done to settle the whole of the Isthmus. The Isthmian tribes, it is true, were formidable. But the Spaniards dealt with far more formidable peoples in Peru and what we now call Ecuador than any of the tribes in the comparatively barbarous regions of the Ithmus. The fact remains, however, that they did not settle the Isthmian States. Nor did they cultivate them to the extent that one would have expected, seeing that for the greater part of three centuries this was the principal route by which all travellers had to go arriving from Spain, whose destination was what we now call the West Coast ports, and seeing, moreover, that it was the route by which gold and silver and precious stones were conveyed from Peru to Europe. The King of Spain was entitled to 20% of all minerals raised in Peru, and it was along this route that the whole of the royal or Spanish subsidy was sent, and placed on the treasure ships, which our ancestors were so fond of ravaging on the coast of the Caribbean, or the "Spanish Main," as they called it in those days. Millions of treasure in actual gold and silver, besides large quantities of metals which we value more highly than the ancient peoples did, all passed through this route. And, in addition, everything in the nature of manufactures from Spain, and everything in the nature of raw materials from South America, had to pass over this route for reshipment from the Caribbean side of the Isthmus. Consequently, it will be seen that a really great trade route existed, particularly during the early part of the Spanish colonial period, and until it was possible to open up a route from Buenos Ayres through the passes of the Andes, north of what we now call Chili.

It is a striking illustration of how rapidly the result of work disappears which is based upon no solid foundation. The object of the great trade route between the Caribbean and the Pacific, as constructed by the Spanish conquerors, was to obtain treasure mainly in the sense of minerals from Peru and to send out supplies from Spain. Now had the Spaniards taken a more intelligent view of their responsibilities and a more far-sighted view of the value of the territory they had just conquered, and were about to administer, they would have endeavoured to develop the Isthmian States themselves, with the result that they would have been to this day more or less permanent monuments of their occupation in the form of various estancias producing different commodities which had been developed by Spanish enterprise. As it was, with very few exceptions, the most striking monuments are those which existed before the Spaniards went to the magnificent forests which cover the greater part of this rich territory. While we are condemning the policy pursued by colonial Spain, there is in this very region a striking illustration of how to neglect a colony on the part of our own Government. It happens that one of the five Republics is called Honduras; and of Honduras a little over 8,000 square miles, or a country somewhat bigger than the Principality of Wales, forms part of the British Empire. Now probably no colony in the world is, and has systematically been, more neglected than British Honduras. With, as we have said, an area considerably bigger than Wales, it has a population, all told, of about 50,000. And probably there is no more neglected little city in the world than the tiny port of Belize on the Caribbean coast. This rich possession of the British Crown produces some of the finest timber known in the world. And what little business Belize does, and what little enterprise exists in the colony at all, is wholly due, or almost wholly due, to the trade in mahogany. It is perfectly true, however, that because we have neglected British Honduras that does not justify the neglect of the whole Isthmus, which has been characteristic of its possessors for four centuries. And it is reasonably certain now that with the opening-up of this Isthmus from Colon to Panama by the United States Government we may expect in the very early future an outburst of enterprise which will more or less affect the whole of this region.

We will conclude with two paragraphs, one giving very briefly the causes why neither the Spanish conquerors nor the Republicans, when they threw off the yoke, or ourselves in British Honduras, made a real effort to develop these regions. The reasons, as we shall show, are medical and sanitary, and we have shown from time to time that the means for overcoming these have now been discovered. Finally, we propose to give a short paragraph showing why it seems reasonably certain that a great economic effort will be made in the near future for the purpose of developing these regions which already show signs of development, and in one or two instances which we shall illustrate, notably El Salvador, there is already the nucleus of a population and an active and enterprising trade.

The difficulties of the five Republics both on the Pacific and on the Atlantic coast are the difficulties, or rather have been the difficulties, and present the same obstacles which are the difficulties and which are the obstacles to progress not merely throughout South America, but throughout the tropical world. On the highlands of the interior, and, indeed, on any part of Central America, as of South America, or Africa, or anywhere else, where there are no marshes, no swamps, and no stagnant water, the conditions of health are found to be exceedingly good. The white man thrives; the native thrives. But experience has shown that in the low-lying coast towns every season there were

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recurring epidemics of malaria and yellow fever. Why, was not realised; but, of course, the fact was appreciated from very early times. To a very large extent, like so many others in the Tropics, it was regarded as a white man's grave. Now we know that all these fears were due to the ignorance of what was necessary. All that is being done in Panama and in the eastern parts of Brazil is simply to take ordinary sanitary precautions, drain the swamps, and not to permit any stagnant water to remain.

Those Republics which have a convenient hinterland, that is, land near to the coast, sufficiently elevated to be healthy, have been considerably developed. Probably the three most striking instances are Guatemala, Costa Rica, and El Salvador. Guatemala has recently suffered from earthquake; but from this she will recover. Costa Rica produces a coffee which is, perhaps, more highly esteemed than that of any other country. And the demand for her products may safely be counted upon to continue. El Salvador, with her capital San Salvador, is generally considered the most densely peopled single entity in any part of Spanish America, extending from the northern frontiers of Mexico to the islands in the remote South Seas. It happens that El Salvador is almost exactly—within about 100 square miles, in fact—the size of the Principality of Wales. Like Wales, El Salvador is very mountainous. But unlike the greater part of Wales, it is very fertile. That part of the land which is cultivable is exceedingly rich. It is situated in the Tropics, and produces some of the most choice products of the vegetable kingdom suitable for the sustenance of man and beast. Like Wales, it has rich potentialities for mineral development. But, unlike the Principality, these mineral resources have never been developed. And it lives upon agriculture as Wales lives upon her hard steam coal. The population of El Salvador is almost exactly half that of Wales. It has to be remembered that the population of Wales lives almost entirely on Cardiff and the Rhondda Valley. It is exceedingly doubtful if Wales could sustain a population as large as that of El Salvador if she were wholly dependent upon agriculture. And it may be difficult even to maintain her present population if recent events lead to the practical stoppage of the export of coal from Cardiff. Certain it is that before the development of the industries which we associate with Cardiff and Bute Docks were developed, the population was only a quarter of that of El Salvador. There are parts of this little Republic which even yet have not been drained. But we have drawn this comparison between a Republic in Central America and part of our own estate, which we claim as most highly developed, to show the potentialities of the five Republics. And what has been done in El Salvador can be done in the four other Republics, provided the areas are drained and made suitable for human habitation.

The Commission of Inquiry into the Resources and Industries of Ireland (O'Connell Street, Dublin) has issued, in the form of a sixpenny pamphlet, an interesting report dealing with the question of Milk Production. The report, which is comprehensive and reliable in character, treats at the outset of the present position of the dairy industry and the large part it plays in the national economy. From its importance the necessity of accurate methods for testing the quantative and qualitative yields of milk from various herds and their component members is deduced, and valuable recommendations are made as to the establishment of cow-testing associations and the selection of the best milking strains for breeding purposes, while the precautions to be followed in the feeding, milking, and general treatment of dairy cattle are concisely set out. The report deserves to be widely circulated amongst the farming community in Ireland, where it should serve to remove some current misconceptions that constitute a hindrance, if not a menace, to rural progress and prosperity.

THE MINISTRY OF SHIPPING.

The report of the Comptroller and Auditor-General on the accounts of the Ministry of Shipping for the year to March 31 last reveals a deficit of £100,403,706, or 10½ million pounds less than in the preceding 12 months, when it amounted to £110,847,000. The reduction in the debit balance is insignificant, especially if it be remembered that the year 1919-20 was wholly one of peace, while in 1918-19 war, or war conditions, ruled throughout. The total deficiency to be met from the vote of credit is made up as to £85,465,020 by the excess of gross over-estimated expenditure and as to £14,938,686 by a falling-off in anticipated revenue. The figures may be set out as follows:—

Service	Grant	Expenditure	Expenditure compared with Grant
Gross Total			Excess of Expenditure over Gross Estimate—
Original, £1,100 ... Supplementary, £200,000,000 ...	200,001,100	285,466,120	£85,465,020
Deduct Appropriations-in-Aid:	Estimated	Realised	Deficiency of Appropriations-in-Aid realised—
Original, £100 Supplementary, £199,999,900 ...	200,000,000	185,061,314	£14,938,686
	£1,100	£100,404,806	Total deficiency met from vote of Credit — £100,403,706

Items of expenditure not appearing in the table include a sum of 1½ millions, the estimated equivalent of the railway companies' services to the Ministry of Shipping, which was recovered by the companies through the operation of the Government railway guarantee. A further sum, £5,858,905, which was spent on fitting and repairing merchant ships, has been charged to various Navy votes, and this diminishes the amount properly chargeable to the account of the Ministry of Shipping. Apart from these omissions a tabulated statement of expenditure and income is presented by the Comptroller-General as follows:—

Service.	Expenditure £
Central Administration;	
Salaries, wages, and allowances	297,156
Travelling expenses	9,967
Incidental expenses	17,041
Outports.	
Salaries, wages, and allowances	154,527
Travelling expenses	53,586
Incidental expenses	87,282
Hire and expenses of requisitioned and other vessels ...	202,615,704
Freight and passages	28,166,766
Transport stores, &c;	879,986
Purchase and building of vessels	53,263,259
Expenses of diversion of cargoes	120,814
	£285,466,120

Appropriations-in-Aid:	£	
Receipts from the sale of ships, &c. ...	10,283,703	
Freight on sub-charters	24,809,961	
Receipts under Liner Requisition Scheme	74,452,555	
Freight for Royal Commission on Sugar Supplies	4,773,606	
Freight for Royal Commission on Wheat Supplies	8,987,307	
Receipts under Norwegian Coal Scheme ...	4,903,657	
Recoveries from Dominions and British Government Departments	8,437,642	
Recoveries from Allies	31,264,131	
Freights on prize and neutral vessels and other recoveries	17,148,452	
		£185,061,314

On the expenditure side the heaviest item is £202,615,704 in respect of the line and expenses of requisitioned and other vessels. As Government requisitioning of liner tonnage was at a standstill over the greater portion of the period covered by the present accounts, the outgoings to a large extent must represent commitments undertaken during the War. On the other hand, the biggest item of income, practically 74½ millions, is in respect of freights earned by these requisitioned vessels, and this must naturally be credited in large measure also to the War period.

The wasteful staffing methods of Government departments are well illustrated by a glance at the salary and general expenses lists of the Shipping Administration in London and in the outports. The

combined list for the United Kingdom totals £600,000. Though this figure may appear small relative to an aggregate outlay of 285½ millions, the enormous values involved in the big contracts made by the Ministry tended to reduce the ratio of clerical expenses. The point to which we wish to direct attention is that, though "allowances" are grouped with salaries (*vide* table), we have also "travelling expenses," and yet again "incidental expenses." In the case of outports the incidentals reach the large figure of £87,282, or 56.4% of the total for "salaries, wages, and allowances," while, in addition, travelling accounts for £53,588.

Various sins have been laid at the door of the Ministry of Shipping for which it is in no wise guilty, and we are glad that the Comptroller-General furnishes evidence which disproves at least one of these unfounded charges. The Ministry has been saddled by public opinion with responsibility for the expensive luxury of national shipyards, though it was not until November 1, 1918, that it took over financial control of these undertakings. The inception of the scheme dates as far back as August 1917. As the report points out, arrangements for the ordering, care, and distribution of stores came up for examination immediately after the transfer was completed, but owing to changes consequent on the demobilisation of the military staff in the yards, it was found impossible to take stock of the actual position and so formulate a coherent plan for deriving the maximum advantage from the yards.

In connection with this ill-conceived project the shares of the Standard Shipbuilding and Engineering Company were purchased by the Admiralty at a cost of £656,250, being 35*s.* for each fully-paid £1 share and 8*s.* 9*d.* for each 5*s.* paid share. The transaction was entered into though no expert valuation of the plant had previously been made on Government behalf. The Admiralty seem to have acted simply on an expression of opinion in favour of the deal by the Controller-General of Merchant Shipbuilding. By buying the shares instead of the property the Government took upon themselves liabilities of the Company amounting to £129,767, which, together with the stamp duty on share transfers, brought the total monetary consideration to £789,300. Against this sum can be set receipts from various debtors amounting only to £34,094. On these figures the deal displays a considerable amount of ineptitude on the part of the Government's financial advisers.

Since the Armistice Treasury control over the Ministry's expenditure has tightened, but the results are so far disappointing, though we must remember that many items in the present accounts represent a liquidation of what is really war business. When this liquidation is finally terminated the Ministry will presumably close down. Some of the work which it performed directly and indirectly possesses a permanent value, and already shows to our distinct advantage. Thus, a scheme formulated by the Admiralty for making free grants to defray the expenses of approved schemes for extensions to shipbuilding and repairing and marine engineering works was carried out by the Ministry. The maximum allowable was 40% of each firm's capital requirements, with a limit of £50,000 to a single firm. The scheme, which was no doubt a very advantageous one from the point of view of firms interested in the industry, was confined to existing shipyards and was widely adopted. Up to the end of October 1919, 143 schemes had been approved in respect of mercantile work, and grants had been paid to the extent of £1,765,136. For naval work 55 schemes were passed and grants totalled £470,935. In return for a Government expenditure of less than 2¼ millions, substantial additions were made to our accommodation for building and repairing ships and engines, and the outlay, considering the work turned out during and after the War, has proved directly profitable to the nation.

IRISH INDUSTRIAL COMMISSION. EVIDENCE.—XIII.

POWER.

THE possibility of reducing coal imports into Ireland depended, according to Mr. Delaney, City Engineer, Cork, on the development of the country's sources of power. The utilisation of the water-power of its principal rivers for the generation of electricity in hydro-electric stations merited attention. Electric-power could, in many cases, be used more profitably than the steam-power at present employed. The opening up and development of the coalfields of Ireland would reduce the pressure on English fields and would result in the establishment of an industry which has long been waiting development. The absence of the mining of native coal has hitherto checked the formation of industrial centres in Ireland. At present there are about 20 mines from which coal is raised. Want of suitable and improved means of transit from the mines to trunk railway systems interferes unduly with the marketing of the output. It has been estimated that there are 182,280,000 tons of coal available in Irish coalfields. Irish anthracite coal, as produced in the Kilkenny coalfields at Castlecomer, contains from 80% to 90% of carbon, the ash content varying from 9.8% to 3.7%. If it were found economically practicable to utilise peat for power purposes in Ireland the drain on the coal supplies of Great Britain would be considerably curtailed and the cause of industrial expansion in Ireland promoted. Unquestionably, the establishment of new industries in Ireland requires fostering attention. The conditions differ from those prevailing in Great Britain. Two essentials for industrial well-being exist in the latter, namely, coal and electric-power, and it is proposed, according to the report of the Electric Power Supply Committee, to conserve the one and to reorganise, extend and improve the other. As regards Ireland we must start by organising both these essentials to national progress and efficiency. Ireland ought to have facilities to raise her own coal and distribute it to industrial centres all over the country, and thus to contribute to the more economic generation of electricity, the distribution of which would be effected on a national scale from well-placed central generating stations. The assistance of the State would be desirable in this connection, as also in the exploitation of water and peat for power production. In Ireland there are no possibilities, such as exist in England, of "conflict between the interests of local electrical authorities and the interests of a comprehensive scheme." The country is practically virgin soil for the extension of electrical power on the most up-to-date lines, free from any possibility of heavy capital loss by the absence of the necessity for scrapping existing power plant and making expensive modifications in existing equipment. The Cork Corporation has a steam plant for raising water for the city supply, which consumes between 900 and 1,000 tons of coal per annum. The application of electricity to work of this nature would effect a considerable saving of coal if economically generated in a central electrical station; the same might be said of the various large and small works throughout the city and county, in which it is at present a matter of compulsion to use steam, and thereby wastefully consume coal. As to the extension of industries, there are great possibilities throughout Cork and Munster generally. Sources of coal and copper are available. Brick-making, cement manufacture, and the minor industries in the wood and metal crafts, leave a large field untouched and open for development if cheap power were procurable. In view of the industrial enterprises lately established in Cork by Messrs. Ford and Son and Furness, Withy and Company, there are great opportunities for electrical undertakers. The city possesses all the conditions essential to the economical working of a super-station by having good water and transport facilities; the Link Line, recently constructed, connects the two principal

trunk line termini and gives sidings to all quays on the river Lee.

The marked increase in the cost of everything relating to production and marketing makes an improvement in methods of transport essential to economic development. The present system of rural transport must be altered. Every farmer now employs his own vehicle for conveying his produce to market, but a common collecting vehicle would be much more advantageous. Narrow-gauge railways and motor-lorries have been suggested, but there are difficulties in regard to the financing of the former as the capital cost would be heavy. The latter is the readier method of improving transport, but, as a first step, a policy of road treatment on national lines must be adopted. Facilities for interurban transport, both passenger and commercial, must also be provided. The omnibus for this purpose is yet unheard of in Ireland, while it has a well-recognised place in the public utility systems of most other countries.

IRISH LABOUR AND FOOD EXPORTS.

Although other circumstances may have some bearing on the Government's decision to release the Mountjoy prisoners, it is not difficult to understand the claim of Irish labour that the exercise of the weapon of a general strike was a very potent factor. The achievement of a political end by concerted action on the part of the workers' unions is somewhat of a novelty in these islands; but this departure, a direct result of the Government's unfortunate Irish policy, has within it the germs of a development that may yet exercise an unlooked-for effect on our economic structure. We quote as an illustration the fact that the Liverpool dock workers were quite prepared to suspend work in sympathy with their Irish brethren. In an important port like Liverpool the effect of even a temporary stoppage, especially at the present time, is not one to be viewed with any composure. Close relations are maintained between Irish and British labour, and the possibility of a reaction, in a form differing from that previously assumed, of Irish political unrest on Great Britain should provide another incentive to the Government to bring about a stable settlement.

Emboldened by the response to its previous appeal the Irish Labour Executive subsequently invaded the economic arena, and forbade transport workers to handle consignments of live pigs, bacon and butter intended for export. This order was observed by dock workers in Belfast as well as in other parts of Ireland, and little leakage resulted. In a manifesto, couched in a somewhat arrogant tone, the Labour representatives based their action on the ground that the high quotations ruling for these commodities in Great Britain since decontrol was established on April 1 had encouraged an unduly large export from Ireland, with the result that the home consumer was forced to pay extravagant prices for the limited amount at his disposal. The poorer classes of consumers, it was observed, suffered in particular. Undoubtedly the sudden increase in the price of bacon and butter, amounting in the former to about 40%, and in the latter 16%, caused widespread dissatisfaction, but, parenthetically, it might be observed that this is no new phenomenon in the case of decontrol. In this case responsibility for a large part of the increase must rest on the shoulders of speculators and retail traders in Ireland. At first sight one might suspect that a political bias was at the root of the embargo, but this would be unjust. Provided the bacon-curers and other interested parties failed to offer satisfactory terms the Labour Executive threatened to seize the factories and to take upon itself the killing and curing of pork. But it was expected that the co-operative societies of Great Britain would assist in financing the purchase of pigs; in return, the exportable surplus of pig products would be forwarded to the same bodies.

The main idea underlying the Labour move was to bring about a return to the relations between producers, middlemen, and consumers subsisting under control conditions. This object has been substantially achieved. An agreement entered into on April 20 provided for the shipment of 70% of the present stocks on bacon curers' hands on condition that 30% of these stocks be retained for home consumption at prices fixed previous to decontrol, and that after the disposal of the stocks the legitimate demand of the Irish retail trade is to be supplied in full at the same prices. Another provision limits the export of live pigs to 17½% of the total supplies placed on the Irish market. This provision was, of course, inserted in order to secure that the bacon-curer would be able to obtain pigs at prices which would allow him the control margin of profit on sales of bacon in Ireland. The number of pigs purchased by Irish curers during the 12 months ended February 1920 was 863,545, and the export of fat pigs in the same period was 188,788. It is probable that after some adjustments have been made the monthly exports of bacon and hams and pigs will be on the scale prevailing before April 1. The figures set out below may be interesting in this connection:—

Exports of Bacon and Hams.

	December.	January.	February.
Tons	3,795	4,874	3,107
Fat Pigs, Number ...	26,074	19,824	17,206

It might be mentioned that the farmers took no part in the Conference instrumental in arrving at this agreement. As pig-feeders they have naturally a strong objection to being denied a free market; and there is certainly some ground for their contention that Labour acted arbitrarily, and could have attained its end by less violent means if it had previously invited a friendly interchange of views. That the farmers will emphasise their grievance by discontinuing pig-feeding is unlikely. They were, on the whole, content with the scale of prices prevailing in March; but then it must be remembered that circumstances may demand a revision of this scale. The price and the quantity of maize imported must be taken into account, as must also the fact that there is a growing shortage of potatoes. The successful working of the new control scheme will depend on the due enforcement of the export regulations. The old export licences will probably be renewed, but the temptation to do business with Great Britain at enhanced prices will be overpowering. The existence of two scales of prices, one in Ireland and the other in Great Britain, will lead to considerable evasion, and the use made of a channel like the post may make it difficult for the curers to satisfy the "legitimate Irish trade demand."

Ireland renders, unlike Great Britain, practically no services, such as transport and insurance, to other nations, and is, therefore, compelled to pay for most of its requirements by the direct export of commodities. As the pig-feeder and bacon-curer are forced to pay British market prices for feeding-stuffs and machinery they harbour, not unnaturally, a grievance at not being allowed to dispose of their products to full advantage in the same market.

The agreement reached with respect to butter comes up for revision in the middle of May. In the meanwhile the maximum price of first quality butter in retail stores is fixed at 3*s.* 4*d.* per lb.; inferior qualities will be marked at relatively lower prices.

Whatever form the final arrangement arrived at will assume in regard to this or the other articles of food concerned, it should be such as will provide for ready adjustment. Production will decline if the consuming interest makes no allowance for an increase in the cost of the materials required by the producer. Ill-regulated interference may have serious results on an export trade the total value of which—£11,555,306 in 1918—was made up of the following items: live pigs, £2,104,728; bacon, £3,170,315; hams and pork,

£543,524; butter, £5,436,739. Butter exports have declined by fully 100% since 1913, and unconsidered, action may divert still more the attention of the creameries to the making of cheese. As this would lead to a further reduction in the quantity of "separated milk" available for stock-feeding dairy herds would correspondingly suffer.

AMERICAN COTTON.

(Special Correspondence of "The Statist.")

New Orleans, April 8.

Our Cotton market has lately been experiencing a sensational advance, which has carried prices to the highest levels reached since the Civil War period. Contracts for May delivery here sold above 41 cents to-day, while July contracts touched 38.77 cents per pound, and October contracts 35.55 cents per pound, while middling spots is quoted at 41½ cents per pound.

The reason for this sharp enhancement in values that has been steadily taking place of late is alarm over the outlook for the new crop. Weather conditions have been so unfavourable over the Belt for some weeks past that little progress could be made in preparing the soil for planting cotton. Then came the Easter holidays, around which period planting in a normal year is general in many parts of the Belt, and, instead of being able to plant, the farmers had to stop all work in the fields on account of a cold wave, which brought snow and ice, with freezing temperatures as far south as Taylor, Texas. Even as far south as San Antonio, Texas, the temperature went as low as 38 degrees, and, even though the early-planted cotton in that section was not killed, its growth was checked, and poor stands have necessitated replanting in some localities. Generally speaking, however, there was little cotton planted anywhere in the Belt outside of South Texas, and this very fact is a source of alarm over the crop outlook. During the Easter holidays and just prior to the cold wave, which hit the Belt in full force on Monday, April 5, heavy general rains visited the eastern half of the Belt. Rivers in that section have overflowed their banks, and the incessant rains have washed away what ground was ploughed and left the field in ruins, according to the private advices received by cotton merchants here. Behind the cold wave came fresh rains, not quite so heavy or general, but enough to retard preparations all the more and to add to the general gloom over the prospects for the new crop. Some idea of the character of the crop news being received from the eastern half of the Belt may be gained by reading the following despatches that came from reliable correspondents in Georgia:—

"Winder, Ga., April 3.—Cold rain to-day all over this section; stormy; worst condition in our 20 years' experience."

"Augusta, Ga., April 5.—Incessant rains in all sections east of the Mississippi from Friday morning to Sunday morning. Now clear and very cold. Crop will necessarily be a very late one in the Atlantics."

The effect of such advices as these was to stimulate speculative activity on the buying side of the market, in which there was a large short interest, accumulated principally in the new crop months, particularly October. Trade interests, which had cotton sold ahead for delivery to the mills next fall, bought huge blocks of October contracts in the local market, while the outside public also competed for the floating supply of contracts. Soon the market became tight as a drum, and when shorts tried to cover it was a veritable scramble for contracts, bringing about a wild advance, which has been relieved occasionally by periods of profit-taking.

In the last couple of days there has been some slight improvement in weather conditions over the Belt as a whole, and the "bear" crowd, which had been badly mauled in the speculative *mêlée*, were showing some signs of arrogance again, when there were some developments in spot circles that started another covering movement, but this time in the old crop months principally. Spot dealers in the Atlantics wired in that a demand for low grades, the first in some weeks past, had developed there, and that low middling was selling about $15 per bale higher than delivery basis on May New York. Then on top of this a spot demand of a general character sprang up in this market, and the near months, which had been comparatively neglected while the big buying of new crops was going on, took on new life. Shorts in the May position both here and in New York ran to cover, and locally May delivery sold as high as 41.05 cents. Around that level, however, spot interests found the market on a tenderable basis for the lower contract grades, and the selling from this source checked the upward tendency, and brought about a moderate reaction from to-day's extreme high levels.

Among the rank and file of speculators the feeling prevails that cotton has reached dangerously high levels thus early in the season on the new crop months. Unless weather conditions from now on steadily improve, however, cotton for October and December delivery could easily go to 50 cents a pound. Even with the most favourable weather conditions, with the general complaint of scarcity of labour, except in Texas, where Mexicans are available, it is doubtful whether a supply of cotton adequate to meet the world's consumptive requirements can be produced. One of our prominent merchants to-day expressed the opinion that a crop of even 14 million bales would hardly supply the world's mills under peace-time conditions. On the other hand, a continuance of unfavourable weather conditions further into the planting season will mean such a late start that the ravages from the boll weevil pest will become all the more menacing. There is also uneasiness among the trade here as to the spread of the pink boll worm, even more destructive than the boll worm. A conference is now going on in Washington to decide how this new pest should be fought, and reports indicate that the policy to be adopted will be to establish non-producing zones. There are only three small parishes that would be affected by such a ruling in Louisiana, but in Texas there are some large producing counties in the early crop section of that State which would have to quit growing cotton for the benefit and protection of producers generally in other parts of the Belt.

Summing up the situation, the outlook for the new crop at this writing is anything but favourable, and I do not hesitate to say that it is within the range of probability that a cotton famine, such as has often been predicted, may actually be in store for the trade. Nature alone holds the answer to the riddle of the cotton fields, and it is to be hoped that a kindly providence will send a favourable season from now on to the cotton planters, as even with the present late start it is not yet too late to make at least a fair-sized crop.

Chas. A. Dancy.

THE NEW FUNDING LOAN.

Despite the fact that he is budgeting this year for a surplus revenue of over 230 millions, the Chancellor estimates that 160 millions of this amount will be needed for extinguishing long-dated debt, leaving only 70 millions available twelve months hence for the reduction of the floating debt. Though the latter has been higher, it stands at present at the enormous figure of 1,295 millions. Consisting as it does of Treasury bills and Ways and Means Advances from the Bank of England, it accounts in part for the abnormality of the currency position, and has a deleterious effect on the general economic situation. As it reacts adversely on our national credit, a more expeditious method of handling the problem was necessary, and the Chancellor has drawn up what is in some respects

a novel and ingenious scheme, not for permanently funding the debt, which would be the more desirable course, but for converting it into longer-dated maturities. The scheme has been devised with the double object of attracting the investors who fear dearer money and at the same time safeguarding the Exchequer from excessive interest payments. The new Treasury bonds, which will be issued at par, will bear a fluctuating interest, and will run for a period of from 5 to 15 years. The bonds protect both lender and borrower, as they carry a minimum interest of 5%, plus an additional interest, but only for the next five years, depending on the rate at which Treasury bills are sold in each six-monthly period to May 1 or November 1, the dates when interest payments fall due. If the average rate for Treasury bills during the half-year exceeds 5½% the addition payable is 1%, and if it exceeds 6½%, 2%. At present rates, therefore, the first interest payment due in November next will be at the highest possible figure, 7% per annum, or 2% above the minimum. As the rates for Treasury bills vary according to the value of money, the investor will for the next five years reap the benefit of a continuance of its present high value, while the fixed minimum guarantees him a substantial return on his investment and prevents him from losing if financial conditions should so improve that money declines substantially in value.

Banks and discount houses will, no doubt, be unwilling to lock up their funds for a period of five years, but the new issue is intended primarily to appeal not to them but to the general public. The Chancellor seeks to divert the savings of the country into the new loan, and, as saving is a gradual process, the bonds are to be on sale for an indefinite period. He pledges himself at the same time to devote all the proceeds to the reduction of the floating debt. It is impossible to say how far existing holders of Treasury bills will be induced to exchange into the new issue, but, apart from the financial inducement held out by the slightly higher rate, they should be attracted by the guarantee that their money will not help in any way to finance fresh Governmental extravagance. Moreover, the risk of capital depreciation, which proved a stumbling-block to the last loan, is as far as possible avoided, as the selling-price of Treasury bills, which regulates the interest payments on the new issue, is itself a standard measuring the value of money. It is quite an innovation to have such a long-dated Government borrowing on which the interest is fixed by reference to Treasury bill rates, though a generation ago Exchequer bills were issued at a varying rate of interest determined by the current value of money.

To give the new venture every chance of success, Treasury bills with a currency of twelve months are to be withdrawn, and the lowest denomination of three-months bills purchasable is raised from £1,000 to £5,000. The latter move may prove an occasional inconvenience to Lombard Street, but it was never very heavily interested in the yearling maturities, and will not have material cause to regret their withdrawal. Other interests outside the London circle, who have in recent years been taking up Treasury bills on a substantial scale, will probably be attracted into the new loan not only by reason of its intrinsic merits, but because of the Treasury bill changes referred to. Further, those of a speculative turn of mind will be attracted by the fluctuating character of the additional interest, while people who wish to play safe will see safety in the minimum yield and a prospect of the capital remaining intact on account of the sliding scale. The option of repayment of the principal exercisable from April 1924 onwards, though it involves the lengthy notice of a year on either side, also has a distinct value of its own. It might be observed that the bonds carry no special privileges, and are not available, like War Loan and Exchequer Bonds, for the payment of excess profits duty, death duties, and other taxes.

No matter what figure the Treasury bill rate reaches the interest on the bonds will not exceed 7% per annum, and as they bear that rate at the outset, the margin of safety, looking at the matter in its purely financial aspect, may be said to have already disappeared. The investor is thus at the mercy of any rise in the value of money above present levels. Some scepticism is evident because the Chancellor has not been very fortunate in his previous efforts to reduce the floating debt, but after initial failures success seems now to be more assured. In so far as a generous response to his appeal will tend to prevent a further rise in the Bank rate, it will safeguard bondholders against a rise in money value, which, for financial reasons, can alone depreciate their holdings. The possibility of a rise will be further postponed as the redemption of the floating debt goes on, and thus something in the nature of an effective insurance against depreciation is provided. The attractions of the issue, are therefore, not to be lightly set aside, though trustees may object to the new loan as being too short-dated and causing a troublesome reinvestment of money. It must, above all, be remembered that a widespread response to the Chancellor's appeal is the only means of effectually laying the bogey of a forced loan, a capital levy, or a confiscation of war-wealth.

A number of Press representatives, at the invitation of Sir Theodore Chambers, K.B.E., visited on Thursday last the site of a new township which is to be opened up by the Welwyn Garden City Company, Limited, of which Sir Theodore is Chairman. The position secured is situated in Hertfordshire, on the main line of the Great Northern Railway, and has been purchased from the Marquis of Salisbury and Lord Desborough. The total area is a trifle under four square miles, in well-wooded country between the Lea and the beautiful Mimram. About 1,600 acres have been planned as a town, the remainder being retained as permanent agricultural or park land. The Company is to provide water, gas, electricity, and drainage, and to develop the town as a complete unit. The building of working-class houses has already commenced, and it is hoped to have 500 ready for occupation by the end of the present year. There is sufficient gravel, sand, and brick earth on the site for the building of the town. Railway sidings are about to be constructed by the Great Northern, which has secured a plot of 66 acres for its own purposes. The financial basis of the scheme is provided by the improvement of land from rural to urban values, to which the whole of the expenditure of the Company and the builders and inhabitants of the town will contribute. The return to the shareholders is limited to 7%, the balance of profits going to the town.

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Financial Notes.

It cannot be said that the reception of the new issue of Treasury bonds has been a flattering one either upon the Stock Exchange or upon the London Money market generally. A large measure of the unfavourable feeling with which these securities was received was undoubtedly due to the fact that neither the stock-brokers nor the market really understood what these bonds meant. They were perfectly honest and frank about the matter, and did not pretend to understand them. "What do they mean," said a well-known banker, "by paying additional interest when the rate for Treasury bills and the rate of discount rises above a certain specified figure?" The practice of offering securities with a varying rate of interest, although we believe not absolutely unprecedented, is one with which the London Money market, as constituted at present, is wholly unfamiliar. The period for which it is proposed to issue the bonds has also provoked a great deal of criticism. It has been said, and said with a measure of justice, that they are too long for the professional Money market man, who wants a short-dated security. Granted! It is contended, on the other hand, that their period of existence is too short for the investor. Why? We would suggest to the market to give them careful consideration before treating the issue in the spirit in which it was received on Thursday.

Bearing in mind the immense amount of Government paper already on the market, it is not surprising that neither the Stock Exchange nor the Money market is in a frame of mind to welcome this new issue. In reality, it would appear to have a good deal to recommend it. It bears a fair, if not extravagant, rate of interest; and, in addition, if the rate for Treasury bills and the rate of discount on the London market are manifestly higher than the fixed rate paid on these bonds, the Treasury undertakes to revise the rate. Consequently, they should be only a little inferior to very long-dated Exchequer bonds, for practically that is what they amount to. It has been suggested that they would suit insurance companies. That, of course, is a matter for those responsible for the direction of insurance companies to consider for themselves. We offer no opinion on the matter. It is evident that it is the interest of all large investors; and particularly companies which have from time to time to pay out large sums of money, and who have to revise their balance sheets at recurring intervals, for the purpose of ascertaining the value of their assets, that securities should improve.

Now, if the rate for money falls to any extent by the reduction of the floating debt this will, of course, help all those who have large blocks of securities held more or less on trust, for which they have to give an account, and which each half-year they have for some time past been writing down in their balance sheets. The tendency of what used to be called the higher class of investment securities should naturally be downwards, because, as has been explained by the Chairmen at the meetings of various companies, they took an abnormal quantity of the various issues made by the Government during the period of the War, and, in consequence, they are loaded up, or have been for some time, with securities which they do not require and which, in fact, lock up resources which they do require in their own businesses. The chairman of a well-known company said this week: "We have sold the bulk of our holdings of War Loan for the purpose of putting the money into the business." He said it publicly and to his shareholders. It is, of course, notorious that many business men would be glad to get rid of their securities, and to have the money available on deposit for the purpose of developing their businesses, and since it is hardly likely to be denied that the developing of a business is the principal security for our ability to meet our obligations in the future there is a very great deal to be said for this policy. It seems reasonable to argue, therefore, that the natural tendency, as we have said, of what used to be called the higher class of investment securities should be downward.

Now this can only be checked by two methods: the reduction of the existing debt, and the reduction of the expenditure of the Government. The latter is most important, but we do not propose to deal with it at the moment. The Government proposes a scheme whereby, if it is successful, the floating debt can ultimately be paid off, and paid off in a manner which will not leave it as a continual menace from day to day and from week to week to the Money market. If the scheme is not a good one it is open to anyone to propound a better. It has its defects. But almost any scheme that could be propounded which would require hundreds of millions for its financing in order to relieve the market of the incubus of more than a thousand millions of floating debt will inevitably have defects, and grave defects that certainly would require to seek cover if they were to withstand the withering fire of criticism that could be directed, and directed with perfect propriety, against them.

On the other hand, the Government asks, and the Treasury asks, "What alternative scheme is there to some sort of Funding Loan for relieving the market of the serious incubus of an abnormal floating debt?" As we have said, reduced Government expenditure would be the first thing. But it is essential that the funded debt should be dealt with in some way. And, finally, it is of great importance—indeed, almost as important as either of the other two—that the market should be free to employ what we may call its liquid assets in the natural development of trade. One of the great difficulties at the present time is that the Treasury, without desiring it, without even having the capacity to exercise effective control, does, in fact, exercise so complete and indirect control over the Money market that neither the joint stock banks nor the Bank of England have a real control of that market. The Bank of England raises its rate of discount; but it is found practically impossible to make the figure really effective. Money is nominally cheap; but inasmuch as we have no longer a free gold market, in the old sense, that is in itself a pure fiction; consequently, whatever way we take it, the market is under a great disadvantage, and must remain under a disadvantage until the floating debt is really liquidated and the market once more has a working, if not an absolute, control of its own resources.

Sir Alfred Booth, at the Cunard meeting this week, argued that the shipping world should prepare for a big fall in freights. Like a good business man, he welcomed it, and pointed out that the sooner the shipping interest adjusted itself to the new conditions the better. It has to be remembered that there is

something like 50% more tonnage being constructed at the present time than was the case before the War. It is true that at present the abnormal amount of shipping which has been constructed in the last two or three years, and the very large amount which is now being constructed both in Europe and in the United States, is at present only partially effective. It is generally estimated by shipping men that, in our own ports in particular, and in other ports as well—but we have quite enough to do with our own ports—the effective work of a ship to-day is only about two-thirds of what it was, say, at the beginning of May 1914. Even so, the amount of shipping is becoming, or will soon become, abnormally large. Moreover, the high level of prices is in itself beginning to tell.

We have devoted a good deal of space in these notes to pointing out the importance of either assisting the Government scheme for reducing the floating debt or propounding a better one. Every business man feels that at present one of the most important things to do is to reduce the floating debt. Mr. Chamberlain, in his Budget speech, pledged himself that, with the exception of the War Savings Certificates, he would not increase the National Debt; consequently the Government is at last seeing the importance of reducing expenditure. The abnormal figures of the Civil Service Estimates are highly regrettable, and it is to be hoped that sooner or later the immense number of Control Boards, Subsidy Boards, and what-not will be reduced; and there can be very little doubt that this will have to be the case, or all efforts to reduce the floating debt, or any other debt, will prove futile. As the Governments, both at home and abroad, reduce their expenditure an ever-increasing proportion of the population will be reduced to earning their living on an economic basis. That is to say, they will not be able to earn a salary or profits paid by the Government out of borrowed money. To earn one's living on an economic basis is to obtain the price which one's services will sell for, or the profits which one's goods will obtain.

When it comes to the point of living upon an economic basis, it is perfectly evident that only a very small proportion of the population can pay the present level of prices. Consequently, stocks will accumulate and prices will fall. It must be nine months ago that we appealed to the Government to remove the control off meat. What happened? Meat was being consumed on a most extravagant scale. A world-wide shortage was predicted. It appeared that there was not enough meat to go round. The Government disbanded something like 4½ millions of troops. It also disbanded between two and three millions of its civilian employees. The result was that all these people had to seek employment upon what we may call for convenience an economic basis. They had to live, therefore, more or less upon an economic basis. And the final result was that all through the past winter we have been actually consuming week by week less meat than was consumed in London, or in the country generally, in the period that preceded the outbreak of the recent War. As a result, meat has gone on accumulating to an enormous extent in the ports. The Government would not take off its control because it is said there would be a heavy departmental loss if it did. But it is far better to have a departmental loss than to hold up the whole trade of the country, and to keep the people on short rations because they cannot afford to pay the prices at which the Government bought food under conditions which have long since ceased to exist. It is manifestly bad business to save £100,000 so that a department shall not suffer loss and, at the same time, to hold up a million's worth of the nation's trade.

We are not now, however, considering the evil effects of the meat control. We are simply pointing out that sooner or later all these controls must inevitably be removed. And even if there is a sharp rise in prices in some cases for a week or two, the result will be an increase in supplies and a still greater corresponding fall in prices. What has happened in the meat trade will, of course, happen in all the other trades within a comparatively short period of time. It may be recalled that we mentioned some weeks ago that the Swiss watch industry was suffering from what is known as over-production. In other words, there is no longer a demand for cheap watches at the prices which had been obtainable during the War. Nearly all soldiers, and most of their friends, were in possession of a cheap wrist-watch, and the Swiss watch industry, we understand, is at present scouring the world east and west in the hope of finding customers for the very cheap, and very reliable, little watches which they are accustomed to manufacture. We told a story which may bear recalling regarding the bottle trade some months ago. It was said that the public would have to take anything in the form of a bottle which it suited the interests of the manufacturers and dealers to place on the market, but that within two years from that date—and, if we remember rightly, some five months have elapsed since—the bottle manufacturers would be sending round their travellers asking purchasers what kind of bottles they require.

We welcome the appearance of the *Anglo-Swiss Review*, which is published in Switzerland at the price of 1 frc., and at 1*s.* in England. We believe we are right in saying that this review, if not officially connected with, is under the auspices of, the British Chamber of Commerce in Switzerland. The magazine is published monthly. In the present number there is an exceedingly interesting article signed by Mr. Xavier Castelli, the well-known banker, who has so long interested himself in the trade between this country and Switzerland. Mr. Castelli gives a paragraph showing why the exchange between England and Switzerland has fallen from the par of 25.22 francs to 22.40 francs, a drop of 11%. This paragraph, if carefully read, not merely explains the cause of the fall in the exchange as between England and Switzerland, but it shows very lucidly, as explained by a practical banker daily engaged in watching the exchanges, the causes which lead to a favourable, as it is, or an unfavourable rate of exchange between the various countries.

SOUTH AND CENTRAL AMERICA.

SPANISH AMERICA.

Senor Don Agustin Edwards, who has been now for nearly ten years Minister accredited from the Republic of Chili to our Court, read in the autumn of last year an exceedingly interesting paper on the Spanish- and English-speaking nations before the Anglo-Spanish Society at the University of Cambridge. Don Edwards pointed out that Spanish is the speech of eighteen sovereign nations and several great and populous islands. Eighty-two millions of human beings speak the language of Cervantes, say their prayers in it, plight their troth in it, recount their sorrows, enact their laws, conduct their trade, bargain, offer, and plead in that language. Turning from Spanish to English, we find that the latter language is spoken by two sovereign nations and the British Dominions, and is the speech of, approximately, 170 million human beings. The English and Spanish between them—that is to say, those who speak English and Spanish [illegible] amount to, roughly, 250 million human beings. Don Edwards pointed out that, with the exception of the respective Mother countries—the British Islands and Spain themselves—every country where English or Spanish is the language of the people is capable of supporting a population many times greater

than that which it boasts now: and that, given their natural wealth, it is probable that in the coming years the body of human beings speaking Spanish or English will grow as rapidly as it has grown during the last 70 years, or even more rapidly. Take the period of 1850, for example: we shall find that the English-speaking population of the world was 52½ millions, and the Spanish-speaking, roughly, 34 millions. Seventy years ago, therefore, the English-speaking and Spanish-speaking population amounted to somewhat over 86 millions. To-day it is 250 millions. That is to say, in 70 years it has nearly trebled. According to very careful calculations, the total population of the world in 1850 was 910 millions; so that, in that year, 9½% of the human race spoke either Spanish or English. To-day, the population of the world is calculated at something over 1,600 millions. Consequently, the proportion has risen to nearly 16%. Taking the potential habitable globe, as we know it, at something under 30 million square miles, Spanish America constitutes more than a quarter, and potentially from the habitable point of view it represents a still greater asset. The area of the British Empire, as Don Edwards pointed out, is estimated at 13 million square miles; and, consequently, it will be seen that the Spanish-speaking world and the English-speaking world between them have something like two-thirds of the estimated area of the habitable globe. As we have said, however, the potentialities from the point of view of its capacity for maintaining a large number of inhabitants in a relatively high degree of comfort and efficiency, Spanish America offers facilities which are not offered in the same measure, and to the same extent, in any other portion of the habitable globe. It is true that the total land surface of the earth, if we include the Antarctic continent, is estimated at some 55,000,000 square miles. But the very remark we have just made will at once recall to the mind of the reader the immense tracts of what for convenience are called parts of the earth's surface, but which, from the point of view of anybody living upon them, might as well be in the planet Mars. The Antarctic continent, whatever its potentialities in the future may be, offers very little attraction for habitation as things are at present. That people can live, at any rate for more than a year, the celebrated Dr. Mawson proved. But whether it would be possible to work the collieries, although the coal is visible through the ice, remains to be seen. Certain it is that under any conditions that we know, no large number of inhabitants could exist for any considerable time upon the Antarctic continent. It is estimated that only about half, or a little less than half, the land surface of the earth is really suitable for habitation by man. Consequently, in our estimates given above we take an outside, as distinct from a conservative, figure. Spanish America, on the contrary, is peculiarly favoured as a scene for human operations. One of the great difficulties that was experienced on the emancipation of the slaves in various parts of Spanish America has been the extreme ease with which these people have been able to make a living, and the little inducement which they have had to exert themselves to obtain any necessities. Over a large part of Spanish America clothing is a matter of propriety rather than of necessity. Food people must have, even in the Tropics. But in the favoured regions of the greater part of Spanish America, particularly if we include Portuguese America as well, the ease with which food is obtained enables the natives to sustain life with, perhaps, the minimum of exertion which is required from any people on the globe. Most races of the earth are accustomed to visitations either of drought or intense cold, or some natural phenomenon which militates—and militates more or less disastrously—against their efforts at obtaining food and raw materials. Practically, it may be said that, with the exception of an occasional earthquake, which rarely affects any extensive area, Spanish America knows nothing of the visitations to which other countries are subject. More than half of Asia is desert. Something like one-third of Africa is desert. Australasia, although it has only a population of a few million people covering the fringe of its sea-coast, is accustomed to see one-third of its sheep population disappear through drought and famine in the course of a few years. South Americans who have not travelled or made themselves thoroughly well acquainted with the conditions prevailing in other parts of the earth, and people inhabiting other parts of the earth, who know little or nothing of South America, have no real appreciation of the extraordinary fertility and the natural fecundity of Spanish America from the Rio Grande, bordering the north of Mexico to Tierra del Fuego, in the far south of Chilian and Argentine Patagonia. The very snow-clad mountains in the great Spanish-speaking continent afford opportunities for a variety of cultivation which is unobtainable in most tropical regions. In the north of the continent it is possible, even, under the Equator, to grow cereals and vegetables which are associated with the regions lying between the 40th and the 60th parallels of north latitude. People living, for example, on the plateau of Colombia would tell you that they rarely, or never, have a fire, but that they would generally like to have one. The temperature over parts of these regions is very much what we are accustomed to here on a fine but chilly day in the late autumn. These are regions situated in the latitude of the Equator, but at an elevation something like twice that of Ben Nevis. Now, while these conditions prevail in the Andean plateau, a few hours' ride down the mountains plunges one at once into a rich tropical humid forest requiring doubtless drainage, and drainage upon an extensive scale. But where the temperature rises rapidly to 90 degrees, where the rich soil grows, and grows in profusion, enormous quantities of what we call creepers and weeds and forms of vegetation which man regards as a nuisance, but which, as a matter of fact, testify to the extraordinary fertility of these regions, and whenever man does take the trouble to clear the land, its capacity for producing sugar, cocoa, tobacco, and all the rich products of the Tropics are amply demonstrated.

We have on more than one occasion pointed out that it is only within the last twenty years that it has been really practicable to take an inventory of the potentialities of the vast continent of South America. Until the beginning of the present century it was a problem whether the tropical regions of the earth were suitable for the existence of the white man at all, whether the diseases which appeared to be endemic in those countries could be ever extirpated. And there was a general impression that the white man, at any rate, could never hope to make his home under the cloudless skies and brilliant sunshine of the Tropics. We owe it to the care of medical science and the willingness, particularly of the United States Government, to put that science to a practical test, to demonstrate that such theories are quite out of date. There seems no reason to doubt that in the approaching and very near future, the Tropics will be as suitable for the white man as any other part of the earth. It would really appear that man is very well fitted for living on almost any part of the earth provided he is able to obtain the means of protecting himself from exceptional cold, occasionally from heat, and from the occasional violence of an earthquake. Now, while the impression prevailed that the white man could not live in the Tropics, it was assumed that the diseases which proved so injurious to the white man were quite innocuous to the inhabitants of those regions. Now it has been demonstrated that such a conception was totally wrong. One of the causes of the backwardness of the coloured races of the Tropics, and, perhaps, the principal cause, is the fact that they are never really a healthy race. It would appear that one of the great contributory causes of man's progress

in the temperate zone is the fact that, owing to its comparative lack of fecundity, it is the easiest part of the earth to make progress in provided one is very ignorant of what one is really aiming at accomplishing. In the very cold regions the difficulties that have to be overcome are too great, as is demonstrated by the comparative backwardness of races like those which inhabit the island of Tierra del Fuego. In the Tropics the very fecundity and fertility of the land militates against the extirpating of noxious germs, while, of course, it assists and stimulates the healthy ones. In the temperate regions the minute forms of life which are able to exist in such abundance in the Tropics are destroyed, either altogether, or during a portion of the year; and, consequently, in the temperate zone man has a far greater opportunity for making progress than he has either in the very cold regions or in the very hot regions. We have called attention from time to time to the fact that there is not, and never has been, yellow fever in Barbadoes, and this is due to the fact that in the island of Barbadoes there are no swamps. The intense fertility of the Tropics, and particularly the well-watered areas of the Tropics, will give exceptional advantages to man now that he is learning how to control the extreme energy of those forces which are unfavourable to his development. It has been proved that drainage—and practically drainage alone—is all that is required for making the Tropics really healthy and habitable.

Spanish America contains the finest river system to be found in any part of the habitable globe. Including the Amazon River, which is the most magnificent river known to man, there is throughout the centre of the most prolific part of the continent a river system extending for over 30,000 miles; and in no other continent on the face of the globe is there such a river system to be found. It would have long since attracted immigrants from various parts of the world, but for the inability of man to deal with the drainage of these regions; and so make them healthy and habitable. Even now, although we are well acquainted with the causes of the vast majority of tropical diseases, to deal with a great area such as that of tropical South America would require great expenditure both in accumulated resources, which we call capital, and in man-power, which we call labour. Once these were applied, however, to the opening up of this vast region it would be possible to maintain, and to maintain in greater comfort than is usually enjoyed by the vast majority of the earth's inhabitants, an enormous population. How great a population could be maintained in the most fertile parts of Spanish America it is not possible to say, because we have really no data to go upon. There are no records of a civilised race ever having inhabitated under industrial conditions a region of the great fertility of tropical Spanish America. And, consequently, until these regions are drained, are provided with adequate transportation facilities, trade and industry is established, and the fertility of the soil amply used, it will not be possible to estimate with any approximation to accuracy the potentialities of this region of the earth for sustaining man, and for sustaining him in comfort to which only the more favoured are accustomed in other parts of the world.

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American Topics.

RAILWAY DEFICITS.

We learn by cable from Washington that the United States Senate has passed the Bill sent up from the House of Representatives providing 300,000,000 dollars to meet the deficits upon the working of the United States railways during part of the War period. Curiously enough, the report issued from the Bureau of Statistics at Washington under the authority of the Interstate Commerce Commission, giving a preliminary abstract of the statistics of common carriers to the end of 1917, shows this exact sum as the deficit realised on the working of the United States system of railways to the end of December 1917. The abstract deals chiefly with the railways system, although it includes services rendered by public carriers other than the railways. It will be seen that the Bill just passed at Washington only includes part of the sum owing to the railways. Inasmuch as at the end of 1917 the United States was still engaged in the thick of the European War on the side of the Entente Allies, and more than a year had to run before the railways were returned to the several companies, this deficit only includes part of the amount owing. It includes, morever, only the deficit which the Federal authorities themselves incurred in the working of the various lines.

It will be within the recollection of the reader who is interested in any particular line which was taken over by the United States Government that in nearly every report issued to the shareholders it is stated that the directors are making representations at Washington that the compensation offered under the heading of what was called depreciation for wear and tear is completely inadequate. It was pointed out in nearly every instance that unless the Government could see its way to increase, and very greatly increase, the amount provided as provision for wear and tear, the several companies would be handicapped, and handicapped for years to come, in the efficient working of the transport service of the United States. No allowance is, of course, made at all for these demands in the statement before us, or in the Bill which we learn by cable passed the Senate on Tuesday of this week. As was the case with ourselves, the United States came to an agreement with the several railway companies, whereby the shareholders were to receive a dividend equivalent to the average earned during a specified period previous to the outbreak of war. The figures before us disclose a wholly unsatisfactory state of affairs. Business grew to an extent that was wholly unexpected, and for which no adequate provision had been made. The railways, after a very short time,

became totally incapable of really coping with the business offering. As the reader is aware, for reasons into which we do not propose to enter here the railway companies of the United States, for several years before the outbreak of the European War, had not been doing well. They were restricted in various ways in their operations. Their endeavours to improve the system were thwarted in nearly every direction. They found the greatest difficulty in obtaining the right to charge remunerative rates, and in consequence it was practically impossible for them to raise money either in the United States itself or in Europe. Some of the greatest systems in the United States, whose names are familiar even to the non-railway public all over the world, had to content themselves with raising short-term notes, as they were called, upon, for the time, very onerous terms. The United States even yet is still a very new country, depending to a large extent on the volume of her export trade for her prosperity. For reasons which we have explained on more than one occasion, a country having an abnormally active export trade requires a correspondingly efficient transportation service.

Now the outbreak of the European War found this service very far from efficient. The lines had been starved and starved for years through no fault of, and in fact direct in the teeth of the advice of every prominent transport officer throughout nearly every State of the Union. Those responsible for the management of nearly every railway throughout the United States pointed out that the position was an impossible one. For reasons into which we do not propose to enter, increased expenses were practically forced upon the lines, while they were denied all means of recuperating themselves for increased expenses that hardly benefited the railways to any appreciable extent, and which were largely brought about by outside influences.

In a position which some of the greatest railway experts in the world had found to be embarrassing, and had declared to be almost impossible, the Federal authorities suddenly found themselves called upon to take control in the middle of a great war when the export trade of the country was greater than it had ever been at any time in the history of the United States. Transportation facilities which should have been increased 10 or 12 years before, had in the height of a great war to do three and four times the business which expert managers had declared they were not in an adequate state to perform even with the normal growth of traffic. The Federal authorities undertook a perfectly impossible task, and it is not surpising that the American public and the American Press found abundant food for criticism. In truth those responsible for the management of the system, and for that matter everybody down to the modest brakesman who had to assist in the work, was really entitled to any sympathy and encouragement he could get, for the problem was an exceedingly difficult one to ask any man, however competent, to tackle. Expenses grew right and left, operators became "nervy" under the strain imposed upon them, and not unnaturally in many cases labour troubles increased, inefficiency developed, and, of course, the inevitable ultimately increased cost was the result. Th guarantee to the stockholders was in fact not earned, and under the conditions existing it is doubtful if any organisation could have earned it.

Doubtless Congress will consider the urgent needs of the lines and the grave strain that was put upon them during the period of the War. In any case it may be taken that further appropriations will be necessary before the railway system of the United States can be brought up to a state of efficiency which will enable it to deal effectively with the growing transportation business of that great country.

The High Commissioner for Canada has been informed by cable that the Grand Trunk Railway agreement has been ratified by the Canadian Parliament.

About 96% of the Canadian wheat shipped by water from the head of the Great Lakes last year was carried in Canadian vessels.

AMERICAN INTERNATIONAL CORPORATION.

We have before us, a full report of which will be found elsewhere, the result of working by the American International Corporation during the year 1919. This great International Corporation, of which Mr. Frank A. Vanderlip is Chairman, was founded to deal with the trade of the United States and other countries, and for financing various concerns in which citizens of the United States are interested abroad. The report truly says that the year under review was one of great industrial and commercial activity in the United States. This Corporation, like so many interests in the United States, did an enormous, and indeed an increased, business during the year. Nevertheless, says the report, things did not turn out as satisfactory as was expected. Perhaps people in the United States as well as elsewhere were too sanguine. They hoped that immediately after the Armistice was signed the recent belligerents of Europe would resume operations as though nothing had happened. Trade, it was assumed, would once more resume its normal course, which had been interrupted by the events which commenced in August 1914. The real facts, as the event showed, were very different. Europe had been accustomed during the War period to obtain immense supplies of food and raw materials from the United States of America. To obtain these supplies, moreover, upon credit Europe herself did not at once realise that if she wanted to import from abroad it was essential that she should set her mind to producing at home. In the pre-War period, with the exception of great commercial and financial countries like England, Europe had been accustomed to supply almost the whole of her food requirements. The disturbed state of a large part of Europe has prevented this being possible for a long time now. Hence the extent to which Europe is dependent for supplies upon sources outside this continent.

Mr. Charles Stone, the President of the American International Corporation, who signs the report, pays a generous tribute to the efforts which this country has made, and made with success, in increasing our export trade and in developing our manufacturing industries.

The operations of the American International Corporation are classified under five different groups. The first is to participate or invest in corporations doing foreign business. Secondly, of obtaining a controlling interest in companies doing foreign business. Thirdly, in the development of undertakings, Governmental or private, at home or abroad. The fourth is departmental work which may or may not yield a profit to the Corporation. Fifthly, foreign offices and representation in foreign corporations with the object of developing business abroad.

A feature of the report which will attract attention is the important shipbuilding contracts upon which the American International Corporation is engaged.

The Allied Traders' Insurance Company, Limited, has been formed with a capital of £500,000, divided into 500,000 shares of £1 each. Subscriptions are now invited for an issue of 300,000 shares of £1 each at par. The Allied Traders' Insurance Company, Limited, has been formed for the purpose of carrying on all classes of general insurance business (except life insurance and bond investment business) in this country, the British Dominions, and abroad.

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CORRESPONDENCE INVITED.

Rubber Topics.

For the Rubber market this has been a decidedly dull week. There was no particular feature of interest, if we except the improvement in the Commodity market, which passed unnoticed. A certain amount of liquidation caused fractional reactions; but absence of business kept many shares steady. The unsettling factor here is admittedly the uncertainty as regards the final form of the excess profits duty. Whilst it is now generally recognised that there is little possibility of reducing the rate below 60%, yet the market is anxious to learn the exact nature of the concessions promised by the Chancellor. From the Tali Ayer Rubber Estates comes the news of severe wind storms, which have damaged 7% of the total number of their trees, necessitating the replanting of some 200 acres. This, however, cannot seriously affect the results of the current financial year, which ends on April 30. Returns to hand show that the crop for eleven months amounts to 867,557 lb., as against a total crop of 847,539 lb. for 1918-19. One interesting outcome of the taxation proposals of the Budget is embodied in the notice announcing the withdrawal, with consent of the shareholders, of the recent scheme for reconstruction put forward by the Sungei Krian Rubber Estate. This scheme, it will be recollected, provided for the capitalisation of reserves to enable a distribution of bonus shares at the rate of one share for every share already held. In the circular to shareholders the directors state that, after careful consideration of the taxation proposals in the Budget, "they have thought it in the best interests of the shareholders to abandon such scheme for the present."

ANNUAL REPORTS ANALYSED.

RATANUI (PERAK).

Issued Capital: £40,000 in £1 Shares.

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915-16	739	668	250,998	380	2/6.7*	-/11.3†	20,329	12,000	30
1916-17	947	700‡	310,183	414‡	2/3.5*	-/10.1‡	20,994	10,000	25
1917-18	1,117	—	264,000	—	1/10	1/3½‡	5,818	—	—
1918-19	1,207	—	302,707	—	1/10·5	1/0½‡	10,928	12,000	30

* Net price. † Excluding selling charges. ‡ Estimated.

Price of Shares, 67/6. Market Capitalisation per planted acre, £112.

Yet another Company which, from the shareholders' point of view, experienced a year of sterility in 1917-1918 as a result of the drastic restriction in output records a return to normal conditions during the financial year 1918-19. As can be seen in the above table the rubber output of 302,707 lb., against an estimate of 300,000 lb., represents a return almost to the previous record of 1916-17. At 1*s.* 10½*d.* the average price realised per lb. is slightly higher than in the previous year. The "all-in" cost, however, registers a pleasing reduction to 1*s.* 0½*d.*, due in the main to the satisfactory decline in the rubber crop expenses, including freight charges. For 1917-18, with a crop of 264,000 lb., this item worked out at £10,189; for the financial year under review it only amounted to £7,682 on the larger crop of 302,707 lb. Thus there is earned during 1918-19 a net profit of £10,928, as compared with £5,818 in 1917-18. As a result of this shareholders, whose reward for 1917-18 consisted merely of hope for the future, receive the satisfactory dividend of 30%. The actual profit available for dividend amounted to £25,032 owing to the inclusion of £8,863 brought forward from 1917-18, and £5,390 representing the amount recovered in respect of excess profits duty. In addition to paying £12,000 in dividends, a sum of £9,000 was transferred to the reserve account, leaving a balance of £4,032 to be carried forward to the next accounts.

The outlook for the future is distinctly encouraging. It is widely recognised that as soon as the Continental exchanges, notably those of France and of Germany, become stabilised, the demand for rubber will exceed the available supply. Realising this fact this Company is making strenuous efforts to extend its area under cultivation. As soon as the 80 acres felled and drained have been planted it will have under rubber 1,287 acres. Furthermore, negotiations are being conducted for the purchase of 1,000 acres of land adjoining the estate, and the directors are confident that the transaction will go through. For the current year the estimated output amounts to 340,000 lb., and the return for the first five months is 125,688 lb. So far this is short of the requisite proportion of the estimate (141,670 lb.); but it is necessary to bear in mind that the period included the holiday month of December and the short month of February. Again, there is no reason for doubting that the average price realised will, if anything, be more favourable during the current season. The balance sheet as on September 30, 1919, shows a strong financial position. Liquid assets amount to £21,090; whereas liabilities, including bills payable and dividends outstanding, do not exceed £11,101. The issued capital stands at £40,000; but since that date it has been increased to £50,000 by the successful issue at a premium of £1 10*s.* of the remaining 10,000 shares of £1 to existing shareholders. The reserve account, which is recorded at £16,000, now amounts to £40,000 in virtue of the addition of £9,000 from the profits of the year under review, and of £15,000 from the premium on the issue of the 10,000 shares. The estate account, including buildings and machinery, reaches £67,053. To redress the balance between the capital account and the value of the assets of the Company it was agreed at the general meeting to increase the authorised capital to £100,000 by the creation of 50,000 shares of £1. At an extraordinary general meeting held on April 16 it was furthermore agreed to capitalise £40,000 of the reserve and balance of undivided profits, and to distribute the 40,000 shares as a bonus to existing shareholders at the rate of four new shares for every five shares held. In the market the old shares command 67*s.* 6*d.* Taking into account this pending issue of bonus shares and the prospects of the Company in the future they are a promising investment at that price.

KOTA TINGGI (JOHORE).

Issued Capital: £57,067 in 2/0 Shares and £6,250 in Convertible Debentures of £10.

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915-16	1,056	594	97,400	164	2/6½	1/1	5,838	3,625	10*
1916-17	1,056	828	158,228	191	2/3½	1/7	5,561	7,570	15
1917-18	1,056	955	250,813	270	1/8½	1/6½	3,077	—	—
1918-19	1,056	907	282,000	311	1/9	1/3½	2,258	4,280	7½

* Distributed in fully paid shares.

Price of Shares, 3/10. Market Capitalisation per planted acre (including Convertible Debentures), £115.

The financial year 1918-19 covered for this Company—to quote the report itself—" the period of great depression which occurred in the rubber industry as a result of the restriction of transport facilities to the world's markets, coupled with the enforced curtailment

of demand in the United States, and consequent accumulation of stocks in Singapore." That under such circumstances the Company was able to resume its career as a dividend-paying concern is to say the least of it a creditable achievement. The actual crop harvested amounted to 282,000 lb., an increase of over 30,000 lb. over that secured in the previous year. On the other hand, it fell short of the estimate by 8,000 lb., a shortage mainly accounted for by the marked deficiency in the labour supply, which during the year under review was seldom sufficient even for minimum requirements. The average price realised per lb. was slightly better at 1*s.* 9*d.*; but whilst administration expenses, including the necessary allowance for depreciation on buildings and machinery, advanced ½*d.* to 5¾*d.* per lb., there was a substantial reduction of 2½*d.* in the f.o.b. cost, with the result that the "all-in" cost was reduced by 2*d.* to 1*s.* 3¾*d.* The low average price secured—especially in the light of the subsequent advance in the price of rubber—was mainly the outcome of the shortage in transport facilities already commented on, and the artificial conditions prevailing immediately before and after the Armistice. The net profit for the year only amounted to £2,258, as compared with £3,077 in 1917-18. Utilising, however, the net balance of £2,865 brought forward from the previous accounts, a dividend of 7½%, less tax, was declared, as against nothing in 1917-18 and 15% in 1916-17. Of a much brighter character is the outlook for the current year. The Chairman, who had just returned from a personal visit to the estate, expressed himself well satisfied with its general appearance and condition. He asserted that the estate would in the near future produce 400 lb. to 500 lb. per acre, which would allow the "all-in" cost to be reduced to 1*s.* per lb. Hitherto attempts to reduce the cost by acquiring further reserve land had not materialised owing to the difficulty of securing such land. The estimated output for the current year amounts to 330,000 lb.; whilst the crop harvested for eleven months is returned at 294,500 lb., which is already in excess of the output for the year under review, but is nevertheless behind the requisite proportion of the estimate. In all probability the shortage will again be connected with the inadequate supply of labour. This point has already been emphasised at the last general meeting, when the Chairman asserted that the problem of labour was becoming an increasingly grave and serious matter. In addition to a marked decline in Chinese immigration, the Company had to face the competition from the Johore tin mines, whose prosperity was attracting a growing quantity of labour. He held that it was incumbent upon the Government of the Federated Malay States to arrange for a suitable supply of Chinese or Indian indentured labour, and advocated a policy of enforced labour recruiting. The position, as disclosed in the balance sheet dated March 31, 1919, is financially strong. Liquid assets amounting to £12,838 are available to meet liabilities to the extent of £2,141 only. The issued capital comprises £57,067 in shares of 2*s.* each. To be in a position to provide capital for the further development of the estate, including the acquisition of adjoining reserve land if the opportunity should offer, it was agreed to increase the authorised capital from £60,000 to £150,000 by the creation of 900,000 Ordinary shares of 2*s.* each. Some of these new shares were needed to facilitate the conversion of the convertible Debentures, and the others would be available for issue as required. In the market the 2*s.* shares stand at 3*s.* 10*d.*, and at this price they bring in at the rate of the 1918-19 dividend a little under 4%. But the Company is still a young producer, and with a satisfactory solution of its labour problem there is no reason why its dividends should not improve considerably in the course of a year or two. For the current year an interim dividend of 5% has already been paid. Considering all the circumstances the shares are a rather attractive investment at the existing quotation.

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Insurance Notes.

UNITED KINGDOM TEMPERANCE AND GENERAL PROVIDENT INSTITUTION.

Amongst the many excellent life assurance offices whose constitution is founded on the admirable mutual system, there is none that can make a better claim for grateful appreciation on the part of its members than this Society. Its bonus record for many years prior to the War was unsurpassed for strength and consistency. The Society was obliged by the stern necessities of the times to reduce its distribution on the occasion of its quinquennial valuation on December 31, 1915, but its policyholders in receiving a bonus of any kind fared better than those of the great majority of British life offices, and there is no reason, on the return of normal times, why they should not thereafter occupy as privileged a comparative position in this respect as in the past. It would not be easy for a new entrant to select a life office where better results are likely to be achieved in the way of future profit accumulations, and under these circumstances it is not surprising to find the Society obtaining a full share in the revival of life assurance business which has been so notable a feature of insurance history since the close of the War.

During 1919, indeed, the new business transacted by the Society was the largest in any single year of its history, which covers 80 years. The new policies issued and completed amounted to £2,204,369, of which £48,000 was reassured, the net retention at the Society's sole risk thus being £2,156,369, which is more than twice its corresponding record for 1918. This volume of business is one which not very many life offices confining their operations to the United Kingdom, as this Society does, have hitherto exceeded. The total net life premium income, increased during the year by £52,231, amounted to £884,690, apart from a sum of £14,911 received as consideration for new annuities granted.

The features of the Society's report and accounts for last year were in all respects satisfactory, apart from those affected by conditions still arising out of the War. The expense ratio was well under 14% of the premiums, which must be considered but a moderate proportion in view of the large number of the new

transactions and the necessarily enhanced cost of administration and of clerical labour. The incidence of mortality was favourable, despite the fact that a considerable number of the death claims were due to war causes and to the influenza epidemic. The claims in the year amounted to £684,260, of which £451,846 arose by death and £232,414 by maturity. In the temperance section the amount of the actual death claims in 1919 (inclusive of war claims) was only about two-thirds of that anticipated by the tables; in the general section the corresponding proportion was only about four-fifths. Through the year's operations the life assurance fund was increased by £436,572 to £11,063,542, and the net interest yield seems to have been about £3 14*s.* per cent., which is in excess by 14*s.* per cent. of the rate actuarially assumed at the last valuation.

The total assets of the Society amounted on December 31, 1919, to £11,559,835, of which £3,355,962 was invested in British Government securities. Another quinquennial valuation falls to be made at the close of 1920. The directors remind the members that at the end of 1915 a large amount of undivided surplus was carried forward as a reserve for contingencies, and they point out that the subsequent depreciation of high-class Stock Exchange securities, coupled with the increase in the income tax and the heavier mortality caused by the War, "has fully justified the policy then adopted." The number of war claims paid by the Society from the commencement of hostilities up to the close of last year was 944, for a sum of £357,782 including bonuses.

The lamented death of Sir Thomas Whittaker, who had been the Society's Managing Director for 23 years and its Chairman for 17 years, took place in November last. The post of Chairman has been filled by the appointment of the Rt. Hon. Walter Runciman.

LONDON GUARANTEE AND ACCIDENT CO., LTD.

A large miscellaneous business (a great proportion of which is transacted in the United States) has been built up by this Company on a comparatively small capital, and it is natural that an extension of capital should be sought as will be referred to hereunder. The Company's operations during the last few years, if judged by dividends and increased reserves (and there could scarcely be a better guide), encourage the hope of such new capital proving remunerative. On December 31, 1919, the authorised capital amounted to £250,000, of which £194,803 was subscribed and £119,823 was paid up, in 5,000 5% Cumulative Preference shares of £5 each, fully paid; 44,823 5% Cumulative Preference shares of £1 each, fully paid; and 25,000 Ordinary shares of £5, on each of which £2 was paid. Increases have been shown in respect of each year's dividend on the Ordinary shares since 1915. Thus a dividend of 12*s.* 6*d.* per share (as for the two immediately preceding years) was declared for 1915, of 16*s.* per share for 1916, of 20*s.* per share for 1917, and of 25*s.* per share for 1918; and in respect of 1919 a dividend was announced at the rate of 35*s.* per share. These dividends are inclusive of interim distributions, and are subject to deduction of income tax.

One feature of the Company's report for 1919 is the commencement of life assurance business. New life policies were issued for a net sum (after deducting reassurances) of £507,029, which is a very good first year's result. The relative revenue account shows a life premium income of £21,918, the receipt of £1,568 as consideration for new annuities, and that the life assurance fund at the close of 1919 amounted to £18,665. Leasehold redemption assurance business was commenced in 1915, and for the first time (in 1919) is given the distinction of a separate revenue account. In this section the premiums amounted to £1,531, and the fund at the close of the year to £3,246.

The marine business shows great expansion, the premiums having been increased from £272,703 to £804,895. The whole of the balance of this account, less claims and expenses, after transfer of £10,000 to profit and loss account, is carried forward to 1920, amounting to £704,443.

The premium income in 1919 in the Company's general insurance account, which relates to accident, employers' liability within the United Kingdom, fire, and other classes, amounted to £2,965,058, thus apportioned; Accident, £150,552; employers' liability, U.K., £90,623; fire, £139,145; other classes, £2,584,738. Of this total, premiums of £1,160,376 related to expired risks, and the remainder, or £1,804,682, to risks that were still running at the close of the year. From the general insurance account the sum of £163,648 is transferred to profit and loss account as the result of the year's operations.

Profit and loss is credited with the transfers from the marine and general insurance accounts already referred to, also with net interest earnings of £17,286 not carried to other accounts, and with profit on exchange and miscellaneous income of £33,209. The same account is debited with £2,011 for payments to members of the staff serving with H.M. Forces, £1,483 for bad and doubtful debts, and £48,427 for payments in respect of United States Federal taxes. The outcome seems to show a net surplus of £172,222. The amount required for the dividends in respect of 1919 is £47,242, a sum of £25,000 is added to the investment reserve fund (thereafter standing at £140,000), and £100,000 is added to the general reserve fund (thereby increased to £400,000). The balance of profit and loss account carried forward to 1920, after provision for dividends, is £9,925, as compared with £9,945 brought forward to 1919.

The total assets as shown by the Company's balance sheet on December 31, 1919, amounted to £5,099,486, and the auditors certify that the investment reserve fund is sufficient to cover the depreciation existing at that date on all investments other than those redeemable within 20 years, which have been valued at or under cost, and in no case at more than the redemption value.

The free reserves (apart from those in the life, leasehold redemption, and marine sections, and from capital and the investment reserve) carried forward to 1920, appear to be as follows:—

	£
Reserve for unexpired risks	1,127,383
General reserve	400,000
Balance of profit and loss account after provision for dividends	9,925
	1,537,308

This represents about 51.5% of the total net premium income on risks in 1919 in the general insurance section, whether expired or unexpired at the close of the year, and about 85% of the year's premium income on risks which were still running on December 31, 1919.

Resolutions are in course of submission to shareholders authorising the paying up in full of the Ordinary capital, by transfer of £75,000 from the reserve fund; and to increase the authorised capital to £375,000 through the issue of 125,000 new Ordinary shares of £1 each, fully paid, at such times and on such terms as the directors shall think fit. The presently existing Ordinary shares of £5 each, with £2 paid, are to be subdivided into five shares of £1 each, fully paid. It is stated in a circular to shareholders that it is not the intention of the directors to issue more than 25,000 of these new shares in the first instance, which is proposed to be done at the rate of one new share for every five £1 Ordinary shares after subdivision.

Subject to audit of the accounts for the year 1919, the Court of Directors of The Royal Mail Steam Packet Company, Limited, recommend the payment of the usual half-yearly dividend on the Preference stock; and a balance dividend of 5½%, less income tax, on the Ordinary stock, making together with the interim dividend paid in November last, a total of 8% for the year.

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Commercial.

JUTE.

Of the many problems affecting the jute industry, if we take it as a composite whole, there are two particular aspects which would attract the attention of the general reader not actually engaged in the practical working of the jute industry. These two aspects of the question are the production of jute as it grows in India as a raw material, and jute as a manufactured article. In whichever aspect we look at the question the British Empire, if we take it as a whole, enjoys what amounts to a real monopoly in its production. The reader, however, should not jump to the conclusion that this is one of the rare instances in which one may remain in complete idleness and enjoy the fruits of an unassailed and unassailable monopoly. It is the object of this article to show that this is very far from being the truth. Undoubtedly we enjoy a favoured position in the jute trade, but we are very far from enjoying a monopoly that cannot be assailed. Our attention has been attracted to the subject by the considerable measure of anxiety which exists in Dundee that, owing to a variety of causes, and particularly the great cost of living, Dundee is ceasing to possess the monopoly she once enjoyed. This is, of course, no new feature. Dundee has long since lost the monopoly in the jute industry she once enjoyed. There was a time when India grew jute for the mills of Dundee to manufacture. That time, however, has long since passed. There was a time, within the recollection of a few people who are still with us, when the Southern States of what is known as the Cotton Belt in the United States of America grew cotton as a raw product for the English spinners in Lancashire to manufacture. To-day the cotton spinners of the United States are every season manufacturing an ever-increasing proportion of the raw material produced within the Cotton Belt. As we have said, there was a time when India grew jute for Dundee to manufacture, but for more than a generation now India has been manufacturing each season an ever-increasing supply of the jute she grows within her own borders. Practically the same is true of the cotton industry in Lancashire and the jute industry in Dundee. Only the very finest counts obtained from the two forms of raw material respectively are manufactured, the one in Lancashire and the other in Dundee. As India forms an integral part of our Empire, and India in the recent War willingly rallied round our standard, there would be no serious ground for regret if India was increasing her manufactures even at the expense of the home country, provided always that the industry in India itself was in a practically unassailable position. This is very far from being the case. Dundee lost the monopoly in the manufacture of jute which she enjoyed more than half a century ago—in everything except the peculiar kinds of fabrics she still produces—because for the common uses to which jute fabrics are put it is more economical to manufacture in India. We will explain why this is so shortly. Meanwhile, the very causes that undermined Dundee's position in the manufacture of jute for the usual purposes for which it is required threatens, but only threatens at present, the stability of the industry in India itself. Dundee so long enjoyed her monopoly because she had the best machinery, an abundant supply of skilled and unskilled labour at relatively low economic cost, and the facilities which more crowded centres in England and elsewhere did not possess of producing the fabrics at a lower economic basis than was practicable elsewhere. Jute has risen in India itself in price in the course of a few years from under £10 a ton to over £40 a ton. The reader may disregard the present price in London, because freights and over-ruling charges which have nothing to do with the jute industry are affecting London prices. The various factors affecting prices in London will gradually right themselves, but the steady rise in the price of jute appears to be a permanent factor.

Jute owes its position to two factors. Primarily, of course, its excellent qualities for the purposes for which it is required. There are, however, other textile fabrics which possess excellent qualities for the purposes for which jute is chiefly used. No textile fabric known at present to the international markets of the world, which will fulfil the requirements this textile does, is in fact produced in adequate quantities upon the same relatively low economic basis. In other words, jute is the cheapest packing material in the world. It is due to this fact that jute gunny bags are seen in the warehouses of the highly-developed industrial countries, and are equally in demand, and even still more in demand, in the countries which rely for their source of living on the production of food and raw materials. Just at present, after the terrible destruction and the equally terrible waste of raw materials during the recent War, the jute industry, like many others, can do very much as it likes. At the moment cotton is short, and flax and silk are almost unobtainable. In consequence, anything in the nature of a textile can, and will, command for a time an extravagant and utterly unreasonable price. There is, however, a reckoning in all these things. The War has ended, and gradually the waste of peace will cease. Presumably there is a limit to the prices which people can pay for any fabric. When that time comes it is highly probable, not to say reasonably certain, that there must be a fall, and a heavy fall, in the prices of all great staples. When people have to depend not upon borrowed money, which Governments can dispense with a prodigal hand, but upon incomes earned on an economic basis, it is evident that the present demand cannot be maintained. Governments, municipalities, and all non-industrial institutions are finding that if they are determined to raise money they can only do it on exceedingly onerous terms. Intelligent public opinion, not merely in one country, but all over the world, is coming more and more to the view that, if we are to recover from the effects of the recent War without a collapse, it is essential that we should devote more of our resources than at present to increased production of food and raw material.

Jute is produced in India, and practically in India alone. Jute is produced in the provinces of Bengal, Assam, Cooch Behar, and Nepaul. So far, attempts to grow it elsewhere have met with only a small measure of success. For practical purposes it may be said that the crop, which amounts theoretically, though not in fact, to some 10,000,000 bales grown upon 3,000,000 acres. The value of this crop at present prices must be enormous, but is not part of that obtained at an expense which ultimately threatens the stability of the industry. Before the War, when money values corresponded for practical purposes to

commodities values, the export of manufactured, not raw, jute from India was valued at some £20,000,000. This figure represented something between 10% and 15% of the total value of India's exports at that time.

Two things at present threaten the permanence of the jute industry. They are the steady increase in cost of production over a series of years, and the apparent difficulty which is experienced in increasing the supplies without adding extravagantly to the relative cost of production above a certain point. In India something like 23,000,000 acres, speaking from memory, are under cotton cultivation, but the yield per acre is not merely inferior in quality, but is about one-third in quantity of that which is obtained from the plantations in the Cotton Belt of the United States of America. Clearly there is something wrong with the cultivation of cotton in India. We have already said that India enjoys a monopoly in the production of raw jute. Consequently, it is not possible to make comparisons of the yield per acre in Bengal and Assam with any other part of the world.

There are in that part of India where jute is grown apparently at least 50,000,000 acres, and perhaps more, suitable for the cultivation of jute. We do not, of course, mean to say that they are now virgin jungle. They are already cultivated lands. During the past quarter of a century the area under jute has increased, and increased very greatly, but it has increased because prices have advanced to a corresponding extent. This has gone on until an area extending somewhat over 3,000,000 acres is now under jute cultivation. It does not seem reasonable to say that this area cannot be added to, except by unduly increasing the relative cost, but this appears to be the best opinion we have been able to ascertain. Certain it is that a comparatively moderate augmentation in the area under jute in recent years has led to a wholly disproportionate increase in the cost of production. Now the cost of production is, as we have explained, if not absolutely the dominant, at least the most important, factor in the position of the jute industry. We have no desire to disparage in any way the excellent qualities which the fabric itself possesses. If, however, we understand the subject rightly its position in the international markets of the world has been won because there is no other packing material which can be produced upon anything like the relatively low economic basis.

WOOL AND WOOL TEXTILES.

A short time before the opening of the April sales of Colonial wool the Ministry of Munitions announced that, in view of the largely increased demands for crossbred wools, arrangements had been made to augment the quantities offered of this type of material. It is probable that this announcement was made in a not too hopeful desire to liquidate a portion of the Department's large stocks, and, if this was not the case, we are afraid that the Ministry must be disappointed with the result of their effort to stimulate the buying of these wools. There are some indications of the coarser wools finding more favour in the near future, but official notices of this nature will not hasten the turning of the market.

In December last, when commenting upon the 1919 series of Government wool sales, we expressed the opinion that the high prices then existing would continue for some months without serious increases, and that the values ruling at the sales would only fluctuate in conformity with movements in the exchange markets and with the occurrence of labour troubles. Since that time four series of sales have been held in London. The slight decline in the prices of fine wools at the close of the December auctions was obliterated in January, and a small advance of about 5% took place in crossbred wools. In February American competition, favoured by the exchange, was very strong for the best merino wools, the value of which rose 10%. The English demand for fine wools was thus concentrated upon medium types, and prices showed a 5% to 10% advance. In March American buying was restricted, and, France being handicapped by the continuing fall of the franc, the feature of the series was the heavy purchasing by the home trade, accompanied by an unexpected advance of 7½% to 10%. At the time of writing prices at the April sales show a tendency to fall. Very little of the finest classes of wool has been catalogued, and it is difficult to say whether a decline would take place with better offerings, but there is no mistaking the fact that practically all other types have fallen by amounts varying from 5% to 15% on the March level. Very little buying is taking place for America or France, and it appears that the home trade's appetite was partly satisfied at the last sales. It is, perhaps, too early to predict with safety whether this easing of prices will continue to obtain, but in our view the March rise was unnecessary and was only caused by the forced buying of many English firms, and we would expect the present level to remain until the market is again disturbed by foreign operators. Some traders believe that American buyers are awaiting a substantial fall in merino wool, but the demand for such material appears to be too strong for anything of the kind to take place at present.

In following the trend of wool prices it is important to note the extent to which the Government is failing to carry out its programme of shipments from Australasia because the quantity of material in Australia this summer may have an important effect upon prices next autumn. Government purchasing of Australian wool ceases on June 30, and it is unlikely that any effective private system of control of prices will be possible. The Government programme provides for a monthly average of shipment from Australia and New Zealand of 300,000 bales. Certain quantities will be transported direct to the United States, Japan, and Antwerp, and although no figures of these consignments are available, we are guided by the estimate for sales of 225,000 bales per month in this country from November 1 last. The actual imports of wool *from all sources* since that date and the quantities re-exported are as follows:—

	Bales Imported	Bales Re-exported	Bales Retained
1919.			
November	257,865	88,722	169,143
December	154,382	107,628	46,754
1920.			
January	191,236	104,557	86,679
February	199,715	80,829	118,686
March	218,318	94,739	123,579

It is quite clear that, with the possible exception of November, the Government have failed to keep to their programme. The shipments are certainly showing an upward tendency; and this was to be expected if the sales are to be continued on the present scale, for the large stocks in the country at the beginning of the winter must have been considerably reduced.

Another point worthy of notice in the Board of Trade returns is the rapidity with which the import trade in woollen and worsted yarns is recovering. In 1913 the average monthly quantity of yarn imported was approximately 2,750,000 lb., but in the first 10 months of 1919 the imports only averaged the negli-

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ible quantity of 80,000 lb. per month. In November last, however, a sudden increase to 668,000 lb. took place, and in December another jump to 1,369,000 lb. occurred. In January and February the amounts imported were slightly over 1,250,000 lb. each month, and in March 1,695,000 lb. The majority of these yarns will, of course, be the product of French and Belgian mills, but reports are also coming to hand of attractive offers from Germany. If the German spinners succeed in exporting appreciable quantities of yarn to this country it would appear that the pre-War level of yarn imports would be reached in a short time. In any event, the increase in the supplies of foreign yarns tends to improve the position of home manufacturers of piece-goods, both woven and knitted. It is, perhaps, too much to hope for any early reduction of yarn prices, but the trend of events is evidently in that direction, although the movement is as yet only slight.

Industrial Companies.

AMALGAMATED COTTON MILLS TRUST.

Year	Revenue	Expenses	Net Profit	Sundry Allocations	Preference Dividend	Ordinary Dividend* Amount	Ordinary Dividend* %	Carried Forward
	£	£	£	£	£	£	%	£
1918-19	142,169	27,752	114,417	7,157	26,490	80,000	40	769

* Free of tax.

From the outset the success of this celebrated cotton Combine was not for a moment in doubt. The character of the men at the helm and the nature of the businesses controlled could not lead to any other conclusion. Yet there are few precedents, if any, for such satisfactory records as are embodied in the first report issued by the amalgamation dealing with its operations for a period of approximately twelve and a half months. The revenue derived from dividends and interest, after deducting interest on mortgage, directors' fees, and general management expenses, leaves a net profit of £114,417. After writing off £7,157, equivalent to 50% of the preliminary expenses, and paying the Preference dividend of 7½%, amounting to £26,490, Ordinary shareholders receive the large dividend of 40%. As this is paid free of income tax it is equivalent to almost 56%, subject to tax. There is left over a small balance of £769 to be carried forward to the next accounts. Commenting upon the trifling nature of this figure, the Chairman pointed out at the general meeting how there was no necessity for the accumulation of reserves as the Combine was merely a holding concern. Moreover, their sundry investments, to the amount of £178,069, were of such a liquid nature that they could be readily converted into cash if the occasion demanded it. The financial strength of the Combine is indelibly imprinted in its balance sheet as on October 31, 1919:—

Issued Capital: Ordinary Shares	Issued Capital: Preference Shares	Mortgage and Accrued Interest	Sundry Creditors	Cash	Preliminary Expenses	Investments: Associated Companies	Investments: Sundry
£	£	£	£	£	£	£	£
200,000	800,000	403,866	897	61,109	14,315	1,179,197	178,069

It will be noted that as a result of the writing down of the preliminary expenses out of the profits of the year that the balance of this item is now reduced to £7,158.

To say at this date that the outlook for the current year is very bright is but to say that the prospects of the Lancashire cotton industry for the current year are very promising. Not satisfied with securing control of the four big companies, whose profits contributed to the accounts of the year under review, the Combine have added extensively to their interests by acquiring further concerns of world-wide reputation in the cotton trade. With this end in view it was agreed at the general meeting to increase the capital by the creation of 1,300,000 Ordinary shares of £1, which were taken over by the Beecham Trust at £3 a share, less a commission of £10,000. This money was devoted to the purchase of four other companies, in which was included the celebrated firm of Horockses, Crewdson and Company, Limited. As a result of these acquisitions the Combine controlled no less than 49 mills and weaving sheds with a mule spindelage of 2,000,000 and 16,000 looms, having in their employment nearly 14,000 operatives. There has thus been built up a corporation with many-sided activities. Whilst each business was left under the efficient control of its individual owners there has been a unified direction of policy, which has been reflected in the increasing efficiency and reduced expenditure on overhead management. The judicious selection of the businesses taken over has given the Combine a unique position in the cotton trade: for not only does it run the various spinning and weaving operations, but it also has at its disposal dye-works and waste businesses. And what this policy has accomplished is not only in evidence in the trading operations of 1918-19, but also in the operations of the current year to date. At an extraordinary meeting held on March 30, 1920, the Chairman declared that the results to date justified them in declaring an interim dividend of 15% on the Ordinary shares, this dividend to be paid again, free of tax. And he asserted that the profits would ultimately be found to be much greater this year, even allowing for the larger capital involved. At that meeting it was agreed to increase the authorised capital enormously from £2,300,000 to £7,300,000. Of the 5,000,000 extra shares thus created, 2,250,000 shares of £1 each were allotted fully paid to holders of existing Ordinary shares as a bonus at the rate of three new shares for every two already held. The sum of £2,250,000 required for this transaction was derived from the premiums secured in the previous issue of £1 shares at £3. The remaining £2,750,000 were needed to provide for further extensions and developments which embraced the purchase of the well-known undertaking of John Haslam and Company, Limited. This transaction has just been completed, and it is announced that the Combine has acquired the total capital of this concern, with the exception of the Haslam Spinning Company; but even in this case it has managed to secure control over 98% of the shares. It is proposed to issue 900,000 Ordinary shares of £1 at £1 5*s.* per share, and 1,800,000 "B" 7½% Preference shares of £1 each at par, which are to be offered in the first instance to the present holders of Ordinary shares at the rate of six Ordinary shares and 12 "B" Preference shares for every 25 shares already held. There is little doubt but that this issue will be promptly accepted. The effect will be to transform the issued capital from a total of £1,000,000 in the last balance sheet to £7,250,000, consisting of 4,650,000 Ordinary shares of £1 and 2,600,000 7½% Preference shares, leaving the directors with a reserve of 50,000 shares in hand. The whole issue has been underwritten at 2½%, plus a fee of £15,000 by the Beecham Trust.

To what extent the cotton industry in general and the Amalgamated Cotton Mills Trust in particular will be affected by the recent raising of the excess profits duty to 60%, it is not easy to decide. In well-informed circles the general impression is that the tax will not hit the industry or this concern very heavily. The belief in this particular instance is probably based on the increased economies which so gigantic an amalgamation commands, not merely in purchasing and selling, but also in the reduction and elimination of unnecessary management charges. But in either case the fact remains that the world-wide demand for textiles exceeds, and will continue for some time to come to exceed, the available supply: and so long as such a state of affairs exists a Combine embracing some of the pivotal firms of the Lancashire cotton industry will earn for its shareholders large dividends. In the market the Ordinary shares stand at 33*s.* 6*d.*, and at this price they yield a net return of almost 24%, assuming the continuance of the previous dividend of

40%, free of tax. Bearing in mind the issue of 2,250,000 bonus shares and the possible reduction in profits due to the new rate of 60% proposed by the Chancellor for excess profits duty, it would not be wise to build on any larger return than this.

New Issues.

5-15 YEAR TREASURY BONDS.

Applications will be received at the Bank of England on and after Monday next for 5-15 year Treasury bonds bearing a minimum rate of 5%, payable half-yearly on May 1 and November 1. The price of issue is £100 per cent. Principal and interest are chargeable on the Consolidated Fund, and the proceeds of the issue are to be applied to the redemption of unfunded debt and early maturity. The bonds are repayable at par on May 1, 1935, or on May 1 in any year from 1925 to 1934. They are in denominations of £50, £100, £200, £500, and £1,000. The first interest payment in November next will represent in the case of each bond interest to date from date on which application was lodged, plus additional interest at the rate of 2% per annum. We deal fully with this issue elsewhere.

BRISTOL CHANNEL TOWAGE, SALVAGE, AND LIGHTERAGE COMPANY, LIMITED.

Investors will be invited on Wednesday next to subscribe for an issue of 150,000 shares of £1 each of the Bristol Channel Towage, Salvage, and Lighterage Company, Limited. This Company has been formed, with a capital of £250,000 in £1 shares, to acquire and extend that part of the business of W. H. Tucker and Company, Limited, of Cardiff, relating to towage and salvage business, and the business of the Cardiff Steam Towing Company, Limited, and to develop lighterage business in the Bristol Channel, the West Coast, and elsewhere. The Company will acquire, under agreements, nine well-found steam screw tugs, as well as the salvage plant, gear, and equipment owned by Messrs. W. H. Tucker and Company, Limited, which is the most modern in the Bristol Channel. The prospectus states that there are no payments made to either of the vendors in respect of goodwill, and no intermediate profits are being made. After paying the purchase price of the steam tugs and salvage plant, there will remain about £70,000 of this issue. The directors intend to apply this sum to building a fleet of sea-going lighters for the carriage of coal and other cargoes, development of salvage operations, and the extension of the existing towage business.

Jutland Amalgamated Trawlers, Limited, has been formed with a capital of £250,000, divided into 250,000 shares of £1 each, the whole of which are offered for subscription at par. The Company has been formed to conduct a steam-trawling and fishing business from the Port of Hull and elsewhere. For this purpose the Company will acquire various vessels specified in the prospectus which are actively engaged in fishing.

Clayton Wagons, Limited, has been formed with a capital of £1,000,000, divided into 450,000 8% Cumulative Participating Preference shares of £1 each, and 550,000 Ordinary shares of £1 each. Subscriptions are invited for an issue of 450,000 8% Cumulative Participating Preference shares of £1 each at par. This Company has been formed to acquire the Titanic Works, the Abbey Works, and the Clayton Forge Works, from the well-known firm of Messrs. Clayton and Shuttleworth, Limited, of Lincoln. The Company propose to carry on as heretofore the business of manufacturers of steam motor-wagons and other transport vehicles, railway rolling-stock, forgings, and drop forgings.

The Lanston Monotype Corporation, Limited, has been formed with a capital of £700,000 in £1 shares, of which 199,121 shares have been issued. Subscriptions are invited for an issue of 100,000 Ordinary shares of £1 each at par. The Company was incorporated in 1908 to take over the business and undertaking previously carried on by a Company of the same name formed in 1897 to acquire the patent rights for Great Britain of the type-casting and composing machine known as the "Monotype" machine. The Company has since acquired patent rights covering the greater part of the European continent, and has acquired the shares of a company owning patents for the British Overseas Dominions, with the exception of Canada.

COMPANY MEETING.

ROLLS ROYCE, LIMITED.

The adjourned meeting of Rolls Royce, Limited, was held at Derby on April 30, Mr. Ernest Claremont (Chairman) presiding. He said the year's trading results were very satisfactory, the figures dealing with greatly increased business. The reserve fund amounted to £76,000, an increase of £40,000. Substantial depreciation had been considered advisable in view of large additions to capital during war work in progress, and stock-in-trade had increased by slightly over a quarter of a million sterling, which was an excellent indication of the remarkable development of the business. The profit on the year's working was £192,000, an increase of £40,000, and once more a record with the balance brought forward for disposal. A dividend of 15% absorbed £118,000. It was proposed to transfer £15,000 to income tax account, £10,000 to contingent liabilities account, £20,000 to reserve fund, £40,000 to welfare fund, carrying forward £9,000. The Chairman said the effect of the moulders' strike on the output was alarming. Many customers, not understanding such matters, were disappointed at the resultant delay in deliveries. With a view to securing supplies of essential materials the board proposed to erect or acquire a building, or acquire an interest in other manufacturing concerns. The Company was now indulging in magnificent expensive advertisement. When the War concluded, like all competitors, they had orders booked in pre-war times at prices to-day quite unremunerative. Unlike their competitors, Rolls Royce did not repudiate their contracts. They had always been careful to prevent anyone suggesting that they were profiteers. No one could have placed themselves more unreservedly in the hands of the Government during the War, and few had such a record as they were now making by declining to repudiate unremunerative orders. Their prominence in enterprises was instanced by Atlantic, Australian, and Indian flights, and their generous exploitation policy was proved by periodical inspection of every Rolls Royce car ever made. Customers thereby had confidence that the desire to serve them did not disappear when their cheques had been received. It was impossible to form more than a general opinion as to the future. The demand for the Company's chassis was phenomenal, as everybody knew that admiration for their car was world-wide and grew stronger every day. Never in the history of engineering had an article been produced which, new or second-hand, could be resold at such a greatly increased value, four, five, or six times the Company's modest price. It was gratifying to know that the car was unique, its reputation unique, and demand unique. The Chairman went on to direct attention to diagrams showing how the business had grown step by step, and the tremendous impetus it was gathering at the present moment with the American works in course of equipment. Nothing appealed to him more strongly than a business which had been built up as in this instance layer by layer. There was no comparison between its strength and that of an organisation which rose like a mushroom in the night. A staff for such an organisation must be selected very carefully over a number of years. How much larger the business would grow he really could not say, although they always had their anxieties. They also always had forces working in their favour. Just as their business had grown step by step so had the organisation, and a stupendous task it had been. For that again they had to thank their Managing Director, Mr. Claude Johnson, who, as could be imagined, with his exploiting, his organising, and his managing was fully occupied. He was always the first to acknowledge those working with and assisting him. From Lord Herbert Scott, his co-directors, downwards, he, the Chairman, was sure the shareholders were content to leave their anxieties to these gentlemen, and their zealous and capable staff. In conclusion he pointed out that the Company had a marvellous reputation, a capable staff, the best of buildings and equipment, the public clamouring for their goods, the enormous possibilities of aeroplanes, a clean balance sheet, showing no Debenture issue and no goodwill item, a conservative policy, and substantial reserves. What more could be wished, he asked.

The Chairman's motion for the adoption of the directors' annual report and balance sheet was seconded by Mr. Claude Johnson and carried unanimously.

AMERICAN INTERNATIONAL CORPORATION.

120 BROADWAY, NEW YORK.

BOARD OF DIRECTORS.

FRANK A. VANDERLIP, *Chairman.*

CHARLES A. STONE, *President.*

GEORGE J. BALDWIN.
NEWCOMB CARLTON.
CHARLES A. COFFIN.
WILLIAM E. COREY.
ROBERT DOLLAR.
PIERRE S. DU PONT.
PHILIP A. S. FRANKLIN.
ROBERT F. HERRICK.
OTTO H. KAHN.
ROBERT S. LOVETT.
AMBROSE MONELL.
HENRY S. PRITCHETT.
PERCY A. ROCKEFELLER.
JOHN D. RYAN.
WILLIAM L. SAUNDERS.
JAMES A. STILLMAN.
GUY E. TRIPP.
THEODORE N. VAIL.
EDWIN S. WEBSTER.
ALBERT H. WIGGIN.
BEEKMAN WINTHROP.
WILLIAM WOODWARD.

OFFICERS.

CHARLES A. STONE, *President.*

GEORGE J. BALDWIN, *Senior Vice-President.*

MATTHEW C. BRUSH, *Vice-President.*
RICHARD B. SHERIDAN, *Vice-President.*
PHILIP W. HENRY, *Vice-President.*
THOMAS W. STREETER, *Vice-President.*
FREDERICK HOLBROOK, *Vice-President.*
RICHARD P. TINSLEY, *Vice-President.*

JOSEPH S. LOVERING, *Treasurer.*

CECIL PAGE, *Secretary.*

LONDON REPRESENTATIVE, MR. J. GRANT FORBES, 18 BIRCHIN LANE, LOMBARD STREET, E.C. 3.

REPORT OF THE PRESIDENT TO THE STOCKHOLDERS AT THE ANNUAL MEETING, APRIL 7, 1920.

To the Stockholders of the American International Corporation.

The year 1919 was one of great industrial and commercial activity in the United States. As far as your Corporation is concerned the results have been satisfactory. We have done an increased business and have increased our profits, and we ended the year in a strong financial position.

It was, however, a year which disappointed many of the hopes and also many of the fears that were commonly entertained at its inception. Twelve months ago it was generally hoped that the war-stricken countries of Europe would swiftly turn their energies to the activities of peace. The principal fear was that the process of transition would bring with it a large and sudden reduction of prices and a temporary disturbance of industry with unemployment of labour. But it was hoped that this would quickly give place to a resumption of production on a large scale as the world set about earning its living in the old-fashioned way.

Without going into the reasons why things did not turn out in this way, it is sufficient to note that in 1919 the continent of Europe did not resume production on a self-supporting scale, but continued to draw largely on the American continent and the Far East for supplies of food, raw material, and machinery. Moreover, most of the principal European nations continued to create debt both by loans and by further emission of paper money. The United States last year sent to Europe almost four and one-half billion dollars' worth of goods over and above the amount imported from Europe. A small proportion of these four and one-half billions has been settled by the sale of our own securities held abroad, but the largest part has been met by borrowing in various forms. Probably one-third of the amount is represented by current credits. In these facts we have, in large measure, the explanation of the stringent money market in the United States, and the collapse of the rates for exchange on European countries, together with the continuance of high prices for commodities both here and abroad.

Conditions of this sort bring in the end their own cure. The larger European countries—especially Great Britain, which took nearly 45 per cent. of the 1919 exports above referred to—realise that the time has come to stop the creation of new debt and the further dilution of paper currencies, and to make national budgets that will balance. While the central and eastern nations will for some time to come require food and material to an extent much in excess of their capacity to produce, it seems clear that from now on the larger nations will tend to rely less upon the outside world and more upon their own resources for all commodities other than those food supplies and raw materials which they must have and cannot at present produce for themselves. It is also clear that the volume of their manufactured exports will tend to increase largely. In this respect Great Britain has already shown a remarkable capacity of recuperation and one which is increasing rapidly, as indicated by her monthly trade returns. This is a very satisfactory sign, not merely as regards Great Britain herself, but also as regards Europe as a whole, for despite her own difficulties with exchange, she is aiding largely, by means of credits to the smaller nations in Eastern Europe, the general process of recovery.

Once the European continent is fairly started in economic convalescence by means of balanced budgets and sound currency policies, the United States may look with confidence to the future as full of opportunity for American capital and American initiative in foreign fields. It is true that trade currents may be changed in some respects for a while. Europe will probably buy from us in smaller amounts and sell to us in larger amounts than in former times, for only in this way can she pay the interest due to us on what she owes. But new markets are opening. Silver is the monetary standard for a group of nations in the Far East whose aggregate population is probably one-half the total population of the globe. The rise in silver has enormously increased the purchasing power of these peoples so far as the rest of the world is concerned. The South American nations have been materially enriched by the War, which gave them a wide and profitable market for their natural products and enabled them to put their exchange rates with the outside world on a satisfactory basis, to the great benefit of their purchasing power. All this spells opportunity for the United States, which, alone among the great nations in the world, possesses not merely enormous natural resources, but also, under normal conditions, a large available capital. Foreign trade in the long run largely follows foreign investment of capital, and we are abundantly equipped for both.

In my report for 1918 I pointed out that American International Corporation activities were classified in five groups, and it may be well to repeat briefly the description then given. These groups are:—

Group 1. Participations—i.e., investments in corporations doing foreign business or whose activities are in accord with the purposes for which your Corporation was formed. Your Corporation assumes no responsibility for and exercises no control over the management of the corporations in which it holds investments of this kind.

Group 2. Owned and controlled companies in which your Corporation owns all or a majority of the capital stock and exercises its rights in the appointment of directors, officers, and staff and in the direction of policy. Each of these organisations operates independently of the others.

Group 3. Development undertakings, Governmental or private, at home or abroad, which usually involve the purchase of securities to provide funds for carrying out the work and also the supervision of the work during its progress.

Group 4. Departmental business conducted directly by your Corporation in its own name either in the United States or abroad, including research, supervisory and consulting departments which do not necessarily return a direct profit but which form an essential part of our organisation.

Group 5. Foreign offices and representation in foreign corporations organised jointly with interests in foreign countries for the purpose of developing business opportunities therein.

There is no important change to report so far as the participations group is concerned. We retain our interests in the International Mercantile Marine Company, the United Fruit Company, and the United States Rubber Company, upon all of which we are deriving a satisfactory return of income.

New York Shipbuilding Corporation was engaged throughout 1919 on Government work with satisfactory results. The Corporation's yard at Camden is to-day probably the largest fully equipped shipbuilding plant in existence. It contains 28 shipways with a full complement of shop facilities for the fabrication of all the parts that enter into modern ships of every kind. The yard employs over 18,000 men, and the working forces are organised to a high degree of efficiency.

The Pacific Mail Steamship Company made in 1919 an important addition to its service by inaugurating a line of freight steamers which enable shipments on through bills of lading between Baltimore and the Far East via the Panama Canal and San Francisco. It purchased from the United States Shipping Board four steamers for this purpose, and the new line has been successful from the start and has proved its popularity with shippers.

The principal foreign trading interests of your Corporation are included in the group of owned and controlled companies and are of a very diversified character. Through the Allied Machinery Company of America we export all kinds of machine tools and construction machinery; the Rosin and Turpentine Export Company ships naval stores abroad; steel products of all kinds are exported by the International Steel Corporation; Carter, Macy and Co., Inc., deals in tea, and G. Amsinck and Co., Inc., transacts a general merchandise import and export business, especially with South America. During a considerable part of the year ocean transportation was a difficult problem. Notwithstanding this and notwithstanding also the very unsettled state of the foreign exchanges, the volume of business done by these companies was well in excess of that done in 1918. It is the policy of all these companies to eliminate from their operations as far as is possible all direct risks from fluctuations in exchange rates by avoiding at all times the accumulation of uncovered balances.

In 1919 the Allied Machinery Company of America absorbed into its own organisation the Allied Sugar Machinery Corporation, the Allied Construction Machinery Corporation, and Horne Company, Limited.

Your Corporation by acquisition of the remaining outstanding stock of G. Amsinck and Co. now owns the entire capital stock.

In the case of all these companies it is gratifying to note each year a steady growth in the scope of their operations and a steady increase in the effectiveness of their organisations, in all of which the spirit of team play is the dominant characteristic.

American Balsa Company, Inc., which is controlled by your Corporation, was engaged in 1919 mainly on work for the Navy Department and the Emergency Fleet Corporation in the manufacture of marine life-saving equipment. The Company has, however, devoted considerable attention to the development of the use of Balsa wood for insulation in refrigerating appliances of all kinds. A very large field is opening in this direction and the indications are that it will absorb a continually growing share of the Company's attention.

The work of the American International Shipbuilding Corporation at Hog Island came to fruition in 1919, when "quantity production" of ships on a scale hitherto unexampled became a fact. During the year there were launched sixty-six ships, and sixty-four were delivered to the Emergency Fleet Corporation and immediately put into service. These ships, of 7,800 deadweight tons each, gave a total tonnage delivered by the yard during the

year of almost exactly 500,000. The magnitude of this production may be realised when it is remembered that the total tonnage of ocean-going steel steamers of over 1,000 gross tons produced in the year ended June 30, 1916, in all the shipyards of the United States aggregated 304,000 deadweight tons. Thus the Hog Island yard alone in 1919 produced 196,000 tons of shipping more than were produced in the entire United States in the fiscal year 1916. During the last six months of 1919, 39 ships were delivered to the Government by the yard, showing a rate of production equal to over 600,000 tons per year. These results were accomplished under adverse labour conditions with the yard undermanned. Fully manned, the yard has demonstrated its ability to deliver over 1,000,000 tons per year.

Every ship turned out at Hog Island has received the highest possible rating at the American Bureau of Shipping, and all have shown themselves in service to be thoroughly good ships. The Hog Island fleet in 1919 covered more than 900,000 sea miles and did this without any mishap chargeable to defect in construction or equipment. The ships, in short, have fulfilled all expectations. They have furnished a triumphant demonstration of the correctness of the theory upon which they were constructed and of the perfection in design and efficiency of the Hog Island plant. The "fabricated ship" can no longer be considered an experiment; it is a proven success. This is naturally a source of pride to us all.

In another sense, too, the Hog Island yard has given a very good account of itself, and that is in the matter of operating efficiency. As is well known, the shipbuilding forces employed there had not merely to be collected; they had to be educated for their task and they had to be welded into a team. How well this was done is shown by the production records at the yard. For the first six months of 1919 there were launched 27 ships, and there were delivered 25. This gave a weekly record of almost one ship per week delivered and rather better than one per week launched. In the second six months of the year there were launched 39 ships and 39 were delivered—being an average of one and one-half launchings and one and one-half deliveries every week. The records of riveting are particularly interesting. When shipbuilding began in earnest at the yard in the summer of 1918 the average number of rivets driven per gang per hour was about 20. For the first six months of 1919 the average was about 26, but in the last half-year a marked gain was shown. In July the rate was 27, in August 32.7, in September 36, in October 35.9, in November 36.2, and in December 37. In January 1920 the average rate was 39.6; for the first two weeks of February it was over 43, and has been as high as 45 for several days consecutively. These figures show that we were able to develop at Hog Island a highly competent force of shipbuilders. Such results, moreover, would not have been possible without co-operation and team work of the first class on the part of all engaged on the work. As illustrating the possibilities of quantity production and what can be accomplished by training men for work of this sort, it is interesting to note that the first ship, the *Quisconck*, built on way No. 1, required 1,160,000 man-hours; the second ship, built on the same way and identical with it, required 601,000 man-hours; and the third ship, on the same way and identical in all respects, required only 400,000 man-hours.

The coming summer will see the completion of our contract at Hog Island calling for the construction of 110 ships of the "A" class and 12 ships of the "B" class. We may all feel, I think, that American International Corporation's principal contribution to America's war task was one that will be accounted as worthily representing that resourcefulness and energy which we regard as peculiarly typical of the American character.

The progressive advance in interest rates and the decline in the demand for investment securities in 1919 seriously interfered with new development undertakings. There is little to report under this head beyond the fact that many interesting proposals have been received, some of which under normal conditions of money rates will, we hope, later lead to business.

During the year we brought to a satisfactory conclusion our operations in Uruguay by the sale to the Uruguayan Government of the bonds taken by us in payment for the construction of waterworks and sewers in three of the principal cities of the country. The appreciation of Uruguayan exchange opened an opportunity for a profitable refunding of these bonds, which the Government was prompt to utilise, and the transaction was closed on terms mutually advantageous.

There has been a material growth in our departmental work, especially in the case of the research department. The number and variety of propositions received by your Corporation continue large, and all receive a careful study by the department. With its analysis of propositions has come not only analysis of business conditions which may affect the policies of the Corporation, but also analyses of operations upon which the Corporation has already embarked. The supplying of accurate information and business news by the department to those in charge of our several interests has also become an important function in connection with the analytical work and the utilisation of the various sources of information which the department has now established throughout the world. It is our aim to keep ourselves very thoroughly informed on all the factors that bear upon the world's economic and social development. The department is thoroughly organised for its task, and we feel that the Corporation is kept well posted on both international and domestic conditions.

To our foreign interests we added, in 1919, a new organisation known as the Hispano-American International Corporation, the purpose of which is to undertake development enterprises in Spain. The organisation takes the form of a Spanish corporation which is controlled by American International Corporation.

Our foreign offices are proving of great value to the Corporation, both by strengthening its relations abroad and by furnishing the home office with much valuable information concerning conditions in the various countries. The international connections and associations of the Corporation have been greatly enlarged and strengthened during the year, and we are exceedingly well equipped for foreign business and the investigation of foreign enterprises. Through our sub-companies we maintain offices in nearly all the principal countries of the world, and the parent company has its own representatives in England, France, Italy, Spain, and South America.

The branch offices and agencies of American International Corporation and associated companies now total 238. Of these 113 are branch offices and 125 are agencies.

The most encouraging and gratifying development of the Corporation is the splendid spirit of co-ordination and co-operation which has grown throughout its staff, which now includes, with its subsidiaries, probably 25,000 men and women. This is one of the most difficult things to attain and to maintain in any organisation, particularly in a new one with a large force scattered widely throughout the world and including a large number of subsidiary corporations. The American International Corporation is most fortunate in possessing in an unusual degree this spirit of team-play, which, expressed in other terms, means mutual understanding and confidence among members of its staff, interest in their work, ambition for the success of the Corporation itself, and loyalty to the officers. With this as an asset and with its available resources your Corporation should be able to carry through successfully anything that it is wise to undertake.

I submit herewith the Consolidated Financial Statement of the Corporation as of December 31, 1919, and the Consolidated Income Account for the year 1919.

There are included in these statements this year, in addition to the accounts of the companies represented last year, those of G. Amsinck and Co., Inc., the Horne Company, Limited, Allied Sugar Machinery Corporation, and the Allied Construction Machinery Corporation, these companies all being completely owned.

Full provision has been made for all doubtful accounts receivable, and the various items of this nature are all believed to be fully collectible at the amounts stated in the balance sheet. The inventories are stated at figures which represent either actual cost or the market values of December 31, 1919, the lower value being taken.

The principal item in "fixed assets" is the real estate at Hog Island, which stands at $1,751,393.14. Provision for State and Federal taxes, which last year appeared as "Reserves," is in this year's accounts taken up as "Accrued Taxes."

CHARLES AUGUSTUS STONE, *President.*

AMERICAN INTERNATIONAL CORPORATION.

SUMMARY OF CONSOLIDATED INCOME AND PROFIT AND LOSS FOR THE YEAR ENDED DECEMBER 31, 1919.

Gross Earnings from Operations	$8,153,111.73	
Income from Interest and Dividends	4,174,668.31	
		$12,327,780.04
Deduct:		
Operating Expenses	6,064,136.58	
Domestic and Foreign Taxes	611,204.21	
Interest	933,272.04	
		7,608,612.83
Net Earnings		$4,719 167.21
Surplus at Beginning of Year		5,743,410.25
Gross Surplus		$10,462,577.46
Profit and Loss Charges:		
Dividends	2,397,600.00	
Miscellaneous Charges and Adjustments (Net)	495,434.07	
		2,893,034.07
Surplus at End of Year		$7,569 543.39

NOTE.—All the stock of G. Amsinck & Co., Inc., Allied Construction Machinery Corporation, Allied Sugar Machinery Corporation, and Horne Company, Ltd., having been acquired, the accounts of these companies are now included in the Consolidated Statements.

CONSOLIDATED GENERAL BALANCE SHEET, DECEMBER 31, 1919.

ASSETS.

Current Assets:		
Cash	$1,817,793.95	
Call Loans	5,950,000.00	
Bills, Notes, and Other Loans Receivable	7,427,860.63	
Due from Customers	12,936,868.70	
Other Accounts Receivable	5,214,495.96	
Inventories of Merchandise	15,049,126.21	
Total Current Assets		$48,396,145.45
Securities (including $50,000.00 par value Preferred Stock held in Treasury)		30,815,836.35
Fixed Assets		2,432,976.06
Deferred Debit Items		1,282 563.07
Goodwill		660,281.82
Total		$83,587,802.74

LIABILITIES AND CAPITAL.

Current Liabilities:		
Bank Loans Secured	$2,222,650.00	
Bank Acceptances Discounted	8,300,000.00	
Trade Acceptances	2,975,615.59	
Bills Receivable Discounted	1,704,151.14	
Bank Loans Unsecured	1,173,056.99	
Customers' Credit Balances	5,553,699.74	
Accounts Payable and Sundry Accruals	2,280,935.20	
Accrued Taxes	1,039,444.43	
Total Current Liabilities		$25,249,553.09
Deferred Credit Items		768,706.26
Surplus		7,569,543.39
Capital Stock:		
Preferred 10,000 Shares at $100.00 each	1,000,000.00	
Common 490,000 Shares at $100.00 each	49,000,000.00	
Total Capital Stock		50,000,000.00
Total		$83,587,802.74

NOTE.—There were Contingent Liabilities aggregating $761,775.50 on account of Liabilities of Affiliated Companies.

CERTIFICATE OF AUDIT.

We have audited the general accounts of the American International Corporation and of the companies the entire capital stocks of which are owned by it for the year ended December 31, 1919, and

We hereby certify that, in our opinion subject to the accuracy of the merchandise inventories and the accrual for taxes, which have not been verified by us, the accompanying Consolidated General Balance Sheet and summary of Consolidated Income and Profit and Loss correctly exhibit, respectively, the financial condition of the companies at December 31, 1919, and the results of their operations for the year ended that date.

HASKINS & SELLS.

New York, March 10, 1920.

MEETINGS
OF PUBLIC COMPANIES.

STANDARD BANK OF SOUTH AFRICA, LIMITED.

Gold in South Africa.

THE one hundred and seventh ordinary meeting of this Bank was held on April 28 at the Cannon Street Hotel.

Mr. J. F. Finlay, C.S.I., presided, and in the course of his speech said: The stupendous War has left consequences from which the world will not recover for many years. I am glad, however, to be able to say that for South African trade and industry the year has been, on the whole, one of remarkable prosperity and progress, and that consequently the prosperity of the Bank has continued during 1919. With regard to the balance sheet, the increase in the total figures continues, the total having risen from £53,640,065 to £70,155,611. In considering these figures it is not out of place to point out that the sterling figures do not now represent what they did formerly: England has temporarily abandoned the gold standard of value, and the figures represent paper sterling, not gold sterling; if they were reduced to their equivalent in gold they would be considerably smaller. On the liabilities side of the balance sheet the nominal capital has been increased from £6,250,000 to £10,000,000, but the issue of the further capital has not yet been made. The notes in circulation have increased to £3,872,879. On June 30, 1914, the circulation was £1,069,233 10*s*., so that since the beginning of the War the circulation has much more than trebled. Probably some of this considerable increase means an increase in the total currency in the country, but we may hope that the larger part of it represents economy in the use of gold. Our deposits have increased from £39,629,892 to £52,624,151, being an increase of 33% in the year. The remarkable increase in our deposits in recent years is satisfactory, but imposes on us a special obligation to keep our resources liquid, so that we may be able to meet any call that the demands of trade may make on our depositors. Drafts outstanding and acceptances have risen from £1,573,356 to £2,248,250, and customers' bills for collection from £5,289,824 to £7,248,947. On the assets side our total cash holding stands at £10,097,103, as compared with £8,650,608. We deem it prudent to keep our position as liquid as possible, and our cash and bills of exchange together represent over 41% of our liabilities for deposits and note circulation. Our investments have increased from £4,170,981 to £4,683,190. Bills of exchange have increased from £9,098,322 to £11,541,510. Bills discounted and advances have increased from £24,678,914 to £34,085,940. The net profits of the year, after making the usual provisions, amount to £634,074. This exceeds the amount in 1918 by £93,718.

Gold and South African Exchange.

The £200,000 taken to exchange reserve account requires explanation. Gold is still in circulation in South Africa. The export of gold coin is prohibited by law, but the premium realisable abroad nevertheless induces a large leakage. The result has been a drain on the specie holdings of the banks, rendering it necessary for them to purchase sovereigns for import into South Africa to maintain their cash holdings. These purchases can now be made only on payment of a heavy premium. It was in order to have a fund available towards meeting the cost of such purchases that the provision of £200,000 was made. As to the future, it is clear that the banks cannot in fairness be expected to undertake the duty of maintaining the gold circulation at a loss to themselves. Either they must be relieved of the liability to import sovereigns, or they must raise the rates of exchange charged to their customers so as to cover the full cost of the imported gold. There has recently been much controversy regarding this South African exchange question. Some advisers exhort the Government to recognise the fact that South Africa has now a different currency standard from England, to place South Africa firmly on the gold standard by removing the embargo on the export of gold, and to encourage the establishment of rates of exchange proportionate to the premium on gold. Others fear that a staggering blow would be dealt to the export trade of the country if the rates of exchange were raised to the extent suggested, and advise the contrary course of endeavouring to approximate the South African standard to English sterling by the issue of inconvertible notes or gold certificates. A suggestion has also been made to make Bank of England notes and English Treasury notes legal tender. The Union Government is the authority which must decide, and the Standard Bank has conveyed to that Government its opinion and recommendations. Pending the decision, all the banks in South Africa have thought it wise to make three successive increases in the rates of exchange; the increase is not large and is still very far from equalling the premium on gold. Whether further increases will be necessary I cannot say. But you may rely on it that, whatever the course of events may be in this matter of exchange, our General Managers will take every possible step to protect the interests of the Bank, and will extend to our customers every consideration consistent with prudent management. The sum available for appropriation is £398,883. The directors propose to pay a final dividend at the rate of 7*s*. a share and a bonus of 2*s*. 6*d*. a share, making altogether 16½% for the year. The carry-forward will be £210,446, about £11,000 more than last year. I hope an examination of the accounts has satisfied you that the Bank is in a strong position, and that with the continuance of prudent and enterprising management and control we can look forward to the future with confidence.

The report was unanimously adopted.

ROYAL EXCHANGE ASSURANCE (INCORPORATED).

Bicentenary of the Corporation.

AN ordinary general court of the Royal Exchange Assurance (Incorporated) was held on April 29 at the Royal Exchange, E.C., Mr. V. H. Smith, the Governor, presiding.

The Secretary (Mr. Percy F. H. Hodge) having read the notice convening the meeting and the report of the auditors,

The Governor said: Gentlemen,—I have to submit to you the report and accounts of the Corporation for the year 1919. Since our last meeting I am sorry to have to inform you that we have lost an old and very valued member of our court, Mr. Howard Morley. Mr. Morley became a director of this Corporation in 1889, so he had been with us for 31 years. During the long period in which we had the advantage of having Mr. Morley with us he endeared himself to his colleagues on the court and the officials. He is greatly missed by us all.

Results for Life Department.

With reference to the results of the year let us deal first with the life department. During the year 3,308 proposals were completed, assuring £2,013,000. The total premium income, after deducting reassurance premiums, was £477,000, being an increase of £54,500 over the previous year. The interest earned was £198,000. The total income from premiums and interest amounted to £634,800. Claims paid and outstanding amounted to £257,700. This sum was slightly in excess of that expected on the basis of the mortality tables used in the valuation, notwithstanding the amount paid for war claims. The sum disbursed for surrenders, including bonus, was £20,100. The expenses of management and commission were £82,100, a liberal allowance having been made for all items outstanding and accrued. The life assurance fund amounts to £4,160,000. A further sum of £45,000 has been written off for depreciation of investments. In our annuity department 67 annuities securing £4,900 per annum were issued in consideration of purchase money and premiums amounting to £43,400. Reassurances of £1,800 per annum were effected, representing total purchase money of £20,600. Fifty-eight annuities terminated by death and 15 by lapse and surrender, representing a total net payment of £6,600 per annum. The annuity fund now amounts to £718,700.

Analysis of Other Departments.

Now we will take our fire department. In 1916 our net fire premium for the first time exceeded £1,000,000. For the year under review our net premium amounted to £1,482,000, and with interest our total income was £1,504,000. The losses, after providing for all claims reported to have occurred on or before December 31, amounted to £705,000. The commission was £295,000, and the expenses of management £297,000, and after transferring to the profit and loss account the profit for the year of £117,000, our fire fund amounts to £792,000.

In our marine department the net premiums amounted to £955,000, and with interest the total income was £984,000. The losses paid in respect of 1919 and previous years amounted to £529,000, and the expenses of management were £96,000. The marine fund now amounts to £1,408,000, after transferring to our profit and loss account the sum of £350,000.

In our general accident department the net premiums for the year amounted to £610,000, against £441,000 in the previous year, with interest giving us an income of £618,000. The losses paid amounted to £250,000. The commission and expenses of management were £230,000. The transferred profit for the year was £20,000, leaving our general accident fund £432,000, against £315,000 in the previous year.

Our trustee and executor department fees received amounted to £7,400. The commission and expenses of management were £7,200, and the balance of £225 has been transferred to our profit and loss account.

General Progress.

Before we come to our profit and loss account may I review the figures of the different departments which I have read to you? Our life figures for 1919, both in number of

proposals and the amount assured, are by far the biggest of any one year that have ever been placed before you, which I am confident you will agree with me shows that we are holding our own in this department. In our fire department our net premiums, which very nearly reached £1,500,000, also are a record figure, and if you consider that it was only in 1916 that our net premiums for the first time exceeded £1,000,000 you will, I feel sure, look on this year's figures as satisfactory. The profit shown is not quite as large as last year, as this profit was adversely affected by the results which we had in common with most other companies on our home fire business. No doubt a certain proportion of our increased premiums is due to increased values, but in my opinion increased values do not count by any means entirely for our increased receipts. I think you may take it that our business is steadily growing both at home and abroad. Though the marine department's premium income is down by £295,000 from the previous year, it is highly satisfactory to find that after slightly increasing our marine fund we are able to transfer to profit and loss account £350,000, which is by far the biggest figure the Corporation has ever brought into our accounts from this department. Our general accident department, though showing an increase in our net premiums of approximately £170,000, only results in a profit of £20,000 for the year, as against £59,000 for the previous year. The connection and business of our accident department shows a steady growth, but the results have been adversely affected by several causes. First, our motor business has been uniformly unsatisfactory. The large number of accidents and the enormously increased and ever-growing cost of repairs have made this branch of our business unprofitable for the past year. This has been the general experience and it has been found necessary to considerably increase the rates quoted for this class of insurance. There is no sign, I regret to say, of any decrease in the cost of repairs, and we feel that it is quite possible that we shall find further increases in premiums necessary. The burglary business has been somewhat unprofitable, and the rates in this department have also had to be increased. The year's results were also affected adversely by the Workmen's Compensation (War Addition) Act, 1919, under which employers were made liable to increase the compensation in regard to claims which were outstanding on the date when the Act came into force. Although no premium had been paid by the employers in respect of this retrospective liability we have assumed it without extra charge on behalf of all employers insured with us.

Profit and Loss Account.

Let us now take our profit and loss account. Interest amounted, less income tax, to £75,000, from the fire department we have brought in £117,000, from the marine £350,000, from the accident department £20,000, from the trustee and executor department £225, conscience money £77, which, with the balance of last year's account, makes a total of £1,364,000. We have paid an increased dividend of 2% on the previous year—dividends to proprietors increasing to £73,000—expenses not charged to other accounts amounting to £44,000, excess profits duty (payment on account) £60,000, contributions to staff pension fund £20,000, transferred to special reserve fund £290,000, leaving a balance of £876,000, which is £75,000 more than we showed last year. I think, perhaps, I ought here to refer to the amount transferred to special reserve fund of £290,000, which brings that reserve fund up to £440,000. You will see, if you will turn to the balance sheet, that this appears as "Special reserve fund for taxation," and I am sure you will agree that we have acted prudently in making full provision in this respect.

An Historic Occasion.

Gentlemen, our meeting here to-day is an eventful one in our history, as in June 200 years have elapsed since the Corporation received its charter from George I. Our friends and neighbours, the London Assurance Corporation, are also this year celebrating their two hundredth birthday. The two Corporations came into existence on the same day, and tradition says that the Royal Exchange is the senior of the two by only half an hour. I feel sure I voice the feelings of all present in offering that Corporation our warmest congratulations on its prosperity after so many years of activity in the insurance world of this City. As for ourselves, I think the record figures I have put forward to-day prove that, notwithstanding our advanced age, the Royal Exchange to-day is very much alive. If I mention that in 1820 our premium income from the marine department was £33,900, from the fire department £67,400, and from the life department £145,700; that is, that at the end of our first 100 years our total annual premium income was only £247,000, and that 50 years later, in 1870, it was not more than £464,500, a glance at the accounts before you will show the immense progress that has been made during the past half century. You will find that the total premium income last year was over £3,500,000. This is the result of the policy of expansion, not only at home but also all over the world, that has been followed particularly during the last 25 years, and your directors are sure that the figures which are placed before you to-day are their own justification. The magnitude of the figures we are discussing have astonished our predecessors. They handed down to us great traditions, and though I think we are in a position to say that the Royal Exchange is to-day modern in its methods, still I hope these traditions are being maintained, and will always be maintained, by the court of directors and the managers of the different departments conducting the affairs of the Corporation.

Bonus and Increased Dividend.

In order to celebrate the bicentenary of our Company we are proposing to-day, in addition to paying an increased dividend of 16% for the year, that a bonus dividend of 5% should be paid to the proprietors registered in the books of the Corporation on April 16 last, on which date the transfer books were closed, and that this bonus dividend should be paid on June 22 next, being the actual anniversary of our incorporation. Gentlemen, the position the Corporation occupies to-day is in a large measure due to the loyal service and co-operation of all connected with the office during the past two centuries. I do not, however, propose to allude to the staff at the moment, except to assure you that when the time comes you will find that they have not been forgotten. A resolution will also be submitted to-day, as special business, sanctioning a special grant to the directors in view of the attainment by the Corporation of its 200th anniversary. This follows the precedent of 50 years ago, and a similar resolution was passed by the shareholders 14 years previous to that. What happened 100 years ago we do not know. The records of the proceedings at that date were lost in the fire of 1838, when the Royal Exchange was destroyed, and practically the whole of our documents for the preceding 120 years were burnt.

The Governor concluded by moving the adoption of the report and accounts.

Mr. C. Seymour Grenfell (sub-Governor) seconded the resolution, which was unanimously adopted without discussion.

A resolution was then submitted recommending the annual general court to order the payment of a further dividend of 9% (less income tax), making 16% (less income tax) on the capital stock of the Corporation for the year 1919, and also that a bonus dividend of 5% (less income tax) be paid on June 22 next, being the 200th anniversary of the granting of the charter to the Corporation. The recommendation was unanimously agreed to.

Mr. T. H. Woodward said it gave him great pleasure to move that, on the occasion of the bicentenary of the Corporation, as an expression of the many and great services that have been rendered to the Corporation by the court of directors, a grant of one year's additional appointments (free of tax) be paid to each member of the court. This, he was quite sure, would meet with the entire approval of the stockholders. It fell to few institutions to have such a record as the Royal Exchange Assurance. In fact, the record must be unique.

Mr. F. A. Steel seconded the resolution, which was carried unanimously.

Mr. Stanley Kaye then proposed the re-election of the auditor, Sir Neville E. Waterhouse, K.B.E., and in doing so said he believed that he occupied a unique position, as he held a small financial interest in the Corporation representing original stock which had come down to him by bequest through four generations.

Mr. H. C. Sim seconded the motion, and it was carried unanimously.

The court then adjourned.

THE LONDON ASSURANCE CORPORATION.

THE annual general court of the London Assurance Corporation was held on April 29 at the offices of the Corporation, 7 Royal Exchange, Mr. Colin F. Campbell, the Governor, presiding.

The Secretary (Mr. C. A. Denton) having read the notice convening the meeting and the auditors' report,

The Governor said: On June 22 this Corporation will have completed its bicentenary, and never did it stand for progress and efficiency more than it does to-day. (Cheers.)

During the year under review our business has been carried on without any very special incident, but there have been two developments to which I would like to direct your attention. The first is that we gave our name and support to a re-insurance Company which was successfully floated last November under the name of the London Associated Re-insurance Corporation, Limited. The subscribed capital of this Company is £1,025,000, of which has been paid up £200,000 Seven per Cent. Cumulative Participative Preference shares, which were issued to and subscribed by our shareholders and the public, and £25,000 fully paid Ordinary shares, subscribed by our Corporation. These Ordinary shares are entitled to half the profits after the Preference shares have received 7 per cent., and we believe that the investment will prove to be a valuable and profitable one to us as the business develops and the necessary reserves are created. At the outset we have undertaken the management of this Company, and will continue to act in this capacity, so that it may derive the full benefit of the Corporation's experience, and also that the expenses of the Company may be kept as low as possible. The board of the Company is wholly an expert one, with the sub-governor of this Corpora-

tion as its chairman; as, in addition to two of our directors, there are on its board our fire manager and marine underwriter, and the Company was fortunate enough to secure two other gentlemen, well known and highly experienced in insurance matters. I believe that this Company, which has already begun well, will fill a useful place among the reinsurance companies, and, supported as it is by our connections and experience, it should be able to attract to itself a considerable amount of the business offering from day to day.

Vulcan Boiler and General Insurance Company.

The other matter to which I would direct your attention is in connection with the Vulcan Boiler and General Insurance Company. This Company has its head office in Manchester, with an organisation well spread over the Midland Counties in particular, as well as in other parts of the country. It has developed most successfully a special business in the insurance of boilers and all kinds of machinery, and holds a high reputation in this particular form of insurance. Negotiations were opened during the autumn of last year for the purchase by the London Assurance of the shares of this Company, and I am glad to say that, in the early part of this year, the offer we made through the directors of the Company was accepted by their shareholders, so that we have already acquired 74,506 out of the total capital of 75,000 shares. The offer we made was four London shares for three Vulcan shares, or, in the aggregate, 100,000 London shares for 75,000 Vulcan shares, and, in addition, a small cash payment of 5*s.* per share was offered to each Vulcan shareholder making the exchange. As an alternative, should any Vulcan shareholder prefer to be bought out in cash instead of in London shares, we offered to give him £16 for each Vulcan share. The directors of the Vulcan Company have all agreed to continue the direction of the Company which they have carried on so successfully hitherto, and one of our own directors, Mr. Powys Dewhurst, who holds a high position in Manchester, has also joined their board. Arrangements have also been made to safeguard the interests of the management and staff, so that there may be no break in the continuity of the business. I have every reason for thinking that this acquisition will prove to be a valuable one to our Corporation, and that indirectly advantages will accrue to our various departments.

Results for the Year.

Turning now to the accounts, the life department has been very busy all the year, and the net premiums of £292,000 show an increase of £45,000. The life fund has also been increased by £100,000. The year 1920 closes the present quinquennium, and, apart from the serious depreciation in the value of all securities, the results on the basis of mortality should not be unfavourable. The rate of interest earned on the life funds was £4 18*s.* 11*d.* The fire account is excellent, being much the best we have ever experienced. The premium income shows an increase of £133,000 at £1,364,000, and the fire fund is increased by £200,000 and amounts to £1,200,000 after transferring £96,258 to profit and loss account. The marine department has also had a most successful year, and the marine fund stands at £1,000,000, after transferring £331,540 to profit and loss account. Though the premium income shows a decrease through the elimination of the war risk insurances, the marine business, apart from war risk, shows a steady increase, and continues to develop satisfactorily. Our thanks are again due to Messrs. Chubb for their skilful handling of our New York account. The accident and other accounts continue to grow rapidly, and the fund stands at £60,000 after transferring £4,204 to profit and loss account.

I cannot leave this short review of the present state of our departments without touching upon the question of expenses. These now constitute a formidable burden on the business, besides showing a very large increase compared with that ruling in pre-War days, but I fear we must regard these charges, composed as they are largely of increases in salaries and wages to meet present conditions, as likely to last for some long time. The remedy is to be looked for in an increased business, and this point of view is being kept continually in mind, both by directors and the management.

Turning now to the profit and loss account, you will find on the credit side the various transfers to which I have just alluded. On the debit side we think it necessary again to provide no less a sum than £200,000 for income tax and excess profits tax; we have transferred £50,000 to investments, depreciation, and contingency account, written off premises account £68,360, British Law purchase account £51,665, and, after paying the dividends approved last year, there remains a carry-forward of £204,398, against £197,271 brought in a year ago.

The funds in all amount to £7,364,000, and at the close of 1919 there was a very substantial surplus in the investments, depreciation, and contingency account standing in the balance sheet at £380,000. On the asset side we have written off a substantial sum from our freehold premises, which is reduced to £200,000, and the British Law purchase account is also reduced to the same figure. I might mention here that the Corporation has just moved its West-End office from Pall Mall to a very fine building, called Trafalgar House, in Waterloo Place. It is an excellent situation, to which business should be attracted. The old premises in Pall Mall being freehold, the directors are considering how best to deal with them.

Bicentenary Dividend and Bonus.

This, gentlemen, completes a review of the year's operations, and before putting to you the resolution adopting the accounts and approving the same dividend as last year—namely, 24%, or 6*s.* per share, free of income tax—I feel sure that I shall be anticipating your wishes in saying that such an interesting occasion as a bicentenary should not be allowed to pass without some mark to distinguish it from other years. We have searched our records carefully to see what was done both 50 years ago and 100 years ago, but we cannot find that any notice was taken of these periods, or that a bonus of any kind was given to the shareholders or to the staff. I have, however, to inform you that on this occasion the staff will be given a bicentenary bonus of 10% on their salaries, and to propose to you that the Ordinary shareholders receive a bicentenary bonus of 5%, payable free of income tax on May 1, together with the half-yearly dividend, making in all 29%, free of tax, for the year. (Cheers.)

The report and accounts were adopted.

PHŒNIX ASSURANCE COMPANY, LIMITED.

The Insurance Outlook and Taxation.

The annual general meeting of this Company was held on April 28 at Phœnix House, King William Street, E.C., Sir Gerald H. Ryan, Bart. (Chairman of the Company), presiding.

The Chairman said, in moving the adoption of the report and accounts: My first and most pleasant duty is to call your attention to the signal success of our fire department in 1919. An unusually low loss ratio—it was only 42.5% of the premium revenue, and 50% is regarded by us as a favourable ratio—and expenses which remained at the normal level of 38.3%, left us with a handsome margin of profit. The final profit of £326,377 is not only highly satisfactory in amount, but is the largest contribution the department has made to our profit and loss account since the Company was established. An increase in our premium revenue of no less than £269,884 is also a very favourable feature, this being largely due to the higher values of properties and commodities, and to the growing appreciation of the community that its insurance must be greatly increased in amount if it is to enjoy full and proper protection. The marine accounts are not so simple and convincing as the fire figures, because the effect is still seen of the marked and temporary addition to our normal income, due to the transaction of war risks during the years 1914 to 1919. The claim payments thus relate to business of much ampler dimensions than that completed in the year of account. The same remark applies to our expenditure, and it would be wholly misleading to regard these outgoings as comparable with the premium revenue of 1919. The actual result as shown in the amount of £300,000 carried to profit and loss is exceedingly satisfactory. The accident department exhibited a satisfactory development, and a moderate profit was earned. Certain branches of this business—burglary and motor risks especially—are passing through an unprofitable phase, and require exceptional attention. New legislation, in the shape of the Workmen's Compensation (War Addition) Amendment Act (1919), introduces a disturbing element in workmen's compensation business. The position of this class of business is being closely watched by ourselves and other tariff companies.

An almost universal increase in the new policies issued in the year occurred in the life department. Various reasons have been assigned for this; the larger incomes now enjoyed by so many, the need of providing for the heavy death duties, the desirability of making good depreciation in savings arising through the shrinkage in the values of investments, and a juster estimate of the proper amount of insurance necessary for heads of families to provide for the protection of their dependants—these, among other reasons, may be given for this remarkable expansion of new life business. We shall all agree that, whatever the cause or causes may be, this is a healthy indication of thrift and forethought on the part of the community—qualities that are not too conspicuous in other directions.

Higher Expenses.

A marked increase of expenditure is another common feature of the year's results. Roughly speaking, an additional 2% of the premium income has been disbursed for management expenses. This item is the natural outcome of the increased new business, of the heavier cost of all materials, and of the improved remuneration which the board has granted to the staff. In other respects there is little to comment upon in the life department, which is in a flourishing condition apart from the fall in the value of the investments, a matter largely outside the control of your board. The outlook is not free from anxiety in this connection, and in such circumstances it is a matter of satisfaction that the board has seen its way to declare a substantial bonus to the policyholders of the Law Life section, after making full allowance for all depreciation. The quinquennial valuation of the Company's life fund will be made at the end of the year, and the result must largely depend on the values of investments then ruling.

The Profit and Loss Account.

Examining the profit and loss account, we first see that our available interest receipts amount to £187,600 against dividends and Debenture interest of £201,489. The various profits from separate departments make up a grand total of £636,637, but from this no less than £438,260 has to be deducted in order that we should provide fully for all the taxes that have properly accrued. With this large deduction for taxes and a sum of £170,977 set aside to write down our shareholders' investments to their market values, our trading profits are practically exhausted. The usual provision of £25,000 off the value of our office premises has, however, been made.

Taxation and Depreciated Values.

Now in these figures we see reproduced a feature of our recent experience—namely, a highly satisfactory total trading profit melting away to nothing through the operation of the joint forces of depreciation of values and taxation of income. Of these trading profits our shareholders have taken practically nothing, their dividend being largely provided by interest on their reserves and funds. Almost the whole of the outcome of the trained skill of our managers, the long-established connections of the Company throughout the world, and the fruits of our energy, enterprise, and exceptional hard work, have either been whittled away by a shrinkage in our assets or taken from us by the State as taxes. As to the depreciation in our funds, this has been caused by a weakening of the nation's credit. No class of financial institution answered more promptly to the Government's appeal for support on the issue of the several State loans than did the insurance companies. The heavy fall in the public quotation of all these securities has had its inevitable effect in the periodical revaluation of our assets.

The Outlook for the Future.

For some years past insurance business has enjoyed a spell of considerable prosperity, and we cannot reckon upon the continuance of such good times. Indeed, in several directions indications are observable, over a wide area, that a turn of the wheel of fortune has occurred. Furthermore, the multiplication of new companies in the last year or two must lead to more strenuous competition for the most desirable risks. I am told that since 1914 the number of active British marine companies has been more than doubled, and new fire offices have, as we all know, sprung into existence in great profusion. These conditions give us no ground for anxiety concerning the future of our Company, but sound the note of warning and show the need of the utmost care and watchfulness in the conduct of our affairs. We believe that our chief safeguard in these circumstances is that we have the benefit of a highly skilled general manager in our new chief official, Mr. Sketch, with whom our most efficient experts are associated in the various fields of our work. Together they will be able, we confidently believe, to guide us through any coming difficulties.

What I have stated as to the general outlook applies with equal force to the business of our newly associated company, the Norwich Union Fire Insurance Society, the fusion of which with the Phœnix was effected with such remarkable smoothness and goodwill in the early months of the present year. By this alliance the Phœnix "group" becomes one of the largest and most important of all British insurance combinations, and it is my conviction that a prosperous future lies before the allied companies, granted a wise direction of the nation's finances.

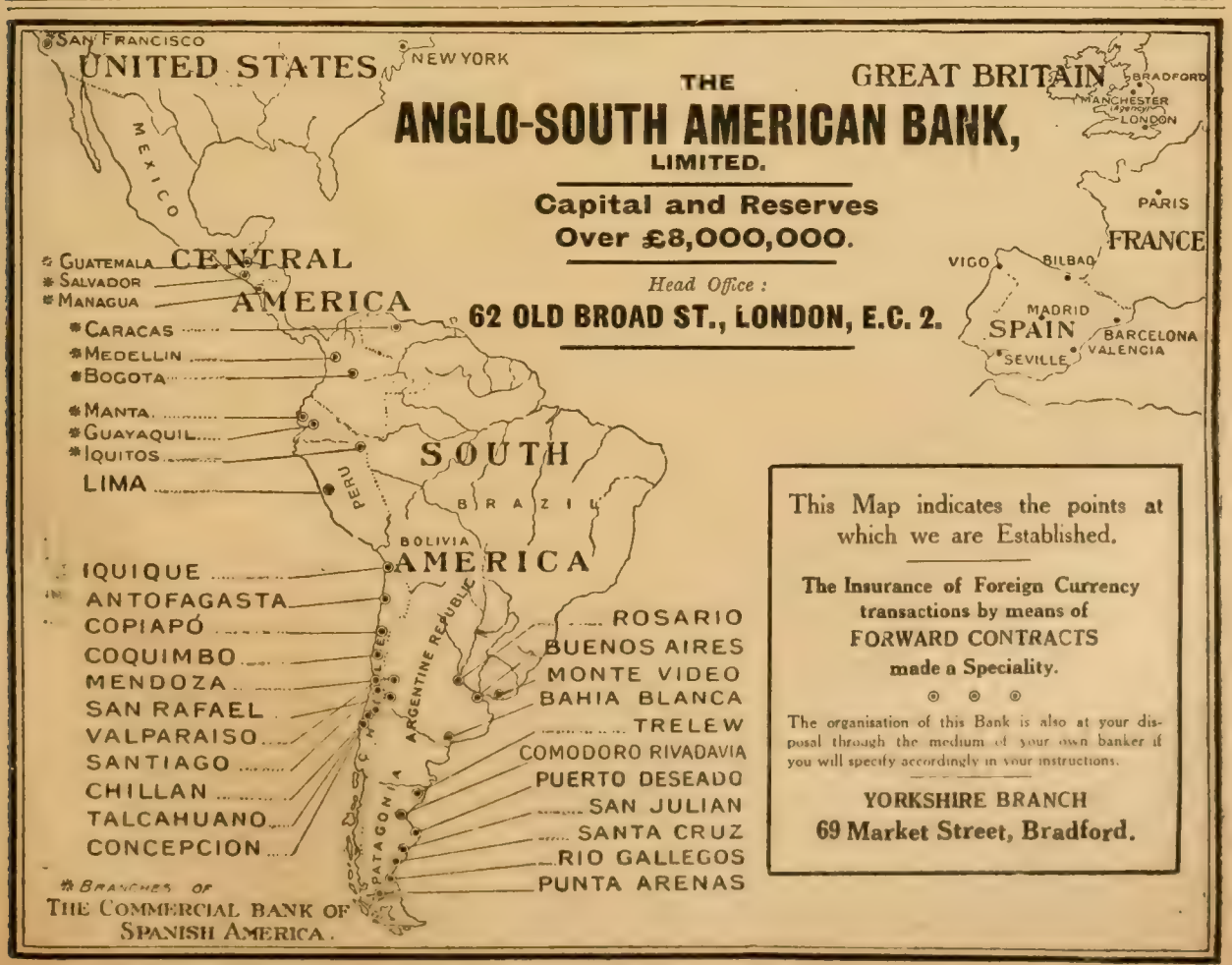
The report was unanimously adopted, and votes of thanks to the Chairman, directors, executive, and staff concluded the meeting.

LONDON AND SOUTH AMERICAN INVESTMENT TRUST, LIMITED.

An ordinary general meeting of this Company was held on April 27 at Winchester House, Old Broad Street, E.C., Mr. Robert J. Hose (the Chairman) presiding.

The Secretary (Mr. Arthur S. Hose) having read the notice convening the meeting and the auditors' report,

The Chairman said: Gentlemen,—The seventh annual meeting, which we are now holding, marks an epoch in the history of our Company, which was established, as it happened, at a most unfortunate time, viz., less than two years before the War broke out, with the result that when that event occurred we found ourselves with £430,000 invested in securities the value of which, as a direct consequence of the War, fell very considerably, and we were faced with a heavy shrinkage of capital, and assets not only temporarily unrealisable, but the real value of which could not be assessed. The future was filled with uncertainty, and it was difficult to decide upon a satisfactory policy for the conduct of our business. At our second annual meeting I said, "One cannot help thinking that when the War is over the operations of this Company will again attain the earning capacity which we originally anticipated." Gentlemen, I am happy to say that that thought has become a fact, and our Company is now on a secure footing, with assets realisable at a sum greatly in excess of their book value and an earning power in interest alone which will enable us to anticipate, in the absence of any catastrophic times, the regular continuance of our dividends at the rate we are now paying, whilst our other sources of income, should they continue as we have reason to hope they will, will enable us to accumulate reserves and strengthen still further the position of the Trust. (Applause.)



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Position of the Nation.

The geographical distribution of our investments is 36% in Great Britain, 14% in the Colonies, 45% in South and Central America, and 5% elsewhere. You will therefore see that, in respect of one-half of our money, we are directly interested in the success of enterprises working within the British Empire, and I may perhaps, therefore, be excused for making a brief reference to one of the most important questions of to-day, on which so much has already been said; nevertheless, I cannot help feeling that its urgency justifies further emphasis. I allude to the subject of the national position in foreign trade. The enormous debt which Great Britain has been compelled to incur since 1914 involves a charge for interest—apart from amortisation—which places a burden on the shoulders of the taxpayers that might well be considered overwhelming but for two facts: first, the accumulated savings of centuries of prosperity invested abroad; secondly, the predominant position occupied by Great Britain in the manufacturing world. The former has enabled us to borrow large sums (principally from America), which have assisted temporarily to provide part of the War expenses; but these loans naturally have to be repaid in due time, and it is consequently to the power of manufacture that we must look for permanent relief. Nations which were neutral during the War-time have accumulated vast sums of money by the sale of their products at continually rising prices, and have been unable to spend any appreciable portion of it owing to the short supply of the manufactured articles they required. They are now ready to pay even the present very high prices, and possibly even more. It would, therefore, be in the national interest that Great Britain should increase its production to the very utmost, thereby creating a surplus of exports over imports, which would bring money from abroad and cause the exchanges to adjust themselves in our favour, thereby reducing in due proportion the cost of imports—a most important item when it is borne in mind that the imports consist chiefly of food and materials for clothing, and therefore affect the poor even more than the rich. In these circumstances it is greatly to be regretted that there should be any restriction whatever on production, and one can but hope that the captains of industry and the leaders of labour may even yet see that their true interests lie in mutual agreement for the working of factories to their utmost capacity. (Applause.)

Balance Sheet and Accounts.

I will now ask your attention to a few points in the balance sheet. The amount of our investments stands at £706,000, or £96,000 more than it was a year ago, and this is represented on the debit side partly by an increase in the loan from our bankers of £70,000, and the surplus profits of the year, amounting to £26,000. Our income from all sources is £68,000, against £40,000, so that our net income is increased by £28,000, and amounts to 13½% on our capital. After paying a dividend of 7½% we shall have £60,000 to carry forward, and as our investments, if valued at market prices, show a very considerable appreciation, we have altogether a substantial surplus towards the formation of a reserve fund. (Applause.) I now have the pleasure to move the following resolution, and when it has been seconded I invite any remarks that you may have to make:—"That the report and balance sheet as distributed be adopted, and that a dividend at the rate of 7½% per annum on the paid-up capital, being 1*s.* 6*d.* per share, less income tax, be and hereby is declared payable on April 28, 1920."

Sir Robert Harvey seconded the resolution, and the Chairman having replied to a shareholder's questions with regard to certain of the more important of the Company's investments, it was carried unanimously.

The Chairman next moved: "That Mr. Edouard Bunge, one of the directors retiring in accordance with the articles of association, be and hereby is re-elected."

Mr. Alfred G. Gumpert seconded the motion, which was unanimously adopted.

The Chairman then proposed: "That Mr. Louis Holland Kiek, one of the directors retiring in accordance with the articles of association, be and hereby is re-elected."

Mr. Gilbert Taylor seconded the motion, and it was unanimously agreed to.

On the motion of Mr. M. J. Beazley, seconded by Mr. B. Pollard, Messrs. Price, Waterhouse and Company were re-appointed auditors for the year ending March 31, 1921.

Mr. Thomas Ford: I should like to move a vote of thanks to the Chairman for presiding over this gathering. The report is such a satisfactory one that I need not dwell upon it, except to say that in a Company over which our friend Mr. Hose presides, with his great knowledge of investments, particularly in Central and South America, the interests of the shareholders are bound to be well looked after. We are fortunate in having him as Chairman of the Company, assisted by such a good Board of Directors.—(Hear, hear.)

Mr. W. Sandford Poole: I should like to second that resolution and to express our thanks not only to the Chairman for presiding to-day, but also to the board generally and the management for the admirable way in which they are conducting our business. I think myself that South America is a very promising field of investment, and I am quite sure that if any investments of an attractive nature are to be secured in that part of the world, we can look to the board to see that we as shareholders in this Company get a participation. (Applause.)

The vote was unanimously accorded.

The Chairman: Gentlemen, on behalf of my colleagues and myself I thank you most sincerely for this hearty vote of thanks. I trust that when we meet a year hence we shall have a not less favourable report to present to you. (Applause.)

The proceedings then terminated.

LONDON TRUST COMPANY, LIMITED.

The thirty-first annual general meeting of this Company was held on April 29 at Winchester House, Old Broad Street, E.C., Mr. W. Douro Hoare, the Chairman, presiding.

The Chairman, in moving the adoption of the report and accounts, said it was a great pleasure to the board to be able to present so satisfactory a statement as the one now under consideration. For some years past the revenue of the Company had shown an increase, but the figures for the past year were the best the directors had been able to issue in the Company's history. The revenue receipts amounted to £95,000, as against £86,000 last year, and after providing for interest and all expenses, they were able to carry forward to the appropriation account £59,000, as compared with £53,000 last year. The statutory dividend on the Five per Cent. Preferred stock required £18,000, and after placing £10,000 to reserve, the directors were able to recommend a final dividend of 7% on the Deferred stock, which, with the interim dividend of 3% paid in October last, made 10% total dividend for the year, as against 8% last year. The balance to be carried forward was £35,841, as against £31,656. The total assets of the Company now amounted to £2,164,536. A list of the securities represented by this amount was attached to the annual report. The holdings numbered some 575 different investments, so that their money was widespread, and embraced practically every class of security. A valuation had been made of the quoted securities as at March 29 last, and the board had valued the securities not quoted, with the result that the capital of the Company and the reserve account were intact. In view of the fact that the reserve fund had been increased during the year from £140,000 to £200,000, he considered that the present position of the Trust was eminently satisfactory.

During the past year the operations of the Company had amounted to almost £1,000,000. The Bank rate—now 7%—would, in his opinion, tend to curtail the activity of the Stock markets, and he did not anticipate they would be able to do as much business in the coming year as they had done during the last twelve months. Their investments in the Argentine had tended to improve, and the prospects of the railways and other undertakings in that country were brighter than they had been for some years past. He regretted to say that in Mexico there did not seem to be any rift in the clouds. Referring to the increase in the excess profits duty, he expressed the opinion that a far more equitable form of taxation would be a tax on profits over a certain scale, as it would rope in many of the very prosperous concerns which at present escaped payment.

The Hon. Evelyn Hubbard seconded the motion, which was carried unanimously.

SCHWEPPES, LIMITED.

The twenty-third annual general meeting of Schweppes, Limited, was held at Prince's Hotel, S.W., on April 29, Sir Ivor Philipps, K.C.B., D.S.O., M.P., presiding.

The Chairman, in moving the adoption of the report and accounts, said that the financial position of the Company was steadily improving. They had no loan from the bank, and they had on December 31 £80,697 in investments and £17,407 in cash. They had arranged for liberal depreciation in the past year on buildings, plant, motor-vans, and horses. The directors could have put before the shareholders an even better showing than they had done if the trade had not been kept back by the impossibility of obtaining all the bottles they required, although they had been more fortunate than most firms in this respect. The Company's trade had not been limited by the amount of goods they could sell, but by the amount they could supply owing to the shortage of bottles; but he was glad to say that the situation was gradually improving. A number of new motor lorries had been purchased, and the old ones had been overhauled. The sum of £20,000 had been written off goodwill, bringing it down to £880,000. They would continue to write this item down gradually in any year in which they made fair profits, as by this means alone could they hope to get their finances into a really sound position. The Australian branch, in spite of labour and shipping troubles, had had a fairly successful year. The profits of the Company for the past year were £82,966, as against £54,770 in the previous year, or an increase of £28,196, being equal to 51.48%. The directors recommended the payment of the full dividend of 5% on the Preference shares and 7% on the Ordinary, as well as 5% on the Deferred shares, so that if the shareholders accepted the board's recommendation the Deferred shareholders would get a dividend again after a lapse of three

years, and the highest for six years. Last year he asked the disappointed Deferred shareholders to exercise patience and support the board in their efforts to economise the Company's resources and reorganise and develop the business, and it was with much gratification that the board submitted the present improved results. With regard to the future, he did not like to prophesy, but he could tell the shareholders that the results of the first three months of 1920 were distinctly better than those of the same three months in 1919. Whether this improvement would be maintained rested with forces beyond the control of the board. They had done and were doing their best to place the business on sound lines, and if the shareholders continued to place their confidence in the board they would do their best to see that such confidence was not misplaced. With the shareholders' support, a unanimous board, and the loyal co-operation of the staff and workpeople, they could, he believed, look forward with confidence to the future.

Mr. C. Williamson Milne seconded the motion, which was carried.

HOPE BROTHERS, LIMITED.

The twentieth annual general meeting of this Company was held on April 28 at Cannon Street Hotel, E.C.

Mr. Thomas Edward Goodyear (the Chairman), who presided, said, in moving the adoption of the report and accounts: The past year, while in many respects giving cause for anxiety, has in every way given us grounds for congratulation. Our sales have been far beyond any previously recorded, and our profit is nearly double that of last year, which was itself a record. During the year we have not only maintained all our branches in good condition, but we have completed the refitting of our shops at Bristol, Croydon, and Cannon Street, which work was postponed owing to the War. We have disposed of our small branch at Bolton, the lease of which was shortly expiring, and we have acquired premises at Bournemouth. The fitting of these premises is in course of completion.

Another matter which gives us cause for satisfaction is the acquisition of a new factory at East Dulwich Road. In addition to our principal factory at Littleport, we have had a leasehold factory at Walworth, which for some time we have felt was not a credit to the Company. It was inadequate to our increasing business, and the position and condition of the premises made it unsuitable for our requirements. At the same time our short lease made it undesirable to spend considerable sums on the property. Grave difficulties attended any attempt to arrange an extension of our tenancy, and we have, therefore, looked round for other premises. The freehold at East Dulwich was offered to us at a price which we are satisfied is considerably below what it would cost us to build similar premises, and we consider ourselves fortunate in acquiring this property, more especially as we have at the same time disposed of the short remaining term of our Walworth lease.

The Accounts.

The most striking feature in the balance sheet is the large increase in the stock, which is swollen to the extent of at least £50,000 by goods taken by us, the delivery of which would in former days have been postponed until after stock-taking. I am assured by our managers that the stock is absolutely healthy and that it is valued on a most satisfactory and conservative basis. The increase in our premises and plant accounts is fully explained by the statements I have already made with regard to expenditure on capital account. On the other side, the item of creditors naturally shows a large increase, although we invariably purchase for prompt cash. The amount shown includes not only the current purchases of goods, but the provision for income tax and excess profits duty, which account for a large proportion of the increase.

We propose to place £25,000 to our reserve fund, raising the amount to £100,000, which I regard as satisfactory, although I should like to see the fund at a higher figure. We propose to make a start in reducing the amount at which the item of goodwill stands in our balance sheet. We are now able to set aside £15,000 as a beginning in the reduction of this item. Out of the balance we propose to pay a dividend of 10% for the year, with a bonus of 5%, and to carry forward a sum in excess of the amount brought forward from last year.

Future Prospects.

With regard to the future, we shall suffer from increased taxation, but, personally, I see no immediate prospect of prices falling, and the present high rates of wages and the general prosperous conditions of trade in the country should enable us to continue to earn satisfactory profits; but, of course, any setback in the prosperity of the country will be reflected in our accounts. At present our trade is fully maintained, and there is no indication of any immediate falling-off.



MATINÉE quality during the war was maintained *absolutely*, but stocks had dwindled almost to zero before the purchase of the Macedonian crop was possible in the January of 1919.

MATINÉE progress was therefore necessarily checked by this pound-wise policy of refusing to lower the standard.

We can now offer again to connoisseurs unlimited supplies of

MATINÉE
Turkish Cigarettes

blended and made of the exquisite Macedonian leaf
by ALLAN RAMSAY

147 Issued by The Imperial Tobacco Co (of Great Britain & Ireland), Ltd.

The resolution was carried unanimously, as was a further resolution increasing the remuneration of the directors.

An extraordinary general meeting was then held to increase the capital of the Company and alter the articles of association.

The Chairman formally moved : "That the capital of the Company be increased to £750,000 by the creation of 150,000 new Ordinary shares of £1 each, ranking in all respects *pari passu* with the existing 300,000 Ordinary shares of £1 each of the Company, and that the directors be, and they are hereby directed to, offer 100,000 of such 150,000 new Ordinary shares to the holders of the existing 300,000 Ordinary shares of the Company for subscription at par at the rate of one new Ordinary share for every three Ordinary shares already held, or as near thereto as possible, fractions of a share being neglected, with power for the holders of the existing 300,000 Ordinary shares of the Company or any of them to renounce their right to an allotment of the new shares or any of them in favour of such persons or companies as they may think fit."

The resolution was carried unanimously.

The Chairman next proposed an alteration in the articles of association, which would enable them in the case of any further issue of capital to get it underwritten, if necessary, and pay underwriting commission—a power which did not exist in the present articles. With regard to the issue they were now contemplating, there was no intention to underwrite the shares; in fact, there was no need to do so, as the shares would be allotted to the shareholders.

The resolution was unanimously agreed to.

ARMY AND NAVY CO-OPERATIVE SOCIETY, LTD.

The annual general meeting of this Company was held on April 28 at Caxton Hall, Westminster.

Rear-Admiral J. De Courcy Hamilton, M.V.O. (Chairman of the Company), who presided, said, in moving the adoption of the report and accounts : The past year had been one of the most eventful periods in the Society's history, including, as it did, the carrying out of the amalgamation arrangements with the Auxiliary Company, and the highly important acquisition of the freeholds of the Victoria Street premises, and of the Army and Navy Mansions, adjoining. Dealing with the accounts, he said that the figures had been materially affected by the inclusion of the liabilities and assets, as well as the expenses and revenue, of the Auxiliary Company as the consequence of amalgamation. Comparison with previous balance sheets was rendered impracticable, but by far the most important increase on the assets side was that shown in the item of stock, the value of which was £1,036,322, or an increase of £293,000 on that of the previous year, due to the increased cost of commodities. A further important increase in assets appeared under the head of freeholds situated in London, £518,215, the addition to which in the past year amounted to £137,915, involving the cost of acquiring the freehold of the Victoria Street premises and the leasehold and freehold interests of Army and Navy Mansions.

With regard to the proposed disposal of the available profits, the interim dividend already paid had absorbed £72,000, and the same final dividend and bonus was proposed as for the previous year, but owing to the additional capital issued to the auxiliary shareholders, the amount required this year was £180,000, as against £150,000 last year. It was proposed to add £60,000 to the Society's general reserves, which, after the necessary sum was absorbed for the purpose of increasing the nominal value of the capital—namely, £648,000, would otherwise amount to £10,630 only.

The report was unanimously adopted.

Articles of Association Altered.

An extraordinary general meeting was then held for the purpose of passing a resolution to alter the articles of association.

The Chairman said that the directors had for some time past had in view the desirability of increasing the nominal value of the capital to a figure more closely approximating to the amount which the shareholders had allowed to remain in the business for working capital in addition to the original amount subscribed. He was unable at present to indicate either the amount or the probable terms of the issue, but shareholders might rest assured that their interests would be carefully considered, both in regard to the terms of the issue and preferential allotment.

The alterations were unanimously adopted, and the proceedings then terminated.

THE PEOPLE'S REFRESHMENT HOUSE ASSOCIATION, LIMITED.

Continued Progress.

The twenty-third annual general meeting of the People's Refreshment House Association, Limited, was held at the head offices, St. George's House, 193 Regent Street, W.1, on Monday, April 26, Mr. C. R. Seymour presiding.

The report and balance sheet for the year ending December 31, 1919, were passed, and it was resolved that the maximum dividend of 5% (declared for the year 1919 and paid without a break since 1899) should in future be 7½% (less tax)

The Chairman congratulated the shareholders on the continued success of the "P.R.H.A.," which controlled 150 licensed inns at the end of 1919, and would probably by midsummer 1920 have reached the total of 170. The ten houses of the Derbyshire Public House Trust Company were to be taken over in the course of the week, eight houses were to be taken over under various owners during the year, and negotiations were proceeding for taking the six country inns belonging to the Cambridgeshire Public House Trust Association.

The "P.R.H.A." had assisted the Central Control Board (Liquor Traffic) since January 1916 in the supervision of several important licensed houses in a directly-controlled area. The General Manager, Mr. Harry Holderness, had recently been gazetted M.B.E. in recognition of his excellent work in this connection.

Successful Management.

The managers of the inns had carried out their duties loyally and successfully, in face of the many difficulties caused by constantly changing regulations. A striking proof of the good name borne by the "P.R.H.A." was the fact that several thousands of unsought applications for managership were received every year. This was direct evidence of the good relations existing between the inspecting staff and the local managers, since most of these applications came from men who were acquainted with managers of the inns.

As increased food-production at home was still urgently necessary, the "P.R.H.A." Potato Clubs started in 1918 were continued in 1919, and would be set on foot again this year. Forty-nine of these clubs held successful exhibitions in 1919 of potatoes, &c., grown without the aid of paid labour, and prizes to the amount of £258 were granted by the Association out of its Public Utility Fund. Grants were also made from this Fund for hospitals, village nursing associations, &c., during the year totalling £494.

Maximum Dividend to be Increased.

In view of the change in money values caused by the War, it was felt that the limit of dividend on Ordinary shares fixed in 1896, viz. 5% (less tax), should be altered to 7½% (less tax) as from January 1, 1920. This new limit had been approved by the Central Public House Trust Association, and several of the Public House Trusts affiliated to the Central Association had already taken powers to pay a higher dividend in future. Applications were invited for shares, and also for the new 6% P.R.H.A. Loan Stock, to meet the rapid extension of the business. After paying interest on loans and loan stocks the Association had shown in 1918 profits at the rate of 13%, and in 1919 at the rate of 16% on the share capital issued. The various reserves now amounted to £45,000. The People's Refreshment House Association could therefore appeal with confidence to the present shareholders and others to help it to extend the work of public-house reform, which it had carried on successfully for twenty-three years.

VICKERS, LIMITED.

The fifty-third annual meeting of this Company was held at the River Don Works, Sheffield, on April 22, Mr. Douglas Vickers presiding.

In the course of his speech the Chairman said : The large increase in the number of shareholders since the last general meeting is due to the acquisition of the Metropolitan Carriage, Wagon and Finance Company, Taylor Bros. and Co., and W. T. Glover and Co., and the total Ordinary share capital is now £12,311,597.

The Company's offer to the Metropolitan Company's shareholders has been accepted by more than 99% of that Company. Now that the number of shareholders has been reduced we are taking steps to turn it into a private company. We now own the whole of Taylor Bros. and Co. and all but about 2% of W. T. Glover and Co., cable manufacturers. Taking the year as a whole, it has been one of extreme difficulty due to changes in trade, shortage of materials, reduction in working hours, and repeated increases in wages.

In the urgency during the War many contracts had been taken at provisional prices which were only fixed for the purpose of enabling the Company to draw money from the Government to pay for the necessary wages and materials, leaving the ultimate prices to be settled as soon as the cost investigations had taken place. This necessitated long negotiations with the Government Departments in a great many cases, and some are still outstanding even for the year 1916. It has been impossible to ascertain either the exact profits of the Company for the year in question or the amount due to the Government for excess profits. We can only work on provisional figures, which we believe are approximately correct, but, of course, are quite insufficient for the purpose of the auditors' certificate.

Although I can present no balance sheet, I can give figures of the approximate financial position of the Company on December 31 last. These figures show that after deduction of the par value of the Preferred interests, amounting to £8,351,640, the balance of assets remaining as belonging to the 12,311,597 Ordinary shares is £19,381,360, and it should be noted as most important that owing to depreciation the works stand at a conservative figure, and that nothing is included for the connection, goodwill, and patent rights of the

Company, although these have been acquired or built up at great cost, and are worth a very large sum to any going concern. Certain of the interests in subsidiary companies are also included at prices, in the directors' opinion, below their present value, and ample reserves have been made in a few cases where this seemed necessary. Mr. Vickers concluded by moving formally that the consideration of the accounts for the past financial year be adjourned to be considered in conjunction with those for 1916, 1917, and 1918.

After some discussion the resolution was carried, as also was a motion authorising the payment of dividends as proposed.

INDO-EUROPEAN TELEGRAPH COMPANY, LIMITED.

Property in Russia—State of Communications.

THE fifty-third ordinary general meeting of this Company was held at the offices, 18 Old Broad Street, E.C., on April 28.

Mr. J. Herbert Tritton presided, and, in moving the adoption of the report, said that the directors had had an anxious time during the year under review. The question that had chiefly engaged their attention was the re-establishment of the Indo route, first as a political entity, and next as a physical line. After careful consideration of the various alternatives, they had come to the conclusion that the interests of the Company would be best served by the retention of the portion of the route traversing Germany, which best satisfied the requirements of an efficient system. Any other route would have involved long and exceedingly expensive cables, the provision of which would have seriously altered the financial outlook of the Company. They had, therefore, entered into negotiations with the German Government, and had agreed with them the heads of a concession satisfactory to both parties, and they had no doubt that this concession would soon be an accomplished fact. On the route of their old line the Poland of the Peace Treaty extended further west than it formerly did into Prussia, and a good deal further east into Russia. Negotiations with the Polish Government for a concession were now in progress, and should offer no difficulty. The portion of the new Russia traversed by the route extended from Rowno to the Persian frontier; it was, however, not under one Government as before, but under many, each of which was at present claiming separate control.

The directors' difficulties had recently focussed in Odessa and its neighbourhood, all British subjects having been evacuated. Odessa, as they knew, was one of their most important stations, not only as a junction, but as the one through which the maintenance of the whole of their Russian section was kept supplied. They hoped to reoccupy the station before long. East of Odessa they anticipated no difficulty in agreeing terms with the young and vigorous nationalities that had arisen as a consequence of the War. The board had long felt the great desirability of providing an alternative section to that tarough the Caucasus, always exposed to interruptions, and had initiated negotiations with that object. Their Persian concession and communications remained undisturbed as before the War. As regards the restoration of the route from a physical point of view, he said their difficulties here only began east of Poland. Between Poland and Odessa much of the country had been fought over; the same remark applied to a good deal of the line in the Caucasus. Notwithstanding this fact, they had had communication between Odessa and Teheran for weeks at a time. In neither case was there any serious difficulty once the necessary material was on the spot. That was the difficulty now confronting them.

Again the directors were unable to present accounts, from no fault of their own. The War disorganised all communications, particularly postal ones, and accounts, which might have been posted years since, had in some cases reached them a few weeks ago, and in many cases were still untraceable. As soon as they were able to reorganise matters the position would regularise itself and the necessary material be obtained to present the long-awaited statements.

Impossibility of Presenting Accounts.

Their equalisation of dividends fund, before declaration of to-day's dividend, only sufficed to pay one more dividend at the rate of 6% per annum. If there had been definite prospects of restoring their route this summer the whole 6% might have been now distributed, but the directors had thought it wise to recommend a distribution of 3% only. This, even if the line was not through by next year, would leave assured then a total dividend of 10%.

In addition to the above considerations, there was also the question of their Russian assets, amounting to over £140,000. None of the items comprising this sum were at all exceptional, except the sum of £93,000, debts due by the Russian Government. It was exceedingly difficult at the moment to estimate the value of the Russian assets. It was wise, however, at this point to state that the directors had made a very careful valuation to date of the liquid assets of the Company, which disclosed the fact that, even treating the Russian assets as valueless, the remainder show a handsome surplus over capital and all liabilities.

The report was adopted.

JOSEPH TRAVERS AND SONS, LIMITED.

THE thirty-first annual general meeting of this Company was held at the Cannon Street Hotel, E.C., on April 26, Sir Edward Bowron presiding.

The Chairman, in moving the adoption of the report and accounts, said: It is a great pleasure to be able to bring before you such favourable accounts, which constitute a record of profit-making for this grand old business. It was established about the year 1666, and has sailed through centuries of history, and is to-day doing a larger trade and is in a stronger position than at any previous time. We have secured a surplus of reserves available for division of more than double the capital, and we have a trade of nearly four times the volume of the pre-war standard. By additions to our reserves this year we have raised the standard for the purpose of calculating the excess profits duty to a basis which will not become operative until after sufficient to pay 50% on the existing ordinary capital has been earned, and to-day we are asking you to ratify 25% dividend. The stock-in-trade at January 31 amounted to £1,332,515, and you may ask why this figure is so large. There are a variety of causes, apart from the general level of high prices, which is the main factor. In particular I would mention the transport delays, which have been serious during the past year, but which are now happily showing signs of improvement. These delays render it impossible to work on such small margins of stock as would otherwise be practicable. Further, we now hold a considerable quantity of stock at, and in transit between, our various foreign branches. An unusually large proportion of the stock at January 31 was awaiting shipment or in transit, and was actually sold subject to delivery at that date. This has since been delivered, or almost entirely so, and the stock at the present moment is less to an appreciable extent by an amount of over £400,000 than the balance sheet figure.

Reorganisation of Export Trade.

One of the most interesting developments of the past year has been the reorganisation of our export department. Owing to the scarcity of shipping and high rates of freight, brought about by the War, we observed an increasing tendency for shipments to be made direct from country of production to country of consumption, and we resolved to take measures to meet the new situation. We have opened branches and agencies in many centres throughout the world, and are now doing a considerable and increasing direct foreign trade by this means, and capturing business previously done by Germany. The results so far have been most encouraging, and we look forward with confidence to a satisfactory addition to the business from this section. These things cannot be done without capital, and this brings me to a consideration of the extraordinary resolution which is to be put forward. It is, I think, a fair index of the necessity for further capital that during the last financial year the interest incurred by the Company on bank loans amounted to over £35,000. Our proposal is to issue 200,000 Ordinary shares of £1 each at a substantial premium.

In these circumstances we are asking you, in one of the new resolutions now before you, to suspend strict compliance with Article 45 of the articles of association, and to grant the directors power to make the issue in such manner and on such terms as they deem most expedient. We propose to safeguard your interests by giving preferential consideration to applications for the new shares from existing shareholders, so far as we can do so consistently with making the new issue a success.

In the balance sheet the assets amount to £2,703,342, while all the outside liabilities (including Debentures) come to £1,853,228, leaving a difference of £850,114. Take from this the Preference share capital and the total of the dividends about to be paid, amounting together to £178,125, there remains a net surplus for the issued Ordinary shares of £671,989. Further, you must remember that nothing whatever appears in the balance sheet for the goodwill of the business. We have no hesitation in saying that the assets which appear in the balance sheet are valued on a conservative basis. We have had the major portion of our London premises and plant valued recently by Messrs. St. Quintin, Son and Stanley and Messrs. Fuller, Horsey, Sons and Cassell. The valuations amounted to £206,800, while the balance sheet values of the whole of the Company's premises and plant only total £66,829. In this you have a further handsome reserve which we could quite well take credit for in our balance sheet, but we prefer not to do so. That, however, is no reason why you should lose sight of the fact that such a reserve exists, and the same remark, of course, applies to the goodwill, to which I have already referred.

Now let us look at the dividend earning capacity of the Ordinary shares. The profits of the last six financial years, after charging absolutely everything except income tax, were: 1914-15, £48,870; 1915-16, £76,960; 1916-17, £101,922; 1917-18, £120,925; 1918-19, £115,390; and 1919-20, 270,600. These profits give an annual average of £123,611. Before these figures are arrived at a large sum has had to be charged for interest, a considerable proportion of which would be saved by the introduction of fresh capital

The resolution was carried unanimously.

An agreement between the Company and the directors with regard to their remuneration was approved, and a further resolution was passed increasing the capital of the Company from £325,000 to £525,000 by the creation of an additional 200,000 Ordinary shares of £1 each.

GOLDSMITHS AND SILVERSMITHS COMPANY, LTD.

THE twenty-first ordinary general meeting of this Company was held on April 26 at 112 Regent Street, W., Mr. A. T. Isaac (the Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said : In submitting the accounts for your adoption the directors, in addition to the payment of 5% on the Cumulative Preference shares and the interim dividend on the Ordinary shares for the six months ended July 31, 1919, recommend a final dividend on the Ordinary shares for the six months ended January 31, 1920, at the rate of 12½% per annum, making with the interim dividend 10% for the year, and the carrying forward, including the amount brought in, of £44,903 17*s.* 6*d.* to the new profit and loss account, subject to excess profits duty. Our turnover has been considerably larger than in any previous year. Our foreign and colonial orders are also a record for any one year. We hope to increase these orders still further, and I might mention here that all foreign and colonial business is transacted at the same price as the customer in London would pay, plus, of course, insurance and freightage. Our increased profits are due to the increase in our turnover, which has been largely due to the policy of catering for a widening *clientèle* and to the energy with which this policy has been pursued. We are proposing slightly to modify our articles of association to enable us to provide for the necessarily increased amounts which are required at certain times of the year to cover the enhanced value of our stock. The increase in our business is spread over all the departments. Although we have established a reputation for pearls of the highest quality, we are not neglecting the smaller everyday needs, and we give as much attention to the small orders as to the large ones.

As regards the balance sheet, you will find that the increase in creditors is about balanced by the increase in stock and sundry debtors, after allowing for the slight decrease in cash in hand. Turning to the profit and loss account, I must call attention to the inevitable increase in working expenses. This increase is due to rising prices, and covers the whole field of our operations—salaries commissions, rent, rates and taxes, blocks for advertising, advertisements in the Press, and last, but not least, catalogues. Especially referring to the last item, which accounts for 25% of the total increase in working expenses, we have considered it necessary to resume the issue of these catalogues, which was largely restricted during the War. I think it will be proved in the future that this large outlay is well worth while. We are watching these increases with the closest attention, and we shall spare no effort to save where saving is possible.

The Chairman's motion was carried unanimously.

At an extraordinary general meeting a resolution was passed altering the articles of association in order to extend the borrowing powers of the directors.

BRUSH ELECTRICAL ENGINEERING COMPANY, LTD.

THE thirty-first general meeting of this Company was held on April 27 at 88 Kingsway, W.C., Mr. E. Garcke (the Chairman) presiding.

The Chairman, in the course of his speech, said : The net profits for the past year are £148,685, compared with £90,998 in 1918, an increase of £57,687. We propose to add £70,000 to reserve fund, raising this fund to £123,000, and we recommend a dividend on the Ordinary stock of 15% for the year, leaving to be carried forward £85,568, compared with £34,714 brought into the account. The amount of £85,000 carried forward appears large, but we have to provide for excess profits duty. The output from the works during the past year has been large in both the rolling-stock and the engineering departments, and the amount of work in hand, as well as the number of orders flowing in, are considerable. During 1919 we have increased our capacity for building railway, tramway, and other rolling-stock, and we are still improving and adding to our facilities in this department. On the engineering side there has been great development in the orders for Brush-Ljungstrom turbo alternators and auxiliaries, and the demand for this plant is now only limited by our capacity to supply. We have authorised the erection of a large additional factory to be devoted to the economical production of Brush-Ljungstrom electric power sets. The transformer branch of our business has also grown very much, and we have put up a large new shop to help our production of transformers, which we hope will be in full operation in the course of the next three or four months. But additional buildings and plant are of little use if we are not able to command sufficient labour, and we experience great difficulty in attracting workmen and their families because of the lack of housing facilities.

We have acquired a suitable site of about 6 acres near the works, on which we propose to erect a number of houses for our more pressing requirements. We have been much handicapped by labour unrest, and the continual advances in wages and materials. These uncertainties have affected our contracts seriously. All our various extensions to factory and other buildings, plant, and tools obviously call for the investment of more capital, and the increase in volume of business requires a larger working capital. We have decided, therefore, to increase the authorised capital from £253,000 to £600,000. This will take the form of Ordinary shares, and arrangements for the issue are under consideration. We also propose before making the new issue to capitalise most of our general reserve fund and distribute it to existing holders of Ordinary stock on a cent. per cent. basis.

The report was unanimously adopted, and at an extraordinary general meeting a resolution was passed giving the Company power under its articles to capitalise undivided profits.

EGYPTIAN AND FOREIGN TRUST COMPANY, LTD.

THE sixteenth ordinary general meeting of this Company was held on March 26 at Dashwood House, E.C., Mr. A. Mitchelson (the Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said : At the end of 1917 the balance sheet showed a net deficit of £37,431 on realisation of investments to that date, while, *per contra*, there was a balance of only £5,431 standing to credit of profit and loss account. Moreover, the cost price of your investments then was very appreciably above their market value. The deficit on investment realisations has now been completely written off, the credit balance to profit and loss account has been raised to £17,302, equal to 8½% on the subscribed share capital, while the market value of your investments shows that the shortage, compared with cost price, has been reduced to the comparatively small amount of £9,075. We have considerably extended the field of the Company's activities and participated in the flotation and financing of promising new enterprises. In the profit and loss account dividends from investments have risen from £8,212 to £12,954, which in itself is a sufficient commentary on the success of the policy to which I have referred. A most satisfactory feature is that the profit on security sales amounted to £19,620, against £18,044. This enables us to write off the whole of the remaining deficit accumulated prior to 1918, and to add a balance of £233 to the undivided profit carried forward. Your investments on a very conservative basis at cost stand at £268,393, as against £201,073 at the end of 1918, the market value being £259,317 in comparison with £185,593, so that the increase in market value has been £6,400 in excess of the additional funds invested. Egypt has never been in a more flourishing condition that it is at the present time, and the economic situation of the country is most satisfactory. I am in the happy position of being able to tell you that the cash assets and investments of the Trust are more than sufficient to cover the share capital and all other liabilities. So far as the outlook is governed by the state of industry and trade, I think we may take a really hopeful view, having regard to the increase in our resources and the extension of our activities, but I must qualify that by referring to the heavily increased taxation proposals now before Parliament. The bulk of our revenue is derived from dividends on our investments, and you have to bear in mind the effect of the raising of the excess profits duty from 40% to 60%, and also the imposition of the new 5% corporation tax.

The report was unanimously adopted.

JOHNSON AND PHILLIPS.

THE fifteenth annual general meeting of this Company was held on April 29 at Winchester House, Old Broad Street, E.C., Mr. W. Claude Johnson (the Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said : The profit for the year, after charging to revenue upwards of £27,000 for maintenance of buildings, plant, &c., amounts to £89,964, or very nearly £10,000 more than in the preceding year. Added to this we have the balance brought forward from last year, amounting to £20,510, making up a total of £110,475. Deductions amount in all to £46,680, leaving a balance available of £63,795. Your directors recommend the payment of a dividend of 12½% upon the shares of the Company, which will absorb £30,625, leaving to be carried forward to next year (subject to excess profits duty) a balance of £33,170.

The share capital now stands at £350,000, and there is a balance to the credit of share premium account amounting to £7,790. We expended during the year £53,581 on additions to buildings and plant. The stocks and work in progress amount to £468,352. We think the profit on the year may be considered very satisfactory, although it is not as great as had been anticipated. This is due to the many difficulties we have had to contend with in changing over from war work to our ordinary commercial business, and more particularly to the enormous trouble we have had in obtaining the raw materials necessary for our requirements. The orders booked during the current year far exceed anything that we have had to deal with in the past. The orders in hand for the Post Office alone at one time totalled well over £250,000.

Our foreign business has also increased very satisfactorily and includes some important orders not only for Europe, but also for Japan and the United States of America.

I may say that this increase in the business was confidently expected by your directors, and it was for this reason that we have made such extensive additions to the buildings and plant at the works. Unfortunately these extensions have taken a great deal longer to complete than was anticipated, owing to various circumstances, particularly to the shortage in steel work and building materials and also to the strike in the foundry trade. If these additions had been completed by the contract time we could have given employment to many more workpeople and increased our turnover, and the profits would have been larger in proportion. Your directors visited the works last Thursday, and I am pleased to say that the extensions are now nearing completion. Some of the new buildings and plant have already been in working order for the past two or three months, and I think you may therefore look forward confidently to further increased profits for the current year.

The motion was carried unanimously, as was a motion declaring a 12½% dividend.

The Chairman further moved: "That the capital of the Company be increased from £350,000 to £700,000 by the creation of 350,000 new Ordinary shares of £1 each, to rank *pari passu* in all respects with the existing Ordinary shares."

The resolution was unanimously agreed to.

ENGLISH ELECTRIC COMPANY, LIMITED.

THE first ordinary general meeting of this Company was held at the Connaught Rooms, Great Queen Street, W.C., on April 28, Sir Charles E. Ellis, G.B.E., K.C.B., Chairman of the Company, presiding.

The Chairman said: Since December 31 last they had allotted £163,921 of Preference shares and £90,000 of Ordinary shares (1) in exchange for additional shares acquired in subsidiary companies, (2) in respect of an exchange of shares with J. G. White and Company, Limited, and (3) in part payment of the purchase of the works of Siemens Brothers Dynamo Works, Limited, at Stafford. They were fortunate in issuing their Debentures in August 1919 on terms comparing very favourably with current rates. The sinking fund for these Debentures provided for redemption within 20 years. The entire expenses of issue (including discount), £115,660, and the preliminary expenses, £17,385, had been entirely written off. To capital reserve £100,000 had been placed. It would be available for meeting any further expenses incurred in the issue of further capital or Debentures, or any special depreciation of assets. Proper depreciation on assets at the works of subsidiary companies had been charged against these concerns. The most important transactions since the formation of the Company were the following. They had purchased the Stafford works of Siemens Brothers Dynamo Works, Limited, with the engineering and sales organisation connected therewith. This not only provided an immediate increase of manufacturing capacity, but also provided a working arrangement with the parent company—Siemens Brothers and Company, Limited—covering the supply on favourable terms of specialities, notably cables of all sorts, which might be required in connection with contracts undertaken by the English Electric Company. Secondly, the contract department of Dick, Kerr and Company (which company was in liquidation) had been amalgamated with that of J. G. White and Company in the form of the Consolidated Construction Company, which eliminated one of the strongest competitors of the past. This new company would be useful in carrying out civil engineering work which it might be necessary to undertake. Thirdly, a subsidiary company—the English Electric Supplies, Limited—had been formed to take over the assets of the Britannia Lamp and Accessories Company, Limited, which formerly marketed incandescent lamps and other accessory electrical apparatus on behalf of Dick, Kerr and Company, and arrangements had been made for considerably expanding the variety of this class of manufacture. Finally, the Scotstoun Works of the Coventry Ordnance Works, Limited, had been disposed of. They were built to deal with the heaviest form of naval gun mountings, and having regard to the problematical future of the armament industry, this sale had been completed on terms which the board considered reasonable.

A Year's Progress.

Generally speaking, the year had been mainly devoted to the consolidation and organisation of the different units. It was believed that, for the most part, this had now been accomplished, although much had yet to be done in detail. Very little real production of electrical and allied apparatus took place during the year. The earlier part of the year was devoted to rearrangement of shops and remodelling in design, and they were just getting on to a producing basis when the unfortunate strike of moulders found them with none of the stocks of raw material which would have been available in normal times, and therefore they were under the necessity of immediately reducing output by discharge of employees in some cases and the works of short hours in others. The effect still remained even after 13 weeks since the settlement. They were perhaps more fortunate than some in that they had three excellent foundries in the group, but they were handicapped by the shorter hours worked, and the fact that piece-work arrangements had not yet been agreed to. The importance of this question could not be over-estimated, as the engineering output of the country was at present limited by its foundry capacity. The order-book was large, sufficient to keep all their 10,000 employees fully employed for 18 months if only they could get the necessary material. Indeed, if material were forthcoming, they could double their pay-roll without any risk of running short of work. They had now on the books orders amounting in sale value to £4,750,000, some of which would cover a long period of time to complete. The bulk, however, might be termed quick-turnover and repetition work, the demand for which was practically unlimited if only they could secure sufficiently expeditious production to compete with American and other foreign makers. Abroad they had not been idle. The manufacturing arrangements made by Dick, Kerr and Company with the Constructions Electriques du Rhone in France, and the Toyo Denki in Japan, were being taken over by the English Electric Company, and considerable expansion had taken place, especially in the case of the French company and a subsidiary company known as Les Constructions Electriques de Belgique. The combined capital of these two concerns was 90,000,000 francs, and this Company had granted them extended manufacturing rights under their various designs and patents. In Australia the English Electric Company of Australia had been formed with a capital of £600,000, all subscribed locally. It was a consolidation of existing manufacturers, and was now erecting new shops especially for production under the various designs of the English Electric Company.

The report and accounts were unanimously adopted; the Preference dividend was confirmed; and a dividend of 8% on the Ordinary shares was declared.

FAIRBAIRN LAWSON COMBE BARBOUR, LIMITED.

THE twenty-first ordinary general meeting of this Company was held at the Liverpool Street Hotel, E.C., on April 28, Mr. J. Campbell Inglis (the Chairman of the Company) presiding.

The Chairman, in moving the adoption of the report and accounts, said it was with feelings of no small satisfaction that the directors were again able to present to the shareholders what they believed would be considered a satisfactory balance sheet, for not only had the profits for 1918 (the amount of which he was careful to point out to them last year was partly due to transitory causes) been maintained, but there had been a slight improvement. They therefore felt justified in recommending a dividend of 7½% on the Ordinary shares, as against 5% for 1918. This result had been attained in face of circumstances which had often been a source of grave anxiety to the board. First, there were the heavy rises in the cost of material, to which he alluded when he last had the privilege of addressing the shareholders, and, added to that, a scarcity of many essential materials, particularly coke and coal. Then, as they knew, the year 1919 was a year of unrest in the labour world. They had a serious strike at Belfast in the month of January, when a 44-hour week was demanded, notwithstanding the fact that a national settlement on the 47-hours basis had just been conceded. He was glad to say that in the result the national agreement was maintained. Then they had the strike of the Yorkshire coalminers, followed in the autumn by the moulders' strike, which lasted some 16 weeks, and practically paralysed the engineering industry. Dealing with the general position, he said that they were well supplied with orders and had plenty of work to do. From that point of view the position was quite satisfactory, but the carrying out of these big orders had become a heavy task owing to the enormous rise in expenses. He had already referred to the cost of materials. A more serious item was wages. During 1919 they had a period of fair stability in this respect, though they had to bear the full burden of the advances granted in 1918. This year that burden had been greatly added to, for the Industrial Court awarded an advance of 5*s.* in December, followed this month by a further advance of 6*s.* in two instalments of 3*s.* each. This latter award came as a very unpleasant surprise. The price of their machinery had risen to a very high level, and they had to face not only the possibility of reduced demand, but also that of increased competition. They should not forget that there were other countries capable of producing machinery who would be only too glad of the opportunity of annexing

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our trade. In his opinion the only effective system of dealing with the difficulty was paying by results.

The motion was carried unanimously.

A balance dividend of 2½% on the Preference shares and a dividend of 7½% on the Ordinary shares was declared.

The proceedings then terminated.

BRITISH COTTON-SEED PRODUCTS, LIMITED.

The statutory meeting of this Company was held on March 26 at Winchester House, E.C.

The Right Hon. The Viscount Doneraile, who presided, said : The response by the public to the offer of 150,000 shares for subscription at par was very gratifying, the issue having been very largely oversubscribed. The Company is proceeding forthwith to instal defibrating machinery in a building specially erected for this purpose at an oil mill in England, and it is hoped it will be in operation within a couple of months. The board are endeavouring to obtain a site for the establishment of a large defibrating plant at one of the principal ports in England which is very suitable for our purpose. Negotiations have been opened for the formation of an Indian company to acquire from this Company the Indian rights for the seed-defibrating machine and to develop the cotton-seed defibrating business throughout India. Negotiations are also proceeding in connection with the installation of the plant and process in several other countries. The Company has also been approached by seed crushers in this and other countries, with a view to the purchase or license of the Company's machines, but the directors have decided that it is best to establish the industrial value of the products of the machine on a commercial scale in plants wholly under the Company's control before entering into any arrangements for the working of the machines by independent firms.

In answer to questions by shareholders, Mr. Ed. C. de Segundo said it was true that his estimate of the cost of treatment was 15*s.* per ton of seed, whereas in the calculation of profits the estimate taken in the body of the prospectus was 30*s.* The former was what he considered to be a covering figure, but these were uncertain times, and therefore he had heartily concurred in doubling the figure for the cost of treatment of the seed when estimating profits. In regard to the value of the seed-lint for paper-making, he had every confidence in the judgment of Messrs. Sindall and Bacon, who were of opinion that £52 per ton should leave the paper-maker a handsome margin of profit. That firm had further pointed out that there were other markets in which seed-lint, in view of its special characteristics, should command a higher price than for paper-making. The paper-maker could not afford a price corresponding to the intrinsic value of seed-lint as a raw material for the production of cellulose, and this Company would certainly endeavour to market their seed-lint in such directions and for such industrial purposes as would yield them the highest prices. It was very difficult to state to-day at what price they might be able to buy the very woolly varieties of cotton-seed, and what these would fetch after defibration as compared with Egyptian. He might, however, mention that about two years ago a leading firm in the City received a bulk sample of 2¼ tons, or thereabouts, of a very woolly variety of seed from Africa, which proved unsaleable, but which, in its defibrated condition, readily sold at £18 a ton, the price then ruling for Egyptian cotton-seed.

A vote of thanks to the Chairman concluded the proceedings.

KLANANG PRODUCE COMPANY, LIMITED.

Planters' Costs.

The twenty-second ordinary general meeting of this Company was held on April 27 at 38 Eastcheap, E.C., Mr. D. K. Michie (Chairman of the Company) presiding.

The Chairman said that while the yield of rubber for the year substantially exceeded the estimate the crop of coconuts fell considerably short of the number expected. The figures were :—Rubber, 553,650 lb., against the estimate of 500,000 lb. and 379,834 lb. in 1918; coconuts, 1,040,765 nuts, against the estimate of 1,250,000 and 1,499,450 gathered in 1918. The net profit was £41,646, against £18,159 in 1918. The results of the year's working, he thought, were highly satisfactory. The increase of the nominal capital to £100,000 from £50,000 and of the issued capital to £63,250 from £31,625 were features of the balance sheet. The latter increase was caused by the issue of one bonus share for each share held, entailing the appropriation from the reserve fund of £31,625. The cost of producing rubber f.o.b. Port Swettenham was 7.41*d.* per lb., and the all-in cost 9.64*d.* per lb. Copra cost £10 7*s.* 7*d.* per ton f.o.b., and all-in £18 12*s.* 6*d.* These were low figures, but all-in costs would have been higher if the whole of the produce had been shipped to the London market. The estate was now working under enhanced rates of coolies' pay and other charges, and the very low f.o.b. costs of the past year would not, he feared, be repeated in the year now current. Rubber cost was helped last year by the estimated yield having been substantially exceeded and the cost of both products by the cultivation programme of the year not having been completely carried out. The profit for the year, with £1,898 brought forward, made a total of £43,544. An interim dividend of 12½% had been paid and £1,998 allocated to income-tax account. The directors proposed to pay a final dividend of 37½%, to place to reserve £7,500, and to carry forward (subject to staff bonus) £2,421. The present year's estimates provided for a yield of 506,000 lb. rubber and 1,100,000 coconuts, to cost £17,400 and £4,300 respectively f.o.b. Forward sales had been made of 68 tons rubber to be delivered from the present year's crop at rates that compared favourably with the average realised last year and with the rate for first-grade rubber now current. Schemes for bringing the issued capital more into harmony with the cost and value of the Company's property had been under consideration and the matter would not be lost sight of.

The report and accounts were unanimously adopted, and a final dividend of 37½%, less tax, was declared, making 50%, less tax, for the year year.

THE DOOLGALLA (CEYLON) RUBBER ESTATES.

The annual ordinary general meeting of the Doolgalla (Ceylon) Rubber Estates, Limited, was held on April 29 at the London Chamber of Commerce, Oxford Court, E.C., Mr. F. O. Streeten, the chairman, presiding.

The Chairman, in the course of his speech, said : The report and the accounts, I think, are decidedly the best that it has ever been my pleasure to propose for your adoption. There is very little for me to add as regards the agricultural side of your property. Everything is proceeding in a normal way, and the reports which we have are all of a consistently satisfactory nature. According to the last census which we have received, we still have on the two estates some 86,000 odd trees, and, as those continue to grow and flourish, there is a probability that we shall have to do a certain amount more of thinning out, but I do not think that we need be alarmed about that, because the trees that are left will benefit from the thinning out, and we expect to get quite a satisfactory output from the trees that remain. Our trees at present are yielding us about 3⅓ lb. of rubber per annum, and after thinning out those that are left will probably give an increased yield. If it had not been for a very heavy loss on rice, which we, in common with, I think, every other estate in the East have had to incur, and also the persistent rise in the price of all commodities which we use, we should have worked the estates for considerably less than the estimate which we put before you last year. The average exchange which we had last year worked out at about 1*s.* 9½*d.* per rupee. For the present year it will not be so satisfactory. You are all aware of the present position of the rupee and of the bad effect which it has on companies like ours, which have to remit a very considerable portion of the proceeds of their sales of rubber out to Ceylon again to carry on the administration of the estates, but, if the price of rubber continues to be satisfactory and our expenses and also our output continue on the basis which we expect, I think we may still look forward to quite a satisfactory year when we meet again in twelve months' time.

As regards the future, so far our average exchange for the current year is about 2*s.* 6*d.*, which, of course, is very much worse than was the case last year, but against that we have sold 24 tons of rubber forward, only 4 tons of which came into the accounts which we present to you to-day, so that we shall have the benefit of 20 tons which have been sold in Colombo at a price of 2*s.* 6*d.* per lb., so that that will mitigate any loss which we may make on exchange. I have great pleasure in moving the adoption of the report and accounts. (Applause.)

The resolution was carried unanimously, and a dividend of 12½%, less tax, declared. The retiring directors and auditors were re-elected.

An extraordinary general meeting was then held to consider a resolution altering article 71 so as to ensure that the directors' fees shall be £150 per annum in the case of the Chairman and £100 for each director after the deduction of income tax.

The resolution was carried unanimously.

UNITED SUA BETONG RUBBER COMPANY, LIMITED.

On April 27 the eleventh annual general meeting was held at Winchester House, Old Broad Street, E.C., Mr. J. H. Renton (Chairman of the Company) presiding.

The Chairman, in moving the adoption of the report and accounts, said : Our profit for the year amounted to £48,976, after providing for interest on the Mortgage Debenture stock. This is equivalent to 43% on our issued capital. The balance of profit available, after deducting the interim dividend paid in November last of 7½%, is £62,937, out of which the directors recommend that a dividend of 20% should be now declared, leaving the sum of £39,311 to be carried forward. This is subject to excess profits duty and commission to the Eastern staff. We estimate that our liability for excess profits duty for 1919 will be approximately £10,000. In addition to this there is a claim in dispute of £27,000, which relates to preceding years. The crop for the year was 1,115,859 lb. of rubber of all grades off an average area tapped during the year of 2,927 acres, thus giving an all-round yield of 380 lb. per acre. Having regard to the increased scale of working costs and

materials the all-in cost of 1*s.* 1.17*d.* should be regarded as satisfactory. The price realised for our rubber was .90*d.* per lb. less than in the former year. The estimate for the current year is 1,239,780 lb., which is equivalent to 409 lb. per acre. Out of this crop we have sold forward 604,800 lb. at an average price of 2*s.* 1.15*d.* landed London terms. Reports on the conditions of your estate are uniformly good and the year's work was completed in spite of labour difficulties. During the years 1917, 1918 and 1919—years of exceptional difficulty—your planted acreage was increased by no less than 3,268 acres. Our proposed planting programme for the current year of 1,200 acres shows a progressive spirit. I do not anticipate any very substantial increase in the output until the new clearings opened in 1917 come to maturity. Therefore, until the year 1922 our increase in output will be relatively modest, but after that the amount harvested should steadily increase each year. Our intention for the future is to plant up the available land each year at the rate of about 1,000 acres per annum, providing that labour and other conditions permit. We are entitled to expect that within a few years our total planted area will approximate to 11,000 acres. We shall propose as an extraordinary resolution the increase of the Company's capital to £500,000 by the creation of 350,000 shares of £1 each. It is not our intention to increase our issued capital to anything like that extent, but as an increase in the capital is necessary we thought it well that we should at once fix on the larger amount of £500,000.

The Chairman's resolution was carried unanimously.

The Chairman then moved that the capital of the Company be increased to £500,000 by the creation of 350,000 shares of £1 each.

The motion was carried unanimously.

RHODESIA EXPLORATION COMPANY, LIMITED.

The second ordinary general meeting of this Company was held on April 27 at River Plate House, Finsbury Circus, E.C., Mr. H. G. Latilla (Chairman of the Company) in the chair.

The Chairman, in moving the adoption of the report and accounts, said: As will be seen from the schedule in the directors' report, we held over 1,108,000 acres of land in Rhodesia after allowing for 67,725 acres sold during the year under review. Since June 30 last we have sold a further 109,565 acres, so that our holding now is approximately 1,000,000 acres. A steady inquiry for land continues, and I feel sure the present tendency for land values to improve will also continue. Your directors are anxious to encourage settlers, and to this end have supplied the Chartered Company with a list of farms suitable for intending settlers, together with the prices and terms of instalment payments. We are told that the 500,000 acres allocated by the Chartered Company for Service men have been taken up by intending settlers, and that probably twice that area could have been so dealt with. This, coupled with the fact that all land-owning companies are selling large tracts of land, can only mean a large influx of desirable white population, of which the country has so long been sorely in need.

Rhodesia's Future.

There is abundant evidence that Rhodesia is destined to be a great cattle-producing country, and your Company, by reason of its large and good tracts of land, should do well. As intimated in the report, we have, in conjunction with the Transvaal and Rhodesian Estates, Limited, acquired a further area of land in the Tuli district of approximately 118,000 acres. This ground adjoins the Elwes block, which is also owned jointly with the Transvaal and Rhodesian Estates, and makes one compact ranching area of over 276,000 acres, bordered by the Limpopo River, which divides Southern Rhodesia from the Transvaal, and immediately adjoins the two big ranches of Liebig's and the Chartered Company. You will also have been informed by the directors' report that the Company holds the greater portion of the issued capital of the Rhodesian Cattle and Land Company, Limited, which owns a ranch of 110,000 acres in Northern Rhodesia with over 6,000 head of cattle on it, as well as a ranching area of 144,000 acres in the Gwanda district. We are at present devoting our attention to a scheme for the further development of ranching operations.

Chrome and Asbestos Deposits.

We have recently secured a participation in a very important base-metal proposition in the Lomagundi district of Rhodesia, our partners being other companies with similar interests to our own in Africa. The properties are reported on by Mr. A. H. Ackermann, who, as you know, was for seven years resident engineer for the Chartered Company. The minerals already proved to exist in large quantities are chrome and asbestos, and in the case of the former the deposit is, I think, unique in the world as a combination of quantity and quality. The asbestos, which is situated on the same property but not in any way connected with the chrome, is of the greatest immediate interest too, as it can be quickly, cheaply, and easily exploited without waiting and paying for the installation of any large and expensive plant. The product is of high quality, to use our engineer's expression, "the best he has seen in Rhodesia," and bulk samples valued here have fully borne out that opinion. I want you to please appreciate the fact that, in his late official position, Mr. Ackermann made periodical visits to all important mining properties in Rhodesia, and therefore his statement that those we are now interested in are the best is of the utmost importance. The claim area is big, considerably over 5,000 acres, or, say, eight square miles, and Mr. Ackermann's report (copies of which are on the table) is highly favourable. I am glad to tell you that he has accepted the post of engineer to the enterprise.

At any rate, the present report was good enough to justify the considerable commitment, and I am convinced that your board have done an excellent stroke of business in accepting a participation. Since Mr. Ackermann wrote his report, and after the agreement had been signed, the vendors have announced a further discovery of asbestos on the property, which they describe as "splendid." You perhaps know that in recent years several deposits of chrome and asbestos have been worked at considerable profits by other groups. We have Mr. Ackermann's assurance that our deposits are larger and richer than anything yet found. He, better than any other engineer, is entitled to make such a statement as this—and he is backing his belief by undertaking the job of securing results.

The Question of Freights.

The property is 30 miles from Banket Junction. For some reason 10 miles of rails on the direct road to this property (namely, from Banket Junction to Ayrshire Mine) were dismantled a few months ago. However, there is a good road from the chrome and asbestos property to Banket Junction, so that for our immediate needs we can dispense with a railway. Present ocean freight from Beira to England is 65*s.* per ton, and to-day's quotation for 50% chrome ore is in the neighbourhood of £8 per ton. The price has been much higher, and several important buyers have intimated their willingness to enter into contracts for our production. The same people tell me it is most difficult to get quotations and supplies.

In reply to an inquiry for a quotation for freight from Banket Junction to Beira, the following letter was received yesterday from the Secretary of the Rhodesia Railways, Limited:—

"I am directed to acknowledge the receipt of your letter of the 14th instant, on the question of rates on chrome ore and asbestos from Banket Junction to Beira. In reply, I am to inform you that the railway rate on chrome from Banket Junction to Beira will depend upon the selling price of the ore in Europe or America, and will be arrived at in the following way:—

"There will be a minimum rate from Banket Junction to Beira of 20*s.* 10*d.* per short ton for all ore sold at 70*s.* 8*d.* per long ton or under in Europe or America; for every additional 1*s.* per long ton in the price the railway rate will be increased by 6*d.* per short ton.

"Ocean freight, less 16*s.* 6*d.* per ton, may be deducted from the contract selling price in arriving at the sliding-scale selling price. Ocean freight is exclusive of lighterage at Beira. In the case of chrome sold f.o.b. Beira, 16*s.* 6*d.* per ton must be added to the price in fixing the rate. To the total rate so arrived at there will be an addition of 10%. In addition, there will be the following charges at Beira: Pierage, 1*s.* per short ton; dumping, reloading, shunting, and weighing, 1*s.* 3*d.* per short ton. As regards asbestos, the rate from Banket Junction to Beira will be £2 6*s.* 6*d.* per ton, plus a surcharge of 25%. I am to add that my directors are not prepared to enter into a contract for a period of years, and that these rates are subject to alterations from time to time."

The Chartered Company—because the Rhodesia Railways and the Chartered Company are, for practical purposes, identical—take a datum line of 70*s.* 8*d.* per long ton as the price at which, after certain deductions are made, they presumably consider chrome can be landed in Europe or America at a fair commercial profit, and then, having made these deductions, they say if, because you have better ore or because your selling arrangements are more complete, or for any other reason, you realise a higher price than 70*s.* 8*d.*, we will take 55% of the surplus, and leave you 45%, and they do this because out of a total distance of nearly 8,000 miles they will carry the ore about 440—roughly 5% of the whole distance. I have no doubt, however, that a reasonable solution will be arrived at.

The Umvukwe deposit is the richest so far discovered, and its average percentage of chrome, which Mr. Ackermann gives at 52, is so much richer than any other that it will inevitably command not only the highest price, but the readiest market. There is no more reason why it should be penalised on this account than that one gold mine with 1 oz. ore should pay twice the freights on its coal that a 10-dwt. proposition pays, and I am confident that eventually Peake's Umvukwe will obtain a rate per mile substantially identical with that which its more favoured rivals at present enjoy.

Mr. F. H. Hamilton dealt with Mr. G. A. Denny's report upon the position of the East Rand. He expressed his agreement with the orthodox view that the Main-shaft contains not two known payable reefs, but one—the Van Ryn reef. He referred to the pronouncement of the South African Government, which states that the Van Ryn reef underlies that portion of the Heidelberg district in which the Company is interested, and laid stress upon its size and value.

LAKE VIEW INVESTMENT TRUST, LIMITED.

History of the Company.

THE statutory meeting of this Company was held at River Plate House, Finsbury Circus, E.C., on April 28, Mr. F. A. Govett (the Chairman of the Company) presiding.

The Chairman said that in the year 1901 it was his fortune to join the board of the Lake View Consols, when the shares were still standing at enormous prices, and in November 1902 he became the Chairman, just in time to meet the full force of the storm, and the wreck of the hopes implied by the prices to which the shares had been raised by exaggeration of the ore reserves and by the market operations of the financial house behind the Company. After prolonged ineffectual search for other big bodies of ore in the mine itself, it became evident that if it were possible to restore to any reasonable degree the fallen fortunes of the Company it was not within the boundaries of the Lake View Consols, but that outside that the foundations must be laid. In 1906 he thought he saw an opportunity, and cabled to Mr. Hoover, who was in Australia, that he proposed to buy half the Broken Hill South Mine for £73,000, of which £50,000 was to be working capital, and asking what was his opinion. His reply was that if he had the money he would buy it for himself. The purchase was at length agreed to, and later in the autumn he had the pleasure of telling the shareholders that they had sold about 30% of their holding for about £63,000, so that they owned about one-third of the mine, now provided with capital, for a cost of about £10,000. He then proceeded to lay down the principle upon which this side of the Company's business must be, and had been, conducted ever since—namely, that any capital increment realised could not be regarded as revenue or divisible, but must be written off cost; that if they treated that increment as revenue, available for dividends, there would be no possibility of building up the dilapidated fabric of the Company, which was their object. By their judgment or good luck, the profits had always been greater than the losses, and they began to forge ahead. The next step was the amalgamation with the Oroya Exploration, when the Company became no longer primarily a mine, but a mining exploration Company, and the principle again was carefully elaborated and laid down for the instruction of the Oroya shareholders that capital increment realised was not revenue. From that time to this the Company worked as an investment trust, though, unfortunately, no actual claim at the inception of the Company was made to be assessed as such for income tax. They were assessed as a financial Company, and not as an investment Company. This meant that realised capital profit was still treated as liable to tax. Last year they made a claim that, in view of the rigid policy laid down so long ago, and rigidly maintained, a change in the mode of assessment should equitably be conceded, in order to make the Company free to take capital profits for the benefit of its shareholders and not for taxation purposes. This would have been only just. There were shareholders in this Company who still held their shares, which cost them £28 per share. To this claim it was objected, *inter alia*, that their practice was not the same as that of a trust company, as it was said they bought for a rise in price and not for dividends, as was the case with trust companies. He did not think that this could possibly hold water, for that could only be a question of degree. However, it was not possible to take the risk, and they were advised that, in order to get free from the tangle in which they were, in consequence of the previous history of the Company, and in order to comply with the formal rules and regulations by which these assessments were governed, the proper course was to start *de novo*, to wind up the old Company, and give each shareholder his proportionate share in the investment and bank balance, in equivalent shares of a new Company which would take them over, and which would start business from its inception as a plain, unadulterated investment trust. They now claimed that they had complied with the formalities laid down and that they were now an investment trust, but he supposed it was still possible that even now this might be disputed, and they might be exposed to the risk of claim. But he did not regard this as likely. So far as the position of the Company was concerned, they were now engaged in gradually acquiring a list of investment stocks held by companies of this class, and generally in transacting the business of an investment trust. He had been uneasingly asked to explain why the intrinsic value of the shares of this Company was not adequately appreciated in the market price. He confessed that he was totally unable to explain why the shareholders should be so anxious to get rid of their shares in this Company at prices which were obviously lower than their intrinsic value, unless it be that the market had been flattened out by the Public Trustee with large sales of enemy stock held, which had indeed been the fact, and that the flatness had frightened other shareholders into selling.

After the Chairman had replied to questions, the proceedings terminated.

THE BEDE METAL AND CHEMICAL COMPANY, LIMITED, HEBBURN-ON-TYNE.

Reconstruction of Hebburn Works and Development of Mine in Norway.—Increase of Capital.

THE forty-seventh annual general meeting of the Bede Metal and Chemical Company, Limited, was held on April 24 in the Central Station Hotel, Newcastle-on-Tyne.

Sir Alfred M. Palmer, Bart. (Chairman of directors), presided, and reviewed the report of the directors and balance sheet, which he thought the shareholders would regard as very satisfactory.

The share capital remains at £114,560 and Debentures issued to bankers against overdrafts £35,000, but no overdraft at date. The gross profit for 1919 was over £35,000, of which £15,000 had been allocated to reserve account, making it £27,000, £5,000 written off for depreciation of Hebburn Works and £2,000 for the mine in Norway, leaving £14,460 to be dealt with. The directors recommended a dividend at the rate of 10% per annum, less income tax.

On the asset side the works and mine stand at £49,756, the stocks in hand £102,109, investments in War Loan £29,837, and the s.s. *Federation* is shown at the low valuation of £4,200.

The works had been kept well employed during the year, but unfortunately, had suffered considerably during the War period through the difficulty in obtaining the requisite supplies for additions and repairs, and Mr. E. C. Vigeon, who had been given a seat on the board as managing director, advised that a large expenditure must be undertaken for the purpose of replacing existing methods by up-to-date processes and to effect economies by a more extensive adoption of mechanical appliances. They had very good reports concerning the mine in Norway, and are of the opinion that it is a valuable asset, and its value will be enhanced in coming years by proper and full development, which should handsomely repay the outlay they propose to expend upon it.

Mr. J. E. Tully seconded, and the report was adopted and the dividend passed.

The appointment of Mr. E. C. Vigeon to the directorate was confirmed, and Sir Alfred M. Palmer was re-elected a director.

Necessity for New Capital.

The Secretary then read the notice convening the extraordinary general meeting.

The Chairman: Ladies and gentlemen, as the notice informs you, this extraordinary meeting is held to consider the raising of more capital, and it is a matter of importance to our future, which can only be assured by a considerable outlay for the reconstruction of the Hebburn Works. You will remember that in a speech during the War I stated that a large sum should be spent to bring them up to date and that Mr. Vigeon would undertake this work when labour and supplies were obtainable. It would take up too much of your time to go through all the technical details of the plan of reconstruction, but I will endeavour to outline our managing director's programme.

First there is the reconstruction of the waterside jetty; then the installation of mechanical equipment for transporting mineral and operating supplies from vessels at the jetty to the charging hoppers in the various departments; mechanical equipment for preparing the mineral for treatment and transporting same to the furnaces. Installing his patent apparatus for copper leaching; mechanical transportation of mineral and residues, and probably the adoption of a new system for copper precipitation. Reconstruction of the smelting and refining works with installation of mechanical appliances. Whilst doing this he will endeavour not to interfere with any of the present operations, although, ours being a continuous process, there will be some difficulty in accomplishing this. When the programme is completed Mr. Vigeon states your works will be equipped with the most modern appliances known of to-day. He has submitted further proposals for an extension of your business, which, if adopted, would make the works more efficient and self-supporting, but as other details have to be considered I do not include this with the present programme, although I wish to let you know that we are always looking into the future and striving to safeguard your interests.

I now come to the cost of this reconstruction. Your directors would have preferred to meet this out of profits, but after due consideration of the delays which would occur, we realised that the means should be obtained by increasing the Company's capital.

As the balance sheet shows, you have three assets. The works at Hebburn, the mine in Norway, and the s.s. *Federation*. The works, as explained on several occasions, have got rather out of date, and we are asking for the extra capital to bring them to a condition which Mr. Vigeon, with his world-wide experience, states will enable us to compete with any other copper company.

The mine stands in our books at £3,307, but the value of the ore reserves is greater than the capital we are asking you to subscribe. The s.s. *Federation*, which stands at only £4,200, we could sell for four or five times that amount. But I want you to clearly understand that neither I nor my colleagues are prophets. We are not going to prophesy that if you give this money we will give you a certain return or pay any dividend at all. You will not expect me to say

what the cost of labour, coal, &c., is going to be, how the men will work, what we shall have to pay for our material, or what will be the selling price of our products. I will only say that we have every confidence in the future, and we directors will take our quota of shares.

Confidence in the Future.

From the past records we have had our ups and downs. At present we are up, and I hope not only will we remain up, but will continue to go higher; but I do not want any shareholders to come afterwards and say that I held out any prospect of big dividends, although I believe they will be ample. I am satisfied in my own mind, and my colleagues who have had much experience as business men, have every confidence in the future. You have a valuable mine in Norway, managed by an efficient and experienced mining engineer, Mr. Lange, who left one of the biggest mines in Norway to come to us, and he surely would not have done this unless he were satisfied that it is a very valuable property. We did enter into negotiations for the sale of it, but the offer made was not such as in your interests we thought we could accept.

As I have said I have every confidence, and so have my colleagues, as to the future. You have a united board working together in every way, an efficient managing director, and although I say it in his presence, he could not be surpassed in energy, knowledge, and experience. You have an efficient staff both at the works and the mine, and you have Mr. Tully's firm looking after the interests of the s.s. *Federation*. All we ask is for your confidence and support to which, I think, we are somewhat entitled. I have every hope in the future of the Bede, and believe the Company's business will be remunerative, and that the shareholders will see a good return for their investment. As I have said, however, I do not wish to prophesy, you are just as able as I am to judge the future. But I have every confidence that if you give the money you will be satisfied with the results.

I have pleasure in moving the following resolution : " That the capital of the Company be increased to £299,120 by the creation of 114,560 new shares of £1 each, ranking for dividend and in all other respects *pari passu* with the existing shares of the Company." I should just say that, of course, the shares are being offered at par. They are quoted to-day at 28*s*., and you will have the power of selling your rights. Letters in accordance therewith will be sent out to you, and we think, considering everything, that the shareholders would be wise if they took up their holdings.

The proposal was duly seconded by Mr. Tulley, and carried unanimously.

UNITED PREMIER OIL AND CAKE COMPANY, LIMITED

The first ordinary general meeting of the United Premier Oil and Cake Company, Limited, was held at Winchester House, Old Broad Street, E.C., on April 30.

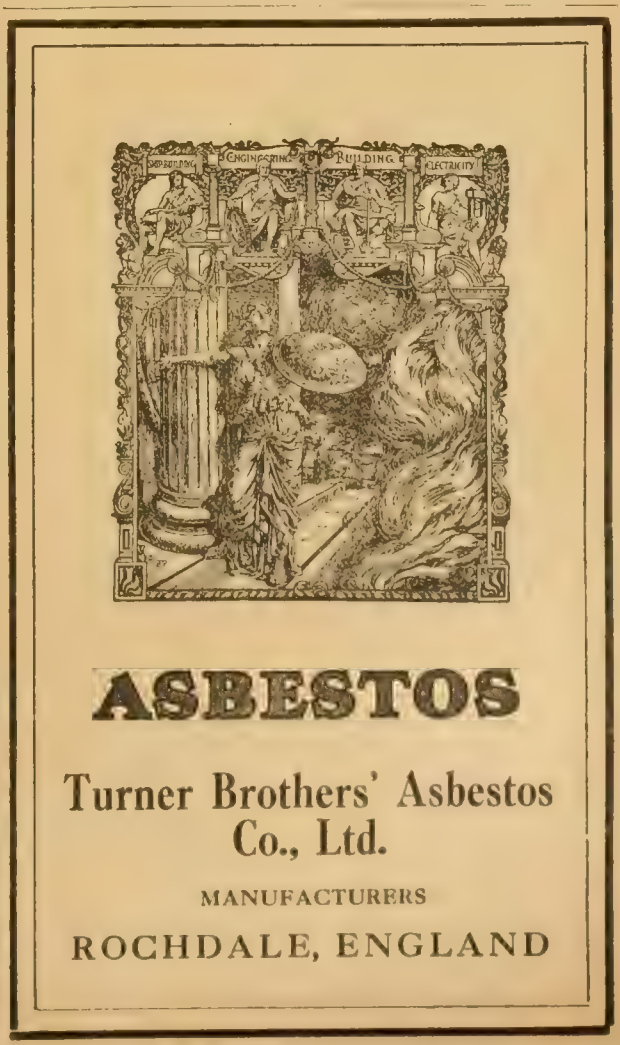
The Chairman (Mr. Herbert Guedalla, F.C.A.) said : This is the first annual meeting of the Company, and, as I informed you in August last, when we held our statutory meeting, we fixed that our financial year should end on December 31 of each year. Whilst, therefore, the balance sheet is taken as at December 31 last, the revenue account runs for a period of seven and a half months, from May 13, 1919, to that date, and I think that we are entitled to congratulate you on the results shown.

The Company's Holdings.

Before passing to the balance sheet, perhaps I should repeat my reminder at the statutory meeting that we are a holding Company. We hold practically all the capital in Wray, Sanderson and Co., J. L. Seaton and Co., Premier Oil Extracting Mills, Sowerby and Co., Ltd., and the Universal Oil Co., Ltd., whilst during the period under review we have acquired various smaller businesses which are useful as working in conjunction with our own. In accordance with our organisation all these various companies are actually managed by the members of what we term our Hull Executive, to whom every credit must be given for the excellent results achieved. Mr. John Caley is the Chairman of the Executive, and he has to assist him Mr. G. W. Ingleby, Mr. Cyril E. Kidd, Mr. Frederick Till, Mr. Arthur E. Andrew, and Mr. Terrance J. J. O'Brien, and I am sure that you will associate yourselves with me in expressing our high appreciation of not only their services, but of those of the staff which assist them.

The Accounts.

If you will turn to the balance sheet, you will note that all the capital and Debenture stock has been issued as originally contemplated. Turning to the credit side, the investments in subsidiary companies stand at a cost of £1,302,794. I referred at the last meeting to the fact that the various companies were making considerable extensions and improvements in plant, etc. These are making good progress, and I trust they will be completed at an early date. Our main object is to establish our working units on the most economical basis possible, and I am sure that, with the assistance of our able Hull Executive, we shall achieve this result, and that we shall possess mills so equipped that the working cost will compare favourably with those of similar concerns in this country. A Research Department has been established, and we hope that this will not only lead to developments in our own particular business, but also will enable us, if we think fit, to take interests in kindred businesses which utilise the material which we manufacture. Our particular trade has been passing through a prosperous period, and it is in times like these that we feel that we should be prepared to consider development in different directions where such development is, in our opinion, a legitimate extension of our business. The item represents sundry debtors, £114,764; consists for the most part of dividends declared by subsidiary companies and not received on December 31 last. As regards preliminary expenses, we have decided to write off half the amount, viz., £19,351, leaving £19,350 to be dealt with in future years. I now turn to the revenue account. This Company started operations on May 13, 1919, and therefore there is a period of approximately seven and a-half months to December 31, 1919. We purchased the shares of the various undertakings on the basis that we were to pay interest on the purchase consideration in lieu of dividends accrued, and therefore this interest has to be deducted from the dividends paid to us by the subsidiary companies for the period under review. After making this adjustment, the net result is that we have received £246,726 in respect of income, but, as stated in the report, the actual earnings of the subsidiary companies largely exceeded the amounts so distributed. We prefer that in this period of our existence a conservative policy should be adopted, especially having regard to the fact that we are embarking on the extensions to which I have referred above. After deducting general expenses, directors' fees, and a large charge for income tax, there remains, as stated in the report, an amount of £181,456 to be dealt with. Interest on the Debenture stock for the period absorbed £12,657, and, as I have already stated, we decided to write £19,351 off preliminary expenses. Deducting these sums, there remains an amount of £149,447 to be carried to the balance sheet. The dividend on our Preference shares to December 31 last amounted to £20,985, and on December 15 last we paid an interim dividend of 5%, free of income tax, on the Ordinary shares, which represented an amount of £35,714. After payment of these dividends there is an undivided balance of £92,748. We recommend a final dividend of 5%, or 1*s*. per share, free of income tax, to be paid on May 15th next, and, as pointed out in the report, the Ordinary shareholders will, by means of these two dividends, have received a return of approximately 23% per annum. After this payment there will remain an amount of £67,748 to be carried forward, subject to the percentage of profits due to the directors under the articles of association. Whilst on this subject I might point out that, as the revenue of this Company is derived from the subsidiary



undertakings, of the affairs of which naturally your directors have an intimate knowledge, there might be a temptation to make the dividends from these subsidiary companies as large as possible for the purpose of increasing the amount represented by this percentage. We devote a great deal of time to the interests of the Company, whilst some of us are also very large shareholders, and I think you will agree that we have adopted the right course for this financial period by leaving substantial profits to be carried forward by the subsidiary companies, whilst our Company, after payment of everything, including the final dividend, will have about £60,000 to carry forward into the present financial year. This amount roughly represents a whole year's Debenture interest and Preference dividend, so that we start this year in a very comfortable position.

Further Capital.

I now come to what perhaps is the most important announcement in the report, and that is our decision to provide more capital by the issue of the unissued 250,000 Ordinary shares at the price of 25*s.* each in the proportion of one share for every two shares held by each Ordinary shareholder. When this Company was formed the subsidiary companies possessed a net working capital of about £480,000. Since that date, as in all other industries, the price of raw material and other expenditure has risen considerably. Whilst our bank has been only too willing to help us from time to time for the purpose of trading, it is obviously not fair to ask for advances for what may be termed fixed capital expenditure, and we therefore decided that we must raise more capital by the issue of these Ordinary shares. The question of price at which the issue should be made has been the subject of discussion with some of our chief shareholders, and we trust that we have made an even balance between the interests of the Company and the interests of the shareholders in this matter. To ensure the success of the issue in these difficult times we have deemed it necessary to have the issue guaranteed for a consideration of 1*s.* per share by the Imperial and Foreign Corporation, Limited, and this amount has again been sub-guaranteed with various parties. The Company will thus receive a net amount of 24*s.* a share, so that we shall get an amount of £300,000 in all, and shall possess a premium reserve account of £50,000. The receipt of this amount of money will put the Company in a very strong position, and will, I trust, enable us to effect the economies which we are aiming at. I might add that the new shares, when fully paid, will rank *pari passu* with our present Ordinary shares as from January 1 last in respect of all dividends declared subsequent to the final dividend which we are declaring to-day.

The management of a business of this character is rendered very difficult and complicated in these times by the vagaries of those who have charge of the Government finance. (Hear, hear.) A few weeks ago business men were entitled to believe that, whatever form new taxation took, the excess profits duty would be removed, and it was impossible to anticipate that such a supreme blunder should be made as not only not to find some method of removing this check to industry, but also actually to increase it. On the one hand, we have the Government crying out for increase of production and the lowering of the prices of commodities, and on the other we have the Government increasing the very tax which is the root of evil of both these problems. (Hear, hear.) Now, we do not even know how long this tax will last, and this fact makes it almost impossible to legislate in a reasonable and logical manner for the future of a business such as that of this Company. Thus is progress impeded at the very time when it should be most encouraged. There is no doubt but that the flat tax recommended by leaders of industry would have enabled us all to know where we were and would have removed this uncertainty which is such a ban on the business world. Personally, when I look round the industrials with which I am intimately associated, I am an optimist as to the future. I have never known trade to be better in all directions, and this must continue for some years unless all enterprise is killed by pursuing this form of taxation. (Hear, hear.) With regard to our own particular Company, when we determined on the new issue of capital we based our calculations on two factors—viz., that we could retain 9% on the new capital employed, and that 40% of the new profits arising from that employment would be paid over to the Government. I do not think that, having regard to our conservative distribution of profits, the rise from 40% to 60% will affect distributions in the future, but we are hardly encouraged to pursue further our legitimate object of obtaining a larger and more economical production when we feel that the greater portion of the results of our thought and work are simply handed over to the Government to be expended on any scheme which they think it right to undertake. I am really at a loss to understand why it should be deemed necessary at the present time to start the redemption of the national debt on a large scale. The trade of the country has received a severe shock and should be allowed to recuperate first, and the wealth of the nation will grow again by leaps and bounds, so that I venture to think that it will not be so many years hence before the total national debt will not be so out of proportion to the credit of a nation possessing such assets as those of the British Empire.

The report was unanimously adopted.

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Bankers to the New Zealand Government.

CAPITAL.

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PAID UP.

Four per Cent. 1934 Guaranteed Stock ..	**£529,988**
Preference Shares issued to N.Z. Government ..	**750,000**
Ordinary Shares, £6 13s. 4d. each, * £3 6s. 8d. paid up	**500,000**
* Final call of £3 6s. 8d. due 1/4/20 makes these shares fully paid.	
Ordinary Shares, £6 13s. 4d. each, fully paid	**500,000**
Reserve Fund and Undivided Profits	**£2,496,224**

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ALEXANDER KAY, Manager.

HONGKONG AND SHANGHAI BANKING CORPORATION.

CAPITAL, all paid up	$15,000,000
STERLING RESERVE, held in London at Exchange of 2*s.* per $ =£1,500,000	$15,000,000
SILVER RESERVE ...	23,000,000
	$38,000,000
RESERVE LIABILITY OF PROPRIETORS	$15,000,000

Head Office—HONGKONG.

Chief Manager—N. J. STABB.

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9 Gracechurch Street, London, E.C.

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Paid up, £1,100,000. **Uncalled, £3,900,000.**

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T. M. R. ARMSTRONG, *Manager and Secretary.*

REFUGE ASSURANCE COMPANY LIMITED.

Chief Office: OXFORD STREET, MANCHESTER.

For the year ending December 31st, 1919.

Annual Income Exceeds - £5,400,000
Assets Exceed - - - - £17,300,000
Claims Paid Exceed - - - £30,000,000

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(Established 1866).

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The Statist.

LONDON, SATURDAY, MAY 8, 1920.

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The Money Market.

Friday, May 7, 1920.

	Current Rate % Fixed		Previous Rate % Fixed	
Bank of England Rate...	**7**	(April 15, '20)	**6**	(Nov. 6, '19)
Deposit Rates :—				
Banks & Discnt. Ho. (Call)	5	(Apr. 15, '20)	4†	(Nov. 6, '19)
Discount Houses (Notice)...	5¼	(Apr. 15, 20)	4¼	(Nov. 6, '19)

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.

† Foreign and Colonial banks give Special Rates only upon deposits for a year

Discount Rates :—	60 Days. %	3 Mos. %	4 Mos. %	6 Mos. %
Treasury Bills ...	—	6⅝	—	—
Bank Bills —	6⅝	6 11/16 – ¾	6 13/16 – 7/8	6⅞
Trade Bills ...	—	7	7¼	7⅛

THIS was an exceptionally busy week in the Money market, Tuesday, indeed, being the busiest day for six months. The total clearings for the week to Wednesday reached 900 millions, which constitutes a new high "record." Over the week-end and up to Tuesday afternoon conditions were fairly comfortable, supplies of floating credits being ample for all requirements. Late on Tuesday, however, a strong demand set in, afternoon balances being frequently placed at 4½%, and on Wednesday and Thursday also the tone remained distinctly firmer, up to 5% being paid for overnight money. The ruling rate for day-to-day money was 5%. Owing to smaller offerings of bills in the Discount market, rates were inclined to ease off on Monday and Tuesday, but latterly, with the firmer tone prevailing in the Short Loan market, the tendency became firmer again. Treasury bills were in good request. June bills were dealt in at 5⅝%. July paper commanded 6⅛ to 6¼%, and full six months maturities were quoted 6¾ to 6⅞%.

A steady improvement in francs was a feature of the Foreign Exchange market. To-day's quotation for

Paris cheques was 63.15, and for Brussels 58.35. The lira hardened to 78.50. The Swiss rate moved against us. Spain was irregular. German marks rallied further to 203. Finnish marks were steady. Of neutrals, Stockholm and Christiania moved in our favour. The New York rate was again irregular, on Tuesday it rose to 3.87, but declined to 3.84 on Thursday. To-day it was firmer again at 3.87. Of the South American group the Buenos Ayres rate fell to 60 on Tuesday but was quoted higher to-day at about 60⅜. Montevideo moved favourably. The Shanghai tael was weaker on account of the break in silver, and by Thursday had lapsed to 6*s.* 3*d.* Hong-Kong and Calcutta moved in our favour. The yen was steady.

A further expansion of 5.7 millions is shown in the outstanding Currency Notes Return for the week ending May 5. The amount of fresh issues of notes was 10.6 millions—the largest since the last week of the financial year just passed. The reserve ratio remains unchanged at 10.4% in consequence of an addition of a further amount of £600,000 Bank of England notes to the currency note redemption account. The fiduciary issue now stands at 307.4 millions—the largest since the first week of this year.

Revenue for the week ended May 1 totalled 24.4 millions, as against 23.9 millions for the previous week and 14.9 millions for the corresponding week last year. Excess profits duties and miscellaneous receipts were higher on the week, while Customs and Excise and income-tax receipts were lower. Expenditure was 21.9 millions, as compared with 41.1 millions for the corresponding week last year. Treasury-bill receipts were 71.2 millions, falling short of maturities by 2.7 millions. Of the revenue, 2.8 millions were received in the form of War Loans, Exchequer Bonds, &c., as authorised by Section 34 of the Finance Act, 1917, which of course involved an Exchequer issue of a corresponding amount. Besides these debt reductions, 3.1 millions of Ways and Means Advances from public departments were pressed for liquidation. Thus the unsatisfactory result was brought about of a further borrowing to the extent of seven millions on Ways and Means Advances from the Bank of England. On balance the floating debt was increased by £884,000. As is only to be expected, considering the present high rates of interest, receipts for War Savings Certificates totalled only £100,000 during the week.

BANK OF ENGLAND.

A RATIO of 14.5% of the reserve to liabilities constitutes the salient feature of the Bank return this week. With the exception of the opening week of the year, when a ratio of 12.2% was recorded, this is the lowest level attained since the dawn of 1920. There has been no increase in the amount of the liabilities. On the contrary, they are actually less; they do not exceed £137,194,000, as compared with £140,410,000 last week. This improvement is due to the fact that, whilst public deposits were increased by £2,747,000 to £20,650,000, other deposits were depleted to the extent of £5,962,000. The reduction in the ratio is explained entirely by the decline in the amount of the reserve, which stands at £19,854,000, as against £23,084,000 last week. For this reduction the expansion of the note circulation was responsible. During the week it increased by no less than £3,232,000, and the effect of this efflux of notes was practically undisturbed by the trifling addition of £2,000, which increased the total bullion to £112,520,000. It is of interest to note in passing that this increase in the note circulation coincides with a further expansion in the issue of currency notes, of which during the week an excess issue of over £5,600,000 was made. It was, indeed, to keep up the spirit of the Cunliffe Committee that of the increased issue of the Bank-notes £600,000 went to the currency note redemption account as a covering for the new issue. It would be gratifying if it could be recorded that this joint expansion in currency notes and Bank-notes was in response to trade demands; but so far evidence is lacking to explain the reason for this movement. Whilst this provides the less pleasing aspect of the current Bank return, it is well to be able to find consolation in the fact that Government securities during the week were reduced by £4,495,000, indicating a satisfactory reduction in the amount due on Ways and Means Advances. On the other hand, the market was obliged to increase its indebtedness to the Bank by £4,527,000, thereby raising the total of other securities to £79,691,000.

NEW YORK.

A FURTHER decline of $38.3 million in demand deposits is shown in the average weekly statement of the New York City Banks and Trust Companies issued on the 1st inst. Loans, discounts, investments, &c., following last week's increase of 10.7 millions, show a decline this week of 40.6 millions. Thus reserve requirements were 4.9 millions lower than on the previous week, but since the aggregate reserve was 6.4 millions lower, the average excess reserve was, in consequence, 1.5 millions down at 26 millions. The actual excess reserve on the 1st inst., however, was stronger at 30.8 millions.

A very disappointing return is issued this week by the 12 Federal Reserve Banks, and it illustrates in striking fashion the difficulties that the Federal Reserve Board has to contend with at present. The ratio of reserves to total net deposit and Federal Reserve note liability combined has declined to 42.4%, which is lower than any hitherto reported. The average ratio for January was 44.7%, for February 43.1%, for March 42.8%, and for April 43.1%. The average ratios for the corresponding months of 1919 were:—January 54.7%, February 52.2%, March 51.6%, and April 51.9%. The previous low record was for the week ending March 13, when the ratio was 42.5%. The cause of this week's decline was a depletion of the gold reserves to the extent of 12.97 millions combined with an expansion in deposits amounting to 44½ millions and in the Federal Reserve note circulation amounting to 2.8 millions. This latter now stands at 3,074.6 millions, which is the highest hitherto reported, with the exception of the first fortnight of April. Rediscounts show an increase of 56.9 millions on the week, and the total of member banks' bills now held is 2,535 millions, which constitutes a new high "record." The week's loss in gold was chiefly from the New York Reserve Centre, whose reserve ratio has again fallen below the legal minimum.

At the end of last week as high as 15% was paid for call loans, but an improvement has since occurred, the rate ruling at about 8%, though, of course, the

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easier tendency is not expected to last. The policy pursued by the Federal Reserve Board of restricting creations of credit and currency circulation in the hope of reducing prices is evoking sharp criticism in business circles and becoming increasingly unpopular. It is but inevitable that this should be so, for credits are as necessary to industry as oil to machinery, and a great deal of friction is occasioned by a curtailment of credit supplies. The Kansas City Reserve Centre, according to a cable issued by the Guaranty Trust Company of New York, is discriminating in the matter of credit extensions, particularly against the passenger automobile industry, which it holds to be non-essential. It can readily be conceived how a policy which admits such a line of action is reacting on production, and in these circumstances it is not surprising to find business interests talking of a panic. The Federal Reserve Board, they say, is starting at the wrong end in its efforts to reduce prices. What is wanted is, not that credit and currency should be reduced, but that every encouragement should be given to production. This is to a certain extent true, but the only alternative to the present policy of the Board would be to reimpose the embargo on the export of gold and restrict dealings in that metal. But this would react unfavourably on the exchanges with South America, Spain, and India and China, from which countries the United States imports heavily, and by thus making such imports more costly would raise the price of many raw materials as well as finished products.

Meanwhile, there is a growing tendency among consumers to anticipate the slow working out of economic laws by refusing to pay the high prices asked for many commodities, and this policy has not been without results up to the present.

BULLION.

The weakness of the Silver market still continues, to-day's quotations being 60*d*. per oz. spot and 59¼*d*. per oz. forward, against 64½*d*. and 63*d*. respectively a week ago. At these quotations, it will be noted, there is no profit to be made from the melting and selling of our silver coins.

The declining quotations are due to the withdrawal of the Chinese support from the market. Practically the only buyer at present is India. Increased production of the metal and increased offerings of melted coins from the Continent and from New York are also playing their part in reducing prices. It is to be expected, however, that the falling prices will very soon check the volume of supplies in the market, in which case, with China as a possible buyer, and with a continuance of the Indian demand, a reaction would set in.

For the eight months ending February 1920 imports of silver into the United States were 68.1 million dollars, and the exports 137.4 millions—an excess of exports of 69.3 millions.

The price of gold fluctuated nominally with the movements in the New York exchange. To-day's quotation is 108*s*. per oz. fine. India, the Cape, and the Straits Settlements were the buyers.

Stock Exchange.

Although the volume of transactions made a poor showing again this week, there was a distinct improvement in the tone of the Stock markets. Apparently all that is wanted is a lead of some sort for prices to start an upward movement once more. The stronger showing of the Continental exchanges did a little to inspire confidence, while the news concerning the Mexican disorder and the French labour troubles had no appreciable effect. At the same time it must be noted that the E.P.D. prospects are rather disquieting. As far as can be gathered three alternatives are now on the *tapis*:—A 60% excess profits duty, possibly with some discrimination in favour of new companies and those with a low pre-War standard of profits; or a levy on war increases of wealth; or a flat-rate profits tax of between 5*s*. and 7*s*. 6*d*. in the pound. All three of the proposals are, of course, distasteful to the interests affected, but, though there is every ground for believing that the country is this year attempting to shoulder a burden of taxation greater than it can bear, the Chancellor is determined to have the money somehow, having apparently turned a deaf ear to the persistent demand of the country for Governmental economy. We had thought that the present issue of Treasury bonds, were it fairly successful, would obviate the necessity of anything in the nature of a capital levy, but the Chancellor seems fixed on the idea of wiping off as much debt as possible while the pound sterling is depreciated as at present, and of the three alternatives mentioned above it is to be feared that he inclines most favourably to the proposal to make a levy on war increases of wealth. At any rate, until the present uncertainty is removed and business interests know exactly what form taxation is going to take, movements in the Stock markets cannot but be spasmodic.

An important decision, and one not without considerable interest to the Stock markets, was made on Tuesday in the Court of Appeal, when the judgment of Mr. Justice Rowlatt was upheld providing that bonus shares were not to be treated as income, and were therefore not subject to super-tax. As a result it is to be expected that issues of bonus shares will become more frequent in the future. It will be remembered that a similar decision made recently in the United States Supreme Court was promptly turned into a "bull" point in Wall Street.

The Gilt-edged market was decidedly firm during the week, and prices generally improved. The Funding Loan and Victory Bonds showed marked strength, but eased off latterly. War Bonds were bought up for the advantage they carry of being tendered in payment of Excess Profits Duties. War Loan Fives declined at first, but came into demand towards the end. Beginning and end of the week quotations were respectively: Funding Loan 69¾ and 70¼, Victory Bonds 77¾ and 79, Local Loans 51 and 52¼, Five per Cent. War Loan 83⅞xd. and 84½xd., Consols 47¼ and 48, L.C.C.

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Threes and-a-Halfs 58 and 58¾. India Threes 47¾ and 49¾. Colonials were steady. A message from Sydney dated May 4 states that the New South Wales Government is floating a local loan of £2,000,000, to bear interest at 5½%, free of tax, and to be redeemed in five years.

The tendency in the Foreign market was towards lower prices, but, with the improved position of the franc, French War Loan Fives were marked up to 43½.

Home Rails were less neglected than of late, and many price improvements took place. Yesterday, however, the Heavies began to shed some of their former gains. Midland Deferred closed at 53¼, and the Preferred at 35. Great Easterns finished at 31¼. Quotations for North Easterns were 88, for Great Westerns 83¼, for Great Northerns Deferred 30½ and for Lancashire and Yorkshires 59.

The Foreign Rail market was irregular, but Argentine descriptions on the whole made a good showing, although business was not on a large scale. Some closing quotations were: Buenos Ayres Great Southerns 76¾, Buenos Ayres Westerns 77¼, Buenos Ayres and Pacifics 62¾, Central Argentines 68½, Entre Rios Ordinary 40, Leopoldinas 39½. United of Havana Ordinary rose from 83½xd to 86xd. Last week's traffic receipts for this railway reached the high "record" of £110,283. Guayaquil and Quito Mortgage Bonds were marked up to 42 on Tuesday, but closed lower last evening at 37½.

There was no sign of a renewal of the recent liquidation in the Industrial market this week, but with business on an extremely small scale the market cannot be said to have been in a cheerful condition. The general trend of prices was downward, but movements were unimportant. Good features, however, were again in evidence. Dunlop Rubbers recovered well at first but wavered subsequently, closing finally at 8 1/32. British Oil and Cake Mills were firmer at 56*s.* 3*d.*; dealings in them were numerous, and price fluctuations were rapid. Textiles were steady—Fine Cotton Spinners closed at 5¾ and Amalgamated Cotton Mill Trusts at 1⅝. Shipping securities were dull, as were also Iron and Steel shares, but Guest Keens were bid up to 2¼ and Bengal Irons were active, closing at 3⅛. Marconis were unsteady. There was a good inquiry for Imperial Continental Gas after the meeting, and the shares changed hands last evening at 138. Textiles were again neglected.

Though the Oil market opened the week in a dispirited condition, further interesting rumours in connection with the Shell group were not long in arousing attention. These rumours, which were circulated with more assurance this week, were to the effect that the Government, presumably as a result of the San Remo discussion concerning oil supplies for France and Italy, were favourably considering the question of acquiring a controlling interest in the Royal Dutch-Shell combine. It is well known that on account of the universal shortage of coal, of the rapid increase of motor traffic, and of the development of oil as a motive power, there is likely to be a pronounced shortage of oil in the future. Under these circumstances it is thought that the reason for such a move on the part of the Government would be a desire to secure adequate oil resources for the British Empire. The result on the Share market was a considerable volume of buying of Shells and Royal Dutch.

On the whole it can be said that the forced liquidation of Oil shares during the last few weeks in no wise reflected the encouraging future before the oil industry, and all the signs indicate that this liquidation has reached its end.

The quotations at the beginning and end of the week for some of the leaders were: Shells, 10¼ and 11⅛ respectively; Royal Dutch, 86 and 90½; Mexican Eagles Common, 9⅝ and 10; Mexican Eagles Preferred, 9 and 9⅛; Tankers (10*s.* paid), 1*s.* discount and 4½ dis.; Burmas, 17 and 17½.

Mining Topics.

Amidst a series of conflicting influences the market opened dull and lifeless. A feeling of general uncertainty as regards the immediate future in conjunction with a South African exchange rate of 8% discounted any favourable effect that might have resulted from an improvement in the French exchange and a rise in the price of gold. Throughout the week gold shares remained dull but steady. The one hopeful feature of the market was supplied by the demand for land shares. From the opening Mozambiques began to move up, under the support of Paris buying on Portuguese account, it was said. Attention was next directed to Chartered and T.C.L., and the rumour went round that French capital was being supplied for the production of sugar in Mozambique. Anyway, these three counters continued to move up. Chartered finished at 18*s.* 7½*d.* on Wednesday, and T.C.L. closed strongly at 1¼, whilst Tuesday found Mozambiques in favour at 1⅜. Then the inevitable reaction set in, leaving Mozambiques at 1⅛ on Thursday, whilst Chartered closed at 18*s.* and T.C.L. 1⅛. The heavy relapse in the price of tin from £343 on Tuesday to £307½ on Thursday left tin shares dull, though there was no undue tendency towards liquidation.

Reports from the mines covering operations for the quarter ended March 31, 1920, are pouring in. A feature common to all is the increase in the working costs, due to the retrospective adjustment of white wages made in February, the increase being entirely debited to the current operations, although some two-thirds of it actually belonged to the previous period. In the case of Crown Mines this adjustment involved a charge of £19,880. Yet this did not prevent Crown Mines from recording a gross profit of £224,292 for the quarter. With some mines, however, the effect of this increased expenditure was more marked. Thus Village Deep, which reports an increased outlay due to this adjustment of £6,662, has a gross profit of only £2,451, whereas, if the quarter were only debited with its right proportion of this increased cost, the gross profit would have exceeded £6,850. Similarly, Geldenhuis Deep, which is left with a gross profit of only £2,282, has had to meet an increased outlay of £7,154. Yet another feature of all these reports is the advance in the realisation charges, due to advance in the exchange rate fixed by the South African banks. Thus it appears that in January, when the gold was calculated at £5 7*s.* 6*d.* per ounce, realisation charges amounted to 1*s.* per ounce, whereas in March, when gold was calculated only at £5 5*s.* per ounce, realisation charges had risen to 6*s.* 3*d.* per ounce. A gross profit of £388,715 is recorded by New Modderfontein, of £173,816 by Modderfontein B, of £118,491 by City Deep, of £35,196 by Consolidated Main Reef Mines, of £19,563 by Nourse Mines, and of £8,680 by Knight Central. From Modderfontein East comes the confirmation of the good news of the prospects of this mine, which had already been published. The first results of the milling operations will be published at the end of this month. Meanwhile, shareholders can rest content with the gratifying statement that the ore reserves amount to 1,552,700 tons, averaging 7.6 dwt. over a stoping width of 55 inches.

NEW HERIOT.

It cannot be said that shareholders did not expect the situation revealed in the report of this old mining Company for the year ended December 31, 1919. For some years past it has been common knowledge that the mine was rapidly approaching exhaustion. No other conclusion was conceivable in the light of the

persistent decline in the ore reserves, especially since 1916, and the gradual reduction in the quantity of ore crushed. The financial results of the working operations for the year under review and a comparison with those of previous years are furnished in the following table:—

Year to Dec. 31	1919	1918	1917
Tons milled ...	154,390	157,500	155,800
	£	£	£
Gross revenue ...	180,041*	189,728	256,779
Per ton	26/9½*	27/7	32/11½
Expenses ...	190,677	190,294	183,509
Per ton ...	28/4½	27/8	23/6½
Mine profit ...	10,636*†	566†	73,270
Per ton ...	1/7*†	0/1†	9/4½
Sundry net receipts	17,229‡	720	720
	6,593	154	73,990
	£	£	£
Government taxes, &c.	—	121	11,129
Phthisis, etc. ...	1,101	550	1,039
Dividends ...	—	—	63,250 55%
	1,101	671	75,418
Surplus and Deficit	Surp. 5,492	Def. 517	Def. 1,428
Balance brought forward ...	118,616	119,132	120,560
Balance carried forward ...	124,108	118,615	119,132

* Excluding premium on gold. † Loss. ‡ Including £16,612 in respect of premium on gold.

Calculating gold at par value in order to make an effective comparison with the earlier years, it is seen that on the working of the year there was an actual loss of £10,636, as compared with a nominal loss of £566 in 1918 and a profit of £73,270 in 1917. It is freely admitted that this all-round retrogression was caused by circumstances outside the control of the administrative staff. Thus the falling-off in the quantity of ore milled was due to such factors as the inability to secure an adequate supply of native labour for the first half of the year, and the derailment in August of a skip in the shaft, which resulted in a loss of £3,054. Moreover, the normal feature of a mine nearing exhaustion was reflected in the poorer grade of the ore milled, the yield per ton being only 6.53 dwt. in 1919, as against 6.89 dwt. in 1918. The situation was rendered more acute by the constant rise in the working costs, not merely in wages, but also in the prices of stores and materials. The fact that an actual working loss did not become a greater net loss was due entirely to an extraneous circumstance—to wit, the premium on gold. This was secured by the Company for its output only during the last five months of the year under review. For accounting purposes it is calculated at the conservative rate of 21% and amounted to £16,612. With the aid of sundry small receipts this windfall converted the working loss of £10,636 into a profit of £6,593, which after discharging the liability incurred under the Miners' Phthisis Act and £1,000 in respect of ore purchased from Nourse Mines left a net profit of £5,492. In view of the adverse circumstances of the year and the condition of affairs in general no dividends were declared, and a balance of £124,108 was carried forward to the next accounts.

"The prospects for the mine during the current year are uncertain." Such is the admission of the Consulting Engineer, with which, let us add, we are in thorough agreement. The development footage during the year under review amounted to 532 feet. In quality, however, it was by no means encouraging, exposing very little payable ore. "The position today is," runs the report, "that there remains only a negligible amount of block ground unproved, and that all payable ground is immediately available." The fact remains that the development of the mine is to all intents and purposes complete. No less critical is the position of the ore reserves. On December 31, 1918, they were returned at 233,420 tons of an average value of 7.12 dwt., representing a decrease of 111,560 tons as compared with 1917, the value remaining unchanged. In estimating the ore reserves on December 31, 1919, a certain degree of difficulty is experienced, partially because of the upward tendency of working costs, and partially because of the uncertainty regarding the premium on gold. It is stated, however, that the ore developed and immediately available from 4.5 dwt. and upwards amounted to 167,580 tons averaging 6.6 dwt. with an average stope width of 48 inches. Ore at present unavailable is contained in the boundary pillars to the extent of 14,500 tons, averaging 6.7 dwt. Areas still undeveloped are estimated to contain 19,000 tons of 6.3 dwt. in value; whilst stope pillars and isolated blocks of ground are believed to hold 39,500 tons averaging 4.5 dwt. Thus it can be seen that there has been a remarkable reduction not only in the quantity but also in the grade of the ore. Were it not for the gold premium it is at once evident that the payable ore reserve would have been much smaller still. Of the readily available ore, if we deduct the quantity of less value on an average than 5 dwt., we are left with only 132,171 tons—a quantity less than the amount of ore milled in the year under review. It is well to bear in mind also that whilst the management are determined to keep expenditure as low as possible during the current year, their task will be one of much difficulty in view of the rising prices of stores and materials and the progressive advances in wages. And whilst the premium on gold has exceeded 40% in the early portion of 1920, it is manifesting a tendency now to oscillate between 20% and 30%, with a bias in favour of the lower level. Hence it is not wise to look to this exterior factor to compensate entirely for any increase due to the other causes. At the same time it must be recollected that the balance sheet shows that on December 31, 1919, liquid assets amounting to £46,462 were available for the discharge of sundry liabilities not exceeding £18,194. In the market the £1 shares are quoted at 5s., at which price shareholders would do well to retain their holdings.

CITY AND SUBURBAN.

Year to Dec. 31	Ore Milled Tons	Gold Yield per Ton	Working Costs per Ton	Working Profit— £	Working Profit— Per Ton	Total Profit £	Dividends— Amount £	Dividends— %
1916 ...	326,108	36/11	22/3½	238,545	14/7½	240,329	170,000	12½
1917 ...	306,450	34/4½	24/0	159,472	10/4½	161,185	136,000	10
1918 ...	248,730	33/6½	29/8½	47,407	3/9½	49,639	25,500	1½
1919 ...	220,068	34/4	34/6½	2,322*	—/2½	1,015*	—	—

* Loss.

At the general meeting of this Natal gold-mining Company, at which the accounts for 1918 came up for consideration, the Chairman expressed the belief that, granted an adequate labour supply, the Company would be in a position to pay a more satisfactory dividend for 1919. The report of operations for the year ended December 31, 1919, shows, however, that no dividends will be paid in respect of the financial year in question. The figures embodied in the table above, giving the results of the year's working, are not of such a nature as to warrant a dividend declaration. The further reduction in the quantity of ore milled to 220,068 tons is the outcome of a series of unfortunate circumstances. To begin with, the supply of native labour was not only not adequate, but even fell below the meagre level of 1918, the average number of boys engaged reaching only 2,086, as compared with 2,107 in 1918 and 2,720 in 1916. But it was shaft trouble that was mainly responsible for the reduced tonnage milled. Between January and August inclusive, persistent earth tremors damaged the shaft and caused a compulsory cessation of hoisting from the lower levels until costly repairs were effected. To quote the Consulting Engineer:—"This shaft trouble was threefold in its effect: it reduced the tonnage milled, it cut off the high-grade area of the mine, and it necessitated heavy expenditure on shaft maintenance." A measure of the loss incurred in the latter direction is supplied by the fact that this work involved an outlay of £26,640 in the year under review, as compared with £16,000 during 1918. Working costs consequently were much higher, and were still further increased by the rising prices of stores and materials, as well as of labour. As compared with 29s. 8½d. per ton in 1918, they reached 34s. 6½d. in the year under review. This increase of 4s. 10d. per ton represented nearly one

equivalent to 1*s.* 7*d.* per ton for white wages, 1*s.* 2*d.* per ton for native wages, 1*s.* 5*d.* per ton for stores and materials, and 8*d.* per ton for sundry items. It will be seen that the gold revenue per ton is given as 34*s.* 4*d.*, thus indicating a net working loss of £2,322, and, after taking sundry revenue into account, a final loss of £1,015 on the year's working. The position would have been radically worse in the absence of the premium on gold; for, calculating gold at par value as in previous years, the actual revenue per ton only worked out at 31*s.* 2*d.*, which meant a working loss of £37,016. Allowing, however, for a premium of 21% on an average for gold produced after the middle of July, this loss is brought down to £2,322. It appears that this was a conservative estimate of the gold premium, for a subsequent announcement has been made by the Chamber of Mines to the effect that the amount earned in respect of the gold premium for the year under review will be at least £5,000 in excess of the estimated figure of £34,695. The final result will be, therefore, to replace a loss of £1,015 by a profit of £3,885, which after meeting sundry charges in respect of Miners' Phthisis Act and taxes will leave a net profit of £2,150 odd on the working of the year.

The outlook for the current year is none too bright. It will be remembered that towards the end of January there was another accident in the main incline shaft with a fall of rock between the 31st and 32nd levels. This occurred just as a previous fall of rock on January 11 had been remedied. The effect was imprinted in the January returns with a decline in the tonnage milled of 5,974 tons as compared with December 1919, and a corresponding increase in the working costs, whilst an extra expenditure of £1,825 was incurred on the shaft. This restriction of working operations to the lower grade ore of the upper levels is anticipated to cause a working loss also in February and March. Development work during the year under review reached a total of 1,956 feet, of which 1,207 feet were in reef formation. Reef disclosures included ore averaging 31.9 dwt. for a width of 15 inches for 100 feet sampled on the South Reef, and ore of 25.7 dwt. with a width of 16 inches for 1,077 feet on the Main Reef Leader. Fluctuations in the gold premium render it difficult to provide an accurate estimate of the ore reserves. However, the block ground developed is said to contain 209,100 tons averaging 7.9 dwt. in the Leader and 79,700 tons of 7.3 dwt. on an average in the South Reef. Of this quantity some 63,000 tons are at present unavailable. But in addition the Main Reef is estimated to contain a developed tonnage of 233,000 tons of an average value of 5.2 dwt., and undeveloped areas to contain some 80,000 tons averaging 9 dwt. The financial position as disclosed in the balance sheet on December 31, 1919, is favourable, revealing liquid assets exceeding £112,453 to meet liabilities amounting to £79,823. Considering the short life which this old mine now has and the difficulties it has had to face during the year under review and at present, it is not surprising to find the £4 shares quoted as low as 6*s.* 3*d.* Probably these were the factors, too, that determined the directors to accept an offer for the mine and plant of 45,000 City Deep shares, the Company retaining township, stores, gold in plant on clean-up, cash, &c. The offer on the whole appears to be very reasonable, and will in all probability meet with the approval of the bulk of the shareholders.

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F. C. SALTER, *European Traffic Manager.*

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, May 5, 1920.

Issue Department.

Notes Issued	£130,438,050	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	111,988,050
	£130,438,050		£130,438,050

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£55,309,621
Rest	3,107,983	Other Securities	79,690,577
Public Deposits	20,649,578	Notes	19,322,235
Other Deposits	116,516,229	Gold and Silver Coin	532,167
Seven-day and other Bills	27,810		
	£154,854,600		£154,854,600

Comparison with Previous Four Weeks [00,000's omitted.]

Date 1920.	Circulation	Coin and Bullion	Deposits: Public	Deposits: Other	Securities: Govt.	Securities: Other	Reserve	Ratio Reserve to Liabilities	Bank Rate *	Three Months' Bills
	£	£	£	£	£	£	£	%	%	%
May 5	111,1	112,5	20,6	116,5	55,3	79,6	19,8	14·5	7	6⅜
Apr. 28	107,8	112,5	17,9	122,4	59,8	75,1	23,1	16·4	7	6⅛
Apr. 21	105,9	112,4	20,0	124,2	57,4	79,8	24,9	17·3	7	6⅛
Apr. 14	106,0	112,4	19,3	122,8	55,1	79,8	24,8	17·5	7	6⅛
Apr. 7	106,8	112,1	24,9	133,7	59,0	93,5	23,8	15·0	6	5⅞
J'y22,'14	29,3	40,2	13,7	42,2	11,0	33,6	29,3	52·40	3	2⅝

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 6%; Aug. 8, 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; Apr. 5, 5%; Nov. 6, 1919, 6%; Apr. 15, 1920, 7%.

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (in £'s sterling 00,000's omitted):	May 7, 1920	May 7, 1919	May 8, 1918	May 9, 1917	May 6, 1910
Circulation	£111,1	£76·8	£49.7	£38.7	£28.6
Public Deposits	20.6	23.7	37.6	54.2	10.3
Other Deposits	116.5	115.2	128.1	113.4	44.1
Government Securities	55.3	49.4	55.9	45.0	13.8
Other Securities	79.6	79.5	97.4	111.5	29.7
Reserve	19.8	27.6	30.1	34.7	28.7
Ratio to Liabilities	14·5%	9·87%	19·18%	20·02%	52·68%
Coin and Bullion	112.5	85.9	61.4	55.0	38.9
Money:					
Bank of England Rate	7%	5%	5%	5%	4%
Bank of France Rate	6%	5%	5%	5%	3%
Rate 3 months' Bills London	6⅞%	3½%	3½%	4⅛-4⅜%	3⅝-3⅞%
Exchanges:					
Paris Cheque	62·00	28·86	27·15	27·24	25·24½
New York 60 days	3·83	4·66	4·72‡	4·73	4·82‡
Bombay Telegraphic Transfers	2/1‡	1/5⅝‡	1/5⅝‡	1/4⅜	1/4
Prices:					
Consols 2½% Cash	47¼	55	56	55¼	80⅞
French Rentes 3% Money	57	62·75	58·75	61·45	98·60
Silver, London spot oz.	60d.	53½d.	49½d.	37½d.	24⅛d.
Wheat, *Gazette* average qr.	72/9	73/2	73/5	77/7	33/0
Cotton, Mid Upland lb.	28·59d.	16·96d.	21·36‡.	12·66d.	7·96d
Iron, Scotch pig ton	206/0	101/0	101/0	98/6	55/10

CURRENCY NOTE ISSUE.

Week to	Notes Issued	Notes Cancelled	Notes Outstanding	Gold Coin & Bullion	Bank of England Notes	% of Bank England Notes & Gold to Notes
	£	£	£	£	£	%
May 5, '20	10,711,497	5,033,861	343,054,528	28,500,000	7,200,000	10·4
Apr. 28, '20	7,005,683	6,810,368	337,376,892	28,500,000	6,600,000	10·4
May 7, '19	5,802,685	7,002,036	347,140,275	28,500,000	—	8·2
May 8, '18	6,679,750	3,732,870	241,004,485	28,500,000	—	11·8
May 9, '17	5,054,139	4,725,528	154,696,409	28,500,000	—	18·4
May 10, '16	3,078,091	3,675,253	116,562,403	28,500,000	—	24·4

Balance Sheet, May 5 1920.

Notes outstanding—	£	Advances—	£
One Pound	269,009,069	Other Bankers ...	—
Ten Shilling	43,175,459	Trustee Savings Banks	190,000
Certificates outstanding ...	30,870,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500,000
Total	343,054,528	Bank of England Notes...	7,200,000
Investments Reserve A/c ...	16,145,765	Government Securities ...	322,454,810
		Balance at Bank of England	855,483
Total	359,200,293	Total	359,200,293

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

1920. Week to	Revenue	Expenditure	Excess of Expenditure	Loans, Advances, &c.—Cr.	Loans, Advances, &c.—Dr.	Net +	Cash Balance
May 1	£24,425	£21,901	£2,524‡	£85,892	£88,134	—£2,242	£4,147
Apr. 24	23,958	16,338	7,620‡	112,377	121,181	—8,204	3,866
Apr. 17	29,489	21,827	7,662‡	120,334	127,276	—6,942	4,450
31dys. '20-21	128,326	110,422	17,904	503,189	530,463	—27,274	— 5,222
33days '19-20	78,132	179,171	101,039	493,606	387,978	75,628	— 6,210
Fr. '20-21*	1,418,300	1,184,102	234,198‡	—	—	—234,198	—
Yr. '19-20	1,339,571	1,665,773	326,202	6,092,709	5,766,507	326,202	8,389
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	1,682,049	12,789
Yr. '17-18	707,234	2,696,221	1,988,987	7,499,604	3,616,023	1,983,581	21,030

Principal Items of Revenue and Expenditure.

1920. Week to	Revenue: Customs & Excise	Revenue: Income Tax, &c.	Revenue: Excess Profits Duties, &c.	Revenue: Other Revenue	Expenditure: Int., &c., on Debt	Expenditure: Misc. Expend.	Expenditure: Supply Services.
May 1	£3,635	£2,977	£5,581	£12,232	£5,597	£ 67	£16,237
Apr. 24	8,341	3,615	4,653	7,349	3,814	225	12,300
Apr. 17	7,484	5,418	4,587	12,000	2,832	195	18,800
31days'20-21	23,958	35,776	19,416	49,176	40,404	567	69,351
33days'19-20	18,363	26,108	24,308	9,363	50,372	451	129,147
Fr. '20-21*	348,650	385,800	220,000	463,850	345,000	31,198	807,904
Yr. '19-20	283,023	359,099	290,045	407,404	332,034	16,171	1,317,568
Yr. '18-19	162,220	291,186	285,028	150,587	269,364	11,380	2,297,956
Yr. '17-18	110,033	239,509	220,214	137,478	189,851	11,401	2,494,988

FLOATING DEBT. [000's omitted.]	Treasury Bills	Ways & Means Advances	Total	Natnl. War Bond Rcpts.
May 1, 1920 ...	£1,047,648	£249,207	£1,296,855	£1,745,720
Apr. 24, 1920 ...	1,050,634	245,337	1,295,971	1,745,720
Apr. 17, 1920 ...	1,054,170	245,837	1,300,007	1,745,720
Apr. 10, 1920 ...	1,043,398	263,837	1,307,235	1,745,720
June 30, 1919 ...	796,150	774,237	1,570,387†	1,732,021

* Budget estimates. † Highest. ‡ Excess of revenue.

FOREIGN BANKS.

[In £'s Sterling‡—000's omitted.]

		Gold	Cash Silver	Cash Total	Advances To Public	Advances To Dual Govts.	Note Circulat'n	Bills Discounted, &c.
AUSTRIA-HUNGARY.								
July 23, '14	...	£51,578	£12,141	£63,719	£7,772	—	£88,740	£31,993
Oct. 21, '19	...	10,832	2,374	13,206	371,686	£1,373,083	2,013,363	240,845
Oct. 28, '19	...	10,832	2,378	13,210	372,119	1,373,083	2,058,464	222,532
Dec. 7, '17	...	11,000	2,300	13,300	603,990	—	739,300	117,600

		Gold.	Silver	Total	Discounts	Circulation	Deposit
BELGIUM.							
Aug. 8, '14	...	£10,977	£633	£11,610	£41,925	£51,800	£6,263
Apr. 22, '20	...	10,657	1,112	11,769	27,698	200,918	89,228
Apr. 29, '20	...	10,657	1,102	11,759	23,754	204,927	87,209

		Gold	Cash Silver	Cash Total	Discounts	Balance Abroad	Circulation	Deposits
DENMARK.								
July 31, '14	...	£4,100	£341	£4,441	£6,197	£786	£8,693	£47
Mar. 31, '20	...	12,589	172	12,761	19,055	590	29,123	2,024
Apr. 29, '20	...	12,588	164	12,752	17,531	981	28,982	1,542
Apr. 30, '19	...	10,374	136	10,510	3,425	3,977	‖24,115	1,026
Apr. 30, '18	...	10,228	134	10,362	3,507	3,489	19,317	947

		Gold In Bank	Gold Abroad	Total Cash Incl'g Silver	Bills	Circulation	Deposits Public	Deposits Private
FRANCE.								
July 30, '14	...	—£185,654—		£190,667	£97,768	£267,327	£15,302	£37,903
Apr. 29, '20	...	144,321	79,131	233,215	92,340	1,507,504	3,594	135,179
May 6, '20	...	144,331	79,131	233,165	81,127	1,529,974	2,368	133 935
May 8, '19	...	‖142,779	79,131	234,255	35,793	1,377,187	2,484	137,535
May 10, '18	...	133,732	81,484	225,449	47,098	1,080,473	1,879	122,031

		Gold	Cash Silver	Cash Total	Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
GERMANY.								
July 23, '14	...	£67,843	£16,727	£84,570	£5,279	£40,055	£94,545	£47,198
Apr. 15, '20	...	54,585	3,438	58,023	719,141	2,098,793	2,285,308	854,982
Apr. 23, '20	...	54,584	161	54,745	'727,253	1,889,532	2,311,405	653,627
Apr. 23, '19	...	95,592	1,055	96,647	343,106	1,437,918	1,293,740	579,278
Apr. 23, '18	...	117,190	6,046	123,236	73,585	635,297	578,202	314,939

		Gold‡	Cash Silver	Cash Total	Discounts	Advances	Circulation	Deposits
HOLLAND.								
Aug. 1, '14	...	£13,496	£249	£13,745	£13,422	£10,332	£35,660	£1,437
Apr. 24, '20	...	52,931	944	53,875	23,851	16,593	87,278	7,780
May 1, '20	...	52,954	969	53,923	26,004	23,900	95,907	7,931
May 3, '19	...	55,236	605	55,841	14,351	19,331	90,646	3 690
May 4, '18	...	60,153	611	60,764	5,847	14,216	81,297	5,072

		Gold	Cash Silver	Cash Total	Other Cash	Loans & Discounts	Circulation	Deposits
ITALY.								
July 31, '14	...	—	—	—£48,458—		£25,017	£69,204	£8,887
Dec. 31, '19	...	£32,193	£3,004	35,197	21,538	110,071	507,671	83,394
Jan. 10, '20	...	32,194	3,004	35,198	20,480	112,555	495,477	78,888
Dec. 31, '18	...	32,710	3,086	35,796	15,238	65,984	368,934	63,866
Dec. 31, '17	...	33,434	3,496	36,930	8,448	47,745	261,568	57,941

		Gold	Discounts	Advances	Notes	Deposits Public	Deposits Private
JAPAN.							
Aug. 1, '14	...	£21,867	£1,829	£7,863	£32,722	£13,818	£1,521
Mar. 20, '20	...	‖93,353	‖21,429	35,563	119,479	113,444	3,406
Mar. 27, '20	...	93,065	'29,046	35,483	124,822	114,322	3,781
Mar. 29, '19	...	70,737	4,966	35,393	86,573	106 488	4,161
Mar. 30, '18	...	64,697	2 630	26,744	70,816	'64,166	3,426

		Cash Own Vaults	Aggregate Reserve	Loans, Disc'ts, Invest.,&c.	Net Deposits—Demand	Net Deposits—Time	Net Deposits—Total	Excess Reserve
NEW YORK BANKS & TRUSTS.								
Aug. 1, '14	...	—	£89.888	£411.238	—	—	£387,185	£1,720
Apr. 24, '20	...	£18,926†	116,762	1,036,372	£837,566	£50,210	910,006	5,510
May 1, '20	...	18,120†	115,476	1,028,248	829,932	50,404	898,104	5,200
May 3, '19	...	19,492†	113,824	888,468	805,658	30,814	892,312	6,244
May 4, '18	...	21,138†	111,892	902,902	752,010	36,812	855,419	11,848

		Gold	Balance Abroad	Norw. & For. Govt. Secs.	Disc'nts & Loans	Circulation	Deposits
NORWAY.							
July 31, '14	...	£2,960	£1,678	£493	£4,868	£8,752	£793
Apr. 22, '20	...	8,121	3,846	579	20,394	24,085	5,883
Apr. 30, '20	...	8,122	3,786	579	21,843	24,509	5,730
Apr. 30, '19	...	8,190	3,805	691	‖19,280	23,916	4,203
Apr. 30, '18	...	6,733	3,645	712	18,416	19,741	6,445

		Gold	Silver	Total	Discounts & Note Advances	Circulation	Deposits
PORTUGAL.							
Nov. 28, '19	...	£1,906	£3,921	£5,827	£11,063	£76,570	£4,635
Dec. 3, '19	...	1,906	3,920	5,826	10,881	74,948	7,186
Dec. 10, '19	...	1,906	3,921	5,827	12,888	78,528	6,349
Dec. 17, '19	...	1,906	3,921	5,827	12,954	80,275	4,860

		Cash	Discounts	Advances	Total	Circulation
ROUMANIA.						
Feb. 28, '20	...	£60,809	£7,825	£2,483	£10,308	£180,003
Mar. 6, '20	...	60,809	7,928	2,577	10,505	179,743
Mar. 13, '20	...	60,809	7,642	2,513	10,155	180,105
Mar. 15, '19	...	34,101	5,218	1,720	6,938	101,260

		Gold In Bank	Gold Abroad	Total Cash Incl'g Silver	Loans & Disc'ts	Circulation	Notes in Reserve	Total Deposits
RUSSIA.								
July 21, '14	...	£160,114	£14,395	£181,892	£76,081	£163,411	£8,589	£109,911
Oct. 28, '17	...	128,523	230,865	378,205	1,869,559	1,836,217	15,783	345,550

		Gold	Cash Silver	Cash Total	Loans, &c.	Spanish 4%	Circulation	Deposits &c.
SPAIN.								
Aug. 1, '14	...	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,955
Apr. 24, '20	...	98,108	25,137	123,245	84,416	13,779	155,144	44,298
May 1, '20	...	98,109	25,155	123,264	85,483	13,779	154,328	43,873
May 3, '19	...	90,444	25,984	116,428	74,892	13,778	140,843	42,681
May 4, '18	...	81,885	28,201	109,888	51,143	13,777	117,755	35,079

		Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
SWEDEN.							
Aug. 1, '14	...	£5,717	£6,150	£1,555	£7,495	£13,432	£3,903
Apr. 24, '20	...	14,500	4,963	2,524	34,394	36 908	15.230
May 1, '20	...	14,500	4,892	2,524	37,195	40,469	14,698
May 3, '19	...	15,987	7,227	2,880	20,276	40,319	6,039
May 4, '18	...	14,307	7,600	3,885	13,502	34,282	4,925

		Gold	Cash Silver	Cash Total	Discounts & Advances	Circulation	Deposits
SWITZERLAND.							
July 23, '14	...	£7,202	£758	£7,960	£4,817	£10,716	£2,028
Apr. 23, '20	...	21,241	3,560	24,801	12,917	38,484	4,411
Apr. 30, '20	...	21,234	13,576	24,810	14,393	34,643	3 702
Apr. 30, '19	...	16,801	2,632	19,433	23,012	38,509	4,216
Apr. 30, '18	...	15,061	2,233	17,294	13 813	28,008	3,315

† Not reserve. ‡ Converted at par rate of exchange approximately.

U. STATES FED. RES. BANKS.		Gold Held by Banks	Gold With Agents	Total Cash	Bills Discount'd	Acceptances.	Deposits. Govt.	Deposits. Total Net.	Circulation.
Apr. 26, '20	...	—389.938—		416,714	495.636	80.934	8.562	354.682	613.662
May 3, '20	...	—387.344—		414.154	507.014	—	7,518	362.546	614.912
May 3, '19	...	189.540	243.784	‖447.444	393.356	'39.056	28,654	354,990	509.898
May 3, '18	...	194.620	177.363	383.996	174.688	59.406	14.778	304.192	311.332

II.—CURRENT BANK RATES OF DISCOUNT.

		%	Date Fixed			%	Date Fixed
Amsterdam	...	4½	July 1,'15	Lisbon	...	5½	Jan. 15,'14
Berlin	...	5	Dec. 23,'14	Madrid	...	5	Nov.10,'19
Berne	...	5	Aug. 21,'19	Paris	...	6	Apr. 8,'20
Bombay	...	9	Apr. 22,'20	Petrograd	...	6	July 29,'14
Brussels	...	5½	Apr. 28,'20	Rome	...	5½	Apr. 6,'20
Calcutta	...	5	June 5,'19	Stockholm	...	7	Mar. 18,'20
Christiania	...	6	Dec. 18,'19	Tokio	...	8·03	Nov. 18,'19
Copenhagen	...	7	Apr. 16,'20	Vienna	...	5	Apr. 12,'15

III.—FOREIGN EXCHANGES.

LONDON ON—		May 7, '20	Apr. 30, '20	Apr. 23, '20	Apr. 16, '20
Berlin	Cable	203m.	220m.	238½m.	240m.
Brussels	Cheques	58fr. 35c	60fr. 05c.	60fr. 82½c.	61fr. 25c.
Denmark	Cable	22kr. 70	22kr. 67½	22kr. 65	21kr. 80
Holland	do.	10fl. 55c.	10fl. 59c.	10fl. 62c.	10fl. 72½c.
Italy	do.	78lr. 50	86lr. 00	85lr.	89lr. 00
Lisbon and Oporto	do.	13d.	13¼d.	15½d.	15d.
New York	do.	$3 87	$3 83⅞	$3 88	$3 97
—	Cheques	$3 85½	$3 84⅜	$3 89½	$3 98
Norway	Cable	20kr. 30	19kr. 99	20kr. 05	19kr. 55
Paris	3 mos.	63fr. 15c.	64fr. 80c.	65fr. 75c	66fr. 85c.
—	Cable	62fr. 15c	64fr. 10c.	64fr. 85c.	65fr. 55c.
Spain (Bank places)	3 mos.	51⅛d.	51¼d.	51½d.	51d.
—	Cable	22p. 82	22p. 72½	22p. 90	22p. 80
Sweden	do.	18kr. 13½	17kr. 98	17kr. 94	17kr. 96½
Switzerland	3 mos.	22fr. 15c.	22fr. 05c.	22fr. 38½c.	22fr. 40c.
—	Cable	21fr. 72c	22fr. 67½c.	21fr. 94c.	21fr. 90c.

ON LONDON—		May 7, '20	Apr. 30, '20	Apr. 23, '20	Par
Alexandria	Sight	97½pl.	97½pl.	97½pl.	97½pl.
Amsterdam	Cheques	10fl. 71c.	10fl. 64c.	10fl. 60½c.	12.107fl.
Athens	Cable	33dr. 80	33dr. 47	35dr. 70	25dr. 22½
Bombay	Transfers	2s. 1⅛d.	2s. 3⅛d.	2s. 3⅛d.	2s.*
Brussels	Cheques	58f. 35c.	60f. 17½c.	60f. 85c.	25f. 22½c.
Buenos Ayres	Transfers	60⅛d.	60⅛d.	60⅝d.	47.58d.
Calcutta	do.	2s. 1⅛d.	2s. 3⅛d.	2s. 3⅛d.	2s.*
Christiania	Sight	20kr. 27	19kr. 99	20kr. 09	18.159kr.
Copenhagen	do.	22kr. 67	22kr. 65	22kr. 72	18.159kr.
Helsingfors	Cable	70¼m.	73m	68¼m.	25m. 22½
Hong Kong	Transfers	4s. 5d.	4s. 10d.	4s. 9⅛d.	—
Italy	Sight	78lr. 00c.	84lr. 57½c.	89lr. 75c.	25f. 22½c.
Lisbon	do.	13⅛d.	13⅛d.	15½d.	53½d.
Madras	do.	2s. 1⅛d.	2s. 3⅛d.	2s. 3⅛d.	2s.*
Madrid	do.	22p. 85	22p. 69	22p. 87	25p. 22½
Montevideo	Transfers	61⅛d.	60⅛	60¾	51d.
Montreal	Cable	$4 25½	$4 21½	$4 25	$4 86⅔
New York	Sight	$3 84⅝	$3 87½	$3 87½	—
—	60 days	$3 83	$3 83⅝	$3 88	—
—	Cable	$3 85⅝	$3 88	$3 88½	$4 86⅔
Paris	Cheques	62f. 00c.	64f. 20c.	64f. 85c.	25f. 22½c.
Rio de Janeiro	90 days	16¾d.	16¼d.	16¼d.	16d.
Shanghai	Transfers	6s. 1d.	6s. 7d.	6s. 9⅛d.	—
Singapore	Sight	2s. 3⅛d.	2s. 3⅛d.	2s. 3⅛d.	—
Stockholm	do.	18kr. 12	17kr. 93	17kr. 97	18.159kr.
Switzerland	do.	21f. 85c.	21f. 57½c.	21f. 81c.	25f. 22½c.
Valparaiso	90 days	12⅛⅛d.	12⅛⅛d.	12⅜d.	18d.
Yokohama	Sight	2s. 7⅛d.	2s. 6⅛d.	2s. 5⅞d.	24.58d.

* Fixed at Rs. 10 to the gold sovereign, February 2, 1920.

NEW YORK ON—		Rate Current* May 7, '20	Rate Current* Apr. 30, '20	Par as usually Quoted	Rate July 3,
Amsterdam, sight	...	36·30c.	36·50c.	40·20c. for 1 guilder	40·25c.
Bombay, cheques	...	44·25c.	46·—	48·66c. for 1 rupee	33·00c.
Buenos Aires, cheques	...	103·70	103·0		
Christiania, cheques	...	19·00c.	19·15c.	26·80c. for 1 kroner	
Copenhagen, cheques	...	16·90c.	17·0c.	26·80c. for 1 kroner	26·85c.
Greece, cheques	...	11·40c.	10·90c.	19·295c. for 1 drachma	
Hongkong, cheques	...	92·50c.	97·50c.	74·59c. for Mex. $1	48·4c.
Italy, sight	...	21·65f.	22·15f.	5·18½ lire for $1	5·17f.
Lima, cheques	...	4·97⅞d.	4·99⅛d.	4·8665 $ for 1 libra	
Manila, cheques	...	49·60c.	49·60c.	50c. for 1 peso	49·8c.
Montreal	...	5% disc.	7·5% disc.	Premium per $100	Par
Paris, sight	...	16 48fr.	16·65fr.	5·18½ francs for $1	5·16fr.
Petrograd, sight	...	—	—	51·46c. for 1 rouble	51·37c.
Rio de Janeiro, cheques		38·90c	38·80c.	32·42c. for 1 milreis	
Shanghai, cheques	...	136c.	136c.	52·36c. for 1 tael	83·00c.
Singapore, cheques	...	48·00c.	46·50c.	56·77c. for $1	57·12c.
Spain, cheques	...	16·95c.	17·05c.	19·30c. for 1 peseta	
Stockholm, cheques	...	21·10c.	21·15c.	26·80c. for 1 krone	
Switzerland, cheques	...	5·66fr.	5·63fr.	5·18½ francs for $1	5·18½fr.
Valparaiso, cheques	...	22·75c.	22·75c.	20·61c. for 1 peso	
Yokohama, cheques	...	51·25c.	49·50c.	49·84c. for 1 yen	49·90c.

* According to Guaranty Trust Company of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount.	Inc. or Dec.*	1920 Agg.	Inc. or Dec.*
	1920.	[In £'s sterling 000's omitted.]			%
BIRMINGHAM	May 1	£2,934	+ £637	£83,054	+ £24,180 + 55·1
BRISTOL	,, 1	2,153	+ 587	33,182	+ 10,510 + 46·4
DUBLIN	,, 1	9,348	+ 2,454	161,531	+ 40,156 + 33·1
LEEDS	,, 1	2,379	+ 831	33,256	+ 13,511 + 68·4
LEICESTER	,, 1	1,133	+ 182	25,545	+ 10,379 + 165·2
LIVERPOOL	,, 1	17,550	+ 6,894	321,845	+ 128,842 + 66·6
MANCHESTER	,, 1	31,836	+ 16,981	593,482	+ 322,293 + 120·2
NEWCASTLE	,, 1	3,215	+ 762	59,480	+ 25,974 + 77·0
NOTTINGHAM	,, 1	1,151	+ 522	21,378	+ 9,919 + 86·6
SHEFFIELD	,, 1	2,001	+ 158	29,043	+ 7,713 + 36·2
LONDON—	1920.				
TOWN	May 5	783,019	+ 377,886	11,973,974	+ 5,266,448 + 78·5
METROPOLITAN	,, 5	47,517	+ 12,103	776,134	+ 191,513 + 3·28
COUNTRY	,, 5	89,838	+ 19,732	1,492,464	+ 419,154 + 39·4
TOTAL†	,, 5	900,374	+ 409,721	14,232,572	+ 5,877,120 + 70·3

* Compared with the week a year ago. † Recent week for total clearings.

V.—FREIGHTS.—According to Messrs. J. C. Gould, Angier and Co.

HOMEWARDS.	1920 May 7	1920 Apr. 30	1913 May 9
Alex. to U.K.	—	55/0	9/0
Aust. to U.K.	150/0	150/0	31/9
Azoff to L.H.A.R.	—	—	11/3
Bombay to p.p.d.w.	—	—	d.w.23/6
Burmah to U.K.	140/0	140/0	27/0
Calcut. to p.p.(jute)	—	—	d.w.25/0
Danube to U.K.	55/0	—	11/9
Odessa to L.H.A.R.	—	—	9/6
R. Plate to U.K.	115/0	120/0	16/8

Homewards.—*Cont.*	1920 May 7	1920 Apr. 30	1913 May 9
(cotton, 100lb.)	—	—	42/6
U.S. to U.K. (gr.)	10/3	10/6	3/4½
Gulf Ports to U.K. Cont. (cotton & grain)	12/0	12/0	15/9
OUTWARDS—Cardiff to			
Aden	—	—	—
Colombo	—	—	12/3
Port Said	75/0	75/0	9/6
River Plate	—	—	18/6
St. Vincent	35/0	35/6	9/3

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	MAY 7, 1920.	MAY 9, 1919.	JUNE 30, 1914.
Iron—Scotch pig warrants ...ton	206/0	101/0	57/0
— Middlesbro' warrants ...ton	200/0	95/0	51/0
— Hematite warrants ...ton	260/0	122/6	61/0
— Staffordshire bars, London ton	£29	£17	£8 10
— Common bars ...ton	£28	£20 5—£23	£6 16
Steel Rails ...ton	£27	£10 17/6	£6 2/6
Galvanised Sheets ...ton	£56	£30	£16 17/1
Copper—Standard ...ton	£101	£77	£66
Tin—English Ingots ...ton	£311—£319	£227	£142 15
— Straits ...ton	£320	£233 10	£139 10
Tinplates, I.C. Coke, S. Wales...box	75/0	33/10½—35/0	11/10½—12/0
Lead—Soft Foreign ...ton	£36—£37 5	£24—£24 5	£19
Spelter—Ord. Foreign ...ton	£46 5—£48	£34 15—£35 5	£21 7/9
Quicksilver—(75lb.) ...bottle	£24 10—£25nom	£16 10—£17	£7
Aluminium ...ton	£165	£150	£82
Antimony—Regulus Foreign ...ton	£80—£85nom	£39	£27 10
— English ...ton	£72	£45	—
Coal—(best) Yorkshire ...ton	23/0—24/0	23/6—24/6	17/6
— Steam (best) Newcastle ...ton	46/0—51/0	40/0—45/0	14/6
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b Chile, per quintal	15/1½	10/1	7/4
Soda—Crystals ex ship ...ton	220/0—230/0	129/0—130/0	42/6—45/0
Copra—Malay and States ...ton	£59	£46	£23 15—£24 7/6
Gambier—Good marks ...cwt	51/0	37/6	16/10½
Indigo—Bengal good to fine ...lb.	13/0—16/6	9/0—10/6	3/2—3/8
Linseed Oil—Raw ...ton	£97	£87 10	£25 5
Linseed—Calcutta, spot ...ton	£42 5	£39	£13 16/9
— **Cakes**, U.K. made, ex mill...ton	£25	£19	£7 17/6—£8
Olive Oil—Spanish ...tun	—	nom	£49 10
Palm Oil—Lagos ...ton	£70	£66 10	£31 10
Petroleum—American ...gallon	2/1½	1/4½	7½d.
Rape Oil—Refined English...ton	£110	£90	£32
Soya Oil—Refined ...ton	£110	£75	£24 10
Tallow—Imported ...cwt.	85/0—95/0	78/0—80/0	29/3—33/3
Turpentine—American ...cwt.	205/0	95/0	33/7½
Rape Seed—Toria ...tor	£41 10	£34 10	£13 5
Rubber—Para, spot ...lb.	2/2½	2/4½	2/9½
— Fine plantation (stnd. crepe) lb.	2/1½	1/11½	2/2
— World's Production* Mar. tons	27,685	29,000	8,467
Shellac—T.N. Orange, fair ...cwt.	560/0	265/0	63/0—64/0
TEXTILES.			
Cotton—Middling Upland ...lb.	28·59d.	19·96d.	7·53d.
— Egyptian, good fair ...lb.	75·50d.	28·34d.	8·75d.
— Pernambuco fair ...lb	32·09d.	19·76d.	7·73d.
— Midland Upl. New York...lb	41·56c.	28·75c.	13·25c.
— Stock, Liverpool (Apr. 30) bales	1,132,770	599,260	934,600
Flax—Petrograd, Yarapol ...ton	—	nom	£28
Hemp—New Zealand ...ton	£80	£47	£25 10
— Manila, Fair ...ton	£68 10	£45	£26 10
Jute—First Marks ...ton	£60	£39	£26 15
— Red SCO ...ton	£47	—	£24 15
Silk—Blue Elephant ...lb.	40/0	20/6	11/3—11/6
Wool—Pt. Philip unwashed av. lb.	5/8	3/1½	11½d.—1/0
— Lincoln Half Hogs ...lb.	2/3½	1/7½nom.	1/0½
Hides—Eng. Ox, best, 65lb. up lb.	18½d.—19d.	9½d.—10½d.	7½d.
Leather—Dressing Hides ...lb.	4/0—4/6	2/7—3/3	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus	67,654,000	97,731,000	34,640,000
— Red, price, N.Y. 60lb....bushel	324c.	237½c.	67½c.
English Gazette, aver. 480lb. qr.	72/9	73/5	34/3
Flour—G.R. ...280lb	63/6	44/5	28/6
Barley—Eng. Gaz., aver. 400 lb. qr.	84/2	62/8	25/4
Oats—Eng. Gaz., aver. 312 lb. qr.	56/6	48/7	20/0
Maize—N.Y. (new bushel)...56lb	212½c	188½c	76½c.
— Amer. mixed, Liverpool...480lb.	nom.	63/9	32/4
— La Plata ...480 lb. qr.	76/0	63/0	25/9
Potatoes—Good English ...ton	†305/0	203/0	70/0—75/0
Rice—Bassein ...cwt.	48/6	25/0	7/0—7/3
Tapioca—Pearl, medium ...cwt.	36/0	42/6	14/0—17/8
Hay—best ...2,018lb....load	—	176/0	82/6
Hops—English ...cwt.	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs ...8lb.	6/9	6/8—7/2	3/8—3/10
— Scotch sides ...8lb.	10/0	8/6	4/6—5/0
— English ...8lb	10/0	8/6	4/2—4/5
Mutton—Scotch wethers ...8lb.	10/6	9/0	5/8—6/0
— English wethers ...8lb.	10/6	9/0	4/8—5/4
— New Zealand frozen ...8lb	10/6	9/0	2/4—3/2
Pork—English and Irish ...8lb.	12/8—17/4	10/8	3/6—4/0
Bacon—Irish, delivered ...cwt.	†270/0	190/6	60/0—74/0
— Danish ...cwt.	†192/0	—	58/0—68/0
— Canadian, ex Port ...cwt.	†187/0	180/0—190/0	—
— American, ex Port ...cwt	†187/0	174/0—186/0	72/0—74/0
Hams—Amer. long cut, ex Port cwt.	†190/0	174/0—192/0	75/0—79/0
— — short cut, ex Port ...cwt.	†190/0	172/0—190/0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt	†198/6	160/0—186/0	51/9—52/9
Butter—Danish ...cwt.	303/4	Controlled 252/0	117/0—120/0
— French ...cwt.	303/4		96/0—108/0
— Australian ...cwt.	303/4		98/0—110/0
— New Zealand ...cwt.	303/4		108/0—114/0
Cheese—Canadian ...cwt.	†145/0	Controlled 144/8	66/0—68/0
— United States ...cwt.	†145/0		—
— Dutch ...cwt.	†145/0		53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Mar. 31 ...cwt.	6,544,960	5,462,566	19,777,254
— Home consump'n, to Mar 31 cwt.	6,641,880	6,366,991	17,272,000
— In Bond Mar. 31 ...cwt.	5,840,000	6,237,000	6,306,000
— Price, Java, 96° Pol. ...cwt.	7/0	36/0	10/3
— — Yellow crystals ...cwt.	80/0	57/9	12/6—14/0
— — Tate's Cubes, No. 1 ...cwt.	84/0	64/9	18/0
Coffee—Imports to Mar. 31 ...cwt.	174,190	175,261	720,360
— Home consumpt'n to Mar. 31 cwt.	76,581	75,101	141,410
— Exports to Mar. 31 ...cwt.	141,103	45,763	340,250
— In Bond Mar. 31 ...cwt.	671,000	686,000	484,000
— Price, Costa Rica gd. to fine cwt.	160/0—180/0	145/0—155/0	80/0—93/0
— — Brazil (Santos) Good ...cwt.	125/0—130/0	65/9	41/6
Tea—Imports to Mar. 31 ...lb.	121,260,481	109,012,636	123,230,277
— Home consump'n. to Mar. 31 lb.	94,378,017	73,382,736	155,447,972
— Exports to Mar. 31 ...lb.	11,783,351	5,259,059	26,561,765
— In Bond Mar. 31 ...lb.	230,575,000	150,570,000	78,292,000
— Price, Indian, Pek. Soug. gd. lb.	10½	1/4	8½d.
— — Ceylon, Pek. Soug. Ord. lb.	10½—11	1/4	8½d.
— — Common Congou ...lb.	—	1/4	5½d.
Cocoa—In Bond Mar. 31 ...cwt.	1,002,000	902,000	309,000
— Grenada, good to fine ...cwt.	128/0—132/0	85/0	52/6—56/0

* Estimated. † Controlled. ‡ Decontrolled: Price Ex. Factory.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific	Mar.	$15,715,000	+3,342,000	$1,958,000	+ $419,000
	3 *mos. to* Mar.	43,188,000	+6,721,000	3,258,000	— 816,000
Grand Trunk	Mar.	£1,182,800	+ £49,900	£54,500	— £118,200
	3 *mos.* to Mar.	3,179,000	+ 301,500	Dr.215,100	— 177,000

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open.	Gross Receipts.	+ or — on Year Ago.	No. Wks	Aggregate Receipts.	+ or — on Year Ago
Assam Bengal	Mar. 20	993	R2,04,652	— 5,111	25	55,79,940	+ 9,99,736
Barsi Light	Mar. 31	118	63,600	+ 34,000	52	15,67,000	+ 6,07,000
Bengal & N.W.	Mar. 20	2,065	4,35,610	— 62,841	25	1,17,11,980	— 4,16,001
Beng. Dooars	Mar. 20	158	28,201	+ 707	25	10,29,173	+ 1,30,948
Beng. Nagpur	Mar. 31	2,695	19,14,000	— 8,89,000	26	6,48,38,271	+ 27,51,493
Bomb. Baroda	Apr. 24	2,871	20,86,000	+ 2,52,000	24	69,98,000	+ 7,07,000
Burma	Mar. 20	1,342	5,93,754	+ 15,812	51	2,84,79,342	+ 29,23,231
Del. Um. Kalk.	Apr. 24	239	89,100	+ 25,946	4	3,52,114	+ 74,122
East Indian	May 1	2,771	28,23,000	+ 8,000	5	1,27,56,000	+ 6,07,000
Gt. Indian Pen.	Apr. 24	3,121½	29,27,400	+ 61,000	3	98,34,200	+ 33,270
Madras & S.M.	Mar. 31	3,152	19,00,000	— 40,592	26	2,99,51,286	+ 14,76,901
Nizam's Guar.	Mar. 20	900	3,23,000	+ 48,665	25	73,75,821	+ 10,58,448
Roh. & Kumn.	Mar. 20	576	1,22,647	+ 25,787	25	25,31,445	— 1,14,555
South Indian	Mar. 20	1,852½	6,97,564	— 13,426	51	3,84,31,832	+ 40,49,804
South Punjab	Dec.	716	8,51,780	+ 53,964	3*m*	22,50,025	— 9,561
COLONIAL							
Can. Northern	Apr. 21	9,704	$1,105,700	+ 259,800	16	15,923,123	+ 2,346,724
Can. Pacific	Apr. 30	13,388	4,710,000	+ 756,000	17	58,774,000	+ 9,188,000
Grand Trunk	Apr. 30	3,616	£345,682	+ 22,835	17	4,305,468	+ 327,108
Mashonaland	Jan.	810	62,647	+ 16,985	4*m*	284,478	+ 100,885
Mid. W. Aust.	Feb.	277	12,145	+ 1,034	8*m*	84,948	+ 11,806
NewCapeCent.	Apr. 3	205	3,937	+ 1,080	14	46,062	+ 16,252
Rhodesia Rlys.	Jan.	1,397	99,305	+ 24,732	4*m*	—	—
Temiscouata	Oct.	—	$30,562	+ 2,154	10*m*	304,661	+ 22,504
W. Pass. & Yuk	Aug.	122	—	—	8*m*	$968,676	+ 31,021
FOREIGN.							
Argentine.							
Arg. N. East	Apr. 24	752	£ 12,500	— 1,400	43	498,300	+ 79,000
Arg. Transand.	Apr. 24	111	£ 4,680	+ 240	43	136,641	— 24,979
B. A. & Pacific	Apr. 24	3,536	£ 187,000	+ 57,000	43	6,422,000	+ 1,451,000
B.A.Gt. South	Apr. 25	3,792	£ 203,000	+ 60,000	43	7,766,000	+ 1,831,000
Do.	Apr. 25	Net	£ 75,000	+ 36,000	43	2,692,000	+ 1,391,000
B. A. Western	Apr 25	1,882	£ 115,000	+ 38,000	43	4,287,000	+ 1,325,000
Do.	Apr. 25	Net	£ 40,000	+ 23,000	43	1,436,000	+ 737,000
B. A. Central	Feb.	190	£ 45,205	+ 6,985	8*m*	360,905	+ 37,828
Cent. Argent.	Apr. 24	3,305	£ 216,000	+ 68,500	43	7,700,000	+ 2,064,700
Do.	Apr. 24	Net	£ 83,000	+ 57,000	43	2,450,100	+ 1,645,900
Cord. Central	Apr. 24	1,205	£ 70,100	+ 23,400	43	2,539,400	+ 658,290
Entre Rios	Apr. 24	811	£ 25,200	+ 5,400	43	1,036,500	+ 165,000
Brazilian.							
BrazilGt.South	Mar.	110	M 53,000	+ 1,050	3*m*	162,500	+ 24,360
Brazil Railway	Dec.	3,530	M 4,859,000	— 141,271	12*m*	57,772,000	+ 7,619,243
Gt. W. Brazil	Apr. 24	1,010	£ 25,800	+ 7,800	17	441,030	+ 112,500
Leopoldina	Apr. 24	1,831	£ 554,031	+ 21,990	17	899,102	+ 396,734
Mogyana	Dec.	1,180	M 1,561,000	— 956,490	12*m*	22,267,000	— 2,474,851
Paulista	Dec.	766	M 2,650,000	— 906,038	12*m*	32,479,000	— 1,225,892
San Paulo	May 2	153½	£ 42,558	+ 11,860	18	797,774	+ 271,970
Sorocabana	Dec.	1,003	M 1,749,000	— 246,163	12*m*	21,953,000	+ 1,976,692
S.of BahiaS.W.	Mar.	52	M 57,000	— 2,000	3*m*	238,000	+ 9,000
Chilean and Peruvian.							
Antofagasta	Apr. 25	838	£ 47,475	+ 24,150	17	901,475	+ 439,415
Arauco	Feb.	84½	£ 14,500	+ 4,500	2*m*	29,000	+ 6,500
Nitrate(2wks.)	Apr. 30	390	£ 41,708	+ 24,235	15	322,758	+ 187,443
Peruvian Corp.	Mar.	1,140	S 1,282,690	+ 206,990	9*m*	10,684,994	+ 1,635,459
Taltal	Mar.	180	£ 37,710	+ 29,272	9*m*	208,830	+ 67,483
Cuban.							
Cuban Central	May 1	362	£ 46,945	+ 10,104	44	1,192,175	+ 235,845
Havana Cent.	May 1	70	£ 14,075	+ 2,188	44	502,168	+ 93,661
U. of Havana	May 1	681	£ 110,283	+ 15,734	44	3,032,923	+ 515,263
W. of Havana	May 1	155	£ 16,380	+ 492	44	470,151	+ 100,778
Uruguayan.							
Cent. Uruguay	Apr. 24	273	£ 26,046	+ 6,801	43	983,157	+ 46,846
" (E. Ext.)	Apr. 24	311	£ 7,975	+ 1,066	43	268,762	+ 32,023
" (N. Ext.)	Apr. 24	185	£ 4,787	+ 1,589	43	162,150	— 498
" (W.Ext.)	Apr. 24	211	£ 4,115	+ 1,366	43	121,358	+ 6,807
Mid. Uruguay	Mar.	319	£ 20,638	— 411	9*m*	177,653	+ 20,000
N.W. Uruguay	Mar.	113	$ 6,063	— 605	9*m*	60,687	+ 2,273
Urug. Northn.	Mar.	73	£ 2,447	+ 34	9*m*	21,978	+ 3,006
Miscellaneous							
Alcoy & Gandia	Apr. 24	33	Ps. 14,000	+ 4,000	17	197,900	+ 28,500
Bilbao	Apr.	15	£ 4,702	+ 3,285	4*m*	15,720	+ 6,400
Bolivar	Mar.	138	£ 16,045	— 1,237	9*m*	87,987	— 473
Colomb. Natnl.	Mar.	86	£ 15,636	+ 5,776	3*m*	47,396	+ 16,616
Costa Rica	Feb.	189	£ 30,440	+ 7,928	8*m*	203,876	+ 26,646
Dorada Ext.	Mar.	70	£ 12,000	+ 4,500	3*m*	35,500	+ 15,200
Egyptian Delta	Apr. 20	559½	£ 11,331	+ 11,331	3	23,515	+ 23,515
Gt. S. of Spain	Apr. 24	104	Ps. 122,839	— 9,570	17	1,326,861	— 845,232
La Guaira & Ca.	Apr.	222	£ 15,000	+ 7,740	4*m*	58,200	+ 25,220
Ottoman Ry.	Apr. 17	379	£ 7,488	— —	—	—	—
Paraguay Cent.	Apr. 24	255	£ 4,630	— 330	43	207,300	+ 30,940
Puerto Cabello	Mar.	34	£ 7,000	+ 1,600	5*m*	17,500	+ 2,575
Salvador	May 1	100	£ 6,750	+ 4,332	44	198,117	+ 82,164
Santa Fe Prov. French Rys.	Mar.	1,181	£ 163,680	— 4,344	3*m*	467,280	— 20,786
S'm'na & S'ti'go	Mar.	80	$ 13,200	+ 5,251	3*m*	36,880	+ 14,435
Zafra & Huelva	Mar.	112	£ 13,522	+ 3,674	3*m*	40,596	+ 10,560
TRAMS.							
Anglo-Argent.	Apr. 29	400	$ 77,987	+ 12,504	17	1,253,711	+ 269,644
Auckland Elec.	June 30	27	—	—	52	292,502	— 2,063
Bombay Elec.	Jan.	39	R. 7,79,874	+ 1,45,829	1*m*	—	—
Brazilian Trac.	Feb.	378½	M 9,381,000	+ 1,409,000	2*m*	19,038,000	+ 2,542,000
Brisbane Elec.	Mar.	40½	£ 45,460	+ 6,080	3*m*	134,880	+ 19,525
Brit. Columbia	Feb.	334	$ 746,030	+ 100,615	8*m*	5,796,655	+ 1,055,656
B. A. Lacroze	Mar.	51	£ 55,000	+ 7,630	9*m*	453,687	+ 63,108
Calcutta	May 1	35½	R 83,740	+ 11,316	18	15,37,779	+ 112,673
Cape Electric	Feb.	42½	£ 26,789	+ 334	8*m*	214,950	+ 26,870
Carth. & Herr.	Apr.	9	£ 5,482	+ 3,696	4*m*	17,731	+ 7,539
Chatham & Dist.	Apr. 22	15	£ 1,802	— 192	16	23,788	+ 3,054
Havana Elect.	July	86	$ 794,768	+ 100,679	7*m*	5,116,661	+ 402,587
Isle of Thanet	Apr. 28	20½	£ 850	— 229	31	18,363	+ 7,153
Kalgoorlie	Jan.	20½	£ 2,573	+ 11	1*m*	—	—
Lanarkshire	Apr. 22	28½	£ 4,409	+ 3,548	16	64,233	+ 11,227
Lima Light	Jan.	85	£ 58,658	+ 13,329	1*m*	—	—
London O.C.	May 5	141½	£ 83,914	+ 2,619	5	409,134	+ 22,970
Madras (2wks.)	Apr. 30	15½	R. 54,250	+ 9,544	18	381,553	+ 109,985
Manila Electric	Feb.	55	$ 278,243	+ 66,567	2*m*	556,581	+ 113,319
Pernambuco	Apr. 25	59	£ 6,823	+ 1,438	17	129,870	+ 40,068
Provincial	Apr. 24	21½	£ 3,106	— 741	30	87,510	+ 17,470
Rangoon Elec.	Mar.	25	£ 8,698	+ 1,165	3*m*	23,832	+ 3,787
Shanghai Elec.	Apr.	26½	M $142,000	+ 17,000	4*m*	557,394	+ 80,394
SingaporeElec.	Mar. 27	26½	$ 22,037	+ 7,538	13	280,868	+ 72,422
U.of Montevid.	Mar.	90½	£ 45,015	+ 3,945	5*m*	232,734	+ 31,833

The Statist.

LONDON, SATURDAY, MAY 8, 1920.

TRADES UNION APATHY.

The loss of enterprise by the trades unionist party since Mr. Asquith came forward to claim the support of the electorate of Paisley has attracted widespread surprise, and is inducing large numbers of careful observers to come to the conclusion that the trades unionist leaders have not the daring which the present condition of the country ought to inspire them with, and are rather afraid of putting forward their claims as boldly and as clearly as they ought. It is rarely, indeed, that the country has been so apathetic and so out of heart. Our party leaders of every kind refused to believe that Germany was intent upon a war the object of which was to make her the controlling influence throughout the world. It was a surprising state of feeling, but there is no possibility of denying that it existed, and that the audacity of the Germans and the Austrians in forcing on war in the midsummer of 1914 has proved that the leaders of parties in the more advanced countries not only were mistaken in their estimate of what was likely to occur, but have been so much dismayed by what has occurred since that they are incapable of leading their followers properly. At home this state of things is more surprising than it is either in the United States, or France, or Italy. In the United States there is a great conflict going on as to what is to be the policy of the Republic, and in the hands of what party is its carrying out to be lodged. In France the loss of life during the War was terrific. France had to do the principal fighting; and, consequently, since her population had been stationary for nearly a century, she has suffered so much that she is not able to exert herself for the moment quite as she ought to do. In Italy, again, the War followed so close upon the war with Turkey that the country has been unable to recover as quickly as might have been hoped. Therefore, it is easy to understand why in the United States, France, and Italy there has not been that boldness in taking advantage of the new spirit of the working classes which might reasonably have been looked for. At home, however, it is more difficult to understand why the trades unionists should be so lethargic as they are—for we are compelled to say that they are exceedingly lethargic at the present moment. Until Mr. Asquith put himself forward at Paisley the trades unionists were carrying all before them. They were full of courage, full of enterprise, full of daring; and, in consequence, they had impressed the country that the old political conditions had passed away and that the War had prepared for that transfer of governmental authority from the rich to the workers which it was plain was being prepared, but for which so few were, up to then, quite ready.

Since Mr. Asquith's victory at Paisley it looks almost as if the trades unionists had lost their courage. Not only were they beaten at Paisley, but they have been beaten in London and other great cities as well, and beaten, too, under circumstances in which they ought to have been easily victorious. It may be due to mistakes which can readily be altered; or it may be the result of trusting to unfit persons. However we are to account for it, there is no possibility of doubt that the trades unionists have lost ground since Mr. Asquith put himself forward; and, consequently, that the present Government is more confident than it has been ever since its formation. That this should be the case is extremely surprising when we examine all the conditions of the country. There never has been a more unfit Government than that from which we suffer at present. And yet it is as powerful as if it commanded the support of the whole people. The Prime Minister himself seems to have lost all the vigour which won for him the support of the country. And the Liberals are as disheartened as if it were they who were responsible both for the War and for its unsatisfactory working out. Nothing, perhaps, is more surprising at the present moment than the utter want of heart of the Liberals. They had shown a power which astonished themselves ever since the Tories have been broken up; and yet they are now so disheartened that one is beginning to forget the names of the men who were amongst the leaders only a few years ago. Everywhere there is Liberal want of heart, Liberal want of courage, Liberal want of enterprise; while the Tories, who have no real support except in abuses, are triumphant—in fact, are able to carry any folly they choose to propose. It is an exceedingly curious state of things. And it is due to two causes: firstly, the conviction of the Liberals that they have no real support in the country; and, secondly, to the unreadiness of the trades unionists to turn to account the extraordinary progress they had made up to Mr. Asquith's victory at Paisley the other day.

It is not a little surprising that the trades unionists should have been so nonplussed by the sudden reappearance of Mr. Asquith. That he has lost the great reputation he had before he was intimidated by General Gough and General Gough's military supporters is plain enough; and that a man who kowtowed to a military movement should feel that he is not the man for guiding the nation now is quite easily understood. But that the trades unionists should not see the naturalness of all this, and should not determine to take advantage of the benefits it is working for themselves, is not a little amazing. Just think of all the great claims which the trades unionists can put forward, and which the country is only too eager to concede. Firstly, we have the fact clearly established that the trades unionists now command a vote which is certain to give them great influence in the House of Commons if only they use their opportunity properly. It is a considerable time since the trades unionists themselves stated publicly that their supporters then exceeded five millions. As the change in public opinion has been going on since, and as the dissatisfaction with both the two old parties has been growing rapidly, it is impossible to doubt that if the trades unionists have not since then raised their numbers to over six millions they must have acted with almost incredible imbecility. Everything has been in their favour. We have had a Government in office of which it is safe to say that there is not a man in the country, who has not a personal interest in maintaining that Government, but is utterly sick of it—sick of it so that he would do much to get rid of it. And the Liberals are so disheartened that one often, when challenged, finds it difficult to show how they can assert themselves as things stand at present. A very considerable proportion of those who support Mr. Lloyd George are Liberals. They are constantly reminding us that they are Liberals, and they are asking our support expressly on the ground that they are Liberals. Yet is there a man, putting Mr. Lloyd George himself out of the reckoning, in the whole governing party at present that any real Liberal considers a Liberal? The whole party which supports the present Government is believed to have forsaken Liberalism and to keep that name only because they think it adds to their weight. If we turn from the Liberals to the Tories, we see that because they have admitted a large number of women to the right of voting they have largely increased their numbers. But if we ask what is the real feeling of the country, we see everywhere evidence that it is against Conservatism. Yet the trades unionists have added nothing to their strength since Mr. Asquith put himself forward as a candidate for Paisley. Clearly, there has been either exceedingly bad management on the part of the trades unionists, or mistakes have been

made in the selection of candidates. It is easy to understand that there may have been an unwillingness to get rid of Liberals who were appointed, let us say, either by Mr. Asquith or by Sir Henry Campbell-Bannerman. But that would account only for a very few cases. After all, it is plain that there is much dissatisfaction in the Liberal party respecting those who are supporting the present Government; and, consequently, it follows that we are on the eve of a movement which will make Liberals either admit that they have ceased to be Liberals, or else give up their support of the present Government. The present Government is not Liberal, has not a single Liberal aspiration, ought to be got rid of without a moment's delay, and every man who continues to support that Government ought to be treated as a Tory of the worst kind—a Tory who knows how he ought to vote, and yet does the very opposite of what he ought to do.

Just consider for a moment what are the great tasks which we are called upon to perform with as little delay as possible. We will put forward, first, the repayment of our debt, not because we believe that the debt can be repaid in a hurry, but because we are convinced that until adequate means are taken for redeeming that debt we shall not be in a condition to manage our Government as we ought to. We put, then, first, the duty of repaying the debt. It is quite true that the present Chancellor of the Exchequer has asked us to believe that he has introduced a plan for paying off the debt. But all of us who have any clear conception of economics are aware that his plan is moonshine; that it will no more pay off the debt than it will make us all capable of living for a thousand years. The thing is farcical in conception and insulting in proposition. Therefore, we want to get rid of the parcel of incompetents who are playing with the fortunes of the nation and preparing the way for its downfall. We want to get into power men who understand finance; and, therefore, we want a new election with a substitution of competent men for incompetents. But, important as it is to lay a proper foundation for the repayment of the debt, it is only one of the great reforms which are urgently needed. We want even more urgently than we want the redemption of the debt the prevention for the future of avoidable disease. There are not only an immense number of diseases which keep down the working power and, therefore, both the well-being and the happiness of the population, but there are a number of preventable diseases which carry off young children and young men and young women absolutely without any justifiable reason. All these diseases can be stamped out. Medical men of the highest reputation are telling us so every day in the year. And such of us as have given a little attention to the subject are convinced that the medical men are right, and that preventable disease can be avoided. Yet our Government deliberately neglects doing its duty, and leaves us suffering from diseases that can be got rid of if the Government will only consent to apply themselves to it. These two great measures will occupy much time and cost very much money. But if they are carried out, or rather whenever they are carried out, they will make the country more prosperous and happier than even the boldest of us have ever ventured to anticipate. Then there is the great question of giving the people wholesome houses—houses in which they can live, at all events, in moderately good health, in which they can avoid disgracefully common diseases at the present time. And there is only needed the earnest desire of the Government and the allocation of the necessary funds to enable us to provide the people with really wholesome houses.

We have just now given a list of three great measures—the debt payment, preventable disease, and wholesome houses. This would make up a great programme for a Government. But they are only a few of the great reforms which have been pressed upon Governments year after year and generation after generation, and which ignorance—and, we fear, personal advantage—has prevented Governments in the past from even attempting. Then there is the abolition of the hateful system of Poor-law relief. It was, perhaps, natural that it should have been adopted in the time of Queen Elizabeth. Our ancestors then were very ignorant, and, especially, they had scarcely any knowledge of disease. But centuries have passed since the days of Elizabeth, and there is absolutely no excuse in our own time to keep up a system which is disgraceful in the highest degree. We want, then, a sweeping away of the Poor-law system and the adoption of a new system which will not treat poor people who have worked all their lives honestly and to the best of their ability as if they were criminals, who have to be shut up in the workhouse to be saved from starvation. The system is atrocious. And yet our present Government does not even allude to the possibility of remedying it. It would be easy to go on adding to the list of great reforms which are urgently pressing upon us. But we have said enough to bring clearly before the minds of our readers how much there is to do. It is unnecessary to say that the Tory party will not do it. That is not their business. Their business is to keep as many abuses in existence as they can manage; and, consequently, the business of all other parties ought to be to prevent the Tory party from ever again obtaining office. We want, then, a real Government, which shall undertake to introduce the reforms that will make the great body of the people healthy, and, so far as is possible, good and capable workers as well as excellent citizens. We want, in other words, a Government which shall rest upon the great body of the people, which shall direct all its efforts to compass as far as is possible the welfare of the great body of the people; and, consequently, to treat as matters of little or no account mere whims and mere fancies, while devoting all the thoughts of the nation to the making great and happy of the whole population which acknowledges the sovereignty of the Crown.

FRANCE.

The War has introduced so many changes in this country and everything concerning it that we do not find time for treating as fully and as clearly as we should like to do the affairs of other countries. And yet we ought never to forget that the whole world is one, and that what is much affecting one country is sure to affect other countries, and, unless the circumstances are extraordinary indeed, will influence the future of other countries to a greater or lesser extent. No journal, then, can be satisfactorily directed which does not give a reasonable amount of attention to the affairs of other countries. At the same time, human beings are very limited both in what they know and in what they can do. Therefore, reasonable human beings, who are aware of their own imperfections, shrink from taking upon themselves too many duties; and, consequently, we have not given that thought and attention to the affairs of the world at large to which they are entitled—indeed, upon which they have a right to lay claim. We propose, therefore, even though there is so much at home to occupy our attention, and even to awaken apprehension, to ask our readers to accompany us very briefly to a consideration of the present condition of France. We select France above all other countries for several reasons. Firstly, since the fall of the Western Roman Empire she has affected the development of Europe and Asia more thoroughly than any other country—we might almost say than any number of other countries; and, secondly, because just now conditions in France are exceptionally deserving of attention. Our readers are aware that the population of France has been more or less stationary for a very long time, and that recently it has been rather tending downwards. We do not propose to-day to

examine the reasons why. In France the belief is very general that the principal cause is the unwillingness of mothers to bear a great number of children. Frenchmen, and especially Frenchmen who are giving much attention to the subject, must know more about the real circumstances of their own country than we do. Therefore we hesitate to say that we do not accept the view which generally prevails in France. That there is a certain amount of truth in it we, of course, do not dispute. But that it is so powerful as it is represented we cannot admit. Still, we do not wish, at all events to-day, to put ourselves in opposition to the accepted views of Frenchmen; and therefore we say that, whether the unsatisfactory condition of the population in France is attributable to the reasons just assigned, or is traceable partly to the consequences of the great wars which for practically a quarter of a century kept France in almost unbroken hostility with her neighbours, and to some extent also is traceable to the discouragement of France because of her defeats in 1870, or to still other causes that might be named, yet the fact is indisputable that France to-day has a stationary population, and that the general feeling is opposed to very large families.

At the same time the War has brought home to all thinking Frenchmen and Frenchwomen the seriousness of the state of things which makes the population of France stationary when populations all around are growing rapidly.. However, we do not propose to-day to discuss the question of the French population. It is one that must occupy the attention of all who are interested in France. And it must be forced upon people every now and then if, for example, we are about to witness a rapid increase of population in such countries as, let us say, Russia, Germany, Italy, Jugo-Slavia, and so on, while France remains stationary. It is a question, then, that must occupy political opinion from time to time. But it is a question also that will itself be affected by things which immediately seem to have little connection with it. For example, owing to the mad folly of Germany in forcing on a war for which she was utterly unprepared, France has recovered Alsace-Lorraine, and she has proved to the whole world that, of all the nations engaged in the War, she came out of it with the greatest military reputation. Germany deliberately made up a great coalition to extend her influence over Europe and Asia. And she chose her own time to make the War. Yet, though she chose the time and the occasion, she did not produce one single great soldier or sailor; whereas France produced at least four very highly capable men. The question, then, is, If the German population begins to increase rapidly once more, and if the population of France remains stationary, what will be the influence upon Europe? It is quite clear that if Germany increases as she increased, say, during the 20 years immediately preceding the War, France will sink, while Europe, supposing that Europe herself alone has to protect her own independence, will have to enable some other European country to rise also in a marked degree. It may be Russia. A great rise in the population of Russia, especially if a better system of government and a better system of education were introduced, might hold Germany in control. However, without entering into the fact, we desire to call the attention of our readers to this circumstance: that the population of Germany between 1870 and 1914 grew so enormously that France had not a chance of winning in a single combat with Germany. Therefore, if the population of France does not increase the whole condition of Europe must be modified. Either Germany must not increase so rapidly, or there must be a counterbalancing increase in some other country, such, for example, as Russia. It will be seen, then, that the condition of Europe at the present time raises a multitude of questions, some of which will be likely to make war inevitable, unless, indeed, other circumstances occur which will give Europe a counterbalancing increase elsewhere that will hold Germany in control.

We are inclined to think that if we confine our attention to France for the moment the answer to the difficulty we have raised is that there is likely to be a very great—an almost surprising—change in the policy of France in the early future. It is always a very doubtful experiment to predict, and therefore we have not the slightest intention to amuse ourselves by pointing out reasons why there should be an early and a large growth of French population. But as we have raised the question at all, and as all persons who are desirous of preventing war in future cannot fail to see that a rapid growth of population in Germany, if not accompanied by a rapid growth of population in France, is almost certain to result in another great war, we think it necessary to point out certain reasons why we may expect to see a very considerable growth of the population of France in the early future. We are not predicting that. We frankly admit that we have no power of so doing. We are simply calling attention to reasons which are plain to everybody who considers the condition of France; and, therefore, we are making no claims to future knowledge. Now, it is to be recollected that the population of France at the present time is probably under 40 millions. The War cost France very heavily. She had to do the real fighting against Germany. And she suffered great losses. The population had been almost stationary before. Consequently, it seems to follow that we must be prepared for a discovery at the coming Census that the population of France is smaller than we have been hitherto accustomed to consider it. If so, it may turn out that the disproportion between the two populations of France and Germany is greater than we have hitherto believed. Against this we have to bear in mind, firstly, that France has recovered Alsace-Loraine; and, secondly, that she is safe for a considerable number of years from German aggression. While as the militarists are they are not likely to stir up another war very soon.

It is always possible, of course, that if Russia remains under the control of the Bolshevists she may ally herself with Germany, and the two States may undertake to establish a kind of military superiority over the whole Continent. It is conceivable; but it does not seem probable. However, we are not predicting, or affecting to predict. We are simply pointing to the possibility; and, therefore, we wish to show, firstly, that if Germany and Russia should appear inclined to become aggressive there would be to hold them in check the fear, firstly, of the United States and England; and, secondly, of the new States that the War has called into existence. The new States ought to be able to exercise a great influence. They will be composed of nearly related peoples, and if they are properly governed they may, together with England and the United States, be able to insist upon a long continuance of peace in Europe. Over and above all this, it will be evident to anybody who studies the history of France that her population up to the great Revolution was constantly one of the largest in Europe, and, therefore, that the natural tendency of France until, say, a century and a-half ago, was to increase in population. Now France has in her silk and her wine trades great advantages for pushing commerce with other countries in the world; and, secondly, now that she has recovered a considerable quantity of coal she ought to be able to increase her trade with other countries very greatly and very speedily. Germany increased her trade because she took possession of the best coalfields of France. Now that France has got back those coalfields she ought to be in a position to increase her trade, and it will be very surprising if she does not. There is, of course, a great delay on the part of France in setting to work to re-establish her internal condition. But we have to recollect, firstly, that she had to do the bulk of the fighting with Germany, and, consequently, that she has not the

resources which some other countries have. It does not in the least follow that because France has been holding back during the past year and a half she will not push her improvements rapidly in the future. On the contrary, we shall be greatly surprised if, when the peace negotiations are completely ended, and the credit of France begins to improve, there is not a very rapid development of trade in France. There ought to be a great growth of manufacturing enterprise, and there seems to be room not only for the established manufactures of Northern France, but for the silk manufacture likewise; and, in fact, there ought to be a very considerable growth of the wine industry also. There are two directions in which France ought to be able to push her trade rapidly if she encourages her business community as she ought to do, and especially if she cultivates carefully and judiciously the friendship not only of Belgium and Holland, but likewise of Spain.

GERMANY.

It is by no means surprising that there should prevail in France a strong feeling that Germany will, as soon as all the peace negotiations are ended, set about preparing for a new war. It does not follow, of course, that the view is well founded. Nay, more, it does not follow that, even if it is well founded, war will ensue at an early date. But it is not in the least matter for surprise that the opinion should prevail widely in France that Germany will make war as soon as she feels herself strong enough to do so. In the first place, France is wonderfully stronger than she was before the War. Nevertheless, she suffered terribly, because she had to do the real fighting against Germany; and a long time must pass before, under the most favourable circumstances, France can hope to be nearly as strong, from the point of view of population, as Germany. We have to anticipate, therefore, a continuance of the fear in France that Germany will use all her efforts to prepare for a new war; and, consequently, we ought not to be surprised if fear of war becomes acute in no very long time. We are giving no impression ourselves as to the probable action of Germany. We know, of course, as indeed everybody knows, that the militarists will prepare, if they get a chance, for a new struggle. They had their opportunity. They threw it away most recklessly. But they will persuade themselves, no doubt, that they have learnt by experience, and that they will be more successful if they get another chance. Furthermore, the condition of Europe is such that it will be strange indeed if we have not to go through a new war before very long. There are confident people who tell us that the cost of the late War has taught Europe and America how foolish war is. We wish sincerely we could take that view ourselves. On the contrary, we are persuaded that there is just as strong an inclination for war to-day as there was six or eight years ago, and that war will break out once more if a favourable opportunity seems to offer.

We do not believe, then, that the militarists anywhere have been converted; and we do not believe either that peace will be maintained if a strong belief grows up that aggressive nations have a chance of winning much. Consequently, we differ completely from prevailing opinion of the present day. We think the late War was conducted with such utter absence of real ability by all the nations that took part in it, with the single exception of France, that there is everywhere a desire to show that we can do better if we get the opportunity once more. In addition to that—and what seems to us a very much more dangerous state of opinion—is that the great nations who have had the chance to reorganise Europe have completely missed their opportunity; that Europe is, if possible, worse arranged than she was ten years ago; and that, consequently, fresh wars are inevitable, if it were only to convince the world that all that is possible has been done to maintain peace for the present. We greatly fear, therefore, that rumours of war will continue to spring up; that preparations will be made by ambitious countries; and that if a favourable opportunity seems to offer war will again be risked. Whether the fault will rest chiefly with Germany we do not take upon ourselves to say. The condition of Russia is such that nobody would be surprised, should a really successful military man get to the top, that he would undertake to recover for Russia the territories she has lost. On the other hand, no serious person can really believe that Germany does not suffer under her defeat, and that she will not be, to say the least, strongly tempted to try again if what seems a favourable opportunity offers. In spite, then, of the feeling which is so general at present that it will be a long time before serious fears of war are entertained, we ourselves are apprehensive that fear of war will grow, and grow early; and, therefore, that it will need extraordinary judgment to avoid further quarrels.

THE FRENCH EXCHANGE.

(From Our Special Commissioner.)

In France at every gathering of business men *le cours du change* invariably comes up for discussion, and even amongst classes not usually interested in the question of international remittances it forms a staple of conversation. Interest in the exchange situation has spread so far that a Parisian racing paper recently discussed its deterrent effect on the purchase of English horses and the consequent repercussion on the French turf. Though the article touched only on one, and that the least important, aspect of British trade with France, it epitomised a condition of affairs which seriously threatens the whole import trade from the United Kingdom. Already branches of English houses in Paris have been closed solely because a continuance of business was impossible with the franc worth less than fourpence. During the present world-wide shortage of manufactured articles Great Britain may, however, easily find other markets for its goods, though quite a number of specialities are manufactured for the French market; but the position of the French public is unenviable as they have no alternate source of supply. The United States are, of course, exporting to Europe, but the London bill is the chief medium for settling the resulting indebtedness, even for economically advanced countries such as France and Italy. To exchange francs and lire into sovereigns and sovereigns into dollars involves a twofold exchange burden for the foreign purchaser, but despite this there is little doubt that the appreciation of the dollar in London is caused to some extent by Continental demand for remittances to New York, while the franc and lira fall correspondingly because of the demand for sterling. The French exchange problem is, therefore, almost wholly concerned with the relation of the franc to the pound.

Despite the attention that has been focussed on the subject and the efforts of French financiers and economists to account for the vagaries of exchange between France and the United Kingdom, no satisfactory explanation has been given of the rise in the English pound in the current year. Towards the end of 1919 it stood at 40 francs. Now it has sunk below 60 francs, an additional depreciation of more than 50%, despite the fact that the adverse French trade balance with the United Kingdom was substantially reduced and that French trade returns as a whole have been encouraging. One of the causes contributing to the fall, on which insufficient stress has been laid, was the demand for dollars to finance previous heavy purchases of food in the United States. To Frenchmen the fall seems to betoken a want of confidence in the economic stability of their country, and they claim that even if some decline was justified

in recent months the present depreciation of the franc is out of all relation to the financial and commercial prospects of France. There is a tendency, however, on their part to overlook certain factors which have considerable weight abroad. In the first place, it is known that the Anglo-French loan of 500 million dollars is to be repaid to the United States in October, and as the French are unlikely to send their share in gold, since the withdrawal of 250 million dollars' worth of gold from the Bank of France would probably do serious injury to its credit, the anticipated demand for bills on London and the consequent rise in the pound has been discounted in advance, some purchases on French Treasury account are, in fact, already taking place. Secondly, the cost of the Army of Occupation must have been greatly enhanced through the recent advance, and this factor also operates to the detriment of the franc, though Germany is in theory bound to pay the expenses of the French troops. Apprehension on this score felt abroad is not unfounded, since it is estimated here that the expenses of the army in the district immediately east of France will run this year to well over 1,000 million francs. Retrenchment may, at the moment, be inadvisable in military matters, but in other directions it is also neglected, while in the case of the devastated areas, where the outlay is likely to be productive, and as such not open to criticism, curtailment has actually taken place.

The policy of financing current expenditure out of loans and meeting interest and sinking fund obligations by means of fresh borrowings also makes a bad impression abroad, and even in France it was largely responsible for the comparative failure of the Peace Loan last March. The amount realised was less than 15¾ milliards, as compared with 22 milliards in the previous loan, and the proportion of new money was very small, as M. Loucheur, ex-Minister of Industrial Reconstruction in the Clemenceau cabinet, remarked in a recent financial debate in the Chamber of Deputies, "Our Allies have lost financial confidence in us," and this loss of confidence was undoubtedly responsible to some extent for the decision of the United States Government that loans between State Treasuries were to cease. Apart altogether from the ethics of such an attitude, especially towards a country which has done and suffered so much as France, it was inevitable that the enormous war destruction of wealth and of the means of production would injure France's financial status. The fact that in 1919 French exports only reached a value of 8,000 million francs, as against a total importation of 29,000 million francs, is symptomatic of the exhausted condition of the country and its inability to recuperate fully if left unaided. The recovery shown in the present year is, in the circumstances, to be the more admired, and it should certainly be credited with more weight abroad.

It is possible that foreign opinion would swing more decisively in France's favour were it convinced that sincere efforts are being made to place the finances of the country on a sound footing and that the maximum sums are being raised by taxation. In the present year the expenditure, according to the Budget estimate, which is incomplete in some respects, will amount to 47½ milliards, plus three milliards for special account. The deficiency in revenue will run to many milliards, and some calculate that the actual expenditure, considering present undertakings, will be almost double the tax revenue. In the recent Budget a first attempt was made to set the financial house in order, and increases of taxation were imposed amounting to 8,500 million francs per annum. The Government have for once plucked up sufficient courage to lay heavy fiscal burdens on the French people, and it is only to be regretted that such a policy did not come into favour at an earlier date. The fact that, prior to the Budget, the revenue from taxation was only 10,000 million francs shows at once the small yield of the old taxes and the drastic increases now proposed. Further improvement is possible along the same lines, as the average proportion of a Frenchmen's income paid away in taxes is less than 15%, while in Britain the taxpayer is mulcted of nearly 20%. Direct taxation in particular should be developed in France. Income and property tax and death duties bring in an insufficient sum to the *fisc*, and indirect taxation, which falls largely on the necessaries of life, such as coffee, cocoa, candles and petroleum, constitutes a very heavy burden on the poorer classes. War profiteers flourished in France as elsewhere, but here they have been singularly little hit by taxation, and the new impost of 1% on business turnover will not make any inroads into their accumulated wealth. A widening of the basis of taxation would undoubtedly help towards reviving the impaired value of the franc.

The consensus of opinion here is that before any further general imposts are levied there will be a new loan floated in the autumn, the proceeds of which will be applied towards meeting the Budget deficit, funding the short-dated debt, and reducing the inflated note issue. In so far as the latter two purposes are served, the loan is undoubtedly to be commended, but, at the same time, too much stress seems to be laid here on the existence of a large, unredeemable paper currency as the outstanding cause of the low exchanges. If it were the chief influence at work the franc should at least have maintained its value while the lists for the last issue of Five per Cent. Rentes were open, as part of the proceeds was to be used in the process of deflation. Instead, the franc actually fell five or six points during the period of subscription. These violent fluctuations the franc shares with the lira, and in the case of Italy also the flotation of a funding loan proved insufficient to check the movement of the foreign exchanges, though the response to the loan exceeded even sanguine anticipations. Causes such as those described above, which are apart from purely currency considerations, and which vary from mere sentiment to the hard fact of an adverse trade balance, should be recognised here as being responsible for the present low value of the franc abroad. The embargo on imports is at best a doubtful remedy, though it may slightly ameliorate the position in the short period. What is of more importance is that "bear" speculation in exchange should be checked, since, despite the advantage of a free market which future dealings ensure, this class of gambling tends to cause difficulty to those who concern themselves solely with purchases of foreign currency in pursuance of legitimate business transactions.

THE DEVASTATED AREA.

(From our Special Commissioner.)

Paris: May 6, 1920.

A Budget Commission that reported last year to the Chamber of Deputies estimated the damage directly sustained in the invaded departments of France as 96,000 million francs, and, allowing for indirect damage, calculated the total loss at approximately 120,000 million francs. The departments which suffered from the enemy were 11 in number, and comprise the Nord, Aisne, Ardennes, Meurthe et Moselle, Vosges, Somme, Marne, Meuse, Aube, Haute-Marne, and Belfort. Of these the first four, which were on the border, were almost completely devastated. The calculations of the Commission err, if at all, on the side of modesty, and the main difficulty before France is to make good in a year or two the work of many generations, and, moreover, to undertake the task with a population of whom 1,400,000 have been killed and 3,000,000 wounded. Of the wounded over 700,000 are permanently crippled or maimed and require support. Thus more than two millions of the sound male population have been rendered ineffective for economic purposes, and,

in addition, the country is burdened with a most oppressive weight of internal and external debt. Besides the reduction in the labour force, the machinery of production has also suffered, and the supply of primary materials, such as coal, has been grievously curtailed. True, the onus of reimbursing France for part at least of the losses occasioned by the War has been laid on Germany; but Germany's ability to pay, no less than her willingness, has been called in question. She will not, at any rate, be in a position to discharge her obligations in full for quite a long period.

The problem of reconstruction in the devastated region is social as well as material. It is impossible for an outsider to picture the conditions that obtain in the desolated towns and villages to which the former inhabitants have returned. In many cases their old homes have been destroyed, and the newcomers are herded together in uncomfortable and insanitary dwellings, often open to every wind of heaven. They even lack, to some extent, the very instruments of production, and, as they are thus denied hopes of an immediate betterment in their lot, there is over a widespread area little of the animation and none of the gaiety that formerly marked French rural life. Villages and towns remain more or less isolated, because communications by rail, road, and telegraph have not yet been fully restored. The assistance promised by the Government seems long in coming, and families decimated in number and deprived of their movable wealth complain bitterly of the neglect which they endure, not only from the other and more fortunate parts of France, but from the various belligerent countries outside Belgium. These countries, they argue, were spared destruction and the horror of enemy occupation, and, besides, contributed substantially to the rain of shot and shell that brought about the present desolation of North-Eastern France. Its restoration should, therefore, be a joint responsibility of the Allies, and, if this is asking too much, the food, coal, iron, steel, and constructional materials needed should be supplied at low rates on some system of deferred payment as a partial recognition of the debt owed by the whole civilised world to these heroic provinces.

That area which now lies incapacitated was to France what Lancashire and Yorkshire are to England. It may readily be imagined how effectually England would be crippled by the loss of the two northern counties, and if, in addition, we had suffered equally in man-power, and were laden with a crushing weight of internal and external debt, our position would remotely resemble that of present-day France; remotely because nearly 40% of Frenchmen between the ages of 30 and 50 have fallen in battle. Hampered as the French Government are by the inexorable limitations of their position, they cannot be censured for the delay in fulfilling the hopes of the exiles now in process of resettlement throughout the devastated area. In every county the anticipated *post bellum* boom in production and the renewal of normal economic life has been postponed beyond what seemed at first either probable or possible, and France has proved no exception. In fact, it tends to lag behind the rest because of its great initial handicap, and all that it now asks is to receive the consideration to which it is entitled from its more fortunate Allies. The gravity of the position is accentuated by conditions in the Middle and Near East. The military strength of an economically powerful Germany is feared, and at the same time the inability of a weak Germany to meet the bill for reparation is admitted. The belt of small States stretching from the Baltic to the Mediterranean is recognised as constituting an impediment to European, and accordingly to French, recovery, since the growth of national barriers has checked the free interchange of food and other commodities. Moreover, the railways formerly controlled by large unit States are now divided up amongst a number of Governments, each of which is desirous to assert its authority and its importance in the eyes of its neighbour and of the world. This obstructionist policy, combined as it is with an exaggerated Chauvinism, deprives France of some of its natural sources of food supply and its natural outlets for manufactured goods, and forces it into unhealthy borrowing in countries where it already owes considerable sums of money. Thus the Paris Municipal Council recently borrowed 20 million dollars at 6% from a Canadian banking syndicate. The issue price was fixed at the low figure of 88, and the Loan is redeemable after ten years. One of the conditions attaching to it is that the funds are to be spent exclusively in Canada for the purchase of foodstuffs, which will be used to feed the population of Paris. Food must, indeed, be provided from whatever source and at whatever cost, but French agriculture, if its reconstruction were aided by the Allies, could furnish the necessary supplies in a marvellously short time, as the country was to a large extent self-supporting before the War. This is the tragedy of the devastated area that money which is at present leaving France could be spent at home once the initial difficulties in the way of reconstruction were overcome. If the Allies co-operated for destructive purposes, it is all the less reasonable of them to refuse co-operation in repairing the damage which they helped to cause.

GUATEMALA.

Advices have been received by the Consul-General of Guatemala in London that the National Legislative Assembly has elected Don Carlos Herrera President of the Republic, Dr. Manuel Estrada Cabrera having resigned. The Minister for Foreign Affairs will be Don Luis Aguirre. Señor Don Herrera is well acquainted with both Europe and the United States, having travelled extensively on this continent, as well as in various parts of North and South America. It is understood that the new President is equally well acquainted with our language and has given a good deal of attention to conditions prevailing in Western Europe as well as to those in North America. Practically, as far as we can learn, the change in the Presidency will make very little difference, so far as foreign affairs are concerned. The new President is a man of substance in his native State, the owner of large sugar and cotton plantations, the principal products of the country. It will be remembered that the City of Guatemala suffered very severely from earthquake in the early part of 1918. It affected certain quarters of the capital and certain regions immediately in the neighbourhood. But, as we have pointed out upon so many occasions, it is an exceedingly rare thing for earthquakes to devastate a very extensive region. As we know little or nothing of the causes of earthquake, the rumbling of the earth, the falling of masonry and the disappearance of houses naturally cause very great alarm; and people who have ever witnessed an earthquake know that there is at the time of the occurrence such a widespread feeling of alarm at the terrible nature of the catastrophe to which the inhabitants of any particular district have just been subjected that accounts cabled to Europe or elsewhere are usually out of all proportion to the damage actually occasioned. A considerable amount of property was lost, but, fortunately, there was not a very serious loss of life. At that time, it will be remembered, Europe was engaged in the recent great War, and, although a few British ships within easy sailing distance endeavoured to do what little they could to assist, the bulk of the succour came from the United States of America, which is, of course, adjacent to Guatemala, and has at all times very large interests in the Republic. The United States Fruit Company of New York and New Orleans, and which has a London office in Dashwood House, provides a regular service between the United

States and Guatemala. There is, or was until recently, a service from Liverpool, and before the War a German steamer used occasionally to visit the ports of Guatemala. Probably, however, the Republic is more indebted to the United Fruit Company than to any other line for its communications with the outside world. Moreover, it is probably more indebted to this Company for its supplies of various materials. Practically the whole of the smaller imports intended for the poorer classes, other than those carried by pedlars, is in the hands and, indeed, a great deal of the goods, for that matter, imported are in the hands, of this important Company. Practically, it may be said that most articles of wearing apparel, particularly of the better sort, most articles of manufacture, machinery articles needed in the transportation business, in the building and construction trades, and so on, are imported, while the country itself lives upon agriculture and pasturage. There are, however, for the economic development of Guatemala, important manufactures. There is quite a considerable jute factory for the manufacture of gunny-bags. There is one for the manufacture of cotton fabrics, besides several small ones for dealing with various other products, fruit, and so on. Cotton is grown in the highlands, and, curiously enough, attention is devoted to the preparation of a coarse kind of cotton, which is, more or less, worn by the poorer class of natives. More attention than would be expected is given to manufactures of various kinds. There is a candle factory; there is a soap factory; a boot factory; and, of course, the two textile manufactures to which we have above referred. The principal products of the country are coffee, bananas, sugar, timber, hides, and raw rubber, which is gathered in the forests. The banana industry largely owes its origin to the United Fruit Company, above referred to, and its development is almost entirely owing to the enterprise of that Company. On the whole Central America owes a great deal to the United Fruit Company. The majority of the Republics, not being in an economic condition which would enable them to develop their economic resources themselves, the system followed by the Company is probably as satisfactory as any that can readily be devised for the development of a country in the present condition of the Republic of Guatemala. Considering the comparatively extensive trade which this really small State does, it is still a fact that few English people have any real conception of what Guatemala is like. We have just said that Guatemala is a really small State, and, of course, it is a very small State in the sense that it is hardly developed in any economic sense, that it has an exceedingly small and backward population, and that its economic resources are very slender. But, potentially, it is by no means as small a State as it appears. As a matter of fact, it is by far the largest of the Central American Republics, with the exception of Nicaragua.

The Republic of Guatemala, in which, as we have said above, a new President has just been elected, and who has just nominated his Cabinet, has modelled its constitution on that of the United States of America. But a country more unlike the United States of America in the history of its people, in its economic development, and in the resources at its command it would be difficult to find. Let the reader imagine a country very nearly as big as the whole of England—that is, England proper—with mountains and high plateaus in the centre, and low-lying malarial country, very much in the nature of our Essex marshes and the country between the Wash and the Thames Estuary, on various parts of both coasts, that is on the Caribbean and on the Pacific. In recent years this Republic has had the enterprise—and it is one of the few that has had that enterprise—to connect the port of Barrios with San José, the port of Guatemala City. Naturally, the great plateaus of the centre are by far the most healthy parts of the country. Now this small Republic has an exceedingly extensive trade—something like 3½ millions sterling all told. The roads are exceedingly bad, but it has very nearly 500 miles of railway, the most important of which, as we have said, is that which connects the port of Barrios with San José. Probably, it will hardly be credited when we say that this Central American country, which is visited, or is in normal times visited, by various shipping lines, has an extensive trade, exports excellent coffee and excellent sugar, and the cattle on whose extensive plains in the centre produce exceedingly good hides for the making of leather, and which cattle, if properly crossed with cattle of good strain, could furnish excellent meat for the freezing-houses, has a population, all told, of under two millions of human beings. More, of these two millions quite a million and a-half are native Indians in a backward state of culture. Guatemala has passed through various vicissitudes, but ever since the Spanish conquest it may be said, and said with truth, that the native races have been more or less oppressed throughout.

Less than half a million of the whole population are Spanish, or of mixed Spanish and Indian descent. As we have just said, more than a million and a-half of the population are descended from some of the Caribbean tribes, who were never amongst the most highly civilised, although they were very warlike; but who, once they were conquered, were oppressed, and grievously oppressed, by the Spaniards throughout the Colonial epoch. It may strike the reader as certainly remarkable that a country such as we have described, so backward in its economic development and so little advanced in those things which are generally regarded as essential to civilisation, should have adopted as its form of government a model of that of the United States of America. It may be said that with a people so different in origin, environment, and education from the citizens of the United States as the people of Guatemala the Constitution is difficult to work, and could only be expected to be so under the conditions which prevail. It makes rather for instability than continuity in government; and the result is that the executive tends to exercise an undue measure of power. One of the great difficulties under which Guatemala—and, indeed, all the Central American Republics—have, ever since they threw off the Spanish yoke, laboured was the instability of their governments, which have always been more or less in the hands of a very small number of groups or families, which depend for their power almost entirely upon obtaining sufficient resources to get control of the army for the time being. The result has been that undue attention has been devoted to obtaining political control, and obtaining political control by methods which are alien to the objects aimed at by the constitution. Such a system has not contributed to the development of those regions in either a political or an economic sense. Guatemala, as we have already said, is nearly as big as England proper, and it has a population of only two millions of people, composed as we have described, while little El Salvador is one of the most populous States, not merely in Central, but in the whole of Spanish America. Guatemala, with the exception, of course, of Nicaragua, is one of the least populous. It is sincerely to be hoped that the new President, who is well acquainted with the conditions prevailing both in the United States and in Europe, and with the opportunities which his country affords for development, will be able to make headway against the forces with which he will naturally have to contend, and which have often thwarted the efforts of his predecessors.

BEER AND SPIRIT DUTIES.

Successive Chancellors of the Exchequer have displayed a marked uniformity of policy in the ready way they meet War and post-War charges by the imposition of additional duties on beer and spirits. The substantial yield of the beer duty in 1815, estimated at £10,000,000, evoked much comment from the public of that time. At a more recent period the increased excise on home-made beer and spirits in 1901 imposed by Sir Michael Hicks-Beach, resulted in augmenting the revenue in the case of beer from £12,345,150 (1899-1900) to £13,940,536, but exercised a contrary effect in regard to spirits, the net receipts falling from £20,303,147 (1899-1900) to £20,124,004. The heavier impost was followed by an immediate diminution in the consumption of home-made beer and spirits per head of the population, and, although other considerations besides that of price affect the question, it is noticeable that there has been, on the whole, a steady decrease in consumption per head since 1899-1900. Immediately succeeding heavier taxation, such as that on spirits in 1909, this decrease has been accelerated; in succeeding years a gradual adjustment to altered conditions has been noticeable. The figures set out below may not be unworthy of study in this respect:—

Home-made Beer and Spirits retained per head of United Kingdom Population.

Year (ended 31st March)	Beer (at 1055° Gals.)	Spirits (Proof Gal.)	Year (ended 31st March)	Beer (at 1055° Gals.)	Spirits (Proof Gal.)
1899	32.29	.95	1909	26.11	.57
1900	31.48	.89	1910	26.31	.53
1901	30.66	.81	1911	27.20	.56
1905	27.90	.75	1912	26.83	.55
1906	27.81	.74	1913 (a)	27.76	.57
1907	27.63	.74	1914	26.66	.56

(a) On altered basis of calculation.

For obvious reasons satisfactory figures cannot be given for the War period. It must also be remembered that in order to safeguard the nation's supply of food the output of beer and potable spirits was greatly restricted during the years 1917-19.

With the passage of the Finance Act, 1914, the brewing and distilling interests assumed their time-honoured *rôle* of filling the Exchequer in a time of stress. The duty on home-made beer was raised from 7*s*. 9*d*. per standard barrel to an effective rate of 23*s*. per standard barrel in 1915-16, to 24*s*. in 1916-17, 25*s*. in 1917-18, 50*s*. in 1918-19, 70*s*. in 1919-20, and for 1920-21 a rate of 100*s*. is proposed, an increase of 1,190% on 1914. For spirits the duties were raised from 14*s*. 9*d*. per proof gallon to 30*s*. in 1918, 50*s*. in 1919, and to 72*s*. 6*d*. in the current financial year, an increase of 392% on 1914. An attempt is made to divide the incidence of these duties between the brewing and distilling interests, the retailer and the consumer, but the burden is now so oppressive on each section that one wonders whether the breaking-point will not shortly be reached. Excise receipts from spirits and beer duties were approximated at £113,835,000 in 1919-20, and the estimate for 1920-21 anticipates £176,940,000. Appearances indicate that the Chancellor is building his hopes on an increased consumption of these alcoholic liquors during the current financial year, and undoubtedly the magnitude of the previous year's yield, notwithstanding the restrictions on output, tends to give some support to his view. This line of reasoning is, however, somewhat shaken when we consider that the circumstances of last year were in some respects exceptional. In the first place, great importance might be attached to the purely psychological factor of a recovery from the intense strain engendered by the War and the natural tendency to, perhaps, undue indulgence. Secondly, the prices of foodstuffs and other essentials were controlled and trade incomes allowed a margin for the purchase of beverages, even at their exaggerated prices. This marginal allowance must have an intimate connection with the prices prevailing for the necessaries of life, and the extent of the outlay on beer and spirits is thus dependent on the amount on hands after the satisfaction of greater wants. Now it is well known that the usual outcome of decontrol is an appreciation of price, and, pending an adjustment of supply and demand, the reverse movement is not likely to come into play. In the meanwhile, it is desirable to note that, according to the index-numbers published in a recent issue of this Journal, the prices of foodstuffs in March 1920 indicated an increase of 38% on those recorded in March 1919, and, as these prices have been steadily increasing this year, an increase of 4.8% on February 1920. Under the heading of "materials," which includes minerals, textiles and sundries, an increase of 46.6% is revealed as regards the yearly term mentioned above, but the decrease of 1.9% in respect of the monthly term is not sufficient to counterbalance the increase of 4.8% on foodstuffs. Taking these details into account, and assuming there is no downward trend in prices, it is not unlikely that the consumption of beer and whisky will be curtailed this year.

The Chancellor can scarcely be said to have presented a very cogent argument in support of the new imposts. He admitted that increases had taken place in wages, in cost of materials, in transport, but in compensation the trade was asked to note that the price of barley had fallen. No mention was made of the enormous prices paid last year by brewers and distillers for barley, nor of the fact that the reduction was made only recently. Barley is, however, only one item of the industry's many materials, some of which are practically unprocurable at present.

The decision of the Chancellor to levy additional duties on beer and spirits was not unexpected, as the necessity of balancing revenue and expenditure without having recourse to Government borrowings on a large scale was generally recognised. The trade finds its chief grievance in the extent of the increase compared with last year; the increase of 42.9% on beer and 45% on spirits is startling. Moderate increases would have allowed brewers and distillers to measure, approximately at least, the course of future business, but under actual conditions they are in the dark as to the form the curve of consumption will assume and the nature of their requirements in regard to stocks and the maintenance and extension of plant. If, in spite of the request of the Chancellor, the consumer fails to do his share, the Exchequer receipts under the heading of income tax, excess profits tax, and the new companies tax, from the industries affected will also reveal a decline, although they may be made up, partially or otherwise, from other sources.

Taking advantage of the drawbacks on exportation, foreign markets might be more diligently exploited, but prohibition rules in the United States and the disorganisation of the European exchanges impose hindrances on trade. A lowering of the minimum of original gravity would assist the brewer to escape the full incidence of the duty, and his difficulties would thus be partially alleviated.

Possibly the pessimistic prophecies of the various interests involved will be discounted by the trend of events and net profits will figure as in previous years. In this connection everything depends on whether the trade will manage to retain possession of its old-time resiliency.

BRAZILIAN CATTLE.

An exceedingly interesting article appeared in a recent number of *Industria e Commercio* on the pastoral industry of the State of Rio Grande do Sul in Brazil. We read the article with great interest, but it is of wider application beyond confining it to one most important, but still a single, State of the United States of Brazil. Now that the British Government has decided to free the meat trade the interest in cattle-breeding all over the world, in re-stocking the world's depleted resources of cattle, and in increasing the

supply of food available in the European markets becomes of real practical interest. During the prolonged period of the War, it is now frankly admitted, and we need not, therefore, labour the subject, that the European populations, particularly the civil part of those populations, were starved. The rationing process was carried to such an extent that it was not practicable for a very large proportion of the population to obtain adequate supplies of foodstuffs, and it is notorious that where a people, and particularly the growing and youthful portion of that people, cannot obtain adequate supplies of foodstuffs the vitality of the race must inevitably suffer. That, however, is, we hope, past—at least for this generation; and, as we have said above, the freeing of our markets brings the question of re-stocking the world and of obtaining meat upon a sound economic basis once more into a practical question of supply and demand. At the beginning of the War Brazil only exported what was known as "zarque" or jerked beef—that is, a meat prepared from up-country cattle and dried in the sun, an exceedingly hard and indigestible form of food which is only suitable for consumption on the Pampas and amongst people who live in the open air and whose methods of life are so hardy that they are able practically to digest almost any kind of food. Such meat is totally unsuited for, and would not be accepted by, the freezing-houses. Seeing the demand for meat for the freezing-houses, which was accentuated, but not created, by the War, the late ex-President Rodriguez Alves used his great influence, and, in fact, engaged in an equally practicable way in encouraging the industry in his own State of Sao Paulo. From a trifling export of a few hundred tons as an experiment the export of cattle suitable for the freezing-houses grew, as we explained quite recently, to over 60,000 tons, and Brazil has now come to be one of the world's important sources of supply for those countries which are unable, owing to the density of their populations and their comparatively small area, to supply adequate quantities of meat for their own consumption. For some time before the War Brazil had been preparing to take advantage of the opportunity which the War afforded. In the month of May, which is equivalent to our November—that is to say, the month immediately preceding mid-winter—it is customary in Rio de Janeiro to hold a great cattle show. This has the patronage of the President of the Republic and of the Government, and, moreover, the Government takes active steps for improving the breed of cattle suitable for the freezing-houses. The Government itself has an experimental station, to which it takes beasts of approved strain which it imports from Europe, largely from this country, but also from France and Spain, but principally from here, for the purpose of breeding cattle suitable for the markets of Europe. The product is very often sold—is, in fact, generally sold—to private owners in different parts of Brazil for the purpose of encouraging them to improve their breed of cattle. In addition, the Government gives assistance in various ways to enable large cattle-breeders in Rio Grande do Sul, in the Southern States generally, and in Sao Paulo to enable breeders who are anxious to obtain specimens of high-class cattle from Europe to do so, and will, in certain circumstances and under certain conditions, give actual financial assistance to this end. The result has been that for some time the breed of cattle has been steadily improving in the various States of Brazil, particularly in the south and, as we have said, in the great coffee State of Sao Paulo. The demands of the War to some extent exhausted the supplies. But once again, now that facilities are afforded for taking beasts once more across the ocean, importers are active in purchasing valuable specimens from Europe; and the Brazilian Government is again affording every assistance in its power, with the determination of improving the breed and making Brazil one of the world's great exporters of meat. In the article we have referred to in our contemporary, *Industria e Commercio*, there are various samples of beasts on a private estate, some of which have been imported from England and some of which have been bred and born on the *estanciero* above referred to. We have before us two reproductions of a Devon bull imported from England by the proprietor of the estate. This beast has large projecting, formidable horns. In the big photograph one of the horns appears to be curved, but in the smaller photograph of the same beast both horns appear almost horizontal. Above this photograph are reproductions of a large number of cattle bred from this beast and from native cattle. They are, of course, not as big as the imported animal, but they have every appearance of being fleshy and well suited for the freezing-houses. Another reproduction of a Devon bull imported from England is called "Highland George." This beast is 15 months old, and weighs 575 kilogrammes. The artist has been happy in his inspiration in reproducing the picture of this animal, which is depicted drinking from a river. His feet are just at the edge of a stream, and apparently he is thoroughly enjoying himself, with his head, right up to the bridge of his nose, well placed in the water. Two other varieties reproduced on the same page are Polled Angus, two formidable-looking beasts, but, if we interpret the illustration correctly, not nearly so large as the Devon. Below these are reproductions of a photograph of a large number of cattle having every appearance of being exceedingly fleshy and suitable for the freezing-houses, which have been bred and born on the estate from Devon bulls crossed with native cattle. It will be evident that the private breeder is seconding the efforts of the Brazilian Government, and from this it seems reasonable to infer that at no distant date Brazil will be in a position to export meat and meat products upon an immense scale, and of a quality suitable for the markets of Western Europe.

There is, of course, a great deal to be done in Brazil, not merely in the direction, although, of course, this is the most important, of improving the breed, which the Government and the Brazilian Press show themselves fully alive to; and apparently the private breeder is equally sensible of the advantages which will accrue to Brazil by improving the breeds. In addition, it is desirable to increase the actual supply. It will be remembered that last autumn, when there was a report that our Government was about to entirely lift the control of the meat trade, and when it had already become evident that the supplies available were more than adequate for the demand, we published in a series of articles various tables giving the live-stock in the different countries of the world. We may say, for the information of the reader who cannot be expected to keep this kind of figures constantly in his mind, that our estimate of the cattle-population of Brazil was, roughly, 30 million head. Only a small proportion of these, it must be remembered, was at all suitable for the freezing-houses. The bulk of these cattle were of the *criollo* variety, and would require to be crossed with breeds of approved strain to have any chance of being accepted even on the farms of breeders really concerning themselves about the quality of their stock. Thirty million head of cattle sounds a large number. But, as a matter of fact, when one considers the enormous area of the United States of Brazil, the large part of that area which is suitable for cattle-grazing and which is not otherwise occupied at present, it is, in reality, an exceedingly small cattle population. As a matter of fact it is not three times the cattle population of these small islands. And, inasmuch as Brazil has some twenty-six times the area of the United Kingdom, it will be seen that there is plenty of room for extension. A [illegible] will probably be necessary to confine the breeding particularly for the freezing-houses to the Atlantic States, partly because the freezing-houses themselves are there located, but also from the great difficulty of transporting cattle for any great distance. Of course,

it has been customary from time immemorial to drive cattle from the central States to the sea-coast. But it will be evident that beasts intended for the freezing-house cannot, with prudence, be thus treated. One of the great difficulties which faces Brazil, and which is referred to in a different article by our contemporary, is the inadequate means of transportation. The great State of Matto Grosso, which is capable of affording pasturage for thousands of heads of cattle, is exceedingly difficult to approach. Our contemporary states—it is talking of passenger traffic—that it takes 15 days to go from Rio to the capital of this great central State of the Republic. If railway facilities were available the whole distance ought to be covered in a couple of days. It seems evident, under such conditions, that even, if an enterprising proprietor were to import really high-class beasts of the type illustrated so well in the pages of our contemporary, he would be heavily handicapped if his estates were situated in remote Matto Grosso until such time as better facilities are afforded for transportation than those which exist at present.

IRISH INDUSTRIAL COMMISSION. EVIDENCE.—XIV.

COAL.

The evidence of the following witness is interesting as showing how defective means of transport hamper the production of Irish coal. Complaint on that score is not confined to this particular section of the Irish coal-mining area.

In his coalfield at Arigna, situated on the west side of Lough Allen, Mr. Layden stated that there were 3,000,000 tons of workable coal. The new railway constructed at Arigna, linking up with the Cavan and Leitrim Light Railway, was unable to deal with the present output, which he estimated at over six thousand tons per annum. Lack of rolling-stock was the explanation. Another colliery had recently begun operations, and this would, of course, add still further to the railway's difficulties. The present congestion would be substantially relieved if the Lough Allen Canal, about three miles long, were widened and deepened, as considerable amounts of coal could then be transported to Limerick, which was the colliery's best market. The canals are but little used at present as the locks are not big enough. As the terminus of the new railway connection was some miles from the mine cartage had to be resorted to; the nature of the roads did not admit of the employment of tractors.

The present production of the mine was insufficient to meet the demand, but the question of transport, of course, prohibited a further expansion. Pithead prices varied between 35*s*. and 44*s*., and there was a charge of 5*s*. 4*d*. for cartage over a distance of four miles. The thickness of the seam now being worked was about 18 inches on the average, a thin seam in comparison with English mines, and the working depth was very small. The coal, of a semi-bituminous character, was utilised for steam and household purposes; it had not hitherto been used for the manufacture of water-gas or ordinary illuminating gas, and there was no effort made to work up the by-products. In the entire Arigna district the coal immediately available was put at 5,000,000 tons; according to a geological estimate the total coal reserves were estimated at between 20,000,000 and 30,000,000 tons. Regarding the possibilities of a more general adoption of mechanical appliances, a coal-cutting machine had been operated at Arigna but had proved a failure. In the opinion of witness its adoption in Ireland was not feasible.

Scotch coal-miners had actually come to Arigna looking for work. Taking everything into account the wages paid there were, as a matter of fact, higher than those of Scotland. In some cases they averaged between 17*s*. and 19*s*. per day. Three-fourths of the miners on his field are small farmers and do not actually put in a full week at the mines. When the harvesting season comes on they suspend mining for two or three weeks. This was no advantage to the mine; and still less was it so to the miners, as he believed that they would obtain a larger return if they confined their attention strictly to the winning of coal.

TEXTILE CORPORATION, LIMITED.

Ushered into the world under most favourable circumstances on January 20, 1920, this Company held its statutory meeting on April 21. The initial stages in its development are still fresh in the minds of the public. After being successfully underwritten, there was thrown open to public subscription an issue of 600,000 Ordinary shares of £1 at par and 800,000 Deferred shares of 2*s*. each at a premium of 1*s*. The Ordinary shares entitled the holders to a preferential dividend of 10% in any one year, after which the Deferred shares ranked for a dividend of 100%. Any remaining profits that it was proposed to distribute were to be divided equally in amount between the two classes of shares. The response to the issue caused the lists to be closed in three days, excepting for country applicants. That the issue was so considerably oversubscribed was not surprising in view of the general prospects of the textile industry. Moreover, whilst the fixed dividends allocated in the first instance to Ordinary and Deferred shares required a sum of £140,000 to meet them, it seems that the profits of Chas. Semon and Company will at least reach this level. It will be remembered that the Corporation acquired the Ordinary capital of this well-known merchant firm, whose range of activities in the export of textiles is world-wide: that, in fact, it paid £500,000 for an issued capital of £250,000. After payment of this purchase price the Textile Corporation have in hand some £165,000, in addition to the accrued profit from Chas. Semon's, which for the six months ended March 31, 1920, is expected to reach £150,000. Other desirable businesses were investigated, but the directors held that the purchase price was too large. In the interval their policy consists in opening up foreign branches to develop the export trade in textiles. Building on the well-organised basis provided by the firm of Chas. Semon, the directors anticipate a very healthy development. Thus it is stated that the turnover of Semon's exceeds £2,500,000 a year, and that the bulk of this trade is for export. With sufficient liquid capital at their back, there is no reason why the Textile Corporation should not prove to be a very successful amalgamation. It is undoubtedly true that a business based upon firms in operation for many years is likely to suffer less from the recent advance in the excess profits duty than new businesses or those which have not yet been fully developed. No less true is it that the demand for textiles for some years to come will continue to fall short of the supply. Our readers are already familiar with the remarkable measure of success that has followed the footsteps of the Amalgamated Cotton Mills Trust. A similar policy on the part of the Textile Corporation, Limited, should produce similar results. The directors have already given proof of their discretion by refusing to pay enormous prices even for admittedly valuable concerns. In the market the Ordinary shares of £1 each are quoted at 16*s*., whilst the Deferred shares of 2*s*. each command 8*s*.

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Financial Notes.

AT their meeting on Thursday the Bank of England directors made no change in their official rate of discount, which, consequently, remains at 7%. A feature of the Money market which is somewhat puzzling and not altogether satisfactory is the increase in the note issue, both by the Bank of England and by the Treasury. Normally there should be, and was in pre-War days, a great demand for cash in various forms immediately preceding Easter. But in the early weeks of spring following that festival circulation tended to return to London. This has not been the case this year. On the contrary, there seems, as we have said, to be a continued demand for bank-notes as well as for what are commonly called "Bradburys." The market is asking what this demand signifies. Are we to regard it as a normal feature, due to the recent rise in wages to meet the requirements of those who have to pay out each week a certain amount of money in actual cash, or must we seek another explanation?

It has been suggested in some quarters that the investing public have been somewhat shy in subscribing for the recent issue of Treasury Bonds, as they fear that they may be encouraging Government extravagance, which all are agreed is very undesirable at the present time. It may not be out of place, therefore, to remind the reader that the specific object of that issue was to fund the abnormal floating debt. Consequently, any amount which the public is likely to subscribe in the near future can only be used for the desirable purpose of paying off that debt. The money was long since borrowed, and has, in fact, been spent. All that subscribers are asked to do is to relieve the Money market from obligations which are hampering the course of British trade at home and abroad, and, in fact, tending to inflate prices. When we say "relieve the Money market," what we really mean is for the public to subscribe in a permanent form and release their own balances with the bankers.

It goes without saying that the Money market has not got in a liquid form over a thousand millions sterling belonging to its own members which it is in a position to lend to the Government. As a matter of fact, the resources had to come from the deposits with the banks. In other words, the market financed the Government with what practically amounted to borrowed money. This is all very well as a temporary expedient; and it is done in a small way by all Governments, even in normal times, at some period of the year—for example, when the taxes do not come in freely. But when the floating debt goes on for month after month, and the period begins to extend to years, immense sums locked up in temporary Government securities cannot fail to deplete the resources of the Money market, which lives by financing trade on short-dated paper, repaying itself as the goods are sold and the bills attain maturity.

At a crowded meeting held at the Guildhall at the beginning of this week was inaugurated a campaign with the object of obtaining the necessary funds for building houses in various parts of the country to meet the requirements of that portion of our population which is not in a position to pay economic rents. In these days economic rents are exceedingly high owing to the cost incidental to the building of houses. The cost of production of nearly everything we consume in these times is exceedingly high, not merely in this country, but more or less throughout the civilised world. If the whole of our population were in a position to pay an economic rent the business would resolve itself merely into an ordinary economic proposal. Those who proposed to build the houses would have a reasonable assurance that either by the sale or letting of the houses they erected they could recoup themselves. But it is notorious that there are, unfortunately, among us a considerable proportion of our people who are not in a position to pay such rents.

The proposal, as it stands at present, resolves itself into an appeal on the part of the Government to those who have surplus resources at their command to furnish the means whereby buildings may be erected suitable for those who are not in a position to pay such a price for those houses that it would be worth the while of the building trade to erect them on business lines. The amount required in all is 150 millions sterling; and of this amount about 22 millions are required for London alone. It is proposed to raise as much of the money as possible in the particular districts where the proposed houses are to be erected. And, in addition, a small subsidy is to be granted by the Imperial authorities. The proposition is, of course, an appeal which the Government believes has been conceived in the interests of the whole population in its corporate capacity. Nevertheless, as we have stated, a rate of interest is offered derived from various sources, but ultimately, in the event of necessity, secured upon the general revenues of the community.

A deputation of some of the big interests in the country waited this week upon the Chancellor of the Exchequer with the object of inducing the Chancellor to reconsider his proposal regarding the excess profits duty. The Chancellor received the deputation with every desire to do what he could to assist the trade of the country. He frankly pointed out that he could not be regarded as altogether his own master in the matter. As he had already explained in his Budget speech, he had to find, in what he calls a full year, 100 millions sterling of revenue, in addition to what he derived from other sources. It was a question for the deputation to consider the various alternatives which the Chancellor proposed in the form of a capital levy and various other suggestions. There are objections, and exceedingly great objections, to the excess profits duty. Whether it would be better to assess those profits to a higher

income tax, as suggested by the Chancellor, or whether something in the nature of capital levy should be instituted, it is for the great body of traders to consider. But the fact remains that, things being as they are, the Chancellor is certainly not his own master in the matter. He could not, if he wished, reduce the expenditure of the Government by 100 millions sterling a year.

In Committee of the House of Commons on Thursday night Mr. McCurdy, the Food Controller, moved a Vote on Supply of £1,243,000. Mr. McCurdy explained that this was a decline from £4,270,000 in the year 1918. Mr. McCurdy, in supporting the Vote, said that there will again be a deficiency in the available supply of sugar, and he saw no prospect of an improvement in the price. The Food Controller also urged that it was essential that the Ministry should be maintained, because there was going to be again this year a shortage of wheat. Does the Food Ministry serve any really good purpose? Of course, it is contended that the removal of control means an immediate rise in price. Undoubtedly it will. But that is true, and will be true in any case, unless it is intended to continue the food control indefinitely, which is another way of saying that we shall never again have cheap food in our time.

It would not, of course, be reasonable to blame the present Food Controller for the sugar position. But the present sugar position is very largely due to the action of the Government taken as a composite whole. We have again and again in this Journal told the story of what happened to the sugar-planters in Java, who proposed to take advantage of the big rise in price which they rightly anticipated would follow the disappearance of European-grown beet-sugar from the market. We will not go into the subject now, as we have not the space. But when the Java supply was increased the British Shipping Controller came down and said, "You cannot have any ships." Consequently, the whole tropical world saw that there was no use trying to grow cane, or to grow anything else. The British Government was determined to get things through the instrumentality of the United States, and would deal with no one else. As a result, we are wholly dependent upon the Cuban sugar crop, and doubtless, as was said on Thursday night, there will be a shortage of sugar and a high price for sugar probably for a very long time to come.

Is it, or is it not, desirable to continue these Control Boards? A daily contemporary, criticising this contention, takes what appears to us a very unhappy attitude. The suggestion is that the Food Control should be retained in the form of what it calls a skeleton organisation. Surely that is an impossible attitude to take up. Either the Control Boards are effective, and are, therefore, required, or they are, as we contend, and have contended from the very beginning, a nuisance, and are not required. Our whole contention is that these Control Boards and the policy of the Government have been wrong from the very time that the Coalition was formed for the purpose of turning this country into a recruiting depôt. We were in accord with the Government's policy while it conducted the War with due regard to our economic development, our previous preparation, and the services we were most capable of rendering effectively. We held then, and we hold still, that the real danger had passed long before it was possible to organise the great armies which ultimately were despatched to various parts of the world. Surely it is futile to criticise the economic results which were inevitable from the policy adopted by the Government after the Coalition was formed. If the amputation of a limb be necessary to save a man's life, there is an end of it. But it is of no use subsequently to complain that he is suffering from lameness. Our contention is that the policy adopted by the Coalition was wrong, and the sooner as much of it is reversed as can be reversed the better.

The Chancellor of the Exchequer, in a written reply to questions in Parliament, stated yesterday that the Debt charge for the current year included approximately £23,000,000, in respect of interest on debt raised outside the United Kingdom. The interest on the debt due to the American Government, the first payment in respect of which was being postponed till 1922, was at par of exchange approximately £43,000,000 per annum. The interest due to the United Kingdom by foreign Governments, which was being similarly postponed, amounted to approximately £85,000,000.

We learn on excellent authority that the large purchase of nitrate from Chili which was being negotiated between one of the great Anglo-Chilian houses and the nitrate interests in the Republic is for the moment off. Consequently, the price of nitrate has also for the moment fallen. Nevertheless, at 15*s.* per quintal it offers a very fair profit for those engaged in the production of the fertiliser, especially for the really well-managed companies. The difficulty has been that the Anglo-Chilian house referred to, and those representing the nitrate interests in Chili, could not agree in the matter of price. If we are rightly informed, those representing the nitrate interests held out for a somewhat higher figure. The strength of the position, so far as nitrate company shareholders are concerned, is that there is an excellent demand for the fertiliser. But it must always be borne in mind that that demand is conditioned by questions of a reasonable price.

The time has passed, at any rate for the present, when the urgency of obtaining nitrate upon any terms is such that price is a matter of indifference. The purchasers on this side have to consider that they must resell the product upon a sound economic basis, and that it is required not for making explosives, but for fertilising the lands and improving the condition of the various crops to which it is applied. It may be admitted, on the other hand, that the position of the selling syndicate is a difficult one. The reader will, no doubt, recollect that some time ago, when the nitrate interest in Chili was threatened with difficulties owing to the cessation of War demands, a selling syndicate was brought into existence. Formerly each company dealt directly with the purchaser, and sold cheap if it was anxious to dispose of the commodity it had to sell, or it withdrew supplies if the price offered did not appear to it to be reasonable.

Under the new arrangement the various companies are practically in the hands of the syndicate, and the members naturally feel that they have a responsibility to those for whom they are acting. It would seem, however, that they would be well advised to consider whether they are really serving the interests of their clients by holding out for a price which may appear extravagant. In times of peace it is clear that nitrate, like any other commodity, can only be produced for any considerable time upon a sound economic basis. A reasonable profit it clearly must have, otherwise it would not be worth the while of the companies to continue working. But, on the other hand, it is evident that its value to the purchasers is conditioned by the price which they can hope to obtain for the products which this fertiliser will help to produce.

Argentina is just entering upon the winter season, and in an agricultural country the winter is naturally a period of leisure. In, perhaps, the most satisfactory sense of all Argentina is enjoying an extraordinary

period of prosperity. The crops have been exceptionally good. And were things normal there can be no reasonable doubt that Argentina would be enjoying a veritable boom, and that her securities would be in very keen demand upon the stock exchanges of Europe and America. Unfortunately, things are very far from normal, even in Argentina, which was only indirectly affected by the course of the recent European War. The shipping situation is gradually becoming more normal. But even yet Argentina could well do with a greater allowance of freightage space than she has so far been able to obtain. It need hardly be added that there is a measure of congestion in her overworked transportation facilities. Practically very little has been added to those facilities since the outbreak of the late European War.

As we have pointed out upon various occasions, Argentina, like all new countries which enjoy an abnormally large export trade compared with their import trade, requires for her healthy economic development a steady increase in her transportation facilities. Such countries, for their population, really need a greater measure of transportation facilities relatively than those countries which we are accustomed to regard as more highly developed in an economic sense. Argentina is, and has been throughout the past five years, faced with a very difficult position. There is a world-wide shortage of the very products which she is peculiarly favourably situated to supply. But she is handicapped by the difficulty of bringing those supplies to market when she is able to raise them. In the pre-War period she was afforded facilities for increasing her transport accommodation by the people who required her products. But during the past five years these very people have not been in a position to assist her as they were wont to do in the past.

An exceedingly interesting article appeared some time since in the columns of one of our Australian contemporaries, under the signature of the General Manager, on the work accomplished by the Commonwealth Government Line of steamers. This line, it will be recollected, was founded by the Rt. Hon. William M. Hughes, Prime Minister of Australia, in June 1916. Its object was to provide transportation for Australian products, at that time accumulating in Australia at an ever-increasing rate. The harvests of 1915 and 1916 had been bountiful, and, indeed, the whole community of primary producers had a superabundance to offer to the markets of Europe, then, as now, clamouring for supplies. At that time the world's shipping was becoming more and more disorganised on account of the War, and the Commonwealth, after record harvests, had only a small percentage of its normal shipping available to transport its products.

Mr. Hughes, having failed in his efforts to obtain an increased supply of tonnage from the British Government for the Australian trade, took prompt and energetic action to remedy this condition of affairs, and purchased a fleet of 15 cargo steamers, with a total lifting capacity of 106,000 tons, at a cost of two millions sterling. At that time—and it should be emphasised now—the Commonwealth Prime Minister pointed out that there was no desire on the part of his Government to establish anything in the nature of a monopoly. There was then, and there appears to be still, ample room for a Government-owned line in the trade, which formerly, with the consent of the British companies, included two large German lines, and the Commonwealth Government Line has from the outset indicated its willingness to co-operate in every way with the established lines in an effort to maintain and improve the facilities offered in the United Kingdom-Australian trade.

SOUTH AND CENTRAL AMERICA.

PASTURES OF PATAGONIA.

THERE is Patagonia in Argentina and there is Patagonia in Chili. The Patagonia of Argentina is divided into three vast territories—the Rio Negro, the Chubut, and the Santa Cruz. The Patagonia of Chili is generally known as the territory of the Magellanese. South America, as those who know it are well aware, is a continent of very great surprises. It is a continent of extraordinary contrasts; and although it is, taken as a whole, by far the most fertile of all the continents, it is by no means uniformly fertile. In the immediate neighbourhood of some of the most fertile lands, on which Nature seems to have lavished all her gifts, there are territories that neither friend nor foe could describe as very fertile, although they are exceedingly useful and capable of being converted to the service of man in various ways. You have up in the north the Amazonian basin, perhaps, if it were properly drained and made sanitary, the most fertile agricultural portion of the earth's surface. Immediately close to this very region are the comparatively arid plateaus of the Andean region, the type of country that runs south of the Llanos of Venezuela right down through Colombia and Peru, to the northern deserts of Chili itself.

Now one is accustomed to say that what we now call Argentina, the greater part of which was formerly called Patagonia, is an exceedingly rich and fertile country; and so it is, if one knows exactly what one means by the term and limits one's expression to the fertile areas and defines the rest of the country as suitable for the kind of agriculture for which it is fitted. There is the vast plain of the Metropolitan Province of Buenos Ayres, probably, in itself, as fertile an area as that existing in any part of the world, with the possible exception of that we have mentioned above. It is a rich alluvial plain greater in extent than the whole area of the United Kingdom. The United Kingdom, the reader may say, is a very small place. Granted. Still, the United Kingdom has produced a remarkable population; it has still a large population; and it has sent out colonies into all parts of the world. Consequently, when we talk of an area exceptionally fertile actually greater in extent than the whole United Kingdom, islands about our coasts, and all included, we are really talking of a very considerable area; and the Metropolitan Province of Buenos Ayres is actually bigger than the whole United Kingdom. It is formed of rich deep mud, over a hard surface, similar to that found in the rest of Patagonia. One of the things that will strike a visitor, perhaps, more than anything else in the Province of Buenos Ayres travelling for mile after mile either towards Mendoza or down south towards, say, Mar del Plata, where one keeps in the Province all the time, is the complete absence of stones. A soft, rich, alluvial plain growing wheat, or maize, or alfalfa, or linseed; this wonderful plain goes on for miles and miles, some eighty million acres of it. It is generally believed that this vast deposit which, for convenience we have called a mud deposit, and which, in the course of time, has come to be very rich earth for growing purposes, was brought down by a river which in a pre-historic period occupied the situation, but was of much greater volume than that of the Parana Uruguay of our time. These two rivers appear to have been one great course in some ancient period. And it is from the mud brought down from this ancient river that the Province of Buenos Ayres in the rich State that we have described is due. This rich region extends from the River Plate practically to the 40th parallel, or, say, to the Rio Negro. From that we have what is properly called Patagonia, and which extends, as we have already said, through the three great territories of Rio Negro, Chubut, and Santa Cruz. This region has only gradually, and only comparatively recently, been appreciated. The extraordinary richness of the Province of Buenos Ayres described above

was, of course, well known from early colonial times. The difficulty was the wild Indians. So rich was the province that the cattle turned out by the Spanish settlers when Buenos Ayres was first founded and when that settlement was destroyed by the Indians, multiplied to such an extent that there soon came to be more wild cattle than wild men, and they were the greater nuisance of the two. It is from them, however, crossed with approved strains and breeds brought from Europe, that the rich pastoral industry of Argentina which we know to-day owes its origin. For years Argentina lived, and it derives a large part of its living still, from the sale of hides. South of that Province, however, the potentialities of Patagonia were not appreciated. It was regarded as a country arid to a degree, where rain rarely or never fell, where you could expect sleet showers throughout the year, a perpetual wind blowing at the rate of from 40 to 60 miles an hour, and a perfectly hopeless country for every purpose of agriculture. Such was the conception of Patagonia within the memory of people still with us. Gradually, it came to be realised that although the herbage is not rich, it is considerable; that while the rainfall almost throughout this area, extensive as it is, well under 10 inches, there were compensations in the fact that the ground was never saturated with moisture. On the contrary, almost throughout the year it is intensely dry. The atmosphere is clear and dry to a remarkable extent. As we have said, the herbage, although not of the rich luxuriant kind that cattle love and which in the Province of Buenos Ayres was abundant, was good, was nourishing, and to what better purpose could it be put? Of course, it could be irrigated—has in our time been irrigated. But two generations ago to irrigate Patagonia was not at all a promising proposition from the financial point of view. It was already seen, however, that if activity was to be restricted wholly or solely to the Province of Buenos Ayres the Argentine Republic never could realise her ambition of being one of the great States of the world. She had an enormous area which, if the fears of the pessimists were to be realised, was mainly barren. Only one rich province on the banks of the La Plata was of any value. And a vast territory extending from the 45th to the 56th parallel was of no value to anybody, and never was likely to be. Fortunately, enterprising pioneers decided to try. At the worst, you can but fail; and if you never try anything you never do anything. It was very fortunate for Argentina that those pioneers decided to try, for the result, as we know to-day, is that these territories, which were regarded as so hopeless from every agricultural point of view, now carry practically 80 million fleeces.

We will now give a short paragraph describing Chilian Patagonia, which is a totally different country, different in every aspect, except that it is more or less flat, like the Patagonia east of the Andes. And, finally, we will conclude with a very brief paragraph showing that the development of Patagonia both east and west of the Andes is laying the foundation for a still greater development; and we will illustrate this by showing very briefly how the great Metropolitan Province of Buenos Ayres itself was developed from a land which in its day was regarded as only suitable for herds of wild cattle to roam on.

As we have said, the territory of the Magellanese in the Republic of Chili presents a very great contrast to the country of the territory of Chubut. It is nearly as cold—at any rate, it is very cold. The wind-storms are probably not as persistent on the Chilian side as they are on the eastern side of the Andes. But when they come, as will be readily appreciated, from across the Pacific there can be no mistaking the ferocity and the velocity of the gale. Whereas, however, the territory of Eastern Patagonia is intensely dry, the territory of Southern Chili is intensely wet. Consequently, the healthy conditions which prevail for sheep in Eastern Patagonia are altered and presents the problem of having to rear sheep in a very wet region. The shepherd is faced with totally different problems on the western side of the Andes from those which he has to encounter on the eastern side. Chili is, in its way, one of the most remarkable countries in the world. Practically one-third of it, from the Peruvian border to the centre, is a desert, although, for reasons which we are not proposing to enter into now, a very valuable desert. The centre, or part running north and south of the region between Valparaiso and Santiago, is exceedingly rich, and a charming agricultural country, presenting many of the features of the extreme south of Europe. The arid regions of the north are generally believed to be made arid by the deflation of the moisture-laden winds by the Antarctic Current. This current does not, apparently, touch the coasts, or come even near to the coasts, of Central and South Chili; and while Central Chili has an ample rainfall even for a country in the latitude between the 35th and the 37th parallels, where naturally the evaporation is very great, south of that region, that is to say, south of the 40th parallel, about the situation of Valdivia to the extreme south, the full force of the Pacific gales bring in copious rains, and this region of Southern Chili is one of the wettest of the whole of South America, not excluding the Tropical regions of the north. This region has a sheep population of about five millions. A large part of them are in this Patagonian region, but a still larger part are in the island of Tierra del Fuego, which is exceedingly well suited for pasturage, and seven-eighths of which belongs to the Republic of Chili. It will be appreciated that while Chilian Patagonia is so wet, as compared with the dry regions of Argentine Patagonia, the vegetation is much more dense. Hence a large part of Chilian Patagonia, we will not say is unsuitable for sheep, because there is no evidence to show whether it is or is not so. At present a very large part of Chilian Patagonia is covered by forests so dense that it is more like the forest one encounters in the Tropics than anything one would expect to find south of the 40th parallel in the southern hemisphere, or north of the 40th parallel in our hemisphere. The general explanation of the extreme exuberance of plant growth—for it is not merely that the forests are dense, but the undergrowth is equally dense, creepers and parasites of the trees and so on, that it is almost impossible to penetrate through the region—is that although this region is cold, the extreme humidity leads to plant growth upon a scale quite unusual in such latitudes in other parts of the world. There is no room for sheep. Sheep could not live in such a region; and no shepherd could tend them. Even the shepherd's dog would be in danger of breaking his legs in trying to get through such a dense undergrowth. It is not believed that there are many wild animals in these forests; but, at the same time, very little is known about them, and snakes are undoubtedly found upon occasion. In these days, when there is such a demand for wood pulp, these forests offer a favourable opportunity for exploitation. At present, it may be that owing to shortage of freight the forests are too far from an available market. But, sooner or later, these forests—a large proportion of which consist of woods suitable for the pulp industry—are likely to be exploited. Owing to the humid and comparatively mild temperature of this region, the Chilians themselves argue that whenever the population of the Republic becomes sufficiently large Valdivia and the region south of it must eventually become a great manufacturing district, as they argue that the temperature, the humidity, and the conditions resemble to a large extent the conditions which have made Lancashire a great manufacturing county. However this may be, it is evident that before Chilian Patagonia can be available either for agricultural purposes or for manufacturing, the enormous forest area will require to be cleared.

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American Topics.

EUROPE AND AMERICA.

Mr. Francis H. Sisson, Vice-President of the Guaranty Trust Company of New York, read an interesting paper before the Dominion Mortgage and Investment Association at Toronto at the beginning of March on the economic state of Europe after the War. Mr. Sisson's paper dealt mainly with the state of Europe as it affects banking and economic interests in the United States of America.

Mr. Sisson began by stating that many people in Europe, and most people in the United States, were looking for a general catastrophe in the European situation, when, in fact, the Western countries of Europe, at any rate, were showing signs of recuperation, if only gradual recuperation. Even Bolshevist Russia was coming to see that Bolshevism, after it had exhausted Russia's resources, threatened to collapse unless it could open up trade relations with the rest of the world. Russia had been in pre-War days one of the great granaries, in fact the greatest granary, of Europe, but in spite of this fact Western Europe seemed better able to do without Soviet Russia than Soviet Russia could do without Western Europe. Apparently, under the Bolshevist *régime* the large cities which existed under the Tsar were gradually being starved out of existence. Meanwhile the once extensive domains of the Russian Empire were apparently being cut up into various separate States. Mr. Sisson said that in spite of a great deal that was exceedingly depressing in the European situation, he had faith enough to believe that Europe would recover, and recover sooner than people generally thought from the devastating effects of the great European War.

We are accustomed, says Mr. Sisson, to attribute depreciation in the various currencies to insufficient metallic reserve. If, however, we penetrate to bed-rock we shall see that the real cause of currency depreciation is due to inadequate production. The causes of the depreciation of the currencies of the various States can be traced to the shocking waste which occurred during the War period and since, and to the absence of any successful effort to restore the immense quantities of various kinds of produce destroyed during that period. By increasing production alone can Europe hope to recover from the effects of the War. Each European country in its own degree is coming to realise this. Among the former European belligerents Great Britain is indisputably in the best position. Her industry has made enormous strides during 1919, and her foreign traders and bankers, says Mr. Sisson, have made no little progress in the world's markets in spite of certain hampering obstacles. The British Exchequer has laboured under difficulties, and, like those on the Continent, has clearly underestimated the necessary outgoing.

Mr. Sisson points out that people who criticise the attitude of the United States in declining to be drawn into indefinite engagements for the reconstruction of devastated Europe forget altogether what the people of the United States have already done towards the reconstruction of devastated Europe. She has already made great sacrifices, but she cannot be expected to enter into indefinite engagements to restore the finances and the economic equilibrium of an undefined number of countries situated in various parts of the world. There can be no reasonable doubt that Mr. Sisson is quite right. No country in the world possesses resources which would enable her to undertake undefined obligations for the restoration of the credits and well-being of an equally undefined number of countries which suffered during the progress of the recent War. It has to be remembered, moreover, although Mr. Sisson did not say so, that the United States has, and will have for a very long time to come, quite enough to do in developing her own resources. As a matter of fact the United States, although a very extensive country, has a relatively small population. That population is clearly inadequate to perform the various services which modern civilisation demands over so extensive an area as that of the United States of America. It is exceedingly doubtful if the United States possesses a sufficiency of accumulated resources, which we call capital, that would enable her to develop her natural resources at the rate she was developing before the War. Doubtless the United States have prospered, and prospered very greatly, as the result of the recent European War. She has prospered, however unwillingly, at the expense of the European and other belligerents. Moreover, her sudden growth of prosperity resulting from the War was not based on a sound economic demand. She was, in fact, manufacturing for the most extravagant of all spendthrifts, the demands of war. Practically nothing tangible was created by her efforts. She supplied immense quantities of food, which have been consumed, she manufactured immense quantities of raw materials into finished products which were immediately destroyed and were manufactured simply for the purpose of being destroyed. In return she has created for herself large credits in various European countries. She has been able to re-purchase a quantity of American securities, mostly of the railroads, which Mr. Sisson estimates of a value of £100,000,000. Bearing in mind her relatively small population to her area, it is by no means certain that this is an unmixed advantage. In addition, she has created very large credits in Europe, part of which she will no doubt liquidate by accepting manufactured goods from Europe.

People who criticise the attitude of the American investing classes, says Mr. Sisson, forget altogether that these classes have absorbed 25,000 million dollars, or £5,000,000,000 in Government securities. They forget that some $4,000,000,000 have been advanced, mainly in the form of credits, to Europe since the Armistice. They forget that American merchants are to-day carrying, with the assistance of their bankers, immense credits which Europe will only be gradually in a position to liquidate.

UNITED STATES FOREIGN TRADE.

According to a report issued from the Bureau of Foreign Trade at Washington, there are already clear signs of a decline in the excess of exports over imports in the nine months ended March last, compared with the corresponding period of last year. During the nine months ended March last the total estimated value of the imports into the United States was 3,719 million dollars, comparing with 2,200 million dollars in the nine months ended March 1919. The exports for the nine months ended March last are valued at 6,050 million dollars, compared with 4,985 million dollars in the nine months ended March 1919. The excess of exports over imports during the period ended March last was 2,331 million dollars, comparing with an excess of exports in the nine months ended March 1919 of 2,784 million dollars. The value of the United States' exports during the nine months ended March last was, as said above, 6,050 million dollars; during the nine months ended March 1919, 4,985 million dollars; during the nine months ended March 1918, 4,384 million dollars; in the nine months ended March 1917, 4,634 million dollars; and in March 1916, 2,995 million dollars.

"The Stock Exchange Official Intelligence." Issued under the sanction of the Committee of the Stock Exchange. Price £3. (London: Messrs. Spottiswoode, Ballantyne and Company, Limited.) We welcome the thirty-eighth edition of this well-known volume, still familiarly styled "Burdett." We learn that so keen was the demand for the new issue that it ran out of print in a few days. For the first time since 1914 the partial restoration of communications has made it practicable to provide comparative tables of the National Debts of the world. These are extensively dealt with. The new volume contains particulars of 270 additional companies, the majority of which are new registrations. Of especial interest is the table giving the aggregate figures relating to the joint-stock companies registered under the Companies Act since October 3, 1862. This table shows that the total number of companies registered in the whole United Kingdom in the calendar year 1919 was 10,725, having an aggregate capital of nearly 408 millions sterling. This is by far the largest number registered in any single year for which the figures are given. The number of companies registered in England was 9,820, with an aggregate capital of 379¼ millions; in Scotland, 678, with a capital of 24¾ millions; and in Ireland, 227, with a capital of 4 millions.

To celebrate the 250th anniversary of the granting of its charter the Hudson's Bay Company has published for free distribution to customers of the Company's stores in Canada a beautifully compiled work dealing with the history and development of the great undertaking. The distribution of this work is one item in an extensive programme of celebrations and of pageantry which commenced in Canada last Monday and will extend over a period of about five weeks. Sir Robert M. Kindersley, G.B.E., the Governor of the Company, is at present in Canada taking part in the celebrations. The work is printed on art paper, and has been compiled by Sir William Schooling, K.B.E.

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Rubber Topics.

The market was distinctly dull and heavy at the opening, and a further stream of liquidation, though on a small scale, caused prices to sag. Rubber Trusts weakened to 35*s*., Anglo-Dutch to 47*s*. 6*d*., Linggi to 55*s*., and Bukit Rajah to 33*s*. 9*d*. Tuesday found the market inert with Kuala Lumpur better at 3⅞ owing to an improvement in the French exchange supplying a small consolation. After Wednesday, however, a more confident tone was noticeable, and the improvement held for the rest of the week. Ayer Kuning were in good demand at 3, consequent on the appearance of a satisfactory report. Though liquidation was still slightly in evidence, the general trend of prices was upward. Tandjong, which had suffered much from recent selling, finished strong on Thursday at 3⅛. Linggi recovered to 57*s*. 6*d*., Anglo-Dutch to 47*s*. 6*d*., Rubber Trusts to 35*s*. 6*d*., and Bukit Rajah to 34*s*. 3*d*.

Dividend announcements during the week include a final dividend of 20% by the Rubber Estates of Johore, making with the interim dividend a total of 25% for 1919, as compared with 12½% in 1918 and a similar dividend of 25% in 1915. The final dividend of 20% to be declared at the forthcoming annual meeting of Alor Pongsu Rubber makes a total for 1919 of 25% as against only 10% in 1918 and a previous record of 22½% in 1916. Mendaris (Sumatra) Rubber and Produce Estates enter the list of dividend-paying companies with a dividend of 5% for 1919, and the same is true of Toerangie (Sumatra) Rubber and Produce Estates, which have declared a similar dividend. An interim dividend of 12½% for the financial year ending June 30, 1920, has been announced by the Victoria (Malaya) Rubber Estates, the total dividend for 1918-19 being 15%.

Returns of April outputs are now coming to hand, and again indicate in many cases considerable improvements over those obtained in the corresponding month of 1919. Sungei Buloh have secured a crop of 221,000 lb., as compared with 168,500 lb. for April 1919. Telogoredjo have to their credit 139,000 lb., as against 125,000 lb. Gula-Kalumpong, which harvested 108,000 lb. in April 1919, now reports 117,000 lb. The increase in the case of Bukit Rajah is remarkable, the April crop amounting this year to 115,844 lb., as compared with 82,082 lb. in 1919. Lumut Rubber Estates obtained 100,150 lb., as against 80,000 lb. Bajoe Kidoel Rubber and Produce Company are credited with 103,231 lb., whereas in April 1919 their crop reached 83,147 lb. Sedanak Rubber Estates have secured 72,600 lb., whereas in April 1919 they only got 44,270 lb. Damansara (Selangor) obtained 60,785 lb., against 47,787 lb. in the corresponding month of last year. With Sungei Kapar the respective crops for April 1920 and April 1919 are 69,500 lb. and 48,400 lb. Bukit Kajang has a yield of an additional 5,300 lb., with a return of 70,692 lb. On the other hand, Kapar Para registers only 68,403 lb. as compared with 70,860 lb., but explains the decline as due to the winter and rain. Panawatte Tea and

Rubber Estates secure 70,441 lb. of rubber, an increase of over 20,000 lb.; but the tea crop of 33,198 lb. is almost 7,000 lb. below the yield of April 1919.

However, Yatiyantota Ceylon Tea Company, with 64,495 lb. of rubber—an increase of 23,000 lb.—and 53,629 lb. of tea—an increase of 1,500 lb.—registers an all-round improvement. Riverside (Selangor) has a crop of 35,700 lb. of rubber, as compared with 24,300 lb. in April 1919. This general tendency of increased ouputs, whilst it will help to reduce the f.o.b. costs, has, however, another significance in the present condition of the Rubber market, especially since the slackening of the American demand. This admitted increase in the available supply of rubber can only find an outlet at lower prices in the absence of an expansion of the demand; and it is to the improvement of the position on the Continent that would enable it to compete for this supply that we must look for this extra demand. It may be that the American demand may again become a vital factor in the market; but the more permanent demand must come in the future from the Continent, and especially from France and Germany. In the present condition of the foreign exchanges it is hopeless to expect an immediate revival of the demand for rubber. Consequently, it can be seen how much more depends upon the stabilisation of the exchanges than is even dreamt of by the average merchant and manufacturer. In the meantime, it is well to bear in mind this aspect of the increasing outputs. At the same time, it must not be thought that the increase is yet of such a nature as to cause an undue depreciation in the value of rubber.

CHEVIOT (NEGRI SEMBILAN).

Issued Capital: £88,412 in 2/0 Shares.

Results for Years to December 31

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1916	2,627	1,288	396,928	308	2/7	1/3¼	26,169	13,362	15
1917	2,727½	1,090	610,450	361	2/3	1/3·3	29,813	8,840	10
1918	2,750	—	474,254	—	1/11	1/6·14	10,228	6,630	7½
1919	2,622	—	815,285	—	2/0½	1/3¾	32,202	18,567	21

Price of Shares, 7/1½. Market Capitalisation per planted acre, £120.

Yet another Company records a substantial improvement in its working operations for 1919, owing to the removal of the drastic restrictions on tapping that made 1918 so bad a year for many a rubber company. In this case the improvement is considerable, for the crop harvested during 1919 reached 815,285 lb., the estimate being 812,000 lb., whereas the 1918 crop amounted only to 474,254 lb. An increase of 1½*d.* raised the average price realised per lb. to 2*s.* 0½*d.*; whilst, owing to the greater bulk of the crop, economies in cost of production were secured, which reduced the "all-in" cost to 1*s.* 3¾*d.* Thus a profit of £32,202 was obtained for the year under review, as compared with £10,228 in 1918. Consequently, there was paid to the shareholders a dividend of 21%, as against 7½% in 1918. To remedy the difference in the capital account, which has been overspent, the reserve has been increased by £12,000 to £47,000. There is carried forward to the next accounts a sum of £24,095. It has been considered advisable to keep so large a sum in hand in order to meet the liability for excess profits duty for the year under review, and, in addition, a claim which is being disputed for a similar liability in respect of past years.

For the current year the prospects of the Company are, if anything, better. The estate is reported to be clean-weeded and in good order. The labour problem is not yet solved. Shortage of labour during the year under review restricted to some extent the output, and also held back development operations, notably the felling of the new extension of 150 acres. However, it is hoped to secure an adequate supply of labour for the current year. The estimated crop reaches no less than 1,000,000 lb., and returns to date would indicate every possibility of this large output being obtained. The actual crop harvested for the first three months of the year is returned at 230,000 lb., which is slightly below the necessary proportion of the estimate, a deficiency which is accounted for by the inclusion in this quarter of the short month of February. It remains to be seen, however, to what extent the reduction in the cost of production rendered possible by this further increase in the crop will counterbalance the rise in the price of labour and stores. Furthermore, it must be admitted that the new excess profits duty of 60% will deprive shareholders of a part of the additional profit. But in this respect this Company will only experience the fate of rubber companies in general. Forward contracts have been entered into for the disposal of 268,000 lb. of the current crop at an average price of 2*s.* 2½*d.* per lb. landed terms. The position in the balance sheet is financially strong. Liabilities, including the final dividend of £13,262, amount to £24,530; whereas the total of liquid assets is £56,357.

Changes in the capital account are forthcoming. In the balance sheet the issued capital stands at £88,412. At the general meeting it was agreed to increase the authorised capital from £90,000 to £250,000. To existing shareholders it is proposed to issue 115,876 shares of 2*s.* at a premium of 4*s.* each, thereby increasing the issued capital to £100,000, and the reserve, with the addition of £23,175 in premiums, to £70,175. This sum will be capitalised at some future date to the extent of £70,000, and the shares distributed to existing shareholders. When this has been accomplished the issued capital will stand at £170,000. The need for extra capital is explained by the development schemes which this Company have in hand. The money is required for the felling and planting of the extension of 150 acres already mentioned and for the opening up of 400 acres of reserve land. It is estimated that this work, in addition to the outlay for the current year, will necessitate an outlay of £35,000. In this connection it is of interest to note a change in the planted area, which is returned at 2,622 acres in 1919, as against 2,750 acres in 1918, the difference being accounted for by the exclusion of 128 acres of swamp land, which had to be abandoned. When the development programme is complete the Company will have a total of 3,172 planted acres. In the market the 2*s.* shares are quoted at 7*s.* 1½*d.*, at which price the yield is a little under 6%.

LANGKAPOERA (SUMATRA.)

Issued Capital: £64,490 in £1 Shares.
Convertible Debentures: £14,010.

Results for Years to June 30

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Div. Amt. £	Div. %
1915–16	1,202*	—	122,062	—	2/8¼	1/11	15,362†	6,350	10
1916–17	1,378*	827	198,211	240	2/6¾	1/9½	16,984‡	12,770	20
1917–18	1,392*	—	249,174	—	1/1	1/2	1,316	3,175	5
1918–19	1,461*	—	236,187	—	1 5½	1 10 8§	7,485‖	6,449	10

* Partly interplanted with coffee. † Including £12,367 from 5,000 cwt. of coffee. ‡ Including £11,309 from 8,000 cwt. of coffee. § f.o.b. ‖ Including £5,615 from coffee crop.

Price of Shares, 27/6. Market Capitalisation per planted acre, £74.

The accounts of this rubber Company for the year ended June 30, 1919, show on the whole a general improvement on the position indicated in the accounts of the previous financial year. But in carrying out any analysis, and more particularly in establishing any comparison with the results of earlier periods, it is essential to remember that the year under review comprised over four months of the War period, whilst the remainder was characterised by those varied difficulties which handicapped many a rubber Company for months after the Armistice. In this light the harvest of 236,187 lb. of rubber, as against an estimate of 200,000 lb., is a creditable achievement. More meritorious still is the decline in the f.o.b. cost of production, which despite the rise in the price of materials fell from 11.62*d.* per lb. to 10.82*d.* per lb. Owing to the greater part of the crop being disposed of locally

it has not been found possible to furnish a reliable figure for the "all-in" cost. At the same time the average price realised per lb. improved slightly to 1*s.* 5½*d.* The coffee crop, estimated at 2,100 piculs, reached 2,157 piculs, leaving, after deducting estate expenses, but not a proportionate share of administrative expenses, a profit of £5,615. The final result was to produce a net profit of £7,485, as compared with £1,316 in the preceding financial year. Out of this shareholders received a dividend of 10%, as compared with 5% in 1917-18. A sum of £1,000 was granted as extra remuneration to the directors, and £1,453 was written off against depreciation of buildings and machinery. There is carried forward to the next accounts a balance of £5,762, as compared with £7,179 in 1917-18.

To estimate with any degree of accuracy the prospects for the current year is a task of some difficulty. For rubber the estimated crop is 341,786 lb., which would represent a considerable improvement on the yield of the year under review. But for the nine months that have already elapsed there has been harvested only 211,090 lb., which would indicate a final crop of some 285,000 lb. Whilst this is admittedly an increase over the crop of 1917-18, it is by no means a high yield from an area of probably 1,200 bearing acres. On the other hand, there is little doubt that the rubber was disposed of at better prices. And as the unsold crop of 148,253 lb. on June 30, 1919, was only valued at cost—to wit, £6,671—there is every reason for believing that a better profit will be obtained from rubber unless the cost of production should exhibit any undue tendency to increase. Turning to the coffee crop, it must be admitted that the estimate of 2,200 piculs will not be realised. Here, as in the case of rubber, a severe drought experienced at the close of 1919 set back production, and the yield for eight months was only 1,246 piculs, at which rate the total crop would be under 1,900 piculs. Any further reduction in the cost of weeding would, of course, counterbalance in part the loss from the decline in production. For the year under review this item only worked out at 2*s.* 0½*d.* per acre per month, as compared with 2*s.* 5½*d.* for 1917-18. The shortage of rice in the East is not likely to affect this Company very seriously, since during 1918-19 they were able to supply the natives with paddy grown on the estate. Moreover, the Company does not anticipate any liability in respect of excess profits duty. The financial position, as disclosed in the balance sheet dated June 30, 1919, is satisfactory. Including the dividend of 10% declared at the general meeting, liabilities amount to £20,079, and are amply covered by liquid assets exceeding £25,400. In addition to the area of 1,464 acres planted with rubber intermixed with coffee, and of the 137⅜ acres under Ficus, and 11⅜ acres under coffee alone, the Company has still available for planting an area of 396¼ acres. Of this some 165 acres have been opened up, to be planted first with foodstuffs in order to cope with the shortage of rice; but when these crops are harvested this area is to be planted with rubber intermixed with coffee. The scheme provides for 96 trees per acre with three rows of coffee running parallel, as this is found from experience to be the best proportion. An excess of coffee delays the growth of the rubber for two years, and as this Company regards rubber as their main crop in the future, such a contingency must be avoided. Furthermore, it is intended to take out all the coffee which is not affording a good yield and to refrain from planting it, except where it does not hinder the growth of the rubber. As far as possible the reserve land will be utilised for further rubber plantations owing to the heavy expense involved in clearing old Ficus land. Thus, whilst the immediate prospects of this Company may not be very bright, a satisfactory development of this policy with a continuance of good prices for rubber would alter the situation materially. At present the £1 shares of the Company are quoted in the market at 31*s.* 6*d.*

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This great and very enterprising Company represents a fusion of a number of important institutions, some of which were of long standing and all of which are of well-established reputation. It is especially prominent in the marine and life sections. Its operations have been characterised by exceptional courage and skill, and it has been much before the public as a pioneer of new ideas, with the view of meeting as far as possible the requirements of the public. Every kind of insurance carried on by joint-stock companies is undertaken by it in some form or other, with the exception of industrial and sickness assurance business. In its fire and general departments it works on a non-tariff basis, as regards home business, and its progress in these fields has been very marked during the past few years. Among the companies now included in its organisation are the Eagle (founded in 1807), the English and Scottish Law Life (1839), the Star (1843), the Sceptre (1864), and the British Crown (1907). It may now be considered as quite in the front rank of contemporary insurance institutions.

The annual report for 1919 continues the tale of profitable development. Turning first to the life business, we find that new life assurances were effected with it in the course of last year for £3,078,697, of which £285,580 was reassured, the net retention at its sole risk thus being £2,793,117, which exceeds by more than one million sterling the Company's corresponding record for 1918. The net new life premium income (premiums on reassurances being deducted) amounted to £124,036, as compared with £82,889 in the previous year, indicating an advance of more than 50%. The total net life premium revenue of last year was £1,228,335, apart from a sum of £98,544 received as consideration for new annuities granted. Through the year's operations the life assurance and annuity funds were increased by £422,446, and they amounted on December 31, 1919, to £13,005,126. An analysis of the life revenue account indicates that, apart from the uncertain factor affecting all life offices as regards variations in prices of securities, which are only taken into account at periodical investigations with a view to allocation of any distributable surplus between shareholders and policyholders, the normal profits from the year's working must have been considerable. Thus a comparison with the premium income of the amount expended in costs and commission (after a small and suitable adjustment for the expenses of the annuity section of the business) shows that the expense ratio was only about 10.3%. It is true that the larger portion of the premiums related to business in closed series, which are being worked off at agreed rates of 9% and 10% (according to circumstances), but that the ratio on the whole business should be as low is a very satisfactory feature, in view of the magnitude of the new operations, necessarily entailing a considerable amount of initial, if reproductive, expenditure, and also of existing conditions. Another favourable point as shown by the accounts is the high net average yield

on the life funds, which, through the adoption of the usual formula, would seem to have amounted to about 4¼% after deduction of income tax.

The fire and general revenue account, embracing all the operations of the Company except life, capital redemption, and marine business, shows a premium income in 1919 of £1,214,688, as compared with £909,241 in the previous year. As in the life section, no contribution to profit and loss is levied on this account, the whole of the trading surplus, after an adjustment of the reserves for unexpired risks at the beginning and close of the year, being left in the departmental fund, which amounted at the close of the year to £722,274. This exceeds the reserve for unexpired risks by £236,399, indicating an advance in this respect, as compared with the corresponding figure at the close of 1918, of £73,470, the increase in the whole of the fund during the year being £195,648.

In the sinking-fund and capital redemption section the premium income in 1919 amounted to £22,210, and the relative fund (at close of year) to £217,359.

There remains the marine section, which has hitherto been the main profit-producing department of the Company's operations, so far as the shareholders are concerned. During the war the Company played a prominent part in this sphere, and it is evident that its underwriting of marine hazards in those acutely difficult times was as skilful as it was courageous. The trading profits have not hitherto been encroached upon for dividend purposes to more than a mere fractional extent, but they have been utilised to build up the reserves and to pay in great measure for the cost of purchase of business acquisitions. Thus we find that from the marine revenue account of 1917 £150,000 was appropriated to such purchases, £50,000 was transferred to reserve fund, and £12,500 to investment reserve fund; that from the marine account of 1918 £100,000 was utilised to meet purchases and £250,000 was transferred to reserve fund; and that from the marine account of 1919 £300,000 was transferred to reserve fund and £17,500 to investment reserve. Taking the three years 1917, 1918, and 1919, the highest marine premium income written by the Company was in 1917, when it reached £1,909,792. This is in conformity with the general experience of British insurance companies. In 1918 the marine premium income fell to £1,675,908, and in 1919 to £1,503,829. The marine insurance fund stands in the balance sheet as at December 31, 1919, at £994,150.

Apart from consideration of the departmental reserves, the financial position of the Company in comparison with its business commitments appears an exceedingly strong one, judged by the ordinary standards. It was immensely improved in the course of last year by the issue of 100,000 new shares of £3 each at a premium of £12 per share. These shares were all taken up by existing shareholders, to whom they were offered without any recourse to others, and they are being paid for by five quarterly instalments, which began in November 1919 and will end in November 1920. When such payments are completed the reserve fund will be increased by the sum received as premiums on shares to £2,000,000, and the paid-up capital will amount to £1,047,896. The total assets as shown in the Company's balance sheet amounted on December 31, 1919 (inclusive of calls on shares in course of payment), to £19,189,317, as compared with £16,703,469 at the close of 1918.

The dividend declared on the Ordinary shares in respect of the operations for 1919 is 30%, free of income tax. It has been arranged that regular quarterly dividends of 5% shall be paid throughout the year, together with any balance after the year's declaration. The dividends hitherto have been mainly provided out of interest earnings, with but little encroachment on trading profits. But looking to the great strength of the reserves, it may not be unreasonably expected that these profits may be drawn upon in future to some extent, although it may not be to a large one. Meanwhile, and independently of this, the dividends are likely to benefit by the increase of interest earnings on the enhanced accumulations, in the absence of abnormal circumstances, so that the prospects for shareholders appear to be excellent.

Apart from capital and the life annuity and capital redemption funds, and the investment reserves, the reserves as shown in the balance sheet are as follows:—

	£
Fire and general insurance fund	722,274
Marine insurance fund	994,150
Reserve fund	2,000,000
	3,716,424

This represents about 137% of the total net premium income of the Company in its fire and general and marine departments, which amounted to £2,718,517. This is a very high standard, and sufficiently attests the great strength, comparatively speaking, of the financial position.

BRITANNIC ASSURANCE COMPANY, LIMITED.

Referring to article in THE STATIST of April 24, 1920, it has been announced that a bonus on participating policies has been declared for the year 1919 at the rate of £1 4*s.* per cent., being an increase of 50% over the rate declared in respect of the previous four years.

Dr. Hector Velazquez has been appointed Paraguayan Minister to London. Dr. Velazquez was for many years Paraguayan Minister at Washington.

We learn through the *Agencia Americana* that the terms of the contract between the Brazilian Government and the Itabira Iron Company have been published. They provide for the construction of high-power coke furnaces for the production of steel, with a guaranteed yearly minimum production of 150,000 tons of steel sheets, ingots, &c.

A telegram from Rio, received by the *Agencia Americana*, states that the Brazilian Congress was opened on Monday last. The President, Dr. Epitacio Pessoa, after referring to his visit to Europe and to the United States and Canada, discussed at length the question of the ex-German ships, declaring that Brazil never intended to confiscate the vessels, and read the categorical declarations made by the Brazilian Government after it had taken possession of them. France has now recognised Brazil's claim to the property. They are, however, declared to be unsuitable for Brazilian trade, but with the money which could be derived from the sale of them Brazil could acquire a small homogeneous fleet exclusively for international cargo service. A good offer for them had been received from the United States, but Brazil will give preference to France if offers are equal.

According to a cable received by the Standard Bank of South Africa, Limited, the wholesale trade throughout the Union is good. Stocks show little change, and are short generally. The weather continues satisfactory, except in the Cape Western districts, where it is very dry. Damage to the young maize crop by frost is not extensive, and the yield is likely to exceed earlier anticipations. The Wool market is easier on the completion of Japanese orders. The mohair business remains lifeless. Hides and skins are dull, with prices easier. Since the conclusion of the railway strike trade in Rhodesia has been brisk. The farming position is very satisfactory, and the yields of maize and tobacco are expected to be excellent. Trade in Nyassaland is still depressed, and abnormal rains have handicapped planters. In East Africa trade is steady, but there is a shortage of imported goods.

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Head Office: 24/5/6 CORNHILL, LONDON, E.C. 3.
Total Assets (including Life Funds)—£31,801,986.

Commercial.

EMPIRE COTTON.

According to the report issued from the Board of Trade on cotton-growing within the Empire, the total world's supply amounts to just under 25,484,000 bales. Nearly 70% of this crop is produced in the United States of America. Some of the very best cotton in the world is produced in the islands off the coast of South Carolina and in our own West India Islands. Altogether these account for no more than 12,000 bales. Then comes Florida and Georgia, Egypt, and certain islands of the West Indies. A third grade is produced also in Egypt with a small portion in the Soudan, some in the Mississippi Delta, Nyassaland, Uganda, East Africa, and Peru. Grade 4 is produced in the United States, which accounts under this heading for 15,000,000 bales. The same grade of cotton is produced in Mexico, Brazil, West Africa, the Levant, in India, in China, and in Corea, with a small supply from Russia. Including the enormous crop of the United States, this grade accounts for 16,700,000 bales. A fifth grade consists of the great bulk of Indian, Chinese, and Russian cotton, which altogether amounts to over 7,000,000 bales. On the basis of 500 lb. to the bale the pre-War consumption of cotton of the various grades we have specified within the Empire may be taken approximately at 4,500,000 bales. Some 800,000 bales of Grade 1 and Grade 2—that is, from the West Indies, the islands of South Carolina, Florida, and Egypt—come here. Some 3½ million bales which are consumed in different parts of the Empire come nearly wholly from the United States, under the heading of what is known technically as Grade 4. In this country we use hardly any of the variety specified under Grade 5. On the other hand, the Indian mills use almost exclusively home-grown cotton coming under this heading. They use also a small proportion of various kinds of cotton coming under the heading of Grade 4. It will be seen that we are to a very large extent dependent for feeding the needs of our mills in Lancashire upon the supplies coming from the United States. In the opinion of the Cotton-growing Committee there seems no reasonable doubt that, as supplies increase and become adequate for the needs of the British mills in Lancashire, the cottons now being grown in Uganda, and in certain parts of Nigeria, will be perfectly capable of satisfying the demands of those mills. The West Indian crop varies between 5,000 and 6,000 bales. It is of the Sea-Island variety and is of excellent quality, but it is not grown in adequate quantities to supply the world's demands. The actual origin of Sea-Island cotton is not known. Some authorities argue that it was originally grown in the Island of Barbadoes, but the concensus of expert opinion now inclines to the view that it was, in fact, derived from certain cottons which were, and still are, indigenous to the Northern States of Brazil. Whatever may have been its origin the fact remains that for more than a century it has been found to be the only cotton suitable for spinning the very finest counts and qualities of yarns. It is of very long staple, ranging from 1¾ to 2½ inches. It is extremely fine and has a silky appearance. The qualities which, however, render it especially suitable for spinning very fine yarns also make it exceptionally difficult to handle in the mills. It has, moreover, certain defects, for it is generally very irregular in length of staple, with the result that its preparation for spinning involves the extraction of a large percentage of waste, and unless it is very skilfully manipulated the yarns made from it are liable to show many imperfections. It was for many years confined to a comparatively small number of spinners, the bulk of whom were in this country, with a small number in France. More recently it has become the practice for spinners in the United States to use a considerable proportion of the less fine qualities for spinning various kinds of yarns. Formerly the world was dependent upon the few thousand bales produced on the islands off the coast of South Carolina. More recently, as we state above, increased supplies to the extent of 500,000 bales have been grown in Florida, in the West India Islands, and in Egypt. These latter qualities have not, however, until quite recently, commanded so high a price as the true Sea-Island cotton. They were like the original variety, of very uncertain quality. Particularly the length of staple did and does, although not to the same extent, vary very considerably. As we explained last week, there are very grave reasons for fearing that the coming crop in the United States will be a short one owing to the inclemency of the weather in the early part of the season. In addition to the boll weevil, another pest of the boll variety has made its unwelcome presence felt in the United States. In any case, it has been evident, for at least the past 10 years, that the cotton-consuming world was dependent and depending to an alarming extent upon the cotton crops of the United States. This crop has not tended to increase to meet anything like the growing demands. From a report issued from the United States Board of Agriculture some time ago it would appear that the efforts to increase supplies in the cotton belt beyond a certain point have not met with any large measure of success. Beyond this point it would appear that the

cost of production increased out of proportion to the augmented supply.

Cotton growing in the British West India Islands goes back to the very earliest period of their colonisation, and seems to have been practised by the natives in the pre-European period. Cotton of the Sea-Island variety even now is stated to grow wild in various remote districts of these islands. Cotton growing, however, as an industry was practically abandoned, particularly in the British West Indies, for something like a century. Cane-sugar growing was regarded as more profitable until that indutsry was practically killed by the bounty-fed beet sugar grown in Europe. Sugar, like cotton, in these regions, was grown for export, as the local demand for either was, and is, quite small. At the beginning of the present century, owing to the depressed state of the sugar-growing industry in the British West Indies, a Commission was sent out for the purpose of studying the feasibility of growing cotton in these islands. It was decided that the most promising variety is the Sea-Island, and large quantities of seed of this variety were purchased in the United States. The result of this experiment we have already given; but the supply as stated contributed only a small amount to the world's demand. Practically speaking, cotton is so far only established in the Windward Islands of St. Vincent and the Grenadines, in the Leeward Islands of Antigua, St. Kitts, Nevis, Barbuda, Anguilla, Montserrat, the Virgin Islands, and in Barbadoes.

There remains, therefore, Egypt, India, and the uplands of Equatorial Africa, so large a proportion of which, as the result of the recent War, have been added to the British Dominions. India, at present, as already stated, produces only an inferior grade of cotton. A very large proportion of this cotton is used in the native mills by India herself. A considerable proportion is exported to Japan. Very little comes here because, and almost wholly because, it is quite unsuited to the requirements of the spindles of Lancashire. In a concluding paragraph we propose to deal very briefly with the prospects of increasing, and increasing upon a great scale, the supplies of cotton suitable for the Lancashire mills from India and from the British Possessions in Equatorial Africa. Meanwhile, there remains for consideration the supplies obtainable from Egypt. These supplies come mainly to England. They are consumed, and gladly consumed, by the Lancashire mills. They supply some of the finest counts, and we could do with increased quantities if they were obtainable. The Egyptian supply is necessarily limited, for reasons which we shall endeavour very briefly to explain. It is by no means certain that they could be very materially increased with advantage to Egypt. Already Egypt is unduly dependent upon this crop. At present, owing to world-wide shortage of cotton, as of other raw materials, cotton growing in Egypt is exceedingly profitable, but it is never desirable for any country to be practically wholly dependent upon one single source of revenue.

It has to be remembered that while the total area of Egypt, as described in the reference books, amounts to some 350,000 square miles, the bulk of this territory is desert. Barely 12,000 square miles are available for cultivation. Very little rain falls in Egypt. In certain seasons as much as 8 inches is occasionally registered at Alexandria. At Cairo the precipitation is only 1 inch. Such parts of Egypt as can be made fertile are wholly dependent upon the Nile. This means that cultivation is only possible for such distances as the waters of the Nile can be carried by means of irrigation. Some 550 miles of the Nile are irrigated in this way, but in many cases the width is not more than a mile on either bank. More than two-thirds of the total cotton crop of the country are grown in the Delta. The cultivable area of the Delta does not much exceed 3,000,000 acres. Cotton was not grown in the Egypt of ancient times, although it was imported presumably from the Far East, through the medium of what we now call Arab traders. Even if we extend, as it is proposed to do, the cotton area into the Soudan, this can only be done at the expense of the available supply of Nile water from the lower regions of the river—that is, Egypt proper. Moreover, it can only be done at the expense of making Egypt still more dependent than she is at present upon the cotton crop.

So far as the vast territory of the uplands of British equatorial Africa is concerned, the Government is encouraging and the British Cotton Growing Association is doing excellent work. Before, however, adequate supplies of raw cotton can be obtained from these regions, some time must necessarily elapse. So far as India is concerned, the case is different. India already grows a very large supply of cotton, and, as we have said, in addition to what she uses in her own mills, she exports large quantities of the raw material to Japan. This, however, does not feed the mills of Lancashire. To do that a finer quality of cotton than is at present grown would require to be raised. Large areas of India are available and suitable for growing the kind of cotton required. The natives are already accustomed to grow cotton. All that should be needed, therefore, is to employ a sufficient number of experts capable of training the abundant labour available in growing a long stapled cotton which would meet the demands of the Lancashire spindles. At present the yield per acre is even poorer than the quality of cotton produced in India.

SWISS RIBBON INDUSTRY.

There is in the current number of the *Anglo-Swiss Review* an exceedingly interesting article on the Swiss silk ribbon industry, chiefly carried on at Basle. For years this country has been the principal market for the silk ribbon industry of Basle. Very largely we have financed it from London. This centre has been the principal scene of distribution, and we have, of course, been largely interested in insuring the product in which we dealt largely. The silk ribbon industry is not merely one of the chief industries of Basle, but it is one of the principal industries of the Swiss Republic. Probably few readers not directly connected with the silk trade are aware of the extreme antiquity of the silk ribbon industry. We know that silk ribbons were used in Athens. These silk ribbons almost certainly came from Asia. India, China, and Japan have always been, and still are, the chief sources from which we derive our supplies of the raw material and a large proportion of the manufactured article. In our own time France and Italy have been, and still are, important centres of the manufacture of silk, out of all proportion in fact to the amount of raw material actually produced within the borders of their respective countries. Silk garments were used in remote antiquity in Egypt, in Asia Minor, in Syria, and in Babylonia, and later in Persia. To what extent silk was produced or manu-

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factured in these countries in the remote past we do not know. The silkworm was cultivated in the past in Asia Minor, but whether in sufficient quantities to supply the demands of the great civilisations which at that time bordered on the Eastern Mediterranean there are no records. It must not be assumed, however, that it was impracticable to bring silk even in those days from the Far East. The caravan routes which came down from the very remote past were a far more efficient means of transportation than is generally realised. One of the most serious difficulties of Europe during the Middle Ages was brought about by the closing of those routes owing to the decline of civilisation in Western Asia. The best opinion appears to be that the silk trade in Eastern Europe and the Southern Mediterranean with the East never wholly died out, although it fell for a time into very low water. It appears to have been carried on through the instrumentality of the Venetian merchants trading with Egypt. It would appear that the cultivation of the silkworm in Southern Europe dates from a very early period. Whether Europe at any time produced sufficient of the raw material to meet its own requirements is not clear.

However this may be, the introduction of the silk ribbon industry in Basle dates from about the middle of the sixteenth century, when it was introduced by the Huguenots. The introduction of the weaver's loom permitting several pieces of ribbon to be made at one and the same time practically revolutionised the silk-ribbon-manufacturing industry in Basle. The loom appears to have been introduced about a century after the industry was first established in the Swiss centre.

Manufacturing by means of machinery was opposed in Switzerland as elsewhere, but as in other places after a time opposition was overcome. With the introduction of machinery the Basle silk merchants sought an outlet for their surplus products in foreign markets. Owing to the difficulties of transportation the sale of Basle silk ribbons was restricted for a long time to the principal fairs held at different places upon the Continent. Among the most celebrated of these were Strasburg and Frankfort. These great fairs were for something like a century the chief distributing centres for Basle silk ribbons. During the wars of the later seventeenth century between the various German States and Louis the Fourteenth the different German States prohibited the import of French goods, and this course of action stimulated the Swiss silk ribbon industry. The great fairs in Germany remained the principal centres of distribution right up to the end of the French revolutionary wars. With the end of the French revolutionary wars and the rise of modern Germany during the nineteenth century the Swiss industry had to seek fresh markets. The fairs fell into disuse, the old Zollverein was dissolved, and protective duties introduced. For a time in the early part of the nineteenth century the United States of America, which at that time was not a manufacturing country, was the principal customer for Swiss silk ribbons which were not consumed at home.

We have said above that the introduction of machinery into the manufacture of silk ribbons practically revolutionised the industry. The adoption of free trade by England offered practically a world-wide market for the products of the Swiss looms. In effect the Anglo-French Commercial Treaty of 1861 emancipated the Swiss ribbon industry, and made London the centre of distribution over an immense area of the earth's surface. London came to finance the trade, and many millions of francs worth were received each year into the London warehouses. More than 30 years ago the Basle Chamber of Commerce reported that England kept nearly all the ribbon factories going with her orders. Very large sums of money were employed in the industry, and a large proportion of the population of that city depended, directly or indirectly, upon its prosperity or otherwise. Basle prospered. England imported from thence Swiss silk ribbon to meet the demands of her own market; she exported large quantities to the Colonies and various British Possessions abroad, as well as to other countries which did not make silk ribbons themselves, and, therefore, had no interest in protecting them with high tariffs.

Then came the Great European War in 1914. The Basle ribbon silk industry suffered very severely all through the recent War. From the very outset there was naturally a falling off in the demand for this class of goods. Worse was to follow, so far as this industry was concerned. In February 1917 England prohibited the importation of all articles of luxury, which not unnaturally included silk ribbon. Switzerland immediately entered into negotiations with the British Government. After a long period of negotiations England ultimately agreed that a consignment of not more than 50% of the value imported under the restricted conditions imposed in 1916 might be imported. This was subsequently increased to 70% of the value of the import of 1916.

By the time the concession was granted, however, there had been an enormous rise in the price of raw silk, which the reader will no doubt recollect was an article used in the manufacture of certain munitions of war. The result was that the actual consignment which it was found practicable to send to this country was not more than about one-third of the value of the silk ribbon import of 1916. These restrictions had an exceedingly adverse influence upon the Basle silk ribbon industry, and in fact resulted in throwing a large number of workmen out of employment. The difficulties of transport made it well-nigh impossible to export these goods to England at all, and again England prohibited the import of these goods. In the autumn of last year the import of silk ribbons from Switzerland was again freely permitted, so far as the Government could influence the matter, on a pre-War basis, but in fact it has not been found practicable to restore pre-War conditions, although the increase in the imports into this country has been upon a great scale. It has to be remembered that Switzerland was neutral throughout the War, supplied various kinds of articles to the Allies during its continuance, and as a result gained a large measure of prosperity. It may be remembered that Swiss investors subscribed something like £25,000,000 to various Allied war loans. It would appear that Switzerland is one of the countries to whom we owe money, because, whereas in pre-War days there was a par of exchange between this country and Switzerland, there is an adverse exchange, as it is called, now. From this it will be seen that we have to pay an appreciably higher price over and above the manufacturer's charges.

During the three clear years before the War England took about two-thirds, or some 66%, of the total exports of Swiss silk ribbons, valued at the par of exchange at some 24,000,000 francs each year.

At the forty-ninth annual general meeting of the London and Brazilian Bank, Limited, held recently, Mr. John Beaton, the Chairman, stated that business in Portugal has been greatly interfered with by trade restrictions in that country, which applied not only to imports, but to the business of the exporters. There was, however, continued prosperity in Brazil, in Argentina, and in Uruguay, in which countries the Bank is well established. The value of the exports from Brazil in 1913—£65,000,000—was just half their value last year; and therefore it was easy to realise the great benefit that country had derived, and was deriving, from the higher prices obtained from its products, and from its larger exports. A good report had been received from the State of Sao Paulo concerning the recovery of the coffee plantations from the effect of the great frost of June 1918. The trees were recovering favourably, and probably another year would bring the plantations back to normal crops.

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CAPITAL SUBSCRIBED	(Dec., 1919)	£58,878,400
CAPITAL PAID UP	do.	9,420,544
RESERVE FUND	do.	9,675,105
DEPOSITS, &c.	do.	325,938,436
ADVANCES, &c.	do.	135,763,591

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Debentures: £733,700 5% Prior Lien and £640,571 Debenture Stock receiving 5½ %.

Year	Net Profit*	Deprecn. Reserve.	Reserve.	Deb. & Pref. Interest	Ord. Div. £	Ord. Div. %	Carry-Frwd.	Stocks	Surplus Liquid Assets†
	£	£	£	£			£	£	£
1914...	247,290	50,000	50,000	109,198	30,031	5	24,751	187,266	812,919
1915...	271,282	50,000	70,000	109,198	42,043	7	24,791	194,355	882,254
1916..	206,396	60,000	75,000	103,198	60,062	10	26,926	226,008	858,000
1917...	320,548	70,000	75,000	109,198	60,062	10	33,214	224,968	916,388
1918...	307,426	70,000	70,000	109,198	60,062	10	31,380	232,914	1,034,825
1919...	253,608	50,000	50,414	109,198	60,062	10	15,314	285,664	1,048,559

* After provision for income tax.
† Including shares in and loans to subsidiary companies, but not stocks.

As had been anticipated, the year 1919 was for this Company a very critical and trying period. The cessation of hostilities was accompanied by the inevitable stoppage of all war work. This reacted in particular on the aluminium industry, as it left manufacturers and Governments alike with large stocks of the metal in hand. And this condition of glut coincided with an almost negligible demand. To prevent further accumulations of stock the British Aluminium Company were compelled to reduce production considerably. Meanwhile, as a result of an agreement with the Government, a considerable percentage of sales had to be made on Government account during the whole of 1919; and to facilitate the disposal of these stocks the price of aluminium was considerably reduced early in the year, and the ruling price continued low for the whole of the period. Thus, with a restricted demand for peace consumption and a compulsory sale of Government stocks on which practically no profit was realised, it was only normal to find the accounts for the year recording a reduction in the net profit. But in effecting a comparison with the previous year, it is essential to remember that for seven months of the current year these deadening influences were at work. That under such circumstances the net profit for 1919 amounted to £253,608, as compared with £307,426 for 1918, is really a creditable achievement, and bears a striking testimony to the revival of the demand in the last five months of the year under review. Furthermore, it appears that part of this reduction in profits is attributable to the rise in the cost of production, notably labour and freight charges. Out of the net profit, after discharging the usual liability in respect of Debenture and Preference interest, a sum of £50,000 was transferred to the depreciation reserve, raising it to £500,000, and the reserve was increased by £50,414 to £520,414. Despite the adverse circumstances of the year, Ordinary shareholders again receive a dividend of 10%, absorbing £60,062, and leaving a balance of £15,314 to be carried forward to the next accounts, as compared with £31,380 in 1918.

The position as disclosed in the balance sheet as on December 31, 1919, is one of great strength. Taking into account the dividends declared at the general meeting to the amount of £45,024, liabilities do not exceed £712,546, to meet which there are available liquid assets, including stock, to a total of £2,046,769. It will be noted that the stock, though entered at cost and under, amounts to £285,664, as compared with £232,914 in 1918. In part this increase represents the growing cost of materials, and in part the holding over of stock owing to the disposal of Government holdings. At the date of the balance sheet the authorised capital amounted to £1,000,000 and the issued capital to £900,190, consisting of 299,570 Preference shares of £1 and 600,620 Ordinary shares of £1. At the general meeting resolutions increasing the authorised capital to £1,500,000 by the creation of 500,000 Ordinary shares, and sanctioning the capitalisation of £400,414 of the reserve account were confirmed. The 400,414 Ordinary shares are to be distributed as a bonus to existing shareholders at the rate of two shares for every three shares already held. The effect of this bonus will be to reduce the total of the reserve account from £520,414 to £120,000. The fact that, despite a rather unfavourable year, the Company decided to distribute such a large proportion of its reserve speaks well for the confidence it has in its future earning power.

Taking a broad view of the whole situation, it looks as if the transition stage in this industry had passed, and all signs point to a steady revival of the demand for aluminium for normal uses. At the general meeting the Chairman reported that the works were again fully engaged. On all sides there was a healthy demand for aluminium for use in the motor industry and for domestic utensils. From home and abroad orders were being placed for sheets of the manufactured metal, and in this connection India was affording a profitable market. The problem of Government stocks will not be such a stumbling-block during the current year; for, whilst a great deal of this surplus was disposed of in 1919, the remainder was taken over in January by the Company to enable it to carry out orders already placed. Moreover, there had been a slight improvement in the price since the opening of 1920. Thus it would seem as if the outlook before the aluminium industry in the immediate future was rather encouraging. Demands in excess of pre-War requirements are anticipated from the motor, electrical, and other allied trades. On the other hand, shortage of coal acts as a barrier on their progress in France; whilst work in Switzerland is held up not merely from want of fuel, but also from lack of bauxite. As is well known the Company is dependent for the bulk of its ore on its property in the south of France, and difficulties as regards transport and ship-

ping have operated against a satisfactory supply of bauxite. So far there are little signs of any great improvement in this direction, and if the rumoured tax upon the export of this aluminium ore from France were to materialise, it would handicap still further the progress of the Company during the current year. Yet another burden is placed on the Company by the persistent rise in wages, coinciding as it does with a reduction in the hours of work. The hope, however, is held that the shorter working day will ultimately be accompanied by an increased efficiency of labour. Owing to opposition the scheme outlined for the development of water-power in Scotland is held up, pending the report of the Government Commission upon this vital problem. A similar scheme which was in progress in Switzerland at the outbreak of the War has been continued since early in 1919; but more active operations are suspended until the position on the Continent as regards labour and transport has undergone a change for the better. Generally speaking, however, it is anticipated that, in the absence of unforeseen circumstances, the accounts for the current year will reveal a considerable improvement over those of 1919. In the following table will be found the current prices of the different securities of the Company and the yields they afford at existing dividends to the investor:—

	Deb. Stock (5½%)	5% Debs.	6% Pref.	Ordinary
Price	80	87	16s.	2s. 6½d.
Yield	£6¼	£5¾	£7½	£10

IMPERIAL NAVIGATION COAL COMPANY.

Year	Working Profit*	Administrative Expenses	Net Profit†	Dividend Amount	Dividend %	Carried Forward
	£	£	£	£	%	£
1916	33,943	8,316	25,636	16,009	20	10,002
1917	13,037	5,745	9,386	9,300	10	10,089
1918	23,460	9,384	14,526	13,109	12½	11,206
1919	42 937	14,941	28,188	23,324	20	6,172

* After payment of excess profits duty.
† Including sundry revenue from investments and transfer fees

From the above table it is evident that for this Welsh Coal Company 1919 was a year of great prosperity. The cessation of hostilities did not mean a reduced demand for coal: it merely involved a diverting of the supply to productive industry. The universality of the demand, in conjunction with a temporary reduction in the supply, kept the ruling price high, and judging by the accounts of this Port Talbot mine, the persistent advance in the cost of materials and of labour has not counterbalanced the increased rise in price. In this particular instance a working profit—from which, in addition to working expenditure, excess profits duty and coal mines excess payments have been deducted—of £42,937 is secured in 1919, as against £23,460 in 1918. The net profit of £28,188 is nearly 100% greater than that of the previous year. Consequently, a dividend of 20%, as compared with 12½% in 1918, is paid to the Ordinary shareholders. Even after the payment of this dividend a balance is carried forward to the next accounts of £16,172. A sound financial position is revealed in the latest balance sheet. Sundry creditors, including an unknown amount in the nature of a reserve for accruing accounts and contingencies, amount to £130,504, and are amply secured by liquid assets consisting of cash, investments and sundry debtors, to a total of £151,177. The issued capital comprises 93,240 fully-paid Ordinary shares of £1 and 46,760 shares on which 10*s.* had been paid up to the end of 1919. To consolidate the property an offer has been made to the shareholders of the Cynon Colliery Company, Limited, for the purchase of their interest at the rate of two fully-paid Ordinary shares of the Imperial Navigation Coal Company for three fully-paid £1 Ordinary shares in the Cynon Colliery Company, or alternatively 27*s.* 6*d.* per share in cash. To provide the capital with which to carry out this transaction it was agreed to increase the authorised capital of the Imperial Navigation Coal Company to £300,000 by the creation of 150,000 Ordinary shares of £1. The shares are not quoted on the London Stock Exchange.

New Issues.

FOUR MONTHS' CAPITAL ISSUES.

According to a table which has been supplied by the London Joint City and Midland Bank, Limited, the total value of the new capital issues for the first four months of the current year amounted to £192,811,487. £171,687,000 was on account of various concerns in the United Kingdom; £1,141,000 were issues concerned with India and Ceylon; £12,000,000 were for British possessions; and £7,500,000 were issued on account of various foreign countries.

WELWYN GARDEN CITY, LIMITED.

The Welwyn Garden City, Limited, has been formed with a capital of £250,000, divided into 250,000 7% Cumulative shares of £1 each. The whole of this issue is offered for subscription at par, subject to the directors' qualification shares and the shares for which the memorandum of association has been subscribed. The Company has been formed for the purpose of developing on modern town-planning lines a complete town on an estate nearly four square miles in extent, situated on both sides of the Great Northern main line, 21 miles from King's Cross; providing the public services, that is water, gas, electricity, and sewage, or arranging for the provision; developing or arranging for the developing by subsidiary companies of the building materials within the area. Erecting or assisting in the erection of factories, residences, cottages, shops, and other buildings; managing or joining in the management of any business within the town of a public or semi-public character.

THE PEOPLE'S REFRESHMENT HOUSE ASSOCIATION, LIMITED ("P.R.H.A.")

This Company, which is the pioneer of the public-house trust system, has now 160 inns. The subscribed capital of the Company amounts to £109,692. Five per Cent. dividends (the maximum allowed by the rules) have been paid yearly since 1899. There is a reserve of £45,000. The maximum is now raised to 7½% for 1920 onwards. The profits shown on the share capital issued were 13% for 1918 and 16% for 1919. Applications are now invited for 25,000 shares of £1 each, fully paid, and £25,000 6% loan stock, in order to add to the number of reformed public-houses. Twenty houses are to be taken over this year. The shares are payable in full, and are transferable, but not withdrawable. The maximum holding is 200, and the maximum dividend, as already said, is 7½%, payable yearly. Loan stock can be held for any amount from £1 upwards. Interest at the rate of 6% per annum is payable half-yearly on July 1 and January 1. The object of the People's Refreshment House Association, Limited, which was registered in 1896, is to manage licensed inns on reformed lines. Managers are allowed no profit on sales of beer, wines, and spirits, and have no inducement to push the sale of these liquors. They have, however, a substantial interest in the sale of food and non-intoxicating drinks.

Sinclair Consolidated Oil Corporation.—The Chase National Bank of New York and associated companies invite subscriptions for an issue by this corporation of five-year secured 7½% Convertible gold notes dated May 15, 1920. The prospectus states that these notes are secured by pledge of all capital stocks and other securities of subsidiary companies now-owned or hereafter to be acquired. The Company may not, and will not, permit any subsidiary to create any liens unless deposited under the Trust agreement, except liens on marine equipment and tank cars and purchase money obligations. The Corporation's outstanding capital stock at current quotations represents an equity of about $150,000,000, ranking junior to these $50,000,000 notes.

THE LEEDS AND DISTRICT PICTURE HOUSES, LIMITED, has been formed with a capital of £250,000, divided into 165,000 10% Cumulative Preference shares of £1 each, and 85,000 Ordinary shares also of £1 each. Applications are invited for an issue of 140,000 Preference shares and 70,000 Ordinary shares. The Company has been formed primarily with the object of acquiring and running as a going concern three large picture theatres at Leeds and one at Beeston.

JITRA RUBBER PLANTATIONS, LIMITED, has been formed with a capital of £150,000, divided into 450,000 7% Cumulative Preference shares of 2*s*., and 1,050,000 also of 2*s*. each. Subscriptions are invited for an issue of 1,000,000 Ordinary shares at par. The Jitra Rubber Plantations, Limited, was originally incorporated in London in 1913 for the purpose of acquiring the Jitra rubber estate situated in Kedah in the Malay Peninsula. The share capital was privately held. The Company was reconstructed on February 23, 1920, and the Jitra estate will be transferred to this Company as from March 31 last.

THE PEMBERTON BILLING ECONOMIC HOMES, LIMITED, has been formed with a capital of £250,000, divided into 220,000 8% (income tax free) Participating shares of £1 each, for which subscriptions are invited, and 120,000 8% (income tax free) Non-Participating shares of 5*s*. each. The Company has been formed for the purpose of acquiring certain patents and concessions of Mr. Pemberton Billing, M.P., for the purpose of developing throughout the country the types of model homes embodying Mr. Billing's system.

JAMES TALBOT AND DAVISON (1920), LIMITED, has been formed with a share capital of £150,000, divided into 50,000 8% Cumulative Participating Preference shares of £1 each, and 100,000 Ordinary shares of £1 each. Subscriptions are invited for 25,000 8% Cumulative Participating shares of £1 each at par, and 55,000 Ordinary shares of £1 each also at par. The Company has been formed to acquire as a going concern, and to develop, the business of James Talbot and Davison (1916), Limited, engineers, of Lowestoft.

THE HARTLEPOOLS PAPER MILL COMPANY, LIMITED, has been formed with a capital of £200,000 in Ordinary shares of £1 each, and £150,000 First Mortgage 7½% Debenture stock. Subscriptions are invited for an issue of 193,993 Ordinary shares at par, of which the directors and their friends have applied to purchase 120,000 shares at par, to be allotted in priority. The Company was recently formed to take over as a going concern the Hartlepools Pulp and Paper Company, Limited, as from January 31 last.

THE BRIGHTON AND HOVE GENERAL GAS COMPANY was originally established in 1825 and incorporated by special Act of Parliament in 1839. The Company now invites subscriptions for an issue of £19,700 7% Redeemable Debenture stock. The issue price is par and the stock is to be redeemed at par on June 30, 1930.

APEX TRINIDAD OILFIELDS, LIMITED, was formed for the purpose of developing and operating oil-bearing lands in the island of Trinidad, British West Indies. The share capital is £40,000 in £1 shares. 200,000 shares have already been issued. Subscriptions are invited for the remaining 200,000 shares at the price of £1 5*s*. per share.

THE P. & O. BANKING CORPORATION, LIMITED, has been formed with a capital of £5,000,000, divided into 500,000 shares of £10 each. Subscriptions are invited for an issue of 250,000 shares of £10 each at the price of £10 2*s*. 6*d*. per share. The Corporation has been formed to carry on the business of banking in all its branches. The board, which is naturally a very strong one, being composed of the directors of the parent Company, the Peninsular and Oriental Steam Navigation Company, and some of the best-known bankers in London. Of the 250,000 shares now offered for subscription 80,000 have already been applied for by the London County Westminster and Parr's Bank, by Lloyds Bank, the National Provincial and Union Bank of England, Limited, and the Peninsular and Oriental Steam Navigation Company, Limited.

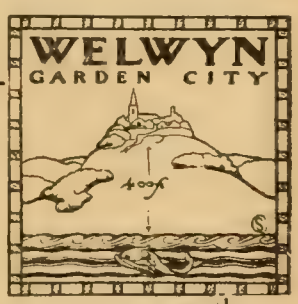
YARDLEY AND COMPANY, LIMITED, has been formed with a capital of £150,000, divided into 75,000 8% Cumulative Preference shares of £1 each, of which subscriptions are invited for 60,000 shares at par. There are also 75,000 Ordinary shares of £1 each. The Company has been formed to acquire and carry on the business established in 1770 by Messrs. Yardley and Company, New Bond Street, of manufacturers of toilet soap and other toilet specialities.

THE UNION-CASTLE MAIL STEAMSHIP COMPANY, LIMITED, invites subscriptions for an issue of 275,000 6% "A" Cumulative Preference shares of £1 each at par. This well-known concern, which has an authorised capital of £8,240,000, and an issued and paid-up capital of only £2,725,000, was formed as a Company in 1881, taking over various South African mail and other contracts from a pre-existing business. The Company in its present form, and with its present title, dates only from the beginning of the present century.

The Guaranty Trust Company of New York has just issued, through its London office, a booklet entitled "Bank and Public Holidays Throughout the World," which, as its name indicates, gives a complete list of the world's holidays, and the dates on which they fall. A calendar shows the countries where business is suspended on each date, and an alphabetical list of countries gives chronologically the holidays therein. This book is one of the series of informative publications issued by the Company and distributed to its customers and others.

Attention is directed

to the appearance in this issue of th Prospectus of



WELWYN GARDEN CITY LIMITED.

The Company has been formed to establish a new industrial town on a site nearly 4 square miles in extent on the Great Northern main line in Hertfordshire, 21 miles from King's Cross.

The town has been planned for a population of 40,000 to 50,000, and will be of the size of Chelmsford or Colchester.

The basis of the finance is that all increases in land value beyond a reasonable return to the shareholders go to the benefit of the inhabitants.

The Company's project is a sound business scheme for dealing with the housing problem on economic lines.

No part of the issue has been underwritten.

No promotion profits have been or will be paid.

MEETINGS
OF PUBLIC COMPANIES.

LONDON AND LANCASHIRE FIRE INSURANCE COMPANY, LIMITED.

The fifty-eighth ordinary general meeting of shareholders of the London and Lancashire Fire Insurance Company, Limited, was held at Liverpool on Wednesday, Mr. John H. Clayton (Chairman of the Company) presiding over a numerous assembly.

In moving the adoption of accounts and report for the year 1919 the Chairman said : Gentlemen, I beg to submit for your approval the usual resolution proposing that the accounts and report be confirmed. Our fire account was excellent. We show a large increase in premiums and a reduced loss ratio, and (although expenses were naturally and necessarily heavier) a larger surplus than we have ever recorded. Our accident account was indifferent. We were not surprised. It simply reflects the operation of cause and effect. There was a larger business, due to the rebound after the Armistice, but some of the sections of this account suffered smartly through altered conditions. Speaking broadly, burglary business is nearly twice as hazardous as it was, and the theft of motor cars, in addition to the much heavier expense of repairs, has seriously increased the incidence of insurance loss on this business. Plate-glass business was affected very similarly, and, on the whole, the profit on accident business generally in 1919 was largely conspicuous by its absence. Of course, such adverse conditions as regards the classes which I have alluded to can only be rectified by the necessary increases in rates. Our marine account must have impressed you. Our premium income is lower than it was in 1918, because of the elimination of war risks. You will, of course, understand that the losses incurred in 1919 were not only upon 1919 acceptances, but upon risks accepted in 1917 and 1918. This business was on good terms, and at good rates, and it ran off well.

Results of Departments.

Having thus given you a conspectus of the circumstances surounding our three large underwriting departments, I will put the actual figures together for your guidance. Our fire premiums were £3,270,298, or an increase of £833,075, and we transfer to profit and loss account £608,292. Our marine premiums were £2.201,892, or a decrease of £708,827, and we transfer to profit and loss account £621,135. Our accident premiums were £1,286,867, an increase of £382,351, and we transfer to profit and loss account £28,495. These transfers include, in each case, the interest applicable to the particular sections. The remaining interest of £146,535 is carried into the profit and loss account. Thus we have a total, apart from the balance brought forward, of £1,404,457. As against this, we provide for the interim dividend paid last November, for the interest on Debenture stocks, and the large sum of £338,986 for income tax on profits and excess profits duty. We then set aside £200,000 for the cost of businesses acquired. This is really the balance of the necessary provision for the purchase of the shares of the Law Union and Rock, and you will be gratified to know that it completes this purchase. We have then added £20,000 to the staff pension fund, and transferred from reserves to capital the sum of £357,815 in order to complete the operation sanctioned last year of making each share £5 paid up.

Depreciation of Investments.

In looking at our accounts for years past, you will have noticed that, whilst we have netted handsome underwriting profits, a very large share is cut away, first by taxation, and second, by depreciation. Curiously, the only year when it looked as if the corner had been turned was the last year of the War, and in 1918 there was actually a welcome and substantial recovery. This appreciation, however, of nearly £200,000, was swept away in 1919, and at the close of the year there was a net further depreciation, for which we have provided in our profit and loss account the sum of £50,000, thus restoring a small margin in excess of the actual market values. It is regrettable that 1920 is sure to aggravate further the necessary provisions for depreciation, for the fall in the values of securities in the first four months of the year is already as much as the whole of the depreciation experienced in 1919.

The Question of Dividend.

Finally, you will expect me to say something on the subject which possibly interests you most—viz., that of dividend. The basis of dividend, as you know, is interest. That interest has grown in the last two years by leaps and bounds, due largely to our acquisition of a controlling interest in the Marine and the Law Union and Rock, assisted, of course, by the higher yield latterly obtaining upon investments generally. And yet, the times are difficult. The Budget, which appeared in your newspapers on the very day of our dividend announcement, will have sufficiently warned you of the financial condition of the country, and the cause for even greater taxation than we have been bearing.

But, we felt that, notwithstanding our successes in the past, 1919 was, for us, a veritable "Annus Mirabilis"; and that, instead of making two bites at the plum we had before us, we might as well do it thoroughly, and dispose of any question of revision of dividend for some time to come. This indication of prosperity is the direct result of our carefully planned expansion. The capital of an insurance company does not correspond with the capital of ordinary industrial concerns. Our real capital is our premium income. This has been recognised as sound in the calculation of excess profits duty, and, seeing that our premium income is now £6,759,059, you will find that the dividend we are paying represents no more than 4½% thereon. It is very doubtful whether the Government and the general public, and even many shareholders of insurance companies, appreciate this, or the sources from which we derive our profits, or the great work which we have done in helping the country at a critical time

Our operations are truly world-wide—the United States, where we have just as loyal, keen, and enthusiastic officials and representatives as anywhere, Canada, Australia, South Africa, India, China, Japan, and numberless other places, all contributing to the surplus which we display.

The profit that we made upon our home business last year was relatively meagre. We cannot precisely analyse our marine business, but, taking the fire and accident, our underwriting surplus in 1919 was well under £100,000, and yet we have to pay to the British Government alone no less than £338,986! Our total taxation last year was £596,727, or nearly 9% of our premium income, and if we apply the additional taxation now being enacted, it would require quite another £100,000, or a total of £700,000 for taxation of one kind or another. It would almost seem as if insurance companies were being transmogrified into an organisation of tax-gatherers! A year ago, both employers and employees had hoped and expected that, with the termination of the War, prices would come down, with a consequent relief in the cost of living. But the reverse has been the experience, and, fully appreciating the difficulties, special concessions have been made to the staffs, not only by an exceptional peace bonus in the middle of 1919, but by further substantial increases in the war allowances, amounting in the aggregate to more than £100,000. Moreover, realising, as we must do, that the burdensome cost of household expenditure has, in the main, come to stay, these War allowances have now been consolidated as part of the fixed salaries.

Last year I told you that we intended, at an early date, to transfer the chief administration of this Company to London. The causes for this move seemed to us to be convincing and imperative. And so the event took place, and—in the thick of War turmoil, with London overcrowded, not only by its own population, but by thousands of demobilised soldiers and other War servants—we transferred the essential portion of our Liverpool staff to London. I can assure you that you have reason to be greatly indebted, not only to those who went to London, but to all the staffs, for their earnestness and hard work in an exceptionally arduous year. As to the wisdom of our moving to London, there can be no shadow of doubt. It is amply justified by every day that passes. Indeed, if the change had not taken place, I am quite sure we should have found ourselves continuously hampered in the successful exploitation of the vast interests which we now control.

Before I conclude, I cannot refrain from saying a few words in appreciation of the energy, genius, and ability which Mr. Rutter has shown in what he has accomplished for us during the past year. The accounts are an eloquent testimony of what this amounts to. But this is not all we have to thank him for. These things are contagious and inspiring, and have their effect throughout the world wherever the London and Lancashire is established. Nor can any official or any member of the staff, when he sees what the General Manager does, give less than the best that is in him to the services of the Company. I believe that this is really what is happening, and it is a proud thing for me to be able to bear testimony to the work of our chief officer and those under his command. I, therefore, now beg to move : "That the report, accounts, and balance sheet be received, adopted, and entered on the minutes."

The Company as Tax-gatherers.

Mr. J. W. Alsop, Deputy-Chairman, in seconding the resolution, said the figures the Chairman had given showed how successful the Company had been as tax-gatherers. They had actually gathered for the Government and paid to them,

or were paying to them, a larger sum in cash than they paid to their own shareholders. Therefore the Government ought to be congratulated as well as the shareholders on the excellent report submitted.

The resolution was carried unanimously.

The retiring directors, Messrs. J. H. Clayton, H. Wade Deacon, A. P. Eccles, and J. A. Smith, were re-elected, and Messrs. W. B. Duckworth and R. J. Hose were added to the head office board.

The auditors, Messrs. Harmood Banner and Son, were re-appointed, and by a unanimous vote the remuneration of the directors for the present and future years was increased to £7,500, less income tax.

Mr. J. R. Collie: Gentlemen, it is with great pleasure that I rise to propose the following resolution, viz.: "That the best thanks of this meeting be presented to the General Manager, to the other officers, and to the staff of the Company for their zeal in its service." Twenty-one years ago you met and passed the first vote of thanks to the new Manager (Mr. Rutter) and his staff. At that time the volume of business of the Company might be likened to a large and vigorous stream with its own sources, its own impetus, and its own individuality—a very gratifying spectacle to those who, 30 years before, had resisted the effort to terminate its existence. Since then, year by year, you have been able to mark steady and continuous progress; new sources have been sought—the watershed has been extended and enlarged out of all recognition. New districts have been made to pay their quota to the ever-swelling flood, and as time went on the streams have had their channels diverted and become tributaries. Now the stream of 20 years ago has become a majestic and imposing river, swelled by the confluence of the Marine and Law Union and Rock. All this, gentlemen, as you can well imagine, represents an enormous amount of determination, skill, and energy, and I am confident that I am voicing your feelings when I assure Mr. Rutter that, whatever the future holds in store for us, he will always find gratitude in our hearts for what has been accomplished in the past, and confidence in our minds that he will continue to overcome the difficulties and obstacles which lie before us, seconded by his invaluable officers and staff. (Applause.)

Mr. John Barber seconded the resolution, which was carried with acclamation.

Mr. Rutter, who was received with cheers, said: This is an annual resolution which seems to have become part of the traditions of the Company, and although I have more than once deprecated it so far as I personally am concerned—because no man in this Company can be singled out for exceptional praise—I accept it as indispensable. We have had many strenuous years, but none more strenuous than 1919. We had to make the most of two big purchases. We undertook and underwent the strain of moving to London with all that that involved.

Mr. Collie has told you to-day that I have recently turned another corner; my majority as your Manager. Twenty-one absorbing and, in the main, happy years. And our march of progress is easily illustrated by one single fact. Twenty years ago you were receiving on your shares a dividend of 12*s*. These shares are now to be split—multiplied by five times—and on each of those new shares you will be receiving a dividend of 12*s*. That is not the result of any magic or miracle or of one brilliant year, but of steady, unwearied toil. Therefore, may we not ignore the feverishness of markets, which have affected even insurance, and look to the future, constantly bearing in mind that our business, by its unparalleled record of consistent honest service to the public and wise finance, remains one of the most stable and reliable—might I even say respectable?—of the mainstays of our commercial fabric. I again thank you deeply for the kindness of your resolution, and for your confidence in us all. (Cheers.)

Lord Midleton, in proposing a vote of thanks to the directors' representatives and agents of the Company throughout the world, said their business was now world-wide as much as politics, and they owed a deep debt of gratitude to those mentioned in the resolution who had taken a not unimportant part in the development of the business of the Company throughout the world.

The resolution was seconded by Mr. R. J. Hose, and carried with acclamation.

The Chairman briefly acknowledged the compliment on behalf of those referred to. The Chairman, Deputy Chairman, and directors were also thanked for their services during the past year, on the motion of Mr. A. R. Bingham, seconded by Mr. J. Raffles Brook.

Extraordinary Meeting.

An extraordinary meeting then followed, in accordance with notice, at which resolutions were submitted authorising the elimination of the word "Fire" from the name of the Company, the division of the shares of the Company into five shares of £5 each, £1 paid up, and an increase in the nominal capital by 55,600 shares.

The resolutions were moved by the Chairman. He said: The notice which you have received of this meeting will, I hope, have been sufficiently clear to enable you to grasp what is proposed. The real kernel of this extraordinary meeting is the proposal to split the shares. Our proposition is that the shares be divided by five, which has certainly the merit of simplicity, because they will then become £5 shares, instead of £25 shares, and £1 paid up, instead of £5 paid up. Having arrived at this decision the directors considered it would be opportune and appropriate that we should increase the nominal capital. We have not done this previously without some prospective necessity, and during the War it was not possible to issue new shares without going to the shareholders, any issue having to be confined to the actual number required for the particular object in view. Hence we have been left with virtually no margin of shares which could be issued at any time. We are, therefore, picking up ground, and it is now proposed that 55,600 additional shares be created, which, after the shares are split, will mean that the total authorised capital will consist of one million £5 shares, having each £1 paid up.

Finally, we have considered this to be a convenient time to slightly alter the name of our Company. Originally, of course, we were a Fire Company. Now we are a complete composite Company, having not only the powers, but transacting through ourselves or our allied companies every kind of insurance business for which there is any market or demand. Having outstripped the original conception, and having the monopoly of the words "London and Lancashire," it is reasonable and desirable that we should adopt the shorter and more embracive name of "The London and Lancashire Insurance Company."

Mr. J. W. Alsop seconded the resolutions, which were unanimously adopted.

A confirmatory meeting will be held.

LONDON AND SCOTTISH ASSURANCE CORPORATION LIMITED.

The fifty-seventh ordinary general meeting of the London and Scottish Assurance Corporation, Limited, was held on May 4 at the Cannon Street Hotel, E.C., Mr. Richard S. Guinness (Deputy-Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, having referred to the great expansion of the Company during 1919, went on to say:

At the special general meeting held on May 20, 1919, and convened for the purpose, you authorised us to further increase the capital, to take powers to transact marine business, and to alter the title of our Company. These decisions were duly confirmed at a confirmatory meeting held on June 5, 1919, and have been successfully carried out.

With regard to the operations of the fire department during 1919, it had been felt by the management that hitherto an undue proportion of our income was derived from reinsurance. Early in the year, therefore, it was decided to reduce our commitments from this source and to endeavour to substitute premium income from direct business. (Hear, hear.) With this object in view a great deal of our time has been devoted to the organisation of direct branches and agencies both at home and abroad. In the United States of America a head office for that country was established in New York. In Canada we have established the Scottish Metropolitan Assurance Company, Limited, for the transaction of fire and casualty business. In South Africa our business, under the management of Mr. A. Hunter, has shown very considerable developments during the year and is now producing an important proportion of the new business of the Company.

Earnings of the Different Departments

Taking the accounts in the order in which they appear in the report, you will observe that in the life department a record business has been transacted. 2,753 policies were issued, for sums assured amounting to £1,500,290, producing new premiums of £75,716. The total life premium income, after deduction of premiums paid for reassurances, amounted

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to £457,944. The mortality experience, while still unfavourable as compared with pre-War years, nevertheless shows a marked improvement over the War years, and we are hopeful that it may now assume more normal conditions. The net rate of interest earned on the life and annuity funds amounted to £4 9*s.* 5*d.* per cent., being an increase of 7*s.* per cent. as compared with last year, a very favourable feature of the account. The life funds are increased by £127,766, and now stand at £4,230,402.

In the fire department the premium income shows a reduction of £48,694. The loss ratio at 51.9% is, having in view the reduction in premium income, very favourable. After providing for the usual 40% reserve against unexpired liability, a profit of £27,526 has been made and is carried to profit and loss account.

In the accident, employers' liability, and general departments the premium income has increased by £52,391. The loss ratio is 43.9%, and, after providing the usual reserve of 40% of the premiums, there is an underwriting profit of £1,902, which has also been carried to profit and loss. While the income of these departments is largely increased, the experience has generally not been good, owing to the greatly increased cost of repairs in connection with claims in the motor section; otherwise the account is quite satisfactory.

Turning to the marine account, it will be observed that the premium income amounted to £342,754, the claims paid to £52,459, and the expenses of management to £8,939. Your directors consider this a satisfactory result for the first year's operations, but, inasmuch as liabilities in respect of the account have still to be met, the whole balance, after deducting claims and expenses, of £293,423, being 82.6% of the premium income, is carried forward.

The total funds and assets, excluding uncalled capital, are increased by £674,330, and now stand at £5,771,600. (Applause.)

You will observe that the directors recommend a dividend at the rate of 20%, less tax, which is a 5% increase as compared with the dividend and bonus paid last year. If you will turn to the profit and loss account, you will note that the interest and dividends earned on proprietors' funds and carried to this account are more than sufficient to cover the dividend which is now recommended.

The Viscount Knutsford seconded the motion, which was carried unanimously.

SCOTTISH UNION AND NATIONAL INSURANCE CO.

Mr. James Inglis Davidson (Chairman), in addressing, on May 5, the annual general meeting of the shareholders, held in the Company's head office in Edinburgh, said :—

I shall first refer to the operations in the life department in the year 1919 by drawing your attention to the enormous increase in the new business. Compared with the previous year, there were 3,433 new policies issued, as against 1,440 in 1918, and the net sums assured increased by £783,000 to £1,657,000, which was very largely in excess of any previous record of the Company. The life premiums increased by £28,000, and the life interest by £10,000. On the other side of the account, I would point out that the life claims decreased by £26,000 to £617,000, and these represented only 86% of the actuarial expectation. The other items on the credit side of the account do not call for comment, except to remark that the commissions increased in proportion to the increase of new business, and the expenses of management were swollen by the increased cost of salaries and other items of expenditure, all due to the new conditions which the War has brought about.

Depreciation of Gilt-edged Investments.

Before I refer particularly to the quinquennial results as affecting the life department, may I remind you that we have had the misfortune to have been required to take stock of our securities twice since the outbreak of war? The one occasion when the War was already with us, and the other the present occasion, when the disastrous after-effects of the War are being experienced in all their intensity. In 1915 over the whole assets of the Company we wrote off £545,000, and this year we have had to face a further sum of £675,000, a total of practically one and a-quarter million pounds. Now, this depreciation was not occasioned by our assets being bad or indifferent. It was due to the fact that our moneys were largely invested in the highest grade of securities. On certain of our gilt-edged trustee investments the drop in values during the past five years amounted to over 33%, and I cannot believe either our life policyholders or our shareholders will be other than satisfied when I point out that the sum we have had to write off now represents less than 6% of the total of our assets as they stood in the books before the present writing off took effect.

I come now to deal with the quinquennial figures as they more particularly affect the life policyholders, and there are four factors adverse to the interests of the policyholders to which I would specially draw attention, and I would point out, further, that all these are directly the result of the War. I have already referred to the reduced values of investments, and you will observe that from the life assurance fund we have had to write off £271,000, in addition to £412,000 which had to be written off in 1915. The second is the War claims due to policyholders killed in action or dying as the result of wounds. These total £156,000. The third is the increased taxation which has had to be met. This represents above what would have had to be met if the income tax had remained at its pre-War rate a sum of no less than £221,000. And the fourth is the increased value of the rupee.

Adverse Rupee Rate.

At our Indian branch we issue policies payable both as to premiums and sums assured in rupee currency. Premiums in the past have been remitted home and invested in sterling. The rupee then was on the basis of 1*s.* 4*d.* The sums assured when payable have now to be settled on the basis of the new value of the rupee, which probably for many years will not be less than 2*s.*, or an increased liability of 50%. To meet this unexpected contingency it has been deemed wise to set up in our Board of Trade Returns an additional liability of £150,000. Now, all these items are large in themselves, and aggregate to such a huge figure as almost to wipe out the profits which from other sources have been made on the life business. Notwithstanding this, however, bonuses could have been distributed on certain sections of the account, but having regard to the critical and anxious times through which we are now passing the directors deemed it prudent not to divide any profits for the period of 10 years ending December 31 last, and they have carried forward to next quinquennium a surplus of £306,000, which, if circumstances generally should become more favourable than they are at present, should give great hope to policyholders in the future.

Turning now to the fire account I would ask you to note the continued and substantial expansion of the premium income. The profit carried into the profit and loss account is slightly less than a year ago, due entirely to the great increase in the expenses of management, an increase which we are afraid must continue to grow in view of the higher cost of salaries, material, taxation, and other charges incidental to carrying on a world-wide business such as ours.

The only other departmental account I will refer to is the marine. The profit brought out in this account—namely, the handsome sum of £240,000—is really the profit on the operations of the year 1918, and I have to warn the shareholders that a very material diminution in the marine profits in future years has to be anticipated. A partial compensation, however, will be found in the substantial decrease which will take place in the sum required for excess profits duty.

Profit and Loss Account.

I now come to the profit and loss account, which in its clearness speaks for itself, except in respect of one item, which *obviously* requires explanation. The sum written off for depreciation is much in excess of the sum set out for the same purpose in the life account. As a matter of fact, the proportion to be met by the life account should have been approximately as two to one to be met by the profit and loss account. The life fund is made up of separate accounts, each of which in itself is to all intents and purposes a watertight compartment. Now two of these accounts could not meet fully their proportion of the depreciation of the assets, and as the shareholders are liable to keep up the assets to the liabilities in each and all of the accounts, an undue proportion of the depreciation to the extent of £168,000 has had to be made good by the shareholders out of the profit and loss account.

The directors have declared a dividend at the same rate as last year. Here, again, it was not thought prudent in these times of uncertainty to increase the Company's obligations by paying more. I hope the shareholders have not forgotten that a year ago the dividend was raised 50 per cent. over the previous year. To make a further increase at this time, and in all the present circumstances, was, in the unanimous opinion of your directors, considered to be unwise, and not in the ultimate interests of the shareholders.

THE NORTHERN ASSURANCE COMPANY, LIMITED.

Summary of proceedings at the Annual General Meeting, held on May 5 at the Company's offices, Aberdeen.

The Chairman remarked that the figures for the year showed continued progress. The fire premiums had exceeded the two million mark, aggregating £2,040,005, and the underwriting profit on the fire account amounted to £279,562. The expense ratio had, however, increased from 34.8 to 38.9, owing to heavier taxation and increases in charges of every kind, including cost of administration—a feature which must be regarded as inevitable in the changed circumstances of the times.

The marine account, which included the figures of the Indemnity Mutual Marine Assurance Company, showed premiums of £2,568,322, while the profit resulting from the 1918 account had enabled the sum of £483,359 to be transferred to profit and loss. Claims were now increasing, the cost of repairs was very heavy, while rates were being reduced as the result of competition. These were unmistakable signs that profits on the scale of those of the last few years could not be expected to be repeated in the near future. The Chairman mentioned the recent purchase of the shares

of the World Marine and General Insurance Company, of which 46,658 had been acquired out of a total of 50,000.

Accident premiums increased by £190,864 to £660,008, but only a moderate profit of £17,100 was shown, owing to the unfavourable experience in the general accident section, mainly attributable to motor-car business, for which the rates of premium had recently been revised.

New life business again constituted a record with sums assured of £1,321,900—more than double the total for 1918.

Increase of Capital.

Since the close of the year the shareholders have authorised the directors to double the capital of the Company by the creation of 300,000 new shares of £10; 50,000 of these have since been issued. The directors have no present intention of exercising the further powers, but thought it desirable to have means to increase the Company's sphere of influence if a favourable opportunity presented itself. Nothing was on the horizon for the moment, and no negotiations were in progress with any other concern.

Larger Dividend.

On account of the year's operations £1,052,054, including interest, had been transferred to profit and loss from the various accounts. The directors had written £300,000 off "Goodwill of acquired companies," and transferred the sum of £195,000 to investment reserve fund. They now proposed to pay a final dividend on the Ordinary shares of 9*s.*, less tax, making a total payment of 16*s.* for the year, against 12*s.* for 1918 and 9*s.* for 1917, and on July 1 a corresponding further dividend of 6*s.* 3.224*d.* per share upon the 6% Participating Preference shares, in accordance with the conditions of issue. The total payments in respect of Debenture interest and Preference and Ordinary share dividends were more than provided by the interest earnings alone.

TARIFF REINSURANCES.

Satisfactory Progress Reported.

An extraordinary general meeting of Tariff Reinsurances, Limited, was held on May 5 at the Cannon Street Hotel, E.C., to consider a resolution making certain alterations in the articles of association. Mr. S. Walter Morris (the Chairman) presided.

The Secretary (Mr. Wharton Tomson) having read the notice convening the meeting,

The Chairman said: You will all have received notice setting forth the purpose for which this meeting has been called, but before I proceed to deal with the resolutions I propose to take this opportunity of giving the shareholders some information with regard to the progress of our Company. When I had the pleasure of addressing you in October last I was able to state that the progress we had made was exceedingly satisfactory, although at that date we had only been elected associates of the Fire Offices' Committee a few weeks. You will, I am sure, be pleased to know that, after a further six months, we are able to report still continued progress. We were in October last promised a considerable amount of support. To-day we can tell you that that support has actually been given to us. We felt convinced that it was the intention of the British fire companies to support British reinsurance companies when it could be seen that substantial companies were determined to obtain the business which in previous years had gone to foreign countries. We are pleased to-day to be able to tell you that your Company is doing a satisfactory business with practically all the tariff offices, and that we have accepted quite a number of treaties in all departments from British, Colonial, and foreign offices. For those who are not conversant with reinsurance matters, I think I might explain that this department of our business is probably the most difficult to cultivate, as the principal offices only rearrange their treaties periodically, and the progress made in that department exceeds our most sanguine expectations.

I should like to remind you that premium income is not everything—expenses of administration is a very serious item, which requires careful attention in order to keep them down to the irreducible minimum.

There is one other point which might be of interest to you. You are all probably aware that recently gilt-edged securities have shown considerable depreciation in value, but doubtless it will interest you to know that by far the larger amount of our investments are in short-dated Government securities, which have not depreciated as much as the War Loan, and we can afford to wait until these securities mature, so that we do not anticipate any considerable loss with our investments.

Working Arrangement with the Olympic.

I now wish to explain to you the working arrangements which have been made regarding your Company and the Olympic Reinsurance Company. I wish it to be distinctly understood that that company is not one which has attempted to do business and failed; on the contrary, it had virtually done no business at all, and its assets, with the exception of the flotation expenses, are intact, but for a number of reasons, which it will not be necessary for us to go into now, the directors of that company came to the conclusion that their best policy would be to work in connection with another company, and we are pleased that they came to us and suggested a working arrangement. The principal advantages to be derived by your Company from this arrangement are, in the first place, that they will share with us the working expenses. This, we believe, will make a reduction in our own expenses of between £3,000 and £4,000 per annum, and in addition we, having facilities for dealing with larger lines, offer an inducement to the companies to avail themselves of our protection. Also, you are, of course, aware that a reinsurance company has a considerable amount of reinsurance to do on its own behalf, and, by having the Olympic Company in our own offices, we shall be able to do a proportion of that business on the premises. Indeed, I may tell you that, although we have only taken over the management of the Olympic as from March 1, we have already been able to give them a considerable premium income without any detriment to ourselves. With regard to their business, we are really acting as its managers, but you will, I am sure, quite understand that it would have been quite impossible for us to have taken over its management if there had been two absolutely distinct directorates. Therefore we arranged that certain members of their late board should retire, and that certain members of your board should take their places. The new directors of the Olympic are Mr. Alexander Harvey, Mr. Wharton Tomson, and myself, and it might interest you to know that the directors have asked me to become Chairman of that company, so that the policy of management will be identical; but, of course, the funds of each company will be kept entirely separate. I am also pleased to tell you that Mr. White, who for many years was associated with one of the principal insurance companies, will still be associated with us, and we believe that his assistance and experience will be of very great value to both companies.

I trust that the particulars which I have been able to give will convince you that your own Company has been so far successful, more so than any of us anticipated, and the new arrangement that has been made, and which has been working for some weeks, will lead to the further benefit of both companies.

It is proposed to end our financial year on December 31 in each year; therefore, the first balance sheet will contain the figures for fifteen months' working. That balance sheet will be submitted as soon as possible after the accounts from the various companies for next December are received.

The resolution submitted, with the exception of one clause, which was withdrawn, was carried unanimously.

Safe Lines of Development.

The General Manager was then called upon to address the meeting, and in the course of his remarks said he did not think it would have been possible for the Company to have made greater progress than it had made in the short time during which it had been doing business. The support which had been given to it by the tariff offices had been far greater than could have been anticipated. They had a certain amount of premium income, but, unless the business was carefully selected with a view to profit, premium income was no good to the shareholders. It was that careful selection of business which had been the chief aim of the management. Speculative business had been rigorously cut out, and, so far as it was possible to foresee, the business accepted was all of perfectly good quality. As to expenses, had the Company been formed in 1912 or 1913 these would probably have been

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considerably lower than they actually had been. In an insurance Company's first year printing and stationery formed a large item under this head, and these were expensive matters, but every care had been taken to keep down expenditure so far as it was possible to do so without impairing the interests of the Company and the successful conduct of the business. The Chairman had referred to the number of treaties received from British fire offices, as well as from marine insurance companies, and he (the speaker) wished to emphasise the fact that marine business had only been accepted under expert advice. They had also entered into treaty arrangement with some of the Colonial and foreign offices, and the business, so far as could be seen, was quite satisfactory. It was too early to say what the results of the underwriting was going to be. They could not hope that the claim ratio would remain as low as it had been during their first six months' experience. He did not wish to say anything that would lead shareholders to expect handsome dividends out of the business already done. The principal thing at present was to conserve their business—to go slowly. They could have built up premium income of nearly half a million to date had they so wished, but that would have been a gamble, and they were not out for a gamble. He took it that the shareholders would prefer that a safe business should be built up, even though it meant going slowly. There had been rumours current that the newly established reinsurance companies were "cutting" rates. Well, Tariff Reinsurances, Limited, certainly were unable to do anything of that sort. They were dependent for their business on the tariff companies, which gave them business at the same rates as those at which they themselves obtained it. They did not deal direct with the public, so that, so far as this Company was concerned, the suggestion was an absurd one. With regard to the question of commissions, Mr. Tomson said that the Company had and would continue to refuse business where the commissions asked were larger than the business warranted.

The Chairman added that the policy which the Company would pursue was a conservative yet progressive one, the great desire of the directors being to build up a sound Company with substantial reserves, so that they might take their place in the front rank of reinsurance companies. (Applause.)

Mr. Roberts Snare proposed a vote of thanks to the Chairman for his conduct of the meeting and for his services to the Company.

Mr. Cecil Braithwaite, in seconding the motion, said he knew that both Mr Morris and Mr. Tomson had had an enormous amount of work to do in connection with this Company, and it had been a great pleasure to hear Mr. Morris's speech, because it would assure the shareholders as to their position. They all knew that their shares were standing at a rather low figure in the market, but, speaking as a large shareholder, he was not at all concerned at this fact because the proof of the pudding would be in the eating, and he felt sure they would come out all right. It had already been stated that they were not attached to any individual office. If they had been attached to one big office they would have had the clientele of that office to boom their shares, but as they came out as an entirely new company they had had to get together a new lot of shareholders. If, however, they had been tied to one company they might not have done so well as they had done. They had practically all the tariff companies at their back, and that was a position to be proud of.

The vote was unanimously carried and the proceedings then terminated.

RIO DE JANEIRO CITY IMPROVEMENTS CO., LTD.

The fifty-eighth annual general meeting of the Rio de Janeiro City Improvements Company, Limited, was held on May 4 at Winchester House, E.C., the Hon. Herbert C. Gibbs presiding.

The Chairman, in moving the adoption of the report, said that the net profit was £76,600, as against £84,600 in the previous year, showing a reduction of £8,000. He regretted to say, however, that that did not show the real reduction of the profits on their working in Rio. After eliminating the provision in 1918 for excess profits duty, which was subsequently proved to have been unnecessary, the London items of interest and income tax, and provisions in respect of sundry creditors against future revision, there was a reduction of profit in Rio of £36,000 as compared with 1918. That reduction was mainly due to the rise in wages, consequent upon the increased cost of living, to the rise in the cost of material, and to the rise in the Brazilian exchange.

The average rate at which they received their revenue in 1919 was 16*d*., as against 12¾*d*. for the previous year, and that fact, apart from the rise in currency wages, made it necessary for them to retain for expenditure in Rio a much larger proportion of the revenue which they received. The rate at which they had received their half-yearly revenue in January last was even higher—namely, 17 37-64*d*., and though the exchange had now fallen to nearly 16*d*., it was clear that their expenditure in Rio, as measured in pounds sterling, would be still further increased during the current year, and, also, they would suffer the full disadvantage of the recent rise in currency wages and material. In view of those facts, the board, availing themselves of the presence of their colleague, Mr. Edward Greene, in Rio during the latter part of last year, requested him to bring to the notice of the Government the abnormally onerous conditions under which the Company was carrying on its business. At an interview with the Minister of Public Works, therefore, Mr. Greene in November last submitted a memorial to the Government asking for relief, and the Minister promised that the matter would receive his attention. The Company's memorial had not yet been finally dealt with by the Government, but in view of the relief, in the shape of increased passenger and freight rates, granted to the railways, whose circumstances were analogous to those of the Company, they were justified in entertaining the hope that the Government would extend similar consideration to their own case.

The report was unanimously adopted.

IVANHOE GOLD CORPORATION, LIMITED.

The twenty-third ordinary general meeting of shareholders of the Ivanhoe Gold Corporation, Ltd., was held on May 3 at River Plate House, Finsbury Circus, E.C., Mr. Francis A. Govett (Chairman of the Company) presiding.

The Secretary (Mr. Chas. Lloyd, O.B.E., F.C.I.S.) having read the notice convening the meeting and the report of the auditors,

The Chairman said, in moving the adoption of the report and accounts: It was only a few days before the issue of our report, from a cable received, that we fully realised that if it were not for the gold premium on the average grade we should be working at a loss. At last year's meeting I told you that, with the decreasing tonnage treated, in order to maintain the monthly profit we were working ore above the average grade of the mine, and that we proposed to continue doing that until we could see what chance there again might be to increase the scale of operation with returning miners. As time went on things gradually got worse, and this February we decided that that policy could not be continued, for the prospect of getting back to 20,000 tons seemed most remote with "go slow" labour, with the increasing cost of all material, the increased cost of living, and the consequent increase in wages—in fact, the vicious circle. We therefore instructed Mr. McDermott to reduce the working grade to the average of the mine. In passing I may say the regularity of this monthly regular profit, up till then, had been maintained, as frequently explained, by drawing on or adding to the bullion reserve. This I never liked, as it was a sort of fake, though approved by you and recognised as necessary. In future I think we shall report the tonnage and the output in fine gold, and perhaps make a quarterly statement of results, including the gold premium—(hear, hear)—which you understand will be variable.

The Gold Premium.

In the cable referred to in the report Mr. McDermott reports that the best men having left the field, the prospect of reducing total costs below 31*s*. 6*d*. are small. Now, taking the reserves at 33*s*. 9*d*. and the loss in residues at 4*s*. 2*d*., which is Mr. McDermott's estimate, that means an extracted value of 29*s*. 7*d*., and, with costs of 31*s*. 6*d*. per ton, it means an actual loss per ton of about 2*s*. It is no use blinking the facts; we must face them, and the only consolation is the premium on the gold. If we can get a premium of, say, 15*s*. per oz. on the average grade it means some small profit, but not much; anything over that would be clear profit. The present premium is more than that—about 20%.

The problem before us is what grade we ought to treat. This is, of course, a modified form of the old question of treating unpayable ore. The modification now is ore which is perhaps only temporarily unpayable, owing to abnormal conditions, even with a premium on gold, which makes a decision difficult. This seems to indicate some compromise. We have tried to split the reserves into payable and unpayable, with present working costs, and the present premium, which is over 20%. As a basis for calculation, taking ore at 29*s*. 2*d*., with a loss in residues of 4*s*. 2*d*., it would mean an extracted value of 25*s*., which, with a gold premium of 20%, would restore the value to 30*s*. extracted. The working costs are about 31*s*. 6*d*., so that it would seem a reasonable compromise to exclude ore under 29*s*. 10*d*., as set out in the schedule of reserves. This would increase the average grade of the remaining reserves sufficiently to maintain our present monthly profit with some margin, but would reduce the amount to 603,923 tons.

This year I shall not deal with the particular developments of the mine; it is just a waste of time, for all that has been done with the limitations of labour, both in the ability of the men available and in the amount of work which they are allowed to do, has been to explore for outlying bodies in our upper levels. With these difficulties the development work of the year has not been good or satisfactory; still, there is fair expectation that when we can open up the unexplored area towards the south end of the mine we still shall find pay shoots and open up new ore reserves. As regards the reserves in the schedule, while the values remain about the same as they were last year, the tonnage is now somewhat

decreased, and this is a condition which I think you must be content to face—the gradual dwindling of the tonnage of reserves.

Sir George A. Touche seconded the motion, which, after some discussion, was carried unanimously.

SHELFORD RUBBER ESTATE, LIMITED.

THE fourteenth annual general meeting of shareholders was held in the Registered Office of the Company, 102 Hope Street, Glasgow, on May 5, Sir John Ure Primrose, Bart., LL.D., presiding.

Mr. Macdonald, for the Secretaries, read the notice calling the meeting and the auditors' docquet.

The Chairman, in moving the adoption of the directors' report and accounts, said: With your permission the directors' report and balance sheet will, as usual, be held as read. The profit for the year amounted to £15,791. Comparing as this does with £3,523 for 1918, you will, I think, consider that the result is satisfactory. We did not, however, obtain quite the crop we estimated, the output being 343,279 lb., against an estimate of 365,000 lb. The estimate for the current year is 398,300 lb., and I hope this may be obtained. When we met last year I stated that I hoped a further reduction in the cost on Sungei Bruas Estate might be effected, and I am glad to say that a saving of almost 2*d*. per lb. was realised. Even on Shelford Estate a saving of rather more than ¾*d*. per lb. was effected, and this must be considered a creditable performance in view of the comparatively low cost of production on that estate. Both the estates continue to be worked efficiently, and the visiting agents' reports are very satisfactory reading.

As to the present position of the industry, one does not like to commit oneself to any very decided opinion. The continuation of excess profits duty tends to check fresh enterprise. It is, of course, apparent that money must be found but it is a pity that some other method could not be adopted. It is, I think, a matter of material interest that British manufacturers should have hitherto used such a small proportion of the output of what is to a very large extent a British industry. No doubt their requirements are slowly increasing, but with the present form of taxation there is certainly no incentive to new enterprise. Nothing has been done as to the alteration in the method of disposing of the produce, and I am afraid that just at the moment it is not likely that any further steps will be taken.

I now beg to move that the report and accounts be adopted and that a dividend of 15%, less tax, be paid forthwith.

The adoption of the report and accounts was formally seconded by Mr. Campbell and unanimously agreed to.

Mr. Wm. W. Campbell and Mr. Lawrence Dougal were unanimously re-elected directors.

The auditors, Messrs. Gibson and Anderson, C.A., were also unanimously reappointed.

ANGLO-CONTINENTAL GUANO WORKS, LIMITED.

A Satisfactory Position.

THE third ordinary general meeting of the Anglo-Continental Guano Works, Limited, was held on May 5 at the Great Eastern Hotel, Bishopsgate, E.C., Mr. Archibald Mitchelson (the Chairman of the Company) presiding.

The Chairman, in moving the adoption of the report and accounts, said: In the balance sheet you will see that the item of stocks has increased compared with December 31, 1918, by about £87,000. It was thought wise, in the market conditions prevailing, to secure as much material as possible. Accordingly we laid in considerable stocks of potassic and nitrogenous materials, and as much phosphate rock as we could obtain. The increased prices of all raw and manufactured material further explain the increased value under the head of stock. On the liabilities side you will notice loans from bankers, &c., are increased by about £125,000. This is explained by the heavier stocks and additional investments.

Turning to the profit and loss account, you will observe that the profit for the year amounted to £60,579 10*s*. 3*d*., which, added to the sum of £2,020 15*s*. 10*d*. brought forward from 1918, makes an available total of £62,600 6*s*. 1*d*. After paying £15,000 in dividend on Preference shares and £12,500 interim dividend at the rate of 12½% per annum on the Ordinary shares there remains £35,100 6*s*. 1*d*., from which the directors have declared a final dividend at the same rate on the Ordinary shares, and propose to allocate £4,833 14*s*. 3*d*. to depreciation reserve, leaving £17,766 11*s*. 10*d*. to be carried forward, subject to excess profits duty for 1919. This compares with a carry-forward in the previous year of £10,836 15*s*. 10*d*., which was subject to excess profits duty for the two years 1917 and 1918.

When referring last year to the continued suspension of raw guano shipments, I said that we were looking out for new sources of income. I am pleased to be able to tell you to-day that we have succeeded in establishing new interests in several directions, which promise to yield quite satisfactory results in the immediate future. We have also strengthened our position as fertiliser manufacturers by further purchases of share capital in other companies. The demand for our fertilisers and those of our subsidiary companies has never been greater, and the policy we are following is calculated to enable the Anglo-Continental group of factories to do the largest business possible on the most economical lines.

CALEDONIAN INSURANCE COMPANY,

A Record Year.

THE 115th ordinary annual meeting of shareholders was held within the head office of the Company, No. 19 George Street, Edinburgh, on May 6, 1920.

The Chairman said: The report has now been in your hands for some weeks, and I presume I may take it as your wish that it be held as read. The report contains a brief summary of the results in respect of the past year, and I think you will agree with me that these are eminently satisfactory. Both in volume of business carried through and in the amount of profit realised, the year 1919 easily surpasses all previous records.

Life Department.

The year's transactions in the life department show a very considerable expansion as compared with the figures of the previous year. 2,007 new assurances for £1,557,038 were effected at premiums amounting to £70,494, and the amount thereof retained at the Company's own risk, that is after deduction of sums reassured, was £1,488,838, subject to premiums of £66,986. This new business exceeds that of 1918 by no less a sum than £465,530, and, as you will have gathered, is far in excess of anything we have hitherto achieved. The claims by death amounted to £165,314, slightly more than those of last year, and considerably within the figure expected according to the mortality table we employ in the valuation of our liabilities in this department. The endowment assurances maturing by survivance are gradually increasing in number and amount, but this of course is only to be expected, and is fully provided for in our estimates. The premium revenue for the year was £394,276, being an increase of £28,321 over that for 1918, while the amount received as purchase money for annuities granted also shows a material advance. The net rate of interest earned on the funds excluding reversions purchased during the year, after deduction of income tax, was £4 5*s*. 1*d*., and the expense ratio works out at 14.28%, or 1.03% above the corresponding figure for 1918. As a result of the year's operations the substantial sum of £217,831 was added to the life funds.

Fire Department.

Turning now to the fire department, I would direct your attention to the growth shown in the premium revenue, and the very favourable loss experience shown in the accounts for the past year. The premiums have increased by £85,000 and now amount to over £705,000, while the proportion of losses to premiums works out at the satisfactory ratio of 45.3%, as against 48.96% for 1918. The expense ratio at 36.6 shows a fractional increase, a feature accounted for by the heavier taxation and the increase in the general cost of administration. You will notice that the provision for unexpired risk has been increased from 34% to 40% of the premiums during the year, your directors having deemed it advisable in the circumstances to strengthen the reserves of this rapidly developing section of our business.

The smaller departments—personal accident, employers' liability, and general insurance—have together contributed a sum of £7,000 to the profit and loss account. In the general insurance section the premiums show some contraction, as a portion of the business which became unprofitable was discontinued.

With regard to the marine department, I am glad to be able to report an increase in our premium revenue, in spite of the heavy drop from war to peace rates. For the year ending December 31, 1918, the outcome is highly satisfactory, and we have been able to carry £25,000 to the profit and loss account.

The total revenue of the Company now exceeds £1,610,000, and the funds amount to £5,025,770, showing an improvement in the year of £392,532.

Profits and Dividends.

The total amount carried to profit and loss from the accounts of the various departments, including the balance of general interest, is £154,145, and after providing for taxes and depreciation of investments and transferring the sum of £37,232 to the fire unexpired risk reserve, there remains a net surplus on the years trading of £61,928.

In view of this favourable condition of affairs the directors have found themselves able to recommend the payment of a dividend at the increased rate of 35*s*. per share, subject to tax.

The Company's business continues to show marked progress in every department, and we are now establishing agencies abroad in countries in which we have not hitherto had business relations. We are satisfied that a profitable

business can be transacted in these countries, and it is hardly necessary for me to dwell upon the fact that this broadening of the basis of our operations will tend to lessen the possibility of any abnormal fluctuation in our ratio of loss.

Two changes have taken place in the constitution of the board since the date of our last meeting. The death of Mr. Charles Ritchie in August last, which we all deplored, deprived us of the services of a much-esteemed colleague whose ripe experience and sound judgment had been of the greatest value to the Company. We also had most regretfully to accept the resignation of Mr. F. R. Sanderson, who found himself unable to attend our meetings owing to his changing his residence to London. To fill these two vacancies the directors have appointed Sir James H. Warrack, K.B.E., and Mr. James Winning, C.A., Glasgow, and these appointments now come before you for confirmation.

In conclusion, I should like in your name to acknowledge the loyal and devoted services of the Company's staff, both at home and abroad, during the past year. It has been a year of strain and constant pressure owing to the great expansion of our business, and it is due to the ungrudging spirit and zeal of our staff that the work, heavily increased as it was, has been overtaken so satisfactorily.

I now beg to move that the report be adopted, and that the dividend of 35*s.* per share, less income tax, as recommended therein, be paid.

The motion was agreed to.

THE INDIAN ELECTRIC SUPPLY AND TRACTION COMPANY, LIMITED.

The annual general meeting of this Company was held at Orient House, New Broad Street, E.C., on May 7, Mr. John G. B. Stone (the Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said that the earnings of the Company were £27,932, against £19,270, showing an increase of £8,661. Of this amount £6,931 was due to the higher rate at which surplus earnings in Cawnpore had been remitted to this country, but, disregarding exchange and comparing the Indian results, there was an improvement of Rs. 27,197. The rate of exchange for the year had averaged 1*s.* 9⅝*d.* The Government of India had now fixed the rate at 2*s.* in place of 1*s.* 4*d.*, so that it seemed probable that the rate would settle down to 2*s.* In common with other undertakings, their expenses had increased, which was due to the all-round rise in prices of materials and repairs, and to the higher rate of wages paid to the staff. With regard to the generating plant, the entire period was one of great difficulty and anxiety, but the position had much improved. Since the last annual meeting the directors had made an issue of £120,000 7% Non-cumulative Convertible Preference shares and 30,000 Ordinary shares for the erection of the new power station and its equipment. The proposal was to equip the new station at once with two 3,000 k.w. sets, and to make provision for an extension to 20,000 k.w. The directors looked forward to very considerable developments in the Company's business, as the new power house with its equipment would enable them to supply the growing demands of consumers. The tramway had not proved more remunerative than last year, although there was an increase in the number of passengers carried and an improvement in traffic earnings, but against this they had had to meet very heavy expenditure, particularly on repairs. After paying Debenture interest and bringing in the carry-forward of £1,171, the profits were £23,308, as against £15,232 in the previous year. An interim dividend at the rate of 3% per annum had already been distributed, and the directors proposed to pay a final dividend of 6%, making 9% for the year.

Mr. K. A. Scott Moncrieff seconded the motion, which was carried unanimously

KOMBOK (F.M.S.) RUBBER.

The ninth annual general meeting of this Company was held on May 7 at 38 Eastcheap, E.C.

Mr. R. W. Giblin presided, and in the course of his speech said: As I shall refer later on to the board's proposals in regard to the Company's capital I will deal first with the results for the year under review. After the disappointments of the last few years it is a pleasure to present a record of improvement for the year 1919. The crop of 579,433 lb. harvested shows an increase of nearly 100,000 lb over the crop of 1918, and our "all-in" cost at 1*s.* 0.19*d.* shows a reduction of about 3*d.* per lb. Our net profit is increased by nearly 3¼*d.* per lb.

Excess Profits Duty.

The board recommends a final dividend of 10%, making 15% for the year, but I have no doubt many shareholders will be comparing the sum involved in this distribution, viz., £13,500, with the heavy figure of £35,815 carried forward. The board would be only too pleased if they could add to the dividend and decrease the "carry-forward," but this Company, as you are already aware, is one of the young producers, which are so heavily hit by the excess profits duty, and the bulk of the carry-forward represents our liability under this heading in respect of assessments still the subject of negotiation. Settlement is still delayed pending the result of a test case now before the Courts. We had hopes, if the decision in this case was favourable to rubber companies, that the whole of these assessments would not have to be met, and that a possible saving would thus have been effected, but with the increase of the excess profits duty from 40% to 60% and the 5% Corporation tax in addition, I am afraid that any advantage which might possibly accrue to the Company as a result of this decision will be wiped out by the extra levies with which we are threatened. The Chancellor of the Exchequer seems determined to stand by his proposals in spite of the volume of protests against the unfair incidence of excess profits duty, and it seems that there is little likelihood of present unjust burdens being lightened.

Work on the Estate has been hampered by shortage of labour, and this continues to be acute throughout the Federated Malay States. Owing to the adverse rate of exchange for the rupee, and to some extent the prevalence in India of cholera, recruiting of Tamils from India has been much restricted, and very little immigration has taken place. Chinese labour, too, owing to high prices paid in mining areas, has been difficult to obtain in sufficient quantity. The Manager and his staff deserve, therefore, all the more the thanks of the directors and the shareholders for the efficient manner in which their duties have been carried out. Although it was not possible to complete the whole of the works laid down in the year's programme, the estate has not suffered, and is reported to be in satisfactory order. Our visiting agent, in a recent report, states that the rubber all over the estate is looking extremely well, and that the young fields show very good growth.

Throughout the Federated Malay States the disease known as "brown bast" has been making considerable headway, and Kombok Estate, in common with many other plantations in the district, has not escaped from this pest. The Government mycologists and the mycologists of the Rubber Growers' Association have been devoting their attention to the disease, and various methods are being tried to deal with it. No certain cure has yet been found, but in the meantime the Board has instructed the manager to keep in touch with official recommendations as to treatment, to adopt these, and to keep the directors fully informed as to the results of the remedial experiments being made on neighbouring estates and on Kombok itself to counter the outbreak. It is encouraging to learn that the experimental treatment now in operation has met with considerable success in other parts of the Federated Malay States.

The manager estimates the current year's crop at 663,000 lb., to be produced at a cost of about 10½*d.* per lb. f.o.b. We have sold forward 282,000 lb. at approximately 2*s.* 2½*d.* per lb. landed terms. The indications, therefore, are that if the spot price of rubber is maintained at something like its present level, results for the current year should be satisfactory.

Capitalisation of Reserves.

I will now refer briefly to our proposals with regard to the Company's capital. Our present issued capital is £90,000, but this sum does not represent the whole of the capital expenditure on the Estate. The greater part of our reserve, which stands in the balance sheet at £32,500, has been invested in the property, and the balance will ultimately be utilised for capital purposes. The Directors, therefore, consider it prudent and desirable that the Company's issued capital should more accurately reflect the actual sum sunk in the property, and recommend the transfer of £30,000 from reserve to capital account, against which it is proposed to issue 300,000 shares of 2*s.* each as fully-paid to existing shareholders, in the proportion of one free share in respect of every three shares now held. In order to carry these sugges-

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tions into effect you will be asked, at the extraordinary general meeting to be held at the close of this meeting, to sanction an increase in the Company's nominal capital from £100,000 to £150,000 and to create a new Article giving the Company power to capitalise reserves.

The report was unanimously adopted, and the dividend recommended was declared.

Extraordinary Meeting.

At an extraordinary general meeting resolutions were passed providing for an increase in the capital to £150,000 and altering the articles with a view to the capitalisation of reserves.

The Chairman said he thought the Company's existing resources would be sufficient to bring the whole of the immature area into bearing, and to plant up and develop their remaining reserve land suitable for planting, so that they might reasonably expect to have a total area of 2,400 acres under rubber in the not distant future.

Brakpan.—Capital issued, 823,600 £1 shares; 160 stamps. Ten tube mills now working.

Year ends Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Pr. ton	Expenses Amt. £	Expenses Pr. ton	Profit Amt. £	Profit Pr. ton	Price end of Period
1917 ...	110	677,500	14½	1,168,454	34/6	694,451	20/6	474,003	14/0	5⅝
1918 ...	111	617,100	13½	1,089,950	35/4	723,643	23/5	366,317	11/11	3¾
1919 ...	111	544,200	14.13	1,038,585	38/2	723,259	26/7	315,436	11/7	3⅛
1920.										
Jan. ...	—	48,400	—	86,038	35/6	69,284	28/7	16,754*	6/11	4
Feb. ...	—	43,000	—	80,463	37/5	69,975	32/6	10,488†	4/11	3⅝
Mar. ...	—	52,300	—	89,583	34/3	76,551	29/3	13,032‡	5/0½	3⅝
Mar. qr.	—	143,700	—	256,084	35/9	215,810	20/1	40,274§	5/8	3⅝

The fixed charge for development has been increased to 3s. 6d. per ton as from July 1, 1918.

* Excluding gold premium, £23,125.

† Excluding gold premium, £21,418, on gold calculated at 110/0 per fine oz.

‡ Excluding gold premium, £13,032, on gold calculated at 105/0 per fine oz.

§ Excluding gold premium, £58,795.

Dividends—1917, June, 22½; Dec., 25 per cent.
1918, June, 20; Dec., 12½ per cent.
1919, June, 12½; Dec., 15 per cent.

Aurora West United.—Authorised capital £300,000, in 600,000 10s. shares; issued, 212,705 shares.

Yearends Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Pr. ton	Expenses Amt. £	Expenses Pr. ton	Profit Amt. £	Profit Pr. ton	Price end of Period
1917 ...	80	177,250	13	212,739	24/0	168,165	19/0	44,574	5/0	12/3
1918 ...	78av.	158,550	8½	178,462	22/6	176,053	22/2	2,409	-/4	10/6
1919	80	160,850	8·98	167,573	20/9	193,236	24/1	*25,663**	*3/4**	7/6
1920.										
Jan. ...	—	14,200	—	17,464	24/7	17,464	24/7	*111*	—	7/6
Feb. ...	—	11 900	—	15,466†	26/0	17,649	29/10	*2,183**	*3/10**	7/0
Mar. ...	—	14,000	—	15,346	21/11	17,837	25/9	*2,491**	*3/10**	1/32

* Loss. † Gold calculated at 110s. per fine oz.

Van Ryn Deep.—Capital, £1,196,892, in £1 shares. 90 stamps, 9 tube mills, started 1913, 10 stamps and a tube mill being added. Profits include sundry revenue.

Year to Dec. 31	Tons Milled	Sorting %	Revenue Amt. £	Revenue Per ton	Expenses Amt. £	Expenses Per ton	Profit Amt. £	Profit Per ton	Price end of Period
1917 ...	517,870	20	1,129,892	43/7	505,901	19/6	637,964	24/7	3⅜
1918 ...	530,550	21	1,163,005	43/9	545,921	20/7	617,084	23/2	3⅛
1919 ...	568,400	20.38	1,262,563	44/4	604,143	21/4	658,410	23/0	5⅜
1920.									
Jan. ...	51,400	—	143,122	55/8	55,984	22/2	87,138	33/6	5⅛
Feb.....	46,900	—	133,187*	56/10	62,847	27/1	70,340	29/9	5
Mar....	53,000	—	149,019*	56/3	66,263	25/3	82,756	31/-	4¾

* Gold calculated at 110/0 per fine oz.
† Gold calculated at 105/0 per fine oz.

Dividends—1917, June, 20; Dec., 22½ per cent.
1918, June, 22½; Dec., 22½ per cent.
1919, June, 22½; Dec., 25 per cent.

The British, Foreign and Colonial Corporation have issued a circular of special interest to firms and persons having credits in France, discussing various methods of insuring against a further depreciation in the franc by means of the purchase of foreign Government bonds quoted in Paris, etc. Copies may be obtained on application to the Corporation, 57 Bishopsgate, London, E.C. 2.

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Assets Exceed - - - - £17,300,000
Claims Paid Exceed - - - £30,000,000

IMPORTANT NOTICE.

WHITSUN HOLIDAY ARRANGEMENT.

"THE STATIST" will be published on Friday next, May 21, instead of Saturday.

The Statist.

LONDON, SATURDAY, MAY 15, 1920.

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The Money Market.

Friday, May 14, 1920.

	Current Rate % Fixed	Previous Rate % Fixed
Bank of England Rate	7 (April 15, '20)	6 (Nov. 6, '19)
Deposit Rates:—		
Banks & Discnt. Ho. (Call)	5 (Apr. 15, '20)	4† (Nov. 6, '19)
Discount Houses (Notice)	5¼ (Apr. 15, 20)	4¼ (Nov. 6, '19)

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.
† Foreign and Colonial banks give Special Rates only upon deposits for a year

Discount Rates:—	60 Days. %	3 Mos. %	4 Mos. %	6 Mos. %
Treasury Bills	—	6½	—	—
Bank Bills	6¾	6¾	6 13/16	6 11/16–13/16
Trade Bills	—	7	7¼	7½

THE pressure for accommodation in the Money market during the week was more pronounced than has been the case for some months past—so pronounced indeed as to cause a substantial tightening of rates and to give rise to apprehensions of a further rise in the Bank rate. Calls amounting to 1½ millions fell due during the week, and to-morrow about 3.4 millions mature. The stringency which ruled in the latter half of last week gave place to easier conditions on Monday, when floating credits became more plentiful. On Tuesday, however, a strong demand set in, which pushed the rate for day-to-day money up to between 4½ and 5%. The demand gained strength on the following days, and on Thursday as high as 6% and even up to 6½% was paid for short loans. One factor in the situation was a free investment in Treasury bills, while a reduction in Ways and Means Advances owing to the Bank of England is anticipated. Yesterday the market borrowed a small amount from the Bank at 7½%. As regards the apprehensions of still dearer money, it may be pointed out that funds will shortly be increased considerably by Government disbursements. Weekly fixtures were steady at 5¼ to 5½%.

The Discount market was affected by the tightness in money, and business was on a more restricted scale. The rates for long-dated maturities hardened a little. Three months' paper changed hands at 6 11/16 to 6¾%, and full six months' bills at 6⅞%.

In the Foreign Exchange market francs and lire continued their recovery, while German marks also made a strong showing. Starting at 60.17½ on Monday the Paris cheque hardened to 57.05 on Wednesday. It rose 60 centimes again on Thursday and fluctuated about 58.60 to-day. The Brussels cheque is 3.03 lower on the week at a quotation of 55.37½ to-day. It was lower on Wednesday, however, at 54.15. The New York cable rate declined about 3c. during the week, being quoted 3.82 to-day. Berlin gained 17 points with a decline to 184½. Finnish marks were steady. The lira was firm to-day at 78, but was better on Wednesday at 76.25. Switzerland and Spain moved adversely. Of the Scandinavian group, Christiania moved in our favour with a rise to 20.70, and Stockholm was irregular, closing at 18.17½. Denmark suffered a set-back to 22.90. Dutch florins were steady at about 10.48½. In the South American group Buenos Ayres and Montevideo advanced, but Rio improved fractionally. Among Eastern currencies the Shanghai tael followed the downward trend of prices in the Silver market, and was quoted at 5*s.* 11½*d.* yesterday. The Hong Kong dollar declined to 4*s.* 1½*d.*, but the Japanese yen moved adversely to 2*s.* 8⅞*d.* The rupee hardened to 2*s.* 2⅜*d.* on Tuesday, but receded to 2*s.* 1½*d.* subsequently.

During the week ending May 8 revenue came in at a slightly lower and expenditure at a slightly higher rate than in the preceding week. The result was a reduction in the excess of revenue to £222,013, as compared with £2,523,447 for the week ending May 1. This tendency [illegible] been apparent for some

weeks past, is after all a normal one for this time of the year, but none the less, if it continues to such an extent as to result in a substantial deficit during the coming weeks, the consequences for the Money market would be very serious, especially as the loaning power of the market is becoming more and more insufficient to meet the demand. Nevertheless the national accounts are in a much more satisfactory position than they were a year ago, as will be seen from a comparison of the income and expenditure for the period March 31 to May 8 with the corresponding period of last year. Since the beginning of the fiscal year the revenue amounted to 151.7 millions and the expenditure to 138.5 millions, leaving a balance of 23.2 millions on the revenue side. From April 1 to May 3, 1919, the revenue was 89.5 millions, while the expenditure was nearly 204.8 millions—a deficit of 115.3 millions.

The surplus of revenue for the week to Saturday last above mentioned was not an actual cash surplus, as the section of the Finance Act, 1917, allowing War Loans, Exchequer bonds, &c., to be presented in payment of excess profits duties and death duties, was taken advantage of during the week to the extent of £2,139,111. This was therefore a factor in raising the floating debt during the week to 1,299.2 millions, an increase of nearly 2.4 millions. This increase, however, did not occur in Ways and Means Advances, which were, on the contrary, reduced by 14.4 millions to 234.8 millions, including a reduction in the liability under this head to the Bank of England to 31 millions—a decline of 16.5 millions. Such a reduction was empowered by the increased receipts for Treasury bills, which, as we mention above, are likely to prove a feature of the income and expenditure return on next week also. The total of Treasury bill sales and renewals during the week was £81,960,000, against £65,156,000 repaid, thus increasing the amount outstanding by 16.8 millions. £900,000 was transferred to the Treasury during the week in respect of subscriptions to War Savings Certificates, and the amount of the principal of these certificates paid off was £100,000 less.

We have to note a still further expansion in the currency note circulation during the week ended May 12, but not so great as in the previous week. Fresh issues of notes and certificates reached 8.5 millions, against 10.7 millions last week, and cancellations amounted to 6.1 millions, against 5.1 millions last week. This can be interpreted to mean that this expansion in the note circulation which has been noticeable during the past month is coming to an end, at all events for the time being. The total of notes and certificates outstanding is now nearly 345.5 millions, the largest since January 7. The fiduciary issue stands at 309.5 millions, which is also a "record" since January 7. As a further £300,000 Bank of England notes was added to the Redemption Account, the ratio of Bank of England notes and gold to notes outstanding remains unaltered at 10.4%.

BANK OF ENGLAND.

The Bank return for the current week makes a much better showing. Whilst the total bullion remains practically unchanged at £112,519,000, the note circulation has expanded by £197,000 to £111,313,000. If, however, a distinction is made between the notes in actual circulation and those held up as a reserve in the Currency Note Redemption Account, it emerges that the actual circulation during the week contracted by £103,000, since £300,000 in notes were again put to the Currency Note Redemption Account to cover an excess issue of currency notes during the week amounting to £2,424,000. However, from the point of view of the Bank return, the expansion of £197,000 resulted in reducing the amount of the reserve correspondingly to £19,656,000. This decline was more than offset by the reduction in the liabilities, which only amounted to £120,857,000, as compared with £137,194,000 in the previous week. This reduction was due almost entirely to the depletion of other deposits, which fell during the week by no less than £17,112,000 to £99,404,000—the lowest figure recorded for 1920. A slight increase of £779,000 brought public deposits up to £21,429,000. As a consequence of this marked reduction in liabilities the ratio of the reserve has moved up from 14.5% to 16.3%. According to the latest official return of income and expenditure, receipts for Treasury bills for the week ended May 8 exceeded maturities by over £16,750,000, whilst ordinary revenue with the aid of £8,000,000 from special receipts just provided for current expenditure. Probably these facts, in conjunction with the amount subscribed so far for the new Treasury bonds—the first return of which will be available next week—account for the depletion of other deposits and the maintenance of public deposits. And very likely the same reasons serve to explain the increase in other securities by £753,000 to £80,444,000, and the satisfactory repayment of £16,855,000 in respect of Ways and Means Advances, which reduces the total of Government securities to £38,455,000. It is of interest to note in passing that the official return of income and expenditure reveals the balance due to the Bank of England under the heading of Ways and Means on May 8 as £31,000,000, in contrast with £47,500,000 on May 1. Similarly, the total of Ways and Means Advances on May 8 was £234,767,000, as compared with £249,207,000 on May 1.

BULLION.

Gold supplies were more plentiful during the week than for some time past. The demand was strong, India, the Cape, the Straits, and South America being the buyers. To-day's quotation was 108*s.* 0*d.* per ounce fine. According to Messrs. Samuel Montagu and Company, the gold imports into the United Kingdom during April amounted to £3,617,972, and the exports to £10,705,742—a balance on the side of exports of £7,087,770. 3.2 millions, or 88% of the total imports, came from the Transvaal. Of the exports 56% went to the United States, India took 1.6 millions, South America 1.4 millions, and the Straits Settlements 1.2 millions.

In the Silver market the downward trend of prices continued during the week, though the movement was less rapid than of late. Following a temporary rally to 61$\frac{5}{8}$*d.* per standard ounce on Saturday last, the spot price fell successively during the week. By yesterday it had reached 58$\frac{3}{4}$*d.* To-day the quotation was 58$\frac{1}{8}$*d.* There was rather heavy buying for two months' delivery. To-day's forward discount was $\frac{1}{4}$*d.* per ounce.

In New York the silver quotations have been declining as well, of course, and the present trend of prices there will introduce a new factor into the market in the near future—*i.e.*, the United States mint as a buyer. It will be remembered that on representations from the Government of India the United States Congress passed a Bill to release a portion of the silver dollars held in the United States Treasury. This Bill, which has since become known as the Pittman Act, received the President's signature on April 23, 1918,

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and was passed chiefly in order to conserve the United States gold supply by paying adverse trade balances in silver. Under its terms the Secretary of the Treasury was empowered to melt and sell as bullion up to 350 million standard silver dollars held by the Treasury. Such sales were to be replaced by purchases in the United States, of the product of the United States silver mines, at the fixed price of $1 per ounce fine. On Thursday the open market price of silver in New York was 100 cents per ounce for commercial bars, and the technical position of the market being in favour of lower quotations it is to be expected that the price of fine silver will fall very soon below the dollar mark. In that case it is anticipated that the market would be strengthened by buying orders on the part of the Director of the United States Mint. As a matter of fact, according to a cable advice from New York, the American Government have decided to start buying very soon. It would be unwise, however, to expect much on this account. It is reported that they will operate only on a small scale in order not to force prices upwards again. Moreover, Section 2 of the Pittman Act provides that the net purchases of silver above referred to, after making allowance for all resales, "shall not exceed at any one time the amount needed to coin an aggregate number of standard silver dollars equal to the aggregate number of standard silver dollars theretofore melted or broken up and sold as bullion under the provisions of this Act, but such purchases of silver shall continue until the net amount of silver so purchased, after making allowance for all resales, shall be sufficient to coin therefrom an aggregate number of standard silver dollars theretofore so melted or broken up and sold as bullion." Practically all the 350 millions was disposed of under the terms of the Act, and thus, after making allowance for resales, the United States Mint has to purchase an amount of silver sufficient to coin about 350 million dollars at a fixed price of $1 per ounce fine. This amount is much greater than the world's annual production, and if buying orders for this amount came suddenly on the market the price would undoubtedly not fall below 100 cents an ounce fine, but, as indicated above, the American Government, as is only to be expected, of course, will proceed slowly and cautiously, buying only in small lots. Again, it must be remembered that the buying on the part of the United States Mint is restricted by the Act to the product of mines located in the United States, and this represents only a small percentage of the total offerings of silver on the different markets at present, including melted silver coins. For the four years preceding the War United States mines produced 28% of the total of the world's production of silver. For the first four years of the War her average annual production was 41% of the total, but it must be remembered that during these years the output of the United States mines increased considerably, while that of other countries declined—Mexico, which produced annually an average of 73.9 million ounces, producing only an average of 30.3 millions annually during the War.

Recent movements in the Indian Currency Returns are shown below:

1920	Note Circulation Lacs	Silver: In India Lacs	Silver: Elsewhere Lacs	Silver: Total Lacs	Gold: In India Lacs	Gold: Elsewhere Lacs	% of Metallic Res. to Notes	Government Securities: Indian Lacs	Government Securities: British Lacs
April 30 ...	17,074	3,937	—	3,937	4,538	95	50·2	2,377	6,127
April 22 ...	17,303	3,909	—	3,909	4,614	91	49·8	1,959	6,727
April 15 ...	17,363	3,904	—	3,904	4,750	43	50·0	1,959	6,727
April 7 ...	17,429	3,956	—	3,956	4,594	193	50·2	1,959	6,727
Mar. 31 ...	17,452	3,985	—	3,985	4,437	345	50·2	1,959	6,726
Mar. 22 ...	17,603	3,894	—	3,894	4,422	100	47·1	1,560	7,927
Mar. 15 ...	18,274	3,890	—	3,890	4,464	110	46·3	1,560	8,250
Mar 7 ...	18,244	3,864	—	3,864	4,201	366	46·2	1,560	8,250
Feb. 29 ...	18,303	3,899	—	3,899	4,130	464	46·4	1,560	8,250
Feb. 22 ...	18,291	3,872	—	3,872	4,033	579	46·4	1,560	8,250
Feb. 15 ...	18,399	3,888	—	3,888	4,121	580	46·7	1,560	8,250
Feb. 7 ...	18,329	3,947	—	3,947	3,524	1,033	46·5	1,560	8,250
Jan. 31 ...	18,515	4,033	—	4,033	3,510	1,162	47	1,560	8,250
Jan. 22 ...	18,495	4,099	—	4,099	3,386	1,200	46·9	1,560	8,250
Jan. 15 ...	18,691*	4,163	—	4,163	3,500	1,028	46·5	1,750	8,250

* Highest since war began.

NEW YORK.

A RATHER disappointing return was presented on Saturday last by the Associated New York Banks and Trust Companies and the actual position at the close of business on May 8 was the weakest since March 20 last. Loans were increased by 10½ million dollars to 5,151.7 millions. Time deposits rose slightly, but demand deposits declined by 16.8 millions to 4.132.7 millions. Reserve requirements were therefore 2.2 millions lower, but as the aggregate reserve was reduced by 3.3 millions to 574.1 millions, the average excess reserve was lower in consequence at 24.9 millions. The actual excess reserve stood at the low level of $5,400,000.

From the latest combined statement of the twelve Federal Reserve Banks to hand it is apparent that the Board has taken steps to improve the reserve position since last week, when it will be remembered the ratio of reserves to liabilities was the lowest ever reported. The improvement, which is only a slight one, has been effected by a forced liquidation of loans and a strengthening of the gold resources. The latter were increased by 4.9 millions to 1,941.6 millions. The bill holdings were reduced on balance by 27.9 millions, and deposits declined by 24.3 millions. The Federal Reserve note circulation, however, expanded by 17.8 millions to 3,092.3 millions, which partly discounted the efforts made in other directions above-noted, the result being only a moderate rally in the ratio of total reserves to net deposit and note liabilities to 42.7%, as against 42.4% last week, and 51.9% a year ago.

The Money market was steady to firm. Yesterday the rate for call money hardened to 8%, which was the ruling rate, the highest and last rate paid being 10%.

Prime mercantile paper was quoted at 7%.

Stock Exchange.

A MORE cheerful tone was noticeable in the opening of the week in the Stock markets, but hopes that it would continue were quickly disappointed, for it quickly gave way to dulness again. Yesterday, however, signs of revival were in evidence in many sections. The tightening of money rates and the scarcity of floating credits was responsible for a good deal of forced liquidation during the week, while the developments of the position with regard to the excess profits duty did not help matters. Recent pronouncements by the Chancellor of the Exchequer show that he is becoming more and more inclined towards a levy on war-time wealth as a substitute for a 60% excess profits duty, or part of it. The Committee appointed to investigate the matter, under the chairmanship of Sir William Pearce, reported on Thursday to the House of Commons. It finds that a war wealth levy, producing between £450,000,000 and £500,000,000, is feasible. If the Chancellor gets legislative sanction for the levy, which, he says, would "add effectively to the security of

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capital in general," an immediate reduction in the excess profits duty rate is to be expected, with its ultimate abolishment in the course of time. This course, however, does not seem acceptable to business men, many of whom would prefer even a 60% excess profits duty to the decidedly dangerous expedient of a war wealth levy. Of course, the trouble arises from the Chancellor's too ambitious scheme of reducing the debt before the commodity value of money rises again, but if we concede that this desirable aim is worth the evils it involves in the achievement, and that the money must be got somehow, there can be little doubt that an excess profits duty, even at a high rate, with proper reliefs for new companies and those with a low pre-War standard of profits, would cause less dislocation in industry than a levy on war wealth, which is an experience entirely new to the people of this country, and on that account alone to be avoided. We would point out, however, that whatever is to be done should be done quickly, whether it be a levy on war wealth, a 60% excess profits duty, or a flat-rate profits tax, as the uncertainty is as bad as the event itself by reason of the attempts of the interests affected to discount its ill effects in advance. At any rate, until the matter is finally settled the cloud of nervous depression, which at present overhangs the more speculative stocks, is bound to continue.

The Gilt-edged and the Argentine Rails sections continued their last week's firmness, a shortage of stock being apparent again this week. Some further selling of Internationals on French account was reported during the week, though the franc improved continuously.

Consols were conspicuous in the Gilt-edged market, with a rise from 48¼ at the opening of the week to 49¾ on Tuesday. The reason for the improvement was a shortage of stock on the part of dealers. The rise, however, was not maintained, for the stock lost a point by Thursday, and closed last night at 48⅛. Funding Loan and Victory Bonds had a similar experience, the former gaining a point and the latter a ½ up to Wednesday. The quotations at the opening and close of the week were respectively, Funding Loan, 70 and 69¾, and Victory Bonds 79 and 80. The 5% War Loan was irregular. It gained ⅞ on Tuesday, lost ¾ the following day, and put on 1/16 again on Thursday. It closed last evening at 85¾. India stocks were firm, the Threes rising to 52 7/16 and the Three-and-a-Halfs to 60¼. Other Three-per-Cent. securities were again in demand. Colonial issues were again steady, with the exception of the Fours of Canada and West Australia and the Fives of South Australia.

In the Foreign market French War Loan Fives were the feature. The Paris cheque was quoted lower each day, and the stock rose in sympathy from 44 on Monday morning to 46¼ last evening. Belgian Threes were also strong, with a rise to 52½. Mexican issues were not affected by the developments in that country. On the contrary, some Mexican stocks were bought as a speculative proposition, prematurely, we think, apparently on the supposition that the revolution had reached its crisis, and that an improvement can be looked for from this forward. There is this much truth at all events in the view, that should a strong hand come to hold the reins of government in Mexico, as seems not unlikely, it would be to the interest of the ruling power to safeguard jealously the various capital interests in the country, a fact which no Government of Mexico can help recognising.

In the Home Rail market the general trend of prices was downward. Dover "A" was a bright spot at the beginning of the week with an improvement to 30. It quickly eased off however, and closed lower on the week. The "Heavies" were irregular. Opening and closing quotations on the week for the leaders were respectively:—Great Westerns 83¼ and 81¾, Midland Preferred 35 and 34½, Lancashire and Yorkshires 59½ and 59¾, Great Northern Deferred 30⅛ and 30, Great Northern Preferred 46½ and 47½, Great Easterns 31¼ and 30¾. Of Underground Electrics the Ordinary shares were steady, but the "A" shares and the Income bonds declined.

Argentine descriptions, on the whole, were firm in the Foreign Rail market, but the tone at the close was weaker than in the beginning. Antofagasta Preferred rose to 87 on rumours that the directors of the Company were contemplating a reorganisation of capital. Central Argentines closed at 67, Buenos Ayres Great Southerns at 77⅜, B.A. Westerns at 77½, and B.A. and Pacifics at 64⅛. Leopoldinas were irregular, but closed higher on the week at 41. United Railways of Havana rose to 86xd. Entre Rios Ordinary rose to 41, but the First Preference declined to 69½xd. Mexican Rails showed a good recovery.

This has been a particularly quiet week for the Industrial market, but, though business was extremely restricted, quiet liquidation throughout the week was sufficient to import a weak tone to the market. Nevertheless, price movements were generally small and unimportant. Shipping shares presented the firmest appearance, but showed signs of wavering towards the close. Textiles and Nitrates were particularly weak. Engineering, iron and steel shares were mostly dull. Forestal Lands were supported. Cements and Tobaccos were neglected and Britsh Oil and Cake Mills and Dunlop Rubbers were weak spots.

Oil descriptions suffered during the week. Last week's recovery was responsible for an active opening, but it soon became evident that buyers were scarce, and it was this fact rather than any pronounced volume of liquidation that was responsible for the downward price movements. The undertone of the market at the close, however, was quite good, and all that is wanted is a good lead for dealers to start marking up the shares again. Quotations at the beginning and end of the week for the favourites were respectively: Shells 11 and 10 7/32, Royal Dutch 91 and 92⅜, Mexican Eagles Common 10 and 9 11/32; Mexican Eagles Preferred 9 11/16 and 8 31/32; Scottish Americans 30*s.* 6*d.* and 26*s.* 3¾*d.*; Tankers (10*s.* paid) 7½*d.* discount and 15*d.* discount; Burmahs 17½ and 16½; Trinidad Centrals 5¾ and 5⅛; Trinidad Leaseholds 3 7/16 and 3⅜.

The monthly Investment Index-Figures of the British, Foreign and Colonial Corporation, Limited, show that after making the necessary adjustments for bonus distributions, new issues of capital, and 100 standard investment securities of an aggregate value on Decmber 31, 1918, of £2,991,000,000, and on December 31, 1919, of £3,031,000,000, had a market value on April 30, 1920, of £2,759,000,000, a decrease of 7.76% on the quotations on December 31, 1918, and a decrease of £131,000,000, or 4.40%, on the quotations on March 31, 1920. Taking the 1918 figures as 100, the percentage totals of the different classes of investments are as follows:—

Index Figures.

Type	1913 December	1918 December	1920 March	1920 April
Gilt-edged	121·5	100	91·7	87·7
Investment (fixed interest) ...	114·1	100	90·3	88·5
Investment (varying interest) ...	117·4	100	100·2	94·2
Semi-speculative	101·3	100	124·3	117·3
Speculative	111·1	100	130·2	121·0
	113·34	100	96·64	92·24

The decline of the previous month, the Return adds, has continued in practically the same ratio, but gilt-edged and other fixed-interest bearing securities show a steadier tendency, with the notable exception of the 5% War Loan. In the remaining sections there is an all-round decline, Imperial Tobacco Ordinary, Broken Hill Proprietary, and Wallpaper Manufacturers' Deferred being practically the only stocks to show a rise.

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Mining Topics.

The Mining market could scarcely have been expected to open cheerfully, faced as it was at the beginning of the week with the closing down of no less than three of the low-grade mines. This aspect, to the neglect of every other consideration, loomed large in the mind of the dealers and investors alike. Whilst the leading shares were neglected, if they did not actually react, the mines affected by this decision to suspend operations *pro tem* suffered severely in consequence. Jupiter shed 1*s*. 6*d*. to 3*s*. 6*d*.; Simmer Deep dropped almost 50% to 1*s*.; whilst Roodepoort United were 1*s*. weaker at the end of the day at 2*s*. 6*d*. Land shares by contrast continued to exhibit a healthy development, Chartered closing firm at 18*s*. As the week progressed gold shares seemed powerless to lift themselves out of this dry rot. The notification of the Transvaal output for April failed to interest the market. As compared with March, it shows a decline of over 20,000 ounces, the actual output being returned at 686,979 ounces of fine gold. And this reduction took place although at 189,446 the number of natives employed in the gold mines had risen by 882 during the month. By the middle of the week the depression became more acute. Restricted banking accommodation—so the rumour ran—produced compulsory liquidation, and the reactions spread also to the Land shares, Chartered closing weaker on Wednesday at 17*s*. 3*d*. With the appearance of a firmer tone on Thursday, the tide appears to have turned. But before assuming definitely that this was the case, it is advisable to bear in mind that as this was Ascension Day the Continental Bourses were closed, and consequently the market was free from any unfavourable influence which liquidation from this source might have produced. Yet the fact remains that shares at the close were much steadier.

April outputs which are now coming to hand possess what might be termed a pathetic interest in the light of the existing position of the low-grade mines. The decline in the premium on gold is reflected in the lower price at which the gold output is calculated. In all cases to hand the estimated price is 102*s*. 6*d*. per ounce, as compared with 105*s*. per ounce in March. Thus, since February, when the high-water mark of 110*s*. was recorded, there has been a fall of 2*s*. 6*d*. per month, and this fall has been accentuated in its effect by the growth in realisation charges to which we referred last week. The upward movement of this charge persisted during April. It is of interest to note in passing that, whilst some of the mines definitely assert that the output is valued at 102*s*. 6*d*. per ounce, less realisation charges, others, such as those in the Johnnies group, append a note to the effect that the results "are arrived at by calculating the gold produced at 102*s*. 6*d*. per fine ounce." Consequently the question arises as to whether the results include the effect of the expansion on the realisation charges to 7*s*. 6*d*. per ounce in April as contrasted with 60*s*. 3*d*. in March. Keeping this consideration in view, it appears that the profit of the Johnnies group for April amounted only to £159,352, as compared with £241,002 in March. Of this Government Areas contributed £108,924, as against £122,082. Owing to an accident in Block "A" shaft, Randfontein Central records a loss of £36,637, as compared with a profit of £4,960 for March. In the Rand Mines coterie the realisation charges are taken into account in the results. Four mines have been worked at a loss—Durban Roodepoort Deep, Geldenhuis Deep, Nourse Mines, and Village Deep. On Durban Roodepoort the loss is as much as £11,317, and is attributed to the decrease in tonnage caused by a fall of rock in No. 1 shaft, and to abnormal expenditure in addition to high working costs. Similar reasons are advanced to account for the smaller profit earned by Crown Mines, Modderfontein "B," and New Modderfontein. East Rand Proprietary Mines, though the tonnage milled during April was slightly higher at 128,000 tons, yet records a working loss of £12,718, as compared with a loss of £3,108 for March. Ashanti Goldfields, the estimated value of whose output for April is £22,203, calculating gold at the par value, reports an interim dividend of 25%, making, with the previous interim dividend, a total so far of 52½% for 1919-20, as compared with a total dividend of 75% for 1918-19.

A survey of these April returns throws much light on the forces at work resulting in the closing down of several of the low-grade mines. The circulars or notices issued by some of the mines in question confirm this. Thus in the case of the Princess Estate and Gold Mining Company, the April return estimates a loss for the month of £6,994, whereas the report for the quarter ended March 31, 1920, states that a working loss of £11,763 has been recorded. Thus for the four months the working loss reaches £18,757. In addition to high working costs—there had been a rise of 7*s*. 5*d*. per ton between 1917 and 1920 the directors state—and the decline in the gold premium accentuated by the heavy realisation charges, there were, however, other forces at work in this instance. Development work had been considerably retarded by the floods and influenza epidemic in 1918, with the result that so depleted have the ore reserves been that it is no longer possible to secure an adequate monthly tonnage. Moreover, the nature of the ore reserve blocks does not permit of selective mining. This device had been adopted by New Heriot, but apparently to no avail, for a loss of £3,835 is reported for April. It is now proposed to work by double shifts on the better-class slopes. "This is the last resource"—so runs a cable from the head office—"and failing improvement by the end of May, the board of directors will be forced to shut down the mine." Roodepoort United Main Reef is in much the same dilemma. Faced with a loss of £6,503, and convinced that at the high prices prevailing for wages and stores, it is well-nigh impossible to work the mine except at a serious loss, the directors are seriously contemplating the suspension of operations. It has been commented on earlier in the year how the rise in the premium of gold was followed by agitation on the part of the white and black labour alike for high wages. It now remains to be seen whether, in view of the contraction of the profit from the source, the mines will be wise enough to submit to a pruning down of wages. In the absence of this, and of any improvement in the price of gold, the only alternative is to close down the mines.

SOUTH CROFTY.

Whilst congratulating the shareholders of this Cornish tin mine on the great prosperity as evidenced in the results of the working operations for 1918, the Chairman, at the general meeting at which those accounts came up for consideration, warned them that 1919 would very likely prove to be a critical year for

the industry. The accounts which have recently been furnished for the year ended December 31, 1919, supply ample verification of his foresight. For the Cornish tin-mining industry, in particular, the transition from war to peace has been an exceptionally trying period. To this the accounts of many of these mines for the year under review bear eloquent testimony, and South Crofty is no exception to the rule. How the results of the working operations for 1919 compare with those of previous years is clearly seen in the following table:—

	Years ended December 31					
	1919	1918	1917	1916	1915	1914
	Tons	Tons	Tons	Tons	Tons	Tons
Ore crushed	68,056	67,588	70,055	71,706	70,790	69,842
Black tin output ...	545¾	581	610$\frac{5}{16}$	607½	627$\frac{3}{10}$	644
Wolfram output ...	59	71¾	87½	95$\frac{7}{8}$	97$\frac{7}{16}$	113½
Arsenic output	632	562	828	783½	660	706⅝
	£	£	£	£	£	£
Tin value	77,724	113,043	84,438	63,708	59,440	58,567
Wolfram value	5,119	12,522	14,725	14,773	10,087	9,391
Arsenic value	30,522	69,300	40,388	24,391	13,023	10,600
Total produce value ...	113,365	195,283	139,551	102,872	82,550	78,558
Av. price per ton tin...	140	196¾	120$\frac{3}{10}$	104$\frac{3}{8}$	94⅛	91⅛
,, ,, wolfram	—	173¾	165⅛	151⅛	89½	88$\frac{13}{16}$
,, ,, arsenic...	52½	105¼	52½	27$\frac{3}{8}$	16$\frac{7}{16}$	12½
	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
Produce value (per ton)	33 4	57 9	39 10	27 8	23 4	22 10
Mine costs (per ton) ...	30 1	34 11	25 7	22 0	21 0	20 7
	£	£	£	£	£	£
Working profit ...	11,859	77,029	49,737	24,604	11,666	7,396

There has been, it is true, a slight increase of 468 tons in the quantity of ore crushed, and this though the battery ran for 12½ days less than in 1918. This decline in the crushing time was due, in the first instance, to a labour shortage in the early months of the year; in the second place, to the closing down for alterations of Robinson's section for a week; and, thirdly, to two labour disputes. However, this small improvement in the amount of ore crushed was not reflected in any increase in the output, with the exception of arsenic, which rose from 562 to 632 tons. On the other hand, the wolfram output fell from 71¾ to 59 tons, and the lower grade of the tin ore is evidenced in the return of 545¾ tons of black tin, as compared with 581 tons from a smaller quantity of ore in 1918. It is, however, on the financial side of the accounts that the adverse influences of the year are vividly imprinted. The value of the total output is recorded at £113,365, or over 40% below that of 1918. To this reduction all sections of the output contributed, as can be seen in the above table by comparing the value of the various outputs for 1918 with the corresponding values for the year under review. This remarkable decline in the value of the output becomes more intelligible when the prices secured for the various products are known. For following the Armistice the prices of tin, arsenic, and wolfram dropped quickly and heavily, with the result that the Company was working at substantial losses every month until after August 1919. Tin retailed at an average price of £196¾ a ton in 1918 was disposed of at £140 a ton in 1919, and in some cases sales were effected at a price as low as £108. At £52½ per ton arsenic was not fetching even half the 1918 average, and here again it was necessary to accept prices as low as £30. Wolfram became practically unsaleable. It will be noticed that no average price is recorded for 1919, as against £173¾ a ton in 1918. In this instance, according to the report, it was the Government who were mainly responsible. Wolfram was developed by the Company during the War on the understanding that the Government price would be enforced until six months after peace had been signed. But in April 1919 the Government declined to purchase any more wolfram, having about 7,000 tons in stock. Compensation, it appears, was paid to the Burma producers, and it is furthermore asserted that, under pressure from the Australian Government, the Australian mines were financed. On the other hand, the appeal for aid from Cornwall fell on deaf ears. Consequently, being unable to dispose of their wolfram, except at unremunerative prices, the Company wisely decided to store it, and it has been taken into the account at the price of £90 a ton. This corresponds to 30*s.* a unit, whereas it was at the date of the general meeting quoted at 32*s.* 6*d.* per unit. After August 1919, however, prices recovered, and for the remainder of the year profits were earned which not only wiped out the earlier losses, but left an actual working profit for the year of £11,859. The substantial reduction in the working costs—a reduction effected despite the rise in the cost of labour and stores—from 34*s.* 11*d.* per ton to 30*s.* 1*d.* per ton played no small part in this final result. After writing off depreciation and paying all administrative costs, there is left a net profit of £3,489, which is increased to £31,432 by the large balance brought forward from the last accounts. It will be remembered that this large balance of £27,943 was retained to meet a heavy claim in respect of excess profits duty. However, the Company succeeded in proving their claim to exemption, thereby leaving this balance available for dividends for the year under review. The dividends declared amounted to 20%, free of tax, as compared with 70% in 1918; but as the dividend in question is now paid on a capital doubled by the issue of bonus shares, it really works out at 40% on the paid-up capital. There is carried forward to the next accounts a sum of £8,243.

For the current year the outlook is far more encouraging. During the first three months the average price of tin has been as high as £235, whilst arsenic has improved to £63 a ton, and, as already mentioned, wolfram has commanded 32*s.* 6*d.* a unit, as compared with a Government selling price of 28*s.* Consequently there is a good prospect of disposing of the held-up stock of wolfram under remunerative conditions. Forward contracts for arsenic have been arranged upon satisfactory terms. Furthermore, the Chairman declared that the working operations for the first quarter of 1920 left a monthly profit of £3,000 to £4,000. It was intimated, too, that a substantial interim dividend would be declared in June. The Company has also interested itself successfully with the issue of shares in the South Kuru Tin Company in Nigeria, from which it hopes to secure a good profit. At the same time, no further reduction in working costs is possible in view not merely of the high price of stores, but also of the rapid advances in wages However, any rise in this direction would, it was anticipated, be more than counterbalanced by the improved prices secured by their products. Development work had not hitherto revealed ore of a higher grade, but the Manager was confident that he would get the Rogers lode at a lower depth, and that further development of the northern lode in Crofty section would yield better ore. The balance sheet discloses a strong financial position. Liabilities, including the final dividend of £10,000, reach £27,194, to meet which liquid assets are available to the extent of £71,989. These include investments to the amount of £29,345, which have been entered only at their market value on December 31, 1919. The issued capital remains unchanged at 400,000 shares of 5*s.* each, which are quoted in the market at 14*s.* 3*d.* At this price they afford a return on the 1919 dividend of over 10% subject to tax, or 7% free of tax, and are a rather attractive investment.

THARSIS SULPHUR AND COPPER CO.

Year	Ore Raised	Refined Copper Production	Working Profit	Net Profit	Dividend Amount	Dividend %	Carried Forward
	Tons	Tons	£	£	£		£
1916	403,408	3,712	269,819	199,149	187,500	15	25,912
1917	402,097	4,066	240,762	158,078	156,250	12½	27,740
1918	328,592	3,246	243,216	126,295	125,000	10	29,035
1919	260,801	—	230,660	103,797	109,375	12½*	23,457

* Less tax.

Suffering from the same difficulties that were experienced by Rio Tinto in 1919, this Spanish sulphur and copper mine has a somewhat similar tale to relate in its report for the year ended December 31, 1919. The end of the War found the belligerent countries in possession of large stocks of pyrites which were no longer required. Their subsequent realisation was re-

flected in a reduced demand for this ore, and until such stocks have been absorbed the exports of pyrites from these mines are bound to be curtailed. For the year under review the quantity of ore raised is shown at 260,801 tons, or nearly 67,800 tons less than the rather low output of 1918. No figure is given to show the copper production for the year; but in the report it is stated that the metal works "have been well employed during the year, the quantity of ore treated being not greatly under that of the previous year." This statement, in conjunction with the comparatively small decline in the working profit, would seem to indicate that the output of refined copper compared favourably with the 1918 figures of 3,246 tons. On the other hand, the fact that it was found necessary to close down the Willington works towards the end of the year would seem to point in the other direction. Shareholders received a dividend of 12½%, as compared with 10% in 1918; but, as this dividend is paid subject to tax and the 1918 dividend was paid free of tax, they actually received less, as the 10% in 1918 is equivalent to over 14% subject to tax. In future dividends will be paid subject to British income tax, the change being adopted in view of the heavy charge which income tax now involves and of official recommendations. The balance carried forward to the next accounts amounts to £23,457.

A variety of circumstances render it difficult to estimate the prospects of this Company, especially in the immediate future. Admittedly, a larger quantity of ore can easily be raised in the current year. In the Sierra Bullones lode of the Tharsis mines, which yielded no ore in 1918 and 5,498 tons in 1919, a large quantity of mineral is now available. Similarly, the North lode, from which only 1,642 tons of ore were extracted in the year under review, will shortly yield large quantities; and this ore is appreciably richer in copper than the ore that has been mined so far. Large reserves of ore are ready for breaking at the Calanas mine, mainly because little was extracted from these workings in 1919, owing to the reduction in the export trade. "The development of this immense ore body," reads the report, "gives us the greatest satisfaction, surpassing all our expectations." But the vital question is: Can this increased quantity of ore find a profitable market under existing conditions? On this point the report is wisely silent. It anticipates a greater export of ore than in 1919, but admits that the price of copper is still unduly low, and that the metal is controlled by the American producers, whose policy is not known. With regard to the sulphur content of the ore, the difficulty consists in the intensity of the competition, and it will be recollected that Rio Tinto, faced with the same problem, decided to regard sulphur as a mere by-product. Yet another obstacle is presented by the steady rise in wages and the increasing cost of materials, which it is hoped to counteract by utilising more efficient plant. During 1919 a rather heavy loss was occasioned by the unfavourable Spanish exchange. In the opening months of the current year the situation in this respect was actually worse, the rate being as low as 19.20 at the end of January. A change for the better has, however, set in, and the rate is now in the neighbourhood of 22.75, and though in the matter of the foreign exchanges prophecy is a delicate task, it may be said that the rate is not likely to relapse to the low level of January, and that, if anything, it is likely to improve for the remainder of the current year. The balance sheet as on December 31, 1919, discloses a sound financial position. To meet liabilities amounting to £704,138, liquid assets in the form of cash, investments, and sundry debtors are available to the amount of £721,109; and, in addition, there is a stock which at a conservative valuation is registered at £1,051,931. The issued capital consists of 625,000 shares of £2 each, which are quoted in the market at 6s. 4½d., at which price they return to the investor, on the basis of the 1919 dividend, under 8%.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, May 12, 1920.

Issue Department.

Notes Issued	£130,442,245	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	111,992,245
	£130,442,245		£130,442,245

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£33,455,283
Rest	3,145,624	Other Securities	80,414,463
Public Deposits	21,428,930	Notes	19,129,310
Other Deposits	99,404,124	Gold and Silver Coin	526,258
Seven-day and other Bills	23,636		
	£138,555,314		£138,555,314

Comparison with Previous Four Weeks [00,000's omitted.]

Date 1920.	Circulation	Coin and Bullion	Deposits: Public	Deposits: Other	Securities: Govt.	Securities: Other	Reserve	Ratio Reserve to Liabilities	Bank Rate *	Three Months' Bills
	£	£	£	£	£	£	£	%	%	%
May 12	111,3	112,5	21,4	99,4	38,4	80,4	19,6	16·3	7	6½
May 5	111,1	112,5	20,6	116,5	55,3	73,6	19,8	14·5	7	6½
Apr. 28	107,8	112,5	17,9	122,4	59,8	75,1	23,1	16·4	7	6½
Apr. 21	105,9	112,4	20,0	124,2	57,4	79,8	24·9	17·3	7	6½
Apr. 14	106,0	112,4	19,3	122,8	55,1	79,8	24·8	17·5	7	6½
J'y22,'14	29,3	40,2	13,7	42,2	11,0	33,6	29,3	52·40	3	2⅝

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 6%; Aug. 8, 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; Apr. 5, 5%; Nov. 6, 1919, 6%; Apr. 15, 1920, 7%.

Comparison of Bank Returns, Exchanges, Prices, &c.

	May 14, 1920	May 14, 1919	May 15, 1918	May 16, 1917	May 13, 1910
Bank of England (in £'s sterling 00,000's omitted):					
Circulation	£111,3	£76.5	£50.0	£38,5	£28.3
Public Deposits	21,4	22,8	41,5	53,0	12,8
Other Deposits	99,4	111.4	133,8	117.2	39.6
Government Securities	38.4	46.4	57,3	45,0	13,8
Other Securities	80.4	77,9	105,5	108.2	27.7
Reserve	19.6	27.5	30,2	34,8	28.4
Ratio to Liabilities	16·3%	20.50%	17·22%	20·43%	54·44%
Coin and Bullion	112.5	85,6	61,7	54.8	38.3
Money:					
Bank of England Rate	7%	5%	5%	5%	4%
Bank of France Rate	6%	5%	5%	5%	3%
Rate 3 months' Bills London	6⅞%	3½%	3½%	4⅛%	3⅛-⅜%
Exchanges:					
Paris Cheque	58·30	29·57½	27·14½	27·26½	25·28⅜
New York 60 days	3 80	4·63½	4·72½	4·73	4·93½
Bombay Telegraphic Transfers	2/1	1/7⅜	1/5½	1/4½	1/3½
Prices:					
Consols 2½% Cash	49⅛	56½	56	55½	81⅛
French Rentes 3% Money	57·75	[62 60	58·75	61·50	98·85
Silver, London spot oz.	58⅜d.	54d.	48⅜d.	37⅜d.	24⅜d.
Wheat, *Gazette* average qr.	72/8	73/2	73/5	78 0	32/8
Cotton, Mid Upland lb.	29·79d.	17·28d.	21·79d.	13 03d.	8·12d
Iron, Scotch pig ton	223/6	161/0	101/0	98/6	56/0

CURRENCY NOTE ISSUE.

Week to	Notes Issued	Notes Cancelled	Notes Outstanding	Gold Coin & Bullion	Bank of England Notes	% of Bank Notes & Gold to Notes
	£	£	£	£	£	%
May 12, '20	8,536,909	8,112,749	345,478,688	28,500,000	7,500,000	10·4
May 5, '20	10,711,497	5,033,861	343,054,528	28,500,000	7,200,000	10·4
May 14, '19	6,207,244	6,681,924	346,665,595	28,500,000	—	8·2
ay 15, '18	6,865,042	3,806,620	244,062,907	28,500,000	—	11·7
May 16, '17	4,976,668	3,725,421	155,947,656	28,500,000	—	18·3
May 17, '16	4,069,611	3,450,407	117,181,607	28,500,000	—	24·3

Balance Sheet. May 12, 1920.

	£		£
Notes outstanding—		Advances—	
One Pound	270,808,318	Other Bankers ...	—
Ten Shilling	43,320,370	Trustee Savings Banks	190,008
Certificates outstanding ...	31,350,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500,000
Total	345,478,688	Bank of England Notes...	7,500,000
Investments Reserve A/c ...	16,346,418	Government Securities ...	324,854,031
		Balance at Bank of England	781,075
Total	361,825,106	Total	361,825,106

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

1920. Week to	Revenue	Expenditure	Excess of Expenditure	Loans, Advances, &c.—Cr.	Loans, Advances, &c.—Dr.	Loans, Advances, &c.—Net +	Cash Balance
May 8	£23,338	£23,116	£222‡	£92,826	£93,448	—£620	£3,750
May 1	24,425	21,901	*2,524‡*	85,892	88,134	—2,242	4,147
Apr. 24	23,958	16,338	*7,620‡*	112,977	121,181	—8,204	3,866
38dys. '20-21	161,664	133,538	*18,126*	596,015	623,511	—27,498	— 5,619
40days '19-20	89,512	204,781	115,253	562,363	453,074	109,289	— 5,930
Fr. '20-21*	1,418,300	1,184,102	*234,198‡*	—	—	—234,198	—
Yr '19-20	1,339,571	1,665,773	326,202	6,092,709	5,766,507	326,202	5,359
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	1,682,049	12,789
Yr. '17-18	707,234	2,696,221	1,988,987	7,499,604	3,616,023	1,983,581	21,039

Principal Items of Revenue and Expenditure.

1920. Week to	Revenue: Customs & Excise	Income Tax, &c.	Excess Profits Duties, &c.	Other Revenue	Expenditure: Int., &c., on Debt	Misc. Expend.	Supply Services.
May 8	£3,586	£4,062	£5,280	£10,410	£6,055	£31	£17,050
May 1	3,635	2,977	5,581	12,232	5,597	67	16,237
Apr. 24	8,341	3,615	4,653	7,349	3,814	225	12,300
38days'20-21	27,644	39,838	24,696	59,486	46,460	677	86,401
40days'19-20	22,172	28,172	28,467	10,700	51,122	462	153,197
Fr. '20-21*	348,650	385,800	220,000	463,850	345,000	31,198	807,904
Yr. '19-20	283,023	359,099	290,045	407,404	332,034	16,171	1,317,568
Yr. '18-19	162,220	291,186	185,018	150,587	283,004	11,380	2,297,958
Yr. '17-18	110,033	239,509	220,214	137,478	189,851	11,401	2,494,968

FLOATING DEBT. [000's omitted.]	Treasury Bills	Ways & Means Advances	Total	Natnl. War Bond Rcpts.
May 8, 1920 ...	£1,064,452	£234,767	£1,299,219	£1,745,720
May 1, 1920 ...	1,047,618	249,207	1,296,855	1,745,720
Apr. 24, 1920 ...	1,050,834	245,337	1,295,871	1,745,720
Apr. 17, 1920 ...	1,054,170	245,837	1,300,007	1,745,720
June 30, 1919 ...	796,150	774,237	1,570,387†	1,732,021

* Budget estimates. † Highest. ‡ Excess of revenue.

FOREIGN BANKS.

[In £'s Sterling†—000's omitted.]

	Gold	Cash: Silver	Cash: Total	Advances: To Public	Advances: To Dual Govts.	Note Circulat'n	Bills Dis. counted, &c.
AUSTRIA-HUNGARY.							
July 23, '14...	£51,578	£12,141	£63,719	£7,772	—	£88,740	£31,993
Oct. 21, '19...	10,832	2,374	13,206	371,686	£1,373,083	2,013,363	240,845
Oct. 28, '19...	10,832	2,378	13,210	372,119	1,373,083	2,058,464	222,532
Dec. 7, '17...	11,000	2,300	13,300	603,990	—	739,300	117,600

	Gold.	Silver	Total	Discounts	Circulation	Deposit
BELGIUM.						
Aug. 8, '14 ...	£10,977	£633	£11,610	£41,925	£51,800	£6,263
Apr. 29, '20 ...	10,657	1,102	11,759	29,754	204,927	87,209
May 6, '20 ...	10,657	1,081	11,738	27,702	203,518	‡ 87,663

	Gold	Cash: Silver	Cash: Total	Discounts	Balance Abroad	Circulation	Deposits
DENMARK.							
July 31, '14 ...	£4,100	£341	£4,441	£6,197	£786	£8,693	£47
Mar. 31, '20 ...	12,589	172	12,761	18,055	590	29,123	2,024
Apr. 29, '20 ...	12,588	164	12,752	17,531	981	28,932	1,542
Apr 30, '19 ...	10,374	136	10,510	3,425	3,977	‡24,115	1,026
Apr. 30, '18 ...	10,228	134	10,362	3,507	3,489	19,317	947

	Gold: In Bank	Gold: Abroad	Total Cash incl'g Silver	Bills	Circulation	Deposits: Public	Deposits: Private
FRANCE.							
July 30, '14 ...	—£165,654—		£190,667	£97,768	£267,327	£15,302	£37,903
Apr. 29, '20 ...	144,321	79,131	233,915	92,340	1,507,504	3,594	135,179
May 6, '20 ...	144,331	79,131	233,165	81,127	1,529,974	2,388	136 935
May 8, '19 ...	142,779	79,131	234,255	35,793	1,377,187	2,484	137,535
May 10, '18 ...	133,732	81,484	225,449	47,093	1,030,473	1,879	122,081

	Gold	Cash: Silver	Cash: Total	Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
GERMANY.							
July 23, '14...	£67,843	£16,727	£84,570	£5,279	£40,055	£91,545	£47,198
Apr. 23, '20...	54,584	161	54,745	727,253	1,869,512	2,311,405	653,627
Apr. 30, '20...	54,584	153	54,737	759,769	2,100,454	2,396,985	824,945
Apr. 30, '19...	87,793	1,040	88,833	363,865	1,578,048	1,331,448	726,863
Apr. 30, '18...	117,200	6,040	123,240	76,868	694,824	591,040	352,750

	Gold	Cash: Silver	Cash: Total	Discounts	Advances	Circulation	Deposits
HOLLAND.							
Aug. 1, '14 ...	£13,496	£249	£13,745	£13,422	£10,332	£35,660	£1,437
May 1, '20 ...	52,954	969	53,923	26,004	23,900	95 907	7,931
May 8, '20 ...	52,971	985	53,956	21,246	27,870	91,008	11,200
May 10, '19 ...	55,199	613	55,812	14,538	18,840	88,726	5 949
May 11, '18 ...	60,148	624	60,772	5,540	12,540	79,565	4,859

	Gold	Cash: Silver	Cash: Total	Other Cash	Loans & Discounts	Circulation	Deposits
ITALY.							
July 31, '14 ...	—	—	—£48,456—		£25,017	£69,204	£8,887
Dec. 31, '19 ...	£32,193	£3,004	35,197	21,538	110,071	507,671	83,394
Jan. 10, '20 ...	32,194	3,004	35,198	20,480	112,555	495,477	78,868
Dec. 31, '18 ...	32,710	3,086	35,796	15,238	65,984	368,934	63,866
Dec. 31, '17 ...	33,434	3,496	36,930	8,448	47,745	261,568	57,941

	Gold	Discounts	Advances	Notes	Deposits: Public	Deposits: Private
JAPAN.						
Aug. 1, '14 ...	£21,867	£1,829	£7,863	£32,722	£13,818	£1,521
Mar. 20, '20 ...	193,353	21,429	35,563	119,479	113,414	3,406
Mar. 27, '20 ...	93,065	29,046	35,463	124,822	114,322	3,761
Mar. 29 '19 ...	70,787	4,966	35,393	86,573	106 488	4,161
Mar. 30, '18 ...	64,697	8 630	26,744	70,816	64,166	3,426

	Cash Own Vaults	Loans, Aggregate Reserve	Loans, Disc'ts, Invest.,&c.	Net Deposits: Demand	Net Deposits: Time	Net Deposits: Total	Excess Reserve
NEW YORK BANKS & TRUSTS.							
Aug. 1, '14 ...	—	£89.888	£411,238	—	—	£387,165	£1,720
May 1, '20 ...	£18,120†	115.478	1,028,248	£829,902	£50,404	893,104	5,200
May 8, '20 ...	18,786†	114.812	1,030,348	826,540	50,470	893,770	4,978
May 10, '19 ...	19,652†	114,804	1,001,372	812,448	31,132	897,282	7,132
May 11, '18 ...	21,906†	107,430	906,310	743,134	35,942	849,942	8,582

	Gold	Balance Abroad	Norw. & For. Govt. Secs.	Disc'nts & Loans	Circulation	Deposits
NORWAY.						
July 31, '14 ...	£2,960	£1,678	£493	£4,868	£6,752	£793
Apr. 22, '20 ...	8,121	3,846	579	20,394	24,085	4,883
Apr. 30, '20 ...	8,122	3,766	579	21,843	24,509	5,730
Apr. 30, '19 ...	8,190	3,805	691	19,280	23,916	4,203
Apr. 30, '18 ...	8,733	3,645	712	18,416	19,741	6,445

	Gold	Silver	Total	Discounts & Note Circulation: Advances	Circulation: Total	Deposits
PORTUGAL.						
Nov. 26, '19 ...	£1,906	£3,921	£5,827	£11,063	£76,570	£4,635
Dec. 3, '19 ...	1,906	3,920	5,826	10,881	74,948	7,186
Dec. 10, '19 ...	1,906	3,921	5,827	12,888	78,528	6,349
Dec. 17, '19 ...	1,906	3,921	5,827	12,954	80,275	4,860

	Cash	Discounts	Advances	Total	Circulation
RUMANIA.					
Mar. 13, '20 ...	£60,809	£7,642	£2,513	£10,155	£180,105
Mar. 20, '20 ...	60,809	7,969	2,720	10,689	179,576
Mar. 27, '20 ...	60,809	8,425	2,598	11,023	179,640
Mar. 15, '18 ...	34,101	5,218	1,720	6,938	101,260

	Gold: In Bank	Gold: Abroad	Total Cash incl'g Silver	Loans & Disc'ts	Circulation	Notes in Reserve	Total Deposits
RUSSIA.							
July 21, '14...	£160,114	£14,395	£181,892	£76,081	£163,411	£6,589	£109,911
Oct. 28, '17...	129,523	230,865	378,205	1,869,559	1,836,217	15,783	345,550

	Gold	Cash: Silver	Cash: Total	Loans, &c.	Spanish 4%	Circulation	Deposits &c.
SPAIN.							
Aug. 1, '14 ...	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,955
May 1, '20 ...	98,109	25,155	123,264	85,483	13,779	154,328	43,873
May 8, '20 ...	98,105	24,883	122,988	85,420	13,779	155,623	43,698
May 10, '19 ...	90,443	25,856	116,299	74,140	13,778	141,204	42,312
May 11, '18 ...	82,081	28,152	110,233	51,144	13,777	118,043	36,089

	Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
SWEDEN.						
Aug. 1, '14 ...	£5,717	£6,150	£1,555	£7,495	£13,432	£3,903
May 1, '20 ...	14,500	4,692	2,524	37.195	40.469	14.698
May 8, '20 ...	14,500	4,473	2,524	35.668	39,159	14,230
May 10, '19 ...	15,961	7,494	2,880	18,342	33.991	5,084
May 11, '18 ...	14,661	7,407	3,880	13,443	33.659	5,416

	Gold	Cash: Silver	Cash: Total	Discounts & Advances	Circulation	Deposits
SWITZERLAND.						
July 23, '14 ...	£7,202	£758	£7,960	£4,817	£10,716	£2,026
Apr. 30, '20 ...	21,234	3,576	24,810	14.393	38,613	3.702
May 7, '20 ...	21,235	3,602	24,837	14,739	37,609	4,608
May 7, '19 ...	16,810	2,648	19,458	24,076	37.397	4,916
May 7, '18 ...	15,070	2,220	17,290	14,300	27,904	4,181

† Not reserve. ‡ Converted at par rate of exchange approximately.

	Gold: Held by Banks	Gold: With Agents	Total Cash	Bills Discount'd	Acceptances.	Deposits: Govt.	Deposits: Total Net.	Circulation.
U. STATES FED. RES. BANKS.								
May 3,'20 ...	—387,344—		414,154	507,014	81,450	7,513	362,546	614,912
May 10,'20 ..	—388,316—		415,218	500,924	81,986	4,488	354,680	618,488
May 10,'19 ...	162,976	251,894	448,559	393,660	36,408	17,952	351,062	511,350
May 10,'18 ...	194,104	182,524	388,502	187,808	57,208	26,706	330,264	313,924

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed		%	Date Fixed
Amsterdam ...	4½	July 1,'15	Lisbon	5½	Jan. 15,'14
Berlin ...	5	Dec. 23,'14	Madrid	5	Nov.10,'19
Berne ...	5	Aug. 21,'19	Paris	6	Apr. 8,'20
Bombay ...	9	Apr. 22,'20	Petrograd	8	July 29,'14
Brussels ...	5½	Apr. 28,'20	Rome ...	6	May 12,'20
Calcutta ...	5	June 5,'19	Stockholm	7	Mar. 18,'20
Christiania	6	Dec. 18,'19	Tokio ...	8·03	Nov. 18,'19
Copenhagen	7	Apr. 16,'20	Vienna	5	Apr. 12,'15

III.—FOREIGN EXCHANGES.

LONDON ON—		May 14, '20	May 7, '20	Apr. 30, '20	Apr. 23, '20
Berlin	Cable	184½m.	203m.	220m.	238½m.
Brussels	Cheques	55fr. 37c.	58fr. 35c	60fr. 05c.	60fr. 82½c.
Denmark	Cable	22kr. 90	22kr. 70	22kr. 67½	22kr. 65
Holland.....	do.	10d. 49c.	10d. 55c.	10d. 59c.	10d. 62c.
Italy	do.	78lr. 00	78lr. 50	86lr. 00	85lr.
Lisbon and Oporto	do.	13d.	13d.	13½d.	15½d.
New York	do.	$3 82	$3 87	$3 83¾	$3 88
—	Cheques	$3 83¾	$3 85½	$3 84¾	$3 89½
Norway	Cable	20kr. 70	19kr. 99	20kr. 30	20kr. 05
Paris	3 mos.	59fr. 60c.	63fr. 15c.	64fr. 80c.	65fr. 75c.
—	Cable	58fr. 60c.	62fr. 15c	64fr. 10c.	64fr. 85c.
Spain (Bank places)	3 mos.	51½d.	51½d.	51½d.	51½d.
—	Cable	22p. 70	22p. 82	22p. 72½	22p. 90
Sweden	do.	18kr. 17	18kr. 13½	17kr. 98	17kr. 94
Switzerland	3 mos.	22fr. 56c.	22fr. 15c.	22fr. 05c.	22fr. 38½c.
—	Cable	21fr. 75c.	21fr. 72c	22fr. 67½c.	21fr. 94c.

ON LONDON—†		May 14, '20	May 7, '20	Apr. 30, '20	Par
Alexandria	Sight	97½pi.	97½pi.	97½pi.	97½pi.
Amsterdam	Cheques	10d. 49c.	10d. 71c.	10d. 64c.	12.107½
Athens	Cable	34dr. 00	33dr. 60	33dr. 47	25dr. 22½
Bombay	Transfers	2s. 2½d.	2s. 1⅞d.	2s. 3⅛d.	2s.*
Brussels	Cheques	54f. 15c.	58f. 35c.	60f. 17½c.	25f. 22½c.
Buenos Ayres	Transfers	60½d.	60⅜d.	60½d.	47.58d.
Calcutta	do.	2s. 2½d.	2s. 1⅞d.	2s. 3⅛d.	2s.*
Christiania	Sight	20kr. 59	20kr. 27	19kr. 99	18.159kr.
Copenhagen	do.	22kr. 83	22kr. 67	22kr. 85	18.159kr.
Helsingfors	Cable	72½m.	70½m.	73m	25m. 22½
Hong Kong	Transfers	4s. 1½d.	4s. 5d.	4s. 10d.	—
Italy	Sight	76lr. 25c.	78lr. 00c.	84lr. 57½c.	25l. 22½c.
Lisbon	do.	13¼d.	13½d.	13⅛d.	53½d.
Madras	do.	2s. 2⅛d.	2s. 1⅝d.	2s. 3⅜d.	2s.*
Madrid	do.	22p. 80	22p. 85	22p. 69	25p. 22½
Montevideo	Transfers	63½	61⅜d.	60⅝	51d.
Montreal	Cable	$4 25	$4 25½	$4 21½	$4 83⅛
New York.....	Sight	$3 81½	$3 84⅜	$3 87½	—
—	60 days	$3 80	$3 83	$3 82½	—
—	Cable	$3 82	$3 85⅜	$3 83	$4 86⅜
Paris	Cheques	57f. 05c.	62f. 00c.	64f. 20c.	25f. 22½c.
Rio de Janeiro ...	90 days	16⅛d.	16⅜d.	16½d.	18d.
Shanghai	Transfers	5s. 11½d.	6s. 1d.	6s. 7d.	—
Singapore	Sight	2s. 3⅞d.	2s. 3⅞d.	2s. 3⅞d.	—
Stockholm	do.	18kr. 20	18kr. 12	17kr. 93	18.159kr.
Switzerland	do.	21f. 86c.	21f. 85c.	21f. 57½c.	25f. 22½c.
Valparaiso	90 days	11⅞d.	12⅛d.	12⅛d.	18d.
Yokohama	Sight	2s. 8⅛d.	2s. 7½d.	2s. 8⅛d.	24.59d

* Fixed at Rs. 10 to the gold sovereign, February 2, 1920. † Thursday's Rates.

NEW YORK ON—	Rate Current* May 14, '20	Rate Current* May 7, '20	Par as usually Quoted	Rate July 3.
Amsterdam, sight ...	36 50c.	36 30c.	40·20c. for 1 guilder	40·25c.
Bombay, cheques ...	41·50c.	44·25c.	48·66c. for 1 rupee	33·00c.
Buenos Aires, cheques ...	103·20	103·70		
Christiania, cheques ...	18·85c.	19 00	26·80c. for 1 kroner	
Copenhagen, cheques ...	16·70c.	16·90c.	26 80c. for 1 kroner	26·85c.
Greece, cheques ...	11·35c.	11·40c.	19·295c. for 1 drachma	
Hongkong, cheques ...	84c.	92·50c.	74·59c. for Mex. $1	48·4c.
Italy, sight	20·15l.	21·65l.	5·18½ lire for $1	5·17l.
Lima, cheques	4·99⅜l.	4·97½l.	4·8665 $ for 1 libra	
Manila, cheques... ...	49·60c.	49 60c.	50c. for 1 peso	49·8c.
Montreal	1·25% disc.	5% disc.	Premium per $100	Par
Paris, sight	15·12fr.	16·48fr.	5·18½ francs for $1	5·16fr.
Petrograd, sight ...	—	—	51·46c. for 1 rouble	51·37c.
Rio de Janeiro, cheques	38·60c	38·90c.	32·42c. for 1 milreis	
Shanghai, cheques ...	117c.	136c.	52·96c. for 1 tael	83·00c.
Singapore, cheques ...	51·50c.	48·00c.	56·77c. for $1	57·12c.
Spain, cheques	16·85c.	16·95c.	19·30c. for 1 peseta	
Stockholm, cheques ...	20·95c.	21·10c.	26 80c. for 1 kroner	
Switzerland, cheques ...	5·72fr.	5 66fr.	5·18½ francs for $1	5·18½fr.
Valparaiso, cheques ...	19 00c.	22·75c.	20·61c. for 1 peso	
Yokohama, cheques ...	51·40c.	51·25c.	49·84c. for 1 yen	49·90c.

* According to Guaranty Trust Company of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount.	Inc. or Dec.*	1920 Agg.	Inc. or Dec.*	%
	1920.	[In £'s sterling 000's omitted.]				
BIRMINGHAM ...	May 8	£5,285	+ £2.722	£73.339	+ £26.902	+ 57·9
BRISTOL ...	,, 8	1.783	+ 522	34.965	+ 11 965	+ 46·1
DUBLIN ...	,, 8	10.094	+ 2.208	171.625	+ 42.364	+ 32·8
LEEDS ...	,, 8	2.061	+ 956	35.317	+ 14.467	+ 69·4
LEICESTER ...	,, 8	1.618	+ 738	27.163	+ 10.815	+ 66·2
LIVERPOOL ...	,, 8	18.113	+ 7.616	339.958	+ 136.258	+ 63·9
MANCHESTER ...	,, 8	36.403	+ 22.858	626.885	+ 345.151	+ 122·5
NEWCASTLE ...	,, 8	3.599	+ 1,686	63.079	+ 27.560	+ 77·6
NOTTINGHAM ...	,, 8	1,933	+ 1,020	23.061	+ 10.939	+ 90·2
SHEFFIELD ...	,, 8	2.413	+ 1,327	31.461	+ 9.040	+ 40·3
LONDON—	1920.					
TOWN ...	May 12	624.882	+ 233.629	12.598.856	+ 5.500.077	+ 177·5
METROPOLITAN	,, 12	42.183	+ 7.819	818.317	+ 199.337	+ 32·2
COUNTRY ...	,, 12	85.161	+ 21.727	1.567.625	+ 440.831	+ 39·1
TOTAL	,, 12	752.226	+ 263.175	14.981.798	+ 6 140.293	+ 69·4

* Compared with the week a year ago.

V.—FREIGHTS.—According to Messrs. J. C. Gould, Angier and Co.

HOMEWARDS.	1920 May 14	1920 May 7	1913 May 16
Alex. to U.K. ...	—	—	9/0
Aust. to U.K. ...	150/0	150/0	31/3
Azoff to L.H.A.R.	—	—	10/3
Bombay to p.p. d.w.	105 0	—	d.w.23/3
Burmah to U.K.	140/0	140/0	26/6
Calcut. to p.p.(jute)	—	—	d.w.25 0
Danube to U.K. ...	55/0	55/0	11/0
Odessa to L.H.A.R.	—	—	9/0
R. Plate to U.K.	120/0	115/0	16/8

Homewards.—Cont.	1920 May 14	1920 May 7	1913 May 16
U.S.Atl.Ports to L'pl. (cotton, 100lb.)	—	—	47/6
U.S. to U.K. (gr.)	10/6	10/6	2/9
Gulf Ports to U.K.Cont. (cotton&grain)...	12/0	12/0	15/0
OUTWARDS—Cardiff to			
Aden	—	—	—
Colombo	—	—	12/6
Port Said ...	72/6	—	8/4
River Plate ...	—	—	18/6
St. Vincent ...	35/0	35/0	9/3

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	MAY 14, 1920	MAY 16, 1919.	JUNE 30, 1914
Iron—Scotch pig warrants ...ton	293/6	161/0	57/0
— Middlesbro' warrants ...ton	277/6	155/0	51/0
— Hematite warrants ...ton	260/0	180/0	61/6
— Staffordshire bars, London ton	£29	£20 10	£8 10
— Common bars ...ton	£28	£20 10	£6 16
Steel Rails ...ton	£23	£15	£6 2/6
Galvanised Sheets ...ton	£56	£30	£16 17/6
Copper—Standard ...ton	£100 15	£78 5	£66
Tin—English Ingots ...£295	£238	£239	£142 15
— Straits ...£310	£244 10	£244 10	£139 10
Tinplates, I.C. Coke, S. Wales...box	74/0	33/10½	11/10½—12/0
Lead—Soft Foreign ...ton	£38 10—£40	£24 10	£19
Spelter—Ord. Foreign ...ton	£45 15—£47 5	£35 15—£36 5	£21 7/9
Quicksilver—(75lb.) ...bottle	£22–£22 10nom.	£16 10—£17	£7
Aluminium ...ton	£155	£150	£92
Antimony—Regulus Foreign ...ton	£80—£89nom.	£42	£27 10
— English ...ton	£80—£85nom.	£45	—
Coal—(best) Yorkshire ...ton	37/2—38/2	23/6—24/6	17/6
— Steam (best) Newcastle ...ton	50/2—55/2	40/0—45/0	14/6
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b Chile, per quintal	15/0	9/6	7/4
Soda—Crystals ex ship ...ton	230/0—240/0	129 0—130/0	42/6—45/0
Copra—Malay and States ...ton	£60	£55	£23 15–£24 7/6
Gambier—Good marks ...cwt	51/0	38/6	16/10½
Indigo—Bengal good to fine ...lb.	13/0—16/6	9/0—10/6	3/2—3/8
Linseed Oil—Raw ...ton	£38	£91 5	£25 5
Linseed—Calcutta, spot ...ton	£42 15	£42	£13 16/9
— Cakes, U.K. made, ex mill...ton	£22	£19	£7 17/6–£8
Olive Oil—Spanish ...tun	—	nom	£49 10
Palm Oil—Lagos ...ton	£66 6	£70	£31 10
Petroleum—American ...gallon	2 1/3	1/4†	7½d.
Rape Oil—Refined English...ton	£110	£90	£32
Soya Oil—Refined ...ton	£110	£75	£24 10
Tallow—Imported ...cwt.	82/0—90/0	78/0—80/0	29/3—33/3
Turpentine—American ...cwt.	195/0	98/	33/7½
Rape Seed—Toria...ton	£41 10	£34 10	£13 5
Rubber—Para, spot ...lb.	2/4½	2/4½	2/9½
— Fine plantation (stnd. crepe) lb.	1/11½	1/11½	2/9
— World's Production* Mar. tons	27,685	29,000	8,467
Shellac—T.N. Orange, fair ...cwt.	570/0	300/0—320/0	63/0—64/0
TEXTILES.			
Cotton—Middling Upland ...lb.	28.79d.	17.28d.	7.53d.
— Egyptian, good fair ...lb.	74.50d.	26.34d.	9.75d.
— Pernambuco fair ...lb.	31.79d.	20.18d.	7.73d.
— Midland Upl. New York...lb.	41.30c.	28.75c.	13.25c.
— Stock, Liverpool (May 7) bales	1,199,160	553,100	934,600
Flax—Petrograd, Yarapol ...ton	—	nom	£28
Hemp—New Zealand ...ton	£60	£47	£25 10
— Manila, Fair ...ton	£66 10	£47	£26 10
Jute—First Marks ...ton	£59	£48	£26 15
— Red SCO ...ton	£45	—	£24 15
Silk—Blue Elephant ...lb.	35/0	20/6	11/3—11/6
Wool—Pt. Philip unwashed av. lb.	5/9	3/1	11½d.—1/0
— Lincoln Half Hogs ...lb.	2 3/4	1/7½nom.	1/0½
Hides—Eng. Ox, best, 65lb. up lb.	18½d.—19d.	9½d.—10½d.	7½d.
Leather—Dressing Hides ...lb.	4/0—4/6	2/7—3/3	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus	66,268,000	87,399,000	34,640,000
— Red, price, N Y 60lb....bushel	324c.	237½c.	67½c.
English Gazette, aver. 480lb. qr.	72/8	73/9	34/3
Flour—G.R. ...280lb	63/6	44/3	28/6
Barley—Eng Gaz., aver. 400 lb. qr.	84/6	63/1	25/4
Oats—Eng. Gaz., aver. 312 lb. qr.	57/7	48/5	20/0
Maize—N.Y. (new bushel)...56lb	212½c.	195c.	76½c.
— Amer. mixed, Liverpool...480lb.	nom.	63/9	32/4
— La Plata ...480 lb. qr.	78/7	63/0	25/9
Potatoes—Good English ...ton	†310/0	213/0	70/0—75/0
Rice—Bassein ...cwt.	48/6	25/0	7/0—7/3
Tapioca—Pearl, medium ...cwt.	36.0	45/0	14/0—17/6
Hay—best ...2,018lb. ...load	—	176/0	82/6
Hops—English ...cwt.	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs ...8lb.	6/8	6/8—7/0	3/8—3/10
— Scotch sides ...8lb.	10/6	8/6	4/6—5/0
— English ...8lb.	10/0	8/6	4/2—4/5
Mutton—Scotch wethers ...8lb.	10/6	9/0	5/8—6/0
— English wethers ...8lb.	10/6	9/0	4/6—5/4
— New Zealand frozen ...8lb.	10/6	9/0	2/4—3/2
Pork—English and Irish ...8lb.	12/0—16/0	10/8	3/6—4/0
Bacon—Irish, delivered ...cwt.	†240/0	190/6	60/0—74/0
— Danish ...cwt.	†192/0	—	58/0—68/0
— Canadian, ex Port ...cwt.	†187/0	180/0—190/0	—
— American, ex Port ...cwt.	†187/0	174/0—186/0	72/0—74/0
Hams—Amer. long cut, ex Port cwt.	†184/0	174/0—192/0	75/0—79/0
— — short cut, ex Port ...cwt.	†184/0	172/0—190/0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt.	†198/6	160/0—187/0	51/9—52/9
Butter—Danish ...cwt.	303/4	Controlled 252/0	117/0—120/0
— French ...cwt.	303/4		96/0—108/0
— Australian ...cwt.	303/4		98/0—110/0
— New Zealand ...cwt.	303/4		108/0—114/0
Cheese—Canadian ...cwt.	†145/0	Controlled 144/8	66/0—68/0
— United States ...cwt.	†145/0		—
— Dutch ...cwt.	†145/0		53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Apr. 30 ...cwt.	10,004,592	9,133,027	19,777,254
— Home consump'n, to Apr. 30 cwt.	8,420,987	9,057,361	17,272,000
— In Bond Apr. 30 ...cwt.	7,616,000	6,869,000	6,306,000
— Price, Java, 96° Pol. ...cwt.	7/5 0	36/0	10/3
— — Yellow crystals ...cwt.	80/0	57/9	12/6—14/0
— — Tate's Cubes, No. 1 ...cwt.	84/0	64/9	18/0
Coffee—Imports to Apr 30 ...cwt.	267,459	407,689	720,360
— Home consumpt'n to Apr. 30 cwt.	102,849	99,480	141,410
— Exports to Apr. 30 ...cwt.	169,476	63,500	340,250
— In Bond Apr. 30 ...cwt.	709,000	861,000	484,000
— Price, Costa Rica gd. to fine cwt.	155/0—175/0	145/0—155/0	80/0—93/0
— — Brazil (Santos) Good ...cwt.	122/0—127/0	65/9	41/6
Tea—Imports to Apr. 30 ...lb.	146,630,275	143,175,704	123,230,277
— Home consump'n. to Apr. 30 lb.	123,555,201	109,384,355	155,447,972
— Exports to Apr. 30 ...lb.	15,602,708	3 5 9,860	26,561,765
— In Bond Apr. 30 ...lb.	216,485,000	149,571,000	78,292,000
— Price, Indian, Pek. Soug. gd. lb.	9 9½	1 4	8½d.
— — Ceylon, Pek. Soug. Ord. lb.	-/10	1/4	8½d.
— — Common Congou ...lb.	—	1/4	5½d.
Cocoa—In Bond Apr. 30 ...cwt.	1,128,000	998,000	309,000
— Grenada, good to fine ...cwt.	128/0—132/0	85/0	52/6—56/0

* Estimated. † Controlled. ‡ Decontrolled: Price Ex. Factory.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific	Mar.	$15,715,000	+ 3,342,000	$1,958,000	+ $419,000
	3 mos. to Mar.	43,188,000	+ 6,721,000	3,268,000	— 816,000
Grand Trunk	Mar.	£1,182,800	+ £49,900	£54,500	— £118,200
	3 mos. to Mar.	3,179,000	+ 301,500	Dr.215,100	— 177,000

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open.	Gross Receipts.	+ or — on Year Ago.	No. Wks	Aggregate Receipts.	+ or — on Year Ago
Assam Bengal	Mar. 31	993	R3,16,086	— 44,146	26	58,96,026	+ 9,55,580
Barsi Light ...	Apr. 10	118	62,000	— 4,900	1	—	—
Bengal & N.W.	Mar. 31	2,065	7,29,050	— 3,93,547	26	1,24,41,030	— 8,09,548
Beng. Dooars	Mar. 31	158	47,493	+ 15,813	26	10,69,638	+ 1,39,673
Bengal Nagpur	Mar. 31	2,695	19,14,000	— 8,89,000	26	6,48,38,271	+ 27,51,493
Bomb. Baroda	May 1	2,871	20,37,000	+ 1,74,000	5	90,33,000	+ 8,81,000
Burma ...	Mar. 20	1,342	5,93,754	+ 15,812	51	2,84,79,342	+ 29,23,231
Del Um. Kalk.	May 8	239	92,400	+ 2,821	6	5,36,314	+ 95,251
East Indian ...	May 8	2,771	28,88,000	+ 1,12,000	6	1,56,44,000	+ 7,19,000
Gt. Indian Pen	May 1	3,121½	28,31,500	+ 31,600	4	1,26,65,700	— 5,33,529
Madras & S.M	Apr. 10	3,152	16,40,000	+ 1,253	1	—	—
Nizam's Guar	Mar. 31	900	5,93,745	— 92,046	26	80,36,460	+ 8,03,119
Roh. & Kumn	Mar. 31	576	1,93,302	+ 22,970	26	27,24,747	— 91,585
South Indian	Mar. 20	1,852½	6,97,564	— 13,426	51	3,84,31,832	+ 40,49,804
South Punjab	Dec.	716	8,51,780	+ 53,984	3m	22,50,025	— 9,561
COLONIAL							
Can. Northern	May 7	9,704	$1,129,800	+ 140,850	18	18,513,123	+ 2,701,876
Can. Pacific ...	May 7	13,388	3,520,000	+ 634,000	18	62,294,000	+ 9,862,000
Grand Trunk	May 7	3,616	£258,084	— 25,920	13	4,583,552	+ 352,920
Mashonaland	Feb.	810	62,439	+ 17,413	5m	147,386	+ 29,019
Mid. W. Aust.	Feb.	277	12,145	+ 1,034	8m	84,948	+ 11,608
New Cape Cent.	Apr. 17	205	2,575	+ 497	16	51,865	+ 7,157
Rhodesia Rlys.	Dec.	1,397	86 6 15	+ 22,246	5m	—	—
Temiscouata..	Oct.	—	$30,562	+ 2,154	10m	304,661	+ 22,504
W. Pass. & Yuk	Aug.	122	—	—	8m	$963,676	+ 31,021
FOREIGN.							
Argentine.							
Arg. N. East ..	May	752	£ 3,910	+ 120	45	145,111	— 24,329
Arg. Transand.	May	111	£ 4,530	— 530	44	141,171	— 24,429
B. A. & Pacific	May	3,536	£ 190,000	+ 61,000	45	6,802,000	+ 1,574,000
B.A.Gt. South	May	3,792	£ 188,000	+ 38,000	44	7,954,000	+ 1,869,000
Do.	May	Net	£ 62,000	+ 17,000	44	2,754,000	+ 1,408,000
B. A. Western	May	1,882	£ 107,000	+ 25,000	45	4,489,000	+ 1,387,000
Do.	May	Net	£ 40,000	+ 22,000	45	1,517,000	+ 783,000
B. A. Central	Mar.	190	£ 49,015	+ 6,848	9m	413,316	+ 48,073
Cent. Argent.	May	3,305	£ 210,000	+ 56,000	45	8,124,000	+ 2,177,709
Do.	May	Net	£ 80,000	+ 52,000	45	2,612,100	+ 1,749,500
Cord. Central	May	1,205	£ 70,200	+ 19,500	45	2,669,900	+ 691,590
Entre Rios ...	May	811	£ 22,300	+ 1,400	44	1,058,800	+ 166,400
Brazilian.							
Brazil Gt. South	Mar.	110	M 53,000	+ 1,050	3m	162,500	+ 24,368
Brazil Railway	Dec.	3,530	M 4,859,000	— 141,271	12m	57,772,000	+ 7,619,243
Gt. W. Brazil	May	1,010	£ 21,800	+ 4,500	18	462,80	+ 117,000
Leopoldina ...	May	1,831	£ 49,671	+ 16,943	18	948,773	+ 413,837
Mogyana	Dec.	1,180	M 1,561,000	— 956,490	12m	22,267,000	— 2,474,651
Paulista	Dec.	766	M 2,650,000	— 906,038	12m	32,479,000	— 1,225,892
San Paulo ...	May	153½	£ 40,768	+ 4,946	19	833,542	+ 278,916
Sorocabana ...	Dec.	1,093	M 1,749,000	— 246,163	12m	21,953,000	+ 976,692
S.of Bahia S.W.	Mar.	52	M 57,000	— 2,000	3m	238,000	+ 9,000
Chilean and Peruvian.							
Antofagasta ...	May	838	£ 45,595	+ 21,230	18	947,070	+ 460,645
Arauco	Mar.	84½	£ 12,000	+ 2,000	3m	41,000	+ 8,500
Nitrate (2wks.)	Apr.	390	£ 41,709	+ 24,235	15	322,758	+ 187,443
Peruvian Corp.	Apr.	1,140	S 1,392,820	+ 103,400	10m	11,987,81	+ 1,738,858
Taltal	Apr.	180	£ 23,836	+ 20,678	10m	237,660	+ 88,161
Cuban.							
Cuban Central	May	8	£ 38,457	+ 707	45	1,230,632	+ 236,552
Havana Cent.	May	70	£ 14,075	+ 2,188	44	502,168	+ 93,661
U. of Havana	May	681	£ 100,219	+ 6,243	45	3,133,142	+ 521,506
W. of Havana	May	155	£ 16,985	+ 1,162	45	487,136	+ 101,940
Uruguayan.							
Cent. Uruguay	May	273	£ 25,014	— 290	44	1,008,171	+ 46,556
,, (E. Ext.)	May	311	£ 7,777	+ 496	44	276,539	+ 32,519
,, (N. Ext.)	May	185	£ 4,327	— 530	44	166,477	— 1,094
,, (W.Ext.)	May	211	£ 3,154	+ 623	44	124,512	+ 7,430
Mid. Uruguay	Apr.	319	£ 19,149	— 1,112	10m	199,229	+ 23,539
N.W. Uruguay	Mar.	113	$ 6,063	— 605	9m	60,687	+ 2,273
Urug. Northn.	Apr.	73	£ 1,957	+ 73	10m	24,277	+ 3,421
Miscellaneous							
Alcoy & Gandia	Apr.	24	Ps. 14,000	+ 4,000	17	197,900	+ 28,500
Bilbao	Apr.	33	£ 4,709	+ 3,285	4m	15,720	+ 6,400
Bolivar	Mar.	15	£ 16,045	+ 1,237	9m	87,987	— 473
Colomb. Natnl.	Mar.	136	£ 15,636	+ 5,776	3m	47,396	+ 16,616
Costa Rica ...	Feb.	85	£ 30,440	+ 7,926	8m	203,876	+ 26,646
Dorada Ext....	Apr.	189	£ 18,000	+ 8,000	4m	53,500	+ 23,200
Egyptian Delta	Apr.	70	£ 11,331	+ 11,331	3	23,515	+ 23,515
Gt. S. of Spain	May	559½	Ps. 104,669	— 532	18	1,481,530	— 845,764
La Guaira & Ca.	Apr.	104	£ 13,000	+ 7,740	4m	58,200	+ 25,220
Ottoman Ry...	May	223	£ 8,556	— —	—	—	—
Paraguay Cent.	May	379	£ 4,889	— 430	44	211,980	+ 30,460
Puerto Cabello	Apr.	255	£ 5,500	+ 800	6m	23,000	+ 3,375
Salvador	May	3½	£ 5,063	+ 1,510	45	203,180	+ 83,674
Santa Fe Prov.		100					
French Rys.	Mar.	1,181	£ 163,630	+ 4,344	3m	467,280	— 20,786
S'm'na & S'ti'go	Mar.	80	£ 13,200	+ 5,201	3m	36,880	+ 14,435
Zafra & Huelva	Mar.	112	£ 13,522	+ 3,674	3m	40,596	+ 10,560
TRAMS.							
Anglo-Argent.	May	6	400 £ 81,150	+ 25,085	18	1,334,861	+ 294,703
Auckland Elec.	June	30	27 —	—	52	292,502	— 2,063
Bombay Elec.	Jan.		39 R. 7,79,874	+ 1,45,829	1m	—	—
Brazilian Trac.	Mar.		373½ M 9,900,000	+ 570,000	3m	28,936,000	+ 3,112,000
Brisbane Elec.	Apr.		40½ £ 44,890	+ 6,115	4m	176,750	+ 25,640
Brit. Columbia	Mar.		334 $ 761,182	+ 112,052	9m	6,557,837	+ 1,167,718
B. A. Lacroze	Apr.		51 £ 53,429	+ 9,822	10m	507,116	+ 72,939
Calcutta	May	8	35½ R 84,796	+ 12,166	19	1,633,571	+ 124,839
Cape Electric	Feb.		42½ £ 26,789	+ 334	8m	214,950	+ 25,970
Carth. & Herr.	Apr.		9 £ 5,482	+ 3,636	4m	17,731	+ 7,533
Chatham & Dist	Apr.	29	15 £ 1,670	+ 342	1m	25,458	+ 3,375
Havana Elect.	July		86 $ 794,768	+ 100,679	7m	5,116,661	+ 402,687
Isle of Thanet	May	5	20½ £ 813	— 219	32	19,206	+ 7,372
Kalgoorlie ...	Jan.		20½ £ 2,573	+ 11	1m	—	—
Lanarkshire ...	Apr.	29	28½ £ 4,089	+ 2,996	17	68,322	+ 14,223
Lima Light ...	Jan.		85 £ 58,659	+ 13,329	1m	—	—
London O.C. ...	May	12	14½ £ 85,172	+ 3,039	6	494,427	+ 25,586
Madras (2wks.)	Apr.	30	15½ R. 51,250	+ 9,044	13	381,553	+ 109,985
Manila Electric	Feb.		65 $ 273,245	+ 60,567	2m	556,981	+ 113,319
Pernambuco...	May	5	69 £ 7,081	+ 1,275	19	143,437	+ 42,652
Provincial ...	May	1	21½ £ 3,132	— 241	31	90,643	+ 14,069
Rangoon Elec.	Apr.		25 £ 17,857	+ 1,549	4m	31,683	+ 5,427
Shanghai Elec.	Apr.		26½ M $142,000	+ 17,000	4m	557,394	+ 80,391
Singapore Elec.	Apr.	3	26½ $ 23,148	+ 7,971	14	304,016	+ 80,393
U. of Montevid.	Apr.		90½ £ 42,174	+ 5,160	6m	264,858	+ 36,993

A copy of the full Prospectus has been filed with the Registrar of Joint Stock Companies.
NO PART OF THIS ISSUE HAS BEEN UNDERWRITTEN
Application will be made to the Committee of the London Stock Exchange for permission to deal in these Shares after Allotment
The List of Subscriptions will open on Monday, 17th May, 1920, and will close on or before Saturday, 22nd May, 1920.

JAMES PASCALL, LIMITED,

Incorporated under the Companies Acts, 1862 to 1893.

Blackfriars Road, London, S.E., and Mitcham, Surrey.

SHARE CAPITAL.

Authorised	Issued and paid up
£200,000 in 200,000 7 per cent. Cumulative Preference Shares of £1 each - -	£149,560
£250,000 in 250,000 8 per cent. Cumulative Preferred Ordinary Shares of £1 each -	
£200,000 in 200,000 Ordinary Shares of £1 each - - - - - - - -	£177,528
£650,000	£327,088

There is an outstanding issue of £25,000 5 per cent. Debentures redeemable in 1925.

Issue of 250,000 8% Cumulative (Participating) Preferred Ordinary Shares of £1 each at par,

Payable on Application, 2s. per share. On 1st July, 1920, 18s. per share. Applications from existing Shareholders and Customers will receive special consideration.

The Preference Shares carry a fixed Cumulative Dividend at the rate of 7 per cent. per annum on the Capital for the time being paid up thereon, and rank as regards Dividend in priority to both the Ordinary Shares and Preferred Ordinary Shares, but without any further right to participate in profits.

The Preferred Ordinary Shareholders will be entitled to receive a fixed Cumulative Dividend at the rate of 8 per cent. per annum, and an extra dividend, not exceeding 2 per cent. per annum, at the rate of ½ per cent. for every 1 per cent. above 8 per cent. paid on the Ordinary Shares.

The fixed dividend on the Preferred Ordinary Shares at the rate of 8 per cent. per annum will be payable half-yearly on the 1st January and 1st July, the first such half-yearly dividend, calculated from 1st July, 1920, being payable on 1st January, 1921. Any further participation in the profits will be added to the July distribution.

In a liquidation the Preference Shares and Preferred Ordinary Shares are entitled in the order set out above to repayment of Capital paid up, including arrears of Dividend if any, in priority to the Ordinary Shares, but are not entitled to any participation in surplus assets.

DIRECTORS—SYDNEY W. PASCALL (Chairman), WILFRID G. PASCALL, LAURENCE H. PASCALL, ARTHUR P. JONES, W. THOMAS CLARK, STEPHEN E. PERKINS, GEORGE A. WILBRAHAM.

100 Blackfriars Road, London, S.E. 1.

BANKERS—LONDON COUNTY WESTMINSTER & PARR'S BANK, LTD., 21 Lombard Street, London, E.C. 3. Head Office 41 Lothbury, E.C. 2, and Branches.

BROKERS—JOHN PRUST & CO., 37 Throgmorton Street, London, E.C. 2.

SOLICITORS—WOODROFFES & ASHBY, 39 Eastcheap, E.C. 3, and 18 Great Dover Street, S.E. 1.

AUDITORS—MARTIN, FARLOW & CO., Incorporated Accountants, 50 Gresham Street, London, E.C. 2.

SECRETARY AND REGISTERED OFFICES—GEORGE A. WILBRAHAM, 100 Blackfriars Road, London, S.E. 1.

TRANSFER OFFICE—50 Gresham Street, London, E.C. 2.

ABRIDGED PROSPECTUS.

The Company was incorporated on June 15th, 1898, to acquire and take over as a going concern the business of a Manufacturer of Confectionery and Chocolates founded by the late Mr. James Pascall in the year 1866.

The business of the Company is carried on at Blackfriars Road, London, and at Mitcham, Surrey.

It also has Depots and Showrooms in Glasgow, Liverpool, Manchester, Birmingham, Cardiff, and other large provincial centres.

For more than 50 years a large manufacturing and wholesale business has been developed, both at home and overseas. Extensive factories, equipped with modern plant and machinery, have been established at Mitcham, in Surrey, as well as on the original site and neighbouring sites at Blackfriars, and have from time to time been added to, in order to meet the increased demand for the Company's manufactures.

In May 1919, and at subsequent dates, the Company issued a further £129,560 in 7 per cent. Cumulative Preference Shares, to provide funds for erecting additional extensive buildings on the Company's freehold land at Mitcham and equipping them with the necessary plant and machinery, and also for buying a fleet of motor delivery vans and supplying working capital necessitated by the increasing turnover, both in respect of the Home trade and that of the overseas markets.

Notwithstanding the extra facilities obtained by this means, the Company's trading has increased so largely that, in order to provide the necessary extensions at home, considerable additional capital is required. Furthermore the Company has opportunities of developing on favourable lines its operations in the British Dominions, from which substantial results are anticipated.

The prospects for the future are most satisfactory, the turnover for the first three months of the present year showing a considerable increase over the corresponding period of last year, while the turnover for the year 1919 was more than double that of 1916.

The books of the Company have been regularly audited by Messrs. Martin, Farlow & Co. since its formation, and the following Certificate has been furnished by them:—

To Messrs. JAMES PASCALL, LIMITED.

We certify that the Assets and Liabilities of the Company at 24th December, 1919, in accordance with the Balance Sheet at that date, exclusive of goodwill, were as follows:—

ASSETS.

Freehold Land and Buildings and Leasehold Property, including Plant and Machinery after deduction of ample depreciation)		£169,506	3 11
Stocks on hand certified by Company's officials		335,881	4 1
Sundry debtors after deduction for Discounts and doubtful debts)		171,417	17 7
Investments (of which £49,750 is in War Stocks and Government Securities)		49,807	6 0
Other items		1,435	9 1
		£728,047	5 9

LIABILITIES.

Creditors including £25,000 Debentures, provision for Excess Profits Duty and Loan from Bankers) ...	£300,024	12 3
Excess of Assets over Trade and other Liabilities ..	£428,022	13 0

We further certify that the net Profits of the Company for the past four years have been as follows:—

1916	£32,845	8	8
1917	37,581	4	9
1918	29,440	3	2
1919	115,547	16	8

Such net Profits are arrived at after paying Directors' remuneration, making ample provision for depreciation of Buildings, Plant, and Machinery, and other wasting assets, and also provision for Interest on Loans and Debentures and Excess Profits Duty, but before charging Income Tax.

MARTIN, FARLOW & CO.,
Incorporated Accountants.

50 Gresham Street,
London, E.C. 2.
3rd May, 1920.

The excess of Assets over Liabilities as shown by the Auditors' Certificate is	£428,022	0 0
To which should be added the proceeds of this issue after deducting the estimated expenses, say £10,000	240,000	0 0
	£668,022	0 0
From which has to be deducted £129,560, being the amount issued of the 7 per cent. Preference Share Capital and £15,718, the amount of the dividend payable on the Ordinary Capital for the year ended 24th December, 1919	165,278	0 0
Thus the net Assets, representing the security for the issue of £250,000 Preferred Ordinary Shares, amount to	£502,744	0 0

The Cumulative Preference Shareholders and the Preferred Ordinary Shareholders are entitled to one vote for every ten Shares held, and have the right to attend and vote at any General Meeting, Extraordinary General Meeting, or other meeting of the Company. The Ordinary Shareholders are entitled to one vote for each Share held.

The following fully-paid Shares have been issued within the two years preceding the date of this Prospectus for a consideration other than cash:

117,378 Ordinary Shares of £1 each have been allotted and issued to the Holders of the Ordinary Shares credited as fully paid otherwise than in cash, being part of the amount standing to the credit of the Company's Reserve and Undistributed Profits Account, the consideration for such allotment and issue being the capitalisation of the sum of £117,378 undistributed profits.

A copy of the Memorandum and Articles of Association, the Contracts (5 in number, varying dates from 3rd August, 1918, to 3rd May, 1920, between Sydney W. Pascall, Arthur Grover Kennard, and the Company, relating to purchases of freehold land at Mitcham, totalling £10,552 1s. and the Certificate of the Auditors, can be seen at the Registered Offices of the Company, 100 Blackfriars Road, London, S.E. 1, at any time during business hours whilst the Subscription List remains open.

If no allotment is made the application money will be returned in full, and where the number of Shares allotted is less than the number applied for the balance will be applied towards the remaining payment.

Failure to pay the final instalment, due 1st July, 1920, will render the amount previously paid liable to forfeiture and the allotment to cancellation.

Interest will be charged on any amounts in arrear at the rate of 10 per cent. per annum.

The minimum subscription on which the Directors will proceed to allotment of the present issue of Preferred Ordinary Shares is 100 Shares.

A brokerage of 3d. per Share will be paid on allotments made in respect of applications bearing a broker's stamp.

Prospectuses and Forms of Application may be obtained from the Bankers, Solicitors, and Offices of the Company; from the Brokers, to the Company, Messrs. John Prust & Co., 37 Throgmorton Street, London, E.C. 2; and from the Transfer Office, 50 Gresham Street, E.C. 2.

Dated 13th May, 1920.

The American Market for British Trade

BRITISH manufacturers and merchants have at the present time an unusual opportunity for the development of their American sales.

The Guaranty Trust Company of New York is prepared to place its comprehensive banking facilities in the United States at the disposal of reliable British exporters engaged in the American trade. Its officers will also be glad to confer with representatives of responsible firms who are considering for the first time an entry into the American market.

Guaranty Trust Company of New York

LONDON OFFICES
32 Lombard Street, E.C.
5 Lower Grosvenor Pl., S.W.

LIVERPOOL OFFICE
27 Cotton Exchange Buildings

NEW YORK PARIS BRUSSELS HAVRE

Paid-up Capital & Surplus - $50,000,000
Total Assets more than - $800,000,000

WHITSUN HOLIDAY ARRANGEMENT.

"THE STATIST" will be published on Friday next, May 21, instead of Saturday.

The Statist.

LONDON, SATURDAY, MAY 15, 1920.

THE STATE OF PARTIES.

THE great body of the Liberal party has become totally dissatisfied with their present position, and appear to be intent upon reorganising themselves in a business-like manner. We are convinced that the Liberal party never again can play the great part which it unquestionably has played since the accession of the Stuarts. But it may for a brief period recover a good deal of its authority; and, at all events, it may do this much real good: break up the Coalition of the so-called Liberals with the Tories, and so give a chance for the formation of a Government that will rule, not as endowed with arbitrary power, but as the representative of a section of the people. The present Government is bad from every point of view. It is quite clear that Mr. Lloyd George has no opinions of his own. He considers himself immensely superior to all his competitors. He thinks that Parliament and people ought to carry out his wishes. And he grows impatient of any sign of dissatisfaction with his conduct. Therefore he is becoming a nuisance that it is necessary to get rid of with the least delay possible. Furthermore, he has surrounded himself with a band of utterly incapable Tories. The Tories never have been statesmen. Indeed, it is impossible that with their special opinions they could be statesmen. But sometimes, as, for example, under Sir Robert Peel, they did govern for the advantage of the country, and show that even a reactionary might have a certain balance of reasonable opinions. But the present gang which specially supports Mr. Lloyd George is objectionable from every point of view. And if it were possible to increase the objections, the conduct of those who claim to be Liberals and who yet support the most arbitrary Government that can be conceived at the present time would show that they are worse, if possible, than the out-and-out Tories.

We are sorry to say that the trades unionists are either greatly discouraged or seriously divided. They have a great opportunity. They know, as everybody knows, that the country is sick of the present Government; and, therefore, they are fully aware that if they bestir themselves they can form a force which will bring them, if not into full power, at least will give them a very influential voice in the management of the country's affairs. Yet they are holding back. To some extent their conduct is due, no doubt, to divided opinions. A certain number of the leaders of the trades unions belong to a time when trades unionists hoped for nothing more than being represented in the House of Commons by 40 or 50, or it might be even 80 members, but never hoped to form a Government of their own. These men do not understand the present position, are incapable, indeed, of acting as men who were called upon to govern the country; and they are clearly in the way of proper conduct on the part of the party. There are other men who take a more proper view both of their duties and of their opportunities. But either they hesitate to take strong action, out of fear that for the time being they may break up the party, or else they hope that the growing dissatisfaction with the impotence it is now displaying will enable them to carry out all their wishes without creating a break. However the facts are to be accounted for, it is perfectly clear that the trades unionist party at the present time is not acting as it ought to act; is not properly representing the real wishes of the whole body of the working classes; is not putting a stop to outrageous misgovernment; and, therefore, is running the risk of making people think that, after all, Mr. Churchill may prove to be right, or, in other words, that the trades unionist party is not equal to its opportunities. We do not ourselves believe in that. We are quite persuaded that the party can govern the country, and that it has men fitted for the task. But those men must assert themselves and must get rid of a Government which is dragging us more and more into the dirt.

FOREIGN AFFAIRS.

THE condition of home affairs is so unsatisfactory; the misgovernment in Ireland is so blatantly vicious; and the helplessness of the Tory party is so obvious, that we have not of late given as much attention to the affairs of European countries in general as they deserve—as, indeed, they really call for. We can only plead that the state of things at home is so bad that we have hesitated to divert attention from them. But we recognise that the time has come when something must be said; and, therefore, we would invite the attention of our readers to the present condition of affairs all over the Continent. It was obvious from the first that the opponents of Germany, having failed to prepare for the great War, would be exhausted by the struggle; and, therefore, that a long period of distress and apprehension must follow. There is nothing surprising, therefore, in the fact that the condition of Europe to-day is nearly as bad as it is possible to conceive it. So far, indeed, as Russia is concerned, it would be difficult to paint a condition of things that would look more desperate. And the state of Germany, Italy, France, and Poland are all so bad that it is not necessary to indulge in exaggeration to make it clear that

what we see is well calculated to alarm all who are interested in the condition of those countries. To-day we do not propose to deal at any length with what we see in Germany. Germany chose the occasion and the time at which the War was to break out; and, presumably, her leaders of that period took some measure of the consequences that must follow. Therefore, we are bound to assume that the Imperialist party, or the Militarist party, or whatever we choose to call them, knew what they were doing, and calculated upon a recovery after a certain period. Furthermore, we are bound to assume that the German leaders had grounds for anticipating that they would not be treated with the extreme severity with which, for example, Austria was treated, or, let us say, Russia. Germany, when everything is said, has been treated with extraordinary consideration; and, therefore, we assume that Germany will not be mad enough to engage in a new war until she is better prepared; and, consequently, that we do not need to prepare ourselves for another struggle. France, again, has suffered terribly. But then France was aware that she was the best prepared of the opponents of Germany; that upon her, therefore, would fall the brunt of the fighting; and as she has got back the lost provinces, and as, besides, she is promised large indemnities from Germany, we take it for granted that France will endeavour to recover, or to work out her recovery, without plunging into a new war.

When we turn, however, from France and Germany the condition of Europe is very serious. The United States did not engage in the War until almost the last year. She had only begun to land a very great army in France. Consequently, she was not called upon to exhaust herself by maintaining for a long period a really exhausting force. Therefore, we take it for granted that although she has engaged in very much reckless extravagance, and although, further, she has lent immense sums to other nations, yet she is not seriously embarrassed. Of course, it will surprise nobody if there should be, as a result of the wild extravagance of many years past, troubles in the New York Money market. But those troubles will be very short-lived. They will, no doubt, cause serious failures, and they will disturb the Money markets of the world. But the United States is an enormously rich country. It has considerably over 100 millions of people; and, therefore, the difficulties it will have to face will prove to be very short-lived. We do not, therefore, think it worth while to dwell at any great length upon the United States. Early next month the Republican party will choose its nominee for the Presidency; and towards the end of the month the Democratic party will do the same thing. Once these choices are decided upon the great agitation will begin; and the voting will take place early in November. It seems unlikely, therefore, that there will be much monetary disturbance until November, at any rate. And it will be time enough when November comes to reconsider the matter. Therefore, putting our own country, France, Spain, and Germany out of the way, we would especially call attention to the condition of things in the other important countries, especially in Russia, Poland, and Italy. Greece is to be granted great concessions taken from Turkey. Whether Greece has the man-power and the wealth to use those concessions well remains to be seen. The Greeks are an exceedingly able people, and under their present Prime Minister they have a chance of turning their good fortune to the very best advantage. Still, we must never forget that the Greeks are a small people; that they are called upon to exercise a power that will try them very seriously, all the more because they will have around them other States which think themselves superior to Greece, and, consequently, are likely to put difficulties in the way of Greece. Everybody must sympathise with the Greeks. They had a very great fall. They have been trampled upon for a long time. And when we compare the Greece of ancient times with the Greece of the present, we are apt to think that even what they get is not sufficient. But we must never forget that, putting all humbug aside, nations have to maintain with the sword and with their own lives the greatness which they take upon themselves; and, therefore, that when we talk of all that is to be transferred from Turkey to Greece, we must not cease to remember that on the Continent the Greeks are a small people. We wish every good fortune to the Greeks. We shall be delighted if they prove that the Entente is not treating them to what will prove to be more than they are equal to. But in any case we wish them well, and we hope that both England and France will look with special favour upon Greece, and take care that she is not required to do more than it is possible for her to do.

Passing from Greece we have Bulgaria, which joined our enemies in the late War and, therefore, has no claim to specially favourable conditions. Her future is not yet decided. And she will look upon much that is given to Greece as taken from herself. Therefore, it will be necessary if peace is to be preserved that Bulgaria should be made to understand that what is done by the Great Powers will be carried out by them, and that she must not, therefore, try to fight against their decisions. These, however, are comparatively small matters. Turkey has been dying for more than a century. Indeed, she has been kept alive by the jealousy of the Powers, not by her own strength. Therefore, we do not look upon anything that Turkey may do as exceedingly formidable. But we must not forget that Turkey is the last of the great Mohammedan Powers, and that there is an immense Mohammedan population which is capable of throwing the world into serious difficulties. Not only is the whole of what we used to call Asiatic Turkey and Persia mainly inhabited by Mohammedans, but there is an immense Mohammedan population in other countries as well; and, therefore, it will be well to bear in mind that the setting aside of Turkey is not so simple a matter as to the ordinary man it may look, because when enthusiastic religious feelings are worked upon nobody can say what the result may prove to be. There is antipathy between a large portion of the Arabians and the Turks, although both are Mohammedans. But there are also powerful Arab tribes that are entirely on the side of the Turks. We have had specimens already of the difficulties we are likely to experience from the downfall of Turkey. And it would be exceedingly unwise to forget how grave those difficulties may prove to be.

It is possible that Egypt will prove less formidable than she looked likely to be a little time ago. It is also to be hoped that matters will be carried through more easily in Mesopotamia. But we must never forget that although Christianity spread first in Egypt, Mesopotamia, and Palestine, it soon began to decay when Mohammedanism arose; and both in Asia and in Africa the Mohammedan power is extremely great, and may prove to be exceptionally formidable. There is much that renders Mesopotamia valuable from the British point of view. There are people who believe that it was in Mesopotamia that wheat was first cultivated; and, at all events, wherever it was first cultivated it is certain that Mesopotamia is a great wheat-growing country, and that the two great rivers which water it make it possible to raise most valuable crops. Mesopotamia, likewise, ought to be a great cotton-growing country; and for us, who have so great a trade in cotton, both in India and in China, great countries like Mesopotamia and the Soudan, if they prove to be as capable of growing cotton as is now anticipated, would be of immense value. There is no question, then, that, from one point of view our acquisitions in consequence of the result of the War are valuable. On the other hand, it is equally undeniable that those countries must prove to be extremely difficult to hold. It is true, of course, that if Greece is able to secure and retain what she is now apparently winning, she will help materially to ensure the safety of our own possession of Meso-

potamia. That ought not to be forgotten. On the other hand, we should never forget that, as the new Census may at any moment inform us, the population of India now is more formidable than ever; and, therefore, that the maintenance of our rule in India, while securing reasonable happiness to the people, is becoming more and more difficult. The population of India is so immense that one dreads the figures which may be brought out, and, consequently, the results we may have to face whenever we are again confronted by a real famine in India. Of course, there is much to be done in India if we have the courage and the resolution to do it. The population of India is living upon food which really and truly is not fit to maintain civilised peoples. Wages in India are altogether too low; and the trade of India is contemptibly small for such a vast population. But then it is to be recollected that we are talking of a population which is now not far short, perhaps, of 350 millions; and a population, moreover, that is growing at a dangerously rapid rate. Therefore, we have in India a Government which knows all its dangers and all its difficulties, but which at the same time is afraid to spend money at all lavishly. For India is an extremely poor country, and to spend money on an extremely poor country at all lavishly would be a dangerous thing. We have, then, on the one hand, undeniable proof that we ought to spend money lavishly so as to help India to shape and to carry out a policy which will be advantageous to her. And, on the other hand, we have never to forget that if we spend money too lavishly we may find our difficulties in India so enormously increased as to prove practically too much for us. Our difficulties are as great as well can be painted; and whether we ought to spend lavishly or to spend carefully is a question which most men hesitate to venture an opinion upon.

We have said nothing about Persia, and yet it is a subject of deep importance, and before long may involve us in serious difficulties. The conquest of India; the ease with which it has been held, and the readiness with which the people acknowledge British rule have been a standing wonder to the world for nearly two centuries. And now, as a result of the late War, we have added immense new territories, as if we were under the impression that we are capable of taking charge of the fortunes of all the earth. It is to be hoped that there is no serious difficulty approaching, and that we shall not soon have to regret the readiness with which we added millions to millions of half-starved peoples. But the thing is done, and the real question is, How ought we now to comport ourselves? We have added to Egypt and the Soudan, together with a very large part of Africa, not only Palestine, but Mesopotamia and Persia, and it is matter of the most serious doubt whether we can afford to spend much of India's money in largely increasing our armies. Yet, if we are to hold India and Persia and Mesopotamia and Palestine, it is perfectly clear that our army must be largely increased. Are we going to send great numbers of British people out to garrison all those countries? And if not, are we going to throw the cost upon India and the new countries we have taken possession of? It is rather late in the day to ask the question. It ought to have been asked before we took over those territories. But nobody knew that Mr. Lloyd George was on the quest for immense new territories; and nobody believed that we were about to take upon ourselves the government of countries which the Turks have brought to the brink of ruin.

U.S., ENGLAND AND JAPAN.

A PROPOSAL is made in the United States that when the Treaty between this country and Japan is renewed in July a clause shall be inserted making it clear that England is not to be bound in future to make war upon the United States should the United States and Japan be involved in hostilities. The attempt to effect something of the kind was made when last the Treaty was renewed. It failed, however, to be carried into effect, and the desire now is that the arrangement should be made definitely, when there is abundance of time to think out how it shall be done. We of this Journal most earnestly desire that peace shall always be preserved between this country and the United States; and, therefore, if the thing can be done without giving offence to Japan, and with the approval of the United States, it should be done. But we confess we do not see how it can be effected. As already said, an attempt was made when the Treaty was last renewed to do what is now suggested, and it failed. Is there any reason for believing that such a change has taken place in the relations of the three countries with one another as will make it more easy to do now what it was found impossible to do a few years ago? Nobody thought of committing this country to war with the United States when the Treaty was originally concluded. Indeed, the idea of war between the United States and Japan was not, in this country, at all events, supposed to be at all probable. There were stronger reasons at the time which recommended an alliance between the United Kingdom and Japan; and, though several changes have since taken place, yet most of those reasons are still in existence. We know of no good ground on which the alliance with Japan should be broken off. Furthermore, we are convinced that it is the desire of every thinking man in this country to live in the utmost harmony with the United States. Still, we cannot deny that the alliance between this country and Japan does at least make it possible that war between us and the United States might conceivably be brought about; and, therefore, we are in favour of anything which may make it clear that we value as highly as possible our good relations with the United States. On the other hand, there is nothing at present that in any way commits us to ill-feeling towards the United States; and, therefore, we very much fear that if we insisted upon such a change in the existing Treaty with Japan as is suggested Japan would object, and the Treaty might not be concluded. On the other hand, we see no reason why the Treaty should bind us to war against the United States. Upon the whole, therefore, we fear that an attempt to carry out the suggestion of an American contemporary would be extremely difficult, and might end in giving offence both to America and to Japan. If it can be done in a friendly way by all means let it be done. But very great care should be taken to make it clear that we do not look forward to a time when the relations between the United States and Japan will become extremely strained, and that, in consequence, we are protecting ourselves while affecting to be as friendly as ever with Japan. The thing clearly is not as easy as it seems to our contemporary who recommends it. But if it can be done without giving offence either to the United States or to Japan we are all in favour of it.

Unfortunately, the relations between the United States and Japan are not as cordial as we should like to see them. It is not easy to understand why this should be. But, unfortunately, it is so; and it would be most regrettable if our desire to continue the extremely friendly relations which now exist between ourselves and Japan should unexpectedly involve us in, we will not say antagonism, but even in unfriendly relations with the United States. Our interest is to live on the most friendly terms with every country. War is bad always and everywhere, and ought to be avoided when possible. But we must bear in mind that the alliance between this country and Japan has lasted a long time; that this is not the first renewal of it; and that up to the present it has not been found possible to take such steps as would clearly protect us against a quarrel with the United States. That being so, it is not easy to see how we can induce Japan to renew the Treaty and yet to make such a change as will clearly prove that we are not bound to quarrel with the United States even if the United States and

Japan are involved in actual war. The question, then, is by no means as simple as it looks. If it can be done without giving offence to anyone by all means let it be done. But is there any special reason why we should give offence now, when the relations between the United States and Japan appear to be satisfactory? Are we to tell Japan that we fear she is going to quarrel with the United States? And if we are not prepared to do that, on what grounds can we, after maintaining the Treaty so long, tell her that we prefer to break off the Treaty rather than to renew it if we appear by renewing it to be pledging ourselves, if necessary, to go to war with the United States? The question, it will be seen, is by no means so simple as it looks. Probably the great mistake was made when the Treaty was originally framed. The British Government of that day was anxious for the Treaty with Japan, and we fear was, in fact, so anxious that it did not take the proper course to make itself clearly understand what the Treaty bound it to. But the Treaty is now a matter that has existed for a long time, and it is by no means either so easy or so free from dangers as it would have been at the time when the negotiations first took place.

THE NATIONAL DEBT OF FRANCE.

(From Our Special Commissioner.)

Paris: May 13, 1920.

The financial difficulties which confront France at the moment arise chiefly out of the expenditure incurred by her in repairing damage for which Germany is liable under the terms of the Treaty of Versailles; and they are enhanced by the necessity of remitting interest and capital payments on long- and short-dated maturities abroad. Since the end of the War 22 milliards of francs have been spent on the devastated area, and the expenditure runs at present to one milliard per month. The whole of the sum so spent is recoverable, but unless it is made a definite first charge on Germany's assets, it may not be recouped for a considerable time, if at all, as the chance of Germany meeting its obligations in full is somewhat remote. The remission of funds abroad to meet necessary calls is obviously burdensome at present rates of exchange, and will continue so for a long period unless an adequate solution is found by international co-operation on the part of Governments or of private business interests. The situation recently eased here to a small extent because of the favourable movement in dollar and sterling exchange. This movement was in part an initial effect of the import restrictions and of a decreased demand for foreign bills and foreign currencies generally. Besides, the bear speculators in exchange, whose operations we referred to in a precious article, believing that the downward trend of the franc had for the time ceased, and fearful of being caught short, came in as strong supporters of the franc, and by their demand more than steadied the market, while purchases from New York had a similar effect. The meeting of French Government obligations to public and private sources abroad, however, adversely affects exchanges already weighed down by the adverse trade balance and other factors. Besides payments to the United Kingdom, and to some extent also to the United States, for considerable quantities of war material bought by the French Government, the French short-term debt, including internal and external borrowings, reaches the large proportion of 55% of the total figure, and is composed of the following items:—

French Short-term Debt.

Description	Amount Francs
Defence Bonds	942,971,000
To the Bank of France and Bank of Algeria	25,737,000,000
Defence Bonds	46,110,312,800
Sums deposited with the State Treasury	1,185,527,000
Miscellaneous	1,509,221,749
Due to Banks abroad and other external debts of early maturity (calculated at par)	15,050,431,000
	91,220,203,549

Two classes of French bonds are included in the table. Those first mentioned run for an average period of five and ten years, while the second set of bonds, which resemble our Treasury bills, mature in three, six, or twelve months. It is unfortunate that there is such an overwhelming preponderance of short-dated maturities. The long-term debt amounts to 91 milliards, and in the following table particulars of the years in which it was contracted are given:—

French Long-term Debt.

Year	Amount Francs
1915	11,845,000,000
1916	11,074,000,000
1917	10,206,000,000
1918	21,920,000,000
	55,045,000,000

It will be noticed that in 1919 no long-term loan was floated, but there was borrowed abroad in that year a sum of 18,495,904,000 francs, which, with the totals of the above tables, brings the grand total of French debt, internal or external, to 165 milliards of francs, or, taking the par value of the franc, £6,500,000,000. Before the War the French debt amounted only to 34 milliards, or £1,355,000,000, all internal. Now the external debt is practically equal to the whole pre-War debt, and forms over one-fifth of the French Government's total War obligations. The major creditors are the United States and the United Kingdom, and the approximate figures of the amounts owed to them and other countries are as follows:—

French External Debt.

Country	Amount Francs
United States	18,704,000,000
United Kingdom	13,102,000,000
Japan	255,000,000
Bank credits in Spain, Sweden, Norway, &c.	1,471,335,000
	33,532,335,000

The burden is excessive for a country exhausted by the prolonged effort of the War and seriously impaired in productive resources. The conversions of the foreign currencies have, moreover, been made at par, and at the present depreciated value of the franc the external debt would work out at a figure much higher than that given in the table. Any attempt to pay it off must occasion serious difficulty and embarrassment. Various schemes have been discussed for funding the interest for a period of years until France has traversed some distance along the road of economic recovery, and certain arrangements have been come to, but these are temporary palliatives, and merely postpone the day of reckoning which must sooner or later be faced. French difficulties, indeed, only form part of the greater problem of inter-Allied indebtedness, which in itself is a standing danger to the financial equilibrium of Europe, if European finance can be said to be in equilibrium at the moment. Some Continental proposals for handling the problem can at least claim the merit of simplicity, as it is suggested that the slate should be wiped clean as far as Governmental loans are concerned. This method would, however, entail a great disparity of financial sacrifice, as some nations are almost entirely creditors and others almost entirely debtors. Thus the United States have lent over two thousand million pounds and borrowed nothing, while Italy has borrowed almost a thousand millions and lent nothing. The United Kingdom would lose heavily by the adoption of such a proposal, while France, Belgium, and Servia would gain very materially.

The difficulties of any suitable adjustment of inter-Allied obligations are increased by the different status of the claims and the varying chances of their being met. To Russia the United Kingdom has lent £568,000,000, France £160,000,000, and the United States £38,000,000. The likelihood of the debt being honoured is extremely remote, and thus it would be a greater sacrifice on the part of the United States to forgive France or England a debt, the equivalent of

which the latter were willing to forgive Russia. Again, a debt owed by the United Kingdom and one owed by Italy are also on a different footing as regards security for repayment; and, since the United States were careful, even after their entry into the War, to give credits as far as possible only to Allies of good financial standing, who might then on their own responsibility lend to less favoured countries, they may be regarded as on the whole enjoying the best chance of being reimbursed their outlay. They would, therefore, be at the greatest loss should they now consent to abandon their claims; and, though in proportion to accumulated wealth and annual income the United States have been financially far less hit by the War than any of the other Allies, a sacrifice of such a sweeping nature cannot be lightly demanded. Europe will first have to show a determination to restore order out of the present economic chaos, to resume production, and to be as self-supporting as possible. It cannot steal out of its financial obligations to the United States in the same way as Germany has been trying to evade her obligations to the Allies ever since the Treaty of Versailles. The recovery of the Continent is, however, of vital interest to America, as well as to the whole world, and some scheme must eventually be devised for simplifying the complicated network of inter-Allied indebtedness. This would bring tremendous relief to France, as the external loans are one of the most formidable factors affecting her financial position. If anxiety on this score were removed the work of reconstruction in the North and elsewhere would proceed more rapidly, and the burden of internal debt and war pensions might be more easily sustained.

THE FRENCH BUDGET.

(From Our Special Commissioner.)

Paris: May 13, 1920.

French Budgets during the War were subject to severe, but largely uninformed, criticism abroad, on the ground that the taxpayers were not called upon to bear a commensurate proportion of the financial burdens which the French Government had to face. Not only were the actual figures of tax revenue overlooked, but the tremendous decline in the taxable capacity of the country, involving an additional burden on the citizens in order to maintain revenue at the old level, was not taken into account. The northern area, which was laid waste, contributed before the War one-fifth of the taxes and duties of the whole of France, and after the first enemy sweep until the French Government had concerted financial measures to offset the loss in revenue, the fisc suffered severely. In 1915 the receipts of the Public Treasury from taxes fell to 3,770 million francs, but fresh taxation immediately brought the figures beyond the pre-War level. An income tax was for the first time imposed early in the War. It was followed by a tax on war profits and one on luxuries. Stamp duties, inheritance, and donation taxes and various other direct imposts were increased, and indirect taxes, which constitute practically one-half of the State's income, were everywhere raised. The latter increase affected salt, sugar, tobacco, alcohol, and Colonial goods, and, as a further aid to revenue, Customs duties were in many cases advanced. The normal peace Budget of France calculated on receipts of approximately 5,000 million francs, and in the course of the War taxation was altogether more than doubled. The exact figures are shown in the following table:—

Public Revenue—France—1913 and 1919.

Source	1913 Francs	1919 Francs
Direct and similar taxes	633,004,000	1,050,258,900
Taxes on income from transferable securities	138,062,000	290,249,000
Registration, stamps, Stock Exchange operations	1,085,535,000	2,192,831,500
Tax on payments	—	629,144,500
Indirect taxes on salt, sugar and colonial produce	888,000,000	1,698,424,000
Monopolies—Indirect	610,913,000	1,045,939,000
Post Office and different undertakings	424,195,000	585,286,400
Customs duties	777,956,000	1,475,783,000
State Property—Liquidation of stocks	—	1,192,386,500
Other receipts	61,778,000	99,475,360
Miscellaneous	282,661,000	350,190,500
Total	4,803,704,000	10,609,768,000

The great fiscal effort which these figures reveal is the more worthy of our admiration, as the country, besides its internal losses in territory and man-power, has also lost heavily in its foreign investments. Before the War large foreign loans were placed in France, and these amounted in 1913 to 42 milliards of francs, which brought in an annual interest of about 2¼ milliards. Where realisable the securities were sold or pledged during the War, and the interest accordingly ceased, but in respect of a great part both capital and interest were lost. French investors for politico-financial reasons had long been interested in Russian and Turkish securities, and after the outbreak of hostilities large sums of money were advanced by the French Government to Russia. According to a recent statement in the Senate, French holders possess 13,997 million francs of Russian State securities, and if, without including the heavy arrears of interest, communal bonds and commercial investments are added, the figure cannot be less than 25,000 millions. This sum, and an additional large amount placed in Turkish securities, is for the present quite irrecoverable, and the outlook for eventual repayment is not bright.

In spite of these discouraging factors, M. Marsal, Minister of Finance, recently presented estimates for an expenditure during the current year of 47½ milliards of francs, plus three milliards for special services, the total being made up as follows:—

French Estimates, 1920.

	Millions of Francs
Ordinary Budget	17,800
Extraordinary Budget—first section	6,600
" second section	952
Expenses eventually recoverable from Germany	22,000
Total	47,352

The outlay in the Budget for 1914 was only 5 milliards, and thus the State's expenses, on M. Marsal's estimates, have increased more than ninefold. The interest on the National Debt alone amounts to more than twice the pre-War State revenue, but the Finance Minister's figures, imposing as they are, do not represent all the outgoings of the year. In the estimates as presented no provision seems to have been made for the repayment of the French share of the American Loan in October next. This sum at the present rate of exchange is approximately 3¼ milliards of francs. Internal debts falling due here during the year are also excluded, while military pensions and other miscellaneous items do not figure in the statement. The list of expenses as presented by M. Marsal is, therefore, incomplete; and the additional expenditure likely to be incurred, which may be regarded as properly chargeable to revenue, is about 10 milliards. The total outlay for 1920 will thus be approximately 60 milliards, or 164 million francs per day, as against 15.6 millions per day immediately before the War. Military expenditure forms a large proportion of this vast outlay, and for a country that should, on account of the pressing needs of the Northern Departments, grudge every franc spent abroad, France is lavishly scattering millions and even milliards on military adventures in remote corners of the earth. This prodigality might be pardoned if it led within measurable distance of an increased income, but so far no benefit has been reaped from Syrian, Cilician, and similar expeditions. The outlay on the war against Russia has also been barren, though

the recent advance of the Polish forces on the Eastern Front has been made possible by generous support from France. Amongst French citizens these military undertakings appear to excite little interest, but it is not widely realised that Army expenditure is one principal cause of swollen Estimates, and, therefore, of increased taxation.

We are not concerned here with French military policy, especially as M. Marsal's Budget has been in principle approved by both the Chamber of Deputies and the Senate. It is not amiss, however, to point out that the deficit, if we include the items omitted from the Estimates of expenditure, will run into many milliards, and thus undo much of the good that would otherwise attend M. Marsal's bold policy of raising the tax revenue from 10 milliards to 18.5 milliards, an increase of £340,000,000 per annum. If the additional revenue so raised were devoted to reproductive purposes, and there are many openings for expenditure of this kind in France, the deficit of 1920 and preceding years would not be a feature of French Budgets in the years to come.

BRAZIL.

THE PRESIDENT'S MESSAGE.

Dr. Epitacio Pessoa, in his Message to Congress in the middle of last week, naturally devoted himself to the economic situation of Brazil as a result of the Great War, in which Brazil, in common with ourselves, took part. The President had a very satisfactory tale to tell the Members of Congress assembled at Rio. But, although Dr. Pessoa only touched very lightly upon the subject, the efforts which the Republic made during the War have left their mark, and the effect upon the economic condition of Brazil will not disappear immediately. In many ways the strain upon a very new country like the United States of Brazil is, in an economic sense, even greater than that upon a country highly developed in an economic sense. It has to be remembered that in fighting a great war it is only possible to draw upon what are known as the mobilisable resources available in any country—that is to say, what traders usually call liquid assets, trade bills, international securities, goods, and various commodities which are available for sale abroad. But anything in the nature of fixed capital is practically impossible to use for purposes of war, except in so far as it be in the nature of machinery capable of manufacturing goods or munitions, or whatever may be required for the purpose of carrying on the War. Even there the point that will strike the reader at once is that it is only what one might call the interest upon the fixed capital that is capable of being used—that is to say, the actual product of the particular machine. You cannot convert a machine, however costly it might be, into mobilisable capital. It is fixed capital, and it is only possible to use its annual output of effort. Now in a country in the state of economic development, which is the case with the United States of Brazil at the present time, nearly the whole of her capital is fixed capital. She has relatively for her area, and still more for her potential resources, a very modest trade, and a very modest mobilisable capital. She has very small investments abroad. Her mercantile marine, although it is growing—and the President referred to it with pride as now closely approaching half a million tons—nevertheless is a comparatively small thing in Brazil's efforts to fight a great war. Practically, her great resources are her land and her means of transportation—that is to say, the annual produce of that small part of Brazil which has already been developed, and the railways, roads, mule carts, and so on which are available for transporting her produce from the scene where it is raised to the port of shipment, whether it be Rio de Janeiro, or Bahia, or Pernambuco, or wherever it may be. At the beginning of the War, and particularly in the years that preceded the War, practically Brazil depended upon two great sources of revenue. She exported some 30,000 tons of raw rubber, and she exported about 70% of the world's total consumption of coffee known to the international markets. Of these coffee exports something like 90% came from the State of Sao Paulo alone. Consequently, a very large part of Brazil's foreign trade—particularly her foreign export trade—passed through the ports of Santos in Sao Paulo and of Para at the mouth of the Amazon. During the War this has been changed, and changed to a most remarkable extent—to an extent that is steadily improving the economic condition of Brazil, widening her economic horizon, and giving every reason to hope that in the near future she will develop an ever-increasing proportion of her magnificent territory. Against the great strain which has been imposed upon the country as a result of the War, and the difficulty she was under in the possession of a relatively small proportion of mobilisable capital, it has to be remembered that the War required—and most wars do require, and the recent War particularly—an abnormal amount of food and raw materials for the consumption of the belligerents. Brazil happened to be in a position which enabled her to take advantage of these requirements to an exceptional degree. The result has been that, although the country has suffered, and suffered severely, by the strain imposed upon her as a result of the War, nevertheless, she has gained enormously in the expansion of her international trade and in the development of her natural resources.

The President referred—and referred with just pride—to the efforts which the Government, the agricultural societies, and private individuals have made—and made with success—in improving the breed of Brazilian cattle. We had an article on the subject last week in which we quoted extensively from the *Industria e Commercio*; and we referred to some excellent photographic reproductions which our contemporary had given of various beasts born and reared entirely in the southern States of Brazil, partly bred from British stock, and partly from native stock. We will not, therefore, take up time referring to the growth of the Brazilian cattle trade, important, however, as it is. Suffice it to say that, whereas Brazil could hardly have been regarded as in the meat trade in any sense in which the term is understood in the international markets at all before the War, she has become a large exporter. She exported hides, as, of course, all the South American States do. She exported a sun-dried beef known as zarque. But this is only consumed by those who are able to lead an exceedingly healthy life, and is not itself a commodity which is recognised in the international markets. The late President of the Republic, the celebrated Dr. Alves, who helped to extirpate malaria and yellow fever from the Brazilian cities, had the business acumen, the patriotism, and the resources which enabled him to seize the particular moment of the outbreak of the great European War for establishing a great meat industry in Brazil; and that the meat industry will grow in the near future there seems to be no reasonable doubt. The exports of cotton, fibres, and various commodities were stimulated by the War. Probably no industry grew more than that of sugar. Had the British Government, as we pointed out last week, seen its way to pursue a more enlightened policy with regard to sugar, there can be no reasonable doubt that by this time the supplies of cane sugar would have been very much larger than they actually are, and we should have escaped long ago from the period of rationing to which we have been subjected, even if it had ever been necessary at all, which is an exceedingly debatable subject. The exports of sugar from Pernambuco rose from a very small amount in the pre-War period to something like 150,000 tons in the end. We got very little Brazilian sugar for the reasons which we explained when commenting on the system adopted by our Government in regard to the

sugar trade during the War period. But the shortage of sugar was, as the reader is aware, world-wide, and while we got very little advantage other countries got a good deal, with the result that not merely did Brazil export a largely increased amount of sugar during a period of war, but she laid the foundations in the rich State of Pernambuco of a really great sugar industry which is capable of development in the near future. If we in this country go on as we are going on at present we may wait until the beet-sugar industry has had ample time to recover, and to set its house in order, and once more supply us on the conditions that prevailed in the pre-War period. This is by no means desirable. What is really desirable is that we should stimulate the growth of cane sugar in our own tropical possessions; and, failing that, encourage the growth of cane sugar in the various tropical countries of the world. There can be no reasonable doubt, at any rate for the present, that there is ample scope for all the cane-growing countries to increase production within any reasonable limits within the next few years; and inasmuch as we in this country are building considerably more freight than we did in the period that preceded the outbreak of the recent War, it can hardly be doubted that within the course of the next eighteen months or two years there will be an abundant supply of freight, such as has not been seen for the past seven or eight years.

The President in his Message referred to the negotiations now in progress for connecting up the railway which runs into Matto Grosso with the proposed line for connecting that system with a railway to be constructed on to the Bolivian plateau. This will be excellent provided it goes through. As we have said, one of the great difficulties of Matto Grosso is that it is so very difficult to get at. A Brazilian contemporary said the other day that it would take three weeks to get round from Rio, *via* Montevideo and Buenos Ayres and up the Parana, whereas a proper railway system would bring Matto Grosso into rapid connection with the principal cities of the Republic both north and south. A connection with Bolivia is, of course, all to the good, more particularly in so far as it will open up the rich lands bordering on the head-waters of the Madalena River and the forest-clad regions to the west of Brazil itself. But what is really required is for Brazil to open up by means of a great railway system as extensive a system of roads as possible, and, of course, any assistance that she may require from canals, which her unrivalled river system makes an exceedingly easy task, providing that there was a transport system capable of affording the necessary labour. The President also referred to the success with which the efforts of the Republic have been met in their endeavour to increase immigration since the close of the recent European War. It will be remembered that emigration from different parts of the world almost ceased during the War, partly owing to the fact that the belligerent countries discouraged it in every possible way, and partly owing to the fact that shipping was almost unobtainable, and particularly at a price which emigrants from one country going to another were able to afford. The President in his Message said that the results of the efforts of the immigration authorities had been crowned with a large measure of success.

Now there are three great essentials which Brazil urgently needs at the present time, and each one appears more pressingly important until one considers its relation to the urgent demands of the other two. These three are immigration, transportation facilities, and the obtaining of cheap power. Now Brazil is pre-eminently fitted to attain these three objects, and to attain them within the course of a single generation to an extent that, perhaps, no other country in the world has potential opportunities to the same extent. A climate, perhaps one of the most beautiful in the world, is accompanied by one of the richest soils existing in any part of the globe. Add to this a country more extensive in area than that of the United States of America, and, finally, that its population is only about a quarter of that of the United States. With its unrivalled mineral and agricultural resources there should be every attraction both for the capitalist and for the worker. Few countries offer so large a return for the amount of either capital or of labour expended; and, were the country economically developed, the indirect return is even greater than the direct. In these countries of the temperate zone, in which the greatest economic development has heretofore occurred, at any rate in the modern period, a very large part of our expenditure is necessarily devoted to providing the urgently needed means of existence. But in Brazil almost throughout its whole extent the housing question, the urgent necessity for coal, and even the requirements of heating and stimulating foods, do not exist, and could not exist, in the form and to the intensity which we experience them in the cold regions of the temperate zone. Consequently, the rewards of labour, and, of course, the return on capital, are as great indirectly as they are directly. The reason why a country so favourably situated has failed to attract immigrants in the past to the extent which might reasonably have been expected is due to causes into which we have not the space to go just now. We have explained it, and explained it fully, because it is a most important economic question, and unless it is really understood the reader will have no accurate conception of the economic conditions either in Brazil or in any other part of the tropical or semi-tropical world. It was due to causes, sanitary, hygienic, and medical, which have only been very imperfectly understood until the beginning of the present century, and until certain problems were solved with regard to well-known tropical diseases—into which we will not enter at the moment—it was impossible that a large part of Brazil could be settled by Europeans, or, for that matter, by anybody else, because, as we have explained many times over, it is not true to say that a country is unfit for a white man but is a perfectly healthy place for a coloured man. As a matter of fact, a land of swamps is not healthy for any human being or animal.

Now we come to the question of transportation facilities; and as our space is somewhat limited we must couple this with the question of obtaining cheap power. Now, for reasons which we have explained very fully upon various occasions, Brazil is a new country in an economic sense. Now what one means when one says "a new country in an economic sense" is that it lives mainly upon the export of food and raw materials upon a scale out of all proportion to the consuming capacity of its own population. Such a country, and such a population, needs an abnormally good transportation service compared with the relative needs of a population, say, like our own. At first sight it will be asked, What does a population as small as that of Brazil, having a vast continent to themselves, want with a great transportation service? Now they want a great transportation service because they live by raising food and raw materials for the very purpose of despatching them as rapidly as possible from the fields and the forests of the interior to the ports of shipment upon the Atlantic Ocean or elsewhere. The whole question of the success of the enterprise depends upon the relatively rapid and relatively cheap distributive services, without which a business cannot hope to be carried on with a reasonable measure of success, particularly if it is open to the competition of the world.

Now an equally important question is that of cheap power. It is perfectly evident that the urgency of the coal question is increasing. Dr. Pessoa said in his Message that mining of coal was growing at an immense rate in Brazil. And he was justified in the pride he evidently took in the matter, owing to the fact that for so long Brazilian coal has been depreciated and cried down on the markets. It has proved itself exceedingly serviceable during a trying period of war, and that it has an important future before it seems

to admit of very little reasonable doubt. Coal-mining, however, it is becoming increasingly evident, will have to be revolutionised if it is to remain the source of power which it has been during the past century. Fortunately for Brazil she possesses a source of power in a measure and to an extent that is possessed, perhaps, by no other country in the world. She has a river system, obstructed everywhere more or less by rapids, extending for over 30,000 miles; and she has gigantic waterfalls distributed over various parts of the Republic. From the great falls on the frontier, where Brazil joins the Argentine Republic, to the northern falls, where the Madalena approaches the Amazon, they are perhaps unequalled in any other part of the world. With hydro-electric plant supplied in adequate amounts and properly distributed Brazil should be in a position, within a comparatively short period, to develop power for various commercial services from the distributing to the manufacturing trades upon an economic basis that it should be difficult for any other commercial country in the world to compete.

FRENCH TRADE RESTRICTIONS.

[From Our Special Commissioner.]

Paris: May 13, 1920.

The hope of restoring to Europe that freedom of economic and social intercourse which was so essential and helpful a feature of its pre-War organisation must be again deferred owing to the formidable policy of trade restriction to which the French Government is now committed. The dream of economic solidarity among the Allies is further postponed by reason of measures which are not only provocative in themselves but admit so easily of reprisals. Already, in fact, Belgium and Italy have taken further steps to exclude foreign products, and Germany has reduced the number of permissible imports to within a small compass. Everywhere the dictum of the Supreme Economic Council as to the necessity of removing all artificial barriers if Europe was to be speedily restored to a condition of economic health has been set at naught. The shackles on French commerce are rendered the more intolerable by a widespread restriction of exports and re-exports. The whole system, if continued with its present severity, can have only one result, the economic isolation of France and the frustration of all chance of industrial expansion. French trade is to a large extent concerned with highly manufactured products, objects of art and luxury goods, such as jewels and furs, all of which entail large imports of semi-finished materials. Yet many indispensable articles are found on the list of prohibitions which extends to essentials, such as metal statues, distilled waters, and Parian and biscuit pottery.

The new policy is strongly reminiscent of that pursued during the War. The measures taken then were, however, absolutely essential for the maintenance of the blockade and for the support of the enormous military and civilian population of France. Not until May 1919 did the French Government feel sufficient confidence in the general situation to revoke practically all the War-time impediments to export; but the period of full commercial freedom was short as a decree of the following July reinstituted some of the old restrictions. It is not easy to understand why the Government should now revert to the extreme policy of the War days, but the preamble to the official decree announcing the import prohibitions leaves it to be inferred that the condition of the exchanges and the increased cost of living have prompted the Government's decision. The value of French imports in 1919 amounted to nearly 30 milliards of francs, while exports represented less than 9 milliards, or, to be exact, 29% of the imports. The great disparity between the national purchases and the national sales abroad is represented as responsible for the weakened exchanges. In the circumstances the most rigid economy as regards imports is declared to be necessary; and as exhortations would pass unheeded, legislative action is considered unavoidable. The expediency of limiting imports is more than doubtful, though there are, no doubt, cases in which it is justified, especially as France last year imported syrups, sweetmeats, and preserves to the value of 200 million francs and table fruits to the value of 100 millions. The policy is on the whole, however, more likely to impede than to assist reconstruction, while it will tend to raise the cost of living. Coupled, as it is in France, with a system of export prohibitions, it is difficult to see how the marked improvement in exchange anticipated by the Government can be realised. The trade balance cannot be decisively redressed by increasing exports, and the commerce of the country, which is one of its principal sources of wealth and has to do principally with a foreign *clientèle*, will be seriously affected. Paris was already commencing to recover its importance as an international centre of trade in precious stones, dress goods, and antique and modern furniture. Ambitious schemes were, in fact, being carried out to increase its importance and to relegate to a definitely secondary position rival cities, such as Antwerp, Geneva, Frankfort, and even London. These schemes must prematurely perish, and the French capital be displaced from its position as the world's arbiter in the realms of art and dress, if restrictions on the import of certain metal goods and on pearls, rubies, silken tissues, &c., are maintained. Paris is regarded as affording the best auction mart in the world for *articles de vertu*, as it is the haunt of connoisseurs and men of wealth, and many famous collections have been dispersed there. The purchases are made mostly by foreigners, and the money wherewith they are financed came ultimately not from France, but from abroad. These transactions, owing to the payment of numerous commissions which they involve in France, are a source of strength, not of weakness to the exchange. In this light the action of the French Government appears short-sighted, and its result will eventually be to aggravate the existing position, especially as the export decree is of a somewhat sweeping character. It forbids, except under licence, the export of objects of art and furniture of a date prior to 1830, and the work of painters, sculptors and engravers deceased for more than 20 years at the date of exportation is under a similar ban. Licences are obtainable only on impossible conditions, as they entail an export duty of 50% *ad valorem*, plus 50% on each 1,000 francs for objects worth less than 100,000 francs, with an extra charge for objects worth 100,000 francs or more. In view of the high price which antiquities and works of art of every kind now command abroad, a valuable means of redressing the trade balance and stabilising the exchanges has been thoughtlessly sacrificed.

The leaders of commercial opinion in France are opposed to the adoption of measures which, besides being harmful to the nation, deprive numerous private interests of their normal means of subsistence. Moreover, the singling out of separate trades for practical extinction intensifies the unpopularity which naturally attends the revival of a policy that was borne with exemplary patience, but only from patriotic motives, during the War. The list of prohibited exports and imports is liable to further indefinite expansion, and thus commercial security is undermined and the possibility of forward trading, already on a precarious footing, disappears. Any trade may be placed in jeopardy by the action of the Executive, and the resulting uncertainty cannot but react harmfully on the economic condition of the country, already sufficiently serious to call for statesmanlike handling, instead of the present repressive treatment. Protected articles must rise in price, and the Government's hope of bringing about a reduction in the cost of living will be falsified. It is not, indeed, a moment in the history of France for clinging to hard-and-fast theories of economic Liberalism, which, moreover, find little favour here;

but the multiplication of fetters and the widespread interference of Government in the domain of commerce cannot, as all experience goes to show, be attended with beneficial consequences. Already France feels the heavy hand of Government, both in the restriction of its freedom and the enhancement of its taxes. Scarcity of the necessaries and comforts of life, a feudal curfew law in many places, poor transport facilities, and the absence of all prospect of any downward movement in the extremely high cost of living, make an extension of Government interference in the economic field all the more unwelcome.

THE NOTE ISSUE OF IRISH BANKS.

The laws regulating joint-stock banking in the various parts of the United Kingdom still display, in some respects, a curious lack of uniformity. A characteristic of banking procedure in Ireland was revealed by the recent introduction of a Bill in the House of Commons to amend the law with respect to the place of payment of notes issued by banks of issue. The procedure hitherto obtaining on this point was laid down by the Bank Notes (Ireland) Act, 1828, which compelled banks to redeem their notes on demand at the place of issue, and by the further Act of the same title of 1830, which authorised banks of issue in Ireland to pay their notes in Dublin. The effect of the former Act was, previous to the War, to compel Irish institutions to accumulate a stock of gold at every branch throughout the country in order to meet any call entailed by a demand for the payment of their notes. In view of the rapid extension of joint-stock banking throughout the country during the past century and the multiplication of branches, it can be easily understood that the desire for the abolition of this long-standing provision of the Legislature was not of recent growth. No doubt in its original conception the Act was the outcome of the considered opinion of the needs of the time, branches being few and means of communication deficient. Foregoing banking history, too, was not conducive of a belief in the rapid convertibility of the bank-note and "runs" were frequent; as a matter of fact, one took place in the year 1828, and the repetitions witnessed subsequently serve to emphasise the wisdom of the course taken by the Legislature.

Undoubtedly, modern banking needs called urgently for a reform of the practice laid down by the Act of 1828. The earning capacity of the banks was hindered by the necessity of keeping large amounts of till money at their numerous branches which could otherwise be more productively employed. Moreover, this dispersal of monetary reserves immobilised them to a certain extent, and prevented their ready direction to the point where they were most needed. This, as might be imagined, was not to the taste of any banking directorate, as it implied that control over reserves was not nearly as effective as it might be. The restrictive influence of the Act of 1828 on the actual note issue of the banks also cannot be ignored. Under Sec. 20 of the Bank Charter (Ireland) Act of 1845 it was determined that, in taking account of coin held by any bank in Ireland with respect to which bank-notes to a further extent than the sum certified may be issued, "there shall be included only the gold and silver coin held by such banker, or the several head offices or principal places of issue in Ireland of such banker, such head offices or principal places of issue not exceeding four in number, of which not more than two shall be situated in the same province." Any extension over the certified issue had to be backed by gold and silver coin; but in arriving at the precise amount of this excess issue the metal held by many of the country branches was not passed under view, consequently the excess issue was smaller than was justified by the amount of "backing" available.

The present measure seeks to assimilate the law in Ireland to that of Scotland and most British colonies. Scottish banks are not required to pay their notes on demand at their local offices; they need undertake to make such payments at their head offices only. If the Bill becomes law the bank will be under no obligation to pay its notes on demand except at the head office in Ireland. Future note issues will be payable at a place designated by the bank concerned. Some of the Irish banks have headquarters in London, and presumably they will have power to pay their notes there if thought desirable. In some quarters there is a tendency to view this new proposal with suspicion, and to probe for utterly irrelevant motives. As a matter of fact, the policy now outlined is largely a continuation of one sanctioned by the Legislature at the outbreak of war. Included in the Currency and Bank Notes Act, 1914, was a provision that any bank-notes issued by a bank of issue in Scotland or Ireland shall be legal tender in these countries for a payment of any amount, and any such bank of issue shall not be under any obligation to pay its notes on demand except at the head office. It is interesting to recall that previous to 1828 the notes of the Bank of Ireland, wherever issued, were payable in Dublin only. They were then placed on the same footing as those issued by the remainder of the Irish banks.

There is every reason to assume that the banks in unanimously pressing for an alteration of the existing law were not unmindful of the unrest existing in the country. Banks' property has not, except in a very few instances, been made the object of attack, but the dictates of ordinary prudence would suggest the adoption of all possible precautions. While every branch is compelled to carry large stocks of metal and paper a temptation is held out to evildoers which might well prove irresistible. The general security of the banks would thus be strengthened by a reduction of the amount of these stocks. From another standpoint the practice of hoarding up bank-notes still persists in some Irish country districts, and a country branch might find itself in an awkward position if it were called upon to redeem an abnormally large number of its notes. This eventuality has to be seriously considered in view of the prevailing political situation. The announcement that the Government had undertaken an investigation into the Irish banks, with a view to ascertaining the amount and ownership of the balances standing to the credit of organisations or individuals likely to be sympathetic to Sinn Fein, circulated a distinct undercurrent of nervousness through the population. Had the Government seized any of these deposits the results might easily have been disastrous for some, at least, of the banks, as it is quite natural to suppose that a "run" would have followed. The interaction of politics on banking needs to be studied with the closest attention by Irish bankers; the influence of the former on the land question, at the present time, is a striking economic phenomenon. Worthy of recall is the silver shortage, which became acute throughout the South of Ireland in the early months of 1918, and which did not apparently spread to the North. One theory attempted to explain this shortage on the ground that silver, owing to its high price, was being collected and melted down for export. Facts did not support this contention. From the figures issued at the time it seems evident that there was no abnormal export of silver, and that, on the contrary, the imports from the Mint had largely increased. The belief that the banks were calling in silver was equally without foundation. What really seems to have happened is that large sections of the people were suddenly inspired with a distrust of the value of paper currency, bank-notes and Treasury notes, and hastened to convert it into silver. Hoarding was practised on a large scale, and business transactions were seriously inconvenienced owing to the depletion of the normal supply. A similar crisis may not recur in the future, but as long as the present state of unrest

continues in Ireland there is always a possibility of unexpected developments, and any measure aiming at the strengthening of bankers' hands cannot fail to be of benefit to the community.

IRISH COAL RESOURCES.

The dependence of Ireland on Great Britain for supplies of coal has, since the War, been vividly impressed on Irish consumers by the high price and the uncertainty of the extent of the allocations from that source. It is not unnatural, under the circumstances, that discussions on the possibility of developing the home production were frequently prone to exaggerate the richness of the Irish resources. The Report of the Irish Coal Committee appointed in 1919 contains, on the whole, a very fair appraisement of the potentialities of the native fields and will be helpful to those who wish to view the problem in a sober manner.

Over the past three-quarters of a century there has been noticeable a steady diminution in the Irish output. For 1854 the figure stood at 148,750 tons; in 1918 it was marked down to 92,001 tons, a decline of 38%. An explanation of the decline is sought in the fact that the development of railway and other transport facilities enabled the British producer to compete on more favourable terms in the Irish market. Dating from 1913, however, and mainly due to the shortage and increased costs of imported coal and freight, the Irish output shows an expansion, the figure for that year being 82,521 tons. The list of mines set out in the following table contributed to make up the total output of 92,001 tons in 1918:—

Name of Mine.	Annual Output. Tons.
Arigna Mining Company (Co. Roscommon)	7,434
Castlecomer Collieries, Limited (Co. Kilkenny)	63,675
Michael Layden (Cos. Roscommon and Leitrim)	6,367
New Irish Mining Company (Queen's County)	7,786
Slieve Ardagh Collieries (Co. Tipperary)	3,945
Various small mines	3,494
Total	92,001

The actual coal reserves of the Lough Allen area, including the counties of Roscommon, Leitrim and Sligo, and the Leinster and Tipperary areas, are estimated at 180,506,000 tons, and the probable reserves of the Antrim (Ballycastle) and Tyrone areas are put at 47,930,000 tons. An optimistic reference is made in the Report to the great possibilities of the coalfields in the last-named county. High hopes are based on the evidence furnished to the Committee and on the experience of a Governmental expert who was delegated to report on the boring operations in that district undertaken during the War. From the geological standpoint the attractive theory is advanced that a vast trough extends from Fifeshire in Scotland across the Channel to Lough Neagh in Ireland, and that this trough, which contains coal measures of great value in Fifeshire, Ayrshire, Lanarkshire, and the Lothians, probably contains coal measures of value in Ireland as well. If any credence may be attached to the recent statement that extensive deposits of bituminous coal, fully equal in value to the imported variety, have been found, then the optimism of the Committee has been strikingly justified. We are, however, lacking any definite particulars as to the nature of this discovery, and it must be remembered that mining operations have been carried on in these fields for years without any striking measure of success.

As in France, the Irish coal seams worked on are very thin. In the most productive district, that of Leinster, the average thickness of the seam varies between 1½ and 1⅔ feet, and elsewhere throughout the areas actually exploited in Ireland it is doubtful if the thickness exceeds 4 feet. It follows that the labour of the miner is frequently expended in taking out much rock and other waste material before he is in a position to raise coal. As a consequence the annual output per underground worker in Ireland is only 149 tons, while in Great Britain it is 294 tons. Payment to the miner is determined by the amount of tonnage raised by him, and the earnings of the Irish coal miners are, therefore, not such as to induce the additions to their ranks necessary before the development of the industry on a larger scale can be accomplished. On their part the colliery owners cannot very well assent to the establishment of a higher rate of wages, as their ability to compete with imported coal would then be seriously compromised.

Approximately 90% of the yield of the coal-bearing areas in Ireland is anthracite. Practical tests seem to have confirmed the opinion that it is fully equal to the best Welsh anthracite, but the manner of its preparation for the market might, in the eyes of the industrial consumer, undergo, in many cases, an improvement. The calorific value of Irish anthracite is stated to be higher than that of bituminous coal. The flameless nature of anthracite and the difficulties attending its ignition have not popularised its employment for domestic purposes. Used, however, in a proper stove, as in Canada, or in an open fire with suitably designed grates, many of the objections are overcome. For industrial purposes it should have a wider field of activity, as the suction-gas producer operates very successfully on anthracite fuel, and with a forced draught it may be used advantageously for steam-raising. The provision of suitable means of transport is a very necessary factor for the future development of the Irish coal industry. True, considerable progress has been made in this direction during the past few years, but there is much room for improvement. This applies in particular to the Arigna district, and the improvement desirable here is the enlargement of the locks of the Lough Allen Canal so as to enable a load of 150 tons to be brought by water. The substitution of the present light railway by a broad-gauge line could also facilitate the expansion of the coal output of this region, as this at present is quite inadequate to meet the demand. Even if the matter of transport were satisfactorily arranged it must be confessed that there are serious obstacles to any extensive programme of stimulating Irish coal production. The Committee estimate that with proper housing and transport facilities the output could be extended to 500,000 tons per annum. This figure is presumably based on the capacity of the present equipment of the collieries and apparently assumes that no heavy expenditure on capital account need be undertaken. At the root of the whole problem of coal development in Ireland is the assurance that capital will be freely provided for the purpose, and from the past history of the industry it is doubtful if the public would be induced to subscribe largely. The thinness of the Irish coal seams and the high working costs do not encourage the hope of a return substantial enought to attract the investor. As a matter of fact, the Committee recognise this difficulty by recommending that "the responsibility for seeing that the mineral resources of the country, including coal, are fully developed should be placed upon the shoulders of some Irish State authority." It is not, however, suggested, except in an Addendum to the Report, that the coal mines should be worked directly by this authority, or that assistance out of State funds should be provided except in regard to housing and transport. The proposed new body would have wide powers in connection with boring or other explorative processes, and would be entitled to fix terms of compensation and take over a mine which was not worked, so as to secure a maximum output, and dispose of it to some other party. The mineral rights of many holdings are vested in the Irish Land Commission, but as that department is unprovided with the machinery or funds for exploiting mineral resources it is possible that a new department could utilise these rights with profit to the country. A suggestion in the Addendum that "the mines should be kept in such a condition as to enable the production

of coal to be extended and increased rapidly when need arises, even though it be more costly to raise in Ireland than to import," is scarcely likely to meet with approval. The outlay involved in the purchase and maintenance of equipment in preparation for this uncertain future might be more profitably diverted to other purposes.

MEXICO.

A CHANGE NECESSARY.

As we write the issue between ex-President Carranza, on the one part, and General Obregon, apparently representing the revolutionary forces, on the other, is still in doubt. But, however the conflict may result, it does not appear, as far as it is possible to obtain information in London, that a really satisfactory settlement, so far as Mexican economic interests are concerned, will be obtained.

Mexico, as the result has conclusively shown, very ill-advisedly attempted to copy the Constitution of the United States of America, and to adapt it to conditions which have proved wholly unsuitable for such a Constitution. The whole history of the Republic ever since she threw off the yoke of Spain has been a complete negation of anything which is commonly understood as constitutional government. The only period of quiet which Mexico has enjoyed was under the late President Diaz, which was a military dictatorship, ably administered, no doubt, but a despotism pure and simple. Mexico is nearly a quarter the size of Europe, but she has a population of something between 15 and 16 millions. Nearly every institution in the country which would constitute what we commonly regard as civilised elements in the country have completely broken down. For some eight or nine years now the country has been in a state that can only be described as that of chaos. In the early part of last year it looked as though Carranza might for a time establish something in the nature of a Government. He had been recognised as President by various Powers, and notably by the United States. This country, however, partly because he had seized such a large amount of British property, and partly because our Government did not feel that he was capable of maintaining his authority, refused to recognise him, and as a result we have no diplomatic representative in Mexico, neither is there a Mexican Minister in London.

Whatever may be thought of President Wilson's policy in its various aspects, everyone, we think, must admit that, so far as Mexico is concerned, his Administration has been forbearing to a degree. The result of the long anarchy in Mexico has, as we have said, destroyed almost every institution in the country. The Church has lost influence. The greater landlords are in exile. The peasants are serfs in a sense in which servitude has disappeared in most other parts of the world which claim to be civilised. And the only element that can claim to have any real economic standing is the foreign element which works the petroleum wells and the silver mines. Potentially, although not in fact, Mexico should be one of the greatest world-producers of petroleum and of silver. The world is greatly in need of mineral oil at present for fuel and for power purposes. And it is evident that sooner or later the Mexican Government must realise that it will be called upon to maintain some sort of order in the country. There are two great countries economically interested in the Republic of Mexico. The one has political interests as well, while the other has no desire to interfere in the internal affairs of Mexico beyond protecting the interests of its nationals and calling upon Mexico to supply those commodities which she is capable of supplying in the present state of the world's needs. From her geographical position and from her past history the predominant foreign interest in Mexico is naturally that of the United States. It is generally estimated that the United States has some 300 millions sterling invested in Mexico. We have a little over 200 millions. We have said nothing about the agricultural potentialities of Mexico. But at a time of world-wide shortage of food and raw materials it is evident that Mexico might quite reasonably be called upon to perform her part in adding to the world's store of various kinds of commodities which her fertile soil eminently fits her to produce. As we have said, the United States Government has used extraordinary forbearance to a country immediately on her own borders which has shown for so long a time such a complete incapacity for exercising the most elementary functions of government. Mexico forms part, and an important part, of what is commonly called Latin, or Spanish, America, and there can be no reasonable doubt that if the United States were to proceed to anything in the nature of annexation of the territories of the Republic it would cause grave alarm throughout the South American continent. Naturally, the United States cannot be expected indefinitely to permit her southern neighbour to continue in a state of anarchy. As we have said, she is potentially one of the greatest oil producers in the world. There can be no reasonable doubt that the West Coast oilfields, which are believed to be even richer than those of Tampico, would long since have been opened up but for the state of anarchy in which the country is being maintained. Our own interests in the Republic are known throughout the world to be purely economic. All we ask the Mexicans to do is to perform their contracts and to allow us to work those interests which we have acquired in the oilfields, the railways, the silver mines, and various other enterprises in which British capital is employed. Would it be possible for the United States Government, acting in concert with our own, to call together a Commission composed of the best elements still remaining in Mexico, with a view to restoring order upon some sort of permanent basis, assisting in the economic development of the Republic, and endeavouring to raise the status of the peons to something more like what that status is in the more advanced countries of Spanish America?

The British, Foreign and Colonial Corporation, Limited, have just published the quarterly supplement of "The 100 Best Investments," price 1*s.*, thus bringing that annual work of reference up to date. Besides the usual features, the work contains an informative article entitled "Hedging against Bad Times," which deals fully with the present investment outlook and the course to be adopted by the prudent investor. The volume also includes some remarks on the foreign exchanges, a number of useful tables, and hints of value to all concerned with the remunerative employment of money. The book is arranged in convenient form.

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Financial Notes.

As the reader is aware, the Bank of England directors have again made no change in the official rate of discount, which remains, therefore, at 7%. More satisfactory is it that the banks, taken as a whole, are making a serious endeavour, if not exactly to raise rates, certainly not to lower them, and they are showing very little disposition to make advances upon securities as securities. It has been said, and no doubt with a large measure of truth, that traders and manufacturers very considerably under-estimated their capital requirements this year, and that they placed money in securities which in reality was required for the conduct of their businesses, partly owing to the increased cost of production, and partly owing to the continued activity of our trade, to the foreign part of which we refer in another column. Now, as far as we have been able to ascertain, bankers are not refusing the usual accommodation accorded to friends and manufacturers who have actual orders in hand, and who for the moment require money to meet obligations abroad—or at home for that matter—which will be liquidated in the course of a few weeks. What the bankers are doing, if we are well informed, is, they are absolutely refusing, as we have already said, to lend money on securities as securities. This attitude is checking speculation, as speculation, which is in itself an exceedingly good thing. It is having another and a salutary effect, inasmuch as it gives notice to those whom it may concern that the banks are only prepared to finance actual trade and manufactures having a specific object and to assist in some rare cases those who are really endeavouring to increase the production of commodities in various parts of the world.

Although, as we said last week, the reception either of the Treasury bills or the new Housing Bonds by the market has not been all that could be desired, nevertheless, we understand that a satisfactory feature is the placing of a portion of each of those bonds in small amounts. This, if it can be accomplished to any considerable extent, would be even more satisfactory than a few large sales in big amounts, which might, of course, at any moment come upon the market. It will be remembered that the recent County Council issue hung fire to a considerable extent, and at one time the bonds were down to 2% discount. They have this week been quoted at par, and if we are well informed, the underwriters have been practically wholly relieved of their obligations with regard to this issue.

Mr. Austen Chamberlain, the Chancellor of the Exchequer, was the principal guest at the British Bankers' Association dinner held on Wednesday night at the Fishmongers' Hall. In his speech before the Association, showing what he was endeavouring to do towards a reduction of the debt, he said that criticism had been directed against his proposals inasmuch as this generation had suffered so severely by the loss of life and the large number of men wounded during the War, that it was not reasonable to expect the people of the present time to pay off an appreciable proportion of the debt. The Chancellor of the Exchequer may be assured that the City has no sympathy with such criticism. On the contrary, nearly every business man we come in contact with is anxious to see as large a proportion of the debt paid off as possible. The Chancellor of the Exchequer is clearly right in saying that the debt was incurred during a period of extravagant money values, as compared with commodity values. In other words, the debt has been incurred on the basis of war prices. Consequently, it is eminently desirable that as large a proportion of it as possible should be liquidated during the comparatively short period it can be expected that these extravagant prices will be maintained.

Signs are not wanting in various directions that prices will fall. They were brought up to their recent high level simply by the fact that the country was living upon credit. The result has been that not only have we incurred an abnormally large debt, but, in addition, the exchanges of those countries from which we have borrowed or obtained produce are seriously against us, to an extent that adds a high price to everything we purchase from those countries over and above the ordinary profits derivable from trade; and with regard to those countries which owe us money their exchanges are so depressed that they can only purchase from us at extravagant values, from which we derive only a comparatively small proportion of the benefit. Consequently, as soon as our Government in particular, and the various belligerent Governments in general, cease to create credits, demobilise their various military and civil establishments, and people are once more compelled to purchase only upon an economic basis suited to their earning capacity, they will have to deny themselves everything except the barest necessities until prices come down.

We have already seen a sensational fall in the price of meat, and if the control were completely taken off, and the trader permitted to sell meat for any price it would fetch, there can be no reasonable doubt that there would be a still more sensational drop in prices. The Food Controller has already told us that the consumption of meat in this country since the Armistice has been considerably less than it was in the pre-War period, notwithstanding the fact that it is notorious that during the rationing period of the War the major part of our civil population was actually under-fed. If Smithfield had a free hand, as it ought to have, there can be no reasonable doubt that supplies would be thrown on the market, and consumers would be able to obtain as much food as they were able to eat at very much more reasonable prices than anything they have been accustomed to since 1914. There are clear indications that we may expect a fall in prices in various other directions.

Returning to the question of the liquidation of debt as soon as possible before commodity prices become adjusted on a more reasonable basis to money prices than we have lately been accustomed to, it must not be forgotten that while we are paying off in October next the original 50 millions loan obtained from the United States, in conjunction with a similar sum obtained by France, we are actually incurring a debt to which very little attention has been paid. It will be remembered that we referred to the matter last week, but it is an exceedingly important question, and should not be lost sight of. Mr. Chamberlain himself, in reply to a question, stated that the annual interest on our loans from the United States amounts to 43 millions sterling per annum. The first payment is being deferred until 1922. Consequently, it will be seen that we are adding the interest to the principal

year by year until we are in a position to start paying off both principal and interest.

It is perfectly true that the Chancellor of the Exquer added that the interest on loans advanced by us to the other Allies is more than double the amount due from us to the United States. But whereas we have got to pay the money, it is quite uncertain as to when those allies will be in a position to pay us. For example, a very large sum was advanced to Russia. Even if the present Russian Government were in a position to pay large sums in interest upon loans, will she recognise debts incurred by the Tsar's Government? Of course, it will be urged that whenever Russia settles down to some sort of order, she will require to borrow, and to borrow extensively, for the purpose of increasing her transportation facilities, developing her economic resources, and putting herself in a position whereby she can trade with Western Europe as he was accustomed to do in the pre-War period. This is, of course, quite true. We admit the force of the argument, and agree with the contention. When the time comes, however, what remains of the resources of the late Russian Empire are likely to be more potential than actual. She will, of course, be potentially able to sell us immense amounts of wheat as she did before the War; enormous quantities of eggs, butter, and various kinds of dairy produce; and, no doubt, a good deal of cattle and hides; and, equally important, immense quantities of mineral ores of various kinds urgently needed to feed our manufactures. In addition, in the present shortage of wood pulp a serious exploitation of the Russian forests, which are the most extensive in Europe, will no doubt be undertaken. In that way Russia, of course, could ultimately pay the whole interest, and principal too, on her loans, provided she is anxious to do so. This, however, could only be accomplished after a considerable time.

Whenever Russia decides to settle down and applies to the Western markets for assistance, she will, no doubt, as practical people usually do, put her cards frankly and squarely upon the table, and it will be found that she is not in a position to pay any appreciable part of the interest she owes upon the debt incurred during the War, as well as the debt she owed France before the War; still less to pay any serious part of the principal. Consequently, however anxious she may be to do what our American friends call "a square deal," it is hardly likely that she will be in a position to make an offer that will materially lessen our obligations in the near future.

As the reader is aware, the price of industrial coal has been increased by 4*s*. 2*d*. per ton, and household and domestic coal by 14*s*. 2*d*. per ton. The resulting prices, it is stated, will be maximum, and not fixed prices. Sir Robert Horne, President of the Board of Trade, stated, according to the *Board of Trade Journal*, that the deficiency on industrial coal was 1*s*. 4*d*. per ton, and on household and domestic coal 11*s*. 4*d*. per ton. The advance in wages which is about to take effect will increase the cost of production by 2*s*. 10*d*. per ton. The President of the Board of Trade further explained that the suggestion that the coal industry is at present being subsidised by the taxpayer is erroneous. Coal sold for inland consumption is at present subsidised out of the profits derived from coal which is exported. Inland coal, even before the recent advance in wages, has been sold at less than the average cost of production, taken together with the profit allowed to the coal-owners. The greatest part of this subsidy has been granted in the form of a temporary reduction of 10*s*. a ton in the price of household coal. This reduction was made in order to assist the householders through the winter; but industrial coal, which did not obtain the advantage of this concession, has also been sold at a loss, which has had to be made up from the profits on the export trade.

As we showed last week, the total production of coal in the United Kingdom amounted in the week ended April 24 to almost, though not quite, five million tons. In the week ended with May 1, the output had fallen to 4,564,564 tons. South Wales and Monmouthshire were, as usual, the largest contributors; but whereas South Wales produced over a million tons in the preceding week, the production had fallen in the week ended May 1 to 914,775 tons. The next largest source of production was Yorkshire; Durham coming next; then Scotland, followed by Derby, Nottingham and Leicester.

Whether it is due to the lower levels at which coal is being worked compared with the pre-War period; whether it is due to the fact that the miners have not recovered from the strain of the War period, and are not physically fit to produce per unit to the extent they did, say, in 1913; or whether it is due merely to working shorter hours, the fact remains that it seems impossible to increase the output to anything like the extent that would be desirable. In the clear year before the War we exported over 72 million tons of coal. Last year we exported less than half that amount. The recent Board of Trade returns show that last month our coal exports were actually under 2 million tons. This compares with over 2½ million tons in the corresponding month of 1919. In April 1913 we exported more than 6¼ million tons. It will be evident that if we are to attain our pre-War coal capacity it will be necessary to increase our weekly production to something like 6 million tons compared with 4½ million tons given above.

There is a general impression, whether it be right or wrong we are not in a position to determine, that the coal, with certain exceptions which we will not

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name, is of inferior quality to that produced in the pre-War period; and, consequently, those who hold that view argue that the loss in calorific, or, if the reader prefers, in power value, is even greater than the actual decline in the figures would imply. Now it unfortunately happens that in this country we are dependent almost wholly upon coal as our source of industrial power. Various schemes have been propounded from time to time, with a varying measure of success, for increasing the power value obtained from coal as well, of course, as the heating and lighting value. It is generally contended by nearly all competent authorities that the burning of crude coal at all is wasteful, and wasteful in the extreme. It was estimated some years before the War that every ton of coal contains some 27 different substances—oils, medicines, and various other ingredients—all of which if they were extracted have a real saleable economic value.

It is notorious that a very large part of our coal is not consumed, as anyone can see for himself who watches a chimney where crude coal is being burned, even in the residential parts of cities. To some extent in the industrial centres certain factories have been partly coerced and partly induced to adopt various devices for consuming smoke. Nevertheless, everyone who is at all acquainted with the condition of our industrial centres knows that the atmosphere is charged with smoke which is deleterious to the health of both man and beast, and is in additon an absolute waste of coal which it appears increasingly difficult to obtain from our mines. Now, we have urged again and again the desirability of adopting whatever means exist for the consumption of smoke, mainly in the interest of health and the purification of the atmosphere. But even assuming that there are in existence a sufficient number of various forms of apparatus which could be applied to every chimney for the purpose of consuming smoke, this would not get over the difficulty and the waste incurred by the consumption of crude coal just as it is extracted from the mines. Only one—that is, coal itself—of the 27 substances to which we have referred would be consumed, and all the rest would be lost. The most successful reform devised for the purpose of consuming smoke would not eliminate the question of waste. It seems essential, if we are to maintain our position as a manufacturing, industrial, and commercial country, that some means should be discovered and generally adopted whereby we can obtain the utmost heating value and power value which present scientific knowledge admits of out of the coal which is raised from our mines.

SOUTH AND CENTRAL AMERICA.

ARGENTINE ECONOMIC CONDITIONS.

Each season we welcome the annual report on "Business Conditions in Argentina" published by Messrs. Ernesto Tornquist and Company, Limited, of Buenos Ayres. Their review of conditions in 1919, published in January of the present year, is no less welcome than the former copies they have been good enough to send us. The nature of the business transacted by Messrs. Tornquist brings them into relations with almost every economic interest throughout the Republic. The report confirms almost in every detail the general impression we have been able to gather from various sources of information—financial, trade, and otherwise—connected with the Republic.

Argentina was in no sense engaged in the late War. But so widespread was that War, and so widespread, also, were its influences, that it may be said with an approximation to the truth that no country, and no community of any considerable size throughout the world, escaped wholly from its influence. Argentina was throughout a neutral, although it was generally felt that the best opinion in the country sympathised with the aims and efforts of the Entente Allies. Nevertheless, the country was neutral; and it was not possible for any citizen to take an active part either on one side or the other. Of course, it has to be remembered that the Central Powers were in no position to come into contact with Argentina in any way. The Allied fleets swept the seas, and although from time to time submarines made themselves exceedingly unpleasant, and in individual cases exceedingly dangerous, nevertheless, looking at the matter from a broad general point of view, no ships of the enemy were in a position to trade with places beyond the seas. Consequently, the business of Argentina was confined entirely, except in so far as it could influence any other neutral country adjacent to Germany, to its relations with the Entente Allies. It would be natural to expect, therefore, that Argentina had prospered—and prospered to an extraordinary extent—as a result of the War. All wars mean the consumption of food, clothing, and the raw materials necessary for their conduct. And the business of the Argentine Republic—her *raison d'être* in the economy of nations as she exists to-day—is to supply food and raw materials. Anything, therefore, which creates an exceptional demand for her products should be, and in a sense naturally is, exceedingly beneficial. There is, however, a broad distinction and a real difference between demands occasioned by war, pestilence, and famine, and those other ills to which the human family are heirs, compared with what we may call for convenience a genuine economic demand. If, for example, we were opening up some great part of the vast possessions of the British Empire; in consequence we were engaged in booming trade, in providing various forms of manufactures for the purpose of opening up these regions; and, as a result, needed vast supplies of food and raw materials to sustain our people, and to furnish products for the particular part of the Empire which was being opened up, we should be consuming for a purpose which would in due course return a handsome rate of interest. And, as a result, the imports would more than repay themselves. What really happened during the War, as the reader is aware, was that vast quantities of food and raw materials were imported from Argentina, as from elsewhere, for the purpose of being destroyed; and, as a result, we are debited with immense quantities of consumable commodities which were not used for any economic purpose—which, in fact, were destroyed, and were raised for the very purpose of being destroyed. As a result, we have no corresponding asset to set off against our expenditure in these matters. Consequently, we had nothing to export, either to Argentina or to other parts of the world, which would act as a set-off against our enormous imports from the Argentine Republic. The result is that we have endeavoured in various ways to adjust the balance, partly by the sale of Argentine securities, partly by endeavouring to export what little we had to offer, but very largely by obtaining a credit which will ultimately be paid, partly by our exports, and partly by interest on loans formerly made to Argentina the interest on which is due from that country to us. It will be seen, therefore, that although Argentina did, in a sense, an enormous trade, it was not valuable in the sense that a sound economic trade is valuable under such an assumption as that we have illustrated, supposing there was a great trade boom in consequence of our opening up some part of the tropical regions of the British Empire.

Argentina has suffered in two ways. In the first place, she was stimulated, owing to the great demand in Europe, to extraordinary efforts in the supply of certain specified commodities which were particularly required to meet the demands of the armies in the field and of the civil populations here at home who were also engaged in the production of war material. Inasmuch as these goods were consumed by people who did not themselves produce anything with an exchangeable value, the exchange between this country and Argentina gradually went against this country, because we were not able to export something with an exchangeable value either to Argentina herself or to some other

country with which Argentina had relations. The result has been that the balance has never been properly adjusted, and is not properly adjusted as we write. Hence the exchange, as we say, has gone against us, which is simply a convenient method of expressing the fact that one country owes another something which at the time, at any rate, it is not convenient for that other country to pay. Owing to the consuming populations during the past five years having been relatively much larger—although, of course, not actually—than the producing populations, there is a general scarcity of commodities. And, consequently, this has resulted in what is called a world-wide rise in prices. In addition to this difficulty, which naturally faces a country having food and raw materials to dispose of, the very fact that we are not in a position to pay for our commodities in an acceptable form, and therefore that the exchange, as we say, is against us adds to those prices a percentage equal to the decline in the value of the pound sterling with relation to the Argentine dollar. Say that the demand for Argentine paper is only such that it raises the price by 10%, still, that means that, in addition to the heavy cost of meat, wheat, quebracho, wool, linseed, and so on, which the Argentine Republic supplies, the wholesale merchant purchasing in the Argentine would have to pay 10% in addition to the value of the goods in the international markets of the world. Consequently, this 10%, which is due to the fact that we are not able to settle our balances in an acceptable form, affords no advantage to anyone, either to the merchant here purchasing the goods, or to the seller in Buenos Ayres disposing of them. But it is a real disadvantage to the man who ultimately pays for the whole thing, who is the consumer here at home. As a net result it is found that although Argentina has an exceptionally large stock of various classes of goods available for shipment, she meets with considerable difficulty in disposing of her commodities. Messrs. Tornquist's report says that on the export trade the effect of the adverse exchanges will be apparent on all raw products. Particularly is this the case with wool, the sale of which is very difficult. This has resulted in a complete absence of animation in the local wool market, which is due primarily to the restriction of buying orders from Europe. Fine qualities of clean wools are sold fairly regularly, but there is very little demand for coarse wools containing foreign matter. Prices of medium crossbreds and inferior wools have fallen considerably, and have remained at their present low levels without attracting buyers either at home or abroad. The constant fall in the exchanges on Europe keeps buyers out of the market in spite of Europe's urgent necessity of supplying her industries. Messrs. Tornquist estimate that the stock of wool actually stored in the central markets in the capital itself exceeds 25,000 tons. Fortunately, as Messrs. Tornquist point out, the products upon which Argentina lives being those of primary necessity, and the world's supplies of these being far from adequate to the demand, business is better than might be expected in spite of the serious disadvantages under which the Argentine merchant has to work. The great difficulty, as illustrated in the case of wool, where there is an alternative source of supply, is that a country in the economic condition of the Argentine Republic is naturally restricted in the available outlets for her trade. The country lives, and has lived now for two generations, on producing food and raw materials out of all proportion to the needs of her own local consumption. She obtains such luxuries as she requires, she obtains the means of increasing her transportation facilities, she obtains the means of developing her economic resources, by the sale of surplus produce of food and raw materials, for which there is naturally no adequate demand at home. When, therefore, as at a period like the present, her principal customers are not in a position to offer readily acceptable mediums of exchange, she finds it exceedingly difficult to dispose of large portions of her surplus products. For superior crossbreds $33 is quoted for parcels of ten kilos, say about 3s. per lb., and adding to this the adverse exchange it is not surprising that business is limited. For inferior crossbreds, says the market report, there were no buyers. Superior merinos are quoted somewhat higher than the figure we have already given for high-class crossbreds. During the season ended 1917 very nearly 350,000 bales were exported and 288,000 bales in the season ended with the Armistice. But from October 1, 1919, to January 29 of the present year only 161,000 bales were exported. High prices have been maintained for live-stock, say Messrs. Tornquist, notwithstanding the favourable condition of the pastures and the satisfactory state of the beasts. Fortunately for the producers, the consuming markets of Europe must have meat if they can get it on any terms. Consequently, we find that there is a fall of less than half a million carcases in the exports of frozen mutton. The exports of frozen beef show an apparent increase to 6¼ million quarters. But it should be remembered that against this there is a decline from 3,400,000 quarters of chilled beef to practically a negligible quantity. This, however, is not due to questions of exchange, but to the impossibility of getting suitable ships for carrying chilled meat. It has to be remembered that the frozen-meat trade is relatively old, although, of course, most of us remember its beginnings. Nevertheless, it is relatively old. But the chilled-meat trade was quite new, and only ships recently built and capable of carrying chilled meat at a temperature of from 1½ to 2 points below freezing are suitable for carrying chillled meat; and as so many of these were converted—and very ill-advisedly converted—during the War period, there is not the shipping available to make it possible to ship chilled meat in large quantities.

As we have said above, part of the payment for produce obtained in Europe from the Argentine Re-

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public has been met by the sale of securities from this side to Buenos Ayres. Of course, they have been acquired on very advantageous terms on the basis of high war prices for commodities and relatively moderate prices for securities. Nevertheless, it is by no means certain that the bargain is at all a desirable one for the Argentine Republic. Of course, it has to be borne in mind that Argentine traders had no desire to purchase national and railway securities. On the contrary, they would have been far better satisfied with payment by bills in the ordinary course of trade. Nevertheless, although we have to send what we are able to offer, and they, like good business men, accept what they can get, Argentina in her present state of economic development wants all the liquid resources she can get for the purpose of developing the vast resources of a country ten times the size of the United Kingdom, and which has only a population of a little over eight millions. The one cheering prospect in the outlook is the exceedingly favourable nature of nearly every crop grown throughout the Republic. Gradually, as we say, partly by exports and partly by the interest due to us on former investments, the exchange will, we hope, right itself. And when that day comes an active trade will once more be possible between Europe and Argentina.

The Council of Foreign Bondholders have received telegraphic advices from their agent at Guayaquil informing them that £14,722 has been remitted for the service of the Guayaquil and Quito Railway Bonds and £4,300 for the service of the Ecuador Government Salt Bonds.

JAPAN.—On account of the heavy fall in prices in Japan, both the Stock Exchange and some of the produce exchanges—rice, silk, and cotton yarn—closed on the 17th of last month. The Stock Exchange opened on the 13th, but was compelled to close again shortly afterwards by the inundation of selling orders. No announcement of its reopening has yet been received. The authorities of the House are endeavouring to let the parties concerned cancel their contracts; consequently, some bargains were reconciliated, and it is expected that further arrangements will be made and a reopening of the House will shortly take place. The rice, cotton yarn, and silk exchanges reopened on the 19th, and showed some recovery, but the general tendency was dull. In the silk and cotton weaving centres of Japan, manufacturers, owing to financial difficulties, are restricting production, and intend to reduce wages in some measure. Textile industries in general being dull, the Government announced, towards the close of the month, that the export prohibition of cotton yarns will be somewhat mitigated. Though in these trying times some minor dealers in cloth in Osaka went into bankruptcy, almost all merchants and firms who were thought to be in difficulties passed the month smoothly. With regard to the Money market, a bill-broker in Osaka got into financial difficulties; but the seven big banks in the city came to his relief. Rumours were current concerning some of the country banks, but these rumours did not materialise. Such being the general economic condition of the country, most of the banks endeavoured to replenish their reserves, so that the Money market was extremely stiffened throughout the month.

To-day affords a final opportunity for visiting the Business Exhibition at the Royal Agricultural Hall, Islington, and an hour or two spent in inspection will not be lost. The stall capacity of the building is by no means taxed, and many more exhibits could have been accommodated. Calculating machines, filing systems, and duplicating devices in great variety are open for examination, and include card indexes, which enable the distinctive headings of all the cards in a drawer to be instantly brought into sight and scanned downwards like a list.

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American Topics.

THE PLIGHT OF THE RAILROADS.

READERS will doubtless have observed a cable message which appeared last week in the columns of our daily contemporaries giving a summary of the evidence of the Presidents and other officials of the American railroads before the Senate Interstate Commerce Committee. According to these gentlemen, who are responsible for the management of the various railroads of the United States now that they have been returned to private ownership, their condition is absolutely deplorable. The Presidents and Executive Officers declared that when the railways were returned to the companies by the Government they had neither cash, credit, nor adequate equipment. Their bankers informed them that it was not possible to borrow further money on equipment trusts. They have ordered 518 locomotives, more than 27,000 freight cars, and obtained advances from the banks exceeding an amount of £88,000,000. The present shortage of railway material is estimated at 100,000 freight cars, 4,000 passenger coaches, and 2,000 locomotives. In order to make good the shortage in rolling-stock alone it is estimated the railways of the United States would require to spend in the near future no less than £300,000,000. This makes no allowance for improving the condition of the permanent way, which in

many cases has been allowed under Federal control to fall into a bad state of repair. A very large increase in freight rates is declared to be imperative. Producers in the interior complain that the railways in their present state are strangling the trade of the country, and if the condition of the roads is not improved shortly it will be impossible to ship produce destined for overseas in any large quantities.

Even allowing for a measure of exaggeration, judging by analogy of what has happened here there can be no reasonable doubt that the railway system of the United States, taken as a whole, was worked during the war period without any adequate regard to the demand of the roads for upkeep.

Readers, no doubt, will bear in mind that the history of the American railroad system is totally different from ours, and it is doubtful if they were in a position to stand the strain of war even as well as our lines. The shocking condition of our own railway system is notorious to our own people as well as to foreigners. Millions of money would require to be spent in this country if our comparatively short railway mileage is to be restored to the state of efficiency which it had attained, say, in the spring of 1914. The condition of the American railroads is even more unsatisfactory for various reasons, some of which we hope to state very briefly. We will prefix our remarks by a short history of the English railway system, and contrast that with the conditions under which the American railway systems came into being. England, as is well known, was the pioneer in railway building. At the time our railways were constructed this country was for the state of our economic development at that time thickly peopled. We enjoyed in those days the greatest trade of any country in the world. Our railways were built with the object of lasting as long as possible, and were expected to meet the needs even of a growing population for an indefinite period.

They were intended primarily to carry goods from the large manufacturing towns to the great centres of distribution both for the home and foreign trade. A totally different object was aimed at when the American railroad system was constructed. Primarily the American railroads were built with the object of settling unoccupied land, and bringing raw produce, principally food and raw materials, from the interior for shipment abroad. Being built in a new country and into unsettled territory they could not be expected to immediately earn a revenue. The money to build them was mainly found abroad, and chiefly in this country. It was in many cases very difficult to find. The object of the English investors in finding the money at all was to obtain ample supplies of food and raw materials upon a relatively low economic basis. Virtually what happened was that the lines were constructed out of bond issues, and what is now called the Common stock was virtually given away with the object of attracting subscribers. The railway mileage of the United States is, roughly, some 250,000 miles, or, say, ten times the railway mileage of this country. Most of it was constructed in the early days in an exceedingly rough way. A railway was built which it was hoped would just manage to carry the traffic it was able to obtain, and the promoters trusted to the future to find the means of improving it as traffic increased. Hence the railway managers throughout the United States have adopted a practice, which has become stereotyped, of putting aside each year a part of the earnings for the purpose of improving or reconstructing the permanent way and purchasing new rolling-stock, which has come to be known as the system of "betterments." In this way the great railway system of the United States has been built up, and it proved, in a sense, up to the outbreak of the recent War one of the most efficient railway systems in the world. It gave the railway managers the great advantage of being in a position year by year to adopt any improvements in railway working which were discovered at home, or could be adopted from other countries without unduly increasing the capital charges on the system. This system worked exceedingly well until the War broke out. The United States then became one of the greatest world's workshops. Food, raw materials, and munitions of war were hurried over the railways to be despatched to Europe. Little or no regard was paid to the well-being of the railways. While the "betterment" system was discontinued the various lines were worked to the point of exhaustion. Now they are faced, like the railway systems of Europe, with a period of reconstruction. In the pre-War days, whenever an American railway needed capital it had hardly any difficulty in raising that capital in Europe. For the present, at any rate, European capitalists have quite as much as they can do in financing the needs of their own countries. While the United States nominally earned immense sums from their enormous exports during the War they earned a very large part of this money on credit. This country alone owes the United States something like £1,000,000,000 in various forms of credit. As a result, although in a sense the United States prospered, and prospered exceedingly, as the result of the War, her traders and manufacturers have not yet been paid in full for the immense quantity of produce that country sold during the past five years. A large part of the amount which has been paid was in the form of the return to the United States of various American securities which had previously been sold abroad. Inasmuch as these securities were acquired on the basis of war prices for commodities such purchases were a very good bargain for the United States, but at the same time they did not add immediately to the available resources which could readily be used for the purposes of railroad reconstruction.

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Rubber Topics.

LARGELY as the result of week-end orders, the market opened cheerfully, despite a further relapse in the price of the commodity. Rubber Trusts and Anglo-Dutch in particular found favour, the latter putting on 1*s.* 6*d.* to 50*s.* 6*d.*, whilst the former closed 1*s.* higher at 36*s.* 9*d.* The revival was, however, only of a temporary nature, and as the Commodity market continued to develop weakness, interest slackened. Tuesday witnessed reactions which left Rubber Trusts at 35*s.* 9*d.* and Anglo-Dutch at 49*s.* 6*d.* In an idle market these reactions continued, and closing prices on Wednesday were 34*s.* 3*d.* for Rubber Trusts and 47*s.* 6*d.* for Anglo-Dutch. Towards the end of the week there was a little liquidation, which caused a set-back in some of the favourites. Rubber Trusts, however, remained steady, whilst Anglo-Dutch rallied to 50*s.* 9*d.* Lumut and Tandjong came into favour, closing firm on Thursday at 56*s.* 3*d.* and 65*s.* respectively. A final dividend of 15% for 1919 is announced by the Kasintoe Rubber Estates, making a total of 20% for the year. This generous dividend follows a barren year in 1918 and a meagre dividend of 5% in 1916 and 1917. The Batu Tiga (Selangor) Rubber Company recommend a final dividend of 20% for 1919. For the Grand Central (Ceylon) Rubber Estates, the final dividend for 1919 reaches 10%, making, with the interim dividend, a total of 15% for the year, in comparison with 9% in 1918 and a previous record of 12½% in 1915. From the Djember Rubber Estates comes the announcement of an extraordinary general meeting, to be held on May 18, to approve of the purchase by the Company of a rubber estate in Java. A resolution will also be submitted increasing the capital of the Company to £150,000 by the creation of 50,000 shares of £1 each. In the market the shares are quoted at 52*s.* 3*d.* April outputs still continue to exhibit an increase over those of April of the preceding year. Bukit Sembawang have secured 127,000 lb., as against 45,244 lb.

ANNUAL REPORTS ANALYSED.

KRUBONG (MALACCA).

Issued Capital: £24,458 in £1 Shares.

Results for Years to September 30

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915-16	566	336	114,258	340	2/3·4	1/10·9	7,783	4,891	20
1916-17	566	336	109,771	326	2/2	1/1·6	3,912	1,223	5
1917-18	636½	491	98,381	201	1/8	1/7·66	521*	—	—
1918-19	636½	489	105,579	216	1/8½	1/6·8	287*	1,223	5

* Loss.

Price of Shares, 31/10½. Market Capitalisation per planted Acre £61.

IN analysing the accounts of other rubber companies we have had occasion to refer to the economies in cost of production which were rendered possible by the large scale on which operations were conducted. The report of Krubong (Malacca) for the year ended September 30, 1919, supplies an illustration of the reverse principle—the difficulty which small producers experience in keeping working costs down to the level at which a reasonable profit can be secured. Comparing the results for the year under review with those of 1917-18, it can be seen, as in the above table, that there is no substantial difference. The crop harvested only amounted to 105,579 lb., as compared with 98,381 lb. in 1917-18—admittedly an extremely difficult year—and fell short of the estimate by nearly 20,000 lb. The average price realised per lb. is just a shade better at 1*s.* 8½*d.*, whilst the f.o.b. cost has declined from 1*s.* 7.66*d.* to 1*s.* 6.8*d.* Nevertheless, the margin is too small to enable the Company to meet its administrative charges and to leave a profit. Thus actual working operations again result in a net loss, though for the year under review the amount of the loss is only £287, as compared with £521 in 1917-18. The resumption of dividends under these conditions is entirely due to a refund of £2,137 in respect of excess profits duty paid for the year 1915-16. The dividend amounts to 5%, less tax, absorbing £1,223, and leaving a balance of £3,778 to be carried forward to the next accounts.

The outlook for the future is not so discouraging as these figures would seem to imply. The Chairman, who had returned from visiting the estate, was distinctly hopeful, especially as regards the prospects of the young rubber which was due to mature in the near future. The old rubber had been planted on land the fertility of which had been lowered by former cultivation. Hence it required a considerable outlay, particularly in draining and fertilising. There was also available for planting 60 acres of jungle, which were to be opened up immediately. When this was planted, and the young rubber had reached maturity, there was reason to expect a reduction in the f.o.b. cost. It is well to recollect also that the year under review included three months of 1918, whereas the current year will be free from the disturbing influences which the War had on the rubber industry in general. Again, the prices realised should also have been higher. Furthermore, shortage of labour handicapped production during 1918-19, whilst at the general meeting it was declared that an adequate labour staff had now been secured. The estimated crop for the current year is 135,000 lb.—a crop which is not yet large enough to bring about any great reduction in the cost of production. For the first six months there has been secured an actual crop of 66,157 lb., thus indicating that the estimate will probably be realised. The position in the latest balance sheet is very favourable. Liabilities, taking into account the dividend of £1,223, do not exceed £4,918, to meet which there are available liquid assets to the extent of £10,348. The capital consists of £24,458, in fully-paid shares of £1 each. It will be remembered that in 1918 the Company raised a loan of £5,000 at 7½%, which carried a right to conversion into shares at 22*s.* 6*d.* per share. These conversion rights have now been exercised, with the result that the loan account will disappear and the capital of the Company will be increased to £29,458, whilst a sum of £625 will be secured in premiums. In the market the shares are quoted at 31*s.* 10½*d.*, the price being based rather on the future outlook than on the poor dividend of 5% for 1918-19. How the situation will be affected by the increased excess profits duty it is difficult to decide until the final form of the Finance Act is known.

BILA (SUMATRA).

Issued Capital: £126,000 in 2/0 Shares.

Results for Years to August 31

	Total Planted Acres	Rubber Output Lb.	Av. Price Realised per Lb.	F.O.B. Cost	Net Profit £	Dividend Amt.	Dividend %	Carried Forward £
1918 ...	1,460	114,724	1/8·10	1/2·15	1,611	—	—	1,611
1919 ...	1,910	235,999	1/8·47	1/0·55	3,627	—	—	3,938

Price of Shares, 3/7½. Market Capitalisation per planted acre, £130.

The extent to which able, energetic and courageous supervision and management can alter the fate of

rubber companies is excellently illustrated by the case of Bila (Sumatra). To such a condition had it been reduced that in 1918 it was found necessary to reduce the capital from £200,000 to £96,000 in order to write down assets to their actual value. It was then reconstructed, the 130,000 shares of nominal value of £1 being replaced by 260,000 shares of nominal value of 2*s*. each. Since then, under the control of Messrs. Harrisons and Crosfield, it has been developed so successfully that shareholders can look forward with confidence to a dividend in the near future. The nature of the development is well portrayed in the above table. An output of 144,724 lb. in 1917-18 is followed up by an increase of over 60% to 235,999 lb. in 1918-19, as against an estimate of 220,000 lb. The effect of this increase is reflected in the satisfactory reduction in the f.o.b. cost from 1*s*. 2.15*d*. in 1917-18 to 1*s*. 0.55*d*. in 1918-19, and, better still, in the decline in the "all-in" cost, which—excluding freight and sale charges—amounted only to 1*s*. 2.76*d*. for 1918-19, as compared with 1*s*. 5.75*d*. in 1917-18. Thus there was secured in the year under review (1918-19) a net profit of £3,627, corresponding to 5.71*d*. per lb., in contrast with £1,611, or 2.35*d*. per lb., in 1917-18. Out of this, however, the directors wisely decided to pay no dividend in respect of 1918-19, but wrote off £1,300, representing the expenses in connection with the recent issue of 1,000,000 shares of 2*s*. at par, which were all subscribed. There is carried forward to the next accounts £3,938.

The outlook for the current year is distinctly encouraging. There is estimated a crop of 350,000 lb., which would again render possible further economies in the cost of production. Furthermore, of this crop forward sales have already taken place of 105,280 lb. at a calculated net price of 1*s*. 9.8*d*. per lb.; whilst contracts for the disposal of the 1920-21 crop have been entered into as regards 26,880 lb. at 1*s*. 10*d*. per lb. It appears, too, that there is every prospect of exceeding even this large estimate; for the actual crop harvested for the first seven months of the year, which ought to amount to some 205,000 lb., is returned at 239,945 lb. A continuance of this increase in the output, in conjunction with the better prices that are being secured for the commodity, would bring the declaration of a dividend for the current year into the realms of probability. Judging, indeed, by the general progress of the estate, we should not be surprised to learn that this Company would pay a dividend for 1919-20. The balance sheet, as on August 31, 1919, discloses a strong financial position. Liquid assets amount to £28,335, as against sundry liabilities not exceeding £6,486. But whatever may be the opinion as regards the immediate future of this Company, as regards its ultimate future there can be only one view: as soon as the 1917 and 1918 plantings come into bearing it will rank amongst the best producers of the day. Capital expenditure for 1918-19 amounted to £20,210, and a further outlay of £21,175 is proposed for the current year. Realising the necessity for producing on a large scale in order to reduce costs, an extra 500 acres have been acquired, raising the total area of the estate to 8,918 acres. An additional 450 acres were added to the planted area during the year under review, and the development scheme for the current year included the clearing of 600 acres, and it was anticipated that as many as 550 acres would be planted by the end of the current year. Furthermore, the policy of thinning out the old areas so as to secure an average of 110 trees per acre was being continued. The estates, according to the opinion of the visiting agent, are in excellent condition; in his judgment they are equal to any of the best yielding estates in Sumatra. The market, realising these facts and looking well ahead, quotes the shares at 3*s*. 7½*d*., at which price they are a rather promising investment.

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The career of the Company has been remarkably successful, and, from the shareholders' point of view, it has proved to be a most remunerative concern. This has been especially the case during the last few years. On December 31, 1919, the authorised and subscribed capital amounted to £1,000,000, of which £200,000 was paid up, in 100,000 shares of £10 with £2 paid on each. For each of the years 1913 to 1916, inclusive, the dividend distributions, free of income tax, were at the rate of 16*s*. per share, or 40%; for 1917 this was increased to 20*s*. per share, or 50%, tax free; for 1918 the dividend was 28*s*. per share, or 70%, tax free; and the annual report for 1919 announces a dividend of 40*s*. per share, or 100%, also tax free. Contemporaneously the reserves have grown, for the dividends in each year have been covered by interest earnings, leaving the whole of the trading profits untouched, according to the most approved plans in the financing of young insurance companies. The reason for the increase in dividends has therefore been the receipt of a larger income from investments, keeping pace with rapid development of the premium income.

The premium income in 1919 advanced by about 10%, rising from £5,095,301 (in 1918) to £5,655,761. The subdivision in the account shows that £324,860 of the premiums in 1919 related to fire business, £444,312 to marine business, and £4,886,589 to accident business. An examination of the revenue and profit and loss accounts seems to indicate that, after adjustment of the reserves for unexpired risks at the close of the year, the Company made a trading profit of £434,070, which is equivalent to about 7.6% of the year's premiums, in addition to interest earnings of £200,473, the total profit for the year apparently thus being £634,547.

Of this sum £200,000 (covered, as will be seen, by interest earnings) is devoted to dividends; £6,017 to writing down investments; £116,483 is transferred to investment reserve fund (the total of which fund thereafter amounted to £330,657, and is stated by the auditors to be sufficient to cover the depreciation disclosed by a valuation of the investments); £262,017 is added to the general reserve fund; and a balance of

£50,000 is carried forward to profit and loss account. The assets as shown in the balance sheet on December 31, 1919, amounted to £7,869,347. The reserves, apart from capital, amounts reserved for outstanding liabilities and losses, and investment reserve fund, appear at that date to have been as follows, after provision for the full year's dividend:—

	£
Reserve for unexpired risks	2,323,954
General reserve fund	1,432,298
Balance of profit and loss account	50,000
	3,806,252

This represents about 67.3%, or a little over two-thirds, of the total premium income in 1919. The proportion is slightly higher than was the case in the preceding year. With so large a business it is very desirable that the reserves, apart from capital, should be at a high standard, and although they appear strong at present it is not to be expected that the directors will be satisfied until the proportion to premiums ascends still further. But increase in reserves, according to the principles on which the directors have hitherto acted, means automatically increase in dividends, so long as the business continues to show a trading profit, so that the outlook for shareholders appears very promising and the Company seems to possess great further earning possibilities under normal conditions.

For balance-sheet purposes the shares of the Merchants' Marine Insurance Company have been taken at the price at which they were purchased by the Company last year, viz. £15 per share. As this was considerably more than the price at which Merchants' Marine shares were standing before that purchase, this item may be considered to include a certain element for goodwill, but it is fair to say that the business of the acquired Company seems likely to prove very valuable.

Resolutions were adopted at the last general meeting for subdivision of the shares and rearrangement of capital as follows:—

(1) Each existing share of £10 with £2 paid to be divided into 10 shares of £1 credited with 4*s.* paid.

(2) The authorised capital of the Corporation to be increased by £1,000,000, making the total authorised capital £2,000,000.

(3) The articles of association to be altered by making the necessary consequential adjustments and providing authority to capitalise any portion of the profits or reserves.

It was stated in a circular issued to the shareholders, giving notice of these resolutions, that should the resolutions be approved the directors proposed to make a formal call of 1*s.* per share, and when the call became payable to distribute, by way of bonus, 1*s.* per share, which would be credited against and satisfy the call to be so made. This arrangement, therefore, whilst not requiring the payment of any cash by shareholders, will reduce the liability remaining on the shares by the amount distributed.

Subject to due confirmation of the resolutions and in completion of the adjustments above referred to the authorised capital will apparently thereafter amount to £2,000,000, and the paid-up capital to £250,000, in 1,000,000 shares of £10 each with 5*s.* paid on each.

It is not the intention of the directors, however, that the capital should long remain within these dimensions. They state in the same circular that if the necessary authority which they are asking be granted, then, in view of the large increase of the Corporation's business during the last few years and the extensions thereof that are in contemplation, they consider it desirable to increase the issued capital beyond the amount above stated, and they propose, therefore, shortly to make an issue of 200,000 more shares.

On reference to the annual report for 1919 of the Merchants' Marine Company, the shares in which institution, as above referred to, are now held by the Employers' Liability Corporation, we find that their underwriting account for 1918 was closed at the end of last year with a profit of £43,431, and that its interest earnings in 1919 amounted to £37,065, making a total profit of £80,496. The amount distributed as dividends for the year is £15,024, being at the rate of 6*s.* 3*d.* per share, free of income tax. This represents a net return of only about 2% on the amount at which the acquired Merchants' Marine Company's shares stand in the balance sheet of the Employers' Liability Assurance Corporation, but it is evident that by far the greater proportion of the profits arising from the Merchants' Marine Company's operations, as well as a portion of the profit and loss balance in hand, have been appropriated in various strengthening or restorative ways. Thus £19,895 has been applied in writing down securities to market prices at the close of last year, £30,000 has been added to the reserve for excess profits duty and income tax (thereafter standing at £43,075), and £30,000 has been transferred to underwriting suspense account. The Merchants' Marine Company's underwriting account for 1919 shows a premium income of £504,991, of which first year's settlements absorbed less than 16%, and according to ordinary experience this account at the close of the year appears to be in a very healthy and hopeful condition. The balance thereof carried forward to 1920 amounts to £393,086, and the balance of profit and loss account, after provision for dividends in respect of 1919, to £46,291. The reserve fund (apart from underwriting and suspense accounts) amounts to £200,000. Total assets, Merchants' Marine Insurance Company, December 31, 1919, £1,403,561.

At the 110th Exhibition of Selected Pictures by Artists of the British and Continental Schools, now open at the French Gallery, 120 Pall Mall, S.W. 1, some excellent studies in still life, by M. H. Fantin Latour, are shown, together with some French scenes by M. L. Lhermitte.

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APRIL'S TRADE.

There seems no reasonable doubt that if the Government could be induced to see its way to cut down drastically the national expenditure our traders and manufacturers would in time restore the economic health of the country. Month by month the trade returns have shown a steadily increasing measure of improvement. The heavy balance of the excess of imports over exports is being reduced. It cannot be truly said that our imports are decreasing, nor would it be a wholly healthy sign if they were.

It may be said, however, that while the volume of the imports, particularly the value of the imports of food and raw materials, steadily increases the value of the exports expands in a still greater relative proportion. During April the imports into this country were valued at £167,000,000. British exports were valued at £106,250,000. The re-exports were of a value of over £20,000,000. These figures show an expansion of 49% in the value of the country's imports, an expansion of 81½% in British exports, and the growth of more than 52% in the value of our re-exports, or the entrepôt trade. The excess of imports over exports last month was 40½ millions sterling, as shown in our table below, comparing with 46 millions sterling in March last, 40¼ millions sterling in April of last year, and 9¾ millions sterling for April 1913. For the first four months of the current year the excess of imports over exports amounted to £200,000,000, which compares with £221,000,000 for the first four months of 1919.

During the four months ended with April 1913 the excess value of the imports as compared with the exports amounted to 47¾ millions sterling.

A feature, and a very favourable feature, of the imports is the growth or expansion in the value of our purchases of food and of raw materials, particularly cotton to feed our manufactures.

Ever since the expansion in our food imports commenced we have expressed our satisfaction. Not merely was it true that during the rationing period of the War were our people starved, but, largely due to the policy pursued by the Food Control Office, there can be no reasonable doubt that the less economically efficient proportion of our people, particularly the young, are still underfed. It is not necessary now to labour the point of the effect of the meat control. The Department admits, as far as a Government office can be expected to, that it has in fact made a mistake. No one doubts now that but for that control there would be an abundant supply of meat available for the nourishment of our poorer classes, and at an economic value which their resources would enable them to obtain in ample quantities.

Of course, the increase in the imports of raw materials, the reader will readily appreciate, is all to the good. High as the prices are at which we obtain our raw materials, they are relatively small compared with the prices which we in turn get from our customers on re-selling those raw materials in the form of manufactured products. It may be said with, no doubt, a measure of exaggeration, but at the same time with a real element of truth, that there are only at the present time three countries capable of manufacturing upon a great scale to supply the world-wide shortage of manufactured goods. These three countries are the United States of America, Japan, and the United Kingdom.

The excess of imports into the United Kingdom over our exports, as shown by the table below, was £52,000,000 in January, £62,000,000 in February, £46,000,000 in March, and £40,500,000 in April. Assuming that the last figure can be maintained, or, still better, improved upon, our excess of imports over exports for the whole year may not much exceed £500,000,000. If this figure can be attained, and still better if it can be improved, there seems reasonable ground for hoping that what are called the invisible exports will actually more than redress the balance. The value of our shipping, even allowing for an appreciable decline in freights, which seems probable, should closely approximate £400,000,000, or at any rate should not fall much below £350,000,000. The last figure would only be an increase of between 70% and 75% upon the estimated earnings of our shipping on the basis of pre-War freight rates. In addition to our earnings from shipping we have to take into account the profits earned in foreign trade by our bankers and insurance companies, as well as various commissions derived from agency business. These should, all told, approximately more than balance the difference between the value of our imports and exports.

Course of Foreign Trade.

(000's omitted.)

	April 1920. Amount.	Inc. or Dec. on 1919.	Inc. or Dec. on 1913.	4 Mos. to April 1920 Amount.	Inc. or Dec. on 1919.	Inc. or Dec. on 1913.
	£	£	£	£	£	£
Imports ...	167,154	+55,088	+101,301	697,167	+238,505	+437,970
Re-exports ...	20,407	+ 7,061	+ 10,350	95,507	+ 63,532	+259,478
Net imports ...	146,747	+48,027	+ 93,851	601,660	+174,973	+178,492
Exports ...	106,252	+47,769	+ 63,198	401,795	+195,946	+231,432
Excess of imports	40,495	+ 258	+ 30,653	199,865	−20,973	− 52,940

Excess of Imports into United Kingdom.

Month	1920	1919	1918	1917	1916
	£	£	£	£	£
Jan. ...	52,154,000	82,615,000	54,202,000	35,301,000	29,348,000
Feb. ...	61,946,000	55,039,000	57,214,000	24,668,000	22,470 000
Mar. ...	45,918,000	43,715,000	68,042,000	29,465,000	39,707,000
April ...	40,495,000	40,382,000	77,621,000	40,244,000	30,805,000
May ...	—	59,318,000	77,516,000	27,852,000	25,786,000
June ...	—	46,420,000	64,176,000	35,999,000	30,780,000
July ...	—	76,068,000	63,525,000	35,703,000	22,515,000
Aug. ...	—	58,748,000	64,435,000	46,220,000	20,632,000
Sept. ...	—	66,376,000	56,094,000	39,870,000	26,842,000
Oct. ...	—	54,783,000	72,768,000	39,405,000	28,781,000
Nov. ...	—	36,188,000	70,752,000	62,621,000	39,310,000
Dec. ...	—	52,717,000	74,797,000	44,450,000	29,434,000

External Trade of the U.K. since 1914.

(000's omitted).

Year	Imports	Re-Exports	Net Imports	Exports	Excess of Imports
1920	£	£	£	£	£
Apr. ...	167,154	20,407	146,747	106,252	40,495
March ...	176,648	27,031	149,617	103,699	45,918
Feb. ...	170,514	22,604	147,910	85,964	61,946
Jan. ...	183,498	25,464	158,034	105,880	52,154
1919					
Dec. ...	169,735	26,160	143,575	90,858	52,717
Nov. ...	143,565	20,267	123,298	87,110	36,188
Oct. ...	153,486	19,642	133,844	79,061	54,783
Sept. ...	148,625	15,749	132,876	66,500	66,376
Aug. ...	148,832	15,311	133,521	74,773	58,748
July ...	153,140	11,757	141,383	65,315	76,068
June ...	122,946	11,964	110,982	64,562	46,420
May ...	135,657	11,495	124,162	64,344	59,818
Year					
1919 ...	1,631,902	164,322	1,467,580	798,373	669,207
1918 ...	1,316,150	30,945	1,285,205	501,419	783,786
1917 ...	1,064,164	69,677	994,487	527,080	467,407
1916 ...	948,506	97,566	850,940	506,280	344,660
1915 ...	851,983	99,062	752,921	384,868	368,053
1914 ...	696,635	95,474	601,161	430,721	170,440

During the first quarter of the current year, says a table from the Agencia Americana, dated Valparaiso, May 6, the amount of nitrate shipped from Chili totalled 20,567,989 cwt. An earlier telegram received from Santiago from the same Agency announces that reports received by the National Society of Agriculture state that the Chilian crops will not be as plentiful as expected, and that the production will only be sufficient for the needs of the country.

THE LABOUR SITUATION IN THE WOOL TRADE.

Our readers will remember that in the summer and autumn of last year we dealt at some length with labour affairs in the woollen and worsted industries, and noted that, mainly owing to the friendly intercourse between employers and employees on the Industrial Council, wages agreements were concluded in all the important sections of the trade. These agreements, which expire on August 1 next, were all based upon the arrangements which had already given some two years of peace to the Yorkshire dyeing trade. We believe that we are correct in saying that the Yorkshire dyers were the first to introduce the system of fixed basic wages coupled with war wages, or "cost of living" wages, as it is now called, which fluctuated in sympathy with the Board of Trade's index-figure of the cost of living. Whether this is the case or not, the system has become so generally applied that no detailed explanation of its working is necessary.

All the principal branches of the wool trade have, therefore, been working under agreements of this type since last summer, and these agreements, as stated above, expire on August 1 next. The agreements were only made possible by the far-sightedness of the employers and the reasonable attitude of the labour leaders, and the result has been a year free from serious labour difficulties at a critical period in the trade's history. During that year the industry has adapted itself to the conditions caused by the partial removal of Government control. The coming year will be equally critical because the final steps in releasing from control have still to be taken. The only real difficulty which has occurred during the winter has been in connection with the restriction in the output of tops in the wool-combing section. It will be remembered that from October to December last overtime was worked in the combing sheds, but that at the New Year the operatives declined to continue working the extra hours under any circumstances. Fortunately, French-combed tops became available in the market before the action of the woolcombers caused any dislocation in the spinning and weaving mills, but the prices of English-combed tops naturally increased. With a view to obtaining the greatest possible production in the reduced hours now ruling a bonus scheme was introduced in April. This bonus scheme, which was only drawn up by the employers after several months' delay, is of a very elementary nature, and it is hardly surprising that the workers are already becoming dissatisfied with its working. In a few cases feeling has become so acute that stoppage of work is threatened, and it is probable that the woolcombing employers will find it desirable to recast their scheme at no distant date. Our main objection to the present plan is that, being based upon bulk output only, it tends to render all the more difficult the combing of any except the very best wools. One weakness of the English worsted trade has always been its inability or disinclination to manipulate wools at all deficient in length or soundness, or which have contained a high proportion of vegetable matter. Continental countries have exploited this weakness and have produced excellent cloths, &c., from inferior wools sold at cheap rates. It is unfortunate that anything should be done to accentuate this undesirable feature of the English trade, more particularly because the extreme prices now current for the best types of material.

At the beginning of April some irritation was caused in wool labour circles by the *Board of Trade Labour Gazette* announcing that the cost of living index-figure for March was the same as for February, viz., 130% over pre-War standard. In January the figure was 125%, and if the March level had reached 135% the operatives would have been entitled to an automatic advance in the cost of living wages. Allegations were made that the Board of Trade figures had been deliberately falsified, and a deputation was sent to London to investigate the matter. Apparently the deputation was satisfied by the Board of Trade officials, but this did not prevent the combers submitting a demand for an immediate advance of £1 per week on the ground that the Government figures were incorrect. At the time of writing the matter is being submitted to arbitration, not with a view to determining the merits of the case, but to obtain a decision on the validity of the claim in view of the agreements existing.

The time is rapidly approaching when negotiations for the renewal of all the trade agreements must be taken in hand, and it is not surprising to observe a certain amount of playing for position. The General Union of Textile Workers recently notified employers that they would support any strike which might take place at any mill on the question of the employment of non-union labour. A large number of the workpeople do not belong to their respective unions, and attempts are being made to extend the membership of the latter in all directions. Further, the labour leaders, in face of the opposition of the employers, asked the workers to take a holiday on May 1. All mills were opened as usual on that day, but some disorganisation was experienced in many cases. The latest labour move is for the fusion of all wool trade unions into one association, to be ruled by one executive body and providing common action on all matters relating to employees in all sections of the industry. It is unlikely that such a combination will actually be made; and even if it were, its effectiveness will be somewhat restricted by the fact that a corresponding amalgamation of the employers' federations is far beyond the realm of practical politics.

On the whole we are not inclined to pay serious attention to the noisy section of wool-trade unionists, and we believe that, if left alone, the employers and labour leaders will be able to produce new agreements which will be reasonably satisfactory to all parties. The most disturbing element will undoubtedly be furnished by the amateur efforts of Profiteering Act Committees. We have always asserted that big profits have been, and are being, made in the wool trade, but the official and unofficial statements made by certain of these committees are not only absurd, but they have done incalculable damage to the industry in the eyes of the workpeople and of customers abroad. The result will be that between now and August wool-trade employees will present demands for wages much in excess of those now being paid. The employers, on their part, will be obliged to resist any very appreciable increases in wages, for they will be faced with the possible disturbance due to the reopening of the Australasian wool markets, and the unknown effect which increasing foreign competition will have upon the prices of manufactured goods during the coming year. The difficulties which have arisen in the industry during the last few years have always been settled without disturbance, and there is no reason to anticipate that the forthcoming negotiations will be any exception to the rule.

The Czecho-Slovak Trade Journal. Price 1*s.* London office: 18 Sackville Street, W. 1. We have received copies of the first two numbers of this Journal, which calls itself "The Key to the Heart of Europe." Lengthy articles are given dealing with the principal industries of the new State and the possible openings for new industries.

Industrial Companies.

JOHN BARKER AND COMPANY.

Issued Capital: £630,000, in 37,000 5½% Cum. Pref. £5 Shares and 445,000 Ordinary £1 Shares.

Debenture Stock: £150,000 4½% First Mortgage, £250,000 of 4% and £150,000 of 4½% Deb. stock.

Year to Feb. 10	Net Income	Depcn., &c.	Deb. Int. Pref. Div.*	Ord. Div.a	Manage-ment Div.	Special Allocations	Carry-forward	Stocks	Surplus Liquid Assets†
	£	£	£	£	£	£	£	£	£
1915	121,442	21,876	33,675	36,000	10,800	17,000	20,212	220,752	31,554
1916	115,317	31,175	33,675	32,400	7,200	11,000	20,079	221,643	59,953
1917	118,434	29,934	33,675	32,400	7,200	11,000	24,305	266,877	31,935
1918	144,802	39,019	33,675	36,000	10,800	17,000	32,613	343,591	*116,744*‡
1919	167,751	41,479	33,675	39,600	14,400	17,000	54,210	491,699	*109,756*‡
1920b	371,126	83,710	33,675	89,000	–	45,000	64,356	573,074	*116,477*‡

* Deb. interest, £23,500; Pref. div., £10,175.

† Excluding stock. ‡ Deficiency.

(a) Ord. div. 9%, 1916 and 1917; 40%, 1915 and 1918; 11%, 1919; 20%, 1920.

(b) Year to January 31.

Of the report of this London celebrated store for the year ended January 31, 1920, it can with truth be said that it records a measure of progress for which it is not easy to find a parallel in similar businesses in the Metropolis. Anyone who goes to the trouble of analysing the results of the year under review and comparing them with the results of previous years will understand the confidence for the assertion of the Chairman:—"I make bold to say that no retail business in London has made a greater advance." The figures in the above table provide the best evidence that can be adduced in support of this contention. And in judging them it is well to bear in mind one small point: results of previous years had reference to a full working year; those for the year under review cover a period to January 31, 1920, instead of, as formerly, to February 10, 1920. Coming to the accounts themselves, a net income of £371,126 is recorded as compared with £167,751 in 1918-19—an increase of over 120%. No less striking is the comparison between the respective net profits as termed in the accounts. The report for 1918-19 registers a net profit of £133,272; for the year in question the net profit is returned at £294,367—again an increase of more than 120%. Assuredly it would be no simple task to discover another retail business of like dimensions which during 1919 earned a net profit of more than double that of the previous year. And let it not be forgotten that the trading returns for 1918-19 were in themselves eminently satisfactory, and that in consequence the record is not gained in comparison with declining trade output. The key to the secret of this success is supplied in the remarkable growth of the output, which expanded during the year under review by no less than 76%. In common with the other great London stores the policy of the men at the helm favours a small profit on a large output. In this case, indeed, the claim is made that stocks are retailed at a lower ratio of net profit than would be found in many of the other great distributing houses.

Expansion has not, however, been confined to profits alone, although it is none the less true that as regards profits the rate of expansion has been greater. The stocks themselves, upon the sale of which the firm earns its profits, have cost more to secure, in part owing to the relative scarcity of commodities in comparison with the world-wide demand now that the universe is getting back to a peace basis, and in part owing to the higher charges in respect of labour and transport which have to be defrayed in the production of these commodities. These latter charges have also increased for the business itself. As compared with £201,739 required in 1918-19 for salaries, wages and staff maintenance, no less a sum than £313,440 was needed in the year under review. Working expenses generally amounted to £495,427 in 1919-20 as against £327,106 in 1918-19—an increase of more than 50%. The greater expansion of revenue, however, left a far larger sum available for dividends and reserves. Consequently a sum of £73,940 is written off in respect of depreciation in comparison with £30,474 in the previous year. In like manner special allocations, which amounted to £17,000 in 1917-18, reached £45,000 in the year under review. Of this amount £40,000 went in equal proportions to the general and special reserve funds, whilst the employees' pension and benevolent fund was swelled by £5,000. A special fund of £100,000 was created in respect of contingencies and excess profits duty. It will be interesting to discover what proportion of this large sum will ultimately be required to meet the excess profits duty. Of the balance of £54,210 brought forward from the last accounts, credit is taken in the accounts under review for £44,663, indicating that for 1918-19 the amount of this duty was £9,547. Ordinary shareholders receive a dividend of 20%, as compared with 11% in the previous year, whilst the balance carried forward to the next accounts is increased to £64,356, but is not subject to deduction this time in respect of excess profits duty.

The prospects for the current year are, at least, no less bright. There is every reason for believing that the businesses which contributed so successfully to the profits of the year under review will continue to maintain their progress, and even to do better still. It will be remembered that just before the close of the year in question the Company acquired the prosperous concern of Derry and Toms. No profit that was earned by this latest acquisition figured in the accounts just reviewed. It will, however, form an integral part of the accounts for the current year; and, judging by the satisfactory progress reported since the date of the purchase, its contribution will be a valuable addition to the annual profits. By this purchase Barkers are in a position to turn this area into a large centre of shopping activities catering for the most æsthetic as well as the most essential needs. Centralised administration will probably be reflected in the decline in administrative costs in addition to the advantages to be procured by large-scale purchasing. To provide for possible developments and to facilitate the work of the directors it was agreed at the general meeting to adopt new articles of association drawn up on a more modern basis, as owing to the frequent amendment of the old articles it was becoming extremely difficult to discover the exact regulations governing the Company. According to the table at the head of this article liabilities exceed surplus assets by £116,477. But if stock is included the position is reversed. For the stock, which after consultation has been included at a conservative valuation, amounts to no less than £573,074, thereby showing that liquid assets really exceed liabilities by £456,597. One other change is worthy of notice: the Management shares of £5,000 have at last disappeared from the balance sheet. In July 1919 it was agreed to convert them into Ordinary shares for a consideration of £120,000, to be paid as regards £40,000 in cash and as regards £80,000 in fully-paid Ordinary shares. This change has been incorporated in the accounts under review, with the result that the Ordinary capital is increased from £360,000 to £445,000, whilst the general reserve is reduced from £216,478 to £116,478. These additional shares ranked for dividend during the year under review instead of the old Management shares. In connection with the purchase of Derry and Toms, 1,000,000 new shares were created, and during the current year 600,000 of these will rank for dividend. The issue made in this connection was largely over-subscribed within two days of the opening of the list. Despite this increase in the amount of the capital upon which dividends will be payable, there is every reason to believe that in the current year shareholders will again receive a generous dividend. Assuming that the last dividend of 20% is maintained the yield on the shares at the current market price of 33*s.* 9*d.* is practically 13%.

New Issues.

JAMES PASCALL, LIMITED.

James Pascall, Limited, has a capital of £650,000, of which £327,088 has been issued and paid up. The Company now invites subscriptions for 250,000 8% Cumulative (Participating) Preferred Ordinary shares of £1 each at par. The Preference shares carry a fixed cumulative dividend at the rate of 7% per annum on the capital for the time being paid up thereon, and rank as regards dividend in priority to both the Ordinary shares and the Preferred Ordinary shares, but without any further right to participate in pofits. The Preferred Ordinary shareholders will be entitled to receive a fixed cumulative dividend at the rate of 8% per annum, and an extra dividend, not exceeding 2% per annum, at the rate of ½% for every 1% above 8% paid on the Ordinary shares. The directors are all connected with the business of the Company. This well-known business was incorporated in June 1898 to acquire and take over as a going concern the business of manufacturers of confectionery and chocolates founded by the late Mr. James Pascall in 1866. The business is carried on at Blackfriars Road and at Mitcham, Surrey. It has depôts and showrooms in Glasgow, Liverpool, Manchester, Birmingham, Cardiff, and other large provincial centres. For over 50 years a large manufacturing and wholesale business has been developed, both at home and overseas. Extensive factories, equipped with modern plant and machinery, have been established at Mitcham, as well as on the original site and neighbouring sites at Blackfriars, and have from time to time been added to in order to meet the increased demand for the Company's manufactures. In the opinion of the directors the prospects for the future are satisfactory, the turnover for the first three months of the present year showing a considerable increase over the corresponding period of last year, while the turnover for the year 1919 was more than double that of 1916.

THE CONSOLIDATED DIAMOND MINES OF SOUTH-WEST AFRICA, LIMITED.

The prospectus of this Company has been issued solely for the purpose of complying with the requirements of the Committee of the Stock Exchange. The capital is 4½ millions sterling, divided into 4½ million Ordinary shares of £1 each, apportioned as to 1,775,000 fully-paid shares to the vendor companies, being part of the purchase consideration payable to them; 1,850,000 shares set aside to meet the right of conversion to which the holders of the Debenture issue of £1,850,000 are entitled; 125,000 shares issued at par to the Anglo-American Corporation of South Africa, Limited; 9,000 shares issued at par to the subscribers of the Memorandum; and 741,000 shares still held in reserve. The object of the Company is to acquire and work certain diamondiferous areas and mines, and, in particular, to acquire alluvial and other fields in the South-West Protectorate belonging to German companies whose names are given in the prospectus. The purchase consideration payable is £3,675,000, payable as to £1,900,000 in cash, and as to the balance of £1,775,000 by the issue of an equivalent number of fully-paid £1 shares of the Company.

Charles Marsden and Sons, Limitied, has a capital of £600,000, divided into 300,000 7½% Cumulative Participating Preference shares of £1 each and 300,000 Ordinary shares, also of £1 each, the whole of which have been issued and are fully paid. The Company now invites applications for an issue of £300,000 6% (free of income tax up to 6s. in the £) First Mortgage Debentures at par. The Debentures will be secured by a trust deed between the Company and the National Provincial and Union Bank of England, Limited, as trustees, constituting a first specific mortgage on the Company's freehold and leasehold land and buildings, fixed plant and machinery and a floating charge on the undertaking and all other assets of the Company. The Company was formed in 1903 for the purpose of acquiring as a going concern the business of paper and paper-bag manufacturers previously carried on by the firm of Charles Marsden and Sons for about 70 years.

The Chislet Colliery, Limited, has a capital of 350,000 Ordinary shares of £1 each, of which 334,000 have been issued. The Company is now making an issue of £250,000 8% First Mortgage Debenture stock, and invites subscriptions for £150,000 of this stock at the price of £90 for £100 stock. The Debenture stock will be secured by a trust deed creating a specific first mortgage upon the Company's leasehold colliery and works and its fixed plant and machinery, and a floating charge on the undertaking and other assets of the Company. The Company was formed in 1913 to acquire a leasehold colliery area situated in the parish of Westbere, in Kent.

United Patani Malaya Rubber Estates, Limited, has a capital of £750,000, divided into 750,000 shares of £1 each, of which 500,000 were recently offered for subscription, and have been subscribed in cash at par. No public issue is made at present. The Company was formed in April last for the purpose of acquiring certain rubber estates situated in the district of Kuala Muda, in the Malay Peninsula.

The British Thread Mills, Limited, has been formed with a capital of £600,000, divided into 600,000 Ordinary shares of £1 each. Subscriptions are invited now for an issue of 400,000 of these shares at par. The Company has been formed for the purpose of acquiring and continuing the business of sewing-cotton and thread manufacturers heretofore carried on by the British Thread Company, Limited, the Cardigan Thread Mills Company, the Imperial Cotton Manufacturing Company, Limited, and the Walker Thread Company, Limited.

The Aster Engineering Company (1913), Limited, with a capital of £180,000 in 100,000 8% Cumulative Participating Preference shares of £1 each and 80,000 Ordinary shares of £1 each, of which 75,638 have been issued, is offering the Preference shares to the public at par. The Company was formed in 1913 to acquire an engineering business founded 14 years previously. It owns a freehold site of about 7¾ acres at Wembley, Middlesex. The Company's predecessors were the pioneers of the Vertical Petrol Oil Engine, and the present Company manufacture the Aster Engine, which has the merit of running on cheap paraffin oil fuel. There are at present 30,000 Aster engines in use, and the orders on the Company's books are sufficient to keep the present works employed "for a very long time." The freehold land, buildings, plant, and machinery are valued at £88,737. The trading profits have grown each year from £8,803 in 1914 to £35,152 last year. In addition to the regular interest the Preference shares are entitled, after the Ordinary shares have received 12½%, to rank with the Ordinary for a further 7%.

The Anglo-Egyptian Breweries, Limited, with a capital of £120,000 in 119,000 7% Cumulative Participating Preference shares of £1 each and 1,000 Deferred shares of £1 each, are offering for public subscription 91,000 of the former shares at par, of which 20,000 are reserved for Egypt. The Company is to establish a modern brewery in Cairo for the manufacture and sale of beers, ice, malt, &c. We are told in the prospectus that prior to the War Germany and Austria sent 20 million litres of beer annually to Cairo, and at present there are only two breweries in the Cairo district. Water of suitable quality is in unlimited supply on the proposed site. There is no excise or production tax on beer or malt in Egypt; but there is a tax of 8½% on imported beers. An estimate of sales, costs, and profits, based on an annual production of 20,000 hectolitres of beer and 7,500 tons of ice, shows a profit of £54,600. As a speculation the issue has its attractions.

MEETINGS
OF PUBLIC COMPANIES.

LONDON BANK OF AUSTRALIA, LIMITED.

THE ordinary general meeting of the shareholders of the London Bank of Australia, Limited, was held on May 12 at Winchester House, Old Broad Street, E.C., Mr. George Slade (the Chairman) presiding.

The Chairman said: Ladies and Gentlemen,—Last year we were able to recommend to you an increase in the dividend of 8%. This year, after providing £4,000 for the provident fund, £10,000 to write down premises, and adding £30,000 to reserve fund, the profits allow of our increasing the dividend for the year by 1% to 9%, the final distribution being increased by 2%, to effect this.

As to the figures in the balance sheet, I will draw attention to the fact that we enjoy a strong position, with over 44% of our liabilities covered by liquid assets. The total assets and liabilities show a more than satisfactory increase of £1,552,953 10*s.* 10*d.* for the year, and an increase of just over £4,000,000 on the figures of 1914. Deposit and current accounts are now £8,745,701 5*s.* 5*d.*, as against £7,570,361 14*s.* last year and £5,151,571 in 1914. Apart from the drought, which has been very severe, and is still devastating large areas of Australia, that country has enjoyed great prosperity. Government purchases of staple products made the producer independent of shipping, but this is coming to an end, and there are large accumulations of produce to be got away. Until there are enough ships to cope with these accumulations, banks must keep themselves strong to finance and support the producer. For this reason we have been obliged to curtail advances, and consequently to limit the expansion of our business. Further capital would have enabled us to seize opportunities without undue risk, for there is plenty of business offering, though we are alive to the possibility that present inflation may not last. I will now move the resolution:—"That the report and accounts as presented be adopted, and that a final dividend at the rate of 10% per annum be paid on the Preference and Ordinary shares of the Bank for the half-year ended December 31, 1919, making 9% for the year, the dividend (less income tax) to be payable on and after May 14, 1920."

The Chairman said he was glad to be able to tell the shareholders that a Stock Exchange quotation for the shares had now been granted.

The resolution was carried unanimously.

An extraordinary general meeting was then held for the purpose of considering, and, if thought fit, passing the following resolutions:—

1. That the 132,807 Preference shares in the Bank of £10 each which have not been taken or agreed to be taken by any person be and the same are hereby cancelled.

2. That on such Preference shares being cancelled as aforesaid, the capital of the Bank be increased to £3,000,000 by the creation of 64,089 new Ordinary shares of £22 10*s.* each, in respect whereof the sum of £12 10*s.* per share shall not be capable of being called up, except in the event and for the purposes of the Bank being wound up.

3. That the regulations contained in the printed document submitted to the meeting and for the purpose of identification subscribed by the Chairman thereof be and the same are hereby approved, and that such regulations be and they are hereby adopted as the articles of association of the Company to the exclusion of and in substitution for all the existing articles thereof.

The resolutions were carried unanimously.

IONIAN BANK, LIMITED.

Expansion of Business during a Trying Twelve Months.

THE ordinary general meeting of the Ionian Bank, Limited, was held on May 11 at the offices, Basildon House, Moorgate Street, E.C., Sir John Stavridi presiding.

The Chairman said: The business of the Bank during the past 12 months had been a reflex of the general commercial and financial conditions prevailing in Greece and Egypt. The expansion in the volume of transactions still happily continued, but such expansion had been accompanied by an element of risk which was absent from those transactions in the preceding three or four years. That was particularly true in the case of the Bank's operations in Greece. In a sense it might be said that Greece had emerged from the Great War financially sounder than most of the other combatant Powers; but she had not come through unscathed, nor had she escaped her share of the troubles of the post-Armistice period—troubles which, in their turn, had adversely affected the Bank's profits. In spite of serious handicaps, however, the commerce of Greece remained sound at heart even while rapidly expanding in volume. He wished he could feel equally confident with regard to the condition of the public finances in the country, but in that matter it must be remembered that Greece was bearing a heavy burden. The new territory awarded to her and the conditions prevailing there necessitated her keeping 300,000 men with the colours, and as long as she had to shoulder such a disproportionate liability, that liability was bound to disorder her finances and to prevent the adoption of that policy which alone would enable her to reduce the paper circulation of the drachmæ. It spoke volumes for the inherent soundness of the country that, notwithstanding such a crippling necessity, the national debt of Greece to-day was only double what it was before the War, and, further, that the ordinary revenue was proving elastic and productive beyond all expectations, to such an extent that the international financial control was this year able to make payment in full of last year's coupons of the old loans.

Depreciation of the Drachma adversely affects the Profits of the Bank.

In spite of all the efforts of the Government there had been two bad breaks in the Greek exchanges, one in July-August, the other in October-November, and those breaks were largely accountable for the reduction in the Bank's profits for the year. At that time a large portion of the Bank's capital was in this country, and as business began to develop in Greece and the money was required there, the Court had to sell a large portion of its holdings in Government War securities. On that realisation a substantial loss was sustained, and with the break in the exchanges in Greece a further and much greater loss ensued. Furthermore, those two breaks synchronised with a sharp stringency in the Money market conditions at Athens, and with a widespread strike movement among the staffs of the various banks throughout Greece, and in its turn that strike movement made it extremely difficult to transfer the Bank's surplus funds from the branches to Athens in order to relieve the stringency there. Notwithstanding the conjunction of adverse circumstances, however, the shareholders were to be congratulated on the expansion of the Bank's business throughout the year, and on the perfectly sound and healthy condition of the institution at the close of a distinctly trying 12 months. Throughout that period the Bank had not made a single bad debt, and in judging the extent of the expansion in the Bank's operations it must be borne in mind that the large amount of Governmental business which the Bank had done in the preceding war years was now practically over. In spite of the reduction in the consortium business—from 6,294,000 drachmæ in 1918 to 652,100 drachmæ in 1919—the total aggregate transactions of the Bank in Greece had exceeded those of any preceding financial year.

Furthermore, a fresh branch had been opened at Cavalla to meet the requirements of the tobacco trade, and other still more decisive extensions were in contemplation. The past 12 months had witnessed the establishment of an official discount rate in Athens regulated by the National Bank. That fact, coupled with the successful launching of a Greek Treasury bill issue, had in effect normalised an investment rate for the Greek financial world. In their totality those measures were tantamount to the establishment of a Money market at Athens on the lines of the Money markets of the greater Powers. If complete freedom was allowed to the banking world of Greece, and if the remains of the irritating and ineffectual restrictions on the movement of capital and currency were removed, there could be little doubt that the Greek Government would find its account in a strong local Money market, and that it would become less dependent on foreign Power loans. So far England and Greece stood out prominently as the countries which were making a great endeavour to meet their current liabilities and reduce their loans out of taxation. Having dealt with the position in Egypt, and stated that three new sub-agencies had been opened during the year at Zagazig, Kafr el Zayat and Kafr el Sheikh—the sub-agency at Zagazig having afterwards been converted into a full agency—the Chairman moved the adoption of the report.

Mr. Charles S. S. Guthrie seconded the resolution which was unanimously approved.

THE LONDON LIFE ASSOCIATION, LIMITED.

THE ordinary general meetings of the London Life Association, Limited, and of the Clergy Mutual Assurance Society, and the ordinary joint general meeting of the Association and of the Society, were held on May 12 at 81 King William Street, E.C., Mr. Reginald B. Jacomb, President of the Association, in the chair.

The President, in moving the adoption of the report and accounts relating to the London Life Association, said: Ladies and Gentlemen, The outstanding feature of the year is the growth in the business, and I think I may fairly say that the London Life, although 114 years old, has taken a new lease of life. We have completed in the year over £1,500,000 of new assurances on the best class of lives after deducting

reassurances with other companies, and over £1,160,000 after allowing for sums reassured with the Clergy Mutual. Turning to the London Life accounts, you will notice an increase in the total funds of no less than £554,202, bringing the total for the first time to over £6,000,000. I should like to be able to report a higher net rate of interest, but we are paying in income tax over £70,000, as compared with some £14,000 just before the War. The recommendations of the Royal Commission on Income Tax have come as a bitter disappointment. On the present basis the Association is paying income tax equivalent to nearly 12*s.* in the pound on the actuarial surplus or profit for the year, and the present system of an allowance for expenses is a heavy penalty on economy. It is a great satisfaction that it has been possible again to raise the rates of reduction of premium, and to maintain the present high rate of reversionary bonus in the case of policies effected under the respective systems.

The motion was carried unanimously.

Clergy Mutual Meeting.

The ordinary general meeting of the Clergy Mutual Assurance Society was then held.

The President: Ladies and Gentlemen,—It is a great pleasure to the directors to be able to present a favourable report for the first year of their management of the Clergy Mutual Society. The only adverse item is that of depreciation in the value of securities, and you will note in the revenue account the item of £198,141 for revaluation differences, being the amount by which the book values of securities have been written down during the year. The amount of new business received by the Clergy Mutual by way of reassurances from the London Life is £349,000, and considerably exceeds that obtained in recent years. Other favourable items are a large increase in the rate of interest earned—namely, from £4 15*s.* 4*d.* to £5 4*s.* 9*d.* per cent., before deduction of income tax; and a very good year for claims, the total claims by death amounting to only £261,018, or 64.7% of the expected amount by the OM(5) Table of Mortality. The expenses of management, calculated on the basis set out in the agreement between the two offices, amount to only £13,885, which is approximately equivalent to 5% of the premiums and 1% of the considerations for annuities.

Bonus Reserve Valuation.

The directors have taken the members very fully into their confidence by giving in detail the results of a valuation under what is known as a bonus reserve valuation. I hope that you will find the report is clearly expressed on this matter. There is one point I should like to mention in favour of a bonus reserve valuation, and that is its elasticity. Suppose, for instance, there was a fall in the values of securities during the year of even as much as 7%, and the book values were written down to correspond; the net rate of interest would then show an increase of 5*s.*, always provided that the rate of income tax remains the same, and a rate of interest of £4 per cent. instead of £3 15*s.* could then be used in the valuation. The liability would thus be reduced roughly to correspond with the reduction in the book value of the assets, leaving the surplus materially the same as if there had been no depreciation. I want to put the exact position before the members, but at the same time to reiterate the words of caution in the report—namely, "It must not be assumed that a distribution of bonus will be declared at the end of 1920 at the rates mentioned; the figures are only given to show the position at the present time."

The report and accounts were adopted *nem. con.*

The President: Before we separate I should like to bring forward the question of the rate of interest charged for loans on policies. There are two different categories, new loans and existing loans, at low rates of interest. The maximum rate of interest, if paid within the days of grace, is at present 5%, and the difficulty felt by the directors is that to make loans to some policyholders at 5% when Bank rate is, say, 7%, is to give those members a very great advantage at the expense of other members and possibly to the serious detriment of both offices. The directors would be glad to have the views of any members of either company in this matter.

Mr. Symonds: I submit to the board that any advances in the rate of interest charged for loans on policies should apply only to new loans, because the old loans have been invested at rates of interest corresponding to those paid to the office for loans at the time.

The President: I need hardly say that the directors will bear in mind the view you have expressed when the matter comes up for further consideration

The proceedings then terminated.

YORKSHIRE INSURANCE COMPANY, LTD.

The annual general meeting of the shareholders of the Yorkshire Insurance Company, Limited, was held on May 11 at the head office, York, under the presidency of Mr. Edwin Gray, Chairman of the Company.

The Chairman, in moving the adoption of the report and accounts, said: In the life department a great increase in new business has been secured during the year. The amount is far ahead of anything the Company has ever done in the past. I will deal with the quinquennial valuation later, meantime, however, noting that the life and annuity funds have increased to £3,141,000, whilst the sinking fund account balance is £100,000. In the fire department, the premium income has increased by over £40,000, whilst the loss ratio of 45% is fully 5% less than in 1918. In the personal accident department there is an increase in premium income, and the balance carried forward is increased from £19,600 to £22,900. There is also a continued increase in the income in the workmen's compensation and employers' liability department, the premiums being £167,000, as compared with £131,000. The experience of the year has again been good, and, besides a contribution of £25,000 to the profit and loss account, the amount carried forward is £210,000, as compared with £177,000 in the previous year. In the general account, again, a very large increase in premium income is to be reported, over £180,000. In the marine department a large reduction in income is to be reported, our premiums amounting to £865,000, as compared with £1,200,000. The claim ratio is about the same as last year, whilst the amount carried to profit and loss account, £380,000, is £130,000 more than in 1918. The balance of the account carried forward is slightly over £1,000,000.

The profit and loss account includes the amounts contributed from departmental accounts, in addition to interest, and shows £575,000 to be dealt with. After payment in May of the entire dividend for 1918 instead of only half of it, as heretofore, and of the interim dividend of £32,000 on account of 1919, in October, with £7,000 expenses, and a further provision of £300,000 for income tax on profits and excess profits duty, we are able to put £170,000 into the general reserve fund and to carry forward to next year £101,000. The general reserve fund stands at £502,000, after the transfer of the £250,000 to the fire account which I have already alluded to, and £100,000 to the superannuation and guarantee fund.

From the Actuary's valuation report we find that the life department has stood the strain of the War well and that we are able to make a distribution of profits to the policyholders equalling what we have done for a period of about 60 years past, and carrying forward to next valuation a sum of £57,000, almost equal to what we carried forward at the end of 1914. After full consideration of the position of the Company as revealed by the valuation, the directors are glad to find that they can recommend an increase of dividend from 5*s.* per partly-paid and 10*s.* per fully-paid shares to 7*s.* and 14*s.* respectively, in each case still free of income tax.

The motion was carried unanimously.

London and Brazilian Bank, Limited.

ESTABLISHED 1862.

Subscribed Capital - £3,000,000
Paid-up Capital - - £1,500,000
Reserve Fund - - £1,500,000

Manchester Agency:
WILLIAMS DEACON'S BANK, LTD.,
Foreign Exchange, Shipping and Agency Dept.,
YORK STREET, MANCHESTER.

Belfast Agency:
NORTHERN BANKING CO., LTD.

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NORWICH UNION LIFE INSURANCE SOCIETY.

THE one hundred and twelfth annual general meeting of the Norwich Union Life Insurance Society was held at Norwich on May 11. The President (Mr. Haynes S. Robinson) in the course of his remarks regarding the report and accounts for 1919 said :—

Record Year for New Business.

From the report and accounts now before you you will have no difficulty in concluding that the year 1919 has been a very notable one. In the matter of new business our figures constitute a record far in excess of anything hitherto attained by the Society throughout the 112 years of its existence, and also far beyond the similar record of any other home office confining its operations, as we do, to what is known as "ordinary," by way of contrast with "industrial," life insurance business. Our total new insurances for the year, you will see, exceeded £8,000,000, and, even after deduction of reinsurances, the figures worked out at £7,892,000, an increase of no less than £3,630,000—fully 85%—over our total for 1918. Our previous maximum was £5,357,000 for the pre-War year 1913, an amount exceeded to the extent of two and a-half millions by what we have now to record for 1919. Our purely home business for 1919, after deduction of reinsurances, was only £37,000 short of five millions—an increase of no less than £2,323,000 over the corresponding figure for 1918, which in its turn was only some £220,000 short of our previous home record of £2,857,000 for the year 1914. Knowing that I should have the satisfaction of reporting this very large increase in our new business record, and being conscious of the inevitable advance of cost all round during the year under review, I was a little anxious until I saw the total of our outgoings in the direction of expense of management and commission for the year.

Expense Ratio to New and Renewal Premiums.

Economy of management, consistent with full efficiency, as you know is a feature to which as directors of a purely mutual life insurance Society we attach even more weight than we do to any new business record, seeing that the latter might well be achieved at a price prejudicial rather than helpful to the best interests of our policyholders. It would be idle in these days, when the phrase "double cost" is in every mouth, to affect to suggest the possibility of any efficiently managed life office escaping what every other undertaking and every individual is called on to face as cheerfully as possible. For that reason, and even more emphatically because of our phenomenal new business expansion, what is known as our level expense ratio—that is, the ratio between our total expenditure and our total premium income regardless of the composition of the latter—has inevitably moved forward. As I have, however, more than once in this room made clear to you that crude test of relative economy or extravagance is misleading as applied to the business of life insurance, it involves the fallacy of an assumption that it costs the office relatively just as much to collect renewal premiums mechanically from year to year as it does to place new business on its books. Unless there is some disturbing element it may be taken that a "10% new to 1% renewal premium" formula of cost analysis is, in the average case, the sound and reasonable test of relative economy. Applying that test to our figures, we have the following very consistent ratios for the last three years, during which there has been such divergence from year to year in the matter of new business activity :—

1917—Analysed expense of management 69.1% of new premiums, followed by 6.9% of renewals.
1918—68.9%, followed by 6.9%.
1919—66.7%, followed by 6.7%.

Our results are relatively very moderate indeed, and it is some satisfaction to find that, in spite of advancing costs all round, our analysed ratio for 1919 was actually lower than those of its predecessors.

Another favourable feature of our accounts is that our total funds have increased during the year by just on a million—£982,000 to be strictly accurate. Looking to the crushing scale of income tax, which seems to have come to stay, it is highly satisfactory that we are thus in a position to profit as fully and speedily as possible by the favourable terms now available in connection with the investment of fresh capital.

Our interest-earning rate, after deduction of tax, was the satisfactory one of £4 7*s*. 10*d*. per cent.—1*s*. 10*d*. per cent. more than in 1918; but even in that connection I wish to speak with the fullest of caution in these days of continuous shrinkage of capital values. Eighteen months have passed since the signing of the Armistice, but even now the trend of events is serving most emphatically to confirm our feeling of satisfaction as a board that we adopted the line of caution we did on the occasion of our last valuation in 1916. We could then, as you know, readily have spoken of "bonus as before," in spite of the ravages of war, past and prospective, by the simple expedient of departing from our exceptionally strong 2½% reserve basis, but had we done so we could not have faced you with the same confidence as to the stability and the ultimate future of the fabric whose maintenance you have entrusted to our keeping. This element of capital shrinkage is the one unfavourable item of our trading for 1919, and it is an item, of course, common to all investors, corporate and individual, and out of their power to control, though none the less important by reason of that fact.

Our mortality experience was, you will note, well within expectation, though by no means down yet to our old highly satisfactory standard. During the War we had still to reckon with a fair number of war claims, and influenza was in the earlier months also fully in evidence. As you know, the epidemic passed round the globe; we did not by any means escape it in South Africa, in New Zealand, or indeed in any area in which we do business, and so it happened that in the early days of the year we had many intimations of claims from overseas. We have not made an exhaustive analysis, but I think you may take it that the war and the epidemic accounted for just about £100,000 of our total of £667,000.

BRAZILIAN WARRANT COMPANY, LIMITED.

The Brazilian Exchange.

THE annual general meeting of this Company was held on May 11 at Winchester House, Old Broad Street, E.C.

The Secretary (Mr. A. Macdonald) read the notice convening the meeting and the auditors' report.

Lieut.-Col. Charles E. Johnston, D.S.O., M.C., Chairman of the Company, who presided, explained that, owing to the new issue of shares, the capital as it appeared in the balance sheet was rather complicated, but as all the calls on the new shares had since been paid, the capital would appear in a simpler form in the next balance sheet.

The reserve fund now stood at £250,000, the board having allocated to that account £50,000 out of last year's profits. The directors recommended the payment of final dividends of 3½% on the Preference shares (making 7% for the year), and 5% on the Ordinary shares (making 7½% for the year), which would absorb £46,238, leaving £75,921 to be carried forward to next year.

Proceeding, the Chairman said : To those whose interests have been bound up with Brazil for many years, it is a matter of satisfaction that the conclusion of the War should have left Brazil in a position to profit handsomely by the sale of her products at the high prices which have prevailed. Brazil had a trade balance in her favour last year of over 50 millions sterling, with the effect that without the countervailing imports to attract money back to the banks in the big trading centres there, there was at one time a great scarcity of currency, which helped to force up the rate of exchange owing to the pressure to sell export bills. A further factor was the influence of the declining New York-London rate, which affected Brazil more than usual this season owing to the larger relative proportion of the coffee crop bought by the United States. This season so far, Rio and Santos shipments of coffee to the United States of America have been 57% of the total, as against an average for the two years before the War of 39%. At the end of 1918 our accounts were closed at 13½*d*., while in 1919 they were closed at 17$\frac{3}{32}$*d*. Since the turn of the year, after a rise to 18$\frac{5}{8}$*d*., with a better New York-London rate and increasing imports into Brazil, the rate has eased to as low as 16$\frac{3}{16}$*d*. and is now 16$\frac{3}{4}$*d*. The rate of exchange, not only in Brazil, but in all foreign countries, has been subject to abnormal factors, and the great and sudden fluctuations have been a constant source of anxiety in business. As an illustration of the curious effect of the different exchange movements, I may tell you that in the last three months, from early in February last, while the milreis and sterling prices of coffee have declined appreciably, the franc and dollar prices have actually gone up.

We have had this season an abnormally small Santos crop of coffee, owing to the effect of the frost in 1918. The consequent rise in prices has given the Sao Paulo Government the opportunity, which they have wisely taken, of releasing the large stocks which they accumulated in the previous year in order to relieve the market, and we are now able to face the more normal crops which we expect with a sound position. There were some who expected that, with the cessation of the War, the demand for coffee from Europe would at once revert to its pre-war scale; this expectation was not fulfilled. The demand for coffee on the Continent of Europe has of necessity been far below the pre-war level, owing to the reduced purchasing power of its peoples, and the United States of America has been the principal market for coffee. It has, indeed, been in some ways providential that only a small crop had to be marketed this season. The high prices resulting from world shortages of general produce have enabled us to develop exports from Brazil of cotton, cotton seed, castor seed, rice, beans, peanuts, &c. It remains, however, to be seen if it will be worth the while of Brazil to export these commodities to any extent should there be a return to anything like the pre-war level of prices.

Integration of the Business.

Our subsidiary companies have fulfilled their usual *rôle* during the past year. The secret of the business is the co-operation of these different companies, each fulfilling their particular function as links in the chain of business. Mr. Greene told you last year of the way in which the business of E. Johnston and Co. acts as a valuable feeder through

their activities as exporters. Of the two Registradora companies, which are clearing houses for terme business, that in Rio has done a good business. There is little change to report in the position of the Registradora Company at Santos, and we are not able at present to say what the outcome of the position there will be. With regard to the most recently established branch of this Company—namely, in Rio—the business is developing very satisfactorily on the lines which we have found by experience to be the most suitable. We have there our own branch, a branch of E. Johnston and Co., a clearing house and a warehouse company. As I said at the special meeting last December, our Warehouse Company in Rio, who have hitherto rented stores, have bought a fine site contiguous to the quays and railway, on which they will build up-to-date stores suitable for our business. This means a large outlay, but it is one which was necessary for the consolidation of our growing business in Rio. The capital of the Warehouse Company has had to be increased to meet this expenditure, and this will swell the investment figure in the balance sheet next year.

In the State of Sao Paulo we found it advisable to form a small company to take over from an old and valued client a coffee estate on which we had made advances. We feel no anxiety about this investment, which will, we think, prove a useful adjunct to our business in more ways than one. The estate is well situated as regards railway facilities and is easy of access. The company which we founded in New York has now become firmly established, and we have had to subscribe fresh capital for it. This and the above-mentioned Plantation Company will be included in the investment account in next year's report. The Cartage Company in which we are interested were enabled during this last crop to secure an increase in their tariff, and we hope that this will be reflected in their results next season.

For some time we have had a small import department in Sao Paulo which we have been unwilling to develop to any great extent owing to the calls on our finances from the other sections of our business. With the increased capital now at our disposal, we have taken advantage of an opportunity which offered to develop this class of business, and we have established an import department in Rio as well as in Sao Paulo. This new organisation is now beginning to operate, and we hope that it will prove a profitable department of our business. There is a large field for British exports in Brazil, and we feel that now is the time for us to enter that field if we are to do so at all.

After referring to the visit paid by the Managing Director, Mr. Edward Greene, to New York and Brazil branches, which, he said, had been productive of great benefit to the business, the Chairman concluded by moving the adoption of the report and accounts.

Mr. Reginald E. Johnston seconded the motion, which was carried unanimously.

The retiring directors (Mr. Joseph Danon and Lieut.-Col. Charles Evelyn Johnston) and the auditors (Messrs. Ball, Baker, Cornish and Co.) were re-elected.

A vote of thanks was passed to the staff, on the motion of the Chairman, seconded by Mr. Greene, and after a similar compliment had been paid to the Chairman, proposed by Col. Westropp, and seconded by Mr. C. C. Baker, the proceedings terminated.

JOSEPH TRAVERS AND SONS, LIMITED.

Extraordinary General Meeting—Increase of Capital Confirmed.

AN extraordinary general meeting of Joseph Travers and Sons, Limited, was held on May 10 at the Cannon Street Hotel, E.C. Sir Edward Bowron (Chairman of the Company) presided.

The Secretary having read the notice convening the meeting,

The Chairman said: At our meeting on April 26 the extraordinary resolution just read by the Secretary was passed by the requisite majority, authorising the increase in the capital of the Company to £525,000. Before I ask you to confirm this extraordinary resolution there is one point I wish to mention. At the annual meeting I stated that we wished to obtain a substantial premium on our new Ordinary shares, but that it was not possible to fix the amount of this premium until a few days before making the issue, as this must depend upon the conditions then prevailing. We have come to the conclusion that the change which has taken place in the financial situation has rendered the present a very unpropitious moment for making the issue on such terms as we consider to be justified by our figures and prospects, and at the same time fair to our existing Ordinary shareholders. If you confirm the resolution—as I am about to ask you to do—we shall hold the powers of issue in reserve until such time as we deem it expedient to use them. In the meanwhile, thanks to the Company's good name and credit, we have made satisfactory arrangements by which the continued development of the Company's business will not be impeded by the postponement in carrying out our earlier intentions.

I now beg to move as a special resolution: "That the capital of the Company be increased from £325,000.



SMOKING-PLEASURE most surely depends on quality, not quantity. Be intelligently gourmet, not grossly gourmand.
Economise, if you will, on quantity, but not on quality.

Recognise that quality is not an easy accident, but a product of fine skill working on exquisite material. Give yourself the satisfaction of a careful test-by-taste of a superb achievement of the blender's art.

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divided into 12,500 Preference shares of £10 each and 200,000 Ordinary shares of £1 each, to £525,000 by the creation of, an additional 200,000 Ordinary shares of £1 each ranking *pari passu* in all respects with the existing Ordinary shares of the Company now issued, and that the directors be and they are hereby authorised to issue the said shares to such persons, at such time or times and on such terms and conditions as they may think desirable, without regard to the provisions of Article 45 of the Articles of Association."

The resolution was carried unanimously.

BRADLEYS (CHEPSTOW PLACE), LIMITED.

A Satisfactory Position.

THE eighth annual general meeting of Bradleys (Chepstow Place), Limited, was held on May 11 at the Institute of Chartered Accountants, Moorgate Place, London, E.C., Mr. B J. Redman (the Chairman) presiding.

The Secretary (Mr. A. E. Vince) having read the notice convening the meeting,

The Chairman said: Ladies and Gentlemen,—As you have all got a copy of the report we will, with your permission, take it as read. The results of last year's trading are indicative of the ever-increasing business of the Company, and the balance carried to the profit and loss account is £118,281 11*s.* 10*d.* The total profit, including income from investments, for the period under review is £121,319 0*s.* 9*d.* (as against £101,006 last year), to which falls to be added the balance carried from last year's accounts, £59,180 9*s.* 3*d.*, making a total of £180,499 10*s.* The investments of the Company are represented by gilt-edged securities valued at £116,708 8*s.* 9*d.*, and taken in the balance sheet at £111,132 1*s.* 3*d.* The income from these investments is £5,862 0*s.* 10*d.* per annum. After providing for income tax, depreciation, and Preference dividend, there is available the sum of £140,999 10*s.* Your directors propose to declare a dividend of 20% upon the Ordinary shares, which will absorb the sum of £60,000, and to carry forward the balance of £80,999 10*s.* to next year's account. The amount carried forward is £21,819 0*s.* 9*d.* in excess of the amount carried forward in the previous year. It is more than enough to pay the Preference dividend and a similar dividend of 20% to the Ordinary shareholders again next year, even assuming that no profits were to be earned during the next 12 months. The freehold and leasehold premises are taken at the former figure of £168,069 14*s.* 10*d.* We have not sought to learn their worth at present-day values. In order to cope with the increasing trade it was found necessary during the last year to extend our buildings on rather a large scale. On completion we shall be in a position to do a much larger business. The shareholders are to be congratulated on the results of the past year's trading, which are in every way satisfactory to us all. The position of the Company is in every way excellent, and the prospects of a continuation of this satisfactory state of affairs are bright. I now beg to move the adoption of the report and accounts.

Mr. T. Paton seconded the motion, which was carried unanimously.

The retiring directors (Messrs. B. J. Redman, H. Simpson, J. E. Sharman, and T. Paton) were re-elected, and the auditors (Messrs. Cates, Brown and Harding) were re-appointed.

At a subsequent extraordinary general meeting a resolution making certain formal alterations in the Articles of Association was carried unanimously.

JOHN WOOD AND BROTHERS (1920).

THE statutory meeting of John Wood and Brothers (1920), Ltd., was held on May 10 at Howard Town Mills, Glossop, Mr. William Martin Wiggins, J.P., presiding.

The Secretary (Mr. William Walton) having read the notice convening the meeeting,

The Chairman said: Ladies and Gentlemen,—You have heard the notice read convening the meeting, and you have received a copy of the report required by law. It is open for any shareholder present, if he desires, to ask any questions on this report; otherwise it will be taken as read. You will notice that at the date of the report the amount received on the Ordinary shares was £461,281 5*s.*, but I am glad to say that the outstanding calls have now been collected, and thus the total amount of capital, both in respect of Preference and Ordinary shares, of £800,000 has been paid up in full.

Mr. Cheetham: Can you give me in detail the items of expenditure?

The Chairman: Yes, sir. Underwriting commission is £31,250; flotation expenses of the Company amount to £20,000, and the difference of £3,532 was paid to sundry brokers, being 3*d.* per share on applications for shares. As you are aware, this Company took over the old-established business of John Wood and Brothers, Ltd., from the end of September last, and, although the prospectus was not issued until January, this Company had the benefit of the results accruing from the earlier date. We are very glad to say that the results for a period of six months to our stocktaking at the end of March have been eminently satisfactory.

Interim Dividend.

You will have noticed that the prospectus forecast of profits for the whole of the first year's working was £145,000, and although the period covered to the end of March was only six months, the profits have been considerably over £100,000.

We received our trading certificate on February 11, and therefore the profits available for distribution accrue from that date. In view of such a satisfactory state of affairs, and, after making full provision for Preference dividend, excess profits duty, depreciation, &c., your directors have declared an interim dividend for the broken period to March 27 at the rate of 15% per annum, less tax, on the Ordinary shares. The next stock-taking will be our half-yearly one, and we shall make up the period to a convenient time. I may say that your directors are perfectly satisfied with the working of the concern, and with the results obtained so far. I do not mind saying, for the information of the shareholders, that we could have paid considerably more than 15%, but, seeing that this is only an interim distribution, we thought it wise to adopt a conservative policy.

The Company's Prospects.

I do not think that the shareholders of John Wood and Brothers, or of any other of the large cotton companies in Lancashire, need concern themselves as to the continued prosperity of the textile trade for the next few years. So far as this Company is concerned, we are in an exceptionally strong position both from a capital and from an earning point of view. Of course, one thing which will benefit this Company is the fact that the machinery in the commercial mill, which, as stated in the prospectus, was damaged by fire in 1916, has been got to work, and will be of great benefit to us in the profits which will necessarily accrue therefrom. We have had difficulty in getting some of the machinery. The moulders' strike, the railway strike, and other industrial disputes are all brought in as an explanation of the continued delay which we had to face in this respect.

The result of the installation of the new machinery is reflected in the fact that we have to buy less yarn from outside sources; we make it ourselves, and the profits accrue to the shareholders of John Wood and Brothers instead of going somewhere else.

We are very pleased with regard to our production and the sound position we are in owing to the many invaluable orders now on our books, which practically assure the next six months' working being at least as satisfactory as the past.

The proceedings then concluded with a vote of thanks to the Chairman.

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NUNDYDROOG, LIMITED.

THE twenty-seventh ordinary general meeting of the Nundydroog Company, Limited, was held on May 12 at the Cannon Street Hotel, E.C., Mr. Vere Herbert Smith presiding.

The Chairman, in moving the adoption of the report and accounts, said: Gentlemen,—During this period 103,529 tons of quartz were treated, the total production having been 86,230 oz. of bar gold, equal to 77,166 oz. of fine gold, which realised £327,043. The mining, milling, and general costs —which included 9*s.* 7*d.* per ton for underground development work—averaged £1 16*s.* 1*d.* per ton of quartz crushed, as against £1 13*s.* for the preceding year. The expenditure amounted to £209,097, and the receipts, after allowing for royalties, totalled £309,235, leaving a profit of £100,138, as compared with £123,424 in 1918. The credits of profit and loss account—including £7,189 brought forward from the 1918 account—totalled £107,555, and the debits £72,545, leaving a credit balance of £35,010. Out of this a balance dividend of 1*s.* per share has been paid, which absorbed £28,300, and left £6,710 to be carried forward to the current year's account. The total dividend for the year amounted to 1*s.* 6*d.* per share, less income tax, as against 2*s.* 3*d.* for the preceding year.

I would now like to refer for a moment to the balance sheet. On the credit side you will notice that "buildings, machinery, plant, and furniture account" stands at a figure of £56,312, whereas the actual value, as shown in the inventory received from the superintendent, gives a sterling valuation of over £260,000. The reason why such a moderate amount appears in the balance sheet is that substantial amounts have been written off this account from time to time out of profits and premium on shares account. The only transaction of importance during the year was the acquisition by the trust of 3,333 shares in the Indian Mines Development Syndicate, Limited, which was formed with an authorised capital of £20,000 in £1 shares. The object of this syndicate is to take up mining properties in Burmah. I would say that your directors are of opinion that the prospects of the Nundydroog mine are particularly bright, and they look to the future with confidence.

The motion was carried unanimously.

BRYANT AND MAY, LIMITED.

THE thirty-sixth annual general meeting of Bryant and May, Limited, was held on May 12 at the Fairfield Works, Bow, Mr. Wm. Alexr. Smith (the Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said it was a matter of great gratification to him that the favourable anticipations he made regarding the business for the past year had been fulfilled in the most complete and ample manner. In pursuance of their policy of consolidation, some 5,000 or 6,000 acres of excellent timber-growing land in Scotland had been acquired for afforestation purposes at an exceedingly moderate price.

It was proposed to increase the reserve fund by £20,000. The net profit for the year was £201,641, as compared with £124,555 for the previous year. The "quick" assets—cash, debtors, stocks, and investments—showed the magnificent total of £1,482,558, against a total of £1,460,009 paid-up capital and Debentures. The "fixed" assets—premises, plant, &c.—stood at £810,210, a figure a good deal below what it would take to replace them at the present time. The considerable sum of £24,000 had been allocated to their employés under the Brymay co-partnership arrrangement, and the amount carried forward had been increased from £19,599 to £22,041.

Mr. G. W. Paton (managing director), in seconding the motion, said that a year ago he stated that the Government control of the Company's industry had just been removed, that the prospects of the business were very bright. Since the control was removed prices had been reduced to the wholesalers and retailers. The Company had done wisely in making provision for their employés by means of their non-contributory life insurance fund, by which, on the death of a worker, the dependent received £10 for each year of service up to 20 years, and also by the introduction of the profit-sharing and co-partnership scheme, which had resulted in a sum of no less than £24,000 being allocated for division among the workers in this business. It was one of the essential and distinctive features of their scheme that freedom was given to the worker either to take all the bonus in cash or to invest in the partnership shares. It seemed likely that the Brymay benefit fund would commence its career with a substantial amount at its credit. Out of this fund he was hopeful a superannuation fund would be started, to which it might be that in prosperous years the shareholders would, out of their generosity, add something substantial. By investing their bonuses year by year and receiving a grant from the superannuation fund, the workers might on retirement, after, say, 20 or 30 years' service, find themselves with a provision for their old age of which they had never dreamt.

The motion was carried unanimously.

SELANGOR RUBBER COMPANY, LIMITED.

Coming of Age of the Company.

THE twenty-first annual general meeting of the shareholders of the Selangor Rubber Company, Limited, was held on May 12, at the registered office, 124 St. Vincent Street, Glasgow, Sir F. A. Swetteriham, G.C.M.G., C.H., presiding.

History of the Company.

The Chairman, in presenting the directors' report for the year ended December 31, 1919, said: The Selangor Rubber Company was formed in 1899 to take over from the vendors 3,927 acres of land in the Malay Peninsula, approximately 200 acres of which had been planted in rubber during the previous year 1898. Subsequently, at different periods, about 1,200 acres of fresh land and native holdings were purchased, while, on the other hand, in 1904 this Company sold to the Sungei Way (Selangor) Rubber Company 2,392 acres, of which 180 acres had been planted in rubber, together with buildings, etc., thereon, for £10,380 in fully paid shares and cash. The Company also in 1903 gave the F.M.S. Government an area of 200 acres, part of which was afterwards returned to the Company by Government, in order that the latter might start an Experimental Garden, and this Garden is still in existence on land presented to Government by the Company. The net result of these transactions is that the Company is now left with 2,631½ acres, of which all that was available for rubber, namely 2,511½ acres has now been planted. The vendors to the Company were the late Messrs. C. R. Paterson and W. W. Bailey, and the total purchase price for all assets acquired was £6,000 in fully paid shares. Mr. Paterson undertook to raise the necessary working capital, viz., £10,000, and as this was the first plantation rubber company to be formed in this country, he found it very hard work indeed. Mr. Bailey, on his part, undertook the local management of the property, which he very ably supervised for a considerable number of years, and the early development and upkeep of the property was carried out at a very moderate rate, compared with what the same work would cost to-day. The original capital of the Company was nominally £20,000, of which £16,000 was issued, £10,000 for working capital and £6,000 in fully-paid shares to the vendors. In 1901 the nominal capital was increased from £20,000 to £26,000, and 10,000 new shares were issued, all being applied for by the old shareholders of the Company. The 10,000 new shares were issued with 1*s.* paid, and nothing further was called up on them until 1903. In 1903 powers were taken by the board to increase the capital to £30,000; 300 of these shares were taken by the vendors, at a valuation of 50*s.* per share, in part payment for certain land then acquired, and the balance of 3,700 shares were issued towards the end of 1905 to shareholders at a premium of £5 per share, making the total premium account to stand, when these shares were fully paid, at £18,950. The capital of the Company then stood at £30,000, of which 6,300 shares had been issued for land purchase, and the balance £23,700 issued to provide cash for development purposes. The capital of the Company stood at this figure, £30,000, until 1918, when the premium account, amounting to £18,950, was transferred to reserve account, and the latter brought up to £90,000 in all, that is to say, the £90,000 at credit of reserve account was made up of £18,950 premia and £71,050 taken during different years from profits and put to reserve account, in order to provide funds for the development of the property. It is interesting to note how the Company, with its very limited cash resources, was able to develop and fully equip the property on so large a scale. The total sum spent on purchase of land, maintenance, and development of estate, and the erection of necessary bungalows, factory buildings, &c., with the installation of the proper machinery, up to the end of 1919, amounted to £131,468 19*s.* 5*d.* In addition to the cash capital provided by the issue of shares, this has been met by premium account, reserve account, sundry sales, and liberal amounts set aside for depreciation each year. Since the formation of the Company the directors have written off depreciation on buildings, plant, and machinery, the sum of £17,300, and these assets are consequently valued in the balance sheet at December 31, 1919, at only £7,667 9*s.* 4*d.* In addition, the sum of £9,344 0*s.* 9*d.* has been received by the Company for sales of land and sundry receipts, such as £1,014 received in 1902 as proceeds of the coffee catch crop, and in 1906, £2,476 from the sale of rubber seeds. The total receipts from these sources amounted to £26,644 0*s.* 9*d.*, which, deducted from the total expenditure given above, leaves a net capital expenditure of £104,677 16*s.* 2*d.*, the figure which appears in the balance sheet representing capital assets as at December 31 last.

The estate first came into bearing in 1905, Mr. Bailey then being a believer in tapping no trees under seven years of age, and a total crop for that year of 29,750 lb. was obtained. The first rubber sold was a small consignment of 342 lb., and realised through a firm of Glasgow brokers 6*s.* 1½*d.* per lb. Since 1905 up to the end of last year the Company has produced a grand total of 7,169,686 lb. of dry rubber, which has been sold for the sum of £1,139,669. For the first five years the directors received no remuneration whatever, and for six years the shareholders received no dividend, but early in 1905 the board distributed the sum of £5,260,

being profit on the sale of assets to Sungei Way (Selangor) Rubber Company, and it took the form of a distribution in fully-paid shares of the Sungei Way Company. The board consisted originally of four members, and it is no small satisfaction to all of us that Mr. T. A. Gallie, one of the original directors, is still on the board.

The first cash dividend paid by the Company was at the rate of 20% for the year 1905, and it has been a constant and high dividend payer ever since. The maximum dividend for any one year was on account of the year 1910. In all the Company has disbursed in dividends a gross amount of £722,721 13*s.* 4*d.* during the twenty-one years the Company has been in existence. The Company has paid a total of £90,491 to the Home Government on account of income tax, and has also paid to the F.M.S. Government the large sum of £27,929 16*s.* 3*d.*, being duty on rubber shipped.

The Pioneer of Rubber Companies.

This being the pioneer of all rubber companies, it had many difficulties to contend with, as to the best methods of planting and, later on, of tapping, manufacture of rubber, &c., and other companies must have benefited largely from our experience. As an example of what was done at first, some of the earliest clearings planted on the Company's estate were planted with over 400 trees to the acre, now thinned down to under 100 trees to the acre, and in tapping the work was at first to a large extent experimental. It is satisfactory, however, to be able to say that at the end of 21 years' working the estate, under the present very capable management of Mr. Bennett, is in fully as good condition in all respects as it ever was, and that some of the trees planted so far back as 1898 still yield fairly. When the Company was formed the number of shareholders was 25; the number of shareholders is now over 2,400.

The Charge of Profiteering Dealt With.

These particulars of the history of the first British Company formed to cultivate Para rubber on a commercial scale are interesting in themselves as a record of the origin of a new enterprise in which the people of this country have since invested something like 100 millions sterling, to the great benefit of themselves, their country, and humanity generally. The facts as regards this Company—which is typical of the whole rubber-planting industry—have another value in view of recent suggestions that the best and most economically organised companies engaged in this industry are War profiteers. Any statement more opposed to the truth it would be impossible to imagine. Rubber is, perhaps, the only raw material necessary for successful war operations, the price of which was adversely affected by the War. It is also the only raw material the production of which was restricted by the producers, because the War made that course a practical necessity. This great industry, created by British planting and commercial enterprise, in which such a vast capital and so many of our countrymen are engaged, is carried on thousands of miles from Great Britain, on soil which is not in the main British, and the manual labour is all from Eastern races, and only in part British-born. So far as the industry was affected by the War, it was all to the disadvantage of the industry. It is a pity that complete ignorance or disregard of the facts, or mere prejudice, should have charged rubber growers with profiteering. Not only is the charge quite baseless, but neither those who have made it, nor those whose business it was to correct such statements, and who had the opportunity to do so, appear to appreciate the magnitude of the debt which is owed to those who gave their brains and money and service in building up a great new industry which was of enormous advantage to the Allies during the War, not only because of the value of rubber in its thousand uses for the prosecution of operations, but also as a product with which we were enabled to pay part of our indebtedness to the United States of America. When it is remembered how many wise people decried the idea of making the production of plantation rubber a profitable and permanent industry, and how investors were warned that it was a wild speculation, in which they would surely lose their money, it is certainly curious that those who persisted in their madness and who, like the shareholders in this Company, have been both prudent and enterprising, should now be charged with "profiteering" because they had foresight and courage, and were the pioneers in a great enterprise which, now that it has succeeded, is claimed, and rightly claimed, as a national asset. Had your directors lost or wasted the comparatively small capital originally entrusted to them, had they failed in energy and intelligence, had they been upset by the many difficulties which dog the steps of pioneers, you might have been disappointed and the rubber-growing industry might have been discouraged, but no one else would have been the least concerned. Because things have turned out differently, because from this tiny experiment of a few confident and courageous and able men has grown up an enormous scientific production of a most valuable substance, are we to be ashamed of the fact that we have discharged our stewardship to your advantage and indirectly to that of other companies and the nation? There are people who see in the success of others something criminal; the greater the success, the greater the crime. If they cannot plead that your gain has been their personal loss, they are ready to maintain that somehow you have defrauded the State; and, if proof is wanting, they fall back on the assertion that it is immoral for other people to make large profits, even if in the making nothing but benefit has come to all those directly or indirectly concerned. I do not think you have any cause to hide the fact that this enterprise, small as it was, has turned out a success, and we shall do what we can to keep it in the position it has held hitherto. From the excess profits duty, which has fallen very unequally and often very unfairly on rubber companies, the Exchequer has raised a very large sum and is minded to take more. Under the circumstances, I think those interested in the industry may fairly expect that when they are attacked as profiteers, someone on behalf of the Government should make himself sufficiently acquainted with the facts to protect them from that ludicrous charge. Failing that protection, and as representing the pioneers of rubber cultivation on a commercial scale, I take the coming of age of this Company as a fitting occasion to enter a protest on your behalf and on that of the industry. The facts are that for the five years before the War the average sale price of this Company's rubber was 4*s.* 10¾*d.* per lb., while for the next five years—those of the War—it was a good deal less than half that—namely, 2*s.* 2.65*d.* Those figures and the fact that the average sale price for last year's production was 2*s.* 1.05*d.* per lb. are the answer to the charge of profiteering, for though it was not made against this Company, the figures are typical for the whole industry. Moreover, the largest profit made by the Selangor Rubber Company in any year was in 1910, when on a total production of only 451,511 lb. of rubber, sold at an average of 6*s.* 8¾*d.* per lb., the profit was £119,206 12*s.* 9*d.* The smallest profit made by the Company during the last 10 years was in 1918, when a total harvest of 669,408 lb. at an average sale price of 1*s.* 8.4*d.* produced £32,768. The above facts are convincing, and are, of course, well known to those interested, but it is necessary to emphasise them now in view of the mischievous and baseless suggestion made recently in the House of Commons that the large profits made by some rubber-planting companies were the result of "profiteering."

The adoption of the report and accounts was moved by the Chairman, seconded by Mr. Thomas North Christie, and unanimously adopted.

Mr. Christie moved, and Mr. Gallie seconded, the re-election of Sir F. A. Swettenham, G.C.M.G., C.H., as a director of the Company. This was unanimously carried.

The auditors, Messrs. MacLean Brodie and Forgie, were reappointed auditors of the Company.

The meeting closed with the usual vote of thanks to the Chairman.

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BEYER, PEACOCK AND COMPANY, LIMITED.

THE adjourned general meetings of this Company originally convened on March 28, 1917, May 30, 1918, and March 12, 1919, and the annual general meeting for the year ended December 31 last, were held on May 13 at the Grosvenor Hotel, Buckingham Palace Road, S.W., Sir Vincent Caillard (the Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts for the four years ending December 31 last, said: The delay in publishing the balance sheet has been due to the long time taken up in arranging prices with the Government and with the suppliers of material, those of the latter being subject to the approval of the Ministry of Munitions, as also our own invoices. I would like to refer to one or two points on the balance sheet.

Balance Sheet.

If a valuation were taken of our land, buildings, plant, and machinery, even on a pre-war basis, there is no doubt that they would be worth a good deal more than the amounts at which they stand in our books. *A fortiori* they would stand at a very much higher value if a valuation were taken on a present-day basis. But we prefer a more conservative policy, and to maintain the figure of our property in the balance sheet at book values. You can then have the comfortable feeling on looking at your balance sheet that there is a considerable reserve over the figures that you see there. We have spent during the past four years over £61,000 on extensions, consisting chiefly of new machinery, paint shop, extension of the brass foundry, and part payment on account of our new boiler shop. Work in progress stands at a very large sum, exceeding by nearly £200,000 any previous year in the Company's existence. This increase is chiefly accounted for by the large amount of work passing through the shops in a partly-finished state and the large advance in wages and materials. We had a number of orders on our books taken prior to or in the early stages of the War, and which had to be held up until the Armistice. These orders were, of course, taken at prices very much lower than the prices ruling to-day—in fact, much below to-day's cost price. Material had been purchased and the work commenced on several of these orders before they were stopped, and therefore we were not in a position, even if we had wished, to cancel them. We approached a number of our customers, pointing out the increased costs in wages and materials which had arisen since their orders were placed with us, and asking them if they would consider meeting us in the advances which had been made under conditions entirely beyond our control. I am pleased to say that in nearly all cases we received replies stating that our claims would receive favourable consideration. The investment shown of £26,078 represents the purchase of our Debentures, together with interest accrued to date. We hold to-day £41,915 worth of the Company's Debenture stock. An interesting item of the balance sheet is our holding of 5% War Loan and 4% Funding Loan. As we had from time to time large sums of money at our disposal, the directors considered they could not do better in the general interest or have a sounder investment than in buying Government securities, and with this advantage, that when further cash was required these funds were easily realisable. At one period we held over £200,000 worth of securities, and, although we have lost in depreciation and realisation on these, I do not regret (and I think I am voicing your views) that we took up this class of investment.

On the other side of the balance sheet we have—general reserve account, which stands at £170,000, and, with the additional amount, which you will be shortly asked to approve, will reach the sum of £200,000. Your directors consider it advisable, bearing in mind the heavy wear and tear of machinery during the past four years and the constant running of the machines day and night, to increase the ordinary rates for depreciation and in each of the three years 1916, 1917, and 1918 they have written off out of profits an additional £20,000 over and above the ordinary rates. The depreciation account, you will note, now stands at £207,935.

Cause of Reduced Profits.

The directors' report partly explains the reason why the profits for the past year were not so good, but I would further like to explain that at the beginning of the year 1919 some months were occupied in transferring over to our locomotive work. An enormous quantity of war material had to be sorted and listed, and some time elapsed before we were able to obtain delivery instructions. Machines had to be rearranged and made adaptable for our normal business. From January of last year the works hours were reduced from 53 to 47 per week; no overtime was worked; the men refused to work piece-work, and time rates were paid until October, when the men agreed to a piece-work basis. At the beginning of September the foundrymen went on strike; this continued until the end of January this year. Great difficulty was experienced in obtaining supplies of materials. Many old contracts had to be completed, resulting in little or no profit. It will therefore be apparent to you that all these factors have had a marked effect on our output, and in consequence our turnover and profit were seriously diminished. Prior to the War our locomotive trade showed a steady and increasing volume of business. Our pre-war trade profits were as follows: 1910, £33,024; 1911, £35,352; 1912, £50,552; 1913, £87,833; 1914, £109,782; and there is no doubt that the year 1915 would have presented results quite equal to, if not better than, those of 1914 if war had not intervened. The comparatively small profit for 1915, namely, £54,177, was accounted for by the interruption of our normal work and the changing over to the manufacture of munitions of war. No single firm among those not already engaged before the War in the production of war material contributed more than we did towards the provision of necessary munitions of war, particularly in respect of heavy field artillery equipments

New Shops Extensions

We have had under careful consideration for some time an increase of our manufacturing facilities, in view of the changed conditions brought about by the War, and to meet new developments in the design and construction of the modern locomotive. The shortening of the hours of labour has been followed by a reduced output, and the increased cost of labour and materials has brought about a corresponding increase in the cost of production. The present time calls for an alteration in our methods of manufacture, and we are therefore compelled to extend our workshops so as to deal with greater volumes of work and larger types of locomotives, and to equip them with the most up-to-date labour-saving machinery, for every increase in cost of labour will have to be met by developing a higher technical efficiency. The most important feature of the scheme for extension will be the new boiler shop now in course of erection. When finished, this will be one of the largest and best-equipped plants in the country, and will enable us to turn out boilers of any size in large quantities. The whole of the extensions under contemplation would enable the output of locomotives to be increased, and would put us in a very favourable position as regards quick delivery and economical manufacture. It is also our intention to develop our machine-tool trade and other specialities, so that should the locomotive trade ever enter upon a period of depression, we could maintain the activity of the shops in other directions, for the record of our shops during the War has shown the adaptability of their organisation and equipment to other purposes than locomotive work. The new extensions will also permit of a certain amount of reorganisation and development of the older shops, bringing our schemes into one harmonious whole, the end and aim being a great improvement in our manufacturing facilities and the reduction of working costs to a minimum. The directors thus feel convinced that the economic advantages attainable warrant considerable further capital expenditure in order to secure them.

Present Condition of the Locomotive Trade.

The locomotive trade, in common with most other branches of engineering, is showing great activity, production, however, being adversely affected by the difficulty of obtaining adequate supplies of material. In particular there is a great shortage of steel plate, especially those of boiler quality. This is no doubt due to some extent to the increase in exports of steel plates, a matter which was recently the subject of a question in the House of Commons, and is further also due to some extent to the acquisition of certain large rolling mills by shipbuilding firms. The situation with regard to materials is, however, one which may be expected to adjust itself to the general advantage at no distant date, but for the time being it may be said that orders are limited merely by the means of executing them within a reasonable period of time.

Future Prospects.

Our programme of works' extension and capital increase is, of itself, the best evidence we can offer of our faith that the future holds an even greater measure of prosperity for us than we have achieved in the past. The opportunities will be greater, and the means thereto in proportion. For the whole period of the War the greater part of the world's useful energy had perforce to be diverted into unaccustomed channels, and the aftermath of the War is revealed in the vast programme of reconstruction necessary not only to recover what has been lost or delayed, but to provide new and increased facilities for trade, so that War burdens can be successfully borne. In no direction is the need greater than in increased transport facilities, and so far as the railways are involved in the programme I have alluded to there will be, in all probability, a shortage of locomotives for some years to come. It is true that, for reasons I have already described, the actual productive capacity of our works, as now existing, has decreased. It is, however, well to bear in mind that the actual cost of production, owing to the great rise in wages and in the cost of material, has so gone up that, without any increase in the rate of profit charged, the absolute profits of the Company must also necessarily increase. In view of the continual fluctuation in wages and in the cost of material, which makes it exceedingly difficult to arrive at fixed prices for our products, we would generally adopt the system of arriving at our prices by the actual cost of production plus a reasonable rate of profit. Seeing the great demand there is for our products, we do not think there should be any difficulty in getting this system pretty widely adopted, as it would be, we think, quite as satisfactory to our customers as to ourselves, since it would enable them to

be sure that we are not taking undue advantage of the position of the trade, while for ourselves it would ensure our doing business at a minimum of risk and on reasonable terms.

Just prior to the War locomotive makers in this country were beginning to feel the pinch of German competition, but this factor is no longer one to take into our present calculations. The conditions generally for some time will make against a too severe competition, and it is to this country that the lion's share of the new locomotive work should fall. We have no doubt that for a long time to come we shall be able to fill our works with satisfactory orders. We may therefore view with equanimity the fact that since I last reviewed our prospects some other firms in this country have taken up the manufacture of locomotives. All we need consider is that, as these firms start with the advantage of having been able to lay out their plant according to all the accumulated experience of the past, and with the latest and most up-to-date machinery, we must ourselves see that there must be no halt in the improvement of our own manufacturing facilities. The plans which have been laid before you at this meeting should secure this object, and place the Company on an even firmer basis than before.

Mr. Thomas Craven, D.L., seconded the motion, which was carried unanimously.

Issue of Bonus Shares.

An extraordinary general meeting was afterwards held for the purpose of altering the articles of association so as to give power for the capitalisation of any of the Company's undivided profits.

The Chairman, in the course of his speech, said: You will have seen a notice in the papers that it is proposed to capitalise £100,000 of the Company's reserve and issue this amount to the Ordinary shareholders as a bonus, free of income tax, and a resolution to this effect will be submitted to you at our next meeting. In order to effect this issue it is necessary for the resolution now before the meeting to be adopted. If passed it will be submitted for confirmation as a special resolution to a further extraordinary general meeting of the Company on Friday, May 28, 1920, at 12.30 P.M., due notice of which will be given you. We have decided for convenience sake, to submit the necessary resolution at this next extraordinary general meeting for the purpose of increasing our Ordinary capital by £800,000. Of this £800,000, £100,000 will be divided among the Ordinary shareholders, as I have just stated, by way of bonus, free of income tax, at the rate of one share for every two shares held. We consider this to be a perfectly fair and reasonable thing to do, as the reserve is really money in the business, and is, as a matter of fact, undivided profit, on which income tax has already been levied. It seems to us only right that the shareholders should without any further delay have the advantage of a part of this undivided profit distributed among them in the form of bonus shares. We do not propose to issue at once the whole of the balance of the capital which will be thus created, but only so much of it as is necessary to pay for the extension of the works which I mentioned in my speech at the ordinary general meeting just now. Thus increased capital, whether by bonus shares already paid for by money set aside from profits and invested in the business, or by a fresh issue of subscribed capital to pay for extensions, means increased output, and increased output necessarily means increased profit, on the basis I described just now, so that the greater capital should prove fully remunerative. The additions to the works will enable us to increase our locomotive output by something like 50%, and, as I previously pointed out, there is so great a demand for locomotives that we have no doubt that for some years to come the whole of our shops, old and new, will be full of work at remunerative prices. If and when the locomotive trade falls off, we have (as I pointed out just now) our machine tool trade and other specialities to fall back upon, and our shops are so equipped that we should be able to do a vast lot of miscellaneous and profitable work as an alternative to locomotive work proper. It will be for the directors to consider the appropriate moment for the fresh issue of capital and to make the best possible terms for that issue. In all probability our shareholders would like an opportunity of investing further money in the business, and when a new issue of shares is offered for subscription due consideration will certainly be given to allow shareholders an opportunity of at least some participation in that issue.

The resolution submitted was unanimously adopted.

KEPONG (MALAY) RUBBER ESTATES.

THE annual general meeting of the Kepong (Malay) Rubber Estates, Limited, was held on May 13 at the registered offices, 65 Bishopsgate, E.C., Sir Gordon Voules (the Chairman) presiding.

In moving the adoption of the report and accounts, the Chairman said: The credit balance, after writing off £1,000 for depreciation of buildings and machinery, amounted to £30,158. If they added the balance of £4,440 brought from the previous year, and abated £7,500, the interim dividend of 15 paid in November last, they had an available total of £27,099. Out of that the directors recommended a final dividend of 50 . That would absorb £25,000, and leave a balance of £2,099 to be carried forward for the service of the current year, subject to any claims for excess profits duty. Their issued capital now stood at £50,000, as against £25,000 in previous years, the shareholders having last year been given one bonus share for each share they then held. There was one other point which he would like to emphasise, and that was that if they agreed to the board's proposal for the increase of capital which would be submitted after the conclusion of the ordinary meeting, they would be able to charge all expenditure on the unproductive portion of the estate to capital, instead of encroaching on their profits, as had been done in recent years. During the year under review they had harvested 412,320 lb. of rubber, as against an estimate of 400,000 lb. Their visiting agent reported that the estate looked all the better for that process. They had sold 289,000 lb. in London at 2*s.* 1¾*d.* a lb., and the balance, 123,300 lb., in Singapore at a little over 2*s.* 3*d.* per lb. They had made one forward sale of 9 tons per month for October, November, and December at 2*s.* 3¾*d.* per lb., delivered into go-down at Singapore. The f.o.b. cost at Port Swettenham, including depreciation and manager's commission, was 9.36*d.* per lb., and though this was higher than in the previous year the result was satisfactory, considering the increase in wages and the cost of foodstuffs. For the current year the manager estimated for 485,000 lb. of rubber. They had sold forward 60 tons into go-down at Singapore in deliveries of 5 tons a month at 2*s.* 3½*d.* per lb., and of the 1921 crop a similar quantity under the same conditions at 2*s.* 6*d.* per lb.

An extraordinary general meeting was then held for the purpose of considering resolutions providing for the purchase of the Bujong Rubber Estate, Limited, and an increase in the capital of the Company to £72,500.

The Chairman, in moving the adoption of the resolutions, said that the purchase price of the Bujong estate was £100,000, £25,850 to be paid in cash and £74,150 by the allotment of 148,300 2*s.* Kepong shares at the rate of 10*s.* per share. The Bujong property consisted of 1,001 acres, 698 acres of which were in bearing and 104 acres should come into bearing during the present year.

The resolution was seconded by Mr. T. M. C. Steuart and carried unanimously.

TYRE INVESTMENT TRUST, LIMITED.

THE second ordinary general meeting of the Tyre Investment Trust, Limited, was held on May 14 at Essex Hall, Essex Street, Strand, W.C., the Right Hon. Sir Henry Dalziel, Bart., M.P., presiding.

The Secretary (Mr. H. Morton) having read the notice convening the meeting,

The Chairman said: Ladies and Gentlemen,—The report and accounts have been in your hands for the prescribed period, and I propose, with your permission, to take them as read. As you are aware, the assets of this Company principally consist of share and Debenture holdings in the Dunlop Rubber Company (Far East), Limited, and the Dunlop Tire and Rubber Goods Company, Limited, Canada. We hold all, or nearly all, the shares and Debentures in the Far East Company, and up to February 1920 held all, or nearly all, the Common stock of the Canadian Company.

The Common stock of the Canadian Company has recently been increased. This, I understand, was necessary on account of additions to the works. After careful consideration your directors decided not to apply for any of the increased issue, as it would have involved sending out of the kingdom a large sum of money, and at that particular time it was concluded that it was not in the nation's interest to send money out of the country. Our holding now is approximately 58% of the total Common stock issued.

It is from the profits of these two companies that our Company derives its main income. I will, therefore, give you a brief epitome of their results and prospects.

Figures of Progress.

As to the growth of the Far East and Canadian Companies, the combined turnovers show the following increases: 1917 over 1916, 32%; 1918 over 1917, 29%; 1919 over 1918, 29%.

The combined profits show the following increases: 1917 over 1916, 31%; 1918 over 1917, 48%; 1919 over 1918, 43%.

The figure for 1919 is subject to the final completion of the balance sheets, but we are informed that the amount will not be materially varied. I think you will agree with me when

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I say that the 1919 results have more than justified the forecast I gave when I had the honour to address you in May last year. From information supplied by the directors of the two companies, we understand that the turnover for the first three months of the current year, as compared with the same period of 1919, shows an increase of 80%. The increase for the same period of 1919 over 1918 was 25%. I gather also that they look forward to this year with great confidence, and, unless something unforeseen happens, a considerable increase in the annual turnover is expected with, so far as it is humanly possible to judge, a relative increase in the profits. As shareholders, we owe great gratitude to the directors and staffs of the two companies, and particularly to Mr. Millward, the Managing Director of the Far East Company, and Mr. Westren, the General Manager of the Canadian Company.

Preference Issue.

Since the last meeting of the Company a new issue was made in June last of 1,000,000 7% Cumulative Preference shares of £1 each, at par, for the purpose of redeeming the mortgages on the Company's assets. These, as you will remember, stood in the last balance sheet—with interest—at £894,747 18*s.* 4*d.* Immediately on the completion of the issue your directors entered into arrangements with the mortgagees to accept payment, and on this account a sum of £522,986 has been paid off during the year under review. I understand that the balance will shortly be accepted by the mortgagees, and thus remove any charge in priority to the Preference shares. You will, however, note that the balance, roundly, of £372,000, still to be paid, is more than covered by the items "Other investments" and "Cash on Deposit and Current Account," appearing in the balance sheet, amounting to £385,999 0*s.* 6*d.*, which are being held for the purpose of clearing off the mortgages.

The amount received by this Company, as shown by the accounts, in respect of dividends on shares, interests on Debentures, &c., for the year ended February 29, 1920, was £311,352 7*s.* 2*d.* After deducting interest on mortgages, directors' fees, general management expenses, and loss on realisation of War Loan, amounting together to £98,009 3*s.* 1*d.*, a profit for the period is shown of £213,343 4*s.* 1*d.* This, plus the amount brought forward from last year, makes a total of £216,116 14*s.* 4*d.* The dividend on the Preference, Preferred Ordinary, and interim dividends on the Ordinary shares absorbed £170,898 10*s.* 11*d.*, leaving an available balance of £45,218 3*s.* 5*d.* Out of this available balance the directors propose to pay a final dividend of 50%, or 1*s.* per share, on the Ordinary shares (making 200 per cent., or 4*s.* per share, for the year), less tax, amounting to £25,000; to write off preliminary and formation and new issue expenses, £20,000 (making a total of £33,695 14*s.* 4*d.* written off since the formation of the Company), and leaving a balance to be carried forward of £218 3*s.* 5*d.* The balance to be carried forward is very small, but the shareholders are aware that we are not a trading companies requiring working capital, but only a holding Company, and, as stated in the directors' report, the amount of profits carried forward by the Far East and Canadian Companies out of last year's profits is approximately £160,000. To this sum must be added a further amount of approximately £190,000, representing the undistributed profits earned from the formation of this Company to the end of last year, making a grand total of about £350,000, which has been retained by the two Companies as additional working capital in their businesses, and has been largely invested by them in additions to their factories, and machinery, thus increasing the security for our Preference and other shareholders.

Prospects.

As you are aware, the Far East and Canadian Companies are in no way owned or controlled by the English Dunlop Company, but arrangements exist between the English Company and the Far East and Canadian Companies, whereby each has the benefit of all patents, formulæ, &c., owned by the other, and a general interchange of ideas is provided for. You will readily appreciate the great advantages accruing to the Far East and Canadian Companies by sharing in all patent rights, trade secrets, and the benefit of the advice of such a huge and prosperous concern as the English Dunlop Company. The Canadian Company are now building a new factory, in which they intend to manufacture motor tyres. This factory will have a capacity of 2,500 tyres a day; their present capacity is 900 a day. I gather that it is hoped to have this factory working before the end of the year. The Far East Company have made many improvements in their buildings, and have added a considerable amount of new machinery and generally improved their works. In the current year they intend to rearrange and extend their works so as to enable them to approximately double their present output. Mr. Millward, their managing director, is now on his way from Japan on a visit to this country, and he will acquaint us with what the Company's proposals really are. Mr. Westren, the Canadian Company's General Manager, has now arrived on a visit to this country, and your directors will no doubt afford him an early opportunity of submitting to them the latest information about that Company.

Excess Profits Duty.

The Inland Revenue authorities are seeking to establish the liability of our Company to pay excess profits duty. The board are advised that such claims cannot be maintained, and are resisting the action of the Inland Revenue, and now await the hearing of the appeal.

In conclusion, I would just remind you that your directors and their friends, recognising the country's needs, took up over £1,000,000 of Victory Bonds, and also that this Company took up £550,000, making a total of one and a-half million pounds worth; the Company's holding was subsequently sold for £514,095.

I now have much pleasure in formally proposing "That the directors' report and accounts for the year ended February 29, 1920, be and they are hereby received, approved, and adopted."

I will ask Mr. Dawson to second this resolution, but before putting the resolution to the meeting I shall be pleased to answer any question from shareholders arising thereon.

Mr. Wilfrid Dawson seconded the motion, which was put to the meeting and carried unanimously.

The Chairman then proposed that Mr. William Ewert Berry and Mr. William Cooper, the two directors retiring by rotation, be re-elected. This, being seconded, was put to the meeting and carried, as was also the reappointment of Messrs. Sewell, Hutchinson & Company as auditors of the Company.

Immediately following the ordinary general meeting, an extraordinary general meeting of the shareholders was held, for the purpose of passing a resolution altering the Company's articles of association, Sir Henry Dalziel again presiding.

The Secretary having read the notice convening the meeting, the Chairman proposed the resolution, which was seconded by Mr. E. I. Murray, submitted to the meeting, and approved.

EAGLE, STAR AND BRITISH DOMINIONS INSURANCE COMPANY, LIMITED.

The ordinary general meeting of this Company was held on May 14 at the offices of the Company, 32 Moorgate Street, E.C., Sir Edward M. Mountain (Chairman and Managing Director) presiding.

The Secretary (Mr. John Gardiner, A.C.A.) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Ladies and Gentlemen,—It has been my privilege to address you on similar occasions in previous years, and I have been able to place before you accounts which I think gave satisfaction. This year I am pleased to tell you that the Company has made great progress, and at the same time very materially strengthened the already strong position it has held in the past.

Last year I intimated to you that a position would be found for every demobilised man who desired to return to us, and I am proud to say to-day that nearly every member of our staff who served in His Majesty's Forces has returned to us, and our organisation in this respect is once again complete. (Hear, hear.) Earlier in the year we had the pleasure of welcoming over 300 of our returned men at a dinner at the Connaught Rooms, and the evening will be a most memorable one in the lifetime of all those whose privilege it was to welcome back these men. (Hear, hear.) A similar welcome was given to the men at the branches.

I shall be saying a few words later on in appreciation of the work of our staff, and I now propose dealing with the balance sheet as presented to you.

The past year, for a company with the history of the Eagle, Star and British Dominions, was a quiet one as regards the absorption of other companies, but we have been steadily consolidating the business of companies acquired in former years, with, I think, excellent results.

An opportunity presented itself to us, however, of acquiring the Liverpool Reversionary Company, and this has been done upon terms which I am satisfied will be to our mutual interests. This is the only absorption I have to report to you.

We have been giving special attention to our branch establishments throughout the Kingdom, more especially with regard to the suitable housing of our staff, and in Glasgow, Newcastle, Leeds, Manchester and Nottingham we have been compelled to acquire larger premises, and in each case our offices occupy an important position in the respective cities.

As regards our London offices, we have been fortunate in completing the purchase of the freehold of one of the finest sites in the City adjoining our present offices, viz., 1 and 2 Threadneedle Street, and so soon as the present leases expire it is our intention to rebuild, and I think we shall then own one of the finest blocks of offices in the very heart of the City.

New branches have been opened at Hull, Croydon, South London, and Leicester. In the latter instance I am pleased to say that we have been fortunate in forming a very strong local board, consisting of Lieut.-Colonel Sir Samuel Faire, J.P., D.L. (Chairman), A. L. Grove, Esq., J.P., Duncan Henderson, Esq., J.P., William A. North, Esq, J.P., and Alec Tyler, Esq. Other directors who have become associated with the Company and whom we welcome are Lord Downham, West End Board; J. S. Waterson, Esq., S.S.C.,

Edinburgh; Sir John Reid and Sir F. L. Macleod, K.B.E., Glasgow Board.

It is with much regret that I have to record the death of John G. Phillips, Esq., of the Sceptre board, J. A. H. Green, Esq., C.B.E., of the North Eastern Board, A. H. Macdonald, Esq., and R. K. Bell, Esq., of the Glasgow board. I am also deeply sorry to have to report the death of our Manager for India, Mr. Alexander Tod, and Mr. W. A. Bullen, one of our joint managers for South Africa, both valued servants of the Company.

Marine Department.

Turning to the accounts, we will first of all take marine. You will see that our premium income for the year is £1,503,829 4*s.* 7*d.*, which is a decrease of £172,078 19*s.* 5*d.* from last year. That decrease was expected, and it is a great surprise to me that it is not very much more. After paying all expenses and making provision for income tax, excess profits duty and loss on realisation of securities, we are able, out of this account, to transfer £300,000 to reserve fund and £17,500 to the investment reserve fund, making a total of £317,500. Having allocated these amounts, we are able to carry forward the sum of £1,103,858, or 73% of the premium income, against a carry-forward last year of 67.8%.

With regard to the general situation of marine business, on previous occasions I divided it into three headings—Hull, cargo, and war-risk insurance—but this year I propose to deal with it under the headings of hull insurance, cargo insurance, and the risk of theft and non-delivery. The risks under the latter heading are abnormal, and should be treated separately to cargo business.

It has been another anxious year for underwriters, chiefly owing to the further increase in the cost of repairs. These are not confined only to repairs in England, but everywhere, and especially so in America. The following figures may be of interest to you: at the end of 1918 the increased cost over pre-war repairs was 2½ times; at the end of 1919 it was 3½ times, and the ratio is still increasing. That is a very heavy burden for underwriters to bear. During 1919 underwriters received a further increase of 10% on all hull premiums, but for 1920, although a further rise would have been justified, it was decided to maintain premiums and not to increase them.

Unfortunately, owing to war conditions, steamers have not been kept up to their usual standard, and underwriters are still suffering from the effects of this, coupled with the enormous increase of what I might term new war tonnage.

The daily casualty list bears out the difference between steamers built prior to the War and those built during the War, and, of course, this affects cargo as well as hull insurances. The losses of tonnage for vessels over 500 tons, both steam and sail, for the first quarter this year, exceed the losses for the first six months of last year by about 30,000 tons.

In the case of cargo insurance the settlements in 1919 were unusually light, owing to most of the heavy losses coming towards the end of the year, and were settled in 1920, but losses in the first four months of the present year have been very serious and have affected all classes of business. Values of cargoes, however, continue to increase, and this is to the benefit of underwriters, because there is more to go round the market. It also affects the position of underwriters favourably where there are any claims for particular average as against a falling market. On the other hand, in spite of the larger amounts to place, the tendency is rather towards reduction of rates than a maintenance even at the old standard. In addition to this, brokers are pressing for more "onerous" conditions even at the old rates, and I am afraid in many cases, are securing them.

I believed, when I addressed you last, I mentioned the fact of the congestion at so many ports. This, I am sorry to say, has not improved, and is a serious risk. Fortunately, during the last 12 months we have not had any large fires in this connection, but it is a risk that has to be taken into consideration.

Theft, Pilferage and Non-delivery.

Losses under these risks have been increasing during the last few years, and in the last 12 months have been extremely heavy. It is the same all over the world, and, with a view to minimising the evil, underwriters have just completed an agreement whereby the merchant will only be able to recover 75% of any loss. We hope this will have the desired effect and induce merchants to take the necessary steps to find out where the thefts occur, and thus, in course of time, to eradicate them. Similar remarks apply to non-delivery. To-day the shipowner is practically free of his liability as a carrier owing to the wording of the bill of lading. Underwriters maintain this should not be so, and feel that if the shipowner shares the burden then he will take steps to see that a closer watch is kept on goods passing through his hands.

Outlook for Marine Insurance.

You will gather from my remarks that the outlook for marine insurance for the near future is not particularly good. We are, however, adopting a conservative policy, which we feel will be best for the Company in the long run, but we must look to a very considerable reduction in our premium income from this department. There is no doubt that the greatest attention must be given to underwriting in the future, and every risk will have to be scrutinised most carefully.

Fire and General Business.

The next item in our statement is the fire and general account, which embraces all transactions outside marine and life business. Very substantial progress has been made under this heading, the premium income amounting to £1,214,688, an increase of £305,447 over last year's figures. We are pursuing the same care in the selection of our business that has characterised it from the outset, and once again we come out with a very satisfactory loss ratio, viz., 45.11%. This loss ratio, I believe, will compare very favourably with that of most of the other large insurance companies.

After providing a reserve of 40% for unexpired liability there remains an additional reserve of £236,399 5*s.* 6*d.*, all of which we propose should remain to strengthen the reserves of this department, which now total £722,274, or, in round figures, 60% of the premium income—a very strong position, I think you will agree—without encroaching on our general reserves.

Of the large increase in our premium income indicated to you, the greatest ratio of expansion has been in our home business, and this, I think, is gratifying.

We are writing our business on very sound lines abroad, and, with the object of keeping in close touch with our commitments in America and Canada, our Assistant General Manager, Mr. S. A. Bennett, made an exhaustive tour last year of both these countries, and his report, I am glad to say, is satisfactory. Our business in those two countries, like all our other agencies abroad, is in excellent hands.

The new departments to which I referred in my speech last year, viz., boiler and engineering, and livestock, are now getting well on their feet, and, although they have taken some little time to organise, are making very good progress.

During last year we entered into an arrangement with that well-known underwriter at Lloyds, Mr. C. E. Heath, upon terms satisfactory to each, whereby the whole department which had been created by him for weather insurance was transferred to our Company, together with the services of their manager, Mr. Gambles, and the whole of the staff. This business has been running for some years, and whilst in the past its dimensions have been small, they have been profitable. It has taken very close study and many years of working experience to obtain the necessary data, but we are confident that this form of insurance fulfils a real public need and will secure us many clients and form a profitable branch.

One of the countries that is showing signs of recovery from the late War, and whose industries are being rapidly pushed forward, is Belgium. An opportunity occurred to us last year of opening up there in exceptional circumstances under the direction of one of the best-known and most experienced insurance managers in that country. We now have established branches in most of the principal cities, and so far the results have been very gratifying. We welcome our Belgian manager, Mr. Thys, here to-day. (Applause.)

Realising the very important part that women will play in the future of this country, we have made a very special study of all their likely requirements. To guide us we have a committee of the most prominent women in the country, whose names are well known to everybody. We have also established a special department under a most able Lady Manager (Mrs. Verden), assisted by a capable staff entirely composed of women. I can confidently state we have catered for women better than any other insurance company. (Hear, hear.)

Our employers' liability business continues to show very satisfactory results. Our practice is to give individual consideration to every risk which is placed before us and to deal promptly with every claim which arises. At the end of the year under review we had no claims outstanding where the duration of disablement exceeded two years, and only 17 where the duration of disablement exceeded one year. This is a record which, upon investigation, I find to be



unique amongst companies transacting a similar form of business.

A full reserve has been made for outstanding claims in respect of the additional liability imposed by the Workmen's Compensation War Addition Amendment Act, 1919, which was passed towards the end of last year and came into operation on January 1. There is just one other remark I would like to make on the subject of employers' liability business. The report of the Departmental Committee which was appointed by the Government in May 1919 is not yet complete. Until this report is published it is impossible to say what their recommendations will be and how they will affect precisely this section of our business.

Motor Department.

I should just like to mention that in regard to our motor business we, in common with other companies, have been forced to raise our premiums. This is due to the largely enhanced cost of repairs to-day, and also to the extra compensation payable in respect of third-party claims under the policies.

Before leaving the subject of the fire and general accounts I should like once again to impress upon you, and all those who read my remarks, the necessity of a full insurance on goods or property which are subject to fire, burglary, theft, &c. Values are still increasing, and it is only when losses happen that people generally realise the advantage of a full insurance. We have had numerous proofs of this in connection with claims under our "all in" policies, which, by the way, in spite of many imitations, is still, I think, the best cover on the market, and is being appreciated more and more every day. (Hear, hear.)

Life Department.

Turning now to the life department, there is reason to congratulate ourselves on the results attained. In the year 1919 we issued 6,420 policies, insuring a gross sum of £3,078,697—(applause)—of which £285,580 was reassured, leaving a net amount of £2,793,117, which compares with £1,600,450 for the year 1918. Not only does this show an increase of nearly 75%, but I am very pleased to say the average amount under each policy is substantially higher.

Notwithstanding the large amount of the new business, the expense ratio of our life department is very moderate indeed, being only 10.7%. (Hear, hear.) The claims intimated in 1919 were well within the expectations. Although there was such a large advance last year in our life figures, it gives me great pleasure to tell you that the record up to now for the present year shows an even greater improvement. (Hear, hear.)

You will remember that in taking over the Sceptre Life Association we started an abstainers' section, and I may say that this scheme has proved very attractive amongst the public who are eligible for admission thereto. During 1919 we issued 1,422 policies for a sum assured of £394,870, and it is worthy of remark that there was not a single claim under any of these policies in the past year. (Hear, hear, and laughter.)

The mortality experience of the closed fund of the Sceptre Life Association last year was as follows :—

Dealing with the general section, out of 115 deaths expected according to the Institute of Actuaries Hm Mortality Table, only 85 occurred, or barely 74%. In the temperance section, of 150 deaths expected only 90 occurred, or just 60%, leaving a balance in favour of the temperance section of 14%. The superior longevity of the abstainer over the non-abstainer in this fund is not, however, peculiar to last year, since its experience for the past 36 years discloses the fact that, whereas the deaths in the general section were nearly 79% of those expected, the deaths in the temperance section were barely 51% of those expected.

I am happy to inform you that our Scottish life branch, now under the direction of the Edinburgh board, has shown most satisfactory development during the past year, and in every way the result shows what a valuable acquisition was made by us in Scotland through the purchase of the long-established and influential English and Scottish Law Life Assurance Company.

I should like to point out that the increased cost of living makes it necessary for everyone to increase the amount of their life insurance if they wish to protect those dependent on them to the same extent as previously, and in consequence it is very necessary that our existing policyholders should increase the amounts of their life assurances. Many of them have already done so, and we hope that this movement will become general. It is also highly advisable that persons effecting policies for the first time should take these facts into consideration and insure for a larger sum than would have occurred to them before the War. We hope that all our shareholders and agents will take care to point this out to all possible new policyholders whose business they can influence in this direction.

Staff at Home and Abroad.

Now, having carefully gone into the figures and results of our various departments, I should like to impress upon you the great appreciation that my colleagues and myself have of the services rendered and the great skill and judgment shown by the managers of our various departments. (Applause.) We have an extremely able and experienced Assistant General Manager in Mr. S. A. Bennett. (Applause.) In addition to him we have at the head office an expert manager at the head of every department. I should very much like to have mentioned each one of them by name, but they are now so numerous that I should take up a lot of your valuable time, and so well has each one of them worked that there is not one that could be left out. I do not think, however, I shall offend the susceptibility of any of them if I especially refer to Mr. Merriman, the underwriter—(applause)—who, with the able assistants he has, has once more done so well in his department. In addition, we have a very large number of managers at all our branch offices, and my colleagues and myself are meeting them to-night and looking forward to it with very much pleasure. Further, we have a great many managers in various parts of the world, one of them, Mr. Hickman, who has ably represented us in Newfoundland, we are so pleased to welcome here to-day, and without exception they have all done well. It is owing to the work of these gentlemen and also the strenuous labours of the whole of our staff that our Company has been able to achieve the results which I have indicated to you.

Agents, &c.

I have also to thank the agents of the Company for the splendid support that they have given to us. The Company is so constructed that we can be of great assistance to them, and it is gratifying to know that this is fully appreciated by them.

Last year, you will remember, the directors decided to make a further issue of shares, and these were offered to the then existing shareholders at a premium of £12 per share, which showed a considerable advantage compared with the market price. The whole of this issue was at once taken up, and so soon as the calls are fully paid, which will be before the end of this year, the reserves of the Company, outside those of departmental reserves, which in themselves are more than sufficient, will amount to no less than £2,000,000, and the paid-up capital to £1,047,896. (Applause.) In addition to this, there is an investment reserve fund of £110,000, which is more than sufficient to cover the depreciation disclosed by the valuation in the securities as at December 31 last. Taking, therefore, the reserves of the marine department, which amount to £994,150, the fire and general departments, which amount to £722,274, we have a reserve outside our capital of no less than £3,826,424, and in addition an uncalled capital of £1,905,529. The financial strength of the Company is therefore one of the strongest in the world of companies transacting similar business. (Applause.)

Your directors feel justified in recommending a dividend of 30%, free of income tax, on the Ordinary shareholders, which you will be asked in due course to confirm.

I should just like to say finally that although I have harped pessimistically on marine insurances, the outlook of this Company for the future is, in the opinion of my colleagues and myself, a bright one. So far as we have gone this year our results in every department show an improvement on last year, and although the time may well come when in any particular department, such as the marine, our profits will be smaller in the future than they had been in the past, there is not the slightest fear but what we shall maintain our dividend, and perhaps there are hopes of increasing it. (Applause.)

Before putting the resolution to the meeting for the adoption of the report and account, if any shareholder wishes to put any questions I shall be pleased to do my best to answer them.

No questions being asked, the Chairman moved that the report and accounts be adopted.

The Deputy-Chairman (Mr. J. Douglas Watson, F.I.A., F.A.S., seconded the resolution, which was carried unanimously.

The Chairman then moved the following resolutions :—"(1) That the dividends on the Preference shares paid on July 1, 1919, and January 1, 1920, be and are hereby confirmed. (2) That a final dividend of 10%, free of income tax, be paid on the Ordinary shares, which, with the interim divdend already paid and aggregating 20%, will make 30%, free of income tax, for the year. (3) That the payment of the dividend of 10% on the Preferred Ordinary shares, of which 5% was paid on July 1, 1919, and 5% on January 1, be and is hereby confirmed."

The Deputy-Chairman seconded the resolutions, which were put separately to the meeting and unanimously adopted.

Mr. A. G. Mackenzie, F.I.A., proposed the re-election of the retiring directors, Sir George J. Fowler, J.P., and Mr. Horace Peel, and the motion was seconded by Mr. Harry T. Gullick, and unanimously agreed to.

On the motion of Mr. G. E. Cockram, seconded by Mr. Milner, Messrs. Edwin Guthrie and Company were re-appointed auditors.

A hearty vote of thanks was accorded to the Chairman and the members of the various boards of directors, on the proposition of Mr. Bingham, seconded by Mr. S. Walker, and the proceedings terminated.

RAND GOLD OUTPUT.

City Deep.—Capital £1,250,000, in £1 shares. 200 stamps and tube-mill accessories. Capacity 80,000 tons per month.

Year to Dec. 31	Stps.	Tons Milled	Sorting %	Revenue* Amt. £	Revenue* Per ton	Expenses Amt. £	Expenses Per ton	Profit* Amt. £	Profit* Per ton	Price end of Period
1917 ...	154	744,100	14½	1,469,953	39/6	796,137	21/5	665,569	17/11	3⅜
1918 ...	154	670,100	9¾	1,274,970	38/0	821,768	24/6	453,202	13/6	2¼
1919 ...	154	617,800	9·04	1,180,942	38/4	856,198	27/10	324,744	10/6	3 5/16
1920.										
March qr. —		166,000	—	358,531	43/5	241,172	30/5	117,409	13/0	2 13/16
April ... —		60,000	—	118,876*	39/7	83,170	27/8	35,706	11/11	2 1/32

* Gold calculated at 102/6 per fine oz.

Dividends—1917, June, 22½; Dec., 22½ per cent.
1918, June, 20; Dec., 7½ per cent.
1919, June, 10; Dec., 13¾ per cent.

Consolidated Langlaagte.—£950,000, in £1 shares. £100,000 5½% Debentures. 100 stamps and 10 tubes. About £400 monthly sundry revenue included below.

Year to Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Pr. ton	Expenses Amt. £	Expenses Pr. ton	Profit Amt. £	Profit Pr. ton	Price end of Period
1917 ...	100	585,650	½	729,938	24/11	501,385	17/1	231,226	7/11	21/0
1918 ...	100	503,300	—	635,853	25/2	472,113	19/0	157,740	6/2	20/0
1919 ...	100	507,800	—	638,304	25/2	518,562	20/6	119,742	4/8	1 5/16
1920.										
Mar. qr. —		122,300	—	182,122	30/1	148,686	24/10	33,446	5/3	1 3/32
April ... —		43,700	—	66,649*	30/6	57,470	23/5	9,179	4/1	1 3/32

* Gold calculated at 102/6 per fine oz.

Dividends—1917, June, 10; Dec., 7½ per cent.
1918, June, nil; Dec., 5 per cent.
1919, June 5; Dec., 7½ per cent.

Geduld Proprietary.—The capital authorised is £1,500,000; issued, £1,171,229, in £1 shares.

Year ends Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Per ton	Expenses Amt. £	Expenses Per ton	Profit Amt. £	Profit Per ton	Price end of Period
1917 ...	77av.	425,550	7.5	631,364	29/8	418,526	19/8	212,838	10/0	38/0
1918 ...	100	513,200	10.1	747,906	29/2	513,664	20/0	234,242	9/2	1 3/32
1919 ...	100	516,000	2.7	776,468	30/0	522,867	20/2	253,601	9/10	3 3/32
1920.										
Mar. qr. —		132,000	—	251,223	38/1	151,544	23/0	99,679	15/1	2 13/32
April .. —		42,000	—	71,003*	33/10	50,011	23/10	20,992	10/0	2 1/16

* Gold calculated at 102/6 per fine oz.
Profits include sundry revenue.

The sorting in this mine is both on surface and underground; very light on surface.

Dividends—1917, June, 5; Dec., 5 per cent.
1918, June 5; Dec., 6¼ per cent.
1919, Dec., 16 per cent.

Crown Mines.—Capital £1,000,000, in 2,000,000 shares of 10s. each; issued, 1,880,212. £573,500 Five per Cent. Debentures. Milling capacity about 230,000 tons per month.

Year to Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Per ton	Expenses Amt. £	Expenses Per ton	Profit Amt. £	Profit Per ton	Price end of Period
1917 ...	660	2,100,000	8½	2,700,095	25/9	2,026,129	19/4	673,966	6/5	2 1/32
1918 ...	660	1,861,000	9½	2,528,760	27/1	2,118,055	22/8	410,705	4/5	2¼
1919 ...	660	1,845,000	11·15	2,702,708	27/10	2,241,943	23/2	460,765	4/8	3 3/32
1920.										
Mar. qr. —		543,000	—	849,071	31/1	617,436	22/8	231,635	8/5	3⅜
April... —		182,000	—	260,677*	28/8	212,981	23/5	47,696	5/3	2 15/16

* Gold calculated at 102/6 per fine oz.
Accumulated slimes profits included.

Dividends—1917, June, 20; Dec., 20 per cent.
1918, June, 15; Dec., 5 per cent.
1919, June, 5; Dec., 35 per cent.

Meyer and Charlton.—Issued capital: £200,000, in £1 shares. 75 stamps, 2 tubes. No sorting.

Year ends June 30	Stps.	Tons Milled	Revenue Amt. £	Revenue Per ton	Expenses Amt. £	Expenses Per ton	Profit Amt. £	Profit Per ton	Price end of Period
1919 ..	75	165,937	479,135	57/8	196,806	24/9	272,329	32/11	5/0
1920.									
Mar. qr. —		37,930	128,576	67/11	50,967	27/2	77,609	40/9	4 1/16
April —		13,000	40,284*	62/	16,950	27/	23,334	35/	4½

* Gold calculated at 102 6 per fine oz.

Dividends—1919, June, 50%; December, 70%.

Government Areas.—Capital £1,400,000, in £1 shares. 200 stamps, 20 tube mills; 5 tube mills being added to increase mill capacity to 135,000 tons a month. The returns include sundry revenue.

Year ends Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Per ton	Expenses Amt. £	Expenses Per ton	Profit Amt. £	Profit Pr. ton	Price end of Period
1916 ...110		744,000	12¾	1,008,779	27/1	804,091	21/7	216,400	5/10	51/3
1917 ...186		1,298,000	8	1,930,657	29/9	1,236,741	19/0	700,439	10/10	3 1/16
1918 ...189		1,303,500	10¼	2,159,642	33/1	1,282,226	19/8	877,416	13/5	4 1/16
1919...187		1,361,000	13.48	2,418,582	35/7	1,423,036	21/0	995,546	14/7	5⅛
1920.										
Mar. qr. —		343,000	—	742,419	43/5	403,959	33/10	338,460	19/7	4 13/32
April —		125,000	—	251,468*	40/3	142,544	22/11	108,924	17/4	4 5/16

* Gold calculated at 102/6 per fine oz.

Langlaagte Estate.—Capital £950,000; issued, 886,500 £1 shares. 200 stamps five tubes. No sorting.

Year to Dec. 31	Tons Milled	Revenue Amt. £	Revenue Pr. ton	Expenses Amt. £	Expenses Pr. ton	Profit Amt. £	Profit Pr. ton	Price end of Period
	[Profits include estate, &c., revenue.]							
1917 ...	539,618	622,491	23/0	503,030	18/7	119,461	4/5	15/0
1918 ...	533,690	647,999	24/2	508,916	19/0	139,083	5/2	20/6
1919 ...	475,480	590,781	24/10	502,950	21/4	87,831	3/6	20/6
1920.								
Mar. qr....	102,350	151,661	30/1	140,830	28/8	10,831	1/5	18/-
April ...	39,000	60,142*	30/10	54,643	28/1	5,499	2/9	15/6

* Gold calculated at 102/6 per fine oz.

Dividends—1917, June, 5; Dec., 5 per cent.
1918, June, 5; Dec., 7½ per cent.
1919, June, 7½ per cent.

Modderfontein B.—Issued capital £700,000, in £1 shares. Plant of capacity 720,000 tons per annum.

Year to Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Pr. ton	Expenses Amt. £	Expenses Pr. ton	Profit Amt. £	Profit Pr. ton	Price end of Period
1917 ...	96	517,500	15½	1,193,650	46/2	502,535	19/5	691,115	26/9	8⅛
1918 ...	100	665,500	15½	1,253,614	41/5	596,103	19/8	657,511	21/9	7⅞
1919 ...	104	648,500	14·52	1,423,827	43/10	728,472	22/6	695,355	21/4	9⅛
1920.										
Mar. qr. —		152,000	—	368,510	48/7	198,064	26/4	170,446	22/3	7
April ... —		50,000	—	111,118†	44/5	67,497	26/11	43,621	17/6	6 9/16

† Gold calculated at 102/6 per fine oz.

Dividends—1917 June, 40; Dec., 45 per cent.
1918, June, 42½; Dec., 40 per cent.
1919, June, 45; Dec., 47½ per cent.

Modderfontein.—Capital, £1,400,000, in 10s. shares. Fifteen tube mills in use.

Year to June 30	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Pr. ton	Expenses Amt. £	Expenses Pr. ton	Profit Amt. £	Profit Pr ton	Price end of Period
1916-17	180	656,700	14	1,423,500	43/4	638,483	19/5	785,017	23/11	20¾
1917-18	195av.	634,100	8	1,559,177	45/7	725,913	21/3	833,263	24/4	2/4
1918-19	236	920,500	10.41	2,018,901	43/10	929,102	20/2	1,089,799	23/8	26½
1919-20.										
Sept. qr.	236	218,500	11.10	486,728	44/7	235,318	21/7	251,410	23/0	28
Dec. qr.	236	230,600	8.33	517,063	44/10	240,574	20/10	276,489	24/0	35¼†
Mar. qr.	—	263,400	—	678,700	51/9	292,842	22/3	385,858	29/6	4
April ...	—	86,400	—	211,024‡	49/1	99,434	23/1	111,590	26/0	3½

† £4 shares now split into 10s. shares.
‡ Gold calculated at 102/6 per fine oz.
Returns include profit from accumulated slimes.

Dividends—1917, June, 16¼; Dec., 18¾ percent.
1918, June, 21⅞; Dec., 30 per cent.
1919, June, 32½; Dec., 37½ per cent.

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The Statist.

LONDON, SATURDAY, MAY 22, 1920.

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The Money Market.

Thursday, May, 20, 1920.

	Current Rate %	Fixed	Previous Rate %	Fixed
Bank of England Rate...	**7**	(April 15, '20)	**6**	(Nov. 6, '19)
Deposit Rates :—				
Banks & Discnt. Ho. (Call)	5	(Apr. 15, '20)	4†	(Nov. 6, '19)
Discount Houses (Notice)...	5¼	(Apr. 15, 20)	4¼	(Nov. 6, '19)

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.

† Foreign and Colonial banks give Special Rates only upon deposits for a year

Discount Rates :—	60 Days. %	3 Mos. %	4 Mos. %	6 Mos. %
Treasury Bills ...	—	6½	—	—
Bank Bills ...	6¼–13/16	6¾–13/16	6 13/16–7/8	7
Trade Bills ...	—	7	7¼	7½

At the beginning of next week will be issued the prospectus of the first of the Housing bonds, underwriting arrangements for which were in progress during the week. The issue will be for £5,000,000, the borrowers being Middlesex (£2,000,000), Kent (£1,500,000), and Essex (£1,500,000). As the security will be a long-dated one, being redeemable in 1960 with an option reserved to the borrowers to redeem after 1940, it will be interesting to compare the result of the issue with that up to last Saturday of the shorter-dated Treasury bonds now on tap. A novel feature of the new issue is that the loans of the three counties are to be issued as one; the terms will be set out in one prospectus and the three have been underwritten as one, but the investor can subscribe to any of them he chooses. As a lock-up investment the Three County Loan is certainly attractive. The money is wanted for housing, and will return a flat-rate yield of £6 5s. 6d. per cent., and a total yield of £6 6s.

The rather easier tone of the Money market on Saturday last was not continued over the week-end, and a strong demand held rates for day-to-day money between 5% and 6%. On the following days the tightness continued but credits became more ample in the afternoon, closing balances being offered often down to 1½%. Weekly Exchequer Bonds were in request at

5⅛ to 5⅛%. Bills were well inquired for in the Discount market, but offerings were on a restricted scale. On the whole the tone was steady.

In the Foreign Exchange market a remarkable improvement took place in the franc rate up to Wednesday. Part of the improvement was, no doubt, brought about by the change in the technical position effected by the prohibition on unnecessary imports, but the better position was mostly a matter of sentiment, which was favourably impressed by the result of the Hythe Conference regarding the payment of France's debt and the payment of the German indemnity. On Wednesday the cheque rate had declined to 51.55, but to-day a reaction set in, and the rate rose to 54.87½. Brussels had a similar experience, the quotation having declined to 50.50 by yesterday, and rising to 52.75 to-day. The lira also rose 2½ points to-day to 74¼. German marks show no signs of slackening in their improvement. To-day's quotation was 172½. Spain moved in our favour, but Swiss currency appreciated. Of the Scandinavian group Stockholm moved favourably to 18.27½, but the quotation was higher yesterday at 18.31. Copenhagen moved adversely. The New York cable rate after an improvement to 3.83 on Monday declined subsequently under further selling of commercial bills in New York, but at the lower quotation the rate is steady. To-day it improved to 3.81¾, as compared with 3.81¼ yesterday.

The Income and Expenditure Return for the week ending May 15 is a very satisfactory one from the point of view of the floating debt, which was reduced by over 16½ millions. From another and a most important point of view, however, it is equally disappointing, for it shows that the amount transferred to the Treasury for the recent issue of Treasury bonds is only £2,572,000, representing subscriptions from May 3, when the list was opened, up to Saturday last. Doubtless some of the money remained with the banks, as the bankers are entitled to use it for a few days before handing it to the Exchequer; but still the amount shown in the return is surprisingly small. Were the subscriptions to come in at only the same rate for the year only about 65½ millions would be available from this source towards a reduction of the floating debt. This, with the anticipated 70 millions available from revenue towards that end, brings the total reduction up to 135½ millions, and would still leave the floating debt on March 31, 1921, at about 1,177 millions. As we gather from his views on the matter, this would not satisfy the Chancellor, who is anxious to make as large inroads into the debt as he can while the currency of the country is, as at present, of a low commodity value. As regards this aspect of the matter, it is evident, of course, that were prices to come down the burden of the debt would be added to materially; but we would point out that this event, namely, a fall in prices, could only be brought about by an improvement in the financial and economic condition of the country, and would therefore mean that the country was better able to support the debt. Thus if prices came down steadily, the increase in the burden of the debt would be counterbalanced by the increased ability of the country to pay it. However that may be, the fact remains that the Chancellor is determined, even at the risk of great hardship to industry and to taxpayers in general, on making a large reduction in the debt during the current year. Now in the light of this fact, the comparatively small response with which the Treasury bond issue is meeting is all the more to be deplored, as there are at present other schemes on the *tapis* such as the 60% excess profits duty and the war wealth levy, which, if enforced, will cause much dislocation in industry, bearing hardly on producer and consumer alike. So strong is the opposition to these proposals that the Chancellor would be obliged to drop them were they rendered superfluous by a large volume of applications to the Treasury bonds. The reason for the poor support of these bonds can hardly be a scarcity of investment funds, for other securities seem to be absorbed quite readily, and is probably the life of the bonds. Being too short-dated for the Money market on the one hand, and too long-dated for a trustee security on the other, they appeal to only a limited number of investors, who are attracted by the high interest-rate, combined with an excellent security of capital. Such being the case, it would be well for the Chancellor to make a more elastic issue which would spread a wider net for the savings of the community.

The reduction in the floating debt above mentioned was effected by a surplus of revenue amounting to 15.3 millions combined with the sum received from Treasury bonds already referred to. This reduction, moreover, was chiefly made in Ways and Means Advances owing to the Bank of England, which were reduced from 31 to 18 millions. £69,181,000 was received from Treasury bills, the repayments exceeding this sum by £688,000. £1,686,553 was received for excess profits duties and death duties in the form of those gilt-edged securities authorised by the Finance Act of 1917. £800,000 was paid off of the principal of War Savings Certificates, subscriptions to which reached £900,000. The total subscriptions since the beginning of the fiscal year to War Savings Certificates amounted to £5,600,000, against £4,600,000 paid off.

BANK OF ENGLAND.

THE Bank return this week registers another improvement with a ratio of reserve to liabilities of 16.5%. In amount the reserve has risen by £385,000 to

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FRANCIS SHIPTON, *London Manager.*

£20,041,000, the increase corresponding with a decline of £432,000 in the circulation, which is reduced, in consequence, to £110,881,000, offset to a minor extent by a reduction of £47,000 in the total bullion to £112,472,000. Considering that a further addition of £100,000 in notes was made to the currency note redemption account, the total withdrawal from active circulation during the week amounted to £532,000. A pleasing feature of the return is provided by the repayment of £1,940,000, which lowers the outstanding total of Government securities to £36,515,000. This reduction of Ways and Means Advances is again reflected in the latest official return of income and expenditure, according to which the balance due to the Bank of England in respect of this objectionable constituent of the floating debt amounted on May 15 to £18,000,000, as compared with £31,000,000 outstanding on May 8. The extent to which such reduction is due to subscriptions to Treasury bonds amounts, according to the same official return, to £2,572,000, which was the total received by the Exchequer on behalf of this issue up to May 15. Public deposits were depleted to the extent of £1,368,000, thereby reducing the total to £20,061,000. The stringency of the Money market during the week is reflected in the increase in other securities by £2,188,000 to £82,632,000, whilst other deposits moved up in consonance by £1,985,000 to £101,389,000.

BULLION.

The Gold market was uninteresting during the week. The supplies went mainly to India and the Cape. To-day the quotation was 108*s*. per oz. fine.

In the Silver market a temporary check to the downward course of prices set in on a rather better demand from India and China. In accordance with the terms of the Rittman Act, as explained in these columns last week, it is reported that the Director of the United States Mint is now ready to buy the product of the United States mines at $1 per oz. fine. This report had a moderate influence in steadying quotations. The tone of the market, however, is still unsettled in face of the uncertain nature of the demand and the steady stream of supplies from the Continent, and lower prices are expected. To-day's quotation for spot silver was 58½*d*. per oz. standard. A good deal of the buying was for forward delivery, with the result that the discount dwindled to ¼*d*. per oz. to-day.

NEW YORK.

In the return to hand for the week ending the 15th inst. it is shown that the average position for the week of the New York City Banks and Trust Companies associated with the New York Clearing House, though substantially weaker than the position on the preceding week, is nevertheless much better than the actual position on the 8th inst. Loans were reduced by $10,180,000 to 5,141.6 millions—a reduction almost equal to the previous week's advance in this item—demand deposits rose by 9.6 millions to 4,142.3 millions, but time deposits fell by a million. United States deposits fell still further to 63 millions—a reduction of 48.7 millions since April 24. Reserve requirements were $350,000 lower on the week in consequence of these movements, but as the aggregate reserve fell by $4,560,000 to 569½ millions, the excess reserve was lower, in consequence, at $20,680,000. The actual excess reserve was $28,750,000, an advance of 23.4 millions on the previous week-end's reserve.

As is shown in the combined statement of the 12 Federal Reserve Banks for the week ending the 17th inst., the system did not continue its improvement of the preceding week. On the contrary, we have to record, as we have had to do already six times since the beginning of the year, a lapse to a position which, from the point of the reserve ratio, is intrinsically so weak as to endanger the Free Gold Market of the country, and is, besides, the weakest hitherto reported by the Federal Reserve Banks. This lapse was brought about by two simultaneous movements, the one depleting the gold reserves and the other expanding the liabilities. At the same time we have to note a further addition to the unliquid assets. As to the details of these movements, the gold reserves were reduced by 2.4 millions during the week to $1,939,140,000, though legal-tender notes, silver, &c., were increased by 4.7 millions. The total deposits advanced by nearly 167 millions to 2,646.8 millions—the largest since the beginning of the year. The Federal Reserve note circulation declined by 9.1 millions to 3,083.2 millions. The bill holdings were increased by 50.1 millions to 2,964.6 millions, open-market purchases of bills being increased by 3.5 millions. The actual figure for the ratio of total reserves to net deposit and Federal Reserve note liabilities combined is 42.2%, as compared with 42.7% on the preceding week and 51.1% a year ago.

The Federal Reserve Bank in New York has increased the discount rate for bankers' acceptances from 6 to 6¼% for three months' bills, and from 5⅞ to 6% for two months' paper.

The rate for call money was easier of late, actual loans being placed at from 6% to 7%. Time-funds are still obtainable only in very limited quantity, and the rate rules high. It is reported that United States Treasury certificates are now offered at 5½%, the previous rate, 4¾%, not having brought sufficient response. Railroad bonds are still on offer on a 7% basis, and are being steadily absorbed. Hopes of a settlement of the railway strike are now being generally entertained. Were this event to take place, a much-needed relief to the credit situation would be provided, for the enormous stocks of commodities held up by the strike would be released and would thereby set free the millions required to finance them.

On Tuesday the Federal Reserve Board met representatives of the banks in the first of a series of conferences on the credit situation. It is reported that the question of rationing of credits will be the principal topic of discussion. For some time past, as is well known, the banks have been discriminating in the matter of credits between credits for speculative purposes and credits for industry in favour of the latter. In the case of credits for industry a further distinction has been made between credits for essential and credits for non-essential purposes. The distinction has necessarily been very arbitrary in many cases and has caused undue hardship to many industries, and it is to be presumed that the conferences above mentioned are with the object of reviewing this policy in the light of the sharp criticism it has evoked on this account.

Stock Exchange.

The Stock markets are still in a lifeless condition with sellers forcing quotations downwards. The liquidation on Monday was rather heavy, and though it became less pronounced on the following days, still, in the absence of buying orders, even a small amount of selling proved sufficient to unsettle sentiment and the majority of changes are still towards lower prices. A factor which contribuated to the general depression during this week was the development of the unwelcome War Wealth Levy proposals. It is generally felt that were the Levy to be enforced a great many stocks would have to be thrown on the market suddenly in order to provide funds for payment. On the other hand, it is hoped that since the War Wealth Levy is avowedly for the reduction of debt, some concessions might be granted towards allowing those who are liable to it to pay all or part of their contributions in the form of Government stocks which would be accepted at their par value. Were this to be done it is obvious that an immediate recovery would occur in the gilt-edged section, and this influence would affect

many other descriptions, especially Preference and Debenture stocks.

In the Gilt-edged market War Loan Fives were subject to rapid fluctuations, but closed with a net loss since Monday at 85$\frac{15}{32}$. Funding Loan shows little change at 69$\frac{5}{8}$. Victory Bonds were weak on Monday and Tuesday, but closed last evening with a firmer tendency at 79$\frac{1}{4}$. Consols declined to 47$\frac{3}{8}$. India stocks declined. Local Loans dropped to 52$\frac{5}{8}$. Recent Municipal issues were supported. L.C.C. bonds rose to 95$\frac{7}{8}$ and Birmingham Sixes improved to 100$\frac{1}{2}$. Colonial issues were firm.

The Foreign market was weak, but the tendency at the close was better. French stocks were notably strong on account of the continued appreciation of the franc; the Fives rose from 45$\frac{5}{8}$xd to 48$\frac{1}{4}$xd, and the Fours advanced from 36 to 37$\frac{5}{8}$. Belgian Threes were also a bright feature, gaining $\frac{3}{4}$ point to 51$\frac{3}{4}$. Brazilian Fours of 1889 rose to 43$\frac{5}{8}$. Egyptian Unified, after a fall to 66, recovered to 68. Mexicans were weaker.

Home Rails were again neglected, and practically all the price movements were downwards, as is shown by the following list giving the changes since Monday in some of the more important stocks. The opening quotations on Monday and the closing quotations last evening are given:—Great Easterns 31 and 30$\frac{1}{4}$; Great Westerns 82 and 81; London and North-Westerns 86$\frac{1}{4}$ and 85$\frac{1}{4}$; North-Easterns 87$\frac{3}{4}$ and 86$\frac{3}{4}$; Dover "A" 8 and 8$\frac{1}{8}$; South-Western Deferred 21$\frac{1}{4}$ and 20$\frac{3}{4}$; Great Northern Deferred 30$\frac{1}{4}$ and 29$\frac{3}{4}$, Great Central Deferred 6$\frac{1}{2}$ and 6; South-Eastern Deferred 29 and 28$\frac{1}{4}$; Lancashire and Yorkshires 59$\frac{1}{2}$ and 57$\frac{1}{2}$.

The Foreign Rail market was flat at the start, but, though not much business developed, some support came forward later and slight price improvements were the general rule. Of Argentine descriptions, Buenos Ayres Great Southerns closed at 78$\frac{1}{2}$, Buenos Ayres Westerns at 78$\frac{1}{2}$, Buenos Ayres and Pacifics at 65$\frac{1}{2}$, Central Argentines at 68$\frac{1}{2}$, and Argentine North-Eastern at 27. Leopoldinas declined to 39$\frac{1}{2}$, and San Paulos weakened to 156. United Railways of Havana declined from 87 to 84.

Forced liquidation was again the rule in the Industrial market, but, as in the other markets, there were signs that the shake-out is arrested for the moment and buyers are again beginning to come into the market. Textiles were unsettled. Fine Spinners declined $\frac{5}{16}$ to 3$\frac{5}{16}$, but recovered to 3$\frac{3}{4}$ last evening. British Cotton and Wool Dyers declined from 9*s.* 6*d.* to 8*s.* Shipping and Engineering, Iron and Steel shares were mostly dull. British Oil and Cake Mills relapsed to 4*s.* 6*d.* on Monday when it became known that the negotiations with the African and Eastern Trade Corporation had been broken off. A good recovery took place later, however, presumably on the directors' advice to wait for the meeting to be held before the end of June. Lever Brothers were bought on the announcement of the capital reorganisation scheme. Tobacco descriptions generally declined. Gas stocks improved. Dunlop Rubbers relapsed to 7$\frac{7}{8}$

Following the turn for the worse last week-end the Oil market opened on Monday in a very nervous condition. It was evident from the start that sellers were predominant, and, indeed, a steady stream of liquidation was kept up all day. A better tone manifested itself on Tuesday—the selling pressure eased off and a fair amount of spasmodic buying took place. In the absence of any general support, however, prices mostly closed lower on the day. Later developments took the form of rallies in some of the favourites.

The position of the leading shares at the opening of the week and on last evening are set out below:—Shell Transports 10$\frac{1}{4}$ and 9$\frac{31}{32}$, Royal Dutch 99$\frac{1}{2}$ and 87$\frac{1}{4}$, Scottish Americans 26*s.* 3*d.* and 26*s.* 9*d.*, Mexican Eagle Common 9$\frac{1}{4}$ and 8$\frac{7}{8}$, Mexican Eagle Preferred 8$\frac{7}{8}$ and 8$\frac{1}{4}$, Tankers (10*s.* paid) 8*s.* 9*d.* and 8*s.* 1$\frac{1}{2}$*d.*, Burmahs 16$\frac{3}{4}$ and 15$\frac{1}{4}$, Trinidad Centrals 5$\frac{1}{4}$ and 4$\frac{1}{2}$, and Trinidad Leaseholds 3$\frac{1}{8}$ and 2$\frac{15}{16}$.

CUNARD STEAM SHIP COMPANY.

Issued Capital: £6,956,209, in £1,500,000 5% Cum. Pref. Stock, £1,000,000 in 6% Cum. Pref. Stock, £4,456,189 in £1 Ord. Shares, and £20 Government share.
Debenture Stock: £1,040,000 2$\frac{3}{4}$%, £361,994 4$\frac{1}{2}$% Mortgage Debenture Stock, £1,040,000 5$\frac{1}{2}$% Mortgage Debenture stock. Loan: £270.187.

Yr.	Net Income†	Income Tax	Deprcn.	Deb. & Pref. Int.	Ord. Div.		Added to Reserves	Amt. of Carry-forwd.	Total Surplus Assets*
	£	£	£	£	£	%	£	£	£
'14	1,386,949	19,664	900,472‡	158,241	128,000	20*a*	68,949	141,996	6,182 932
'15	1,671,197	40.180	909,063‡	154,667	140,743	20*a*	314.425	162,088	6,490,622
'16	2,339,752	89.548	1,479,177§	273,560	267,080	20*a*	250,000	151,474	8,590,508
'17	1,108,926	201,600	377,632§	254,536	267,080	20	—	157,552	8,386,586
'18	1,207,125	209,479	353,231§	246,246	297,081	10	85.403	173,237	8,377,674
'19	1,724,920	288,375	370,429§	242,247	445,621	10	407 299	144,187	8,651,106

* After allowing for current liabilities, the year's dividends, and outstanding loan. † After provision for excess profits tax. ‡ Including allocation to renewals fund. § Excluding allocations for renewals charged to expenses. (*a*) Including 10% bonus paid free of income tax.

In many ways the report of this famous shipping Company for the year ended December 31, 1919, is an illuminating and significant document. The cessation of the liner requisition scheme is not only responsible for the prompt appearance of the report, but also explains the remarkable figures which the gross revenue of the Company attained. For the year in question it is returned at £9,201,728, as compared with £3,801,655 in 1918 and £6,820,252, the highest total reached, in 1916. Thus comparative freedom from Government control—not yet absolute freedom, for the Company continued to carry large quantities of Government cargo in 1919 at Blue Book rates—was reflected in a remarkable expansion of revenue. At first sight these figures would seem to give point to the argument that prices were high largely because freights on imported raw materials had increased abnormally. And assuredly little fault could be found with the argument, provided it did not stress this factor unduly as the cause of high prices, if it was not in many cases followed up by a wholesale charge of profiteering on the part of shipping companies. Those who argue in this manner forget to look at the other side of the question; they ignore the possibility that rising prices are also bound to affect the cost of supplying these transport services. On that point the accounts of the Cunard Company furnish ample evidence. In 1918 working expenses amounted to £2,575,775; for 1916, when the previous record gross income was earned, they reached £4,466,796; whilst for the year under review they were returned at £7,457,158. These figures are perhaps the best defence that can be adduced against this charge. It is not here sought to maintain that shipping companies were philanthropists since 1914. It is freely admitted that they have paid generous and even large dividends; but in this respect they are only on a par with many industrial and commercial undertakings. High freights involve high prices; and high prices in turn necessitate high freights, since they result in an increased cost of working, due to higher wages, as well as the additional outlay on stores and materials. This is the vicious circle in which we find ourselves, and it is neither right nor just to fasten on any one point as the cause. To break down the circle it must be attacked at all points: a rigorous reduction in freights will only mean increased profits in industry and commerce, unless these also are obliged to lower their prices accordingly

Reverting to the position of the Cunard Company, it is found that the net income amounted in 1919 to £1,724,920, as compared with £1,207,125 in 1918. After payment of income tax, and the usual interest on Debentures and Preference stock, there is set aside for depreciation £370,429, whilst the reserve is increased by the large sum of £407,299, as compared with only £85,403 in 1918. Ordinary shareholders again receive a dividend of 10%; but this time, instead of absorbing £297,081 as in 1918, it required no less than £445,621. The explanation lies in the alteration which took place in the capital account after the financial year under review had closed, but before the

report was presented. It will be recollected that in January 1920 it was agreed at an extraordinary general meeting to increase the authorised capital to £7,000,020 by the creation of 1,000,000 new Ordinary shares of £1. There was then offered to existing shareholders one new share for every two shares held at a price of £1 10*s.* per share. As during January these shares never fell below 65*s.* and had been as high as 77*s.* 6*d.*, this offer at 30*s.* contained a substantial bonus and was promptly accepted. Thus the Ordinary capital was increased from £2,970,786 to £4,456,189, and it was on this increased capital, the latter portion of which had not been available at all for working purposes during 1919, that the 1919 dividend was subsequently declared. One further effect of this new issue will be to increase the amount of the reserve fund from £507,299, at which it stood in the balance sheet as on December 31, 1919, to £1,250,000 by the addition of the premiums secured. Despite this increased amount paid in dividends and the larger allocations to reserves and depreciation, the balance carried forward is only £29,000 lower, amounting to £144,187.

What the future holds in store for shipping companies in general is largely a matter of surmise, depending upon the view taken of the duration and extent of the anticipated slump in freights. One thing is fairly certain: whenever the slump does set in it will find the Cunard Company well provided to meet it. "We are quite prepared for the storm," declared Sir Alfred Booth at the general meeting. "The sooner we get it over the better, and let us hope it will result in a definite break in the vicious circle of rising wages and rising prices." To begin with: there is the reserve account, now reaching £1,250,000, which has been built up steadily out of profits and premiums on the issue of shares. Then comes a hidden reserve, the nature and extent of which are unknown. The only intimation which the shareholders and general public receive is contained in that pregnant statement, which has characterised the accounts since the War, in which it is declared that the profits for the year have been arrived at "after providing a further reserve for contingent liabilities arising out of the War." Further information is forthcoming in the announcement that the large balance of £10,517,611, which represents the total of sundry creditors and credit balances, includes internal reserves to the extent of £4,500,000, made up chiefly of the surplus over book values of moneys received for ships lost, which reserves are utilised to counterbalance the present high cost of shipbuilding. But whether this reserve is part of the hidden reserve, and if so what proportion it constitutes—these facts can only be surmised. Let it not be forgotten either that the financial position of the Company as evidenced in its latest balance sheet is one of undeniable strength. After providing for all liabilities, including this large internal reserve, the dividends declared at the general meeting, and the balance of the loan still due, there is a surplus of assets, which have already been valued very conservatively, exceeding £8,651,106. Moreover, it emerges that the profits of the year under review were subjected to certain deductions which will not recur. Thus the working charges for 1919 included a sum of £400,000 set aside to meet the cost of converting the *Aquitania* into an oil-burning vessel; a sum of £100,000 to meet losses incurred or to be incurred within a short period by realisation of Government securities to provide funds for the payment of the shipbuilders; and a sum of £70,000 to remodel the old scale of pensions in order to bring them into agreement with the higher level of prices. It is pleasing to note that this attitude towards labour is a definite policy on the part of the Company as evidenced in the provision of a sports ground for their workers, and in the addition to their superannuation scheme of an allowance for the widows and children up to the age of 17 of employees who were contributors to the scheme.

The fact that a slump in freights is looming ominously in the background does not destroy the initiative of the Company. During the year under review the fleet has increased from 358,225 tons gross weight to 392,742 tons. Moreover, construction is proceeding on 11 more steamers, which, in keeping with their go-ahead policy, are being built so that they can burn oil fuel and, therefore, work more economically. Much also is expected from the investments in the 25 Broadway Corporation, in addition to the valuable river frontage and piers which will shortly be at the disposal of the Cunard Company to facilitate its liners in New York. It is of interest to note that the Company anticipate a growing demand for accommodation of all classes on the North Atlantic route. Services based on Rotterdam, and hitherto carried on by the Uranium Steamship Company, which they acquired during the War, have been resumed. Additional services have been opened up between the United Kingdom and America, and between the United Kingdom and the Continental ports to the Mediterranean, Levant, and Black Sea. Thus it cannot be gainsaid that in the matter of reconstruction the Cunard Company have done, and are doing, their part. The maintenance of the Ordinary dividend at 10%, despite any reduction in freights, seems to be well assured.

IRISH INDUSTRIAL COMMISSION. EVIDENCE.—XV.

PEAT AND FARMING.

EVIDENCE on the working of the Company's bog in Ireland was furnished to the Irish Industrial Commission by Mr. James Scott, managing director of the Peat Moss Litter Company. The total area of the bog, situated near Portadown, was between 170 and 175 acres; making an allowance for water it came to about 70 acres, and the average depth of the peat was between 12 and 15 feet. The main product was peat moss litter and peat moss, and the output per annum was about 20,000 tons. As regards the lay-out of the bog, the Dutch practice had been generally followed and methods similar to those obtaining on a colliery are employed. Difficulty was naturally experienced in getting the way laid down superficially from the moss to the factory. A single drain of 8 feet is being operated, and on the side of this drain a narrow-gauge line has been constructed, which links up with the main line running direct to the factory.

Moss litter and peat fuel are cut at different seasons. The former is never cut in the summer, the cutting being completed by the month of April. Peat fuel is always cut during the summer. In his bog the method of cutting consists of a series of vertical and then horizontal cuttings. At a depth of 15 feet there is about 90% of water in the peat. It was not his experience that a drain cut down to 9 feet would bring the water content down to 50%.

An investigation into the possibility of obtaining wax from peat was made at the Company's laboratory in 1914. It was found that a sample of dry Irish sphagnum yielded 7.78% of crude wax, while from dry, black peat a yield as high as 10.60% was recorded. The moisture content in these cases did not exceed 35%. The extraction costs very little and the loss of solvent is, roughly, 1%, calculated on the weight of the raw material, and, therefore, about 22½ lb. of solvent are consumed for the extraction from one ton of peat. At £15 per ton in the case of benzine and £25 per ton in the case of trichlorethylene the loss of solvent works out at 3*s.* and 5*s.* respectively. The loss of fuel is not taken into consideration because the residue after extraction is most suitable for fuel purposes. The drying is carried out with superheated steam or gas. At present there is a great demand for this wax on account of its price—£10 before the War and £80 at present.

If 8% of wax is obtained, or 8 cwt. from 5 tons of peat, these 8 cwt. would cost 30*s.* or 40*s.* These are pre-War figures.

Every possible method of drying the peat by mechanical means had been employed, but air drying represented the only commercially successful method. A production of 200,000 tons per annum of Irish peat moss litter could be achieved if the problem of freight were solved. It has been found, however, that the litter could be obtained more cheaply from other countries than from Ireland. Freight charges ruling between Belfast and London and, say, Norway and London were much in favour of the latter.

From the farmers' point of view there was, in the opinion of Mr. Ennis, more money to be gained from tillage than from grazing, as twice as many beasts can be maintained. It takes 100 acres of grazing to feed 50 cattle, while a similar area under tillage will feed 100. Tillage, however, labours under considerable disadvantages at present. A clear dividing line should be drawn between agriculture and other industries. Concerning the latter, an increase in the cost of production is immediately put on the consumer, whereas a similar increase in the costs of production in farming is eventually met by the imposition of maximum prices by the Government. The Department of Agriculture is unsympathetic to the people. It is ruled by theory and does not, as in the case of similar departments in other countries, co-operate with practical agriculturists.

It should be borne in mind that all Irish land is not suitable for tillage. In Wexford, Carlow, and Kilkenny only about 60% of the land can be tilled, while in Meath the percentage is as low as 25. The Department of Agriculture had not taken these facts fully into account when it estimated the amount of land suitable for tillage in Ireland. Directions had been issued to graziers in the county Meath to till 20% of their lands, but as these men did not know the difference between wheat and oats it was not surprising that their crops were a failure. He attached great importance to the reorganisation of the Department of Agriculture. If a person seeks for information on the subject of the cultivation of wheat and turnips and the costs of their production he should have no difficulty in getting it.

He was not greatly in favour of the idea of breaking up land in Meath with the object of growing flax. Flax encourages weeds, which it is impossible to dislodge when they get a foothold. This experience is common in the North of Ireland. It had been suggested that if, after land had been put under flax, it was well ploughed and manured it would be brought back to grass within five or six years. That was not so; it would be practically impossible to eliminate the weeds, and the land would not fully recover for 20 or 30 years.

Facilities for providing farmers' sons with proper agricultural education should be provided. If the County Councils could be induced to provide scholarships in order to enable young men to be sent to France or Belgium for a brief period it would be excellent. A special rate could be struck for the purpose by these bodies. Agricultural schools might also be established in other centres in Ireland, but with the present generation of farmers it would be difficult to persuade them to follow the advice given by the technical experts proceeding from these schools. The farmer is intensely conservative, and will be little inclined to change his methods unless he is convinced that these can be replaced by more profitable methods. Recourse must be had to practical demonstrations spread over a period of years. If new principles are put into successful operation on a particular farm neighbours will eventually follow the same course, but they will not do so unless absolutely convinced of their efficiency.

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Mining Topics.

The continuance of forced liquidation, although on a small scale only, destroyed any chance of recovery that the market might have had in view of the subsequent improvement in the French exchange and the advance in the price of gold. The leading counters in the Kaffir Circus were flat, with a tendency to react. After Wednesday, however, the disappearance of compulsory sales enabled the market to assume a slightly better tone. However, there was nothing to show that the tide was about to turn. At best the market consoled itself with the hope that after the Whitsun recess the long desired recovery might eventuate. The Anglo-American Corporation of South Africa has declared its first interim dividend of 5%. An interim dividend of 9*d.* per share, equivalent to 37½%, is announced by the Great Boulder Proprietary Gold Mines. A dividend of 25% (1*s.* per share) has been declared by the Ashanti Goldfields, which reports an estimated net profit of £60,221 for the half-year ended March 31, 1920.

Tin shares constituted a bright feature in a market otherwise depressed, and that, despite the persistent fall in the price of the metal, at one period to £278½. Rumoured developments in connection with the famous Rogers lode caused activity in the Cornish group, notably in East Pools, which moved up from £7 5*s.* on Monday to £8 on Tuesday, whilst South Crofty in sympathy improved to 15*s.*, and Dolcoaths hardened to 5*s.* 6*d.* The continued weakness of the metal, however, and the absence of any confirmation, caused a slight reaction, which left East Pools at 12*s.* 6*d.* on Wednesday, South Crofty at 13*s.* 6*d.*, and Dolcoaths at 5*s.* 3*d.*

NEW KLEINFONTEIN.

Year to Dec. 31	Ore Milled Tons	Gold Revenue per Ton*	Working Costs per Ton	Working Profit— £	Working Profit— Per Ton	Dividends— £	Dividends— %	Carried Forward £
1916 ...	730,820	24 5	18 10½	207,959	5 6½	57,577	5	9,150
1917 ...	785,090	25 3½	19 9½	216,289	5 6	57,577	5	115,548
1918 ...	674,740	25 6	24 5	49,829	1 5½	—	—	155,645
1919 ...	630,020	29 6½	26 2½	105,095†	3 3½	—	—	166,924

* Less realisation charges. † Including Premium on gold.

The report of this gold-mining Company for the year ended December 31, 1919, cannot, on the whole, be said to be of a reassuring character from the standpoint of the shareholders. In 1918, owing to a considerable falling off in the quantity of ore milled, in conjunction with a sharp advance in the working costs, the working profit was reduced to £49,829, as compared with £216,289 in 1917. Consequently, shareholders were without even the meagre consolation of the 5% dividends of 1917 and 1916. During the year under review there was a still further decline in the quantity of ore milled, the return of 630,020 tons being

44,720 tons below the poor return of 1918. In the main the labour situation at the mine was responsible for this. Early in the year it was very inadequate in quantity, mainly due to the after-effects of the influenza epidemic. Then came a sudden influx of workers, but whose output was by no means commensurate with their numbers, as they were new to this class of work. Within three months, however, labour became scarce again, with the result that it was thought advisable to close down the Western reduction plant at the end of July and to confine milling operations entirely to the Eastern reduction plant. This reduction in the ore milled had, as might be expected, the inevitable result of forcing up working costs, and the effect was accentuated by the poor efficiency of the new white labour for underground work. The actual cost amounted to 26*s.* 2¾*d.* per ton—an advance of 2*s.* 2½*d.* on the already high level of 1918. It is freely admitted, however, that a considerable part of this increase must be attributed to higher wages, higher costs of stores, and charges like those under the Miners' Phthisis Acts, which are outside the control of the management. Comparing these costs with those of 1914, it appears that the rise in price of stores and materials between 1914 and 1919 represented an additional cost of almost 2*s.* 6*d.* per ton milled. The advance in white wages over the same period worked out at approximately 7½*d.* per ton, that in native wages at 4½*d.* per ton, whilst an extra charge of more than 1*s.* 2*d.* per ton was involved in the War bonus to employees. Under these circumstances it is not surprising to learn that, comparing the working operations for 1919 with those of previous years, upon the basis of the par value of gold there would have actually resulted a loss of £9,036. The fact that the gold revenue has risen to 29*s.* 6*d.* per ton and that a working profit of £103,095 is recorded is due solely to the existence of the premium on gold, which between July and the close of the year furnished the Company with an additional income of £112,131. No dividend, however, was declared, a balance of £166,924 being carried forward to the next accounts, in comparison with £135,645 in 1918.

Let it be frankly stated that the outlook for the current year is by no means encouraging. The position as disclosed in the balance sheet as on December 31, 1919, is, it is true, financially strong. Liquid assets are available to the extent of £199,837, whereas sundry creditors do not exceed £91,826, or, if the reserve of £15,000 for the repayment of the capital loan be included, £106,826. Neither is the position as regards ore reserves very unfavourable, for at the end of 1919 they were estimated at 2,312,000 tons of an average value of 5.53 dwt. over a stoping width of 58.20 inches, as compared with 2,595,000 tons of 5.41 dwt. over 58.80 inches. Thus the actual decline does not exceed 283,000 tons, whilst the average value is 0.12 dwt. higher. It will be noticed, however, that the pay limit remains unchanged at 3.76 dwt., equivalent to an estimated recovery value of 27*s.* per ton on the standard value of gold. Bearing in mind not only the tendency of the gold premium to seek a lower level, but also the advance in the realisation charges as a result of the action of the South African banks, in addition to the further rise in working costs generally, it may be found necessary to adopt a higher level. At a pay limit of 4.01 dwt. the ore reserves would be reduced to 1,979,000 tons. Again, development operations during the year under review cannot be said to have yielded satisfactory results. In quantity they fell short of the amount for 1918 by 2,185 feet, and of the footage actually developed 35.8% proved payable, giving an average value of 9.59 dwt. over 54 inches. The salient features of the work were twofold—(1) the location of high-grade ore in the Orient section of the old mine; (2) the failure of results in the Apex section to come up to expectations. Reading the Manager's report, it is evident that the payable ore was scattered very much. Thus, in the 3rd level west ore of 7.48 dwt. over a stoping width of 55 inches was found for 230 feet, whilst driving in the 5th level west exposed no payable reef. Winzes in the 6th level haulage, after revealing ore of good values, were found to run into unpayable areas. Returns for the first quarter of the current year confirm our opening remarks: at 145,960 tons the quantity of ore milled would again indicate a reduction over the low level of 1919. Financially the result is worse: despite the gold premium, there is an actual working loss of £130 for the three months. The revenue per ton milled works out at 30*s.* 4.003*d.*, whereas working costs have risen considerably to 30*s.* 4.005*d.* To this increase the additional burden imposed by the recent miners' phthisis legislation and by the recent advances in wages contributed largely. April returns are characterised by a net working loss of £4,050, despite the reduction in working costs to 28*s.* 2*d.* per ton and the improvement in the quantity of ore milled to 50,440 tons, the highest since the opening of 1920. In this case one must look to the higher realisation charges, in conjunction with the decline in the gold premium, the gold being estimated at £5 2*s.* 6*d.* per oz. in April, as contrasted with £5 5*s.* in March. Coming on top of this knowledge, it is not cheerful to have to record the suspension towards the end of April of all operations other than pumping in the Apex section, from which so much had been expected. But the directors hold that, in view of the enormous advance in the costs of working, no other decision was possible in the light of the scattered nature of the payable ore as indicated by previous development operations. "Under present conditions," they add, "continued development and work in this section of the mine must result in continued heavy loss, and, taking into consideration results of development, especially the small percentage of payable ore exposed, the board of directors consider that there is extremely small prospect of improvement in the present position for a long time to come." To anticipate favourable results for the current year in the face of all these facts would call for an unusual degree of optimism. In the market the £1 shares are quoted at 7*s.* 6*d.*

GOVERNMENT AREAS.

	Ore Milled	Gold Yield per Ton	Working Costs per Ton	Working Profit		Net Profit†	Dividends	
	Tons			£	Per Ton	£	£	%
1915	576,100	25/0	19/7	156,210	5/5	111,599	—	—
1916	741,000	27/1	21/8	204,688	5/5	168,899	—	—
1917	1,298,000	29/9	19/0	693,915	10/9	456,898	175,000	12½
1918	1,303,500	33/2	19/9	876,327	13/5	519,267	385,000	27½
1919	1,361,000	35/8	21/0	997,017	14/8	621,625*	525,000	37½

* Including premium on gold estimated at £249,858.
† After payment of Government taxes and share of profits.

THE report of this celebrated mine for the year ended December 31, 1919, records a progress that is satisfactory from all points of view. There has been a further increase in the quantity of ore milled to 1,361,000 tons; but much work is yet necessary before tonnage will be forthcoming at the rate of 135,000 tons a month to work the plant to its full capacity. The gold yield per ton, based on the par value of gold in order to maintain a comparison with previous years, is 2*s.* 6*d.* higher at 35*s.* 8*d.* Burdened with contributions under the Miners' Phthisis Act of 1919, and with the growing costs of stores and materials and the steady advance in wages, it was but normal to expect an increase in the working costs. Nevertheless, the increase has been by no means commensurate with the stress of the year, amounting only to 3*d.*, the actual costs of 21*s.* per ton being lower than the level of 1916. This figure speaks well for the efficient management of the mine and shows the effect not merely of the economies consequent upon the larger crushing, but also of the improvements made during the year in the handling and transport of the ore underground, to which reference was made by the Government inspector in his recent report on the mine. The result is that a working profit of 14*s.* 8*d.* per ton is earned, as compared with 13*s.* 5*d.* in 1918 and 10*s.* 9*d.* in 1917. In amount the profit reaches £997,017, as against

£876,327 in the previous year. But with the advent of the premium on gold after the middle of July this profit was further increased, and in reality amounted to £1,246,875. The share of this profit accruing to the Government of South Africa is estimated at £605,371. After providing for this amount and meeting all liabilities there is recorded a net profit of £621,625, as compared with £519,267 in the previous year. Out of this shareholders received in dividends a sum of £525,000, equivalent to a rate of 37½%, as against 27½% in 1918, and only 12½% in 1917. There is carried forward to the next accounts a sum of £352,539.

It is evident that this mine is rapidly approaching a stage in its development at which shareholders can confidently anticipate good dividends. "Development results," writes the Consulting Engineer, "were very satisfactory." The total development amounted to 37,321 feet, in comparison with 41,640 in 1918. But nearly 3,000 feet more were on reef, this footage reaching 26,594 feet. Of this, 26,490 feet on sampling yielded nearly 65% of payable reef of an average value as high as 17.4 dwt. over a channel width of 50 inches. The following table affords a comparison of the development work for the last five years:—

	Development Work: Payable Footage		Channel Width			Pay-ore Reserves: Tons	Value per Ton	Stoping Width	Shillingage
	Ft.	%	In.	Value	In.			In.	In.
1915...	9,880	69·0	48	71/4	3,424	3,665,000	29/4	68	1,994
1916...	9,910	67·8	47	55/3	2,597	4,930,000	30/7	75	2,295
1917...	17,220	75·0	51	53/6	2,728	7,016,000	31/10	79	2,512
1918...	17,230	73·6	43	68/1	2,949	9,445,000	34/0	78	2,650
1919...	17,140	64·7	50	73/11	3,696	11,001,700	36/6	77	2,810

In the light of these facts it is scarcely surprising to learn that the ore reserves reach the gigantic total of 11,001,700 tons at the end of 1919, in contrast with 9,445,000 tons at the end of 1918. Furthermore, they have increased in value from 8.0 dwt. to 8.6 dwt., or from 68*s.* 4*d.* to 73*s.* 11*d.* Thus there is on hand nearly seven years' full milling capacity. These figures certainly bear out the pregnant sentence in the report of the Government inspector: "The mine is being well developed." It is of interest to note also that the average stoping width has been further reduced to 79 inches. The financial position as disclosed in the balance sheet at the end of 1919 is scarcely less satisfactory. Liquid assets amounting to £1,071,675 are available to meet sundry liabilities, including the sum of £626,881 in respect of the Government's share in the profits, which do not exceed £1,013,430. The report for the first quarter of the current year is again of a pleasing character from the point of view of the shareholders. The ore crushed is returned at 343,000 tons. The gold revenue, including the premium on gold, works out at 43*s.* 3*d.* per ton, whilst working costs had risen to 23*s.* 8*d.* This increase represents not merely the rise in the prices of stores and materials, but the substantial retrospective adjustment in wages. Nevertheless the working profit per ton is recorded at 19*s.* 7*d.*, amounting to a total of £336,645. Labour is being secured more readily, the number of natives underground at 5,679 being over 270 higher than in the last quarter of 1919. Out of a development footage of 4,600, as many as 2,680 feet proved payable, ore being exposed over 51 inches of reef, averaging in value 16.3 dwt. Ore reserves on recalculation worked out somewhat lower at 10,959,800 tons. In the market the £1 shares stand at 85*s.*, and afford upon the basis of the 1919 dividend a net return at this price of 9% approximately.

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TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, May 19, 1920.

Issue Department.

Notes Issued	£130,444,160	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	11,994,160
	£130,444,160		£130,444,160

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£36,515,283
Rest	3,062,443	Other Securities	82,632,179
Public Deposits	20,080,664	Notes	19,562,740
Other Deposits	101,389,389	Gold and Silver Coin	478,302
Seven-day and other Bills	23,008		
	£139,188,504		£139,188,504

Comparison with Previous Four Weeks [00,000's omitted.]

Date 1920.	Circulation	Coin and Bullion	Deposits: Public	Deposits: Other	Securities: Govt.	Securities: Other	Reserve	Ratio Reserve to Liabilities	Bank Rate *	Three Months' Bills
	£	£	£	£	£	£	£	%	%	%
May 19	110,8	112,4	20,0	101,3	36,5	82,6	19,9	16·5	7	6⅜
May 12	111,3	112,5	21,4	99,4	38,4	80,4	19,6	16·3	7	6 13/16
May 5	111,1	112,5	20,6	116,5	55,3	79,6	19,8	14·5	7	6⅜
Apr. 28	107,8	112,5	17,9	122,4	59,8	75,1	23,1	16·4	7	6 11/16
Apr. 21	105,9	112,4	20,0	124,2	57,4	79,6	24,9	17·3	7	6⅝
J'y22,'14	29.3	40.2	13.7	42.2	11.0	33.6	29.3	52·40	3	2⅝

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 6%; Aug. 8, 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; Apr. 5, 5%; Nov. 6, 1919, 6%; Apr. 15, 1920, 7%.

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (in £'s sterling 00,000's omitted):	May 20, 1920	May 21, 1919	May 22, 1918	May 23, 1917	May 20, 1910
Circulation	£110.8	£76.5	£50.2	£38.7	£28.0
Public Deposits	20.0	26.1	38.4	47.1	17.2
Other Deposits	101.3	110.3	127.6	131.6	35.9
Government Securities	36.5	46.3	55.6	45.0	13.8
Other Securities	82.6	80.4	97.3	116.6	28.7
Reserve	19.9	27.4	30.8	34.8	28.3
Ratio to Liabilities	16·5%	20.10%	18·57%	19·49%	53·36%
Coin and Bullion	112.4	85.5	62.6	55.1	37.8
Money:					
Bank of England Rate	7%	5%	5%	5%	4%
Bank of France Rate	6%	5%	5%	5%	3%
Rate 3 months' Bills London	6⅛-⅛%	3½%	3½%	4⅛-4⅜%	3⅛%
Exchanges:					
Paris Cheque	54·90	30·62½	27·16	27·26½	25·27
New York 60 days	3·79	4·60½	4·72½	4·73	4·84
Bombay Telegraphic Transfers	2/1½	1/7⅛	1/5⅞	1/4 7/32	1/3 15/16
Prices:					
Consols 2½% Cash	47⅞	56½	56¼	65⅜	88
French Rentes 3% Money	59·95	62·30	59·75	61·25	98·87
Silver, London spot oz.	58½d.	51⅞d.	48¼d.	37⅞d.	24 13/16d.
Wheat, *Gazette* average qr.	72/10	73/3	73/4	77/11	32/1
Cotton, Mid Upland lb.	29·00d.	18·55d.	20·88d.	13·85d.	8·10d
Iron, Scotch pig ton	223/6	161/0	101/0	98/6	55/9

CURRENCY NOTE ISSUE.

Week to	Notes Issued	Notes Cancelled	Notes Outstanding	Gold Coin & Bullion	Bank of England Notes	% of Bank Notes & Gold to Notes
	£	£	£	£	£	%
May 19, '20	9,573,673	9,226,211	345,826,150	28,500,000	7,600,000	10·4
May 12, '20	8,536,909	6,112,749	345,478,688	28,500,000	7,500,000	10·4
May 21, '19	5,969,652	7,796,409	344,838,838	28,500,000	—	8·2
May 22, '18	5,786,493	2,654,318	247,195,082	28,500,000	—	11·5
May 23, '17	5,365,515	4,268,301	157,044,870	28,500,000	—	18·1
May 24, '16	3,986,373	3,632,008	117,535,972	28,500,000	—	24·2

Balance Sheet, May 19, 1920.

	£		£
Notes outstanding—		Advances—	
One Pound	270,380,736	Other Bankers ...	—
Ten Shilling	42,895,414	Trustee Savings Banks	190,000
Certificates outstanding ...	32,550,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500,000
Total	345,826,150	Bank of England Notes...	7,600,000
Investments Reserve A/c ...	16,489,408	Government Securities ...	325,028,594
		Balance at Bank of England	996,964
Total	362,315,558	Total	362,315,558

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

1920. Week to	Revenue	Expenditure	Excess of Expenditure	Loans, Advances, &c., Or.	Loans, Advances, &c., Dr.	Net +	Cash Balance
May 15	£25,902	£10,623	*£15,279*‡	£82,453	£97,760	—15,307	£3,723
May 8	23,338	23,116	*222*‡	92,828	93,448	—£620	3,750
May 1	24,425	21,901	*2,524*‡	85,892	88,134	—2,242	4,147
45days. '20-21	177,566	144,160	*33,406*	678,468	721,244	—42,776	— 5,646
47days '19-20	102,735	223,530	120,795	635,266	520,596	114,670	— 6,128
*Yr. '20-21**	1,418,300	1,184,102	*234,198*‡	—	—	—234,198	—
Yr. '19-20	1,339,571	1,665,773	326,202	6,092,709	5,766,507	326,202	9,369
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	1,682,049	12,799
Yr. '17-18	707,234	2,696,221	1,988,987	7,499,604	3,616,023	1,983,581	21,030

Principal Items of Revenue and Expenditure.

1920. Week to	Revenue: Customs & Excise	Revenue: Income Tax, &c.	Revenue: Excess Profits Duties, &c.	Revenue: Other Revenue	Expenditure: Int., &c., on Debt	Expenditure: Misc. Expend.	Expenditure: Supply Services.
May 15	£4,031	£1,690	£4,428	£15,753	£1,416	£857	£8,350
May 8	3,586	4,062	5,280	10,410	6,055	11	17,050
May 1	3,635	2,977	5,581	12,232	5,597	67	16,237
45days'20-21	31,575	41,528	29,124	75,339	47,876	1,533	94,751
47days'19-20	27,867	23,208	33,509	12,151	52,296	462	170,772
*Yr. '20-21**	348,650	385,800	220,000	463,850	345,000	31,198	807,904
Yr. '19-20	283,023	359,099	290,045	407,404	332,034	16,171	1,317,568
Yr. '18-19	162,220	291,186	285,028	150,587	269,964	11,380	2,297,956
Yr. '17-18	110,033	239,509	220,214	137,478	189,851	11,401	2,494,966

FLOATING DEBT. [000's omitted.]	Treasury Bills	Ways & Means Advances	Total	Natnl. War Bond Rcpts.
May 15, 1920 ...	1,053,733	218,867	1,282,600	1,745,720
May 8, 1920 ...	£1,064,452	£234,767	£1,299,219	£1,745,720
May 1, 1920 ...	1,047,648	249,207	1,296,855	1,745,720
Apr. 24, 1920 ...	1,050,634	245,337	1,295,971	1,745,720
June 30, 1919 ...	796,150	774,237	1,570,387†	1,732,037

* Budget estimates. † Highest. ‡ Excess of revenue.

FOREIGN BANKS.

[In £'s Sterling‡—000's omitted.]

	Gold	Cash Silver	Cash Total	Advances To Public	Advances To Dual Govts.	Note Circulat'n	Bills Dis. counted, &c.
AUSTRIA-HUNGARY.							
July 23, '14...	£51,578	£12,141	£63,719	£7,772	—	£88,740	£31,993
Oct. 21, '19...	10,832	2,374	13,206	371,686	£1,373,083	2,013,363	240,845
Oct. 28, '19...	10,832	2,378	13,210	372,119	1,373,083	2,058,464	222,532
Dec. 7, '17...	11,000	2,300	13,300	603,990	—	739,300	117,600
BELGIUM.	Gold.	Silver	Total	Discounts	Circulation	Deposit	
Aug. 6, '14 ...	£10,977	£633	£11,610	£41,925	£51,800	£6,263	
May 6, '20 ...	10,657	1,081	11,738	27,702	203,518	87,663	
May 12, '20 ...	10,659	1,086	11,745	28,126	203,862	87,957	
DENMARK.	Gold	Cash Silver	Cash Total	Discounts	Balance Abroad	Circulation	Deposits
July 31, '14 ...	£4,100	£341	£4,441	£6,197	£786	£8,693	£47
Mar. 31, '20 ...	12,589	172	12,761	18,055	590	29,123	2,024
Apr. 29, '20 ...	12,588	164	12,752	17,531	981	28,982	1,542
Apr. 30, '19 ...	10,374	136	10,510	3,425	3,977	24,115	1,026
Apr. 30, '18 ...	10,228	134	10,362	3,507	3,489	19,317	947
FRANCE.	Gold—In Bank	Gold—Abroad	Total Cash incl'g Silver	Bills	Circulation	Deposits—Public	Deposits—Private
July 30, '14 ...	£165,654		£190,667	£97,768	£267,327	£15,302	£37,903
May 6, '20 ...	144,331	79,131	233,165	81,127	1,529,974	2,388	136,935
May 14, '20 ...	144,340	79,131	233,105	79,856	1,525,523	1,681	145,650
May 15, '19 ...	142,801	79,131	234,262	36,469	1,372,975	6,714	132,337
May 16, '18 ...	133,755	81,484	225,489	43,656	1,082,561	3,592	120,718
GERMANY.	Gold	Cash Silver	Cash Total	Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
July 22, '14...	£67,843	£16,727	£84,570	£5,279	£40,055	£94,545	£47,199
Apr. 30, '20...	54,584	153	54,737	759,769	2,100,454	2,396,995	824,945
May 7, '20...	54,584	152	54,736	767,736	1,874,582	2,418,644	648,680
May 7, '19...	87,513	1,029	88,542	365,695	1,457,702	1,336,100	612,795
May 7, '18...	117,260	5,988	123,248	77,703	679,183	590,117	342,852
HOLLAND.	Gold	Cash Silver	Cash Total	Discounts	Advances	Circulation	Deposits
Aug. 1, '14 ...	£13,496	£249	£13,745	£13,422	£10,332	£35,660	£1,437
May 8, '20 ...	52,971	985	53,956	21,246	27,608	91,008	11,200
May 15, '20 ...	52,982	1,002	53,984	19,110	27,111	87,744	11,419
May 17, '19 ...	55,180	629	55,809	15,079	19,043	86,889	8,446
May 18, '18 ...	59,937	646	60,583	5,253	11,274	78,132	4,938
ITALY.	Gold	Cash Silver	Cash Total	Other Cash	Loans & Discounts	Circulation	Deposits
July 31, '14 ...	—	—	£48,456	—	£25,017	£69,204	£8,887
Mar. 10, '20 ...	£32,190	£3,009	35,199	26,746	138,450	471,518	71,637
Mar. 31, '20 ...	32,190	3,006	35,196	24,666	161,664	481,801	74,222
Mar. 31, '19 ...	32,716	2,940	35,656	16,192	59,315	366,482	59,921
Mar. 31, '18 ...	33,460	3,158	36,618	5,808	55,534	280,543	58,067
JAPAN.	Gold	Discounts	Advances	Notes	Deposits—Public	Deposits—Private	
Aug. 1, '14 ...	£21,867	£1,829	£7,863	£32,722	£13,818	£1,521	
Mar. 27, '20 ...	93,065	29,048	35,463	124,822	114,322	3,781	
Apr. 3, '20 ...	92,062	34,858	35,630	129,653	111,196	4,221	
Apr. 5, '19 ...	70,743	2,243	35,543	82,439	107,374	3,680	
Apr. 6, '18 ...	64,832	5,246	24,375	65,114	65,511	2,308	
NEW YORK BANKS & TRUSTS.	Cash Own Vaults	Aggregate Reserve	Loans, Disc'ts, Invest., &c.	Net Deposits—Demand	Net Deposits—Time	Net Deposits—Total	Excess Reserve
Aug. 1, '14 ...	—	£89,888	£411,238	—	—	£387,185	£1,720
May 8, '20 ...	£18,786†	114,812	1,030,348	£826,540	£50,470	893,770	4,978
May 15, '20 ...	19,240†	113,900	1,028,312	828,468	50,274	891,340	4,136
May 17, '19 ...	£20,138†	114,230	1,004,796	821,626	30,068	899,450	5,396
May 18, '18 ...	21,480†	106,354	918,978	725,044	35,408	862,902	9,908
NORWAY.	Gold	Balance Abroad	Norw. & For. Govt. Secs.	Disc'nts & Loans	Circulation	Deposits	
July 31, '14 ...	£2,960	£1,678	£493	£4,868	£6,752	£793	
Apr. 22, '20 ...	8,121	3,846	579	20,394	24,085	4,883	
Apr. 30, '20 ...	8,122	3,766	579	21,843	24,509	5,730	
Apr. 30, '19 ...	8,190	3,805	691	19,280	23,916	4,203	
Apr. 30, '18 ...	8,733	3,645	712	18,416	19,741	6,445	
PORTUGAL.	Gold	Silver	Total	Discounts & Note Advances	Circulation	Deposits	
Nov. 26, '19 ...	£1,906	£3,921	£5,827	£11,063	£76,570	£4,635	
Dec. 3, '19 ...	1,906	3,920	5,826	10,881	74,948	7,186	
Dec. 10, '19 ...	1,906	3,921	5,827	12,888	78,528	6,349	
Dec. 17, '19 ...	1,906	3,921	5,827	12,954	80,275	4,860	
ROUMANIA.	Cash	Discounts	Advances	Total	Circulation		
Mar. 13, '20 ...	£60,809	£7,642	£2,513	£10,155	£180,105		
Mar. 20, '20 ...	60,809	7,969	2,720	10,689	179,576		
Mar. 27, '20 ...	60,809	8,425	2,598	11,023	179,640		
Mar. 15, '18 ...	34,101	5,218	1,720	6,938	101,260		
RUSSIA.	Gold—In Bank	Gold—Abroad	Total Cash incl'g Silver	Loans & Disc'ts	Circulation	Notes in Reserve	Total Deposits
July 21, '14...	£160,114	£14,395	£181,892	£76,081	£163,411	£8,589	£109,911
Oct. 28, '17...	128,523	230,865	378,205	1,869,559	1,836,217	15,783	345,550
SPAIN.	Gold	Cash Silver	Cash Total	Loans, &c.	Spanish 4%	Circulation	Deposits &c.
Aug. 1, '14 ...	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,955
May 8, '20 ...	98,105	24,883	122,988	85,420	13,779	155,623	43,608
May 14, '20 ...	96,105	24,884	122,989	85,519	13,779	155,960	44,720
May 17, '19 ...	90,443	25,899	116,342	75,399	13,778	141,075	43,026
May 18, '18 ...	82,104	28,271	110,375	52,348	13,777	117,429	36,460
SWEDEN.	Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits	
Aug. 1, '14 ...	£5,717	£6,150	£1,555	£7,495	£13,432	£3,903	
May 1, '20 ...	14,500	4,892	2,524	37,195	40,469	14,698	
May 8, '20 ...	14,500	4,473	2,524	35,668	39,159	14,230	
May 10, '19 ...	15,981	7,494	2,880	18,392	38,991	5,084	
May 11, '18 ...	14,661	7,407	3,880	13,443	33,659	5,446	
SWITZERLAND.	Gold	Cash Silver	Cash Total	Discounts & Advances	Circulation	Deposits	
July 23, '14 ...	£7,202	£758	£7,960	£4,817	£10,716	£2,026	
Apr. 30, '20 ...	21,234	3,576	24,810	14,393	38,643	3,702	
May 7, '20 ...	21,235	3,602	24,837	14,739	37,609	4,608	
May 7, '19 ...	16,810	2,648	19,458	24,076	37,397	4,948	
May 7, '18 ...	15,070	2,220	17,290	14,300	27,904	4,181	

† Not reserve. ‡ Converted at par rate of exchange approximately.

U. STATES FED. RES. BANKS.	Gold—Held by Banks	Gold—With Agents	Total Cash	Bills Discount'd	Bills Accept-ances.	Deposits.—Govt.	Deposits.—Total. Net.	Circulation.
May 10,'20 ..	£388,316		£415,218	£500,924	£31,966	£4,488	£354,680	£618,468
May 17,'20 ...	387,828		415,678	510,256	82,658	8,830	367,870	616,648
May 17,'19 ...	176,836	258,332	449,172	407,788	36,944	37,168	—	508,408
May 17,'18 ...	190,074	188,806	390,542	163,454	55,978	9,750	304,890	313,830

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed		%	Date Fixed
Amsterdam ...	4½	July 1,'15	Lisbon	5½	Jan. 15,'14
Berlin ...	5	Dec. 23,'14	Madrid	5	Nov.10,'19
Berne ...	5	Aug. 21,'19	Paris	5	Apr. 8,'20
Bombay ...	8	May 13,'20	Petrograd ...	8	July 29,'14
Brussels ...	5½	Apr. 28,'20	Rome	6	May 12,'20
Calcutta ...	5	June 5,'19	Stockholm ...	7	Mar. 18,'20
Christiania ...	6	Dec. 18,'19	Tokio	8·03	Nov. 18,'19
Copenhagen ...	7	Apr. 16,'20	Vienna	5	Apr. 12,'15

III.—FOREIGN EXCHANGES.

LONDON ON—†		May 20, '20	May 14, '20	May 7, '20	Apr. 30, '2
Berlin	Cable	172½m.	184½m.	203m.	220m.
Brussels	Cheques	52fr. 75c.	55fr. 37c.	58fr. 35c	60fr. 05c.
Denmark	Cable	23kr. 37	22kr. 90	22kr. 70	22kr. 67½
Holland	do.	10fl. 48c.	10fl. 49c.	10fl. 55c	10fl. 59c.
Italy	do.	74lr. 50	78lr. 00	78lr. 50	86lr. 00
Lisbon and Oporto	do.	12½d.	13d.	13d.	13½d.
New York	do.	$3 81½	$3 82	$3 87	$3 83⅞
—	Cheques	$3 83	$3 82⅝	$3 85⅝	$3 84⅜
Norway	Cable	21kr. 00	20kr. 70	20kr. 30	19kr. 99
Paris	3 mos.	55fr. 87c	59fr. 60c.	63fr. 15c.	64fr. 80c.
—	Cable	54fr. 87c.	58fr. 60c.	62fr. 15c	64fr. 10c.
Spain (Bank places)	3 mos.	51⅛d.	51⅛d.	51⅛d.	51⅛d.
—	Cable	22p. 90	22p. 70	22p. 82	22p. 72½
Sweden	do.	18kr. 27	18kr. 17	18kr. 13½	17kr. 98
Switzerland	3 mos.	22fr. 02c.	22fr. 56c.	22fr. 15c.	22fr. 05c.
—	Cable	21fr. 62c.	21fr. 75c.	21fr. 72c	22fr. 67½c.
ON LONDON—†		May 20, '20	May 14, '20	May 7, '20	Par
Alexandria	Sight	97¼pi.	97¼pi.	97¼pi.	97¼pi.
Amsterdam	Cheques	10fl. 47c.	10fl. 49c.	10fl. 71c.	12·107fl.
Athens	Cable	33dr. 77	34dr. 00	33dr. 60	25dr. 22½
Bombay	Transfers	2s. 1⅛d.	2s. 2⅛d.	2s. 1⅛d.	2s.*
Brussels	Cheques	50f. 50c.	54f. 15c.	58f. 35c.	25f. 22½c
Buenos Ayres	Transfers	60⅜d.	60⅜d.	60⅜d.	47.58d.
Calcutta	do.	2s. 1⅛d.	2s. 2⅛d.	2s. 1⅛d.	2s.*
Christiania	Sight	20kr. 76	20kr. 59	20kr. 27	18.159kr.
Copenhagen	do.	23kr. 27	22kr. 83	22kr. 67	18.159kr
Helsingfors	Cable	73¼m.	72¼m.	70¼m.	25m. 22½
Hong Kong	Transfers	4s. 2d.	4s. 1⅛d.	4s. 5d.	—
Italy	Sight	72lr. 00c.	76lr. 25c.	78lr. 00c.	25l. 22½c.
Lisbon	do.	12⅝d.	13⅛d.	13⅛d.	53⅛d.
Madras	do.	2s. 1⅛d.	2s. 2⅛d.	2s. 1⅛d.	2s.*
Madrid	do.	22p. 84	22p. 80	22p. 85	25p. 22½
Montevideo	Transfers	63⅛	63⅛	61⅛d.	51d.
Montreal	Cable	$4 24	$4 25	$4 25⅛	$4 93⅛
New York	Sight	$3 80⅜	$3 81½	$3 84⅜	—
—	60 days	$3 79	$3 80	$3 83	—
—	Cable	$3 81⅛	$3 82	$3 85⅜	$4 86⅜
Paris	Cheques	51f. 55c	57f. 05c.	62f. 00c.	25f. 22½c.
Rio de Janeiro	90 days	16 ⅝d.	16⅛d.	16⅜d.	16d.
Shanghai	Transfers	6s. 0d.	5s. 11½d.	6s. 1d.	—
Singapore	Sight	2s. 3⅞d.	2s. 3⅞d.	2s. 3⅛d.	—
Stockholm	do.	18kr. 31	18kr. 20	18kr. 12	18.159kr.
Switzerland	do.	21f. 76½c.	21f. 86c.	21f. 85c.	25f. 22½c.
Valparaiso	90 days	12⅛d.	11⅞d.	12⅛d.	18d.
Yokohama	Sight	2s. 9d.	2s. 8⅝d.	2s. 7⅛d.	24.58d.

* Fixed at Rs. 10 to the gold sovereign, February 2, 1920. † Thursday's Rates.

NEW YORK ON—	Rate Current*—May 20, '20	Rate Current*—May 14, '20	Par as usually Quoted	Rate July 3.
Amsterdam, sight ...	36 25c.	36·50c.	40·20c. for 1 guilder	40·25c.
Bombay, cheques ...	40·50c.	41·50c.	48·66c. for 1 rupee	33·00c.
Buenos Aires, cheques ...	103·75	103·20		
Christiania, cheques ...	18 25c.	18·85c.	26·80c. for 1 kroner	
Copenhagen, cheques ...	16·35c.	16·70c.	26·80c. for 1 kroner	26·85c
Greece, cheques ...	11·35c.	11·35c.	19·295c. for 1 drachma	
Hongkong, cheques ...	84·50c.	84c.	74·59c. for Mex. $1	48·4c.
Italy, sight	19·65l.	20·15l.	5·18½ lire for $1	5·17l.
Lima, cheques	4·99⅞l.	4·99⅞l.	4·8665 $ for 1 libra	
Manila, cheques	49·60c.	49·60c.	50c. for 1 peso	49·8c.
Montreal	3·75% disc.	1·25% disc.	Premium per $100	Par
Paris, sight	14·15fr.	15·12fr.	5·18½ francs for $1	5·16fr
Petrograd, sight ...	—	—	51·46c. for 1 rouble	51·37c
Rio de Janeiro, cheques	38·90c.	38·60c.	32·42c. for 1 milreis	
Shanghai, cheques ...	118c.	117c.	52·96c. for 1 tael	83·00c.
Singapore, cheques ...	50·50c.	51·50c.	56·77c. for $1	57·12c.
Spain, cheques	16·70c.	16·85c.	19·30c. for 1 peseta	
Stockholm, cheques ...	20·80c.	20·95c.	26·80c. for 1 kroner	
Switzerland, cheques ...	5·69fr.	5·72fr.	5·18½ francs for $1	5·18½fr
Valparaiso, cheques ...	19·00c.	19·00c.	20·61c. for 1 peso	
Yokohama, cheques ...	50·50c.	51·40c.	49·84c. for 1 yen	49·90c.

* According to Guaranty Trust Company of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount.	Inc. or Dec.*	1920 Agg.	Inc. or Dec.* %
	1920.	[In £'s sterling 000's omitted.]			
BIRMINGHAM ...	May 8	£5,285 +	£2,722	£73,339 +	£26,902 + 57·9
BRISTOL ...	„ 8	1,783 +	522	34,965 +	34,965 + 46·1
DUBLIN ...	„ 8	10,094 +	2,208	171,625 +	42,364 + 32·3
LEEDS ...	„ 8	2,061 +	956	35,317 +	14,487 + 81·4
LEICESTER ...	„ 8	1,818 +	738	27,163 +	10,815 + 66·2
LIVERPOOL ...	„ 8	18,113 +	7,616	339,958 +	136,258 + 66·9
MANCHESTER ...	„ 8	36,403 +	22,858	626,885 +	345,151 + 122·5
NEWCASTLE ...	„ 8	3,599 +	1,686	63,079 +	27,560 + 77·6
NOTTINGHAM ...	„ 8	1,983 +	1,020	23,061 +	10,939 + 90·2
SHEFFIELD ...	„ 8	2,413 +	1,327	31,461 +	9,040 + 40·3
LONDON—	1920.				
TOWN ...	May 19	620,545 +	211,286	13,219,401 +	5,711,363 + 76·1
METROPOLITAN	„ 19	43,824 +	8,407	862,141 +	207,744 + 31·7
COUNTRY ...	„ 19	84,403 +	13,267	1,652,028 +	454,148 + 37·9
TOTAL	„ 19	748,772 +	232,960	15,733,570 +	6,373,255 + 68·1

* Compared with the week a year ago.

V.—FREIGHTS.—According to Messrs. J. C. Gould, Angier and Co.

HOMEWARDS.	1920 May 20	1920 May 14	1913 May 23
Alex. to U.K. ...	—	—	—
Aust. to U.K. ...	—	150/0	31/3
Azoff to L.H.A.R.	—	—	10/6
Bombay to p.p.	110/0d.w.	105/0d.w.	22/6
Burmah to U.K.	140/0	140/0	27/0
Calcut. to p.p.(jute)	—	—	d.w. 25/0
Danube to U.K. ...	—	55/0	10/9
Odessa to L.H.A.R.	—	—	9/3
R. Plate to U.K.	112/6	120/0	16/6

Homewards.—Cont.	1920 May 20	1920 May 14	1913 May 23
U.S.Atl.Ports to L'pl. (cotton, 100lb.)	—	—	41/3
U.S. to U.K. (gr.)	10/6	10/6	2/9
Gulf Ports to U.K. Cont. (cotton&grain)...	12/0	12/0	15/0
OUTWARDS—			
Cardiff to Aden ...	—	—	—
Colombo ...	—	—	12/6
Port Said ...	70/0	72/6	10/3
River Plate ...	—	—	19/3
St. Vincent ...	35/0	35/0	10/6

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VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	MAY 20, 1920.	MAY 23, 1919	JUNE 30, 1914
Iron—Scotch pig warrants ...ton	223/6	161/0	57/0
— Middlesbro' warrants ...ton	217/6	155/0	51/0
— Hematite warrants ...ton	260/0	180/0	61/0
— Staffordshire bars, London ton	£28 10	£20 10	£8 10
— Common bars ...ton	£28	£20 10	£6 16
Steel Rails ...ton	£23	£15	£6 2/6
Galvanised Sheets ...ton	£56	£30	£16 17/1
Copper—Standard ...ton	£90	£78 15	£66
Tin—English Ingots ...ton	£275 6	£230	£142 15
— Straits ...ton	£300nom.	£233	£139 10
Tinplates, I.C. Coke, S. Wales...box	74/0	33/6	11/10½—12/0
Lead—Soft Foreign ...ton	£37 15—£39	£23 15	£19
Spelter—Ord. Foreign ...ton	£43 15—£45 15	£36 5—£36 10	£21 7/9
Quicksilver—(75lb.) ...bottle	£22—£22 10nom.	£18—£18 10	£7
Aluminium ...ton	£165	£150	£82
Antimony—Regulus Foreign ...ton	£59—£61nom.	£40—£42	£27 10
— English ...ton	£60 £65nom.	£45	—
Coal—(best) Yorkshire ...ton	37/2—38/2	23/6—24/6	17/6
— Steam (best) Newcastle ...ton	50/2—55/2	40/0—45/0	14/6
CHEMICALS, OILS, &c.			
N. of Soda—l.o.b Chile, per quintal	15/6	9/6	7/4
Soda—Crystals ex ship ...ton	230/0—240/0	129/0—130/0	42/6—45/0
Copra—Malay and States ...ton	£58	£58 10	£23 15—£24 7/6
Gambier—Good marks ...cwt	50/0	40/0	16/10½
Indigo—Bengal good to fine ...lb.	13/0—16/6	9/0—10/6	3/2—3/8
Linseed Oil—Raw ...ton	£99	£99	£25 5
Linseed—Calcutta, spot ...ton	£43	£45	£13 16/9
— Cakes, U.K. made, ex mill...ton	£22	£19	£7 17/6—£8
Olive Oil—Spanish ...tun	—	nom	£49 10
Palm Oil—Lagos ...ton	£65 10	£72	£31 10
Petroleum—American ...gallon	2/1½	1/4½	7½d.
Rape Oil—Refined English...ton	£110	£100	£32
Soya Oil—Refined ...ton	£105	£75	£24 10
Tallow—Imported ...cwt.	80/0—90/0	82/6—90/0	29/3—33/3
Turpentine—American ...cwt.	185/0	100/0	33/7½
Rape Seed—Toria ...ton	£40	£40	£13 5
Rubber—Para, spot ...lb.	2/2½	2/5	2/9½
— Fine plantation (stnd. crepe) lb.	2/0	1/10½	2/2
— World's Production* Mar. tons	27,685	29,000	8,467
Shellac—T.N. Orange, fair ...cwt.	575/0	315/0	63/0—64/0
TEXTILES.			
Cotton—Middling Upland ...lb.	29·00d.	18·55d.	7·53d
— Egyptian, good fair ...lb.	72·00d	26·34d.	8·75d
— Pernambuco fair ...lb.	31·75d.	20·95d.	7·73d
— Midland Upl. New York...lb.	43·00c	31·55c.	13·25c
— Stock, Liverpool (May 14) bales	1,204,770	533,080	934,600
Flax—Petrograd, Yarapol ...ton	—	nom.	£28
Hemp—New Zealand ...ton	£59	£49	£25 10
— Manila, Fair ...ton	£65	£48	£26 10
Jute—First Marks ...ton	£58	£47 10	£26 15
— Red SCC ...ton	£45	—	£24 15
Silk—Blue Elephant ...lb.	35/0	20/6	11/3—11/6
Wool—Pt. Philip unwashed av. lb.	5/9	3/1½	11½d.—1/0
— Lincoln Half Hogs ...lb.	2/3½	1/7½nom.	1/0½
Hides—Eng. Ox, best, 65lb. up lb.	18½d.—19d.	9¾d.—10½d.	7½d.
Leather—Dressing Hides ...lb.	4/0—4/6	2/7—3/3	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus	63,133,000	77,162,000	34,640,000
— Red, price, N Y 60lb....bushel	335c.	237½c.	67½c.
English Gazette, aver. 480lb. qr.	72/10	73/3	34/3
Flour—G.R. ...280lb	63/6	44/3	28/6
Barley—Eng Gaz., aver. 400 lb. qr.	85/8	62/4	25/4
Oats—Eng. Gaz., aver. 312 lb. qr.	60/10	47/11	20/0
Maize—N.Y. (new bushel)...56lb	—	197½c.	76½c.
— Amer. mixed, Liverpool...480lb.	nom.	63/9	32/4
— La Plata ...480 lb. qr.	77/6	63/0	25/9
Potatoes—Good English ...ton	†315/0	206/0	70/0—75/0
Rice—Bassein ...cwt.	48/6	25/0	7/0—7/3
Tapioca—Pearl, medium ...cwt.	35/0	48/0	14/0—17/8
Hay—best ...2,018lb....load	—	176/0	82/6
Hops—English ...cwt.	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs ...8lb.	6/8	8/3	3/8—3/10
— Scotch sides ...8lb.	10/0	8/4	4/6—5/0
— English ...8lb.	10/0	8/4	4/2—4/5
Mutton—Scotch wethers ...8lb.	10/6	8/10	5/8—6/0
— English wethers ...8lb.	10/6	8/10	4/6—5/4
— New Zealand frozen ...8lb.	10/6	9/0	2/4—3/2
Pork—English and Irish ...8lb.	10/8—15/0	10/8	3/6—4/0
Bacon—Irish, delivered ...cwt.	†200/0	190/6	60/0—74/0
— Danish ...cwt.	†192/0	—	58/0—68/0
— Canadian, ex Port ...cwt.	†187/0	180/0—190/0	—
— American, ex Port ...cwt.	†187/0	174/0—186/0	72/0—74/0
Hams—Amer. long cut, ex Port cwt.	†184/0	174/0—192/0	75/0—79/0
— — short cut, ex Port ...cwt.	†184/0	172/0—190/0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt.	†158/6	160/0—189/0	51/9—52/9
Butter—Danish ...cwt.	303/4		117/0—120/0
— French ...cwt.	303/4	Controlled	96/0—108/0
— Australian ...cwt.	303/4	252/0	98/0—110/0
— New Zealand ...cwt.	303/4		108/0—114/0
Cheese—Canadian ...cwt.	†145/0	Controlled	66/0—68/0
— United States ...cwt.	†145/0	144/8	—
— Dutch ...cwt.	†145/0		53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Apr. 30 ...cwt.	10,004,592	9,133,027	19,777,254
— Home consump'n. to Apr. 30 cwt.	8,426,987	9,057,361	17,272,000
— In Bond Apr. 30 ...cwt.	7,618,000	6,889,000	6,306,000
— Price, Java, 96° Pol. ...cwt.	105/0	36/0	10/3
— — Yellow crystals ...cwt.	112/0	57/9	12/6—14/0
— — Tate's Cubes, No. 1 ...cwt.	116/0	64/9	18/0
Coffee—Imports to Apr. 30 ...cwt.	267,439	407,689	720,360
— Home consumpt'n to Apr. 30 cwt.	102,846	99,480	141,410
— Exports to Apr. 30 ...cwt.	169,426	63,500	340,250
— In Bond Apr. 30 ...cwt.	709,000	861,000	484,000
— Price, Costa Rica gd. to fine cwt.	155/0—175/0	145/0—155/0	80/0—93/0
— — Brazil (Santos) Good ...cwt.	122/0—127/0	65/9	41/6
Tea—Imports to Apr. 30 ...lb.	146,030,275	143,175,704	123,230,277
— Home consump'n. to Apr. 30 lb.	123,555,201	109,384,355	155,447,972
— Exports to Apr. 30 ...lb.	15,602,706	8,519,860	26,561,765
— In Bond Apr. 30 ...lb.	216,485,000	149,671,000	78,292,000
— Price, Indian, Pek. Soug. gd. lb.	—	1/4	8½d.
— — Ceylon, Pek. Soug. Ord. lb.	—	1/4	8½d.
— — Common Congou ...lb.	—	1/4	5½d.
Cocoa—In Bond Apr. 30 ...cwt.	1,128,000	998,000	309,000
— Grenada, good to fine ...cwt.	128/0—132/0	85/0	52/6—56/0

* Estimated. † Controlled. ‡ Decontrolled: Price Ex. Factory.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific ...	Mar.	$15,716,000	+3,342,000	$1,958,000	+ $419,000
	3 *mos. to* Mar.	43,188,000	+6,721,000	3,258,000	— 816,000
Grand Trunk ...	Mar.	£1,182,800	+ £49,900	£54,500	— £118,200
	3 *mos. to* Mar.	3,178,000	+ 301,500	Dr.215,100	— 177,000

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open.	Gross Receipts.	+ or — on Year Ago.	No. Wks	Aggregate Receipts.	+ or — on Year Ago
Assam Bengal	Apr. 10	993	R2,65,242	+ 5,627	1	—	—
Barsi Light ...	Apr. 17	118	30,600	— 11,100	2	92,600	— 16,000
Bengal & N.W.	Apr. 10	2,065	6,62,030	— 1,77,184	2	—	—
Beng. Dooars	Apr. 17	158	22,840	— 6,881	2	58,274	+ 5,8229
Beng. Nagpur	Apr. 17	2,695	12,16,000	— 1,05,000	2	29,19,000	— 2,66,055
Bomb. Baroda	May 8	2,871	21,24,000	+ 94,000	6	1,11,57,000	+ 9,75,000
Burma ...	Mar. 31	1,342	10,62,265	+ 2,89,139	52	2,95,64,719	+ 32,35,482
Del Um. Kalk.	May 8	239	92,400	+ 2,821	6	5,36,414	+ 95,251
East Indian ...	May 15	2,771	28,74,000	+ 38,000	7	1,85,18,000	+ 7,57,000
Gt. Indian Pen.	May 8	3,121½	26,77,400	— 2,43,600	5	1,53,43,100	+ 3,24,529
Madras & S.M.	Apr. 17	3,152	11,50,000	— 64,817	2	27,90,000	— 63,564
Nizam's Guar.	Mar. 31	900	5,93,743	— 92,046	26	80,36,460	+ 8,03,119
Roh. & Kumn.	Apr. 10	576	1,67,583	+ 674	1	—	—
South Indian	Mar. 31	1,852½	12,76,733	+ 22,628	26	3,98,11,307	+ 41,75,174
South Punjab	Dec.	716	8,51,780	+ 53,864	3*m*	22,50,025	— 3,561
COLONIAL							
Can. Northern	May 14	9,704	$1,221,800	+ 141,500	19	19,734,923	+ 2,843,374
Can. Pacific ...	May 14	13,388	3,576,000	+ 617,000	19	65,870,000	+ 10,479,000
Grand Trunk	May 14	3,616	£261,669	+ 18,969	19	4,825,221	+ 371,889
Mashonaland	Feb.	810	62,438	+ 17,413	5*m*	346,916	+ 118,028
Mid. W. Aust.	Mar.	277	13,741	+ 3,001	9*m*	99,189	+ 14,507
New Cape Cent.	Apr. 24	205	3,002	+ 982	17	54,868	+ 8,140
Rhodesia Rlys.	Feb.	1,397	96,695	+ 22,246	5*m*	—	—
Temiscouata...	Oct.	—	$30,562	+ 2,154	10*m*	304,661	+ 22,504
W. Pass. & Yuk	Aug.	122	—	—	8*m*	$968,676	+ 31,021
FOREIGN.							
Argentine.							
Arg. N. East...	May 8	752	£ 13,000	+ 1,700	45	526,400	+ 82,500
Arg. Transand.	May 1	111	£ 4,530	+ 530	44	141,171	— 24,449
B. A. & Pacific	May 15	3,536	£ 190,000	+ 57,000	46	6,992,000	+ 1,631,000
B.A.Gt. South	May 16	3,792	£ 111,000	+ 29,000	46	4,601,000	+ 1,416,000
Do.	May '16	Net	£ 39,000	+ 18,000	46	1,556,000	+ 801,000
B. A. Western	May 16	1,882	£ 111,000	+ 29,000	48	4,601,000	+ 1,416,000
Do.	May 16	Net	£ 39,000	+ 18,000	46	1,556,000	+ 801,000
B. A. Central	Mar.	190	£ 49,015	+ 6,848	9*m*	413,318	+ 48,073
Cent. Argent.	May 8	3,305	£ 210,000	+ 56,000	45	8,124,000	+ 2,177,700
Do.	May 8	Net	£ 80,000	+ 52,000	45	2,612,100	+ 1,749,500
Cord. Central	May 15	1,205	£ 60,300	+ 21,800	46	2,730,200	+ 713,390
Entre Rios ...	May 8	811	£ 25,100	+ 2,500	45	1,083,900	+ 168,300
Brazilian.							
Brazil Gt. South	Mar.	110	M 53,000	+ 1,050	3*m*	162,500	+ 24,360
Brazil Railway	Dec.	3,530	M 4,859,000	— 141,271	12*m*	57,772,000	+ 7,819,243
Gt. W. Brazil	May 8	1,010	£ 21,900	+ 3,700	19	484,700	+ 120,700
Leopoldina ...	May 8	1,831	£ 46,819	+ 6,417	19	985,592	+ 420,054
Mogyana ...	Dec.	1,180	M 1,561,000	— 956,490	12*m*	22,267,000	— 2,474,651
Paulista ...	Dec.	766	M 2,650,000	— 906,038	12*m*	32,479,000	— 1,225,892
San Paulo ...	May 16	153½	£ 43,835	+ 11,029	20	882,377	+ 287,945
Sorocabana ...	Dec.	1,003	M 1,749,000	— 246,168	12*m*	21,953,000	+ 976,692
S.of Bahia S.W.	Mar.	52	M 57,000	— 2,000	3*m*	238,000	+ 9,000
Chilean and Peruvian.							
Antofagasta ...	May 9	838	£ 38,800	+ 17,835	19	986,870	+ 478,480
Arauco ...	Mar.	84½	£ 12,000	+ 2,000	3*m*	41,000	+ 8,500
Nitrate (2wks.)	May 15	390	£ 38,479	+ 22,291	18	404,948	+ 109,734
Peruvian Corp.	Apr.	1,140	S 1,302,820	+ 103,400	10*m*	11,987,814	+ 1,738,858
Taltal ...	Apr.	180	£ 28,830	+ 20,678	10*m*	237,660	+ 88,161
Cuban.							
Cuban Central	May 8	362	£ 38,457	+ 707	45	1,230,632	+ 236,552
Havana Cent.	May 15	70	£ 14,809	+ 1,380	46	531,508	+ 96,579
U. of Havana	May 15	681	£ 94,809	+ 8,704	46	3,227,951	+ 530,210
W. of Havana	May 15	155	£ 16,381	— 1,355	46	503,517	+ 100,585
Uruguayan.							
Cent. Uruguay	May 8	273	£ 28,306	+ 5,717	45	1,034,477	+ 52,273
,, (E. Ext.)	May 8	311	£ 7,895	+ 1,109	45	284,434	+ 33,628
,, (N. Ext.)	May 8	185	£ 4,525	+ 1,028	45	177,002	— 68
,, (W. Ext.)	May 8	211	£ 3,593	+ 1,308	45	128,105	+ 8,738
Mid. Uruguay	Apr.	319	£ 19,149	+ 1,112	10*m*	199,229	+ 23,539
N.W. Uruguay	Apr.	113	$ 5,319	— 626	10*m*	67,351	+ 3,492
Urug. Northn.	Apr.	73	£ 1,957	+ 73	10*m*	24,277	+ 3,121
Miscellaneous							
Alcoy & Gandia	Apr. 24	33	Ps. 14,000	+ 4,000	17	197,900	+ 28,500
Bilbao ...	Apr.	15	£ 4,702	+ 3,285	4*m*	15,720	+ 6,200
Bolivar ...	Apr.	136	£ 9,697	— 3,350	10*m*	97,894	— 3,603
Colomb. Natnl.	Mar.	86	£ 15,636	+ 5,776	3*m*	47,396	+ 16,616
Costa Rica ...	Feb.	189	£ 30,440	+ 7,926	8*m*	203,876	+ 28,046
Dorada Ext....	Apr.	70	£ 18,000	+ 8,000	4*m*	53,500	+ 23,200
Egyptian Delta	Apr. 30	559½	£ 12,200	+ 12,200	4	35,715	+ 35,715
Gt. S. of Spain	May 8	104	Ps. 94,166	+ 10,043	19	1,575,696	— 835,721
La Guaira & Ca.	Apr.	22¾	£ 15,000	+ 7,740	4*m*	58,200	+ 25,220
Ottoman Ry...	May 1	379	£ 8,556	— —		—	—
Paraguay Cent.	May 8	255	£ 5,080	— 120	45	217,040	+ 30,340
Puerto Cabello	Apr.	34	£ 5,500	+ 800	6*m*	23,000	+ 3,375
Salvador ...	May 15	100	£ 4,380	+ 1,560	46	207,560	+ 85,234
Santa Fe Prov. French Rys.	Mar.	1,181	£ 163,680	— 4,344	3*m*	467,280	— 20,786
S'm'na & S'ti'go	Mar.	80	£ 13,200	+ 5,251	3*m*	36,880	+ 14,435
Zafra & Huelva	Mar.	112	£ 13,522	+ 3,674	3*m*	40,596	+ 10,560
TRAMS.							
Anglo-Argent.	May 13	400	£ 80,150	+ 15,855	19	1,415,011	+ 310,561
Auckland Elec.	June 30	27	—	—	52	292,502	— 3,063
Bombay Elec.	Jan.	39	R. 7,79,874	+ 1,45,829	1*m*	—	—
Brazilian Trac.	Mar.	378½	M 9,900,000	+ 570,000	3*m*	28,936,000	+ 3,112,000
Brisbane Elec.	Apr.	40½	£ 44,890	+ 6,115	4*m*	176,750	+ 25,640
Brit. Columbia	Mar.	334	$ 761,182	+ 112,062	9*m*	6,557,837	+ 1,187,718
B. A. Lacroze	Apr	51	£ 53,429	+ 9,822	10*m*	507,118	+ 72,930
Calcutta ...	May 15	35½	R 91,758	+ 5,880	20	17,21,332	+ 130,719
Cape Electric	Feb.	42½	£ 26,789	+ 334	8*m*	214,950	+ 26,970
Carth. & Herr.	Apr.	9	£ 5,482	+ 3,696	4*m*	17,731	+ 7,539
Chatham & Dist	May 6	15	£ 1,697	+ 130	18	27,155	+ 3,505
Havana Elect.	July	86	$ 794,768	+ 100,679	7*m*	5,116,661	+ 402,687
Isle of Thanet	May 15	20½	£ 884	+ 115	33	20,090	+ 7,487
Kalgoorlie ...	Jan.	20½	£ 2,573	+ 11	1*m*	—	—
Lanarkshire ...	May 6	28½	£ 4,215	+ 2,334	18	72,537	+ 16,558
Lima Light ...	Feb.	85	£ 66,050	+ 9,940	2*m*	114,635	+ 23,195
London C.C. ...	May 12	141½	£ 85,172	+ 3,089	6	494,427	+ 25,680
Madras (2wks.)	May 15	15½	R. 54,473	+ 7,848	18	436,028	+ 117,833
Manila Electric	Feb.	55	$ 278,243	+ 66,567	2*m*	556,581	+ 113,319
Pernambuco...	May 16	59	£ 6,256	— 568	20	150,083	+ 43,320
Provincial ...	May 8	21½	£ 3,074	— 250	32	93,717	+ 13,812
Rangoon Elec.	Apr.	25	£ 7,857	+ 1,640	4*m*	31,689	+ 5,427
Shanghai Elec.	Apr.	26¼	M $ 142,000	+ 17,000	4*m*	557,394	+ 80,394
Singapore Elec.	Apr. 10	26½	$ 25,900	+ 10,336	15	329,916	+ 150,729
U. of Montevid.	Apr.	90½	£ 42,174	+ 5,160	6*m*	264,898	+ 36,993

The Statist.

LONDON, SATURDAY, MAY 22, 1920.

PEACE.

When can we hope that peace will be restored? It is now nearly a year and seven months since the German Army refused to fight any longer, and we are as ignorant as we were nineteen months ago as to the time when peace will be really restored. The delay is entirely due to the incompetence of the Entente Governments, and particularly to that of our own Government. We in this country have no very great demands to make. We have obtained extravagant additions to our Empire; and we are recovering from our pecuniary losses much more rapidly than we had any ground for anticipating. Apparently, therefore, our Government thinks that since the country is doing fairly well there is no need to take trouble, and so they can put off the complete negotiations for peace as long as it suits their personal convenience. It is a very serious matter, for, when everything is said, we must clearly bear in mind that all the nations which engaged in the War have heaped up crushing debts, and that unless serious efforts are made to get rid of those debts in some way the outlook for the future will be grave indeed. Happily, the United States, which is the one country that could make it dangerous for Europe to play with the negotiations, is not disposed to do so. But, for all that, we must remember that the present condition of things is dangerous for the United States as well as for other countries, and that if we palter with our duty we are likely to get a reminder which will not be pleasant to us. Take, for example, the case of France. She had to do practically the real fighting. She alone of the Entente Powers was in some measure prepared for the War. Consequently, she was able to meet the German armies on an equality, and at the Marne, and likewise before Verdun, she inflicted defeats which made certain the triumph of the Entente Powers. Nevertheless, the War went on for nearly four and a-half years, with the result that France has been overwhelmed by debt. The War, it is to be recollected, was for the most part carried on in France, and the victory was won mainly by French armies. Therefore, France suffered doubly. Not only had she to sacrifice more men than any other country, when she was the least prepared for such a sacrifice, but, furthermore, she had to acknowledge that most of her Allies were not prepared to give her the assistance which she had a right to expect from them. France, therefore, is in this position: that she is overwhelmed by an enormous debt, and at present has not the means of materially reducing that debt, except from the contributions that Germany may make to her. We are not in the least justifying the kind of peace that has been made with Germany. We think it is open to all sorts of objections. But it is the peace which was made by the Entente Powers. They had the power, and they used it. And yet they see France wasting before their eyes, and they do nothing in earnest to put an end to what is going on. We have purposely chosen the case of France, firstly, because we owe to France the victory over Germany; and, secondly, because France is sure to recover her greatness, whereas it is not so certain respecting many other States. But we must not shut our eyes to the fact that the whole of Europe is in a very alarming state, and that nothing material can be done to restore prosperity until the war negotiations are completely ended. Apparently, none of the Entente Powers are in earnest, or, if in earnest, feel they have the authority to insist upon an immediate cessation of negotiations. And so we seem to be drifting to a condition of things which will plunge Europe into greater dangers than the majority of people seem at present to be aware are seriously threatening them.

THE NEW IRISH POLICY.

The Irish Roman Catholic bishops who have been summoned to Rome have returned, and it is generally expected that they will now address warnings to the public ordering obedience to the law. It is probable, of course, that the expectation will be fulfilled; yet there are strong reasons warning the Irish Roman Catholic bishops against committing themselves to a course of conduct which may very easily ruin their influence in Ireland. Hitherto they have, it is true, preached that obedience to the law is proper. But they have not gone out of their way to justify the conduct of the Government, or to inculcate that obedience to every rule of the Government is obligatory. It will, therefore, be interesting to see whether the Roman Catholic bishops will risk their influence in Ireland merely because the Pope has ordered them to do what they know to be likely to lessen their influence henceforward in the country to whose service they have devoted themselves. Very soon, however, we shall know what the conduct of the Roman Catholic bishops will be. What is of far more importance to us, however, is the probable conduct of the great body of the people in the south, east, and west of Ireland. The Ulstermen have undertaken to force a policy upon Ireland which is opposed to Irish wishes, and the Government, contrary to its duty, has adopted the cause of a small minority, and is attempting to force upon the large majority what is contrary to their wishes and their convictions respecting the real interests of the island. We are by no means certain, therefore, that the Roman Catholic bishops will be listened to if they obey the orders of the Pope. Of course, women generally will bow to the orders of the Church, for they really believe in Church principles. But that the men of Ireland will submit simply because the bishops tell them they ought to submit—well, all we can say is we are not prepared to believe that until we see it. Everybody who knows Ireland is well aware that the influence of the Roman Catholic clergy is not what it used to be. Everybody equally well knows that it is a long time since Irish opinion has been so roused as it is at the present time. And, therefore, such of us as have the pleasure of knowing Roman Catholic bishops hesitate to believe that these gentlemen will throw away all their future influence simply to oblige a Government which they are as persuaded as we are ourselves is acting absolutely against its duties as the Government of the United Kingdom, and also as the Government which, more than all other Governments put together, may bring this country into unpleasant relations with some of the greatest nations in the world, and even with our own Dominions. We are not prepared, therefore, to believe that the Irish Catholic bishops will throw away all their influence for good. On the contrary, we have sufficient respect for their judgment and their knowledge of human nature to anticipate that they will hold themselves in reserve until an opportunity occurs in which they may be able to interfere for the benefit both of Ireland herself and of the Empire.

There is a much larger Irish Roman Catholic population outside of Ireland than there is in Ireland itself. The Irish Catholic population in the United States is probably nearly twice as large as the real Irish population of Ireland itself. And if we add all the Irish Catholic populations of all the colonies, it will be seen that those who are not within the reach of the Irish

Roman Catholic bishops immensely outnumber the Irish at home; and that, consequently, addresses delivered in Ireland will have but a very partial influence upon the course of events within Ireland. We are now in the latter half of the month of May. On June 8—a very short time hence, that is to say—the great meeting which is to select the Republican candidate for the next Presidency in the United States is to assemble. Practically, therefore, the Pope, in his ignorance of the course of events throughout the world, and especially throughout the English-speaking world, anticipates that the Irish Roman Catholic bishops will throw away all their influence with their own people simply because a pack of ignorant people in Rome think that it would be useful for the Papacy that they should do so. The Irish Roman Catholic bishops may possibly obey. But we confess we do not expect it; and we go farther, and add that if the Irish Roman Catholic bishops are fools enough to do what the Pope wishes them to do they will hopelessly weaken themselves, and they will not really strengthen the cause of order in Ireland. The Roman Catholic bishops know Ireland as well as any men living. They have felt up to the present that it would be throwing away all their hopes of future usefulness to try to prevent the rise of discontent in Ireland. And they must be strangely disregardful of all their future interests if now, simply because a gang of ignorant people in Rome order them to do a foolish thing, they immediately proceed to do it. However, we shall see in a very short time now how the Irish Roman Catholic bishops act, and what we think, or anybody else thinks, will matter very little. The really important thing is, Are the clergy of the Roman Catholic Church in Ireland about to sacrifice their influence in Ireland because ignorant people in Rome wish them to do so? Our own opinion is that the Irish Roman Catholic bishops are too able to be induced to cut their own throats, or, what will weigh much more with them, to sacrifice the future interests of their Church in Ireland by doing a thing which cannot have much influence and may ruin the power of the Church for the future. The women, we quite admit, will obey as far as, in such a condition as Ireland is in at present, women have the power to do anything. But when a whole nation is really aroused, women can exercise little influence; and, therefore, we are inclined to think that the Catholic clergy, while using their influence quietly to avoid serious disobedience to the law, will not commit themselves to an open breach with ninety-nine-hundredths of the whole Roman Catholic population.

The population of Ireland may, of course, be influenced, assuming that the Roman Catholic bishops do as we are asked to believe they are entreated by the British Government to do. But if the influence is as weak as we think it likely to be, they will achieve little except that they will go far to destroy their own influence henceforward. The influence of the Roman Catholic clergy has been growing weaker for a long time past. It is growing weaker every day. And there are special reasons why it should grow almost worthless in the immediate future. As already said, the meeting which is to choose the Republican candidate for the Presidency of the United States will meet on the 8th of next month. We assume that it will be attended by the most capable leaders, both of the Irish and of the German population in the United States. The Irish and the German populations are American, and they will not willingly do anything that would bring them into collision with the representatives of the great Republican party. Therefore, we take it for granted that the very ablest men that the Irish and the Germans in America can choose will be sent to the Convention, and that their special duty will be to win the adhesion of the great Republican party to such a concession on the part of the British Government as will reasonably satisfy Irish demands. If they can get a real vote to that effect from the Convention, the new President will practically be committed to advocate the Irish cause, for we take it for granted that this time the Republicans are going to win. The Irish and the Germans, then, have the strongest inducements to do nothing that in any way would displease the majority at the great Convention; while the Convention itself, everybody knows, is in favour of large concessions from England to Ireland. Consequently, if the Irish and the Germans are only moderately judicious they can get such a vote from the representatives of the Republican party from every part of the Union as will mark a new era in the relations between Ireland and England. Everybody knows this. Those who differ from us in our view regarding Ireland, just as well as those who agree with us, are thoroughly aware that the prevalent opinion in the United States is in favour of Ireland, and against England; and, consequently, that it needs only moderately judicious conduct on the part of the Irish and the Germans to get such a concession from the Convention as will have a powerful influence on the future relations between Ireland and England. We have talked so far as if the Germans were bound to support the Irish demands. We are not in the least under the impression that the Germans, as a rule, are deeply concerned in the interests of Ireland. But Irishmen and Germans, if united, will make an enormous vote; and, therefore, if the two can agree and can work for a common object, they will be likely—we will not say, of course, to carry all their wishes, but to get such concessions as, to say the least, we in this country will not welcome. If we were wise we should have granted Ireland her demands long ago. We have been foolish to an extent that it is difficult to put into respectful language; and we are now in such a position that if the majority of the Republican Convention choose to make themselves nasty they can put an offence upon us which, to say the least, we shall not like.

We are inclined to think, then, that it is the clear interest both of the Irish and of the Germans in America to act cordially with one another, and each to help the other in getting as favourable a support from the great Republican party as is possible. Furthermore, we are inclined to think that unless the Republican party is controlled by utterly incompetent men it is sure to win at the coming elections. The Republican party is the strongest party in the United States when it is united. It has been disunited, and, therefore, President Wilson has found it possible to reign for eight years. But the party is now believed to be reunited; and, therefore, if it is led with even moderate judgment it will win easily. We take it that the party will certainly insist that the state of things now existing in Mexico must end; and, furthermore, that the administration of England in Ireland is so bad that it is a scandal to those who have been in alliance with England. Therefore we greatly fear that our present Government is leading us into a trap in which it will be possible for the Irish and the Germans to win a great victory over us, and to bring about such a relationship between this country and the strongest party in the United States as, to say the least, will be exceedingly unpleasant. It is too late now to alter things. If Mr. Lloyd George had had common-sense he could have satisfied Ireland and ensured lasting friendship with America. He threw away all his chances; and now we find ourselves in a condition in which it will be at the option of the man who is chosen as the representative candidate of the Republican party to put such a slur upon us as will be extremely unpleasant, not to use stronger language. In this Journal we have again and again warned our readers that the opinion of the whole world is against us in our relations with Ireland. And yet the Conservative party has been strong enough to frighten, first, Mr. Asquith, and, secondly, Mr. Lloyd George; and so we are now within a few weeks of a decision which will be extremely unpleasant to us unless the leaders of the Republican party have more regard for our feelings than we have any right to anticipate.

FRANCE.

It is understood that this country and France have arrived at a solution of their difficulties respecting foreign affairs; and that practically, therefore, they are now bound to pursue the same policy. We hope this view is quite correct, for if England and France act heartily together it will be a long time before any country will be in a position to make war; and, therefore, we trust that great progress will soon begin, and as a result that there will be a marked improvement in France. Secondly, it is understood that Germany is now prepared to pledge herself to pay a certain amount in the nature of damages; and as the War took place chiefly in France, and France, therefore, suffered most, the larger part of the German payments will go to France, and thus the pecuniary difficulties which at present are so great will by-and-by be materially lessened. It is never to be forgotten that France did not increase her taxation as our own country and the United States did, and as, indeed, it would seem to have been desirable that she should have done. We are not dealing now, however, with the past policy of France; and, therefore, we will content ourselves with saying that French Governments believed they had good grounds for the course they pursued, and that as France will receive the larger part of the indemnities paid by Germany, her difficulties will be greatly reduced as time goes on. The financial policy of France, we greatly fear, has not been wisely directed for a long time past. Still, the past is past, and no amount of either condemnation or regret will recall it. It is useless, therefore, either to condemn French policy hitherto, or to regret that it did not look far enough ahead. The important thing is that France defrayed the cost of the War by means of loans; and that, unfortunately, her population and her wealth, though they were thus protected by the smallness of taxation, did not grow as one would naturally have expected. Against this, however, it is to be borne clearly in mind that France was the only country which really showed herself capable from a military point of view. The Germans for half a century were dinning into all our ears that they had the greatest army in the world, and that whenever they pleased they could extend their authority over Europe and Asia. As a matter of fact, the Germans did not win a single decisive battle. On the contrary, the two great battles which determined the course of the War—that of the Marne and that before Verdun—were decided completely in favour of France. We must never forget, therefore, when we say that France failed to tax herself sufficiently during the War, that France, on the other hand, really fought the War for her Allies. It was the victory of the Marne that saved the British Army in France, for if the Marne had been lost and Paris had surrendered it is in the highest degree improbable that our Army could have escaped from France without surrendering to the Germans.

To all intents and purposes, then, if we want to understand the financial side of the recent War, we must bear clearly in mind that France fought the War for the Entente Powers, and that she did it so effectually that after the Marne the Germans never dared to attempt to march direct upon Paris, and that after Verdun they did not dare to attempt in any other direction an attack upon Paris. If, then, we want to understand as clearly as we ought to understand the present position of the different Powers of Europe, we have to bear in mind that France had had, previous to the War, an exceedingly bad system of Governmental arrangements, especially concerning her Army and her Navy; that, however, she has changed that system; that the system now appears to be good; and that in the War France produced four great generals, and by her victories, mainly at the Marne and before Verdun, but in many other cases as well, she broke the power of Germany. To sum up, then, what has just been said, France failed to increase her taxation as, according to British views, she ought to have done. She practically carried on the War by incessant borrowing, and at present she is looking forward to the repayments by Germany for such relief as will enable her to take once more a leading part throughout the world.

Such being the condition of things, what is likely to be the policy of France, say, during the next ten, or, still better, twenty years? It is a very long time to look forward to, and probably not a few thoughtful readers will think that we are permitting ourselves to show our ignorance in undertaking to give even a glance at the probable policy of France, say, for anything like twenty years. We admit that it is a very rash thing to do; but we have just ended one of the most terrible wars the world has ever fought. We are throughout the whole of Europe, and to a much smaller extent throughout the United States, heavily burdened with debt; and in Europe, at all events, our taxation is crushing. Or if we be reminded that France, for example, has not increased taxation much, then we reply that in countries like France the burden of debt is so enormous that it is almost worse than increased taxation. The extent of the United States is so great that it can hardly be talked of as a mere country; it is, to all intents and purposes, a continent, and its population is growing so rapidly that few thoughtful persons who really study the affairs of the United States doubt that the population will double itself in a time so short as, when first stated, is well calculated to startle careful people. Putting the United States aside, then, as so immense and with a future so great, and confining our attention to Europe, we see in France that the War has been waged practically without great addition to the debt, practically by means of borrowing; and, consequently, that France is weighed down with an enormous debt. We have an enormous debt ourselves. But, then, that debt has been regularly incurred; and although our present incompetent Government does not properly provide for it, yet up to a certain limit we have a taxation to pay the rate of interest. In France it is borrow, borrow, borrow, only with the hope that Germany will quickly begin to pay the indemnities, and so that France will be, by-and-by, greatly relieved of the burden of debt. That is exceedingly important.

There are, of course, two things to remember. The first is that even now Germany is a much richer and a much more populous country than France; and, therefore, that Germany may find it possible to refuse to pay France; on the contrary, to make war upon France. As long as Russia is in her present condition, and the newly emancipated States are feeling their way towards some sort of reasonable establishment, it is extremely improbable that, even mad as the German militarists are, they will insist upon plunging into another war. Still, we must not shut our eyes to possibilities, and there is always the possibility—under certain circumstances there may even be a reasonable probability—that Germany will renew the War. If she does not it seems to us highly unlikely that France will plunge into hostilities. It is her interest, to begin with, to avoid putting on the taxation which even in the midst of the War she did not dare to impose. Consequently, the interest of France is to keep the peace as long as Germany pays her debt. What will happen if Germany refuses to pay her debt it would be vain to inquire, firstly, because a refusal at the present time seems incredible; and, secondly, that if a refusal comes it will come under circumstances which it is impossible for us to foresee now. We assume, therefore, that for at least ten years Germany will go on paying the debt. If she does France will receive means to repay more or less of her debt, and so she will have the prospect of a more prosperous time by-and

by. Once Germany settles down and begins to pay the debt France will be able greatly to reduce her Army. Her population is very much smaller than that of Germany, and her resources are, compared with those of Germany, practically undeveloped. Therefore, France will need, let us say, during the next ten years to encourage in every way possible the growth of her trade. The War has had three great advantages for France which must not be forgotten when we think of the burdens caused by the War. And they are, firstly, that the restoration of Alsace-Lorraine has added about two millions of people to the population of France; secondly, that it has greatly increased the mining wealth of France, and, consequently, made it possible for France to develop her trade rapidly; and, thirdly, that by reducing the coal wealth of Germany it has diminished Germany's superiority in wealth over France. France, it will be recollected, made very great financial progress during the reign of Napoleon the Third. Since 1870, however, she has been almost stationary. If her Government is well advised it will devote itself to the development of all her resources, and in twenty years there ought to be an extraordinary increase of resources.

There is, perhaps, no country more favourably circumstanced, both by climate and by soil. The area is very large. The population is intensely patriotic. And if a true policy is followed there ought to be no serious difficulty in greatly increasing—in fact, in immensely increasing—the wealth of France. The War inflicted terrible loss by destroying the most productive departments of the country. Perhaps in the long run this will not prove a disadvantage. Of course, there will be an immediate disadvantage of intense degree. But if common sense, and especially scientific knowledge of business, is brought to bear, Frenchmen will see that the progress which has been made in invention, say since 1870, has put out of real utility many of the arrangements that existed before that year. Therefore the very fact that so much will have to be done in reconstructing the territory injured by the War, while it will add immensely to the immediate expenditure of France, will, on the other hand, make it possible to so improve all the arrangements for production that the growth of France during the next quarter of a century may be even more rapid than the growth of Germany after 1870. If, then, the people of France are really alive to their best interests, they will spare no pains to make every arrangement of theirs as good as present knowledge makes possible, and they will set themselves deliberately to make up for all the delay in the furtherance of French prosperity since 1870. Of course, there is the question whether the population of France is alive to the defects of its financial system. On that point it would be extremely rash of any man to speak at all dogmatically. But we are inclined to think that Europe is at present entirely too much under the influence of German notions. Germany did make extraordinary efforts to develop her wealth; and while admitting to the full the great help given by the Prussian Government, there is no doubt that the business men of Germany were exceedingly far-seeing. But is there any reason to suppose that Frenchmen are more stupid than Germans? France made great progress under Napoleon the Third, though his Government was intensely bad, and the conditions of the country were certainly not highly favourable to progress. We see no reason, therefore, why there should not be very great progress in France. On the contrary, we noted for several years just before the War an entirely new spirit in young Frenchmen. The time is not far past when it was difficult to induce young Frenchmen to leave France. Everything in France was too pleasant; and, therefore, young men did not care to settle outside of France. But for several years before the War Frenchmen were visiting England and America, just as Germans used to visit those countries 30 or 40 years ago. Consequently, the impression on our mind is that there is a new spirit amongst Frenchmen; that it is not in patriotism alone that Frenchmen are ready to devote their lives and everything that they value even above their lives, but that they want to make France the first country in Europe; and, if they do so, she has all the resources necessary to make her an exceedingly rich and powerful country.

FRENCH PUBLIC CREDIT.

[From Our Special Commissioner.]

Paris: May 19, 1920.

M. Francois Marsal, in his Budget speech to the Chamber of Deputies, emphatically stated that the recent French loan would by no means be the last of the year. Exact particulars of the new issue, which will probably be made in the autumn, are not available, as the terms will naturally depend on the financial conditions, both internal and external, then prevailing; but public credit at home is still strong, judging by the rates at which the Government can raise money and by the Bourse quotations for Government Rentes. That credit will, however, be undermined if current expenditure, which cannot be classed as extraordinary, is financed by means of loans and the service on previous loans is provided by fresh borrowings. The loan policy is in danger of growing popular. At no time during the War, as a brief retrospect will show, were two long-term loans issued in the same year. The first loan was floated in November 1915 at 87-88 and bore interest at 5%. Subsequent loans, issued at further intervals of a year, in October 1916 and November 1917, brought in 11,829 and 17,396 million francs respectively, as compared with 15,112 million francs for the first loan. The Liberation Loan of 1918 surpassed previous records, bringing in 27,853 million francs. There was no long-term loan in 1919, but the spring loan of the current year yielded more than 15,700 million francs. External loans and credits were also raised during the period, and the extent of these operations was described in a previous article. Though circumstances are undoubtedly exceptional in France, which is faced with a much bigger reconstruction problem than the other Allies, the borrowing policy has obvious limits which cannot in prudence be overstepped. It may indeed, be unwise at times to provide for capital expenditure out of ordinary revenue; but very little of the funds raised from the public is to be expended by the French Government on reconstruction, as the handling of problems connected with the devastated area is dissociated from ordinary State expenditure. The last loan was intended primarily for funding purposes, but the reduction of the floating debt and the consequent curtailment of the purchasing power of the French public have not proceeded as extensively or as rapidly as might be desired. Legislation passed last year, however, provides for the repayment before the end of 1920 of large advances made to the Government by the Bank of France, and a reduction in the fiduciary circulation should be of assistance in righting present abnormal conditions.

Since the Armistice the Government, though at intervals addressing eloquent appeals to the nation to economise and thus uphold the financial stability of the Republic, have been tending more and more to outrun the constable. The climax was reached last year, the first complete year of peace, when Governmental expenditure surpassed all records. The following table shows the average daily expenditure since the outbreak of War:—

Expenditure of the French Government, 1914-1919.

Year.	Average Daily Expenditure. Millions of francs.	Year.	Average Daily Expenditure. Millions of francs.
1914	41	1917	104
1915	63	1918	127
1916	82	1919	130

The figures for 1919 are not altogether final, and may eventually show an increase on those given. It is unfortunate that since November 1918 the Government have given little thought to the subject of deflating credit with the object of reducing prices. One of the first steps in this direction would have been the raising of the rate of discount by the Bank of France. During the War this rate was maintained at 5%, and, as the Government were the principal borrowers and could not very well curtail their borrowings whatever the charge for accommodation, it was proper to avoid imposing a further burden on the State by raising the rate against it. After the Armistice, however, the long pent-up civil demand for money came to tighten the market, and the extent of this demand was shown by the doubling of the amount of discounts by the Bank of France over a comparatively short period. Still the rate was not raised, and one effect has been the encouragement of speculation in both commodities and stocks, cheap money being obtainable up to a short time ago. The raising of the French rate to 6% on April 8 was a somewhat tardy measure, but it must be recognised as part of an international movement to reduce prices by making money dearer. The success of the attempt is doubtful, especially in view of the financial policy of the French Government. The daily rate of expenditure in the current year will probably reach 164 million francs, and heavy borrowings on Government account from the Bank of France will be inevitable. The taxable capacity of the country is not such as to allow of extravagance in directions where retrenchment could easily be practised by a modification of Government policy. Taxable capacity is directly proportional to national income, which in turn depends on national production, and the influence of the invasion on the latter may be gathered from the adjoining table:—

French Production.

	Total Production in 1913 Metric Tons.	Production of the Invaded Zone Metric Tons	Percentage Reduction %
FUEL—			
Coal	40,844,000	30,224,560	74
Coke	4,027,000	3,080,000	76
IRON AND STEEL—			
Cast Iron	5,207,000	4,217,670	81
Steel	5,093,000	3,717,890	63
METALLURGY—			
Copper	12,000	11,280	94
Lead	28,000	6,169	22
Zinc	67,800	51,200	76·5
Finished Cast Iron and Steel Products	4,483,000	2,690,000	60
Machinery, etc.	1,209,000,000	300,000,000	25
CHEMICAL INDUSTRIES—			
Sulphuric Acid	1,000,000	360,000	30
Rock Salt	899,000	856,000	95
Artificial Manure	2,000,000	500,000	25
White Lead	20,000	19,000	95
PREPARATION OF FOOD AND DRINK—			
Sugar	786,000	61,000	76
Alcohol (in hectolitres)	2,954,000	1,500,000	59
Beer (in hectolitres)	16,000,000	10,000,000	60
GLASS PRODUCTION—			
Bottles—number	300,000,000	150,000,000	50
Window-glass (in sq. metres) ...	10,000,000	8,000,000	80

This table shows a decline in different branches varying from one-fifth to eleven-twelfths of the 1913 production. Agriculture and the textile industries are omitted, but if we take the number of spindles in the invaded zone as representing the effect of the War on the cotton and other industries we get the following striking figures:—

Textile Industries in France.

Branch.	Number of Spindles in 1913	Number in Invaded Zone	Percentage Reduction %
Wool	2,700,000	2,225,000	81
Cotton	7,500,000	2,225,000	29
Flax	577,350	539,667	93

The resumption of production is now proceeding apace in districts where it was altogether or partially suspended during the War, but even so a vast leeway remains to be made up. One of the most encouraging features is the reconstruction up to the middle of March of 3,100 miles of railway and 620 miles of canal. The confidence which the public have in French credit is evinced by their response to various loans, and the traditional French virtue of thrift should be a powerful aid to recuperation. The resources of the country are also much enlarged, though the increase cannot immediately be brought to bear with full effect in remedying the situation, as the physical and mental strain of the War, combined with the losses in killed and wounded, has been prejudicial to production.

In estimating French stability we must not overlook France's colonial possessions, which are 20 times greater in extent than the Mother country and are remarkably rich in agricultural, forest and mineral resources. The trade of France with Algeria, Morocco, Indo-China, West Africa, Madagascar and other colonies amounts annually to an enormous figure, while the repeal of the Treaty of Frankfort has put France into possession of the Lorraine measures, of which the Briey basin is an extension. In the single year 1913 21 million tons of minerals were raised from these measures. At the same time, the possession of the enormous potash deposits, which are estimated to have a capital value of 150 milliards of francs (nearly six thousand million pounds), will provide France with a valuable raw material for the fine and heavy chemical industries and will supply her agriculture with means for substantially increasing its production. In addition, the coal measures of the North, still to a large extent out of action, will eventually come into play, and these, combined with the hydro-electric energy that has been utilised on a large scale since 1914, should enable the productive capacity of France to be much increased beyond the pre-War standard and so afford additional security for the safety and stability of its public credit. The question of a levy on capital, which was mooted some weeks ago in the Chamber of non-Socialist deputies, is one the raising of which can only work harm to French credit both at home and abroad, as such an impost would constitute a tax on production and impair the resources from which alone the country can be re-equipped. Consumption is the proper subject of taxation, and the Government must recognise it as the only avenue through which it can safely draw on the resources of the people.

FRENCH BANKS AND FOREIGN TRADE.

(FROM OUR SPECIAL COMMISSIONER.)

Paris: May 19, 1920.

THE growth of French banking has always been hindered by the relative unpopularity of the cheque system as well as by the reluctance of French people, even in towns, to hand over their money to ordinary banks of deposit. In the absence of the resources which the accumulated savings of a nation naturally afford, the building up of immense banking organisations with

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overseas branches, with which we are familiar in Great Britain, has been retarded in France. Up to 10 years before the War French exporters to foreign countries had recourse on a large scale to British and German banks, as the credit facilities obtainable from home institutions were not sufficient to satisfy trade needs. Moreover, the commercial intelligence system of French banks, where it existed at all, was merely embryonic. Exporters to French colonies could secure better facilities, as the Banque d'Algérie, the Banque de l'Indo-Chine, Banque de l'Afrique Occidentale, and the four Colonial banks of Martinique, Guadeloupe, Réunion and Guyane, which possess a central agency at Paris, all offered that interconnected home and overseas organisation which was lacking for foreign countries.

With the exception of Algeria the French colonies, unlike the majority of British Possessions, may be described as still in the stage of primary development, and the duties of the banks are thus comparatively simple—to finance the shipment of tropical and other produce and the import of manufactured goods. On neutral ground, however, in many parts of the world, where competition on equal terms must be faced, the organisation of French banks does not befit a country with the enormous trade interests of France. Too much reliance is placed on the system of representation by other banks and financial houses. The result is that there are few private correspondents for French banks abroad, and information placed at the disposal of the French exporter is often secondhand. Moreover, valuable trade knowledge is necessarily imparted to foreigners, and with the system of commercial espionage practised by not only Germany, but by other countries, the full development of French trade is hindered. That expansion has taken place is undeniable, and that from the commencement of the century it has gone on at a fairly rapid rate is evident from the following table:—

Trade of France, 1900-1918.

Year.	Imports Millions of Francs	Exports Millions of Francs	Total Foreign Trade Millions of Francs
1900	4,697	4,108	8,805
1905	4,778	4,866	9,644
1910	7,173	6,233	13,406
1913	8,421	6,880	15,301
1914	6,402	4,869	11,271
1915	11,036	1,937	12,973
1916	20,640	6,215	26,855
1917	27,553	6,012	33,565
1918	19,915	4,144	24,059

It is noticeable that imports increased much more rapidly than exports, though this was caused partly by the payment of interest, &c., on the large foreign loans placed in France. In 1913 the imports were 76% and the exports only 67% above the 1900 level. Examining earlier statistics, we find that French trade between 1880 and 1900 was practically stationary, and though this was the result of a complex of causes, notably the small increase in population, it was, to some extent, due to the loss of overseas markets through an inferior banking organisation. The following table shows in British currency the inexpansive character of the trade, some figures subsequent to 1900 being added for purposes of comparison:—

Trade of France, 1830-1908.

Annual Average	Total Imports for Home Consumption. Million £	Imports of Manufactured and Partly Manufactured Goods for Home Consumption. Million £	Total Exports of French Produce Million £	Exports of Manufactured and Partly Manufactured Goods of French Production. Million £
1880-84	190·9	28·2	138·3	73·1
1885-89	166·0	23·8	132·3	70 0
1890-94	168·8	24·6	136·8	73·6
1895-99	163·7	25·2	144·3	79·5
1900-04	182·1	32·4	168·6	94·6
1905-08	222·7	41·6	207·8	121·3

French exporters could not immobilise their capital for six months, twelve months, or such term as the importer might require, and it was difficult to get long-dated bills or drafts, accepted by foreign clients, discounted at home, as there was no means of knowing the standing or solvency of the acceptors. Intimate communication with importing countries was lacking, and the credits necessary for any concerted effort at commercial expansion had to be refused. In some cases the banks were, and are still, prevented by their charter from giving lengthy accommodation, 100 days being the longest currency a leading institution is free to discount. For European countries the well-known French établissements de crédit, such as the Crédit Lyonnais, the Comptoir National d'Escompte, and the Société Générale, served excellently, especially when, before the War, the rediscounting of fine trade bills with the Bank of France became possible on a large scale. Their extra-European operations were, however, limited, as their branches were confined principally to Mediterranean countries, with an occasional post in India and Australia. Their services to French commerce must not, indeed, be minimised, as they employed the considerable funds at their disposal largely in discounting commercial paper at a low rate. On December 31, 1913, the "Portfeuille commercial," or commercial bills, discounted by the Crédit Lyonnais stood at 1,518 million francs, by the Comptoir National d'Escompte at 1,004 million francs, and by the Société Générale at 957 millions. During the War their good offices did not cease, and on December 31, 1918, the figures for the three institutions were 1,923, 1,523, and 1,200 million francs respectively. Besides this the établissements de crédit have promoted trade by accepting bills and making advances on security. The sphere of their operations was not, however, sufficiently extensive, and countries in Central and South America and the Far East were almost entirely untouched. The collection of bills, accompanied by documents, in places where the standard of commercial morality is not high requires a constant supervision, which can only be exercised on the spot. English and American banks assisted as far as possible, but on the whole they played a passive rather than an active *rôle* where French trade was concerned, as they naturally paid chief attention to the development of the commerce of their own nationals. For trade with the United States and Canada, as well as with other parts of the American continent, the French had to rely on the banking services of the foreigner. The position was not an agreeable one for a proud country like France, and though steps have been taken to remedy it and banking developments have been common during the War, the situation is still far from satisfactory. French Chambers of Commerce and bodies such as the National Association for Economic Expansion have often urged the establishment of banks designed to cater, particularly, for the export trade, which will allow French exporters to grant the long credits so much appreciated by foreign purchasers and so liberally accorded by Germany before the War. Satisfaction is felt that English banking interests in France have grown so considerably since the Armistice, and their services to French trade are gratefully recognised, but it is emphasised that an economically advanced country like France, with its present banking resources, should be independent of foreign assistance in a matter of such vital importance.

We have received a copy of the "Statistical Summary of Economic Conditions in Italy," published by the Banca Commerciale Italiana. The Bank is to be congratulated on the publication, which contains a great mass of information concerning Italy's efforts during the War, and her possibilities for the future. There is little concerning the trade and commerce of our late Ally that will not be found set out in the volume. Each of the industries of the country are dealt with and analysed, and the book should prove a valuable source of reference to all having connection in any way with Italy.

AMERICAN COTTON.

(From Our Special Correspondent.)

New Orleans: May 3, 1920.

Our Cotton market has been a broad, active affair for several weeks past. The speculation, which has been chiefly on the buying side, has been based upon the growing conviction that the unfavourable weather conditions that have been prevailing rather constantly preclude the possibility of a large-sized cotton crop being produced in the Belt this year. In fact, there are some shrewd students of the crop situation who are willing to wager that the crop will be another short one. Many of the trade, however, are still hopeful that a moderate-sized crop may yet be grown, but it is generally admitted that the average of weather conditions from now on must be decidedly good.

It is now the early part of the last month of spring, when chopping out of the young plant should be general over pretty much the entire Belt. But such is not the case this year. Rains and cold weather have followed one another in almost endless succession, and, although the rains have been mainly in the eastern and central portions of the Belt, the cold weather has held on over all parts of the Belt. The heaviest rains have been in the Eastern Belt, or what is generally referred to among the trade as the Atlantics. It is only within the last week or 10 days that any real progress has been made in planting the crop in the Atlantics. Preparations are very backward in that section, and it will take several weeks of good weather to put the crop there in anything like good shape. Weather conditions in the Central Belt have not been quite so bad as in the Atlantics, but even in this, the most favoured portion of the Belt, planting operations are much behind that of a normal year, and even some of the bottom lands are yet to be planted, with comparatively little cotton up.

In Central, South-west, and West Texas repeated cold spells have taken all the moisture out of the ploughed grounds, leaving hard clods, in which seed has failed to germinate. In this section of the Belt rains have been badly needed. In fact, the situation in Texas in this respect became so acute about a week ago that the mere prediction of rains for that part of the Belt was sufficient to bring about a sharp decline in contract values, particularly in the new crop months. The heavy selling on the expectation of rains in the Western Belt created an oversold condition in the market, so much so that when the rains actually materialised the market had a sharp upward reaction that again put the "bulls" in control of the situation. Although these rains were rather general in Texas, extending even to the western portion of that State, the unfortunate part was that a cold wave followed close behind, and much of the moisture there was in the ground as a result of the passing rainstorm was quickly absorbed by cold winds. The weather has in the last week been warmer over Texas as well as other parts of the Belt, and more headway has been made in planting the crop. More rains are needed in Texas, however, to aid germination, and unless the precipitation occurs within the next week or ten days another crop scare is likely to come out of the West this time. We have already had several scares over the alarming conditions that have prevailed in the Atlantics until recently, and a recurrence of wet weather in the eastern half of the Belt would probably be the signal for another wild speculative movement on the buying side.

Fortunately for the traders who have been committed to the selling side, financial conditions, particularly the recent panic in Japan, have helped to tone down "bullish" sentiment, which otherwise might have become rampant and carried prices to extreme high levels thus early in the season. At any rate, new crop deliveries in this market have already sold above 37 cents, and the advocates of higher prices have been predicting 40 cents for the fall deliveries before midsummer. Some are even talking 50 cents a pound as the ultimate goal of those operating for higher levels in the market. Whether such extreme high prices will be seen depends upon weather conditions during the next four weeks. A dry May would probably insure a fair-sized crop; a wet May, on the other hand, would probably mean that a short crop is the best that can be hoped for this year. In speaking of a wet May I am referring more particularly to the Central and Eastern Belt, because Texas could stand a whole lot of rain, and yet produce a good crop. An entirely dry May in Texas would mean a crop disaster over important producing areas in that State. Altogether, therefore, the crop situation is rather a complex one, and is being closely watched by all interests concerned.

Charles A. Dancy.

BRAZIL.

FOREIGN TRADE.

Readers who are sufficiently interested in the subject to have carefully followed our articles on Brazil will, no doubt, recollect that we had an article in a recent issue explaining the foreign trade of the Republic. The aspect of the question dealt with was the growth of Brazil's foreign trade in 1919, being the first clear year after the conclusion of the Great European War which had upset trade throughout the world, had a more or less disastrous influence on various countries; but, on the other hand, had greatly stimulated the trade and activities of certain other countries. We showed, of course, as it was very easy to show, that Brazil had "boomed," as the market phrase has it, as a result of the European War. Whereas Brazil lived almost entirely upon the export of two commodities, and even imported, and still imports, a great part of her food from the Argentine Republic, still we were able to show that her trade had increased by leaps and bounds; and whereas she was dependent upon two sources of revenue, she now has some 26 specific Brazilian articles which are known throughout the international markets of the trading world. The balance of trade, to which we shall refer later, was also very greatly in Brazil's favour. Her imports were valued at only a little over 78 millions sterling, converting the milreis into pounds sterling, while the exports exceeded 130 millions, also in sterling. Consequently it will be seen that the Republic has a balance of trade in her favour of more than 50 millions sterling, which is an immense growth compared with the period before the War, when the balance was sometimes barely adequate to meet the charges on the debt. It would not be fair to take years like 1912 and 1913, because at that time Brazil was suffering from a severe financial crisis as a result of the breakdown of the rubber boom. It will be recollected that there was a short period when it was necessary for the country to make special arrangements regarding the payment of the coupons on her foreign debt.

We showed recently the great growth in the trade of Brazil. But, as the reader will appreciate, our space is limited, and it is only possible to devote a certain portion to any particular subject. Dealing with such an immense subject as the foreign trade of a great country larger than the whole United States of America it is not possible to treat of more than one aspect of the question in one single article. We showed that the trade had grown, and grown in various directions. We will again briefly recapitulate the subject for the purpose of putting the matter before the reader as clearly as in us lies. We shall endeavour to explain the trade position of Brazil as it presents itself to the world after the first clear year following the great European War. Before, however, painting that favourable aspect of the question, we would draw the attention of the reader, and particularly of Brazilian traders and agriculturalists, and of the Brazilian Government, to the preponderating influence that coffee still occupies in the trade of Brazil. We have already said that her exports exceeded last year 130

millions sterling, at the present rate of exchange. This appears to be an enormous growth; and it is an enormous growth when we consider that on the basis of pre-War prices Brazilian exports only slightly exceeded 65 millions. But in congratulating Brazil on the great growth in her exports as measured in money, and the great growth even as measured in a variety of commodities, it still remains a fact that out of the 130 millions sterling, being the total of Brazil's export trade in 1919, more than 72½ millions sterling is represented by her exports of coffee. That is to say, if we multiply the value of the coffee exports by two we shall see that we get a figure considerably in excess of the total value of Brazil's export trade in the year 1919. In other words, Brazil is dependent to an extent considerably exceeding one-half upon one single item of export. Now, this is not at all satisfactory. The aspect of the question which we would impress upon the reader on this occasion is not so much the great growth of Brazilian trade in the first clear year after the War as compared with the period that immediately preceded the War; but the fact that Brazil still continues to depend unduly upon one or two articles of export; and as a natural corollary she imports from neighbouring countries articles which she is at least as well able to produce herself, and which, in fact, she ought to produce, and produce in such large quantities that they would form a large part, and an ever-growing part, of her own exports. Until 1914 Brazil exported no beef, unless, perhaps, a little of what is known as zarque, or jerked beef—that is beef that has been dried in the sun, and which is consumed, for the most part, by peons looking after cattle ranches in the Argentine Republic. Even zarque beef did not, until recently, constitute one of Brazil's chief exports, notwithstanding that she has, and always has had, enormous herds of cattle.

As we have said, until the War Brazil was absolutely unknown to the freezing trade of the international markets. Fortunately, she had in the late Dr. Rodriguez Alves a man of great business ability, great patriotism, and far-seeing enterprise; and he happened to enjoy the advantage, in addition, of being a wealthy man who could readily put his schemes into execution. As a result Dr. Alves jointed with certain interests in North America for the purpose of erecting freezing houses, and dealing with the distributing portion of the trade, which, naturally, he was not himself acquainted with. But from the point of view of producing the cattle and assisting other ranchers, the scheme was largely due to the initiative of Dr. Alves himself. He encouraged the cattle breeders of the Southern States—Santa Catarina, Rio Grande do Sul, and so on—but, particularly, he initiated in the interior of his own State of Sao Paulo a great cattle industry. The net result, as the reader is aware, is that, whereas Brazil did not export frozen meat at all during the year that preceded the outbreak of the recent War, in 1919 she was able to export over 54,000 tons. There was a trade simply awaiting enterprise and skill and capital for its development. Brazil was as well able to export beef as any of the countries from which she imported it. But until the opportunity came and Dr. Alves was able and willing to take advantage of it, Brazil was an importer of meat instead of being an exporter. In 1913 Brazil did not export any maize. Last year she exported nearly 3,500 tons of it. And during the War she exported as much as 24,000 tons. For her maize exports last year she got £14 per ton. Now, if the reader has access to the trade statistics of Brazil issued from Rio, and turns up the columns dealing with the vegetable products of the Republic, exports and imports, he will observe that Brazil does not export any wheat, and he will see that he has got to turn up the imports to find any reference to the question of flour. He will find that she imports some 200,000 tons of flour from one single neighbouring State alone. Now there is absolutely no reason why the higher lands of Brazil in the hotter regions, and States like Rio Grande do Sul and Santa Catarina, and, indeed, all the Southern States should not grow wheat just as well as it is grown in similar latitudes north of the Equator. It might not pay to grow it in the rich tropical lands of the north. It may be more profitable to grow sugar and tobacco and cocoa; it probably would be. Brazil increased her exports of sugar during the War period from 5,000 tons to nearly 70,000 tons, and the value from £65,000 to 3¾ millions sterling. That the sugar lands of Pernambuco could have been developed to a greater extent than has been the case, we are perfectly satisfied that the sugar lands of our own tropical possessions, and, of course, the sugar lands of Java, were, in fact, capable of development; and that there would be an adequate supply of sugar we are satisfied provided the policy adopted by the Allied Governments, and particularly by our own Government, had been different from what it was. Our commitments with Cuba may be such that it will not be possible immediately to dispense with the sugar control. But as soon as the commodity can be freed there can be no reasonable doubt that it will be beneficial. Had a different policy been adopted, there was more than our annual consumption grown in the second year of the War, and this would have been gradually increased if any evidence had been forthcoming that England was prepared to take what cane sugar was offered to her. On the contrary, it was amply demonstrated by the experience of the Java planters that to put fresh acreage under sugar was simply to court disaster. We have yet to learn of any single instance in which a control has been beneficial. In any case, Brazil is in no sense responsible. The British West Indies are in no sense responsible. The British tropical world, and, indeed, the tropical world taken as a whole, is in no sense responsible for the modest supply of sugar which is available six years after Europe has ceased to be a great sugar producer in the sense that she was in the pre-War period. It is due to the mistaken policy adopted by the Allied Governments, and especially by the British Government, which had, indeed, a unique opportunity of encouraging the growth of cane sugar in the tropical possessions of the Empire.

The quantity of exports has expanded as between the pre-War period and last year by some 600,000 tons. But the value has expanded from 65½ millions to, as we have already said, 130 millions. Comparing 1918 and 1919 there has been an increase in the value of very nearly 90%. It will give some idea of the increased prices between 1918 and 1919 if we say that preserved meats were exported at £80 9*s*. a ton in 1918, and at £97 10*s*. per ton in 1919. Frozen meat, which had been £53 13*s*. in 1918, rose to £66 9*s*.; hides from £87 11*s*. in 1918 to £106 2*s*.; skins from £301 19*s*. in 1918 a ton to £594 15*s*. in 1919; and even jerked beef from £79 10*s*. to £84 11*s*. Cotton remained stationary. Sugar advanced, rubber advanced, cocoa advanced, coffee advanced, but manganese ore, which had been one of the great features of Brazilian trade during the War period fell in price to £4 15*s*. per ton. Now Brazil, like other countries, is passing through a transition period, and it would not be reasonable to judge her position just now any more than it would be reasonable to judge the position of any country. Suffice it to say that she has expanded her trade enormously from, say, 65½ millions sterling to 130 millions, while her imports trade has grown only to a comparatively small extent. This is not altogether good, but it will right itself, and it is not the fault of Brazil that she is exporting goods to a large extent. But, on the other hand, it is not a satisfactory feature that she should be importing so little. It would be desirable, if it were practicable for her to do so, to obtain for her enormous exports a larger proportion of not merely manufactured goods in the consumable sense for the purpose of immediate consumption, but manufactured goods for the purpose of developing her transportation facilities which are one of the most urgently needed requirements of the Republic at present in the general satisfaction

that Brazil naturally feels herself at the enormous growth of her trade as a result of the War. In the general satisfaction that her friends and well-wishers, and those who have long been associated with Brazilian affairs, naturally feel that the trade of the country has expanded so satisfactorily, it should not be lost sight of that of these enormous exports so large a proportion as more than one-half depends upon one single article of export, and although her export trade has expanded, and the number of items figuring in the export returns has multiplied again and again, the fact remains that her exports have not been developed as one had reason to hope to the extent that even if one item was unfavourably affected, as the coffee crop was two years ago, by drought, it would have hardly any influence upon the trade returns of the Republic taken as a composite whole.

PRICES OF COMMODITIES.

"THE STATIST'S" INDEX-NUMBERS.

(In Continuation of Sauerbeck's Figures.)

During April there prevailed a widespread belief that a fall in the general price-level was imminent, but this optimistic outlook has not been supported by events. On the contrary, all the signs point to a further advance in prices during the coming months. We have been told only quite recently that in order to place the sale of sugar and coal on an economic basis the price of granulated sugar will be raised to 1*s.* 2*d.* per lb., while 14*s.* 2*d.* per ton will be added to household coal and 4*s.* 2*d.* a ton to the price of coal for domestic purposes. The advance in the price of sugar will add substantially to domestic expenses, but dearer coal will be much more far-reaching in its effects, for not only will it occasion a large direct increase to the householder in the cost of lighting and heating, but also it will raise the production cost of almost every commodity he buys, and supply and demand being what they are at present this increased cost will ultimately have to be borne by the consumer. Speaking more generally, the increase in the rate of excess profits duty, if retained as originally Budgeted, by striking at production in all its stages from the extraction of the raw material to the marketing of the finished product, is bound to fall on the consumer many times over, while the growth of industrial unrest all the world over, the disorganisation of the financial machine, and the acute under-production of nearly all commodities, all tend to maintain if not to accentuate the present abnormal level of prices. This view is supported by our index-number for April, based on the wholesale prices of 45 representative commodities, which are expressed as percentages of the average prices for the years 1866 to 1877 inclusive. The general index-number is 266.1, an advance of 4.3 points or 1.6% on March, of 44.1% on April of last year, and of 227.7% on June 1914. The following table shows the movements in analysed form:—

	Monthly Index-Nos.				+ or − % April 1920 on		
	April 30 1920	Mar. 31 1920	April 30 1919	June 30 1914	Mar.	April 1919	June 1914
Veg. Food ...	240·6	237·6	168·8	66·5	+ 1·3	+42·5	+261·8
Animal Food	264·1	236·4	205·0	97·5	+11·7	+28·8	+170·9
Sugar, Coffee & Tea ...	209·9	210·7	122·5	51·8	− 0·4	+71·3	+305·2
Foodstuffs ...	**242·8**	**[231·5**	**172·4**	**74·8**	**+ 4·9**	**+40·8**	**+224·8**
Minerals ...	290·6	291·1	169·9	96·7	− 0·2	+71·0	+200·5
Textiles ...	297·7	302·3	201·2	80·6	− 1·5	+48·0	+269·4
Sundries ...	267·7	265·9	202·9	82·5	+ 0·7	+31·9	+224·5
Materials ...	**283·1**	**283·9**	**193·5**	**85·7**	**− 0·3**	**+46·3**	**+230·3**
Totals ...	**266·1**	**261·8***	**184·8**	**81·2**	**+ 1·6**	**+44·1**	**+227·7**

* Revised figure.

It will be noted that the cause of the increase is to be found in the Foodstuffs group, which advanced 4.9% during the month. This advance occurred mainly in the "animal food" category, in which pork shows an increase on the month of fully 135.9%—a direct result of the decontrol of pork and pork products on March 31 last. In the Food group also tea declined, while sugar advanced. As regards the latter, it may be noted that sugar reached "record" prices in America last month. The primary cause of the increase in price is a declining output. It is estimated that the world's total production of sugar this year will be about 15% below that of the year before the War; the European beet crop alone for the current year will be about 60% of the last pre-War crop. Rice remined unchanged during April, but it will be remembered that in March, owing to the reported failure of the Siamese and Burmese crops, the price almost doubled. This influence has not been spent yet, and further price advances in rice are expected. Potatoes showed a rise which was rather large, even for the season. Barley declined further. American maize, which during March fell sharply, advanced again during April; covering purchases by "future" dealers who were caught short were almost wholly responsible. Following its sharp rise during March, wheat remained unchanged in price last month. We fear, however, that this halt will not be for long, for reports from the great producing areas all tell of bad weather conditions, scarcity and dearness of labour, and lack of adequate transport facilities. In the United States wheat belt this spring is reported to be one of the worst ever experienced, and with farm help difficult to obtain even at $10 a day, a greatly reduced output, if not an actual scarcity, is predicted for the current year. The American Government Department of Agriculture estimates the winter wheat crop at 483,617,000 bushels, or nearly 250 millions below last year's crop, the condition being only 75.6% of the normal, as compared with 99.8% a year previously. Thus the removal of the Government control on June 1 is not likely to result in lower prices. Wheat requirements in America for home consumption, seed, and export are normally about 800,000,000 bushels. This leaves about 316 millions to be made up by the spring crop, but weather, labour, and transport conditions being what they are, the spring crop is expected to fall short of this figure by about 100,000,000 bushels. As, moreover, the outside demand will be intensified by a reduced European cultivation, being about 12 million acres below the normal, by the embargo on the export of wheat which is in force in Australia (and an embargo on the part of the Argentine is also expected), and by the fact that more bread will be consumed by those poorer countries and peoples who, as a result of war's privations, cannot afford or cannot obtain much food of a more expensive nature, it can readily be imagined how remote are the prospects of lower wheat prices in the current year. A message from South Africa speaks of a severe wheat shortage there and a sharp rise in the price, and portends a reversion to "war bread." The situation could be saved were the vast resources of the Ukraine to be used for the production of this commodity, which is now in greater demand than before the War, for it now is of much greater importance in the diet of the poorer classes.

Our figures for the Minerals group show slight declines in copper, lead, and tin. The cause of the slump in the latter, however, is of a purely incidental nature. The average price of export coal rose in price, but the probability of a fall very shortly, it will be remembered, is one of the reasons for the increase in the price of coal for home consumption above referred to. In the Textiles group declines occurred in the prices of silk, wool, jute, and cotton. Reports from the American cotton-producing areas show that producers are making every effort to raise a large crop this year, but they have many difficulties to contend with, such as the labour, transport, and weather difficulties above mentioned, while the pink boll-worm is reported to have infected the Texas and Louisiana areas. The demand for cotton, especially in the Eastern markets, shows signs of slackening. A substantial rise took place in Russian imported flax.

In the "Sundry Materials" group declines

occurred in the prices of tallow, palm oil, and linseed. Soda and timber rose substantially. This latter movement is in part due to the increased use of wood for fuel, and is a factor in the increased price of paper. Hides, on which the control was removed on March 1 last, show a decline, while leather rose fractionally. Among the export prohibitions of the French Government have been included raw hides, undressed furs, skins, and dressed horse, calf, and cow hides.

The following table shows the price movements during the War in the more important countries:—

International Wholesale Prices.

	Index-Numbers				Expressed as a Percentage of 1913			
	U.K. ("Statist")	America (Bradstreet's)	Japan (Bank of Japan)	France	United Kingdom	United States	Japan	France
1913...	85·0	9·2115	132·2	115·6	100·0	100·0	100·0	100·0
1914...	85·0	8·9034	126·3	117·9	100·0	96·7	95·5	102·0
1915...	108·0	9·8530	127·8	161·6	127·1	107·0	96·7	139·8
1916...	136·0	11.8237	154·9	217·6	160·0	128·4	117·2	187·0
1917...	175·0	15·6385	196·4	302·4	205·9	170·0	148·5	261·6
1918...	193·0	18·7117	259·0	392·1	227·1	203·2	195·9	339·2
1919								
Jan....	190·7	17·6344	283·2	401·8	224·4	191·5	214·2	348·0
Feb....	187·5	17·2244	281·6	393·5	220·6	187·1	213·0	340·0
Mar....	184·7	17·2795	272·7	388·1	217·3	187·7	206·3	336·6
April	184·6	17·2376	273·2	384·0	217·2	187·2	206·6	332·0
May...	194·6	18·0900	283·7	375·8	228·9	196·5	214·6	325·1
June...	199·8	18·8964	301·6	380·0	235·0	205·2	228·1	329·0
July...	206·4	20·0017	326·8	403·0	242·8	217·2	247·2	349·0
Aug....	212·7	19·4720	332·2	401·7	250·2	211·5	251·3	347·0
Sept.	214·8	19·5215	340·5	416·2	252·7	211·9	257·6	360·0
Oct....	224·3	19·9026	352·1	441·4	264	216·1	266·3	382·0
Nov....	231·0	20·1756	370·2	468·5	272	219·0	280·0	405·0
Dec....	235·2	20·3658	381·5	479·5	276	221·1	288·6	417·0
1920								
Jan....	245·3	20·8690	397·9	562·9	288	226·6	301	486·9
Feb....	260·4	20·7950	413·8	601·1	306·3	225·7	313	520
Mar....	261·8*	20·7124	—	—	308	224·9	—	—
April	266·1	—	—	—	313·1	—	—	—

The following table affords a comparison of movements of the index-number during the last century and, in greater detail, since June 1914.

Annual Numbers		*End-of-Month Numbers*					
Year							
1809 [Jevons'...	189	June '14 ...	81.2	Aug.'17 ...	175.7	Feb. '19 ...	187.5
1810 adjusted...	171	Dec. „ ...	118.4	Oct. „ ...	180.6	Mar. „ ...	184.7
1818 Figures]	159	Jan. '16 ...	123·6	Nov. „ ...	182.9	May „ ...	194.6
1873	111	Mar. „ ...	130.4	Dec. „ ...	185.1	June „ ...	199.4
1880	88	April „ ...	134.2	Jan. '18 ...	186·2	July „ ...	206.4
1896	61	Oct. „ ...	141.5	Feb. „ ...	187.3	Aug. „ ...	212.7
1911	80	Nov. „ ...	150.8	Apr. „ ...	189.8	Sept.] „ ...	214.8
1912-13-14 ...	85	Dec. „ ...	154.3	May „ ...	191.1	Oct. „ ...	224.3
1915	108	Jan. '17 ...	159.3	July „ ...	192.9	Nov. „ ...	231.0
1916	136	Feb. „ ...	164.0	Aug. „ ...	195.9	Dec. „ ...	235.2
1917	175	April „ ...	173.0	Nov. „ ...	195.3	Jan. '20 ...	245.3
1918	193	May „ ...	175.0	Dec. „ ...	196.0	Feb. „ ...	260.4
1919	206	June „ ...	180.4	Jan. '19 ...	192.1	Mar. „ ...	261.8*
						April „ ...	266·1

* Revised figure.

COAL SITUATION IN FRANCE.

[From Our Special Commissioner.]

Paris: May 19, 1920.

To realise the extent of the financial effort now being made by France it is necessary to bear in mind that the anticipated revenue of the country for the current year will not fall far short of 20 milliards of francs, as compared with 5 milliards in 1913. The increase, according to present estimates, will work out at about 270%, and though this is much below the figure for Great Britain, where revenue has progressed to six times the pre-war standard, the different circumstances of the two countries, owing to the unequal distribution of the burdens of war, almost redress the balance in favour of France. France is ready for even greater efforts, but one almost insuperable bar to industrial progress on this side is the dearness and scarcity of solid and liquid fuel. A ton of industrial coal costs from 500 to 550 francs, on which the French Government allows a rebate of 100 to 150 francs. This rebate is possible because of the low cost price of German coal, but the latter is not coming forward in the quantities stipulated for by the Treaty and by subsequent agreements. Though coal commands an average of £8 per ton, and is still rising in price, factories are unable to secure supplies and are often compelled to shut down for days and even weeks at the time. Available stocks are stringently rationed, and the intermittent production which is forced upon manufacturers is very harmful. Supplies from Great Britain for the first four months of the current year reached only 4,992,588 tons, a decrease of 584,335 tons on the corresponding figure for 1919. While industrial development is hampered by lack of fuel, a gratifying increase in French exports has been registered in the first quarter of the year. This in itself shows the goodwill with which problems of reconstruction are being tackled, and, as the following table indicates, the adverse balance of trade has been substantially reduced compared with 1919:—

Trade Returns of France—January to March inclusive, 1919 and 1920—*in thousands of francs.*

	1920	1919	Increase in 1920
Exports of French Produce and Manufactures			
Food and Drink	348,844	119,273	229,571
Raw Materials	884,627	164,380	720,247
Manufactured Articles	2,016,461	782,145	1,234,316
Parcel Post	133,954	115,133	18,821
Total	3,383,886	1,180,931	2,202,955
Imports—			
Food and Drink	2,063,852	1,813,994	249.858
Raw Materials	3,801,384	2,696,193	1,105,191
Manufactured Articles	1,901,714	1,832,565	69,149
Total	7,766,950	6,342,752	1,424,198

(Note.—These figures are provisional.)

As a result of the deficiency in British supplies of coal numerous orders have been placed in the United States, and the chartering of steamers of all classes has been very active in recent weeks. Prices for through-and-through coal show a difference of approximately 40 francs per ton in favour of the American product, while earlier delivery is in many cases assured. The loss of this trade affects not only British collieries but British shipowners, as the ports to which America is now making shipments were at one time supplied exclusively with British coal on British bottoms. American exporters have been seeking tonnage not alone for France, but for Belgian, Dutch, and Italian ports, and freights for French Atlantic destinations have averaged 20 dollars, though the market especially for time charters has lately shown a downward tendency. The heavy trans-Altantic freight constitutes an enormous incubus on France, which has already paid close on 500 million pounds for the services of foreign shipping since the beginning of the War, while losing several hundred thousand tons of her mercantile marine.

In view of the admitted difficulties of the position the French Government have been endeavouring to induce the British to reimpose a limitation price on coal such as previously existed, without restoring the limitation freight. Unless the old system of direction were revived *in toto*, the effect of such a measure would, however, be to drive British coal to other markets, and in any case the British exporter could hardly have his profits limited while the American commanded better prices in the same market. The strain in France has so far not been much relieved by supplies from Lorraine, where production leaves practically no surplus over local requirements. In fact many of the Lorraine blast-furnaces remain unlighted through lack of coke, and a basis of interchange of French steel for British coke or coal might be arranged to the mutual advantage of the two countries.

The situation demands serious attention in Great Britain, for, over and above the mere question of coal, it involves the whole of our trade with France. A natural feeling of resentment had not a little to do with the recent orientation of French policy which resulted in the stringent import restrictions. From 12*s.* per ton f.o.b. in the first four months of 1913 the price of British coal jumped to 32*s.* for the similar period of 1919, and the average from January to April last was 68*s.* We cannot afford to antagonise important interests, and the extent of our French trade may be gathered from the fact that in 1913 imports into France from the United Kingdom exceeded 44 millions sterling in value.

Though involving outside aid, France is no less keenly alive to the urgent necessity of bringing its own mines once more to the producing stage. A comprehensive programme has been drawn up for restoring mines in the devastated region. Credits to the extent of nearly 100 million francs have been approved

by the Minister of Industrial Reconstruction, and in some cases arrangements for resuming production in the drowned mines are in an advanced stage. Winding and pumping machinery, compressors, cables, and pit props have been purchased through the Ministry's help. Progress has been hampered as mining requirements are obtainable only with difficulty abroad, while the process of recovering machinery transported to Germany has been by no means easy. Up to the end of last year less than 30% of the productive workers of 1914 had resumed work, and the restoration of mines still lags far behind other branches of industrial reconstruction. Abandoned mines of course deteriorate rapidly, and particularly in the wet districts of the north they speedily become waterlogged, a fact that accounts for the slow character of the present revival. In 1913 the monthly output of coal in France was 3,404,000 metric tons, but last year, inclusive of the Lorraine output, it was only 1,869,000 metric tons per month. In 1920 the figures have shown a slightly rising tendency. The production in January last was 2,200,000 metric tons, and in February, if we include the production of the Zaar area, 2,927,000 metric tons. Fuel shortage has reduced the output of pig-iron and steel, and consequently held up many branches of industry. The fall in production, accentuated by strikes and general unrest, has been the chief factor underlying the recent advance in prices in France. The increase in the monthly average index-number of wholesale prices during 1919 was even greater than the corresponding increase for Italy, the figures for the two countries being 258% and 255% respectively. A further big jump occurred in January, when the French figure showed no less than 389% increase on the monthly average for 1913. The only remedy is the familiar one of increased production, and to help France to restore the equilibrium between supply and demand every effort should be made by British coal exporters to meet the fuel needs of French industry.

MEXICO.

CONTINUED UNCERTAINTY.

Reports received from the United States are very conflicting regarding the situation in Mexico; and so far we have been unable to confirm, or otherwise, those reports from the various sources of information which formerly were—we will not say and now are—in close touch with trading and financial circles in that country. As we pointed out last week, there is no accredited representative of the Mexican Government in this country, and although we do, or at any rate did until recently, maintain Consuls at certain places in Mexico, we have no Minister duly accredited to the Republic.

So far as it is possible to arrive at any conclusion from the various conflicting reports to hand, it would appear that General Obregon is winning, and it seems likely that President Carranza will have, sooner or later, to give up the struggle. This appears to be the general opinion in New York. If this conclusion proves to be correct, Carranza's Administration will have accomplished nothing. As we said last week, the constitution of the whole governmental system is completely unsuited to the present political and economic condition of Mexico, particularly bearing in mind the nature of her population. Mexico is of interest to the world at large because she is one of the great potential sources of supply of petroleum, which is so urgently needed at the present time. She is of particular interest to the United States, not merely from her economic potentialities, but because a country in a state of chaos can hardly expect indifferent toleration situated between the United States itself and its interests in the Panama Canal. We are exceedingly interested in Mexico, partly because of its potentialities as a supplier of oil, but still more because we have over 200 millions sterling invested in the country. Since Mexico threw off the Spanish yoke she has been more or less throughout in a state of chaos. The late President Diaz did accomplish something definite, but he accomplished, we will not say very little, because even the most distinguished men rarely accomplish very much. Suffice it to say that President Diaz did accomplish something. He did nothing to raise either the general well-being, if we may be permitted to use the term, or the economic status of the peon class, who are particularly depressed in Mexico. On the other hand, he really did, by attracting foreign capital, put into the hands of those who should follow after him what, for convenience, we may describe as valuable plant. He provided the country with such plant as in the hands of competent directors might have been expected to open up the resources of the country. He failed, however, to alter either the political or the economic conditions; and the result has been that he has been succeeded by men who were either little better than adventurers, or were utterly lacking in the resources that would give them any chance of maintaining their authority. To the latter class it would appear, as far as we have any adequate knowledge on the subject, President Carranza belongs.

THE IRISH LAND QUESTION.

The numerous Acts passed between 1881 and 1909 betrayed an ever-increasing appreciation by the Legislature of the gravity of the land problem in Ireland. A considerable amount of success has attended the operation of these measures, and their ameliorative effect on the conditions of life of the Irish farmer cannot fail to be noted by any observer who possesses a knowledge of the past agrarian history of the country. As may be recollected, the policy pursued by the State in Ireland has been to advance to the tenant the money necessary for the purchase of his holding from the landlord and to arrange for the repayment of such advance on easy terms. How far his policy has effected the transference of the ownership of the land may be gathered from the subjoined table which outlines the position on March 31, 1917:—

	Number of Holdings	Area. Acres	Poor Law Valuation £	Purchase Money £
Land vested	308,833	10,262,910	5,185,712	100,208,684
Land agreed to be sold...	100,890	3,302,941	1,207,875	23,936,053
Land unsold	—	5,768,751	3,645,278	—
	—	19,274,602	10,038,865	—

From the above it will be gathered that as regards 308,833 holdings the lands had been formally vested in the tenants when the preliminaries had been settled and the advances made; the holdings still outstanding, 100,890 in number, represent cases which the Estates Commissioners had not yet definitely disposed of. Approximately 13,500,000 acres, or 70%, of the land area of Ireland have come under the scope of the Land Purchase Acts, but there still remain unsold over 5,700,000 acres, and this is calculated to include 60,000 holdings. The estimate as to holdings is, however, but a rough one, and little reliance can be placed on it. It is important to note that this area includes many of the great estates and grazing ranches of the Midlands, the demand for the subdivision of which has always been noticeable in Ireland, and is likely to become still more so, as a result of the land ferment lately coming into evidence. The latest Irish land agitation is most marked in the west, but its area is steadily expanding in other parts of the country, although carried on in a different form and employing agents. Along the western seaboard of Ireland there stretches a belt of land of the poorest quality, which is insufficient to provide its inhabitants with the ordinary means of subsistence, and which compels them to seek an alternative employment during certain parts of the year. It is not surprising that this area has always furnished a large proportion of emigrants and migrants. The fact that their poverty merited special considera-

tion was lost sight of in the earlier Land Acts, but the establishment of the Congested Districts Board was the outcome of a distinction drawn between the two classes of Irish occupiers, those whose holdings were capable of affording the means of livelihood and paying a rent, and those who were incapable of supporting themselves without assistance from outside. As defined in the Act of 1891 a "Congested District" is a district in which more than 20% of the population live in electoral divisions of which the total rateable value when divided by the number of the population gives a sum of less than 30s. for each person. The word "congested" is not here applied in quite its usual sense; a district in Connaught may be overcrowded when there is one man to 50 acres. The object of the Congested Districts Board was to secure a reconstruction of holdings. Uneconomic holdings were to be made economic by the addition of other lands, and holdings held in rundale or intermixed plots were to be consolidated. By the Land Act of 1903 the Board was given facilities for the purchase of estates similar to those given to the Estates Commissioners under the same Act; and these facilities were strengthened by the permission given by the 1909 Act to purchase estates and land compulsorily through the Estates Commissioners

The present dispute between the landholders in the congested districts and the Board turns on the question of the disposal of the untenanted lands held by the latter. On March 31, 1918, the net total of untenanted land purchased since the passing of the Act of 1909 was returned at 361,632 acres, while the amount disposed of for the enlargement of neighbouring holdings or the creation of new came to 112,858 acres. This difference of 248,774 acres does not include all the untenanted land in the possession of the Board; other items which must be included bring the total to 311,179 acres. On March 31, 1919, the Board is stated to have on hand 270,000 acres, and, assuming this is correct, a distribution of approximately 41,000 acres has been made during the year. This rate of distribution has not, however, pleased the inhabitants of the West, many of whom have not hesitated to seize forcibly the lands in question. The term "agrarian anarchy," used to describe the movement, is, without doubt, an exaggeration; still, there is little reason to doubt that direct action on a large scale has anticipated the slower working of the Government machine. The practice of the Board has been to let on annual grazing contracts the lands in its possession or to stock them itself; owing to the delay, it is alleged, in following the usual procedure this year many peasants have turned out their cattle on these grazing lands without asking the permission of that authority.

The machinery employed by a Government Department is proverbially slow in its operation, but the problem of land distribution from the Congested Districts Board's point of view is complicated by the necessity of investigating questions of title and in some cases undertaking the erection and improvement of dwelling-houses and out-offices. Moreover, the inhabitants of the congested districts have always been prone to exaggerate the extent of the powers at the disposal of the Board. Forcible interference with that body's grazing lands will, however, as is pointed out, inflict serious injury on the class of small landholders for whose benefit the lands have been acquired, and will not only prolong delay in distribution, but, in cases where the tenant right has been acquired, will increase the cost to the ultimate occupier. In the meanwhile it is proposed to suspend all operations for the acquisition of lands, as this would only increase the area of untenanted lands in its hands. This policy may be justified by the exigencies of the moment, but its continuance, if at all avoidable, is to be deprecated. The Board was set up with the object of providing economic holdings for the Western peasantry, and it must keep this steadily in view. Direct negotiations with the people primarily concerned with the object of finding better arrangements for land distribution should ease the present situation. The Board, we know, contemplated the holding of these conferences; it should endeavour to bring them about as quickly as possible. At the same time, an effort should be made to strengthen the Board's machinery generally. The fact that it has such large areas of untenanted land on hands must continue to excite discontent, but the provision of more adequate financial resources would enable it to accelerate considerably the rate of distribution. The immediate adoption of this course would in the long run entail less expense on the State.

Outside the congested areas the land agitation at present finds its strongest expression amongst agricultural labourers. Section 93 of the Land Act of 1903 placed these labourers on somewhat the same footing as artisans in urban districts under the Housing of the Working Classes Act. Rural District Councils were given power to acquire compulsorily, or by agreement, the necessary lands from the owner, either by purchase of the fee simple or on a lease for a term not exceeding 99 years. The Act of 1906 represented a distinct advance on previous legislation, as the terms of repayment for loans were much less burdensome. The beneficial effect of this enactment is evident in the trim cottages and allotments so common in Ireland to-day.

Pre-War legislation in this direction is out of tune with present conditions. It is, however, to the organisation of agricultural labour accomplished since the War that we must look for an explanation of actions that would be incomprehensible in 1913. Land settlement committees have been set up in many districts, which compel farmers to sell outright or give on lease patches of land for division amongst labourers. Sales by auction are also not infrequently interfered with, and the owner is forced, before the sale proceeds, to retain for division amongst labourers a certain proportion of his lands. The price paid is fixed by negotiation, but it bears a lower ratio to, say, the money originally advanced by the Land Commission for the purchase of the holding than would be the case if freedom of sale were unrestricted. In the latter case, it might be remarked, an increase of 300% is not unusual. As a rule these committees are disposed to deal with a landowner in a fairly reasonable manner, but an arbitrary exercise of power is not uncommon, and this tendency is disquieting.

In the foregoing table the land unsold through the Land Commission was put at 5,768,751 acres. The financial clauses of existing land legislation are clearly incapable of dealing with this portion, and a new Act is imperative if the State intends to pursue its policy to a logical finish and to arrange for a more equitable division of lands amongst the occupiers.

We are informed that the recent offer made by the Imperial Tobacco Company (of Great Britain and Ireland), Limited, to its shareholders of over 5½ million £1 Ordinary shares at the price of £2 each (being in the proportion of one share for every three held), has met with very great success, as practically the whole of the 11¼ millions sterling involved has been subscribed. This result must be particularly gratifying to the directors, in view of the fact that the offer was not underwritten, thus proving that their confidence in the issue was fully justified.

The Credito Italiano announce that an issue of 200,000 new shares of Lire 500 each is being made, of which 120,000 are offered for public subscription at the price of Lire 600 per share. Full particulars can be obtained on application at the London office of the Bank, 22 Abchurch Lane, E.C. 4, which is authorised to receive and forward subscriptions.

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Financial Notes.

VARIOUS influences have been affecting the London Money market and the London Stock Exchange during the past week which those who are interested in the economic history of the country in making will be well advised to pay some attention to. Money has been relatively cheap, but exceedingly difficult to obtain. The banks are taking a very wise course in discouraging anything in the nature of speculation. As a result, there has been considerable depression accompanied by a large volume of selling upon the Stock Exchange, which has affected prices without any regard to the real merits of the various securities whose prices have fallen. Not unnaturally, there has been considerable disappointment at the very modest measure of the sales of Treasury Bonds. These bonds, it will be remembered, are on issue for the purpose of liquidating the floating debt. This debt consists of what are called Ways and Means Advances from the Bank of England, which are really what in private life we call I.O.U.s; advances from various public departments; and, of course, Treasury bills. Altogether, the total amounts to something like 14 millions sterling. To reduce this sum the sales this week are hardly of a magnitude to be seriously considered, bearing in mind the importance of that debt.

On the other hand, there has been further progress made this week in the placing amongst the investing classes of the recently issued London County Council loan which was largely left in the hands of the underwriters, but which was issued for the purpose of assisting in the Government's housing scheme. Both these measures are eminently desirable in themselves. Trade is bound to be adversely affected and prices unduly inflated by the existence of an abnormal floating debt which it is found practically impossible to liquidate. Consequently, every assistance which can be given to the Government in its endeavour to liquidate the floating debt, provided always it does not increase the expenditure itself, should be afforded. The floating debt practically means a portion of the liquid balances of the banks locked up for undesirably long periods. Banking money practically consists of deposits of the ordinary public, and should be in such a liquid form that it can be readily realised whenever that purpose is desirable.

For safety and convenience the public lodge such moneys as they have in hand with the banks. But, as a rule, the deposits do not greatly exceed the amount which the depositor expects to require to draw within a comparatively short space of time. Consequently, the banker must always keep a large part of his deposits readily realisable. As a bank, however, has to live, these deposits are employed in discounting what are called trade bills, and making advances on shipments of material coming to, or going from, any particular country. Therefore, the deposits should be free and readily realisable. If a vast sum like a million sterling is lent to the Government which the Government is not in a position to pay, the whole trade of the country is depleted of that amount to the extent of the total of the floating debt. Of course, the scheme for providing housing bonds is one of the unfortunate results of the War. During the War building operations were brought to a standstill, and the cost of erecting houses is so great at present that it would not be possible to provide dwellings upon which the prospective occupiers could pay what is called an economic rent without some such assistance as is proposed to be afforded by the issue of these bonds.

Bearing in mind the manifold difficulties which are confronting the market bankers are restricting their advances to the actual necessities of trade, and are declining to make loans on securities as securities, as we reported last week. Bankers are not refusing to give assistance where it is clearly required in the interests of legitimate trade. There is an impression abroad that traders and manufacturers did not fully appreciate some months ago the real effect of the enhanced cost of production, and consequently they under-estimated the capital requirements of the coming year. To some extent, no doubt, this is true. But if we are well informed, an undue amount of the capital did, in fact, find its way to the Stock Exchange. As it is felt that this is not a time to encourage anything in the nature of rash speculation, those who are seeking accommodation have been required to show upon what grounds they base their claim to obtain it. The result has been that there has been heavy selling of nearly every class of security, from what used to be called gilt-edged in the pre-War period down to the most speculative securities dealt in upon the Stock Exchange. In very many instances the fall in prices has no reference to the state of the industry with which the particular stock is connected, and does not reflect in any way the success, or otherwise, of the particular securities themselves.

In spite of the somewhat alarming statement of the Food Controller there are indications that prices are gradually tending to a more reasonable level. There are exceptions, as in the case of sugar, for which the policy of the Government itself is mainly to blame. Prices rose because credits were created for the specific object of permitting the Government to spend to any extent it might consider desirable. Gradually the recent belligerent Governments are demobilising their armies and demobilising their inflated civilian staffs. That means that we are all gradually being reduced to spend only that which we are capable of economically earning. To meet such a demand it will not be necessary to continue to inflate credits. As demand gradually falls to an economic level stocks themselves will tend to accumulate, as there is no longer indefinite credit behind some great buyer like the Government to stimulate such demand.

We have heard recently of several specific instances in which stocks are gradually tending to accumulate. There will of course, be ups and downs; but on the whole, two forces may be expected to come into play. One will be that as people are only capable of purchas-

ing upon an economic basis, they will restrict their consumption on the present basis of values. And as more and more people are seeking economic, as distinct from destructive, occupations, there will tend to be an increased supply of commodities which will assist the consumer, and gradually create a new demand by offering increased supplies upon a more reasonable basis of economic values.

In reality there is nothing abstruse and nothing really difficult to understand in the extreme scarcity of everything which is expressed by high prices and the difficulty of obtaining the various commodities we are accustomed to consume. What has really happened is that the world has been acting like a spendthrift. It has produced very little of any economic value for years, and it has consumed upon an extravagant scale. It has acted like a dissolute person suddenly come into a great fortune. There are two courses open to such a person: to reform his habits and pull himself together, or to go under. And practically the same is true of great States. If a man who has made a mistake in his methods of living has the proper grit and the right kind of qualities he will reduce his consumption enormously and do what he can to increase his production. And precisely the same is true of this country and of all the belligerent countries.

We hear a great deal in these times of inflation, but, as a matter of fact, bankers, traders, and those who carefully consider the subject have arrived at the only sound conclusion: that no good purpose would be served by Government interference in the matter. There is no inflation in the sense that currency has been issued by any of the Governments for an immoral purpose. All that has happened is that, inasmuch as the costs of production of nearly everything have increased, and increased enormously, the banks found it convenient to ask the Treasury for an increased supply of "Bradburys." It has to be remembered that although those of us who grew up under a gold standard cannot get away from the feeling that a "Bradbury" is equivalent to a sovereign, in reality it is of course nothing of the kind; nor can it be until such time as bankers are in a position to exchange "Bradburys" for gold. That cannot occur until commodity prices and money prices approach one another more closely than they do at present.

Of course there is the inevitable large measure of criticism of the scheme that has been arrived at between the managers and the Committee of the Stock Exchange for abolishing what is known as the "dual control." No change that was ever proposed since prehistoric times will meet with general acceptance. As far as we know there is no reason to welcome the particular details at which the Committee have arrived. But in principle there can be no question that they are right in their endeavour to abolish the dual control. Their critics contend that they might have adopted different methods. Doubtless they might. But, as we have said, whatever actual scheme was drawn up its details would inevitably be open to criticism and capable of improvement. The system under which the Stock Exchange has existed so long has worked, in a sense, fairly satisfactorily; but it is manifestly anomalous, and neither satisfactory from the point of view of the public, who, after all, ultimately support the Stock Exchange, nor of the members themselves through whom the owners derive their living.

The Stock Exchange, like so many English institutions, is itself rather an anomalous body. It deals in nearly every kind of public securities from Consols and War loans of the British Government down to rubber and mining shares. Practically it is the only great market in the country. Yet it is a private company. The Government has no more authority over it than it has over any body of citizens. For practical purposes it is a private club. At the same time, it transacts business in thousands of millions of securities dealing with properties all over the Empire. Even the Government itself, although it exercises no official control, and very little control of any kind, over the institution, yet employs a well-known firm as Government brokers. The vast majority of members with whom the public come in contact are merely subscribers, just as the ordinary members of a club are. Quite recently, but only quite recently, they have been required to buy one share. But practically the ownership of the Stock Exchange belongs to a handful of people who are represented by what are known as the Managers. The Committee for General Purposes—the body with whom the public are concerned—represent the members, and are concerned with the general business of the Stock Exchange from the public point of view, as distinct from the purely domestic interests of the shareholders in earning as large a dividend as possible.

Possibly the details of the scheme may be modified. But the proposal, as it exists at present, is for the members to purchase outright the building after having leased it for a fixed period. The owners and members would then become one body. And presumably the Committee for General Purposes would represent the undivided interests of the Stock Exchange as a whole.

In a sense, the position of the United States is distinct from that of other recent belligerents. But even there, one effect of the War is very aptly described in a circular issued by the Mechanics and Metals National Bank of New York. Total deposits, says the circular, in all the commercial banks of the United States have risen from 11,000 million dollars in 1913 to 25,000 million dollars in 1919. During the same period the tonnage productivity of agriculture, metals, coal, salt, cement, lumber, and quarries, assumed to cover the great bulk of the products of the United States, has increased by 3.3%. Comparing 1913 with 1919, and taking the figure for 1913 as 100, the figure for 1919 is 103.3. Taking the growth in bank deposits, and calling the figure for 1913 100, the figure for 1919 is 219.2. Again, taking the Department of Labour wholesale index of all commodities, the figure for 1913 being still 100, the figure for 1919 is 214.5.

An aspect of the question to which the circular calls attention is the shortage of labour, and its greatly reduced efficiency. The National Association of Credit Men, through its organ, *Credit Monthly*, recently addressed a question to factories in leading lines of business throughout the United States. Out of 169 replies to the question "Do you feel that your labour is as efficient as it was in so-called 'normal' times?"—meaning, of course, the pre-War period—3% thought it more efficient; 11% found that old labour was as efficient as ever, but new labour less efficient; and 70% found all of its labour less efficient.

The labour question is of course a very serious one in the United States as elsewhere, but especially so in the country, as the population is so relatively small for its area. In the twelve months preceding the War 1,200,000 immigrants arrived in the United States from foreign shores. During the five years that preceded the War the average per year was about a million. During the War period the average fell to 200,000, and it is generally believed, although there are no statistics of emigration from the United States, that these were largely offset by emigration. In the pre-War years the coal-mining industry of the United States depended to the extent of 60% upon foreign labour.

SOUTH AND CENTRAL AMERICA.

PACO-PACO.

It has long been known that the continent of South America, taken as a whole, grows in a wild state various fibres. The United States of Brazil, which constitutes about half of the area of that vast continent, grows a very large proportion of these fibres. Until the recent European War upset the economic equilibrium of the world, Brazil, as well as the other nine Republics of South America, had been content to import the various fibre products they required. With the War, as the reader is aware, it ceased to be merely a question of price. As prices of everything rose it would have mattered comparatively little, in view of the urgency of the demand for various South American products, whether the Brazilian shipper paid even twice as much as he had been accustomed to pay in the period that preceded the War. But the real difficulty with the Brazilian importer, as with importers in most other countries, was that whatever he was willing to pay he could not obtain the goods. It had ceased to be an economic question in the usual acceptation of the term. To order fibres, whether from some part of the British Empire or from a neutral country, became equally futile, because practically the whole world's shipping was either controlled by the various allied and belligerent Governments, or they offered such extravagant prices for neutral tonnage that in a very real sense they dominated the whole transportation facilities of the civilised world, and the ordinary trader found it impossible to obtain freights, even though he offered extravagant prices with the hope of obtaining them.

Now, of all the fibres in common use for packing purposes jute has for long dominated the position. A recent report made at the instance of our own Government says that jute is produced only in British India, its cultivation being confined to Bengal, Eastern Bengal, Assam, Cooch-Behar and Nepaul. Attempts to cultivate jute elsewhere, namely in China, Egypt, and East Africa, have not been attended with success. Jute is the cheapest textile material, and owing to its cheapness and durability is in constant and universal use throughout the world for the manufacture of sacks, bags, wrappers and packings for all sorts of raw and manufactured articles of commerce. It is the basis of linoleum and floor-cloth, and is used in a great variety of other ways. Owing to its low price, the only alternative materials for packing articles of commerce, both for domestic and export trade, are cotton and cases made of wood, both of which materials naturally can hardly be regarded as competitors owing to their extravagant price, even on the basis of what we still call for convenience normal quotations.

Now it is no longer true, or at any rate only partially true, to say that jute cannot be cultivated, and has not been cultivated with success, elsewhere than in those various districts of India which we have mentioned above. It is, in fact, being largely cultivated in the Island of Cuba; and it has been cultivated with a measure, but only a partial measure, of success in Brazil. As Brazil, as we explain elsewhere, was doing an enormous trade during the War, it was absolutely essential that she should obtain something in the nature of packing-cases. It was not practicable, for various reasons into which we need not now enter, to start cutting down vast areas of timber and make wooden packing-cases. She could not obtain the usual supplies of fibrous materials; and, as we propose to show later, she has, in fact, not cultivated—for that would be too strong a term—but she has collected a certain amount of various kinds of fibres which grow in various parts of Brazil, but particularly in the northern states. It appears to have been a sort of rough enterprise engaged in by the peasants themselves in the northern areas; but it has met with so large a measure of success that there can be no reasonable doubt that the international markets of the world will hereafter be faced with a packing material comparable to, and which may in due course be in a position to compete with, jute. In the pre-War years Brazil was accustomed to import some 20,000 tons from India out of the total production of some 10 million tons, which is the usual harvest of the Indian jute area. Twenty thousand tons does not seem a large quantity, but it has been exceedingly difficult for Brazil to find a substitute, although she grows within her own borders fibres which, if properly cultivated, may be expected in the future to become an important substitute for this world-wide textile. So serious did the matter become that the Brazilian Government sent out a special Commissioner to India to study the whole jute question on the spot. His report was to the effect that although jute could undoubtedly be cultivated in Brazil, he did not think that it could be cultivated with any prospect of success to compete in normal times with the Indian product. One of his reasons was a difficulty which will, of course, right itself in time. He pointed out that while the Indian population was enormous every industry in Brazil was more or less starved owing to the extreme scarcity of labour. Another question was that in the absence of machinery it would be exceedingly difficult for Brazil to produce jute on economic lines as compared with India, upon any considerable scale. These difficulties, as we have said, of course, will right themselves in time, provided the Brazilians seriously set themselves to the cultivation of jute. A far more important objection was that brought out in the report referred to, in which the Commissioner argued that the Brazilian climate is not very favourable to the growth of jute, and he hesitated to give an opinion that it would be practicable to grow jute

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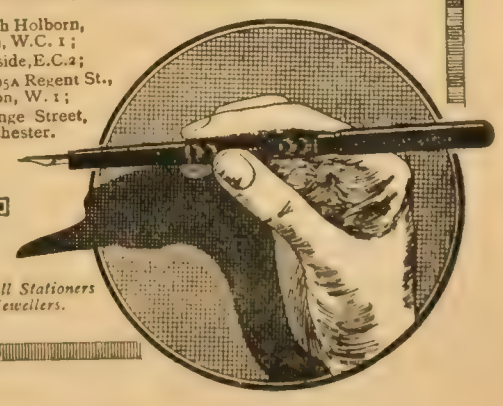
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in large quantities which would be of the same quality as that produced in India. This is, of course, a question that only agricultural chemists who have given special study to the subject would be competent to give an opinion upon; but if it be proved that the Brazilian climate does not admit of the growing of jute of the same quality as that produced in India, it is evident that no advantage would be attained by pursuing the subject. Having made up its mind that, at any rate for the present, the cultivation of jute on any considerable scale in Brazil was not practicable, the Government considered the question of utilising the various native fibres which exist in different parts of Brazil, and particularly, as said above, in the northern States. Accordingly, the National Society of Agriculture at Rio de Janeiro was approached, and a special committee was appointed to study and report upon the subject. Their report is now to hand. Upon this exceedingly interesting question there is a very able article in the current number of the *British Chamber of Commerce Journal*, published at Sao Paulo. The report of the Committee of the National Society of Agriculture says that the principal factors which impede the use of our, that is of Brazil's, fibres for industrial purposes are (1) their bad preparation and (2) the competition on the part of foreign fibres, the importation of which was already being gradually re-established within a year after the termination of the European War. Brazil, however, is exceedingly rich in fibrous plants. But at the commencement of the late War not one single kilo. of any of these raw materials was being used for the purpose of making sacking or other textiles.

During the War, however, the well-known plant known as "paco-paco" has been collected in very large quantities. The beginning of this industry is noteworthy. Without assistance from the Government, and apparently without any organised assistance from the various trades interested, the peasants themselves, unassisted and seeking no protection, collected large quantities of this fibre. It grows wild in various districts, but particularly in the States or Ceará and Bahia. It has naturally been collected in an exceedingly bad state of preparation. Nevertheless, it has been purchased by manufacturers for the making of ropes, mats, sandals, and brooms, and has also been woven into sacking to take the place of jute bags, which were formerly so much used for the coffee industry. Paco-paco is by no means the only fibre suitable for this industry, although it grows more extensively than any other in a wild state; and the impression is that if it were cultivated in the sense that jute is cultivated in India, it would be exceedingly useful, and a very cheap fibre for the packing industries which are now being developed throughout the Republic. There are, however, as we say, others. One is the well-known fibre "caruá"; another named after the State from which it comes, is called "cearina." There is another fibre called "gravata." And, finally, there is sisal hemp, which has been to some extent cultivated from imported seed. Paco-paco, however, was the principal raw material used in the industry. And this raw material was sold in Rio per kilo. at prices ranging from $1.700 reis up to a little over two Brazilian dollars. The report of the Agricultural Society goes on to say that, owing to the bad state of preparation of these fibres, as soon as freight is really available there can be no reasonable doubt that foreign fibres will be again imported; and in fact, they are at present being imported in immense quantities into Brazil. Unless some measures are taken, the Society argues, the native fibre industry will again die out in face of competition from foreign fibres. It recommends, however, two things: one, that paco-paco should be cultivated as jute is cultivated in India; and, in addition, that the Brazilian Government should assist it by some form of tariff. It has to be remembered that in Brazil tariff is not as it is with us a political question, but every new industry is more or less protected; and, in fact, the principal part of the Brazilian revenue is derived from import and export duties. If its recommendations are adopted it is the opinion of the Committee that paco-paco, when suitably cultivated and well prepared, will necessarily be a substitute for Indian jute. In addition, the Committee came to the conclusion that jute under suitable conditions can be cultivated and manufactured in Brazil on an economic basis which would admit of its competing with the Indian product. Official assistance, says the recommendation, should be given; and, in addition, new import and export duties should be fixed in order to protect this national industry. The plantation of "pita" and sisal hemp, which both already exist, should be encouraged. Premiums should be offered, recommends the report, and facilities granted for the importation of machinery, plant, and seeds. Concessions of suitable land properly irrigated, means of communication provided, and various concessions in its power to give should be offered by the Government. Practical instruction, in addition, should be given in the cultivation of the fibrous plants, the selection and establishment of types having the required resistance and suitable for the home market. Attention should be given to packing in compressed rectangular bales weighing not less than 100 kilos., bound with the same fibre, and bearing on both sides the producer's mark and the weight of the bale on a portion of cloth made of the same fibrous material, thus facilitating the entry and quotation of the product in foreign countries through the medium of the Consulate. The Committee further recommend that preference should be given by the various Government departments to the use of home-grown fibres. Finally, says the report, free transit should be accorded to these fibres over the railways of the Republic for a period of not less than five years. In order to assist the industry, it is recommended that all instructions regarding it should emanate from a Central Board. Such instructions should be rigorously observed, and also the requirements of merchants and manufacturers strictly attended to. It is suggested that a Department of National Fibres be created from which the instructions should be issued; that to this department should be annexed a laboratory for making chemical analysis; testing the resistance, elasticity, and weight of the various fibres; and that experimental fibre plantations be organised in the Federal District, and also in the various States in which the fibre plants at present grow wild. To overcome the labour difficulty it is recommended that during the provisional period—if we may use the term—until the industry is established on a sound economic basis, convicts should be employed to assist in the working of the plantations. Dr. Lauro Muller, the President of the National Society of Agriculture, is of opinion that jute can be grown, and grown with success, in Brazil. But he is still more in favour of every effort being made to inaugurate the cultivation of paco-paco. He recommends that machinery should be used very extensively in Brazil owing to the extreme scarcity of labour. It appears that a dissecting machine is already in use in Cuba, which, as we have said above, is cultivating jute with success; and Dr. Muller recommends that this machine should be tried on the proposed fibre plantations of Brazil.

A significant statement was made this week in the House of Commons by Sir Alfred Mond, First Commissioner of Works. In reply to a question as to whether there was any prospect of the Government buildings erected during the War in St. James's Park being cleared away and the staffs being demobilised, the First Commissioner replied: "I must point out again to the Hon. Member that I have to find accommodation in London for Government staffs exceeding the pre-War establishments by 50,000, and that six new Ministries have been created for which no permanent offices have been erected."

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American Topics.

ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY.

We would associate ourselves with the regret expressed in the report of the Atchison, Topeka and Santa Fe Railway Company at the death of Mr. Edward P. Ripley, who for nearly a quarter of a century was President of the Company—indeed, since it reorganisation at the end of 1895. The report also records with regret the death of Mr. Augustus D. Juilliard and Mr. Henry C. Frick.

We publish elsewhere a full report of the operations of the Atchison, Topeka and Santa Fe Railway Company during the year 1919. During the whole of this period the Company was operated under the Federal control of the United States Government. The total mileage of this great system is now 11,483 miles. In addition to this, there are some 85 miles which were completed at the end of the calendar year, and which will shortly be in operation by the Company. Deducting a small amount of capital stock authorised, but still in the hands of the Treasury, the total capital outstanding was at the end of last year $345,959,200. During the year Common stock was issued in exchange for Convertible bonds retired to the extent of $1,088,000. Consequently, the total amount of outstanding stock was $347,047,200. It will probably surprise many readers that this great Company has upon its books over 31,000 stockholders of its Common stock and more than 19,000 of the Preferred stock. As we have said, the line was worked during the whole of the year under review by the Federal authorities appointed by the United States Government; and during that year there was a substantial balance earned from operating the line over and above the amount agreed to be paid to the Company. Federal control and operation of the properties owned by the Santa Fe ceased under the Transportation Act of 1920, and the operation of the line passed to the Company as from midnight on February 29, 1920. The properties, however, at the end of Federal control were not found on examination, as had been agreed in the compensation contract, to be, as they should be, in substantially as good condition and in substantially as complete equipment as when taken over by the President pursuant to his proclamation of December 26, 1917. Adjustment and settlement of all matters relating to maintenance of the properties will be proceeded with as rapidly as is consistent with the importance and difficulties of the questions involved. Thus far no settlements of any character have been effected under the compensation contract of November 22, 1918, but an understanding as to the form of statement of accounts, subject to quarterly settlement, has been reached. Under the terms of the contract, and agreed by both sides, there were 78 million dollars due from the United States Government to the Company. Against this, however, there were 55 million dollars due from the Company to the Government, leaving a balance of only a little over 23 million dollars. This, however, is not regarded as adequate by the Company, having relation to the state of the permanent way, the state of the rolling-stock, the inadequate amount, as the Company contends, which was expended under Federal control on the general maintenance of the system, and what is commonly called upkeep, and, particularly, of betterment outlays. The report says that in the figures we have given is included nearly 35 million dollars paid during the year on account of compensation, but is charged with the estimated amount of additional compensation on additions and betterments reported as completed at the end of December 1919, when, it will be remembered, the line was handed over to the Company. This figure, however, does not include interest due to the Company on unpaid quarterly balances, an estimate of which has been made and included in the income account of the year, and is carried on the balance sheet as an unadjusted debit account. Further, the Government is charged with material and supplies on hand at December 31, 1917, and certain subsequent additions thereto, stated in the accounts at the time of the transfer at a value of just under 24 million dollars, for which material and supplies equal in quantity, quality, and relative usefulness are to be returned at the end of Federal control, any differences in quantities to be accounted for at prices then prevailing. The returned property, that is the road and the equipment it carried, and accrued depreciation accounts are as stated on the books of the United States Railroad Administration as at December 31, 1919, and are subject to modification and adjustment to conform to a proper construction of the compensation contract. The road, as already stated, was returned to the Company as from the end of February last. But under the Act railway companies can, if they so desire, obtain the privilege of an extension of Federal control guarantee for a period of six months. As a condition of receiving this guarantee, however, the companies are compelled to file with the Interstate Commerce Commission a written acceptance of provisions of certain sections of this Act. Virtually, these provisions mean that the Company has to return to the Government everything in excess of the amount of the guarantee. After carefully considering the matter the Company decided to comply with this condition.

INTERNATIONAL HARVESTER COMPANY.

The capital of this Company is $140,000,000, $60,000,000 being Preferred stock and $80,000,000 Common stock.

Elsewhere will be seen in this issue a full report of the working for 1919 of this great Harvester Company. The International Harvester Company is by far the greatest agricultural machinery maker not merely in the United States, but in any part of the world. It has branches and ramifications in all countries—in North and South America, in Europe, in Asia, in Africa, and in Oceana.

It will be remembered that so great were its ramifications and so complete had been the absorption of various concerns engaged in allied forms of business that when the agitation against amalgamations and trusts, as they were called, was at its height in the United States this Company came into collision with the Federal laws passed for the very purpose of controlling what was then known as "big business." The United States Government took action against the Company, and in the year before the breaking out of the recent European War this great Company found itself compelled to split up into separate parts. This

process was exceedingly inconvenient for the Company, as the amalgamations had been brought about for the express purpose of bringing, as far as possible, under one control various allied businesses dealing with different branches of the construction of agricultural machinery, fertilisers, and similar aids to the farming industry. The Company appealed against these decisions, and finally made representation to the United States Government of the inconvenience occasioned by splitting up the various branches constituting the Company as a whole. As the Government had fought the question out in Congress it was very far from being willing to abandon its Anti-Trust Law. On the other hand, in the days before the War even a great Company like the International Harvester had a hard struggle to maintain the position it had attained. The United States Government came to the conclusion that it was better to compromise than to threaten the existence of the international business of one of the best-known trading companies in the United States. Consequently, a compromise was arrived at whereby the various concerns were permitted once more to act together as a concerted whole. The arrangement, however, was a compromise. It was made for the specific object of meeting the objections of the Company's officers that if the Government took a too high-handed attitude it would threaten the existence of the Company's foreign trade. On the other hand, the Government had to maintain the Anti-Trust Law. It could not favour one particular Company because it was doing a large overseas business and come down with the heavy hand of authority upon various local concerns like the railway companies. Consequently, it was stipulated that the Company should not have more than one agent in any city or town of the United States for the sale of its agricultural implements; that it should sell within a specified time certain of its harvesting machine plants; thirdly, the Government retained certain rights which would enable it to encourage competition in the specialities of the Company within the United States itself.

It has to be remembered that the peculiar position of this Company has been brought about by the urgent need for all kinds of agricultural machinery in the United States. The United States is so big and the population so relatively small for the amount of work that her people undertake to do, that one of their most urgent needs is every form of labour-saving appliance which they are able to obtain. As there is, and has been now for more than two generations, a constantly growing demand for the various forms of appliances, this Company is able to supply, it is natural that it should have developed a large business in countries outside the United States. The probability seems to be that the business outside the United States will steadily tend to grow. The urgent need for food and raw materials should stimulate a demand for the Company's products. The causes which have made the operations of the International Harvester Company so prosperous throughout the United States are tending for the present, at any rate, to become world-wide. Even here in Europe, where populations are so dense to the acre, the cost of cultivating per acre is becoming so extravagant that we shall not be able to obtain supplies, or, at any rate, are not at present, upon the relative economic basis to which we were accustomed in the past. Consequently, we are urgently in need of appliances which will reduce the cost of producing articles of primary necessity per unit.

Of course, the newer countries which are developing their resources are very much in the position the United States itself was when this great Company started upon its successful career.

Ample provision, says the report, has been made in the reserves for losses which may not be recoverable. As was to be expected owing to the great prosperity prevailing in the United States, the Company has enjoyed exceptionally favourable circumstances in the collection of outstanding amounts owing to it. In the case of countries like Germany, Austria, and Russia the report shows that debts owing to the Company have been entirely written off. Below we give our usual table.

Year	Capital Expenditure for Year	Depreciation Provision*	Net Book Value of Plant	Stock and Work in Progress	Amount of Aggregate Surplus Liquid Assets†	Reserve for Bad Debts & War Losses‡
	$	$	$	$	$	$
1913	2,799,265	—	65,381,015	85,712,943	37,311,572	6,002,664
1914	1,901,149	2,118,073	65,164,090	70,263,270	58,690,273	7,006,369
1915	770,966	2,602,891	63,332,165	50,215,580	88,535,480	7,306,223
1916	1,680,772	3,369,661	61,643,276	62,291,901	92,121,861	9,318,910
1917	4,513,190	3,646,062	62,510,404	78,682,825	83,236,110	16,860,737
1918	6,467,267	3,283,421	65,694,250	114,516,302	51,910,643	31,503,808
1919	14,072,450	5,866,820	74,193,990	99,565,232	53,414,391	3,249,928

* Including sums realised for plant sales and amortisation written off.

† Excluding stock and work in progress, and after deducting short-term notes outstanding, and also the reserves for bad debts and war losses shown in last column.

‡ Deducted from bills receivable and funds in Europe (Russia) in arriving at surplus liquid assets.

New Issues.

CAPITAL COSTS.

In the large number of new issues which have lately appeared public attention has been attracted by the very high level at which so many of the undertakings have been capitalised. Bearing in mind the great increase in the cost of production this was more or less inevitable. It is not possible to criticise a capital issue made at the present time upon the basis of pre-War values. Assuming that commodity prices and money values gradually readjust themselves, it will probably be found that the capital of many recent issues is unduly large. Assuming that the issues in themselves are desirable in the interests of increased production, it should be possible for those responsible for the direction of these enterprises to gradually readjust their capital expenditure to the real needs of their business.

British Glues and Chemicals, Limited, has been formed with a capital of £2,000,000. The Company has been formed to acquire various established businesses engaged in the manufacture of glues, gelatines and kindred products. The Company invite applications for an issue of 333,334 8% Cumulative Preference shares of £1 each and 666,667 Ordinary shares, also of £1 each, being part of an issue of 500,000 Preference shares and 1,000,000 Ordinary shares respectively.

Stoll Picture Productions, Limited, has been formed for the purpose of producing cinema picture films. The Company has a capital of £400,000, divided equally into 8% Participating Preference shares of £1 each and Ordinary shares also of £1 each, for the whole of which subscriptions are invited, with the exception of 66,666 Ordinary shares, which are taken by the vendor.

Chembong Malay Rubber Company (1920), Limited, has been formed to acquire certain rubber estates in Negri Sembilan, in the Federated Malay States. The Company has a capital of £300,000, divided into 3,000,000 shares of 2s. each. 2,500,000 shares are issued, and subscriptions are invited for 375,000.

Bukat Selangor Rubber Estates (1920), Limited, has been formed to acquire certain properties in Kuala Selangor, in the Federated Malay States. The capital of the Company is £300,000, divided into 3,000,000 shares of 2s. each. 2,550,000 shares are issued, and subscriptions are invited for 492,987 shares at par.

The directors of the Liverpool and London and Globe Insurance Company, Limited, have re-elected Mr. A. K. Barnes as Chairman and elected Mr. Evelyn S. Parker as Deputy-Chairman of the Company.

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Rubber Topics.

Not much business came the way of the Rubber market this week, and such as did come was not calculated to stimulate dealers. The predominance of sellers was reflected in a series of slight reactions, which characterised even leading counters like Anglo-Malays and Highlands. Temporary set-backs in Linggi and Telogoredjo were counterbalanced subsequently by the appearance of a satisfactory annual report as regards the former and by the feeling after the general meeting as regards the latter. After the middle of the week liquidation began to cease and the market assumed a firmer tone towards the close. An interim dividend of 5% is declared by the Malay Rubber Planters. An extraordinary general meeting of the Bernam Perak Rubber Plantations will be held on the 27th inst. to authorise an increase in the capital from £55,000 to £110,000, in order to provide funds for the further development of the estates and for the purchase of an adjoining estate, Sungei-Klei. This estate comprises 467 acres, of which 308 are planted with rubber, and of this latter area there are at present 196 acres in bearing. The proposed purchase price consists of 4,750 Ordinary shares of £1 each and 4,750 6% Cumulative Participating Preference shares of £1 each in the purchasing Company.

ANNUAL REPORTS ANALYSED.

WINDSOR (PERAK).

Issued Capital: £60,000 in £1 Shares.

	Results for Years to December 31								
	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915	1,301	—	156,589	—	2/4·66	1/4¼	8,323	5,500	10
1916	1,301	800	276,188	346	2/4·59	1/4·1	15,048	10,500	17½
1917	1,375	1,100	404,208	367	2/4·4	1/3·2	22,681	12,000	20
1918	1,413	1,153	323,099	280	1/9·2	1/3¼	10,579	12,000	20
1919	1,413	1,210	542,383	448	1/11·48	1/0¼	31,194	21,000	35

Price of Shares, 91/3. Market Capitalisation per planted acre, £194.

The accounts of this rubber Company for the year ended December 31, 1919, reveal from all points of view an eminently satisfactory state of affairs. Despite the drastic restriction in tapping that was enforced during 1918, it will be recollected that this Company, though its yield only averaged 280 lb. of rubber per bearing acre, as against 367 lb. in 1917, was able to pay a dividend of 20%. No longer held back by this barrier, its progress during the year under review was remarkable. The estimated crop amounted to 450,000 lb. The actual crop harvested considerably exceeded this total, registering no less than 542,383 lb. This estate may now be said to be approaching its full stage of maturity, as evidenced by the yield of 448 lb. per bearing acre. The economies which this advance in the scale of production rendered possible are well illustrated in the figures relating to the f.o.b. and "all-in" cost. In 1918, when a smaller output was a necessary evil, the f.o.b. cost reached 1*s.* 0.49*d.* per lb., as compared with 10.81*d.* per lb. in 1917. During the year under review the f.o.b. cost fell to 9.46*d.* The above table shows the effect in the "all-in" cost, which was reduced by practically 20% to 1*s.* 0¼*d.* in 1919—a figure actually less than the f.o.b. cost of 1918. And this reduction was effected in a year characterised by steady advances in the cost of stores and materials, as well as in wages. The influence of this decreased cost of production on the net profit was enhanced by the fact that there was an improvement scarcely less satisfactory in the average price realised per lb., which had risen during the year by over 2¼*d.* to 1*s.* 11.48*d.* Thus there was secured a net profit of £31,194 in the year under review, as compared with £10,579 in 1918 and £22,681 in 1917. Consequently, shareholders were rewarded with the gratifying dividend of 35%, in contrast with a rate of 20% for 1917 and 1918. In addition, there was set aside a sum of £9,005 to meet liability in respect of excess profits duty for 1919, the amount comparing with £1,730 only in 1918. The balance carried forward to the next account reaches £1,910, as against £721 in 1918.

"I think, apart from taxation, we can look forward to another good year." Such was the statement of the Chairman at the general meeting—a statement based upon very reliable evidence. The estimated crop for 1920 amounts to 550,000 lb., and the crop actually harvested during the first three months of the current year is returned at 129,900 lb., which is somewhat short of the mathematical proportion of the estimate. But if it is remembered that the period embraced the short month of February, there is no reason to fear that the estimate will not be realised in the absence of unforeseen circumstances. And of this crop no less than 304,640 lb. have been sold forward at a gross average price of 2*s.* 2.8*d.* per lb., whilst contracts for the disposal of the 1921 crop have been entered into at a price of 2*s.* 1.31*d.* per lb. for 241,920 lb. The condition of the estate, moreover, according to the report of the Visiting Agent, leaves nothing to be desired. Shortage of labour prevented the execution of the scheme for planting 70 more acres during 1919, but otherwise the labour staff was adequate. The strong financial position of the Company is clearly demonstrated in its balance sheet. Liabilities, including the final dividend of £15,000 declared at the general meeting, do not exceed £17,302, whereas liquid assets are available to a total of £42,205. In the balance sheet the issued capital account remains unaltered at £60,000. But during the current year the amount of capital ranking for dividend will be £82,500. During March the authorised capital was increased from £65,000 to £100,000, and an issue of 15,000 shares at par was made to existing shareholders at the rate of one share for every four shares held. Furthermore, the sum of £7,500 standing to the credit of the reserve for development has been capitalised, and shareholders will receive a bonus of one fully-paid share for every eight shares held. In the opinion of the directors, the funds provided by the new issue will be sufficient for bringing the present planted area into bearing. The market quotation of the shares stands as high as 91*s.* 3*d.*, at which price they would afford, upon the basis of the last year's dividend, approximately 8%. But in building upon the continuance of this high dividend investors will do well to bear in mind that the excess profits duty for the current year will be levied at the higher rate of 60%; and, as Windsor is one of those companies which is penalised in this direction by an accident of birth, seeing that it is attaining maturity and is not in the happy position of having attained maturity before the War, wisdom counsels a more moderate estimate of the dividend for 1920. Considering, however, the excellent progress made by this Company in the reduction in its cost of production, we should not be surprised if, despite this burden, a dividend of 20% could be regarded as a minimum.

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Record New Life Business, £1,185,650 net.
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Assurance Company, Limited.
ACCUMULATED FUNDS exceed - - - £1,536,000
SUBSCRIBED CAPITAL - - - - - - £300,000
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Insurance Notes.

SCOTTISH AMICABLE LIFE ASSURANCE SOCIETY.

A BONUS record of quite unusual quality and consistency makes this old-established life office one of the most attractive to the public amongst British life assurance institutions. The Society is constituted on the mutual system, so that all the divisible profits are distributed amongst the participating policyholders, and since its establishment 94 years ago the quinquennial distributions have never been less than 30*s.* per cent. per annum in compound form. During the 20 years which ended with the last quinquennial valuation, on December 31, 1915, they were declared at an even higher rate, the 30*s.* referred to being increased to 35*s.* per cent. per annum, compound.

Another quinquennial valuation takes place at the end of the present year. Whether the Society in the face of the special burdens which, like all other life offices, it has had to face during the period under review—relating to war mortality, depreciation of securities, increased taxation, and so forth—will be able to maintain its splendid profit-distributing achievements on this occasion is, of course, problematical. Indeed, judging by the experience of most of its contemporaries, it would cause surprise if such were the case. But comparatively with other results over the war period, and judged by recent bonus standards, the Society may still be expected to give a fairly good account of itself, whilst maintaining all its old attractions to new life assurance entrants. It must be remembered, however, that at the last quinquennial valuation of the Society, in 1915, the interest basis of the investigation was changed from 2½% to 3%, so that, apart from other circumstances, the valuation profits from interest earnings, representing the accumulated margin of actual over assumed receipts from this source, will be less than formerly. On the other hand, there are possibilities that the Society will derive some advantage from a new source, viz., from its purchase in the course of last year of the shares of the Scottish Insurance Corporation, Limited, looking to the fact that that Company carries on, in addition to a life assurance section, a fire, accident, marine, and miscellaneous business, which in the past has proved to be select and profitable.

That the popularity of the Society is well maintained is shown by a large increase in its new business return for 1919. Life policies were effected with it in the course of last year for £1,288,962, of which £208,162 was reassured, the net retention at its sole risk thus being £1,080,800, as compared with £728,377 in 1918. Thus the net new business, all of which was effected within the United Kingdom, shows an advance of nearly 50%. The total net life premium income was increased by £12,200 to £494,080, apart from a sum of £17,823 received as consideration for new annuities granted. It looks as if the premium income at the date of the quinquennial valuation will exceed £500,000, and will mark an advance of about £50,000 during the valuation period, as was also the case in 1915. The expense ratio in 1919, comparing expenses of management, inclusive of commission, with premium income, was about 12.7%, as compared with about 11.4% in 1918. Some increase in this respect was to be expected, not only on account of the enhanced amount of the new business, but by reason of the rise in the cost of administration necessitated by post-War conditions. But the Society's expense ratio in 1919 is only fractionally greater than that experienced in the quinquennium which ended in 1915, and it is less than that shown in the records of its four preceding quinquennial investigations. This ratio is, moreover, well within the margin of premiums actuarially reserved for costs and contingencies at the last quinquennial valuation, which amounted to about 20% of the premiums. There has evidently, therefore, been a fair amount of profit from economy accruing towards the next valuation in the course of last year.

The information in the annual report for last year as to mortality experience is also satisfactory. The claims by death amounted to £287,087, which is stated to have been only 77% of the sum expected according to the O^{M} Mortality Table. It should be borne in mind, however, that this proportion is a great deal less than is shown in the three former years of the current valuation period, the average ratio of mortality results to expectancy over that period having been as much as 95%. The improvement shown in 1919 is, of course, due to the greatly reduced number of war claims.

The fine results of the past bonus achievements of the Society are strikingly demonstrated by the fact that the claims by death in 1919 arising from causes not directly due to the War in cases of policies entitled to full participation in profits represented on an average £154 for each £100 originally assured. In more than one-sixth of such cases the relative sums assured had been more than doubled by bonus additions.

In addition to death claims, sums of £77,703 for claims on maturity, £55,027 for surrenders, and £43,541 for annuities were paid by the Society in 1919.

Through the year's operations the life assurance and annuity funds were increased in 1919 by £250,566 to £6,800,492. The net interest yield during the year, after deduction of income tax, seems to have been about £3 17*s.* 9*d.* per cent., as compared with about £3 17*s.* per cent. in 1918. The gross interest yield in 1919 (before deduction of tax) is reported as £5 0*s.* 2*d.* per cent.

The assurances on the Society's books as at December 31 last, including bonus additions, and after deducting reassurances, are stated to have amounted to £14,880,011. The total assets as shown in the balance sheet at the close of last year stood at £6,974,376, of which £3,873,510, or considerably more than half, were represented by British Government securities. It is stated in a note to the balance sheet that the Society's Stock Exchange securities were taken at or below the values at which they stood on December 31, 1915, the date of the last quinquennial valuation, and at or below cost price in the case of those acquired since that date. A revaluation of securities will doubtless be made as usual on the occasion of the quinquennial valuation at the close of this year.

From the annual report for 1919 of the Scottish Insurance Corporation it appears that the dividend declared by that Company in respect of the year was 30%, or 6*s*. per share, less income tax. Although this shows an increase of 5% over the corresponding declaration for 1918, it indicates a net return of less than 3% on the price paid by the Scottish Amicable Society for the acquisition of the shares. But a perusal of the accounts shows that a higher dividend might have been paid, as £10,000 has been added to the balance carried forward in the Scottish Insurance Corporation's profit and loss account, while the departmental reserves have been increased, so that the dividend distribution is no criterion of the value of the acquisition. A few figures are given hereunder of the Scottish Insurance business in 1919:—

Life Department.—New business, £471,211, as compared with £291,287 in 1918. Total premium income was increased from £56,677 to £67,576. Claims, £22,312, against £25,007 in the previous year. Life assurance fund, December 31, 1919, £429,827, shows a slight increase.

Accident and General Department.—Premium income increased from £64,391 to £82,101. Balance of profit on year's working, £3,022.

Employers' Liability Department.—Premium income increased from £61,980 to £65,402. Profit on year's working, £15,939. Departmental reserves increased by £5,000.

Fire Department.—Premium income increased from £42,469 to £60,714. A sum of £5,000 has been added to departmental reserves.

Marine Department.—Premium income, £39,975, showing a decrease of £6,854 as compared with 1918. Reserved for unexpired risks at close of year 1919, £25,471.

Profit and Loss.—The balance at credit of profit and loss, after provision for dividends, has been increased from £32,112 (in 1918) to £42,805. The total revenue of the Scottish Insurance Corporation amounted in 1919 to £342,838, and the total funds of the Company at the close of the year to £683,637, showing an increase of £27,595.

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CAPITAL SUBSCRIBED	(Dec., 1919)	£58,878,400
CAPITAL PAID UP	do.	9,420,544
RESERVE FUND	do.	9,675,105
DEPOSITS, &c.	do.	325,938,436
ADVANCES, &c.	do.	135,763,591

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THE LONDON AND RIVER PLATE BANK, LIMITED.
AUXILIARY:
LLOYDS AND NATIONAL PROVINCIAL FOREIGN BANK LIMITED.

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DIRECTORS.

The Rt. Hon. the Earl of Harrowby, D.L., J.P., Chairman.
Col. H. F. Bowles, M.P.
Sir George Younger, Bart., M.P.
H. E. Carter (Managing).

The Corporation undertakes the provision of Capital for sound and progressive established British Industries, Foreign and Colonial Municipalities, Transport, Electric Lighting, Harbour, Dock and other Companies.

Industrial Companies.

COURTAULDS, LIMITED.

Capital: £4,000,000, in £1 Shares. Debentures: £9,125.

Year	Net Profit†	Dividend Paid		Placed to Reserve	Written Off	Amount of Carry-forward	Stock and Stores
	£	£	%	£	£	£	£
1914 ...	320,549	250,000	12½	200,000	Nil	188,018	331,886
1915 ...	741,668	400,002	20	200,000	Nil	329,684	338,921
1916 ...	1,083,923‡	600,002	30	200,000	336,197	277,408	451,679
1917 ...	1,170,862‡	600,002	30	767,091	105,743	62,935	707,489
1918 ...	1,184,938‡	650,002	40*	382,909	66,751	148,211	968,176
1919 ...	2,280,861‡	1,200,001	40§	999,993	Nil	229,078	1,059,916

* Equivalent rate, less income tax; final dividend 17½%, free of tax.
† After charging usual depreciation. Debenture interest, trustees' and directors' fees, income tax, and management expenses.
‡ After providing for excess profits duty.
§ Equivalent to over 55½ less tax, allowing for recent capitalisation.

We have had frequent occasion to draw attention in these columns to the remarkable degree of prosperity that has been experienced by all branches of the textile trades during 1919. The latest accounts of the celebrated textile and artificial silk manufacturers, Messrs. Courtaulds, Limited, are no exceptions to the rule. It were indeed more accurate to say that the report of this firm for the year ended December 31, 1919, provides one of the best illustrations of the rule in question. The net profit of £2,280,861 represents an advance of nearly 100% on the already satisfactory level of 1918. This profit was earned in two directions. As might be expected, one part of the total was derived as a result of a very successful year's trading in textiles and artificial silk yarn; interest on investments supplied the other portion. Dealing with the trade profits, it is of interest to note the Chairman's statement at the general meeting that, whilst the results of the home manufacture afforded no ground for complaint, yet this profit would have been still greater were it not for their policy of supplying the British market with artificial silk yarn at prices much lower

than those prevailing in other countries. Profits from investments constituted a far greater proportion of the total than is perhaps realised by most people. At the general meeting it was stated that very nearly half the total profits of 1919 came from this source. To quote the Chairman: "A very large proportion of the interim dividend already paid and of the final dividend recommended had been provided by the invested funds of the Company." When it is remembered that in the balance sheet investments stand at £4,935,998, whereas the total issued capital of the Company is £4,000,000, the part played by interest and dividends is more easily understood. Furthermore, it appears that the dividends paid by the Viscose Company have furnished no small part of the investment income. During 1919 receipts from this source were much greater, and that although a somewhat conservative scale of distribution was maintained. And the Ordinary shares held by Courtaulds in this Company do not rank amongst the assets included for accounting purposes in the balance sheet. They are retained as a capital reserve in conjunction with the 14,700 shares in the Russian Viscose Company which have been entirely written off. But whilst these American Viscose shares have no balance-sheet value, they have a par value of $9,448,600; and, it is estimated, a market value of £6,000,000.

With so great an increase in the profits, the growth in the amount of the dividend from £650,002 in 1918 to £1,200,001 in 1919 is not surprising. In the table this dividend is recorded as equivalent to 40%. However, the real dividend comprises 20% free of tax as an interim dividend on a capital of £2,000,007 and a final dividend of 20% free of tax on a capital of £4,000,000. The increase in the capital was due to the capitalisation of reserves and the issue of 1,999,993 bonus shares towards the end of 1919. Consequently the final dividend really represents 40% on the paid-up capital, making a total of 60% free of tax for 1919, or 85½% subject to tax. It was to facilitate this capitalisation that £499,993 was required out of the profits of 1919 in order to bring up the general reserve to £1,999,993. But in addition there was set aside a sum of £500,000 to replenish this particular reserve. After meeting all these requirements the amount carried forward to the next account stands at £229,078, in comparison with £148,211 in 1918.

For the current year the outlook is very bright. Faced with a demand for their products much in excess of the output, the Company have resumed their programme of extensions so rigidly curtailed during the War and hindered in 1919 owing to the difficulties of the transition period. To meet this ever-growing demand additions were in progress at nearly all their factories. During 1919 the Flint property of the United Alkali Company had been purchased, upon which it was proposed to erect a new factory for the manufacture of artificial silk. Work had already been started on a new factory at Nuneaton to provide further facilities for the twisting and other treatment of yarn. Developments were also in hand at Leigh, Halstead, Bocking, Braintree, and Halifax. But since the general meeting what the Chairman feared has come to pass. The accounts for 1920 will not only have to bear the brunt of the corporation tax, but will also be mulcted in respect of the excess profits duty by no less than 60%. However, there is no reason to anticipate any marked reduction in the dividend, although it would not be wise to expect a larger rate than 40%. The fact remains that this progressive textile manufacturing Company is in a strong financial position. Liabilities, including the final dividend of £800,000, do not exceed £2,977,504. whereas liquid assets, in the form of investments, cash, and sundry debts, amount to £6,692,132. In the market the £1 shares of Courtaulds are quoted at £6⅛, and at this price they only afford a net yield of 9% approximately on the basis of the 1919 dividend.

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Life Premium Income.		Life Assurance Funds.		Total Claims Paid to Date.
1901—£22,308	...	£9,175	...	£39,900
1910—£77,327	...	£53,735	...	£197,000
1919—£119,188	...	£191,875	...	£545,000

Commercial.

ECONOMIC POLAND.

THE *Polish Economic Bulletin* is issued in close association with the official representatives of the Republic in London with the object of promoting trade between this country and Poland. In order to attain this object the *Bulletin* endeavours very naturally to inform its readers on the economic conditions which prevail in Poland, and particularly with the articles which Poland has to sell. Poland, until recently, formed part of what was once the Russian Empire, and it was from Russia, consequently, that she obtained nearly all supplies of raw materials required for her manufactures. Although Poland has now thrown off the Russian yoke, is an independent Republic, and has only quite recently gained brilliant victories against the Bolshevists now ruling Russia, it is from what remains of the Russian Empire that Poland will continue to draw the bulk of her supplies of various kinds of raw materials. Unless the Bolshevist *régime* is brought to an end in Russia in the early future and some sort of order is maintained throughout that country a very serious economic problem will await solution not merely for Poland, but for Europe taken as a whole. The European continent is, roughly, 4,000,000 square miles in extent. Rather more than half that area consists in what was so recently as five years ago the Russian Empire. That vast Empire while it existed as an ordered State was by far the most important source in Europe from which the Western countries obtained their supplies of wheat, various kinds of feeding-stuffs, and a large proportion of raw materials which Russia was able at that time

to supply. The present world-wide difficulty with regard to the supply of flax is almost wholly due to the breakdown of Russia's economic system. Something like four-fifths of the world's total supply of flax from which fabrics are derived, as distinct from feeding-stuffs, was grown in Northern Russia, and the reduction in this supply to something like 20% of what Russia actually produced in the pre-War period has brought about a crisis in the linen industry from which the trade can only hope gradually to emerge. A far wider and even more urgent problem confronts Europe unless what we were formerly accustomed to call Russia can be restored to some form of order. It is the urgent problem of feeding Europe upon such an economic basis as the earning capacity of its various countries can afford. For five years now Europe has lived on credit and on borrowed money, but, as the reader will appreciate, this is not indefinitely possible either for States or for individuals. To obtain supplies as we have been accustomed to do during the past five years has led to a world-wide exchange crisis, which is expressed in popular language by a world-wide rise in prices. It is evident that if the populations of the various States of Europe are to remain as large as they are at present those populations must be in a position to obtain at least their food and the bare necessities of existence upon such an economic basis as their earning capacity enables them to afford. The late ex-President Roosevelt, who, although not a trained economist, had a very shrewd way of expressing economic truths as he understood them, once said that the time was coming when America would have to depend almost wholly upon herself for her supplies of articles of prime necessity. Now that saying of the late Mr. Roosevelt is not merely true of the United States. It is true of the rest of the world as well. It is particularly true of the European continent at the present time, which is so heavily in debt, and which should not merely be in a position to provide for its own primary necessities, but should in addition be able to provide an appreciable surplus, which would be available towards liquidating that debt. At present Europe is neither feeding herself nor supplying herself with the raw materials she requires for her manufactures. For practical purposes only a very few countries can safely rely on obtaining the bulk of their primary needs from sources outside their own borders. England did it, and did it with success, for two whole generations before the outbreak of the recent War. England, however, was very peculiarly situated in the two generations that preceded the late European War. England had world-wide investments. Nearly every important civilised country with any serious economic development owed money to England. The English mercantile marine constituted something like 60% of the freight-carrying capacity of the whole world. England in addition was the world's merchant banker, the insurance corporation with which most other countries insured their goods, and, finally, England was still, although her position was being challenged to some extent, the greatest manufacturing country in the world. She purchased two-thirds of her food requirements and nearly 80% of the raw materials needed to feed her manufactures. She could do it with comparative prudence, but no other country in Europe ventured to do so.

Europe is, and has been for many generations, the great wheat-consuming continent. Of a total world's supply of some 4,000,000,000 bushels, more than half was grown in Europe. The whole of the European growth was consumed within this continent, and Europe imported in addition between 20% and 30% of the surplus products of the rest of the world. Naturally Russia, owing to her extent, was one of the great sources of supply for Europe, which in payment for her food and raw materials received manufactured goods produced in countries west of the Urals. The opinion expressed by a writer in the *Bulletin* is that at present Russia is barely producing sufficient wheat and food products generally for her own domestic requirements. It has to be remembered that less than 5% of the Russian population are town dwellers. The general belief seems to be that the Russian peasant is producing from his farm just enough to feed himself and his family, leaving the towns largely to starve. There was a general opinion, that is gradually giving place to less optimistic views, that whenever it was practicable to conclude peace with the Russian Government it would be possible to obtain immense supplies of various kinds of foods, particularly wheat, from South Russia, which had been allowed to accumulate during the period that the Black Sea was closed to international trade. That that wheat has long since been consumed during the progress of the revolution is coming more and more to be felt, not merely in Poland and those countries close to Russia, but throughout the whole of Western Europe. The demoralisation which the revolution has brought about has been clearly seen and reported upon by the Allied forces which visited Northern Russia. Their accounts of the conditions of those regions upon which the world was accustomed to rely for its supply of flax are deplorable in the extreme, and afford very little hope that a recovery in the flax-growing industry is to be looked for in the immediate future.

In order to obtain raw materials from Russia, Poland in the pre-War period was accustomed to export to her great neighbour manufactured goods in the form of underlinen and clothes of every description, as well as every accessory for trimming the same; haberdashery, ribbons, hats of various kinds, artificial flowers and feathers, and every description of buttons, parasols, fancy and toilet goods, besides toys. In addition, Poland exported metal fancy goods and machines of various kinds, besides iron and tin enamel vessels. Poland sent in addition cast-iron ware, nails, cutlery, hammered goods, tools, wire, agricultural implements, and polished goods. At present Poland is only in a position to supply some of these articles because she is unable to obtain the raw materials for their manufacture. To what extent it would be possible for her to manufacture all or any of these articles for our market is not stated, but she ought to be able to supply a proportion of the cheaper goods. It is notorious that a very large proportion of the cheaper articles of underclothing for both sexes, manufactured both in Germany and Austria, was in the pre-War period sold in this country. At present probably Poland would find it more convenient to send us raw products. Of these raw products timber alone is actually available. Even there the difficulty of transportation is formidable. In the pre-War period Poland occupied one of the first places in the world in the production for industrial purposes of the by-products of the potato. She produced such enormous quantities that after providing for the necessities of man and beast there was available some 5,000,000,000 metric quintals, or, say, 5,000,000 tons, available for various purposes. As a matter of fact, in those days so abundant was the supply of food in nearly all countries that the bulk of this surplus went to the distilleries. Nevertheless, a large proportion was in fact used for the manufacture of starch, to make syrup, flakes, meal, and dried potatoes in the form of chips, which are so familiar in most restaurants in various parts of the world.

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ATCHISON, TOPEKA AND SANTA FE RAILWAY

TWENTY-FIFTH ANNUAL REPORT—FOR THE FISCAL YEAR TO DECEMBER 31, 1919.

To the Stockholders:

Your Directors submit the following report for the fiscal year January 1, 1919, to December 31, 1919, inclusive.

The Lines comprising the Atchison System, which have been operated throughout the year by the United States Railroad Administration, are as follows :—

	Dec. 31, 1919. Miles	Dec. 31, 1918 Miles
Atchison, Topeka & Santa Fe Railway	8,661·99	8,624·67
Gulf, Colorado & Santa Fe Railway	1,907·64	1,917·95
Panhandle & Santa Fe Railway	767·67	767·63
Grand Canyon Railway	64·09	64·09
Kansas South Western Railway	61·51	61·51
Rio Grande, El Paso & Santa Fe Railroad ...	20·22	20·22
	11,483·12	11,456·07

Increase during the year, 27.05 miles. In addition to lines covered by this report there were completed on December 31, 1919, 85.09 miles of additional line, which will be ready for operation in the near future. The Company is also interested, jointly with other companies through ownership of stocks and bonds, in other lines aggregating 556.92 miles.

INCOME STATEMENT.

The following is a summary of the transactions of the System for the years ending December 31, 1918 and 1919 :—

	1918	1919
Compensation under federal control contract—		
Accrued	$42,885,310 80	$44,615,087 26
Other income	4,310,951 70	15,100,115 96
Gross corporate income	$47,196,262 50	$59,715,203 22
Taxes	3,095,398 38	3,405,574 03
Rentals and other charges (exclusive of equipment and joint facility rents)	4,056,239 44	1,556,712 22
	$40,044,624 68	$54,752,916 97
Interest on bonds, including accrued interest on adjustment bonds	11,696,191 79	11,654,259 20
Net corporate income (representing amount available for dividends and surplus) ...	$28,348,432 89	$43,098,657 77

From the net corporate income for the year the following sums have been deducted :

Dividends No. 40 and No. 41 on Preferred Stock	$6,208,685 00
Dividends Nos. 56–59 (6 %) on Common Stock	13,351,695 00
Appropriation for Fuel Reserve Fund	70,260 81
California-Arizona Lines Bonds Sinking Fund	15,815 97
S. F. & S. J. V. Railway Bonds Sinking Fund	13,354 00
Surplus carried to Profit and Loss	$23,438,818 99
Surplus to credit of Profit and Loss, December 31, 1918 ...	41,797,635 19
Sundry Adjustments	191,808 10
Surplus appropriated for Investment in Physical Property ...	$64,572 45
Surplus to credit of Profit and Loss, December 31, 1919 ...	$65,366,689 83

Income from sources other than compensation under Federal control contract consists of interest on cash in banks and sums collected as interest and dividends upon bonds and stocks of companies the transactions of which are not included in the System accounts, also lap-over revenues and expenses and adjustments thereof. The income account in this respect does not reflect a normal year's showing, but constitutes a record of income credits, applying in part to prior years, received or determined during the year. During the year the sum of $750,000 in cash was received as the net proceeds of sale of land embraced in the Santa Fe Pacific Land Grant, but this was directly written off the book value of Railroads, Franchises and Other Property, and the transaction does not appear in the Income Account.

CAPITAL EXPENDITURE AND REDUCTION OF BOOK VALUES.

The total charges to Capital Account, as shown by the General Balance Sheet at December 31, 1919, aggregated $804,903,069.71, as compared with $782,829,303.18 at December 31, 1918, an increase during the year of $22,073,766.53, which analyses as follows :—

Construction and acquisition of new mileage, including the acquisition of bonds and stocks of other railway and terminal companies :—Barton County & Santa Fe Ry., $134,252.42 ; Minkler Southern Ry., $306,866.60 ; Northwestern Pacific RR., $1,779,107.56 ; North Texas & Santa Fe Ry., $798,423.99 ; Oklahoma Central RR., $12,424.72 ; Osage County & Santa Fe Ry., *$177,024.94* ; South Plains & Santa Fe Ry., $4,699.88 ; Tulsa & Santa Fe Ry., $206,952.86 ; Verde Valley Ry., $213,000.00. Total, $3,279,003.09.

Additions and Betterments—System Lines : Fixed Property, $7,277,116.56 ; Equipment, $13,707,918.58 ; Betterments to Equipment, $878,623.60. Total, $21,863,658.74.

Fuel Lands and Other Properties :—Healdton Pipe Line Co., $372,800.00 ; Ice Plant, Belen, $6,418.31 ; Real Estate held for future use, $10,550.81 ; Tie and Timber lands, $19,382.71 ; Santa Barbara Tie & Pole Co., $500.13 Miscellaneous Items, *$110,048.64*.—$299,603.32. Other Investments, including Sinking Fund, $2,455,981.12. Total charges, $23,188,283.83. Note.—Credits in italics.

Reduction of Book Values :

Cherokee & Pittsburg Coal & Mining Co., $269,781 65 ; Garden City, Gulf & Northern R.R., $5,251.70 ; Santa Fe Pacific Land Sales, $750,000.00 ; Ice Plant, San Bernardino, $24,901.19 ; Ice and Power Plant, Winslow, $29,852.11 ; Santa Fe Tie & Lumber Preserving Plant, $43,747.35. Total, $1,114,517.30. Net Increase in Capital Account during the year, $22,073,766.53.

The item of $13,707,918.58 for "Equipment" analyses as follows :—

93 Locomotives, $7,208,164.12 ; 2,452 Freight-Train Cars, $7,151,934.84 ; 76 Miscellaneous Work Cars, $55,322 07 ; 12 Miscellaneous Equipment, $23,560.15.—Total, $14,438,981.18 *Less* Value of Equipment retired during the year as follows : 20 Locomotives, $96,801.27 ; 818 Freight-Train Cars, $510,788.40 ; 6 Passenger-Train Cars, $30,667.01 ; 194 Miscellaneous Work Cars, $43,818 81 ; 1 Automobile, $500.00 ; Miscellaneous Adjustments $48,457.08.—Total, $731 062.60.—$13,707,918.58.

The 818 freight-train cars reported as retired and the 76 miscellaneous work cars added include 69 cars, which, being permanently assigned to work service, were relettered in work service equipment series during the year and transferred from freight equipment to work service equipment at their depreciated value at time of relettering.

CAPITAL STOCK AND FUNDED DEBT.

The outstanding Capital Stock (deducting stock in treasury) on December 31, 1918, consisted of :—

Common, $221,785,500.00 ; Preferred, $124,173,700.00 ;—Total, $345,959,200.00.

Issued during the year :—Common Stock issued in exchange for Convertible Bonds retired, $1,088,000.00. Capital Stock outstanding December 31, 1919. Common, $222,873,500.00 ; Preferred, $124,173,700.00.—Total, $347,047,200.00

The number of holders of the Company's capital stock on December 31, 1919, and the changes in number for the year were as follows :—

Number of Stockholders : Common, 31,281 ; increase for the year, 389 ; Preferred, 19,843 ; increase for the year, 894. The outstanding Funded Debt of the System (deducting bonds in treasury) amounted, on December 31, 1918, to $286,639,989.20. The following changes in the Funded Debt occurred during the year : *Obligations Retired* : Convertible 4% Bonds, $1,088,000.00. *Obligations Issued* :—California-Arizona Lines First and Refunding Mortgage 4½% Bonds, $1,468.50. Decrease of Funded Debt, $1,086,531.50. Total System Funded Debt outstanding December 31, 1919, $285,553,457.70.

Interest charges for year ending December 31, 1920, will be approximately $11,628,000, or an average monthly charge of about $969,000.

TREASURY.

Neither this Company nor any of its auxiliaries has any notes or bills outstanding.

The Company held in its treasury on December 31, 1919, $4,532,650.01 cash, of which amount $1,820,034.49 was held as banker for its affiliated companies. In addition, the Company and its affiliated railway companies own $19,013,200.00 of Liberty Loan Bonds and Victory Loan Notes and $1,499,589.70 of short-term notes, which are carried in the general balance sheet in "Other Investments" and "Current Assets" respectively.

FUEL RESERVE FUND.

The fund has been increased during the year by appropriations of income, as follows :—

Amount to credit of Fund December 31, 1918	$2,033,684 25
Added during the year	70,260 81
In Fund December 31, 1919.	$2,103,945 06

CONSTRUCTION OF NEW LINES.

Although somewhat retarded by the scarcity of labour, definite progress has been made during the year toward the completion and placing in service of all but one of the new lines shown as uncompleted in the last Annual Report. The present status of these lines is briefly outlined in the following :—

BARTON COUNTY AND SANTA FE RAILWAY.

This line, extending from Holyrood to Galatia, Kansas, a distance of 31.20 miles, was placed in operation July 1, 1919.

MINKLER SOUTHERN RAILWAY.

With the consent of the Railroad Administration, work on the extension of this line from Porterville to Ducor, California, a distance of 12.48 miles, was actively resumed about the middle of the year. Practically all the right-of-way has been secured, the grading and bridging is more than half completed, and track laying is in progress. It is expected to have the line ready for operation about July 1 next.

NORTH TEXAS AND SANTA FE RAILWAY.

With the consent of the Railroad Administration, work on this line, which is projected north-westerly from Shattuck, Ellis County, Oklahoma, to terminus at Spearman, Texas, a distance of 84.74 miles, was resumed in May 1919. The work of grading and track-laying is completed, and it is expected to place the line in operation about July 1 next.

OSAGE COUNTY AND SANTA FE RAILWAY.

No progress has been made during the year in the construction of this line from Owen, Washington County, Oklahoma, to a connection with the Eastern Oklahoma Division of your main line between Remington and Fairfax, Oklahoma, a distance of 62.17 miles.

TULSA AND SANTA FE RAILWAY.

Since May 1912 your Company has been using the freight and passenger terminals of the St. Louis-San Francisco Railway Company at Tulsa, Oklahoma. Owing to the rapid growth of that city these facilities became utterly inadequate for the proper handling of the traffic of both companies, and as there was no reasonable prospect of such terminals being suitably enlarged, an Oklahoma corporation, known as the Tulsa and Santa Fe Railway Company, was formed on December 12, 1917, to provide independent freight and passenger terminals to be operated by your Company under lease. The freight facilities were substantially completed and placed in operation May 1, 1919. Work on the passenger facilities was deferred at the request of the Railroad Administration, and negotiations are now pending to determine whether the use of the St. Louis-San Francisco Company's passenger facilities cannot be continued

on terms and conditions which will render the construction of independent passenger facilities unnecessary at this time.

GOVERNMENT CONTROL.

Federal control and operation of your properties ceased under the "Transportation Act, 1920," and corporate operation was resumed midnight of February 29, 1920, but the properties were not, at the end of Federal control, as it was agreed in the Compensation Contract they should be, in substantially as good condition, and in substantially as complete equipment, as when taken over by the President, pursuant to his Proclamation of December 26, 1917. Adjustment and settlement of all matters relating to maintenance of your properties will be proceeded with as rapidly as consistent with the importance and difficulties of the questions involved.

Thus far no settlements of any character have been effected under the Compensation Contract of November 22, 1918, but an understanding as to the form of statement of accounts subject to quarterly settlement has been reached. The status as of December 31, 1919, of accounts subject to such settlement, was as follows:—

DUE FROM THE UNITED STATES GOVERNMENT	
Accrued Compensation—balance	$53,169,398 06
Cash transferred December 31, 1917	7,948,850 95
Agents' and Conductors' Balances December 31, 1917	2,288,919 82
Assets December 31, 1917, collected	12,399,216 95
Revenue prior to January 1, 1918, collected	2,578,638 74
	$78,385,024 52
DUE TO THE UNITED STATES GOVERNMENT:	
Liabilities December 31, 1917, paid	$25,499,314 17
Payments for Corporate Transactions	1,769,261 64
Expense prior to January 1, 1918, paid	2,561,456 94
Expended for:	
Completed Additions and Betterments—Road	4,846,967 01
Completed Additions and Betterments—Equipment	19,317,778 19
Road Extensions	1,065,586 20
	$55,060,364 18
Balance due from the United States Government	$23,324,660 34

In the above statement the Government has been credited with $34,931,000 paid during the year on account of compensation, but is charged with the estimated amount of additional compensation on additions and betterments reported as completed at December 31, 1919. It does not, however, include interest due the Company on unpaid quarterly balances, an estimate of which has been made and included in the income account of the year and is carried on the balance sheet as an unadjusted debit account.

Other accounts with the Government as of December 31, 1919, but not subject to quarterly settlement, were as follows:

DUE TO THE UNITED STATES GOVERNMENT:	
Uncompleted Additions and Betterments and Road Extensions	$12,996,725 82
DUE FROM THE UNITED STATES GOVERNMENT:	
Accrued Depreciation—Equipment	$10,994,254 55
Equipment Retired	625,050 33
Road Property Retired and Not Replaced	314,526 47
Accrued Depreciation—Miscellaneous Physical Property	80,441 85
	$12,014,273 20
Balance due to the United States Government	$982,452 62

In addition to the above, the Government is charged with material and supplies on hand at December 31, 1917, and certain subsequent additions thereto, stated in the accounts at time of transfer at a value of $23,977,558.08, for which material and supplies equal in quantity, quality, and relative usefulness are to be returned at the end of Federal control, any differences in quantities to be accounted for at prices then prevailing. At December 31, 1919, the Government was carrying a charge against the Company for expenditures for additions and betterments, not approved by it and not reflected above, amounting to $278,054.40.

The retired property (road and equipment) and accrued depreciation accounts are as stated on the books of the United States Railroad Administration, as of December 31, 1919, and are subject to modification and adjustment to conform to a proper construction of the Compensation Contract. Minor adjustments may also be required in the accounts subject to quarterly settlement.

These various accounts are grouped in the general balance sheet as United States Government accounts under current and deferred assets, deferred liabilities and unadjusted debit and credit accounts.

EXTENSION OF GUARANTY,

The Transportation Act, 1920, which provided for the termination of Federal control, extended to railway companies under Federal control the privilege of an extension of Federal control guaranty for a period of six months ending August 31, 1920. As a condition to receiving such guaranties, however, railway companies were required to execute and file with the Interstate Commerce Commission, on or before March 15, 1920, a written acceptance of all provisions of Section 209 of said Act. The result of such acceptance was to agree to pay to the United States the excess of railway operating income for said six months over and above such guaranty.

After careful consideration, it was deemed advisable to accept the provisions of Section 209, and this was accordingly done.

ALLOCATED EQUIPMENT.

During the year there were finally allocated to the Company and accepted by it 2,700 steel underframe 40 ton capacity box cars, constructed under contracts between the Director-General of Railroads and equipment manufacturers.

To finance the cost of this equipment the Company under date of January 15, 1920, joined the Director-General in an equipment trust agreement with the Guaranty Trust Company of New York. The cost of these cars has not yet been definitely determined, but it will not exceed $7,917,480. Under the agreement referred to the purchase price is payable in 15 equal instalments, payable on January 15 in each year commencing on January 15, 1921, and ending on January 15, 1935, with interest at 6% per annum from January 15, 1920, until the date of payment, interest payable semi-annually on January 15 and July 15 in each year.

At December 31, 1919, the Company had received 2,450 of the cars and liability for the estimated cost thereof, viz.: $7,151,256 is carried in the general balance sheet as an unadjusted credit account.

GENERAL.

The United States Railroad Administration continued to conduct the operations of your railway property during the calendar year 1919. A summary of the results of such operations for the year 1919 is as follows:—

Operating Revenues	$209,500,003 77
Operating Expenses	156,026,127 11
Net Operating Revenues	$53,473,876 66
Taxes, less War Taxes	9,137,468 24
Uncollectible Railway Revenues	42,242 71
Railway Operating Income	$44,294,170 71
Equipment and Joint Facility Rents	2,268,552 98
Railway Operating Income as defined in Federal Control Act	$42,025,617 73

Lapover revenues and expenses applying to the period prior to January 1, 1918, adjusted by the Administration during Federal control are included in the above, the net effect being a credit to "railway operating income" of $729,197.40, the prior revenues exceeding the prior expenses by that amount; however, the above figures do not include additional mail pay which accrued to the Administration during these two years under decision of the Interstate Commerce Commission of December 23, 1919, in the Railway Mail Pay Case, estimated at $3,191,000, which was taken into the Federal accounts for January 1920.

The income of the Administration derived from your property during the two years, including additional mail pay, was in excess of the sum of the agreed compensation for the same period and the interest rental accrued to December 31, 1919, on additions and betterments reported as completed at that date.

During the past twelve months your board of directors has lost through death three of its most valued members: Mr. Augustus D. Juilliard, April 25, 1919; Mr. H. C. Frick, December 2, 1919; and Mr. Edward P. Ripley, February 4, 1920.

At the time of his death Mr. Ripley was Chairman of the board, having been elected to that office on January 1, 1920, upon his retirement from the presidency, in which capacity he had served the Company for twenty-four years, or since the reorganisation in December 1895. During this long period he endeavoured with noteworthy success to administer the duties of his office with justice to the interests of the stockholders, the employees, and the public. Mr. Ripley's forceful personality and unvarying fairness won for him the approbation of his contemporaries and the affection of his associates. What the Company has grown to be and what it stands for are largely due to his efforts, and his name is indissolubly linked with that of the Santa Fé.

Mr. Juilliard was a man of admirable personal character and business integrity whose faithfulness in the discharge of his duties as a director and member of the Executive Committee was deeply appreciated by his fellow-directors.

In the passing away of Mr. Henry C. Frick the Company lost one of the most helpful and esteemed members of the board of directors and Executive Committee. His services were highly appreciated and the Company has sustained a severe loss in his death.

W. B. STOREY, *President.*

EXHIBIT A.—RAILROADS, FRANCHISES AND OTHER PROPERTY.

Amount December 31, 1918		$710,071,807 79
Expenditures for Additions and Betterments, Construction and Other Capital Purposes during year ending December 31, 1918		22,916,443 02
Total		$732,988,250 81
Transferred to Exhibit C.:		
Investment in securities of terminal companies	$1,832,759 65	
Western Oklahoma Railway	45,091 05	
		1,877,850 70
		$731,110,400 11

EXHIBIT C.—INVESTMENTS—NEW ACQUISITIONS.

Transferred from Exhibit A:—	
Expenditures to Dec. 31, 1918	$12,192,238 23
Investment in securities of terminal companies, 1,832,759.65; Western Oklahoma Railway, $45,091.05	$1,877,850 70
	$14,070,088 93
Expenditures during the Year ending December 31, 1919:— Northwestern Pacific Railroad, $1,779,167.96; Hawaiian Pipe Line Company, Capital stock, $572,800.00; Tie and Timber Lands, $19,382.71; Real Estate held for future use, $10,550.81; Ice Plant, Belen, $6,418.31; Santa Barbara Tie and Pole Co., $500.13 ... Total, $2,189,050.92	
Deductions (Interest and Profit on Sales and Mortgage Co., $250,781.05; Ice Plant, San Bernardino, $24,001.10; Ice Plant, Winslow, $25,961.96; Power Plant, Winslow, $850.15; Real and Personal leased to various parties, $14,080.81; Santa Fe Tie and Lumber Preserving Co., $43,747.35 .... Total, $353,349.44	1,815,710 08
	$15,885,799 0

EXHIBIT B.—EXPENDITURE FOR ADDITIONS AND BETTERMENTS, CONSTRUCTION AND OTHER CAPITAL PURPOSES DURING YEAR ENDING DEC. 31, 1919.

Name of Road.	Additions and Betterments.	Construction.	Other Expenditures.	Total.
	$	$	$	$
Atch., Top. & Santa Fe Ry.	11,662,109	—	*96,162*	11,565,947
Ditto (Coast Lines)	1,722,244	—	—	1,722,244
Barton County & Santa Fe Ry.	—	134,252	—	134,252
Cali., Ariz. & Santa Fe Ry.	395,841	—	—	395,841
Cane Belt RR.	21,258	—	—	21,258
Concho, San Saba & Llano Valley RR.	904	—	—	904
Dodge City & Cimarron Valley Ry.	1,444	—	—	1,444
East. Ry. of New Mex. System	115,887	—	—	115,887
Garden City, Gulf & N. RR.	3,164	—	*5,255*	*2,091*
Grand Canyon Ry.	13,489	—	—	13,489
Gulf & Interstate Ry. of Texas	5,918	—	—	5,918
Ditto, Santa Fe Dock & Channel Co.	348	—	—	348
Gulf, Beaumont & Gt. N. Ry.	15,894	—	—	15,894
Gulf, B. & Kansas City Ry.	24,537	—	—	24,537
Gulf, Colorado & Santa Fe Ry.	495,833	—	—	495,833
Jasper & Eastern Ry.	27,246	—	—	27,246
Kansas South Western Ry.	1,843	—	—	1,843
Laton & Western RR.	21	—	—	21
Minkler Southern Ry.	2,697	306,867	—	309,564
North Texas & Santa Fe Ry.	—	798,424	—	798,424
Oklahoma Central RR.	—	—	12,425	12,425
Oil Fields & Santa Fe Ry.	9,679	—	—	9,679
Osage County & Santa Fe Ry.	—	*177,025*	—	*177,025*
Panhandle & Santa Fe Ry.	241,142	—	—	241,142
Rio Gr., El Paso & Santa Fe RR.	11,790	—	—	11,790
Rocky Mountain & Santa Fe Ry.	17,039	—	—	17,039
Santa Fe Pacific RR.	—	—	200	200
Santa Fe Land Imp. Co.	7,054,060	—	—	7,054,060
South Plains & Santa Fe Ry.	3,427	4,700	—	8,127
Texas & Gulf Ry.	2,826	—	—	2,826
Tulsa & Santa Fe Ry.	—	206,953	—	206,953
Verde Valley Ry.	9,258	—	213,000	222,258
Western Arizona Ry.	3,759	—	—	3,759
	21,863,659	1,274,171	124,208	23,262,038
Deductions: Land Sales	—	—	—	750,000
				$22,512,038

EXHIBIT D.—CAPITAL STOCK, DECEMBER 31, 1919.

	Issued.*	In Treasury.	Outstanding.
Common	$222,918,000 00	$44,500 00	$222,873,500 00
Preferred	124,199,500 00	25,800 00	124,173,700 00
	$347,117,500 00	$70,300 00	$347,047,200 00

* Not including $4,800,000 Preferred Stock placed in special trust for certain purposes by the Reorganisation Committee and not yet used, nor $2,486,500 Preferred Stock in custody of the Central Union Trust Company of New York as Trustee but held subject to the Company's order.

EXHIBIT E.—FUNDED DEBT, DECEMBER 31, 1919.

Class of Bonds.	Rate of Interest. %	Issued. $	In Treasury. $	Outstanding. $
Gen. Mort.—Due Oct. 1, 1995	4	152,562,500	1,928,000	150,634,500
Adjust. Mort.—Due July 1, 1995	4	51,728,000	382,000	51,346,000
Convertible—Due June 1, 1955	4	7,975,000	—	7,975,000
Convertible—Due June 1, 1960	4	10,071,000	—	10,071,000
Transcontinental Short Line—Due July 1, 1958	4	22,545,000	—	22,545,000
California-Arizona Lines—Due March 1, 1962	4½	18,525,727	14,599	18,511,138
Eastern Oklahoma Division—Due March 1, 1928	4	9,603,000	—	9,603,000
Rocky Mountain Division—Due Jan. 1, 1965	4	3,000,000	—	3,000,000
San Francisco & San Joaquin Valley Ry.—Due Oct. 1, 1940	5	5,967,000	18,000	5,949,000
Santa Fe, Prescott & Phœnix Ry.—Due Sept. 1, 1942	5	4,940,000	—	4,940,000
Chic., Santa Fe & California Ry.—Due Jan. 1, 1937	5	560,000	—	560,000
Hutchinson & Southern Ry.—Due Jan. 1, 1928	5	192,000	—	192,000
Prescott & Eastern RR.—Due April 1, 1928	5	224,000	—	224,000
Miscell. Bonds	—	2,820	—	2,820
		287,896,057	2,342,599	285,553,458

INCOME ACCOUNT FOR 12 MONTHS ENDING DEC. 31, 1919.

Dr.		
Corporate Operating Expenses		$ 616,695 90
Taxes		3,373,271 26
Rent for Leased Roads		26,349 66
Miscellaneous Rents		133,263 43
Miscellaneous Tax Accruals		33,302 77
Interest on Funded Debt		11,654,259 20
Interest on Unfunded Debt		625,126 68
Miscellaneous Income Debits		155,276 55
Dividend No. 42 on Capital Stock, Preferred	$3,104,342 50	
" " 43 " " "	3,104,342 50	
		6,208,685 00
" " 56 " " " Common	$3,327,142 50	
" " 57 " " "	3,338,797 50	
" " 58 " " "	3,342,622 50	
" " 59 " " "	3,343,132 50	
		13,351,695 00
Appropriation for Fuel Reserve Fund		70,260 51
California-Arizona Lines Bonds Sinking Fund		15,843 97
The S. F. & S. J. V. Ry. Co. Bonds Sinking Fund		13,354 00
Balance, being Surplus for 12 months ending December 31, 1919, carried to Profit and Loss Account		*23,438,818 99*
		$59,715,203 22
Cr.		
Compensation under Federal Control Contract—Accrued		$44,615,087 26
Income from Lease of Road		160,939 65
Miscellaneous Rent Income		252,479 22
Miscellaneous Non-operating Physical Property		93,989 69
Dividend Income		7,214,058 00
Income from Funded Securities		1,313,084 90
Income from Unfunded Securities and Accounts		1,856,256 87
Income from Sinking and Other Reserve Funds		73,159 56
Miscellaneous Income Credits		4,136 148 07
		$59,715,203 22

PROFIT AND LOSS ACCOUNT TO DECEMBER 31, 1919.

Dr.	
Surplus appropriated for investment in physical property	$ 64,572 45
Balance carried to General Balance Sheet	*65,366,689 83*
	$65,431,262 28
Cr.	
Balance brought forward from December 31, 1918	$41,797,635 19
Surplus for 12 months ending December 31, 1919	23,438,818 99
Sundry Adjustments	194,808 10
	$65,431,262 28

GENERAL BALANCE SHEET, DECEMBER 31, 1919.

Balances Dec. 31, 1918. $	ASSETS.	Balances Dec. 31, 1919. $
710,071,807 79	Railroads, Franchises and other Property, including Stocks, Bonds, &c. (Exhibit A)	731,110,400 11
22,916,443 02	Expenditures for Additions and Betterments, Construction and other Capital Purposes during Current Fiscal Year (Exhibit B)	22,512,037 77
732,988,250 81		753,622,437 88
12,192,238 23	Investments, New Acquisitions (Exhibit C)	15,885,799 01
53	Sinking Fund	819 06
37,648,808 61	Other Investments	35,394,013 76
782,829,303 18		804,903,069 71
150,230,113 98	Balance brought down	172,302,412 01
	Current Assets:	
42,885,310 80	U.S. Gov't Accrued Compensation	53,169,398 06
5,399,773 41	Cash	4,282,650 01
200,000 00	Time Deposits	250,000 00
251,664 61	Special Deposits	248,641 68
1,512,680 10	Loans and Bills Receivable	1,499,589 70
187,371 22	Traffic and Car Service Balances	17,365 74
1,016,495 76	Miscellaneous Accounts Receivable	618,885 69
197,192 36	Material and Supplies	119,989 00
53,370 55	Interest and Dividends Receivable	34,449 04
122 56	Other Current Assets	181 13
51,703,981 37		60,241,150 05
	Deferred Assets:	
34,941 13	Working Fund Advances	200 00
	Guaranty Trust Co. of New York:	
2,033,684 25	Cash Deposit for Fuel Reserve Fund	2,103,945 06
134,468 53	Other Deferred Assets	26,330 14
2,203,093 91		2,130,475 20
46,540,596 65	U.S. Government—Deferred Assets	49,219,874 54
	Unadjusted Debits:	
201,421 71	Rents and Insurance Premiums Paid in Advance	139,186 18
1,148,983 57	Other Unadjusted Debits	1,431,505 10
1,350,405 28		1,570,691 28
6,000,282 10	U.S. Government—Unadjusted Debits	11,987,583 20
258,028,473 29		297,452,186 28

Balances Dec. 31, 1918. $	LIABILITIES.	Balances Dec. 31, 1919. $
345,959,200 00	Capital Stock: Outstanding (Exhibit D)	347,047,200 00
	Funded Debt:	
286,639,989 20	Bonds Outstanding (Exhibit E)	285,553,457 70
150,230,113 98	*Balance carried down*	*172,302,412 01*
782,829,303 18		804,903,069 71
	Current Liabilities:	
9,500,000 00	Loans and Bills Payable	—
42,427 66	Traffic and Car Service Balances	3,259 22
314,226 96	Audited Accounts and Wages Payable	309,500 23
595,160 87	Miscellaneous Accounts Payable	46,555 49
1,706,182 31	Interest Matured Unpaid	1,138,367 54
153,952 50	Dividends Matured Unpaid	225,187 70
115,000 00	Funded Debt Matured Unpaid	45,000 00
6,431,125 00	Unmatured Dividends Declared	6,447,475 00
3,162,225 85	Unmatured Interest Accrued	3,158,621 30
39,560 47	Unmatured Rents Accrued	39,560 47
22,059,861 62		11,413,526 95
264,112 18	Deferred Liabilities	196,639 49
52,131,940 71	U.S. Government—Deferred Liabilities	68,057,090 00
	Unadjusted Credits:	
3,159,573 27	Tax Liability	3,499,878 30
3,194,579 32	Operating Reserves	3,204,199 94
41,320,240 60	Accrued Depreciation—Equipment	46,681,481 40
5,693,874 47	Other Unadjusted Credits	10,233,092 60
53,368,267 66		63,618,652 24
49,153 79	U.S. Government—Unadjusted Credits	278,054 40
	Corporate Surplus:	
86,196,225 99	Additions to Property through Income and Surplus	86,260,798 44
25,263 69	Funded Debt Retired through Income and Surplus	34,504 94
92,322 68	California-Arizona Lines Bonds—Sinking Fund Reserve	108,166 65
	The S. F. & S. J. V. Ry. Co. Bonds—	
10,005 53	Sinking Fund Reserve	14,118 28
2,033,684 25	Reserve for Fuel Lands	2,103,945 06
88,357,502 14		88,521,533 37
41,797,635 19	Profit and Loss—Balance	65,366,689 83
130,155,137 33		153,888,223 20
258,028,473 29		297,452,186 28

We have examined the books and accounts of The Atchison, Topeka and Santa Fe Railway and System lines, and certify that the above Balance Sheet and relative Income and Profit and Loss Accounts are properly drawn up therefrom, and show the correct income of the Company's system for the year and the true financial condition at the close of the year, subject to such adjustment as may be required in settlement of U.S. Government accounts referred to in the President's report. We have been provided with satisfactory certificates from the Trustees as to the securities pledged under the different mortgages, and we have also verified the cash items.

PRICE, WATERHOUSE AND CO., *Auditors.*

Chicago, March 25, 1920.

Copies of the full Pamphlet Report may be obtained upon application from Messrs. Baring Bros. and Co., Limited, 8 Bishopsgate, London, E.C. 2.

INTERNATIONAL HARVESTER COMPANY.

ANNUAL REPORT FOR THE YEAR TO DECEMBER 31, 1919.

To the Stockholders:

The Board of Directors submit the following report of the business and financial condition of the International Harvester Company and affiliated companies for the fiscal year ending December 31, 1919:—

INCOME ACCOUNT FOR 1919.

Income from Operations, after providing for taxes and foreign exchange shrinkage, but before making deductions for Interest on Loans, Plant Depreciation, Losses on Receivables, and other reserves and appropriations ...		$25,786,197 96
Deduct—Interest on Loans ...		$818,437 43
Ore and Timber Extinguishment...		397,502 95
Reserve for Plant Depreciation ...		2,769,406 75
Reserve for Special Maintenance...		181,976 29
Reserve for Losses on Receivables		607,114 36
Appropriation for Pension Fund...		1,000,000 00
		$20,011,760 18
Deduct—War Losses Charged to 1919 Earnings ...		7,403,033 88
Net Profit for 1919 ...		$12,608,726 30

SURPLUS DECEMBER 31, 1919.

Balance at December 31, 1918 ...			$68,036,662 67
Add—Net Profit for 1919 ...		$12,608,726 30	
Deduct Dividends—			
Preferred Stock, $7 per share ...	$4,200,000		
Common Stock, $6 per share ...	4,800,000	9,000,000 00	3,608,726 30
Surplus at December 31, 1919			$71,645,388 97

COMBINED GENERAL BALANCE SHEET, DEC. 31, 1919.

ASSETS.

Property—			
Real Estate and Plant Property, Ore Mines, Coal and Timber Lands, etc.		$97,249,753 44	
Deduct—			
Reserves for Plant Depreciation ...		23,055,763 22	$74,193,990 22
Deferred Charges ...			345,964 79
Reserve Fund Assets—			
Fire Insurance Fund ...		$1,258,950 00	
Pension Fund ...		$2,000,000 00	
			3,258,950 00
Current Assets: Inventories—			
Raw Materials, Work in Process, Finished Products, etc. ...		$99,565,231 72	
Receivables—			
Farmers' and Dealers' Notes ...	$24,105,507 70		
Accounts Receivable	21,196,865 36		
	$45,302,373 06		
Deduct—			
Reserves for Losses ...	3,249,927 95	42,052,445 11	
Investments — Government Securities ...	$7,087,779 17		
Miscellaneous ...	494,344 69	7,582,123 86	
Cash ...		39,669,711 01	188,869,511 70
			$266,668,416 71

LIABILITIES.

Capital Stock—Preferred ...		$60,000,000 00	
Common ...		80,000,000 00	
			$140,000,000 00
Current Liabilities: Accounts Payable—			
Current Invoices, Payrolls, Taxes, &c.		$30,389,961 91	
Preferred Stock Dividend (payable March 1, 1920) ...		1,050,000 00	
Common Stock Dividend (payable January 15, 1920) ...		1,200,000 00	32,639,961 91
Reserves (Appropriated Surplus)—			
Special Maintenance ...		$2,745,618 54	
Collection Expenses ...		2,000,000 00	
Fire Insurance Fund ...		6,610,645 00	
Pension Fund ...		5,227,222 81	
Industrial Accident Fund ...		950,000 00	
Employees Savings Plan ...		1,100,000 00	
Contingent ...		3,749,579 48	
			22,383,065 83
Surplus ...			71,645,388 97
			$266,668,416 71

PROPERTY.

CAPITAL ADDITIONS DURING 1919.

WORKS AND TWINE MILLS.

UNITED STATES—McCormick Works: Malleable foundry improvements; gantry crane; machine tools; bridge across branch of Chicago River. Deering Works: Concrete dock extension; paint drying ovens; machine tools. Tractor Works: Completion of grey iron foundry; core rooms; pattern vaults; material storage building; additional equipment to increase tractor production. Milwaukee Works: New manufacturing building; additional equipment to increase tractor and engine production. Akron Works: Additional equipment to increase motor truck production. West Pullman Works: Dry kilns; equipment for thresher manufacture. Weber Works: Part construction of new warehouse; machinery for motor truck wheel manufacture. Rock Falls Works: Wheel storage building and equipment. Auburn Works: Malleable foundry extension; monorail hoist; sand blast equipment. Springfield Works: Equipment for new type hay press. P. & O. Works: Purchase of plow plant and property of Parlin & Orendorff Company at Canton, Ill. Chattanooga Works: Purchase of plow plant and property of Chattanooga Plow Company at Chattanooga, Tenn. Twine Mills: McCormick, Deering, Auburn, St. Paul: Additional property; machine ... new type combination ... for Sisal fiber ... $3,771,670 12

CANADA—Hamilton Harvester Works: Dry kilns; patterns, tools and equipment for thresher manufacture. Hamilton Plow Works: Purchase of plow plant and property of Oliver Chilled Plow Works of Canada, Limited, at Hamilton, Ontario. Chatham Works: Tooling equipment for one-horse wagons 1,882,024 28

FOREIGN—Croix Works, France: Part cost of rehabilitation of French Harvester Works and Twine Mill occupied by the German army during the War. Amount expended to December 31, 1919, Fcs. 4,527,000. Of this sum $300,000 has been treated as increased investment, and the balance carried as a reparations claim on the books of the French Company. Norrkoping Works, Sweden: Additional equipment for mower and rake manufacture... 323,179 66

BRANCH HOUSES.

UNITED STATES—Purchase of warehouse property and improvements at Council Bluffs, Iowa; Dallas, Texas; Los Angeles, Cal.; Springfield, Mo.; purchase of warehouse sites at East St. Louis, Ill.; Fort Dodge, Iowa; completion of concrete warehouses and tractor sheds at Salt Lake City, Utah; Watertown, S. D.; minor improvements to leased warehouses at Amarillo, Texas; Billings, Mont.; Cheyenne, Wyo.; Dubuque, Iowa; Knoxville, Tenn.; San Francisco, Cal.; and the P. & O. buildings at Houston, Texas; Minneapolis, Minn.: Omaha, Neb.; Portland, Ore.; St. Louis, Mo. 451,754 90

CANADA—New warehouse site at Winnipeg, Manitoba; additional repair facilities at Brandon, Manitoba; Calgary, Alberta; Edmonton, Alberta 60,200 32

RAW MATERIAL FACILITIES.

COAL MINES AND COKE WORKS—Completion of development work and opening up of new mines at Benham, Ky., to provide for by-product coke ovens at South Chicago, Ill.; installation of machinery; enlarging central power plant; new office building and village improvements.

IRON ORE MINES—Agnew Mine, Hibbing, Minn.: Additional equipment. Hawkins Mine, Nashwauk, Minn.: Purchase of town lots; erection of dwellings. Sargent Mine, Keewatin, Minn.: Opening underground mine; stripping and development for open-pit mining; mine buildings; machinery and equipment; dwelling-houses and local improvements.

BY-PRODUCT COKE PLANT—Completion of 88 by-product coke ovens with auxiliary buildings and equipment at South Chicago, Ill.

BLAST FURNACES AND STEEL MILLS—Purchase of 9.3 acres real estate; installation of gas burners; water purification system at South Chicago, Ill. Deering Rolling Mill: Erection of new building to replace old structure destroyed by fire.

TIMBER LANDS AND SAW MILLS—Drainage and levee improvements, erection of dwelling-houses, church, lodge hall and school at Deering and Rives, Mo.; extension of log spurs; Marion log-loader; camp cars.

FIBER CULTIVATION—American Hemp: Special machinery for harvesting and preparing hemp grown in United States. Sisal Fiber: Clearing, planting and cultivating sisal fiber plantation at Cardenas, Matanzas, Cuba; roads, tramways and buildings 5,513,541 65

RAILROADS, &C.—Chicago, West Pullman and Southern Railroad: New switch-yard at West Pullman; machinery for power plant at Irondale. Deering Southwestern Railway; Improving road-bed; dwelling for master mechanic at Deering, Mo. Illinois Northern Railway: Locker-room accommodations for trainmen; round-house and track improvements 70,079 57

Total Capital Additions during 1919		$14,072,450 50
Deduct—Property sold, charged off, &c., during 1919	$1,301,604 26	
Amortization of war facilities ...	1,398,305 96	
Provision for amortization of iron ore, coal and timber during 1919 ...	397,502 95	3,097,413 17
		$10,975,037 33
Add—Balance at December 31, 1918		86,274,716 11
		$97,249,753 44
Deduct—Reserves for Plant Depreciation		23,055,763 22
Net Balance at December 31, 1919		$74,193,990 22

INVENTORIES.

At Works and Twine Mills at close of manufacturing season:

United States:		
Raw Materials and Supplies ...	$13,803,110 52	
Work in Process of Manufacture	12,871,653 93	
Finished Machines, Repair Parts and Twine	7,988,563 97	$34,663,328 42
Canada:		
Raw Materials and Supplies ...	$1,484,543 68	
Work in Process of Manufacture	1,192,057 17	
Finished Machines and Repair Parts	1,746,722 33	5,423,323 18
Europe:		
Raw Materials and Supplies ...	$1,307,804 59	
Work in Process of Manufacture	826,098 12	
Finished Machines, Repair Parts and Twine	718,187 95	2,852,090 66
		$42,938,742 26
At Branch Houses, Local Agencies and Distributing Points:		
United States	$16,225,287 07	
Canada	6,809,762 38	
Foreign	9,671,906 76	31,706,956 21
At Mines, Furnaces and Steel Mills		4,856,995 21
At Saw Mills		295,016 21
Railroads		112,591 55
Miscellaneous		519,084 85
		$80,428,786 29
		19,136,445 43
Net Material, Work in Process and Finished Product on hand		$99,565,231 72

The "basic" inventory, representing a normal quantity of raw materials, work in process, and finished products, is valued at 1916 inventory prices (being the actual cost of that year), which have been adopted as a fair and stable basis for inventory valuations during the period of high prices. The "excess" inventory (that is, the quantity in excess of normal) is valued at 1919 cost or market, whichever is lower. The general inventory reserve of $5,975,000 existing at December 31, 1918, has been utilised during 1919 in the disposition of war losses.

"Net material purchases, &c., after close of manufacturing season," include purchases and manufacture at works between inventory-taking and December 31, 1919, less the manufacturing cost of goods shipped from the works during that period which were either sold in 1919 season or included in the country inventory.

The character of the Company's business requires that large stocks of agricultural implements be carried at convenient locations throughout the world, in order to meet the urgent local necessities of uncertain crop conditions. Therefore, a large amount of working capital is constantly invested in inventories. By this investment the Company aims to give adequate service to the farmer and to meet the varying demands of a trade which is frequently unable to forecast its needs until the crops are assured and the harvest is at hand.

CAPITAL STOCK.

The authorised and issued Capital Stock of the International Harvester Company at December 31, 1919, was:

Preferred Stock, 7%, Cumulative—600,000 shares, par value $100 each	$60,000,000
Common Stock: 800,000 shares, par value $100 each	80,000,000
	$140,000,000

No portion of the Capital Stock was issued for Goodwill or Patents. The Company's properties are unencumbered, and it has no bonded indebtedness.

CURRENT LIABILITIES.

Accounts Payable—Current Invoices, Payrolls, etc.	$14,635,620 77
Tax Provision—Federal, State, Municipal and Foreign	13,189,637 95
Employees' Savings Plan Subscriptions	2,002,752 68
Employees Liberty Bond Instalments	570,950 51
Preferred Stock Dividend, payable March 1, 1920	1,050,000 00
Common Stock Dividend, payable January 15, 1920	1,200,000 00
Total Current Liabilities at December 31, 1919	$32,639,961 91

WORKING CAPITAL.

Current Assets—Inventories	$99,565,231 72
Receivables (Net)	42,052,445 11
Investments	7,582,123 86
Cash	39,669,711 01
	$188,869,511 70
Deduct—Current Liabilities	32,639,961 91
Net Working Capital at December 31, 1919	$156,229,549 79

RESERVES.

Plant Depreciation.

The annual appropriations from earnings for plant depreciation reserves constitute the necessary provision for the impairment and consumption of the plant assets utilised in production. Such depreciation is based on rates established by recognised authorities and confirmed by past experience in this industry, and should prove sufficient to reproduce the properties as their replacement becomes necessary.

Balance at December 31, 1918	$20,580,465 72
Add—Provision for 1919	2,769,406 75
	$23,349,872 47
Deduct—Replacement Charges, etc., during 1919	294,109 25
Balance at December 31, 1919	$23,055,763 22

Repairs, Renewals and Maintenance.

In accordance with the Company's policy, liberal expenditures have been made for ordinary repairs and renewals in order to maintain the properties at their maximum efficiency. All such expenditures are charged to operating expenses and have been included in the cost of production. A comparison of these expenses for the last three seasons is:

Harvester Works and Twine Mills—	1919	1918	1917
United States	$5,623,099 41	$5,463,826 62	$3,435,909 91
Canada	516,219 77	312,747 96	235,292 33
Foreign	542,456 92	550,658 05	503,917 85
	$6,681,776 10	$6,327,232 63	$4,175,120 09
Furnaces and Steel Mills	1,164,127 26	1,200,049 74	862,834 16
Railroads	181,819 65	195,086 09	153,630 70
Branch Houses and Misc.	162,114 58	159,803 44	193,770 67
	$8,189,837 59	$7,882,171 90	$5,385,355 62

Special Maintenance.

These reserves provide for relining of blast furnaces, maintenance of docks and harbours, conversion of power systems, and other renewal work, the expenditures for which occur at irregular intervals. To provide for such renewals when they become necessary, the future cost of the work is apportioned over current earnings.

Balance at December 31, 1918	$2,761,757 27
Add—Provision for 1919	181,976 29
	$2,943,733 56
Deduct—Relining, renewal and other charges during 1919	198,115 02
Balance at December 31, 1919	$2,745,618 54

Losses on Receivables.

The annual deductions from earnings to provide for losses which may ultimately be sustained in the realisation of bills and accounts receivable taken on each season's sales are based on long experience and are adequate to cover bad debts incurred in the ordinary course of business.

Collections in the United States and Canada have been exceptionally good. In the United States 94% and in Canada 80% of the year's sales were paid for in cash before the close of the year.

The remaining receivables in Russia, Germany, Austria, Hungary and the Balkan States have been charged off as war losses. A recent revaluation of the receivables outstanding in the United States, Canada and other foreign countries, principally Australasia, France, Great Britain, Scandinavia and South America, indicates that the balance of the reserve for losses on receivables is adequate.

Balance at December 31 1918		$5,915,808 63
Add—Provision for 1919		607,114 36
		6,522,922 99
Deduct—Bad Debts charged off during 1919:		
United States	$256,671 00	
Canada	406,936 11	
Foreign	309,387 93	
War Losses	2,300,000 00	3,272,995 04
Balance at December 31, 1919		$3,249,927 95

Collection Expenses.

In most lines of business the time which elapses between the date of a sale and the collection of the proceeds in cash is comparatively short, and the need of a reserve to meet the future cost of collecting receivables outstanding at the date of the balance sheet would arise only in the event of liquidation. In the agricultural implement business, where long credits in some lines are extended to the farming community, conservative management has adopted the principle of providing a reserve to meet future collection expenses.

Balance at December 31, 1919 ... $2,000,000

Fire Insurance Fund.

The Company pursues the policy of carrying a reasonable portion of its own fire insurance. It is estimated that the Fire Insurance Fund should now be sufficient, with the annual accretions from regular insurance charges to operations and the income from the fund, to provide ample protection for the risk which the Company assumes.

Balance at December 31, 1918	$6,223,751 22
Add—Credit for 1919 from regular charges to operations	252,419 73
Income from Fund for 1919	334,271 62
	$6,810 442 57
Deduct—Losses by Fire, etc., during 1919	199,797 57
Balance at December 31, 1919	$6,610,645 00

Industrial Accident Fund.

Since the Company originated its plan of compensation for industrial accidents to employees regardless of legal liability, all States in which the Company has its principal plants have enacted workmen's compensation laws, which now supersede the Company's plan.

Payments for accidents are absorbed directly in operating expenses, and no portion is charged against the permanent Industrial Accident Fund, which is maintained at a reasonable amount as a safeguard against future contingencies.

Balance at December 31, 1919 ... ... $950,000

Contingent.

Balance at December 31, 1918	$9,406,517 78
Deduct—War losses charged against this Reserve in 1919	5,656,938 30
Balance at December 31, 1919	$3,749,579 48

GENERAL.

Notwithstanding serious obstacles to European trade and unsettled manufacturing conditions at home, the Company's business for 1919, on the whole, presents a satisfactory showing. This is principally due to the agricultural prosperity of the United States and Canada, which resulted in a large demand for farm equipment. The volume of sales, aggregating $212,700,000, is greater than the preceding year, while the net profit is less. The percentage of earnings to capital invested, before deducting war losses, is 9.6%; after deducting the war losses charged to 1919 earnings, it is 6.1%.

FINANCIAL SITUATION.

With the outbreak of the war in 1914 it was evident that the Company's large investment and steadily increasing business in Europe and Siberia would be seriously imperilled. There were factories in France, Germany, Sweden, and Russia, stocks of machines at various distributing points, accounts and bills receivable and bank deposits payable in the currency of those countries. Therefore, the policy was adopted of adding to the usual provision for bad debts and other contingencies by establishing special reserves to meet war losses; and, in addition, dividends on the Common stock of the International Harvester Corporation were suspended for a period of four years during the war.

During the years 1915 to 1918 inclusive a portion of these losses was charged off, and in 1919 the Directors decided to write off the balance of the funds in Russia, Germany, Austria, Hungary, and the Balkan States. The only investment in those countries now remaining on the books consists of the plant properties and inventories of the Russian and German factories, valued at $6,850,000.

Notes and accounts receivable in other foreign currency and cash in other foreign banks have been converted into dollars in the balance sheet at the quoted exchange rates prevailing December 31, 1919. Investments in Government securities have been valued at the market prices at that date.

Collections of current and past due accounts and bills receivable during the year were exceptionally good in the United States and Canada. A large reduction was also effected in the inventory investment. The Company was thus enabled to

anticipate the payment of $10,000,000 notes maturing in 1921, and the 1919 balance sheet shows no liabilities other than accounts payable for current invoices, pay rolls, taxes, &c.

EUROPEAN BUSINESS.

Upon the signing of the armistice, steps were at once taken to re-establish the Company's European business, an undertaking which still presents many difficulties and discouragements.

The principal supervising office at Brussels had been closed for four years. The French factory near Lille had been stripped of machinery and materials. No news of the Russian and German factories had been received for many months. The sales business in Austria, Hungary, and the Balkan States was completely disorganised; no information was obtainable as to the stocks of machines on hand or the proceeds of those sold, and few employees remained. It is realised that the rebuilding of the organisation in those countries and the renewing of business relations with jobers and dealers will be a slow process, depending upon local conditions of government, finance, and business. Everywhere disorganisation of government, transportation, and credit blocks the way, while the unprecedented fall in foreign exchange has raised another and almost insuperable barrier to America's commerce with European countries.

The Company's first efforts were directed to the restoration of its French factory, which with extreme difficulty and at excessive cost has been completely re-equipped and is now prepared to resume the manufacture of mowers, rakes, harrows, tedders, and twine.

The factory near Neuss, Germany, is in the occupied zone. The General Manager of the Company, arriving there even before the Allied Army of Occupation, found that it had been operated during the War under German governmental control. The legal status of the plant and the Company's right to repossess it were then undetermined. However, with the full knowledge of the Allied Council and the United States Government, representatives of the Company reassumed management and the plant is now under the superintendency of a United States citizen.

The factory at Norrkoping, Sweden, continues running at capacity to meet the heavy demands of Scandinavia and neighbouring countries.

The supervising office at Brussels has recently been re-established under the control of a Vice-President in charge of European business, and from this central office the Company is directing its activities throughout all the countries of Europe.

In striving to rebuild its foreign business the Company finds much evidence to support the position that wholly apart from sentiment and merely as a matter of self-interest America cannot afford to stand aloof while Europe struggles with the tremendous task of industrial and economic rehabilitation. All international trade, and this nation's share therein, must suffer until the paralysed productive energies of the distressed countries are restored and until the resumption of their exports has created such external credits as will remove the barrier of unfavourable exchange.

Realising this, the Company is doing all in its power to aid the revival of agriculture in Europe. In this effort it has received cordial co-operation from the United States War Finance Corporation, which recently authorised a loan of several millions to the Company to be used in financing foreign purchases of American-made farm implements.

RUSSIAN CONDITIONS.

As to Russian conditions, the Company has had little information beyond what has appeared in the public press. Communication with its representatives in European Russia has been practically impossible, but indirect reports of recent date indicate that the factory at Lubertzy, near Moscow, is being operated with about 2,000 employees, and apparently the management is still in the hands of faithful Harvester Company employees. According to these reports, the Lubertzy Works is one of the few important manufacturing establishments in Russia that has not been nationalised.

Company representatives recently returned from the Ukraine and Siberia confirm reports of lack of agricultural implements, disorganisation of transportation, and widespread economic disturbance. Whenever the doors of commercial intercourse are reopened the Harvester distributing organisation, already extending its lines toward the borders of Russia, will be prepared to aid in supplying the needs of agriculture in that great potential market.

DOMESTIC TRADE AND MANUFACTURE.

With the close of the 1919 season the Company readjusted its method of selling in the United States to comply with the Government decree limiting its dealer representation.

After the Armistice the opinion was general that raw-material prices and production costs would soon begin to recede, making possible a reduction in the prices of manufactured goods. Early in 1919 the Industrial Board of the Department of Commerce at Washington announced a new schedule of iron and steel prices effective for the remainder of that calendar year on a lower level than the prices prevailing at the close of the War. In other basic materials there was also a tendency toward lower prices.

Therefore the Company felt justified in making a substantial reduction in the prices of farm implements and twine manufactured during the last half of the year for sale in 1920 season; and it was hoped that this action might have some influence in helping to reduce commodity prices and the cost of living in general. Unfortunately the tendency toward lower prices did not continue. On the contrary, both raw material and labour costs have steadily increased since the summer of 1919, and the Company is now confronted with the necessity of increasing its selling prices on certain machines for the balance of 1920 season; and unless there is a considerable recession in the raw-material markets, the prices of the Company's products for 1921 delivery must be further increased.

Continued expansion of the trade in tractors, motor trucks, and threshers has required a considerable enlargement of manufacturing facilities, including a new foundry at the Tractor Works.

At the urgent request of the Government, the Company began in 1918 the construction of a modern by-product coke plant at South Chicago, which was completed in the fall of 1919. This plant has added substantially to the Company's facilities for producing coke, and also yields valuable by-products.

PLOUGH BUSINESS.

The most important manufacturing development of 1919 was the Company's entrance into the plough business in the United States. This was accomplished by the purchase of the well-known and long-established Parlin and Orendorff plough business at Canton, Illinois, and of the Chattanooga Plough Works, Chattanooga, Tenn. These two plants, manufacturing different types, give the Company a complete line of ploughs, including modern tractor ploughs. By these purchases and the acquisition of the Oliver Plough Works at Hamilton, Canada, the Company has rounded out its list of products with an essential farm implement not heretofore manufactured by it. It is interesting to note that while at its formation in 1902 the Harvester Company manufactured only nine kinds of machines, the "International Line" now consists of 54 separate classifications.

POWER-DRIVEN FARM MACHINERY.

The acute shortage of farm labour and the abnormal increase in farm wages have given new importance to the development of power-driven agricultural machinery. Unless man power on the farm can be supplemented by machine power even to a greater degree than by the epoch-making inventions of the last century, there is distinct danger of a falling off in food production. The farm tractor has been the conspicuous development of the last ten years in this direction. Much has been done by the Company's experimental department towards the development of the machines and attachments necessary to replace the horse with the tractor in farm work. There remains, however, the problem of providing the farm of average size with a complete equipment of power-driven implements that can be operated by one man, and the efforts and ingenuity of the experimental department are now being concentrated upon this task.

RAW MATERIAL FOR BINDER TWINE.

The Company has continued its research and experimental work on raw materials for binder twine. Results attained in the growth and use of American hemp give assurance that if the present sources of sisal supply become insufficient, or if the price should again become exorbitant, American hemp may be developed as a substitute. Interesting experiments have also produced a twine made of paper and fibre. Further, the Company's 3,000-acre plantation in Cuba is demonstrating that the soil and climate of that island are as favourable to the production of sisal fibre as Yucaton.

AGRICULTURAL EXTENSION.

The Agricultural Extension Department is the concrete recognition of the Company's broader interest in the prosperity of agriculture. During the seven years since its organisation the Department has conducted 17,000 meetings in the interest of better farming and general agricultural education At more than 51,000 other meetings its charts and lantern slides have been displayed. About 11,000,000 people attended these meetings, which covered all States. Outside of the United States these charts and lantern slides are being used in Canada, Alaska, and Mexico, in some South American countries, in the Orient, India, and Africa, and in Holland, France, and Russia. The Department has prepared and distributed over 120 different booklets on agricultural and kindred subjects, the total distribution being more than 4,000,000 copies.

This Department is not a sales agency. Its work is the Company's contribution to the general welfare. Co-operation with communities and with all organisations and agencies working for better agricultural is the basic principle of its activities. In this way it has been able to gather and distribute helpful information and to aid various States and localities in the development of their soil resources and the improvement of agricultural conditions.

THE INDUSTRIAL COUNCIL.

The "Harvester Industrial Council Plan of Employee Representation," announced in March 1919, is now in effect at twenty of the Company's plants in the United States and Canada. The central feature of the Plan is the Works Council, composed of representatives elected by the employees and an equal number appointed by the management, who, in joint conference, consider all matters of mutual interest, including wages, hours, and working conditions. Thus the workers now have a definite voice with the management in shaping the industrial policies of the Company.

The Plan was put to three distinct and severe tests in 1919. During the sporadic labour troubles in Chicago last summer certain Chicago plants of the Company were temporarily shut down at the suggestion of the employee representatives in the Works Councils, as a measure of public and personal safety. The wisdom of this action was proved by the early reopening of these factories at the recommendation and under the immediate supervision of the Works Councils. During the general steel strike, similarly effective action was taken at the Company's Steel Works at South Chicago. In the nation-wide coal strike, the action of the Works Council led the miners at the Company's coal mines at Benham, Kentucky, to return to work within ten days after the strike began and long before it ended elsewhere.

The Plan has done much to foster the spirit of co-operation and has brought the employees and the management into a more intimate relation of mutual understanding and confidence. Council members have shown a growing interest in waste prevention and the improvement in both the quality and quantity of production.

Welfare activities such as Americanisation, education, and recreation are now largely administered by the Councils with marked success. The Company's safety and health programme is being ably supported by them. The attention given by Council committees to accident prevention and the numerous suggestions presented through employee representatives are proving of great value.

PROFIT SHARING AND PENSIONS.

Thrift campaigns encouraged by Works Councils have helped to quicken interest in the Harvester Savings and Profit Sharing Plan, now in its fifth year. At present there are 24,635 participants with subscriptions totalling $8,391,000, as against 17,692 subscribers for a total of $5,226,000 at the close of 1918. More than 4,000 employees have become owners of Harvester Common stock under the Plan.

During 1919 the Directors further strengthened the Pension Fund with an appropriation of $1,000,000, in order to meet the requirements of the recent increase of pension rates and reduction of the age limits. The number of veteran employees on the pension roll is now 501 and the annual pension payment is $250,000.

ORGANISATION.

The average number of employees during the year was 40,483, compared with 40,181 in 1918.

Recent announcement was made of Edgar A. Bancroft's retirement as General Counsel and his appointment as Special Counsel. In accepting his resignation the Directors recorded the Company's high appreciation of the services rendered by him during an especially important period of its history.

William D. McHugh, of Omaha, who assisted as Special Counsel in the defence of the Government suit, has been elected General Counsel.

With keen regret for the loss of two valued and able associates, mention is made here of the untimely death during 1919 of Frank B. Montgomery, Traffic Manager of the Company since its formation, and of Charles E. Lord, Manager of the Patent Department.

Reviewing the work of a year filled with new perplexities and obstacles, the Directors recognise and warmly appreciate the devotion, energy, and resourcefulness of the entire organisation at home and abroad. They realise that these qualities are the expression of that intangible but invaluable asset, the "Harvester spirit," whose elements are loyalty and service, high vision and honest work.

By Order of the Board of Directors.

HAROLD F. McCORMICK.
President.

Chicago: April 15, 1920.

MEETINGS
OF PUBLIC COMPANIES.

LIVERPOOL AND LONDON AND GLOBE INSURANCE COMPANY, LIMITED.

THE eighty-fourth annual general meeting of shareholders in this Company was held on May 18 at Liverpool, Mr. A. K. Barnes, Chairman of the Company, presiding.

The Chairman, in proposing the adoption of the report and accounts for the year 1919, expressed the regret of the Board at the loss of their colleague, Mr. Alfred Fletcher, who joined in 1874, and during the 45 years he had acted as a director had rendered the Company most valuable assistance.

With regard to the fusion with the Royal Insurance Company, it was somewhat soon to speak of the results, but during the short time which had elapsed since the Companies joined hands there was ample evidence that the association would result to their mutual advantage.

Growth in Total Income and Profits.

Referring to the accounts, the Chairman said he was very pleased to be able to say that during 1919 progress had not only been maintained, but actually improved, with the result that another record for the Company had been established. The income had been increased by £1,024,000. and had reached the sum of £8,392,000, against £7,368,000, and the surplus on the underwriting accounts had increased from £1,007,000 to £1,367,900. He was pleased to say all departments had contributed to these excellent results.

Dealing with the fire account, he said the income in the last two years had been increased by over £1,000,000, for which continued progress they were greatly indebted to their officials all over the world. The losses for the year were £1,923,673, a smaller total than in 1918 by some £58,000, and the loss-ratio was 42.1%, which, as far as the Company's records showed, was the lowest since it was founded. In this connection he referred particularly to the work of the Company's United States officials, by whose efforts the loss-ratio of the Company was one of the lowest reached by any company doing business in the States on an equally large scale.

Owing to increased cost, both in taxation and living, expenses had gone up, the ratio having increased from 36.27% to 38.20%, and he was afraid they must be prepared for a further increase rather than a diminution.

Record Fire Underwriting Surplus.

The underwriting surplus, £895,491, or a ratio of 19.63%, was a record for the Company, and, after allowing for the additional 40% on the increased income, they were able to transfer a sum of no less than £694,690 to the profit and loss account, a result which, he was sure, must be satisfactory to the shareholders. (Hear, hear.)

In the accident department there had been increased progress, to which all parts of the world had contributed, the underwriting surplus being £282,504, against £243,524 in the previous year, and, after providing £188,684 for the additional 40% necessary, they were enabled to transfer a sum of £94,000 to profit and loss account. Owing to greatly increased cost of repairs in the motor-car section, insurance companies as a body had been compelled to charge additional rates, and the increase in burglaries had also necessitated a raising of rates. He hoped the result of this would be to put these sections of the business on a better paying basis.

As to the life department, the year 1919 was a good one, and the Company had secured its full share, if not more, of new business of the best class without any modification of the full tabular rates. The net claims paid and outstanding amounted to £309,158, being somewhat heavier than in the previous year, but the amount was in no way excessive and not beyond the reasonable fluctuations which might be expected from year to year.

Marine Department's Experience.

In the marine department reference had been made a year ago to the policy of meeting the great shrinkage of income when the business of war risks ceased. The figures showed that the directors had been justified, as the net premiums showed a decrease of £17,000 only, as compared with those of 1918. The claims, making ample provision for every known casualty up to the time of the closing of the books, amounted to £483,449, against £552,457 for 1918. Since the turn of the year disasters at sea had been far above the average, and it would almost seem, as an aftermath of the War, that carelessness was prevalent, both with regard to navigation and protection of cargoes, especially so in connection with fires on shipboard and petty theft and pilferage. Cargo insurance was keenly competed for, particularly by the numerous new ventures which had, within the last two years, entered the marine insurance market. Risks hitherto largely unknown were now being placed upon marine underwriters, such as theft, short delivery of cargo, and oil and hook damage. Serious claims were being paid for theft and pilferage, and he regretted to say that this class of loss was fairly general at all ports of the world. Another point of importance was the ever-increasing cost of repairs. The surplus on the underwriting represented 26.49% of the premiums received, against 21.18% in 1918.

Provision for Depreciation.

On the subject of investments, the Chairman referred to the considerable fall which took place in the values of securities during 1919. At last year's annual meeting the Chairman had been able to report that the provision made in previous years had been ample to cover the depreciation to the end of 1918. He wished he could give the same assurance to-day. The directors, however, had to provide no less than £300,000 to meet the additional shrinkage in 1919, and they knew there had been further marked depreciation since the commencement of the present year. He hoped, however, it was not unduly optimistic of him to express the opinion that the country was slowly but surely emerging from the chaotic condition into which it was thrown by the War and was heading towards permanent recovery. There were, he thought, hopeful signs that labour was becoming more settled, and therefore more productive. This meant larger exports, which were already showing themselves, and which were so important at the present juncture. This in turn would hasten the recovery of the value of the sovereign, and place the general finances of the country on a sounder basis. But these hopeful features would be upset if the Government adopted methods of taxation which would kill enterprise and expansion. Present taxation was severe enough, and was as much as the country could stand without further seriously handicapping industry. There was such a thing as killing the goose which laid the golden egg. He believed, however, the Government would have the good sense to stop short of such harmful methods, and perhaps the country might be fortunate enough to see them start to do some economising on their own part. (Hear, hear.)

Increased Dividend Distribution.

The interim dividend had already been paid at 8*s.* 6*d.* per share, less tax, this being an increase from 7*s.*, and the directors now recommended a similar payment, making 17*s.* per share, less tax, for the year, as against 15*s.* for 1918, and, as the shares had now been split, this made an increase of 4*s.* for the year. (Hear, hear.)

Dealing with the profit and loss account, the Chairman said a sum of £522,570 was necessary to meet the dividend and the interest on Debentures, and a further sum of £425,000 to cover income tax and excess profits duty. Of the amount at credit of this account, £25,000 had been added to staff pension fund, and the net balance to be carried forward was £423,971, as against £485,483 in the previous year.

With regard to this year's working, he was glad to say that the results so far were quite satisfactory, and he could only hope that next year the directors would have an equally good report to present.

The Chairman concluded by expressing the thanks which were due to the local directors at home and abroad, and also to the managers and every member of the staff all over the world. The year, from the shareholders' point of view, had been an excellent one, but the problems with which the managers had to contend had been quite as difficult as in previous years, and he desired especially to mention the General Manager, Mr Dent, who had had an exceptionally arduous year. Mr. Dent had met the many problems with great skill and determination, and the result of the year was a great tribute to him. (Applause.)

Sir Aubrey Brocklebank, Bart., seconded the resolution, which was carried unanimously without discussion.

The usual formal business followed.

PACIFIC LOAN AND INVESTMENT COMPANY, LTD.

THE thirty-fourth ordinary general meeting of shareholders of this Company was held at noon on Tuesday, May 18, at the Law Association Rooms, Cook Street, Liverpool. Mr. J. Arthur Smith (Chairman of the directors) occupied the chair.

The Chairman: Well, gentlemen, I think the time is up and I will ask the Secretary to read the notice convening the meeting and also the auditors' report.

These were read accordingly by the Secretary (Mr. J. Melville).

The Chairman: Gentlemen, I have now to submit for your adoption the directors' report and balance sheet for the past year, which has been duly circulated and may, I assume, be taken as read. Is that your pleasure?

Cries of "Agreed."

The Chairman: Since the date of the last annual meeting I regret that Mr. George R. Allardice, owing to his continued absence abroad and consequent inability to attend the board meetings, has found it necessary to retire. The directors invited Mr. Adam George Rankine to join the board, which, I am pleased to say, he agreed to do. Mr. A. W. Blackie has resigned his position as Secretary to the Company, having held that office since 1904. On the invitation of the directors Mr. Blackie has agreed to join the board, and we will therefore continue to have the benefit of his intimate knowledge of the Company's affairs. You will be asked to confirm the election of Messrs. Rankine and Blackie as directors. Turning to the accounts:

Interests on Loans and Investments.—The income under the head of interest amounts to £55,299 5*s.* 5*d.*, being an increase of about £5,400 over 1918. There is included, however, a credit of approximately £14,000, representing interest to the date of foreclosure judgment, plus foreclosure expenses, on a loan transferred several years ago to real estate account. The interest and foreclosure expenses were written off at the date of foreclosure, and we are pleased therefore to record that this considerable amount of interest has ultimately been recovered. It must, of course, be pointed out that no such aid, extraneous to the working year, can be relied upon in the future, and this fact must be borne in mind in anticipating next year's accounts. With the increased interest earnings, agency expenses show an increase, totalling £6,069 6*s.* 11*d.*, against £5,320 8*s.* 6*d.* for 1918. The collections of interest have been well maintained throughout the year. The arrears amount to $20,230, as against $26,228 for 1918. Arrearages are inevitable in a business of this description, and it is satisfactory that these should show a downward tendency. As usual, ample provision for contingencies in connection with the loans affected has been made.

Real Estate.—One property was added to the account in 1919, viz., a loan at the Portland Agency, the amount of the Company's interest therein being $7,500. The agents report that this property is now in a very attractive condition, and that it is likely to be ultimately realised on favourable terms. There were also additional capital outlays in connection with other properties, but as an offset there were credits for partial sales, and the net increase to capital commitment for the year amounts to $4,717.48, making a total as shown in the accounts of $88,377.26. The agents consider that the holdings are well worth this amount.

Real Estate Disbursements are heavier, due mainly to the increased costs of labour, and show an excess over income of £3,447 8*s.* 7*d.* A loss on such properties is, however, almost a foregone conclusion, as they would not have fallen into our hands if the former owners had been able to work them as a paying proposition. With good management and discriminate capital outlay we are, as a general rule, able to put such properties in a condition sufficiently attractive as to induce a purchaser on favourable terms.

United States Taxes.—There is an increase under this heading, and tax to the amount of £1,755 10*s.* had to be met.

British Income Tax also shows an increase, and totals £16,689 6*s.*, against £12,008 5*s.* for the previous year. For the present year, however, this taxation will be less, and we have, since closing the accounts before you, paid the British tax for 1919-20, viz., £15,550, a decrease of £1,139.

Interest on Terminable Debentures and Debenture Stock for 1919 is £12,243 0*s.* 2*d.*, as against £14,195 6*s.* 10*d.* for 1918. This reduction, of course, arises from the steady repayment of terminable Debentures as they matured during the year. In 1919 repayments of terminable Debentures to the extent of £49,210 were made, thus reducing the amount outstanding to £24,205. In 1920 £16,055 falls to be repaid, and the balance of £8,150 matures by December 1921.

Gain in Exchange.—In pursuance of the present policy, funds have been remitted home as they became unemployed and available. During 1919 £161,000 was remitted home, as against £150,000 in the previous year. The gain in exchange for 1919 amounted to £15,887 4*s.* 9*d.*, as against £3,176 1*s.* in 1918. On this occasion the gain for the year has been passed direct to the credit of profit and loss account, and, it will be observed, provides for the amount written off on account of depreciation of investments. A larger amount than usual has been carried forward in view of the Company's respective liability for increased taxation.

Mortgages, Loans, &c., on the Pacific Coast are reduced to £210,324, resultant from the heavy remittances received on this side. These remittances, as received, are of course used for the ordinary business requirements of the Company, but, as previously indicated, a large proportion has been applied to the repayment of terminable Debentures.

Investments have been increased by approximately £70,500, and the total now amounts to £530,569 12*s.* The further investments have been made in British Government, Colonial and other first-class securities. There has unfortunately been a heavy decline in values of all such securities, and to meet the depreciation it has been necessary to appropriate £16,000 out of the available balance of profit and loss account. It can be reasonably anticipated, however, that with the return of more normal times, and the nearer approach of maturity dates of such securities as are short-dated, these holdings will gradually improve again in value.

Profit and Loss Balance.—The balance of profit and loss to be dealt with is £45,120 11*s.* 10*d.*, which it is proposed to deal with as follows:—

Pay a final dividend of 6%, which, with the interim dividend of 3% paid October 31, 1919, makes 9% per annum (less income tax), and which together will absorb	£11,812 10 0
Write off for depreciation of investments ...	16,000 0 0
Carry forward to 1920 accounts	17,308 1 10
	£45,120 11 10

At this stage it is difficult to say much about crop prospects for the current year. Earlier reports were unfavourable owing to the extreme drought, and, although there has been a more or less general rainfall, still much depends on a continuance of favourable climatic conditions. I now beg to move that the directors' report and accounts be adopted. If any gentleman has any question he wishes to ask regarding the accounts, this would be a suitable opportunity.

Mr. Alexander Guthrie: I beg to second that resolution.

Mr. Arthur H. Chalmers: I desire to congratulate the directors on the results during the last year. They are most eminently satisfactory. I should like to ask a question, seeing the very large sum—over £530,000, I believe—in investments, and the fact that you have been bringing money—very large sums of money—over to this side during the financial year. I have read in the newspapers that Mr. Alexander Guthrie, at a meeting of a similar company to this, appeared to forecast that this was done with the idea, either of the Company relinquishing its business or diminishing the amounts it had abroad, in order, if need be, to go into liquidation. Is there any such idea in the management of this Company? Another thing: of course it is very unfortunate that there have been constant debits, amounting to large sums, over losses on investments, though this is very common to everyone. But if the Company had come into touch with its Debenture stockholders and bought their Debenture stock back again (which could be bought, I believe, at considerable discount) they would have saved themselves the burden of these losses in investments, because in my opinion no better investment could be made than in buying your own outstanding Debentures and thereby reducing your liabilities.

The Chairman: With regard to the points raised I shall be pleased to answer them, and I will take the second point first. In our investments a large number of our Debentures have been bought. We have always been ready to buy our Debentures back again, and some time ago a general circular was sent to the Debenture holders, resulting in the purchase

of a very large number, which are now shown in the investments. They were not cancelled but bought, and now appear in the investments list. The directors are quite alive to the advisability of buying Debentures and do not miss any opportunity of doing so. With reference to the other point, it must be obvious to everyone who studies the position of the Company, or of companies similar to this, that opportunities for loaning money in the Pacific Coast—or, indeed, in America anywhere—and borrowing on this side first are not propitious, nor are they specially likely to be specially propitious in the future. Apart altogether from a very large gain in exchange we made in bringing money to this side, it would not have been advantageous to lend it over there, nor could we have got much better terms than by lending it in this country. And of course the Government requested us to bring back this money. We were very largely urged at one time by the Government to bring as much back as possible to this country. As to the question of winding-up or liquidating, it is impossible to give any very definite pronouncement in the matter at the present time, largely owing to the fact that we have still mortgages running for large amounts in America—£210,000, I think you will find—some of which go on to 1928. As well as this, we have our foreclosure properties, and it is undoubtedly to the advantage of the Company, as things are at present, that these things should be worked out by the Company, because no possible bid for these holdings as they stand could result as well for the shareholders, in our opinion, as working out the business on the lines on which we have worked it out. It is quite impossible to give any very definite pronouncement about liquidation to-day. We are at present concentrating our moneys on this side. They are invested in Government bonds, in very high-class Government securities, for which we are getting a high rate of interest. As things are at present I think we shall be able to very comfortably pay the shareholders the dividend they are receiving, but I should not like to say anything further about the question of liquidation.

Mr. Chalmers: I am much obliged to you, Sir, for your reply. It is most eminently satisfactory.

The Chairman: If no gentleman has any further comments on the accounts or balance sheet I will put the motion I have just given you.

On being put to the meeting the resolution was carried unanimously.

The Chairman: Then our next business is that I wish to move the payment of a final dividend of 6%, less tax, the writing off of £16,000 for depreciation of investments, and the carrying forward to 1920 accounts of £17,308 1*s*. 10*d*.

Mr. A. W. Blackie: I beg to second that motion for the payment of a final dividend of 6%, making a total for the year of 9%, the writing off of £16,000 for depreciation of investments, and the carrying forward of the balance.

The motion was carried unanimously.

Mr. Arthur H. Chalmers: Mr. Chairman, I have great pleasure in moving the confirmation of the election of Mr. Adam George Rankine and Mr. Alexander Watt Blackie as directors of the Company. There is no need to say anything about these gentlemen. They are too well known and the knowledge they are on this board is safeguarding the shareholders and increasing the popularity of this Company.

Mr. E. L. Billson: I have much pleasure in seconding the confirmation of the election of these gentlemen.

The resolution was carried unanimously.

Mr. W. Wainwright: I have now to move the re-election of Mr. Rankine and Mr. Blackie as directors of the Company, and I do so with great pleasure.

The Chairman: We had to have this double resolution. First you were confirming the directors' action in appointing these two gentlemen; now you are asked to re-elect them.

Mr. Wainwright: We all know enough about Mr. Blackie. He has for a long time been Secretary of this Company and taken almost the leading part in its affairs. It is a great pleasure to propose his re-election. It is an equal pleasure in regard to Mr. Rankine, who has great business qualifications and has had a successful career. He is exactly the sort of man we want to carry on the affairs of this Company. Therefore I submit these names to you for re-election.

Mr. N. B. Guthrie: I have much pleasure in seconding.

The resolution was unanimously carried.

Mr. Blackie: I should like to thank all the members for electing me as a director of the Company. When I retired from business at the end of last year I felt it was a pang to separate myself from the two companies with which I was connected, and the directors did me the honour of asking me to join the board. I felt very greatly honoured at that because in that way I did not separate myself from the Company, and I felt I would be able to be of some small assistance to them afterwards in carrying on the affairs of the Company to the best of my ability. I thank you for re-electing me.

Mr. E. C. Thin: I have much pleasure in proposing the re-election of Messrs. Blease and Sons as auditors. They are too well known to require any recommendation from me.

Mr. Wm. Gibson: I have much pleasure in seconding.

The motion was unanimously carried.

The Chairman: Gentlemen, that, I think, concludes our business.

The meeting then dissolved.

J. MANDLEBERG AND COMPANY, LIMITED.

The thirty-first annual general meeting of the shareholders of this Company was held in the Midland Hotel, Manchester, on Friday, the 14th instant, Sir C. Charles Mandleberg (Chairman and a managing director) presiding.

The Secretary (Mr. T. J. Cragg) read the notice convening the meeting, and the report of the auditors, Messrs. Turquand, Youngs and Company.

The directors' report and the statement of accounts, which were in the hands of the shareholders, were taken as read.

The Chairman said: Gentlemen,—It is a pleasure to meet you on this, the occasion of our thirty-first annual meeting, and to move the adoption of the report and accounts for the past year, which I feel sure you will regard as highly satisfactory.

The accounts show a net profit for the year 1919 of £102,882 16*s*., to which must be added £82,792 13*s*. 9*d*. brought forward from the previous year, making a total available balance, after making provision for excess profits duty, income tax, managing directors' remuneration, and all accrued liabilities to the date of the balance sheet, of £185,675 9*s*. 9*d*. This shows an increased available balance over last year of £16,982 16*s*. The preference dividend for the year has absorbed £4,900. There has been appropriated for special depreciation the sum of £3,500, and it is proposed to increase the reserve fund to £100,000 by transferring to it £10,000.

Reserve Fund and Carry-forward Increased.

The directors recommend a dividend on the Ordinary shares for the year of 15% (including the interim dividend for the half-year, at the rate of 10% per annum, paid in September last), together with a bonus of 7½%, making a total dividend on the Ordinary shares for the year of 22½%, less income tax. The amount remaining to be carried forward is £99,775 9*s*. 9*d*., as compared with the amount carried forward last year of £82,792 13*s*. 9*d*. The total of accumulated and undivided profits, adding the reserve fund and the carry-forward together, will be £199,775 9*s*. 9*d*., as against £172,792 13*s*. 9*d*. last year—an increase of £26,782 16*s*. This undivided profit really represents a net profit after the income tax has been paid or provided for.

The assets side of the balance sheet shows a total of £981,564 14*s*. 3*d*. Against this amount there are liabilities amounting in all to £359,289 4*s*. 6*d*., which includes the provision for excess profits duty, deposits, and other accrued liabilities. The surplus of assets over liabilities thus amounts to £622,275 9*s*. 9*d*. before deducting the share capital (which at the present time stands at £370,000), leaving an amount of surplus assets over liabilities of £252,275 9*s*. 9*d*., without taking into account the enhanced value which now attaches to the Company's fixed assets and investments. You will agree that the balance sheet at December 19 last shows the Company to be in an exceptionally sound position.

Record Profit due to Larger Turnover.

It is satisfactory to me at this stage to be able to point out that the accounts submitted to you to-day show a record profit in the history of the Company, and, further, to be able to state that this result is not due to any increase in the rate of profit on the articles sold, but to the largely increased turnover.

With regard to the Company's assets, in late enemy countries, as reported from time to time, these were written off some years ago. Our claim is in the hands of the Commission set up for the purpose of dealing with such claims, and we hope that no time will be lost in effecting a settlement, though the process, we understand, will be somewhat slow.

Following our usual custom, the whole of the works and machinery have been maintained in a state of efficiency and the cost charged against the revenue of the year.

The manufacturing departments have now practically overcome the difficulties occasioned by the transition from war material to civilian requirements, and we are now satisfactorily manufacturing under normal conditions.

Variety of Manufactures to Meet Fluctuating Demands.

I think it is advisable to point out that the Company does not confine its manufacturing to a particular class of trade or to any particular market. As has been mentioned at previous annual meetings, your directors have always recognised the need for expansion, both as regards the variety of manufacture and the number of markets catered for. We are rubber proofers and rainproofers on a large scale, and, besides this, we have departments for weaving cotton, Union and worsted piece goods, dyeing and finishing many classes of fabric, and also for making up all kinds of rubber-proofed and rain-proofed garments. Some of these are separate trades, and they have proved to be mutually helpful in many respects. The diversity of our manufactures and the variety of markets places the Company in an exceptionally advantageous position to meet and deal with seasonal and other fluctuations. To enable us to market our goods successfully we have either manufacturing departments, depôts, or efficient selling organisations covering many countries, and these form valuable sources of demand for our products.

Our financial year, as you know, ends on December 19. You will be interested to learn that the turnover for the first four months of the current year constitutes a record for our business. It not only exceeds last year's turnover for the four months very considerably, but also the turnover in any war year for the same period. And here is a point I wish to impress upon you, in view of the proposal I will put before you later, namely, that the goods we have delivered during the first four months of this year exceed in value the total sales made in any 12 months prior to the War.

Increased Capital Needed for Growing Business.

This brings me to the special business which is to come before this meeting after the transaction of the ordinary business, namely, the recommendation of your directors that the share capital of the Company shall be largely increased, so as to enable them to cope with the increased volume of trade and make such extensions as are advisable in the manufacturing departments of the business. It will be proposed that the share capital of the Company be increased from £370,000 to £720,000 by the creation of 150,000 shares of £1 each of a new class—namely, 8% Preferred Ordinary shares, together with 200,000 additional Ordinary shares of £1 each.

Your directors, I think, can claim that they have in the past followed the policy of developing and enlarging the business on sound business lines with profitable results, and it is this policy they propose to pursue.

It is intended to develop certain classes of our manufactures for which we have a continually increasing demand. I might here mention that during 1918 the Company erected a large factory (and fully equipped it with plant and machinery) on a plot of freehold land which the Company purchased, comprising about 17 acres, in close proximity to our principal works in Pendleton. Additions are now being built to these works, to make them suitable for our present requirements, and the major portion of the land not built on is available for further extensions.

It is expected that the turnover this year will be four or five times as large as it was in any pre-war year. Obviously, it will be impracticable to finance this output on the present capital. The increased cost of raw materials, the higher cost of production, the cost of stocks necessary to cope with the demand, together with the higher turnover, make it essential that we should very largely increase the capital of the Company. The needs of the business and the future outlook have been carefully considered by your directors, and they are of opinion that the suggested increased capital is not more than is necessary, and that it can be profitably employed as the developments they have in view are completed. The directors feel that at any time, and especially at a time like the present, the Company should have capital sufficient to finance the increasing turnover without being dependent on outside resources.

With regard to the methods of raising capital, several alternatives were considered by your directors, and the one submitted to you has been recommended as being the simplest and most equitable in the interests of the Company.

With reference to the 150,000 8% £1 Preferred Ordinary shares and 150,000 of the new Ordinary shares of £1 each, it is proposed, as you have already seen in the report, that these should be offered at par to the Ordinary shareholders on a basis of one Preferred Ordinary and one new Ordinary share for every two Ordinary shares now held. In this connection I should like to refer you to Sub-Clause 3 of the first resolution, which provides for the issue of further Preferred Ordinary shares without the consent of the holders of existing Preferred Ordinary shares. This does not mean that such Preferred Ordinary shareholders shall not be able to vote on the question, but briefly it amounts to this—that the question whether or not new Preferred Ordinary shares shall be created, if at some future time it is deemed desirable, shall be a question to be decided by a general meeting of all the shareholders of the Company including the Preferred Ordinary shareholders and not be simply a matter for one class of shareholders.

In view of the recommendation to increase the capital, it would not be out of place to point out here the result of increases in the capital of the Company in the past.

Previous Capital Increases Justified.

The Ordinary share capital stood originally at £120,000, and in addition to the existing Preference shares there were £70,000 Debentures. All of the latter have been paid off, and there are now no Debentures. The Ordinary share capital now stands at £300,000. The increase in the Ordinary share capital was accomplished by the method of giving bonus shares instead of cash to the Ordinary shareholders, in addition to dividends, and in this manner the earning power of the Company was consolidated by the permanent retention of the money in the business. £60,000 Ordinary shares were distributed in this manner in 1910, £60,000 Ordinary shares in 1913, and £60,000 Ordinary shares in 1917. On each occasion your directors were able to express the belief that, notwithstanding the increase of capital, satisfactory dividends would in future be paid. Experience has shown that their belief was well founded. The dividends on the increased capital have not only been maintained, but, as a matter of fact, increased; and in addition large amounts have been put to the reserve and carry-forward. I may add here that your directors have on this occasion also ample confidence that the addition of capital will result in expansion of the business and consequent increase in the profits.

Management's Increased Stake in the Business.

It will be clear from these remarks that we consider the Company to be on the threshold of material expansion. Its management is in the hands of the managing directors, directors, and others all actively occupied with the conduct of the business. They have devoted themselves to the affairs of the Company to the exclusion of all other business. Most of them have been so engaged since the incorporation of the Company 31 years ago, and the task will now be theirs of making the Company, with the largely increased capital proposed, as prosperous in the future as it has been in the past. You will agree that they have shown eminently satisfactory results, and in view of their continued and increasing responsibility it is in the interests of the shareholders that the management should be closely bound up and identified with the success of the business. It is with this object that you are asked to authorise the board to issue 10% of the Ordinary share capital of the Company—namely, 50,000 Ordinary shares of £1 each—at par, to the directors and others who are actively engaged in the management of the Company.

I would point out that a very important condition will be attached to the allotment of these 50,000 shares—namely, that they shall not be negotiable for twelve months from date of allotment, after which period not more than one-fifth of the shares allotted to any person shall be negotiable by him in any one year, and in certain cases there will be additional reservations. The capital value of these shares is diminished considerably by their being made non-negotiable for periods varying from one to five years, but it has the advantage that, while giving the benefit to the management, it will tend to secure continuity in the conduct of the business, and that keen and active interest necessary to its successful development and expansion. It should, moreover, help to establish a close community of interest between the management and the shareholders, by which the directors believe the shareholders will greatly benefit.

In this connection I may say it is gratifying to find that the number of proxies sent in represent the greater part of the capital, without taking into account shares held by the directors—which makes it apparent that the recommendations made by the directors meet with the approval of the majority of the shareholders.

A Sense of Proportion.

By finding employment and increasing its output for export the Company is, I like to think, doing what lies in its power to help restore the economic equilibrium so sadly shaken by the War. It is also helping to find the money to pay for the War, and I may here interpolate my own view that, much as we may disagree as manufacturers with the Government's method of taxation, particularly in the matter of confining the E.P.D. to industry and leaving out agriculture and the professions, it is our duty to recognise that the money must be found, and that by comparison with the sacrifices made by thousands of our fellow-countrymen, this payment of the E.P.D. is a relatively small price to pay for victory. Moreover, it is a much less dangerous method of attacking the War debt than by a levy on capital. But to acquiesce in the E.P.D. is by no means to admit that such heavy taxation as this is necessary. A good deal of it could have been avoided if the Government departments had practised the economy which we all find necessary in private businesses. The Prime Minister made a great effort to bring about a radical change, and succeeded in making drastic reductions, but there remains much to be done to reduce wasteful expenditure.

National Economy: A Suggestion.

I would suggest that the Government should be encouraged and urged to form numerous committees of members of the House of Commons with the object of thoroughly investigating the causes of the present huge expenditure and to make recommendations in the interests of economy, such committees to utilise the assistance of expert business men, who would, I am sure, be glad to give their services in such a cause. The matter is really urgent, and I would suggest that all trading associations affected should adopt measures forthwith to bring pressure to bear on the Government to act in the manner suggested.

The directors wish to acknowledge the loyal co-operation of the staff and employees of the Company.

With regard to the immediate future, the new capital will, as it is paid up, take its place as an addition to the dividend-earning power of the business.

I have already pointed out that the sales for the period of over four months of the present year show an increase over any preceding year for the same period, and from the contracts we have in hand we shall be well engaged for some time. I therefore think that we may look forward confidently to a satisfactory result from the present year's trading.

I beg to move: "That the report of the directors and accounts for the year ended December 19, 1919, presented to this meeting, and as printed and issued to the shareholders on May 1, 1920, be, and they are hereby, received and adopted."

Mr. H. L. Rothband, Deputy-Chairman, seconded the resolution, which was carried.

The dividend recommended by the directors was authorised to be paid; the retiring directors, Messrs. P. Mandleberg and L. Rothband, were re-elected; and the auditors, Messrs. Turquand, Youngs and Company, were reappointed.

Proposals as to Capital Approved.

The special business to be transacted at the meeting was then proceeded with, and the resolutions set out in the notice convening the meeting were duly passed, thereby increasing the capital of the Company to £720,000, by the creation of 150,000 Preferred Ordinary shares of £1 each, and 200,000 new Ordinary shares of £1 each, of which 150,000 Preferred Ordinary shares are to be offered at par to the holders of the existing Ordinary shares on the basis of one Preferred Ordinary share and one new Ordinary share in respect of every two Ordinary shares now held, the remaining 50,000 Ordinary shares to be offered at par to directors and others actively engaged in the management of the Company on such terms and at such times as may be deemed desirable at the discretion of the board.

In announcing that the resolution had been carried, the Chairman said: I would like to say that, in accordance with the resolution, provisional allotment letters will be issued to the Ordinary shareholders in the course of a few days, and that such letters will contain a renunciation form to enable shareholders who desire to nominate or dispose of their right to claim an allotment to do so. It is intended to allow a clear month within which the offer of the allotment may be accepted. The letters of allotment will contain full information on these points.

The proceedings terminated with a vote of thanks to the Chairman.

AFRICAN STEAM SHIP COMPANY.

THE annual general meeting of the proprietors of the African Steam Ship Company was held on Tuesday, May 18, at the Company's offices, 23 Billiter Street, London, E.C., the Lord Pirrie, K.P., P.C. (Chairman of the Company), presiding.

The Chairman said: Ladies and Gentlemen,—I presume you will take the report as read As regards the accounts, I am glad to say we have had a satisfactory year. Notwithstanding the seriously increased cost of running the Company's vessels, we are able to maintain the dividend of 10%, free of tax, for the year. In addition, we have been enabled to increase the reserve account by nearly £50,000, thus bringing that account to the satisfactory figure of £300,000. We have also increased the amount carried forward by £19,296, making the amount carried forward nearly £100,000. I think you will agree with me that these figures are a satisfactory proof that the Company is in a sound position. I would also like to call your attention to the fact that the whole of our Debenture debt has now been paid off.

Addition to Company's Fleet.

Since the issue of the last report 11 new steamers have been delivered to the Company, and I am glad to tell you the reports we have received of their working have been of the most satisfactory character.

In January last we issued the balance of our authorised capital, namely, £1,000,000, thus increasing the capital of the Company to £2,000,000. The whole of this issue was at once taken up by the existing shareholders.

Expanding Trade: Increase of Capital.

The directors decided that it was necessary to take powers to further increase the capital of the Company, and they applied for a supplementary charter authorising the Company to increase its capital from £2,000,000 to £5,000,000. With the great development of the West African trade it is necessary for the Company to be in a position from time to time to increase its fleet in order to maintain its position in this trade. We have always been proud of the fact that we have not only been abreast of the trade, but ahead of it, and I can assure you in the future we intend to maintain that position.

Before moving the formal resolution I have to announce with feelings of the deepest sorrow the death on Saturday last of our colleague, Mr. Alexander Sinclair. Mr. Sinclair had been associated with this Company for 45 years. He was appointed as general manager in 1875 and continued in that capacity until 1891, when our association with the firm of Elder, Dempster and Company took place, and Mr. Sinclair became a partner with the late Sir Alfred Jones in the firm of Elder, Dempster and Company. Subsequently he was elected a director of the African Steam Ship Company in 1901. During all these years I have been intimately associated with Mr. Sinclair. His genial nature endeared him to all who came in touch with him, and his death is a great blow to his colleagues and to this Company. I have now formally to move: "That the report and accounts be received and adopted."

Mr. Owen Harrison Williams seconded the motion, which was carried unanimously.

The Chairman then moved: "That a dividend of 5% be declared for the six months ended December 31, 1919, which, with the interim dividend of 5% paid on October 13, 1919, makes a total payment of 10% for the year 1919, free of income tax."

Mr. George William Neville seconded the motion, which was carried unanimously.

The Chairman then proposed the re-election of Sir Joseph Savory, Bart., as a director of the Company.

Mr. O. H. Williams seconded the motion, which was carried unanimously.

On the motion of Mr. Picton Jones, seconded by Mr. Leslie Cooper, the auditors (Messrs. Cooper Bros. and Company) were reappointed.

On the motion of Mr. Peevor, seconded by Rev. Gardner Preston, a vote of thanks was passed to the Chairman, the directors, the superintendents, the officers and the engineers of the Company, and, the Chairman having briefly replied, the proceedings terminated.

POTTERIES ELECTRIC TRACTION COMPANY, LTD.

THE ordinary general meeting of this Company was held on May 18 at 88 Kingsway, London, Mr. R. J. Howley, C.B.E., M.I.C.E., the Chairman, presiding.

The Chairman said that the traffic receipts amounted to £251,745, an increase of £46,221, owing to a small increase in the total number of passengers and a further increase in the fares. Administration and general expenses showed an increase of £5,022. The introduction of the 48-hour week in April 1919 had caused the largest single increase in wages which they had had to meet in any year, being equivalent to some 13*s.* per man per week on the old basis of a 60-hour week. In November a further 4*s.* a week had been granted by an award of the Committee on Production. A further increase of 8*s.* per man per week, which would rise to 9*s.* on June 1 next, recently recommended by the National Industrial Council, was now being paid. Increases in wages during the year had outdistanced the increased cost of living, and there must be some finality to the increases which could be granted. They were paying a dividend of 5% on the Ordinary shares, and carrying forward £12,081. The reserve now amounted to £102,605, and the renewals fund to £74,546. The directors had carefully considered the reserve fund, and had come to the conclusion that it was essential to conserve their cash resources.

With regard to the negotiations for the sale of the undertaking to the Corporation, the necessary majority of the ratepayers had not been obtained, and the Bill had been withdrawn. That was disappointing, but he did not think the shareholders need feel dejected. The undertaking was a good property, well maintained, and, on a sale under the terms of the Tramways Act of 1870, should realise a substantial amount, which would, of course, have to be paid in cash. Wages continued to advance, and the raising of additional revenue became more difficult. Their efforts had not been unsuccessful during the year under review in maintaining the balance available for distribution, but there was a limit to which fares could be raised. Given a fair adjustment between the public and the Company, he believed that the Company could continue to provide the public with passenger transport services in an efficient manner.

The report and accounts were unanimously adopted.

ARMY AND NAVY CO-OPERATIVE SOCIETY, LIMITED

AN extraordinary general meeting of the shareholders of this Society was held on May 17 at the chief office, 105 Victoria Street, Westminster, to confirm a resolution passed on the 28th ult. altering the articles of association, Rear-Admiral J. de Courcy Hamilton, M.V.O. (Chairman of the Society), presiding.

The Chairman said that the resolution submitted for confirmation was unanimously passed at the extraordinary general meeting held for that purpose on April 28, 1920; and on that occasion he explained the object in view—viz., to provide power under the articles of association to capitalise a large proportion of the reserves. He now proposed: "That the extraordinary resolution which has been read by the Secretary, and which was passed at the extraordinary general meeting held on April 28, 1920, be and is hereby confirmed."

Commander L. A. de Sausmarez, A.M., R.N. (the Vice-Chairman), seconded the resolution, and it was carried with two dissentients.

A further extraordinary general meeting was afterwards held to consider resolutions for increasing the capital of the Company, capitalising undivided profits standing to the credit of the reserve fund, and consolidating the shares into others of a larger denomination.

The Chairman, having explained the object and effects of the proposals, said that if the resolutions were passed the prospectus relating to the new issue would be drawn up, and it was hoped to issue it early next month. It was the intention of the board to give preferential consideration in allotment to existing shareholders. An additional reserve would be created by the premium on the new issue.

Certain minor alterations in the resolutions as originally

drafted having been indicated, they were put separately and carried in the following form :—

(1) "That the capital of the Company be increased to £1,000,000 by the creation of 18,000,000 additional shares of 1*s.* each, ranking for dividend and in all other respects *pari passu* with the existing shares of the Company."

(2) "That it is desirable to capitalise a sum of £647,650 7*s.*, being undivided profits of the Society standing to the credit of the Society's reserve fund, and that accordingly such sum be set free for distribution amongst the holders on May 1, 1920, of the shares of the Society, in the proportion of 9*s.* for every one share of 1*s.* each held by them respectively, on the footing that the same be not paid in cash, but be applied in payment in full of not more than 12,953,007 of the unissued shares of the Society of 1*s.* each, and that such shares be distributed among the said holders in the proportion of nine of such shares for every one share of 1*s.* each held by them respectively."

(3) "That the shares in the capital of the Society be consolidated in such manner that every 10 of the existing shares shall constitute one 10*s.* share."

LA GUAIRA HARBOUR CORPORATION, LIMITED.

The ordinary general meeting of this Company was held on May 19 at Winchester House, Old Broad Street, London, E.C., Mr. J. G. B. Stone (Chairman of the Company) presiding.

The Chairman, in moving the adoption of the report and accounts, first expressed the deep regret of the board at the death of the former Chairman, Captain McTaggart. The figures in the accounts are, he said, quite a record for us, and the profits are very little short of the amount required to pay the full 5% on the second mortgage stock. The dues collected show a very appreciable increase over those of the preceding year, and there is a substantial increase in the profit on exchange of remittance for La Guaira. The expenses are also higher, but the net result shows a balance sufficient for a distribution at the rate of £4 9*s.* 6*d.* per cent. to the second mortgage stockholders, which I think you will consider satisfactory.

The prospects for the current year are encouraging, and the gross earnings for the first four months show substantial increases. A period of greater prosperity for the trade of Venezuela appears to have set in, and the local commercial houses are actively taking advantage of the high prices to place orders in the United States and Europe. The increase in our earnings will, we hope, continue, so that there is the probability in the new year's accounts of there being a considerable surplus after providing for the full 5% on the second mortgage stock, which will be applied in liquidating the two years of interest at 2½%, which the second debenture holders agreed to postpone.

You will have noticed in the directors' report a reference to the Corporation's right under the concession originally granted many years ago by the Venezuelan Government to charge dues either by weight or by measurement. To meet to some extent the large increase in the operating expenses at the harbour, your directors proposed to avail themselves of the right, and the Corporation notified the Minister of Public Works in Venezuela of its intention. He, in the interests of the traders generally, was not prepared to accept this interpretation of the concession, and we recently have been advised that the Government has applied to the local courts to obtain a judicial interpretation. The matter is for the moment, therefore, in suspense. If we are successful, as we are advised and hope we shall be, it will add materially to the future revenue of the Corporation. I am glad to say that the question does not involve any disturbance of the friendly relations we have had with the Government of Venezuela for many years past.

Mr. T. H. Evans (Managing Director) seconded the motion, which was unanimously adopted.

The retiring directors were re-elected, and it was unanimously resolved that the fees of the Chairman and directors be increased by 50%.

SHANGHAI ELECTRIC CONSTRUCTION COMPANY, LTD

The fourteenth annual general meeting of this Company was held on May 19 at Basildon House, Moorgate Street, London, E.C., Sir Alfred Dent, K.C.M.G., Chairman of the Company, presiding.

The Chairman said that he felt confident the shareholders would receive the report and accounts with satisfaction, as they showed large increases in every item of revenue. The gross receipts, at par of exchange, amounted to £208,769, against £172,082 in 1918, and, after debiting the account with all expenses in Shanghai and London, there was a profit of £154,566, against £71,507 in 1918. This large increase was partly due to considerable transfers of profit from Shanghai to London at a high rate of exchange. The loss by exchange on the native subsidiary coinage amounted to £52,132, as compared with £39,037 last year. This showed that the hopes of an improvement in the ways of the Chinese authorities in managing their currency had not materialised or made any progress, but rather the other way, as they continued to turn out masses of copper coins at their different mints, quite regardless of the effect upon their trade and the requirements of the public, for the sake of the immediate profit on the coinage, or for some other reason which was not apparent to us at home.

The year 1919 had been satisfactory, and the prospects for 1920 were also favourable, as late telegrams reported effective receipts for the first four months at $557,394, or an increase of $80,394 as compared with 1919, and the operating profit for the same period was estimated to show an increase of $59,194. There was no doubt that the business was capable of still further development, but any scheme of development required the most careful consideration, having regard to new and to some extent possibly temporary conditions, such as the very high cost of construction and the wide and sudden fluctuations of silver exchange.

The Chairman concluded by moving the adoption of the report and accounts and the payment of a final dividend of 2% and a bonus of 6%, less income tax.

Mr. J. S. Haskell seconded the resolution, and it was carried unanimously.

Difficulties Overcome.

The General Manager (Mr. McColl), in the course of his speech, said : The difficulties in the way of making a tramway system in Shanghai successful—subsidiary currency depreciation, very low earning power of the native population, cheap ricksha competition, and onerous concession obligations—seemed for a time insurmountable. In my 1910 report to the directors I indicated that the inevitable policy for tramways in Shanghai was (*a*) to undercut the rickshas, (*b*) to have a high occupancy of the cars, (*c*) to carry much of the additional traffic by means of trailer cars, and (*d*) to make the network of lines closer. Objects (*a*), (*b*), and (*c*) have been carried out, and a large amount of additional money has been sunk in the undertaking in order to provide greatly increased services. The very meagre earning power of the bulk of the native population required that, if tramways were to fufil any important function in Shanghai, the fares would have to be on an extremely low basis. Such extremely low fares, in turn, required that a very large volume of traffic should be carried, and much of it by trailers, because of their low capital and working costs. Moreover, the stretches of single track prevented the frequency of service being so increased as to render possible the carrying by motor tramcars of anything approaching the very large volume of traffic required to make the concern a commercial success. That progress was not more rapid in the earlier years was due largely to the Council's refusal to consider for a considerable time our scheme for lower fares, and to its restrictions as to our employment of trailer cars. It was only in 1919 that the last remnant of restriction regarding trailers was removed. Of the 95 millions of passengers carried by our cars in 1919, 40 millions were conveyed by trailers.

The formal business was duly transacted.

CITY OF SANTOS IMPROVEMENTS COMPANY, LTD.

The thirty-ninth annual general meeting of this Company was held on May 19 at the offices, Salisbury House, London, Mr. F. Henderson (the Chairman of the Company) presiding.

The Chairman said that the result of the Company's operations for the year had exceeded the directors' expectations, the net revenue in Santos being £123,060, or an increase of £22,678 as compared with that of 1918, and the total net revenue was £106,259, or £25,000 more than that of the previous year. The year 1919 was a prosperous one for Brazil, the balance of trade in her favour reaching the prodigious sum of £52,000,000, following upon five years of uninterrupted surpluses in exports aggregating £120,000,000. Santos was no exception to the general well-being of the country. Its future both as the principal port of the Republic and as the holiday resort of the State of Sao Paulo seemed to be assured.

Proceeding, the Chairman referred to the results attending the working of the Company's various undertakings, and, alluding to the proposed acquisition of the water undertaking by the Government of the State of Sao Paulo, said that an agreement was come to between the Government and the Company for the reference to arbitration of disputes between the two parties regarding the amount of capital expenditure which the Government were liable to repay to the Company. On January 17 this year the arbitrators made an award fixing the capital expenditure incurred by the Company to November 30, 1919, at £493,047. Under the arbitration agreement this amount was payable by the State Government in gold within 90 days of the announcement of the award—namely, on April 17 last. On that date the Government, without approaching the Company in any way or tendering a deed of transfer of the undertaking to the State, deposited with the Public Trustee in Brazil bills on London—partly sight bills and partly 90 days' bills—for the sum awarded. It was contended by the Company that this was not payment within the meaning of the award, and they had not handed over the undertaking to the State, and were still running it. They had not, indeed, been asked to transfer their undertaking. The Company's advisers in Brazil were keeping a close watch on the proceedings.

The Chairman expressed the board's gratification at being able to return to the pre-War rate of dividend, and con-

cluded by proposing the resolution adopting the report and accounts and the board's recommendations therein, including a final dividend of 5%, less income tax, for the year 1919 on the Ordinary share capital, making 7%, less tax, for the year.

Mr. N. B. Dickson seconded the motion, which was carried after some discussion.

KASINTOE RUBBER ESTATES, LIMITED.

THE sixth ordinary general meeting of this Company was held on May 19 at the registered office, Nos. 1-4 Great Tower Street, London, E.C., Mr. H. Eric Miller (the Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said: It will be observed that the issued share capital is now £120,000, having been increased to that figure in August last by the issue at par of 9,993 shares to shareholders in the Company. The authorised capital has also recently been increased from £120,000 to £250,000 in order that shares might be available for issue when an opportunity occurs to use further capital for development. It is fortunate we got that through before the Budget. The cost of upkeep of immature areas and of reclaiming 189 acres has been charged to capital account. During the year small additions only were made to buildings and machinery, and the total book cost, including the balance of expenditure incurred on the Sagaranten Road, amounts to £133,997, being equivalent to £60 2*s*. 2*d*. per acre, after allowing for our reserve of £5,000. The acreage statement given in the report indicates the adjustment between mature rubber, immature rubber, and the area still to be reclaimed. The growth of our trees is excellent, and the estate promises to rank as one of the best in Java. The labour force has much improved lately, and in view of this encouraging prospect we are discussing with Mr. Grundlehner, our manager, who is with us to-day, what developments can be undertaken. The speed with which we can increase our resident labour force and maintain it must decide the extent of our programme.

The Year's Crop, Costs and Profit.

During the year under review we had 1,706 acres in tapping, and the crop amounted to 704,273 lb., being an average of 412 lb. per acre. The estate cost was 8.81*d*. per lb., as compared with 11.62*d*. per lb. last year. We have, however, to add to that cost 3.19*d*. per lb. for depreciation, staff furlough reserve, staff bonus, expenditure on upkeep of the Sagaranten Road, and Java income tax. These items bring our f.o.b. cost up to 1*s*. per lb., exclusive of differences on exchange—namely, 0.72*d*. per lb., and London expenses 0.44*d*. per lb. The net selling price was 1*s*. 10.97*d*. per lb., as compared with 1*s*. 7.51*d*. per lb. for the previous year. The adverse exchange between this country and the Dutch East Indies is still a serious item in our cost, inasmuch as the loss in exchange amounted to £2,100 sterling, although this is a considerable improvement on the previous year, when it amounted to £5,700. The British Chamber of Commerce for the Netherland East Indies, to which I referred last year, has now been incorporated, and in the course of the next few months it is hoped that this will be in full swing. We are supporting it, as we feel very strongly that the best way to improve the rate of exchange is to encourage as much as possible the importation into the Netherlands East Indies of British manufactures. After payment of London expenses and Debenture interest, our net profit for the year amounted to £28,059. To this has to be added the amount brought forward from 1918, £7,870, less amount of Netherlands Indies war profits tax paid, £277, giving us £35,652. We already paid an interim dividend of 5% in February last, amounting to £6,000, which leaves us with £29,652 to be dealt with to-day. Your directors propose that a final dividend of 15%, making 20% for the year, be paid, absorbing £18,000, leaving to be carried forward (subject to further Netherlands Indies war profits tax, if any), £11,652.

The Work of Reclamation.

It was in the beginning of 1914 that the reconstructed Company took over the estates, and only about 265 acres could then be said to be upkept. At that time we expected that the reclaiming work would be completed much sooner than has proved possible under war conditions. Prior to the completion of the metalled transport road, over 12½ miles in length, Kasintoe was a very isolated estate, and, although we are still remote from the centres of population, the excellent management has put us in a position to congratulate ourselves on possessing a first-class estate, which is sufficiently popular to attract coolies from a considerable distance.

We have lately witnessed a sharp reaction in the price of our commodity. Rubber-growing is, in the nature of it, a long-shot proposition, and there is no raw material which has a more assured future than rubber. The position of our own company is, as you will agree, entirely satisfactory, and we may look forward to the future with every confidence.

In regard to the extraordinary resolution that is to be proposed, I need only say that the present remuneration of the directors is only £100 per annum, with an extra £50 to the Chairman. I am sure you will agree that now the Company has been brought to its present prosperous position an increase in these amounts is fully warranted, and that you will approve the resolution which is to be submitted. I now move "That the directors' report and the statement of accounts for the year ended December 31, 1919, be and they are hereby adopted."

Mr. C. T. H. Hierneiss seconded the motion, which was unanimously agreed to.

The dividend as recommended was approved, the retiring director and the auditors were reappointed, and an extraordinary resolution dealing with the remuneration of the directors was unanimously approved.

KUALA SELANGOR RUBBER COMPANY, LIMITED.

THE ordinary general meeting of this Company was held on May 19 at Winchester House, Old Broad Street, London, E.C., Sir Edward W. Wallington, K.C.V.O., C.M.G., presiding.

The Chairman said: Gentlemen,—I am sure you will share my feeling of deep regret that our worthy Chairman, so able and so popular, is prevented from being present to preside on this occasion. Mr. Horn, although still confined to his bed, is, I am glad to say, very much better, and I know I shall be expressing the wishes of every shareholder in this room, and also of those not in this room, if I venture to convey to him an expression of your deep sympathy with him in his illness and an earnest hope that he may shortly be restored to perfect health. (Hear, hear.)

Annual Profits nearly Doubled.

When Mr. Horn addressed the annual meeting of the shareholders last year the capital of the Company amounted to only £31,000, and your board were considering the propriety of capitalising a portion of the reserve fund and thus bringing our book capital more into line with the real value of our property. We proceeded, with your sanction, to increase the nominal capital to £100,000, and to issue one fully-paid-up share for each share held, and also invited shareholders to subscribe for 155,000 shares at 2*s*. each. This invitation was promptly accepted, thus raising the issued amount to £77,500, and on that capital we are now gratified to be able to offer you a dividend of 1*s*. 3*d*. per share for the year. We are enabled to do this, firstly, by reason of our profits for 1919 being £40,823, as against £20,579 in 1918, and, secondly, by returning you a portion of the money taken from us by the Treasury in former years, and we still carry forward the sum of £11,000. Since the accounts were prepared we have received a sum of £2,700 income tax refunded in respect of the years 1916-17 and 1917-18, under what is known as the "Stevens *v*. Boustead" decision, which amount increases our carry-forward in effect to £13,700.

Cost of Production Reduced.

I would draw your attention to the low cost of production, which, in spite of the increased price of rice, works out at 8½*d*., as against 9*d*. in 1918. This is partly accounted for by the fact that, in consequence of the high price of rice, we are growing a certain quantity of native food on the estate. (Hear, hear.)

The reports on the estate show that it is in first-class working order and reflects the greatest credit on the local management under Mr. Ransom, who is shortly visiting England. As we have just purchsaed some 12 acres of adjoining land planted with rubber, we have altogether some 127 acres of rubber untapped until this year. The conservative estimate by the manager of our 1920 production will probably be appreciably exceeded. We trust that these results are as gratifying to the shareholders as they are to the directors.

Coconut Plantations Thriving.

Now with regard to our second string: The Abau Plantation in Papua is developing as we anticipated. We have now 1,014 acres planted with thriving coconuts, and the development of the property is being proceeded with, and from numerous independent sources we are assured that we have one of the most promising propositions in Papua, and one which is rapidly growing in value. We still maintain our opinion as to the future of the coconut industry, and personally I am of opinion that persons or companies engaged in primary production of raw material by the aid of coloured labour are investing their capital judiciously. (Hear, hear.)

Some time ago we entered into contracts for equal monthly deliveries during 1920 of about 270,000 lb. of our rubber at price equivalent to 2*s*. 4¾*d*. per lb. London. With this proportion of our output sold, and the satisfactory outlook for the remainder, we do not think you need have any anxiety as to the dividend distribution, at any rate for the present year. The position of both our properties we consider to be absolutely sound, and they are both under good management. I now beg to move: "That the directors' report and statement of accounts for the year ended December 31, 1919, as now submitted, be and the same are hereby approved and adopted."

Mr. A. Oliphant Devitt seconded the motion.

Mr. G. L. Moore said he desired to congratulate the directors upon the results set forth in the report and to express

cordial approval of the board's policy in carrying forward a substantial sum. As the directors had recently purchased a further 12 acres, it would be interesting to hear whether they were in negotiation for any other property, and whether they would be likely to require any more capital.

The Chairman said that the directors had nothing definite in view at the moment, but they were always open to consider anything that might prove to be in the interests of the shareholders.

The motion was carried unanimously.

The Chairman next moved: "That a final dividend of 37½% (9*d.* per share), less income tax, be paid on June 8, 1920, to shareholders registered on May 14, 1920, making 62½% in all for the year ended December 31, 1919."

The motion was seconded by Mr. Devitt, and unanimously adopted.

After the re-election of directors and re-appointment of auditors, a vote of thanks to the Chairman and directors, the manager, and the staff at home and abroad, brought the proceedings to a close.

DJEMBER RUBBER ESTATES, LIMITED.

An extraordinary general meeting of this Company was held on May 18 at Winchester House, London, E.C., for the purpose of considering the following resolutions: (1) "That the provisional agreement for purchase, dated the 5th day of May, 1920, which has been explained to this meeting, be confirmed, and that the directors be authorised to carry the same into effect, with such modifications (if any) as the directors may approve"; and (2) "That the capital of the Company be increased to £150,000 by the creation of 50,000 shares of £1 each, and that the directors of the Company be authorised to take all steps necessary for the purpose of effecting such increase."

The Chairman (Mr. H. C. Hadfield), in the course of an explanatory speech, said: Your board have acquired the option to purchase a Java property known as Tjibarenno, situated in the Preanger district of South-West Java. It comprises an area of about 3,850 acres, of which about 1,180 are under cultivation, 890 planted with tea and interplanted with rubber, and some 290 with rubber alone. Our own agents have made a careful valuation, which is in excess of the purchase consideration of £59,000, payable in cash. The agreement provides that we take over the estate as from January 1 last, and as from that date the vendor company carries on the business for our account, we receiving the benefits and being responsible for all outgoings. Your directors recommend the purchase for the following reasons—that by the end of this year all our uncultivated land will be planted up, that rubber can be produced in Java as cheaply as in any other part of the world, and that we have now a thoroughly efficient staff.

Dealing with the second resolution, by increasing the capital of the Company to 150,000 shares of £1 each we shall have available for issue 55,000 shares, which we propose to offer to the shareholders at £1 premium in proportion to their present holdings. The proceeds of this issue will produce £110,000, which, after providing for the purchase consideration, will leave a balance for working capital of £51,000. The accounts for last year are just to hand, and we hope shortly to present them. We had a fairly satisfactory year in 1919, and for 1920 the outlook is quite promising.

Both resolutions were duly passed.

KAMPONG KUANTAN RUBBER COMPANY, LIMITED.

The eleventh ordinary general meeting of this Company was held on May 17 at 5 Fenchurch Street, London, E.C., Mr. J. M. Boustead, Chairman of the Company, presiding.

The Chairman, in proposing the adoption of the report and accounts, said: There is really very little to say in regard to the accounts themselves. The crop for the year was 372,500 lb. of rubber, against 249,000 lb. for the previous year; the f.o.b. cost comes out at 10.07*d.*, against 10.65*d.* for 1918, and the "all-in" costs, owing to increased expenses, have been 1*s.* 1.21*d.*, as against 11.4*d.* for the year before; but you will notice that there is a considerable amount of capital and other non-recurrent expenditure included. The price obtained for the rubber was 1*s.* 11.10*d.*, against 1*s.* 5.54*d.* for the year before. The dividend now proposed is a final dividend of 30%, making a total of 50% for the year. Perhaps I may point out that this is really only the equivalent of 40%, in pre-War years, owing to the devaluation of the pound sterling. With regard to the question of excess profits duty, fortunately for us, our liability for the past year is exceedingly small, and we have in hand a very considerable sum of overpaid excess profits, so that there is no necessity to deduct anything from the accounts that are now before you.

Mr. E. G. Money, in seconding, said: No doubt you will have noticed that the total sum available in the profit and loss account would have admitted quite easily of the payment of a larger final dividend. The directors, however, in recommending the lower rate, felt that it was the better and more prudent course in all the circumstances. We are a progressive Company; we are opening a very valuable second estate, which within a very short time now will begin to yield us large additional profits. The issued capital of the Company is a very low one, and will, we anticipate, represent about £17 10*s.* per acre when the whole of our properties are in full bearing. I need hardly say that the dividend possibilities under such a condition, and under any ordinary conditions of the Rubber market, are very promising indeed.

Mr. James Dickson asked whether the directors had sold any rubber forward.

Mr. Money, in reply, said that a certain amount of rubber had been sold forward at a price far and away more than they could obtain to-day. That in itself, quite apart from the balance of the crop, was sufficient to ensure to the Company a very substantial profit in the present year.

Mr. Dickson: That is very satisfactory.

The motion was carried unanimously, as were others for the declaration of the proposed dividend, the re-election of the retiring director, thanks to the staff in Malay, and the reappointment of the auditors.

TELOGOREDJO UNITED PLANTATIONS, LIMITED.

The tenth annual general meeting of this Company was held on May 18 at Winchester House, Old Broad Street, London, E.C., Mr. J. H. Renton (the Chairman of the Company) presiding.

The Chairman, in the course of his remarks, said: I am very pleased that the hopeful anticipations which I expressed when I addressed you last year have been fully realised. The accounts are presented in the usual complete form. A balance of £105,075 is transferred from the accounts of the Dutch Company to the credit of the Telogoredjo to profit and loss account, which compares with £14,013 for the previous year. In the profit and loss account of the Telogoredjo United Plantations, Limited, there remains a net profit for the year of £105,017. The directors recommend payment of a final dividend of 25%, leaving to be carried forward to next year £30,136, subject to bonus to staff in the East and directors' additional remuneration. (Applause.) You will see we hold 11,334 shares in the Sonosekar Planting Company, Limited, at a book value of 14*s.* 4*d.* per share.

The net prices realised for rubber and coffee were 1*s.* 10.95*d.* per pound and 84*s.* 10*d.* per cwt. respectively. The cost of production per pound for rubber was 9.94*d.*, and we hope for the coming year to see this reduced. Our rubber crop exceeded the estimate by 136,078 lb. As regards coffee the estimate for 1919 was 6,071 cwt.; latest advices make the total crop harvest 6,139 cwt. I now turn to the purchase of the two new properties. Both these estates, Soember Pakel and Soember Aroem, adjoin our Gledagan property. You will find full details in the circular which accompanied the report. All the three places will be under one manager, and we look forward to considerable saving in costs in the future on what will be the Gledagan division of the property. You can understand that if we can bring another 2,500 acres into full bearing at an increase of capital of only £120,000, we shall have 7,700 acres of rubber on a capital of £300,000, or under £40 per acre, which is a very fine proposition, for while the rubber is maturing we hope to obtain good dividends from the coffee and coca leaves.

I now beg to move: "That the directors' report and accounts for the year ended December 31, 1919, be and they are hereby approved and adopted, and that a final dividend of 25%, less income-tax, in respect of the year ended December 31, 1919, be and it is hereby declared, making, with the interim dividends of 5% and 7½% paid on November 4, 1919, and January 23, 1920, 37½% for the year.

Mr. H. E. R. Hunter seconded the motion, which was carried unanimously. The appointment of Major C. C. L. Fitzwilliams as a director was confirmed, and the retiring director was re-elected.

The Chairman then moved: "That the Company's capital be increased from £180,000 to £300,000 by the creation of 120,000 shares of £1 each."

Major C. C. L. Fitzwilliams seconded the motion, which was carried unanimously.

CONSOLIDATED MINES SELECTION COMPANY, LTD.

The twenty-fourth ordinary general meeting of the shareholders of this Company was held on May 18 at Winchester House, Old Broad Street, London, E.C., Mr. Walter McDermott (the Chairman) presiding.

The London Manager and Secretary (Mr. Charles W. Moore, F.C.I.S.) having read the notice convening the meeting and the auditors' report,

The Chairman, in proposing "That the directors' report, balance sheet, and profit and loss account, as presented, be and they are hereby approved and adopted," said: You will notice that by the sale of 95,000 shares in November last the full authorised capital of the Company has now been issued, and stands at £600,000, in 1,200,000 shares of 10*s.* each, fully paid. This issue was nearly all absorbed by the shareholders themselves, and the premium of £95,000 thus obtained it is proposed to add to the existing general reserve account, together with a sum of £20,600 out of profits, so that this reserve account will then stand at £215,000.

Increased Dividend.

The profit for the year to December 31 was £186,458, which, with the net carry-forward from the preceding year, gives a sum of £200,170 to dispose of. It is recommended by the directors that a dividend of 35%, less income tax, be paid. If this dividend be declared, the carry-forward to the account of the current year will be £33,170, less the further remuneration to directors and managing directors in Johannesburg and London.

The detailed mining results of the subsidiary companies have been put before you in the various annual reports submitted. The Brakpan mine has exhibited some disappointing features during the year, and they have been reflected in the sometimes distorting mirror of market price of the shares. Owing to the direction in which the more important ore bodies have developed, the systematic opening of the mine for increased mill tonnage has been delayed, and extra development costs have been incurred. Certain dyke occurrences have, by disturbance of the regularity of the reef, involved much extra dead work and delay in establishing working faces.

White and Native Labour.

Labour, as always, is the most important item, and it covers two separate difficulties, divided by the colour bar. White labour is almost wholly some form of superintendence, and native labour constitutes the manual work on which all operation of the mines depends. In the last few years constant contact with the effect of white labour movements—in many of which the natives were sufferers, but gained no benefits—has had a marked educational effect, and coloured labour has made progress in organisation and in the adoption of the active proceedings which are seen to benefit white labour. In the recent strikes of natives the organisers of trouble adopted regular trade-union methods of picketing and rough handling of "blacklegs" who tried to work; and they thereby succeeded in promoting temporary uniformity of opinion.

An Adventitious Aid.

There is a limit plainly within sight to the wages which can be paid in many mines working now on a small margin, and as the increase by war allowances has become permanent in effect, and as it is accompanied by higher cost of all material, and by additional outlay on the prevention and cure of miners' phthisis, the limit of possible working would have been passed already for some of the poorer mines if the premium on gold had not temporarily moved the boundary line. The advantage to Africa and to industry in England of working as low a grade of ore as possible is very evident, but as increase in wages does not mean increased output—often just the reverse—it is equally clear that any continuance of some unreasonable recent demands on the part of labour will change materially the basis and extent of the gold-mining industry.

Capital and Risk.

Now, there are very good reasons for investors of capital to expect a fair return in profit out of the industry they build up. Take as an illustration, again, the Brakpan Mining Company. There are some 2,500 shareholders in that company, and they have helped to develop South Africa by investing in the speculative industry of gold mining in hopes of a higher rate of interest, if the mine proved a profitable one, than could be got by approved banking classes of investment. The mine took years to develop, and an investment of over £1,500,000 before any return was received. The Government of South Africa, and labour in Africa and England, took, directly or indirectly, a very large proportion of that expenditure, and have continued to take a steadily increasing percentage of the value of the gold produced ever since production began, but neither Government nor labour took any risks of loss, nor will they do so in the future. The Chairman of the Transvaal Chamber of Mines states that 16 mines, employing 5,800 Europeans, will be working at a loss directly any material drop in the premium on gold arrives, and at the normal price of gold 31 mines, employing over 14,000 Europeans, will cease to pay.

As regards the future of the Brakpan Mine, the really interesting point to look forward to is the result of development from the two new deep-level shafts, No. 3 and No. 4, which are making good progress in sinking, and one is due to reach the reef about the end of the year; the other a few months later. In the case of Springs Mines, the financial position has been put on a sound basis by passing the dividend which an actual working profit of £343,665 would have permitted. The general opinion of engineers is that the Springs Mine has very promising chances in the unexplored ground acquired from the Government.

There is not much to be said about West Springs, as the two shafts sinking can afford no information for many months to come. The Daggafontein Mine has been subject during the year to many unfortunate occurrences and conditions of operation.

Important interest acquired in Diamond Industry.

In connection with the Rand Selection Corporation, I have to refer to what is the most important piece of business recently undertaken for our Company. At our last two annual meetings I have given details of our close co-operation with the Anglo-American Corporation in all recent mining business in South Africa. A few months ago the Anglo-American Corporation secured options from the German owners on the whole of the known diamond properties in South-West Africa. Those properties have attained an important output of stones, which have a fully-established reputation in the markets of the world. All details for the transfer and for the regulations in the working of the mines were readily assented to by the South African Government, which will be interested in the results of working the fields by a participation in the profits. This transaction by the Anglo-American Corporation, which involved a large capital expenditure, led the directors of that Company to consider the reorganisation of their finances, and in connection therewith the merger of the business of the Rand Selection Corporation with their own corporation, as the holdings of the two companies were very largely in the same securities. Our Company being the largest holder of shares in the Rand Selection Corporation, the Board had to be satisfied that the new diamond business was of so important a character that a great change was justified in the organisation and holdings of the Rand Selection Corporation. Your directors reached the conclusion that the prospective value of the new diamond interest was so great that they could not only take a very substantial participation for our Company in the original deal, but that they could exchange our holdings in Rand Selection Coroporation for holdings in the Anglo-American Corporation on certain agreed terms.

The financial position of the Anglo-American Corporation is a very strong one, and the Company should shortly begin paying dividends. The new diamond business may have its own risks and disappointments, but it seems to be free from certain others peculiar to the gold-mining business; so it offers a temptation both as a new opening and as a means of averaging risks. I can say that we have evidence of a really flourishing condition of business already established by the new diamond company. The transactions I have mentioned will have the effect of making a still closer combination of interests and efforts between the Anglo-American Corporation and ourselves, and the increased capital and new interests the corporation has secured will raise its importance as an incorporated South African issuing house, having certain advantages locally as compared with those enjoyed by our English company.

The Chairman concluded by referring to the resignation of Mr. B. Kitzinger, one of the two active managing directors, and the appointment of Mr. Moore to the joint position of London manager and secretary.

Mr. R. J. Frecheville seconded the resolution, which was carried unanimously.

The Chairman: At each of our last two annual meetings I pointed out that we had been fortunate in supplementing our regular income from dividends in our important fixed mining investments by transactions in new business which had swelled our profits and enabled the Board to recommend a dividend of 30%, and on both of those occasions I suggested that it would not be advisable for shareholders to look upon that rate of dividend as established or usual. In suggesting this year a dividend of 35% I seem to be casting a reflection on my judgment as expressed in the past, and yet I am not only unrepentant, but strongly tempted to repeat the warning of the past, while using my utmost endeavours to make it as unnecessary for this year as for last. In the case of our Company we have had many lean years to make up for, and the capital of the Company was reduced by one-half.

I will now put this resolution to the meeting: "That a dividend of 35% (3*s.* 6*d.* per share), less income tax, be and the same is hereby declared payable to all shareholders registered on February 20, 1920; that the sum of £20,000, together with the amount standing to the credit of share premium account—namely, £95,000—be placed to reserve account, and that the balance of £33,170 13*s.* 7*d.* be carried to next account."

Mr. L. Oppenheimer seconded the motion, which was unanimously agreed to.

The usual formal business having been completed, the meeting terminated.

W. P. LOWRIE AND COMPANY, LIMITED.

The fifteenth ordinary general meeting of shareholders of this Company was held within the registered office, 44 Washington Street, Glasgow, on Tuesday, May 18.

Mr. William Harrison, the Chairman, in submitting the accounts for the year ending March 1920, stated that, whilst the board considered the result of the Company's trading very satisfactory, the trade outlook in a general sense had not improved since he last had the honour of addressing the shareholders. Last year he expressed the hope that the trade under peace conditions would be freed from the trammels of Government restrictions—a hope that had not been realised. The incidence of the Chancellor's latest Budget in regard to increases in spirit duties, excess profits duties, and the continuance of the Spirits Prices Order by the Food Controller under the Defence of the Realm Regulations, were all very disappointing, and could only tend to discourage and sterilise development of business.

It was too soon to hazard an opinion as to the probable effect of the Local Veto Act coming into operation in Scotland in the autumn. He had always been of the opinion

that legislation of this character interfered with the liberties and with the social amenities of a certain proportion of the inhabitants of a locality. It was class legislation of an invidious character, as, whilst it did not impose any restrictions on the householder who was fortunate enough to have the means to have supplies in his own cellar, it did inflict a great inconvenience on the householder who had been accustomed to obtain his supplies from the local inn.

It was not by restrictive legislation that the people of the United Kingdom would be influenced to avoid excesses—not only in indulgence in fermented liquors, but in other things equally important to the State—but by the betterment of their prospects and by improvements in their conditions of life. He had greater expectations for moderation and common-sense temperance from the ultimate results of the Government's Education and Housing Acts than from all the propaganda of the United Kingdom Alliance and such kindred bodies.

In the course of the year the Company had acquired an interest in the Port Ellen Distillery, Islay, and purchased as at April 1 last the Lochruan Distillery, Campbeltown.

The directors had recommended to put aside £25,000 to reserve, which would then amount to £200,000. The excess profits duty had already been provided for in the accounts, while a very liberal amount had been written off for depreciation on properties and investments. The Debenture sinking fund now stood at the enhanced sum of £74,540 17*s.* 5*d.*

They proposed to pay a final dividend on the Ordinary share capital of £1 15*s.* per share, making 25% for the year, carrying forward a balance of £95,055 0*s.* 1*d.*

The Chairman then formally moved the adoption of the report and declaration of dividend on the Ordinary share capital.

ANGLO-AMERICAN DEBENTURE CORPORATION, LTD.

The thirtieth ordinary general meeting of this Company was held on May 20 at the Cannon Street Hotel, London, Mr. Vesey G. M. Holt (the Chairman) presiding.

The Chairman said that, in view of the estimates of next year's revenue which had been made, the directors saw no reason, provided that conditions during the coming year were more or less as at present, why the revenue of the Corporation from interest and dividends should not remain at about the present figure. For this reason they considered they were justified in recommending an increase of 1% in the dividend on the Ordinary stock, raising it to an 8% basis. The amount of interest and dividends received during the past year was the largest the Company had ever earned, and there was a considerable increase in the amount received for underwriting commissions. The other large item of revenue had been profit on exchange, due to the remittance to London of the interest received on American securities; but this source of profit, if exchange remained at about the present figure, would probably show a falling off in the coming year, as they had taken advantage of the exchange position to realise a considerable number of their American investments, the proceeds from which had been brought over here for investment in British undertakings. The trusteeship and agency fees also showed a very satisfactory increase. The total revenue for the year amounted to £98,260, as against £87,361 for the previous year, and the expenses, including British and American income tax, were £28,209, against £26,976. They had carried £6,817 to general reserve account, and were carrying forward £9,734, as against £5,523 a year ago. A valuation of the investments showed that the depreciation was less than last year's figure. A large proportion of the depreciation was due to the conditions now existing, and ought to disappear upon a return to more settled conditions. In the meantime, they considered it as important as in the past to continue to build up the reserve account, which, in addition to the £6,817 already referred to, had been increased by £12,682 out of the balance of change of investments. The general reserve now amounted to £165,000, or, with the amount carried forward, practically 50% of the outstanding Ordinary stock. In addition, there was a special reserve account of £61,250, and the directors hoped the day might come when they would consider the time opportune to capitalise and distribute it among the Ordinary stockholders.

The report and accounts was adopted, and the dividend recommended was declared.

LANGKAT SUMATRA RUBBER COMPANY, LIMITED.

The twelfth annual general meeting of this Company was held on May 20 at the registered offices, Mincing Lane House, 59 Eastcheap, London, E.C., Mr. Herbert Wright presiding.

The Chairman, in moving the adoption of the report and accounts, said that the net proceeds of sales of rubber, including estimate for unsold crops, were £48,448, and compared very favourably with £27,949 for the previous year, being an increase of 73%. The total revenue came to £49,907, and compared with a total of £28,052, or an increase of nearly £21,900. The estate expenditure had increased from £20,021 to £24,907, but they had no longer been working on a restricted crop basis, and, moreover, that expenditure included a sum of £5,127, representing the loss on rice and foodstuffs. If they were not to supply foodstuffs at a fixed price to the coolies they would have to grant a permanent increase in wages. The balance on trading account was £21,897, as against £7,396. The total available was £25,244, from which they had placed £3,500 to reserve and had written down their buildings and machinery to £1 by utilising £2,067; and, having paid an interim dividend of 5%, the board now proposed a final dividend of 15%, making 20% for the year. That would leave them with a handsome carry-forward, subject to excess profits duty in this country and the Netherlands Indies war profits tax, if any.

The rubber unsold figured at £25,014, and was taken in the books at 1*s.* 10.7*d.* net, so that they would just about realise the average. Of their investments of £26,080, the greater portion represented their investment in Bukit Bundar, a company previously known as the Temiang Syndicate. They had taken up a total of £20,000 in that particular company, of which £17,500 had already been paid. That company owned 2,100 acres, of which 1,097 were planted, while the greater part of the balance was being prepared for planting, and they hoped that by the end of the year there would be a total planted area of 2,000 acres. At the moment the money spent on that property was a little in excess of £100,000. The reserve of £7,784 for taxes represented a refund received on account of excess profits duty. It was hoped to recover a further sum, so that the position of the Company for the current year, even should the excess profits duty be retained at the increased rate, would be fairly satisfactory, especially as their *datum* line was £18,887. The estimate for the current year was 500,000 lb. Forward sales included 120 tons for the current year, equal to more than half the estimated crop, at an average of 2*s.* 4.1*d.* per lb., and for 1921 they had sold 100,000 lb., at an average of 2*s.* 6½*d.* per lb.

Mr. J. H. Macadam seconded the motion, and it was carried unanimously.

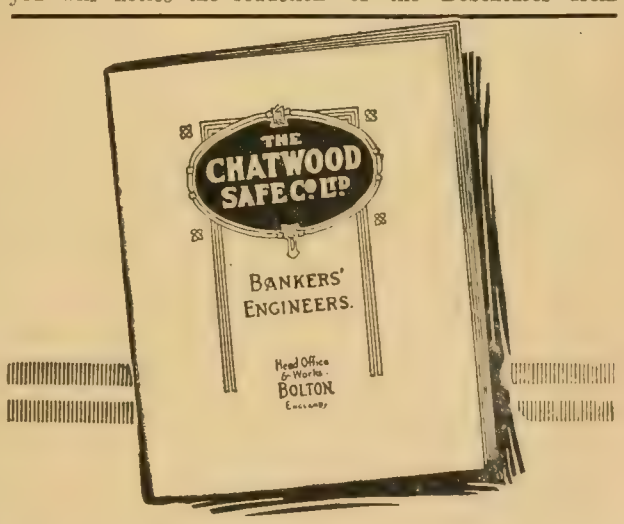
The usual formal business followed.

CITY AND WEST END PROPERTIES, LIMITED.

The ordinary annual general meeting of this Company was held on May 20 at the Cannon Street Hotel, London, E.C., Mr. A. Greer (the Chairman) presiding.

The Secretary (Mr. H. P. Hoare) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Gentlemen,—The outstanding feature in the accounts submitted is the completion of the scheme for the cancellation of £135,000 Debentures, the details of which were approved by the Debenture and share holders in November last. On the liability side of the balance sheet you will notice the reduction of the Debentures from



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£6,500,000 to £444,455. This difference comprises £155,000 in respect to the estate and £6,345 purchased out of the rent from the redemption of Leaseholds. The amount received from the purchase of Leasehold redemption was £6,500. All these sums together with £17,678 which [illegible] and £1,000 from general reserve fund, enabled the Company to pay the costs of the scheme, and leaves [illegible] to the amount of £100,000. The [illegible] which [illegible] to £6,337 13s. The gross [illegible] after allowing the amount required to [illegible] of [illegible] £17,678.

After dealing with the various items in the balance sheet and [illegible] that it [illegible] property owners whose rates [illegible] to pay [illegible] increase in outgoings being [illegible] rateable value [illegible] all [illegible] to be passed on to the tenants, and [illegible] the increase in gross rental [illegible] for the reduction in average empties) fall short of these additions made during the [illegible] passing of these charges. There must be [illegible] to the loss of gross rents in the course [illegible] benefit we might have expected from a reduction in empties will probably begin to show itself. I will now move: That the report of the directors presented together with the [illegible] at the Company's meetings at March 25 1920, duly audited, be now received, approved and adopted." I will ask Mr. Pullinger to second the resolution.

Corporation of London Rating of Reclaimed Lands (Bill).

Mr. J. H. Pullinger, Managing Director, said: Gentlemen, we recently sent you a letter calling attention to the [illegible] of London (Rating of Reclaimed Lands) Bill. The object of the Bill is to [illegible] the legal position as determined in 1916 in the House of Lords and to confer on [illegible] property without any compensation, [illegible] the good of the State, but because the City authorities—after [illegible] all the benefits [illegible] for [illegible] make the improvements by [illegible] the purchase price [illegible] or [illegible]. We, the building owners, are to have our rights withdrawn, to [illegible] liable to [illegible] the annual consideration agreed for the [illegible] and to that extent to pay rates which [illegible] which there was not the land on building leases when with reservations are the provisions of the Bill, are to remain in possession of the ground rents which necessarily include a consideration for the exemption from rates. It is difficult to understand how a private Bill of this nature could pass either House. Even counsel for the Bill made the suggestion that it might be thought that some notice or time of [illegible] should be given to us. I can only give my opinion, based on the statements made before the Lords' Committee, that it was thought that some notice would be given to us and published from the [illegible] to [illegible] that the Act would only prevent us getting money in the [illegible] method of applying it to the purpose for which the rate was made, namely, [illegible] the land tax redemption, an [illegible] would be [illegible] to [illegible] interest on the purchase price. What should we say is a [illegible] to the proper Parliament to [illegible] for [illegible] a rate based [illegible] £1,000 [illegible] £1,000 [illegible] and it had not been [illegible] to [illegible] [illegible] unemployment money and to reduce to him the [illegible] necessarily suffer. Now I suggest as a possible [illegible] Bill [illegible] Parliament which has no precedent and [illegible] a precedent of confiscation without [illegible] compensation. The danger lies in the [illegible] which [illegible] private Bills, [illegible] is [illegible] to the [illegible] to give way to rates based on rateable value. We shall [illegible] to get it [illegible] by the Committee of the House of Commons. I do not believe the Corporation [illegible] the Bill in [illegible] without amendment, and I do not think it will pass the Commons. I have much pleasure in seconding the resolution.

The resolution was carried unanimously.

The dividend [illegible] was approved, the retiring director (Mr. W. B. Lawson) was [illegible] Messrs. Singleton, Fabian and Co.) were re-elected, and the proceedings then terminated.

Italy's lack of coal is often cited as one of the handicaps which will prevent the automobile industry in that country from obtaining the same development as that of other nations. It is rightly stressed in this respect. The fact appears to be overlooked that every other power requires coal, and is no longer indispensable to [illegible] industry. Whilst in England and certain other countries coal is the only source of power and heat, Italy has been so favoured by Nature in the matter of water-power that coal can almost be dispensed with. In the Five Minor Works which are the most completely electrified in the world, the whole of the electricity is obtained from water-power in the Alps. At the present time no coal whatsoever is used for driving machinery. For power and light the big works of the Fiat Company consume 15,000 kilowatts daily out of a total consumption of 90,000 kilowatts for the whole of the city of Turin.

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MANAGING DIRECTOR: J. FRANCIS, O.B.E., J.P., F.S.S.
Head Offices: NATIONAL HOUSE, NEWGATE STREET, LONDON, E.C. 1.
Marine Underwriting Rooms: 74 CORNHILL, LONDON, E.C.3.

REFUGE
ASSURANCE COMPANY LIMITED.
Chief Office: OXFORD STREET, MANCHESTER.
For the year ending December 31st, 1919.
Annual Income Exceeds - £5,400,000
Assets Exceed - - - - £17,300,000
Claims Paid Exceed - - - £30,000,000

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The Statist.

LONDON, SATURDAY, MAY 29, 1920.

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The Money Market.

London, May 28, 1920.

	Current Rate %	Fixed	Previous Rate %	Fixed
Bank of England Rate	7	(April 15, '20)	6	(Nov. 6, '19)
Deposit Rates:—				
Banks & Discnt. Ho. (Call)	5	(Apr. 15, '20)	4†	(Nov. 6, '19)
Discount Houses (Notice)	5½	(Apr. 15, '20)	4½	(Nov. 6, '19)

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.
† Foreign and Colonial banks give Special Rates only upon deposits for a year

Discount Rates:—	60 Days. %	3 Mos. %	4 Mos. %	6 Mos. %
Treasury Bills ...	—	6⅝	—	—
Bank Bills ...	6⅝-¾	6⅝	6½	7
Trade Bills ...	—	7-7½	7¼-⅜	7⅜-½

SHORTLY after the publication of the prospectus of the Three County Loan came the official announcement that the Middlesex portion of the issue (£2,000,000 out of £5,000,000) had been over-subscribed. The rateable value of Middlesex, it may be noted, is considerably higher than that of Essex or Kent. An attractive feature of the prospectus was that a full six-months' interest on the bonds will be paid on December 1, which will give allottees an additional increment of interest during the first six months. The London Housing Bonds will be on offer early in June. The result, up to the present, of the issue of Treasury bonds now on tap compares unfavourably with the result of the Middlesex issue, more especially when it is remembered that the first interest payment on the former will be at the rate of 7%, while on the latter it will be 6¾%. It makes it pretty obvious that those who have money to put into fixed interest-bearing securities at the present time look farther ahead than the life of the Treasury bonds, which run at most to 15 years, and prefer a longer-dated security. Nevertheless, considering the undoubted attractions of the Treasury bonds, we cannot help thinking that the results would be better if the Government advertised them more energetically. A Dalkey correspondent draws attention to the provision in the prospectus that dividends will be paid on the bonds registered with the Post Office, without deduction of income tax at the source, and suggests that the Government should give this fact greater prominence.

Conditions in Lombard Street during the week showed a continuance of last week's firmness. To-day especially the demand was keen, and continued so into the afternoon, from 5½ to 6½% being the range of quotations. Some small amounts were borrowed from the Bank of England at 7½%, and bills were sold there at the official rate. The Discount market was also firm, though the supply of bills was not notably restricted. July paper hardened to over 6⅞%, and three months' bills were quoted 6⅞% to 6⅞%. For longer maturities the quotations were steady.

In the Foreign Exchange market the outstanding features were the violent movements in the Continental currencies and the improvement of the New York rate. The [illegible] stood at 49.25 on Wednesday, and rose to 52.50 to-day. Italy was quoted 67 to-day, having been [illegible] on Wednesday. [illegible] time as low as 47.35, but reacted subsequently to 50. The mark continued its recent improvement uninterruptedly until Wednesday, when it reached a quotation of 129. Since then, however, it has jumped to 131. The recovery of the [illegible] is due to the closing of [illegible] transactions. The improvement of the mark has [illegible] apparently on talks of financial assistance for the [illegible] With these [illegible] that a better quotation than [illegible] on

Wednesday is fully justified by Germany's position. The violence of the movements are greatly to be deplored, and reports show that they are causing great uncertainty among traders in the countries concerned. The New York exchange imyroved considerably, and was quoted at 3.92 to-day. The recovery is connected with further arrivals of gold on British account in America.

Revenue for the week ending Saturday last was 3 millions higher than for the preceeding week at 29.2 millions, increased Excise receipts being chiefly responsible. Expenditure, however, was up nearly 5 millions, and the surplus revenue was, therefore, reduced to 14.6 millions. Treasury bills receipts were only 55.7 millions, and repayments were £874,000 higher. Ways and Means advances outstanding were reduced by 8½ millions, including a further reduction of 2 millions to 16 millions in the Ways and Means advances owing to the Bank of England. The Floating Debt was reduced accordingly by £9,399,000, and now stands at £1,273,201,000. Receipts for Treasury Bonds during the week were £1,389,325, as compared with £2,572,000 for the preceding twelve days. This amount, though still much smaller than is warranted by the high security and interest yield of Bonds, yet shows that the subscriptions are coming in at a slightly faster rate. Other debt created under the War Loan Acts 1914 to 1919 was reduced by £2,770,815. Receipts for War Savings Certificates were £750,000, against repayments of the principal amounting to £700,000.

A still further increase in the Currency Note circulation is shown in this week's Currency Notes return. Fresh issues totalled 7 millions, against cancellations amounting to 5.2 millions, thus raising the total outstanding to £348,316,247, an increase of £2,490,097. The fiduciary issue now stands at £311,966,247—within 8.8 millions of the legal maximum. The reserve ratio remains at 10.4% in consequence of a further addition of £250,000 to the Bank of England notes in the Currency Note Redemption Account.

BANK OF ENGLAND.

As might be expected the Bank return this week reflects the influence of the Whitsun recess. To meet the holiday demand for currency the circulation has expanded by £583,000 to £111,464,000. However, as the same factor produced an expansion of nearly £2,500,000 in the issue of currency notes, the actual quantity of Bank of England notes that went into active circulation was reduced to £333,000, since £250,000 were set aside in the Currency Note Redemption Account. It is of interest to observe that the total amount of these notes now held in reserve against the issue of currency notes amounts to £7,850,000. But from the point of view of the Bank return this increase in the circulation of £583,000, in conjunction with a decline in the total bullion to £112,455,000, or £17,000 less than the previous week, reduced the amount of the reserve by £600,000 to £19,441,000. As the total liabilities fell from £121,473,000 to £117,809,000, the final result was to leave the ratio of reserve to liabilities unchanged at 16.5%. To this decrease in liabilities public deposits contributed no less than £3,457,000, with a reduction from £20,061,000 to £16,604,000, whilst £209,000 represented the amount by which other deposits were depleted during the week. The market repaid £916,000 to the Bank, the total of other securities being lower by this amount at £81,716,000. Owing to the manner in which revenue continues to exceed expenditure—and let it be remembered that the surplus is due in the main to receipts from the realisation of war assets—the Government lessened its liability in respect of Ways and Means Advances by £2,159,000, thereby reducing the amount of Government securities outstanding to £34,356,000.

BULLION.

India and South Africa were again the buyers in the Gold market. The price declined to 105*s.* 8*d.* per oz. fine to-day.

Less offerings from the Continent and a renewal of Chinese buying brought about a temporary check to the falling quotations in the silver market during the week and raised the spot price to 59⅞*d.* per oz. standard by Wednesday. The recovery was not maintained, however, and to-day's quotation was 57⅞*d.* As the Chinese demand was for forward delivery, the discount margin disappeared and was replaced by a premium of ⅛*d.* per oz. by Tuesday. The Indian demand did not help the market much during the week. It is doubtful if China will recover her preponderance in the silver market, for her trade position has become very weak, her finances are in a critical state, and it is reported that hoarding of the metal in the interior is coming to an end. Thus a further weakness in the market may be looked for, moreover as Continental supplies promise to be maintained. The United States Treasury has already commenced buying silver at $1 an ounce under the repurchase clause of the Pittman Act, and United States miners expect that they need not accept less for their output. If this were so, the product of the United States mines, which now forms a large proportion of the total production of the world, would be removed from the general market, which will probably experience lower quotations than $1 per oz. fine. A bill has been introduced into Congress to repeal this repurchase provision of the Pittman Act, but so far nothing has transpired as a result.

NEW YORK.

According to the average weekly statement of the New York City Banks and Trust Companies associated with the New York Clearing House, for the week ending May 22 a further expansion of $8,670,000 in loans, and of $42,610,000 in net demand deposits, occurred during the week. Time deposits declined slightly. Reserve requirements were thus 5.5 millions higher at 554.3 millions, but as the aggregate reserve was strengthened by an addition of 15.6 millions the excess reserve was better at 30.8 millions. As might be inferred from the liability movements, the position was weakest at the end of the week, the actual excess reserve being only 7.7 millions, as compared with 28.8 millions a week previously.

The statement of the Federal Reserve Banks issued on the 24th inst. records a slight addition to the gold reserves, a reduction of 50.9 millions in rediscounts, and a decline of 106.9 millions in total gross deposits. The Federal Reserve note circulation increased by 2 millions to 3,085.2 millions. The reserve ratio to net deposit and note liabilities has risen to 42.7%, as compared with 42.2% last week and 52.3% a year ago. The decline in rediscounts took place chiefly in the Eastern centres, for the banks of the interior have still to support heavy demands for accommodation as a result of the railway situation.

The policy of the Federal Reserve Board in curtailing credit extensions has at last forced a severe shake-out in commodity speculation, and a sensational fall in prices took place last week. How far the fall will continue will depend on the extent of the speculative positions, and it must be noted that an improved

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transport situation, greater production, and the refusal of the public to pay the high prices asked were among the influences at work. At any rate, a sudden slump is unlikely, though the banks leave no doubt as to their intentions to force a gradual decline by a restriction of credits. The situation is causing a good deal of nervousness in the Stock markets, but there is now much less talk of a crash than there was some weeks ago.

A 20% cut in all prices by large departmental stores in New York and Philadelphia has produced an extraordinary volume of sales and an extension of the movement to other centres promises to tap the enormous supplies of currency hitherto held close by the working classes.

Call-money was easier about 6%. Time funds, however, are still practically unobtainable, only small quantities for 60 and 90 days being offered at 8½%. It is reported that the recent issues of bonds on a 7% basis have met with a very ready response. The raising of the rate on Treasury certificates of indebtedness to 5½%, the highest offered since the time of the Civil War, has not attracted investors as well as was expected. A shifting of funds from the Atlantic seaboard to the interior will take place at the beginning of next month to finance the marketing of the new wheat crop.

The gold situation is improving. The continued strength of the Argentine exchange promises a cessation of the demand from that quarter, while further imports from London are reported. Small quantities, too, are arriving for Colombia—a curious result of the money stringency. The trade balance is in favour of Colombia, but, owing to the difficulty for bankers in the Republic of establishing credits in New York, there is a scarcity of exchange which has to be made up by gold exports.

Stock Exchange.

An appearance of cheerfulness which marked the closing of the Stock markets before the Whitsuntide holidays was not in evidence at the reopening on Tuesday, but nevertheless it is satisfactory to note that, for the moment at all events, the heavy liquidation which characterised the markets for some weeks past has dwindled down to a few scattered and unimportant realisations. At the close of the week business is still on a very modest scale, and where price movements occur they are for the most part downward. In so far only as a good deal of uncertainty will be removed, the forthcoming announcement of the Chancellor of the Exchequer's decision on the war wealth levy scheme will be beneficial to the markets. Any other point of view is not a hopeful one, for we fear that those who expected the worst will not be disappointed. Though we cannot vouch for its reliability, we think that there is a pretty good foundation for the rumour that the Chancellor will press forward the war wealth levy scheme as recommended by Sir William Pearce's Committee. However, it should be noted that the recent heavy selling is evidence that it has already been largely discounted.

The Gilt-edged was the firmest section during the week, one of the most notable features being the support of the new London County bonds which were bid up to 98. Consols, Funding Loan, Victory Bonds, India Three-and-a-Halfs, and the War Loan Fours and Three-and-a-Halfs all show a net gain on the week.

The Foreign market was irregular. French bonds gained strength with the improvement in the franc, but dropped back later when the exchange reacted. By Wednesday the War Loan Fives had reached 50 and the Fours 39. Yesterday's quotations were 49 and 38 respectively. German Threes suffered a similar experience. Changes in Chinese issues where they occurred were for lower quotations. Japanese stocks were steady. Portuguese Threes and the Mexican Fives of 1899 declined.

A certain amount of quiet buying was noticeable in Home Rails. Midland Deferred and Preferred came in for attention, and the quotations were put up to 52½ and 35 respectively. Great Westerns were subject to fluctuations, but closed finally practically unchanged. Underground Electrics were steady with the exception of the Income bonds, which lost ½. At present prices many of the Home Rail stocks are worth looking into. A few good Preference stocks yielding up to 8% are obtainable.

In the Foreign Rail section Grand Trunks were favoured by the announcement that the Committee of Management had been appointed, and substantial rallies occurred. The Ordinary shares closed at 5¾, the First Preference at 45, the Second Preference at 33½, the Third Preference at 14¼, the Four per Cent. Guaranteed at 59, and the Four per Cent. Consolidated Debentures at 63½.

Argentine descriptions were weak at the commencement, but attention was later directed to Debenture stocks, though the Ordinary shares continued unsupported. Central Argentines Ordinary relapsed to 67½, though the traffic returns continue to show remarkable improvements. The 4% Debenture advanced to 63½. Leopoldinas weakened and were quoted yesterday at 37½xd. At the annual meeting of the Company during the week the Chairman said that their advancement was still held in check by their inability to obtain authority for an increase in rates. It is interesting to note that one of the economies to be introduced is the use of oil fuel in locomotives. At a meeting of the holders of the First Mortgage Debenture stock of the Mexican Southern Railway to be held on June 9 the holders will be asked to sanction a further extension of the moratorium period to May 29, 1922. The arrangement was made with the Interoceanic Railway in 1915 and extended in 1917. The reason for the fresh extension is that the Interoceanic Company's railways and its leased lines are still in the hands of the Mexican Government and no remittances therefrom are being received. It remains to be seen whether the new holders of the reins of government in Mexico will hand back the railways with adequate compensation.

Nothing interesting transpired in the Industrial market. The mail-bag did not bring a large supply of orders after the holidays and business is still extremely restricted. Movements in prices were unimportant, but, on the whole, the tendency is steadier than of late. Engineering, iron, and steel shares were featureless. Textiles changed little, with the exception of a decline in Courtaulds. Marconis put on a fair spurt to 3 5/16. Pekin Syndicates improved after an initial decline. Forestal Lands were bid up to 46s. It is understood that the Company will shortly submit for consideration to the shareholders an offer to purchase certain assets of the Company at a price considerably above their book value. Tobaccos were moderately firm.

The Oil market was disappointing during the week. The opening showed that nervousness still

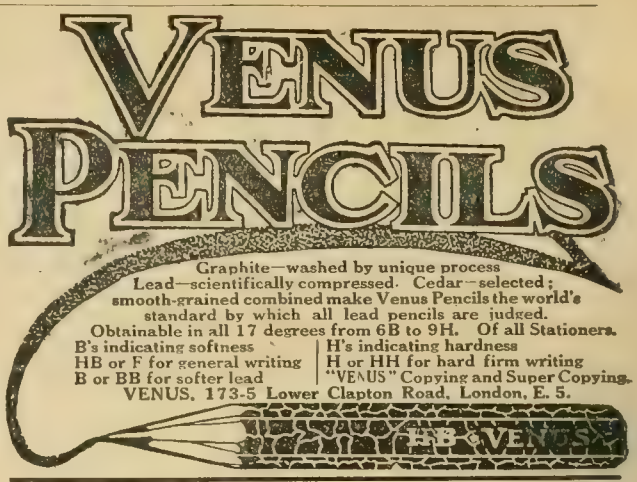
BARCLAYS BANK
LIMITED
(with which has lately been amalgamated the LONDON PROVINCIAL & SOUTH WESTERN BANK Ltd.).

AMERICAN EXCHANGE.

Barclays Bank Limited, through their Foreign Branch, 168 Fenchurch Street, E.C. 3, have concluded arrangements whereby they will, subject to approval of the transaction, insure importers and exporters against losses resulting from fluctuations in the American Exchange.

continued as the position of commitments on borrowed money seemed more unstable. The result was that very little business was passing, and very little selling was sufficient to force a decline in quotations. The news from Mexico left Mexicans practically unaltered. English Oilfields were conspicuous among the better features. Movements in the leaders since Tuesday were as follows:—Shells fell ⅛ to 9⅞, Royal Dutch lost 3 to 88, Mexican Eagles Common fell 1/16 to 8⅝, and the Preference ⅜ to 8½, Scottish Americans rose 6*d.* to 27*s.* 6*d.*, Tankers rose 7½*d.* to 8*s.* 10½*d.*, and Burmahs rose ⅝ to 15. The terms of the expected Royal Dutch new issue came to hand on Tuesday. The issue will be made about the middle of June, and the new shares will be offered at par to existing shareholders in the proportion of one new share for every two already held.

Addressing a representative gathering of pressmen which was held recently at the Austin Motor Works, Longbridge, to celebrate the reorganisation of the works on the mass production system, Sir Herbert Austin described the present state of production in this country as a national calamity. The most serious problem which confronts us is the development of our export trade, and to achieve this end the need for increased production cannot be too often nor too strongly emphasised. Never before was there a greater demand for our products, yet, instead of speeding up production to the utmost, labour troubles and jealousies among manufacturers prevent us from supplying the foreign markets as amply as we should. America, our greatest rival in international trade, is suffering from the same disabilities as we are, but that is but an added incentive to us to get to work with all the energy and resources at our command. Not the least important aspect of present-day industrial organisation is the mass production principle, and the Austin factory, which is a pioneer in mass production as applied to the motor-car industry, affords a striking illustration of the principle in actual operation. All the parts are standardised, being all actually made in the works, with a few minor exceptions. The same process is always entrusted to the same group of operatives, who thus by constant practice can not only improve their own skill and speed, but also add constantly to the efficiency of the tools they control. In the shops where all the parts are sorted and arranged in bins prior to assembly is illustrated the turning-point of the whole mass production system. If there is a shortage in any single bin through a deficiency of a particular raw material or accessory the delivery of finished cars is automatically stopped. The value of the stock constantly carried in this manner is about 1½ millions, so it becomes a serious matter for the Company if the output of cars is held up for any length of time. Unfortunately, such hindrances are of frequent occurrence, and Sir Herbert pleaded for a combined effort on the part of all the trades concerned, either directly or indirectly, with motor-car production. The Company hopes very soon to fulfil a production programme of 200 chassis and bodies, 60 tractors, 60 lorries, and 100 lighting sets per week. This output represents neither the capacity of the works nor the demand, but is merely an arbitrary limit set by the conditions outlined above. Half the output of cars is destined for foreign consumption, though the whole could be marketed at home. Indeed, the entire output could be sold in America alone, where the superior reputation of British workmanship for reliability and durability is still unchallenged. South America, particularly the Argentine, offers a very wide field to the British motor-car manufacturer, and, especially at the present moment, when the recent financial arrangements have prejudiced the Argentine Republic in our favour as against the United States, a concerted effort on the part of the British motor industry would secure to it exclusively a large and permanent market.



Mining Topics.

The general condition of the Mining market suffered no change during the Whitsun recess. The prevailing feeling of uncertainty still dominated the minds of those interested in this department. Throughout the week there was a general absence of business, which kept the market dull. Some small liquidations on Paris account caused slight reactions in Kaffirs at the opening, but the ground lost was ultimately recovered as the Paris rate improved. The gold output of Southern Rhodesia for April is returned at 47,000 ounces, worth £208,934, estimating gold at an average of £4 8*s.* 10.89*d.* per ounce.

With tin falling as low as £262½ by the middle of the week, the idleness in tin shares was not surprising. In not a few cases prices were marked down. As regards Cornish shares, the decisive factor was the continued high costs of working. In this connection it remains to be seen what action will be taken by the Government to give effect to the recommendations of the Non-Ferrous Committee. The definite report in favour of State aid to tide over difficulties or to pursue development and exploration work was generally expected. At the same time it is held that, pending the anticipated recovery in the price of the metal, the Government is unlikely to afford any such financial assistance.

MODDERFONTEIN B.

Year to Dec. 31	Ore Milled Tons	Gold Revenue per Ton	Working Costs per Ton	Profit—Amount £	Profit—Per Ton	Net Profit £	Dividend—Amount £	Dividend— %
1914	410,000	35/10	15/7	446,341	20/3	454,904	385,000	55
1915	509,700	40.6	15/10	629,916	24/8	650,173	472,500	67½
1916	543,700	43 2	17/10	687,290	25/4	714,647	542,500	77½
1917	517,500	46/2	19/5	691,087	26/9	709,601	595,000	85
1918	605,500	41/5	19/8	658,587	21/9	685,596	577,500	82½
1919	649,500	43/10	22/5	846,657*	26/1*	881,036*	647,500	92½

* Including premium on gold, estimated at £151,093, equivalent to 4*s.* 8*d.* per ton milled.

For Modderfontein B 1919 has been a year of great prosperity. There was a further satisfactory increase in the quantity of ore milled, which is returned at 649,500 tons. Estimating, as in previous years, the value of the output on the basis of the par value of gold, the revenue per ton works out at 43*s.* 10*d.*, in contrast with 41*s.* 5*d.* in 1918. However, owing to the existence of the gold premium since the middle of July, there was a substantial addition to the revenue to the amount of £151,093, representing an average premium of 23.1% on the gold disposed of between the middle of July and the close of the year. This addition was equivalent to 4*s.* 8*d.* per ton milled, thereby raising the gold revenue per ton to 48*s.* 6*d.* This great improvement in the revenue was offset to some extent by the rise in the cost of working from 19*s.* 8*d.* per ton in 1918 to 22*s.* 5*d.* per ton in the year under review. In amount the working expenditure for 1919 reached £728,284—an increase of £132,818 over the amount for 1918. To this increase the rise in prices

of stores and materials contributed £50,764, the advance in white wages £37,632, increased cost of native labour £21,554, and miscellaneous expenditure £22,485. The working profit was returned at £846,657, as compared with £658,587 in 1918. It is of interest to note, however, that even in the absence of the gold premium, and despite the rise in the cost of working, the working profit would have amounted to £695,564, or £36,977 more than that of the previous year. In virtue of this unexpected windfall the dividends to shareholders is increased in amount from £577,500 in 1918 to £647,500, representing a rate of 92½%, or 10% in excess of the high dividend of 1918. The balance carried forward to the next account is £233,704, in comparison with £198,645 brought forward from 1918.

With mines like Modderfontein B, that have been paying such generous dividends over the whole of the War period, it is a commonplace to remark that the prospects for the current year—and indeed for years to come—are bright. Much better is it to enumerate the facts that point to this conclusion. To begin, with an improvement in the supply of native labour it has been possible to go in more extensively for development work during the year under review. The total development work, which in 1918 only reached 9,894 feet, is returned for 1919 at 20,004 feet. As much as 12,800 feet of this was in reef formation, and no less than 67% of this latter total was payable. For 8,580 feet ore averaging as much as 33.7 dwt. was exposed over a width of 23 inches, whereas in 1918 reef disclosures did not exceed 3,624 feet, the ore averaging 29.6 dwt. over 18 inches. This high-grade ore was located mainly in the South-West section. In the North-East area the results proved disappointing, only small payable zones being exposed. Work was accelerated on the raise from the Geduld Mines into the South-East corner. For 915 feet ore averaging 10.2 dwt. over a stoping width of 66 inches was proved, but faulty ground was then entered. It is proposed to continue this work. Pending the installation of a pumping plant on the 4th level not much attention was devoted to the Central section. However, here 420 feet sampled assayed 37.5 dwt. over 8 inches. In addition, the new South-Eastern vertical shaft was sunk 474 feet, and it is anticipated that the remaining 1,300 feet will be sunk by the middle of the current year. It is proposed also to sink an additional South-West shaft to a depth of 1,700 feet, in order to handle more expeditiously and more economically the large tonnage available in the deep western end of the mine. When both these shafts are finished—and this should be about the middle of 1921, according to the Consulting Engineer—the mine will be in a far more advantageous position, not only from the point of view of the handling of adequate tonnage, but also from the point of view of development, which will be correspondingly simplified. Ore reserves were estimated on December 31, 1919, at 3,215,100 tons, averaging in value 9 dwt. over 63 inches, as compared with 3,378,000 tons of 9.2 dwt. over 62 inches at the end of 1918. To quote the Consulting Engineer: "The decrease in tonnage is not important, and the more favourable prospects in the South-East section of the mine, as manifested by the Geduld drive, altogether outweigh any adverse impression that this circumstance might create." A sound financial position is disclosed in the balance sheet at the end of 1919. Liquid assets exceeding £634,865 are available to meet existing liabilities under £523,810.

In estimating the prospects for the current year it is well to bear in mind that the new miners' phthisis legislation will involve a much heavier expense. The last assessment made under the old Acts worked out at £1,938; the first two quarterly assessments under the new Act averaged £7,400. Furthermore, the premium on gold is being eaten into not only by the advance in white and native wages during the current year, but also by the rapid increase in the realisation charges owing to the high exchange rate charged by the South African banks. A measure of these charges is furnished in the report to hand for the quarter ended March 31, 1920. Working revenue, as a result of the realisation charges, remains unaltered at 48*s*. 6*d*. per ton, but working costs have risen substantially to 26*s*. 1*d*. However, this return is debited with the retrospective adjustments of white wages to the extent of £6,000, and it is stated that £4,000 of this belongs actually to the prior quarter. In consequence, the working profit is given as £170,445, or 22*s*. 5*d*. per ton, as compared with 26*s*. 1*d*. per ton for 1919. This decline is due not only to the £4,000 mentioned above, but also to the loss incurred by a reduced tonnage owing to a strike amongst the native labourers in February. Development work continues to yield satisfactory results. High-grade ore is still being exposed in the Western section, the payable reef for the period reaching 1,360 feet, and the ore averaging 33.7 dwt. over 18 inches. Preliminary work on the new South-Western shaft has been started successfully, whilst the South-Eastern shaft is now at a depth of 943 feet. The capital of the Company consists of 700,000 shares of £1 each, which are quoted in the market at 6$\frac{1}{32}$, affording at this price upon the basis of the 1919 dividend a return of 14½%. In response to the appeal of numerous shareholders it is proposed to summon an extraordinary general meeting in the course of a month or two to divide the present £1 shares into four shares of 5*s*. each in order to increase their marketability.

MAZAPIL COPPER.

Year ended Dec. 31	Net Profit	Sundry Allocations	Dividend— Amount	Dividend— %	Carried Forward	Surplus of Liquid Assets† over Liabilities
	£	£	£	%	£	£
1916 ...	42,393	—	—	—	55,189*	122,435
1917 ...	92,626	—	21,125	5	16,313	185,471
1918 ...	26,615	—	31,687	7½	11,241	165,874
1919 ...	185,603	80,000	95,060	22½	21,783	237,427

* Debit balance of profit and loss account.
† Liquid assets include stock valued in 1916 at £62,847; 1917, £173,033; 1918, £429,199; 1919, £628,940.

The extent to which mining companies operating in Mexico can be handicapped by unsettled political conditions is excellently illustrated in the case of the Mazapil Copper Company. The Mazapil copper mines, from which this Company takes its name, are situated in the State of Zacatecas. Whilst copper may be regarded as its primary output the Company is, properly speaking, a mixed mining concern, numbering amongst its products lead, zinc, silver, and gold. The unrest following upon the political upheaval caused a suspension of mining operations early in 1913, and not until 1917 was it possible to resume working. By the end of 1915 the adverse balance of the profit and loss account reached £97,582. Mainly through the realisation of the stock of zinc ores there accrued during 1916 a profit of £42,393, which reduced the unfavourable balance to £55,189. The resumption of mining activities in 1917 after an enforced idleness of five years involved a heavy outlay to repair the damage done during the political disturbances, as well as to remedy the lack of proper maintenance during this period. Despite these factors the War demand for the metals was so pronounced that a net profit of £92,626 was earned, out of which, after writing off the remaining adverse balance of £55,189, shareholders received a dividend of 5%. The Company, in addition to its mining interests, is the owner of the Coahinla and Zacatecas Railway, and during 1918 its profits suffered from the considerable damage from brigandage on that railway. Government control of transport and the gravity of the submarine campaign forced the sale of the copper output in America at rather unfavourable prices. Heavy taxation and an unfavourable exchange rate provided other elements of loss. Consequently, though mining operations were on a larger scale, the net profit for 1918 only amounted to £26,615. It was only by reducing the balance carried forward to £11,241 that a dividend of 7½% was paid. As a matter of fact, this was an interim div-

dend, paid at the end of October 1918, when high prices for copper were still ruling. The slump following the Armistice drastically reduced the anticipated profits, since, owing to the arrangement for sales at deferred prices, copper delivered in September 1918 was paid for on the basis of the low rates prevailing in February 1919. Hence, at the close of 1918 it was not possible to declare any further dividend. The report for the year ended December 31, 1919, records a net profit of £185,603—an amount exceeding the total net profit of the three preceding years. This great improvement was accomplished during a year of favourable political conditions. A transfer of £50,000 raises the total of the reserve fund to £130,000. There is also a transfer of £30,000 to a Debenture reserve fund. It will be recollected that a similar amount was set aside for this purpose out of the profits of 1912; but owing to the subsequent losses it was transferred to the profit and loss account to reduce the loss of £109,555 which resulted in 1914. Shareholders received a final dividend of 15%, making, with the interim dividend of 7½%, a total of 22½% for the year. The balance carried forward to the next accounts stands at £21,783, as against £11,241 in 1918.

Partially because of its situation in Mexico, and partially because of the rather varied nature of its activities, it is somewhat difficult to estimate the possibilities for the current year. The satisfactory profit for the year under review was earned in the face of rather wide fluctuations in the price of the metals. Thus copper was as low as £79 a ton in April 1919, and as high as £112 in January; lead oscillated in price from £22 to £29; whilst silver, commanding 48 7/16*d.* per ounce at the opening of 1919, stood at 79⅛*d.* towards the close. During the first five months of the current year price movements have been equally irregular. For copper prices of £116 and £90 a ton have ruled. Lead, on the other hand, has soared up to £46, and still stands as high as £40; whilst silver, having reached 89½*d.* per ounce, is now in the neighbourhood of 59⅞*d.* The salient fact is that the tendency henceforth is, if anything, in a downward direction. On the other hand, difficulties experienced in 1919 in securing an adequate supply of coke will not be met during the current year owing to the purchase of a half interest in the New Sabinas Company. Moreover, labour trouble and the moulders' and other strikes delayed machinery and held back development work; whereas it is anticipated that this work can be carried on during the current year. However, it is no less necessary to bear in mind the possible set-back that may take place if the latest Mexican revolution should be prolonged. Yet the confidence of the directors in the future earning power of the Company is reflected in the recent decision to increase the authorised capital from £500,000 to £1,000,000 by the creation of 500,000 Ordinary shares of £1, and to capitalise £100,000 of the reserve fund, the 100,000 shares to be distributed *pro rata* as a bonus amongst the existing shareholders. The balance sheet as on December 31, 1919, discloses a favourable financial position. Liabilities, including the final dividend of £63,373, amount to £494,185; whereas liquid assets exceed £731,612. At the same time the large stock carried by the Company must give rise to some concern. In the balance sheet it stands at £628,940, valued apparently at prices ruling at the end of 1919. The rapid increase in the stock since 1916 is shown in a footnote to the table at the head of this article. Possibly it is the outcome of the unfavourable political as well as financial conditions of the period, which have prevented realisation at profitable prices. A stock of £628,940 where the issued capital amounts to £422,490 appears, however, rather heavy. The interests of the Company and the shareholders alike will best be served by a reduction of this total to a more reasonable figure as soon as circumstances permit. In the market the £1 shares stand at 40*s.* 3*d.*, at which price they afford a return upon the basis of the 1919 dividend of over 11%.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, May 26, 1920.

Issue Department.

Notes Issued	£130,444,375	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	111,994,375
	£130,444,375		£130,444,375

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£34,356,283
Rest	3,151,403	Other Securities	81,716,098
Public Deposits	16,603,572	Notes	18,980,055
Other Deposits	101,179,934	Gold and Silver Coin	460,929
Seven-day and other Bills	25,456		
	£135,513,365		£135,513,365

Comparison with Previous Four Weeks [00,000's omitted.]

Date 1920.	Circulation	Coin and Bullion	Deposits: Public	Deposits: Other	Securities: Govt.	Securities: Other	Reserve	Ratio Reserve to Liabilities	Bank Rate	Three Months' Bills
	£	£	£	£	£	£	£	%	%	%
May 26	111,4	112,4	16,6	101,1	34,3	81,7	19,3	16·5	7	6⅛
May 19	110,8	112,4	20,0	101,3	38,5	82,6	19,9	16·5	7	6⅛
May 12	111,3	112,5	21,4	99,4	38,4	80,4	19,6	16·3	7	6⅛
May 5	111,1	112,5	20,6	116,5	55,3	79,6	19,8	14·5	7	6⅛
Apr. 28	107,8	112,5	17,9	122,4	59,8	75,1	23,1	16·4	7	6⅛
J'y22,'14	29,3	40,2	13,7	42,2	11,0	33,6	29,3	52·40	3	3⅛

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 8%; Aug. 8, 5%, July 13, 1916, 6%; Jan. 18, 1917, 5½%; Apr. 5, 5%; Nov. 6, 1918, 6%; Apr. 15, 1920, 7%.

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (in £'s sterling 00,000's omitted):	May 28, 1920	May 28, 1919	May 29, 1918	May 30, 1917	May 27, 1910
Circulation	£111,4	£77.2	£51.0	£39.0	£28.1
Public Deposits	16.6	21.0	41.1	57.4	21.3
Other Deposits	101.1	121.6	135.3	119.5	137.8
Government Securities	34.3	52.5	56.7	45.1	13.8
Other Securities	81.7	80.4	106.5	115.1	33.9
Reserve	19.3	27.4	30.8	34.5	29.0
Ratio to Liabilities	16·5%	19·19%	17·50%	19·52%	49·08%
Coin and Bullion	112.4	86.1	63.4	55.1	38.7
Money:					
Bank of England Rate	7%	5%	5%	5%	4%
Bank of France Rate	6%	5%	5%	5%	3%
Rate 3 months' Bills London	6⅛%	3½%	3½%	4⅜%	3½-⅝%
Exchanges:					
Paris Cheque	52·75	29·93	27·15½	27·22	25·27½
New York 60 days	3 89½	4·60½	4·72½	4·73	4·84½
Bombay Telegraphic Transfers	2/1½	1/7 31/32	1/5 31/32	1/4 31/32	1/3 31/32
Prices:					
Consols 2½% Cash	47⅞	55½	56⅛	55⅛	82⅝
French Rentes 3% Money	59·50	62·10	60·00	61·00	98·80
Silver, London spot oz.	57½d.	52½d.	48 31/32d.	38d.	24½d.
Wheat, *Gazette* average qr.	72/10	73/2	73/3	78/0	31/10
Cotton, Mid Upland lb.	28 60d.	20·44d.	21·33d.	14·53d.	8·08d.
Iron, Scotch pig ton	223/6	161/0	101/0	98/6	65/9

CURRENCY NOTE ISSUE.

Week to	Notes Issued £	Notes Cancelled £	Notes Outstanding £	Gold Coin & Bullion £	Bank of England Notes £	% of Bank Notes & Gold to Notes %
May 26, '20	7,698,932	5,208,135	348,316,247	28,500,000	7,850,000	10·4
May 19, '20	9,573,673	9,226,211	345,826,150	28,500,000	7,600,000	10·4
May 28, '19	6,476,867	7,102,974	344,212,731	28,500,000	—	8·2
May 29, '18	5,529,352	4,933,973	247,790,461	28,500,000	—	11·5
May 30, '17	6,155,657	4,097,755	159,102,772	28,500,000	—	17·9
May 31, '16	4,838,802	3,825,199	118,549,575	28,500,000	—	24·0

Balance Sheet, May 26, 1920.

Notes outstanding—	£	Advances—	£
One Pound	273,239,137	Other Bankers ...	—
Ten Shilling	43,197,110	Trustee Savings Banks	190,000
Certificates outstanding ...	31,880,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500,000
Total	348,316,247	Bank of England Notes...	7,850,000
Investments Reserve A/c ...	16,855,604	Government Securities ...	327,252,384
		Balance at Bank of England	679,467
Total	365,171,851	Total	365,171,851

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

1920. Week to	Revenue	Expenditure	Excess of Expenditure	Loans, Advances, &c.—Cr.	Loans, Advances, &c.—Dr.	Loans, Advances, &c.—Net +	Cash Balance
May 22	£29,191	£15,574	£13,617‡	£63,202	£76,146	—£12,944	£4,397
May 15	25,902	10,623	15,279‡	82,453	97,760	—15,307	3,723
May 8	23,338	23,116	222‡	92,826	93,446	—620	3,750
52dys. '20-21	206,757	159,734	47,023	741,673	798,063	—56,390	— 4,972
54days '19-20	115,744	239,075	123,331	713,375	596,110	117,265	— 6,665
Yr. '20-21*	1,418,300	1,184,102	234,198‡	—	—	—234,198	—
Yr '19-20	1,339,571	1,665,773	326,202	6,092,709	5,766,507	326,202	9,369
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	1,682,049	12,789
Yr. '17-18	707,234	2,696,221	1,988,987	7,499,604	3,616,023	1,983,581	21,030

Principal Items of Revenue and Expenditure.

1920. Week to	Revenue: Customs & Excise	Revenue: Income Tax, &c.	Revenue: Excess Profits Duties, &c.	Revenue: Other Revenue	Expenditure: Int., &c., on Debt	Expenditure: Misc. Expend.	Expenditure: Supply Services.
May 22	£10,090	£1,210	£4,246	£13,645	£952	£128	£14,495
May 15	4,031	1,690	4,428	15,753	1,416	857	8,350
May 8	3,586	4,062	5,280	10,410	6,055	11	17,050
52days'20-21	41,665	42,738	33,370	88,984	48,828	1,660	109,246
54days'19-20	33,035	30,598	38,426	13,870	53,811	462	178,902
Yr. '20-21*	348,650	385,800	220,000	463,850	345,000	31,198	807,904
Yr. '19-20	283,023	359,099	290,085	407,404	332,034	16,171	1,317,568
Yr. '18-19	162,220	291,186	285,028	150,587	269,964	11,380	2,297,958
Yr. '17-18	110,033	239,509	220,214	137,478	189,851	11,401	2,494,968

FLOATING DEBT. [000's omitted.]	Treasury Bills	Ways & Means Advances	Total	Natnl. War Bond Rqnts.
May 22, 1920 ...	£1,062,834	£210,367	£1,273,201	£1,745,720
May 15, 1920 ...	1,063,733	218,867	1,282,600	1,745,720
May 8, 1920 ...	1,064,452	234,767	1,299,219	1,745,720
May 1, 1920 ...	1,047,648	249,207	1,296,855	1,745,720
June 30, 1919 ...	796,150	774,237	1,570,387†	1,732,031

* Budget estimates. † Highest. ‡ Excess of revenue.

FOREIGN BANKS.

[In £'s Sterling‡—000's omitted.]

AUSTRIA-HUNGARY.	Cash Gold	Cash Silver	Cash Total	Advances To Public	Advances To Dual Govts.	Note Circulat'n	Bills Dis. counted, &c.
July 23, '14	£51,578	£12,141	£63,719	£7,772	—	£88,740	£31,993
Oct. 21, '19	10,832	2,374	13,206	371,686	£1,373,083	2,013,363	240,845
Oct. 28, '19	10,832	2,378	13,210	372,119	1,373,083	2,058,464	222,532
Dec. 7, '17	11,000	2,300	13,300	603,990	—	739,300	117,600

BELGIUM.	Gold.	Silver	Total	Discounts	Circulation	Deposit
Aug. 6, '14	£10,977	£633	£11,610	£41,925	£51,800	£6,283
May 12, '20	10,659	1,086	11,745	28,126	203,882	87,957
May 20, '20	10,659	1,085	11,744	28,261	202,169	90,596

DENMARK.	Cash Gold	Cash Silver	Cash Total	Discounts	Balance Abroad	Circulation	Deposits
July 31, '14	£4,100	£341	£4,441	£6,197	£786	£8,693	£47
Mar. 31, '20	12,589	172	12,761	18,055	590	29,123	2,024
Apr 29, '20	12,588	164	12,752	17,531	981	28,982	1,542
Apr. 30, '19	10,374	136	10,510	3,425	3,977	24,115	1,026
Apr. 30, '18	10,228	134	10,362	3,507	3,489	19,317	947

FRANCE.	Gold In Bank	Gold Abroad	Total Cash incl'g Silver	Bills	Circulation	Deposits Public	Deposits Private
July 30, '14	£165,654		£190,667	£97,768	£267,327	£15,302	£37,903
May 20 '20	144,346	79,131	233,091	79,238	1,522,080	3,342	145,031
May 27, '20	144,351	79,131	233,115	76,111	1,516,593	4,487	145,559
May 30, '19	142,848	79,131	234,255	35,865	1,382,450	5,949	136,078
May 30, '18	133,813	81,484	225,459	44,824	1,093,735	1,843	133,593

GERMANY.	Cash Gold	Cash Silver	Cash Total	Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
July 23, '14	£67,843	£16,727	£84,570	£5,279	£40,055	£94,545	£47,198
May 7, '20	54,584	152	54,736	767,736	1,874,582	2,418,644	648,680
May 15, '20	54,584	184	54,768	777,409	2,072,382	2,447,379	822,555
May 15, '19	86,252	1,057	87,309	371,584	1,431,756	1,347,892	564,522
May 15, '18	117,270	6,021	123,291	77,991	727,613	590,193	387,568

HOLLAND.	Cash Gold	Cash Silver	Cash Total	Discounts	Advances	Circulation	Deposits
Aug. 1, '14	£13,498	£249	£13,745	£13,422	£10,332	£35,660	£1,437
May 15, '20	52,982	1,002	53,984	19,110	27,111	87,744	11,419
May 22, '20	52,983	1,027	54,010	18,529	25,597	85,120	12,928
May 24, '19	55,165	844	55,809	12,758	17,690	85,403	6,859
May 25, '18	60,120	650	60,770	4,797	10,978	76,792	5,905

ITALY.	Cash Gold	Cash Silver	Cash Total	Other Cash	Loans & Discounts	Circulation	Deposits
July 31, '14	—	—	£48,456	£25,017	£69,204	£8,887	
Mar. 31, '20	£32,190	£3,006	35,196	24,666	161,664	481,801	74,222
Apr. 10, '20	32,190	3,005	35,195	21,381	158,138	486,741	74,083
Apr. 10, '19	32,750	2,944	35,694	26,840	59,063	373,059	58,878
Apr. 10, '18	33,462	3,169	36,630	4,796	54,431	284,350	60,120

JAPAN.	Gold	Discounts	Advances	Notes	Deposits Public	Deposits Private
Aug. 1, '14	£21,867	£1,829	£7,863	£32,722	£13,818	£1,521
Apr. 10, '20	91,922	32,697	33,225	120,541	117,241	3,753
Apr. 17, '20	91,791	34,988	34,057	121,010	116,736	6,553
Apr. 19, '19	70,873	1,358	34,737	78,609	109,762	4,413
Apr. 20, '18	65,378	4,088	25,531	62,578	88,362	3,289

NEW YORK BANKS & TRUSTS.	Cash Own Vaults	Aggregate Reserve	Loans, Disc'ts, Invest.,&c.	Net Deposits Demand	Net Deposits Time	Net Deposits Total	Excess Reserve
Aug. 1, '14	—	£89,888	£411,238	—	—	£387,165	£1,720
May 15, '20	£19,240†	113,900	1,023,312	£828,468	£50,274	891,340	4,136
May 22, '20	19,402†	117,110	1,030,048	836,990	50,148	897,986	6,152
May 24, '19	19,774†	117,166	987,230	820,094	29,632	877,308	8,546
May 25, '18	20,978†	108,870	912,730	735,814	33,324	859,304	9,084

NORWAY.	Gold	Balance Abroad	Norw. & For. Govt. Secs.	Disc'nts & Loans	Circulation	Deposits
July 31, '14	£3,960	£1,678	£493	£4,868	£6,752	£793
May 7, '20	8,121	3,769	579	21,874	24,248	6,104
May 15, '20	8,121	3,776	579	22,005	24,032	6,378
May 15, '19	8,188	4,121	691	18,762	23,479	4,485

PORTUGAL.	Gold	Silver	Total	Discounts & Advances	Note Circulation	Deposits
Mar. 31, '20	£1,906	£3,921	£5,827	£17,689	£88,886	£6,722
Apr. 7, '20	1,906	3,921	5,827	17,496	91,129	5,864
Apr. 9, '19	1,905	3,883	5,788	8,826	64,505	3,487
Apr. 10, '18	1,905	3,191	5,096	7,818	45,502	1,575

ROUMANIA.	Cash	Discounts	Advances	Total	Circulation
Mar 13, '20	£60,809	£7,642	£2,513	£10,155	£180,105
Mar. 20, '20	60,809	7,969	2,720	10,689	179,576
Mar. 27, '20	60,809	8,425	2,598	11,023	179,640
Mar. 30, '19	35,581	6,223	1,795	8,018	105,537

RUSSIA.	Gold In Bank	Gold Abroad	Total Cash incl'g Silver	Loans & Disc'ts	Circulation	Notes in Reserve	Total Deposits
July 21, '14	£160,114	£14,395	£181,892	£76,081	£163,411	£6,589	£109,911
Oct. 28, '17	128,523	230,865	378,205	1,869,559	1,836,217	15,783	345,550

SPAIN.	Cash Gold	Cash Silver	Cash Total	Loans, &c.	Spanish 4%	Circulation	Deposits &c.
Aug. 1, '14	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,955
May 14, '20	98,105	24,884	122,989	85,519	13,779	155,960	44,720
May 22, '20	98,105	24,827	122,932	85,518	13,779	155,271	46,001
May 24, '19	80,652	28,110	116,762	75,082	13,778	140,571	43,732
May 25, '18	82,435	28,347	110,782	54,523	13,777	117,070	39,381

SWEDEN.	Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
Aug. 1, '14	£5,717	£6,150	£1,555	£7,495	£13,432	£3,903
May 8, '20	14,500	4,473	2,524	35,668	39,159	14,230
May 15, '20	14,489	4,494	2,524	35,078	38,372	14,411
May 17, '19	16,200	7,256	2,880	18,398	37,931	6,433
May 18, '18	14,408	7,211	3,874	13,294	33,085	5,841

SWITZERLAND.	Cash Gold	Cash Silver	Cash Total	Discounts & Advances	Circulation	Deposits
July 23, '14	£7,202	£758	£7,960	£4,817	£10,718	£2,026
May 7, '20	21,235	3,602	24,837	14,739	37,659	4,608
May 15, '20	21,235	3,629	24,864	14,484	36,712	5,561
May 15, '19	17,228	2,668	19,896	21,216	36,086	5,267
May 15, '18	15,056	2,251	17,307	13,286	27,248	4,058

* Not reserve. ‡ Converted at par rate of exchange approximately.

U. STATES FED. RES. BANKS.	Gold Held by Banks	Gold With Agents	Total Cash	Bills Discount'd	Bills Accept-ances.	Deposits Govt.	Deposits Total. Net.	Circulation.
May 17,'20	£387,828		£415,678	£510,256	£82,658	£8,830	£367,870	£816,648
May 24,'20	387,944		415,908	500,078	83,474	4,874	356,876	817,040
May 24,'19	183,980	251,768	449,586	387,774	38,638	20,000	359,502	500,850
May 24,'18	187,746	191,858	391,210	184,660	55,644	24,470	311,524	315,721

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed		%	Date Fixed
Amsterdam ...	4½	July 1,'15	Lisbon	5½	Jan. 15,'14
Berlin	5	Dec. 23,'14	Madrid	5	Nov.10,'19
Berne	5	Aug. 21,'19	Paris	6	Apr. 8,'20
Bombay	8	May 13,'20	Petrograd ...	8	July 29,'14
Brussels	5½	Apr. 28,'20	Rome	6	May 12,'20
Calcutta	5	June 5,'19	Stockholm ...	7	Mar. 18,'20
Christiania ...	6	Dec. 18,'19	Tokio	8·03	Nov. 18,'19
Copenhagen ...	7	Apr. 16,'20	Vienna	5	Apr. 12,'15

III.—FOREIGN EXCHANGES.

LONDON ON—	May 28, '20	May 20, '20	May 14, '20	May 7, '20
Berlin ..... Cable	160m.	172½m.	184½m.	203m.
Brussels ..... Cheques	50fr. 50c.	52fr. 75c.	55fr. 37c.	58fr. 35c.
Denmark ..... Cable	23kr. 42	23kr. 37	22kr. 90	22kr. 70
Holland..... do.	10d. 67c.	10d. 48c.	10d. 49c.	10d. 55c.
Italy ..... do.	67lr. 00	74lr. 50	78lr. 00	78lr. 50
Lisbon and Oporto do.	10⅞d.	12½d.	13d.	13d.
New York ..... do.	$3 90½	$3 81½	$3 82	$3 87
— ..... Cheques	$3 92	$3 83	$3 82⅜	$3 85½
Norway ..... Cable	21kr. 55	21kr. 00	20kr. 70	20kr. 30
Paris ..... 3 mos.	53fr. 50c.	55fr. 87c	59fr. 60c.	63fr. 15c.
— ..... Cable	52fr. 50c.	54fr. 87c.	58fr. 60c.	62fr. 15c.
Spain (Bank places) 3 mos.	49½d.	51⅜d.	51⅛d.	51⅛d.
— ..... Cable	23p. 82	22p. 90	22p. 70	22p. 82
Sweden ..... do.	18kr.10	18kr. 27	18kr. 17	18kr. 13½
Switzerland ..... 3 mos.	22fr. 05c.	22fr. 02c.	22fr. 56c.	22fr. 15c.
— ..... Cable	21fr. 75c	21fr. 62c.	21fr. 75c.	21fr. 72c

ON LONDON—	May 28, '20	May 20, '20	May 14, '20	Par
Alexandria ..... Sight	97⅛pi.	97⅛pi.	97⅛pi.	97⅛pi.
Amsterdam ..... Cheques	10d. 65c.	10d. 47c.	10d. 49c.	12.107d
Athens ..... Cable	34dr. 05	33dr. 77	34dr. 00	25dr. 22½
Bombay ..... Transfers	2s. 1⅛d.	2s. 1⅝d.	2s. 2⅛d.	2s.*
Brussels ..... Cheques	49f. 57c.	50f. 50c.	54f. 15c.	25f. 22½c.
Buenos Ayres ..... Transfers	59⅛d.	60⅜d.	80⅜d.	47.58d.
Calcutta ..... do.	2s. 1½d.	2s. 1⅝d.	2s. 2⅛d.	2s.*
Christiania ..... Sight	21kr. 50	20kr. 76	20kr. 59	18.159kr.
Copenhagen ..... do.	23kr. 45	23kr. 27	22kr. 83	18.159kr.
Helsingfors ..... Cable	83½m.	73½m	72½m.	25m. 22½
Hong Kong ..... Transfers	4s. 3½d.	4s. 2d.	4s. 1½d.	—
Italy ..... Sight	67lr. 50c.	72lr. 00c.	76lr. 25c.	25l. 22½c.
Lisbon ..... do.	10½d.	12⅜d.	13⅛d.	53½d.
Madras ..... do.	2s. 1½d.	2s. 1⅝d.	2s. 2⅛d.	2s.*
Madrid ..... do.	23p. 81	22p. 84	22p. 80	25p. 22½
Montevideo ..... Transfers	61½d.	62½	63½	51d.
Montreal ..... Cable	$4 37	$4 24	$4 25	$4 86⅝
New York..... Sight	$3 91	$3 80⅝	$3 81½	—
— ..... 60 days	$3 89½	$3 79	$3 80	—
— ..... Cable	$3 91⅞	$3 81⅛	$3 82	$4 86⅝
Paris ..... Cheques	52f. 35c.	51f. 55c	57f. 05c.	25f. 22½c.
Rio de Janeiro ... 90 days	16⅜d.	16 7/16d	16 7/32d.	18d.
Shanghai ..... Transfers	5s. 11d.	6s. 0d.	5s. 11½d.	—
Singapore ..... Sight	2s. 3⅝d.	2s. 3⅞d.	2s. 3⅝d.	—
Stockholm ..... do.	18kr. 04	18kr. 31	18kr. 20	18.159kr.
Switzerland ..... do.	21f. 70c.	21f. 76½c.	21f. 86c.	25f. 22½c
Valparaiso ..... 90 days	12⅛d.	12 3/16d.	11 15/16d.	18d.
Yokohama ..... Sight	2s. 7½d.	2s. 8d.	2s. 8⅛d.	24.58d.

* Fixed at Rs. 10 to the gold sovereign, February 2, 1920.

NEW YORK ON—	Rate Current* May 28, '20	Rate Current* May 20, '20	Par as usually Quoted	Rate July 3.
Amsterdam, sight ...	36 30c.	36·25c.	40 20c. for 1 guilder	40·25c.
Bombay, cheques ...	41·25c.	40·50c.	48·66c. for 1 rupee	33·00c.
Buenos Aires, cheques ...	103·80	103·75		
Christiania, cheques ...	18 00c.	18·25c.	26·80c. for 1 kroner	
Copenhagen, cheques ...	16·30c.	16·35c.	26 80c. for 1 kroner	26·85c.
Greece, cheques ...	11·35c.	11·35c.	19·295c. for 1 drachma	
Hongkong, cheques ...	85·50c.	84·50c.	74·59c. for Mex. $1	48·4c.
Italy, sight	16·50l.	19·65l.	5·18½ lire for $1	5·17l.
Lima, cheques	4·99⅞l.	4·99⅞l.	4·8665 $ for 1 libra	
Manila, cheques... ...	49·60c.	49 60c.	50c. for 1 peso	49·8c.
Montreal	11·25% disc.	10·375% disc.	Premium per $100	Par
Paris, sight	12·55fr.	14·15fr.	5·18½ francs for $1	5·18fr.
Petrograd, sight ...	—	—	51·46c. for 1 rouble	51·37c.
Rio de Janeiro, cheques	39·80c.	38·90c.	32·42c. for 1 milreis	
Shanghai, cheques ...	118c.	118c.	52·96c. for 1 tael	83·00c.
Singapore, cheques ...	51·25c.	50·50c.	56·77c. for $1	57·12c.
Spain, cheques	16·35c.	16·70c.	19·30c. for 1 peseta	
Stockholm, cheques ...	21·05c.	20·80c.	26·80c. for 1 kroner	
Switzerland, cheques ...	5·63fr.	5·69fr.	5·18½ francs for $1	5·18½fr.
Valparaiso, cheques ...	19·00c.	19·00c.	20·61c. for 1 peso	
Yokohama, cheques ...	51·25c.	50·50c.	49·84c. for 1 yen	49·90c.

* According to Guaranty Trust Company of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount.	Inc. or Dec.*	1920 Agg.	Inc. or Dec.*
	1920	[In £'s sterling 000's omitted.]			%
BIRMINGHAM ...	May 22	£3,222 +	£1,145	£80,036 +	£28,871 + 56·4
BRISTOL	,, 22	1,783 +	440	38,413 +	11,479 + 42·6
DUBLIN	,, 22	7,922 +	565	188,157 +	44,090 + 30·6
LEEDS	,, 22	1,765 +	604	38,883 +	15,589 + 66·8
LEICESTER	,, 22	1,217 +	490	30,211 +	11,970 + 65·6
LIVERPOOL	,, 22	16,083 +	4,799	371,847 +	145,088 + 64·0
MANCHESTER ...	,, 22	30,865 +	17,198	689,432 +	379,499 + 122·4
NEWCASTLE ...	,, 22	3,218 +	981	68,585 +	28,993 + 73·2
NOTTINGHAM ...	,, 22	916 +	395	25,179 +	11,902 + 89·6
SHEFFIELD	,, 22	1,238 +	504	34,089 +	9,918 + 41·1
LONDON—	1920.				
TOWN†	May 26	551,046 +	128,556	13,770,417 +	5,839,919 + 73·6
METROPOLITAN†	,, 26	35,281 +	3,408	897,422 +	211,150 + 30·8
COUNTRY†	,, 26	62,701 +	5,228	1,714,729 +	459,376 + 36·6
TOTAL†	,, 26	649,028 +	137,190	16,382,568 +	6,510,445 + 66·9

* Compared with a year ago. † Ex. West Monday Bank holiday.

V.—FREIGHTS.—According to Messrs. J. C. Gould, Angier and Co.

HOMEWARDS.	1920 May 28	1920 May 20	1913 May 30
Alex. to U.K. ...	47 6	—	-
Aust. to U.K. ...	150/0	—	31/3
Azoff to L.H.A.R.	—	—	10 3
Bombay to p.p.	110/0d.w.	110/0d.w.	20/6
Burmah to U.K.	—	140/0	27 0
Calcut.to p.p.(jute)	110/0	—	d.w.24 6
Danube to U.K. ...	60.0	—	10/9
Odessa to L.H.A.R.	—	—	9.3
R. Plate to U.K.	120 0	112/6	16/8

Homewards.—*Cont.*	1920 May 28	1920 May 20	1913 May 30
U.S.Atl.Ports to L'pl. (cotton, 100lb.)	—	—	41/3
U.S. to U.K. (gr.)	10/6	10/6	2/9
Gulf Ports to U.K.Cont. (cotton&grain)...	12/0	12/0	15/0
OUTWARDS— Cardiff to			
Aden	—	—	—
Colombo ...	—	—	12/4½
Port Said ...	75/0	70/0	10/0
River Plate ...	—	—	19/0
St. Vincent ...	35/0	35/0	10/3

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VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	MAY 28, 1920.	MAY 30, 1919.	JUNE 30, 1914
Iron—Scotch pig warrants ...ton	223/6	161/0	57/0
— Middlesbro' warrants ...ton	277/6	155/0	51/0
— Hematite warrants ...ton	260/0	180/0	61/0
— Staffordshire bars, London ton	£28 10	£20 10	£8 10
— Common bars ...ton	£28	£21	£6 16
Steel Rails ...ton	£23	£15	£6 2/6
Galvanised Sheets ...ton	£52	£28—£30	£16 17/1
Copper—Standard ...ton	£93 10	£79—£79 5	£66
Tin—English Ingots...ton	£272 10	£230—£231	£142 15
— Straits ...ton	£300nom.	£237 10	£139 10
Tinplates, I.C. Coke, S. Wales...box	74/0	32/6—33/0	11/10½—12/0
Lead—Soft Foreign ...ton	£38 10—£39 10	£23	£19
Spelter—Ord. Foreign ...ton	£43 15—£46	£35 15—£36	£21 7/9
Quicksilver—(75lb.) ...bottle	£20nom.	£18 10—£19	£7
Aluminium ...ton	£185	£150	£82
Antimony—Regulus Foreign ...ton	£58—£61nom.	£41—£43	£27 10
— English ...ton	£60—£65nom.	£45	—
Coal—(best) Yorkshire ...ton	37/2—38/2	23/6—24/6	17/6
— Steam (best) Newcastle ...ton	50/2—55/2	40/0—45/0	14/6
CHEMICALS, OILS, &c.			
Nit. of Soda—f.o.b Chile, per quintal	15/3	9/6	7/4
Soda—Crystals ex ship ...ton	230/0—240/0	129/0—130/0	42/6—45/0
Copra—Malay and States ...ton	£59 10	£58 10	£23 15—£24 7/6
Gambier—Good marks ...cwt	50/0	40/0	16/10½
Indigo—Bengal good to fine ...lb.	13/0—16/6	9/0—10/6	3/2—3/8
Linseed Oil—Raw ...ton	£99	£106	£25 5
Linseed—Calcutta, spot ...ton	£43 15	£46 5	£13 16/9
— **Cakes, U.K. made, ex mill**...ton	£22	£19	£7 17/6—£8
Olive Oil—Spanish ...tun	—	nom.	£49 10
Palm Oil—Lagos ...ton	£64 10	£75—£76	£31 10
Petroleum—American ...gallon	2/1⅜	1/4½	7½d.
Rape Oil—Refined English...ton	£108	£101	£32
Soya Oil—Refined ...ton	£105	£75	£24 10
Tallow—Imported ...cwt.	80/0—90/0	80/0—100/0	29/3—33/3
Turpentine—American ...cwt.	200/0	102/0	33/7½
Rape Seed—Toria ...ton	£40 10	£41	£13 5
Rubber—Para, spot ...lb.	2/2nom	2/5	2/9½
— Fine plantation (stnd. crepe) lb.	2/0¾	1/10½	2/2
— **World's Production*** Mar. tons	27,685	29,000	8,467
Shellac—T.N. Orange, fair ...cwt.	590/0	330/0	63/0—64/0
TEXTILES.			
Cotton—Middling Upland ...lb.	28·60d.	20·44d.	7·53d.
— Egyptian, good fair ...lb.	64·50d.	26·34d.	8·75d.
— Pernambuco fair ...lb.	31·10d.	23·24d.	7·73d.
— Midland Upl. New York...lb.	40·00c	33·15c.	13·25c.
— Stock, Liverpool (May 14) bales	1,204,770	516,030	934,600
Flax—Petrograd, Yarapol ...ton	—	nom.	£28
Hemp—New Zealand ...ton	£59	£47	£25 10
— Manila, Fair ...ton	£63	£48 10	£26 10
Jute—First Marks ...ton	£58	£49	£26 15
— Red SOC ...ton	£45	—	£24 15
Silk—Blue Elephant ...lb.	35/0	22/6	11/3—11/6
Wool—Pt. Philip unwashed av. lb.	5/9	3/1½	11½d.—1/0
— Lincoln Half Hogs ...lb.	2/3½	1/7½nom.	1/0½
Hides—Eng. Ox, best, 65lb. up lb.	18½d.—19d.	9½d.—10½d.	7½d.
Leather—Dressing Hides ...lb.	4/0—4/6	2/7—3/3	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus	59,851,000	67,399,000	34,640,000
— Red, price, N.Y. 60lb....bushel	320c.	237½c.	67½c.
English Gazette, aver. 480lb. qr.	72/10	73/2	34/3
Flour—G.R. ...280lb	63/6	44/3	28/6
Barley—Eng. Gaz., aver. 400 lb. qr.	88/1	62/7	25/4
Oats—Eng. Gaz., aver. 312 lb. qr.	60/1	47/11	20/0
Maize—N.Y (new bushel)...56lb	—	193c.	76½c.
— Amer. mixed, Liverpool...480lb.	nom.	63/9	32/4
— La Plata ...480 lb. qr.	77/6	60/0	25/9
Potatoes—Good English ...ton	†315/0	208/0	70/0—75/0
Rice—Bassein ...cwt.	48/6	25/0	7/0—7/3
Tapioca—Pearl, medium ...cwt.	34/0	46/0	14/0—17/8
Hay—best ...2,018lb....load	—	176/0	82/6
Hops—English ...cwt.	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs ...8lb.	6/8	6/8—7/2	3/8—3/10
— Scotch sides ...8lb.	10/0	8/6	4/6—5/0
— English ...8lb.	10/0	8/6	4/2—4/5
Mutton—Scotch wethers ...8lb.	10/6	9/0	5/8—6/0
— English wethers ...8lb.	10/6	9/0	4/6—5/4
— New Zealand frozen ...8lb.	10/6	7/8	2/4—3/2
Pork—English and Irish ...8lb.	10/0—14/0	10/8	3/6—4/0
Bacon—Irish, delivered ...cwt.	†220/0	190/6	60/0—74/0
— Danish ...cwt.	†192/0	—	58/0—68/0
— Canadian, ex Port ...cwt.	†187/0	180/0—190/0	—
— American, ex Port ...cwt.	†187/0	174/0—186/0	72/0—74/0
Hams—Amer. long cut, ex Port cwt.	†184/0	174/0—192/0	75/0—79/0
— — short cut, ex Port ...cwt.	†184/0	172/0—190/0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt.	†158/6	160/0—189/9	51/9—52/9
Butter—Danish ...cwt.	303/4	Controlled 252/0	117/0—120/0
— French ...cwt.	303/4		96/0—108/0
— Australian ...cwt.	303/4		98/0—110/0
— New Zealand ...cwt.	303/4		108/0—114/0
Cheese—Canadian ...cwt.	†145/0	Controlled 144/8	66/0—68/0
— United States ...cwt.	†145/0		
— Dutch ...cwt.	†145/0		53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Apr. 30 ...cwt.	10,004,592	9,133,027	19,777,254
— Home consump'n. to Apr. 30 cwt.	8,420,987	9,057,361	17,272,000
— In Bond Apr. 30 ...cwt.	7,618,000	6,869,000	6,306,000
— Price, Java, 96° Pol. ...cwt.	105/0	36/0	10/3
— — Yellow crystals ...cwt.	112/0	57/9	12/6—14/0
— — Tate's Cubes, No. 1 ...cwt.	116/0	64/9	18/0
Coffee—Imports to Apr. 30 ..cwt.	267,439	407,689	720,360
— Home consumpt'n to Apr. 30 cwt.	102,846	99,480	141,410
— Exports to Apr. 30 ...cwt.	169,426	69,500	340,250
— In Bond Apr. 30 ...cwt.	709,000	861,000	484,000
— Price, Costa Rica gd. to fine cwt.	155/0—175/0	145/0—155/0	80/0—93/0
— — Brazil (Santos) Good ...cwt.	120/0—125/0	65/9	41/6
Tea—Imports to Apr. 30 ...lb.	146,030,275	143,175,704	123,230,277
— Home consump'n. to Apr. 30 lb.	123,555,201	109,384,355	155,447,972
— Exports to Apr. 30 ...lb.	15,602,706	8,519,860	26,561,765
— In Bond Apr. 30 ...lb.	216,485,000	149,671,000	78,292,000
— Price, Indian, Pek. Soug. gd. lb.	—	1/4	8½d.
— — Ceylon, Pek. Soug. Ord. lb.	—	1/4	8½d.
— — Common Congou ...lb.	—	1/4	5½d.
Cocoa—In Bond Apr. 30 ...cwt.	1,128,000	998,000	309,000
— Grenada, good to fine ...cwt.	122/0-124/0nom.	85/0	52/6—56/0

* Estimated. † Controlled. ‡ Decontrolled: Price Ex. Factory.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific	Mar.	$15,718,000	+3,342,000	$1,958,000	+ $419,000
	3 *mos. to* Mar.	43,188,000	+6,721,000	3,258,000	— 816,000
Grand Trunk	Mar.	£1,182,800	+ £49,900	£54,500	— £118,200
	3 *mos. to* Mar.	3,179,000	+ 301,500	Dr.215,100	— 177,000

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open.	Gross Receipts.	+ or — on Year Ago.	No. Wks	Aggregate Receipts.	+ or — on Year Ago
Assam Bengal	Apr. 17	993	R1,92,137	+ 488	3	4,57,379	+ 6,115
Barsi Light ...	Apr. 24	118	26,200	+ 2,300	4	1,18,800	— 13,700
Bengal & N.W.	Apr. 17	2,065	5,06,970	— 82,946	3	11,69,000	— 2,60,130
Beng. Dooars	Apr. 24	158	22,294	— 1,736	3	80,568	— 7,558
Beng. Nagpur	Apr. 17	2,695	12,16,000	— 1,05,000	2	29,19,000	— 2,66,055
Bomb. Baroda	May 15	2,871	21,34,000	+ 1,04,000	6	1,32,91,000	+ 10,79,000
Burma	Apr. 10	1,342	8,65,160	— 1,11,591	1	—	—
Del. Um. Kalk.	May 15	239	87,500	— 15,014	6	6,23,914	+ 80,237
East Indian ...	May 22	2,771	27,99,000	+ 64,000	8	2,13,92,000	+ 8,96,000
Gt. Indian Pen.	May 15	3,121½	28,80,400	— 1,14,300	6	1,82,23,500	+ 2,31,289
Madras & S.M.	Apr. 24	3,152	12,60,000	+ 18,226	3	40,50,000	— 45,338
Nizam's Guar.	Apr. 17	900	3,77,219	+ 76,933	3	8,86,964	+ 1,37,242
Roh. & Kumn.	Apr. 10	576	1,67,583	+ 674	1	—	—
South Indian	Apr. 17	1,852½	7,59,100	+ 14,293	3	18,37,123	+ 38,818
South Punjab	Jan.	716	8,16,996	+ 1,19,924	4*m*	31,12,021	+ 1,10,363
COLONIAL							
Can. Northern	May 14	9,704	$1,221,800	+ 141,500	19	19,734,923	+ 2,843,374
Can. Pacific ...	May 21	13,388	3,833,000	+ 676,000	20	69,563,000	+ 11,155,000
Grand Trunk	May 21	3,616	£271,537	+ 21,989	20	5,096,758	+ 393,878
Mashonaland	Feb.	810	62,438	+ 17,413	5*m*	346,916	+ 118,028
Mid. W. Aust.	Mar.	277	13,741	+ 3,001	9*m*	99,189	+ 14,507
New Cape Cent.	May 1	205	3,145	+ 1,095	18	58,013	+ 9,235
Rhodesia Rlys.	Feb.	1,397	96,605	+ 22,240	5*m*	—	—
Temiscouata...	Oct.	—	$30,562	+ 2,154	10*m*	304,661	+ 22,504
W. Pass. & Yuk	Aug.	122	—	—	8*m*	$968,676	+ 31,021
FOREIGN.							
Argentine.							
Arg. N. East...	May 15	752	£ 13,500	+ 700	46	539,900	+ 83,200
Arg. Transand.	May 22	111	£ 2,770	— 1,680	47	151,371	— 26,909
B. A. & Pacific	May 22	3,536	£ 189,000	— 52,000	47	7,181,000	+ 1,683,000
B.A.Gt. South	May 16	3,792	£ 183,000	+ 47,000	46	8,328,000	+ 1,980,000
Do.	May 16	Net	£ 48,000	+ 21,000	46	2,865,000	+ 1,458,000
B. A. Western	May 16	1,882	£ 111,000	+ 29,000	46	4,601,000	+ 1,416,000
Do.	May 16	Net	£ 39,000	+ 18,000	46	1,556,000	+ 801,000
B. A. Central	Mar.	190	£ 49,015	+ 6,843	3*m*	413,316	+ 48,073
Cent. Argent.	May 15	3,305	£ 224,000	+ 81,200	46	8,348,000	+ 2,258,900
Do.	May 15	Net	£ 89,000	+ 68,700	46	2,702,100	+ 1,818,200
Cord. Central	May 22	1,205	£ 61,500	+ 15,000	47	2,791,700	+ 728,390
Entre Rios ...	May 15	811	£ 24,800	+ 3,300	46	1,108,700	+ 172,200
Brazilian.							
Brazil Gt. South	Mar.	110	M 53,000	+ 1,050	3*m*	162,500	+ 24,360
Brazil Railway	Dec.	3,530	M 4,859,000	— 141,271	12*m*	57,772,000	+ 7,819,243
Gt. W. Brazil	May 22	1,010	£ 19,300	— 2,500	21	523,400	+ 118,600
Leopoldina ...	May 15	1,831	£ 56,658	+ 23,896	20	1,052,250	+ 543,850
Mogyana	Dec.	1,180	M 1,561,000	— 956,490	12*m*	22,267,000	— 2,474,651
Paulista	Dec.	766	M 2,650,000	— 906,038	12*m*	32,479,000	— 1,225,892
San Paulo ...	May 23	153½	£ 48,789	+ 11,678	21	931,166	+ 299,623
Sorocabana ...	Dec.	1,003	M 1,749,000	— 246,168	12*m*	21,953,000	+ 978,892
S. of Bahia S.W.	Mar.	52	M 57,000	— 2,000	3*m*	238,000	+ 8,000
Chilean and Peruvian.							
Antofagasta ...	May 16	838	£ 36,900	+ 13,280	20	1,023,770	+ 491,760
Arauco	Mar.	84½	£ 12,000	+ 2,000	3*m*	41,000	+ 8,500
Nitrate (2wks.)	May 15	390	£ 38,479	+ 22,291	18	404,948	+ 109,734
Peruvian Corp.	Apr.	1,140	S 1,302,820	+ 103,400	10*m*	11,987,814	+ 1,738,858
Taltal	Apr.	180	£ 28,830	+ 20,678	10*m*	237,660	+ 88,161
Cuban.							
Cuban Central	May 22	362	£ 34,544	+ 1,958	47	1,308,442	+ 244,535
Havana Cent.	May 15	70	£ 14,809	+ 1,360	46	531,508	+ 86,579
U. of Havana	May 22	681	£ 76,798	— 4,577	47	3,304,749	+ 525,633
W. of Havana	May 22	155	£ 15,821	+ 708	47	519,338	+ 101,293
Uruguayan.							
Cent. Uruguay	May 22	273	£ 26,098	+ 2,959	47	1,085,831	+ 54,977
" (E. Ext.)	May 22	311	£ 6,853	+ 722	47	298,197	+ 34,754
" (N. Ext.)	May 22	185	£ 4,233	— 311	47	180,096	— 479
" (W. Ext.)	May 22	211	£ 2,837	+ 179	47	133,538	+ 9,074
Mid. Uruguay	Apr.	319	£ 19,149	+ 1,112	10*m*	199,229	+ 23,539
N.W. Uruguay	Apr.	113	$ 5,319	— 626	10*m*	67,351	+ 3,492
Urug. Northn.	Apr.	73	£ 1,957	+ 73	10*m*	24,277	+ 3,421
Miscellaneous							
Alcoy & Gandia	May 22	33	Ps. 12,000	+ 1,500	20	241,900	+ 36,000
Bilbao	Apr.	15	£ 4,702	+ 3,285	4*m*	15,720	+ 6,400
Bolivar	Apr.	136	£ 9,687	— 3,350	10*m*	97,894	— 3,603
Colomb. Natnl.	Mar.	86	£ 15,636	+ 5,776	3*m*	47,396	+ 16,616
Costa Rica ...	Feb.	189	£ 30,440	+ 7,928	8*m*	203,876	+ 26,648
Dorada Ext....	Apr.	70	£ 18,000	+ 8,000	4*m*	53,500	+ 23,200
Egyptian Delta	Apr. 30	559½	£ 12,200	+ 12,200	4	35,715	+ 35,715
Gt. S. of Spain	May 15	104	Ps. 86,231	+ 11,145	20	1,681,927	— 824,576
La Guaira & Ca.	Apr.	22⅔	£ 15,000	+ 7,740	4*m*	58,200	+ 25,220
Ottoman Ry...	May 8	379	£ 7,308	— —	—	—	—
Paraguay Cent.	May 8	255	£ 5,080	— 120	45	217,040	+ 30,340
Puerto Cabello	Apr.	34	£ 5,500	+ 800	6*m*	23,000	+ 3,375
Salvador	May 22	100	£ 5,516	+ 1,721	47	213,076	+ 86,955
Santa Fe Prov. French Rys.	Mar.	1,181	£ 163,680	— 4,344	3*m*	467,280	— 20,788
S'm'na & S'ti'go	Mar.	80	£ 13,200	+ 5,251	3*m*	36,880	+ 14,435
Zafra & Huelva	Mar.	112	£ 13,522	+ 3,674	3*m*	40,596	+ 10,580
TRAMS.							
Anglo-Argent.	May 20	400	£ 79,317	+ 18,509	20	1,494,328	+ 329,073
Auckland Elec.	June 30	27	—	—	52	292,502	— 2,083
Bombay Elec.	Jan.	39	R. 7,79,874	+ 1,45,829	1*m*	—	—
Brazilian Trac.	Mar.	378½	M 9,900,000	+ 570,000	3*m*	28,936,000	+ 3,112,000
Brisbane Elec.	Apr.	40½	£ 44,890	+ 6,115	4*m*	176,750	+ 25,640
Brit. Columbia	Mar.	334	$ 761,182	+ 112,062	9*m*	6,557,837	+ 1,187,718
B. A. Lacroze	Apr.	51	£ 53,429	+ 9,822	10*m*	507,116	+ 72,930
Calcutta	May 22	35½	R 92,513	+ 8,116	21	18,13,845	+ 138,835
Cape Electric	Feb.	42½	£ 26,789	+ 334	8*m*	214,950	+ 26,970
Carth. & Herr.	Apr.	9	£ 5,482	+ 3,696	4*m*	17,731	+ 7,539
Chatham & Dist	May 13	15	£ 1,734	+ 47	19	28,889	+ 3,553
Havana Elect.	July	86	$ 794,768	+ 100,679	7*m*	5,116,661	+ 407,587
Isle of Thanet	May 19	20½	£ 943	+ 87	34	21,033	+ 7,574
Kalgoorlie ...	Jan.	20½	£ 2,573	+ 11	1*m*	—	—
Lanarkshire ...	May 13	28½	£ 4,256	+ 564	19	76,793	+ 17,122
Lima Light ...	Feb.	85	£ 56,050	+ 9,940	2*m*	114,635	+ 23,195
London C.C. ...	May 26	141½	£ 94,311	+ 11,411	7	671,099	+ 38,299
Madras (2wks.)	May 15	15½	Rs. 54,473	+ 7,848	18	436,026	+ 117,833
Manila Electric	Feb.	55	$ 278,243	+ 66,567	2*m*	556,581	+ 113,319
Pernambuco...	May 23	59	£ 7,001	+ 1,276	21	157,084	+ 44,496
Provincial ...	May 15	21½	£ 3,859	+ 84	33	97,306	+ 13,980
Rangoon Elec.	Apr.	25	£ 7,857	+ 1,640	4*m*	31,689	+ 5,427
Shanghai Elec.	Apr.	26⅝ M	X. $142,000	+ 17,000	4*m*	557,394	+ 80,394
Singapore Elec.	Apr. 17	26½	$ 23,173	+ 8,381	16	353,089	+ 99,100
U. of Montevid.	Apr.	90½	£ 42,174	+ 5,160	6*m*	264,898	+ 36,943

The Exporter and his Customer

CO-OPERATION between the exporter here and the buyer abroad in the matter of financial arrangements for the shipment of goods may frequently serve to expedite sales and strengthen commercial ties.

The Officers of the Guaranty Trust Company of New York will be glad to confer with representatives of reliable firms engaged in the export trade as to their financial arrangements with their customers abroad, and to offer suggestions for the best method of financing their sales.

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Paid-up Capital & Surplus - $50,000,000
Total Assets more than - $800,000,000

The Statist.

LONDON, SATURDAY, MAY 29, 1920.

THE UNITED STATES.

On the eighth of next month—that is Tuesday week—the meeting which is to determine who is to be the candidate of the great Republican party for the Presidency of the United States is to be held. But it is to be recollected that the actual voting will not take place until the beginning of November. Consequently, from now until November the public will be engaged in actual canvassing. When the final decision is arrived at, the new President will not be installed until midday on March 4, so that it will be nearly nine months before the new Government comes into actual charge of affairs. It would be contrary to all previous experience if President Wilson, once a new man is elected, should undertake any duty which can be reasonably put off. Therefore, we may assume that the United States Government will not undertake any new kind of business until the new President has had time, not only to become acquainted with the immediately pressing work requiring to be done without delay, but also until he has had a full opportunity for informing himself regarding what the United States Government has either claimed, or promised, in respect to all matters intimately affecting it. We may, therefore, reasonably conclude that no new business will be undertaken by the United States Government for some months after March 4 next, unless, of course, some other Government acts in such a manner as leaves the Government of the United States no option but that which is forced upon it by outside conduct. Although, then, there is an almost universal belief that the Republicans will win by a large majority, there is very general agreement, likewise, that whoever may be elected will take care to make himself acquainted with everything that the United States hitherto has done in regard to all matters which are likely to have in any way drawn either expressions of opinion or warnings from the existing Administration. But that does not affect the question that if, as everybody anticipates, the Republicans come into office, they will in very many respects adopt policies different from those of President Wilson; and that, consequently, we may expect to see a change in many directions at the other side of the Atlantic. The great Republican party, it will be recollected, was divided in opinion at the time when Mr. Wilson was elected. But now the party is once more united, and it is reasonable to anticipate that whoever is chosen next November will, as a matter of fact, receive the full support of the party; and we do not hesitate to express our own opinion that the Republican party at present has the support of a large majority of the public.

The circumstances being such, it is not by any means easy, even for the best-informed American, to venture upon an opinion as to the policy which will be pursued by the new Administration. Yet there are certain points respecting which one may venture upon tolerably positive opinions. In the first place, we may without risking much venture upon the suggestion that Mexico will be required to adopt a policy which will not continue to press unduly upon Americans who have invested large sums in that country. The American people, as we have often acknowledged in this Journal, are not an aggressive people. On the contrary, they are quite willing to permit their neighbours to work out their own policies so long as those policies are not injurious to American interests. It will be recollected, when Spain failed year after year for a long space of time to maintain even a moderate degree of order in Cuba, the United States Government did not interfere. In the end, the struggle between Spain and Cuba became so protracted, and the conduct pursued by the Spaniards seemed so objectionable to the Americans, that war followed. But everyone who remembers how long it was before war occurred will also feel convinced that Spain had been given abundance of time to make good her authority in Cuba. Therefore, we may safely conclude that the United States will not adopt an unexpected, or a hostile, policy towards any of its neighbours until, at all events, full time has been given for such neighbours to understand the feelings that animate the United States. We assume, therefore, that the new American Government, whatever it turns out to be, will, as soon as it has made itself fully acquainted with the course followed by the United States since the outbreak of the present disturbances in Mexico, address to the Government of the latter State such terms as will practically require the adoption of such a policy in Mexico as will allow American citizens who have invested very large sums in railways, in mines, and in other properties in Mexico to pursue their interests without danger either to themselves or to their properties. The civil war in Mexico has lasted a long time. The death of President Carranza seems to afford an opportunity for establishing some kind of settled government. And if Mexicans are sufficiently aware of their own interests to form a Government that will not inflict injury upon the United States, then we have reason to hope that the Mexicans will be allowed to arrange their own affairs in their own way. On the other hand, if parties are so exasperated against one another that they will not, knowing all the facts, make it possible for Americans to pursue their interests in Mexico, we greatly fear that a sufficient American expedition will be sent into Mexico, and that the latter will be annexed, unless, of course, the Mexican people are wise enough, even at the last moment, to make such concessions as will enable the United States to grant to them favourable terms.

We take it that the condition of Mexico is the most urgent question now concerning the United States; and, therefore, we assume that, as soon as the new Government is in a position to make up its mind as to the policy it is necessary to pursue, that policy will be determined upon. The American people are not likely to turn round and see whether they cannot also extend their authority in other directions. Yet we must not forget that this is a year when the feeling is exceptionally strong in the United States that the Government of President Wilson has not been quite satisfactory, and therefore that it is desirable that a new Administration should be brought into office which will pursue purely American interests. Moreover, it is perfectly certain that both the Irish and the Germans in the United States will exercise all their influence to stir up the feelings of the winning party against this country. It is unnecessary to remind our readers of how very large a body the Germans and the Irish added together make in the United States. And it is equally unnecessary to remind them that both Germans and Irishmen have, or at all events believe they have, a grievance against this country. Consequently, we may assume with absolute confidence that the very ablest men that can be found in the United States to advocate the interests of Ireland and Germany will be employed to induce the new Government to pursue a policy as much as possible in favour of Ireland and Germany, or, if the expression is preferred, hostile to the British Empire. The two parties are exceedingly numerous. They can offer a vote which it is exceedingly desirable to secure. And therefore, although it does not literally follow that every promise given will be fulfilled, yet there are promises and promises, which make a great difference, as we are all aware.

In a week's time the best men the Irish and the Germans can find to push their interests in Chicago will be assembled in that city, or on their way, at all events. And their object will be to get from the Republican party as favourable promises as can be elicited from it, both for the Irish and for the Germans. Furthermore, it is to be remembered that in four years' time another election will take place. It has come to be regarded almost as proof of competence or incompetence whether a newly elected President is re-elected at the end of the first four years. Assuming, therefore, that the Irish and the Germans do their utmost to secure the support of the Republicans against this country, there will remain a certainty in the minds both of them and of the Republicans that when the next election, in four years' time, comes round the new President will come forward for a second term, and will look to those who gave him the first term for support. Therefore, what is done in the present election will, in a sense, bind all the parties when the next election comes round in four years' time. Consequently, what happens now will be regarded as more or less of an engagement that it will be repeated four years hence. It will be understood, then, that we are about to see in little more than a week negotiations in Chicago which will affect our own interests all over the world very largely, and that unless we have taken precautions in time it is very probable that we shall have cause by-and-by to regret our mistake. It is hardly worth while to ask what other policies the new Government is likely to adopt, firstly, because there is no party in the United States knowingly interested in any matter sufficiently to make a serious attempt to pledge the Government. Besides, the Republican party has broken with President Wilson on so many matters that practically it seems decided that, unless the new President has exceedingly strong views of his own, and is willing to risk offending his supporters, he will not do anything that would seem to be contrary to the declared policy of his party. We take it, then, that we know the policy of the United States well enough to be very sure of a certain number of things: firstly, that there will be as earnest an effort made as the parties can contrive by Germans and Irish to pledge the Republican party against this country; and, secondly, that Mexico will be called upon, if it does not immediately set about establishing order, to put a stop to the disturbances which are making it dangerous, as well as difficult, for Americans who have invested large sums of money to look after their interests in Mexico.

FRANCE.

We are presenting our readers at present with reports upon the condition of France, which we sincerely hope they will study very carefully. We have deliberately put off the task until now, for we wanted to see, firstly, whether the losses due to the War were really so great as at the time were reported, and, therefore, would seriously delay the reorganisation of the country; and, secondly, we desired that idle and ill-informed contemporaries should have full opportunity to waste all their folly before we asked our readers to study carefully the work of an able man, who has been selected expressly for the work because of the manner in which he devotes himself to any task he undertakes, and the judgment he is able to bring to bear upon it. Of course, we are not vain enough to ask our readers to accept as gospel everything we say. We state the facts as we see them, without desire to colour them in any way. But every reader has the opportunity to seek in other languages, as well as in the English language, for correction. What we honestly desire is that the real condition of France should be understood; and if that is done we are entirely indifferent as to what is thought of our postponing the matter so long, or of our taking it up just now without any apparent urgent reason. We believe that it is of the very first importance that France should be assisted to reorganise herself and to rise to a great height of prosperity. We have, therefore, put off our inquiry from the time when people were still under the influence of the War, and, therefore, were hardly in the frame of mind to judge how matters costing very large sums, and involving the happiness of immense multitudes of people, needed to be treated. Now we hope that the early influence of the War has spent itself; that we are all getting over the nervousness that affected us; that we are growing into a frame of mind when we can discuss large questions involving not only immense sums of money, but the happiness of large multitudes of people. And without bragging of our intentions, we would earnestly invite our readers to study the matter carefully to see, as far as they know how, whether we are correct in our statements; and, finally, to make up their minds how this country ought to act towards an Ally who bore the brunt of the fighting, and who, therefore, has neither the numbers nor the wealth which would enable her almost instantly to reconstruct her prosperity.

We are not of those who, once they get involved in war with another country, would like to see that other country ruined. On the contrary, we wish that Germany should be treated fairly, and that no unnecessary obstacle should be put in her way in building up the great prosperity she threw away six years ago. But while we wish well to Germany—while, indeed, we hope that Germany will, throwing aside the evil influence of the militarists, yet do her utmost to make Germany great and prosperous—we wish, at the same time, that all the other countries should prosper likewise, for it is only by general prosperity that the world can hope to gain that state of even moderate prosperity which would make the lives of men and women somewhat more tolerable than their lives have been in this extremely badly governed country of ours. We want the idle rich got rid of, to begin with; we want the real working people to have a strong voice in deciding the policy of the country;

and we want everywhere contentment, peace, and hard work. Such being our desire, we consider that it is of first-rate importance that our readers should be afforded the means of judging for themselves what policy ought to be pursued in regard to France. We have on various occasions in the past endeavoured to show that France really won the War. It is quite true that we sent a very large army to France. But practically that large army consisted, for two years at all events, of mere recruits. We hope that the old method of officering the Army will now be put an end to. We want to get rid of the idle rich in every department of life, and especially we desire to get rid of them from the Army. Therefore we would ask our readers to follow the articles which we are proposing to lay before them with a full desire to understand what a real agricultural population can do when it is in earnest.

Roughly speaking, when the War began France had about 40 millions of people and Germany had something between 65 and 70 millions. In other words, the aggressors were nearly as seven to four. Italy, firstly, before she was able to join us, had to break off her alliance with Germany and Austria; secondly, she had to make good the cost and the waste of the war against Turkey; and, thirdly, she had to arrange for an attack upon Austria in one of the most difficult parts of the Alps. Therefore for a considerable time Italy could do little, and even when she came to be able to do much her whole strength was employed against Austria. Russia was practically a State in civil war. The world did not understand the fact, either at home or abroad. But it was the fact all the same. The Imperial family had governed. They are gone, and we have no desire to heap adverse comment upon them. But, with almost every advantage in their favour, they brought about a state of things in which the nation was more inclined to join the enemy than to join the Sovereign. Russia, in spite of that, gave us one or two examples of what she could do if she were properly governed. She happened to have one general who unquestionably showed talent, if we are not doing him an injustice in putting his deserts so low. Apart from him, the whole War as conducted by Russia was entirely unworthy of so great an empire. But then we have to recollect that the Court, the Administration, the gentry —practically everybody—was either unwilling to fight or more willing to fight against the Sovereign than for him. Lastly, America did not come into the struggle until practically the last year of the War. Therefore the real fighting was thrown upon France.

With our usual braggadoccio our newspapers are constantly boasting of what we did in the recent War. As a matter of fact, we did exceedingly little. No doubt, even that little we owed to the incompetence of the German generals. Bad as our own were, it may well be questioned if the German generals were not worse. Luckily, that saved us and France then. We need only to refer to the Marne and to the five months before Verdun to remind every reader how entirely the War was fought by France. Now we hope these facts will not be forgotten. Indeed, we are not in this Journal often inclined to appeal to flamboyant opinions. We prefer to base our arguments upon practical facts which come home to every human being, however humble and however poor. Therefore, we would remind our readers that if we can help, even in a small way, those who helped us in the War to recover their great prosperity, we shall at the same time materially assist in building up our own trade, and so recover the prosperity which the wickedness and the folly of the German Government and those who, unfortunately, had the control of it brought about. Now that the War is a thing of the past, and that our real duty is to do the best we can to build up the prosperity which our own folly enabled the Germans to destroy, we would urge our readers to remember that trade is not conducted, cannot be conducted, and ought not to be conducted, by one side alone. Trade is a thing that is carried on between different peoples; and in reality the larger the number of those who trade with us, the more certain will be the resulting prosperity. We want, if it is possible, the whole world to trade with us; and if we can convince all the world that we are not speaking in hyperbole, but really feel that trade is a thing between nation and nation, and, consequently, that we desire all nations to share in it, we may bring about a state of things happier and less disturbed by war than it ever has been in the past.

IRELAND.

We have often expressed the wish that the present Government should be got rid of, and that a Government more Liberal should be put in its place. We were aware even when expressing the wish that at present there is no really Liberal Government possible. The trades unionists are gradually growing more powerful. But they are still too weak to form a Government; and—well, we saw Mr. Asquith in power for ever so many years before the War, and for three years after the outbreak of the War; and if we were not convinced of his incompetence then, all we can do is to admit with some degree of shame that we were not equal to our position. There is no real Liberal Government possible at present; and we begin to learn that the coercionists in Ireland have really been doing the very work we desired to see done, and are teaching the whole British people, including the Irish working classes, who, we regret to say, have hitherto been the most backward of all, how best to put an end to bad government in every form. It is only necessary to read every day the telegrams, or abbreviations of telegrams, that appear in the daily papers, and especially in those daily papers that are most constant in their support of the Government, to see how rapidly the Irish working classes are learning from the British working classes; and that, in fact, Ireland is gradually building up a trades unionist system which will make reaction of every kind soon impossible. The Government announced the other day in a most pompous manner that the garrison of Ireland was to be largely increased; and, of course, was to be provided with everything necessary to act as a garrison. And now we find the workpeople simply refusing to have anything to do with garrison goods. Clearly trades unionism is becoming as acclimatised in Ireland as in England or Scotland; and very soon, therefore, we can hope to see mis-government of every kind rendered impossible. Most sincerely do we hope so. It will be some time before the mere Tories can be got rid of. They are supporters of every abuse in the Empire, and until we have rooted out all the abuses it is useless to hope for getting rid of them. But they can be immensely diminished; and as for the Liberals, why, they are already, a large number of them, in Mr. Lloyd George's Government, and a large number more supporting him.

Apparently, then, we are seeing a most instructive change taking place in Ireland. Our predecessors did not appreciate the importance of the various steps taken by the trades unionists. The present writer is old enough, he is sorry to say, to remember the time when actual murder, or acts very nearly approaching to murder, came to be discouraged by the trades unionist leaders and conduct compatible with law adopted in its place. At the time we can well remember how hot-headed trades unionists regretted the change; in fact, declared that the trades unions were being frightened into obedience. In real truth, it turned out that whereas many men were unwilling to engage in open and deliberate infraction of the law, almost every man was ready to join in plans

which were consonant to the law. From that time forward trades unionism grew with extraordinary rapidity, until now we see practically the Government at the mercy of the trades unionists. The Irish trades unionists are adopting the lesson taught by the English trades unionists. It is a matter for sincere congratulation from every point of view. No loyal subject of the King wishes any policy to be pursued in Ireland which is contrary to the real meaning of the law. Of course, we are quite aware that there are a great many supporters of the present Irish Government who tell us that whatever the Irish Government orders is, and must be, in accordance with the law, and every opposition to it is against the law. That is mere bunkum. It is, if not a deliberate lie, a falsification which only extreme prejudice could induce any man to believe to be true. There has been much done by the Government glaringly opposed to the law. And while there has also been much done by the opponents of the Government that was glaringly opposed to the law, there has also been much done which was in real fact in support of law and good government. We welcome, therefore, this adoption by the Irish trades unionists of what British trades unionists have proved through a long series of years to be a most admirable way of stopping bad government and yet obeying the law. We trust, therefore, that the Irish trades unionists will not stop until they induce every working man to join the trades unions, and when they have joined and are fully organised, to use their entire force to compel the Government to behave properly. The Irish Government, we have no hesitation in saying, is one of the worst in Europe, and it needs sorely to be altered altogether. Let the trades unionists obey the law, but use the law so that it will enable them to attain their purposes, and then we shall have a people law-abiding and self-respecting.

Meanwhile, we may be reminded that Ireland is an extremely poor country, and that outside of Ulster there is little room for a really powerful trades union. We are by no means sure of that. On the contrary, we believe that Ireland is rapidly approaching a state of things not unlike what exists in England. Already we think we see the foundations being laid in Cork for the formation of a very great, wealthy, and numerous trading population. Cork is especially suited, and it is natural that the beginning should be there. But there are many other places where we can hope to see recovery. The whole west coast of Ireland suffers, it is true, from want of coal, or, at all events, is supposed to suffer from the want of coal. Whether there is such want we are by no means persuaded. We believe there is more coal in Ireland than either Irishmen or Englishmen think. And we believe, further, that there needs only a few enterprising Americans to show that the west of Ireland may become a very great centre of trading towns. If that comes about it does not matter very much what the Government may be called. It will be an Irish Government inspired by Irish demands and Irish opinions. And when we have that we shall have what it is really worth struggling for.

INDUSTRIAL PARIS.

(From Our Special Commissioner.)

May 25, 1920.

Though Paris derives its importance mainly from its position as the capital of France and the seat of Government, and from the varied attractions that bring thousands of visitors annually to its gates, it boasts also a number of thriving and considerable industries. The city, in the municipal sense, has long been co-extensive with the area within the fortifications, but geographically it extends far beyond the old walls, taking in practically all the Département of the Upper Seine. This Département, which is the smallest in France, has a population of over four millions, inclusive of the city, and along its borders are situated what may be described as the heavy industries, particularly those associated with engineering, while within Paris itself the lighter trades are carried on. In the past 30 years the suburban population has grown much more rapidly than that of the city because of the tendency of both inhabitants and industries to move outwards. The migration of the latter has been much the more marked, and, as a result, Paris within the walls to-day enjoys an unpolluted atmosphere, free from the smoky halo of industrialism, and every quarter of the city is residential to an extent unknown in the larger British towns.

The finer industries, such as the manufacture of leather goods, furniture, clothing, jewellery and "antiques," which are all followed on a very big scale in Paris, do not intrude on the artistic harmony of a city renowned for the beauty of its public buildings and parks, its imposing vistas and its spacious boulevards. The number of persons directly engaged in productive industry may be estimated at not less than one and a-quarter millions. In the clothing group alone over 300,000 workpeople find employment, and female labour largely predominates. Commercial posts in banks, insurance companies and similar undertakings are for the most part filled by men, and though economic conditions on the whole contrast somewhat unfavourably with those of Great Britain, the standard of comfort attained is fairly high. The working classes live mainly in flats which form part of big tenement houses, and the self-contained dwelling, so common amongst British workers, is seldom seen, though in the suburbs, where building is cheap and ground-rents are low, the British type of house is more in evidence.

As the focus of the French railway system Paris has a considerable distributing business, but lack of proper communication with the sea has been a hindrance to possible further developments in this direction. The Seine, after leaving the city, pursues a very winding course to the English Channel, and though, at the nearest point, the latter is less than 100 miles as the crow flies, Rouen, situated not far down the river and often referred to as "the port of Paris," is more than 80 miles distant, while Havre, at the mouth of the river, is over 140 miles. These two towns of Seine-Inférieure have become the centre of important industries which depend for their raw material on overseas sources. Cotton and chemical manufacture, tanning and boot-making are extensively carried on, and close communication with the capital is maintained by river steamers and by rail. Along both these routes come much of the coal, iron and steel consumed in Paris. Heavy machinery and castings for the engineering trade figure prominently in the traffic, while the various metallurgical concerns engaged in the production of copper, zinc and nickel alloys also draw large quantities of metals from the Western towns.

In surburban Paris, at Levallois-Perret, Puteaux, and St. Denis are situated some of the manufacturers who have won for the motor-cars of France their world-wide reputation. In their products French design and French perfection of finish are seen at their best. The industry has developed with remarkable speed, particularly in the towns named. In 1893 only 2,000 workers were employed, and 500 cars turned out over the whole of France. In 1909 the Paris district alone produced 30,000 motor-carriages, concentrating its energies on chassis and bodies for the passenger-carrying type. The War gave an additional impetus to the industry, and directed attention especially to the production of lorries and commercial vehicles. The other chief centres of manufacture—at Lyons and St. Etienne—produce mainly for the home trade, and thus the Paris area is responsible for the greater part of the exports, which in 1913 were valued at £9,024,000.

Luxury industries, such as the making of furs, perfumery, jewellery, and fine clothes are concen-

centrated in Paris and its suburbs to an even greater extent than motor-car manufacture. Fully 80% of the *personnel* of these important French industries are to be found in the Département of the Seine. The annual value of their production reaches an unknown but very considerable figure. The War had a detrimental effect upon this group of trades, as it deprived them to a large extent of their skilled hands, their raw materials, and even of their markets. Matters have, however, been mending rapidly since the cessation of hostilities, though the continued scarcity and the prohibitive price of precious stones, precious metals, and fine draperies prevent any striking expansion in the public demand. These *articles de Paris* in many cases reach a high level of artistic merit, and the specimens of goldsmiths' and silversmiths' art to be seen are absolutely unrivalled. Thus the city continues to maintain its traditional position as an arbiter of taste and a leader in the world of fashion.

Industrial activity in Paris, as elsewhere throughout France, is held up to a varying degree in different branches by the acute and prolonged scarcity of coal. Reserve stocks have long ago been exhausted, and the small quantities allotted under the system of rationing now in force are quite inadequate to meet current needs. This abnormal condition of affairs delays the economic recovery of the country to an extent that is eminently undesirable in view of France's heavy internal and external obligations.

THE TRAGEDY OF RHEIMS.

(From Our Special Commissioner.)

Rheims: May 26, 1920.

EIGHTEEN months ago, one hundred miles north-east of Paris, lay the ruins of a city once famous in the world of art for its architectural and sculptural treasures, and in the world of commerce for the excellence of its wines and champagnes. To-day, the ruins are still there, almost undisturbed, and the stricken city still presents a spectacle of unutterable distress. Life in it holds few of the comforts, and none of the amenities, with which its inhabitants were familiar in bygone days. The gas and electricity supplies have not been restored, infrequent trams run on a limited number of routes, the sidewalks are cumbered with débris, and the lesser roads have not been cleared. Refuse is dumped everywhere. Dangerous walls are left undemolished. Grass grows over the ruins, as in a graveyard. Birds fly through the sightless windows of the ruined buildings, and at night the signs and loosened shutters in what was once the business quarter clank eerily in the wind. The abiding impression is one of unrelieved and hopeless desolation.

The magnitude of the task of reconstruction, &c., confronting the French Government can only be appreciated by viewing the appallingly destructive character of modern warfare, as evidenced by the ruins of Rheims and by the condition of the surrounding countryside. All the tract north of the Marne Valley, especially in the neighbourhood of Dounans, Fisnies, and Bazoches, still lies a victim to war's fever. Yet in Paris and the west of France surprisingly few people seem to be alive to the extent and urgency of the problems presented by the devastated areas; to the pressing need of immediate and substantial assistance for their inhabitants; and to the growing anxiety and irritation that are felt by these distressed people at the studied indifference of their more fortunate neighbours, not only in France but elsewhere.

A few plain facts about Rheims will suffice to show, better than any word-painting, that the work of reconstruction will tax the united capacity of the French people to its uttermost, and will certainly fail of accomplishment if cohesion and goodwill on the part of all sections in the country are not assured. The last census of Rheims, taken in 1911, revealed a population of 115,000. The intercensal increase was, as in the case of other French towns, rather small, and since only three years of the quinquennium that separates the French censuses had elapsed, we are justified in taking the 1914 population as 118,000. It is now estimated at 60,000, a reduction of nearly 50%. Of the 14,000 buildings within the city bounds before the War, barely a dozen escaped damage from shell-fire, while 8,600 were completely demolished. This figure includes practically all the important public buildings which once distinguished the town, the public utility undertakings, and many of the municipal factories. Yet Rheims is but one of 3,500 towns and villages that have been similarly destroyed along the eastern and northern borders of France. Its inhabitants are but a small fraction of the total of 2¾ millions that have lost everything but life itself. Its industries are insignificant beside those of Roubaix, Lille, Douai, Lens, and Valenciennes, and other centres further north. Its ruined homes are merely a drop in the ocean of misery that has engulfed over 600,000 homesteads. The land that lies about in the Département of the Marne, which was the scene of almost continuous fighting throughout the War, is but part of an area, extending to several million acres, where the productivity of the soil has been lessened or temporarily destroyed by an almost incessant rain of shot and shell. It is only by such comparisons that we get a glimmer of the immensity of the problem of reconstruction.

It needs but a glance at Rheims to convince even the most thoughtless observer that a great, gaping wound in the economic and social life of France is still unstaunched, and that failure to apply a remedy may be attended with serious consequences, not only to France, but to Europe. The French Government cannot be accused of negligence in the matter, as they have done their best with the miserably small resources at their command. The problem involved is one of unparalleled greatness: it surpasses all precedent; and the resources of a Government already weighed down with financial burdens and hampered by lack of labour and materials and by reduced production in all departments of industry are inadequate to meet the situation. Of 320,000 houses utterly destroyed in the War area, less than 3,000 have up to the present been rebuilt, and this in itself shows how powerless France is to cope single-handed with the emergency. Apart from their duty as victors with France in a common cause and sharers in a common responsibility for the present condition of these regions, which constituted France's most important industrial and agricultural asset, the Allies should, in common humanity, succour the distress of those who have suffered in silence for eighteen months. Some of these unfortunate people are now seized with a fear that all their sufferings have been in vain, and that mere life-comfort from overseas, combined with meagre doles from Paris, are to replace the hopes of a new and better France that nerved them to such heroic heights of sacrifice during the War.

Probably less than 20 per cent. of the people who lived here in pre-War days have come back, and the returned citizens for the most part sojourn in houses open to wind and weather, or else scantily protected by roofs of tarred felt and window coverings of transparent paper. There is little inducement for the other *rémois* scattered throughout the length and breadth of France to return. Thousands upon thousands of families that were rudely swept away before the German onrush in 1914, or were subsequently dispersed in 1918 on the complete civil evacuation of the town by the French, will never again know their native city unless vigorous measures of assistance are immediately concerted. The cry "Vae victis!" may offend humanitarian sentiment, but the complementary phrase "Vae victoribus" is surely an outrage on those international friendships that were cemented by common sufferings on the fields of France during the War. Yet the indifference of the Allies is interpreted as signifying that the era of solidarity is past, or passing, and that opportunism is to be the guiding

principle in shaping future British and American policies. No one in England or the United States believes this, but to help their unbelief they should perform just those acts of kindness which are needed to remedy the present situation. France does not ask for charity. A clause in the Treaty of Peace provides that Germany is to pay for the havoc wrought by the War, and further, it has been more or less admitted that France is entitled to priority in repayment. This priority must be given a more than academic significance, and, for the purpose, the Allies should grant credits to France on the security of her claims on Germany, such credits to be utilised in purchasing the necessary materials for reconstruction. At the same time, the natural rise of prices which must follow the enormous French demand for coal, timber, iron, steel, and other raw and finished materials must be checked by concerted Governmental action on the part of Allied countries. Only thus can the problem presented by Rheims and by its sister cities and towns overtaken by the same fate be satisfactorily solved.

THE CANAL ZONE.

All the world is indebted to the United States Government for the valuable services it has rendered, and is still rendering, in the Isthmus of Panama. All the world, we say, is greatly indebted; and this is true because rich and poor, young and old, black and white, are interested at the present time in every successful effort which is being made in increasing the production of articles of prime necessity. Most especially are those countries interested which are situated in the tropical regions of the earth; and above all is the British Empire interested, which owns so large a proportion of those tropical countries at present lying idle, but only awaiting opening up and development to yield their fruits of increase a hundred-fold and a thousand-fold.

We owe to the labours of a very few scientific men the discovery that the two terrible tropical diseases which we know as malaria and yellow fever were due to causes which could readily be counteracted as soon as those causes were really ascertained. Evidence appears to be accumulating that the ancient world was not unacquainted with the causes of tropical diseases; and the evidences which exist that apparently civilised settlements existed in what were then, and still are, tropical regions, leads to the assumption that the ancient world had some knowledge of how to deal with those diseases. Further discoveries may, or may not, throw important and valuable light on the question. However this may be, it is certain that for a thousand years and more the world had completely lost all knowledge of how to deal with tropical diseases. It was assumed that the tropics were, and always would be, the white man's grave. It was only suitable for black men, and they did not appear to take kindly to methods of civilisation. The whole of these assumptions are now proved to have been wrong. Climate, as far as our present information goes, has surprisingly little to do with the healthfulness, or otherwise, of the regions between the 20th parallel north and south of the Line. As a matter of fact, the causes of healthfulness, or otherwise, are very much what they are in the other parts of the world, aggravated by the fact that the very causes which make the tropics fruitful both for the animal and for the vegetable kingdoms operate in the same way in stimulating the life of forces injurious to the health of man and of animals. Now as far as our information goes at present, it is not true to say that the tropics are necessarily the white man's grave. It is equally untrue to say that the tropics, as tropics, are an exceedingly suitable place of residence for the coloured man. The healthy, high, naturally well-drained districts of the tropics are exceedingly healthy for man, whether he be white or black. The unsanitary fever-laden marshes of any low-lying country subject to inundation are a deadly place of residence for man, whether he be as white as an albino or as black as a silk hat.

The causes of the healthfulness or unhealthfulness of the tropics, as we have just said, is due to influences which make for health or ill-health in other parts of the world. That is to say, as far as our present information goes, it is a question of sanitation, and very little more than sanitation. A swampy region in England or Scotland is a very unhealthy place to live in. And a swampy region just about the line of the Equator is also a particularly unhealthy place to live in, aggravated by the causes which we have endeavoured to describe above. Drain the swamp in England or Scotland, and you produce the results which were achieved a century and a-half ago by the draining of the Bedford Level. Drain the swamps of Panama, and you achieve the results which the United States Government attained when they were able to open the Panamal Canal and to reduce the death-rate within the Canal Zone from the alarming figures which obtained when the old Company attempted to build the Canal to the level of 21 per 1,000, which is the figure which the *Canal Record* publishes week by week. Practically, the action of the United States Government has changed the Panama Canal Zone, which in former times was one of the most deadly places for man to live in, whatever be his colour, to a condition similar to that which prevails with regard to healthfulness in the industrial regions of England. The United States Government has not finished. It can, and we are well assured that it will, do better. Unfortunately, the industrial towns in the North of England are very far from being ideal health resorts. As a matter of fact, the death-rate in the opulent parts of London is only about half what it is in the large industrial centres of the North; and in Brighton it is even still lower. That the United States Government will in due course make the Canal Zone something very nearly approaching a health resort we hope and believe. A tropical region freed from a swampy area is, in fact, very favourable to certain forms of disease, both from the curative point and from preventing them altogether. It has to be remembered, moreover, that in the official returns published in the *Panama Canal Record* the Zone has to bear deaths that were contracted outside its area. It is notorious that even employees of the United States Government domiciled within the Zone do, in fact, visit regions outside which have not yet been made properly sanitary. Warnings are issued week by week, and particularly during the holiday season, to those whom it may concern, to avoid visiting those regions. But apparently owing to their various attractions these warnings have not the effect which could be desired. We mention the fact to illustrate that, comparatively low as the death-rate is in the Panama Canal Zone, it is greater in the official figures than the Zone should properly be charged with owing to the causes we have already stated.

As yet we are but very slightly acquainted with the tropics. So recently as the beginning of the present century people of intelligence and holding important positions amongst us did not hesitate to characterise the tropics, as said above, as a white man's grave. They did not hesitate to say that it was exceedingly doubtful if the tropics would ever be a suitable place of residence for civilised men to dwell in. The impression gathered by those of us who are old enough to remember what was the opinion of the last generation appeared to be that it was exceedingly doubtful if there was any real advantage in adding to the tropical possessions of this Empire, or, indeed, if the tropical world would ever be of any great value. At the very time these opinions were being expressed a small band of scientists, as said above, set themselves to discover, first in India, and then elsewhere, the causes which led to malaria and yellow fever. They solved the problem to their own satisfaction. Great as was this achievement it was very far from being even the beginning

of the end. They had to convince great Governments that their discoveries were facts, and not merely theories. In addition, they had to convince those Governments that the cost which it would be necessary to incur to make those regions suitable places for civilised men to dwell in was comparatively trifling compared with the economic advantage that would result. Fortunately, the United States Government in Panama was willing to make the experiment, with the result with which all the world is acquainted to-day. As we have said, however, we are still only in 1920. A young man who is not yet of age was born at a period when the tropics were still believed to be the white man's grave. As a result, our knowledge of the potentialities of the tropics is exceedingly limited.

We owe it to the United States Government, which has done so much for Panama, that further experiments are being made regarding the potentialities of a tropical soil. In the current number of the *Panama Canal Record* are given an account of some remarkable experiments which have been made in soil temperature at the office of the Administration at Balboa Heights. A record of soil temperature was kept throughout the whole of last year at Balboa Heights with a water thermograph bulb buried 5 inches below the ground under a grass-covered surface, the automatic record being checked daily by eye readings of a soil thermometer buried alongside the bulb. In character the soil was an artificial fill consisting of a mixture of clay and gravel well packed. The causes which are believed to affect soil temperature in the Canal Zone, at any rate, if not throughout the tropics, are the position of the sun in the sky, or the angle of incidence of solar rays; the cloudiness and humidity or the degree of obstruction and absorption of solar rays; soil covering; and moisture content of soil. The average soil temperatures, as would be expected, are generally the highest about the time when the sun is in the zenith and its rays descend vertically, that is, between April and August; and they are usually lowest in December and January, when the sun's rays fall most obliquely upon the earth's surface. Heavy clouds serve as a blanket over the earth, obstructing solar radiation and preventing excessive daytime heating of the soil. High humidity has a similar effect, though less pronounced. A grassy covering tends to lessen the daytime heating of the soil. Excessive moisture tends, also, to lower the daytime temperature of the soil and to retard its night cooling. It follows that the daily range of soil temperature is much greater in the dry season than in the rainy season, when more uniform soil temperatures prevail, due to the combined influences of heavy cloudiness, excessive moisture content and grassy covering of the soil. It will, of course, be appreciated that the grass dries up in the dry season. Soil temperatures average higher than the air temperatures during nearly all the year. The average soil temperature last year was 81.5° Fahrenheit, and the air 79° Fahrenheit. The maximum soil temperature observed last year was 95° Fahrenheit on April 11, and the minimum was 73° Fahrenheit on January 6, comparing with maximum and minimum air temperatures of 94° and 67° Fahrenheit respectively. Solar radiation penetrates the earth's crust very slowly, and at a depth of a few feet soil temperatures in the tropics are nearly constant, daily and seasonal variations being very small, or disappearing entirely. It is interesting to note that the sun's heat penetrates the soil so slowly that in the temperate zone it requires approximately six months, or until the following winter, for summer heat to percolate to a depth of 35 and 40 feet, at which depth earth temperatures are actually slightly higher in the winter than in the summer.

Mr. Edward M. Phillips, Managing Director of J. and N. Phillips and Company, Limited, Manchester, has been elected a director of the Lancashire and Yorkshire Bank, Limited.

THE WINES OF FRANCE.

(From Our Special Correspondent.)

Epernay: May 27, 1920.

The history of vine culture in France goes back to the time of the Romans, who first introduced the art of wine-making amongst the Gauls. The vine was really native to the soil, but its uses were not understood before the Roman occupation. Under favourable climatic conditions the cultivation of the plant spread rapidly, and in the Middle Ages the wines of France figured on the board of every royal family in Europe. To-day France produces a greater quantity and a greater variety of wines than any other country in the world, while in quality her best wines remain unsurpassable. The French production runs annually to about 30% of the world's output, and includes, besides Vin Ordinaire, which is the staple beverage in the rural and poorer urban districts, the Grands Vins which emanate from Burgundy, Bordeaux, and Champagne, as well as a host of intermediary qualities from cognacs and liqueur wines to the Moselles of Alsace-Lorraine and the locally-famous products of the Rhone and Loire valleys. Wine production is an economic asset of national importance to France, and the annual outturn of her vineyards may be valued at 3½ milliards of francs, or practically 140 million pounds at the par of exchange. Every Département is interested in vine culture, with the exception of a few on the north and north-western coasts, and even in these the cultivation of the plant has extended, as the depredations of the *phylloxera* in the 'seventies of last century laid waste many hitherto flourishing vineyards of the Midi.

The appearance of this pest was coincident with a downward movement in the wine-producing area, which had attained a maximum of 5,878,600 acres in 1873. The area planted fell gradually, and in 1914 was 1,173,600 acres less at 4,705,000 acres. By improved methods the total production was, however, not only maintained but increased, and in 1914 it reached 1,585 million gallons, as against 843½ million gallons in 1873. The supply has been further augmented from Algerian sources. Vine culture has become a thriving industry in France's great North African colony, especially in the districts of Alger, Oran, and Constantine. The wines produced in Algeria in 1918 totalled 166,095,000 gallons, and, controlling as it does this substantial supply in addition to its own enormous production, France has the world's wine markets virtually at its feet.

The export of French wines, unfortunately, suffered a severe check during the War, falling from 30,492,000 gallons in 1914 to 10,645,000 gallons in 1918. The fall was due partly to causes arising out of the War, such as the invasion, the shortage of land and sea transport and restrictions in importing countries, and

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partly also to decreased production after the abnormally large harvest of 1914. The 1915 yield showed a decline of nearly 1,043 million gallons, or 65% on the previous year; but in 1918 there was a distinct revival, and production rose to 1,116 million gallons, which was but 30% below the 1914 figure. The champagne district in the Département of the Marne was badly affected, as many of the vineyards were uprooted in the course of the fighting, which was practically continuous in that quarter; but the production of the celebrated Vins de Champagne, or "champagnised" or sparkling wines, is rapidly reviving, thus showing the remarkable vitality of the industry. In March 1920 approximately 71,985,000 bottles of champagne were held to the account of wholesale dealers, as compared with 71,373,000 bottles at the same date in 1914. The exports in the year ended March last were, however, only 13,583,719 bottles, as against 18,410,436 bottles in 1913-14. The trade in luxury wines is, in fact, being affected by causes which, it is to be feared, are of a more permanent character than those arising from the War. An important market has been lost in the United States, which in the period 1905-13 imported direct from France, an average of 3,069,000 gallons of champagne and mousseux, an inferior variety of sparkling wine, as well as a large amount of Bordeaux wines, liqueurs, and other varieties. A large indirect trade was also done to the United States via Germany, which was, strange to say, France's best customer, especially for wines in the wood from Bordeaux. Large German merchant houses in Hamburg, Bremen, and Munich purchased some of the best "crûs" or vintages in Champagne and the Bordelais and subsequently exported them, sometimes pure, but more often adulterated with inferior vintages or with apple, pear, or other sweet, fermented juices. All this section of the trade has now disappeared, and, further, Russia and Austria are practically out of the French market. In addition, the heavy increase in the duty on sparkling wines announced recently by Mr. Chamberlain has been responsible for an almost complete stoppage of exports to the United Kingdom. The cross-Channel trade will, of course, revive, as people will be found to drink champagne, whatever the cost, but this new burden imposed by England, coming as it does on top of a series of others, will weigh heavily on the French industry.

The cumulative effect of these various discouraging factors cannot be ignored, but the French trade is confident of its ability to weather the present crisis. As conditions improve throughout Europe a strong demand for French wines will set in again. Moreover, there are numerous overseas markets capable of development. Exclusive of Europe the bulk of the foreign trade has hitherto been done with the United States, Mexico, and Argentina, and even though we can no longer count on the first-named, the number of countries outside those cited which offer an opening for French wines is very great.

It is important to note that the industry has been kept intact in France, and with the excellence of its products undiminished it should, in the ordinary course, attract an ever-increasing clientèle. The French wine position is strengthened by the recovery of Alsace and Lorraine, now merged in the Departments of the Meuse, Meurthe-et-Moselle, and the Vosges. The restored provinces produce a variety of palatable white wines in large quantities, together with some red wines; and these prior to the War furnished some leading staples of the German wine trade. Their aid will now go to the latter, and, indeed, it is essential to maintain in all its vigour the foremost of the French industries, since it forms such a vital feature in the national economy. Not only does it provide the chief work for the rural population of a country which is still mainly agricultural, but it supports other staple industries, such as glass-making, wood-working, cork manufacture, and wire-making. In addition to all these services it contributes substantially to the revenue, the tax on potable alcohol being the most fruitful of the indirect taxes which figure so prominently in French public finance.

THE FLOUR MARKET.

(From Our Special Correspondent.)

Portland, Oregon: May 4, 1920.

The Flour market for the last three months has been in a very dull condition. The export trade up until the last few weeks has been very limited, especially on the Pacific Coast, where it is estimated that on the docks at Portland and Puget Sound points, there are fully 1,000,000 barrels of flour owned by the United States Grain Corporation awaiting tonnage. The last two weeks the Grain Corporation has bought very little flour. The Oriental markets are beginning to loom up as a possible outlet for exporters in this territory, as privately owned steamship lines seem inclined to ease up on the freight rates. If any material reduction would be forthcoming in the near future it would be possible to compete with Australian flour in the Orient, as the prices would not be so far out of line in competition with Australian flour. Present prices have narrowed some of late, but a better shipping rate is necessary before business can be done on any appreciable scale. The Orient, especially Manila, is well stocked up for the time being, but the prospects for mid-summer business are excellent. Tonnage seems to be easing up a little, and this will have a tendency to make freight rates decline and more easily obtainable. European countries are showing a better interest in flour, and from indications will be in the market soon. Egypt has been a strong factor in the Pacific Northwest markets of late, and several shipments have been made to Alexandria. A number of other shipments to Alexandria are to follow in May and June. Japan is out of the market altogether at present on account of the recent financial flurry there. The Straits Settlements are showing renewed interest in the Flour market, and some bookings have been made for shipment this month.

The Flour market in the East and in the Middle West has suffered heavily from the switchmen's strike, which has practically tied up all traffic. There has been very little movement of flour at Eastern points and supplies are running low. This has resulted in a decreased demand on the part of buyers and a disinclination on the part of the mills to sell because of the inability to make and receive shipments. The car situation has shown some considerable improvement in the last week, but it is far from being normal. The flour trade on the whole is far from satisfactory, and while prices remain firm, there is no tendency to buy in large quantities. Large prices have been paid for wheat all over the country, and as the profits of the millers have been sliced to a minimum, they do not feel inclined to take any chances with a future market. Many of the smaller mills and a few of the larger ones are either shutting down temporarily or cutting down their daily output. Then, again, the severe car shortage makes it difficult to make shipments, and there has been a large volume of flour accumulated.

The Grain Corporation has ceased to be an attractive market for the millers to dispose of their surplus stock of flour. At one time this was one of the best markets for the small millers, but at the price now offered by the Grain Corporation the small millers prefer to shut down rather than take the price offered. Their profit in milling has consisted in the main of their by-products, which they are disposing of at fancy prices at the present time. The millers are convinced that this flour should bring a higher price considering the premiums paid to obtain good milling quality wheat. Millers are paying as high as 70 cents for hard wheats and 50 cents for soft wheats. Thus no profit can be made by selling to the Grain Corporation at the price bid, $9.90 Pacific Coast and $10.69 Baltimore basis.

Millers in the Pacific North-West are well stocked up with wheat and probably have enough bought to last them until the new crop. It is the Middle Western millers who are active in the wheat markets of the coast.

Prices in general are tending higher. Low condition of the winter wheat crop, a possible reduction of spring wheat acreage, owing to a late spring, and the possibilities of a good export trade with Europe and the Far East firm prices for flour. The estimated winter wheat crop of 483,617,000 bushels falls far short of that of last year, of 731,636,000 bushels. While a large part of the carry-over of last year's crop will partly offset the shortage, the carry-over will not have a great percentage of wheat of the better milling quality needed for high-class flour. A late spring, making seeding conditions bad, have induced the farmer to place his acreage in oats, together with the high price that the coarse grains are bringing at the present time. The oats acreage seemingly will be increased to the detriment of spring wheat. This, naturally, tends to hold up the price of wheat, and consequently reflects itself on the Flour market. No great shortage of wheat is anticipated, but when it is taken into consideration that a great amount will be needed to fulfil world requirements and the fact that the United States has always been one of the principal exporters of flour and grain, one can readily see that the increased seeding of oats at the expense of wheat is not to be considered too lightly. These conditions have played an important factor in keeping the price of flour firm, as against the bearish tactics of buyers in endeavouring to manipulate prices downward. LAWRENCE DINNEEN.

CROP CONDITIONS.

(FROM OUR SPECIAL CORRESPONDENT.)

Portland, Oregon: May 4, 1920.

REPORTS of the conditions of the growing grain crops have been coming in large proportions the last few weeks. It is at this time of year that a fair estimate of the crops may be had, as from now on little harm can come through weather conditions that may prevail. These reports have proved interesting, as the weather has been of such a peculiar character this year that it has been a very hard proposition to forecast the condition of the growing crops. The weather all winter and in all portions of the country has tended to extremes. Drought all over the country last fall delayed the seeding of grains to a very great extent, then a winter of extreme cold appeared in the Middle and Far Western grain belts, followed by a long period of drought in the same districts and along the Pacific Coast, and has finally ended in an extremely heavy rainfall for the last month. At the present time, it appears as though the Pacific North-West territory would have a good stretch of fine weather for the growing grain. The Middle West suffered severely from windstorms during the early part of this last month, grain being blown clear out of the ground in certain sections and causing heavy damage to the winter wheat.

Indications, following the Government report on the winter wheat crop conditions, issued on April 8, are that the United States will produce a winter wheat crop of approximately 483,617,000 bushels, compared with 731,636,000 bushels during last year. This will leave an under-production of 250,000,000, as compared with last year. However, as there will be a carry-over variously estimated at from 150,000,000 bushels to 250,000,000 bushels of wheat from the last crop, there will be plenty of wheat in this country. But many in close touch with the wheat situation in this country and also well-informed with world-wide requirements are predicting a world shortage, along with the expectations of a larger world-wide demand. It is true that the average man in the trade has been more or less indifferent to wheat supplies of the world in the belief that there exists in the various surplus countries of the world sufficient quantities to more than take care of the importing countries' needs. But recent developments have shown this not to be the case. A late spring through the grain belts, shortage of farm labour and the high price of the same, have tended to reduce the acreage planted in spring wheat such as to alarm even our staid and conservative Department of Agriculture into issuing a statement urging farmers to revise their seeding plans. In it is pointed out that the normal requirements for consumption and export are about 800,000,000 bushels of wheat, and of this only 483,617,000 bushels are indicated from the winter wheat report of the Government of April 8. In addition, the Department points out that the world demand will be as great but that several of the large exporting countries will not be in a position to ship out wheat owing to short-crops or disorganised transportation conditions. The farm-labour situation is really a very serious problem in this country at the present time. Reports from the Middle West grain belt at hand indicate that there is a shortage existing of about 25% under the normal of available farm hands. The increased wages of farm labour, as well as the uncertainty of prices for the new crop under the new order of things, with the passing out of existence of the Grain Corporation on June 1, has created a serious problem for the farmer, and it seems as though the farmer will turn his attention to the production of crops which can be raised with the least expenditure of labour. The Grain Corporation passes out of existence by limitation on June 1, and there is no one in the grain trade or among the producers themselves who will venture a prediction as to prices or conditions after the long period of control by the Government. This will add to the complicated situation of the farmers.

Oat seeding has been going on in some sections of the country, while in others it has been delayed owing to the wet weather. A larger acreage than hitherto will probably be sown in oats owing to the high prices prevailing for the same this last year. Much of the land will be re-seeded in oats owing to the wheat prospects and the poor spring weather, which has made it impossible to seed spring wheat. Another condition of affairs which the farmer is taking into consideration is the fact that wheat has been planted in the ground continuously since this country entered the War, due to insistent demand of war conditions. The farmers now feel that they would rather go back to the old method of crop rotation. Oats can be better produced this year owing to the cost of and scarcity of farm labour. Everything considered, from the viewpoint of the farmer, it looks as though more oats and less wheat would be a better-paying proposition. From all reports obtainable, the oat crop produced will be one of the largest this country has had, or at least a far greater acreage will be planted.

LAWRENCE DINNEEN.

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Financial Notes.

As the reader is aware, there has been a determined effort on the part of bankers, both in this country and abroad, to restrict anything in the nature of speculative credits in the hope of bringing down the present extravagant level of prices for commodities. This is all to the good, so far as it goes. But bankers themselves are the first to admit that such would be of little avail were it not that world conditions are working in their favour. The real cause of the recent rise in prices was the inflated credits demanded by Governments which had not the means of paying immediately for what they were using. Consequently, the first step necessary to restore prices to something like a normal level as between money and commodity values would necessarily be to reduce expenditure upon the part of Governments. This, the Governments urge, is taking place rapidly. We admit that it is taking place, but we should be very glad to see a far greater measure of rapidity than is at present in evidence. All the same, armies more or less of all the recent belligerents, all over the world, are being gradually disbanded, and even the civilian establishments, which were augmented to such an extravagant extent here and elsewhere during the War, are being reduced, although not with that expedition which could be desired.

Once the Governments cease to demand credits for expenses they are not able to meet, ordinary people will only be able to spend what for convenience we may describe as their economic earning capacity. That is to say, each one of us will endeavour to get as much as we can for the goods, or the services, we have to dispose of, and our expenditure will necessarily be regulated by the success of our efforts in that direction. It is manifest that when that time comes, and credits are no longer demanded by Governments, on a basis which they are not able to meet at the time the credits are demanded, prices must inevitably fall owing to two causes: one is that a large proportion of the people are being released from destructive, as distinct from constructive, employment, which will tend to augment supplies. The other is, as said above, that since people will only be able to spend on the basis of their economic earnings, they will have to restrict their purchases within that measure.

Readers, no doubt, have observed that it was recently stated officially by the Food Controller that our consumption of meat is only 75% of what it was before the War in quantity. That is to say, after five years of rationing controlled prices were so extravagant that people found it necessary to reduce their consumption of meat by one-quarter. This naturally does not mean that people would not have been glad to have consumed more meat if they could have afforded it, but the control price was too extravagant. It is now estimated that there is an ample supply of meat, and assuming that control of this commodity is abandoned, and supplies are adequate upon a reasonable economic basis, there can be no doubt that consumption on the pre-War scale will rapidly be resumed.

Mr. Otto Kahn, the well-known banker and financier of New York, in an interview published this week by a daily contemporary, expressed some interesting views on the present economic situation in the United States as a result of the recent European War. Mr. Kahn first noted the actual expenses incurred by the United States as a belligerent in the late War. He went on to show the amount she had advanced to the Allies to assist them in the conduct of that War. He added, further, the amount expended in repurchasing the various classes of securities of the United States, mainly of an industrial character. Finally, Mr. Kahn estimates the total expenditure of the United States, directly and indirectly, connected with the War during the past few years at 43,000 million dollars. Mr. Kahn naturally arrives at the conclusion that, even for a country as rich as the United States, this is a colossal sum. It has to be remembered that, as Mr. Kahn pointed out, the United States in an economic sense is an exceedingly young country. The population at the last Census was almost exactly double that of the United Kingdom. It is expected that at the forthcoming Census the figures will considerably exceed 100 millions. It may be that the total population of the United States will be as much as 110 millions of people. Even so, that compared with the dense populations of Europe is a very small one when we bear in mind that the area of the United States is some 16 times that of the United Kingdom.

For her population, and for the immense area which she has to administer, the United States is relatively highly developed in an economic sense. She has a railway mileage of some 250,000 miles. She endeavours to carry on industrial enterprises very much on the lines that are aimed at by the more progressive States of Europe, with relatively an enormous surplus population. The result is that in America, which has a totally inadequate population for the immense number of enterprises in which she engages, there is always, and at all times, a great scarcity of labour. There is, in addition, an equal scarcity of capital. The number of the investing classes in the United States, as Mr. Kahn truly pointed out, is small compared with the relative proportion of such classes in countries like France and the United Kingdom in the period that preceded the outbreak of the recent War. The population being so relatively small, and the area so extensive, the American is not naturally compelled to save to the extent that is common in the more congested parts of the world. It is relatively easy for him to earn a living, and if he has any spare capital he finds ample scope for its employment on his farm or whatever business he may be engaged in.

Meanwhile one of the greatest difficulties with which the United States is faced at the present time is the scarcity of labour, accompanied by inadequate transportation facilities, notwithstanding the considerable railway mileage to which we have referred above. Consequently, the United States is desirous of attracting immigrants to as large an extent as possible. It is mainly upon the immigrants, or foreign-born population, that the country depends for its supply of labour in the more laborious industries, where, as yet, labour-saving devices are not available to take the place of hand work. Now, in order to attract immigrants it is essential that means should be available for their employment. This has hitherto been found by borrowings in Europe, mainly from the United Kingdom and from France. As a result of the War, for the time being European capitalists, and, indeed, the investing classes generally, have as much as they can do to finance the needs of their several countries; and for the present, therefore, the United States will mainly have to depend upon herself for financing her industries, providing capital for the employment of

incoming immigrants, and for improving her transportation facilities.

We recently reviewed a report of the conditions of the permanent way and the rolling-stock of the various railways which have lately been returned to private ownership after having been under Federal control during the period of the late War. That report went to show that very large sums will require to be spent upon the American railways if they are to be brought back to the state of efficiency in which they were, say, at the outbreak of the recent War. A rapidly growing population needs ever-increasing supplies of foodstuffs and of raw materials upon which to employ their energies. Consequently, it would appear that the American financial classes will require to conserve their resources to the utmost extent possible if they are to be in a position to restore their existing plant to the state of efficiency it had attained at the beginning of the War, and, in addition, to find the means for employing the immigrants they are so anxious to attract.

According to a statement which appeared in some of our contemporaries purporting to give a *résumé* of a report recently issued by the United States Geological Survey Department at Washington, the total world's supply of petroleum is estimated at 60,000 million barrels. Presumably this means the standard barrel of 45 gallons to the barrel. Of this, more than 40,000 million barrels is oil in sight. The remainder is merely an estimate of the probable yield of various fields which as yet have only been partially explored. Oil engineers who have made surveys in Mexico estimate that Mexico alone, whenever it settles down in a political sense, will be found to contain a larger supply of oil than that which has yet been derived from, or is in sight in, the United States fields. Indications of oil exist more or less along the whole of the Pacific coast of North and South America. There are indications as far north as Alaska, and as far south as Tierra del Fuego. Oil has actually been found, and some 200,000 barrels are, in fact, being extracted from the oil-wells of Argentina. It is notorious that the Atlantic coast of Brazil shows oil indications. An exceedingly promising field, when it is possible to work it, is situated in the State of Bahia. At present the region surrounding the oilfields, or, at any rate, the fields where seepage indications are apparent, is a marshy district, which would require to be drained before it would be safe from a health point of view to undertake serious exploration for oil. Experience of such work undertaken by the United States Government in Panama, and by the Brazilian Government later, on the basis of pre-War prices would indicate that the cost of such sanitary work would be approximately something between £1,500 and £2,000 per square mile.

During the week ended May 15 the total production of coal in the United Kingdom amounted to 4,860,668 tons. The amount continues to fluctuate widely week by week, and although the quantity raised has shown increase in the last two weeks, the position in its various aspects cannot be regarded as altogether satisfactory. South Wales and Monmouthshire, during the week under review, contributed 1,006,170 tons, the largest proportion of any single field; but even here there is a considerable falling-off from what has recently been accomplished in the South Wales district. Yorkshire, again, with an output of 789,746 tons, is not producing to the extent she did. Neither is Durham; nor, for that matter, are any of the fields in the Midlands. The Scottish fields, with an output of 665,283 tons, show an increase compared with any of the three preceding weeks. The position is by no means satisfactory whatever way we look at it. Coal may, or may not, be the motive-power of the future in England, but we are certainly not getting an adequate quantity for home requirements, nor are we exporting upon anything like the scale which we did formerly.

Now, we have admitted from time to time that there is a very strong case for opposing coal exports altogether. But the present is no time to consider the question. It is imperative at present to pay off our heavy debt to various countries, and particularly to the United States, and this can only be done by reducing our expenditure and increasing our income; and the way a nation increases its income is not by getting an extra pound a week salary, but by exporting more produce. In the pre-War period, it will be remembered, we exported nearly 73 million tons of coal each year, the bulk, no doubt, coming from the South Wales coalfield. Last year our coal exports fell to less than half that amount. Of our total coal exports in the period before the War very nearly 70% was exported to European countries.

We are accustomed to talk, and to expand upon some occasions, upon the question of our world-wide trade. Up to a point it is perfectly true. But it is a remarkable fact that when one really ascertains what trade amounts to one is surprised to what extent it is purely local. Of our total coal exports in the pre-War period between two-thirds and three-quarters were exported to European countries. Considerably less than one-third went across the great oceans. The importance of recoaling Europe at the present time, and particularly those countries which were our Allies in the recent War, it is too evident to need insisting upon. It would assist our trade and it would assist the recovery of those nations.

At the annual meeting of the Royal Mail Steam Packet Company, Limited, held on Wednesday last, the Chairman, Sir Owen Philipps, G.C.M.G., M.P., stated that the country is now emerging from the abnormal conditions created by the late War, and, with few exceptions, the steamers belonging to the Company which had been requisitioned by the Government are again running on their former routes, or are undergoing re-conditioning. Since the date of the last annual meeting the Company has added a new steamer—the *Almanzora*—to the South American service, while it has secured the delivery of another, the *Narenta*, specially insulated for the carriage of meat, together with seven other steamers destined for the Company's service. Sir Owen stated that with the reopening of the port of Southampton the Company has been able to resume its passenger and mail service between that port and South America, though it has not yet been possible to fully re-establish its regular sailings. Pressure is naturally felt on the passenger accommodation, especially on the homeward voyage, but this congestion has been greatly relieved within the past year. He regretted the necessity to raise passenger fares, but the increase has been far from adequate to meet the great and continually rising cost of coal, wages, victualling, &c.

THE ROPEMAKING INDUSTRY.

Various influences have combined to encourage the expansion of the ropemaking industry during the past half-century, but shipbuilding and the shipping trade have been, in the main, responsible for fixing its location in our seaport towns. It is not surprising, therefore, that the most important concerns engaged in this manufacture are to be found in places such as Leith and Edinburgh, Belfast, London, Liverpool, Portsmouth, and Falmouth, all situated on the coast-line. Inland centres cannot, however, either be neglected. In the Lancashire cotton area it is natural to expect from Blackburn and Heywood a large output of cotton ropes, which possess many advantages for the transmission of power. Similarly, the hardware industry of

Birmingham favours the production of wire ropes, which have largely taken the place of cables and chains for all kinds of heavy work. The majority of ropemaking establishments are not content to limit their activities to the range embraced by ropes, cordage and twine. Generally, tarpaulin, canvas, and other articles, the raw materials of which are drawn from hempen or some other vegetable fibre, are also produced. While diversifying the nature of its output, however, the individual firm is careful to devote particular attention to the manufacture of some speciality suitable for the requirements of a certain industry or a certain section of the community. Heavy Manila rope would be extensively employed by the large steam vessels entering Liverpool; yachting on the south coast would call for a different description of rope; binding twine for self-binding harvesters would meet the needs of agriculturists; while the Alpinist would require an article furthering the pursuit of his favourite amusement. For winding at high speed from great depths a special high-grade wire rope would be in demand in the Midlands.

The term "rope" is applied to any variety of cordage having a circumference of an inch or more. Cords, twines, and lines are twisted cordages of smaller dimensions. Practically speaking, the art of manufacture, whether dealing with thread, line, or any other variety, consists of twisting together fibres and yarns. To aid in the preparation of the yarns the rope manufacturer, on account of the coarseness of some of the materials worked upon, must have recourse to heavy machinery, some of which displays very ingenious details in construction. For the spinning of vegetable fibres, such as flax or jute, the ordinary spinning frame is usually found sufficient, but special machinery has to be called upon where Manila and New Zealand hemp and similar fibres are concerned. The rope-maker possesses a distinct advantage in the fact that he is not dependent on any one geographical area for the satisfaction of his requirements. Thus he is not circumstanced like the linen manufacturer of the North of Ireland, who was wont to rely chiefly upon Russia for his flax supply. He is also better placed to take advantage of price quotations, as the variety of fibres on offer suitable for his purpose gives him a certain liberty of action. Nevertheless, the common hemp, of which we imported 2,419,720 cwt. in 1919, remains the staple of the ropemaker. Russia and Germany formerly made important contributions to this import; but the paucity of supplies from these sources during the past year did not hamper the ropemaker to any great degree, as hemp, like flax, adapts itself to varying soils and climates and is grown extensively in many countries. Still the return for 1913 records an import of 3, 057,073 cwt. Up to the Crimean War all ships' ropes were supplied in what was known as hemp quality. The cessation of trade with Russia, from which large quantities of hemp were then received, impelled manufacturers to find a substitute elsewhere, and in Manila hemp, obtained from the leaf-stalks of a non-edible plantain, a most efficient substitute was provided. The habitat of this plant is the Philippine Islands, and the efforts made to extend its cultivation have not so far met with any measure of success. Treated with oil this fibre has a strongly resistant action to salt water, hence it is utilised largely in ropemaking for shipping purposes. Other hemps used extensively in cordage are imported from India, South Africa, and New Zealand. The sisal hemp grown in the two first-named countries is said to give a yield of clean fibre of between 3 and 5%, as compared with 12 and 15% in the case of New Zealand. The fibre of the former is, however, strong and glossy, and is well adapted for ropemaking on account of its damp-resisting properties, and the extension of the area under cultivation was urged recently by the Indian Industrial Commission. The advancing prices of Manila hemp before the War gave the original stimulus to hemp cultivation in New Zealand. Any review of the ropemakers' raw materials would be incomplete without a mention of coir fibre, as the natural twist of its yarn renders it very appropriate for the manufacture of light and elastic ropes.

The cordage turned out by roperies in the United Kingdom is bewildering in its variety. The gross value of the output of the rope, twine, and net trades, according to the Census of Production of 1907, was given at £5,826,000. Between box cords and clothes lines and ropes intended for ships' use, power transmission, oil-well boring, and haulage there are innumerable descriptions specially designed to convenience a certain demand. With the great expansion of the quantity and diversity of the commodities produced during the past half-century and the growth of retail shopkeeping the call for shop and sewing twines is ever increasing. The yarn for specially made small cords, such as plaited sash, blind and picture cords, is wound on bobbins manipulated by special plaiting machines, which lay the yarns closely together and produce an article eminently suited to sustain great weights and resist wear and tear. Flax furnishes the yarn for very fine fishing lines, and Russian and Italian hemp yield the material for the heavy lines employed in the Newfoundland and Norwegian fisheries. The introduction of machinery into agriculture gave manufacturers the opportunity of putting binder twine on the market. The growing employment of mechanical binders in all the principal wheat-growing countries calls for an ever-increasing production of this class of goods. Made from a superior quality of Manila hemp, this twine is distinguished for its strength, the breaking strain of 10 being more than 200 lb. Flexibility, strength, and durability are characteristics of cotton driving ropes, hence they are preferred for power transmission in textile and other work. Compared with cotton, most qualities of Manila hemp are ill-adapted for small cords and twines and show to better advantage in the preparation of heavy cordage. Since flexibility was imparted to the wire rope it has superseded hemp for many marine purposes. A point in its favour is that it is much stronger for the same size than ropes made from any other material. Where a given strength is considered the size and weight of the wire rope are only about one-third that of the hempen rope. Brass, copper, steel, and iron are the metals usually employed, and the manner in which the wire can be drawn depends upon the property of ductility possessed by the metal. Larger sizes of this rope are used for standing rigging on ships and smaller sizes for running rigging. For utilisation in connection with steel cranes and in the construction of aërial ropeways and electric cables the wire rope finds other applications.

The limited number of industries in Ireland outside agriculture has been frequently commented upon. Ropemaking is, however, in a flourishing condition and Belfast boasts of possessing the largest concern in the world. The Irish output includes all varieties of hempen ropes, cords and twines. Fishing nets are turned out in large quantities, especially for the North Sea trawlers. Hand labour has not yet been displaced by machinery in this direction; the whole of a trawl net must be made by hand, as there are so many different sizes of net required, and the parts of the net are of such varying sizes that no machine capable of replacing hand labour in the manufacture of these articles has yet been invented. The exports of new cordage, ropes, and twine from Belfast during the year 1919 were reckoned at 223,340 cwt., while the total exports from Ireland during 1918, 278,788 cwt., were valued at £1,477,576. For the year 1919 the total exports of vegetable fibre ropes from the United Kingdom came to 443,467 cwt. at an estimated value of £3,166,106. Wire ropes, other than telegraph and telephone cables, accounted for 573,480 cwt. at £2,196,097. Makers in Great Britain allocate, it must be remembered, a large proportion of their output for the home trade.

The prospects of the industry for the present year are very bright. The shortage of stocks on the Continent and elsewhere is acute and hemp prices for some time past have on the whole shown either a

stationary tendency or a distinct inclination to fall. It is not unreasonable to expect; under the circumstances, that the export returns for 1920 will make an advance on those of 1919. To attempt a forecast of the probable course of home business would involve the consideration of a multiplicity of factors, but an increase in the volume of shipping calling at home ports would, for one, have a most stimulating effect.

IRISH INDUSTRIAL COMMISSION. EVIDENCE.—XVI.

THE FISHING INDUSTRY.

That the geographical situation of Dingle, Co. Kerry, does not encourage a fresh-fish trade with the English markets was the opinion of Mr. Thomas O'Donnell. The inadequate transport facilities offered by the railways could best be illustrated by an example. In the year 1918 he railed, on a Saturday, a consignment of fish for Manchester, and the fish did not arrive in that city until the following Thursday. The fish merchant was not thus readily able to take advantage of the high prices ruling in England at a given time. The development of Dingle as a fishing port could be brought about by the provision of a deep-water pier and better railway accommodation. Under present conditions boats are not inclined to enter, as it means the loss of three days' fishing. He would not discuss the desirability of all these ports pooling their resources and accepting the guidance of a federation with headquarters situated in Cork, but he thought that economies in regard to carriage and dues could be effected if fish were sent to that centre.

According to Mr. McKenna, Dingle would remain under a handicap in supplying the market for fresh fish until the railway service was improved. On being transferred at Mallow fish were often side-tracked or left behind. At present the Holyhead route was practically the only one available, as Rosslare only takes mackerel twice weekly. Hence Dingle prices for "freshing" compare unfavourably with Baltimore and Valentia prices, which towns, having the choice of three or more routes, several trains daily and unlimited wagons, are able to get their fish to market 24 hours earlier. Curing has necessarily been developed to the highest possible extent, and without exaggeration he could say that Dingle was now the greatest mackerel-curing centre in Ireland. They were in a position to cope with any quantity of mackerel, and mackerel has never been dumped in Dingle, as curers were so placed as to take whatever quantity offered. There are 33 curers in the port, most of whom sell direct to America. Up-to-date fish-curing sheds have been erected, a large stock of salt and barrels is always maintained, and they objected to any public funds being given by way of loan or subsidy to co-operative concerns to crush them out of a business they had brought to a high standard of success. A free market for mackerel exists at Dingle, and there is nothing to prevent fishermen undertaking fish-curing, as they had made large sums of money in recent years and had ample capital to embark in the business if they thought it a good business proposition. He reckoned that approximately half-a-million pounds had been paid to fishermen during the past few years. He was opposed to a grant of capital from outside sources to a co-operative society, and he certainly objected to a grant of £400,000 from the Dail Eireann, the Congested Districts Board, or any other body.

It should be remembered that the demand for mackerel in the United States was slow and that the expansion of the trade during the war was, to some extent, artificial, as the Norwegian supply was cut off. In quality Irish fish was as good as Norwegian; nevertheless, he understood that it was usually sold to the American consumer under the latter description. There is no market in Europe for cured mackerel, and in Ireland there is little demand for either salt or kipper mackerel.

Mr. Tooher stated that during 1919 the fishing of the Peninsula, *i.e.*, Dingle and Castlegregory stations, was 19,031 barrels, 37,051 boxes, and 1,204 hampers, of an approximate cash value of £145,000. This amount is capable of a large expansion, and the trade would be considerably developed if efforts were made to procure in the locality the various materials required instead of relying on importation from other sources. At present ice is supplied from Belfast, the rail charges coming to 45*s.* per ton. The distance and the delays on this journey lead to great wastage, and it frequently happens that fish have to be despatched without icing owing to the non-arrival of consignments. Net-making should engage the attention of local enterprise. About 100,000 yards of netting were employed by the fishing fleet. As to the opening for barrel-making, about 20,000 barrels are required annually for fish-curing in the district, and reckoning the present price of a barrel at 15*s.*, the total cost comes to £15,000. Outside sources furnish the needful supply of barrels, and allowing for the manufacture of two barrels per man per day, there is constant and remunerative employment for at least 20 men all the year round. A great drawback to the success of the fishing boats is the distance from Dingle Station, at which many of them are forced to land their catch. The remedy might be found in the establishment of a motor-lorry service. Railway rates for the carriage of fresh fish had recently gone up by 50%; as fish is an essential article of food and is generally consigned in large quantities, he thought that an appeal for exemption from this increase would get a favourable hearing.

The fishing industry of Cahirciveen could not, said Mr. Healy, be properly developed unless the transit facilities were materially improved. The Great Southern and Western Railway Company had it in its power to give a much better service and to provide additional rolling-stock, but in spite of frequent complaints it had evidenced no desire to do so. Landing piers for fish should also be provided, as under the present system fish had to be transferred from the boats to lighters; this was costly and occasioned a slight deterioration of the fish. Last year the Congested Districts Board announced its intention of building a pier, but so far a beginning had not been made. Ireland was not a fish-eating country, and attempts to find a market there for their entire output had failed. In many Irish hotels it was a difficult matter to obtain fish, but that was due to the fact that the proprietors ordered very small quantities, and expected to get them at prices which offered practically no remuneration to the merchant. Owing to the nature of the trade in Ireland many people were deprived of the opportunity of purchasing fish for the simple reason that it was not on offer. So far as the American trade was concerned, a direct service from Cork to New York would be of advantage, but the bulk of their fish went to Montreal and Chicago. Off the Blasket Islands a lobster-fishing industry was carried on and large exports were made to English and French markets. Line fishing was also very important. In the spring fish to the value of considerably more than £100,000 passed through Cahirciveen by railway. Bearing in mind the demand for barrels, the establishment of a cooperage in the locality would be a paying concern. An ice factory was about to be set up, and this would turn out about seven tons of ice per day.

Messrs. Henry Frowde and Hodder and Stoughton have just published, on behalf of the Institution of International Affairs, the full text of the Treaty with Germany. The volume is a supplement to five elaborate volumes dealing very exhaustively with the Peace Conference of Paris, and it is hoped that this text, made available in a cheap form, will be studied not only by University students, but by business men, and particularly by working-men's societies.

SOUTH AND CENTRAL AMERICA.

ECONOMIC ARGENTINA.—I.

MESSRS. TORNQUIST AND COMPANY, the well-known bankers of Buenos Ayres, have compiled a mass of information on the economic development of the Argentine Republic during the past quarter of a century that is exceedingly interesting and very valuable. It shows the growth of the Republic in a series of tables, with exceedingly little explanatory comment and hardly any opinions. Nevertheless, the student who will carefully analyse those tables, and who will carefully study the brief summarised letterpress by which they are accompanied, will obtain an extraordinary insight into the growth of economic Argentina during the past generation.

Practically, during that period Argentina may be said to have grown from a country of flocks and herds—growing, it is true, a certain proportion of cereals and other produce—into a State producing a vast quantity of food and raw materials of various kinds required for consumption in nearly every part of the globe. Moreover, whereas the Argentina of a generation ago, with the exception of certain economic relations with the United States of America, was almost exclusively dependent in an economic sense upon this country, we had in those days invested a very large proportion of the money which built her railways, constructed her docks, and provided her telegraphs and telephones, and as we did not perform those services in the capacity of philanthropists Argentina had every year to raise immense quantities of produce for the purpose of being despatched across the seas to pay for those services which we had rendered to the Republic. It will be remembered that one of the consequences of opening up the Argentine Republic was the extraordinary fall which took place in the 'nineties of last century in the cost of food and raw products. So alarming was its result that while it benefited the consuming markets of Western Europe, and, consequently, the people dependent upon those markets, its economic results upon the producers led to a period of grave unrest in the two Americas, which in the course of a generation has spread more or less throughout the world.

The turn of the wheel of fortune began in the Argentine Republic while this country was engaged in the South African War. We went into that war, as we went into the recent War, wholly unprepared, and the result was that we had to spend extravagantly considering the magnitude of the operations in which we were then engaged. Argentina in those days was by far the cheapest market in which to buy food and raw products needed for the sustenance of an army in the field. The result was that we purchased immense quantities of various kinds of food, of transport animals, and of various classes of raw materials at ever-advancing prices. As a result, Argentina was not merely able to pay the interest upon the various loans which were incurred for her railway and dock constructions, but she accumulated a very handsome balance. With this balance she was able to buy back a portion of her own securities, which enabled the more wealthy of her citizens to obtain a revenue from the working of their own enterprises. For the most part the purchases were comparatively small, and the people who obtained the revenue were not in any sense under the necessity of living upon it. The result was that this money was, as we say in common speech, saved; in other words, it was used for the development of Argentina, without having recourse to foreign loans. In that sense the South African War was a great advantage to the Argentine Republic, as it enabled her to pay back with comparative ease a portion of her loans, and to acquire a certain amount of capital, which was available, and has been used, for the further development of her own resources, without having recourse to any foreign market. This advantage was accompanied by another train of circumstances, partly advantageous and partly otherwise. As it had been found that the development of transportation facilities in Argentina had been carried on to too great an extent for the consuming capacity of Europe, and, indeed, for the consuming capacity of the whole world at that time, there was a complete halt in the construction of means of transportation, and in the efforts which had been made to increase the production of food and raw materials throughout the world.

Partly due to other causes, into which we have not space to enter now, it resulted, as no doubt the reader will remember, in a very serious crisis in the United States—a very serious crisis, for that matter, in the Argentine Republic itself. In North America, where the population had grown to an extent that it appeared no longer practicable to live wholly upon the production of food and raw materials, a completely new era was inaugurated. The result of this was that whereas the United States had formerly lived on raising food and raw materials to be despatched to Europe, she decided to imitate Western Europe and adapt herself to various forms of industrialism other than the production of primary necessaries, and to draft a very large proportion of her population into what for convenience we may call city or town occupations. As a final result, the consuming classes of articles of prime necessity grew out of all proportion to the producing classes. Hence, during the whole of the present century prices of articles of prime necessity steadily tended to appreciate. There was, of course, what is called a set-back from time to time. But if the reader is sufficiently interested to carry the subject further, he will see, by referring to any list of prices, that the tendency all through the present century, as we have just said, was for a rise in prices. It was becoming evident, even before the outbreak of the recent War, that what for convenience we may call the consuming classes were growing out of proportion to the producers. If, therefore, the civilised world was to continue to advance upon the same relative economic basis as it did, say, in the generation which ended with the beginning of the present century, it was becoming essential that new feeding-grounds should be found. Various schemes were in course of preparation for increasing railway building in both North and South America, in India, in Australasia, and in Asia. One serious difficulty presented itself. During the prolonged period of railway building which ended, roughly, with the later eighties of last century the opening up of the newer countries of the world had been mainly confined to what are called the temperate regions. These are naturally not the most fertile. They are, however, or they were at that time particularly, more suitable as places of residence and as spheres for development for those populations whose economic leaders were mainly engaged in the opening up of the world with the object of obtaining increased means of subsistence upon as low an economic value as possible. The English, the Americans, the French, the Germans, and the Italians were all peoples more or less coming from the temperate regions of the world. They were, consequently, attracted to places having climates similar to their own. Speaking very generally, and, of course, subject to correction, it may be said that the temperate zones are nowhere the most fertile. The Province of Buenos Ayres in Argentina is an exception; but that is due to the fact that it is an alluvial plain, the soil of which appears to have been brought down by a great river which appears in pre-historic times to have followed the course of the Parana-Uruguay as we know it to-day. However this may be, that particular area, which exceeds in extent the whole of the United Kingdom is perhaps as fertile as any part of the world. But outside that special province the fertility of Argentina taken as a whole decreases, and decreases rapidly. There appears to be also a very fertile area in the region of the great lakes to the East of the Andes. But, so far, that part of the

Republic has hardly been explored, still less opened up to an extent that would justify us in forming a very confident opinion either way. The vast area of the south which we know as Patagonia is far less fertile than the Province of Buenos Ayres.

There remain the vast expanse and highly fertile regions of the Tropics, both within the confines of the British Empire and in South America. Until, however, the dawn of the present century these regions can hardly be said to have been really accessible. We deal fully with the subject elsewhere, and, consequently, we do not desire to labour the subject here. Suffice it to say that until the discoveries of scientific men had shown the way, and the practical application of those discoveries had been made by the United States in Panama, and by other Governments elsewhere, the practicability of increasing supplies of primary necessities with rapidity and upon a low economic basis, was causing grave anxiety to the leaders of industry in all the civilised countries throughout the world. That the rise in prices was not due to temporary causes, but would continue and become accentuated, was evident in the dawning years of the present century, unless it could be checked by increasing production in some parts of the world which hitherto had not been developed to any appreciable extent, at any rate in historical times. Experiments, and highly valuable experiments, as we explain elsewhere, were being made in various tropical regions. In India, in Panama, and in Brazil, experience was gradually accumulating. Meanwhile, the industrial leaders of various countries were watching those experiments with keen interest, and not without a large measure of anxiety, because upon their success or failure depended the practicability of continuing our industrial enterprises upon the lines upon which they had been carried out. While these experiments were going on, and while as yet no definite decision had been taken by the industrial leaders, came the great European War. As this War extended from continent to continent extravagance and waste proceeded apace, with the result that we are now faced with a deficiency of nearly every article of prime necessity. There are hopes at the moment of a fall in prices. And it is hoped that we shall be able to obtain our supplies upon a more reasonable basis than we have been recently accustomed to. This may come about in two ways. But the only satisfactory solution will be such a development of the unoccupied portions of the world as will lead to greatly increased production. On the other hand, of course, a fall in prices might be brought about simply by the inability of a large proportion of our people, to use common language, to pay the prices demanded. In other words, the general cost of production has become so great that there is an inadequate supply to go round. The Food Controller in this country has recently informed us that we are at present consuming in England only 75% of the quantity of meat which we consumed in the years that immediately preceded 1914. Now this does not mean that we are fat and overfed. On the contrary, we have been rationed down to a state of leanness. All it really means is that, either due to unavoidable causes, or, as we think, to the mistaken policy of the Government, the cost of producing meat has become so extravagant that the great majority of our people are only in a position to afford 75% of the proportion which they consumed prior to 1914.

Messrs. Tornquist give in their excellent publication a table of figures showing the relative occupations of the Argentine population at the present time, and compare these with the way in which the population was occupied a generation ago. The last Census in Argentina was taken in 1914, when the population was 7,885,000. The Bureau of Statistics, however, estimates that the present population of the Republic is approximately 8½ millions. Two and a quarter millions of this population are located in the Province of Buenos Ayres, and more than 1,650,000 are located in the Federal capital alone. The preponderating portion of the population in Buenos Ayres and in Santa Fé, including, of course, the City of Buenos Ayres, is one of the most striking features of the returns. The explanation is, of course, quite simple. It is due to the economic causes which have led to the development of the Republic in the form which it has actually taken. We have explained these causes to some extent in the past, and hope to return to the subject hereafter. It would, however, take too long here to enter into the subject. Suffice it to notify the fact. Messrs. Tornquist's illuminating figures showing the change in occupation of the people during the century throws a further light upon practically the same aspect of the subject. Whereas towards the end of last century by far the larger proportion of the population were engaged in agricultural and pastoral pursuits, this is so no longer. Whereas at the present time under 600,000 people are directly engaged in agricultural and pastoral pursuits, more than 1¼ million people are engaged in industry and commerce. The causes underlying these occupational changes are the same as those which have led to the great growth of the city of Buenos Ayres, the city of Bahia Blanca, the city of Rosario, and the other important towns of Argentina, at the expense of the Republic taken as a whole. As we have explained so often, Argentina lives primarily, and has lived during the past two generations, on the production of food and raw materials, and her present prosperity is due to the fact that she raises enormous quantities of food and raw materials to be consumed at a great distance from her shores. Consequently, the number of people engaged in handling in various forms, merchandising, and transporting these materials is actually larger than the number of individuals engaged in their primary production.

Messrs. Tornquist estimate that the total value of Argentine production in 1918 was 4,500 million dollars. Of this 2,680 million dollars were consumed in Argentina and 1,820 million dollars abroad.

We regret to announce the death this week, after a short illness, of Colonel Alphonse Simonius, the Chairman of the Swiss Bank Corporation. Colonel Simonius was also Chairman of the Clayton Aniline Company, Limited.

JAPAN.—Considerable concern was manifested this week at the news of the closing of the Seventy-Fourth Bank of Yokohama. We are, however, informed on the very best authority that economic conditions in Japan are improving. The Stock Exchange and some of the produce exchanges, which were compelled to close recently on account of the panicky fall of prices during last month, have all reopened. The Stock Exchanges in Tokio and Osaka reopened on the 10th inst. with a favourable tone. The Cotton-yarn and Silk Exchanges also resumed business on 5th and 6th inst. respectively, and the general tendency showed a comparatively considerable recovery. The cotton-goods trade, however, is still unsettled. Home demands for cotton yarns decreased on account of the heavy fall in the price of cloth, and, though there were inquiries from abroad, difficulty has been experienced in arranging export transactions owing to the gradual fall in the price of silver, so that the market remained dull. The Osaka Cotton-spinners' Association passed a resolution to stop work six days a month, in the hope of preventing a further fall in the price. Nevertheless, market conditions being as above stated, cotton-yarn traders are negotiating with spinners for the cancellation of some orders of May and June delivery, and at the same time are asking for a further stoppage of work. In the Silk market "futures" were brighter than "spot." The general tendency of the market became steadier, and sellers' attitude firm. Still the [illegible] from Europe and America were [illegible] Stocks of silk in Yokohama on [illegible] bales. The Money market [illegible] exceedingly dull, short money being abundant.

American Topics.

CANADIAN PACIFIC RAILWAY.

At the annual meeting of the Canadian Pacific Railway held at Montreal under the Presidency of Lord Shaughnessy, the Chairman dealt with the extravagant growth in the cost of working this great transcontinental line. Mr. E. W. Beatty stated that during the year ended with December last the cost of working the line increased by very nearly 21,000,000 dollars. This is a further growth of an increase of 17,000,000 dollars on the cost of working the line in 1918. Finally, the Chairman told the meeting that whereas in the financial year ended June 1914 it cost 87¼ million dollars to work the line, in the financial year ended in December last it cost 144 million dollars to do the same work. This was an increase of 64%. During the five years of war, the Chairman stated, the increase in freights permitted by the Government amounted to roughly 40%. Of course, it is evident that no railway company, and indeed no industrial corporation of any kind, could go on working upon such lines as these. The Chairman very naturally urged the importance of increasing freight charges.

This question of the extravagant growth in the cost of working railways, which is in no sense peculiar to the Canadian Pacific, affects not merely the cost of living but the economic development of the world. Transportation facilities upon a reasonably sound economic basis we certainly ought to have. Apparently transportation facilities are becoming increasingly difficult to obtain and the cost of obtaining them is growing. There may be a reaction, and we hope there will, but the tendency of the cost of transportation facilities has been to increase in recent years rather than to diminish. The War has accentuated it, but the cost of working railways has tended to increase for some years. This has been true of England, of all the principal countries on the European continent, of the American railways, of the Canadian railways, of railways in South America and in the Far East. This has not been caused by any extravagant dividends which the railway companies of any country have been able to earn and distribute to their shareholders. There has been nothing in the nature of the issue of bonus shares, as has been done in the case of various successful industrial corporations from time to time. Railways have been running in different parts of the world for the better part of a century, and, speaking broadly, though they have rendered great services to the public, services that it would be difficult in a sense to overestimate, from the point of view of the builders they can hardly be regarded as anything but a disappointment. A railway company is a public carrier, not a philanthropic institution. In so far as the railways can be properly described as existing to earn dividends they cannot be described as a brilliant success. In the railway mania, as it was called, in England, now nearly a century ago, when railways were built here and projected all over the world, a 10% dividend was regarded as a minimum, which those who were invited to subscribe the capital were to expect. No railway in the world has achieved anything like such a result. We do not, of course, mean that individual railways in rare instances have not paid 10% upon part of their capital issue, but the instances have been rare, and it has only been paid on part of their capital. Far from being the Eldorado that railways were expected to prove, so difficult has it in fact been to earn dividends that railway companies have adopted a practice of issuing capital in various forms: Loan capital, which is to receive only a low rate of interest, which is supposed to be, and sometimes is, well secured; a Preferred capital, which takes a measure of risk in the hope of a better return than from the loan capital; finally, there is the Common or Ordinary stock, which takes all the risk and sometimes earns a dividend and sometimes does not. If the railways had proved the success that was hoped and expected when they were projected, there would have been no need for this division of capital. Subscribers would have been assured of a more than adequate yield upon their subscriptions. was hoped and expected when they were projected

Mr. Beatty naturally advocates raising rates at least to the level to which the cost of working the line has grown through no fault of those responsible for its management. The Chairman truly points out there are two ways of running a railway. One is to run it as a business and charge rates which will pay. The other is to adopt the practice which both England and the United States followed during the recent War: to run the railways at a loss and make up that loss out of the revenue derived from the taxpayers of the country taken as a whole. If the railway shareholders have little to congratulate themselves upon, railway servants are discontented with their lot in nearly every country of the world. If the railway companies have disappointed those who subscribed the capital to build them, neither have they satisfied the aspirations of those who live by working upon them. The extravagant cost of working the railways in England, and consequent low rate of return upon the capital employed on their building, was formerly ascribed to the high cost of obtaining the land on which they were built in England. This explanation might appear satisfactory if the high cost of working railways was peculiar to England and English shareholders were the only people who had to be contented with a low rate of return on their capital; but it is just as true of the new countries as of the old ones. If any railway in the world could be expected to work cheaply one would suppose it to be the Canadian Pacific. It was built on the open prairie, on lands that were practically allotted to it by the Canadian Government. It had every assistance that that Government was able to afford. Yet the Chairman tells us that in five short years the cost of working the line has increased by 64%. It was hoped at one time that increasing the size and weight of the cars would solve the problem of the growing cost of working. The size and weight of freight cars and of passenger coaches have steadily increased on all the principal lines of the American continent, but in spite of this the cost of working steadily increases. It is evident that if some method cannot be devised —possibly in the direction of obtaining cheaper motive power—for reducing the cost of working the railways one factor in the growing cost of living will remain unsolved.

TROPICAL TRADE OF THE UNITED STATES.

A USEFUL table has been compiled by the National City Bank of New York showing the growth of trade of the United States with various tropical countries. At the beginning of the present century the total value of American imports from tropical and sub-tropical countries amounted to some 350,000,000 dollars, or, say, £70,000,000 at the then rate of exchange. Just before the outbreak of the recent War the value of these imports during a period of 12 months had grown to 775,000,000 dollars. In the calendar year ended with December last imports from various tropical and sub-tropical countries into the United States were valued at 2,000,000,000 dollars. Various products obtained from tropical and sub-tropical countries were valued at approximately 50% of the total value of the imports into the United States in the year 1919. So recently as 1910 these products only represented 25% of the total value of the imports into the United States, while in the clear year before the War the value of these imports was, roughly, 33% of the total

imports. The imports into the United States of tropical and sub-tropical products consist almost wholly of sugar, coffee, cocoa, vegetable oils, indiarubber, raw silk, and tobacco.

We will deal briefly with the relative proportion between the increase in quantity as distinct from the increase in money values. The increase in money values, as we shall show, has been enormous, but there has been, nevertheless, a real and appreciable increase in quantity. Sugar is naturally the most important and shows the greatest growth in money values. The United States obtains practically the whole of its imports of sugar, in addition to that grown in its own borders, from islands more or less dependencies of the United States. In the last clear year before the War the value of the sugar imports into the United States was under 160,000,000 dollars. In the calendar year 1919 these imports exceeded in value 524,000,000 dollars. The value of the raw silk imports in the fiscal year ended June 1914 was 100,000,000 dollars. In the calendar year 1919 the value of these imports had expanded to 243,000,000 dollars. It will perhaps surprise the reader to hear of the United States, which is the greatest producer of raw cotton in the world, as an importer of this textile, but she does, in fact, import cotton from Egypt and other places, varieties of the plant which are not produced within the confines of the Union. The value of the cotton imports in 1914 was only some 21,000,000 dollars, but this value had expanded in 1919 to 72,000,000 dollars. Coffee imports had grown in value from 111,000,000 dollars in 1914 to 261,000,000 dollars in the calendar year 1919. Rubber imports, of which commodity the United States is the greatest purchaser in the international markets of the world, had grown in value from 75,000,000 dollars in 1914 to 222,000,000 dollars in 1919.

Turning to quantities, sugar shows an expansion of 30%, the actual weight imported in 1914 being 6,818,000,000 lb., and in 1919 8,889,000,000 lb. Coffee imports increased from 1,000,000,000 lb. weight in 1914 to 1,334,000,000 lb. in 1919. In 1914 the United States imported 132,000,000 lb. weight of rubber, while in the calendar year 1919 the volume of the imports of rubber amounted to 536,000,000 lb.

This large growth in the imports into the United States from various tropical countries was accompanied by a considerable growth in the exports of the United States to tropical countries. Whereas in 1914 the tropical world purchased from the United States various kinds of merchandise valued at $412,000,000, in 1919 the tropical world had increased its purchases from the United States three times over to the value of $1,282,000,000.

UNITED STATES SHIPPING BOARD.

It was reported recently in some of our daily contemporaries that the United States Shipping Board had issued instructions that ships belonging to the Board should obtain their papers of classification from an authority to be appointed by the Board.

Assuming that the cabled reports prove well-founded, this will mark a completely new departure on the part of the United States in the method of classifying ships. Up to the present American shipowners, like nearly all shipowners throughout the world, had been content to accept the classification of their vessels as prescribed by the authorities responsible for "Lloyd's Register of Shipping." In colonial days the original thirteen colonies had, of course, no other authority to appeal to, and even after the Declaration of Independence America continued to follow the practice, which, indeed, in modern times has been adopted by nearly all shipowners throughout the world. At the present time there are something over 8,000,000 tons of shipping actually under construction in different parts of the world. Something like two-thirds of this will be content to accept its papers of classification from Lloyd's. Lloyd's is purely a private corporation. There is no obligation, even on the part of British shipowners, to register at Lloyd's. It is simply a matter of convenience. A ship that has never been registered affords no evidence of seaworthiness. On the other hand, a ship which has duly obtained a classification certificate from Lloyd's has a recognised position in the shipping world. The insurance companies and the underwriters who subscribe to Lloyd's Corporation accept such a certificate as a basis upon which they will fix their rates of insurance. No discrimination is made by Lloyd's Corporation in issuing a classification certificate between British subjects and foreigners. The ship is simply examined on its merits by shipping experts, and, provided that the builders have complied with certain well-known conditions, a certificate is issued, whether the ship was built in home waters or abroad. It will be seen that it is of very great importance both to home and foreign shipowners to obtain such a certificate of classification. Those chartering the ship which has been duly classified know exactly what they will be expected to pay for insurance, whether they charter a British or a foreign ship. In the absence of some form of classification, and particularly a well-recognised one like that issued by Lloyd's Corporation, it is by no means certain that shippers could insure their cargo at all. In any case, they might reasonably expect to have to pay very much higher rates. Consequently, it has become an almost universal practice for shipowners to seek to obtain such a certificate. The new American authority, if it is to come into existence, may not unnaturally expect to have to wait a considerable time before its certificates would be regarded in the shipping world as possessing the same value as those issued by the authority of Lloyd's during the past three centuries.

Like so many British institutions, Lloyd's came into existence towards the close of the seventeenth century in almost a haphazard fashion. A coffee-house keeper had attracted to his house a large section of the then existing shipping interest of London. For various reasons they determined to form an Association for mutual protection and for the purpose of indemnifying one another in the event of the loss of a ship, at that time by no means an infrequent occurrence. It will be remembered that we were engaged at that time in war with both France and Spain, and while British privateers and the British Navy in some cases preyed on the treasure-ships coming from the Spanish Main as well as on the French mercantile marine. British ships in turn had to pay toll to our enterprising enemies. A ship belonging to the Association had more chance of getting business if it required it—that is to say, was not entirely employed by a private trader; moreover, the owner was entitled to some kind of indemnification in the event of total or partial loss. As the British mercantile marine increased in tonnage and British trade expanded throughout the world Lloyd's became an increasingly important institution. There were abuses from time to time, but these were gradually eliminated. After a while Lloyd's adopted the wise practice of classifying all ships which were able to pass the test of their expert without regard to ownership or place of origin. As the British mercantile marine came to be the dominant factor in the world's sea-going commerce it came to be recognised by foreigners that it was more convenient to have their ships registered at Lloyd's than to set up any kind of authority for such a purpose in their own country.

The Australian Government is at present constructing, chiefly in the New South Wales Government Dockyard, six vessels of a standard type, with a length of 331 feet, a gross tonnage of about 3,590 tons, and a deadweight of 5,600 tons. The vessels are being fitted with triple-expansion reciprocating engines and three Babcock and Wilcox water-tube boilers. The cost to complete these vessels is from £30 to £31 per deadweight ton. The first four are already in operation.

A Copy of the full Prospectus has been filed with the Registrar of Joint Stock Companies.

Application will be made in due course to the Committee of the Stock Exchange for special permission to deal in these Shares.

NO PROMOTION PROFITS HAVE BEEN OR WILL BE PAID.

The Subscription List will open on Monday, the 31st day of May, 1920, and close on or before Wednesday, the 2nd day of June, 1920, for both Town and Country.

TAI TAK (JOHORE) RUBBER ESTATES, LTD.

(Incorporated under the Companies Acts, 1908 to 1917.)

CAPITAL - - - £250,000

Divided into 250,000 Shares of £1 each.

Present Issue - - - 125,000 SHARES OF £1 EACH

PAYABLE AS FOLLOWS:

2s. 6d. per Share on Application. 7s. 6d. per Share on Allotment.

5s. per Share on the 1st day of July, 1920.

Balance of 5s. per Share on the 1st day of October, 1920.

Directors :

REAR-ADMIRAL SIR DOUGLAS EGREMONT ROBERT BROWNRIGG, BART., C.B., White Waltham, Maidenhead, Berks, Chairman Kuala Pilah Rubber Estates, Limited.

LEOPOLD SUTRO, 22 Mincing Lane, E.C. 3, Director, Sungei Kruit Rubber Estate, Limited.

RICHARD BUTLER FIDLER, Ravensmere, Kendal Avenue, Epping, Essex, Produce Merchant.

ERIC MACFADYEN, 14 Great Tower Street, E.C. 3, Director Selaba Rubber Estates, Limited.

Bankers :

BARCLAYS BANK, LIMITED, 3 Great Tower Street, London, E.C. 3.

THE CHARTERED BANK OF INDIA, AUSTRALIA, AND CHINA, 38 Bishopsgate, London, E.C. 2.

Solicitors:

MESSRS. MINET, MAY & CO., 5 Dowgate Hill, Cannon Street, E.C. 4.

Brokers:

MESSRS. SOLOMON & CO., 10 Drapers' Gardens, and Stock Exchange, London, E.C. 2.

MESSRS. WISE, SPEKE & CO., 28 Collingwood Street, and Stock Exchange, Newcastle-on-Tyne.

Produce Brokers:

MESSRS. GOW, WILSON & STANTON, LIMITED, 13 Rood Lane, London, E.C. 3.

Auditors :

MESSRS. BAKER, SUTTON & CO., Eldon Street House, London, E.C. 2.

Eastern Agents:

MESSRS. BARKER & CO., LIMITED, Singapore.

Secretaries and Registered Offices :

MESSRS. HARRISONS & CROSFIELD, LIMITED, 14 Great Tower Street, London, E.C. 3.

Abridged Prospectus.

The Company has been formed with the objects specified in the Memorandum of Association, and in particular to take over as a going concern as from the 1st day of February, 1920, two Rubber Estates known as Tai Tak and Him Yuen, situated in the Kota Tinggi District of the State of Johore.

The Estates have been reported upon and valued at the request of Mr. Leopold Sutro by Mr. J. Murray, Planter and Visiting Agent of Kuala Lumpur, and the following particulars are taken mainly from his two Reports, both dated 9th February, 1920 :—

AREA.—	Acres	Approximate Age
Tai Tak Estate...	700	18 months to 2 years old
	120	1 year old
	74	6 months old
	880	Reserve Jungle and Swamps
	1,774	
Him Yuen Esiate	5	8 years old
	158	18 months old
	182	1 year old
	110	10 months old
	651	Reserve Jungle and Ravines
	1,406	

Summary—Planted Area	... ...	1,649 Acres
Reserve Area, etc.	...	1,531 ,,
Total	...	3,180 Acres

TITLES.—The Estates are held under the usual Johore Agricultural Leases for 999 years free of quit rent, but subject to the usual export duty of 5% *ad valorem*.

COMMUNICATIONS.—There is a first class Government road passing along the edge of both Estates, each of which has about one mile road frontage. At Kota Tinggi, which is on the Johore River, there is a wharf. Here four Chinese steamers call daily from Singapore, and all transport can be undertaken by water, or, if desired, by motor transport, direct to Johore Bahru.

LIE OF LAND AND SOIL.—The land is undulating, broken up by ravines. Except for these ravines, all the land is suitable for rubber cultivation. The soil is excellent. It is composed of fine reddish clay, with outcrops of laterite to be found here and there.

RAINFALL.—This is well distributed, which is one of the natural assets of a Rubber Estate, as it ensures good yields.

GENERAL APPEARANCE.—There is very little timber left on the land, and in consequence the Estates are remarkably free from root diseases. The greater portion of both Estates is clean, and there should be no difficulty in keeping the Estates clean weeded.

GENERAL.—Of the Tai Tak Estate, Mr. Murray reports that he formed a very favourable impression of the property. The lie of the land and soil throughout are, without exaggeration, excellent. Although a little uneven, all the rubber looked healthy. The situation and transport facilities leave little to be desired, and make this property additionally attractive.

Of the Him Yuen Estate, Mr. Murray reports that it appears to have undergone many vicissitudes in the early stages, but is rapidly responding to the careful work now undertaken, and that, provided the present care is continued, the property will develop into a very valuable one. The rubber throughout had a healthy appearance, whilst conditions as regards soil and transport are most favourable. He has every reason to expect that under good European management this estate will be a great success.

LABOUR.—Chinese contract coolies are employed, and there is said to be no difficulty in getting all the necessary labour.

VALUATION.—Mr. Murray values the two Estates at $873,107 (equal at 2*s.* 4*d.* per $ to £101,862), and bases his valuation on seven years' profits as follows :—

Year	Crop lbs.	Cost per lb. f.o.b.	Estimated Selling Price	Profit per lb.
1920 ...	1,750 ...	60 cents. ...	$1 ...	40 cents.
1921 ...	2,125 ...	60 ,, ...	$1 ...	40 ,,
1922 ...	118,050 ...	60 ,, ...	$1 ...	40 ,,
1923 ...	295,650 ...	50 ,, ...	90 cents. ...	40 ,,
1924 ...	406,100 ...	50 ,, ...	90 ,, ...	40 ,,
1925 ...	570,500 ...	50 ,, ...	90 ,, ...	40 ,,
1926 ...	695,650 ...	50 ,, ...	85 ,, ...	35 ,,

Value of 7 years' crop, as above	$801,147
Value of 1,531·20 acres of reserve Jungle (excluding 92 acres for swamps) at $50	$71,960
	$873,107

PURCHASE PRICE.—The Vendors to the Company are Mr. Leopold Sutro, of 22 Mincing Lane, E.C. 3, and the Mincing Lane Underwriters, Limited, of 38 Mincing Lane, E.C. 3, and the price payable by the Company is £79,293 12*s.* 4*d.*, being the same price as paid by the Vendors to Mr. Joseph Brooke David, of Singapore, for the Estates. The Company will in addition reimburse the Vendors all costs and expenses incurred by them in relation to the purchase and resale of the Estates and the upkeep thereof, and will also pay to the Vendors interest at 6 per cent. per annum on all payments made by them for purchase money, costs and expenses, and will give the Vendors or their nominees an option over 62,500 of the unissued shares at par, exercisable at any time before the 31st day of December, 1922.

The price being paid for the Estates (£79,293 12*s.* 4*d.*) is very substantially less than the figure (£101,862) at which they are valued by Mr. Murray.

NO PROMOTION MONEY, EITHER IN CASH OR SHARES, IS PAYABLE, and therefore the entire proceeds of this issue, less preliminary expenses, underwriting commission, and brokerage, will be available for the purchase consideration and general purposes of the Company.

WORKING CAPITAL.—The present issue of shares provides £30,000 or thereabouts. It is the intention to proceed with the planting up of the reserve land as rapidly as circumstances permit, and it is estimated that a total of about 3,000 acres should be brought into bearing on an issued capital of £200,000, being less than £70 per acre.

The full Prospectus sets forth the information required to be given in accordance with Section 81 (1) of the Companies (Consolidation) Act, 1908, including particulars for sale and purchase of the Estates and for the underwriting of the present issue of shares.

The preliminary expenses, all of which are payable by the Company, are estimated at £5,000, in addition to the underwriting and overriding commission and brokerage and the costs of and stamp duties on the transfer of the properties, which are also payable by the Company.

No sum is payable by the Company for goodwill.

The minimum subscription upon which the Directors may proceed to allotment has been fixed by the Articles of Association at seven Shares of £1 each, but the whole of the 125,000 Shares now offered having been underwritten, the subscription of this number is assured.

Copies of the Memorandum and Articles of Association and of the above-mentioned Contracts, and of Mr. J. Murray's Reports, can be seen by intending subscribers at the Offices of the Solicitors to the Company at any time during business hours while the Subscription List is open.

A Brokerage of 3*d.* per share will be paid by the Company on shares applied for and allotted upon applications (other than applications made by or through the underwriters) bearing the stamp of Brokers, Bankers, or approved agents.

Full Prospectuses (upon the terms of which above applications will be received) and Forms of Application for Shares can be obtained from the Bankers, Brokers, and Solicitors, and at the Registered Offices of the Company.

Dated 26th May, 1920.

ESTABLISHED 1887.

Telephones: 455, 4084, 3643 Avenue.

Telegrams: "Infusory-Grace, London."

HARDEN BROS. & LINDSAY LTD.

Specialists in Tea & Rubber Shares,

23 ROOD LANE, LONDON, E.C.

CORRESPONDENCE INVITED.

Rubber Topics.

MOVEMENTS this week were rather irregular on the whole. Opening strong, the leaders, notably Linggi, Anglo-Dutch, and Rubber Trust, developed weakness on Wednesday. A slight rally on Thursday enabled some of the ground lost to be recovered, and gave the market towards the close a somewhat firmer tone. Improved reports for 1919 have been received from the Third Mile (F.M.S.) Rubber Company, whose dividend of 27½% compares with 15% for 1918, and from Tangga Batu, which announces a dividend of 25%, as against 10% in 1918. An interim dividend of 7½% is announced by the North Labis (Johore) Rubber and Produce Company.

ANNUAL REPORTS ANALYSED.

GENERAL CEYLON RUBBER AND TEA.

Issued Capital: £183,000 in £1 Shares.

		Results for Years to December 31						
		Acres Planted	Output Lb.	Net F.O.B. Price per lb.	Net F.O.B. Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1916	Rubber	2,525	961,963	2.33	1.02	70,420	45,750	25*
	Tea	5,104	1,736,126	.846	.61			
1917	Rubber	3,616	1,085,478	1.10	.10	51,861	36,600	20†
	Tea	4,093	1,363,764	.838	.695			
1918	Rubber	3,744	880,881	1.446	1.008	18,559	27,450	15†
	Tea	4,026	1,409,387	.845	.694			
1919	Rubber	4,011	1,252,782	1.968	.11	52,791	54,900	30§
	Tea	4,344‡	1,596,439	1.077	.959			

* Free of tax. † 5% free of tax, plus 10% subject to tax.
‡ Including 488 acres interplanted with rubber. § Subject to tax.

Price of Shares, 63/1½. Market Capitalisation, £69 per planted acre of tea and rubber.

BEING a large producer both of tea and rubber, this Ceylon Company has been able to improve its position substantially for the better as soon as it reverted to normal conditions. At best 1918 was a transitional year—a year characterised by many difficulties which render comparison of its results with those of previous or succeeding years of little real value. However, with 1919 we get back more approximately to a year in which working operations were not handicapped by any drastic restriction of output as regards rubber, nor nullified by the marked shortage of transport facilities. Consequently, in its report for the year ended December 31, 1919, this Ceylon producer records an all-round improvement in its operations. Estimated at 1,565,000 lb., the amount of tea actually harvested reached 1,596,439 lb., as compared with 1,363,764 lb. in 1917 and 1,409,387 lb. in 1918. And whilst owing to the rise in the cost of labour and stores the f.o.b. cost moved up from 6.94*d.* to 9.59*d.* per lb., this was more than offset by a substantial appreciation in the sale price of the commodity, which is returned net at 1s. 0.77*d.*, as compared with 8.45*d.* in 1918. A more remarkable improvement still characterised the rubber section. The actual crop of 1,252,782 lb. was over 12,000 lb. in excess of the estimate and was obtained at an f.o.b. cost of 11*d.*, as compared with 1s. 0.8*d.* in 1918, whereas it was disposed of at an average price of 1s. 9.68*d.*, as against 1s. 4.46*d.* Thus, with tea yielding a profit of 3.18*d.* per lb., as against 1.51*d.* in 1918, and rubber contributing 10.68*d.* per lb., as compared with 3.66*d.* in 1918, it is not difficult to realise how a net profit of £52,791 was obtained, as against £18,559. This profit was further increased by £6,417 representing the refund in respect of excess profits duty, which amount equals all payments hitherto made under this tax in the past. Utilising these sums and the balance of £11,069 brought forward from the last accounts, there is allocated to the shareholders a sum of £54,900, equivalent to a dividend of 30%, which is to be paid less tax. This dividend compares with 15% in 1918, of which 5% was free of tax, and with 20% in 1917, all of which was free of tax. A balance of £14,889 is left to be carried forward to the next accounts.

There is no doubt that this Company will continue to pay good dividends for years to come. For the current year it anticipates a crop of tea of 1,832,000 lb. The crop secured during the first three months—including the short month of February—does not, however, come fully up to the approximate proportion of this estimate, amounting only to 397,100 lb. Still, the more propitious season of the year is yet to come. Similarly, there is no reason for looking very despondently on the output of rubber for the same period, which is only returned at 268,277 lb. out of an estimated crop of 1,338,000 lb. It is obvious that were both these estimates to be realised further economies in the cost of production become possible. On the other hand, it is advisable not to lose sight of the loss involved in the unfavourable exchange and in the undue cost of procuring rice for the native labour. At the general meeting it was pointed out how the rice was controlled by the Indian Government, which retailed it to the Company at a profit of 100%. The continuance of this burden, the full effect of which will only be felt during the coming year, is equivalent, it is held, to an addition of 2*d.* per lb. on tea and rubber. Similarly, the rise in the exchange rate corresponds to an increase of 5*d.* per lb. in the cost of production. Undoubtedly both these factors will operate not only to counteract any economies which the larger outputs might have brought about, but also to reduce the amount available for profit even on the basis of the year under review. Another loss to be spread over a few years is anticipated in the event of the enforcement of a new labour ordinance devised by the Indian Government, which would involve the writing-off of certain extra advances made to the coolies. One consolation can be derived from the fact that the 60% excess profits duty will not be likely in such a case to affect this Company, whose standard is fixed at £56,933. But to those who prefer to take the correct point of view—the long view—all these factors are only of temporary effect. The Chairman, who had just visited the estates, found them in most cases in excellent condition. Shortage of labour hindered cultivation in a few instances, but this difficulty was being overcome. Estates situated at a high level were full of promise despite an undue tendency to weeds. But on the whole the estates were well cultivated and excellently manured, and tapping was only on alternate days. Moreover, as regards rubber, there was very little disease. In the balance sheet the position of the Company is remarkably strong. Taking into account the final dividend of £32,025 declared at the general meeting, liabilities amounted only to £97,474, whereas the total of liquid assets exceeded £146,239. It was agreed at the general meeting to capitalise a portion of the reserves in order to bring the capital of the Company into line with its estate account. According to the Chairman, what is intended is to distribute to existing shareholders a bonus of two fully-paid shares for every three shares held. This will involve a reduction of the reserve account from £140,000 to £18,000, and will increase the issued capital to £305,000. In the market the shares of the Company, possibly on the light of this bonus, stand at 63s. 1½d., and as they yield a return of practically 9½% on the basis of the dividend declared during 1919.

SUNGEI KRUIT (PERAK).

Issued Capital: £65,000 in 2s. Shares.

Results for Years to December 31

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915 ...	1,316	947†	255,776	270	2/8 3	1/3	18,786	13,000	20
1916 ...	1,316	1,104	368,271	334	2/6·3	1/1	27,845	14,625	22½
1917 ...	1,466	1,300*	442,264	340	2/4½	1/2	27,754	11,375	17½
1918 ...	1,466	—	357,342	—	1/10⅞	1/1	11,165	6,500	10
1919 ...	1,587	—	535,951	—	2/2	1/0½	28,676	16 250	25

* Area in bearing includes 186 acres, 1912, and 212 acres, 1913, plantations.
† Approximate.

Price of Shares, 5s. 6d. xd. Market Capitalisation per planted acre, £113.

With the disappearance of the adverse circumstances that made 1918 so bad a year for rubber companies in general Sungei Kruit has resumed that career of prosperity which we forecasted. Estimating for 1919 a crop of 400,000 lb., there was harvested during the year no less than 535,951 lb. This great advance in the scale of output brought about considerable economies in production, which were reflected in the satisfactory reduction in the "all-in" cost to 1*s.* 0½*d.* per lb., as compared with 1*s.* 4*d.* in 1918. Moreover, the rubber was disposed of to better advantage, an average gross price of 2*s.* 2*d.* per lb. being realised, as against 1*s.* 10¾*d.* in the previous year. Thus the Company is in the delightful position of securing a profit of 1*s.* 1½*d.* per lb. on its output of rubber—a record which it is not easy to surpass. In amount the net profit reaches £28,676, in comparison with £11,165 in 1918 and £27,845 in 1916. A reserve of £8,000 is created to meet any liability in respect of the 40% excess profits duty during the year under review. A transfer of £4,451 brings the total of the general reserve up to £20,000. To shareholders there is paid in dividends a sum of £16,250, representing a rate of 25%, which replaces the previous record rate of 22½% in 1916. The balance carried forward to the next accounts is £4,477.

It can be safely said that, in the absence of unforeseen circumstances, the future before this estate is very bright. Arrangements have been made to plant 40 acres during the current year, thereby raising the total area planted to 1,627 acres. This leaves only 56 acres of waste land to provide for future development. Application has been made, on the reopening of the Government land books, for the purchase of a square mile of land in close proximity to the estate. Meanwhile, there is estimated for the current year a crop of 600,000 lb. The fact that during the first four months there has been harvested 165,510 lb. indicates that the estimate is again erring on the conservative side. With this increase in the output the reduction of the "all-in" cost to 1*s.* per lb. is by no means unlikely. Unfortunately, the net profits will suffer from the rise in the excess profits duty to 60%, unless the capital levy, the practicability of which has been admitted by the Chancellor's Committee, is enforced, in which case the rate will remain at 40%. The financial position, as disclosed in the latest balance sheet, is very strong. To meet liabilities which, with the final dividend of £11,375, do not exceed £28,024 there are available liquid assets to the amount of £45,456. Whilst the total of the issued capital remains unchanged at £65,000, the nominal value of the shares has been reduced from £1 to 2*s.* At the extraordinary general meeting at which this decision was arrived at it was also decided to give the directors power to capitalise reserves for the purpose of distributing bonus shares at their discretion. It can be observed that against a capital account of £65,000 there stands an estate account of £79,452, which indicates a minimum margin for capitalisation. In the market the 2*s.* shares stand at 5*s.* 6*d.*, at which price they afford on the basis of the 1919 dividend a return of a little over 9%; but taking into consideration not merely the possibility of bonus shares, but also the general outlook, the shares are rather attractive at this price.

PEGOH (MALACCA).

Issued Capital: £130,000 in £1 Shares.

Results for Years to September 30

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915–16...	3,671	2,300	603,967	262	2/8	1/3	42,965	32,500	25
1916–17...	3,717	2,653	706,765	266	2/6¼	1/3¾	44,003	26,000	20
1917–18...	3,707	—	606,256	—	1/11½	1/9	9,808	—	—
1918–19...	3,597	—	789,308	—	2/1	1/4½	28,619	45,500	35

Price of Shares, 6?/6. Market Capitalisation per planted acre, £118.

Burdened with an "all-in" cost high in proportion to the average gross price realised and handicapped by the compulsory restriction on output, this rubber Company found itself temporarily unable to pay a dividend to its shareholders for 1917-18. The report for the year ended September 30, 1919, shows that with these difficulties out of the way, the Company is easily able to resume its career as a dividend-paying concern. Anticipating a crop of 640,000 lb., it harvested, as a matter of fact, no less than 789,308 lb.—the highest output so far recorded. Furthermore, thanks to capable management, it obtained the satisfactory price of 2*s.* 1*d.* per lb. on the sale of its crop, in contrast with 1*s.* 11½*d.* in 1917-18. Owing to the larger scale of production the "all-in" cost registers a substantial decline to less than 1*s.* 4¾*d.* per lb. for the year under review, in contrast with 1*s.* 9*d.* for 1917-18. Thus there was actually secured a net profit on the working of the year of £28,619, as compared with £9,808 for 1917-18. From the above table it can be seen that a sum of £45,500 is paid in dividends, corresponding to a rate of 35%, in comparison with 25% in 1915-16 and 20% in 1916-17. There is carried forward to the next accounts a sum of £15,423. A windfall amounting to £17,030 was received as a refund in respect of excess profits duty owing to the decline in net profits during 1917-18. The interim dividend of 10% was paid out of this refund and really represented a payment made to shareholders in respect of 1917-18. Consequently, it appears that the dividend for the year under review would be more correctly regarded as 25%.

Disregarding for the moment recent Budget taxation, the outlook for the current year is distinctly promising. There is estimated a crop of 1,025,000 lb. Upon this basis the yield for the past seven months should have been some 598,000 lb. The crop actually harvested during this period is returned at 622,938 lb. Thus there is every reason for anticipating a crop again in excess of even this large estimate, especially as the labour situation has improved since the disappearance of the restrictions on emigration from India. It is evident that the further increase in the crop should be reflected in another decline in the "all-in" cost. To some extent this may be offset by the rise in the price of stores and by the loss on the cost of rice. But this latter is a loss common to most of the estates and its amount—for the year under review it amounted to £1,900—is not likely to be so great as to counterbalance the economies in production. Moreover, it seems that the prices secured by the sale of the output will be no less satisfactory than in 1918-19. Forward sales have been arranged covering ten tons delivery London at 1*s.* 11½*d.* per lb. and 15 tons *ex* go down at an average of 2*s.* 6*d.* per lb. every month from March to December 1920; whilst contracts have been entered into for the sale at 2*s.* 2½*d.* per lb. *ex* go down for 10 tons a month of the 1921 crop. According to the visiting agent the growth of the trees is satisfactory, with few exceptions, and weeding is being carried on extensively. A strong financial position is disclosed in the balance sheet dated September 30, 1919. Taking into consideration the final dividend of £32,500, the liabilities do not exceed £39,789; whereas liquid assets in the form of cash investments, sundry debtors, and stock amount to £73,065. In the market the £1 shares are quoted at 62*s.* 6*d.*, and at this price they return on the basis of a 25% dividend a net yield of 8%.

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Insurance Notes.

EQUITY AND LAW LIFE ASSURANCE SOCIETY.

THE Equity and Law is an aristocrat amongst life offices. Its connections are powerful and influential. Its proprietary is restricted to members of the legal profession, and its unusually large board includes the names of representatives of some of the most important firms of Metropolitan solicitors. The directors, therefore, as well as the shareholders, are in touch with the landed and wealthy communities, and it may readily be assumed that a goodly number of the Society's policies are effected in connection with marriage settlements and other forms of family dispositions. Business of this kind is of a very desirable character from the point of view of a life office. It is not costly, it is of a lasting character, and it deals with what may on the whole be considered a select class of lives. The average amount of the policies is considerably higher than in the great majority of life companies, and this assists economy in management. Apart from its influence on life assurance, the legal connection of the Company is beneficial in the investment part of the business. The purchase of reversionary interests of a good class has been proved to be a profitable form of investment to life offices. Such securities are not generally suitable to the requirements of private investors, as they give no annual interest income, as their dates of maturity may be long deferred, and as individual purchases must be of a speculative character. But companies who can obtain a good average of such transactions, and who from the nature of their business can afford to wait for a profit, are enabled through this very absence of popular competition to arrange the negotiation of these purchases on more favourable terms than they can expect to obtain from securities sought after by all and sundry. Moreover, arrangements for such purchases frequently necessitate the effecting of policies as collateral security, and thus are in the way of bringing grist to the life assurance mill. They have always been specially favoured for the placing of the investments of the Equity and Law.

The profits made by a life office are mainly derived from three sources: (1) economical administration, (2) a favourable incidence of mortality, and (3) a good average interest yield upon the accumulations. It will be seen from the above prefatory remarks that the legal connections of the Equity and Law are useful in all these directions, and that its business has materially benefited therefrom is apparent from the high standard of bonuses which has generally characterised its long and successful history. At the quinquennial valuation at the close of 1914 the reversionary bonuses declared ranged from 30*s.* to 78*s.* per cent. per annum, according to age at entry and class and duration of policies, and these excellent rates were not above the average which it had recorded over a long series of preceding investigations of the kind. Another quinquennial valuation fell to be made at the close of last year, and as four of the relative years were concurrent with the Great War it could not have been expected that the results for this abnormal period would prove as favourable. The quinquennial valuation report as at December 31, 1919, is now published, together with the annual report for last year, to which a short reference may be made before consideration of the valuation results.

The new business record of the Company in 1919, like that of most life offices, is specially favourable, and it is clear that the Company has shared to a satisfactory extent in the increased demand for life assurance following demobilisation and the partial restoration of normal conditions in the social life of the British community. New life policies for £1,256,891 (the average amount of each new policy exceeding £1,800) were effected, of which £239,000 was reassured, the net retention at the Company's sole risk thus being £1,017,891. The net amount is the largest of the kind which the Company has ever transacted in a year, and is more than two and a-half times the average for the five years from 1914 to 1918 inclusive. The total net life premium income in 1919, amounting to £369,456, shows an increase of £26,577 over that of 1918. The expense ratio was somewhat higher, about 13.1%, as compared with 10.9% of the premiums. This is partly accounted for by the increase in new business, and partly by the enhanced cost of clerical and administrative labour, which is a condition affecting all life offices to some extent. The death claims, amounting to £237,306, were reported by the Chairman at the annual meeting to have been rather less than 69% of the amount expected according to the valuation tables employed, and their incidence is stated to show a very substantial actuarial profit. Claims by maturity amounted to £165,926. The sum of £5,981 was received as consideration for new annuities, and annuities of £2,021 were paid in the course of last year. After giving effect to the year's operations, and after writing off £241,715 for depreciation in securities in accordance with the quinquennial valuation hereafter referred to, the life assurance fund at the close of 1919 amounted to £4,981,951. Excluding reversions and investments of a similar character the funds are reported to have been invested at the close of the year to produce £5 1*s.* per cent., this being presumably the gross rate before deduction of income tax. The revenue account of the capital redemption and general fund shows a premium income of £15,597 and a relative fund (at close of year) amounting to £113,855.

The quinquennial valuation was made at the end of 1919 by the O^M and $O^{M(5)}$ Mortality Tables as before, but the rate of interest assumed was 3% in 1919, as compared with 2¾% on the previous occasion. The valuation shows a surplus of £302,410, of which £1,000 is added to the staff pension fund and £33,357 is retained as a special reserve. The amount of the divisible surplus is therefore declared by the directors as £268,053, and as a net sum of £45,791 had been paid as interim bonuses on claims during the quinquennium, that amount, together with interest of £3,446 thereon, is taken into account in arriving at the sum of £317,290, which is considered as the total amount of surplus divisible in respect of the whole quinquennial period. Under the constitution of the Company nine-tenths of this surplus, or £285,561, goes to participating policyholders, and one-tenth thereof, or £31,729, to shareholders.

The divisible surplus is less by more than £200,000 than that which was declared as at the close of 1914, but a result of this kind can scarcely have been unexpected. The Company during the last few years has suffered, like many other life offices in the country, from war conditions, such as heavy depreciation in securities, increased taxation, and war mortality. But for these features it is evident that the bonus to policyholders could have been at least maintained at the 1914 standard. Depreciation in securities in itself

cost £386,362. The valuation results, however, may be regarded in all the circumstances as not unsatisfactory, and there is no reason to doubt, given the continuance of peaceful conditions, that a brighter picture will be presented on the next valuation occasion. It is a great thing to have dealt with an abnormal situation, and to have rung down the curtain on what may be hoped to be but a fleeting incident in a career of great prosperity.

Reversionary bonuses are declared to participating policyholders at the rate of 20*s.* per cent. of the sum assured in respect of each premium paid during the past quinquennium. The proprietors' share of the valuation profits is sufficient to provide a half-yearly dividend for the ensuing five years at the rate of 20*s.* (as compared with 28*s.* 6*d.* in the previous quinquennium) per share per annum, to be paid, free of income tax, by half-yearly instalments. The shareholders' capital amounts to £1,000,000, of which £60,000 is paid up, in 10,000 shares of £100 with £6 paid on each.

Employers' Liability Assurance Corporation, Limited.—With reference to article on this Company appearing on May 15, we have been informed by the Secretary of the Company that the contemplated issue of 200,000 new shares referred to therein is not to be made in consequence of existing financial conditions. It was stated in the article that the authorised capital, after giving effect to resolutions adopted at the general meeting, would amount to £2,000,000, but the number and denominations of authorised shares should have been given as 2,000,000 shares of £1.

Mr. A. Howard, C.I.E., Imperial Economic Botanist to the Government of India, will deliver an illustrated lecture before the Royal Society of Arts on Monday next on "The Improvement of Crop Production in India." Sir Robert W. Carlyle, late Member of the Government of India, will preside. Sir John Cadman will address the same Society on Friday, June 4, on "The Oil Resources of the British Empire." The chair will be taken by the Right. Hon. E. G. Pretyman, M.P.

The accounts of the Royal Insurance Company, Limited, for the year 1919, which will be presented to the shareholders at the annual general meeting to be held at Liverpool on Monday, the 31st instant, show that in the fire department the net premiums amounted to £6,088,898, the losses to £2,702,807, and the surplus of £1,114,925 has been carried to profit and loss account, from which the sum of £400,000 has been transferred to the fire fund. This fund has been further increased by the transfer of £600,000 from the reserve fund. In the life department the new business was £4,302,642, and the total premiums, after deducting reassurances, £1,056,915. After transferring £130,000 to profit and loss account for shareholders' proportion of life profits, the life and annuity funds amount to £12,906,122. The quinquennial life valuation shows a surplus which will provide a bonus of 30*s.* per cent. per annum in respect of the past five years, and an interim bonus of 30*s.* per cent. per annum on policies becoming claims by death or maturity before the next division of profits. After providing for interest on Debenture stock, income tax, and excess profits duty (£700,000), the final dividend for 1919, and transferring £400,000 to the fire fund and £250,000 to the general contingencies fund, a balance of £536,743 is carried forward. The total funds at the end of the year show an increase of £1,140,869 and amount to £24,459,031. An interim dividend of 20*s.* per share was paid in November last, at which time the shares were of the denomination of £10 with £2 10*s.* paid. The directors now recommend a final dividend for 1919 on the subdivided shares of 10*s.* per share, payable on June 1, making in all, on the new basis, 20*s.* per share, less income tax, for the year.

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EMPIRE FLAX.

KILLING THE GOOSE.

Those of our readers who have had occasion in the recent past to purchase clothing or garments of any kind wholly or mainly composed of linen, will at least have been struck, if not actually horrified, by the extravagant rise in price which has taken place. For certain purposes fabrics composed of flax may remain in considerable demand. For purposes of clothing it is evident that unless those interested in the industry can succeed in reducing the price and producing in large quantities and at a reasonable economic value the industry itself is doomed. The linen collar and what the soldiers call a "boiled shirt" will become as remarkable as a beaver hat and a laced coat. For a century and a half Canada lived by supplying Western Europe with beaver fur mainly for the purpose of making the then fashionable beaver hat. The industry was warned again and again that if it could not, or did not, control the trappers the beaver would disappear. Nothing would induce the trade of those days to take effective measures to protect its interests, and a time came when the cost of a beaver hat was beyond the purse of any but a few wealthy individuals. Very rich people, particularly if they are at all inclined to ostentation, may be willing to do, and even like to do, things that are beyond the reach of ordinary mortals, but vanity rarely takes the form of desiring to be unduly conspicuous in public. As very few desired to make themselves conspicuous by wearing a beaver hat this form of head-gear went out of fashion. It was supplanted by what is known as the silk hat, which, by the way, is not silk, and the material for which comes from Eastern France and was almost unprocurable during the recent War. The materials were made in that part of the territory which was at one time during the War in the occupation of the enemy. If the trade cannot devise some means for placing the linen industry upon a sounder economic basis than that upon which it rests at present, it seems reasonably certain that linen, as an article of clothing, will disappear into the historical museum to be catalogued with the beaver hat.

It is, of course, true that the new aeroplane industry has created a demand for linen fabrics which did not exist in the first decade of the present century. The cost of an aeroplane is so extravagant that the price of its constituent parts may be of little consequence. If this proves to be true, however, it is exceedingly doubtful if aviation as an industry can ever establish itself upon a sound economic basis. It is, of course, true that the motor industry is creating a demand for the higher counts of cotton, which is proving most embarrassing to those cotton users who have heretofore been accustomed to obtain the fabric for the purpose of making garments for personal use and articles to meet the requirements of the household. For these simple uses a fabric of comparatively low economic value is essential. We are not, however,

considering the position of the cotton trade, which is sufficiently alarming. Those engaged in the cotton industry are very wealthy, very intelligent, have an enormous amount of capital invested in the industry, and presumably realise that if cotton cannot be produced upon a sounder economic basis than at present the cotton trade will cease to be able to employ either the capital or labour which it does at present.

We are concerned, however, in this article with the supply of raw material to feed the linen trade. It is clearly not the interest, either of those engaged in the production of the raw material or the finished product, that either flax or linen should come to be described as a textile used in certain branches of the engineering trades. If this is not to come about it is evident that new sources of supply must be opened up. In a sense linseed is quite easy to grow; but if we want linseed in the form which the trade knows as flax, and to be grown in such quantities as it was, for example, before the war, it is by no means an easy process. It requires, in fact, that very exceptional conditions be fulfilled if we are to obtain the raw material upon the economic basis or anything like the economic basis to which we were accustomed in the period that preceded the outbreak of the recent War.

The plant that we sometimes call linseed, and sometimes call flax, according to the different objects which we aim at in its production, is, or at any rate was before the War, produced in large quantities throughout the world. Now if we take the quantity of this plant as it is produced for the purpose of making linseed, in addition to the quantity grown for the purpose of making that textile fabric which we call linen, the world's total production would be very little short of 2,000,000 tons.

Unfortunately it is not possible to grow this plant for the purpose of producing feeding-stuffs and textile fabrics at one and the same time. If it is desired to grow linseed for the purpose of producing feeding-stuffs, it is a comparatively easy process, needing comparatively only a limited amount of labour, and requiring only a limited amount of machinery to handle it. A totally different process has to be adopted if it is, on the other hand, proposed to grow this plant for textile fabrics. Then the process is expensive more or less from the start. Even this is not the worst part of it. If the expense could be spread over the whole process from the time of growth until even the raw material was finally produced, as would be done in a factory, the cost could be adjusted to the magnitude of the production. This, however, is impossible. During the period of growth there is very little cost. It is the peculiar nature of the harvest which makes the production of this plant in the form we know as flax so costly and so difficult from the agricultural point of view. A comparatively small number of people are engaged in the early stages of its production, but from the time the plant begins to ripen for plucking, until it is packed in bales to be sent to the factory for conversion into some form of fabric, it requires an enormous amount of labour, which has hitherto been entirely performed by hand. The time when the bulk of this labour is required lasts for less than a month out of the whole season. Hence flax-growing has been practicable in the past only where there were a large number of peasants, usually engaged in other forms of husbandry, who were willing to work for wages during that period of the year when the flax harvest is gathered.

Of the total supply, say of 2,000,000 tons, 1¼ million tons are entirely produced for feeding purposes, three-quarters of a million tons being the amount usually estimated as produced for the flax mills. Of this amount, Russia, before the War, was generally estimated to produce some 600,000 tons, and the price at which she produced—which was well under £30 a ton—dominated the world's Flax market. French flax commanded £100 a ton, Flemish and Irish flax anything between £60 and £80 a ton. Naturally these choice products, and particularly the French, were only used for very special purposes, where cost mattered little or nothing, provided always that the material required was forthcoming. For ordinary purposes for which flax was required Russia was the world's source of supply. The linen mills depended upon it, and they fixed their prices to the trade upon the basis of a good or unfavourable crop as reported from Northern Russia. We said recently, when writing on the subject, that after making very careful inquiries we had arrived at the conclusion that the world's total supply of flax was not more than about one-third what it was, say, in the spring of 1914. Meanwhile, the demand for aeroplane cloth has grown out of all proportion to what it was at that time.

The Argentine Republic produces the largest amount of this plant intended for feeding purposes. It is exceedingly doubtful, however, whether with her present shortage of labour she could grow the plant at all in the form we know as flax. India produces nearly half a million tons in the form of feeding-stuffs. In the form of fabric, which is what is most urgently needed at present, she is actually producing exceedingly little, although she is one of the most promising fields in any part of the British Empire for the growing of this plant for fabric purposes. If flax is to be grown upon an economic basis which will make the fabric suitable for domestic and personal use certain conditions must be fulfilled. Hundreds of thousands of square miles are available throughout the extensive area of the British Empire, but unfortunately in only very few of them are the conditions fulfilled which would make the production of flax a sound economic proposition.

In the absence of suitable harvesting machinery, which so far can hardly be said to have been satisfactorily produced, one essential condition is the presence in the district where the flax is grown of a supply of labour, living principally upon some other form of agriculture, which would be available during the three or four weeks of harvest. Practically the only country in the British Empire which would fulfil this condition is India.

PRICES OF WOOL GOODS.

THE next series of London sales of Colonial wools, which opens on Monday, 31st instant, is being anticipated by the whole industry with great interest and a certain amount of misgiving. It will be remembered that the last sales, which took place between April 19 and May 7, disclosed a distinct weakening of the raw material position, and that prices declined by amounts varying from 5% to 15% for the various classes of wools. In the interval the market for wool and tops has been very quiet and, in fact, almost stagnant, and the belief has gained ground that the apex of extreme wool prices has at last been passed. The larger and more wealthy firms of topmakers have certainly maintained their quotations, but great irregularity is observable amongst the smaller houses. During the last 12 months topmakers have been able to dictate their

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EASTERN AND GENERAL MERCHANTS.
BUYING and SELLING AGENTS in LONDON and ABROAD.
London, Colombo, Calcutta, Bandoeng, Quilon, Kuala Lumpar, Kobe, Calicut, Medan, Montreal, Cochin, Batavia, Tangier.

own terms, and the positions of spinners and manufacturers have been so secure that almost any prices have been paid without question. In the last few weeks, however, spinners have had the now unusual experience of being pressed to make offers for tops, coupled with plain indications that considerable reductions on recent rates would be accepted. Practically no business has been done, but it would have been a simple matter to secure large quantities of tops at quite 2*s.* 6*d.* to 3*s.* per lb. below the prices current a short time ago. Sound business men have for a long time felt the danger of the absurdly high prices which have been reached by all types of wool goods, but in particular by the fine materials for which the whole world has been clamouring.

Pressure exerted by the banks has had its effect in curbing the activities of the speculatively inclined, but an important factor in the situation is the revolt of the purchasing public at the prices now charged for fine, soft-handling goods. It is probable that never in the history of the trade has there been a time at which such heavy forward contracts existed, for the majority of firms have orders on their books which will keep them employed for many months, and often for a whole year. Millowners profess to be confident that the machinery position will continue to dominate the market, and that a break in the prices of raw materials will not necessarily mean an alteration in the values of finished goods. Whether this will be the case depends very largely upon the strength of the consumers' determination not to pay such excessive prices for clothes and the development of the movement to cancel contracts.

At the forthcoming London sales a very large quantity of greasy merino wool will be offered and the sales "by description" have been cancelled. Owing to the improvement in the exchange, it may be assumed that more extensive buying will take place on French account, but, in spite of this, it will be very surprising if the sales do not set an entirely new level of prices for raw wools, particularly in the finer grades. It is to be hoped that nothing in the nature of a panic will result, for the consequences would be serious to the country as a whole; but, at the same time, it cannot be overlooked that the position of a trader carrying large and high-priced contracts is anything but enviable at the moment. If prices settle to a more reasonable level it is probable that extensive cancelling of contracts will result. Personally, we feel that a serious "slump" need not be feared at present, for the world-wide demands for wool goods will not be satisfied for some time to come. This view of the position is supported by those manufacturers who are readily accepting cancellation of contracts in the belief that, in addition to meeting the wishes of a customer, they will be able to resell the goods at suitable prices in the near future.

It must not be forgotten that the Government control of wool buying in Australia ceases on June 30, and that the woolgrowers and the Commonwealth Government are very exercised in their minds at the prospects for the 1920-21 clip. Numerous persons in Australia, from the Prime Minister downwards, have invented schemes with the object of maintaining high prices for the wool-growers in face of the present large accumulation of wool, but no decisions have yet been made in the matter. Further, the British country wool fairs will be held in June and July, and within the next week or two negotiations must be opened with the whole of the trade unions for the renewal of the wages agreements expiring on August 1 next. We do not suggest that the present situation in the Wool market is being deliberately engineered with a view to influencing these matters. At the same time it must not be expected that the trade will take energetic measures to counteract the present tendency, when the only effect of their so doing would be to restrict their freedom of action for some time and render it all the more difficult to conform to any subsequent downward movement in the world values of their products.

Industrial Companies.

A. W. GAMAGE, LIMITED.

Issued Capital: £500,000, in 175,000 5½% Cum. Pref. £1 Shares and 325,000 £1 Ord. Shares.

Debentures: £190,000 4½%. Mortgages on Property, £32,000.

Year to Jan. 31	Gross Profit†	Expens., &c.	Net Income	Deb. Int. & Pref. Div.‡	Ord. Div.	%	Special Allocations	Carry-forwd.	Stocks	Deficiency of Liquid Assets(a)
	£	£	£	£	£		£	£	£	£
1915	157,805	124,900	32,905	14,125	10,500	6	6,500	5,151	241,937	*85,201*
1916	163,481	129,549	33,182	14,125	10,500	6	7,500	5,457	246,267	*75,948*
1917	164,672	130,271	33,401	14,125	10,500	6	7,500	5,733	216,397	*35,202*
1918	197,393	155,593*	41,800	14,125	14,000	8	12,500	6,908	261,689	*67,546*
1919	237,299	189,151*	48,148	14,125	14,000	8	12,500	8,431	286,808	*74,087*
1920	330,859	260,396*	70,463	14,125	26,250	10§	13,500	21,413	340,599	*10,070*

* Includes provision for excess profits duty (£12,500 1917–18; £17,000 1918–19; £22,000 1919–20).

† Includes rents, dividends and sundry receipts.

‡ Deb. interest, £4,500; Pref. div., £9,625.

§ Payable on new issue of 150,000 Ordinary shares for half-year only.

(*a*) Excluding value of stocks and *per contra*, £32,000 of mortgage on property, but including £41,000 cost of investment in Benetfink and Co.

Yet another London store presents its shareholders with a report of its operations for the financial year 1919-20 with "Prosperity" written large all over it. For the well-known firm of Gamages, of Holborn, the last three years have been characterised by record turnovers. During 1919-20, to quote the report itself, "the turnover of the Company has exceeded all previous records." The million mark has now been passed out, and this has been accomplished in a year in which the firm were no longer able to count upon the large Government contracts of previous years. Consequently, the shareholders have all the more reason for congratulating themselves, since the expansion of the ordinary trade not only recouped the firm for the cessation of War contracts, but enabled it to exceed previous trade business plus these contracts. Moreover, such an increase is more likely to assume a permanent nature, in contrast to the definitely ephemeral character of War contracts. Before passing to the figures themselves it is only just to point out that the growth in profits was free from the taint of profiteering. On this point one can heartily concur with the Chairman's statement: "It is exceedingly gratifying to me personally that Gamages' prices have been quoted by various tribunals as the standard for fair profits."

For the year ended January 31, 1920, the gross profit amounted to £330,859, as compared with £237,299 in the previous year, an increase of nearly 40%. As might be expected, expenses moved up almost in the same proportion, owing to the great advance in wages, transport charges, packing materials, and advertising. This is well reflected in the figure of £260,396 for the year under review, as against £189,151 in 1918-19. Excess profits duty accounts for £22,000 of this, the corresponding amount for the previous year being £17,000. Yet net profit rose from £48,148 to £70,463, a rise of over 46%. Consequently, after discharging the usual liability in respect of Debentures and Preference shares, Ordinary shareholders receive a dividend of 10%, as compared with 8% for 1917-18 and 1918-19. This dividend is paid for the whole year on the capital, as in the previous balance sheet; but as regards the subsequent issue of 150,000 Ordinary shares, the dividend is paid only for a period of six months. It will be remembered that this issue was made in May 1919, the shares being offered at a premium of 1*s.* To say that the response was enthusiastic is but to make a bald statement of fact, for the issue was over-subscribed within two hours, applications being received for no less than £565,000. After meeting all expenses connected with the issue the balance of the premium, to the extent of £2,000, was added to the general reserve, thereby raising the total to £51,000.

The outlook for the current year is, if anything, more encouraging. According to the Chairman, the returns for the opening weeks were again in advance of those of 1919-20. Many improvements have been

already executed, including the opening of a ladies' and children's boot and shoe department, which is functioning with great success. It is anticipated that the whole scheme of development will have been completed in time to be ready for the Christmas trade. The firm will then be in a position to meet all the demands of its customers—it will have reached the zenith of its development as a departmental store. It does not, as the Chairman pointed out, cater for the luxury trade, "but dealt in essentials and things of everyday need." Building on this aspect, it is anticipated that, in view of the higher wages and shorter hours of work that now prevail, the population as a whole will have more time and more facilities for recreation, and that these are just the needs which Gamages can supply. In so far as this is an accurate forecast and a reliable statement of fact, it is easy to realise how an annual turnover of two millions can shortly be expected. Turning to the latest balance sheet, the sound financial position of the Company can readily be discerned. The table at the head of this article shows a deficiency of liquid assets to the amount of £10,070. This, however, is not quite accurate, for, as indicated, there is excluded from the liquid assets the large stock to the value of £340,599, which is a conservative estimate at that. Including this, and deducting not only the mortgage of £32,000 but also the Debentures of £100,000, the true position is revealed, in which liquid assets exceed all liabilities, other than those of the capital account, by over £198,500. The special and general reserves, which stand in the balance sheet at £35,500 and £51,000 respectively, have been increased out of the profits of the year under review to £40,000 and £60,000 respectively. Thus, against an actually issued capital of £500,000 there stands an actual reserve of £100,000. Anticipating the prospects of further development, it was agreed at the general meeting to increase the authorised capital of £750,000 by the creation of 250,000 Ordinary shares of £1 each. It is not proposed to make any issue of these shares in the immediate future; they are being held rather as a reserve to meet any further demands occasioned by the rapid growth of the business. In the market the Ordinary shares are quoted at 20*s.* 9*d.*, and at this price they give a yield of 9½% on the last dividend. The 5½% Cumulative Preference shares command 14*s.* 9*d.*, affording a net return of 7½%. But in estimating the probability of a further increase in the Ordinary dividend the investor would do well to bear in mind the fact that excess profits duty for the current year will be levied at the rate of 60%, as compared with 40% in 1919-20. It has already been stated that as much as £22,000 was set aside to meet the 40% rate for the year in question. At 60% this amount would probably have had to be raised to £30,000 at least. Yet this would not have involved any reduction in the last dividend. The additional £8,000 could easily have been taken from the large carry-forward of £21,413 and still leave a sum in excess of the £8,431 carried forward in 1918-19. Thus it may be said that the effect of the 60% excess profits duty for the current year will not, in the absence of any great relapse in trading activities, be so serious as to reduce the Ordinary dividend below 10%. Beyond that it is not wise to prophesy.

The result of the past year's working of the Banca Italiana Di Sconto is that the net profit amounts to nearly 35 million lire. Five per cent. is placed to statutory reserve, and 4% paid to the directors, leaving 31¼ million lire. Adding 2½ million lire, being interest on the shares of the last issue, there is a total available of 34¼ millions. A dividend of 7.40% absorbs 23¼ millions. Over two million lire is placed to reserve, which now amounts to 63 million lire. The report contains much information concerning the financial situation of Italy.

New Issues.

THE HOUSING SCHEME.

£1,500,000 Essex County 6% Redeemable Stock, 1940-60.

£1,500,000 Kent County 6% Redeemable Stock, 1940-60.

£2,000,000 Middlesex County 6% Redeemable Stock, 1940-60.

The reader will appreciate that these issues form part of the loan, which in the aggregate is expected to amount to some £150,000,000, for the purpose of providing housing accommodation for that class of our population which are not able to obtain accommodation for themselves upon the basis of economic values.

It is thought undesirable to throw the burden of housing a large proportion of our population entirely upon the industrially efficient classes. As the average cost of each house on the present basis of prices will work out at a figure at which no builder could hope to recoup himself for his outlay, assistance of some kind is felt to be absolutely essential. Arrangements have been arrived at whereby the local authorities, assisted to some extent where necessary by the Imperial Government, will issue bonds, well secured upon the assets of the various local authorities and bearing a rate of interest of 6%. The local authorities responsible for the issue will also be responsible for the payment of interest and principal. So far as the investor is concerned, it matters nothing whether the houses or parts thereof are let upon an economic basis or otherwise. It is hoped, partly by the assistance of the investing classes and partly by obtaining the benefit of the credit of the local authorities, to solve, or at least to partially solve, the difficult problem of housing that part of our population who are not in a position to pay an economic rent. The Middlesex issue is already at a premium.

WINTERBOTHAM, STRACHAN & PLAYNE, LTD.

This is an amalgamation of three well-known and old-established woollen and worsted manufacturers, dyers and spinners of Gloucester. The authorised capital is £250,000 in 7½% Cumulative Participating Preference shares of £1 each and £500,000 Ordinary shares of £1 each. The prospectus will be advertised on Wednesday next offering £200,000 of the Preference and £350,000 of the Ordinary shares for subscription. The Company acquires assets for nearly £70,000 less than their certified value; and, in addition, takes over profits accrued since December 1 last. The directors and their friends are applying for £400,000 out of the £550,000 issued, and preferential allotment will be accorded to customers and employees of the firms.

TAI TAK (JOHORE) RUBBER ESTATES, LIMITED.

Formed with a capital of £250,000 in 250,000 shares of £1 each, this Company is offering to the public 125,000 shares at par. The Company takes over, as from February 1 last, two rubber estates in the Kota Tinggi District of the State of Johore, with a total area of 3,180 acres, of which 1,649 acres have been planted and 1,531 are at present jungle and swamp. The estates are held for 999 years, free of quit rent, but subject to an export duty of 5%, *ad valorem*. A valuation of the two properties is given of £101,862. The price paid is only £79,294. The present issue provides about £30,000 for working capital. The intention is to proceed with the planting of the reserve lands, and it is estimated that about 3,000 acres should be brought into bearing on an issued capital of £200,000, being less than £70 per acre.

CANADIAN PACIFIC RAILWAY COMPANY

Record Gross Earnings.—Adjustment of Rates necessary.—Alberta Irrigation Scheme.

REPORT of the proceedings at the thirty-ninth annual meeting of the shareholders, held at Montreal on Wednesday, May 5, 1920 :—

The meeting assembled, in conformity with the notice convening the same, at noon, at the General Offices of the Company at Montreal.

The Chairman of the Company, Lord Shaughnessy, presided, and the Secretary of the Company acted as Secretary of the meeting.

The notice calling the meeting having been read by the Secretary, the President, Mr. E. W. Beatty, in moving the adoption of the report on the affairs of the Company for the year ended December 31, 1919, which had been printed and distributed to the shareholders, said :—

The annual report of the Company and statements attached, which have been in your possession for some time, reflect very vividly the situation prevailing generally in respect of increased costs of operation. Notwithstanding that the gross earnings of the Company were the largest in its history, and exceeded the gross earnings of 1918 by $19,391,362, the net earnings were less by $1,569,351. The large increase in working expenses of $20,960,713, following as it does an increase of $17,191,993 in the working expenses during the year 1918, or a total increase in 1919 over 1917 of $38,152,706, is a striking example of the effect of the increased cost of wages and material in the operations of a company—even one conservatively and economically administered as are the affairs of your Company.

Further Adjustment of Rates necessary.

While it is a matter of great gratification that, even with these exceptional costs, your Company has been able during the past two years to earn its fixed charges and usual dividends and very moderate surpluses, it is nevertheless important that the relation between earnings and expenses should now receive the most careful consideration. The results of the operations during the past two years show an upward trend in costs which even extensive increases in gross earnings and effective operating economies, due to heavier loading, larger power and consequent reduced train mileage, have not equalised

For the past 16 years the freight and passenger rates of all Canadian railways have been subject to review or have been fixed by the Dominion Railway Commission. The rates have been readjusted from time to time, first being lowered and then increased, but the extent of the increase has not equalled the increased costs which have recently been forced upon all companies, and reductions in which cannot with any confidence be predicted at this time.

During the fiscal year ended June 1914 the working expenses of your Company, with a mileage somewhat less than the operated mileage of last year, were $87,388,000, while for the year 1919 they had climbed to practically $144,000,000—an increase of 64%. Within that period increases of nominally 40% in freight rates and 15% in passenger rates have been authorised by the Railway Commission. The actual increases, owing to the adjustment of rates made by direction of the board, were in fact 30% in freight rates and 10% in passenger rates. The result, therefore, has been that during the past five years the percentage increase in operating expenses was double the percentage increase in tolls accorded to the companies.

Owing to the parity of conditions existing between the United States and Canada, the Canadian roads were forced, during the War, to put into effect the high wage scales made effective under Government control of the American roads, and they were also compelled to continue operating under tariffs of tolls substantially the same as those in force in the United States. These tariffs were entirely inadequate, as results in the United States clearly demonstrated. By legislation recently enacted the American carriers are assured of rates which will return a fixed percentage on the value of the undertakings used in the public service, which will mean a reconsideration of, and increase in, the rates now current in that country. No doubt the necessity of rate adjustments in Canada will be given earnest consideration by the Government and the Dominion Railway Board. While it is not my purpose to anticipate any action which may be taken, it is only proper, I think, to say that a readjustment is amply warranted, both on the ground of the value of the service rendered by the carriers and the cost to them of performing such service.

A Handicap to Progress.

It is further to be remembered, and I do not anticipate that it will be forgotten, that the value of any enterprise to the people it serves depends greatly upon its ability to progress and develop, and on the maintenance of a high credit, without which such development cannot take place. Waste, extravagance, and improvidence must be discouraged, but I can imagine nothing more detrimental to Canada than that its railway systems should be unable to keep pace in their own development with the progress of the country, and that they should be unable to aid that progress by the expansion of facilities, the construction of necessary new lines, and by meeting the increasing demands of the public in the way of efficiency and comfort in service.

Based upon accepted principles in other countries governing compensation due to transportation and other public service corporations, the net earnings of your Company have always yielded a moderate return upon the capital actually invested in the enterprise. The railway net earnings of the Company for 1919 represent only a return of 4% on the actual cash invested in the railway itself.

The operations for the year 1919, after the payment of fixed charges and the usual Preference and Common stock dividends, showed a nominal surplus of $844,249, which has been placed in reserve to meet the special taxation imposed by the Dominion Government, which special taxation ended in 1919. The fixed charges of the Company are low, the interest on the Preference stock is equally low, and the dividend of 7% payable on Common stock from railway earnings is moderate. A factor which seems to be lost sight of in these discussions of the relations between expenses and revenues is the absolute necessity of reasonable surpluses in the case of any corporation conducting an enterprise as extensive as that of your Company. The gross earnings of the Company for the year exceeded $176,000,000, and the surplus, after deduction of the moderate fixed charges and dividends, only amounted to less than half of 1% of these earnings.

Considering the importance of reasonable provision for working capital annually from the operations of the Company if its high credit and ability to progress are to be maintained, it will readily be appreciated that the revenues during the past two years have been, to say the least, inadequate.

Rival Theories.

In the discussion which has taken place as to the desirability or otherwise of increased rates, and therefore increased revenues to the Canadian railways, two theories are publicly mentioned. The first, that rates should be increased, but that any surplus earnings thereby accruing to your Company should be taken back through the medium of special taxes; and the second, that rates should not be increased, but that the Government Railways' deficits, if such occur, should be met out of the general revenues of the country. Both theories are, in my opinion, unsound. Rates should be established which represent a fair return for the service rendered, and if by efficiency and economy and the character and extent of its equipment and facilities a company can render its operations under such rates profitable, there is no warrant for the confiscation of those profits, nor can there be anything but doubtful honesty in the proposal that one Company's revenues accruing to it from service actually rendered by it and well performed should be taken from it to supplement the revenues of a competitor whose operations do not show favourable results. It is scarcely necessary for me to say that the fairness, or otherwise, of any rate basis is not necessarily measured by the strength or resources of a company, or by the lack of them.

The second theory, that rates should not be increased, but that any deficits should be met from the general revenues of the country, is unsound economically and unfair alike to the Government-owned and other railways. It is obvious that any system which permits services to shippers and others to be performed at unreasonably low rates is discriminatory in their favour, and discriminatory against the public, whose taxes are increased as a contribution to those who use railway facilities.

In my opinion the rates in this country should be determined having regard to the cost and value of the services rendered by the companies and to the legitimate needs of the companies if they are to meet the transportation requirements of the country. No doubt a question so important and far-reaching in its effect will be given the careful consideration to which it is entitled by those in authority and empowered to deal with it. I may say, however, that the properties of this Company are in excellent condition, and at no time in its history has it been better equipped to perform its important public services or to play its full part in the advancement of the transportation future of this country.

Alberta Irrigation Scheme successfully established.

In the annual report reference has been made to the Company's irrigation project in Alberta, the construction of which was undertaken some years ago, and in the earlier progress of which some difficulties were met. The project has now become firmly established, and the success has been so pronounced during the past few years that further reference to this important undertaking is, I think, warranted.

An area of 643,526 acres has been brought under irrigation through the medium of 3,969 miles of irrigation canals

and distributing ditches. Of this area 301,382 acres of irrigable land have been sold at an average price of $38.18 per acre. There is still for sale within the block 362,144 acres of irrigable land, for which there is at present a very active demand.

During the period from the commencement of construction to December 31, 1919, the Company has expended in connection with the construction and maintenance of these irrigation works the sum of $15,186,348, and in their operation the sum of $1,761,268.

The introduction of irrigation in Southern Alberta has made it possible to successfully produce on irrigated land splendid crops of alfalfa, corn, small fruits and vegetables, which are not produced with equal success under dry farming conditions. Careful statistics, covering 11 years, indicate remarkable increases in ordinary crops grown on irrigated land over those produced on dry land, and the wisdom of the decision to undertake this extensive project has been more than justified. We are amply warranted in the belief that the irrigation block will ultimately be a closely settled, intensively cultivated, and a considerable traffic-producing area tributary to the Company's lines in Southern Alberta. The success of the Company's undertaking in this respect, combined with the obvious necessities of that portion of the country, will, I hope, lead to the extension of irrigation projects under the auspices of the Federal or Provincial Governments which will, in the end, render the danger of crop failure in these districts practically negligible.

Additions to Rolling Stock.

As indicated in the annual report, your directors thought it necessary to make provision for the construction of necessary additions to your Company's rolling-stock. Since the report has been issued arrangements have been concluded for an equipment trust agreement, under which the payments for such equipment are spread over a period of 12 years. The actual amount of the equipment trust issue is $12,000,000. By reason of the conditions existing at the time the transaction was concluded highly favourable interest rates were secured.

You will have observed that since the issuance of the annual report for the year 1919 your board has considered it desirable to apply for an amendment to the Company's charter which will permit the increase of the number of directors from 15 to 18, should that at any time appear necessary. The statute is purely empowering, and the amending by-law will be submitted for your approval in the event of it being considered advisable to increase the directorate. The purpose of any increase will, of course, be to secure a larger representation on the board from those portions of Canada in which the Company's interests are specially important.

I look forward to immigration to Canada on a large scale, and, while a period of retrenchment and financial conservatism may conceivably be the part of wisdom, your directors have the same implicit faith in the future growth and prosperity of the country that they have always had, and also the same confidence in the ability of your Company to play an important part in its development and prosperity.

The report having been considered, it was moved by Mr. E. W. Beatty, seconded by Mr. Richard B. Angus, and unanimously

Resolved—That the report on the affairs of the Company for the year ended December 31, 1919, now submitted, be and the same is hereby adopted.

The following resolution, relating to the lease to this Company of the Nakusp and Slocan Railway, referred to in the annual report, was submitted, and on motion of Mr. Huntly R. Drummond, seconded by Mr. W. B. Blackader, was unanimously adopted, viz. :—

Resolved—That the Indenture of Lease from the Nakusp and Slocan Railway Company as lessor to this Company as lessee, of which a draft is submitted to this meeting endorsed by the Secretary for the purpose of identification, be and the same is hereby sanctioned and approved, which Indenture amongst other things demises to this Company, for the term of 99 years, the railway and undertaking of the Nakusp and Slocan Railway Company from the Town of Nakusp to Three Forks with branches from Three Forks to Sandon, and from Three Forks to Retallack near Whitewater Creek, a distance of 48.47 miles, all in the Province of British Columbia, and all such branches and additions to the railways as above described as the Nakusp and Slocan Railway Company is now or may be hereafter authorised to construct, together with the appurtenances of them and of each of them, at an annual rental equal to the interest payable on the outstanding securities issued, or which may be hereafter issued by the Nakusp and Slocan Railway Company with the consent of this Company expressed in writing under its corporate seal, the total of all such securities unpaid or unredeemed not exceeding at any time the sum of twenty-five thousand dollars ($25,000) per mile of the said demised railways, and to bear interest at a rate not exceeding 5% per annum payable half-yearly, the payment of such interest being guaranteed by this Company.

And further Resolved—That the President and Secretary be and they are hereby authorised to execute the said Indenture on behalf of and under the corporate seal of this Company with such verbal changes, if any, as they may deem proper, not altering the substance thereof as above described.

The following resolution relating to the construction of branch lines and the issue of Consolidated Debenture stock in respect thereof was submitted, and on motion of Sir Edmund B. Osler, seconded by Mr. Wm. C. Finley, was unanimously adopted, viz. :—

Whereas it is in the view of the directors expedient that the following branch lines and extensions of branch lines be constructed in the near future, namely :—

1. Archive-Wymark Branch, 25 miles.
2. Rosetown Southerly Branch, 45 miles.
3. An extension of the Weyburn-Lethbridge Branch from Altawan to Manyberries, 35 miles.
4. An extension of the Consul Southeasterly section of the Moose Jaw Southwesterly Branch, of which 35 miles have been previously authorised as from Vidora Easterly, mileage 35 to 60.
5. An extension of the Moose Jaw Southwesterly Branch from Assiniboia Southwesterly, 30 miles.
6. Leader Southerly Branch, 50 miles.
7. Duchess or Rosemary Northerly Branch, 34 miles.
8. Cutknife to Whitford Lake Branch, 40 miles.
9. An extension of the Swift Current Northwesterly Branch from Empress Northwesterly, a distance of 20 miles.
10. An extension of the Swift Current Northwesterly branch from Sedgewick to Vegreville, 54 miles.

It is therefore resolved—That the directors be and they are hereby authorised to proceed with the construction of the said branch lines and extensions of branch lines when, in their opinion, conditions warrant and after statutory authority, where any be necessary, shall have been obtained therefor, and that to aid in the construction and equipment of the said branch lines and extensions of branch lines the directors be and they are hereby authorised to issue and dispose of Consolidated Debenture stock to such an amount as they may deem expedient, but not exceeding in respect of any of the said lines the amount which the Company is or may be empowered by statute to issue.

By-law No. 91, enacted by the directors on June 16, 1919, was read as follows :—

By-Law No. 91.

The Canadian Pacific Railway Company doth hereby enact as follows :—

That By-law No. 91 of the Company is hereby repealed and the following substituted therefor :—

That the Vice-President in charge of Traffic, the Freight Traffic Manager, the Assistant Freight Traffic Manager of the Eastern Lines, the Assistant Freight Traffic Manager of the Western Lines, are, and each of them is hereby authorised from time to time to prepare and issue tariffs of the tolls to be charged, as provided by the Railway Act and amendments thereto, for the carriage of freight traffic upon the railway and vessels owned or operated by the Company, and any portion thereof; and the Passenger Traffic Manager be, and he is hereby authorised in like manner to prepare and issue tariffs of the tolls to be charged, as above provided, for the carriage of passenger traffic upon the said railways and any portion thereof, and upon the said vessels.

And on motion of Sir Vincent Meredith, Bart., seconded by Mr. Colin Campbell, it was unanimously

Resolved—That By-law No. 91 now submitted be and the same is hereby approved and adopted.

Re-election of retiring Directors.

The meeting then proceeded to the election of directors to replace the four retiring directors, and on motion of Lord Shaughnessy, seconded by Mr. E. W. Beatty, the following resolution was unanimously adopted, viz. :—

Whereas in pursuance of By-law No. 6, Sir John C. Eaton, Mr. Grant Hall, Sir Vincent Meredith, Bart., and Sir Augustus M. Nanton, directors of the Company, retire from office at this meeting;

And whereas four directors to replace the said retiring directors, who are, however, eligible for re-election, must be elected at this meeting for the term of four years as provided for in the said By-law;

It is Resolved That a ballot be now taken for the election of four directors for the term of four years to fill the vacancies created as above stated: that Mr. William R. Miller and Lt.-Col. George R. Hooper be appointed scrutineers to take such ballot, and that the poll be closed when five minutes shall have elapsed without a vote being cast at such election.

The ballot having been taken and no further votes having been cast within the specified time the Secretary read the report of the scrutineers, which declared that Sir John C. Eaton, Mr. Grant Hall, Sir Vincent Meredith, Bart., and Sir Augustus M. Nanton had been unanimously elected directors of the Company for the term of four years from the date of this meeting, and the report was adopted.

The proceedings then terminated.

At a meeting of the board held immediately after the shareholders' meeting The Right Hon. Lord Shaughnessy, K.C.V.O., was elected Chairman of the Company, Mr. E. W. Beatty President, and Mr. Grant Hall, Vice-President, and the following were appointed the Executive Committee:—Mr. Richard B. Angus, Mr. E. W. Beatty, Mr. Grant Hall, Sir Herbert S. Holt, Sir Edmund B. Osler, and The Right Hon. Lord Shaughnessy, K.C.V.O.

MEETINGS
OF PUBLIC COMPANIES.

BRITISH BANK OF NORTHERN COMMERCE, LTD.

THE eighth annual ordinary general meeting of the above Company was held on May 26 at the offices of the Bank, 41-47 Bishopsgate, London, E.C., Mr. H. Bendixson (the Vice-Chairman) presiding.

The Chairman, in moving the adoption of the directors' report and the accounts to March 31, 1920, said: Gentlemen,—We are again in a position to place before you a satisfactory balance sheet. If our hopes, based on the results of peace, have been to some extent disappointed, we share that disappointment with the many who were only too anxious to believe that the world could be got back fairly quickly to something like pre-War conditions. As I explained when we met a year ago, the neutral countries, including Scandinavia, in which, of course, we are specially interested, have been affected by the War to an extent only exceeded by those of the belligerents. There is no doubt that there has been an increase of capital in these countries. But that is only one side of the picture. The Swedish exchange alone has kept its value relative to the £, the Norwegian exchange shows to-day a depreciation of over 10%, and Danish exchange of nearly 20%, compared with £1 sterling, itself so heavily depreciated as compared with the dollar. As to the future, all that can be said with certainty is that the economic and political soundness and stability of the Scandinavian countries are such to-day as to make it very improbable that there will be further serious depreciation.

Let us now deal with the balance sheet before you. On the liability side there figures first of all our paid-up capital—£500,000—and premiums £1,050,000, against £375,000 and £750,000 of a year ago. The increase is accounted for by the issue (announced at our last general meeting) of the balance of our unissued capital—50,000 shares—largely earmarked for our friends in Norway. Our current deposit and other accounts amount to £16,209,043, as against £27,810,666. As pointed out on previous occasions, we fully anticipated this reduction, which the large amount of money at call and at short notice in our last balance sheet clearly indicated. Our liabilities on endorsements amount to £562,244, against none last year, all bills held at that time being in our portfolio. Guarantees, £1,256,395, show little change as against £1,148,501, and, as before, are fully covered by bank guarantees; our acceptances at £2,138,115, against £1,032,264 last year, show a considerable increase, reflecting the increased international trade.

Turning to the assets side of the accounts, cash in hand and at bankers in London and abroad amounts to £1,142,510, nearly the same figure as last year, while money at call shows a reduction from 15 millions to £1,150,000, reflecting the reduction in our foreign deposits already referred to. British Government Treasury bills and bills of exchange at £2,176,520 show an increase compared with last year of about £385,000. Our investments of £6,557,124, including £6,162,507 in British Government securities, show a decrease, owing to realisations and depreciation. Loans, advances, and other accounts at £6,657,608, compared with £2,456,131 last year, show a large and gratifying increase, our resources being now profitably employed in financing trade requirements.

We have found it necessary to provide this year out of our profits a very large sum for depreciation of our securities. This will surprise no one who has had any gilt-edged investments, which have depreciated during our past year, and particularly during the last few months, in a manner entirely unprecedented, and certainly hardly to be foreseen.

Advance in Dividend.

In the meantime all our departments—except that of foreign deposits to which I have already referred—show real and most gratifying increases. We have, therefore, felt no hesitation in recommending an increased dividend. Our profit is £124,917; adding the carry-forward from last year, £47,302, we have a total of £172,219. In October last you received an interim dividend of 6% free of tax. We now propose to pay a final dividend of 15% also free of income tax, as against 12% last year. In this final dividend the new shares fully participate. We carry forward £74,719. A simple calculation shows that our nominal 21% is really 7% on the amounts paid in to capital and reserve accounts by our shareholders.

Earl Grey seconded the resolution, which was carried unanimously, as was that for the declaration of the dividend indicated above.

The retiring directors were re-elected, as was also Mr. J. C. Priestley, K.C., who had been elected to the board since the last general meeting, and the auditors were re-appointed.

BRITISH EQUITABLE ASSURANCE COMPANY, LTD.

THE sixty-fifth annual general meeting of this Company was held at the Cannon Street Hotel, London, E.C., on May 19, Mr. Alfred Conder, F.R.I.B.A. (Chairman of the board of directors), presiding.

The Chairman, in moving that the report and accounts be approved and adopted, said: Gentlemen,—The growing prosperity of the Company in which we are shareholders is evident after a perusal of the report and balance sheet which is before you to-day, relating to the sixty-fifth year of the Company's history. But first permit me to express the deep regret which I feel personally, and which all his former colleagues feel also, in the loss we have sustained, as well as the Company, by the death of Mr. Alderman Montagu Holmes, J.P., during the past year. He acted for 22 years as a valued director, whose acquaintance with most of the Company's properties in houses and land was very useful. In the selection of a new director to occupy the vacant position it was thought that someone experienced in Stock Exchange investments as well as other matters would be an acquisition, and this led us to invite Mr. Reginald John Marnham to join us. We heartily recommend the shareholders to confirm his election to-day.

New Life Business Doubled.

The chief feature of the present report is the large increase in the new business of the Company in its principal departments. When we met here last year the life department showed an increase of £55,000 upon the new business of the year before. You will have observed from the present report that there has been an increase of £118,000 upon that increase, so that the amount of the new life business in the year under review is more than double what it was a year ago. We have evidence that such progress has continued in the current year by the fact that our records show up to date that we are transacting a still larger business now than we were at this time last year. The premium income is also considerably increased, and this is not only from the growth of life assurance, but also from the claims, surrenders, and lapses generally having been all favourable to the Company. Here I may mention that the larger business has not been built up merely by an increase in the average sum for new policies, but by the increased number of people applying for them—or, in other words, by a larger number of the Company's *clientèle*. (Hear, hear.) There is a satisfactory feature in this fact, for it spreads the risk more widely.

The claims of the year have been only 80% of the amount expected under the mortality tables employed in the valuation. This is due to the fact that War claims have practically ceased, and also to the fact that there has been no recurrence of the influenza epidemic, the result of which is that there has not been any undue amount payable as death claims at young ages, at which, of course, the reserves in hand would be small.

The fire department has again made considerable advance, and the loss ratio has continued at the favourable figure of 45%. The premium income has gone up from £70,000 to £117,000, and some further arrangements made since this year began will doubtless bring about in the next account considerable increase upon the figures above-named. The directors are confident that this fire account will be a source of very considerable profit to the Company as time goes on.

In the accident and general department and the employers' liability department the premium income shows signs of increasing in amount, and the claims have been favourable.

A good start with Marine Department.

The marine department, which was only started shortly before last year commenced, has been working well, and a substantial income from it has been secured. It will be impossible to judge of the results to the Company until a year hence, when the underwriting account of 1919-20 has run off. This, however, I am able to say—that during the period under review we have experienced a very low loss ratio against a satisfactory income, and the department has certainly made a most favourable beginning.

In spite of difficult times and the improved remuneration which the board have granted to the staff, as well as the rise

in the cost of office materials, I am happy to say that the Company's expense ratio is improving. Thus far no increase has been made in the premiums charged by the chief departments for the various risks undertaken. The position of the Company is strong and its prospects were never more favourable than at the present time. The market value of our shares has been well sustained.

The Vice-Chairman, Mr. Arnold Pye-Smith, J.P., seconded the motion, which was carried unanimously, as was one for the declaration of a dividend of 6*d*. per share per annum for the current year in addition to the fixed dividend of 2*s*. 6*d*. per share.

The directors retiring by rotation having been re-elected, a resolution for the election of Mr. R. J. Marnham as a director was carried unanimously.

The auditors were also re-elected, after which a vote of thanks to the directors, management, and staff was heartily accorded.

The Manager, Mr. Basil May, F.I.A., in acknowledging the compliment on behalf of the management and staff, said the accounts showed that they had collected during the year a premium income over £100,000 in excess of that of the previous year, and yet in doing so the additions made to the number of the staff had been trifling.

CONSOLIDATED ASSURANCE COMPANY, LIMITED.

The sixteenth annual meeting of this Company was held on May 26 at 9 Fleet Street, London, E.C., Mr. E. A. Colquhoun presiding.

The Chairman, in moving the adoption of the report and accounts, said: Gentlemen,—You have all had these accounts, with which, I think, you have reason to be satisfied, and that, therefore, we may take them as read. The year 1919 has again been a record one—at any rate in the fire and general and marine departments. With regard to the life business, as I stated last year, most of our business in thi department is drawn from abroad, and the general state of European affairs has interfered with the development of the business The new business for 1919, however, shows an increase, as I predicted it would do, and I am happy to state that during the present year there has been an increased expansion. The life assurance fund increased during the year by the sum of £18,000, and now amounts to £194,571.

Increased Surplus on Fire and General Business.

Coming now to the fire and general department, the net business premiums amounted, as you will have observed, to £703,948, against £517,942 in 1918, which is an increase of £186,000. The claims paid and outstanding absorbed £382.133, the ratio being 54.29%, which is slightly under the 1918 figures. The commission and expenses of management combined represent a ratio of 31.09%, against 29.54%, or an increase of just over 1½%, which is accounted for by the higher rates of commission now ruling and by the heavier charges of operating which we, in common with others, have now to bear. The surplus on the year's trading is £102.981, or 14.62% of the premium income, against £82,455 in 1918. After providing £74,400 to bring the fire fund up to 40% of the premium income, and leaving the additional reserve of £41,660 intact, the sum of £28,580 has been transferred to the profit and loss account. With the addition made to the premium income this year, the fire department, we are pleased to see, has regained pride of place in volume of business, after having been temporarily overshadowed in this respect by the marine department, by reason of the war risks written.

Marine Premiums more than maintained.

Turning next to the figures of the marine department, the net premiums, £619,950, are just on £50,000 more than in 1918, though it was rather to be expected that, as in the case of the majority of offices transacting marine business, there would be a decline in 1919, due to the discontinuance of War risks at the close of hostilities in November 1918. That the premium income has been somewhat more than maintained is solely due to the natural expansion of our connections, and in no way to forcing the pace, as we have rigorously adhered to our policy of proceeding with all caution during the transition period still being traversed. The claims paid, with provision for those outstanding, come to £314,845, the ratio being 50.78%, against 57.52% in 1918. The commission and management expenses combined show a ratio of 12.26%, which approximates to the previous year's percentage. The trading surplus is £229.100, and the sum of £60.000 has been transferred to the profit and loss account, whilst the balance of £169,100 has been added to the marine fund, bringing it up to £454,690, which is not far short of 75% of the premium income. This, I feel you will agree, constitutes a strong position, especially when it is borne in mind that the claims charged in the account are those paid and outstanding, whilst it is not unusual in marine accounts for claims paid only to be shown.

Combining the figures of the fire department and the marine department, as I did a year ago, for the purpose of comparison, we have now a total premium income, after deduction of reinsurance premiums paid away, of £1,323,899, as against £1,088,944, being an increase of £234,955, or over 20%. The trading surplus on the two accounts together amounts to £332,080, as compared with £254,022, and the sums transferred to profit and loss are little less than £90,000, and nearly £20,000 more than in 1918.

Having regard to the volume of business we have lost on the Continent, principally in the fire department, in consequence of the War, we have, I think, every reason to congratulate ourselves on the expansion shown in our operations as a whole. And here I should like to take the opportunity of stating how highly we appreciate the support we have received in the past from our numerous friends—support which, I am happy to add, shows every sign of continuous growth, more particularly in our relations with the leading British fire offices.

I referred just now to the caution we are exercising in our marine operations, and it is quite likely that this may lead to the reduction of premium income we rather expected to see take place in 1919.

This time last year I thought it well to utter a word of warning with reference to the percentage of profits shown. The reduction I had in mind has not yet materialised, for the reason that the profit we show in the marine department is still the outcome of War conditions. But the warning is even more necessary as these influences pass away and the market is faced with severe competition for the business now offering, which competition is bound to grow fiercer when values, both of ships and commodities, commence to fall. But, as you are aware, the policy has all along been observed of augmenting our strength by building up adequate reserves and carrying forward the profits which have been made out of the business.

The interest receipts, other than those credited to the life department, have grown from £22,830 to £37,494 during the year, as shown on the profit side of the profit and loss account.

Dividend Increased.

Turning now to the profit and loss account, you will see that £24,129 was brought forward after paying the balance of dividend last year, and that the amount we have to deal with is £150,755. This amount is reduced by the interim dividend, £8,643; estimated loss on exchange (written off), £300,000; sundry expenses, including interest paid (chiefly to reinsurers on account of balances retained), income tax, &c., £20,096, leaving £92,016, against £24,129 brought in. Out of this balance we propose to pay a dividend of 7%, making 14% for this year, as against 12% in 1918, and also a bonus dividend of 2% for the year. This leaves an unappropriated balance to be carried forward of £80,905, which, as stated in the report, has to provide for income tax and excess profits duty (if any).

Coming lastly to the balance sheet, it is pleasing to note that the total funds of the Company have, as stated in the report, increased during the year by the substantial sum of £322,669, and now stand at £1,413,519.

One other item on this side of the account may seem to call for comment, and that is, "Loan from bankers, £63,917." This was necessitated in New York in connection with the establishing of the Company in the United States, so as to avoid the heavy loss in exchange at the low rate then ruling. As regards the assets, the amount of the sundry debtors shows an increase, mainly due to the larger volume of business transacted.

An Allied Reinsurance Company

Towards the close of the year we were approached by parties who had the intention of forming a new and powerful Reinsurance Company, and who sought our assistance in view of the established position of the "Consolidated" in the field of reinsurance. We came to the conclusion that co-operation would be of benefit to the "Consolidated," as, by operating the two companies together, the importance and attractiveness of the office would be enhanced in the eyes of those having reinsurance treaties to place, and further economy in the cost of administration would be effected—a very material factor in these times of increased charges. It was consequently arranged that I should assume the chairmanship of the new Company, which was successfully floated under the name of "The Western Alliance Reinsurance Company, Ltd.," and our Manager, Mr. Lane, was also given a seat on the board, subsequently becoming the Managing Director, thus making for harmony in direction and control. I am glad to be able to add that our expectations have so far been fully realised, the arrangement working out to the full advantage of both the companies.

A year ago I made allusion to the members of the staff who had served with his Majesty's Forces. Practically all who were then doing military duty have now returned to the service of the Company, and we are very glad indeed to again have their assistance, improved in usefulness as they are in most cases in consequence of the experience they have gained. Some have, in turn, left us to occupy more important positions in the insurance world, but, whilst their loss is felt, it is gratifying to know that the training they have received in our offices has marked them out for advancement. Mr. H. S. Bell, one of the Assistant Managers under Mr. Lane, resigned towards the end of the year to take a position in the management of one of the newly formed insurance companies. Mr. F. G. Norris consequently now holds the position of sole Assistant Manager. Whilst on the subject of the staff, I should like to say that the direc-

tors, desiring as much as possible to offset the increase in the cost of living, have from time to time made additions to the salaries paid. This action accounts, of course, in part for the increase shown in the management expenses, which will be more marked in the accounts of the present year. But I feel sure that the shareholders will be at one with the directors in the steps which have been taken in this direction.

Colonel E. T. Clifford, C.B.E., D.L., seconded the motion, and it was unanimously agreed to.

The proposed dividend, payable on May 29, was declared.

LEOPOLDINA RAILWAY COMPANY, LIMITED.

Mr. O. R. H. Bury, presiding, on May 25, at River Plate House, London, E.C., at the ordinary general meeting of this Company, said the gross receipts for the year amounted to £2,284,606, the net receipts being £621,044. Coffee was still the principal source of revenue in the goods traffic. Last year they carried 173,505 tons for a gross revenue of £585,952. Sugar was rapidly becoming an important traffic, the receipts amounting to £133,409. The total working expenses amounted to 72.82% of the receipts, as compared with 72.96% in the previous year.

The Chairman dealt with his recent visit to Rio and his conference with the President of Brazil in regard to the growth of costs and the necessity of increasing the rates. The President had frankly admitted, he said, that he was convinced of the justice of the Company's case, and a committee had been appointed to inquire into the financial position of the Company and to propose measures to remedy the situation. It was disappointing that up to the present they had not obtained authority to increase their rates. Prospects for the current year were reported to be good. Up to date the gross traffic receipts showed an increase of £443,950, and, provided exchange kept up to approximately the level of last year, that increase should be maintained.

THE FINE COTTON SPINNERS' AND DOUBLERS' ASSOCIATION, LIMITED.

The twenty-third ordinary general meeting of shareholders in this Association was held in the Memorial Hall, Albert Square, Manchester, on Friday, the 21st day of May, 1920, at 11 o'clock in the forenoon. There was an exceptionally large attendance, about four hundred being present in place of the one hundred who usually attend these annual meetings.

Sir A. Herbert Dixon, Bart., Chairman of the Association, presided, supported by Mr. John W. McConnel and Mr. Wm. Eckersley, Vice-Chairman; Mr. Herbert W. Lee, Managing Director; Mr. Vernon Bellhouse and Mr. Archibald E. Dixon, Executive Directors; Mr. John W. Adam, Mr. R. W. Bennett, Mr. Claude H. Blair, Mr. A. W. Bramall, Col. R. W. D. Phillips Brocklehurst, Mr. F. I. Dixon, Mr. John J. Higson, Mr. William Howarth, Mr. H. Ross Marsden, Mr. James Marsden, Mr. Ernest Mather, Mr. Herbert E. Musgrave, Mr. E. Lomas Oliver, Mr. Louis Rivett, Mr. James Taylor, and Mr. John A. Wanklyn, Directors; Mr. H. P. Addleshaw, Solicitor, and Mr. T. F. Woolley, Auditor.

The Chairman: I will call upon the Secretary to read the notice convening the meeting.

Mr. Claude H. Blair (Secretary) read the notice accordingly.

The Chairman: I call on the Secretary to read the apologies for absence.

The Secretary: I cannot very well read the apologies, for I have only two, and they were delivered to me verbally. The first is from Captain H. M. Harwood, who wished me to say how much he regretted his inability to be at this meeting; and the second is from Mr. Philip B. Whitehead. Mr. Whitehead came to me two or three weeks ago and said that he was going abroad on the business of the Association, and asked me to express his regret that he would be unable to be at the meeting.

The Chairman: I will now ask the Auditor to read his report.

Mr. Woolley (Messrs. Edwin Guthrie and Co., Chartered Accountants, the Auditors) read the Auditors' report as circulated with the directors' report and statement of accounts.

The Chairman's Speech.

The Chairman, whose rising was the signal for an outburst of applause, then addressed the meeting. He said: Ladies and Gentlemen,—In presenting to you the balance sheet for the year ending March 31, 1920, I am fully alive to the possibility that some of you may be disappointed with the result. True that the net amount to the credit of profit and loss account is £354,000 better than last year, and equally true that last year's figures were a record; still I can quite imagine anticipations of very different figures, in view of the extraordinary happenings and wild talk in the cotton industry during the last six or nine months. Personally, I tell you frankly that I am more than satisfied with the net profits made, knowing, as I do, how much they have been whittled away. The excess profits duty will receive a sum not very far from the amount left to the shareholders. Income tax on reserves accounts for £150,000, and we have suffered in company with all large exporters by the unprecedented rise in the Continental exchanges, to which I shall refer later on. It has been my custom to skim lightly through the balance sheet with you, and to explain if possible any special feature before dealing with the profit and loss account. I see no reason for departing from this right and proper course.

You will note, on the asset side, £122,028 under the head of "additions to property," additions which consist chiefly of the purchase of further office accommodation in St. James's Square, together with various cottages, lands, &c., required by different firms in the Association. The depreciation fund now stands at £759,880, or an increase of £62,720 on the year, solely because we cannot get replacements or even repair work from machinists. The sum is a very big one, but none too big when the enhanced price of machinery, &c., is taken into consideration. The increase in sundry investments, loans, &c., of £485,202 is almost entirely due to additional loans made to subsidiary companies, who are no more able to do without extra working capital than we are ourselves. Stock-in-trade shows an increase of £1,162,882, equally divided between cotton and yarn, and due entirely to the rise in prices, for, in both cases, stocks have been reduced in quantity. Large as the sum appears, namely, £5,212,157, it will in all probability rise much higher yet, an eventuality which largely accounts for the necessity for extra capital, to which I shall also refer later on. "Trade and other debtors" also shows an increase of £880,272, and, here again, we have not reached our limit of credit. The one item on the liabilities side calling for special mention is the increase of sundry creditors on bills and open accounts of £2,359,507, but this figure need cause no alarm when I explain that it includes this year's excess profits, the sum reserved for the renewal of our English companies in France, and the open bills on cotton, where every bale costs us at least seven times its pre-war price.

Disposal of Profits.

I will now ask you to turn to the front part of the balance sheet, where you will note that the profits, plus a carry-forward of £169,589 17*s.* 11*d.*, show the sum of £1,417,130 17*s.* 2*d.* to be dealt with. The interest on Debentures, £110,000, together with additions to insurance fund of £30,000, pension fund £25,000, and research fund £10,000, or, in all, £175,000, leave us the sum of £1,242,130 17*s.* 2*d.* The amount put to our insurance fund brings that fund up to £118,205 17*s.* 4*d.*, and very shortly we hope to take a larger share of the Association insurance. The pension fund, after adding on the £25,000, will amount to £125,000, and I am sure that I shall have you all with me when I tell you that we are getting into full swing with these pensions to old and disabled workpeople, who are obtaining same, not as a matter of charity, but as a right for good and faithful service. (Hear, hear.)

We are making considerable progress with our research work, and the amount of £35,000 is none too much, promising, as the department does, to bring us back a rich reward. Under the able guidance of Professor Lawrence Balls and a splendid staff we are very proud of this branch of our work. This brings me again to the sum of £1,242,130 17*s.* 2*d.*, from which interim dividends to the tune of £241,708 6*s.* 8*d.* have to be deducted, leaving the sum of £1,000,422 10*s.* 6*d.* still to be dealt with. We propose to place £200,000 to reserve fund, making this fund, inclusive of £540,384 7*s.* 6*d.* premium on shares issued, into the sum of £1,080,459 7*s.* 6*d.* When the premium on the proposed new issue is taken into consideration, this fund will amount to about a million and three-quarters—no mean sum; and yet, bearing in mind that the tide of prosperity must turn some day, we live in hopes of materially increasing the amount.

There are the usual half-yearly payments of 5% on the Preference shares, amounting to £75,000, and 5% on the Preferred Ordinary shares, amounting to £23,493, which clears the deck for the declaration of the Ordinary share dividend. Your directors have given this question of Ordinary dividend their most careful thought and consideration, and, frankly, they have not been influenced by the to-day's quotation of the shares. They felt that in paying 20% dividend, in lieu of the former 10%, they were doing everything that was fair to the main body of shareholders, without crippling the reserves of the Company, especially when coupled with the benefit they will obtain from the new issue, and to even those shareholders who have been induced to purchase at to-day's prices, or over, owing to the many absurd rumours that have been circulated, it will have done little or no harm. This dividend will require the sum of £343,000, leaving a carry-forward of £358,929 10*s.* 6*d.*, being £189,339 12*s.* 7*d.* more than the amount last year, and this is a still further reserve against future contingencies. Before finally moving the report I will touch on a few topics of mutual interest.

Need for Extra Capital.

It must be obvious to any thinking man that the time has arrived when this Company must take steps to raise more working capital. Egyptian cotton, of which we never

hold less than 20,000 bales, costs at least £250 per bale, *circa* £50 pre-War. Credits to customers, which are about an average of six weeks, and have never changed, now mean the lending of an extra £2,000,000, and, altogether apart from these two big items, we have to meet vastly increased charges in stores of all sorts required by our mills. We have nursed our resources with the greatest care, and in no way are we financially unsound—quite the opposite, in fact. (Hear, hear.) Still, it has always been the policy of this board to look ahead, and, wherever possible, to be in a position to face any problem that might present itself. After discussing the point from every angle, they propose in the first place to create 3,000,000 additional Ordinary shares, making 6,000,000 in all, of which 2,450,000 are already issued. They then propose to offer to the present holders one share for every two held, at the price of 30*s.* per share, which would bring in the sum of £1,837,500, amply sufficient to meet all anticipated requirements. We propose to call up 10*s.* on acceptance of allotment—say July 1; 10*s.* on October 1; and 10*s.* on January 1, 1921, thus making it easier for those shareholders who wish to take up their holding; but of course it is always open to shareholders to sell their option at a premium. As a further benefit to the shareholder it has been decided to allow these shares to rank for dividend *pari passu* with the existing shares, namely, from April 1, 1920, and here I should like to emphasise one point, namely, that this extra capital will earn quite sufficient profit to look after its own dividend, and will not affect dividend on present shares. I feel convinced that you will all be satisfied that the course we suggest is not only to the good of the Association, but that, in addition, it is greatly to the advantage—as it should be—of the Ordinary shareholders.

Re-Capitalisation.

What we propose to do has nothing whatever in common with the extraordinary movement in the spinning trade which, originating in London, afterwards spread to Lancashire, and has resulted in the re-capitalisation, either by purchase or by writing up, of a very large proportion of the mills in Lancashire, irrespective of district. The result is to-day that the bulk of the spindles stand at three to four times—and even more than this—over and above the former level. I can only compare the movement to the South Sea Bubble, and the day of reckoning will come as surely as it did to that period of wild speculation. It is true that mills cannot be erected to-day under four to five times the pre-War price, but can any sane man believe that, when the world settles down again, the machinery, buildings, &c., will be able to maintain these unheard-of prices? In my opinion, an inevitable reduction of values must take place, leading to an enforced writing down again, and a consequent serious loss to the present buyers. I do not presume to blame the sellers, who, being human, naturally accept a profit of from 200 to 500%; on the other hand, all my sympathy is with the buyers of what I look upon as inflated shares. Many large companies have been forced, much against their will, to bow to the wish of their shareholders and part with concerns of the highest standing, against their better judgment, because they were bound to recognise the fact that they were more or less trustees only of the property, and were dealing with other people's money. (Hear, hear.) It is, of course, on the cards that this wave of prosperity will last long enough to write back values to a proper level, but, when everything is said that can be said in favour of the movement, I defy anyone to deny that it is a bad thing for the industry, and, what is even more important, a real danger to the nation itself. The cost of production must be permanently increased, apart from wages and expenses, and when the time arrives that Europe is again in full swing, with possibly America producing beyond her home requirements, we may find ourselves very heavily handicapped as competitors for the surplus requirements of the world.

Rumoured Sale of the Association.

Whilst dealing with this subject, you will naturally be anxious to hear from me as to whether there is any truth in the constant rumours abroad as to offers having been made to purchase this Company. I can tell you at once that no such offer has been made. It is true that more than one inquiry as to the price per share we would be prepared to recommend to our shareholders has been made by outside syndicates, generally accompanied with a desire to look into our books—a request which, I am sure you will agree, was very properly declined. (Hear, hear.) If any of the so-called purchasers had made a definite offer, with proper financial backing, of sufficient price per share to make the bargain good enough for the shareholders, your directors would have felt bound, as trustees for you all, to lay the offer before you. (Applause.) However adverse they might personally be to such a proposal, and believing as they do that it is not in the interest, either of the industry or the nation as a whole, to part with the most important spinning association in the country, they nevertheless would have felt in honour bound to leave the decision in your hands. (Renewed applause.)

The French Mills.

Since we met last much has been done with our French properties. I think I have explained to you on a previous occasion that two of our firms are purely French, and are registered in France as "Societe Anonymes." These two concerns have received a large sum from the French Government under the law for reparation of damages by war and bombardment. They were not so badly damaged as our purely English Company, and have, owing to the devoted work of our French directors, been able to get to work, and at this moment are running two shifts and earning a very handsome profit for the Company. (Applause.) Apart from this, they have purchased for us another competing concern, a thoroughly up-to-date mill, which will also be in full work when we take it over on June 1, except for an empty wing which never had machinery it it, but which we are now filling in order to replace a very old mill gutted by the Germans. The Société Cotonnière d'Hellemmes is not in such a good condition, in view of the fact that the two carded mills were entirely emptied, although the combed mill, which was only partially damaged, is being put in order and now running at a profit. We have resources at our command to reinstate both the carded mills, and have taken all precautions to put our claim before the English Government. At the same time it must not be forgotten that it is most difficult to acquire machinery at the present moment, and thus it must be some long time before these mills are equipped and working to advantage. Meantime the fabric, power, &c., are virtually intact, and you can rest assured that no time will be lost that can possible be avoided.

The Mississippi Plantations

Our plantations, despite a deluge of rain lasting nearly three months, from end of September until end of December, which entirely destroyed from 2,000 to 3,000 bales of cotton, have done extremely well, and a very handsome dividend has been paid and included in this year's profits. We look forward with every confidence to a fine return from this estate, which, under the very able management of our American friends, has reached an extremely high state of efficiency. (Hear, hear.) We are engaged at the moment in clearing about 5,000 additional acres, at the rate of 1,000 acres per annum, of virgin land, which should yield at least a bale to the acre; and timber, being so valuable at the moment, enables us to do this work, reclaim this valuable land, and partition same into workably sized farms, not only without cost, but actually, *pro tem.*, at a substantial profit per acre. (Applause.) With the dearth of cotton, really good cotton lands are going up by leaps and bounds, giving us a very considerable asset in this property. (Hear, hear.)

The Difficulties of Exchange.

Perhaps the greatest danger to the continuity of the present prosperity in the industry lies with the unstable exchange, which acts detrimentally on our import trade with America and is almost prohibitive in many European countries as far as exports are concerned. Far be it from me to even suggest a remedy in a subject so intricate that it has apparently beaten the best financial brains in the country. It is essential with all bulk trades that imports and exports should more or less level themselves up, and it matters little whether the exchange is in our favour or against us, for, in either case, it is almost impossible to equalise the shipments both ways. Nothing but the crying need of textiles would have enabled us to do what we have in the way of export, but once the extreme urgency of the demand is past it is incredible to think that countries will continue importing yarns or cloth, when, in addition to the extremely high purchase price, they have to multiply again from two to say ten times before it reaches their markets. The natural tendency will be to increase their own exports, and reduce their imports, and, even at this moment, the tide shows signs of turning.

Labour.

We have recently been going through in Lancashire a very critical time with labour, and I congratulate all concerned upon the settlement eventually arrived at, which settlement gives us industrial peace for at any rate another twelve months, although, I regret to say, a certain section of our workpeople in Stockport are on strike at this moment, and refuse to accept settlement on the same terms as the rest of the trade. It is not unnatural, in view of the excited state of the market and the repeated sales of mills at fabulous profits, to which I have referred earlier on, that the workpeople should jump to the conclusion that they were not getting a fair share of the large profits which have undoubtedly been made. They were hardly likely to understand how severely these profits were whittled away, or how comparatively small a proportion was left over to the shareholder. The excess profits duty claim on us has taken round about a million pounds sterling; the replacement of machinery, now fully four times its pre-War value, calls for much increased depreciation in the near future; added to which we have the very large increase of working capital necessary to meet the working expenses at a time like this, the loss on exchange with all European countries (a loss that could not be foreseen even by us), and, above all, the knowledge that profits are largely due to inflation of prices of cotton yarn in stock, a profit which is in many ways a paper profit, and which must inevitably be lost when the reaction takes place. All these matters are actual facts, and, as I

said before, one could hardly expect the operatives to realise the true position. I congratulate them on the settlement, and I can only repeat what I have said publicly before, namely, that they as a class are benefiting to-day to a much greater degree than the shareholder. (Hear, hear.) I hope and believe that we shall now settle down to work hand in hand with a view to raising production, and thus lowering costs, for I can never forget that outside the employer and employed stand a great body of people who are suffering grievously from the abnormally high prices and who have no possible means of making more. (Hear, hear.) I refer to what we might call the public, viz., all fixed-income people, such as clergymen, widows, orphans, pensioners, soldiers, sailors, retired men and civil servants. (Applause.) They are being cruelly punished, whilst the operative is obtaining fully treble pre-War wage, and the master is meeting this extra charge and all other calls upon him by raising day by day the price to the consumer. It is the public and the public only who are the real sufferers to-day. (Applause.)

General Prospects.

It is very difficult to talk about general prospects at a time like the present, a time such as the oldest of us have never seen before, and probably the youngest of us will never see again. We have nothing to guide us, and probably no two men think alike. Your extreme optimist predicts a continuance of this good trade for years; he points out that the world's markets are empty, and must be replenished; he lays great stress upon the reduction of working hours, not only in England, but virtually throughout the world; he points to the almost impossibility of building and equipping new mills to-day with any chance of competing successfully with first-class going concerns, &c.; whilst your pessimist dwells on the danger of over-capitalisation, shortage of working capital, and, above all, the extreme danger of a world-wide economic and financial crisis which would be of such magnitude and have so far-reaching an effect as to paralyse temporarily all trade and commerce.

Well, ladies and gentlemen, I am not going to prophesy. It is a dangerous game just now; but this much I can say—that, while hoping for the best, we are as an Association fully ready for any eventuality that can be foreseen. (Applause.) If sunshine prevails we are prepared to bask in it, but should a storm arise, or even a cyclone, we are fully equipped to meet them, and have no doubt but that we shall steer the ship safely into port. (Applause.) I now formally move, "That the directors' report and accounts, as presented to this meeting, and upon which a report by the Auditor has been read, be and the same are hereby received and adopted," and I will ask my colleague, Mr. McConnel, Vice-Chairman, to second the resolution.

Mr. J. W. McConnel: I have great pleasure in seconding the resolution.

Appeal by Preference Shareholders.

Mr. J. B. Roberts: I was very pleased to hear you mention the hard plight of gentlemen with fixed means, and I would like on behalf of the other Preference shareholders besides myself to say we perfectly agree with you when you ask this Company, which you know is about one of the wealthiest companies in Lancashire, to give justice to these Preference shareholders. (Hear, hear.) Those shares were paid for in gold; that gold is represented in your mills, your machinery and your buildings. Those buildings are now capitalised at three times their present value, from which value the Ordinary shareholder has obtained, I believe, over half-a-million profit—£300,000 profit more than they obtained last year, which the Chairman told us was the best year in the Company's history. Sir, is it not justice that you should copy the example of other companies of a standing much less than your own? Lever Brothers have raised their Preference shareholders from £5 per cent. to £7½ per cent. Can you not in justice, with this enormous wealth at your disposal, raise the dividend of the Preference shareholders to £7½ per cent. and bring up their shares to par? Your shares have been up £6, and we hope they will be up again. We hope from the money we have subscribed they may rise to £10. Perhaps you will give us justice. (Hear, hear.)

Mr. J. H. Walker: I am quite in sympathy with this gentleman, and I will give my reasons. I have always listened with the greatest pleasure to Sir Herbert Dixon, who is a most excellent Chairman. I consider this Company one of the very first in industrials. I bought my shares some years ago, and I paid 21*s.* 6*d.* for them. My wife bought them. (Laughter.) What with premiums and excessive income tax the shares show a return of about 5%. I think this is very unjust. (Hear, hear.) I think the Ordinary shareholder, after receiving 15% or 10%, should agree that the Preference shareholders should receive a bonus. It is as little as they can do in these abnormal times. Supposing you had to raise capital to-day, you would have to pay 7½% or 8% for it, and you would have to give participating shares; and therefore I think we are entitled to some return for all the bad times we have gone through. I have been obsessed with this idea for a very long while, and I thought of mentioning it to one of the directors on 'Change the other day, but I had not the opportunity. I should also like to ask you if the Preference shareholders will participate in the new issue of shares. (A Voice: "The Chairman did not say so.") I think they have a right to do so (Hear, hear.)

Mr. Benson: In view of the very optimistic speech made by Sir Herbert Dixon, I should like to know why the directors have put a premium of 10*s.* on the call of the Ordinary shares. (Hear, hear.) Sir Herbert Dixon has spoken very interestingly this morning about what he terms the clergy and the business and middle-class people being heavily hit by the increased prices they have to pay. It is in my knowledge that a great number of these middle-class people he speaks about are largely interested in the Fine Spinners' and Doublers' Association, and if they have to pay the extra 10*s.*, which, I presume, is supposed by the directors to be a bonus a very poor bonus indeed—I think that they ought, in all fairness, seeing that they have such a capital reserve fund, to issue them at par at the very outside. (Applause.) It is all very well for the directors to come before us and tell us these tales. Of course, we quite believe them. (Laughter.) But I should just like to ask the directors one thing. When the shares were floating about in the vicinity of £6 to £7, were they not selling, knowing what was going to take place, whereas the public was entirely in the dark? The public ought to have had some lead as to what was to take place. (Applause.) We have seen reports, but they have only been reports and rumours. My contention is that it was the duty of the directors to inform the shareholders privately that there was no such offer on the table. They and their friends have been unloading on to the public at £6 to £7 a share. Can the directors not let the shareholders—let us—have a par value or none? (Applause.)

The Chairman: I will just take the questions one by one. With regard to the Preference shareholders, these gentlemen are perfectly right. They have my sympathy. But they must not forget one thing, namely, that when this Company was formed they had the option, at £1, of being an Ordinary shareholder or a Preference shareholder. (Hear, hear.) In the one case they were guaranteed their full 5%, and it was a preferential claim; it was a gilt-edged security, and they preferred it. The other, the Ordinary shareholder, said, "Well, I will take my chance," and he had two or three very trying years. He had one year of only 4%. We were an unknown quantity when he took his shares. He took his risk, and his risk has come out very well. The Preference shareholder, on the other hand, has suffered, not because he is a Preference shareholder, but because his 5% absolutely secured stock has fallen, together with every other gilt-edged security in the country—railways, Government, and every other security. Therefore, I hardly think that, having made his choice, he has any right to squeal, so to speak. (Hear, hear.) I also should like to point out that it is not in the power of the directors to alter the constitution of this Company. If he and his fellow Preference shareholders like to call the Ordinary shareholders together and induce them to bring forward—(laughter)—I cannot understand this at all—(renewed laughter)—a resolution by which the Preference shareholder shall be lifted up to the 7½% and placed on a very excellent and firm basis, we, as directors, will be delighted to consider that resolution and consider it favourably. (Hear, hear.) In fact, we are your servants. But we cannot do it ourselves. It is utterly impossible. We cannot in any shape or way alter the constitution of the Company as it stands to-day. With regard to our friend over there, he has made some statements for which I should like him to give chapter and verse. (Hear, hear.) Personally, I have never sold a share since the Company started. (Loud applause.) I should no more think of selling shares at £6 to £7 on information which I had and which you had not than I should think of taking £5 out of one of your pockets to-day. (Applause.) It is a very disgraceful insinuation to make—(hear, hear)—and one which I repudiate to the very uttermost. (Hear, hear.)

Mr. Benson: I beg your pardon. I said the directors or their friends.

The Chairman: I cannot help "their friends." They were given no information.

Mr. Benson: I have made a statement that I can vouch for. I said "some of their friends."

The Chairman: You, sir, certainly gave me the impression that you said the directors, with knowledge which the shareholders had not, were selling shares to their own profit. (Hear, hear.) I deny it *in toto*, and I should like that denial to be prominently put forward.

Mr. J. H. Walker: Mr. Chairman, you did not answer the question about whether the Preference shareholders would be able to participate.

A Shareholder: They have done before.

The Chairman: No, never. This issue of Ordinary shares, however much our friend may doubt it, is really part and parcel of the dividend on the Ordinary shares That dividend, if it had not been for this issue, would possibly have been more than 20%. But how anyone can get up and pretend that this is not a definite benefit to the Ordinary shareholder absolutely beats me. Any Ordinary shareholder who does not wish to take up the option we give him can

sell it again at the couple of pounds profit and the couple of pounds is in his pocket. Surely that is a benefit. Have you anything to say to that? If you have I would very much like to know it.

Mr. Benson: Seeing the Company is in such a very wealthy position, with the reserve fund beyond a million and a quarter for the last 12 months, I really think you should give the shares at par.

The Chairman: That is another point altogether. You said the 30*s.* was no gift. It is a distinct benefit, and must rank with his 20% dividend. I think you will all be of one mind with regard to that. (Hear, hear.) With regard to giving them at £1, it was considered very carefully. But you must not forget that we wanted the sum of nearly two millions. We wanted it to feel ourselves perfectly safe and in order to safeguard your interests. We might undoubtedly have issued £1,837,000 shares at par, but it would have brought upon us the liability to pay interest on the extra £600,000. You would have been no better off with your one share to two than you would have been if we had given one share at par, because, after all, we should have had that amount of money less in the Company and so many more shares to pay dividend on afterwards. It has been thought out, I assure you, by men who know the position, by men who know the requirements, and by the men to whom you have entrusted the interests of the Company, and who, I venture to say, have looked after them for the last 20 years with no inconsiderable degree of care and skill. They have come to the conclusion that this is the right and proper thing to do. If a man feels he cannot find the 30*s.*, he has the option of selling his allotment; and to the man who can find the 30*s.* we have given full time in which to find it. I do not think there is anything more I can possibly answer. I think that is all I have been asked, and as the time is going on I will formally——

Mr. J. B. Roberts: May I move that the Preference shareholders' dividend be increased? I have confidence in my fellow men. I believe there are sufficient Ordinary shareholders in this room who will give justice to the Preference shareholders.

The Chairman: I am afraid it is a little out of order. I think that of such an important resolution you should have given me a month's notice, because the Ordinary shareholders are hardly prepared to vote upon a thing like that at a minute's notice.

A Shareholder: Move that they call a meeting.

Mr. Roberts: Yes, I move that we call a meeting.

Mr. J. H. Walker: I have great pleasure in seconding it.

The Chairman: I am afraid, sir, that we can only do the business for which the meeting has been called. (Hear, hear.) I do not see that we can go to anything else. If you want anything like that you must give us due notice, and in proper course a meeting will be called if the notice be signed by a sufficient number of shareholders. I am afraid we cannot attend to that business now.

Mr. J. B. Roberts: Sir, are you the servant of the Preference shareholders as well as of the Ordinary?

The Chairman: You must take your own course. I have not the least doubt you will get a very sympathetic hearing from the Ordinary shareholders. (Laughter.)

The Chairman then put the resolution to the meeting, and it was carried with only two dissentients.

Declaration of Dividends.

The Chairman: I now move the following resolution: That the following dividends be now declared out of the profits of the undertaking, viz.:—

A dividend for the half-year ended March 31, 1920, at the rate of 5% per annum on the £3,000,000 Preference shares, numbered 1 to 3,000,000 inclusive.

A dividend for the half-year ended March 31, 1920, at the rate of 5% per annum on the £939,744 Preferred Ordinary shares, numbered 1 to 939,744 inclusive.

A dividend for the half-year ended March 31, 1920, at the rate of 28% per annum on the £2,450,000 Ordinary shares, numbered 1 to 2,450,000 inclusive.

I will ask Mr. William Eckersley to second the resolution.

Mr. W. Eckersley: I beg to second the resolution.

The resolution was carried unanimously.

Creation of additional Ordinary Share Capital.

The Chairman: Well now, ladies and gentlemen, I am going to what you may call the dry-as-dust business, for I am going to move the following resolution:—

(1) That in accordance with Articles 15, 16, 17, and 18 of the Company's Articles of Association the capital of the Company be increased to £10,000,000 by the creation of 3,000,000 Ordinary shares of £1 each, ranking as from April 1, 1920 (both as regards payment of dividend and repayment of capital in a winding up and in all other respects), *pari passu* with the existing Ordinary shares of the Company.

I will ask Mr. Bellhouse to second the resolution.

Mr. Vernon Bellhouse: I beg to second the resolution.

The resolution was unanimously approved.

The Chairman: I now move the following resolution:—

(2) That 1,225,000 Ordinary shares be offered at 30*s.* per share to the holders of the existing Ordinary shares in the proportion (so far as it is possible to do so without the issue of fractional certificates) of one Ordinary share for each two Ordinary shares held by them respectively at the date of this resolution, and that the full amount of each share taken up shall be paid to the Company as follows, namely, 10*s.* per share on acceptance of the allotment not later than July 1, 1920, 10*s.* on October 1, 1920, and the balance on January 1, 1921, and that such offer be made by sending a provisional allotment letter to each Ordinary shareholder specifying the number of shares to which he is entitled and limiting the time (such time being fixed by the directors) within which the offer, if not accepted, will be deemed to be declined, and the directors are hereby authorised to make such provision for fractions of a share and as to the disposal of any of the shares not taken up in response to such offer as they may consider expedient in the interests of the Company.

Mr. Bellhouse seconded the resolution.

A Shareholder: Do not the Preferred Ordinary shares rank *pari passu* with the Ordinary shares as to capital?

The Chairman: The Preferred Ordinary shares rank *pari passu* with the Ordinary shares for winding up, and for winding up only.

The Shareholder: Is that the wording of the Articles of Association?

The Chairman: Yes, that is the absolute wording of the Articles.

The Shareholder: They rank with the Ordinary shares in the certificate, I think.

The Chairman: They rank with the Ordinary in the event of a winding up. They have no bonus in this matter. That is only for the Ordinary share. The Ordinary shareholders are going to have this bonus of one for every two shares held by them.

The resolution was passed unanimously.

The Chairman: There is this in the Articles: A resolution passed on May 20, 1913, says "The Preferred Ordinary shares shall rank in respect of dividend after the Preference shares, but shall entitle the holders thereof to receive out of the profits of the Company available for dividend, before any payment in respect of dividend is made to the holders of the Ordinary shares, a fixed cumulative dividend at the rate of 5% per annum on the amount for the time being paid up on the Preferred Ordinary shares held by them respectively. (2) In any distribution of surplus assets in a winding up the Preferred Ordinary shares shall rank after the Preferred shares, and *pari passu* with the Ordinary shares."

They are quite a different class of shares.

Re-election of Retiring Directors.

The Chairman: I will now ask my friend Mr. Lee to move the next resolution for the re-election of retiring directors.

Mr. H. W. Lee (who was received with applause): Mr. Chairman, ladies and gentlemen,—I think that my colleagues would wish me to say just one word concerning a very considerable loss that we have had upon the board during the past year. I refer to the death of our colleague, Mr. Walter Eckersley. It is the more lamentable because he was one of the youngest directors, one of the most capable of all of us, and one who, if he had lived, was destined to take some of the highest positions in this Association. It is very pleasing to us to think that his amiability and his good feeling made him a very great friend, and that he was regarded with affection by the whole of his colleagues, and, I think, by the whole of the people who worked under him at the mills, and by many people who did business with him. (Hear, hear.)

The resolution I have to propose is this: "That Messrs. Arthur Wellesley Bramall, William Eckersley, John Isaac Higson, John Wanklyn McConnel, Edwin Oliver, John Robinson Oliver, Louis Rivett, James Taylor, and Harold Ross Marsden be and they are hereby re-elected directors of the Association." I am quite sure I need not take up your time in recommending you to vote for those gentlemen. I have great pleasure in moving the resolution.

The Chairman: I call upon Mr. A. E. Dixon to second the resolution.

Mr. A. E. Dixon: I have great pleasure in seconding the resolution.

The resolution was carried unanimously.

Mr. J. W. McConnel: May I beg to have the opportunity, on behalf of myself and my colleagues who have been re-elected, to say a word of thanks to you for re-electing us to this office? I entirely agree with our Chairman that we have very troublous times before us, and I am sorry to think that my own active time, the time of active business, is at any rate approaching its natural termination. The same applies to a good many of my colleagues who are now re-elected. But there are one or two of them who are young men and stalwart men, and I am also glad to tell you that we have not, of course, as many as we should have had of it had not been for this dreadful War, a very large number of very able men coming on in our different branches and in the central offices of

the Association, and I think there is very good hope, with our staff, that the future direction of this Company will be as capable as it has been in the past. I am sure, at any rate, that all of us who are directors of this Company or servants of the Association, whether we are old or young, will do our best to secure the successful working of the Association. We thank you very much.

Election of Auditors.

Mr. J. B. Walker moved the following resolution: "That Messrs. Edwin Guthrie and Co., chartered accountants, of 71 King Street, Manchester, be and they are hereby appointed auditors of the Association until the next ordinary general meeting of the Association, and that they be paid the sum of £1,500 as remuneration for their services, inclusive of out-of-pocket, travelling, and hotel expenses."

He said: You, Mr. Chairman, in your opening address, spoke of the views taken by an optimist and a pessimist. I hope the optimist referred to is not like the optimist who has been defined as a man who buys an article from a Jew hoping to sell it to a Scotsman. (Laughter.) A very hard job, I know. When I first got this report that I hold in my hand I had a feeling of disappointment; but on consideration, and after thinking about it very carefully, I asked myself this question: "Is this report inconsistent with the past policy of the board?" and I was bound to confess that it was not. The policy of the Association has always been to consolidate and to act with the utmost care, never to take a step which they were not sure would be justified in the future by the result, and I have not the slightest doubt, looking at the matter from that point of view, that the policy enunciated in this report is thoroughly sound. Can anyone doubt that? Supposing the board had paid 35% instead of 20%, and had paid 10% next year. In those two years you would probably have 5% to the good, but would our shares have stood up in the market as well as if they had paid 20% this year and 20% next year? I think that is the proper policy. I am an old shareholder, and, like the Chairman, I have not sold any shares since I started, and I say the policy adopted by the board is a wise one. You used to pay a dividend at the rate of 8%. Then, about three years ago, you got up to 10%. Last year it was 12% and a bonus, and now you are getting 20% for the year and a further bonus, and I think the future will justify the course of the board in adopting this policy. "Hear, hear," and applause.) I do not know whether any of you have read Sir Walter Scott's novel "Rob Roy," but in that book there is some excellent advice given to one of the characters, Baillie Nicol Jarvie. His father always said to him, "Nicol, never put your hand further out than you can conveniently draw it back." (Laughter.) I say that is an excellent piece of advice under all conditions, but an absolutely golden rule for a company like this. There is the question of labour. We are agreed that labour must participate in the profits of any industry. It is a very important point. If you are inflating your dividend and enlarging your capital, can you go to labour and say, "We did that with a view to improving the standing of our stock on the Stock Exchange"? You cannot. But if you take care only to pay such dividends as you are warranted in paying you can appeal to labour on a proper basis and give them a reasonable share of the profits you expect to earn in future.

Mr. Robertson: I beg to second the resolution.

The resolution was passed unanimously.

Thanks to the Chairman.

Mr. E. Blackburn: I beg to move: "That the thanks of this meeting are due and are hereby tendered to Sir A. Herbert Dixon, Bart., for the ability and courtesy with which he has presided over this meeting, and also for his very able speech of to-day."

It was a most interesting speech (Mr. Blackburn said), indicating not only the policy of the Company, but showing clearly, too, that it was a policy of sound and prudent finance. I remember twenty-two or twenty-three years ago, when the prospectus was issued to the public. If you will take up the prospectus you will find that every hope held out there has been most abundantly fulfilled. I therefore ask that you will give a very hearty vote of thanks to the Chairman on this occasion, and I feel that I can appeal to all the shareholders—the old shareholders who have been investors for a long time, and the new, who, probably, in these days of good expectations, have been temporarily disappointed. I am sure you will all agree with this resolution. (Hear, hear.)

Mr. Clarkson seconded the resolution, and it was carried with acclamation.

The Chairman: I thank you very much for your kind appreciation of anything I have been able to do, and I thank Mr. Blackburn, who is a very old friend of mine. I have known him for forty years, and, therefore, he is bound to speak well of me. He dare not do anything else. (Laughter.) However, I thank you for your appreciation. I assure you I have given the best years of my life to this Association, and as long as I am strong and well—and you wish it—I shall continue to work for it to the best of my ability. (Applause.)

The meeting then ended.

BRITISH DYESTUFFS CORPORATION, LIMITED.

The Change over from War to Peace.—The Danger of Foreign Monopoly.

Sir Henry Birchenough's Review.

THE annual general meeting of this Corporation was held on May 21 at the Milton Hall, Manchester. Sir Henry Birchenough, Bart., K.C.M.G. (the Chairman), presided.

Sir Henry Birchenough, in moving the adoption of the report and accounts, alluded with regret to the resignation of Lord Moulton as a Government director and Chairman of the Company. When the Corporation was formed a very widespread wish was expressed that Lord Moulton should become the Chairman of the Company. The gratification of this wish presented considerable difficulty, for, in addition to being a distinguished scientist, Lord Moulton was a judge of the highest court in the land. It was finally agreed that Lord Moulton should be seconded to the service of the Corporation and of the dye industry for a period of one year, upon the definite understanding that the Board of Trade would not ask for any further prolongation of the period. The year came to an end in April last, and, in view of this understanding, the President of the Board of Trade felt he could not do otherwise than accept Lord Moulton's resignation when the Lord Chancellor invited him to resume his judicial duties. They were very grateful to Lord Moulton for the valuable services he had rendered the Corporation and the dye-users throughout the country during his year of office.

Sir Henry went on to state that his colleagues had paid him the high compliment of asking him to succeed Lord Moulton as Chairman of the Company, and though he possessed no such scientific knowledge as distinguished their late Chairman, he had been closely associated with the question of dye-making during the War years as chairman of several Board of Trade Committees. He was therefore not a stranger to the paramount importance, and indeed necessity, of establishing this great key industry upon a firm and enduring foundation.

It was with much pleasure that he was able to announce that Lord Ashfield had been selected by the Board of Trade to succeed Lord Moulton as one of the Government Directors. As President of the Board of Trade Lord Ashfield (or, as he then was, Sir Albert Stanley) gained in an unusual degree the confidence of the industrial community as a sound and practical business man. During his period of office as a Minister Lord Ashfield realised the truly national importance of the dye-making industry, and probably no man was better acquainted than he with the circumstances that led up to the formation of this Corporation.

Profit of £172,500.

If you will look at the balance sheet, the Chairman continued, you will see that the profit earned during the year ended October 31, 1919, amounts to £172,500. This amount does not afford any real indication of what will be the earning capacity of the Company's undertaking in the future. It was earned upon a capital very much smaller than that which is recorded in the balance sheet, for the new capital, amounting to £5,000,000, which was issued in July 1919, did not come into our possession in time to affect materially the financial results of the year.

I must call your attention further to certain important facts which affected adversely the operations and profits of this particular year. In the first place, the Armistice, which was declared early in our financial year, created an entirely new situation and rendered necessary an immediate and large scheme of reorganisation. The Company had plants which during the War had been making munitions, and which had to be changed and adapted in order that they might produce materials required in the dyestuff industry. You will readily understand that this change involved great expense and a very material loss in production. In response to a national appeal from H.M. Government, we, like all other firms, had to retain our workpeople in some sort of employment until we had found new positions for them. I am glad to say that the adaptation of existing plants and the rearrangement of employment are practically completed.

In the next place, the programme of new construction and general development was seriously handicapped, and continues to be seriously handicapped, by the great difficulty and delay attending the delivery and installation of new plant. In these circumstances the schemes of development inaugurated by the boards of the two Companies, and amplified and extended by the new board, have made slower progress than would have been made in pre-War times.

Heavy Cost of Raw Material and Labour.

I will only mention one other matter which affected the result of the year under review. I refer to the continuous rise in the prices of raw materials and in the remuneration of both our wage-earning and salaried staffs. We were so anxious not to hamper in any way the textile industries in their efforts to cope with the revival of trade which followed the Armistice that we did not put up the prices of our finished products at as early a stage as I think we might have done, and perhaps ought to have done. Even now the prices of dyes have been increased

in a less proportion than the prices of, say, woollen, cotton, or silk yarns, and the proportionate cost of dyestuffs per yard of finished goods is, I believe, less than before the War.

I have now dealt with the adverse circumstances which affected the results of the first year's operations of the Company in order to show you that it was in no sense a normal year, and that its results do not afford any real indication of the earning capacity of your undertaking in the future. It is dangerous to predict, especially in disturbed and tumultuous times like the present, but I venture to express my purely personal opinion that when we come before you next year you will not have reason to be dissatisfied with the story we shall have to tell you.

An Instrument of National Defence.

Our industry is not an ordinary industry. The shareholders who invest in it and the thousands of people employed in it are contributing their shares to the establishment and maintenance of a great instrument of national defence—defence of the Empire in time of war and of Imperial trade in the time of peace. The position the dyestuff industry occupies in the life of a modern civilised nation is unique. It is fundamental both in peace and war. It is almost impossible to over-estimate the value of the German dyestuff industry to the German Government in the recent War, or the power which the industry placed in the hands of our enemies to prolong the conflict. I am informed that, with one single and insignificant exception, the whole of the poison-gases used by the German Army were made in the establishments of the German dye manufacturers. What they have done in the past they could perfectly well do again in the future, so long as their dyestuff factories remain intact and if their dyestuff industry maintains its world-wide importance. If in course of time another great war should come upon us—and in spite of our efforts and hopes we cannot guarantee that it will not—we must be prepared for further great developments of chemical warfare, and that means that it is of vital importance that we should have in this country great industries so completely endowed with chemical knowledge and practice, and so efficiently equipped with plant, that they can at once be employed to meet readily and amply the requirements of national defence.

The Security of British Trade.

I turn gladly from this aspect of the question to the equally important aspect of the dyestuff industry as an essential element in the defence of British trade. The group of textile trades of this country constitutes the most striking and important single group of allied industries in the civilised world, and yet the magnitude and very existence of a very large part of the export trade in textiles depends absolutely upon there being at all times a sufficient supply of dyestuffs available for the use of the trades.

I am quite aware that the textile trades complain that they are not obtaining an adequate supply of dyestuffs either in quantity or variety from us and other British makers. I would, however, ask dye-users to consider what would have been their position if the suggestion, not infrequently made during the early years of the War, had been adopted—namely, that we should await the termination of hostilities and then resume our old position of practically complete dependence upon German supplies. It is because dye manufacturers were encouraged by the Government, and in particular because this great Company was formed and fostered, that you have received supplies of colour which, with all their deficiencies, have enabled you to take advantage of the present almost unlimited demand, and to enjoy a period of unexampled prosperity. I hope our friends, the dye-users, will remember that on the whole, and because of our efforts, they have been better supplied with dyes than any country in the world.

Programme of Research and Construction.

The object the Board is keeping steadily before it is to establish and develop a great organisation which will supply the needs of the British consumers of synthetic dyestuffs and protect them from the menace which would arise from a return to dependence upon some foreign source of supply. The problem is a big one, and will require all the aid that science and technical skill can give us. We have made a very close study of the problem, and we are carrying out a programme both in research and construction which we believe will enable the Company to achieve the great objects for which it was formed.

Research undoubtedly lies at the very root of the solution of the problems we are engaged upon. We have, I believe, under the general direction of Dr. Herbert Levinstein, our technical managing director, the largest research organisation in Great Britain, including within it some of the very finest scientific ability which can be obtained in this country. We are employing about 100 chemists who are continuously engaged on research, and our scheme contemplates a systematic survey of the whole field of dye manufacturing. Much of the field has been covered, and processes have been prepared which serve as a guide to our constructional departments.

Such work, though absolutely essential, is costly. We have constructed, or have under construction, buildings and equipment for research purposes to the value of nearly £250,000, whilst over £70,000 was spent in the actual operation of the research department during the year under review.

The Question of Foreign Supplies.

The British dye industry to-day is really large and important, and its output exceeds the total consumption in this country before the War. Moreover, the output is almost entirely based on British-made materials and intermediate products. We have made a big beginning, and we shall endeavour to fulfil completely the task which we have set ourselves, by establishing a British dyestuffs industry which will adequately meet the requirements of the industries of which we are in effect the servants. We are working steadily to our programme, and our production and the variety of our output is being gradually extended, and we look forward to the time when supply will adjust itself to demand.

It would be foolish on my part to suggest that until that time arrives the great consuming industries of this country and of the British Empire should not be allowed to avail themselves of supplies from other countries, supplies which I hope will diminish in quantity and variety as the Company's output increases. I am sure, however, that there is no one who would not view with the very greatest misgiving the re-establishment in this country of those alien organisations uprooted during the War, which we believe were a menace in peace and which have proved themselves to be a real danger in war. Whilst foreign supplies may be necessary for a time, I think we have a right to ask in the national interest that such supplies shall only be imported under some system which will guarantee that the danger of complete or partial foreign monopoly shall not reappear. The Government's fear of the danger of their revival is by no means illusory. The unexpected Sankey judgment has rendered possible for the moment, the free importation of dyestuffs from Germany. Already representatives of German firms are making offers to dye users, and, it is said, are taking a large number of orders. It is true that the actual deliveries are relatively small, but an effort is being made to re-establish the old connections. In view of the definite promises which were made by ministers in the House of Commons, that this great national key industry should be given a reasonable period during which it could take root and establish itself on a sure and permanent basis, we have a right to look to His Majesty's Government for the immediate fulfilment of their promises, and there is not a moment to be lost. In my opinion those promises can only be effectively fulfilled by the prohibition of foreign imports of dyestuffs except under licence. I am aware that the working of the widespread licensing system rendered necessary by the War has made the idea of licensing unpopular; but there is no reason that I know of why it should not work smoothly and satisfactorily in this industry if the users of dyes will co-operate and determine to make it work. What is wanted in the national interest is a system of control under which the requirements of dye users will be properly met, while the danger of any return to complete or partial dependence upon alien sources of supply will be guarded against.

In conclusion, I can assure you that we have given all the matters to which I have referred our most careful attention, and, while we do not seek to minimise the difficulties of the future or to treat lightly the problems with which we are confronted, we feel that, given your confidence and the support which we believe we have a right to ask from the dye users, we shall succeed in the task which is before us. I would like to add before I sit down that we need, in addition, as I said at an earlier point in my address, the full and loyal support of our staff. Here I should like to say just a word or two to express the grateful appreciation of the board—and also, I am sure, of the shareholders—of the devotion and loyalty and labours of all our staff, both at the works and the central offices, during the past year."

The report and accounts were adopted and a dividend at the rate of 8% per annum declared on the Preferred Ordinary shares.

JOSEPH BYROM AND SONS, LIMITED.

Mr. Arnold Williams, A.C.A., Chairman of the above important textile company, took a very hopeful view of the future when he presided at the statutory meeting last week.

He stated that the present turnover is 100,000 lb. to 120,000 lb. of yarn per week, the value being about £30,000. The mills are equipped for spinning speciality yarns, including 20,000 lb. weight of coloured. The average turnover for the past three months has been fully 25% more than for the corresponding period, and the profits earned are considerably in excess of those foreshadowed in the prospectus, while the directors are confident that the profits for the quarter now current will be larger still.

Orders are on hand for four months ahead, and against them the Company is fully covered by cotton purchased. In fact, remarked the Chairman, there is only one other firm with which the Company can be said to be in really keen competition.

THE ROYAL MAIL STEAM PACKET COMPANY.

THE annual general meeting of the proprietors of this Company was held at the Cannon Street Hotel, London, E.C., on May 26, Sir Owen Philipps, G.C.M.G., M.P. (the Chairman), presiding.

The Secretary (Mr. D. L. Conradi) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Gentlemen,—The accounts which are before you to-day indicate clearly the financial position of the Company, which is thoroughly sound and satisfactory. The Company's Ordinary, Preference and Debenture stock and reserves now amount to over eleven millions sterling, whilst our fleet and the fleets of the companies which are closely affiliated to us aggregate a total gross register tonnage of over a million and three-quarters, carrying on ocean trades in practically all parts of the world.

After making adequate provision for depreciation, and for prospective liabilities on account of taxation, your directors are pleased to be able to recommend a distribution of dividend at the rate of 8% for the year on the Ordinary stock, an increase of 1% over that for the previous year. The sum of £350,000 has been added to the reserve fund, which now amounts to the substantial sum of one million and a quarter sterling. As you know, the policy adopted by the court of directors for many years past has been steadily to build up the resources of the Company, and we are in a position to face the future with equanimity and confidence. The financial position of each of our associated companies is also very strong, the policy adopted being similar to that of this Company.

Fleet.—We are slowly emerging from the abnormal conditions created by the War, and, with few exceptions, those of our steamers which were in direct Government service or under requisition have either been returned to us and are again running on their former routes, or they are undergoing reconditioning, which in some cases is a slow process.

Since the last annual meeting our new passenger steamer *Almanzora* has taken her place in the Company's South American service. This vessel was under construction in 1914, and during the War served as an armed merchant cruiser. Having been reconditioned and fitted with commodious passenger accommodation, she commenced her maiden voyage from Southampton as a passenger liner in January this year. In addition to the *Almanzora*, we have obtained delivery of the *Narenta*, a vessel specially insulated for the carriage of meat, together with seven steamers destined for the Company's cargo services, while another, the *Glamorganshire*, has been acquired. You will recollect that the *Asturias* was torpedoed while on Government service as a hospital ship. Although very badly damaged, she was salved, and has been repurchased by us from the Government, it having been found possible to effect the necessary repairs satisfactorily, but it is as yet too early to say when she will be available for service. The *Arlanza* and *Araguaya* are being reconditioned at Belfast, and it is hoped that they will be re-delivered to us before long.

Passenger Services.—I am glad to say that, with the re-opening of the Port of Southampton, we have now been able to resume our passenger and mail service between that port and South America. It has not yet been possible fully to re-establish our regular sailings. Consequently, pressure upon passenger accommodation is still felt, especially for the homeward voyage from South America, but the congestion experienced during the greater part of last year has been relieved. It has been found necessary to raise passenger fares, but the increase is far from being adequate to meet the great and continually rising cost of coal, wages, victualling, &c.

Cargo Services.—Our regular cargo services have been resumed, and there is a steady increase in the export of goods from this country, though the volume of traffic is still much smaller than before the War. As will be seen by the report, the amount of cargo shipped by our vessels to this country is far in excess of what is exported.

South America.—South America is a continent full of potentialities where, as I believe, there are immense developments yet to take place. This Company has been associated with the great Republics of South America for over three-quarters of a century, and has contributed in no small measure towards their evolution. We intend to keep pace with developments in the future, and to continue to provide adequate facilities for the transportation of passengers and cargo. South America generally is enjoying an era of prosperity. Unfortunately there is still a great deal of labour unrest in Argentina, which is seriously handicapping business and is detrimental in its effects on the progress of the country.

West Indies.—I mentioned at our last meeting that the whole question of steamship communication with the West Indies was then under consideration by a Departmental Committee of the Colonial Office. This Committee issued its report on August 15, 1919. Its main recommendations were that tenders should be invited within a year for the provision of a fortnightly service, and that a joint policy should be pursued, if possible, by the British and Canadian Governments with a view to inaugurating a continuous service, by way of the West Indian Islands, between the United Kingdom and Canada. Meanwhile, we have continued to maintain a connection by steamers of a small type and more economically run than those hitherto engaged on the route, without receiving any subsidy.

Owing to the great increase in the price of coal and other expenses since this service was started, I regret to say it has not been possible to run it without incurring a loss. The trade and commerce of the West Indian Islands are not of sufficient magnitude to warrant the maintenance of a service such as this Company furnished in the past, unless the Imperial Government should consider that, on national grounds, it is advisable to pay an adequate subsidy to justify this or any other British company in providing a high-class passenger service. A public company cannot be expected to provide a mail service between Great Britain and the West Indian Islands at a heavy annual loss. During the last twenty years this Company has lost no less than one million sterling in carrying on our West Indian services, as is fully set out in a certified statement in the appendix of the report of the Government Committee to which I have already referred.

Canada-West Indies.—The trade between the West Indian Colonies and Canada continues to expand, and we are maintaining a fortnightly service both out and home, under contract with the Canadian Government which has recently been extended for another year.

Payment for New Tonnage.—The large amount of new tonnage acquired by the Company to replace the ships lost during the War and to provide for normal expansion involves a heavy capital outlay, out of all proportion to the amount required for similar purposes before the War. The sums received in respect of insurance of vessels destroyed are not sufficient to meet the present cost of replacing the ships sunk in the War.

Royal Charter.—In order to provide for this capital expenditure and further developments, the court of directors considered it advisable to obtain additional powers for increasing the capital of the Company, and application was made to His Majesty in Privy Council for a Supplemental Royal Charter to enable the capital to be increased to 25 millions. This was granted on March 14 of this year.

Pacific Steam Navigation Company.—Arrangements have lately been made for still closer working between this Company and the Pacific Steam Navigation Company. I trust that both companies will derive benefit from the more intimate relationship.

Repair Workshops at Southampton.—Arrangements have been entered into with Messrs. Harland and Wolff, Limited, to effect necessary repairs to our vessels at Southampton. Messrs. Harland and Wolff have erected large workshops at Southampton, and it should be a great advantage to the Company to have the benefit of all the modern facilities which they are in a position to provide.

Sea and Shore Staffs.—Our staffs both at home and abroad have continued to perform their duty under trying conditions, and I desire once again to avail of this opportunity to express, on behalf of the court of directors, our high appreciation of the excellent manner in which the general managers, assistant managers, and members of the Company's staffs, ashore and afloat, at home and abroad, have carried out their duties. The manner and spirit in which those who have returned to us after their period of service with H.M. Forces have again settled down to their work are very gratifying.

Superannuation.—I personally have always given a great deal of attention to the gradual development of the Superannuation Fund Association for the provision of suitable benefits to members of our staffs when they retire after long and loyal service. (Hear, hear.) We again propose to make a special donation of £10,000 to the Superannuation Fund, in addition to our annual contribution under the rules. It is our earnest endeavour to build up this fund on sound financial lines, with a view to benefiting our employees and easing their anxieties as regards the future.

Honours.—At the end of the report a list is included of members of the staff upon whom honours have been conferred since last we met, for services rendered during the War. Amongst them you will see the name of the Company's marine superintendent, Captain C. E. Down, upon whom His Majesty the King has graciously bestowed a Knighthood of the Order of the British Empire. (Hear, hear.) I am sure you will join with me in congratulating Sir Charles Down and those members of our staff who have been singled out for distinction upon the honours which they have so well merited. (Applause.) You will be interested to know that a book will shortly be published giving a record of this Company's services to the Empire during the War.

Labour Conditions.—The revival of trade and commerce is somewhat hampered by labour conditions and unrest in this country, manufacturers and exporters being reluctant to enter into forward contracts at fixed prices owing to uncertainty as to cost of wages and fuel. Continuance of these factors cannot fail to be very detrimental to our foreign trade, as, although importers in other countries may now be obliged to accept goods on almost any terms, owing to the general world shortage of commodities, I feel convinced that they will not go on doing so indefinitely without seeking their supplies in other directions. I feel confident, however, that in course of

time saner counsels will prevail in the ranks of labour, and that stability of economic conditions will be recognised as being essential, not only in the interests of the community at large, but also to the well-being of the workers themselves. The permanent improvement of the workers' standard of life—which we all desire to see—can only be attained through the agency of steadily increasing the amount of goods produced per head of the population, and not by demands for wages which ignore elementary economic laws. If uneconomic demands are persisted in on the part of some sections, the tendency will be to cripple the particular industry by which the workers find a livelihood, and the immediate effect of this will involve great hardship upon themselves, possibly resulting in, not a better, but a reduced, standard of life, which we should all deplore.

British Shipping.—I am continually being asked to state my views with reference to the future of British shipping, and what effect the changed conditions now prevalent are likely to have upon the predominance which Great Britain enjoyed for so many years in maritime commerce. The occasion is not perhaps inopportune for a brief general review of the factors of the situation.

At the commencement of the War the British race, as the outcome of many years of persistent effort and patient application, had gradually evolved a mercantile marine of world-wide ramifications which was in every respect unique. The knowledge and skill acquired through years of maritime experience and study had enabled us to maintain effectively a supremacy over all competing nations, of whom Germany was then the foremost. Our mercantile service, manned and indeed immortalised by our brave merchant sailors, successfully underwent the trials of the greatest war in history, but, as is well-known, a considerable amount of valuable tonnage was destroyed by German submarines. This loss in tonnage has since been more than made good by rapid building, but, owing to the Government's action—quite justifiable under the War conditions then existing—in prohibiting the construction of passenger steamers during the War, many important British services are severely handicapped through the lack of sufficient passenger liners. As things become gradually more settled we find an entirely new set of problems confronting us. In the altered conditions of living inevitably following the upheaval of the War, shipowners are faced with many and varied difficulties, which call for as great an effort to master as did the stupendous task of winning the War. The cost of building vessels to replace lost tonnage and to provide for the development of trade has advanced enormously, and all working expenses, particularly coal, wages, stores, &c., have vastly increased, which, coupled with the serious delays occasioned at the ports, together tend to keep up the level of freights, if ships are not to be run at a loss. It is my strong conviction that one of the governing factors in the present situation is the part played by Labour, and I believe that along the lines of mutual understanding with Labour lies the hope of solving many of our difficulties.

Future.—Our mercantile marine is still inferior to none, and although our former principal rivals in world commerce, namely, the Germans, have receded at least temporarily to a position of virtual extinction, we have now seriously to take into consideration the bid made by the merchant fleets of the United States of America, Japan, and Scandinavia for a larger share in the maritime trade of the world. But in spite of all the difficulties which beset us, after careful consideration and much reflection, I am convinced that British shipping can and will, provided it is not hampered by any undue interference and control on the part of the various Government Departments, continue to hold its own in face of any fair competition. It is practically impossible at the moment to attempt to foresee what turn events will take in the years to come, but I believe that the future holds for the British Empire a period of progress and prosperity, and I for one approach the future with hope and confidence, relying, as I have always done, upon the enterprise, industry and instinctive commercial capacity of our race to maintain for itself predominance in the open market of overseas trade. The court of directors is keenly alert to take advantage of any opportunity that can be utilised to safeguard and consolidate this Company's position and to develop and extend its great business.

I now have pleasure in moving: "That the report of the directors and the accounts and balance sheet for the year ended December 31, 1919, submitted to this meeting, be and the same are hereby received and adopted, and that a dividend of 2½%, less income tax (making with the interim dividend 5% for the year), be and the same is hereby declared on the Preference stock, and that a dividend of 5½%, less income tax (making with the interim dividend 8% for the year), be and the same is hereby declared on the Ordinary stock." (Applause.)

Sir Joseph Savory, Bart. (Deputy-Chairman), seconded the motion.

Sir Fortescue Flannery, M.P., said it would be a pity if such a speech and a balance sheet such as had been presented to the meeting should be received and passed without one word of appreciation from the shareholders. What the Chairman had said as to the future prospects of British shipping was of the greatest importance and should be taken to heart by all connected, either as shareholders or as workers, with the British mercantile marine. That the Chairman believed there was still a great future of prosperity—provided always that labour would join in, in a spirit of understanding that the whole result must be mutual and dependent on co-operation—was a very important utterance. He was sure it would be widely accepted, and that it was founded upon a correct appreciation of the future. Looking at the balance sheet and the report, one was struck with the fact that the position was favourable, not merely on the figures, but on some of the facts mentioned. For example, three of their ships that had been engaged upon War work had been reconditioned and were again on full service, and, he happened to know, were full of passengers. Three more were in process of reconditioning after War service, and the whole six would no doubt very shortly, with the surviving ships, be at work again and earning profits for the Company. There were also seven new ships which they were told in the report had been completed and put on the service, and there were two other new ships specially allocated for refrigerating. All that was very hopeful for the future. The board had mentioned in the report that £350,000 was being put to the reserve fund—a very much larger sum, he believed, than had been put to it in some previous years; that also was exceedingly encouraging. If there was one item in the report and balance sheet which he should hesitate fully to approve, it was the item of £10,000 special allocation to the superannuation fund. He ventured to think that even a larger sum than £10,000, if the directors had thought fit, would have been cordially approved by the shareholders. Unless they made it comfortable for their officers and servants in their old age, they could not expect the same amount of loyal and enthusiastic service during their years of capacity to work. He felt that if on a future occasion the directors should see their way, and had the funds to do it, to make even a larger allocation to the superannuation fund, the shareholders would cordially support the board in such a course.

The Chairman, in reply, said that when they met again, if the board had a satisfactory report to lay before the shareholders, he would be very pleased to recommend the court of directors to consider a larger allocation to the superannuation fund. Nothing would be more agreeable to himself personally.

The motion was carried unanimously.

The retiring directors (Mr. Edward Norton and Mr. James Cameron Head) and the auditor, Mr. Harold John Morland, F.C.A. (of the firm of Messrs. Price, Waterhouse and Co.), were re-elected, and a vote of thanks to the Chairman, directors, managers, and staff concluded the proceedings.

KING'S HEAD Tobacco



Curiously cut, cleverly blended from the finest growths of pure Virginia and the choice products of the West.

It is made by the same process as

THREE NUNS —a milder blend

Both are sold everywhere at 1/1 per oz.

Tins: 2-oz. 2/2—4-oz. 4/4

"THREE NUNS" CIGARETTES

	10's	20's	50's	100's
MEDIUM	6d	1/-	2/5	4/8
HAND MADE	8d	1/4	3/4	6/8

Stephen Mitchell & Son, Branch of the Imperial Tobacco Company (of Great Britain and Ireland), Limited, 36 St. Andrew Square, Glasgow

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WATFORD MANUFACTURING COMPANY, LIMITED.

THE annual general meeting of this Company was held at the Cannon Street Hotel, London, E.C., on May 26, Mr. G. E. Havinden presiding.

The Chairman, in moving the adoption of the report and accounts, said: Ladies and Gentlemen,—This is the twenty-second annual general meeting, and in spite of national difficulties we can congratulate ourselves on the continued progress of the Company. We are building up a reputation second to none on the solid foundation of the purity and quality of our products—high-class cocoa and chocolates, Freeman's table delicacies, and Vi-Cocoa. We are establishing ourselves firmly in the minds of the consuming public by our service.

When I addressed you last year I indicated that considerable developments in our works were about to be made, and during the year which has elapsed a great deal has been accomplished in the erection of new buildings, but the progress has been retarded lately owing to the difficulty of getting an adequate supply of labour. I think all connected with the commercial world, and those especially who have control and organisation of businesses, agree that it is more difficult to carry on in these so-called "peaceful" days than during the turbulent and distressing time of war.

Relations with Staff.

I am pleased to say that our staff is now demobilised, and all have returned to their respective duties, with comparatively few exceptions, considering the large number of those who served their country in various capacities. I cannot speak too highly of the way in which the men have taken up again their tasks, and we are proud of the way in which the women who worked so excellently during the absence of the men have stepped back into their former positions.

It is our practice to hold a mass meeting of our staff quarter by quarter, and I am glad to be able to say that the spirit that is apparent at these meetings indicates a healthy, whole-hearted, and loyal service. It will interest you to know that there are seventy workers in Delectaland who have given at least 15 years' service—that is, three-quarters of the life of the Company itself. As a mark of appreciation we have had each one of these members separately photographed, an enlargement of which will be presented to them at our next mass meeting. Duplicate copies will be hung for all to see in our Delecta Hall, where the staff meet daily for meals. This hall is also used for the purposes of social advancement and indoor recreation in connection with the Delecta Club, whose activities are chronicled in our monthly magazine.

Since we met last year the capital of the Company has been increased from £1,000,000 to £3,000,000, and I am confident it is not in excess of what we shall require as time advances, although it is neither necessary nor, possibly, expedient to make a further public issue at the moment. The cost of registration is being written off in two years, and one-half of the amount appears in the accounts before you. I need hardly point out that a sum of £20,000—that is, an additional amount of £15,000—will be required to-day to effect the capital increase we made last year.

Our home trade has made very satisfactory progress, and during the year a great deal of spade work has been done in establishing a large export trade; the volume of this business would have been vastly greater had we not been handicapped by lack of facilities in the way of buildings and plant, but we are making special provision for this unprecedented demand from abroad in the extension to our works, which I trust will be reflected in next year's accounts.

The Company and Lord Leverhulme.

Large sums are still being spent on buildings in course of erection, and in this respect it is but right that you should know that it has only been possible to meet this capital expenditure by reason of the support and co-operation of Lord Leverhulme, to whom the Company owes so much, and who, since the accounts now submitted to you were closed, has taken up and paid for £100.000 in "A" 15% Cumulative Preferred Ordinary shares. This adds considerably to the security of the original Preference shareholders, who now have double their own capital behind them. It is therefore difficult to understand the present market valuation placed upon the 7½% "A" Preference shares.

The advantages of temporary Government control in industry cannot be denied. The difficulty of continued partial control, however, has been peculiarly felt by cocoa manufacturers. Last year cocoa beans were decontrolled, and a rapid advance in prices immediately ensued. A control, however, was maintained on manufactured cocoa powder, based on the former low prices of raw cocoa beans, at which they could not be purchased, thus leaving an extremely narrow margin for the expense incurred in preparation and distribution of manufactured cocoa powder, much to the advantage of the cocoa-drinking public.

In order to overcome the limitations of the somewhat inadequate title of the Watford Manufacturing Company, two subsidiary selling companies have been formed (all the shares of which are held by the Watford Manufacturing Company) to facilitate trading at home and abroad, more particularly for export purposes. These two subsidiary companies are: G. Havinden and Company, Limited, for the sale of cocoa, chocolate, and confectionery; and Freeman's Foods, Limited, for the sale of foodstuffs and table delicacies. Sir Herbert Morgan, K.B.E., has joined the board since our last annual meeting, and I am glad to have his co-operation and advice.

Mr. Rigden, a shareholder, congratulated the Chairman and the board on the present satisfactory condition of the Company, and the report was adopted.

WHITEAWAY, LAIDLAW AND COMPANY LIMITED.

THE twelfth annual general meeting of this Company was held on May 21 at 5 Cripplegate Buildings, London, E.C., Mr. Mence Wilkinson (Chairman and Managing Director) presiding.

The Chairman moved the adoption of the report and accounts, and in the course of his remarks said: Our liquid funds are represented by Treasury bills, cash at bankers and in hand, and a small amount of National War Bonds. These three items total about £359,000, and show our strong financial position. The item of £410,969 on the credit side of the profit and loss account will be considered satisfactory. (Hear, hear.) While this great advance on last year's figures has been helped by exceptionally favourable Indian and China exchanges, it is mainly due to the great increase in our turnover. Ever since the formation of the Company we have consistently followed a conservative financial policy. We have systematically curtailed dividends and devoted the profits made to extending the scope of our operations, with the result that to-day we are carrying on business at 42 branches, of which 17 are our own property. When the Company was floated our business was confined to 23 centres.

The new capital provided by the 7% Preference shares will find ample and profitable employment in taking advantage of new openings and consolidating our position in existing branches. We have entered Java as a promising field for operations. In October last Mr. Prior went out to Soerabaya to make preliminary arrangements, and we expect to commence our Java business early in August of this year. This is probably the most important development we have undertaken in recent years.

The growth of your business has rendered necessary increased accommodation at Calcutta, Bombay, Colombo, Shanghai, Nairobi, and Hong Kong. Your directors have also under consideration the erection of premises at Lucknow, which, under the new Indian Reform Scheme, is to become the official capital of the United Provinces. Your business at Lahore has also developed considerably. At Taiping the new and up-to-date premises are nearing completion. Since our last general meeting we have acquired an excellent building site at Kuala Lumpur. New premises are also being built at Klang. Your new premises at Bangkok have amply justified the expenditure. Extensive alterations are in progress at your Shanghai premises. The new branch at Hankow quite fulfilled our expectations last year.

Mr. Robert Whyte seconded the motion, which was carried unanimously.

At a subsequent extraordinary general meeting resolutions were passed relating to the appointment and pay of directors, increasing the capital to £1,500,000, capitalising £145,719 of the reserve fund, and making alterations in the articles.

ARIZONA COPPER COMPANY, LIMITED.

THE thirty-sixth annual meeting of this Company was held at Edinburgh, on Thursday, May 20, Mr. George Readman (the Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said: The results of the year's working now submitted will probably be regarded as disappointing, but they can hardly, I think, be regarded as surprising. The profit from copper, stores, rents, &c., is shown as £169,232. This compares with £805,129 for the preceding year, or a falling off of £635,897. The production was practically 2.000 tons less than that for the year to September 30, 1918. While this has had its effect, it does not account for the large falling off in profit, and we must look in another direction for the explanation. We find it in the market price of copper. Last year we obtained an average of about £103 per ton—this year the average has been £77, or a falling off of no less than £26 a ton. Our average of £77 is the sterling equivalent of 18.752c. The average price of copper for the year 1919 was 18.691c. per pound, so that the Company has received the full market price for its copper.

Some Factors in Price of Copper.

At first sight it may seem strange that at a time when the prices of so many commodities are at a high level, with the tendency still upwards rather than the reverse, copper should have suffered so heavy a fall. The explanation is twofold:—First, the very heavy stocks on hand at the time of the Armistice; and, second, the fact that Europe has not yet been in a position to enter the market to any great extent. In addition to other reasons, the adverse exchange has tended to prevent purchases being made.

As regards the copper situation in general, I think we may reasonably look forward to a marked improvement whenever the present stock is absorbed or a material reduction made in it. Arrangements which would allow of Europe again entering the market as buyers are receiving careful thought, and we must, therefore, endeavour to exercise patience a little longer, until the "turn of the tide" comes, which it is sure to do sooner or later.

As regards the dividend of 1*s.* 6*d.* per share recommended for the year, this you will notice is 50%, or one-half, of the dividend paid for the preceding year. Under the abnormal conditions existing, a reduced distribution was inevitable. All the copper-producing companies have suffered.

Important Negotiations still Proceeding.

As mentioned in the report, the directors received some months ago a letter from our General Manager submitting certain proposals affecting the future of the Company. These were of great importance and could not be dealt with by correspondence. The board accordingly decided that a deputation should be appointed to go to New York to consider and discuss these matters on the spot. As soon as this decision had been made we thought it right to communicate it to the Press, so that all shareholders should know officially of the contemplated visit. The deputation sailed in the middle of February for New York, and spent over three weeks on the other side in daily conference. As soon as we found that an adjournment was necessary we at once cabled to the home office the following announcement, which appeared in the newspapers on March 20:—"The deputation cables that the series of proposals have been discussed, and that as the result additional data is necessary, which it is expected will require six months to obtain." These two announcements may not seem very illuminating, but I mention them now in order to state that they are the only intimations which proceeded from the board. They were made for the purpose of giving the shareholders the earliest notification of the position of affairs, and the board disclaims all responsibility for the many other statements that appeared in the public Press. It was stated that the Board had received and refused an offer of £4 per share. I give my answer now to this statement simply by saying it is not true; no such offer was ever received.

Some of you may perhaps expect me to deal now in further detail with this visit of the deputation to New York—to its objects and to its results. A little reflection, however, will, I hope, satisfy you that such a course, however agreeable to ourselves, would be very injudicious at the present time. The various negotiations we conducted on your behalf were of a complicated and of a somewhat delicate nature. We obtained and we gave much information of a more or less confidential character on matters of mutual interest, and any premature disclosure of our deliberations before a definite result is arrived at might not only imperil a satisfactory solution, but might even expose us to a charge of breach of faith. One thing I do feel able to say, and it is this—that the adjournment of the discussion was entirely due to a strong desire on both sides to reach an agreement, for it was common ground that, in the circumstances which we found had arisen, such a result, if it could be attained, was most desirable. In conclusion, let me say that while it would obviously be out of place to attempt at present to forecast the ultimate result of these negotiations, we are of opinion that they have paved the way for some arrangement of a nature mutually beneficial and satisfactory to all concerned.

Mr. Theodore E. Salvesen, F.R.S.E., seconded the resolution for the adoption of the report, and it was unanimously carried.

WESTBOURNE PARK PERMANENT BUILDING SOCIETY.

Increase of Annual Dividend.

The thirty-fourth annual meeting was presided over by the Rev. Dr. John Clifford, M.A., and the report and balance sheet revealed the strong position attained by this London Society. All departments showed large increases, the assets amounting to £954,484, with undivided profits of over £33,000, after payment of all dividends and interest for 1919. Although the total advances on mortgages of freehold and leasehold property since the Society's foundation amounted to over £3,105,000, there were no properties in possession, and no repayments over twelve months in arrear. No investor had lost a penny of capital or interest, and every withdrawal had been paid as requested. A resolution was unanimously passed authorising the directors to pay an increased dividend for 1920 at the rate of 5% on "Original" shares and 4½% on "Present Issue" shares, entirely free from income tax payment. The triennial bonus fund of over £3,000 is distributable among the shareholders in 1921. The deposit department exhibits a margin of security of nearly £6 for every £1 on deposit, and amounts can be paid in to secure interest varying from 5% to 3%, according to conditions of withdrawal. The chief offices are at 136 Westbourne Terrace, Paddington, London, W. 2.

JAVA AMALGAMATED RUBBER ESTATES, LIMITED.

The tenth annual general meeting of this Company was held on May 25 at the office of the Company, 59 Eastcheap, London, E.C., Mr. Herbert Wright, Chairman of the Company, presiding.

The Chairman, in moving the adoption of the report and accounts, said that the estate expenditure for the year had been £53,347, or approximately £10,000 more than in the previous year. It had to be remembered that in the previous year the Company had been harvesting its crops of rubber on a voluntarily restricted basis; the harvest for the year under review had been considerably higher than that of the previous year, and that had occasioned increased estate expenditure. In addition to that, the cost of coolie rice had been materially higher. There was, however, a material increase in the revenue. A year ago the proceeds from the sales of rubber were £44,387; last year they obtained £88,627. The coffee had yielded a little less than in the previous year, owing to the small amount harvested. The total proceeds of the rubber and coffee had been £93,949, as against £48,493—an increase in gross revenue of approximately 100%. In the year before it had been necessary to chronicle a loss of £3,909; for the year under review there was, after charging all expenditure in the East and in London against revenue, a net profit of £38,478. Adding to that the amount carried forward a year ago, the amount available for distribution was £54,233. The directors had decided to write down buildings and machinery by £9,733, of which £6,733 had been taken from premium on shares account, leaving £3,000 to be provided from revenue to bring the figure down to that shown in the balance sheet, namely, £8,595. To reserve the directors proposed to add the sum of £5,000, and they now recommend a dividend of 20%, leaving to be carried forward the sum of £10,591, subject to the Netherlands Indies war profits tax, if any, and excess profits duty in this country. During the year there had been issued 13,466 shares at a premium of 10*s.* per share, bringing the total issued capital approximately to the amount of the authorised capital. Their Company was hit very hardly by the excess profits duty owing to the fact that their "datum line" was only £15,500. That meant that for everything above 300,000 lb. of rubber harvested for the current year 60% went to the Government. During the year the Company had harvested 937,688 lb. of rubber, 984 cwt. of coffee, and 203,390 coconuts.

Mr. W. F. de B. Maclaren seconded the motion, and it was carried unanimously.

The retiring director, Mr. W. F. de B. Maclaren, was re-elected; the auditor, Mr. John Fairie, was reappointed, and a vote of thanks to the Chairman, directors, and staff terminated the meeting.

GRAND CENTRAL (CEYLON) RUBBER ESTATES, LTD.

The tenth annual general meeting of this Company was held on May 21 at the offices of the Ceylon Association in London, 6 Laurence Pountney Hill, E.C., Mr. John G. Wardrop (Chairman of the Company) presiding.

The Chairman, in moving the adoption of the directors' report and accounts, said: Our expenditure on the Company's estates for the past year for improvements, purchase of land, and the opening of new clearings, brings up the cost of our properties in Ceylon to £1,242,423. Our issued capital and reserve accounts, exclusive of coast advance reserve, aggregate £1,300,000, so that we have a surplus on capital account of £57,576 available for future developments. We have now 14,220 acres under rubber, and the area being tapped is 13,041 acres.

Crop Estimate Exceeded.

For 1919 we estimated a crop of 5,064,300 lb. of rubber, and actually secured 5,164,927 lb. We produced this crop, delivered at Colombo, for 11.67*d.* per lb., and sold it, partly in Colombo and partly in this country, for the London equivalent of 2*s.* 0.94*d.* per lb. The net result is a profit for the year of £229,111. The amount brought forward from the previous year's accounts was £68,740, which brings up the balance available to £297,851. We paid an interim dividend on October 21 last of 5%, less income tax, which absorbed £61,250. We now recommend a final dividend of 10%, less income tax, which will absorb £122,500, and leave us to carry forward £114,101.

The SUPER PIPE TOBACCO

Spinet

Smoking Mixture

Fine Natural Flavour.

2/2 for 2 oz.

R&J. HILL. LTD. LONDON

So far we have been unable to effect a final settlement of both our excess profits duty and income tax with the Inland Revenue. We are blocked by the fact that the Merlimau decision by the Commissioners of Income Tax—which was favourable to that Company, and to our contention that we are entitled to include our Vallambrosa expenditure in arriving at our standard by which excess profits duty is payable—has been appealed against by the Government. I am glad, however, to tell you that we have arrived at a fair and reasonable settlement of our claim against Government on the "Stevens *v.* Boustead" decision, which resulted in a payment to us of £37,915 in April last. We are all agreed as to the injustice of the proposed increase in the excess profits duty from 40% to 60%, especially in the case of a plantation company which was not fully developed when the tax was introduced. The Rubber Growers' Association are again waiting on the Chancellor with a view to obtaining some relief.

The Rice Difficulty.

The loss on rice during 1919 on the Company's estates amounted to Rs.15,00,02.92, representing £12,500 sterling. The outlook in this direction for the current year is disquieting, for the Indian Government have not only now increased the price of rice by about 60% on the previous high price, but are limiting its export and are treating Ceylon in this matter as a foreign country. The urban and estate population in Ceylon are entirely dependent on India for their rice. A deputation from all classes of the community waited on the Viceroy at Delhi, and eventually he conceded a matter of Rs.3 per cwt. on the fixed price of Rs.15 per cwt., as far as 180,000 tons were concerned, but would make no further concession. His Excellency the Governor of Ceylon is at present in this country, and we may rely upon him to press for further concessions.

By reserving £6,066 this year we have provided for the whole of our coast advances. These have never been looked upon as a good asset, but rather as a necessary evil. The Ceylon Government now contemplate legislation having for its object the compulsory writing off of all advances—probably over a period of five years—and so freeing the coolie entirely from debt. A deputation from the Ceylon Association in London met His Excellency Sir William Manning and had a conference with him on this subject on May 18.

Owing to the high price of silver and to the action of the Indian Government in standardising the rupee in relation to gold, we have had a marked rise in exchange, which is an adverse factor in the cost of producing rubber. We hope that in time the rate of exchange will stabilise itself in the neighbourhood of 2*s*.

For the current year we have budgeted for a crop of 5,485,000 lb. of rubber, of which we had secured up to April 30 last 1,495,977 lb., so the indications are that our estimate will be secured. Till things become more settled on the continent of Europe, and the labour and financial position in the United States of America becomes clearer, I am afraid we cannot look for much advance in price.

Mr. William Forsythe (Managing Director), in seconding the motion, gave a detailed and favourable report based on his recent inspection of the estates, and after the Chairman, in reply to questions, had explained the board's policy in the matter of forward sales, the motion was unanimously agreed to, as were others for the declaration of the dividend recommended above, the re-election of the directors retiring by rotation, the reappointment of the auditors, and a cordial vote of thanks to the agents in Colombo and the staff in Ceylon.

An extraordinary general meeting was afterwards held, at which a resolution for altering the articles as set out in the notice was unanimously carried.

BANGAWAN RUBBER, LIMITED.

The tenth ordinary general meeting of this Company was held on May 26 at Winchester House, Old Broad Street, London, E.C., Mr. W. J. Cotterell (the Chairman) presiding.

The Chairman said: Ladies and Gentlemen,—Our profit, you will see, shows a very substantial increase, at £14,421, as against £7,252 for 1918. Actually, if you will examine the accounts, you will see the net trading profit for 1919 was about £2,000 higher than that shown, as we have paid the British North Borneo Company £1,975 during the year under our agreement with them, thus reducing our profits by this amount. When the low price of rubber over last year is considered, this is quite satisfactory, as is the gross selling price realised over all grades of practically 2*s*. per pound, including six tons per month sold ex godown Singapore. The outstanding feature of the year has been the rice shortage, which adversely affected our profits, as we made a loss of over £1,800 in connection with this item, a loss we have had to bear in common with most estates. As you are aware, rice is the staple food of our native labour, and it became a question of either selling it to our coolies at a fixed rate or advancing their pay substantially. An advance in pay is very difficult to cut down, even if conditions improve, and therefore it has been considered sounder to face the loss on the rice, heavy as it is, as it is probably a temporary one. We are now growing a fair quantity of rice and other foodstuffs on our areas, which will help to ease the situation. In addition to the final dividend for 1919, it is proposed to pay an interim dividend on account of 1920. The profit has already been earned, and the interim dividend would in any case fall to be paid within the next few months, and with the 2*d*. cheques and 2*d*. postage, with a large body of shareholders such as we have, the expense of a distribution amounts to a considerable sum, and so it has been thought advisable to make the one payment cover the two dividends.

For the current year the yield is estimated at 452,000 lb., at a cost of 10*d*. per pound f.o.b., or 11.2*d*. including all estate charges. The board have continued their policy of selling ahead a quantity approximately sufficient to cover expenses. I beg to move: "That the report and accounts to December 31, 1919, be received and adopted, and that a final dividend at the rate of 7% (less income tax) be paid on June 16, 1920, to the shareholders registered in the books of the Company on May 19, 1920."

Brigadier-General Sir A. W. Forbes, K.B.E., C.B., seconded the motion, which was carried unanimously.

BRITISH BORNEO DEVELOPMENT COMPANY, LTD.

The meeting of this Company was held on May 26, at Winchester House, London, E.C., Mr. W. J. Cotterell (Chairman of the Company) presiding.

The Chairman, in moving the adoption of the report and accounts, said that, as regards the profit and loss account, it would be seen that they had made a gross profit of £23,084 and a net profit of £19,519, after debiting every possible expense to profit and loss. The total expenses of working the business came to something like £3,000, or just under 15% of the profit. As shareholders were aware, they had looked upon rubber as the mainstay of their business. They had revised their agreement with the Bangawan Rubber, Limited, and had now arranged to do all their new plantings, and should have at least 1,250 acres of their land under rubber by the end of next season. The Kuala Geh Estate had been successfully floated. It was a splendid little property, and, judged by the standard of recent flotations on the market price per acre of established companies, they sold at a very low price, but this they did knowingly, because they were placing it almost entirely with their own shareholders. The work on the Palaw (Burma) Rubber Estate was going quite satisfactorily, and, although it meant a long wait for any considerable return, shareholders had the satisfaction of receiving 7% on their money during this period. It had been suggested that they were attempting a great deal with their small capital, and that they should make a further issue of shares at once. They had excellent credit, and had not felt the want of capital; this had been due to the support of their board, who were by far the largest shareholders in the Company. The real point was that, taking long views, as they did, in their investments, the payment of cash dividends was not an easy matter, and the smaller their capital the easier this was. Having taken over a company which ran for 20 years without having paid a dividend—or, so far as he could see, ever having given its shareholders any benefit—the present directors had in two years not only built up a future, but had paid a cash dividend, and they did not want to see it go back even in the latter respect. So long, therefore, as the calls upon them were not beyond their present facilities, they did not intend to issue further capital. At the same time, it might be advisable to at any moment raise funds, and it was their intention to make the next issue £40,000 *pro rata* at par.

Mr. Gerald N. Marks seconded the motion, which was unanimously agreed to.

The payment of a dividend at the rate of 15% per annum, less tax, was then approved, the proceedings terminating with a vote of thanks to the Chairman and directors.

PETOONG JAVA RUBBER ESTATES, LIMITED.

The ordinary general meeting of this Company was held at the London Chamber of Commerce on May 27.

Mr. R. N. G. Bingley, the Chairman, who presided, said that the crop harvested during the year consisted of 4,331 cwt. of coffee and 110,007 lb. of rubber, as compared with 6,851 cwt. of coffee and 97,422 lb. of rubber in 1918. Notwithstanding the smaller coffee crop, the proceeds of the 1919 crop of rubber and coffee together amounted to just over £26,000. The net profit was £14,989, as against £3,879 in the previous year, and it was proposed to pay a dividend of 3*d*. per share, equivalent to 16⅔%, less income tax, carrying forward £8,242.

The cost of the coffee was £1 10*s*. 4*d*. per cwt., excluding Manager's and assistants' commission, as against 22*s*. per cwt. in the previous year. The average net price realised was £3 17*s*. 6*d*., as against £1 15*s*. 9*d*. in 1918 for the portion of the crop sold to the end of that book year. The balance unsold on December 31 had since been realised. The unsold coffee last year amounted to 2,845 cwt., and it realised considerably more than the valuation made at the time, bringing the average realised for that year's crop up to £3 per cwt. With regard to rubber, the f.o.b. cost was the same as previously, 1*s*. 1¾*d*. per lb., but the average net

price obtained for the rubber sold to date was 1*s.* 9*d.* per lb., as against 1*s.* 0½*d.* for 1918. The estimate for the current year was 2,428 cwt. of coffee and 200,000 lb. of rubber, and they had sold forward 21 tons of rubber at a price equivalent to 2*s.* 5½*d.* per lb., London.

With regard to the estate, the visiting agent reported that the upkeep was in good order, and he made special allusion to the excellence of the system in vogue for minimising loss of soil from wash, by which each tree stood on its own individual terrace, with a low fence on the outer edge. With regard to the effects of the eruption of the Kloet volcano, the damage to the branches of the Hevea trees was greater than at first was believed. The rubber, especially in the northern part of the estate, had suffered a good deal in that way, which had to some extent retarded development, causing the postponement of the tapping of some of the 1911-12 and 1912-13 gardens. The total number of tappable trees was given as 90,000, of which only 59,000 were being tapped at the time of the agent's report, owing to shortage of tappers, due to some extent to the Manager's reluctance to increase pay on the same scale as on neighbouring estates. A change of policy had now been decided upon, however, and steps were being taken to ensure an adequate tapping force.

The report and accounts were adopted, and a resolution was passed dealing with the remuneration of the directors.

CROSSE AND BLACKWELL, LIMITED.

THE statutory meeting of this Company was held on May 26 at Winchester House, Old Broad Street, London, E.C., Mr. R. Just Boyd (Chairman of the Company) presiding.

The Secretary (Mr. J. Ashton Burton) having read the notice convening the meeting,

The Chairman said: Gentlemen,—Although this meeting is purely a formal one to comply with the statute, I feel that the shareholders will naturally expect a few words from me as to the future of the Company.

Preference Share Issue.

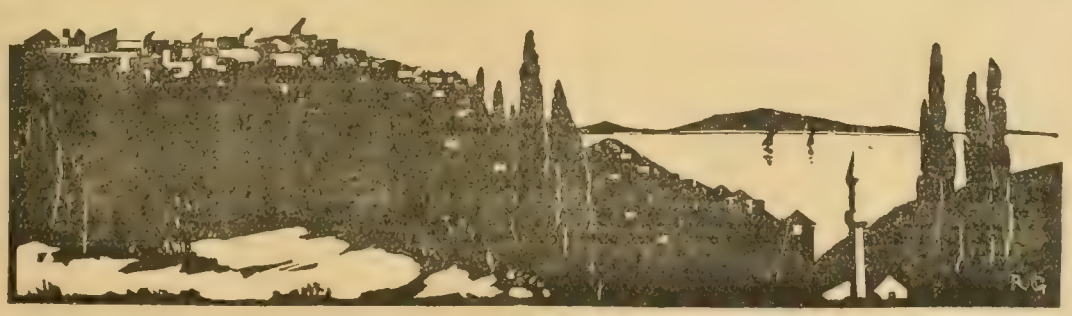
Firstly, with regard to the recent issue of 7½% First Cumulative Preference shares made by this Company, this was the first time in the history of Messrs. Crosse and Blackwell that the public had been asked to subscribe for capital; and, although the issue was made under unfavourable conditions, it was largely applied for, and the whole of the shares have been allotted to upwards of 7,000 applicants. This security forms one of the safest industrial securities of the day, being practically fully secured by the fixed assets, land, buildings, and plant of the various allied companies, none of which has Debentures or mortgages. They have also the additional security of the other large assets of the Company. The major part of the Second Preference shares and practically four-fifths of the Ordinary shares are held by the directors and their friends, the founders of the Company.

Industry and Taxation.

It seems to be customary for the chairmen at all industrial meetings to have something to say against the financial proposals of the Chancellor of the Exchequer, and there is no doubt that nothing is causing the business men of the country more anxiety than the proposals of the Chancellor in the last Budget. Any tax such as the excess profits tax, and also the corporation tax, naturally makes it harder for any industrial business to pay dividends on its Ordinary shares and at the same time build up substantial reserves; but any tax on the fruits of industry is, in my opinion, far less objectionable than any form of capital levy. The former tax can only exist as long as it proves remunerative, and, while it may hamper trade for a year or two, it will not stifle progress altogether. A capital levy, by curtailing the means of production, would, in my opinion, prove disastrous to the country as a whole, and lead to unemployment on the biggest scale ever seen in this country. (Hear, hear.) Giving as we do credit to thousands of traders, we know how difficult they are finding it at present to finance their stocks, and to take capital from them would in many cases bring them down altogether.

New Factory to meet Large Trade Demands.

You will doubtless have seen from the daily Press that your board has purchased the National Machine-Gun Factory at Burton-on-Trent, and our staff is now busily engaged in laying out the necessary plans for the installation of the plant and machinery required for our trade. We trust that, when we have this factory fully equipped and running, we shall be in a position to say for the first time for many years that our orders are up to date. The demands for the export trade are so large that it was imperative for us to secure additional manufacturing capacity, and we trust that as the prices of commodities fall we shall be able to do an ever-increasing trade in our goods all over the world. The



TOO many moderns let their cigarette smoking develop into a mere nervous habit of unconsidered repetition.

No harm in that, perhaps, so it stop short of real excess. But what a misuse of an exquisite gift of the kindly gods!

Mere gratitude should dictate a more thoughtful appreciation of such good things as

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Turkish Cigarettes

blended and made of the exquisite Macedonian leaf
by ALLAN RAMSAY

184 Issued by The Imperial Tobacco Company (of Great Britain & Ireland), Ltd.

fact that they are already absorbed at current high prices assures us that we may look for a largely increased demand when values become more normal. At this early stage one does not like to prophesy as to the result of the year's trading, but I think we have good grounds for hoping that we shall earn a larger profit this year than the whole businesses combined in Crosse and Blackwell, Limited, have ever earned before, and we see every day the benefit which will accrue to us from the united efforts of our staff. As against the increased taxation which we are called upon to pay we must set the fact that our ultimate future depends, like that of every other great industry, on the financial stability of our country, and we can only hope that the sacrifices of to-day will thus be made good to us in the future. I now beg to move the adoption of the statutory report.

Mr. T. Geoffrey Blackwell, O.B.E., Deputy-Chairman, seconded the resolution, and it was carried unanimously.

At a subsequent extraordinary general meeting resolutions were unanimously adopted making certain alterations in the articles of association.

ANGLO-FRENCH EXPLORATION COMPANY, LIMITED.

THE thirtieth ordinary general meeting of this Company was held on May 26, at Winchester House, Old Broad Street, London, E.C., Mr. F. A. Robinson (the Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said: I regret our meeting is a few weeks later than usual. Certain things which have been quite beyond the control of the board have conspired this year to delay us. Taking the balance sheet first, the capital of the Company remains unaltered, namely, £500,000 in 500,000 shares of £1 each, fully paid. The fourth drawing of Debentures took place at the end of November, when a further £15,000 was drawn, thereby reducing the amount of undrawn Debentures to £240,000. On the other side of the balance sheet, the actual cash in hand amounted to £49,647, to which should be added £5,994 due in respect of sales of securities in course of settlement, while our holdings in Treasury bills and investments in British Government securities amounted to £135,000, bringing up our cash assets to the satisfactory figure of over £190,000. The next figures are, perhaps, the most important in the balance sheet, as they represent our holdings in the various companies and undertakings in South Africa. The amount has been reduced during the year by about £80,000, while the amount invested in other parts of the world has been increased from £90,000 to £164,000. In our report we give the usual analysis of our holdings, and, in addition, this year we are publishing a list of our principal holdings as at December 31 for the information of shareholders. Loans stand at a larger amount than usual, owing to certain business done during the year, and, as you will see, practically the whole amount is secured.

Satisfactory Gross and Net Profit.

Now, turning to the profit and loss account, the figures on the right hand show a considerable increase on the previous year, the gross profit being £114,000, as against £76,000 last year. These figures compare favourably with the last 10 years, and in fact you have to go back some six years to find their equal. The working expenses in the aggregate have increased by some £1,500—due to the higher salaries we have to pay, and to the allowances made to the staff to meet the extra cost of living. One of the few items which shows no increase is the directors' remuneration. After the payment of Debenture interest—namely, £11,475—the net profit remaining is £64,485, which I think may be considered satisfactory. The balance brought forward from the previous year was £34,275, which, added to last year's profit, makes a balance to credit of appropriation account of £98,761. Out of this we recommend the payment of a dividend of 7½%, which is the same as for the past two years. After the payment of the dividend the amount left to be carried forward will be £59,186. In recommending this dividend your directors could not ignore what has happened in the financial world since the close of the year. We should very much like to have paid a larger dividend, which would certainly have been justified by the figures as at December 31, but we trust in the circumstances the shareholders will approve the course we have taken.

Heavy Depreciation: Contributory Causes.

The valuation at the end of the year showed the satisfactory surplus of nearly £117,000 over our capital and liabilities. I wish I could say that the figures were as good to-day, but, as everybody knows, a heavy fall has taken place in the quoted prices of all securities, from British Government loans downwards, and no class has been affected more than the South African and other mines. A combination of circumstances has brought this about—dear money, the terrifying Budget, the threatened levy on capital, the ever-increasing demands of labour, the general uncertainty, have all played their part. As regards the South African mines, I have had some figures prepared which show how severe the fall in market value has been. Taking the producing mines of the Rand and the associated companies, I find that the actual fall in the total market value calculated on the prices at which the shares stood only three and a-half months ago is not less than 35 million pounds sterling. Let me remind you that this enormous sum is equal to the production of the whole of the Transvaal gold mines for one year, taking gold at the standard price. In my judgment you have to look for the explanation far beyond the mines themselves to account for the avalanche of depreciation which has come upon us. It is in view of this that your directors decided to publish a list of our principal holdings as at December 31 last. Our largest interetss are still in the Transvaal, notwithstanding that we have disposed of our interest in the Anglo-French (Transvaal) Navigation Coal Estates.

With regard to the Transvaal gold mines, they have had their troubles, and serious troubles, too, during the year, including for the first time in the history of the fields a strike of natives on some of the mines. I think the strike occurred on about twelve of the mines, involving some 40,000 natives, and although it was unsuccessful as regards the natives, it disclosed a considerable amount of organisation at the back of it. The organisation of the natives introduces a new feature which will doubtless have to be reckoned with in future. It may possibly lead to a modification of the colour bar—that is, permitting the native to do semi-skilled work, which in many cases he is competent to perform, but which is now only done by the white labour. It is obvious that a change of this sort might have far-reaching effects, and might result in substantial benefit to the industry. As regards white labour, a stream of demands has come in steadily throughout the year. These demands have been for increases of pay, on account of the increased cost of living, and for shorter hours of work, and in a measure such demands have been met by the employers. The worst of it is that while wages have gone up there has been a substantial falling off in efficiency.

The Premuim on Gold.

We have heard a great deal lately regarding the shutting down of certain low-grade mines. So far as we ourselves are concerned, however, our interest in the low-grade mines is almost negligible, and is, in fact, about 2% on the amount of our total valuation. But if we admit that all the plagues of Egypt have smitten the gold mines we have, at least, one concrete fact on the credit side—namely, the so-called "gold premium." When some of us last summer were working hard on the committee to get a free market in gold there were few who thought the increase would be more than 5%, but since the end of July last year, when the new order of things was brought about, the premium, which started off at about 16%, at one time actually touched 44%; or, in other words, an ounce of fine gold, instead of realising £4 5*s*., was selling for £6 2*s*. 6*d*. The fluctuations in the gold premium vary with the American exchange, America being the country where the exchange is most adverse to us. Now you will have seen from the paragraph in our report that the premium for the five months last year amounted to roughly £3,000,000, and, this being so, it is not difficult to form an estimate as to what the premium is likely to be for the first six months of this year. It should be in the neighbourhood of five million pounds. No one, I imagine, is foolish enough to suppose that it will all be extra profit, but after all is said and done there must be a very appreciable additional amount available for dividends. Yet, in spite of this, there has been an almost unprecedented market depreciation. I cannot help thinking that such a fall as has taken place is not justified by the facts as regards the mines. It may be added that, in order that the mines may get the utmost advantage from the realisation of their gold in the future, the Chamber of Mines has made arrangements to erect a gold refinery on the spot at a cost of some £200,000, and the Union Government have obtained powers to establish a branch of the Mint in South Africa.

Other Interests of the Company.

As shareholders will have seen, we have launched out in a new direction—namely, that of oil. The Apex (Trinidad) Oilfields, Limited, which may be said to be the joint offspring of the British-Borneo Petroleum Syndicate and ourselves, first saw the light in August last, when the company was registered with a capital of £200,000; out of this capital £75,125 was subscribed in cash, at par, by the British-Borneo Petroleum Syndicate, ourselves, and a few others, the remainder being issued as fully-paid in respect of the purchase price, &c. Within the last few weeks, as you know, a further issue of 200,000 shares was made at a premium of 5*s*., all of which have been taken up. The Company owns a well-situated property, has large funds at its disposal, and altogether I think it has everything in its favour. Our Company is also interested in another property situated in the south-west of the island, comprising 1,100 odd acres. At the present time the exchange is very much against investing money in Canada. In Rhodesia our interests remain practically the same as when I addressed you last year. The demand for land, anyway so far as the Anglo-French Matabeleland Company is concerned, has not been what might have been expected after the War. We have interests in Australia, Tasmania, East Africa, Russia, Cornwall, and other places. Our money is gradually being spread over a wider area, and our investigations into businesses put before

us extend into nearly all parts of the world. In Cornwall, the fall in the price of tin, a fall of about £140 per ton during the last three months, on the one hand, and, on the other hand, the extraordinary rise in the working costs, which have gone up from about 20*s.* per ton of ore before the War to nearly £3 per ton, has brought about a crisis, and unless something is done to save the situation it looks as if several of the mines will be closed down. If there ever was a case where Government assistance was justified it surely is in that of some of the Cornish tin mines.

M. Louis Ochs seconded the Chairman's motion, which was carried unanimously.

The Chairman next proposed: "That a dividend of 7½% for the year ended December 31, 1919, less income tax, be and is hereby declared on the 500,000 Ordinary shares of the Company." The total amount distributed in dividends, he continued, since the commencement of the Company, including the distribution on the Preference shares and the old founders, approximated £1,750,000. I think that is a record which we need not be ashamed of. When the shareholders get their dividend warrants they will find that instead of the income tax being 6*s.* in the £ it will only be 3*s.* 8.3*d.*, the reduction being the relief we get on the colonial tax.

Mr. W. Henderson Clark seconded the motion, which was carried unanimously.

Mr. Ernest G. Mocatta and Mr. William Henderson Clark were re-elected directors and the auditors reappointed.

THE GULF LINE, LIMITED.

THE twenty-first annual general meeting of shareholders of this Company was held at the head office, 21 Billiter Street, London, E.C. 3, on May 26, Sir Frederick Wm. Lewis, Bart., in the chair.

The Secretary read the notice convening the meeting, and a representative of the auditors read their certificate in regard to the balance sheet.

After the minutes of the previous annual meeting had been read and confirmed, the Chairman said: The report and accounts for the year ended December 31, 1919, have been circulated, and as you have thus had an opportunity of studying them I propose, with your approval, to take them as read.

It is interesting to note that, this being the twenty-first annual meeting, we have attained our commercial majority. None of those originally connected with the Company's affairs are associated with us now, the last link, in the person of Mr. MacDougall, being severed in the year 1915, on the retirement of that gentleman, followed shortly afterwards by his lamented decease. It is now 18 years ago since the control of this Company was acquired by Furness, Withy and Company, and the management undertaken by them, and your directors comment with satisfaction on the continued prosperity and development of the Company's affairs during this period.

After providing for all operating expenses, taxation, and depreciation, there is a balance of profit on the year's trading amounting to £70,356 13*s.* 3*d.*, which includes the earnings of the three new steamers which we acquired last year, but against this we have only had the earnings of the *Appenine* and *Messina* for part of the year, as those vessels were unfortunately lost by marine perils, as you will have seen from the report.

Your directors have decided to transfer £50,000 to reserve, bringing the reserve fund up to £200,000, and, after taking into account the amount brought forward from last year, there remains £43,074 13*s.* 8*d.* available for allocation. It is proposed to declare a dividend of 7½%, less income tax, which on the capital of £500,000 will absorb £26,250, leaving a balance of £16,824 13*s.* 8*d.* to be carried forward to next year's accounts.

During the past year the Liner Requiistion Scheme came to an end, but in the North Atlantic trade, in which some of our ships were employed running on the Furness Lines, we were asked by the Shipping Controller to set aside a portion of the space of each ship—the proportion varying from month to month—for the carriage of Government cargo, principally foodstuffs, at controlled rates. Since the turn of the year this last measure of control, so far as the regular liners are concerned, has been relinquished, although, of course, in common with all British tonnage, the vessels of our fleet are still liable to be directed to any destination for the carriage of Government cargo, and are also subject to licence.

Low Rates for Government Cargo.

As a matter of general interest, I would like specially to refer to the arrangements that have been entered into between North Atlantic Lines and the Shipping Controller for the carriage of foodstuffs to this country, such as wheat, flour, bacon, &c., at rates which work out at rather less than one-third of a penny per pound—in fact, the Parliamentary Secretary to the Shipping Controller stated in the House of Commons only a few days ago that the rates from the East Coast United States ports to this country work out as follows:—Wheat, .24*d.* per lb.; flour, .35*d.* per lb.; sugar, .375*d.* per lb.; bacon, ham, and lard, .39*d.* per lb.

These rates came into force immediately the control was removed, and, I think, cannot be too strongly emphasised, in view of the great amount of ill-informed gossip which one hears from time to time to the effect that heavy freight charges are responsible for the increased cost of food, &c. It should be borne in mind that for this comparatively trivial cost, which includes the expense of loading and discharging the boats, the commodities are transported some 3,000 miles, and the wages of crews, coal, and general operating expenses have to be paid before anything is left to the shipowner for interest, depreciation, and profit.

Our profits have been helped by many voyages in trades not touching the United Kingdom, and all these shipping earnings, together with interests in foreign investments, go to make up the deficiency between our imports and exports and to redress the balance of trade and help to equalise the exchanges.

Taxation and Restraint of Enterprise.

In the accounts before us provision has been made for the payment of excess profits duty at the rate of 40% per annum, and so far from withdrawing this method of taxation, as had been confidently expected, the Chancellor of the Exchequer proposes to increase the rate for the current year to 60%. No reasonably-minded man will disagree with the desire of the Government to put the finances of the country on to a sound basis as quickly as possible; at the same time, I do think that the trade of the country has some claims to consideration, and I believe that if encouragement were given, instead of the discouragement which we are accustomed to, the resulting increase in trade and the consequent increase in the yield of income tax, &c., would go a long way towards the achievement of the object in view. There has been no stronger indictment of the excess profits duty than that uttered by the Chancellor himself in his Budget speech of 1919. He showed them that he was fully aware of the injustice and anomalies of the tax and its pernicious effects in encouraging extravagance and wastefulness. To quote the Chancellor's own words in April 1919, "When £4 out of every £5 would have gone to the State, if not spent by the owner, he was inclined to lavish expenditure on his business." All this is fully admitted, and yet, instead of cutting away the canker and stimulating a healthy revival of trade, this evil war-time growth is given a new lease of life, for no better reason than that the money must be found, and no other way appears to be so easy.

We are promised a reduction in the excess profits duty in the event of a levy on War profits being accepted as an alternative, but the very essence of direct taxation is the taxation of income, and it cannot be expected for one moment that £500,000,000 capital can be withdrawn from its normal trade uses and taken by the State without bringing about a financial upheaval which would have an even more disastrous effect upon our trade than the excess profits duty. That it would be necessary to withdraw the capital sum from trade channels is obvious if its purpose is to be achieved—viz., the reduction of the Floating Debt.

On every hand we witness the withering effect of the excess profits duty. Its undoubted effect is to encourage extravagance and to penalise thrift, to cause commercial men to curtail instead of expanding their business, to deter fresh enterprise; in fact, to bring into play every quality that is most undesirable in the rehabilitation and the rebuilding of sources of production which is so necessary after a devastating war such as that through which we have passed. Commerce, like politics, is becoming "a dark and difficult adventure," and those who embark upon it are faced with a cheerless prospect.

I know it is very easy to be critical, and I think it behoves the business men of this City to do more than criticise. The business community recognise the money has to be found, and, if they have no alternative method to suggest, they have no right to speak. Is there, then, no foothold except the treacherous sands of excess profits duty and war wealth tax? Many more or less ingenious schemes have been propounded, but personally I do not think it will be necessary to look beyond the flat rate tax, and I am sanguine enough to believe that if the Government would, say, from June 30 boldly lay aside the excess profits duty and regard it as a defunct relic of the War, and at the same time abandon the war wealth tax, which, by reason of the fact that it punishes the thrifty and rewards the spendthrift, appears to be arbitrary in its nature, there would be such restoration of confidence and increase in trade as would go a long way towards providing by more legitimate means of taxation the money required for the liquidation of our national liabilities. For example, it is estimated that the taxable business profit amounts to about £1,300,000,000. With the elimination of

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the excess profits duty, would it be too much to expect that the trading profit of the community would be increased by 25%? Four important factors would in my opinion contribute to this result:—

1. Increased incentive and diminution of waste and extravagance in the operation of business.

2. Confidence to embark on fresh commercial enterprises.

3. Encouragement to retain control of foreign business in this country.

4. Increased profit from business now being conducted by Government Departments.

The 60% excess profits duty and the 5% Corporation tax is estimated to yield £335,000,000. A flat rate tax of 2*s.* 6*d.* in the pound on a trading profit of £1,300,000,000 plus the 25% increased trading profits would yield over £200,000,000, and the extra income tax, including that on the additional 25% profit, would yield over a further £135,000,000.

If the Chancellor would give this system a trial I do not think the business community would mind his exacting his 60% for the first six months of this year to June 30, and would cheerfully undergo this extra sacrifice if they could rid themselves of the blighting and withering influence of the present excess profits duty.

Incidentally, in case any of you have forgotten, I would remind you that shipping companies have been specially singled out for hard treatment as they have been denied the right which all other industries possess of reclaiming tax paid in previous years if in any year they did not earn their pre-war standard. I would warn those employed in other industries that they may one day share the same fate if this tax is allowed to continue indefinitely.

Taking a general survey of the position, the outlook of the current year is not particularly reassuring. Owing to the curtailment of the Government's use of tonnage for naval and military purposes and the increase in the amount of tonnage afloat compared with pre-War, freights are gradually reaching lower levels. On the other hand, operating expenses show very little sign of contracting; coal is difficult to obtain, and our steamers are very often detained weeks in port waiting for bunkers, which means an indirect but heavy addition to the cost. Altogether, therefore, the outlook is not encouraging, and, but for the fact that our Company has been built up on sound principles and is capable of weathering the storm that must break sooner or later, I would look to the future with considerable misgiving.

I now beg to move the adoption of the report and accounts and that a dividend at the rate of 7½% per annum less income tax be declared for the year ended December 31, 1919, and that such dividend be paid to the shareholders forthwith.

This was seconded by Mr. R. E. Burnett and unanimously approved.

The re-election of the retiring directors, Mr. R. E. Burnett and Mr. R. I. Dodsworth, O.B.E., was duly confirmed, and the appointment of Mr. P. A. Heitland to a seat on the board was also confirmed.

Messrs. Basil L. Denton and Co. were re-elected auditors for the ensuing year.

The proceedings terminated with a vote of thanks to the Chairman.

ORIENTAL TELEPHONE AND ELECTRIC CO., LTD.

The twenty-sixth ordinary general meeting of this Company was held on May 28 at the Great Eastern Hotel, Bishopsgate, London, Sir H. Babington Smith, G.B.E., C.H., K.C.B., C.S.I., presiding.

The Chairman said the conditions under which business was carried on during the past year were far from normal. There had been great difficulty in obtaining plant and materials, and in shipping them when obtained, with the result that it had been impossible to make up the arrears in the supply of telephones to subscribers. This difficulty had been specially acute in Calcutta. It was all the more satisfactory, therefore, that the financial result of the year's working was favourable. The total revenue had increased from £101,937 to £124,648, and, although there had been a serious increase in working expenses, the balance transferred to net revenue account was increased from £46,217 to £53,739. In the branches operated directly by the Company there was a gratifying increase in the revenue, from £71,584 to £84,266, the total number of lines in operation having increased from 7,290 to 8,020. The new exchange at Singapore had been completed. With regard to the Bombay and Bengal companies, there had been very satisfactory progress, although the advance would have been even more rapid if it had not been for the difficulties in the supply of apparatus. At both places the waiting list of subscribers was a long one. The Bombay telephone company had paid a dividend of 18%, as against 16% for the previous year, and the Bengal Company had increased its dividend from 7% to 8%. The figures, as compared with those of 1913, the last complete year before the War, could be regarded as very satisfactory, and he had every confidence that, as normal conditions returned, a much more rapid growth in the business was to be anticipated. Under the Indian licences the Government of India had the right to purchase the telephone undertakings in 1923 on certain defined terms, providing that notice was given in 1922. This applied to the Bombay and Bengal systems, as well as to those at Madras and Burma, which were administered directly by the Oriental Telephone Company. They had had communications with the Government, from which it was probable that the Government would contemplate exercising their option to purchase, and they were endeavouring to arrive at some arrangement which would facilitate the normal development of the service in the interval without sacrificing the interests of the shareholders. The balance of the net revenue account being larger than in the previous year, they had felt justified in recommending the payment of a bonus of 2%, free of income tax, on the Ordinary shares, in addition to the dividend of 10%, free of income tax, which had been paid in recent years. They were able at the same time to transfer £5,000 to general reserve, bringing it up to £55,000, and to contribute £2,000 to the staff pension fund.

The report was unanimously adopted.

NITRATE PRODUCERS' STEAMSHIP COMPANY, LTD.

The annual general meeting of this Company was held on May 28 at 20 Billiter Street, London, E.C.

Sir John Latta, Bart., who presided, said that the results of the year's working were satisfactory, but must not be accepted as offering any reliable standard of what the Company's future profits were likely to be, as British shipping was still under Government control. It was of interest to visualise the astounding changes in prevailing conditions compared with pre-war times. Then 8,000-tonners could be operated for £20 per day, as against, roughly, £100 to-day. That was not all, as labour unions, appreciating what even a few hours' delay represented in the face of such high working costs, threatened stoppages on the most trivial pretexts, and, at the point of the sword, coerced shipowners into concession upon concession, until an altogether unhealthy and dangerous position had been reached. Perhaps, however, the greatest blow of all which this country had sustained was the revolution in the coal trade. In 1897 they purchased bunker coal at 6*s.* 7½*d.* f.o.b. Cardiff; to-day it was difficult to get at 80*s.*, while at coaling stations prices were fabulous.

The burdens of taxation were vital from this Company's standpoint. Essentially a British organisation, they conformed to British laws and paid British taxation, yet four-fifths of their profits in the past had been earned in spheres outside the control of the British Government. He thought the Socialist and Labour Party, in talking of the nationalisation of shipping, overlooked the latter factor, which was pretty general in its application. Illuminating evidence of the levity with which our financial position was viewed by the Chancellor of the Exchequer was afforded by what had

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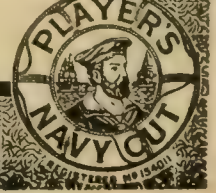
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P. 845

been published concerning the War Profits Levy Commission, set up chiefly to find ready money to extinguish the floating debt, a thorn in the flesh of the Treasury. The floating debt was borrowed working capital, and should be repaid out of the country's normal trading profits. Mr. Chamberlain said that if he could get £500,000,000 by a war levy, he then saw his way. That was a sanguine view. It would mean only a net yearly saving to the Exchequer of about £15,000,000; after income tax and super-tax had been deducted, while many disbelieved in the theory that the heroic extinction of the floating debt would reduce prices, and nobody could possibly estimate what the destructive consequences of such an unprecedented breach of faith might bring in its train. It would mostly have to be imposed on the same enterprising and hard-working traders as the Chancellor would have to depend upon for his future revenue. He hoped, therefore, Mr. Chamberlain would not, in his anxiety, cut down the tree in order to get what he (the speaker) thought was forbidden fruit. In his opinion a war levy was not only impracticable, but positively unworkable on equitable lines, if on any lines, and would leave the Government in a far more serious fix than the land valuation fiasco did. We must face unflinchingly whatever taxation was necessary for our preservation, but we had a right to protest against its being inequitably levied and on a principle that might irreparably impair our future revenue and destroy our world-wide banking reputation. The war had demonstrated that our permanent departments had influence and power even beyond the control of our greatest Statesmen—a dangerous and disquieting fact. De-control was so imperatively necessary as to justify taking even great risks, but many of these would prove chimerical, as things generally would quickly find their own level. Exceptional cases could easily be specially dealt with and regularised as the necessity demanded. In conclusion, he could assure the shareholders that the directors, in conducting the affairs of this Company, had throughout followed a conservative policy, and, with their finances and organisation in their present satisfactory condition, they should be able to hold their own with the best of their competitors, whatever the very uncertain future might have in store for them.

The report and accounts were adopted.

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BENGAL-NAGPUR RAILWAY COMPANY, LIMITED.

NOTICE IS HEREBY GIVEN that the Register of Members of this Company will be Closed from 3rd June to 30th June, both inclusive, for preparation of the Warrants for the interest for half-year ending 30th June, 1920, on Ordinary and Debenture Stock.

The Warrants will be posted on the 1st July, 1920.

By Order of the Board,
T. R. WYNNE,
Managing Director.

132 Gresham House,
Old Broad Street, E.C.,
27th May, 1920.

STABILIZING THE DOLLAR
A Plan to Stabilize the General Price Level without Fixing Individual Prices
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The Accountant—"At the present time, when the question of the exchanges is exercising the minds of business men and politicians in all parts of the world, Professor Fisher's book is certain to arouse interest; and deservedly so, as it deals in a lucid and comprehensive way with a subject upon which a good deal of ignorance exists."
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Reserve Fund, $20,000,000.
Undivided Profits, $1,812,854.
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General Manager: Sir Frederick Williams-Taylor.
LONDON OFFICES:
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9 Waterloo Place, Pall Mall, S.W. 1.
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Manager: George Cyril Cassels.
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The Bank undertakes monetary business with all parts of the World, and with its numerous Branches offers exceptional facilities for the transaction of a general Banking business in Canada, Newfoundland, the United States, Mexico and France.

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Head Office: 15 Gracechurch St., London, E.C.3.

Capital Authorised	£1,500,000
Capital Paid-up	750,000
Reserve Fund & Undivided Profits	848,430

Branches:
INDIA, BURMAH, CEYLON, STRAITS SETTLEMENTS, CHINA, AND PORT LOUIS, MAURITIUS.
The Bank buys and sells Bills of Exchange, issues Letters of Credit and Circular Notes, and transacts Banking and Agency Business in connection with the East on terms to be had on application.
Fixed Deposit Rates will be quoted upon application.
On current accounts interest is allowed at 2 per cent. per annum on daily balances.

BANK OF NEW SOUTH WALES.

Established 1817.
LONDON OFFICE: 29 Threadneedle Street, E.C. 2.

Paid-up Capital	**£4,000,000**
Reserve Fund	**3,200,000**
Reserve Liability of Proprietors	**4,000,000**
	£11,200,000

Aggregate Assets, 30th Sept., 1919 £67 036,249
The London Office issues Drafts on demand on its Head Office and Branches in Australia, New Zealand, Tasmania, Fiji and Papua, and on its Correspondents in Tasmania. Makes Mail and Cable Transfers. Negotiates and Collects Bills of Exchange. Arranges Wool and other Produce Credits. Receives Deposits for fixed periods on terms which may be known on application; and conducts every description of Australasian Banking Business.
H. MELDRUM,
Assistant Manager.

NATIONAL BANK OF NEW ZEALAND.

LIMITED.
HEAD OFFICE—17 Moorgate Street, E.C. 2.

AUTHORISED CAPITAL ...	... £3,000,000
SUBSCRIBED CAPITAL ...	... 3,000,000
PAID-UP CAPITAL	... 1,000,000
RESERVE FUND	... 1,000,000
UNCALLED CAPITAL	... 2,000,000

Receives Deposits of £50 and upwards for 1, 2 or 3 years at rates to be ascertained on application.
Drafts, Letters of Credit and Wire Remittances granted, and Bills on New Zealand purchased or sent for collection.
ARTHUR WILLIS,
Secretary & London Manager.

THE BANK OF ADELAIDE.

(Incorporated by Act of Parliament, 1865.)

Paid-up Capital ...	£500,000
Reserve Fund ...	570,000
	£1,070,000
Uncalled Capital ...	125,000
Reserve Liability of Proprietors ...	625,000
	£1,820,000

Head Office: ADELAIDE, SOUTH AUSTRALIA.
Sydney Office: 105 PITT STREET.
Melbourne Office: 267 COLLINS STREET.
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London Office—11 LEADENHALL ST., E.C.3.
PERCY ARNOLD, O.B.E., *Manager.*

"The Bank of Swedish Commerce."

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Stockholms Handelsbank after amalgamation with Bankaktiebol Sodra Sverige
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SUBSCRIBED CAPITAL, £1,800,000.
PAID UP, £600,000. RESERVE FUND, £720,000.
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BANKERS: The Bank of England; The London Joint City and Midland Bank, Limited.
The Bank transacts every description of Banking business in Egypt, grants Letters of Credit, and affords facilities to travellers proceeding to Egypt and elsewhere.
Deposits received for fixed periods at rates to be obtained on application. Interest payable February 28th and August 31st.
On current accounts, interest at the rate of 2 per cent. per annum allowed on minimum monthly balances provided they do not fall below the sum of £200.
27 Clements Lane, Lombard Street, E.C. 4.

UNION BANK OF CANADA.

Incorporated 1865. Head Office, WINNIPEG.

Paid-up Capital	$7,968,150
Rest and Undivided Profits ...	$5,976,973
Total Assets	$174,989,057

The Bank has over 400 Branches in CANADA and Agents in the principal Cities in AMERICA.
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Established 1855.
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The British Bank of Northern Commerce, Ltd.
Barclays Bank Ltd.
Every description of Banking Business.

THE ROYAL BANK OF CANADA

ESTABLISHED 1869

Capital Paid up	$17,000,000
Reserve Funds	$18,000,000
Total Assets	$550,000,000

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C. E. NEILL, *General Manager.*
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SHARES ISSUED	700,000
SHAREHOLDERS	4,000

CHAIRMAN: MR THOMAS FARROW.
Foreign Banking Business of all descriptions undertaken. Agents throughout the world.
STOCK EXCHANGE AND FOREIGN BRANCH:
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Head Office: 1 CHEAPSIDE, LONDON, E.C. 2.
Branches throughout the United Kingdom.
A. M. & CO.

THE FOURTH STREET NATIONAL BANK, PHILADELPHIA.

CAPITAL FULLY PAID ...	$3,000,000.00
SHAREHOLDERS' LIABILITY	$3,000,000.00
SURPLUS AND PROFIT ...	$7,500,000.00

Bills of Exchange
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Madras	Rangoon	Nairobi	
Karachi	Mandalay	Nakuru	
Cawnpore	Aden and	Kisumu	
Lahore	Aden Point	Entebbe	Uganda
Amritsar	Colombo	Kampala	
Delhi	Kandy	Jinja	
Tuticorin	Newera Eliya		
	Dar-es-Sa'aam	Tanganyika Territory.	
	Tanga		

SUBSCRIBED CAPITAL	£3,000,000
PAID UP CAPITAL	£1,500,000
RESERVE FUND	£2,000,000

LONDON BANKERS.—Bank of England; National Provincial Bank of England, Limited; National Bank of Scotland, Limited.
The Bank conducts every description of Eastern Banking business.
Deposits received for fixed periods at rates to be obtained on application. Interest payable June 30 and December 31.
Current accounts are opened, and provided they do not fall below £200 interest is allowed on the minimum monthly balance at the rate of 2 per cent. per annum.

HONGKONG and SHANGHAI BANKING CORPORATION.

CAPITAL, all paid up		$15,000,000
STERLING RESERVE, held in London at Exchange of 2s. per $ =£1,500,000	$15,000,000	
SILVER RESERVE ...	23,000,000	
		$38,000,000
RESERVE LIABILITY OF PROPRIETORS		$15,000,000

Head Office—HONGKONG.
Chief Manager—N. J. STABB.

BRANCHES and AGENCIES:
Amoy, Bangkok, Batavia, Bombay, Calcutta, Canton, Colombo, Foochow, Hankow, Harbin, Hongkew (Shanghai), Ipoh, Johore, Kobe, Hiogo, Kuala Lumpur, London, Lyons, Malacca, Manila, Nagasaki, New York, Peking, Penang, Rangoon, Saigon, San Francisco, Shanghai, Singapore, Sourabaya, Tientsin, Tsingtao, Vladivostok, Yloilo, Yokohama.

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Hon. Cecil Baring. C. A. Campbell.
David Landale Sir George Sutherland.
A. M. Townsend. C. F. Whigham.
W. M. BLACKIE, Accountant.
9 Gracechurch Street, London, E.C.

THE EASTERN BANK, LIMITED.

Head Office:
4 CROSBY SQUARE, LONDON, E.C. 3.

Authorised Capital (200,000 Shares of £10 each)	£2,000,000
Paid-up Capital	£765,242
Reserve Liability of Shareholders	£1,197,468
Reserve Fund	£220,000

Branches:
AMARA, BAGDAD, BASRA CITY, BOMBAY, CALCUTTA, COLOMBO, HILLAH, MOSUL.

BOARD OF DIRECTORS.
The Rt. Hon. LORD BALFOUR OF BURLEIGH, K.T. (Chairman).
SIR EDWARD SASSOON, BART.
SIR JAMES LEIGH-WOOD K.B.E., C.B., C.M.G., JAMES H. BATTY, ESQ., G. BROMLEY-MARTIN, ESQ., EMILE FRANCQUI, ESQ., J. S. HASKELL, ESQ.
The Bank issues Drafts, Telegraphic Transfers and Letters of Credit, Negotiates and Collects Bills of Exchange, and transacts Banking and Agency business in connection with the East.
Deposits are received for 1, 2 or 3 years at 5 per cent per annum, and for shorter periods at rates which can be ascertained on application. On current accounts interest is allowed at 2 per cent. per annum on the minimum monthly balances.
F. H. SUTTON, *Manager.*

Printed by SPOTTISWOODE, BALLANTYNE & CO., LTD., at 1 New Street Square, E.C. 4, and Published by the Proprietors of "The Statist" at their Offices, 51 Cannon Street, E.C. 4, in the City of London, England.—*May 29, 1920.*

THE LONDON ASSURANCE.

Incorporated by Royal Charter, A.D. 1720.

7 ROYAL EXCHANGE, LONDON, E.C. 3.

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Applications for Agencies Invited.



ASSETS £8,526,459

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The Corporation has granted Fire, Life and Marine Insurances for Two Hundred Years.

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Claims paid - £19,500,000

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T. M. H. ARMSTRONG, *Manager and Secretary.*

REFUGE ASSURANCE COMPANY LIMITED.

Chief Office: OXFORD STREET, MANCHESTER.

For the year ending December 31st, 1919.

Annual Income Exceeds - £5,400,000
Assets Exceed - - - - £17,300,000
Claims Paid Exceed - - - £30,000,000

BRITANNIC ASSURANCE Co., Ltd.

(Established 1866).

Annual Income £2,100,000
Total Funds.. .. .. £5,400,000
Total Claims Paid .. £14,250,000

All classes of Life Assurance business transacted.
Attractive Up-to-date Tables.

Chief Offices : Broad Street Corner, Birmingham.

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FUNDS exceed £2,000,000

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The Statist.

LONDON, SATURDAY, JUNE 5, 1920.

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The Money Market.

Friday, June 4, 1920.

	Current Rate %	Fixed	Previous Rate %	Fixed
Bank of England Rate...	7	(April 15, '20)	6	(Nov. 6, '19)
Deposit Rates:—				
Banks & Discnt. Ho. (Call)	5	(Apr. 15, '20)	4†	(Nov. 6, '19)
Discount Houses (Notice)...	5¼	(Apr. 15, 20)	4¼	(Nov. 6, '19)

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.

† Foreign and Colonial banks give Special Rates only upon deposits for a year

Discount Rates :—	60 Days. %	3 Mos. %	4 Mos. %	6 Mos. %
Treasury Bills ...	—	6⅛	—	—
Bank Bills —	6⅛–$\frac{13}{16}$	6⅜–$\frac{13}{16}$	6$\frac{13}{16}$–7	7⅛
Trade Bills —	—	7–7¼	7¼–½	7½–¾

CONDITIONS in Lombard Street were more comfortable this week than for some weeks past, though no appreciable slackening in the demand was noticeable. This was no doubt due in part to the release of 50 millions in Government dividends on Tuesday, but this event had not as great a result as was expected. Day-to-day money was obtainable at 5%-5½%, the bulk of the business being done at the lower quotation, and afternoon balances were occasionally on offer down to 4½%. Seven-day loans were steady at 5½%. Easier rates were at first the feature of the Discount market, but later the tendency was firmer, especially for long-dated maturities, as buyers were inclined to favour the short bills in view of the general outlook.

None of the violent movements which characterised the Foreign Exchange market last week were apparent this week. The French franc was steady, but was quoted to-day above the highest for the week at 51.07½. Belgian francs also fluctuated within very narrow limits, and to-day's rate was 48.80. The lire weakened to 67, and the mark rose to 170, but was higher yesterday at 180. Among neutrals Lisbon was markedly weak, falling to 10⅜. Switzerland moved against us. Movements in the Scandinavian group were adverse, with the exception of Christiania, which rose to 22.16. New York cables rose to 3.95¾ on Wednesday, but were quoted lower to-day at 3.90⅞. The South American group moved in our favour. Of

Eastern exchange Hongkong transfers were steady and the Shanghai tael declined to 5*s.* 8½*d.* The rupee was steady at 2*s.* 1⅝*d.* Japanese yen were easier at 2*s.* 7*d.*

Revenue for the week ending May 29 was disappointingly small. Excise receipts were only 1.2 millions, against 7.3 millions for the previous week, and "miscellaneous" receipts amounted to 4½ millions, as compared with nearly 13 millions according to the preceding return. Total revenue was 12.9 millions lower at 16.3 millions. The expenditure, on the other hand, showed an increase of over 11 millions to 26.6 millions, leaving a deficit for the week of 13.7 millions. As Treasury bill receipts were only £45,089,000 against maturities amounting to £45,702,000, and Treasury Bond receipts were only 1.1 millions, the greater part of the deficit had to be made up by Ways and Means Advances, and of these by far the greater part was borrowed from the Bank of England. Thus the floating debt was raised by 10.4 millions to £1,283,639,000, the portion owing to the Bank on Temporary Advances being increased from 16 to 23¾ millions. This phase of the national accounts is a disquieting one, particularly when it is remembered that last Tuesday something like 50 millions had to be disbursed in dividends and interest, and, as the current Bank of England return indicates, this has already necessitated further borrowing on Ways and Means Advances. We are not concerned at the moment with any temporary movements in the floating debt so much as with the prospects of an 8% Bank rate, as indicated by the nature of the Bank of England and the Income and Expenditure returns, and by the shortage of accommodation in the Money market. No doubt the present features are only temporary ones and revenue will come up to the usual average this week, but it must not be forgotten that Treasury bill maturities will be heavy at the end of this month and the beginning of July, and though the Treasury is not experiencing any difficulties on the score of these at present, yet a development of the present tendency of the Money market may force fresh large borrowing on Ways and Means Advances in July in spite of a 6½% Treasury Bill rate, and so bring about another rise in the Bank rate. A prudent conservation of resources on the part of Lombard Street and a more energetic Treasury Bond campaign would be sufficient to avert this undesirable event.

An interesting Currency Notes return is issued this week, as it shows that an attempt is being made to reduce the proportion of uncovered notes as the legal maximum is being approached. Ever since April 21 the fresh issues each week have exceeded the returns from circulation, thereby increasing the total outstanding. This week quite a considerable amount was cancelled; but a further increase in the demand for currency arising, the outstanding amount was increased to 351.1 millions, as compared with 348.3 millions last week, an increase of 2.8 millions, and as compared with 337.2 millions on April 21, an increase of 13.9 millions. An addition of £1,000,000 Bank of England notes was made to the Currency Note Redemption account, so that the ratio of reserve rose from 10.4% to 10.6%, and the fiduciary issue was raised by 1.7 millions to 313.7 millions. This figure, it will be noted, is only 6.9 millions short of the legal maximum for the current year, and if the present demand for currency continues it is apparent that we will have to start 1921 with the old fiduciary limit of 320.6 millions. Indeed, the reduction in the proportion of the fiduciary issue this week, by the placing of a further £1,000,000 in the reserve, shows that the Treasury fears, and is taking steps to prevent, the necessity of exceeding that limit.

BANK OF ENGLAND.

As was generally anticipated, the Bank return makes a very unfavourable showing this week. With the exception of the opening week of 1920, when the ratio of the reserve to liabilities fell to 12.2%, the current ratio of 12.9% is the lowest record attained during the year. This loss of 3.6 points during the week has been brought about by a series of events with which the Money market is well familiar. The official return of income and expenditure for the week ended May 31, 1920, revealed a surplus of expenditure over revenue of more than £10,000,000, and this coincided with a slight excess in the maturities of Treasury bills over renewals. Consequently recourse was had to loans on Ways and Means Advances, which were increased by £11,250,000, of which £7,750,000 represented the net amount borrowed in this manner from the Bank of England. Then came the disbursal of over £50,000,000 in War Loan dividends, which in the absence of revenue could only be financed by Ways and Means Advances. These movements dominate the current Bank return, and are in the main responsible for its unsatisfactory nature. They account for the increase of £32,262,000 in Government securities, which now stand at £66,618,000, and for the influx of £26,142,000 in other deposits, which are swelled to a total of £127,322,000. Similarly they explain the temporary addition of £4,638,000 to other deposits, as well as the repayment by the market of £1,129,000 to the Bank, thereby reducing the total of other securities to £80,587,000. The increase in purchasing power as a result of this great expansion of Ways and Means Advances has given rise to an extra demand for currency, and the circulation has risen in consequence by £2,343,000 to £113,807,000. But of this increase there has been earmarked a sum of £1,000,000 for the Currency Note Redemption Account to cover an



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excess issue of over £2,700,000 of currency notes. The one bright feature of the return is the addition of £2,004,000 to the total bullion, which amounts to £114,459,000. Offsetting largely the expansion in circulation, this increase in the stock of gold accounts for the small decline of £339,000 in the amount of the reserve to £19,102,000. The marked fall in the ratio is due to the rise in total liabilities from £117,809,000 to £148,594,000. It is eagerly to be desired that the recipients of the War Loan dividends this week will avail themselves of the generous terms held out by the Treasury Bond issue. In doing so they have the knowledge that not only are they securing a first-class investment with a good yield, but that they are also helping to reduce the outstanding amount of that undesirable national incubus—the floating debt.

NEW YORK.

An effect of the contraction policy of the United States' financial authorities is shown in a liquidation in loans amounting to nearly 25 millions, according to the average weekly statement of the New York City Banks and Trust Companies associated with the New York Clearing House, published on May 29. The loans now stand at $5,125,260,000—the lowest since the end of March. That a reduction will continue at the same rate is, of course, in the last degree unlikely and would, indeed, be highly undesirable, but at any rate it indicates how the National Banks and the Trust companies, both members and non-members of the Federal Reserve System, are prepared to co-operate with the Federal Reserve Board in its campaign to reduce the price level. The initiative in the matter has to be taken by these banks, just as the ultimate effects will be felt by the Federal system. An unimportant expansion in net demand and time deposits and a shifting of Government funds to the central institutions are also shown in the return. Average reserve requirements were, therefore, higher on the week, but the aggregate reserve declined from 585 millions to 577 millions, with the result that the average excess reserve was 8.4 millions lower at $22,370,000. The actual position at the close of the week showed an excess reserve of 24.3 millions, against 7.7 millions a week previously.

The recent gold shipment from China is reflected in the combined statement of the 12 Federal Reserve Banks for the week ending May 31, which records an increase in the total gold reserves of 13.4 millions to $1,953,100,000. The other features of the return, however, are not so favourable, for increased demands of the member banks for accommodation, particularly from the interior and Western wheat areas, are reflected in an increase of over 19 millions in rediscounts. Open market discount operations also increased, bringing the total bill holdings up to 2,938 millions. As might have been expected, the active circulation also increased, the total being now 3,107 millions, an expansion of nearly 22 millions on the week. Deposit liabilities declined slightly. The two movements indicated—namely, the strengthening of reserves and the expansion of liabilities—counterbalance each other as regards the reserve ratio, which remains unchanged at 42.7%, against 51.8% a year ago. It will not escape notice, however, that the effect of the week's operations is a substantial addition to the unliquid assets of the banks, a tendency which the central authorities are doing all in their power to check at the present moment.

As regards the credit situation, bankers predict a relief within the next month or two. It is hard to see how this will come about. The Federal Reserve Banks continue to impress on member banks the necessity for liquidating loans of long standing and for withholding credit from "non-essential" businesses, and this policy is evidently one which will continue over a long period till a more normal price level is attained. Even were the banks ever so willing to create large new credits, they could not do so without danger to themselves, as their loaning power is already almost exhausted, the amount of unliquid assets held being enormous. Then it must be pointed out that the tendency of production is ever towards expansion, and consequently the needs for production of banking accommodation will be ever on the increase. Moreover, the banks will have to support increased demands next autumn in order to finance the marketing of the harvests, though it must be admitted that such demands have, to a considerable extent, already been provided for in advance.

Following a rise in the open-market discount rates, the New York Reserve banks, and subsequently the other Reserve centres, were forced to raise the rediscount rates during the week.

Call money was irregular. On Tuesday as high as 10% was paid, though the ruling rate was at 6%. Later the ruling rate was 8%, and the tendency easier. Time money is not so unobtainable as heretofore, but the quotations are still high, 8½% being asked for loans secured on mixed collateral and 9% on industrial collateral.

The Stock markets bear up well, in spite of the credit situation. Railway shares show a good recovery, following results of the valuation of the railroad properties by the Inter-State Commerce Commission which will work out favourably for the shareholders.

BULLION.

Rather larger amounts were on offer in the Gold market this week, India and South Africa being again the buyers. With a firmer New York rate the price declined to 105*s.* 5*d.* to-day.

As anticipated, prices again sagged in the Silver market, and business dwindled to small proportions. India is still keeping aloof from the market, and China is not buying freely. The demand from the latter was mostly for forward delivery, with the result that the quotations for spot and forward were the same until Thursday, when forward was quoted ⅛*d.* per ounce premium, the quotations being 56⅜*d.* and 56⅝*d.* To-day's quotations were 56⅜*d.* for both spot and forward.

The Director of the United States Mint is still buying small lots of the product of the United States mines at $1 per ounce fine, but it is now apparent that this will have no appreciable effect on the general markets, as was originally believed in many quarters.

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Stock Exchange.

In view of the approaching announcement concerning the war-wealth levy, and considering the firmness of the Money market, it is not surprising to find that the Stock markets were in a lifeless condition during the week. The possibility of a higher Bank rate, to which we refer in a previous column, is a factor that requires the most careful examination at the present time before making new commitments. It is worth noting that whereas many speculative drives took place during the week, investment securities on the whole moved downward on balance. The movements in the Oil section and in certain Industrials show that the markets are inclined to be "bullish," and if the disquieting money and taxation factors were removed a general upward movement should take place.

The Gilt-edged section was dull, and where changes occurred they were, with a few exceptions, for lower quotations. The Government disbursements on Tuesday did not brighten matters up as fully as was expected, but there is plenty of time for help from this source yet. The announcement came during the week that the Essex portion of the Three County Loan had also been fully subscribed, and all three issues were dealt in at a premium. A bright feature was the L.C.C. Five and Three-Quarters per Cents., which were bought at a 3½ premium. To-day they were quoted at 8⅝. Colonials were mostly steady.

In the Foreign market French issues showed a further recovery, though the Fours closed yesterday under the best for the week. The Fives were quoted at 50 and the Fours at 38½. Chinese issues were irregular; the Fives of 1896 gained a point and the 4½% Gold Loan of 1898 gained 2 points on Thursday after a decline of one point on Monday. Portuguese Threes declined from 34 to 31½. Among Japanese issues the Fives of 1907 lost two points on Tuesday. Mexican Fives of 1899 recovered to 42½.

Home rails were again neglected. Price changes were unimportant, but were for the most part downwards. Great Easterns were an exception, with a rise from 30 to 30½. North Staffordshires declined from 53 to 52. The prior-charge stocks, however, showed a firmer tendency.

Among Foreign Rails Argentine descriptions opened the week with a sagging tendency, but a shortage of stock manifested itself later on, and many lines were bought, though the recoveries were not in all cases maintained. Antofagasta and Bolivia scrip was notable among the weaker features, the Preferred Ordinary falling from 87 to 82 and the Deferred from 127 to 125½. Mexicans were again weak. Canadian Pacifics fluctuated, but closed lower on balance.

The Industrial market was uninteresting during the week. It is satisfactory to note, however, that no selling pressure was evident, but in the absence of buyers no strong movement set in. A few specialities were the centre of attention. Nitrates, which, it will be remembered, were boomed some weeks ago and subsequently relapsed, were again the subject of quiet buying orders, and exhibited a strong tendency at the close. Shipping shares were weak, especially Royal Mails. Engineering Iron and steel shares were depressed, but Pease and Partners were bought freely after the report. Textiles were uninteresting, with the ception of Courtaulds, which spurted from 6⅜ to 7½. Dunlop Rubbers showed a good recovery from their recent relapse. British Oil and Cake Mills were bid up to 50*s.* on Wednesday, but closed lower yesterday at 47*s.* 6*d.*

In contrast to the general tone of the markets the Oil section displayed considerable cheerfulness and activity. Burmahs, Scottish-Americans, and Tankers were the leading features. The latter went to a premium as a result of the meeting, but some intermittent realisations in these shares and in Scottish-Americans were noticeable.

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Mining Topics.

The appearance of the final report of the Commission on Low Grade Mines, with its opposition to State subsidies except in the case of the East Rand Proprietary Mines, was not calculated to produce a favourable effect at the opening of the market this week. Yet the fact remains that the tone was much firmer than usual, although not much business was transacted. This paucity of transactions characterised the week. However, the Kaffir market maintained a firm tone. Rhodesian shares came in for a share of attention, notably Gaikas and Lonely Reefs, the latter helped by the declaration of an interim dividend of 25%. The cable from New Heriot announcing the closing down of the mine after May 29, owing to the failure to secure satisfactory results even from the method of selective mining, was by no means unexpected. An extraordinary general meeting of City Deep is to be held at Johannesburg on July 30 to consider the proposed acquisition of certain property and assets of the City and Suburban Gold Mining and Estate Company in return for 45,000 fully-paid £1 shares in City Deep.

Mexican shares constituted a feature in an otherwise idle market. The belief was common that stable government was now in sight in Mexico. Consequently, shares like Camp Bird, Santa Gertrudis, and Esperanza were in demand throughout the week, closing firm on Thursday at 15*s.* 6*d.*, 27*s.* 6*d.*, and 12*s.* 3*d.* respectively.

With tin relapsing from £274¾ to £264, the depression in tin shares was but to be expected. Weakness in Cornish shares was associated more particularly with the existing position of mines like Dolcoath, which, unable to earn a profit, has served its employees with notices of dismissal. On the other hand, South Crofty and Killifreth showed a tendency to improve towards the end of the week. Interim dividends have been declared of 1*s.* per share by the Malayan Tin Dredging Company, and of 9*d.* per share by the Oroville Dredging Company, whilst Lahat Mines, in addition to a final dividend of 1*s.* in respect of 1919, has also announced an interim dividend of 1*s.* for 1920.

RAMBUTAN.

Year ended June 30	Black Tin Output Tons	Value Realised Black Tin per Ton £	Working Costs per Ton £	Working Profit— Amount £	Working Profit— Per Ton £	Net Profit £	Dividend— Amount £	Dividend— %
1916	215.36	100⅞	45 13/20	12,258	56 19/20	11,395	10,000	10
1917	258.93	110⅝	35¼	19,543	75½	19,084	13,333	13⅓
1918	242.21	155 13/20	41½	28,953	116¾	29,327	13,333	13⅓
1919	172.27	151 1/20	75 1/20	13,773	76	16,482	13,333	13⅓

From the point of view of output the report of this Malayan tin-mining Company for the year ended June 30, 1919, cannot be described as satisfactory.

With only a slight reduction in the area of ground treated, from 505,700 cubic yards in 1917-18 to 502,812 cubic yards for 1918-19, the output of 172.27 tons of black tin is the lowest secured for at least five years, and compares rather unfavourably with the return of 242.21 tons for the previous year. As might be expected, the decline is attributed entirely to the fall in the average grade of the ground treated. Fortunately, the price realised by the sale of the product remained high, averaging £151 2*s.* per ton, which, though nearly £7 below the average of the previous year, was yet over £40 in excess of the price for 1916-17. The significance of the maintenance of this high price for black tin is clearly seen when it is realised that there was a substantial rise in the cost of working, the total of £12,938 comparing with £9,974 for 1917-18. This increase was due apparently to expenditure involved in the very necessary process of opening out the new working. The effect of the outlay, however, in conjunction with the decline in the output, resulted in a working cost of over £75 a ton, as against £41 4*s.* a ton in 1917-18. Consequently the working profit dropped from £116 15*s.* a ton to £76 a ton, or in amount from £28,953 to £13,773. However, in view of the financial standing of the concern and the large amount brought forward from the last accounts (£14,855), the year, from the standpoint of the shareholders, was no less satisfactory than either of the preceding two years. The amount disbursed in dividends remained unaltered at £13,333, corresponding to the rate of 13⅓% as in 1917-18 and 1916-17. After allocating £2,228 to depreciation of the pipe-line, there is carried forward to the next accounts £14,276, which is subject to deduction in respect of the excess profits duty. The amount deducted from the balance of the previous accounts to meet this tax is stated to be £1,500, but as excess profits duty was due for 1916-17 and 1917-18 it is not possible to state whether this amount covers only one or both of these years.

The outlook for the current year is more encouraging. A reduction in working costs is anticipated, whilst it is proposed to treat an increased area of ground of a higher grade. Returns for the first nine months of the current year confirm this new import. The output of tin is practically equivalent to the total output for the year under review, reaching a total of 171 tons. On the other hand, working costs have fluctuated irregularly, averaging £83 a ton for November 1919, but only £67 a ton for February 1920. Against this comes the pleasing fact that higher prices have been secured for the product. For October 1919 the output was valued at £159 10*s.* a ton, whereas in February 1920 as much as £243 a ton was registered. The March output cost, on an average, £79 a ton, but was estimated to be worth £214 a ton. Consequently a larger margin will be available for profit, in the absence of any serious set-back, for the remaining three months. A strong financial position is disclosed in the balance sheet as on June 30, 1919. Liquid assets consisting of cash and investments, exceed £38,725, whilst the total of liabilities is below £6,650. The £1 shares command 23*s.* 1½*d.* in the market, and afford at this price, upon the basis of the 1918-19 dividend, a net yield of over 11½%.

KNIGHT CENTRAL.

Year to Dec. 31	Ore Milled Tons	Gold Revenue per Ton*	Working Costs per Ton	Working Profit Amount £	Working Profit per Ton	Net Profit‡ £	Carried Forward £
1916 ...	322,000	20 11	19/6	23,205	1/5	27,920†	106,968
1917 ...	315,900	20 9	20/6	3,972	/3	3,332†	103,636
1918 ...	282,250	24 8	23 7	15,610	1 1	15,062	118,698
1919 ...	252,100	27/0	28 7	19,612†	1/7†	17,992§	136,690

* Calculating gold output at par value only.
† Loss.
‡ After meeting all charges, including capital expenditure.
§ Including gold premium amounting to £36,752.

"THERE is little doubt, however, that the mine will be able to continue working throughout 1919, and earn more profit than it did last year." Such was the concluding sentence of the Consulting Engineer's report on Knight Central for the year ended December 31, 1918. The above table, embodying the results of the working operations for 1919, can scarcely be said to justify this statement. Yet for this state of affairs it is difficult to blame the Consulting Engineer. Forces were at work during the year in question that could not easily have been foreseen, or, if foreseen, the effect of which could not accurately have been estimated. A strike for four days in March on the part of the underground workers, followed up at the end of the month by a serious breakdown of the main hoist at the east shaft, which was not in action again until June, caused a loss in tonnage which is reflected in the reduction of the quantity of ore milled to 252,100 tons, as compared with 282,250 tons in 1918. On the other hand, in one respect the anticipations of the Consulting Engineer were fulfilled, for the gold revenue per ton, calculated at par value, as in previous years, worked out at 2*s.* 4*d.* higher than in 1918 at 27*s.* Then came the climax: working costs, already high, soared up to levels which assuredly were not foreseen when the above statement was penned. The reduction in the ore milled, in conjunction with a shortage of native labour and the general rise in prices of stores and materials, forced working costs up 5*s.* over the 1918 level to 28*s.* 7*d.* per ton. Thus a working profit of 1*s.* 1*d.* per ton in 1918 was replaced by a working loss of 1*s.* 7*d.* per ton in 1919—a loss of £19,612 was recorded instead of a profit of £15,640. This serious position was, however, remedied by the appearance on the scene of another factor extraneous to the mines, and over the extent of which they could have no influence—the premium on gold. Coming into operation after the middle of July, it swelled the revenue of the Company for the remainder of the year by the amount of £36,752, corresponding to an average premium of 22½%. In virtue of this windfall, an actual working loss of £19,612 was converted into a profit of £17,140. The final result was that a net profit of £15,062 for 1918 was followed up by a net profit of £17,992 for 1919. Thus in the long run the forecast of the Consulting Engineer proved true, though not in the manner in which he anticipated. In view of the critical situation of the mine, shareholders again receive no dividend; but the balance carried forward to the next accounts stands at £136,690, in contrast with £118,698 in the previous year.

This mine affords a good illustration of the manner in which the premium on gold has enabled more than one company to keep working. On this point the opinion of the Consulting Engineer, as expressed in the report under review, is worth quoting. "The future depends," he writes, "chiefly on the magnitude and duration of the gold premium. Should this remain at its present figure of about 40%, there is little doubt that the mine could continue working throughout the present year, but with gold at its normal price the mine could not be operated without losing money." And in this latter respect Knight Central only shares the situation of mines like Simmer Deep, Jupiter, and Princess, which have already been compelled to close down because of the fall in the price of gold, in conjunction with the heavy realisation charges and heavy costs of working. But, if he anticipates a premium of 40% for the current year, the Consulting Engineer of Knight Central is again displaying undue optimism. This premium involves a price of 119*s.* for gold, which is now exhibiting a tendency to fluctuate between

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100s. and 110s., as we forecasted some time ago. However, the policy of this mine for the current year is to continue milling so long as profits are earned. Development operations during 1919 were, on the whole, unsatisfactory. In accordance with the decision arrived at in 1917, this work was entirely confined to the Main Reef area of the east shaft. It is upon this area that the future of the mine very largely depends, and therefore it is not pleasing to record that both in depth and laterally unmistakable signs of impoverishment have been detected. Consequently, with the exception of one winze, all these operations have been suspended. Ore reserves at the end of 1919 were estimated at 200,300 tons—much less than one year's milling capacity, even at the low level of 1919—of an average value of 6.8 dwt., in comparison with 275,000 tons, of 6.9 dwt., in 1918. In the light of these facts it is easy to realise the importance attached to the premium on gold. Yet, though in his annual report the Consulting Engineer talks of a premium of 40%, it is evident from latest returns that a profit can be secured at lower levels. For the quarter ended March 31, 1920, there was secured a working profit of £8,624, when 68,350 tons were crushed. The gold revenue (including the premium) had risen to 32*s.* 5*d.* per ton, as compared with 29*s.* 11*d.* per ton for 1919, whereas working costs had only risen to 29*s.* 11*d.* Moreover, if allowance is made for the fact that the working costs of the period were debited with the retrospective adjustment of white wages in respect of part of 1919, the working profit for the quarter is actually £10,344. And this was earned at the following prices for gold: January, 107*s.* 6*d.* per ounce; February, 110*s.* per ounce; March, 105*s.* per ounce. Moreover, these prices were further lowered by the rapid rise in realisation charges from 1*s.* per ounce in January to 5*s.* per ounce in February and 6*s.* 3*d.* per ounce in March. Thus it appears that, with a working profit of £8,624 for the quarter, the mine has to its credit over half the actual working profit (including premium) of £17,140 for 1919. But, should the gold premium decline still further, it is evident that the situation would again become critical, unless assisted by a reduction in the working costs. And, in view of the recent advances in wages, as well as the heavier burden cast upon the mines by the latest Phthisis Act, there seems no prospect of alleviation in this direction unless the example of some of the low-grade mines is followed, and a reduction effected as a result of an agreement with the workers. Meanwhile it remains to be recorded that the financial position, as revealed in the balance sheet on December 31, 1919, is sound. To meet claims from sundry creditors to the amount of £20,011, liquid assets are available to a total of over £133,800, the cash, including the deposit of £50,000, alone amounting to £57,147. In the market the £1 shares stand as low as 3*s.* 6*d.*, at which price shareholders would be well advised to retain their holdings, as on liquidation it is by no means unlikely that a better return would be secured.

Springs Mines.—Issued capital £1,196,796 in £1 shares; £130,000 6% Debentures. Capital being increased to £1,500,000. Plant capacity 40,000 tons per month. Trial crushings started January 1917:—

Year to Dec. 31	Tons Milled	Sorting %	Revenue Amt. £	Revenue Per ton	Expenses Amt. £	Expenses Per ton	Profit Amt. £	Profit Per ton	Price end of Period
1917 ...	313,065	13½	610,440	39/0	345,998	22/1	264,442	16/11	3¼
1918 ...	427,610	18·7	905,777	42/4	475,222	22/3	430,555	20/1	3¾
1919 ...	434,610	18-11	829,286	38/2	578,719	26/8	250,567	11/6	2⅝
1920.									
Mar. qr.	115,400	—	210,412	36·5	171,041	29/9	39,371*	6/3	2⅝
April	39,600	—	76,916	38/10	58,738	29/8	18,183†	9/2	2⅝

* Excluding gold premium, £47,766.
† Excluding gold premium, £8,832

Development charge raised 2*s.* 6*d.* per ton milled from July 1, 1919.

Dividend—1918. June (Springs West shares); Dec., 12½ per cent.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, June 2, 1920.

Issue Department.

Notes Issued	£132,370,690	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	113,920,690
	£132,370,690		£132,370,690

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£63,618,283
Rest	3,160,005	Other Securities	80,586,556
Public Deposits	21,241,833	Notes	18,564,135
Other Deposits	127,399,131	Gold and Silver Coin	538,094
Seven-day and other Bills	30,099		
	£166,307,068		£166,307,068

Comparison with Previous Four Weeks [00,000's omitted.]

Date 1920.	Circulation	Coin and Bullion	Deposits Public	Deposits Other	Securities Govt.	Securities Other	Reserve	Ratio Reserve to Liabilities	Bank Rate *	Three Months' Bills
	£	£	£	£	£	£	£	%	%	%
June 2	113,8	114 4	21,2	127.3	66,6	80.5	19,0	12·9	7	6⅛
May 26	111,4	112.4	16,8	101,1	34,3	81,7	19,3	16 5	7	6⅞
May 19	110,8	112.4	20,0	101,3	38.5	82 6	19.9	16 5	7	6⅞
May 12	111,3	112.5	21,4	99.4	38 4	80.4	19,6	16·3	7	6⅞
May 5	111.1	112,5	20,6	116.5	55,3	79,6	19,8	14·5	7	6⅞
J'y22,'14	29.3	40.2	13.7	42.2	11.0	33.6	29.3	52·40	3	2⅛

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 6%; Aug. 8, 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; Apr. 5, 5%; Nov. 6, 1919, 6%; Apr. 15, 1920, 7%.

Comparison of Bank Returns, Exchanges, Prices, &c.

	June 4	June 4,	June 5,	June 6,	June 3
Bank of England (in £'s sterling 00,000's omitted):	1920	1919	1918	1917	1910
Circulation	£113,3	£78.2	£51.9	£39 0	£28.4
Public Deposits	21.2	21,4	38.7	48 0	23 0
Other Deposits	127.3	127 5	131.9	120 8	37.1
Government Securities	66 1	68,7	56.4	45.2	14 9
Other Securities	80.5	80.3	101,6	106.7	32 4
Reserve	19.0	27.2	30.4	34 6	30.5
Ratio to Liabilities	19·9%	18 25%	17·92%	20 49%	50·72%
Coin and Bullion	114.4	86.9	63.8	65.1	40.4
Money:					
Bank of England Rate	7%	5%	5%	5%	3½%
Bank of France Rate	6%	5%	5%	5%	3%
Rate 3 months' Bills London	6⅛%	3⅛%	3½%	4⅛-3%	3½%
Exchanges:					
Paris Cheque	61·10	30·08	27·16⅛	27·27	25·27
New York 60 days	3 91¼	4·60	4·72⅛	4·73	4·84⅛
Bombay Telegraphic Transfers	2/1	1/7⅞	1/6⅝	1/4⅝	1/3⅛
Prices:					
Consols 2½% Cash	47¼	54·xd	56xd	55	81⅞xd
French Rentes 3% Money	61·00	61·50	66·00	60·65	99·05
Silver, London spot per oz.	65⅞d.	65⅛d.	48⅛d.	38⅛d.	24⅛ d.
Wheat, *Gazette* average qr.	72/10	73/3	73/8	78 0	31/3
Cotton, Mid Upland lb.	29 91d.	19 85d.	21 54d.	15·57d.	7·95d.
Iron, Scotch pig ton	223/6	166/0	101/0	98/6	55/9

CURRENCY NOTE ISSUE.

Week to	Notes Issued £	Notes Cancelled £	Notes Outstanding £	Gold Coin & Bullion £	Bank of England Notes £	% of Bank Notes & Gold to Notes %
June 2, '20	10,963,087	7,597,894	351,051,439	28,500,000	8,850,000	10·6
May 26, '20	7,698,932	5,208,135	348,316,247	28,500,000	7,850,000	10·4
June 4, '19	8,004,071	5,939,897	346,278,975	28,500,000	—	8·2
June 5, '18	5,143,612	4,979,018	248,005,057	28,500,000	—	11·5
June 6, '17	4,517,935	4,799,392	158,878,315	28,500,000	—	17·9
June 7, '16	4,538,284	3,201,027	119,886,842	28,500,000	—	23·7

Balance Sheet June 2, 1920

	£		£
Notes outstanding—		Advances—	
One Pound	274,382,709	Other Bankers ...	—
Ten Shilling	43,588,730	Trustee Savings Banks	180,000
Certificates outstanding ...	33,070,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500,000
Total	351,041,439	Bank of England Notes...	8,850,000
Investments Reserve A/c ...	18,114,598	Government Securities ...	331,186,049
		Balance at Bank of England	439,988
Total	369,166,037	Total	369,166,037

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

1920. Week to	Revenue	Expenditure	Excess of Expenditure	Loans, Advances, &c. Cr.	Loans, Advances, &c. Dr.	Loans, Advances, &c. Net +	Cash Balance
May 29	£16,275	£26,592	£10,317	£58,939	£49,087	—£9,852	£3,933
May 22	29,191	15 574	*13,617*†	63,202	78,148	—12,944	4,397
May 15	25,902	10,823	*15,279*‡	82,453	97,760	—15,307	3,722
59dys. '20-21	223,032	186,326	*36,706*	800,610	846,685	—46,075	— 5,437
61days '19-20	127,980	258,163	130,183	818,373	693,657	124,718	— 5,474
Fr. '20-21*	1,418,300	1,184,102	*234,198*‡	—	—	—234,198	—
Yr. '19-20	1,339,571	1,665,773	326,202	6,092,709	5,766,507	326,202	8,369
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	1,682,049	12,799
Yr. '17-18	707,234	2,696,221	1,988,987	7,499,604	3,616,023	1,983,581	21,030

Principal Items of Revenue and Expenditure.

1920. Week to	Revenue: Customs & Excise	Income Tax, &c.	Excess Profits Duties, &c.	Other Revenue	Expenditure: Int., &c., on Debt	Misc. Expend.	Supply Services.
May 29	£3,766	£1,920	£4,274	£6,315	£932	£101	£25,559
May 22	10,093	1,210	4,246	13,645	952	128	14,495
May 15	4.031	1,600	4.128	15,713	1.416	857	8,350
59days'20-21	45,431	44,658	37,644	95,299	49 760	1.760	134,806
61days'19-20	37,189	31,841	43,155	15,995	60,699	775	196,785
Fr. '20-21*	348,650	385,800	220,000	463,850	345,000	31,198	807,904
Yr. '19-20	283,023	359,099	280,045	407,404	332,034	16,171	1,317,568
Yr. '18-19	162,220	291,186	285,028	150,587	269,964	11,380	2,297,956
Yr. '17-18	110,033	239,509	220,214	137,478	189,851	11,401	2,494,968

FLOATING DEBT. [000's omitted.]	Treasury Bills	Ways & Means Advances	Total	Natnl. War Bond Ropts.
May 29, 1920 ...	£1,062,022	£221,617	£1,283,639	£1,745,720
May 22, 1920 ...	1,062,834	210,367	1,273,201	1,745,720
May 15, 1920 ...	1,063,733	218,867	1,282,600	1,745,720
May 8, 1920 ...	1,064,452	234,767	1,293,219	1,745,720
June 30, 1919 ...	796,150	774,237	1,570,387†	1,732,037

* Budget estimates. † Highest. ‡ Excess of revenue.

FOREIGN BANKS

(In £'s Sterling† —000's omitted.)

	Cash			Advances			
AUSTRIA-HUNGARY	Gold	Silver	Total	To Public	To Dual Govts.	Note Circulat'n	Bills Discounted &c.
July 23, '14...	£51,578	£12,141	£63,719	£7,772	—	£89,749	£31,993
Oct. 21, '19	10,839	2,374	13,908	371,686	£1,373,083	2,013,383	240,845
Oct. 28, '19 ..	10,832	2,378	13,910	372,119	1,373,093	2,059,491	222,532
Dec. , '17...	11,000	2,300	13,300	603,990	—	739,300	117,600

BELGIUM.	Gold.	Silver	Total	Discounts	Circulation	Deposits
Aug. 6, '14 ...	£10,977	£833	£11,810	£41,925	£51,900	£8,983
May 20, '20 ...	10,659	1,085	11,744	23,231	202,133	90,596
May 27, '20 ...	10,659	1,083	11,747	24,270	202,759	90,982

	Cash						
DENMARK.	Gold	Silver	Total	Discounts	Balance Abroad	Circulation	Deposits
July 31, '14 ...	£4,100	£341	£4,441	£6,197	£788	£9,693	£47
Mar. 31, '20 ...	12,589	172	12,761	18,055	590	29,123	2,024
Apr 29, '20 ...	12,588	164	12,752	17,531	981	28,992	1,542
Apr 30, '19 ...	10,374	136	10,510	3,425	3,977	24,115	1,026
Apr. 30, '18 ...	10,228	134	10,362	3,507	3,499	19,317	947

	Gold		Total Cash		Circulation	Deposits	
FRANCE.	In Bank	Abroad	incl'g Silver	Bills		Public	Private
July 30, '14 ...	£165,654		£190,687	£97,768	£287,327	£15,302	£37,903
May 27, '20 ...	144,361	79,131	233,097	78,111	1,516,593	4,497	145,559
June 3, '20 ...	144,382	79,131	233,108	83,705	1,526,930	1,975	149,161
June 5, '19 ...	142,870	79,131	235,064	37,657	1,374,935	1,142	141,122
June 6, '18 ...	133,865	82,484	226,500	55,968	1,120,439	2,187	144,435

	Cash			Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
GERMANY.	Gold	Silver	Total				
July 23, '14...	£67,843	£16,727	£84,570	£5,279	£40,055	£91,515	£47,199
May 15, '20 ..	64,584	184	64,768	777,499	2,077,382	2,447,379	822,555
May 21, '20...	64,582	182	64,764	780,441	2,051,916	2,456,377	819,618
May 23, '19...	76,324	1,026	77,350	386,643	1,294,254	1,364,124	423,436
May 23, '18...	117,276	6,018	123,294	76,187	700,398	595,012	386,666

	Cash						
HOLLAND.	Gold	Silver	Total	Discounts	Advances	Circulation	Deposits
Aug. 1, '14 ...	£13,496	£249	£13,745	£13,422	£10,332	£35,660	£1,437
May 22, '20 ...	52,983	1,027	54,010	18,529	25,597	85,190	12,928
May 29, '20 ...	52,984	1,054	54,038	18,376	25,321	85,293	12,737
May 31, '19 ...	55,184	661	55,825	12,079	19,512	85,197	6,829
June 1, '18 ...	60,022	650	60,672	4,780	11,104	77,541	4,916

	Cash			Other Cash	Loans & Discounts	Circulation	Deposits
ITALY.	Gold	Silver	Total				
July 31, '14 ...	—	—	£48,456†		£25,017	£69,204	£3,837
Mar. 31, '20 ...	£32,190	£3,006	35,196	24,863	161,664	481,891	74,222
Apr. 10, '20 ...	32,190	3,005	35,195	21,381	168,138	486,741	74,083
Apr. 10, '19 ...	32,750	2,944	35,694	28,840	59,083	373,059	58,878
Apr. 10, '18 ...	33,462	3,169	36,630	4,796	54,431	284,350	60,120

					Deposits	
JAPAN.	Gold	Discounts	Advances	Notes	Public	Private
Aug. 1, '14 ...	£21,867	£1,829	£7,863	£32,722	£13,818	£1,521
Apr. 17, '20 ...	91,791	34,988	34,057	121,010	116,736	6,503
Apr. 24, '20 ...	91,657	38,128	36,783	124,440	117,057	9,013
Apr. 26, '19 ...	70,663	1,773	35,843	81,391	108,531	3,692
Apr. 27, '18 ...	65,903	4,887	24,910	64,999	67,832	2,447

NEW YORK BANKS & TRUSTS.	Cash Own Vaults	Aggregate Reserve	Loans, Disc'ts, Invest.,&c.	Net Deposits—Demand	Time	Total	Excess Reserve
Aug. 1, '14 ...	—	£89,888	£411,238	—	—	£387,165	£1,720
May 22, '20 ...	£19,4021	117,010	1,030,016	£836,990	£50,148	897,936	6,152
May 29, '20 ...	19,468†	115,428	1,025,052	837,720	50,240	896,932	4,474
May 31, '19 ...	19,170†	115,139	978,066	823,672	30,041	875,516	6,034
June 1, '18 ...	20,234†	108,364	904,740	744,810	32,258	848,278	8,424

		Balance	Norw. & For.	Disc'nts		
NORWAY.	Gold	Abroad	Govt. Secs.	& Loans	Circulation	Deposits
July 31, '14 ...	£2,960	£1,678	£493	£4,868	£6,752	£793
May 15, '20 ...	8,121	3,776	579	22,005	24,012	6,373
May 22, '20 ...	8,121	3,731	579	21,779	23,980	6,385
May 22, '19 ...	8,187	4,204	678	19,187	23,232	4,960

				Discounts & Note		
PORTUGAL.	Gold	Silver	Total	Advances	Circulation	Deposits
Mar. 31, '20 ...	£1,906	£3,921	£5,827	£17,689	£88,986	£8,722
Apr. 7, '20 ...	1,906	3,921	5,827	17,496	91,129	6,864
Apr. 8, '19 ...	1,905	3,883	5,788	8,826	64,505	3,497
Apr. 10, '18 ...	1,905	3,191	5,096	7,818	45,502	1,575

ROUMANIA.	Cash	Discounts	Advances	Total	Circulation
Mar. 20, '20 ...	£60,809	£7,969	£2,720	£10,899	£179,576
Mar. 27, '20 ...	60,809	8,425	2,598	11,023	179,640
Apr. 3, '20 ...	60,809	8,431	2,658	11,089	179,924
Apr. 5, '18 ...	35,381	5,814	1,745	7,359	104,348

	Gold—		Total Cash	Loans &	Circula-	Notes in	Total
RUSSIA.	In Bank	Abroad	incl'g Silver	Disc'ts	tion	Reserve	Deposits
July 21, '14...	£160,114	£14,395	£181,892	£76,081	£163,411	£6,539	£109,911
Oct. 28, '17...	129,523	230,865	378,205	1,869,559	1,836,217	15,783	345,550

	Cash			Loans,	Spanish	Circula-	Deposits
SPAIN.	Gold	Silver	Total	&c.	4%	tion	&c.
Aug. 1, '14 ...	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,955
May 22, '20 ...	85,105	24,827	122,932	85,518	13,779	155,471	48,001
May 29, '20 ...	88,103	24,912	123,015	84,937	13,779	154,705	45,341
May 31, '18 ...	90,852	28,218	116,863	75,963	13,778	140,815	42,740
June 1, '18 ...	82,675	28,310	111,015	53,190	13,777	117,142	39,945

SWEDEN.	Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
Aug. 1, '14 ...	£5,717	£6,150	£1,555	£7,495	£13,432	£3,903
May 22, '20 ...	14,500	4,035	2,524	34,491	37,139	14,597
May 29, '20 ..	14,500	4,340	2,524	34,532	37,943	14,168
May 31, '19 ...	16,111	8,060	2,880	19,437	39,031	6,653
June 1, '18 ..	14,371	7,058	5,384	13,131	35,416	5,200

	Cash			Discounts &	Circula-	
SWITZERLAND.	Gold	Silver	Total	Advances	tion	Deposits
July 23, '14 ...	£7,202	£758	£7,960	£4,817	£10,716	£2,028
May 15, '20 ...	21,235	3,629	24,864	14,434	36,712	5,561
May 22, '20 ...	21,237	3,699	24,893	15,228	36,580	6,351
May 23, '19 ...	17,232	2,689	19,921	20,972	35,509	5,437
May 23, '18 ..	15,046	3,271	17,317	12,881	28,173	4,110

† Not reserve. ‡ Converted at par rate of exchange approximately.

U. STATES FED. RES.' BANKS.	Gold— Held by Banks	With Agents	Total Cash	Bills Discount'd	Acceptances.	Deposits.— Govt.	Total. Net.	Circulation.
May 24,'20' ...	£387,944		£415,909	£500 078	£33,474	£4 871	£353 876	£617.040
Mar 31.'20 ...	390.620		418,438	503 836	83.720	7.286	353 838	621.404
Mar 31,'19 ...	188,672	260,876	451,020	397,978	36 737	28,296	368.184	503 958
Mar 31 '18 ..	186 782	196,784	395 142	179 472	51,271	33,238	317 332	320.180

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed		%	Date Fixed
Amsterdam ...	4½	July 1,'15	Lisbon	5½	Jan. 15,'14
Berlin	5	Dec. 23,'14	Madrid	5	Nov.10,'19
Berne	5	Aug. 21,'19	Paris	6	Apr. 8,'20
Bombay	7	May 27,'20	Petrograd ...	8	July 29,'14
Brussels	5½	Apr. 28,'20	Rome	6	May 12,'20
Calcutta	5	June 5,'19	Stockholm ...	7	Mar. 18,'20
Christiania ...	6	Dec. 18,'19	Tokio	8·03	Nov. 18,'19
Copenhagen ...	7	Apr. 16,'20	Vienna	5	Apr. 12,'15

III.—FOREIGN EXCHANGES.

LONDON ON—	June 4 '20	May 28, '20	May 20, '20	May 14, '20
Berlin ..... Cable	170m.	160m.	172½m.	184½m.
Brussels ..... Cheques	48fr. 80c	51fr. 50c.	52fr. 75c	55fr. 37c.
Denmark ..... Cable	22kr. 8½	23kr. 42	23kr. 37	22kr. 90
Holland..... do.	10fl. 69c	10fl. 67c.	10fl. 43c.	10fl. 49c.
Italy ..... do.	67lr. 00	67lr. 00	74lr. 50	78lr. 00 ‡
Lisbon and Oporto do.	10¾d.	10¾d.	12¼d.	13d.
New York ..... do.	$3 90⅞	$3 90⅛	$3 81⅛	$3 82
— ..... Cheques	$3 91⅝	$3 92	$3 83	$3 82⅝
Norway ..... Cable	22kr. 16	21kr. 55	21kr. 00	20kr. 70
Paris ..... 3 mos.	52fr. 07c	53fr. 50c.	55fr. 87c	59fr. 60c.
— ..... Cable	51fr. 07c	52fr. 50c.	54fr. 87c.	58fr. 60c.
Spain (Bank places) 3 mos.	44¾i.	43¾i.	51¾d.	51¾d.
— ..... Cable	23p. 95	23p. 82	22p. 90	22p. 70
Sweden ..... do.	18kr 19	18kr 10	18kr. 27	18kr. 17
Switzerland ..... 3 mos.	21fr. 10c	22fr. 05c.	22fr. 02c.	22fr. 55c.
— ..... Cable	21fr. 45c	21fr. 75c	21fr. 62c.	21fr. 75c.

ON LONDON—	June 4. '20	May 28, '20	May 20, '20	May 14, '20
Alexandria ..... Sight	97⅛pl.	97⅛pl.	97⅛pl.	97⅛pl.
Amsterdam ..... Cheques	10fl. 67c.	10fl. 65c.	10fl. 47c.	12-107d.
Athens ..... Cable	34¼r. 37	34¼r. 05	33¼r. 77	25dr. 22½
Bombay ..... Transfers	2s. 1d.	2s. 1d.	2s. 1⅛d.	2s.*
Brussels ..... Cheques	48fr. 72c.	49fr. 57c.	50fr. 60c.	25fr. 22½c.
Buenos Ayres ..... Transfers	59⅛d.	59⅛d	60¼d.	47-58d.
Calcutta ..... do.	2s. 1½d.	2s. 1½d.	2s. 1⅛d.	2s.*
Christiania ..... Sight	20kr. 03	21kr. 50	20kr. 76	18.159kr.
Copenhagen ..... do.	22kr. 92	23kr. 45	23kr. 27	18.159kr.
Helsingfors ..... Cable	81m.	83½m.	73¼m	25m. 22½
Hong Kong ..... Transfers	4s. 1d.	4s. 3½d.	4s. 2d.	—
Italy ..... Sight	66lr. 75c.	67lr. 50c.	72lr. 00c.	25l. 22½c.
Lisbon ..... do.	11d.	10¾d.	12¾d.	53½d.
Madras ..... do.	2s. 1½d.	2s. 1½d.	2s. 1⅛d.	2s.*
Madrid ..... do.	23p. 95	23p. 81	22p. 84	25p. 22½
Montevideo ..... Transfers	60⅜	61¼d.	62¼	51d.
Montreal ..... Cable	$4 39½	$4 37	$4 24	$4 33⅜
New York..... Sight	$3 93⅛	$3 91	$3 80⅛	—
— ..... 60 days	$3 91⅛	$3 89⅛	$3 79	—
— ..... Cable	$3 91	$3 91⅛	$3 81⅛	$4 88⅜
Paris ..... Cheques	51f. 10c.	52f. 35c.	51f. 55c	25f. 22½c
Rio de Janeiro ... 90 days	—	16¾d.	16¾d	18d.
Shanghai ..... Transfers	5s. 7d.	5s. 11d.	6s. 0d.	—
Singapore ..... Sight	2s. 3⅝d.	2s. 3¾d.	2s. 3⅝d.	—
Stockholm ..... do.	18kr. 11	18kr. 04	18kr. 31	18.159kr.
Switzerland ..... do.	21f. 46c.	21f. 70c.	21f. 76½c.	25f. 22½c.
Valparaiso ..... 90 days	11¼i.	12¼i.	12⅜i.	13i.‡
Yokohama ..... Sight	2s. 6⅛d.	2s. 7½d.	2s. 8d	24.59d.

* Fixed at Rs. 10 to the gold sovereign, February 2, 1920.

NEW YORK ON—	Rate Current* June 4. '20	May 28. '20	Par as usually Quoted	Rate July 3,
Amsterdam, sight ...	36 62c.	36 30c.	40 20c. for 1 guilder	40·25c.
Bombay, cheques ...	41·75c.	41·25c.	43·65c. for 1 rupee	33 00c.
Buenos Aires, cheques ...	103·95	103 80		
Christiania, cheques ...	17 95c.	18·00c.	26·80c. for 1 kroner	
Copenhagen, cheques ...	17·05c.	16·30c.	26 80c. for 1 kroner	26·85c.
Greece, cheques ...	11·50c.	11·35c.	19·23½c. for 1 drachma	
Hongkong, cheques ...	81c.	85·50c.	74·50c. for Mex. $1	43 4c.
Italy, sight	16·75l.	16·50l.	5 13c. lire for $1	5 17l.
Lima, cheques	4·99l.	4 93l.	4·8665 $ for 1 libra	
Manila, cheques... ...	49·80c.	49 60c.	50c. for 1 peso	49·8c.
Montreal	11·125%disc.	11·25 %disc.	Premium per $100	Par
Paris, sight	12·75fr.	12 55fr.	5·13½ francs for $1	5·16fr.
Petrograd, sight ...	—	—	51·43c. for 1 rouble	51·37c.
Rio de Janeiro, cheques	38·30c.	39·80c.	32·42c. for 1 milreis	
Shanghai, cheques ...	114c.	118c.	62·93c. for 1 tael	83·00c.
Singapore, cheques ...	51·50c.	51·25c.	56 77c. for $1	57·12c.
Spain, cheques	16·40c.	16·35c.	19 30c. for 1 peseta	
Stockholm, cheques ...	21·85c.	21·05c.	26 80c. for 1 kroner	
Switzerland, cheques ...	5 49fr.	5 63fr.	5·18½ francs for $1	5·18½fr.
Valparaiso, cheques ...	19·00c.	19 00c.	20 61c. for 1 peso	
Yokohama, cheques ...	51 50c.	51·25c.	49 84c. for 1 yen	49·90c.

* According to Guaranty Trust Company of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount.	Inc. or Dec.*	1920 Agg.	Inc. or Dec.*
		[In £'s sterling 000's omitted.]			%
BIRMINGHAM†...	1920 May 29	£2,257 —	£289	£82,293 +	£28 533 + 53·2
BRISTOL†	" 29	1,082 —	311	39,495 +	11,135 + 39·3
DUBLIN†	" 29	7,023 —	9	195,180 +	41,031 + 29·2
LEEDS†	" 29	1,873 +	473	40 555 +	16,344 + 85·4
LEICESTER† ...	" 29	621 —	85	30,832 +	11,315 + 83·7
LIVERPOOL† ...	" 29	12,558 —	143	394,405 +	144,913 + 80·5
MANCHESTER† ...	" 29	18,736 +	3,999	703,138 +	383,438 + 118·1
NEWCASTLE† ..	" 29	3,006 +	676	71,591 +	49,633 + 70·8
NOTTINGHAM† ...	" 25	663 +	132	25,845 +	12,034 + 87·1
SHEFFIELD† ...	" 29	932 -	203	35,030 +	9,710 + 33·3
LONDON—	1920.				
TOWN	June 2	696,308 +	289,347	14,495,735 +	6,129,283 + 73·5
METROPOLITAN	" 2	39,421 +	6,263	916,811 +	217,373 + 30·2
COUNTRY	" 2	67,978 +	8,061	1,784,707 +	467,437 + 35·5
TOTAL	" 2	803,737 +	303,671	17,193,335 +	813,073 - 85·7

* Compared with a year ago. † B.H., Whit Monday Bank holiday.

V.—FREIGHTS.—According to Messrs. J. C. Gould, Angier and Co.

HOMEWARDS.	1920 June 4	1920 May 28	1913 June 6
Aler. to U.K. ...	—	47 6	—
Aust. to U.K. ...	—	150 0	31'3
Azoff to L.H.A.R.	—	—	9 6
Bombay to p.p.	110'0 d.w.	110 0d.w.	2'.0
Barmah to U.K.	140 0	—	2'.0
Calcut.to p.p.jute)	—	110 0	d.w.23 3
Danube to U.K. ...	—	61 0	—
Odessa to L.H.A.R.	—	—	9 6
R. Plate to U.K.	110 0	120 0	15 0

Homewards.—cont.	1920 June 4	1920 May 28	1913 June 6
U.S. Atl.Ports to L'pl. (cotton, 100lb.)	—	—	41'3
U.S. to U.K. (grain)	10/8	10/8	2/9
Gulf Ports to U.K.Cont. (cotton & grain)...	12/0	12/0	14/6
OUTWARDS—Cardiff to			
Aden	—	—	—
Colombo ...	—	—	12/6
Port Said ...	65/0	75/0	10/0
River Plate ...	—	—	19'0
St. Vincent ...	35/0	35/0	10/3

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	JUNE 4, 1920.	JUNE 5, 1919	JUNE 30, 1914
Iron—Scotch pig warrants ...ton	293/6	166/0	57/0
— Middlesbro' warrants .....ton	277/6	160/0	51/0
— Hematite warrants .....ton	260/0	190/0	61/0
— Staffordshire bars, London ton	£33 10	£20 10	£8 10
— Common bars .....ton	£30	£20 10	£6 16
Steel Rails .....ton	£93	£15	£6 2/6
Galvanised Sheets .....ton	£52	£28—£30	£16 17/6
Copper—Standard .....ton	£91 5	£79	£66
Tin—English Ingots.....ton	£253	£231	£142 15
— Straits .....ton	£265-£270nom	£238	£139 10
Tinplates, I.C. Coke, S. Wales...box	74/0	33/0—34/0	11/10½—12/0
Lead—Soft Foreign .....ton	£37—£38	£22 15—£23	£19
Spelter—Ord. Foreign .....ton	£42 10—£44 10	£35 10—£5 15	£21 7/9
Quicksilver—(75lb.) .....bottle	£17 10—£18	£18—£18 10	£7
Aluminium .....ton	£185	£150	£82
Antimony—Regulus Foreign ...ton	£50—£55nom	£42—£43	£27 10
— English .....ton	£60nom	£45	—
Coal—(best) Yorkshire.....ton	37/2—38/2	23/6—24/6	17/6
— Steam (best) Newcastle .....ton	50/2—55/2	40/0—45/0	14/6
CHEMICALS, OILS, &c.			
Nit. of Soda—f.o.b Chile, per quintal	15/6	9/8	7/4
Soda—Crystals ex ship .....ton	230/0—240/0	129/0—130/0	42/6—45/0
Copra—Malay and States .....ton	£56 10	£52	£23 15—£24 7/6
Gambier—Good marks..... cwt	50/0	42/6	16/10½
Indigo—Bengal good to fine ...lb	13/0—16/6	9/0—10/6	3/2—3/8
Linseed Oil—Raw .....ton	£93	£113	£25 5
Linseed—Calcutta, spot .....ton	£42	£46 5	£13 16/9
— Cakes, U.K. made, ex mill...ton	£22	£19	£7 17/6—£8
Olive Oil—Spanish .....ton	—	nom	£49 10
Palm Oil—Lagos .....ton	£64 10	£75 10—£76	£31 10
Petroleum—American .....gallon	2/1½	1/4½	7½d.
Rape Oil—Refined English.....ton	£106	£102	£32
Soya Oil—Refined .....ton	£105	£75	£24 10
Tallow—Imported .....cwt.	80/0—90/0	90/0—103/0	29/3—33/3
Turpentine—American .....cwt	130/0	100/0	33/7½
Rape Seed—Toria.....ton	£38	£43	£13 5
Rubber—Para, spot .....lb	2/0½	2/5	2/9½
— Fine plantation (stnd. crepe) lb	2/0½	1/9½	2/2
— World's Production* Apr. tons	27,850	31,766	8,467
Shellac—T.N. Orange, fair ...cwt	590/0—600/0	332/6—335/0	63/0—64/0
TEXTILES.			
Cotton—Middling Upland .....lb	29·94d	19·85d	7·53d.
— Egyptian, good fair .....lb	63·00d	26·34d	8·75d.
— Pernambuco fair .....lb	31·84d	22·25d	7·73d.
— Midland Upl. New York.....lb	40·00c	31·70c.	13·25c.
— Stock, Liverpool (May 14) bales	1,204,770	534,310	934,600
Flax—Petrograd, Yarnpol .....ton	—	nom.	£28
Hemp—New Zealand .....ton	£59	£49	£25 10
— Manilla, Fair .....ton	£61	£48—£49	£26 10
Jute—First Marks .....ton	£56	£49 10—£50	£26 15
— Red SCO .....ton	£44	—	£24 15
Silk—Blue Elephant .....lb	32/0	23/6	11/3—11/6
Wool—Pt. Philip unwashed av. lb	5/9	3/5½	11½d.—1/0
— Lincoln Half Hogs .....lb.	2/3½	1/7½	1/0½
Hides—Eng. Ox, best, 70lb. up lb	13½d	9½d.—10½d.	7½d.
Leather—Dressing Hides .....lb.	4/0—4/6	2/7—3/3	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus	56,633,000	—	34,640,000
— Red, price, N Y 60lb....bushel	320c.	237½c.	67½c.
English Gazette, aver. 480lb. qr.	72/10	73/3	34/3
Flour—G.R. 280lb	63/6	44/3	28/6
Barley—Eng. Gaz., aver. 400 lb. qr.	89/3	62/7	25/4
Oats—Eng. Gaz., aver. 312 lb. qr.	63/0	48/3	20/0
Maize—N.Y. (new bushel)...56lb	—	191½c.	76½c.
— Amer. mixed, Liverpool...480lb.	nom.	63/9	32/4
— La Plata .....480 lb. qr.	77/0	63/0	25/9
Potatoes—Good English .....ton	1315/0	206/0	70/0—75/0
Rice—Bassein .....cwt.	48/6	25/0	7/0—7/3
Tapioca—Pearl, medium .....cwt.	34/0	46/0	14/0—17/8
Hay—best .....2,016lb....load	—	176/0	82/6
Hops—English .....cwt.	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs ...8lb.	6/8	6/8—7/2	3/8—3/10
— Scotch sides .....8lb.	10/0	8/6	4/6—5/0
— English .....8lb.	10/0	8/6	4/2—4/5
Mutton—Scotch wethers.....8lb.	10/6	9/0	5/8—6/0
— English wethers .....8lb.	10/6	9/0	4/6—5/4
— New Zealand frozen .....8lb.	10/6	7/8	2/4—3/2
Pork—English and Irish .....8lb.	10/0—13/4	10/8	3/6—4/0
Bacon—Irish, delivered .....cwt.	†220/0	190/6	60/0—74/0
— Danish .....cwt.	†192/0	—	58/0—68/0
— Canadian, ex Port .....cwt.	†187/0	180/0—190/0	—
— American, ex Port .....cwt.	†187/0	174/0—186/0	72/0—74/0
Hams—Amer. long cut, ex Port cwt.	†184/0	174/0—192/0	75/0—79/0
— — short cut, ex Port .....cwt.	†184/0	172/0—190/0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt	†158/6	160/0—189/9	51/9—52/9
Butter—Danish .....cwt	303/4	Controlled 252/0	117/0—120/0
— French .....cwt.	303/4		96/0—108/0
— Australian .....cwt.	303/4		98/0—110/0
— New Zealand .....cwt.	303/4		108/0—114/0
Cheese—Canadian .....cwt.	†145/0	Controlled 144/8	66/0—68/0
— United States .....cwt.	†145/0		—
— Dutch .....cwt	†145/0		53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Apr. 30 ...cwt.	10,004,592	9,133,027	19,777,254
— Home consump'n. to Apr. 30 cwt.	8,420,987	9,057,381	17,272,000
— In Bond Apr 30 .....cwt.	7,618,000	6,869,000	6,306,000
— Price, Java, 96° Pol. .....cwt.	105/0	36/0	10/3
— — Yellow crystals .....cwt.	112/0	57/9	12/6—14/0
— — Tate's Cubes, No. 1 .....cwt.	116/0	64/9	18/0
Coffee—Imports to Apr. 30 .. cwt.	267,439	407,689	720,360
— Home consumpt'n to Apr. 30 cwt.	102,848	99,480	141,410
— Exports to Apr. 30 .....cwt.	169,426	63,500	340,250
— In Bond Apr. 30 .....cwt.	709,000	861,000	484,000
— Price, Costa Rica gd to finecwt.	162/0—172/0	145/0—155/0	80/0—93/0
— — Brazil (Santos) Good ...cwt.	120/0—122/0	65/9	41/6
Tea—Imports to Apr. 30..... lb.	146,030,275	143,175,704	123,230,277
— Home consump'n. to Apr. 30 lb.	123,555,201	109,384,355	155,447,972
— Exports to Apr. 30 .....lb.	15,602,706	8,519,860	26,561,765
— In Bond Apr. 30 .....lb.	216,485,000	149,671,000	78,292,000
— Price, Indian, Pek. Song. gd.lb.	8½d.	1/4	8½d.
— — Ceylon, Pek. Song. Ord. lb.	8d.	1/4	8½d.
— — Common Congou .....lb.	—	1/4	5½d.
Cocoa—In Bond Apr. 30 .....cwt.	1,128,000	998,000	309,000
— Grenada, good to fine .....cwt.	nom.	85/0	52/6—56/0

* Estimated. † Controlled. ‡ Decontrolled: Price Ex. Factory.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific	Apr.	$15,928,000	+2,820,000	$2,332,000	+ $253,000
	4 mos. to Apr.	59,117,000	+9,541,000	5,600,000	— 562,000
Grand Trunk	Apr.	£1,125,600	+ £24,800	£59,600	— £95,700
	4 mos. to Apr.	£ 304,600	+ 326,300	Dr.155,500	— 272,700

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open.	Gross Receipts.	+ or — on Year Ago.	No. Wks	Aggregate Receipts.	+ or — on Year Ago
Assam Bengal	Apr. 24	993	R2,03,489	+ 7,503	4	6,60,868	+ 13,716
Barsi Light ...	May 8	118	28,800	+ 1,700	6	1,78,600	— 7,500
Bengal & N.W.	Apr. 24	2,065	4,95,970	— 50,505	4	16,64,970	— 3,10,635
Beng. Dooars	May 1	158	24,774	+ 3,563	4	106,242	— 3,995
Beng. Nagpur	May 1	2,695	13,80,000	— 66,000	4	55,48,000	— 4,69,661
Bomb. Baroda	May 22	2,871	19,48,000	— 82,000	7	1,52,39,000	+ 9,97,000
Burma	May 17	1,342	5,16,569	+ 27,821	2	13,81,729	— 83,770
Del Um. Kalk.	May 22	239	79,800	— 15,003	7	7,03,714	+ 65,234
East Indian ...	May 29	2,771	27,68,000	+ 65,000	9	2,41,60,000	+ 9,61,000
Gt. Indian Pen.	May 22	3,121½	27,31,300	— 2,53,400	7	2,09,54,800	— 24,969
Madras & S.M.	May 1	3,152	12,50,000	— 21,182	4	53,00,000	— 66,520
Nizam's Guar.	May 1	900	3,38,722	+ 24,099	5	15,82,723	+ 1,59,566
Roh. & Kumn.	Apr. 24	576	1,24,147	— 803	3	4,21,731	+ 1,421
South Indian	May 1	1,852½	7,79,938	+ 4,922	5	33,95,155	+ 51,632
South Punjab	Jan.	716	8,16,996	+ 1,19,924	4m	31,12,021	+ 1,10,363
COLONIAL							
Can. Northern	May 21	9,704	$1,097,600	+ 58,700	20	20,832,523	+ 2,902,074
Can. Pacific ...	May 21	13,388	3,633,000	+ 676,000	20	69,513,000	+ 11,165,000
Grand Trunk	May 31	3,616	£416,724	+ 57,948	21	6,513,492	+ 451,813
Mashonaland	Mar.	810	44,265	+ 14,400	6m	429,767	+ 103,629
Mid. W. Aust.	Mar.	277	13,741	+ 3,00	9m	99,189	+ 14,507
NewCapeCent.	May 8	205	2,586	+ 567	19	60,599	+ 9,802
Rhodesia Rlys.	Mar.	1,397	82,851	— 14,757	6m	—	—
Temiscouata...	Oct.	—	$30,562	+ 2,154	10m	304,661	+ 22,504
W. Pass. & Yuk	Aug.	122	—	—	8m	$968,676	+ 31,021
FOREIGN.							
Argentine.							
Arg. N. East...	May 22	752	£ 13,400	+ 1,400	47	553,300	+ 84,500
Arg. Transand.	May 29	111	£ 2,660	— 1,770	48	154,031	— 28,679
B. A. & Pacific	May 29	3,536	£ 188,000	+ 51,000	48	7,389,000	+ 1,734,000
B.A.Gt. South	May 30	3,792	£ 187,000	+ 43,000	48	8,707,000	+ 2,046,000
Do.	May 30	Net	£ 51,000	+ 16,000	48	2,972,000	+ 1,492,000
B. A. Western	May 30	1,882	£ 107,000	+ 20,000	48	4,824,000	+ 1,476,000
Do.	May 30	Net	£ 32,000	+ 6,000	43	1,679,000	+ 839,000
B. A. Central	Apr.	190	£ 54,590	+ 13,484	10m	473,301	+ 66,554
Cent. Argent.	May 29	3,305	£ 185,000	+ 44,400	48	8,740,000	+ 2,370,100
Do.	May 29	Net	£ 52,000	+ 27,800	48	2,830,100	+ 1,897,800
Cord. Central	May 22	1,205	£ 61,500	+ 15,000	47	2,781,700	+ 728,390
Entre Rios ...	May 22	811	£ 25,400	+ 4,100	47	1,134,100	+ 176,300
Brazilian.							
BrazilGt.South	Apr.	110	M 43,500	— 8,300	4m	206,000	+ 16,060
Brazil Railway	Dec.	3,530	M 4,859,000	— 141,271	12m	57,772,000	+ 7,818,243
Gt. W. Brazil	May 29	1,010	£ 20,400	— 1,600	22	543,800	+ 117,000
Leopoldina ...	May 29	1,831	£ 54,026	+ 11,704	22	1,160,451	+ 470,171
Mogyana	Dec.	1,180	M 1,561,000	— 956,490	12m	22,267,000	— 2,474,651
Paulista	Dec.	766	M 2,650,000	— 906,038	12m	32,479,000	— 1,225,892
San Paulo ...	May 30	153½	£ 46,359	+ 13,976	22	977,525	+ 313,592
Sorocabana ...	Dec	1,003	M 1,749,000	— 246,168	12m	21,953,000	+ 976,692
S.of BahiaS.W.	Apr.	62	M 49,000	— 6,000	4m	287,000	+ 3,000
Chilean and Peruvian.							
Antofagasta ...	May 23	838	£ 31,940	+ 9,820	22	1,055,710	+ 501,580
Arauco	Mar.	84½	£ 12,000	+ 2,000	3m	41,000	+ 8,500
Nitrate(2wks.)	May 15	390	£ 38,479	+ 22,291	18	404,948	+ 109,734
Peruvian Corp.	Apr.	1,140	S 1,302,880	+ 103,400	10m	11,987,814	+ 1,738,859
Taltal	Apr.	180	£ 28,830	+ 20,678	10m	237,660	+ 88,161
Cuban.							
Cuban Central	May 29	362	£ 33,625	+ 5,379	48	1,342,067	+ 249,914
Havana Cent.	May 29	70	£ 14,423	+ 3,060	48	560,933	+ 103,823
U. of Havana	May 29	681	£ 77,191	— 636	48	3,381,946	+ 524,997
W. of Havana	May 29	155	£ 16,523	+ 2,143	48	535,861	+ 103,436
Uruguayan.							
Cent. Uruguay	May 22	273	£ 26,098	+ 2,959	47	1,085,831	+ 54,977
" (E. Ext.)	May 22	311	£ 6,853	+ 722	47	298,197	+ 34,754
" (N. Ext.)	May 22	185	£ 4,233	— 311	47	180,096	— 479
" (W.Ext.)	May 22	211	£ 2,837	+ 179	47	133,538	+ 9,074
Mid. Uruguay	Apr.	319	£ 19,149	+ 1,112	10m	199,229	+ 23,539
N.W. Uruguay	Apr.	113	$ 5,315	— 628	10m	67,351	+ 3,493
Urug. Northn.	Apr.	73	£ 1,957	+ 73	10m	24,277	+ 3,421
Miscellaneous							
Alcoy & Gandia	May 22	33	Ps. 12,000	+ 1,500	20	241,900	+ 36,000
Bilbao	Apr.	15	£ 4,702	+ 3,285	4m	15,720	+ 6,400
Bolivar	Apr.	136	£ 9,687	— 3,350	10m	97,894	— 3,603
Colomb. Natnl.	Apr.	86	£ 18,880	+ 5,720	4m	66,276	+ 22,336
Costa Rica ...	Mar.	189	£ 27,511	+ 3,369	9m	231,387	+ 30,515
Dorada Ext....	Apr.	70	£ 18,000	+ 8,000	4m	53,500	+ 23,200
Egyptian Delta	May 10	559½	£ 12,296	+ 10,671	6	43,011	+ 45,388
Gt. S. of Spain	May 22	104	Ps. 103,751	+ 28,978	21	1,765,678	— 795,598
La Guaira & Ca.	Apr.	22¾	£ 15,000	+ 7,740	4m	58,200	+ 25,220
Ottoman Ry...	May 15	379	£ 6,958	— —	—	—	— —
Paraguay Cent.	May 24	255	£ 4,680	— 150	47	226,330	+ 30,320
Puerto Cabello	Apr.	34	$ 5,500	+ 800	6m	23,000	+ 3,375
Salvador	May 29	100	$ 5,150	+ 2,681	48	218,226	+ 89,636
Santa Fe Prov. French Rys.	Apr.	1,181	£ 179,872	+ 22,507	4m	647,152	+ 1,721
S'm'na&S'ti'go	Apr.	80	£ 16,753	+ 7,416	4m	153,643	+ 21,851
Zafra & Huelva	Apr.	112	£ 10,598	— 193	4m	51,192	+ 10,367
TRAMS.							
Anglo-Argent.	May 27	400	£ 78,054	+ 12,268	21	1,572,382	+ 341,342
Auckland Elec	June 30	27	—	—	52	292,502	— 2,083
Bombay Elec.	Feb.	39	R. 7,39,858	+ 1,15,980	2m	15,19,732	+ 2,81,809
Brazilian Trac.	Mar.	378½	M 9,900,000	+ 570,000	3m	28,938,000	+ 3,112,000
Brisbane Elec.	Apr.	40½	£ 44,890	+ 6,115	4m	176,750	+ 25,640
Brit. Columbia	Mar.	334	$ 761,182	+ 112,062	9m	6,657,837	+ 1,167,718
B. A. Lacroze	Apr	51	£ 53,429	+ 9,822	10m	507,118	+ 72,930
Calcutta	May 29	35½	R 89,181	+ 5,964	22	19,03,026	+ 1,44,799
Cape Electric	Feb.	42½	£ 26,789	+ 334	8m	214,950	+ 25,970
Carth. & Herr.	May	9	£ 5,313	+ 2,087	5m	23,044	+ 9,578
Chatham & Dist	May 20	15	£ 1,707	+ 60	20	30,597	+ 3,604
Havana Elect.	Feb.	86	$ 864,439	+ 161,283	2m	1,747,557	+ 318,043
Isle of Thanet	May 26	20½	£ 1,688	+ 775	35	22,721	+ 8,348
Kalgoorlie ...	Feb.	20½	£ 2,677	— 1,163	2m	5,250	— 2,162
Lanarkshire ...	May 20	28½	£ 4,470	+ 425	20	81,262	+ 17,546
Lima Light ...	Feb.	85	£ 66,050	+ 9,940	2m	114,635	+ 23,180
London O.C. ...	June 2	141½	£ 84,736	+ 278	8	758,862	+ 38,603
Madras (2wks.)	May 31	15½	R. 49,601	+ 3,726	20	485,627	+ 121,559
Manila Electric	Feb.	55	$ 278,243	+ 66,567	2m	556,581	+ 113,319
Pernambuco...	May 30	69	£ 6,661	+ 1,056	22	163,745	+ 45,552
Provincial ...	May 22	21½	£ 3,518	— 49	34	107,825	+ 13,921
Rangoon Elec.	Apr.	25	£ 7,857	+ 1,640	4m	31,689	+ 6,427
Shanghai Elec.	Apr.	26½	M $142,000	+ 17,000	4m	557,394	+ 80,394
SingaporeElec.	May 1	26½	$ 22,943	+ 8,169	18	398,074	+ 115,758
Uruguay Montevid.	Apr	90½	£ 42,174	+ 5,160	6m	264,898	+ 36,893

The Statist.

LONDON, SATURDAY, JUNE 5, 1920.

IRELAND.

The Irish people are adopting an attitude in their quarrel with the Government which is more promising than anything we remember to have been done by them in the past. Hitherto, it is never to be forgotten that when Ireland was conquered in the Tudor and Stuart times she was divided into a large number of clans, each one of which regarded itself as an independent State, and very often looked upon its immediate neighbours as its enemies. It was not difficult, then, for a country like England, which was more advanced and thoroughly united, to conquer. It took a very long time, it is true—practically two centuries. But however slowly it was effected, it was carried out thoroughly; and the method by which it was carried out created so much hostility between clan and clan that until recently there has been no thorough feeling of complete nationality between the members of the Catholic population. Now we see a very remarkable change. Putting aside the manner in which the Catholic party is acting together, we would especially call attention to the adoption for the first time by the Irish working classes of the policy which the British trades unionists have shown to be so exceedingly effectual in their quarrels both with their employers and with the State. It is quite true that the English trades unionists have decided to discuss amongst themselves clearly and fully whether they will throw in their lot with the Irish trades unionists, or not. We shall not be so very foolish as to predict, or affect to predict, what the English trades unionists will do. But everybody who thinks over the matter will see that there are, at all events, strong reasons why the English trades unionists should form a great trades unionist association, including the whole working population of the United Kingdom; and, therefore, lay the undoubted foundation for acquiring for themselves the chief position in the future government of the Empire. The advantage to the Irish Nationalists is so clear that we do not think it necessary to dwell upon it. It may be more desirable to point out that the English trades unionists, if they desire to acquire the real government of the Empire, have inducements equally strong. In the first place, if the whole educated working class act as one body it is hardly necessary to remind readers—even such of them as are most strongly opposed to trades unionism—that an alliance which would bring Englishmen, Scotchmen and Irishmen all into one federated body would be practically irresistible. There would, of course, be a fight at first, for the employers are not likely to yield without testing the real strength of their opponents. But if six or seven millions of people are all united in one great body, governed by representative assemblies, it is quite clear that the trades unionists will become before long the real Government of not merely the United Kingdom, but of the whole British Empire. The application, then, made by the Irish Nationalists to the English trades unionists furnishes not only evidence that the Irish Nationalists have capable men at their head, but that they are continually and profoundly studying the various questions which arise.

If the English trades unionists refuse to support the Irish trades unionists, the quarrel in Ireland will be confined to the Government of the British Empire on the one side, and the mere Catholic party on the other. If, on the contrary, the whole body of the organised trades unionists join together to establish a system of government which, while allowing each country to manage its own domestic affairs in its own way, will yet allow the whole of the United Kingdom a full voice in determining the common policy of the Empire, the threat of a withdrawal from the Empire will be got rid of, assuming that the English trades unionists agree to support the Irish. And all fear of civil war in Ireland will be dispelled, for we take for granted that no man in any of the three kingdoms seriously believes that the Government will engage in a war against the whole body of educated workers in the entire United Kingdom. The Irish party will win. The English party also will equally win, for they will grant that system of Home Rule which they tell us continually they approve of; but at the same time they will cause all claims for a break-up of the United Kingdom to be dropped once for all. We take it, then, that the leaders of the Irish Nationalists are able men; that they have honestly tried to put themselves in the position of the English trades unionists; that they have recognised that Englishmen cannot be expected to agree to the withdrawal of Ireland from the United Kingdom; and, consequently, that there is a yielding on both sides. Ireland confines her demand to what English trades unionist opinion agrees to be reasonable, and English trades unionist opinion promises to support Ireland in making a claim which it considers reasonable and just. It is quite true, of course, that the English trades unionists have not given any promise to support the Irish claim. But, on the other hand, they have not refused to do so. If we understand their position, the leaders of the English trades unions are agreed that Ireland is right in demanding such a change in its Government as will give to the great majority of the people the real power to choose the policy of the island. But they want to be quite sure that the extreme party amongst the Nationalists, for the sake of securing such an alliance as would give reasonable assurance of victory, are willing to drop extravagant demands and to rest content with a real system of Home Rule; something, for example, similar to the power which each State in the American Union has of determining all its purely local questions. Every State in the American Republic is itself a sovereign commonwealth. It has entered into a union with the other States. And the great Civil War between North and South decided that that Union is a permanent Union which must not be broken. Consequently, each State, while it is supreme in every local question, yet yields on the great questions which affect all the States, such as foreign policy; and, therefore, while each State is master in everything local, each State has only a voice in the great universal questions.

We take it that the decision of the trades unionists in this country is, that if the Irish Nationalists are willing to drop the demand for setting up an actual Irish Republic, the English trades unionists are willing to give their support to them in acquiring a real system of Home Rule. And as there is not known to be any large body of English trades unionists who are opposed to giving local Home Rule to each State within the United Kingdom, it seems reasonable to anticipate that the final decision will be, "Give us such assurance as will satisfy us that there will be no attempt at revolution, and we pledge ourselves to support you in all such reasonable demands as the establishment of a Government that will be supreme in purely local matters, and will not tend to break up the Union." We do not doubt that this view of the matter will have a powerful influence upon the general opinion throughout England, Scotland and Wales. Nobody in this country favours a revolution which would end in setting up an independent State at the other side of the Channel, and a State which, for anything we know, might become hostile. On the other hand, the whole tendency of opinion during the past generation has been towards giving to the great body of the people complete control over the questions which affect the local affairs of each separate part of the United Kingdom. It is nothing to Englishmen,

for example, whether Scotchmen decide questions which do not affect English life or conduct. Similarly, neither Englishmen nor Scotchmen have any reason to object if Welshmen have in their own hands the control of their own purely local affairs. And what is true of the other parts of the United Kingdom is equally true of Ireland, always assuming that the Irish Catholic party will be content with a real system of Home Rule. The feeling between Ireland and England is so bad that probably large numbers of Englishmen and Scotchmen fear that if Home Rule were established a demand for total separation would soon arise. Personally, we see not the slightest reason for anticipating such a result. Every reader whose memory goes back to the year or two before the actual outbreak of the War will remember, firstly, that the Irish Nationalists were warm and steady supporters of the Government of Mr. Asquith; and, secondly, that when the War broke out Mr. Redmond and Mr. Dillon offered to raise a large army to fight for England if they were properly supported by the Government. Unfortunately the Belfast men got up a movement to buy arms abroad, to import them, and so to resist the Government if the Government attempted to enforce the Irish Bill passed by Mr. Asquith. We had, then, only six years ago clear proof given to us that the vast majority of the Irish Catholics would not only have been content with the Bill which Mr. Asquith passed, but were prepared to form a great Irish army in support of English policy in the War. The result was defeated simply by the refusal, firstly, to appoint Roman Catholic gentlemen officers in the proposed army; and, secondly, by allowing what really amounted to a movement for getting up insurrection in Ulster. Those who would judge of the present condition of affairs in Ireland ought clearly to bear in mind what was the case only six short years ago, and, therefore, ought to judge the policy now proposed in accordance with facts which cannot be denied.

JAPAN.

Our readers must have been somewhat surprised by the rather alarmist telegrams received for some time past from Japan. Japan has managed her affairs, since an American squadron compelled her to open her ports to foreigners, so admirably that Europe has got into the habit of anticipating that every trouble which might arise in Japan would be settled in a statesmanlike manner. Yet of late there have been many telegrams which not only stated that there was great dissatisfaction amongst large portions of the people, but that even serious troubles might arise because of that great dissatisfaction. We have refrained from commenting upon these telegrams, firstly, because the information received was not such as would enable us to speak with the confidence that we thought desirable, and, secondly, because we have been expecting week after week to receive information which would enable us to say that the reports from Japan had been grossly exaggerated. We hope to deal with the subject next week or the week after more fully than we can do to-day. We content ourselves at present with saying that we have no reason to believe that there is any serious danger of such troubles in Japan as might cause a decline in the prices of Japanese stock exchange securities. The Japanese are a very sedate people. They have, of course, strong views respecting the policies which ought to be carried out; and, when it is necessary, they act decisively, and they act promptly. But there will, even amongst the most sedate people, arise from time to time strong differences of opinion, which it is easy for those who love to create alarm to represent as much more serious than they really are. If our information is correct, the real foundation for all the rumours that have been afloat is that there has been rather unwise speculation in the country.

It will be recollected that Japan, though she thought it incumbent upon her to show her readiness to support her English ally, yet was not called upon to take such a prominent part in the late War as would have led to borrowing by the State upon a great scale, and, therefore, would have disturbed Japanese finance. But while Japan, like the United States, took only a comparatively restricted part in the War, it threw itself into commercial operations of all kinds intended to greatly increase the wealth of the country. That there were mistakes made is highly probable. We should like to know what State ever engages in great operations to increase its wealth and yet makes no mistakes. We are quite prepared, therefore, to be told by well-informed persons that mistakes were made, and that money sometimes was very unwisely laid out. All the same, we are convinced that the Japanese were guided by a right principle. They wished to develop their own resources. They have, during the past half-century and more, added very largely to the area of the Japanese Empire. While doing so they have not been able to extend trade as largely as was desirable. But when the great nations of Europe and America were engaged in a most formidable war the Japanese saw the opportunity offered them to develop their resources of every kind. They had carried their measures for winning over to them the new territories which they have annexed. And they have, therefore, spent large sums in developing their trade in very many directions A policy of that kind carried on for a considerable number of years means usually, in Europe and America, as well as in Japan, the investment of sums rather larger than the country can always conveniently spare. Therefore, it is a matter of course that while the policy pursued by Japan promises in the long run to develop trade and to strengthen the Empire, yet immediately more money has been sunk than the country was quite rich enough to spare recently. What we see going on, therefore, to a very large extent, at all events, is that in their desire to develop resources greater haste has been exhibited than was altogether advisable. Therefore, money has grown scarcer, rates have risen, and, in short, there is a certain stringency which it will take some time to outgrow. In the long run, if the recent policy was as well thought out as we believe it to have been, the investments will prove to be good and trade will really grow. But there must be a short period during which the feeling that too much money has been spent causes inconvenience. Rates are run up; bankers are not as ready to lend as they were some time ago; and so on. Consequently, large numbers of business people are more or less inconvenienced. But if our view of the matter proves correct all this will pass away. There has been over-investment for the time being. It will take some time for the favourable results to show themselves; and, therefore, Japan is passing through a period when there are many complaints, and rumours of all sorts are set afloat, painting the position as much more serious than it really is.

ENGLISH TRADES UNIONISM.

As we have said elsewhere, we do not pretend to know what will be the decision of the English trades unionists in regard to the proposal that they should earnestly support the demands of the Irish trades unionists. But it appears to us absolutely certain that it is the duty of the English trades unionists to give their full and earnest support to their Irish fellow-countrymen; and, therefore, to put a stop once for all to the misgovernment which has kept Ireland in a state of misery which is a disgrace to the Empire. We desire, therefore, to state quite frankly why we hold the opinion, and why we recommend our trades unionist readers

to give their earnest support to the Irishmen. The first reason we shall assign is that a war in Europe even more destructive than the great War we have lately come through is as certain as anything can be considered certain before it has happened. Germany, when she was crushed by the great Napoleon, adopted universal liability to military service. She set to work to carry that plan into effect. And when Napoleon threw away his fortune by the folly which led him to frighten Russia before occupying Moscow, proof was given that Prussia had been enormously strengthened by her new military organisation; and that, in fact, universal liability to military service worked most effectually. The Prussians were wise enough—though it is the fashion of a certain class of writers who pretend to be Democrats to make light of the Prussian policy between Waterloo and 1870—to set themselves to work so as to be ready when the opportunity offered to gain the first military place in Europe. In 1870 they succeeded—or rather from 1864 to 1870 they succeeded—in proving that they had the greatest military force then in Europe. In 1914 the German Government differed greatly from the Government which gained the great victory of the sixties and the seventies of last century, and, therefore, shipwrecked Germany. But it is as certain as anything can be that Germany will make an earnest attempt to recover her great position as soon as circumstances seem to tell her that the opportunity has arisen. Therefore, we conclude, as we presume all really thinking men who study the affairs of Europe also conclude that there will be another war with Germany as soon as Germany is convinced that the opportunity for a successful war has come. Therefore, it is the clear duty of the English trades unionists to make the very most of the present opportunity for carrying out great reforms; and, as the first step to it, it is their duty to become the most powerful party in Parliament.

Now it is a considerable time since the trades unionists told the world that their actually enrolled numbers exceeded five millions. Everybody knows that they have been exerting themselves to increase their numbers actively, and that they have largely succeeded. We do not pretend to know what the exact numbers are now. But if the present English and Scotch trades unionists are supported by the Irish, their ability to increase enormously the representation of the trades unionists in the House of Commons will be greatly increased; and, therefore, we may reasonably expect that with judgment, skill, and resolution they will be able during the coming generation to carry out most valuable reforms. Perhaps the most urgent of the reforms are, firstly, the supplying of the working classes generally, whether trades unionists or not, with wholesome houses. That would go far to immensely improve the health of the community. It would be an immeasurable blessing for all classes as well as for the trades unionists. Another urgent improvement is that real care should be taken to put a stop to the unnecessary and immense loss of young children in their early years. A third great and necessary reform is the sweeping away of the whole workhouse system. But it is unnecessary to go on. Every reader knows the great reforms that have been urgently pressed upon us by all thoughtful students of such cases; and if we really unite heartily the whole trades-union class in the three kingdoms we can carry all these reforms easily, and we can make this country an example of what can be done by a really democratic Government. It would be mere waste of time to go into details regarding these several points. What we want to show to all thoughtful men who think more of the interests of the whole people than that of any class is that trades unionists can if they organise the whole trades-union strength in the three kingdoms make themselves the strongest party in the House of Commons, and, therefore, can carry all the really urgent reforms that are constantly suggested, but never seriously attempted. It is not the interest of the idle rich to carry those reforms. In the first place, to speak quite fairly respecting them, they have not brains enough to carry such reforms, even if they wished to. And, in the second place, a large portion of them are so besottedly ignorant that they think that it serves their own interests to keep the majority down, and to retain themselves the great and mischievous power that they possess. We earnestly hope, therefore, that the English trades unionists will ally themselves with the Irish trades unionists. They will show thereby to the whole world what real Democracy can do when it is both intelligent and honest; and, in the second place, they will so strengthen this country that, however we may be disliked in the future, we can thoroughly depend upon sufficient support to beat back any attack that may be made upon us.

RUSSIA.

THERE is, of course, strong opposition being offered to the admission of Russia to trade on reasonable conditions. We are quite incapable of understanding how men who believe themselves to have an honest desire to increase the wealth of the country, and to pay for its trade, can take up such an attitude. They know just as little about Russia as does the present writer, or as you do, gentle reader. The information that reaches us from Russia is such that no man can be sure that he understands the real condition of the country. Most of us, therefore, are unwilling to form any opinion. We know that we are ignorant of the really important facts. And we do not wish to mislead anybody by affecting to know what we are really ignorant of. Speaking, then, for ourselves—and we think that we might even venture upon speaking for many others; but we content ourselves with speaking for ourselves—honestly, we admit we do not understand the present condition of Russia. We are not able to form a reliable opinion of how the troubles in Russia will end. And, therefore, we would advise our readers not to commit themselves too deeply on one side or another. The civil war that is going on in Russia must end sooner or later. Probably, when it does end, some kind of reasonable Government will after a while come to the top. Russia is an immense country, and though the Russian people are very ignorant and very backward, Russia, nevertheless, has made considerable progress; and when the war is over, if a mischievous Government does not come to the top the people will try to trade as largely as they can, and it is to be hoped that gradually the worst evils of the present condition will pass away and some kind of Government not entirely impossible will be formed. Of course, a military man may come to the front, and may lead Russia into all kinds of wild adventures. Of course, also, the public may tire of civil war—may, like the German soldiers in November of 1918, throw away their arms and refuse to fight any longer; or somebody may win a great victory and quiet may follow. It is all a mere guess on the part of anybody who in Western Europe affects to speak for Russia. We do not understand Russia. We do not really know the opinion of the Russian people. We have no means of judging what is likely to happen. But, at all events, there are two things which are absolutely clear and absolutely certain. One of them is that the people will be wise not to engage in war with Russia if they can avoid it. And the other is that we need in this country to extend our trade in every way that we can. If the Russian people are tired of slaughtering one another, and wish, in consequence, to re-begin business with ourselves, and, therefore, are ready to make arrangements which will enable us to get food from Russia and, on the other hand, to sell some of our productions to Russia, we shall benefit ourselves and all classes at home, and at the same time we shall benefit Russia. If we can induce a large number of Russians to throw away their arms and to increase their production, it is perfectly

clear that we shall be conferring a great benefit on those Russians. If, on the other hand, the Russians are willing to sell wheat to us on terms cheaper than we can buy it elsewhere, they will confer a very great service upon us, and, therefore, it is clearly our duty to do what we can to recommence trade with Russia.

We are not in favour of wars of conquest. We do not believe that a war of conquest is a desirable thing. On the contrary, we regard it as an abominable thing. But we believe that trade is always a good thing. We do not mean to say that everybody in every country throughout the world carries on trade in an absolutely impeccable manner. But trade, even if many faults may be found with it, at least does not take life, and does not waste wealth; and, therefore, it is better, at all events, than war, and it is a thousand times better than civil war. We hope, therefore, that public opinion will compel the Government to do what it can to resume trade with Russia. We are not enthusiastic admirers of those who would keep Russia in its present condition. But if they will give less attention to fighting and more attention to trading they will do good to their own countries, and they will do good to us if they enable us to carry on trade. The one thing that is perfectly clear is that we need to increase our trade as much as we possibly can. We have heaped up a debt which is crushing us. We have a Government which refuses to make any real arrangement for paying off that debt. We presume that no reader of THE STATIST believes that the mad policy recommended by the Chancellor of the Exchequer will be carried out. In fact, we take for granted that everything the present Government does is not properly thought out, and is exceedingly likely to end in failure. Yet it is of the first importance that we should increase our trade in every possible way. We have prices at present exorbitantly, extravagantly high. They cannot be maintained. They must by-and-by come down. When they come down there will be a shout from the employers of labour that wages must be reduced. And when that comes about, when those who have paid dearly for goods cannot sell at a profit—cannot sell, in fact, without heavy loss—when employers are insisting that wages must be reduced, and when labour is proclaiming that it will not agree to a reduction of wages, then we shall find ourselves in a most serious condition. At present there is no party, only the idle rich, to form a Government, and they are as incapable of forming an intelligent Government as they are of flying to the moon; therefore, we are overloaded with an utterly incapable Government. We have before us as clearly as the coming night, that by-and-by we shall have a fierce war between employers and employed. And we shall have, in addition, the whole of Europe crying out that nothing has been done to bring peace soon around, and that while new nations have been started in extraordinary numbers, nobody knows how they are to live, or how they are to avoid wars with one another. The outlook is as unsatisfactory as it well can be, and we have the most incapable Government that can be conceived to deal with it.

THE NEW RHEIMS.

(FROM OUR SPECIAL COMMISSIONER.)

Rheims: June 2, 1920.

THE new city which is to rise from the ashes of the old is intended to embody the best modern practice in town-planning, and in many respects, when completed, it will show an improvement on the narrow streets, the crowded houses and the decaying buildings that provided an undesirable, if somewhat picturesque, element in pre-War days. It will be impossible, however, to replace the many art treasures that have been destroyed, or damaged beyond repair, while the Cathedral, the Hôtel de Ville, and other notable buildings that constituted so many landmarks in the history of architectural development in France, cannot, even if well restored, be more than a shadow of their former selves. While deploring these and other losses, for which the artistic world is the poorer, it is but right to extract such meagre profit as the catastrophe offers and to avoid in reconstruction the mistakes that inevitably attended the centuried growth of the old town, which dated from the time of the Romans.

By law every French town and village in the devastated area is compelled to prepare a plan for rebuilding, showing the proposed lay-out of the streets and the general disposition of the various quarters. This plan, after receiving the approval of the local Conseil, must run the gauntlet of a Departmental Commission on town-planning, of another and higher Commission, and finally of the Council of State. Already before the War was ended projects for the rebuilding of Rheims were being discussed. When it became possible to return to the city after the Armistice the matter was put in train, and almost exactly twelve months ago a plan was adopted by the Conseil Municipal. After its partial rejection by the Departmental Commission, the Conseil called in the assistance of the "Renaissance des Cités." This Society, which affords expert advice on technical and other aspects of reconstruction to communities and to individuals in the ruined area, put one of its collaborators, Mr. Geo. B. Ford, an American architect, at the disposal of the Rheims Conseil. A new plan was drawn up which has received the approval of practically all the necessary bodies. It is the first of its kind to be approved in France, and other cities and towns will doubtless follow, as far as possible, the Rheims precedent in their rebuilding operations.

The new boulevards, roads, parks and public gardens that the plan involves will necessitate the expropriation of a vast amount of real estate, and the value of the expropriations may be estimated at about 250 million francs, or £9,900,000. To carry out such improvements unaided would be impossible for a city whose population has dropped from 118,000 to 60,000, and whose present inhabitants include a floating population of about 25,000 manual workers. The taxable capacity of all the citizens, and especially of the working class, is low. The two chief sources of municipal revenue in France are additions to State taxes, within certain limits laid down by law, and duties on certain articles of consumption entering the town by rail or road, or originating within the town. The State taxes, which are direct in their incidence, are principally four. They are levied on persons in the shape of a poll tax, on landed and personal property, on doors and windows, and on trades and professions. From all these categories revenue will be insignificant in Rheims for a long time to come. The octroi is, however, the most important item in the revenue of all French towns, but as these duties are levied on consumable articles, and consumption in Rheims has fallen off fully 75% owing to the poverty and the reduced numbers of its present population, there is little hope of relief from this source. In fact the revenue will this year be unable to meet the ordinary expenses of the town, and a free gift of four million francs, out of six millions applied for, has been granted by the State for the purpose of balancing the municipal budget. Unless the State also consents to defray practically all the expenses involved by the new plan its execution will be impossible. There is reason to believe that this burden, as forming part of the outlay eventually recoverable to some extent from Germany, will be shouldered by the State, and the decision to do so is entirely praiseworthy.

We are still, however, a long way off even from the inception of Mr. Ford's plan. The *débris* of the ruined city has to be removed, involving not only the displacement of about 30 million cubic feet of rubbish, but the finding of convenient dumping-grounds which must not interfere with the future amenities of the

city. A marsh adjacent to the river Vesle, which flows alongside the town, affords a solution of the latter problem, and the city has been let out in sections to five contractors, who have each undertaken to clear a single section. The expense, which is estimated at 1¾ million pounds, must also be defrayed from the State Treasury, as must the cost of a system of drainage and sanitation which will come to about £4,800,000. Thus, apart from the re-erection of destroyed dwellings, factories, and public buildings, the expense which is to be regarded as in the nature of preliminary outlay in Rheims will, if present plans are carried through, amount to the huge sum of 16½ million pounds.

Various estimates have been made of the value of the buildings totally or partially destroyed in Rheims as a result of the War. Two sets of values must be distinguished, the 1914 and the replacement value, and a generally accepted calculation places the two at 1 milliard and 4 milliards of francs, or £39,600,000 and £158,400,000. The latter figure, combined with the 16½ millions above mentioned, reveals the enormous dimensions of the task confronting the French Government in an area of desolation that once comprised 3,500 towns and villages. It helps to show the impossibility of even partially accomplishing the task without enforcing Treaty terms to the letter, securing priority for French claims on the indemnity, and providing immediate aid on reasonable terms in the shape of materials for reconstruction.

Those who were driven from their homes by the stress of war are not, it will readily be understood, easily deterred from returning. Rheims itself shows many buildings inhabited which would in ordinary circumstances be spurned by a tramp. Yet nearly one million of the former inhabitants of the destroyed region are unable to come back because of the absence of even a makeshift shelter. Until these people are assisted to return to Rheims and elsewhere the work of reconstruction must hang fire and little real progress can be made.

The new Rheims has been planned on an ampler scale than the old, the architect having in view the possible expansion of the population of the city to over 200,000 souls. It is obviously impossible to tell, at the present juncture, whether such anticipations will be realised. Early in the present century the city, which had once been the centre of the French woollen trade, was gradually yielding ground to the more favourably situated industrial towns of Northern France, but in the year immediately prior to the War, by the introduction of modern machinery and labour-saving devices, the decline had been stayed. Moreover, the engineering trades of the city were increasing in importance, and the value of the champagne-making industry annually showed a steady appreciation, despite the contraction in the vintage. To these facts must be added the undoubtedly favourable position of Rheims as a centre of communication. It is the meeting-place of five lines of railway, from Paris, Châlons, Epernay, Laon, and the Ardennes, and is also served by a number of canals. With the added wealth of Alsace-Lorraine and the promised renaissance of the French iron and steel industries, the commercial prosperity of the new city would seem to be assured, and its ancient glories, on the commercial side at least, should be revived in equal, if not greater, splendour.

THE CHAMPAGNE INDUSTRY.

[From Our Special Commissioner.]

Epernay: June 3, 1920.

Until 1908 it had been a matter of doubt, and often of dispute, as to what French wines were entitled to the trade description of "champagne," and to set controversy at rest an official decree was published in the end of that year laying down the exact limits of the true Champagne area. Practically all the Department of the Marne, comprising the arrondissements of Rheims, Epernay, and Châlons, and a few communes of the arrondissement of Vitry-le-François, were included in the favoured area, together with Chateau-Thierry in the Department of Aisne. The legal delimitation coincided roughly with that already recognised in practice by trade circles, and thus the continuity of stocks, brands, and statistics was not materially impaired.

The champagne-producing district is of surprisingly small extent, embracing on the average 37,000 acres of vines, as compared with a total of 3,700,000 acres for the whole of France. Further, the grapes grown in the "région délimitée" are not all suitable for the making of champagne, though the exceptions are not of very great importance. The Department of the Marne and Chateau-Thierry, though limited in extent, afford to the traveller a very pleasant landscape of vine-clad hills and picturesque valleys. The district is marked by two chief physical features, the Mountain of Rheims and the river Marne, with one or other of which the principal vineyards are associated. The "Grandes Maisons," or houses with a world-wide reputation for the excellence of their champagnes, are grouped principally at Rheims and Epernay, the intervening town of Ay, and also at Châlons, which are each the centre of some of the best "crûs," or growths, of grapes. The vineyards are owned and cultivated by small farmers, though some of the leading champagne makers are also interested in grape-growing. In general the soil of the region is poor and calcareous, and as the Department of the Marne is itself situated towards the northern limit of the vine-growing belt, successful cultivation is rendered doubly difficult. These handicaps are, perhaps, in part responsible for the fine body and fine bouquet of the wine produced there, as compared with the rather coarser wines of the more southerly districts, where the grape flourishes with ease. The Champenois, as the native of the Champagne district is called, has to contend in particular, on account of his northerly situation, against late frosts in May and early frosts in September, and in addition to climatic disadvantages, which cannot very well be altered, attacks of numerous plant parasites have to be guarded against.

Unremitting care is necessary for the proper cultivation of the vine, and thus peasant proprietors with a small area of vines to look after have hitherto met with most success. With the aid of their families they toil at all seasons early and late in the vineyards. The returns are variable, and a sharp frost may, in the course of a single night, rob the "vigneron" of all the fruits of his labour. As the Champagne area was for long the scene of war operations, the close attention necessary could not be given to the vines, and thus the district sustained a heavy set-back. At the end of 1919 it was estimated that for every hundred acres of vines in existence before the War nine had been destroyed by military operations, 29 had been ruined by phylloxera and other parasites, or by lack of cultivation, and 13 were in a more or less doubtful condition, leaving 49 acres in good shape. The work of restoration effected during the present year has not materially changed these figures. The new British duties will thus hit a district which has already lost over 50% of its productive capacity on account of the War, and which, moreover, contains many martyred towns, such as Rheims, whose chance of resuscitation depends largely on the champagne trade. In addition to the damage above recited, the homes of many of the vine-growers have been wrecked, their plant and transport facilities destroyed, and their supplies of labour seriously curtailed. The resources at their command to grapple with the problem of reconstruction are, therefore, seriously diminished, and a crowning blow to the prospects of their recovery would be delivered by any marked curtailment in the demand from the English market.

The vines lost in the Champagne district directly from war causes, such as bombardment, trampling by troops, digging of trenches, and gas attacks, amount only to one-third of the losses caused by disease and unavoidable neglect. The proportion is rather astonishing and serves to indicate the extent to which the Champagne area is liable to decimation from insect and other pests. Of the former the chief is the phylloxera, which appeared in the south and east of France before it made its appearance in the Marne. It is suspected to have been brought in the first instance from America, but the suspicion has never heartened into certainty, and, at any rate, questions of origin possess only an academic interest, where the parasite is an ever-present and deadly reality which annually inflicts untold damage on the French wine crop. The animal operates only underground, where it attacks the roots of the vine, and when an incision has been made and an entrance effected, the plant droops and dies. It has been found that if the vine is grafted on to a special American stock the latter defies the attacks of the phylloxera on account of the thicker protective covering around its roots. The French vines which succumb annually to the pest are, therefore, replaced by slips grafted on an American plant. Five or six varieties of these plants, which are hybrids of complicated descent, are used in Champagne. It may be taken for granted that they will, as far as possible, be used in restocking the destroyed area, and thus one of the many hazards attendant on vine-growing will be substantially lessened. The good results should eventually be manifest in a higher average annual output of champagne wines, as one of the principal causes of the violent fluctuations in the past will tend to disappear. In 1908, 1909, and 1910 the output was 127,281, 268,200, and 9,836 hectolitres respectively, and such wide variations were very prejudicial to the trade.

Unfortunately, no immediate relief can be expected, as the newly planted area will not reach the bearing stage for a considerable period. In the ordinary course the vine does not begin to bear until three years after planting, and a full growth of good-quality grapes is not attained for a few more years. Granted good weather and other favourable conditions, such as the Champagne district has enjoyed so far in the current season, the annual vintage may not fall considerably below pre-War level. The production for the last eight years is set out in the following table:—

Vintages in the Champagne District, 1912-1919.

Year	Yield in Hectolitres	Year	Yield in Hectolitres
1912	256,765	1916	52,522
1913	109,176	1917	178,203
1914	181,784	1918	114,851
1915	266,994	1919	252,606

During the War 1915 showed up well in quantity and exceptionally well in quality. Last year the quantity of wine yielded by an area equal to one-half the pre-War figure was well above the pre-War average as circumstances were unusually favourable. This year May has passed without any of its killing frosts, and the vineyards give every promise of a bountiful crop. A saying current amongst the vine-growers, that the harvest is never safe till placed in the cellars, shows, however, that many risks have yet to be run before the grapes are gathered in towards the end of September or at the beginning of October. Hail is not uncommon during the summer months, while an excess of moisture readily brings on mildew and brown rust. A too dry season, on the other hand, prevents grapes from filling out properly, and in both quality and quantity the "must," or product of the wine-press, may be inferior. The losses suffered by the peasants in the event of a poor yield are heavy, as vine cultivation is extremely expensive. Before the War it was estimated to cost 3,000 francs per hectare, or £48 per acre. Now the cost varies between £150 and £200 per acre, and the load of anxiety which the vine-grower has to bear is correspondingly increased.

BRAZIL.

A FIFTY MILLION SURPLUS.

As a result of the War what is called the balance of trade—that is to say the excess value of exports over imports—has grown in the United States of Brazil to the colossal figure of over 50 millions sterling. If this were wholly due to the War, and might be expected to come to an end within a relatively short time after the signing of the Armistice, well-wishers of Brazil would congratulate the Union upon having done an exceedingly good stroke of business during the recent War. It would then be impossible to base any sound economic thesis which would give any reasonable hope of ultimate expansion in the near future. Fortunately, however, far from this being an exceptional windfall, there is every reason to believe, if we examine the matter carefully and in detail, that Brazil will not only be able to maintain her position—that is the increased volume her exports attained during the War—but will be able very materially to increase this trade balance as the years pass. We do not mean to say that the immediate result will be an increase in Brazil's exports next year. Until we see the figures we cannot say whether there will, or will not, be. Various causes, as we propose to show shortly, have affected Brazilian trade since the Armistice, as they have affected European trade, and it has to be remembered that even yet we have not really settled down from the effects of the recent European War, either belligerents or neutral countries. It is exceedingly difficult to say what will be the immediate effect of a general settling down even on the part of the belligerent countries, of which the United States of Brazil was one, just as we were, still less what effect it will have upon neutrals; what effect it will have upon countries like the United States, which have benefited enormously as a result of the War; and whether the high rate of exchange prevailing in those countries which have benefited so enormously will not to a very large extent defeat itself, and make exports from those countries more or less impossible for a time, and in its train tend to check the expansion of trade rather than to stimulate it.

Although, therefore, we must not be understood to expect a continuous growth of Brazilian trade without a set-back and without experiencing any difficulties, we do expect a gradual and steady expansion. Far from regarding the enormous growth in Brazil's trade which occurred as a result of the recent War as merely transitory, we think a careful analysis of the facts will show that the War was the occasion for awakening Brazilian traders, Brazilian financiers, and Brazilian business men to the economic potentialities of the various States of the Union and of Brazil taken as a whole rather than as an exceptional feat, due to exceptional causes and the extreme exigency of the needs of Europe.

At the beginning of the War Brazil was in an exceedingly backward state economically. While not wholly, she was to an extraordinary extent dependent for the means of meeting her obligations abroad and for purchasing the bulk of the manufactured goods which her population required to consume on her exports of coffee and rubber. We showed quite recently that even yet the value of these exports constitutes an unduly large proportion of the total foreign commerce of the Republic, whether we measure it in the magnitude of the actual volume of coffee and rubber exported, or whether we regard it from the point of view of the value of those excellent commodities. Nevertheless, a totally new state of things has been brought about as a result of the European War in Brazil's economic condition. A totally different state of things, moreover, which are quite distinct from being exceptional in the sense of being due to extraordinary circumstances, which cannot reasonably be expected to recur, but rather as a basis upon which Brazil should be able, and we have every confidence will be able, to base an enormous trade in the coming decades of the present century.

Brazil, it has to be remembered, constitutes in area very nearly half of the whole continent of South America. And from a relatively temperate climate in the Southern States to the, we will not say torrid, but exceedingly warm, latitudes in the region of the Amazon Basin, she is capable of producing nearly every commodity, whether it be for the feeding of man himself, or the feeding with raw materials of the industry on the manipulation of which he usually occupies his time. We had an article recently showing the potentialities of a fibrous substance grown in enormous quantities in the great North-Eastern States of the Republic, which has been made, and made in large quantities, into bags very much like the jute gunny bags, which are so well known on the quays of nearly every important seaport of the world. Even those of our readers who have never dealt in a bale of goods of any sort in the whole course of their lives are quite familiar with these gunny-bag coverings for the various bales of merchandise. Now, as we showed recently, there is this substitute only awaiting cultivation, machinery, and intelligent treatment, as distinct from the very rough treatment it received during the War. Nor is this all. The particular fibre which we select as an illustration is by no means the only one available for this and various other textile purposes. But it is the best known, grows wild in enormous quantities, and the Brazilian peasants of the Northern States are sufficiently well acquainted with it as to enable almost any of them to be trained to grow it in the course of a season or so.

Emerging from a state in which home manufactures had been very slightly developed, even of the most elementary sort, in which the country was dependent to an exceptional and even dangerous degree upon the export of two single commodities like coffee and raw rubber, Brazil came out of the War not merely with a trade balance of over 50 millions sterling in value, but as the producer of 27 different commodities, all more or less in general, if not in universal, request, and which had been submitted to, and accepted by, the international markets of the world both in the East and in the West. Brazil produced, and still produces, munitions of war. But there was hardly a single article which she shipped either to Europe, or to the East, which is not equally required under peace conditions as it is required in war. Of course, it has to be borne in mind that neither Brazil, nor any other country, can hope to sell in times of peace upon the same extravagant economic basis which they are able to dispose of their surplus commodities in time of war. But the Brazilian trading classes appreciate this as well as any other trading community in the world, and knowing that they have no longer customers purchasing with money borrowed from their respective citizens, the Brazilian cultivator and the Brazilian exporter will realise that from now on he is dealing with people who are only able to pay upon a sound economic basis, as the ultimate consumer is only able to consume upon that sound economic basis upon which he is himself able to earn. One of the reasons for the rapid decline in consumption which we are witnessing amongst the belligerent countries, and particularly here in Europe, is the fact that at last the various Governments are ceasing to borrow, and, consequently, are no longer in a position to expend to the same lavish extent to which they have been accustomed since the signing of the Armistice. As a result, only goods which are offered upon such a basis as our general economic power of earning admits of our purchasing are available for our consumption at all. Consequently, if Brazil is to retain, and particularly to retain through the trying period that may be expected to be before all industrial countries, whether they were belligerents or neutrals in the recent War, she will be well advised to see that production is carried on upon as economic a basis as possible. During the War Brazil developed various industries which, while being exceedingly useful then, were in no sense dependent upon the War. As a matter of fact, there is hardly any product which is useful only for purposes of war, and which has no use in times of peace. Such a commodity, if it existed, would hardly ever be produced in sufficient quantities to be of real use when it is required; and naturally, in addition, the number of people who were capable of producing it would be exceedingly small, because in a period of peace it could only be carried on as an exotic industry, maintained by the Government for some period in which they might go to war. The probability is that if such an article did exist, the method of its manufacture would be completely forgotten. Now, in a sense, the export of manganese ore was developed, and developed to an enormous extent, as a result of the War. But, as a matter of fact, manganese ore is a material exceedingly useful for the strengthening of the resiliency of iron and steel goods. Consequently, it is just as valuable, provided it is produced upon a reasonable economic basis, for the purposes of railway building and in the steelworks of the engineering shops as it is useful for the making of great guns and for the strengthening of fortifications. Consequently, there is no reason that the export of half a million tons of manganese ore which Brazil developed during the course of the recent War should not be maintained and increased.

It was, however, in the production of food and raw materials that Brazil principally increased her productive capacity and displayed her potentialities to the international markets of the world. It will be remembered that, with the exception of a small export of sun-dried beef, known as *zarque*, the Brazilian trader was quite unknown in the international meat market of the world previous to the War. When the general shortage became evident in the winter of 1914, and it became still more evident that that shortage would be increased if the War lasted for any considerable time, a small shipment of a thousand tons of good meat suitable for the freezing-houses was despatched to London. It was not, perhaps, prepared in the same way which London had been accustomed to receive consignments of meat from other sources which had been for a long time engaged in the trade. This was pointed out to the Brazilian exporters, and they made some necessary changes. But on the whole it may be truly said that the Brazilian trial shipment was received with such satisfaction in this country, and received generally such encouragement from importers here, that the Brazilian exporters saw that all they had to do was to comply with certain easily fulfilled conditions, and they could build up a very valuable meat trade between the various States of the Union and the great consuming markets of Europe. The result was, as we have pointed out upon various occasions, that Brazil showed her capacity of exporting, roughly, 60,000 tons of meat per year. For the moment she is not doing quite as much. To some extent consumption has depleted the herds, and for a time the industry may receive a partial check. But it is likely to be only partial. And there is every reason to hope that in the near future not only will Brazil maintain her exports of some 60,000 tons a year, but will very greatly increase them. Brazil has become an exporter of rice, cocoa, sugar, and of beans to an extent to which she was hardly known at all in the international markets previous to the out break of the War. In textiles, Brazil has made headway in the export of cotton, which gives reasonable hope that in the near future she will become an important contributor of this valuable textile, which is at present so much needed by the various consuming markets.

Finally, what use will Brazil make of a steadily growing trade balance in her favour? If she has year by year a steadily growing sum when she has paid for the whole of her imports, paid the whole expenses of her nationals in various parts of the world, still leaving her a handsome balance at her credit available for purchasing foreign goods, re-purchasing

securities which may be held in foreign hands, or to increase her consumption of luxuries, what use will she make of that balance? Now it may be taken as a axiom that a country of the enormous extent and comparatively modest population of Brazil at the present time will not be well advised in increasing her manufacturing industries. The great need of Brazil, and the line on which she could most easily render service both to herself and to the rest of the world, is by developing the enormous and phenomenally rich resources which exist within the confines of the different States of the Union. It is hardly conceivable that Brazil will go in for a period of extravagance and import upon an immense scale articles of luxury which only a relatively small section of her population have been accustomed to consume in the past. Consequently, we have every reason to expect that in the coming years Brazil will have a very large sum of money each year standing to her credit. We would suggest that this money should be employed as far as possible for improving the transportation facilities of the Republic, not necessarily in the construction of railways, for it is very much an arguable proposition whether State enterprise in regard to railways is preferable to private enterprise. With the enormous wealth of Brazil there seems no reason to doubt that plenty of foreigners will be able, and willing, to find the necessary capital for building the railway mileage which the opening up of Brazil urgently needs. But it is an entirely different matter when one comes to the question of the making of great main roads. It would hardly be a practicable question for foreigners to undertake to build great main roads, urgently as they are needed, over the vast areas of the Republic. Then there is the question of better means of communication which might be supplied, provided always that good transportation facilities were already in existence, by increasing the length of telegraph lines over the various districts of the Union.

EPERNAY.

(From Our Special Commissioner.)

Epernay: June 3, 1920.

Epernay, situated on the Marne below Châlons, was occupied by the Germans in 1914, but as the tide of invasion was stemmed and finally repulsed, the town rid itself of the invaders after less than nine days of occupation. In the following years, being at no time far from the fighting front, it was subjected to long-range bombardment, as well as to frequent visits from enemy aircraft. During the German offensive in the summer of 1918 the enemy advanced to within a few miles of its suburbs, but failed to effect an entry. They continued their unwelcome attentions, however, until the Armistice, and when the citizens came to take stock of their losses it was found that out of 3,019 dwelling-houses in existence before the War, 1,841 had been totally or partially destroyed. In addition, eight large commercial establishments and factories had been ruined. The damage to dwelling-houses alone was estimated, on the basis of 1914 values, at 25 million francs, or £990,000. The industrial establishments affected were mainly those of the great firms of champagne makers, and no accurate estimate of their loss has yet been made, though it probably exceeds three-quarters of a million sterling. If we include public buildings and places of worship, the cost of repairing and replacing the damaged property will not be less than eight million pounds, a staggering total for a comparatively small town.

In one respect Epernay has been fortunate. It was not in the centre of operations, as was Rheims, and since it did not constitute a daily target for enemy batteries, the evacuation of the inhabitants was not considered necessary. The pre-War population of 22,000 has accordingly been maintained, and even slightly increased. Its composition has, indeed, been altered, as it includes exiles from other towns which have been more completely gutted, who will possibly return at some future date to their old homes. Approximately one-half of the arrondissement of which Epernay is the centre was laid waste, and the arrondissements of Vitry-le-François and Sainte-Ménéhould in its neighbourhood suffered to the same extent. The scars of battle are everywhere visible, and above the Marne, on the rising ground which sweeps away to the north-east towards the Chemin-des-Dames and to the north-west towards Jonchery-sur-Suippes the whole countryside bears marks of destruction. Nothing remains of once flourishing forests save a few blasted tree trunks whose blackened and naked branches symbolise the desolation that meets the eye for miles on all sides.

"Commissions cantonales," or informal judicial bodies, are at present busy all over the district hearing claims for war losses lodged by the inhabitants of the twelve departments that are legally included in the term "la zone dévastée." The declaration of loss, as submitted by the person concerned, or as modified by the Commission, is passed on to a specially constituted tribunal for assessing damages arising out of the War. Owing to the difficulty of obtaining a sufficient number of skilled valuers great delay has arisen in the submission and consideration of claims, and the latest date on which applications for compensation can be entertained has been postponed to October 1921. Consequently, an exact estimate of the total damage inflicted on France by the War will be impossible until the end of next year when all claims have been made and adjudicated on.

It does not follow that where due expedition has been observed and claims have been lodged and passed, the claimant receives immediate payment in full. In Epernay, for example, the damage done to the property of the Conseil Municipal amounts to an agreed figure of £238,000, but only £4,000 have been paid. The inhabitants of the town have also received only meagre sums, and complaints of similar treatment are common all over the country. In the circumstances dwelling-houses, business premises, and factories cannot be rebuilt, and a resumption of normal economic activity is checked. The Government is doing its best to relieve the situation with the resources at its disposal, but these resources are miserably inadequate to meet the vast requirements of several millions of people, the fabric of whose social and economic life was overwhelmed by the War. The laborious work of many generations was brought crumbling about their ears, and the material losses alone will take long and painful effort to repair.

A scarcity of workmen in skilled trades has been noticeable for some time past in the devastated area. Unskilled workers are becoming more plentiful, and in certain districts supply outruns demand. Arrangements for shifting any surplusage of men to regions where they will find employment have now been completed. Masons, bricklayers, carpenters, joiners, and cabinet-makers are still very scarce at Epernay, as elsewhere, and thus practically all the work done up to the present consists of repairs. Over 850 houses have been made habitable, but reconstruction proper has not yet started, and a supply of materials as well as of men must be assured before it can commence.

In the battlefields to the north of Epernay, which were the scene of repeated conflicts, the ground has not been wholly cleared of corpses, and in the Marfaux district between the Bois de Courton and the Bois du Petit Champ, along the Ardre valley, isolated detachments of men may be seen at their gruesome work. Exhumation and reburial are going on all over the country. Such details, at a time when the War has become a memory to many people in England, show that daily contact with its horrors in their most repellent form is still a commonplace in numerous districts, especially in remote rural areas in Northern France. To work amid such surroundings is almost impossible, even for the most hardened, and the rest-

less and unsettled condition of many people in the Marne and other departments is without doubt the offspring of feelings that can now find free expression, in the absence of the restraints of military discipline. The unrest communicates itself to the towns, which are convulsed by frequent strikes and work stoppages, and the result is that the efficiency of the small band of workers engaged in reconstruction is much diminished.

THE IRISH PAPER INDUSTRY.

Over half a century ago Ireland, especially the southern part of the country, possessed a large number of paper mills. These mills, operated for the most part by small water-powers, had a very limited output, and their disappearance is not in any way indicative of a decline in the importance of the industry. Modern conditions, calling for a new policy, led to the replacement of these numerous small concerns by larger-sized mills, containing several paper-making machines, and so situated as to command good water, cheap coal, and suitable railway accommodation. Expansion of output was thereby secured, and a more than proportionate reduction was secured in working expenses. The similar changes in methods of carrying on the industry observable in Great Britain have a particular justification in the fact that paper manufacture, owing to the homogeneous nature of the materials handled, permits of large economies being effected by the introduction of uniform and continuous processes. In the vicinity of Dublin and Belfast the most important Irish paper-mills are situated. Excluding other circumstances, a weighty factor in the determination of the sites of these mills was the abundance and purity of the water-supply and the freedom from smoke or impure atmosphere. To the existence of this pure-water supply Irish paper, in no small degree, owes its excellent reputation.

The total value of the output of paper mills in the United Kingdom for the year 1907, as taken from the Report of the Census of Production, is shown below:—

Paper Trade—Total Value of Goods Made and Work Done in 1907.

	£
England and Wales	9,835,000
Scotland	3,599,000
Ireland	187,000
	13,621,000

As regards the actual production of paper no details corresponding exactly to the above order can be given, but the total quantity of paper and board made in the United Kingdom in the censal year was estimated at 850,000 tons. A more recent pre-War estimate made by the Papermakers' Association increases this to 1,092,000 tons, or 28%, and there is little doubt that Ireland shows up substantially in this increase, as the position of the industry therein was very much strengthened after 1907. This is reflected in the particulars relating to the export trade, carried on mainly with Great Britain; in 1912 the value of the 335,891 cwt. of paper, stationery, and millboards exported was reckoned at £270,105. During the War this export trade declined as manufacturers were busily engaged in satisfying the home demand, and, besides, the allowance of raw material was necessarily curtailed. Within a recent period important departures have been undertaken, and the variety of products extended. For the manufacture of straw boards an apparatus has been set up in one establishment near Dublin, and this practical example of enterprise might serve as a useful headline to Irish manufacturers engaged in spheres other than the paper industry. At the same time Irish paper-makers should recognise that there are opportunities in other directions. Prior to 1913 the United Kingdom was accustomed to rely largely on Germany for such types as photographic, grease-proof, filter, and vegetable parchment papers. Our deficiency in this respect was corrected to a certain extent during the War, but much still remains to be done. Nevertheless, the production of the Irish mills embraces an extensive range. It includes news, machine-finished and super-calendered printings, account, writing, wrapping, and manilla papers for paper files. In the South attention is principally directed to turning out news and printing papers, stationery, paper bags, box boards, and straw boards. In the North, in addition to news, printing, M.G. posters, account and E.S. writing papers, the manufacturers' lists include such specialities as rolled colours, glazed casings, imitation parchments, and coloured pressings. As might be expected, the processes and machinery employed in the manufacture of many of these lines have distinguishing characteristics. For the purpose of converting the "stuff" into writing, book, and printing papers one particular type of machine is generally employed, but, where other requirements have to be met, different types of machinery have to be requisitioned.

Thus for the manufacture of thin wrappings, poster printings, and other thin papers finished on one side only a machine other than the ordinary paper-making machine is used, and, again, where boards are turned out, quite a different apparatus is called for. The degree of finish of papers also varies and the methods employed must show a corresponding variation. A machine finish is imparted to the web of paper during its passage through the ordinary paper-making machine and the surface of the paper is but very slightly smoothed. The super-calender finish is of another nature. This finish is imparted by passing the web of paper through a machine known as the super-calender, which consists of a stack of bowls or cylinders, comprising any number from four to upwards of twelve, arranged alternately of polished iron and compressed paper or cotton. The paper or cotton bowls are solid, but, for heating purposes, those made of iron are hollow and connected up with steam pipes.

The difficulty of obtaining supplies of wood pulp, its principal raw material, except at extravagant prices, is at present weighing heavily on the paper industry. Imports of wood pulp for 1919 were approximately 57,000 tons less than in 1913; the substantial advance in the price per ton may be seen from the following table:—

	Wood Pulp Quantity		Value		Value per Ton Approximate	
	1913 Tons	1919 Tons	1913 £	1919 £	1913 £	1919 £
Chemical wood pulp ...	411,833	409,838	3,312,413	10,484,237	8	26
Mechanical wood pulp ...	565,954	528,022	1,305,726	4,918,700	2	9
	977,757	937,920	4,617,739	15,402,937	—	—

Wood-pulp prices have, however, risen sharply since the commencement of the present year, and this is due mainly to the monopoly of supply held by Scandinavia and Finland—in particular, the former.

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The United States absorbs almost the entire Canadian output, and has been, in addition, a heavy purchaser in the European markets. Furthermore, Germany and Austria, which before the War were accustomed to export large quantities of wood pulp, have now practically ceased to do so, and the same statement applies to Russia. The opinion has been freely expressed that the profit of the Scandinavian pulp exporter is much larger than circumstances justify, but in defence he alleges that his course of action is determined by the high quotations ruling on coal exported from Great Britain and the difficulty of obtaining an adequate supply. An easement of the situation may be brought about by increased coal allocations to pulp-exporting countries, and under present circumstances this seems to be the only practicable remedy. It has, at any rate, the unqualified endorsement of the paper trade. The object of the British manufacturer is thus to procure adequate portions of pulp at reasonable rates. His situation is sufficiently embarrassing, but that of the Irish paper-maker is still more so. Shortage of wood pulp constitutes a serious disability, but shortage of coal is, if anything, the worse of the two evils. In normal times it was reckoned that a ton of coal was required to produce a ton of paper of moderate quality from pulp, but the point is only of academic interest to the individual who possesses the pulp but is deficient as to coal. At present uncertainty colours the whole outlook of the Irish maker so far as coal supply is concerned. The provision in hand is barely sufficient to last him a week and the possibility of being forced to close down his mill is always too near to be pleasant. Normally Scotland and Lancashire furnished the necessary coal to most Irish mills; these are now directed by the Coal Controller to apply to South Wales, but South Wales is unable to forward this essential raw material owing to lack of shipping. It is said that shipping, as a result of the more attractive freight rates prevailing elsewhere, prefers to ply on routes other than the Irish. Frequent appeals have been made to the Shipping Controller, but so far nothing practical has eventuated. In the interests of Irish manufacturing industries generally it is highly desirable that means should be found to alleviate the present situation, otherwise their activities are likely to be suspended at any moment. If, to encourage the import of wood pulp from foreign countries, it is thought expedient to increase the quantity of coal exported to these areas, a similar boon should be extended to Ireland in order to stimulate its paper production. Imported goods can only be paid for and foreign debts liquidated by the export of manufactured articles, and every section of the United Kingdom should be given the facilities to develop the production of these articles as far as lays in its power.

As a supplement to wood pulp and other materials, waste paper has been largely utilised by Irish manufacturers during the past few years. Needless to say the repulping of old paper has not many attractions, as the collection, sorting, and preparation involved render its treatment an expensive one. As a means of making up for the deficiency of wood pulp it has advantages, but is not likely to be continued when more normal conditions obtain.

The directors of the Alliance Assurance Company, Limited, at their meeting on Wednesday, conferred the title of President of the Company upon the Hon. N. Charles Rothschild, and elected Mr. Charles Edward Barnett Chairman, and Brigadier-General H. W. Drummond, C.M.G., Deputy Chairman.

The general meeting of the Nippon Yusen Kaisha was held at Tokyo on May 28, when a dividend of 40% was declared for the six months ended March 31, 1920. Mr. F. Mizukawa, present manager of the London office, was elected a director.

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Financial Notes.

THERE is a growing feeling in the City, as elsewhere, that three things are imperatively necessary at the present time if we really mean to put this country into such a state of economic efficiency as will give it a reasonable chance of recovering from the effects of the recent War during the lives of those who are still engaged in active business. Those three things are—and we do not know in which order to place them—the reduction of Government expenditure; the reduction, if not total extinction, of our floating debt; and the paying off of that part of our foreign debt which is owing to the United States, which is upsetting the exchanges of Europe and is making trade between this country and the United States exceedingly and increasingly difficult. While the Government expenditure remains at its present extravagant level of over 1,400 millions every year, and so large a proportion of the income of the earning classes in general, and of the saving classes in particular, is withdrawn from productive to, we will not say unproductive, but to Governmental expenditure, it is felt to be idle to urge economy. Many go so far as to say "How can the Government expect to sell its bonds with a view to reducing the floating debt when it will not economise itself, and set an example of moderation in expenditure to the people of this country?"

Of course, it is true that the Government has, in fact, reduced expenditure, and reduced it very materially. Whether it will be practicable for the Chancellor of the Exchequer to pay off the amount of floating debt which he promised in his Budget speech, of course, remains to be seen. Many highly conservative authorities, who are in no way hostile to the Government, argue that he is attempting the impossible if the present ratio of expenditure it to be maintained. Of course, the Chancellor of the Exchequer would answer that he is not responsible for the expenditure; that various groups in Parliament are pledged to certain courses; and that this has led to the creation of a legion of new Departments, each having itself many legions of officials. That, however, does not in any way solve the problem. The fact remains, which the Chancellor of the Exchequer has himself

admitted again and again in the House of Commons, that the expenditure of the Government is excessive. And even if the various schemes which have led to the formation of these innumerable Departments are in themselves desirable, is the country at the present time in a position to afford them?

It is evident that the primary business of the Government, which is police, must be maintained; and, consequently, we must have a Navy and an Army. Secondly, unless we can pay off a part of the debt, whether it be funded or unfunded, it is evident that the charge on the debt must remain very heavy, and will have to be met unless we are to allow the financial credit of the country to disappear altogether. Outside these two essential services it is, of course, for the Government to decide what is, and what is not, extravagance. At the same time, it is to be clearly borne in mind that every official whose services are not imperatively needed for the well-being of the State is, at a time like the present, a charge upon the taxpaying public.

There is considerable anxiety in the Money market at the steady increase in the currency, or fiduciary issue as it is called. The total note issue is now closely approaching the figure which some time ago was fixed as the maximum. At the time we thought it ill-advised to fix a maximum figure, because there are no means of ascertaining what the note issue should or should not be. While we are quite willing to admit the evils attendant on a steady growth in the note issue, bearing in mind the proportion it bears to the modest gold holding, the fact remains that the Treasury is practically helpless as things are, just as the bankers are helpless in the matter of the issue of Treasury notes, or the Bank of England itself in issuing its notes when they are required by *bona-fide* business men having adequate security to meet their payments.

If a manufacturer has to pay £1,000 a week in wages, and owing to the rise in those wages due to the recent settlement of a labour dispute he requires £1,200 nominally, and if he is a man whose credit is perfectly sound, how can his banker refuse him the money? The only remedy, surely, is to reduce, as we have said above, the Government expenditure, and to pay off a portion of the floating debt, and of the debt which we owe to the United States. While the drain upon the country is as great as it is at present, there is bound to be unrest and a high level of prices for commodities. The real remedy for the expansion in the currency, which we admit is in itself an evil, can only be found in the employment of as large a proportion of the population in production upon an economic basis, as distinct from being employed in rendering services which rest upon no sound economic basis.

As we have already said, there remains the question of the development of the Empire taken as a whole. It will be remembered that various economists have made estimates of the aggregate income of this country, and of the aggregate amount of wealth. The aggregate amount of the wealth of the United Kingdom on the basis of pre-War values was estimated at something between 15,000 and 17,000 millions sterling. Now, this is really a small sum if we take into account the aggregate area and the enormous population of the British Empire. The British Empire, as it stands at present, is the largest single entity composing any sovereign State, or group of sovereign States; and, consequently, the figure of 15,000 or even 17,000 millions sterling is small if, and when, the British Empire as a whole is thoroughly developed.

Of course, in estimating the wealth it is only possible to estimate tangible assets. Good arable land uncultivated is not a wheat field, and, consequently, it would not be possible to estimate in growing crops a field that is lying fallow. At the present time the great bulk of the British Empire is wholly undeveloped. One of the charges of our late enemies against us was that, while we had the largest Empire in the world, we would neither develop it ourselves nor let anybody else develop it. There is an element of truth in the charge. Everyone who is acquainted with the various component parts of the British Empire knows that either the greater part of it is a howling wilderness, or where there is a large population, as in India, no adequate effort has been made to bring out their latent resources and to train them in productive methods which would enable them to compete with the more advanced races of the earth.

Anyone who knows the area under sugar, for example, in India, and the very small return that is obtained per unit of land occupied, is well aware that the cultivation of cane sugar in India is an exceedingly wasteful and extravagant form of agriculture. The amount of labour and capital employed produces results which are quite inadequate when compared with the returns obtained, say, in countries like the West Indies; still more in Cuba, also in Java; likewise in some of the Southern States of North America; and, again, in our own Colony of Queensland. Australia herself is another illustration. Practically, there is no population outside a very small area adjacent to the sea coast. Quite recently the Government has built a trans-continental line, opening certain parts of Australia to settlement. But it is evident that in her present condition Australia is in a very dangerous position, both from lack of population and from lack of economic development, in view of the present state of unrest and the menacing attitude of the various populations of the world. Assuming that the resources of 13 million square miles were developed as rapidly as possible, bearing in mind the present straitened state of our mobilisable capital during the next 10 years, there can be no reasonable doubt that the aggregate wealth of the Empire, taken as a whole, would be equal to, if it did not exceed, that of any other State in existence.

Lord Leverhulme points out, in an interview which appeared this week in a daily contemporary, that our wealth—that is, the whole aggregate wealth of the nation—has multiplied many times over since the period of the Napoleonic Wars. He is arguing against the present basis of taxation, and particularly against the proposal to raise anything in the form of a capital levy, or even the mantaining of the excess profits duty. In theory most economists are quite in agreement with Lord Leverhulme's contention. It is perfectly evident that money taken from the pockets of the taxpayers, whether they be wealthy or whether they be people of moderate means, reduces the capital available for industry. The great capitalists are neither numerous enough nor wealthy enough to meet all the demands of our various industries in addition to developing new sources of revenue which will in time supply us with food on a sound economic basis, as well as feed the industries upon which the great majority of our people are employed.

The Government's contention is that the money has already been spent, and consequently it is hardly a question of the desirability of raising a specified sum in taxation, but how it is proposed to meet the liabilities which we have already incurred. The contention of those who object to the continuance of the excess profits duty, and above all to a capital levy, is that we are, in fact, gradually reducing our indebtedness, and that, moreover, if large sums are taken from the saving classes of the community the means of expanding our trade and commerce will be depleted. Above all, it will no longer be possible to invest money for the development of our own Empire, and for the development of favourable sources of supply overseas for food and raw materials. In other words, it would be far better to spread over a considerable number of

years the repayment of our debt, and to leave the savings of the saving classes in their hands for the development of our economic resources, which would enable us, out of a steadily growing revenue, to liquidate our liabilities in time with comparative ease.

There is a great deal to be said for both lines of argument. It is perfectly true that the debt, both floating and permanent, has already been incurred. On the other hand, it is manifestly suicidal to raise such an amount of money for the purpose of paying off that debt as will seriously cripple our industries and, particularly, threaten to prevent us from increasing our annual revenue in the future. Probably the safest course would be to adopt a mean between the two contending parties. The most urgent necessity, in our opinion, is the reduction of the floating debt with as reasonable an expedition as possible, and the Government is already taking steps towards this end, with, however, only a comparatively small measure of success.

We deal above with the importance of reducing expenditure on the part of the Government. There remain the two questions of the urgency of reducing the floating debt and the bearing in mind of the immense resources which, if properly developed, will undoubtedly enable us to liquidate that debt with greater ease than at present at a comparatively early future date. The floating debt amounts altogether to something like 1,200 millions sterling. Now, while it is not desirable to take money urgently needed for our trade and for the development of overseas sources capable of supplying us on a sounder economic basis than we are able to do ourselves, food and raw materials, it has to be remembered that the very existence of so large a floating debt is itself a heavy charge upon industry. In reality the floating debt represents credits supplied by the Bank of England and by the public departments, and what are known as Treasury bills. Even these latter are in reality only credits held by the banks which, in the normal course of things, are intended to be applied in the financing of the ordinary trade of the country.

Such a vast sum as more than a thousand millions sterling, locked up in what are practically Government I.O.U.s and Treasury bills, and the various forms of what we call for convenience the floating debt, is money which bankers and financiers are accustomed to employ for financing the ordinary trade of the country. The result, it will be evident from what we have said, is that, inasmuch as so vast a sum as that we have named is locked up in more or less inconvertible paper, there is a correspondingly high rate of interest for such capital as remains available at the control of bankers. The difference between what we call cheap money and dear money is simply the amount of credit which bankers are able to give at any particular time. It is manifest that if the banks were to advance credits beyond a certain point the whole credit of the London Money market would itself suffer. Consequently, in order to protect themselves and to protect the market as a whole, they are compelled to advance rates, and in many cases, as they are doing at present, to refuse credits for anything of a speculative nature.

Speculation may be good or bad. We are not arguing on that aspect of the question at the moment. But the kind of people who are likely to get credits from the banks are usually sufficiently shrewd, and usually only speculate on what is known as the short side when they have very good reason for assuming that there is a real shortage. In other words, their action has the effect of raising prices and informing the consuming classes and all whom it may concern that it is desirable to be as economical as possible. Now shortage, wherever it may exist, can only be brought to an end by increased production. Increased production, in its turn, is only possible where the bankers, as the custodians of the mobilisable wealth of the country, are in a position to grant reasonable credits on adequate and ample security. The net result, consequently, of the locking up of so large a sum of the bankers' available resources in the form of floating debt is that to the extent of that locking up bankers are not in a position to grant credits for increasing production, or only, of course, to a relatively modest degree. In the sequel, recuperation, as we are accustomed to call it, takes longer.

IRISH INDUSTRIAL COMMISSION. EVIDENCE.—XVII.

PEAT, WATER POWER, ETC.

In Donegal there were, according to Mr. Caffrey, Assistant County Surveyor, South Donegal, about 160,000 acres of peat. The bog, after being cut down, is generally used for agricultural purposes, and from personal knowledge he could say that excellent crops of potatoes were obtained from reclaimed bog. Turnips, mangolds, wheat, and rye were also grown with good results. For the most part the bogs were mountain bogs, the means of access to them were largely undeveloped, and no systematic method of drainage was employed. Owing to the scarcity of coal a large quantity of peat was at present sent by rail to Belfast and other places. The load is usually about 90 cubic feet, or 12 cwt., and fetches about £5. The people of the locality are almost completely dependent on turf for fuel purposes; on an average the farmer uses about 2½ tons per annum. Peat, however, is in demand outside the farm. It is used for drying corn, burning lime, and for raising steam in ordinary boilers and steam-rollers where coal is not available. Last year, with the object of providing the inhabitants with fuel, witness developed some 10,000 acres of bog by cutting roads through it. The total cost was about £1,500, and in 10 or 12 years he expected that this area, a very congested district, would support about 500 or 600 people.

In marked contrast with many Irish counties, the Co. Donegal is not unfavourably endowed with water-power resources. The river Erne alone, according to a statement handed in by witness, is capable of developing 4,200 h.p., of which only a small proportion is utilised. At the falls of Laponta, near Belleek, approximately 1,000 h.p. could be developed. As a matter of fact, the ruins of a large mill, apparently never used, lie at this spot. On the Ballintra and Bridgetown rivers 300 h.p. could be developed. About Donegal town there was formerly quite a number of mills, but only one is now in operation. Power is obtained from the river Eske, near Mountcharles, where there are at present two mills working. Further north there are four rivers, each of which could be relied upon to supply at least 100 h.p. At the junction of the Glen and Owenwee rivers about 700 h.p. could be looked for. Stability of supply could be secured as the latter is fed by five great lakes. About 65 years ago iron was made here from the abundant ores found in the vicinity. Turf, of which there are now over 10,000 acres undeveloped, was used for smelting purposes. The woollen and other industries in the county might possibly purchase the current in the event of an effort being made to generate electricity on a large scale. In connection with any power development scheme, due attention would require to be paid to fishing rights.

Regarding minerals, galena has been obtained from Kilraine, near Glenties, and from Fintona. The lead-ore forms veins in the quartzite rocks. An ironworks was operating in Glenties in 1749, so that iron ore must have been found there. Steatite, or soapstone, is

at present being mined at Maghery, near Dungloe. In the bogs of Donegal there is an abundance of bog ore, large quantities of which are sent to England for the purpose of purifying gas. There are large stores of beautiful red and grey granite near Mountcharles, and there are enormous beds of spheroid sandstone and deep beds of millstone grit suitable for engineering work. Coal, it is said, was mined about 50 years ago near Lough Eske. As this is in a carboniferous limestone formation, it is possible that there are coal measures there.

Referring to the milk-distribution trade of Dublin, Mr. Nugent said that at the present time there is a surplus at the very least of 500 gallons of milk per day. Strictly speaking, that surplus is going to waste, as it is not used for profit or in an economic way. He suggested that a local depot and creamery should be established for the purpose of taking in all supplies of milk sent by rail to the city. The various parts of Dublin could draw their supplies from this depot, and the present inequitable methods of distribution could be abolished. Furthermore, under this supervision the milk could be tested and care taken that it was in a sound condition and fit for sale. Milk of an inferior quality was sent to the city, and it was difficult to establish the identity of the supplier. Another point was that the excessive quantities of milk coming to the city at the present time encouraged careless methods of handling. The proposition to set up a creamery is deserving of careful consideration. In the winter it would have a supply of, say, 500 gallons of milk per day, and possibly 5,000 gallons per day in summer. There should be a market in Dublin for Dublin-made cheese. The trade in the by-products should be profitable, as under existing conditions these commodities are obtained from the country, and carriage must be paid on them. The whey resulting from cheese-making does not return much profit in the country, but that would not be the case in Dublin. From the price paid to the farmer for his milk by the Dublin wholesale milk vendor it might, on the surface, be imagined that the manufacture of cheese and butter in a city creamery was not quite as attractive as it might be. This view does not, however, take into account the fact that much of this milk at present goes to waste. When the wholesale merchant buys milk from the farmer he has to contract to take his whole supply, as otherwise the farmer will not do business. The introduction of a receiving depot into the city which would receive all the milk supplies sent up from the country would enable the milk vendor to obtain the precise quantity of milk he needed. The danger of an under-supply of milk always attendant on the prevailing system would be obviated, and the milk now going to waste would be used to better purpose.

SOUTH AND CENTRAL AMERICA.

ECONOMIC ARGENTINA.—II.

When one is introduced to a stranger for the first time, particularly if the introduction is brought about through the medium of a friend with whom we are on terms of special regard, we become almost immediately anxious to know something about the newly introduced stranger, quite apart from his appearance, his dress, and his general manner. At first, of course, one pays attention to the general appearance of the man, his dress, attitude, and manner. One decides very rapidly whether one does, or does not, approve of him; whether his personality is attractive, or otherwise; and whether his general appearance is what in the slang of the day is called smart, or lacking in smartness. Having gone so far, and meeting the introducer, one inquires as to what is the status of the new acquaintance; how he is occupied; what are his means of living; and, generally, what is his economic position and social standing in the society in which he mixes. Now, if we apply this method of inquiry, which we are all so ready to adopt with regard to one another in social life, to a wider sphere, to which it applies equally, we shall come gradually to a wonderfully effective working knowledge of the actual position of the various countries which make up the economic world as we know it. In order to have a real appreciation of the economic position and the economic status of any country it is essential to realise what are the means upon which that country lives. In our own case, for example, no one has any real appreciation of the economic position of England who does not realise that in the period that preceded the outbreak of the recent War we lived to the extent of between two and three hundred millions a year upon interest on our previous investments; in other words, the people of 1912 and 1913 received between two and three hundred millions worth of goods for which none of them personally had rendered any service for a considerable time before that interest was received. In addition, we received from various services which we rendered, like shipping, and so on, a sum very nearly equivalent to the interest derived from investments. Consequently, it may be said without fear of exaggeration that in the period that preceded the outbreak of the recent War this country received between 500 and 600 millions entirely outside of any goods that we exported. In addition, there was the value of our exports. And, finally, there was the value of the home trade, or the services which we succeeded in rendering one another, and the exchanges of goods, in addition, which we make amongst one another, which are the bases of trade in all countries.

Now, anyone who had a very imperfect knowledge of geography would be exceedingly embarrassed if the Argentine Republic were mentioned in his presence, and he had not the vaguest notion whether that country adjoined Siam or adjoined Brazil. Economic questions are so rarely understood by the majority of people that they do not feel in the least embarrassed in admitting that they have not the haziest notion of how the various countries of the world derive their living. Now, what are the bases on which the prosperity of the Argentine Republic rests? Are they sound, and are they likely to be maintained? A country which produces only things which other countries ought to be able to produce in equal quantities and, as we say, cheaper—that is upon a sounder economic basis—is not in a healthy economic position. Neither is a country which depends upon one or two products for its means of living, and particularly if those products are in the nature of luxuries, for which there is only a limited demand, and a demand which may be either seriously interfered with, or may practically wholly cease in the event of a great war similar to the one we have just gone through. Judged by such a standard, the trade basis upon which the economic prosperity of the Argentine Republic rests seems to rest upon a very sound foundation. She produces a very large number of various commodities, primarily in the nature of food and raw materials, and she produces them in such abundant quantities that, in addition to supplying the needs of her own consuming and growing population, she has a proportion something between one-third and one-half which she is able to export to the various countries of the world outside her own borders. Certain parts of her trade are likely to disappear in the more or less near future, as, for example, her large exports of flour to neighbouring countries, which are quite as well able to grow flour for themselves as Argentina is to grow flour for them. That, however, is nothing to do with Argentina. When that time comes there will be ample demand for Argentine flour from countries which are not in a position either to produce wheat or to mill it upon the economic basis which Argentina is able to do. Argentina is endeavouring, and endeavouring with a large measure of success, to increase the productivity of

her industries in various directions. She is adopting, and widely adopting, various forms of new industries, all, or nearly all, more or less allied to her primary industries. It is an immense advantage for a country, for example, to sell a large proportion of flour as distinct from merely exporting wheat, because it gives her the advantage of the profits derivable from, and the employment of capital and labour interested in, the milling industry. This can only be of advantage provided always she produces upon an immense scale, and, in addition, secures an adequate population to enable her to deal with the milling industry under conditions which would deter other countries attempting to compete. Now there are very few countries in such a position. Consequently, Argentina does derive an enormous advantage from the milling industry, in addition to the values which she obtains from the export of wheat in a more elementary stage of production. Argentina is wisely devoting herself to developing those industries allied to her principal products, which, as we have pointed out on various occasions, are primarily the production of food and raw materials. Whereas it is a great advantage for a country like Argentina to develop a great milling industry, which enables her to take advantage of her enormous production of wheat and other cereals, it would not be an advantage, nor would it be economically sound, for her to develop industries alien to, and wholly divorced from, the primary industries upon which her existence depends. Such industries could only be maintained at enormous cost by the imposition of what we call high protective tariffs. This would mean that capital and labour would be diverted into a particular kind of occupation in accordance with regulations imposed by the Government, as distinct from the natural economic lines upon which a country would of itself develop. Argentina in her present state of development has not an adequate population. Neither has she such an abundance of accumulated capital as would justify her in engaging in industries wholly outside the development of her own natural resources. On the other hand, as we have said, it is a great advantage where she can conveniently develop some sort of manufacturing industry in conjunction with the production of any particular form of raw material. She gets, for example, as we have said, in the milling industry not merely the advantages of the milling profits, and the employment of capital and labour in that industry, but, in addition, she derives a great many indirect advantages. For example, she saves freight. In addition, she obtains payment for the bags and other casings in which the flour is wrapped. And finally, she gets interest upon the capital which she employs in this industry. In the same way, it is an immense advantage for her to export such enormous quantities of meat, more or less in a prepared form. Meat, for example, which comes over from Buenos Ayres in a steamer properly fitted up for carrying chilled beef, as distinct from the frozen article, almost ready for consumption when it arrives in the London market, is a far more important product for Argentina to produce than a wild shaggy beast—provided it were possible to import cattle in such a condition—which would have to be sent somewhere or other to be fed up to a condition which would render it fit for the consuming markets of Europe, which would mean the whole loss of the profits derived from feeding. The type of beast, for example, which is raised in the province of Buenos Ayres, and is drafted to the great refrigerating companies, for example, like the Sansinena, is an exceedingly valuable asset to its exporters. They obtain the whole value of the feeding of a first-class beast suitable not merely for the freezing-houses, but for being imported into London. They derive the whole benefit from the offal of the killing of such a beast. And finally, they derive the whole benefit from the hides of a high-class beast suitable for the freezing-houses.

Space is pressing, but we desire to sum up very briefly, for the information of the reader, the sources from which Argentina derives her means of livelihood. Argentina is the third largest exporter of wheat of all countries in the world, the United States being the first. Argentina is by far the greatest exporter of maize of any country in the world. The Argentine exports between three-quarters of a million and a million tons of linseed, which is out of all proportion the greatest export from any country in the world. It will be remembered that we had an article recently on the flax industry. In that article we estimated that the total combined plant, which we call in one form linseed and in another form flax, was about 2,000,000 tons. About three-quarters of a million tons were used for the production of the fabric which we call linen, and about one and a-quarter million tons were used for feeding purposes. It is for this latter purpose that Argentina produces that variety of the plant which we call linseed. It would be difficult for her to produce an adequate supply of that form of the plant required for fabric purposes owing to her very modest supply of available labour. Her annual home consumption of beef amounts to considerably under 300,000 head, while her exports considerably exceed 1¼ million head. Of sheep the Republic does not consume much more than a quarter of a million, while she exports considerably more than two millions. Her exports of wool in recent years, especially if we include the War years, were between 130,000 and 300,000 tons. Her exports of hides have grown during the present century from 28,000 tons to 82,000 tons, and, if we include various kinds of skins, the exports of hides and skins of various kinds considerably exceeded 100,000 tons in the last year of the War.

It may be of interest to conclude these remarks by saying that so recently as the beginning of the century Argentina was practically able to export half of her total products. At the end of the first decade of the century she exported, roughly, one-third of her total production, and consumed very nearly two-thirds in the Republic. Allowing for the difference in prices, which has been less marked in Argentina than in Europe, as Argentina was a neutral throughout the War, it may be said that, no doubt stimulated by the demands of Europe, the exports of the country have amounted to well over one-third of the total production, consisting for the most part of cereals, meat, wool, and various derivatives of the extractive trades, into which we have not space to enter now. Important as these are, they are relatively small taken in the aggregate, either in volume or value, to the total production of the Republic.

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American Topics.

UNITED STATES INVESTMENTS.

Among the exceedingly interesting expressions of opinion which have been called forth by Mr. Otto Kahn's statement on the prospects of the United States becoming a great foreign investor was the recent speech of Mr. Martin Vogel.

Mr. Vogel is the Assistant Treasurer of the United States, and was recently entertained at luncheon by the American Luncheon Club. Mr. Vogel said he hoped and believed there was a closer and more enduring friendship between the United States and the United Kingdom than formerly. The pedestal, however, upon which an economic understanding could rest was not friendship alone, but a sound basis aiming at the general welfare. Bankers were told that they should stop extended credits for non-essential commodities. If they had raised the Bank rate people would not have cared about that, because in America they did not mind the small income derived from investments, but what they really cared about was an increase in capital. Practically Mr. Vogel endorsed what Mr. Otto Kahn had said, so far as it was practicable for a Government official to do so.

People who have not studied, and studied very carefully, economic conditions do not fully realise the essential difference of the position between this country before the War and the United States at the present time. Business to be lasting must have a sound economic basis. What object would America have in investing upon a great scale in Europe at the present time? Mr. Vogel was too civil to say so, but, speaking as a prominent official on a public occasion, he was appealing to the common sense of Europe. In well-chosen language and with a natural measure of official reticence he was telling all those whom it might concern that people do not invest their money merely out of good fellowship. The position in the United States at present and our position before the War were fundamentally different, and led, owing to that difference, to a totally different line of action from what can reasonably be expected from the United States at the present time. We did not invest in the period before the War for the purpose of opening up the United States itself, different parts of the British Empire, and various foreign countries out of sheer benevolence. The United Kingdom is exceedingly small in area, with a large and in parts a very dense population. Moreover, so far as England herself is concerned, 80% of our population are engaged in what for convenience we may call town occupations. In other words, we work up, as distinct from producing, primary products. Consequently we have been for generations under the necessity of opening up new countries. Our object has been to obtain increasing supplies of food and raw materials upon such an economic basis as would enable us to feed and employ our population within their earning capacity. At no time in our history since records have been kept have the whole of our people been able to find adequate employment in the development of the natural resources of these islands. We have been fishermen, seafarers, and traders from a remote period in our history.

The United States is faced with a totally different problem. She has an area within the boundaries of Continental United States some 16 times that of our area. She has a population totally inadequate to develop that vast area upon the conditions which she has imposed upon herself on the lines of the most progressive States of the world. She has within her borders most of the foodstuffs and raw materials she requires for feeding her population and also for feeding the industries upon which that population is employed. Of course, like all highly developed States, she is in need of imports and a large measure of imports. These imports, however, come very largely from tropical countries which produce commodities which either cannot be grown at all or cannot readily be produced in the United States itself. Doubtless she could take a far larger measure of European-manufactured goods than she does at present. She could take them probably upon a sounder economic basis than she produces them at home. On the other hand, she has developed an important manufacturing industry within her own borders. It is quite possible that while she may not see her way to invest largely in Europe, the form that her assistance to European reconstruction will take will be the purchase of large quantities of such manufactures as Europe has to sell.

Above all, it has to be remembered that the great need of the United States at present is to encourage immigration to the utmost of her ability. Further, it is highly important for her to improve as far as possible her transportation facilities. Formerly she was accustomed to depend upon Europe for her means of improving those transportation facilities. Now it is evident Europe will not be in a position for some time to come to assist in that development to the extent which was formerly the case. Consequently, it will be imperative for the United States to conserve her own available capital to an extent which has not been necessary in the past. She can only hope to attract immigrants if she is in a position to offer them abundant employment at a remunerative rate of wages. Moreover, the resources which might be available for overseas investments if the country were fully settled are required at the present time for the development of her own transportation facilities.

UNITED STATES SHIPPING.—II.

If, as we really believe is the case, the best opinion in the United States is really desirous and, indeed, anxious to assist in the economic reconstruction of Europe without detriment to the interests of the United States herself, the programme of the United States Shipping Board, if carried out, will make that assistance more difficult. Because the United States lent so much to Europe during the progress of the recent War, which we are none of us in a position to repay, the American exchange is against every European belligerent country. In this country we are making arrangements which should enable us to pay off some 50 millions sterling lent to this country by the United States which will fall due in October next. On the other hand, it has to be remembered, as stated in the House of Commons recently, we are deferring the payment of interest on the great bulk of the loans made to us during the progress of the War. As a result, while we are paying off part of the principal the

interest on the larger part is accumulating, and will have sooner or later to be liquidated. The United States already is in possession of such a large amount of gold that she does not require further supplies. Moreover, it would be embarrassing to her creditors and would take an exceedingly long time if we are to liquidate our debts to the United States by sending gold. It would be sounder economically, and would be more convenient to Europe, to pay off the debt partly by sending manufactured goods and partly by rendering services. Now one of the services, and a very important service, which we were accustomed to render before the War was acting as common carriers for the United States. On the question of the soundness of the economic policy of the United States, with her extensive areas and relatively small population, in developing a great mercantile marine we do not propose to enter. Much might be written on the subject, but it is naturally a question which can only be decided by the United States herself. There is a large body of economic opinion in America which believes it to be a pure extravagance, and instead of being an assistance to, is a charge on, industry in the United States. We are concerned here, however, with the difficulties which it will add to any attempt on the part of the United States to assist in European economic reconstruction. Already, as we showed in a recent article based on the authority of figures issued from the United States Bureau of Commerce, that country is finding increasing difficulty in maintaining its exports to Europe owing to the extravagant prices which American exporters are obliged to charge due to the unfavourable rate of exchange.

THE ROYAL MAIL STEAM PACKET COMPANY.

The Royal Mail Steam Packet Company, with a capital authorised by Royal Charter of 25 millions, of which £5,000,000 are issued and fully paid, is making an issue of £900,000 Ordinary stock at £110 per cent. and £900,000 6½% Cumulative Preference stock at par. There are outstanding £1,400,000 of 4½% Debenture stock and £3,100,000 of 5% Debenture stock. The object of the present issue is to provide additional capital to replace lost tonnage and to increase the Company's fleet and enable the Company to cope with the requirements arising from anticipated trade expansion. Profits for the past eight years are set out in the prospectus, showing that during the period they have very nearly doubled. After deducting last year's profits, the sum required for interest on the Debenture stock, and the dividend on the 5% Preference stock, there remains £690,600 available to meet the £58,500 required for dividend on the Cumulative Preference stock now offered, being over 11 times the amount required, irrespective of the additional revenue to be derived from the present issue.

The report of the Banca Commerciale Italiana shows marked progress in every department of the Bank's activities. The turnover is almost four times what it was five years ago, amounting last year to nearly 274,846 million lire. The net profit from the past year's working exceeds 44¼ million lire. Six million lire are allotted to the staff fund, a 4% dividend to the shareholders absorbs somewhat over 8¼ millions, 7% to the directors takes a further 2 millions, leaving a balance of 27¾ million lire. Adding the amount carried forward, the total sum available exceeds 28½ million lire. The directors now propose a further dividend of 33 lire, which accounts for nearly 13¾ millions, leaving a surplus of 14¾ millions. The total reserve now amounts to 130 million lire. It is now proposed to increase the capital of the institution by 140 million lire, of which 52 millions are to be issued shortly at 800 lire per share, the remaining 88 millions to follow later. The first 104,000 shares are to be offered to the present shareholders.

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Rubber Topics.

Opening rather dull, the market continued to gain strength during the week, and was helped considerably by the improvement in the Commodity market, where plantation crêpe commanded 2*s.* 1½*d.* and smoked sheet 2*s.* 1*d.* on Wednesday. Attention was largely directed to the leaders. Highlands found favour early, closing at 2⅛ on Wednesday and at 3 on Thursday. Rubber Trusts were strongly supported, moving up from 24*s.* 3*d.* on Tuesday to 36*s.* 6*d.* on Thursday. Kuala Lumpur and Ampat were a good market on Wednesday, being quoted at 3⅛ and 4*s.* 10½*d.* respectively. Linggi participated on Thursday, closing ⅛ to the good at 3¼. A final dividend of 40% is announced by Sungei Buloh for 1919, making a total of 60% for the year, as compared with 30% in 1918.

With a view to opening up new sources of demand for rubber, the Rubber Growers' Association with their customary initiative are offering £5,000 in prizes for ideas and suggestions tending to develop present uses or encourage new uses of rubber. Emphasis is rightly laid upon the fact that suggestions must be practical and of a nature to increase the demand for the raw material. An interesting pamphlet giving full details of the scheme can be had on application to The Rubber Growers' Association (Dept. C), 38 Eastcheap, London, E.C. 3.

ANNUAL REPORTS ANALYSED.

LABU (F.M.S.).

Issued Capital: £200,000 in £1 Shares.

	Results for Years to December 31								
	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1916 ...	3,025	1,637	615,872	377	2/7	-/11.8	51,840*	40,000	40
1917 ...	3,025	2,200	874,575	396	2/3½	1/1¼	53,575*	30,000	30
1918 ...	3,025	—	700,200	—	1/11½	1/4.3	23,958*	22,500	22½
1919 ...	3,016	—	1,133,792	—	2/-	1/1.8	50,793*	50,000	25

* Includes revenue from shareholding in Cheviot Rubber, Limited.

Price of Shares, 50/0. Market Capitalisation per planted acre, £166.

The shareholders of this rubber Company have every reason for congratulating themselves on the successful record of the year's trading as presented in the report for 1919. No longer held back by the necessity of curtailing the output, the crop harvested for the year amounted to 1,133,792 lb., in contrast with 700,200 lb. in 1918. At the same time the yield fell short of the estimate of 1,260,000 lb. The discrepancy was accounted for in part by the difficulty of securing adequate labour owing to the universal demand in order to make up for the development work restricted during the War, and in part by an unusually wet season during the last quarter of the year, which reduced tapping correspondingly. However, the substantial increase in the crop secured rendered possible further economies in the cost of production, the f.o.b. cost falling from 1*s.* 0.95*d.* to 11.74*d.* per lb., whilst the "all-in" cost

was reduced from 1*s.* 4.30*d.* to 1*s.* 1.79*d.* per lb. At the same time the average price realised by the sale of the crop improved slightly from 1*s.* 11.57*d.* per lb. to 2*s.* 0.04*d.* per lb. Thus a profit of 10.25*d.* per lb. was earned, as against 7.27*d.* in the previous year, the amount of the net profit being £50,793 and more than twice that of 1918. Out of this profit a sum of £5,896 is transferred to the reserve account, thereby raising its total to £10,000. It will be recollected that during the year the reserve was depleted of £100,000 in connection with the distribution of 100,000 bonus shares of £1 each and of £878 in connection with the cost of the transaction. On the same occasion the authorised capital of the Company was increased to £250,000 and the denomination of the shares was raised from 2*s.* to £1. It was on the resulting issued capital of £200,000 in £1 shares that dividends to the amount of £50,000 were paid out of the profits of the year under review, as compared with an amount of £22,500 in 1918. The rate per cent. of the dividend is given as 25, in contrast with 22½ for 1918. But taking into consideration the above capitalisation, the dividend is actually 50% on the former capital. The balance carried forward to the next accounts amounts to £5,467, in comparison with £10,069 brought forward from 1918.

Ignoring for the moment the burden of the corporation tax and the 60% excess profits duty, the outlook for the current year is promising. "I believe," stated the Chairman at the general meeting, "that shareholders of this Company will be satisfied if the price of rubber is maintained at something like its present level, which should give us results at least equal to what we have been able to put before you to-day." The estimate of the crop corresponds with the estimate for the year under review: to wit, 1,260,000 lb. For the first four months there have been harvested 326,000 lb. which is nearly 100,000 lb. below the mathematical proportion, but which is, on the other hand, 28,000 lb. in advance of the crop for the similar period of 1919. Forward sales have been arranged covering 474,800 lb. at an average price per lb. of 2*s.* 2½*d.* landed terms. Visiting the estate after a lapse of five years, the visiting agent was much impressed by the considerable improvement that had taken place and commented upon the excellent condition in which he found it. Assuming that the estimated output is realised, a further reduction on the f.o.b. cost to 9¾*d.* per lb. is expected. But any additional profit accruing through this factor will be diminished proportionately by the inequitable incidence of the excess profits duty. Rubber companies are thus penalised for adopting such a go-ahead policy of development as enables them to market their output at a lower cost of production. The continuance of this policy of taxation is fatal to economic progress, at least in so far as rubber companies are concerned.

The balance sheet of this rubber Company as on December 31, 1919, reveals a strong financial position. Including the final dividend of £40,000, liabilities do not exceed £55,161, whereas liquid assets are available to a total of £110,206. The market quotes the £1 shares at 50*s.* and at this price their yield, upon the basis of the 1919 dividend, works out at 10%.

BAGAN SERAI (PERAK).

Issued Capital: £150,000.

Results for Years to December 31

	Total Planted Acres	Av. Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915 ...	1,085	644	277,505	430	2/5½	1/0.2	20,601	12,500	25
1916 ...	1,168	941	362,788	386	2/5·8	1/0.3	28,000	15,000	30
1917 ...	1,168	1,050*	411,726	392	2/4.3	1/1¼	27,523	10,000	20
1918 ...	1,221	—	333,167	—	1/7†	1/0½	13,782	10,000	20
1919 ...	1,228	—	399,000	—	1/9.8†	1/10.7	23,274	13,750	27½

* Estimated. † Net.

Price of Shares, 25s. 3d. Market Capitalisation per planted acre, £154.

As might be expected by anyone acquainted with the conditions of the rubber industry, the report of this Company for the year ended December 31, 1919, shows a considerable improvement in the results of the working operations as compared with those of 1918. Under no necessity or obligation to curtail production, the crop harvested amounted to 399,000 lb., exceeding the estimate by 19,000 lb., and the restricted crop of the previous year by over 65,000 lb. Although the period under review was one in which labour and materials alike commanded high and even in some cases abnormal prices, this crop was secured at an estate cost of 6.58*d.* per lb., as against 7.70*d.* per lb. in 1918—a reduction which speaks well for the efficiency displayed in the management of the estate. This increase in the quantity of rubber handled during the year brought about further economies in the charges for freight and administration. Thus the f.o.b. cost was reduced from 9.50*d.* per lb. in 1918 to 8.21*d.* per lb.; whilst the "all-in" cost of 10.7*d.* per lb. represented a satisfactory decline from the 1918 level of 1*s.* 0½*d.* per lb. As at the same time the net price realised per lb. rose on the average from 1*s.* 7*d.* in 1918 to 1*s.* 9.8*d.* in the year under review, there was a substantial increase in the net profit from £13,782 to £23,274. Consequently, shareholders receive a dividend of 27½%, as compared with 20% in the preceding year. The liability in respect of excess profits duty for the year is estimated at £5,119, as compared with £1,534 for 1918. After making provision for this tax the amount carried forward stands at £11,553, as compared with £7,149 brought forward from the last accounts, after deducting the 1918 liability in respect of the same tax.

The balance sheet of the Company as on December 31, 1919, is of interest mainly as showing the state of affairs prior to reconstruction. Liabilities, including the amount of £13,750 required for the payment of the dividend of 27½%, do not exceed £16,728; whereas liquid assets, consisting of cash, sundry debtors and rubber, stand at £37,498. Thus the financial stability of the Company cannot be gainsaid. In December 1919 it was agreed to reconstruct the Company in order to bring the capital into accord with the actual value of the assets. For this reason the old Company went into liquidation and was replaced by a new Company of the same name, which took over all the assets and liabilities of the parent concern, but started with a capital of £150,000. As the capital of the original Company was only £50,000, the transition was effected by giving each shareholder in the old Company three fully-paid shares of £1 each in the new Company for each £1 share held in the existing concern. Thus, in addition to a dividend of 27½%, the shareholders received the substantial bonus of two free shares for every share held. To estimate the prospects of the new Company presents some difficulty. In the first place, the increased taxation levied by the Budget hits it rather unfairly, for as the Chairman pointed out in his circular, this was one of the unfortunate companies "which had a very small pre-War standard." Over a period of six years it has paid out in respect of the excess profits duty a total of £41,272, whereas its subscribed capital only amounted to £50,000. Thus on an average the yearly contribution to this tax was equivalent to 13¾% on the invested capital. Consequently the increase in the duty to 60% for the current year, in addition to the Corporation tax, will press unduly heavy on the profits of the current year. The Company is mainly engaged in the production of rubber. Out of a planted area of 1,357 acres, less than 10%—to be precise, 129 acres—is under coconuts. Moreover, the working profit derived from this subsidiary source of income during 1919 amounted only to £1,415. For the current year the estimated crop is returned at 400,000 lb. However, the crop harvested for the first four months of the year only amounts to 103,933 lb., indicating, in the absence of considerable improvement in the remaining period, a final crop below even the low yield of 1918. In the market the £1 shares in the reconstructed Company stand at 25*s.* 3*d.*, and, assuming a dividend of 10%, on that increased capital (equivalent to 30% on the original capital), afford a return of 8% approximately.

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SCOTTISH PROVIDENT INSTITUTION.

The system according to which this mutual life office—one of the most important in the country—has developed its large and flourishing business during its long and meritorious career was specially devised by and is peculiar to itself. It is particularly advantageous and attractive to those who desire, in return for an annual premium of fixed amount, to obtain for their beneficiaries a larger immediate life assurance than can usually be arranged, combined with the prospect of the accretion of satisfactory profits in the event of their lives being prolonged until a stipulated date. The right to participate in profits under this scheme is deferred until such time that the premiums paid when accumulated at 4% interest at least equal the sum assured by the policy. The plan is transparently unobjectionable and is equitably conceived, for profits are reserved for those policyholders whose contracts do not result in a loss to their fellow-members, and in the event of death before that stage is reached the beneficiaries receive more than what the policyholder has paid. The premiums from the outset are considerably less than those ordinarily quoted for participating assurances, and are not greatly less than those charged for non-participating policies—in fact, from the outset of the assurance a premium which would usually secure in a life office £1,000, with immediate right to participation in profits, secures under this system about £1,200. And the experience of the Scottish Provident proves that after participation commences profits accrue at a high standard.

This system is only applicable to policies covering the whole duration of life, whether the premiums are payable during life or limited to a fixed number of years. Endowment assurances are granted by the Society in the ordinary way, the premiums thereon not greatly differing from those charged by other life offices, and the rights to bonus in these cases commence from the completion of the contracts, reversionary additions on the uniform compound system being made according to results at quinquennial intervals, when circumstances admit, according to the number of premiums paid during the quinquennium, and provision being made for interim bonuses on claims arising at any date according to payments since the last bonus distribution.

The last quinquennial valuation was made on December 31, 1918, on a conservative basis, the O^M table of mortality being employed in combination with net premiums and 3% interest. It was announced that if the conditions had been normal during the period then ended, the surplus would have admitted of bonus additions on a scale similar to those which had been previously declared and to which the members had been accustomed. But the quinquennium referred to included more than four years of War, and was indeed concurrent with the most troublous period ever experienced in the history of British life offices. The war claims and income tax actually paid by the Society during the valuation period amounted to over £1,000,000, while the amount set aside to provide for depreciation in securities was more than £600,000. In view of these conditions the directors decided that no surplus in respect of the relative quinquennium should be divided, and that the declaration of bonuses should therefore be in the meantime deferred. Under the regulations of the Society, as recently altered, all policies sharing for the first time in profits will in future be entitled to uniform reversionary additions for each year they may have been in force, excluding any period for which no bonus may have been declared. Provision has also been made under which policies which in ordinary circumstances would have been entitled to a first division before the next investigation will if in force have the right at the following division to share in the surplus in respect of the period of their duration. Such policies becoming claims during the now current quinquennium, assuming completion of the qualifying period, will be entitled to a special intermediate bonus calculated according to the Society's methods.

The following are the special provisions during the current quinquennium for intermediate bonuses under whole of life policies: Policies which in ordinary circumstances would have been entitled to a first bonus at December 31, 1918, will be entitled to share at the end of 1923, if then in force, as if they were participating for the first time in terms of the regulations as now altered. In the case of claims arising under such policies before the next division, assuming the accumulation of premiums on the methods above described to have been completed, special intermediate bonus corresponding to first additions will be allotted. Further, all policies which had previously participated, and which shall become claims before next investigation, will receive an ordinary intermediate bonus in respect of each completed year after December 31, 1918, the rates of all such bonuses being fixed from time to time by the directors.

It may be mentioned that in addition to the valuation reserves set aside on the stringent methods above described, a sum of £366,295, being the whole of the

ascertained surplus at the valuation of 1918, was carried forward to the present quinquennium.

The policyholders in the Society whose contracts were entered into before the end of the last valuation period may be congratulated on the fact that the Society has been able to pass so successfully through a specially trying ordeal. On the other hand, the decision of the directors to conserve the resources of the Society unimpaired holds out the promise to new entrants of participation in the profits of more prosperous times. It will be evident, from a perusal of the last annual report, that this feature has been keenly appreciated by the life assuring community of this country, amongst which the Society has always enjoyed great and well-deserved support and popularity.

Last year, the first of the Society's current quinquennium, was a record one so far as the amount of its new life business is concerned. The new life assurances amounted to £3,118,796, of which £479,500 was reassured with other institutions, the net amount retained at the sole risk of the Society thus being £2,639,296. This is more than double the corresponding figure which was reported for 1918, and represents the largest volume of business ever transacted by the Society in a history extending over 83 years. The total net premium income was increased by £75,581 (in 1918) to £859,306, apart from a sum of £24,599 received in consideration for new annuities granted. It is stated in the annual report for 1919 that the cost at which the business was conducted, including special expenses in connection with the quinquennial investigation, as at the close of 1918, was about 14.9% of the income derived from the Society's relatively low rates of premium, or about 8.7% of the total receipts in 1919. The point as to the under-average amounts of the premiums is to be noted in any comparison with the expense ratios of other life offices, and under any circumstances the proportion indicated must be esteemed a moderate one, especially under existing conditions as to necessarily enhanced costs of working, and taking into consideration the unusually large proportion of the new business.

The mortality experience in 1919 is reported as favourable, the ratio of actual to "expected" claims being only about 73%. The actual death claims amounted to £785,471. Endowment assurances for £85,119 were also paid at maturity. Through the year's operations the funds were increased by £301,577 to £16,283,103. The net interest yield thereon during the year seems to have approximated to £3 15*s.* per cent., after deduction of income tax, or to about one-fourth more than had been actuarially assumed for valuation purposes.

The total assets of the Society as shown in the balance sheet on December 31, 1919, amounted to £16,605,522. Out of this sum £5,022,416, or not far from one-third, was invested in British Government securities. The policies subsisting at that date are stated to have amounted to £33,107,438, exclusive of bonus additions.

From this summary of the results of last year it is evident that the Society has passed through the first 12 years of the current valuation period in an auspicious manner.

The directors announce with great regret the retirement of Mr. James Graham Watson from the post of manager, which he had occupied for 30 years and who had completed his jubilee of service with the Society. In this position he had succeeded his father, who had previously acted in that capacity since the establishment of the institution. Mr. Watson is succeeded as manager by Mr. R. T. Boothby, who has been connected with the Society for over 30 years and who has filled the positions of assistant secretary and secretary in turn.

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Commercial.

SUGAR.

It is estimated that the world's total supply of sugar is roughly between 70% and 75% what it was before the War. In this country the amount allotted to us under the arrangement with the United States is something between one-half and two-thirds what we were accustomed to obtain in the period which preceded August 1914.

Gradually various countries on the continent of Europe are increasing their supplies of beet-grown sugar. Their efforts are hampered, and seriously hampered, by the difficulty of obtaining suitable fertilisers, which are needed for the growth of the beetroot if it is to yield an adequate content of sugar. They are at present relying upon various kinds of what we may call mineral fertilisers which they are able to produce within their own borders.

In the pre-War period the beet-growing interests of Europe were amongst the best customers of Chili for nitrate of soda. Owing to the immense quantities of nitrate of soda which were imported from Chili during the War for the purpose of our own munition factories and those of our Allies the rate of exchange now makes it difficult to import nitrate on the economic conditions which prevailed before the War. These difficulties are accentuated in the case of most Continental countries by the extreme state of depression to which the currencies of most of these countries have been reduced. Doubtless, if we wait and do nothing, even these difficulties, formidable as they are, would in course of time be overcome. Once more the conditions which prevailed before the War will ultimately be restored, and we shall be largely dependent upon the various countries of the continent of Europe for our supplies of sugar, which will be derived from growing the beetroot.

An exceedingly interesting letter appeared recently in the columns of one of our daily contemporaries. The letter did not purport to be written by a sugar expert. It recalled, however, to the minds of the reader a fact with which all those who have real

knowledge of tropical agriculture are well acquainted, that cane-sugar growing is an almost unique form of tropical agriculture. Cane-sugar produces many and valuable by-products. It is generally believed, although the fact is disputed, that the consumption of cane sugar is more wholesome for the human constitution than is the sugar derived from the beetroot.

None of these are the reasons which make cane-sugar growing as a unique form of tropical agriculture. We have said on various occasions, when writing on various forms of tropical agriculture, that, properly so-called, there is no such thing as tropical agriculture. What is commonly called tropical agriculture is in reality a plantation industry. Cocoa, rubber, the growth of vanilla, and similar industries associated with the tropics can only be produced after a long space of time, and usually years must elapse before any return can be expected from the investment of capital in what is called tropical agriculture. It will be remembered that when the financial crisis in New York in 1907 threatened the world's supplies of raw rubber from the Amazon Valley, it was decided to cultivate rubber as a plantation industry. It took, however, three whole years before the cultivation of raw rubber as a plantation industry had reached the stage which led to the rubber boom of 1910. The plantation rubber industry has been in existence now for more than a dozen years, and even yet it does not supply the world's demands for rubber. Difficult as the process is of collecting raw rubber in the remote forests of Brazil the region of the Upper Amazon still supplies the world with something considerably more than one-third of its total requirements.

The cocoa planter cannot hope for any return from his investment for three or four years, and in many cases longer, after he has cleared his land of jungle and planted his cocoa trees. Sugar is a notable exception. Sugar is a real form of tropical agriculture, as distinct from a plantation industry. We have become accustomed to talk of a sugar plantation, but as a matter of fact the sugar cane is a real form of seasonal agriculture, precisely like growing wheat or the various forms of agriculture to which we are accustomed in these latitudes.

Once the proposed acreage is clear of jungle the sugar cane can be planted and will yield its crop in a single season, just as a field of wheat planted in Yorkshire might be reasonably expected to do. As said above, it will take a considerable time before the various countries of continental Europe are in a position to supply us with beet-sugar in the same quantities and on the same economic basis to which we were accustomed in the period that preceded the outbreak of the recent War. Meanwhile, there are vast areas within the confines of the British Empire capable of growing cane-sugar and producing it in enormous quantities.

It is not necessary to speak of other tropical countries outside the British Empire, which, in addition, would be capable of supplying us with large quantities of cane-sugar if they received adequate encouragement.

It is surely more to our interest to develop the tropical areas of the British Empire capable of growing cane-sugar than to allow ourselves once more to become dependent for the supply of this important article of food upon the countries of the European continent, after our experiences during the recent War.

We have the West India Islands, British Guiana, British Honduras on the Caribbean littoral. We have immense areas in our tropical possessions in various parts of Africa. Then we have Queensland, which could greatly increase her area under cane-sugar; and finally there is India, which already has a more than adequate area under cane-sugar and only requires that her methods of cultivation should be improved.

BRITISH & ALLIED INVESTMENTS CORPN., LTD.

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DIRECTORS.

The Rt. Hon. the Earl of Harrowby, D.L., J.P., Chairman.
Col. H. F. Bowles, M.P.
Sir George Younger, Bart., M.P.
H. E. Carter (Managing).

The Corporation undertakes the provision of Capital for sound and progressive established British Industries, Foreign and Colonial Municipalities, Transport, Electric Lighting, Harbour, Dock and other Companies.

Industrial Companies.

FINE COTTON SPINNERS' AND DOUBLERS' ASSOCIATION.

Issued Capital: £6,389,744, in 3,000,000 5% Cum. Pref., 939,744 5% Cum. Prefd. Ord., and 2,450,000 Ord Shares of £1 each. Debenture Stock: £2,750,000 4% First Mortgage.

Year to Mar. 31	Profits	Depren. &c., Written off†	Deb. Int., Pref. & Prefd. Ord. Divs.	Ordinary Div.	%	Added to Reserves	Carry-frwd.	Stocks	Surplus Liquid Assets‡
	£	£	£	£		£	£	£	£
1916	675,854	200,000	282,500	180,000	8	10,000	138,222	2,279,065	2,164,749
1917	850,077*	330,000	282,500	225,000	10	10,000	140,799	2,090 123	2,459,296
1918	1,276,132*	180,000	282,500	237,000	10	45,000	152,431	3,576,021	1,482,783
1919	1,073,689*	180,000	282,500	294,000	12	300.000	169,589	4,049 336	1,443,083
1920	1,427,541*	180,000	303,201	490,000	20	265,000	358,929	5,212,158	681,741

* After allowing for excess profits duty. † Including provision against loss on foreign debts and depreciation of investments and of stocks of French Company. ‡ Excluding stocks, and after deducting reserve for loss on foreign debts and depreciation of investments, and including investments in and loans to subsidiary companies (£2,984,285 at March 31, 1920).

THE prosperity of the wholesale and retail houses engaged in the textile trades has been the subject of frequent comment in these columns. The success which has attended their efforts during the year 1919 is but a counterpart of that success achieved by firms and associations whose attention has been confined to the manufacturing processes, as distinct from the mere distribution of the finished products. An excellent illustration to this effect is at hand in the trading record of the Fine Cotton Spinners' and Doublers' Association for the financial year ended March 31, 1920. The report of the preceding year covered a period of over seven months of war; whilst in the interval elapsing between the Armistice and the termination of the annual trading operations, world conditions were too chaotic and the War fever was still too much in the air to allow of any marked difference in the situation. During the year under review, however, the full significance of the cessation of hostilities began to be brought home to nations, and with the transition to a peace basis pre-War trading activities were resumed, slowly, it is true, but none the less effectively.

This renewal of a pre-War demand in the face of a diminished supply—diminished since demobilisation was proving, if anything, a far slower process than mobilisation—meant that for the textile industries in general there was ushered in an era of great activity and great prosperity.

How these factors operated as regards the Lancashire cotton industry in its manufacturing branches can be seen, as regards one of the outstanding combines, in the table at the head of this article. The profit of the Fine Cotton Spinners' and Doublers' Association, after allowing for liability in respect of the excess profits duty, amounted to £1,427,541 for 1919-20, or an increase of more than 33⅓% on the profit of 1918-19. The figure itself constitutes a record as compared with the previous amount of £1,276,132 in 1917-18. Furthermore, it is well to bear in mind that this large total is arrived at after setting aside a sum of nearly £1,000,000 for excess profits duty. As in the previous year £180,000 is written off as depreciation on fixed assets. Charges in connection with Debentures, Preference, and Preferred Ordinary shares reach

£303,201, as against £282,500 formerly. The increase of £20,701 is due to the bonus issue of 490,000 Preferred Ordinary shares to the Ordinary shareholders during the year out of the profits of 1918-19. In addition, these shareholders receive out of the profits of the year under review a dividend of 20%, as compared with 12% in 1918-19. To the various reserve accounts there is allocated a sum of £265,000; whilst the amount carried forward to the next accounts is £358,929, or more than double the sum brought forward from the last accounts.

A study of the balance sheet is of interest not merely as indicating the strong financial position of the Association, but also as throwing a valuable light on its policy as regards dividends and the proposed issue of new shares. The previous bonus of 490,000 Preferred Ordinary shares, of which all but 256 have been allotted, raises the total of the issued capital to £6,389,744. Depleted by £490,000 in connection with this bonus, the reserve account stood at £880,459, but with the addition of £200,000 out of the profits of the year under review now amounts to £1,080,459. Other reserves, including pension and insurance funds, are returned at £665,234. Loans have increased from £172,006 to £260,960, but the bank overdraft has been reduced from £254,450 to £146,153. Sundry creditors, amounting to £3,017,457 in 1918-19, are now recorded at £5,376,964. This sudden increase is less disconcerting than appears at first sight: the total includes not merely the large liability for excess profits duty, for which provision has been made, but also—to quote the Chairman—"the sum reserved for the renewal of our English companies in France, and the open bills on cotton, where every bale costs us at least seven times its pre-War price." The depreciation fund amounts to £759,880, and is still large because of the difficulty experienced in effecting repairs and securing renewals of essential machinery. However, even in this respect the situation was easier during the year under review, the actual net outlay on property and expenditure on renewals being much larger than in any of the War years, as can be seen in the following table:—

Yr. to Mar. 31	Net Outlay on Property	Expend. on Renewals of Plant, &c.	Plant Depreciation Provision	Excess of Depreciation	Added to Reserves	Added to Carry-forward	Special Allocations†	Net Addition to Liquid Resources
	£	£	£	£	£	£	£	£
1916	14,034	56,158	60,000	*10,192**	10,000	3,354	60,000	63,162
1917	7,656	42,032	140,000	90,312	10,000	2,576	190,000	292,888
1918	17,494	31,793	180,000	130,713	45,000	11,632	125,000	312,345
1919	25,662	55,126	180,000	99,212	300,000	17,158	—	416,370
1920	122,029	117,280	180,000	*59,309**	265,000	189,240	—	395,031

* Deficits.

† Provisions for loss of foreign debts, French stocks taken by Germans, and depreciation of investments in France.

Sundry investments and loans are £485,202 higher at £2,984,285, attributed almost entirely "to additional loans made to subsidiary companies, who are no more able," stated the Chairman, "to do without extra working capital than we are ourselves." Stock has risen in value by over a million sterling to £5,212,158, and decreased in quantity, the rise being thus due to the increased cost of securing it. Thus the net result is that, excluding stock, the surplus of liquid assets over liabilities reaches only £681,741, as compared with £1,443,083 in 1918-19.

This comparative decline in liquid assets provides the explanation of the dividend to Ordinary shareholders, which was not as high as many anticipated, and also supplies the reason for the decision to issue the 1,225,000 extra Ordinary shares at a premium of 10s. per share. Requiring capital not merely to repair and renew its existing works, but also to provide for further developments, and compelled by the prevailing high prices to lock up a considerable part of its more liquid capital in stock, the Association has wisely decided to find that extra working capital from its shareholders rather than to seek it in the Money market, where the general stringency of funds is now becoming marked. At the general meeting it was agreed to increase the authorised capital from £7,000,000 to £10,000,000 by the creation of 3,000,000 Ordinary shares of £1 each, of which there were to be issued to existing Ordinary shareholders 1,225,000 shares at 30s. per share, at the rate of one share for every two already held. Dwelling on the necessity for securing this extra £1,837,500 liquid capital, the Chairman pointed out how the present price of a bale of Egyptian cotton—and the Association never carried less than 20,000 bales—was £250, as compared with a pre-War price of £30. In this connection, too, he struck a much-needed note of warning with reference to the movement which has made such headway recently in the Lancashire spinning trade, and which consists in recapitalisation by writing up or purchase until the spindles stand at three or four times their pre-War value. "I can only compare the movement," he declared, "to the South Sea Bubble, and the day of reckoning will come as surely as it did to that period of wild speculation."

It is generally admitted that the prospects of the textile industries in the immediate future at least are distinctly encouraging. The world has yet to travel a good way back along the road of peace before it reaches the normal conditions of demand and supply. In the interval the excess of the demand will ensure prosperity for the textile trade in all its branches in the absence of any radical disturbance between labour and capital. But whatever the distant future may hold, it is evident that a combine which conserves its resources during a period of pronounced prosperity is in a better position to weather any storm that may be encountered. The recent settlement with the cotton workers of Lancashire guarantees industrial peace at least for the current year. Meanwhile the abnormal position of the exchanges reacts against the export trade on the one hand, by rendering the finished article as well as the yarn more expensive to Continental purchasers, and adds to the cost of production by penalising the import of raw cotton from America on the other hand. Allowing for these obstacles, however, the outlook for the Fine Cotton Spinners' and Doublers' Association for 1920-21 is on the bright side. Two of the French firms attached to the combine are now running two shifts, and the profit from this source will enter into the current accounts. Arrangements are being made to restore other damaged mills. The cotton plantations managed by the American Company have contributed substantially to the profits of the year under review, and steps are being taken to clear an additional 5,000 acres at the rate of 1,000 acres a year. With a yield at least of one bale per acre the income from this source is capable of greater expansion still. Moreover, the Chairman stated that the dividend on the existing capital will not be lessened through the new issue, the proceeds from which are expected to earn sufficient to pay any dividend on the issue in question. The market prices ex-dividend and yields of the different securities—that of the Ordinary shares being based on the last dividend—are supplied in the following table:—

	4% Extended Debs.	4% Deb. Stock	5% Cum. Pref.	5% Cum. Prefd.-Ord.	Ord. Shares
Price	64½	65¼	15/3	14/0½	3½
Yield	6·2%	6·1%	6·5%	6·7%	6·1%

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THE NATIONAL BANK OF SOUTH AFRICA, LIMITED.

The National Bank of South Africa, Limited, reports the receipt of a cable regarding trade conditions as follows :—

Generally speaking business up country during May was very quiet in all trade circles, attributable partly to the fact that country storekeepers were unable to sell their wool freely at the coast auctions. Johannesburg reports that trading on the Reef was unsettled owing to the mines supplying their own natives. The Transvaal Supreme Court recently granted an interdict restraining the Modder Deep, Limited, from trading in their compounds, and it is understood that the Company is lodging an appeal. Large shipments of brass, copper, and naval bronze steel have just been landed, having been purchased from the Minister of Munitions. Rand mild steel is dear, and there is a scarcity of small steel rounds for use in reinforced concrete. Steel plates practically unobtainable and replacement prospects remote. Big inquiry for wire rope. Stocks of second-hand machinery materials are low, and there is a possibility of some mines closing down, thereby dislocating this trade. Electrical goods, porcelain ware, country orders excellent, but lull in town business. Lamps and wire prices are advancing. Lack of porcelain baths and all classes of sanitary enamelware, these lines having risen further 65%, making altogether 190% since pre-war. Shortage of cooking stoves, oilmen's colours, plate and sheet glass, timber, and galvanised iron. Commercial exchange not yet much affected by the proposed closing down of lower-grade mines, since mining industry has for some time past been decreasing reserves. Regarding soft goods, predicted slump; coastal merchants are inclined to accept with reserve cables from American manufacturers to local agents. Merchants characterise the recent movements as panic fluctuations, and state they are still receiving advices showing rises in cost of most lines, biggest advances having been wool and cotton piece goods and boots. Generally speaking most wholesalers are uneasy at future outlook and curtailing buying operations accordingly. May sales were not up to level of the two preceding months; country storekeepers, having already bought heavily, are slackening their purchases in view of the early approach of annual stocktaking. East London advises a strong demand of Kaffir blankets and sheeting. Position of wheat and flour stock is causing uneasiness. On June 1 in the House Assembly a Labour member proposed a motion urging the Government to take steps under the Moratorium Act to fix the price of wheat, maize, and other necessary foodstuffs. Members representing the agricultural constituencies in the following speeches displayed considerable opposition. The Minister for Finance replying, stated that Government inquiries revealed that approximately one million bags of wheat were actually available in the country to-day, and no confirmation had been received of the reported cable from the Argentine prohibiting export. Urgent representations to the Indian Government had elicited the definite reply that the Government is not prepared to grant permits until December. The Minister contended that the root trouble was the high cost of living, and that there is not enough work being done in the world to-day, and not enough production going on. Indications are that the Moratorium Act will be extended after January next. General Smuts, in conclusion, advocated a straight vote on the motion, and considered debate closed. The motion was negatived by 79 to 20. Regarding crops and livestock, April condition of Union maize crop was reported to be 20% below normal. Frosts were responsible for the decline. The new crop is expected to come forward freely towards the end of June. Kaffir corn condition is identical with maize. Tobacco crop prospects have improved by approximately 5%, with estimated production of 8,949,600 lb. Cotton, current season, expected produce about 2½ million lb. seed cotton. Sugar refineries stocks exhausted. New season opens early June and crops generally good, and it is expected that the output will compare favourably with last year. Important cattle sales recently in Bloemfontein realised £50/60,000, a feature being the number of new purchasers. Frieslands.—Possible in the near future shipment of Frieslands will be sent to England. Union mineral output: April, gold, 683,962 ounces, value £2,905,289; silver, 75,372, value £18,842; diamonds, 219,691 carats, value £1,380,091; coal sales, 912,929 tons, value £341,670; copper sales and shipments, £1,075 tons value £61,063; tin ditto, 125 tons, value £26,565; and other base ditto, value £14,187.

COMPANY MEETING.

TANKERS, LIMITED.

The statutory meeting of the members of this Company was held on June 3 at Winchester House, Old Broad Street, London, E.C., Mr. Thomas J. Callaghan (the Chairman) presiding.

The Chairman said: Ladies and Gentlemen,—This meeting is of a purely formal character, rendered necessary by the provisions of the Companies (Consolidation) Act, 1908. The statutory report which has been sent to the shareholders contains a summary of our receipts and payments and the further information required by the Act. The issue of 1,500,000 8% Participating Preference (exchangeable) shares of £1 each in February last met with a very gratifying reception, applications having been received for upwards of 5,000,000 shares. In accordance with the terms of the prospectus, the Scottish-American Oil and Transport Company has subscribed for 1,500,000 Ordinary shares of £1 each, upon which they have paid in cash 10s. per share (£750,000). The remaining 10s. per share will be forthcoming as and when required.

The Company's Fleet.

The Company has, as arranged, acquired from our friends, the Scottish-American Oil and Transport Company, Limited, the *War Pundit* (since renamed the *Scottish Bard*), a tank vessel of 8,500 tons. The steamer has been chartered to the Scottish-American Company, who inform us that she has already delivered two cargoes to European ports resulting in a handsome profit. Two further voyages have been arranged, and our friends speak well of the vessel and anticipate being able to continue to employ her profitably. We have also taken over from the Scottish-American Company the contract for a vessel of 10,250 tons, now in course of construction, at cost price. We understand it will be delivered during the month of August. It will be chartered to the Scottish-American Company, and will immediately be placed on a profit-earning basis by conveying to suitable markets the products of the wells in Mexico controlled by them. Messrs. Vickers, Limited, have already laid down six ships for our account, and we are informed that the delivery of the whole of these may be expected during the first half of next year. The earlier part of the construction programme of Messrs. Armstrong, Whitworth and Company contemplates the building of five tankers for our account. We anticipate deliveries under this contract during the summer or early autumn of 1921, by which time we should have, therefore, a fleet of 13 tankers. Owing to the progress made by the Company, the directors are satisfied that the fixed dividend of 8% on the Preference shares will be paid in due course on September 1 and on March 1 following.

As Tankers, Limited, and the Scottish-American Company are so intimately associated, and as you have certain conversion rights in the latter, and many of you are shareholders in that Company, it may not be considered inopportune if I make one or two observations relating to the position and prospects of the Scottish-American Company. The boards of the two companies are identical. Notwithstanding recent reports of further revolutionary troubles in Mexico, that country's oil industry is passing through a period of enormous expansion, and, if the output of oil is maintained at its present rate throughout the year, the record of crude oil production reached in 1919 will be considerably exceeded in 1920. During March alone over ten and a-quarter million barrels of Mexican oil were exported. This total is 20% greater than all previous records. The Scottish-American Company's production is not only maintained, and the disposal of the output arranged on satisfactory terms, but two new wells on carefully selected lands are in course of being sunk, and it is not unlikely that the directors may shortly find themselves in a position to report further discoveries, indicating an increased output.

In the Scottish-American Company's prospectus you may remember a reference was made to the seizure of a plot of producing land controlled by that Company. Action in this matter has been taken in the Courts in Mexico, and a decision in two of the Lower Courts has been given in favour of the Company. It is probable that the case will be carried to the Supreme Court, and, in the event of its claim being upheld, the production controlled by the Company will at once be materially increased. It is expected that eventually by far the larger portion of the product of the Company's wells will be refined into internal-combustion oils, such as petrol and Diesel engine oils, and also into various classes of lubricants.

Negotiations have just been concluded resulting, subject to certain conditions which will be discussed by your directors later in the day, in the acquisition by the Anglo-Persian Oil Company of a considerable block of vendor shares in the Scottish-American Oil and Transport Company. Any arrangements made with the Anglo-Persian Oil Company will be immediately conveyed to the shareholders either direct or through the Press. (Applause.)

A vote of thanks to the Chairman concluded the proceedings.

MEETINGS
OF PUBLIC COMPANIES.

ROYAL INSURANCE COMPANY, LIMITED.

THE seventy-fifth annual general meeting of shareholders in this Company was held on May 31 at the Company's head offices, 1 North John Street, Liverpool. Mr. Thomas Woodsend (Chairman of the Company) presiding.

The Chairman: Ladies and Gentlemen,—The occasion of our meeting to-day is a doubly memorable one. In the first place I am able to welcome amongst my audience those shareholders who have joined our ranks as a result of the fusion of our Company and the "Liverpool and London and Globe," and by the same happy circumstance I have the support amongst our directors of Messrs. A. K. Barnes, E. S. Parker, and Lieut.-Col. Sir J. P. Reynolds, directors of that Company, who have joined our board in token of our alliance, and whom you will be asked at a later stage to re-elect, along with Mr. E. F. Bushby, who has also been elected a "Royal" director during the year.

The negotiations which culminated in the fusion of the two companies are of so recent date as to be still prominent in your minds, and I need not recapitulate the conditions. It will suffice if I report to you that, the arrangement having, as you know, been successfully carried through, we are now possessors of all but a minute percentage—one-sixth of 1% to be exact—of the shares of the "Globe." The fusion has been given effect to in a broad spirit of friendliness and good will on the part of all concerned, not only here in Liverpool, but also in all parts of the world where our companies are represented, and we are daily receiving reports from our various spheres of operations indicating measures of co-operation and mutual support which go a long way to justify the hopes which we formed for the future welfare and advancement of the combined companies.

Along with our own report we have been enabled to send you, by the courtesy of the directors and management of the "Globe," a copy of their report and balance sheet for the past year, and from these two documents you will have been able to realise the giant strength of the twin pillars whereon we have already begun to erect a superstructure which bids fair to assume such proportions as to form a striking memorial to the skill and forethought of our worthy predecessors, who so many years ago laid the foundations of the companies now so happily united. (Hear, hear.)

And this reference to the builders of the past leads me to the second of the reasons why I say that our meeting to-day is a memorable one, for on May 31, 1845, the original Deed of Settlement of the Royal Insurance Company was signed, so that we meet to-day exactly on the 75th anniversary of the foundation of the Company. (Hear, hear.) Three-quarters of a century we register as passed in our history, and, looking back over the way we have come, we see that the road has been a steadily rising one. There have been depressions on the way, valleys even, as well as steep gradients, but looked at from the height which we have now reached these are blotted out, and in retrospect we are cognisant only of the general upward trend and the exhilaration of the higher altitude reached. Before us stretch still loftier summits, which we face with a confidence engendered by the success of the past, and fortified by the support of our new ally whose way will henceforth be intermingled with our own. It would not be fitting that I should close these retrospective sentences without a reference to the remarkable fact that we have present with us to-day Mr. W. J. Candlin, a member of the original staff of the Company, who after travelling all the way, rendering honourable service, is still able to enjoy the leisure of retirement. (Applause.)

With these thoughts of the past I confess to a certain feeling of pride in directing your attention to the accounts and balance sheet now before us, and I feel confident that you will agree with me when I say that the results disclosed afford us grounds for great satisfaction. The total profits realised in all departments, exclusive of interest, amount to £1,199,096, not including the £130,000 quinquennial life profits, which is, I think, a very noteworthy achievement.

Fire Department: Premiums Six Millions Sterling.

I give pride of place to the fire department, which remains always the great bulwark of our fortunes, and I ask you to note with due appreciation the important increase of £548,498 in our premiums, which for last year reached the total of £6,033,893. We have thus passed another million milestone, but such is the pace of our progress that we almost cease to be cognisant of the flitting by of these indices which in earlier years we were wont to look upon as important measures of achievement. Our losses have been moderate, having amounted to £2,702,807, representing 44.39% of the premiums, as compared with 46.79% for the previous year. We have been fortunate in avoiding any losses of exceptional magnitude, especially in the United States, whence we draw a large proportion of our revenue, and our unusually favourable experience in that country has enabled us to offset a somewhat less advantageous showing in the home field. It will not have escaped your notice that, while our commissions show a fairly constant ratio, our expenses both in amount and in percentage are considerably increased, amounting to £1,396,045, equal to 22.93% of the premiums, as compared with 20.38% for the previous year.

We have transferred to this account the sum of £400,000 from profit and loss account, and £600,000 from the reserve fund, thus bringing our total fire fund to £5,000,000. I would explain in regard to the transfer from the reserve fund, which will be reduced thereby from £1,600,000 to £1,000,000, that we have thought it desirable to follow this course in order that the specially denominated fire fund should be brought to the round figure of five millions sterling. In effect the position is unchanged, because the reserve fund is available for all our business, including fire, but there is some advantage in allocating the amounts in the revised form.

Life Department: Record New Business.

Our life department on this occasion calls for more than usual attention. Dealing first of all with the progress of the past year, you will see that we have largely eclipsed all our past records in respect of new business, and have succeeded in reaching the imposing total of £4,302,642 in new sums assured. There is no doubt that there has been a time of harvest for life insurance companies after the lean years of the war period. The causes are complex, but in the main they may be taken as a recognition by the public of the stability of life insurance, which has been so strikingly demonstrated, even through all the stress of war and disease, in the midst of a crumbling market for the gilt-edged securities in which men were wont to make their "rainy-day" investments. It is highly gratifying to know, from the figures which I have just quoted, that the popularity of the "Royal" has been sufficient to attract to us so very large an amount of new insurances. The claims of the year have been normal in amount, and are well within the ratio provided for in our calculations.

Quinquennial Life Bonus: Old Rate Maintained.

The chief interest, however, in our life department at this time lies in the Actuary's report of the quinquennial valuation, which has been circulated along with our other reports. The details are necessarily technical, and I need not attempt to recite the interesting figures which Mr. Fraser has set out so clearly. You will have understood the main fact of this report in regard to the declaration of our bonus at the same rate as before, which, briefly stated, amounts to a bonus of £1 10s. per cent. on the sum insured for each full year's premiums paid at the participating rate.

The life funds are shown by the Actuary's valuation to be in a thoroughly sound position, so much so that notwithstanding the heavy toll of the War claims, which amounted to £371,474, and involved a net loss of £250,000, and after making provision for all eventualities, an available surplus of £1,195,586 is brought out, which is sufficient to provide for the payment of the bonus at the former rate and for the transfer to profit and loss account of the sum of £130,000, representing the shareholders' proportion, leaving £95,263 to be carried forward. (Hear, hear.) I would specially direct your attention to the unusual but useful contribution of £25,000 from the annuity account, a branch of our operations which has not for 20 years previously made any contribution to our life profits.

Your directors have given the most serious and careful attention to the question of our bonus distribution, and after taking into consideration the special position of the life assurance fund and the general financial situation, they have unhesitatingly reached the conclusion that the proper course is that the bonus to life policyholders should be continued at the same rate as in the past, thus maintaining unbroken the tradition of the previous 50 years. (Hear, hear.) The surplus has been arrived at without in any way modifying the basis of the actuarial calculations or impairing the profit earning capacity of the future, and I am confident that the fact of our bonus being thus maintained will still further enhance the confidence of our commercial friends in the safety and security of the contract offered by the life assurance branch of the Company.

Marine Department: Premium Increase.

The 1918 account has realised a profit of £219,168, which has been carried to profit and loss account. While this shows a marked falling off as compared with the abnormal profit of 1917, I think you will agree that nevertheless it is an excellent result, especially bearing in mind the profit of the last pre-War year, 1913, which was £91,501. We anticipated that

we should have to face further material reductions in our marine income, but it is satisfactory to find that, on the contrary, we are able to show premiums in 1919 almost £80,000 in excess of those of 1918. The continued increase in the value of ships and in the price of all materials and merchandise has mainly contributed to this; but we may also, I think, take it as an evidence that we are able to maintain our hold on the marine market notwithstanding the vigorous competition we have to face from the numerous new entrants into this field. The balance carried forward of the 1919 account, after deducting claims and expenses, is £74,615 greater than that which we had in hand at the end of 1918 from the operations of that year. This, so far as it goes, is satisfactory; but, as you know, the results of our marine account depend in a very large degree upon the payments to be made and provided for in the subsequent years.

Accident Departments.

The combined income of our three accident departments amounted to £2,456,125, which shows the substantial increase of £516,559 over the premiums of the previous year. There is an increase in the premiums of all three accounts, but chiefly in the general insurances account, which, as you know, is largely composed of the business of our allied Company, the Royal Indemnity Company of New York. In the personal accident and general insurances accounts we are carrying forward increased balances as the result of the year's operations, but the only amount transferred to profit and loss account from our accident sections is £100 000 from the employers' liability account. This latter sum represents more than the actual profit for the year, which amounted to £52,826, which we consider a very satisfactory showing if you take into consideration that the companies have undertaken without extra charge the additional liability resulting from recent enactments which largely increased the amount of compensation payable to workpeople. This necessarily augments not only the amount paid for claims, but also the reserves required for outstanding cases, which in this department are always numerous. The "additional reserve" carried forward in this account is somewhat less than formerly, but, in the opinion of your directors, is still more than ample.

The operations shown in the general insurances account have resulted somewhat less favourably than in the past year, and only show a bare margin of profit. We have had an unfavourable experience in certain sections included in the account. Burglary insurance in particular has caused us appreciable losses, but we are hopeful that the present wave of increased criminality will prove to be but a temporary evil, due to the seething ferment of present-day conditions. We are told that such outbreaks of crime are not unusual in the aftermath of war, and therefore we hope we shall eventually revert to normality, otherwise rates must be increased. Motor-car insurance, in which we have an important interest both in this country and in the United States, has shown up very unfavourably, due chiefly to the enhanced costs, not only of repairs, but of indemnities for injuries caused. Steps have been taken to bring about increases in the premiums, which we hope will eventually restore this section to a normal profit-yielding basis. (Hear, hear.)

Expenses.

The rising tide of expenditure has exceeded even the proportions which our greatly increased income would normally have absorbed, and you will have observed that our expense ratio over our accounts taken as a whole shows an appreciable increase of roughly 2% of our premiums. This will occasion you no surprise, and but bears out the anticipations which I expressed to you twelve months ago. There is, unfortunately, no indication that we have reached the climax in the upward trend of all costs, and we must therefore, in common with all administrations the world over, reconcile ourselves to the inevitable, while continuing to exercise the strictest economy consistent with efficiency.

Staff: Salary Increases.

Practically all our men have now returned from the War (hear, hear), and we experience gratification in the knowledge that we have been able to take everyone, who so desired, back into our service on suitably adjusted remuneration. We recognise that it is no small part of the sacrifice which their years of warfare has entailed that these young men have lost the benefit of the business training and experience which normally they would have acquired during that period, and we are endeavouring, in so far as it is possible, to avoid their being permanently disadvantaged by that circumstance.

Recognising that the increased cost of living, which we had attempted to provide for by way of bonuses, was not likely to disappear in the near future, we during the past year in this country added the bonuses to the permanent salaries, together with such further increases as circumstances justified. It is our aim, as I am certain it will be your desire, that we should deal with our staff in a broad spirit of equity, and with the desire that they should receive all reasonable satisfaction in their aspirations, with due recognition both of the trust which we owe to you as shareholders and of the loyal and efficient services which our staff throughout the world continue to render to the Company. (Hear, hear.)

Changes effected in Capital.

There have been important changes in respect of the capital of the Company since our last annual meeting, and it may be useful if I mention what has been done. First of all, in pursuance of the decision arrived at by the shareholders at the extraordinary general meeting held on May 26, 1919, an amount of £294,468 was taken from the profit and loss account and applied in payment of £1 per share, being part of the amount remaining uncalled on all the issued shares. By this operation the amount credited as paid up on the shares of the Company which were of the denomination of £10 was increased to £2 10*s.* on each share. In January of this year each of the then existing shares was split in two, making them £5 shares, with £1 5*s.* paid up, and since that time we have been issuing additional shares, exactly similar in every way, in exchange for shares in the "Liverpool and London and Globe." At the time of the closing of the books, on the 8th instant, the number of such new shares issued was 530.181, which, added to the 588.936 previously existing shares, gives a total of 1,119,117 shares, each of £5 with £1 5*s.* paid up, making our total paid-up capital at this date £1,398,896, which will be further slightly increased as and when we receive the few outstanding "Globe" shares.

Profit and Loss Account: Tax-collecting for Governments.

There are several items in this account which call for comment. The item of £700.000 as a provision for income and excess profits taxes is again a very large one, and I need scarcely point out to you the very serious drain which in this way is imposed upon the shareholders' profits; and unfortunately we have not yet reached the maximum in this respect. The Budget which is now before Parliament will add to the charges which we shall have to meet in respect of the current year, and, assuming that our profits are normal, we calculate that an additional amount of well over £150.000 will be payable on "Royal" account alone through the operation of the new Corporation tax and the increase in excess profits duty. If we add to these totals the amount of ordinary taxes which have been charged, through the various underwriting accounts, and the income tax deducted from interest, we estimate that we shall have to pay in all for the year 1920 the sum of £1,200,000 in taxes. Ladies and Gentlemen, this is a very large figure indeed, and you cannot help being struck with the very large proportion of our profits which has thus to be paid away. I calculate that out of every pound which we shall earn in profits and interest at least 13*s.* 4*d.* will go in taxation. Translated into terms of energy this means that our 6.000 employees, of many races and many climes, spend two-thirds of their working hours as unpaid tax collectors for the Treasuries of the world. If they start work at 9.30 their energies up till 2.30 are thus expended, and only after that hour for the benefit of the shareholders.

We recognise—we must recognise—that this taxation has to be borne, that funds must be found to carry on the nation's work and to fulfil its obligations. It is one of the burdens of reconstruction which we shoulder in the same spirit of patriotism as we faced the obligations of the War. But at the same time we may be pardoned if we express a legitimate protest against what we consider to be unfair discrimination against insurance companies in the method of levying taxes. We have always protested against the levying of income tax on the interest of our life funds. It is true that of late years the concession has been made of allowing a rebate on account of expenses, but the fact remains that we are still charged with tax on an amount far in excess of our profits. It has been suggested, by the Royal Commission on Income Tax, faced with many intricate problems arising out of life insurance matters, that a Special Committee of Experts should consider these in relation to income tax before the projected new Act is introduced, and in this way we may have at least an opportunity of ventilating our grievance anew; and, anyhow, we welcome the recognition, by an official body, of the fact that legislation passed for ordinary commercial purposes is not necessarily appropriate to insurance business. We should have avoided many inconveniences during the War had this been recognised earlier.

Nationalisation and International Enterprise.

Whether our plea will be admitted or not we cannot foresee, but in any event we shall have to make the best of the position and find what consolation we can in the thought that those who would seek to nationalise the industries of the country are likely to hesitate before laying hands upon companies which are like so many argosies bringing back to the Exchequer of the country the fruits of enterprise in foreign lands.

Depreciation.

We had hoped that when this item had disappeared from our accounts for 1918 we had done with it for ever, but since our last accounts were issued there has been a vast change in the financial situation, and we find ourselves under the necessity of setting aside the further amount of £250,000 in order to bring our securities to the level of prices as at December 31 last. This amount has been

added to our general contingencies fund, which now amounts to £1,500,000, and it can be no surprise to you to know that since the end of the year there has been a further and very appreciable fall in the price of gilt-edged Stock Exchange securities, of which our investments for the most part consist. It is disappointing, of course, to find our profits being eaten into in this way, but there is room for sincere satisfaction in the knowledge that, thanks to the prosperity which has followed our underwriting operations during these years of stress, we have been able to set aside these large sums from year to year as has been necessary, and yet add to our financial resources. (Hear, hear.) The outlook for the moment is overcast, yet we look beyond the immediate future with the hope that eventually prices will advance again, and that these sums are not finally lost to the shareholders. Meantime we can take comfort from the fact that the interest-bearing capacity of our funds is in no way impaired, but is, on the contrary, steadily increasing. (Hear, hear.)

The amount of the allocation to the superannuation fund is increased from £30,000 to £45,000, this increased amount being necessary to meet the higher retiring allowances which will be entailed through the increased salaries we are now paying.

The balance of profit and loss account carried forward amounts to £536,742, as against £830,856 brought into the year, the decrease being practically equivalent to the amount which was carried to capital account twelve months ago to write off part of the uncalled liability on the shares.

Dividend Increased.

The basis of comparison of our dividend with previous years is slightly complicated by the changes in our capital arrangements which have taken place. In November last we saw our way to increase the interim dividend to 20*s.* on the shares as they then stood. Since that date the shares have been split in two, and the dividend which we now propose, as indicated to you in the course of our communications regarding the "Liverpool and London and Globe" fusion, is 10*s.* per share on the new basis. The dividend for the year, therefore, is 20*s.* per share, which is equal to 40*s.* per share on the old basis, and represents an increase of 4*s.* per share on that basis, or 2*s.* per share on the new basis, as compared with the amount paid for 1918.

In accordance with the agreement which we made with the "Liverpool and London and Globe," the dividend now to be declared will be paid on the shares which we have issued in exchange for shares in that Company, and consequently the amount which we have to provide requires to be calculated on the 1,119,117 shares now issued. This amount, viz., £391,690, added to the interim dividend, appears out of proportion to the interest receipts as shown in profit and loss account, which necessarily omits any reference to the "Globe" interest earnings, and for the moment, therefore, the comparison of our dividend with our interest is thrown out of focus; but it should be remarked that against the increased amount now payable we have received since the close of the year the half-yearly dividend on the "Liverpool and London and Globe" shares, so that matters will adjust themselves in our next year's accounts.

There are few changes of moment in the lists of securities shown in our balance sheet. Our already extensive holding of British Government securities has been further increased by over £1,300,000, and in this we have been guided by the consideration that it is incumbent upon us to lend our support to the Government in their efforts to re-establish the financial position of the country. The increase shown in our holding of Foreign Government securities consists mainly in bonds of the United States, where our interests are great, and where also we have obligations to fulfil.

There only remains for me to make a brief reference to the operations of the current year, and I am pleased to be able to say that up to the present our business is progressing normally, and, while losses are generally heavier than they were at this time twelve months ago, we hope, if no unforeseen calamities arise, that we shall have another successful underwriting year. But while I am pleased to be able to conclude these remarks with that hopeful note, I think it would be folly to disguise from ourselves the fact that we are living in difficult and troublous times. We see in the world around us unrest and dislocation in all spheres of labour, of industry, and of commerce. When after the cessation of hostilities we spoke of the problems of reconstruction, we did so possibly light-heartedly, feeling that nothing could approach in difficulty the tasks which we had faced during the years of war. But the months which have passed have revealed the subtle changes which had been taking place in our social, industrial, and financial institutions, of which we were not cognisant during the time when our attention was absorbed in the greater issue of victory or defeat, now so gloriously settled in our favour. The business of a great insurance company is, almost more than any other, by its many-sided interests, brought into contact with all phases of our world-wide social economy and so rendered sensitive to the currents which sway mankind in times of upheaval; and it would therefore seem inevitable that, where so much is changing, insurance also will be affected. Just in what particular way it will come it is impossible to foresee, but it will be necessary for us to be in readiness to adjust our outlook to the changing horizon and to adapt ourselves to new conditions as they crystallise from the present state of flux. (Applause.)

I will now move the first resolution:—

"That the report of the directors be approved and adopted, and that a dividend of 10*s.* per share, less income tax, be payable on or after Tuesday, the 1st proximo, which, with the interim dividend paid in November last, is equivalent to 20*s.* per share, less income tax, for the year 1919."

Mr. W. R. Glazebrook seconded the resolution, which was carried unanimously and without comment.

The retiring directors were re-elected; Messrs. Harmood Banner and Son were appointed auditors for the ensuing year at a remuneration of £1,250, including travelling expenses; and the thanks of the meeting were presented to the directors of the Company and to the London board, also to the members of the Company's local boards and to its officers and agents at home and abroad, and to the boards of directors and officials of allied companies, for their valuable services during the past year.

The Chairman expressed, on behalf of the directors and the other gentlemen included in the resolution, sincere thanks.

Timely help for Louth.

Before the meeting broke up he alluded to the newspaper reports of what had happened in Lincolnshire, and especially in the town of Louth. He mentioned that the board at their meeting that morning decided to contribute a sum of £250, to be sent to the authorities at Louth, to be devoted to the amelioration and help of the unfortunate people who had suffered most in the disaster. (Applause.)

SCOTTISH EQUITABLE LIFE ASSURANCE SOCIETY.

THE eighty-ninth annual meeting of this Society was held at the head office in Edinburgh on May 31—Mr. A. K. Wright, general manager of the Royal Bank of Scotland, the senior ordinary director, in the chair—when the results of the year ended on March 1 last were reported.

The Chairman said: In moving the adoption of the report I may be allowed to congratulate the members on its outstanding features, which are in some important respects exceptionally favourable.

New Business and Growth of Life Fund unprecedented.

The new business has been unprecedentedly large, the claims by the death of members have been remarkably low, and we have added to our life assurance fund a larger sum than ever before in any single year. Last year the directors had the gratification of reporting that the new business transacted had exceeded all records in the history of the Society, the new assurances having for the first time exceeded £1,000,000, and the net business, after deduction of reassurances, having been little short of that figure. The tidal wave which had then begun has since increased in volume, and our total new business this year has reached the large figure of £1,688,000, while the net business, less reassurances, has been not far short of a million and a half. This remarkable increase, which it is right to say reflects the common experience of life-assurance offices during the year, has obviously had its cause in the exceptional financial and economic situation brought about by the War. The huge expenditure within the country of money raised for war purposes, the great extension of credits and of paper currency, and other circumstances have combined to bring about the result that, while people with incomes more or less fixed suffer from the high cost of living, the redistribution of wealth has placed a great deal of free money in the hands of various classes of persons to whom life assurance makes its appeal. Its benefits are more fully realised in times like these, and there is widespread recognition of the fact that the reduced purchasing power of money renders it necessary to make larger provision for the objects which life assurance is designed to meet.

Historic comparisons.

It is interesting to recall that a similar expansion of life assurance took place in the United States last century, after the close of the Civil War. The new economic conditions created a fresh demand for insurance, and this was stimulated by the activities of new companies, which sprang up in considerable numbers, so that within a short time the amount of life insurance effected annually in the United States increased nearly fourfold. In our own country the recent tendency has been, not to the formation of new life assurance companies, but to the amalgamation and absorption of existing offices and the creation of large united concerns, and this on the whole is perhaps for the best. In America many of the new companies proved to be of mushroom growth, and ultimately disappeared, and this was followed by a rapid contraction in the amount of business done; but life assurance had received a powerful impetus, and it has since expanded to such dimensions as to be an important factor in the affairs of the American people. What ultimate results will show themselves in our own case time alone can tell. It is not to be expected that the sudden

increase of the past two years will continue at the same pace, but it is perhaps not too sanguine to anticipate that the volume of life assurance business in this country will henceforth be on a higher level than it was formerly. If so the change will unquestionably be for the good of the nation.

Recent investment policy.

Owing partly to the increased amount of new business, and partly to the decrease of claims, to which I shall refer later, our premium income has gone up by about 10%, and is for the first time well over half a million. Interest and dividends show an increase in actual amount, but the overhead rate is fractionally less—£4 1*s.* 1*d.* per cent., after the heavy deduction for income tax, as compared with £4 1*s.* 6*d.* in the previous year. An explanation is to be found in this—that we have lately thought it prudent to invest considerable sums in the purchase on favourable terms of securities which will mature within short periods, some of them with premiums added to their face value. Those investments will yield a profit which, if considered in terms of interest, will show a high rate of return; but in dealing with them we have brought into the interest account only the amount currently earned as interest, leaving the other profit to show itself when the time arrives.

The result of the recent inquiry by a Royal Commission into the subject of income tax has been a disappointment to the life assurance offices. They had hoped that, seeing that the tax on interest earned on their investments really falls on the policyholders, who are by no means all liable to the maximum rate of tax, some modification of the present practice of charging the full maximum rate would have been considered reasonable. The Commissioners, however, having in view the advantage given to life policyholders individually by the allowance of income tax on their premiums, have declined to recommend any abatement of the tax charged upon them as a body. Should the views of the Commissioners be acted upon, any hope of the redress of what has long been felt by the offices as a grievance seems to be for the present at an end.

Favourable Mortality Experience.

Besides the great increase of new business, another favourable feature of our report is the largely diminished amount of claims. The maturing endowments were themselves less than in the preceding year, but the main decrease is in the amount of claims by death—£298,000 this year, as compared with £394,000 the year before. The directors were able to report the latter sum as within the expectation of the mortality tables, and it of course follows that this year's claims are largely within the expectation. They are, in fact, only about three-fourths of what might have been looked for, having regard to the amount of assurance at risk. Last year, you will remember, we had to pay upwards of £80,000 for War losses and influenza claims. This year we have had no such notable items in the mortality, but even apart from such exceptional items the amount of the death claims is considerably below the average of recent years.

You will not be surprised to see that our expenses are somewhat higher. The increase of about one-tenth in management charges is readily accounted for by the additions to salaries, inevitable in these times, and the extra cost of everything the Society has had to buy. The item of commission is more largely increased, not because we have been paying commissions on any higher scale, but because of the large increase in the volume of new business. That, as you know, bears in its first year a much higher rate of commission than in subsequent years. With all this our overhead rate of expense, commission included, is increased by only about 1¼% of the premium income—from £13 0*s.* 7*d.* per cent. to £14 6*s.* 6*d.* per cent., and we are still very largely within the provision made for expenses in our calculations.

As a final result of the year's work, we have added no less than £239,000 to the life assurance fund—a quite unprecedented amount, which raises the fund substantially above the level it had reached before the writing-off for depreciation at our quinquennial investigation two years ago. The only cloud on our horizon is one which hangs over every similar financial institution at the present time—the continued depression of investment values. We, however, take a hopeful view in regard to this. The financial and economic position of the country is fundamentally sound, and we look forward to a time when securities which are at present depressed in value will have reached a materially higher level.

I am sure you will agree with me that in such a year the thanks of the members are specially due to those representatives of the Society at the branch offices and throughout the country who have done so well in gathering in our share of the rich harvest of business that has been reaped all around us. To our great regret we have lost during the year an extraordinary director—Mr. Huie—who had formerly rendered very valuable service to the Society as an ordinary member of the board for a long series of years. He had attained a ripe age, and maintained to the end his warm interest in the Society's affairs. You will be invited to fill this vacancy by electing a member of the Society whose name, and the name of whose firm, are well known throughout the financial world.

The adoption of the report was seconded by Mr. D. W. Marwick, LL.B., W.S., and unanimously agreed to.

The Hon. Cecil Baring, London, was elected an extraordinary director, and Mr. A. K. Wright and Mr. A. G. G. Asher, W.S., C.B.E., were re-elected ordinary directors of the Society. Mr. Edward Boyd, C.A., was re-elected auditor.

ALLIANCE ASSURANCE COMPANY, LIMITED.

THE annual general court of this Company was held on June 2 at the head office, Bartholomew Lane, London, E.C., Mr. C. E. Barnett (Deputy-Chairman) presiding in the unavoidable absence of the Chairman.

The Secretary (Mr. Sidney T. Smith) read the notice convening the meeting and the auditors' report.

The Chairman referred with regret to the loss which the board had sustained by the death of two of its members, Mr. F. A. Bevan and Mr. Robert Lewis, adding that to fill the vacancies thus created, they had been fortunate in securing the services of Mr. F. C. Goodenough, Chairman of Barclays Bank, and Mr. Alfred Buxton, also a banker of large experience. Proceeding to deal with the business for the year under review, he said :

New Life Business : Half-Million Increase.

You will have noted that the new business in the life department shows a very satisfactory increase. It exceeded £2,700,000, of which £370,000 was reassured with other offices, and is more than half a million in excess of the previous highest total, which was reached in 1913. Premiums on new policies, after reassurance, amounted to £102,000 net. The experience, so far as we have gone this year, is encouraging from this point of view. The mortality experience last year was favourable, the actual claims being only 71% of the expectation.

The fire premium income continues to rise, the increase being £80,364 over that of the previous year. This is mostly due to the revision of existing insurances to cover the increased cost of building and of commodities of all kinds. The importance of revising their policies has been brought to the notice of the Company's policyholders, but there are many who still neglect this obvious precaution. Fire insurance rates have not been raised generally from what they were before the War. Increases in rates which have been made have been due to the bad experience in some particular classes of risk, such as cotton and other manufacturing risks; but none have been made to meet the constantly expanding cost of conducting the business. There is a serious addition to the expenses of working the business, due to the higher cost of materials generally, and also to the increased remuneration of the staff.

On the marine account the premiums, owing to the termination of war conditions, naturally show a considerable decrease (£440,000). Competition is very keen, and great care and discrimination have to be exercised in the acceptance of risks. The fund now amounts to £1,778,000.

Accident Business : Growing Costs.

In the personal accident, employers' liability and miscellaneous insurance accounts we see a substantial increase in premiums, but for various reasons the available profit is rather less. The insurance companies (by arrangement with the Government) have accepted responsibility for the increased compensation under the Workmen's Compensation (War Addition) Amendment Act, 1919, to employees disabled as a result of accidents sustained before the Act came into force, and in consequence an increase in the provision for outstanding claims has had to be made. As regards fresh claims, it is anticipated that the enhanced cost will be met by an additional charge, which is being made in respect of all workmen's compensation insurances except domestic servants' policies. The companies have also arranged with the Government for disabled soldiers, sailors, and airmen to be insured by employers at normal rates. As to burglaries, which have been on the increase since the War, these are risks which we have been very careful and chary about taking, and so far we have come out very well. In the motor-car business, owing to the increased costs of repairs, &c., we have had to raise our rates. I may add that all branches of this department show a fair profit.

Acquisition of Fidelity Guarantee Businesses.

We have taken over the business of the Bankers' Guarantee Trust, insuring fidelity of bank clerks, on terms which we think will prove to be satisfactory, and we are getting a fair amount of new business in this connection. We have also made arrangements to take over the business of the Colonial and Foreign Banks Guarantee Corporation, which will be transferred to the Alliance as from July 1 next. We have every reason to anticipate good results from the acquisition of this old business.

Dividend and Carry-forward Increased.

In common with all large institutions, we have had to write off a large sum on account of depreciation in our securities. Taxation we all know too much about, and I

need not enlarge on that source of trouble. Expenses show a considerable increase, mainly owing to the necessity of enabling the members of our staff to meet the enhanced cost of living. In spite of these drawbacks, we are able slightly to increase the carry-forward on profit and loss account. We also, I am pleased to say, see our way to pay you 2s. per share more in the shape of dividend. In further remarks the Chairman paid a warm tribute to the staff.

The report was unanimously adopted, and the dividend recommended was declared.

NORWICH UNION FIRE INSURANCE SOCIETY.

The annual general meeting of this Society was held on June 1 at the head office, Surrey Street, Norwich, Sir Gerald H. Ryan, Bart., in the chair.

In proposing the adoption of the report and accounts, the Chairman said: The ordinary operations of the Society in its various departments are overshadowed in importance this year by a great constitutional event—namely, the fusion and alliance with our old friends the Phœnix Assurance Company, which the report announces to have been successfully completed. I can say without hesitation that there is good reason to regard with feelings of satisfaction the results achieved and the progress made in every department of our business. In the fire branch our premium income has again advanced, and for the first time has exceeded £1,900,000. The actual increase is about £320,000. The higher values of materials and commodities have, of course, helped us, but these very conditions will naturally lead, in the future, to heavier claims for losses and reinstatement. Our actual claim ratio in the year under review was exceptionally low—only 43.22% of the year's premiums. The expenses are quite moderate, both in amount and when compared with those of our leading competitors. The favourable loss ratio and moderate expenditure resulted in our showing the handsome underwriting surplus on the fire account of £243,620, which is, I am told, the highest profit the fire business has ever yielded.

In the accident department there are several exceptional features to call for remark. Judging by the experience of recent years, the amount passed to the credit of profit and loss—namely, £35,923—appears small, but the results are much better than they seem, and, in any case, the conditions of accident business in 1919 were less propitious than usual. Endeavours are being made by strict supervision and the essential readjustment of rates to place the business on a remunerative footing. The profit is principally depleted by reason of the large increase in the expenses. During the year 1919 the board decided to extend their operations by undertaking accident business in America. As we only started business in the last two months of the year, it necessarily follows that there has been a heavy addition to the expenses without any corresponding benefit in income.

Passing on to the marine department, here we show a substantial increase in our premiums, which have risen from £473,599 to £576,065. The profit shown by the year's operations—namely, £26,186—represents 7% on our premiums for 1918, the year of account now closed, and this quite satisfies us as a reasonable and satisfactory margin.

The profit and loss account shows a very sound position. We start the new year without any obligations or liabilities for taxation on profits that have been brought into account. Each year will henceforth bear its own particular charge.

Mr. G. Hustler Tuck seconded the motion, which was unanimously carried.

ANGLO-AMERICAN CORPORATION OF SOUTH AFRICA, LIMITED.

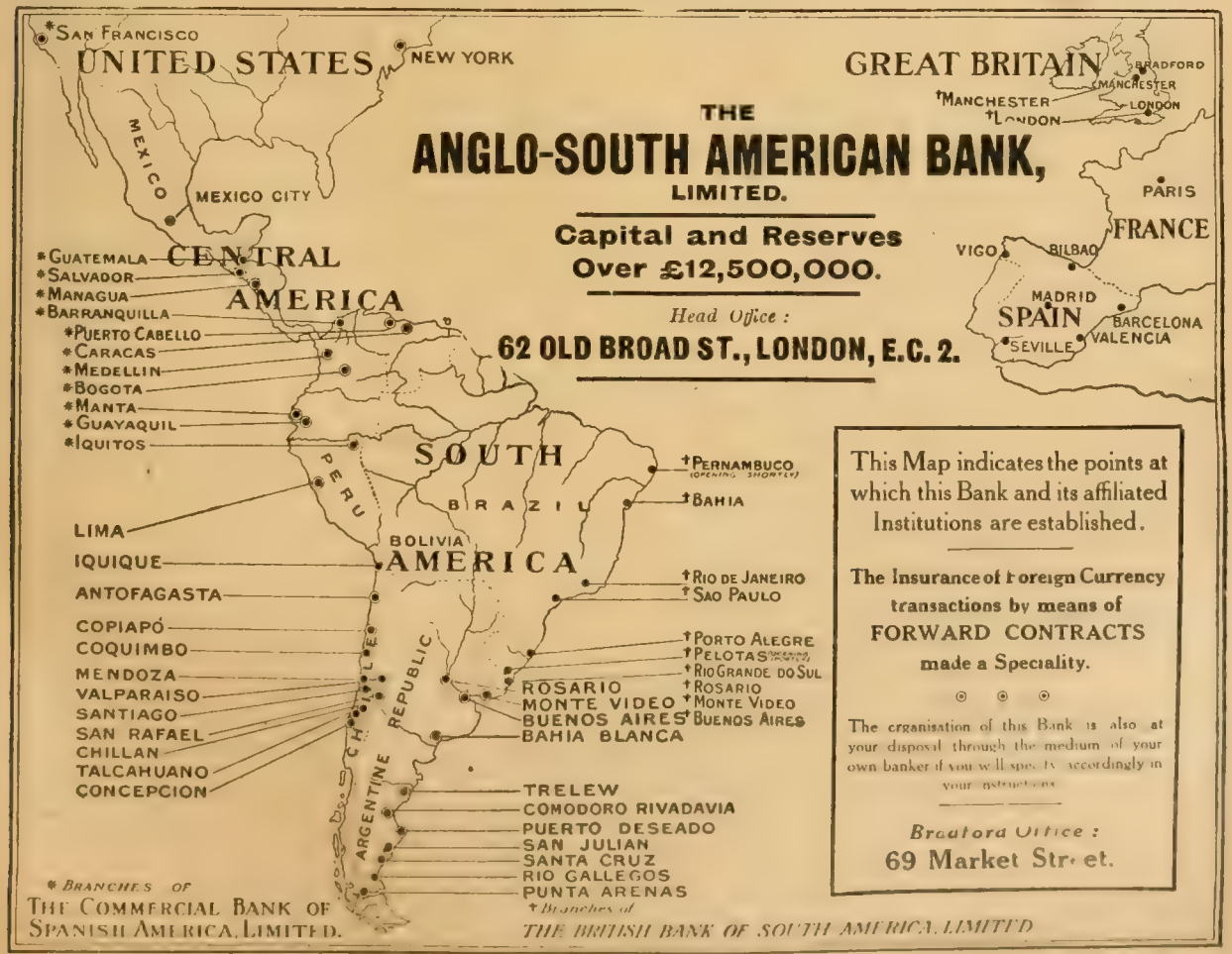
(Incorporated in the Transvaal).

The third ordinary general meeting of shareholders in the above Company was held at Johannesburg on Saturday, the 29th day of May, at 11.15 o'clock in the forenoon.

Mr. E. Oppenheimer (Chairman) presided, and in proposing the adoption of the directors' report and accounts for the year ended December 31, 1919, said:—This is the third annual meeting of the Corporation, and I have a pleasant duty in reviewing the progress achieved during the past year. We successfully concluded negotiations with the Rand Selection Corporation, whereby the shareholders of that Corporation were given the opportunity of merging their interests with ours, and we had also the good fortune to acquire a controlling interest in the Consolidated Diamond Mines of South-West Africa, Limited. I am quite satisfied that this merging of interests will be mutually advantageous to both Corporations, resulting in greater stability, efficiency, and power. The history of the Rand Selection Corporation is a consistent record of progress and success, and our Corporation has ably justified itself in its three years of life. I confidently anticipate that the joint Corporation will achieve even greater success and importance.

Mr. W. L. Honnold has recently returned from a tour of inspection of the extensive properties of the Consolidated Diamond Mines of South-West Africa, and will, when seconding the adoption of the report, give the results of his investigations.

The Consolidated Mines Selection Company having been very large holders of Rand Selection, and having availed themselves of the offer to exchange their holding for Anglo-American shares, thus become one of our largest shareholders. I am happy to say Mr. Walter McDermott, who for many years has successfully guided the destiny of the



Consolidated Mines Selection as Chairman, has agreed to join your board. His unique experience of mining all over the world, and the high reputation which he enjoys in financial circles in England, must be of the utmost value to our Corporation. The Consolidated Mines Selection Company have further asked us to appoint Mr. F. R. Lynch, their Managing Director in South Africa, to a seat on our board. The interests of our Corporation being now so extended, we decided to further strengthen your directorate by inviting Mr. W. E. Hudson and Mr. W. J. O'Brien, M.L.A., to join the board.

Annual Profit Doubled.

Coming now to the financial statement, the issued capital of the Corporation was originally £1,000,000, which during 1919 was made fully paid. The increase to £2,000,000 took place in March last upon the subscribers of the original capital exercising their option to take up further one million shares at par. At the extraordinary general meetings of shareholders held this month the directors were authorised to increase the capital to £4,000,000 to provide the necessary shares consequent upon the offer to the Rand Selection shareholders. Referring to the 1919 balance sheet, you will see that the sum invested in shares and interests and in mining ventures aggregates £495,159—a reduction of £65,139 compared with the corresponding figure at the end of 1918. Sundry debtors amounted to £215,898, compared with only £16,250 in the previous balance sheet; practically the whole amount due has since been paid. Cash at bankers and loans at call total £500,393. Thus cash assets, after deducting the sum of £80,057 due sundry creditors, total £636,234. Expenditure for the year shows a small increase, as was to be expected in view of the considerable expansion of business, but remarkably small, as you will agree, in view of the magnitude of operations. The profit of £88,828 was greater by £45,752 than that in the preceding year; the increase is mainly due to realisation of profits on investments. The profit for the year, added to the amount carried from 1918, gave an available balance of £131,904.

The result of operations for the first half of the current year having been such as to warrant the payment of a dividend, your directors decided to make a distribution for that period of 5% to shareholders as at June 30. Before your directors arrived at this decision they examined the present position of the Corporation and future prospects. Certain statements were prepared, which showed that the estimated profit accruing during the present half-year was roughly £240,000, exclusive of unappropriated profit of £131,904 carried forward from last year, and excluding any dividend that may be declared by the Consolidated Diamond Mines of South-West Africa, Limited, so that, after allowing for payment of dividend, we shall have a large unappropriated profit carried forward. Further examination as to future revenue, without taking into account possible profit from share dealings or new business, entitles us confidently to hope that we have now definitely entered the ranks of dividend-paying corporations. We are specially confirmed in this belief since a rough valuation of gold and diamond shareholdings made on May 18, the date on which the dividend declaration was decided upon, showed against a cost of £2,891,960 a market valuation of £5,085,041. Apart from this we have cash and cash assets totalling about £750,000. In addition to these quoted securities, the Corporation holds valuable interests, such as Schapenrust and options on shares, the latter including one over a large block of diamond shares at a price much below ruling quotation.

The Gold Premium and Cost of Production.

As the annual meetings of the gold companies we are interested in have just been held, I will confine my remarks to bread points concerning the gold mines collectively, the so-called gold premium, and the remarkable and alarming increase in working costs, two factors which, closely associated, are the outstanding features of the year's mining operations. It was expected that the increased price realised by the sale of gold would prove of great benefit to the mines, but the increased cost of production since 1914, due to higher wages, the increased prices of stores, the big rise in exchange, and the marked decrease in efficiency of labour, have to-day entirely absorbed the premium. To give some idea of the actual money involved by increased costs of production I will quote the results obtained at Springs Mines. If in 1917 Springs Mines had crushed 434,000 tons, as they did in 1919, then, calculating on actual cost per ton for those years, the cost in 1919 is over £100,000 more than in 1917. The position this year is worse; costs are still higher; the exchange rate has risen from ¾% to 8¼%, and may go higher. On our producing mines, although classified as high grade, this increased cost of working has automatically reduced the tonnage of payable ore available for mining operations, thereby lessening the scope of employment. This illustrates that the so-called high-grade mines not only suffer reduction in profit, but also are deprived of the benefit from large blocks of low-grade ore, the exploitation of which is impossible through high working costs. I have pointed out that the gold mines in which we are interested are at present adversely affected in two directions in consequence of the prevailing difficulties: firstly, reduced profits on ground actually mined; secondly, through elimination of tonnage payable under pre-War conditions; yet, in arriving at the potential value of the huge areas in the Far East Rand with which we are closely identified, we must not forget that they are young mines with long lives before them. Comparatively small portions of these properties have been opened up so far, and vast areas, which we have every reason to believe contain rich mineral deposits, are still unexplored. Work already done has proved satisfactory, and one cannot possibly assume that the present abnormal conditions will prevail over the whole life of these properties; therefore, we look forward to the future with confidence. I do not want to minimise the difficulties still facing us, and am fully alive to the serious position of the gold-mining industry as a whole. It must be our aim to market our gold to the best advantage, and in this connection I think the establishment of a refinery and mint in South Africa will prove beneficial, and that no time should be lost in bringing these schemes, which have been approved by the Government and the Chamber of Mines, to fruition. There is the same close connection between the cost of production and the premium on gold as between wages and cost of living; there should be the closest co-operation between the producers, importers, and labour, so that any reductions in cost of living and mining supplies should become effective all round as they occur, in order to obviate, if possible, the very serious position of the disappearance of the gold premium while the cost of production of gold continues on the present high level. Simultaneous reduction in prices and wages will not bring hardship upon either gold producers, merchants, or labour, but all will feel benefited by reduced cost of living. When gold eventually returns to standard price it must imply that working costs and costs of living and wages have also returned to their normal standards.

Director's Report on Diamond Fields.

Mr. W. L. Honnold, in seconding the adoption of the report, said: I propose to deal in detail with matters pertaining to the Consolidated Diamond Mines of South-West Africa, in which the Anglo-American Corporation is now so largely interested. The acquisition and amalgamation into this Company of the largest diamond-producing mines in South-West Africa was carried out under the ægis of the Anglo-American Corporation, who, together with friends and the Consolidated Mines Selection Company, hold more than half the capital of the new Company. It is not only the largest of our operations, but also the most important transacted in South Africa for many years. Its successful accomplishment is undoubtedly a matter of congratulation. You will not be surprised to hear that your Chairman was largely instrumental in securing for us this valuable participation. A tremendous amount of work was involved, and I know you will agree that the most cordial thanks are due to Mr. Ernest Oppenheimer for this, as well as other achievements on our behalf. Certainly this is the view of my American associates, for whom I can speak with special assurance. In order to provide you with the fullest and most up-to-date information, I have recently visited the Protectorate, and will now give a *résumé* of the impressions gained during the course of my inspection. Naturally, I am disposed to pay most attention to the factors of fundamental importance, and during ten days' tour of the diamond fields I saw practically every point of interest. The fields lie mainly in the valleys close to, and roughly parallel with, the coast. The principal one within the area has a longitudinal extension of about 60 miles. The coast, as a rule, is rocky, the country generally bare and rugged, except where conditions are favourable to sand dunes or floors. The valleys are covered with gravel deposits, the basal-rock country is of gneissic character of archæan age, and in the northern portion of the fields this type of formation, coupled with dune sand, dominates the landscape. Further south sedimentary rocks are increasingly in evidence, partly as enfolded remnants apparently of the Cambrian age, and partly in the form of overlying quartzite dolomite of later age, classed pre-Miocene, the latter formation being horizontally disposed. The Pomona district appears as flat-topped hills about 300 feet above the surrounding valleys, which are about 50 feet above sea-level. These tafelberg, which are clearly the eroded portions of former tableland, which are covered with what are now hills and valleys below, have an added interest, in that diamonds in profitable quantity are found in a capping of cemented rubble; also because on one of them an ancient river bed contains cemented river gravel carrying diamonds in payable quantity, at a depth of 8 feet. Such occurrences are relatively of minor industrial importance; the chief interest lies in the possible bearings on the question of the original source of the diamonds in the valleys below this. Likewise, it is true that certain ancient river beds of pre-Miocene age recently differentiated further south also carry diamonds. In this connection, but without intending to encourage undue hopes, I may recall that should Kimberlite pipes or other form of original source ultimately be discovered the discovery would in all probability fall within areas controlled by the Halbscheid Gesellschaft, a Company in which the Government participates to the extent of 50%, apart from income

through taxation—namely, 66% of the price realised for product, less 70% working costs. This Company is entitled to new discoveries within the Sperrgebiet area, extending about 60 miles inland, for a distance of about 150 miles along the coast where the principal alluvial deposits occur. The Consolidated Diamond Mines of South-West Africa has, therefore, one-half interest in new discoveries within the Sperrgebiet. This applies to minerals and metals also.

In the valleys, however, the known workable deposits mainly occur, and fortunately are of such extent and richness that we may regard with complacent indifference the question of original source. The valleys vary in character and extent; the width sometimes exceeding a mile, although usually less. They also vary in nature, the gravelly deposit being found on floors, which may or may not contain diamonds in payable quantity. Those payable are not equally or uniformly so, nor are working conditions the same. Frequently, as a result of strong wind prevailing in certain seasons, the floors of the valleys are almost swept bare, perhaps a little gravel remaining, which, however, may be rich. In other cases the gravel is much deeper; the payable deposit at a depth of 35 feet or more is found in places which, as a rule, are more or less cemented. Briefly, it is usually the procedure in the case of shallow deposits to dry-screen in the field through hand-revolved trommels, thus eliminating the material above and below the range of normal size diamonds, then transport the remainder to wet-treatment plant, where it is jigged and the concentrates hand-picked for diamonds. Secondary picking follows in combination with magnetic separation of associated minerals. This treatment is not necessarily complete; the coarse material eliminated in the fields may include cemented gravel carrying diamonds, while fine material hitherto discarded no doubt carries diamonds of size now profitable. The first clearing of ground is bound to leave diamonds in the superficial crevices of the rock below; these released by further weathering, which is facilitated by incidental shifting of ground into heaps. The secondary working is often justified, as in certain places the ground is worked over as many as five times. Where cementation occurs, which is often the case, the whole material discarded in the first treatment may give profitable results when crushed and treated by the wet method. On the Bergbau properties, particularly in the deepest deposits, cementation is so prevalent as to call for wet treatment on a large scale. This involves transportation to plant of the whole of the material, which is there passed through successive stages of screening, crushing, jigging, and hand-sorting, the concentrates being dried for magnetic treatment and final sorting. There is a plant of this type in the northern block of Bergbau, which is still in course of completion, but is already treating about 12,500 cubic yards monthly, say one-third of its ultimate capacity, recovery now being at the rate of about 7,500 carats monthly. A plant on modified lines is contemplated for the South Block, but will not be undertaken until conditions are more favourable for construction. Sea water is used where required. Treatment and electric power are provided by a central generating plant located at Luderichtbucht. Drinking-water for domestic requirements is either condensed from sea-water or transported by rail from inland wells.

Regarding the quantity of diamonds within the new Company's property, I found much more evidence than I anticipated, and was thoroughly reassured regarding the soundness of the business. On Pomona, which relatively is a small area, there are fully 130 miles of regularly disposed trenches, one metre wide, being sampled by washing the whole of the ground removed. Similarly, systematic work has been done on the Deutsche Diamanten ground to the south, also on the Bergbau and other ground to the north. On the South Block of Bergbau over 90 miles of trenching and 800 feet of test pitting has been done, with the object of proving by sampling the deposit of about 1,500,000 cubic yards of diamond-bearing gravel, which is estimated to contain between four and five million carats of diamonds. On a portion of this block the payable ground is shown to a depth of 35 feet, although other portions are much shallower. The deposit is to a large extent suited to mechanical excavation, together with sluicing away of sand where practicable. It is in connection with this ground that new plant is contemplated. Taking development as a whole, my impression is that it is well done, also that the official estimates of the quantity of diamonds indicated rest on a substantial basis, although, as with all such estimates, opinions may differ regarding interpretation and precise significance of the data. As in the case of mining reserves generally, the position will be reviewed from time to time in accordance with experience of further development, having regard to working costs and the price of diamonds. Professor Kaiser, who made an exhaustive study during the War, reached the following conclusion: "That contents of the fields are for certain 14 million carats and will probably amount to 16½ million carats, and this does not exhaust all the possibilities of the fields."

This opinion has been recently confirmed by re-calculations made by the technical staff of the companies concerned in the consolidation, their estimates totalling about 15 million carats. The purpose of their calculations was to provide a basis for the division of the compensation to vendors; therefore their figures were bound to be subject to close scrutiny. One may, however, deal drastically with the estimates and still leave the soundness of the business essentially untouched. You are aware of the conference of the four large South African diamond producers held during last year. The outcome of this conference was, firstly, the inter-producers' agreement settling the quantity of diamonds marketed annually, and quota allotted to the respective producers; secondly, a sales agreement with the Syndicate based on inter-producers' agreement. The amount of annual sales is fixed at £12,000,000, in quarterly instalments of £3,000,000. De Beers contribute 51%, S.W. Africa 21%, Premier 18%, and Jaegers 10%. The production of minor alluvial diamond diggings and smaller diamond mines in the Union are not interfered with. The percentages allocated indicate the importance attached by other producers to S.W.A., its contribution to total sales being second only to De Beers. The agreement is for five years, but any producer may give 12 months' notice of withdrawal after the first year. The conference was held prior to the formation of the Consolidated Diamond Mines of South-West Africa, Ltd., when the whole of the Protectorate was considered one producer. Afterwards, the new Company was formed by amalgamation of the most important interests, but as Kolmanskop and smaller areas are not included in the fusion, they are for the present entitled to contribute their share of the quota of 21% allocated by the conference to the whole of South-West Africa. The Hon. H. C. Hull, in his statement dated February 18, expresses the hope that the Consolidated Diamond Mines of South-West Africa may be treated on terms of equality with the big producers of the Union, and that the quota allocated to his Company may be independent of the production of the smaller producers of the Protectorate. If successful, his endeavours will secure to the Consolidated Diamond Mines of South-West Africa proper recognition as the main producer. I feel sure shareholders will join in gratitude to Mr. Hull for the work he has done in the interests of the Company, and the great efforts he has made and is still making to secure an improved position in the diamond-producing world. One important result already effected is to cement the friendship between the producers and to improve relations with the Syndicate, which augurs well for the future control and prosperity of the diamond trade. It follows that the properties of the Consolidated Diamond Mines provide quarterly about £600,000 value of diamonds out of a total of £3,000,000 taken by the Syndicate. I understand that sales effected by the Syndicate since the beginning of this year have been at a rate much in excess of the basic quotas, consequently there is the likelihood that the Syndicate will take more than the amount of the fixed obligation, thereby correspondingly increasing the total sales of the Consolidated Diamond Mines of South-West Africa. There will be added to the proceeds of sales one-half of the amount received by the Syndicate in excess of the basic price each quarter, after deducting 5% commission, which the Syndicate is first entitled to. Translated into quantity, this means that during the first quarter of the year the Company marketed over 100,000 carats, and during the second quarter will market about 85,000 carats, possibly more, on the basis of selling price of £5 12*s.* 6*d.* for first quarter and £7 4*s.* 6*d.* for present quarter. There are possibilities of higher price for next quarter. At this rate of disposal the life of the property is so prolonged as to play a small part in estimating present value. As the Syndicate's obligation is based on value rather than quantity, it follows that in absence of excess sales the number of carats sold is automatically reduced by higher selling prices. Therefore the producers' chief gain lies in resulting longer life of the mines. In practice, however, higher prices usually connote a wider market, and are therefore a double gain to producers.

An estimate of profits.

I am not in a position to give actual result of initial operations of the Consolidated Diamond Mines of South-West Africa, as the accounts are not completed, and, in any case, it would be improper for me to disclose same at this juncture. Taking the first three months' deliveries as a basis, I make a rough estimate of the profit resulting from first quarter's operations, thus giving shareholders an idea of the earning capacity of the investment. First question is, the price realised for diamonds. Under existing agreement with the Syndicate, the initial basis price of £5 12*s.* 6*d.* per carat is fixed for the first quarter of the year, with the proviso that each succeeding quarter the basis price would be the actual average selling price of the Syndicate during the preceding quarter, less 5%. The Syndicate realised substantially higher prices, as the basis price fixed in April for the ensuing quarter was £7 4*s.* 6*d.*, or an increase of 28.4%. Half of the excess amount realised is returnable to the Company, which is equivalent to an increase in price for average quality diamonds delivered during the first quarter from £5 12*s.* 6*d.* to £6 5*s.* 6*d.* per carat. Working costs at present are about 20*s.* per carat; taxation is 66 % of value, less 70 % of working costs, which for taxation purposes are allowed to include realisation and amortisation charges. Taking these factors into account, on a

value of £6 5s. 6d. per carat the Government should receive about 65s., and about 40s. profit should accrue to the Company. It is evident that with higher prices realised in subsequent quarters the profit per carat is proportionately increased. Applying these figures to quantities delivered as first quarter's quota, we arrive at a profit of well over £200,000 from the sale of diamonds alone, but, as already stated, this is merely a rough calculation, and must not be taken as representing accurately the results of mining operations. You will recall that the amalgamation took effect on October 1, 1919, therefore that one quarter of profits earned by all companies during 1919 belong to the Consolidated Diamond Mines of South-West Africa. I must mention that the interests of the Deutsche Koloniale Gesellschaft will probably prove a considerable source of further income, receipts from royalties, taxes, rents, &c., being already at a rate of over £50,000 per annum, with the possibility that the amount will be materially increased by developments of other resources. The central electric power plant is also a source of additional revenue. Regarding production, I understand that the rate is now 50,000 carats monthly; therefore the Company should have in hand at the end of the year a considerable stock of diamonds, and will thus be able to supply any additional requirements of the market. You have all the facts essential to an opinion of this business. I have not ventured on prophecy, nor been so presumptuous as to anticipate the board's decision on matters of policy.

I now formally second the adoption of the report and balance sheet.

SPILLERS MILLING AND ASSOCIATED INDUSTRIES, LIMITED.

PRESIDING at the thirty-third annual ordinary general meeting of this Company held at Cardiff on May 29, the Chairman (Mr. Wm. Edgar Nicholls, J.P.) referred to the fact that he met the shareholders for the first time as Chairman of Spillers Milling and Associated Industries, Limited, this being the new name of Spillers and Bakers, Limited, adopted last year.

Most of the changes embraced in the new scheme of organisation had now been carried into effect, and one important result of these changes was that the form of balance sheet was completely altered. The Company not now being a trading Company, the important item of stocks was no longer included, and the book debts amounted only to the unimportant sum of £21,650. The totals of these items in the subsidiary companies, as on February 29 last, amounted, however, to nearly £1,900,000.

The Year's Profits.

The profit for the year as shown by the accounts was £204,915 9s. 4d., being the sum total of the dividends declared by the subsidiary companies *plus* the credit balance of the parent Company. The total disposable surplus was £372,599, and the directors recommended a distribution of 12½% on the old Ordinary shares (making 15% for the year), half that total rate (in accordance with the terms of issue) on the new Ordinary shares, and 10% on the Deferred Ordinary shares.

Mr. Nicholls then referred to the paragraphs in the report qualifying the statement made in the supplementary report for the year ended February 28, 1918, issued last year, that an agreement had been come to with the officials of the Ministry of Food with regard to remuneration. At that time it was thought that the agreement arrived at was a definite one, and it was not until some three months after the meeting last year that an intimation was given that the agreement was not confirmed. New negotiations had commenced last November, and, considerable progress having been made, he hoped that a definite settlement would be come to at an early date. However, in view of the uncertainty, it had been thought advisable to keep in reserve in the new Company, Spillers and Bakers, Limited, a very large sum, if only as a measure of safety.

Share Premium Placed to Reserve.

The issue of £500,000 in Ordinary shares agreed to last year had been carried out, and these shares had been taken up by shareholders and staff at the price of 30s. per share. The result of this issue was to place the sum of £250,000 in premium at the disposal of the Company, and this amount, as shown in the balance sheet, had been transferred to reserve.

The insurance reserve fund had also been increased from £210,000 to £250,000.

The Chairman referred to the fact that since last year several members of the Board were no longer directors of the Company, but he said that in every case those who had left the Board of the parent Company had accepted directorships on one or other of the subsidiary companies' boards.

Benevolent Fund as War Memorial.

In regard to the creation of a War Memorial, the idea of which was first suggested in 1916, the directors had, after due consideration, agreed to recommend that a commencement should be made with a capital of £25,000, and that this amount should be transferred from the war contingencies fund to trustees for the purpose. The income from this capital sum, it was thought, should be sufficient to meet the calls that would be made on the fund for its initial purpose—viz., that of assisting dependants of former employees who made the supreme sacrifice and of old employees who through wounds were unable to resume their former activities.

End of Financial Year: Date Changed.

Owing to the enormously increased volume of business, it was now agreed that there was not sufficient time available after stocktaking on February 28 for the auditors to deal efficiently with the accounts, so that the annual meeting could be held on the first Saturday in May, as had always been the case until recently. It had, therefore, been decided that the next stocktaking should take place on January 31, 1921, and the accounts presented next year should be for a period of eleven months only. As the outcome of this decision certain adjustments would be necessary in the payment of the Preference dividend, and for the current eleven months only the Deferred Ordinary shares would rank for dividend after a payment of 13⅔% on the Ordinary shares, and would obviously only take 13⅔% before the two classes participated in a further distribition, if any.

Company favours Co-Partnership Scheme.

Referring to co-partnership, the Chairman intimated the desire of the Board that a new class of share should be created for this purpose, which would rank for dividend with the Company's Ordinary shares, and would be taken up and relinquished at par, thus stabilising the capital value of each co-partner's accumulated holding.

Nothing, however, could be done until the State control of flour mills ceased, and then they would want to know whether the workpeople favoured some scheme of profit-sharing and co-partnership; whether the Government by legislation were intending to introduce a national measure of co-partnership, and whether the flour-milling industry as a whole had any intention of adopting these principles, which he was convinced more than ever would make for complete understanding throughout industrial Britain.

An Amalgamation Effected: Further Increase of Capital Desirable.

Speaking of present-day conditions, Mr. Nicholls gave it as his opinion that economy in working and distributing charges were one keynote of success. Spillers had a *clientèle* which covered practically the whole of the United Kingdom, and to conserve the number and goodwill of their customers, or rather their subsidiary companies' customers, it was necessary to show that in every locality they were providing equal or even better value than their competitors. Following out this principle, an amalgamation with Messrs. W. Vernon and Sons had recently been decided upon, and might be regarded as a first step in the new policy. This amalgamation was being carried out by an exchange of shares, and, in order to be prepared for any future similar agreements, it was advisable to have ample capital available, to issue as occasion might require. For this reason the shareholders were asked to authorise an increase of the nominal capital of the Company to £5,000,000, as, with such reserves, the Company would be able to face this policy and also to provide for the high values of wheat and other cereals, and so continue the expansion and activities of their several businesses without restriction. He anticipated that the Board would be able to decide in the early autumn whether or not a further issue of shares was necessary, and, if so, the shareholders would again have the first chance of subscribing. The price of issue would obviously depend on the circumstances then existing.

Adverting to the outlook of trade in general, he referred to the harvest prospects of the year and to the very high prices at present obtaining for American and Plate wheat. The coming wheat harvests of the northern latitudes were of the utmost importance, as the demands of the Continent were insistent and the position as regards Russia very obscure.

The Board's recommendations in regard to dividends were approved.

The retiring directors were re-elected, and Messrs. R. L. Impey, Cudworth, Lakin-Smith and Goode, and Messrs. Deloitte, Plender, Griffiths and Company appointed joint auditors of the Company.

At an extraordinary general meeting held after the annual meeting, an increase of the nominal capital of the Company to £5,000,000 was authorised.

A vote of thanks to the Chairman, directors, and staff concluded the proceedings.

RICHARDSONS, WESTGARTH AND CO., LIMITED.

AT the annual meeting of this Company of marine engineers, of Hartlepool, Sunderland, and Middlesbrough, held on May 31 at Hartlepool,

Mr. D. B. Morison, the Chairman, in moving the adoption of the directors' report and balance sheet, said the profits of the Company for the past year admitted of the payment of £105,000 to the Preference shareholders, against which a dividend of 18% had already been paid, and a further

dividend of 12% was now due for payment. The directors proposed to allocate £45,000 for depreciation, and, in addition, to write off £13,500 from the cost of new machinery and buildings.

After mentioning that during the whole of last year only three months were unaffected by labour troubles either in their own works or in the shipyards to which they supplied machinery, Mr. Morison stated that, in spite of this, the output for the twelve months comprised the machinery for no fewer than 38 ships, aggregating 80,000 h.-p., besides numerous sets of steam turbines for the generation of electric power.

The broad question of finance still presented some anxiety in consequence of the very heavy demands of the Inland Revenue for the tax on profits, this burden also militating against the provision of sufficient working capital and the setting aside of an adequate reserve to meet future emergencies.

Taxation and Productive Efficiency.

In this connection, Mr. Morison observed, I unhesitatingly say that, as provision for efficient production is imperative, there is good reason why sufficient money should be left to us by the Inland Revenue to make good the destructive effects on our plant due to the highly abnormal conditions of working which prevailed throughout the war period. It is not a question of the relative money value of this or that machine before and after the war. The present inflation is simply a passing phase; and what we, as manufacturers, have a right to expect is that the productive efficiency of our plant shall be adequately restored. Efficient production is vital to manufacturing success, and if that efficiency has to remain seriously impaired because of the ravages of taxation, then our manufacturing position will be prejudiced to an extent that can only be revealed, all too late, when we are brought face to face with competition we may be unable to withstand.

With regard to the outlook, Mr. Morison proceeded, we have a very full order book, but, on the other hand, our rate of production is deplorably low. Before the War the standard week was 53 hours, and, after making allowance for overtime on the one hand and sickness on the other the average hours actually worked per man per week were approximately 53. Now, when the standard week is 47 hours, after making allowance for overtime and sickness the average hours actually worked per man per week are 44. There is thus a net decrease in time worked of nine hours per week per man—or about 17%. Furthermore, and what is worse, the actual time now taken to complete a given amount of work is, on an average, nearly half as long again as before the War. In a business in which a vast amount of highly expensive machinery is employed the effect of such a decrease in its productive capacity as those facts and figures indicate, combined with the corresponding increase in working expenses per unit of work, must obviously be serious.

High Wage Demands: Unemployment Menace.

Fortunately, there are indications of an appreciation of the undoubted fact that the costs of production are now so extravagantly high that, if the continuous demands for still higher wages are persisted in, commercial success will ultimately become impossible. Demand will then cease, and a slump—and unemployment—must inevitably follow. The desideratum at the moment is the restoration of at least the pre-War output per man per hour. There are already distinct signs of a slackening demand for ships, and the only way to retard the downward trend, and at the same time to maintain high wages and secure continuous employment, is to quicken production and reduce cost.

Mr. R. S. Middleton seconded the adoption of the report and balance sheet.

Several shareholders thought that so large a sum should not have been placed to depreciation, but devoted to a further reduction of the arrears of Preference dividend, especially seeing the very low figure at which the Company's assets stood in the balance sheet.

The Chairman, in reply, pointed to the present inflation of values and urged the necessity for providing adequate reserves to meet possible contingencies.

The report and balance sheet were adopted by 31 votes to 19, and the retiring directors were re-elected.

LIPTON, LIMITED.

THE twenty-second ordinary general meeting of this Company was held on May 31 at Winchester House, London, E.C., Sir Thomas J. Lipton, Bart., K.C.V.O. (the Chairman), presiding.

Mr. C. Williamson Milne (Deputy-Chairman), who at the request of Sir Thomas proceeded to explain the accounts in some detail, said: Shareholders will remember that until last year we had always closed our financial year on or about March 10, and that by reason of the extension to March 31 our accounts submitted last year benefited to the extent of an additional three weeks' trading. Taking first the profit and loss account, you will find that our trading profit amounts to £639,277, which compares with £571,939 for the previous period. Expenses of management and other items, as shown, amount to £137,549—an increase of £17,597. Having regard to the large increase in the Company's business and the heavier costs generally prevailing, this increase in the expenses was only to be expected. Turning to the balance sheet, there is the new item of 6% Debenture stock, £600,000, which was issued on July 21, 1919, and, in view of the present high rates prevailing for money, we have reason to congratulate ourselves on having obtained this additional capital at the comparatively moderate rate of 6% per annum. The item of bills payable, £402,262, shows a considerable increase on last year's figures, occasioned by the development of our import and export trade. Reserve account, £450,000, plus the amount added from the year's profit, £100,000, and war contingencies reserve, as per last account, £50,000, gives a total for our reserve of £600,000. This satisfactory figure will commend itself to you as an indication of the sound financial position of the Company. (Applause.) Stocks in trade amount to £2,150,793, and show a large increase of £801,220. As set out in the balance sheet, the stock has been taken at cost price or under. Turning to the debit side of the balance sheet, we show the balance brought forward from the last account, £138,718, and there is deducted therefrom in respect of excess profits duty £65,824, leaving the net amount brought into the account of £72,894. Adding the profit for the year, £415,692, we have a total of £488,587, which compares with £476,064 for the previous year. From this sum we have deducted Debenture interest, the Preference dividend for the year, the interim dividend paid on the Ordinary shares at December 31 last, and the amount placed to reserve account, £100,000. These items aggregate £249,963, and we then have left the sum of £238,623, the allocation of which we recommend in our report.

The Company's Policy: Small Profit Margin on Large Turnover.

The Chairman: Ladies and Gentlemen,—The increase of business for the year has been considerable, the turnover being some millions ahead of last year, the actual increase being as high as 30%. With the very pronounced, and indeed serious, increase in expenses of every description, it would otherwise have been impossible for us to have produced the profits we have the pleasure to submit to you to-day without increasing our prices beyond the very low margin of profit at which we have traded. Now, to have increased our prices would have been against the policy we have laid down, namely, to sell goods of the best quality at the smallest possible margin of profit. Had we further reduced our prices by only one halfpenny in the shilling, we should have made no profit at all on our home trading. With the removal of restrictive control, I believe we shall be able to offer still greater advantages to our customers, and when competitive enterprise is once more possible in its pre-War form I feel sure that there will be a fall in prices generally of those consumable necessaries which at present stand so high as to be a burden increasingly felt by the public. Of course, we have to bear in mind how much we are still dependent upon foreign sources of supply for so many articles of food, and how adversely we have been, and are to some extent still, affected by the rates of exchange. Also that vast territories of Central Europe, Russia and the Near East, which formerly gave us large supplies at comparatively moderate prices, are sendig nothing to us yet, thereby enabling higher prices to be charged by those countries to which we have of necessity to look for supplies.

Business Abroad.

We are steadily developing our trade throughout France, while our branch in Brussels has proved a very satisfactory venture. Our business in India comprises a substantial portion of our turnover. Considerable additions to our turnover have taken place during the past year in Australia and New Zealand. The estates in Ceylon have shown improved results. We recommend that the divisible profit remaining of £238,623 shall be applied in payment of a final dividend on the Ordinary shares of 7½%, making 12½% for the year. I have much pleasure in moving: "That the report and statement of accounts as submitted be received, approved, and adopted."

Mr. Henry L. Peters (one of the managing directors) seconded the resolution.

Congratulations and questions followed, and Mr. Williamson Milne, having replied to the various points raised, the resolution was then put, and carried unanimously.

The Chairman next moved: "That a dividend of 7½% be paid upon the Ordinary share capital, making 12½% for the year ended March 31, 1920; that £10,000 be set aside to the pension and benevolent funds, divided into equal portions; and that the balance of £134,873 be carried forward."

Mr. Alfred Bowker seconded the motion, which was unanimously adopted.

LONELY REEF GOLD MINING COMPANY, LIMITED.

THE tenth ordinary general meeting of this Company was held on June 1 at the offices, 34 Bishopsgate, London, E.C., Mr. C. F. Rowsell (the Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said: Turning first to the profit and loss account, you will see that the bullion realised during the year under

review was £340,015, as against £206,244 last year. Mining and other costs of treatment amount to £106,319, as against £87,644. The balance carried down was £214,130, as against £98,997. Sundry receipts, interest, &c., bring the total to £217,979, as against £101,909. The royalty payable to the Chartered Company was £25,524, as against £10,616, with the result that we carried forward £192,455 to appropriation account, as against £91,293 last year. Turning to the appropriation account, we have an amount available of £247,124, as against £115,648 last year. We have paid out of this fund £142,278 by way of dividend, as against £48,275 last year, and we carry forward £58,129, as against £29,595. I think you will agree that this profit and loss account is the most satisfactory which we have ever had the pleasure of presenting. (Hear, hear.) Coming to the balance sheet, the items which I usually describe as "cash assets" make a total of £195,057, as against £112,611 last year. The financial history of this Company during the last year has been one of the greatest prosperity, and the board have decided to pay a further dividend on account of the profits of the new year—namely, an interim dividend at the rate of 5*s.* per share (less tax). This will be payable on July 31 next. We have every reason, I think, to look forward to dividends at least equal to those declared for last year. Of course, you are all well aware that the premium on gold has had a very substantial effect upon our profits in fact, no less an amount than £52,652 represents the gold premium in respect of the profits earned on the last six months' output. It is impossible to predict the future price of gold, but there seems every indication that it will continue over the present year at a considerable premium. Of course, this is being set off to some extent by the increased cost of mining due to higher wages, higher cost of stores, and the depth at which we are now mining; but I think, in view of the ore reserves, which to-day stand at 4,701,933 dwt., as against 4,245,025 dwt. the previous year, I may safely say that the future of your Company is absolutely assured for a considerable time ahead. Provided always that our ore maintains its value, there is no reason why mining in the Lonely Mine should not continue for many years before it reaches an unworkable depth.

Mr. W. F. Andrewes seconded the motion, which was carried unanimously.

GLOBE AND PHŒNIX GOLD MINING COMPANY, LTD.

The twenty-fourth annual general meeting of this Company was held on May 31 at the Cannon Street Hotel, London. Mr. F. A. Macquisten, K.C., M.P., presided.

The Chairman, in moving the adoption of the directors' report and the accounts, said: Ladies and Gentlemen,—You have had in the annual report a fairly full report from our very conservative consulting engineer, Mr. David P. MacDonald, as to the developments of the mine since October last. These developments have not been remunerative in the sense that much has been made out of them, but there has been this agreeable feature that was not fully anticipated at the time, that the developments have practically paid for themselves, and that we are still in the reef, and we are glad to say that Mr. MacDonald advises us to continue the work which he has been doing.

Interim Dividend out of Gold Premium.

You will also have observed from the balance sheet that the Company is in a very strong position financially, and we are in the fortunate position to-day to say that at the Board meeting held prior to this meeting we decided to declare an interim dividend of 1*s.* 6*d.* per share, free of tax. We have done that without any difficulty at all financially, and we are not trenching in any way upon the financial resources that were carried forward last year, and were disclosed at the meeting in October last. (Hear, hear.) We have still, as you see, practically £100,000 in hand with which to carry on the further exploration of the considerable areas which are at our disposal.

That dividend is being paid out of the gold premium—the increased price realised by our sales of gold—and that source of revenue, I am glad to say, does not show any signs of coming to an end at an early date.

As you are aware, the Board has been reconstituted. We have now three new colleagues, whose appointment I shall later ask you to confirm. I am pleased to say that, as time has gone on, we on the new Board have gathered greater strength and greater confidence and greater support from the shareholders. Practically speaking, we have lodged with us and for us about 400,000 proxies—we have over 400,000 votes—while the opposition have lodged on behalf of their nominees only the negligible figure of 80,000 votes. I trust that those shareholders here to-day who are not satisfied will take this overwhelming vote to heart, and will realise that, after all, a Board must not be continually harried, and that fractiousness and dissatisfaction divert the minds of the directors from the essential business of the Company.

There is just one other matter I should like to mention. That is in connection with the Rhodesian Exploration Company. The position in regard to that Company is exactly the same as at the end of last year—or in January—when the negotiations were practically broken off. We personally, and the new Board, do not regard those gentlemen of the Rhodesian Exploration Company, although we have had a long and bitter and successful litigation with them, in any hostile way, and I have no doubt that it will be possible to reopen negotiations with them in a friendly manner.

Latest news from Mine favourable.

I have one further very interesting and pleasant announcement to make. We have received from Mr. MacDonald the most satisfactory cable we have received for a long time. [This cable, dated May 28, the Chairman then read at length.] There is one interesting feature which is much more favourable than anything we have had for a long while. The development is all to the south and towards the Gaika property; it is all in our own property, and not in the direction of the Rhodesian Exploration Company's ground at all. It all goes to justify the work which the Board has authorised in the formal development, and gives a reasonable expectation of further desirable and payable developments.

Mr. John D. Hope, M.P., in seconding the motion, said that the cablegram just read was certainly the best news received from the mine for a very long time. He did sincerely hope that at last the Company had got into smooth water and that they were going to enjoy peace. Their property was depreciated and lowered in value, and the Company had been discredited, not only in London, but throughout the provinces, by the continual and incessant struggles which had been going on to secure a directorship of the Company.

In the course of the discussion which followed, Earl Russell said that in that room Mr. Macquisten had made a promise that, before any fresh directors should be placed on the board, there should be a meeting of the large shareholders in Edinburgh to consider the claims of the gentlemen proposed.

The Chairman said that it was wholly untrue that the board had gone back on the undertaking to consult the shareholders in Edinburgh as to the gentlemen who were to be selected to fill the vacancies. They had consulted the very largest shareholders before anyone was co-opted.

On being put to the meeting the motion was carried by 40 votes to 4.

The retiring director (Mr. J. D. Hope, M.P.) was re-elected, as were Mr. B. S. M. de Barros, Lieut.-Colonel James Craig, and Mr. H. Newton Knights, M.P., the three directors co-opted to fill the vacancies created by the retirement of Earl Russell, Mr. J. E Howard, and Mr. Hugh Miller

CONSOLIDATED MALAY RUBBER ESTATES, LIMITED.

The fourteenth annual general meeting of this Company was held on June 1 in the Council Room of the Rubber Growers' Association, Eastcheap, London, E.C., Mr. J. L. Loudoun-Shand presiding.

The Chairman said: The estimate of crop for the year was 980,800 lb. and the amount secured was 1,002,435 lb. The crop realised £98,654, against £63,223, the gross price being 1*s.* 11.62*d.*, against 1*s.* 8.72*d.* last year. The cost of production, including allowance for depreciation, was 1*s.* 0.70*d.*, and compares with 1*s.* 1.17*d.* in the previous year, which shows a slight reduction, but is still considerably ahead of our pre-War cost of production. This is partly occasioned by the works of cultivation and sanitation, which had to be left over during the War. The latest reports from our inspector speak favourably of the order and cultivation of the estates and of the careful system of tapping and comparative freedom from disease. The European staff has been to a great extent reorganised since the War. There has been considerable anxiety and unsettlement among the labour force through their not being able to obtain the supply of rice to which they had been accustomed. We can only look to an abundant supply from India and Burma to meet the future wants of our labourers and tend to the general contentment which previously existed. The question of exchange, also, is one which seriously affects Indian labourers. Many of them have been accustomed to remit their savings to their homes in India, but the rise in exchange prevents their getting as many rupees for their equivalent in dollars as they formerly did. It is probable, however, that a fair rate of exchange will be fixed, which will enable them to remit as formerly.

In the beginning of the year we issued the remainder of our authorised capital, £5,000, which was offered to shareholders at a minimum price of 12*s.* per share. The new issue brought in a profit to the Company of £26,227, which provides ample funds for the financing of the estates. The directors contemplate increasing the capital, in order to bring the book value of the estates more into line with their intrinsic value. Our rate of capitalisation per acre, leaving reserve land out, is as nearly as possible £25, and the directors propose, when the time is opportune, to make an issue to the shareholders of bonus shares. I have pleasure in proposing that the report and accounts be adopted, and that a final dividend of 6*d.* per share, less income tax, be paid on June 9, 1920, making, with the interim dividend of 3*d.* per share paid on December 5, 1919, a total of 9*d.* per share, or 37½% for the year.

Mr. Joseph Ramsden seconded the resolution, which was carried unanimously.

BUKIT SEMBAWANG RUBBER COMPANY, LIMITED.

THE ninth annual general meeting of this Company was held on June 3 at Winchester House, London, E.C., Sir Ivor Philipps, K.C.B., D.S.O., M.P. (the Chairman), presiding.

The Chairman, in moving the adoption of the report and accounts, said: The report and accounts which we present to you to-day show a great improvement upon those we presented a year ago. The outstanding feature of the year was the remarkable increase in our output—namely, from 630,000 lb. to 1,060,000 lb. A number of circumstances combined to bring about the very gratifying result. I believe you may rest assured that the improvement has come to stay, and from the estimate published in the report you will see that we do not expect to stop at the one million pounds mark. The report also shows you that our costs fell from over 1*s.* 7*d.* per lb. to less than 1*s.* 3*d.* per lb. This, of course, is mainly due to the increased production. Undoubtedly the cost at the latter figure is still high, but it has to be remembered that the growth in the output occurred only in the second half of the year, and I believe you may confidently expect a further reduction in costs in the current year. If you take the production for 1920 month by month and those for the corresponding periods of 1919 they give a total of 232,435 lb. for 1919, as against 669,000 lb. for 1920.

Our net profit rose from £1,338 to £34,012. Some of you may think that we might have recommended a higher rate of dividend. The amount of the undivided balance of profit shows that we have been conservative in our distributions in the past, and the increase shows that we are still conservative, but the reason for our action is now an entirely different one. Until the present year the amount of undivided profit had to be looked upon as a contribution out of revenue to capital expenditure; now it may be looked upon as a dividend equalisation fund, and, as it represents nearly 20%, less tax, upon our issued capital, it is a reserve of considerable importance.

We have now disposed of about 830 acres of our surplus land for an average price of about £62 per acre. These sales have in no way damaged your position as a rubber-growing Company, as this was all poor rubber-growing land. They have vastly improved the financial position of the Company. On our property the coolies grow most of their own food, so that we have not to any great extent to pay the very high price for rice with which other companies are penalised.

Mr. E. H. Parry seconded the motion, which was carried unanimously. A dividend of 10%, less tax, was declared, and a resolution was unanimously agreed to increasing the fees of the directors.

BRITISH, FOREIGN AND COLONIAL CORPORATION, LIMITED.

THE ninth ordinary general meeting of this Corporation was held on June 3 at Winchester House, London, E.C., Lord Hindlip presiding.

The Chairman first dealt with the accounts, pointing out that the cash position was a strong one. Proceeding, he said: The year 1919 has, on the whole, been a prosperous one for the financial community at large and for our Company in particular, our profits having practically doubled, and, considering that our capital for the first six months stood at the original figure of £75,000, and that the further £100,000 issued was only employed in the business for six months, the profit viewed as a percentage on the capital employed is also quite satisfactory. The percentage of net to gross profit shows an advance of 5% in comparison with the previous year, which, in view of the heavy additional expenses involved nowadays in running any business, is a satisfactory feature. Owing to the specialised nature of the Corporation's business, our profits only represent a small fraction of 1% on our turnover.

With regard to the resolutions before you for converting the Deferred shares into Ordinary shares, the effect is to get rid of the 1*s.* shares altogether and to give every holder, in the place of one Deferred share of 1*s.* nominal value, ten 5*s.* Ordinary shares—in other words, £2 10*s.* for each 1*s.* If you consider the rights of these Deferred shares—namely, that they are entitled to half the profits after 7% is paid on the Ordinary shares—and that with every increase in the capital of the Company these participating rights become more and more valuable, you will appreciate that the bargain is a fair one. As it is not unlikely that in the course of time the capital may be raised to £1,000,000, the directors considered that now was the time to come forward with these propositions.

Our foreign branches have shown good development during the year, and the policy of maintaining them during the War, even at a slight loss, is being justified. Now that the restrictions imposed by the War are gradually disappearing, we are extending our activities to the Colonies and to the East, and intend to make this a leading feature of our future development. During the year 1919 we have made eleven new issues of capital, aggregating £3,490,000, and I am glad to say that every one of these issues was largely over-subscribed. All the issues were in the nature of additional capital provided for industry and for increased production. I now move the adoption of the report and accounts.

Col. Brinsley FitzGerald, C.B., seconded the motion, which was carried unanimously.

Dividends of 10% on the Ordinary and 7*s.* 6*d.* per share on the Deferred shares were declared, and at a series of meetings subsequently held resolutions were passed approving the extinguishing of the Deferred shares.

RHODESIA GOLD MINING AND INVESTMENT CO., LTD.

THE tenth ordinary general meeting of this Company was held on June 4 at 34 Bishopsgate, London, E.C.

Mr. C. F. Rowsell, who presided, said that interest and dividends received amounted to £11,591, as against £10,713 in the previous year, but this did not reflect the increased dividends declared by the Lonely Reef Gold Mining Company for the past year, which had been paid since December 31 last and would come into the current year's profits. The revenue from properties and sundry receipts amounted to £1,237, as against £1,376. Last year there was a profit from shares sold of £5,397, but this year they showed a loss on realisation of investments of £24,199, the 46,432 shares which they had received as the result of their participation in the reorganisation of the Cam and Motor Company having been brought into the accounts at their nominal value of 12*s.* 6*d.* paid up. This, however, was not a realised loss in a sense, because they actually held a somewhat larger interest in the Cam and Motor Company than they did before the reconstruction.

Dealing with the various holdings of the Company, the Chairman said that development was being continued with satisfactory results at the Cam and Motor Mine, and he hoped that before the end of the year crushing would have started. The prospects of the London and Rhodesia Mining and Land Company, in which they held 16,166 shares of 5*s.* each, were of a satisfactory character. At the Huntsman Mine crushing commenced in September last, and he thought they would derive from that property an income of upwards of £10,000 a year. At the present time there appeared to be a good prospect of their earning an annual income from interest, dividends, revenue from properties, and from the working of the Huntsman Mine of approximately £22,800, and in view of the increased dividends which they might anticipate to include in their balance sheet for the current year from the Lonely Company this figure might easily be increased by several thousand pounds. Their income, after deducting the comparatively small cost of running the Company, would be sufficient to pay a small dividend even on the present capital of the Company, but, in view of the position of the Sabi property, the directors had for some time past been considering whether it would not be advisable to reduce the capital by writing off the loss which they anticipated would be sustained in the realisation of that interest. If that were done, the income from their other properties would be sufficient to enable them to declare regular dividends of a fair size upon the capital of the Company. He hoped that the scheme the directors had in view would be submitted to the shareholders at an early date.

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Paid-up Capital - £308,219 3 7
Assets under Administration £16,457,192

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Reserve Fund, $20,000,000.
Undivided Profits, $1,812,854.

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Head Office: Montreal.
General Manager: Sir Frederick Williams-Taylor.

LONDON OFFICES:
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9 Waterloo Place, Pall Mall, S.W. 1.
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London Committee: Sir Thomas Skinner, Bart.
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Paid-up Capital	£4,000,000
Reserve Fund	3,275,000
Reserve Liability of Proprietors	4,000,000
	£11,275,000
Aggregate Assets, 30th Sept., 1919	£67 056,249

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Assistant Manager.

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(25,000 Shares of £10 each)	
Reserve Fund	£700,000 0 0
Reserved Profits ...	£38 508 0 0
Reserve Liability of Shareholders,	£250,000.

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Capital Paid up	$8,300,000
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Total Assets (Nov. 30, 1919)	$200,000,000

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PAID UP, £600,000. RESERVE FUND, £720,000

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15th April, 1920.

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For the year ending December 31st, 1919.
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Assets Exceed - - - - £17,300,000
Claims Paid Exceed - - - £30,000,000

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The Statist.

LONDON, SATURDAY, JUNE 12, 1920.

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The Money Market.

Friday, June 11, 1920.

	Current Rate %	Fixed	Previous Rate %	Fixed
Bank of England Rate	7	(April 15, '20)	6	(Nov. 6, '19)
Deposit Rates:—				
Banks & Discnt. Ho. (Call)	5	(Apr. 15, '20)	4†	(Nov. 6, '19)
Discount Houses (Notice)	5½	(Apr. 15, '20)	4½	(Nov. 6, '19)

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.
† Foreign and Colonial banks give Special Rates only upon deposits for a year

Discount Rates:—	60 Days. %	3 Mos. %	4 Mos. %	6 Mos. %
Treasury Bills ...	—	6½	—	—
Bank Bills ...	6½-⅝	6⅝-¾	6⅞	7
Trade Bills ...	—	7-7¼	7¼-½	7½-¾

A PLENITUDE of funds restored easier conditions to Lombard Street during the week, and very rarely was more than 5% asked for day-to-day money. From 5% down to 4% were the prevailing rates, but unemployed afternoon balances were frequently offered under 4%. Seven-day loans remained at 5½%. In the Discount market an easier tendency, especially in the shorter-dated maturities, was noticeable from the start of the week, and this tendency was further improved by the announcement by the Chancellor on Wednesday. Three-months paper was bought readily at 6⅛ to 6¾, and shorter maturities were in keen demand. There was a tendency to avoid the longer-dated paper.

An almost all-round improvement in the position of sterling is the result of the week's dealings in the Foreign Exchange market. The dollar rate was particularly strong, New York cables rising to 3.95½. The Paris cheque weakened to 51.90½ and Brussels cheques to 49.37½. The lire rate rose to 70.25. Spain and Switzerland moved in our favour. Lisbon recovered to 13. German marks declined to 157½. In the Scandinavian exchanges Stockholm and Christiania moved against us. Copenhagen went sharply in our favour to 23.40. Holland approached nearer the par at 10.91½. The South American group moved favourably in sympathy with New York. In the Eastern group the pound sterling appreciated. The Shanghai tael collapsed to 4*s.* 9*d.* and the Hongkong dollar to 3*s.* 7½*d.* The rupee weakened to 2*s.* 0½*d.* Japanese yen were steady at 2*s.* 6¾*d.*

The income and expenditure return for the week ending June 5 is more favourable than was to be expected, considering the large dividend disbursements the Treasury had to make on the 1st inst. Revenue was brought well above the average by the inclusion of 17.5 millions special "miscellaneous" receipts, derived presumably from the sales of Government assets. Expenditure for the week was nearly 54.7 millions, making a deficit of 21.5 millions. This gap was increased altogether to 45.6 millions by the necessity of reducing the indebtedness to Public Departments by 213 millions, by the cancellation of over 1.9 millions of War Loans, Exchequer Bonds, &c., tendered as payment for excess profits duty, by the repayment of £200,000 6% Exchequer Bonds, of £200,000 of foreign debt, and the provision of £500,000 for depreciation fund. This large deficit was met chiefly by borrowing 34¾ millions on Ways and Means Advances from the Bank of England. Receipts for Treasury bills were 8.9 millions higher than repayments at 55 millions. The floating debt was, therefore, increased by 22.2 millions to nearly 1,305.9 millions, the Ways and Means Advances owing to the Bank being raised to 58½ millions. Net receipts from War Savings Certificates amounted to £200,000. The receipts from Treasury Bonds were again disappointingly small, being only £900,000 for the week, making the total to Saturday last just under 6 millions.

The return from circulation of currency notes was below the average during the week, and demands for currency, on the other hand, were up to the scale of the past few weeks, with the result that the outstanding

total was still further increased by 2.4 millions to 353.5 millions. The reserve ratio was raised again from 10.6% to 10.9% by adding £1,200,000 Bank of England notes to the redemption account. The uncovered portion of the issue is therefore proportionately lower at 314.9 millions, the net increase being only 1.2 millions. This aspect of the return gives strength to the remarks we made on the subject last week. It seems to indicate that the Treasury is anxious to keep the margin between the fiduciary issue and the legal maximum as wide as possible, so that increased demands for currency later on could be met without suspending the fiduciary maximum rule.

BANK OF ENGLAND.

In contrast with last week, the Bank return for the week ended June 9, 1920, is of a much less sensational character. Nevertheless, some large movements have taken place. Receipts from revenue and from renewals of Treasury bills are evidently still falling short of the amount required to defray the expenditure of the various Government departments and to meet existing maturities of Treasury bills, for the Government is still obliged to increase its indebtedness to the Bank in respect of Ways and Means Advances. During the week there was borrowed on this account a sum of £7,881,000, with the result that the total of Government securities rose to £74,499,000. In addition, public deposits were depleted to the extent of £1,801,000, being reduced in consequence to £19,441,000. *Per contra*, other deposits were swelled by the addition of £9,552,000. Moreover, the market reduced its indebtedness to the Bank by £1,797,000, other securities standing now at £78,790,000. Owing to the large increase in other deposits, the total of liabilities was raised from £148,594,000 to £156,334,000. Meanwhile, the circulation registered a further expansion of £560,000 to £114,367,000. However, as the contemporary return of the currency note issue showed that £1,200,000 had been added during the week to the currency note redemption account, the amount of notes in actual circulation was really contracted by £640,000. Yet from the point of view of the Bank return this expansion of £560,000 in the circulation would have reduced the amount of the reserve were it not more than offset by the influx of £2,248,000 of gold which raised the total bullion to £116,707,000, the highest amount held during the year with the exception of the week ended March 17 when the total bullion was returned at £118,270,000. Consequently, the amount of the reserve rose by £1,688,000 to £20,790,000. In view of the increase in the total liabilities, the ratio of the reserve to liabilities was only 0.4% better than the previous week at 13.3%.

BULLION.

Supplies were above the average in the Gold market, and were again taken for India and the Cape. To-day the quotation was 104*s*. 2*d*. per oz. fine.

Everybody connected with the Silver market, of course, expected a further fall in quotations this week, but few were prepared for the extent of the fall. By Wednesday the spot price had declined to 45⅝*d*. per standard ounce, which represents a fall of nearly 50% on the high level of 89½*d*. reached early in February. On Tuesday alone the fall was 11%. As Continental supplies continued to come rapidly on the market the forward price went again to a premium of ⅛*d*. on Saturday last and remained so throughout the week, except on Wednesday, when it reached ⅜*d*. On Thursday a reaction began to 48⅜*d*. spot, and 48½*d*. forward. To-day's prices were 51¼*d*. spot, and 51*d*. forward.

The same causes were operative as in previous weeks, only to a more marked extent. Supplies from the Continent were abundant and buyers were few. China, who has now worked off her favourable trade balance and whose finances are in a critical state, seems to be completely out of the market. The rupee, too, has weakened, and India showed a greater disposition to sell than to buy.

It became evident from the start that the U.S. Mint would not support the market under the Pittman Act repurchase clause, and indeed the purchases made under the Act have been so small as not to affect quotations. Many people, however, especially in America, held stocks under the impression that $1 per oz. fine would be the bottom price, and it is probable that their haste to unload, when they realised that quotations were falling below this price, was largely responsible for the violent fall during the week.

As regards the immediate future outlook the market is still in a weak condition, but certain factors are likely to operate at a remote period. For instance, if China succeeds in getting the loan she so badly requires to set her industrial machine running smoothly again, she would quickly recover her trade balance, and with an improved exchange position could start buying silver again. As regards India, the rupee will rise to a premium again probably by the autumn, and so her large potential demand for silver would become operative. Then, again, it is undeniable that when international financial conditions begin to get back to normal once more there will be a large demand for silver for coinage purposes. When and to what extent these influences will work is, of course, entirely problematical.



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NEW YORK.

An expansion of 10.1 millions in loans, or two-fifths of last week's decline, is shown in the average weekly statement of the New York City banks and Trust Companies. The outstanding total unliquid assets is now nearly 5,135.4 millions. A usual expansion of 29.6 millions occurred in the demand deposit liability, and time deposits rose by 1.6 millions. The reserves, however, were strengthened by over 3.8 millions to $580,950,000, so that the average excess reserve was slightly higher at 22½ millions.

The combined statement of the Federal Reserve banks records a further addition of 7¾ millions to the gold reserves, which now stand at $1,960,850,000. A liquidation of Government paper and bills purchased in open market is also a feature of the return, but rediscounts rose by 44.8 millions. The bill holdings expanded by 36.9 millions net. Deposit liabilities expanded by 12 millions to 1,770 millions, excluding United States deposits, and the Federal Reserve note circulation rose by 20.3 millions to 3,127.3 millions. Thus the gains in the stock of gold were more than counterbalanced by the expansion in liabilities, and the reserve ratio declined from 42.7% to 42.5%, as compared with 53.7% a year ago.

This return of the Federal Reserve system is a disappointing one from one point of view, as it shows that the banks have not been able to prevent the acquisitions of gold being used as a basis for fresh credit expansion. They have been endeavouring, and successfully, to liquidate some of the paper bought in the open market, but they are powerless to prevent the increasing demands made by the member banks, which have been increasing pretty steadily since the beginning of the year. Rediscounts are now the highest ever reached, and, accordingly, it is not surprising to find that the Federal Reserve note circulation is also at a high "record" figure. It is probable that these demands for accommodation will be easier in the near future, but, apart form potential demands for speculative purposes, which are being refused, they will recur with renewed intensity in the autumn in order to finance the movements of the harvest. There are three factors, however, which will make for easier conditions. In the first place, it seems likely that the rapidity of circulation, both of currency and credits, will be much increased by a relief of the freight congestion. This has been to a great extent responsible for the present credit situation, for enormous sums had to be locked up for months in commodities which could not be moved for lack of cars. The movement of cereals will put a further pressure on the railways, but there are now many indications that more normal conditions are being restored. Secondly, a reduction of the price level and a consequent reduction in the amount of funds required to finance legitimate trade is at present one of the favourable developments in the situation. As is well known, the Federal Reserve Board have been endeavouring for months past to force a reduction of money values, and it seems that at last its efforts are beginning to bear fruit. We need hardly remind our readers of the widespread price-cutting in departmental stores which has commenced only quite recently. Though this is not, strictly speaking, a phase of the deflation process, it will help, at all events, to alleviate the strain of the Money market. Bradstreets' Price Index for the past few months indicates clearly this downward movement of prices. Since more than a year ago the Index-Number has advanced more or less steadily month by month till February 1, 1920, when the culminating point was reached at $20.869. Since then the decline has been steady, with the exception of the Index for May, which showed a very slight rise. The latest figure—that for June 1—is nearly 5% under that for May 1, and may be taken as a reliable indicator of the course of prices. An aspect of the lowering of commodity prices which must not be overlooked is that, besides reducing the volume of funds required, it also increases the rapidity of circulation, and, furthermore, will tap the enormous supplies of currency held by the working classes in the States who refrained from spending when prices ruled high. Finally, the money stringency will be relieved by the fundamental improvement which has taken place in the gold position. The exchanges of Latin-America and the East have now turned in favour of the United States, and, instead of being obliged to send gold to those countries, she is now receiving from them some of the supplies she had to ship when the exchanges were adverse.

The influence of the factors here described will be felt before long, though it is not to be expected that New York will not again experience occasional money "squeezes." At all events, it can safely be said that the worst of the situation is over; the much-talked-of crisis has featured as a period of unusual stringency, indeed, but nothing more alarming has arisen.

Stock Exchange.

Dominating the Stock markets at present is a fear of dearer money. Indeed, considerable relief was felt by many on Thursday when the electric indicators in the House showed that no change was made during the current week. The general body of opinion was that the near future will not see an 8% rate, and this is, we think, the correct opinion. When a definite and tangible effort comes to be made, as sooner or later it must come, to get our currency and finances back to a position of greater solidity, then we can hardly avoid a higher bank rate, but this will not be for a considerable time yet. Meanwhile, there is no denying that the possibility of a higher rate being forced within the next month by inadequate sales of Treasury Bills is very disquieting. The abandonment of the unpopular war wealth levy scheme did not brighten up the markets as well as might be expected, but this was doubtless due to a disposition to see whether any alternative scheme is to be advanced. It is to be supposed that the 60% excess profits duty will go through. At any rate a cause of much uncertainty has been removed. On Thursday a considerable amount of Paris selling was an adverse influence, which gave prices no time to be affected by the unchanged bank rate.

With these influences operating, it is not surprising to find that the markets were in a depressed and lifeless condition during the week. Investment issues generally declined, but there was no evidence of a general desire to sell. Nevertheless absence of buyers was sufficient to depress quotations.

Movements in the Gilt-edged market were erratic. Consols, War Loan issues, and Victory Bonds declined till Wednesday, when a reaction set in. The net result, however, was against holders. Funding Loan was an exception and closed higher on the week at 70. L.C.C. Three-and-a-Halfs were weak. Dealings were active in the Three-County Loan. Kent was quoted at ⅝ premium, Middlesex at ½, and Essex

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at a $\frac{5}{8}$ premium. Of Colonials, Union of South Africa Fours and Four-and-a-Halfs and Australian Five-and-a-Halfs improved.

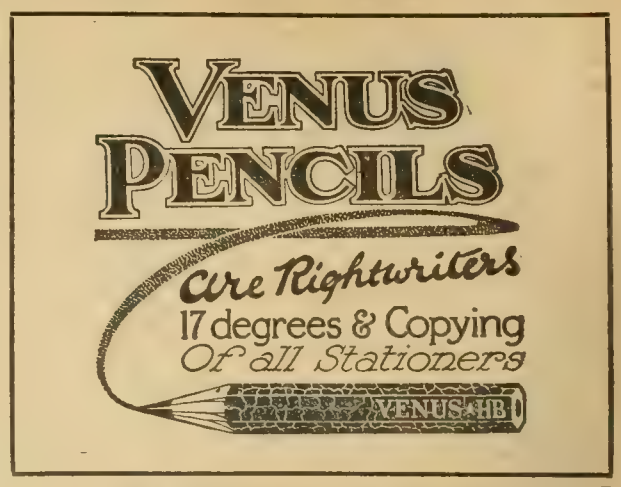
Some interesting features were provided by the Foreign bond section. Guatemala Fours was a good spot, with an improvement to 41½. Greek Monopoly Fours put on 2 to 43½. Venezuelan Diplomatics were firm. Egyptian Unified Fours improved. Chinese Fives of 1896 declined. Mexican 6% Treasury Bonds fell from 58½ to 55½. Cuban Ports were notably weak.

The high yields which rule at present prices in Home Rails did not tempt investors, and this section still remains neglected. With the exception of Great Northern Deferred, which improved to 29½, prices generally declined even in the prior-charge descriptions.

Argentine rails relapsed when the announcement came that the export of wheat and wheat products from the Republic were prohibited. The Senate have since passed the Bill, which was introduced on the 3rd inst., putting an additional export tax on wheat. It may be presumed that the export prohibition will therefore be removed, and, consequently, the shares should be marked up again. The recent "record" traffic receipts enjoyed by the Argentine lines were due to the rapid movement of cereals to the seaboard, and, unless the Government puts into force drastic requisitioning measures, large traffic receipts from this source should continue, as Argentina has still a large exportable surplus to be moved from the interior. Buenos Ayres Great Southern, Buenos Ayres and Pacific, Buenos Ayres Western, Central Argentine, and Entre Rios were all marked down. Leopoldinas were quoted at 36. Grand Trunks declined.

Nothing of an interesting nature transpired in the Industrial market, which resumed its wonted dullness this week. On account of intermittent realisations the bulk of price-changes were for lower quotations, but they were generally unimportant. Some attention was given to a few specialities. Insurance shares were an exception, and were bought freely during the week. It was noticeable, however, that they were not so firm at the close. Textiles, after a firm opening, were subsequently neglected, but Bleachers were inquired for on the favourable dividend announcement. Courtaulds improved. Further bidding was in progress for British Oil and Cake Mills, but the quotation was not much helped. Pekin Syndicates were marked up at first, but were subject to selling afterwards. Marconis, Associated Cements, and Dunlop Rubbers moved downwards. Of Shipping descriptions, Royal Mails were a weak spot. The good trade outlook again gave an attraction to Nitrate shares, which registered a further improvement.

The Oil section was no exception to the other markets as regards activity, and was characterised chiefly by bidding up the favourites, followed by quiet profit-taking. With the exception of Mexican Eagles few issues benefited by the withdrawal of the War Wealth Levy proposals. The influence of Paris selling was heaviest in this section. The long-expected bonus announcement by the Burmah Company came to hand on Thursday. The net profit for the year, after deduction of income tax and all charges, is £4,654,794, as compared with £3,305,078 last year. Out of this £498,856 is provided for depreciation, £47,669 to Fields Reserve, £20,000 to Insurance Reserve, and £1,291,000 to General Reserve. The carry-forward is £1,536,994 subject to excess profits duty estimated at 1.3 millions. The dividend is at the rate of 8*s.* per share, making 50% for the year against 30% last year. It is proposed to capitalise £2,286,000 out of the General Reserve and issue it to the Ordinary shareholders as fully-paid bonus shares in the proportion of four new shares for every five already held. General market conditions retarded the effect of the announcement on the quotation for the shares. Yesterday afternoon they were quoted at $17\frac{7}{32}$.



Mining Topics.

It cannot be said that the Mining market during the week was overburdened with business. At the opening Kaffirs were idle though somewhat steady. Later on they developed weakness, first through realisations on Paris account, and subsequently in connection with the rumour of difficulties on the Paris Bourse. The sudden advance of Burmas of 1⅛ to 10⅛ on Wednesday provided a pleasing contrast.

The May returns now coming to hand possess more than one feature of interest. The Transvaal output of 699,041 ounces represents an increase of over 12,000 ounces over that of April. This increased yield was secured, despite the reduction of nearly 5,000 in the number of natives to 184,722. The estimated profit of the Johnnies group is returned at £172,965, as against £159,352 for April. To this, Government Areas contributed £100,700 and Van Ryn Deep £66,075. With Block A shaft still out of commission, Randfontein Central reports a loss of £23,957, the loss for the previous month being £36,637. Roodepoort Deep and Geldenhuis Deep are still credited with losses in the return of the Rand Mines. On the other hand, Modderfontein B records the improved profit of £49,030 due to the higher grade of the ore. It is gratifying to learn that this high grade is expected to be maintained and that a further increase in the tonnage is anticipated. The decline in the profit of City Deep to £25,520 is due to the fact that the clean-up by the City and Suburban, which continued until May 9, only left the City Deep about 20 days' milling, against the expenses of a full month. Let it be noted in passing that the gold is valued at £5 5*s.* an ounce, but that in some cases—such as the mines in the Johnnies group—it is not possible to discover whether the necessary allowance has been made for realisation charges, which, according to the Rand Mines, absorbed 8*s.* 9*d.* per ounce in May, as against 7*s.* 6*d.* in April. In the returns of the General Mining (Albu) group, interest centres mainly in the improved position of Aurora West and New Goch. With the adoption of retrenchment schemes and co-operation between the workers April losses have been converted into small profits. New Goch records a profit of £132, in comparison with a loss of £3,906; with Aurora West a profit of £6 replaces a loss of £2,419. Similarly, New Kleinfontein, which closed down its Apex section, has earned a profit of £2,684, as against a loss of £4,050 in April. Modderfontein East publishes the results of its first crushings between April 23 and May 31. Gold to the value of £11,835 was obtained from 18,500 tons of ore, of which 75%, being surface development dump and current development work, was necessarily of low grade. In view of the heavy expenditure incidental to the commencement of working operations, the loss of £4,000 is by no means alarming.

GOPENG CONSOLIDATED.

According to the report of this celebrated tin producer of the Straits Settlements covering its operations for the year ended September 30, 1919, there has been a further marked decline in the area of ground treated. For 1917-18 the number of cubic yards treated is returned at 1,976,950; whereas for the year under review it was reduced to 1,423,283. It appears that this decline is due partially to the lower levels being worked and partially to the shortage of water experienced during the exceptional drought which set in from July to September inclusive. Whilst the value per cubic yard improved fractionally from 19.57*d.* to 19.75*d.*, the cost per cubic yard increased enormously from 3.99*d.* to 7.25*d.* Undoubtedly the higher prices of stores and materials and the rise in wages contributed to bring about this result; but the increase was also due to expenditure on tailings and dams—expenditure which in the case of Ulu Gopeng was so prohibitive that this property was run at a loss instead of at a profit as in 1917-18. Finally, as can be readily perceived, working expenditure is generally heavier per unit over a small area than over a large one. The actual working operation for the year under review, with the financial results and a comparison with those of previous years, can be seen in the following table:—

Yr. to Sept. 30	Black Tin Output Tons	Value Per Ton of Tin £	Working Costs Per Ton of Tin £	Working Profit Tin £	Working Profit Rubber £
1916	1,084	110,451	101 5/6 31,589	29¼	78,862	6,146
1917	1,019	120,065	117 15/16 39,569	38¾	80,946	6,901
1918	937¼	161,181	171 19/20 32,760	35 1/5	128,421	1,643
1919	836¼	117,762	140 33/40 42,359	51⅛	75,403	3,687

	Years ended September 30— 1919	1918	1917	1916
	£	£	£	£
Working profit	75,403	128,421	80,496	78,862
Sundry revenue	7,233	7,446	3,603	4,903
Rubber revenue	3,687	1,643	6,901	6,146
	86,323	137,510	91,000	89,911
Office, &c., charges	2,544	2,499	2,004	2,168
Net profit	83,779	135,011	88,996	87,743
Brought forward	54,618	17,237	16,993	17,000
Total available	138,397	152,248	105,989	104,743
Allocations:—				
Depreciation	7,500	21,775	9,403	20,385
Reserve	—	—	—	8,000
Income tax	—	—	19,000*	—
Dividends paid	79,154 (20%)	75,855 (19½%)	69,259 (17½%)	59,365 (15%)
Carried forward	51,743	54,618	17,237	16,993
	138,397	152,248	105,989	104,743
Issued capital	395,768	395,768	395,768	395,768
Surplus liquid assets	107,977	102,739	54,253	34,319
Capital expenditure	268	670	35	2,083

* Special reserve for income tax.

Not only is there a falling off in the output of black tin from 937¼ tons to 836¼ tons, but the value per ton realised fell by over £31 to £140 16*s.* 6*d.* Working costs, as already mentioned, rose heavily; in amount they reached £42,359, or nearly £10,000 in excess of the previous total. Measured in terms of the output, they advanced from £35 1*s.* 4*d.* per ton to £51 13*s.* 4*d.* per ton. Consequently the working profit was reduced from £128,421 to £75,403. The Company is also interested in the production of rubber and its crop for 1918-19 realised £10,589, the net profit amounting to £3,687, in comparison with £1,643 in 1917-18. Sundry revenue reached £7,446 in 1917-1918 and £7,233 in 1918-19. But it was fundamentally different in one respect. For the year under review interest on investments accounted for no less than £6,093, as compared with £3,157 in the previous year In 1917-18 the share of this Company (75%) in the profits of the Ulu Gopeng property amounted to £2,955. For the year under review this property was responsible for a loss of £412, which had to be written off the general profits of Gopeng Consolidated. "The disposal and settlement of the tailings," state the managers in their report, "became increasingly difficult and the expense out of all proportion to the returns obtained. In these circumstances it was decided to utilise the water elsewhere and give certain areas to tributers to work as a temporary measure." And the amount of tributes received in this respect appears from the accounts to have been £140. After deducting administrative charges and adding the balance of £54,618 brought forward from the last accounts a sum of £138,397 becomes available for dividends. Out of this there is written off £7,500 from the pipe line and equipment account. Quarterly dividends of 9*d.* per share paid during the year amounted to £59,365, and these, with the final dividend of £19,789, gave a total of £79,154, corresponding to a rate of 20%, as compared with 19⅜% in 1917-18. There is carried forward to the next account a balance of £51,743, out of which any liability under the excess profits duty can be met.

"The cost of treatment during the current year should show a decrease, and provided present prices for tin continue prospects are most encouraging." So wrote the managers towards the close of 1919. At that date tin was quoted above £290 a ton and rose subsequently to over £400. Consequently, the profits earned on tin disposed of during the first six months of the current year would exceed expectations unless the working costs advanced very much. With tin in the neighbourhood of £260 a ton towards the end of May the position is not so promising. Nevertheless, the decline is yet very little, and unless lower levels are reached there is good ground for anticipating at least as good financial results as those of 1918-19. The balance sheet as on September 30, 1919, reveals a strong financial position. To meet liabilities which, with the final dividend of £19,789, do not exceed £53,148 liquid assets are available to the extent of £161,125. The £1 shares are quoted at 38*s.* 9*d.*, at which price, assuming a continuance of the 1918-19 dividend, they afford a yield of 10⅓%.

MODDER DEEP.

Issued Capital: £500,000 in 5*s.* shares.

	Ore Milled Tons	Gold Yield per Ton	Working Costs per Ton	Working Profit £	Working Profit Per Ton	Net Profit* £	Dividend £	Dividend %
1915 ...	390,000	34/5	17/1	338,430	17/4	283,303	175,000	35
1916 ...	454,000	37/10	16/4	486,963	21/6	420,852	337,500	67½
1917 ...	494,400	39/0	16/4	561,176	22/8	490,250	425,000	85
1918 ...	506,100	40/11	17/5	593,851	23/6	519,701	487,500	97½
1919 ...	507,200	43/10†	18/5	644,530	25/5†	604,461‡	575,000	115

* After deduction of taxes.
† Excluding gold premium amounting to £113,013 or 4*s.* 5*d.* per ton.
‡ Including gold premium.

The report of The Modderfontein Deep Levels for the year ended December 31, 1919 may with truth be described as eminently satisfactory from all points of view. The tonnage milled reached 507,200 tons, thus exceeding by 1,100 tons the high figure of the previous year. Calculating for purposes of continuous comparison the value of the gold output on the basis of the par value of gold, the yield per ton milled rose from 40*s.* 11*d.* in 1918 to 43*s.* 10*d.* in 1919. If, however, there is included the premium earned in respect of the 118,174 oz. of gold produced between July 25, 1919, and the close of the year, the actual yield per ton works out as high as 48*s.* 3*d.* Working costs were 1*s.* per ton higher at 18*s.* 5*d.* As might be expected the increase was due primarily to two factors. In the first case came the additional outlay involved in the increased rate of pay to the employes. As a measure of this charge, it is stated that the average earnings of the European employees, other than apprentices, reached at the higher rates £522 a year. The increased liability under the recent Miners' Phthisis legislation was the second factor. The expenditure under this heading rose from £3,100 to £21,000 per annum after August 1, 1919. Nevertheless despite this increase the working profit, with gold at 85*s.* per oz., amounted to £644,530 in comparison with £593,851 in 1918. With the addition of the gold premium which was estimated at £113,013 equivalent to a premium of 22.6% on the average, the actual working profit reached £757,543. Thus there was earned a total working profit of 29*s.* 10*d.* per ton, as compared with 23*s.* 6*d.* per ton in 1918. The net profit was more than £85,000 higher than that of the previous year, the increase being obviously due entirely to the gold premium. In view of the successful

results of the working operations for the year, the dividend paid to the shareholders was increased from 97½% to 115%. The balance carried forward to the next accounts amounts to £161,623, as against £157,677 brought forward from 1918. But in view of the judgment asserting the validity of the Provincial Gold Profits Tax Ordinance, 1918, the balance from 1918 was reduced by £215,576 in respect of this tax for 1918 and it is anticipated that the liability for 1919 will amount to £27,500.

The outlook for the current year is very encouraging. Development work during 1919 reached a total of 7,134 feet or 1,709 feet more than in 1918. Moreover the values disclosed are stated to be highly satisfactory. Machinery is being employed to greater advantage, only 8.86% of the ore stoped being broken by hand labour in 1919. "A certain amount of stoping" says the general manager in his report, "has been done in the narrow stopes with jack hammers. These have not proved altogther satisfactory in the flat stopes." The position of the ore reserves has been substantially improved during the year as can be seen from the following table:—

Ore Reserves at December 31.

	Tons	Average Value	Average Width In.	Shilling-Inches
1915	2,670,000	35/3	73	2,573
1916	3,320,000	35/8	78	2,780
1917	3,320,000	36/11	78	2,878
1918	3,450,000	37/4	78	2,900
1919	3,775,000	38/8	77	2,977

NOTE.—In addition ore on surface dump, 182,600 tons, taken into balance sheet at 1s. 8d. per ton.

In view of the further additions to both coloured and white wages since the beginning of the current year, another rise in working costs must be anticipated. Furthermore the premium on gold has been falling since February and, allowing for the growth in realisation charges, it is doubtful whether for the remainder of the year, it can be counted on to yield anything like what was anticipated during the early months. This fact can at most only serve to reduce the profits of this well-known mine. There is no question here of dependence on the gold premium for a working profit. Thus during the first quarter of 1920 with a tonnage milled of 127,500 tons, a working profit of £153,102 was secured on the assumption of the par value of the gold. Working costs, it is true, rose to 21*s.* 6*d.* per ton, an increase of over 3*s.* as compared with the average of 1919. Yet the gold revenue advanced to 45*s.* 6*d.*, thereby leaving a working profit of 24*s.* as compared with 25*s.* 5*d.* for 1919. The gold premium, which was at its best during this period averaged 26½%, brought in £77,194. But realisation charges swallowed up as much as £10,687. Consequently the net receipt from this source worked out at 10*s.* 5*d.* per ton, giving a total working profit of 34*s.* 5*d.* per ton. Development work was still yielding good results. Out of 1,170 feet sampled between January and April inclusive, the payable reef reached 765 feet with ore of 15.9 dwts. over 49 inches. It will be recollected that during 1919 some 70,000 shares were acquired from the Custodian of Enemy Property for the Union of South Africa at £6 12*s.* 6*d.* per share. Part of the interim dividend of 50% paid in the middle of 1919 was paid as regards 6*s.* 7½*d.* per share by the allotment of one of these shares for every twenty shares held. This required 23,810 shares. The balance was offered to existing shareholders at the purchase price in the proportion of one share for every ten shares held. The total issued capital remains unaltered at £500,000, but in order to render the shares more marketable, it was agreed in July 1919 to subdivide the £1 shares into four shares of 5*s.* each. The balance sheet as on December 31, 1919, discloses a very strong financial position. To meet liabilities which do not exceed £453,869, there are available liquid assets in the form of cash and gold to the amount of £541,185. The 5*s.* shares are quoted in the market at 50*s.* and yield at this price, on the basis of the 1919 dividend, a return of 11½%.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, June 9, 1920.

Issue Department.

Notes Issued	£134,329,550	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	115,879,550
	£134,329,550		£134,329,550

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£74,499,429
Rest	3,191,589	Other Securities	78,789,755
Public Deposits	19,440,900	Notes	19,962,480
Other Deposits	136,874,117	Gold and Silver Coin	827,139
Seven-day and other Bills	19,177		
	£174,078,783		£174,078,783

Comparison with Previous Four Weeks [00,000's omitted.]

Date 1920.	Circulation	Coin and Bullion	Deposits Public	Deposits Other	Securities Govt.	Securities Other	Reserve	Ratio Reserve to Liabilities	Bank Rate	Three Months' Bills
	£	£	£	£	£	£	£	%	%	%
June 9	114.3	116.7	19.4	136.8	74 4	78 7	20.7	13·3	7	6⅞
June 2	113.8	114.4	21.2	127.3	66.8	80.5	19.0	12·9	7	6⅞
May 26	111.4	112.4	16.6	101.1	34.3	81.7	19.3	16·6	7	6⅞
May 19	110.8	112.4	20.0	101.3	36.5	82.6	19.9	16·5	7	6⅞
May 12	111.3	112.5	21.4	799.4	38.4	80.4	19.6	16·3	7	6⅞
J'y22,'14	29.3	40.2	13.7	42.2	11.0	33.6	29.3	52·40	3	2⅛

* July 30, 1914 raised to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 6%; Aug. 8, 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; Apr. 5, 5%; Nov. 6, 1919, 6%; Apr. 15, 1920, 7%.

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (in £'s sterling 00,000's omitted):	June 11, 1920	June 11, 1919	June 12, 1918	June 13, 1917	June 10, 1910
Circulation	£114.3	£78.0	£52.0	£38.8	£28.0
Public Deposits	19.4	20.3	43.0	49.8	24.9
Other Deposits	136.8	130.8	126.8	125.8	37.8
Government Securities	74.4	51.5	58.1	45.2	17.2
Other Securities	78.7	79.9	100.9	113.1	31.1
Reserve	20.7	27.5	30.3	35.0	31.9
Ratio to Liabilities	13·3%	18.18%	17·87%	19·94%	50·72%
Coin and Bullion	116.7	87.0	83.9	55.3	40.1
Money:					
Bank of England Rate	7%	5%	5%	5%	3%
Bank of France Rate	6%	5%	5%	5%	3%
Rate 3 months' Bills London	6⅛%	3⅛-1%	3⅛-3⅛%	4⅛-4⅜%	2⅛-3%
Exchanges:					
Paris Cheque	52·50	29·75	27·16½	27·36	25·27
New York 60 days	3·90	4·80	4·72½	4·73	4·84½
Bombay Telegraphic Transfers	2/0½	1/7⅜	1/5⅜	1/4⅝	1/3½
Prices:					
Consols 2½% Cash	47½	53¼	56	64¼	82⅜
French Rentes 3% Money	59·80	62·30	60·00	60·00	88·95
Silver, London spot ... os.	51½d.	54d.	48⅛d.	39 7/16d.	24 7/16d.
Wheat, *Gazette* average ...qr.	72/9	73/2	73/11	78/6	30/2
Cotton, Mid Upland ...lb.	39·16d.	19·87d.	21·95d.	17·32d.	8.21d.
Iron, Scotch pig ...ton	223/6	166/0	101/0	98/6	55/4½

CURRENCY NOTE ISSUE.

Week to	Notes Issued	Notes Cancelled	Notes Outstanding	Gold Coin & Bullion	Bank of England Notes	% of Bank Notes & Gold to Notes
	£	£	£	£	£	%
June 9, '20	9,565,952	7,120,858	353,496,534	28,500,000	10,050,000	10·9
June 2, '20	10,263,087	7,527,894	351,051,439	28,500,000	8,850,000	10·6
June 11, '19	5,832,894	4,989,037	347,120,632	28,500,000	—	8·2
June 12, '18	5,337,414	4,116,669	249,225,802	28,500,000	—	11·4
June 13, '17	5,656,674	3,961,916	160,523,073	28,500,000	—	17·7
June 14, '16	4,252,061	3,587,768	120,551,145	28,500,000	—	23·6

Balance Sheet, June 9, 1920.

	£		£
Notes outstanding—		Advances—	
One Pound	276,101,590	Other Bankers ...	—
Ten Shilling	43,484,954	Trustee Savings Banks	190,000
Certificates outstanding ...	33,910,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500,000
Total	353,496,534	Bank of England Notes...	10,050,000
Investments Reserve A/c ...	16,842,906	Government Securities ...	331,235,125
		Balance at Bank of England	364,315
Total	370,339,440	Total	370,339,440

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

1920. Week to	Revenue	Expenditure	Excess of Expenditure	Loans, Advances, &c. Cr.	Loans, Advances, &c. Dr.	Loans, Advances, &c. Net +	Cash Balance
June 5	£33,135	£54,654	£21,519	£103,998	£83,522	—£20,476	£2,889
May 29	16,275	26,592	10,317	58,939	49,087	— 9,852	3,332
May 22	29,191	15,574	*13,617*‡	63,202	76,146	—12,944	4,397
66dys.'20-21	256,167	240,980	*15,187*	904,808	929,184	—24,556	— 6,480
68days'19-20	141,994	326,925	184,931	957,152	778,828	178,324	— 6,606
Fr. '20-21*	1,418,300	1,184,102	*234,198*‡	—	—	—234,198	—
Yr '19-20	1,339,571	1,665,773	326,202	6,092,709	5,766,507	326,202	3,369
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	1,682,049	12,789
Yr. '17-18	707,234	2,696,221	1,988,987	7,499,604	3,616,023	1,983,581	21,030

Principal Items of Revenue and Expenditure.

1920. Week to	Revenue: Customs & Excise	Income Tax, &c.	Excess Profits Duties, &c.	Other Revenue	Expenditure: Int., &c., on Debt	Expenditure: Misc. Expend.	Expenditure: Supply Services.
June 5	£3,016	£2,275	£4,787	£23,057	£46,597	£101	£7,957
May 29	3,766	1,920	4,274	6,315	932	100	25,560
May 22	10,090	1,210	4,246	13,645	852	126	14,495
66days'20-21	48,447	46,933	42,431	118,356	98,357	1,880	142,763
68days'19-20	40,724	34,505	48,167	18,598	108,804	816	217,305
Yr. '20-21*	348,850	385,000	220,000	463,850	345,000	31,198	807,904
Yr. '19-20	283,023	359,099	290,045	407,404	332,034	16,171	1,317,568
Yr. '18-19	162,220	291,186	285,028	150,587	289,964	11,380	2,297,956
Yr. '17-18	110,033	239,509	220,214	137,478	189,851	11,401	2,494,868

FLOATING DEBT. [000's omitted.]	Treasury Bills	Ways & Means Advances	Total	Natnl. War Bond Repts.
June 5, 1920 ...	£1,070,987	£234,867	£1,305,854	£1,745,720
May 29, 1920 ...	1,062,022	221,617	1,283,639	1,745,720
May 22, 1920 ...	1,062,834	210,367	1,273,201	1,745,720
May 15, 1920 ...	1,063,733	218,867	1,282,600	1,745,720
June 30, 1919 ...	796,150	774,237	1,570,387†	1,732,087

* Budget estimates. † Highest. ‡ Excess of revenue.

FOREIGN BANKS

[In £'s Sterling‡—000's omitted.]

		Cash			Advances			Bills Discounted, &c.
AUSTRIA-HUNGARY	Gold	Silver	Total	To Public	To Dual Govts.	Note Circulat'n	
July 23, '14	£51.578	£12.141	£63.719	£7.772	—	£88.740	£31.993
Oct. 21, '19	10.832	2.374	13.206	371.686	£1.373.083	2.013.363	240.845
Oct. 28, '19	10.832	2.378	13.210	372.119	1.373.083	2.059.464	222.532
Dec. , '17	11.000	2.300	13.300	603.990	—	739.300	117.600

BELGIUM.	Gold.	Silver	Total	Discounts	Circulation	Deposits
Aug. 6, '14	£10.977	£633	£11.610	£41.995	£51.800	£8.233
May 27, '20	10.659	1.088	11.747	29.270	202.759	91.962
June 3, '20	10.659	1.071	11.730	25.027	204.222	84.741

DENMARK.	Cash Gold	Silver	Total	Discounts	Balance Abroad	Circulation	Deposits
July 31, '14	£4.100	£341	£4.441	£6.197	£786	£8.693	£47
Apr. 28, '20	12.588	164	12.752	17.531	981	28.982	1.542
May 31, '20	12.638	154	12.792	15.463	1.933	28.647	2.113
May 31, '19	10.355	138	10.493	4.399	3.563	24.109	950
May 31, '18	10.228	136	10.364	3.004	3.703	19.163	985

FRANCE.	Gold In Bank	Abroad	Total Cash incl'g Silver	Bills	Circulation	Deposits Public	Private
July 30, '14	£165.654		£190.667	£97.769	£267.327	£15.302	£37.903
June 3, '20	144.382	79.131	233.103	83.705	1.526 930	1.975	149 161
June 10, '20	144.365	79.131	233 113	71.161	1.526.277	2.353	139.487
June 12, '19	142.881	79.131	234.244	34.937	1.377.941	2.633	137.702
June 13, '18	133.942	82.484	226.589	59.103	1.139.283	2.129	155.051

GERMANY.	Cash Gold	Silver	Total	Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
July 23, '14	£67.843	£16.727	£84.570	£5.279	£40.055	£94.545	£47.199
May 21, '20	54.582	182	54.764	780.441	2.051.916	2.456.377	819.618
May 31, '20	54.584	177	54.761	785.440	2.125.084	2.500.840	851.183
May 31, '19	75.805	1.018	76.823	403.623	1.433.284	1.412.245	499.393
May 31, '18	117.284	6.021	123 305	81.134	727.587	600.134	381.740

HOLLAND.	Cash Gold	Silver	Total	Discounts	Advances	Circulation	Deposits
Aug. 1, '14	£13.498	£249	£13.745	£13.422	£10.332	£35.660	£1.437
June 7, '20	52.984	1.054	54.038	18.376	25.921	85.293	12.737
June 7, '20	52.984	1.074	54.059	18.168	24.996	85.575	12.114
June 7, '19	55.164	681	55.845	12.175	18.003	84.833	6.435
June 8, '18	60.012	649	60.661	4.581	10.178	76.933	4.758

ITALY.	Cash Gold	Silver	Total	Other Cash	Loans & Discounts	Circulation	Deposits
July 31, '14	—	—	£48.456	£25.017	£69.204	£8.897	
Apr. 10, '20	£32.190	£3.005	35.195	21.381	158.138	486.741	74.043
Apr. 30, '20	32.190	3.003	35.193	19.652	180.783	501.813	74.704
Apr. 30, '19	32.716	2.955	35.671	25.792	59.978	375.534	59.792
Apr. 30, '18	33.449	3.142	36.591	6.422	54.922	290.109	59.650

JAPAN.	Gold	Discounts	Advances	Notes	Deposits Public	Deposits Private
Aug. 1, '14	£21.867	£1.829	£7.863	£32.722	£13.818	£1.521
Apr. 17, '20	91.791	34.988	34.057	121.010	116.736	6.553
Apr. 24, '20	91.657	33.123	36.783	124.440	117.057	9.013
Apr. 26, '19	70.663	1.773	35.643	81.391	108 531	3.692
Apr. 27, '18	65.903	4.887	24.910	64.998	67.832	2.447

NEW YORK BANKS & TRUSTS.	Cash Own Vaults	Aggregate Reserve	Loans, Disc'ts, Invest.,&c.	Net Deposits Demand	Time	Total	Excess Reserve
Aug. 1, '14	—	£89.888	£411.238	—	—	£387.185	£1.720
May 29, '20	£19.468†	115.428	1.025.052	£837.720	£50.240	896.932	4.474
June 5, '20	18.104†	116.190	1.027.074	843.642	49.926	899.280	4.492
June 7, '19	19.678†	117.902	1.010.546	827.166	29.998	910.890	8.338
June 8, '18	19.972†	107.004	900.698	749.394	31.283	840.068	7.498

NORWAY.	Gold	Balance Abroad	Norw. & For. Govt. Secs.	Disc'nts & Loans	Circulation	Deposits
July 31, '14	£2.960	£1.678	£493	£4.868	£6.752	£793
May 22, '20	8.121	3.731	579	21.779	23.660	6.365
May 31, '20	8.121	3.604	579	22.175	23.744	6.571
May 31, '19	8.185	4.198	678	19.259	23.861	4.831

PORTUGAL.	Gold	Silver	Total	Discounts & Advances	Note Circulation	Deposits
Mar. 31, '20	£1.906	£3.921	£5.827	£17.689	£88.886	£8.722
Apr. 7, '20	1.906	3.921	5.827	17.496	91.129	5.864
Apr. 9, '19	1.905	3.883	5.788	8.826	64.505	3.497
Apr. 10, '18	1.905	3.191	5.096	7.818	45.502	1.575

ROUMANIA.	Cash	Discounts	Advances	Total	Circulation
Mar. 20, '20	£60.809	£7.969	£2.720	£10.689	£179.576
Mar. 27, '20	60.809	8.425	2.598	11.023	179.840
Apr. 3, '20	60.809	8.431	2.658	11.089	179.924
Apr. 5, '19	35.381	5.814	1.745	7.359	104.348

RUSSIA.	Gold In Bank	Abroad	Total Cash incl'g Silver	Loans & Disc'ts	Circulation	Notes in Reserve	Total Deposits
July 21, '14	£160.114	£14.395	£181.892	£76.081	£163.411	£6.589	£109.911
Oct. 29, '17	129.523	230.865	378.206	1.869.559	1.836.217	15.783	345.550

SPAIN.	Cash Gold	Silver	Total	Loans, &c.	Spanish 4%	Circulation	Deposits &c.
Aug. 1, '14	£21.504	£29.187	£50.991	£40.572	£13.778	£77.557	£18.955
May 29, '20	96.103	24.912	123.015	84.837	13.779	154.705	45.391
June 5, '20	98.101	24.743	122.844	85.493	13.779	155.925	45.281
June 7, '19	90.652	25.548	116.600	76.200	13.778	141.941	42.353
June 8, '18	82.930	28.180	111.090	53.098	13.777	117.538	40.112

SWEDEN.	Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
Aug. 1, '14	£5.717	£5.129	£1.555	£7.495	£13.432	£3.903
May 22, '20	14.500	4.035	2.524	34 491	37.139	14.597
May 29, '20	14.500	4.340	2.524	34 632	37.943	14.183
May 31, '19	16.111	3.050	2.880	19.237	39.031	6.653
June 1, '18	14.371	7.058	5.384	13.131	35.416	5.459

SWITZERLAND.	Cash Gold	Silver	Total	Discounts & Advances	Circulation	Deposits
July 23, '14	£7.202	£758	£7.960	£4.817	£10.716	£2.026
May 22, '20	21.237	3.699	24.893	15.228	38.660	6.351
May 31, '20	21.238	3.817	24.885	15.298	38.716	5.015
May 31, '19	18.340	2.704	21.044	21.194	38.824	5.393
May 31, '18	15.243	2.294	17.537	14.243	28.201	4.239

† Not reserve. ‡ Converted at par rate of exchange approximately.

U. STATES FED. RES. BANKS.	Gold Held by Banks	Gold With Agents	Total Cash	Bills Discount'd	Acceptances.	Deposits. Govt.	Total Net.	Circulation.
May 31, '20	£390.690		£418.438	£503.836	£33.770	£7.296	£353.898	£821.401
June 7, '20	392.170		419.783	512.952	82.138	7.422	361.434	625 453
June 7, '19	187.204	253.156	454 068	382.224	33.682	5.212	342.464	502 698
June 7, '18	186 516	197.336	395.544	196 893	49.908	35.976	315.272	327.916

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed		%	Date Fixed
Amsterdam ...	4½	July 1,'15	Lisbon	6½	Jan. 15,'14
Berlin	5	Dec. 23,'14	Madrid	5	Nov.10,'19
Berne	5	Aug. 21,'19	Paris	6	Apr. 8,'20
Bombay	7	May 27,'20	Petrograd ...	8	July 29,'14
Brussels	5½	Apr. 28,'20	Rome	6	May 12,'20
Calcutta	5	June 5,'19	Stockholm ...	7	Mar. 13,'20
Christiania ...	8	Dec. 18,'19	Tokio	8·03	Nov. 18,'19
Copenhagen ...	7	Apr. 16,'20	Vienna	5	Apr. 12,'16

III.—FOREIGN EXCHANGES.

LONDON ON—		June 11, '20	June 4, '20	May 28, '20	May 20, '20
Berlin	Cable	157m.	170m.	160m.	172½m.
Brussels	Cheques	49fr. 37c.	48fr. 80c.	50fr. 50c.	52fr. 75c.
Denmark	Cable	23kr. 40	22kr. 82½	23kr. 42	23kr. 37
Holland	do.	10d. 91c.	10d. 69c.	10d. 67c.	10d. 49c.
Italy	do.	70lr. 25	67lr. 00	67lr. 00	74lr. 50
Lisbon and Oporto	do.	13d.	10⅞d.	10⅞d.	12⅛d.
New York	do.	$3 95½	$3 90½	$3 90½	$3 81½
—	Cheques	$3 96	$3 91½	$3 92	$3 83
Norway	Cable	22kr. 10	22kr. 16	21kr. 55	21kr. 00
Paris	3 mos.	52fr. 93c.	52fr. 07c	53fr. 50c.	55fr. 87c
—	Cable	51fr. 93c.	51fr. 07c	52fr. 50c.	54fr. 87c.
Spain (Bank places)	3 mos.	49⅛d.	48⅛d.	49⅛d.	51⅛d.
—	Cable	23p. 95	23p. 95	23p. 82	22p. 90
Sweden	do.	18kr. 10	18kr 19	18kr. 10	19kr. 27
Switzerland	3 mos.	22fr. 20c.	21fr. 10c.	22fr. 05c.	22fr. 02c.
—	Cable	21fr. 70c.	21fr. 45c	21fr. 75c.	21fr. 62c.

ON LONDON—		June 11, '20	June 4, '20	May 28, '20	Par
Alexandria	Sight	97⅛pl.	97⅛pl.	97⅛pl.	97⅛pl.
Amsterdam	Cheques	10d. 83c.	10d. 67c.	10d. 65c.	12.107d.
Athens	Cable	33dr. 12	34dr. 37	34dr. 05	25dr. 22½
Bombay	Transfers	2s. 0⅛d.	2s. 1d.	2s. 1⅛d.	2s.*
Brussels	Cheques	49f. 25c.	48f. 72c.	49f. 57c.	25f. 22½c.
Buenos Ayres	Transfers	59⅛d.	59⅛d.	59⅛d	47.58d.
Calcutta	do.	2s. 0⅛d.	2s. 1⅛d.	2s. 1⅛d.	2s.*
Christiania	Sight	22kr. 10	20kr. 03	21kr. 50	18.159kr.
Copenhagen	do.	23kr. 41	22kr. 92	23kr. 45	18.159kr.
Helsingfors	Cable	92m	81m.	83½m.	25m. 22½
Hong Kong	Transfers	3s. 8d.	4s. 1d.	4s. 3½d.	—
Italy	Sight	70lr. 75c.	66lr. 75c.	67lr. 50c.	25l. 22½c.
Lisbon	do.	12⅛d.	11d.	10½d.	53½d.
Madras	do.	2s. 0⅛d.	2s. 1⅛d.	2s. 1⅛d.	2s.*
Madrid	do.	23p. 93	23p. 95	23p. 81	25p. 22½
Montevideo	Transfers	59⅛	60⅜	81½d.	51d.
Montreal	Cable	$4 43	$4 38½	$4 37	$4 44½
New York	Sight	$3 91½	$3 93½	$3 91	—
—	60 days	$3 90	$3 91½	$3 89½	—
—	Cable	$3 92½	$3 94	$3 91½	$4 86½
Paris	Cheques	51f. 55c	51f. 10c.	52f. 35c.	25f. 22½c
Rio de Janeiro	90 days	15⅛⅛	—	16⅜d.	18d.
Shanghai	Transfers	4s. 10½d.	5s. 7⅛.	5s. 11d.	—
Singapore	Sight	2s. 3⅝d.	2s. 3⅛d.	2s. 3⅛d.	—
Stockholm	do.	18kr. 09	18kr. 11	18kr. 04	18.159kr.
Switzerland	do.	21f. 67c	21f. 45c.	21f. 70c.	25f. 22½c.
Valparaiso	90 days	11⅛⅛d.	11⅛d.	12⅛d.	18d.
Yokohama	Sight	2s. 9d.	2s. 6⅛d.	2s. 7⅛d.	24.59d.

* Fixed at Rs. 10 to the gold sovereign, February 2, 1920

NEW YORK ON—	Rate Current* June 11, '20	June 4, '20	Par as usually Quoted	Rate July 31, '14
Amsterdam, sight ...	36 30c.	36 62c.	40 20c. for 1 guilder	40·26c.
Bombay, cheques ...	40·75c.	41·75c.	43·66c. for 1 rupee	33 00c.
Buenos Aires, cheques ...	103·65	103·95		
Christiania, cheques ...	17·70c.	17 95c.	26·80c. for 1 kroner	
Copenhagen, cheques ...	16·35c.	17·05c.	26 80c. for 1 kroner	26·85c.
Greece, cheques ...	11·60c.	11·50c.	19·295c. for 1 drachma	
Hongkong, cheques ...	70c.	81c.	74·59c. for Mex. $1	43 4c.
Italy, sight	17·10l.	16·75l.	5·13½ lire for $1	5·17l.
Lima, cheques	4·99c.	4·93c.	4·8665 $ for 1 libra	
Manila, cheques... ...	49·60c.	49 60c.	50c. for 1 peso	49·9c.
Montreal	11·625% disc.	11·125% disc.	Premium per $100	Par
Paris, sight	13·2fr.	12·75fr.	5·18¼ francs for $1	5·18fr.
Petrograd, sight ...	—	—	51·46c. for 1 rouble	51·37c.
Rio de Janeiro, cheques	41·10c.	38·30c.	32·42c. for 1 milreis	
Shanghai, cheques ...	94c.	114c.	52·98c. for 1 tael	83 00c.
Singapore, cheques ...	51·25c.	51·50c.	53·77c. for $1	57·12c.
Spain, cheques	16·40c.	16·40c.	19·30c. for 1 peseta	
Stockholm, cheques ...	21·60c.	21·85c.	26 80c. for 1 kroner	
Switzerland, cheques ...	5 50fr.	5·49fr.	5·18¼ francs for $1	5·18¼fr.
Valparaiso, cheques ...	19·00c.	19 00c.	20 61c. for 1 peso	
Yokohama, cheques ...	51·25c.	51·50c.	49·84c. for 1 yen	49·90c.

* According to Guaranty Trust Company of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount.	Inc. or Dec.*	1920 Agg.	Inc. or Dec.*
	1920	[In £'s sterling 000's omitted.]			%
BIRMINGHAM†	June 5	£5.089 +	£1.403	£87.332 +	£29.985 + 52·2
BRISTOL†	,, 5	1.807 +	295	41.302 +	11.430 + 38·3
DUBLIN†	,, 5	8.595 +	1.142	203.775 +	45.223 + 28 5
LEEDS†	,, 5	1.953 +	624	42.508 +	16.636 + 64 5
LEICESTER†	,, 5	1.200 +	128	32.032 +	12.015 + 60 0
LIVERPOOL†	,, 5	14 011 +	1.159	393.416 +	146 102 + 57 9
MANCHESTER†	,, 5	29.204 +	10.475	737.372 +	393.833 + 114 7
NEWCASTLE†	,, 5	3.330 +	930	74.921 +	30.599 + 63·0
NOTTINGHAM†	,, 5	987 +	276	26.832 +	12.310 + 84·8
SHEFFIELD†	,, 5	2.686 +	500	37.697 +	10.510 + 38 7
LONDON—	1920.				
TOWN	June 3	621.776 +	287.870	15.038.561 +	6.417.136 + 74·0
METROPOLITAN	,, 3	41.947 +	13.525	978.790 +	230.993 + 30·9
COUNTRY	,, 5	86 079 +	27.393	1.863.786 +	494.830 + 36·0
TOTAL ...	,, 9	749.802 +	328.788	17.936.137 +	7 142.869 + 66·2

* Compared with a year ago.

V. FREIGHTS.—According to Messrs. J. C. Gould, Angier and Co.

HOMEWARDS.	1920 June 11	1920 June 4	1913 June 13
Alex. to U.K. ...	40/0	—	—
Aust. to U.K. ...	160/0	—	32/0
Azofl to L.H.A.B.	—	—	8/9
Bombay to p.p.	100/0d.w.	110/0d.w.	20 8
Burmah to U.K.	—	140 0	2 0
Calcutta to p.p.(jute)	—	—	d.w.22.8
Do. be to U.K. ...	—	—	—
Odessa to L.H.A.B.	—	—	—
R. Plate to U.K.	110.0	110·0	15/7½

Homewards.—(Cont.	1920	1920	1913
U.S.Atl.Ports to L'pl. (cotton, 100lb.)	June 11	June 4	June 13
	—	—	40/0
U.S. to U.K. (gr.)	14/0	10 6	2·9
Gulf Ports to U.K. Cont. (cotton&grain)...	—	12/0	14 6
OUTWARDS—Cardiff to			
Aden	—	—	—
Colombo	—	—	12/6
Port Said	60 0	65/0	10/0
River Plate ...	—	—	21/0
St. Vincent ...	35/0	35/0	10/3

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VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	JUNE 11, 1920.	JUNE 13, 1919.	JUNE 30, 1914.
Iron—Scotch pig warrants ...ton	223/6	166/0	57/0
— Middlesbro' warrants ...ton	217/6	160/0	51/0
— Hematite warrants ...ton	260/0	190/0	61/0
— Staffordshire bars, London ton	£33 10	£20 10	£8 10
— Common bars ...ton	£30	£20 10	£6 16
Steel Rails ...ton	£22	£15	£6 2/6
Galvanised Sheets ...ton	£54	£28—£30	£16 17/1
Copper—Standard ...ton	£89	£81 15	£66
Tin—English Ingots ...ton	£243	£233	£142 15
— Straits ...ton	£270nom.	£240	£139 10
Tinplates, I.C. Coke, S. Wales...box	73/0	33/0—34/0	11/10½—12/0
Lead—Soft Foreign ...ton	£35 10—£37 5	£23	£19
Spelter—Ord. Foreign ...ton	£41 5—£43	£36—£37	£21 7/9
Quicksilver (75lb.) ...bottle	£21—£21 10	£18—£18 10	£7
Aluminium ...ton	£185	£150	£82
Antimony Regulus Foreign ...ton	£50—£55nom.	£41—£42	£27 10
— English ...ton	£60—£63nom.	£45	—
Coal—Best Yorkshire ...ton	37/2—38/2	23/6—24/6	17/6
— Steam (best) Newcastle ...ton	50/2—55/2	40/0—45/0	14/8
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b. Chile, per quintal	15/6	9/6	7/4
Soda—Crystals ex ship ...ton	230/0—240/0	129/0—130/0	42/6—45/0
Copra—Malay and States ...ton	£51	£56 10	£23 15—£24 7/6
Gambier—Good marks ...cwt.	49/0	47/6	16/10½
Indigo—Bengal good to fine ...lb	13/0—16/6	9/0—10/6	3/2—3/8
Linseed Oil—Raw ...ton	£81	£120	£25 5
Linseed—Calcutta, spot ...ton	£39 15	£48	£13 16/9
— Cakes, U.K. made, ex mill ...ton	£22	£19	£7 17/6—£8
Olive Oil—Spanish ...ton	—	nom.	£49 10
Palm Oil—Lagos ...ton	£55/10	£80	£31 10
Petroleum—American ...gallon	2/1½	1/4½	7½d.
Rape Oil—Refined English ...ton	£100	£104	£32
Soya Oil—Refined ...ton	£105	£75	£24 10
Tallow—Imported ...cwt.	82/0—90/0	90/0—103/0	29/3—33/3
Turpentine—American ...cwt.	170/0	104/0	33/7½
Rape Seed—Toria ...ton	£39	£44 10	£13 5
Rubber—Para, spot ...lb	2/1½nom.	2/5	2/9½
— Fine plantation (stud.crepe) lb	2/0	1/9	—
— World's Production* Apr. tons	27,850	31,166	8,467
Shellac—T.N. Orange, fair ...cwt	600/0—610/0	340/0	63/0—64/0
TEXTILES.			
Cotton—Middling Upland ...lb	30·16d.	19·38d.	7·53d.
— Egyptian, good fair...lb	61·00d.	27·09d.	9·75d.
— Pernambuco fair ...lb	32·16d.	21·78d.	7·73d.
— Midland Upl. New York...lb	40·00c.	32·95c.	13·25c.
— Stock, Liverpool (June 4) bales	1,149,660	507,180	934,600
Flax—Petrograd, Yarapol ...ton	—	nom.	£28
Hemp—New Zealand ...ton	£58	£48 10	£25 10
— Manila, Fair ...ton	£60	£49 10—£50	£26 10
Jute—First Marks ...ton	£57	£51	£26 15
— Red SOC ...ton	£44	—	£24 15
Silk—Blue Elephant ...lb	32/0	24/0	11/3—11/6
Wool—Pt Philip unwashed av. lb.	5/9	3/5½	11½d.—1/0
— Lincoln Half Hogs ...lb	2/3½	1/7½	1/0½
Hides—Eng. Ox. best, 70 lb. up lb.	13½d.	9½d.—10½d.	7½d.
Leather—Dressing Hides ...lb.	4/0—4/6	2/7—3/3	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...brs.	53,304,000	34,440,000	34,640,000
— Red, price, N.Y. 60lb. ...bushel	310c.	237½c.	67½c.
—English Gazette, aver. 480lb. qr.	72/9	73/2	34/3
Flour—G.R. ...280lb.	63/6	44/3	28/6
Barley—Eng. Gaz., aver. 400lb. qr.	90/8	62/6	25/4
Oats—Eng. Gaz., aver. 312 lb. qr.	63/4	47/10	20/0
Maize—N.Y. (new bushel)...56lb.	nom.	193½c.	76½c.
— Amer. mixed, Liverpool...480lb	90 0	63/9	32/4
— La Plata ...480lb. qr.	74/0	63/0	25/9
Potatoes Good English ...ton	†606/0	196/8	70/0—75/0
Rice—Bassein ...cwt.	48/6	25/0	7/0—7/3
Tapioca—Pearl, medium ...cwt.	34/0	50/0	14/0—17/8
Hay—best ...2,018lb. load	—	176/0	82/6
Hops—English ...cwt.	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs...8lb	6/8	6/8—7/2	3/8—3/10
— Scotch sides ...8lb	10/0	8/6	4/6—5/0
— English ...8lb	10/0	8/6	4/2—4/5
Mutton—Scotch wethers...8lb.	10/6	9/0	5/8—6/0
— English wethers ...8lb.	10/6	9/0	4/6—5/4
— New Zealand frozen ...8lb	10/6	7/8	2/4—3/2
Pork—English and Irish ...8lb	12/0—15/4	10/8	3/6—4/0
Bacon—Irish, delivered ...cwt.	†220 0	190/6	60/0—74/0
— Danish ...cwt.	†192/0	—	58/0—68/0
— Canadian, ex Port ...cwt.	†187/0	190/0	—
— American ex Port ...cwt.	†187/0	186/0	72/0—74/0
Hams—Amer. long cut, ex Port cwt	†184/0	192·0	75/0—79/0
— — short cut, ex Port ...cwt.	†184/0	194/0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt	†158/6	170/0—191/9	51/9—52/9
Butter—Danish ...cwt.	303/4	Controlled 252/0	117/0—120/0
— French ...cwt	303/4		96/0—108/0
— Australian ...cwt	‡ 303/4		98/0—110/0
— New Zealand ...cwt.	303/4		108/0—114/0
Cheese—Canadian ...cwt.	†145/0	Controlled 144/8	66/0—68/0
— United States ...cwt	†145/0		—
— Dutch ...cwt	†145/0		53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to May 31 ...cwt.	13,598,508	13,177,654	19,777,254
— Home consump'n to May 31 cwt.	10,523,551	12,367,203	17,272,000
— In Bond May 31 ...cwt	9,093,000	7,393,000	6,308,000
— Price, Java, 96° Pol. ...cwt	105/0	36/0	10/3
— — Yellow crystals ...cwt	122/0	57/9	12/6—14/0
— — Tate's Cubes. No. 1...cwt.	116/0	64/9	18/0
Coffee—Imports to May 31 ...cwt.	396,982	583,219	720,360
— Home consump'n to May 31 cwt.	123,850	129,725	141,410
— Exports to May 31 ...cwt.	187,576	107,671	340,250
— In Bond May 31 ...cwt.	815,000	959,000	484,000
— Price, Costa Rica gd. to fine cwt.	152/0—172/0	145/0—155/0	80/0—93/0
— — Brazil (Santos) Good ...cwt.	110/0—120/0	85/9	41/6
Tea—Imports to May 31...lb.	180,586,941	186,141,577	123,230,277
— Home consump'n to May 31 lb.	152,173,279	144,914,140	155,447,972
— Exports to May 31 ...lb.	18,758,377	10,870,350	26,561,765
— In Bond May 31 ...lb.	221,471,000	151,589,000	78,292,000
— Price, Indian, Pek. Soug. gd lb.	7½d.	1/4	8½d.
— — Ceylon, Pek. Soug. Ord. lb.	7½d.	1/4	8½d.
— — Common Congou ...lb.	—	1/4	5½d.
Cocoa—In Bond May 31 ...cwt.	1,305,000	1,119,000	309,000
— Grenada good to fine ...cwt.	118 0—120 0	85/0	52/6—56/0

* Estimated. † New. ‡ Decontrolled: Price Ex. Factory.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific	Apr.	$15,929,000	+2,820,000	$2,362,000	+ $253,000
	4 *mos. to* Apr	59,117,000	+9,541,000	5,800,000	— 562,000
Grand Trunk	Apr.	£1,125,600	+ £24,800	£59,600	— £95,700
	4 *mos. to* Apr	4,304,600	+ 326,300	Dr.155,500	— 272,700

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open	Gross Receipts.	+ or — on Year Ago.	No. Wks	Aggregate Receipts.	+ or — on Year Ago
Assam Bengal	May 8	993	Rl,96,387	+ 14,500	6	10.55.771	+ 39.590
Barsi Light ...	May 15	118	28.400	— 1.000	7	2.05.000	— 8.500
Bengal & N.W.	May 8	2,065	5.88.590	— 33,089	6	28.15.780	— 3.78.149
Beng. Dooars	May 8	158	38.498	+ 7,105	5	135.840	+ 3.110
Beng. Nagpur	May 1	2,695	13.80.000	— 66.000	4	55.48.000	— 4.69.681
Bomb. Baroda	May 29	2,871	21.15.000	+ 85.000	9	1.73.64.000	+ 10.82.000
Burma	Apr. 24	1,342	6.54.104	— 713	3	20.35.853	— 84.483
Del. Um. Kalk.	June 5	239	90.300	— 2.142	10	8.80.514	+ 52.142
East Indian ...	June 5	2,771	27.94.000	— 12,000	10	2.69.54.000	+ 8.48.000
Gt. Indian Pen.	May 29	3,121½	28 43.400	— 2.11.300	9	2.37.98.200	— 2.16.269
Madras & S.M.	May 8	3,152	12.50.000	— 67.877	5	65.50.000	— 1.34.397
Nizam's Guar.	May 8	900	3.22.097	+ 12.647	6	18.84.820	+ 1.52.671
Roh. & Kumn.	May 8	576	1.25.880	+ 7.942	6	6.69.788	+ 24.642
South Indian	May 8	1,852½	8.26.306	+ 22.599	6	42.21.761	+ 74.231
South Punjab	Jan.	716	8,16.996	+ 1,19.924	4*m*	31,12.021	+ 1.10.363
COLONIAL							
Can. Northern	May 31	9,704	$1,414.300	+ 184.700	21	22.246.823	+ 3.086.774
Can. Pacific ...	May 31	13,388	5,432,000	+ 927.000	21	75.278.000	+ 12,133,000
Grand Trunk	June 7	3,616	£290.864	+ 60.871	22	5.804.346	+ 512.684
Mashonaland	Mar.	810	44.265	+ 14.400	6*m*	391.181	+ 103.628
Mid. W. Aust.	Mar.	277	13,741	+ 3.001	9*m*	89.189	+ 14.507
NewCapeCent.	May 15	205	3.181	+ 1.131	20	63,780	+ 10.933
Rhodesia Rlys.	Mar.	1,397	82.851	— 14,757	6*m*	—	—
Temiscouata...	Oct.	—	$30,562	+ 2,154	10*m*	304.661	+ 22.504
W. Pass. & Yuk	Aug.	122	—	—	8*m*	$968.676	+ 31.021
FOREIGN.							
Argentine.							
Arg. N. East...	May 29	752	£ 15,100	+ 2.300	48	568.400	+ 86.900
Arg. Transand.	June 5	111	£ 1.360	— 2.170	49	155.391	— 30.849
B. A. & Pacific	June 5	3,536	£ 186.000	+ 44.000	48	7.555.000	+ 1.778.000
B.A.Gt. South	June 8	3,792	£ 189.000	+ 47.000	49	8.896.000	+ 2.093.000
Do.	June 8	Net	£ 50.000	+ 14.000	49	3.022.000	+ 1.506.000
B. A. Western	June 8	1,882	£ 100.000	+ 13.000	49	4.924.000	+ 1.489.000
Do.	June 6	Net	£ 30.000	+ 4.000	49	1.659.000	+ 833.000
B. A. Central	Apr.	190	£ 54.590	+ 13.484	10*m*	473.301	+ 66.554
Cent. Argent.	June 5	3,305	£ 196.000	+ 58.500	49	8.936.000	+ 2.428.600
Do.	June 5	Net	£ 65.000	+ 42.300	49	2.895.100	+ 1.940.100
Cord. Central	June 5	1,205	£ 61.500	+ 10.900	48	2.913.600	+ 751.590
Entre Rios ...	May 29	811	£ 23.300	+ 2.200	48	1.157.400	+ 178.500
Brazilian.							
BrazilGt.South	Apr.	110	M 43.500	— 8.300	4*m*	206.000	+ 16.060
Brazil Railway	Dec.	3,530	M 4,859.000	— 141.271	12*m*	57.772.000	+ 7.619.243
Gt. W. Brazil	May 29	1,010	£ 20.400	— 1.600	22	543.800	+ 117.000
Leopoldina ...	June 5	1,831	£ 52.330	+ 12.248	23	1.212.781	+ 682.419
Mogyana	Dec.	1,180	M 1,581,000	— 956.490	12*m*	22.267.000	— 2.474.651
Paulista	Dec.	766	M 2,650.000	— 906.038	12*m*	32.479.000	— 1.225.892
San Paulo ...	June 6	153½	£ 46.952	+ 8,851	23	1.024.417	+ 322.450
Sorocabana ...	Dec	1,003	M 1,749.000	— 246.168	12*m*	21.953.000	+ 876.092
S.of BahiaS.W.	May	52	M 78.000	+ 32,000	5*m*	385,000	+ 35.000
Chilean and Peruvian.							
Antofagasta...	May 30	838	£ 37,720	+ 16,460	23	1,093.430	+ 518.040
Arauco	Apr.	84½	£ 11.000	+ 1,200	4*m*	52.000	+ 9,700
Nitrate(2wks.)	May 31	390	£ 41.671	+ 26,534	26	446.619	+ 236.265
Peruvian Corp.	May	1,140	S 1,287,070	+ 227,920	11*m*	13.274.884	+ 1,968.779
Taltal	May	180	£ 27.045	+ 18,405	11*m*	264.705	+ 106.566
Cuban.							
Cuban Central	June 5	362	£ 34.561	+ 6,831	49	1,376.628	+ 256.745
Havana Cent.	May 29	70	£ 14.423	+ 3.060	48	560.933	+ 103.823
U. of Havana	June 5	681	£ 71.434	— 3,956	49	3,453.374	+ 521.041
W. of Havana	June 5	155	£ 17.252	— 1,140	49	553.113	+ 102.296
Uruguayan.							
Cent. Uruguay	June 5	273	£ 21,791	+ 785	49	1,132.473	+ 56.377
,, (E. Ext.)	June 5	311	£ 5,986	— 571	49	310.335	+ 33.461
,, (N. Ext.)	June 5	185	£ 3,107	— 526	49	188.447	+ 438
,, (W.Ext.)	June 5	211	£ 3.065	+ 706	49	139.006	+ 9.817
Mid. Uruguay	May	319	$ 21,277	+ 2,407	11*m*	223,942	+ 29.382
N.W. Uruguay	Apr.	113	$ 5,319	— 626	10*m*	167.351	+ 3,492
Urug. Northn.	May	73	£ 1,894	— 72	11*m*	26,280	+ 3,458
Miscellaneous.							
Alcoy & Gandia	June 5	33	Ps. 10.000	+ 3,000	22	267.900	+ 46.500
Bilbao	May	15	£ 2.191	— 602	5*m*	17,911	+ 5,798
Bolivar	Apr.	136	£ 9.887	— 3,350	10*m*	97.894	— 3,803
Colomb. Natnl.	Apr.	86	£ 18.880	+ 5,720	4*m*	66.276	+ 22,336
Costa Rica ...	Apr.	189	£ 28.672	+ 6,589	10*m*	260,059	+ 37,104
Dorada Ext....	Apr.	70	£ 18.000	+ 8,000	4*m*	53,500	+ 23.260
Egyptian Delta	May 20	559½	£ 12.382	+ 6,082	7	60,393	+ 52.488
Gt. S. of Spain	May 29	104	Ps. 113,802	+ 23,880	22	1,879.280	— 771,718
La Guaira & Ca.	May	22½	£ 13.630	+ 4,570	5*m*	71.830	+ 29,790
Ottoman Ry...	May 22	379	£ 6,797	— —	—	—	—
Paraguay Cent.	May 29	255	£ 4,150	— 670	48	230,180	+ 29,650
Puerto Cabello	May	34	£ 5,000	— 300	7*m*	28,000	+ 3,073
Salvador	June 5	100	£ 5,000	+ 2,613	49	223,226	+ 92,249
Santa Fe Prov. French Rys.	Apr.	1,181	£ 179,872	+ 22,507	4*m*	647,152	+ 1,721
S'm'na & S'ti'go	Apr.	80	£ 16,753	+ 7,416	4*m*	53,633	+ 21,851
Tafra & Huelva	Apr.	112	£ 10,596	— 193	4*m*	51,192	+ 10,387
TRAMS.							
Anglo-Argent.	June 3	400	£ 74,755	+ 53,505	22	1,647.137	+ 394.846
Auckland Elec.	June 30	27	—	—	52	292,502	— 2,063
Bombay Elec.	Mar.	39	R. 8,02,074	+ 1,10,622	3*m*	23.21.806	+ 3,72,431
Brazilian Trac.	Apr.	378½	M10,941,000	+ 1,037,000	4*m*	39,181,000	+ 4,149,000
Brisbane Elec.	May	40½	£ 46,550	+ 12,325	5*m*	223,500	+ 37,965
Brit. Columbia	Mar.	334	$ 761,182	+ 112,062	9*m*	6,557,837	+ 1,167,718
B. A. Lacroze	May	51	£ 54,563	+ 7,246	11*m*	561,679	+ 80,176
Calcutta	June 5	35½	R 93,927	+ 10,915	23	19,96,953	+ 1,55,714
Cape Electric	Apr.	42½	£ 31,391	+ 3,251	10*m*	278,644	+ 32,710
Carth. & Herr.	May	9	£ 5,313	+ 2,087	5*m*	23,044	+ 9,626
Chatham & Dist	May 27	15	£ 2,264	+ 633	21	32,860	+ 4,236
Havana Elect.	Mar.	66	$ 927,785	+ 270,530	3*m*	2,675,342	+ 588,573
Isle of Thanet	June 2	20½	£ 1,237	+ 220	36	23,958	+ 8,569
Kalgoorlie ...	Mar.	20½	£ 3,142	+ 528	3*m*	8,392	— 1,623
Lanarkshire ...	May 27	28½	£ 4,462	+ 258	21	85,724	+ 17,804
Lima Light ...	Feb.	85	£ 56,050	+ 9,940	2*m*	114,635	+ 23,195
London C.C. ...	June 9	141½	£ 84,742	— 7,891	9	843,644	+ 30,752
Madras (2wks.)	May 31	15½	Rs. 49,601	+ 3,726	20	485,627	+ 121,559
Manila Electric	Mar.	55	$ 263,696	+ 55,814	3*m*	820,578	+ 169,460
Pernambuco...	May 30	69	£ 6,681	+ 1,056	22	163,745	+ 45,552
Provincial ...	May 22	21½	£ 3,518	— 49	34	100,825	+ 13,921
Rangoon Elec.	Apr.	25	£ 7,857	+ 1,640	4*m*	31,689	+ 5,427
Shanghai Elec.	May	26½	M. $156,000	+ 23,600	5*m*	713,994	+ 102,994
SingaporeElec.	May 1	28½	$ 22,945	+ 8,169	18	398,074	+ 115,758
U.of Montevid	May	80½	£ 42,401	+ 5,019	7*m*	307,299	+ 42,012

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The Statist.

LONDON, SATURDAY, JUNE 12, 1920.

THE CHICAGO CONVENTION.

THE Convention called to select a candidate for the Presidency of the United States met on Tuesday at Chicago, but we must confess that we are unable to advise our readers as to whether the choice of names put forward is, or is not, a good one. That, we admit, shows that we are not in a position to enable our readers to judge whether the Convention is, or is not, qualified for its work. We can only plead in our excuse that even in the United States itself no man pretends to be in a position to judge whether any of the candidates that have been suggested are, or are not, qualified for the great position for which they are put forward. It happens that just now, for reasons which our readers understand, the Democratic party is so circumstanced that everybody is practically convinced that it has no chance of succeeding; while, although the quarrel between the two wings of the Republican party has been made up, yet there has been no real conciliation effected. Although, however, we are unable to furnish our readers with means of judging whether the Convention was well- or ill-selected, we would warn them not to fall into the very great mistake that because none of the candidates have a great national reputation, therefore, not one of them is qualified for the suggested post. Those who are familiar with the real working of the American Republic are well aware that the majority of Presidents have been very little known before they were raised to the highest position in the State; and yet no man who is not hopelessly biassed against Republicanism will deny that, taking them for all in all, the Presidents of the United States, wielding a power greater than that of any sovereign in Europe, have shown themselves exceedingly capable men. Our readers, therefore, will do well to feel that the various candidates are men of considerable ability. Each of them has made his mark in his own field of operations. And probably each one of them, if he got the chance, would pass creditably through the great trial. Without further preface, then, we go on to say that we are honestly aware that we cannot inform our readers whether the Republican candidate is, or is not, really qualified for the great position for which he is recommended. But we attach little importance to that, for, taking the Presidents altogether, they have shown themselves exceedingly competent; and, therefore, we do not doubt that the next President will give proof that the State which recommended him did not act either rashly, or ignorantly. The new President, in all reasonable probability, will show himself a competent ruler. If he does, he will be re-elected at the end of the first four years. Although attempts have been made to induce the nation to give a third term to exceptionally competent Presidents, no one has, up to the present, yet been so honoured as to rule over the Republic for 12 successive years. But if the new President acts fairly well in the first four years it is reasonable to anticipate that he will get a second term, or, in other words, that he will exercise a power greater than that of any European sovereign for eight years, beginning with midday on March 4 next.

One is naturally tempted to speculate upon the policy he is likely to adopt. But we do not feel ourselves competent to be of service to our readers, firstly, because we do not yet know who is the new candidate; and, secondly, because, even in America itself, no candidate has occupied such a position as would justify a man who wishes not to be thought altogether without judgment to venture upon a prediction covering four, or possibly eight, years. We shall satisfy ourselves, therefore, with reminding the reader that at the present time the President of the United States is in a position to exercise greater influence upon the course of politics throughout the world than any other living man. The exact number of the American population is not yet ascertained. But we may safely predict that it is considerably over a hundred millions. How much more it would be rash to guess, especially as we shall know in so short a time now. But a man is put forward to rule over a country of vast extent; a country, moreover, which, as the late War showed, is capable of putting a vaster army in the field than even Germany at the height of her power. And the new man will have an opportunity, if he is tempted to use it, to add very largely to the extent of area over which his rule will extend. Mexico has been for years engaged in civil war; and she has unavoidably inflicted much damage upon large numbers of American citizens who have invested American capital in the disturbed State. Such being the case it will be easy for the new President, if he so chooses, to insist that the War shall cease, and that American citizens shall be safe both in person and in property in Mexico as well as elsewhere; and, of course, if circumstances prove unfavourable, he may find himself almost forced into war. Then, the United States built at its own expense the Panama Canal, and is not likely to allow the canal to be in any way rendered incapable of fulfilling the purposes for which it was constructed. Over and above that, the United States tells Europe that European Governments must not, without the consent of the United States, interfere in American politics of any kind. Therefore, there are always possibilities, to use no stronger word, that the United States may find itself in unfriendly relations with some other great Power; and, consequently, that war may ensue. To put the matter a little differently, the United States claims to be a guarantee to all American countries that Europe shall not meddle with them. And on several occasions she has gone the

length of adopting measures which gave a European State the opportunity to fight if it had chosen to do so. Consequently, in addition to all the dangers which exist, there is this special and exceptional danger: that the United States claims to exercise a right to forbid all other States in the world to interfere with an American State; and, consequently, a President who for any reason thinks that war is forced upon him can take that view and act upon it. There is, in fact, no means of preventing him doing so, unless Congress foresees what he is about, and takes measures deliberately to stop him, which would probably end in a charge by the House against the President. However, we are, of course, in what we are saying, not referring in any way to any of those whose names have been put forward at the Chicago Convention, firstly, for the reason already given, that we know too little of the histories of the several gentlemen to venture to criticise; and, secondly, that it would be unpardonable folly to predict now what a mere candidate for the Presidency will do a year or two years hence. All we wish to point out is that what has been going on this week in Chicago has immense interest for Europe, as well as for America. If the man to be chosen is elected and proves to be a lover of peace he may confer great favours upon Europe as well as upon America. If, on the other hand, he thinks that the present action of Government and their tendency to exercise extravagant powers is mischievous he may bring about a war that nobody is now thinking about.

It is to be hoped that even a serious disagreement between this country and the United States is out of the question. The two countries have been acting as Allies quite recently. And there is no great question that would necessarily bring about ill-feeling between them. On the other hand, we must not forget that ill-feeling may be brought about by a man who entertains very strong views, even if the sound views are exceptional and are little shared by others. For instance, there is nothing at the present time to cause ill-feeling between this country and the United States. On the contrary, we have been fighting side by side of late, and it ought to be possible to look forward to a long continuance of cordial relations. On the other hand, it is never to be forgotten that Canada cuts the United States Republic in two. Canada lies between the old America—the America that belonged to the United States before the purchase by the latter of that portion of America which previously had been held by Russia. It is unlikely that any quarrel will arise due to the fact alone that Canada lies between what used to be Russian America and the America that we usually think of when speaking of the great American Republic. But there is the possibility—we hope it is no more than a possibility—that a wrangle may unexpectedly spring up there, and wrangles sometimes lead to unpleasant results. About the rights of Canada proper, we do not think that any public man in the United States would provoke a quarrel. The American people own so much of the American continent that they have no temptation for looking out for causes of quarrel so as to extend their territory. We do not in the least anticipate, therefore, a quarrel unless two quarrelsome men happen to lose their tempers. And if that were to happen nobody can tell what might follow. Upon the whole we see no reason why the United States should go to war with any country; except, possibly, Mexico. If the Mexicans are not mad they will make all concessions should anything unfortunate happen. Still, there is a possibility that where civil war exists anything may happen. Apart from that the United States cannot think it worth while to conquer the territory lying between its own borders and the Panama Canal. The canal is as safe now as it would be if the whole continent were under American rule. Similarly, we see no reason why our own Government should not yield if, untortunately, some accident were to cause a dispute about what used to be Russian America. Therefore, we are hopeful that good relations will be maintained, unless, indeed, the Germans and the Irish together are able to find some cause of quarrel which would appeal strongly to the President of the United States.

JAPAN.

Everyone who is thoroughly interested in the future of human progress is naturally greatly interested in the movements which are going on at present in Japan. It seems to be clear beyond dispute that public opinion is not so much under the control of those influences which directed the great transformation which has taken place in Japan since that country was compelled by an American squadron to throw open its ports to the rest of the world. But, unfortunately, the Japanese language and Japanese politics do not attract as much attention as is really due to them; and, therefore, we do not always understand movements which cannot fail to exercise a great influence upon human progress. Just now, Japan is, in the first place, passing through an economic period which is more or less trying. Personally, the present writer is inclined to think that too much importance is attached to it. Japan, as the ally of England, entered into the War; but, though she performed very great services, firstly, in preventing the German ships which had left Germany in the hope of seriously disturbing British trade doing so with effect; and, secondly, by giving relief to Russia, and in other small matters, as a matter of course, Japan made large profits during the War period, and, equally as a matter of course, there has been a greater investment of Japanese capital than for the moment is convenient. That, however, is an operation to which we are well accustomed here at home, in the United States, in France, and in Germany. Therefore, we know how to measure it. But there is also an impression amongst a large class of Europeans that the great Japanese public, as distinct from those who control the policy of Japan, have of late desired to exercise much greater influence than hitherto; and, therefore, that there are political movements, either in preparation or in action, which are not properly understood in Europe, and which it is much desirable should be better appreciated. On these points we do not think that anybody in Europe at present is sufficiently informed to undertake to explain all the facts. Therefore, we postpone our observations for the present, contenting ourselves with saying, firstly, that as parliamentary government, or at all events, the early stages of parliamentary government, becomes better and better understood, it will exercise in Japan a growing influence upon both opinion and action; and, secondly, that it does not in the least follow that because there are changes going on, therefore they must produce startling alterations in the political condition of the Empire.

We ought to be secure against such a mistake as that. We have only to look around us to see what extraordinary changes have taken place in Europe as a result of the War, and yet up to the present, at all events, nothing very startling has occurred. Therefore we ought to be able to appreciate that while Japanese constitutional opinion is being enlarged it does not in the least follow that it will result in any startling changes for a considerable time to come. The really important thing is that Japan has made great progress during the past six years; that her Empire is now very large, and becoming more and more united; and that if she has the good fortune to escape a real quarrel with a great Power she will by-and-by become one of the States which must be considered in all great changes. Such being the case we do not think that there is for the present any very great need for entering more closely into the present condition of Japan. She has, fortunately for herself, escaped the worst consequences of the War. It is true that she did incur expenses which were of very great advantage to her allies. It is also true that she

increased very largely her trade, and that she has a more commanding position now than she had before the War in regard to China, for example. On the other hand, the Japanese Government and the classes which powerfully affect it are careful not to give offence to any great Power. They are with wonderful skill developing the resources of the Empire. In another generation Japan will be an exceedingly great Power. And judging by the past, we may safely conclude that her Government will take care not to be forced into a dangerous war unless, indeed, some aggressor insists that, right or wrong, a war must take place. So far as can be judged at present, however, the Japanese have sufficient control of all their affairs to avoid war as long as they think desirable; and, therefore, we anticipate that there will be a steady and a remarkable growth in the prosperity of the Empire.

IRELAND.

As we write, the trades unionist party has not made up its mind as to what are to be its relations with the Irish Nationalists. We sincerely hope that, in spite of the pressure which Mr. Lloyd George has tried to put upon them, the party will determine to support the Nationalists to this extent; that, dropping murders and similar offences against the Law, the Nationalists can depend upon the steady and unbroken support of the trades unionists. It is of the very utmost importance that the two old governing parties should be deprived of the power to rule over this country, and should be replaced by men who hold genuine democratic opinions. Whatever thoughtless people may flatter themselves to be likely, we are face to face with as dangerous a state of things as it is well possible to imagine. Looking at Europe, in the first place, there is not a single country which is not overwhelmed with a crushing burden of debt; and most of the countries, furthermore, are faced with other difficulties of an exceedingly serious nature. It is only necessary to refer to the condition of Russia to show how she has completely changed compared with what we believed her to be only six short years ago. If we turn from Russia to Austria-Hungary, we find that, as a nation, it has ceased to exist, and that practically there remains no governing portion of the population now in existence. Looking a little farther, we see Germany so sunk in misery that nobody would be surprised at any act, however wild and even desperate it might be. Of the condition of the country, it is enough to say that men who had been resident in this country for a long time before the War, but who during the War were confined as possible dangers to the interests of the Empire, went away to Germany declaring that they had been most ill-used, and would never again do a stroke of work for an Englishman, are now returning in considerable numbers because they find that Germany at present is so hopelessly sunk in poverty that they cannot earn enough to support themselves and their families. Passing from Germany, it is sufficient to call the attention of our readers to the uncertain state of Italy. And if we turn next to France we need only ask our readers to study the interesting and very careful articles which our correspondent is now writing respecting those parts of France where the real brunt of the War spent itself. About the rest of Europe, it is surely enough to say that no man can form anything like a satisfactory opinion as regards the large number of new States that have been called into existence.

If we pass from Europe we see Asia absolutely turned inside out. And if we extend our view to Africa we find that great continent practically in the clutches of our own country, France, and Italy. Respecting America, we need only say that practically the whole continent is under the authority of the United States to such an extent that she will not tolerate any interference by Europeans in the continent outside of the territory which she acknowledges belongs to certain European Governments. So far as all the rest of the continent is concerned, she will tolerate nothing that is not satisfactory to the American States concerned, and, in addition, to the United States. It would be difficult, then, to paint a condition of the world more calculated to arouse serious apprehension; and, therefore, it is absolutely not short of treason to the Empire to see our own Government treating Ireland in such a manner that the law is openly set at defiance and regiment after regiment is being sent to that country to force upon the people the decisions of a Government which they loathe, and which they are doing their best to get rid of. If, therefore, it is not time to alter the whole system of government in Ireland, we confess that we feel desperate respecting the future. Nothing is likely to be done in the United States that will seriously affect ourselves for at least a year. The existing Government practically is out of authority. A new President will be chosen at the beginning of November, and, although the existing Government will continue in nominal authority until next March, it will be expected to do nothing which can be postponed. On the other hand, the President who will be elected in November will not attain authority until March. Therefore the American Government is practically powerless to adopt a really decisive policy until next spring, probably not until the summer following; and, consequently, we have a clear year before us in which we can put our house in order and make friends with all portions of the Empire. If we do not we are courting serious danger. It is not for us to indicate what kind the danger will be or in what form it will first present itself. But unless we have lost the common sense which used to be attributed to us, we shall set to work to conciliate and make loyal every portion of the Empire.

If any reader comforts himself with the reflection that war under present circumstances is impossible, we would ask him to cast back his memory to July 1914, and to remember how Germany had not a single serious ally except Austria-Hungary. She took up with Turkey, it is true, and also Bulgaria, but Germany had to supply all that made those two countries really serious opponents. And anybody who will take the trouble to read the accounts, both of our own politicians and soldiers and those of the enemy, will very soon convince himself that for several years we had the greatest difficulty to retain our position in France. In fact, we were able to retain our position in France only because of the French victories, first at the Marne and afterwards before Verdun, while as soon as Russia was compelled to make terms with Germany the Germans felt sure of victory, if only they could postpone for a year at least the real help given to the Entente by the United States. The prospect before us, then, is such that if we have reasonable judgment we shall not stand upon foolish points of honour, but shall exert ourselves to the utmost of our power to restore not merely order, which is a mere word meaning little, but a spirit of concord which, if it does not incite all members of the Empire to fight for the Empire, at least will prevent them from giving aid of any kind to our ill-wishers. We have so far dealt with the subject as one intimately affecting the future of the Empire, but we hope the trades unionists of all ranks and all opinions will bear carefully in mind that the prosperity, success, and future of their cause will be affected profoundly by what may happen in the next few years. The Liberal party is practically played out. A large part of it has deserted the portion which claims to be the real Liberal party, and has at its head Mr. Asquith, while the remainder, who under Mr. Asquith held office, are now acting against him and supporting Mr. Lloyd George. Therefore the Liberal party is practically useless. It has played its part, and the best to be expected from it is that it

shall make way for a great really democratic party. The idle rich, on the other hand, are supporters of every abuse. Therefore they have a cause—a cause that does not appeal to us or to the majority of our readers, but a cause for all that—which has powerful supporters. It will go on, and it will go on as it is going on at present—by backing up what is wrong and setting by the ears a considerable portion even of the United Kingdom. Therefore we are anxious that the present Government should be got rid of—we will not say for ever, for evil things have a knack of recovering defeat after defeat, but of being got rid of, at all events, for a considerable time; and we know of no party capable of forming a really strong Government but the trades unionists, backed by such Liberals as have not yet forgotten all their Liberal principles.

SINN FEIN AND ENGLISH LABOUR.

It is announced that next week there is to be a meeting between representatives of the working classes in Ireland with those of the United Kingdom. At the present time, while the trade unionists feel that it is their duty to support, as far as they loyally can, the Irish Nationalists, yet they appear to be hesitating whether it would be nationally advisable to do so. Next week will tell us what conclusion will be arrived at, and will settle probably once and for all the question whether the Irish case is to become a case in which the discontented will be constantly looking out for support abroad, or whether it will become a purely internal concern. People in this country do not even yet recognise how great a change has come over Irish opinion. The time is not far past when Catholicism outweighed all other questions, and when therefore even Irish questions of the first importance were overpowered by purely Catholic considerations. Now the Catholic Church—it would be wrong, of course, to say that it has lost its influence—but it has lost the influence which made it possible for the Irish bishops to damp all really National movements when they desired to do so. At the present time, if the Roman Catholic bishops were deliberately to set themselves in opposition to the Nationalists, they would unquestionably fail and it is quite conceivable that they might give a blow to their future influence which never could be recovered from. It is, therefore, an exceedingly interesting proposition that the representatives of labour in England and in Ireland should meet to decide whether Englishmen are prepared to back up Irishmen in their refusal to carry Government ammunition. Different people will, of course, take different views of what is the duty of the Irish trades unionists. To us it seems so clear as hardly to admit of an argument that the trades unionists ought to support the Irish Nationalists to the utmost degree, consistent, of course, with loyalty to the Crown; and should continue to do so until it becomes settled that no man either in Ireland or in England is bound to carry ammunition which may be used to shoot down himself and his associates. In any case, however we look at the matter, it is one of very considerable importance, since it not merely affects the position of Ireland in the Empire, but also, is bound to exercise a great influence over European opinion in regard to Irish matters. Hitherto the Irish public were so intensely Catholic that they did not recognise how powerfully their support of the Pope affected European opinion regarding everything Irish. They are now breaking away from that method of dealing with the questions that interest them, and we are about to see a gradual change in democratic opinion all over the Continent respecting Ireland and the Irish question.

LILLE.

[From Our Special Commissioner.]

Lille: June 10, 1920.

Before the War Lille, the capital of the Department of the Nord, was pre-eminent amongst the towns in the French industrial area that lie to the north-west along the English Channel and the Belgian frontier. It had earned for itself the title of "the Manchester of France," owing to the importance of its spinning and weaving industries, but, unlike Manchester, it devoted considerable attention to flax as well as to cotton. From the point of view of population it ranked fifth amongst French municipalities, although censuses subsequent to 1896 registered a decrease in the number of inhabitants. The decrease was not due, as elsewhere in France, to an excess of deaths over births, but to an excess of emigration over immigration; and it was at bottom more apparent than real because the population had merely moved to outlying suburbs. These, though geographically and economically one with the city, were not included within the urban area.

The industries of the Lille district were progressively expanding until the outbreak of War. The subsidiary trades usually associated with textiles, such as bleaching, dyeing, and finishing, were springing up, while the manufacture of looms, combs, and other textile machinery had come to be of importance. Various branches of engineering were concerned with locomotives and boilers; and miscellaneous trades, as, for example, the making of chemicals, soap, and tobacco, afforded employment on a large scale.

Such were the conditions prevailing in August 1914. Within a few short weeks the city was heavily bombarded and laid partly in ruins. It was occupied by the Germans in October, who held it for four years, until October 1918. Before the evacuation many of the factories were intentionally damaged, some being completely dismantled, and the most vital pieces of machinery were either broken up or removed to Germany. Thus Lille, in common with other towns, suffered not only from the destruction incidental to its position within the zone of military operations, but from the carrying out of a carefully concerted plan to annihilate or reduce the industrial power of France. With this object belts, cables, and all power-transmission appliances and spare parts, stocks of oil, coal, chemical products, and tools, together with steam-pipes and water-pipes, were requisitioned on the ground of military necessity, and gradually found their way to the German hinterland. What the enemy could not take they destroyed, and with the chain of destruction complete they thought themselves rid once for all of a powerful competitor.

They have now come, presumably, to see the error of their calculations. The Treaty provides for the return of all looted and requisitioned articles still in existence, but though the work of restoration has been going on for some time, it is necessarily slow, and as yet far from complete. In any case many factories are not in a position to take in equipment as the foundations have been so shaken that the buildings must be renewed in their entirety. Very few establishments are actually idle from want of machinery, as energetic steps were from the first taken to meet needs as they arose. Supplies were to come as far as possible from home sources, but in the case of numerous articles the productive capacity of France was far below requirements. Thus Lille, with its large textile interests, was unable to secure sufficient spinning and weaving machinery from home sources, and orders were placed with English manufacturers, by arrangement between the British and French Governments. Of combed wool 350,000 spindles were ordered, and of carded wool, 100,000, and delivery was to be made to the French districts whose requirements were most pressing. For the reconstitution of the textile industry as a whole the French Government had up to the end of December last spent over a million pounds.

The task of reconstruction in Lille is in one way simplified, as the damage done is almost entirely confined to the vicinity of the railway station and the lines leading into it. Of the 40,000 houses in the municipality before the War 1,000 were completely and 10,000 partially wrecked. This enumeration does not, however, cover all the loss of property. Lille is a very old fortified town, and its boundaries have long been conterminous with the fortifications, though flourishing communities have sprung up all round the walls. On the north La Madeleine, on the south Faches, on the east Hellemmes, and on the west Lomme and Loos have grown up with the development of the textile and engineering industries, and as they are served by railways, they suffered from bombardment in the early days of the War, as well as from the detailed requisitions subsequently made.

In normal times the flax, hemp, and tow spinners of the whole Lille district possessed 280,000 spindles, and, though the number is seriously reduced, their position at the present time in regard to raw material is somewhat difficult. The linen industry depended largely on the supplies of French and Belgian flax which were grown in the neighbourhood and retted in the river Lys not far from the city. The flax-growing land has to a large extent been rendered unproductive, or nearly so, and alternate sources of supply in Russia and Eastern Europe are for practical purposes closed. Cotton manufacturers, in importing raw material from the United States, have to contend against a very unfavourable exchange, and though the franc has, on the whole, greatly improved in value, they claim that their financial burden would be much less onerous if the Bourse and various financial interests in Paris took stringent measures to ensure that exchange operations were limited to genuine commercial transactions.

Because of its close proximity to the Belgian border Lille has always enjoyed a large entrepôt trade, and the number of Belgian residents in the city has been, and is still, considerable. Up to recent years there was a continuous stream of emigration of poorly-paid workers from across the frontier into the better-paid industries of Lille, and the newcomers were not altogether popular, being accused by trade-union organisations of undercutting and other devices that tended to lower the level of wages. For the time this emigration has practically stopped, since employment is plentiful in Belgium and housing accommodation scarce in Lille, as a result of the bombardment. Such workers as have come have helped to recruit a sadly depleted labour force, and the goodwill with which employers and men have worked is shown by the progress in the task of reconstruction. According to figures kindly supplied by the Office of Industrial Reconstruction, 54% of all the industrial establishments of Lille had, on a recent enumeration, resumed work. The number is daily being added to, and that city, as befitting the capital of a Department and one of the foremost industrial centres in France, is determined to lose no time in inaugurating a new and greater era of prosperity.

THE REVIVAL OF FRENCH AGRICULTURE.

[From Our Special Commissioner.]

Lille: June 10, 1920.

Agriculture has been at all times the national industry of France, and before the War practically 70% of the economic activity of the country was centred on the land. French soil is naturally fertile over a wide area and it enjoys a favourable climate. These advantages have, however, proved insufficient in themselves to enable farmers to meet the competition of newly developed countries, such as the United States and Canada. When it felt the brunt of this competition the agricultural interest was influential enough to secure high protective tariffs on imported grain and other foods, but the scheme of protection was only partially effective. The area under corn diminished, more land was given over to grass, and increased attention was paid to the rearing of cattle and the development of a trade in dairy products. At the same time France commenced to specialise in earnest in those branches where her pre-eminence was marked, as in vine culture, and also turned more to crops that were of industrial use, such as beetroot. French farmers, being hard-working, thrifty, and ready to apply new ideas and new methods in agriculture, made rapid progress along the fresh lines of development into which they had been more or less forced, and in the years preceding the War the annual gross value of the agricultural output in France may be estimated at not less than 20 milliards of francs, or 792 million pounds.

In 1914 French agriculture was suddenly deprived of almost three-fourths of its labour force owing to mobilisation and the increased production of munitions. The loss was the more keenly felt as the land belongs mainly to peasant proprietors, and 4,500,000 out of a total of 5,300,000 farms have an area of less than 25 acres in extent. Manual labour is of necessity largely employed, since the holdings are too small to admit of the use of mechanically-propelled ploughs and harvesters. In some cases, indeed, co-operative societies purchased such machines for the use of their members, but action of this kind was on a small scale. Besides the loss in man-power, French agriculture was deprived of 10 of the richest departments in the north and east, and the extent of the damage inflicted may be gathered from the following table, which shows the proportion of French crops on the territory in enemy occupation or within the zone of military operations:—

Agricultural Area of Production in Invaded District, expressed as a Percentage of the Agricultural Area and Production of the Whole of France.

Crops	Area. Percentage of Total French Figure	Production. Percentage of Total French Figure
Cereals	7·3	13·3
Vegetables	6·0	7·0
Beetroot and industrial crops, including potatoes and artichokes...	16·5	49·5
Fodder crops, hay, &c.	3·5	10·2

The total extent of the invaded territory was 7,300,000 acres, and of this 4,228,000 acres were rendered useless by military operations. The uses to which this ruined area had been put and the volume of its pre-War production are set out in the following table, furnished by the courtesy of the Office of Agricultural Reconstruction:—

Acreage and Production of Different Crops in the Ruined Area of the Invaded Districts.

Crops	Pre War Area Acres	Pre War Production Cwt.
Cereals	2,230 000	40,000,000
Vegetables	45,000	600,000
Potatoes, artichokes, &c.	200,000	32,000,000
Forage crops	150,000	68,000,000
New meadows	350,000	36,000,000
Old meadows	750,000	45,000,000
Industrial crops	503,000	122,500,000
Total	4,228,000	344,100,000

From the same source we learn that on April 25 last the land cleared of war debris, re-levelled, and made fit for cultivation was 3,500,000 acres, that is, 48% of the total area invaded and 82% of the arable area destroyed. These figures are very encouraging, and illustrate the rapid strides being made in country districts, under wise and energetic guidance, to restore all that was lost by the War. Of the area brought again into cultivation no less than 1,800,000 acres has been laid out for cereals, a most desirable step, as it will be the means of reducing French food imports when the harvest is gathered in. France should be self-supporting in regard to wheat, rye, oats, and barley, especially as its pre-War dependence on external sources of supply was not very considerable. The land has, however, been impoverished not only in the War area, but all through the country by lack of attention and by shortage in the supply of natural

and artificial manures. These various deficiencies can now be made good, some immediately and some after the lapse of a little time. At the moment France possesses in the potash deposits of Mulhouse, in Upper Alsace, which are estimated to contain at least 290 million tons, a very powerful instrument for restoring and increasing the vitality of its agriculture.

During the period of occupation the flocks and herds of the regions now liberated suffered severely, and at the time of the Armistice the deficit was estimated to be: Sheep, 220,000; oxen, 1,500,000; horses, 400,000; and pigs, 550,000. It has been very difficult to make good these various losses, though some of the beasts, dispersed through other parts of France, have been brought back. A large amount of livestock has also come from Germany in execution of the terms of the Treaty, and purchases for the restocking of denuded farms have been made by the Ministère des Régions Libérées not only in France, but in Belgium, Holland, Luxembourg, Switzerland, Algeria, and America. Fortunately, demobilisation has set free a large number of horses, and big contributions have been made from the various armies, as may be seen from the following table:—

	Number of Horses
Set free by French demobilisation	75,000
Set free by British demobilisation	55,500
Set free by American demobilisation	35,000
Restored from other districts in France	400
To be furnished by Germany, in accordance with treaty...	30,500
Total	196,400

Machines for working the land and handling crops are still scarce, as enemy depredations were extensive, amounting to 187,049 ploughs, harrows, and cultivators, 159,567 harvesters, 15,958 horse-rakes, wine-presses, and threshing and other machines for treating grain. Farmers' rolling stock was also widely commandeered, and its absence hampers the work of reconstruction. The shortage of machinery increases the demand for manual labour, but here the diminution in supply is very noticeable and not likely to be made good for a long period.

CHILI.

FOR FUTURE DEVELOPMENT.

Like so many neutral countries, Chili, being a neutral during the recent European War, and being in a position to supply one particular commodity in demand by all the Allied armies, has been enabled to accumulate a large surplus reserve. In other words, the value of her exports during the War period have been considerably in excess of the amount required to meet the charges of her various obligations in Europe and elsewhere. It is a great advantage at a period in her economic development when Chili has reached the stage whereby she is enabled to profit by advantages accruing to her. At the moment, however, these advantages are far more apparent, as we state them simply to the reader, than they are in fact, as we shall explain later. Chili, like all new countries, had accumulated, in order to provide facilities for the opening up of her natural resources, considerable obligations abroad which had to be met, and for a very long period of time previous to the outbreak of the recent War her exports naturally considerably exceeded her imports. This was necessitated by the requirements of her creditors in various parts of the world. Since the recent War the value of her exports have been very much in excess, as we have said, of the amount necessary to meet these obligations; and, consequently, she has, in fact, built up an important reserve which will be available to be drawn upon later. She could, of course, use that reserve for the purpose of re-acquiring various securities which she issued to European investors in the past. But in reality she would lose the greater part of her advantage if she decided to adopt this course. The Chilians, speaking generally, and the Chilian business classes in particular, are amongst the shrewdest people in the whole continent of South America, and they are well aware that the most important use to which they could turn their present advantages is the development of the great economic resources which exist within the confines of the country. Now, we have said above that, while it is perfectly true to say that Chili has a very large balance due to her over and above the sums she has to meet in connection with her various payments to the outside world, it would be exceedingly difficult for her to take these sums in any really acceptable form because her creditors, whom she supplied so largely with various articles, and particularly with one essential of the munitions factories during the War, are only in a position to give very few articles in return. Nearly every country in South America, and most countries in North America, have accumulated handsome balances with the various European countries, the proceeds of which they will be in a position to take sooner or later. But if they decide at the moment to take any particular thing, there is very little that the Entente Allies have to offer them. One of the great difficulties of the few belligerents who have come satisfactorily out of the War—we mean satisfactorily in an economic sense—and of the neutral countries which, like Chili, have accumulated enormous balances which will give them the right to purchase commodities which they may require in the open market, is that they find it practically impossible to obtain those commodities, owing to the fact that the creditors have not got them to sell. Consequently, the practical advantages which Chili derives from her heavy sales of nitrate during the War are for the moment deferred. But they give her an enormous balance which will hereafter be of great advantage to her, and will enable her to purchase those articles which are urgently required for her real economic development. Up to, or shortly before, the beginning of the War Chili had only been in a position to develop her economic resources to a modest extent, because the annual surplus of her produce over her consumption was not appreciably more than she required to meet the obligations she had already incurred. Owing to the exigencies of the War, and to the extraordinary demand for nitrate in particular, but also for various other products of the Republic, she has, as we have said, accumulated a large balance. Although this balance is not available to be drawn upon for purposes which are really advantageous for Chili at the present time, in the course of a comparatively short space of time they will be available. And when that time comes it is of interest to consider what will be the most advantageous method in which Chili could employ those resources.

Amongst the three great progressive States of South America Chili has remarkable advantages; but, at the same time, these advantages are accompanied by various very serious difficulties which her people will have to set their minds vigorously to overcome if Chili is to take the place to which her great natural sources and the real ability of her people entitle her. Chili, as the reader is aware, is a long narrow country stretching from the 18th to the 56th parallel south of the Equator. It is broadest in those parts of the country which are least fertile, and apparently least useful for any purpose excepting producing the wonderful nitrate of soda for which the northern provinces are famous. The result is that only a comparatively small area of the Republic is really suitable for agricultural purposes. The reference books will say that between one-tenth and one-seventh of the Republic is agricultural, the north being desert and the south being wind-swept timber-lands. Such a description only gives the vaguest notion to the reader who just requires to be sufficiently acquainted with Chili to know where it is and have some slight acquaintance with the conditions which prevail. The facts are that while the country is divided for economic purposes into three zones—the

mining, or desert zone of the north; the central, or agricultural zone between Valparaiso and Santiago; and the forest zone south of Valdivia—the potential agricultural area does not much exceed one-third of the whole country. It has to be remembered that, in addition to the desert provinces of the north, Chili is a country of great mountains; and, consequently, the available agricultural area is considerably reduced. But it is very much larger than one would imagine from the statements which commonly appear in the recognised text-books. It is perfectly true to say that the area under cultivation actually about Santiago is relatively small. But then a very large part of Chili available for cultivation is not cultivated, largely owing to the fact that there is a continuous shortage of labour, and has been ever since the attractions of the nitrate fields of the north withdrew labour from the agricultural districts of the centre and from the development of the forest regions of the south. One of Chili's real difficulties is that she depends so largely upon the nitrate industry, both for the revenue out of which the Government of the Republic is carried on, and for the exports which enable her to meet her foreign liabilities and to pay for the imports of the various luxuries she needs.

It will be seen from what we have said above that Chili can never develop on the lines of a country capable of supplying vast quantities of food and raw materials in the nature of crops out of all proportion to the needs of the population which produces these commodities. That is only possible to a country which has very large reserves of fertile land capable of producing crops either to feed man or to feed the industries upon which he principally employs his time. At present, Chili does export a certain amount of foodstuffs, and quite an appreciable proportion of wool. But she does so only because her population is exceedingly small even for her developed area.

Chili needs at the present time three things in particular. And a combination of fortunate circumstances resulting from the recent War, have put these three things well within her grasp within a reasonable space of time. She needs to develop her transportation facilities; she needs immigration; and she needs the provision of cheap power. Now it happens that she has the facilities for meeting all these needs, owing to the fact that she has accumulated balances which will enable her to take various commodities which will permit of the development of her natural resources. She has altogether at present a railway system consisting of about 6,000 miles, nearly two-thirds of which is State-owned, the bulk of the rest being British-owned and built in connection with the nitrate industry of the north. For a country of very nearly 300,000 square miles this is, of course, quite inadequate, even with a population of under four millions. A very large proportion of the railway mileage consists of the Longitudinal Railway which, important as it is, can never in itself supply the transportation needs required for connecting the northern and central provinces. Moreover, for a country of the enormous extent, and almost unique shape, of Chili, transportation facilities are particularly needed. They are difficult to furnish, expensive to work, and, consequently, require to be provided with very great care. Inasmuch as Chili can never hope to be a great exporter of foodstuffs or of those products of the soil which are annually grown to feed man's industry as distinct from feeding himself, and inasmuch as it is not desirable for any country to be dependent upon one source of income, she requires to develop various sources. Now it would be useless to say this unless there were various sources of income available for development. It happens in Chili that this is the case. She possesses, in the Andean chain of mountains immediately to the East of her borders, an apparently inexhaustible source of mineral wealth. For the greater part of a generation, indeed, Chili will have to depend, more or less, on the export of raw materials, because she will not be sufficiently developed economically to devote herself primarily to what, for convenience, we may call town industries, as the more highly economically developed countries are accustomed to do. But these prime requirements of industry will have to take a different form in Chili from those which they take in countries having an extensive area and fertile soil capable of producing food for man and feeding man's industries. It is only when a real prospect of developing these resources presents itself, as it appears about to present itself as a result of the resources Chili has accumulated during the recent War, that it will be possible to attract immigrants on a great scale. As things are at present, economic conditions in Chili do not invite immigration; and until industry is developed considerably beyond what is the case at present, there is no reasonable prospect that those conditions will be sufficient to attract immigrants upon a large scale.

We have said above that Chili, from an economic point of view, urgently needs three things: immigration, improved transportation facilities, and cheap power; and that she has facilities at the moment to attain the objects, or, at any rate, if not attain them at once, within a reasonable period, and a very short period if one considers the life of a great country. As Chili is situated, far from consuming markets, she will require to produce upon a relatively low economic basis. As we have shown she has not a superabundant population which would make labour cheap and abundant. On the contrary, nearly everybody who is desirous of working in Chili finds that he can get more employment than he is able to accept. And nearly everyone engaged in industry in Chili finds that when he wants additional labour he can only obtain it by competing with other industries. Consequently, it is only by obtaining cheap power that Chilian industry can reasonably expect to be developed upon a sound economic basis. It happens that, as we have said above, Chili is an exceedingly narrow country. It slopes in a sharp gradient from the Andean range of mountains to the Pacific Ocean. Owing to the elevation of those mountains there is snow above a certain level throughout the year. As a result there is something like 27 different streams coming down from the Andes to the Pacific which are of very little value from the point of view of navigation, but which are of immense value for purposes of obtaining water power. When the time comes, therefore, and Chili finds it convenient to obtain the advantages she attained during the recent War, one opportunity which will present itself to her is to purchase hydro-electric plant upon a great scale for the purpose of developing cheap power which can be directed either to increasing her transportation facilities or developing the vast mineral resources of the eastern border.

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THE DESOLATION OF PICARDY.

(From Our Special Commissioner.)

Amiens: June 9, 1920.

As one journeys through Picardy and sees on all sides the havoc wrought by the War a feeling of doubt is inevitable as to the possibility of restoring a countryside so deeply stricken. Picardy was of yore one of the brightest jewels in the French crown, and its natural beauties have been a fruitful theme for native poets and singers. It does not, indeed, boast a "régionaliste" literature comparable to that of Provence, Brittany, or Savoy, but its literary traditions extend back to the age of the troubadours and the period when the flower of French chivalry led Europe to the Crusades. The spells with which old and storied associations once invested this pleasant land are now broken, perhaps for ever. Amiens lies partly in ruins, Arras, Albert, and Peronne have been completely demolished, and Laon has suffered. All the chief towns in and around Picardy have in fact felt the destroying hand of war. The land is strangely disfigured, being in parts a barren wilderness which shows in its ruined forests and scarred soil the marks of titanic conflict. Great monuments, survivals of a glorious past, have been levelled to the ground or stand shorn of their former beauty and dignity. Arras has lost its Cathedral, its City Hall, and its quaint Hispano-Flemish houses; Albert its Basilica; and Peronne its Merovingian Castle. The thirteenth-century Cathedral at Laon, which commands from the summit of the hill a fine view over the surrounding district, was used as a stable for horses. Other edifices more ancient, and even more famous as examples of Mediæval and Renaissance, Gothic and Roman-Byzantine architecture, were damaged by shell-fire, well-known pieces of statuary were cast into the melting-pot, and pictures by great masters were irretrievably spoilt.

Apart from this artistic loss is the material loss which is easier to repair and at the same time of more immediate consequence to the inhabitants. Amiens, the capital of the Department of the Somme, was during the War continually visited by enemy aeroplanes, and in the German offensive of the spring of 1918 the city was so heavily shelled that it was evacuated by the garrison. It was, however, spared the horrors of occupation, as the offensive was checked several miles from its gates, near the village of Villers-Bretonneux, where a stone now marks the extreme limit of the German advance. The railway station, several factories, and many dwelling-houses were wrecked, but the economic life of the city has not been seriously impaired. The staple industries are connected with leather and cotton. Boots and shoes are made, but the system followed is not that familiar at Northampton and similar centres in Great Britain. The workshop has not yet been removed from the home to the factory, and the leather given out by the masters is made up by the worker in his own time. Piece-rates are paid, but, in the absence of high-class materials, modern machinery, or skilled workmanship these rates are low and bring in only a modest livelihood to the worker. The industry needs to be vitalised and transformed by the introduction of methods that have been proved efficient elsewhere. Complete modernisation is required. The factory system may have its disadvantages, but in an era of competition there is no alternative for the industrialist who aims at expansion.

Amiens also possesses considerable textile interests which have not been greatly interfered with. Fustians are the chief article of manufacture, but the yarn used is not spun in the locality. It is usually purchased from Roubaix, in the Department of the Nord, or from Rouen, the ancient capital of Normandy, and is woven, dyed, and finished at Amiens. Wool-spinning and jute-weaving are also carried on, but to a very small extent. The city is well served by railways and canals, the former connecting it directly with Paris, Boulogne, Calais, and the principal towns to the east and west, the latter with the industrial towns of the north. The Somme is canalised, and along its waters coal is brought from the north-east for the city's industries, which are thus favourably circumstanced for future development.

Laon, the capital of the Département de l'Aisne, was in enemy hands from September 1914 to October 1918, and its prominent position on the sides and summit of a hill that towers far above the surrounding plains made it a conspicuous target for artillery and aeroplane attack. Before its evacuation the Germans inflicted further damage, and the total cost of repair and replacement will probably exceed fifty million francs. Over one thousand houses suffered, and, in addition, a sugar factory, a pottery, and a gasworks were destroyed. Six railway lines radiate from Laon, but its railway station has been completely wrecked. The work of reconstruction, though started, is not yet well under way. The place was stripped of all movable articles during the German occupation, and the requisitioning was so minute that only the barest necessities were left to the inhabitants. Accordingly the progress made since the Armistice has not been very rapid. Labour, building materials, and transport are lacking. Of late there has been a big movement of foreigners into the town, which now wears a very cosmopolitan appearance, as Africans, Chinese, Indo-Chinese, Annamites, and various continental nations are well represented.

The handling of the considerable bodies of foreign labour now in the liberated regions requires tact, and is at times a matter of great difficulty. Besides being turbulent the men are often unsatisfactory in their work, and fault is particularly found with French-Colonials and several other nations of extra-European origin. Belgians and Italians make good workpeople, but best of all is the native Frenchman. He realises all that is at stake in the next few fateful years and the urgent necessity that exists of speedily restoring the economic life of France, so that she may be able to endure fresh contests if they are thrust upon her. The future of the country depends on its population, and the population on its industries. The winning of Alsace-Lorraine makes up, of course for much that was lost by the War, but, independent of this gain, the economic losses sustained in the military zone must be made good. With this ideal before them the people of Picardy, as anxious for victory in peace as in war, have taken up the task of reconstruction and have vowed to see it to a successful finish.

TRADE IN MAY.

We publish below our usual table showing the imports, re-exports, and net imports, as well as the excess of imports over exports for last month, as well as for the first five months of the current year. On the whole, the trade returns for the month of May, as, indeed, the trade for the whole of the year so far, can only be regarded as exceedingly satisfactory and very encouraging. The volume of the imports, which exceeded £166,000,000, was slightly less than in the preceding month, but if we compare May 1920 with May of last year there has been an expansion of value of more than 45%. The value of our export figures constitute an actual record, being 12% greater than in April of the present year, and more than 9% greater than in May 1919. The growth, as will be seen from our tables, is quite as satisfactory for the longer period.

It is equally satisfactory to note that the features which have characterised the Board of Trade returns practically ever since the Armistice are maintained. We are importing increased quantities of food and raw material and exporting at an ever-increasing ratio the products of our manufacturing industries. Of course, the volume of our imports of raw materials varies from time to time, due to exceptional circumstances, but on the whole so far it has shown a steady increase.

How long this can be maintained remains to be seen. Those readers who are at all acquainted with trade conditions are aware that in various branches of industries there are indications that, for the time being, at any rate, the shortage of stocks which have been such a characteristic feature ever since the end of the War seems for the moment to be satisfied. It is now notorious that branches of the leather trade, which until lately enjoyed such a boom, now find it very difficult to sell their products at remunerative prices, particularly bearing in mind the extravagant figure which in too many cases it has paid for the raw material. The reader who is in close touch with trade conditions will be aware that even in dry goods, for which there was lately such an extravagant demand, distributors in various important centres have been asked to hold back orders for a time, as delivery to retailers is not convenient at present. Consequently, there may be some set-back in the quantity of raw materials imported until they can be obtained upon a more reasonable basis of economic value. Those values have recently been so high that a fall would be welcome in many quarters, provided that it does not go so far as actually to create embarrassment in some instances.

Looking at the question from the broad aspect of trade taken as a whole there seems every ground both to hope and believe, that we are in fact not merely paying our way but adding something towards liquidating our heavy overseas indebtedness. It will be observed from our table that the excess value of the imports over the exports is steadily decreasing, and on the present basis may be considerably below £500,000,000 for the whole year. Writing last month, we said that the figures were so satisfactory that if they could be maintained over the whole year the excess of imports over exports might not exceed £600,000,000. We argued that our invisible exports in the form of various services we render and the return we still get from our foreign investments might enable us to pay our way with a balance in our favour towards liquidating our indebtedness abroad. The further improvements which took place during May give us reason to hope that the balance available may be considerably larger at the end of the year than we had ventured to expect a month ago.

Course of Foreign Trade.
(000's omitted.)

	May 1920: Amount.	Inc. or Dec. on 1919.	Inc. or Dec. on 1913.	5 Mos. to May 1920: Amount.	Inc. or Dec. on 1919.	Inc. or Dec. on 1913.
	£	£	£	£	£	£
Imports ...	166,334	+30,721	+105,054	863,202	+269,107	+542,749
Re-exports ...	20,260	+ 8,765	+ 10,891	115,767	+ 72,297	+ 65,257
Net imports ...	146,074	+21,956	+ 94,163	747,435	+196,810	+477,492
Exports ...	119,319	+54,975	+ 75,460	521,115	+250,921	+306,891
Excess of imports	26,755	−33,019	+ 18,703	226,320	− 54,111	+170,601

Excess of Imports into United Kingdom.

Month.	1920	1919	1918	1917	1916
	£	£	£	£	£
Jan. ...	52,154,000	82,615,000	54,202,000	35,301,000	29,348,000
Feb. ...	61,946,000	55,039,000	57,214,000	24,668,000	22,470,000
Mar. ...	45,918,000	43,715,000	68,042,000	29,465,000	39,707,000
April ...	40,495,000	40,382,000	77,621,000	40,244,000	30,805,000
May ...	26,755,000	59,318,000	77,516,000	37,852,000	25,786,000
June ...	—	46,420,000	64,176,000	35,999,000	30,780,000
July ...	—	76,068,000	63,525,000	35,703,000	22,515,000
Aug. ...	—	58,748,000	64,435,000	46,220,000	20,632,000
Sept. ...	—	66,376,000	56,004,000	39,870,000	26,842,000
Oct. ...	—	54,783,000	72,768,000	39,405,000	28,781,000
Nov. ...	—	36,188,000	70,732,000	62,621,000	39,310,000
Dec. ...	—	52,717,000	74,797,000	44,450,000	29,434,000

External Trade of the U.K. since 1914.
(000's omitted).

Year	Imports	Re-Exports	Net Imports	Exports	Excess of Imports
1920	£	£	£	£	£
May ...	166,334	20,260	146,074	119,319	26,755
Apr. ...	167,154	20,407	146,747	106,252	40,495
March ...	176,648	27,031	149,617	103,699	45,918
Feb. ...	170,514	22,604	147,910	85,964	61,946
Jan. ...	183,498	25,464	158,034	105,880	52,154
Year					
1919 ...	1,631,902	164,322	1,467,580	798,373	669 207
1918 ...	1,316,150	30,945	1,285,205	501,419	783,786
1917 ...	1,064,164	69,677	994,487	527,080	467,107
1916 ...	948,506	97,566	850,940	506,280	344,660
1915 ...	851,983	99,062	752,921	384,868	368,053
1914 ...	696,635	95,474	601,161	430,721	170,440

PRICES OF COMMODITIES.

"THE STATIST'S" INDEX-NUMBERS.

(In Continuation of Sauerbeck's Figures.)

For the month of May we have to record a decline in our Index-Number—the first since the fall in the general price-level which occurred during the five months succeeding the Armistice. The total Index-Number for May is 260, which, though 33.7% higher than that for May of last year and 220.2% above the Index for June 1914, is yet 2.3% below that for April and is, indeed, slightly lower than the Index for February last. Nevertheless, an analysis of the causes of the decline prevents one from jumping to too optimistic conclusions.

The following analysed presentation of the figures is especially interesting:—

	Monthly Index-Nos. May 31 1920	April 30 1920	May 31 1919	June 30 1914	+or−% May 1920 on April 1920	May 1919	June 1914
Veg. Food ...	243·4	240·6	170·0	66·5	+ 1·2	+43·2	+266·0
Animal Food	242·9	264·1	207·1	97·5	− 8·0	+17·3	+149·1
Sugar, Coffee & Tea ...	253·3	209·3	126·5	51·8	+20·7	+100·2	+389·0
Foodstuffs ...	**245·3**	**242·8**	**174·5**	**74·8**	**+ 1·0**	**+40·6**	**+227·9**
Minerals ...	301·3	290·6	195·8	96·7	+ 3·7	+53·9	+211·6
Textiles ...	258·8	297·7	213·2	80·6	−13·1	+21·4	+221·9
Sundries ...	260·0	267·7	215·0	82·5	− 2·9	+20·9	+215·2
Materials ...	**270·7**	**283·1**	**209·3**	**85·7**	**− 4·4**	**+29·3**	**+215·9**
Totals ...	**260·0**	**266·1**	**194·6**	**81·2**	**− 2·3**	**+33·7**	**+220·2**

A study of this table shows that though meat declined substantially on the whole foodstuffs rose by 1% during the month on account of the increased price of sugar. This rise in turn was more than offset by a decline of 4.4% in the materials category in which, with the exception of minerals, all the groups declined —textiles especially having fallen 13.1% on the month.

Before proceeding to examine more closely the movements of the commodities *inter se* it is fitting to remark that this tendency, namely an increase in the relative value of foodstuffs, is but a repetition of what is taking place in other countries, especially in the United States, and, as all the evidences indicate, is a tendency which we will experience for some time. The causes are not far to seek. Since active hostilities stopped in November 1918 the whole country has been organising for peace production, and now at last the output of all commodities except foodstuffs is rapidly approaching normal dimensions, being restrained only by labour troubles and by the difficulty of obtaining raw materials. Why the production of foodstuffs should not keep pace with that of other commodities is due to many causes, chief among which are the exodus of labour from agriculture, the comparatively long time which must elapse before money invested in agriculture can yield a return, and the consequent uncertainty, the greater difficulty of foreseeing the conditions of demand, the great dependence of the growth of crops on weather conditions, which have not, in fact, been favourable, and the fact well known to economists, that according as land is cultivated more and more intensively the return to the capital and labour invested becomes proportionately less.

Coming down to details of the price movements, we find that in the vegetable food group cereals advanced, potatoes declined, and rice was unchanged. Of animal foods the only change to be recorded is a substantial decline in pork prices. The present prices are still higher than they were before the control was removed on March 31, and the collapse was due to the refusal of the consumer to pay the 130% increase asked for after the decontrol. Home-killed beef and mutton will be decontrolled from July 4, and it is probable that these meats will then suffer a similar experience, that is to say, if the prices rise after July 4 the public will revert to substitutes and force a reduction. The supplies of all kinds of meat are becoming more plentiful, and lower prices should result. Butter,

too, is approaching its season of plenty and will probably be cheaper this summer. The only other movement of importance in the foodstuffs group was the rise in the price of sugar. During the month record prices were paid for sugar "futures" in America. As a result of prohibition, of course, the United States demand is greater than ever before, and unless the consumption is rationed there, we will have to pay yet higher prices for our sugar here, moreover, as the output of cane sugar will be lower this year, though the European beet crop is about one million tons higher than it was last year. In the minerals group the rise in coal prices needs no comment. Iron rose substantially, but copper, tin, and lead declined. This latter movement is in great part due to a forced closing of speculative positions through scarcity of banking accommodation and may prove to be merely transient. In the textile group the decline was shared by nearly all the commodities. The fall in wool was most severe. Here also the restriction of credit facilities was a factor, and the fall was accentuated by the sudden accession of large supplies to the auction marts following on a period of unusual scarcity. Cotton was influenced by a slackening of the Eastern demand due to the depression of the silver and rupee exchanges, to the fall in Egyptian cotton, and to the forced liquidation by American "bull" speculators.

So many alarming things have been said recently about the wheat position that one cannot omit the subject from a discussion of the price-level. Since June 2 the export of wheat and flour from Argentina has been forbidden. This step was taken to conserve the wheat supplies of the country pending the passing through Congress of a Bill to raise the export tax on wheat by 5 dollars (paper) per 100 kilos, and to an additional 20% *ad valorem* duty on the export of food products containing wheat. The latest advices from Buenos Ayres report the passage of the measure by the Senate. The cause of the trouble is the abnormally high wheat prices which rule in the Argentine Republic, due to the phenomenal increase in the amount of exported wheat this year as compared with the previous year—an increase of 2.3 million tons. It is to be presumed that the export prohibition will now be removed. At any rate, the fact remains that Argentina has still an exportable surplus of about 80 million bushels. Reports from U.S. are more encouraging. A later estimate of the winter wheat crop puts it at 504 million bushels, against the previous estimate of 483.6 millions, and further improvements in the condition are expected. This, with the available carry-over of about 150 million bushels, would be ample for seeding and home consumption requirements. Thus the whole of the spring crop will be available for export and carry-over, and early estimates of the spring crop place it at about 250 million bushels, which is well up to the average required for export. The Canadian wheat crop is reported to be plentiful and in good condition, but the freight congestion here, as in U.S., retard the movement of available supplies. The crop of France and her colonies will be sufficient to meet her home requirements, so that, at any rate, France will not accentuate the demand for wheat from other sources. The Indian crop, too, is said to be up to the normal and a favourable monsoon is reported. On the other hand, the exportable surplus from Australia is said to have been over-estimated, while the prospects of supplies from the Ukraine and the wheat-fields of Central Europe are not encouraging. On the demand side, it is probable that a decline in meat prices will to a large extent lessen the consumption of bread, but this will be offset by the failure of the rice crop in Siam and Burmah, which has already greatly increased the Eastern demand for wheat.

The following table shows the price movements during the War in the more important countries:—

International Wholesale Prices.

	Index-Numbers				Expressed as a Percentage of 1913			
	U.K. ("Statist")	America (Bradstreet's)	Japan (Bank of Japan)	France	United Kingdom	United States	Japan	France
1913...	85·0	9·2115	132·2	115·6	100·0	100·0	100·0	100·0
1914...	85·0	8·9034	126·3	117·9	100·0	96·7	95·5	102·0
1915...	108·0	9·8530	127·8	161·6	127·1	107·0	96·7	139·8
1916...	136·0	11.8237	154·9	217·6	160·0	128·4	117·2	187·0
1917...	175·0	15·6385	196·4	302·4	205·9	170·0	148·5	261·6
1918...	192·0	18·7117	259·0	392·1	225·9	203·2	195·9	339·2
1919...	206·0	18·6683	316·6	411·1	242·4	202·7	239·5	355·6
1919								
Jan....	192·1	17·6344	283·2	401·8	224·4	191·5	214·2	348·0
Feb....	187·5	17·2244	281·6	393·5	220·6	187·1	213·0	340·0
Mar....	184·7	17·2795	272·7	388·1	217·3	187·7	206·3	336·6
April	184·6	17·2376	273·2	384·0	217·2	187·2	206·6	332·0
May...	194·6	18·0900	283·7	375·8	228·9	196·5	214·6	325·1
June...	199·4	18·8964	301·6	380·0	235·0	205·2	228·1	329·0
July...	206·4	20·0017	326·8	403·0	242·8	217·2	247·2	349·0
Aug....	212·7	19·4720	332·2	401·7	250·2	211·5	251·3	347·0
Sept.	214·8	19·5215	340·5	416·2	252·7	211·9	257·6	360·0
Oct....	224·3	19·9026	352·1	441·4	264	216·1	266·3	382·0
Nov....	231·0	20·1756	370·2	468·5	272	219·0	280·0	406·0
Dec....	235·2	20·3658	381·5	479·5	276	221·1	288·6	417·0
1920								
Jan....	245·3	20·8690	397·9	562·9	288	226·6	301	486·9
Feb....	260·4	20·7950	413·8	601·1	306·3	225·7	313	520·9
Mar....	261·8	20·7124	—	641·0	308	224·9	—	—
April	266·1	20·7341	—	—	313·1	225·1	—	554·5
May...	260·0	—	—	—	305·9	—	—	—

The following table affords a comparison of movements of the index-number during the last century and, in greater detail, since June 1914.

Annual Numbers			*End-of-Month Numbers*					
Year								
1809 ['Jevons'...	189		June '14 ...	81.2	Oct.' 17 ...	180.6	May '19 ...	194.6
1810 adjusted...	171		Dec. „ ...	118.4	Dec. „ ...	185.1	June „ ...	199.4
1818 Figures]	159		Jan. '16 ...	123·6	Jan. '18 ...	186·2	July „ ...	206.4
1873	111		Mar. „ ...	130.4	Feb. „ ...	187.3	Aug. „ ...	212.7
1880	88		April „ ...	134.2	Apr. „ ...	189.8	Sept. „ ...	214.8
1896	61		Oct. „ ...	141.5	May „ ...	191.1	Oct. „ ...	224.3
1911	80		Nov. „ ...	150.8	July „ ...	192.9	Nov. „ ...	231.0
1912-13-14 ...	85		Dec. „ ...	154.3	Aug. „ ...	195.9	Dec. „ ...	235.2
1915	108		Jan. '17 ...	159.3	Nov. „ ...	195.3	Jan. '20 ...	245.3
1916	136		Feb. „ ...	164.0	Dec. „ ...	196.0	Feb. „ ...	260.4
1917	175		April „ ...	173.0	Jan. '19 ...	192.1	Mar. „ ...	261.8
1918	192		June „ ...	180.4	Feb. „ ...	187·5	April „ ...	266·1
1919	206		Aug. „ ...	175.7	Mar. „ ...	184.7	May „ ...	260.0

THE IRISH PEAT PROBLEM.

Since the beginning of 1919 the Report of the Committee appointed to inquire into the peat resources of Ireland has been in the hands of the Government. The delay in issuing it to the public is most unusual and somewhat difficult to understand. The findings of the Committee have, we believe, been referred to the Fuel Research Board for experimental investigation, but we fail to see why the adoption of this course should prevent the publication of the conclusions arrived at. The veil of secrecy might serve some useful purpose if the result of that body's labours was such as to herald a new era in peat development, but without in the least detracting from the ability of its personnel, it is hard to believe that this has been the case. In Ireland, another motive, that of petty industrial jealousy, is said to underlie the tardiness of the Government in this matter. It would be most discreditable to think that this accusation has any foundation in fact, and to prevent further misconception on the point it is highly desirable that the Report should be published without further delay. Practically 98% of the coal used in Ireland is imported, and its original high cost, to which must be added the burdensome charges ruling for freight, is exercising a serious influence on industrial enterprise in that country. The irregularity in arrival and the restricted quantity of the consignments must also be noted. Practical tests have, it is said, been made by the Committee with a view to the utilisation of peat from the industrial standpoint, and the lessons garnered from this experience might facilitate the immediate preparation of schemes for exploiting the bogs, which can be most conveniently developed. Foreign countries are insatiable in their demand for coal, and our ability to meet their needs will be proportioned by the extent to which we employ other native forms of fuel.

On the subject of the area and distribution of Irish bogs the information already in existence is much ampler and more accurate than that relating to similar areas in Great Britain. The detailed survey of all Irish bogs, where the area exceeded 500 acres, carried out by the Bogs Commission appointed in 1809, was of the utmost value. The survey included the taking

of soundings, the preparation of plans and sections, and the consideration of elaborate schemes of drainage and reclamation. From an informative lecture delivered in Dublin by Professor Purcell, Asso.M.Inst. C.E., last year, and now issued by the Fuel Research Board, we extract the following table:—

Area and Fuel Content of Irish Peat Deposits.

	Area (Acres)	Average Depth (Feet)	Anhydrous Peat contained (Millions of Tons)
Flat bogs in central belt ...	726,000	18·66	1,640
,, ,, outside central belt...	287,000	13·32	460
,, ,, unsurveyed	635,000	10·0*	770
Mountain bogs	1,380,000	5·0*	830
Total	3,028,000	—	3,700

* Approximate depth assumed.

The area of the similar surface in Great Britain is estimated at approximately 6,000,000 acres. At least 1½ millions of Irish people depend for their fuel supply on peat alone, the annual consumption of that substance figuring at about 7,000,000 tons, equivalent to 3,500,000 tons of coal. Also there are about 4,750,000 tons of coal used per annum, of which 90,000 tons represents the average annual output of Irish mines. It is said that the possible life of the peat deposits is 200 years, if no coal were used, and of the Irish coalfields 20 years; this, of course, assuming that only one kind of fuel is used, and that no coal is imported. Assuming, however, that the present rate of consumption of native fuel is maintained, the peat would last for some 500 years and the native coal more than twice that length of time.

Reference has already been made to the supply of domestic fuel yielded by these vast peat deposits. In addition, peat in Ireland serves as a basis for the manufacture of peat moss litter and peat dust employed in the manufacture of cattle-feeding stuffs. To a limited extent it is also utilised for power production. There are at least six concerns interested in the manufacture of peat moss litter and peat dust, the principal being situated in the King's Co., and Counties Armagh and Londonderry Turning to the generation of power there are only two installations in Ireland worthy of remark. In Portadown the producer gas plant at a local weaving factory embraces two Crossley producers which are used to supply three Stockport gas-engines, two rated at 120 b.h.p. and one at 150 b.h.p. Each of the producers is credited with being capable of developing 200 b.h.p. Generally, about 250 b.h.p. is developed, and under test the consumption has at different periods been reckoned to amount to from 2.3 to 3.16 pounds of 25% moisture peat per b.h.p. According to published statements peat has been found to be a much more economical fuel than coal. The small scale of the plant does not naturally encourage the recovery of by-products. It might be mentioned that the bog is some 10 miles from the mill, water providing an excellent means of transport for the turf. At Clifden, in Galway, the other installation is situated. Here the Marconi Company use above five or six thousands tons of air-dried peat per annum in locomotive boilers to generate the power required at their wireless station.

The high moisture content of peat is a serious bar to its successful application to power production. In an undrained bog it contains from 90% to 95% water, and by a system of drainage it may be reduced to between 88% and 91%. To produce one ton of air-dried peat (25% moisture) 15 tons of raw peat containing 95% of water must be handled; where the moisture content is 90% and 88% the tonnage to be handled amounts to 7½ tons and 6¼ tons respectively. The cost of excavating, handling, and spreading a ton, or a cubic yard, of peat with 95% water is just as much as that for the same quantity of one with 90%, but, in the latter case, the yield of finished product is double that of the former. The question of drainage may, therefore, be a governing factor in relation to the success of an enterprise, and it is unfortunate that little information is available on this subject so far as it concerns peat bogs. By drying peat under pressure the moisture content may be reduced to about 70%. Favoured by good weather the ordinary air-drying methods will secure this condition in about two or three weeks, and a reduction of 60% will be achieved in a further five or six days. It is claimed that peat bearing this percentage of moisture may be utilised in a gas producer for the production of gas, but the ideal fuel for this purpose should not contain more than 33% water. For domestic purposes, or for use in a steam boiler, air-dried peat with 25% moisture makes an excellent fuel, and, despite the number of other methods experimented upon, wind and sunshine have proved to be the most successful agencies for eliminating the water from peat. From the commerical standpoint, this air-drying process is not likely to be supplanted, unless a more economical method is devised. Serious drawbacks, however, attach to the practice. It is admittedly inefficient in that it involves the speading of the raw peat on the wet surface of a saturated peat bog, leaving it in contact with what is roughly a 90% water surface and immersed in a layer of nearly saturated air. Besides, the season for winning peat is a very short one; it embraces, as a rule, only about five or six months in the year, from April to August, when, practically speaking, evaporation exceeds the rate of rainfall. During this period, too, frost is often experienced and has the effect of bursting the exposed sods so that they loose much of their substance. The handicap of having to provide in half a year the necessary material for the entire year is a severe one, and, bearing in mind the required periodical readjustment of the labour supply, the urgency of introducing some satisfactory method of artificial drying for peat will be appreciated. In regard to the winning of peat Professor Purcell says that, "It may be true that in the past peat could on the small scale be won more cheaply by hand than with machinery because the proper methods had not been developed and cheap labour was available, but with the recent improvements in mechanical excavating and handling apparatus there is no reason whatever for supposing that peat can be won more cheaply by hand than by mechanical appliances." The output of peat won by hand per person is 130 tons per annum; where mechanical means are availed of this figure is raised to 230 tons per annum. As the latter figure is only the calorific equivalent to 115 tons of coal, and, as in Great Britain, the output per operative employed in the mines is 130 tons in six months, the necessity of raising the output of peat by the use of every mechanical device will be obvious. The Professor's remarks are, we think, very much to the point, for those interested in the peat industry in these islands and in connection with any future peat development schemes, especially in Ireland, deserves careful consideration.

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Financial Notes.

No change was made on Tuesday in the Bank of England rate of discount. This was in accordance with expectations. And, on the whole, for the moment the position, both in Lombard Street and at the Treasury, has improved. The figures of the Bank return would appear to indicate that the Government has been in a position since the issue of the last revenue return to pay off some portion of the very menacing floating debt. It may be said that the amount paid off is not very large. Still, it is all to the good. In addition, the growth in the note circulation, both of Bradburys and of bank-notes, has been very small. Nevertheless, at the present time the Treasury notes outstanding approach 315 millions sterling. Now this, of course, is very close to the 320 millions, or a little over, which, for some reason or other, was fixed by the Treasury as the maximum for the time being. As we pointed out last week, it is practically impossible to fix a maximum and to maintain it without doing more harm to the economic interests of the country than would be done by allowing the currency to expand. The currency has expanded simply because undue credit has been granted in the past; and this was due to the policy of the Government both before the War and during its progress.

The only way to remedy these defects is to reduce expenditure. When the Government itself really does set about cutting down expenditure with a vigorous hand there will be a rapid reduction in the note, or fiduciary, issue, as it is generally called. At present, the ratio between gold and notes is very low. But, although it is desirable to call attention to the fact, it is not necessary to become unduly anxious about it. What is happening in connection with general prices would happen provided the Government really reduced expenditure. While the vast army of Government servants, military and civil, who for the most part were quite young people, were squandering their pay and squandering their gratuities, there seemed no limit to the prices which people were willing to pay even for extravagances. Now that this expenditure has, to a large extent, come to an end, prices are gradually finding a natural level. It is notorious that the boot trade in the Midlands has more boots to sell than it can readily find a market for. The position in many of the dry goods stores leaves a great deal to be desired. And everyone is aware that those who can pay, and mean to pay, are doing their utmost to economise in every direction to minimise as far as possible the just calls upon them.

Of course, the Chancellor of the Exchequer pleads, and pleads with much force, that he is not responsible for the expenditure which the various groups in the House of Commons urge upon the Government from time to time, and which for reasons best known to itself, the Government decides to adopt. That may be a defence from the point of view of the individual Minister, but it does not get away from the fact that the Government, taken as a whole, is maintaining a whole host of more or less useless departments, most of which should never have been created during the War, and nearly all of which should be abolished now. Once having created them a Government department is apt to prove more or less of a Frankenstein around the neck of each succeeding Ministry, as very few people care to take the necessary steps for abolishing these departments.

A meeting was held at the Mansion House on Monday last in connection with the proposed British Empire Exhibition to be held in London in the summer of 1923. Such an Exhibition was originally proposed by the late Lord Strathcona, and preliminary steps were taken so long ago as 1913. It was intended to hold the Exhibition in 1915; but of course, as the reader is aware, the War prevented it. The object of Monday's meeting was to call together representatives of various great interests in different parts of the British Empire with the object of obtaining an adequate guarantee which would ensure the financial success of the Exhibition. Preliminary steps have already been taken, and the King has consented to give his patronage to the Exhibition. The Lord Mayor, in opening the proceedings, read a letter from the Prince of Wales asking that guarantees be found of not less than half a million sterling, and it is hoped that the amount may equal a million. Lord Milner explained to the meeting the objects for which the Exhibition is to be held, which is not merely to promote trade between the various component parts of the British Empire, but to encourage those parts which are able to provide us with food and raw materials to do so, and to assist this country in furnishing those parts engaged in the production of articles of prime necessity in the supply of manufactures which they need.

Mr. W. A. Watt, speaking for Australia, pointed out the great potentialities which Australia offers for providing articles of primary necessity. And he was ably seconded by Sir George Perley, who indicated what Canada is prepared to do in the furtherance of the scheme. Australia, as she is at present, is inadequately peopled, and is a country of drought. The question of drought, however, is simply a question of irrigation, and provided a sufficiently extensive area of Australia is properly irrigated, there is no reason why she should not be relied upon as a constant source of supply for various articles of food and raw materials. Recently, owing to drought, Australia lost no less than seven million sheep. Apart from the cruelty involved in allowing seven million sheep to die of thirst, it is a great economic loss to the Empire, particularly at a time like the present, when we are so urgently in need of wool for clothing.

At present the great difficulty of relying to any important extent upon Australia either for the supply of wheat or the various products which she is so eminently capable of supplying, is this very question of drought. Her productive capacity varies to so great an extent that it is not possible to rely upon her as being always capable of delivering the goods. This is partly a question of population; but that, again, depends upon the practicability of finding means of employment for that population. It is only possible to attract immigrants to any country providing the means of finding them ready and remunerative employment are forthcoming. Now Australia has an excellent climate, and a naturally fertile soil, speaking generally. But against that she has in very many seasons a totally inadequate rainfall. That the soil of Australia is generally fertile is proved by the fact that whenever there is a heavy fall of rain the crops are abundant, and the sheep population multiplies very rapidly. In seasons of drought, however,

as we have recently had only too much reason to know, the sheep die off at a terrible rate, and there is a deficiency in the cereal harvest.

Until means, therefore, are taken that Australia can be relied upon to supply an adequate quantity of any specified commodity, in the sense that those countries which possess an adequate rainfall can be, and are, in fact, relied upon, it would be impossible for her to develop in the sense that her vast extent and great potentialities eminently entitle her to do. This, again, is a question simply of expense. Provided that measures are taken to find the means of increasing as rapidly as may be practicable the irrigated area, it will be possible to rely upon Australia for a much larger proportion of the food and raw materials which we need so urgently to import into this country.

Mr. Watt, in his exceedingly interesting speech on Monday, argued, and argued with reason, that had Australia been more developed than she was at the outbreak of the War in 1914, there would have been a larger, or at any rate an appreciable, mercantile marine constantly engaged in bringing primaries from Australia and taking goods from this country to Australia. Of course, a certain number of those ships would have been lost during the submarine menace. But experience showed that comparatively the number lost was small relative to the bulk of tonnage employed. As things were, Australia was not in a position to supply such a quantity of material that it was worth while to allot to her a sufficient tonnage to bring even that which she was capable of supplying, with the result that we lost a great deal of food and raw material which was urgently needed by this country during the conduct of the War.

As far as we are aware, there was no one present at the meeting who could be said directly to represent India or any of the tropical parts of the Empire. But one of the sources from which we hope that the reconstruction of this Empire may be brought about, largely as a result of the War, is the development of the tropical regions. We have pointed out in various articles, particularly those dealing with South America, what has been done to make it possible for the opening up of the Tropics owing to the sanitary discoveries which have been made during the present century. Now the tropical parts of the Empire are capable of supplying various commodities which are not obtainable either in these islands, or in any part of the British Empire, or elsewhere situated in what are known as the temperate zones, either north or south. Of coffee there is probably already an adequate supply. But cocoa and various other products might be increased with great economic advantage to the producers, as well as, indirectly, an equally great economic advantage to the consumers in the rest of the Empire.

Above all, there is the question of sugar. In the pre-War period we were dependent almost entirely upon those countries with which we were recently at war, and to some extent upon our allies, including, of course, Russia. But, speaking generally, the bulk of our sugar came from those countries with which we were recently at war. Now we have within the Empire not merely the means of supplying ourselves with all the sugar we are capable of consuming, and that in the form of cane as distinct from beetroot, but of growing enormous quantities of sugar which could be exported, and exported upon a reasonable economic basis, to other parts of the world. Had we taken measures in the pre-War period to develop those parts of the Empire capable of growing cane sugar, and growing it in enormous quantities upon a sound

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economic basis, the present difficulties which exist with regard to our supply of sugar and the injury which also exists particularly to the young of our population would never have arisen.

We pointed out last week that sugar is one of the few crops, properly so-called, which is grown in the Tropics as distinct from what is commonly called tropical agriculture, which in reality is a plantation industry. This is not due to any inherent defect in the Tropics, but is owing to the fact that until the beginning of the present century life in the Tropics was a very dangerous proceeding. The sanitary measures to which we have referred above were imperfectly understood, or hardly known at all. Consequently, only such forms of industry as could be carried on in a desultory manner were regarded as suited to the Tropics at all. Now that this difficulty has been either wholly overcome or, at all events, greatly minimised, it is possible in the present, and will be still more possible in the early future, to develop tropical industry in the sense of growing crops as distinct from planting trees which may or may not mature at some date in the future. Sugar is, as we pointed out last week, an annual crop. The cane can be planted, and will produce its modicum of sugar within the same season.

Readers will be well advised to consider carefully the various aspects of the Agricultural Bill now before Parliament. Some of our contemporaries who are keenly supporting the measure write as though war conditions were likely to continue indefinitely. Of course, no one can say how long peace will be maintained, or when the world may once more be plunged into a great conflagration. But even if it is, it is exceedingly doubtful if England could feed herself under any circumstances, provided always that anything like the present population has to be maintained. The difficulties into which we were placed during the War, and the difficulties which we still are in, are due simply to the ill-advised policy the Government pursued from the time it came into office, until it found itself involved in war. That we can feed our population out of the produce of these islands seems hardly credible. It has to be remembered that 80% of our population here is engaged in what for convenience we may call town occupations, that is, the manipulation, as distinct from the production, of primaries. That being so, we can only live at all if we can obtain food and raw materials upon such an economic basis as will enable us to re-sell the products on which we work also upon an economic basis; and this is only possible if we can live upon an economic basis.

To argue that the wheat-growing lands of the world are already practically exhausted is to turn advocacy of protection into ridicule. Things are bad, and it will take the world a long time to recover from the effects of the recent War. But, on the other hand, it is not reasonable to ask intelligent people to believe that the present populations of the world are so enormous that practically each country must depend upon itself for its own food. Even the United States has probably not reached, nor anything like reached, its capacity as a food producer. South America has hardly seriously started as a wheat-grower, while northern Asia, or what is commonly called Siberia, will sooner or later become a producer on a great scale, provided always that peace is maintained, and that economic activity in the sense that existed before the recent great European War is resumed. It seems reasonable to expect that in the course of a very few years wheat will be obtainable, and obtainable in enormous quantities, in Europe, on a basis very much lower than the prices recently fixed by Government for British-grown wheat.

We understand that the very substantial improvement made by the National Liberals in their position in the German Reichstag, as compared with their position before Sunday's elections, has been very largely due to assistance rendered by a great newspaper magnate, who, far from being content with advocating a propaganda in the various journals he controls, has been a liberal supporter of what we should call on this side the Caucus. The National Liberals, although not necessarily friendly to the late *régime*, and still less desirous of supporting what is called militarism, are, at the same time, what in England and the United States would be called, an eminently Conservative party. Their improved position should tend, therefore, rather to stabilise conditions in the country of our late enemies.

Although nothing definite has actually been arranged, negotiations are again in progress for the sale of over a million tons of nitrate. As we said when the question was raised some months ago, buyers are willing, and, indeed, anxious, to take the fertiliser. But, of course, they are buying now for economic purposes as distinct from acting for Allied Governments, which have little or no regard to what they pay for any particular commodity. The price asked by the syndicate, which, on its side, represents the producing companies, was certainly on the extravagant side. Of course, we recognise, as we said on a former occasion, that its position is a difficult one, and it feels that it is only right that it should do the best it can for the various interests it represents. On the other hand, it is those who have to use the nitrate, as it is always the actual consumer, who is the final arbiter of price. It is manifest that even at the lowest figures now quoted there is a handsome profit for the producing companies which are reasonably well managed, while at the highest price the profit must be very handsome indeed.

Mr. J. H. Harley has a very interesting article in the current number of *The Nineteenth Century and After* on the Polish successes against the Bolshevist armies of Russia. Mr. Harley is a trained journalist, and from the position he occupies has every opportunity of being really well informed, so far as any Englishman can be, upon the economic and political conditions at present prevailing in Poland. Naturally, Mr. Harley writes from the Polish point of view, and is by no means favourable to the Bolshevists. Those who desire to keep themselves well informed on the present struggle between Poland and her great eastern neighbour will find much to interest them in the article appearing in the June number of *The Nineteenth Century and After.*

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SOUTH AND CENTRAL AMERICA.

THE CANAL AND THE WEST COAST.

When it became evident that the United States Government not only could, but would, build the Panama Canal, one naturally anticipated that its influence upon the trade and upon the economic development of the west coast of South America would be remarkable, and striking, and would soon become evident. It is a marked illustration of the vicissitudes of the Canal enterprise, taken as a whole, that the results have been so comparatively small compared with what we had every right and reason to expect, both in the development of the trade of the west coast, of South America and the west of North America. It has been due to quite explainable causes. But it is none the less in a sense discouraging, just as was the delay in the building and opening of the Canal itself. When it became clear that engineers were united in their opinion that the building of a canal connecting the Atlantic and Pacific Oceans was practicable, it would appear that nothing more was necessary than the finding of a competent engineer, and the raising in the wealthy countries of the world, which had a surplus in addition to their own requirements, the economic resources necessary for cutting the water-way between the two greatest oceans in the world. This, however, proved far from being all that was required. No sooner had the engineering works been started than it became evident that the position selected for cutting the Canal was one of the most unhealthy in the world, and the death-rate amongst the workers and labourers was upon such an alarming scale that it became exceedingly doubtful if the enterprise, relatively easy from the engineering point of view, would prove practicable at all. Even if it were possible to build the Canal, it was exceedingly doubtful if anyone would be able to live there and work it. The death-rate at one time rose to between one-third and one-half the total number of people employed on its construction. Fortunately, the United States Medical Department had had experience in the Spanish-American War of what it was possible to do for eliminating malaria and yellow fever from any given area; and, finding that these were the two principal causes of the enormous death-rate in the Panama Canal zone, Surgeon-General Gorgas, backed by the whole force of the United States Medical Service, proceeded to make the fifty miles of Canal zone suitable for human beings to live in. So successful was his work that it has now already become one of the great classic instances of how to combat tropical diseases; and all those who wish to show what it is possible to do in any malaria-stricken area of the tropics at once point to the achievements of the United States Government in the Panama Canal as a hopeful sign of what can be done in any particular area devastated by the malaria-breeding mosquito. The result, as the reader knows, was to reduce the death-rate from so many hundreds in the thousand to 22 per thousand, a figure which is still, unfortunately, the death-rate in many of the industrial towns in the North of England, in spite of the sanitary conditions which we endeavour to maintain for the welfare of the working population of the various areas.

Having overcome the first and most stupendous difficulty, and finding out the causes which made Panama apparently hopeless as a place of residence in which man could hope to work and earn a living, there remained the difficulty of actually cutting the Canal. As a matter of fact, it presented difficulties far greater than had really been anticipated, and really been accounted for. In these great practical questions of building up any specific enterprise we are all accustomed to rely on the experience which has been garnered for us by previous enterprises. We rely very largely on what the lawyers in their particular sphere call precedent; and unless we can find precedent for some action of what is likely to be the result of that action we are all of us, however carefully trained, more or less at sea as to what is likely to be the effect of any particular course adopted. The only real experience which the modern world had to go upon was the flat level plain nearly a hundred miles in length which the late M. de Lesseps had to cut through the Isthmus of Suez. This Canal was cut through a sandy desert, and through an area as level as a pancake. Not only was the Panama Canal area exceedingly unhealthy but it rose from sea level to very nearly 200 feet above sea level; and, worse than all, at the points of highest elevation a river was encountered which at one period of the year was little more than a small stream, and at other seasons of the year was a raging torrent of great breadth, when the increased volume of water multiplied more than ten times over. With such an engineering feat before them, it is no wonder that the contractors found that the sides of the Canal caved in again and again, and for a very long time it was impossible to obtain a stable foundation upon which to construct the Canal. These engineering difficulties were gradually overcome as a result of a series of experiments. Nevertheless, these difficulties occasioned a large measure of delay, and it was not until the great European War had been in progress for more than a year that it was possible to open the Panama Canal which connected the Pacific and Atlantic Oceans, a dream of the navigator, which had awaited nearly four centuries to accomplish.

When the United States Government first took over the enterprise we naturally calculated the prospects of the result upon the basis of conditions then existing, and we hoped that the result of so greatly shortening the prospective time required to travel from the west coast of South America and the west coast of North America would result in a great increase in the products for the food of man, and for the feeding of the industries upon which man was engaged upon a sounder economic basis. It was becoming evident for some years before the War that we were needing increased feeding grounds, that is to say, places from which we could draw large quantities of food, both for our own requirements and for those of the industries upon which we work. In those days freights were comparatively cheap. This country was constructing something like two millions of new tonnage every year, and although other countries were not competing to any appreciable extent, they were nevertheless constructing altogether perhaps another million of tons. The rates of freight were so exceedingly moderate that the late ex-President Roosevelt said we performed our duties as public carriers so satisfactorily, and at such a moderate expense that it was not worth while to enter into serious competition with us. The reason we were enabled to do this was that we had more or less to travel all over the world, whether we liked it or not, and we nearly always had double cargoes to carry. We had over 4,000 millions sterling invested in various parts of the world always requiring something in the nature of new capital which we naturally took out, not in the form of golden sovereigns fresh from the Mint, but in the form of materials suitable for the development of new countries which, as said above, we were deliberately developing for the purpose of increasing our supplies of food for ourselves and food for our industries. In addition, we supplied out of all proportion the bulk of the coal required in the different coaling stations of the world. We had an immense number of coaling stations of our own to maintain for the requirements of the British Navy, as well as for the British mercantile marine, which constituted about 60% of the world's mercantile marine, at the time. And, in addition, we supplied coal for various purposes in South America, in the West Indies, and, of course, in various other parts of the world, while the gas works, engineering works, and a great many of the South American railways were dependent wholly upon coal obtained mainly from the South Wales coalfields, and to some extent from the north, which was despatched from this country to South America, and it was naturally hoped that the

opening of the Panama Canal would so enhance this class of trade that we should be able to bring enormous quantities of produce from various parts of the Pacific, particularly those countries neighbouring upon the Panama Canal. Instead of the 35 million tons which is all we are able to export in these days, we were accustomed to export very nearly 80 million tons. And, as a result, we brought back at very modest rates immense supplies of cotton, wool, and tobacco, and even mineral substances like tin ore, silver ore, zinc ore, and various other commodities which, for their economic conveyance, demanded low rates of freight.

When the Canal was completed and was at last fit for operation the world was plunged in the recent European War, from the effects of which it is very far as yet from having recovered. Consequently, even from very early days the amount of traffic through the Canal was relatively far smaller than had been anticipated if one bears in mind that the Canal itself had to close down owing to the engineering difficulties we have already referred to for a period of six months. The European War was very nearly half through its course before the Canal really became available for traffic upon the conditions which had been anticipated in the early days of the American enterprise. Undoubtedly the Canal did render great services to the Allies, particularly after the United States joined the Entente Alliance. In the sense that we have endeavoured to indicate above, it can hardly be said that the Canal has ever been used at all yet. Although in a sense the actual freight available, taking the world as a whole, is as large, or possibly larger, than it was at the outbreak of the War, it is not, in fact, anything like so efficient. It is exceedingly doubtful if the world's freight at the present time—we are speaking not of our own opinions but of the opinions of those actually engaged in working the ships—is, in fact, really only efficient up to the extent of 60% of what was the case, say, in the spring of 1914. Another difficulty, which, apart from their inefficiency and the difficulty of obtaining motive power like coal, oil, and so on, is the real difficulty of getting freights. As we say elsewhere, those neutral countries of the world which are entitled to take large quantities of goods as a result of their favourable trade balances cannot really obtain what it is most desirable they should obtain simply because the creditor countries are not in a position to offer them any selection of the various commodities which they might require. The result is that unless the world is actually in urgent need of some particular cargo there is little or nothing available; and, consequently, ships are constantly leaving various ports either in ballast or with exceedingly inadequate cargoes. Those who are accustomed to read the returns published by the Panama Canal authorities are surprised at the number of ships which pass through the canal in ballast. Another difficulty, or one which is part of the same, is the question of exchange. Owing to the unfavourable exchange prevailing in most of the recent neutral countries, and even in a belligerent country that only lately entered into the War, like the United States, the price, or economic value, of various commodities is so extravagant that very few prospective customers can really afford to purchase what they had designed to take, the result being that while there is a great potential demand for various commodities from different parts of the world, the effective demand is very much smaller than might be supposed, partly due to the fact that so many countries have a quite inadequate number of commodities to offer, and partly due to the fact that even those countries, like the United States, which have a large quantity of commodities to offer have to demand so extravagant a price for them that only a comparatively small number of people constitute the really effective demand for those commodities.

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American Topics.

TRADE WITH MEXICO.

People who have not made a careful study of the economic conditions which prevail in a country engaged in war, and especially civil war, often get an impression that there is absolute chaos. The economist knows that such a condition is impossible. To those however who have given no special attention to the subject—a publication of the figures of the trade between the United States and Mexico during the War would create the utmost astonishment. Europe has just passed through a terribly trying period of War, and we are none of us likely to minimise the influences of war upon a people's economic well-being. It is destructive to the last degree. But it is not annihilating. War checks trade and development. To a large extent war nullifies the efforts of peaceful citizens to create wealth. Nevertheless, in spite of war, wealth does grow. In many cases it steadily grows throughout the war. The real reason why a war has less influence upon a country's economic condition than is generally supposed is because only a relatively small part of the population can be engaged in war. In the late War in Europe the total population of the belligerent States was estimated at a quarter of the total population of the world. It is not generally believed however that there were 30 millions of men under arms at any given period of the War.

Unfortunately war has been going on as far as we can trace back into history, and if wealth could not grow and did not grow in spite of war it would not grow at all. It is when an administration is so ill-advised as the Turks were, say, in Mesopotamia, that their policy over a prolonged period checks all recuperative capacity that wars actually destroy nations.

An interesting table has been compiled by the National City Bank of New York showing the growth of trade between the United States and Mexico since the late ex-President Diaz resigned the Mexican Presidency in 1911. During the fiscal year, which will end with the present month, the trade between the United States and Mexico seems likely to approximate $300,000,000. Of course, it has to be borne in mind that although the United States has not been affected by the War in the sense that the European belligerent countries have been, she has not escaped altogether. No country can engage in war and escape having to pay the price. Although the United States dollar has not to fight against an adverse exchange as the British pound has, nevertheless the United States dollar has no longer the purchasing power that it possessed, say, in 1913. This is evidenced by the extravagant rise in prices which has taken place in the United States as well as in other countries. Those who have re-

cently had occasion to visit the United States seem to be of opinion that New York is still one of the most expensive cities in the world to live in. Consequently, when we quote enormous figures as expressed in dollars showing the expansion of American trade, it must be borne in mind that a proportion of this expansion is due largely to a rise in prices. The purchasing power of the dollar, compared with its pre-War purchasing power, has been estimated to have depreciated to the extent of about one-third.

Bearing these figures in mind, the trade of the United States with Mexico during the fiscal year ending on the 30th inst. should approximate some $300,000,000, although it may possibly exceed this figure. Shortly before the outbreak of the revolution in Mexico the total value of the trade was $115,000,000. Even the revolution did not materially check it, for in 1915 it amounted to $110,000,000, according to the table before us. The growing need of the United States for raw materials to supply the requirements of the European belligerents stimulated trade between Mexico and the United States. In 1917 it closely approximated $200,000,000, advancing in 1918 to $245,000,000, and in 1919 to as high as $278,000,000. It has to be remembered that there is only a river separating the United States from Mexico. It is evident that were the political conditions in the latter State more staple than they are, the growth of trade between the two countries would be enormous. What are the articles which the United States imports from Mexico? Sisal hemp, to the value of about $40,000,000; crude petroleum, valued at $26,000,000; copper, valued at $20,000,000; raw cotton and raw hides, each valued at $10,000,000. From Mexico the United States imported last year coffee valued at over $5,000,000, lead of the value of $5,000,000, mahogany wood, rubber, and various tropical products valued roughly at $500,000 each. From the United States the exports naturally for the most part took the form of manufactured goods.

Last year the United States exported iron pipes, valued at some $7,000,000, cotton piece goods of various kinds valued at over $6,000,000, flour of the value of $5,600,000, sugar $2,500,000, automobiles $2,300,000, lard $2,200,000, shoes $2,000,000, prepared woods $1,200,000, rubber tyres $1,000,000, eggs $750,000, dyestuffs $700,000, canned salmon $700,000, cotton knitted goods $600,000, paper $500,000, and paraffin $500,000. In addition, the United States exported to Mexico last year railway cars, cement, ploughs, galvanised iron, steel rails, typewriters, structural iron, and various other articles.

Before the War the United States exported about one-half of the total imports from various countries into Mexico. During the War Europe, which had formerly supplied the other half, ceased to be a factor to any appreciable extent. The result has been that last year Mexico received 85% of her total imports from the United States, while the United States imported 90% of the total value of the exports of Mexico.

UNITED STATES COFFEE IMPORTS.

Whether it be due to prohibition or not, the fact remains that there has been an enormous increase in the imports of coffee into the United States since prohibition came into force, precisely as there has been an enormous increase in the United States imports of sugar. The United States has always been a great consumer of coffee, although naturally, owing to the fact that she is situated in the temperate zone, she is not herself a producer of that beverage. It is a remarkable fact that while England is from the financial side very largely interested, and has been for many years, in the production of coffee, we consume only a very small quantity, either in the aggregate or per head of population. For years prior to the stopping of imports during the War we had steadily imported and retained for our own consumption about 50,000,000 lb. of coffee in each year. The population of the United States, it will be remembered, was very nearly twice ours according to the last Census. It is estimated that the forthcoming Census will show a very material increase, but even so the consumption of coffee is out of all proportion to the amount drunk in this country. Formerly the United States imported in various years anything from 800,000,000 to 1,000,000,000 lb. Since the Prohibition Act came into force the imports of coffee into the United States have expanded to 1,500,000,000 lb.

The United States obtains the bulk of her coffee from South America. The total value of her coffee imports on the present basis of consumption is estimated at $300,000,000. Nearly $200,000,000 of this goes to South America, and the share that will fall, approximately, to Brazil this year amounts to very nearly $150,000,000.

SEATTLE.

We are indebted to the Seattle National Bank of Seattle, in the State of Washington, U.S.A., for a bright little brochure on the trade of the city in which the bank is situated. Thirty years ago Seattle was a small settlement with a population of 4,000. To-day it is the chief American port on the Pacific Ocean with a population closely approaching 400,000. In 1918 the volume of its foreign trade was only second to that of the Port of New York itself. Seattle is the chief city of that portion of the United States that is amongst the richest in primary resources. It serves a territory of a million acres whose farm lands give a very high yield per acre. It serves a territory which contained the only known coalfield in the Pacific States. Moreover, it serves a territory containing roughly one-third of all the water power in the Union, and it has besides the largest area of timber still standing in any part of the United States.

The potentialities of Seattle are very great. It is the natural entrepôt for Alaska whenever that territory is opened up for development. The brochure before us states that Alaska has more gold than California, more copper than Michigan, and more coal than Pennsylvania, vast undeveloped oilfields, and the only known tin deposits existing in the United States. The total area of Alaska is approximately 60,000 square miles, or a little bigger than the area of England and Wales. This area, says the brochure before us, is equal to Norway, Sweden, Denmark, Holland, Belgium, and Finland, and in the opinion of the writer is capable of supporting an equal population, which would mean some 27,000,000 souls.

Sir Edward Mackay Edgar, the Chairman of Messrs. Crosses and Winkworth Consolidated Mills, Limited, speaking on Thursday at the statutory meeting, a full report of which appears elsewhere, stated that the excess profits duty at its present rate of 60% at one fell swoop snatches away £300,000,000 a year that would otherwise be invested in production. Instead of being paid out in dividends and reinvested in some producing concern, this gigantic sum of money will be withdrawn from its proper use in order to meet the bills on armaments, or shipping control, or the Civil Service. What can this mean but so much the less development and growth of industry, so much the less production, and, in consequence, so much the less employment? Secondly, said the Chairman, Labour must depend to a very large extent on the establishment of new enterprise. But this duty makes it impossible for any new business to be set up in competition with old-established firms. A certain number, a growing number, among the leaders of industry are raising their voices against this tax. But, as a matter of fact, they are doing so only because they are sufficiently long-sighted to see what it means to themselves as well as to everyone else in the end.

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Rubber Topics.

THE Rubber market opened the week quiet but distinctly firm. Price movements, though on a small scale, were mostly in favour of the holders. Business kept slack during the period, but on Wednesday leading shares like Anglo-Dutch and Rubber Trusts exhibited a tendency to relapse. Anglo-Dutch dropped 1/6 on the day to 46s. 3d., whilst Rubber Trusts closed 9d. weaker at 35s. 3d. Generally speaking, however, whatever shares came on the market were readily taken. According to the report of Changkat Salak Rubber and Tin, Limited, for 1919, a final dividend of 4s. per share is to be paid on the Preferred and Deferred Ordinary shares. So the dividend on the Preferred Ordinary shares corresponds to a total of 40% for the year as compared with 35% for 1918; whilst Deferred Ordinary shareholders receive 30% as against 25% in 1918.

Rubber outputs for May are again of a favourable character. The Grand Central (Ceylon) Rubber Estates report the gigantic crop of 496,207 lb. for the month, or over 93,000 lb. in excess of the crop secured in May 1919. United Serdang registers 288,044 lb., an increase of some 2,500 lb. over last year. The Straits Rubber Company are nearly 16,000 lb. ahead of the corresponding month of 1919 with a crop of 230,000 lb., whilst the Malayalam Rubber and Produce Company have added 31,359 lb. to their rubber output with a yield of 204,453 lb., and nearly 78,500 lb. to their tea crop with a return of 264,453 lb. The Amalgamated Rubber Estates report a crop of 185,186 lb., in comparison with 174,609 lb. in 1919. Sialang Rubber have obtained 178,970 lb., as against 144,061 lb. A slightly increased crop is to the credit of the London Asiatic Rubber and Produce Company, with a return of 129,629 lb. Straits Settlements (Bertam) report a crop of 129,000 lb. Lanadron Rubber have improved very much, securing a crop of 124,408 lb. as compared with 94,285 lb. for May 1919. No less remarkable is the increase registered by the Rubber Plantations Investment Trust. Here a crop of tea of 663,291 lb is reported, as against 580,276 lb. in 1919; whilst the output of rubber, at 117,423 lb., is 37,143 lb. in advance of the May crop in 1919. Mendaris (Sumatra) has added over 50% to its yield for the corresponding month of 1919, securing a return of 118,285 lb. Duff Development Company report an output of 111,892 lb., in contrast with 95,900 lb. Bajoe Kidoel, with a crop of 107,954 lb., is over 50% better off than in May 1919. With this steady addition to the stocks of rubber on the market, there appears to be little prospect of any substantial improvement in the price of the raw material, so long as the present rather sluggish state of the demand persists. As we have already stated, it is to a revival of the Continental demand we must look to provide an outlet for these growing stocks. A reappearance of the American demand would, of course, prove of material advantage; but the more permanent demand must come rather from a restored and reinvigorated Continent.

ANNUAL REPORTS ANALYSED.

JASIN (MALACCA).

Issued Capital: £55,300 in 2s. Shares.

Results for Years to December 31:

	Total Planted Area Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1916...	1,160	—	196,800	—	2/5.21	1/3.93	11,163	10,085	20
1917...	1,165	—	239,154	—	2/0.04	1/3.65	8,350	—	—
1918...	1,205	—	276,172	—	1/7.18	1/2.10	5,854	4,044	7⅓
1919...	1,205	—	325,000		1/10.95	1/11.87	15,017	13,825	25

Price of Shares, 4s. 4d. Market Capitalisation per planted acre, £99.

The report of this rubber Company for the year ended December 31, 1919, shows that after two years of somewhat uneven results the Company once again takes its place amongst the ranks of good dividend payers. The crop harvested for the year under review was nearly 50,000 lb. in excess of the 1918 output, but fell short of the estimate by 15,000 lb., mainly, it is asserted, because of the difficulty of obtaining an adequate number of tappers. Owing in part to the increase in the crop and in part to the efficient supervision of the estate, the f.o.b. cost fell from 1s. 1.20*d.* per lb. in 1918 to 11.16*d.* per lb. in 1919. This, in conjunction with a reduction in the administration expenses from 0.90*d.* per lb. to 0.71*d.* per lb., brought about the satisfactory "all-in" cost of 11.87*d.* per lb., as against 1s. 2.10*d.* per lb. in the preceding year. The net profit of £15,017 compares with £5,854 in 1918 and constitutes a record for this Company. Consequently, the record dividend of 25% is paid in contrast with the somewhat weird rate of 7⅓% for 1918. The balance carried forward to the next accounts is increased from £5,952 to £7,144, but is liable to deduction in respect of any charge arising out of the excess profits duty for the year under review.

The outlook for the current year is favourable. The estimated output reaches 380,000 lb. Returns of the crop harvested during the first four months of 1920 amount to 118,200 lb., which, whilst short of the requisite average, would nevertheless indicate a final crop in excess of that secured in 1919. Moreover, at the general meeting the Chairman held that under normal conditions no difficulty would be experienced in realising the estimate. With the disappearance of the capital levy and the retention of the excess profits duty at 60%, it is somewhat difficult to decide to what extent the Company will benefit from the profits accruing from the larger crop. Meanwhile, a strong financial position is disclosed in the balance sheet dated December 31, 1919. Liquid assets are available to the extent of £24,525, whereas liabilities, including the final dividend of £9,678, do not exceed £17,902. In the market the 2s. shares command 4s. 4*d.*, which would give this estate the low market capitalisation of £99 per acre. At this price the yield of the shares, assuming the continuance of the 1919 dividend, is over 11½%.

UNITED SUA BETONG.

Issued Capital: £114,239 in £1 Shares. Debentures, £60,000. 35,670 Shares under option at 55s. each.

Results for Years to December 31

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Profit £	Dividend Amt. £	Dividend %
1915 ...	3,074	1,500	442,354	300	2/9·1	1/2¾	32,654	16,800	22½
1916 ...	3,482	2,013	817,389	406	2/7½	1/1·15	61,545	25,415	25
1917 ...	4,207	2,228	933,349	419	2/4	1/2·9	50,940	19,584	17½
1918 ...	5,162	2,296	785,405	342	2/1½	1/4·6	30,284	19,584	17½
1919 ...	6,460	2,927	1,113,859	381	2/0·7	1/1·2	53,177	32,019	27½

Price of Shares, 83s. 9d. Market Capitalisation per planted acre, £75.

HE would indeed be a carping critic who ventured to find fault with the report of this rubber company for the year ended December 31, 1919. The resumption of full tapping operations during the year resulted in the record output of 1,113,859 lb. of rubber, which exceeded the estimate by 98,859 lb. This substantial addition to the output was reflected accordingly in the re-

duced cost of production The f.o.b. cost worked out at 10.72*d.* per lb. in place of 1*s.* 0.51*d.* per lb. War risk insurance became almost negligible, falling from 0.36*d.* per lb. to 0.04*d.* Administrative expenses in London moved up slightly to 0.58*d.* per lb.; but the rise was more than counterbalanced by the marked decline in the freight and selling charges which were only returned at 1.83*d.* per lb. as compared with 3.19*d.* per lb. in 1918. Thus the "all-in" cost was reduced from 1*s.* 4.59*d.* to 1*s.* 1.17*d.* The average price realised by the sale of the output was, however, nearly 1*d.* lower at 2s. 0.66*d.* per lb. Nevertheless a profit per lb. of 11.49*d.* was secured as against 8.97*d.* in the previous year. Consequently the net profit which amounted to £30,284 in 1918 now reached £53,177. This rendered possible a record dividend of 27½% to shareholders as compared with 17½% in 1918, and the previous record of 25% in 1916. After deducting the sum of £32,019 required to meet this distribution, there is carried forward to the next accounts a sum of £39,312 in contrast with £27,354 brought forward from 1918. This sum is needed to provide not only for the excess profits duty in respect of the year under review, but also for a disputed claim amounting to £27,000 with reference to previous years. It is not anticipated that the liability under this tax for 1919 will exceed £10,000. Consequently the sum carried forward amply provides for the joint liability.

The outlook of this Company for the current year is very favourable. The condition of the estates, judging by the reports of the visiting agent, leaves nothing to be desired. There is estimated for 1920 a crop of 1,239,780 lb. The actual returns for the first four months do not, however, move up to the mathematical proportion, as they reach only 375,170 lb. Yet it is well to bear in mind that this output compares with a total of 241,076 lb. for the corresponding period of 1918. Consequently there is good reason for believing that the estimate will be ultimately realised. Meanwhile forward contracts have been arranged covering 604,800 lb. at an average price per lb. of 2*s.* 1.15*d.* landed London terms. But it is to the more distant future that this Company can look with confidence. To-day its horizon is somewhat dimmed by the inequitable incidence of the 60% excess profits duty, for it is one of the young producers. But in a few years when its scheme of development has progressed its output will compare favourably with that of the largest companies on the market. During the three critical years, 1917-19, it added 3,268 acres to its planted area, and for 1920 it proposes to plant an additional 1,200 acres, and to follow this up with further annual plantings averaging 1,000 acres until it can claim 11,000 planted acres. And up to 1922 the fruit of its labours will not be realised to any great extent. After that year, however, it will gradually reap the reward of its progressive scheme for development. But to carry out this work calls for adequate liquid capital. Consequently it was agreed at the general meeting to increase the authorised capital from £150,000 to £500,000 by the creation of 350,000 shares of £1 each. For present requirements, however, it is not proposed to issue more than 50,000 shares, which will be offered in due course to existing shareholders at a price in the neighbourhood of £3. Seeing that the present shares command over £4 in the market, even at this price (£3) the new issue carries with it a good bonus. Thus it may with safety be forecasted that this issue will find ready acceptance. The financial position as disclosed in the latest balance sheet is very strong. Liabilities, including the final dividend to the amount of £23,626, do not exceed £48,045, and are more than twice covered by liquid assets which total £96,739. In the market the £1 shares are quoted at 83*s.* 9*d.*, and afford at this price upon the basis of the 1919 dividend, a net yield of 6½%. The price, however, takes into account the probable bonus in the proposed issue and the future capabilities of the Company.

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ATLAS ASSURANCE COMPANY, LIMITED.

ANNUAL REPORT AND QUINQUENNIAL LIFE VALUATION.

APART from the quinquennial life valuation, hereafter referred to, the main features of the annual report of this Company for the year ended December 31, 1919, indicate a very satisfactory proportionate profit from the working of the fire, employers' liability, and miscellaneous sections of the business, a substantial strengthening of the reserves after heavy demands for taxation and other purposes, and the maintenance of dividends to shareholders at the high rate which had been declared for the previous year of 50% (12*s.* per share), free of income tax, on the paid-up capital.

From a profit-earning point of view the Company's fire department occupies a predominant position. The premiums in this section were increased in 1919 by £269,553 to £1,910,159, and after giving effect to the year's operations and adjustments in connection with provision for unexpired risks, the departmental trading profit appears to have amounted to £312,187, or to about 16.3% of the premiums, which is a gratifying result. This is apart from net departmental interest earnings, amounting to £76,086.

The revenue account for last year relating to the employers' liability, accident, and general section shows a premium income of £158,348, which exceeds the corresponding figure for 1918 by £32,690. The relative trading departmental profit appears to have been £18,611, or about 11.8% of the premiums, in addition to interest earnings of £3,346.

The new life business, in conformity with the general experience of British offices, was largely in excess of that reported for 1918. New life policies were issued for £1,737,013, of which £196,238 was reassured, the net retention at the sole risk of the Company being £1,540,775, as compared with the previous year's record of £802,585. The total net life premium income was increased from £266,810 to £316,606, in addition to which the sum of £64,122 was received as consideration for new annuities granted. The expense ratio, comparing all costs, inclusive of commission, with premiums, was about 10%, which is a very moderate proportion. The claims in this section amounted to £141,653, of which £112,064 were through death and £29,589 by survivance. The

quinquennial valuation of the assets and liabilities of the life department at the close of last year was made, as at the end of 1914, by the O^{M} Table of Mortality for assurances and by the British Offices' Life Annuity Tables for annuities, the rate of interest assumed throughout being 3%. The total surplus, after taking into account a provision of £228,132 for writing down securities, amounted to £3,353, which is carried forward. The life securities were valued at their market price on December 31, 1919, with the exception of certain securities redeemable at fixed dates, which were taken at or under cost prices, these being less in every case than the redemption value. During the quinquennium the life fund suffered losses of £75,000 directly due to war mortality, and the additional taxation also attributable to the War is stated to have amounted to £70,000. The directors express their regret that owing to depreciation in securities and the other circumstances referred to, they have been unable on this occasion to distribute any bonus amongst the participating life policyholders. The life assurance and annuity funds on December 31, 1919, amounted to £2,677,837.

The sinking fund revenue account shows a premium income of £10,773, and through the year's operations in this section, after transfer of £4,200 to profit and loss account, the relative departmental fund was increased from £100,360 to £101,495.

In addition to the departmental profits of 1919 above referred to, various items appearing in profit and loss have to be taken into account. Thus interest earnings of £20,670 not carried to other accounts have to be credited, together with transfer fees of £286, and as against these receipts £3,746, representing interest on Debenture stock, has to be debited. According to the usual arrangement in this Company, no share of any life profits quinquennially ascertained goes to shareholders, but in lieu thereof there is a small annual contribution to profit and loss account from the life funds. In 1919 this amounted to £9,151, or to less than 3% of the premiums. It will be seen hereafter that a much larger sum than this has been retransferred to the life funds from profit and loss account out of the shareholders' earnings, in the appropriation of their profits from the year. The following sums are charged to profit and loss account: £133,484 for income tax and excess profits duty and £70,487 for war bonus to staff.

Thus the profits seem from an analysis of the accounts to have been as follows:—

Department or Account	Profits from Trading	Interest Earnings
	£	£
Life assurance	9,151	*
Fire insurance	312,187	76,086
Employers' liability, accident and general insurance	18,611	3,346
Sinking fund and capital redemption account	4,200	†
Profit and loss account after allowance for Debenture interest	286	16,924
	344,435	96,356
	440,791	
Less—		
Income tax and excess profits duty	£133,484	
War bonus to staff	70,487	
	203,971	
Total net profits in 1919	= £236,820	

* Interest earnings in the life department are credited to the life fund.
† Interest earnings credited to departmental fund.

The following appropriations are made:—

Dividend to shareholders at 12*s.* per share on 220,000 shares of £10 each with 24*s.* paid, the subscribed capital being £2,200,000 and the paid-up capital £264,000	£132,000
Transferred to life assurance fund	26,000
Written off leaseholds	394
Transferred to fire insurance fund	92,179
	£250,573

The difference of £13,753 between the net profits and the appropriations as above shown is met by a reduction of the profit and loss balance carried forward from £143,538 to £129,785.

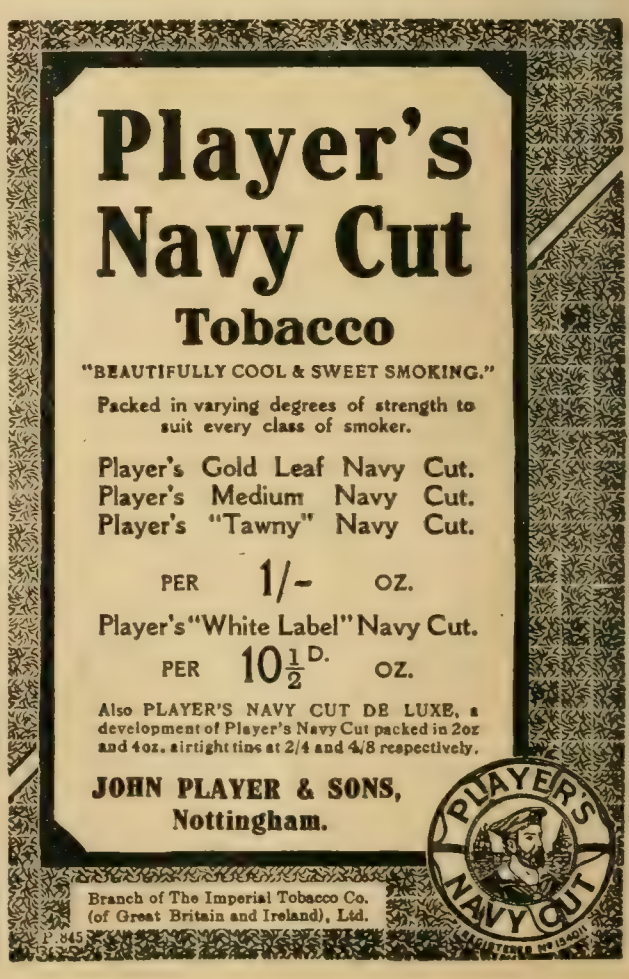
It will be seen that the amount declared as dividend was less than the net profits of 1919 by over £100,000, and that about three-fourths thereof was earned by interest.

The total assets of the Company, as shown in the balance sheet at the close of last year, amounted to £6,578,530, and the funds, after deduction of amounts reserved for outstanding claims and debts, to £5,562,504. The directors certify that in their belief the assets referred to (having regard to the standards indicated) were in the aggregate fully of the value stated, less the amount of the investment reserve fund (£142,813). Apart from capital and Debenture stock, life and annuity funds, and investment reserve fund, the reserves carried forward to 1920, after provision for full dividend in respect of 1919, were as follows:—

	£
Fire insurance fund	1,900,000
Employers' liability, accident, and general insurance fund, after deduction of amount received in respect of liability under outstanding claims	102,432
Contingency fund	22,324
Balance of profit and loss account	129,785
	2,154,541

This total represents about 104% of the Company's premium income for 1919 in the fire, employers' liability, accident, and general departments, and is in excess of the amount set aside in these sections as the normal reserve for unexpired risks (40% of the premiums) by £979,522. This indicates that the financial position of the Company is unusually strong in comparison with the extent of its business, and that its free reserves against conflagrations and other abnormal contingencies amounted at the close of last year to nearly one million sterling.

Altogether the report of the Company for last year must prove very satisfactory to shareholders, for not only is it good in itself, but it holds out a prospect of successful development for the future, in the absence of exceptionally adverse circumstances, with which, should they arise at any time, the Company seems well prepared to deal.



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EMPIRE OIL.

NEED FOR RESEARCH.

An exceedingly interesting paper was read by Sir John Cadman at the end of last week before the Royal Society of Arts. Naturally, the distinguished Professor demolished, and had no difficulty in demolishing, the extravagant contention which for some unexplained cause had gained credence in certain quarters, not merely in this country, but in the United States of America, that English financial interests had obtained, or were about to obtain, control of the known petroleum resources of the world. Those who had any real acquaintance, even a slight one, with the actual ascertainable facts were highly amused at the reports which were in circulation. Rumour is proverbially extravagant, but often there is some little foundation for reports, however far fetched. We wish sincerely not, of course, that England had control of the world's petroleum resources, which is impossible, but that she had control of an adequate supply to meet her present and prospective needs. As a matter of fact she has nothing of the kind at the present time. Even including the British Government interests in the Persian Gulf Oil Fields, the production of oil, either within the British Empire or within a sphere where British interest are paramount, does not amount to much more than 4% of the world's total production. The world's total production of petroleum is generally estimated at between 50 and 60 million tons. Sir John Cadman appeared to accept in his recent lecture the former figure, but other eminent authorities put it at the latter. We consume in this country considerably more than four times what is produced within the confines of the British Empire. In England itself on the basis of present production we are not raising much more than some 300 tons in the course of a whole year. It is evident, however, from the experiments which have been made that at a certain depth in various areas near to the coal-bearing strata in the centre of England there is petroleum to be won. This fact seems to indicate that petroleum is distributed far more widely beneath the earth's surface than is generally supposed. Long as the coalfields of England have been worked and well acquainted as we believed ourselves to be with the mineral resources of our island, we had until recently no conception of the existence of oil within the area of England. The shale oilfields of Scotland were, of course, well known, and have been worked for a very long time, but they have never produced a large quantity of oil, and that petroleum in the common acceptation of the term, as distinct from shale, existed was not credited. It was owing to what we commonly call an accident that the existence of oil in the Derbyshire fields at all was discovered. Borings were being made for water. The water when raised to the surface was found to emit a peculiar odour and to be charged with some foreign substance. This on analysis proved to be petroleum. Now the discovery of a petroleum well when boring for water is not merely exceptional, but is classic. Petroleum has been known for millenniums, but we have not space here to enter into its history. For practical purposes the working of oil wells, as we know them, commenced in the United States of America in the later '50's of the last century. A retired military officer of the United States Army had acquired a farm in Pennsylvania. In connection with his farm work this officer decided to bore for a well. Instead of obtaining water as he expected what we now know as petroleum gushed out in embarrassing quantities and threatened to destroy the farm buildings and the appurtenances thereof. The officer was by no means elated by his discovery, but in the sequel it proved an asset of great economic value to the United States. Wells were bored in every direction in the State of Pennsylvania. Oil was found in various directions all over the State. The existence of the famous Appalachian Fields was disclosed. The United States thus became the pioneer, not merely in the discovery, but in the development of the working and utilising of oil in its various forms. Being the pioneer the workers in the United States obtained experience which, it is hoped, the rest of the world will profit by. In the report of the "Conservation of Resources of the United States," prepared at the instance of the late ex-President Roosevelt, it is estimated that very nearly a quarter of the total amount of oil raised from the various wells in the United States had been allowed to run to waste. The conservative workings of the oil resources of the various parts of the world is very imperfectly understood after more than half a century of experience. We were the pioneers of the working of coal mines in this country, and it can truly be said that after nearly two centuries of experience neither we in this country or in any other country in the world has the lesson been learnt of the method of working a colliery that would obtain a really high percentage of its valuable contents. It is not surprising, therefore, that in the comparatively short time the world has known anything about the working of oil wells, at any rate in modern times, the waste should be out of all proportion to the result obtained.

Although it is a remarkable coincidence that the discovery of the existence of petroleum in the United States and in England was brought about while boring for water this has not been the method whereby the great majority of oil fields have been discovered. In the vast majority of cases the existence of oil in any particular area was quite apparent on the surface. To anyone acquainted with oil engineering it was perfectly evident that a favourable field existed for oil boring. Even to any ordinary intelligent observers the existence of something remarkable would attract his attention. If accompanied by anyone acquainted with the working of oilfields he would be told that the phenomenom was what is known as seepage indications. In other words it may be assumed with confidence that we have as yet practically no knowledge to what extent petroleum exists in the various parts of the British Empire, which extends over an area of 13,000,000 square miles, or about half of the habitable part of the earth. As we have indicated above even the pioneers more than half a century ago in the United States realised that the existence of petroleum in the State of Pennsylvania was by no means an isolated instance. On the contrary they came almost immediately to the conclusion that the oil-bearing strata extended for many miles to the South, leaning rather to the south-west. Those conclusions have been justified by experience.

The United States military engineers have made a geological survey for the purpose of discovering the existence of petroliferous areas in the different States of the Union. A United States geological survey map shows the existence of oil over vast areas. The great eastern field where it was originally discovered, a vast field including several states in the south and west

and the Pacific or Californian oil-bearing strata. The winning of oil in the United States is such an important industry that so far no other country has really attempted to explore its oil-bearing resources to anything like the extent which has been the case with the United States. The United States at present produces a quantity variously estimated at between 70 and 80% of the total of the world's production. Even yet the military engineers of the United States are not satisfied that they have located the whole of the potential oil resources in the various States of the Union. As to what the whole world's potential resources are no one has any real conception. Expert opinion tends more and more to the conclusion that these resources are enormous, and as yet the winning of oil is really only in the experimental stage. Some time ago a committee was appointed by the British Government to report upon the mineral resources of various States of the British Empire. As far as we are aware none of the reports have yet been completed, but work is in progress in different areas. If carefully prepared it will be an exceedingly valuable document. Engineers who have occasion to examine various areas in different parts of the Empire are of opinion that various indications exist of oil in different parts of our Empire, the potentialities of which only wait exploration. Naturally in the present state of oil knowledge such a report when it appears can only give very partial information. It can report, of course, if it takes evidence over a sufficiently extensive area the existence of seepage indications in certain specified areas of the Dominions, the Crown Colonies, and in India. Naturally it can take no cognisance of the existence of oil unless it has actually been discovered existing under the conditions which prevailed in England and in Pennsylvania. Petroleum is a form of carbon just as coal is. Coal is found in most countries from the North Pole to the Antarctic Continent. According to Dr. Mawson, who had to spend a winter there, the cliffs of the Antarctic Continent in the neigbourhood of his winter quarters are exceedingly rich in coal, although under our existing state of knowledge it would not be practicable to work it. Oil is obtained in small amounts already from British India, the British West Indies, the island of Great Britain itself, the Dominion of Canada, the Commonwealth of Australia, the Dominion of New Zealand, and from Egypt.

Those whose business it is to study economic conditions in the two great continents of North and South America are well aware that from the frozen regions in the extreme north to the wind-swept area of Tierra del Fuego there are clear indications of the existence of petroleum in the different countries. Alaska, which belongs to the United States and which is a little bigger in area than England and Wales, shows every indication of being rich in petroleum contents. As we have said, oil is already being won from Canada, but there are reasons to believe that the oil deposits are very much more extensive than the fields actually worked would indicate. The United States, as said above, supplies the world with nearly four-fifths of all the petroleum it consumes: Mexico at present is responsible for an output of about half a million tons, but what are believed to be the much richer fields of the West coast have hardly really been explored as yet. Venezuela supplies a small quantity, but her oil deposits are known to be extensive. In Colombia oil is known to exist, but as yet workings are only in the experimental stage. Peru has rich oilfields, some of which are worked. Tierra del Fuego shows the indications of the existence of petroleum. Argentina as yet only produces a few hundred thousand barrels. The oil deposits of Brazil have not yet been worked, while there are fields that are actually working or which are waiting exploitation more or less all along the Atlantic coast of both continents, until we arrive at Labrador. As far as we are aware, Labrador is not an actual oil-producer, but eminent oil engineers have long been of opinion that there is no engineering objection to the development of the known petroleum deposits of Labrador.

Industrial Companies.

MAYPOLE DAIRY COMPANY.

Year	Profit on Share Sales	Net Income on Trading A/c.	Deprcn. Writ-ten off	Pref. and Prefd. Div.	Deferred Div.		Carry-Forwd.	Stocks	Total Excess on Assets†
	£	£	£	%	£	%	£	£	£
1914...	—	597,109	116,147	107,500	370,000	100	62,017	288,597	1,449,197
1915...	—	544,159	13,544	107,500	370,000	100	95,132	470,916	1,492,233
1916...	—	461,287	12,337	107,500	92,500	25	334,082	449,957	1,741,182
1917...	—	998,550	262,196	107,500	950,416	225	12,520	316,575	2,036,568
1918	783,764*	714,744	11,576	107,500	555,000	100	43,188	514,445	2,861,953
1919...	—	1,080,448	10,872	107,500	978,958	100‡	16,307	1,045,549	2,492,640

* Placed to Suspense reserve fund and mostly re-invested *per contra*.

† Including stocks, property, fixed assets, trading investments and debtors, less current liabilities, and excluding goodwill.

‡ But only 6¼% on 6,783,330 shares issued during the year.

NOTE.—Issued capital increased by £185,000 in 1917, and by £678,333 in 1919.

THIS is essentially the era of the big business. The dividend-earning capacity of a large capital scientifically organised and efficiently managed, is one of the outstanding features of the day. It matters not whether such capital is employed merely in finance proper, in manufacture, in transport, or in the distribution of the finished commodity. Wisely directed, the large business possesses such economic advantages in the purchase of its raw material and in the sale of its output that it earns and continues to earn profits to an extent to which the average manufacturer or merchant can never hope to attain. Instances to this effect, in so far as the shipping industry, the textile trades and the great retail stores are concerned, have from time to time been subjected to analysis in these columns. But, as already indicated, this phenomenon—if such a term can rightly be applied to what is nowadays almost erected into a general principle—is not confined to any particular branch of industry or commerce. Consequently, it is but normal to find it applying with equal force to the multiple-shop companies, to which large-scale organisation is no less fundamental. The report of the Maypole Dairy Company for the year ended December 27, 1919, furnishes as good an illustration as could be desired. With the restoration of more normal conditions, there was a considerable improvement in the net income, which amounted to £1,080,448, as compared with £714,744 in 1918 and the previous record of £998,550 in 1917. It would not be easy to discover any element of profiteering to account for this increase. For the year under review there had to be met not only extra charges in connection with the better remuneration of labour, but also the increased cost of raw materials for the manufacture of margarine especially. This latter addition was largely due to the unfavourable exchanges of the producing countries. Yet, despite this additional outlay, the price of the best Maypole margarine was not advanced above 1*s.* 1*d.* per lb. Confirmatory evidence of a stronger character is forthcoming in the statement that this large profit was earned on the gigantic sales of £31,000,000, and represented less than 3½% on the turnover. Out of this profit, after writing off £11,576 in respect of depreciation, there was transferred to the reserve account £10,000. In the 1918 balance sheet the reserve fund was returned at £680,000. Having received the necessary sanction for increasing the authorised capital to £3,000,000 by the creation of 16,000,000 Deferred Ordinary shares of 2*s.*, 6,783,330 such shares were issued, fully paid, as a bonus to existing holders of deferred shares during 1919. The sum required to carry out this transaction was secured by capitalising £678,333 of the old reserve, thereby reducing it to £1,667. The addition of £10,000 out of the profit of 1919 now leaves it standing at £11,667. Dividends on the Preference and Preferred Ordinary shares absorbed £107,500. Having met these liabilities, the amount set aside for the Deferred Ordinary shareholders reached a record total

of £978,958. This dividend corresponded to a rate of 62½% on the bonus shares, and of 100% on the capital at the end of 1918. Thus, for purposes of comparison, the shareholders actually received 162½%, as compared with 100% in 1918. It is of interest to note, in passing, that the amount paid out in dividends to all classes of shareholders was £1,086,458—or over £6,000 in excess of the net trading income of the year. Such a payment by a concern with a reputation like Maypole Dairy is a silent but eloquent testimony to the confidence of the directors in the future earning-power of the Company. In view of these large dividends, the amount carried forward to the next accounts has been reduced from £43,188 to £16,307.

The outlook for the current year is decidedly encouraging. It is admitted that the recent improvement in the British exchange has lowered the purchase-price of the essential raw materials, and it is anticipated that a reduction in price to the consumer will become feasible in a few months. The decontrol of butter would, so the chairman stated at the general meeting, improve the situation materially. In the first instance, he asserts that the control price is necessarily high to repay not only the cost of control, but also to cover the costs of the more uneconomical producers. Furthermore, it appears that owing to these restrictions Danish butter, which the Company could formerly secure, was being diverted in large quantities to the American market. Thus decontrol would make, in his opinion, for the lowering of the cost of production and for an increased supply of butter at reasonable prices. With the revival of more normal trading activities, further branches were being opened by the Company in order to extend the sphere of their activities. The directors were not, however, inclined to increase the range of commodities handled. "His aim," asserted the chairman, "was to be the manufacturer of margarine of the best value and quality." And there is no doubt that the continued success of the Company is the best justification for the adoption of that policy. Rumours were abroad in connection with some contemplated amalgamation. On this point, the Chairman frankly admitted that offers had been made to them, but not of such a nature as to be acceptable. Within the last few years they had acquired a business in West Africa, from which during the year under review they had obtained over 25,000 tons of ground-nuts. Only in this direction did amalgamation appeal to them. A reasonable proposition which would secure for them a large supply of their essential raw materials, would receive favourable consideration. It is of interest to note that the belief is again abroad that negotiations are now going on which may lead to some such amalgamation. Undoubtedly any such union would strengthen considerably the position of the Company. The position, as disclosed in its balance sheet as on December 27, 1919, is very favourable. Liquid assets, it is true, fall short of liabilities by some £522,698, but assets, other than goodwill, exceed such liabilities by £2,492,640. This necessity for liquid capital is characteristic of many large concerns to-day which, like Maypole Dairy, are compelled to make up, for the time being, a considerable portion of their capital in stock. In this case, it appears that the value of the stock held on December 27, 1919, amounted to £1,045,549, or more than double the value of the stock in the 1918 balance sheet. To provide capital required for immediate developments, a further issue of 9,249,997 Deferred Ordinary shares has been made, at par, to existing Deferred shareholders. The following table shows the market prices and the yields at such prices afforded by the shares of the Company:—

	5% Cum. Pref.	20% Cum. Preferred Ord.	Deferred Ordinary
Price	15/0	13/9	12/0
Yield	6⅓%	7⅓%	15⅚%

In the case of the Deferred Ordinary shares, the yield is based upon the assumption of a dividend of 100%.

New Issues.

HOUSING BONDS.

With the success of the London County Council Loan in connection with the Housing Bond scheme and the success of various provincial issues it would appear that the housing scheme is fairly launched. Of course it has to be remembered that a very large sum has yet to be raised, but at the same time the urgency of the need for housing accommodation, particularly for the poorer classes, appears to be making, as we had hoped, a successful appeal to investors.

We have now before us invitations for capital for this cause. There are three in all. The Bradford Corporation is issuing £2,000,000 6% Redeemable stock; the Cardiff Corporation £1,500,000 6% Redeemable stock; and the Croydon Corporation £1,000,000 6% Redeemable stock.

Cosmo Hotel (London), Limited, has been formed with a capital of £150,000, divided into £1 shares. The object of the Company is to acquire from its present proprietor the Cosmo Hotel, in Southampton Row, London, which is held on lease, together with the lease of premises known as Russell Square Mansions. 100,000 shares of £1 each are now offered for subscription at par.

The Graphite Oils Company, Limited, has been formed to acquire the assets of the existing Graphite Oils Company, Limited, of Glasgow, and to work the same as a going concern. The capital is £200,000, in £1 shares, the whole of which are issued, 50,000 in part payment of the purchase consideration, and 150,000 are now offered for subscription at par.

W. Canning Company, Limited, manufacturers of electro-plate, invite subscriptions for an issue of 200,000 Ordinary shares of £1 each at par.

A. Reyrolle & Company, Limited, electrical and general engineers, of Hebburn-on-Tyne, invite subscriptions for an issue of 160,000 Ordinary £1 shares.

Carsons Limited, cocoa, chocolate and confectionery manufacturers, invite subscriptions for 125,000 10% Cumulative Preferred Ordinary shares of £1 each at 22*s.* per share.

Japan.—The general economic conditions of Japan, which were on the way towards recovery since the bad times of last month, depressed again recently, influenced by the advice from America of the advent of reactionary depression there. The Stock market is inactive generally. On May 25 the Seventy-Fourth Bank in Yokohama suspended payment for three weeks, owing to the heavy withdrawal of deposits caused by the rumours of great losses of Messrs. Mogi and Company, who have special relations with the Bank. These affairs depressed the Silk market in Yokohama. There was witnessed a heavy fall in prices, and the Silk Exchange closed. The agreement among silk merchants to stop selling under 1,800 yen (standard silk) was withdrawn owing to the stagnancy of the market. Osaka and Tokio cotton yarn traders organised the syndicate to take over May and June delivery and to export it. The exchange banks agreed to finance exports for the traders taking these cotton yarns as securities.

HARRISONS & CROSFIELD, LIMITED.

ISSUED CAPITAL £1,832,646

The Company undertakes the Issues of Capital for Plantation Companies and the Financing of Estates and Produce.

1-4 Great Tower Street, London, E.C. 3.

MEETINGS
OF PUBLIC COMPANIES.

PEASE AND PARTNERS, LIMITED.

THE ordinary general meeting of the shareholders of this Company was held at the Company's registered offices on Tuesday, June 8, 1920, Sir Arthur F. Pease, Bart., in the chair.

At the commencement of the proceedings Lord Gainford expressed the sincere congratulations of the directors and shareholders of Pease and Partners, Limited, to Sir Arthur and Lady Pease on the honour recently conferred upon them by His Majesty, and alluded to Sir Arthur's services to the country as Second Civil Lord of the Admiralty, to his services to the North of England in connection with the Durham County Council and industrial concerns, and especially to his devoted and zealous services in the interests of the shareholders as Chairman and Managing Director of Pease and Partners for 14 years.

Sir John Harbottle supported, and the motion was accepted by the meeting with acclamation.

Sir Arthur Pease, in thanking the meeting on behalf of Lady Pease and himself for their congratulations, said that it was only because of the help which he had been given by his co-directors, and the confidence he had in the staff of Pease and Partners carrying on the business of the Company, that he had felt at liberty to accept the appointment which was offered him at the Admiralty.

The Secretary having read the notice convening the meeting and the auditors' report,

The Chairman said: I now have to move the adoption of the report and accounts which have been circulated amongst the shareholders. Though the profits of the undertaking for the year through which we have just passed are satisfactory, the year has not been free from anxiety, and the profits would have been substantially higher if it had not been for the interruption caused to trade by the railway strikes which disorganised all our business; in some departments the effect was felt for weeks after work had been resumed on the railways. The moulders' strike, too, seriously inconvenienced us as regards the supply of certain materials. I will endeavour as far as possible to take up my parable where I left it last year. Those of you who wish to go more fully into matters, especially with regard to the position of the coal trade generally, I will ask to look back at what I said at the last meeting, a report of which you have all had, and which was printed in the *Times* of June 13 and THE STATIST of June 14, 1919. I will follow the usual practice of giving you detailed explanations of the items in the balance sheet and profit and loss account, and then ask you for your patience while I make a few general remarks; but there is one important fact I would ask you to bear in mind, and that is that the profits are not really earned on the nominal value of the share capital, but we have in the business reserves which have been set aside from time to time equivalent to the amount of the Ordinary share capital of £1,530,000.

Acquired Businesses.

With regard to Messrs. Henry Stobart and Company, we are entitled to the profits of this company as from January 1 last, and had to pay interest at the rate of 6% per annum from that date up to April 30 on the portion of the purchase price payable in shares, and on the cash consideration until the money was paid, which was actually done on May 3. We have taken over the complete management of this company, as Mr. Stobart wished to be relieved of all further responsibility in connection with carrying on the business. As regards the North Bitchburn Coal Company, the formalities have been practically completed, though there are one or two shareholders abroad who have not actually signed. The shares in payment of part of the purchase consideration have been issued to all the rest of the shareholders in the North Bitchburn Company, and the cash consideration was paid over on May 3. We are entitled to the profits of this concern as from April 1 last, and paid 6% interest from that date up to the date of completion, as in the case of Stobart and Company. I am glad to say that Mr. Hustler has agreed to continue to act as Managing Director for the present, and Mr. Mounsey as Assistant Managing Director. On the advice of our auditors, no profits of these two companies have been taken into Pease and Partners' accounts to April 30, as the transactions were not completed until after the end of our financial year, nor has any provision been made for the interest accrued to that date. I have little doubt that the balance will be on the right side.

The Company's Liabilities.

Turning now to the balance sheet of Pease and Partners—

SHARE CAPITAL.—You will see that £152,082 10*s.* had been received up to April 30 on the new shares issued to the existing shareholders, the balance not being payable until May 15. Having regard to the advantageous terms on which the shares were issued, the bulk of them have been taken up, as might be expected, though some shareholders seemed to have overlooked the advantage to be obtained either by taking up the shares or disposing of the rights. The balance of the issue will be disposed of at the best price obtainable.

UNPAID PURCHASE MONEYS.—The only item remaining is that in respect of the purchase of the Normanby Ironworks, which we have not the right to pay off until 1923, and need not pay off until 1932.

EMPLOYEES' DEPOSITS.—Increase £58,686. There has been a very satisfactory increase in the amount deposited, which is perhaps not surprising, seeing the high rate of interest the depositors are receiving. You will be interested to know that over 29% of the whole of the employees of Pease and Partners have deposit accounts. I have given some thought and consideration to whether some scheme could be devised whereby the depositors could be given some more permanent interest in the concern. The difficulty is that in a fluctuating trade like ours it is impossible to do this without the depositor having to run the risk of losing some of his capital if he had to realise in bad times, and none of the schemes which I have looked into quite meet our requirements.

SUNDRY CREDITORS AND OUTSTANDING ACCOUNTS.—Increase £255,450. This is due to the increase in prices of materials and stores and in railway rates, and additional provision for special taxation and income tax.

It is only to be expected that our outstanding accounts should be heavy, as our turnover for the year amounted to £4,978,785, and including as sales the transfers from one department to another (as was the case before the blast-furnaces were amalgamated), the turnover would have amounted to £7,943,126, so you will see that the profit is not out of proportion to the very large business we are doing. The other items on the liabilities side of the balance sheet do not call for special comment.

The Company's Assets.

On the assets side,

MINERALS, LAND, &C.—The capital expenditure during the year has been £88,890, the chief items being Thorne, £32,032; Normanby New Wharf, £34,286; Bankfoot rebuilding acid towers in connection with the sulphuric acid plant, £4,032; and a large number of small items.

On the other hand, we have realised £5,509, a considerable part of which is in respect of freehold minerals worked.

The increase in the depreciation written off is due to an additional amount having been allowed by the income-tax authorities in respect of the ironworks.

There is one item which calls for special comment, and that is the increase of £209,138 in coal, coke, iron, and other saleable products. This huge increase is due to the very large stocks of pig iron we are carrying, the pig iron we have on hand being worth at cost price £285,000. This accumulation is brought about by our not being able to obtain transport.

SUNDRY DEBTORS.—Increase £313,078. This has gone up much in the same proportion as the sundry creditors on the other side.

INVESTMENTS.—Show a net decrease of £74,996.

We have written down our gilt-edged securities by £50,000, and have been fortunate in not having to provide a heavier amount for depreciation, having realised in one way or another a large part of our original holding in 5% War Stock before the heavy fall in value took place.

Our present holdings in Government stocks are: £100,000 5% War Stock, £150,000 5% National War Bonds repayable in 1922 and 1923.

With regard to our other investments, the chief items of increase are:—

Skinningrove Iron Company, £50,000.
National Benzole Company, £7,062.
Gas Lighting Improvement Company, £9,125.

SPECIAL EXPENDITURE.—£34,249. This is a small amount having regard to present prices, but work has been much delayed owing to the difficulty of obtaining materials. The expenditure is spread over a large number of items, some of the chief being: Eldon, new washer, £3,865; Peases West, repairs to hopper, £2,597; Ayton, ventilating plant, £3,407; Iron Works, repairs to stoves and relining furnaces and kilns, £10,237.

CASH AT BANKERS AND IN HAND.—£239,354. It perhaps requires explaining that the loan of £100,000 which we had on the War Stock was an arrangement for six months which we entered into with our bankers when we were expecting to have heavy calls for Government taxation and has since been paid off.

"Record" Profits: All Departments contribute.

Turning to the profit and loss account, you will see that the net profit after providing for income tax is the largest the Company has ever made.

It is assumed by everybody that in the case of companies which are doing well the profits are due to the War, but I have little doubt that if there had been no War this Company would have been in at least as strong a position as it is to-day. I explained to you fully last year the conservative manner in which we had distributed dividends in the past, which meant that we were steadily improving the position of the Company, and we had the right to expect that the value of the shares would continue to improve over a period of years.

Taking the details of the profit and loss statement, as I stated at the recent meeting, all departments have been working on a profitable basis.

The gross profit on coal is much better than the previous year, when there was practically no profit at all, but still does not reach anything like our standard profit per ton even apart from the question of reduced output; on coke the profits are satisfactory, but are less than for the previous year, owing to the railway strike; ironstone has done very much better, but there was great room for improvement, as the profit for the previous year was under 1*d.* per ton; the profit on limestone is practically the same; chemicals show a substantial increase; the profit on hematite pig iron has doubled, but on Cleveland pig iron is only slightly in excess of the previous year; the foundries, of course, were affected by the moulders' strike, but in spite of this the results are the best that have ever been obtained; the refined iron results are also satisfactory.

On the other hand, the Thorne Electric Power Station shows a serious loss, although the Yorkshire Power Company have made some concessions on the terms of the agreement. This agreement has a further period of 3½ years to run. We charge all current used by ourselves in connection with our Thorne sinking at cost price, and the loss has accrued on the current we sell.

In arriving at the profit for the year we have included the amount we have actually received as a refund in respect of excess profits duty and have provided for income tax, but we have not taken into account any claims we have against the Coal Controller; on the other hand, if we received these amounts from the Coal Controller we should have to hand the greater part back for excess profits duty and income tax. The Coal Controller may have a claim against us in respect of what is known as the "Sankey money," but under the Coal Mines (Emergency) Act this will have to come out of the pool, and as we are below our standard profit on coal it cannot make any difference to us. Taking it on balance, we ourselves and our auditors are quite satisfied that full provision has been made for any claims in this respect

With regard to T. and R. W. Bower, Limited, a dividend of 12½% free of income tax for the year ending September 30, 1919, is included in the item of interest, dividends, &c. We anticipate a steadily increasing output from Allerton Main Collieries as the result of the introduction of a number of small improvements, such as improved methods of coal cutting, economy in steam raising, &c., but we are deferring any large expenditure on new works until trade returns to more normal conditions. Our plans are being prepared and we are entering into an arrangement with our chief landlord, Sir Charles Lowther, which will give us security of tenure.

The directors have received no remuneration in respect of T. and R. W. Bower, Limited, but it is proposed that the remuneration of the board shall be £1,000 per annum, less income tax, from September 30, 1918.

Bearing of Export Trade on Colliery Profits.

Whether a colliery has earned profits or not has very largely depended on whether it has got a share of the export trade. We have been unfortunately placed in this respect, firstly because in the early years of the War we felt it our duty to keep the iron and munitions works going in preference to shipment and later we would have been compelled to do so if we had not done it voluntarily. Our shipment went down from an average figure of 18½% for the three years prior to the War to 2.96% in 1919; recently it has averaged about 6%.

On the top of this the Government made a sudden reduction of 10*s.* in the price of household coal. They are making this good to the coal owner if he is not up to his standard profit, but there was no justification whatever for this reduction on economic grounds. As far as our experience goes, household coal is the most costly coal we have to produce, as it has not only to be a fairly hard coal, but requires careful selection and cleaning and the flat rate increase on all coal gives a much less proportionate advance on house coal as compared with industrial coal, especially of the poorer qualities.

Perhaps you may realise this from the following:—Our largest colliery, which is the only one from which we supply any considerable proportion of house coal, had an average profit for the two years April 30, 1913 and 1914, which was the basis of our standard profit, of £21,397. The colliery about maintained the standard for 1915; in the two years 1916-17 there was a substantial increase on the standard; in 1918 it very little more than made ends meet, while for the years 1919 and 1920 there were losses on working of £55,447 and £86,462 respectively. This is a case in point of a colliery doing practically no export trade, the quantity sent for shipment during the year being just over 1,000 tons.

Two of our other Durham collieries have actually lost money, one of which produces our second largest output.

The general results of working our collieries for the final six or seven weeks of the year (from March 12 to April 30) when we had to pay the extra wages without receiving any increase in the price of coal show a heavy loss. With the 4*s.* 2*d.* extra price it is possible we may just reach our standard profit, but this is dependent, of course, on no exceptional circumstances arising, on the men working reasonably well and on our obtaining a small proportion of export trade.

I have been looking up some of the past records of the Company, and I find that our cost of working for the year ending April 30, 1920, is about eight times what it was in the year 1879-1880, which was the lowest cost we ever had at our collieries, and three times what it was in the year before the War. At the present time it is considerably more than three times, owing to the advances in wages and shortened hours, which did not affect the whole of our last financial year.

Taxation and Dividends.

Some of the allocations which were previously made on the face of the report have been made in the profit and loss account for the present year, but we recommend that £100,000 be placed to reserve for equalisation of dividends, making this account up to £200,000. We must have rough times some time or other when the abnormal conditions through which we are passing come to an end. At the moment our profits are substantially in excess of the average profits earned during the last year. How long this will continue you are probably as able to judge as I am, but apart from general trade conditions our profits should increase as our undertaking is improved and the plant is brought up either to pre-war efficiency or above. On the other hand, the excess profits duty will probably be at 60% for the whole year, instead of, as was the case last year, 40% for two-thirds and 60% for one-third of the year, and the Corporation tax will take effect for the whole year instead of one-third of the past year.

We shall, of course, have the dividends of the undertakings we have purchased to set against the new share capital.

After the explanations I have given you I feel sure you will agree that we are fully justified in recommending a dividend of 18%, free of income tax, for the year.

Turning now to the usual statistics I give you, the following are the outputs of minerals for the year and for the previous seven years:

DURHAM COLLIERIES.

Year ending April 30	1913	1914	1915	1916	1917	1918	1919	1920
	Tons	Tons	Tons	Tons	Tons	Tons	Tons	Tons
Coal	2,209,812	2,173,641	2,107,177	1,997,404	2,029,669	1,849,147	1,562,825	1,713,525
Ironstone	1,152,471	1,181,330	1,155,503	914,754	884,424	936,830	804,889	787,396
Limestone	459,722	451,262	416,253	388,306	399,498	418,159	422,025	387,343
	3,822,005	3,806,233	3,678,933	3,300,464	3,313,591	3,204,136	2,789,739	2,888,264
Coke derived from above Coal	780,844	781,423	673,229	665,285	761,504	742,661	687,303	686,667

ALLERTON MAIN COLLIERIES.

Year ending September 30 ...	1912	1913	1914	1915	1916	1917	1918	1919
	506,236	533,470	462,325	458,834	413,586	416,992	381,603	305,771

These outputs are extremely disappointing. At our Durham collieries the output per man on the average number of men employed was 280 tons per annum in 1914, while for the year just ended it had fallen to 205 tons, in spite of various improvements we have made in regard to conveyors, coal-cutters, &c.

The total output of coal for the year has increased as compared with the previous year. The two railway strikes did not substantially affect the output, as we kept our collieries going nearly full by stocking the coal and coke. The output of ironstone is slightly reduced, though this would have shown an increase if it had not been for the railway strikes. It was impossible to keep the ironstone mines going; and the stoppage did not end with the strike, as it took some little time afterwards to get the furnaces fully going.

The increasing number of general holidays which the men are insisting on is gravely interfering with the efficient working of continuous processes, such as blast furnaces practice, owing to lack of raw materials.

Limestone shows a decrease. Here, again, I would have expected an increase, except for the railway strikes and for the fact that the output has been curtailed for many months for want of a sufficient supply of empty trucks, although the stone was badly wanted by ourselves and other ironmasters.

The output of coke, in spite of the stoppage due to the railway strikes and the lack of empty trucks over a considerable period having necessitated the ovens being worked at less than their full capacity, is practically the same as for the previous year.

"Commercial Suicide."

I am hopeful that we may be able to substantially further increase our outputs during the present year, but I fear there is little chance of our getting back to our pre-War figures, owing to recent legislation shortening hours, the increasing effect of the minimum wage, and the high wages that are being paid, which make many men less anxious to do their best. I quite sympathised with the men who worked and toiled during the War wanting a rest for a time, but it seems to me almost commercial suicide to be passing Acts of Parliament restricting the time worked when not only the people of this country but throughout the world are requiring the fullest production to make up for the wastage of war, and I think the working man and many others have taken an entirely mistaken course with regard to this matter. The truly patriotic thing would have been for him to offer to work longer hours than he had previously done, so as to make up for the losses which have been incurred. It seems to me that we are living in a fool's paradise at the present minute, and that we are not recognising that all classes of the community must expect to be worse off, probably for a generation, after wasting between 7,000 and 8,000 millions on war for which we can show no material gain. I do not for a moment wish to say that the War was not absolutely necessary to preserve not only our hearths and homes, but civilisation, or that the money could have been expended on a better object, but, still, it does remain that if there had been no war this 7,000 to 8,000 millions could have been invested in forms which would have vastly improved our powers of production and the social conditions of the whole community. The only way in which we can mitigate the effects of the War is by using all our brains and all our energies to make up for the damage. Many men and women are doing so, and working as they have never done before, but, taking the people of this country as a whole, all classes must be condemned for wishing to take life easier than they did before the War instead of devoting themselves to the work of reparation.

Development: Progress and Obstacles.

With regard to the position at Thorne, I informed you last year that we had deferred the question of sinking owing to the uncertainty caused by the Sankey Commission, but the Government having declared against Nationalisation of the mines, we entered into the contract with Mr. Francois for carrying out the work by the cementation process. We have now cemented a distance of about 120 feet below the bottom of No. 1 shaft, and have resumed sinking within the last few days. With regard to No. 2 shaft, the quantity of water has been larger than we expected, and we have not yet been able to obtain sufficient pumps to deal with it, but we are devoting all our energies at the moment to pushing on with No. 1 shaft, and our advisers consider the results most encouraging. We anticipate that we will be able to sink at a much lower cost than if we had gone on with the freezing process.

Looking at the proposition of Thorne as a whole, although it will cost a very large sum to put down the shafts and equip the Colliery, it ought to be borne in mind that the difference in working an 8 or 9 feet seam, such as was shown by the bore hole at Thorne, and a thin seam such as we have in the County of Durham, will be much greater with the increased cost of production than before the War, so that if both types of colliery were working on what we might call normal profits the larger profit at Thorne ought to cover the heavy capital expenditure.

The contractors are making fair progress with the Normanby Wharf, although they are a little behind time. It will be a great advantage to us when this work is completed, as it will enable us to take larger ships with foreign ore and give quicker despatch.

We have not proceeded further with the electrical scheme at the iron works. The abnormal cost of new plant makes us reluctant to purchase at present; further, a necessary preliminary to using the waste gas is to settle the best method of cleaning it, and we are awaiting the results of the gas cleaning and potash producing plant at Skinningrove. This has had a trial run, and the results are most satisfactory. The electrical scheme is one of the things I would like to get on with at the earliest possible moment, either independently or in conjunction with the Power Company; but whether we are justified in doing so until prices are more normal must depend on the complete estimates.

We have no other large new works on the way, though we have a considerable number of improvements and economies going on in all departments, which taken together will increase the efficiency of our undertaking.

With regard to fresh capital, we shall no doubt require further capital when we proceed vigorously to take in hand the improvements and developments we have in view as soon as prices become more reasonable, but I fear this may not be the case during the current year.

We have renewed or extended a number of our coal and ironstone leases, which will add considerably to the prospective value of the concern. At Upleatham Mine, which has stood in the books of the Company for some years at nothing more than its scrap value, the main seam will be exhausted in the autumn of next year; but we have been successful in working the Pecten seam over parts of the royalty, and we are entering into a new lease which will, we hope, extend the life of this mine for many years, though the profit must be small as compared with working the main seam, in spite of a much reduced royalty rent.

Valuation of Properties.

I mentioned at our meeting last year that I thought it was desirable as soon as possible to have a revaluation of all our properties. We have not gone on with any detailed valuation, first of all because the staff has been so fully occupied in negotiating for the new purchases, in bringing our present undertakings up to pre-War efficiency and in connection with the very large number of returns which are still required by the Coal Controller, but there is also the other reason that at the present moment it is very difficult to know on what basis collieries should be valued. I have had some rough figures taken out which show that the value of our mineral properties, at any rate, based on pre-War figures is, owing largely to the renewal of leases and so on, considerably in excess of the figure at which they stand in the balance sheet, without taking into account the reserve for depreciation. This is chiefly due to the renewal of leases which has extended the life of our collieries and mines.

As we have taken over the collieries of Henry Stobart and Company and the North Bitchburn Company so recently, I would rather leave any account of them over until I meet you next year, but I may say that so far as we have gone we are satisfied with our purchase, and the standard profits are practically guaranteed up to August 31 next.

Nationalisation of Collieries and a National Characteristic.

With regard to the general outlook of the coal trade, we have been relieved by the Government's decision not to nationalise the collieries, not merely from a selfish standpoint, but because we felt it would be ruinous to the country, and we have proceeded with some of the schemes which we held up until the Government decision was known. It is not sufficiently appreciated by those who are not in close touch with industrial concerns that an Englishman will not do his best, unless he has confidence in his "boss," whether as a soldier in the field or a man working in office, mine or shop. It seems to me that it is possible to adopt systems in other countries under which by minute inspection and so on you can get a high measure of efficiency, but you cannot do it in this country unless each individual has confidence in his immediate superior, and the question of efficiency in management rests far more on personality than it does on the system, however good it may be. This question of personal management is becoming more and more difficult as huge concerns grow up, but it is quite impossible for this principle to rule in a Government Department, and is one of the main reasons why I am confident that State management would be a failure in this country. We are doing our utmost to maintain personal management in this Company. If there had been no Government control of coal mines and no Sankey Report I am confident that the output of coal would have been millions of tons per annum greater than it is to-day. You may ask me why? The main reasons are that it knocked the heart out of our staff, and several of our best men said they would resign rather than become Government officials; it delayed improvements until we knew whether we should get our money back; it has the effect that it makes little or no difference to colliery owners what their output is, so that in the case of collieries approaching exhaustion, if they are making a large profit on export coal, there is great temptation to reserve the coal and prolong the life of the colliery.

Nationalisation of Royalties: Objections and an Alternative.

The Government appears still to have under consideration the question of nationalisation of mineral royalties, but I do hope that wiser counsels will prevail. Soon after I started business I had a strong belief that it would be greatly to the interests of this country to nationalise the mineral resources of the country. I suppose few people except professional men have had more experience than I have had in negotiating leases during the last thirty years, and I have come to the conclusion that on the whole private ownership of royalties is the best in the interests of the community. The ideal system would be for the firm or company who work the minerals to own the royalty as well, just as it is a fine thing when a farmer owns the land which he cultivates, as this brings about an identity of interest which can be brought about in no other way, but apart from this the difficulties of dealing with royalty owners and the effect on mining arrangements are greatly exaggerated. There are awkward landlords, especially small ones, as there are awkward people in every class, but as a rule the large landlords employ mining engineers who know thoroughly what is reasonable as between the mine owner and the royalty owner. The greatest difficulty we have to overcome in connection with royalties is when the surface and the minerals do not belong to the same party, as it is possible for the surface owner to place all sorts of obstacles in the way of working the minerals, and you cannot blame him if he does not care to have his property cut up by the working of minerals in which he has no interest, even though he does receive compensation.

By assuming that the Government do own the minerals, how are they going to let them? Are they going to put them up to the highest bidder? If so, probably some speculator who has no experience of mining will make the highest bid, and the man with mining experience will be left high and dry, and the mines may not be developed to the best advantage of the community. If they do not have some system of letting by tender the Government will always be open to the charge that they favoured certain parties when several people want a particular royalty. I assume that the Government will pay a fair price for the royalties, and that they will want a fair return to pay the interest thereon. In some of our Colonies and some foreign countries where the royalties belong to the State a claim can be pegged out, or a concession is granted. What happens there is that little or no royalty is paid, but the man who gets the concession, or a group of concessions, either charges a royalty on the mineral or sells the concession, which comes to the same thing. A man told me not long ago that a company with which he was connected in one of our Colonies had had to pay £30,000 for a lease in connection with a royalty where the State owned the minerals, and received only a nominal amount. All you can do is to make it as nearly as possible "free trade" in royalties, and leave it to English common sense to work the royalties in the best way, but it is advisable that there should be some tribunal with sanctioning authority to grant leases and regulate conditions where a royalty owner is holding up his property to the detriment of the community. It was recommended in the Report of the Royal Commission on Mining Royalties, under the chairmanship of the Earl of Northbrook in 1890-1893, and of which the late Sir David Dale was a member, that the question of wayleaves should be dealt with in this way. If any of you wish to study this matter I would refer you to the Report of this Commission, which took evidence with regard to royalty systems throughout the world.

The Government Committee on the Acquisition and Valuation of Land for Public Purposes, presided over by Mr. Leslie Scott, closely examined this question and made certain recommendations, with which I generally concur, which provide for all the difficulties which need to be remedied, and my colleague, Lord Gainford, introduced a Bill to give effect to these, which has passed the House of Lords. If only the Government could be induced to adopt its general provisions I feel sure it would solve existing difficulties and facilitate an increase in the output of coal in this country.

Houses for Colliery Workers.

At our last meeting a year ago I gave you certain figures with regard to housing, and I do not apologise for again referring to the subject, as it is not only one of vital interest to the country as a whole, but is one of the controlling factors with regard to the output of coal. Moreover, the position with regard to housing has since gone from bad to worse. I have no doubt that if there had been no Housing Act at all there would have been since the cessation of hostilities many thousands of houses more either built and occupied or nearing completion, and I do not see any prospect of the Government scheme adequately meeting existing requirements.

You may say—Why do you not build the houses if the Government does not? Before the Government and the local authorities took over the responsibility of providing houses we had continually added to the number of our houses, and in the ten years before the War we spent £68,000 on the erection of new houses and the purchase of others in connection with the collieries, but the fact is that to-day it does not pay, either directly through the rents or indirectly through the increase in the output of coal, to erect houses. As you know, the practice in Durham is to give a free house or house allowance to all married colliery workers, and the following figures may be of interest to you:—

I learn that many of the new houses are estimated to cost £1,000, but to be safe I will take the cost of a four- or five-roomed cottage at £750.

	Per annum.
6% interest on this is	£45 0 0
1% for redemption	7 10 0
	£52 10 0
Add for rates, taxes (excluding income tax), repairs, empties, management, &c., 50%, or one-third of the gross rental	26 5 0
Which gives a total annual rent of	£78 15 0

Or a rent per week of 30*s.* 3*d.*

Each house accommodates, say 1¾ workers, and, as I have given you above, the output per person employed for the year 1914 was 280 tons, and 205 tons in the year 1920, but certain adverse factors have affected the output during the year, such as men returning from the War, lack of materials, &c., so that I think it would be unfair to take the output of last year, and I will assume that the output is half-way between the pre-War and the 1920 figures—viz., 242 tons per person employed. On this basis the cost of housing works out at 3*s.* 9*d.* per ton of coal.

From this you will see that at any rate in the case of old collieries it is not a sound economic proposition for either the colliery or the community to provide houses. If the colliery owner has to provide the houses himself free of rent he would require a profit of 3*s.* 9*d.* per ton on the coal to pay for the houses before any profit would accrue to him on the actual working of the colliery. Since making out these figures I see Dr. Addison indicates that the houses will be rated not on their actual value but on the old basis; this may make some slight difference in the calculation, though not a very material one.

Excess Profits Duty the Less of Two Evils.

I am glad to see from the papers that the Cabinet have decided not to proceed with the levy on capital, as I feel sure that such a tax would, over a period of years, reduce the revenue available rather than increase it, and the effect on trade and enterprise in the country would have been far worse than will be caused by the excess profits tax.

I should like to say a word about this question of excess profits. I was in favour of continuing this tax, as I could not conceive any other tax which would do less harm to the trade of the country, and I am entirely with the Chancellor of the Exchequer in asking the country to make great sacrifices to reduce the National Debt at the earliest possible moment, so as to re-establish our credit at home and abroad, but I do think that in fixing the excess profits duty at 60% the Government has gone too far. My view is that it is so heavy that it will not realise the expectations of the Chancellor and that the total amount he will collect will be very little more than if the duty had been left at 40%, as it will do away to a large extent with the inducement to efficiency and economy, and a large amount of money will be spent which would not be otherwise, because it is felt that this is coming out of the Government.

As you know, under Mr. McKenna's first Act firms had a profit standard based on the average profit in the pre-War years, or where there was no profit basis a standard was arrived at by taking a percentage on the capital invested in the business. In addition 6% interest was allowed on capital employed in excess of pre-War capital, which Mr. Bonar Law increased by 3% after the end of 1916. Further, application could be made to the Board of Referees, of which I was a member, to have the 6% and 9% increased having regard to the character of the industry. In the case of iron-works the percentage was increased by 1%, steelworks and coke oven plants by 2%, and collieries and mines by 3%, making 10%, 11%, and 12% respectively.

A great outcry has been raised against the excess profits duty on the ground that it will retard the development of trade. It is natural to ask why should this be the case; the trader is allowed anything from 9% to 12%, and in some industries even more, on his capital, and ought to be satisfied. This would go a long way towards answering the point if prices were to be stabilised at present values, but does any man expect that the present abnormal conditions will exist in five years' or even three years' time? If prices fall, the man who expends capital to-day must not only receive interest on the capital invested, but also provide, in addition to ordinary depreciation, an amount which will write his capital down to an amount at which the works could be replaced in a few years' time. To make this clear, I give you the following figures:—

Assume an expenditure on works erected to-day of £600,000; the same works would have probably been carried out before the War for £200,000, possibly in some cases for £150,000. Assume also that the profit from the new development is £100,000; in the first place you can retain, say, 10% on the £600,000, or £60,000, which is, of course, subject to corporation tax and income tax. There remains the

balance of £40,000, technically known as excess profits. Of this the Government at once takes 60%, or £24,000, leaving a balance of £16,000 also subject to corporation tax and income tax, which leaves a net figure of £10,640 per annum available for special depreciation on account of decrease in capital value, whereas I think it would not be unreasonable to expect that in five years' time it will be possible to erect works which cost £600,000 to-day for £300,000. It is prudent, therefore, to defer developments, and the country is poorer to that extent.

We have had under consideration the question of altering our financial year. There is no doubt that we cannot have a more convenient date, looking at the concern by itself, than April 30, as it comes when our timber stocks are lowest, and it enables our staff to get away for their summer holidays in reasonable time; but having regard to the very large number of returns which are required for the Government and for other purposes where the quarter year is taken as the unit, it may be found advisable to make our year end on March 31 instead of April 30. We do not wish to come to any definite decision to-day as regards this, as it might have some unexpected effect on the method of assessing our profits for taxation, but I wish the shareholders to know that we have the matter under consideration and may decide later that the present financial period should be eleven months ending March 31 next instead of the full year to April 30.

Staff Superannuation Scheme.

You will remember that shortly before the War broke out we instituted a superannuation scheme for the benefit of the staff, under which the firm contributed an equivalent amount to the members' contributions, and I am glad to say a very large proportion of our officials took advantage of the scheme. Owing to the reduced value of money, the pensions and other benefits under the fund had become quite inadequate, and we have revised the scheme on the lines of increasing both the members' and the firms' contributions and extending the benefits. We have also temporarily increased the scale of pensions under which the older members of the staff who have not had the opportunity of contributing to the Society for a sufficient number of years to give them a reasonable pension are guaranteed a certain amount.

Many of you will have heard of the sudden death of Mr. C. J. Coleby. He retired about two years ago from active work with the Company, after a service of 53 years, and for the greater period of that time in a responsible position. I think about half of the present board of directors, myself amongst the number, served under him when they first started to learn commercial work. He was in his usual state of health, and was making plans for a fishing holiday in Scotland, but he died very suddenly, with practically no warning. We all looked upon him as a friend, and the Company never had a more loyal official.

Before I sit down I wish to acknowledge again the loyal support and assistance I have had from the whole of the staff during the year.

I now have pleasure in moving "That the directors' report, the balance sheet, and the profit and loss account now submitted be received and adopted."

This was seconded by Lord Gainford and carried unanimously.

The Chairman: My next resolution is "That a dividend at the rate of 12% (free of income tax) on the Ordinary shares numbered 1 to 1,530,000 inclusive be paid on the 17th instant to members registered in the company's books on June 8."

This was seconded by Mr. E. Lloyd Pease and carried unanimously.

Lord Gainford moved "That the retiring directors, Mr. W. H. Hustler, the Rt. Hon. H. Pike Pease, and Sir James B. Dale be re-elected."

Mr. R. A. Pease seconded and the resolution was carried unanimously.

It was proposed by Mr. P. C. S. Leather, seconded by Mr. Thomas Hall, and carried, "That Messrs. Price, Waterhouse & Company be re-elected as auditors at a remuneration of £500."

The meeting terminated with a vote of thanks to the Chairman and directors of the Company, which was proposed by Sir John Harbottle and seconded by Mr. R. C. Pearce.

ELDER DEMPSTER AND COMPANY, LIMITED.

THE tenth annual general meeting of this company was held on June 8 at 23 Billiter Street, London, E.C. Sir Owen Philipps, G.C.M.G., M.P., presided, and in the course of his speech said: The accounts before you to-day show that the Company is in a very strong financial position. Our Ordinary, Preference, and Debenture capital and reserves now amount to over seven millions sterling, which shows that this old-established business has very considerably developed and expanded since the present Company was incorporated ten years ago. I am pleased to say that since last I addressed you not only have we made good our loss of ships in the War, but at the present time we have actually more tonnage afloat than we had in 1914. Besides this, we have an extensive programme of additional steamers now under construction. We took advantage of an opportunity which recently occurred to acquire a fast modern vessel built on the Clyde for foreign owners during the War, and she is now being completed as a passenger vessel for the West African trade by Messrs. Harland and Wolff. It is hoped that this fine ship, which will be named the *Aba*, will take her place in our passenger service this autumn. We have also another large new express passenger boat under construction by the same firm.

The Company's Passenger and Cargo Services.

I am glad to say that the waiting lists of passengers, both at home and on the West African Coast, have, owing to the introduction of further passenger accommodation, including an ex-German steamer allotted by the Ministry of Shipping, been worked off, with the result that the position is now practically normal. The stocks of produce that had accumulated at the various ports in West Africa have now been shipped, and it is no longer a case of goods waiting for shipment, but rather of vessels seeking for cargoes. Since I have been Chairman of the Company the principle on which we, as shipowners, have worked has been to provide the West African trade with a regular and ample service of vessels, to carry cargo for all shippers, whether large or small, on equal terms, leaving the merchants to conduct the trading side. This Company has for many years carried on a regular service from Canada to South Africa. We have now established a new service between Canada and West Africa, and the great Dominion of Canada will thus have an opportunity of participating in the developments which are taking place in West Africa, thereby forging another link in the Imperial chain. Our services between the Continent and West Africa are being resumed. Sailings to and from Rotterdam have already been inaugurated, while other ports on the Continent will be served as soon as circumstances permit.

West African Trade.

The West African commodities have, it is hoped, now found a permanent market in this country, but it behoves all interests to watch that no opportunity is lost towards further firmly establishing the market for West African products within the Empire. This Company has been engaged in providing tonnage for the development of the West African trade for nearly half a century, and its extensive organisation has been built up as the result of close and careful study of all the peculiarities incident to the business. We can justly claim to have taken no small part in promoting the advancement and development of these tropical territories. It has been our constant endeavour to keep pace with, and even to be ahead of, the development of trade and commerce in West Africa, and we intend steadily to pursue our policy of providing fully for the needs of the trade and of making adequate provision for future growth and expansion.

Some people at the present time are very concerned at the size of the nation's debt, and appear to consider that steps should be at once taken to greatly reduce that debt. In my view the most urgent national need is to encourage enterprise and energy, in order to make good as quickly as possible the losses caused by the War. A short time ago there were signs in this country of the beginning of a period of great industrial and commercial prosperity; but the increase in taxation, and, what is almost as detrimental to trade and commerce, viz., continual speeches by those in authority about further taxation, appears to be checking, and may seriously postpone, the great revival in trade. Under the proposed taxation for the year 1920 the British Government takes from all producers and traders 14*s.* 8*d.* in direct taxes out of each 20*s.* over their pre-War basis of profits, thus only leaving the concern 5*s.* 4*d.* in each £1 of profit arising from increased enterprise. In my view, it is not more taxation that the country requires, but a reduction in the present burdensome taxation, and this can only be obtained by encouraging private enterprise, combined with a reduction in public expenditure. If the country concentrates on these two vital matters, I have no fear for the future prosperity of the trade and commerce of the country.

The report and accounts were unanimously adopted.

LOUISE AND COMPANY, LIMITED.

THE twenty-fifth annual general meeting of this Company was held on June 9 at Winchester House, Old Broad Street, London, E.C., Mr. Edgar Cohen (the Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said that the duty devolving upon him was rather more pleasant than it had been for several years past. He wished to make special reference to the contingency account, standing at £2,973. In making up the accounts the exchange was always taken at Frs. 25 to the £, so that comparison could be easily made as between the figures of different years. When the balance sheet was made up the exchange was standing at Frs. 41, and this contingency account represented the difference between the two rates in respect of the profits of the past year. When the exchange righted itself the Company would, of course, reap the benefit. The amount

of business done during the past year was very satisfactory and compared almost absolutely with that of 1913—the year prior to the War. The difference of a few thousand pounds in the net result was owing to the increased expenditure. It was impossible to avoid this continuous growth in expenses, wages and salaries having gone up enormously.

With regard to the current year, for the first five months the sales had been double those of the corresponding period of 1919. The trade in London last year was the best they had had for many ears, and this year it was even better, while the Paris house and the Continental branches were showing very large increases. The total sales in Paris for the five months ended May 14, 1920, amounted to nearly £93,000—practically double the figure of the corresponding period of last year. The only difficulty at the moment was in regard to the question of exchange. They could not possibly afford to bring money home from France at the present rate of exchange, and they could only hope that in the course of the next few months the position in this respect would improve.

Monsieur Lewis Cassou seconded the motion.

Mr. Tully asked whether there was every probability of the debts due to the Company on the Continent, £41,316, being collected.

The Chairman said he was assured by the auditors that those debts were all good and would be collected in due course. Replying to further questions, he said that it should be recognised that this was essentially a millinery business, and he (the Chairman) had been asked by shareholders over and over again to keep it at that. So far as the profits of the year under review were concerned, they were almost equally divided between the Continent and London.

The motion was carried.

The retiring director having been re-elected, and the two firms of auditors reappointed, a vote of thanks to the Chairman concluded the proceedings.

INVESTMENT TRUST CORPORATION, LIMITED.

The thirty-second annual general meeting of the shareholders in this Corporation was held on June 7 at the offices, Gresham House, Old Broad Street, London, E.C., Mr. Robert Fleming (the Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts and payment of dividends, said: As our accounts have always shown, our investments are mainly in Bonds and Preference shares, and the result has been that, while our revenue has remained comparatively steady, we have not shown such results as we might have done if we had foreseen the long duration of the War and the industrial profits flowing from it, and invested in accordance with such anticipations. Indeed, to invest in securities bearing fixed rates without suffering impairment of capital has long been an uphill business. But, on the whole, I think we have fought against this strong tendency with some degree of success. This at least would be the conclusion if one were to compare the range of prices of standard investment securities at the time of the formation of the Company, those prevailing to-day, and those presented in the balance sheet.

The present market value, as the report says, varies little from that of last year. It is helped by the rate of exchange in New York on the comparatively small amount of United States securities still remaining unsold, and which we take every reasonable opportunity to realise. On the other hand, speaking generally, the market prices of practically all investment securities, from those of the British Government downwards, have fallen materially during the year. On the whole, therefore, the valuation is not unsatisfactory.

American Securities replaced by British.

Since the War began the outstanding change in the character of our invested funds lies in the fact that we have realised from sales of American securities over £2,000,000—nearly half our invested capital—and invested the proceeds largely in British Government securities, subsequently to some extent exchanged for the Preferred stocks of British industrial concerns. Such issues now give a return ranging from 7% to 8%.

A reference to our investments in Mexico might not this year be out of place. They are thirteen in number and of a book cost of about £100,000, almost all in Bonds of railroads or light and power companies. For the past six or seven years practically no return has been received from them. It is, of course, impossible as yet to say how recent changes in the Government of that country are to effect it economically, but it is reasonable to hope that after these long years of chaos something better is in store for us.

Deferred Stock: Dividend Increased.

As to revenue, it shows an improvement, and we have thought it safe to increase the dividend on the Deferred stock to 13%. As you know, this 13% is only on one-fifth of our capital.

We have during the five War years added a substantial sum to carry-forward of revenue. It is now £63,832, and this should amply provide against any possible setback in



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our revenue. Just how much our divisible revenue will be affected by the new corporation tax it is impossible as yet to tell.

Investment Trust Companies and Taxation.

Some of those who find the excess profits duty galling suggest in its place a straight tax, which the Chancellor of the Exchequer calculated would be as much as 5*s.* 6*d.* in the £. This in addition to income and super-tax. Such a tax would make an end of investment trust companies and compel them to go into liquidation. These companies, with their £150,000,000 of capital, are in a class by themselves, and are a very important element in the existing financial structure of the country. That investment trusts are not trading companies is further evidenced by the fact that their whole expense of management does not on the average reach 5% of the gross revenue collected. This association of numerous investors under investment trusts, besides reducing by wide distribution the risks to those investors, also provides a powerful instrument for raising large sums for public purposes at short notice. The grouping together is clearly in the public interest, and must naturally be done under joint-stock company law.

Is there any good reason why such trusts formed for that purpose, and having such results, should be singled out for taxation which the many hundreds of thousands of individual investors do not pay? The only plausible explanation of the application of the corporation tax to investment trusts is that certain more or less private trusts have been formed under joint-stock company law for the purpose, by limiting dividends, of avoiding payment of super-tax. This could be met by requiring all the revenue of investment trusts to be annually divided. But do not exaggerate in your minds the effect of the tax as presently suggested. As we read the Bill our tax would amount to some £7,000 a year.

Mr. H. A. Vernet seconded the resolution, which was carried unanimously.

The election of Sir William Guy Granet as a director was confirmed, the retiring director was re-elected, and the auditors were reappointed.

A resolution authorising the directors to establish a pension fund for the benefit of the Company's employees and ex-employees, their relatives, and dependants was also passed.

BUNNEY'S, LIMITED.

The twenty-third ordinary general meeting of this Company was held at the registered office, 3 Church Street, Liverpool, on Friday, June 4, Mr. A. H. Bunney in the chair.

After the Secretary had read the notice convening the meeting, and the auditors' report,

The Chairman said: I think, perhaps, you will expect me to say a few words as to the financial position of the Company, and the result of the year's trading.

This is the twenty-third year of Bunney's, Limited. The original business was founded by myself in 1885, 35 years ago. The reason for forming it into a limited company was in order to acquire the corner premises which we now occupy, and which, I think I may safely say, is the best corner site in the City to-day. As some evidence of the sound and reasonable basis upon which the capital of the Company was originally fixed, I may refer to the fact that for the last 20 years, with the exception of 1915, from 15% to 20%, free of income tax, has been paid on the Ordinary shares, in addition to a fairly substantial sum having been placed to reserve.

Policy respecting Increase of Capital.

It would appear as though the time may have arrived when more capital might with advantage be introduced into the business. Values of all classes of goods have increased enormously. The stock to-day stands at 50% more value than pre-war. The working expenses and wages have all increased in proportion.

The turnover last year represents more than twice the amount of 1914. Profits have been well maintained, and, if we had no excess profits duty to meet, the conservation of these profits would have provided the further necessary capital; but, as excess profits are—in my opinion, most unjustly—continued, the directors advise carrying forward as much as possible and at the same time recommend the payment of the same dividend as paid in the last five years, viz. 20%, free of income tax, and the carrying forward of £17,286 to the next account and for excess profits duty.

This larger balance carried forward may help us to tide over without having recourse at this stage to increasing our capital account. This I consider to be desirable, as, should we decide at some future time to develop to the extent that the trade and situation demand, a somewhat large amount would be required for development.

Excellent Position of Premises.

Since the accounts were closed the Company have acquired additional premises in close proximity to the existing premises, which admit of considerable extension. This simply means, so far as the balance sheet is concerned, a transfer from investments to property account. The possibilities in the future, if taken advantage of to the full, are great; and the facilities we now possess, in the hands of enterprising business men with command of capital, might easily extend the premises so that the Company would become one of the leading stores, if not *the* leading one, of the City. To develop to this extent would mean rebuilding and reconstruction. I know of no site equal to it for the commanding position it occupies in the very best business centre of the City. A short time ago a large London concern startled the inhabitants by their (then announced) intention to erect a mammoth store on the St. Peter's site. Were such an enterprise to be established on this site, with the possibilities of the adjoining properties, I have no hesitation in saying it is, if not quite so extensive, at any rate in other respects superior, and could not fail, under proper management, to command success.

I now have pleasure in moving that the directors' report and balance sheet be, and are hereby approved and adopted.

The motion was carried.

The Chairman: I now have pleasure in proposing that a dividend on the Ordinary shares, at the rate of 20% per annum, free of income tax, be, and is hereby declared, and that the balance, after deducting the interim dividend already paid, be payable forthwith.

This also was agreed to.

It was further resolved that Mr. Walter Bunney be, and is hereby re-elected a director of the Company; that Mr. G. Bowler, C.A., be, and is hereby elected a director of the Company, with special duties as organiser and financial adviser; and that Messrs. T. Theodore Rogers, Bowler & Co. be re-elected as auditors of the Company for the ensuing year.

The proceedings terminated with a vote of thanks to the Chairman.

EAGLE OIL TRANSPORT COMPANY, LIMITED.

The ninth ordinary general meeting of this Company was held on June 7 at Winchester House, Old Broad Street, London, E.C., the Hon. B. C. Pearson (the Chairman) presiding.

The Chairman, in moving the adoption of the directors' report and the accounts, said: Gentlemen,—The trading profits of £334,333 show a very satisfactory increase over those of last year. This result is not due to any decrease in running costs, which are, as a fact, considerably in excess of those of last year, but to the additional charter rates paid by the charterers to meet the prevailing conditions and owing to two of the new vessels having been in commission for a considerable portion of the year, thus materially increasing the earnings. You will remember that during the three previous years our charterers came to our assistance by way of contributing towards the excess running costs of the vessels due to war conditions, but during the year under review they agreed that the time had come when the original charter rates payable for the vessels must be put on a new basis in order to enable us to meet expenses which must be considered as more or less permanently established on a higher scale.

Maximum Preference Dividend declared.

The net profit for the year amounts to £323,591, and after deducting the transfer of £113,231 to depreciation reserve, calculated on the same basis as in previous years, there remains a balance of some £210,000, which compares with a corresponding figure of last year of £177,000. The amount brought forward from last year was some £30,000, thus showing a total divisible profit of £240,000. A dividend of 6% on the Preference shares has already been paid, amounting to £120,000, leaving for further division the sum of £119,727. The directors are pleased to be able to recommend the payment of a further 2% on the Preference shares, making 8% for the year, and the payment of a dividend of 8% on the Ordinary shares. It is very gratifying to your board that they are able to recommend the maximum dividend payable on the Preference shares—this in spite of the great increase in operating costs.

Turning to the balance sheet, you will note the new heading, "Amounts received in advance of calls" of £130,000. Your directors received from Ordinary shareholders an offer to pay up a portion of their uncalled liabilities, and, in view of the contemplated expenditure on new ships, agreed to accept this sum. The whole of the Ordinary shares will be fully paid up in a few months' time. The depreciation reserve now stands at £581,367. The replacement, insurance, and other reserve accounts show an increase of some £43,000 over last year.

Building and Financing: Important Developments.

The second of our 18,000-ton geared turbine vessels has been delivered. These two vessels, the *San Florentino* and *San Fernando*, have been running most satisfactorily, except that the gearing has shown a greater wear than should have taken place. For your large vessels geared turbines should lead to economical running, and we believe that when adjustments are effected this type of vessel will give wholly satisfactory service. The rapid expansion of our charterers' business has necessitated their increasing their transport facilities still further, and we were asked if we were prepared to build still further vessels for chartering on a similar long-term

charter as that in force for the present fleet. After the fullest consideration and discussion as to terms, your directors agreed to purchase or place orders for a further 13 vessels, of a total deadweight tonnage of 125,000. Orders have also been place for a number of small vessels for use in coastwise trade. The original fleet is chartered for a period ending December 31, 1930, by which date the annual depreciation written off the vessels will have reduced their book value to such a low figure that, in the unlikely event of the Mexican Eagle Oil Company not desiring to renew the charters, we should be in a position to meet any competition in the open market. The charterers have agreed, for the 13 new vessels, to make the charter for the period terminating at the end of 1938.

The financing of the new vessels is a serious matter. The charterers are undertaking to procure the additional capital necessary, and the terms upon which it will be raised are being negotiated. I am pleased to be able to report that in these discussions now taking place the Ordinary shareholders are agreeing to forgo certain of their dividend rights. This will mean that Preference shareholders will first receive 6%, after which the Preference and Ordinary shares will rank *pari passu* for further dividends up to 2% for each class of share. The Preference shareholders will thus receive their full 8% before more than 2% is paid to the Ordinary shareholders, who will, of course, then have the benefit of any further division of profits. It will be evident from my remarks that this Company is pursuing a vigorous policy, and that the increases in your fleet, rendered necessary, as they are, by the strength of its charterers, and the rapid expansion of the oil industry, together with the increased hire now being received from the original fleet, should ensure the future earnings of the Company being kept on a satisfactory level.

Mr. John Purdy (Vice-Chairman) seconded the resolution, which was carried unanimously.

CROSSES AND WINKWORTH CONSOLIDATED MILLS, LIMITED.

THE statutory meeting of the members of this Company was held on June 10 at the Chartered Accountants Hall, 60 Spring Gardens, Manchester. Sir Edward Mackay Edgar, Bart. (Chairman of the Company), presided.

The Secretary (Mr. Robert Wignall) read the notice convening the meeting.

The Chairman said: It gives me very great pleasure, ladies and gentlemen, to rise, as your Chairman to-day, in order to submit to you the first statutory report of the great combination of cotton mills in which we are all shareholders. As you all, of course, are aware, Crosses and Winkworth Consolidated Mills came into existence only in March of this year, but the various concerns which were then taken over—Crosses and Winkworth, Limited, Ward and Walker, Limited, Lord, Hampson and Lord (1919), Limited, Ainsworth Bros. and Co., Limited, W. and C. Ainsworth, Limited, and the Bamber Bridge Spinning Company, Limited, were all well-established concerns, with reputations second to none in the cotton trade. Continuity of management has been secured by the fact that Mr. Frank Wright, who took an active part in the management of Crosses and Winkworth, Limited, and Mr. Harold Kearton, who was Manager of the Bamber Bridge Spinning Company, Lord, Hampson and Lord (1919), Limited, and Ward and Walker, Limited, remain with us on our board, and Mr. Harold Kearton is acting as joint managing director of the entire business, with his brother, Mr. James Kearton.

The Company's Capitalisation.

The report before you is very short, and sets out clearly the financial position of your Company. We received for 3,000,000 Preference shares and 20,000,000 Ordinary shares the sum of £5,500,000, this amount being made up by the sale of 3,000,000 £1 Preference shares at 10s. premium, or £4,500,000, and the 20,000,000 1s. Ordinary shares at par, or £1,000,000. I may say here that Messrs. Sperling and Co., who purchased the Preference shares and Ordinary shares, received no cash profit of any kind. The result of this sale of securities is that, while the Company received £5,500,000 in cash, its capitalisation is only £4,000,000.

Two or three weeks ago Sir Herbert Dixon, at the meeting of the Fine Cotton Spinners' and Doublers' Association, passed some severe strictures on the recapitalisation of Lancashire cotton mills by London financiers, and drew a gloomy picture of what was likely to happen when the present boom in the trade was over. Others more conversant with the trade than myself have disagreed with him, notably Mr. Walter Pilling, the managing director of Joshua Hoyle and Sons, and Colonel Seddon Brown, managing director of Horrockses, Crewdson and Co., and supervisor of the Amalgamated Cotton Mills Trust. I myself agree most strongly with these latter gentlemen. During the last months I have made a very close study of the cotton industry, and I can see nothing to warrant the pessimism of Sir Herbert—much as I realise that any expression of his opinion on the subject is worthy of the deepest consideration. In any case, I do not think you need be nervous on this score in the case of your Company. Taking into consideration our cotton position, the capitalisation of Crosses and Winkworths Consolidated Mills shows spindles standing at a figure that compares favourably with the majority of similar concerns in Lancashire.

Cotton Goods: Supply far behind Demand.

In no way has the production of cotton goods been able to overtake the demand; and with the reduced world's spindlage caused by reduction of working hours, fire, and destruction of plant during the War, it does not appear that the shortage will be filled for some years to come. I am informed that it would be impossible to build and equip a new mill in under three years, and that at what almost amounts to a prohibitive cost. It must be borne in mind that the increased buying power of the labouring classes will most certainly stimulate the permanent demand; and in the case of Egyptian yarns this is even more accentuated owing to the enormous increase in rubber tyre production, particularly in America. During the last two months or so the market for Lancashire goods has been more or less dormant, to a very large extent owing to the uncertain financial position. But in the long run the market must finally be governed by the law of supply and demand and by the fact that there is still an unquestioned shortage of cotton goods.

We have lately had a readjustment of wages in the trade, and cotton operatives are now earning sums that were undreamt of prior to the War. I would be the last to oppose any legitimate demands based on the rise in living cost, and none of us will deny that the workers should benefit by the prosperity of the trade in which they are engaged. Before the War in many cases labour was underpaid. It was inevitable that when they were presented with an opportunity of getting on terms with their employers they should seize it with both hands. But now one can see signs that the great body of intelligent workers are beginning to realise that the policy of grab, of squeezing the employer to the limit, is more than likely to react on Labour itself if carried any further. Appetite comes by eating, and demands in many trades have reached such a point that to-day many of the responsible trades union leaders and the great army of sensible—hard, common-sensible—workers are beginning to realise the danger, and are not a little frightened at the greedy monster they have raised. It is a truism that Capital and Labour are interdependent. We are all in the same boat—a boat labouring against a head wind and a heavy sea. In this country we are good sailors—we are used to heavy seas—and I am optimist enough to believe that, given good direction, our ship would be the first to weather any storm that we may be called upon to meet. The great danger seems to be that our pilot insists on going full speed ahead, heedless of the falling glass. When I speak of the pilot I mean the Chancellor of the Exchequer.

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An Indictment of the Excess Profits Duty.

I will not apologise for referring once more here to his excess profits duty proposals. The War wealth levy is dead, and, judging from what Mr. Chamberlain said in the House of Commons on Tuesday, we are confronted with the prospect of this tax as a permanent feature of the yearly Budget. It seems to me that there can be no subject of more vital interest to any great combination such as ours than the suggestion of a 60% tax of this nature. Although the cotton industry at the moment may be exceptionally prosperous, and so able to bear this tax better than others, it, like every other trade, must finally depend on the prosperity of the community; and the taxation now proposed hits at the very heart of the nation. Just as Capital and Labour are interdependent, so the thousand and one trades that make up the commercial life of this country are interdependent. No trade in England can be well doing for any length of time if industry generally is in a bad way.

I have just been speaking of "Labour." It would be very interesting to know the real opinion of the Labour Party, representing a very large proportion of the total electorate, on this subject. We have had no lack of pronouncements from their various spokesmen at one time or another, pronouncements which show that on this subject at least there is a very clearly marked division in their ranks. One Labour member during the course of debate said that a 100% tax, and not 60%, was the ideal. Mr. Clynes, the acting leader of the Party, gave it as his opinion that he hoped the Chancellor would reconsider his proposal, and make it 80% instead of 60%. And finally, Mr. Graham stated that "the Labour Party regards the excess profits duty as bad, wasteful, useless, and dangerous." Whom can we take as their spokesman? We will ignore the 100% expert. No good purpose can be served by tilting against windmills—or windbags. But I must admit I rubbed my eyes in amazement over Mr. Clynes. For the very morning on which I saw a report of his speech I had been reading a most admirable poster with his photograph attached, in which he and several others of the most responsible Labour leaders emphasised more strongly than I am capable of doing the fact that the salvation of this country lies in production, and production alone. Of course he is right. But will he explain to me in what way he imagines that an 80% excess profits duty will help production of anything except that of bankruptcy policies? I am a child in the realms of politics. And perhaps there is some hidden motive that impels Mr. Clynes to play to the gallery and enunciate theories that in his heart of hearts he knows to be absurd. If not—I challenge him to show me how an 80% excess profits duty will stimulate production. One hundred per cent., 80%, 60%—it is all a question of degree and time—the result must surely be the same in the long run. And at the risk of vain repetition I am going to try and make plain the fact that such a duty must without peradventure stifle industry and harness a cruel bearing-rein on the efforts of those among us whose life-work it is to produce.

Withdrawal of Capital from Productive Employment.

Money—capital—is the very vein matter of industry. Without it the commercial life of this or any other country must cease. Labour is dependent on employment, and employment is furnished by the people who are able to put up the money to pay wages. The excess profits duty of 60% at one fell swoop snatches away £300,000,000 a year that would otherwise be invested in production. Instead of being paid out in dividends and reinvested in some producing concern, this gigantic sum of money will be withdrawn from its proper use in order to meet the bills on armaments, or shipping control, or the Civil Service. What can this mean but so much the less development and growth of industry, so much the less production, and, in consequence, so much the less employment? Secondly, Labour must depend to a very large extent on the establishment of new enterprise. But this duty makes it impossible for any new business to be set up in competition with old-established firms. A certain number, a growing number, among the leaders of industry are raising their voices against this tax. But, as a matter of fact, they are doing so only because they are sufficiently long-sighted to see what it means to themselves as well as to everyone else in the end. There are many manufacturers who appear to be incapable of realising so much, and who almost welcome these proposals as being the finest protective wall that they could have wished to have erected. The concessions promised to the new man must be very great indeed to give him a chance against the old-established concern. Unless I am completely wrong, this tax must surely stifle enterprise and the creation of new business. Once more, so much the less production and so much the less employment.

The Effect on Prices.

Again, manufacturers will put up the price of their product to meet the tax. Business is carried over the period between the buying of the necessary raw material and the selling of the manufactured article by the banks, who advance money on the raw material, and who are repaid when the product is sold. To-day, in almost every trade, the price of the raw material required by the manufacturers of this country is anything from three to ten times the pre-War amount, and it follows that the banks must lend from three to ten times the sum advanced in 1914 in order to enable manufacturers to carry on their business. The banks are not inexhaustible wells of gold and credit. They can only lend as much as they have got. And they have not got the money. They cannot fill a quart pot of demand with a pint of pounds sterling. The smaller manufacturers will be the first to be refused credit—it is happening now every day—and they are at their wits' end to know how to carry on. Many will have to close down altogether, or, at any rate, partially. Once more, so much the less production and so much the less employment.

The whole question seems to me to come to this—that we as a nation are spending more than we can afford. The only practical way out is to begin at the other end. Instead of piling up this very mountain of taxation, it is imperative that we should once and for all make up our minds that a brake must be put on expenditure. If a stand is not taken, and taken soon, we shall be taxed out of existence. For the year ending March 31, 1920, Mr. Chamberlain's figures show that we were paying in direct taxation (which includes income and super tax, excess profits duty, and death duty), £15 3*s.* per head of population, against £2 7*s.* for France, £2 3*s.* 3*d.* for Italy, and £5 8*s.* for the United States. We may be in a far better financial position than the first two, but no one can pretend that we are three times as rich as the latter. To look at the figures another way, this country, with its 40 odd million of inhabitants, is spending almost as much to-day as the United States, with a population nearly three times as large. It is all very well for Mr. Baldwin to say that England must pay no attention to what the other nations are doing as regards finding the money for the repayment of debt. We will all agree to that. Each country must work out its own salvation, and it is up to us, with our reputation for stability, to show the way. But must there not be a very grave danger in carrying this policy too far?

A Commercial Parallel.

Could there be a worse form of finance in the case of any corporation than to attempt to pay off its Debentures in so short a time that it has no money left for working capital, and is completely crippled in consequence? It seems to me that that is what the Government is now doing in its attempt to deal with the finances of the largest limited liability company in existence—Great Britain. Mr. Baldwin was on very much surer ground when he went on to deplore the fact that, with this weight of taxation, the nation could not save, and that the time might come when, with the falling of prices, there would be no result from taxes on business and industry. That is exactly the point I wish to make. To-day no one—neither individuals nor companies—can save, for the simple reason that the Government is seizing all the savings, and, in consequence, when the bad times come, there will be nothing left for any of us to fall back on. As things are, we cannot redeem £500,000,000 of debt in two years without crippling industry and production to a grievous extent. But it is my firm belief that we could bring down taxation to almost reasonable limits, and at the same time put aside a huge sum for debt-reduction, if only we could induce our rulers to accept facts and to practise the economy they so glibly preach.

The Appeal unto Cæsar.

Experience has shown that it is only by popular pressure that we can really get our politicians to move. If only the clamour becomes sufficiently insistent I have not the slightest doubt that we should see expenditure falling, and falling rapidly. If only at every by-election it were made clear that the voters were not going to stand for it, but were going to send to Westminster the man who gave the strongest pledges for economy, Coalitionists, Asquithian Liberals, and all the rest would be vying with one another in their efforts to prove that they and they alone understood the meaning of the word. I have such faith in the common sense of the electorate that I am sure that this will be the final solution of our difficulties. Is there nothing that we can do to make them take action at once before extravagance has landed us all in a position from which we shall be unable to extricate ourselves without disaster. Ladies and gentlemen, I must apologise again for this very long digression from the business in hand. But, as I said before, my excuse is that it would be a grave mistake to be blinded by the fact that our own trade is remarkably prosperous. In the long run we shall suffer just as much as everyone else unless this weight of taxation is lightened. There can be no doubt of that whatever.

Your directors have considered the situation, I am sure you will believe, most seriously. We are in a first-rate position, earning good money, and have an order-book filled for seven months ahead at profitable prices. Our cotton position is excellent. It is absolutely necessary that we should adopt an ultra-careful attitude, taking into consideration the general trade position of the country, but we have decided that with the Company in the flourishing condition in which it is to-day, your directors are justified in announcing that, subject to your approval, a dividend of 5% actual on the Preference shares for the six months ending September 30 will be paid on October 1 next, and an interim dividend of 10% actual will be paid on the Ordinary shares on the same date. Warrants for this dividend will be sent

out at the same time as for the Preference dividend. We feel that this much at least is due to the shareholders, while at the same time you can rest assured that we have taken a most conservative view of the situation and what is required to build up the necessary reserve. Ladies and gentlemen, I beg to move the adoption of the report.

Mr. William Ogden seconded the resolution.

In answer to a question, Mr. Holden, solicitor to the Company, explained that so far as the new Company was concerned the amount paid as compensation to the directors of the old concerns was of no importance to the present Company, as it was included in the total purchase price paid to each concern.

The report was unanimously adopted, and a cordial vote of thanks to the Chairman terminated the proceedings.

BRITISH GLASS INDUSTRIES, LIMITED.

Interim Dividend on Expanded Capital.—Present Profit, £600,000.—Estimated Profit, £1,500,000.

An extraordinary general meeting of this Company was held at Winchester House, Old Broad Street, London, E.C., on June 10, for the purpose of considering resolutions increasing the capital of the Company to £5,000,000 and altering the articles of association so as to give power to the Company to capitalise share premium reserves. Mr. C. Williamson Milne (the Chairman) presided.

In the course of his speech the Chairman said: We have now arrived at a stage in the history of this Company when the payment of a dividend has become a matter of immediate practical interest. (Hear, hear.) But your directors feel that, as a preliminary thereto, steps should be taken to bring the nominal capital of the Company into closer relationship with the actual amount of capital which has been invested in it, and with its present and prospective earning power. (Hear, hear.)

Capitalisation Scheme.

Our nominal paid-up capital stands at £1,400,000, whereas we have a sum of no less than £2,450,000 as a premium reserve. We thus have a total of £3,850,000 of actual cash capital, which has been subscribed by our shareholders. Now we propose to capitalise £2,100,000 of these premiums. We are able to recommend this proposal for your acceptance broadly on two grounds: Firstly, that it will bring the nominal capital into closer relationship with the amount of capital subscribed; and, secondly, that as a consequence thereof we shall be able to distribute the large profits we are earning, and the much larger profits which we are confident of earning very shortly, without arousing invidious or unfair criticism as to our dividend. (Applause.) The effect of the proposed resolutions will be that for every two shares now held a shareholder will hold five shares, thus bringing the issued capital up to £3,500,000.

Commercial Bank of London's Services.

As I told you at our last meeting, an option was given to the Commercial Bank of London, in consideration of their services to the Company, to subscribe for 50,000 of the existing shares at £5 per share. This will be exchanged for an option to subscribe for 125,000 of the new shares at £2 per share, and this involves, of course, exactly the same amount of cash.

Present and Future Profits.

The various businesses which we own or control are earning profits at the present time of about £600,000 per annum. (Applause.) Under this heading I include the United Glass Bottle Manufacturers, Limited, and its affiliated companies, Webbs' Crystal Glass Company, Limited, with its affiliated companies, the Queenborough Glass Works, and the British and Foreign Bottle Company. As these businesses are now making a profit of about £600,000 per annum you will readily appreciate how enormously our profits will be increased when, in addition to extensions to the above-mentioned works, the large works at Canning Town and Charlton, the Irish Glass Bottle Works, and the Medway Works are in full operation, and when dividends are being received from our other large share interests in the British Window Glass Company, Limited, and the Triplex Glass Company, Limited. It is not desirable that I should go into great detail on this subject. I may inform you that a profit from all sources of—very roughly—£1,500,000 per annum is a conservative estimate (applause) based on the present outlook in the glass trade, having regard to the fact that the greater part of our capital expenditure has been as yet unproductive.

That the time is rapidly approaching when this increased income will be coming in will be apparent when I tell you that the first three large furnaces at Canning Town are just about to be started, and that it is expected that the remaining furnaces will come into operation at the rate of one each month until the whole of the furnaces are in operation; that very shortly—not later, we hope, than August—the first of the furnaces at Charlton will also be started, as also those at the Irish Glass Bottle Works in Dublin, the Medway Works, and the British Window Glass Works. We are, therefore, on the eve of commencing to increase our profits very largely.

In my last speech I expressed the hope that the manufacture would have commenced in several of our units before now, but, owing to the prolongation of the moulders' strike and the almost insuperable difficulties of obtaining delivery of the necessary parts for our machines and furnaces, and the difficulties of building, which are common to all new enterprises at the presnet time, it is most satisfactory to be able to report to you the position in which we find ourselves to-day. (Hear, hear.)

The Large Output.

The present actual output of glass bottles, glass containers, jars, tumblers, &c., from our various works is at the rate of 170 millions per annum—(applause)—whilst, when our present programme is completed, this output should be approximately three times as great. I have not taken into account the position of other of our large subsidiaries, and the figures here may also interest you. Webbs' Crystal Glass Works manufacture all types of crystal tableware, bulbs, chemical glass tubes, &c., so that the output, in numbers, will convey very little. However, the present turnover of Webbs' Crystal Glass Works is three-quarters of a million pounds sterling per annum, and very shortly, when the additional works are in operation, this turnover will be increased to well over one million pounds per annum. The turnover of Webbs' Crystal Glass Works for the first four months of this year was 50% in excess of the turnover for that period in 1919. (Applause.) The subsidiaries controlled by what we term the Webbs' group at the present moment are manufacturing electric-light bulbs at the rate of 13 million per annum. We expect to double this figure well before the end of this year. (Applause.) These figures do not include the output from British Window Glass Company, Limited, or from our controlling interest in the Triplex Safety Glass Company, Limited, and several smaller glass works which are still to come into operation. These are figures which, I think, will astonish some of you who perhaps have not fully appreciated the magnitude of this Company's undertaking, which includes no fewer than 26 separate organisations. The demand for glassware of every kind all over the world is so insistent that your directors are satisfied that, notwithstanding our large capacity for production, the demand for the Company's products will continue to exceed the supply. Now that the trade has been re-established in this country on the largest scale, the impending development of the use of glass in directions in which it has hitherto not been used is likely to be very great, and the Company have appointed a Committee of experts to investigate this question with a view to still further extending the Company's activities.

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Paid-up Capital - - £1,500,000
Reserve Fund - - £1,500,000

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Interim Distribution of £350,000.

The matter of dividends had been discussed prior to the Budget statement, and we were then on the point of declaring an interim dividend of an amount which I am sure would have given general satisfaction. The unexpected announcement that the excess profits duty was to be continued—and, indeed, increased—compelled us to revise this intention. But while this taxation must necessarily affect the amount of profits available for distribution, I am glad to be able to assure you that our position is such—partly owing to the fact that our organisation includes a very considerable proportion of old-established businesses with favourable standards, and also partly on account of the allowance for capital to which we are entitled—that we shall still be able to pay dividends which, on a revenue basis, will make our shares a remunerative investment, even to those who bought them at the highest price they touched in the market. (Applause.) We have therefore deemed it advisable to modify our plans to some extent and to pursue the conservative policy of accumulating profits up to the end of September before making an interim distribution, September 30 being the end of our first financial year. However, you will be glad to hear that it is the intention of the board, after the completion of the purchase of the shares of United Glass Bottle Manufacturers, Limited, has taken place, to declare our first dividend of £350,000, which means 10% on the nominal share capital, as it then will be if the resolutions before you to-day are passed. This will be an interim dividend, and, as you will readily see, will represent to most of the shareholders of the Company considerably more than 10%, inasmuch as the greater portion of the capital was subscribed barely four months ago. Now, with regard to the payment of further dividends, our intention is to alter the date of our annual meeting in the future, so as to permit of the accounts of our subsidiary companies being made up to December 31 in each year. We shall then be able to prepare our own balance sheet, co-ordinating all the accounts and bringing in all the profits on March 31 of each year. We propose, however, to call our shareholders together again in December of this year, when we shall be able to lay before them the completed accounts for the period ending September 30 next. I cannot at this stage definitely promise a further dividend for that particular period, but I can say with confidence that we hope then to be able to declare another interim dividend on account of the six months from October 1920 to March 1921. (Applause.) From then onwards we anticipate being able to pay regular half-yearly dividends about June and December, and, having told you what we expect our profits to be when all the works are completed, you will see for yourselves that there is margin for these half-yearly dividends to be of a progressive character. (Hear, hear.)

The Company and Taxation.

Turning to other matters, I need scarcely say that the continuance in an aggravated form of the excess profits duty came as an unwelcome surprise to your directors. As far as this Company is concerned, we are hoping to receive due consideration from the authorities in view of the fact that the manufacture of glass is a "key" industry. (Hear, hear.) In recommending for your acceptance the resolutions, I wish to impress upon you that we who are primarily responsible for the formation, development, and control of this gigantic undertaking, regard it not only as an instrument of profit—as to that point we have no doubt whatever—but we wish to see it firmly established as a corner-stone in the reconstruction of the industrial fabric of Great Britain after the War. (Applause.)

The Chairman then put the resolutions for the capitalisation of the reserves and the alteration of the articles, which were unanimously carried.

ANTOFAGASTA (CHILI) AND BOLIVIA RAILWAY COMPANY, LIMITED.

An extraordinary general meeting of this Company was held on June 8 at Winchester House, Old Broad Street, London, E.C., for the purpose of considering and, if thought fit, passing resolutions providing for the capitalisation of £1,416,960, part of the reserves of the Company, increasing the capital to not less than £7,578,560, nor more than £8,000,000, authorising the appropriation of the sum necessary to pay up in full 1,416,960 new £1 Ordinary shares, and the issue thereof as fully paid up, and the consolidation of the new shares, together with the existing Preferred Ordinary stock and Deferred Ordinary stock, into a single class of Consolidated Ordinary stock and shares, all ranking *pari passu*.

The Hon. Charles Napier Lawrence, the Chairman of the Company, presided, and, in moving the resolution, said: Gentlemen,—We have called you here to-day for the purpose of deciding upon a scheme for dealing with the existing rights of the Preferred Ordinary and Deferred Ordinary stocks, and to make certain alterations in the articles of association accordingly. The political and general situation both here and abroad has not been sufficiently favourable for some time past to allow of any reorganisation of our capital, but to-day we consider we have arrived at a just solution of the question. The present also gives us the opportunity partly to straighten our capital account, which, at December 31, 1919, was overspent to the extent of £1,692,778. That amount has been financed out of our reserve and renewal funds, and we consider it gives a false impression of our earning power to show no charge in our accounts for interest or dividend on such a very large sum, equal, in fact, to about 17% of our total Debenture and capital stocks already issued.

I wish to summarise very shortly the existing position of the Preferred Ordinary and Deferred Ordinary stocks, *vis-à-vis* each other. In any distribution of capital assets the Preferred Ordinary stock would rank immediately before the Deferred Ordinary to the extent of the total amount of Preferred Ordinary outstanding. Then, after the Deferred Ordinary stock had been satisfied, also to the extent of the amount of that stock outstanding, the Preferred Ordinary and Deferred Ordinary would share equally in the remaining capital assets, always, of course, in proportion to the totals of each stock existing at such time. As regards dividends the Preferred Ordinary stock is entitled to 5% per annum before anything is paid to the Deferred Ordinary. After that 5% has been satisfied, the Deferred Ordinary becomes entitled to a dividend up to 10% per annum, and any amounts distributed as dividends in any one year after those two payments have been made would be divided equally between the two classes in proportion to the respective totals of each stock. In unifying the stocks you give both classes a new stock where there can be no question of difference in capital value; it will be all of one kind. The Board have studied this question most carefully, and we do not think that on the basis of any calculation you will disagree with the amounts which we have proposed should be given to each class of holder in respect of every £100 of the existing stocks as now held, namely, £106 of the new Consolidated Ordinary stock for each £100 of Preferred Ordinary, and £160 of such new Consolidated Ordinary stock for each £100 of the Deferred Ordinary. A market price of par has already been arranged for the new stock.

Since our circular was issued several very large stockholders have expressed to me their agreement that these figures are almost minutely exact in their appreciation of the values of the two existing classes of stocks. I hope you will agree with that opinion. The total capital of the Preferred Ordinary and Deferred Ordinary stocks is £4,161,600, and by the exchange into the new Consolidated Ordinary stock on the terms of the proposals now before you, the total of such new consolidated stock will be £5,578,560. The difference between these two amounts, namely, £1,416,960, will be provided by capitalising an equal amount of the existing reserve fund. The new stock, we propose, should rank for dividend as from January 1, 1920. You have yet to pass the accounts for 1919, in respect of which year we have paid a dividend of 5% on the Preferred Ordinary stock and an interim dividend of 2½% on the Deferred Ordinary. We are announcing to-day a final dividend of 6½% on the Deferred Ordinary, but the results for 1919 do not permit of any further payment on the Preferred Ordinary stock. The traffic receipts fell off greatly owing to the crisis in the nitrate industry following the signing of the Armistice, and this was not relieved in any way until the latter part of 1919. Since then, however, the position of nitrate has revived, and to May 30 we show an increase, as from January 1, of £518,040 in our gross receipts compared with the corresponding period of 1919, and of £115,625 compared with 1918. We hope, therefore, that by September 1 next we shall know sufficient of the year's prospects to enable us to make a reasonable interim payment on the new Consolidated Ordinary stock.

Sir Robert Harvey seconded the motion, which was carried unanimously.

At separate meetings of the Preferred Ordinary stockholders and the Deferred Ordinary stockholders, held subsequently, the proposal was also unanimously approved.

IRVINE'S SHIPBUILDING AND DRY DOCKS CO., LTD.

The twenty-fourth ordinary general meeting of this Company was held on June 7 at Winchester House, London, E.C., Mr. Clarence C. Hatry presiding.

The Chairman, in moving the adoption of the report and accounts, said: The total net profits for the year amount to £143,610, showing a very satisfactory increase of £32,698 over last year's figures. A balance of £118,484 is available, which your directors recommend should be appropriated as follows: To pay a dividend on the Ordinary shares of 8% per annum for year ended December 31, 1919, less income tax, £1,760; to pay a final dividend on the Preference shares of 2*s.* per share, less income tax, £30,000; to pay a final dividend on the Ordinary shares of 1*s.* 4 4-11*d.* per share, less income tax, £30,000; to place to credit of reserve account, £10,000; leaving to carry forward and to pay excess profits duty of £46,724. In view of my connection with the Commercial Bank of London, which was responsible for the issue of the capital of this Company in its present form, it is particularly gratifying to myself to feel that from its inception its career has been one of steadily increasing prosperity. (Applause.)

We feel that, in view of the sound state of its finance and the hopeful outlook for the future, we are thoroughly justified in recommending these increased dividends. I am glad to be able to report that the extensions at both our shipyards have now been completed, also that Government control over our works has at last come to an end. We have at the present time a large number of orders on our books, and we have every reason to hope that our graving docks will be fully occupied during the current year with repair work.

Referring to the proposed capitalisation scheme, the Chairman said : The main object of the resolutions which you will be asked to pass is to bring the nominal issued capital more in accordance with the true value of the assets. The present Company will go into voluntary liquidation, and a new Company will be formed with a similar name. This will have a capital of £740,000, of which £300,000 will be in 8% Cumulative Participating Preference shares of £1 each, fully paid, and £440,000 in new Ordinary shares of £1 each. The profits of the new Company available for distribution are to be applied, first, in payment to the holders of the new Cumulative Participating Preference shares of a fixed cumulative preferential dividend of 8% per annum; and, secondly, the balance will be divided equally between the two classes of shares.

Mr. Peter Haig Thomas seconded the resolution, which was carried unanimously.

At separate meetings of the holders of the Preference and Ordinary shares, and at an extra-ordinary general meeting of the Company, resolutions were unanimously passed approving the proposed scheme.

THE HENRIETTA RUBBER ESTATE, LIMITED.

The eighth ordinary general meeting of this Company was held at the offices, London House, New London Street, E.C., on June 8, Mr. W. H. Shelford (Chairman of the Company) presiding.

Mr. John Owler, A.C.I.S., representing the secretaries (Messrs. Paterson, Simons and Company, Limited), having read the notice convening the meeting and the report of the auditors,

The Chairman said : Gentlemen,—I have the pleasure to submit for your adoption to-day the eighth annual report and accounts to December 31, 1919, and, as they have been in your hands for more than the statutory period, you will no doubt be willing to take them as read.

"Record" Output : "All-in" Cost Reduced.

The directors are very pleased to be able to present you with one of the best, if not the best, statements of account we have yet had. Our output has been the largest we have had so far, and I am glad to say that the cost of production continues to show a progressive decrease, the last three years' "all-in" cost having been 11.26*d.*, 11.01*d.*, and now 10.82*d.* per lb. respectively. Owing to better prices, the margin of profit is 50% more than it was last year, and brings us once more within the operation of the excess profits duty.

I do not think that there is very much to call attention to in the accounts. You will observe that we have thought it desirable to bring up the reserve account to £15,000, and this, together with our capital issued of £82,480, represents in round figures the amount that had been spent up to date in developing the property, buildings, and machinary, plus a sum to cover our current commitments.

Reserve Land available for Planting.

A complete survey of the Company's estate has now been made and is set forth in the report. You will see that the reserve available for planting amounts to 778 acres. The policy of the board has been to plant up reserve land year by year in blocks of 100-150 acres. It has seemed desirable to them, in view of the uncertainties of the future connected with such questions as bark renewal, spread of disease, and so forth, to have new rubber coming round to replace the older fields which may require resting, or, possibly, for some other reason, be put out of action for a time. During the War these extensions could only be done out of revenue and balances carried forward from previous years. In the opinion of the directors it is desirable that this policy should be continued, as it conserves the strength of the Company and makes for the maintenance of a steady dividend should circumstances become adverse.

The directors are quite sensible of the usual temptation to increase present dividends, and especially in these difficult times, but you cannot eat your cake and have it too, and they are of opinion that a conservative distribution of profits is for the benefit of the estate and of shareholders.

"Conditions most satisfactory."

Mr. A. B. Milne, the visiting agent, has retired from the position to take up other activities in the East, and is to be succeeded by Messrs. Mansergh and Tayler. In his final report on the estate Mr. Milne writes that its general condition is most satisfactory, and the directors are gratified to learn from him that in the absence of the manager, who is at home on leave and is with us to-day, Mr. Elliot, the acting manager, appears to be handling things in a very efficient manner. We are informed that the assistants are all working well, and the thanks of the shareholders are due to them and to Mr. Wood, who has managed the estate since the foundation of the Company and for some years previously.

I understand from Mr. Wood that the estate is exceptionally free from disease. It is not entirely free, I regret to say, from brown bast, which seems to be the most puzzling of all diseases yet encountered. No remedy appears to have been discovered, and those cures that have been tried seem to me to be so drastic as to be as bad as the disease itself. The idea appears to be gaining ground that the disease is due to overtapping, and that it is best prevented by adopting a system of alternate day tapping. The tendency all round seems to be to conserve the strength of the trees, and this supports the directors in their conservative policy.

Dividend Distribution.

After making provision for all necessities and due depreciation on buildings, machinery, etc., the directors are happy to recommend a final dividend of 10%, free of income tax, which, together with the interim dividend paid on December 29 last, makes a total dividend of 15% for the year, free of tax, which is equivalent to 21½%, less income tax.

If there are any questions which shareholders desire to ask I shall be glad to answer them to the best of my ability. Meanwhile I beg to move : "That the directors' report and statement of accounts for the year ended December 31, 1919, submitted to this meeting be, and the same are hereby, received and adopted."

Mr. F. O. Streeten seconded the motion, and it was adopted unanimously.

The Chairman next moved : "That a final dividend in respect of the year 1919 be and is hereby declared of 10%, free of income tax, on the amount paid up or credited as paid up on the 82,480 shares in the capital of the Company."

Mr. H. E. R. Hunter seconded the motion, and it was carried unanimously.

On the motion of Mr. Ste. Croix, seconded by Mr. Gibson, the auditors (Messrs. Ford, Rhodes and Ford) were re-appointed.

The proceedings then closed.

CAAMANO TENGUEL ESTATE, LIMITED.

The tenth annual ordinary general meeting of this Company was held on June 10 at the offices of the Company, Orient House, New Broad Street, London, E.C., Mr. A. Simson (the Chairman) presiding.

The representative of the Secretaries (Messrs. Kilburn, Brown & Co.), having read the notice convening the meeting and the auditors' report,

The Chairman said : Gentlemen,—Before beginning, I will apologise for the absence of one of the members of our board, Mr. Enrique Stagg, who is not in the country at the present moment. I assume that you will, as usual, allow me to take the report as read.

Smaller Crop : Larger Profits.

The results of the past year, as the accounts show, are a great improvement on those of the previous year, giving an increase in the net profit of over £14,000, and this result has been achieved in spite of a smaller crop than we have experienced since the Company was formed. The outturn was only 19,314 quintals, against 25,552 quintals in 1918 and 36,145 quintals in 1917, but the profit was greater than in either of those years owing to the fortunate circumstance of the very high price realised. This averaged $31.38 per quintal, against $14.71 in 1918 and $16.27 in 1917, which illustrates



graphically the enormous variations that take place in the yield owing to climatic conditions, and in the market owing partly to the same cause, and partly to the special conditions brought about, firstly, by the Great War, and, secondly, by the inconclusive and unconcluded peace.

The "Monilla" blight, to which I referred last year, has, I am glad to say, shown signs of abatement.

Provision for Estate Improvements.

Our net profit, as mentioned in the report, amounts to £19,525 10*s.* 7*d.*, and, with the balance brought in from the previous year, we have a sum of £27,348 4*s.* 2*d.* to dispose of. Guayaquil Loan Sinking Fund absorbs £1,619 10*s.* 6*d.*, and we have thought it desirable to add £5,000 to the reserve fund, especially as we must look forward to considerable outlay on the improvement of communications on the estate by road construction, which is essential to the economical working of this estate. We recommend a dividend of 4% on the Ordinary shares and 8% on the Preference shares, carrying forward a balance of £7,659 13*s.* 8*d.* into the current year.

New Estate Manager.

Your Estate Manager, Mr. Flores, has resigned his post, and Mr. Federico Stagg has been appointed to succeed him, having previously visited various tea plantations in India and cocoa plantations in Ceylon in order to study the methods in practice in those countries, with the view of gradually introducing such improvements as may be practicable into the working of your estate. Your directors, faced with the necessity of appointing a new Manager, felt that they could not make a better choice than that of a gentleman of high education and character, a member of the family so vitally interested in the success of the estate, and intimately acquainted with the country and the conditions of labour. The enthusiastic reception accorded by the employees to Mr. Federico Stagg on his taking up his duties on the estate is, your directors hope, a good augury for his success. I do not think there is anything else I can usefully bring before you, but if anyone would like to ask any questions I shall be very happy to answer them to the best of my ability. I now beg to move: "That the directors' report and accounts for the year ended December 31, 1919, be and are hereby received and adopted."

Colonel A. G. A. Durand, C.B., C.I.E., seconded the resolution, which was carried unanimously.

The Chairman next proposed: "That a final dividend of 4%, making 8% for the year, be paid upon the Preference shares, and a dividend of 4% for the year be paid upon the Ordinary shares."

Colonel Durand seconded the motion, which was unanimously adopted.

The retiring director (Mr. Enrique Stagg) was re-elected, on the motion of the Chairman, seconded by Sir R. P. Ashton.

On the proposition of Mr. S. J. Woolf, seconded by Mr. C. J. Elton, the auditors (Messrs. Deloitte, Plender, Griffiths and Co.) were reappointed for the current year.

The proceedings then terminated.

CALGARY AND EDMONTON LAND CO., LTD.

The ordinary general meeting of this Company was held on June 11 at No. 8 Princes Street, London, E.C., Mr. Ernest Chaplin, Chairman of the Company, presiding.

The Secretary (Mr. F. Roche, F.C.I.S.) read the notice convening the meeting and the report of the auditors.

The Chairman, having reviewed the accounts, said: During the year ordinary land sales amounted to 10,848 acres, which, although a slight decrease as compared with the area sold in 1918, we consider quite satisfactory. The average price realised—namely, $11.44 per acre—shows an increase of $1.09 per acre over the price obtained in 1918, which is also satisfactory. During 1919 we paid two dividends, amounting together to 1*s.* 5*d.* per share, and we have also paid, since the closing of the accounts, a dividend of 9*d.* per share in respect of the current year.

A Reminder to Shareholders.

Whilst on this subject of dividends, I think it well once more to repeat that we are simply a realisation Company, and that the time will come when the Company, having disposed of all its assets and distributed the proceeds thereof, will be wound up, and there will be nothing more to come to the shareholders. It is very essential, therefore, that the shareholders should themselves (out of the dividends which they receive) create a sinking fund to represent the amount of their original investment.

Our agents report that there has been a fair demand for farm lands during the past year, and that a large portion of our sales has been in respect of land situated in a district where most of our lands now remaining unsold are located. This is satisfactory, as until recently it has been difficult to interest would-be purchasers in that particular district, owing to the land having a certain amount of wood on it. This objection, however, appears to have been overcome, and buyers are apparently now coming forward for the land at steadily advancing prices. For the first five months of the current year we have sold 3,725 acres of ordinary land at an average price of $12.71 per acre, an increase in price of $1.27 per acre as compared with that obtained last year.

Petroleum Leases.

As you will have observed from the report, we cancelled during the past year five petroleum leases covering 2,673 acres, leaving the total area now under lease at 4,765 acres. The question of making available for legitimate development the mineral rights vested in the Company has, as you are aware, often been considered, but up till a short time ago nearly all the proposals have been more or less of a speculative character. Recently, however, a most important oil company decided to investigate the possibilities of the existence of petroleum in Western Canada, and, as a result of negotiations which were entered into, an agreement has now been made with our Company, and also with other very influential interests having large land holdings in that part of the country, under which the petroleum rights on lands within certain specified areas will be reserved on terms for the oil company in question. Generally speaking, the terms are that we should reserve our petroleum rights until October 1 next, and that on that date the oil company will lease such of the rights as they desire, at a rental. Boring will then proceed, and, in the event of oil being found, our Company will receive a substantial royalty on the production. We understand the oil company are spending a very large sum of money in systematically looking for petroleum, and, if they are successful in finding it under our lands, it is hardly necessary for me to say that it would be most profitable for our Company. The latest information we have received from our Winnipeg agents on the matter will probably be of interest to you. It is as follows:—

> Prospecting for oil along the east slope of the mountains is being systematically and energetically carried on, and it is felt that ultimately discoveries of oil of immense value will be found, but the exact location is problematical."

This is quite satisfactory as far as it goes, as it shows that the oil company are devoting their energies to discharging their obligations to us under their agreement in a serious and energetic manner. We can now only patiently await the result of their investigations.

Financial Position.

The following particulars of the present financial position of the Company will probably be of interest to you: We have unpaid instalments, cash, securities, &c., amounting to £137,000, approximately 49,000 acres of land and sundry townsite lots still unsold, and the mineral rights (coal, oil, gas, &c.) on approximately 1,200,000 acres

The Chairman concluded by moving the adoption of the report and accounts.

Mr. C. B. Balfour, C.B., seconded the motion, which was carried unanimously.

UNITED SUMATRA RUBBER ESTATES CO., LTD.

The eleventh annual ordinary general meeting of this Company was held on June 11 in the Council Room of the Rubber Growers' Association (Incorporated), 38 Eastcheap, London, E.C., Mr. P. E. Hervey, the Chairman, presiding.

The Chairman said that the operations of the year 1919, though not without their troubles, showed a marked improvement in earnings, both rubber and coconuts giving record crops, with substantial profits. The tapping of the rubber trees was carried out with care under the system of shallow tapping, which was all-important; the manufacture of the latex was good, and buildings and machinery were maintained in working order. There was little or no sign of diseases or pests. They could not expect to escape the ever-increasing cost of carrying on the mercantile affairs connected with plantations abroad, having regard to such questions as food supplies in Sumatra, exchange, taxation, freights, and warehouse rates in London. As a whole they had done well, and would have done even better but for the abnormal fluctuations in the Dutch exchange and the high price of rice. The average exchange in the accounts was Gls. 10.97, as compared with the par of exchange of Gls. 12.10 per £ sterling. The higher cost of rice had swollen estate expenditure by nearly £8.700. The handsome increase in crops had enabled them to overcome these difficulties. The yield of rubber was 1,110,063 lb., or 320 lb. per acre over the total area of 3,462 acres under tapping. This moderate average was accounted for by the fact that on Serapoh Estate there was a good deal of young rubber from which the yield was comparatively small. The crop exceeded that for 1918 (when tapping was restricted on account of the scarcity of shipping) by 241,340 lb. Copra gave 7,705 piculs, an increase of about 700 piculs. The estimates for the current year were 1,298,000 lb. rubber and 9,550 piculs copra. No new planting

was undertaken in 1919, as it would not have been prudent to increase the force of coolies when there was a scarcity of foodstuffs.

The balance sheet showed an increase of £10,000 in the issued capital, which was £120,000 on December 31. The new shares offered to members were over-subscribed. Since December 31 the capital had been increased and £100,000 of reserve capitalised, the distribution of shares being at the rate of five new shares for every six old shares. This operation made the issued shares more representative of the capital employed.

The estate cost of the rubber produced was 10⅝*d.* per lb., and the net proceeds just over 1*s.* 11*d.* per lb., and, deducting taxation, &c., there was a profit of nearly 11*d.* per lb. on rubber—a result on which they might congratulate themselves. From copra they had a substantial addition to their resources in a profit of £8,327 on a cost of production of £7,666. This was satisfactory, as hitherto the coconut plantations had given little or no help towards the dividend. Government control of this produce was removed some time ago, and prices had since shown a wide range. The present price of Straits copra in London was about £50 per ton c.i.f.

Previous Dividends Surpassed.

The gross profit for the season was £61,301, and, after deducting £3,817 for Dutch income tax, and providing for London charges and depreciation, the balance was £58,760, or just under 49% on the issued capital of £120,000 at December 31. The dividend was 39$\frac{7}{12}$%. The highest hitherto paid was 41⅔% in 1916. English taxation diminished the dividend by nearly 10%, a large sum having to be reserved for excess profits duty, which took toll to the extent of £11,350, calculated at the rate of 40% as compared with pre-War standard. Against the crop for 1920 they had sold forward about 237,000 lb., including some of the lower grades, at an average of 2*s.* 2½*d.* ex warehouse Singapore.

The report and accounts were unanimously adopted, and a final dividend of 3*d.* per share on the 2,200,000 shares now issued was declared.

INDIA GENERAL NAVIGATION AND RAILWAY COMPANY, LIMITED.

The annual ordinary general meeting of this Company was held on June 11 at the offices of the Company, Orient House, New Broad Street, London, E.C., Mr. A. Simson (the Chairman) presiding.

The representative of the Secretaries (Messrs. Kilburn, Brown and Co.) read the notice convening the meeting and the report of the auditors.

The Chairman, in moving the adoption of the report and accounts, and the declaration of the dividends recommended, said: The accounts show a net profit of £124,928, which, with the balance of £28,604 brought in from the previous year, gives us £153,532 for disposal. We trust you will approve of the manner in which we propose to deal with this sum. Of the £43,070 added to insurance reserve, £23,070 is to replace actual losses incurred, and paid for, due to the cyclone, leaving a net addition to the fund of only £20,000. Further loss will have to be met in the reconstruction of seriously damaged vessels salved after the date at which the accounts were made up. To the general reserve £20,000 has been allocated, which is none too large. The dividends recommended are the same as last year, and are, as before, free of income tax.

Surplus on Revaluation of Rupee Assets.

The accounts, as you will have observed, have been presented in a somewhat more concentrated form than has hitherto been the case, the publication of detail being not only unusual, but liable to be detrimental to the Company's best interests. We trust, therefore, that the new departure will have your approval. I may also call your attention to the altered treatment of the balance sheet in regard to the value of the rupee. All items which figure in Indian currency have, on the advice of your auditors and after very careful consideration by the board, been converted into sterling at the rate of 2*s.* per rupee, the rate fixed by Government as the gold value of that coin. The result of this revaluation of certain liabilities and assets is for the moment a surplus of £140,521, which has been placed to a suspense account to meet any further exchange adjustments that may become necessary. The actual rate for remittances at date of the balance sheet was 2*s.* 4*d.*, but we have preferred to adopt the new "standard" rate. This, however, does not apply to our profit and loss account, for the sterling amount of our profits depends upon the rates at which we can get the Indian profits remitted, and the average rate of our actual remittances during 1919 was 1*s.* 9$\frac{25}{32}$*d.*, which rate has therefore been applied to our profit and loss account.

The Year's Earnings.

The large sum of £362,135 in stocks and stores represents mainly new material for ship construction and repair, both in transit and in store. The general freight earnings at Rs. 27,88,000 are mainly 9 lakhs, or, say, over £90,000, less than in the previous year, chiefly owing to the serious disorganisation and loss of block occasioned by the cyclone. The railway did well, the net earnings amounting to Rs. 425,240, but this item will in future disappear from the balance sheet, the line having been taken over by Government. The adjustment of this transaction will appear in the current year's accounts, and will come before you next year. We are sorry to lose this branch of our business, which has since its inception yielded the Company a net profit of over Rs. 21,00,000. The concession was originally acquired by the firm of Messrs. Kilburn and Company, who, without any profit to themselves, made over to the Company free of cost what has proved such a valuable acquisition to its business. Apart from the annual earnings from the railway, the Company realises a capital increment of Rs. 5,36,809 upon its acquisition by Government, and the board think it right and fair to recommend you to authorise that, out of this sum, a grant of Rs. 25,000 be made to the Managing Agents in recognition of the services they have rendered to the Company in the matter, and as some compensation for the loss of commission they will sustain in future.

New Construction and Repairs.

The condition of your fleet has continued to occupy the attention of the Managing Agents, and the number of vessels docked shows a small increase. Salvage work and repairs of damage caused by the cyclone have occupied much time and labour, but at the same time new construction has not been neglected. The major portion of the Company's vessels impressed for Mesopotamia have been repurchased from Government, and a few of them have been returned to Calcutta and are in our service once more. The remainder will, I presume, not be returned to us till later on in the year. To meet the expansion of trade which is taking place, and in order to maintain the good service we have always endeavoured to render to the public, a number of new vessels are also being added to your fleet, involving a cost of some £800,000.

Reasons for Conservative Distributions.

With regard to the general position of the Company, if any of you should think that we are not generous enough in our counsel of moderation in the distribution of profits, I must point out to you the considerations we have to keep before us and the conditions under which we have to work. By the loss of the Mymensingh-Juggernathgunge Railway we sacrificed a net profit of upwards of £15,000 a year, which has been hitherto a valuable contribution to our profit and loss account. Expenditure, in present world circumstances, continues to grow—in the enormously increased cost of constructional material and stores, in the general upkeep and repair of our fleet, in the enhanced scale of wages of our large crews, and in the necessarily improved remuneration of our officers and superior staff. At the same time, we have to prepare to meet shortly a considerably heavier outlay on office rent, and expenditure will have to be incurred on the difficult housing problem for our shore officers. It has been necessary also to increase the Company's contribution to the provident fund, besides extending its membership, with a corresponding additional provision, to joint company employees. I might perhaps also mention here that the depreciation of our investments in Government Loans has not yet been dealt with. In the past it has been possible not only to economise in charges by more effective supervision, but also to meet competition by successive improvements in the carrying capacity and working of our vessels. Although we hope still for further progress in these directions, our efforts can no longer be expected to operate as extensively, and with the same efficiency, as in the past. In calling your attention to all these difficulties I wish you to know the reasons we have for seeking in the present unsettled times to husband the Company's resources. Provided we do this, I look forward with confidence to weathering the storm of unsettled conditions now raging around us, and to emerge later on, let us hope, unscathed once more into the calmer surroundings of normality.

In further remarks the Chairman expressed deep regret at the loss by death of two of the Company's most useful and loyal officers, Mr. Arthur Pointon and Captain A. J. Brame.

Mr. G. C. Kilby seconded the resolution, which was carried unanimously.

On the motion of Sir Stephen Finney, C.I.E., seconded by Mr. J. C. Shorrock, it was unanimously resolved to authorise a grant of Rs. 25,000 to the Managing Agents of the Mymensingh-Juggernathgunge Railway.

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The retiring director, Sir Stephen Finney, was re-elected, and the appointment of Mr. J. C. Shorrock to a seat on the board was confirmed.

The auditors, Messrs. W. A. Browne and Company, London, and Messrs. Lovelock and Lewes and Messrs. Meugens, Peat and Company, Calcutta, were reappointed, and the proceedings then terminated.

Brakpan.—Capital issued, 834,600 £1 shares; 160 stamps. Ten tube mills now working.

Year ends Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Pr. ton	Expenses Amt. £	Expenses Pr. ton	Profit Amt. £	Profit Pr. ton	Price end of Period
1917 ...	110	677,500	14½	1,168,454	34/6	694,451	20/6	474,003	14/0	5⅝
1918 ...	111	617,100	13½	1,089,950	35/4	723,643	23/5	366,317	11/11	3¼
1919 ...	111	544,200	14.13	1,038,585	38/2	723,259	26/7	315,436	11/7	3 1/16
1920.										
Mar. qr.	—	143,700	—	256,084	35/9	215,810	20/1	40,274*	5/8	3⅛
April ...	—	38,500	—	74,146	38/6	66,505	34/7	7,641†	3/11	2 3/32
May ...	—	47,200	—	82,887	35/1	72,875	30/10	10,012‡	4/3	2 7/32

* Excluding gold premium, £58,795.
† Excluding gold premium, £8,732.
‡ Excluding gold premium, £10,960.

Dividends—1917, June, 22½; Dec., 25 per cent.
1918, June, 20; Dec., 12½ per cent.
1919, June, 12½; Dec., 15 per cent.

City Deep.—Capital £1,250,000, in £1 shares. 200 stamps and tube-mill accessories. Capacity 80,000 tons per month.

Year to Dec. 31	Stps.	Tons Milled	Sorting %	Revenue* Amt. £	Revenue* Pr. ton	Expenses Amt. £	Expenses Pr. ton	Profit* Amt. £	Profit* Pr. ton	Price end of Period
1917 ...	154	744,100	14½	1,469,953	39/6	796,137	21/5	665,569	17/11	3⅜
1918 ...	154	670,100	9¾	1,274,970	38/0	821,768	24/6	453,202	13/6	2¼
1919 ...	154	617,800	9·04	1,180,942	38/4	856,198	27/10	324,744	10/6	3 5/16
1920.										
March qr.	—	166,000	—	358,581	43/5	241,172	30/5	117,409	13/0	2⅛
April ...	—	60,000	—	118,876*	39/7	83,170	27/8	35,706	11/11	2 3/32
May ...	—	78,400	—	144,402†	36/10	118,882	30/4	25,520	6/6	2⅜

* Gold calculated at 102/6 per fine oz.
† Gold calculated at 105s. per fine oz.

Dividends—1917, June, 22½; Dec., 22½ per cent.
1918, June, 20; Dec., 7½ per cent.
1919, June, 10; Dec., 13¾ per cent.

Crown Mines.—Capital £1,000,000, in 2,000,000 shares of 10s. each; issued, 1,880,212. £573,500 Five per Cent. Debentures. Milling capacity about 230,000 tons per month.

Year to Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Pr. ton	Expenses Amt. £	Expenses Pr. ton	Profit Amt. £	Profit Pr. ton	Price end of Period
1917 ...	660	2,100,000	8¼	2,700,095	25/9	2,026,129	19/4	673,966	6/5	2 1/32
1918 ...	660	1,861,000	9¼	2,528,760	27/1	2,118,055	22/8	410,705	4/5	2¼
1919 ...	660	1,845,000	11·15	2,702,708	27/10	2,241,943	23/2	460,765	4/8	3 3/32
1920.										
Mar. qr.	—	548,000	—	849,071	31/1	617,436	22/8	231,635	8/5	3¼
April...	—	182,000	—	260,677*	28/8	212,981	23/5	47,696	5/3	2 1/16
May ...	—	189,000	—	280,032†	29/7	216,775	22/11	63,257	6/8	2⅜

* Gold calculated at 102 6 per fine oz.
† Gold calculated at 105s. per fine oz.

Accumulated slimes profits included.

Dividends—1917, June, 20; Dec., 20 per cent.
1918, June, 15; Dec., 5 per cent.
1919, June, 5; Dec., 35 per cent.

Geduld Proprietary.—The capital authorised is £1,500,000; issued, £1,171,229, in £1 shares.

Year ends Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Pr. ton	Expenses Amt. £	Expenses Pr. ton	Profit Amt. £	Profit Pr. ton	Price end of Period
1917 ...	77av.	425,550	7.5	631,364	29/8	418,526	19/8	212,838	10/0	38/0
1918 ...	100	513,200	10.1	747,906	29/2	513,634	20/0	234,242	9/2	1 3/32
1919 ...	100	516,000	2.7	776,468	30/0	522,867	20/2	253,601	9/10	3 3/32
1920.										
Mar. qr.	—	132,000	—	251,223	38/1	151,544	23/0	99,679	15/1	2 3/32
April...	—	42,000	—	71,033*	33/10	50,011	23/10	20,992	10/0	2 3/16
May ...	—	43,500	—	74,259†	34/1	51,171	23/6	23,088	10/7	2

* Gold calculated at 102/6 per fine oz.
† Gold calculated at 105s. per fine oz.

Profits include sundry revenue.

The sorting in this mine is both on surface and underground; very light on surface.

Dividends—1917, June, 5; Dec., 5 per cent.
1918, June 5; Dec., 6¼ per cent.
1919, Dec., 16 per cent.

Modderfontein B.—Issued capital £700,000, in £1 shares. Plant of capacity 720,000 tons per annum.

Year to Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Pr. ton	Expenses Amt. £	Expenses Pr. ton	Profit Amt. £	Profit Pr. ton	Price end of Period
1917 ...	96	517,500	15⅓	1,193,650	46/2	502,535	19/5	691,115	26/9	8⅛
1918 ...	100	605,500	15⅓	1,253,614	41/5	596,103	19/8	657,511	21/9	7⅛
1919 ...	104	649,500	14·52	1,423,827	43/10	728,472	22/6	695,355	21/4	9⅛
1920.										
Mar. qr.	—	152,000	—	363,510	48/7	198,064	26/4	170,446	22/3	7
April ...	—	50,000	—	111,118*	44/5	67,497	26/11	43,621	17/6	6 9/16
May ...	—	50,200	—	116,630†	46/5	67,6.0	26/11	49,030	19/6	6 5/16

* Gold calculated at 102/6 per fine oz.
† Gold calculated at 105s. per fine oz.

Dividends—1917 June, 40; Dec., 45 per cent.
1918, June, 42½; Dec., 40 per cent.
1919, June, 45; Dec., 47½ per cent.

Modder Deep.—Capital £500,000, in £1 shares. Milling started December 14, 1914. Plant capacity 44,000 tons a month.

Year ends Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Pr. ton	Expenses Amt. £	Expenses Pr. ton	Profit Amt. £	Profit Pr. ton	Price end of Period
1917 ...	70	494,400	4⅓	964,393	39/0	403,217	16/4	561,176	22/8	7⅛
1918 ...	70	506,100	5¼	1,031,475	40/9	441,614	17/5	589,861	23/4	7⅛
1919 ...	70	507,200	9.98	1,107,372	43/5	466,551	18/5	640,721	25/6	2 1/16
1920.										
Mar. qr.	—	127,500	—	358,801	57/1	139,089	21/10	219,712	35/3	2⅜
April...	—	41,100	—	103,622*	50/5	46,488	20/2	57,134	30/3	2 7/16
May ...	—	40,800	—	104,471	51/5	46,937	23/0	57,534	[28/5	2⅜

* Gold calculated at 102/6 per fine oz.

Dividends—1917, June, 40%; December 45%.
1918, June 47½%; December, 50%.
1919, June, 50%; December, 65%.

Modderfontein.—Capital, £1,400,000, in 10s. shares. Fifteen tube mills in use.

Year to June 30	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Pr. ton	Expenses Amt. £	Expenses Pr. ton	Profit Amt. £	Profit Pr. ton	Price end of Period
1916-17	180	656,700	14	1,423,500	43/4	638,483	19/5	785,017	23/11	20⅛
1917-18	195av.	684,100	8	1,559,177	45/7	725,913	21/3	833,263	24/4	2/4
1918-19	236	920,500	10.41	2,018,901	43/10	929,102	20/2	1,089,799	23/8	26⅛
1919-20.										
Sept. qr.	236	218,500	11.10	486,728	44/7	235,318	21/7	251,410	23/0	28
Dec. qr.	236	230,600	8.33	517,063	44/10	240,574	20/10	276.489	24/0	35¼*
Mar. qr.	—	263,400	—	678,700	51/9	292,842	22/3	385,858	29/6	4
April ...	—	86,400	—	211,024†	49/1	99,434	23/1	111,590	26/0	3⅛
May ...	—	83,000	—	212,333‡	49/4	101,448	23/7	110,885	25/9	3 1/16

* £4 shares now split into 10s. shares.
† Gold calculated at 102/6 per fine oz.
‡ Gold calculated at 105s. per fine oz.

Returns include profit from accumulated slimes.

Dividends—1917, June, 16¼; Dec., 18¾ per cent.
1918, June, 21⅞; Dec., 30 per cent.
1919, June, 32½; Dec., 37½ per cent.

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NOTICE is also hereby given that the Transfer Books in respect of Debenture Stock will be closed from the 23rd to the 30th June, 1920, inclusive.
By Order of the Board,
J. H. TRAVIS,
Secretary.
Gorton, Manchester,
10th June, 1920.

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Business communications should be addressed to the Manager.

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The Statist.

LONDON, SATURDAY, JUNE 19, 1920.

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The Money Market.

Friday, June 18, 1920.

	Current Rate %	Fixed	Previous Rate %	Fixed
Bank of England Rate...	7	(April 15, '20)	6	(Nov. 6, '19)
Deposit Rates :—				
Banks & Discnt. Ho. (Call)	5	(Apr. 15, '20)	4†	(Nov. 6, '19)
Discount Houses (Notice)...	5¼	(Apr. 15, '20)	4½	(Nov. 6, '19)

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.

† Foreign and Colonia banks give Special Rates only upon deposits for a year

Discount Rates :—	60 Days. %	3 Mos. %	4 Mos. %	6 Mos. %
Treasury Bills ...	—	6⅛	—	—
Bank Bills ...	6½	6 11/16	6 13/16	7
Trade Bills ...	—	7–7¼	7¼–½	7½

THE MONEY MARKET.

LAST Saturday's Public Income and Expenditure return, taken in conjunction with the previous return, illustrates how much quicker and easier is the process of increasing the floating debt than that of reducing it, and shows, what is sometimes apt to be lost sight of, how deeply the Money market may be affected by the longer-dated debt acting through the medium of the floating debt. For the sudden borrowings on Ways and Means Advances which have taken place from time to time were, in many instances, caused either by the necessity of repaying some portion of the longer-dated Government obligations, or, as happened quite recently, of making large interest payments thereon. Thus, one of the dangers of the floating debt lies in the enormous size of the more permanent debt.

From the point of view of the national finances the effects are equally harmful for both forms of debt If there is an insufficiency of revenue, as generally happens, to meet large maturities of Treasury bills (in excess of sales) or principal or interest payments on the long-term debt—that is, after other current expenditure has been met—borrowing on Ways and Means Advances is the inevitable result. For the Money market the ultimate results are different. The immediate result is the same in both cases—namely, an increase in the supply of floating funds. But whereas

Treasury bills are held chiefly by the market, the other Government securities are held by the outside public, and principal and interest payments in connection with these securities ultimately either drift into the Stock markets or result in increased spending and consumption. It may be noted, in passing, that such interest payments form a pure addition to the currency of the country or to the banking deposits, which constitute potential demands for currency, without any compensating addition to the national wealth.

There is another important aspect of the matter which has been foreshadowed above. Everyone is aware that the end of the current fiscal year will find us with a net reduction on the year effected in the floating debt, estimated at about 70 millions. Nevertheless, not only is it possible, but it will be an accomplished fact that even when such net reduction is made, there will still remain the mischief caused by temporary increases in the floating debt which will have taken place in the meantime. This is only in the nature of things. When the Government borrows from the Bank of England on Ways and Means Advances, a superstructure of credit is created many times the amount of such advances. It is therefore much more important to prevent temporary increases in the floating debt, particularly in Ways and Means Advances, than to effect a net reduction over a protracted period.

To sum up then, the chief dangers attendant on the huge floating debt arise through insufficiency of revenue in any one week to meet maturing obligations of the long-term debt, after providing for other current expenditure, and to meet a large excess of Treasury bill maturities over sales and renewals. There is, therefore, a necessity for a more effective control on the part of the Government not only of the floating debt but also of the more permanent debt. In the latter case the necessity is not less apparent, because though it is more certain in its operation, and its effects are therefore more capable of being discounted in advance, yet this aspect is a more favourable one only for the Money market, for the Exchequer has only too often found itself as helpless to provide for principal or interest payments of the funded debt, as in the case of the floating debt. The remedy must therefore be so to use Exchequer resources as to have ample funds available for contingencies of this nature. Thus, if the Government assets were liquidatd with more expedition, the proceeds being definitely earmarked to meet debt obligations, and being allowed to accumulate until there arose sudden demands on the Exchequer of the nature above described, our finances would be in a much less hazardous position than they are at present, when portions of such extraneous revenue are included with ordinary revenue week by week at times when the necessity for such inclusions is not urgent. Much might be done by a loan such as the Treasury bond issue, but the response to this issue up to the present has unfortunately proved hopelessly inadequate. Later on, of course, the volume of subscriptions may be greater, but meanwhile it would be worth while to make another issue for the same purpose which would be designed so as to appeal to a wider class of investors. However, it must be repeated that the necessity of preventing sudden additions to the floating debt is far more urgent at the moment than that of reducing the net total according as the means to do so become available.

The steady and continuous increase in the currency note circulation which has been a feature of the returns ever since April 21, forcing the fiduciary issue step by step near to the fixed maximum, brings up again for consideration the whole question of the note issue. In conjunction with many other things, it shows that wages, currency, and prices are still vieing with one another to have the last word. The recent wage increases which have taken place in many industries are undoubtedly responsible for the increase in the note circulation at a time when one would normally expect it to decline. As we have previously pointed out, the Treasury is endeavouring to prevent this expansion from forcing up the fiduciary issue to the legal maximum by reducing the proportion of the uncovered portion of the issue to the whole; but despite this precaution, the movement has resulted in making the banks more conservative in the matter of granting credits. This latter is always one of the first phases in the process of reducing prices from the financial end, and there are not wanting instances, such as certain textiles and metals, where it has already brought about lower prices. But there are two aspects of its effects which require to be carefully considered. In the first place, a restriction of banking credit will force speculators in commodities to unload and thus bring about a reduction, temporary at all events, in the prices of those commodities. This process does not put any great hardship on industry, for of those commodities in which speculation is rife the price is raised artificially, and the lower prices which succeed are but justified by the conditions of their production. But, in the second place, a restriction of banking accommodation may go further and strike at legitimate trade, retarding production. This is quite a different matter, and it is unquestionably a very bad method of reducing prices, which restricts the output of commodities. Of course, the bankers make every effort to discriminate between demands for credit for legitimate trade and for speculative activities, but, even so, once the policy of reducing currency and credit is embarked upon it will be difficult to avoid hitting at production. The example of the United States proves this. Starting by withdrawing accommodation from speculators, the banks found that in time, even in the case of trade demands, they had to

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discriminate between "essential" and "non-essential" industries, with the result that many concerns, thitherto perfectly sound, were driven into the Bankruptcy Court. Moreover, it must not be forgotten that the Federal Reserve system of the United States is a much more admirable instrument for instituting financial developments than our own banking system.

We are not suggesting that the experiment is one which should not be attempted; we are merely emphasising the necessity for conducting it with extreme caution. Now, it is open to grave doubt whether the arbitrary fixing of a fiduciary maximum at £320,600,000 should not be reconsidered with a view to giving more elasticity to the currency. The limit might be justified if, at the end of last year, we had reached the culminating point of the rise in the price-level and that prices had meanwhile began to return to a more normal level. But, as everyone knows, prices have continued mounting up during the past five months, though now, indeed, they show signs of wavering. What is wanted is a system whereby the expansions and contractions in the volume of currency will be more in relation to trade requirements. Again, we cannot help pointing to the system in America as an example, though that is not above criticism, under which the volume of currency is determined chiefly by the volume of commercial bills, and hence by the volume of trade activity. Let us repeat that we do not deny that much good might be done by attacking prices from the monetary side—but only within certain well-defined limits. Finally, there are other channels to which attention might profitably be directed, such as, for instance—not to mention speeding up production—making our transport facilities more efficient on land, harbours, and seas, and increasing the rapidity of circulation both of currency and credits.

Yet a further addition to the outstanding total of notes was made during the week ending June 16. The net addition, however, is only £599,393—the smallest for the past five weeks. As £350,000 was again added to the reserve the fiduciary issue did not increase correspondingly and the reserve ratio rose from 10.9% to 11%. The uncovered notes now total £315,195,927—only £5,404,073 from the legal maximum.

With expenditure below the average at 10.9 millions there was a surplus revenue of 5.4 millions during the week ending June 12. Treasury bill sales were 49.3 millions, or 6.2 millions in excess of maturities. Thus a fair portion of last week's borrowing on Ways and Means Advances from the Bank of England was enabled to be liquidated. The actual reduction in Ways and Means Advances was £11,150,000, reducing the indebtedness to the Bank by 9 millions to 49½ millions, and to public departments by 2.1 millions to 174.3 millions. The net reduction in the floating debt was therefore £4,834,000, and the total now stands at £1,301,020,000.

Short loans were in fair request during the week, but floating funds were ample and quotations varied between 4% and 5%. The demand seemed to be growing towards the end of the week, and there was, accordingly, a tendency for the majority of the business to shift towards the upper quotation. There was a strong inquiry for weekly money at 5½%. In the Discount market interest again centred in short-dated paper, and the longer maturities were avoided owing to the uncertain outlook for the autumn. Nevertheless, towards the end of the week the banks were taking the short paper less freely and autumn maturities began to show an easier tendency.

Conspicuous among the movements in the Foreign Exchange market was the improvement in the New York rate. Yesterday the cable rate had reached 3.99⅛, but, though better on the week, it was quoted lower to-day at 3.97¼. Francs and lire improved steadily. Paris cheques were dealt in around 49.90 and Brussels cheques around 48.32½. The Italian rate hardened to 65.50.

BANK OF ENGLAND.

The current return reveals a further inprovement in the position of the Bank. Despite the allocation of £350,000 in notes to the Currency Note Redemption Account, the circulation has been contracted during the week by £201,000 to £114,166,000. An addition of £983,000 raises the total bullion to £117,690,000, the highest figure recorded except in the return for the week ended March 17 last, when it reached £118,270,000. The amount of the reserve has thus risen during the week by £1,185,000 to £21,195,000. The latest official return of income and expenditure shows that the revenue has exceeded the expenditure by nearly £5,500,000, whilst receipts from Treasury bills exceeded maturities by over £6,000,000. This condition of the National Exchequer is reflected in the Bank return. The Government has reduced its liability under Ways and Means Advances by £3,697,000, the total of Government securities being reduced in consequence to £70,802,000. In addition, public deposits rose by £1,818,000 to £21,259,000. Meanwhile, other deposits were depleted to the extent of £4,320,000, falling to £132,554,000, and the market was furthermore obliged to seek assistance from the Bank to the amount of £23,000. Liabilities were reduced during the week from £156,334,000 to £153,830,000. Consequently the ratio moved up 1% to 14.3%.

NEW YORK.

The movements which featured in the previous combined statement of the Federal Reserve Banks, namely, an increase in unliquid paper and in deposit and note liabilities, seem to have been reversed during the week ending June 7 with advantage to the banks. The total bill holdings were reduced by 48.1 millions to $2,925,850,000, including a reduction of 41.3 millions in rediscounts, which had reached a high "record" in the previous week. The Government paper held was increased by 5.3 millions to 307 millions. The decline in deposits during the week more than offset the expansion of the preceding week. Last week, it will be remembered, the Federal Reserve note circulation was the highest ever recorded. This week it declined by 15 millions to $3,112,210,000, which figure is surpassed only by that according to the previous statement. The gold stock received a further addition of $4,210,000 to $1,965,060,000—the highest since March 1. The net additions to the gold holdings during the last three weeks total 25⅓ millions. As a result of these movements the reserve ratio rose to 43%—the best since the week ending April 12. It compares with 42.5% last week and 52.7% a year ago.

The Money market was easier, call money ruling at 7%.

BULLION.

India and the Cape resumed buying in the Gold market this week, and Switzerland and America sent orders towards the end of the week. The price declined to 103*s.* 2*d.* per oz. fine to-day.

Even last week's violent fluctuations in the Silver market were surpassed by the movements this week. Continental selling continued. China was at one time a seller and at another a buyer, while the buying orders from India were interspersed with selling orders on account of the decline in the exchange. The American price ruled considerably above the parity with us, and America entered the market as a buyer.

On Saturday last the spot quotation was 50½*d.*, and on Monday 44½*d.*—a drop of 5¾*d.* per oz. On Thursday it was quoted 44⅜*d.*, and rose to 49½*d.* on the following day, remaining unchanged to-day.

It is reported that the repurchase clause of the Pittman Act has been extended so as to enable the Mint to purchase silver reduced from foreign ores at the market price. This is, of course, only a natural course to take, seeing that market rates have gone below the equivalent of $1 per oz. fine, and it should support the London market to some extent.

Stock Exchange.

WHATEVER turn of cheerfulness the markets seemed inclined to take on Monday was quickly stopped by a fresh outburst of Paris liquidation. Nearly all markets were affected and prices suffered considerably. Matters were not helped by the public on this side, who showed very little inclination to buy, the bulk of the orders being to sell. On Wednesday, however, a reaction began to develop. The stream of Paris selling slowed down and sentiment became more "bullish." This was in part due to an expectation, whatever the grounds were for it, that the increased excess profits duty would not be enforced. Moreover, fears of dearer money were less in evidence. Indeed, in some quarters tentative predictions of a lower Bank rate were made.

The Gilt-edged section opened on Monday with a firm tone, which, however, quickly disappeared, to the detriment of holders. Towards the end of the week matters brightened up again and Consols, Funding Loan, War Loan Fours and Fives, and Victory Bonds closed better on the week. Indian issues declined. The result of the recent Corporation issues became known on Thursday afternoon, when it was seen that the underwriters were left with 84% of the Cardiff portion, 77% of the Croydon, and 69% of the Bradford portions. Dealings commenced on Friday, and Cardiffs were quoted at ½ discount, Bradfords at $\frac{3}{16}$ discount, and Croydons at ½ discount. Colonials were quiet.

The Foreign market was particularly affected by the Paris selling and price declines were many and severe. Among the stocks which turned against holders were the Uruguay Fives of 1896 and the first and second series of Japanese Fours of 1905. Mexican 6% Treasury bonds declined from 55½ to 53½, and the Fives of 1899 fell from 42 to 41½. Brazilian Fours of 1911 lost a point to 54½. Chilean Four and a-Halfs of 1886 declined to 65½.

Home Rails were pressed for liquidation and prices suffered again, but it became evident towards the end that bargain-hunters were at work attracted by the high yields, and a much firmer tendency marked the close. Great Northerns, South Eastern Deferred, London and South-Western Deferred, Lancashire and Yorkshires, and London, Chatham and Dover Ordinary were conspicuous in the rallying movement.

Argentine Rails followed the course of the other markets. They opened with a decidedly weak tendency, but began to recover subsequently. Among the better features at the close were Cordoba Centrals, Guenos Ayres Great Southerns, Buenos Ayres Westerns, and Central Argentines. It was reported that General de la Huerta had decided to hand back the Mexican Railway to the owners, but no confirmation is forthcoming so far.

Little activity was forthcoming in the Industrial markets, and with very little tendency to buy or sell price movements were few and unimportant. Marconis were a bright feature after the report, with a rise to 3⅜, though they closed under the best. Textiles were steady, but shipping descriptions suffered further. Dunlop Rubbers improved and some support was forthcoming for Associated Cements and Tobacco shares. British Oil and Cake Mills were not helped by the report, and, indeed, were subject to considerable selling. Insurance and nitrate shares developed little interest.

The Oil section did not prove able to bear up against Paris selling in the beginning, but developed more confidence as time went on. Nevertheless, business was more or less confined to the favourites. Royal Dutch were subject to speculation on the rights, and Burmahs were affected by the publication of the report. Closing quotations for the leaders were: Shells 9⅞, Scottish-Americans 33*s.* 6*d.*, Mexican Eagles Common 9⅞, and the Preference 9⅛, Royal Dutch 63⅛xr, Tankers 9*s.* 9*d.*, Burmahs 17.

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Mining Topics.

DEPRESSION was again the characteristic feature of this market at the opening, and the feeling was accentuated by fears of fresh realisations in connection with the reported failures on the Paris Bourse. Wednesday witnessed a complete absence of sales on Continental account. Furthermore, it became known that the South African banks were about to reduce their exchange rate from 8% to 6%. Under this joint impetus, a long-needed rally set in, the leading Kaffirs responding promptly to the cheering news. Despite the lack of confirmation of the reduction in the South African exchange rate, the market continued active on Thursday. Johnnies constituted a feature with a rise of 1*s.* 9*d.* to 29*s.* 3*d.*, whilst Modder B found favour at 6⅝. De Beers Deferred were again in the ascendancy, finishing strong at 21½. To-day it is announced that the exchange rates on London in force in South Africa since June 15 are 6½% discount for the purchase of telegraphic transfers and 7% for demand drafts.

Generally speaking, it can be said of the interim dividends just declared that they are in advance of those declared at the corresponding period of 1919, but that in many cases they do not afford such favourable comparison with the final dividends for December 1919. Shareholders have been visualising the large premium on gold, especially during the first quarter of 1920, but apparently have not allowed for the great increase in wages and the advance in the realisation charges. Taking into account as well the present state of the price of gold, there is no doubt but that the directors have acted wisely in conserving their resources. In the Johnnies group, whilst the Langlaagte Estate dividend is only 6*d.* per share, as compared with 1*s.* 6*d.* per share in December 1919, the dividend of 4*s.* of Government Areas and of 5*s.* of Van Ryn Deep is the same as those of December last. The outstanding feature of the Rand Mines coterie is provided with New Modderfontein, whose dividend of 4*s.* 6*d.* per 10*s.* share is well in advance of the December 1919 dividend of 30*s.* on £4 shares.

MASON AND BARRY.

THE nature of the report presented by this Portuguese copper mine for the year ended December 31, 1919, comes as no surprise to its shareholders. A circular issued in October 1919 stated that no improvement had taken place since the holding of the previous annual meeting in April. Despite a more favourable rate of exchange between Portugal and the United Kingdom and a rise in the price of copper, food and other conditions on the mine were reported to be worse, with the

result that the working costs continued to grow. Moreover, difficulties were still being experienced in securing adequate shipping. Consequently the ore exported from the port of Pomaron for the first nine months of 1919 only amounted to 23,790 tons—an increase of only 4,000 tons over the corresponding period of 1918, when the War, with all its contingent disadvantages, was hindering transport. Conditions improved in this respect during the closing quarter of the year, with the result that there were shipped in the last three months of 1919 as many as 17,958 tons. However, owing to the adverse circumstances prevailing during the greater portion of the year, the net results were unfavourable, as can be seen in the following table, in which a comparison with the results of previous years is also furnished:—

Year to December 31—	1919	1918	1917	1916	1915
Ore shipped (tons)	41,827	35,490	43,529	202,176	168,118
Average price copper ...	£90 19 4	£115 11 6	£125 2 5	£116 1 3	£72 12 8
	£	£	£	£	£
Net profit	6,047*	772	29,984	110,486	59,737
Brought forward	34,891	35,120	36,138	21,298	18,113
Total available	28,844	35,892	66,122	131,784	77,850
Allocations:					
Dividend	18,517 (10%)	Nil	18,517 (10%)	83,327 (45%)	55,552 (30%)
Staff pension fund ...	3,000	1,000	1,000	1,000	1,000
Writings off	—	—	1,485	11,319	—
Carry-forward	7,327	34,892	35,120	36,138	21,298
	28,844	35,892	66,122	131,784	77,850

* Loss.

Whilst the total ore shipped was some 6,000 tons in excess of the quantity exported in 1918, the actual quantity of the ore broken and raised at the mine amounted only to 60,522 tons, in comparison with 80,079 tons in the difficult year 1918. Furthermore, the increase in the quantity shipped was more than offset by the decline in the average price of standard copper from £115 11*s.* 6*d.* in 1918 to £90 19*s.* 4*d.* in the year under review. Financially the working operations resulted in a net loss of £6,047, which compares unfavourably with the meagre profit of £772 in 1918, and more unfavourably still with the profit of £29,984 in 1917. It can be perceived that, with a depreciation in investments of £2,110 and a charge of £14,307 in respect of income tax, that the net loss does not appear so formidable as at first sight. Yet despite these facts—a poor output, a low average price of copper, a net loss of £6,047—after carrying £3,000 to the staff pension fund, a dividend of 10% is declared for 1919, absorbing £18,517, and a balance of £7,327 is carried forward to the next accounts, in comparison with £34,891 brought forward from 1918. Not warranted by the accounts of the year under review, the dividend is justified by the more favourable outlook for the current year. According to the directors, an important contract has been entered into for the sale of pyrites for a number of years. It was, indeed, owing to the increased demand for pyrites towards the end of 1919 that the final results were not so unfavourable as the returns for the opening nine months foreshadowed. The prosperity of the mine, in the opinion of the Chairman, was now mainly dependent upon the market for pyrites rather than the market for copper. Having guaranteed an outlet for this product for a number of years, the directors felt justified in paying a dividend of 10% for 1919. They, moreover, held that the demand for pyrites was about to increase in the immediate future. It is evident that, should this forecast prove true, the future position of the mine will be improved correspondingly. Meanwhile, the balance sheet as on December 31, 1919, shows that the Company is in a good financial condition. Liabilities, including the £18,517 required to pay the dividend for 1919, do not exceed £99,101, whereas the total of liquid assets available amounts to £178,164. This does not include the stock of ore, which is valued at £93,942, as compared with £90,307 in 1918. In the market the £1 shares stand at 28*s.* 9*d.*, and yield, on the basis of the 1919 dividend, a return of 7%. It is obvious that the price is based not so much upon the last dividend as upon the belief in the future prospects of the mine—a belief which finds some support in the contract for the sale of pyrites.

EAST POOL AND AGAR.

"It will be remembered that, at the special request of the Government, the output of tin during 1918 was much increased, and the rich reserves of the mine were encroached on, consequently general working conditions were dislocated and development neglected in order to comply with national requirements." In this pregnant sentence the report of this Cornish tin-mining Company for the year ended December 31, 1919, accounts for the rather remarkable discrepancy between the results achieved in 1918 and in 1919. With the cessation of hostilities there was no longer any necessity for the hasty utilisation of the richer ore deposits. Consequently, during the year under review every effort was made to remedy the position and to revert to normal working conditions. Great difficulty was occasioned early in the year by the steady inflow of water, which was accentuated by several breakages of the Cornish pump. As considerable time elapsed before the necessary repairs could be effected, the result was that the 240-fathom level became inundated and months elapsed before work could be resumed there. Repairs deferred under the pressure of the War had also to be executed, and the outlay in this connection not only on the engines and boilers, but also on the treatment plant at Tolvaddon, called for a rather heavy expenditure. According to the report, were it not for the interest received on the investments of the Company there would have been a loss on the year's working. The actual results of operations during 1919 and a comparison with those of the previous three years are furnished in the accompanying table:—

	Years ended December 31			
	1919 Tons	1918 Tons	1917 Tons	1916 Tons
Ore crushed	65,895	75,401	77,287	81,395
Black tin output	1,004½	1,280	943½	914½*
Wolfram output	72	57¼	71	100½
Arsenic output	588½	419¼	488¾	526½
	Lb.	Lb.	Lb.	Lb.
Tin yield (per ton)	34.15	38·03	27.3	25.16
Wolfram yield (per ton)	2·44	2·72	2.0	2·8
Arsenic yield (per ton)	20·01	12·47	14·2	14·5
	£	£	£	£
Tin value	138,150	249,544	129,263	94,495
Wolfram value	5,502	10,237	12,876	17,543
Arsenic value	21,892	30,495	34,062	12,434
Total produce value	165,664	290,517	176,260*	124,646*
Average price per ton, tin ...	137½	195	137	103⅜
,, ,, ,, wolfram ...	76½	178½	181½	174½
,, ,, ,, arsenic ...	37½	72½	69½	23⅜
	s. d.	*s. d.*	*s. d.*	*s. d.*
Produce value (per ton milled) ...	50 3	77 0	45 7	30 7
Total costs (per ton milled) (*a*) ...	48 11	49 7†	30 3	24 9
	£	£	£	£
Working profit	11,814	103,055	61,442	24,304
Depreciation	6,323	4,271	1,791	7,826‡
Net profit	5,521	103,784	59,651	16,478
Dividends	15.000 (10%)	60,000 (50%)	24,060 (25%)	13,674 (15%)
Reserve	—	16,898	—	—
Balance profit	*(Loss)9,479*	26,886	35,591(*b*)	2,804
Brought forward	13,762	16,876	1,285	*Dr. 1,519*
Carried forward	4,283	43,762(*c*)	36,876(*b*)	1,285

* Includes small quantity of copper and tin-selcelite.
† Including excess profits duty (about 9*s.* per ton).
‡ Including £6,007 written off development account.
(*a*) Costs include royalties.
(*b*) £20,000 of this balance profit capitalised.
(*c*) £30,000 of this balance profit capitalised.
NOTE: Not all the produce of one year is sold the same year.

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F. C. SALTER, *European Traffic Manager.*

The quantity of ore crushed is the smallest for many years, being over 9,500 tons below the level of 1918. The reduction in the tin output from 1,280 to 1,004½ tons bears evidence to the utilisation of the lower grade ore. On the other hand, it will be noted that the outputs of wolfram and arsenic have risen, the quantity of the latter being recorded at 588¾ tons, as compared with 419¾ tons in 1918. Price statistics reflect the disappearance of the abnormal conditions created by the War. Tin, retailed at an average price of £195 in 1918, returns to the former level of £137½. Wolfram, which fetched £178½ in 1918, only commanded an average price of £76½ a ton during the year under review. And in this connection it may be recalled that South Crofty, faced with this remarkable slump in the price of wolfram, held on to its stock sooner than dispose of it at such a sacrifice. The fall in the case of arsenic was scarcely less pronounced, the price of £37¼ in 1919 comparing with £72⅔ in 1918. The joint result is that the produce value per ton milled stands at 50*s.* 3*d.*, as compared with 77*s.* in 1918. This decline has by no means been compensated for by any great reduction in the working costs, which are only 8*d.* per ton lower at 48*s.* 11*d.* That under these conditions there is only recorded a working profit of £11,844, instead of £108,055 in 1918 and £61,442 in 1917, is readily comprehensible. An interim dividend of 10%, absorbing £15,000, represents the reward of the shareholders, and to pay this dividend it was necessary to encroach on the net balance of £13,762 brought forward from the last accounts, thereby leaving to be carried forward to the next accounts a balance of £4,283 only. Taking into consideration the fact that £50,000 of the issued capital represents bonus shares awarded in 1917 and 1918, the current dividend is really at the rate of 15% on the paid-up capital, and is therefore a generous return in view of the difficult nature of the year under review.

For the current year it is generally held that the prospects are much brighter. The famous rich Rogers lode continues to contribute increasingly to the output. During 1919 it accounted for over 61% of the total ore crushed. Owing to the dislocation produced in 1918 little main development work could be done in 1919, as attention had principally to be devoted to exposing ore for immediate stoping requirements. Yet such work as was carried out bore evidence to the rich nature of Rogers lode. In the main west drive of the 212-fathom level ore averaging 43 lb. of black tin and wolfram per ton was exposed over a width of 6 feet; whilst in the west drive of the same level ore yielding 34 lb. of black tin and wolfram per ton was disclosed for 9 feet. In the main west drive of the 240-fathom level for a width of 6 feet the ore averaged 36 lb. of black tin and wolfram per ton. During the current year it will be possible to go in more extensively for this main development work, the scheme including a north cross-cut at the 252-fathom level in order to open up the Rogers lode at that depth. As regards working operations generally, the installation of the new electrical pumping plant in conjunction with the repairs to the treatment plant, have improved the position since the opening of the current year. The financial position as disclosed in the balance sheet at the end of 1919 is very strong. Sundry liabilities do not exceed £87,231, whereas the amount of liquid assets available is over £168,213. It is of interest to note also that the stocks held are much larger than in 1918. Tin concentrate held at the end of 1919 was valued at £4,935, as against £260 only in 1918. The stock of arsenic is returned at £5,700, in contrast with £1,995; whilst wolfram is down at £3,330, as compared with £1,750. The disposal of these stocks during the current year at the better prices prevailing should improve the position of the Company materially in comparison with 1919. In the market the 5*s.* shares are quoted at 9*s.* 1½*d.*, and in view of the general prospects of the mine are decidedly attractive at this price.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, June 16, 1920.

Issue Department.

Notes Issued	£135,179,240	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	116,729,240
	£135,179,240		£135,179,240

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£70,802,366
Rest	3,206,385	Other Securities	78,812,669
Public Deposits	21,258,594	Notes	21,013,845
Other Deposits	132,553,808	Gold and Silver Coin	930,873
Seven-day and other Bills	17,666		
	£171,589,453		£171,589,453

Comparison with Previous Four Weeks [00,000's omitted.]

Date 1920.	Circulation	Coin and Bullion	Deposits: Public	Deposits: Other	Securities: Govt.	Securities: Other	Reserve	Ratio Reserve to Liabilities	Bank Rate *	Three Months' Bills
	£	£	£	£	£	£	£	%	%	%
June 16	114,1	117,6	21,2	132,5	70·8	78·8	21,9	14·3	7	6½
June 9	114·3	116,7	19,4	136·8	74 4	78,7	20,7	13·3	7	6½
June 2	113,8	114,4	21,2	127,3	66,6	80,5	19,0	12·9	7	6½
May 26	111,4	112,4	16,6	101,1	34,3	81,7	14,3	16 5	7	6½
May 19	110,8	112,4	20,0	101,3	36,5	82,6	19,9	16·5	7	6½
J'y22,'14	29.3	40.2	13.7	42.2	11.0	33.6	29.3	52·40	3	2⅛

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 6%; Aug. 8, 5%; July 13, 1916, 6%; Jan. 18,'1917, 5½%; Apr. 5, 5%; Nov. 6,'1919, 6%; Apr. 15, 1920, 7%.

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (in £'s sterling 00,000's omitted):	June 18, 1920	June 18, 1919	June 19, 1918	June 20, 1917	June 17, 1910
Circulation	£114.1	£77.7	£52.4	£38.8	£27.7
Public Deposits	21.2	20.1	36.1	50.1	27.5
Other Deposits	132.5	124.3	125.2	119.4	38.3
Government Securities	70.8	53.2	53.7	45.2	17.9
Other Securities	78.8	80.4	95.0	105.9	30.6
Reserve	21.9	28.4	30.3	36.2	31.8
Ratio to Liabilities	14·3%	19.71%	18·77%	£1·37%	51·90%
Coin and Bullion	117.6	87.7	64.2	56.6	42.4
Money:					
Bank of England Rate	7%	5%	5%	5%	3%
Bank of France Rate	6%	5%	5%	5%	3%
Rate 3 months' Bills London	6⅛%	3⅛-⅜%	3⅛%	4⅛-⅜%	2⅛%
Exchanges:					
Paris Cheque	52·50	29·98	27·15½	27·43	25·24½
New York 60 days	3·90	4·60	4·72½	4·73	4·84½
Bombay Telegraphic Transfers	1/9½	1/7⅜	1/5⅜	1/4 5/32	1/3 15/32
Prices:					
Consols 2½% Cash	47⅞	53½	56	54 11/16	81 15/32
French Rentes 3% Money	57·80	61·90	59·45	60·15	88·05
Silver, London spot os.	49½d.	54½d.	48⅝d.	39½d.	24 1/16d.
Wheat, *Gazette* average qr.	73/0	73/3	74/3	78/2	29/1
Cotton, Mid Upland lb.	29·50d.	19·46d.	22·04d.	19·39d.	8·13d.
Iron, Scotch pig ton	223/6	166/0	101/0	98/6	55/1½

CURRENCY NOTE ISSUE.

Week to	Notes Issued £	Notes Cancelled £	Notes Outstanding £	Gold Coin & Bullion £	Bank of England Notes £	% of Bank Notes & Gold to Notes %
June 16, '20	8,297,248	7,697,855	354,095,927	28,500,000	10,400,000	11·0
June 9, '20	9,565,952	7,120,858	353,496,534	28,500,000	10,050,000	10·9
June 18, '19	5,618,244	7,959,983	341,778,893	28,500,000	—	8·2
June 19, '18	6,306,305	5,464,621	250,067,486	28,500,000	—	11·4
June 20, '17	4,315,123	4,286,366	160,551,830	28,500,000	—	17·7
June 21, '16	4,482,477	3,554,082	121,479,540	28,500,000	—	23·4

Balance Sheet, June 16, 1920.

	£		£
Notes outstanding—		Advances—	
One Pound	276,663,312	Other Bankers ...	—
Ten Shilling	43,382,615	Trustee Savings Banks	180,000
Certificates outstanding ...	34,050,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500,000
Total	354,095,927	Bank of England Notes...	10,400,000
Investments Reserve A/c ...	16,982,348	Government Securities ...	331,425,588
		Balance at Bank of England	562,687
Total	371,078,275	Total	371,078,275

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

1920. Week to	Revenue	Expenditure	Excess of Expenditure	Loans, Advances, &c.: Cr.	Loans, Advances, &c.: Dr.	Net +	Cash Balance
June 12	£16,205	£10,937	£5,268‡	£53,396	£58,562	—£5,166	£3,091
June 5	33,135	54,654	21,519	103,998	83,522	+20,476	2,839
May 29	16,276	26,592	10,317	58,939	49,087	+ 9,852	3,333
73dys. '20-21	272,472	251,916	*20,556*	958,003	987,928	—29,925	— 6,278
75days '19-20	151,749	346,459	194,710	1,045,769	857,862	187,907	— 6,804
Yr. '20-21*	1,418,300	1,184,102	*234,198‡*	—	—	—234,198	—
Yr '19-20	1,339,571	1,665,773	326,202	6,092,709	5,766,507	326,202	3,363
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	1,682,049	12,798
Yr. '17-18	707,234	2,696,221	1,988,987	7,499,604	3,616,023	1,983,581	21,030

Principal Items of Revenue and Expenditure.

1920. Week to	Revenue: Customs & Excise	Revenue: Income Tax, &c.	Revenue: Excess Profits Duties, &c.	Revenue: Other Revenue	Expenditure: Int., &c., on Debt	Expenditure: Misc. Expend.	Expenditure: Supply Services.
June 12	£5,116	£1,255	£4,047	£5,887	£3,711	£316	£6,910
June 5	3,016	2,275	4,787	23,057	48,597	101	7,957
May 29	3,766	1,920	4,274	6,315	932	109	25,580
73days'20-21	43,563	48,188	46,478	134,243	100,068	2,175	149,673
75days'19-20	44,349	35,124	51,843	20,433	110,986	824	234,649
Yr. '20-21*	348,650	385,800	220,000	463,850	345,000	31,198	807,904
Yr. '19-20	283,023	359,099	290,045	407,404	332,034	16,171	1,317,568
Yr. '18-19	162,220	291,188	285,028	150,587	269,984	11,380	2,297,958
Yr. '17-18	110,033	239,509	220,214	137,478	189,851	11,401	2,494,988

FLOATING DEBT. [000's omitted.]	Treasury Bills	Ways & Means Advances	Total	Natnl. War Bond Rents.
June 12, 1920 ...	£1,077,203	£223,817	£1,301,020	£1,745,740
June 5, 1920 ...	1,070,987	234,867	1,305,854	1,745,720
May 29, 1920 ...	1,062,022	221,617	1,283,639	1,745,720
May 22, 1920 ...	1,062,834	210,367	1,273,201	1,745,720
June 30, 1919 ...	796,150	774,237	1,570,387†	1,732,021

* Budget estimates. † Highest. ‡ Excess of revenue.

FOREIGN BANKS.

[In £'s Sterling‡—000's omitted.]

BELGIUM.	Gold.	Silver	Total	Discounts	Circulation	Deposits
Aug. 6, '14 ...	£10,977	£633	£11,610	£41,925	£51,800	£8,283
June 3, '20 ...	10,659	1,071	11,730	25,027	204,222	84,741
June 10, '20 ...	10,659	1,076	11,735	25,038	206,054	81,759

CZECHO-SLOVAKIA *	Claim on Austro-Hung. Bank	Contingent Liabv. on Bank Notes	Discounts	Advances	Circulation (State Notes)	Deposits
Apr. 30, '20 ..	£384,180	£88,854	£24,979	£51,536	£331,901	£45,114
May 7, '20...	384,930	88,854	28,307	62,754	333,002	48,506
May 15, '20...	386,354	88,854	31,638	53,378	335,562	51,566

DENMARK.	Cash Gold	Cash Silver	Cash Total	Discounts	Balance Abroad	Circulation	Deposits
July 31, '14 ...	£4,100	£341	£4,441	£6,197	£786	£8,693	£47
Apr. 29, '20 ...	12,588	164	12,752	17,531	981	28,932	1,542
May 31, '20 ...	12,638	154	12,792	15,466	1,933	28,647	2,113
May 31, '19 ...	10,265	138	10,403	4,399	3,663	24,109	950
May 31, '18 ...	10,228	136	10,364	3,004	3,703	19,163	986

FRANCE.	Gold In Bank	Gold Abroad	Total Cash incl'g Silver	Bills	Circulation	Deposits Public	Deposits Private
July 30, '14 ...	£165,654		£190,667	£97,768	£267,327	£15,302	£37,903
June 10, '20 ...	144,365	79,131	233,113	71,161	1,526,277	2,353	139,487
June 17, '20 ...	144,371	79,131	233,125	69,076	1,513,701	2,008	138,276
June 19, '19 ...	142,894	79,131	234,214	34,332	1,377,982	2,445	132,060
June 20, '18 ...	134,414	82,484	227,141	53,396	1,136,572	2,715	157,124

GERMANY.	Cash Gold	Cash Silver	Cash Total	Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
July 23, '14...	£87,843	£16,727	£84,570	£5,279	£240,055	£94,545	£47,199
May 31, '20 ...	54,584	177	54,761	795,440	2,125,084	2,509,840	851,183
June 7, '20...	54,585	172	54,757	805,832	1,960,513	2,532,431	687,536
June 7, '19...	65,120	1,017	66,137	413,409	1,372,352	1,410,892	457,533
June 7, '18...	117,291	6,017	123,308	81,701	715,844	801,710	368,201

HOLLAND.	Cash Gold	Cash Silver	Cash Total	Discounts	Advances	Circulation	Deposits
Aug. 1, '14 ...	£13,496	£249	£13,745	£13,422	£10,332	£35,660	£1,437
June 7, '20 ...	52,984	1,074	54,058	18,168	24,996	85,575	12,114
June 14, '20 ...	53,002	1,104	54,106	18,126	25,920	84,173	12,585
June 14, '19 ...	55,164	708	55,872	10,807	16,975	84,116	5,298
June 15, '18 ...	59,815	652	60,467	4,407	9,875	76,208	4,881

ITALY.	Cash Gold	Cash Silver	Cash Total	Other Cash	Loans & Discounts	Circulation	Deposits
July 31, '14 ...	—	—	£48,456	—	£25,017	£69,204	£8,887
Apr. 10, '20 ...	£32,190	£3,005	35,195	21,381	158,138	486,741	74,083
Apr. 30, '20 ...	32,190	3,003	35,193	19,652	180,782	501,813	74,704
Apr. 30, '19 ...	32,716	2,955	35,671	25,792	59,928	375,584	59,792
Apr. 30, '18 ...	33,449	3,142	36,591	6,422	54,922	290,108	59,650

JAPAN.	Gold	Discounts	Advances	Notes	Deposits Public	Deposits Private
Aug. 1, '14 ...	£21,867	£1,829	£7,863	£32,722	£13,818	£1,521
Apr. 24, '20 ...	91,857	38,128	36,783	124,440	117,057	9,013
May 8, '20 ...	91,895	42,083	36,971	123,152	118,766	12,114
May 10, '19 ...	70,595	2,722	40,175	79,146	115,908	4,041
May 11, '18 ...	65,706	2,580	22,698	61,934	67,605	3,802

NEW YORK BANKS & TRUSTS.	Cash Own Vaults	Loans, Aggregate Reserve	Loans, Disc'ts, Invest.,&c.	Net Deposits—Demand	Net Deposits—Time	Net Deposits—Total	Excess Reserve
Aug. 1, '14 ...	—	£89,888	£411,238	—	—	£387,165	£1,720
June 5, '20 ...	£19,104†	116,190	1,027,074	£843,842	£49,926	899,280	4,492
June 12, '20 ...	19,906†	114,822	1,024,394	831,078	50,038	885,694	4,764
June 14, '19 ...	19,886†	114,494	1,022,618	823,588	30,116	920,250	1,412
June 15, '18 ...	20,240†	110,866	909,352	753,170	31,518	844,158	10,850

NORWAY.	Gold	Balance Abroad	Norw. & For. Govt. Secs.	Disc'nts & Loans	Circulation	Deposits
July 31, '14 ...	£2,960	£1,678	£493	£4,868	£8,752	£793
May 31, '20 ...	8,121	3,604	579	22,175	23,744	6,571
June 7, '20 ...	8,121	3,701	579	22,869	23,397	7,667
June 7, '19 ...	8,184	4,114	678	19,088	23,593	4,608

PORTUGAL.	Gold	Silver	Total	Discounts & Note Advances	Circulation	Deposits
Mar. 31, '20 ...	£1,906	£3,921	£5,827	£17,689	£88,886	£6,722
Apr. 7, '20 ...	1,906	3,921	5,827	17,496	91,129	5,864
Apr. 9, '19 ...	1,905	3,883	5,788	8,826	64,505	3,487
Apr 10, '18 ...	1,905	3,191	5,096	7,818	45,502	1,575

ROUMANIA.	Cash	Discounts	Advances	Total	Circulation
Mar. 27, '20 ...	50,205	£8,425	£2,598	£11,023	£179,640
Apr. 3, '20 ...	60,809	8,431	2,658	11,089	179,924
Apr. 10, '20 ...	60,809	8,710	2,745	11,455	181,337
Apr. 12, '19 ...	35,581	6,223	1,795	8,018	105,538

RUSSIA.	Gold In Bank	Gold Abroad	Total Cash incl'g Silver	Loans & Disc'ts	Circulation	Notes in Reserve	Total Deposits
July 21, '14...	£160,114	£14,395	£181,892	£76,081	£163,411	£6,589	£109,911
Oct. 28, '17...	128,523	230,865	378,205	1,869,559	1,836,217	15,783	345,550

SPAIN	Cash Gold	Cash Silver	Cash Total	Loans, &c.	Spanish 4%	Circulation	Deposits &c.
Aug. 1, '14 ...	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,955
June 5, '20 ...	96,101	24,743	122,844	85,482	13,779	155,935	45,281
June 12, '20 ...	96,101	24,649	122,750	85,255	13,779	156,023	45,298
June 14, '19 ...	90,650	25,940	116,590	77,962	13,778	141,732	42,319
June 15, '18 ...	83,330	28,154	111,484	52,398	13,777	116,922	40,672

SWEDEN.	Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
Aug. 1, '14 ...	£5,717	£6,150	£1,555	£7,495	£13,432	£3,903
May 28, '20 ...	14,500	4,340	2,524	34,832	37,943	14,168
June 5, '20 ...	14,500	4,593	2,522	35,788	39,002	14,349
June 7, '19 ...	16,103	7,856	2,880	20,057	38,703	6,356
June 8, '18 ...	14,362	7,528	5,371	13,804	34,761	6,339

SWITZERLAND.	Cash Gold	Cash Silver	Cash Total	Discounts & Advances	Circulation	Deposits
July 23, '14 ...	£7,202	£758	£7,960	£4,817	£10,718	£2,026
May 31, '20 ...	21,238	3,617	24,855	15,256	38,195	9,013
June 7, '20 ...	21,238	3,460	24,698	14,907	37,110	5,428
June 7, '19 ...	18,288	2,724	21,012	19,900	36,064	4,416
June 7, '18 ...	15,263	2,289	17,492	13,527	27,932	4,263

* Converted at 24 crowns to £1.
† Not reserve. ‡ Converted at par rate of exchange approximately.

U. STATES FED. RES. BANKS.	Gold Held by Banks	Gold With Agents	Total Cash	Bills Discount'd	Acceptances.	Deposits. Govt.	Deposits. Total Net.	Circulation
June 7, '20 ...	£392,170		£419,789	£512,852	£92,138	£7,492	£361,434	£625,458
June 14, '20 ...	393,012		420,518	504,590	80,780	4,366	356,026	622,442
June 14, '19 ...	187,688	251,086	452,396	375,634	46,908	49,050	358,954	499,858
June 14, '18 ...	193,250	196,130	401,052	203,206	48,584	31,106	317,754	330,300

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed		%	Date Fixed
Amsterdam ...	4½	July 1,'15	Lisbon	5½	Jan. 15,'14
Berlin	5	Dec. 23,'14	Madrid	5	Nov.10,'19
Berne	5	Aug. 21,'19	Paris	6	Apr. 8,'20
Bombay	7	May 27,'20	Petrograd ...	6	July 29,'14
Brussels	5½	Apr. 28,'20	Rome	6	May 12,'20
Calcutta	5	June 5,'19	Stockholm ...	7	Mar. 18,'20
Christiania ...	6	Dec. 18,'19	Tokio	8·03	Nov. 18,'19
Copenhagen ...	7	Apr. 16,'20	Vienna	5	Apr. 12,'15

III.—FOREIGN EXCHANGES.

LONDON ON—		June 18, '20	June 11, '20	June 4, '20	May 28, '20
Berlin	Cable	154m.	157m.	170m.	160m.
Brussels	Cheques	48fr. 25c.	49fr. 37c.	48fr. 80c	50fr. 50c.
Denmark	Cable	23kr. 70	23kr. 40	22kr. 82½	23kr. 42
Holland.....	do.	11fl. 03c.	10fl. 91c.	10fl. 69c	10fl. 67c.
Italy	do.	65lr. 50	70lr. 25	67lr. 00	67lr. 00
Lisbon and Oporto	do.	11d.	13d.	10⅞d.	10⅞d.
New York	do.	$3 97½	$3 95½	$3 90⅜	$3 90½
—	Cheques	$3 98	$3 96	$3 91⅛	$3 92
Norway	Cable	22kr. 70	22kr. 10	22kr. 16	21kr. 55
Paris	3 mos.	50fr. 90c.	52fr. 98c.	52fr. 07c.	53fr. 50c.
—	Cable	49fr. 90c.	51fr. 98c.	51fr. 07c	52fr. 50c.
Spain (Bank places)	3 mos.	48¾d.	48¾d.	43⅞d.	43¾d.
—	Cable	23p. 91	23p. 95	23p. 95	23p. 82
Sweden	do.	18kr. 18	18kr. 10	18kr. 19	18kr. 10
Switzerland	3 mos.	22fr. 37c.	22fr. 20c	21fr. 10c.	22fr. 05c.
—	Cable	21fr. 87c.	21fr. 70c.	21fr. 45c	21fr. 75c.

ON LONDON—		June 18, '20	June 11, '20	June 4, '20	Par
Alexandria	Sight	97⅛pi.	97⅛pi.	97⅛pi.	97⅛pi.
Amsterdam	Cheques	11fl. 03½c.	10fl. 83c.	10fl. 67c.	12.107fl.
Athens	Cable	33dr. 15	33dr. 12	34dr. 37	25dr. 22½
Bombay	Transfers	1s. 10⅛d.	2s. 0⅛d.	2s. 1d.	2s.*
Brussels	Cheques	47f. 85c.	49f. 25c.	48f. 72c.	25f. 22½c.
Buenos Ayres	Transfers	57½d	58½d.	59½d.	47.58d.
Calcutta	do.	1s. 10⅛d.	2s. 0⅛d.	2s. 1½d.	2s.*
Christiania	Sight	22kr. 62	22kr. 10	20kr. 03	18.159kr.
Copenhagen	do.	23kr. 65	23kr. 41	22kr. 92	18.159kr
Helsingfors	Cable	85m.	92m	81m.	25m. 22½
Hong Kong	Transfers	3s. 10½d.	3s. 8d.	4s. 1d.	—
Italy	Sight	65lr. 25c.	70lr. 75c.	66lr. 75c.	25l. 22½c.
Lisbon	do.	11⅛d.	12⅛d.	11d.	53½d.
Madras	do.	1s. 10⅛d.	2s. 0⅛d.	2s. 1½d.	2s.*
Madrid	do.	23p. 8	23p. 93	23p. 95	25p. 22½
Montevideo	Transfers	58½d.	59⅝	60⅜	51d.
Montreal	Cable	$4 54	$4 49	$4 38½	$4 93⅛
New York.....	Sight	$3 91	$3 91⅛	$3 93½	—
—	60 days	$3 89¼	$3 90	$3 91½	—
—	Cable	$3 97½	$3 92½	$3 94	$4 88⅜
Paris	Cheques	49f. 87½c.	51f. 55c	51f. 10c.	25f. 22½c
Rio de Janeiro ...	90 days	14¾d.	15⅛d	—	18d.
Shanghai	Transfers	5s. 0d.	4s. 10½d.	5s. 7d.	—
Singapore	Sight	2s. 3¾d.	2s. 3⅛d.	2s. 3½d.	—
Stockholm	do.	18kr. 16⅛	18kr. 09	18kr. 11	18.159kr.
Switzerland	do.	21f. 87½c.	21f. 67c.	21f. 46c.	25f. 22½c.
Valparaiso	90 days	11⅝d.	11⅝d.	11¼d.	18d.
Yokohama	Sight	2s 6⅛d.	2s. 3d	2s. 6⅛d.	24.58d.

* Fixed at Rs. 10 to the gold sovereign, February 2, 1920.

NEW YORK ON—	Rate Current* June 18, '20	Rate Current* June 11, '20	Par as usually Quoted	Rate July 3,
Amsterdam, sight ...	36c.	36·30c.	40 20c. for 1 guilder	40·25c.
Bombay, cheques ...	36·25c.	40·75c.	48·66c. for 1 rupee	33 00c.
Buenos Aires, cheques ...	104·35	103·65		
Christiania, cheques ...	17·35c.	17 70c.	26·80c. for 1 kroner	26·85c.
Copenhagen, cheques ...	16·80c.	16·95c.	26 80c. for 1 kroner	
Greece, cheques ...	11·95c.	11·60c.	19·295c. for 1 drachma	
Hongkong, cheques ...	71c.	70c.	74·59c. for Mex. $1	48 4c.
Italy, sight	17·35l.	17·10l.	5·13½ lire for $1	5·17l.
Lima, cheques	4·99l.	4·99l.	4·8665 $ for 1 libra	
Manila, cheques... ...	49·60c.	49 60c.	50c. for 1 peso	49·8c.
Montreal	13% disc.	11 625% disc	Premium per $100	Par
Paris, sight	12·82fr.	13·2fr.	5·18¼ francs for $1	5·18fr.
Petrograd, sight ...	—	—	51·46c. for 1 rouble	51·37c.
Rio de Janeiro, cheques	41·00c.	41·10c.	32·42c. for 1 milreis	
Shanghai, cheques ...	95·50c.	94c.	62·96c. for 1 tael	83·00c.
Singapore, cheques ...	51·25c.	51·25c.	56·77c. for $1	57·12c.
Spain, cheques	16·60c.	16·40c.	19·30c. for 1 peseta	
Stockholm, cheques ...	21·87c.	21·60c.	26 80c. for 1 kroner	
Switzerland, cheques ...	5·50fr.	5 50fr.	5·18¼ francs for $1	5·18¼fr.
Valparaiso, cheques ...	19·00c.	19 00c.	20 61c. for 1 peso	
Yokohama, cheques ...	51·25c.	51·25c.	49·84c. for 1 yen	49·90c.

* According to Guaranty Trust Company of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount.	Inc. or Dec.*	1920 Agg.	Inc. or Dec.*
	1920	[In £'s sterling 000's omitted.]			%
BIRMINGHAM ...	June 12	£3,311 +	£1,317	£90 693 +	£31,392 + 52·7
BRISTOL	,, 12	1,635 +	315	42,937 +	11,745 + 37·7
DUBLIN	,, 12	8,789 +	1,995	212,564 +	47,318 + 28·8
LEEDS	,, 12	1,515 +	576	44,023 +	17,343 + 64·4
LEICESTER ...	,, 12	1,399 +	527	33,431 +	12,510 + 60·0
LIVERPOOL ...	,, 12	14,925 +	3,986	414,341 +	150,008 + 57·0
MANCHESTER ...	,, 12	30,651 +	19,152	763,023 +	413,035 + 116·4
NEWCASTLE ...	,, 12	2,944 +	895	77,865 +	31,494 + 67·9
NOTTINGHAM ...	,, 12	1,506 +	918	28,468 +	13,123 + 87·5
SHEFFIELD ...	,, 12	1,203 +	499	38,906 +	11,008 + 39·5
LONDON—	1920.				
TOWN	June 16	611,490 +	241,894	15,700,051 +	6,659,030 + 73·7
METROPOLITAN	,, 16	39,089 +	4,235	1,017,878 +	235,133 + 30·0
COUNTRY	,, 16	78,801 +	10,911	1,947,587 +	505,741 + 35·1
TOTAL	,, 16	729,379 +	257,040	18,636,516 +	7,449,904 + 66·7

* Compared with a year ago.

V.—FREIGHTS.—According to Messrs. J. C. Gould, Angier and Co.

HOMEWARDS.	1920 June 18	1920 June 11	1913 June 20
Alex. to U.K. ...	—	40/0	—
Aust. to U.K. ...	—	175/0	32/0
Azof to L.H.A.R.	—	—	10/3
Bombay to p.p.	110 0	1.w.100/0	d.w.20/6
Brisbane to U.K.	140 0	—	2[illegible]
Calcutta to p.p. (rice)	—	—	d.w.21/3
Danube to U.K. ...	—	—	—
Odessa to L.H.A.R.	—	—	9/0
R. Plate to U.K.	110 0	110 0	17/0

Homewards.	1920 June 18	1920 June 11	1913 June 20
U.S.A. (Gulf pt. (cotton, 100 lb.)	[illegible]	[illegible]	35/9
U.S. to U.K. (gr.)	140	110	—
Gulf Ports to C. Colonies	[illegible]	[illegible]	[illegible]
[illegible] to U.K.	150	—	11/10½
OUTWARDS—Quoted to			
Aden	—	—	—
Colombo	—	—	12/6
Port Said	60 0	60/0	10/0
River Plate ...	—	—	—
St. Vincent ...	35 0	35/0	10/3

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	JUNE 18, 1920.	JUNE 20, 1919.	JUNE 30, 1914.
Iron—Scotch pig warrants ...ton	223/6	166/0	57/0
— Middlesbro' warrants ...ton	217/6	160/0	51/0
— Hematite warrants ...ton	260/0	190/0	61/0
— Staffordshire bars, London ton	£33 10	£20 10	£8 10
— Common bars ...ton	£30	£20 10	£8 16
Steel Rails ...ton	£23 5—£24 5	£15	£6 2/6
Galvanised Sheets ...ton	£54	£27 10—£28	£16 17/1
Copper—Standard ...ton	£82 15	£86 5—£86 10	£66
Tin—English Ingots ...ton	£244	£236	£142 15
— Straits ...ton	£260—£270nom.	£243	£139 10
Tinplates, I.C. Coke, S. Wales...box	72/6	32/6—33/0	11/10½—12/0
Lead—Soft Foreign ...ton	£31 15—£33 5	£22 10—£22 15	£19
Spelter—Ord. Foreign ...ton	£38 5—£40	£37 5—£37 15	£21 7/9
Quicksilver (75lb.) ...bottle	£21—£21 10	£18—£18 10	£7
Aluminium ...ton	£185	£150	£82
Antimony Regulus Foreign ...ton	£50	£42	£27 10
— English ...ton	£60	£45	—
Coal —(best) Yorkshire ...ton	37/2—38/2	28/6—34/6	17/6
— Steam (best) Newcastle... ...ton	50/2—55/2	40/0—45/0	14/6
CHEMICALS, OILS, &c.			
N. of Soda —f.o.b Chile, per quintal	15/6	9/4	7/4
Soda—Crystals ex ship ...ton	230/0—240/0	129/0—130/0	42/6—45/0
Copra —Malay and States ...ton	£45 10—£46	£57	£23 15—£24 7/6
Gambier—Good marks ...cwt.	49/0	47/6	16/10½
Indigo—Bengal good to fine ....lb.	13/0—16/6	9/0—10/6	3/2—3/8
Linseed Oil—Raw ...ton	£77	£122	£25 5
Linseed—Calcutta, spot ...ton	£37	£48 5	£13 16/9
— Cakes, U.K made, ex mill ...ton	£22	£19	£7 17/6—£8
Olive Oil—Spanish ...ton	—	nom.	£49 10
Palm Oil—Lagos ...ton	£56	£80	£31 10
Petroleum—American ...gallon	2/1½	1/4½	7½d.
Rape Oil—Refined English ...ton	£100	£104	£32
Soya Oil—Refined ...ton	£105	£75	£24 10
Tallow—Imported ...cwt.	80/0—88/0	80/0—105/0	29/3—33/3
Turpentine—American ...cwt.	175/0	102/0	33/7½
Rape Seed—Toria ...ton	£36 10	£44 10	£13 5
Rubber—Para, spot ...lb.	2/1	2/5	2/9½
— Fine plantation (stnd.crepe) lb.	2/0½	1/9	2/2
— World's Production* Apr. tons	27,850	31,166	8,467
Shellac—T.N. Orange, fair ...cwt.	620/0	347/0	63/0—64/0
TEXTILES.			
Cotton—Middling Upland ...lb.	29 50d.	19·46d.	7·53d.
— Egyptian, good fair ...lb.	57 00d.	26·84d.	8·75d.
— Pernambuco fair ...lb.	31·50d.	21·86d.	7·73d.
— Midland Upl. New York...lb.	39·25c.	33·6 c.	13·25c
— Stock, Liverpool (June 11) bales	1,135,730	507,180	934,600
Flax—Petrograd, Yarapol ...ton	—	nom.	£28
Hemp—New Zealand ...ton	£58	£48 10	£25 10
— Manila, Fair ...ton	£58	£50 15	£26 10
Jute—First Marks ...ton	£55	£52—£52 10	£26 15
— Red SCC ...ton	£43	—	£24 15
Silk—Blue Elephant ...lb.	32/0	25/0	11/3—11/6
Wool—Pt Philip unwashed av. lb.	5/9	3/5½	11½d.—1/0
— Lincoln Half Hogs ...lb.	2/3½	1/7½	1/0½
Hides—Eng. Ox. best, 70 lb. up lb.	13½d.	9½d.—10½d.	7½d.
Leather—Dressing Hides ...lb.	4/0—4/6	2/7—3/3	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus.	49,939,000	28,215,000	34,640,000
— Red, price, N.Y. 60lb....bushel	3.5	237½c.	67½c.
—English Gazette, aver. 480lb. qr.	73/0	73/3	34/3
Flour—G.R. ...280lb.	63/6	44/3	28/6
Barley—Eng. Gaz., aver. 400lb. qr.	92/7	62/6	25/4
Oats—Eng. Gaz., aver. 312 lb. qr.	63/10	48/11	20/0
Maize—N.Y. (new bushel)....56lb.	—	202c.	76½c.
— Amer. mixed, Liverpool...480lb.	nom.	63/9	32/4
— La Plata ...480lb. qr.	71/3	60/0	25/9
Potatoes—Good English ...ton	†600/0—700/0	196/8	70/0—75/0
Rice—Bassein ...cwt.	48/6	25/0	7/0—7/3
Tapioca—Pearl, medium ...cwt.	33/0	49/8	14/0—17/8
Hay—best ...2,018lb....load	—	176/0	82/6
Hops—English ...cwt.	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs...8lb.	6/8	6/8—7/2	3/8—3/10
- Scotch sides ...8lb.	10/0	8/6	4/6—5/0
English ...8lb.	10/0	8/6	4/2—4/5
Mutton—Scotch wethers...8lb.	10/6	9/0	5/8—6/0
— English wethers ...8lb.	10/6	9/0	4/6—5/4
- New Zealand frozen ...8lb.	10/6	7/8	2/4—3/2
Pork—English and Irish ...8lb.	10/0—16/0	10/8	3/6—4/0
Bacon—Irish, delivered ...cwt.	†220/0	190/6	60/0—74/0
— Danish ...cwt.	†192/0	—	58/0—68/0
— Canadian, ex Port ...cwt.	†187/0	190/0	—
— American ex Port ...cwt.	†187/0	186/0	72/0—74/0
Hams—Amer.long cut, ex Port cwt.	†184/0	190/0—192 0	75/0—79/0
— — short cut, ex Port ...cwt.	†184/0	188/0—190/0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt.	†158/6	170/0—194/0	51/9—52/9
Butter—Danish ...cwt.	303/4	Controlled 252/0	117/0—120/0
— French ...cwt.	303/4		96/0—108/0
— Australian ...cwt.	303/4		98/0—110/0
— New Zealand ...cwt.	303/4		108/0—114/0
Cheese—Canadian ...cwt.	†145/0	160/0—164/0	66/0—68/0
— United States ...cwt.	†145/0	Controlled 144/8	—
— Dutch ...cwt.	†145/0		53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to May 31 ...cwt.	13,598,508	13,177,654	19,777,254
— Home consump'n to May 31 cwt.	10,523,551	12,367,203	17,272,000
— In Bond May 31 ...cwt.	9,093,000	7,393,000	6,306,000
— Price, Java, 96° Pol. ...cwt.	12/0	36/0	10/3
— — Yellow crystals ...cwt.	11 2/0	57/9	12/6—14/0
— — Tate's Cubes, No. 1...cwt.	11 6/0	64/9	18/0
Coffee—Imports to May 31 ...cwt.	396,982	583,219	720,360
— Home consumption to May 31 cwt.	123,860	129,725	141,410
— Exports to May 31 ...cwt.	187,576	107,671	340,250
— In Bond May 31 ...cwt.	815,000	959,000	484,000
— Price, Costa Rica gd. to fine cwt.	150/0—170/0	145/0—155/0	80/0—93/0
— — Brazil (Santos) Good ...cwt.	110/0—120/0	65/9	41/6
Tea—Imports to May 31...lb.	186,586,941	186,141,577	123,230,277
— Home consump'n to May 31 lb.	152,173,279	144,914,140	155,447,972
— Exports to May 31 ...lb.	18,758,377	10,870,350	26,561,765
— In Bond May 31 ...lb.	221,471,000	151,589,000	78,292,000
— Price, Indian, Pek. Soug. gd lb.	6½d.—7d.	1/4	8½d.
— — Ceylon, Pek. Soug. Ord. lb.	6½d.	1/4	8½d.
— — Common Ceylon ...lb.	n.m.	1/4	5½d.
Cocoa—In Bond May 31 ...cwt.	1,305,000	1,119,000	309,000
— Grenada good to fine ...cwt.	116/0—118/0	85/0	52/6—56/0

* Estimated. † Nom. ‡ Decontrolled: Price Ex. Factory.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific	Apr.	$15,929,000	+2,820,000	$2,342,000	+ $253,000
" 4 mos. to	Apr.	59,117,000	+9,041,000	5,600,000	— 562,000
Grand Trunk	Apr.	£1,125,600	+ £24,800	£59,600	— £95,700
" 4 mos. to	Apr.	4,304,600	+ 326,300	Dr.155,500	— 272,700

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open	Gross Receipts.	+ or — on Year Ago.	No. Wks	Aggregate Receipts.	+ or — on Year Ago
Assam Bengal	May 8	993	R1,96,387	+ 14,500	6	10,55,771	+ 39,390
Barsi Light ...	May 22	118	24,600	— 1,200	8	2,29,600	— 9,700
Bengal &N.W.	May 15	2,065	5,23,950	— 1,06,935	7	33,39,730	— 4,85,084
Beng. Dooars	May 15	158	28,796	+ 4,378	6	162,636	+ 7,488
Beng. Nagpur	May 8	2,695	13,17,000	— 77,000	5	68,65,000	— 5,46,455
Bomb. Baroda	June 5	2,871	19,21,000	+ 2,000	10	1,92,75,000	+ 10,84,000
Burma	May 8	1,342	5,19,296	— 51,899	5	31,30,006	— 85,969
Del Um. Kalk.	June 5	239	90,300	— 2,142	10	8,80,514	+ 52,142
East Indian ...	June 12	2,771	27,81,000	+ 94,000	11	2,97,35,000	+ 10,43,000
Gt. Indian Pen.	June 5	3,121½	25,54,800	— 1,77,900	10	2,63,53,000	— 2,08,103
Madras & S.M.	May 22	3,152	12,50,000	— 73,407	7	90 50,000	— 2,37,723
Nizam's Guar.	May 15	900	3,42,054	+ 11,859	7	22,26,874	+ 1,63,302
Roh. & Kumn.	May 15	576	1,24,261	+ 13,212	7	7,94,049	+ 37,854
South Indian	May 8	1,852½	8,26,306	+ 22,599	6	42,21,761	+ 74,231
South Punjab	Feb.	716	7,78,004	+ 20,338	5m	38,90,025	+ 1,30,701
COLONIAL							
Can. Northern	June 7	9,704	$1,024,400	+ 241,700	22	23,271,223	+ 3,328,474
Can. Pacific ...	June 7	13,388	3,619,000	+ 662,000	22	78,897,000	+12,795,000
Grand Trunk	June 7	3,616	£290,864	+ 60,871	22	5,804,346	+ 512,684
Mashonaland	Mar.	810	44,265	+ 14,400	6m	391,181	+ 103,628
Mid. W. Aust.	Apr.	277	10,964	+ 705	10m	110,153	+ 15,218
NewCapeCent.	May 22	205	2,638	+ 257	21	66,419	+ 11,190
Rhodesia Rlys.	Mar.	1,397	82,851	— 14,757	6m	—	—
Temiscouata...	Oct.	—	$30,562	+ 2,154	10m	304,661	+ 22,504
W. Pass.&Yuk	Aug.	122	—	—	8m	$968,676	+ 31,021
FOREIGN.							
Argentine.							
Arg. N. East...	June 5	752	£ 13,900	+ 3,600	49	582,300	+ 90,500
Arg. Transand.	June 12	111	£ 890	+ 460	50	156,281	— 30,389
B. A. & Pacific	June 12	3,536	£ 175,000	+ 25,000	50	7,730,000	+ 1,803,000
B.A.Gt. South	June 6	3,792	£ 189,000	+ 47,000	49	8,896,000	+ 2,093,000
Do.	June 6	Net	£ 50,000	+ 14,000	49	3,022,000	+ 1,506,000
B. A. Western	June 13	1,882	£ 98,000	+ 10,000	50	5,022,000	+ 1,499,000
Do.	June 13	Net	£ 29,000	— 12,000	50	1,688,000	+ 821,000
B. A. Central	Apr.	190	£ 54,590	+ 13,484	10m	473,301	+ 66,554
Cent. Argent.	June 12	3,305	£ 210,000	+ 72,200	50	9,146,000	+ 2,500,800
Do.	June 12	Net	£ 74,000	+ 51,700	50	2,969,100	+ 1,991,800
Cord. Central	June 12	1,205	£ 67,800	+ 14,800	50	2,981,400	+ 766,290
Entre Rios ...	June 5	811	£ 25,600	+ 8,100	49	1,183,000	+ 186,800
Brazilian.							
BrazilGt.South	Apr.	110	M 43,500	— 8,300	4m	206,000	+ 16,060
Brazil Railway	Dec.	3,530	M4,859,000	— 141,271	12m	57,772,000	+ 7,619,243
Gt. W. Brazil	June 12	1,010	£ 19,200	+ 2,600	24	577,700	+ 117,100
Leopoldina ...	June 5	1,831	£ 52,330	+ 12,248	49	1,212,781	+ 482,419
Mogyana	Dec.	1,180	M 1,561,000	— 956,490	12m	22,267,000	— 2,474,851
Paulista	Dec.	768	M 2,650,000	— 906,038	12m	32,479,000	— 1,225,892
San Paulo ...	June 13	153½	£ 48,652	+ 11,925	24	1,073,129	+ 334,375
Sorocabana ...	Dec	1,003	M 1,749,000	— 246,168	12m	21,953,000	+ 976,692
S.of BahiaS.W.	May	52	M 78,000	+ 32,000	5m	365,000	+ 35,000
Chilean and Peruvian.							
Antofagasta ...	June 6	838	£ 33,085	+ 11,245	24	1,126,515	+ 529,285
Arauco	Apr.	84½	£ 11,000	+ 1,200	4m	52,000	+ 9,700
Nitrate(2wks.)	May 31	390	£ 41,671	+ 26,534	20	446,619	+ 238,265
Peruvian Corp.	May	1,140	S 1,287,070	+ 227,920	11m	13,274,884	+ 1,968,778
Taltal	May	180	£ 27,045	+ 18,405	11m	284,705	+ 106,566
Cuban.							
Cuban Central	June 5	362	£ 34,561	+ 6,831	49	1,376,628	+ 256,745
Havana Cent.	June 5	70	£ 15,953	+ 3,301	49	576,386	+ 107,124
U. of Havana	June 12	681	£ 72,199	— 1,857	50	3,525,573	+ 519,184
W. of Havana	June 5	155	£ 17,252	— 1,140	49	553,113	+ 102,296
Uruguayan.							
Cent. Uruguay	June 5	273	£ 21,794	+ 785	49	1,132,473	+ 56,377
" (E. Ext.)	June 5	311	£ 5,986	— 571	49	310,335	+ 33,481
" (N. Ext.)	June 5	185	£ 3,107	— 526	49	188,447	+ 438
" (W.Ext.)	June 5	211	£ 3,065	+ 706	49	139,006	+ 9,817
Mid. Uruguay	May	319	£ 21,277	+ 2,407	11m	223,942	+ 29,382
N.W. Uruguay	May	113	$ 5,857	— 548	11m	73,560	+ 3,194
Urug. Northn.	May	73	£ 1,894	— 72	11m	26,280	+ 3,458
Miscellaneous							
Alcoy& Gandia	June 12	33	Ps. 19,000	+ 9,000	23	286,900	+ 55,500
Bilbao	May	15	£ 2,191	— 602	5m	17,911	+ 5,798
Bolivar	May	136	£ 12,435	+ 492	5m	56,898	— 9,538
Colomb. Natnl.	Apr.	98	£ 18,880	+ 5,720	4m	66,276	+ 22,336
Costa Rica ...	Apr.	189	£ 28,872	+ 6,589	10m	260,059	+ 37,104
Dorada Ext....	Apr.	70	£ 18,000	+ 8,000	4m	53,500	+ 23,200
Egyptian Delta	May 31	559½	£ 11,298	+ 2,255	8	71,691	+ 54,726
Gt. S. of Spain	June 5	104	Ps. 74,739	— 8,674	23	1,954,019	— 780,392
La Guaira&Ca.	May	22½	£ 13,630	+ 4,570	5m	71,830	+ 29,790
Ottoman Ry...	May 29	379	£ 8 757	— —	—	—	—
ParaguayCent.	June 5	255	£ 4,410	— 650	49	234,890	+ 26,860
Puerto Cabello	May	34	£ 5,000	— 300	7m	28,000	+ 3,073
Salvador	June 12	100	£ 4,726	+ 1,036	50	227,946	+ 93,285
Santa Fe Prov.							
French Rys.	Apr.	1,181	£ 179,872	+ 22,507	4m	647,152	+ 1,721
S'm'na&S'ti'go	Apr.	80	£ 16,753	+ 7,416	4m	153,633	+ 21,851
Zafra & Huelva	Apr.	112	£ 10,596	— 193	4m	51,192	+ 10,367
TRAMS.							
Anglo-Argent.	June 10	400	£ 78,960	+ 56,425	23	1,726,097	+ 451,271
Auckland Elec.	June 30	27	—	—	52	292,502	— 2,063
Bombay Elec.	Mar.	38	R. 8,02,074	+ 1,10,622	3m	23,21,806	+ 3,72,431
Brazilian Trac.	Apr.	378½	M10,245000	+ 1,037,000	4m	39,181,000	+ 4,149,000
Brisbane Elec.	May	40½	£ 46,550	+ 12,325	5m	223,300	+ 37,965
Brit. Columbia	Apr.	33½	$ 749,081	+ 117,093	11m	7,306,918	+ 1,284,811
B. A. Lacroze	May	51	£ 54,563	+ 7,246	11m	561,679	+ 80,176
Calcutta	June 12	35½	R 94,411	+ 15,655	24	20,91,064	+ 1,71,369
Cape Electric	Apr.	42½	£ 31,391	+ 3,251	10m	278,644	+ 32,710
Carth. & Herr.	May	9	£ 5,313	+ 2,087	5m	23,044	+ 9,626
Chatham& Dist	June 3	15	£ 1,864	+ 134	22	34,724	+ 4,369
Havana Elect.	Mar.	86	$ 927,785	+ 270,530	3m	2,675,342	+ 588,573
Isle of Thanet	June 9	20½	£ 1,251	— 478	37	25,209	+ 8,091
Kalgoorlie ...	Mar.	20½	£ 3,142	+ 529	3m	8,392	— 1,623
Lanarkshire ...	June 3	28½	£ 4,323	+ 154	22	90,047	+ 17,958
Lima Light ...	Feb.	85	£ 56,050	+ 9,940	2m	114,635	+ 23,195
London C.C. ...	June 16	141½	£ 83,764	+ 763	10	927,488	+ 31,595
Madras (2wks.)	May 31	15½	R. 49,601	+ 3,726	20	485,627	+ 121,559
Manila Electric	Apr.	55	$ 254,102	+ 41,897	4m	1,074,660	+ 211,337
Pernambuco...	June 13	59	£ 6,548	+ 785	24	176,842	+ 47,195
Provincial ...	June 5	21½	£ 3,619	— 185	36	108,838	+ 14,670
Rangoon Elec.	May	25	£ 7,933	+ 1,400	5m	39,622	+ 7,272
Shanghai Elec.	May	26½	M x.$156,000	+ 23,600	5m	713,994	+ 103,994
SingaporeElec.	May 15	26½	$ 24,847	+ 10,358	20	447,503	+ 135,686
U.of Montevid.	May	80½	£ 42,401	+ 5,019	7m	307,299	+ 42,012

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The Statist.

LONDON, SATURDAY, JUNE 19, 1920.

TRADES UNIONISM AND IRELAND.

IT is with the greatest satisfaction we have learned the decision arrived at on Wednesday by the trades unionists concerned respecting the strike on the railway from Dublin to Belfast which is controlled by the London and North-Western Railway Company. It seems to us to warrant the hope that we are about to see at last a real union between the British and the Irish peoples; an abandonment once and for ever of the abominable system of government which the Conservatives and the so-called Liberal party carried on in the sister island for so long; and the establishment for the first time in Europe of a real system of democracy. The decision will give new heart to all real lovers of freedom, and we shall be greatly surprised if we do not see an immense accession of strength to the trades unionist party. We can well understand, of course, that a certain section of the trades unionists hesitated to support what the Government wishes to be regarded as an attempt to promote murder. But it is gratifying to find that the trades unionists have not been beguiled by that silly attempt to tarnish their good reputation, and have adopted a course which we most sincerely trust will end in such a revolution between the Irish and the British workers as will end once for all the enmity that has heretofore existed between the two islands, and will show that the British people—call them how you may—are capable of appreciating liberty under whatever aspect it appears, and of rejecting a false attempt to maintain government by the worst evil practices. A great democratic Government is absolutely essential if we are to recover in time from the results of the late War. Elsewhere we call attention to the conditions that exist in all the really great continents. And we point out that since the days of the Stuarts England has never been so absolutely weak as she is at the present moment. If now the trades unionists, in the meeting which we understand is to assemble in a few weeks, bring about a real union between England and Ireland, they will not only achieve a very great work, but will lay the foundation of a new United Kingdom such as the world has never yet seen, and, indeed, is incapable up to the present of fully realising. If the most skilled workmen throughout the whole United Kingdom agree among themselves that the peoples of each part of the kingdom shall in future manage their own affairs without interference and with actual freedom, then we shall see Englishmen, Scotchmen, Welshmen, and Irishmen gradually becoming one, and we shall look forward to a time when we shall be able not, indeed, to put, perhaps, as great forces in the field as possible adversaries, but yet such forces as will warrant us in the belief that, come what may, we shall be able to maintain our own independence.

The present Government is evil; would in any case be evil, because it is the protector of everything evil in the United Kingdom. But it is exceptionally evil just now because, in perhaps the most trying time Europe has ever passed through, it is deliberately causing dissension between Great Britain and Ireland, and so offering a temptation to every enemy all over the world to break up the Empire and to renew the evil period of consecutive wars. On the other hand, if democracy everywhere throughout the United Kingdom joins together, each to work not only for its own welfare, but for the welfare of all, then we may hope to see such a growth as we have never witnessed in the past. Nobody who has followed carefully the course of the disturbances which the Government of Dublin Castle originated in Ireland and carried through with an abominable consistency can doubt that the Irish people have during the last 15 or 20 years made exceptionally great progress. Formerly Irishmen could not act together for any length of time. A few months brought out uncontrolled differences, and so led to utter defeat. But now we have seen a movement which began six years ago growing steadily in strength and consistency. Therefore, if the British trades unionists are sufficiently patriotic, as we hope and believe they are, to put an end once for all to evil government in Ireland, we may with considerable confidence look forward to a time when Ireland will cease to be a poor country, in which no man of ability can really hope to rise to any position worthy of a capable man's acceptance. We trust that such a union will issue in an outburst of trade in Ireland; and if Ireland once begins to grow in population and wealth, and at the same time to feel a pride in the greatness, as well as in the prosperity, of the Empire, we may with much confidence look forward to the time when even those who envy us will hesitate long and hesitate seriously to attempt to injure a democratic system which is not only beneficial to itself, but desires to be friendly to all the world.

MR. HARDING'S NOMINATION.

MUCH surprise is expressed at the length of time taken by the Republican Convention at Chicago in selecting a candidate for the Presidency. The difficulty of agreement was undoubtedly exceptional. But, in reality, there is no cause for surprise that it was so. On the contrary, we should ourselves have been much astonished if the delay had proved considerably longer. In the first place, it is to be recollected that the number of States in the great American Republic is very large, and that each one of these States sends representatives to the Conference. Furthermore, each State is entitled to put forward a candidate of its

own choosing. That alone prepares one to expect delay. Furthermore, it is to be added that before the last contested election for a President took place the Republican party was broken asunder by a dispute between the late Mr. Roosevelt and his supporters on the one side, and his opponents on the other. That dispute caused so much bitterness that the Republican party, though it is the strongest in the Union, was unable to secure the election of its own nominee, and President Wilson was unexpectedly chosen. The quarrel has now been made up. But it would be too much to expect that all its consequences have been forgotten and forgiven. On the contrary, we may reasonably assume that there is some remnant of the disagreement, and that in many cases the difficulty in selecting a candidate was due in no small degree to the remains of bitter feeling. It is, no doubt, true that all the consequences of the quarrel have now been put aside. The Republican party recognises that the quarrel enabled its opponents to attain the government of the United States during one of the most critical occasions through which the world has passed for a very long time; and, consequently, it is resolved that mere temper, or mere remembrance of an unfortunate quarrel, shall not expose it to be left out in the cold if another great emergency should arise. That being so, we are inclined not only to congratulate the representatives of the party for the temper and self-control shown, but we are, likewise, inclined to believe that the party will secure the Presidency. We say this, however, with much hesitation, for we do not in the least pretend to be able to read the future; and, therefore, we are conscious that we are guilty of some rashness in even intimating a belief as regards the results of the election which is to be held next November. Whether we are really rash will depend very greatly upon the results of the Convention to be held in San Francisco before this month is out by the representatives of the Democratic party. If those representatives put forward a very able man, who has a following largely throughout the several States, it may cause a great change, and may give the party now in power a chance of retaining the Presidency for another four years. Consequently, it will be well for all persons who are interested in an election which is certain to have a considerable influence upon the course of affairs throughout the world not to form too confident an opinion regarding the ultimate results

Putting aside all anticipations respecting the future, it may be worth while to consider what is likely to be the policy of the Republican party assuming that it is successful at the election next November. The new candidate is not sufficiently known, either in his own country or in Europe, to justify anyone in predicting the policy he will pursue. That he must be a man of very considerable character is evident from the fact that every State in the Union sent delegations to Chicago, and that, taken altogether, they numbered very nearly 1,000. That a thousand leading citizens of the various States in the American Union were ultimately brought to select this one man surely affords evidence that he must have many fine qualities, else it is inconceivable that he would have been nominated. Of course, it is true, as we have already been saying, that there has been a very recent quarrel within the party; that, therefore, an easy agreement upon a candidate was not to be anticipated; and that, as a candidate of some kind had to be selected, it is quite possible that the gentleman upon whom the choice ultimately fell was taken up rather because he had fewer decided opponents than anybody else put forward. Still, that nearly a thousand men, drawn from over a hundred millions of people, should have selected him as their candidate at the present time for one of the greatest positions in the world is an adequate proof that he must be a man of very considerable powers. Whether he is specially fitted to govern the United States in a time when Europe is torn asunder by intense hostility, and when, therefore, the world may at any moment be plunged into another great struggle, we will not take upon ourselves to say. But it seems to us worth while to consider with such faint lights as we have at present what is likely to be his policy, supposing that he is raised to one of the greatest positions in the world. If he succeeds he will govern the United States for four years, and very probably for eight years. And, therefore, he may have to play an exceedingly prominent part in guiding the world through an exceedingly difficult time. He has never held a position which would bring out his character so plainly as to enable anyone to judge whether he is, or is not, likely to make a great President. It must be observed, however, that most of the Presidents of the United States were more or less unknown when first chosen, and that they have proved to be remarkably capable men. It is, therefore, to be assumed that he has abilities which justified those who put forward his name; and, consequently, that if he is raised to one of the greatest positions in the world he will adopt a policy that is well worth considering. In any event, if he becomes President he will have powers of extraordinary greatness, and may affect the future history of the world.

It is to be borne in mind that each State in the American Union is a sovereign commonwealth, and that it manages its own internal affairs in its own way. It may be said, indeed, roughly, that the Federal Government only deals with foreign questions, with the Army, the Navy, and the Post Office. Practically everything else is controlled by the State Governments. That is one reason why a man who has distinguished himself in his own State sufficiently to be put forward by his own fellow-citizens as a candidate to rule the whole Republic is less known than one would naturally anticipate. The number of American States is so great, and the business they conduct is so multifarious, that only those who deliberately devote themselves to its study are justified in forming anything like a confident opinion. It is probable, therefore, that even in the Convention his character is not by any means clearly understood. It is certain that outside of the United States very few know enough of him to venture upon any kind of opinion as to whether, supposing he is elected, he will prove to be a really capable President or not. Still, if he is elected, he will, for four years certain, exercise power in the greatest of existing countries; and therefore it behoves us all to understand as much about him as we can. To begin with, the fact that he was put forward by his own State, after a number of other names more familiarly known had been rejected, and ultimately was chosen by the majority, enables us to say with confidence that he must be a man, to put it mildly, of considerable ability. As has just been said, the United States Government is concerned only, or almost only, with affairs which affect the relations of that country with other nations. It would be altogether too much to say that it does not also deal with very important State questions. But, speaking broadly and generally, it is with international questions that it is specially concerned. Therefore it seems worth while to ask what international questions are likely to assume such importance as to call for action by the coming President of the United States. We answer, in the first place, the most likely question to call for action by him seems at the present moment to be the condition of Mexico. There is a chance that the Mexican chiefs may be sensible enough to recognise that they cannot be allowed very much longer to keep the American continent in disorder. The death of General Carranza has made that more possible than it seemed a little while ago. And the certainty that a new President will be at the head of the American Government next March ought to warn all thoughtful Mexicans that it is high time they should put their house in order. If they do not it is reasonably to be anticipated that the new President will insist that America has borne patiently for an extremely long time a con-

dition of things which American citizens cannot be expected to tolerate much longer. Assuming that the Mexicans are sensible enough to understand this, and set themselves earnestly to work to give satisfaction to American opinion, what other matter is likely to occupy the attention of the next President?

Apparently, the management of the Panama Canal will be brought under discussion. It is to be recollected that the Panama Canal has been built by the United States at their own cost. It does not matter whether they could have had assistance or not. They preferred to act single-handed. They have constructed the Canal, and since they have spent much money and thrown away many valuable lives in doing so, it is as certain as anything can be that they will insist upon using the Canal for the benefit of the United States. There is a strong feeling that as the United States has had to construct the Canal, and now is solely responsible for its safety, it shall be used for the special benefit of the United States; and, in particular, that American citizens shall be charged less for using the Canal than any outsider. That is a matter which the rest of the world is likely to object to. It is certain that our own Government will claim that the Panama Canal, like the Suez Canal, ought to be controlled for the benefit of every nation that is capable of using it. But there are large numbers of Americans who dispute that point; and, therefore, we must not be greatly surprised if the new Government, whatever it is, puts forward a claim that as the Canal from every point of view is American, it should be used, firstly, for the benefit of America. Whether that will, or will not, lead to political difficulties it would be rash, as well as unwise, to discuss at present. We think it advisable, however, to call the attention of our readers to a matter which may become very important; but we have no intention to say anything that would be likely in any way to create, we will not say bad feeling, but even anxiety. Another matter which we are glad to say has never hitherto caused any friction is that the United States is cut in two by Canada. When the Russian Government, for reasons on which we need not now touch, decided to get rid of its American territory, it sold that territory, not to Canada, which immediately touches that territory, but to the United States, which was divided from that territory by the whole breadth of Canada. There is no symptom at present that the United States is unsatisfied with the present state of things. Yet it is from time to time hinted that unpleasant relations may spring up. And the hints are likewise mixed with references to the negotiations which some years ago went on between Canada and the United States for working arrangements which apparently would have benefited Canada. Those relations were not carried out. Yet one hears from time to time that there is a strong feeling, both in the United States and in some parts of Canada, that the present state of things is not satisfactory, and that whenever the Republican party comes into power in the United States it will take action to ensure that the matter is put upon a more satisfactory basis. It is quite possible that these hints and warnings have less meaning than is often attached to them. Still, it is worth while now to refer to the matter, firstly, because we have a President in power in the United States who is not in the least inclined to raise a question that might have grave consequences; and, secondly, because at present nobody can form even a probable guess who will be elected next November to the Presidency of the United States.

EUROPE.

Early in November 1918 the soldiers of the German Army threw away their weapons and refused to fight any longer; the Kaiser took refuge in Holland; and all Germans who thought themselves in danger likewise hurried to some place where they considered they would be more safe. We have had, therefore, practical peace for over a year and seven months, and it is clear that most European nations are not in a position to make war upon a great scale upon any first-class Power. Of course, it is true that in Russia and elsewhere there is fighting going on. Of course, it is also true that there is an extremely bitter feeling in many of the countries which are not actually engaged in hostilities. But everybody who pays attention to the condition of Europe is aware that the so-called peace is maintained only because, for the time being, nobody is sufficiently prepared to fight once more. Furthermore, everybody is aware that the feeling throughout Europe is such that nobody would be in the least surprised if another great war were to break out, assuming always that somebody was to come forward powerful enough to give the impression that he could help materially those who wished to fight. The condition of Europe being such, it is surely worth while to give it more attention than it attracts at the present time. Our Government seems to be incapable of seeing how inflammable all the nations are. On the contrary, it seems more intent upon wasting money and stirring up insurrection at home than upon adopting measures that would give some faint hope that the lust for war can be kept under. Russia, we need not remind our readers, is engaged in a destructive civil war. Nobody pretends to understand what is the real feeling of the great body of the Russian people. Russia is exceptionally an agricultural country. She has an aristocracy; but it has no real influence. She used to have a Government; but it has thrown away its influence by every form of misgovernment. And now all that we really know about the vast Empire is that it is on the brink of starvation, and that its people are cutting one another's throats as actively as they can. What will happen there nobody knows. Then, if we turn from Russia to Germany, we find a country which so completely exhausted itself in war that its soldiers themselves, though they were the most carefully drilled and the most highly disciplined in the world, threw away their weapons and refused to fight any longer. Next, if we turn to Austria, we find that practically all that remains of what was once the territory of the Hapsburgs is incapable of forming a Government. As far as outsiders can judge, the people of German-speaking Austria would gladly join Germany proper. And it is also believed that now that she has been cut up Hungary would likewise do the same. But no measures have been taken to provide a means of living for either German Austria or what remains of Hungary. It is hardly worth while to go through the long category of small States. They are glad, of course, to be free from their old oppressors. But nearly everyone is intent upon fighting some neighbour. And if we turn to the States which remained neutral during the War, we see that they are very little more satisfied than those who were plundered and slaughtered by the War.

So far as Europe is concerned, then, it would be difficult to exaggerate the dangers which it presents on every side. And yet nowhere do we see the slightest symptoms of a serious attempt to restore good government and order. Every honest man who is not too intent upon national braggadocio admits that it was the French who really fought the Germans, and at the Marne and before Verdun defeated them so completely that they never were able to recover. The Germans went on fighting long after. But they never were able to recover. Even when Russia made peace with Germany and turned against its former allies, Germany was not able to profit by the fact. If we could look at Europe alone, if there was nobody that could interfere, we might hope desperately that things would prove no worse than they were after Waterloo. But, unfortunately, it is not now as it was after Waterloo. After Waterloo nobody was [illegible] Russia; [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible]

Europe, each one of which has immense resources and is capable of conducting a great war. It is unnecessary to say that we mean, first, the United States; and, secondly, Japan. The actual population of the United States we shall know so soon that it would be merely exposing our own ignorance if we were to venture upon anything like a close estimate of the number of its inhabitants. But we think we may safely say that they considerably exceed 100 millions. Four-fifths of the whole are of European descent, drawn, indeed, from the most vigorous populations in Europe—British, Spanish, French, Irish, Norwegian, Swedish, Danish, and so on, not to mention of late immense numbers of Slavs both from what used to be the Austrian Slav States and from Russia. Moreover, the United States was only just beginning to fight in earnest when the German soldiers threw away their weapons and refused to fight any longer. Practically, therefore, the United States suffered little from the Great War, while she lent on such a vast scale to Europe that she now holds European securities to an extent that would have seemed fabulous a little time ago. The United States, moreover, has but to throw open her ports and supply those she wishes to attract with the means of travelling and she can draw a rush of immigrants such as has not been seen for probably 20 or 30 years past. The United States alone, then, stands out a head and shoulders above all other States. Her wealth is growing so rapidly that even those who study her can hardly keep pace with the growth. And she is certain that nobody will dare to attack her; while, if she is herself an aggressor, or desires to become an aggressor, she can choose whom she will attack.

Turning from the United States to Japan, we find another great people who in little more than a generation have turned what used to be regarded as a weak Asiatic State that nobody need pay special attention to into one of the greatest Powers in the world. At the present time, indeed, it is not an exaggeration to say that after the United States she is probably the most formidable military and naval Power in the world. True, the relations between the United States and Japan are not as satisfactory as they might be; but the differences between them are not such as need prevent an arrangement. They are divided by an immense ocean, and if it were not for China there is no real cause of disagreement between them. Whether they will come to agree and to work together we do not pretend to know. But we see in an almost helpless world two great nations standing out with the ability to put in the field immense armies and to carry those armies immense distances overseas. If they cannot, or will not, agree, it is difficult to imagine what nation, or combination of nations, is capable of withstanding them.

In these circumstances the folly of our own Government is so supernaturally extravagant that we can hardly believe that it is sane men who are guilty of it. We raised an immense Army—an Army far more immense than the world believed we could do—when the War came. Can we hope—we will not say to raise such an Army again, for we do not doubt the patriotism of the people—but have we one single statesman—we will not say a Government, or a number of public men, but even one man—capable of conducting another great war, even though the people are ready to do everything that a people without power can do? To make matters worse, we had the best possible relations with France. She counted upon our assisting her if Germany invaded her. And we acted up to our promise. We had until the other day the most satisfactory relations with France. Moreover, France repaid us most splendidly. Within little more than a month after the outbreak of the War a great German army marched upon Paris, and actually reached within 20 miles of the great city. But at the Marne that army was met by a still greater French army; and without giving any opinion of our own, we will simply repeat what an eminent German military writer said of the battle of the Marne—that if France had been able to throw a really formidable force upon one of the German flanks she would probably have very early ended the War. That was not all, however. The German Government, seeing that a direct march upon Paris was hopeless, tried to reach the great city through Verdun. For five whole months France resisted, and Germany suffered such a defeat that she gave up even the hope of attacking Paris again. There were, therefore, the most favourable relations that could be desired between this country and France; and now France looks upon us as betraying her interests; as turning to back up Germany; as, in fact, acting in direct opposition to every engagement and every promise made by this country to the one great Ally who decidedly and incontestably broke the military power of Germany. What are the feelings of Germany with regard to ourselves we need not inquire. Germany believed when the War began that she was able to defeat the Entente; and she is convinced now that while she was defeated both at the Marne and before Verdun so completely by France as to make real victory impossible, yet the ultimate defeat was due to the blockade of her ports by the British Fleet. When everything is said, Germany might have made a peace that would have left her self-respecting if she had not been starved out by the blockade. Is it likely that Germany will associate herself with England any more than with France? And, if she does not, what are our prospects? We have not a single friend in the whole of Europe. Even in our own islands we have created a hostility of a very formidable kind. And we see two great Powers in a position to make war almost at any moment they please. How we are to resist them if they choose to impose humiliating terms upon us we shall not undertake to say.

THE RUINS OF ARRAS.

[From Our Special Commissioner.]

Arras: June 17, 1920.

Arras was before the War one of those provincial capitals, fairly numerous in France, which bore an indelible stamp of individuality and retained many characteristic features that, being in part a survival and in part a conscious recollection of the past, marked it as altogether distinct from Paris. It had a history that was largely uninfluenced by the politics that swayed the chief city, and in mediæval times under Charlemagne, and even under his weakling successors, it played a *rôle* of considerable social and economic importance. Its central square was famous as the scene of the most brilliant tourneys in Northern France, and its tapestries and silken tissues were remarkable for originality of design and skill of workmanship. The town fell to the Spaniards in the period when they held the Low Countries, and its Hispano-Flemish houses, now battered almost beyond recognition, are the only relics left to it of that mediæval greatness which has dwindled slowly, but still perceptibly, in modern times.

The many vicissitudes of Arras, borne with uncomplaining fortitude by its citizens, were in themselves sufficient to check any schemes of permanent expansion. From the days when it figured as the capital of a Gallic tribe that once warred against Cæsar, the city has known siege after siege, and, though often put to fire and sword, it has ever risen again from its ashes. In the war of 1870 it was saved from the fate that threatened it by the genius of Marshal Faidherbe, whose statue now adorns the Place de la République in Lille, but in 1914, in its unprepared state, the city fell an easy victim to the first rapid advance of the invaders. The enemy only passed through on their way to another and more important objective, Amiens. After their failure at Amiens and their defeat at the Marne, the Germans, in the rapid extension of their

right wing, necessitated by the Allied outflanking movement and by the ensuing race for the Channel ports, came hurriedly northwards in the direction of Arras. This time the tide of attack swept in vain against its gates, and several desperate assaults were repulsed. Unable to gain possession of the city, the enemy set themselves systematically to annihilate it—and they succeeded.

The ruins of Arras are a melancholy tribute to the power of modern long-range artillery. Of 8,982 houses within the urban area before the War 4,525 have been totally and 3,881 partially destroyed. Only 6% of the houses escaped damage, and all the notable buildings, including the Cathedral, the Palace of Saint-Vaast, and the Hôtel de Ville, with its famous belfry, have perished. For the reconstruction of the city and the restoration of the public monuments and parks, the spacious squares and boulevards, a vast sum will be required. The most reliable estimates place the cost at between 35 and 40 million pounds, but even this enormous outlay cannot revive the architectural and artistic attractions that in pre-War days brought many pilgrims to the ancient capital of Artois. All large or high buildings, which offered natural targets, suffered from gunfire, and the façades of the quaint houses built under the rule of the Spaniards are almost completely ruined.

As the capital of the Pas-de-Calais, Arras has always been the seat of local government, and as the centre of the rich plains of Artois it carried on a thriving trade in agricultural produce, particularly grain. The large amount of beetroot grown in its neighbourhood supplied many sugar factories to the north of the city and at Souchez with raw materials. Its grain warehouses and refineries have now, however, been all demolished, and scraps of dismantled and destroyed machinery are the only evidence of the industrial activity that once made the city and its neighbouring towns and villages contented and prosperous. The inhabitants have indeed come back in large numbers, and the population of Arras is at present far in excess of the pre-War total of 26,000. A large army of workmen have commenced operations in its ruins, and already a considerable clearance has been effected. Heaps of masonry and rubbish have been dumped in the marshes adjacent to the river Scarpe on which the city stands. Despite the lack of houses and the consequent difficulty of securing accommodation, the inhabitants to-day probably number 35,000. As many of the pre-War Arrageois, especially those of ample means, live away from the city, in preference to enduring its discomforts, the floating population of workmen is very great. Here again we have the same mixture of nationalities found throughout the devastated regions, a significant token of the terrible depletion of French manhood. Temporary repairs have been effected on a large scale to buildings which can afford even the rudest shelter. Many people live in the caves and cellars which housed the great concentration of British troops that preceded the victorious offensive of 1917 when Vimy Ridge was captured. These catacombs, as they might be called, had been used long ago for refuge in troublous times; and to conceal the massing of the various British units military engineers hit upon the happy plan of making them habitable. They were accordingly connected up, lighted by electricity, supplied with water and even with a small tramway. They are used now by large numbers of workmen, and in many places smoke may be seen issuing from the holes in the ground used as chimneys by these subterranean dwellers.

Parisian and local *entrepreneurs* have taken up contracts for clearing, repairing, and rebuilding in various parts of the city, but, except in the first branch, progress has so far not been considerable. Even still some streets are only partly cleared. Many houses remain to be demolished owing to their dangerous condition. Despite the immense band of workmen, operations are said to have slackened of late for financial reasons. Complaints are everywhere heard of the inadequacy of the advances made by the Government to reimburse the citizens for their losses and enable them to proceed with the work of restoration. Unless the "sinistré," or person affected, has private means at his disposal, the possibility of his undertaking any work on a large scale with the present cost of building and repairing is very remote. A simple wooden *baraquement* of three rooms costs to-day in Arras 10,000 francs, and dwellings of brick and stone are for many quite out of the question. The poorer residents may thus be condemned to live for years underground, or in makeshift shelters and leaky houses, and their plight is one deserving of the most generous consideration and support from Allied nations more fortunately circumstanced.

PAS-DE-CALAIS.

(From our Special Commissioner).

Arras, Pas-de-Calais: June 17, 1920.

The Pas-de-Calais has, with the possible exception of the Département du Nord, suffered more cruelly than any other French Department from the War. Its strategic and economic importance was considerable, as its sea-board embraced the important harbours of Calais and Boulogne, and inland it comprised, in Lens, Liévin, Loos, and other towns, the "Black Country" of France. Its possession was therefore bitterly contested, and as the battle swayed to and fro over a wide area during the whole period of the War, the devastation, which was at the outset very great, was rendered more and more complete. Of its six arrondissements two were completely destroyed, Arras and Béthune, while others suffered losses in immovable property, apart from the dilapidation incident to the quartering of Allied troops, of 80% and less. Eastwards of a line drawn from St. Omer through St. Pol to Doullens on the Canche and taking in one-half of the Pas-de-Calais, the destruction has been very marked. This district contained some of the vital *points d'appui* of the Hindenburg Line, including the labyrinth north of Roclincourt, the elaborate defence system at Vimy, and a chain of strongly fortified villages on the salient between Arras and Bapaume. The famous Drocourt-Quéant switch, constructed as an additional safeguard in the event of the Line being forced, lies still further to the east but still in the Pas-de-Calais. One part or other of this area figured almost daily in the *communiqués* as the scene of fierce artillery duels. Towns and villages were levelled and the land was everywhere gutted by shell fire. No fewer than 70,000 houses were completely destroyed and 36,000 damaged, while 335,000 out of 430,000 acres were put out of cultivation. As elsewhere in France the recovery from the effects of the War has been most striking in the case of agriculture, and of the 65,000 acres declared shortly after the Armistice, by a special Commission of Inquiry, to be absolutely useless from the agricultural point of view, only 20,000 acres are now stated to be outside the cultivable zone.

Many buildings of historical and artistic interest were reduced to ruins at Arras, Bapaume, Béthune, Aire, and Boulogne, but the greatest loss has been that inflicted on 1,500 odd industrial undertakings of all kinds, from textile mills to laundries, scattered throughout the Department. The extent of the damage has been variously estimated, and on the 1914 valuation it may be said to fall not far short of 200 million pounds. At present values it would, on a conservative estimate, be 500 million pounds, at the par of exchange, a figure much below that of French authorities, who are inclined to err somewhat on the side of extravagance. The advances made up to date to the inhabitants under the various schemes of relief promoted by the Government amount to 50 millions, or only 10% of the damage inflicted. The measure of assistance afforded is even less satisfactory than it appears. The

losses cannot be fixed in definite fashion with reference merely to the past, as they still continue, and France is every day suffering further additions to her already grievous total. Thus the stoppage of coal production in the Lens-Loos district leads to heavy purchases of coal abroad, for which not only have fancy prices to be paid, but a substantial loss in exchange has to be borne.

The number of inhabitants in the Pas-de-Calais whose property was destroyed or injured is 575,000, and, on the basis of the estimate above given, the cost of restoration and replacement works out at £869 per head. This is not an extravagant figure, as values in France have practically quadrupled since 1914. Moreover, 498,000 out of the total number of "sinistrés" were forced out of their homes and compelled to quit the district completely. In such cases the loss of movable property and buildings was almost complete. Of rich towns, such as Lens, which had a population of 35,000 before the War, scarcely a stone has been left upon a stone, and all the area of which Lens is the centre, renowned at one time not only for its coal-mines but for its sugar-refineries, distilleries, and brick-works, has been laid absolutely waste. It is to-day a desert where men live under the most primitive conditions, and where those who grapple with the problem of reconstruction are faced by all the difficulties of pioneers. As in Arras, underground dwellings are common, and even dug-outs are not despised, since the destruction has been so much more complete. In appearance Lens is just a series of heaps of bricks and mortar, pierced here and there by wooden beams and iron girders. Souchez, Liévin, Thélus, and other once-populous centres in this sector are all in a similar condition, and it may be said that no important district on the Western front has suffered a greater intensity of destruction. The loss is so enormous that attempts to figure it out become meaningless. The productive capacity of the whole area has been paralysed, and a generation will scarcely see all the traces of the conflict wiped out, unless the Allies assume a common responsibility for damage suffered in a common cause. All the Department of the Pas-de-Calais is hallowed with memories that should for ever be sacred to England. From the Canadian monument on Vimy Ridge to the cemetery at La Targette, where eight thousand British troops are buried, there are everywhere associations showing how liberally British blood has been spilt where British treasure is now being refused. The reproach which such conduct involves should only be mentioned to be removed.

BOLIVIA.

A WISE DECISION.

According to a cable from Santiago, the Chilian Minister to Bolivia has signed an agreement between Chili and Bolivia, the object of which is to cement, as the cable puts it, political unity. It is understood that this agreement is a prelude to granting Bolivia free access to the Pacific, and possibly assigning to that Republic one of the ports. An arrangement which would bring about a really friendly working between Chili and Bolivia would be of enormous advantage to both countries, and, of course, especially to Bolivia, which is by far the smaller and weaker Power of the two. Bolivia allowed herself to be persuaded in the war, now more than a quarter of a century ago, between Peru and Chili over the nitrate fields, to take the side of the former; and she suffered, as she was bound to suffer, when Chili completely defeated her rival. From the very outset it was reasonably certain that Chili would win. Chili was by far a stronger Power, both by land and by sea, and had infinitely greater mobilisable resources than Peru and Bolivia put together. The real subject of dispute arose because Chili was developing the nitrate fields which she now owns. They were, at that time, in Peruvian territory, but the Peruvians were doing little or nothing to develop them. The Peruvians wished to assert the rights over those fields without considering the susceptibilities of Chili or awarding to her citizens, who had been active in opening up the nitrate fields, adequate compensation for the expense and trouble they incurred. This led to war, and in the result Peru was hopelessly defeated. She had neither an army nor a navy, nor any kind of adequate forces, to meet the Chilians, and as a result she had no option but to submit to the terms which Chili was in a position to dictate. Bolivia was ill-advised enough, acting on the suggestion of the Peruvian Government, to throw in her lot with the weaker of the two parties.

Bolivia is the most striking illustration on the West Coast of South America of Simon Bolivar's foresight in aiming at a great Colombian State. But it is equally an illustration of his lack of practical ability in his complete failure—and failure mainly due to his own faults—in carrying out the policy that he saw was essential if these centres were to enjoy peace and prosperity during the century that followed his death. As a matter of fact, they have been a welter of chaos ever since the declaration of independence. If Bolivia is to become what her enormous natural resources would seem to entitle her to become, one of the most favourable opportunities will be afforded by a really friendly arrangement between a highly enterprising State like Chili—one of the very foremost on the South American continent—and a backward State like Bolivia herself. There can be no reasonable doubt that if Bolivia really makes friends with Chili one of the results will be, and must be, free access to the Pacific, and probably the granting of some territory which will actually give her a maritime port of her own. Having backed up Peru in the war against Chili, she had to take the inevitable consequences which were foreseen from the very outset, both in Europe and in the United States. The result, however, has been to check Bolivia's development ever since.

The Bolivia of the declaration of independence was more than twice the size of the Bolivia of to-day. But she has had from the very outset a Governmental system totally unsuited to her requirements. Bolivia to-day is more than two and a-half times the size of France, as she existed at the outbreak of the Great European War. But she has in that extensive area a population of only about two and a-half millions, two-thirds of which are native Indians, and Indians who have been oppressed for a period of more than three centuries as, perhaps, few people ever were oppressed by their conquerors in modern times. The Bolivia that we know forms part of the ancient Inca Empire. It formed one of the great viceroyalties, or what in the East are called satrapys, of the Inca Empire; and hence under the Spaniards was called Upper Peru. Why it was ever divided into a separate Republic, except to satisfy the ambition of soldiers and politicians, is one of the puzzles which may be left to historians to solve. In a sense, it may be said, there are dividing lines in abundance and to spare in Bolivia, which differentiates it from all its neighbours. But that is equally true of the neighbours themselves. Why stop at Bolivia? Why not split it up into a multitude of small States within the various spurs of the great Andean chain of mountains? There is, in fact, no difference between the native races of these northern Republics. They are all descended from the Aymara or Quechuas. Neither of these great races, which extend all over the Western part of the South American continent, is of Inca descent. Both races are pre-Inca, but they form the principal stock, just as the Tupi-Guarani do on the Eastern Coast. The Aymaras are the more intelligent, and apparently the later comers; but the Quechuas are generally considered the more war-like, as they are certainly the more dogged and the least attractive to strangers. Both races were grievously oppressed by the Inca

rulers. And, if tradition may be trusted, the Aymaras, before them, were pretty severe task-masters of the Quechuas. Whether their intelligence enabled them to subdue the latter, because generally the Quechuas are considered the more war-like race, we do not know. But there seems no reasonable doubt that there was a period when the Quechuas had to submit to the yoke of the Aymaras. Those who are skilled in defining origin trace a strong Mongol trait in the Aymaras. The origin of the Quechuas, which is still more remote, seems more difficult to trace. Both of them manifestly must have been settled in that part of South America for an enormous length of time, because it will be remembered that the Inca Empire dated from about the eleventh century of our era. Consequently the Aymaras, if they were a ruling race, must have preceded that period, and the Quechuas must have gone back to some still remoter ancestry. In these regions we are in what was the most civilised part of the whole South American continent. There were two parts of America—that is, North and South—which were civilised when discovered by the Spaniards; and both are within what we call Spanish America. One was the Aztecs of Mexico, and the other the Incas of Peru.

When we speak of the Incas of Peru we are speaking of a ruling caste who held sway over various tribes, primarily the Aymaras and the Quechuas, who extended over an area more than one-third of the total South American continent. The Inca Empire went well into what we call Colombia now; possibly, into Venezuela; certainly down far into what we now call Chili; crossed the Andes; and extended over the greater part of what we now call either Northern Argentina or the Gran Chaco. And, of course, as a matter of fact, part of the Gran Chaco still forms an integral part of the Republic of Bolivia. Now in a country very nearly three times the size of France, which is what remains of the Bolivian Republic, there is, as we said above, less than three millions of inhabitants. Seventy per cent. of these inhabitants are these poor Indians who have been oppressed and exploited for countless centuries; and during the greater part of the period which has elapsed since they threw off the Spanish yoke they have been little more than counters in a dice-box between the leaders of the contending factions who have from time to time exploited the political interests of the Republic. This area, as we have said, formed the centre of the most civilised part of the whole of South America when the Spaniards first discovered it. What was the real population we have no means of saying. But the monuments that remain—the remains of roads, and viaducts, and aqueducts, and irrigation works; the terraced fields, show the skill of their agriculturists, and the remains of their manufactures—testify that their population must have been, if not exactly very dense, at any rate very large. Consequently, the proposition which presented itself to the Spanish conquerors when they landed was a totally different one to that which presented itself to the British and other adventurers who landed on the coast of North America. The North American Indians were very much like the Tehuelchis of Patagonia are to-day, not in the least like the civilised agriculturists and manufacturers who were encountered by the Spaniards in Mexico and Peru. The North American Indians, like the Tehuelchis in Patagonia to-day, had undoubtedly an elementary notion of agriculture. But they were not agriculturists in the sense that we use the term; that is to say, they were not permanently settled down in one particular spot. The agriculturist, was, to a very large extent, merged in the nomad. Now the Peruvians, if they had ever passed through that stage, had long since advanced beyond it when the Spaniards first became acquainted with them. In many ways they appear to have been very permanently settled down in one particular spot. The agriculturist in many ways superior in what we call civilisation, that is, the arts of peace, to their Spanish conquerors. But their munitions of war were very inferior.

As we have said, however, these people have been grievously oppressed. When the Spaniards came in contact with them, having once defeated them, they did not value them at all as agriculturalists. Their manufactures they treated as curiosities. A sample of wool work from the llama was undoubtedly sent to the Emperor Charles the Fifth as a present to show how beautiful their woollen work was. But had not the priests in general, and an occasional Governor here and there, had sufficient intelligence to appreciate their work, and the monkish orders, in particular, had sufficient intelligence to preserve an account of what they saw, we should know nothing about it. Speaking generally, the Spanish viceroys in Peru did not take the trouble to preserve the ancient civilisation. They allowed the manufactures to go to pieces. They bothered little or nothing about the agricultural conditions. Throughout the Spanish dominions food was constantly scarce, although they were living in a land of plenty, or ought to have been. But the one thing that the Spanish Government—meaning by the Spanish Government, to do them justice, the adventurers in Peru—for the Audiencia in Europe did make from time to time efforts to prevent the cruel exploitation of the Indians—cared for was silver and gold, and particularly silver. And there can be no doubt that the Indians were taken from the fields and from the factories and compelled to work in the mines until they died by hundreds, and died by thousands. The Spaniards had a totally wrong conception of the elements which constitute prosperity. They mistook the symbol for the reality. Gold and silver may represent wealth, but they do not constitute wealth. We can neither eat them, nor can we wear them, except as ornaments. To-day, Bolivia is principally valued for its tin products. At present minerals and rubber are practically all it has to export. And for some time, at any rate, it will be dependent upon its mineral resources for its well-being. If Chili were to form a close alliance with Bolivia, and Bolivia were opened up by Chilian enterprise, granted a good port somewhere in the Antofagasta region which formerly belonged to her, the rich lands of the Yungas are capable of affording large supplies of food and raw materials to feed the growing industries in Chili, which Chili herself is really not in a position to furnish upon the same economic terms.

FRENCH COAL MINES.

[From Our Special Commissioner.]

Lens: June 16, 1920.

Before the War the annual coal and coke consumption of France aggregated 62 million tons, of which 21½ million tons, or 34%, were imported. The remainder was produced at home, but, though production was showing a tendency to increase, it did not keep pace with the growth in consumption, and the result was an increased dependence on foreign sources of supply. Production rose slowly from 37 million tons in 1910 to over 40 million tons in 1913. In the latter year France ranked fifth among the coal-raising countries of the world, behind the United States, the United Kingdom, Germany, and Austria, and carried on, curiously enough, an export trade, which was not, however, of very large dimensions. Coal exports, excluding supplies to steamers leaving French ports, averaged 1,400,000 tons per annum, and were carried by overland routes to adjacent countries, principally to Belgium, Switzerland, and Italy. In the case of Belgium the imports from France were much less important than the exports, which in 1913, including the coal-equivalent of coke, reached 4,900,000 tons. The War had the effect of cutting off the coal-[illegible] supply, but the six million tons annually imported from Germany [illegible] Westphalia. In addition, the [illegible] the Nord and the Pas-de-Calais deprived France of the [illegible] coal basins,

which were together responsible for 68% of the annual home production. A visit to the mining districts of Valenciennes and Lens in the departments affected affords convincing proof that production will not attain the pre-War standard in these regions for a considerable period. Such mines as remained in Allied hands were under fire from enemy artillery, and the surface buildings have become in most cases a total loss. The pumping, ventilating, washing, and screening machinery, and the coking plants have been destroyed, but the air passages and shafts and the underground workings are happily intact.

In the districts occupied by the Germans the mines not only suffered from bombardment, but were deliberately crippled and put out of action with the object of hampering all efforts to bring them again to the producing stage. So efficient was the work of destruction that it will take upwards of 10 years to restore some of the mines affected to their peace-time level of efficiency. In the Nord group 100 pits, representing a daily output of over 50,000 tons, have ceased production, and in the Pas-de-Calais the damage done is on a similar scale. At Lens, Courrières, and Liévin, in the latter department, the mining towns and villages are levelled to the ground, and all the mining and by-product plant has been wrecked. Boiler-houses have been blown up, winding and coal-cutting machinery destroyed, and shafts deliberately choked. Canals and railway sidings, barges, and rolling-stock have been rendered useless. Lens was, unfortunately for itself, wholly dependent on the mining industry to support its population of 35,000. It ranked at one time as one of the most prosperous towns in France, its population having more than doubled since 1896. All the coal concessions of the district were worked by one company, which annually produced one-tenth of the French output, but now the production is negligible.

The flooding or drowning of mines through the stoppage of pumping and deliberate inundation is one of the greatest difficulties that has to be faced, but mining engineers are confident of overcoming all obstacles eventually. In the meantime the French must rely on a more intense exploitation of the mines of the Loire and the Midi and of the lignite deposits of Provence, as outside aid is not plentiful. Coal-exporting countries, such as the United Kingdom, are themselves suffering from scarcity of supplies, and limitation of shipments has been found necessary. The restoration of Alsace-Lorraine has in itself widened the gap between production and consumption in France, as the coal produced in the two provinces was in normal times about 3,700,000 tons, against a consumption of 9,000,000 tons. Both, however, drew their requirements largely from the basin of the Sarre, which up to 1815 belonged to Lorraine, and is itself an extension of the Lorraine measures. The possession of the same field with full rights of ownership, whatever the result of the future plebiscite, assures France an annual supply, on the basis of 1913 figures, of over 13,000,000 tons. This, though helping to reduce the French deficit, does not at all offset the loss of output in the Nord and Pas-de-Calais. These districts are at present capable of a production of only several million tons, compared with 26,800,000 tons in pre-War days. The terms of the Peace provide that Germany is to supply the deficiency between past and present output for a period of 10 years, an upper limit of 20 million tons per annum being fixed for the first five years and of 8 million tons for the remaining five. A further seven million tons are to be delivered annually to France for 10 years as part of the general payment for damage caused by the War. This total contribution of 25 million tons a year has so far been a purely theoretic figure, and the prospects of its early materialisation are regarded as more than doubtful. It is fortunate for France that claims to replace output from destroyed mines have a prior lien on German supplies, as this gives her a precedence over Italian, and to some extent over Belgian, claims. The average yearly demands made on Germany by these three countries and by Luxembourg total nearly 16 million tons. The extent to which Germany has been able to respond to all the claimants is shown in the figures recently published by the Inter-Allied Reparations Commission. Up to May 31 last France had received 4,611,000 tons of coal, of which 393,600 tons were assigned to Luxembourg; and on the same date Italy had received 311,000 tons and Belgium 97,000 tons. As conditions improve across the Rhine these indemnities in kind may come to possess something more than a paper value, but at present the coal tribute to France falls below half a million tons per month.

Supplies of coke, particularly for metallurgical purposes, are very scarce, as the production of the Nord and Pas-de-Calais in 1913 amounted to 2,420,000 tons, or 92% of the total output. The coking-ovens at Lens, Bethune, Aniche, and Dourges contributed the major portion of this figure, and their destruction means not only the practical disappearance of the coke output, but a serious loss of many valuable by-products. As compensation for the detriment so suffered Germany is bound by the Treaty to cede annually to France for a period of three years 50,000 tons of coal-tar, 35,000 tons of benzol, and 30,000 tons of sulphate of ammonia. Here again the amounts delivered fall far short of the stipulations. It may be recalled that before the War Germany persistently refused to supply France with coking coal, but sold her the coke freely, retaining the other constituents as raw materials for her immense chemical industries. Of the total French coke imports of three million tons in 1913, 2,350,000 tons came from Germany and the major portion of the remainder from Belgium. Neither source of supply is now available, and with the drastic curtailment of English exports below normal figures, the seriousness of the French coal position can be realised. America is of course a new factor in the coal-export market to Europe, but the quantities shipped from across the Atlantic to France are wholly insufficient to make up for the reduced home production. The average monthly output of coal in France, which in 1913 was 3,370,000 tons, is now, even with the Lorraine output, only 2,000,000 tons a decrease of 41%, the reduction in the Nord and Pas-de-Calais being over 80%.

INDUSTRIAL CORK.

The admirable geographical situation of Cork naturally marks it out as an important centre of trade and commerce. Cork Harbour is described by the *Irish Coast Pilot* as one of the most capacious and secure harbours in the British Isles, navigable for ships of a large class from the entrance to Passage, a distance of 7½ miles; and contains space sufficient for the largest fleets to anchor in moderate depths of water, on good holding ground, and is most effectually sheltered against all winds and seas. It is, moreover, easy of access, and from its westward geographical position, most valuable as a rendezvous both for His Majesty's ships and for the immense fleets engaged in commerce that continually resort there both for shelter and to await orders as to their final destination on their homeward voyage. The fact that it is the first important port in Europe to be reached from North America is also a weighty advantage in the city's favour. Good railway facilities point to Cork as the most suitable channel for the distribution of the surplus agricultural products of the fertile South of Ireland, and the sea-going transport provided encourages a trade practically 80% of which is carried on with Great Britain. The same considerations apply to the import trade, the augmentation of which is to be confidently looked forward to in view of the increased standard of living noticeable in rural Ireland in recent years.

Statistics of the quantity and value of the trade of Cork are available for the year 1918, but in view of the abnormal circumstances connected with that year,

those furnished in 1919 should offer a more reliable guide.

Trade of the Port of Cork in 1913.

	Exports		Imports	
	Quantity	Value	Quantity	Value
		£		£
General merchandise (tons)	75,924	3 312,451	933,174	6,161,042
Animals (number)	121,496	1,962,219	651	41,229
Timber (loads)	25,153	43,723	16,140	89,938
		5,348,393		6,592,209

The value of the total trade of the Port for 1913, £11,940,602, indicates a substantial increase of £2,003,602, or 20% on 1912. In considering these figures it must be borne in mind that they relate solely to the estimated value of the trade carried on with Great Britain and places abroad, and make no provision for the value of the Irish coasting trade; it should also be noted that the trade through the Port of Cork forms only a part of the city's import and export trade, as a very large additional trade is carried on through the ports of Waterford and Dublin. From the presence of a rich agricultural hinterland it is not surprising that a considerable proportion of Cork's exports is made up of foodstuffs. Live-stock bulks very largely in this connection and was valued at £1,881,665 in 1913; in the same year, butter, which calls to mind the ably organised Butter Exchange of the city, came to £1,266,715; bacon, hams, and pork fetched £719,172, and eggs, £277,644. The relation of the City to the agricultural industry, still the most important of human industries, can be grasped from the foregoing and this bond tends to become still more valuable in view of the growing popularity of the latest types of agricultural machinery, and the strenuous efforts made by farmers to grade up the quality of their live-stock. The successful issue of the campaign undertaken by Cork and other bacon curers to regularise the pig supply, and to induce breeders to concentrate their energies on the production of the animal most suitable for conversion into high-class bacon and hams, finds its reflection in the high repute in which these articles stand to-day. No small share of the credit which raised Cork to its position as the chief centre of the Irish butter trade is due to the systematic inspection inaugurated many years ago by the Butter Exchange with the object of improving the quality of the product. A substantial share of the export trade in cheese, an industry which has made great strides during the past few years, has been captured by the City. Secure of a large supply of milk the margarine industry has become firmly established in Cork, and, in regard to the price realised for the article, is enabled to score off its Dutch rivals.

Of the industries located in the city and neighbourhood, tanning, distilling, brewing, chemical manures, woollens and ironfounding may attract, perhaps, the greatest share of attention. Much remains to be done before the first-named reaches its old magnitude. The present output of leather, although excellent in quality, could, we imagine, be largely extended, considering the local advantages afforded. The past might serve as a useful spur to future ambition in the light of the disclosure of the 46 working tanyards in the city in the 'thirties of last century, with their production of 110,000 tanned hides per annum. Progress in this direction would still further stimulate the thriving boot and shoe industry, at present mainly concentrated on such classes of boots as welted, machine-sewn, standard screw and peg-work, and the saddlery and harness trades. Suitable water and easy access to the best barley-growing district in Ireland have led to the establishment of a vigorous brewing and distilling industry. Up to the beginning of last century, Cork, as a matter of fact, boasted the largest brewery in Ireland. The home market for the product of the breweries, including the South and the Midlands, is, of course, the most important, but, in addition, it is satisfactory to learn that a thriving export trade in ale, beer and porter is being gradually built up. The activity of the distilleries, as in Dublin, centres mainly on the production of pot-still whiskey, made solely from pure malt and grain, and the business's connection with Great Britain, the Continent, the Colonies and America is a very strong one. The manufacture of industrial spirit and yeast, initiated three years ago when there was an urgent call for patent spirit for explosives, furnishes an instance of industrial enterprise worthy of emulation in other directions. Most of the raw materials, barley, rye, wheat, oats, potatoes and maize are grown close at hand, and, aided considerably by this feature, the output of yeast and industrial alcohol has outstripped home requirements and has successfully sought other outlets. Using fine and medium-class wools for the most part, the 20 woollen mills of the city and county turn out worsted and woollen yarns, fingering, knitting and other hosiery yarns, tweeds, serges, worsteds, coatings and rugs. Flax is also worked up in the city, spinning and weaving being undertaken. The establishment of a Textile Research Department is in harmony with the spirit of the times, and the imparting of knowledge in different processes of designing, costing and manufacture will do much to stimulate enterprise in the South of Ireland. Other branches of the interests of this southern city include the chemical industry, of which the characteristic products are fertilisers and fine chemicals, such as colour-paints and varnishes and preserves making, mineral waters, condensed milk, milling and brush-making.

Opportunities for engineering manufacture spring from the facilities afforded by the excellent water-front and river transport. Numerous cheap sites for factories and other industrial undertakings exist within easy reach of deep water. Even at the very heart of the city, vessels with a draught of more than 23 feet can discharge afloat. A practical recognition of the possibilities thus afforded was evidenced some years ago by British and American concerns which are now respectively engaged in shipbuilding and tractor manufacture. Local interests might bestir themselves in copying this headline. Monetary resources are not inadequate, and their more profitable utilisation depends on the more thorough awakening of a spirit of enterprise which, be it added, has never been wholly absent from Cork.

THE WOOL MARKET.

The series of London sales of Colonial wool, which closed prematurely on Friday of last week, has proved to be quite as important as was forecasted. The auctions opened on Monday, May 31, and it was at once obvious that a considerable decline in prices would take place. There was a large attendance of buyers, but many of them had not the least intention of making purchases. Competition was accordingly very sluggish, and the handful of serious buyers were often able to satisfy their needs at figures much below their limits. Merino wools fell a full 25% below the prices ruling at the end of last month's London sales, whilst the declines in fine and medium crossbreds were 20%, and

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10% respectively. Coarse crossbreds were not sold at all for no bids up to the Government reserve prices were forthcoming. The second day's sale was as poor as the first, and the Ministry of Munitions immediately announced that the series would be closed on June 11 instead of June 18, and that the quantities offered would be considerably curtailed. The weights of material to be shown at the coming sales at Liverpool and Hull will also be reduced.

The effect of this official announcement was to stimulate competition for the fine wools, but the extent of this movement has only been slight, and at the time of writing no change has taken place in the level of prices set on the opening day. Whatever the ultimate result, it is quite clear that the day of extreme prices for fine wools has passed at last. The turn of the tide has been anxiously awaited for many months, and the hope of to-day is that the lower basis will be stabilised for a time in order to give the trade an opportunity of adjusting itself to the new phase.

The Government has naturally been criticised for their action in limiting the sales at the moment when prices are falling. The type of consumer, who takes only a superficial view of affairs, resents any movement on the part of the Government which may have the smallest effect in preventing a reduction of prices. Such a man is so anxious to obtain cheaper clothes that he would enjoy an immediate slump in wool and any argument that this event would probably ruin a great many firms would leave him quite cold. There is a certain amount of justification for this attitude, but there are two or three important considerations to bear in mind.

In the first place, it is little use employing labour to show far greater quantities of material that there is any prospect of being sold, and it must not be overlooked that the wool is the property of the State and that the British Treasury is interested to the extent of one-half of the profits. A serious slump would entail a very big direct loss to the taxpayers in this country, and there is no guarantee that this loss would be fully returned to them in cheaper clothes. This circumstance is, of course, no argument against the extreme desirability of all commodities, and particularly raw materials, being allowed to find their true economic level as soon as possible. It must be remembered, however, that the wool trade is not yet entirely free from wartime control, and it is important that prices should be allowed to adjust themselves at a moderate rate. The second point is that the trade of this country, if not of most of the world, is passing through a critical time. Many things have recently arisen to induce a lack of confidence, and, in fact, a highly nervous condition in all business transactions. A really serious slump in the raw wool market might be quite sufficient to precipitate a panic, which would not only have disastrous effects on our home industries and employment, but would indirectly hit the consumer, if only through the adverse movements of the foreign exchanges. The third condition, which is intimately bound up with the last, is the fact that very big contracts at high prices are being carried by practically the whole trade and the present fall in wool values is not likely to benefit the consumer for quite a long time. The shelves or contract books of most merchants or clothiers are full, uncomfortably full in view of the position, and there is not the least prospect of any extensive buying of finished goods taking place for some time. Most firms will keep out of the market as long as possible in order to see whether a further downward step in prices will occur. It will be months before goods made from the cheaper wools will reach the retail shops, and the ultimate reduction in price will not be influenced to any great extent by the present fall, but rather by the trend of events in the coming few months.

As a temporary expedient—and purely as a temporary expedient—we think that the Government has done right in adopting a mild form of support to the raw wool market. But at the same time we feel strongly that this support should not be afforded a day longer than is necessary to enable the trade to make a calm review of the new position and to adopt further precautions for the future. The British clip is now coming into the market and Government control of wool-buying in Australia ceases at the end of this month. There is a huge surplus of Colonial wool in existence, much of it admittedly of the lower types, but the material is there. Assuming, as we feel justified in doing, that the various Australian schemes for maintaining high wool prices come to naught, then it follows that the raw wool trade in the near future will be in the position of having a supply of material in excess of the demand, and the inevitable result will be lower prices. With the return of trade to its ordinary channels it will not be possible to support a falling market by reducing the offerings at sales by a mere stroke of the pen. In existing circumstances it would be quite feasible for the British Government to continue to maintain values at an artificial level, but such a course would certainly mean a bad slump later in the year. We hope and believe that the recent move of the Government merely indicates a desire to permit prices during the next few months to move gradually to the level which now appears probable in the near future. The problem needs clever handling and, if the best interests of the country are to be served, a total disregard of the possibilities for profit-making which the Government's present monopolistic position gives them.

IRISH INDUSTRIAL COMMISSION. EVIDENCE.—XVIII.

WATER POWER.

THE results of investigations into the water-powers of Cork and South Kerry were dealt with by Professor H. N. Walsh, A.M.I.C.E., of University College, Cork. Details had already been published under these heads in an issue of the *Engineering Journal* of the University College, Cork, for 1918, giving the power available at certain sites for a ten hours' working day in a dry season, assuming sufficient storage for 14 hours flow. Last year some further figures and particulars of methods of calculation were published in "Comhacht Uisge in Eirinn." Since then he had continued his researches and was now in a position to give fuller estimates of the Kerry sites and hitherto unpublished figures for sites on the Lee and other rivers.

The powers available at the various sites in South Kerry, one of the most mountainous districts in Ireland, are set out in the following table:—

Kerry Water-Power Resources.

Site	Fall in Feet	Catchment Area Sq. Miles	Mean Continuous Power during 2 Driest Months of an Average Summer E.H.P.	Power Available Continuously during Remaining 10 Months of an Average Year E.H.P.	Power Available continuously during 7 Months of an Average Year E.H.P.
Poulgorm on Clydagh River	220	20·40	130	250	485
Moyley's Bridge on Roughty River	250	17·65	135	260	500
Slaheny River at 2 miles from Kilgarvan ...	40	11·36	15	28	54
Slaheny River at Kilgarvan	25	16·62	13	25	48
Cleady River at Railway Bridge	100	12·19	36	70	135
Felison Sheen, Sheen River near Kenmare	25	29·50	23	44	85
Cloonee below Cloonee Loughs	70	8·94	16	31	60
Kerry Blackwater at Blackwater Bridge	50	34·00	55	102	190
Summeragh river at 4 miles from Waterville ...	100	17·60	52	104	190
Caragh Bridge at Caragh River	40	62·50	115	230	420
Blackstones Bridge on Caragh River	30	40·00	42	79	155
Caraghbeg near Lough Avoose	100	3·52	105	21	40
Ullams and Galway Rivers, 10 miles south of Killarney	200	6·73	42	80	155
Finn River near its entrance to the Flesk	25	12	9	18	35*
Gweeston River, near Pallymallis Bridge	14	24·56	8	17	33*

* Storage in Lough Gurtane.

Most of these sites have good transport facilities. It may be noted also that lead and copper mines have been worked in the Roughty Valley between Kilgarvan and Kenmare. The method of estimating the powers has been tested by making a calculation for the Flesk Mills, the Killarney electric generating station, which is worked by the waters of the Flesk river. This test has shown that the estimates are on the conservative side. For some of the sites large reservoirs could easily be constructed by damming the outlet of the lakes higher up. In "Comhacht Uisge in Eirinn" it has been shown that at least 100 e.h.p. could be got continuously at the site on the Commeragh river by building a low dam across the outlet of Derriana Lough. By raising the level of Clonee Lough four feet and drawing off one foot below the present level 31 e.h.p. could be obtained continuously at the site on Cloonee river. Similarly, by raising the level of Lough Acoose 10 feet, 40 e.h.p. could be relied upon the whole year round at Caraghbeg. By building a low dam across its outlet, raising the level of Caragh Lake three feet and drawing off two feet below its present level, 150 e.h.p. could be looked for continuously from Caragh Bridge.

Referring to the River Lee, witness emphasised the moderation of the estimates of the powers likely to be developed. At Carrigrohane, distant 3½ miles from Cork City, a corn mill was formerly worked. The head and tail races are still in a fairly good state of preservation. The site is, however, subject to occasional floods, which would temporarily raise the level of the tail race, thereby decreasing the fall and the power available. The dam and head race at Ballincollig Mills on the same river are still in good condition; a powder factory was formerly located there. Eight miles west of Cork, at Inniscara, there is an undeveloped site at a point where the valley is narrow and deep. Beneath the main road a fall of at least 12 feet could be got by constructing a dam. There need be no head race and some small storage could be obtained. East of Carrigadrohid, where there is another undeveloped site, the available fall is about 15 feet. Near Coomhoola Lodge, on the river Coomhoola, there was formerly an iron-smelting works; the power was developed from the river and some storage of water was possible in the mountain near the summit of Knockboy. About 1¼ miles further up the western side of the valley there is an old copper mine, and near it the Borlinstream comes tumbling down over a steep fall of 700 feet in little more than a mile. Quite close to the mines a fall of at least 300 feet could be developed. Below appear particulars of the powers capable of being developed at the sites already mentioned in this paragraph.

	Mean Continuous Power during Two Driest Months of an Average Summer E.H.P.	Power Available Continuously during Remaining 10 Months of an Average Year E.H.P.
Carrigrohane	150	250
Ballincollig Mills	80	160
Inniscara	135	270
Near Carrigadrohid, all on River Lee	120	240
Coomhoola Bridge above Borlin School	25	50
On the Borlinstream	19	38

There is a number of sites on the principal tributaries of the Lee, the Shournagh, the Larney, the Sullane, and the Foherish where 10 months' powers of 12 e.h.p. to 20 e.h.p. could be procured. The same remark applies to the Clashaboy River which flows into Lough Mahon at Dunkettle. Additional information was furnished by witness in regard to other Irish rivers—the Blackwater, the Suir, and the Nore—but in most of these cases he had not the opportunity for conducting a close investigation into their potentialities. On the Bandon and one of its tributaries the University College, Cork, had established river discharge gauging stations. Millowners could facilitate the progress of this work as they had control of suitable sites and, in addition, possessed a staff perfectly competent to take the necessary readings.

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Financial Notes.

THERE has of late been a decline in the prices of certain Egyptian securities, chiefly noticeable in the shares of those companies dealing in land and building properties. The reason given in the best-informed circles for this decline is that Egyptians have been compelled to realise certain of their securities in view of losses sustained owing to the recent marked fall in the price of cotton. This influence has further been accentuated by French selling. It is to be recollected that large amounts of Egyptian securities of all kinds are habitually held in France. As regards the immediate future, it is considered that no great revival will be experienced until the report of the Milner Commission has been made public. A healthy sign in connection with Egypt is that the natives are purchasing land on a considerable scale, and at high prices, as much as £256 per feddan having been secured for a certain small area of land, while one land company in the three months ended with March last has sold no less than 762 feddans at an average price of £206 12*s*. The Chairman, at the meeting of the New Egyptian Company on Monday last, pointed out that during the past two years, and particularly during last year, there has been steady buying of the shares of the Company by residents in Egypt, and went so far as to estimate that the number of shares which had flown from this country to Egypt was something over 200,000.

We learn, with much satisfaction, that the monsoon burst in the Bombay Presidency at the end of last week, and that the outlook for further rains is promising, though, of course, the monsoon season is still quite young.

At their meeting on Thursday the Bank of England directors made no change in the official rate of discount. Money for the moment is quite easy, and the demand for it is considerably less than it was some time back, and even less than might be expected so near to the end of the half-year. Rates continue of an artificial character, as they have been for so long. Inasmuch as the floating debt now amounts to something over 1,300 millions sterling, and our indebtedness abroad has only so far been slightly reduced, it is natural that rates in London

should be of an artificial character. In the pre-War period the Bank of England controlled the London Money market; the London Money market was the centre of the markets for international trade; and when the Bank of England decided to take action it was effective. Now this is no longer possible, until such time as the floating debt is either funded or very materially reduced. In the pre-War period, if the Bank of England thought it necessary in the interest of safety to reduce—and rapidly reduce—accommodation because the facilities offered by the market were being abused, it could, and did, call in loans; and in a very short time the market was steadied, and whatever causes of anxiety had existed were removed.

The principal sinner at the present time is the Government itself; and, consequently, it is not possible for the Bank of England, which is a private company, to control the Government, which is in a position, if it chooses to do so, to issue—as it has, in fact, done—a thousand millions of paper to finance its own extravagance. In a sense the money is well secured, because it has the whole credit of the country behind it. But in another sense it is not available for any banking purpose. And, consequently, it is in the nature of a menace to the market rather than an available asset. In the circumstances bankers, traders, and financiers will require to pay an unusual amount of attention to the movements of money rates, and to the demand for accommodation in New York in the late summer and early autumn. On the other hand, the steps that have been taken by bankers, both here and in the United States, are reassuring. Stocks held in various directions on purely speculative account are being realised, or are awaiting realisation, as the banks have clearly indicated that the present is not a time when they are prepared to advance indefinitely for speculative purposes either in the produce or in the stock markets.

So far as the banking and trading community is concerned, both are making an effort, and a successful effort, to restore our economic well-being. The bankers are wisely restricting credit to the necessities of trade and industry. We do not hear that any of the legitimate trade needs have been refused assistance in any quarter where adequate security was forthcoming. But we do hear, and it is most satisfactory to learn, that bankers are restricting accommodation where stocks have been held upon speculative account for any considerable time. The result has been an appreciable fall in prices. This fall so far has not reached the retail trade to any appreciable extent. Nor has the fall in the wholesale markets, with one or two exceptions, been of the extent which might have been expected. Owing to the high level of prices at which manufacturers acquired their raw materials, they are naturally very reluctant to reduce prices to a level which would mean an actual loss. But fortunately traders have to reckon with their bankers, and they cannot hold stocks indefinitely at prices which the public are not in a position to pay.

The non-economic level at which Government acquired its purchases during the War, and since the Armistice, has landed us with so unwieldy a floating debt that it is, as we say above, a menace to our own as well as to other Money markets; and, in addition, we have had to ask for time to pay merely the interest upon our indebtedness to the United States. This is, of course, far from being a satisfactory position. It is manifest that the public cannot buy on such terms. The public can only afford to pay such prices as its economic earning capacity will admit of. That earning capacity is, in turn, governed by our means of disposing of the results of our efforts. It is notorious that the Government still has under its control large quantities of wool which it is unwilling to sell at a loss, and the result is that private owners of wool find it almost impossible to dispose of the quantities they have on hand.

The besetting sin of the various Government departments which have been created during the past six years is that, having acquired any particular commodity at a given price under conditions totally different from those now prevailing, they cannot bring themselves to cut their loss and dispose of the particular commodity at the price of the day. For the sake of saving a relatively small sum they hold up the whole trade of the country for months at a time. The figures of the Board of Trade returns show that our traders and manufacturers are making a successful effort, by increasing the quantity and value of our exports, to reduce our debt abroad. Moreover, there is every sign that a serious effort is being made to restrict extravagant consumption in this country. The real difficulty is that neither Parliament nor the Government can be brought to see the urgent necessity of the Government itself setting the example of economy and rigorously restricting our expenditure within our means.

Mr. McKenna was entertained at the beginning of this week by the National Union of Manufacturers at a dinner held at the Savoy Hotel in London. Mr. McKenna, responding to the toast of the guests, said very much what we have just been saying with regard to the general outlook so far as it concerns the commercial community. There is some ground, said the visitor, for legitimate satisfaction with the commercial outlook. Though still much too slowly, the output is steadily improving. There is a great demand for our principal products all over the world, a demand which we are still unable to meet. This seems to augur well for a continued improvement in our exports. There is, however, a dark side to the picture. Mr. McKenna referred to the question of finance. No people in the world, he said, could compare with the people of Great Britain in their willingness to submit to the burden of taxation. The time had come, however, when it was desirable to direct their minds to the question of how much the country could be safely called upon to pay in the way of taxation. They would have to answer in terms of money; but what they really had to keep their eyes firmly fixed upon was the maximum amount of goods and services which we were able annually to furnish for the corporate consumption of the nation. We had no more to consume in the year than the goods we produced and the services we could render. If our consumption exceeded that amount it could only be by borrowing goods and services from other nations, which would be adding to the difficulties in which we now find ourselves.

In the financial year ended with March 31, 1914, said Mr. McKenna, the Government expenditure amounted to about 200 millions sterling, and the estimated savings of the community amounted to about 400 millions. Thus in that year the total national income exceeded the national expenditure, other than the expenditure by the Government, by 600 millions. The surplus of production over consumption would also be the same; but measured in money it would amount to a very different figure. The pre-War value of the pound sterling was about 2⅓ times as great as its present value; and the surplus of 600 millions in 1914 would mean a surplus of 1,400 millions to-day. Thus, on the basis of individual consumption, and on the same basis of production as in 1913-14, the total surplus we could possibly have to spend on government would be 1,400 millions, leaving nothing whatever for further accumulation of capital for the development of our trade and manufactures. Mr. McKenna did not think he was overstating the case when he placed our present output of commodities at 80% of the output of 1913-14. He believed that an examination would show that a

Budget of 1,000 millions was as much as the nation could possibly carry at the present time, and that even this figure would not leave a sufficient margin for the increase of capital necessary for the recuperation and development of industry. In a full year the revenue was estimated at 1,238 millions. This figure did not include anything for the sale of commodities, but was the figure of ordinary revenue. If it were true, as he believed it was, that the nation could not afford to pay in taxation more than 1,000 millions, the conclusion to which he was driven was that we were being gravely overtaxed.

That Mr. McKenna is right there is a growing body of opinion in the City. Mr. McKenna criticised, and criticised severely, the excess profits duty. But the difficulty is to see how the National Budget is to be balanced on the present basis of expenditure without this tax. It has to be remembered that we have a very narrow basis of taxation. Nearly the whole of our revenue is derived from the income tax and kindred imposts, of which, of course, the excess profits duty forms part, and from Customs and Excise. The only real remedy is reducing of expenditure to the level which our income at the present time and the very serious liabilities which we have incurred at home and abroad as a result of the War seem to justify. Whether Parliament or the Government can be induced to take the necessary steps remains to be seen. But there is a growing impression that no amount of saving on the part of the non-official public, and no amount of enterprise upon the part of the trading community, will be effective if that community fails to induce the Government to take the necessary steps for reducing our expenditure to a level which our liabilities taken as a whole would seem to justify.

A very interesting Conference has recently taken place at a meeting of the West India Chamber of Commerce held in the island of Barbadoes. Sir Edward Davson, the well-known West India merchant, presided. It may be of interest to learn that the meeting was held in the House of Representatives in Barbadoes, which possesses the oldest colonial constitutional Government in the Empire. The Conference was opened by Sir Michael O'Brien, the Governor of Barbadoes. Delegates were present from all the islands, and from British Guiana and British Honduras. Unfortunately, Jamaica was not represented at the meeting, but this was due entirely to the complete lack of inter-island steamship communication, the delegates being unable to reach Barbadoes without travelling *via* New York. Startling as this information may sound, it was emphasised by the fact that the delegate from British Honduras had arrived at Barbadoes after having undertaken a similar journey.

Mr. Previte and Mr. Algernon Aspinall represented the West India Committee in London, and Mr. Moir Mackenzie represented the Federation of British Industries. The Canadian Under-Secretary of State for External Affairs also attended the Conference. The absence of a representative from Jamaica, and the fact that the representative from British Honduras had had to travel *via* New York, naturally called attention to the very unsatisfactory passenger service between the various islands and the two British possessions on the mainland which exists at present. It was agreed that nothing short of a fortnightly service of steamers, capable of carrying both freight and not less than 120 first-class passengers, could be looked upon as adequate. The cable communication between Great Britain and the West Indies has always been disgraceful. With the possible exception of Jamaica these colonies have, perhaps, the most imperfect of any telegraphic communication of any British possession throughout the world. Telegrams between British Guiana and London usually take as long as 10 days, and sometimes as much as three weeks; and, moreover, they are extravagantly dear and always have been. It is highly satisfactory to note, as was announced at the Conference, that the Imperial Government has endorsed the recommendations of the Committee which recently sat in London, that a Tropical Agricultural College should be established in the West Indies. Amongst various interesting papers read before the Conference was one by Sir Patrick Manson on the question of dealing with tropical diseases.

The Federation of British Industries calls our attention to the fact that an important Congress is to be held at The Hague from September 15 to 26 next upon road-making. In the present grave state of transportation facilities in this country it is important that the subject of road-making and its relation to motor traffic be studied as carefully as possible. The difficulties of our railway companies appear to be increasing rather than diminishing, and unless some solution of the grave problem of the present inadequacy of our transportation facilities be solved, we are in serious danger of finding our efforts at reconstruction nullified by the very instruments we have created to assist locomotion and distribution.

EGYPTIAN COTTON CROP PROSPECTS.

The recent report of the Washington Agricultural Bureau, stating the conditions of the U.S.A. cotton crop to be 62%, which is the lowest percentage ever recorded for the month of June, renders of more than ordinary interest a report on the growing Egyptian crop. From careful inquiries we learn that the acreage under cotton shows an increase of 20%, which, under normal conditions, should ensure a crop of 7,500,000 to 7,750,000 cantars—say, 1,000,000 bales. It must not be assumed, however, that a crop of such dimensions is in any sense assured, for we are advised that up to date the water supply has only proved barely sufficient, whilst the fuel shortage, which is being felt in Egypt as in the rest of the world, renders pumping a matter of difficulty. No attacks of cotton worm have yet been reported, but it is too early to consider this danger past, whilst the period of attack of the more deadly pest, the pink bollworm, has not yet been reached. Advices as to the probable quality of the crop vary considerably. Many stands are reported as excellent, whilst others are said to be very irregular, due to the use of inferior seed during the re-sowing necessitated by the cold spell referred to in these reports.

June 16, 1920. H. C. Thomas.

SOUTH AND CENTRAL AMERICA.

ARGENTINA.—WHEAT.

Having failed to provide for our well-being, our rulers and advisers are threatening us with famine closing in upon us from every direction. At first we were told that nothing mattered but the late War, not even the necessity for being in a position to fight the next one. Now we are told that unless we are willing to pay the most extravagant price for our bread, starvation will shortly be stalking the land. Considering the experience we have had of the various Control Boards it is not surprising that there is a widespread feeling that it is not necessary to be unduly alarmed at the terrible prospect which is held out to us. It is, of course, perfectly true that after five years of continuous waste, and after nearly two years of peace, or so-called peace, in which gross extravagance, if not actual waste, has been allowed to continue, we cannot hope to have either our food or anything else upon the same economic terms which we were accustomed to formerly. On the other hand, as far as it is possible to understand the position from the information which

is accessible, there is no reason for undue alarm. And although we cannot expect abundance and plenty in the early future, there is still less reason for assuming that the world's capacity of raising cereals in abundance, and even in greater abundance than we were accustomed to in the pre-War period, has come to an end. In the years that preceded the outbreak of the recent War, the congested countries of Europe in general, and this country in particular, had expended vast sums to open up various regions of the earth. At first, we were content to purchase wheat from what are called the Baltic States, and it was from these that the well-known Corn Exchange in the City of London derived its name. Later, we opened up the vast prairie resources of North America, and, incidentally, built the greater proportion of the railway mileage of the United States for the purpose of feeding ourselves upon a relatively low economic basis. Then, finding the estuary of the River Plate in South America very accessible and readily lending itself to the building of railways, and being enormously rich land, we built railways west and south for the purpose of opening up various regions in those districts. As a result, the supply of food and of raw materials which came in the early nineties of last century, became larger than our consuming capacity enabled us to take with profit to the producers. The result was that there has been a complete setback now for more than a quarter of a century to the opening up of the newer countries of the world. So far as the present Argentine crop is concerned, all that the recent edict forbidding exports means is that it is thought desirable to take stock of the total cereal supplies of the Republic.

There seems no reason to doubt that the recent harvest which has just been gathered in the Argentine Republic was an exceptionally large one. Of course, it is not claimed that Argentina herself is in a position to feed us and to feed all the starving millions in Europe, because Argentina was never opened up for that purpose. She was opened up primarily to feed England on a sound economic basis, and to yield a certain surplus for one or two countries on the continent of Europe. It is evident that Russia, in particular, and the Continent in general, will have to feed themselves if they want to be fed. It will not be practicable in their present state of economic development to obtain from overseas adequate supplies of food, as they have no corresponding economic assets to offer; and, consequently, eastern and central Europe will require to supply themselves with the food they need, and to supply the manufacturing countries of Europe with raw materials if they want to get the manufactures they need for their own prosperity. It is manifest that the Central European countries, and particularly the Eastern European countries, which from an economic point of view are so exceedingly backward must supply themselves with their own needs in the way of food and raw materials. Only countries having immense quantities of manufactured goods which they are able to dispose of on a relatively low economic value, and countries which are capable of rendering services to other countries are able to look to other countries for their supplies of food and raw materials. We did it for years before the War because we were the world's principal manufacturers. And, in addition, we rendered immense numbers of services upon a relatively lower economic basis than they could be rendered by anybody else. If ever we, through a rise in the cost of production, or for any other reason, are unable to manufacture upon a relatively lower basis than other countries, or to render services also on a relatively lower basis, it is perfectly evident that we shall not be able to import commodities upon the enormous scale to which we were accustomed in the past. This will mean a rapid decline in our population, because it is evident that the cost of production under such an enactment as the Agricultural Bill will be such a charge upon our industry that we cannot hope permanently to engage in enterprises which will admit of our feeding the enormous population we have at present. It is exceedingly doubtful if, under any circumstances, it is possible to raise in these islands food to maintain a population of between 40 and 50 millions. Of course, it is possible that improved methods of cultivation may be discovered in the near future.

Readers who are interested in the subject may recollect that in the beginning of 1916 Prof. Bottomley read a series of papers before the Fellows of the Royal Botanical Society on bacteria in the soil. The object of the Professor's lectures and of the papers which he read was to stimulate increased food production by means of acquainting the farmers and the agricultural classes generally with the value of the bacteria which exist in the soil, and, particularly, to popularise a discovery for which the eminent Professor is largely responsible—the treating of peat by bacterial agencies which turns it into a manure and enables it to fructify any given piece of ground by increasing the nitrogen contents. It will be remembered, also, that some years before the War experiments were made in Huntingdon whereby it was hoped to obtain three or four times the yield per acre from a small area sown under wheat by cultivating a particular small type of wheat which was believed to be far better suited for the soil and climatic conditions prevailing in that part of England. It is, of course, notorious that there are more than a hundred different varieties of wheat, and we believe various actual species. But in this country only two are commonly cultivated—the Square Head Master, and one other. Now it is quite conceivable that there are other varieties which would be more amenable to the action of bacteria constantly resident in the soil of a country situated as England is. In both the above instances referred to, where we are treating the food of a people from an economic aspect we must stick to actual facts, however much one may hope, and even believe, that these experiments will result favourably in the near future. There is no use telling a hungry man that when the experiments are successful there will be abundant supplies at relatively low economic values. That may be true, but it would not prevent him from dying of hunger. And the fact that we have to consider is the inability of farmers in this country to produce much more than the 32 or 33 bushels of wheat to the acre. If a time ever comes—and certain successful experiments seem to indicate the possibility of that—we might produce sixty, or seventy, or even a hundred, bushels to the acre—it will be time to modify our contention. But under existing conditions, and with the small area relatively capable of growing cereals in a country like England, it seems practically hopeless to expect that by anything that Parliament can do we can feed our present population upon such an economic basis as would make it worth doing. It has to be remembered that both capital and revenue has to be apportioned to the relative productivity expected from them. No sane man would spend the whole of his income on the rent of his house; neither would he spend the whole of his income on his tailor, however vain he might be. It is said at the present time that it is cheaper to grow wheat in England than to import it. But that is merely due to the fact that, partly through the demoralised condition of our shipping industry due to the War, and partly to the still more demoralised condition of our ports, our shipping is probably not more than half as effective as it was before the War. That is to say, one would probably err on the generous side if one said that a ship per unit of a hundred tons of burden does not perform the service of much more than sixty tons, if it does that, compared with what it could do before the War. Unless, however, we have lost our shipping skill, which, it has to be remembered, we inherit from ancestors going back well before Saxon times, all this will be changed in due course. And a time must inevitably come when it will be cheaper to import

food from other countries than to grow it under the extravagant conditions specified in the Agricultural Bill.

This may appear true, in a sense, but it may not unreasonably be asked, What are the prospects of getting any wheat from outside? We will take the immediate present. Owing to shortage of labour, it cannot be denied that there was a great decrease in the area sown under wheat in the United States, which is our largest individual source of supply. But, on the other hand, the crop, judging by the returns at the end of May, will be exceptionally large, bearing in mind the area sown—that is to say, it will be something between two-thirds and three-fourths of last year's crop, which was an extraordinarily large one. In Europe, outside of Russia, including France but not Germany, the crop appears to be about normal. The Canadian crop promises to be abnormally large. No-one disputes that the Argentine wheat crop just gathered is exceptionally large whether part of it is exported or is not. In India, the crop is quite exceptionally large; but for political reasons it is not being exported to any extent at the present time. The Australian crop, it is true, was well below normal, but it is doubtful if the falling off in the Australian crop was not compensated for by the increased production of other parts of the Southern Hemisphere. Moreover, it has to be borne in mind that the Southern Hemisphere is responsible only for between 10 and 12% of the world's wheat crops known to the international markets. On the whole, as far as we are able to gather from information before us, we think it will be safe to say, and we shall be speaking rather on the conservative side if we do say, that the probable decline in supplies will not exceed 5%, which, in the circumstances, need not be regarded as alarming.

American Topics.

CONSERVATION OF RESOURCES.

Mr. Otto Kahn, the eminent American banker, who has recently been studying economic conditions in various parts of Europe, said some very kind things on the progress this country had made towards recuperation from the effects of the recent War. Mr. Kahn recently returned to the United States from his visit to Europe, and on the whole he takes a favourable view of the efforts which Western Europe is making towards reconstructing industrial conditions in the different countries. As we have said, Mr. Kahn was particularly kind in his observations regarding financial and economic conditions in Great Britain. Naturally, so eminent a banker took a very wide view of the position and the prospects of his own country as well as those of the various countries of Europe whose conditions he was discussing. We propose to refer very briefly to what Mr. Kahn was good enough to say about the efforts we have ourselves made, and our prospects of retaining the financial and economic position which England has so long held. Mr. Kahn inclines to the opinion that we have already to a large extent laid the foundation of solving the problem of reconstructing industry in England from the effects of the War. The spirit of wise yet daring enterprise, says Mr. Kahn, which is traditional of England, the experience and insight and financial skill gained in the course of centuries, her wonderfully perfected machinery for international trade, her old-time prestige based upon the justly earned reputation for fair and honest trading, her resolute and clear recognition and pursuance of the facts, her Governmental methods of fostering trade and co-operating with commercial interests—these and other elements have been effective towards her recovery of her old-time position. She is prosperous and is going ahead. If anything, too much may possibly have been attempted too quickly, and too great a strain may have been put upon England's current resources, which may for a time lead to a reaction. If so, Mr. Kahn is of opinion that the reaction will be of a temporary nature. England's position in the world of finance and trade is the result of geographical, economic, and psychological factors, of racial qualities, and of experience and practice gained during centuries. In Mr. Kahn's opinion there is room and to spare for the most intensive activities of both England and America, as complementary to each other, without any need for competition in each other's respective spheres of activity. Mr. Kahn thinks that we have not lost, and are in no danger of losing, the commanding position we have so long held in international finance and trade. It is in fact essential that we should retain such a position if we are to retain our present population, and still more if we are to increase it.

Mr. Kahn is clearly of opinion that the time has not yet come when the United States should engage upon a great scale in international finance and trade. She has in reality no surplus mobilisable resources for which it is imperative she should seek employment beyond her own borders. On the contrary, she needs all the capital which she has available and which is not required for the renewal year by year of her working plant for the development of her own natural resources. Her population is growing rapidly, but it is quite inadequate for the needs of her extensive area and for sustaining the economic position she aims at holding in the comity of nations. Her position is as different from that of this island as that of two great economic units well could be. In this country we have something like 80% of our whole population entirely dependent for their daily bread upon the working up of articles of primary need, as distinct from their production, upon trade and upon rendering services. Economic conditions in the United States illustrate almost exactly the reverse of this position. The principal industry of the United States has been throughout her history, is still, and must continue for a very long time, the production of articles of primary necessity. She is, as we have already said, of enormous extent with a totally inadequate population, and is urgently in need of attracting immigrants. To do this she requires to accumulate what for convenience we may call a mobilisable capital, which will enable her to develop her latent but as yet undeveloped resources and to find employment for such immigrants when they enter the country. So great and wealthy a State naturally has a large foreign trade, but for the most part it consists in supplying the rest of the world with food and raw materials. For the moment, owing to the fact that she was a neutral during the greater part of the recent War, and lent extensively to the other belligerents, with whom she ultimately joined, she has accumulated large balances with other countries which in theory would entitle her to import large quantities of foreign goods in the form of interest. As a matter of fact, however, none of her creditors are at present in a position to pay that interest to anything like a full extent. Still less can they pay the principal. In fact she lent the money as part of her contribution to the War. She would never have lent it at all on economic grounds or purely as a business proposition. It gives her now, and will give her still more in the future, real economic advantages, but hardly in a purely banking sense. If we, as her principal creditor, are able to repay the money within the next few years she will require it for the development of her own resources. The United States is under no imperative necessity of seeking employment for her mobilisable resources. They could be the richer here in England if we had large loans about to be paid to us, because we have not in Great Britain immense undeveloped resources in the development of which we could employ it. We might use money, and use it advantageously, in the development of our own Empire, but in any case we should send it overseas with a view to getting increased

supplies of food and raw materials. The United States, on the contrary, can most advantageously obtain her supplies of food and the bulk of her raw materials by developing the area within her own borders. In other words, the United States can most advantageously in her present economic condition employ her resources at home.

With us the position, as said above, is reversed. We are dependent upon overseas sources for the bulk of our supplies of food and for something like 80% of our raw materials. As a result, if the bulk of our people are not to die of starvation we must strain every nerve to maintain our trade, retain our financial position, and render what services we are able. It is not possible that we could produce in this country commodities upon an adequate scale to pay for our food and the materials needed to feed our manufactures. We must continue to manufacture for anyone willing to take what we are able to sell. In addition, if our present population, or anything like it, is to be maintained we must continue to render such services—financial, shipping, insurance and otherwise—as the rest of the world may require in payment for the food and raw materials which we so urgently need.

UNITED STATES FOREIGN TRADE.

We have before us the figures for the United States foreign trade issued from the Department of Commerce of the Bureau of Foreign Trade at Washington.

These figures give the value in dollars of the imports and exports of the United States for the month of April 1920, as well as for the 10 months ended April 30 last.

They show clearly a relatively sharp falling off in the value of the exports of the United States. During April the total value of the imports into the United States amounted to $495,000,000, comparing with $273,000,000 in April 1919. The exports of the United States during the month of April amounted in value to $684,000,000, comparing with $714,000,000 in April of 1919. It will be seen, therefore, the excess of the value of exports over imports amounted in April last to $189,000,000, comparing with $441,843,000 in the month of April 1919. For the 10 months ended April last the value of the imports into the United States amounted to $4,254,000,000, compared with $2,473,000,000 during the 10 months ended April 1919. The value of the exports during the 10 months ended with April last amounted to $6,734,000,000, comparing with just under $5,700,000,000 during the 10 months ended April 1, 1919. The excess of exports over imports during the 10 months ended April last amounted to $2,480,000,000, comparing with $3,226,000,000 during the 10 months ended April 1919.

It is only quite recently that there has been an actual falling off in the value of the exports, and this has been almost entirely due to a falling off in the demand on European account.

For many months after the conclusion of the Armistice we were in such urgent need of restocking our depleted resources of food and raw materials that we were anxious to obtain supplies even at the expense of increasing our already heavy indebtedness to the United States. Gradually economic conditions are beginning to tell. We are making a serious effort to increase our exports and to restrict our imports to the lowest degree consistent with the maintenance of our general efficiency in the supply of foodstuffs and of raw products required by our manufacturers. It has to be remembered that in the present adverse condition of the exchange, due to our indebtedness to the United States, everything we purchase from thence has to bear the burden of that adverse exchange, which means, an addition to the price of anything between 25% and 33%.

Consequently, except for articles which we cannot obtain elsewhere, or for those articles a proportion of which we still have to take from the United States under agreements concluded in connection with the recent War, it is manifestly our interest to restrict our purchases from thence as far as possible. A large part of the decrease in the excess of the United States exports over the imports is due to an expansion of the latter. In this, so far as the United States is purchasing from us, she is, of course, assisting in the recovery of the exchange. Readers will have noted that for some time the exchange between London and New York has been improving to the advantage of the former. If the United States continues to take large supplies of manufactured goods either from us or from countries having remittances to make to London, the exchange will improve still further. Of course, it has to be remembered that there are various influences affecting the course of exchange at the present time. Three of them are particularly prominent. One of the most satisfactory is that to which we have already referred—the increased purchases of the United States from abroad. There is then the unsatisfactory influence of mere speculation, which is unavoidable when there are wide fluctuations in the movements of the exchanges. Lastly, and quite satisfactorily as far as it goes, there is the repayment on the part of Great Britain of its proportion, amounting to £50,000,000, of the first loan we obtained from the United States in the early part of the War, and which falls due to be repaid in October next.

By far, however, the most satisfactory way of improving the exchange between New York and London would be large increased purchases by the United States of such articles as we have to sell, and which may be required by the people of the United States. If this continues upon a sufficient scale our indebtedness to the United States will be greatly reduced, and in this way the exchange will naturally improve of itself. If, and when that takes place there will be no manifest disadvantage in our purchasing those supplies of food and raw materials which we have been accustomed to obtain from the United States in the past.

The London and Lancashire Insurance Company, Limited, have appointed at their chief administration Mr. Frederic William Mills, formerly secretary, to be assistant manager, and Mr. Arthur Eccles Wall, hitherto manager of the Company in Australia, to become secretary.

The "Oil and Petroleum Manual" for 1920 (eleventh annual issue), by Walter R. Skinner, Editor, "Mining Manual and Mining Year Book," has just been issued. Price 7*s.* 6*d.* net, or 8*s.* 6*d.* post free. It contains full particulars of 570 companies (producers, refiners, carriers—pipe and steamship, and oil finance companies) operating in all parts of the world. Special attention has been directed to the principal American and foreign companies. Lists are also given of the officials connected with the companies, and comprise 1,650 directors, 304 secretaries, and 166 consulting engineers, managers, agents, &c., their names and addresses and company connections.

The 1920 edition of the Directory of Shipowners, Shipbuilders, and Marine Engineers, which has just been issued, gives particulars of the leading steamship companies, shipbuilders, ship-repairers, and marine engineering works throughout the world. The names and addresses of the companies are given and lists of the fleets, together with such information as principal officials, passenger accommodation, speeds, carrying capacities, and so on. In the shipbuilding section the capacities of the shipyards and engine works are stated. The volume is published in a handy size, which makes it a useful desk companion. The names of more than 8,000 officials and 7,000 vessels are referred to in the indexes. The price is 20*s.*, and the publishers The Directory Publishing Company, Limited, Westminster, S.W. 1.

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CORRESPONDENCE INVITED.

Rubber Topics.

For the first half of the week the market was almost idle. Sundry realisations on Paris account caused temporary reactions in Kuala Lumpur to 3½ on Tuesday and in Malaccas to 4. By the middle of the week the tone became firmer, and towards the close it began to develop strength. Paris now supported its favourites, with the result that Kuala Lumpur finished strong on Thursday at 3⅛. Rubber Trusts provided a notable feature, advancing on the same day 1*s.* 6*d.* to 35*s.* 9*d.*, whereas they had been as low as 34*s.* 1½*d.* on Tuesday, whilst Telogoredjo were in good request, closing firm at 2⅛. Anglo-Malay also put on 3/32 to 2 7/32, and Linggi were 1/16 to the good on the day at 2 1/16. Interim dividends of 8%, less tax, in respect of the year ending June 30, 1920, have been declared by the Mamdom (F.M.S.) Rubber Company on both the Ordinary and Preference shares. The statutory meeting of the Escot Rubber Estates is to be held on June 24. It will be remembered that this Company was recently reconstructed, shareholders receiving three fully-paid shares of 2*s.* each in respect of each 2*s.* share held in the parent Company. It was also stated that, if funds were available, a final dividend of 15% would be paid on the capital of the original Company. The accounts furnished show a balance in hand, after meeting all the estimated preliminary expenses, of £9,200, whereas the proposed dividend would absorb only £5,113.

CONSOLIDATED MALAY.

The report of this well-known rubber Company for the year ended December 31, 1919, shows that with the disappearance of the restrictions on output the crop harvested was considerably in excess of that secured in 1918. Not only did it exceed in quantity the previous crop by nearly 270,000 lb., but it was, furthermore, 20,000 lb. in excess of the estimate. With 2,540 acres being tapped the average yield per acre increased to 394 lb., which must be regarded as satisfactory in view of the large area of young rubber that was tapped for the first time. The increase in the amount of rubber harvested enabled a further decline in the cost of production. The f.o.b. cost for the year under review was 1*s.* 0.7*d.* per lb., as compared with 1*s.* 1.17*d.* per lb. in 1918. This is all the more satisfactory when it is remembered that 1919 was a year of rising prices, labour as well as stores and materials involving a proportionately greater outlay. In addition came the difficulty created by the failure of the Indian crops and the subsequent shortage of rice. An attempt to bridge the gap was made by planting foodstuffs on some of the estate; but generally speaking the scheme did not prove successful. However, as there was a fair improvement in the price realised by the sale of the crop to 1*s.* 11.62*d.*, as against 1*s.* 8¾*d.* per lb. in 1918, the profit per lb. worked out at 9.28*d.*, as compared with 5¾*d.* in the previous year. The financial results of the working of the year under review, in contrast with those of the preceding five years, are embodied in the following table:—

	1919	1918	1917	1916	1915	1914
	Acres	Acres	Acres	Acres	Acres	Acres
Planted area ..	3,002	2,975	3,013	3,013½	3,013½	2,926
Uncultivated area ..	1,854	1,880	1,776	1,775	1,758	1,845
Average area tapped	2,540	2,224	2,570*	2,400*	2,260	1,702
	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.
Rubber output ..	1,002,435	732,319	931,212	817,430	730,453	584,050
Yield per acre tapped ..	394	—	362*	340	323	344
Price realised per lb. ..	1 11·62	1 8¾	2 ·06	2 7·06	2 10·56	2 2·24
"All-in" cost per lb. ..	1 2·34	1 3	1 1·6	1 1·5	1 1·1	1 2·46
Profit per lb.	+ 9·28	+ 5¾	+ 11	1 6·63	1 9·46	+ 11·78
	£	£	£	£	£	£
Value of rubber.. ..	98,655	63,224	95,532	108,771	105,358	63,858
Total expenditure ..	61,821	46,552	52,838	45,368	39,944	35,206
Net rubber profit ..	36,834	16,672	42,694	63,403	65,414	28,652
Sundry receipts ..	683	1,106	1,370	1,753	832	1,003
Brought forward‡ ..	5,297	9,619	5,731	5,013	3,270	2,089
Total available	42,814	27,397	49,795	70,169	69,516	31,744
Allocations -						
Income tax	—	—	—	—	4,003	2,224
Capital expenditure written off	—	3,100	4,500	6,000	8,000	—
Placed to reserve ..	11,000	1,500	—	—	—	—
Dividends paid ..	27,500 (37½%)	17,500 (25%)	35,000 (50%)	58,333 (83⅓)	52,500 (75%)	26,250 (37½%)
Carry-forward	4,314	5,297	10,295	5,836	5,013	3,270
	42,814	27,397	49,795	70,169	69,516	31,744
Net capital expenditure	6,606	5,867†	5,267†	2,354†	493†	9,262
Issued capital (2*s.* Shares)	70,000	70,000	70,000	70,000	70,000	70,000
Surplus liquid assets ..	20,681	17,725	14,439	16,626	18,566	17,591

* Estimated. † Net after writing off out of profit.
‡ After deducting charitable donations.

Present Price of Shares, 11 6. Market Capitalisation per planted acre, £134.

Owing to a substantial increase in the net rubber profit from £16,672 to £36,834 it was possible to transfer £1,000 to the income-tax reserve and £10,000 to the general reserve, thereby raising the latter to £22,000. Shareholders receive in dividends £27,500, corresponding to 37½%, as compared with a rate of 25% in 1918. There is carried forward to the next accounts a balance of £4,314.

Changes have taken place in the capital account since the close of the year under review. The remaining 50,000 shares of 2*s.* of the authorised capital have been issued to existing shareholders at a minimum price of 12*s.* a share. The result was to increase the issued capital to £75,000. Against this stands a sum of £126,267, representing the total of the estate account, including buildings and machinery. Taking into consideration the ample depreciation that has been written off buildings and machinery, and the no less generous sums written off capital expenditure on the estate, there is good reason for believing that this total is a very conservative estimate of the real value of the property. Consequently, the margin for capitalisation—and the directors have declared their intention to issue bonus shares to redress this discrepancy in the near future—is greater than these figures suggest. Turning to the other side of the balance sheet, there is the general reserve account of £22,000, the old premium on shares to the total of £46,100, and the profit on the new issue, which the Chairman stated to amount to £26,228. Thus there is ready at hand a total of £94,000 to facilitate the reorganisation of the capital account.

The outlook for the current year is, on the whole, encouraging. Reports from the estate dwell on the good condition, the comparative freedom from disease, and the careful system of tapping. The food problem is still acute, but reports to hand confirm the belief that the Indian harvest will be good this season, and this will release a larger quantity or rice for the use of the rubber estates. Chinese labour is being found very expensive, in addition to which is the fact that the Chinese are not so amenable to discipline. On the other hand, the recruiting of Indians has been hindered by the unfavourable exchange rate, the coolies being able, owing to the rise in the value of the rupee, to secure less rupees for their dollars than hitherto. The crop for the current year is estimated at 1,070,000 lb. Though not quite up to the mathematical proportion, the actual crop of 399,300 lb. for the first five months of the year is nearly 20,000 lb. in excess of the crop secured in the corresponding period of 1919. Consequently, there is every reason to

anticipate a final realisation of the estimate. Meanwhile, the financial position of the Company as seen in the balance sheet dated December 31, 1919, is very sound. Liabilities, including the amount of £18,750 required to defray the final dividend, do not reach £35,879, whereas liquid assets exceed £56,560. In the market the 2*s.* shares are quoted at 11*s.* 6*d.*, and yield at this price, on the basis of the 1919 dividend, nearly 6½%. Bearing in mind the fact that the last issue of shares was at a price of 12*s.* and that a bonus distribution scheme is pending, the price cannot be regarded as unduly high.

ANNUAL REPORTS ANALYSED.

LINGGI.

Issued Capital: £470,000, in 10,000 7 per Cent. Preference Shares of £1 each and 460,000 Ordinary Shares of £1 each.

	Results for Years to December 31									
	Total Planted Area	Area in Bearing	Rubber Output	Av. Yield per Bearing Acre	Price Realised	"All-in" Cost	Net Profit	Ordinary Dividend Amt.	
	Acres	Acres	lb.	lb.	per lb.	per lb.	£	£	%
1916...	8,360	6,175	2,158,046	349	2 6.68	1 0.50	163,967	161,700	140
1917...	8,649	6,759	2,533,572	375	2 3.73	1 2.32	143,137	134,167	116⅔
1918...	8,775	7,502	1,782,052	356	1 11·87	1 6.92	40,604	57,500	50
1919...	9,105	7,595	2,804,960	454½	2 1.29	1 2.67	123,607	115,000	25*

* On capital increased by bonus distribution from £115,000 to £460,000.

Price of Shares, 56/10½xd. Market Capitalisation per planted acre, £147.

In contrasting the report of this celebrated rubber Company for the year ended December 31, 1919, with that of the previous year it is essential to remember that the results of 1918 were handicapped by the voluntary restriction in output adopted in agreement with the Rubber Growers' Association, in order to ease the shipping situation of the moment. With the disappearance of this artificial barrier operations were resumed on more normal lines. Conditions, however, could not be accurately described as normal. Whilst the price of rubber, though fluctuating during the year under review from 1*s.* 8*d.* to 2*s.* 11*d.* per lb., was inclined to return to its pre-War average, other prices exhibited an undesirable tendency to rise. Stores and materials were acquired only at higher levels, whilst the provision of rice—the staple food of the workers—continued to be the burning question of the year. Added to this came the fact that whilst the shipping situation became easier, the influx of immigrants was deterred owing to the serious loss in remitting to China or India—the outcome of the exchange situation. Thus the labour problem remained, and still remains, acute. That with all these drawbacks the Company was able to present so genuinely satisfactory a report is perhaps the best testimony that could be afforded to the wise development policy of its directorate and the efficient administration on the part of the managers.

Estimating for the year under review a crop of 2,424,000 lb., there was finally harvested no less than 2,804,960 lb. This crop not merely exceeded that of the previous year by over 1,000,000 lb., but also constituted a record harvest for the Company. The outstanding feature was undoubtedly the growth in the average yield per bearing acre to the record of 454½ lb. To this the quota contributed by the Marjorie estate, with its stony hills and hide-bound bark, was the lowest, averaging only 335½ lb. per acre. On the other hand, Ulu Sawah again took the palm with the gigantic average of over 570 lb. per acre. Scarcely less satisfactory was Seremban with a yield of over 551 lb., whilst Siliau made a good third with 536 lb. The return of 482½ lb. from Mantin was rather disappointing. This great increase in the crop was reflected in a pleasing reduction in the working costs. The average f.o.b. cost fell from 14.06*d.* in 1918 to 10.89*d.* As might have been anticipated the cost was heaviest on Marjorie, amounting to 12.25*d.* Klang, handicapped by its area of bad lands and its Tamil tapping force, worked out at 11.75*d.* Mantin, although the yield did not come up to expectations, was worked most efficiently, as the f.o.b. cost only reached 9.95*d.* Ulu Sawah achieved its record output at an f.o.b. cost of 10.12*d.* Considering all the circumstances the final average is very satisfactory; estates widely apart cannot be worked at such low costs as those adjoining one another. Furthermore, thanks to a reduction in administrative charges, mainly in the expenditure on freight and selling, the "all-in" cost was 4¼*d.* lower at 1*s.* 2.67*d.* per lb. At the same time there was a slight advance in the average price realised by the sale of the rubber to 2*s.* 1.29*d.* per lb., with the result that the profit per lb. reached 10.62*d.*, or more than twice that of 1918. Thus the net profit of £123,607 was recorded, in comparison with £40,604 in the previous year. After paying the small Preference dividend of £700 and transferring £2,597 to the reserve, thereby raising it to £105,000, the amount distributed amongst the Ordinary shareholders reached £115,000, as against £57,500 in 1918. The rate of the dividend is returned, however, only at 25%, as compared with 50% in 1918. The explanation resides in the transformation of the capital account during the year under review. As a result of meetings held in May and June 1919, the authorised capital of the Company was increased from £125,000 to £750,000; the denomination of the Ordinary shares was changed from 2*s.* to £1, with the result that for each 10 shares of 2*s.* holders received one share of £1; and the Ordinary capital was increased from £115,000 to £740,000. Then £345,000 of the reserve fund was capitalised and shareholders received three bonus shares of £1 each in respect of each £1 share already held. Thus the Ordinary capital issued was transformed from £115,000 in 2*s.* shares to £460,000 in £1 shares. It was on this fourfold capital that a dividend of 25% was paid. Consequently, the dividend actually works out at 100% on the capital at the end of 1918. The balance carried forward to the next accounts amounts to £6,674.

The prospects for the current year are distinctly promising. "Taken as a whole," write the visiting agents, "the Linggi plantations are to-day in excellent order and thoroughly up to date; they are well-found and well worked, and give promise of exceedingly good results, not only on the working of 1920, but in the years to follow—results which will compare favourably with those of any concern in the Peninsula, not excluding such as have the advantage of a greater modernity." The estimated crop for 1920 amounts to 3,070,000 lb. Returns for the first five months of the year reach a total of 1,086,399 lb., which, whilst being somewhat short of the mathematical average, is nevertheless in advance of the yield of 890,079 lb. for the same period of 1919. It is hoped to reduce the working costs, the probable f.o.b. cost of the current crop being estimated at 10.14*d.* per lb. There is no reason to anticipate a lower price for the crop. Moreover, Linggi, having a fairly high pre-War output, will not suffer so heavily—though it will be mulcted nevertheless to an unreasonable extent—from the 60% excess profits duty. It is proposed during the year to expend £51,000 on the further development of the estates. The scheme provides not merely for the upkeep of the large immature area, but also for the replanting of 130 acres and the opening up and planting of over 700 acres of new clearings. Thus during the year it is hoped to bring the area under cultivation up to 10,000 acres. This will yet leave the Company with a reserve of over 8,900 acres. The position as disclosed in the balance sheet dated December 31, 1919, is financially strong. Liabilities, including the final dividend on the Ordinary shares of £92,000, do not exceed £201,656, whereas liquid assets are available to a total of £253,921. In the market the £1 shares command 56*s.* 10½*d.* ex-dividend, and afford at this price, upon the basis of the 1919 dividend, a return of 9% approximately.

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Insurance Notes.

ABSTAINERS AND GENERAL INSURANCE COMPANY, LIMITED.

Success has attended the development of this institution during recent years. The Company has its headquarters in Birmingham, where it was founded in 1883 as the "Blue Ribbon Life, Accident, Mutual, and Industrial Insurance Company, Limited," the title being altered to the present designation seven years later. In addition to the sections of insurance indicated in its original name, the Company transacts fire insurance, but apart from the life business the other departments are at present but of small relative importance. From the beginning special rates of premium have been quoted to total abstainers, and these seem to have been justified by a favourable mortality experience in this section.

The life-premium rates quoted by the Company, especially in the temperance section, are somewhat below the average, yet the Company has been able to declare bonuses at successive triennial valuations up to the last investigation of the kind before the War, which was made as at December 31, 1912, at rates averaging 20*s.* per cent. per annum, or a little over. No bonus was declared following the valuation of 1915, although provision was made for intermediate bonuses on policies becoming claims during the current valuation period which had been five years in force, at the rate of 21*s.* per cent. for each policy year completed since 1912. In ordinary course a triennial valuation fell to be made on December 31, 1918, but in view of conditions arising from the War it was decided to postpone that investigation until the close of the present year. This will cover a quinquennial, instead of the formerly arranged triennial, period.

The annual report for 1919 shows a great advance in the amount of the new life business. The policies issued in that year covered £524,312 of assurances, as compared with £234,056 in 1918. The total life premium income was increased by £13,742 to £144,718, of which expenses of management and commission seem to have absorbed about 20.8%. The expense ratio is somewhat higher than was the case in 1918, but some increase in this respect was only to be expected, apart from the enhanced cost of clerical labour, on account of the higher proportion of premiums relating to new business, which of course entailed a certain amount of initial but reproductive expenditure. The claims in 1919 amounted to £65,641, of which £33,339 arose through deaths and £33,302 through survivance. It is stated in the annual report that the favourable mortality of the lives assured which had been the unbroken record of the Company was last year maintained. Through the year's operations the life assurance fund was increased by £84,384 to £1,176,470, and the net interest yield thereon during the year appears to have been about £4 3*s.* per cent., after deduction of income tax.

The premium income in funds shown in the minor and subsidiary accounts appended to the annual report are as follows:—

Department	Premium Income	Funds at Close of Year
	£	£
Industrial	3,650	45,142
Leasehold redemption	529	5,330
Fire	6,506	12,541
Accident	381	1,312
General...	1,922	1,525

The total assets, as shown in the Company's balance sheet on December 31, 1919, amounted to £1,328,030, of which £623,341 represented Stock Exchange securities, including Government securities for £490,662. A list of the Stock Exchange securities is appended to the balance sheet. These securities are stated to have been "taken at or less than the figures shown in the valuation balance sheet on December 31, 1915, or at cost or less where acquired since that date," and will fall to be revalued on the occasion of the valuation to be made at the close of the present year.

The subscribed capital amounts to £97,500, of which £75,000 is paid up, in shares of 16*s.* 3*d.* each, with 3*s.* 9*d.* paid thereon. The dividend for 1919 was at the rate of 11%, as compared with 10% in respect of 1918.

WESLEYAN AND GENERAL ASSURANCE SOCIETY.

Established in Birmingham, which has always remained its headquarters, in 1841, this mutual Society can claim to be the oldest office transacting both ordinary and industrial life business. The two most interesting features of its report for 1919 are (1) the great increase in its business in both sections of its operations during the year; and (2) the resumption of the declarations of bonuses (apart from interim distributions of the kind) in the ordinary department, which had been suspended for some years owing to war circumstances.

The great development of the ordinary life business is a striking factor. The amount of the new assurances issued in this section is reported as the largest transacted in any one year during the Society's existence. 12,953 policies were issued for £1,342,850, which is nearly quadruple the amount reported for 1918. This result seems to have been in some measure due to the issue of policies in connection with War Bonds. But apart from this there has evidently been a large increase. The total ordinary premium income (old and new) shows an advance of £58,959, as compared with 1918, and amounted to £314,000. Expenses of management, inclusive of commission, absorbed in this section about 15.3% of the premiums, which is a moderate ratio for such a greatly enlarged business. Through the year's operations the ordinary life assurance fund was increased by £161,647 to £1,819,670, and the net interest yield appears to have been about £3 18*s.* 3*d.* per cent., which is about 10*s.* per cent. greater than was shown in 1918. The rate of interest assumed for valuation purposes is 3%.

The industrial premium income, amounting to £906,719, was increased in 1919 by £67,569, and the industrial life fund by £142,629 to £1,622,130, the net interest yield apparently being practically the same in this section as in the ordinary department. The expense ratio on the whole industrial business seems to have been about 18.1%. This is higher by nearly 6% of the premiums than was shown in 1918, and, after making all allowances for development, this ratio cannot be generally considered as altogether satisfactory. No doubt the directors recognise this, and will make it their business to bring the ratio

down. In all friendliness, we would submit that it is very desirable that they should do so. It is fair, however, to say that the actuary states in his report that he is satisfied that the heavy expenditure on new business has been "wisely and profitably incurred."

The annuity revenue account shows that the sum of £5,349 was received in 1919 as consideration for new annuities granted, and that the annuity fund at the close of the year amounted to £13,725. The premiums relating to sickness, funeral, and superannuation contracts amounted to £1,593, and the relative fund on December 31, 1919, was £37,573.

A surplus of £53,789 was shown as the result of the annual valuation of the whole of the business at the close of last year. Of this, the sum of £49,943 (including £14,071 brought forward from 1918) related to the ordinary life section. This enables a reversionary bonus to be declared on whole of life participating policies in that department at the rate of 20*s.* for £100 assured under certain qualifications, one of which is that the date of vesting is dependent on the policies having been two complete years in force. An undivided surplus, totalling £20,023 in all departments is carried forward to 1920.

The total assets, as shown in the balance sheet of the Society on December 31, 1919, amounted to £4,085,776. Of this amount more than half (or in exact figures £2,144,855) relates to British Government securities. As against this, the Society at the close of the year had a bank overdraft of £447,243, which represents the balance at the close of the year of a sum borrowed for the purpose of investing in Victory Bonds, with the object, successfully achieved, of attracting good life assurance business.

The directors certify that in their belief (having regard to certain indicated standards) the assets set forth in the balance sheet at the date of their certificate (February 11, 1920) were in the aggregate fully of the value stated therein, less the investments reserve taken into account, which amounted, according to the balance sheet, to £10,501.

After a lapse of six years, occasioned by the War, a new edition of "Canada To-day"—the reference book published annually up to 1914 from the offices of "Canada," 113 Kingsway, London, W.C. (2*s.* 6*d.*)—has just made its appearance. The character of the volume entitles it to take its place along with its predecessors as the leading standard reference book on the Dominion of Canada. The main purpose of the book is to give some indication, in letterpress and illustration, of the opportunities offered by the Dominion to newcomers from the Old Country or those contemplating permanent settlement, touring, or business in the Dominion. It will appeal to everyone having interests of any kind—personal or otherwise—there. In the financial, commercial, industrial, and transport section statistics are given of products, exports, and imports, banks and securities, &c., while there are articles on income tax, bonds, trade and commerce, railways, shipping, and shipbuilding.

A report has appeared in one of our daily contemporaries, on the authority of a news agency, that the City of Bombay is proposing to issue premium bonds for the solution of its housing scheme. We have made some inquiries, but have received no confirmation of the accuracy, or otherwise, of the report. It will be remembered that the proposal to issue premium bonds in this country, either in connection with the housing scheme or in connection with the recent attempt to reduce the floating debt, was decided against in the House of Commons. In this country there is understood to be a strong prejudice against premium bonds. But it is notorious how readily we are shocked at certain questions when looked at from one particular aspect, and readily accept them when presented in a different form.

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Commercial.

INDIAN HIDES AND SKINS.

In August 1916 the Secretary of State for India invited the Imperial Institute Committee for India to conduct an inquiry into the possibilities of further commercial usage in the United Kingdom of the principal Indian raw materials. Various Committees were appointed, and amongst them one was to make an exhaustive inquiry regarding the commercial potentialities of Indian hides and skins. The inquiry was conducted under the Chairmanship of the head of the Executive Committee of the Imperial Institute. The result is before us in a long report published by Mr. Murray under the auspices of the Imperial Institute.

India enjoys great advantages, unfortunately accompanied by corresponding drawbacks. This conclusion strikes the inquirer who would learn the economic position of all the great primary industries upon which the economic well-being of India depends. Outside some incomparable specimens which fortunately have come down to us of ancient Indians' skill in the working of metals, there is hardly an industry in India that is worked upon lines which would commend itself to Western methods of economic development. It may with appropriate truth be said that there is hardly an industry in India which gives an

adequate return for the amount of capital, labour, time, and the area of land devoted to its pursuit. India enjoys an excellent soil, an excellent climate, and would have an adequate water-supply if adequate measures were taken for conserving the rain, which when it does fall falls in copious quantities, and a system adopted for linking up her rivers and various other watercourses. We have commented at various times upon the deplorable state of the cane-sugar industry of the Peninsula. The area under sugar is enormous. The capital directly and indirectly employed is considerable. The amount of labour finding its occupation in the growing of cane-sugar is out of all proportion to the result obtained. Cane-sugar growing in India has been pursued both by the private individual for his own purposes and as an industry for a period of time to which the memory of man runneth not. One would naturally expect, having some knowledge of the area under cane-sugar in other hot countries, to find that India derived an enormous revenue from the export of cane-sugar. In fact, that it was one of her principal industries. The inquirer is at once told, however, that far from India being a great exporter of cane-sugar, she does not in fact raise sufficient for her own home consumption. India enjoys an enormous population, which is accustomed to live in a very modest way. There can, we think, be no reasonable doubt that if that population, which is an industrious one, were trained to apply its powers with greater skill than is the case at present to the various industries in which India engages, the result would be greatly to benefit that population economically and India taken as a political entity.

The live-stock industry of India is an important one, but it differs, and differs in essentials, from what is understood as the live-stock industry in other parts of the civilised world. There are the cattle of India, the sheep of India, the goats of India—in all, some 160,000,000 of them. The census of live-stock in India is not absolutely to be relied upon, but the figures given, which we will specify in greater detail later, are approximate, and will give the reader some rough idea of the number of oxen, sheep, and goats which are to be found in various parts of India. There are, all told, in India between 100,000,000 head and 120,000,000 head, or maybe 125,000,000 head of cattle roaming the plains of the Peninsula. In other civilised countries with which we are acquainted cattle-breeding is an industry. Cattle are valued for the excellence of their flesh and the good qualities of their hides. Not so in India. Notwithstanding the enormous number of cattle which exist in various parts of the Peninsula, it would hardly be true to say that cattle-breeding is carried on as an industry at all. Over large parts of India cattle are not eaten in any form. Little or no regard is paid to the excellence or otherwise of their flesh, and equally little to the quality of their hides. Consequently there is no cattle trade, or even cattle industry, in the sense in which these terms are understood here in Europe or in North or South America. The principal service which oxen in India are expected to render is that of beasts of burden. The ox has been a beast of burden in his day in nearly every country in the world, but in India it is the purpose for which he exists over vast areas. Over vast areas of India he is the railway and the motive power which draws the wagon. The hide industry is as a result a by-product, as distinct from being an integral part of the cattle-breeding industry, as it is with us and in most other civilised countries in the world.

Practically the ox-owner in India only considers the importance of selling hides when the ox has ceased to be useful as a beast of burden or has fallen by misadventure by the way. As a natural corollary it follows that Indian hides are of poor quality and in no way comparable to the hides obtained from the highly bred and well-fed animals of Europe and North and South America.

In the period before the War, in fact, in spite of the magnitude of the trade between this country and India, we imported very few Indian hides, nearly all going to the United States of America or the continent of Europe, where they were worked up for special purposes. From the explanation we have given above it will be readily appreciated by the reader that Indian hides had not, and have not, the qualities of strength and durability which would have fitted them for the leather industry as it was carried on in England in the period which preceded the outbreak of the recent War.

Readers who may have observed the excellence of the workmanship of native Indian tanned leather exhibited in the museums in London may wonder that there was not a great demand for Indian hides in the past in this country. A careful examination, however, will convince them that at a time when the supply of hides was abundant these beautiful examples of native workmanship were tanned from leathers which would not be likely to commend themselves to the solid type of workmanship so much valued in England.

Nevertheless, taking the value of Indian trade as a whole, the exports of skins and hides form an important part of the export industry of the country. In the years that preceded the outbreak of the recent European War the total value of the exports of skins and hides, partly raw, partly prepared, and some actually tanned, is estimated to have been about £11,000,000 sterling each year—at a time when £1,000,000 sterling had its equivalent value in all the international markets of the world. During the progress of the late War the value of these exports as measured in money increased to very nearly £16,000,000. This was, of course, largely due to enhanced money values or depreciated commodity values, and in addition it has to be remembered that, so keen and so urgent was the world's demand for hides in any form, that it soon ceased to discriminate in matters of quality provided any given substance could be turned into leather in any form.

Cow hides are the big factor. Then come goat skins, and then sheep skins. The export of goat skins, both in quantities and in value, is far more important than that of sheep skins from India. Why this should be so it is by no means easy to determine. The sheep population is, of course, not large for so extensive a country as India, but, on the other hand, it is approximately as numerous as the goats. We estimated in a series of articles some months ago on the live-stock population of different parts of the world, that the sheep population of India all told amounted roughly to something between 27 and 28 million fleeces. The sheep of India, as is usually the case in hot countries, where little or no care is taken as to the situation in which they are bred, are of poor quality. The fleece is often discoloured and the mutton very frequently leaves a great deal to be desired. This is due, as we have indicated, to the fact that little or no regard is paid to the important ques-

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tion of breeding. In a hot country like India sheep breeding, if it is to be seriously regarded as an industry, should be conducted in those elevated parts of the country where sheep would be likely to thrive. Suitable rams should be imported with a view to improving the breed, and if this were done an important sheep-breeding industry could readily be developed in India, if it were desired to develop such an industry. Certain countries are said to be wholly unfit for sheep breeding, but this is only true if little or no regard is paid to the locality in which they are bred, and experience has demonstrated this again and again in various parts of South America. It is doubtful, however, if the Indian population take more interest in sheep breeding than they do in cattle breeding. Neither is practised as an industry in the sense that the term is understood in other countries. If it can be said that there is such a thing as a live-stock industry in India at all, it would be true of the breeding of goats. Here, however, the reader interested in the subject, and recalling experiences elsewhere, must be prepared for a disappointment.

The industry is very far from being carried on on the lines that he will have been accustomed to in other countries. In general, breeding is subject to little or no control, and the varieties of breeds, if the reader will permit the use of such a term in such a connection, are quite as numerous as they are difficult to define. Goats, however, are found all over India, and range from the really fine specimens found in the mountains to the varied types to which we have already referred which roam about the plains. In the economic life of India, however, they play a really important part, being valued primarily as a source of milk and meat supply. When they die or fall by misadventure the export of their skins, mainly in the raw state, but to some extent tanned, yields India something like £3,000,000 a year to augment the value of the exports from the Peninsula.

New Issues.

LEVER BROTHERS, LIMITED.

Messrs. Lever Brothers, Limited, are inviting subscriptions for an issue of 8% Cumulative "A" Preference shares of £1 each. This issue forms a small part of an authorised issue of "A" Preference shares amounting to no less than £40,000,000. The money is required for the purpose of carrying out an agreement made on behalf of Lever Brothers and the old Niger Company whereby Lever Brothers obtained nearly the whole of the shares of the Niger Company at the price of £6 10s. per share. The Niger territory badly wants opening up. Lever Brothers are acquiring the property primarily for the purpose of obtaining various kinds of raw materials needed in their business. They have, however, an exceptional opportunity at the present time of showing how a great tropical area of country can be developed. Until recently no such opportunity had been presented to any trading company, because the requisite knowledge did not exist, and it has only been gradually and laboriously acquired. Lord Leverhulme, with his characteristic enterprise and great resources, has an opportunity that could in the nature of the case be presented to very few. He can show the trading world the method whereby it is possible to develop tropical agriculture, as distinct from merely providing certain raw materials he requires for the conduct of his business. Lever Brothers, according to the prospectus before us, holds interests in more than 100 associated companies. The authorised capital of this immense concern is now £130,000,000, of which something like £30,000,000 has been issued and is fully paid.

STAPLEY AND SMITH, LIMITED.

Stapley and Smith, Limited, with a share capital of £700,000, invite subscriptions for 233,334 7½% Cumulative Participating Preference shares and 233,334 Ordinary shares, both of £1 each, at par. The original Company was formed in 1876 by the late Sir Richard Stapley, Mr. William Smith, and the late Sir Henry Smith. The present Company has been formed to acquire the business of Stapley and Smith, Limited, manufacturers of ladies' and children's underwear, outfitters, and warehousemen, carrying on business in London Wall, Fore Street, New Basinghall Street, and other places in London, as well as in Nottingham and in Strabane, in Ireland.

MANN, BYARS AND CO. (1920), LIMITED.

With a capital of £960,000, this Company is offering for subscription 430,000 8% Cumulative Preference shares of £1 each at par and 215,000 Ordinary shares of £1 each at 24*s.* per share. The Company acquires a business, founded in 1847, of wholesale and retail warehousemen, drapers, clothiers, &c., carried on in Glasgow, Edinburgh, Liverpool, Manchester, Birmingham, Newcastle, and elsewhere.

The British Famous Films, Limited, invite subscriptions for an issue of 150,000 shares of £1 each. The Company has been formed for the purpose of acquiring certain film interests described in the prospectus.

The Church Pictorial Movement, Limited, invite subscriptions for an issue of 100,000 shares of £1 each at par. The Company has been formed for the purpose of carrying on the business of cinematograph exhibitors, primarily in the rural districts.

The British Photographic Industries, Limited, invite subscriptions for an issue of 202,356 6% Cumulative Preference shares of £1 each and 132,773 Ordinary shares, also of £1 each. The Company is interested in various photographic enterprises.

We regret to learn, through an Agencia Americana cable dated Iquique, June 9, that further cases of bubonic plague have occurred, and that vessels arriving are placed in strict quarantine. The houses infected have been burned.

A telegram from Buenos Ayres, dated June 10, states that the Argentine Finance Minister, in accordance with a resolution adopted by Congress, has authorised certain exportations of wheat, conditional upon the payment of the supplementary tax.

A Reuter telegram from Mexico City, dated June 17, states that General Huerta, the Provisional President, has issued an order to the effect that the Mexican Railway shall be turned over to its owners. This is welcome news for the railway's proprietors, and we hope they will not soon again be disturbed in the possession of their property. The Company's report, made up to the end of December, shows a debit balance of £695,426.

The average position during the week ending June 12 of the New York City Banks and Trust Companies, as shown by the latest return to hand, is a considerable improvement on the previous week's position. The unliquid assets were reduced still further, and the total of liabilities declined considerably. Of loans, discounts, and investments, $13.4 millions net were liquidated, reducing the total to under 5,122 millions. Demand deposits were lower by 62.8 millions, though still unusually high at 4,155.4 millions. United States deposits dwindled further to 22.9 millions, but time deposits remained practically unchanged. The average aggregate reserve was down by 6.8 millions—not enough to prevent an increase in the excess reserve. The position at the close of the week was exceptionally strong with an actual excess reserve of $38,100,000.

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DIRECTORS.
The Rt. Hon. the Earl of Harrowby, D.L., J.P., Chairman.
Col. H. F. Bowles, M.P.
Sir George Younger, Bart., M.P.
H. E. Carter (Managing).

The Corporation undertakes the provision of Capital for sound and progressive established British Industries, Foreign and Colonial Municipalities, Transport, Electric Lighting, Harbour, Dock and other Companies.

Industrial Companies.

ROLLS-ROYCE, LIMITED.

Year to Oct. 31	Net Profits	Reserve Fund	Sundry Allocations	Ordinary Dividend Amount	%	Surplus of Liquid Assets† over Liabilities Carried Forward	
	£	£	£	£		£	£
1916 ...	82,641	—	50,000	20,000	10	44,116	202,900
1917 ...	142,056	50,000	75,000	20,000	10	40,172	262,966
1918 ...	153,262	40,000	93,000	40,000	10‡	20,434	296,238
1919 ...	192,778	20,000	66,000	118,076	15§	9,135	720,319

* After allowing for depreciation and liability in respect of excess profits duty.
† Including stock valued—£222,487 in 1916; £641,529 in 1917; £1,209,958 in 1918; £1,468,595 in 1919.
‡ Dividend paid on capital doubled by issue of 1 on its share for each share held.
§ Paid on an increased capital of £787,176.

THE appearance of the balance sheet and accounts of this celebrated firm of motor-car manufacturers for the year ended October 31, 1919, only serves to confirm the favourable impression created by the preliminary announcement of the dividend of 15%. The net profit of £192,778, as compared with £153,262 in 1917-18, constitutes a new record. In the absence of the moulders' strike it is evident that the rate of progress would have been still more marked, for, according to the Chairman, "the effect of the moulders' strike on the output was alarming." Out of this increased profit a sum of £20,000 is transferred to the reserve fund, thereby raising the total to £96,026. To the income-tax account there is allocated £15,000, and an addition of £10,000 is made to the contingencies liabilities account. It will be remembered that in January of the current year the directors, desirous of retaining the cordial relationship existing between them and their workers, brought forward a scheme to increase the interest of the workers in the business. One part of this plan consisted of setting aside 50% of the surplus profits left over after paying 10% on capital, and placing a limited amount to the reserve fund and providing for anticipated contingencies. This sum was to form the nucleus of a workers' welfare scheme, which consisted of the provision of houses, recreation-grounds, and the general amenities of life. The second portion of this plan was to earmark 50,000 of the Ordinary shares out of the authorised capital of 1,000,000, which could be acquired by the workers on the instalment system. These workers' shares of £1 each were to rank for dividend with the Ordinary shares, but were to be resold at par to the Company's nominees when the existing holder left the service of the Company. The accounts under review show the first portion of this scheme in active operation with the allocation of £40,000 to the welfare fund. After meeting all these deductions a dividend of 15% is paid to the Ordinary shareholders, as compared with 10% in 1918. But as the issued capital had expanded during the year from £400,000 to £787,176, the amount required to defray this dividend reached £118,076, as against £40,000 in 1918. The amount carried forward to the next accounts is reduced from £20,434 to £9,135.

The prospects of this Company for the current year are very promising. It continues to adhere rigidly to its policy of concentrating on a single size of motor chassis and several patterns of aero engines. In both departments its reputation is of the highest, as is reflected in the phenomenal demand for its chassis. Moreover, it justifiably takes pride in the fact that despite the abnormal increase in cost of production during and since the War, it is executing its pre-War contracts at the remunerative prices then fixed. Alive to the growing difficulty of securing adequate supplies of its essential raw materials, the Company are contemplating the purchase of an interest in manufacturing concerns producing these materials, or, failing that eventuality, they are prepared to buy out such concerns, or, if necessary, to erect the requisite buildings themselves. Their go-ahead policy is excellently illustrated in their decision—now translated into action—to acquire works in America for the manufacture there of their chassis and aero engines. As already announced, this American Company, which will be controlled by the parent firm, has an authorised capital of $7,500,000, divided into 75,000 Preference shares of $100 each, and 75,000 Ordinary shares of no nominal value. The issue of 35,000 of the Preference shares has been fully subscribed in America. By this time operations should have started at the works, which it is proposed, in the first instance, to staff from the Derby works as regards technical workers, superintendents, and foremen. Pending the production of an output in America sufficient to cope with the large demand for these chassis, a limited number are being shipped from Derby. It is estimated that the works now acquired are capable of turning out at least 700 chassis a year. Holding as it does the bulk of the Ordinary shares in this venture, the parent firm stands to benefit considerably from the profits as soon as working operations are in full swing. Meanwhile the demand at home is no less active. The position as disclosed in the latest balance sheet, dated October 31, 1919, is financially sound. Liabilities, including the dividend of £118,076, amount to £1,826,149, and are amply covered by liquid assets consisting of cash, sundry debtors, and stock to the value of £2,546,468. A salient feature of the balance sheet is the steady rise in the value of the stock from £222,487 in 1916 to £1,468,595 in 1919. This movement is due partially to the corresponding rise in the cost of production and partially, in all probability, to the dislocation in deliveries produced not merely by the general war situation, but by the moulders' strike. In the market the £1 shares are quoted at 35*s.* 7½*d.*, affording on the basis of the last dividend a net yield of 8½%, approximately.

HARROD'S STORES.

IT is now definitely announced that the directors of this well-known London store propose to issue 1,800,000 7½% Cumulative Preference shares of £1 each, to rank as from August 1, 1920, *pari passu* with the existing Cumulative Preference share capital of £1,200,000. As might have been anticipated preferential consideration will be given to applications from existing shareholders. At the same time, the opportunity is being availed of to redress the position of the holders of the pre-War issue of Preference shares. Realising the hardship inflicted on such shareholders in these days of dear money and high prices by the low rate of dividend, the directors in a combined spirit of generosity and wisdom propose to increase the dividend on the existing Preference shares from 5% to 7½%, as from August 1, 1920. It is furthermore intended to simplify the capital by converting the 100,000 5% Cumulative Preference

shares of £5 each into 500,000 like shares of £1 each. Should this scheme for the reorganisation and increase of the capital be sanctioned and confirmed—and there is little doubt but that such sanction and confirmation will be forthcoming—at the meetings to be held on June 23 and July 9 respectively, the authorised capital of the Company will then consist of £5,500,000, in 3,000,000 7½% Cumulative Preference shares of £1 each and 2,500,000 Ordinary shares of £1 each. At present the Ordinary share capital issued amounts to £1,915,000; whilst assuming the prompt acceptance of the new issue of Preference shares, the Preference capital issued will then amount to £3,000,000.

There is in some quarters a tendency to criticise adversely this expansion of Preference capital to such an extent that Preference shareholders may be said to participate almost as fully in the risks of the business as the Ordinary shareholders, whilst they are restricted to a limited share in the profits. With the general principle of the criticism we are in thorough agreement; but we maintain that, having regard to the previous trading records of this celebrated London store, it would be difficult to apply the criticism in this particular case. In our issue of March 20 we dealt at some length with the very satisfactory results achieved for the year ended January 31, 1290, and afforded a comparison with those of the five preceding years. Briefly, it appears that the net profit for that year amounted to £583,635, as compared with £352,042 for 1918-19. After allocating £51,795 to the reserve, thereby raising it to £1,288,670, and paying a dividend of 20% on the Ordinary shares, there was carried forward subject to excess profits duty a balance of £218,890. Dealing with future prospects, the Managing Director confidently asserted that the business was yet in its infancy, whilst the Chairman declared that returns for the current year were already in advance of those of the corresponding peribd of 1919-20. Moreover, during the current year the profits of the concern would be increased by those from Walter Carter, Limited, and Swan and Edgar, Ltd., and by those of a full working year in the case of Kendal, Milne and Company, which contributed only six months' profits in 1919-20. The certified total profits of these three concerns for the year ended January 31, 1920, amounted to £270,756, subject to excess profits duty. This amount, let it be noted, is more than sufficient to provide the dividend at the new rate of 7½% not merely on the proposed issue of 1,800,000 Preference shares, but on the total authorised Preference capital of £3,000,000, the sum necessary being only £225,000. It will also be observed that this dividend is nearly covered by the £218,890 brought forward from the last accounts. The continued expansion of the business not only in London, but also in Manchester, and the enterprise and initiative displayed by the directorate in extending the scope of their activities as the occasion arises, furnish other proofs of a character no less substantial than the financial ones of the sound nature of the investment now offered.

COMPANY MEETING.

THE MARCONI INTERNATIONAL MARINE COMMUNICATION COMPANY, LIMITED.

The twentieth ordinary general meeting of this Company was held at the Connaught Rooms, on June 18, Mr. Godfrey C. Isaacs (Managing Director) presiding.

The Chairman said that the authorised capital now stood at £1,500,000, and of this amount 1,192,726 shares had been issued and paid up. The profit balance carried forward was £198,000, which showed an increase of £12,000 over the preceding year, notwithstanding the substantial sums written off in respect of both difference in exchange and depreciation of investments. In the appropriation account £59,636 was absorbed by the interim dividend, and the directors proposed to pay a final dividend of 10%, which would require a further £119,272. They would then carry forward, subject to excess profits duty for the years 1916, 1917, 1918, and 1919, the sum of £161,890.

The business of the Company continued to increase, the number of ships installed at the end of December being 2,842, as compared with 2,549 at the end of 1918. The past year had been a somewhat difficult one in consequence of the dismantling of a great many ships following the cessation of war, and a large number of vessels changing hands and being dismantled for other reasons; but, on the whole, they had reason to be well satisfied with the balance, showing what they might regard as a very reasonable increase in the total number. During 1919 the Company had benefited by the receipts obtained from ships' telegrams, but in consequence of the disturbed conditions which prevailed after the War, and the limitation of travelling facilities, the revenue from this source had not reached normal conditions.

The Company's Tariff.

With regard to the tariffs obtaining for telegrams addressed to ships at sea, they were frequently told that their charges were far too high. The cost per word for sending a message from this country to a ship at sea was 10½*d*., including the Post Office telegraph rate, the Post Office Coast Station, and the Ship Station. Of this amount 6½*d*. per word belonged to the Post Office and 4*d*. per word to the ship station. Of this 4*d*., 2*d*. went to the shipowners and 2*d*. to the Company. He thought if it was appreciated that the Company received only 2*d*. per word of the 10½*d*. it would not be considered in any way an excessive remuneration for the work they did. Last year he told the shareholders that the directors thought it was probable an additional source of revenue would arise from the use on board ships of what was known as the direction finder. This apparatus was now becoming a really valuable device in assisting navigation, and would, they were confident, become a serious factor in the protection of life at sea. It had now been installed upon a number of ships.

Telegraphists' Demands : the Company's Position.

With reference to the strike of wireless telegraphists, he thought it would be well to make quite clear to the shareholders what was the Company's position as regarded the wireless operator. They contracted with the shipowner to put on board a wireless apparatus, to maintain it, and to operate it. The shipowner paid them a given sum per annum, which represented the loan of the apparatus, its maintenance, and operation, and a sum which was supposed to represent the average cost per annum of one or more operators. The operator, therefore, was in the employ of the Company and was paid by them, but they were in turn reimbursed by the shipowner. The shipowner was not responsible to the Company for any increased wage paid to the operator unless they first agreed with the shipowner in respect of such increase. During the War they met the Association of Wireless Telegraphists, which was then an association of their own employees, and sympathetically considered their request for changed conditions of pay. Eventually increases were accorded them, which, including War bonuses, amounted to 142% upon pre-War rates for every man in his first year of service; in addition to these, other improved conditions were conceded. These terms were given finally with the consent and approval of the shipowners. The demands now made would, if acceded to, represent an annual payment of approximately £500,000. One had but to look at the Company's published accounts to realise that, however well disposed one might be, it would be impossible to concede the demands made without the approval and authority of the shipowners.

The alternative for Operators.

A matter of this vast importance could only be dealt with at a conference, in which everybody concerned took part. He thought they might reasonably assume that, if this conference took place, what was fair and equitable would be conceded by all; but so long as the men were on strike committing breaches of agreements with the Company, and threatening to hold up the whole of the mercantile shipping of the country, no conference was possible. In fact, there would be no operators' members of the Association in the employ of the Company, for each of them would have committed a breach of his agreement, and that agreement would be at an end. If this state of things arose, the Company's whole system would be changed, and instead of giving permanent employment and remuneration, with regular increments, seniority acquired by length of service, sick pay, leave pay, superannuation benefits, and prospects of advancement to other branches of the Company's service, they should have recourse to casual employment, beginning and ending with each voyage at a fixed rate of pay, and without any of the advantages accruing under the present system of continuous service. It was to be hoped that wiser counsels would prevail.

The report and accounts were unanimously adopted.

SUEZ CANAL COMPANY

ABSTRACT OF THE ANNUAL REPORT

Presented at the Meeting held in Paris, June 7, 1920.

The traffic of the Canal is still far from having regained the importance it had before the War. If the receipts from shipping have amounted to 142,886,340 francs, or some 17 millions in excess of those of 1913, the result is due largely to the increases in the rates enforced during the War. Let us recall that the Canal dues have risen from 6¼ francs to 8½ francs, an increase of 36%. Furthermore, the results of the year have been influenced by another factor of an abnormal character. Owing to the condition of the foreign exchanges the Company has earned, during the year, an additional profit in round figures of some 28 million francs. Out of this rather exceptional revenue a sum of 15 million francs has been set aside to provide for expenditure of an equally exceptional character in connection with the provision of housing accommodation for our Egyptian staff. The growth of population in the Isthmus, mainly due to the existence of military and naval bases and the large number of troops, gave birth to a serious housing crisis from which our staff, especially at Port Said, suffered severely. Consequently, it was incumbent upon us to take the necessary steps to remedy this defect. Despite the ephemeral nature of some of the revenue which accounted for the increased profit during the year under review, we look forward to the future with confidence. Already we have restored to ships in ballast the special rate which they enjoyed since 1883, but which had been suspended temporarily.

Turning to the accounts, our total receipts for 1919 amounted to 184,708,395 francs, an increase of 91,738,485 francs over 1918. Receipts from shipping alone accounted for a rise of 61,688,325 francs. The increase in sundry receipts was 110,343 francs. Working costs reached a total of 42,130,169 francs, the addition to administrative and working expenditure during the year being 10,760,425 francs and representing the extra cost of stores and materials other than coal. We have thought it advisable to add 3 million francs to our depreciation fund. The great increase in the cost of reproduction has compelled us to increase the amounts set aside for replacing materials. After allowing for these allocations, the excess of revenue over expenditure amounts to 104,202,708 francs, which, with the addition of 530,588 francs brought forward from 1918, leaves available for dividends a total of 104,733,266 francs. It is proposed to distribute 104,225,352 francs and to carry forward the balance of 507,914 francs. This will permit a dividend of 185 francs per share, which, with the interest of 25 francs, makes a total dividend for the year of 210 francs, subject to tax.

An outlay of 8,123,966 francs on improvements during the year raises the total of capital expenditure on the canal to 743,260,929 francs. Other fixed assets have increased by 4,561,502 francs to 102,723,744 francs. Owing to the increase in revenue, liquid assets, valued at 144,140,609 francs in 1918, stood in the balance sheet on December 31, 1919, at 213,739,514 francs.

The record of shipping transactions during the year reached 3,986 journeys, covering a net tonnage of 16,013,892 tons (French), an increase of 73.09% over 1918, but a decline of 20.07% on the returns of 1913, the last normal year. Omitting, however, from the figures for 1913 the traffic due to Russia and the enemy nations, the 1919 total is 3.62% more than the corresponding total for 1913. Government traffic represented, however, only 26.65% of the general traffic, as compared with 57.43% in 1918. Shipping under ballast amounted to 2,710,282 tons, or 16.92% of the traffic, whereas in 1918 it had furnished 2,582,706 tons, or 27.92% of the traffic.

The cost of raw materials reached a further high level during 1919. Moreover, it was not easy to secure adequate supplies. On the other hand, the average price of coal fell from 314 francs in 1918 to 154 francs in 1919; but the price has again been on the upward move since the opening of the current year. Again, at certain periods of the year, notably during the English coal strike, we were compelled to reduce our consumption.

As might have been easily foreseen, 1919 has proved to be, in so far as transport is concerned, a year of transition. Too many barriers still impede the normal course of trade. Gradually, however, obstacles are being surmounted. During the year under review trade, in a large measure atrophied by the War, has resumed its normal functions. Recovery is still on a small scale. If the quantity of goods carried through the canal is six million tons in excess of that of 1918 it is yet 12 million tons, or 40%, below the total of 1913. As might be expected, it is the outward traffic influenced in a rather unfortunate manner by a considerable decrease in the shipment of coal, which is mainly responsible for the slow rate of recovery. Much greater activity has characterised the South to North traffic, which has risen by 10,211,000 tons during the year. Again, trade with India, which before the War furnished the canal with nearly half its traffic, has fallen considerably in 1919 because of the great scarcity of corn at Karachi and of rice at Birmanie. Fortunately the decline in this traffic has been compensated for by the abundant shipments of Australian corn, which attained the unprecedented figure of 1,128,000 tons. Cargoes of sugar, principally from Java, and of benzine from the Persian Gulf and the Netherland Indies, have also provided much traffic. Other products, which hitherto have only played a secondary *rôle* in the trade of the Canal, have assumed an unforeseen importance: amongst others, rubber, frozen meat, and finally coal from Natal, which made up in part for the scarcity of this material in the Mediterranean ports.

However, the growth of traffic in 1919 was not merely due to shipments of goods. Military transports, and in particular the repatriation of troops, gave rise to a very considerable movement. The number of military passengers travelling through the Canal has surpassed all previous records. Here, undoubtedly, is a factor which will not make itself so forcibly felt during the current year. On the other hand, there is good reason for believing that the trading activity will not slacken. We already see one good omen in the fact that the Indian crops, deficient last year, are promising very well for the current season. Again, manufactured commodities are being carried in the North-South traffic. Finally, whatever may be the difficulties of the financial situation Europe is more than ever obliged to call back upon the economic resources of the regions beyond the Suez to renew its stocks of raw materials and for the satisfaction of its primary needs. The Suez Canal, resuming its career of peaceful activities, is bound to benefit from the revival in trading relationships in the facilitation of which it plays so predominant a part.

MEETINGS
OF PUBLIC COMPANIES.

THE CITY EQUITABLE FIRE INSURANCE COMPANY, LIMITED.

THE eleventh annual general meeting of this Company was held on June 17 at Winchester House, Old Broad Street, London, E.C., Mr. Gerard L. Bevan, Chairman of the Company, presiding.

The Secretary (Mr. F. J. Witts) having read the notice convening the meeting and the auditors' report,

The Chairman said: Ladies and Gentlemen, If it is your pleasure, I propose to take the accounts and balance sheet of the eleventh year of this Company's operations as read, and will proceed to comment generally on the figures which are contained therein.

I must begin by apologising for the absence of my esteemed colleagues, Sir Douglas Dawson, Colonel Sir Henry Grayson, and Mr. Theodore Barclay, all of whom have unavoidably been prevented from assisting us to-day—two of them, I regret to say, through ill-health.

Fire and General Account: Premium Income nearly doubled.

In our Fire and General Account you will see that our premium income has almost doubled in volume during the last year, and, whilst the loss ratio is somewhat lower, it must be borne in mind that on the increased income a large amount has been set aside for the unexpired liability, which accounts for the decrease shown in profits. Making due allowance for this, I am sure you will agree that the figures and ratios as given on the front page of the report are eminently satisfactory. I think that in view of the very large increase which has taken place, a few words from me would not be inappropriate in explanation of the causes which have given rise to such an advance. The general conditions and extraordinary changes which have been brought about in the values of commodities throughout the world have given an opportunity to us, as the leading English Reinsurance Company, of which we have endeavoured to take full advantage, and, whilst exercising every caution in the selection of our treaties, the extremely high values now obtaining have caused the incomes under the various sections, both home and foreign, to advance steadily quarter by quarter. In addition to this we have secured a number of new treaties, and in several cases we have received with gratification increased proportions on those we already held.

Company likely to enter United States.

For some time past, as I mentioned last year, we have been considering the advisability, or otherwise, of entering the United States of America, and, in view of the position we have now established for ourselves, it is quite probable that within the next few months we shall have decided that the moment is opportune for us to enter as a reinsurer on a moderate scale in United States business.

Marine Business: Premium Income fully maintained.

I now come to the Marine Account, which you will see again shows a slight increase in income. You will have noticed that in the accounts of most of the big insurance companies large reductions have taken place in the income shown from marine business, and I think it may be taken as a fact that this is caused in the main by the falling out of war risks, which formed a considerable item in such companies' accounts. In the case of the "City Equitable," whilst we wrote a fair amount of war business with profitable results, the cessation of this section was not of such importance as to affect our balance-sheet figures, and the acceptance of fresh marine treaties has resulted in an increase of the figures for the year under review. As regards the loss ratio, the increase here is a natural corollary of a maturing account, and, with the very large spread which our treaties ensure, it is a matter for congratulation that our loss ratio is so moderate. As, however, is the case with all companies, the expense of the business is an increasing item, and one which we cannot, under existing circumstances, avoid. However, we are fully alive to the necessities of seeing that our business is not too costly.

Opinions on the outlook for marine business in the future are very divided, and, whilst many authorities anticipate a period of meagre profits, others equally capable are not so pessimistic. Many features have to be borne in mind in forming an estimate of the future train of events. The losses sustained at sea during the War have been followed by unprecedented activity in shipyards all over the world. Already the volume of tonnage afloat exceeds the maximum pre-War figure, and it can hardly be questioned that within a short time the supply of ships will exceed the demand. Concurrent with this, and again resulting out of war conditions, many new underwriters have entered the field, and as a result of this competition a good deal of business is now being written on terms which I am afraid will prove to be unremunerative. At the same time, we are satisfied that our marine business is in the hands of highly efficient and experienced underwriters, and every care will be given and security exercised in order to ensure the continuance of profitable results.

Dividend and Investment Policy.

I now come to the appropriation of the balances as shown, and my first observations will naturally be, as I feel sure you would wish, on the subject of the dividend which is proposed to be paid. It has been very carefully considered by the members of your board, and I think and hope you will agree that, in exercising what might appear to be undue caution in the payment of the dividend, a correct attitude has been taken up in view of the future position of the Company.

It is our desire that a steady increase in the dividend paid shall take place, and large fluctuations be avoided, and you will readily realise, on a perusal of the balance sheet, that our investments will justify further increases in the future. While I am on the subject of investments, I would like to point out the large amount that we hold in the form either of short-dated loans or Treasury Bills. By pursuing this policy, and at the same time exercising discrimination in the choice of our miscellaneous securities, we have hitherto avoided the depreciation which would otherwise have resulted, especially on gilt-edged securities.

Strong Reserves: The Company's aim.

A further increase in the Company's fire business for the current year is practically assured, and it is therefore incumbent upon us, in view of such expansion, to strengthen materially the reserve. I would drew your particular attention to the recommendations which are being made in this respect. You will notice that the item of general reserve, as shown in our last balance sheet at £90,000, has since been transferred to our fire and general fund. This, with the addition which we now recommend to be made, viz. £160,000, will bring our fire fund up to over 77% of our premium income, and it is our intention that this fund shall be steadily increased year by year until a cent. per cent. basis has been reached. (Hear, hear.)

As regards our marine fund, after making adequate allowance for outstanding losses a figure of 80% is shown, and here again it is our intention to work on similar lines.

I should not like to conclude before expressing our thanks to the manager and his staff for their efforts during the past year. One and all they have given their utmost energies to the conduct of the Company's business, and it is in no small measure due to their unremitting labours and intelligent interest in the Company's business that we have been able to achieve such results.

I now formally move the adoption of the report and accounts, and I will ask Mr. Peter Haig Thomas to second it.

Mr. Peter Haig Thomas: I have much pleasure in seconding the adoption of the report and accounts.

The Chairman: Before I put the resolution to the meeting I shall be pleased, if anyone wishes to ask any questions, to answer them to the best of my ability.

No questions were asked, and the resolution was thereupon put to the meeting and declared unanimously carried.

The Chairman: The next resolution has to be moved from your side of the table, gentlemen.

Mr. N. F. O'Brien: I have pleasure in proposing: "That Messrs. Langton and Lepine be re-elected as auditors of the Company at a fee of 500 guineas."

Mr. Trefusis: I beg to second that.

The resolution was unanimously passed.

Mr. O'Brien: I now move: "That the retiring directors—namely, Mr. Gerard L. Bevan, Mr. Peter Haig Thomas, and the Rt. Hon. the Earl of March—be re-elected." I believe this Company is one of the most successful in London. (Hear, hear.) None has made greater progress in the time than has this Company under the present management. I am sure we must all feel very well satisfied with the results, and that we shall unite in re-electing these gentlemen. (Hear, hear.)

Mr. Trefusis: I have pleasure in seconding that.

Shareholders' views.

Mr. A. J. Monro: I should like to say a few words in support of the motion. Imitation is the sincerest form of flattery, it is said, and I think the number of reinsurance companies that have been started in the last twelve months is a very flattering appreciation of what we have done in the past. When you consider that our income before the War was £80,000 all told, and that our income last year from investments alone was £89,000, I think it shows we have made very great progress. (Hear, hear.) I was pleased to

hear from the Chairman that it is proposed to do in this Company what, I believe, has never been done by any insurance company—that is, to make the reserve for unexpired risks cent. per cent. I do not think that has ever been heard of before in the annals of insurance. I may be wrong. The funds and reserves in hand amount to over 29 times the paid-up capital. I think that is a healthy position to be in. (Hear, hear.) Our directors are not ordinary directors; I think they thoroughly deserve the greatest appreciation we can show them, more especially our Chairman. Our Chairman is not the sort of Chairman who simply sits in the chair here once a year, but he, with the manager, takes the keenest interest in every phase of the business. I think the manager will bear me out in this. He can go to him at all times about the business in any part of the world, with a view to promoting the welfare of the shareholders. I should like to suggest that after the 100% reserve for unexpired risks has been accomplished—and that will not take very long at the present rate of progress—a bonus should be given to the shareholders so as to make the shares fully paid. I throw that out as a hint to the directors, to think of as the next step when the cent. per cent. reserve has been reached—a further dividend in the form of bonus shares to the Preference and Ordinary shareholders. It would not take a great deal to make the shares fully paid. The dividend might then be increased and the percentage would not be quite so great even as it is now. With these remarks, I heartily support the motion.

The Chairman : I much appreciate Mr. Monro's remarks, and we will bear in-mind the suggestion he has made.

The resolution was unanimously passed.

Mr. T. O. Smyth : Have the directors given up all hope of rearranging the capital so as to have only one class of shares? I believe there was a proposal made to that effect last year, but I have heard nothing more of it. I do not know what has become of it. I think it would be a great advantage if it could be carried out.

The Chairman : I may say, in reply to the question, that the directors have had the matter in mind several times, and if we can ever come to an agreement on any practical scheme we shall be very pleased to put it to the two classes of shareholders again. So far we have not been able to hit on any scheme which seems to satisfy both classes unanimously, and unless it does satisfy both classes of shareholders unanimously we have made up our minds not to try to carry through the scheme. For the present it must rest like that. Well, gentlemen, I think that concludes the business of the meeting.

Mr. Trefusis : Before we separate I am sure we should like to give an expression of our gratitude to the Chairman for his lucid statement to-day, and to the Chairman and directors for their most successful efforts on our behalf during the past year. I beg to move a vote of thanks to the Chairman and directors.

Mr. G. Barnard : I have very much pleasure in seconding that.

The vote was unanimously accorded.

The Chairman : Thank you, gentlemen, for your vote. We much appreciate it, and it will encourage us to renewed endeavours in the future, which I hope will continue to be very successful.

Mr. Monro : I do not think we should leave this hall without passing a vote of thanks to the manager and staff. The increase in the premium income has been something like £600,000 this past year, and that in itself has meant an enormous amount of work. The whole of the business has been managed in such a way that I think it would be ungrateful of us, to say the least, if we did not express our unanimous appreciation of the work during the past year of the general manager, Mr. Mansell, and his staff. (Hear, hear.)

Mr. Smyth : I shall be pleased to second the vote of thanks to the manager and staff for their services during the past year.

The Chairman : I am sure the meeting will be unanimous in passing that motion.

The vote was unanimously agreed to.

The proceedings then terminated.

GRESHAM FIRE AND ACCIDENT INSURANCE SOCIETY, LIMITED.

THE tenth annual general meeting of this Society was held on the 10th inst. at the head office of the Society, St. Mildred's House, Poultry, London, Sir Charles A. Hanson, Bart., M.P. (Chairman of the Company), presiding.

The General Manager and Secretary (Mr. T. Brand Miller) having read the notice convening the meeting and the report of the auditors,

The Chairman said : Ladies and Gentlemen, In proposing the first resolution, which I shall have the privilege of offering for your acceptance presently, I may remind you, as all of you will have seen from the terms of the notice calling the meeting, and as some of you, at any rate, know by experience of patient waiting that this is our tenth annual meeting, and it marks the tenth year of our existence as an insurance Society. I mention this because I find that, with many of our British offices the tenth year has always been regarded as a landmark in their history, looked forward to with confidence and hope, justifying early expectations, and constituting a basis of assured stability and progressive prosperity. That, gentlemen, is our satisfactory position to-day, upon which, I think, we may all quite reasonably congratulate ourselves. It is quite true that our growth may not have been sensational; we have not sought to achieve phenomenal results. Our policy has been marked by caution rather than by brilliant strokes of aggression, and we have of choice preferred to follow the well-trodden paths of prudence rather than to enter the tempting, but speculative, fields of adventure. Then, gentlemen, you will not, I am sure, forget that during one half of our life we have, in common with others, had to struggle with the almost overwhelming difficulties incident to the ghastly, tragic War in which the world has been engaged—staffs denuded by mobilisation and noble service, and business disorganised and difficult to seek or to obtain, while securities have been steadily falling and finance has been a source of extreme anxiety. These have been our experiences and our difficulties, and yet the record of the Society has, during the whole period of its existence, been one of consistent growth, without, so far as I am aware, one adverse or retrograde movement. (Hear, hear.)

Fire Department : Low claim percentage.

Let me now for a few minutes turn to the figures of the accounts, and I will refer first to the fire department. The premium income in this department of our business amounted last year, after deducting reinsurances, to £162,139, as compared with £124,067 in 1918, or an increase of £38,072, which, as you will see, is an increase of 30%—a fairly satisfactory increase, I hope you will consider. The fire claims paid and outstanding for the year amounted to £72,787, or 44.9% of the fire premium income, which compares with £60,746, or 49%, in the previous year. Gentlemen, I think you will agree that a fire loss ratio of less than 45% is gratifying, and that you will share with me the hope that it may continue on a scale so moderate. The commission charge is an amount equal to 25.4% of the fire income, as compared with 23.2% in 1918, or an increase of 2%, which is accounted for by exceptional circumstances in connection with certain of our foreign agencies. While the commission charge has shown this slight increase, the expenses of management for the year, costing £22,228, represent a ratio of 13.7%, as compared with 15.8% in the previous year, or a reduction of 2% upon the figures of the year 1918, and, if you take the commission and expenses together, the ratio of expenses to premium income is 39.1%, as against 38.9%, a fractional increase, but not in these exceptional times an unreasonably high ratio. Indeed, as we all know by experience, the trend of costs is upward, and I fear that the climax has not been reached, and that in this respect the future is not altogether free from anxiety. The reserve for unexpired risks at the end of the year has been increased from £41,355 in 1918 to £54,046 in the current account, but calculated, I desire to say, upon the same basis, which we believe to be an adequate provision. As we grow older, and as the need justifies it, this percentage will no doubt be increased correspondingly. The net result of the fire-trading account for the year is the transfer of £12,734 to the profit and loss account.

Accident Business : Expense ratio reduced.

I will now turn to the accident business, which, I may say, is inclusive of all other branches of business transacted. The premium income in this department amounted to £79,872, as compared with £54,701 in 1918, an increase of £25,171, or 46 per cent. on the previous year's accident income. The claims paid and outstanding in this branch of our business amounted to £33,876, or 42.4% of the year's accident income, as compared with 41.7% for the previous year, so that the claim ratio is slightly higher this year than it was in 1918; but, on the other hand, the loss ratio of under 43% is admittedly favourable. The commission item in this branch of our business amounted to £10,444, or 13% of the income, as compared with £7,935, or 14.5%, for 1918, a reduction of over 1%, while the expenses of management amounted to 23.1% of the premium income, as compared with 31.7% for 1918, or a reduction of 8.6% on the year, and, taking the commission and expenses together, the ratio to the premium income of the department is 36.2%, as compared with 46.2% in 1918, or a reduction of 10% in the commissions and expenses ratio for the year. This is, of course, eminently satisfactory, but, for reasons I have already mentioned, the future is in this respect not too full of promise. The reserve against unexpired risks at the beginning of the year has been increased from £18,233 to £26,624, a provision which, as in the case of the fire, we believe, upon the advice of our technical officers, to be fully adequate. Now, the result of these figures is that a balance of profit on the year's working of the accident business, amounting to £9,169, has been carried to the profit and loss account.

Profit and Loss Account.

I will now make a brief reference to the profit and loss account, and I shall be glad if you will follow me for a moment. We brought forward last year the sum of

£1,985 8*s.* 9*d.* We have received from interest and dividends, after deduction of tax, the sum of £6,792 3*s.* 7*d.* For transfer fees we received £76 8*s.* 6*d.*, and the sum of £309 16*s.* 1*d.*, a small balance of profit on the realization of certain securities and on exchange. The fire account has given us a profit of £12,734 16*s.* 3*d.*, and the accident department a profit of £9,169 2*s.* 4*d.* Together these sums amount to £31,065 15*s.* 6*d.* We have applied this sum as follows :—Balance of income tax, which we cannot escape from, however much we might wish to do so, £2,426 14*s.*; and we carry to investment reserve £10,269 0*s.* 4*d.*, which brings the investment reserve up to £20,271. This, we believe, is sufficient to provide fully for the market depreciation in our Stock Exchange securities as at December 31 last, and is also sufficient to enable the directors to certify, as we have done, that in our belief our assets are fully worth the value at which they stand in our books.

Preliminary expenses written off : Dividend stage reached.

We further apply the sum of £6,453 8*s.* 10*d.* to writing off our preliminary expenses, which is an item, I am delighted to say, that will not appear again in our accounts. (Hear, hear.) It is an item that I am personally, as are also my colleagues, glad to get rid of. After applying these various sums we still have a credit balance of £11,916 12*s.* 4*d.*, and in view of this fact we gladly recognize the first claim of the shareholders, and cheerfully recommend you to declare a dividend of 5%, less income tax, upon the share capital of the Company, and to carry forward a balance of £4,916 12*s.* 4*d.* To my colleagues and myself I need hardly say that it is a very great pleasure to have reached a point when consistently with the position and the interests of the society we can recommend the declaration of a dividend. The dividend we recommend is not a large one, but it is our first, and we have greatly strengthened and improved the value of your property by the reserves which we have provided, and of which you will assuredly receive the benefit, for I unhesitatingly say that in my belief you may confidently hope for better results as each year passes by. (Hear, hear.)

I cannot conclude without a brief but, I fear, an inadequate reference to the manager and his staff. Our General Manager, Mr. Miller, has our complete confidence. (Hear, hear.) I can only say for his ability and his devotion to the interests of the Society and his loyalty to the board we have a most sincere admiration. (Cheers.)

I have very great pleasure in moving the first resolution, namely :—"That the directors' and auditors' reports be approved and adopted, and that a dividend at the rate of 5%, less income tax, be payable on June 21 upon the paid-up capital of the Society." (Cheers.)

Sir Reginald MacLeod, K.C.B. (Deputy-Chairman), seconded the motion.

The Chairman, replying to questions, said that the directors would continue to pursue a cautious policy and to strengthen the resources of the Society. It was not the intention of the directors, at the present time, to call up the unpaid capital. The directors considered that the liability which existed on the shares was, after all, a source of strength to the Society. (Hear, hear.)

The resolution was unanimously carried.

BBW VALE STEEL, IRON AND COAL COMPANY, LTD.

The fifty-third ordinary general meeting and the fifty-first and fifty-second adjourned ordinary general meetings of the shareholders of this Company were held on June 16 at the Cannon Street Hotel, London, E.C., Mr. Frederick Mills (Chairman of the Company) presiding.

The Secretary (Mr. Bertram Northgraves, A.C.I.S.) read the notice convening the meeting, and the report of the auditors was read by Sir William Peat.

The Chairman said : Ladies and Gentlemen,—You have had a copy of the report for 1920 and of the accounts as at March 31, 1920. I presume I may take them as read, and I hope it may be convenient to the shareholders present to permit me to take the two adjourned meetings and the main meeting concurrently.

Tribute to the Late Sir Charles Allen.

It would not be possible, however, for me to open these proceedings without referring to the death of our old friend Sir Charles Allen, the late Chairman of the Company. Colonel Allen joined what was termed "the new board" in 1892—28 years ago—at a time when the fortunes of the concern were at a very low ebb. He brought sound practical experience, the result of his association with his uncle, Sir Henry Bessemer, and with his father, Bessemer's partner, but, far more valuable than that, a character at once straightforward and genial, which enabled him to secure the loyal support of his colleagues on the board and of the staff at the works. My own personal acquaintance with him extended over 21 years. During all that time I never heard him utter an unkind word about anybody; he was geniality itself. No one rejoiced more than his colleagues when, a decade since, His Majesty thought fit to reward his services in the formation of the Territorial Force by a knighthood. His death from a fell disease, from which his friends hoped against hope he might be delivered, has left a great blank. I am sure it will be your desire that we should convey to his two gallant sons—both of whom won the D.S.O. in the Great War—and to his devoted daughter, the expression of our deepest sympathy with them in the irreparable loss they have sustained. (Hear, hear.)

We are fortunate in having secured the services on the board of Sir Philip Henriques and of Mr. Franklin Beynon, and at a later stage of these proceedings you will be invited to confirm their appointment as directors.

Sir John Beynon.

The shareholders, I am sure, will desire to join with the board in congratulating our Deputy-Chairman on the honour which His Majesty has paid him by conferring a baronetcy upon him, as well as on receiving a Commandership of the Order of the British Empire. (Applause.) You will agree with me that Sir John Beynon has, by his past services to the community, thoroughly deserved these distinctions, and that he will bear them with dignity in the future. (Hear, hear.)

Balance sheet as at March 31, 1920.

The shareholders will recollect that in consequence of the difficulty experienced with regard to questions arising out of excess profits duty, munitions levy, and coal mines control finance, it was not possible to issue the balance sheets as at March 31, 1918 and 1919, respectively. I am glad to say, however, that such progress has now been made as to enable us to present the balance sheet as at March 31, 1920. We are advised by the auditors that the preparation of individual balance sheets for the years 1918 and 1919 would serve no useful purpose, as it would involve somewhat wide estimates in regard to our accounts with the Government, and that it is more convenient to amalgamate all the three last years in one. Even as it is, there has been no definite settlement with the Government, and in order not still further to postpone the issue of a balance sheet, estimates, which have been made on conservative lines, have been necessary. The figures are set out in a form easily understood, and it must be evident to anyone that a strong and healthy position is disclosed. It will be observed that the directors were justified in declaring interim dividends of 15% on the Ordinary shares in respect of the two former years, and, as announced on each occasion, they do not propose any further dividend, but they ask your confirmation of their action.

Labour's Vital Interest in industrial enterprise.

As I ventured to observe last year, the profits are the result of steady progress extending over many years. The turnover last year was over £7,600,000, and as the divisible profit on the Preference and Ordinary shares is £346,504, or 4.56% on this turnover, it shows on how narrow a margin this vast industry is conducted. The wages paid by the Company amounted to £3,904,817. If the sum of £346,500 thus divided among the shareholders had been paid instead to our workpeople, as some people seem to suggest, they would have received 1*s.* 9*d.* only in the pound, or 8.75% in addition to the wages they received. They have been paid very good wages indeed. Representatives of the working classes seem terribly afraid of acknowledging the excellent wages which our colliers and workpeople are capable of, and are, in fact, earning.

I need not, however, at this time of day point out to you and to them that unremunerative capital would speedily result in a starved and crippled industry. Those, and among them many of our own workpeople, who remember them, cannot surely welcome a return to conditions ruling at Ebbw Vale during the last 30 years of last century, during which time there was practically no return on the capital invested in the concern. Shareholders were chary of adding to their responsibilities, development was therefore impossible, the wages were low in amount and unsatisfactory in character, and, in fact, the whole industry was stagnant.

Iron and Steel Departments.—New Developments.

The principal features of the balance sheet are, first, the very large capital expenditure in recent years. We were reasonably progressive before the War, but during the War the iron and steel departments have, at the instance of the Government, been largely expanded. The extensions include the purchase and development of iron-ore fields in Northamptonshire, which, I am pleased to say, are turning out well up to expectations; three new batteries of by-product coke ovens 250 in number—with their accompanying recovery plants; two new blast-furnaces, which alone have cost over a million of money; considerable extensions of the steelworks and the electrical generating station at Ebbw Vale; and, in addition, an up-to-date steel sleeper plant at Newport. These developments, which so far have only in part become remunerative, are fast approaching the stage when they should increase the production by 50%. I am glad to be able to announce that the first blast-furnace has been blown in successfully, and that we are now making steel from our own native ores. (Applause.)

The shareholders will next observe an item—new to us—"Capital Reserve Account" of £1,350,348, which is the result of the valuation, on a pre-War basis, of our assets as at March 31, 1917, referred to in the report of the directors in 1918, made for the purpose of recasting and increasing

the share capital of the Company, authorised by the shareholders in July 1918, the issue having been successfully made in the autumn of that year.

The only remaining item to which I wish to make reference is that of the amount paid for war allowances, £52,118 17*s.* 2*d.* The payments ceased in June 1919. The total from the commencement of the War was £153,306 12*s.* 4*d.* I feel sure no shareholder will have grudged giving up his share of the profits to this purpose—(hear, hear)—and that it has been greatly appreciated by the recipients is shown by the numerous letters (couched often in rough and ready language) which have been received throughout the whole period from large numbers of the sailors and soldiers employed by us; and perhaps I might be permitted to mention that every man who has returned has, in fact, been offered his old employment on his release from the Colours. In those cases where incapacitation has prevented a man from resuming his former occupation, suitable employment has been found, and in no case at less than the current rate for that particular job. (Applause.)

The Collieries : Reduced output at Increased Cost.

With regard to our colliery undertakings, I wish I could tell the same tale of progress and development as I have related in regard to our iron and steel works. Rightly or wrongly, at the outset of control, development was prohibited not only at Ebbw Vale, but all over the country, and although 18 months have come and gone since the Armistice, no suitable arrangements have yet been made to proceed with this very necessary work. New sinkings are held up, out-of-date machinery still slogs along its wasteful way, while wages and allowances have been increased and hours of work reduced. The nation has done all those things which it ought not to have done, and left undone all those things it should have done, in its coal industry. It is not surprising, therefore, that the cost of coal has gone up and the output has gone down. The number of men has increased, and the output is reduced.

No body of business men in their senses would have conducted their affairs in the unfortunate way that has been adopted in this most vital industry. I can only hope that some more enlightened policy than that of impounding the whole of the excess on the pre-war standard of profits, after making allowance of a percentage on the increased capital employed, will shortly be announced, and those qualified to know and to act left free, and, indeed, compelled, to get to work, and as speedily as possible attempt to make up the leeway of nearly six years.

Area of Coal Properties extended to 33 square miles.

Although somewhat outside the scope of the report and balance sheet under discussion, the shareholders will like to know that we have extended our coal properties very materially during the current financial year. They will recollect that in 1916, in conjunction with Messrs. T. Beynon and Company, Limited, we purchased in equal parts the share capital of John Lancaster and Company, Limited, and Powell's Tillery Steam Coal Company, Limited. Our partners have now transferred to us their moiety of the share capital in these undertakings, and, in addition, we have acquired practically the whole of the shares of the Newport-Abercarn Black Vein Steam Coal Company, Limited, a property adjoining our Abercarn coalfield to the north.

Again, owing to the death of Mr. George Lancaster, who was the principal shareholder in Lancaster's Steam Coal Collieries, Limited, that property was thrown on the market, and we were fortunate enough to be first in the field and in a position to negotiate. In the result, we have purchased the whole of the Ordinary shares in that undertaking; there are no Preference shares and there are no Debentures. The property adjoins that of John Lancaster and Co.'s collieries to the north and those of the Ebbw Vale Company's collieries to the east. A plan is exhibited on the wall, and the shareholders will see at a glance the position and importance of these several undertaking in respect of the Ebbw Vale Company's property.

The Company will thus own a compact area of coal-bearing lands, amounting to 21,354 acres, or over 33 square miles, freehold and leasehold, producing at the present time about 6½ million tons of coal per annum, with great possibilities in the way of consolidation and economy and capable of considerably increased production. These new acquisitions have been paid for partly in cash and partly by the unissued Ordinary shares which were specifically reserved for the purpose of such transactions. Should it be necessary at a future date to issue additional capital, ample notice will be given and the shareholders will have the first opportunity of providing it.

Housing of Employees : Government hindrances.

There is in Ebbw Vale and district a great shortage of workmen's dwellings. Before the War, with the exception of a long-winded effort by the local authorities in 1910, resulting in 64 houses being built by them, the Company had taken care of this problem, and during the 20 years ended 1914 some 2,000 cottages were built. During the War a great increase in the number of employees took place, and very few houses could be built owing to War time regulations. Immediately after the Armistice the Company, realising the position and its responsibilities, set to work again, but were checked by the result of the Government Housing Bill. The best available site, on which some thousands of pounds had already been expended, was relinquished to the local authorities, whose efforts, however well-meaning, have been so successfully blighted by the Government that not a brick has been laid. Instead of the 3,000 houses that all the local bodies agree must be built, and built quickly, all that is in prospect is a scheme comprising 42 houses, too big and too costly for the purpose for which they are urgently required, and these are only to be proceeded with if the money can be found. There does not appear at the moment to be a single penny in sight to enable even this paltry contribution to be commenced.

In the meantime, recognising, as the Deputy-Chairman said on this subject last year, that "economics must be scrapped," we are continuing as best we can on more difficult sites the extension of our garden villages and at the same time are building a large hostel for men. Clearly, here is another instance where talking must cease and action—vigorous action at that—take its place. The problem is not insoluble, and I venture to suggest it will be best solved by encouraging those who understand it getting to work on it. (Hear, hear.) In my judgment this matter should be left entirely to private enterprise, and as houses cannot be built to let at an economic rental at the present time, the Government should make a grant of £300 for every workman's dwelling completed to the satisfaction of the local authority during the present year, and perhaps next year, and encourage rapidity of thought and of action by reducing the amount of the grant during each successive year.

Whatever they decide should be the result of careful thought, and it should be final. They should not encourage delay by engendering a hope that builders will benefit by waiting for still better conditions. This Company is prepared to go ahead, providing it can be assured its efforts will not be again interfered with. We are not ashamed of our work in the past. We recognise that a well-housed is an efficient workman, and that nothing but turmoil and unrest can result from the housing conditions ruling in Ebbw Vale to-day.

Varied Provision for Employees' Welfare.

Not only must workpeople be well housed, but greater interest must be taken in their welfare, where, as in our case, large bodies of workpeople and their families have to live far remote from large towns. It has been found by experience that encouragement and direction are necessary in organising and facilitating the pastimes, amusements, and interests which workpeople have now leisure time to indulge in. While before the War we did do something in this direction, it was not until the Ministry of Munitions introduced its welfare movement that we organised a specific scheme, which is now well established. We have set out with the intention that every branch should be self-supporting, on the principle that "the game must be worth the candle," and so far we have not been disappointed with the progress made.

The Company has also established ambulance stations and well-trained, experienced teams in every department; canteens and rest rooms; we support a cadet corps, with special attention to gymnastic training, and we provide facilities—cricket, football, tennis, golf, bowls—for all the employees. It has established a first-class brass band and an excellent orchestra—indeed, all kinds of indoor and outdoor sports and amusements—and we continue to give special attention to the technical classes at our literary and scientific institution, which has been a feature of Ebbw Vale life for 60 years. Some years ago we started a "Safety First" campaign, but recently we have organised a Safety Committee which regulates and encourages every colliery and works department in this most important development.

The Case for the Capitalistic System.

I now propose to say a few words about the attitude of labour to industry in this country in general, and at Ebbw Vale in particular. Despite appearances, compared with most other nations, we are settling down in this country, and are in an enviable position. Vast numbers of Britishers are beginning to realise that striking for an increase of wages is not the way to get prices down, and that the best of all ways is to increase production; that the profiteer's opportunity has gone when an ample supply instead of a deficiency of his particular commodity is on the market; that they are still going to be working for a weekly wage, and under some sort of a "boss," even if the State or the Soviet replaces the private employer. The workman is beginning to realise he would prefer to discuss his grievances promptly with me and my kind, rather than with an army of officials who know nothing of the subject, and because of that lack of knowledge (which under the circumstances of their appointment is excusable) defer and baulk inquiry. In short, human nature being what it is, and must long remain, the capitalistic system has come to stay, and it must rest on reasonable compromise. Its advantages and limitations must be understood and explained by both employers and employed, and it must be given every chance to work harmoniously and effectively.

I can quite understand many workpeople saying they are not going to work for another man's private profit, but that

is entirely because what they read and what they are told represent the situation in a grotesque manner. After all, what is capital? It is simply the accumulated savings of unexpended income of generations of all sorts and conditions of men and women. Imagine, if everyone, year after year, spent all he received in eating, drinking, and luxuries; quickly stocks would be used up, machinery would perish, and development would cease. The system of capitalism now in use is no older than 150 or 160 years and follows the application of steam to industry.

Formerly a workman could become his own capitalist by making the implements of his trade; thus a blacksmith could, and did, construct his own forge, a fisherman his own boat, and so forth; but for an exposition of the change that has taken place, I recommend Mr. Hartley Withers' admirable book, "The Case for Capitalism—1920." Machinery has brought about increased production, and increased production has induced increased population, and production must be increased, and ever increased, if the wave of prosperity and the ease and comfort of mankind are to be maintained. This involves ever the cheapening of money and the augmentation of capital. Hitherto, with few exceptions, workpeople have been taught by those who lead them, and know no better, to detest capital and the capitalistic system. They must learn to understand and to trust it.

Acquisition of Shares by Workmen.

While it is no longer possible for the workman to become individually the owner of the machinery he works with, it is possible for him to become his own capitalist, and it is because I am firmly convinced that it is by that means, and by that means alone, that labour unrest can best be ended, that I venture to point out how it can be done. A year ago, in my evidence before the Coal Commission, I calculated that the control of this Company could be secured by each employee investing £72 in the shares of the Company (taken at par value). To-day it would cost each of the 34,000 workmen now employed £29 5*s*. 3*d*. to do so. Am I to be told that such an investment is not possible?

The list of our 10,000 shareholders shows that many of them are men and women of small means, and I suggest that if 10,000 such people can control our Company, then 34,000 of our own men could do the like. I agree at once that the actual process of acquiring shares in industrial concerns is at present too mysterious for the general body of workpeople. Here, then, is a chance for amendment. One of my colleagues has suggested that shares should be as readily obtainable as War securities, of which there are many millions of holders. I am convinced if that could be done there would be as many shareholders as there are workpeople. Once let them taste the advantages of possessing the capital that enables them to work, we should soon see a change in the anti-capitalistic attitude we all deplore.

The Machinery for Mutual Conference.

I spoke of Ebbw Vale in particular. In December 1918 there was established a Joint Industrial Conference, which, after some hesitation on the part of some of the workpeople, now meets monthly, where the men's leaders confer round a table with the heads of departments. We have no rules other than the ordinary rules of debate. Any subject may be introduced, and it is astonishing, when difficulties and misunderstandings are brought to the light of day, how small most of them appear and with what ease most of them are adjusted. A verbatim report is taken and printed for public dissemination. While we cannot yet claim complete immunity from stoppages of work, much has already been accomplished, and there is an increasing spirit of confidence and respect between the workpeople and the management, which I am convinced will reduce to a minimum the disputes and strikes which have in recent years—and especially last year—so sadly disfigured our operations.

The Policy of the Company.

You have a wonderful property. It has been consolidated and is being developed on a policy long determined upon and steadfastly pursued. Year after year the aim has been to make ourselves as self-contained as possible, and to carry our manufactures into finished commodities as far as possible. We now raise more than all the coal we require for our own use, produce the iron ore, all the coke, all the limestone and dolomite, all the pig-iron; we make, with few exceptions, all our own bricks. Our foundry, engineering shops and machinery are up to date and sufficient. We and our subsidiary companies now give employment to some 34,000 workpeople, and we are not over-capitalised. All we require is a minimum of interference from Government Departments, a fair field and no favour, and I am convinced we shall be able to conduct this vast undertaking to the satisfaction of the public, the comfort and well-being of our workpeople, and the reasonable profit of the shareholders. It only remains for me—and I do so in the light of personal knowledge—to thank on your behalf our recently appointed General manager, Mr. A. B. Sweet Escott, the heads of our three groups of collieries, the works manager, the engineers, and the technical and operative staffs for their loyal service and devotion during a very trying and difficult period.

The shareholders have been pleased to allocate an amount of £1,000, to be placed at the disposal of the directors for charitable purposes, but the board think you will take the view that the expansion of the Company's operations and the large addition in the number of men employed requires that the sum should now be increased to £2,000. Later on in the proceedings one of your number will be invited to propose the allocation of that amount.

Dividend Declarations.

I now move, and will ask the Deputy-Chairman to second :—

"That the directors' report and balance sheet and profit and loss account as at March 31, 1920, be approved and adopted."

"That the dividend paid on the Preference shares for the half-year ended September 30, 1919, be confirmed."

"That a dividend be declared at the rate of 7% per annum, less income tax, on the Preference shares for the half-year ended March 31, 1920, payable to the shareholders on the register on June 3, 1920."

"That the sum of £250,000 be carried to the reserve account."

"That a dividend of 15%, less income tax, be declared on the Ordinary shares for the year ended March 31, 1920, payable to the shareholders on the register on June 3, 1920." (Applause.)

Sir John Wyndham Beynon, Bart., C.B.E. (Deputy-Chairman) : I have to thank Mr. Mills for the very kind references which he has made to me, and you for the very kind way in which you have received those references. After the very full, lucid, and able address which we have heard from the Chairman nothing remains for me but to formally second the resolution so ably put before you by him.

The Chairman : Ladies and Gentlemen,—If anyone has any remarks to make, now is the opportunity.

No questions being asked or remarks made, the Chairman put the resolution, which was carried unanimously.

The new Directors.

The Chairman : It is now my pleasure to move the confirmation of the election of Sir Philip G. Henriques, K.B.E., as a director of this Company. Sir Philip is known to many of you as a financial authority and as a barrister of some years' standing. He has been doing most excellent work for the Government—perhaps he will pardon me for saying, entirely without recompense—for many years, and we have found him so far a most admirable and useful member of the board.

Sir John Beynon seconded the resolution, which was unanimously adopted.

Sir Philip G. Henriques, K.B.E. : Mr. Chairman, Ladies and Gentlemen,—I thank you very much for the great honour you have done me by electing me to a seat on the board of this great Company, and I can assure you that whatever small abilities I may have shall be devoted to the welfare of this Company. (Applause.)

The Chairman : It is now my pleasure to propose the confirmation of the election of Mr. Lionel Franklin Beynon as a director of this Company. All South Wales shareholders know Mr. Franklin Beynon. I have known him for 20 years, and I know him to be a good fellow. He took his share in the War at a time when most men of his age would have preferred to be on firm land. He started flying over the enemy's lines—a quality which may be useful in a director of the Ebbw Vale Company. When it is necessary to flee from justice or from our creditors we will employ Mr. Franklin Beynon for the job. (Laughter.) I know him so well that I can speak very confidently about him, and I ask you to confirm his election.

Sir Henry Mather Jackson, Bart., C.B.E., seconded the motion, which was passed unanimously.

Mr. Franklin Beynon thanked the shareholders for confirming his election.

Retiring Directors Re-elected.

The Chairman : It is now my pleasurable duty to propose the re-election of Sir John Wyndham Beynon and Sir Henry Mather Jackson as directors of the Company. Sir John Beynon has been a director for the last 10 or 12 years. He is the heart and soul of the business; he knows all about it, and all the ends and sides of it, and you could not possibly have a better director on the board. He is very largely interested in the concern, and I should like to take this opportunity of saying how thankful I am to him for the very ready way in which he has given up his holdings in subsidiary companies of the Ebbw Vale Company which he and his firm took up at a time when the Ebbw Vale Company had not the cash or the resources to do so, and he has held them until we were in a position to take them up. (Hear, hear.) The shareholders owe him a debt of gratitude for that, and I take this opportunity of asking Sir John to accept my personal thanks also. I have also to ask you to re-elect as a director of the Company Sir Henry Mather Jackson—a man whose name is a household word in South Wales, occupying as he does a very distinguished public position, and a man of very great influence indeed in the district. (Applause.)

The motion was seconded by Sir Philip Henriques and unanimously agreed to.

Sir John Beynon : I beg to thank you ladies and gentlemen, for the kind confidence you have displayed in me by

re-electing me, and to assure you how very proud I am to be associated with such a large and influential Company as the Ebbw Vale. I came on to this board, as Mr. Mills has told you, something over ten years ago, and it is a very great pleasure to me to be associated with your Chairman, and with this Company, and to see it expand as it has done in the last ten years. I can only hope it may be my good fortune to be associated with it for many more years, and that I may continue to see it grow in strength in the future as it has done in the past ten years. (Applause.)

Sir Henry Mather Jackson: I am very much obliged to you, gentlemen, for again doing me the honour of re-electing me a director of this Company. I value very much indeed the position which, thanks to you, I have the privilege of holding in the Company, and I can only say that, although I am interested in some others, there is none in which, on the whole, I feel more interested than I do in this Company or which, I think, has a greater and a better future. (Applause.)

Appropriation for Charitable purposes.

Mr. J. D. Lees: Mr. Chairman, Ladies and Gentlemen,—The resolution which I have been asked to propose will not require any words from me to commend it to your favourable consideration. It is: "That the directors be authorised to appropriate £2,000 to charitable purposes during the current year." Our Chairman has told us how the concern has increased in size, and it is only reasonable that this amount should be increased in proportion. I have no doubt he will tell us later on how this money has been spent. While I am on my feet I should like to throw out one suggestion; I made it some years ago. I knew this Company 30 years ago in bad times, when the idea of an interim dividend was out of the question. To-day, however, we are through the wood, we are enjoying prosperity, and I throw out the hint to the board and would ask them if they cannot see their way to pay us a small interim dividend of, say, 3% or 4% at the half-year—(hear, hear)—leaving the major portion of the dividend till the end of the year. I simply throw that out as a suggestion, and if any other member would like to support it I shall be glad to hear him.

Mr. Alexander Lawson seconded the motion, which was carried unanimously.

Dr. James Mason: I have great pleasure in proposing: "That Messrs. W. B. Peat and Co. be reappointed auditors of the Company for the ensuing year at a remuneration of 500 guineas."

Mr. Thomas E. Mitton, J.P.: Mr. Chairman, Ladies and Gentlemen,—I have great pleasure in seconding the resolution. I think we can congratulate ourselves that we have such a well-known firm as Messrs. W. B. Peat and Co. as our auditors, but I think we ought also in these days, when we hear so much about the elimination of profits, to congratulate Messrs. Peat and Co. that they have had the courage to show that we have made a 15% dividend. According to the Press and the reports that we hear, it is a great crime for a business man to make profit. For my part, Mr. Chairman, I never apologise for making a profit; I always apologise, however, if I make a loss. (Laughter.) I think we shall have to consider the fact that industries in this country will, in the future, have to make a profit of 15%, which is only a fair return for the risk which industry has to run—(hear, hear)—and that, I hope, we shall never be afraid or ashamed of taking. For my part I confess that I am still an unrepentant sinner.

I am glad, Mr. Chairman, of the opportunity that is afforded me, in seconding this resolution—if you will pardon the digression—of congratulating you upon your elevation to the chair. (Applause.) There is no man who has done so much for the steel industry of South Wales as Mr. Mills has done, and I think we ought to rejoice that at last we see him in the chair—a position which he has rightly earned by his long service in connection with this Company. (Hear, hear.) Possibly some of you are not as old shareholders as I am; I have been through the mill in this Company for many years, and I am very glad that I have never sold a share, but have held on to the end—(hear, hear)—and I am very glad to see that the end is that Mr. Mills has become our Chairman. I have no fear for the future of the steel industry when we have such a fine board as we have at the present time in connection with this Company, and I am very glad that we have seen the continuously progressive developments which have gone on to make this concern one of the largest in the country. (Applause.)

The resolution was unanimously adopted.

Statement by Sir William Peat.

Sir William Peat: Mr. Chairman, Ladies and Gentlemen,—You will pardon me, possibly, for saying just a word or two on the first occasion upon which I have the honour of appearing before you as auditor of your great Company—a position, I should say, referring to the remark which has just been made by the seconder of the resolution, which requires no great courage whatever. I had no occasion to call upon my courage to certify the balance sheet which has been presented to you (applause); nor had I any occasion to draw upon my courage to agree that a 15% dividend was a fair and reasonable return upon the capital you have engaged in the enterprise. It has been said that no man ought to make 15%. The excess profits duty says that nobody ought to make more than 9%. But if you look at your balance sheet somewhat carefully you will find that you have substantial reserves; one item the Chairman has referred to is £1,350,000; another item is your general reserve of £100,000; a third item is what you propose to put aside this year—namely, £250,000—to supplement those reserves.

Now, gentlemen, your dividend is not a return on what you call your Ordinary share capital; it is a return commensurate with the total capital which you have in the business, and that total capital represents not only your share holding but the reserves which belong to you and are in the business of the Company. You may ask me how that £1,350,000 is arrived at. It was arrived at upon the basis of a pre-War valuation of your plant, and, as all of you know—at least, some of you know—a pre-War valuation is not a fair representation of the assets at to-day's money values—what are called to-day's money values. (Hear, hear.) That is, as Bradburys your assets are very greatly in excess of pre-War valuation upon the basis of which that reserve was arrived at. I had also the greatest satisfaction in becoming and accepting the honour of being auditor of your Company from the fact that I knew that your board, if I may say so, was a "live" board—that you are making what was a great concern into a far greater concern, that you are recognising that power and profit consist and are centred not so much in the small concern as in the concern which takes from the earliest stages of manufacture its iron ore and the fuel, and finishes with the manufacture of the article which the British public consumes.

Elimination of intermediate profits.

There is no intermediate profit; the profit is the profit of the Company from the time that you begin to raise your minerals until the time when you begin to deliver the finished product for consumption. Your board well deserves the eulogy of saying that they have made two blades of grass grow where one grew before, and two ears of corn spring where one sprung before, and that they deserve better of their country than all the race of politicians put together. (Applause.) Politicians make nothing, except that sometimes they make mistakes. I think your board have been successful in putting before you a most satisfactory balance sheet financially, from a profit point of view and from a dividend point of view. I am glad to think that you all appreciated the most eloquent, sound, and educative remarks of the Chairman on the subject of the accounts, because I observed what is quite rare in my experience—namely, that no one had a question to ask. Ladies and gentlemen, I thank you for so kindly voting me to a position which I greatly prize. A blue riband in the audits of the iron and steel companies is the audit of the Ebbw Vale Iron and Steel Company. I hope I shall long have the honour of remaining in that position and be able to report to you annually no worse results than those which you have had to swallow to-day. (Applause.)

Mrs. Thompson Price: Mr. Chairman, I notice that ladies are in a minority here to-day, although I believe you have quite a number on your register. May I, therefore, have the opportunity of proposing a vote of thanks to you, Mr. Chairman, for the very able way in which you have conducted this meeting, and may I also say that I have listened with profound interest to the very lucid and informative remarks you made with regard to the position of the employees of this Company? I think that really this Company has made a record in its treatment of its employees, and I was very glad to hear from the Chairman that so much is done not only for their comfort, but also for their recreation and their amusement. I noticed, Mr. Chairman, that you referred to your desire that the employees of your Company should, if possible, become shareholders.

Employees and share holdings.

I echo that wish, and I think it would be a very fine thing for the Company if that could in some way be arranged. Probably you are aware, as I am myself, that quite a large number of companies—some of them new companies—have during the last year or two arranged for their employees to be paid a certain commission upon their earnings, such commission to be translated at the end of the year into share holdings, and I think that in some cases the board or a number of gentlemen who are trustees hold those shares for the employees and pay them a certain amount of dividend thereon, to be arranged, of course, by the directors. I think, Mr. Chairman, that some such scheme as that would be a very valuable one in connection with this Company, and although, of course, in moving a vote of thanks to the Chairman, I am not up to moving any resolution on this subject, I think the board might possibly take into serious consideration such an arrangement for the Company's employees, so that they might share in the good fortune of the Company not only as employees, but also as shareholders. I have very much pleasure in moving a hearty vote of thanks to the Chairman and also to the directors and the auditors for the past year, and I have great pleasure in asking Mr. [illegible] to second the resolution. (Applause.)

Mr. Blair: I have much pleasure in seconding the vote of thanks to the Chairman, the board, and the staff, which has been so ably proposed by the lady shareholder. When we consider the difficulties they have had to face on the one hand from Government interference, and on the other hand from labour agitators—I think we can congratulate ourselves on having men of tact and resource to guide the affairs of the Company. It has been a very difficult time for pioneers of industry everywhere in this country, and I can only hope they will have a freer hand and fairer terms in the year that is coming. (Hear, hear.) We should get all the assistance we can from those in power; they should give us the best place in the sun that our energies and forethought entitle us to. I think that is all the British people want—a fair chance and no favour. (Hear, hear.)

The vote was unanimously accorded.

The Chairman's replies to suggestions.

The Chairman: I am sure we are very much indebted to Mrs. Thompson Price and to Mr. Blair. I should like to tell Mr. Lees, with regard to his suggestion of paying an interim dividend, that he should, at all events, remember the Latin tag "absit omen." The last occasion on which the directors of the Ebbw Vale Company declared and paid an interim dividend was followed by a series of 25 years in which they paid no dividend at all. (Laughter.) We will take his suggestion into our consideration, but you have a great deal of work to complete, requiring a great deal of money, and I personally should like to see the Company develop into a well-directed, annual dividend-paying concern before we start paying interim dividends. (Hear, hear.)

That is my own personal view, but we will take the suggestion into consideration. Mrs. Thompson Price has suggested a method by which our workpeople can become shareholders. I have given you my idea in my address, which I hope is shared by the remaining members of the board. My own view is that anything that is worth having is worth paying for. If workpeople want to become holders of shares in public companies they must do as you and I did start in and buy them, and take their chance. (Hear, hear.) I do not think there is any royal road to wealth, any more than there is to any other desirable object. It only remains for me to thank you, and I do so with very great gratitude, on behalf of the board and the staff, for the vote of thanks you have been kind enough to pass to us. We have been through a very critical period. I think, industrially, the worst is over in this country, but we have passed through the transition from war manufacture to the period of peace. I think we are well on the road towards some settled policy so far as we as manufacturers are concerned, and it only remains, I think, for the Government to interfere with us as little as possible, and I think we shall show you a very good return. Ladies and gentlemen, I thank you for your attendance and declare the meeting at an end.

The proceedings then terminated.

BELL'S UNITED ASBESTOS COMPANY, LIMITED.

THE thirty-second ordinary general meeting of this Company was held on June 16 at the Cannon Street Hotel, London, E.C., Mr. J. Alfred Fisher (the Chairman) presiding.

The Secretary (Mr. Geo. W. Giles) having read the notice convening the meeting and the report of the auditors,

The Chairman, after referring to the loss the Company had sustained in the death of Mr. Herbert Smith (of Messrs. Herbert Smith, Goss, King and Gregory, the solicitors to the Company), said: I presume, Ladies and Gentlemen, you will, as usual, take the directors' report as read. When at our meeting in June last I alluded to the changed conditions under which we were then working, I did not anticipate that we should have to carry a load of anxiety in connection with the Company's business which in some respects was heavier last year than at any previous period. This, no doubt, has been the experience of most business men, except perhaps some fortunate people in the North, who, as Mr. Punch recently reminded us, were not "making" money but were simply "picking it up"! We have not picked it up, and such modest return as we have earned on your capital has only been got by care and hard work.

Capital and Labour.

I say "modest" advisedly, for the important fact should not be lost sight of that a much larger capital is invested in the business than that represented by the shares and Debentures. I refer, of course, to the substantial reserves which have been built up during the past 32 years and used in extending our factory, and as additional working capital, without which the profits could not have been increased. Further, I think that people who find the capital and take the risks involved in running manufacturing businesses should not be grudged such an increased return towards meeting the depreciated exchange value of money, or increased cost of living, as is not altogether disproportionate to that claimed by the workers themselves. Men who, for instance, have worked and saved during the greater part of their lives and have invested savings in commercial undertakings in the expectation of having a reasonable income therefrom find, just as other people do, that a return of £100 to-day on their capital goes no further in buying the necessaries of life than £40 five or six years ago. If Labour leaders could realise how difficult it is to conduct a large business under unsettled conditions caused by frequent fluctuations in costs, and the impossibility of entering into forward commitments with a reasonable degree of security, I think they would be rather less insistent in pressing claims which cannot always be classed as equitable. During the past year the greater part of the time of our Secretary and staff was taken up in revising costs and selling prices, mostly, I am afraid, in the upward direction; but, in spite of all the care taken, small margins of profit frequently disappeared and contracts had to be completed at a loss because it was impossible to foresee when upward movements in expenses were likely to come to an end.

Results of the Year's Working.

We may, therefore, consider ourselves fortunate in having succeeded in improving the net results, and in finding ourselves in a position again to recommend the payment of a bonus, making, with the dividend of 12½%, a total distribution of 17½% for the year, or an increase of 2½%. This is the same as was paid for the year 1914. The improvement is largely due to increased turnover, for the net percentage of profit on the turnover has declined, and is really very small—I sometimes think dangerously so.

As I must trespass upon your time by referring to other matters touched upon in the report, that is all I propose to say at present about the balance sheet, as our auditors, Messrs. Cooper Brothers and Company, who devote a great deal of time to the Company's affairs, take care that it clearly exhibits the financial position. I will only say that, in consequence of the heavier prospective charges for Imperial taxes it has been considered advisable to place the sum of £10,000 to reserve, on account of those prospective liabilities, notwithstanding that ample provision was made to meet the liabilities for income tax and excess profits duty to the end of the year. If there be any item in the balance sheet upon which information is desired I shall be pleased to reply to questions when the resolution has been proposed and seconded.

Issue of Ordinary Shares Largely Over-subscribed: 5 per Cent. Debentures Issued at 95.

I may now refer to the increase in the capital to £400,000 sanctioned by the shareholders last year and to the issue of 110,000 new Ordinary shares in November. That issue was largely over-subscribed. The net proceeds, after deducting expenses, will amount to about £144,000. In addition, £20,000 of our 5% Debentures were subsequently issued to one of our most valued customers at a discount of 5%. These Debentures are redeemable at par by the year 1935. Half of this amount is included in the balance sheet submitted to-day. The other half was received last month, and will be brought into the accounts for the present year. I think that, in these times, this transaction showed great confidence in the financial stability of the Company.

Shareholders may ask: "What are you going to do with the money?" Well, Ladies and Gentlemen, we require every penny of it, and may want more. To start with, we are making considerable additions to the factory at Harefield, to enable us to cope with a greatly increased demand for our goods. The purchase of additional land, and other extensions necessary for the manufacture of the "Hurcan" building slabs, also the housing scheme to which reference was made last year, will absorb a large amount.

I am pleased to say that there is every indication of a good demand for the "Hurcan" building slabs, and we hope to commence making deliveries very shortly.

In connection with the housing scheme a Public Utility Society under the name of "Belfry Garden Village, Limited." has been registered, and the building site and plans for the first cottages and bungalows to be erected have been approved by the Ministry of Health. Matters are rendered a little uncertain on account of the very high cost of building operations, but if we proceed on the basis proposed 75% of the cost will be advanced by the Government to the Belfry Garden Village, Limited, on loan for 50 years at an annual charge of £6 6*s*. 8*d*. per cent., including interest and sinking fund, half of which is returnable as a subsidy. The balance of 25% will have to be provided by this Company either by investment in shares of the Society or as a loan, the interest on which will depend on net results after meeting expenses.

Then our business requires more working capital than formerly, and we must have a substantial cash reserve available for operations whenever necessary in connection with the acquisition of raw material.

Purchase of Shares of Potter's Asbestos Company.

Now, Ladies and Gentlemen, when we were about to order additional machinery to enable us to meet the increased demand to which I have referred, it happened that a competing Asbestos Company in the North—viz., Potter's Asbestos Company, Limited—who owned two factories, one in Rochdale and the other at Littleborough, near Rochdale, having sold the building at Littleborough, were considering

questions relating to new accommodation for the machinery installed there. This having come to our knowledge, negotiations were opened which resulted in the purchase by this Company of the whole of that Company's shares. Their entire business thereby came under our control. Arrangements have been made to transfer a portion of the machinery to a new building now being erected at Harefield. We shall thus be in a position to give mutual manufacturing assistance. The other portion of their machinery will remain for the present in the North, and the business will be carried on with the assistance of the existing selling organisation.

Now a word or two about the terms of purchase. Potter's Company is a comparatively new concern. It possessed an energetic board of directors and a small but influential body of shareholders. Its annual turnover was already considerable, and since we took over the business it has shown satisfactory net results. The share capital, £68,600, is paid up and is fully represented by tangible assets, of which over £40,000 are liquid. We are also taking over and paying for at the contract price a considerable quantity of new machinery ordered by Potter's Company some time ago. This is now being delivered. Well, ladies and gentlemen, the whole of the shares, and with them the net assets of Potter's Company, valued at about £68,000, were acquired by the allotment and issue to their shareholders of 35,160 fully paid Ordinary shares of £1 each in this Company, and the payment of £1,500 in cash. They were also given the right to subscribe in cash for 8,372 additional Ordinary shares in this Company on the same terms as those on which our own shareholders subscribed to the issue in November last—namely, at a premium of 7*s.* 6*d.* per share—thereby providing the funds necessary to pay for the new machinery contracted for by them. The shares issued to Potter's Company will rank with the existing Ordinary shares, and will participate in any dividends paid in respect of the present year, commencing January 1.

"An Advantageous Transaction."

On the whole, I think you will agree that this was a justifiable and advantageous transaction. You will be interested to hear that the arrangements were entered into with the full concurrence of Mr. Potter, the founder of the Company, and that he remains a director. He is also now a large shareholder in this Company, and we welcome his valued support and co-operation. It was also part of the arrangement that the shareholders in Potter's Company should have a representative on the board of this Company, and the late Chairman of that Company, Mr. Frank Turner, has consented to fill the position. In view of his long experience of the asbestos trade, Mr. Turner will be a valuable acquisition to the board, but in order to prevent misunderstanding it should be clearly stated that he is no longer associated in business with any other manufacturer of asbestos goods. Although he has, by invitation, attended recent meetings of the board, I am sorry we have not yet been able to formally elect him a director of the Company, because the board already consists of seven members, which is the maximum number allowed by the Articles of Association. Consequently you will be asked at the special meeting to be held at the close of this meeting to sanction an alteration increasing the maximum number of directors to nine and to revise their rate of remuneration, which to-day is on the same basis as it was 25 years ago.

I wish now to say a word in reference to a matter which has by some means been referred to in the Press. This relates to negotiations for the amalgamation of the Poilite branch of this Company's business with a similar manufacturing business. It was felt, however, in view of the uncertainties of the taxation proposals, that the formation of a new company would probably prove an unwise step at the present time. The programme included extensions of the manufacturing plants of both concerns, and this is being continued as rapidly as possible, in order to meet the increasing demands for asbestos-cement building materials.

Substantial Increase in Balance carried forward.

Turning again to the accounts, you will have seen that it is proposed to carry forward a substantial balance—viz., £26,046, or £16,490 more than we brought in. We are doing this for two reasons. One is that we have now a larger capital on which to pay dividends, and think it prudent to have a stronger carry-forward for this purpose; the other reason is that some of this new capital cannot become productive during the present year, and we desire to have a substantial balance in hand to tide us over the transition period and upon which we can draw, if necessary, so that our dividend may be maintained at about the same satisfactory average as that paid during the past ten or eleven years. We believe that is a policy which will meet with your approval.

The Staff.

Before moving the formal resolution, I feel sure that you will allow me again to express, on behalf of all my colleagues and myself, our appreciation of the valuable services which, throughout another trying year, have been rendered by our loyal and hard-working Secretary and General Manager, our Assistant Secretary, Mr. Hawkridge, our Factory Manager, Mr. Cann, all the heads of departments, their assistants, and the staff generally. I now move: "That the report of the Directors and of the Auditors, and the financial statements submitted to this meeting, be and the same are hereby approved, adopted, and confirmed, and that, in addition to the dividend at the rate of 6% per annum paid upon the Preference shares, a dividend at the rate of 1*s.* 6*d.* per share and a bonus of 1*s.* per share be paid out of the profits on the Ordinary shares numbered 1 to 140,000 inclusive, making, with the interim dividend of 1*s.* per share already paid thereon, 17½% for the year."

Mr. A. J. Burnett seconded the resolution, which was carried unanimously.

The retiring directors (Mr. A. J. Burnett and Mr. G. R. T. Upton) and the auditors (Messrs. Cooper Brothers and Company) were re-elected.

An extraordinary general meeting was then held for the purpose of altering the articles of association with a view to increasing the number of directors and also increasing their remuneration.

The Secretary having read the notice convening the meeting,

The Chairman said: The first part of the resolution relates to Article No. 83, which at present reads:

> "Until otherwise directed by a general meeting, the number of the directors shall not be less than three nor more than seven."

I have already explained that when the shares of Potter's Asbestos Company, Limited, were purchased it was arranged that the shareholders of that Company should have a representative on the board of this Company, and, as they now hold one-seventh of the issued Ordinary shares, I think you will allow that this was a reasonable suggestion, and it was willingly agreed to by your directors.

Increased Responsibilities of the Board.

The second part of the resolution relates to the remuneration of the directors, the rate of which to-day, as I have mentioned, is on the same basis as it was 25 years ago. Since then the responsibilities of the board have been greatly increased by the absorption of the businesses of the United Asbestos Company, Limited, Potter's Asbestos Company, Limited, and by the large additions to capital and the Company's greatly extended operations. I have before me a copy of the balance sheet for the year in which the remuneration of the directors was fixed—namely, 1895—and the differences between the figures for that year and those on December 31 last are very striking.

The share capital in 1895 was £120,000. At the end of 1919 it was £245,507.

The liquid assets in excess of liabilities in 1895 amounted to £5,098. In 1919 they were £299,680.

The net profit in 1895 was £3,207. Last year £44,589.

The dividend paid for 1895 was 3%. Now it is 17½%.

The amount paid in wages was 14 times more in 1919 than it was in 1895.

I think you will probably agree that these figures furnish evidence of solid work, and that it is not necessary for me to add anything further in support of the proposal before you, which is that the remuneration of the Chairman be increased from £250 to £500 per annum and that of each director, other than the managing directors, from £150 to £250 per annum. The directors are also at present entitled to a bonus on profits, the maximum amount of which in any year is £2,000, divisible between them. It is proposed to increase this maximum to £3,000, but I may point out that it will be necessary to earn considerably more net profit than we do at present before the amount of bonus can exceed the maximum now paid.

I should like to add, for this seems to be a fitting opportunity, that my colleagues have, by my own request, consented to relieve me after the close of the present year from the greater part of the onerous duties and responsibilities now devolving upon me, and that a substantial saving in expenses will thereby be effected. I feel that, after 57 years of hard work, this is necessary, and that Mr. Charles Bell, with whom I have worked so happily, should have the assistance of younger men in conducting this business, which must necessarily continue to make heavy and increasing demands on their time, energy, and ability. I hope, however, to continue to be of some service not only as a Managing Director, although in a less active capacity, but also as Chairman of the Company, so long as I enjoy the confidence of shareholders and my colleagues and feel able to discharge the duties of this responsible position.

The Chairman concluded by moving the necessary resolution.

In seconding the motion, Mr. E. B. Ellice Clarke referred to a letter from Sir Edward Coates, one of the largest shareholders, in which he cordially supported the proposal in regard to the increase of the directors' remuneration.

The resolution was carried unanimously and the proceedings terminated.

JOSEPH NATHAN AND CO., LIMITED.

THE twentieth ordinary general meeting of this Company was held on June 16 at Cannon Street Hotel, London, E.C., Mr. Maurice J. Nathan presiding.

The Chairman, in moving the adoption of the report and accounts, said: The aftermath of the War, the shortage of shipping space, and general congestion of business, as well as the growth of your "Glaxo" and commercial dried milk trade, have during the year under review necessitated the Company carrying heavier stocks of materials and goods to a total extent of some £592,000, an increase over last year of more than £300,000. These stocks were, however, quite liquid, and have now been disposed of; but the carrying of heavy stocks must of necessity occur whilst your business is so rapidly expanding. Your directors are fully alive to the fact that the balance sheet shows the need for increased capital. This matter is having the close and continuous attention of your board, but it is premature yet to make any statement as to the steps being taken to meet the position.

Ordinary and Preferred Ordinary Dividends Increased.

The profit for the year, after making ample provision for depreciation, contingencies, &c., is £78,272, and the net profit is £66,260, from which a sum of £10,000 has been set aside as a provision for land and income tax. The directors also considered it desirable to write off the sum of £5,778, in reduction of new-issue expenses. Liability for excess profits duty has been provided for. The net carry-forward from last year, *plus* the amount brought in this year, gives £93,053 available. Of this amount there will be absorbed £13,355, paid as interim dividends, *plus* the amount of £5,778 written off new-issue expenses account. Final dividends now recommended will amount to £11,149, which, *plus* £3,000 in reduction of surrendered rights of participation in profits, will leave an approximate net carry-forward to next year of £59,749, as against £36,774 last year. As in the past, all charges for maintenance, repairs, renewals, and doubtful debts have been provided for, and the business is being conducted on the same sound, conservative lines. The directors feel that the position of the Company's affairs warrants them in recommending the increase of 2% on the Preferred Ordinary and 3% on the Ordinary dividends, thus giving 10½% on the Preferred Ordinary shares and 15% on the Ordinary shares for the year, both subject to income tax.

The increase of capital foreshadowed by the Chairman in last year's speech was not completed until June of last year, and, as our financial year ends in September, we have only had the benefit of this increased capital for three months of the year under review. The full benefit will be felt during the current year, but a policy of development and expansion has been adopted which your directors feel will be justified by results. During the last year very important working arrangements have been made between your Company and concerns in the dairying industry, both in England and in New Zealand, and we have every reason to hope and believe that these will prove of substantial assistance to the Company.

Export trade reviving.

The general export business is recovering itself, but all export trade is seriously affected by the position of exchange and the difficulties of world transport. Until things become more normal the export trade is bound to be restricted. We are, however, taking advantage of every opportunity, and the prosperity of New Zealand is reflected in the demands we are receiving for heavy supplies of iron, wire, salt, and other merchandise. To indicate how this trade is recovering, I might mention that the value of our exports to New Zealand for the first seven months of this year has been 35% greater than the total for the whole of the year under review, which is a clear indication of the re-establishment of our export trade.

During the year under review two of our largest products, viz., butter and cheese, have been under control. Notwithstanding this, the prosperity of the Company continues. It is understood in the trade generally that the British Government are now in negotiation with the Australian and New Zealand producers for their butter. The Government wish to buy the butter, and not the cheese. The producers say the two must be dealt with together, and there the matter remains. Therefore, I wish to emphasise that when we are once again able to resume free trading in these commodities the Company will materially increase its earning power. We note with satisfaction that the Government in this year's Budget have dealt with the problem of double income tax within the Empire, and that this onerous charge on Imperial reciprocation is likely to be abolished.

Excessive taxation.

With regard to the excess profits duty, I feel so strongly that its effect on the trade of the United Kingdom is so disastrous that I cannot refrain from referring to it briefly. In this connection I want to call your attention to Mr. M'Kenna's speech, reported in *The Times* of yesterday, and more particularly to that part where he states that he was Chancellor when this tax was first imposed, and he emphasises the fact that it was a war measure, to be discontinued when peace was proclaimed. I doubt whether the country has benefited by this tax; my meaning is that the indirect cost to the country has been very much heavier than the amount of money actually collected. It is also my opinion that the present Government are endeavouring to throw too great a burden on the shoulders of the present generation. The greater proportion of this burden should be supported by future generations. It is impossible, in my opinion, for the present generation to pay for the rehabilitation of trade and the reparation of injury done and, at the same time, pay off its capital value. All available funds are necessary to reconstitute trade, and it should be the earnest desire of the Government to assist in this object by postponing payment of the capital for at least five years.

Mr. Alec Nathan, in seconding the motion, said: Your product, "Glaxo," continues to make satisfactory progress in the esteem of the general public. It has now become so universally adopted in the homes where there is a baby that we can now claim, with a considerable degree of warranty, that it is the national baby food of British babies. Doubtless this, in a large measure, is due to the fact that "Glaxo," instead of discouraging, actually encourages breast-feeding, as in many cases where Nature's supply is deficient in quantity it is frequently overcome by the mother taking "Glaxo." In fact, as the leading nursing journal, the *Nursing Times*, pointed out, "Glaxo" given to the baby *via* the mother is probably the best way in which it can be given. This has been made possible by the nature of your product and the character of the constituents that compose it. Modern dairy science has enabled us to place in the hands of a mother a form of milk which is bacteriologically pure, easy of digestion, safeguarded against infection by flies and dust, which will "keep" for a considerable period, and yet, as both recent biological experiments and many years of clinical experience have proved, contains everything of nutritive value that raw milk contains, even those elusive accessory food factors indispensable to proper nutrition and growth. It has ever been the desire of doctors, nurses, and infant specialists to make greater use of cows' milk for infants and invalids; but their activities in this direction have, in the past, been limited by a feeling of insecurity due to the unhygienic conditions connected with the distribution of liquid milk. This feeling of insecurity has now been overcome by one of assurance and confidence in "Glaxo," which is steadily gaining recognition as the practical answer to the pure milk question.

Government recognition of "Glaxo."

Perhaps one of the most important developments of "Glaxo" may prove to be the growing recognition by the public of the fact that "Glaxo" is not only the safe and suitable form of milk for infants and invalids, but that in general household use, especially in summer time, its advantages are also equally acceptable. As the most satisfactory form of milk for children and adults in normal health, there is a promising demand, which has as yet been cultivated hardly at all. The approval of "Glaxo" by the medical profession is reflected in the purchase by the English Government of sufficient quantity to ensure regular supplies to Infant Welfare Centres throughout the War period. According to official lists, there are now 1,718 of these institutions, and about 1,550 of them are continuous users of your preparation. The number of such institutions using "Glaxo" increases steadily month by month.

An enlightened policy.

Realising and accepting the responsibility of being the foster-mother of Britain's babies, we have consistently endeavoured to give the greatest possible value for the money we receive, instead of getting all we can out of the public. This may appear altruistic, but when I state that no more than 5¼% profit, or 7½*d.* on each 20*s.* sales, was made, you will, we think, agree that we could have made more, but we could not with safety have made less. This is keeping the price of a product down to the lowest possible safe margin, and lifts the handling of your product above and away from any charge of profiteering. In carrying out this policy we had the double satisfaction of serving the best interests of both our public and our shareholders, inasmuch as the good value and service rendered increase the turnover, make mass production possible, with its consequent economies, rendering it unnecessary to obtain a large profit per single sale. Owing to the number of times the capital is turned over per annum a large and justly earned net profit results. Not only this, but so also do the shareholders benefit, for by the same token—coupled with increased efficiency and additional expert knowledge that comes from intelligently applied experience—the cost of running the business has been substantially reduced, notwithstanding the abnormal increase in wages, cost of all materials, and of every item of commercial procedure. By virtue of the economies made possible by the increased volume of trade, and of the depreciation of the £ sterling, the cost of "Glaxo" to the public has increased only 86% on pre-War prices, as compared with an increase in the standard cost of living of about 146%. As in the past, so in the future, the policy will be to give to the public the greatest possible value for their money.

The motion was carried unanimously and the formal business was transacted.

The Chairman announced that a cablegram which had

just been received from the Chairman, who was at present in New Zealand, was as follows:—"Referring to general meeting. After careful personal investigations assisted by competent independent valuations I can authorise you to state publicly our Colonial property and shares are worth over £150,000 on a conservative basis more than they appear in our books and balance sheet. This is exclusive reserve London and Wellington."

H. AND C. GRAYSON, LIMITED.

Capital and Growth of Assets.—Reorganisation Scheme Carried.

MEETINGS of the shareholders of this Company were held at Liverpool on June 15 to consider resolutions for the reconstruction of the capital of the Company.

Mr. Stanley J. Passmore, who presided, addressing the meeting of the Preference shareholders, said: Gentlemen,—Before I call upon the Secretary to read the notice convening the meeting I am sure the shareholders will be very sorry to hear that, owing to illness, it is impossible for Sir Henry Grayson, our Chairman, to be present. This reference to our Chairman, however, enables me, in the name of the shareholders, to offer him our hearty congratulations on the high honour which has recently been bestowed upon him by His Majesty The King, and I am quite sure that I am interpreting your wishes in this respect. If I am correct in this view I shall be happy to convey your congratulations to Sir Henry Grayson. (Applause.)

Capital Scheme Explained.

The Secretary (Mr. T. A. Nottingham) having read the notice convening the meeting and the resolutions, the Chairman continued: In moving the resolutions, of which you have received notice, and which have just been read, for the reconstruction of the capital of this Company, I would like to point out that we are only giving effect to the proposals which your board have intended to carry out ever since the Company was transformed from a private into a public Company under the auspices of the Commercial Bank of London, early in 1917, when a portion of the Company's capital was first sold to the public. As you will remember, at that time, owing to Treasury restrictions, new issues of capital were forbidden, and in the reconstruction of the capital which then took place it was necessary to retain the old capital figure, notwithstanding the fact that it was entirely disproportionate to the value of the assets.

Since that time, owing to the great success of the business and the rapid progress it has made, the value of these assets has appreciated still further, and the directors have decided that the time has now come when, in the interests of both classes of shareholders, the present nominal share capital should be made to approximate more nearly to its real value and its earning capacity.

Under the proposals which are before you, the present holders of 40% Cumulative Preference shares of 5*s*. each will receive one fully-paid 10% Cumulative Participating Preference share of £1 each in the new Company for every Cumulative Preference share held in th old Company.

Preference given Participating Rights.

As 10% on £1 is exactly the same as 40% on 5*s*., it will be obvious to you that the amount the Preference shareholders will receive under the proposed scheme by way of preferential dividend will be the same as that which they have hitherto been receiving, and to which hitherto they have been entitled; but, in addition to this, the new £1 Cumulative Participating Preference shares will be entitled to one-half of the surplus profits which are available for distribution in any year after the payment of a dividend at the rate of 10% per annum on the new Deferred shares.

Further, in the event of a winding-up the new Preference shares will receive not only the return of their nominal paid-up capital, namely £1, which at present is all to which they are entitled, but also one-half of the surplus assets, after the repayment of the Deferred capital.

The value of these participations is so apparent that your board feel sure that the scheme of reorganisation will be approved by the Preference shareholders.

Under the scheme, the Deferred shareholders will receive four fully-paid Deferred shares of £1 each in the new Company in exchange for each 1*s*. Deferred share in the present Company, which new shares will be entitled to a dividend at the rate of 10% per annum on their nominal value of £1 after the payment of the Preference dividend and in addition to one-half of the surplus profits available for distribution.

Greatly Increased Assets.

This, of course, means that under the new scheme the present 62,000 Deferred shares of 1*s*. each will become 248,000 shares of £1 each—that is to say, a total paid-up capital of £3,100 becomes £248,000. This at first sight may seem a very remarkable appreciation; but, as the shareholders and those who are conversant with the Company's affairs are aware, the old capitalisation was, in every sense of the word, a nominal one, due to the Treasury restrictions to which I have referred.

Under the proposed scheme, the nominal capital of the Company will amount to £1,064,000, against the old figure of £207,100—a figure which has remained unaltered for many years, and we are recommending it for your acceptance on three broad grounds: First, to approximate the nominal capital in some degree to the true value of the assets; secondly, to approximate the nominal capital to the earning power of the Company; and, thirdly, to remove the anomaly of 40% Preference shares and 1*s*. Deferred shares and to enable distribution of dividends without arousing criticism.

On the question of assets I am glad to be able to give you the assurance, as the result of an independent valuation which we have recently had made, that at this proposed figure—£1,064,000—our Company will be capitalised on a conservative basis.

I need scarcely say that the old book values in no way represented the real value of our assets, mainly consequent on the large sums which for many years past have been put back into the business out of the earnings, and also partly owing to the great increase which has taken place in recent years in the value of all kinds of machinery and buildings.

As an illustration that this new capitalisation is not a mere writing-up of book values, I may perhaps say that since 1917 this Company and its allied enterprises have incurred an actual cash expenditure of over £600,000 in the purchase of plant, machinery, land, buildings, improvements, &c. In recommending this scheme to you I am able to say that our business and profits have both shown steady expansion for many years, and we are looking forward to a continuance of prosperity.

I am unable to give you more exact figures to-day, for the reason that the question of the amount payable in respect of excess profits duty has not yet been finally determined.

Doubled Profits.

Our profits for 1917 amounted to about £230,000 before payment of excess profits duty. The figures for 1918 showed a large increase, and those for 1919 should be nearly double the 1917 figures on the same basis.

The scheme now put before you has been very carefully considered by your directors, in consultation with their brokers and legal advisers, and I put it forward for your acceptance with every confidence that it is in the best interests of both classes of shareholders that it should be adopted; and the fact that both classes of shares have risen in price on the market since the details of this scheme were announced confirms the opinion of your board.

The Chairman then put the resolution, which was seconded by Mr. J. Reney Smith, and, after some questions had been



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raised on behalf of Preference shareholders and answered by the Chairman, the resolution was carried, with one dissentient.

At the meeting of the Deferred shareholders which followed, no questions were put in reply to the invitation of the Chairman, and the scheme was carried unanimously. At the meeting of the whole of the shareholders it was carried, with one dissentient. A vote of thanks to the Chairman concluded the proceedings.

J. LYONS AND CO., LIMITED.

THE twenty-sixth ordinary general meeting of this Company was held on June 17 at the Trocadero Restaurant, Shaftesbury Avenue, London, W., Mr. Montague Gluckstein (the Chairman) presiding.

The Secretary (Mr. Geo. W. Booth) having read the notice convening the meeting, and the report of the auditors,

The Chairman said: Ladies and Gentlemen,—I am sure you are gratified with the results of our stewardship in the year's trading which we are met to consider to-day. This is the first year since 1914 in which we are enabled to resume our pre-War dividend. Our particular class of business was one of the few which was hit somewhat badly by the War, and it called for much patience and endurance on our part during the five years of War to avoid the dangers which everywhere presented themselves and which might have yielded higher profits temporarily. From the very outset of the War we decided upon our policy and adhered to it. We kept in mind our reputation for selling our goods at a reasonable rate of profit, and now that we have returned to the time of competitive trading we are reaping the benefits of that policy. (Hear, hear.)

The British public is long-suffering, but finally hits back very severely. It is also a very constant friend, and now that it is practically freed from the trammel and control of the past, and can buy what it likes where it likes, we find ourselves better patronised than ever before. (Applause.) Quite apart from the increased spending power *per capita*, we are supplying vastly more customers, so that in the year under review our sales have amounted to more than 50% in excess of 1919—a prodigious growth. (Applause.) The percentage of gross profit, however, upon the entire turnover of the Company for the year is many points below the percentage of the previous year; in fact, it is less than it ever was. Not only is the percentage of gross profit down, but the expenses in reduction of such profits are increased to an inconceivable extent. I think these points furnish most convincing proof of the very remarkable value that we give to the public.

Increases of Capital.

This vast increase in turnover has, of course, involved the employment of much of our new capital, consisting of £500,000 in Proportional Profit shares, each of which carries the right to a dividend equal to one-fifth of the amount of dividend upon an Ordinary share, and one million pounds in 7% Preference shares. But we must have more capital if we are to meet, instead of to refuse, the persistent demand of the consumers of this country for our commodities. We desire to meet these demands, and to that end decided to submit to you the resolution, which accompanied the report, for the creation of £1,000,000 new capital in the form of 8% Cumulative Preference shares. The Company has reached a position, both financially and commercially, the foundations of which may safely be said to be on solid rock, and those foundations are so strong as to be able quite easily to carry the charge on this capital, which, you may rest assured, will be employed as carefully and, we hope, advantageously as is the other capital of the Company.

You will have observed in the profit and loss account of this year that the net balance from trading account, after deducting every outgoing, amounts to £396,600. This shows an increase on last year of £138,607, which, but for the employment of the larger portion of the new capital I have mentioned, we could not have made. Roughly speaking, we used about two-thirds of that new money, whilst the remainder has yet to bring in its quota of profit. For reaching this remarkable result we are largely indebted to our three Managing Directors, whose skill, energy, and industry have been applied even more assiduously this year than ever before. The board, as a mark of appreciation of their extraordinary services, have given to each of them the privilege of applying at par for 1,000 "A" Ordinary shares, which have been allotted to them. I hope I shall not be considered as detracting from the qualities of the remainder of the board, each of whom has rendered yeoman service.

Balance Sheet Changes.

I have dealt with the profit and loss figure and the increased capital, and now please let me comment upon the more striking changes in the figures of the balance sheet.

On the debit side the two points calling for comment are (*a*) reserve, which last year stood at £840,000 and is now to be increased to £900,000; and (*b*) "trade and other creditors and credit balances," amounting to £491,000 more than the figure of last year. This latter figure is sufficiently explained, however, by the additional business already mentioned and the much-to-be-deplored rising prices. But as against this increased figure there is a set-off in the disappearance from the balance sheet of the bank loan, which last year stood at £250,000.

We will now take the credit side of the balance sheet, in which four items of the assets show an increase over last year amounting in total to £1,679,000, made up as follows:—

Freehold and leasehold land, premises, plant, &c.	£447,591
Stock	700,922
Investments	289,844
Cash at bankers	241,099
	£1,679,456

and this after all necessary writing down has been made.

The major portion of the first item is in land, buildings, and fittings. The outstanding item is the one of stock, where there is an increase of £700,000, due to two factors—namely, the need for a larger stock owing to the enormously increased turnover; and, secondly, the constantly rising prices. It is interesting to note that this heavy stock was worth more than its book price, and that even to-day our stock values are quite satisfactory.

Unfortunately, one can see no end to the increasing cost of materials whilst wages continue to rise as they are doing. Nobody, from the poorest to the richest in the land, benefits, or can possibly benefit, a penny piece by the process, so long now in practice, of widening the vicious circle, which it is vitally important should be stopped. I rather think that we should all be better off with less wages and lower cost of living. (Hear, hear.) But of this more anon.

The investments, at £832,000, include gilt-edged securities which we have already amply written down. Then as to goodwill, standing at nil, may I remind you that this was written off some years ago, and is to-day worth a vast sum?

Another item calling for remark is that of "debtors and debit balances," which shows an increase over last year of £164,000, due to larger balances with our associated companies. This is fully justified, seeing that it is occasioned by greater business in those companies; and, as we have said in our report, they are showing satisfactory results.

The year under review has brought us many problems for solution, some more difficult than others; but we have, fortunately, been able to meet the situation in each, and with not inconsiderable success.

Wages Bill: £1,000,000 Increase.

I think I should say a word upon the matter of wages, and incidentally upon that (probably known to most of you) relating to a recent futile endeavour to develop trouble in our tea shops. You will probably be very surprised to learn that the increase in the Company's wages bill during the past year has approximated the sum of £1,000,000. That is our direct contribution of additional wages for the year under review. Then there is another formidable item of £400,000 in additional expenses in the past year incurred in transport, repairs and renewals, lighting and fuel, and a number of other such outgoings, which, of course, is largely occasioned by greater prices, in turn mainly the result of advancing wages. This latter figure leaves out of account the increasing expenditure on china and glass, as is also left out of account the additional depreciation of linen and general plant caused by the higher prices which have to be paid for replacements, again largely occasioned by increased wages. Yet at times, when we put up prices, purely the result of increased costs, some unthinking person raises an outcry.

But where are all these extra charges to come from if not from increased selling prices? It is obvious we could not possibly afford to pay them out of the narrow profits earned, as it has been so frequently suggested we should. Let us see how much our percentage of profits amounts to in relation to all the capital and reserves employed in the business.

The average yield in each of the years 1914 to 1920 was as follows:—

1914 yield	11.4%	less tax	10.7%
1915 ,, ...	7.2%	,,	6.7%
1916 ,, ...	6.8%	,,	5.1%
1917 ,, ...	6.8%	,,	5.1%
1918 ,, ...	8%	,,	6%
1919 ,, ...	9.1%	,,	6.4%
1920 ,, ...	9.1%	,,	6.4%

the income-tax in these calculations being based on the average rate levied for each year. I submit that no reasonable person can contend that capital is getting an undue share. (Hear, hear.)

Now can anything be done to prevent prices rising? What is the workman to do? Is he to sit down with the wages he has got and tighten his belt as prices rise? The answer is a commonplace now, but it is the right one. He must produce more, for unless production can be made more nearly to approach the demand there can be no reduction of prices, and reduction of price will operate far more in his favour than increase of wages, for that gives a real benefit whilst the advance in wages is automatically followed by a further advance in prices. (Hear, hear.) And I think I should add that this increased production, to be of

real value, must not be confined to Great Britain. It must go on all over the world, because it is evident that if other countries have not a surplus to exchange for our goods they will have nothing with which to pay us.

Personally I think it was a pity that the eight-hour day movement should have been brought in immediately after the cessation of war, when the country could so ill afford to lessen its production. I think it would have been wiser to have postponed that movement for a couple of years at least. In saying this, however, I wish clearly to emphasize the view that I in no way criticise the desirability of having an eight-hour day. I think, on the contrary, it is a sound proposition in normal times. But I do think it would be more for the Nation's general good at present if in all trades people were allowed to work longer than the specified 48-hour week—(hear, hear)—subject to their being paid accordingly. In many trades it is forbidden to any workingman to do more than the allotted eight hours, regardless altogether of whether he could get double or even treble time. If such a maximum of eight hours' work be firmly established so that no one can get more than another for a week's work, quite regardless of the varying responsibilities of the worker, the least that should be done is to procure in the eight-hour day an impetus to the production obtainable within that time. That seems to me a solution towards the improvement in the lot of the people of this country, and, if this course is adopted, I am confident that the masses will be immensely benefited, and, I repeat, their increased output would unquestionably cheapen their cost of living without detriment to their wages. These is apparently enough work for all who wish to apply themselves to it. England stands pre-eminent to-day in her command of business, and the whole world is waiting for her goods.

Adjustment of Prices to Costs.

But wages are not the only source of trouble. The general advance in the cost of foodstuffs throughout the year under review has been 31.5%, and there has been a corresponding rise in every other expense of the business. The adjustment of all these additional costs throughout the entire range of our tariff and services, the endeavour to give due consideration to the claim of the consumer, of the employee, and of the shareholder is no mean labour, and calls for a nicety of judgment not always appreciated by any of the three classes named. Much point has been made by the economic scientists, and quite rightly too, of the value to every business of having a complete digest of the cost of production, but it must be remembered that in itself that is not sufficient to render a business successful. It has been in use by J. Lyons & Co. for the past quarter of a century.

But although this costing is nothing new to us, and is indeed the basis of business control, the redistribution in the manner just described calls for as complete a knowledge of the business as the scientific handling of the costing, and the two together need the most constant and careful attention.

I think our efforts have been productive of satisfactory results. The charges to the customer have been kept within the rise in prices, and, as I have already said, labour has received one million pounds more, and the capital represented in the Company has received the very modest average yield before stated. May I also make the point that the increased business which permitted the payment of the extra million in wages would not have been forthcoming without the necessary help of capital.

Remuneration of Waitresses.

To return to the matter recently exploited in relation to the wages question. Statements were made that the waitresses in our tea shops are not adequately paid, and the statements were supported by many falsehoods. For instance, it was said that the majority earned less than 30*s.* per week and none could earn more than 30*s.* per week. It is not true. First, no such waitress gets less than 30*s.* Next, the average wage is 36*s.* 4*d.* That means that a very large proportion earn considerably more than the average amount, because a certain number of the less experienced earn less than the average amount, but always the minimum of 30*s.* Then, in addition, they have their food, which, plain food as it may be, costs the Company not less than 10*s.* a week per head, and which they could not obtain outside for anything approaching that amount, so that wages and food represent 46*s.* 4*d.* a week. The emoluments coming to them through the medium of the depôt gratuity boxes are not taken into account. Such amount as they contribute among themselves to supplement the Company's supplies of food is not by way of deduction from wages, any more than is their washing, which they have always paid for themselves, and we see no reason why they should not continue to do so.

But the crux of the whole matter is this. The wages paid are already considerably higher than those paid in kindred establishments (and really as much higher as we can at present afford), and whilst that is the case the Company cannot and will not pay more, because every time wages are increased prices must rise. If we increase our prices, and kindred establishments do not, we shall lose trade, for we cannot explain to each customer that the reason is that we are paying more to our staff, and if we did we have still to find those self-sacrificing persons who will pay more on that account. If the trade leaves us the staff must go with it and to lower wages. Who then is benefited? Certainly not the staff.

But, says the agitator, you pay 42½% on your capital. I have answered that point, and, as I have shown, the average over all is not more than 9.1%, which, subject to income tax, comes down to 6.4%. That is the truth about the position and the last word so far as we are concerned, at any rate until like establishments are brought more into line with us. That is why we favour the Trade Board, which will put all alike on to one minimum scale, and then we shall know what we can do. When wages are put on a common basis there is scope given to scientific management, and we do not fear any competition on that score. (Hear, hear.) So far we have more than held our own, and our management has shown that it can pay better wages and still make greater profit, and, at the risk of being thought egotistical, I will say that we have not lost faith in our ability to maintain that leadership.

Spirit of the Employees.

Now I do not wish it to be thought that I am making any complaint about our workpeople. They are quite happy and contented, and, as I have said on more than one occasion, they are thoroughly hard-working and loyal to the Company. One has but to see them at the new club ground at Sudbury, which we acquired for them last year, to appreciate their spirit. Even throughout the winter they are to be counted by hundreds utilising the playing-fields to the full. And to see them at their concerts and dances certainly does not give any appearance of lack of power to enjoy themselves.

Of our staff, 16,000 are already members of the club, and the numbers are growing. The Company makes substantial contributions towards the expenses; but the members do more. They not only subscribe; they also contribute materially in the form of labour. They themselves manage the club. They provided all the labour free for the erection of the beautiful pavilion attached to the bowling green, and added to the gift by erecting a tower with clock thereon at their own expense. The new refreshment and dance pavilion has been largely erected by voluntary labour, and the paths and roads have been remade also largely by staff from all departments, who have gone down in their spare time to assist the permanent staff employed in maintaining the grounds. Such a spirit is, I am sure you will agree, highly commendable, and we feel proud to be surrounded by workers of such sterling character. (Applause.)

We propose to send to each shareholder a copy of the club magazine of next month, which will contain an account of the proceedings at this meeting, in the hope that some may be interested to lend a hand by subscribing to that organ; and indeed if any of the shareholders join the club as honorary members, I am sure the staff would be greatly pleased.

We are making fairly satisfactory progress with the erection of our factories and stores at Greenford, and are hoping to have a portion of them open within the present financial year.

The development of the Arundell Estate property, which adjoins the Trocadero, is likely to be delayed for some little time, for reasons somewhat beyond our immediate control.

Adverting to my earlier remarks relating to the intended creation of new capital, the resolution accompanying the balance sheet speaks for itself as to the terms upon which the creation is to be made. I think it must be admitted that 8% is a very attractive yield upon an industrial Preference share of so very high a class as Lyons. (Hear, hear.) I have no doubt of your immediate support of our proposal to create this million shares, as set out in the notice, and I need not say that the applications of shareholders and staff will receive due consideration by the board when the issue is made next Tuesday. This proposed new capital has been underwritten by our bankers, the London County Westminster and Parr's Bank, at 2%. We intend, as hitherto, to assist our employees with advances where desired. Our last issue was heavily over-subscribed by the thousands of applicants who desired a holding. We are confident that this issue will be no less successful.

I think that, having regard to the fact that the year under review is the first full one of peace time, our record is extremely satisfactory, and I feel that, as the mouthpiece of the board, I shall not be considered unduly sanguine in expressing the belief that we shall do no less well in the coming years than we have done in that last past. (Hear, hear.)

In conclusion, I desire to express to every member of the staff, from those holding the highest to those holding the lowest positions in the Company, that the directors appreciate to the full their splendid and successful efforts in helping the Company to attain its present position. (Applause.)

I now have very much pleasure in proposing the following resolution: "That the payment of an interim dividend of 2*s.* 6*d.* per share on the issued Ordinary and "A" Ordinary share capital of the Company for the half-year ending September 30, 1920, be and is hereby sanctioned; that the report

of the directors and the balance sheet submitted to this meeting be and it is hereby adopted; and that a dividend be paid for the half-year ending March 31, 1920, of 6s. per share on the issued Ordinary and "A" Ordinary share capital of the Company."

Mr. John Balfour, in seconding the resolution, said that in his opinion the need for increased capital was undoubted, not only for the furtherance of the business, but even for the maintenance of the position of the Company. There were three great elements of success in connection with the business—namely, labour, capital, and brains—and he regarded the last of these—as represented by the Board—as the predominant factor. With harmony existing between all three of these factors there could be no fear for the continued success of the business.

Mr. Wallis Mansford congratulated the directors on the return to the pre-War rate of dividend, and urged the necessity for the provision of increased dining accommodation in the City in the middle of the day.

Mr. Crosse said that, in view of the decrease in the ratio of profit, and the fact that the capital already employed was, as had been shown by the Chairman, not earning a high rate of interest, he thought the shareholders would like to have some further statement from the directors as to the use to which the new capital was to be put.

No new City Restaurants.

The Chairman, in reply, said that the new capital was required for the general purposes of the Company. Seeing that the turnover had increased by something over 50% during the past year, and that that turnover ran into millions, shareholders could well understand that this larger business could not be effected without money. (Hear, hear.) As to the suggestion that the Company's City accommodation should be increased, he was sorry to have to confess that in these days of extremely heavy costs in setting up premises and providing plant, and having regard to the very short hours of the trade which could be done in the City, the directors had come to the conclusion that for some time to come it would not pay to open any more City premises. (Hear, hear.) The depôts they had were, of course, fitted up, but when it came to putting money into new premises the question of cost of acquisition and equipment, and the prospective return—or otherwise—on the capital expenditure had to be very seriously considered, and, much as the directors would like to go further in the direction indicated, the reply at present had to be a negative one; they were going to wait. (Hear, hear.)

Before sitting down, the Chairman referred with deep regret to the death of the Assistant Secretary, Mr. W. G. Taylor, and paid a warm tribute to the services which that gentleman had rendered to the Company during the past twenty-five years. He added that the directors themselves had conveyed to the widow and family an expression of their sympathy and condolence, and he was sure the shareholders would desire that a similar message should be conveyed in their name. (Hear, hear.)

The motion was then put and carried unanimously.

The Chairman next moved: "That the payment of an interim dividend of 6*d*. per share on the proportional profit share capital of the Company for the half-year ending September 30, 1919, be and is hereby confirmed; and that a dividend be paid for the half-year ending March 31, 1920, of 1*s*. 2.4*d*. per share on the proportional profit share capital of the Company."

Mr. Septimus Ponder seconded the motion, which was unanimously adopted.

Mr. Alfred Salmon proposed the re-election of Mr. J. Joseph and Mr. S. M. Gluckstein as directors of the Company.

Mr. Dewey seconded the motion, which was unanimously agreed to.

Re-election of Employee Directors.

On the proposition of Major Isidore Salmon, C.B.E., D.L., seconded by Mr. Shearme, Mr. G. Dee and Mr. G. A. Pollard were re-elected employee directors of the Company.

Mr. A. J. Wood proposed the re-appointment of Messrs. Turquand, Youngs & Co. as auditors, which was seconded by Mr. Crosse and passed unanimously.

New Class of Shares.

The Chairman then proposed the following resolutions, which were seconded by Mr. W. F. Dingwall and unanimously adopted:—

1. That the capital of the Company be increased to £4,500,000 by the creation of 1,000,000 new shares of £1 each, to be called 8% Preference shares.

2. That the following provisions in regard to the said 8% Preference shares shall have effect, that is to say:

(*a*) The 1,000,000 8% Preference shares hereby created shall carry the right to a fixed cumulative preferential dividend at the rate of 8% per annum on the capital for the time being paid up or credited as paid up thereon respectively, and such dividend shall be payable half-yearly on April 1 and October 1 in each year.

(*b*) The said 8% Preference shares shall rank, both as regards dividend and return of capital, to the extent of the amount paid or credited as paid thereon after the 5% Preference shares and 7% Preference shares in the capital of the Company already or hereafter to be created or issued and in priority to all other shares in the capital of the Company, but shall not have any further right to participate in profits or assets.

(*c*) The Company is to be at liberty from time to time to create and issue further 8% Preference shares ranking in all respects *pari passu* with the said 1,000,000 8% Preference shares.

(*d*) The said 8% Preference shares shall not confer on the holders the right to attend or vote either in person or by proxy at any general meeting of the Company, nor to have notice of any such meeting unless the dividend on such 8% Preference shares or any part thereof is and so long as it is in arrear for 28 days in any year, nor shall such 8% Preference shares qualify any person to be a director of the Company.

(*e*) That the directors be and they are hereby authorised to issue the said 1,000,000 8% Preference shares to such persons at such time or times and on such terms as the directors shall from time to time determine.

A cordial vote of thanks to the Chairman, directors and staff, on the motion of Mr. Wood, seconded by Mr. Shield, was then passed, and the Chairman briefly thanked the shareholders for this mark of their confidence.

The proceedings then terminated.

NEW EGYPTIAN COMPANY, LIMITED.

The nineteenth ordinary general meeting of this Company was held on June 14 at Winchester House, Old Broad Street, London.

Mr. Arthur A. Baumann (the Chairman) presided, and, in moving the adoption of the report and accounts and the payment of the final dividend recommended, said: Our total assets, taken at or under cost, amount to £917,747, and our liabilities amount to £638,246, showing an excess of assets over liabilities of £279,500, which is equal to 12*s*. 6*d*. per share. This result is taking the lands at cost—namely, £49 15*s*. 7*d*. per feddan.

Land Sales and Valuation of Shares.

If the agricultural lands are valued at double cost—a very conservative figure, namely, £99 11*s*. 2*d*. per feddan—the excess assets equal £1 5*s*. 6*d*. per share, showing the valuation of the Company's shares to be £2 0*s*. 6*d*. per share. If you value the lands at £150 per feddan, which is very much less than we have been selling at during the past year, the value of the shares will work out at £2 13*s*. 6*d*. Recently, notwithstanding the sudden fall in the price of cotton, the Company sold 240 feddans at over £245 per feddan, and as much as £256 per feddan has been secured for a small area. From January 1 to March 31—that is, after the close of the financial year—deeds have been signed for 762 feddans sold for £157,435, or £206 12*s*. per feddan. The sales during the first three months of the year which have been accepted, but not passed, are 1,107 feddans, at an average price of £181 per feddan, representing an additional cash asset of £200,407.

Increased Dividend.

Since the close of the financial year the remaining unissued shares—that is, 53,523—were issued and taken up at 33*s*. per share, less brokerage—a very satisfactory figure, representing a premium of 18*s*. per share, and this adds over £48,000 to our premium reserve account. Adding the balance of profit brought forward, £46,200, you get a final balance at the credit of profit and loss account amounting to £152,946. An interim dividend of 5% was paid on December 13 last, absorbing £16,739, and leaving us a balance to deal with to-day of £136,207. We now propose that a final dividend of 20% be paid on the present issue of 500,000 shares, less income tax, which will absorb, after providing for the tax, £75,000, and leave a balance, which we propose to carry forward, of £61,207.

Request by Egyptian Shareholders.

There is another matter of serious and momentous import for the shareholders of this Company. During the last two years, particularly during the last year, there has been a steady buying of the shares of the New Egyptian Company by residents in Egypt. It being the fact that a large amount of share capital has been bought by the Egyptians, it is only natural, and, indeed, it was inevitable, that the Egyptian shareholders should expect and request that the control of the Company should be transferred from London to Egypt. They have made this request both because they feel that, having such a large interest in the Company, they are entitled to more control, and because they think it would be better in the interest of the Company that it should be managed wholly by gentlemen on the spot; and, of course, it is impossible to conceal from ourselves that the Egyptians feel a very natural reluctance to pay the very heavy taxation which has fallen upon the citizens of this country owing to the War. Accordingly I have received, not wholly unexpectedly, a letter from shareholders in Egypt holding

50,000 shares in the Company, or 10% of the capital, asking the directors to convene extraordinary general meetings of the shareholders of the New Egyptian Company, Limited, for the purpose of considering and, if thought fit, passing such special or other resolutions as may be necessary in order to effect the result specified.

Transfer of Control : its implications involved.

They propose to summon an extraordinary general meeting towards the end of July for the purpose of submitting to the shareholders, if they so decide, resolutions for carrying out those alterations. The directors wish that the shareholders should consider, from the point of view of the interests of the Company, whether it is desirable to transfer the control and the management to the hands of an Egyptian board. If you transfer the control of the Company to Egypt, and the present directors retire, you will, of course, lose all control over the finance and the agricultural policy of your Company. On the other hand, the board in Egypt will be constituted in the first place by Mr. Suares and Mr. Barker, both of whom, as you know, have been our colleagues for a great many years, and have proved their ability and trustworthiness. Mr. Nathan, who sits on my right, will also be a member of the new board, because Mr. Nathan has a business of his own connected with cotton in Egypt. He goes to Egypt every winter, and it is not proposed that he should leave the board.

The resolution was seconded by Sir Ernest Spencer (Deputy-Chairman) and carried unanimously.

CALCUTTA TRAMWAYS COMPANY, LIMITED.

The ordinary general meeting of this Company was held at 1 Queen Victoria Street, London, E.C., on June 14, Sir Henry Kimber, Bart. (the Chairman), presiding.

The Chairman said : The expenditure on capital account, £9,671, represents part cost of car-shed extension at Raja Bazaar, the balance of cost of five tramcars provided for in 1913, but held up owing to war conditions, the cost of five new trailer cars, and part cost of fifteen new tramcars now under construction. The outlay on capital is small as compared with the increased revenue earned. Revenue account shows the traffic receipts with the satisfactory increase of £39,581, due to the extra mileage run (which was more than a million miles' increase on top of five millions, or 21% over the previous year), and to the growth of the Company's business represented by an increase of nearly seven million passengers—50 millions in the year 1919, as compared with 43 millions in 1918. Sundry receipts produced £1,355, the only other item on the credit side of this account being £52,565 on exchange adjustment account, which is explained in the report.

The Indian expenditure shows an increase of £14,348, due to the extra mileage, heavier costs of repairs and renewals, and all other items, and additional pay granted to the labour staff. In regard to the latter item, further increases have been made since, as also to the salaried staff, and came into operation for the current year.

I may here also remark that the directors are now considering the question of overhauling the power-house, with a view to providing more up-to-date machinery or other facilities to meet the growing traffic.

Dividend Increase.

The result of the working is a gross profit of £215,023. After adding the interest on investments, £4,583, deducting excess profits duty and Indian and English income tax, and adding the amount brought forward, and deducting the Debenture interest and dividends paid, £52,331, there remains an available balance of £140,500. This amount the directors propose to deal with by paying a final dividend on the Ordinary shares of 6*s.* 6*d.* per share, absorbing £44,723—making, with the interim dividend already paid, 10% for the year, free of income tax (against 8½% for the previous year)—and by the transfer of £35,000 to the reserve for depreciation, etc., increasing the total of that account to £141,203; by the transfer of £3,000 to the reserve for depreciation of investments and of £1,817 6*s.* to the contribution to the staff provident fund, carrying forward a balance of £55,959, subject to English excess profits duty and Indian super-tax to be ascertained.

Motor-Omnibus Service.

As regards our prospects for the current year, our traffic receipts continue to improve, the increase to date being over 1½ lacs. In order to meet the growing demands of traffic, particularly during the morning and evening, the directors have had under consideration the question of the introduction of a motor-bus service, with the result that they have placed an order for eight motor-buses, which they hope to have available for starting a service during the latter half of the year.

The Chairman concluded by moving the adoption of the report and accounts and the payment, on the 22nd inst., of the dividend recommended.

Mr. John G. B. Stone seconded the resolution, which was carried unanimously.

ZINC CORPORATION, LIMITED.

The ninth ordinary general meeting of this Company was held on June 14 at River Plate House, London, E.C., Mr. F. A. Govett (Chairman and Managing Director) presiding.

The Chairman said it was now thirteen months since the strike at Broken Hill began and the Company's mine and works were shut down. Last year he pointed out the adverse factors, which seemed then to indicate low prices, and which mainly were large unsold stocks of lead in Europe, America, and Australia, current large production and comparatively small demand. As time went by and Broken Hill was still shut down, as conditions in Spain were such that cheap production became impossible, as exchange grew worse with America, including Mexico, which increased the cost of all imports from those countries, and as consumption steadily increased, contemplation of superabundant stocks gradually changed into apprehension of actual shortage. Prices began to soar from the lowest point touched, which was about £22 for lead, till it reached its maximum of £53. Since then the price again had fallen, and now was fluctuating with the varying rumours of the early termination of the strike. In February 1919 the unsold stocks of lead were estimated at about 350,000 tons; to-day they probably did not exceed 75,000 tons. That was to say that all the lead produced and some 275,000 tons from stock had been consumed. This Company's prosperity depended on the demand and price for lead and zinc. Under existing conditions these metals could not be produced at a profit except at very high prices, and there seemed to be no immediate prospect of prices coming down, so that once they got to work again on full scale at Broken Hill the profit should be good. But during all this time labour had dwindled away, and even with the best will in the world production from Broken Hill was likely to be short, anyway for some time.

Prices and Wages.

Some shareholders seemed to think that the prolongation of the strike implied incapacity on the part of the managers and directors, arguing that with such high prices for metals the mines could afford to concede almost any terms demanded. They did not reflect that the high prices only existed in consequence of the strike, that as the mines got back and produced more lead this range of prices would probably fade away, and that terms conceded now would then become impossible. As an industry they had done their best to improve conditions, and in the welfare movement at Port Pirie they had met with considerable success, for, in spite of the strikes, the smelter went on working until actually

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stopped for want of materials to treat. This welfare movement they were trying to extend to Broken Hill.

Possible change in working.

With regard to the mine itself, the reserves had been increased and the indication of the borehole in the bottom level was satisfactory. But the position must be considered which was raised by the dwindling of the dumps of tailings and—at any rate with the insufficient development which they had been able to carry out—the failure of the zinc lode to produce sufficient zinc material to take their place. This might still, of course, eventuate, but it looked as if this Company might have in future to change its scope of operation and become a lead mine with subsidiary production of zinc. A considerable amount would have to be expended in additions to and improvements of the existing plant, but at present the cost of all construction was almost prohibitive. With regard to the disposal of their products, they had sold, through the Zinc Producers' Association, the balance of their stocks of zinc concentrates. It seemed probable that, with the increased cost of labour and coal throughout the world, the advantage of cheap water-power would dominate the position, and that the balance might be permanently in favour of the production of electrolytic zinc. In this connection they had good reason to be well satisfied with their participation in the Tasmanian Company at Risdon. The success which had been attained in metallurgical improvement at Risdon with the electrolytic, and at Pirie with the Associated Smelters, was a great achievement and testimonial to the ability of the engineers of those companies. With the amount carried forward and further amounts to be received in respect of concentrates or lead unsold at the end of last year, they should be in a position, unless the strike should be long continued, to restart with a clean sheet, and, he hoped, a little left.

The report was unanimously adopted.

ANGLO-CONTINENTAL MINES COMPANY, LIMITED.

The tenth ordinary general meeting of this Company was held on June 15 at Winchester House, Old Broad Street, London, E.C., Mr. W. F. Turner (the Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, and the declaration of the dividend, said: Gentlemen,—I must express our regret that it has not been possible to hold this meeting earlier; our accounts from Nigeria have been delayed owing to changes in the accountant's department out there, but we hope that in future we may be able to hold the meeting six weeks earlier, which is about the normal time.

Increased Dividend.

I am glad to say that the anticipations which were expressed to you a year ago have been fully realised, and we are able to recommend the payment of a dividend at the rate of 17½%, free of income tax, against a dividend of 15%, free of tax, which was the rate for the two preceding years. You will see from the profit and loss account that the gross profits, £40,612, show a considerable increase over those of the preceding year. Including the balance brought forward from the previous account the total credit is £46,394. The expenses show an increase, as was to be expected, and there remains a balance of £37,489, which is carried to the balance sheet. The investments stand at £147,001, as against £132,582 in the previous balance sheet, an increase of over £14,000. No provision has been required for depreciation, the investments again showing on balance an increase in value. The output of tin concentrate from the Company's properties in Nigeria was 148 tons, as against 207 tons for the preceding year. I explained on the occasion of the last meeting the reasons for this decline in production. This output is won from our older properties, and the winning of tin has been a secondary consideration to the acquisition and prospecting of new properties. During 1919 we acquired or made application for exclusive prospecting licences over 12 areas amounting to about 63 square miles, five mining leases amounting to 440 acres, and eight mining rights amounting to 6,813 yards, while during the current year (1920) we have acquired or applied for an exclusive prospecting licence over one square mile, three mining rights amounting to 3,713 yards, and we have purchased three mining rights over a length of about three miles.

Areas to be prospected.

These properties divide themselves into several groups. First, there is the group adjoining the property of the Ropp Tin, Limited, our interest in which has been sold to the Mongu (Nigeria) Tin Mines, Limited. This group consisted of six areas amounting in all to about 21 square miles, for which exclusive prospecting licences have been granted or applied for, together with three mining rights of about one mile each in length within one of the areas. We have every reason to believe that the acquisition of these six areas will ensure to the Mongu Company, with the ground it already held, a prosperous future for many years to come. We now hold something more than half of the capital of the Mongu Company.

The next group is called the Anglo-Jos Area, which adjoins the property of the Jantar Company. It consists of an area in the Jos district, over which an exclusive prospecting licence has been granted, amounting to about three square miles, three mining leases over 236 acres, and mining rights amounting to 4,530 yards. It is here that our headquarters camp in Nigeria is situated. The tin on this area, so far as we have gone, is of low grade, as is the case on the other areas which I am about to mention.

The next group is called the West Areas, to the west of the Anglo-Jos group. They consist of two separate areas, amounting together to over 12 square miles, over which exclusive prospecting licences have been granted. Then there is an area of about 7½ square miles, known as the Bukuru, held under exclusive prospecting licence.

Then come the Monguna Areas, situate to the south-west of the property of the Mongu Company. These consist of five areas, amounting to nearly 31 square miles, for which exclusive prospecting licences have been granted or applied for. There are two mining leases amounting to 204 acres, and three mining rights amounting to 2,417 yards. It is on one of these areas that the Kurra Falls are found. They are situated entirely within the area, and are formed by the confluence of two rivers, the drop being about 700 feet in a length of about 2,700 feet. These rivers are held for a distance of about seven miles in each case under one or other of our exclusive prospecting licences.

Utilisation of Kurra Falls for Electric Power Supply: Application for Concession.

A preliminary report has been made by the representative of Messrs. Vickers, Limited, and they state that, assuming that the water flow will be 100 cubic feet per second, the total horse-power available will be 5,500 at the power station transformers. We are advised that with a suitable plant we should be in a position to supply electric power to the mines for many miles around. We have made application to the Nigerian Government for a concession to enable us to use the Falls for generating electric power and to sell power to the mines on the plateau.

Mr. Edmund Davis seconded the resolution, which was carried unanimously.

SUNGEI MATANG RUBBER ESTATE, LIMITED.

The fifth ordinary general meeting of this Company was held on June 14 at the registered offices, 73 Basinghall Street, London, E.C., Mr. Thos. J. Ive (the Chairman of the Company) presiding.

The Chairman, in moving the adoption of the report and accounts, said: I think I may safely anticipate your observations upon the profit and loss account now before you if I say that it evidences the steady and sure progress of the Company; seeing that, notwithstanding the extra cost of material and rice for the coolies, the profit for the year (after allowing for depreciation) amounted to £20,797—a highly satisfactory return. This profit is, of course, subject to excess profits duty, &c., which is unfortunately still with us. As a young producer it hits us rather badly. An interim dividend of 10% has already been paid, and the directors propose declaring a final dividend of 15%, making 25% for the financial year under review, as compared with 5% for 1918. The crop harvested for the financial period under consideration exceeded the estimate by 7,522 lb., being 367,522 lb., against an estimated output of 360,000 lb., which, exceeding as it does by nearly 60,000 lb. the crop for 1918, is the largest production in the history of the Company. The f.o.b. cost was 10.48*d.* per lb., against an estimate of 10.36*d.*, with an all-in cost of 11.63*d.* per lb., comparing favourably with last year's figures of 1*s.* 0.29*d.* and 1*s.* 1.60*d.* respectively. For the five months ended May 1920 the crop harvested totals 152,006 lb., against 137,236 lb. for the corresponding period of 1919. We have recently sold forward about 50 tons of rubber in the East at 2*s.* 4½*d.* per lb. The quality of the rubber produced has always been maintained at a high standard, and has consequently secured top prices. Provided the price of rubber is maintained, I look forward confidently to the continued progress of the Company as an established dividend-paying concern.

Mr. F. O. Streeten seconded the resolution, which was carried unanimously.

The Chairman moved that a final dividend of 15%, less income tax, be paid, making 25% for the year ended December 31, 1919.

Mr. Streeten seconded the motion, which was unanimously agreed to.

CEYLON CONSOLIDATED ESTATES, LIMITED.

The fifth ordinary general meeting of this Company was held on June 14 at 6 Laurence Pountney Hill, Cannon Street, London, E.C., Mr. Walter John New (the Chairman of the Company) presiding.

The Chairman said: The balance sheet shows an increase of £34,577 in the issued capital, made up as follows: 90,000 shares issued as bonus shares and distributed as dividend, representing £9,000; 35,775 shares taken up under the option which accompanies the loan deposits, representing £3,577; and 220,000 shares taken up by the shareholders under the issue made last August, representing £22,000. Our capital expenditure on the two estates during the year amounted to £14,102. The erection of our central factory has not at present been undertaken. The difficulties of the

building question are naturally not confined to this country, and, taking into account also the rate of exchange and the impossibility last year, owing to the moulders' strike, of getting the necessary plant, it was felt that this expenditure must be postponed. As it is still possible to carry on with our present buildings with the erection of additional smoke houses and other extensions (expenditure which will not be wasted when the central factory is erected), the directors came to the conclusion that this was the wisest course to pursue,

Considering everything, the profit and loss account should be regarded as quite satisfactory. The rubber crop fell short of the estimate submitted by about 34,000 lb. The actual output, 165,736 lb., which was an increase of about 15% on the 1918 crop, realised slightly over 2*s.* per lb., and the all-in cost of production was slightly over 1*s.* 2*d.* per lb., as compared with the price realised, 1*s.* 9*d.*, and the cost of production, 1*s.* 3*d.*, in 1918, which is very satisfactory, especially when you consider that the high rate of exchange added fully 3*d.* per lb. to the cost of production in 1919. The income from coconuts was more than four times that of the previous year. Leaving out of account any extensions, we have 1,400 acres of rubber in thriving condition and 612 acres of coconuts, of which our visiting agent speaks in quite glowing terms, the whole of which will, within a comparatively short time, be in bearing, and, adopting whatever cautious standard you like to select of return per acre, the ultimate return on the capital of the Company must be eminently satisfactory. I now move: "That the report and accounts be received and adopted, and that the balance of £10,990 16*s.* 10*d.* to the credit of the profit and loss account on December 31 last be carried forward." (Applause.)

Mr. George Bargate seconded the resolution, which was carried unanimously.

CHOTA RUBBER ESTATES, LIMITED.

THE tenth annual general meeting of this Company was held on June 16 at the registered office, 7 Martin's Lane, Cannon Street, London, E.C., Mr. W. Arthur Addinsell (Chairman of the Company) presiding.

The Chairman, in moving the adoption of the report and accounts and the declaration of a dividend of 4*d.* per share for the year, said: The net profit for the year amounted to £10,743, as compared with £3,434 for the preceding year, thus justifying the hope which I expressed at the last annual meeting. It is a satisfaction to the board to be in a position to recommend a dividend which is equivalent to 16⅔%, as compared with 5% for 1918. This rate has only once been exceeded—namely, for the year ended December 1916, when a dividend of 20% was declared. In addition to the distribution of £8,333 by way of dividend, the directors recommend that the sum of £3,000 be placed to reserve account and £4,903 be carried forward, subject to the usual reservations. It will be apparent that the resources of the Company are by no means strained to pay the dividend recommended.

The rubber crop harvested last year considerably exceeded the estimate. A similar position would no doubt have arisen in regard to the current year, but, unfortunately, the output for the months of February to May inclusive has been disappointing, partly owing to the usual wintering period, but chiefly as a result of abnormal weather conditions. Information by letter recently received from our local agents notifies us that rainstorms have been continuous and severe, the consequence being that for five months to the end of May 95,073 lb. only were harvested. To reach the estimate of 250,000 lb. for the year an average of 22,000 lb. has to be secured during each of the remaining seven months, which I do not regard as impossible assuming normal conditions are experienced. I venture to think that no fault will be found with the net price secured for last year's crop—namely, 2*s.* per lb., a figure which compares favourably with results published recently by other companies operating over the same period. There is very little I can tell you in regard to the estates in view of the fact that they are being maintained in a condition which gives the greatest satisfaction to our visiting agent, Mr. James Murray, and reflects every credit on Mr. Ainger and Mr. Stork, the respective managers of the Segambut and Ayer Jerneh divisions. It has been found necessary to provide a new factory and machinery on the Segambut division, and a contract has recently been placed. The existing plant has served the Company well. Up-to-date buildings and machinery are being installed sufficient to cope with the crop when the whole estate is in full production.

Mr. Edward F. Slade seconded the motion, which was unanimously adopted.

CALLENDER'S CABLE AND CONSTRUCTION COMPANY, LIMITED.

THE twenty-fourth ordinary general meeting of this Company was held on Thursday, June 17, at 2-4 Tudor Street, London, E.C.

Sir J. Fortescue Flannery, Bt., M.P., M.Inst.C.E., who presided and moved the adoption of the report and accounts, said it was with considerable gratification that the directors submitted the report and accounts for 1919. They were in themselves extremely satisfactory, but, when it was remembered that these results had been achieved in the face of unusual difficulties, they were more than satisfactory.

Some Post-war Problems.

During the War the Government took the greater part of their output, but the result of the Armistice was that the Government stopped its war orders within 24 hours and left on the Company's hands large quantities of partially-manufactured material and a factory which had been built to meet the special requirements of the Government. Their original factories had been converted to meet those special requirements and were to a large extent in a condition unsuitable for commercial work. The problem before them, therefore, was to obtain orders sufficient to fill their works, to re-arrange their factories to make such work profitable, and at the same time to keep their promise to re-engage over 800 men. Those were the conditions under which the year 1919 opened, and it was a testimony to the inherent strength of the Company that its world-wide agencies, its sale organisation, and the skill and grit of its management, led by Sir Tom Callender, had enabled them to secure the orders, deliver the goods, and obtain the profit shown in the accounts. The present year was handicapped by no such difficulties, and they expected corresponding improvement in the results. It had been necessary to re-arrange the factory routine, owing to the introduction of the 47-hour week, and the cable works were now able, to all intents and purposes, to keep up a continuous process of manufacture. This augured well for the Company's future and forecasted even better results than those shown in the present accounts.

Additional Capital for expanding business.

The volume of orders received since the Armistice had been prodigious, large contracts had been secured, and others were apparently coming along. The output of the works was continuously increasing, and a new factory had been erected at Erith to manufacture super-tension cables to withstand extremely high voltages. Further funds were necessary in order to develop this successful business, and it was proposed to issue 400,000 7½% "B" Preference shares of £1 each at par and 100,000 Ordinary shares of £1 at 22*s.* per share.

Profit balance and carry-forward increased.

Referring to the accounts, the Chairman said that the balance to the credit of profit and loss account was £161,000, as compared with £134,000 a year ago. After provision for interest on Debenture stock, dividend on Preference shares, and depreciation, and adding the balance brought from 1918, there was an available total of £198,000, as compared with £184,000 a year ago. They were carrying to special reserve

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for War taxation £55.000, and after payment of a dividend for the year of 15% on the Ordinary shares they were carrying forward £105,000.

New connections in India, South America and Iceland.

Sir T. O. Callender, J.P. (Managing Director), in seconding the motion, said that 1919 had admittedly been a year of great effort and very hard work in view of the change of circumstances under which the Company had had to operate, and he wished to acknowledge the great help he had received from all the members of the staff during this trying time. In every direction they had endeavoured to push the interests of the Company. They had opened up new connections, although they had very large ones already existing before the War, and an interesting item he might mention in this connection was that in the somewhat unlikely country of Iceland they had succeeded in opening up a small but satisfactory business account. They had pushed ahead in South America, where they had opened their own offices on the West Coast, with what he hoped would be very satisfactory results. They had widely extended their field of operations in India, and he was confident there would be much business to the good of the Company there. The new factory for the manufacture of super-tension cable would relieve the strain on the existing workshops to a considerable extent, and give them an entirely new field of operations. He hoped that before the present month closed they would be actually making this cable in these new shops, and he was sure the results would in every way justify the considerable expenditure incurred. The running of their cable factories continuously, although not giving them all that might be expected from the inexperienced talk which appeared in a more or less scientific Press, did at least give them a very considerably increased output. In their engineering shops the restrictive policy of the trades union prevented anything of the kind taking place, and they were still adamant in their determination that no man should work more than the limited number of hours which they had fixed. At times this caused great inconvenience and very serious loss, but the directors hoped there would soon be some change in this policy, and there were already glimmerings of—might he say?—common-sense from the other side, which they hoped would enable them to do better in the engineering department than they had done in the past.

The motion was carried unanimously, and the dividend recommended was declared.

THE FORESTAL LAND, TIMBER AND RAILWAYS COMPANY, LIMITED.

The fourteenth ordinary general meeting of this Company was held at River Plate House, Finsbury Circus, London, E.C., on June 17, the Hon. Sir Arthur Lawley, G.C.S.I. (the Chairman), presiding.

The Secretary and London Manager (Mr. O. J. Buxton) having read the auditors' report,

The Chairman said: Ladies and Gentlemen,—Before putting the first resolution to the meeting I invite your consideration of the balance sheet. The end of the financial year under review bisects, so to speak, the period of readjustment of the Company's capital, so that some of the figures in the balance sheet may appear at first sight rather puzzling, though they will be found to be easily capable of explanation. I should like to say that the large amount of detail work involved in the rearrangement of the capital was most satisfactorily carried out by the staff of the registration department in London.

Two series of Debentures redeemed.

The issued share capital shows an increase of £515,284, due to the issue of Ordinary shares to the holders of Preference shares in consideration of the surrender of their participating rights. It will be seen from the balance sheet that by the end of the year 1919 £1,115,102 had been received on account of the first call on the new share issue. This gave your directors the necessary funds with which to redeem the Debentures falling due on January 1, 1920. Since the date of the balance sheet the moneys unpaid on the first call and the amounts due on the second call had been received, and the latter provided the necessary funds to redeem the Debentures falling due on March 1, 1920. These two series will therefore disappear from the next balance sheet.

Premium on New Shares added to Reserve.

The depreciation account now stands at £1,127,475, the sum of £133,974 having been set aside out of last year's profits. The whole of this depreciation account has been built up entirely out of profits. The reserve account has been set out in detail in the directors' report, and, with the addition of £150,000 now proposed to be allotted, will stand at £1,157,640 before the addition of upwards of £750,000—*i.e.*, the premium which accrues on the new issue of shares.

Sundry credit balances are up £425,000, due to increases in bills payable in the Argentine, a larger sum due to the Inland Revenue, payments in advance by shareholders on the second call, and reserves for fluctuations in exchange.

The first item on the asset side of the balance sheet shows an increase of £64,000; this is mainly due to extensions of our plant, rolling-stock, and factory buildings in the ordinary course of our operations. Holdings in associated undertakings and other investments show an increase of £423,000, principally due to the share interest taken by this Company in the Calder and Mersey Extract Company, Limited, to which I referred in my speech last year, and the acquisition of a further 224,000 odd shares of the Development Company of Santa Fé, which are comprised in our sale of estancias. Live stock shows an increase of £56,000. Thanks to a large increase in stocks of extract, and notwithstanding a decrease in stocks of felled timber, stocks of extract and felled timber together show an increase of £111,000. Stocks of stores and materials show an increase of £148,000, accounted for by larger supplies of miscellaneous stores and materials in transit. Sundry debit balances show an increase of £392,000, attributable to an increase in trade debtors and necessary reserves in the Argentine. The total of our War Loans, Treasury bills, and cash is £2,739,015, as compared with £1,977,424 at December 31, 1918.

Trading Profit: 25 per cent. increase on Year.

Turning to the profit and loss account, the trading profit amounts to £1,432,724, as compared with £1,146,614 last year—say an increase of £286,000. London charges are £61,201; interest, &c., on Debentures, £145,794; reserve for income tax, £100,000; depreciation, £133,974; leaving a balance of £992,380 subject to excess profits duty. It will be noticed that this year a fixed sum—namely, £100,000—has been reserved for income tax, representing the estimated debit to profit and loss account, after setting off against our liability to the Inland Revenue all our recoveries of income tax from shareholders and other credits.

The participating rights of the Preference shareholders having been surrendered during the year, it no longer becomes necessary to apportion the surplus profits between the two classes of shareholders, and the necessity therefore does not arise for making an estimate for excess profits duty before arriving at a final balance of distributable profit. As the shareholders must doubtless surmise, there are many intricate points to settle with the Inland Revenue over the amount due from us for excess profits duty, and it was further considered advisable to leave the charge for this taxation against the carry-forward, when the amounts should be finally agreed with the Inland Revenue.

The carry-forward to 1920 of £378,625, subject to excess profits duty, is, it is interesting to note, due to the operations of the Company for the year 1919 alone, whereas the balance of £195,087 brought into 1919 to the credit of both classes of shareholders, and since distributed, was the accumulation of several years. So much for the figures.

Strikes, arson and assassination.

Taking a more general review of the Company's working, I may say that October 1919 saw the opening up of correspondence between the head office of the Forestal Company in Buenos Aires and the Argentine Workmen's Federation, in the course of which we expressed our willingness to treat with our own men, provided discussion were conducted in the first place with the local managers, who would then pass the matter on to the Local Board. The Workmen's Committee refused to treat with the local managers, and on December 12 a telegram was received from the workmen at the various factories giving us 24 hours in which to reinstate certain men who had been dismissed. On Sunday, December 14, strikes broke out at all the factories, but it was only at Tartagal that conditions assumed a revolutionary aspect. Some damage was done to our property, and a considerable amount of logs and extract was burned. A detachment of police guards arrived upon the scene, to be reinforced later on by a considerable body of troops. Telegraph lines were cut and remained out for a long period, a large number of our cattle were rounded up and slaughtered. All the losses incurred have been written off. The strike came to an end on January 11, 1920. Since that time labour has been very unsettled throughout the Argentine, and as recently as April 21 last sudden further trouble occurred at our Guillermina factory. We are informed that it was in no way due to any difference between the Company and its employees, but was consequent upon the arrest by the Provincial Government of one of the workmen. On the outbreak of disorder our Local Manager, Mr. Bianchini, went at once, with great promptitude and courage, to reason with the men, but they were completely out of hand, and he was assassinated. His loss is greatly to be deplored; he was a man of great ability and an excellent servant of the Company.

Sale of agricultural land: result of plebiscite.

Turning to the estancia side of the business, I can conceive that some of the shareholders may have asked themselves why we sought a *plébiscite* on the question of the sale of our agricultural land, instead of resorting to the usual practice of holding an extraordinary general meeting. The answer is an easy one, and will, I am sure, meet with general approval.

When a board calls an extraordinary general meeting, it is obliged to call for proxies, and this course does not give the shareholders the opportunity to negative a proposal without at the same time implying a vote of censure on the board. The question of the sale of our agricultural and pastoral property was a very important one, and we wished to give every shareholder the opportunity of either approving or disapproving of the sale without the disapproval implying any reflection upon the management. Further, we made up our minds to incur the additional expense necessary to make sure that the circular would

reach the individual shareholder, and should attract his special attention. Our policy was fully justified by the result obtained. Out of 12,000 shareholders, representing a capital of £5,152,835, 7,785 shareholders, representing £3,166,783, have voted in favour of the sale, and only 56 shareholders, representing 43,044, have signified their disapproval. Consequently the deed of sale has been signed. The vote in favour is so overwhelming that any discussion upon this particular deal would be wasting the valuable time of the meeting. I would only emphasise the fact that, of the property taken over from the Santa Fé Company in 1911, we have only sold the agricultural part and not even all of that, having kept Las Gamas as a useful adjunct to our tanning industry, and we have retained all the forest lands and factories, which were what we were really aiming to acquire when we made the amalgamation.

The market for quebracho extract was constant, and prices for the manufactured article were higher than in the year 1918; but it must not be lost sight of that during the past two years the rate of wages has been substantially increased, and there has been a corresponding inevitable increase in the cost of production, especially as simultaneously there continues to be, on our part, a constant endeavour to increase the amenities of life for our staff and workmen. Reasonable expenditure in this direction will not, I am certain, be grudged by you. (Hear, hear.)

In the countries which have suffered least from the War, production is gradually overtaking consumption, and there has consequently been a diminution of activity in many markets, and especially in the leather market. The great revival can only be expected when conditions on the Continent improve, and the purchasing power of Central and Eastern Europe can again assert itself. It would take a bold man to predict when this will be realised, but I am not a pessimist by nature and I look with confidence to the development of the tanning industry as a whole and to the fortunes of this Company in particular. Meantime, I am confident that the shareholders will regard as wholly satisfactory the result of the year's working—(Hear, hear)—and will not withhold from the Managing Director, who is here to-day, or from the local board in Buenos Aires, due recognition of the measure in which they have contributed to such an excellent result. (Hear, hear.)

I have now great pleasure in moving: "That the report of the directors and the accounts of the Company for the year ended December 31, 1919, as now presented, be and the same are hereby received, approved, and adopted."

The Vice-Chairman (Baron Emile B. d'Erlanger) seconded the resolution.

Mr. G. A. Christian called attention to the fact that the investments in War Loans and Bonds had dropped from £1,075,000 to £843,000, and he wished to know whether that was owing to sales or to depreciation. On the other hand, Treasury bills had advanced from £612,000 to £762,000. Having regard to the fact that the question of advances to the Government at the present time was in rather a delicate position, and many of the great corporations were holding their hands, he wished to know what was the practice of this Company.

Mr. Reginald Woodward suggested that the board should keep to Treasury bills or let the money remain on deposit at the bank. In his opinion they should put no money into War Loans while there was the present extravagance on the part of the Government. There was one point which had not been touched upon, and that was the corporation tax. He hoped the Chairman and his colleagues would do all they possibly could to frustrate such an iniquitous proposal.

Mr. Grant Hooper expressed his approval of the plan followed by the directors of inviting the decision of the shareholders by plebiscite. Personally, he had voted in favour of the sale of the property referred to. The directors' observations with reference to the sale were indicative of their intention of utilising the sum derived as the purchase consideration for the general purposes of the Company. He took it that it meant, whilst the board might have turned to the shareholders for some further subscription of capital, that would now be rendered unnecessary.

Mrs. L. Thompson-Price remarked that the shareholders might congratulate themselves on the much better showing this year, from the financial point of view, than last year. She was rather sorry to hear the Chairman say that because a plebiscite had been taken as to the sale of some of those estancias any discussion upon the matter would have been wasting the time of the meeting. She signed the paper because she thought under the circumstances it was just as well that the board should get rid of that land, but she hoped they had no intention of getting rid of the tanning industry, which was a very valuable asset. She observed that the Chairman of the old Santa Fé Company was present, and it would be interesting if he were to tell the shareholders whether he thought the industry should be retained in the best interests of the Company.

Importance of the Tanning Industry.

Mr. Ogilvie said that as he had been called upon to make a few remarks he would like to say at once, in reference to the sale of the property which belonged to the old Santa Fé shareholders, he regretted very much indeed that it had gone. He considered that it was the foundation of that business. Whether it was sold to advantage or not he was not going to discuss, but he would much have preferred, if the shareholders had been given an opportunity, of retaining that property. With reference to the tanning business, he had always understood—at least within the last four years—that the tanning business was a key industry. He was a little anxious about that, because one heard rumours that there was a possibility of the tanning part of the business being sold. Under no circumstances could the board, he thought, support the idea of selling the tanning business. It was a growing business, and one of which they had got an enormous grip. To ask anybody else to come in and share it, or to sell it to anybody, would, he thought, be suicidal. He therefore hoped there was no truth in the rumours which had certainly been floating about Argentina.

The Chairman's Replies.

The Chairman, replying to the various questions, said: With regard to our policy of investing money in Government securities, I may say that latterly we have turned our attention almost entirely to Treasury Bills, and any other money that we have to invest in the form of Treasury Bills. (Hear, hear.) As to any further taxation, I think you may rely upon it that we, as a board, will do all that lies in our power—although we are not very powerful in that direction—to resist further taxation, because we feel the burden of present taxation quite heavily enough. Mrs. Thompson-Price was rather disappointed that she had not more information about the agricultural properties and what our policy was with regard to the development of the tanning industry. Any information that she requires I am sure will be furnished by the Secretary if she will pay a visit to the office. Meanwhile I should like to say that the subject of selling our estancias was very fully considered and discussed by our Managing Director, Mr. Baldwin (who was quite recently in the country and who knows the conditions very well), with the local board. Mr. Ogilvie and Mrs. Thompson-Price have both heard disquieting rumours as to an intention on the part of the board to dispose of the tanning factories. Until I came into the room to-day I have never heard it suggested that such a policy would be adopted by the board, and I think your anxiety may be laid to rest at once. (Hear, hear.) I have not here a copy of the circular dealing with the question, but so far as my recollection goes, we laid emphasis on the advisability of the sale of the agricultural lands, because it would enable us to develop more freely the manufacture of quebracho, and possibly other tanning material. With regard to the utilisation of the funds derived from the sale of the estancias, I hope there will be an opportunity of devoting a good deal of them to the development of the industry in which we are engaged.

The motion was then put to the meeting and carried unanimously.

The payment of a final dividend on the Ordinary shares of 12%, less income tax, making a total distribution of 18% for the year, was approved.

THE VEREENIGING ESTATES, LIMITED.

(Incorporated in the Transvaal.)

The twenty-first ordinary general meeting of shareholders of the Vereeniging Estates, Limited, was held at Johannesburg on Saturday, May 15 last.

The Chairman (Mr. Isaac Lewis), in moving the adoption of the report and accounts for the year ended December 31, 1919, said: Gentlemen, before proceeding with the ordinary business of the meeting it is my painful duty to refer, on behalf of myself and my co-directors, to the death of Mr. Samuel Marks, which took place last February. Mr. Marks had been actively associated with your Company since its inception, and no one took a greater interest in its affairs than he. Work was to him as second nature. It may with all truth be said of him that he was a pioneer of South African industries, and his death is not only a great loss to your Company, but also to South Africa generally.

Debentures in process of Redemption.

As you are aware, the share capital of your Company was increased in November last to £1,000,000 by the creation of 269,420 new shares of £1 each, of which 245,527 shares were offered for subscription by the shareholders *pro rata* to their holding in the existing capital of the Company at that date. The shares were offered at a premium of 5*s*., and the issue was over subscribed. You will observe from the balance sheet that £50,000 Debentures were redeemed last year. Since the end of the year a further £50,000 has been paid off, and within a few months, as the calls on the new shares fall due, the whole Debenture debt will be extinguished.

Increase in Gross Profits.

The gross profit for the year amounted to £46,744 1*s*. 11*d*., as compared with £39,414 6*s*. 3*d*. for 1918. This increased profit of £7,330 7*s*. 8*d*. for the year under review was due principally to the increased profit on farming operations, which for 1919 amounted to £21,352 0*s*. 2*d*.

as compared with £11,934 12s. 4d. for the previous year. On February 3 last your directors declared a dividend at the rate of 5%, less tax, on all shares fully paid up, and on all shares partly paid up on the amount paid up to December 31, 1919, to all shareholders registered at December 31, 1919. The payment of this dividend appropriates £36.635 4s. 3d. of the amount standing to the credit of profit and loss account, leaving the sum of £11,511 4s. 9d. carried forward to next balance sheet.

Sheep Breeding a Marked Success.

As already mentioned, our farming operations show a marked improvement over the preceding year. This excellent result is due chiefly to our success in sheep breeding. Owing to care and foresight and to the early grass on our sand-veld farms, this Company did not lose a single sheep from poverty. Unfortunately, the same could not be said of scarcely a single other farmer, the sheep on many farms dying in hundreds. The sheep were shorn in January, and the wool clip was the best this Company has ever had. Over 40 tons of high-class wool was obtained. The flocks showed an increase of over 1 lb. weight of wool per head, as compared with our previous best season. The quality also showed a considerable improvement. Although by the time our wool was put up for auction at Durban a general fall had taken place in prices, our clip sold at a record figure. All the sheep are in excellent condition, and given a fair winter we should have a first-class clip of wool and a substantial increase in lambs next season.

Acting on the advice of Mr. Hosford, the flockmaster, your directors have placed an order in Australia for 150 stud Wanganella ewes and four stud Wanganella rams, to form the nucleus of a stud sheep flock. We have at Schaapplaats everything necessary for the breeding of a high-class stud sheep.

Another extremely encouraging department of your Company's farming operations is its cattle ranching. The increases this last year again constituted a record. Several pedigree Hereford and Friesland bulls were purchased, also a number of pedigree Hereford heifers. During the year 14,000 trees were planted on your various farms to provide shelter for the stock. Last season's mealie crop did not come up to expectations, due to abnormal weather conditions.

An Irrigation Scheme.

Your directors have in hand an irrigation scheme on your farm Leeuwkuil. This farm is admirably situated, being on the banks of the Vaal river and only two miles from Vereeniging railway station. The soil is good and an unlimited supply of water can be pumped from the Vaal river into the existing dam and then gravitated on the lands. In this way over 700 acres can be sown with lucerne and other crops. The investment should be a most profitable one.

Maccauvlei Plantations: Felling commenced.

In the balance sheet it will be observed that the amount standing to the debit of the Maccauvlei Tree Plantations is £57,624 19s. 3d. This represents the actual cost of planting and maintaining the 4¼ million trees of which the forests consist. The plantations were started nearly 26 years ago, and, as you were informed at the last annual meeting, the time has now arrived for cutting the timber on a commercial scale. The electrically-driven saw mill was started in March last, and is running satisfactorily. The trees being felled and cut consist chiefly of *pinus insignis* and *pinus pinaster*. This timber has been used for some years for various buildings. The cut timber finds a ready market at good prices. The forest is in a flourishing condition.

The apple crop this season will again constitute a record, both as regards quantity and quality. The fruit ripened rather later this year, and is still being sold, but I am safe in saying that our last year's gross figure of £5,054 will be exceeded. The care and attention given to the orchards is fully justified by the results. Our aim is to produce only a first-class quality of fruit, for which there is always a good market. The demand for our Maccauvlei apples has always far exceeded the supply. Preparations have been made to extend the orchards by planting 1,500 more apple trees this winter. This will bring the total of our trees up to 9,500. In future years all the fruit boxes we require will be cut at our own saw mill from Maccauvlei timber.

Record Colliery Output.

Cornelia Colliery produced a record output of 595,580 sales tons during the year, and made a profit of £35.859 2s. 10d. I think shareholders will agree this is a very satisfactory result considering the difficulties under which mining is now being carried on, and reflects credit on the management concerned. The all-round improvement in the capacity of the colliery is best shown by the steady increase in the output during recent years, the sales having risen from 296,706 tons in 1912 to 595,580 tons in 1919.

The output for the four months for the current year has totalled 212,073 sales tons, and, although times are unsettled and there are recurring difficulties with both European and native labour, we confidently anticipate another record output for the year 1920. Notwithstanding the record output, the working costs for the year were nearly 5% higher than for the preceding year, due to continuously advancing European wages and bonuses, coupled with reduced hours of work and the high price of stores, although considerable economies had been effected underground by the increased use of coal-cutters, reduced cost of pumping, improved haulages, and shorter haulage roads, and I am afraid that the limit of these higher working costs has not yet been reached.

Coal Prospects.

The technical details of the colliery have been fully dealt with in the General Manager's annual report, from which you will note that the quality of the coal in the deeper areas of the pit has improved, whilst the quality in the shallow areas has been maintained. As time goes on more and more of the output must of necessity be mined from the deeper areas, which, on present indications, show improved values.

The new district opened out on the eastern side of the S.A.R. main line proves that area of the Maccauvlei coalfield to be a very valuable asset; the coal is thick, and the calorific value higher than in any other portion of the pit. The whole of the machinery and plant, surface and underground, has been maintained in first-class working condition; the colliery is now easily capable of an output of from 600,000 to 700,000 sales tons per annum, with a practically unlimited coalfield to draw upon.

The Vereeniging Brick and Tile Company, Limited.

Steady progress was maintained at the works of this subsidiary company. The demand for all classes of goods manufactured exceeds the works' capacity, and the directors of that Company have under consideration the further extension of the plant. In common with all other industries, great difficulty is experienced in purchasing new plant.

At the last Witwatersrand Agricultural Society's Show this Company was awarded a gold medal for the excellence of its products.

Vereeniging Township.

During the past year the Company disposed of 17 erven at fair prices. The township is growing at a rapid pace. During the year 31 additional buildings were erected. The new public buildings, consisting of court house, post office, pass office, &c., are now completed and occupied. The new premises of the Standard Bank of South Africa, Limited, are nearing completion, and will be a great acquisition to the town. The latest extension to the buildings and plant of the Vereeniging Milling Company, Limited, is almost finished, and will represent the pioneer installation for the storage and handling of maize in bulk by the silo and elevator system in South Africa. Plant for the manufacture of by-products from the maize is also in course of erection, which, when completed, will be another important industry at Vereeniging.

The Company's hotel and boating scheme is being proceeded with, and will do much to further increase the popularity of the place. Good progress has been made with the building of the Rand Water Board barrage.

The Union Steel Corporation (of South Africa), Limited, in which your Company holds an interest, again had a most successful year. Their works are being added to continually. The presence of this industry at Vereeniging is of very great benefit to your Company and its subsidiary company, the Vereeniging Brick and Tile Company, Limited.

Mr. C. B. Kingston seconded the Chairman's motion, which, on being put to the meeting, was carried unanimously.

After formal business, the meeting terminated with a vote of thanks to the Chairman.

THE CENTRAL MINING AND INVESTMENT CORPORATION, LIMITED.

THE fifteenth ordinary general meeting of this Corporation was held on June 18 at No. 1 London Wall Buildings, London, E.C., Sir Lionel Phillips, Bart., presiding.

The Secretary (Mr. J. L. Siddall) having read the notice convening the meeting, and also the auditors' report,

The Chairman said: Gentlemen,—If the affairs of the world were as clear and as bright as the balance sheet now before you, I should indeed be addressing you with a light heart, but everyone who follows events must be struck with wonder at the way in which the finances of this and other countries are being governed. The stupendous figures to which we are becoming accustomed in these days, and the rise in prices which partly accounts for them, have created an economic aspect without historical precedent in the world. Prophecies as to the future, therefore, of either an optimistic or a pessimistic character, are more than commonly dangerous, because any data upon which calculations can be framed must be imperfect and are, in consequence, untrustworthy. Items in the Budget of this country credited to revenue do not bear too close an inspection, and the enormous wage concessions and subsidies granted are unsound. Bedrock principles are ignored, and a false prosperity is created by the plethora of printing press money. During war any financial expedients are pardonable, but the Armistice is now nearly two years old, and it is surely time to face the facts and to make everyone realise that we must

get down to steady hard work. There lies the only road to counteract the impoverishment of the War. No one will dispute that you must produce or possess as much as you spend, or face bankruptcy sooner or later; that capital and labour are the mainspring of production; depletion of the former or enfeebled effort of the latter will render disaster inevitable; and that an all-round rise of wages increases the cost of commodities by more than the amount of such rise.

The Company's Finances.

Having unburdened myself of these important considerations, I will now review your specific affairs. It is not necessary to analyse the figures in great detail. The position will, I am sure, commend itself to you as eminently sound and strong, more particularly when I add that your holdings are valued in our books upon a thoroughly conservative basis. Assuming you adopt the proposals of the board, the open reserve built up in four years will have reached the substantial figure of £650,000, and the carry-forward will considerably exceed £100,000. If we place the total liabilities, inclusive of the proposed final dividend and bonus, against the total of readily realisable assets, a surplus emerges of approximately half-a-million pounds, exclusive of our claims against former enemy countries, which appear at the same figure as did formerly the two items "Investments" and "Cash." Our claim against Germany under the Peace Treaty for cash, interest, coupons, and drawn bonds, less the commission payable to the clearing house, exceeds £400,000. The whole of our investments in former enemy countries should therefore eventually stand in our books at nothing. Since the close of the year Austrian Treasury bills, due in New York in January 1915, have been repaid, plus interest. A substantial benefit resulted owing to the favourable dollar exchange at the time of repayment. Loans against security are all good. Those "subject to emergency rules," of which only a small balance remained last year, have disappeared. Now that the entire account has been liquidated, I point out with pleasure that no loss whatever was incurred by the Corporation in connection with these loans to the Stock Exchange, which, at the outbreak of War, exceeded £1,000,000 sterling. As regards our debtors, they include, apart from current business, only two of our mining companies, which are having temporary recourse to our assistance on terms of interest and security which we consider appropriate to the circumstances. I think you will be pleased with the enterprise shown by the board in the acquisition of new interests and the full extent, consistent with prudence, to which the Corporation's capital is engaged.

My attention was drawn to a Press statement that our increased profits of last year are mainly attributable to a realisation of assets, and, although it is true that we sold some of your possessions advantageously, you will see that our investments are greater in the balance sheet before you than in that of the previous year. The sum involved in gold mining is practically unchanged, but that engaged in the diamond mining industry has been substantially increased. These interests together represent about 40% of your investments and have been, as already stated, conservatively estimated in the valuation of assets.

Carry-forward Increased.

Turning to the profit and loss account, the most significant feature is the transfer of £810,000 to the appropriation account, against £397,000 in the previous year. The appropriation account provides for a final dividend of 2*s.* and a bonus of 6*s.*, which, if agreed to, will represent the payment of 18*s.*, or 11¼% tax free, equal to 16% gross for 1919. In addition to recommending this distribution, we made additions to reserve and pensions funds and have set aside £150,000 for prospective income tax, carrying forward £62,000 more than the previous year.

It would, of course, be unwise, in attempting any forecast of the future, to disregard the disturbed state of economic affairs in the world, but speaking, with this reservation, of your own position and investments, I consider the outlook encouraging. I may say that we intend in future to deal with the interim dividend towards the end of the year, and pursue the practice of the present year by leaving shareholders to adjudicate upon the board's recommendations as to final dividend.

South Africa: Proposal to Call in Gold.

The currency question naturally gives us anxiety. The continued use of gold as currency in South Africa has caused, in view of its enhanced value, clandestine exportation, which, in turn, has rendered it necessary for the banks to replenish their stocks by purchase in the open market. They are recovering their outlay by putting up the rates of exchange to a very great extent, and this falls most heavily on the mining industry and upon the export trade of the country. I was glad to learn from a notification this week that some reduction in the rates of exchange has been made, which, I trust, marks the beginning of more reasonable charges. Bills are now before the House of Assembly to deal with the question, but I have no information as to the prospect of their becoming law this session. The weight of the best informed opinion in South Africa, as regards the handling of the abnormal situation, is unquestionably on the side of stopping the circulation of gold by calling it in and providing a sufficiency of paper currency, covered by gold, for the needs of the country. I do not know whether or not the stock of gold in South Africa is sufficient for the purpose in view, but, after facing any capital outlay in securing the requisite amount, the rates of exchange would speedily fall. While it remains profitable to export coin from South Africa, smuggling will continue. Importation of coin will be necessary to replenish the supply, and high rates of exchange will prevail in consequence.

It seems likely that the value of gold may rise in the autumn on account of American exports, but I must utter a note of warning to South Africa in that connection, as any rise in the premium may only be short lived. Moreover, its value to the producing companies is largely absorbed by the realisation charges due to the high rates of exchange with South Africa. It will be realised that the recent closing down of some of the low grade mines, if not entirely due to the rates of exchange, has been hastened and rendered irresistible owing to that cause.

Wage Demands and Unemployment.

The gold premium, or it would be more correct to say the increased currency value of gold, rendered it possible to comply with the wage demands of white labour last February, and a strike was averted, but the situation predicted at the time and pointed out to Trade Union leaders is now arising. I foresee difficulties and some hardship that may ensue. I am sure my friends on the other side will not be unsympathetic, and I note with satisfaction that they are conferring with the workmen in the endeavour to find a solution of the difficulties. These should not be insuperable, with goodwill on both sides. It is possible to demonstrate fairly accurately the value of the yield and the cost of working per ton, and, as the men know as well as the employers that it is impossible to pass on any higher cost to the consumer, it becomes easy for them to realise that there must be a margin over the cost of production, or that the mines must cease working. Another factor which must also exercise considerable influence is that of the restricted alternative field of employment. With a single industry like that of gold mining, cause and effect are apparent. In a highly organised country like Great Britain, where there is a great variety of industries, and where the working population may be very easily, if erroneously, under the impression that the higher cost of production can be interminably passed on to the consumer, it becomes much more difficult to make them understand the mischief to themselves in the end that too generous a payment of wages is bound to produce.

In the course of my recent visit to South Africa, I went underground in most of the important mines with which we are associated, and am pleased on the whole with the work done, the administration and the prospects. The output of the mines associated with the Corporation is nearly £16,000,000, or 22% of the world's production. Given reasonable labour conditions, I think I may say with confidence that, so far as the more important mines are concerned, we need not look forward with apprehension to the future, when the premium on gold shall have disappeared, as I imagine must be the case sooner or later.

Before offering one or two observations upon individual mines, I should like to refer to a dilemma with which those who are charged with the management of mines are always faced. The sampling of the general ore reserves gives a very close and accurate idea of their mining value, but there is a great difference between knowing the average value of the rock in a mine and working it in such a manner as to secure for the proprietors the greatest benefit. Theoretically speaking, all the richest ore should be worked first, but an attempt to proceed on those lines would result in gutting the mines, materially reducing their lives and probably returning to the shareholders less in the aggregate than they would secure under a less drastic system. On the other hand, it may be laid down as a sound maxim to work upon that the mills should be kept running upon the best ore obtainable consistent with their being fully supplied, and to its being possible to replace by new development at least as much ore of a similar value to that which is being extracted. I am bound, however, to point out that the enrichment of the gold bearing beds is not as regular as peas in a pod, and a great variety of circumstances have to be taken into account by the mine manager in dealing with the question of widths and values extracted. On the whole, I may say, as far as theoretical calculations permit one to judge, the ore values have been during the past year rather under-mined than over-mined.

Reports on Individual Mines.

Now I must turn to the individual mines. I shall not detain you by dealing with many or at any great length, but I should like you to know the latest opinion on some of the more important mines with which we are connected.

City Deep: In the City Deep, at the 14th level of the west shaft, which is the drive extended to the greatest distance westward, the poor patch between the shaft and the western boundary, to which reference has frequently been made in the past, has been passed through, and up to the end of March last there had been opened up, over a length of 520 ft., reef giving an average of 448 in.-dwt. There are still 1,175 ft. to be driven before the western boundary is reached, but the values developed in the surrounding mines indicate the continuance of ore of good value. The deepest development between the two main shafts over a distance of about 4,000 feet is consistently payable and maintains its past character. Generally speaking, the prospects of the City Deep are excellent.

Crown Mines. The development drive on the 19th level, south of the great East and West dyke, up to the end of March last, had opened up 870 ft. of ore on the Main Reef Leader of an average value of 560 in.-dwt. The average value of the Main Reef Leader ore reserves in the whole mine at the end of last year was 432 in.-dwt. I recently received a letter from the Managing Director, in which he gives an interesting analysis of the total ore reserves in the mine on both reefs combined. The reserves above the 16th level at the end of last year were 6,625,000 tons of an average value of 387 in.-dwt. Below the 16th level the reserves totalled 1,825,000 tons of an average value of 441 in.-dwt. In this deeper portion the western section contributed 825,000 tons of an average value of 483 in.-dwt. These results amply confirm the promising outlook regarding this property to which I drew your attention last year. The total development on both reefs for the year comprises 18,740 ft.—think what that means, over 3½ miles underground—of which 86% was payable. 2,205,000 tons of ore were mined during the year, against which only 1,291,000 tons were added to the ore reserves. It must be noted, however, that a large amount of development work was carried out off the reef—a necessary preliminary to the drives from which sampling records can be obtained. Number 15 shaft, sunk to open up the western portion of the property south of the great dyke, reached its complete depth of 3,177 ft. The world's record, previously held for speed in sinking at this shaft, was beaten by the same expert shaft-sinker in July 1919, with the astonishing record of 310 ft. in one month. The connecting drive at the 19th level between this shaft and the reef workings must be nearing completion. There were 709 ft. to drive at the end of March last. The completion of this work will permit the rapid exploitation of the southern mine in that locality. Without indulging in optimistic prophecies, I may say the prospects of this mine are distinctly favourable.

Durban Deep: Proceeding further west, it is perhaps unnecessary for me to comment on any other mine until we reach the Durban Deep, where the prospects are giving us some anxiety. The grade of ore developed is by no means unsatisfactory, but a variety of circumstances and misfortunes seems to dog the footsteps of those who are engaged in the effort to repair the fortunes of this mine. The unsafe condition of the shafts, which involved very large outlay and continuous repair, forced the Company to embark upon an extensive programme, entailing heavy capital outlay. The new circular shaft was, on March 31, already down 1,904 ft., and has to be sunk about 1,246 ft. to the South Reef, but I fear it will be necessary to suspend the work there for a time, anyhow. I trust that the arrangement recently entered into with the workmen on this property may be the means of so reducing the present costs that it will be possible to continue working the mine, but the results of the last few months have been very disappointing. The closing down of the surrounding mines will impose an additional burden in the shape of pumping, which may prove overwhelming. Your Corporation and the Rand Mines have a considerable holding in this mine, and I need hardly add that the outlook impelled us to make provision in that connection for contingencies.

Modderfontein B. I notice that these shares have in recent times fallen very considerably in price—more, I venture to say, than the general conditions warrant. Nothing has occurred, so far as I know, to justify anxiety in this connection. There is a comparatively large block in the central portion of the property which has always been known to be unpayable. The richest portion of the developed mine is towards the western boundary. The increasing distance of these workings from the main shaft has caused the management to determine upon sinking a new shaft to open up more rapidly the undeveloped south-west area. This shaft will only have to be sunk to a depth of 1,700 feet, and the total cost of sinking and equipment is estimated to be £80,000, to be incurred over a period of about two years. It is in every way an economic undertaking, because otherwise the underground haulages would have been extended to an abnormal length, rendering it difficult to keep the mill fully supplied. The development of ore during the past year has been good. On the south-eastern boundary the drive from the Geduld property has now opened up a stretch of ore 915 feet in length, averaging 654 in.-dwt. in value. At this point it entered broken ground. The distance yet to be traversed to connect with the new south-eastern shaft is 2,330 feet, and this work will have to be completed before the extent of the rich patch already disclosed can be determined. Looking into the future, the good development in the adjoining property of the Modder East, on the extreme north-eastern boundary of this mine, is a favourable indication. The ore reserves at December 31, 1919, were over 3,000,000 tons, with an average value of 37.8*s.* per ton, about 9*d.* per ton less than the previous year. If, however, we take the past year's development by itself, we find that the 575,000 tons developed had a value of 39.1*s.*, which is of higher value than the average of the ore reserves. I have dealt with this mine at some length because I wish to correct the erroneous impression which I think has got abroad. In calculating the value of the ore reserves at this mine and at the New Modderfontein, I am sure my mining friends on the other side are conservative in their estimates.

New Modderfontein. In regard to this mine, it really seems unnecessary to say anything, because, what with the extensive and valuable development shown in the Manager's report, and the almost complete knowledge of the high value of the remainder of the property, thanks to exposures in surrounding mines, expectations as to the future can be calculated with an arithmetical accuracy not applicable to any other gold-mining property in the world.

Modderfontein East. This mine is opening up satisfactorily. The policy adopted at the instance of Mr. Stuart Martin, the Consulting Engineer, in laying out the mine has proved eminently successful. The system of ventilation introduced has enabled the management at an early stage to open up reserves rapidly, and I anticipate, at the present time, there are about 2,000,000 tons developed. The value of about 1,500,000 tons reported up to date is between 7 dwt. and 8 dwt. My attention has been drawn to a rather curious circumstance, perhaps fortuitous, in the development. At No. 3 shaft, nearest the outcrop, 3,000 feet to the dip, the average value of the ore opened up is 6.2 dwt.; at No. 2 shaft, 4,500 feet from the outcrop, the value is 7.1 dwt.; at No. 1 shaft, 8,000 feet from the outcrop, the value is 8 dwt. Were we to argue by analogy, we might look for an indefinite increase in the enrichment, but I shall not venture to do that. It is, however, a point worth mentioning. Altogether the discovery of payable ore in three separate shafts so far apart is of great significance and encouragement, and the prospects are therefore in every way bright. The area at present exposed is very small indeed, however, in relation to the very great extent of the property, and it would, therefore, be unjustifiable to assess the value of the whole mine upon what is known about it to-day. What we do know is highly satisfactory, and we have every reason to be pleased with the prospects of this venture.

One item of news that was recently cabled from Johannesburg should be referred to. You will have seen that it is proposed to establish an iron and steel industry at Pretoria. The matter is at present in the preliminary stages of investigation and our commitment is not large. It would, of course, be advantageous to South Africa if a paying industry could be established, but the difficulties are many and the project requires very close study. I make reference to the subject only because of erroneous impression as to our position in this matter should not be allowed to get abroad. We naturally take a lively interest in any endeavour to benefit South Africa, but weigh the governing factors carefully. If unsuccessful, the enterprise would be of no lasting value to the country, and on your account we must not risk failure lightly.

Before passing from South African interests, I may mention that we have increased our holding somewhat in the Transvaal Consolidated Land and Exploration Company, Limited. If you read the report of that Company for the last year, you will see that its position is one of considerable strength and that its prospects are improving. I must not detain, you, however, with any detailed analysis.

I shall now glance at some of the other undertakings with which we are connected.

The Company's Oil Ventures.

We have a substantial holding in Trinidad Leaseholds, Limited, which continues to make satisfactory progress. The area from which production is derived constitutes a very small proportion of the oil-bearing lands controlled by the Company. Having in view the ever-increasing demands for oil, the Company has embarked upon a policy of expansion and is now actively engaged in the opening up of two new fields. A well sunk on one of these areas already gives indications of the presence of high-grade oil. The Company has ample cash resources, and it is anticipated that the present production of 15,000 tons monthly will gradually be increased.

The prophecies of recent years that oil fuel would in time replace coal for steam-raising purposes are being fulfilled even more rapidly than was generally foreseen. The universal demands for petroleum products have outstripped production, and it has been stated that the day is not far distant

when the United States of America, hitherto the largest supplier of the world's needs, will require to supplement domestic output by importation from other countries.

Encouraged by the success which has so far attended our first oil venture, you will be interested to hear that we have now entered Venezuela. Last February, in association with the Anglo-Persian Group and Trinidad Leaseholds, we formed the North Venezuelan Petroleum Company, Limited, to acquire a concession over approximately 2,000 square miles in the State of Falcon, Venezuela. Steps are now being taken to sink a first test well. I shall not venture into the realms of speculation, but may say the locality has been favourably reported upon by our experts, and we hope practical demonstration may confirm their opinions. Anxiety as to the disposal of our oil, which haunted me some years ago, no longer remains.

Other Interests.

Our interest in base metals is gradually increasing, and we have good reason to be satisfied with our holding in the British Metal Corporation, in Williams, Foster and Company, and Pascoe, Grenfell and Sons, and with our purchase of shares in the Rhodesia Broken Hill Company. Our latest venture in Nigeria is not at present of a very important character, but seems promising.

I can also report favourably on the prospects of the Chilian Electric Tramway and Light Company, a substantial interest in which has only recently been acquired by us, in conjunction with Messrs. Pearson and Son, Limited.

In conclusion, I should like to pay a tribute to our managers and staff here, in South Africa, and in other places where we are represented. I am glad to say that we have a capable, zealous, and, I trust, contented staff. They devote themselves wholeheartedly to the progress and prosperity of the Corporation, and we, in turn, have their welfare at heart and endeavour to recognise liberally their loyal services.

The Chairman concluded by moving the adoption of the report and accounts and the declaration of the dividend and bonus recommended.

The Colour Bar.

Sir Evelyn Wallers, K.B.E., in seconding the resolution, supported the statements which the Chairman had made with regard to the outlook of the various mines in which the Corporation is interested. Dealing with the prospects generally, he said it was not to be forgotten that in South Africa they must have the goodwill and the work of the native labourers as well as of the white labourers. The white working man had received an increase in wages to compensate for the increased cost of living. The native worker had shown some signs of discontent, and there was no doubt that the position of the native worker had to be considered. The Low Grade Mines Commission, which recently sat, and of which he was a member, had now issued its final report, in which it recommended—that was to say, the majority recommended—that the legal colour bar should be removed. But the removal of the legal colour bar still left in the Transvaal a much more effective colour bar, which was public opinion, and in that particular aspect public opinion there was bound to change. The position of certain native labourers who were semi-skilled was an injustice. Injustice was always discovered and denounced sooner or later, and he felt sure that the white workmen, members of trades unions, would realise that the native workman must have a greater opportunity both in work and in wages, and those greater opportunities would ultimately be of benefit to the white workmen, the general community, and to the shareholders of the mines. (Hear, hear.)

The resolution was carried unanimously.

THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY.

New York, June 1, 1920.

The Board of Directors has declared a semi-annual dividend (being dividend No. 44) on the Preferred Stock of this Company of Two Dollars and Fifty Cents ($2.50) per share, payable August 2, 1920, out of surplus net income, to holders of said Preferred Stock as registered on the books of the Company at the close of business on June 30, 1920.

Dividend cheques will be mailed to holders of Preferred Stock who file suitable orders therefor at this office.

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For the Yokohama Specie Bank, Ltd.,
T. OKUBO, Manager.

9 Bishopsgate, London, E.C. 2,
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Lahore	Aden Point	Entebbe	Uganda
Amritsar	Colombo	Kampala	
Delhi	Kandy	Jinja	
Tuticorin	Newera Eliya		
Dar-es-Salaam, Tanga			Tanganyika Territory.

SUBSCRIBED CAPITAL	£3,000,000
PAID UP CAPITAL	£1,500,000
RESERVE FUND	£2,000,000

LONDON BANKERS.—Bank of England; National Provincial Bank of England, Limited; National Bank of Scotland, Limited.
The Bank conducts every description of Eastern Banking business.
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Paid-up Capital	£765,242
Reserve Liability of Shareholders	£1,197,468
Reserve Fund	£220,000

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The Rt. Hon. LORD BALFOUR OF BURLEIGH, K.T. (Chairman).
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CAPITAL AUTHORISED & SUBSCRIBED	£2,000,000
CAPITAL PAID UP - - - - - -	£1,000,000
RESERVE FUND - - - - - -	£1,000,000

Rates of Interest now allowed for Money on Deposit as follows:
At Call - - - - - - - - - 5 %
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The Company discounts approved Bank and Mercantile acceptances, effects Purchases and Sales of Government Stocks, Treasury Bills, Shares and other Securities on the usual terms, and grants loans on approved securities at rates which can be ascertained on application at the office.
15th April, 1920.

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REFUGE
ASSURANCE COMPANY LIMITED.
Chief Office: OXFORD STREET, MANCHESTER.
For the year ending December 31st, 1919.
Annual Income Exceeds - £5,400,000
Assets Exceed - - - - £17,300,000
Claims Paid Exceed - - - £30,000,000

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The Statist.

LONDON, SATURDAY, JUNE 26, 1920.

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The Money Market.

Friday, June 25, 1920.

	%	Current Rate Fixed	%	Previous Rate Fixed
Bank of England Rate...	**7**	(April 15, '20)	**6**	(Nov. 6, '19)
Deposit Rates:—				
Banks & Discnt. Ho. (Call)	5	(Apr 15, '20)	4†	(Nov. 6, '19)
Discount Houses (Notice)...	5¼	(Apr. 15, 20)	4¼	(Nov. 6, '19)

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.
† Foreign and Colonial banks give Special Rates only upon deposits for a year

Discount Rates:—	60 Days. %	3 Mos. %	4 Mos. %	6 Mos. %
Treasury Bills ...	—	6⅛	—	—
Bank Bills ...	6½	6⅝–11/16	6¾	6⅞
Trade Bills ...	—	7–7¼	7¼–½	7½

A GENERAL glance at the National Accounts for the period April 1 to June 19 enables one to appreciate the improved position in which our finances stand as compared with a year ago. Thus revenue for the fiscal year up to Saturday last amounts to 292.1 millions, as compared with 167.1 millions for the corresponding period of 1919. Ordinary expenditure, on the other hand, is only 260 millions, as compared with 372.2 millions last year. Thus, instead of a net deficit of 205.1 millions for the first 11½ weeks of the last fiscal year, we have for the same period of the current fiscal year a surplus of 32.1 millions, making a difference in the accounts of 237.2 millions in all. Of course, it must be remembered that in the present year ordinary revenue has been supplemented to a large extent by sales of disused war assets, whereas for the corresponding period of last year the amount of such transactions are practically negligible. Then, again, it must be noted that for the current year expenditure up to the present has been on a much smaller scale proportionately than during the like period of last year. When due allowance is made for these considerations it must be admitted that the national finances for the year to date are not in as healthy a position as they appear according to the actual accounts; but nevertheless, in so far as that our expenditure for the current year up to the present has been met on balance altogether from taxation, besides leaving a substantial surplus for debt extinction, this year compares very favourably with the past year.

Turning to the floating debt we find, on comparing the amount as on June 19, 1920, with the amount as on June 21, 1919, that during the 12 months just gone a net reduction of £262,409,000 was made. But this is not all. In the liability to the Bank under Ways and Means Advances a net reduction of fully 41S millions has been effected, while of the indebtedness to Public Departments 70.6 millions have been liquidated. It must follow, therefore, that the amount of Treasury bills now outstanding are 226.2 millions higher than the amount a year ago. Undoubtedly the large increase in this item is to be deplored, as such a large amount of Treasury bills provide a constant menace, not only to the national finances, but also to the Money and Stock markets; but it is more consoling to reflect that this expansion has contributed to the repayment of a large amount of Ways and Means Advances, and thus to the removal, partially at all events, of a positive evil. Last Saturday's return is dealt with below.

The demand for accommodation continued strong in the Money market, but funds were apparently a little more plentiful. Nevertheless, no change in quotations was made, demands being met at from 1% to 5%. Seven-day loans continued at 5½%. A little discounting at the Bank of England at the official rate was reported. The strong demand for short money was not reflected in the discount market, where the volume of activity was small. Rates showed an easier tendency even for long-dated maturities. Three months' paper was taken readily at 6⅞%–6¾%, and six months' maturities at 6⅝%–7%.

Most remarkable of the Foreign Exchange movements was the weakness of the Dutch exchange. It had strengthened to 11.11 by Wednesday, but fell to 11.05 yesterday, and receded sharply to 10.06 to-day. New York rates were irregular. The cable rate was quoted 3.99¼ on Tuesday, but this level was not maintained. To-day it was firm at 3.97. With the exception of Rio de Janeiro the South American group hardened. Belgian and French francs and Italian lire continued their improvement. Berlin hardened to 147, but Finnish marks were weak. Of neutrals, Spain and Switzerland declined, Stockholm and Christiania went against us, but Copenhagen moved favourably. Eastern currencies group was again weak. Shanghai taels followed the quotations in the Silver market, being quoted 4*s*. 10*d*. to-day. The Hongkong dollar declined to 3*s*. 7*d*.

A favourable public income and expenditure return was issued on the 19th inst. Ordinary expenditure was at the unusually low figure of £8,116,771, leaving a revenue surplus of £11,500,994. This allowed a substantial reduction to be made in the floating debt. Sales and renewals of Treasury bills exceeded maturities by £1,026,000, so that the reduction above mentioned was made in the most undesirable form of the floating debt, namely, Ways and Means Advances. Advances by Public Departments were liquidated to the extent of £500,000, and Advances by the Bank of England to the extent of 10 millions, thus making a net reduction of £9,706,000 in the floating debt, which now stands at £1,291,314,000. Other debt under the War Loan Acts was reduced by £3,425,355. Net receipts from Savings Certificates were £800,000, and Treasury bond subscriptions were as low as £600,000 for the week.

The upward movement in the currency note circulation which commenced about the middle of April, and which for some weeks past has been noticeably slowing down, has at last come to a halt. For, according to the return issued on Wednesday, though the actual note circulation expanded by £366,472 net, yet £450,000 certificates were cancelled, so that the total of notes and certificates outstanding was reduced slightly to £354,012,399. The Redemption Account is unchanged.

On consideration one cannot think this to be anything but a transient phase, for several factors will come into play which will tend to increase the volume of currency, or at any rate to maintain it at its present volume. In the first place, we are on the eve of the turn of the half-year and the beginning of the holiday season, when an increase in the circulation is generally to be looked for. But apart from features of a passing nature other more permanent influences are at work. There is, for instance, the recent increase in wages which occurred in many industries. This has probably been the most potent cause of the recent note expansion, and unless contrary influences intervene it will operate to maintain the circulation at its present volume. Moreover, these wage-increases, by putting up prices still more and by increasing, temporarily at all events, the purchasing power of a certain section of the community, will create a fresh demand for currency later on, in addition to the demand which arose immediately on the granting of such increases. Then again, it is probable that the circulation has not yet felt the full effects of the rather large increases in the price level which occurred a month or two back. On the other hand, it might be urged that the slackening which has taken place in trade activity and the lowering of commodity prices will tend to reduce the volume of the note circulation, but apart from the fact that these movements have been over-estimated, it cannot yet be determined whether or not they are likely to continue. At any rate, the causes which have led to these movements cannot be described as anything but of a temporary character.

One of the well-known foreign banks in London has received a communication from a leading bank in Sweden traversing certain statements that have been made to the effect that the situation in Sweden is regarded as extremely serious, and that the Riksbank has urged the banks to refuse credit facilities in all but most exceptional instances. The communication that has just been received states that it is very exaggerated to describe the situation of the Money market as "extremely serious." It is true that the Money market there, as in most other countries, is characterised by a certain stringency at present; but, on the other hand, Sweden has undoubtedly during the shipping season of this year to expect larger payments than ever from abroad for her staple export articles, such as wood, wood-pulp, paper, matches, iron and steel products, ore, most of which command high prices. Besides, the condition of the labour market in Sweden, although, of course, difficult as compared with normal times, is more quiet than in most other countries. If the Riksbank has thought it advisable to urge greater abstinence in allowing credits, this is probably because the Riksbank fears that the increased supply of money, following the said payments from abroad, will tend to create further inflation. As to the note issue of the Riksbank, the circulation is at present 668,000,000 kr. However, last year it was 678,700,000 kr., and on June 30, 1914, 239,000,000 kr. From these figures it will be seen that the inflation in percentage can hardly be said to have assumed larger proportions in Sweden than elsewhere; rather the contrary; and there are indications that it has, at least so far, come to a standstill. The communication, in conclusion, states that a meeting of the directors of the private banks was just lately held, and the line of action agreed upon is that credits for legitimate requirements and against adequate security will be allowed.

BANK OF ENGLAND.

The Bank return for the current week is again of a favourable nature. The steady influx of revenue, according to the official return of income and expenditure for the week ended June 19, in conjunction with a further decline in the expenditure, enabled the Government to reduce its borrowing under Ways and Means Advances by £17,799,000, leaving the total of Government securities at £53,003,000. On the other hand, the market was obliged to have recourse to the banks to the amount of £1,327,000, other securities being raised in consequence to £80,140,000. In addition, other deposits were depleted during the week by £14,080,000, whilst public deposits were £3,390,000 lower at £17,869,000. Thus liabilities amounted only to £136,358,000, as against £153,830,000 in the previous week. However, the circulation expanded during the week by £1,074,000, possibly the beginning of the holiday withdrawals. Meanwhile, an influx of £125,000 raised the total bullion to £117,815,000. The reserve thus lost £950,000, falling to £21,025,000. In view of the greater reduction in liabilities the ratio of the reserve was increased from 14.3% to 15.4%.

BULLION.

India and America were the chief buyers in the gold market. To-day's quotation was 103*s*. 7*d*. per fine ounce. Recent decisions of the Government of India affecting the gold exchange standard are dealt with under the heading "India."

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China was again selling spasmodically in the Silver market and the Continent continued offering the metal. Nevertheless, American orders, which were sent with the object of replacing supplies sold to the United States Mint were sufficient to carry the spot quotation to 52½*d.* by Tuesday. Thereafter the American influence became weaker and the quotations again relapsed. To-day's prices were 50¼*d.* spot, with forward ⅝*d.* discount. The quotation for foreign-mined commercial bars in New York ruled at from 6½ cents to 7 cents below United States mined silver, which was quoted at 99½ cents per ounce.

NEW YORK

The strong position of the New York City Banks and Trust Companies associated with the New York Clearing House, which obtained at the close of business on June 12 contrasts with an actual reserve deficit of $3,850,000 on June 19. Nevertheless, the average position for the week compares favourably with the position according to the previous weekly statement. The week's business was marked by an abnormal expansion in liabilities. Net demand deposits rose by $71,950,000 to 4,227.3 millions—the largest since the first week of November last. Time deposits were increased by 4.2 millions to 254.4 millions. United States deposits are 84.6 millions, as compared with 22.9 millions in the preceding week, though as regards these the reserve regulations are not enforced. Loans, discounts, &c., again expanded by 20½ millions, the present total of these items being 5,142.4 millions. Thus average reserve requirements were 559.7 millions, as compared with 550.3 millions for the preceding week, but the aggregate reserve was strengthened to 593½ millions, leaving a better excess reserve at 33¾ millions.

The shrinkage in liabilities and unliquid assets which marked the Federal Reserve Banks' return of last week is also a feature of the latest return issued on the 21st inst. Most remarkable was the reduction in the holdings of bills discounted for member banks, amounting to $226,810,000, and leaving the total at 2,296.1 millions—the lowest since March 22 last. The total bill holdings were reduced by 232.1 millions. Government deposits increased from 21.8 to 56.4 millions, but other gross deposits fell by 197.1 millions to the unusually low figure of 1,561¼ millions. The Federal Reserve note circulation also declined by 7.4 millions to 3,104.8 millions. It must be noted, on the other hand, that the supplementing of the gold holdings was not continued during last week, the System losing, on the contrary, $2,740,000. Nevertheless, the gold resources are still at the high figure of $1,962,320,000. The contraction in liabilities, at any rate, had the favourable result of raising the reserve ratio to 44.5%—the highest since January 30.

Call money became tighter. The ruling rate rose to 8% but from 11% up to 14% was paid. Bankers say that this is only a temporary squeeze. Rumours of further gold arrivals from England were current; the amount was put at £20,000,000 to arrive within the next four months. Prime commercial paper was quoted at 7¾%.

INDIA.

At last comes the overdue announcement that the Government of India are taking steps to make the sovereign legal tender in India at the new rate of Rs.10, as recommended by the Indian Currency Committee on February last. Hitherto the sovereign could be exchanged for 15 rupees at the Government Treasuries and currency offices, so that it was possible to make a profit on smuggling British gold coins into India and exchanging them at the legal rate of Rs.15, since, even in spite of the fall in the rupee exchange, the market exchange ratio of the rupee with the sovereign was rarely above 12 to 1. The new ratio of 10 to 1 is not to be enforced at once, but meanwhile British gold coin is not to be legal tender, though during a moratorium of 21 days up to July 12 sovereigns and half-sovereigns will be received by the Government at the ratio of Rs.15. At the next session of the Legislative Council a Bill will be submitted prescribing the new ratio of 10 rupees to the sovereign, at which the sovereign will again become legal tender. On the expiry of the moratorium on June 12 the restrictions on the import of British gold coins, as well as of foreign coin and gold bullion, will be withdrawn.

The reverse drafts anomaly is also to be remedied. It is announced that from the 24th inst. onward the rates for Reverse Councils will be 1*s.* 11$\frac{13}{32}$*d.* for immediate transfers and 1*s.* 11$\frac{15}{16}$*d.* for deferred transfers, these being the rates which will ultimately hold when the gold premium disappears. The amount to be offered at each sale will be £1,000,000. As is well known, the rupee has been for some time past below the parity fixed by the Indian Currency Committee, but with a favourable monsoon it should begin to recover towards the autumn. At to-day's (Friday's) open-market rate of 1*s.* 10*d.* the gold value of the rupee is 1*s.* 5½*d.*—a discount of 25% on the fixed par—the New York cable rate being 3.97. Were the rupee at par to-day's sterling quotation would be about 2*s.* 5½*d.*

Stock Exchange.

The optimistic outlook which prevailed in some quarters at the end of last week failed to impress the general sentiment of the markets; at any rate, prices did not benefit on the whole. In a few descriptions, it is true, a considerable improvement took place, but these were influenced by factors peculiar to themselves, which operated in spite of the condition of the markets in general. The unfavourable political developments at home and abroad, the lack of certain knowledge about taxation proposals, and a renewal, though to a more moderate extent, of Paris selling, were among the general influences at work. It is noticeable, however, that though the markets still continue depressed, and though the generality of price movements are towards lower quotations, still this tendency is the result more of precautionary measures than anything else. In other words, there is no nervous disposition to sell—merely that buyers are holding aloof. Under the circumstances, what with such an uncertain money outlook and with disquieting taxation proposals, and with an unstable international situation, the wonder is—not that the markets lack animation—but that they bear up so well. The market sentiment can best be gauged from the manner in which those stocks which are specially influenced by encouraging news and reports are marked up freely, in spite of the general dispiriting factors. All that is wanted is a little encouragement and the settlement of a few uncertain questions.

BARCLAYS BANK
LIMITED
(with which has lately been amalgamated the LONDON PROVINCIAL & SOUTH WESTERN BANK Ltd.).

AMERICAN EXCHANGE.

Barclays Bank Limited, through their Foreign Branch, 168 Fenchurch Street, E.C. 3, have concluded arrangements whereby they will, subject to approval of the transaction, insure importers and exporters against losses resulting from fluctuations in the American Exchange.

The Gilt-edged section was specially influenced by the offer of a new line of New South Wales Stock on a 6½% basis. There was no pronounced tendency to liquidate, but still a moderate amount of selling was enough to send quotations down, and the weakness continued throughout the week. India Threes and Three-and-a-Halfs, Consols, War Loan Fours and Fives, Funding Loan and Victory Bonds all declined. Of recent Municipal Loans Bradford was quoted 1¼ discount, Croydon 1⅞ discount, and Cardiff 1 discount. The Triple County Loan fared better, yesterday's quotations being: Kent 1⅛ premium, Middlesex ⅝ premium, and Essex ⅛ premium. London County Five-and-Three-Quarters were dealt in at 97⅞. Colonials were quiet, but New South Wales issues, especially the Five-and-Three-Quarters of 1925-35, came in for attention.

The Foreign market was one of the few bright sections. Mexicans advanced as a result of the favourable impression made by the new Provisional Government. The 6% Treasury bonds advanced from 53½ to 55½, and the Fives of 1889 from 42 to 44. Belgian Threes improved to 53. French issues rose steadily at first, but started a reaction on Wednesday. Russians were firm. German Three-and-a-Halfs advanced to 10.

Home Rails were bought on the statements made during the week in the House of Commons, and the Heavy group advanced steadily. Great Easterns, Great Northern Preferred, South Eastern Deferred, and Lancashire and Yorkshires were among the most conspicuous. Great Easterns opened on Monday at 30, and closed yesterday afternoon at 33½.

The Foreign Rail section was depressed, with a few exceptions, the weakness extending to and being indeed most marked in Debenture and Preference stocks. Of Argentine descriptions good features were provided by Buenos Ayres Westerns and Argentine North Easterns. Leopoldinas showed a good improvement. Mexicans were again inquired for when the news of the handing back of the Mexican Railway was confirmed. The compensation terms are indeed favourable, and the intentions of the new Government seem to be towards better conditions, but it will take a long time before the damage done in recent years, both to the material interests and to the sentiment of outside speculators and investors, can be repaired. Mexican Railway Ordinary rose from 19 to 21, the First Preference from 41½ to 47½, and the Second Preference from 27 to 32. Towards the end a little weakness developed.

The Industrial market was again uninteresting; business was exceedingly restricted, being confined to a few specialities, but price changes were for the most part unimportant. Nitrates provided the most cheerful features, being steadily marked up during the week. Textiles were generally dull, Courtaulds in particular being subject to realisations. Of shipping descriptions P. and O. Deferreds were notably weak. Associated Cements opened firmly but subsequently relapsed, Swan and Hunters advanced sharply at first, but lost the advance later. Realisation was again in progress in Marconis and British Oil and Cake Mills.

The general tone of the Oil section was one of dullness, being affected in particular by Paris selling. It is not surprising, therefore, that prices generally moved downward. Shells were quoted 6⅛ "ex rights" on Tuesday, the "rights" being valued at 2⅞. Yesterday's quotation was 6⅛ xr. Royal Dutch rights were dealt in down to 2⅜. Mexican Eagles Common declined from 9⅜ to 9¼, and the Preference from 9⅜ to 8⅞. Burmahs fell from 17⅛ to 16¼. Scottish Americans closed at 32*s.*, and Tankers finished up at 1*s.* 6*d.* discount.



Mining Topics.

The main feature of the week has been the persistence of liquidation on Paris account. On Tuesday the stream of liquidation began to flow. Crown Mines dropped ⅜ to 2¼, whilst Government Areas and Modder B both lost ⅛, closing respectively at 4⅝ and 6¼. As might have been anticipated, De Beers were also on offer, finishing up with the loss of ½ at 20¾. Despite the final dividend of 30*s.* per share, which makes a record total of £3 per £2 10*s.* share for 1919-20, as against £2 in 1918-19, the Deferred shares continued to react, as they were sold freely by Paris on Wednesday. Yet a slight rally towards the end of the day left them unchanged at 20¾. Amongst Kaffirs, Crown Mines reacted to 2⅜, and Meyer and Charlton were ⅛ to the bad at 4¾. The declaration of an interim dividend of 50% by the latter mine was evidently unable to influence the market favourably. Reactions continued on Thursday, Government Areas shedding ¼, whilst Modder B dropped to 6. De Beers again experienced the brunt of the attack, closing ¾ down at 20.

Announcements of interim dividends are still appearing. Brakpan declare a dividend of 15%, the Rand Selection Corporation one of 10%, Springs Mines and Sub-Nigel one of 5%. The dividend of the Johnnies Company for the year ending June 30, 1920, is at the rate of 12½% free of income tax, as against 7½% for the previous year. Rhodesian declarations include 7½% interim from the Shamva Mines and 20% interim from Rezende Mines. Nechi Mines (Colombia) announce a dividend of 45% for the year ended September 30, 1919, in comparison with 25% for 1917-18. According to a cable from Roodepoort United Main Reef a scheme for the continuance of operations for the next few months on a restricted scale has been adopted in agreement with the employees. Unable to work under existing conditions except at a serious loss, it has been decided to suspend all shaft-sinking and development work, and to extract as much payable ore as can be secured during the ensuing few months, removing at the same time all valuable material from the workings.

GEDULD PROPRIETARY.

Issued Capital: £1,171,229 *in* £1 Shares.

	Ore Milled Tons	Gold Yield per Ton	Working Costs per Ton	Working Profit* £	Working Profit* Per Ton	Net Profits* £	Dividend £	Dividend %
1914 ...	244,585	32/4	24/5	96,968	7/11	91,445	46,125	5
1915 ...	303,440	30/11	21/7	141,411	9/4	151,509	97,000	10
1916 ...	322,980	31/3	21/7	155,631	9/8	150,317	97,000	10
1917 ...	425,550	29/8	19/8	212,838	10/0	187,143	97,000	10
1918 ...	513,200	29/2	20/0	234,242	9/2	220,086	120,198	11¼
1919 ...	516,000	30/1†	20/7	244,322†	9/6†	267,553‡	187,397	16

* After deduction of taxes and inclusion of sundry revenue.
† Excluding premium on gold, estimated at £77,757, or 5*s.* per ton.
‡ Including premium on gold.

The cessation of the War did not bring, in so far as the mining industry was concerned, a return to normal conditions. Bearing this fact in mind, the report of

Geduld Proprietary Mines for the year ended December 31, 1919, must be regarded as distinctly satisfactory. The tonnage milled increased during the year by 2,800 tons to 516,000 tons. Calculating, for purposes of comparison with previous years, the value of the gold output upon the basis of the par value of gold, the yield per ton worked out at 30*s.* 1*d.*, as against 29*s.* 2*d.* in 1918. Working costs, which were returned at 20*s.* per ton in 1918, rose during the year under review to 20*s.* 7*d.* "A year ago," writes the Consulting Engineer, "the burden of cost directly due to conditions brought about by the War was estimated at 3*s.* 11*d.* per ton milled. Since then there has been no reduction in the cost of mining supplies, while the cost of labour and charges for miners' phthisis have increased substantially." Under the Miners' Phthisis Act of 1919 charges were increased by £1,000 a month after August. From this point of view the rise of 7*d.* per ton in the working costs cannot be said to be unduly large. Nevertheless, owing to the greater advance in the value of the gold output, the working profit reached £244,322, in comparison with £234,242 in 1918. Thus the profit per ton was 4*d.* more at 9*s.* 6*d.* However, owing to the resumption of a free market for the gold the mine earned an additional profit on all gold disposed of between July 25, 1919, and the close of the year. The amount of this premium on the gold reached £77,757, corresponding to an average premium of 22.6%. Including this, the actual gold yield would be 33*s.* 1*d.* per ton, the working profit 12*s.* 6*d.* per ton, and the amount of the working profit £335,342. After deducting £40,462 in respect of Government taxes, £24,528 as regards excess mine development and £2,799 in donations, there was left a net profit of £267,553, as against £220,086 in 1918. During the year the amount incurred on capital expenditure was £113,667. Of this, £74,781 was spent in connection with No. 7 shaft, which at the close of the year had reached a depth of 254 feet from the shaft collar. The balance of £37,970 was spent on underground shafts and equipment. Out of the total of this expenditure only £38,667 was charged to capital account, the balance of £75,000 being deducted from the above net profit. Shareholders received in dividends a total of £187,397, corresponding to a rate of 16%, whereas in 1918 there was paid in dividends an amount of £120,198, or 11¼%. A balance of £3,723 is carried forward to the next accounts. Of this dividend, however, only £888 is distributed in cash. The balance is paid by the allotment of two of the purchased enemy shares for every 25 shares held. During the year 250,000 enemy shares were acquired from the Custodian of Enemy Property at £2 per share. To discharge the above dividend there were reserved 85,185 shares, whilst the balance were offered at the purchase price to existing shareholders at the rate of two shares for every 11 shares held.

Despite the different adverse factors at work, it can with safety be said that the outlook of this gold mine for the current year is at least as bright as that of the year under review. The difficulties which delayed the progress of the new shaft during 1919 have been overcome, and it was hoped to reach the reef early in 1921. The report for the first quarter of 1920 shows that it was sunk by March 31, 1920, to 418 feet. The position of the ore reserves can be seen from the following table:—

Ore Reserves at December 31.

	Tons	Aver. Value	Aver. Width	Shillings-Inches
1915	2,100,000	32/9	59·5	1,918
1916	2,150,000	31/5	60·0	1,884
1917	2,200,000	31/10	61·0	1,940
1918	2,540,000	31/10	61·0	1,946
1919	2,540,000	31/5	61·0	1,916

Thus there has been an addition of 70,000 tons during 1919, but the average value has slightly declined from 7.5 dwt. to 7.4 dwt. Development results for the first four months of 1920 are of a satisfactory character. Out of a total development footage of 5,861 feet, 3,435 feet were sampled and yielded 1,250 feet of payable reef, averaging 20 dwt. over 35 inches. At the same time the one certain fact of the situation is the further increase in working costs, not only in view of the phthisis legislation and the liability to provincial taxation, but also in view of the recent increases to white and black labour alike. The average earnings of the European employees, excluding apprentices, is now stated to be £552 per annum, or 55% more than in 1914. Meanwhile the gold premium has fallen from its very high level in February, and now the price of gold is oscillating sluggishly in the neighbourhood of 105*s.* Furthermore, even from this premium has to be deducted the increased charges in respect of costs of realisation, which have risen to 8*s.* 9*d.* per ounce. Here, too, a welcome alleviation is announced in the recent reduction from 8% to 7% of the charges of the South African banks. How all these factors have influenced this mine during the first quarter of 1920 can be seen from its returns. With gold at 85*s.* per ounce the working revenue has increased to 30*s.* 9*d.* per ton, whilst the working costs have jumped up to 23*s.* 2*d.*, thereby reducing the working profit to 7*s.* 7*d.* per ton. But in virtue of the high premium on gold, particularly in February, the gold premium brought in £54,081. Realisation charges in excess of the normal amounted to £7,165, leaving a net addition to the working profit of £46,916, or 7*s.* 1*d.* per ton. Thus the total working profit reached 14*s.* 8*d.* per ton, as against 12*s.* 6*d.* for 1918. However, the decline in the premium in the interval and the growth in realisation charges will in all probability reduce this average for the second quarter. At the same time there is no reason for departing from our original statement that the results for 1920 will be at least as good as those for 1919. The position disclosed in the balance sheet dated December 31, 1919, is very strong. Liabilities do not exceed £284,115, whereas the total of cash and gold alone reaches £303,368. Deducting, as in justice ought to be done, the £172,908 representing shares held for dividend distribution from the liabilities, the total becomes reduced to £111,207. In the market the £1 shares are quoted at 38*s.* 10½*d.*, and at this price, assuming the continuance of a dividend of 16%, they afford a return of nearly 8¼%.

NUNDYDROOG.

Year to Dec. 31	Ore Milled (2,000 lb.)	Total Value of Gold Secured Tons	£	Per Ton	Expenses, not Incdg. Royalty Per Ton	Working Profit £	Working Profit Per Ton	Ore Reserves Tons (2,000 lb.)	Lowest Level Incline Depth Ft.
1912 ...	100,552	330,937	65/9		27/10	190,778	37/11	138,440	3,050
1913 ...	90,650	304,326	67/1		31/9	160,228	35/4	150,650	3,200
1914 ...	89,950	303,551	67/5		32/3	158,541	35/3	164,800	3,350
1915 ...	94,000	321,650	68/5		34/0	161,738	34/5	210,500	3,500
1916 ...	98,000	340,787	69/5		34/1	173,548	35/4	217,300	3,650
1917	99,345	337,348	67/10		35/7	160,296	32/3	202,800	3,800
1918 ...	102,731	333,760	65/0		37/3	142,381	27/9	202,300	4,000
1919 ...	103,529	327,043	63/2		40/4	117,946	22/10	184,900	4,105

GENERALLY speaking it must be admitted that the results of working operations as embodied in the report of this well-known Indian gold mine for the year ended December 31, 1919, are not so satisfactory as those of preceding years. Owing to the lower grade of the ore treated, a slight increase in the quantity of ore milled coincided with a reduction in the value of the gold output from £333,760 in 1918 to £327,043. With the high level of prices of the various stores and materials the increase in working costs from 37*s.* 3*d.* per ton to 40*s.* 4*d.* per ton need occasion little surprise. Moreover, when it is borne in mind that in this figure is included the expenditure incurred in carrying out 1,028 feet extra of development work, this increase does not appear abnormal. At the same time, its effect in conjunction with a charge of £20,187 in respect of royalties is evidenced in the lower working profit of £117,946 for the year under review, as contrasted with £142,381 for 1918. Consequently the amount received by shareholders in dividends is only £42,150, as against £63,675 in the previous year, corresponding to a rate of 15% as compared with 22½ ... After defraying the final dividend, absorbing £28,300, the balance carried

forward to the next account stands at £6,711, the amount brought forward from 1918 being £7,189.

"Your directors are of opinion that the prospects of the Nundydroog mine are particularly bright, and they look to the future with confidence." This statement, made by the Chairman at the general meeting, seems to be well confirmed by facts. Ore reserves, it is admitted, have declined during the year from 202,300 tons to 184,900 tons. Similarly, whilst 9,743 feet of development work were carried out in 1919, as against 8,715 feet in 1918, results have not, on the whole, come up to expectations. There has not been opened up as much ore of milling value as was anticipated. On the other hand—to quote Mr. Edgar Taylor—"stoping operations have once again revealed unexpected widths of lode, as well as foot- and hanging-wall portions, no indication of which was seen at the time the ground was originally explored." At the 4,000-foot level in Kennedy's section of the mine the ore body is 169 feet long. Downwards, for a depth of 40 feet, ore averaging 1 oz. 1 dwt. per ton was exposed over a width of 39 inches, whilst between 40 and 67 feet lode worth 8 dwt. over 35 inches was found. A rise from the 3,500-foot level south of Kennedy's shaft to the 3,200 foot-level yielded ore for 17 inches with an average value of 1 oz. 3 dwt. per ton. Reports to hand of development operations during the first three months of the current year record considerable improvements both in the Oriental and Kennedy's sections of the mine. Aggregate driving in these areas of 407 feet has exposed ore 31 inches wide averaging 1 oz. 3 dwt. per ton. Moreover, the hope is held out that the rich ore body now being developed in the neighbouring Balaghat mine may be encountered in the area of the mine north of the Oriental shaft. Recent work at the 1,000-foot level north gave some indications to this effect. For the current year it is proposed to carry on crushing at the same rate as the year under review, and, whilst ore of a somewhat lower grade will be used, compensation will be provided by treating tailings of a better grade from the dump. Meanwhile it is well to notice that the Company is continuing the wise policy of writing off much of the current outlay on capital expenditure against revenue. For the year under review there was debited to profit and loss account a sum of £20,901, representing the cost in sinking and bricking the new circular shaft, upon which the future efficient working of the mine so much depends, and which is now at a depth of 2,308 feet. Similarly, out of £18,063 expended on the provision of new buildings, machinery and plant, £8,063 has been charged at once to profit and loss. The financial position, as seen in the balance sheet dated December 31, 1919, is very sound. As a result of constant writing down, fixed assets stand at £56,312, but are estimated to be worth £260,000. Materials and stores are held to the value of £65,716—a figure by no means unduly large when the magnitude of the mine and the difficulty of securing stores nowadays at reasonable prices are recollected. Liabilities, including the final dividend of £283,000, amount to £100,827, whereas liquid assets in the form of cash, sundry debtors, and stock of gold exceed £103,565. In estimating the prospects for the current year, it is well to remember that the price to be obtained by the sale of the gold will be much more favourable in view of the recent agreement whereby 75% of the gold will be disposed of to the Government of India after May 15, 1920, at the London market price, payable as regards two-thirds in India in rupees, and as regards one-third in London in sterling. The remaining 25% can be sold freely by the mine. Thus the Indian mines are now in a position to benefit by the gold premium, though, of course, the extent to which they will benefit depends not merely on the variations in the premium on gold, but also on the variations of the Indian exchange. Latterly the tendency of the Indian exchange has been downwards, which is in favour of the mines. In the market the 10*s.* shares are quoted at 11*s.* 6*d.*, affording at this price upon the basis of the 1919 dividend a yield of over 13%.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, June 23, 1920.

Issue Department.

Notes Issued	£135,185,685	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	116,735,685
	£135,185,685		£135,185,685

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£53,003,431
Rest	3,257,652	Other Securities	80,139,557
Public Deposits	17,289,076	Notes	19,945,575
Other Deposits	118,475,092	Gold and Silver Coin	1,079,730
Seven-day and other Bills	14,473		
	£154,168,293		£154,168,293

Comparison with Previous Four Weeks [00,000's omitted.]

Date 1920.	Circulation	Coin and Bullion	Deposits: Public	Deposits: Other	Securities: Govt.	Securities: Other	Reserve	Ratio Reserve to Liabilities	Bank Rate	Three Months' Bills
	£	£	£	£	£	£	£	%	%	%
June 23	115,2	117,8	17,8	118,4	53,0	80,1	20,9	15·4	7	8 1/8
June 16	114,1	117,6	21,2	132,5	70,8	78,8	21,9	14·3	7	8 1/4
June 9	114,3	116,7	18,4	136,8	74,4	78,7	20,7	13·3	7	8 1/4
June 2	113,8	114,4	21,2	127,3	66,6	80,5	19,0	12·9	7	6 1/4
May 26	111,4	112,4	16,6	101,1	34,3	81,7	14,3	18·5	7	6 1/4
J'y 22,'14	29,3	40,2	13,7	42,2	11,0	33,6	29,3	52·40	3	2 5/8

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 8%; Aug. 8, 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; Apr. 5, 5%; Nov. 8, 1919, 6%; Apr. 15, 1920, 7%.

Comparison of Bank Returns, Exchanges, Prices, &c.

	June 25, 1920	June 25, 1919	June 26, 1918	June 27, 1917	June 24, 1910
Bank of England (in £'s sterling 00,000's omitted):					
Circulation	£115,2	£78,3	£53,7	£39,4	£27,6
Public Deposits	17,8	20,0	35,8	39,2	27,9
Other Deposits	118,4	137,7	128,8	125,1	40,0
Government Securities	53 0	56,8	51,6	45,3	18,0
Other Securities	80,1	89,8	100,8	100,2	33,9
Reserve	20,9	27,9	30,0	38,6	33,9
Ratio to Liabilities	15 4%	17.71%	18·23%	22·27%	49·85%
Coin and Bullion	117,8	87,8	65,2	57,5	43,0
Money:					
Bank of England Rate	7%	5%	5%	5%	3%
Bank of France Rate	6%	5%	5%	5%	3%
Rate 3 months' Bills London	6 1/8-1/4%	3 1/8-1/4%	3 1/8-3 1/8%	4 1/8%	2 1/8-1/4%
Exchanges:					
Paris Cheque	47·75	29·81	27·15	27·39½	25·18½
New York 60 days	3·94	4·57	4·72½	4·73 1/8	4·86
Bombay Telegraphic Transfers	1/10	1/7½	1/5½	1/4 5/8	1/3½
Prices:					
Consols 2½% Cash	46½	53½	58	54¼	82⅜
French Rentes 3% Money	57·35	62·75	60·25	60·25	92·15
Silver, London spot oz.	50½d.	53½d.	48⅝d.	39½d.	24 1/16d.
Wheat, *Gazette* average qr.	73/1	73/3	74/4	78/1	29/0
Cotton, Mid Upland lb.	28·93d.	20·32d.	22·59d.	19·45d.	8·06d.
Iron, Scotch pig ton	223/6	166/0	101/0	98/8	55/0

CURRENCY NOTE ISSUE.

Week to	Notes Issued	Notes Cancelled	Notes Outstanding	Gold Coin & Bullion	Bank of England Notes	% of Bank Notes & Gold to Notes
	£	£	£	£	£	%
June 23, '20	7,099,631	7,176,159	354,012,399	28,500,000	10,400,000	11·0
June 16, '20	8,297,248	7,697,855	354,095,927	28,500,000	10,400,000	11·0
June 25, '19	6,079,207	8,548,330	342,309,770	28,500,000	—	8·3
June 26, '18	6,310,001	3,965,043	252,912,444	28,500,000	—	11·3
June 27, '17	5,735,570	4,613,724	161,673,676	28,500,000	—	17·6
June 28, '16	4,758,025	4,138,287	122,099,278	28,500,000	—	23·3

Balance Sheet, June 23, 1920.

	£		£
Notes outstanding—		Advances—	
One Pound	277,196,715	Other Bankers ...	—
Ten Shilling	43,215,684	Trustee Savings Banks	180,000
Certificates outstanding ...	33,600,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500,000
Total	354,012,399	Bank of England Notes...	10,400,000
Investments Reserve A/c ...	17,015,652	Government Securities ...	331,113,194
		Balance at Bank of England	824,857
Total	371,028,051	Total	371,028,051

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

1920. Week to	Revenue	Expenditure	Excess of Expenditure	Loans, Advances, &c.—Or.	Loans, Advances, &c.—Dr.	Loans, Advances, &c.—Net +	Cash Balance
	£	£	£	£	£	£	£
June 19	£19,618	£8,117	£11,501‡	£54,348	£65,065	—£10,717	£3,875
June 12	16,305	10,937	5,368‡	53,396	58,562	— 5,166	3,091
June 5	33,135	54,654	21,519	103,998	83,522	+20,478	2,889
80dys. '20-21	292,090	260,033	32,057‡	1,011,351	1,053,777	—42,426	— 6,278
82days '19-20	167,078	372,197	205,119	1,129,027	930,781	198,266	— 6,853
Yr. '20-21*	1,418,300	1,184,102	234,198‡	—	—	—234,198	—
Yr. '19-20	1,339,571	1,665,773	326,202	6,092,709	5,766,507	326,202	9,369
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	1,682,049	12,781
Yr. '17-18	707,234	2,696,221	1,988,987	7,499,604	3,616,023	1,983,581	21,030

Principal Items of Revenue and Expenditure.

1920. Week to	Revenue: Customs & Excise	Revenue: Income Tax, &c.	Revenue: Excess Profits Duties, &c.	Revenue: Other Revenue	Expenditure: Int., &c., on Debt	Expenditure: Misc. Expend.	Expenditure: Supply Services.
	£	£	£	£	£	£	£
June 19	£11,097	£1,060	£4,317	£3,144	£2,557	£60	£5,500
June 12	5,116	1,255	4,047	5,887	3,711	316	6,910
June 5	3,016	2,275	4,737	23,057	46,597	101	7,957
80days'20-21	84,660	49,248	50,795	127,387	102,625	2,235	155,173
82days'19-20	51,104	36,336	56,494	23,144	111,971	878	259,349
Yr. '20-21*	348,650	385,800	220,000	463,850	345,000	31,198	807,904
Yr. '19-20	283,023	359,099	290,045	407,404	332,034	16,171	1,317,568
Yr. '18-19	162,220	291,186	285,028	150,587	269,964	11,380	2,297,958
Yr. '17-18	110,033	239,509	220,214	137,478	189,851	11,401	2,494,988

FLOATING DEBT. [000's omitted.]	Treasury Bills	Ways & Means Advances	Total	Natnl. War Bond Rqts.
June 19, 1920 ...	£1,077,997	£213,317	£1,291,314	£1,745,720
June 12, 1920 ...	1,077,203	223,817	1,301,020	1,745,720
June 5, 1920 ...	1,070,987	234,867	1,305,854	1,745,720
May 29, 1920 ...	1,062,022	221,617	1,283,639	1,745,720
June 30, 1919 ...	796,150	774,237	1,570,387†	1,732,020

* Budget estimates. † Highest. ‡ Excess of revenue.

FOREIGN BANKS

[In £'s Sterling†—000's omitted.]

BELGIUM.	Gold.	Silver	Total	Discounts	Circulation	Deposits
Aug. 6, '14 ...	£10,977	£633	£11,610	£41,925	£51,900	£8,933
June 10, '20 ...	10,659	1,078	11,735	25,038	208,054	81,759
June 17, '20 ...	10,659	1,050	11,709	24,214	205,728	81,267

CZECHO-SLOVAKIA.*	Claim on Austro-Hung. Bank	Contingent Liabr. on Bank Notes	Discounts	Advances	Circulation (State Notes)	Deposits
May 15, '20...	£339,351	£93,951	£31,838	£53,378	£335,663	£51,568
May 31, '20...	337,999	98,854	31,498	81,116	344,529	65,769
June 7, '20 ..	333,559	83,923	32,899	67,293	345,089	63,673

DENMARK.	Cash—Gold	Silver	Total	Discounts	Balance Abroad	Circulation	Deposits
July 31, '14 ...	£4,100	£341	£4,441	£6,197	£788	£8,693	£47
Apr. 29, '20 ...	12,589	164	12,752	17,531	981	28,992	1,542
May 31, '20 ...	12,638	154	12,792	15,468	1,933	28,647	2,113
May 31, '19 ...	10,355	138	10,493	4,399	3,563	24,109	950
May 31, '18 ...	10,228	136	10,364	3,004	3,703	19,163	986

FRANCE.	Gold—In Bank	Abroad	Total Cash incl'g Silver	Bills	Circulation	Deposits—Public	Private
July 30, '14 ...	£185,654		£190,687	£97,768	£267,327	£15,302	£37,903
June 17, '20...	144,371	79,131	233,195	69,076	1,513,701	2,098	138,276
June 24 '20 ...	144,384	79,131	233,149	71,440	1,501,756	3,032	143,121
June 26, '19 ...	142,905	79,131	234,183	34,121	1,377,630	1,973	134,490
June 27, '18 ...	134,470	82,484	227,327	54,321	1,142,017	1,485	180,770

GERMANY.	Cash—Gold	Silver	Total	Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
July 23, '14...	£67,843	£16,727	£84,570	£5,279	£40,055	£94,545	£47,198
June 7, '20...	54,585	172	54,757	805,832	1,960,513	2,532,431	637,536
June 15, '20...	54,585	160	54,745	809,552	2,032,832	2,549,433	765,630
June 14, '19...	57,575	1,001	58,576	422,120	1,453,419	1,413,743	524,226
June 15, '18...	117,248	6,021	123,319	81,764	747,338	602,103	395,237

HOLLAND.	Cash—Gold	Silver	Total	Discounts	Advances	Circulation	Deposits
Aug. 1, '14 ...	£13,496	£249	£13,745	£13,422	£10,332	£35,660	£1,437
June 14, '20 ...	53,002	1,104	54,106	16,126	25,920	84,173	12,585
June 21. '20 ...	53,002	1,124	54,126	15,326	25,803	83,146	13,123
June 21, '19 ...	55,216	725	55,941	11,257	16,905	83,496	6,639
June 22, '18 ...	59,803	637	60,440	4,310	9,963	75,387	5,582

ITALY.	Cash—Gold	Silver	Total	Other Cash	Loans & Discounts	Circulation	Deposits
July 31, '14 ...	—	—	£48,456		£25,017	£69,204	£8,887
Apr. 10, '20 ...	£32,190	£3,005	35,195	21,381	168,138	486,741	74,083
Apr. 30, '20 ...	32,190	3,003	35,193	19,652	180,782	501,813	74,704
Apr. 30, '19 ...	32,716	2,955	35,671	25,792	59,928	375,584	59,792
Apr. 30, '18 ...	33,449	3,142	36,591	6,422	54,922	290,108	59,850

JAPAN.	Gold	Discounts	Advances	Notes	Deposits—Public	Private
Aug. 1, '14 ...	£21,867	£1,829	£7,863	£32,722	£13,818	£1,521
Apr. 24, '20 ...	91,657	38,128	36,783	124,440	117,057	9,013
May 8, '20 ...	91,695	42,063	36,971	123,152	118,766	12,114
May 10, '19 ...	70,595	2,722	40,175	79,146	115,908	4,041
May 11, '18 ...	65,706	2,580	22,698	61,934	67,695	3,802

NEW YORK BANKS & TRUSTS.	Cash Own Vaults	Loans, Aggregate Reserve	Disc'ts, Invest.,&c.	Net Deposits—Demand	Time	Total	Excess Reserve
Aug. 1, '14 ...	—	£89,888	£411,238	—	—	£387,165	£1,720
June 12, '20 ...	£19,906†	114,822	1,024,394	£831,078	£50,039	885,894	4,764
June 19, '20 ...	19,200†	118,696	1,028,486	845,488	50,878	913,260	6,750
June 21, '18 ...	19,560†	116,370	1,001,674	816,318	31,376	919,364	8,190
June 22, '18 ...	20,013†	112,350	902,182	747,416	31,786	849,582	13,128

NORWAY.	Gold	Balance Abroad	Norw. & For. Govt. Secs.	Disc'nts & Loans	Circulation	Deposits
July 31, '14 ...	£2,960	£1,678	£493	£4,868	£6,752	£793
June 7, '20 ...	8,121	3,701	579	22,869	23,397	7,667
June 15, '20 ...	8,120	3,575	579	22,991	23,326	7,756
June 14, '19 ...	8,182	4,125	678	18,679	23,520	4,257

PORTUGAL.	Gold	Silver	Total	Discounts & Advances	Note Circulation	Deposits
Mar. 31, '20 ...	£1,906	£3,921	£5,827	£17,689	£88,886	£6,722
Apr. 7, '20 ...	1,906	3,921	5,827	17,496	91,129	5,884
Apr. 9, '19 ...	1,905	3,883	5,788	8,826	64,505	3,487
Apr. 10, '18 ...	1,905	3,191	5,096	7,818	45,502	1,575

ROUMANIA.	Cash	Discounts	Advances	Total	Circulation
Mar. 27, '20 ...	£60,809	£8,425	£2,598	£11,023	£179,640
Apr. 3, '20 ...	60,809	8,431	2,858	11,089	179,924
Apr. 10. '20 ...	60,809	8,710	2,745	11,455	181,337
Apr. 12, '18 ...	35,581	6,223	1,795	8,018	105,533

RUSSIA.	Gold—In Bank	Abroad	Total Cash incl'g Silver	Loans & Disc'ts	Circulation	Notes in Reserve	Total Deposits
July 21, '14...	£160,114	£14,395	£181,892	£76,081	£163,411	£6,589	£109,911
Oct. 29, '17...	129,523	230,865	378,205	1,869,559	1,836,217	15,783	345,550

SPAIN.	Cash—Gold	Silver	Total	Loans, &c.	Spanish 4%	Circulation	Deposits &c.
Aug. 1, '14 ...	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,955
June 12, '20 ...	86,101	24,649	122,750	85,255	13,779	156,023	45,298
June 19 '20 ...	86,101	24,703	122,804	84,594	13,779	155,286	45,940
June 21, '18 ...	80,643	28,112	116,780	126,832	13,778	139,834	35,092
June 22. '18 ...	83,818	28,162	111,980	53,199	13,777	116,373	41,115

SWEDEN.	Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
Aug. 1, '14 ...	£5,717	£6,150	£1,655	£7,495	£13,432	£3,903
June 5, '20 ...	14,500	4,593	2,522	35,786	39,502	14,349
June 12, '20 ..	14,499	4,548	2,642	30,416	38,127	15,011
June 14, '19 ...	16,091	7,898	2,923	17,364	37,704	6,007
June 15, '18 ...	14,302	7,297	5,357	12,898	35,234	7,477

SWITZERLAND.	Cash—Gold	Silver	Total	Discounts & Advances	Circulation	Deposits
July 23, '14 ...	£7,202	£758	£7,960	£4,817	£10,716	£2,026
June 7, '20 ...	21,233	3,460	24,693	14,997	37,110	6,228
June 15, '20 ...	21,327	3,453	24,780	13,502	36,633	6,047
June 14 '19 ...	18,343	2,740	21,083	17,802	36,236	4,462
June 15 '18 ...	15,366	2,327	17,713	13,867	27,053	4,919

° Converted at 24 crowns to £1.
† Net reserve. ‡ Converted at par rate of exchange approximately.

U. STATES FED. RES. BANKS.	Gold—Held by Banks	With Agents	Total Cash	Bills Discount'd	Accept-ances.	Deposits.—Govt.	Total. Net.	Circulation.
June 14,'20 ...	£393,012		£420 518	£504,590	£80,780	£4,366	£356,026	£822,442
June 21,'20 ..	392,464		420.180	459,278	79.718	11.272	323,522	620.962
June 21,'19 ...	182,782	250,364	446,892	367,488	54.948	33,300	354.266	497,650
June 21,'18 ...	187,360	197,514	396,222	183,254	48,494	31.892	289.030	335,590

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed		%	Date Fixed
Amsterdam ...	4½	July 1,'15	Lisbon	5½	Jan. 15,'14
Berlin	5	Dec. 23,'14	Madrid	5	Nov.10,'19
Berne	5	Aug. 21,'19	Paris	6	Apr. 8,'20
Bombay	6	June 16,'20	Petrograd ...	6	July 29,'14
Brussels	5½	Apr. 28,'20	Rome	6	May 12,'20
Calcutta	5	June 5,'19	Stockholm ...	7	Mar. 18,'20
Christiania ...	7	June 25,'20	Tokio	8·03	Nov. 18,'19
Copenhagen ...	7	Apr. 16,'20	Vienna	5	Apr. 12,'15

III.—FOREIGN EXCHANGES.

LONDON ON—	June 25, '20	June 18, '20	June 11, '20	June 4, '20
Berlin ..... Cable	147m.	154m.	157m.	170m.
Brussels ..... Cheques	45fr. 45c.	48fr. 25c.	49fr. 37c.	48fr. 80c.
Denmark ..... Cable	23kr. 81	23kr. 70	23kr. 40	22kr. 82½
Holland..... do.	10fl. 07c.	11fl. 03c.	10fl. 91c.	10fl. 69c.
Italy ..... do.	64lr. 50	65lr. 50	70lr. 25	67lr. 00
Lisbon and Oporto do.	11½d.	11d.	13d.	10½d.
New York ..... do.	$3 97	$3 97½	$3 95½	$3 90½
— ..... Cheques	$3 93	$3 98	$3 96	$3 91½
Norway ..... Cable	23kr. 03	22kr. 70	22kr. 10	22kr. 16
Paris ..... 3 mos.	47fr. 95c.	50fr. 90c	52fr. 93c.	52fr. 07c.
— ..... Cable	47fr. 70c.	49fr. 90c.	51fr. 93c.	51fr. 07c.
Spain (Barcelona) 3 mos.	43½d.	43¾d.	43¾d.	43¼d.
— ..... Cable	23p. 77	23p. 91	23p. 95	23p. 95
Sweden ..... do.	18kr. 07	18kr. 18	18kr. 10	18kr. 19
Switzerland ..... 3 mos.	22fr. 25c.	22fr. 37c.	22fr. 20c	21fr. 10c.
— ..... Cable	21fr. 80c	21fr. 87c.	21fr. 70c.	21fr. 45c

ON LONDON—	June 25, '20	June 18, '20	June 11, '20	Par
Alexandria ..... Sight	97½ pi.	97½ pi.	97½ pi.	97½pi.
Amsterdam ..... Cheques	11fl. 07c.	11fl. 03½c.	10fl. 83c.	12.107fl.
Athens ..... Cable	32dr. 10	33dr. 15	33dr. 12	25dr. 22½
Bombay ..... Transfers	1s. 10d.	1s 10½d.	2s. 0½d.	2s.*
Brussels ..... Cheques	45f. 47c.	47f. 85c.	49f. 25c.	25f. 22½c
Buenos Ayres ..... Transfers	57½d.	57½d	59½d.	47.58d.
Calcutta ..... do.	1s. 10d.	1s. 10⅜d.	2s. 0½d.	2s.*
Christiania ..... Sight	23kr. 07	22kr. 62	22kr. 10	18.159kr.
Copenhagen ..... do.	23kr. 85	23kr. 65	23kr. 41	18.159kr
Helsingfors ..... Cable	87½m.	85m.	92m	25m. 22½
Hong Kong ..... Transfers	3s. 7d.	3s. 10⅛d.	3s. 8d.	—
Italy ..... Sight	64lr. 25c.	65lr. 25c.	70lr. 75c.	25l. 22½c.
Lisbon ..... do.	11½d.	11⅝d.	12¾d.	53½d.
Madras ..... do.	1s. 10½.	1s. 10⅛d.	2s. 0½d.	2s.*
Madrid ..... do.	23p. 77	23p. 8	23p. 93	25p. 22½
Montevideo ..... Transfers	60⅜	59⅝	59⅝	51d.
Montreal ..... Cable	$4 52	$4 54	$4 49	$4 93⅛
New York..... Sight	$3 96½	$3 91	$3 91⅞	—
— ..... 60 days	$3 94	$3 83⅛	$3 90	—
— ..... Cable	$3 97	$3 97⅛	$3 92⅛	$4 83⅛
Paris ..... Cheques	47f. 75c.	49f. 87½c.	51f. 55c	25f. 22½c
Rio de Janeiro ... 90 days	14⅛d.	14⅝d.	15⅛d.	16d.
Shanghai ..... Transfers	4s. 10d.	5s. 0¼.	4s. 10½d.	—
Singapore ..... Sight	2s. 3⅞d.	2s. 3⅞d.	2s. 3⅞d.	—
Stockholm ..... do.	18kr. 08	18kr. 16½	18kr. 09	18.159kr
Switzerland ..... do.	21f. 77c.	21f. 87½c.	21f. 67½	25f. 22½c.
Valparaiso ..... 90 days	—	11⅛d.	11⅛d.	18d.
Yokohama ..... Sight	2s. 6⅞d.	2s 6⅞d.	2s. 5¼	24.58d.

° Fixed at Rs. 10 to the gold sovereign, February 2, 1920

NEW YORK ON—	Rate Current°—June 25, '20	June 18, '20	Par as usually Quoted	Rate July 3
Amsterdam, sight ...	35 60c.	36c.	40 20c. for 1 guilder	40·25c.
Bombay, cheques ...	33·00c.	33·25c.	43·63c. for 1 rupee	33·00c.
Buenos Aires, cheques ...	105	101·35		
Christiania, cheques ...	17·25c.	17·35c.	26·80c. for 1 kroner	
Copenhagen, cheques ...	16·35c.	16·30c.	26 80c. for 1 kroner	26·85c.
Greece, cheques ...	12·25c.	11·95c.	19·23c. for 1 drachma	
Hongkong, cheques ...	75c.	71c.	74·53c. for Mex. $1	43·4c.
Italy, sight	16·20½.	17·35½.	5 13½ lire for $1	5·17½.
Lima, cheques	4·99½.	4 99½.	4·3333 $ for 1 libra	
Manila, cheques... ...	49·80c.	49 80c.	50c. for 1 peso	49·7c.
Montreal	12·25%disc.	13%disc.	Premium per $100	Par
Paris, sight	12·15fr.	12 82fr.	5·13½ francs for $1	5·18fr.
Petrograd, sight ...	—	—	51·48c. for 1 rouble	51·37c.
Rio de Janeiro, cheques	43·10c.	41·00c.	32·42c. for 1 milreis	
Shanghai, cheques ...	103c.	95·50c.	52·98c. for 1 tael	83·00c.
Singapore, cheques ...	51·50c.	51·25c.	56 77c. for $1	57·12c.
Spain, cheques	16·65c.	16·60c.	19·30c. for 1 peseta	
Stockholm, cheques ...	21·85c.	21·87c.	26 80c. for 1 krone	
Switzerland, cheques ...	5·49fr.	5 50fr.	5·18½ francs for $1	5·18½fr.
Valparaiso, cheques ...	19·00c.	19 00c.	20 61c. for 1 peso	
Yokohama, cheques ...	51·50c.	51·25c.	49 84c. for 1 yen	49·90c

° According to Guaranty Trust Company of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount.	Inc. or Dec.°	1920 Agg.	Inc. or Dec.°
	1920	[In £'s sterling 000's omitted.]			%
BIRMINGHAM ...	June 19	£3,343 +	£878	£91 033 +	£32.189 + 52·0
BRISTOL	„ 19	1,726 +	193	44.633 +	11.911 + 38·5
DUBLIN	„ 19	8,330 +	1,033	220 914 +	43.137 + 28·0
LEEDS	„ 19	1,358 +	357	45.481 +	17,539 + 83·1
LEICESTER ...	„ 19	1,106 +	255	34.537 +	12,736 + 53·9
LIVERPOOL ...	„ 19	14 793 +	1,874	423.131 +	151.952 + 55·0
MANCHESTER	„ 19	27.315 +	11,883	795.363 +	424 974 + 114·7
NEWCASTLE ...	„ 19	3,243 +	1,393	81.109 +	32.810 + 63·2
NOTTINGHAM	„ 19	1,027 +	396	29.385 +	13.824 + 86·6
SHEFFIELD ...	„ 19	1,317 +	401	40.223 +	11.412 + 39·6
LONDON—	1920.				
TOWN	June 23	619.042 +	201.838	16,319 033 +	6.830.868 + 72·5
METROPOLITAN	„ 23	33.077 +	2.932	1,055.955 +	238.085 + 29·1
COUNTRY	„ 23	71.821 +	7.122	2 019 409 +	512.833 + 34·0
TOTAL	„ 23	729.940 +	211.892	19,394.456 +	7.311.736 + 64·6

° Compared with a year ago

V.—FREIGHTS.—According to Messrs. J. C. Gould, Angier and Co

HOMEWARDS.	1920 June 25	1920 June 18	1913 June 27
Alex. to U.K. ...	40/0	—	—
Aust. to U.K. ...	175/0	—	32/0
Azoff to L.H.A.R.	—	—	9/9
Bombay to p.p.	100/0 l.w.	110/0 d.w.	20/0
Burmah to U.K.	—	140/0	24/0
Calcut. to p.p.(jute)	—	—	—
Danube to U.K. ...	—	—	—
Odessa to L.H.A.R.	—	—	9/0
R. Plate to U.K.	100/0	110/0	17/0

Homewards. —	1920 June 25	1920 June 18	1913 June 27
U.S. Atl. Port to U.K. (cotton, 100lb.)	—	—	33/9
U.S. to U.K. (gr.)	13/6	14/0	—
Gulf Ports to U.K. Cont. (cotton, per ton)	15/3	15/0	12/0
OUTWARDS—Cardiff to			
Aden	—	—	—
Colombo	—	—	12/6
Port Said ...	60/0	60/0	9/6
River Plate ...	—	—	20/0
St. Vincent ...	32/6	35/0	9/9

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	JUNE 25, 1920.	JUNE 27, 1919.	JUNE 30, 1914.
Iron—Scotch pig warrants ...ton	223/6	166/0	57/0
— Middlesbro' warrants ...ton	217/6	160/0	51/0
— Hematite warrants ...ton	260/0	190/0	61/0
— Staffordshire bars, London ton	£33 10	£20 10	£8 10
— Common bars ...ton	£30	£20 10	£6 15
Steel Rails ...ton	£23	£15	£6 2/6
Galvanised Sheets ...ton	£54	£28—£28 10	£16 17/1
Copper—Standard ...ton	£83 5	£87 5—£87 10	£66
Tin—English Ingots ...ton	£244 6	£233	£142 15
— Straits ...ton	£255—£265	£238 10	£139 10
Tinplates, I.C. Coke, S. Wales...box	71/6	32/6—33/0	11/10½—12/0
Lead—Soft Foreign ...ton	£31—£32 10	£22 5	£19
Spelter—Ord. Foreign ...ton	£39 5—£41 5	£38 10—£39	£21 7/9
Quicksilver (75lb.) ...bottle	£21—£21 10	£18—£18 10	£7
Aluminium ...ton	£185	£150	£82
Antimony—Regulus Foreign ...ton	£50	£42	£27 10
— English ...ton	£55 -£58	£45	—
Coal—(best) Yorkshire ...ton	37/2—38/2	28/6—34/6	17/6
— Steam (best) Newcastle... ...ton	50/2—55/2	40/0—45/0	14/6
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b Chile, per quintal	15/6	9/0	7/4
Soda—Crystals ex wharf ...ton	110/0	129/0—130/0	42/6—45/0
Copra—Malay and States ...ton	£44 10	£56 10	£23 15–£24 7/6
Gambier—Good marks ...cwt.	49/0	47/6	16/10½
Indigo—Bengal good to fine ...lb	13/0—16/6	9/0—10/6	3/2—3/8
Linseed Oil—Raw ...ton	£77 10	£126	£25 5
Linseed—Calcutta, spot ...ton	£39	£48—£48 10	£13 16/9
— Cakes, U.K. made, ex mill ...ton	£20	£19	£7 17/6–£8
Olive Oil—Spanish ...ton	—	nom	£49 10
Palm Oil—Lagos ...ton	£57	£82	£31 10
Petroleum—American ...gallon	2/1½	1/4½	7½d.
Rape Oil—Refined English ...ton	£88	£104	£32
Soya Oil—Refined ...ton	£95	£75	£24 10
Tallow—Imported ...cwt.	70.0—88 0	92/0—105/0	29/3—33/3
Turpentine—American ...cwt.	150/0	98/0	33/7½
Rape Seed—Toria ...ton	£37	£45	£13 5
Rubber—Para, spot ...lb	1/11½	2/4½	2/9½
— Fine plantation (smd.crepe) lb	2/0½	1/9½	2/2
— World's Production* Apr. tons	27.850	31,166	8.467
Shellac—T.N. Orange, fair ...cwt.	640/0	380/0—385 0	63/0—64/0
TEXTILES.			
Cotton—Middling Upland ...lb	28.93d	20.32d	7.53d.
— Egyptian, good fair...lb	52.00d	28.84d	8.75d.
— Pernambuco fair ...lb	30.93d.	22.92d.	7.73d.
— Midland Upl. New York...lb	37.75c	34.95c.	13.25c
— Stock, Liverpool (June 18) bale	1,113,890	510,940	934,600
Flax—Petrograd, Yarapol ...ton	—	nom	£28
Hemp—New Zealand ...ton	£56	£53	£25 10
— Manila, Fair ...ton	£59	£54 10	£26 10
Jute—First Marks ...ton	£53	£55 10	£26 15
— Red SCC ...ton	£42	—	£24 15
Silk—Blue Elephant ...lb.	32/0	25/0	11/3—11/6
Wool—Pt Philip unwashed av. lb.	5/9	3/5½	11½d.—1/0
— Lincoln Half Hogs ...lb.	2/3½	1/7½	1/0½
Hides—Eng. Ox. best, 70 lb. up lb.	13½d		7½d.
Leather—Dressing Hides ...lb.	4/0—4/6	2/7—3/3	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus.	46,098,000	24,520,000	34,640,000
— Red, price, N.Y. 60lb....bushel	3/0	237½c.	67½c.
—English Gazette, aver. 480lb. qr.	73/1	73/3	34/3
Flour—G.R. ...280lb.	63/6	44/3	28/6
Barley—Eng. Gaz., aver. 400lb. qr.	95 6	62/8	25/4
Oats—Eng. Gaz., aver. 312 lb. qr.	65/1	48/7	20/0
Maize—N.Y. (new bushel)....56lb.	nom.	198½c.	76½c.
— Amer. mixed, Liverpool...480lb.	nom.	63/9	32/4
— La Plata ...480lb. qr.	73/0	60/0	25/9
Potatoes—Good English ...ton	†420/0	196/8	70/0—75/0
Rice—Bassein ...cwt.	48/6	25/0	7/0—7/3
Tapioca—Pearl, medium ...cwt.	33/0	53/0	14/0—17/8
Hay—best ...2,018lb....load	—	176/0	82/6
Hops—English ...cwt.	—	—	£8 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs...8lb.	6/8	6/8—7/2	3/8—3/10
- Scotch sides ...8lb.	10/0	8/6	4/6—5/0
English ...8lb.	10/0	8/6	4/2—4/5
Mutton—Scotch wethers...8lb.	10/6	9/0	5/8—6/0
— English wethers ...8lb.	10/6	9/0	4/6—5/4
- New Zealand frozen ...8lb.	10/6	7/8	2/4—3/2
Pork—English and Irish ...8lb.	10/0—15/4	10/8	3/6—4/0
Bacon—Irish, delivered ...cwt.	†220/0	190/6	60/0—74/0
— Danish ...cwt.	†192/0	—	58/0—68/0
— Canadian, ex Port ...cwt.	†187/0	190/0	—
— American ex Port ...cwt.	†187/0	184/0—186/0	72/0—74/0
Hams—Amer. long cut, ex Port cwt.	†184/0	190/0—192/0	75/0—79/0
— — short cut, ex Port ...cwt.	†184/0	188/0—190/0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt.	†168/6	170/0—191/0	51/9—52/9
Butter—Danish ...cwt.	303/4	Controlled 252/0	117/0—120/0
— French ...cwt.	303/4		96/0—108/0
— Australian ...cwt.	303/4		98/0—110/0
— New Zealand ...cwt.	303/4		108/0—114/0
Cheese—Canadian ...cwt.	†145/0	160/0—164/0	66/0—68/0
— United States ...cwt.	†145/0	144/8	—
— Dutch ...cwt.	†145/0	144/8	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to May 31 ...cwt.	13,588,508	13,177,654	19,777,254
— Home consump'n to May 31 cwt.	10,523,551	12,367,203	17,272,000
— In Bond May 31 ...cwt.	9,093,000	7,393,000	6,306,000
— Price, Java, 96° Pol. ...cwt.	120/0	36/0	10/3
— — Yellow crystals ...cwt.	112/0	57/9	12/6—14/0
— — Tate's Cubes, No. 1.....cwt.	116/0	64/9	18/0
Coffee—Imports to May 31 ...cwt.	396,982	583,219	720,360
— Home consumpt'n to May 31 cwt.	123,850	128,725	141,410
— Exports to May 31 ...cwt.	187,576	107,671	340,250
— In Bond May 31 ...cwt.	816,000	959,000	484,000
— Price, Costa Rica gd. to fine cwt.	148/0—170/0	145/0—155/0	80/0—93/0
— — Brazil (Santos) Good ...cwt.	110/0—118/0	65/9	41/6
Tea—Imports to May 31.....lb.	180,586,941	186,141,577	123,230,277
— Home consump'n to May 31 lb.	152,173,279	144,914,140	155,447,972
— Exports to May 31 ...lb.	18,758,377	10,870,350	26,561,765
— In Bond May 31 ...lb.	221,471,000	151,589,000	78,292,000
— Price, Indian, Pek. Soug. gd lb.	6d	1/4	8½d.
— — Ceylon, Pek. Soug. Ord. lb.	6d.	1/4	8½d.
— — Common Congou ...lb.		1/4	5½d.
Cocoa—In Bond May 31 ...cwt.	1,305,000	1,119,000	309,000
— Grenada good to fine ...cwt.	115/0-118 0 nom.	85/0	52/6—56/0

* Estimated. † New. ‡ Decontrolled: Price Ex. Factory.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific	Apr.	$15,929,000	+2,820,000	$2,342,000	+ $253,000
	4 *mos. to* Apr.	59,117,000	+8,541,000	5,800,000	— 562,000
Grand Trunk	Apr.	£1,125,600	+ £24,800	£59,600	— £95,700
	4 *mos.,to* Apr.	4,304,600	+ 326,300	Dr.155,500	— 272,700

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open	Gross Receipts.	+ or — on Year Ago.	No. Wks	Aggregate Receipts.	+ or — on Year Ago
Assam Bengal	May 2	993	R2,10,729	+ 25,990	8	14,48,480	+ 63,073
Barsi Light ...	May 2	118	29.80	+ 4.800	9	2.59.400	— 4.900
Bengal & N.W.	May 2	2,065	5.64.08	— 29,236	7	39.03.810	— 5.14.320
Beng. Dooars	May 2	158	27.46	+ 2,694	8	214,343	+ 7,974
Beng. Nagpur	May 2	2,695	12.99.000	+ 55.000	7	94.65.000	— 5.23.559
Bomb. Baroda	June 1	2,871	17.25.000	— 1,48,000	11	2.10.00.000	+ 9.36.000
Burma	May	1,342	5.19.29	— 51,895	5	31.30.006	— 85969
Del Um. Kalk.	June 12	239	88.300	— 1.541	11	9.68.814	+ 50.601
East Indian ...	June 1	2,771	27.87.000	— 52,000	12	3.25.02.000	+ 9.91.000
Gt. Indian Pen	June 1	3,121	25.59.200	— 2.30.300	11	2.89.12.200	— 4.22.173
Madras & S.M	May 29	3,152	12.75.000	— 64,469	8	1.03 25.000	— 3.02.192
Nizam's Guar.	May 2	900	3.09.07	+ 12,604	8	25.35.950	+ 1.66.301
Roh. & Kumn.	May 22	576	1.33.524	+ 75.524	8	9.27.573	+ 63.378
South Indian	May 22	1,852	8.43.619	+ 50,467	8	59.09.537	+ 1.82.585
South Punjab	Feb.	716	7.78,004	+ 20,338	5m	38,90.025	+ 1.30.701
COLONIAL							
Can. Northern	June 14	9,704	$1,021,200	+ 188 100	23	24.292.423	+ 3.516.574
Can. Pacific ...	June 14	13,388	3,660,000	+ 598,000	23	82.557.000	+13,393.000
Grand Trunk	June 14	3,616	£303,386	+ 63,104	23	6.107.732	+ 675.788
Mashonaland	Mar.	810	44.265	+ 14,400	6m	391.181	+ 103,628
Mid. W. Aust.	Apr.	277	10.984	+ 70	10m	110.153	+ 15.212
NewCapeCent.	May 29	205	2.6	+ 67	22	69,043	+ 11.861
Rhodesia Rlys.	Mar.	1,397	82.851	— 14,757	6m	—	—
Temiscouata...	Oct.	—	$30,582	+ 2,154	10m	304.661	+ 22.504
W. Pass.&Yuk	Aug.'	122	—	—	8m	$968.676	+ 31.021
FOREIGN.							
Argentine.							
Arg. N. East...	June 12	752	£12,600	— 200	50	594.900	+ 90.300
Arg. Transand.	June 19	111	£ 1.820	+ 1,410	51	188.101	— 28.979
B. A. & Pacific	June 19	3,536	£ 175.000	+ 32.000	51	7.905.000	+ 1.835.000
B.A.Gt. South	June 12	3,792	£ 187.000	+ 38.000	50	9.083.000	+ 2.131.000
Do.	June 13	Net	£ 43.000	+ 14.000	50	3.065.000	+ 1.520.000
B. A. Western	June 20	1,882	£ 100.000	+ 14.000	51	5,122,000	+ 1.513.000
Do.	June 20	Net	£ 30.000	— 10.000	51	1.718.000	+ 811.000
B. A. Central	Apr.'	190	£ 54.590	+ 13.484	10m	473.301	+ 66.554
Cent. Argent.	June 19	3,305	£ 214.000	+ 63 630	51	9.360.000	+ 2.584.400
Do.	June 19	Net	£ 70.000	+ 40,000	51	3.039.100	+ 2.031.800
Cord. Central	June 19	1,205	£ 62.700	+ 17,500	51	3.044.100	+ 778.790
Entre Rios ...	June 12	811	£ 21.500	+ 1,900	50	1.204.500	+ 188.500
Brazilian.							
BrazilGt.South	Apr.	110	M 43.500	— 8.300	4m	206.000	+ 16.060
Brazil Railway	Dec.	3.530	M4.859.000	— 141.271	12m	57.772.000	+ 7.619.243
Gt. W. Brazil	June 19	1,010	£ 18.500	- 2.000	25	593.200	+ 115.100
Leopoldina ...	June 19	1,831	£ 55.417	+ 9,863	51	1.321.645	+ 502.504
Mogyana	Dec.	1,180	M 1,561,000	— 956,490	12m	22.267.000	— 2.474.851
Paulista	Dec.	766	M 2.650.000	— 906.038	12m	32.479.000	— 1.225.892
San Paulo ...	June 20	153½	£ 44.527	+ 7.295	25	1.117.656	+ 341.670
Sorocabana ...	Dec	1,003	M 1,749.000	— 246,168	12m	21,953,000	+ 976.692
S.of BahiaS.W.	May	62	M 78.000	+ 32,000	5m	365,000	+ 35,000
Chilean and Peruvian.							
Antofagasta ...	June 20	838	£ 138.900	+ 17,445	25	1,206.715	+ 558.515
Arauco	Apr.	84½	£ 11.000	+ 1,200	4m	53.000	+ 9,700
Nitrate(2wks.)	June 15	390	£ 56.737	+ 14,137	22	483.356	+ 250.405
Peruvian Corp.	May	1,140	S 1,287,070	+ 227,920	11m	13,274.884	+ 1.966.779
Taltal	May	180	£ 27.045	+ 18,405	11m	264,705	+ 106,566
Cuban.							
Cuban Central	June 12	362	£ 33.500	+ 9.264	50	1,410.128	+ 266.009
Havana Cent.	June 19	70	£ 15.759	+ 3.807	51	608.390	+ 113.941
U. of Havana	June 19	681	£ 73.326	+ 9,106	51	3.598.899	+ 528.290
W. of Havana	June 12	155	£ 13,837	+ 67	50	666.950	+ 102.363
Uruguayan.							
Cent. Uruguay	June 19	273	£ 21.601	— 125	51	1,178.131	+ 56.689
,, (E. Ext.)	June 19	311	£ 6,459	+ 689	51	323.903	+ 34.566
,, (N. Ext.)	June 19	185	£ 3.448	- 506	51	196.383	— 8
,, (W.Ext.)	June 19	211	£ 2.803	+ 103	51	144.665	+ 10.306
Mid. Uruguay	May	319	$ 21.277	+ 2,407	11m	223,942	+ 29,382
N.W. Uruguay	May	113	$ 5,957	— 548	11m	73,560	+ 3,194
Urug. Northn.	May	73	£ 1,894	— 72	11m	26,280	+ 3,458
Miscellaneous							
Alcoy & Gandia	June 19	33	Ps. 15.000	+ 5,000	24	301.900	+ 60.500
Bilbao	May	15	£ 2,191	— 602	5m	17,911	+ 5,793
Bolivar	May	136	£ 12,435	+ 492	5m	56.898	— 9,538
Colomb. Natnl.	May	86	£ 20,340	+ 6,260	5m	86.616	+ 28,696
Costa Rica ...	Apr.	189	£ 28,672	+ 6,589	10m	260,059	+ 37,101
Dorada Ext....	Apr.	70	£ 18,000	+ 8,000	4m	53,500	+ 23,200
Egyptian Delta	May 31	559½	£ 11.298	+ 2,255	8	71,691	+ 54,726
Gt. S. of Spain	June 12	104	Ps. 90,652	+ 34,794	24	2,044,671	— 745,598
La Guaira&Ca.	May	22½	£ 13,630	+ 4,570	5m	71,830	+ 29,790
Ottoman Ry...	June 5	379	£ 7,456	— —	—	—	—
ParaguayCent.	June 12	255	£ 4,610	+ 20	50	239,530	+ 28,880
Puerto Cabello	May	34	£ 5,000	— 300	7m	28,000	+ 3,073
Salvador	June 19	100	£ 4,845	+ 1,270	51	232,791	+ 94,555
Santa Fe Prov. French Rys.	May	1,181	£ 171,160	+ 4,646	5m	818,312	+ 6,367
S'm'na&S'ti'go	May	80	£ 18,810	+ 843	5m	72,443	+ 22,694
Zafra & Huelva	Apr.	112	£ 10,596	— 193	4m	51,192	+ 10,367
TRAMS.							
Anglo-Argent.	June 17	400	£ 76,217	+ 37,637	24	1,803,314	+ 488,908
Auckland Elec.	June 30	27	—	—	52	292,502	— 2,063
Bombay Elec.	Mar.	39	R. 8,02,074	+ 1,10,622	3m	23,21,806	+ 3,72,431
Brazilian Trac.	Apr.	378½	M10,245000	+ 1,037,000	4m	39,181,000	+ 4,149,000
Brisbane Elec.	May	40½	£ 46,550	+ 12,325	5m	223,300	+ 37,965
Brit. Columbia	Apr.	334	$ 749.081	+ 117,093	11m	7,306,918	+ 1,284,811
B. A. Lacroze	May	51	£ 54,563	+ 7,246	11m	561,679	+ 80,176
Calcutta	June 19	35½	R 95,005	+ 9,709	25	21,86,069	+ 1,81,078
Cape Electric	Apr.	42½	£ 31,391	+ 3,251	10m	278,644	+ 32,710
Carth. & Herr.	May	9	£ 5,313	+ 2,087	5m	23,044	+ 9,826
Chatham&Dist	June 10	15	£ 1,749	— 308	23	36,473	+ 4,062
Havana Elect.	Mar.	86	$ 927,785	+ 270,530	3m	2,675,342	+ 588,573
Isle of Thanet	June 16	20½	£ 1,470	— 4	38	26,679	+ 8,087
Kalgoorlie ...	Mar.	20½	£ 3,142	+ 529	3m	8,392	— 1,823
Lanarkshire ...	June 10	28½	£ 4,627	+ 546	23	94,674	+ 18,503
Lima Light ...	Mar.	85	£ 60,224	+ 9,437	3m	174,832	+ 32,605
London O.C. ...	June 23	141½	£ 83,169	+ 2,451	12	1,010,7.8	+ 34,157
Madras (2wks.)	June 15	15½	R. 42,236	— 2,330	22	527,863	+ 119,169
Manila Electric	Apr.	55	$ 254,102	+ 41,897	4m	1,074,630	+ 211,337
Pernambuco...	June 20	59	£ 5,870	+ 228	25	182,712	+ 47,723
Provincial ...	June 12	21½	£ 3,363	— 1,118	37	112,201	+ 13,550
Rangoon Elec.	May	25	£ 7,933	+ 1,400	5m	39,622	+ 7,272
Shanghai Elec.	May	26½	M. $155,000	+ 23,600	5m	713,934	+ 103,994
SingaporeElec.	May 22	28½	$ 23,037	+ 8,968	21	471,560	+ 144,654
U.of Montevid.	May	90½	£ 42,401	+ 5,019	7m	307,299	+ 42,612

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WEST-END OFFICE
5 Lower Grosvenor Place, S.W.

LIVERPOOL OFFICE
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NEW YORK PARIS BRUSSELS HAVRE

Paid-up Capital & Surplus - $50,000,000
Total Assets more than - $800,000,000

The Statist.

LONDON, SATURDAY, JUNE 26, 1920.

THE IRISH CONFLICT.

MR. THOMAS is doing patriotic work beyond all praise, and, unfavourable as things look at present, we most earnestly hope that he will succeed in bringing about some kind of tolerable settlement. If we were to take the Prime Minister's defence of his own attitude as his last word, matters would, indeed, look almost desperate. But Mr. Lloyd George has been a long time now before the public, and we all have learned to know that he changes his attitude as circumstances tell him that it is advisable to do so. We are not, therefore, quite impressed by Mr. Lloyd George, and, particularly, his very earnest and even threatening language ceases to be as alarming as at first it sounds when we call to mind how readily he dodges when dodging seems to be better than consistency. That we are not talking altogether without some ground for doing so we ask our readers to follow us in putting before them a very brief account of how the trouble in Ireland arose, and to what, in reality, it is due. We shall be brief; and, therefore, we ask our readers to cast back their minds to the period immediately before the War, when Mr. Asquith's Home Rule Bill seemed certain to be carried, and when, therefore, the Orangemen made up their minds that they would appeal to force to defeat the then Government of the British Empire. The Orangemen, it will be well to remember, consist largely of wealthy people. Amongst them are men holding high positions in the public service, in Parliament, and in wealth. And they are constantly telling us that while the great majority of the Irish people are rebels at heart, they, the Orangemen, are always loyal. Well, their loyalty just before the War began was shown in a large subscription by the landowners of Ulster and the great merchants of Belfast for buying munitions of war of all kinds which were to be used to prevent Mr. Asquith's Government from carrying out the law that was just about to be placed upon the Statute Book. The arms were imported into Ulster under the very noses of the British Fleet, and they were even received and passed further inland by men who boasted that they were in the service of the Government, and, furthermore, who held important positions.

Then there came the pronouncement of the cavalry general at the Curragh, and of his three subordinate colonels. This alarmed Mr. Asquith. His Minister of War resigned, and Mr. Asquith, feeling himself quite free to act in almost every character, became Minister of War, and held some kind of communication with these military men who were supposed to have threatened that they would not fight against Ulster. The end of it was that from that day to this the country has never been told what these military men threatened. But the general who caused such alarm to the Government was not only retained in his place, but was given command of one of the armies in France. Mr. Asquith was frightened by the tall talk of these four military men, and he announced to the public that it was "unthinkable" that the Ulstermen should be compelled to obey the law. In this Journal we were simple-minded enough to ask Mr. Asquith why it was "unthinkable" that Ulstermen should be compelled to obey the law. We even went so far as to ask, If Ulstermen are free to break the law, is not every other man anywhere in the United Kingdom equally free? We got no answer. But when the present Prime Minister came to be the head of the Government he again repeated that it is "unthinkable" that Ulstermen should be compelled to obey the law. According, then, to two Prime Ministers of the British Empire, two Prime Ministers succeeding one another immediately, Ulstermen alone amongst the subjects of the Crown not merely are free to disobey the law, but it is even unthinkable that they should be compelled to obey the law. Now if that is so, we would in all seriousness ask loyal British subjects, wherever they may be, Can we with any consistency declare that the Ulstermen are free to set the law at defiance, nay, that even it is "unthinkable" that force should be used to make them obey the law, while the great majority of Irishmen are told that not only must they obey the law, but that monstrous infractions of the law will be made under Government authority against the great majority of the Irish people? Even such aggravating and, at the same time, stupid offences are committed by the Government as the shutting up of fairs, less, perchance, Irish Nationalists should have an opportunity to sell their cattle on favourable terms. According, then, firstly, to Mr. Asquith, and, secondly, to the present Prime Minister, Ulstermen are perfectly free to set the law at open defiance, and nobody is justified in calling them to account, while, on the other hand, not only are the great majority of Irishmen compelled to obey obnoxious laws, but are expected to assist the Government in conveying into Ireland artillery which may conceivably be used against themselves.

That is the way in which just now we are governing, or rather, pretending to govern, Ireland, in which, in real truth, we are deliberately endeavouring to drive the people into open resistance. And we are asked to believe that Mr. Lloyd George is very unwillingly compelled to use force, which, by the way, he expects us to be silly enough to believe. The real condition of Ireland is a disgrace to this country. It always has been a disgrace. But it is especially a disgrace just now. And it is so at a time when the condition of Europe is more alarming than, perhaps,

it ever has been since the Dark Ages, as they were called, which followed the fall of the Western Roman Empire. In fact, there has not been in Europe any condition so alarming as that with which we are now confronted since the occupation of Constantinople by the Turks. Yet men who ask us to believe that they are interested in the country because they are rich, men who have never done an honest day's work, men who are incapable of doing an honest day's work, are deliberately and, as it were, malignantly preparing for the people who are foolish enough to tolerate the Government trials such as may try most seriously the strength of the Empire. We do not mean that Ireland alone is able to try the strength of the Empire. But how many people in Europe believed in either June or July of 1914 that the great German Army would be compelled within less than five years to throw down its arms and refuse to fight; that the Kaiser would be compelled to seek refuge in Holland; or that the Holy Roman Empire, as it used to be called until the great Napoleon compelled the name to be dropped, would be wiped completely out of existence? Yet these things have happened before our eyes, and we would commend them to those working men, whether they are receivers of wages or receivers of profits, who really make the greatness and prosperity of the Empire, and who, in their vague confidence that England is all right, are rushing to trials the magnitude of which nobody at present seems capable of measuring.

THE WORLD'S MONEY MARKET.

The Reserve Banks of the United States have for some time past been taking very active measures to check speculation throughout the country. Our readers are, of course, aware that America did not enter into the late War until very late; that, in consequence, there had been a very conspicuous increase in business; and that, as a natural result, the country accumulated surprisingly large wealth. Furthermore, it is always to be borne in mind that there had been a very serious banking breakdown in the year 1907; that it had very grave results; and that it so impressed the minds of the American people that competent persons were sent to Europe to examine into, and to report upon, the measures adopted by the principal Governments of Europe in regard to banking. The reorganisation of the banking system, however, was not undertaken actively until President Wilson actually assumed office. Then he very properly called a special meeting of Congress and requested it to take the necessary measures to put the whole banking system of the country in proper order. We studied the measures taken at that time carefully in this Journal, and from time to time we have called attention to the subsidiary measures adopted by Congress to improve, as far as circumstances seemed to make necessary, additional improvements. The new Bill was the first measure taken in hand by Congress when President Wilson was elected, and Congress, as well as the whole country, fully recognised that the question was one of the gravest importance, and that the best attention of Congress should be given to it. Therefore the two Houses gave up their time to make the measure as satisfactory as it appeared possible to them to make it. Upon the whole, the measures adopted were approved by the country. The public saw that the Great War in Europe would inevitably impoverish the European continent; that, consequently, an exceptional opportunity was offered to the United States, not only to increase its own wealth, but also to accumulate means which would enable it to help Europe in its stricken condition. It is unnecessary to remind our readers how wonderful was the growth of business in New York. The new banking measure became very popular; the country jumped to the conclusion that serious money market troubles were guarded against; and ever since then the country has been carrying on business on an extraordinary scale. Of course, it is unnecessary to say that this action of the United States was most favourable to Europe. In the first place, it enabled the United States to lend to Europe much more than, under ordinary conditions, it probably would have thought it safe to do. In the second place, everybody in the United States was encouraged to work as hard as they could to supply Europe with all the means necessary to carry on the War. And, in the third place, it is hardly necessary to add that in every community there is a considerable body of persons who seize opportunities to gamble, and that there naturally has been a good deal of gambling in the United States.

Towards the close of last year there appeared undoubted signs that the recovery in business was being carried too far, and we thought it necessary to call the attention of our readers to the danger that was beginning to show itself. Fortunately, however, the danger did not become grave until practically the period had come to an end when borrowing from the banks was largest and, therefore, most dangerous. In a very short time money began to flow back from the portions of the country where the great wealth had been grown, and a new period of prosperity set in. Now we are sorry to say that there are fresh signs of danger, which it will be well that not only people in the United States, but people in Europe as well, should watch carefully and not allow themselves to be drawn into reckless gambling. With regard to the danger, it is, of course, to be pointed out, firstly, that the panic of 1907 was not thoroughly ended until after President Wilson assumed the office of President. It was a very long period of quiet, of recovery, and of accumulating capital. In the second place, the real gambling cannot have begun until the new Banking Act was regarded throughout the country as sure to be carried through. And, in the third place, it is never to be forgotten that the needs of Europe for money have been immense. Practically, we do not very much exaggerate when we say that at present the United States and Japan are the only two countries that can lend upon a great scale. As a natural consequence, the United States has lent upon an immense scale. Therefore she has received securities in return for the loans she made, and she must now be immensely richer than she was when the War began. Furthermore, there has been, no doubt, a great rise in prices. But that is not necessarily so serious a danger as observers usually regard it, for, to put the matter quite plainly, the credit of all Europe has been greatly diminished. The value of the moneys issued by European countries has fallen very seriously. And, therefore, although so far as that acts upon America it is injurious, on the other hand, remember that it means that America has got larger amounts of European moneys than probably otherwise she could have obtained. The position, then, is by no means so dangerous as to imply a great smash. It entirely depends upon the judgment shown, firstly, by the Reserve Banks; secondly, by the actual lending banks; and, thirdly, by the great body of the people.

Now we are entering upon the period when the wonderful agricultural produce of America is being gathered in and is being supplied to all the rest of the world. There will, therefore, be an extraordinary increase in business, and it is certain that there must, in consequence, be a very great amount of borrowing. If the Reserve Banks, in the first place, and the lending banks—or member banks, as they are usually called—in the second place, exercise judgment it is not by any means certain that there will be much trouble. On the other hand, if people lose their heads and borrow recklessly, while the banks lend with equal recklessness, it is to be feared that the difficulties we have accumulated during the war will be aggravated by a great slump, first, in the United States, and afterwards more or less throughout all Europe. We are only as yet at the beginning of the really serious period. If

the reserve banks warn the member banks that they must not lend recklessly, and if they act upon their warnings, there will not be any serious break, for practically all the reserve moneys are held by the Reserve Banks, and if they, firstly, charge very high rates of interest, and, secondly, only lend to those who can show that they are not encouraging actual gambling, the trouble will be tided over. There may be serious failures. In some places, no doubt, there will be. But it depends mainly on the Reserve Banks to protect America, in the first place, and Europe in the second. The Reserve Banks have every inducement to observe caution, and it is difficult to believe that they will allow themselves to be carried away recklessly. If that view of the case is correct, we shall probably see exceedingly high rates for money charged in New York, very frequent ups and downs in prices, and not seldom warnings that trouble is impending. In spite of all, if the Reserve Banks act with judgment there will be nothing like a really great break. On the other hand, if the Reserve Banks—which, to put the matter plainly, carry the reserves of the whole of the banks—lend recklessly, then there is sure to be more or less of trouble. We cannot think that the memory of 1907 has already died out. On the contrary, we feel sure that the American people remember what consequences the failures then had, and therefore we hope that great judgment will be exercised. With regard to Europe, the only advice we think it necessary to give is to remember that money is scarce; that there is an almost reckless demand for banking accommodation in the United States; and that, therefore, there may be trouble unless great judgment is exercised. Therefore the European public should carefully remember that they cannot afford to play ducks and drakes with their prosperity. They ought to be very careful how they borrow and how they lend. If they are there seems no reason why we should not get through the year without serious losses. But the public needs to act with caution. We say so now before the danger has become real. The time will come when people may grow cautious and be afraid to warn too plainly. But wise men will observe caution, and remember that money made by a fluke is very often the beginning of ruinous losses.

THE DOMINIONS.

We have refrained up to the present from calling the attention of our readers to the prospects and the possible condition of our Dominions during the next 20 or 30 years. It is perfectly evident that if the Dominions are allowed to grow without a serious attack by a really great Power; and if they continue either as a portion of the Empire or, at all events, as close and permanent allies of the Empire under all conceivable circumstances, that in half a century or so the British Empire will become one of the very greatest Powers the world has ever seen. But nobody can fail to note that the growth of these great Dominions is, compared, let us say, with the growth of the United States, exceedingly slow; and, consequently, that a time may come when the British Empire will be at least as weak compared with the United States as it is at present, while the United States will be growing at a rate so rapid as will make it evident to everybody that we shall be left behind in the race. It seem to us, therefore, that too little attention is given to the interests of the Dominions, and we hope our friends in the Dominions will not consider us unreasonable in adding that we venture to think the rulers of the Dominions themselves are not acting with the foresight and the regard for the future which it is in the highest degree desirable they should do. Now it would be simple folly to affect to state at the present day what the population of the United States is. We may with confidence assume that it is considerably more than a hundred millions, but how much more we have to wait for correct information from the results of the new Censes; and we think it will serve no good purpose of any kind to affect to know, or to be able to guess, what will be declared to us by and by. It seems sufficient, therefore, to say that at the present time the population of the United States is considerably over 100 millions, and that now that peace is restored in Europe, and we hope that plenty of ships will in a very short time be traversing the seas prepared to carry emigrants from over-populated Europe to newer and more promising homes, we take it to be certain that the population of the United States will very soon now begin to grow again at an exceedingly rapid rate. It would have been necessary a few years ago to call attention to the prospects of Russia if we had dealt with this matter in the past. But now no man who has a desire to be considered a man of common sense will venture to predict what will become of Russia in the very early future. Europe is exhausted for the time by a disastrous war. And, with the single exception of Japan, there is no country outside of Europe in a position at the present time, at all events, to interfere seriously with our Dominions. The question, then, is, What will be the future of our Dominions, supposing that the recovery of Europe is slow as at present it seems likely to be; and supposing, further, that the only two really great Powers in a position to interfere with us and our Dominions are the United States and Japan. Japan, we take it, is about to renew the alliance with this country. And, as far as can be judged from the rapid growth of the United States, and its probable interests in the early future, Japan will feel, or, at all events, is likely to feel, that it will be wise on her part not to withdraw from the alliance with this country. On these suppositions, then, we would ask our readers to consider with us what dangers, or what promising features, our Dominions have now to look forward to, let us say, during the next quarter of a century.

The first thing to bear in mind is that, although the Dominions have attained a very respectable strength; although they have immense areas inviting settlers from the Old World; and although Britain has the greatest commercial navy in the world, the growth of our Dominions has been very slow. It may be objected that the growth of the United States was slow until that country separated itself from the United Kingdom. But to that Americans doubtless would reply that England, while she regarded the original thirteen colonies as mere colonies, desired to keep them really for markets for herself, and did not, therefore, take any active steps to encourage emigration. That was one, and a very strong, reason why, as soon as France was expelled from what is now Canada, the colonies began to think that it was time for them to start on their own account. During the 140 years or less that their independence has lasted, the United States have grown now to be, after China, India, and Russia, the greatest Power, looking at numbers alone, at present in the world; and if we include wealth, available resources for settlement, and prospects for new comers, few persons will dispute that, taking it altogether, the United States is more likely to grow rapidly than any other country of which we know anything. Therefore, we assume that during the next twenty years or so, the emigration from Europe to the United States will be on a very great scale; and, consequently, that in a quarter of a century also the United States will be, beyond all possible doubt, the mightiest Power upon the face of the earth. In connection with this statement, it is well to bear in mind that the United States is also a country of vast extent. Everybody who has travelled widely in the United States is aware of the surprise with which he first became acquainted with the extreme paucity of settlers in the agricultural districts. His first natural conclusion is that the population is practically all included in the big towns, and that the agricultural districts are neglected. Of course, that is an extravagant exaggeration of the facts. We only refer to the surprise with which the thoughtful observer first

is impressed by the paucity of population in the purely agricultural districts. It is, then, as certain as anything well can be, that the population of the United States during the century, one-third of which is now rapidly running out, will grow with a rapidity even greater than impressed Europe during last century. Furthermore, there is being gradually established in the United States a large agricultural population. The American people originally desired to attract immigrants mainly for agricultural purposes. But the commerce of the United States has grown with such wonderful speed that immense numbers of the new comers have become accustomed to work for wages; and, consequently, there is, if we add on the coloured people, a very large population in the United States which has no actual settled home in the country, and which is likely by and by to consider that, by some hocus-pocus or other, it has been jockeyed out of its real privileges. Suppose the white people who work for wages and the liberated slaves are added together and that there is a new rush from Europe during the next ten or twenty years, let us say, what will be the feeling of the unsettled population, and how will it affect the policy of the United States?

The people of the United States, even those who look with envy upon their greatness must admit, are not an aggressive people. They could, if they liked, make themselves masters of the whole continent. There is absolutely no Power in the continent to resist them. And yet, if we except Spain and Spanish colonists, they have been wonderfully forbearing with their neighbours. We assume, therefore, that the feeling of the settled portion of the United States will be against conquest, or rather against wars of conquest; and that, therefore, until the number of mere labourers is considerable, there is no danger, or at least there is little danger, of immediate war. But look at the new States that have been set free from Turkey, Russia, Austria-Hungary, and so on, and ask yourself how they are to provide for their future. Is it not likely that large numbers of them will emigrate? And is it not certain that those who wish to expedite the growth of population in the United States will provide the means for a new and surprising immigration? If that happens, what will be the result? Will the demand for the total absorption by the United States of the Panama Canal grow stronger and stronger? And will, therefore, a feeling of less favour than we have been accustomed to grow up between the United States and Europe? Again, it will be in the recollection of every reader who pays attention to American affairs that America and Canada were very likely indeed some little time ago to enter into an arrangement which practically would have made Canada more or less dependent upon the goodwill of the United States. Are the Canadian people now so enamoured of their present political condition that they would not, even if they could, enter into a similar arrangement? Or is it within the range of probabilities that we may see the next President of the United States renewing an offer which was very near being accepted only a few years ago? Lastly, suppose the United States grows weary of the continued disorder in Mexico, and annexes it, what is likely to be the result upon the general foreign policy of the country? Will it feel that, having added so large a territory, it would be wise to pause and make sure of winning over the Mexicans before entering upon new action? Or will the feeling grow up that, since Mexico has had to be annexed, it is extremely desirable that a large new European population should be introduced, and, therefore, that we shall see such a number of new immigrants as will surprise Europe on account of the extraordinary rapidity with which the population of the United States will grow? Of course, it is possible, as already said, that the annexation of Mexico may satisfy the country. But, on the other hand, it is equally possible that it may stimulate a desire for extending the Republic down at least to the Isthmus of Panama, so as to make sure that from the extreme north at least to the West Indies everything shall be American. This would be welcomed by those who desire great dependencies. And, although it does not seem in the present temper of the United States at all a likely result, it is yet by no means improbable, if once Mexico has to be annexed.

WAR DAMAGES IN THE NORD.

[From Our Special Commissioner.]

Lille: June 22, 1920.

Before the War the Département du Nord ranked after Paris as the richest and most populous of the French Departments. It extends for over 100 miles along the Belgian border, and owing to its position it fell an easy prey to the enemy's initial onset. The greater part of it was occupied when the Germans, subsequent to the retreat from Mons, crossed the frontier from Belgium. Its northern and southern extremities, around Dunkerque and Cambrai, continued, however, to be the theatre of a fierce struggle, and the damage so caused was aggravated by the extensive requisitions made by the enemy for military purposes behind his own lines. The bill for war losses in the Nord exceeds in magnitude that for any other Department. Each of its seven arrondissements suffered heavily, and many of its pre-War inhabitants are still scattered in various villages and towns in France. The present population is estimated at 1,800,000, as compared with 1,970,000 in 1914. Several prosperous manufacturing towns have been razed to the ground. Armentières, once a weaving centre with a population of 27,000, situated on the frontier in the neighbourhood of Ploegsteert Wood, is a complete wreck, and its citizens now number but 10,000. Bailleul, famous for its laces, has had its population reduced from 13,000 to 3,500. According to an official estimate 60,000 houses were wholly and 60,000 partially destroyed throughout the Department, and the total damage, including an estimate for war levies, caused to movable and unmovable property falls not far short of 350 millions sterling.

Various "Commissions Cantonales" have long been busy in the Nord assessing war losses, and up to the present, though numbering in all only 110, they have delivered decisions in over 70,000 cases. Calculations are made on the basis of 1914 values, and as there has been a material appreciation since then, the 1914 figure is multiplied by a coefficient which varies according to the character of the object damaged. The coefficient is not less than three; that allowed for dwelling-houses is four, which may be taken as the average, and as high as six is given under certain circumstances. If the claimant is not satisfied with the award made by the Commission Cantonale he is at liberty to appeal to a superior tribunal, and when accord has finally been reached on the question at issue 25% of the agreed sum is advanced by the State. This advance, though in theory payable immediately, is at times postponed for quite an appreciable interval. Thus, those whose property consisted more or less entirely of movables are not likely to receive such ready satisfaction of their demands as those claiming in respect of other losses. Industrialists who seek to set up their factories and resume production are favoured beyond others, especially when their establishments stand in need only of repairs. In practice, in almost every branch those who suffered total loss see their appeals for compensation shelved in favour of others more fortunately situated, as the principle that repairs must come before reconstruction is applied throughout. Such priority is defensible, as those who can most quickly and least expensively resume business should in the general interest be facilitated before others. But though expediency countenances such a course its injustice is obvious as it postpones relief to the greatest sufferers. For this reason alone help of any kind from the United Kingdom would be most

opportune at the moment, but to be effective it must be substantial.

After the first instalment of 25% is paid, subsequent payments depend on proof being afforded by the "sinistré" that he is making satisfactory use of the money. The question as to whether he should, as far as possible, restore what was lost, and in the place where it was lost, caused difficulties for a long time, but now a considerable amount of latitude is allowed. Care is taken that the future of the devastated area is not compromised by allowing all who receive compensation to spend it elsewhere, but at the same time it is recognised that many districts, where not actually uninhabitable, offer few of the amenities of life, and that former inhabitants should not be compelled against their will and better judgment to return. This working rule is applied generally in the Nord, and the advances so far made in respect of claims under different headings are shown in the following table:—

Département du Nord.

Compensation Paid for Property Destroyed, Damaged or Requisitioned.

	£
Advances to manufacturers and traders	55,4- . 00
Advances for repairs to unmovables	2?,700,000
Movables replaced or repaired	10,296,000
Repairs to mines	8,712,000
Advances on requisition bonds issued by the enemy	8,712,000
	112,860,000

The sum here shown is very large, and is in itself an indication of the very extensive damage inflicted on the Department. It does not, however, embrace all the aid so far given by the State, as advances in kind up to a value of about £40,000,000 have also been made. The total sum allowed to each individual may not in any event exceed three-fourths of the agreed amount of the damage. A margin of safety is necessary, as the valuation is arrived at in summary fashion to enable claims to be quickly disposed of, and there is a pardonable tendency on the part of persons affected to exaggerate their loss. Despite these and other difficulties, the progress made in the Nord is very gratifying, and there is every evidence of goodwill on the part of the Government and of eagerness on the part of the people to make up fully for the losses caused by the War.

At present upwards of 70% of the pre-War number of industrial establishments are reopened, but business is in many cases on a very restricted scale. Not only has the complete destruction of factory and plant in particular cases to be made good, but everywhere the old *personnel* has been decimated by the War or has settled down in other parts of the country. When the troubles of staffing are overcome and production is resumed, markets long since abandoned, and often snapped up in the interim by competitors, must be opened up again. Moreover, manufacturers returning to business after serving in the Army find conditions altogether changed, and their pre-War experience somewhat antiquated and of little value. To adjust themselves to the changed environment is a matter of no little difficulty, but the task has to be faced, and is being faced in the Nord to-day with a distinct measure of success.

THE RECOVERED PROVINCES.

(From Our Special Commissioner.)

Nancy: June 24, 1920.

The peace of buffer States and all border countries is proverbially liable to disturbance, especially when they are flanked by powerful and unscrupulous neighbours, and the troubled history of Alsace-Lorraine records many a struggle waged for its possession. Its strategic value as controlling the passage of the Upper and Middle Rhine was increased by its natural fertility and by the other economic resources of which it disposed. The return of these provinces, therefore, spells more than a mere military victory for France or than the fruition of a long-cherished political hope. French frontiers will, no doubt, be more secure as the great armed camps of Strasburg and Metz have passed from German control, and the natural boundary of the Rhine has been established, together with a 50-kilometre zone on its right bank, where no fort may be erected or military preparations undertaken. Nevertheless, the economic significance of the French triumph is equally important. The potash deposits of Alsace, the iron mines of Lorraine, and the coal mines of the same basin, are three possessions of cardinal importance, the proper use of which will bring France to the same rank as the foremost industrial countries in the world. The agricultural wealth of the provinces is also considerable, though only about 33% of the inhabitants are engaged on the land. Statistical returns show that the women occupied in farming exceed the men; but this is only a development of the normal tendency in France, where the women play a very prominent part in agriculture. From the point of view of numbers the new provinces add two millions to the French population at a time when it is sorely in need of recruitment, and bring in an additional area of 14,500 square kilometres.

The Alsatian potash deposits, which extend from Mulhouse northwards almost to Colmar, are claimed as the richest of their kind in the world. Prior to their discovery in 1904 in what is now the Department of Upper Alsace, the mines of Stassfurt in Saxony had a monopoly of the world's supply, and when effective exploitation commenced west of the Rhine in 1910 the output was limited in the interests of the Kali Syndicate, in which Saxon interests predominated. This Trust, with complete control of the Potash market, directed the new venture and imposed on it various limitations and crippling agreements which are now all a matter of history. A recent calculation, based on actual borings into the bed, puts the quantity of pure workable potassium in Alsace at 300 million tons, and the annual output attainable is estimated at one million tons. Before the War the amount raised in a year did not exceed fifty thousand tons, and accordingly a splendid possibility may now be exploited with great advantage by France. The consumption of potassium, which at the moment is urgently needed all over the world, is steadily growing, and France is the only country that can meet the world's wants. A powerful instrument is now placed in her hands for redressing her adverse trade balance, improving her exchanges, and increasing the productivity of her own agriculture.

The Lorraine deposits furnished three-fourths of the iron used by Germany, and their possession was a determining factor in enabling her to continue the War for such a long period. The ore bed extended through German Lorraine, French Lorraine and Luxembourg, and the output in 1912, an average year, was, for the different districts:—

District	Output of Iron Ore Tons
German Lorraine	21,[illegible],000
French Lorraine	17,300,000
Luxembourg	[illegible],000
	43,900,000

The big production on the German side of the border, to the west of Thionville and Metz, is noticeable, and intensive working was necessary, as the remainder of Germany produced only between seven and eight million tons of ore. As a consequence of this loss the German iron industry and the industries dependent on it are reduced practically to impotence, while France rises to the rank of first iron producer in Europe and second in the world, after the United States.

On the basis of pre-War figures the total French output of ore should surpass 40 million tons per annum, compared with a German production of only six million tons. The resources of the new field, though immense, are not inexhaustible, reaching over five thousand million tons, or sufficient to last more than a century and a quarter at the pre-War rate of

production. Lorraine ore is highly phosphoric, and the Thomas process is, therefore, largely employed. In 1913 the output in the German section of the field consisted of 3,870,000 tons of foundry iron and 2,800,000 tons of steel ingots. Steel rails, joists, sheets and plates were made in considerable quantities, and this large production, with the potentiality of further expansion, now passes to France.

The area of coal-bearing territory in the Sarre basin exceeds that in the Nord and Pas-de-Calais, and extends in all to 380,000 acres, with an extreme length of 43 miles and a breadth of 22 miles. The amount of coal raised in the Sarre district, including the Lorraine field, of which it is an extension, was 17 million tons in 1913. The opening up of areas not yet exploited and the sinking of new shafts would materially increase the volume of production, and the figure of 27 million tons reached by the Nord and the Pas-de-Calais may conceivably be attained. Not only will this be sufficient to feed the furnaces and iron-works and other industrial establishments of the district south of the Sarre as far as the Swiss frontier, but it should help to reduce French importations of coal, which have proved so costly since 1914. The dependence on foreign countries for coal, which France finds so ruinous at present, must be lessened. When supplies are scarce in Great Britain and the United States the exports are curtailed in the interests of home consumers, and France naturally suffers. Every Frenchman desires to end this undesirable condition of affairs, and, if not ended, it can at least be remedied by utilising the new sources of production now made available.

BOLIVIA.—II.

We discussed last week the political reasons which for more than a generation now have reduced the position of Bolivia to a state of almost economic and political helplessness. We discussed then the opportunity of recovery which is afforded to her by her new arrangement with Chili, assuming that it is duly confirmed, whereby she will obtain once more entrance to the Pacific over a territory, however small, which will be more or less her own. Bolivia has long been the sport of fortune. As a result of the ill-advised arrangement arrived at when the country threw off the Spanish yoke, her Government has never at any time been capable. She has been drawn into wars and into boundary disputes with which she had no real concern; and having championed a hopeless cause, or having been the tool of more astute people than those who directed her affairs, she has been reduced in size by practically one-half of the original territory which it was assumed would be the Republic of Bolivia when she emerged from the colonial status of Upper Peru. Nevertheless, her territory, as we explained last week, is enormous—more than ample to make her a great State provided her population grows, provided her natural resources are developed, and provided she seriously endeavours to obtain the sort of government which is suitable to the development of her people, suitable to their past, suitable to their present, and capable of moulding their future, as distinct from merely copying some other form of government because it happens to have been a success in some remote part of the world. Unfortunately, too many of the South American Governments have been modelled upon examples derived from sources wholly unsuited to the ethnical origin, the economic development, and the general environment of the people who have adopted them. Now, assuming that the arrangement with Chili is consummated, and Bolivia really makes a serious endeavour to take advantage of the great opportunities now offering all over South America as a result of the recent European war, she should develop rapidly. There is the demand for raw materials, the demand for food, and the demand for immigrants. On the emigrants side of their own countries, where war has left disaster which cannot be recovered from for a very long time. Others are anxious to live quietly and save the means whereby they can reconstruct their fortunes by trading overseas and by the development of the rich resources of what are called the new countries of the world. Both classes can affect.

Now, although Bolivia is, as we have said above, a good deal smaller than she was nearly a century ago, nevertheless, she is a very big country—a country so big, in fact, that her population, even if it was the most intelligent and highly trained in the world, would have a very great difficulty in developing the enormous resources lying to their hands. Bolivia, as we said a week ago, is two and a-half times the size of France. She depends for her existence upon a very few articles. Practically, she is known to the international markets of the world as one of the great sources of supply for tin ore. After Brazil—but, of course, a long way after—she is one of the principal sources of supply for raw rubber. She grows sugar, and she has grown a fair amount of sugar since the War—cane sugar of course. Like her neighbour, Ecuador, she grows some cocoa; and she exports some cocoa. She grows cotton; and apparently, from experiments which have been made, she is capable of growing a long-stapled silky cotton, which seems likely to hold its own against the product of the Nile Valley, or anywhere else. No one who has not made a careful study of the potentialities of these rich lands of South America has any real conception of what they are capable of doing. They could supply the world—that is the manufacturing and trading world, which in turn is capable of rendering services and providing those things which would enable it to deal on a sound economic basis with countries like South America, with food and raw materials in great abundance.

For the moment the unwillingness of the Governments recently engaged in war to abolish control boards, and to release their grip on trade, makes it exceedingly difficult for the natural play of buyer and seller and supply and demand to work on natural and sound economic lines. Until these controls are removed trade will never resume its natural activity. At present trade all over the world is hampered by restrictions which proved to be futile during the War, and are simply vexatious now. Two attempts to direct trade into various channels approved of by the various departments of the Allied Governments are frustrating trade and delaying economic recovery. One is, as we have said already, the unwillingness of the control boards to release control—a natural unwillingness, which we pointed out was bound to arise when these mischievous boards were originally appointed. Another is a philanthropic, while wholly mischievous, policy of attempting to feed and clothe the world in general on the principles of benevolence. New countries can supply food and raw materials to countries like England provided always they are able and willing to work steadily, and to supply certain commodities which these new countries require, like railway material and manufactures, and to render services which these countries are more able to render economically than are the new countries, which are so sparsely populated. But new countries cannot feed and clothe countries which are relatively in an indifferent state of development. The richest country in South America, and the most developed economically, would become bankrupt if it took, for example, Russia under her protection, and decided to feed the starving masses and play the good, benevolent Lady Bountiful to all and sundry who may require assistance throughout Eastern Europe, without the remotest prospect of receiving any sort of economic service in return. Philanthropy is excellent within prescribed limits. But it can only lead to further disaster when it is attempted to supply food and raw material in colossal amounts and for indefinite periods to populations

numerically far greater than those who are supplying them, and to countries which are in a similar state of economic development, only that they are more populated and their people are in an inferior rather than in a superior state of intelligence and general economic development.

To return to the question of Bolivia. Bolivia offers extraordinary opportunities to the great capitalist who will engage in opening up the vast resources, particularly of the interior, and she offers advantages to the very small capitalist who having, say, been demobilised from service in the recent War, desires an active life and requires, from the smallness of his capital, a very much higher rate of return than he could hope to get from any kind of investment here in Europe. Bolivia, it has to be remembered, is in its western area a country of high plateaus. This region is hardly suitable for European settlement at all. It is intensely cold; has an elevation of between eight and ten thousand feet; and the condition of those who live there is such that no European would care to emigrate to Bolivia. Bolivia is essentially a country for the great and small capitalist, a fact which is more or less true of all parts of South America. We have in South America, as we explained last week, as distinct from North America, a people who have been civilised probably as long as Europeans themselves, and were at the time of the conquest, except in the possession of munitions and training in the art of war, at least equal to their conquerors. We have pointed out again and again that the people of this very region we are talking of produced manufactured fabrics which evoked the greatest admiration at the Court of the Emperor Charles the Fifth. It is difficult to say what constitutes civilisation, but if skill in manufacture be a contributory factor—and, no doubt, the reader will admit that it is—they were at least equal to the European artists of their day.

Now the conditions under which the working population exist in Bolivia, as in so many South American countries, are such that it would not, and should not, attract the working populations of Europe. Going eastward from this plateau region there are rich and fertile valleys at an elevation of anything from 2,500 to 5,000 feet above sea-level. These are enclosed, partly, by the continuous folds of the Andean chain, bisected by ranges running at right angles. The result, it will be observed if we have made ourselves clear, is that, in a sense, these valleys are largely blocked up. That is to say, the transport difficulty is very considerable. But they are intensely fertile and rich lands, suitable for almost any kind of agricultural industry, and particularly, of course, every form of the plantation industry might attract the attention of the small capitalist. Labour, of course, would be a difficulty, but some of the richest land in the world is there to be had for a very modest price. Beyond that is the enormous area which stretches from the foothills of the Cordilleras right away to the Brazilian boundary. This vast territory, which forms the greater part by far of the area of Bolivia, only a small part of which is called the Yungas, but which term for convenience we may use to designate the whole, is all rich fertile land outside what for convenience we may be allowed to call the escarpment country. Now this vast territory has only been very imperfectly opened up. Probably the greatest service that could be rendered to this area would be by a great group of European or American capitalists, who would build a railway connecting the richest part of these areas with some important port of embarkation. At present, as we have said above, cotton and cocoa are grown there, and so is sugar, and all three of them of excellent quality. The sugar-cane seems to thrive there as well as anywhere in the world; and, of course, it is a very favourable country for cocoa. But it appears to be particularly satisfactory for the cotton planter. Why this particular area should produce cotton, especially a silky, long-stapled variety, we cannot tell. But it is clearly a case for the careful investigation of the agricultural chemist. We referred recently to a lecture given some years ago in London on the important influence of bacteria on the soil. Little as we know about the influence of bacteria on the soil of Middlesex, where we have lived all our lives, this ignorance, dark and deep as it is, is greatly surpassed when we come to study countries with whose agricultural potentialities neither European nor native is at all adequately acquainted. Until the beginning of the present century this very country of which we are writing was believed to be a white man's grave—a place to pack off the black sheep of the family in the sure and certain hope that he would never return. Now we know that this part of the world is as healthy as anywhere else, provided proper sanitary measures are taken. Until, of course, such measures are taken Eastern Bolivia will leave a good deal to be desired as a place of residence. Its very potentialities as a botanical paradise also make it a potential breeding-place for various forms of life injurious to both man and beast. These difficulties, however, can be overcome in Eastern Bolivia just as easily as they have been in the neighbourhood of Habana, on the Panama Canal, around Rio, Santos, and various other parts of the South American continent. Assuming that the arrangement with Chili is concluded, and Bolivia really makes up her mind to develop her natural resources, mineral and agricultural, there is no reason why her present population, which is only a little over 2½ millions, should not double in a very few years, and she should not be one of the richest, as she is naturally one of the most fertile, of all the countries on the South American continent.

VALENCIENNES.

[From Our Special Commissioner.]

Valenciennes, Nord: June 23, 1920.

Valenciennes, being the nucleus of an important industrial area, has been selected as the headquarters of the second sector for the industrial reconstruction of the North. It is one of those old, fortified towns that are especially numerous near the border, and being only ten miles from Belgium it contains a large proportion of Belgians, who have in the past been eagerly welcomed by employers as affording an abundant supply of cheap labour. Close to Valenciennes are Anzin, which boasts the largest collieries in France, and Trith St. Léger, with some of the largest iron-works. Farther away, and in separate arrondissements, are the important industrial towns of Cambrai and Douai, the former noted for its cotton, linen, and lace manufactures, and its sugar refineries, and the latter for its coal mines and iron foundries. The general task of reconstruction is being ably directed from Valenciennes, which suffered more than the other two towns, as the following table shows:—

Damage to Factories and Industrial Establishments, Second Sector.

Name of Arrondissement.	Number of Cases of Damage.
Valenciennes	2,502
Cambrai	1,400
Douai	1,098
Total	5,000

Valenciennes has suffered from both German and Allied artillery, and during the long period of occupation it lost much property through requisitioning. Moreover, at the time of the evacuation the Germans deliberately blew up many factories and crippled much industrial plant, and the damage so inflicted is said to have exceeded that arising from all other causes. In the Anzin commune the coal mines were wrecked, while in Cambrai and Douai the work of artillery and bombs was completed by incendiarism on a large scale. As may be imagined, the work of calculating the aggregate loss is, under such circumstances, surrounded with difficulties, especially as many of the injured people have not yet lodged their claims. According

to information kindly made available from official sources, the aggregate loss may be put at between 1 and 1¼ milliards of francs on the basis of 1914 values, involving a replacement cost of between five and six milliards. A figure of 200 millions sterling may seem an enormously exaggerated estimate to those who have not visited the district, the economic life of which was completely paralysed for a long time after the Armistice, and is now only beginning to revive. All estimates are, of course, subject to revision and may be ultimately reduced.

Up to April last the advances made to manufacturers for restoring and re-equipping their factories amounted to four million pounds. In addition, in order to tide those who had resumed business over initial difficulties, the Government have allowed to employers a grant of 400 francs per worker per month for a period not exceeding three months. Up to the present over 1½ million pounds have been advanced under the scheme, and the results have more than justified the measure of assistance given. Most of the factories in the district have resumed operations, though some are still working at only a tithe of their pre-War capacity, and will have to win their way back slowly and tediously to normal production. An indication of the extent to which work has been restarted is furnished by a census showing that the industrial workers in the three arrondissements are now at about three-fifths of their pre-War strength. Output is, however, not in the same proportion, as difficulties in regard to machinery and materials exercise a limiting effect. Engineering establishments are in the most forward state and internal-combustion engines, locomotives, agricultural machinery, and similar articles are now being turned out in fair quantities. Second from the point of view of reconstitution comes the brick-making industry, the great demand from the building trades having given it an unusual stimulus. There is, fortunately enough, an abundant supply of clay for the making of bricks in the Department of the Nord, and the various undertakings have, when necessary, been wisely afforded every encouragement by the Government. Small foundries and workshops for handling iron and other metals may be described as occupying third place on the list, and establishments of this kind will henceforth be in a position to give substantial help in the matter of minor repairs to industrial plant and machinery.

The glass-making and sugar-refining industries are probably the two most backward in the Valenciennes district. Not only was the destruction in their case more complete, but the difficulties surrounding their reconstruction are greater. The glass works were usually large establishments with big staffs and many expert advisers in technical matters. Owing to their complete demolition and the very high cost of rebuilding and operating grants are somewhat difficult to obtain. Besides, a chance is now being given to set up factories on altogether modern lines, and the opportunity is not going to be spoilt now by hasty or precipitate action with insufficient funds. The lay-out of a big works requires careful consideration, as glass-making is a difficult process. If the various plans at present under discussion are carried into effect the glass industry in France will eventually show a striking development.

Sugar factories have suffered more than any other from scarcity of raw materials, and this, combined with their presence in large numbers in the invaded zone, has been responsible for a fall in French sugar production from 970,000 tons in 1912-13 to 105,000 tons in 1918-19. The farmers must again undertake the sowing of beet before the industry can resume its wonted activity, and so far the crop has not been put down on an extensive scale. It requires considerable attention, involving much hand labour, and agricultural interests are more inclined to take up the cultivation of cereals, which are more easily grown and yield an equal profit. As beet is very bulky in proportion to its value long-distance transport is uneconomical, and accordingly the supplies required in France must be grown not only within the country, but in the immediate neighbourhood of the factories. The problem is, no doubt, one that will be solved when the price of beet finds its natural level and farmers are encouraged by higher prices to put in the crop.

This description of the condition of the chief industries in one of the principal French industrial areas may be closed by a table showing the industrial consumption of coal and coke per quarter in 1919 and 1920. On the whole the figures display an upward trend, which indicates a widespread resumption of activity, the quarterly consumption having increased manifold since the beginning of 1919:—

Consumption of Coal and Coke.
Industrial Establishments—Second Sector.

Year	Period	Coal Tons	Coke Tons	Total Tons
1919	Jan.-Mar.	1,590	45	1,635
1919	Apl.-June	20,000	1,040	21,040
1919	July-Sept.	93,000	3,500	96,900
1919	Oct.-Dec.	53,000	3,500	56,500
1920	Jan.-Mar.	79,100	4,000	83,100
1920	Apl.-June (estd.) ...	90,000	4,000	94,000

HINTS TO INVESTORS.

For a long period the stock markets in general have been wallowing in the quagmire of depression. Ignoring shares, the values of which have been temporarily enhanced by the appearance of good annual reports, the issue of bonus shares, or rumours of pending amalgamations or absorptions, the broad tendency of price movements has been downward. In special sections the stagnation or depression has been caused or aggravated by factors peculiar to that section. Thus mining shares boomed when the premium on gold began soaring to 50%, but were heavily marked down when the decline in the premium set in accompanied by a large increase in the working expenditure and in the cost of realisation. Similarly, the Rubber market was adversely affected by the cessation of the great American demand. Generally speaking, however, there were a variety of factors which influenced unfavourably all departments of the stock markets, and thus produced an almost universal depression. First came the fatal feeling of uncertainty—uncertainty as regards the immediate outlook for the belligerent nations weakened alike in blood and capital by the long duration of a world war. The financial situation in France and in Italy, as well as in the United Kingdom, assumed an exceptionally delicate character. Absence of remedies meant speedy disaster; drastic remedies were impossible in the weak condition of the patients. And a reasonable degree of certainty is a *sine qua non* for the genuine investor. Here this feeling of uncertainty was accentuated by the absence of any sound financial policy on the part of the Government. Increased rates of interest on Treasury bills, followed inevitably by rises in the Bank rate, were not calculated to generate confidence. Admittedly a 7% Bank rate has coincided with a decline in speculation; but it has also hampered genuine trade activities, and it is open to doubt whether the decline in speculation is not due in the main to the concerted action of the banks rather than to the rate of 7%. Neither can it be maintained that the Budget has been so framed as to secure or merit genuine approval. Protests against the inequity of the 60% excess profits duty are still being repeated *ad nauseam*. The amendments just announced are a step in the right direction; but they do not go far enough. As regards rubber companies, the main injustice still persists: no amendment is proposed to cover adequately the cases of the many companies which did not reach maturity in time to secure a reasonable datum line. Industrial securities in particular were handicapped by this increase in the tax. More fatal still in its influence over all departments of the market was the mooted levy on capital, which was

kept hanging for weeks like a sword of Damocles over the heads of the community. Added to this was the deterrent influence of strikes and rumours of strikes. Contented labour is no less essential than capital to lucrative production. These varied factors, in conjunction with the wild oscillation of many of the foreign exchanges and their reflex action on trade, were more than sufficient to dry up any genuine investment interest, and consequently share values dropped steadily.

Whilst it is difficult to assert categorically that the wave of depression has now reached its lowest depth, there is good reason to believe that, in many cases where no inherent weakness is perceptible, prices have gravelled, and that the upward movement cannot be unduly delayed. Obviously this is then the moment for the investor to purchase, and there are a variety of investments, depreciated through no fault of their own, that offer remunerative returns at existing price levels. It is proposed from time to time in these columns to make a selection from the principal departments of the stock markets and to point out to investors not merely the yields afforded by the different shares, but also the degree of financial security behind each class of share. In this way it is hoped to be able to assist investors in securing an adequate return for their money without incurring undue risks.

Gilt-edged securities have been no exception to the general rule. In common with other shares, they have developed weakness, notably with each rise in the Treasury bill rate and in the Bank rate. Consequently, for investors to whom security is the primary consideration, more than one share in this market offers very good yields at existing price levels. This week, for example, we desire to call attention to the Four per Cent. Funding Loan floated this time last year. At present the amount of this loan on the market exceeds £408,570,000. The loan, it will be remembered, was issued at the price of 80%. During 1919 the highest quotation on the market was 78⅞, whilst the lowest recorded was 74. Since the opening of the current year it fluctuated between a maximum of 76⅜ and a minimum of 66¼. At the present quotation of 69⅜ it returns a yield of £5 15*s.* 3*d.* per cent., and as long as the purchase price does not exceed 72$\frac{8}{11}$ it will afford a return of at least 5½%. The loan can be secured in convenient amounts in the form of Bearer bonds in denominations of £50, £100, £200, £500, £1,000 or £5,000. Where the stock or bonds are in the beneficial ownership of persons not domiciled nor ordinarily resident in the United Kingdom, the half-yearly interest will be paid without deduction of British income tax or other taxes, provided the coupons are accompanied with a declaration to this effect in a form prescribed by the Treasury. Furthermore, liability in respect of death duties can be discharged by tendering this loan, which will be accepted by the Inland Revenue Commissioners upon the basis of £80 cash for each £100 stock or bonds. This is a substantial consideration so long as the present low level of quotations persists. The loan is redeemable at par any time after May 1, 1960, on giving three months' notice in the *London Gazette*, but is to be definitely redeemed at par on May 1, 1990.

The depression in Home Rails has been very marked, with the result that exceptionally high yields can be obtained even from lines that are rightly regarded as the main arteries of the country. A good illustration is provided by the Great Western Railway Company. Taking into consideration the rather adverse circumstances of the War, the financial stability of this great main line is clearly reflected in the amount of its net income available for appropriation after meeting all the expenses of working the line. From £5,847,346 in 1915, the amount rose steadily to £6,400,802 in 1918; whilst for 1919, admittedly a difficult year, it was returned at £6,385,631. After meeting interest on loans and debenture stocks, rent and guaranteed interest on leased lines, dividends on guaranteed and Preference stocks, and allocating £200,000 to the Reserve Fund, the dividend paid on the Ordinary stock amounted to 7¼% for 1919. For 1918 the rate was the same, whilst for the critical years 1915 to 1917 a rate of 5¾% was paid. During 1919 the Ordinary stock fell as low as 82½ and was quoted as high as 93½. Since the opening of the current year the price has varied from 78¾ to 93½. At present the quotation is 79$\frac{3}{16}$, at which level, assuming a repetition of the 1919 dividend, this stock affords a yield of £9 2*s.* 3*d.* per cent. Moreover, a return of at least 9% can be secured so long as the price paid for the stock does not rise above 80$\frac{5}{9}$. It is well to bear in mind also that whilst working costs have been increased by the late additions to the wages of the railwaymen, recent and pending increases in railway rates and fares have been and are being so framed as to redress the balance between income and expenditure. Of course the Debenture stocks of this Company, with their prior claim on its profits, will present the more attractive investment to those who are prepared to sacrifice a certain amount of profit in return for the certainty of a fixed income. To investors of this description we would point out that at present the yields from the 4¼% and 4% Debenture stocks are the best. At the end of 1919 there was issued £15,278,014 of the 4% Debenture stock. Thus the annual sum required to meet the interest on this stock amounts to £611,121, or less than 10% of the net income for 1919. During 1919 this stock fluctuated between 72 and 84, and since the opening of the current year prices have ranged from 64 to 76. At the current quotation of 66 the yield from this stock reaches £6 1*s.* 2*d.* per cent., and at a price not exceeding 69⅜ will afford at least 5¾%. Of the 4¼% Debenture stock only a little over £1,000,000 has been issued. Consequently, only £42,904, or much less than 1% of the net income will cover the annual charge in respect of interest. In 1919 the price of this stock varied from 76⅛ to 86⅜. During the current year the lowest quotation has been 67½ and the highest 80. It is now quoted at 71, affording a return of £5 19*s.* 8*d.* per cent. Moreover, as long as the purchase price does not go above 73$\frac{15}{16}$ it will give a yield of 5¾% at least.

Industrial securities offer a varied range for choice. Attention has been very largely directed to the textile section, in view of the successful reports of the trading operations for 1919. In our issue of April 10 we analysed the accounts of the Bradford Dyers' Association, and referred to the promising outlook for the current year. Industrial securities, of course, are penalised by the incidence of the 60% excess profits duty now in force. It is upon the Ordinary shares that the brunt of the blow will fall. In this particular instance the dividend upon the Ordinary shares for 1919 was at the rate of 22½%, as compared with 17½% in 1918. During 1919 the Ordinary shares of £1 each were quoted as low at 37*s.* 6*d.* and as high as 60*s.* 3*d.*, whereas during the current year they have fluctuated between 47*s.* 6*d.* and 70*s.* 7½*d.* Quoted now at 47*s.* 3*d.* they afford a yield of £9 10*s.* 5*d.* per cent., assuming a continuance of the 1919 dividend. In view of the higher level of the excess profits duty, it is not wise to build on a larger dividend for 1920, though, of course, improved trading conditions may render an increase possible. Even at a dividend of 20% these shares would afford at the existing quotation a yield of £8 9*s.* 2*d.* per cent. To pay this 20% would only require £271,300, whereas since 1915 the net profit available for distribution amongst the Ordinary shareholders, after meeting all other charges, never fell below £292,254, and amounted to £468,192 in 1919. The 5% Cumulative Preference shares of £1 each are quoted at 16*s.* 10½*d.*, affording a yield of £5 18*s.* 6*d.* per cent. To meet this charge a sum of £125,000 is required annually. The net profit for 1919 amounted to £593,192, as compared with £457,795 in the difficult year 1918. Thus it is well secured. Better still is the security behind the 4% Debenture stock, the interest on which only amounts to £58,150. Quoted at 73¼, this stock gives a yield of £5 9*s.* 2*d.* per cent.

AMERICAN COTTON.

[From Our Special Correspondent.]

New Orleans: June 3, 1920.

The first Government Bureau report for the season 1920-21, showing the average condition as of date May 25, was issued yesterday, and proved to be an exceedingly "bullish" document. The condition figure of 62.4 is the lowest on record, and it is no exaggeration to say that there was not a single member of the New Orleans Cotton Exchange who expected such a low estimate of the condition. Of the numerous private estimates put forth in advance of the Bureau, there was only one that approximated the Bureau figures. This was a New York firm that came out with an estimate of 62.8, and gave the indicated yield on such a probable showing as 9,950,000 bales, using the Government's formula in estimating the probable yield of the crop. At the time these figures were put forth nobody in the trade took them seriously, and as other private estimates of the condition with much higher averages followed, the great majority of traders settled upon a condition of 65 as the most likely average that the Government Bureau would issue. The trade in general was stunned, therefore, when the Bureau came out with such low figures, and it was immediately realised that the market was in for an advance of some proportions.

The unfortunate part for the "bulls," however, was the fact that at the time the Government Bureau report was issued both our market and the New York market were closed. The Bureau report came out as per the regular schedule at 10 A.M., our time, but owing to a legislative situation that had arisen in Washington affecting the status of the contract being traded in, the New Orleans and the New York Cotton Exchanges had ordered the future business to be temporarily suspended until the matter at Washington had been legally straightened out. Hence the local market did not open until 11 A.M. on June 2, one hour after the Government Bureau report had been issued. By that time the "bullish" effect of the Bureau report had been toned down, and the market acted rather tamely, prices advancing only 90 to 100 points on the active trading months. Owing to the fact that a holiday was following in our market on June 3 (Confederate Decoration Day), the inclination of local traders who had bought cotton was to take profits rather than to take chances of the New York market breaking while this market was closed. All this tended to minimise the effect of the Bureau report, and held the market within bounds, although the effect of the Bureau report on market sentiment generally was marked.

Local fears as to the chances of the New York market breaking while we were closed to-day proved to be unfounded, as that market to-day advanced sharply in the face of disappointing Liverpool cables. An unfavourable weather map, with a forecast of further rains in the eastern half of the Belt, probably turned the tide of "bearish" sentiment, which has prevailed in that market for some time past owing to disturbed financial conditions. The change of sentiment taking place in the New York market was clearly reflected in the following telegram received from a prominent floor-broker in New York to-day:

"Market heavily short. Trade not buying enough to take market away from speculators, but crop conditions are not to be ignored, and with continued rains, fields getting into grass, scarcity of labour will bring cry and arouse sentiment of 'bullish' nature. Physical ability to chop out crop, &c., will count this year."

The advocates of lower prices are contending that since the date up to which the Government Bureau report covers, namely, May 25, crop conditions have improved. This may be partly true of the central and western portions of the Belt, but, judging from the private reports coming in, there has been little, if any improvement in the eastern half of the Belt. A reliable correspondent wired as follows from Tuscaloosa, Ala., yesterday:

"I cannot describe crop prospects from Greensboro, N.C., to Atlanta, Ga. Looks like May 1 instead of June 1. One-fifth up, but too small to judge. Balance planted and ploughed this section about the same. Boll weevil numerous, and unless hot and dry weather prevails from now until matured they will get the bottom crop. My opinion is that no one can judge prospects at present."

Boll weevil are reported numerous not only in the Atlantics, but also in parts of Texas. Some correspondents state that the boll weevil are not waiting for the forms to appear on the plant, but are eating out the bud. At any rate, the boll weevil pest presents a serious menace to the growing crop, and this condition may lead to another crop scare later on in the season.

SOUTH AND CENTRAL AMERICA.

BRAZIL'S FOREIGN TRADE.

We return once more to the official figures of the trade of Brazil during 1919 and compare them with various former years, to which we have referred twice already. The subject, as we said at the outset, is a sufficiently large one to occupy several articles. It is, indeed, so large in its various bearings—economic, political, and otherwise—both in its relations to Brazil herself and to foreign countries, as to occupy more space than we are able to afford it in these columns. We propose to-day to treat once more one further aspect of this great question. During 1919 the value of Brazil's exports exceeded 130 millions sterling. The principal source from which these exports were derived was naturally the central zone—that is to say, the State of Sao Paulo and the Federal territory, including, of course, the capital itself of Rio de Janeiro. The principal source of exports was, as it has always been, the State of Sao Paulo, the great coffee State, the product of which has always been one of the principal items on which the foreign trade of the United States of Brazil has depended. During a comparatively brief period the valley of the Amazon, or the State of Amazonas, as it is commonly called, approached and well-nigh exceeded coffee exports. It will be remembered at that time that the production of coffee was upon such an immense scale that there was a very serious fall in price, and that whereas the coffee per bag commanded 84*s*. in the international markets, it fell to 44*s*. towards the close of the first decade of the present century. Concurrently with this experience of the weakness in the coffee market there was an extraordinary demand for rubber. Whereas rubber had been, as it is at present, quite cheap, it rose for one brief period to 12*s*. 6*d*. per pound. Of course, the result was very similar to what we are now witnessing in the extravagant rise in the prices of various commodities at the present time. The greed, cost of production, or whatever phrase be acceptable, became so extravagant that it threatened to kill the goose which laid the golden eggs. The result, however, was that, while the world had depended for its supplies of raw rubber upon the State of Amazonas and the adjoining territory, measures were taken to produce rubber as a plantation industry, as distinct from collecting it as a wild product. As everybody now knows, more than two-thirds of the total product is grown on these plantations, the bulk of which are situated in the Far East. Rubber has fallen in price. The State of Amazonas has ceased to enjoy its monopoly as a producer of raw rubber, and, as a natural corollary, this item in the exports of Brazil has taken a comparatively insignificant place. Formerly coffee and raw rubber were the two great staples upon which the trade and prosperity of Brazil, taken as a whole, depended. But in these later days, while coffee holds its commanding position—in fact, a dangerously commanding position—in the economic well-being of Brazil's export trade, rubber, while still holding second place, finds that place disputed, and disputed almost to an equiva-

lent amount, by the State of Bahia, owing to the demand for its tobacco and its sugar. In these later days, moreover, the great State of Sao Paulo is no longer dependent to the extent that was formerly the case upon the coffee crop. It has become an exporter, and a large exporter, of meat. If we take the whole zone which is usually included in the State of Sao Paulo—that is, the coffee, northern cattle, and cotton zone—it will be found that an appreciable proportion of the increased value of those exports is due to the growth of the cattle trade and to the demand for cotton, owing to the difficulty of obtaining adequate supplies from the United States and elsewhere.

Before commenting on the growth of the cattle trade, which is one of the great features in the trade statistics of Brazil, we propose to point out the importance of the cotton industry in the various northern Atlantic States—that is to say, practically the whole area which is commonly included in the north-east portion of the United States of Brazil. Cotton, it will be remembered, grows wild in Brazil. It was found by the Paulistas cultivated, and we may say manufactured, in very early colonial times, and the identity of this plant with the Eastern product was established by the early Jesuit and Dominican missionaries. Cotton-growing in Brazil continued throughout the whole of the colonial period. It, in fact, has never died out. But the demand to which we have referred above has stimulated the growth to a very large extent. Cotton-growing, as we have said already, was practised from a very early period over a considerable area of Brazil, in Brazilian Guiana, in our own colony of British Guiana, and, of course, throughout our own islands of the West Indies. Subsequently, it was abandoned over a very large area of these regions, and particularly in our colonies. This came about owing to the fact that the southern of the United States of America adopted methods of cultivation which, in their then state of economic development, neither Brazil, the Guianas, nor the West Indies, were in a state to compete. The Southern States of America imported vast numbers of negro slaves. They perfected machinery for dealing with the crop and preparing the cotton for market. There was a comparatively large, white, highly-intelligent population capable of directing the industry; and, in the result, these particular States in North America proved themselves capable of supplying the then demands of the international markets of the world for cotton upon an economic scale which it was proved that none of their neighbours, and, for that matter, no other country in the world, was capable of competing upon the same economic basis. This does not mean that these particular States in North America had a natural monopoly which was unassailable. The Vuelta Abajo district in Cuba is commonly believed in the opinion of experts, to grow a particular leaf of tobacco for the purpose of making cigars which no other known region of the world produces of the same excellent quality. If this belief is well-founded, as the connoisseurs maintain, it is evident that this particular district of western Cuba enjoys a monopoly which no other place could hope successfully to assail. Owing to the extravagant duties now imposed upon imported cigars, prudent people may deem it inadvisable to smoke these rich and expensive brands. But that is simply to say that, for motives of prudence, and for motives of economy, people will not devote an undue proportion of their earnings to the purchase of extravagantly high-priced cigars. If, and when, the world recovers from its present period of poverty, wealth grows once more and taxation gradually is reduced, the demand for the choicest brands of cigars which can only be grown in a particular region will, of course, once more asesrt itself. This, however, is very far from being the case with cotton which is capable of being grown over a very extensive area. Although the point is disputed, many competent authorities hold that the present varieties of cotton grown over extensive areas of the West Indies, and elsewhere, came originally from Brazil. Some authorities maintain that the cotton plant, so far as the western world is concerned, was discovered in Peru. But this, again, is disputed. Whatever may be the truth, however, of the remote past, certain it is in these times that the cotton plant grows wild, and grows in profusion over very extensive areas of Brazil. Given, therefore, an adequate population, suitable machinery, sufficient capital, and highly-trained overseers, there seems no reasonable doubt that Brazil can, if she chooses, become one of the great sources of supply for raw cotton to meet the growing demands of the international markets of the world for this useful fabric.

We have entered somewhat fully into this explanation of the potentialities of the north-eastern area of Brazil, covering some hundreds of thousands of square miles capable of growing cotton because, as the reader is aware, it is highly important that our supplies of cotton should be increased, increased as rapidly as possible, and increased to such an extent that cotton will continue to be a useful article of clothing obtainable at a reasonable economic price which, apparently, under existing conditions, it is ceasing to be. Our own Cotton Growers' Association is doing excellent work with a view to increasing the supplies of cotton in various parts of the British Empire; and it is earnestly to be hoped that these efforts will be crowned with as large a measure of success as they themselves can desire. Even if it is, there is no reasonable probability that they will produce cotton upon such an enormous scale that they will be able to supply the whole needs of the civilised world. The United States which, for the reasons we have given above, was for nearly three generations the principal source of supply of cotton in the world, has, partly owing to increased demands from its own population, and partly due to other causes, apparently reached the limit when it is able to produce adequate supplies upon a reasonable economic basis.

The bulk of the cotton exports come through factories at Rio de Janeiro and Santos; but it should not be inferred from this that the cotton is necessarily grown in those regions. The cattle and cereal regions are Parana, Santa Catharina, Rio Grande do Sul, Matto Grosso, and the great State of Sao Paulo itself. We have said above that while, of course, coffee remains the predominant export of Sao Paulo, while, in fact, the prosperity of the State depends directly and indirectly upon the welfare or otherwise of the coffee crop, nevertheless, Sao Paulo is developing other important industries, and notably, has taken a leading part in the cattle trade. It was, in fact, owing to the development of the cattle trade in the State of Sao Paulo that Brazil was able to take such an important part as she has done in the trade to the extent of being able to export 60,000 tons of frozen meat during the period of the War, that Brazil owes her present position in that industry. It came about in this way: the late ex-President, Rodrigues Alves, who

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himself was, of course, a great coffee magnate, saw the importance of the chilled and frozen meat industry in a neighbouring country. Having been President of the Republic, and knowing the importance of the trade from an international point of view, he saw the opportunity which the War presented of developing the cattle industry in his own State. Having naturally great influence, and being himself very wealthy, he was able, with allied interests in the United States of America, who were better qualified than he was for dealing with the canning and distributing side, to found an important industry in that State. Having founded the industry, it was easy to draw for supplies upon States which had to a certain extent developed the breeding of cattle even to a larger extent than the ex-President had done in Sao Paulo; and thus Rio Grande do Sul and Santa Catharina have come forward as important sources of meat supply to the European markets. We would give a word of warning to our friends in Brazil with regard to this growing and, we hope in the future, great industry of the country. There is a feeling here in Europe that the preparation of Brazil's frozen meat for the market is not equal to what has been achieved in neighbouring countries. Of course, it has to be remembered that the industry owes its inception to the period of the great War. It was exceedingly difficult, and sometimes impossible, to obtain adequate and suitable machinery. It did not enjoy a period of profound peace extending throughout the life of a whole generation, with a rich country like England ready to finance every reasonable suggestion of improvement offered to it, and with abundant transportation facilities. The meat industry of Brazil has grown up, and grown up in spite of, and in the face of, exceedingly great difficulties. No fair-minded person who will study the facts will fail to see that it is far more surprising that Brazil has been able to send across the ocean such large quantities of meat as she has done during the last few years than that in some cases the meat has arrived in a condition which has not always been satisfactory to the authorities controlling the meat industry in London. Nevertheless, we desire to call attention to the fact. We believe our friends at the other side will appreciate our doing so, as we have every reason to believe that they are anxious to supply the European market with exactly the commodity that market desires to receive. It is the only sound principal upon which a lasting trade can be built up. Brazil has facilities for breeding cattle, if equalled, certainly not excelled by any other country in the world; and it is only a question of ascertaining what are the requirements of the markets they desire to supply and of obtaining as soon as they can obtain—and they cannot do the impossible—suitable machinery which will make it possible to send over for the present frozen, and later, we hope, chilled, meat in properly constructed vessels capable of doing the voyage in about 15 or 16 days.

According to a telegram received by the New Zealand Loan and Mercantile Agency Company, Limited, there have been further light to moderate general rains in Victoria, whilst scattered light rains have fallen in New South Wales and Southern Queensland.

BANQUE NATIONALE DE CREDIT.—The report for the past year of this institution, which has a capital of 200 million francs, 25% of which is paid up, shows a profit of 14,357,168 francs. Five per cent. is set aside to the legal reserve, and the war profit tax payable to the Government brings the amount down to 9,418,070 francs. Adding the amount brought forward from the previous year there is a sum of 11,041,544 francs. Of this a 4% dividend absorbs two million francs; 1,650,000 francs goes to the founders' shares; 741,807 francs goes to the directors; a further dividend of 10%, making 14% for the year, against 12% in the previous year, absorbs another five millions, leaving 1,649,737 francs to be carried forward.

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Financial Notes.

MR. W. H. HUTCHISON's speech at the Labour Conference at Scarborough on Tuesday covered the ground very fully. Some of our contemporaries find fault with the quickness with which the gentleman spoke, and also with the fact that copies of the speech had not been prepared. The latter fact, however, seems to be due to a refusal on the part of the Typographical Association to comply with the request. No doubt a full report will be published. Meantime, although such report as we have received is less satisfactory than we should like, we are glad to be able to compliment Mr. Hutchinson on the tone and spirit of his statement. Regarding the quarrel with employers, we do not attach quite as much importance to what he said as we sometimes see given to it. There is just now a struggle going on between the two great parties which together supply the public with the things which they require. Each one desires to have as much power as possible, and each one, therefore, while the struggle is going on, is perhaps naturally disposed to assign to the conflict greater importance than really belongs to it.

In the long run, however, there must be capitalists of some kind. Whether they are to be men actually engaged in the production of goods the world requires, or whether they are to be some kind of banking association, it is quite clear that the actual working trades unionists can never own and dispose of all the capital that is required. Every day in our present time we hear of new inventions, or at all events what are believed to be new inventions. And as invention follows invention, and the outturn of human creations increases, it is manifest that the amount of capital required in business will grow enormously. We wish employers and employed would recognise the fact; would see that quarrelling will do neither of them any real good; and will come to the conclusion that the real interest of the whole of humanity is that an arrangement should be made between employers and employed which shall be fair to both parties. Meanwhile, we do not mean to find fault with Mr. Hutchinson's speech. On the contrary, we regret that we have not it before us in full, and that we cannot give it the attention which it seems to us to be worthy of.

At present the news from India is that the growing wheat crop there will very largely exceed that of twelve months ago. The estimate is so large, indeed, as about 10 million tons this year, against no more than 7½ million tons twelve months ago. We sincerely hope that the estimate will be verified, for the world is badly supplied at present, and altogether it does not look as if the harvests in Europe this year would turn out very satisfactorily, while our early reports from the United States were anything but favourable.

Both the United States and Japan seem to be actively exerting themselves to win the first place in the foreign trade of China, and, if the current rumours

are to be believed, the competition has excited some feeling on both sides. Our readers, however, must not attach too much importance to this kind of rumour. The business men, both of the United States and of Japan, are extremely active and persistent, and it can well be understood that each is as eager as possible to outwit the other. But it is very unusual for nations to quarrel, or even to harbour hostile feelings, simply because their competitors are quite as clever, and sometimes possibly cleverer, than themselves. We of this Journal do not, therefore, attach very much importance to these rumours of feeling. At the same time, our business is to report information that may be of value to our readers; and we can have no doubt, from what we hear, that the competition is exceedingly keen, and that on both sides there is so much eagerness to win that it can well be believed that individuals, at all events, are apt to lose their tempers.

The recent sharp fall in the price of silver has, we learn on the best authority, depressed the Cotton-yarn market in Japan, the quotation eventually going below 300 yen. Selling orders in the Stock market still continue, all shares experiencing a gradual fall, particularly cotton-spinning and sugar shares. The price of rice has fallen to 27 yen 40 sen, corresponding to about half the highest price ever attained previously, owing to the prevalence of a "bear" mood influenced by the selling out of stock. It is expected that silk producers will possibly shorten the working hours of factories in the near future. There are many inquiries from abroad, and a quantity of silk was absorbed recently in this way. These circumstances caused a recovery of the Silk market. Money was rather easy in tone in spite of the beginning of the seasonal demands for the buying of cocoons.

At their meeting on Thursday the Bank of England directors made no change in their official rate of discount. On the whole the Bank return is stronger than it has been recently. Moreover, a certain amount of floating debt has been paid off; and, lastly, the market feels more comfortable because there is a reduction in not merely the Bank of England, but in the Treasury, note issue. It should be borne in mind, however, that we are just now approaching the period when there will necessarily be a great demand for currency more or less everywhere in connection with the holidays, and in connection with the moving of the crops more or less all over the Northern Hemisphere, which will shortly begin, from the hay harvest, which has already commenced in different parts of Europe, to the harvesting of cereals in the extreme north of Europe in the late months of the autumn.

It has to be remembered, on the other hand, that there is a decided slackening in the prices of wholesale commodities, and clear indications that the demand upon the part of the general public is decreasing, and decreasing rapidly. The present ratio of extravagant values seems about to be coming to an end. While not merely our own, but all the belligerent Governments, were purchasing without any regard to economic values, of course it was possible for the public to spend extravagantly too. The result has been that between them they have driven prices to such an extravagant level that there has ceased to be any real relation between money values and commodity values. Economists, bankers, and great financiers have called the attention of the Government to the gravity of the position, and it must be admitted in all fairness that, after a period of what we can only describe as economic debauchery, the various Governments are seriously taking measures in the hope of restoring the credit of the various countries. And those measures, we are equally bound to admit, have met with a partial measure of success.

It may be worth while to recall that there is no such thing in any country in the world at present as what we should call a practical Government. Every Government is, in its turn, governed by considerations which are regarded as wholly superior to those which would govern, say, the board of a public company in coming to a decision upon any practical question. Hence, Governments as constituted in any part of the world at the present time are not themselves free agents. Fortunately, it happens that the extravagant rise in prices, the difficulty of obtaining commodities, and, indeed, the continued shortage of a large number of commodities have forced it upon the attention even of those who have hardly any economic knowledge, or even if they have any economic knowledge, subordinate that knowledge to other considerations, that credit should be restored and production increased. The Government, while fixing a maximum for the note issue, has wisely come to the conclusion that international prices and the yield of crops in the Northern and Southern Hemispheres do not depend upon the number of Treasury notes issued by the banks, or authorised in Whitehall. Consequently, if it be necessary for a short period of time in the coming months to issue more Treasury notes there can be no reasonable doubt that the banks will do so; but it is to be hoped that measures will be taken to reduce the expenditure to the least possible limit consistent with our safety, and, above all, to overhaul the extravagant expenditure of those new departments which have so recently been created, and in whose efficiency the public have so little confidence.

It must have struck readers interested in Chili and having the necessary knowledge to watch the movements of exchange between Chili and England that there are manifestly some influences at work which should be the subject of inquiry between our own Government and that of the Chilian Republic. Chili, as our readers are aware, has done exceedingly well during the past few years, largely as a result of the recent War. Her principal product for export is nitrate. There was an extraordinary demand for this for the making of high explosives and for the purposes of the hospitals. Hence Chili did an extraordinary business throughout the whole period of the War. When the War ended a new arrangement was come to, whereby Chili has sold enormous quantities at various intervals, and between those intervals very few transactions in Chilian nitrate take place. Now it happens that the wildest fluctuations take place in the Chilian exchange just at the time when Chili is doing comparatively little international business. Manifestly this is the result of speculation.

The economic position of Chili with regard to ourselves and with regard to Europe generally, but particularly with regard to ourselves, is that she has accumulated an enormous balance of trade in her favour. Instead, as would appear from the movements in exchange, of having bought extravagantly and having had very little to sell, she has, in fact, steadily year after year since the very beginning of the War been accumulating an immense trade balance, which she is wisely using for the purpose of developing Chili, a subject with which we hope to deal shortly. Meanwhile, it is important to point out that the movements in the Chilian exchange have no real reference to the sales of nitrate on the part of Chili, or to her imports of commodities from Europe. If they are not due to speculation, and to speculation of a very undesirable kind, it is exceedingly difficult to trace their origin.

At the beginning of October of last year the total paper money in circulation in Chili was only 263,109,000 paper dollars—that is to say, the circulation, considering the magnitude of Chili's trade, is in reality very small. Of this more than 52¼ million dollars represented paper issued by the Government against gold deposited with certain Chilian banks. If

we deduct this, as it is only reasonable that we should, the total issue at the date specified was only a little over 150 million dollars. Assuming this amount, as we may, as the present circulation, it would only require about 11 millions sterling to convert this issue into gold pesos of eighteen pence. At the present rate of exchange Chili could, if she desired, convert her paper into gold and still have a surplus reserve.

We publish in another column a full report of the meeting of Messrs. Brunner, Mond and Company, Limited, which was held during the week in Liverpool, Mr. Roscoe Brunner, the Chairman of the Company, presiding. It will be seen that this great chemical concern has again had a remarkably prosperous year. It will be observed that a resolution was moved authorising the directors to distribute £100,000 to such universities, or other institutions in the United Kingdom as they may select for the furtherance of scientific education and research. The proposal met with such a considerable measure of hostility on the part of the shareholders present that the presiding Chairman decided to withdraw it. In the circumstances, no doubt, the Chairman was right. But in doing so he expressed his extreme disapproval of the opposition which the propcsal had encountered.

It is exceedingly difficult to understand upon what grounds the shareholders opposed a resolution for the purpose of encouraging research in connection with their own business, provided that the oppositon was directed against the principle. Messrs. Brunner Mond's business is really the result of research applied to practical objects. It should, one would think, be evident that the present large measure of prosperity which the Company enjoys cannot be indefinitely maintained, except as a result of research, either through its own initiative or by adapting to practical ends the results of the study of others. It will be remembered that we entirely lost the chemical industry in the period that preceded the outbreak of the recent War because our traders and manufacturers did precisely what the shareholders of Brunner Mond have just done, and declined to spend money upon research.

The fact that chemical dye substances could be extracted from coal tar was originally discovered by an Englishman. At the time of the discovery England enjoyed such a preponderating position in the trade and manufactures of the world, and in the dye trade amongst others, that she could have secured a virtual monopoly lasting, at any rate, for a considerable time. Her traders and manufacturers declined, however, to furnish the means whereby the new discovery could be sufficiently studied to admit of its being applied to practical ends. In Germany there was a rapidly growing population which was exceedingly anxious to find new openings for trade, and new means whereby they could earn a livelihood. It was evident that, with her great wealth and accumulated experience, it would be hardly practicable to start in competition with England in the great established trades of the world. If, however, England refused to develop the new discovery of the practicability of obtaining chemical dyes from coal tar, Germany or anybody else who had sufficient industry and enterprise was open to study the subject and to ascertain if and by what means the discovery could be turned to practical ends, with the result with which the whole world is now acquainted, as it is notorious that at the time of the outbreak of the recent War Germany enjoyed what amounted to a practical monopoly of the manufacture of these dye substances.

We are glad to see that there are prospects of the Rothamsted Experimental Stations being extended. There can be no reasonable doubt that we now have not merely the intelligence which apparently our ancestors possessed to as large a degree as we do, but we have the facilities and the accumulated knowledge which they did not possess, which should enable us to really increase our practical knowledge of the potential growing-power of the various parts of the earth. Only quite recently has Byron's dictum been realised that every foot of soil on which we tread once breathed—not only once breathed, but is breathing now. It is full of living matter, in the form of minute species estimated to be many times more numerous than the total human population of the globe. That the productivity of our farms, from Essex to Northumberland, could be greatly increased no scientific agriculturalist who has made any study of the subject doubts. England, moreover, is merely the centre, and a very small centre, of a great Empire extending over 13,000,000 square miles, a large part of which is situated in the tropics. Now if our knowledge of Essex, and whether any particular field could grow 10 bushels to the acre, or 100, is very limited, our notions of the potentialities of our tropical possessions is still less. There is a fruitful field for study which ought to yield practical results within a reasonable time as to the potentialities of growth in our own islands and the potentialities of growth in the more distant possessions of the Empire.

SOUTHERN IRELAND AND INDUSTRIAL DEVELOPMENT.

The future course of industrial development in the south of Ireland will be determined primarily by the people immediately concerned. This statement may savour of a truism, and, by way of explanation, it is necessary to add that the inclination to look for outside initiative and capital is still a strong characteristic of certain sections. Justification for this tendency lies in the unsympathetic attitude of the Government of the country and the miserable conditions of land tenure which subsisted up to a comparatively recent date, but have now, happily, been largely abolished. The mutual suspicion of Government and people, by drowning industrial energy in a sea of political unrest, has prevented that full and free co-operation which brought prosperity and success to such small Continental States as Denmark and Holland. No effective remedy for this situation is, however, in sight, and the Irish people have to make the best of things as they are. Under prevailing conditions, we repeat, it is not wise to look to outside capital and enterprise for the exploitation of Irish resources. Most countries endeavouring to make good the ravages caused by war now find close at hand adequate employment for these indispensable aids to production and are little disposed to look for other outlets.

To those who look forward to the establishment of new industries in Ireland and the extension of old there is ample ground for hope in the fact that the position of the farming community has immensely improved within recent years. The transformation of the agricultural industry wrought by the twin agencies of the Land Purchase Acts and Co-operation have introduced an independent spirit, which is manifesting itself both politically and economically. In the latter sense the growth of this spirit has been strikingly evident since the formation of the Farmers' Union, now numbering nearly 100,000 members, with which are linked up the numerous Farmers' Associations throughout the country. Projects for erecting, with the farmers' own capital, a slaughter-house at Waterford, thus embarking on the dead-meat trade, and developing on a large scale the manufacture of fertilisers at Arklow, have already been approved of, and the preliminary steps as regards the former, at any rate, are well under way. The likelihood of success attaching to this venture may be gathered from the following extract from a report made by the American Consul at Queenstown some years ago as to openings

in the south of Ireland for American capital. "There is an opportunity for a slaughter-house and meat-packing industry in this district. There are probably few openings for American capital and enterprise outside of the United States that have as many apparent attractive features as this. Large numbers of cattle are shipped to England, where they are finished partly by grass—the English grass is claimed to have greater fattening qualities than that of Ireland—but mainly by maize and other foodstuffs that could be just as cheaply procured in Ireland. The natural place to kill these animals is in Ireland, just as the Irish swine are killed and worked up here. Cork is the centre of the Irish cattle country. The American packing companies, or any Irish-American who understands the packing industry, would do well to look over the field here immediately. Not a little Irish capital could be secured to supplement American capital if the matter were properly taken up. . . . Such an industry would aid the export situation by supplying a large quantity of hides for the American market." Displaying very good sense, the southern farmers have decided not to await the arrival of American capital but to venture boldly their own. Waterford will be utilised by them for the slaughtering of cattle, cold storage, and the disposal of by-products. The opening up of an export trade in dressed meat from Cork to replace the present trade in live-stock has been contemplated for some years, but local jealousies have prevented the fruition of the schemes put forward. Assuming that the Waterford factory does not propose to engage in all the industries usually founded on the offal, an opening might be found in Cork for such manufactures as glue and horn combs. The hides, bones and fat would serve from the convenience of the source of supply to promote the extension of the tanning, artificial manure, margarine, soap, candle and glycerine works already established in the city.

Taking into consideration the various arguments advanced in respect of the opportunities afforded by certain localities in southern Ireland for industrial development, we are inclined to assess the claims of Cork, the chief port on the southern coast, at a high value. The absence of local coal supplies has not hindered the growth of industry in certain localities in Northern France, nor has it been allowed to interfere with the plans of the British and American companies which have lately opened up branch establishments in the city. A close parallel is also found in Belfast, which is compelled to import the needed coal and iron. Relating to the future, we must also bear in mind that the exploitation of the Slieveardagh coalfield in Tipperary, a short distance from Cork, throws up a prospect of a cheaper and more regular supply of the mineral. For the importation of raw materials Cork possesses many advantages conferred on it by its splendid harbour and by a position which facilitates communication with Great Britain on the one hand, and America and the Continent on the other. Furthermore, some of these raw materials will be procurable in future at lower rates owing to the notable expansion, lately recorded, in the direct shipping connection with the United States and the Continent. Of Queenstown, at the mouth of Cork Harbour and well known as a port of call for Transatlantic lines, a competent English harbour engineer has said: "There are very few, if any, harbours that are superior to Queenstown in offering accommodation for the very largest class of steamer afloat at all states of the tide." Following the course of the harbour into the city numerous sites within easy access of deep water are on offer. An export trade in manufactured articles is thereby encouraged, and the land transit facilities, which provide ready connection with the most important markets in Southern Ireland, can be utilised in supplying the home market. Concrete advantage can be reaped from these assets if the urban and rural communities can be induced to furnish the necessary supply of capital. A glance at the figures relating to the deposit accounts of the Irish banks would engender the belief that they are in a position to do so. Formerly from the farmers but little could be expected in this connection, but in view of the new spirit animating them it is permissible to think that their inclinations would now lead them to aid, in a monetary sense, any well-thought-out scheme. Capital resources, however, no matter how abundant, will remain idle unless the spirit of enterprise is shown, and it remains for local *entrepreneurs* to give a lead.

The extension of the margarine industry holds out attractions. On the Netherlands we rely mainly for our supplies of this commodity, the import from that country for 1919 amounting to 458,148 cwt., valued at £2,223,017. Most of the raw materials, especially vegetable oils and fats, are obtained through the United Kingdom; hence the South of Ireland should not be unfavourably situated for its manufacture. The experience of Cork and Waterford has already shown this to be the case. The supplies of animal fat already procurable in these localities would be enlarged by the establishment of a dead-meat trade. For the extraction of oil from seeds a seed-crushing plant would be desirable; the residue could be used for the manufacture of cattle food. The production of casein, a constituent of milk, employed largely in the manufacture of health foods and for other purposes, could be taken up by the creameries. In addition to these there is quite a list of industries the promotion of which would be strengthened by the fact that they draw their chief raw materials from the locality. Under this description might be included cement, industrial alcohol, malt extract, fish oil, paper, biscuits, and peat-moss litter.

AUSTRALIAN WOOL CONTROL.

In an article published on April 17 we gave full details of a very ambitious Australian scheme to control the sale of the 1920-21 clip, which will be the first year's supply since 1916-17 not purchased by the Imperial Government. Our readers will remember that it was proposed to form a private "Wool Council" of growers and brokers, the intention of which was to dictate wool prices to the whole world. It was suggested that this Wool Council should control the sale of wool by auction in Australia at fixed minimum prices, and that no grower or broker should be permitted to export wool without having first offered it for sale in Australia under the control of the Council. A ballot of all wool-growers was to be taken, and, if a majority of 75% were obtained, legislation would be requested to make the scheme compulsory for all.

The ballot was taken in April, 56,000 voting papers being issued. At the beginning of May it was announced that only 26,000 papers had been returned, and that slightly less than 75% of these were in favour of the scheme. In the circumstances it is not sur-

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prising that the "Wool Council" did not feel justified in proceeding with the matter, and thus ended the first serious attempt to regulate the Australian wool market after the removal of Government control on June 30 of this year.

The events which followed the abandonment of this scheme clearly demonstrate the mental attitude of what, we fear, is a large section of the Australian sheep farmers. The circumstances under which the Imperial Government purchased the wool clips of Australia and New Zealand have been related in these columns on several occasions, and are thus already familiar to our readers. There is no doubt whatever that the Government rescued the Australian farmer from a very embarrassing position, and that, on the whole, Government control has been a very good thing for the wool-growers on the other side of the world. We do not propose to repeat the arguments in support of this statement because it is unlikely that any fair-minded person acquainted with the facts will dispute our assertion. The present feeling of the Australian farmer towards the British Government is mainly caused by two circumstances:

In the first place, Australia made a bargain with our Government in 1918 to sell wool for the period of the War and one wool year afterwards at prices then considered very satisfactory, and it was provided that any profit on the sale of wool for civilian trade should be divided equally between the British Treasury and the Australian farmers. Now, the actual profits upon the sale of this Government wool since the London sales reopened in April of last year have been enormous, and the Australian grower is very annoyed that one-half of this sum will be retained by the Government. Many of the farmers seem to consider that they have been robbed, first, by their own Government in making such a bad bargain, and, secondly, by the British Government, which is appropriating one-half of the profits, the whole of which belong to the farmers. These men forget that not a single dissentient voice was heard in Australia when the Commonwealth Government made the agreement with the United Kingdom, and that the transaction was generally hailed as a very good piece of business. It also seems to be overlooked that the Imperial Government were relieving Australia of the very big risk attendant upon the marketing of their wools during the one or two years following the Armistice. The shouldering of this risk must be paid for, and the Australian farmers should regard the payments to the British Treasury as what they really are, namely, insurance premiums against the severe losses, even bankruptcy, which many of them feared two years ago.

The second point contributing to the present discontent of the wool-growers is the fact that they have been unable to persuade our Government to hand over any of the profits made, or even to furnish an account of the position to date. The Ministry of Munitions have consistently declined to part with any wool profits either to Australia or to the British Treasury until the whole transaction is complete. The Ministry still holds something like 1,500,000 bales, and a large proportion of this material is of a type which simply cannot be sold at any price to-day, and a further large quantity will probably realise only sufficient to cover purchase price and expenses. The values of the finer wools have fallen heavily, and, taking all the circumstances together, the Ministry are very wise in refusing to attempt to balance the account at present. The farmers must also remember that they have received immediate cash payment for the whole of this huge unsaleable stock, whereas, under normal conditions, the loss would have been borne by them. We agree that it should be possible to give Australia some better and more up-to-date figures than those recently supplied as to the manner in which the disposal has been handled by the Ministry of Munitions, but it is little use expecting a financial statement from a Government Department until at least a year after the proper time. The agitation in the minds of the Australian wool-growers is, therefore, produced by a mistaken sense of harsh treatment from the Imperial Government. When reading lists of London wool prices they overlook the fact that these extreme values are largely due to the manner in which the disposal has been handled by the British Government, and they conveniently forget the large surplus of wool, accumulated during the War, which still remains to be liquidated. This surplus material is not, however, overlooked when the future prospects are being considered, and upon its existence is based the attempt to find a means for "regulating" prices. When the Wool Council scheme was abandoned the situation was such that Mr. W. M. Hughes, the Commonwealth Prime Minister, produced a new scheme intended to serve the same purpose. Mr. Hughes proposes that no sale or export of the "free" 1920-21 clip shall be allowed before October 1 next, and that auctions of Australian wool in London shall be prohibited between October 1, 1920, and May 1, 1921, the intention being to allow the free disposal of the new clip in Australia in the interval. Coupled with this scheme was a proposal that £10,000,000 should be paid on account of wool profits to the Commonwealth Government, who would apply the sum in reduction of their indebtedness to the United Kingdom and issue bonds for the same amount to the growers. This scheme was adopted at a conference of growers and brokers, but it is not clear whether this acceptance covers the financial proposal. It remains to secure the agreement of the Imperial Government, and, judging from the announcements of the Ministry of Munitions, this approval will not be forthcoming to the scheme as it stands. The principal objection is that to stop sales in this country at the end of September and to open them concurrently in Australia would break the continuity of supply, so essential to the industry, and create an artificial scarcity, which could not be tolerated.

One feature of the whole matter, which stands out in sharp contrast to the feverish anxiety of the Australian growers, is the calm unconcern of the British wool merchants and manufacturers. The comparative silence of the home trade must not, however, be attributed to ignorance of the course of events, but rather to the security of position enjoyed by sound business men, who are in close touch with every movement and whose plans are ready for dealing with any eventuality. It is probable that the extravagant control schemes prepared in Australia will be dropped and that a saner plan of sharing shipping facilities and sale accommodation with the Imperial Government will be the ultimate solution.

IRISH INDUSTRIAL COMMISSION. EVIDENCE.—XIX.

WATER-POWER.

In the opinion of Professor Walsh, M.I.C.E.I., it was most important that all data in respect to water-power mills, now derelict, should be collected as soon as possible. Present high prices of labour and material tend to make the full development of a hitherto unused water-power very expensive, and often a risky undertaking commercially. On the other hand, at many of the old mills the dams and buildings exist ready-made, and all that is required is the installation of modern turbines, which, in many cases, may be placed in the old pits. He had come across several instances in practice of very cheap adaptations of old mills for modern purposes. Under the circumstances he suggested the propriety of collecting at an early date particulars, under the following heads, of idle water-power mills—(1) transit facilities; (2) condition of dams, head and tail races and buildings; (3) details relating to existing wheels or turbines, gearing, &c.; (4) power available; (5) information as to water-rights, rents, &c.

The possibility of utilising producer-gas plants, operating on peat, as economic auxiliary sources of power in connection with water-power plant in certain districts is worth investigating. Many of our good water-power sites occur in peat districts; for example, there are fairly extensive peat bogs near several of the sites in South Kerry. In very dry seasons rivers would be low, but, in compensation, the drying of large quantities of peat would be facilitated. In wet years comparatively little peat could be dried, but the rivers would be high and but small demands would be made on the gas engine.

The cost of developing a small water-power site in country districts, especially in mountain valleys where the population is concentrated close to the river, may depend largly on the amount of the claims to be paid in respect of compensation. In some instances these may appear so high in comparison with the value of the power available as to render the cost of development prohibitive for any individual or private company. But if the inhabitants of the district combine to develop the site on co-operative lines compensation claims might not arise at all, or else be moderate, and the cost of development would be low.

It is important that the large loss of power that occurs, under more or less average conditions, in hydro-electric development and transmission should be fully appreciated when considering the possible methods of utilising water-power. Another point to remember is that a large water-power can generally be developed at a much lower cost per horse-power than a small water-power, assuming the existence of similar conditions. These and other factors make it uneconomical to transmit small powers—say, less than 500 h.-p.—any great distance. Most of the sites so far described come under this category, the small amount of the powers available prohibiting transmission to towns. If their development is to be proceeded with the powers available must be used in factories either at, or very close to, the sites. The question immediately arises—What industries can be established in these districts, especially in those which are at present regarded as remote? The answer to this question must be regarded as the key to the situation. He had not been able to answer it, nor had he met anybody who could. It was, therefore, well worthy of the attention of the Commission.

Witness referred to the difficulty of inducing people to invest money in schemes for water-power development. There is always the trouble about low-water periods, when the water-power runs very low; and then the danger of an unexpected flow destroying all the work of construction has to be considered. But eventually everything turns upon the question of the establishment of suitable industries. In certain districts woollen mills may be relied on to make use of some powers, but where one comes to a power—250 h.-p.—such as that at Morley's Bridge, in County Kerry, an isolated area, where there is no industrial development, the problem is difficult to solve. He agreed that it was essential to the progress of the inquiry that an accurate survey should be undertaken which would cover (*a*) the power now in use from all sources; (*b*) the power likely to be demanded within a given period under present conditions; (*c*) the districts in which new industries could be started; (*d*) the available mean electric water-power. He did not think there was a demand for power in agricultural districts which could not be met as economically by the mobile general-purposes tractor as by any other form of power application. At first, on account of the mobile general purposes tractor the demand for water-power in agricultural districts might be small, but as the use of stationary machinery becomes more popular amongst farmers in connection with dairying and general farm work, he thought that water-power might eventually be found to be the cheapest source of power.

American Topics.

HARVEST PROSPECTS.

We deal below with the wheat position mainly as it affects Europe. We endeavour to show there that if Europe, taking it as a continent, is to continue to be fed she will have to feed herself. Europe contains more than a quarter of the total population of the world. The remaining three-quarters, even if they were desirous of doing it, are not in an economic position which would enable them to accomplish such a task. Only those countries of Europe which are in a position to export goods required by the new countries, or to render them acceptable services, can hope to receive for any considerable time supplies of food and raw material from overseas sources. It must be evident that those countries which themselves live mainly by the production of food and raw materials are not in such a position. We have, of course, no concern with the internal political and economic conditions which the various European countries provide for themselves. If, however, their arrangements are such as will not admit of the production of an adequate food supply we fear that their period of reconstruction must be deferred into the far distant future.

As Europe, taken as a whole, will not only be unable to feed herself, but those countries of Eastern Europe which in the past had a surplus appear in the present to be themselves deficient in supply, it is especially important for the importing countries to consider what resources are available in countries outside Europe. At the moment the condition of the cereal crops of the United States is attracting the attention of a very large number of observers other than those whose actual business it is to deal in the international wheat markets of the world. We have before us the return of the Crop-reporting Board of the Bureau of Agricultural Statistics published at Washington, D.C. As is, of course, notorious, acreage under wheat is very much less than it was during the years of the War. The yield, however, appears to be better than was expected. The falling off in acreage is partly due to the unfavourable weather at the time of sowing both of winter and spring crops, but particularly the latter. A far more important cause is the scarcity of labour. Practically, the rough work of the fields is in the United States done by immigrant foreign labour. Owing to continued activity of trade in the congested countries after the conclusion of the Armistice there was no surplus available of destitute labour seeking employment on any terms in the United States. The native-born do not follow such occupations, and in the absence of the usual supply of labour the work has not been done. People who compare European and American conditions do not realise that the advantages which the Americans enjoy are mainly due to the fact that the supply of labour is so totally inadequate to perform the amount of work offering that the labourer can afford to choose what kind of work he will do. If he is at all skilled he is assisted by machinery to an extent that is quite unknown in Europe. Moreover, nothing like the finish is expected from his work. Only destitute foreigners perform the harder tasks which are constantly associated with the lot of the labourer in Europe. The acreage under wheat, according to the Washington Board of Statistics, was less than three-quarters what it was last year. It amounts only to a little over 53½ million acres, of which 34 million acres are under winter wheat.

The condition of wheat, moreover, compares unfavourably with the conditions prevailing at the beginning of June last year. The figure in percentage is 81, against 93, taking 100 as a good year. Winter wheat is more unfavourable, the general average being 78, compared with 94 last year. The Bureau is

accustomed to make estimates of the yields based on the condition of the crops at varying periods. The condition of winter wheat, based on conclusions drawn from the condition on the 1st of the month, would indicate a crop of 504,000,000 bushels. The condition of spring wheat would indicate a crop of 277,000,000 bushels. Altogether, assuming that the condition of wheat over various areas of the United States at the beginning of the present month will give a yield similar to that attained when conditions were much the same at the beginning of June in former years, a wheat crop of 781,000,000 bushels is indicated. This compares with 941,000,000 bushels last year and 822,000,000 bushels as the average for the four preceding years. The United States, therefore, may have as much as 200,000,000 bushels available for export.

THE WHEAT POSITION.

An exceedingly interesting chart showing the production of wheat in various parts of the world was published by *The Times* during the past week. From this it would appear that we obtained in this country during 1919 7,300,000 quarters from home-grown wheat, 12,250,000 quarters from various parts of the British Empire, and 14,000,000 quarters imported from places outside the British Empire. In this 14,000,000 quarters obtained from foreign countries is included some 10,250,000 obtained from the United States of America. Of course our contemporary, like ourselves, is unable to obtain any reliable figures regarding the production of wheat in Russia, and indeed over a very large area of Eastern Europe outside Russia. In the period before the War the wheat production of Russia varied between 80,000,000 and 90,000,000 quarters, on some occasions even slightly exceeding the latter figure.

It has been generally estimated by various competent authorities that the total wheat production throughout the world has varied from year to year between 4,250,000,000 and 4,750,000,000 bushels. Considerably more than half this total was produced and consumed in Europe itself. There can be no reasonable doubt that in the future, as in the past, Europe will have to continue to produce practically sufficient wheat for its own consumption. There can be equally no reasonable doubt that it is capable of doing so, and must in fact do it or take the consequences. When the War ended there was, not unnaturally, a feeling amongst the ill-informed that it would be a generous and graceful act to re-stock the belligerent countries, particularly those countries which at any period during the War had been associated with, or had assisted, the Entente Allies. Economically it was a dream, and like most dreams wholly incapable of being realised. To pour millions of quarters of wheat, various feeding-stuffs, and vast quantities of raw materials into the various belligerent countries would land the rest of the world in hopeless bankruptcy. No country or group of countries is in an economic position which would admit of their seriously considering such a proposition. In the first flush of excitement after the Armistice we in this country sent some food and raw materials to various parts of the Continent which were more or less destitute. The United States of America did even more. Our joint efforts, however, merely amounted to giving a meal to the impecunious who we knew we were not in a position to permanently support. Russia in particular, and Eastern Europe in general, are in an economic sense new countries; that is to say, they live almost wholly on the production of food and raw materials, as distinct from the manipulation of articles of prime necessity, which forms a large part of the industrial activities of what we call the more advanced countries economically.

Russia before the War enjoyed such prosperity as she had attained by the production of food and raw materials, and in these primary occupations some 97% of her whole working population were in fact engaged. To feed and provide with raw materials more than half Europe would, as we have already said, be an economic impossibility for the rest of the world.

For the purpose of effecting permanent relations between nations, as between individuals, mutual services must be rendered. All give and no take cannot last, either between man and man or nation and nation. It may be objected that for the greater part of a century now England has been dependent for a large part of her supplies of food and raw materials on sources outside her own borders. Latterly the magnitude of these supplies has amounted to some two-thirds in the case of food, and to four-fifths in the case of raw materials. The answer to that objection, however, is very simple. Those countries which supplied us with food and raw materials did not pursue this course out of pure philanthropy. The food and raw materials were supplied to us in payment for goods supplied as well as services rendered. Between £200,000,000 and £300,000,000 worth came to us every year in the form of interest upon loans which we had made to various countries, mainly during the life of the past two generations. The balance was in payment for our exports of various manufactured goods, services which we were able to render as public carriers, bankers, insurance agents, and various other kinds of agency business, in addition to expenses incurred by travellers visiting our shores. France during the greater part of the 100 years ending with June 1914 was able to feed herself. On occasions she did import a small quantity of wheat. France, however, easily paid for that wheat as well as for her other imports by the great value of her exports, and by the services which she in turn, like ourselves, was able to render. France, like ourselves, was entitled each year to receive a very large sum, generally estimated at about one-third of what we were entitled to receive, as interest upon her various foreign loans. In the years before the War the civilised world was rich and prosperous, and there was a great demand for the expensive wines and the equally expensive articles of apparel for which France is famous. In addition France received a sum estimated at about £20,000,000 each year from various classes of strangers, some very wealthy, who annually visited her shores. During the last 10 years before the War Germany had become accustomed to purchase from overseas sources nearly a quarter of her total requirements in cereals. It has to be remembered that Germany before the War had become in the space of 40 years a rich country. She had an enormous trade. She had investments abroad, and she was building up an important mercantile marine. She exported to nearly every civilised country of the world the cheaper kinds of textiles. She enjoyed almost a monopoly in the supply of dyestuffs, and she did a large business in the smelting of various ores. Consequently, she was always in a position to import foodstuffs whenever she required them.

The great food-exporting countries of the world were for the most part equipped with the means of sending their produce abroad by this country. Up to the present we have had to sell about 25% of the foreign investments which we formerly held. We showed recently, when commenting on the Board of Trade returns, that there are clear signs that we are not merely paying our way, but are exporting something in excess of the actual amount required to pay for our imports. If we can continue to do this, and we succeed in reducing our national expenditure, we should gradually recover, and should ultimately be in a position to obtain supplies of food and raw materials that we need upon the same favourable terms as heretofore. Provided that we are successful in these efforts there are vast areas of the earth, both within the confines of the British Empire and outside, merely waiting the opportunity of furnishing us with fresh supplies if and when we are in a position to supply the necessary equipment. Other countries desirous of obtaining large supplies from overseas would require either to supply goods or render services which will enable them to attain their object.

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Rubber Topics.

IN the Rubber market this has been, on the whole, another dull week. Leaders were inclined to react slightly. On the other hand, United Sua-Betong constituted a bright feature, moving up steadily from 3 7/16 on Monday to 3 15/16 on Thursday. A demand for the Paris favourites, Kuala Lumpur, and Malacca caused these to put on 1/16 on Tuesday to 3 7/8 and 4 1/16 respectively. A circular from the Rubber Estates of Mexico announces the first shipment on April 12 of 16,700 lb. of rubber. Having paid off the Debentures to the amount of £7,220, the assets are now free from all charges. Recent political disturbances in Mexico did not injure the property in the least. For the year ended January 31, 1920, Sialang Rubber declares a final dividend of 15%, making a total of 25% for the year. This is the record dividend of the Company, contrasting with 12½% in 1918-19 and 22% in 1915-16. It is also proposed to distribute to the shareholders one bonus share for every two shares held. A final dividend of 30% on the Ordinary shares and 32½% on the Preference shares makes the total dividend of the Cicely Rubber Estates for the year ended March 31, 1920, 65% on the Preference and 60% on the Ordinary shares, as against 80% and 75% respectively in the previous year. Bukit Kajang announces an interim dividend of 10% for the year ending June 30, 1920. For Sungei Kari and United Serdang interim dividends of 5% for the current financial year are declared.

ANNUAL REPORTS ANALYSED.

SELANGOR RUBBER.

Issued Capital: £120,000 in 2/0 Shares.

Results for Years to December 31

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915	2,267½	1,641	626,930	382	2/6·9	-/9·98	56,007	48,750	162½
1916	2,327½	1,745	769,630	441	2/6·15	-/9·52	68,858	65,000	216⅔
1917	2,411	1,850*	829,092	448	2/2·4	-/10	57,631	41,250	137½
1918	2,511	—	669,408	—	1/8·1	-/9½	34,551	30,000	100†
1919	2,511	—	888,830	—	2/1·05	-/8¾	56,661	60,000	200†

* Estimated. † Percentage on old capital.

Price of Shares, 7/6. Market Capitalisation per planted acre, £179.

To Selangor Rubber Company belongs the honour of being the first British Company formed to cultivate Para rubber on a commercial scale. All the more gratifying, therefore, is it to note that the twenty-first report of this pioneer of rubber companies contains a record not merely of satisfactory working operations for the year under review, but of results which few other companies can equal. Suffering in common with other rubber concerns from the drastic restriction in output, its crop for 1918 reached only 669,408 lb. With this barrier to progress removed there was estimated for 1919 a crop of 800,000 lb., whereas the actual harvest exceeded this by 88,830 lb. Despite the advance in the price of stores and materials and a considerable rise in wages, the Company celebrated its coming of age by securing the record low f.o.b. cost of 6.29*d.* per lb., as compared with 6.51*d.* in 1918. Administration charges and freight added to this brought about an "all-in" cost of only 8¾*d.* per lb., or 1*d.* less per lb. than in the preceding year. This reduced cost of production was in part the outcome of the efficient management of the estate and in part the result of the economies attaching to large-scale production. Meanwhile the average price realised per lb. by the sale of the crop improved by over 5*d.* to 2*s.* 1.05*d.* Consequently, the net profit of £56,661 was more in consonance with the figures of 1915-17. After writing off £1,000 for depreciation on buildings, plant, and machinery, and placing £1,000 to the credit of the income-tax reserve account, a sum of £45,000 is paid to shareholders as a final dividend, making with the interim dividend of £15,000 a total of £60,000 for the year under review. Calculating, for purposes of continuous comparison, this amount as a return upon the paid-up capital of £30,000, the dividend for 1919 works out at 200%. Estimating it, however, on the basis of the issued capital of £120,000, the rate per cent. is 50, as compared with 25 in 1918. The balance carried forward to the next accounts reaches £4,790, as against £4,128 in the previous year.

The outlook for the current year seems at least equally promising. According to the report of the visiting agent the estate is still being worked excellently and economically. The estimated crop amounts to 900,000 lb., indicating possibilities of further reduction in the "all-in" cost. The crop actually harvested for the first four months of 1920 is returned at 287,076 lb., showing that the estimate will very likely be realised. At the same time the price of rubber has not been very favourable so far, but the tendency is rather upward. In this connection it is well to remember that rubber is the outstanding example of a raw material that has declined in value owing to the War. At the general meeting the Chairman recalled the fact that in 1910 their crop fetched an average price of 6*s.* 8¾*d.* per lb., and that the average sale price for the five years before the War was 4*s.* 10¾*d.* per lb. Contrast this with the average price for the War period of 2*s.* 2.65*d.* per lb., and the figure of 2*s.* 1.05*d.* for 1919, and it is evident that as regards this industry at least the charge of profiteering cannot well be maintained. These facts at the same time point to the conclusion that with the restoration of more normal conditions the price of rubber must, if anything, increase. The extent to which a Company like Selangor Rubber would benefit from any such rise in price needs no elaboration. Suffice it to point again to the record low f.o.b. cost attained in a period of rising prices of labour and stores. At the same time, by reason of its attaining maturity before the War, this Company will not suffer to the same extent as many others from the 60% excess profits duty. The dividend-earning capacity of the Company shows that its recent capitalisation was thoroughly justified. The balance sheet as on December 31, 1919, discloses a strong financial position. Liquid assets to the amount of £78,504 are available to meet liabilities which, including the final dividend of £45,000, do not exceed £57,468. In the market, where the merits of this Company are well realised, the 2*s.* shares command 7*s.* 6*d.*, affording at this price, assuming the continuance of the 1919 dividend, a yield of 13⅓%.

SUNGEI BATU (MALAYA).

Issued Capital: £55 000 in £1 Shares.

Results for Years to December 31

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb	Av. Yield per Bearing Acre lb	Price Realised per lb.	"All-in" Cost per lb	Net Profit £	Dividend Amt. £	Dividend %
1915	1,200	70 *	175,000	250 *	2/5·6	1/3¼	11,000	7,434	15
1916	1,114	0*	256,05[illegible]	250 *	2/6·1	1/4	15,0[illegible]	8,250	15
1917	1,165	850	2[illegible]	[illegible]	[illegible]	1/2	17,599	6,875	12½
1918	1,5[illegible]	851	211, 07	252	1 10·4†	1 3[illegible]	9,[illegible]	8,[illegible]	15
1919	1,511	985	3 6,830	321	1 11¼	1 0·7	14,111	12,375	22½

* Estimated. † Net proportion of Para rubber in parcels.

Price of Shares, 78 9 c.d. Market Valuation per acre, £143.

The restriction in output which characterised 1918 being no longer in operation, the report of this rubber

Company for the year ended December 31, 1919, again reveals satisfactory progress. As compared with 241,707 lb. for 1918, the crop for the year under review reached 306,304 lb., falling somewhat short of the estimate of 320,000 lb. Taking into account the increase in the area under bearing to 985 acres, the yield per bearing acre amounted to 321 lb., which compares favourably with the previous record in 1917 of 337 lb. With the increase in the crop harvested came a reduction in the f.o.b. cost from 11.80*d.* per lb. in 1918 to 11.19*d.* per lb. in 1919. Administrative charges and freight appear to have risen slightly, for the reduction in the "all-in" cost was only from 1*s.* 3.25*d.* to 1*s.* 2.70*d.* However there was a slight improvement in the net price realised, which was returned at 1*s.* 11*d.* per lb., as compared with 1*s.* 10.4*d.* per lb. in the previous year. The final result was to leave the substantial net profit of £14,441 in comparison with £9,662 in 1918. Consequently, the dividend to shareholders is increased from 15% to 22½%, absorbing £12,375, as against £8,250 in the previous year. After setting aside £1.607 to provide for the estimated liability in respect of excess profits duty for the year under review, there is carried forward to the next accounts a balance of £1,756, as against £1,298 brought forward from the accounts of 1918.

Disregarding the unfavourable effect of the 60% excess profits duty for the current year, it can be said that the prospects of this Company for 1920 are very promising. According to the reports of the visiting agent the estate is in good condition, the percentage of trees suffering from brown bast not being any larger than in any other estate. Moreover, all precautions were being taken to combat this disease and restrict its ravages. The estimated crop amounts to 350,000 lb., and of this, as much as 108,500 lb. have been harvested during the first four months of the year. Whilst this falls short of the mathematical proportion of the estimate, it exceeds the output of the corresponding period of 1919 by nearly 25,000 lb. Consequently, there is good reason for believing that the estimate will ultimately be realised. Moreover, forward contracts have been entered into for the sale of 275,520 lb. at the average gross price of 2*s.* 2.59*d.* per lb., and as regards the 1922 crop for the disposal of 240,000 lb. at 2*s.* 1.31*d.* per lb. Whatever economies may result from the larger crop will in part be discounted by the increase in the excess profits duty for the current year. Meanwhile, the position as revealed in the balance sheet dated December 31, 1919, is financially strong. Liabilities, including the reserve for excess profits duty and the dividend of 22½%, amount to £18,250, and are amply covered by liquid assets available to a total of £21,726. Between the closing of the accounts and the general meeting, it was agreed to increase the authorised capital from £60,000 to £150,000. In order to redress the balance between the estate account and the existing issued capital account, £16,500 was capitalised and distributed *pro rata* amongst existing shareholders in the form of fully-paid bonus shares. Consequently, in addition to the dividend of 22½%, shareholders received a bonus of three shares for every ten shares held. In addition, an issue of 11,000 shares at par was offered, at the rate of one share for each share originally held. Here was another good bonus which was promptly accepted. The final result has been to increase the issued capital on which dividends will be paid in respect of 1920 to £82,500. It was held that the proceeds (£11,000) of the new issue would provide funds required to bring to maturity the whole of the planted area. It was these bonuses, apart from the satisfactory dividend, that produced a price of 78*s.* 9*d.* for the £1 shares, at which level the yield on the 1919 dividend is just 7%.

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Insurance Notes.

METROPOLITAN LIFE ASSURANCE SOCIETY.

This Society, though itself over eighty years of age, is the youngest member of the very small group of mutual life offices founded on the principle of paying no commission to agents for the procuration of business or the collection of premiums. The system, theoretically speaking, is admirable, for it provides, so far as can be devised, for the greatest amount of profit accruing to participating policyholders, technically described as members, owing to the facts that expenditure is reduced to a minimum, and that these persons derive the full benefit of any distributed surplus arising from the operations of the business. It is not particularly to the interests of the members that the business should be larger than is necessary to allow of the free play of averages as regards mortality experience, and, owing to the unemployment of middlemen, it cannot be expected that the total volume of business transacted shall be as great as generally is the case with offices which are equipped with a highly developed and strongly interested agency organisation.

Working within these self-imposed limitations, the results achieved by the Metropolitan Life Assurance Society have been consistently satisfactory, and it may well be doubted whether the results would have been materially improved by the accession of a greatly increased number of policyholders. Annual valuations are made in this Society, and the success of the operations is sufficiently attested by the handsome scale of bonuses distributed, which take the form of abatements of premium on participating policies after the payment of five years' premiums. Although the premium rates are of moderate amount as compared with those usually charged by British life offices, these abatements now range, according to series, to from 34 to 79% of the tabular premiums, and, notwithstanding the adverse features occasioned by the War, such reductions are maintained as the result of the last annual investigation as at December 31, 1919. The report for the financial year ended on that date shows that the total volume of assurances on the books has been well maintained, and that is perhaps the main thing to be considered as regards the continuance of the profit-earning capacity. It is not greatly to the interest of the members that it should transact a very large business, but the Society is intrinsically a very attractive institution for new entrants into life assurance; and that section of the community, not so large as it ought to be, which decides for itself as to the office in which it is likely to obtain a remunerative return for premiums paid, might well, in its own interests, give extended patronage to such a meritorious institution as the Metropolitan.

The new business transacted by the Society in 1919 amounted to £315,139 in sums assured, of which £21,500 was reassured, the net amount retained at its sole risk thus being £293,639, which exceeds by more than £100,000 the corresponding figure for 1918. The total premium income, varying but little from that of

the previous year, aggregated £177,674, apart from a sum of £4,338 received for consideration for annuities. Expenses of all kinds absorbed only 6.9% of the year's premiums, this ratio being lower than any commission-paying office is able to show. Economy in management is one of the features which are most productive of profits in this Society. Another is the favourable incidence of mortality which has consistently been one of its main characteristics, as might be expected in the case of an unforced and high-class business. The claims by death in 1919 amounted to £169,627, and this amount was well within that expected, according to the O^{M} Tables of Mortality employed for valuation purposes. The life assurance funds at the close of 1919 amounted to £2,200,015 (apart from investments reserve fund of £100,000), and the net interest yield on the funds during the year, after deduction of income tax, appears to have amounted to about £3 15*s.* 5*d.* per cent., as compared with the valuation assumption that 3% would be earned. In all normal respects, therefore, the profits from the working of the business during the year appear to have been quite satisfactory. The total assets, as shown in the balance sheet on December 31, 1919, amounted to £2,351,402, of which £533,924 represented British Government securities.

One of the most attractive features of the Society is its discounted abatement system, whereby a new entrant can receive the immediate benefit of future reductions of premiums, and obtain an exceptionally large amount of immediate assurance at substantially reduced cost.

STATE ASSURANCE COMPANY, LIMITED.

An increased dividend is reported by this Liverpool fire and accident insurance Company as the result of its operations in 1919. At the close of the year the issued share capital amounted to £560,000, of which £70,000 was paid up, in 70,000 shares of £8 with £1 paid on each. The rate of dividend for the full year declared is 30%, as compared with 25% for 1918, in both cases being subject to deduction for income tax. The amount required for the distribution in respect of 1919 is nearly covered by interest earnings, and as the result of the trading the reserves have been strengthened. In the course of 1920 the Company has issued the balance of its authorised capital (£800,000) in 30,000 more shares of £8 with £1 paid at a premium of £5 per share, increasing the paid-up capital to £100,000 and the reserves by £150,000. This is, however, a matter that is naturally not taken into the accounts for 1919.

The Company's fire premium income in 1919 showed considerable expansion, rising from £404,130 to £512,286. After adjustment for reserves for unexpired risks at the beginning and end of the year, on a 40% of the premiums basis, the departmental trading profit seems to have amounted to £34,778 (or to about 6.8% of the premiums), that sum being transferred to profit and loss account. The results from the much smaller accident and general section are very similar, proportionately considered. In this department the premium income was increased from £61,853 to £78,244, and after adjustments, by the same methods as were applied to the fire account, the relative trading profit is seen to be £6,005, or about 7.5% of the premiums.

Profit and loss account is credited with £16,523 for net interest earnings and £31 for fees, and is debited with various items of expenditure, &c., amounting to £13,761. The total net profit made by the Company in 1919 appears to have been £43,576, of which £27,053 represents net trading surplus and £16,523, as above shown, interest earnings.

The following appropriations have been made:—

	£
For dividends at 30 per cent., less tax	18,375
For transfer to general reserve fund	30,000
For transfer to superannuation fund	10,000
	58,375

The difference between these appropriations and the year's profits, amounting to £14,799, is met by a reduction in the balance of profit and loss carried forward, after provision for dividends, from £30,812 to £16,013.

The total assets of the Company as shown in the balance sheet on December 31, 1919, amounted to £649,958, and any depreciation in the market value of the investments at that date is certified by the directors to be in their belief covered by the amount (£50,000) standing at the credit of the investment fluctuation and contingency account. Apart from that account, from capital, and from the superannuation fund of £10,000, the reserves carried forward to 1920 appear to be as follows:—

	£
General reserve fund	100,000
Fire fund	204,914
Accident and General funds	31,297
Balance of profit and loss account after provision for dividend, but subject to payment of £2,250 for directors' fees for 1919...	16,013
	352,224

This sum represents about 60% of the total year's premium income in all departments. The amount and proportion will be substantially increased in respect of the premium received for the issue of the new shares in 1920, and the directors state that the Company will thus be placed in a more advantageous position to obtain its share of new business, with increasingly profitable results to the shareholders. The addition of the paid and uncalled capital, which is of large amount in comparison with the premium income, shows the Company to be a very sound one from a policyholder's point of view. Considerably more than one-third of the Company's assets at the close of 1919 were invested in British Government securities.

An interesting event in the insurance world at present is the completion on Tuesday last of the bicentenary of the Royal Exchange Assurance and the celebration of the event by a dinner, to which were invited many gentlemen eminent in banking, insurance, and commerce. The institution was incorporated by Royal Charter in June, 1720. The price paid for the Charter, we are told, was a sum of no less than £300,000; but half of this was subsequently remitted by an Act of Parliament, as the Corporation experienced heavy losses during its first year. Unfortunately, the history of the Corporation has not been fully preserved, as the whole of the property, with the exception of a handful of books, was destroyed by fire in 1838, when the second Royal Exchange was burned down, and many details of the history of the office prior to that date are consequently unascertainable. Many items of interest concerning the Corporation's past are set out in a little brochure issued to commemorate the bicentenary, and applications for this should be made to the offices of the Royal Exchange Assurance.

"The Directory of Directors for 1920." Price 20*s.* net. London: Thomas Skinner and Company, 330 Gresham House, Old Broad Street, E.C. 2. We congratulate Sir Thomas Skinner on the publication of the forty-first annual issue of this valuable directory. It is too well known to need elaboration here. Sir Thomas in his preface calls attention to the unprecedented formation of joint-stock companies during the past year, and says that in the first four months of the present year the total capitalisation planned was 384 millions. In addition to quite new companies, many private companies and firms have had to open their lists to the ordinary investor, such has been the need of additional capital wherewith to meet the enlarged sphere demanded by the present domestic and international conditions. These developments involve additions to the long list of men who serve in the directorial ranks; and there is, consequently, a further increase in the number of names given, now close on 26,000, and in the number of companies mentioned in the new Directory.

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Commercial.

THE SMOKE NUISANCE.

An exceedingly interesting, and we hope a productive and fruitful, inquiry has been made into the smoke nuisance by the Manchester Air Pollution Advisory Board appointed by the Manchester City Council. The endeavour to obtain information on this important subject has been confined to the area over which the Manchester City Council exercises its authority. The Air Pollution Board has set itself to obtain statistics showing the actual monetary loss occasioned by the pollution of the air of great cities by permitting various buildings to emit smoke instead of consuming it. As far as we are aware this Air Board is a pioneer in a direction different from that with which the expression is usually associated. The Board has encountered very great difficulty in its enterprise. Of course, the Board itself admits that no data exist that would admit of full information, and the report before us certainly does not show even an approximate estimate of the real loss to Manchester, as to other large cities, of polluting the air by the discharging into the atmosphere unconsumed coal refuse. It has been truly said that where there is smoke there is fire. It may be confidently asserted with equal truth that where there is smoke there is waste, and lamentable waste at that. With the solitary exception of stating that many business men will not visit Manchester except on dire necessity on account of fear of bronchial trouble, no attempt has been made to show the results from the point of view of the Medical Officer of Health on the vitality of Manchester's citizens of polluting the air of that city with smoke.

All that apparently the Air Pollution Board has found practicable to do has been to initiate inquiries with the object of ascertaining to what extent the smoke nuisance adds to the cost of certain aspects of life in Manchester. An Air Pollution Board was appointed as long ago as 1912 by the Manchester Corporation. The committee which drew up the report now before us decided to work on lines similar to those adopted by the Health Board of Pittsburg in the United States. The Pittsburg Committee was composed of engineers, architects, and men of science. They endeavoured to estimate the probable loss which was being caused to the community in that city. The committee came to the conclusion that the damage done by smoke in Pittsburg amounted to a sum of £4 per head of the population in each year. The Pittsburg Committee made a more exhaustive inquiry than that made by the Manchester Air Board. The system finally adopted by the Manchester Air Board was to send out a circular letter of inquiries to householders, superintendents of hospitals, architects, house painters, property owners, hotel and restaurant proprietors, owners of warehouses, works, and gardens, whose position would be likely to enable them to form a valuable opinion on the subject. Naturally the views of these various classes varied to a very appreciable extent. Even members of the same profession or calling were by no means agreed as to the monetary loss occasioned.

Thus, the architects, for example, estimated that the cost of the upkeep of buildings in an atmosphere like that of Manchester compared with that of a clean city was increased by as much as 50%. Others in the same profession were more cautious and estimated the enhanced expenditure at 15% to 20%. Inquiries were addressed to property owners asking the increased cost incurred in the upkeep of private residences of a rental value of £75 per annum, the one house being situated in the city of Manchester and the other in a country district. The estimates of the enhanced cost varied as widely as from 25% to 75%. Hotel and restaurant proprietors, who are naturally desirous of giving their premises a smart appearance and have in any case to incur a heavy washing bill, estimated the increased cost in Manchester City compared with country districts as high as 100%. In warehouses most of the damage done by smoke is suffered by printed, bleached, and dyed goods, and in the replies to questions which were received from the heads of 72 Manchester warehouses the cost of protecting such goods by extra wrapping was estimated as very high. They say that it would be impossible to estimate the cost in actual figures because it is more indirect than direct. During certain seasons of the year, when the Manchester atmosphere is particularly bad, goods may be damaged to such an extent that it is necessary to repeat the process to which they have been subjected. White goods, in spite of careful wrapping, have on occasion arrived at their destination of a mud colour, and this in some instances may have resulted in actual loss of trade. The Manchester house painters were asked, "Can you estimate the total yearly cost of damage directly resulting from the smoky atmosphere of Manchester?" One humorist replied that he had nothing personally to complain of from the smoky atmosphere of the city. "On the contrary," said he, "so far as house painters are concerned, they have everything to gain, even if the grimy conditions did more damage than is actually the case." Seriously, however, nearly every house painter complains that while in a sense the state of the Manchester atmosphere did, in fact, bring business to the trade, in another sense it was most injurious. In reality, in the present condition of the Manchester atmosphere it is not practicable for the house decorator to do really satisfactory work which would give him any feeling of pleasure when it was completed. On the question of the cost of washing, a trained lady investigator belonging to the Public Health Department was placed at the service of the Air Pollution Board. The result of this lady's inquiries were that, as between Manchester and Harrogate, the extra cost entailed per household for washing materials and fuel was 7½*d.* per week. This inquiry concerned houses rented at 11*s.* per week, and on this class of house the estimated enhanced cost in Manchester, as compared with Harrogate, was £183,000. Inquiries were pursued amongst 36,000 families living in larger houses, and the result went to show that the increased cost in washing materials and fuel in Manchester, as compared with Harrogate, brought up the total to approximately £242,000 a year. The net result of the inquiry went to show that the direct taxation levied by black smoke in Manchester from washing and cleaning amounted to £250,000. It seems quite clear, adds the report, that the sum of three-quarters of a million sterling, or £1 per head of population, which was the figure obtained by the Hon. Rollo Russell while investigating the conditions prevailing in London, and which up to the present has been considered a reasonable estimate of the annual cost of the damage done by smoke in the various large cities of England, was well within the mark. This, of course, compares favourably with the estimate of £4 per head of population quoted above as the estimate of the Pittsburg Committee; but the Pittsburg Committee, as already said, took a somewhat wider view in their inquiry than was done either in the London estimate or in the case of the Air Pollution Board of Manchester.

TRANSPORTATION.

The Ministry of Transport has prepared some statistics on the working of the freight traffic of our railways. We have before us a short statement of railway figures, showing what the railways actually carried during the four weeks of March of the present year. These are compared with the preceding four weeks. One of the most striking features of railway statistics in this country is the comparatively slight degree in which they vary. Of course, we have gone through a very exceptional period in our railway history as one of the results of the recent War. We have, in fact, no data on which to compare the effects upon railway working of a war carried on upon the scale of that which was brought to a close in November 1918. In the great war, now more than a century ago, there were no railways in existence in the country. Trade conditions, however, appear to be following very much on the lines which the country experienced after the long war, which ended at Waterloo in 1815. The immediate result was a continuance for a time of that unsound state of apparent prosperity which usually accompanies great wars. This apparent but unreal prosperity came to an end, and was followed by a considerable period of reaction. We have just witnessed a period of booming trade following the Armistice. Apparently this is about coming to an end. There are signs of slackening in nearly every direction, both in wholesale and retail trade. In the wholesale markets, although it has hardly reached retail prices, there has been a very material fall in values. Nearly all the great staples dealt in in the international markets have declined more or less in price. Even the cotton trade, which seemed until recently in an unassailable position, is at last feeling the effects of the inability of the East to take delivery of goods previously ordered. At home there are evidences on every hand that the keen demand for commodities which followed the Armistice is now about satisfied, at least for the present. Government expenditure, although still extravagant, is not so extravagant as it was. A large proportion of the population find their incomes reduced more or less to an economic basis. An appreciable part of the population are finding it increasingly difficult to obtain employment, at any rate, on the basis of salaries and wages which lately prevailed. Hence they are no longer in a position to spend with the same reckless extravagance which characterised the later stages of the War period and has been maintained since the Armistice until quite recently.

From the figures collected by the Ministry of Transport it would appear that the total freight traffic carried during the month ended March 28 on the railways of Great Britain amounted to 27,870,455 tons. The heaviest traffic was that of minerals, amounting in the case of coal, coke, and patent fuel to 16,145,892 tons, and other minerals 5,435,853 tons. The balance was made up of general merchandise, in which the carriage of live-stock is included. The total weight of this traffic during March amounted to 6,288,710 tons. It will be seen that the coal and fuel traffic amounted to very nearly 58% of the total freight traffic of our railways. To this has to be added 19½% representing the weight of other mineral traffic, while general merchandise only accounted for 22½% of our total freight traffic.

While it is perfectly right that a new department like the Ministry of Transport should make itself acquainted with the various sections of traffic which it proposes to control, the railways form only a part and not necessarily the most important part of the transportation business which the Ministry undertakes to control. This department is making itself responsible for the care of the roads, for directing or superintending canal traffic, and is taking an active interest in various aspects of our sea-borne trade, especially, at present, the revival of our coastwise traffic which was partially destroyed during the progress of the late War.

The Ministry of Transport is a completely new department in this country, and it has yet to justify its existence. For reasons for which the Ministry is in no way responsible transportation facilities in this country have become chaotic. The cost of nearly every form of transportation is extravagant and the lack of efficiency is equally striking.

Our railways are so congested that they are threatening to become a serious menace to the maintenance of our economic position. Our shipping, which was formerly one of our greatest assets, now performs only about two-thirds of the service it rendered per unit before the War. As already said, our coastwise traffic has almost completely disappeared. This new department is in itself a great expense to the country, but since it has been established it is only fair to give it time to see what it is capable of doing. If it fails to restore order out of chaos in our transportation facilities its very existence will only add one more item to the cost of travelling, and to the moving of every unit of merchandise and minerals. If it is able so to co-ordinate the various transportation services as to materially reduce the cost of travelling and of carrying commodities, the cost of the department itself may be more than justified in the reduction in the aggregate traffic costs.

CANADIAN FISH IN ARGENTINA.

According to the weekly *Bulletin* of the Department of Trade and Commerce, issued from the Commercial Intelligence Branch, at Ottowa efforts are being made to import fish from Canada into the Argentine Republic. The Canadian authorities have instructed their agent at Buenos Ayres to make a report on the conditions under which fish can be imported into Argentina. The information furnished would not interest the reader unless, of course, it particularly affects his business, in which case he will have been already furnished with it. In its general aspects it is only of interest to those engaged in this particular trade. The point of interest, however, which may attract the attention of the general reader is the fact that Argentina should import the bulk of its fish supplies. Furnished with great rivers, and in close proximity to the Ocean, it would appear that Argentina would be in a position to supply its own needs of fish. It is an illustration of how a country specially situated may find it more convenient and better economic policy to import some articles, even of general consumption, than to supply itself.

Argentina, it has to be remembered, is of enormous extent with a relatively very small population. That population is almost wholly engaged, and in fact finds its living, in the production of food and raw materials also to be consumed in overseas markets. The fishing industry does not form part of the general business of the Argentine Republic, Argentina has no surplus population and no surplus resources for which it is desirable, still less imperative, to find employment. Consequently the Republic finds it better economic policy to develop the natural resources connected with the great business in which it is engaged than to divert the attention of part of its population to various subsidiary industries.

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Industrial Companies.

BRADLEY'S (CHEPSTOW PLACE), LIMITED.

Year to Jan.	Profit*	Depreciation General Reserve	Depreciation of Investments	Preference Dividend	Ordinary Dividend Amount	Ordinary Dividend %	Carried Forward
	£	£	£	£	£	%	£
1915 ...	51,937	10,000	--	16,500	15,000	5	20,110
1916 ...	53,811	10,000	-	16,500	15,000	5	32,421
1917 ...	55,150	10,000	—	16,500	15,000	5	46,071
1918 ...	67,605	30,000	—	16,500	22,500	7½	44,976
1919 ...	90,704	—	--	16,500	60,000	20	59,180
1920 ...	106,319	—	8,000	16,500	60,000	20	81,000

* Including income from investments and after providing for income tax and depreciation of fixed assets and stock.

THE report presented by this well-known Bayswater firm of furriers and costumiers for the year ended January 17, 1920, is of a very satisfactory nature. Struggling along during the difficult years of the War with a profit in the neighbourhood of £55,000, there was a slight recovery to £67,605 in 1917-18, the increase representing rather the rise in prices than an expansion of trade. However, the return of £90,704 for 1918 indicated the forthcoming trade revival on the cessation of hostilities—a revival which is embodied in the report for 1919. The expansion of business during the year in so far as this retail establishment is concerned can be measured by a further increase in the profit to £106,319. A sum of £8,000 is transferred to the reserve against the depreciation of investments, which now amounts to £20,269. After paying the Preference dividend of £16,500, Ordinary shareholders receive a dividend of 20% as in the previous year. Deducting the £60,000 required to meet this dividend, there is carried forward to the next accounts a sum of £81,000, in comparison with £59,180 brought forward from 1918.

The prospects of this Company for the current year appear to be very promising. Business, according to the Chairman, is expanding as rapidly as could be desired. To cope with the ever-increasing demand it was found necessary during the year under review to extend their premises largely. When this development is complete the Company will be able to handle successfully a much larger volume of business. A measure of the extension during the year is furnished in the increased value of freehold and leasehold premises, which is returned in the latest balance sheet at £168,070, as against £162,920 in the previous year. It is furthermore believed that the actual value to-day of these assets is considerably above this estimate. The growth of business during 1919 is also reflected in the increase in the total of debtors from £99,067 to £141,116, and in the total of sundry creditors from £32,253 to £57,836. Similar testimony is at hand in the growth of the stock held, which is valued in the latest balance sheet at £146,279, as compared with £123,291 in 1919. The financial position of the Company as revealed in the balance sheet dated January 17, 1920, is very strong. Liabilities, including the Ordinary dividend of £60,000 and the accrued dividend on the Preference shares of £6,000, do not exceed £123,836. This total is fully covered by cash and investments alone, which reach £151,129. In addition, a sum of £287,294 is available in the form of stock and sundry debtors. Moreover, the actual value of the investments in the balance sheet is £161,485, whereas the market value at that date was £166,877. And these investments are essentially of a gilt-edged character, affording a revenue of £5,862 per annum. Goodwill is fixed at £287,396, which does not appear by any means high in view of the existing level of profits and seeing that the general reserve fund now reaches £100,000. It will be remembered that until this total was secured Ordinary shareholders could not receive a higher dividend than 10%. This accounts for the conservative dividends paid prior to 1919. Now that the £100,000 has been placed to reserve Ordinary shareholders can participate in the profits resulting from the growing trade. Nevertheless, it will be noticed that the directors are still pursuing a conservative policy. The amount carried forward to the next accounts is in itself more than sufficient to guarantee, in addition to the Preference dividend, a dividend of 20% to the Ordinary shareholders for the current year. Seeing that trade prospects are no less bright than in the year under review, no undue optimism is displayed in expecting at least a continuance of the 1919 dividend with a probable further increase. In the market the 5½% Cum. Preference shares of £1 each are quoted at 12s. 10½d., and afford at this price a return of over 8½%. Dealings in the Ordinary shares have been allowed under the temporary regulations.

FIFE COAL COMPANY.

Year to Dec. 31	Profit*	Preference Dividend	Ordinary Dividend‡ Amount	Ordinary Dividend‡ %	Carried Forward	Stocks	Surplus of Liquid Assets over Liabilities†
	£	£	£		£	£	£
1914 ...	196,336	18,945	81,969	10	95,122	92,749	294,955
1915 ...	319,480	17,511	204,780	25	97,289	106,407	499,914
1916 ...	428,307	15,668	286,242	35	126,397	114,432	750,195
1917 ...	318,717	15,668	204,065	25	125,984	135,968	643,159
1918 ...	365,826	14,623	224,746	27½	126,456	129,867	724,915
1919 ...	339,967	14,623	204,065	25	121,278	172,727	755,437

* After providing for depreciation, reserve fund, war charges and Debenture interest, and including balance brought forward.

† Liabilities include Debentures reduced from £138,605 on December 31, 1914, to £1,000 on December 31, 1919. ‡ Free of income tax.

THE progress of this Scotch Coal Company during the War is excellently illustrated in the above table. The great increase in the price of coal, in addition to the growing demand for its use in connection with the various departments of the War services, is reflected in the expansion of the profit from £196,336 for the year ended December 31, 1914, to £428,307 for 1916. And let it be remembered that this figure is arrived at not merely by deducting what might be termed the full cost of production and distribution, but after allowing also for ample depreciation of works and plant, for allocations to the reserve fund, and for the interest on Debentures, which was a much more important consideration in the earlier years than in the year under review, when the amount outstanding had been reduced to £1,000. The salient feature of the situation is perhaps the steady nature of the progress during the last three years. But it is well to bear in mind that such a situation is in the main due to the fact that this industry has been controlled by the Board of Trade. The dividend of the Ordinary shareholders for the year under review amounts to 25% free of tax, which corresponds to over 35½% subject to tax, and is, therefore, a very generous reward. The succession of high dividends since 1915 does not seem to bear out the contention that the recent increases in the wages of the miners cannot be borne by the industry, at least in so far as this Company is concerned. Moreover, it appears that as regards the profits of the year ended December 31, 1919, the exact amount cannot be determined pending the Act settling the amount of profit to be paid to the industry in substitution for the Bill limiting the profits to 1s. 2d. per ton which was withdrawn. Thus there is good reason to believe that the figures included in the table at the head of this article are a conservative estimate. After providing for the Preference and Ordinary dividends, there is carried forward to the next accounts a balance of £121,278.

The outlook for the current year is difficult to forecast in view of the transitionary state in which the coal industry is. In addition to the recent advances in wages and alterations in the price of coal, allowance has to be made for the fact that, in order to meet the growth in the inland demand, the more remunerative export trade has had to be curtailed. The financial position of the Company as disclosed in the balance sheet dated December 31, 1919, is very strong. The capital remains unaltered at £1,234,075, in 417,813 Preference shares of £1 each and 816,262 Ordinary shares of £1 each. Sundry creditors, including provisions for taxes and the coal levy, amount to £1,602,753. With the addition of the final dividends, amounting to £150,158,

liabilities in all do not exceed £1,753,062, whereas liquid assets, including stock, are available to the extent of £2,508,499. The Ordinary shares of the Company stand at 52*s*. 9*d*. in the market, and working on the basis of the 1919 dividend they return at this price a yield of over 9½%, free of tax, which is equivalent to nearly 13½%, subject to tax.

New Issues.

J. LYONS AND COMPANY, LIMITED.

Messrs. J. Lyons and Co., Limited, invite subscriptions for an issue at par of 1,000,000 8% Cumulative Preference shares of £1 each. The 8% Cumulative Preference carry a fixed cumulative preferential dividend at the rate of 8% per annum on the capital for the time being paid up or credited as paid up thereon respectively, payable half-yearly on April 1 and October 1 in each year. J. Lyons and Co., Limited, was formed in April 1894 to acquire the business and property of a previous company of the same name, and to carry on the business of refreshment caterers and contractors and other businesses authorised by the articles of association of the Company. The total authorised share capital of the Company is £4,500,000, and over £4,000,000 of this will have been issued when the present issue shall have been subscribed. The Company has an authorised issue, in addition, of £550,000 Debenture stock, of which £425,000 has been issued. There is, in addition, some £70,000 of Provincial Debentures.

The London County Westminster and Parr's Bank, Limited, are authorised by the Government of New South Wales to offer for subscription £2,500,000 6½% Inscribed stock. The price of issue is par, and interest is payable on February 1 and August 1 in each year. The loan is raised in order that the proceeds may be devoted to paying for various public works and other services.

The West Highland Fisheries and Oil, Limited, has an authorised capital of £300,000, divided into 1,200,000 Ordinary shares of 5*s*. each. The Company invites subscriptions for 1,101,640 of these shares. The Company has been formed to acquire certain properties in the West Highlands in connection with certain fishing enterprises.

Callender's Cable and Construction Company, Limited, invite subscriptions for an issue of 400,000 7½% "B" Cumulative Preference shares of £1 each at par, and 100,000 Ordinary shares of £1 each at £1 2*s*. per share. The new capital is required for the extension of the business of this well-known concern.

Sumatra Planting Syndicate, Limited, with an authorised capital of £150,000, divided into 150,000 shares of £1, of which 120,000 shares have already been issued, invites subscriptions for the remaining 30,000 shares at par.

Straker-Squire, Limited, manufacturers of commercial motor-lorries, omnibuses, and motor-cars, are making an issue at par of £300,000 7% short-term notes, repayable at 105% on June 30, 1925. The proceeds of the notes are required to meet various pressing charges and to provide working capital.

Sand Glass and Foundry Materials (Amalgamated), Limited, invite subscriptions for an issue of 200,000 Ordinary shares of £1 each at par. The Company has been formed to acquire various mineral deposits connected with the several industries which the title of the Company indicates.

We are informed that the issue by Messrs. Lever Brothers, Limited, of £4,000,000 8% Cumulative "A" Preference shares has been fully subscribed.

We are informed that the London and River Plate Bank, Limited, have opened an agency at Rio Grande, in the State of Rio Grande do Sul, Brazil.

COMPANY MEETINGS.

BANK OF ADELAIDE.

On Wednesday, May 5, the fifty-fourth annual meeting of shareholders of the Bank of Adelaide was held in the board-room, Adelaide. Mr. Arthur Waterhouse (Chairman of Directors) presided.

The annual report stated that the balance of profit and loss for the year ended March 29 totalled £87,694, out of which £25,000 had been paid in November last as an interim dividend at the rate of 10%. That left £62,694, from which it was proposed to pay £25,000 in dividends, to transfer £30,000 to the reserve fund, and to pay £5,000 in respect to the Bank's premises account. The balance, £2,694, added to £13,877, balance of profit and loss for last year, would be carried forward.

Mr. Waterhouse, in moving the adoption of the report and balance sheet, congratulated the shareholders on the successful result of the year's operations. The establishment of a branch in Sydney, he said, had proved a success, and since the last meeting they had been able to purchase a business in Melbourne, with premises in an excellent position. Those steps had been necessary to conserve and expand their exchange connections. To provide for the demands on their resources which might reasonably be expected from those extensions, the board had decided to increase the capital of the Bank by calling up £1 a share on the 125,000 shares already issued, making them fully paid up. The figures of the ordinary business on both sides of the account showed a considerable increase compared with the previous year, and the volume of liquid assets revealed in the balance sheet bore the very high proportion of 65% to their liabilities to the public.

The Hon. D. J. Gordon, who seconded the motion, said the year's record would compare favourably with that of any other banking institution in Australia.

The motion was carried.

WESTERN AUSTRALIAN BANK.

The 157th half-yearly meeting of the shareholders of the Western Australian Bank was held on May 5 at the Banking House, St. George's Terrace, Perth, W.A. Sir E. H. Wittenoom (Chairman of Directors) presided.

The report for the half-year ended March 29, 1920, showed net profit £30,535 12*s*. 6*d*., which, with the balance from previous half-year, £32,970 18*s*. 6*d*., gave a total of £63,506 11*s*. From this the directors resolved to pay a dividend of £1 per share (free of dividend duty), absorbing £25,000, and to carry forward £38,506 11*s*. The reserve fund amounted to £700,000, and the reserve profits to £38,506 11*s*. During the half-year sub-branches of Perth and Merredin were opened at Armadale and Nungarin respectively.

The Chairman, in moving the adoption of the report and balance sheet for the half-year, said he thought the shareholders would agree that the operations of the Bank for the six months had been satisfactory. The volume of business had been fully maintained, and it was proposed to pay the usual dividend, leaving a substantial amount to be carried forward. The confidence which the public had in the Bank was confirmed and emphasised by the increase which had taken place in deposits, in spite of the numerous calls on customers for taxation purposes, increased cost of living, &c. The net profits had been more than maintained, and the amount carried forward showed an increase of £5,536 over the figures for September 1919. Deposits showed an increase of £462,000 over the figures for March 1919, and of £478,000 over those of September last.

Mr. G. A. Lefroy seconded the motion, which was carried.

A ballot was taken for the election of a director in the place of the late Sir E. A. Stone, and resulted in the election of Mr. J. MacCallum Smith.

THERE IS A SLUMP

in the Finances of the Hospitals of London. Exhausted by the effects of the war and the terrible aftermath of disease and disablement, they have a deficit of £220,000 on last year's working.

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MEETINGS
OF PUBLIC COMPANIES.

BRUNNER, MOND, AND COMPANY, LIMITED.

THE annual ordinary general meeting of this Company was held at the Exchange Station Hotel, Liverpool, on June 16, Mr. Roscoe Brunner (Chairman of directors) presiding over a large attendance.

The Chairman, in moving the adoption of the directors' report and statement of accounts and the payment of Preference dividends at the rate of 7% per annum, less income tax, and on Ordinary dividend at the rate of 11¼% per annum, less income tax, said: Taking the accounts which you have before you, you will notice that the capital is increased slightly. This is due to the issue of shares to the former shareholders of the Buxton Lime Firms Company, Limited, the general reserve account being increased by the premium on the shares so allotted. The next item, as you will have read in the report, is that of a book profit on the sale of the Crosfield and Gossage shares to Lever Brothers, Limited. This is a capital profit which will not recur, and your directors have dealt with it as such, and have instituted a new account, which we have called investment surplus reserve account. From the £2,100,000 which we put to that account, we have transferred £500,000 to depreciation account, and to this account we have added £150,000, which has been debited directly to profit and loss account. We have decided to adopt the usual procedure of keeping a depreciation account instead of, as in the past, placing large sums to suspense account. The suspense account itself stands at the written down figure of approximately £35,000. The deposits in our savings bank, which belong to our workmen, are up by £7,000, and I should like to tell you that the amount to the credit of each depositor is an increasing figure. The debts owing by the Company are up by £600,000, mainly on account of increased trading.

Assets: Increase of 2¾ Million Pounds.

Turning to the assets side of the balance sheet, the first item, freehold land, etc., is increased by additions made during the year of £446,000. This is practically double last year's additions. It is due to two causes, first, the higher cost of building to-day, and, secondly, the fact that we have been able to spend more money upon additions to our plant than we did during the War. You will notice that the investment figure is down by £2,000,000. We have increased our investment in our subsidiary companies, but have sold the War Loan and Crosfield and Gossage shares, so that there are one addition and two reductions accounting for the total reduction of £2,000,000. Part of the price of the Crosfield and Gossage shares has been already paid, and the remainder is included in the debts owing to the Company. This accounts for the very big addition to that figure. The stocks are up by £850,000, due partly to higher prices and partly to large purchases of railway wagons. It is very difficult nowaday, as many of you will no doubt know, to get supplies of fuel and other raw materials unless you have wagons to fetch them. You will have noticed that our total assets this year have increased by 2¾ million pounds, and the cash position is better by over half a million than at the same time last year. I venture to describe that as a bumper balance sheet.

Control of Important companies secured.

Turning to the profit and loss account, we have shown, for the first time, investment revenue as a separate item. Our accounts have been often criticised for giving too little information, and we hope that we have satisfied you and our critics by this year giving this information. The net profit is up by £117,000 on last year, and war expenditure, which was £43,000 last year, has disappeared. We have never, I find, made reference in our formal reports to you to any purchase of property. We have always told you at this meeting what we have done in that connection during the past year. In January last we concluded an agreement with the shareholders of the Castner-Kellner Alkali Company, Limited, whereby we undertook to exchange two Ordinary shares in our Company for one Ordinary share of that company. The holders of 87.48% of the shares of the Castner-Kellner Company agreed to this proposal, and since the end of the financial year the transfers have been completed. We now hold practically 91% of the total capital of that company. A half-year's dividend on the Ordinary shares of our company allotted to the Castner-Kellner shareholders has now to be paid, as shown in the report. In February last we concluded an agreement with the shareholders of the Electro Bleach and By-Products, Limited, whose works are at Middlewich, in Cheshire, close to our own Middlewich works, whereby we undertook to exchange one Ordinary share in our Company with a cash payment of 3s. for every two Ordinary shares of the Electro Bleach Company, and one Ordinary share in our Company and a cash payment of 8s. for every two Preference shares of the Electro Bleach Company. These cash payments represent the contingent liability which existed at March 31, 1920, and which is shown in the footnote to the balance sheet. Holders of 97.5% of the shares of the Electro Bleach Company have agreed to the proposal, and since the end of the financial year the necessary transfers have been completed and the contingent liability discharged. A quarter's dividend on the Ordinary shares of our Company allotted to Electro Bleach shareholders has now to be paid, as shown in the report. In consequence of these transactions, the issued capital of our Company has, after the date of the report, been increased by £1,497,241, making our total issued capital to-day £10,967,621.

I have been told by my Labour friends that we are swallowing these concerns with the idea of making abnormal profits out of them. If industrial amalgamations are carried out to that end, they are bad. If they are made to increase efficiency, they are good. You know well that our practice has been one of high production and low prices, and we intend to carry out that policy in these amalgamations to the best of our ability.

Increased Dividend.

The balance available for distribution is £1,265,465, and the directors ask you to increase the dividend from the 10% of last year to 11¼% for this year. The amount proposed to be paid as Ordinary dividend is increased by £198,471, due partly to the higher rate and partly to the dividend to be paid to the former shareholders of the Buxton Lime Firms, Castner-Kellner's, and Electro Bleach. We propose to place £50,000 to suspense account, and to carry forward the balance of £126,241. I will ask my friend Mr. Robert Mond to deal with that item in the report concerning the death of my father. The remainder of the report is dealt with by resolutions to be proposed later.

Remarkable Long Service Records.

Before moving the first resolution I desire to refer to two matters of domestic importance. The total number of men in our employ who joined His Majesty's Forces during the War is 2,688, and of this number 291 fell. We are erecting to their memory suitable memorials at all our works and at all our outside offices. To those who returned we have given welcome in the shape of suppers and smoking concerts. The men were greatly interested to hear from us the great work the Company did in their support in the manufacture of high explosives, and they were also gratified to find that we had not endeavoured to obtain from the State undue profits on such manufacture. We have commemorated long service in our employ by giving—again at smoking concerts—silver watches to those men with 25 years' service and gold watches to those with 35 years' service. At these functions 188 gold watches and 998 silver watches were presented. We had to have a date at which to fix the length of service, and we took December 31, 1919. At that time we had more men in our employ than at any time in our history. Of the men then in our service (who numbered 6,929), no fewer than 1,186 were of 25 years' service and over, and two had reached the maximum possible service of 46 years. The percentage of men of over 25 years' service at our two oldest works was 22.2 and 21.6 respectively. I think you will agree that this is a record of which the Company and its men have every reason to be proud. (Cheers.) Of your directors, Sir John Jarmay and Mr. Poole, each with 41 years' service, Mr. Watts with 38, and Mr. Glendinning with 35, were given gold watches; Mr. Tangye with 34, Sir John Brunner with 32, and Mr. Harper with 30, were given silver watches. Mr. Robert Mond and I have to serve a few years longer before qualifying for silver watches, and the rest are comparative youngsters. Smoking concerts, both to returned soldiers and long-service men, were appreciated not only by the men themselves, but by us who attended them. We were able to get a closer acquaintance with our young men, and to renew friendships with the older men. It is a matter of regret when any business grows so large that the heads cannot know everyone in it, and I can assure you that our senior directors look back with regret to the time now passed when they knew every man by name and most men by their Christian names. The watch presentations are to be annual functions, and we are sure they will do good to all who take part in them. The directors have been invited to a smoking concert on July 10 to receive an illuminated address of thanks subscribed for not only by the recipients of watches, but, I am told, by a great many of our other men, and we have accepted the invitation with great pleasure.

Synthetic Ammonia and Nitrates.

There is another matter which I have to mention to you, and that is—as you will have read in the Press—the registration by us of a new company called Synthetic Ammonia and Nitrates, Limited, with a capital of £5,000,000. That company has bought a site from the Ministry of Munitions at Billingham, opposite Middlesbrough, in the County of Durham, where, during the War, the Government began to put up a plant for the fixation of nitrogen from the air. It is a generally held opinion that if it had not been for the success of the Haber process in Germany, Germany could not have carried on the War as long as she did. We in England were not forced to fixation of nitrogen during the War, for the reason that this Company was able to supply nitrate of ammonia made in other ways. So much for the War programme. The success of Synthetic Ammonia and Nitrates, Limited, will, I suggest, have two results—first, it will secure our position, both in another war and against another war; and, secondly, in peace-time it will mean a greater production of nitrogen fertilisers. This will mean that we can produce in our own country more food, so that we shall be more secure both in peace and in war.

Turning to the future prospects of trade generally, I suggest they would be bright if manufacturers generally could be assured of two things—first, full supplies of fuel and other raw materials, and secondly, cessation of the vicious cycle of increases in wages and increases in prices. On the first point, supplies of fuel, as everyone knows, are short. Everyone knows also that though there are more men in the pits now than there were before the War, there is nevertheless a smaller output in the total and a smaller output per man. There is perhaps a reason why output should be smaller per man—namely, the development which ceased during the War, but which is now proceeding. When that development is finished we may perhaps look forward to a higher output; but the fact remains that at the moment there is a smaller output of fuel, whereas the trade of the country needs a very large increase, both for home consumption and for export. On the second point there is constant competition between men in every industry to secure at least as much as or more than their fellows in other industries, and this leads to chaos. Advances in wages lead to advances in prices, so that every advance in wages tends to become illusory. For example, the Chemical Employers' Federation, of which we are members, has lately received what is nowadays called "A Demand" from the trade unions representing the men in the chemical trade for an advance in wages of £1 a week. The advances we have already given are for the lowest-paid day men 216.16% over pre-war, and for the lowest-paid shift men 225%. The present demand comes on the top of these and does not mean a bare 20*s.* a week, because we have to add on the famous 12½% and further allowances to shift men. If we agreed to this demand and did not raise prices, our Ordinary dividend would fall to 4½%. There is a limit to the power of any seller to raise prices. Abroad we are limited by foreign competition, and both at home and abroad we are limited by the knowledge that a rise in price of a ton of soda ash means a rise in the price of a ton of a great many other commodities into which soda ash enters, so that, bearing in mind the effect upon other trades, there is a limit to the amount by which we can put up our price. If our dividend went down to 4½%, our shares would be below par, and we could not raise more capital; we could not progress, the prosperity of the Company would be gone, and the prosperity of the workmen would be gone also. In my opinion the time has come for all employers to say "No" to advances in wages. (Cheers.)

Mr. Robert Mond, in seconding the resolution, paid an eloquent tribute to the late Right Hon. Sir John T. Brunner, who, with the speaker's father, the late Dr. Mond, founded the Company. Mr. Mond described Sir John's business ability, power of organisation, and unfailing good humour as great factors in bringing about the successful evolution of the great concern. He touched upon the deceased gentleman's public work, his interest in education, his sympathy with the workers, and said Sir John always appealed to him as a large-minded lover of men who in a light-hearted manner took all his duties seriously.

As a tribute to Sir John Brunner's memory the audience rose in respectful silence.

The resolution adopting the report and accounts was unanimously carried, after Mr. D. Coghill had made an appeal for the distribution amongst the shareholders of some of the profit received from the sale to Lever Brothers, Limited. As to this, the Chairman explained that it was a capital profit which the directors were not prepared to dissipate.

The retiring directors were reappointed, together with the last appointed member of the board, the Right. Hon. Gerald W. Balfour.

Shareholders' Parsimony.

Sir John Brunner moved and Mr. Robert Mond seconded, a resolution authorising the directors to distribute £100,000 to such universities or other institutions in the United Kingdom as they might select for the furtherance of scientific education and research.

The resolution met with considerable opposition, and on a show of hands the voting was so even that the Chairman announced the withdrawal of the resolution. At the same time he described it as "a desperately mean thing for a big company to do."

The necessary formal resolution regarding the shares of the Castner-Kellner Company was unanimously carried.

BLEACHERS' ASSOCIATION, LIMITED.

Sir Alan J. Sykes, Bart., M.P., presided at the twenty-first annual meeting of this Company, held at the Memorial Hall, Manchester, on June 22.

The Chairman said: Ladies and Gentlemen,—It gives me great pleasure to rise as your Chairman to-day in order to submit to you the twentieth annual report of Bleachers' Association, Limited, but before proceeding to the business proper of the meeting I wish to express the very deep regret of the directors in the great loss they have sustained by the death of their colleague, Mr. A. J. King, who has worked energetically for the Association ever since its inception, and who will be greatly missed by us all.

"Record" Gross Profits.

Turning to the accounts, you will see that after charging £401,284 (compared with £252,825 for the previous year) for repairs and maintenance, the gross trading profits for the year ending March 31, 1920, after providing for excess profits duty and income tax, and including dividends and investments, amount to £1,202,240. This sum is the highest profit the Association has yet earned; it is £472,628 above the previous year's profit and £571,613 more than was earned in 1913-14, the pre-War year.

From the gross profits a sum of £130,000 is transferred to depreciation fund, as against £90,000 the previous year. Bearing in mind the great difficulty in maintaining machinery and buildings, and the difficulty and expense in obtaining replacements, or even repair work, from the engineering firms, this increase in the amount written off is absolutely necessary.

In addition, a sum of £50,000 has been transferred to a contingencies fund to form a further reserve for depreciation or renewals, in view of the high values now ruling, and likely to be maintained for some time to come.

Owing to the depreciation in the value of the Association's investments in War Loan and Funding Loan, &c., a sum of £50,000 has been charged against the profits for the year.

This leaves a net profit of £813,579, which compares with £475,512 for the previous year—an increase of £338,067. This, with the balance brought forward from last account £288,888) makes a total available balance of £1,102,468. The directors recommend, after paying the Preference dividend, to transfer to the general reserve fund a sum of £150,000, making the total of the general reserve fund £1,200,000. A sum of £25,000 is also to be transferred to the superannuation fund.

Increased Dividend: Fruit of past restraint.

The directors further recommend that a dividend be declared on the Ordinary shares at the rate of 15% for the year, and a bonus of 5% on the Ordinary shares for the year—as compared with a total distribution of 10% for the previous year. This leaves the amount to be carried forward £321,461, which is £32,573 more than the amount brought into the accounts from the previous year.

Referring to the proposed dividend, I should like to point out that the Association, which was formed in 1900, for some period paid small and irregular dividends, and the policy of the directors was to build up reserves; and it is this policy which has placed the Association in its present strong position. I find that the average annual dividend and bonus paid since the inception of the Association is slightly less than 5%, which I think nobody can consider in any way excessive. As stated in the report which we are now considering, the profits for the year, after deducting all charges prior to Debenture stock interest and Preference share dividend, are equivalent to 10.88% on the capital employed—namely, the share and loan capital of the Association, reserve fund, and the amount brought forward as at March 31, 1919.

Turning to the balance sheet, you will see that the addition to works (less sales), and the new businesses purchased, amount to £116,620. This represents normal capital expenditure at the 70 branches of the Association and the purchase of a works at Larne, County Antrim, to provide for the development of our very successful branch of Kirkpatrick Bros., Ltd.

The Association's Assets.

The total value of our fixed assets at March 31, 1920, is £8,238,431, compared with £8,266,811 a year ago.

All the items of liquid assets have increased. The stock on hand has increased by £126,000, owing to the higher costs of all our materials in trade, and debtors have increased by £601,000, owing to the increased prices.

The cash in hand and with bankers, has been increased by £365,000 to £406,675. With regard to the investments, you will be interested to know that the Association responded to the appeal of the Chancellor of the Exchequer by sub-

scribing £150,000 of the 4% Funding Loan. The Association has also increased its holding in British Dyestuffs Corporation, Limited, by the purchase, during the year, of 25,000 Preferred Ordinary shares in response to an appeal for additional share capital.

Turning to the other side of the balance sheet, the first item that needs any explanation is the sundry creditors. These have increased by £771,000. This increase is accounted for mainly by the provision we have had to make for excess profits duty and income tax, and also to some extent by the larger amounts owing to our suppliers for materials purchased at increased prices.

The fire insurance fund, which now stands at £239,080, has already proved of considerable use in the business, but the directors do not consider it necessary to make any further allocation at the present moment.

Housing for Workpeople.

The directors during the past year have given a good deal of consideration to the question of housing their workpeople. Owing to the difficulty of obtaining labour in the building trade, it has not been possible to do very much, but a number of cottages have been brought up to modern requirements, thus adding to the comfort of our workpeople. A few houses have been built, and, in the case of one of our larger works, a scheme is in hand for the provision of a number of cottages on garden city lines through a Public Utility Society. As opportunity offers the directors intend to continue this policy, as they consider that one of the most potent causes of industrial unrest is bad housing.

Coal has been a source of grave anxiety and difficulty, and, in spite of everything being done that was possible to ensure supplies being forthcoming, we have not been able to avoid work being held up at some of our branches for the want of it—fortunately, however, to no very serious extent. I can only hope that with the disappearance of Government control there will be larger supplies available, more especially if it can be brought home to the miners that by not raising the maximum quantity they are dealing a fatal blow to the general prosperity of the country.

I am glad to say that we have had no serious labour troubles to contend with, and I think that we can claim that, generally speaking, our relations with our employees are quite satisfactory.

It is always difficult, if not dangerous, to prophesy, and at the present time it is more than usually so, and I do not propose to attempt it. The world is in a condition which none of us could have contemplated, and we have little to guide us in forming an opinion as to the future; meanwhile, the world's markets are doing little or nothing in the way of buying.

I am sure, ladies and gentlemen, you would wish to join the directors in according to the managing directors, branch managers, and staff a cordial vote of thanks for the excellent services they have so loyally rendered to the Association, without which we could not have hoped to have shown such a satisfactory result of the year's working.

Increase of Authorised Capital.

You will notice in the report that it is proposed to increase the capital of the Company to £8,000,000 by the creation of £2,000,000 new shares of £1 each, and an extraordinary meeting of the Company will be held at the termination of this meeting for the purpose of passing two resolutions :—

1. Making some alterations in the Articles of Association to bring them up to modern requirements, and

2. Increasing the capital of the Company to provide for future contingencies, though no immediate issue of capital is in contemplation.

Since the date of the accounts the Association has purchased the businesses of the Chorley Bleaching Company, Limited, the Tenterhouse Bleaching and Dyeing Company, Limited, and the Greenfield Bleaching Company, Limited. In connection with these purchases the directors recommend that Mr. Alister Reid, of Chorley, and Mr. J. T. Taylor, of Tenterhouse, be elected members of the board, and their names will be submitted to you in due course.

The report was adopted.

The retiring directors and auditors were re-elected, and the meeting closed with a hearty vote of thanks to the Chairman.

HARROD'S, LIMITED

An extraordinary general meeting of this Company was held on June 23 on the Company's premises, 87 to 135 Brompton Road, London, S.W., for the purpose of passing resolutions for the increase and reorganisation of the capital of the Company.

The Chairman (Sir Alfred J. Newton, Bart.), in moving the necessary resolutions, said : When I had the pleasure of addressing you at our annual meeting of shareholders last March I referred to negotiations then in progress for the purchase of the old-established drapery business of Swan and Edgar, Limited. These negotiations have now been successfully concluded. We have already acquired practically the whole of the shares of that Company, which shares are being paid for in cash on June 30.

In April last this Company entered into an agreement for the purchase of all the shares of Walter Carter, Limited, who for many years had carried on a progressive and very successful removals and depositories business in Manchester and Southport. I think I am correct in saying it is one of the largest businesses of its kind in the North of England. This business will now be worked in conjunction with our Kendal Milne and Co.'s branch, and your directors are confident that the amalgamation of these two Manchester businesses will result in contributing to the further progress and prosperity of both.

At our last annual meeting I also referred to our having formed a separate Company in Belgium, called Harrods (Continental), Limited. A substantial wholesale drapery business has already been established, is now doing a large turnover, and has many thousands of customers throughout Belgium.

Additional Capital for acquired and expanding businesses.

The acquisition of the businesses I have just referred to, and our developments in London and Manchester, absorb a large amount of capital. The Manchester branch is showing such a largely increased business as to make it necessary to provide additional shopping space. During the last twelve months the increased business done has exceeded our highest expectations. (Hear, hear.) The freehold of an important portion of the main premises in Manchester which were occupied under a lease, shortly expiring, has recently been purchased by this Company. This property was essential to the future requirements of the business. The annual profit is already a substantial figure, and we confidently expect this to be largely increased.

I should like to refer to our Brompton Road business. The financial year ended January 31, 1920, recorded the largest increase of turnover in the history of the Company, such increase reaching £1,850,000—an increase probably without parallel by any kindred retail business in the United Kingdom. Even last year's record increase has been exceeded by the rate of increased business done during the first five months of the current financial year. (Applause.) Let me emphasise the fact that this increase to which I am now referring is at Brompton Road only. Considerable extensions and improvements are constantly being made in connection with our business at Brompton Road. In addition to our retail departments, we have a large number of factories on these premises and adjoining properties engaged in producing goods offered for sale in our retail departments. Price competition in the future will be much keener than ever, and we look upon the further development of our own factory productions as an increasingly valuable means of meeting it.

All these developments and extensions mean more capital. The certified profits of the three businesses of Kendal Milne

KING'S HEAD Tobacco

A highly satisfying smoke. Richly-flavoured and cool.

It is made by the same process as

THREE NUNS

—a milder blend



Both are sold everywhere at 1/1 per oz.

Tins : 2-oz. 2/2—4-oz. 4/4

"THREE NUNS" CIGARETTES

	10's	20's	50's	100's
MEDIUM	6d	1/-	2/5	4/8
HAND MADE	8d	1/4	3/4	6/8

Stephen Mitchell & Son, Branch of the Imperial Tobacco Company (of Great Britain and Ireland), Limited, 36 St. Andrew Square, Glasgow

650

and Co., Swan and Edgar, and Walter Carter, Limited, for their last financial year amounted to £270,756 (subject to excess profits duty), and we have every reason to believe that when we come to make up our balance sheet on January 31 next we shall have a larger amount to include. The sum of £270,756 is more than sufficient to pay the whole of the dividend of 7½% on a Preference capital of £3,000,000, and as the net profits of the Brompton Road business alone last year approached £500,000, the Ordinary shareholders can, I think, rest assured that they will receive not less than a 20% dividend for the present year. (Applause.)

A 7½ per cent. Preference Issue.

Very careful consideration was given to the question as to whether the new capital should be raised by the issue of Preference or Ordinary shares. The board decided in favour of a further Preference issue. It was agreed the rate should be 7½%, and that in consideration of the existing Preference shareholders agreeing that the new capital should rank equally with them they should receive in the future the same rate of interest—namely 7½%. (Applause.) I know that some Ordinary shareholders object to the old Preference dividend being increased, but such shareholders must bear in mind that the old Preference shareholders are agreeing to a large increase in the amount of the Preference capital ranking equally with them. Apart from this, the board are of opinion that the concession now made to the old Preference shareholders will in the long run be to the advantage of the Ordinary shareholder. I would also remind the Ordinary shareholder that he has recently received an issue of bonus shares of considerable value. The cost of the two businesses of Kendal Milne and Co. and Swan and Edgar is about £1,350,000, and the Preference capital interest on the amount is £101,250, while their last year's net profit was about £260,000, thus showing a substantial surplus towards increasing the dividend upon the Ordinary shares. (Applause.)

Sir Woodman Burbidge, Bart., C.B.E. (Managing Director), seconded the resolutions.

The Chairman said that the whole of the proposed new Preference issue had been underwritten, and the resolutions were carried *nem. con.*

WM. CORY AND SON, LIMITED.

The twenty-fourth annual ordinary general meeting of this Company was held on June 22 at Cannon Street Hotel, London, Sir A. C. Cory-Wright, Bart. (the Chairman), presiding.

The Chairman, in moving the adoption of the report, said: The result of the year's trading shows a profit of £755,522, and, with £177,153 brought forward, there is available £932,675. This has been arrived at after providing for the excess profits duty, charging all expenses and cost of maintenance, and making special and ample provision for depreciation. The result represents a considerable increase over the profits earned during the previous year.

Expanding Foreign Trade.

Our trade, which, until recently, was practically confined to the United Kingdom, is now world-wide, and shows marked and increasing expansion, notwithstanding that the coal industry has been, to some extent, hampered by a control which, owing to its confused and uncertain character, has created serious obstacles. That we have been able successfully to surmount the numerous difficulties we have had to contend with augurs well for our continued success. I have every reason to hope that when the trade of the world settles down to its normal conditions again we shall show still further progress and shall be handling tonnage far greater than we could have anticipated a few years ago. At our meeting last year I drew your attention to the fact that we had opened out a wider scope for development by acquiring an important business actively engaged in the export and foreign coal trade, and there is no need for me to repeat how greatly this acquisition has assisted us in building up and developing a large and profitable foreign business. Our trade with American and South African coal shows very marked increase, and during the past year, when the quantity of coal available for export from the United Kingdom was so limited, has proved a valuable adjunct to our business.

Oil Fuel: Progressive Action.

For some time past we have realised that the enormous development that is taking place in liquid fuel must to some extent affect our extensive coal bunkering trade, and the directors are mindful of the importance to this Company of being identified with the supply of oil fuel. Since our last meeting we have entered into an agreement which constitutes the Cory Company the exclusive selling agents for one of the most important oil producing groups. In this connection a company, the British Oil Bunkering Company, Limited, has been formed, and the shareholding of this Company is taken up partly by the oil interests, representing the producers, and partly by the steamship lines and the Cory Company, as representing the consumers. Lord Inchcape is Chairman of the Oil Bunkering Company, and the Cory Company is also represented on the board. Under this agreement the whole organisation of the Cory Company and all its associated companies will be put at the disposal of the British Oil Bunkering Company, Limited, and in this way the company will be in a position to undertake the supplies of both coal and oil at all essential ports.

During the past year we have taken advantage of the prevailing high prices to dispose of some of our older plant, and we have provided a very liberal sum for depreciation to meet the abnormal wear and tear that still continues. The whole of the Company's property is now valued on an extremely low basis and much below the present market value. We have replaced, as far as possible, the plant we have disposed of with new steamers, barges, tugs, and trucks, for which we have been obliged to pay the current high prices. In view of this the board have deemed it prudent to write off out of this year's revenue a large percentage of the extra cost, thus bringing their value more into line with a pre-War standard, and adding considerably to the financial strength of the Company. Since our last general meeting we have been able to acquire, on very advantageous terms, a freehold site in Fenchurch Street, on which we propose to erect offices capable of accommodating the whole of our staff and that of our subsidiary companies.

An opportunity has been offered us of disposing of our interest in Rickett Cockerell and Company. We are of opinion that, as our developments in the foreign coaling trade and in the distribution of oil are so far-reaching, our capital can be more advantageously employed in these directions than in the retail trade. The price we have obtained for our shares is a satisfactory one. The friendly relations that have existed between the two companies for so many years are uninterrupted, and we shall continue to work together in the same manner as heretofore, and, I believe, to the greater mutual benefit of both companies.

After paying our Preference dividend and the interim dividend of 5% on the Ordinary and Employees' shares, there remains an available balance of £709,659. We consider that, in view of our strong position, there is no need to increase our reserve fund, which already amounts to £1,190,000. We, therefore, recommend that a final dividend of 5% and a tax-free bonus of 10% be paid on the Ordinary and Employees' shares, and that £278,307 be carried forward.

Mr. J. Caird seconded the resolution, which was carried unanimously.

BRITISH CYANIDES COMPANY, LIMITED.

The annual ordinary general meeting of this Company was held at the Cannon Street Hotel, London, E.C., on June 23, Mr. C. F. Rowsell (Chairman of the Company) presiding.

The Chairman, in moving the adoption of the report and accounts, said: The gross profit for the year on trading amounted to £69,919, as against £62,720 last year, while our manufacturing and general expenses amounted to £42,265, as against £40,992 last year. The result was a profit for the year, subject to excess profits duty, if any, of £25,042, as against £20,572 last year. I feel that you will agree with the board that it is very satisfactory that we have succeeded not only in maintaining our profit, but in increasing it substantially, when you bear in mind that during the whole of the period we have been extending our works, and have had to carry out many vital alterations in our existing plant. Our new offices are extremely well situated from the point of view of the management of our business, and I am sure that, now that our staff and research departments are adequately housed in convenient and well-arranged buildings, we shall see a very great improvement in the work which they are able to put out.

You are no doubt aware that the great increase in the price of materials makes it essential to carry more value in stocks than before the War, but we are able to do this without any strain upon our resources. There is still £48,542 to be called up on the new issue of shares. Our issued capital has been increased during the year by the issue of 117,505 Ordinary shares, so that the total is 48,328 Preference shares and 325,615 Ordinary shares. You will see from our report that we propose to transfer to reserve account out of the surplus arising from the premium on the issue of shares and from realisation of investments held by the Company, £77,000, bringing the amount of our reserve fund to £100,000. We propose to pay a dividend on the Preference shares of £1.205 and a dividend on the Ordinary shares for the last half-year of 10% per annum, free of income tax, amounting to £11,320. I am pleased to welcome here the three employees appointed by the Consultative Committee to represent them and the workmen of the Company at the meeting to-day. (Applause.) The experiment which we made by our industrial benefits fund and the appointment of the Consultative Committee have greatly increased the harmonious relations between the directors, the staff, and the workmen. I think I may justly say that the balance sheet fully justifies the optimism which I have so frequently expressed.

Mr. Kenneth M. Chance (Managing Director), in seconding the resolution, commented on the technical side of the business.

The resolution was carried unanimously, and the dividends recommended were declared.

BURMAH OIL COMPANY, LIMITED.

THE annual general meeting of the Burmah Oil Company was held on June 24 at Glasgow, Sir John T. Cargill, Bart. (the Chairman), presiding.

The Chairman, after referring to the absence of Mr. Chrystal, one of the directors, and expressing the hope that he would soon be restored to health and again be able to help in the business, said: Ladies and gentlemen,—It is with feelings of great gratification, and, I am sure you will understand, not a little pardonable pride, that I rise to move the adoption of the report and accounts, which have been in your hands for fully a week, and which, with your usual kind permission, I will hold as read. For a number of years now I have, with a regularity which has become almost monotonous, been able to point out that each successive year marked a fresh record in the unbroken prosperity of the Company, and to-day I am in the happy position of submitting a statement of accounts which puts all previous records completely in the shade.

Gross Profits unexpectedly large: Contributory Causes.

Some of you no doubt will remember that last year, in referring to the prospects for 1919, I spoke with a confidence and a tone of optimism perhaps rather unusual for me; but I little anticipated then—nor could I possibly have foreseen—that the gross profits for that year were going to exceed those for 1918 by, in round figures, no less a sum than £1,350,000. When I say I could not possibly have foreseen this wonderful result, I refer specially to the phenomenal rise that took place in the Indian exchange during the last six months of the year, and to which a very large proportion of the increase is due. Also, as I mentioned last year, there was a distinct weakening in the prices of some of our principal products after the declaration of the Armistice; but this tendency changed to even greater strength as it rapidly became clear that the post-War demand had not only been intensified by the War itself, but by its consequences. Countries freed from rationing of consumption, and countries which had not even supplies to ration, poured in demands swollen both by enormously extended motor traction created by and for the War, and by the falling off in the coal production of the world. Obviously, in such circumstances, an industry whose very means of development and production had themselves been unavoidably rationed, cannot at present, whatever the future may hold out, hope fully to cope with such a demand, and it is no exaggeration to say that many hundreds of thousands of tons of new business all over the world have had to be turned down owing to insufficiency of the oil and/or of the means to transport it. Naturally, therefore, the market quickly strengthened, and values further increased, but—although I shall shortly show you that your Company has gone out of its way to avoid taking any undue advantage of this situation—if the advance in the prices of petroleum products is compared with that of coal, steel, tinplates, chemicals, freights, and wages, and the hundred and one different things which enter in some form into its production, refining, transport, and marketing costs, it can be shown at once that petroleum prices, with much greater reason for doing so, have actually advanced very much less.

No "Corner" in Petroleum.

And let me add that there are no such things as either a corner in petroleum production and its products, or a marketing ring of those who are in the business. Only the successes of the industry are spoken of; but for one success there are a hundred and more failures, and even all the successful ones are not equally so. While to-day's prices for petroleum products may mean large profits to some companies, they may represent to others not even a reasonable return from a gilt-edged investment, and lower prices might in many cases conceivably put such companies out of commission, with the result of a still further diminution of the world's supplies. You well know that in the coal industry of this country Government itself found it necessary to fix prices—not on the basis of what showed a reasonable profit to the cheap producer, but on the basis of what was necessary to keep the whole industry going. And so it must be with oil, if the world is to get the largest volume of oil possible.

To come from the general to the particular, and to revert to our own profits, these, as I have said, are attributable to the unexpected rise in the Indian exchange more than to any other individual cause. But an adjustment of certain of our marketing arrangements for kerosene has also contributed considerably, and a still further increase in the volume of the more profitable products of our crude, at the expense of a reduction in the volume of our less valuable products, due partly to an improvement in the quality of our crude and partly to improvements in our refining operations, accompanied by reduced fuel consumption, is responsible for the balance. Kerosene accounts for about 70% of the volume of our products, and, as you know, so long ago as 1905 we voluntarily fixed a maximum price for our Victoria quality, which we have never since exceeded, and which we still sell to-day. But, as in everything, there has been a revolution in the world's kerosene position since 1914. Before that there was an over-production, whereas now there is actually a shortage. So long as there was an over-production our competitors from abroad in the Indian kerosene market were out for gallonage, and though our supplies then, as now, were insufficient to dominate the market, selling prices of imported kerosene in India were ruled by those very low ones voluntarily fixed by us. In these pre-War years, therefore, thanks to our policy, India consistently secured her essential kerosene requirements at prices on a considerably lower basis normally than any other country in the world. During the War—at least, in its later years—one supplier of foreign kerosene dropped out altogether and the other sent in much reduced supplies. In such conditions in this period foreign kerosene fixed and secured practically its own price, but we continued our maximum-price policy and enlisted the assistance of the Government of India towards ensuring as much as possible of the benefits of it to the Indian consumer.

Kerosene for India: new arrangements to sustain old policy.

In this we were more than doubtfully successful, and with the coming of peace and the position as to foreign kerosene being that gallonage would no longer be aimed at in India at the expense of price, it became clear to us that the importer of foreign kerosene had merely to allow our insufficient supplies to go into consumption at our low price and then to put the balance of India's requirements on to the market at such prices as seemed necessary to him. Under such conditions, to continue to adhere to our low prices seemed like benefiting no one but the middleman, who was really in a position to exact from the consumer the high prices of foreign kerosene for his purchases of our low-priced oil. An end to our policy, which had had 14 years' continuous and successful life, seemed at first unavoidable, but we surmounted this difficult situation by an arrangement with our friends, the Asiatic Petroleum Company, Limited, and the British Burmah Petroleum Company, Limited, which we were able to bring into force at once. This arrangement secures from the Asiatic Petroleum Company, Limited, such supplies of foreign kerosene as may be necessary from time to time, as an addition to our own and the British Burmah's indigenous production, to enable the Asiatic and our Company to meet, if necessary, the full demands of the Indian market. Our and the British Burmah's kerosene is contributed to the pool thus formed on the basis of our maximum price of 1905 and ever since for "Victoria" kerosene, and the arrangement enables this essential commodity to continue to be sold freely in India at prices on a much lower basis than is the case in any market in the world.

I have told you that kerosene represents 70% of the volume of our products, and, since we continue to sell it all on the basis fixed by us in 1905 for our Victoria quality, none of the growth in profits is therefore due to increased selling prices by your Company for this enormously preponderating volume of its products. But I think it only right that I should emphasise how much more your Company's policy does than merely deprive itself of what, in the consensus of the opinion of the petroleum industry, are reasonable prices to-day. At to-day's world market prices for kerosene and tanker tonnage India's total kerosene requirements would cost her some £25,000,000 annually. By the arrangement I have just explained this cost is reduced to some £11,000,000, thereby saving India at present some £14,000,000 per annum.

Some quite good friends of ours have objected on occasions to our industry being a protected one, owing to the duty—for purely revenue, and not one for protective purposes—levied by the Government of India on imports of foreign kerosene without a countervailing Excise duty on indigenous kerosene. But no one knows better than these same good friends how empty in our case is such an objection, and how very far we have always been from making the consumer pay. I have shown that our arrangements save India under to-day's conditions some £14,000,000 per annum. Our friends' countervailing Excise duty would, on our kerosene production, yield India less than £1,000,000 per annum. I need say no more; I do not consider I would be doing justice to our Company to say less.

As to the remaining 30% of our volume of products, our petrol disposed of in India is sold on a lower price basis than the American motorist himself pays to-day in the States, and the balance is exported on contract made before the War and not terminating until next year. Our lubricants are almost entirely sold in India at or below the prices of foreign lubricants, whose volume enormously preponderates. Candles and wax form the balance, and are sold widespread in the markets of the world—where they represent merely a drop in the bucket of supply—at world prices paid largely by foreigners, who thereby, through the taxation on our profits, contribute to Imperial revenues.

Capital Increases from Undivided Profits.

Turning now to the accounts, to the extremely satisfactory nature of which I have already referred, I would hope that the directors' proposals to carry £1,791,000 to general reserve, after paying a cash dividend of 50% free of income tax, and then capitalise £2,286,000 of the amount standing at the credit of that fund and issue it to the present Ordinary shareholders in the shape of fully-paid Ordinary shares held will meet with the shareholders' cordial and unanimous

approval. As I pointed out to you when a similar distribution of bonus shares was made in 1918, your directors have for many years past gone on the sound and safe lines of providing for the financing of the expansion of the Company's business and operations out of accumulated undistributed profits, and so successful has this policy proved in the past, and of such undoubted advantage, both to the Company and to the shareholders, that I feel certain it will again meet with your unanimous approval. It will also have the effect of making the issued capital of the Company approximate more nearly to the amount of capital actually employed in the business. The amount transferred to general reserve is certainly a large one, but, as I told you last year, the close of the War enabled us to get ahead with the electrification of the oilfields and other important schemes, involving in the aggregate very large capital expenditure, and it is towards the financing of these schemes that we are retaining such a large amount of cash in our coffers instead of handing it out to our shareholders just to have to ask it back again in some form or other. And as we are making the handsome cash distribution of 50%, free of tax, we feel sure that every shareholder will be satisfied. In order to carry through the above proposal it is necessary to increase the Company's nominal share capital and to authorise the distribution of the 2,286,000 paid-up Ordinary shares, and the necessary resolutions to give effect to this will be submitted to the extraordinary general meeting to be held at the close of this ordinary meeting.

Appropriation of Profits : Dividends and Taxation.

I will now run through the accounts and refer briefly to the items calling for special comment. Depreciation and writing down have, as usual, been amply provided for in the shape of £54,146 1*s.* 3*d.* off refineries account, £30,000 off pipe lines account, £39,851 16*s.* 1*d.* off tankers and tank installation account, and £374,850 4*s.*—representing the total expenditure for the year—off fields account. The usual £20,000 has been added to insurance reserve, and by placing £47,668 11*s.* 5*d.* to fields reserve, the amount at the debit of the fields block account is brought down to a round £100,000, at which sum it is the directors' intention to leave it standing in the books, continuing to write off regularly out of profits the total annual expenditure in the fields. This now means that the annual charge of £80,000, which for many years has been taken out of the profits to write down the fields block account, will no longer be required; but I should like to point out again, as I did last year, and as the accounts this year show, that owing to increased wages, enormously increased cost of drilling materials, and a greatly enlarged drilling and development programme, our expenditure in the fields is bound to increase materially for, at any rate, some years to come, with a correspondingly increased charge on the gross profits. After providing for the above appropriations and the £1,291,000 placed to general reserve and paying income tax—which you will observe amounts to £318,120 18*s.* 2*d.*, as compared with £268,926 14*s.* 1*d.* for 1918—directors' fees, and all charges, there is a balance of £3,007,744 9*s.* 10*d.* From this fall to be deducted the interim dividends paid in November, amounting to £306,750, leaving a balance of £2,700,994 9*s.* 10*d.*, and this your directors recommend should be applied in payment of the final Preference dividend, amounting to £21,000, and of a final dividend of 8*s.* per share, free of income tax, on the Ordinary shares, £1,143,000, amounting together to £1,164,000, making, as I have already said, the total distribution on the Ordinary shares for the year 50%, as compared with 30% for the previous year, and leaving £1,536,994 9*s.* 10*d.* to be carried forward, subject to the payment of excess profits duty, which we estimate at something in the neighbourhood of £1,300,000.

To Aid Research.

You will observe on the debit side of the profit and loss account the £50,000 contributed along with similar amounts from the Anglo-Persian Oil Company, the Anglo-Saxon Petroleum Company, Limited, representing the Shell group, and the Hon. Clive Pearson, of the Mexican Eagle Oil Company, for the encouragement and promoting of chemical research at Cambridge University. I referred to this very fully last year, and I only refer to it again to mention that along with the representatives of these other companies I had the great pleasure and satisfaction of paying a visit to Cambridge last January, where we were shown the splendid use the money is being put to. There is undoubtedly a vast field at all our universites for gifts of this nature, and I only wish others could see their way to follow the example of the oil companies and encourage scientific research and education generally at all our great universities.

Provident Fund for Employees.

The provident fund—the main provisions of which I explained to you fully last year—makes its first appearance in the profit and loss account, and that for the very substantial sum of £78,466 13*s.* The inauguration of this fund was, as I told you, received with the very greatest gratification by all our employees, and the fact that in the first year of its existence they will, by reason of our paying a 50% dividend, receive the maximum contribution provided for by the fund will, I know, bring home to them very forcibly the extremely generous nature of the scheme, and by showing them that they share so fully and so directly in the prosperity of the business will, I am sure, spur them on to give of their very best in the interests of the Company.

You will see the very large amount of cash, £2,032,096 13*s.* 11*d.*, on hand at December 31, but our commitments that have to be met in ready cash are so heavy and so constant that even a large sum like that soon melts away. Interest account, which includes an 8% dividend, free of tax, on our holding of Anglo-Persian Ordinary shares, as against 6%, less tax, in the previous year, contributes the handsome total of £285,154 8*s.* 9*d.*, as compared with £214,927 4*s.* 2*d.* in 1918. Investment account is up from £2,445,042 16*s.* 11*d.* to £3,204,390 16*s.* 9*d.*, and this is mainly accounted for by further purchases of War Loans and by our increased holdings in the Anglo-Persian Oil Company. So far we have sold none of our purchases of War Loans and still hold £1,550,000 of the various loans. We have used, and will continue to use, our purchases of War Bonds for payment of excess profits duty. While on the subject of investments, and with special reference to the footnote showing a contingent liability of £1,531,350 19*s.*—since reduced to £466,680 3*s.*—in respect of uncalled capital on certain shares, which is practically entirely accounted for by the large outstanding liability at December 31 last in our proportion of the recent issue of Anglo-Persian Ordinary shares, I think it well to let you know the exact position of our holding of these shares at to-day's date, which is 1,099,728 fully-paid shares, which cost and stand in our books at a fraction over 11*s.* 3*d.* per share, and 474,932 issued at par, on which only 1*s.* has been paid, leaving an uncalled liability of 19*s.* per share. As to what the potential value of these shares is I am not going to attempt to hazard an opinion. You will observe that we contributed to the national revenue the huge sum of £1,565,754 6*s.* 3*d.* for the 1918 excess profits duty—a fact that might be borne in mind by those who rail against our large profits.

Discrimination in Selection of Areas for Working.

At the last two annual meetings I dealt at considerable length with our operations in the oilfields and the general position there, and as, taken broadly, the situation to-day remains very much as it was then, I am not going to weary you by going over the same ground again. The feverish rush of drilling being indulged in in the Beme district of the

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Yenangyoung field by all the companies is having the inevitable result—the rapid exhaustion of that comparatively small area—and not only are the initial outputs of the wells very much smaller in nearly every case, but the production falls off very rapidly. In this connection it appears to me, from certain statements made in the prospectus of Indo-Burma Oilfields (1920), Limited, and by various speakers at the statutory meeting of that company, that it might very easily be inferred that the Burmah Oil Company had been singularly lax, if not even culpably negligent, in allowing extremely valuable oil concessions in Burmah and well sites in the Yenangyoung field to get into other hands. As regards the former, these were at one time all in our hands, and after a certain amount of test drilling had been done without oil being struck in paying quantities, and after full consultation with our geological staff in Burmah and our geological advisers on this side, they were all abandoned as not holding out any reasonable hopes of developing into paying oilfields. That oil will be again struck in, at any rate, some of these concessions—and as it has been in numerous other places in Burmah by both ourselves and other companies without developing into paying propositions—is a foregone conclusion, but the ultimate result from the pounds, shillings, and pence point of view is the crux of the whole matter, and as far as we are concerned we await that result without any anxiety or misgivings. As regards the latter—the well sites—we have never attempted to buy up or control all the sites in the native reserves and thereby secure practically a monopoly of oil production in Burmah, and you may take it from me that we had very good reasons for not securing the sites now in the possession of Indo-Burmah Oilfields (1920), Limited.

While we have not made any strikes of oil of an important nature in any of the outside territoriteis under test, I am glad to be able to report distinctly more encouraging results in our Badarpur field in Assam. As the result of deeper drilling, we have struck a new sand-giving oil of a rather lighter grade, and—what is much more important—so far there is no appearance of water in this sand. This, together with the present enhanced value of the heavy fuel oil struck in the upper sand, materially improves the prospects of this field. We are continuing a vigorous geological exploratory campaign over wide areas both in Burmah and India, and have largely increased our drilling staff to push on operations in the areas we have already decided to test and any others our geological advisers recommend us to test with the drill.

United British Oilfields of Trinidad, Limited.

Since I last addressed you a reconstruction has taken place of the United British Oilfields of Trinidad, Limited, substituting a single class and value of share for the previous three classes of different values, and, incidentally, the United British West Indies Petroleum Syndicate, Limited, in which we held a quarter interest, was sold, with all its assets, to the reconstructed company in return for shares in that company. At the same time, the capital of the United British Oilfields of Trinidad, Limited, was increased for the purpose of the acquisition and to pay off its loans and provide funds for a more extended development policy. This development is being pushed forward as rapidly as men and material can be secured, but, although our friends are hopeful of securing increased and more settled production from it, results cannot be expected for some time yet. Meantime, and for some time past, production has been disappointing.

Operations in connection with the electrification of the oilfields are well under way and proceeding satisfactorily on the whole, but it is too early yet to hazard an opinion as to when the scheme will be completed and the plant in operation.

Effect of Improved Refining Methods.

The throughput of crude oil at the refineries was practically the same as for the previous year, but, as I have already mentioned, the installation on a much larger scale of the improved methods of refining, to which I made a reference last year, as well as the introduction of further improvements, not only largely increased the output of the more valuable products, but also helped materially to reduce costs of production. For these improvements and economies the application of the patented system of atmospheric fractionation of Mr. Hugh L. Allan, our works manager, and the great energy and ability displayed by him and his whole refinery staff in its development and application, are largely responsible. In Mr. Allan we have found a capable and worthy successor to the works managers who preceded him, and no one knows better than your directors what this means. For we have been peculiarly fortunate in the men controlling the management of our refineries in the past—first, Mr. Andrew Campbell, and succeeding him, in 1912, until his retiral last year, Mr. Fred Bishop. Mr. Campbell was practically the architect of our refineries as they stand to-day, and is happily still with us in an advisory capacity in our London office, where his wide practical experience continues to be drawn upon in the conduct of our refining operations. I know no one will admit more readily than Mr. Allan the splendid backing and assistance he has received from the whole chemical and engineering staff, whose aim and determination seems to be to make the Burmah Oil Company's refinery second to none in the petroleum industry.

While on this subject, I should like to express my own and my colleagues' deep appreciation—an appreciation which I am sure you must all share—of the splendid services rendered to the Company by its entire staff and by its agents both at home and abroad. Every further year I serve in the honoured and onerous position of Chairman of this great Company I become more and more impressed with the splendid spirit of loyalty and devotion to the Company's interests that permeates every branch of the business. We are a very big and a very varied family now, and every now and then we have our little family differences and difficulties to settle. But we never have really the slightest difficulty in settling these, and I am proud to say that we have never had a labour trouble or dispute worth talking about.

Relations with Native Labour.

As most of you no doubt know, India and Burmah have of late had their share of labour troubles along with every other country in the world. I told you last year of the very cordial terms on which we have always been with our native labour, and I am glad to be able to tell you that these friendly relations between us and our native labour still continue, and that with the exception of one or two isolated cases in some of our installations in India, where our employees were intimidated by strikers in other industries and forced to leave their work against their own wish, we have had no real labour troubles. We have recognised that the increased cost of living—rice, the staple food of the native, has risen by exactly 100% as compared with the pre-War price—calls for an adjustment of wages, and by anticipating their justifiable demands for wages to meet the increased cost of living we have so far succeeded in avoiding trouble with our native labour.

It is a good sign that my reference to our fleet can be a brief one, for this means that our tankers have had a most successful year free from any accident of at all a serious nature. With the conclusion of hostilities we were able to take in hand the replacement of the river steamers and launches purchased from us by the Government for Mesopotamia, and also to place orders for much needed additions to our fleet of launches and barges. At to-day's price this means a very large expenditure in the aggregate. Our fleet of tankers is adequate for our requirements at present, but, taking a long view, your directors decided that it was advisable to place an order now for another boat, and they have contracted with Messrs. Hawthorn, Leslie and Co. for a 9-10,000-ton tanker, the keel of which is to be laid down in March 1921, which should mean delivery in the spring of 1922.

Tinplate Manufacture: Subsidiary Company Formed.

After lengthy negotiations with Messrs. Tata, Limited, of Bombay and London, we have, in conjunction with these friends, formed a Company for the establishment of a tinplate manufacturing industry in India, in which Company the Burmah Oil Company will own a major portion of the capital and have the control of the management. The factory will be erected alongside Messrs. Tata's great iron and steel works at Jamshedpur, about 150 miles from Calcutta, and the sheet bar for the manufacture of the tinplates will be supplied from these works. Orders for the bulk of the necessary plant have been placed recently, and it is hoped the factory will be ready to commence operations about the beginning of 1922.

I had all my arrangements made to pay one of my periodical visits to India and Burmah towards the end of 1914, but the outbreak of war unfortunately forced me to cancel that trip. I have now made arrangements to carry it out towards the end of the current year, and sincerely trust nothing will prevent my accomplishing the trip this time.

Company's Prosperts.

As regards the prospects for the current year I feel that, as I did last year when dealing with the outlook for 1919, I can speak with confidence and indeed with reasoned and reasonable optimism. But I hope you will not think it misplaced if I venture to utter a word of warning against that blind and dangerous optimism which believes every story and rumour so long as it is a "bull" one, and which has undoubtedly led to so much loss and disappointment in connection with oil and many other kinds of shares during the past few months. In our own case, and dealing only with the current year—for I am not prepared to enter into the dangerous realms of prophecy for any distance ahead—I feel that I am on pretty safe ground when I say that, taken all over, the prospects are favourable—I think I might put it even stronger, and say bright. Prices of all oil products in every market—and especially in America, which, with fully 70% of the world's production, largely rules the price of oil throughout the globe—continue exceedingly firm and show no sign of any early fall, and with the Indian exchange in the meantime on a higher level than the average rate for 1919, our gross income for 1920 should compare favourably with what it was for the past year. These are the main favourable features.

On the other side we have got to reckon with increased working costs due to advanced wages in every direction, increased cost of all materials, and a greatly extended and much more costly drilling and testing programme. Further, with a 60% excess profits duty, in place of the 40% for last year, unless the Chancellor gives in at the last moment; the new corporation tax; the increase in United Kingdom

income tax owing to the operation of the three years' average; and the new super-tax in India, we are going to be very heavily hit by increased taxation. I could not possibly at present venture on an estimate of what the current year's profits are likely to be, but I can give you an illustration of the effect of this increased taxation.

Let us suppose that the net profit for 1920, after providing for depreciation and fields expenditure on the same lines as was done for 1919, but before placing anything to reserve accounts, worked out the same as for 1919—and please bear in mind that that would mean a largely increased gross income and profit, for, as I have told you, working costs and fields expenditure are going to be very much higher—the increase in taxation under the four heads I have mentioned would work out at something round about £750,000, and any increase on the 1919 profits would, of course, be subject to this enormously increased scale of taxation. Last year I sounded a note of warning—which events have proved was only too well justified—as to the uncertainty of future taxation. To-day there is no uncertainty on this score; and I have shown you broadly what the all-round increase in taxation is going to mean to us in the current year. I am afraid I may be accused in some quarters of being depressing for drawing your attention so pointedly to this question, but I feel that it is only right that every shareholder should know and realise how our profits are going to be affected by the new basis of taxation.

A limit to expectations.

I am not the least pessimistic as to the future of the Burmah Oil Company—on the contrary, I am a firm believer in the continuance of its wonderful prosperity—but my optimism is of what I have already ventured to call a reasoned and reasonable nature. Personally, I much prefer to look at both sides of the picture—the unfavourable as well as the favourable—and not to pitch my expectations on so high a basis as to run the risk of disappointment, even when the results are—as I am certain they are going to be for the current year—eminently satisfactory. I must, however, enter not only my own, but my board's most emphatic protest against the suggestion put forward in responsible financial quarters that it may be possible to maintain for the current year, under the enormously increased burden of taxation, the rate of dividend on the greatly increased Ordinary share capital at the 1919 rate of 50%, free of tax.

Managerial Changes.

For health reasons Mr. James Hamilton resigned as at December 31 last the post of Manager of the Company, which he had held since 1905, but still retains his seat on the board. Mr. Hamilton joined the staff of the original Burmah Oil Company when it was formed in 1886, and served that Company and the present Company in various important positions with a devotion and ability of which it would be impossible to speak too highly. For the past 27 years I have been practically in daily association with Mr. Hamilton in connection with the affairs and management of the Burmah Oil Company, and no one can speak with greater knowledge than I can of the immense value of the services rendered to the Company by Mr. Hamilton, whose unfortunate and regrettable breakdown in health is undoubtedly attributable to overwork in the Company's interest. The directors have already conveyed to Mr. Hamilton in suitable terms their appreciation of his long and devoted services, and their deep regret at his resignation, and especially the cause that has led to it, and I am sure you will welcome this opportunity of associating yourselves with these expressions of appreciation and regret. In view of Mr. Hamilton's resignation the directors decided to reinstate the post of managing director, which has been in abeyance since the death in 1908 of Mr. Kirkman Finlay, the first managing director of the Company, and to fill this very important post they unhesitatingly fixed on Mr. Robert Irving Watson. When, two years ago, I had the pleasure of proposing that Mr. Watson should be elected a director of the Company, I spoke of the very valuable services he had then already rendered to the Company, and which so justly entitled him to a seat on the board. I could to-day add a great deal to what I then said, but I know that Mr. Watson would very much prefer that I should not do so, and I will content myself by saying that the shareholders of the Burmah Oil Company may indeed consider themselves fortunate in having the command as managing director of the services of one who at this comparatively early stage in his career has proved himself capable of taking his place in the very forefront of the ranks of those who are responsible for the management and guidance of the destinies of the petroleum industry, now one of the principal key industries of the world

In conclusion, the Chairman moved the adoption of the report and accounts.

Sir Campbell Kirkman Finlay formally seconded the motion.

An enthusiastic shareholder.

Mr. G. L. Moore, in supporting the motion, said he had come all the way from London to be present at the meeting, and, indeed, he would feel himself full of ingratitude if he had not come, as within the last few months he had made a sum of £20,000 out of the Burmah Oil Company alone, and with the four shares he was to receive for every five he held



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by ALLAN RAMSAY

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he had now 900 shares that had cost him nothing. (Laughter and cheers.) He congratulated the Chairman upon the honour which had been conferred upon him by the King, and expressed the hope that when he attended the next meeting of the Company Sir John T. Cargill would be a peer of the realm. Knighthood had almost ceased to be an honour, and he knew some baronets with whom he would hardly speak, but, wherever one was worthy, let him have the very highest honour that the Sovereign of these realms thought fit to give him. Dominie Sampson never used the word "prodigious" with greater vigour or verve than he (Mr. Moore) would use it that day, but he would prefer to use the word "colossal" to describe the Company's report. Everything connected with this Company was colossal. The Company itself was colossal, its profits were colossal, the dividends paid were colossal, the carry-forward was colossal, and the excess profits duty was colossal. He did not know whether the directors received any commission for their work, but if the remuneration given in the report was all the remuneration they received, then he for one, although a comparatively poor man, would not give his services as a director. He was not going to sell a single share of the Company. He looked upon it as a sound investment. He thought the Company would go on with increasing prosperity, and it showed how upright and honest the directors were that they warned the shareholders not to expect a 50% dividend next year.

The Chairman thanked Mr. Moore for his remarks and for the good advice he had given the shareholders—advice which, he was sure, they would accept.

The adoption of the report and accounts was carried unanimously.

The Chairman then moved: "That the following dividends be paid—namely, on the 6% First Preference shares of £1 each, $7\frac{1}{5}d.$ per share, equivalent to 6% per annum, from June 30 to December 31, 1919, less tax at 6*s.* per pound, namely, £5,250; on the 6% Second Preference shares of £10 each, 6*s.* per share, equivalent to 6% per annum, from June 30 to December 31, 1919, less tax at 6*s.* per pound, namely, £15,750; and on the Ordinary shares of £1 each, a dividend of 8*s.* per share, free of tax, namely, £1,143,000, carrying forward a balance of £1,536,994 9*s.* 10*d.*, subject to deduction of excess profits duty, estimated at £1,300,000."

Mr. Gilbert Innes seconded the resolution, which was carried unanimously.

Tribute to the Chairman.

Mr. Leonard Gow moved the re-election of Sir John T. Cargill as a director of the Company, and said that it was largely due to Sir John's broad outlook and statesmanlike vision that the Company was in such a sound and flourishing condition to-day. (Hear, hear.)

Mr. J. P. Hay, who seconded, congratulated Sir John upon the well-merited honour that had been conferred upon him. All the shareholders would agree that it was not too great a distinction that had been conferred upon him for his services to the Empire, to the Company, to Burmah, and to the shareholders.

Mr. G. L. Moore, in supporting the motion, pointed out that all the Company's oil was for the British Empire.

The motion was adopted unanimously, and the Chairman, in acknowledging it, said he deeply appreciated what had been said. He did not think that there ever was an honour that was shared by so many others. He felt that he played a comparatively small part in it, and that he owed his honour to those who had been associated with him in his business life and in his home life. He was deeply grateful to all of them for the encouragement and example they set him.

The Chairman then moved, and Mr. H. T. Brown seconded, the re-election of Sir Campbell K. Finlay as a director of the Company, and it was agreed to.

On the motion of the Chairman, seconded by Mr. F. L. M. Moir, Mr. Leonard Gow was also re-elected a director.

The Chairman next moved: "That Mr. R. A. Murray be elected a director of the Company to fill the vacancy on the board arising through the death of Mr. D'Arcy." Not only had Mr. Murray, he said, been auditor of the present Company, but also of the original Company from its inception, and he, therefore, had a very intimate knowledge of the workings and of the officers of the Company. From that point of view, and also, as they were all well aware, Mr. Murray stood at the very head of the chartered accountants' profession in the City, and had a very wide business experience, he was confident they would approve of the directors' selection.

Mr. A. A. Smith seconded, and the resolution was adopted unanimously.

Mr. J. N. Reynard moved, and Mr. W. J. Hill seconded, the appointment of Mr. James Herbert Wilson, C.A., as auditor of the Company at a remuneration of 500 guineas per annum.

The motion was adopted unanimously.

Extraordinary General Meeting.

Immediately at the close of the ordinary meeting the Chairman read the notice convening an extraordinary general meeting of the Company for the purpose of adopting the proposals outlined in his speech, and moved the following resolution: "That the capital of the Company be increased to £7,000,000 by the creation of 1,000,000 additional Ordinary shares of £1 each, ranking for dividend and in all other respects *pari passu* with the existing Ordinary shares of the Company."

Mr. H. S. Ashton seconded, and the resolution was adopted without discussion.

The Chairman then moved the second resolution in the following terms:—

"That the sum of £2,286,000, part of the undivided profits of the Company at the credit of general reserve, be capitalised and appropriated for distribution as a capital bonus among the holders of the Ordinary shares of the Company registered as such as at the close of the eighth day of July, 1920, and that the persons entitled there to receive 2,286,000 of the 3,142,500 Ordinary shares of £1 each of the Company, which will remain unissued by the creation of the 1,000,000 additional Ordinary shares by which the nominal capital of the Company has this day been increased, and that the directors do thereafter allot and distribute such shares credited as fully paid and on the footing of ranking for dividend as from January 1, 1920, among the holders of the issued Ordinary shares of the Company registered as such as at the close of the eighth day of July, 1920, rateably to their respective holdings of Ordinary shares, being at the rate of four fully-paid up £1 Ordinary shares in respect of every five Ordinary shares held, and so that any shares not allotable without fraction be allotted to trustees to be nominated by the directors and be sold by such trustees, and that the net proceeds of sale thereof shall be substituted for the fractions and distributed accordingly, and further that the directors be and they are hereby authorised and directed to have executed and filed in terms of section 88 of the Companies (Consolidation) Act, 1908, the necessary agreement providing for the allotment accordingly to the said holders of the said already issued Ordinary shares of the said 2,286,000 additional Ordinary shares credited as fully-paid up."

This was seconded by Mr. D. W. T. Cargill, and was also carried without discussion.

Mr. J. W. Murray moved a vote of thanks to the Chairman for his services to the Company and for the manner in which he had conducted the meeting. He said that both in commercial and social circles here and abroad, Sir John's recent honour had given the utmost satisfaction. It had been his privilege to know Sir John during practically all his business career, and he had been long associated with him in public work, in which he had never spared himself. His services to the Burmah Oil Company could never be overestimated. (Hear, hear.) That had been his lifework, and they all hoped he might be long spared to preside over the destinies of that great Company. (Cheers.)

Sir John Cargill said he greatly appreciated the very warm and kindly welcome and hearing they had given him, and he would simply re-echo the hope that he would be long spared to give of his best to the Burmah Oil Company for many years to come and to preside at many more such happy mettings as they had had that day. (Cheers.)

The proceedings then terminated.

SCOTTISH OILS, LIMITED.

The first annual general meeting of the shareholders of this Company was held on June 24 in the Merchants' Hall, Glasgow, Sir Charles Greenway, Bart. (the Chairman), presiding.

The Secretary (Mr. R. W. Meiklè) read the notice convening the meeting and the auditors' report.

The Chairman said: Gentlemen,—I wish to express the great pleasure which it gives me to attend here for the first time—a pleasure which is augmented by the fact that the statement of affairs of the Company which I am about to make will be regarded by the shareholders as an entirely satisfactory one. This Company was, as you will remember, only formed in the month of September last, but its interest in the various Scottish companies which have been acquired dates as from May 1 last year, and it is therefore for this period that the results of the working of those companies are shown in the report and accounts now before you. The items in the accounts are all self-explanatory and therefore do not, I think, need any comment from me, other, perhaps, than to say that we have a considerable amount of capital expenditure before us, to meet which the balance of the money due on the Ordinary shares will be called up as required.

Labour demands: Economies effected by Amalgamation.

You are all aware, I think, of the state of matters in the shale-oil industry a year ago. There had been considerable reductions in the prices of products during the preceding six months, and there had also been large additions to costs, due chiefly to advances in wages and in the price of coal, with the result that the industry was in a critical position. For some months affairs continued in this very unsatisfactory condition, and in the month of September a crisis was reached when a demand was made by the workers for a reduction in hours corresponding to that granted in the coal industry under the Sankey award. This demand we were compelled to resist, as we could not at the then level of costs and selling prices have carried on operations excepting at a heavy loss, with the result that the workers lodged notices to stop work. Before these notices expired, however, an agreement was reached, on the lines of an offer previously

made by the Company. Under this arrangement the men continued to work the same hours as formerly for a period of three months, to give us time to ascertain whether the economies which it was hoped would be effected by the combination of interests would enable the companies to grant a reduction in working hours. As no reliable data were available for the period of three months referred to, operations having been greatly interfered with, due to the necessity for gradually cooling down the retorts when the notices to stop work were lodged, it was arranged to continue the same working hours for a further period of three months. At the end of this second period we had been able to form some estimate of the economies likely to result from the amalgamation of the companies, and as these, coupled with an advance in the prices of products, had materially improved the position of the Company, we found ourselves, I am very pleased to say, in a position to grant the demand for the seven hours' day. It was therefore arranged to bring the reduction of hours into force from April 7.

"A fair margin of profit."

Not only have these economies in working and higher prices enabled us to meet the demand for shorter hours and higher costs generally, but they also, I am glad to say, leave us for the time being with a fair margin of profit. How much of this improvement in position is due to the unification of management and the consequent better working and reduction of expenses all round, and how much to the higher prices we have been securing for our products, it is not at present possible to state; but the experience gained under the new conditions confirms our anticipation that the amalgamation of the Companies will be a great aid to, if not the salvation of, the Scottish shale industry. It will, of course, be some considerable time before the full benefits of the amalgamation will be attained, as a great deal remains to be done in the direction of replacing and modernising the various plants, concentrating the different operations of the companies, and generally bringing the mines and works up to the highest possible state of efficiency; but all these points are receiving the very closest attention of the board and management, and when the improvements under contemplation are completed we shall own an organisation which will, as only befits a Company which is carrying on the splendid work inaugurated by that great Scotsman, Dr. Young—the founder of the petroleum industry—be second to none from the point of view of scientific and technical management as well as of general efficiency. Among other questions which have been engaging our attention is the all-important one of providing further and more modern housing accommodation for our workers. At present the Company owns over 3,000 workmen's dwellings, and it is our intention largely to increase this number and to erect dwellings of the most modern type. Building operations have already commenced, and from time to time, as the new houses are completed, it is proposed to scrap some of the older and less desirable dwellings.

You will, of course, remember that when this Company was formed it was intended to extend its scope by undertaking also the refining of imported crude oils in order that the refineries might be worked to their fullest possible capacity, and thereby working costs be reduced. You will be pleased to learn that it has been found possible, by concentrating our operations, to set free a considerable portion of our refining plant for this addition to our business, and that a start has now been made with the refining of imported oils in Scotland. It is probable that in the future highly important developments will take place in this direction, and it is perhaps needless to point out that these will be of great advantage to the shale industry, inasmuch as it will result in lower working costs all round.

The Selling Agency.

The sale and distribution of the products manufactured by the Scottish Oil Companies is being performed by the Scottish Oil Agency, Limited, which was formed in October 1918 to market the burning oil, naphtha, and motor spirit produced by these Companies, and eventually to deal with all the other products. The centralisation of selling in the hands of this organisation has worked in a most satisfactory manner, the results obtained amply justifying the formation of the Agency. As from April 1 all the products manufactured by the various shale oil companies, and also the considerable business in imported products formerly done by the British Petroleum and Homelight Companies, have been handled by the Agency. I may mention here that the cost of distribution is a very important factor in the selling price of oil products, and, therefore, that this concentration of business will be of considerable benefit, inasmuch as it has done away with much overlapping and duplication of expenses and effort. Arrangements have also been completed between the Scottish Oil Agency and the British Petroleum Company, whereby the latter will act as selling agents for the Agency in England and Ireland, and these arrangements will similarly result in a corresponding economy in the marketing of such of our products as are sold outside of Scotland. Within recent years the use of oil has, as you all know, been enormously extended, and consequently all our products are in great demand.

The Sulphate of Ammonia Federation, Limited: Its Raison d'etre.

Sulphate of ammonia is, as you are aware, a very important product with us, and during last year it was in very active demand. The price obtained for the home trade was that arranged with the Board of Agriculture, licences being granted to the Sulphate of Ammonia Equalisation Committee for the export of any surplus. This Committee was set up to pool the export business among makers, thus encouraging sales in the home market. This plan worked well, and there was a feeling that some permanent arrangement on these lines was desirable. This desire is being given effect to by the formation of the Sulphate of Ammonia Federation, Limited. This Federation has just been formed, and at present embraces 444 makers out of a total in this country of 499, and this membership controls 90% of the total production in the United Kingdom. The production of the Scottish Oil Companies is about one-sixth of the total output of the United Kingdom, and, in virtue of our large interest in this product, our representatives have taken a leading part in the formation of the Federation. We are also represented on the Council and Executive Committee. As a result of the War, home farmers have come to appreciate the value of sulphate of ammonia as a fertiliser to a greater extent than ever before, and you will realise this when I tell you that in the year before the War only about 50,000 tons were used for agricultural purposes at home, while during the last year of the war the quantity used was about 270,000 tons. While it may not be possible to maintain this figure when other forms of nitrogen are again available, we believe that sulphate of ammonia has obtained for itself a permanent place in home agriculture. It is also anticipated that the formation of the Federation will lead to substantial benefits in the conduct of the export trade. Hitherto there has been little cohesion among the makers so far as marketing was concerned, and the trade suffered from this in meeting the competition of foreign producers. It also created a very weak position, as there were something like 500 sellers and only about a dozen export dealers—a position which resulted in an extremely speculative and fluctuating market. The Federation will now undertake the marketing of the whole production of its members, competition between makers will cease, and speculative dealings be eliminated. The Federation will keep in close touch with the world's markets, and makers will have the satisfaction of knowing that they are receiving the market value for their product.

As already indicated, the Government has for some years been taking a close interest in the disposal of sulphate of ammonia and, recognising its great value to the nation, especially in these days of shortage of food supplies, has decided to exercise control for a further period. Arrangements have been made with the Board of Agriculture whereby farmers here will obtain their supplies at agreed prices, makers being

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allowed to export any surplus. The prices fixed show a considerable advance over those ruling last year, this being necessary to meet the increased cost of manufacture. There is at present a world-wide shortage of nitrogen products of all kinds, so that we feel sure of a good market for our production of sulphate of ammonia during the next twelve months.

Since the close of the financial year there have been very considerable advances in the selling prices of all our products, but there has also been a further substantial increase in costs, due to advances in wages and increase in the price of coal. Provided, however, that present conditions continue, the results for the current year will be satisfactory.

The Anglo-Persian Oil Company's Action.

You will doubtless have read something of the keen controversy which has been going on recently with regard to oil supplies for this country. Apart from what is being done to secure foreign supplies, there is no doubt that it is essential that every effort should be made to foster home production. So far as this Company is concerned you may rest assured that every effort will be made, in the interests of the nation as well as of those of the shareholders and of the large number of workers to whom it gives employment, not only to maintain but largely to develop this very important home industry. It was chiefly in view of the first and last of these objects that the Anglo-Persian Oil Company undertook to come to the rescue of the Scottish shale companies at a time when their future looked very black indeed—so much so that we might almost have laid ourselves open to the accusation of rashness for doing so; and it is a matter of the greatest satisfaction to my colleagues and myself to see that our anticipations as to the advantages to be derived from unification of management and from the provision of additional capital have already been so well justified.

Before concluding my remarks I should like to pay a tribute to the very valuable services rendered by our able Managing Director, Mr. William Fraser. Dr. Young's name holds an honoured place in history as the "founder" of the great petroleum industry. Mr. Fraser's name may, I think, very well be given a place in the scroll of fame as the "saviour" of that part of the industry represented by Scottish shale; for had it not been for this driving force, ability and tact I am quite sure that the amalgamation of the Scottish shale companies would never have been effected, and that the industry would sooner or later have expired—not, mark you, from lack of intrinsic merit, but from want of the combination necessary for economical working and of the additional capital requisite for concentrating the operations of the several companies and for the introduction of more modern plants. Under his able management Scottish Oils, Limited, can, I am confident, look forward to a long and prosperous career, and the industry to a new lease of life. I should also like to acknowledge the extremely efficient services we have received from our staff during the period of organisation. Throughout those trying times the management and staff have answered all the calls made upon them in a most loyal manner, and this, I think, augurs well for the future of our business.

In conclusion, the Chairman moved :—

"That the report of the directors and statement of accounts for the period ended March 31 be approved. That the interim dividend on the Participating Preference shares for the six months ended October 31, 1919, at the rate of 7% per annum, paid on February 10, 1920, less income tax, be confirmed, and that a final dividend on the Participating Preference shares for the five months to March 31, 1920, at the rate of 7%, less income tax, and the dividend on the amounts paid up on the Ordinary shares at the rate of 7% per annum for the period ended March 1920, less income tax, be declared to be payable on July 1, 1920, to the shareholders on the register on June 14, 1920."

Mr. W. Fraser (Managing Director) seconded, and said : I would like to take this opportunity of thanking you for your kind words regarding myself. If I had not had the very valuable support of the officers and staff of the Company in the efforts that have been made and are being made for the reorganised Company much of the work that has been done could not possibly have been accomplished. I think it is right that the shareholders should know that the very best spirit prevails with their officials and staff in the new combined concern.

An Investor's fears.

Mr. C. H. Cadell said that he was very much interested in the shale-oil industry, but it seemed to him that the future of the Company was not altogether secure in view of the demand that the miners were now making for a five days' week. It seemed to him that if any further demands were made it would not be possible to pay a dividend like this any more unless a much greater price was obtained for the products. He thought a Company like this should stand firm and resist any further demands for higher wages on the part of the miners, because they were making about £2 a day, and were only putting up about £4 of shale, which was a very large remuneration for a small amount of work, and the industry could not stand it.

Mr. Robertson (Glasgow) pointed out that they had about two months of a stoppage of the shale works, and once the retorts were allowed to cool it was some considerable time before they began to get the yield back to its normal output. He pointed out also that they were dealing with only 11 months of the Pumpherston Oil Company, and not 12, and the same applied to Young's Company.

Colonel David Hamilton asked : Is it competent at this meeting to bring up the matter of the Young's "B" Debentures?

Economies "Startling" in Effect.

The Chairman said he sympathised with Mr. Cadell's remarks regarding the continually increasing demands of the Company's workings and the shale-oil industry. He thought he could give him the assurance that the Company, so far as they could see ahead, was likely to do extremely well even on the present basis, and unless the demands of Labour were very largely increased they should be able to see satisfactory results. The balance sheet they had got before them could not be taken for a guide for a full year, for the reasons given by the last speaker, and they were only seeing a very small portion of the benefits that were being derived, and would be derived, from the amalgamation. The economies that were being effected in that direction were startling even to themselves, and when the full effect of these was attained he was sure that none of them would have any fears regarding the continuance of the shale-oil industry so long as Labour did not make impossible demands. If Labour went on increasing its demands, of course there could only be one end to the industry, but they hoped that that would not come about. Regarding Young's "B" Debentures, he would like to say that the matter was receiving the consideration of the board, because none of the changes and economies they were free to establish could be completed so long as the "B" Debentures remained in existence. In that connection a circular would shortly be communicated to the holders of the Debentures making some fresh proposals which he hoped would meet the views of everyone.

A Shareholder : Will it be a better offer than the last one?

The Chairman : I cannot answer that question to-day, but it will be the best we can possibly make.

The motion adopting the report and accounts was carried unanimously.

Mr. R. A. Murray moved : That the remuneration of the directors should, until otherwise determined, be fixed at the sum of £4,500 per annum.

The Chairman : Before asking a seconder for that proposal I would like to explain that no fees are being drawn by the directors in connection with any of the original companies, and the fees that are now proposed are considerably less than those being paid under the old administration.

Mr. John Robertson (Glasgow) seconded, and the motion was carried unanimously.

Colonel David Hamilton proposed : "That Messrs. Brown, Fleming, and Murray, C.A., Glasgow, be reappointed auditors of the Company for the financial year 1920-21, at such fees as might be determined by the board."

Mr. James D. Craig seconded, and the proposal was adopted unanimously.

The meeting terminated with a vote of thanks to the Chairman.

EXPLORING LAND AND MINERALS COMPANY, LTD.

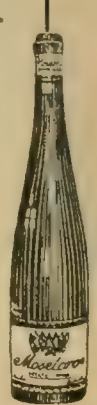
THE ordinary general meeting of this Company was held on June 24 at Winchester House, Old Broad Street, London, E.C., Mr. T. Piercy, Chairman of the Company, presiding.

The Chairman, in moving the adoption of the report and accounts, said : The profit is £14,220, making, with the balance at credit previously, £21,946, out of which your directors recommend a dividend of 6%. Your directors have given much consideration to the question of ranching this year, and have authorised an expenditure on a larger scale than hitherto, both for cattle and equipment, including a new homestead, sheds, fencing, dipping tanks, &c., to meet the more extensive development decided upon. It is plain

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that to make this a profitable venture the herd must be increased, though your directors have every reason to be satisfied with their former policy. We have gone somewhat slowly in this matter, as it is essential that experiments should be on not too large a scale, for, if unsuitable cattle are imported, they do no good, and the strong probability is that they die, which, though not a monetary loss to the Company, the cattle being insured, means a loss of time and effort, and delay in reaching the profit-earning stage.

We have been extremely fortunate with our pedigree stock, and our manager in a late report states that all the pedigree cattle are in good fettle except one heifer. As regards the land, our manager says that we have land on the ranching estate simply "crying out to be grazed." During the year, as the herd is getting larger and more valuable, we engaged Mr. Bovell, a well-known expert in Rhodesia in this class of enterprise, to take charge of it. The results since he has been there are satisfactory, but further time must elapse before the benefit of his management can be properly appreciated. In the meantime we have written off year by year the balance of the cost of running the ranch. We hope that next year the account will balance, and thereafter I do not think it too optimistic to prophesy that profits will begin to accrue and will go on increasing. We have resumed work on the Renny Tailyour Concession, and a prospector is now actively employed in thoroughly going over the ground.

Your board consider that our Company is in a very strong financial position, and that as the result of the conservative and careful policy pursued from the reconstitution of the board and continued since the War. No effort will be spared on the part of your board to sustain the dividend-paying position of the Company, and to this end they will avail themselves of every opportunity they can find for either land sales or mining enterprise on the Company's properties.

Mr. J. B. Brook (the Managing Director) seconded the motion, which was carried unanimously.

GADEK RUBBER ESTATE, LIMITED.

The ninth ordinary general meeting of this Company was held at 138 Leadenhall Street, London, E.C., on June 21, Mr. Frederick A. Roberts, Chairman of the Company, presiding.

The Chairman, in moving the adoption of the report and accounts, said the output of rubber for the past year had exceeded the estimate by 12,314 lb., and but for a shortage of tappers would probably have been greater. The manager had reported in April last that he then had a full force of tappers, and that he considered his estimate of 350,000 lb. for 1920 would be on the conservative side. The price obtained for their rubber was, on the whole, good, and if they took into account the quantity sold at Singapore, and added the charges on to that, the all-round average would be in the region of 2*s.* 1*d* per lb., which, he thought, would compare favourably with other companies.

In their accounts there were several items which many companies would have charged to capital account, but, taking expenditure of all kinds, including London expenses, the total all-in cost was 1*s.* 3½*d.* That might be considered high, but he feared in the future they must look to rather higher cost of production. The year's working might be considered satisfactory. After allowing for all charges, the profit was over 30% on the capital. They had thought it advisable to write off 20% on machinery and buildings.

The total outlay on the estate was over £40,000, against an issued capital of £30,000. Therefore, it had become necessary to issue 5,000 shares, at a premium of £1 per share. Including the increased capital, the cost of the estate per acre worked out at £27 11*s.* 6*d.*, which was as cheap as any opened out in Malaya. They were fortunate, he said, in one way, not having to pay excess profits duty. That simply arose from the fact that they had written off so much to revenue in the past, and they had considerable losses to set against their profits now, and, therefore, so far, they were free of tax. Whether that would be so next year he was a little doubtful.

Regarding future prospects, he was not pessimistic, and thought the market would improve later, when America came in to buy, and when the demand from the Continent got stronger. New uses for rubber were being found every day. No doubt many shareholders had seen in the newspapers a report of a new process of vulcanisation which would make the manufacture of rubber goods far cheaper, and enable it to be used for many more purposes. He congratulated shareholders on possessing a first-class property.

Mr. F. W. Collins seconded the motion, which was carried unanimously.

ELPHIL RUBBER COMPANY, LIMITED.

The annual general meeting of the above Company was held at 38 Eastcheap, London, on the 22 inst., when the Chairman, Mr. A. F. Lake, said that the capital expenditure of the Company stood at £27,951 8*s.* 0*d.* The crop for last year was approximately 289,000 lb. and the cost f.o.b. 1*s.* 6.11*d.* per lb., which included about 1½*d.* for depreciation and expenses for clearing away old timber, road making, &c. The area over which tapping operations were going on was 989 acres, and on this basis the crop was 292 lb. per acre. But if the acreage was based upon the number of trees tapped the crop was 424 lb. and the yield per tree 4.70 lb. per acre. The estimate of crop for this year was 300,000 lb. and they hope to reduce their f.o.b. cost a good deal. The crop for the first five months was 129,612 lb. They had sold 63 tons for 1920 at about 2*s.* 1*d.* per lb. and 36 tons for 1921 at 2*s.* 5*d.* per lb. delivery Singapore. The profit for the year was £4,951 18*s.* 8*d.*, which, added to £8,139 8*s.* brought forward, gave £13,091 6*s.* 8*d.* to deal with; and it was proposed to pay a dividend of 7½%, less income tax, which would absorb £4,500, and the balance, £8,591 6*s.* 8*d.*, would be carried forward.

New Share Issues.

They were asking the shareholders to increase the capital from £60,000 to £80,000, and it was proposed to offer to the shareholders 10,000 of these additional shares at a premium of 5*s.* each.

His co-director, Mr. H. J. Welch, visited the estate in January, and he would ask him to second the proposal that the report and accounts be adopted.

Mr. H. J. Welch, in seconding the motion, said that the history of Elphil had been a disappointing one. The fundamental difficulty had been that of health, and this had had its effect on management and labour. It was, therefore, satisfactory to him to find the estate practically clean. The Manager had told him that weeding would continue to be costly for a year or two, as seeds were still in the ground. The growth of the trees was somewhat uneven, but if they had no further setbacks as regards labour, and the estate could be kept clean weeded for the next 18 months, he thought they would have a very good property.

The Chairman having replied to a few questions, the resolution was carried and a vote of thanks accorded to the staff in the East and the directors.

At an extraordinary general meeting which followed, the capital of the Company was increased to £80,000 and a resolution passed increasing the directors' remuneration.

MORTGAGE COMPANY OF EGYPT, LIMITED.

The twelfth ordinary general meeting of this Company was held on June 24 at the Cannon Street Hotel, London, E.C., Sir Henry Babington Smith (the Chairman) presiding.

The Chairman, dealing with the political situation in Egypt, said that when he last had the honour of addressing the shareholders it had been announced that an inquiry would be conducted by a Commission under the presidency of Lord Milner. Lord Milner and his colleagues visited Egypt, and examined the situation there as completely as was possible, in spite of the attempted boycott on the part of the Nationalists. They were still considering their report, and it was satisfactory to learn that Zaghul Pacha and his friends were now following a more sensible course, and had come to London for the purpose of laying their views before the Commission. It was to be hoped that this would lead to the formulation of a scheme for the future government and status of Egypt which would be accepted by all concerned, and would put an end to the present unrest. In spite of political troubles, the economic condition of Egypt was one of great prosperity. The price of cotton was still extremely high compared with that ruling before the War, and the price of other produce had also been high. Another remarkable indication of prosperity was to be found in the trade returns. Agricultural land of good quality had sold for as much as £E400 to £E500 per feddan—a price which could not be maintained when the value of produce had fallen to a more normal level. The accounts of the Company, now submitted, showed that the position was thoroughly satisfactory. The rise in the value of land had enabled them to sell practically the whole of the properties which they had been compelled to acquire, not only without loss, but at a considerable profit. Up to March 31 the Company had purchased its own Debentures to a nominal amount of £594,700 at a cost of £487,916. They had thus cancelled a debt that was ultimately repayable at par at a discount of £106,783. The board felt justified in proposing the payment of a dividend of 12%, as against 8% last year, on the amount paid up on the Ordinary shares, and the placing of £20,000 to the general reserve.

The report and accounts were unanimously adopted

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R. AND J. HILL, LIMITED.

THE twenty-third ordinary general meeting of this Company was held on June 22 at Winchester House, Old Broad Street, London, E.C., Sir Herbert B. Mackworth Praed, Bart., presiding.

The Chairman, in moving the adoption of the report and accounts, pointed out that the plant, machinery, and fittings account now stood at £45,000. Messrs. Robert Legg, Limited, valuers, had, on a revaluation of those particular assets, certified their present worth to be £51,630. The board, being satisfied that the other assets were of a value at least equal to that at which they stood in the Company's accounts at March 31, 1920, had resolved to increase the amount at which the plant, machinery, and fittings were entered to £45,000, and to credit the increase—£26,389—to reserve. There still remained £6,630 as a margin against future depreciation. The stock item at £209,674 showed an increase of £56,856, accounted for by the heavier stock carried and the considerably higher cost of leaf tobacco.

The profit on trading, after deducting therefrom excess profits duty—a point on which he would lay stress in comparing the results with those of a year ago—was shown at £53,396, and compared with £38,003 a year ago. The available balance was £34,653, and the board recommended the shareholders to deal with that by placing £5,000 to reserve, £15,000 to a reserve against possible future depreciation in the market value of leaf tobacco, and by declaring a dividend on the Ordinary shares of 10%, carrying forward £4,053.

During the 12 months under review, every item in connection with production had had an upward tendency, and had rendered inevitable the general increase made in February last in the trade and retail prices of tobaccos and cigarettes.

Mr. G. J. Bulgin seconded the motion and it was carried unanimously.

At an extraordinary general meeting subsequently held, the articles of association were modified with a view to carrying out the proposal of the board to offer to existing shareholders or their nominees 29,250 Ordinary shares of £1 each at par, adding thereto as a bonus one fully-paid Ordinary share of £1 for every three shares applied for.

WAIHI GRAND JUNCTION GOLD COMPANY, LTD.

THE ordinary general meeting of the shareholders of this Company was held on June 23 at the offices of the Company, 10 Throgmorton Avenue, London, E.C., Mr. H. D. Bishopp, the Chairman, presiding.

The Chairman said the year's operations had resulted in a loss, which had absorbed the balance of £7,877 brought forward, and left a debit of £10,550 to carry forward. The actual mining loss was relatively small, and would have been non-existent had they been able to treat a larger tonnage. The ore treated was less by nearly 14,000 tons and the values showed a reduction of 3*s.* 1*d.* per ton. This would call for a reduced return of roughly £35,000, whereas the actual sum realised was only £25,000 down. There had, of course, been some gain on the values of both gold and silver, but the cost per ton, apart from development, had risen from 24*s.* 3*d.* to 28*s.* 10*d.*, due partly to the smaller quantity treated and also to the advance in wages and costs of stores

Incidence of Income Tax effect on year.

The actual loss on the Company's operations, £4,427, was increased to £18,427 by the provision of £14,000 for income tax. For the four years 1916, 1917, 1918, and 1919 the Company had distributed £105,000 in dividends, and their payments for income tax would be £62,000.

Since the end of 1919 there had been two strikes for higher wages, which had been in part conceded, and the wages bill would be relatively higher. The Manager would, no doubt, do his utmost to increase the output and so spread the costs over a larger tonnage. In Mr. Leah they had a manager who was in thorough accord with the board, and could be relied upon to carry out their policy. Mr. Hamar, one of the directors, was about to pay a visit to the property. They had just received a cable announcing the crushing of 5,890 tons for a yield of 1,881 oz. of gold and 5,951 oz. of silver.

The report and accounts were adopted. Major G. H. Earle and Mr. H. J. Rothwell were re-elected directors; Messrs. S. W. Jackson and Company were reappointed auditors, and a vote of thanks to the Chairman concluded the proceedings.

EX-LANDS NIGERIA, LIMITED.

THE eighth ordinary general meeting of this Company was held on June 23 at the hall of the Chartered Institute of Secretaries, 59A London Wall, London, E.C., Mr. H. G. Latilla (Chairman of the Company) presiding.

The Chairman, in moving the adoption of the report and accounts, said that the profit for the year was £43,501, as against £35,221 last year. That was to some extent accounted for by the increase of 18 tons of tin produced, but more so from the price at which they had been able to sell their tin. In the previous year they had averaged £180 per ton, while for the year under review they had averaged £196 per ton. Expenses in Nigeria showed an increase of £8,000. Nigeria, like all parts of the world, was feeling the after-effects of the War, and costs in all directions had gone up very considerably. Labour was one of the great factors in that country, and they had been compelled to raise the price paid to tributors on account of others immediately near them raising their price. The directors had already paid dividends absorbing all but £2,000 of the available profits, so that they did not propose to pay anything further for the year under review. For the current year, however, they proposed to pay an interim dividend of 5%—the same as last year. The board would consider the payment of a further dividend about December next, but it must not be forgotten that, so far from the excess profits tax being reduced or abolished altogether, they were faced with an increased duty of 20% for which they had to provide. The whole of the pumping plant had not arrived at the mine by December 31 last. That was beyond the power of the board to control, as the railways in Nigeria were unable to cope with freights, and there was so much congestion that the Port of Iddo had had to be closed for some time, and imports were temporarily prohibited. Taking all that into consideration, however, he did not think they need fret about that plant, from which they had expected a larger output—about 50 tons per month—as taking into account the excessive price of oil at the present time, of which they would require about 2,000 gallons per week, he thought they were just as well off with a smaller output of 30 tons per month. Their Consulting Engineer, Mr. H. F. Hueston, stated that, in his opinion, they had the same tonnage of tin now of 70% concentrates as they had in 1914. He (the speaker) was, therefore, quite confident as to the future of the Company.

Mr. Thomas Piercy seconded the motion, which was carried unanimously.

DE TREY AND COMPANY, LIMITED.

THE eighth ordinary general meeting of this Company was held at 13-14 Denman Street, London, W., on June 24, Mr. C. De Trey (Chairman and Managing Director) presiding.

The Chairman said: Gentlemen,—The dental business does not belong to that class of business which can ever be materially affected for any length of time by trade booms or trade depressions. There is the widest scope for many years to come for the successful development of your Company. Our educational, research, and demonstrating departments are spreading their ramifications everywhere and bringing before the dental profession throughout the world many of the latest improvements and methods which help the dentist to obtain the best results; for while good dentistry depends largely on the skill of the operator it also depends on the proper use of the material employed, and we make a point of keeping the dentists the world over always well posted as to the latest improvements in dental material and appliances. These departments are staffed by gentlemen of outstanding genius and ability, who have convinced themselves of the superiority of the De Trey products and are now demonstrating that fact to dentists all over the world.

Recovery of pre-war trade.

We are rapidly reorganising our business in those countries from which we were cut off during the War, and we anticipate receiving, eventually, substantial support from these territories, which were so valuable to us before the War in the sense of buyers, and many of which, among them the most heavily-populated, are either very short or entirely destitute of dental supplies. The trade in these countries is still much hampered owing to the state of their respective currencies, which, as you know, have greatly depreciated. This has not prevented us, however, from benefiting by some very profitable operations since the beginning of the year.

Since we met last year we have moved into our new premises in Swallow Street. These, however, owing to the growth of the business, have proved to be too small, and we were fortunate enough to be able to secure the building opposite, formerly the Swallow Hotel. In spite of this, we may find it necessary to retain our old premises in Denman Street. The factory at Harlesden, operated by one of our subsidiary companies, is developing satisfactorily. Furthermore, along with our American associates we have recently taken in hand a tooth factory in London, which has already a trained staff of 150 to 200 hands, and will be rapidly modernised by our sister company in New York, the Dentists' Supply Company, who are by far the largest manufacturers of teeth in the world. We have every hope that the said factory will be shortly producing large quantities of artificial teeth on our scientific American system, which has proved to be by far the best method of producing good artificial teeth. We have also secured on advantageous terms very fine premises in Paris, to which our Paris quarters removed recently, and which will materially increase our trading facilities in France. Our branch houses in Milan, Madrid, Brussels, and Melbourne are all giving us satisfaction, while the Dentists' Supply Company in New York, in which, as you know, we hold a large interest, had its most successful year in 1919, and its progress since January 1 is in no way less satisfactory than ours.

Increased profits not due to excessive prices.

The returns of our subsidiary companies have also been entirely satisfactory. The increasingly good results in the net earnings have in no way been caused through unreasonable prices. Our percentage of profit is to-day practically the same as during the pre-war period; in many cases it is even less.

Turning to the report and accounts, you will find that the general reserve stands now at £57,271, and the contingency reserves, including premium on shares, at £154,150. Since then a part of these contingency reserves, including the premium realised on the issue of additional capital since January 1, that is, the issue of 325,000 Ordinary shares at a premium of 15*s.* per share, has been capitalised and distributed to the shareholders in the form of bonus shares at the rate of one new share in respect of every three Ordinary shares held. I have pleasure in moving: "That the directors' report and audited statement of accounts at December 31, 1919, be received and adopted, and that the appropriation to reserves and pension fund be approved."

Mr. X. Castelli seconded the motion, which was carried unanimously.

The Chairman moved, and Mr. T. H. Jones, O.B.E., seconded: "That the interim dividend of 7½%, less income tax, paid on October 31, 1919, be approved and confirmed and that a final dividend of 10% and a bonus of 1*s.* per share, both less income tax, on the Ordinary share capital be declared payable on June 30, 1920, to the holders of shares numbered 1 to 390,166, inclusive, on the registers on June 14, 1920, in respect of the year ended December 31, 1919."

The resolution was carried unanimously.

The election of Mr. Emanuel de Trey as a director of the Company was confirmed.

RUSSIAN MINING CORPORATION, LIMITED.

The seventh ordinary general meeting of this Corporation was held on June 24 at River Plate House, London, E.C., Mr. Frederick William Baker (Chairman of the Company) presiding.

The Chairman, in moving the adoption of the report and accounts, said: Gentlemen,—The accounts submitted cover two periods—one 12 months to March 31, 1918, and the other 18 months to September 30, 1919. We purposely delayed submitting our report and accounts, as Mr. Gernet, our authorised agent in Russia under the old *régime*, made a long trip to Siberia during the Koltchak Government, and we were hoping that this Government would establish order in Siberia so that Mr. Gernet could have reported to us that conditions had become so stabilised as to enable us to get to work again with our mining operations. The Koltchak *régime* failed in its efforts, and the Bolshevik Government secured control of the country. As far as we know our particular properties have not been nationalised, and little or no damage has been done to our buildings and plant. All we can do is to wait patiently for the time when our very important interests in Siberia can, under some progressive and established form of Government, be taken in hand again for development and exploitation.

The Altai Concessions.

I reported to you at the annual meeting in January 1918, that in connection with our Altai Concessions we had agreed to sell 28% of our interest for a sum equal to a moiety of our expenditure on exploration and development to that date, a minimum sum of £50,000, to be expended on further exploration work. The whole of this sum was not expended at the date when the sale to the Russian company was effected, and the parties with whom we negotiated had, therefore, to pay us a sum of approximately £17,000. As reported to you at the same meeting, we were approached by a powerful Russian group in Petrograd with an offer to dispose of our interest in the Altai Concessions to a Russian company, to be provided with ample working capital, and after considerable negotiations we agreed to dispose of these interests. The effect was to leave us (in lieu of an interest in concessions which stood in our 1917 balance sheet at cost at £103,828) with, firstly, 20,400 shares in the Russian Altai Company worth nominally over 2,000,000 roubles, now shown in the balance sheet under "unquoted securities" valued at £33,388; secondly, 1,520,000 roubles deposited with our bankers in Petrograd, and valued at £40,000; and thirdly, the £17,000, details of which I have just explained.

As regards the item of 20,400 shares in the Altai Mines Russian Company, I can only point to Mr. Kursell's report for you to appreciate how valuable this interest may become if conditions in Siberia become normal. Should this event happen there is more than a reasonable prospect of our concessions being absorbed in a great consolidation of mining interests in Siberia, at a price which would make this holding very valuable.

The debit balance to profit and loss account, which stood in 1918 at £35,385, has now been reduced to £18,485 as the result of profits made from a number of transactions, together with interest and dividends on share holdings.

Mining Prospects.

I think you will agree that Mr. Kursell's report is very favourable, having regard to the total amount of money laid out on these concessions, aggregating under £130,000. Diamond drilling carried out at the Byelousovsk mine has disclosed what appears to be a continuous ore body 3,300 feet long, and Mr. Kursell states that there has been proven and indicated on this property 1,600,000 tons of an average grade of 3.55% copper, 9% zinc, one gram gold and 60 grams silver per ton. The Zyrianovsk mine, according to the report of our late manager, contains an available tonnage equal to 315,000 tons, and the complete development of the known ore bodies, Mr. McDermott states, should increase this figure by at least 60%. On the Berozovsk mine diamond drilling has disclosed about 200,000 tons of complex zinc-lead ore. The Lazourievsk mine has only been very slightly drilled, but active prospecting work would be justified whenever it is possible to resume operations. The Zmeinogorsk mine is one of the old mines of the district and was worked as a gold property. The reserves are not large, but it may have a future as a barite mine, as Mr. Kursell says that this barite will, if properly treated, yield handsome profits. Mr. Kursell concludes his report with the following remarks: "Assuming ordinary known methods of treatment and selling prices of copper £100, zinc £40, lead £30 per ton, and silver 5*s.* per ounce, the total tonnage of ore referred to above should yield a profit of over £6,500,000 when normal conditions are restored in Siberia."

Mr. Walter McDermott seconded the motion and it was unanimously agreed to.

GREAT INDIAN PENINSULA RAILWAY COMPANY.

The hundred and forty-first half-yearly general meeting of this Company was held at the Company's offices, 48 Gopthall Avenue, London, E.C., on June 25, Sir Charles H. Armstrong (the Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said: We have had a good half-year, the gross receipts having been over seven crores of rupees. The increase on the corresponding half-year, due largely to a very heavy passenger traffic, is equal to 9.63%. Our gross expenditure has also increased by 9.43% to 4¼% crores of rupees, which is equal to 59.39% of the gross earnings, as compared with 59.50% in the corresponding period of 1919.

"Record" Annual Receipts.

For the whole year our gross receipts were nearly 13¾ crores of rupees, which is a record figure, and, although just at the moment we are falling behind a little, I am hoping that if the monsoon is favourable—and the reports, so far, are fairly satisfactory—we shall have a very large traffic to handle during the coming season. The net earnings for the past year are not as good as those of the two previous years, the figure having dropped to just over five crores of rupees, as against 5¼ and 5½ crores in the two preceding years.

In the past ten years our coaching receipts have risen by 141%, our goods earnings by 60%, and our gross receipts from all sources by 87%. The number of passengers carried has risen from 25¼ millions to 37½ millions, and the total passenger earnings alone have increased by 128%. As regards merchandise, the number of tons lifted has increased during the ten years from 6⅔ million tons to 10⅔ million tons. The average rate earned per ton of goods has fallen slightly from 5.16 pies to 5.05 pies. These figures show steady progress, but the increases have been much more marked in the last three or four years than in the earlier period, and, as abnormal conditions owing to the War are now passing away, we may not be able to show quite the same expansion in the years to come, although we are now equipped to handle a very much larger traffic than we used to do.

We have carried during the six months 18¾ million passengers, as against 16 millions in the corresponding half-year, and our receipts under this head have increased by just under fifty lakhs of rupees. We have not done so well in the carriage of goods, the weight of public merchandise carried having fallen by 216,000 tons. This is due to a variety of causes, the principal being a shortage of locomotive power.

Exchange helps Dividend.

Turning now to the year's results, we have received as our share of surplus profits Rs. 8,65,548, from which Rs. 56,000 have been deducted for Indian income tax and super tax.

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Indian super tax is now levied at 1 anna per rupee on the total profit in excess of Rs. 50,000, and it is a charge we have had to meet for the first time this year. The net amount receivable from India has been brought home at 2*s.* 1¼*d.* exchange, and has realised £85,115, out of which we are paying a dividend of 3% in addition to the guaranteed interest for the half-year at the rate of 3% per annum. We are also paying a bonus of 1% from money we had to put aside to meet a possible claim for excess profits duty in this country. This question has now been settled in our favour. The dividend is the largest we have yet paid, but it is largely due to the higher exchange at which our share of surplus profits has been remitted, as the amount we actually received in India was less by 1¾ lakhs than in the previous year.

As you are no doubt aware, I have been out in India during the past year, and I spent the months of last January and February travelling over the line with the Agent and heads of departments. One of the objects of my journey was to make special inquiries regarding the electrification of our suburban services, which we have now decided to carry out, in the first instance to Kurla, and later on, I hope, when money is available, to Kalyan. The work of electrifying the section to Kurla will take about three years, and the scheme, when completed, is likely to be a great success, for the northern districts of Bombay Island are being rapidly developed, and a frequent and rapid train service will be necessary to carry people to and from their work.

We were favoured last season with an excellent cotton crop, which brought in a large revenue. Exports to Europe were hampered by an abnormally high exchange, and the result is a heavy stock in Bombay to be carried into the monsoon. As exchange has now fallen the export trade ought to revive in a few months if the monsoon continues to give favourable rain.

The report and accounts were unanimously adopted.

THE CHANNEL TUNNEL COMPANY, LIMITED.

The ordinary general meeting of this Company was held at the Cannon Street Hotel, London, E.C., on June 25, Baron Emile B. d'Erlanger, the Chairman, presiding.

The Chairman, in moving the adoption of the report and accounts, said he could talk with much greater freedom than in former years—first, because the War now belonged to history, and, secondly, because at the general meetings of the Company and elsewhere he had spoken of the Channel Tunnel as being a cause, and not a business. In order to make those words good his brother and himself had offered to divest themselves of any pecuniary interest in the Company by offering their shares as a gift to the British Government. They felt that by doing so they were in a better position to defend the scheme as a cause, and that, as the Chairman of the Channel Tunnel Company, having no pecuniary interest in it, he was in a better and stronger position to defend the material interests of the shareholders. When this country joined the War in 1914 its motive was a desire to go to the rescue of the weak and oppressed, but as the struggle developed into one of life and death equally for the British nation as for our Allies, and the French nation recognised this fact, their feeling of gratitude naturally faded gradually away, and it was only partly understood in France, which was a military, and not a naval nation, that notwithstanding the heroism and enormous sacrifices made by all the armies in the field, the real basis and foundation of the great resistance which ultimately led the allied nations to victory was the British Navy. It was true that that was recognised in certain parts of France, such as Boulogne and the coastal regions of Boulogne, but it was only natural in such circumstances that questions of interest should reassert themselves, and that divergencies of opinion on questions of vital importance should at times create a certain amount of feeling. He believed, however, that this country was entirely Francophile, but if the mutual feeling of the two nations towards one another were to continue to be as vivid and as strong as during the War, he felt that the position could not be allowed to rest entirely upon questions of material interest. He felt that the best proof of confidence we could give the French nation was to say that we would build the Channel Tunnel. (Applause.)

Lord Sydenham, G.C.S.I., seconded the resolution, remarking that he believed that a complete understanding with France was a most essential condition to the peace of Europe in the future, and that the best means of preventing misunderstanding and of obtaining the complete confidence of the great French nation would be the construction of the Channel Tunnel as soon as possible.

The motion was carried unanimously.

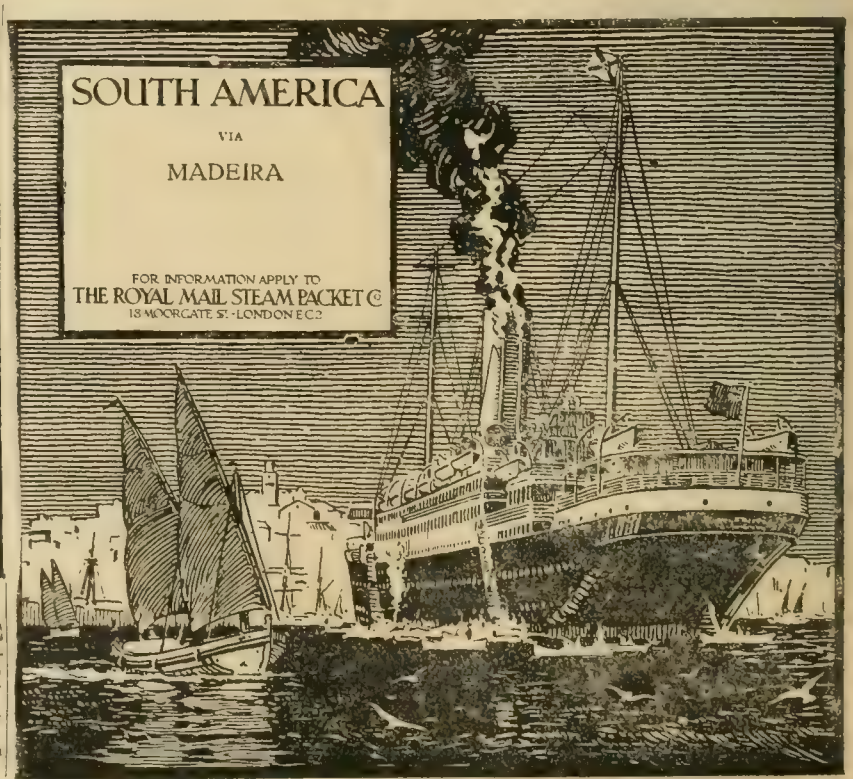
On Tuesday last at the Merchant Taylors' Hall the Governor and Court of Directors of the London Assurance entertained to dinner many of the best-known men in the financial and insurance world to commemorate the completion of 200 years since the incorporation of the institution by Royal Charter. Among the guests were the Lord Mayor, Lord Chetwynd, Lord Devonport, and the Governor of the Royal Exchange Assurance. The London may be said to have begun in the year of the Bubbles, as 1720 saw the collapse of the South Sea Bubble, and many other wild schemes were started at the time which soon came to an end. The London was, however, a fortunate exception, though it arose out of a company started in 1719, which was known as "Chetwynde Insurance," and by its enemies as "Chetwynde Bubbles." In further celebration of the London's completion of its bicentenary an interesting and beautiful volume has been prepared by Mr. G. S. Street, dealing with the London's history, and containing portraits of some of its earlier Governors.

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VOL. XCV.—No. 2,203. SATURDAY, MAY 15, 1920.

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THE PROGRESS OF BANKING.

THE spirit of progress is upon the banks, and the period that has elapsed since our previous British Banking Supplement was issued has seen some remarkable, though not surprising, developments. The tendency nowadays seems to be for the banking of the Kingdom to become centralised; in other words, the fever of amalgamation has not yet spent itself. During the past twelve months the big Clearing Banks have continued their policy of absorbing smaller concerns, and they have also extended their sphere of influence in many directions by means of working arrangements. The "Big Five," as our principal great joint-stock banks are popularly called, have vied the one with the other in this race for power or size, whichever the reader likes to call it, and the principal absorptions, amalgamations, or fusions which have taken place during the past few months are as follows:—

London Joint City and Midland Bank with the Clydesdale Bank.

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National Provincial and Union Bank with the Sheffield Banking Company and Coutts and Company.

The Bank of Liverpool and Martins has also accomplished several important amalgamations. As will be seen from our separate article on this Bank's progress, it has absorbed the Palatine Bank, the Halifax Commercial Bank, and Cocks, Biddulph and Company.

The question which now arises is, Has this policy of centralisation gone far enough? Many people think it has. Not infrequently we hear complaints of delay in attending to the wants of the smaller men, and, less often, the bigger firms find that the numerous channels through which their business proposals now have to flow result in loss of time and irritation. Then there is the staff question, a difficult and perplexing problem in itself.

Several well-known figures in the banking world have, from one cause and another, disappeared from our midst during the past year, and in not a few cases it is evident that the strenuous work of the present day is taking a heavy toll. In this connection we re-echo the words of a writer in a recent issue of the *Institute of Bankers' Journal*, who said that the control of the destinies of huge institutions like the present English joint-stock banks demands exceptional qualities, and imposes a severe strain upon the mental and physical stamina of the individual. The enormous rush of business which peace brought with it has called for almost superhuman efforts. The whole of the staffs of the banks have risen manfully to the occasion. Yet we have to admit that they have faced this condition of affairs whilst still in the throes of half-digested schemes of amalgamation. Ambitious directors would do well to ponder over this; we are of opinion that they in the past have been prone to view this part of the problem too lightly. In the race for supremacy absorptions have had to be faced by their staff before previous ones were complete, and in the circumstances the strain upon the hub of the banking machine—the staff—has been almost excessive. The difficulties with which the banks are faced are not dissimilar from those tackled during the past few years by certain Government departments, and whether the bankers will succeed where Government Departments have so signally failed is still an open question. For ourselves, we believe it is only a matter of time before those with the right sort of administrative ability, and the power to deal with big problems quickly and efficiently, will come to the top. There is no better administrator in the world than the Britisher, but even he has his limitations. The man at the helm must not be like the Martha of old, "careful and troubled about many things." It is manifestly impossible for any one individual, whatever his mental ability or physical capacity, to control the whole of the administrative work and at the same time direct the policy of one of these huge banking institutions. As the writer to whom we have referred remarks, it is possible that there will have to be a good deal of decentralisation as well as delegation ere long. Most thinking people will agree that the policy of concentrating the administrative work in London has reached the limits of practicability, and that some of it may be done locally with greater efficiency, with less expense, and, we would add, with more satisfactory results from the point of view of the staff.

Turning to the capital of our great banks, it is not surprising to find that there has been no diminution in the progress we were able to record last year. Owing to the fact that some of the principal banks have merged their identity with the larger institutions, it is not easy to give definite comparative figures, but if we include those which form, so to speak, the backbone of the "Big Five," we find that in 1911 their total paid-up capital was £30,177,516; in 1918 the total had increased to £36,595,370, while, as will be observed from the following table, their capital on December 31, 1919, had risen to £42,968,817, an actual increase of £12,791,301 since December 31, 1911. The full tale of the expansion in capital is told in the separate articles dealing with each of the bank's activities:—

Paid-up Capital on December 31, 1919 *and* 1918.

	1919 £	1918 £
Barclays Bank Limited	8,820,356	8,160,743
Lloyds Bank Limited	9,420,544	8,954,056
London County Westminster and Parr's Bank, Limited	8,503,718	6,830,990
London Joint City and Midland Bank, Limited	8,417,335	7,172,697
National Provincial and Union Bank of England, Limited	7,806,864	5,476,884
Total	£42,968,817	£36,595,370

The liquid resources of the banks continue to expand also, and, notwithstanding the demand for capital for trade purposes and the enormous flotations of new capital issues by industrial and other concerns, the deposits of the banks show no signs of falling off. As will be seen from the table we give below, the deposits of no fewer than 30 of our great banks have largely increased since last year; in every case (other than the Bank of England) there is an expansion, which seems to show that there is still a great deal of money lying in the banks awaiting investment, or left on current and deposit account pending its more favourable employment in trade. It is worth noting, too, that there is a certain amount of hesitancy, if not disinclination, on the part of those who have capital at

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their disposal to embark upon fresh enterprises in the present temper of labour.

Deposits of the Principal Banks of the United Kingdom at the end of 1919 and 1918.*

Name of Bank	Deposits and Current Accounts 1919. £	1918. £
1 London Joint City & Midland	371,742,389	336,350,315
2 Lloyds	324,711,756	266,808,139
3 London County Westminster & Parr's ...	304,848,073	263,129,887
4 Barclays	295,550,682	239,381,613
5 National Provincial and Union	251,751,125	200,864,639
6 Bank of Ireland (Dec. 31, 1919) ...	129,363,753	241,219,594
7 Bank of Liverpool & Martins	67,530,621	63,243,450
8 Manchester & Liverpool District	59,109,250	44,630,513
9 Bank of Scotland (Feb. 24, 1920) ...	38,390,652	32,563,195
10 Williams Deacon's	37,047,806	31,837,419
11 Commercial of Scotland (Oct. 31, 1919) ..	36,949,224	31,511,198
12 Royal Bank of Scotland (Oct. 11, 1919)	36,916,384	29,738,569
13 Clydesdale (a)	35,430,240	30,254,091
14 National (Ireland)	34,826,774	28,270,257
15 National of Scotland (Nov. 1, 1919) (b)	34,398,023	30,748,370
16 Union of Scotland (April 1, 1920)... ...	22,906,366	26,931,733
17 Glyn, Mills, Currie & Co.	30,559,959	26,346,874
18 British Linen (Jan. 15, 1920) (c) ...	29,304,262	27,301,058
19 Bank of Ireland	28,512,425	23,299,555
20 Yorkshire Penny	27,708,165	23,014,201
21 Baring Bros.	26,304,836	19,245,252
22 Lancashire & Yorkshire	25,656,016	21,690,616
23 Union Bank of Manchester (c)	25,378,022	15,212,193
24 Manchester & County	24,071,009	17,679,775
25 Ulster (Nov. 29, 1919) (d) ...	22,661,708	18,063,976
26 Cox & Co. (Sept. 30, 1919)	22,552,363	19,265,409
27 North of Scotland and Town & County (Sept. 30, 1919)	21,099,312	17,527,339
8 Munster & Leinster	20,604,443	15,516,897
29 Coutts & Co. (e)	19,152,247	18,126,905
30 Belfast (f)	17,091,418	12,073,014
Total (30 Banks)	2,502,068,938	2,171,442,456

* Or latest financial years for which accounts are available.

(a) Affiliated with London Joint City & Midland as at January 1, 1920. (b) 96.66% of stock held by Lloyds Bank. (c) Barclays Bank hold practically the whole of the capital. (d) Affiliated with London County Westminster & Parr's. (e) Agreement entered into for fusion with National Provincial & Union as at December 31, 1919. (f) Affiliated with London Joint City & Midland.

As will be seen, the total for 1919 shows an increase of £331,226,482 over that for 1918, while if we take the first five banks in the list—the London Joint City and Midland Bank, Lloyds Bank, London County Westminster and Parr's Bank, Barclays Bank, and the National Provincial and Union Bank—and compare their deposits, &c., with those held in 1910, we find that they register an increase of no less than £421,476,282.

In arriving at this comparison we have taken the total figures of the banks concerned, plus those of the banks with which they have amalgamated since 1910. When one considers the strenuous war years and the enormous financial effort put forward during that period by all of the banks the result is all the more surprising.

Another question which remains to be answered is, Have the banks materially assisted trade and finance to recover from the paralysing effects of the War? The best way to answer such a query is to take a glance at the advances and bills discounted by the banks. In this instance we have taken out the figures for 30 of the banks, and have compared them with similar figures for 1918. In 1918 29 British banks discounted bills and made advances to a total amount of £991,955,125, while in 1919 the sum so employed by the banks reached the gigantic total of £1,317,925,477, or £325,970,352 more than in 1918. This is surely a striking testimony to the services rendered by the banks to trade and finance.

It may be of interest to give the comparative figures of the "Big Five," which are:—

	1919 £	1918 £
London Joint City and Midland Bank ...	371,415,569	152,681,112
Lloyds Bank	193,255,455	155,412,331
London County Westminster and Parr's ...	177,442,468	141,501,914
National Provincial and Union	164,305,656	117,359,508
Barclays Bank	160,348,566	126,208,838

A glance through the speeches made at the general meetings of the various banks shows that the banks

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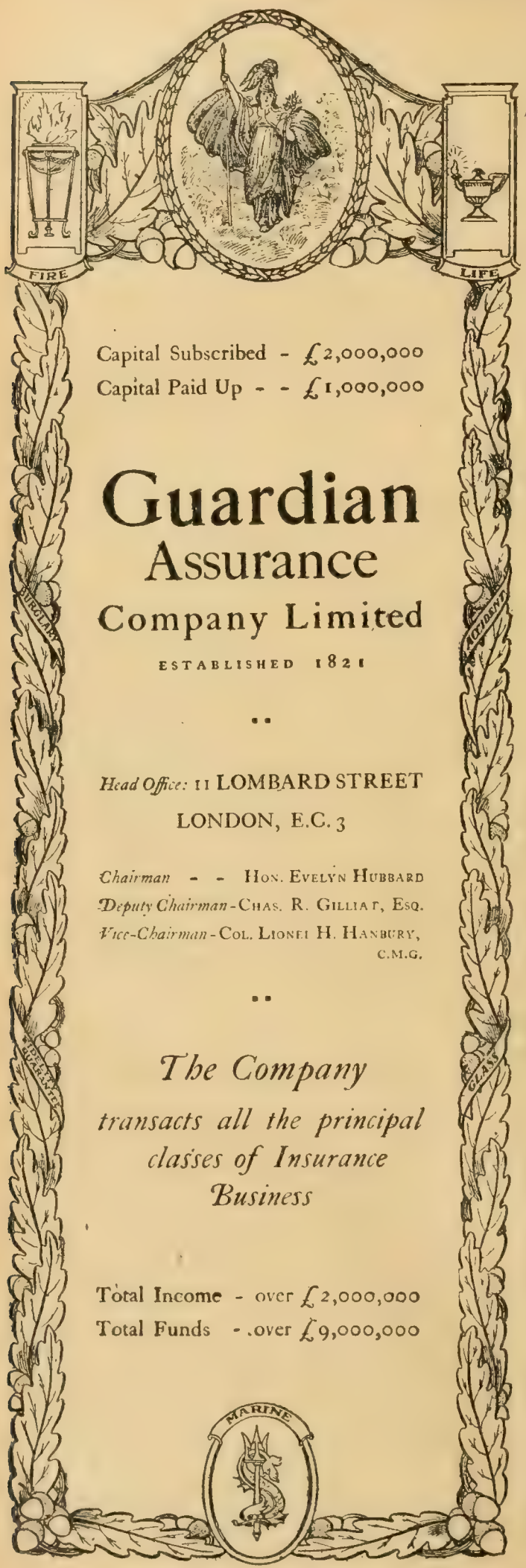
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have not been sparing in their support of trade, and a good proportion of their funds has been utilised in advances upon fine trade and other commercial bills, to say nothing of their advances against shipments of produce and materials to foreign countries and the Colonies. It really looks as if the present-day banker has at last departed from the hide-bound conservatism of which, rightly or wrongly, his predecessor was accused.

The tables which we print on another page all show that, while extending financial facilities to trade, the banks have not departed one iota from their customary prudence. Reserves have been steadily increased, and, added to paid-up capital, give a total at the end of 1919 of £159,106,325, against £147,853,688 in 1918, while undivided profits were £8,431,709, as compared with £7,097,331 in 1918. The paid-up capital and reserves in 1919 were together equal to 5.2 per cent. of the total liabilities; in 1918 they stood at 5.6%.

Investments, too, have not been neglected. The total in 1918 was £653,333,854, or 24.9%, and although, unfortunately, considerable allowances have had to be made for the heavy depreciation in gilt-edged securities, the grand total now stands at £710,954,323, or 23.1%.

The position, then, of British banking in 1920 is eminently sound, but we should not be surprised to find at the end of the year that profits have reached their high-water mark, as we have been much struck in comparing the balance sheets of the banks with the heavy increase in every case in charges. Salaries naturally have had to be raised to help the staff to meet the enormous increase in the cost of living, and it is an open question whether even now they have reached the maximum that will be required. Other fixed charges are also up; buildings, lighting, fuel, cleaning, stationery—in fact, everything connected with the upkeep of the bank offices—costs more, and finality does not seem yet to have been reached. However, there is no need to be pessimistic, and for ourselves we look forward to a further extension in British banking, which bids fair to spread the network of its branches through the whole world; and, although it is beyond the scope of this number to investigate the progress made by branches of British banks abroad, it is pleasing to record a very fine advance in this direction. Banking reciprocity is one of the finest intermediaries for the spreading of the gospel of peace throughout the world, and we trust that, while no efforts are spared to maintain the high standard of home banking, full attention will continue to be given to foreign branch banking.

There remains the question of credit and what is called inflation. Just how far the banks have contributed to the present state of affairs it is difficult to say, and, as our readers are aware, THE STATIST has never been the one to place the sin of inflation upon the shoulders of the banks; to a very large extent they have been powerless in the matter, though too willing tools, perhaps, in the hands of Government officials. As the report of the Supreme Economic Council pointed out, for war purposes every Government found it necessary (we prefer the word "possible") to increase the amount of currency in circulation. They were unable—or, rather, unwilling—to raise sufficient funds from taxation and by loans from real savings, so they resorted to borrowing from the banks and to watering the currency by means of huge issues of paper money. This additional spending power placed in the hands of the people coincided with an enormous reduction in the volume of purchasable goods, and just how the note circulation in some of the principal countries has grown may be stated very briefly from the summary given in the above-mentioned report:—

In 1913 in the United Kingdom the notes in circulation amounted to £30,000,000. At the end of 1919

the total was £450,000,000, though it had been reduced to £306,576,892 by the end of April 1920 (about £120,000,000 of this is said to have taken the place of gold coin in circulation in 1913). In France the total has grown from £230,000,000 in 1913 to £1,500,000,000 in 1919; in Italy from £110,000,000 to £700,000,000; in Belgium from £40,000,000 to £200,000,000.

How the bank deposits in Great Britain continue to expand we have seen; but, generally speaking, the bankers do not view this expansion with particular favour, notwithstanding the fact that the use of the deposits adds materially to their profits, and more than one banker would welcome a reduction, well knowing that the expansion in deposits adds to the inflation, since such an increase in deposits is almost as essential to general inflation as is the increase in notes in circulation, each in a way being a co-worker with the other.

What we have to do, then, is to endeavour to work for a return to more normal conditions. We have to get back on to a sounder basis of currency, and no one is more sensible of this need than the bankers. They all are fully aware of the necessity for securing a deflation of credit and currency, and all must deplore the tardiness in the reduction of Government expenditure and in the curtailment of the note circulation.

An increase in the Bank of England rate to 6% in November was a step in the right direction, and the further increase in April to 7% may, we venture to say, be taken as an earnest of the intention to deal in some measure with the present unsatisfactory position. Before we get on the road to a really normal state, however, there must be a much more effective attempt on the part of all concerned to stop the present wild orgy of expenditure, both by Government and by private individuals. Only by the most rigid economy by all can an improvement be effected, and we believe the bankers can do very much more than they suppose to assist. That there is a crying need for greater production and economy no one in his senses doubts, but only by a serious attempt to contract both the excessive currency and credit can any satisfactory progress be made to bring down prices, and so end the present spirit of unrest which hangs like a grim spectre over the land. We commend this need to the attention of the bankers: there never was a time when a lead from them would be more likely to be effective.

Combined Balance Sheet of the Banks of the United Kingdom, exclusive of the Bank of England.

LIABILITIES.

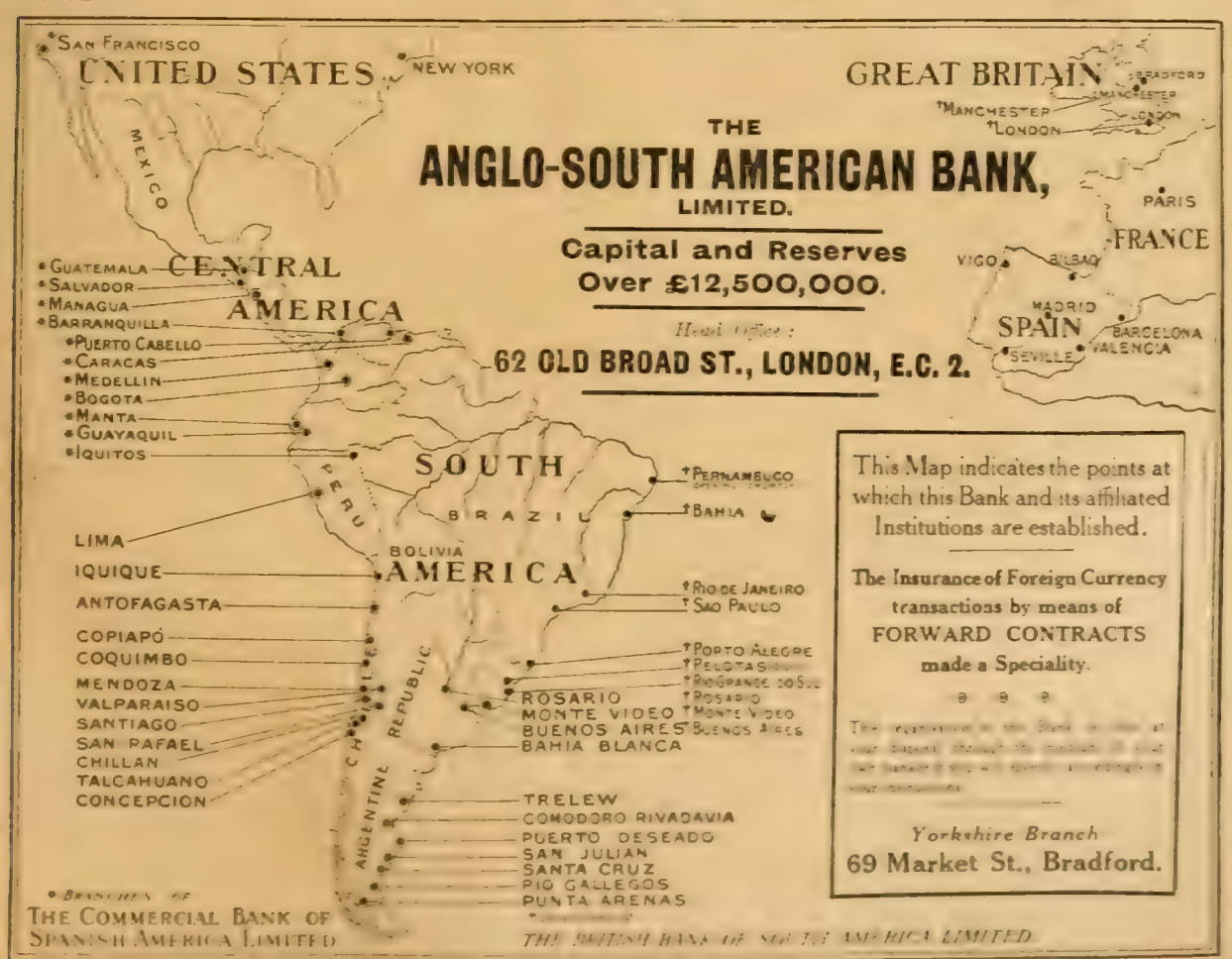
	1919 £	1919 % of Total	1913 £	1913 % of Total	Inc. or Dec. £
Capital paid up	77,150,000	2·8	70,[illegible]000	3·2	+ 3,150,000
Reserve funds ...	64,308,000	2·3	[illegible]	2·5	— 7,[illegible]
Total ...	141,[illegible]	5·1	130,301,000	5·7	— [illegible]
Notes in circulation	57,413,000	2·1	[illegible]	2·5	— [illegible]
Acceptances ...	161,[illegible]	5·8	[illegible]	2·8	— [illegible]
Deposits & current accounts ...	2,398,831,000	86·7	2,033,[illegible]18,000	88·7	—365,[illegible]
Profit balance ...	8,139,000	·3	[illegible]	·3	— [illegible]
Total Liabilities	**2,767,051,000**	*100·0*	**2,292,071,000**	*100·0*	**—474,980,000**

ASSETS.

	1919 £	1919 % of Total	1913 £	1913 % of Total	Inc. or Dec. £
Cash in hand, at B. of Engl., &c.	443,[illegible]	16·0	[illegible]	17·8	— [illegible]
Money at call, &c.†	150,594,000	5·5	222,[illegible]	9·7	— [illegible]
Investments ...	[illegible]	21·7	510,580,000	22·3	— [illegible]
Bills discounted†	364,722,000	13·2	[illegible]	19·4	— [illegible]
Advances ...	1,[illegible]15,476,000	36·8	[illegible]	27·8	+3[illegible]
Liabilities of customers for acceptances	161,095,000	5·8	[illegible]	2·8	— [illegible]
Bank premises, &c.	28,591,000	1·0	[illegible]	1·2	— [illegible]
Total Assets	**2,767,051,000**	*100·0*	**2,292,071,000**	*100·0*	**—474,980,000**

† As tabulated in this and last year's Supplement respectively. ‡ [illegible] shown separately.

NOTE.—In all cases bankers do not separate their cash from their [illegible] or their bills discounted from their advances. For the two years dealt with, however, the practice of the individual banks [illegible] in regard to the separation of cash in hand from money at call and short notice and bills discounted is more [illegible].



Liabilities of Individual Banks of the United Kingdom, 1919.

No.	Name of Bank.	Date of Balance Sheet.	No. of Offices.	Capital Paid Up. £	Reserve Funds. £	Total Paid-up Capital and Reserves. £	% •	Notes in Circulation. £	% •	Acceptance Liabilities. £	% •	Deposit and Current Accounts, &c. £	% •	Undivided Profits. £	% •	Total Liabilities. £	No.
1	B. of England (c)	...Dec. 31, '19	11	14,553,000	3,000,000	17,553,000	5.7	91,349,990	29.5	—	—	199,863,753	64.7	272,195	.1	309,038,938	1
2	B. of Ireland	...Dec. 31, '19	122	2,769,231	970,000	3,739,231	1.2	13,310,164	29.1	—	—	28,542,825	62.4	154,842	.3	45,747,062	2
3	B. of L'pool & Martins, L. (c)	...Dec. 31, '19	285	2,148,890	1,400,000	3,548,890	4.1	—	—	15,623,631	18.0	67,530,621	77.6	287,095	.3	86,990,237d	3
4	B. of Scotland	...Feb. 28, '20	179	1,325,000	550,000	1,875,000	4.1	4,228,825	9.3	673,307	1.5	38,390,652	84.8	129,134	.3	45,296,918	4
5	Barclays B., L. (c) ...	...Dec. 31, '19	1400+	8,820,356	7,000,000	15,820,356	4.9	—	—	13,588,825	4.2	295,550,682	90.8	508,450	.1	325,468,313	5
6	Baring Bros. & Co., L. ...	...Dec. 31, '19	2	1,025,000	100,000	1,125,000	2.9	—	—	11,257,865	29.1	26,304,836	68.0	13,923	—	38,701,624	6
7	Becketts' Banks	...Dec. 31, '19	34	600,000	(a)	600,000	5.0	153,690	1.3	525,432	4.4	10,746,947	89.	—	—	12,026,069	7
8	Belfast Banking Co., L. ...	...Dec. 31, '19	114	500,000	550,000	1,050,000	5.2	2,108,389	10.4	—	—	17,001,418	84.1	63,159	.3	20,222,966	8
9	Blydenstein & Co., B. W.	...Dec. 31, '19	1	500,000	125,000	625,000	5.6	—	—	—	—	10,497,967	94.4	—	—	11,122,967	9
10	British Linen B.	...Jan. 15, '20	149	1,250,000	1,350,000	2,600,000	7.2	3,399,800	9.4	593,283	1.7	29,304,262	81.4	118,382	.3	36,015,727	10
11	British Mutual B. Co., L.	...Dec. 31, '19	1	70,603†	50,000	120,603	17.9	—	—	—	—	546,778	81.1	6,944	1.0	674,325	11
12	Child & Co.	...July 5, '19	1	500,000	81,591	581,591	16.3	—	—	—	—	2,996,231	83.7	—	—	3,577,822	12
13	Clydesdale B., L.	...Dec. 31, '19	159	1,000,000	1,200,000	2,200,000	5.2	3,534,066	8.4	720,717	1.7	35,530,845	84.2	224,587	.5	42,210,215	13
14	Commercial B. of Scotland, L.	...Oct. 31, '19	186	1,000,000	1,000,000	2,000,000	4.4	3,988,975	8.8	2,151,287	4.8	36,949,224	81.7	115,632	.3	45,205,118	14
15	Co-op. Wholesale Society, L.(g)	...Dec. 27, '19	6	(h)	11,352	11,352h	.1	—	—	—	—	10,778,810	99.6	29,945	.3	10,820,107g	15
16	Coutts & Co. (c)	...Dec. 31, '19	2	800,000	700,000	1,500,000	7.0	—	—	690,207	3.2	19,153,247	89.8	—	—	21,343,454	16
17	Cox & Co.	...Sept. 30, '19	8	650,000	425,000	1,075,000	4.4	—	—	543,800	2.3	22,552,363	93.3	—	—	24,171,163	17
18	Equitable B., L.	...Dec. 31, '19	6	40,000	50,000	90,000	8.7	—	—	—	—	826,870	89.6	6,229	.7	923,099	18
19	Farrow's B., L.	...June 30, '19	76	361,198	118,500	479,698	12.0	—	—	—	—	3,488,642	87.5	18,525	.5	3,986,865	19
20	Glyn, Mills, Currie & Co. (c)	...Dec. 31, '19	1	1,000,000	500,000	1,500,000	4.5	—	—	1,525,970	4.5	30,701,515	91.0	—	—	33,727,485	20
21	Guernsey Bkg. Co., L. ...	...June 30, '19	3	50,000	60,000	110,000	14.6	48,504	6.4	—	—	581,690	76.9	16,237	2.1	756,431	21
22	Hibernian B., L.	...Dec. 31, '19	102	500,000	160,000	660,000	5.3	—	—	—	—	11,655,356	94.4	37,396	.3	12,352,652	22
23	Hoare (Chas.) & Co. ...	...July 7, '19	1	485,000	(a)	485,000	13.1	—	—	—	—	3,213,275	86.9	—	—	3,698,275	23
24	Isle of Man B. Co., L. ...	...Dec. 31, '19	8	30,000	88,000	118,000	6.1	88,643	4.5	—	—	1,727,995	89.0	7,578	.4	1,942,216	24
25	Lancashire & Yorkshire B., L.	...Dec. 31, '19	131	1,006,560	851,825	1,858,385	6.6	15,424	.1	460,594	1.6	25,656,046	90.9	222,763	.8	28,213,212	25
26	Lloyds Bank L. (c) ...	...Dec. 31, '1	1500+	9,420,544	9,675,105	19,095,649	5.1	—	—	32,079,843	8.5	324,711,756	86.1	1,226,680	.3	377,113,928f	26
27	Lond. &L'pool B. of Commerce...	Dec. 31, '19	1	600,000	170,000	770,000	21.7	—	—	2,444,113	68.6	317,584	8.9	29,519	.8	3,561,216	27
28	Lon.C'nty Westm.&Parr'sB.,L.(c)	Dec. 31, '19	850+	8,503,718	8,750,000	17,253,718	5.0	18,351	—	23,704,366	6.8	304,848,073	87.9	971,877	.3	346,796,385	28
29	Lond. Joint City & Mid. B., L. (c)	Dec. 31, '19	1400+	8,417,335	8,417,335	16,834,670	4.0	—	—	29,014,568	6.8	371,742,389	88.8	1,257,144	.3	418,848,771	29
30	London Merchant ...	...Dec. 31, '19	1	750,000	350,000	1,100,000	30.3	—	—	1,988,340	54.7	465,493	12.8	78,794	2.2	3,632,627	30
31	Manchester & County B., L.	...Dec. 31, '19	143	1,092,040	850,000	1,942,040	6.6	—	—	3,012,230	10.3	24,071,009	82.3	225,818	.8	29,251,097	31
32	Man. & Liverp'l Dist. Bkg. Co., L.	Dec. 31, '1	1	1,896,000	1,550,000	3,446,000	5.1	—	—	5,259,016	7.7	59,108,850	86.8	308,997	.4	68,122,863	32
33	Mercantile B. of Scotland, L.	...Mar. 31, '19	12	14,070	5,000	19,070	9.8	—	—	—	—	174,573	90.0	377	.2	194,020	33
34	Munster & Leinster B., L.	...Dec. 31, '19	137	400,000	900,000	1,300,000	5.9	—	—	—	—	20,604,443	93.9	52,235	.2	21,956,678	34
35	National B., L. (c) ...	...Dec. 31, '19	220	1,500,000	960,000	2,460,000	5.8	4,365,871	10.3	523,280	1.2	34,825,774	82.3	159,790	.4	42,334,715	35
36	National B. of Scotland, L.	...Nov. 1, '19	132	1,000,000	1,000,000	2,000,000	4.8	3,248,797	7.9	1,444,468	3.5	34,398,023	83.1	279,093	.7	41,370,381	36
37	Nat. Prov. & Union B. of Eng.,L.(c)	Dec.31, '19	890+	7,806,864	7,239,041	15,045,905	5.5	—	—	5,968,448	2.2	251,751,125	92.1	630,859	.2	273,396,337e	37
38	N. of Scot.&Town & C'nty B.,L.	Sept. 30, '19	150	652,000	600,000	1,252,000	5.0	2,513,741	10.0	—	—	21,099,312	84.1	223,269	.9	25,088,322	38
39	Northamptonshire Union B., L.	Dec. 31, '19	25	396,000	498,000	894,000	12.4	1,820	—	—	—	6,240,601	86.8	54,804	.8	7,191,225	39
40	Northern Bkg. Co., L. ...	...Aug. 31, '19	199	500,000	585,000	1,085,000	6.5	2,472,011	14.8	—	—	13,096,490	78.4	42,538	.3	16,696,039	40
41	Provincial B. of Ireland, L.	...Dec. 31, '19	128	540,000	435,000	975,000	5.4	2,305,557	12.7	—	—	14,802,721	81.7	41,340	.2	18,124,618	41
42	Reliance B., L.	...Mar. 31, '19	32	60,000	1,891	61,891	14.5	—	—	—	—	363,255	85.5	—	—	425,146	42
43	Royal B. of Ireland ...	...Aug. 31, '19	16	300,000	63,000	363,000	9.7	—	—	—	—	3,361,995	89.9	14,793	.4	3,789,788	43
44	Royal B. of Scotland ...	...Oct. 11, '19	172	2,000,000	1,082,276	3,082,276	7.0	3,637,299	8.2	347,588	.8	36,916,284	83.8	84,000	.2	44,067,447	44
45	Ulster Bank, L.	...Nov. 29, '19	237	500,000	700,000	1,200,000	4.2	4,492,374	15.8	—	—	22,661,708	79.6	103,875	.4	28,457,957	45
46	Union B. of Manchester, L.	...Dec. 31, '19	131	750,000	575,000	1,325,000	4.3	—	—	3,896,157	12.7	25,378,022	82.8	68,418	.2	30,667,597	46
47	Union B. of Scotland, L.	...Apr. 1, '20	162	1,000,000	1,000,000	2,000,000	5.1	3,480,280	8.8	907,566	2.3	32,906,306	83.3	205,576	.5	39,499,788	47
48	Williams Deacon's B., L. (c)	...Dec. 31, '19	140	1,875,000	900,000	2,775,000	6.6	—	—	2,150,023	5.1	37,047,806	88.0	138,997	.3	42,111,826	48
49	Yorkshire Penny B., L.	...Dec. 31, '19	120	750,000	750,000	1,500,000	5.1	—	—	—	—	27,708,165	94.9	—	—	29,208,165	49
	Grand Total (49 Banks)		10,079+	91,708,409	67,397,916	159,106,325	5.2	148,762,571	4.8	161,094,924	5.2	2,598,694 667	84.5	8,431,709	.3	3,076,090,196	

• Per cent. of Total Liabilities. † £10,603 represents share payments in advance. (a) Amount of reserve not separately stated. B—Bank or Bkg.
(c) London Clearing Bank. (d) Including figures of Cocks, Biddulph and Co. and the Palatine Bank. (e) Sheffield Banking Company absorbed as at Dec. 31, 1918.
(f) Absorption of West Yorkshire Bank effected during year. (g) Banking Dept. (h) The capital is not one of the purely banking assets, being liable for trading commitments. L.—Limited.

THE NATIONAL BANK OF SCOTLAND LIMITED.

INCORPORATED BY ROYAL CHARTER AND ACT OF PARLIAMENT.
ESTABLISHED 1825.

Capital Subscribed, £5,000,000. Paid up, £1,100,000. Uncalled, £3,900,000.
RESERVE FUND, £1,000,000.

Head Office—EDINBURGH.

WILLIAM CARNEGIE, General Manager. GEORGE A. HUNTER, Secretary.

London Office—37 NICHOLAS LANE, LOMBARD ST., E.C. 4

T. C. RIDDELL, Manager. DUGALD SMITH, Assistant Manager.

Every description of banking business transacted, including the purchase and sale of Stocks, Shares, Securities, &c.; the collection of Dividends and Coupons whether payable in Great Britain or abroad; the issue of Drafts, Letters of Credit, and Circular Notes payable in the principal Cities and Towns throughout the World; and Cable transfer of remittances to all parts.

The Agency of Colonial and Foreign Banks is undertaken, and the Acceptances of Customers residing in the Colonies or elsewhere abroad domiciled in London are retired on terms which will be furnished on application.

The Officers of the Bank are bound to secrecy as regards the transactions of its customers.

The Bank of Taiwan,

(REGISTERED IN JAPAN, 1899). LTD.

Capital Subscribed Y. 60,000,000.00
Capital Paid up - Y. 45,000,000.00
Reserve Funds - Y. 8,810,000.00

Head Office - - - TAIPEH, FORMOSA.

TOKYO OFFICE - Yeirakucho, Kohjimachi-Ku, Tokyo.
LONDON OFFICE - 58 Old Broad Street, London, E.C. 2.



BRANCHES :

Amoy	New York
Bangkok	London
Batavia	Osaka
Bombay	Semarang
Canton	Shanghai
Foochow	Singapore
Hankow	Soerabaya
Hongkong	Swatow
Keelung	Tainan
Kiukiang	Tokyo
Kobe	Yokohama
Moji	Etc., Etc.

CORRESPONDENTS :

Amsterdam	Melbourne
Antwerp	Marseilles
Bahia	Milan
Bale	Montevideo
Berlin	Montreal
Berne	Mukden
Barcelona	Madrid
Boulogne	Nagasaki
Brisbane	Nagoya
Brussels	Paris
Buenos Ayres	Peking
Cairo	Rio de Janeiro
Calcutta	Rome
Cape Town	Rosario
Chicago	Rangoon
Christiania	Rotterdam
Cologne	San Francisco
Dairen	Sao Paulo
Geneva	Seattle
Genoa	Stockholm
Hamburg	Saigon
Johannesburg	Santon
Lisbon	Sydney
Lyons	Winterthur
Manila	Zurich, etc.

London Bankers :

BARCLAYS BANK LIMITED.
LLOYDS BANK LIMITED.
LONDON COUNTY WESTMINSTER AND PARR'S BANK, LIMITED

The Bank is incorporated by special charter of the Imperial Japanese Government, and is authorised to issue its own notes in Formosa, being under the special supervision of the Government.

The Bank transacts General Banking and Foreign Exchange Business, undertakes Trust Business, and acts as Business Agents for other Banks.

Special facilities are available for Exchange Business on Japan, China, Dutch East Indies, the Straits Settlements, India and France, where the Bank has special working arrangements with Cox & Co. (France), Ltd.

Deposits are received for fixed periods on terms which may be ascertained on application.

Assets of Individual Banks of the United Kingdom, 1919.

No.	Cash in Hand and in other Banks. £	%	Money at Call and at Short Notice.a £	%	Total. £	%	Investments. £	%	Bills Discounted.a £	Advances. £	Total. £	%	Liability of Customers for Acceptances. £	%	Bank Premises, &c. £	%	Total Assets. £
1	91,342,155	29.6	—	—	91,342,155	29.6	110,919,207	35.9	—	106,777,576	106,777,576	34.5	—	—	—	—	309,038,938
2	10,951,483	23.9	2,045,999	4.5	12,997,482	28.4	19,977,430	43.7	—	12,362,633	12,362,633	27.0	—	—	409,517	.9	45,747,062
3	7,930,264	9.1	11,006,969	12.7	18,937,233	21.8	16,089,712	18.5	3,768,631	31,399,23	35,167,867	40.4	15,623,631	18.0	1,171,794	1.3	86,990,237b
4	6,565,604	14.5	—	—	6,565,604	14.5	19,345,243	42.7	18,061,236	—	18,064,236	39.9	673,307	1.5	648,528	1.4	45,296,918
5	65,174,350	20.0	20,031,495	6.2	85,205,845	26.2	62,311,380	19.1	30,253,309	130,095,257	160,348,566	49.3	13,588,325	4.2	3,983,697	1.2	325,468,313
6	6,985,389	18.1	—	—	6,985,389	18.1	2,011,257	5.2	15,661,723	2,658,390	18,320,113	47.3	11,257,865	29.1	127,000	.3	38,701,624
7	1,669,867	13.9	—	—	1,669,867	13.9	3,649,063	30.3	—	5,985,624	5,985,624	49.8	525,432	4.4	196,083	1.6	12,026,069
8	4,054,562	20.1	—	—	4,054,562	20.1	3,215,212	15.9	2,634,699	10,254,473	12,889,172	63.7	—	—	64,020	.3	20,222,966
9	57,082	.5	—	—	57,082	.5	1,217,981	11.0	9,576,478	246,630	9,823,108	88.3	—	—	24,796	.2	11,122,967
10	6,643,488	18.4	—	—	6,643,488	18.4	10,578,903	29.4	14,863,196	2,517,070	17,380,266	48.2	593,283	1.7	819,782	2.3	36,015,727
11	67,862	10.1	—	—	67,862	10.1	164,761	24.4	19,864	417,498	437,362	64.9	—	—	4,340	.6	674,325
12	716,483	20.0	700,000	19.6	1,416,483	39.6	1,187,407	33.2	—	889,732	889,732	24.9	—	—	84,200	2.3	3,577,822
13	7,470,286	17.7	—	—	7,470,286	17.7	18,406,566	43.6	2,702,668	12,485,116	15,187,784	36.0	720,717	1.7	424,862	1.0	42,210,215
14	7,672,181	17.0	4,110,793	9.1	11,782,974	26.1	14,059,646	31.1	7,445,205	9,240,628	16,685,833	36.9	2,151,287	4.8	525,378	1.1	45,205,118
15	300,641	2.8	—	—	300,641	2.8	4,331,871	40.0	—	6,185,257	6,185,257	57.2	—	—	2,338	—	10,820,107e
16	3,500,550	16.4	2,281,585	10.7	5,782,135	27.1	4,876,728	22.9	—	9,654,084	9,654,084	45.2	690,207	3.2	340,300	1.6	21,343,454
17	5,803,943	24.0	3,350,000	13.9	9,156,943	37.9	4,203,449	17.4	4,053,378	5,895,459	9,948,837	41.1	543,800	2.3	318,134	1.3	24,171,163
18	278,806	30.2	—	—	278,806	30.2	360,563	39.1	—	283,730	283,730	30.7	—	—	—	—	923,099
19	357,169	9.0	—	—	357,169	9.0	1,568,045	39.3	—	1,989,393	1,989,393	49.9	—	—	72,258	1.8	3,986,865
20	5,467,410	16.2	6,638,750	19.7	12,106,160	35.9	9,986,983	29.6	—	9,738,372	9,738,372	28.9	1,525,970	4.5	370,000	1.1	33,727,485
21	137,158	18.1	—	—	137,158	18.1	371,980	49.2	61,093	179,700	240,793	31.8	—	—	6,500	.9	756,431
22	1,485,146	12.0	—	—	1,485,146	12.0	6,038,880	48.9	—	4,685,237	4,685,237	37.9	—	—	143,389	1.2	12,352,652
23	562,393	15.2	320,000	8.7	882,393	23.9	1,406,998	38.0	—	1,308,884	1,308,884	35.4	—	—	100,000	2.7	3,698,275
24	335,607	17.3	—	—	335,607	17.3	1,077,041	55.5	—	499,568	499,568	25.7	—	—	30,000	1.5	1,942,216
25	5,441,125	13.9	—	—	5,441,125	19.3	6,264,051	22.2	5,600,626	10,056,816	15,657,442	55.5	460,594	1.6	390,000	1.4	28,218,212
26	57,587,215	15.2	14,621,756	3.9	72,208,971	19.1	75,765,779	20.1	57,4 1,864	135,763,591	193,255,455	51.3	32,079,843	8.5	3,803,880	1.0	377,113,928d
27	53,856	1.5	240,000	6.8	293,856	8.3	454,573	12.8	—	368,574	368,574	10.3	2,444,113	68.6	100	—	3,561,216
28	58,766,910	17.0	18,794,487	5.4	77,561,397	22.4	65,058,988	18.7	49,351,485	128,090,983	177,442,468	51.2	23,704,366	6.8	3,029,166	.9	346,796,385
29	68,267,403	16.3	18,439,152	4.4	86,706,555	20.7	68,063,118	16.2	52,889,521	178,556,048	231,445,569	55.3	29,014,568	6.9	3,618,961	.9	418,848,771
30	46,944	1.3	186,000	5.1	232,944	6.4	114,924	3.2	150,741	1,145,678	1,296,419	35.7	1,988,340	54.7	—	—	3,632,627
31	7,430,129	25.4	—	—	7,430,129	25.4	4,899,579	16.8	3,232,383	10,376,776	13,609,159	46.5	3,012,230	10.3	300,000	1.0	29,251,097
32	9,725,270	14.3	3,357,570	4.9	13,082,840	19.2	10,676,119	15.7	15,432,706	23,172,182	38,604,888	56.7	5,259,016	7.7	500,000	.7	68,122,863
33	24,392	12.6	—	—	24,392	12.6	119,970	61.8	—	49,421	49,421	25.5	—	—	237	.1	194,020
34	2,151,844	9.8	1,602,101	7.3	3,753,945	17.1	7,438,798	33.9	4,779,277	5,892,809	10,672,086	48.6	—	—	91,849	.4	21,956,678
35	6,318,733	14.9	12,976,920	30.7	19,295,653	45.6	6,587,810	15.6	3,906,307	11,585,182	15,491,489	36.6	523,280	1.2	436,483	1.0	42,334,715
36	5,236,080	12.7	4,887,026	11.8	10,123,106	24.5	11,922,405	28.8	5,912,875	11,333,127	17,246,002	41.7	1,444,468	3.5	634,400	1.5	41,370,381
37	35,685,632	13.1	10,997,504	4.0	46,683,136	17.1	53,531,285	19.6	23,943,769	140,361,887	164,305,656	60.1	5,968,448	2.2	2,907,812	1.0	273,396,337c
38	3,431,551	13.7	—	—	3,431,551	13.7	10,408,138	41.5	—	11,001,243	11,001,243	43.8	—	—	247,390	1.0	25,088,322
39	757,357	10.5	—	—	757,357	10.5	1,763,401	24.5	611,217	4,027,522	4,638,739	64.5	—	—	31,728	.5	7,191,225
40	3,570,428	21.4	—	—	3,570,428	21.4	6,419,033	38.4	—	6,576,578	6,576,578	39.4	—	—	130,000	[illegible]	16,696,039
41	2,314,460	12.8	1,105,000	6.1	3,419,460	18.9	6,591,207	36.4	—	7,994,247	7,994,247	44.1	—	—	119,704	.6	18,124,618
42	181,059	42.6	—	—	181,059	42.6	203,602	47.9	—	30,485	30,485	7.2	—	—	10,000f	2.3	425,146
43	278,793	7.5	—	—	278,793	7.5	1,719,833	45.0	114,190	1,589,143	1,703,333	45.5	—	—	37,824	1.0	3,739,788
44	5,158,547	11.7	5,783,604	13.1	10,942,151	24.8	12,766,033	29.0	9,486,656	9,951,706	19,438,362	44.1	347,588	[illegible]	573,253	1.3	44,067,447
45	6,234,530	21.9	—	—	6,234,530	21.9	11,274,698	39.6	—	10,948,729	10,948,729	38.5	—	—	—	—	28,457,957
46	3,050,848	10.0	—	—	3,050,848	10.0	4,417,171	14.4	1,302,541	17,600,880	18,903,421	61.6	3,896,157	12.7	400,000	1.3	30,667,597
47	4,258,644	10.8	4,338,481	11.0	8,597,125	21.8	9,947,705	25.2	9,872,241	9,636,515	19,508,756	49.4	907,566	2.3	532,636	1.3	39,499,788
48	6,690,600	15.9	[2,779,453	6.6	9,470,053	22.5	7,904,150	18.8	3,213,947	13,902,291	22,116,238	52.5	2,150,023	5.1	471,362	1.1	42,111,826
49	6,685,107	22.9	—	—	6,685,107	22.9	9,255,577	31.7	8,324,921	4,491,478	12,816,399	43.9	—	—	451,082	1.5	29,208,165
	534,880,336	17.4	150,594,645	4.9	685,474,981	22.3	710,954,323	23.1	364,721,747	1,125,253,438	1,489,975,185	48.5	161,094,924	5.2	28,590,783	.9	3,076,090,196

* Per cent. of Total Assets.
(a) Where shown separately. (b) Including figures of Cocks, Biddulph and Co. and the Palatine Bank.
(c) Sheffield Banking Company absorbed as at Dec. 31, 1918. (d) Absorption of West Yorkshire Bank effected during year. (e) Banking Department. (f) Goodwill.

IONIAN BANK, LIMITED.

LONDON. GREECE. EGYPT.

The only British Bank or Financial House in Greece, originally established in London and the Ionian Islands in 1839, subsequently incorporated by Royal Charter in 1844 and registered under the Companies Acts in 1883. The Bank now has branches and correspondents throughout Old Greece, the Ionian Islands, Macedonia, and the Islands recently rejoined to Greece; and is therefore able to offer special facilities to all British and Allied firms having business with that country.

In Egypt the Bank's principal office is at Alexandria; but it also has branches at Cairo and throughout the cotton-growing districts, and specialises in all operations connected with the moving of the cotton crop.

For information as to terms of business, &c., apply to the HEAD OFFICE:

BASILDON HOUSE, MOORGATE STREET, LONDON, E.C.2.

Authorised Capital, £600,000. Paid-up Capital, £485,580. Reserve, £125,000.

BRANCHES OF
THE NATIONAL CITY BANK

ARGENTINA
Buenos Aires
Rosario
BRAZIL
Bahia
Pernambuco
Porto Alegre
Rio de Janeiro
Santos
Sao Paulo
BELGIUM
Antwerp
Brussels
CHILE
Santiago
Valparaiso
COLOMBIA
Baranquilla
Bogota
Medellin
CUBA
(Total of 25 Cuban branches)
ITALY
Genoa
PERU
Lima
PORTO RICO
Ponce
San Juan
RUSSIA
Moscow
Petrograd
(Temporarily Closed)
SOUTH AFRICA
Cape Town
SPAIN
Barcelona
Madrid
TRINIDAD
Port of Spain
URUGUAY
Montevideo
VENEZUELA
Caracas
Cuidad Bolivar
Maracaibo

BRANCHES OF
THE INTERNATIONAL BANKING CORPORATION

CALIFORNIA
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CHINA
Canton
Hankow
Harbin
Hongkong
Peking
Shanghai
Tientsin
Tsingtao
ENGLAND
London
FRANCE
Lyons
INDIA
Bombay
Calcutta
Rangoon
JAPAN
Kobe
Yokohama
JAVA
Batavia
Soerabaya
DOMINICAN REPUBLIC
Puerta Plata
Sanchez
San Pedro de Macoris
Santiago de los Caballeros
Santo Domingo City
PHILIPPINE ISLANDS
Cebu
Manila
REPUBLIC OF PANAMA
Colon
Panama
STRAITS SETTLEMENTS
Singapore

The National City Bank of New York
and Branches

Condensed Report of Condition February 28th, 1920

RESOURCES

Cash, Due from Branches, Banks and Bankers and Federal Reserve Bank...	267,738,325.18
Loans and Discounts.....	597,301,599.07
Bonds and Securities.....	61,999,626.81
Customers Liability Account of Acceptances	66,200,580.13
Other Assets	9,285,574.40
Total.....	$1,002,525,705.59

LIABILITIES

Capital, Surplus and Undivided Profits	82,270,014.44
Deposits	706,199,634.92
Acceptances, Cash Letters of Credit and Travelers' Checks.....	68,239,673.58
Due to Federal Reserve Bank and Bills sold with our Endorsement.....	132,210,821.63
Other Liabilities.....	13,605,561.02
Total.....	$1,002,525,705.59

International Banking Corporation

(Owned by The National City Bank of New York)

Head Office: New York

London Office: 36 Bishopsgate, E. C. 2.

Capital and Surplus - - $10,000,000

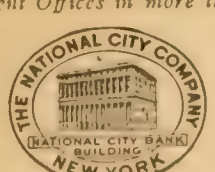
OUR Eastern and Caribbean branches do a general banking and exchange business. With ample resources, and an experienced staff they offer and are prepared to give exceptional service of an international character to importers, exporters, merchants and manufacturers having or desiring to develop business overseas.

The National City Company

THE attention of British bankers and brokers is called to The National City Company's international service for buying and selling bonds, short term notes, preferred stocks and acceptances. The Company is closely affiliated with The National City Bank of New York. It can provide British clients at all times with the latest information about security markets and conditions in the United States. It has about 10,000 miles of private telegraph wires uniting its leading correspondent offices in the United States and Canada for the prompt dispatch of business.

Correspondent Offices in more than 50 Cities

London Office



36 Bishopsgate London, E. C. 2.

PROFITS OF THIRTY-SEVEN BANKS IN 1919.

Name	Year to	Capital Subscribed	Capital Paid up	Paid-up Capital and Reserve	Total Funds Employed	Gross Profits	Expenses	Net Profits for Dividend	% of Net Profit to Paid-up Capital	Dividends Paid* Amount	Dividends Paid* Rate	Special Appropriations	Carried Forward
		£	£	£	£	£	£	£	%	£	%	£	£
B. of Ireland	Dec. 31,'19	2,769,231	2,769,231	3,739,231	45,747,062	923,692	344,197	579,495	20.9	332,308	12	250,000	38,534
B. of Liverpool & Martins ...	Dec. 31,'19†	17,191,120	2,148,890	3,548,890	86,990,237	717,643†	392,323†	325,320†	15.1†	171,911†	8†	150,000†	114,288
B. of Scotland	Feb. 28,'20	1,987,500	1,325,000	1,875,000	45,296,918	—	—	383,322	16.0	212,000	16	170,000	54,934
Barclays Bank, Ltd.... ...	Dec. 31,'19	14,210,356	8,820,356	15,820,356	325,468,313	5,873,820	3,326,413	2,547,407	28.9‡	1,417,384	16.1‡	900,000	508,450
Belfast Banking Co., Ltd.§ ...	Dec. 31,'19	2,500,000*a*	500,000*a*	1,050,000	20,222,966	—	—	184,314	23.0*b*	84,410	Old 21 3/5b, New 8 3/5b	123,000	63,159
British Linen Bank	Jan. 15,'20	1,250,000	1,250,000	2,600,000	36,015,727	—	—	367,215	29.4	200,000	16	186,086	48,382
British Mutual Bkg. Co., Ltd.	Dec. 31,'19	200,000	70,608*c*	120,603	674,325	—	—	6,654	11.1	5,400	9	1,500	1,544
Clydesdale Bank, Ltd. ...	Dec. 31,'19	5,000,000	1,000,000	2,200,000	42,210,215	603,950	273,114	330,836	33.1	180,000	18	150,000	44,587
Com. Bank of Scotland, Ltd.	Oct. 31,'19	5,000,000	1,000,000	2,000,000	45,205,118	652,619	284,163	368,456	36.8	170,000	17	195,000	52,632
Equitable Bank	Dec. 31,'19	89,000	40,000	90,000	923,099	—	—	6,220	15.6‡	5,340	13.4‡	—	3,029
Farrow's Bank	June 30,'19	700,000	361,198	479,698	3,986,865	—	—	48,578	13.4	21,687	6	25,400	7,681
Guernsey Banking Co., Ltd.	June 30,'19	250,000	50,000	110,000	756,431	23,143	4,941	18,202	35.4	8,400	16.8	6,750	4,238
Hibernian Bank, Ltd. ...	Dec. 31,'19	2,000,000	500,000	660,000	12,352,652	184,139	114,535	69,604	13.9	40,000	8	22,000	17,296
Isle of Man Banking Co., Ltd.	Dec. 31,'19	150,000	30,000	118,000	1,942,216	—	—	18,299	61.0	6,750	22½	11,000	3,828
Lancashire & Yorkshire B.,Ltd.	Dec. 31,'19	2,013,120	1,006,560	1,858,385	28,213,212	—	—	216,410	21.5	191,246	19	23,175	88,867
Lloyds Bank, Ltd.	Dec. 31,'19	58,878,400	9,420,544	19,095,649	377,113,928	—	—	3,430,719*d*	36.4‡	1,848,053	19.6‡	1,550,000	505,420
London & Liverpool B. of Com.	Dec. 31,'19	600,000	600,000	770,000	3,561,216	43,060	16,618	26,442	4.4	24,000	4	—	19,019
Lon. County Westmstr. & Parr's	Dec. 31,'19	29,716,688	8,503,718	17,253,718	346,796,385	—	—	2,906,130	34.2‡	1,503,743	17.7‡	1,365,721	414,226
London Jnt. City & Midland	Dec. 31,'19	35,673,585	8,417,335	16,834,670	418,848,771	—	—	3,055,331	36.3‡	1,503,577	17.9‡	1,500,000	726,852
London Merchant	Dec. 31,'19	1,500,000	750,000	1,100,000	3,632,627	91,058	29,325	61,733	8.2	45,000	6	—	52,544
Manchester & County B., Ltd.	Dec. 31,'19	5,460,200	1,092,040	1,942,040	29,251,037	—	—	240,371	22.0	163,806	15	70,000	72,618
Man. & Liverpl. Dist. B. Co.,L.	Dec. 31,'19	9,480,000	1,896,000	3,446,000	68,122,863	—	—	456,408	24.1	347,600	18⅜	100,000	135,197
Merc. Bank of Scotland, Ltd.	Mar. 31,'19	28,140	14,070	19,070	194,020	7,947	6,173	1,774	12.6	Nil	—	1,000	284
Munster & Leinster Bank, Ltd.	Dec. 31,'19	1,000,000	400,000	1,300,000	21,956,678	—	—	141,834	35.5‡	60,000	15‡	75,000	24,234
National Bank, Ltd.... ...	Dec. 31,'19	7,500,000	1,500,000	2,460,000	42,334,715	659,530	361,853	297,677	19.8	180,000	12	115,000	26,790
National Bank of Scotland, L.	Nov. 1,'19	5,000,000	1,000,000	2,000,000	41,370,381	641,240	266,575	374,665	37.5	160,000	16	120,000	167,093
Nat. Prov. & Union B. of Eng.(*e*)	Dec. 31,'19	39,934,320	7,806,864	15,045,905	273,396,337	—	—	2,265,484	29.0‡	1,121,942	14.4‡	1,000,000	630,859
Northamptonshire Union B.,L.	Dec. 31,'19	1,080,000	396,000	894,000	7,191,225	—	—	83,747	21.1	59,400	15	25,000	10,404
Northern Banking Co., Ltd.	Aug. 31,'19	3,000,000	500,000	1,085,000	16,696,039	—	—	115,151	23.6	69,062	'A' 16 25, 'B' 8.12	30,921	42,538
N. of Scot. & Town & Co. B., L.	Sept. 30,'19	3,260,000	652,000	1,252,000	25,088,322	—	—	180,764	27.7	104,320	16	67,000	88,460
Provincial Bank of Ireland, L.	Dec. 31,'19	4,080,000	540,000	975,000	18,124,618	305,780	192,782	112,998	20.9	72,900	13½	42,000	15,825
Royal Bank of Ireland ...	Aug. 31,'19	1,500,000	300,000	363,000	3,739,788	—	—	52,359	17.4	24,000	8	30,309	6,393
Royal Bank of Scotland ...	Oct. 11,'19	2,000,000	2,000,000	3,082,276	44,067,447	694,735	302,929	391,806	19.6	220,000	11	120,000	—
Ulster Bank, Ltd.	Nov. 29,'19	3,000,000	500,000	1,200,000	28,457,957	—	—	186,392	37.3	106,250	21¼	85,000	103,875
Union B. of Manchester ...	Dec. 31,'19	1,500,000	750,000	1,325,000	30,667,597	485,599	253,351	232,248	31.0	150,000	20	85,000	15,918
Union B. of Scotland ...	Apr. 1,'20	5,000,000	1,000,000	2,000,000	39,499,788	657,903	347,129	310,774	31.1	160,000	16	170,000	35,576
Williams Deacon's Bank, Ltd.	Dec. 31,'19	8,125,000	1,875,000	2,775,000	42,111,826	—	—	399,481	21.3	234,375	12½	175,000	19,952
Totals, 37 Banks ...		282,626,660	70,785,409	132,488,491	2,578,228,981	—	—	20,794,620	29·4	11,204,864	15·8	8,940,862	4,165,526

* Subject to deduction of income tax. † Figures for half-year to December 31, 1919, including those of Cocks, Biddulph & Co. and the Palatine Bank. ‡ Calculated on capital at end of year. § 17 months. (*a*) All shares held by London Joint City and Midland Bank. (*b*) Rate per annum. (*c*) £10,603 represents share payments in advance. (*d*) Including profits of West Yorkshire Bank for whole year. (*e*) Includes figures of Sheffield Banking Co., Ltd.

IMPERIAL OTTOMAN BANK

Capital - £10,000,000. Paid up - £5,000,000.

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1807

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WEST-END OFFICE: 79 Pall Mall, London, S.W. 1. LAW COURTS BRANCH: 302 High Holborn, London, W.C. 1.

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Paid-up Capital £747,515

ASSETS EXCEED £19,000,000.

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" "ALL-IN" Policy Dept.—41 Threadneedle Street, E.C. 2.
" City—52 Threadneedle Street, E.C. 2.
" City—37 Queen Victoria Street, E.C. 4.
" Cheapside—1 Bird-in-Hand Court, E.C. 2.
" Croydon—Imperial Buildings, East Croydon Station.
" Dulwich—57 Thurlow Park Road, S.E. 21.
" Stratford—39 Broadway, E. 15.
ABERDEEN—84 Union Street.
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Principal Classes of Insurance Business Transacted.

ANNUITIES. BOILERS. BURGLARY. CONTINGENCY. DISEASE AND SICKNESS. ELECTRICAL AND OTHER MACHINERY. EMPLOYERS' LIABILITY. FIDELITY GUARANTEE.
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The "All-In" Policy *for* Houseowners *and* Householders, Office-renters, Schools *and* Boarding-houses.
Special series of Insurances for Women. The Farmer's "Compleat" Insurances. Pluvius Weather Policies, etc.

NEW LIFE RATES.

The Life Rates and Conditions based on the present higher interest value of money will be found to be specially favourable to the assured.

Examples of Rates for each £100 Assured.

Age.	Whole of Life Participating.	Whole of Life Non-Participating.
20 ...	£1 17 7 ...	£1 9 2
30 ...	2 7 9 ...	1 17 10
40 ...	3 3 6 ...	2 12 1
50 ...	4 9 8 ...	3 15 6
60 ...	6 16 5 ...	5 16 0

Participating policyholders are entitled to 90 per cent. of the profits of their own section in the ordinary Life Department, and a minimum reversionary bonus at the rate of 30/- for each £100 assured is guaranteed under such policies for each full year's premium paid up to and including the 31st December, 1921.

TOTAL ABSTAINERS' SECTION.

The Company has a separate section specially favourable for the Assurance of the lives of total abstainers.

Aggregate Liabilities of Banks of the United Kingdom (including Bank of England).

Year.	No. of Banks.	Capital Paid up and Reserve Funds.				Notes in Circulation.		Acceptances.		Deposit and Current Accounts.		Profit Balance.		Total Liabilities.
		Capital Paid up. £	Reserves. £	Total. £	% of Liabilities.	Amount. £	% of Liabilities	Amount. £	% of Liabilities	Amount. £	% of Liabilities.	Amount. £	% of Liabilities.	Amount £
1919... ...	49	91,708,000	67,398,000	159,106,000	5·2	148,762,000	4·8	161,095,000	5·2	2,598,695,000	84·5	8,432,000	·3	3,076,090,000
1918	54	88,449,000	59,405,000	147,854,000	5·6	126,514,000	4·8	65,079,000	2·5	2,274,729,000	86·8	7,098,000	·3	2,621,274,000
1917	63	86,555,000	49,764,000	136,319,000	6·1	88,237,000	4·0	70,630,000	3·2	1,909,083,000	86·3	7,902,000	·4	2,212,171,000
1916	65	85,250,000	46,578,000	131,828,000	6·8	74,490,000	3·8	74,336,000	3·8	1,657,705,000	85·3	6,217,000	·3	1,944,576,000
1915	67	85,176,000	47,644,000	132,820,000	7·8	63,082,000	3·7	65,831,000	3·9	1,433,374,000	84·2	6,513,000	·4	1,701,620,000
1914	70	85,184,000	49,209,000	134,393,000	8·6	56,848,000	3·6	50,770,000	3·2	1,322,267,000	84·2	6,829,000	·4	1,571,107,000
1913	77	85,755,000	49,621,000	135,376,000	9·8	45,589,000	3·3	63,458,000	4·6	1,142,038,000	81·9	6,346,000	·4	1,392,807,000
1912	82	85,518,000	49,175,000	134,693,000	10·1	44,267,000	3·3	63,689,000	4·7	1,088,614,000	81·5	6,047,000	·4	1,337,310,000
1911	84	83,766,000	48,381,000	132,147,000	10·5	43,781,000	3·5	51,020,000	4·1	1,017,707,000	81·4	6,105,000	·5	1,250,760,000
1910	83	83,516,000	49,193,000	132,709,000	10·9	43,174,000	3·6	54,242,000	4·5	982,133,000	80·6	5,602,000	·4	1,217,860,000
1905	88	83,408,000	49,185,000	132,593,000	12·1	43,456,000	4·0	42,235,000	4·0	871,165,000	79·4	5,920,000	·5	1,095,369,000
1900	111	82,194,000	45,817,000	128,011,000	12·4	45,623,000	4·4	28,291,000	2·7	825,419,000	79·9	5,838,000	·6	1,033,182,000
1895	155	85,610,000	37,234,000	122,844,000	13·2	41,339,000	4·4	27,821,000	3·0	735,394,000	79·0	4,613,000	·4	932,011,000
1890	124	70,972,000	33,278,000	104,250,000	14·5	39,477,000	5·5	27,190,000	3·8	541,405,000	75·5	5,174,000	·7	717,496,000
1885	128	68,235,000	30,151,000	98,386,000	16·5	37,623,000	6·3	16,995,000	2·8	439,894,000	73·7	4,324,000	·7	597,222,000

Aggregate Assets of Banks of the United Kingdom (including Bank of England).

Year.	No. of Banks.	Cash in Hand and Money at Call and at Short Notice.						Investments.		Bills Discounted and Advances.				Liability of Customers for Acceptances.		Bank Premises, etc:		Total Assets.
		Cash in Hand and at Bank of England.		Money at Call and at Short Notice (Where shown separately).		Total.				Bills Discounted (Where shown separately).	Advances.	Total.						
		Amount. £	% of Assets.	Amount. £	% of Assets.	Amount.	% of Assets.	Amount. £	% of Assets.	Amount. £	Amount. £	Amount. £	% of Assets.	Amount. £	% of Assets.	Amount. £	% of Assets.	Amount. £
1919	49	534,880,000	17·4	150,595,000	4·9	685,475,000	22·3	710,954,000	23·1	364,722,000	1,125,253,000	1,489,975,000	48·5	161,095,000	5·2	28,591,000	·9	3,076,090,000
1918	54	486,880,000	18·2	222,751,000	8·9	709,631,000	27·1	653,334,000	24·9	421,263,000	744,079,000	1,165,342,000	44·4	65,079,000	2·5	27 888,000	1·1	2,621,274,000
1917	63	403,832,000	18·3	188,894,000	8·5	592,726,000	26·8	508,715,000	23·0	276,582,000	735,470,000	1,012,052,000	45·7	70,630,000	3·2	28,048,000	1·3	2,212,171,000
1916	65	391,590,000	20·1	121,680,000	6·3	513,270,000	26·4	512,298,000	26·4	176,154,000	639,974,000	816,128,000	41 9	74,336,000	3·8	28,544,000	1·5	1,944,576,000
1915	67	289,645,000	17·0	87,763,000	5·2	377,408,000	22·2	492,342,000	28·9	93,533,000	644,228,000	737,761,000	43·3	65,831,000	3·9	28,278,000	1·7	1,701,620,000
1914	70	308,191,000	19·6	105,137,000	6·7	413,328,000	26·3	274,999,000	17·5	117,513,000	686,582,000	804,095,000	51·2	50,770,000	3·2	27,915,000	1 8	1,571,107,000
1913	77	208,168,000	15·0	124,755,000	8·9	332,923,000	23·9	242,583,000	17·4	121,908,000	604,406,000	726,314,000	52·1	63,458,000	4·6	27,529,000	2·0	1,392,807,000
1912	82	190,393,000	14·2	114,813,000	8·6	305,206,000	22·8	246,338,000	18·4	110,997,000	584,034,000	695,031,000	52·0	63,689,000	4·8	27,046,000	2·0	1,337,310,000
1911	84	181,513,000	14·5	113,299,000	9·1	294,812,000	23·6	239,453,000	19·2	100,311,000	539,411,000	639,722,000	51·1	51,020,000	4·1	25,753,000	2·0	1,250,760,000
1910	83	173,072,000	14·2	106,330,000	8·7	279,402,000	22·9	242,245,000	19·9	83,924,000	532,956,000	616,880,000	50·7	54,245,000	4·5	25,088,000	2·0	1,217,860,000
1905	88	157,163,000	14·3	97,275,000	8·9	254,438,000	23·2	220,456,000	20·1	59,164,000	495,075,000	554,239,000	50·6	42,235,000	3·9	24,002,000	2·2	1,095,370,000
1900	111	151,101,000	14·6	69,143,000	6·7	220,244,000	21·3	227,425,000	22·0	51,666,000	485,375,000	537,041,000	52·0	28,291,000	2·7	20,185,000	2·0	1,033,186,000
1895	155	152,318,000	16·3	59,125,000	6·3	211,443,000	22·6	213,332,000	23·0	53,134,000	407,491,000	460,625,000	49·4	27,821,000	3·0	18,790,000	2·0	932,011,000
1890	124	97,248,000	13·5	44,986,000	6·8	142,234,000	19·8	155,576,000	21·7	52,382,000	327,906,000	380,288,000	53·0	27,190,000	3·8	12,208,000	1·7	717,496,000
1885	128	80,062,000	13·4	29,343,000	4·9	109,405,000	18·3	124,522,000	20·8	65,390,000	271,410,000	336,800,000	56·4	16,994,000	2·9	9,501,000	1·6	597,222,000

GRACE BROTHERS & CO.,

LIMITED,

144 Leadenhall Street,

LONDON.

LIVERPOOL. MANCHESTER.

Merchants, Importers and Exporters, Financial, Shipping and General Agents.

Colonial and Foreign Branch Houses and Agencies:

COLONIAL.

Africa (West and South). Australia. Canada. Ceylon. India. Jamaica. Straits Settlements.

FOREIGN.

Argentina. Belgium. Bolivia. Brazil. Central America. Chile. China. Colombia. Cuba. Ecuador. France. Italy. Japan. Mexico. Peru. Porto Rico. Portugal. Russia. Spain. Sweden. United States. Venezuela.

British Products, Manufactures and General Merchandise exported to all parts of the world.

Products and Manufactures of Foreign Countries imported for distribution in Great Britain, and for re-export.

FOREIGN EXCHANGES—TABLE I.

WEEKLY EXCHANGE QUOTATIONS OF THE £ STERLING FROM JUNE, 1919, TO APRIL 30, 1920.

Date	Germany Marks Par 20·43	Denmark Kroner 18·159	Holland Florins 12·107	Italy Lire 25·22½	America Dollars 4·86⅝	France Francs 25·22½	Spain Pesetas 25·22½	Switzerland Francs 25·22½	India Rupees. 1s. 4d.‡	China Taels. 2s. 6 1/4d.*	Japan Yen 2s. 0·58d.	Argentine Pesos. 47·58d.	Brazil.† Milreis. 16d.
5 : 6 : '19	—	19·70	11·86½	37·75	4·63	30·09	23·07½	24·22	1 7 31/32	5 3	2 2 11/16	51	14½
13 : 6 : '19	—	18·90	11·82	36·25	4·62	29·50	22·20	24·50	1 7 31/32	5 4 3/4	2 2⅛	50⅞	14 17/32
20 : 6 : '19	—	19·25	11·81	39·05	4·61½	29·37½	23·00	24·50	1 7 31/32	5 4½	2 2⅛	51	—
27 : 6 : '19	—	19·38½	11·82½	36·85	4·59½	29·68	23·23	24·90	1 7 31/32	5 3½	2 2 7/16	51	14½
4 : 7 : '19	—	19·60	11·80	35·70	4·50½	30·35	23·12½	24·90	1 7 31/32	5 3	2 2⅛	51 5/32	14 13/32
11 : 7 : '19	—	19·67½	11·76	37·65	4·50	30·75	23·05½	24·87½	1 7 31/32	5 3½	2 2	51 1/32	14⅜
17 : 7 : '19	—	19·55½	11·67½	38·05	4·29	31·15	22·80	24·87½	1 7 31/32	5 4	2 2⅛	52⅛	14 5/16
25 : 7 : '19	—	19·62	11·64½	37·65	4·40	31·30	22·83	24·75	1 7 31/32	5 5	2 3⅛	52 3/16	14 21/32
31 : 7 : '19	—	19·70	11·59	37·55	4·36	31·65	22·85	22·33	1 7 31/32	5 6	2 2⅝	52⅝	14⅜
8 : 8 : '19	—	19·85	11·59	38·70	4·33	33·75	22·90	24·40	1 7 31/32	5 7⅛	2 3⅞	52⅞	14 23/32
15 : 8 : '19	—	19·40	11·58½	39·65	4·29½	33·70	22·50	24·30	1 10 3/32	5 11⅛	2 4⅛	53⅛	14½
22 : 8 : '19	—	19·30	11·30	40·00	4·18½	33·90	21·10	23·80	1 9 31/32	5 6	2 4⅛	52⅝	14⅜
29 : 8 : '19	—	19·32½	11·28½	40·72½	4·21½	34·00	22·20	23·80	1 9 31/32	6 0½	2 4⅜	54 1/16	14 11/32
5 : 9 : '19	—	19·15	11·24½	40·72½	4·16⅜	34·65	22·05	24·70	1 9 31/32	6 0	2 4⅜	55⅛	14 13/32
12 : 9 : '19	107·00	18·67½	11·20	40·62½	4·16⅛	35·50	21·83	23·42	1 9 31/32	6 0	2 5⅛	55⅛	14 15/32
19 : 9 : '19	110·00	19·00	11·14	41·05	4·16⅛	37·05	22·10	23·25	1 11 31/32	6 1	2 5⅛	55⅛	14⅝
26 : 9 : '19	96·50	19·20	11·16	41·15	4·23½	34·95	22·02½	23·35	2 0⅛	6 3	2 4⅞	54⅛	14 23/32
3 : 10 : '19	102·00	19·40	11·14½	41·35	4·23½	35·40	22·05	23·40	2 0⅛	6 3	2 5	55 3/16	14 23/32
10 : 10 : '19	114·00	19·27½	11·08	41·75	4·17½	35·60	21·90	23·70	2 0⅛	6 3½	2 5	55¼	14⅝
17 : 10 : '19	117.50	19·37½	10·98	42·32½	4·17	36·33½	21·87½	23·46	2 0¼	6 6	2 5¼	55¼	14⅞
3 : 10 : '19	116·50	19·55½	11·07	43·40	4·15½	36·20½	21·72½	23·52½	2 0	6 5	2 5	55½	14 25/32
31 : 10 : '19	127·50	19·54½	10·99	45·15	4·15⅛	36·95	21·50	23·30	2 0	6 6	2 5	55⅛	14 29/32
7 : 11 : '19	145·00	19·52½	10·99	46·35	4·15⅛	37·26	21·87½	23·07½	2 0 3/16	6 7⅛	2 5⅛	55⅞	15⅛
14 : 11 : '19	157·50	19·64	10·96½	48·30	4·12¼	39·15	20·76	22·77	2 0 7/16	7 0	2 5⅛	56⅝	16 5/16
21 : 11 : '19	180·00	19·87½	10·78	49·25	4·02	39·10	20·32½	22·20	2 1⅛	7 3½	2 5⅛	58	16 13/16
28 : 11 : '19	170·00	19·96	10·62½	49·07	4·04	39·10	20·52½	22·10	2 2 5/16	7 4	2 6	58	18 3/16
5 : 12 : '19	174·50	20·55	10·09	48·30	3·86½	40·15	19·70	20·77	2 3½	7 8	2 7	60⅛	17⅛
12 : 12 : '19	180·00	20·55	10·09	48·30	3·86½	40·15	19·70	20·77	2 3½	7 8	2 7	60⅛	17⅛
19 : 12 : '19	182·50	20·46	10·14	50·00	3·81½	42·15	19·20	21·05	2 4⅛	7 10	2 8	63⅛	17 3/16
23 : 12 : '19	182·50	20·25	10·09	49·13⅛	3·86⅛	39·97½	19·90	21·15	2 4⅛	8 3⅛	2 7⅛	61⅛	17⅛
2 : 1 : '20	187·50	19·65	10·09	50·12½	3·76¼	40 95	19·67	21·12½	2 3 5/16	7 9	2 8	62⅜	17 1/16
9 : 1 : '20	192·50	20·53½	9·95	50·35	3·76	41·97½	19·66	21·27½	2 4⅛	8 0	2 8⅛	62¾	17 5/16
16 : 1 : '20	212·50	21·00	9·94	50·55	3·72½	42·60	19·30⅛	20·43	2 3 5/8	7 9	2 8	63⅛	17 3/16
23 : 1 : '20	257·50	21·52½	9·68	51·32½	3·61½	43·55	19·49	20·20	2 3 1/16	8 1	2 8⅛	64⅛	1 7⅛
30 : 1 : '20	275·00	21·86	9·16	54·25	3·51½	46·50	19·20	19·90	2 3 1/16	8 8	2 9	62⅛	17⅛
6 : 2 : '20	325·00	22 88½	8·90	64·00	3·22½	43·35	19 22½	20·15	2 8⅛‡	9 1	2 11⅛	71⅛	17 5/16
13 : 2 : '20	337·50	23·27	9·18	61·50	3·37½	48·60	19·60	20·56	2 9⅛	8 1	2 10⅜	69⅛	18 3/16
20 : 2 : '20	325·50	22·95	9·27	61·47½	3·82½	45·75	19·74	21·35	2 8	8 0	2 10	62¾	18 17/32
27 : 2 : '20	337·50	22·79½	9·22½	62·37½	3·39	48·35	19·57	20·99	2 7⅛	8 4	2 9⅜	69¾	18⅛
5 : 3 : '20	348·00	22·76	9·66½	64·50	3·66	49·85	20·30	21·17½	2 7⅞	8 4	2 8½	66⅛	18 5/16
12 : 3 : '20	270·00	21·65	10·16	67·87	3·75	49·52	20·91	21·80	2 5⅛	8 2	2 7⅞	63⅛	18 3/16
19 : 3 : '20	290·00	21·25	10·31½	70·50	3·73½	51·65	21·23½	22·35	2 4½	7 5	2 6⅛	62	17 31/32
26 : 3 : '20	287·50	21·23	10·47	78·00	3·86	55·25	22·14	22·43½	2 4⅛	7 5	2 4⅝	60⅜	16 13/16
31 : 3 : '20	280·00	21·24	10·43	80·75	3·85⅛	58·20	22·31	23·11	2 4⅛	7 7	2 4⅞	61	17 3/32
9 : 4 : '20	230·00	21·23	10·64	97·25	3·97½	62·50	22·27	21·98	2 3⅝	7 2	2 4⅞	59⅛	15 29/32
16 : 4 : '20	240·00	21·95	10·71	89·50	3·96⅝	65·50	22·77	22·01½	2 3⅞	6 5	2 5⅜	59½	16 5/16
23 : 4 : '20	238·50	22·72	10·60½	89·75	3·87½	64·85	22·87	21·84	2 3⅞	6 9½	2 5⅜	60⅜	16 1/16
30 : 4 : '20	220·00	22·65	10·64	84·57½	3·87½	64·20	22·69	21·57½	2 3⅞	6 7	2 6⅛	60⅛	16⅛

* For China the par is taken as the rate prevailing at the end of June 1914.
† The Brazil (Rio de Janeiro) rate is for 90 days bills. All the others are cable transfer rates.
‡ For India the par was raised to 2s. on 2.2.20.

FOREIGN EXCHANGES—TABLE II.

HIGHEST AND LOWEST EXCHANGE QUOTATIONS FROM MAY 1, 1919, UNTIL APRIL 30, 1920.*

	Highest	Date	Lowest	Date
New York	4·69 9/16	... May 12, 1919	3·22	... February 4, 1920
Paris	68·50	... April 12, 1920	28·30	... May 1, 1919
Rome	106	... April 12, 1920	35·09	... May 1, 1919
Amsterdam	11·88	... June 3, 1919	8·70	... February 4, 1920
Copenhagen	23·60	... February 11, 1920	18·60	... September 9, 1919
Madrid	23·35	... June 24, 1919	18·60	... December 10, 1919
Switzerland	25·07	... June 24, 1919	18·90	... December 9, 1919
Shanghai	4/11⅛	... May 1, 1919	9/3	... February 9, 1920
Yokohama	2/2	... May 1, 1919	3/-	... February 5, 1920
Buenos Ayres	50⅝	... June 16, 1919	73½	... February 6, 1920
Rio de Janeiro	18⅝	... February 9, 1920	14 3/32	... May 1, 1919

* According to data supplied by the London County Westminster and Parr's Bank.

THE BRITISH BANK OF NORTHERN COMMERCE

LIMITED.

Subscribed Capital, £2,000,000
Paid-up Capital, £500,000
Reserve, £1,050,000

Current and Deposit Accounts - £16,209,043

Special Facilities for Trade between England and Scandinavia.

General Banking Business Conducted.
Deposit Rates on Application.

General Manager - - - G. L. d'ABO.

LONDON OFFICES:

41, 43, 45 & 47 BISHOPSGATE, LONDON, E.C. 2.

BANK OF LIVERPOOL & MARTINS LIMITED.

Head Office: 7 WATER STREET, LIVERPOOL.

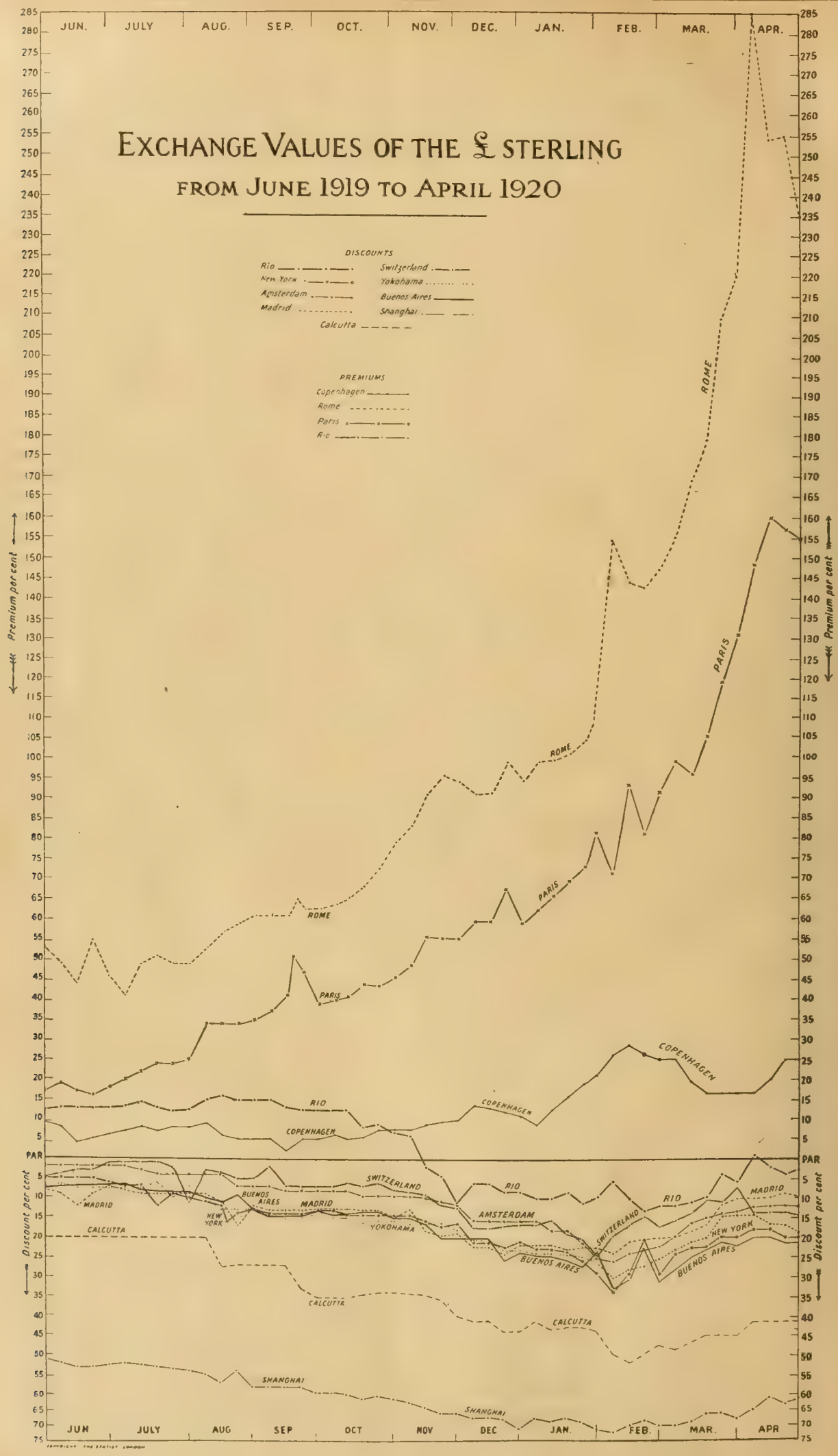
London Office: 68 LOMBARD STREET, LONDON, E.C.

Capital Subscribed - - - - -	**£17,191,120**
Capital Paid up - - - - - -	**2,148,890**
Reserve Fund and Surplus Profits -	**1,514,288**
Deposits, etc., at 31st Dec., 1919 -	**67,530,621**

302 BRANCHES AND SUB-BRANCHES.

All descriptions of Banking, Trustee and Foreign Exchange Business Transacted.

THE BANK IS PREPARED TO ACT AS AGENTS FOR FOREIGN BANKS ON USUAL TERMS.


EXCHANGE VALUES OF THE £ STERLING
FROM JUNE 1919 TO APRIL 1920
DISCOUNTS
Rio
New York
Amsterdam
Madrid
Calcutta
Switzerland
Yokohama
Buenos Aires
Shanghai
PREMIUMS
Copenhagen
Rome
Paris
Rio
JUN.
JULY
AUG.
SEP.
OCT.
NOV.
DEC.
JAN.
FEB.
MAR.
APR.
Premium per cent
Discount per cent
ROME
PARIS
COPENHAGEN
RIO
SWITZERLAND
AMSTERDAM
BUENOS AIRES
NEW YORK
MADRID
YOKOHAMA
CALCUTTA
SHANGHAI
PAR

BARCLAYS BANK
LIMITED.

Head Office: 54 LOMBARD STREET, LONDON, E.C.3.

Authorised Capital - -	£20,000,000
Issued Capital - - -	14,210,356
Reserve Fund - - - -	7,000,000
Deposits - - - - -	296,059,132

FREDERICK CRAUFURD GOODENOUGH, Esq., *Chairman.*
SIR HERBERT HAMBLING, *Deputy-Chairman.*
EDMUND HENRY PARKER, Esq., *Vice-Chairman.*

General Managers, WILLIAM FAVILL TUKE, Esq. WILLIAM CARRUTHERS, Esq.

Every description of British and Foreign Banking Business Transacted.

The Bank has over 1,400 branches in England and Wales, and agents and correspondents in all the principal towns throughout the World.

EXECUTORSHIPS AND TRUSTEESHIPS UNDERTAKEN.

FOREIGN BRANCH:—168 FENCHURCH STREET, LONDON, E.C. 3.

Affiliated Banks:
THE BRITISH LINEN BANK, Head Office, Edinburgh.
THE UNION BANK OF MANCHESTER, LIMITED,
Head Office: Manchester.

· THE ·
DISTRICT BANK
The Manchester & Liverpool District Banking Company Limited

Established 1829

Paid-up Capital	**£1,896,000**
Reserve Fund	**£1,550,000**

Deposits ... £59,108,849 Cash, &c., and Bills, £28,515,546
Advances £23,172,182

31st December, 1919.

Head Office: SPRING GARDENS, MANCHESTER.

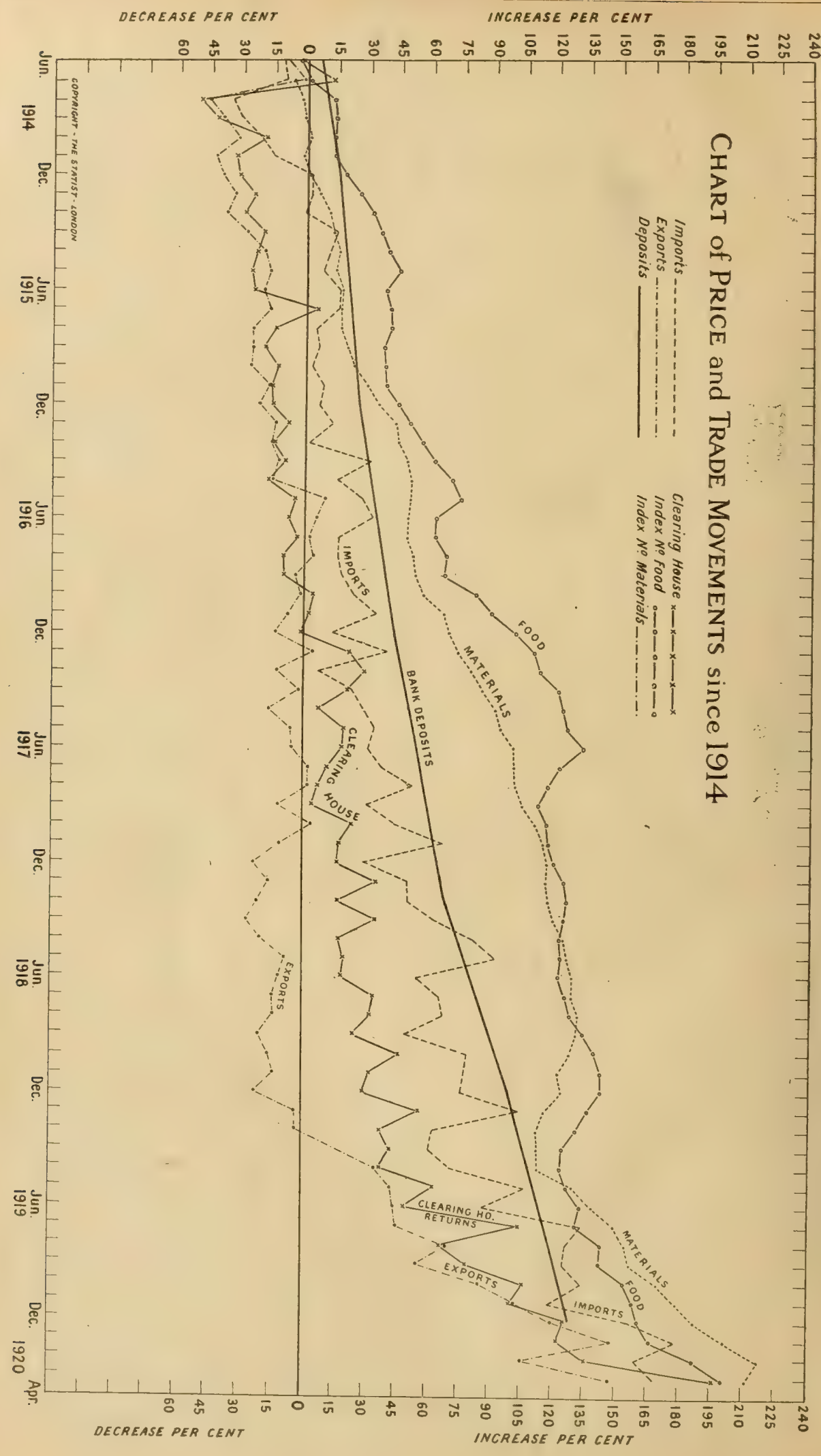
Foreign Department: 13 SPRING GARDENS, MANCHESTER.
3 WATER STREET, LIVERPOOL.

London Office: 75 CORNHILL, E.C. 3.

Liverpool Office: WATER STREET,

and 304 Branches and Sub-branches in Lancashire, Cheshire, Staffordshire, Shropshire, Yorkshire, Derbyshire, Cumberland, Westmorland, and North Wales.

FOREIGN BANKING BUSINESS TRANSACTED.
BANK ACTS AS TRUSTEE OR EXECUTOR.


CHART of PRICE and TRADE MOVEMENTS since 1914
DECREASE PER CENT
INCREASE PER CENT
Imports
Exports
Deposits
Clearing House
Index Nº Food
Index Nº Materials
COPYRIGHT - THE STATIST - LONDON
Jun. 1914
Dec.
Jun. 1915
Dec.
Jun. 1916
Dec.
Jun. 1917
Dec.
Jun. 1918
Dec.
Jun. 1919
Dec.
1920 Apr.
IMPORTS
FOOD
MATERIALS
BANK DEPOSITS
CLEARING HOUSE
EXPORTS
CLEARING HO. RETURNS
EXPORTS
MATERIALS
FOOD
IMPORTS
0 15 30 45 60 75 90 105 120 135 150 165 180 195 210 225 240

GLYN, MILLS, CURRIE & CO.,

ESTABLISHED 1753. REGISTERED WITH UNLIMITED LIABILITY 1885.

67 LOMBARD STREET, LONDON, E.C. 3.

CAPITAL	£1,000,000
RESERVE FUND	£500,000
CURRENT AND DEPOSIT ACCOUNTS	£30,559,059
CASH IN HAND AND AT BANK OF ENGLAND	£5,467,410
MONEY AT CALL AND AT SHORT NOTICE	£6,638,750
INVESTMENTS	£9,986,983
ADVANCES, &c.	£9,738,371

December 31, 1919.

MANAGING PARTNERS:

The Hon. A. H. MILLS. MAURICE G. C. GLYN.
LORD WOLVERTON. LORD HILLINGDON.
LAURENCE CURRIE. General The Hon. Sir H. A. LAWRENCE, K.C.B.

General Manager: Brig.-General A. MAXWELL, C.M.G., D.S.O.

Secretary: Major ERIC GORE BROWNE, D.S.O.

Every description of British and Overseas Banking and Exchange business transacted.
The Bank undertakes the office of Executor and Trustee.

Cable Address: "SAESREVO, LONDON."

The British Overseas Bank, LIMITED.

FORMED UNDER THE AUSPICES OF THE FOLLOWING BANKS:

Anglo-South American Bank, Ltd.
Dominion Bank (Canada).
Glyn, Mills, Currie & Co.
Charles Hoare & Co.
Imperial Ottoman Bank.
Northern Banking Co. Ltd.
Union Bank of Scotland, Ltd.
Williams Deacon's Bank, Ltd.

CAPITAL - £5,000,000

Issued and paid up - £2,000,000

Foreign business of all kinds transacted. *Correspondence invited.*

31, LOMBARD STREET, LONDON, E.C.3.

TELEPHONE NUMBER: CITY 7140 (5 lines).

AFFILIATED INSTITUTION IN POLAND:

ANGLO-POLISH BANK, LIMITED (Bank Angielsko-Polski),
Krakowskie Przedmiescie 47/49, Warsaw.

CHART OF PRICE AND TRADE MOVEMENTS (See p. xx).

INDEX NOS. "MATERIALS."

Index No. for 1913=91=*Basic figure*=100.

	1914	1915	1916	1917	1918	1919	1920
January ...	—	96·5	129·7	158·3	196·1	197·9	274·9
February ...	—	100·6	131·6	164·0	197·1	192·4	289·4
March	—	103·0	135·3	167·5	199·4	193·6	283·9
April	—	105·0	136·7	172·3	203·5	193·5	—
May	—	104·3	136·6	174·2	205·5	209·3	—
June	85·7	106·9	135·3	179·5	208·1	216·8	—
July	85·5	105·5	135·1	183·1	208·0	226·7	—
August ...	88·6	106·3	137·9	182·4	211·4	231·6	—
September —	90·2	109·6	138·9	186·8	209·7	233·8	—
October ...	91·7	112·7	142·8	190·3	207·1	245·4	—
November ...	89·6	117·9	154·3	193·2	201·8	254·4	—
December ...	92·1	123·4	153·8	197·1	203·1	260·5	—

INDEX NOS. "FOOD."

Index No. for 1913=77=*Basic figure*=100.

	1914	1915	1916	1917	1918	1919	1920
January ...	—	96·3	115·3	160·5	172·8	180·8	204·8
February ...	—	101·3	120·8	163·5	173·8	181·1	220·7
March	—	104·7	123·7	169·7	172·5	167·7	231·5
April	—	107·1	130·8	172·0	171·0	172·4	—
May	—	111·1	133·9	173·6	171·4	174·5	—
June	74·8	105·8	125·4	179·0	170·7	176·7	—
July	78·2	107·7	124·3	170·3	172·8	178·5	—
August ...	86·9	108·1	129·7	166·4	174·8	186·9	—
September ...	88·0	105·2	128·1	163·1	180·0	188·7	—
October ...	87·0	106·2	139·9	166·2	185·1	195·3	—
November ...	87·8	106·5	146·0	166·4	186·3	198·8	—
December ...	90·9	114·4	155·0	168·6	186·2	200·5	—

IMPORTS.

Average Monthly Imports for 1913=£65,778,478=*Basic Figure*=100.

	1914 £	1915 £	1916 £	1917 £	1918 £	1919 £	1920 £
January	—	67,946,391	74,935,741	90,592,967	98,895,772	134,518,054	183,498,388
February...	—	65,200,472	67,335,579	70,947,686	99,029,078	107,073,399	170,514,272
March	—	75,462,049	86,115,869	81,145,870	107,223,220	105,772,289	176,647,515
April	—	73,638,582	75,716,204	84,532,766	119,881,043	112,210,747	—
May	—	71,600,894	83,792,730	87,625,713	125,907,284	135,657,051	—
June	58,281,653	76,008,588	86,927,680	86,078,742	101,544,719	122,945,655	—
July	59,376,484	75,723,767	76,732,445	90,124,819	109,139,238	153,140,032	—
August	42,342,707	69,400,919	76,091,439	100,557,618	110,179,501	148,832,393	—
September	45,006,607	70,286,237	77,440,183	86,272,433	97,995,688	148,625,074	—
October	51,379,435	67,816,406	81,159,873	94,258,263	117,629,803	153,486,162	—
November	55,518,130	71,622,274	88,934,806	109,753,091	116,770,580	143,564,907	—
December	67,316,898	70,326,915	75,381,306	84,769,722	116,243,378	169,735,144	—

EXPORTS.

Average Monthly Exports for 1913=£52,926,428=*Basic Figure*=100.

	1914 £	1915 £	1916 £	1917 £	1918 £	1919 £	1920 £
January	—	35,143,057	45,587,339	55,291,857	44,856,595	51,903,300	131,344,386
February...	—	32,986,647	44,865,578	46,279,240	41,839,623	52,034,078	108,567,918
March	—	38,243,199	46,409,616	51,680,638	39,193,842	62,057,770	130,730,738
April	—	42,126,787	44,911,288	44,288,755	42,212,313	71,828,870	—
May	—	43,862,311	58,007,904	49,773,633	48,367,429	75,839,984	—
June	48,626,410	42,583,907	56,147,257	50,079,744	47,141,008	76,526,425	—
July	52,231,296	44,130,301	54,217,978	54,422,119	45,666,704	77,072,805	—
August	28,631,104	39,762,604	55,458,809	54,337,457	45,799,572	90,084,522	—
September	31,948,142	39,872,759	50,598,248	46,402,604	41,881,371	82,249,306	—
October	35,781,672	39,131,593	52,378,570	54,853,269	44,939,366	98,702,747	—
November	30,244,596	43,951,869	49,625,034	47,131,815	46,136,529	107,376,940	—
December	32,149,474	41,649,420	45,947,093	40,320,101	41,394,742	117,018,164	—

CLEARING HOUSE RETURNS (000's omitted).

Monthly Average for 1913=£1,369,700,000=*Basic Figure*=100.

	1914 £	1915 £	1916 £	1917 £	1918 £	1919 £	1920 £
January	—	1,034,066	1,253,429	1,665,354	1,858,516	2,150,098	3,054,528
February	—	968,144	1,152,640	1,779,524	1,606,323	1,878,464	3,228,888
March	—	1,108,610	1,240,772	1,664,421	1,858,030	1,948,646	4,071,093
April	—	1,057,711	1,134,260	1,461,667	1,612,684	1,887,591	—
May	—	1,005,821	1,300,873	1,623,762	1,646,560	2,241,808	—
June	1,363,400	1,037,135	1,257,116	1,616,289	1,631,441	2,050,127	—
July	1,546,032	1,445,684	1,316,398	1,527,442	1,843,802	2,807,849	—
August	673,582	1,169,350	1,233,382	1,464,188	1,822,035	2,301,154	
September	790,642	1,099,940	1,231,974	1,423,934	1,707,558	2,467,874	—
October	1,117,176	1,174,578	1,414,418	1,689,997	2,012,566	2,829,999	—
November	915,673	1,145,099	1,393,357	1,608,510	1,820,419	2,755,975	—
December	926,676	1,161,587	1,346,427	1,596,108	1,777,578	3,095,797	—

BANK OF ENGLAND.

THE history of the Bank of England is inseparable from that of Great Britain itself during the last two centuries. Details of its incorporation, early struggles, and triumphant survival as the most famous Bank in the world, have been elaborated on many occasions in various publications. A halo of romance attaches to its ancient building in the heart of London, and week by week the Money markets of the world hang on the decisions of its directors. Its name is now a synonym for all that is honest, solid, and sure, and it owes its existence to the fertile brain of one William Paterson, a Scotchman, who in 1694, when the Government of the day was beset by overwhelming financial difficulties, put forward, in conjunction with a Mr. Michael Godfrey, a scheme to raise and circulate £1,200,000 upon a fund of £100,000 a year. After much discussion and opposition the scheme was approved and embodied in an Act which received the Royal Assent on April 25, 1694. Among other things it directed that £100,000 a year should be appropriated to the encouragement of persons making a voluntary loan of £1,200,000 for the purpose of carrying on the war with France. Further, it laid down that, unless at least one-half of this capital was subscribed before August 1, 1694, the subscribers were not to be made a Corporation. The Corporation were to be allowed to deal in bills of exchange; to buy and sell bullion, gold, and silver; to lend money on the security of goods, wares, and merchandise.

Under the Act a Commission to receive subscriptions to the capital was appointed on June 15, 1694; the whole stock was subscribed for in 10 days, and the Charter of Incorporation was duly issued on July 27, 1694. Between that year and 1844 the Bank struggled on with varying fortunes, but ever-increasing stability. Its charter was altered from time to time and the scope of its powers was modified, sometimes in one direction, sometimes in another. By 1816 its capital had increased to £14,553,000, at which figure it has ever since remained. In 1844 the last changes were made in its

charter, and, in spite of considerable criticism from some quarters, there is no apparent prospect of any immediate change now. After the staggering and unprecedented experiences of the World War, a Committee on Currency and Foreign Exchanges, which examined the subject, recommended that the principles of the Act of 1844 should be maintained. They added, however, a recommendation that more elasticity should be permitted in respect of any temporary issue, in time, of emergency, of notes in excess of the legal limit.

The capital of the Bank is, as stated, £14,553,000; the nominal value of the Bank of England stock, which is a trustee investment, is £100; it is now quoted at £172, and there is no liability on it.

The Bank publishes no report other than the weekly statements which are issued every Thursday after the meeting of the directors. The Bank's year ends with the last return for February, and half-yearly meetings are held, at which dividends are announced. Profits are included with the "Rest," or Reserve, which is not allowed to fall below £3,000,000. From 1897 to 1903 dividends of 10% were paid, and between 1904 and the middle of 1913 the rate was 9%, tax free. The dividend has since been 10%, less tax.

The profits of the Bank for the half-year ended February 28 last were £508,645 after providing for all contingencies.

Appended is an analysis of the Bank Returns for 1911, and for the years 1914-20, from which it will be seen that deposits, which were £55,920,690 just before the War began, amounted on May 5 last to £137,165,807. The authorised note issue against securities is £18,450,000, of which £11,015,000 is Government debt. Notes in excess of this sum must be covered by gold, except in so far as the provision of the Bank Act of 1844 in this matter is abrogated by the Currency and Bank Notes Act of 1914. Notes in circulation, which just prior to the War were £29,317,000, stood on May 5 at £111,115,815.

The gold coin and bullion held in the Issue Department at the same date stood at £111,988,050, as compared with £38,564,410 on July 22, 1914. Total assets are at £265,970,415, against £103,252,229 on July 22, 1914, while the total reserve stands at £19,854,402, as compared with £27,595,430 a year ago and £29,297,051 in 1914. The ratio of reserve to total deposits is equal to 14.5%.

For comparative purposes we give the return on May 5, 1920, and similar figures for corresponding dates in 1914-19.

Liabilities and Assets of The Bank of England.

LIABILITIES. End of Feb.	Capital. £	Rest. £	Capital and Reserve. £	% *	Notes in Circulation. £	%	Public Deposits. £	%	Other Deposits. £	% *	Seven Day and other Bills. £	% *	Total Liabilities. £
1920§ ...	14,553,000	3,107,983	17,660,983	6.6	111,115,815	41.8	20,649,578	7.8	116,516,229	43.8	27,810	—	265,970,415
1920 ...	14,553,000	3,509,269	18,062,269	5.9	96,526,440	31.7	17,322,060	5.7	172,824,755	56.7	17,224	—	304,752,748
1919 ...	14,552,000	3,499,563	18 052,563	7.7	70,335,745	30.1	25,823-907	11.1	119,169 536	51.1	23,751	—	233,405,502
1918 ...	14,553,000	3,563,021	18.116,021	7.8	47,251,225	20.3	42,649,718	18.3	124.767,163	53.6	10,219	—	232,794,346
1917 ...	14,553,000	3,571,262	18.124,262	6.6	38,584,710	14.2	47,846,179	17.6	167,992,209	61.6	27,726	—	272,575,086
1916 ...	14,553,000	3,514,962	18,067,962	9.1	32,507,860	16.3	52,619,707	26.3	96,393,965	48.3	23,611	—	199,613,105
1915 ...	14,553,000	3,569,837	18,122,837	8.5	34,222,880	16.1	26,924,591	12.7	132,868,891	62.7	58,304	—	212,177,503
1914† ...	14,553,000	3,446,453	17,999,453	17.4	29,317.290	28.4	13,735,393	13.3	42,185 297	40.9	14,796	—	105,252.229
1914 ...	14,553,000	3,543,013	18,096,013	16.4	28,210,060	25.6	20,636,505	18.7	43,438,437	39.3	13,065	—	110,394,080
1911 ...	14,553,000	3,569,392	18.122,392	17.8	27,110,320	26.5	16,875,386	16.5	40,049,893	39.2	32,572	—	102,190,563

ASSETS. End of Feb.	Government Debt. £	% *	"Other" Securities. Issue Dept. £	% *	Government Securities. Bkg. Dept. £	% *	"Other" Securities. Bkg. Dept. £	% *	Gold Coin and Bullion Issue Dept. £	% *	Gold and Silver Coin. Bkg. Dept. £	% *	Total Assets. £	Notes Issued. £	Gold Coin and Bullion, both Depts. £	Total Reserve. £	Reserve to Total Deposits %
1920§	11,015,100	4.1	7,434,900	2.8	55,309,621	20.8	79,690,577	30.0	111,988,050	42.1	532,167	.2	265,970,415	130,438,050	112,520,217	19,854,402	14.47
1920	11,015,100	3.6	7,434,900	2.4	85,152,523	28.0	90,704,526	29.8	109,713,890	36.0	731,809	.2	304,752,748	128,163,890	110,445,699	32,369,259	17.02
1919	11,015,100	4.7	7,434,900	3.2	50,196,744	21.5	83,130 365	35.7	80,450,165	34.4	1,178,228	.5	233,405,502	98,900,165	81,628 395	29,742,648	20.51
1918	11,015,100	4.7	7,434,900	3.2	56,350,082	24.2	98,641,366	42.4	58,287,275	25.0	1,065.623	.5	232,794,346	76,737,275	59,352,898	30,551,673	18.25
1917	11,015,100	4.0	7,434,900	2.7	82 445,859	30.2	117,383,137	43.1	52,717,870	19·4	1,578,220	.6	272,575,086	71,167,870	54,296,090	34,161,380	15.08
1916	11,015,100	5.5	7,434,900	3.7	32,839,300	16.5	93,336,312	46.7	54,216,265	27.2	771,228	.4	199,613,105	72,666,265	54,987,493	40,929,633	27.50
1915	11,015,100	5.2	7,434,900	3.5	26,924,284	12.7	102,931,679	48.5	62,329,555	29.4	1,541,985	.7	212,177,503	80,779,555	63,871,540	48,098,660	30.10
1914†	11,015,100	10.7	7,434,900	7.2	11,005,126	10.7	33,632,762	32.6	38,564,410	37.3	1,599,931	1.5	103,252,229	57,014,410	40,164,341	29,297,051	52.40
1914	11,015,100	10.0	7,434,900	6.7	11,252,858	10 2	37,986,182	34.4	41,336,215	37.4	1,368,825	1.3	110,394,080	59,786,215	42,705,040	32,944,980	51.42
1911	11 015,100	10.7	7,434,900	7.3	14,830 493	14.5	30,712,918	30.0	37,090,840	36.4	1,106,312	1.1	102,190,563	55,540,840	38,197,152	29,536.832	51.85

* Per centage of total. † July 22. § May 5.

THE BANK OF ENGLAND.

ISSUE DEPARTMENT.

	Notes Issued. £	Total. £	Government Debt. £	Other Securities. £	Gold Coin and Bullion. £	Total. £
1920, May 5	130,438,050	130,438 050	11,015,100	7.434.900	111,988,050	130.138,050
1919, ,, 7	102,939,470	102,939,470	11,015,100	7,434,900	84,489,470	102,939,470
1918, ,, 8	79,200,665	79,200,665	11,015,100	7,434,900	60,750,665	79,200,665
1917, ,, 2	71,346,410	71,346,410	11,015,100	7,434,900	52,896,410	71,346,410
1916, ,, 3	74,787,065	74,787,065	11,015,100	7,434,900	56,337.065	74,787,065
1915, ,, 5	73,386,955	73,386,955	11,015,100	7,434,900	54,936,955	73,386,955
1914, ,, 6	52,702,735	52,702,735	11,015,100	7,434,900	34,252,735	52,702,735
Inc. or Dec.						
1920 on 1919*	27,498.580	27.498.580	—	-	27,498.580	27,498.580
1920 ,, 1914*	77,735.315	77,735.315	—	-	77,735,315	77,735,315

BANKING DEPARTMENT.

	Proprietors' Capital. £	Rest. £	Deposits. Public. £	Deposits. Other. £	7-day & Other Bills. £	Total. £	Securities. Government. £	Securities. Other. £	Notes. £	Gold and Silver Coin. £	Total. £
1920, May 5	14,553,000	3,107,983	20,649,578	116,516,229	27,810	154,851,600	55,309,621	79,690,577	19,322,235	532,167	154,851,600
1919, ,, 7	14,553,000	3,106,945	23,691,666	115,161,369	12,318	156,525,188	49,452,735	79,477,023	26,157,505	1,437,925	156,525,188
1918, ,, 8	14,553,000	3,147,637	37,573,152	128,129,817	10,772	183,414,378	55,871,732	97,410,123	29,517,685	614,838	183,414,378
1917, ,, 2	14,553,000	3,112,748	47,226,402	128,858,993	42,978	193,794,121	45,025,328	114,093,180	32,496,790	2,178,823	193,794,121
1916, ,, 3	14,553,000	3,103,937	48,444,256	86,023,575	25,894	152,156,642	33,187,706	77,376,643	40,454,320	1,131,883	152,156,642
1915, ,, 5	14,553,000	3,110,679	134,165,149	85,128,999	47,215	237,005,042	51,043,491	146,152,679	38,442,000	1,366,872	237,005,042
1914, ,, 6	14,553,000	3,108,746	18,586,950	39,102,352	14,044	75,465,092	11,046,570	38,835,308	25,894,350	1,688,864	75,465,092
Inc. or Dec.											
1920 on 1919*	—	1,038	5,041,988	1.354.870	15.492	1,670,588	5.856.886	213.554	6,864,730	905,758	1,670,588
1920 ,, 1914*	—	763	2,262,628	77,113,877	13,766	79,389,508	44,263,051	40,855,269	1,572,115	1,146,297	79,389,508

* Increase, black type; decrease, italics.

INDIVIDUAL BANKS.

ALEXANDERS DISCOUNT CO., LTD.

Head Office: 54 Lombard Street, London, E.C. 3.

THIS Discount Company, which formerly appeared under the heading "Alexanders and Company," was first established in 1810, and, after various changes in name and personnel, necessitated by death or retirement of successive partners, opened the year 1919 under the new title. In his speech at the fifty-first general meeting, the Chairman mentioned that it was not without some hesitation that the directors of the Company had decided to recommend the change to the shareholders, but it was believed to be to the advantage of the firm to let it be known clearly what it stood for. As he said, Alexanders are a Discount Company, not a bank, and although this is well enough known in the City, it was decided to adopt the name "Alexanders Discount Company, Limited," with a view to securing an increased supply of bills from the great industrial centres of the country, in which there must be many who have not so far recognised the real functions of the firm.

Turning to the balance sheet figures of the Company, we find that, notwithstanding the difficult and anxious period the past year has been for discount houses, and the rapid changes in the value of money, the figures show a general increase.

The reserve account stands at £215,000, as against £200,000 a year ago, and the carry-forward is increased from £25,020 to £25,880. A total dividend of 13½%, less income tax, was paid for the year. On the Preference share capital of £100,000, 6%, less income tax, was paid. The actual gross profit for 1919 was £100,563, as against £112,126 in 1918.

The Chairman at the annual general meeting mentioned that the directors proposed to issue the small amount of capital still outstanding. In February the 10,000 Ordinary (£10) shares referred to were offered to existing shareholders at £7 10s. per share, of which £2 10s. represented premium. The whole of the issue has been taken up, the amount of the subscribed and authorised capital being thus made identical at £1,000,000, in £10 shares, of which £100,000 consists of the fully-paid Preference shares and £900,000 of Ordinary shares, with £450,000 paid up and a reserve liability of like amount; while the premium of £25,000 enables the reserve fund to be raised from £215,000 to £240,000.

Profits of Alexanders Discount Company, Limited.

Yr. to Dec. 31	Gross Profit	Expenses	Net Profit	Profit for Div. on Ord. (a)	Ord. Subject to Tax Earned	Ord. Subject to Tax Paid	Special Allocations	Carried Forward
	£	£	£	£	%	%	£	£
1919	100,563	24,703	75,860	69,860	17·46	13.5	15,000	25,880
1918	112,126	20,420	91,706	85,706	21·43	13.4	30,000	25,020
1917	111,746	20,078	91,668	85,668	21·41	12.7	30,000	23,029
1916	86,418	19,411	67,007	61,007	15·25	10	20,000	18,027
1915	66,281	18,291	47,990	41,990	10·50	10	—	17,020
1914	88,310	19,330	68,980	62,980	15·74	10	20,000	15,030
1913	84,476	17,552	66,924	60,924	15·23	10	20,000	12,050

(a) After provision for dividend on 6 per cent. Preference shares.

BAKER, DUNCOMBE AND CO., LTD.

Office: 36 Lombard Street, London, E.C. 3.

THE business of this private banking and discount house was established in 1866, but it was not until September 30, 1905, that the firm was registered as a limited Company. The capital is £100,000, and consists of 16,000 fully-paid "A" shares of £5 each = £80,000, and 4,000 fully-paid "B" shares of £5 each = £20,000. Both classes of shares rank *pari passu* for dividend up to 5% per annum, after which surplus profits, subject to allocation to reserve, go to the "B" shares; but it is to be noted that since the War commenced the reserve fund has been raised from £25,000 to £70,000. In the balance sheet to March 31, 1920, the largest items are grouped under the heading of deposits, loans, and bills rediscounted, £6,358,275, as compared with £6,144,245 a year earlier, and the figures show a remarkable increase over the total for 1914—£4,279,612. On the assets side, bills discounted are a little higher—£5,863,590 against £5,649,646. Loans on security and sundry accounts stand at £9,583, unchanged from a year ago. Investments are scheduled at £560,000, and consist of 5% National War Bonds, £515,000; 5% War Loan 1929-47, £50,000. Cash in hand and at bankers shows an increase of £2,587.

Baker, Duncombe & Co., Ltd.

LIABILITIES. Mar. 31	Capital Paid up.	Reserve Funds.	Total Capital and Reserve.		Deposits, Loans, and Bills Rediscounted		Total Liabilities.
	£	£	£	%*	£	%*	£
1920	100,000	70,000	170,000	2·6	6,358,275	97·4	6,528,275
1919	100,000	70,000	170,000	2·7	6,144,245	97·3	6,314,245
1918	100,000	70,000	170,000	2·6	6,290,965	97·4	6,460,965
1917	100,000	60,000	160,000	3·1	5,056,533	96·9	5,216,53
1916	100,000	50,000	150,000	3·4	4,228,255	96·6	4,378,25
1915	100,000	50,000	150,000	2·0	7,143,580	98·0	7,293,580
1914	100,000	25,000	125,000	2·8	4,279,612	97·2	4,404,612
1910	100,000	25,000	125,000	2·5	4,882,290	97·5	5,007,290

ASSETS. Mar. 31	Cash in Hand &c.		Investments.		Bills Discounted.		Advances, &c.		Total Assets.
	£	%*	£	%*	£	%*	£	%*	£
1920	95,102	1·5	560,000	8·6	5,863,590	89·8	9,583	·1	6,528,275
1919	92,516	1·4	562,500	8·9	5,649,646	89·5	9,583	·2	6,314,245
1918	93,981	1·4	582,300	9·0	5,781,966	89·5	2,718	·1	6,460,965
1917	82,151	1·6	182,200	3·5	4,351,520	94·9	662	—	5,216,533
1916	73,456	1·7	393,500	9·0	3,888,647	88·8	22,652	·5	4,378,255
1915	77,065	1·1	1,198,250	16·4	5,993,162	82·2	25,103	·3	7,293,580
1914	58,475	1·3	604,000	13·7	3,712,827	84·3	29,310	·7	4,404,612
1910	53,088	1·1	465,000	9·3	4,464,117	89·1	25,085	·5	5,007,290

* Per cent. of Total Liabilities or Assets.

In connection with the percentage of cash to public liabilities, it should be noted that the deposits of discount companies are secured largely by collateral security, and in this respect the balance sheet of March 31, 1920, points out that assets of the value of £6,391,113 are held by bankers and others as cover for liabilities mentioned.

Liabilities and Assets of Alexanders Discount Company, Limited.

LIABILITIES. Dec. 31	Capital Paid up.	Reserve Fund.	Total Capital and Reserve.		Deposits and Loans, &c.		Bills Re-discounted.		Rebate on Bills Discounted.		Profit Balance.		Total Liabilities.
	£	£	£	%*	£	%*	£	%*	£	%*	£	%*	£
1919	500,000	215,000	715,000	3·9	15,991,170	87·8	1,327,012	7·3	130,015	·7	56,880	·3	18,220,077
1918	500,000	200,000	700,000	4·2	13,826,917	83·2	1,912,260	11·5	124,205	·7	56,021	·4	16,619,403
1917	500,000	170,000	670,000	4·5	12,668,671	85·2	1,348,701	9·1	128,270	·8	54,029	·4	14,869,671
1916	500,000	140,000	640,000	5·0	10,978,632	85·0	1,145,851	8·8	118,000	·9	41,027	·3	12,923,510
1915	500,000	120,000	620,000	5·8	9,439,747	90·2	272,536	2·6	86,555	·9	40,030	·4	10,458,858
1914	500,000	120,000	620,000	5·9	9,427,422	90·2	281,748	2·7	76,935	·8	38,030	·4	10,444,135
1913	500,000	100,000	600,000	4·8	10,134,947	81·1	1,497,231	12·1	86,334	·7	35,050	·3	12,353,562
1910	500,000	60,000	560,000	5·2	9,982,052	92·2	—	—	282,152	2·6	—	—	10,824,204

ASSETS. Dec. 31	Cash at Bankers.		Investments.		Bills Discounted.		Advances.		Assets.
	£	%*	£	%*	£	%*	£	%*	£
1919	423,057	2·3	1,347,582	7·4	16,346,470	89·7	102,968	·6	18,220,077
1918	420,496	2·6	2,235,363	13·4	13,798,181	83·0	165,363	1·0	16,619,403
1917	409,895	2·7	1,790,859	12·0	12,616,556	84·9	52,361	·4	14,869,671
1916	389,560	3·0	1,673,906	13·0	10,856,120	84·0	3,924	—	12,923,510
1915	367,437	3·5	1,141,307	10·9	8,885,693	84·9	64,421	·7	10,458,858
1914	350,143	3·4	1,341,713	12·8	8,684,172	83·1	68,107	·7	10,444,135
1913	293,726	2·4	944,221	7·6	10,798,650	87·4	316,965	2·6	12,353,562
1910	282,506	2·7	1,012,234	9·3	9,143,262	84·4	386,202	3·6	10,824,204

* Per cent. of Total Liabilities or Assets.

LLOYDS BANK LIMITED

Chairman: Sir RICHARD V. VASSAR-SMITH, Bart.
Deputy-Chairman: J. W. BEAUMONT PEASE.

HEAD OFFICE : 71, LOMBARD STREET, LONDON, E.C. 3.

Capital Subscribed	(Dec., 1919)	£58,878,400
Capital paid up	do.	9,420,544
Reserve Fund	do.	9,675,105
Deposits, &c.	do.	325,938,436
Advances, &c.	do.	135,763,591

This Bank has about 1,500 Offices in England and Wales, Correspondents and Agents throughout the British Islands, and a large number of Colonial and Foreign Agents.

AFFILIATED BANKS:
THE NATIONAL BANK OF SCOTLAND LTD. THE LONDON AND RIVER PLATE BANK LTD.
AUXILIARY:
LLOYDS AND NATIONAL PROVINCIAL FOREIGN BANK LIMITED.

LLOYDS & NATIONAL PROVINCIAL FOREIGN BANK, LTD.

A British Bank conducted on British Lines.

Head Office: 31 THREADNEEDLE STREET, E.C.2.

Branches:

FRANCE.
BIARRITZ - - 10 Place de la Liberté.
BORDEAUX - - 23 Allées de Chartres.
HAVRE - - - 1 Rue de la Bourse.
MARSEILLES - - 33 Rue Cannebière.
NICE - - 6 Jardin du Roi Albert Premier.

BELGIUM.
ANTWERP - - - 14 Place de Meir.
BRUSSELS - - - 54 Rue Royale.

SWITZERLAND.
ZURICH - - - - 1 Bahnhofstrasse.

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COLOGNE - - - - 65/7 Heumarkt.



PARIS OFFICE: 3 PLACE DE L'OPERA.

General Banking Business.
Collections throughout France and Belgium, Switzerland, &c.
Foreign Exchange and Transfers.

Enquiries may be addressed to the London Office of the Bank, 31 Threadneedle Street, E.C.2, or to any Branch of
Lloyds Bank Limited or
The National Provincial and Union Bank of England, Limited.

BANK OF IRELAND.

Head Office: College Green, Dublin.

THE Bank of Ireland, which was established in 1783, is the chief of the six Irish banks of issue. Its paid-up capital is £2,769,230 15*s.* 5*d.*, and its authorised note issue £3,738,428. The Irish Bank Act of 1845, however, permits the banks of issue to exceed their authorised note issues, provided they hold coin against the excess issue, but silver must not exceed one-fourth part of the gold held. According to the published figures, the Bank of Ireland's note circulation on December 31, 1919, amounted to £13,310,163, a decrease of £2,980,176 against the previous year's figures.

The other figures on the liabilities side of the Bank's balance sheet reveal some interesting facts. The "Rest," as the reserve fund is styled, now stands at £970,000, from which it will appear that steady allocations to it are drawing the Rest near to its former figure of £1,020,000 (1910), the addition during the past year out of profits having been £50,000. Government and other public accounts amount to £3,786,100; in December 1885 they were only £1,471,034. Deposits totalled £24,756,724, an increase of £4,726,540 for the year. The increase in deposits is common to most, if not to all, banks, and is largely explained, as a final cause, by the immense creation of Government credits, which in the end find their way to a great extent into the pockets of producers, traders, and wage-earners. Account also has to be taken of increased prices, which in many industries mean increased profits, and Irish farming as a whole is one of the industries which has thus prospered. These influences are also noticeable on the assets side of the balance sheet. In bills discounted and advances to customers—£12,362,653, as against £12,051,640 in 1918, principally for agricultural and trade requirements—the increase appears small; but it must be noted that the Bank's holding of Treasury bills, included here, was reduced from £4,000,000 to £850,000 during the year, while advances and discounted bills swelled to £11,512,000 in December 1919, against £8,051,000 in December 1918. The one, therefore, compensated the other.

The Bank's investments now amount to £17,346,661, or, if we include the indebtedness of the British Government (£2,630,769), £19,977,430, and at the last meeting the shareholders were informed that full provision had been made out of revenue for depreciation of securities.

The net profit in 1919 was £579,495, showing an increase of £55,588 over the 1918 figures, and no less than £181,365 over the profit earned in 1914. As a result of this fine showing the shareholders received dividends for each of the half-years ending June 30 and December 31, 1919, at the rate of 12% per annum, less income tax. The figures for net profits would, said the Governor at the last meeting, have been larger but for the fact that an additional cash bonus, amounting to £19,000, had been recently paid to the staff. The total annual increase in salaries and bonuses since December 1914 has amounted to £101,260, and since December 1918 to £55,760.

The following record shows the advancement made by the Bank of Ireland in profit-earning since the year 1913:—

Profits of the Bank of Ireland.

Year to Dec. 31	Gross Profit £	Expenses £	Net Profit £	Div. Subject to Tax—Earned %	Div. Subject to Tax—Paid %	Paid £	Special Allocat'ns £	Carried Forward £
1919...	923,692	344,197	579,495	20·92	12	[332,308	250,000	38,534
1918...	795,247	271,340	523,907	18·92	11	304,615	220,000	41,347
1917...	726,479	233,320	492,659	17·79	10	276,923	200,000	42,055
1916...	667,971	214,800	453,171	16·36	10	276,923	175,000	26,319
1915...	667,691	209,937	457,754	16·53	10	276,923	180,000	25,071
1914...	601,230	203,150	398,150	14·37	10	276,923	120,000	24,240
1913...	607,158	192,772	414,386	14·96	10	276,923	137,000	23,033

BANK OF LIVERPOOL AND MARTINS LIMITED.

Head Office: 7 Water Street, Liverpool.

THE amalgamation of the Bank of Liverpool with Martin's Bank carried a step further the absorption and disappearance of the old private banks. Martin's Bank, of course, had the weight of tradition behind it. The exact date of its origin is not known. It was claimed to be the oldest Bank in existence, and said to belong to the Tudor period. Tradition ascribes the origin of the Bank to Sir Thomas Gresham, son of the famous Sir Richard Gresham of Queen Elizabeth's reign. The first Martin joined the Bank in 1694, so for generations the Martin's business has been carried on in Lombard Street; but of recent years branches had been opened in and around London to cater for a wider *clientèle* than was found in the City. As things go, the business of the Bank, prior to its amalgamation with the Bank of Liverpool, was not a very large one, the figures on each side of the balance sheet running to about £6,000,000 only, but it had a progressive record behind it.

The Bank of Liverpool brought to London the benefits of its vast and varied experience in the North of England. It was one of the first joint-stock banks to make its appearance in the North Country after the passing of the Bank Act of 1826. The Bank, as a matter of fact, was established in 1831 with a nominal capital of £2,500,000, divided into 25,000 shares of £100 each, on which £10 was paid up. There have been many alterations since that date, however, and up to the time of the amalgamation with Martin's the authorised and issued capital stood at £13,871,120 in shares of £20 each, of which £2 10*s.* was paid up, making the paid-up capital £1,733,890. For many years, although steady progress was made, there was no attempt at launching out, and it was not until 1881 that the first branch was opened. After that an era of progress

Liabilities and Assets of The Bank of Ireland.

LIABILITIES.

Dec. 31	Capital. £	Rest. £	Total Capital and Rest. £	%	Note Circulation £	%	Government & other Public Accounts £	%	Deposits, &c. £	%	Profit Balance £	%	Total Liabilities. £
1919...	2,769,231	970,000	3,739,231	8·2	13,310,164	29·1	3,786,100	8·3	24,756,725	54·1	154,842	·3	45,747,062
1918...	2,769,231	920,000	3,689,231	8·5	16,290,339	37·5	3,029,771	7·5	20,030,184	46·1	157,655	·4	43,436,780
1917...	2,769,231	700,000	3,469,231	10·2	11,925,615	35·3	2,868,187	8·5	15,429,254	45·6	145,902	·4	33,838,189
1916...	2,769,231	500,000	3,269,231	11·2	9,693,951	33·4	2,403,[illegible]	8·3	13,495,819	46·6	130,165	·5	28,992,396
1915...	2,769,231	600,000	3,369,231	12·5	7,415,588	27·4	3,139,025	11·6	12,967,660	48·0	141,032	·5	27,022,536
1914...	2,769,231	810,000	3,579,231	14·2	5,087,565	20·2	2,744,906	10·9	13,615,411	54·1	149,720	·6	25,176,833
1913...	2,769,231	750,000	3,519,231	15·8	3,350,546	15·1	2,635,930	11·8	12,597,475	56·6	153,418	·7	22,256,600
1910...	2,769,231	1,020,000	3,789,231	18·0	3,008,309	14·2	2,621,690	12·0	11,573,973	55·0	177,527	·8	21,070,730

ASSETS.

Dec. 31	Cash in Hand & at B. of E. £	%	Money at Call, &c. £	%	Government Debt. £	%	Other Investments. £	%	Advances and Bills Discounted. £	%	Bank Premises. £	%	Total Assets. £
1919...	10,951,483	23·9	2,045,999	4·5	2,630,769	5·8	17,346,661	37·9	12,362,653	27·0	409,517	·9	45,747,062
1918...	14,059,998	32·3	1,994,800	4·6	2,630,769	6·1	12,319,773	28·4	12,051,640	27·7	386,847	·9	43,436,780
1917...	9,536,531	28·2	2,349,665	6·9	2,630,769	7·8	7,796,488	23·0	11,135,103	32·9	389,133	1·2	33,838,189
1916...	7,116,765	24·5	2,655,288	9·1	2,630,769	9·1	7,855,[illegible]	27·1	8,365,761	28·9	390,014	1·3	28,992,396
1915...	4,786,614	17·7	1,940,511	7·2	2,630,769	9·8	8,152,422	30·1	9,129,830	33·8	382,390	1·4	27,022,536
1914...	3,781,744	15·0	1,715,026	6·8	2,630,769	10·4	7,857,437	31·2	9,045,595	36·0	146,262	·6	25,176,833
1913...	1,748,321	7·9	1,674,434	7·5	2,630,769	11·8	6,476,158	29·1	9,581,809	43·1	145,109	·6	22,256,600
1910...	1,668,565	7·9	1,161,531	5·5	2,630,769	12·5	6,326,509	30·0	9,163,248	43·5	123,608	·6	21,070,730

* Per cent. of Total Liabilities or Assets.

BANK OF MONTREAL

Established in 1817.

Capital Paid up, $20,000,000. Reserve Fund, $20,000,000.
Undivided Profits, $1,812,854.

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General Manager—Sir FREDERICK WILLIAMS-TAYLOR,

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9 WATERLOO PLACE, PALL MALL, S.W. 1.
Paris Agency: BANK OF MONTREAL (FRANCE), 17 PLACE VENDOME, PARIS.

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UNION BANK OF CANADA

INCORPORATED 1865. Head Office—WINNIPEG.

Paid-up Capital	**$7,968,150**
Rest and Undivided Profits	**$5,976,973**
Total Assets	**$174,939,057**

The BANK has over 400 Branches in Canada, and AGENTS IN ALL THE PRINCIPAL CITIES IN AMERICA.

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LONDON OFFICES: **6 PRINCES STREET, E.C. 2.**
26 HAYMARKET, S.W. 1.

NEW YORK AGENCY: 49 Wall Street.
PARIS AGENTS : : Park-Union Foreign Banking Corporation, 1 Rue Taitbout.

Liabilities and Assets of The Bank of Liverpool and Martins, Limited.

LIABILITIES.	Capital.	Reserve.	Total Capital and Reserve.		Acceptances.		Deposits, &c.		Profit Balance, &c.		Total Liabilities.
	£	£	£	%*	£	%*	£	%*	£	%*	£
1919, Dec. 31	2,148,890	1,400,000	3,548,890	4·1	15,623,631	18·0	67,530,621	77·6	287,095	·3	‡86,990,237
1919, June 30	2,046,390	1,400,000	3,446,390	4·8	3,002,515	4·1	65,643,407	90·7	296,148	·4	†72,388,460
1918, ,, ...	1,733,890	900,000	2,633,890	5·0	2,365,058	4·4	47,866,760	90·0	331,340	·6	53,197,048
1917 ,, ...	1,733,890	900,000	2,633,890	5·6	2,337,141	5·0	41,380,576	88·2	241,223	·5	46,592,830
1916 ,, ...	1,733,890	900,000	2,633,890	7·1	1,250,125	3·3	33,238,515	88·9	242,208	·7	37,364,738
1915 ,, ...	1,733,365	900,000	2,633,365	6·9	2,832,031	7·4	32,364,853	85·1	215,021	·6	38,045,270
1914 ,, ...	1,412,500	875,000	2,287,500	10·0	844,227	3·8	19,447,817	85·5	148,422	·7	22,727,966
1913 ,, ...	1,412,500	850,000	2,262,500	10·4	580,677	2·7	18,785,010	86·3	125,818	·8	21,754,005
1910 ,, ...	1,312,500	850,000	2,162,500	11·6	561,985	3·0	15,804,282	84·6	144,880	·8	18,673,647

ASSETS.	Cash in Hand, &c.		Money at Call, &c.		Investments, inc. Treasury Bills.		Bills.		Loans and Advances.		Liab. of Custrs. for Acceptances.		Bank Premises, &c.		Total Assets.
	£	%*	£	%*	£	%*	£	%*	£	%*	£	%*	£	%*	£
1919, Dec. 31	7,930,264	9·1	11,006,969	12·7	16,089,712	18·5	3,768,631	4·3	31,399,236	36·1	15,623,631	18·0	1,171,794	1·3	‡86,990,237
1919, June 30	15,453,714	21·4	10,539,583	14·5	15,435,910	21·3	3,682,236	5·1	23,188,364	32·0	3,002,515	4·1	1,086,138	1·5	†72,388,460
1918, ,,	9,121,255	17·1	7,776,022	14·7	15,098,574	28·4	2,271,033	4·3	15,660,762	29·4	2,365,058	4·4	904,344	1·7	53,197,048
1917 ,,	4,254,661	9·1	4,554,561	9·8	10,783,873	23·1	1,924,342	4·1	21,839,978	46·9	2,337,141	5·0	898,274	2·0	46,592,830
1916 ,,	5,185,303	13·9	5,147,684	13·8	10,156,465	27·2	1,773,000	4·7	12,949,201	34·7	1,250,125	3·3	902,960	2·4	37,364,738
1915 ,,	5,321,139	14·0	5,678,045	14·9	7,223,907	19·0	2,319,564	6·1	13,789,797	36·3	2,832,031	7·4	880,787	2·3	38,045,270
1914 ,,	1,853,893	8·1	2,423,282	10·7	3,252,838	14·3	2,140,500	9·4	11,713,634	51·5	844,227	3·8	499,592	2·2	22,727,966
1913 ,,	1,829,406	8·5	2,462,190	11·3	3,058,447	14·0	1,968,490	9·0	11,355,239	52·2	580,677	2·7	499,556	2·3	21,754,005
1910 ,,	1,392,547	7·5	1,896,642	10·1	2,909,913	15·6	2,168,353	11·7	9,283,494	49·6	561,985	3·0	460,713	2·5	18,673,647

* Per cent. of Total Liabilities or Assets.
† Including figures of Martin's Bank. ‡ Including figures of Cocks, Biddulph and Company and the Palatine Bank.

Liabilities and Assets of Messrs. Cocks, Biddulph and Company.

	LIABILITIES.					ASSETS.								
	Total Capital and Reserve.		Deposits, &c.		Total Liabilities.	Cash in Hand, at Call, &c.		Investments.		Bills and Advances.		Bank Premises Account.		Total Assets.
Jan.	£	%*	£	%*	£	£	%*	£	%*	£	%*	£	%*	£
1919...	200,000	15·1	1,124,911	84·9	1,324,911	588,493	44·4	398,139	30·0	288,279	21·8	50,000	3·8	1,324,911
1918...	200,000	15·5	1,090,770	84·5	1,290,770	588,869	45·7	353,375	27·3	298,526	23·1	50,000	3·9	1,290,770
1917...	200,000	17·0	979,655	83·0	1,179,655	422,000	35·8	353,375	30·0	354,280	30·0	50,000	4·2	1,179,655
1916...	200,000	17·3	956,082	82·7	1,156,082	345,137	29·8	362,095	31·3	398,850	34·5	50,000	4·3	1,156,082
1915...	200,000	16·2	1,032,953	83·8	1,232,953	393,948	32·0	330,618	26·8	458,387	37·2	50,000	4·0	1,232,953
1914...	200,000	18·4	888,334	81·6	1,088,334	244,102	22·4	307,793	28·3	486,439	44·7	50,000	4·6	1,088,334
1911...	200,000	17·9	915,737	82·1	1,115,737	225,150	20·1	317,560	28·5	523,027	46·9	50,000	4·5	1,115,737

* Per cent. of Total Liabilities or Assets.

Liabilities and Assets of The Palatine Bank, Limited.

LIABILITIES.	Capital Paid up.	Reserve Fund.	Total Capital and Reserve.		Acceptances.		Deposits, &c.		Profit Balance.		Total Liabilities.
Dec. 31	£	£	£	%*	£	%*	£	%*	£	%*	£
1918	125,000	11,000	136,000	11·5	34,826	2·9	1,009,168	85·1	5,493	·5	1,185,487
1917	112,500	7,500	120,000	15·9	26,484	3·5	603,427	79·9	5,174	·7	755,085
1916	112,500	2,500	115,000	18·5	3,919	·6	495,829	79·8	6,742	1·1	621,490
1915	112,500	2,500	115,000	24·2	13,206	2·8	339,178	71·5	6,659	1·5	474,043
1914	112,500	2,500	115,000	26·3	23,283	5·3	293,539	67·0	6,164	1·4	437,986
1913	112,500	2,500	115,000	25·3	54,606	12·0	279,597	61·4	5,750	1·3	454,953
1910	112,500	2,500	115,000	20·0	190,867	33·2	262,681	45·8	5,654	1·0	574,202

ASSETS.	Cash in Hand and at Call.		Investments.		Bills Discounted.		Loans and Advances.		Liab. of Customers for Acceptances.		Bank Premises, &c.		Total Assets.
Dec. 31	£	%*	£	%*	£	%*	£	%*	£	%*	£	%*	£
1918	309,795	26·1	216,932	18·3	215,183	18·1	398,692	33·7	34,826	2·9	10,059	·9	1,185,487
1917	201,549	26·7	55,128	7·4	113,628	15·0	348,036	46·1	26,484	3·5	9,960	1·3	755,085
1916	174,753	28·1	66,740	10·8	64,686	10·4	301,835	48·6	3,919	·6	9,557	1·5	621,490
1915	76,618	16·2	76,212	16·1	28,677	6·0	270,893	57·1	13,207	2·8	8,436	1·8	474,043
1914	59,572	13·6	53,339	12·2	28,618	6·5	264,938	60·5	23,283	5·3	8,236	1·9	437,986
1913	89,189	19·6	45,808	10·1	31,240	6·9	225,757	49·5	54,606	12·0	8,353	1·9	454,953
1910	109,385	19·0	35,354	6·1	23,605	4·2	207,303	36·1	190,867	33·2	7,708	1·4	574,202

* Per cent. of Total Liabilities or Assets.

Liabilities and Assets of The Halifax Commercial Banking Company, Limited.

LIABILITIES.	Capital Paid up.	Reserve Fund.	Total Capital and Reserve.		Notes in Circulation.		Acceptances.		Deposits, &c.		Profit Balance.		Total Liabilities.
	£	£	£	%*	£	%*	£	%*	£	%*	£	%*	£
1918, Dec. 31 ...	200,000	120,000	320,000	8·9	3,515	·1	62,772	1·7	3,193,246	88·8	16,854	·5	3,596,387
1917 ,, ...	200,000	110,000	310,000	9·1	2,890	·1	51,477	1·5	3,011,665	88·9	13,384	·4	3,389,416
1916 ,, ...	200,000	105,000	305,000	9·7	1,795	·1	111,807	3·6	2,703,282	86·0	21,120	·6	3,143,004
1915 ,, ...	200,000	105,000	305,000	12·0	2,395	·1	45,599	1·8	2,165,186	85·4	17,837	·7	2,536,017
1914 ,, ...	200,000	105,000	305,000	13·0	2,840	·1	63,257	2·8	1,949,125	83·4	15,277	·7	2,335,499
1913 ,, ...	200,000	106,000	305,000	13·2	2,575	·1	68,935	2·9	1,911,845	82·9	18,013	·9	2,306,368
1910, June 30 ...	200,000	100,000	300,000	13·4	3,580	·2	76,249	3·4	1,841,303	82·1	20,805	·9	2,241,937

ASSETS.	Cash in Hand and at Call.		Investments.		Bills, Loans, and Advances.		Liab. of Cust. for Acceptances.		Bank Premises and other Assets.		Total Assets.
	£	%*	£	%*	£	%*	£	%*	£	%*	£
1918, Dec. 31 ...	713,891	19·9	783,915	21·8	1,995,310	55·5	62,772	1·7	40,589	1·1	3,596,387
1917 ,, ...	726,658	21·5	671,466	19·8	1,899,138	56·0	51,477	1·5	40,677	1·2	3,389,416
1916 ,, ...	841,903	26·8	805,860	25·6	1,307,957	41·6	111,807	3·6	75,477	2·4	3,143,004
1915 ,, ...	334,566	13·2	690,924	27·3	1,393,685	54·9	45,599	1·8	71,243	2·8	2,536,017
1914 ,, ...	354,389	15·2	471,265	20·2	1,375,803	58·9	63,257	2·7	70,785	3·0	2,335,499
1913 ,, ...	284,387	12·3	376,612	16·4	1,505,602	65·3	68,935	2·9	70,832	3·1	2,306,368
1910, June 30 ...	267,390	11·9	380,953	17·0	1,452,756	64·8	76,249	3·4	64,589	2·9	2,241,937

* Per cent. of Total Liabilities or Assets.

Liabilities and Assets of Martin's Bank, Limited.

LIABILITIES.	Capital Paid up.	Reserve Fund.	Total Capital and Reserve.		Acceptances.		Contingent Liabilities.		Deposits, &c.		Profit Balance.		Total Liabilities.
	£	£	£	%*	£	%*	£	%*	£	%*	£	%*	£
1918 June 30	500,000	185,000	685,000	10·8	347,958	5·4	4,584	·1	5,283,148	83·1	38,481	·6	6,359,171
1917 Dec. 31	500,000	185,000	685,000	11·2	326,170	5·4	16,872	·3	5,034,517	82·5	38,481	·6	6,101,040
1916 ,,	500,000	185,000	685,000	12·7	338,853	6·2	21,918	·4	4,307,608	79·7	51,036	1·0	5,404,415
1915 ,,	500,000	185,000	685,000	13·6	356,345	7·1	10,436	·2	3,922,166	78·1	50,504	1·0	5,024,451
1914 ,,	500,000	185,000	685,000	16·3	218,514	5·2	21,041	·5	3,220,239	76·9	46,425	1·1	4,191,219
1913 ,,	500,000	180,000	680,000	15·8	292,140	6·8	360,227	8·4	2,912,403	67·9	46,373	1·1	4,291,143
1910 ,,	500,000	165,000	665,000	15·6	472,522	11·0	186,641	4·3	2,916,518	68·1	39,093	1·0	4,279,774

ASSETS.	Cash in Hand, &c.		Money at Call, &c.		Investments.		Bills Receivable.		Loans.		Liability of Customers for Acceptances.		Contingent Liabilities as *per contra*.		Bank Premises.		Total Assets.
	£	%*	£	%*	£	%*	£	%*	£	%*	£	%*	£	%*	£	%*	£
1918 June 30	1,097,248	17·2	1,673,700	26·3	1,055,187	16·6	850,394	13·4	1,198,100	18·9	347,958	5·4	4,584	·1	132,000	2·1	6,359,171
1917 Dec. 31	1,142,030	18·7	1,342,670	22·0	1,187,057	19·4	573,764	9·4	1,380,477	22·6	326,170	5·4	16,872	·3	132,000	2·2	6,101,040
1916 ,,	921,607	17·0	994,360	18·4	1,208,725	22·4	539,346	10·0	1,247,606	23·1	338,853	6·2	21,918	·4	132,000	2·5	5,404,415
1915 ,,	761,377	15·1	655,000	13·0	1,203,085	24·0	508,106	10·1	1,398,102	27·9	356,345	7·1	10,436	·2	132,000	2·6	5,024,451
1914 ,,	768,063	18·3	488,900	11·6	564,966	13·5	517,969	12·4	1,479,766	35·3	218,514	5·2	21,041	·5	132,000	3·2	4,191,219
1913 ,,	739,069	17·2	441,000	10·3	439,989	10·2	719,891	16·8	1,166,827	27·2	292,140	6·8	360,227	8·4	132,000	3·1	4,291,143
1910 ,,	703,825	16·5	657,000	15·3	424,656	9·9	725,010	17·0	978,120	22·8	472,522	11·0	186,641	4·3	132,000	3·1	4,279,774

* Per cent. of Total Liabilities or Assets.

THE ROYAL BANK OF CANADA

HEAD OFFICE: MONTREAL

LONDON, Eng.
PRINCES ST., E.C.

NEW YORK
68 WILLIAM ST.

BARCELONA
PLAZA DE CATALUNA 6

PARIS AUXILIARY
THE ROYAL BANK OF CANADA (FRANCE)

COLLECTIONS MADE. BILLS OF EXCHANGE PURCHASED. DRAFTS SOLD.
TRADE ENQUIRIES EFFECTED.

580 BRANCHES THROUGHOUT CANADA AND NEWFOUNDLAND.

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CUBA—Havana (6 Branches), Santiago de Cuba, and 34 other points.
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DOMINICAN REPUBLIC—S. Domingo, and 5 other points. **MARTINIQUE**—Fort de France.
GUADELOUPE—Pointe-à-Pitre and Basse Terre. **VENEZUELA**—Caracas, Ciudad Bolivar, Maracaibo and Puerto Cabello.
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BRITISH GUIANA—Georgetown, New Amsterdam and Rose Hall (Corentyne). **BRITISH HONDURAS**—Belize.

With our chain of 666 Branches throughout Canada, Newfoundland, the West Indies, Central and South America, we offer a complete banking service to exporters, importers, manufacturers and others wishing to extend their business in these countries. Trade enquiries are solicited. Consult our LONDON MANAGER, or write direct to our *Foreign Trade Department, Montreal, Canada.*

CAPITAL PAID UP AND RESERVES - - - - $35,000,000
AGGREGATE ASSETS - - - - - - - $530,000,000

PROVINCIAL BANK OF IRELAND LIMITED.

Established 1825.

Subscribed Capital - **£4,080,000.** Paid up - **£540,000.**
Reserve Fund - **£435,000.**

Head Office: 8 THROGMORTON AVENUE, LONDON, E.C. 2,
And 130 Branches and Sub-Branches throughout Ireland.

DIRECTORS.

WILLIAM THOMAS BRAND, Esq.
WALTER SPENCER M. BURNS, Esq.
Hon. Sir WILLIAM HENRY GOSCHEN, K.B.E.
ROBERT ASHHURST GRADWELL, Esq.
HENRY SAMUEL HOWARD GUINNESS, Esq.
ALEXANDER BRODRICK LESLIE-MELVILLE, Esq.
Captain GEORGE LESLIE POË, R.N. (Retired).
GEORGE DUNBAR WHATMAN, Esq.

Secretary—HUME ROBERTSON.

BALANCE SHEET, 31st December, 1919.

Dr. LIABILITIES.	£ s. d.		Cr. ASSETS.	£ s. d.	
To Capital paid up	540,000 0 0		By Cash at Head Office, Branches, and in London	£2,314,460 4 6	
Reserve Fund...	435,000 0 0		Money at call and short notice	1,105,000 0 0	
Notes in Circulation	2,305,557 0 0				3,419,460 4 6
Deposit Receipts, Current and other Accounts	14,802,720 14 11		Investments, viz.:— British Government and Colonial Securities	£5,783,393 14 4	
Net Profits for the half-year, including £20,108 17s. 4d. brought forward from 30th June, 1919 ...	£82,228 16 6		Bank of England Stock and other Investments	807,812 18 9	
Less—£20,000 appropriated in writing down Investments and £20,888 15s. 11d. Bonus paid to Bank's Officers	40,888 15 11				6,591,206 13 1
		41,340 0 7			£10,010,666 17 7
			Bills discounted and Advances to Customers, &c.		7,994,247 5 6
			Bank Premises, Freehold and Leasehold ...		119,703 12 5
		£18,124,617 15 6			£18,124,617 15 6

London Agents—**BARCLAYS BANK LIMITED.**

The Bank has Agents and Correspondents in all the Chief Cities and Towns of Great Britain, and on the Continent of Europe, North and South America, Canada, the East and West Indies, Australia, New Zealand, China and Africa.

set in, new business was taken up, numerous private banks were absorbed, and in course of time its branches were found all over the North of England. Cumberland, Lancashire, Cheshire, Northumberland, Yorkshire, Durham, to name but a few counties, all had branches of the Bank of Liverpool, and, as they extended their sphere of operations throughout districts in which many important industries were carried on, the Bank's business prospered exceedingly. This Bank was particularly well situated in regard to participation in war industries, for, although it operates largely in the cotton spinning and weaving centres and caters in other places for agricultural interests, it is also largely interested in finance in many of the principal engineering districts, to say nothing of its premier position in the port of Liverpool. Consequently, when the question of amalgamation cropped up, the undoubted vitality of the Bank and the important place it occupies in the North of England not only justified but actually demanded the maintenance of the Bank's independence. Yet there was one direction in which it was felt that, well-equipped as it was to hold its own in competition and to render full and proper banking services to its clients, it might do better, and that was in the provision of a London office. As time went on the Bank felt that it needed a London office of its own. That point having been conceded, the first step was to build up in the provinces a business of sufficient magnitude to support and justify a London office. This was done by the normal growth of the Bank's business and by amalgamating with other provincial banks. The result of this conservative policy is seen if we compare the position of the Bank of Liverpool as it was on June 30, 1919, with its position sixteen years ago. Sixteen years ago the Bank had 83 offices; last June it had 259. Sixteen years ago the paid-up capital and reserve fund and profits carried forward were £1,658,000; last June they were £3,742,000. Sixteen years ago the customers' balances were £11,480,000; in June 1919 they were £65,643,000.

No sooner, however, had the Bank obtained an office in London than the need for expansion in other directions became apparent. An opening in the West End of London was essential. Messrs. Martin's Bank, before amalgamation, had already been negotiating a union with Messrs. Cocks, Biddulph and Company, and these negotiations were continued, with the result that this firm joined the Bank of Liverpool and Martins Limited, towards the end of 1919. About the same time customers in Manchester and district became more insistent in pointing out the inconvenience to them caused by the absence of a branch of the Bank in Manchester, where for many years the need of an office was felt. The Palatine Bank was therefore approached with a view to amalgamation, and an agreement was arrived at. This Bank, established over 20 years in Manchester, Oldham, and elsewhere, covered an area adjacent to that served by the Bank of Liverpool; but the activities of the two overlapped nowhere, and their union should prove a source of considerable expansion of business and increase of strength. At the same special general meeting last December when these changes were considered it was also announced that it was proposed still further to enlarge the scope of the Bank's activities in Yorkshire by amalgamation with the Halifax Commercial Banking Company, which, incorporated in 1836, had, in 1918, eighteen branches and agencies in addition to its head office in Halifax.

The following table shows the capital and reserves, also the deposits, of these three institutions as at the end of 1918, now under the control of the Bank of Liverpool and Martins Limited:—

	Capital and Reserves	Deposits
	£	£
Cocks, Biddulph & Co.	200,000	1,124,911
Palatine Bank	136,000	1,009,168
Halifax Commercial Banking Company ..	320,000	3,193,246

The balance sheet of the absorbing Bank at December 31 last included the figures of the first two of the three banks above mentioned. New capital was issued in connection with the acquisitions, and the total paid up on December 31 last stood at £2,148,890. The reserve fund is £1,400,000, and deposits show a total of £67,530,621. On the assets side, cash in hand, money at call, &c., amounts to just under £19,000,000, investments stand at over £16,000,000, and advances at £31,143,325. Bank premises are entered at £1,171,794. Full figures are given in the attached tables.

Profits of the Bank of Liverpool and Martins, Limited.

Year ended Dec. 31,	Gross Profit	Expenses	Net Profit	Div. subject to Tax—Earned	Div. subject to Tax—Paid	Special Allocations	Carried Forward
	£	£	£	%	%	£	£
1919§...	717,643§	392,323§	325,320§	15·1	8	171,911	150,000	114,288
June 30 1919	1,191,970†	697,968	497,002†	24·28‡	16‡	327,422	250,000	110,879
1918...	920,095	505,528	414,567	23·51	15	260,083	65,000	191,299
1917...	814,003	409,986	404,017	23·30	15	260,083	145,000	101,816
1916...	689,223	326,667	362,556	20·91	15	260,083	75,000	102,882
1915...	651,919	287,981	363,938	20·99	15	260,083	75,000	75,409
1914...	454,182	194,658	259,524	18·37	15	211,875	25,000	46,554
1913...	444,987	186,810	258,177	18·28	15	211,875	60,000	12,409

† Including £2,586 balance of profit brought forward from last account by Martin's Bank.
‡ On capital as increased by issue of shares to shareholders of Martin's Bank.
§ Figures for half year to December 31, 1919, including those of Cocks Biddulph & Co., and the Palatine Bank.

Profits of the Palatine Bank, Limited.

Gross Year	Profit	Expenses	Net Profit	Div. Subject to Tax—Earned	Div. Subject to Tax—Paid	Special Allocations	Carried Forward
	£	£	£	%	%	£	£
1918 ...	—	—	11,382	9·10	5½	7,187	4,500	1,743
1917 ...	22,189	11,632	10,557	9·38	5	5,625	5,000	2,048
1916 ...	17,573	9,805	7,708	6·85	5	5,625	1,500	2,117
1915 ...	16,338	8,819	7,519	6·68	5	5,625	2,000	1,534
1914 ...	15,705	8,665	7,040	6·25	5	5,625	1,100	1,640
1913 ...	15,520	7,899	7,421	6·59	5	5,625	1,000	1,625

Profits of the Halifax Commercial Bank, Limited.

Yr. to Dec. 31	Net Profit	Div. Subject to Tax—Earned	Div. Subject to Tax—Paid	Balance.	Special Allocat'ns	Carried Forward
	£	%	%	£	£	£
1918	28,470	14·24	10	20,000	8,470	7,000	4,854
1917	24,264	13·13	9	18,000	8,264	8,000	3,384
1916	24,783	12·39	8	16,000	8,783	10,000	3,120
1915	22,360	11·28	8	16,000	6,360	5,500	4,337
1914	21,264	10·63	8·5	17,000	4,264	4,000	3,277
1913	23,492	11·74	8·4	16,991	6,501	7,000	3,012

Profits of Martin's Bank, Limited.

Year to Dec. 31	Gross Profit	Exps. & Int. Paid to Customers	Net Profit	Div. Subject, ——to Tax—— Earned	Paid	Special Allocat'ns	Carried Forward
	£	£	£	%	% £	£	£
1917 ...	198,948	141,503	57,445	11·48	6 30,000	27,500	23,485
1916 ...	171,115	118,084	53,031	10·60	6 30,000	22,500	23,535
1915 ...	144,968	90,888	54,080	10·81	6 30,000	22,500	23,002
1914 ...	120,917	75,864	45,053	9·01	7 35,000	10,000	21,421
1913 ...	144,653	89,438	55,215	11·04	8 40,000	15,000	21,376

BANK OF SCOTLAND.

Head Office: Edinburgh.

THE Act authorising the establishment of the Bank of Scotland was passed by the Scots Parliament on July 17, 1695, but it was not until 1696 that share subscriptions were completed and the Bank in a position to commence business. The capital, £1,200,000 (Scots money), was subscribed for in the proportion of two-thirds in Scotland and one-third in London. The Bank had a monopoly of banking business in Scotland until 1727, the date of the incorporation of the Royal Bank of Scotland. At first its business progressed somewhat slowly; the management was conservative, branches in some centres being opened, then closed if business did not come up to expectations; and it was not until 1774 that the Bank of Scotland was able successfully to continue its policy of extending its branch offices. The growth of its capital has been interesting and curious. To cope with the extension of branches in the early years its paid-up capital was increased to £30,000; in 1698, after several branches had been closed, it was reduced to its former figure by the repayment of £20,000 to the proprietors. Then, when branches began to increase again, in 1774, it received authority to increase the capital from the figure at which it stood in the year (£100,000) to £200,000. Ten years later a third Act of Parliament was obtained authorising a further increase of capital from £200,000 to £300,000. Another addition was made in 1792, when the capital was raised to £600,000, and it was still further increased in 1794 to

Commonwealth Bank of Australia

HEAD OFFICE: SYDNEY.

Guaranteed by the Australian Commonwealth Government.

DENISON MILLER, Governor. JAMES KELL, Deputy-Governor.



Head Office:
SYDNEY, NEW SOUTH WALES.

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The Principal Cities and Towns of Australia
AND AT
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Agents and Correspondents throughout the World.
Banking and Exchange Business of every description transacted.

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GOVERNMENT OF THE COMMONWEALTH OF AUSTRALIA.
GOVERNMENT OF THE STATE OF SOUTH AUSTRALIA.
GOVERNMENT OF THE STATE OF TASMANIA.

SAVINGS BANK DEPARTMENT.
Branches in the Chief Centres, and 2,801 Agencies at Post Offices throughout Australia.

ON 31ST DECEMBER, 1919:

517,827 Savings Bank Depositors had balances ...	£17,691,487
General Bank balances	39,330,772
Other Items	4,595,477
Total	£61,617,736

LONDON BRANCH: 36-41 NEW BROAD STREET, E.C.
C. A. B. CAMPION, London Manager.

BANK OF NEW ZEALAND.

BANKERS TO THE NEW ZEALAND GOVERNMENT.

AUTHORISED CAPITAL - £5,500,000

SUBSCRIBED CAPITAL:

Four per Cent. Guaranteed Stock	**£529,988**
Preference Shares, Issued to N.Z. Government . . .	**750,000**
Ordinary Shares, £6 13s. 4d. each. *£3 6s. 8d. paid up . .	**500,000**
(*Final call of £3 6s. 8d. due April 1st, 1920, makes these shares fully paid)	
Ordinary Shares, £6 13s. 4d. each fully paid . . .	**500,000**

Reserved Fund and Undivided Profits, £2,496,224.

HEAD OFFICE: WELLINGTON, N.Z.
LONDON OFFICE: 1 QUEEN VICTORIA STREET, E.C. 4.

BRANCHES AND AGENCIES AT OVER 200 POINTS IN NEW ZEALAND,
And at Melbourne, Victoria; Sydney, New South Wales; Suva and Levuka, Fiji; Apia, Samoa.

Negotiates and collects **Bills of Exchange** drawn or payable in New Zealand, Australia, Fiji or Samoa. Issues **Drafts** and makes **Telegraphic Transfers.**
Undertakes all descriptions of Banking business connected with Australasia.

ALEXANDER KAY, *Manager.*

£1,000,000. Then, at the commencement of the nineteenth century, power was taken to increase the capital to £1,500,000. Finally, in 1873 an Act of Parliament was obtained raising the authorised capital to £4,500,000, at which figure it stands at the present time. The last issue of capital was made at the time of the absorption of the Caledonian Bank in 1907. The paid-up capital is now £1,325,000, and the reserve fund £550,000. The head office of the Bank is at Edinburgh, and branches are to be found in all the principal Scottish centres. It has also a London office, which has been open since 1867. In 1906 129 branches were doing business, and by February 28, 1920, the number had been increased to 178.

In addition to absorbing the Caledonian Bank, in 1868 the Bank of Scotland purchased the business of the Central Bank of Scotland, whose head office was in Perth. Further than that, no active interest appears to have been taken in the process of amalgamation. It is a moot question, however, whether the Scottish banks in their turn will not be compelled to follow the lead of the British banks in this respect. There is a movement on the part of some London banks to extend their sphere of operations to Scotland, and, possibly in order to deal with the new situation that has arisen since the War, the principal banks in Scotland may be inclined to consider the policy of amalgamation or pooling of interests desirable. Some of the Scottish banks have, of course, already taken steps to increase their business by entering into working arrangements with London bankers, and it seems only a matter of time for the larger institutions like the Bank of Scotland to follow in their steps.

As far as profits are concerned, the Bank of Scotland had one or two lean years to face after the opening of the War, but since 1917 the figures as shown reveal a substantial recovery. The accounts to February 28, 1920, show net profits for the year, after making provision for writing down investments (taking British War Loans at or under cost and other investments at or under market prices ruling on February 28) and for bad and doubtful debts, rebate, expenses, and income tax, £319,721. To this has to be added £53,612 brought forward from the last account, making the total £373,333. £10,000 was written off Bank premises, and £160,000 applied to depreciation of investments; the dividend for the year was again 16%, less income tax, leaving £54,934 to be carried forward to the new account. The following table shows profits, &c., since 1914:—

Profits of the Bank of Scotland.

Year ended Feb. 28	Gross Profit	Expenses	Net Profit	Div. Subject to Tax—Earned	Div. Subject to Tax—Paid—	Special Allocat'ns	Carried Forward
	£	£	£	%	£	£	£
1920...	—	—	383,322	28·93	16·00 212,000	170,000	54,934
1919...	—	—	374,880	28·30	16·00 212,000	145,000	53,612
1918...	—	—	338,508	25·55	16·00 212,000	115,000	35,732
1917...	—	—	309,161	23·33	16·00 212,000	85,000	24,224
1916...	508,491	210,850	297,641	22·46	16·00 212,000	85,000	12,063
1915...	519,819	206,927	312,892	23·61	18·00 238,500	75,000	11,422
1914...	539,275	202,034	337,241	25·45	21·24 281,415	55,000	12,030

The note circulation, in common with that of most other banks of issue, still shows an upward tendency. The Bank's authorised note issue is £396,852. In 1865 its note circulation was just over £500,000, and at the end of February 1919 it had risen to £4,022,757, while in February of the present year it had still further increased to £4,228,825. The excess note issue is covered by gold and silver coin and currency notes. Deposits, credit balances, and drafts issued payable within fourteen days, are up by £5,822,157 to £38,390,652, and, as compared with the pre-War total of £20,060,625, are £18½ millions higher. Acceptances, which in 1914 amounted to £2,609,030, are down to £673,307. On the assets side, gold and silver coin, currency notes, notes of other banks, cash balances with London bankers, and cheques in course of transmission, amount to £6,565,604, against £5,863,229 last year. Cash at call and short notice is not shown separately by the Bank of Scotland, but is included with British Government securities, total £17,856,636, which is £178,585 higher than in the 1919 balance sheet. The Bank's Indian and Colonial securities and other investments have declined from £2,003,633 to £1,488,607. Bills discounted, current accounts, and other advances, at £18,064,236, are £5,676,897 up.

Liabilities and Assets of The Bank of Scotland.

LIABILITIES. Feb. 28	Capital Paid up.	Reserve Fund.	Total Capital and Reserve.		Notes in Circulation.		Acceptances.		Deposits, &c.		Profit Balance.		Total Liabilities.
	£	£	£	%*	£	%*	£	%*	£	%*	£	%*	£
1920	1,325,000	550,000	1,875,000	4·1	4,228,825	9·3	673,307	1·5	38,390,652	84·8	129,134	·3	45,296,918
1919	1,325,000	550,000	1,875,000	4·8	4,022,757	10·2	676,162	1·8	32,568,495	82·9	127,812	·3	39,270,226
1918	1,325,000	750,000	2,075,000	6·0	3,074,872	8·8	996,397	2·8	28,691,679	82·1	115,332	·3	34,953,180
1917	1,325,000	750,000	2,075,000	6·3	2,492,623	7·6	1,184,764	3·6	27,161,013	82·2	103,724	·3	33,017,124
1916	1,325,000	1,050,000	2,375,000	8·7	2,119,702	7·7	1,052,042	3·8	21,836,768	79·5	100,043	·3	27,483,555
1915	1,325,000	1,200,000	2,525,000	8·9	1,556,979	5·5	2,522,997	8·9	21,669,943	76·3	106,910	·4	28,381,829
1914	1,325,000	1,400,000	2,725,000	10·2	1,238,666	4·6	2,609,030	9·7	20,060,625	74·9	144,529	·6	26,777,850
1911	1,325,000	1,250,000	2,575,000	10·9	1,172,060	5·0	1,676,827	7·1	17,962,988	76·4	132,501	·6	23,519,376

ASSETS. Feb. 28	Cash and Notes in Hand, &c.		Brit. Govt. Securities & Call Money, &c.		Indian & Colonial Govt. Securities, &c.		Bills Discounted & Advances.		Liab. of Customers for Acceptances.		Bank Premises, &c.		Total Assets.
	£	%*	£	%*	£	%*	£	%*	£	%*	£	%*	£
1920 ...	6,565,604	14·5	17,856,636	39·4	1,488,607	3·3	18,064,236	39·9	673,307	1·5	648,528	1·4	45,296,918
1919 ...	5,863,229	14·9	17,678,051	45·0	2,003,633	5·1	12,387,339	31·5	676,162	1·8	661,812	1·7	39,270,226
1918 ...	4,582,375	13·1	13,217,966	38·1	2,132,247	6·1	13,254,548	38·0	996,397	2·8	669,647	1·9	34,953,180
1917 ...	3,821,053	11·6	11,669,149	35·3	2,247,906	6·7	13,424,172	40·7	1,184,764	3·6	680,080	2·1	33,017,124
1916 ...	3,217,393	11·7	10,001,534	36·4	2,545,721	9·3	9,981,646	36·3	1,052,042	3·8	685,229	2·5	27,483,555
1915 ...	2,165,207	7·6	8,215,566	28·9	3,478,748	12·2	11,309,582	39·9	2,522,997	8·9	689,729	2·5	28,381,829
1914 ...	1,808,776	6·8	5,788,119	21·6	3,855,448	14·4	12,028,203	44·9	2,609,030	9·7	688,274	2·6	26,777,850
1911 ...	1,773,740	7·5	2,802,331	11·9	5,294,584	22·6	11,283,952	48·0	1,676,827	7·1	687,942	2·9	23,519,376

* Per cent. of Total Liabilities or Assets.

BARCLAYS BANK.

(*See also* **British Linen Bank and Union Bank of Manchester, Limited.**)

Head Office: 54 Lombard Street, London, E.C. 3.

Barclays Bank Limited occupies a unique position in the banking world. Until the large amalgamations became the fashion, other joint-stock banking institutions were content to expand by means of extension of branches in various parts of the Metropolis, or in the country or provinces; later they began to absorb the smaller private banks, and, comparatively recently, the larger concerns started to amalgamate the one with the other. In a way they were mainly following the lead of Barclays. Until 1896 the house of Barclay and Co. was simply a private Bank carrying on a progressive business; then, in that year, it suddenly launched forth by amalgamating with or absorbing 15 other banking firms, and assuming limited liability at the same time. This policy of absorption or amalgamation continued, and when in 1916 Barclays absorbed the United Counties Bank, it became evident that besides occupying a prominent position in London, the Bank would henceforth be a very important factor in the great industrial centres of the country. However, even before the joining of forces with the United Counties Bank, Barclays began to feel the need for a greater number of branches within the London and metropolitan area, and during the War the growth of the Bank's business caused that need to become intensified. In the circumstances, the London market was not very much surprised when an announcement was made in July 1918 that Barclays had acquired the London and Provincial and South-Western Bank, Limited, itself an amalgamation of two of the largest joint-stock banks. The new alliance was

NATIONAL BANK OF INDIA,

LIMITED.

Registered in London under the Companies Act of 1862 on the 23rd of March, 1866.

Established in Calcutta 29th September, 1863.

Bankers to the Government in British East Africa and Uganda.

Subscribed Capital	**£3,000,000**
Paid-up Capital	**£1,500,000**
Reserve Fund	**£2,000,000**
Number of Shareholders	1,815

Head Office: 26 BISHOPSGATE, LONDON, E.C. 2.

BOARD OF DIRECTORS:

ROBERT CAMPBELL, Esq., *Chairman.* ROBERT WILLIAMSON, Esq., *Deputy-Chairman.*
SIR JOHN P. HEWETT, G.C.S.I., K.B.E., | SIR CHARLES C. McLEOD. | J. N. STUART, Esq.
ROBERT MILLER, Esq. [C.I.E. | ALFRED SIMSON, Esq. | J. A. TOOMEY, Esq.

Branches–

CALCUTTA	AMRITSAR	MANDALAY	MOMBASA	British East Africa
BOMBAY	DELHI	ADEN & ADEN POINT	NAIROBI	
MADRAS	TUTICORIN	COLOMBO	NAKURU	
KARACHI	COCHIN (S. INDIA)	KANDY	KISUMU	
CAWNPORE	CHITTAGONG	NEWERA ELIYA	ENTEBBE	Uganda
LAHORE	RANGOON	ZANZIBAR	KAMPALA	
			JINJA	

TANGA, DAR-ES-SALAAM } Tanganyika Territory

The Bank grants Drafts and Telegraphic Transfers on all places where it is represented; negotiates and collects Bills of Exchange; undertakes the Purchase or Sale of Indian Government and other Securities; collects Pay, Pensions, and generally transacts every description of Eastern Banking Business. The Bank receives Deposits for fixed periods, not exceeding one year, at rates to be obtained on application.

The Bank opens Current Accounts, and, provided they do not fall below £200, allows Two per cent. per annum interest on the minimum monthly balances.

C. NICOLL, *London Manager.* H. CHALMERS, *General Manager.*

ALLIANCE BANK OF SIMLA, LTD.

with which are incorporated
THE PUNJAB BANKING CO., LTD.
THE DELHI & LONDON BANK, LTD., and
THE BANK OF RANGOON, LTD.

CAPITAL.

Authorised	**Rs. 1,00,00,000**
Issued and fully paid	**„ 88,08,800**
Reserve Fund	**„ 40,00,000**
Reserve against depreciation of Government Paper and other investments	**11,00,000**

HEAD OFFICE = = = = SIMLA

BRANCHES.

Abbottabad	Bombay	Delhi, Civil Lines	Lahore, Charing Cross	Nowshera	Sialkote
Agra | Ajmere	Calcutta	Ferozepore	Lahore, Cantts.	Peshawar, Cantt.	Simla
Allahabad	Cawnpore	Gwalior	Lucknow	Peshawar City	Simla (Town Office)
Ambala	Dalhousie	Jullundur	Meerut	Quetta	Srinagar (Kashmir)
Amritsar	Darjeeling	Karachi	Multan | Murree	Rangoon	Ujjain (Gwalior State)
Bareilly	Dehra Dun	Kasauli	Mussoorie	Rawalpindi	
Bhopal	Delhi City	Lahore	Naini Tal	Saharanpur	

AGENCIES in all the principal Cities and Towns in India, Burma, and Ceylon. The Bank undertakes Banking business of every description, and affords all possible facilities to its Constituents. Bills of Exchange are purchased and collected; Drafts and Telegraphic Transfers issued; Letters of Credit granted. The Bank undertakes the purchase and sale of Government Paper, Stocks and Shares of every description.

LONDON AGENTS:
BOULTON BROS. & CO., Bankers, 39 Old Broad Street, E.C.2.

CORRESPONDENTS:
BARCLAYS BANK LIMITED, 168 Fenchurch Street, E.C.3.
LONDON COUNTY WESTMINSTER & PARR'S BANK, LIMITED, Bartholomew Lane, E.C.2.

undoubtedly a useful acquisition of strength to Barclays, since with it they not only acquired the branches they so urgently wanted in the places required, but also obtained an excellent business, both in and around London, and in South Wales and other parts of the country. As a matter of fact, this banking connection in South Wales is likely to be a very valuable one for Barclays. There is an important trade between South Wales and the North, both in coal and in shipping, and the banking operations which will accrue to Barclays from these districts are bound to be considerable. There is another point; in taking over the London Provincial and South-Western Bank, Barclays obtained some 250 more branches in London, which, had not this amalgamation taken place, it would have cost a very large sum of money to establish. In addition, they acquired the interest which the London and Provincial and South-Western Bank had in Cox and Co. (France), Limited, which, it is believed, will be of advantage in view of the facilities which Barclays will thus be able to extend to its manufacturing customers engaged in the import and export trade with France. Here, again, the South Wales connection will prove valuable, owing to the highly important and extensive demand from France for Welsh coal.

The amalgamation itself did not actually involve any increase in the authorised capital, but the directors considered that that capital should be further increased so as to be available for issue, as opportunity offered, by the creation of £6,500,000 new nominal capital in addition to the existing nominal capital of £13,500,000, of which £12,679,444 had already been issued, and of which there remained £800,556 in "A" shares, and £20,000 in "B" shares unissued. The additional nominal capital was divided into 750,000 "A" shares of £4 each, and 1,750,000 "B" shares of £2 each, which the directors are empowered to issue from time to time as they may deem advisable. It was arranged that both "A" and "B" shareholders should participate in any new issue. As it happened, Treasury sanction having been obtained, the issue of 364,472 new "A" shares of £4 each fully paid was subsequently announced. These were offered to "A" and "B" shareholders on the register at the close of business on November 22, 1918, at the price of £6 10s. each, in the proportion of one new share for every £20 of paid-up capital held, the premium to be added to the reserve fund.

In their balance sheet presented to the shareholders on January 28 last, the directors announced still

Liabilities and Assets of Barclays Bank Limited.

LIABILITIES.	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Acceptances. £	% *	Deposits, &c. £	% *	Profit Balance. £	% *	Total Liabilities. £
1919 Dec. 31	8,820,356	7,000,000	15,820,356	4·9	13,588,825	4·2	295,550,682	90·8	508,450	·1	325,468,313
1918 ,, ...	8,160,743†	6,000,000	14,160,743	5·5	4,211,796	1·6	239,381,613	92·6	278,428	·1	258,032,580
1917 ,, ...	4,594,443	2,200,000	6,794,443	4·9	2,151,137	1·6	128,881,528	93·4	186,373	·1	138,013,481
1916 ,, ...	4,594,443	2,200,000	6,794,443	5·8	2,861,428	2·5	107,169,892	91·6	120,938	·1	116,946,701
1915 ,, ...	3,600,000	1,600,000	5,200,000	6·4	2,229,806	2·8	73,269,579	90·7	72,611	·1	80,771,996
1914 June 30	3,600,000	1,600,000	5,200,000	7·7	322,131	·5	61,740,266	91·6	140,671	·2	67,403,068
1913 ,, ...	3,600,000	1,600,000	5,200,000	8·3	377,302	·6	57,257,953	90·9	125,361	·2	62,960,616
1910 ,, ...	3,200,000	1,250,000	4,450,000	8·2	316,211	·6	49,170,615	90·9	121,511	·3	54,058,337

ASSETS.	Cash in Hand, B. of E., &c. £	% *	Money at Call, &c. £	% *	Investments. £	% *	Bills Discounted. £	% *	Advances. £	% *	Liab. of Cust. for Acceptances. £	% *	Bank Premises, &c. £	% *	Total Assets. £
1919 Dec. 31	65,174,350	20·0	20,031,495	5·2	62,341,380	19·1	30,253,309	9·3	130,095,257	40·0	13,588,825	4·2	3,983,697	1·2	325,468,313
1918 ,,	51,819,891	20·1	21,325,154	1·2	50,559,987	19·6	47,442,254	18·4	78,854,584	30·6	4,211,796	1·6	3,818,914	1·5	258,032,580
1917 ,,	28,778,428	20·9	5,920,400	4·2	26,266,878	19·0	28,089,055	20·4	44,201,242	32·0	2,151,137	1·6	2,606,341	1·9	138,013,481
1916 ,,	23,983,218	20·5	5,526,400	4·7	27,041,404	23·1	16,880,286	14·4	38,203,822	32·7	2,861,428	2·5	2,450,143	2·1	116,946,701
1915 ,,	14,181,269	17·6	4,470,000	5·5	25,908,497	32·1	3,721,689	4·6	28,408,025	35·2	2,229,806	2·8	1,852,710	2·2	80,771,996
1914 June 30	9,029,178	13·4	6,779,500	10·0	13,098,629	19·5	8,636,251	12·8	27,762,844	41·2	322,131	·5	1,774,535	2·6	67,403,068
1913 ,,	9,479,205	15·0	6,608,000	10·5	11,846,410	18·8	6,476,444	10·3	26,441,686	42·0	377,302	·6	1,731,569	2·8	62,960,616
1910 ,,	7,226,369	13·4	5,879,700	10·9	11,559,712	21·4	4,865,308	9·0	22,819,449	42·2	316,211	·6	1,391,588	2·5	54,058,337

* Per cent. of Total Liabilities or Assets. † Includes £871,299 instalments on new issue of "A" shares.

Liabilities and Assets of The London and Provincial Bank, Limited.

LIABILITIES.	Capital Paid up. £	Reserve Fund. £	Invest. Depreciation Reserve. £	Total Capital and Reserve. £	% *	Acceptances. £	% *	Deposits, &c. £	% *	Profit Balance. £	% *	Total Liabilities. £
1918 June 30†	2,125,000	3,000,000	—	5,125,000	5·7	2,341,779	2·7	82,517,592	91·6	—	—	89,984,371
1917 Dec. 31	1,000,000	1,650,000	500,000	3,150,000	7·9	425,500	1·1	35,961,878	90·1	345,848	·9	39,883,226
1916 ,,	1,000,000	1,650,000	350,000	3,000,000	8·8	300,000	·8	30,512,945	89·4	339,821	1·0	34,152,766
1915 ,,	1,000,000	1,750,000	250,000	3,000,000	10·8	—	—	24,362,305	89·0	324,937	1·2	27,687,242
1914 ,,	1,000 000	2,000,000	—	3,000,000	12·0	—	—	21,731,260	87·0	251,322	1·0	24,982,582
1913 ,,	1,000,000	2,000,000	—	3,000,000	12·7	—	—	20,246,006	85·8	351,686	1·5	23,597,692
1910 ,,	800,000	1,495,000	—	2,295,000	12·1	—	—	16,546,837	87·1	154,729	·8	18,996,566

ASSETS.	Cash in Hand and with Bank of England. £	% *	Money at Call and at Short Notice. £	% *	Investments. £	% *	Bills Discounted, Advances, &c. £	% *	Liab. of Cust. for Acceptances. £	% *	Bank Premises. £	% *	Total Assets. £
1918 June 30†	16,371,544	18·2	11,599,980	12·8	12,917,798	14·4	45,746,163	50·8	2,341,779	2·7	1,007,107	1·1	89,984,371
1917 Dec. 31	7,438,394	18·6	6,470,270	16·2	7,002,593	17·6	18,239,840	45·7	425,500	1·1	306,629	·8	39,883,226
1916 ,,	6,946,131	20·3	4,955,182	14·5	6,985,451	20·5	14,683,927	43·0	300,000	·8	282,075	·0	34,152,766
1915 ,,	4,719.973	17·0	4,232,776	15·3	6,570,568	23·7	11,894,101	43·0	—	—	269.824	1·0	27,687.242
1914 ,,	4,824,330	19·3	2,248,127	9·0	5,228,051	21·0	12,418,046	49·7	—	—	264,028	1·0	24,982,582
1913 ,,	3,633,466	15·4	2,615,000	11·1	5,058,943	21·5	12,029,915	50·8	—	—	260,368	1·1	23,597,692
1910 ,,	2,212,183	11·6	1,700,000	9·0	4,508,834	23·7	10,350,141	54·5	—	—	225,408	1·2	18,996,566

* Per cent. of Total Liabilities or Assets. † London, Provincial and South Western Bank, Ltd.

Liabilities and Assets of The London and South-Western Bank, Limited.

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Acceptances. £	% *	Deposits, &c. £	% *	Profit Balance. £	% *	Total Liabilities. £
1917	1,200,000	1,350,000	2,550,000	5·8	2,355,797	5·4	38,664,148	88·5	130,891	·3	43,700,836
1916	1,200,000	1,350,000	2,550,000	7·3	1,611,053	4·6	30,651,527	87·7	131,979	·4	34,944,559
1915	1,200,000	1,350,000	2,550,000	8·6	1,980,092	6·7	24,962,296	84·2	141,017	·5	29,633,405
1914	1,200,000	1,350,000	2,550,000	9·2	1,393,392	5·0	23,559,507	85·2	159,791	·6	27,662,690
1913	1,175,000	1,350,000	2,525,000	9·9	1,254,481	4·9	21,521,018	84·6	150,100	·6	25,450,599
1910	1,000,000	1,000,000	2,000,000	10·5	252,389	1·3	16,680,195	87·6	115,530	·6	19,048,114

ASSETS. Dec. 31	Cash in Hand, &c. £	% *	Money at Call, &c. £	% *	Investments. £	% *	Bills Discounted. £	% *	Loans and Advances, &c. £	% *	Liab. of Cust. for Acceptances. £	% *	Bank Premises. £	% *	Total Assets. £
1917...	7,648,035	17·5	5,183,191	11·9	5,957,781	13·6	6,689,249	15·3	15,171,315	34·7	2,355,797	5·4	695,468	1·6	43,700,836
1916...	7,821,224	22·4	3,692,575	10·6	6,430,417	18·4	2,829,277	8·1	11,876,357	34·0	1,611,053	4·6	683,656	1·9	34,944,559
1915...	5,141,814	17·4	2,193,769	7·4	7,144,480	24·1	1,416,386	4·8	11,092,642	37·4	1,980,092	6·7	664,222	2·2	29,633,405
1914...	5,191,518	18·8	2,313,947	8·4	4,427,629	16·0	1,411,911	5·1	12,285,042	44·4	1,393,392	5·0	639,251	2·3	27,662,690
1913...	3,597,599	14·1	2,922,487	11·5	3,492,825	13·7	3,452,913	13·6	10,082,890	39·6	1,254,481	5·0	647,404	2·5	25,450,599
1910...	2,701,060	14·2	2,028,820	10·7	3,977,781	20·8	1,362,123	7·1	8,166,887	42·9	252,389	1·3	559,054	3·0	19,048,114

* Per cent. of Total Liabilities or Assets.

BANCO DE ALAGOAS

ESTABLISHED 1915.

Head Office: **MACEIO-JARAGUA, ALAGOAS, BRAZIL**

Capital.

AUTHORISED	... ...	Reis 2,000:000 $000
SUBSCRIBED	... ...	Reis 1,200:000 $000
Liabilities at June 30th, 1919	... ...	Reis 17,932:050 $760
Reserves & Undivided Profits	... ...	Reis 360:082 $420
Deposits	... ...	Reis 8,752:580 $420

Especial organisation for collection of drafts and documents payable abroad.

Issue of Letters of Credit, Checks and Cable Transfers.

Money received at a yearly interest from 2 to 6 per cent. according to period.

Agents and Correspondents in all parts of Brazil and principal cities of Europe and North and South America.

London Correspondents—THE LONDON MERCHANT BANK LTD.

Banco Mercantil Americano del Peru.

Lima, Arequipa, Chiclayo, Callao, Trujillo.

AFFILIATED WITH MERCANTILE BANK OF THE AMERICAS, INC.,
No. 44 Pine Street, New York City.

Organised under the auspices of
GUARANTY TRUST COMPANY OF NEW YORK,
Messrs. BROWN BROTHERS & Co., and J. & W. SELIGMAN & Co.

COLLECTIONS IN PERU HANDLED ON ESPECIALLY FAVOURABLE TERMS.

Imports and Exports Financed. **Current Accounts.**
Trade Information Furnished. **Foreign Exchange.**
Commercial Credits Opened. **Cable Transfers.**
Correspondence Solicited.

BEST FACILITIES OFFERED FOR BRITISH FIRMS TRADING WITH THE REPUBLIC OF PERU.

further acquisitions, in the shape of "a close affiliation of interests with the British Linen Bank and the Union Bank of Manchester, Limited," assents for the transfer of practically the whole of the stock and shares of these banks to Barclays Bank having been received. During last year, too, the business of Messrs. Gillett and Company, bankers, of Oxford, Banbury, and elsewhere, was incorporated with the Bank. The alterations in Barclays' capital consequent upon the scheme for the affiliation of the British Linen Bank and the Union Bank of Manchester do not appear in the balance sheet for 1919, because on December 31 last the arrangements had not come into effect. By the end of January, however, the capital account stood as follows:—"A" capital, £3,430,356; "B" capital, £10,780,000; making a total paid-up capital of £14,210,356, and the reserve fund stood at £7,000,000. The latter was £6,000,000 a year ago, but since then had been increased by the addition of the premia received on the new "A" shares referred to above, and by a transfer from surplus profits.

Current, deposit, and other accounts continue to increase in volume, and, as the balance sheet shows, they amounted to about £296,000,000 on December 31 last, as compared with £240,000,000 on December 31, 1918. This is a big increase. The figures necessarily reflect continued inflation of credit, due to Government borrowing through the media of the banks and other credit institutions; but the number of the Bank's customers has also largely increased, and this may be taken as satisfactory evidence of progress. Acceptances have risen from £4,250,000 to £13,500,000. The increase in this item largely reflects foreign trade activity, and is also a cause for satisfaction.

Cash in hand, &c., has risen from £51,750,000 to £65,000,000, the ratio to liabilities on deposits being 22%. Cash at call and short notice is slightly lower than a year ago, being £20,000,000, against £21,250,000, and the ratio to liabilities on deposits is 6.7%. Bills discounted stand at £30,250,000, succeeding £47,500,000. This decrease is accounted for by the fact that the holding of Treasury bills a year ago was abnormally large. Since that date some of the money invested in Treasury bills has instead been lent to customers to enable them to take up Funding Loan and Victory Bonds, and so to fund floating debt, of which Treasury bills form an important part. These three items may fairly be regarded as very liquid assets, and the fact that they represent 39% of liabilities on deposits is a highly satisfactory feature.

Investments, at £62,250,000, include a large holding of Funding Loan and Victory Bonds, taken in order to assist the Government with their issue. On the acquisition as an investment of practically the whole of the £1,250,000 stock of the British Linen Bank, and almost the whole of the £750,000 of capital of the Union Bank of Manchester, Limited, Barclays is transferring in exchange about 1,355,000 "B" shares of £1 each fully paid, with £1,153,000 National War Bonds, to stockholders of the British Linen Bank, and 1,392,325 "B" shares of £1 each fully paid to shareholders in the Union Bank of Manchester, Limited.

Advances to customers, at £130,000,000, register an increase of £51,250,000, higher prices causing a demand on the part of trading customers for larger accommodation.

Bank premises account now stands at £3,983,697, as against £3,818,914 at the end of 1918, although £150,000 was allocated from profits towards reduction of the account. The increase is due to the opening of a large number of new branches.

Out of the year's profits of about £2,500,000, supplemented by £278,428 brought forward from last account, the large sum of £650,000 has been set aside as a provision against contingencies. The same dividend as last year was paid, and the sum of £508,450 carried forward. This, together with other internal reserves, will far more than suffice to cover the depreciation on the investments. The rise from £2,924,105 to £3,751,628 in expenses is accounted for partly by the further general increase in prices, but mainly by the higher salaries paid to the staff in order that they may not suffer from the increase in the cost of living.

A complete table of liabilities and assets of Barclays Bank, with others of the London and Provincial Bank and the London and South-Western Bank, is attached, while the figures of the British Linen Bank and the Union Bank of Manchester will be found under their respective headings.

Profits of Barclays Bank Limited.

Year to Dec. 31	Gross Profit £	Net Profit £	Dividend Subject to Tax: Paid Equiv. on A Earned %	Tot. Cap. %	A Sh. %	B Sh. %	Amount £	Special Allocations £	Carried Forward £
1919‡	5,873,820	2,547,407	28·88*	16·07*	10	20	1,417,384	900,000	508,450
1918‡	4,712,803	2,133,448	26·14	14·7	10	20	1,199,133	950,000	§278,428
1917‡	2,562,201	1,364,378	29·69	15·8	10	20	728,943	570,000	186,373
1916‡	2,282,433	1,259,896	27·42	14·4	10	17½	661,568	550,000	120,938
1915†	895,200	524,487	29·12	13⅜	10	17½	247,500	275,000	72,610
1915a	1,629,612	939,953	26·11	13⅜	10	17½	495,000	515,000	70,624
1914a	1,574,226	832,810	23·13	14⅜	10	18⅜	517,500	300,000	140,671
1913a	1,498,740	816,322	22·67	13½	—	—	480,000	364,025	125,361

(a) Year to June 30. † Half-year to Dec. 31. ‡ Year to Dec 31.
§ Includes £107,739 of unappropriated 1918 profit of London Provincial and South-Western Bank brought into account.
* Calculated on capital at end of year.

Profits of the London and Provincial Bank, Limited.

Year to Dec. 31	Gross Profit £	Interest & Expenses £	Net Profit £	Div. Subject to Tax: Earned %	Paid %	Paid £	Special Allocat'ns £	Carried Forward £
1917...	1,368,906	1,018,129	350,777	35·0	19	190,000	150,000	53,348
1916...	1,193,688	851,387	342,301	34·2	19	190,000	150,000	42,571
1915...	1,006,669	682,367	324,302	32·4	19	190,000	120,000	40,270
1914...	877,235	636,037	241,198	24·1	19	190,000	50,000	25,968
1913...	953,109	620,576	332,533	33·2	19	190,000	148,000	24,770

Profits of the London and South-Western Bank, Limited.

Year to Dec. 31	Gross Profit £	Expenses, inc. Int. £	Net Profit £	Div. Subject to Tax: Earned %	Paid %	Paid £	Special Allocat'ns £	Carried Forward £
1917...	1,490,275	1,127,363	362,912	30·24	17	204,000	160,000	54,391
1916...	1,245,595	891,708	353,887	29·49	17	204,000	150,000	55,479
1915...	1,014,509	697,207	317,301	26·44	17	204,000	130,000	55,592
1914...	883,613	604,922	278,691	23·22	17	204,000	60,000	72,291
1913...	938,012	650,911	287,101	24·43	17	199,750	75,000	57,600

BARING BROTHERS AND COMPANY.

Head Office: 8 Bishopsgate, London, E.C. 2.

Baring Brothers was registered as a limited company on November 24, 1890, with a capital of 5,000 Five per Cent. First Preference shares of £100 each, 5,000 Six per Cent. Second Preference shares of £100, and 5,000 Ordinary shares of £5, all fully-paid. The total capital was, therefore, £1,025,000, at which figure it still remains. Last year we had to record a decline in the Company's business; but this year most of the figures show a substantial increase. Cash in hand, at call, and short notice, at £6,985,389, shows an advance of £1,599,395. Investments show an increase of £403,951; bills receivable are no less than £4,343,764 up, and over 14 millions higher than in 1914. Advances have expanded from £1,944,651 to £2,658,390, while liabilities of customers for acceptances, at £11,257,865, are £8,193,818 higher than in 1918. Deposits have grown by £7,059,584 to £26,304,836, or fully £3,500,000 more than double the figure of 1914. Total liabilities, too, are up by £15,254,667, and now stand at £38,701,624. The profit balance, as shown in our table, is £1,265 higher than last year.

Barings, as is well known, do not issue a statement of profit and loss, and they have ceased to make known their profits since 1903. Their liabilities to the public on December 31 last were £37,562,701. The reserve fund still stands at £100,000, and the house property in Bishopsgate is scheduled at £127,000, which must be very far below its value to-day.

The liabilities and assets for the past seven years and for 1910 are set out herewith.

THE YOKOHAMA SPECIE BANK, LIMITED.

(REGISTERED IN JAPAN.) ESTABLISHED 1880.

Subscribed Capital	- - - -	**Yen 100,000,000**
Capital Paid up	- - - - -	**„ 61,000,000**
Reserve Fund	- - - - -	**„ 44,000,000**

Head Office: YOKOHAMA.

BRANCHES AT :—

BATAVIA.	KOBE.	SAIGON.
BOMBAY.	LONDON.	SAN FRANCISCO.
BUENOS AYRES.	LOS ANGELES.	SEATTLE.
CALCUTTA.	LYONS.	SHANGHAI.
CHANGCHUN.	MANILA.	SHIMONOSEKI.
DAIREN (Dalny).	NAGASAKI.	SINGAPORE.
FENGTIEN (Mukden).	NEWCHWANG.	SOURABAYA.
HANKOW.	NEW YORK.	SYDNEY.
HARBIN.	OSAKA.	TIENTSIN.
HONG KONG.	PEKIN.	TOKYO.
HONOLULU.	RANGOON.	TSINANFU.
KAI YUAN.	RIO DE JANEIRO.	TSINGTAU.
		VLADIVOSTOK.

The Bank buys and receives for Collection Bills of Exchange, issues Drafts and Telegraphic Transfers and Letters of Credit on above places and elsewhere, and transacts General Banking Business.

Deposits received for fixed periods at rates to be obtained on application.

LONDON OFFICE: 7 BISHOPSGATE, E.C. 2.

T. OKUBO, Manager.

THE MITSUI BANK, LIMITED.

(The oldest Banking Institution in Japan.)

Head Office: TOKIO, JAPAN.

Capital Subscribed	- - - - -	**Yen 100,000,000**
Capital Paid up	- - - - -	**Yen 60,000,000**
Reserve Fund	- - - - - -	**Yen 19,000,000**
Special Reserve Fund	- - - -	**Yen 1,900,000**

BRANCHES: FUKAGAWA (TOKYO), FUKUOKA, HIROSHIMA, KOBE, KYOTO, MOJI, NAGASAKI, NAGOYA, OSAKA, OSAKA NISHI (OSAKA), OTARU, SHANGHAI, SHIMONOSEKI, WAKAMATSU, YOKOHAMA.

FOREIGN AGENTS:

LONDON BANKERS:
Barclays Bank Limited.
London Joint City and Midland Bank, Limited.

PARIS BANKERS:
Comptoir National d'Escompte de Paris.
Banque de l'Union Parisienne.

NEW YORK BANKERS:
National City Bank of New York.
Guaranty Trust Company of New York.
Bankers' Trust Company.

BOMBAY BANKERS:
National Bank of India, Limited.

EVERY DESCRIPTION OF GENERAL BANKING AND EXCHANGE BUSINESS TRANSACTED.

Liabilities and Assets of Messrs. Baring Bros. and Company, Limited.

LIABILITIES.

Dec. 31	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Acceptances. £	% *	Deposits, &c. £	% *	Profit Balance. £	% *	Total Liabilities. £
1919...	1,025,000	100,000	1,125,000	2·9	11,257,865	29·1	26,304,836	68·0	13,923	—	38,701,624
1918...	1,025,000	100,000	1,125,000	4·8	3,064,047	13·1	19,245,252	82·1	12,658	—	23,446,957
1917...	1,025,000	100,000	1,125,000	4·0	5,939,554	21·2	20,934,869	74·7	12,399	·1	28,011,822
1916...	1,025,000	100,000	1,125,000	4·8	4,613,591	19·8	17,602,610	75·3	12,110	·1	23,353,311
1915...	1,025,000	100,000	1,125,000	4·8	6,781,991	29·2	15,275,245	66·0	11,009	—	23,193,245
1914...	1,025,000	100,000	1,125,000	6·9	3,723,682	22·9	11,377,869	70·1	12,232	·1	16,238,783
1913...	1,025,000	100,000	1,125,000	7·1	6,636,589	42·0	8,042,292	50·9	11,121	—	15,815,002
1910...	1,025,000	100,000	1,125,000	6·3	7,498,544	42·1	9,177,763	51·5	12,481	·1	17,813,788

ASSETS.

Dec. 31	Cash in Hand, at Call, &c. £	% *	Investments. £	% *	Bills Receivable £	% *	Advances. £	% *	Liab. of Customers for Acceptances. £	% *	Bank Premises Account. £	% *	Total Assets. £
1919 ...	6,985,389	18·0	2,011,257	5·2	15,661,723	40·5	2,658,390	6·9	11,257,865	29·1	127,000	·3	38,701,624
1918 ...	5,385,994	23·0	1,607,306	6·9	11,317,959	48·3	1,944,651	8·3	3,064,047	13·0	127,000	·5	23,446,957
1917 ...	5,587,499	19·9	1,656,941	5·9	12,291,061	43·9	2,409,767	8·6	5,939,554	21·2	127,000	·5	28,011,822
1916 ...	7,611,963	32·6	1,551,942	7·0	7,031,403	30·1	2,317,412	10·0	4,613,591	19·8	127,000	·5	23,353,311
1915 ...	4,306,533	18·6	1,692,023	7·3	8,095,535	34·8	2,190,163	9·4	6,781,991	29·3	127,000	·5	23,193,245
1914 ...	7,378,471	45·4	1,489,299	9·2	1,493,550	9·3	2,026,781	12·4	3,723,682	22·9	127,000	·8	16,238,783
1913 ...	3,029,015	19·1	1,503,519	9·5	2,909,829	18·4	1,609,050	10·2	6,636,589	42·0	127,000	·8	15,815,002
1910 ...	2,728,345	15·3	2,370,125	13·3	4,722,952	26·5	366,822	2·1	7,498,544	42·1	127,000	·7	17,813,788

* Per cent. of Total Liabilities or Assets.

BECKETTS' BANKS.

Head Office: Leeds.

Becketts' Banks form one of the few links with the past still left to us in the banking world. Becketts' were established in 1750, and for many years were known to the banking coterie as Beckett and Co. The present title, "Becketts' Banks," includes two private banking firms, Messrs. Beckett and Co. of Leeds, who have a fixed issue of £130,757, and Messrs. Beckett and Co. (York and East Riding Bank) of York, whose fixed issue is £53,392. The combined note circulation at the end of December 1919 was £153,690. Partners' capital stands at £600,000.

The Head Office of the Banks is at Leeds, and there are now in existence 23 branches and 10 agencies.

Last year the combined assets of the two firms were reported to have exceeded 11 millions sterling for the first time in their existence: this year we have to record a further increase—to over 12 millions sterling, and the business continues to show an all-round expansion. Cash in hand, with the Bank of England, and at call is, however, down by £426,624, and the firms hold £400,000 less in English Treasury bills; but the investments are £550,547 higher than last year, the holding of National War Bonds, Exchequer Bonds, and War Loans being supplemented by one of Victory Bonds, the whole standing at £3,386,610, as against £2,651,170 in 1918. Advances to customers and bills discounted are nearly half a million sterling up. Deposits and credit balances, including partners' balances, stand at £10,746,947, as compared with £10,194,883 a year ago.

No reserve fund is shown in the balance sheet, but apparently the reserve is included with the deposit and credit balances, which, as shown, have risen by £552,064 since 1918 and are over £3,000,000 higher than in 1914.

BELFAST BANKING COMPANY.

(See also **LONDON JOINT CITY AND MIDLAND BANK.**)

Head Office: Waring Street, Belfast.

This Irish Bank, affiliated since 1917 with the London Joint City and Midland Bank, was established in 1827. It has always been a progressive institution, and now that it is allied with the London Bank there is little doubt that it will henceforth take a more prominent part in the development of affairs Irish. The authorised capital of the Belfast Banking Company is £2,500,000, consisting of 50,000 "Old" shares and 150,000 "New" shares of £12 10*s.* each. £2 10*s.* per share has been called up, so that the present capital paid up is £500,000, at which figure it has stood since 1905. It will be remembered that the offer of the London City and Midland Bank was to purchase the whole of the 200,000 shares, and, at the end of December 1917, 197,892 of the shares had been transferred to that Bank for the sum of £1,225,908, which had been satisfied by the issue of 163,219 of the London City and Midland Bank shares, £2 10*s.* paid, at a price of £7 10*s.* per share (the market quotation of the London City and Midland Bank shares at the time of purchase), and the payment of £1,765. The object of these transactions was to maintain a separate corporate existence for the Irish Bank, which was thus able to keep to its local name, while helping to extend still further the influence of the London institution in Ireland, where it has always had a number of important accounts. Even before purchasing the shares in question the London Bank had very close relations with the Belfast one, whose figures, as we anticipated, continue to show benefit from the alliance. The latest accounts are for 17 months to December 31, 1919, and, as compared with the balance sheet of July 1918, notes in circulation show a decrease of £145,331; deposits, &c., are up from £12,024,671 to £17,001,418; cash in hand is reduced from £6,205,843

Liabilities and Assets of Becketts' Banks.

LIABILITIES.

Dec. 31	Partners' Capital. £	% *	Notes in Circulation. £	% *	Acceptances. £	% *	Deposits, &c. £	% *	Total Liabilities. £
1919	600,000	5·0	153,690	1·3	525,432	4·4	10,746,947	89·3	12,026,069
1918	600,000	5·3	122,930	1·1	309,603	2·8	10,194,883	90·8	11,227,416
1917	600,000	5·9	93,755	·9	333,460	3·3	9,098,835	89·9	10,126,050
1916	600,000	6·6	77,495	·9	285,167	3·2	8,060,723	89·3	9,023,385
1915	600,000	6·9	60,400	·7	253,580	3·0	7,707,259	89·4	8,621,240
1914	600,000	7·6	53,320	·7	228,957	2·9	7,037,694	88·8	7,919,971
1913	600,000	8·3	40,010	·6	213,057	2·9	6,379,052	88·2	7,232,119
1910	600,000	9·7	46,735	1·0	229,029	4·1	5,875,402	85·2	6,751,166

ASSETS.

Dec. 31	Cash in Hand, and at Call, &c. £	% *	Investments. £	% *	Bills and Advances. £	% *	Liab. of Customers for Acceptances. £	% *	Bank Premises Account. £	% *	Total Assets. £
1919 ...	1,669,867	13·9	3,649,063	30·3	5,987,624	49·8	525,432	4·4	196,083	1·6	12,026,069
1918 ...	2,096,491	18·7	3,098,516	27·6	5,529,903	49·2	309,603	2·8	192,903	1·7	11,227,416
1917 ...	2,367,169	23·3	1,498,973	14·8	5,733,931	56·7	333,460	3·3	192,518	1·9	10,126,050
1916 ...	1,811,158	20·1	1,502,967	16·6	5,231,925	58·0	285,167	3·2	192,168	2·1	9,023,385
1915 ...	1,667,214	19·3	2,153,645	25·0	4,356,429	50·5	253,580	3·0	190,372	2·2	8,621,240
1914 ...	1,586,602	20·0	2,263,713	28·6	3,068,103	43·2	228,957	2·9	172,596	2·3	7,919,971
1913 ...	1,153,320	16·0	2,307,146	31·9	3,387,601	46·8	213,057	2·9	170,995	2·4	7,232,119
1910 ...	1,229,063	18·0	2,370,189	35·1	2,753,553	41·0	229,029	3·4	169,333	2·5	6,751,166

* Per cent. of Total Liabilities or Assets.

SOCIÉTÉ GÉNÉRALE (DE PARIS)

(SOCIÉTÉ ANONYME).

Subscribed Capital - -	**Frs. 500,000,000**
Paid-up Capital - -	**Frs. 250,000,000**
Reserve Fund - - -	**Frs. 50,704,855**
Uncalled Capital - -	**Frs. 250,000,000**
	Frs. 550,704,855

Head Office : 29 BOULEVARD HAUSSMANN, PARIS.
LONDON Office : 53 OLD BROAD STREET, E.C. 2.
West End Branch : 65 REGENT STREET, W. 1.

OVER 1,100 BRANCHES IN FRANCE AND NORTH AFRICA.

SUBSIDIARY BANKS in Belgium, Greece, Spain, Switzerland, Turkey, Argentina, Brazil and Chile.

Correspondents in all parts of the World.

This Bank transacts every description of English and Foreign Banking business, including the sale of Drafts, Telegraphic Transfers and Circular Letters of Credit and Notes payable in Allied or Neutral Countries. It also undertakes the purchase and sale of Stocks and Shares on the London and Continental Exchanges, the collection and cashing of Dividends, Coupons, Bills of Exchange, Drawn Bonds, arrangements for Documentary Credits, &c., &c.

The West End Branch has been specially fitted with Safe Deposits for the use of Customers. This Office buys and sells Foreign Exchange and Securities.

BANQUE INDUSTRIELLE DE CHINE.

A JOINT STOCK COMPANY WITH
A CAPITAL OF 150,000,000 Frs.

REGISTERED OFFICE :

74 RUE SAINT-LAZARE, PARIS.

BRANCHES :

Pekin, Hongkong, Canton, Saigon, Mukden, Shanghai, Yunnanfu, Hankow, Haiphong, Vladivostock, Tientsin, Foochow, Swatow, Hanoi, Singapore, London, Antwerp, New York, Yokohama, Bordeaux, Le Havre, Lyons, Marseilles.

OPERATIONS OF THE BANK.—Deposit and Current Accounts. Safe custody of Securities. Subscriptions to Issues. Stock Exchange. Orders on all Markets. Payment of Coupons. Hiring of Safes and Strong Rooms, Negotiation of Bills of Exchange on the Far East and all Countries. Letters of Credit. Advances. Exchange. Financial and Commercial Information, etc., etc.

Liabilities and Assets of The Belfast Banking Company, Limited.

LIABILITIES.	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Notes in Circulation. £	% *	Deposits, &c. £	% *	Miscellaneous. £	% *	Profit Balance. £	% *	Total Liabilities. £
1919, Dec. 31	500,000	550,000	1,050,000	5·2	2,108,389	10·4	17,001,418	84·1	—	—	63,159	·3	20,222,966
1918, July 31	500,000	500,000	1,000,000	6·5	2,253,720	14·6	12,024,671	78·0	48,343	·3	86,255	·6	15,412,989
1917	500,000	450,000	950,000	7·8	1,664,591	13·6	9,486,449	77·8	48,277	·4	49,150	.4	12,198,467
1916	500,000	450,000	950,000	8·7	1,378,990	12·6	8,530,823	78·0	48,112	·5	24,968	·2	10,932,893
1915	500,000	450,000	950,000	10·6	986,368	11·0	6,976,950	77·5	47,926	·5	33,546	·4	8,994,790
1914	500,000	450,000	950,000	11·3	656,288	7·8	6,663,635	79·7	47,779	·6	46,729	·6	8,364,431
1913	500,000	450,000	950,000	11·7	631,257	7·7	6,463,596	79·4	45,892	·6	47,809	·6	8,138,547
1910	500,000	450,000	950,000	13·9	543,104	8·0	5,251,167	76·9	38,772	·6	42,889	·6	6,825,932

ASSETS.	Cash in Hand, &c. £	% *	Investments. £	% *	Advances, Bills Discounted, &c. £	% *	Bank Premises Account. £	% *	Total Assets. £
1919, Dec. 31	4,054,562	20·1	3,215,212	15·9	12,889,172	63·7	64,020	·3	20.222,966
1918, July 31	6,205,843	40·3	2,875,984	18·7	6,259,624	40·6	71,538	·4	15,412,989
1917... ...	2,946,393	24·1	2,850,984	23·4	6,326,980	51·9	74,110	·6	12,198,467
1916... ...	3,199,605	29·3	2,855,735	26·1	4,802,897	44·0	74,656	·6	10,932,893
1915... ...	1,617,206	18·0	2,817,235	31·3	4,485,378	49·9	74,971	·8	8,994,790
1914... ...	2,028,097	24·2	1,485,606	17·8	4,782,061	57·2	68,667	·8	8,364,431
1913... ...	1,720,494	21·1	1,536,957	18·9	4,811,034	59·1	70,062	·9	8,138,547
1910... ...	732,992	10·7	1,400,993	20·5	4,620,659	67·7	71,288	1·1	6,825,932

* Per cent. of Total Liabilities or Assets.

to £4,054,562; investments are £339,228 higher, and advances, bills discounted, &c., have more than doubled. Advances against War Loans have been increased to £1,057,266, from £731,659. The net profits for the 17 months were £184,314. The reserve fund now stands at £550,000, being £50,000 in excess of the paid-up capital of the Belfast Banking Company; while the total assets are higher by £4,809,977, at £20,222,966.

The Right Hon. Reginald McKenna pointed out at the annual meeting of the London Joint City and Midland Bank that the amount of the Belfast Bank's lendings for commercial and industrial development had now reached a sum of nearly £11,000,000, as compared with a little over £5,000,000 two and a-half years ago. These figures, remarked the Chairman of the meeting of the Belfast Banking Company held last January, were of especial importance as showing how their money was used for the development and assistance of Irish business and enterprise. The advance in the deposits of the Bank for a similar period showed correspondingly progressive results. He emphasised the fact that the statement of the Chairman of the London Joint City and Midland confirmed the desire of that great financial institution to help their Irish connection with their colossal funds.

Profits of the Belfast Banking Company, Limited.

Year to July 31	Net Profit £	Dividend Subject to Tax — Earned %	Paid — Total %	Paid — Total £	Paid — Old Sh. %	Paid — New Sh. %	Special Allocations £	Carried Forward £
1919*	184,314	26·02‡	11·92‡	84,410	21⅜‡	8⅜‡	123,000†	63,159
1918	96,688	19·34	11·92	59,583	21⅜	8⅜	—	86,255
1917	83,766	16·75	11·92	59,583	21⅜	8⅜	—	49,150
1916	76,005	¼15·20	11·92	59,583	21⅜	8⅜	25,000	24,968
1915	71,100	14·28	11·92	59,583	21⅜	8⅜	25,000	33,546
1914	79,779	15·95	11·78	58,797	21·3	8·5	22,055	46,729
1913	76,547	¼15·31	11·68	58,406	21·2	8·5	750	47,802

* 17 months to Dec. 31, 1919. † Including £53,000 in special staff bonuses. ‡ Rate per annum.

B. W. BLYDENSTEIN AND CO.

Office: 55-56 Threadneedle Street, London, E.C. 2.

One is glad to see that the affairs of this Anglo-Dutch Bank, operating in London and established in 1858, have still further recovered from the lean years immediately following the outbreak of war. In 1919 we were able to record a considerable improvement in the balance-sheet figures; this year we welcome a continuance of the 1918 profitable result. Taking the assets side first, cash in hand, &c., is down to £57,082, as against £1,861,597 last year, the latter figure having included £1,800,000 on deposit at the Bank of England, now apparently invested in English Treasury Bills. Investments amount to £1,217,981, showing an increase of £335,839. Bills discounted are up £2,332,898 on last year's total of £7,243,580. Advances are some £131,215 higher. On the liabilities side deposits are up to £10,378,973, representing an increase of £939,383 on the 1918 figures. The capital, at £500,000, and reserve fund, £125,000, remain unchanged. Full details of assets and liabilities are shown in close proximity hereto.

Liabilities and Assets of Messrs. B. W. Blydenstein and Company.

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Deposits, &c. £	% *	Miscellaneous. £	% *	Total Liabilities. £
1919	500,000	125,000	625,000	5·6	10,378,973	93·3	118,994	1·1	11,122,967
1918	500,000	125,000	625,000	6·2	9,439,590	93·2	63,909	·6	10,128,499
1917	500,000	125,000	625,000	7·9	7,216,015	91·3	60,296	·8	7,901,311
1916	500,000	125,000	625,000	8·3	6,815,307	90·8	61,907	·9	7,502,214
1915	500,000	125,000	625,000	12·2	4,447,703	87·2	27,431	·6	5,100,134
1914	500,000	125,000	625,000	8·3	6,446,690	85·8	438,543	5·9	7,510,233
1913	500,000	125,000	625,000	7·6	6,544,282	79·5	1,064,829	12·9	8,234,111
1910	500,000	66,000	566,000	7·9	5,836,767	81·4	763,699	10·7	7,166,466

ASSETS. Dec. 31	Cash in Hand, &c. £	% *	Investments. £	% *	Bills Discounted. £	% *	Advances. £	% *	Bank Premises Account. £	% *	Total Assets. £
1919	57,082	·5	1,217,981	11·0	9,576,478	86·1	246,680	2·2	24,796	·2	11,122,967
1918	1,861,597†	18·4	882,142	8·7	7,243,580	71·5	115,415	1·1	25,765	·3	10,128,499
1917	69,931	·9	—	—	7,684,430	97·3	120,163	1·5	26,782	·3	7,901,311
1916	78,817	1·0	—	—	7,344,220	96·6	151,329	2·0	27,848	·4	7,502,214
1915	137,255	2·7	120,229	2·4	4,531,259	88·8	282,424	5·5	28,967	·6	5,100,134
1914	267,678	3·6	1,287,729	17·1	5,340,794	71·1	583,891	7·8	30,141	·4	7,510,233
1913	361,184	4·4	1,887,472	22·9	4,810,070	58·4	1,144,023	13·9	31,363	·4	8,234,111
1910	129,904	1·8	1,202,478	16·8	4,716,712	65·8	1,104,190	15·4	13,182	·2	7,166,466

* Per cent. of Total Liabilities or Assets. † Includes £1,800,000 placed on deposit at the Bank of England.

BRITISH LINEN BANK.

(*See also* **Barclays Bank Limited.**)

Head Office: Edinburgh.

The British Linen Bank is now about to enter upon a new sphere of interest, for its stockholders have agreed to accept a working arrangement with Barclays Bank Limited. Under the new *régime*, however, the Bank will retain its individuality. The business of the Bank emanated from that of the old British Linen Company, which was established under a Royal Charter, in July 1746, for the encouragement of the linen trade. The capital originally authorised was £100,000, of which £50,000 only was issued in the first instance. Banking was not its primary object, but gradually became part and parcel of its operations as its business developed. There is little doubt, however, that almost from its inception the British Linen Company began to take a part in general financial business, and in 1750 it commenced to issue its own notes. In course of time the Company seems to have come to the conclusion that banking was a more profitable and satis-

CREDIT SUISSE

SCHWEIZERISCHE KREDITANSTALT

Established 1856.

Capital and Reserves
Frs. 130,000,000

Head Office: ZURICH, SWITZERLAND.

Branches at Basle, Berne, Frauenfeld, Geneva, Glaris, Kreuzlingen, Lugano, Lucerne, Neuchatel, St. Gall.

GENERAL BANKING BUSINESS.

NEDERLANDSCHE HANDEL-MAATSCHAPPIJ

(NETHERLANDS TRADING SOCIETY).

Established by Royal Charter A.D. 1824.

Capital Paid up - -	**- f. 80,000,000**	**Neth. Currency**	**(£6,666,666)**
Statutory Reserve Fund	**- f. 14,590,545**	**„ „**	**(£1,215,879)**
Extraordinary Reserve	**- f. 17,000,000**	**„ „**	**(£1,416,666)**

Head Office: AMSTERDAM.

Branches: **ROTTERDAM, THE HAGUE.**

Branches in the NETHERLANDS INDIES: **BATAVIA, SOURABAYA, SAMARANG, MEDAN and further Principal Ports.**

Branches in the STRAITS SETTLEMENTS, BRITISH INDIA, CHINA and JAPAN: **SINGAPORE, PENANG, RANGOON, HONGKONG, SHANGHAI and KOBE.**

Grant Drafts and Issue Letters of Credit on all their **Branches** and **Correspondents** in the **East**, on the **Continent**, on **Great Britain, Africa, America** and **Australia**, and transact Banking Business of every description.

LONDON BANKERS: The National Provincial and Union Bank of England, Ltd., LONDON.

Liabilities and Assets of The British Linen Bank.

LIABILITIES. Jan. 15	Capital Paid up. £	Reserve Funds. £	Total Capital and Reserve. £	%	Notes in Circulation. £	%	Acceptances. £	%	Deposits, &c. £	%	Profit Balance. £	%	Total Liabilities. £
1920 ...	1,250,000	1,350,000	2,600,000	7.2	3,399,800	9.4	593,283	1.7	29,304,262	81.4	118,382	.3	36,015,727
1919 ...	1,250,000	1,350,000	2,600,000	7.7	3,182,911	9.5	391,180	1.2	27,301,058	81.2	137,252	.4	33,612,401
1918 ...	1,250,000	1,250,000	2,500,000	8.6	2,334,137	7.9	545,428	1.9	23,672,011	81.1	156,612	.5	29,208,188
1917 ...	1,250,000	1,200,000	2,450,000	9.9	1,889,913	7.6	866,401	3.4	19,550,886	78.6	130,378	.5	24,887,578
1916 ...	1,250,000	1,250,000	2,500,000	12.0	1,441,925	6.9	419,191	1.9	16,528,814	78.7	113,126	.5	21,003,056
1915 ...	1,250,000	1,350,000	2,600,000	13.1	1,048,215	5.3	661,350	3.3	15,417,834	77.5	164,655	.8	19,892,054
1914 ...	1,250,000	1,500,000	2,750,000	15.1	796,620	4.3	193,936	1.1	14,339,840	78.7	141,743	.8	18,222,139
1911 ...	1,250,000	1,700,000	2,950,000	17.7	737,170	4.4	339,096	2.0	12,439,191	74.9	157,063	1.0	16,622,520

ASSETS. Jan. 15	Cash in Hand, Notes & Call Money. £	%	Investments. £	%	Bills, Advances, &c. £	%	Loans. £	%	Liab. of Cust. for Acceptances. £	%	Bank Premises, &c. £	%	Total Assets. £
1920 ...	6,643,488	18.4	10,578,908	29.4	14,863,196	41.2	2,517,070	7.0	593,283	1.7	819,782	2.3	36,015,727
1919 ...	6,608,777	19.7	9,578,353	28.5	14,379,306	42.8	1,823,187	5.4	391,180	1.2	831,598	2.4	33,612,401
1918 ...	6,589,704	22.5	6,913,311	23.7	12,487,595	42.7	1,773,102	6.1	545,428	1.9	899,048	3.1	29,208,188
1917 ...	5,887,066	23.7	7,017,585	28.2	8,211,947	33.0	1,935,694	7.8	866,401	3.4	968,885	3.9	24,887,578
1916 ...	4,292,842	20.5	6,902,746	32.8	6,225,032	29.7	2,184,721	10.4	419,191	1.9	978,524	4.7	21,003,056
1915 ...	3,773,140	19.0	5,123,149	25.8	5,764,439	28.9	3,584,873	18.1	661,350	3.3	984,803	4.9	19,892,054
1914 ...	3,485,206	19.1	4,615,591	25.3	5,270,428	29.0	3,667,970	20.1	193,936	1.1	989,008	5.4	18,222,139
1911 ...	1,743,056	10.5	3,919,618	23.5	5,720,283	34.4	3,883,158	23.4	339,096	2.0	1,026,309	6.2	16,622,520

Per cent. of Total Liabilities or Assets

factory profession than fathering mercantile and manufacturing operations, and in 1763 it dropped the mercantile business and devoted itself almost exclusively to finance. In 1813 it obtained a supplementary charter authorising an increase in its capital from £200,000 to £300,000, but although it was then to all intents and purposes a bank, the legal right to be so regarded was withheld from it.

In 1836 the British Linen Company began to extend its sphere; it took over the business of the Paisley Banking Company, which included branches at Glasgow, Irvine and Stranraer. Then in 1849 the Crown granted the Company a new charter authorising it to increase its capital, which then stood at £500,000, to £1,000,000, and from that year the Company was exalted to and recognised as a fully-fledged banking corporation. The power to raise additional capital granted in 1849 was availed of to the extent of £500,000 in 1850, which brought the total issued capital up to £1,000,000. In 1892 the Bank made an issue of new stock to the extent of £250,000, at 300%. The present paid-up capital is therefore £1,250,000.

The result of war finance is still reflected in the Bank's figures, especially in deposits, &c., which have risen from £14,339,840 at the beginning of 1914 to £29,304,262 as on January 15, 1920, or £2,003,204 higher than they were twelve months before. Notes in circulation, like those of other Scottish banks, are again up, at £3,399,800, as against £3,182,911 a year ago and £796,620 in 1914. Acceptances have risen to £593,283 from £391,180. On the assets side the total of cash in hand, notes, and call money has risen slightly; bills, advances, &c., are £500,000 up, while loans are at £2,517,070, as compared with £1,823,187 in January 1919. Investments, too, are £1,000,000 up.

Notwithstanding increased costs, the net profits for the year, after making ample provision for bad and doubtful debts, and valuing each of the Bank's investments at or under the market price of the day, are in excess of what they were last time, the amount being £367,215, as against £355,640. The following table gives the full details of the profits from 1914:—

Profits of the British Linen Bank.

Year ended Jan. 15	Net Profit £	Dividend Earned %	Dividend Paid %	Dividend Paid £	Special Allocations £	Carried Forward £
1920 ...	367,215	29·37	16·0	200,000	186,086	48,382
1919 ...	355,640	28·45	16·0	200,000	170,000	67,252
1918 ...	346,234	27·70	16·0	200,000	120,000	81,612
1917 ...	311,581	24·92	16·0	200,000	85,712	55,378
1916 ...	307,605	24·61	16·0	200,000	140,923	29,509
1915 ...	283,812	22·70	18·0	225,000	25,227	62,827
1914 ...	271,617	21·72	19·1	238,938	40,982	29,242

At the annual general meeting held on March 1 in Edinburgh, the Earl of Northesk, Deputy-Governor, referred to the affiliation of interests with Barclays Bank Limited. As he said, this is in no sense an amalgamation, for the British Linen Bank remains a separate entity, as a distinctively Scottish bank. What the directors had to consider was whether unrestricted competition between the large English joint-stock banks and, as compared with them, the smaller Scottish banks, would be for the ultimate benefit of the Scottish people, or whether means could not be found by which the identity of the Scottish banks could be maintained, the banking facilities hitherto enjoyed by Scottish people be increased and extended, and the interests of the staff and proprietors safeguarded. In the circumstances, if an affiliation between Scottish banks and the large English joint-stock banks was arranged the best results would accrue.

BRITISH MUTUAL BANKING CO., LTD.

Office: Ludgate Circus, London, E.C. 4.

This Bank was established in the year 1857, but was not registered until 1882. It has a capital of 40,000 shares of £5 each, £1 10*s.* per share paid, and, taking into account certain shares on which payment has been made in advance, the paid-up capital on December 31 last stood at £70,603. The undertaking has only one office—that in Ludgate Circus—and its board consists chiefly of directors of the Prudential Assurance Company. Its deposits, &c., commenced to fall off from 1914, and for three years showed a steady decline. In 1918 there was an improvement of about £50,000, though, as will be seen from our figures, they again receded last year and are still £64,094 behind those of 1910. The net profit shows little difference from that of 1917 and 1918, but the dividend is at the rate of 9%, less income tax, against last year's 6%, free of tax. The reserve funds have been raised to £50,000 by an allocation of £1,500 from profits earned in 1919. It should be noted, however, that the reserve fund proper amounts only to £17,500, the remainder, £32,500, being an investment reserve fund; and, as this latter stood last year at £18,500 and the reserve proper at £30,000, it is apparent that the former has been increased at the expense of the latter. Investments, as a matter of fact, are £22,596 up at £164,762, and among them is set out £10,460 in fully-paid shares of the Prudential Assurance Company, Limited. Cash in hand and at bankers this year is £67,862, as against £112,697 in 1918. Loans and advances show an increase of £15,042.

Profits of the British Mutual Banking Company, Limited.

Year to Dec. 31	Net Profit £	Dividend Earned %	Dividend Paid %	Dividend Paid £	Special Allocations £	Carried Forward £
1919 ...	6,654	11·09	9·0	5,400	1,500	1,544
1918 ...	6,720	11·20	8·6	5,142	1,500	1,790
1917 ...	6,823	11·37	8·0	4,800	1,500	1,713
1916 ...	5,483	9·14	7·7	4,645	1,000	1,189
1915 ...	6,077	10·13	6·9	4,154	2,000	1,351
1914 ...	5,836	9·72	6·5	3,901	2,500	1,428
1913 ...	4,927	8·21	6·3	3,823	1,000	1,993

CREDITO ITALIANO

Capital Authorised, Lire 300,000,000. Fully paid, Lire 200,000,000
Reserve, Lire 45,000,000. Deposits and Current Accounts on
31st December, 1919, Lire 3,266,746,600

HEAD OFFICE - - - MILAN.

BRANCHES—

AREZZO	CHIAVARI	MOLFETTA	SASSARI
ASTI	CHIETI	MONZA	SAVONA
BARI	CIVITAVECCHIA	NAPLES	SPEZIA
BARLETTA	FLORENCE	NERVI	TARANTO
BERGAMO	FOGGIA	NOVARA	TERNI
BENEVENTO	FRATTAMAGGIORE	ORISTANO	TORRE ANNUNZIATA
BIELLA	GENOA	OZIERI	TORRE DEL GRECO
BOLOGNA	IGLESIAS	PARMA	TRIESTE
BRINDISI	LECCE	PINEROLO	TURIN
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CATANIA	MODENA		

LONDON OFFICE: 22 ABCHURCH LANE, E.C.4.

MANAGERS—D. A. HORNER, F. N. SCHILLER.

Correspondent of the Royal Italian Treasury and of the National Institution for Foreign Exchanges.

The London Branch transacts a General Banking Business, and is specially prepared to grant facilities for the Development of Trade between the British Empire and Italy.
Documentary Credits opened. Telegraphic and Mail Transfers effected to all parts of the World. Clean and Documentary Bills collected. Tariff sent on application. Approved Foreign Bills negotiated, and Advances granted against Documents. Freights collected at principal Italian ports free of commission. Circular Cheques issued, payable at any branch or Correspondent of the Credito Italiano in Italy free of charge.
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"The Swedish Bank of Commerce."



"Banque de Commerce Suédoise."

"Banco Comercial de Suecia."

SVENSKA HANDELSBANKEN.

Telegraphic Address: "Handelsbank."

STOCKHOLM.

Capital and Reserves - 180,000,000 Kr.

Liabilities and Assets, British Mutual Banking Company, Ltd.

LIABILITIES.

Dec. 31	Capital Paid up† £	Reserve Funds £	Total Capital & Reserves £	Total Capital & Reserves %	Deposits, &c. £	Deposits, &c. %	Profit Balance £	Profit Balance %	Total Liabilities £
1919...	70,603	50,000	120,603	17·9	546,778	81·1	6,944	1·0	674,325
1918...	70,603	48,500	119,103	17·5	557,180	81·7	5,390	·8	681,673
1917...	70,603	47,000	117,603	18·8	503,490	80·4	5,312	·8	626,405
1916...	70,603	45,500	116,103	18·0	521,854	81·2	4,789	·8	642,746
1915...	70,603	44,500	115,103	17·1	553,425	82·2	4,952	·7	673,480
1914...	70,603	42,500	113,103	15·9	591,966	83·4	5,028	·7	710,097
913...	70,543	40,000	110,543	15·7	587,743	83·5	5,594	·8	703,880
1910...	69,791	56,000	125,791	16·9	610,872	82·3	5,794	·8	742,457

† The excess of the figures shown over £60,000 represents share payments in advance.

ASSETS.

Dec. 31	Cash in Hand, &c. £	Cash in Hand, &c. %	Investments £	Investments %	Loans and Advances £	Loans and Advances %	Bank Premises £	Bank Premises %	Total Assets £
1919	67,802	10·1	164,701	24·4	437,362	64·9	4,310	·6	674,325
1918	112,697	16·5	142,166	20·9	422,320	62·0	4,490	·6	681,673
1917...	63,597	10·2	144,666	23·1	413,502	66·0	4,640	·7	626,405
1916...	64,867	10·1	147,450	22·9	425,639	66·2	4,790	·8	642,746
1915...	56,483	8·4	158,672	23·6	453,385	67·3	4,940	·7	673,480
1914...	49,830	7·0	172,372	24·3	482,805	68·0	5,090	·7	710,097
1913...	74,954	10·6	106,106	15·1	517,580	73·6	5,240	·7	703,880
1910...	83,098	11·2	141,675	19·1	511,994	68·9	5,690	·8	742,457

* Per cent. of Total Liabilities or Assets.

CHILD AND COMPANY.

Office: 1 Fleet Street, London, E.C. 4.

This private Bank makes up its accounts early in July of each year. The 1919 balance sheet, or statement of assets and liabilities as the firm call it, is dated July 5. The paid-up capital is £500,000. As compared with the last statement issued, the reserve fund shows an increase of £1,509. Acceptances are again *nil* this year, as they were last. Deposits, &c., have risen by £582,667. Cash in hand is £169,835 more, and money at call and short notice has increased from £525,000 to £700,000. Investments are up to £1,187,407, as compared with £1,083,007 in 1918. Loans to customers have increased from £754,791 to £889,732.

CLYDESDALE BANK.

(*See also* **London Joint City and Midland Bank, Ld.**)

Head Office: St. Vincent Place, Glasgow.

The Clydesdale Bank is the most important of the six joint stock banks which were formed in Scotland in 1838. It was launched in Glasgow with a paid-up capital of £375,000 in £20 shares, on which £10 was paid up. At first the Bank had only one branch office, that in Edinburgh; it now has, including the Head Office in Glasgow and the London Office, 159 offices in all. From time to time various Scotch banks have been absorbed by the Clydesdale, among the more important being: (1) Greenock Union Bank; (2) Edinburgh and Glasgow, comprising (*a*) Edinburgh and Leith, which included the Southern Bank of Scotland, (*b*) Glasgow Joint Stock; (3) Eastern Bank of Scotland, which included the Dundee Commercial Bank. From January 1, 1920, this Bank itself becomes fused with the London Joint City and Midland Bank. For each £50 share (with £40 uncalled liability) the shareholders received five fully-paid London Joint City and Midland Bank shares of £2 10*s.* each. This arrangement resulted in an increase of dividend from 18% to 22½%, as well as freedom from liability. The last balance sheet of the Clydesdale Bank is therefore that for 1919, and the particulars which follow will be studied with interest.

The authorised note issue of the Clydesdale Bank is £274,321; in 1918 it was £3,092,333, and last year it had risen to £3,534,066—an increase largely accounted for by higher wages and higher costs of all kinds, which require more money on hand. Deposits, &c., are again up by £5,276,844 to £35,530,845. Under the heading of assets, bills discounted stand at £2,702,668, against £5,712,525, a decrease of £3,009,857. Bank buildings are a little up, and under investments, &c., there is an increase of £1,821,071. The Bank had on hand at the end of the year £7,470,286 in various items, gold and silver coin, notes of other banks, cheques *in transitu*, and cash balances with London and country bankers—on balance nearly two millions in excess of the previous year.

By 1861 the paid-up capital of the Bank had increased to £800,000; in 1870 it stood at £900,000, and by 1875 had increased to £1,000,000, at which figure it stands at present, the authorised capital being £5,000,000.

1913 and 1914 were somewhat lean years for the Bank, though the 1914 figures showed a distinct advance on the 1913 result. Since then, however, profits have been on a rising scale, and an examination of the report for the period ending December 31, 1919, again discloses a very satisfactory increase. With the amount brought in from 1918, the sum for allocation amounted to £374,586, against £343,750 in 1918. The gross profit, as indicated in our table, was £603,950. The dividend paid for 1919 was again at the rate of 18% per annum, less income tax, and called for £180,000.

The amount appropriated in reduction of bank buildings is £10,000; the sum for superannuation is, as formerly, £10,000, and £100,000 was set aside for depreciation of investments. The reserved surplus fund has been increased by £30,000 to £1,200,000, or £200,000 more than the paid-up capital of the Bank. The amount carried forward to 1920 was £44,586, against £43,750 brought in, an increase of £836.

Profits of the Clydesdale Bank, Limited.

Year to Dec. 31	Gross Profit £	Expenses £	Net Profit £	Div. Subject to Tax—Earned %	Div. Subject to Tax—Paid %	Div. Subject to Tax—Paid £	Special Allocat'ns £	Carried Forwd. £
1919...	603,950	273,114	330,836	33·08	18	180,000	150,000	44,587
1918...	547,389	231,706	315,683	31·56	18	180,000	120,000	43,751
1917...	500,026	213,768	286,258	28·62	16	160,000	125,000	28,068
1916...	452,568	187,177	265,391	26·53	15	150,000	115,000	26,810
1915...	428,610	172,974	255,636	25·56	15	150,000	105,000	26,419
1914...	416,643	165,989	250,654	25·06	15	150,000	95,000	25,783
1913...	394,553	157,041	237,512	23·75	15	150,000	95,000	20,129

Liabilities and Assets of Messrs. Child and Company.

LIABILITIES.

July	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserves £	Total Capital and Reserves %	Acceptances £	Acceptances %	Deposits, &c. £	Deposits, &c. %	Total Liabilities. £
1919 ...	500,000	81,591	581,591	16·3	—	—	2,996,231	83·7	3,577,822
1918 ...	500,000	80,082	580,082	19·4	—	—	2,413,564	80·6	2,993,646
1917 ...	500,000	79,219	579,219	22·3	25,000	1·0	1,988,965	76·7	2,593,184
1916 ...	500,000	82,584	582,584	19·2	25,000	·8	2,424,548	80·0	3,032,132
1915 ...	500,000	90,707	590,707	18·7	—	—	2,564,071	81·3	3,154,778
1914 ...	500,000	99,406	599,406	18·3	—	—	2,623,420	81·4	3,222,826
1913 ...	500,000	96,586	596,586	20·5	—	—	2,318,172	79·5	2,914,758
1910 ...	500,000	104,120	604,120	15·7	—	—	2,623,435	81·3	3,227,555

ASSETS.

July	Cash in Hand, &c. £	Cash in Hand, &c. %	Money at Call and at Short Notice, &c. £	Money at Call and at Short Notice, &c. %	Investments £	Investments %	Advances £	Advances %	Liab. of Cust. for Acceptances £	Liab. of Cust. for Acceptances %	Bank Premises £	Bank Premises %	Total Assets. £
1919 ...	716,483	20·0	700,000	19·6	1,187,407	33·2	889,732	24·9	—	—	84,200	2·3	3,577,822
1918 ...	546,648	18·2	525,000	17·6	1,083,007	36·2	754,791	25·2	—	—	84,200	2·8	2,993,646
1917 ...	313,126	12·1	275,000	10·6	907,034	35·0	988,824	38·1	25,000	1·0	84,200	3·2	2,593,184
1916 ...	499,705	16·5	500,000	16·5	1,116,427	36·8	806,800	26·6	25,000	·8	84,200	2·8	3,032,132
1915 ...	487,506	15·4	500,000	15·8	1,049,668	33·3	1,033,404	32·8	—	—	84,200	2·7	3,154,778
1914 ...	493,126	15·3	550,000	17·1	1,011,103	31·4	1,084,397	33·6	—	—	84,200	2·6	3,222,826
1913 ...	323,057	11·1	275,000	9·4	1,019,611	35·0	1,212,890	41·6	—	—	84,200	2·9	2,914,758
1910 ...	510,962	15·8	550,000	17·0	1,122,729	35·1	959,664	29·5	—	—	84,200	2·8	3,227,555

* Per cent. of Total Liabilities or Assets.

SWISS BANK CORPORATION.

Established 1872.

BASLE, ZURICH, ST. GALL, GENEVA, LAUSANNE, LA CHAUX-DE-FONDS, NEUCHATEL

BIENNE, CHIASSO, HERISAU, LE LOCLE, NYON, AIGLE, MORGES, RORSCHACH, VALLORBE.

London Office - - 43 LOTHBURY, E.C. 2.

WEST-END BRANCH: 11c REGENT STREET, WATERLOO PLACE, S.W. 1.

General Manager: X. CASTELLI.

Capital Authorised = = =	£ 5,000,000
Capital Paid up = = = =	£ 4,000,000
Reserves = = = = =	£ 1,240,000
Deposits = = = = =	£38,000,000

The Corporation conducts every description of Banking and Exchange business, and is prepared to furnish the Mercantile and Industrial Community with all available information regarding Trade and Industry in Foreign Countries, and also with reports on Merchants and Manufacturers established abroad.

Agents in Great Britain for the Swiss Government Postal Cheque Service.

Skandinaviska Kreditaktiebolaget

Bank Established in 1864.

GOTHENBURG. STOCKHOLM.

MALMÖ.

Branches in all parts of Sweden.

Paid-up Capital & Reserves, about Kr. 182,000,000

Telegraphic Address: "KREDITBOLAGET."

BANKING BUSINESS OF EVERY DESCRIPTION TRANSACTED.

Liabilities and Assets of the Clydesdale Bank, Limited.

LIABILITIES.

Dec. 31	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Notes in Circulation. £	% *	Acceptances. £	% *	Deposits, &c. £	% *	Profit Balance. £	% *	Total Liabilities. £
1919 ...	1,000,000	1,200 000	2,200,000	5·2	3,534,066	8·4	720,717	1·7	35,530,845	84·2	224,587	·5	42,210,215
1918 ...	1,000,000	1,170,000	2,170,000	6·0	3,092,333	8·6	251,110	·7	30,254,001	84·2	172,094	·5	35,939,538
1917 ...	1,000,000	1,070,090	2,070,000	6·6	2,266,315	7·2	357,436	1·1	26,708,273	84·6	148,068	·5	31,550,092
1916 ...	1,000,000	1,000,000	2,000,000	7·2	1,776,614	6·4	538,963	1·9	23,288,527	83·9	143,245	·6	27,747,349
1915 ...	1,000,000	1,000,000	2,000,000	9·0	1,415,425	6·3	352,486	1·5	18,398,339	82·4	156,522	·8	22,322,772
1914 ...	1,000,000	1,070,000	2,070,000	10·5	1,165,321	5·9	182,986	·9	16,253,320	81·9	164,258	·8	19,835,885
1913 ...	1,000,000	1,050,000	2,050,000	11·0	913,847	5·0	208,260	1·1	15,233,563	82·0	161,379	·9	18,567,049
1910 ...	1,000,000	950,000	1,950,000	12·3	772,947	4·9	165,145	1·0	12,776,641	80·8	155,312	1·0	15,820,045

ASSETS.

Dec. 31	Cash in Hand, &c. £	% *	Investments, Temp. Loans, and Call Money. £	% *	Bills Discounted. £	% *	Advances. £	% *	Liab. of Cust. for Acceptances. £	% *	Bank Premises, &c. £	% *	Total Assets. £
1919 ...	7,470,286	17·7	18,406,566	43·6	2,702,668	6·4	12,485,116	29·6	720,717	1·7	424,862	1·0	42,210,215
1918 ...	5,561,418	15·5	16,585,495	46·1	5,712,525	15·9	7,405,337	20·6	251,110	·7	423,653	1·2	35,939,538
1917 ...	4,932,216	15·6	10,407,184	33·0	8,212,492	26·0	7,207,450	22·9	357,436	1·1	433,314	1·4	31,550,092
1916 ...	4,284,480	15·5	12,045,963	43·4	5,587,919	20·1	4,852,348	17·5	538,963	1·9	437,676	1·6	27,747,349
1915 ...	3,331,758	15·0	11,223,737	50·3	2,162,202	9·7	4,814,108	21·5	352,486	1·5	438,481	2·0	22,322,772
1914 ...	2,443,657	12·3	8,458,950	42·7	3,003,135	15·1	5,309,420	26·8	182,986	·9	437,737	2·2	19,835,885
1913 ...	2,180,688	11·8	6,854,661	36·9	3,266,727	17·6	5,618,844	30·2	208,260	1·1	437,869	2·4	18,567,049
1910 ...	1,830,973	11·6	5,897,208	37·3	2,468,607	15·6	5,025,050	31·8	165,145	1·0	433,062	2·7	15,820,045

* Per cent. of Total Liabilities or Assets.

COMMERCIAL BANK OF SCOTLAND.

Head Office: Edinburgh.

THE Commercial Bank of Scotland is one of the oldest of the Scottish banking institutions; it was founded in 1810 and started business on March 25 of that year. There were then only three other banks of importance in Scotland—the Bank of Scotland, the Royal Bank of Scotland, and the British Linen Company, although, strictly speaking, the latter establishment did not actually rank as a bank until 1849, when it obtained its new charter. The authorised capital of the Commercial Bank of Scotland at its inception was £3,000,000, in 6,000 shares of £500 each. In the first instance, only 4,500 of the shares, on which £100 was paid up, were issued. This was in 1829; then, in that year, the remaining 1,500 shares were issued to shareholders at a premium of £50 per share, thus bringing the paid-up capital to £600,000. Thirty years later, in 1859, the sum of £200,000 was withdrawn from the reserve fund and distributed as a bonus to shareholders, in the proportion of £100 for each £300 held, and this increased the paid-up capital to £800,000. A similar operation was carried out in 1864, shareholders receiving a bonus of £100 for each £400 held, the required £200,000 again being taken from the reserve fund, thus increasing the paid-up capital to £1,000,000. In 1881 the capital was changed to 50,000 shares of £60 each, on which £20 was paid up, and in the following year the nominal capital was increased to £5,000,000 in the form of 50,000 shares of £100 each, £20 paid.

In accordance with resolutions passed and confirmed at extraordinary general meetings of the shareholders held on September 15 and October 2, 1919, respectively, the capital has now been further increased, the amount paid up as from November 1 last consisting of:—

	£
50,000 "A" Shares of £100 each, £25 paid	1,250,000
and 500,000 "B" shares of £1 each, fully paid	500,000
	1,750,000

The "A" shares were to be divided into 250,000 shares of £20 each, £5 paid.

The Commercial Bank of Scotland has extended its business by means of branches, and only on two occasions has it absorbed other institutions; in 1825 it took over the Caithness Banking Company, and in 1884 acquired the business of the Arbroath Banking Company. In 1820 it had 17 branches; at the end of 1919 it had, in addition to its London office, 184 branches in Scotland, besides numerous correspondents in the United Kingdom, and in consequence is in a very favourable position for transacting every kind of banking business for its customers.

The profits of the Bank have been on an increasing scale for some years, and, while those of 1918 were unprecedented, in 1919 the record was surpassed, gross profits rising from £605,014 to £652,619, an increase of £47,605. Notwithstanding a substantial addition to charges, the net profit itself exceeded that of the previous year by over £8,000. Deposits, which before the War were slightly in excess of £18,000,000, and in 1918 stood at £30,698,529, showed an increase at October 31, 1919, of £5,372,634, the total figures being £36,071,163. This increase in deposits is all the more noteworthy because it arose from the steady growth experienced by all the Bank's offices. The dividend for some years past has been maintained at 16% per annum; but this year, as last, a bonus of 1% is added to the dividend, making it 17% per annum, subject to income tax. The year before the War a dividend of 20% was paid. The reserve fund, which stood at £800,000 in 1915, was reduced to £700,000 in 1916 to provide for the depreciation in the value of the Bank's investments. In 1917 the depreciation in investments was met by the allocation of £60,000 from the profits of the year. It has not been necessary to make provision on this occasion from profits for depreciation in the value of the Bank's investments, and it has been found possible, as in 1918, to credit the reserve fund from profits with £150,000, thus raising that fund to £1,000,000.

The investments now stand at £14,059,646, as compared with £10,216,612 in 1918. They include over £13,000,000 in British Government securities, an increase of £4,000,000 over the previous year, nearly half of which is accounted for by the Bank's subscription last summer to the issues of Funding Loan and Victory Bonds.

Cash in hand, &c., with money at call and short notice, at almost £12,000,000, shows an increase of nearly £2,000,000, half the increase being in the item of cash; and, when to this is added £6,104,000 invested in British Treasury bills, it will be seen that about half of the total deposits is represented by comparatively liquid assets. Advances, &c., show an increase of £4,447,193, as compared with the 1918 total, which indicates the assistance being given to customers, whose increased requirements are not surprising in view of the increased prices of all commodities. Bills discounted (including Treasury bills, lower by £4,500,000) stand at £7,445,205, as compared with £11,268,826, the trade discounts showing the revival that has taken place in business, being £1,340,000, against last year's total of £640,000. The Bank's authorised note issue is £374,880, but the note circulation now amounts to £3,988,975, an increase of over £600,000 as compared with 1918. Charges for the 1919 period increased by £39,000, a considerable part of which arose from increased remuneration to staff.

BANCO NACIONAL ULTRAMARINO

(NATIONAL OVERSEAS BANK).

HEAD OFFICE: LISBON.

ESTABLISHED IN 1864.

STATE BANK OF THE PORTUGUESE COLONIES.

AUTHORISED CAPITAL: Esc. 48,000,000=£10,656,000.

Capital (paid up),
Esc. 24,000,000=£5,328,000
AT PAR OF EXCHANGE.

Reserve Funds,
Esc. 24,000,000=£5,328,000
AT PAR OF EXCHANGE.

Branches in the following countries: Portugal, Brazil, Portuguese East and West Africa, India, China, Timor and Belgian Congo.

FRANCE:
PARIS.
8 Rue du Helder, IXe.

LONDON OFFICE:
27b THROGMORTON STREET, E.C.
'Phone: L. Wall 295. *Telegrams*: Ultranacio Stock London.

UNITED STATES OF AMERICA.
NEW YORK AGENCY
to be opened shortly at
91/93 LIBERTY STREET.

Agents and Correspondents throughout the World.

A General International Banking Business conducted at all Branches of the Bank.

BANCO CENTRAL

ESTABLISHED IN 1905.

BOGOTA, COLOMBIA, SOUTH AMERICA.

Cable Address: "GERENCIA, BOGOTA."

Manager: G. GONZALEZ LINCE.

Capital Paid up - - $2,300,000 (gold)

Reserve Fund - - - $455,411.99

Collection of Drafts and every description of Banking and Exchange Business transacted. Financing of Loans, Railway, Tramway and other Concessions. Issues Hypothecary Bonds.

Liabilities and Assets of the Commercial Bank of Scotland, Limited.

LIABILITIES.

Oct. 31	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Notes in Circulation. £	% *	Acceptances. £	% *	Deposits. £	% *	Miscellaneous. £	% *	Profit Balance. £	% *	Total Liabilities. £
1919...	1,000,000	1,000,000	2,000,000	4·4	3,988,975	8·3	2,151,287	4·8	36,071,163	79·8	878,061	1·9	115,632	·3	45,205,118
1918...	1,000,000	850,000	1,850,000	4·9	3,307,838	8·8	1,023,858	2·7	30,698,529	81·2	812,669	2·1	112,390	·3	37,805,284
1917...	1,000,000	700,000	1,700,000	5·3	2,421,155	7·5	718,578	2·2	26,659,325	82·7	619,839	2·0	104,509	·3	32,223,406
1916...	1,000,000	700,000	1,700,000	6·1	2,109,716	7·6	683,019	2·5	22,873,082	81·8	473,196	1·7	101,973	·3	27,940,986
1915...	1,000,000	800,000	1,800,000	7·7	1,754,857	7·5	274,677	1·2	19,036,911	81·5	398,994	1·7	93,421	·4	23,358,860
1914...	1,000,000	800,000	1,800,000	7·9	1,278,330	5·6	310,054	1·4	18,953,227	83·4	278,516	1·2	103,234	·5	22,723,361
1913...	1,000,000	900,000	1,900,000	8·7	1,107,342	5·1	216,399	1·0	18,056,150	83·0	366,303	1·7	116,908	·5	21,763,102
1910...	1,000,000	900,000	1,900,000	10·2	997,229	5·4	404,421	2·2	14,687,812	79·2	431,700	2·3	122,466	·7	18,543,628

ASSETS.

Oct. 31	Cash in Hand, Notes, &c. £	% *	Money at Call and Short Notice, &c. £	% *	Investments. £	% *	Bills Discounted. £	% *	Advances. £	% *	Liab. of Cust. for Acceptances. £	% *	Bank Premises, &c. £	% *	Total Assets.
1919...	7,672,181	17·0	4,110,793	9·1	14,059,646	31·1	7,445,205	16·5	9,240,628	20·4	2,151,287	4·8	525,378	1·1	45,205,118
1918...	6,545,787	17·3	3,430,347	9·1	10,216,612	27·0	11,268,826	29·8	4,793,435	12·7	1,023,858	2·7	526,419	1·4	37,805,284
1917...	4,968,824	15·4	2,109,912	6·6	9,210,029	28·6	8,992,117	27·9	5,645,128	17·5	718,578	2·2	578,817	1·8	32,223,406
1916...	3,516,904	12·6	2,584,988	9·2	8,190,493	29·3	7,931,845	28·4	4,444,899	15·9	683,019	2·5	588,838	2·1	27,940,986
1915...	3,039,177	13·0	2,984,027	12·8	8,726,997	37·3	2,408,333	10·3	5,331,775	22·8	274,677	1·2	593,874	2·8	23,358,860
1914...	4,011,303	17·5	2,030,689	8·8	4,860,134	21·4	3,601,089	16·0	7,393,194	32·6	310,054	1·4	517,897	2·3	22,723,361
1913...	2,458,862	11·3	4,382,004	20·1	4,345,218	20·0	3,722,275	17·1	6,120,348	28·1	216,399	1·0	517,995	2·4	21,763,102
1910...	971,189	5·2	3,750,387	20·2	3,580,761	19·3	2,713,576	14·7	6,608,636	35·6	404,421	2·2	514,658	2·8	18,543,628

* Per cent. of Total Liabilities or Assets.

Profits of the Commercial Bank of Scotland, Limited.

Year to Oct. 31	Gross Profit £	Net Profit £	Dividend Subject to Tax Earned %	Dividend Subject to Tax Paid %	Dividend Subject to Tax Paid £	Special Allocations Investment Depreciation £	Special Allocations Contingency Fund £	Special Allocations Bank Premises £	Carried Forward £
1919	652,619	368,456	36·84	17	170,000	—	175,000	20,000	52,632
1918	605,014	359,666	35·96	17	170,000	—	175,000	10,000	49,176
1917	546,644	322,537	32·25	16	160,000	60,000	90,000	10,000	44,509
1916	491,316	281,241	28·12	16	160,000	100,000	—	5,000	41,973
1915	461,645	260,377	26·04	16	160,000	100,000	—	5,000	25,732
1914	458,753	262,613	26·26	18	180,000	70,000	—	5,000	30,355
1913	441,108	252,237	25·22	20	200,000	45,000	—	5,000	22,742

CO-OPERATIVE WHOLESALE SOCIETY.

Head Office: 1 Balloon Street, Manchester.

The Co-operative Wholesale Society, although registered under the Industrial and Provident Societies Act, 1893, was really enrolled on August 11, 1863, under the provisions of the Industrial and Provident Societies Act, 1862, and commenced business on March 14, 1864. Its balance sheets are most comprehensive documents and show the accounts both of the trading and banking departments. An examination of the figures of the banking department reveals a decrease in profits of £16,572, the profit balance being £29,945, as against £46,517 for 1918. There is a further expansion in the capital employed in the two departments, which this year amounts to £3,898,134, in 831,675 transferable shares of £5 each, less £260,241 unpaid—an increase for the year of £702,397. The banking department's investment reserve is increased from £1,759 to £11,352, and the investments are scheduled in the balance sheet at their depreciated values. Deposits, current accounts, &c., are up by £248,310. The cash balance, which in 1913 amounted to £1,523,187, and to £3,080,049 in 1918, is now down to £300,641; but, owing to the close relations of the trading and banking departments, both of which are under the control of one General Committee, the figures have not quite their ordinary significance. The movement on this occasion will probably be found not unconnected with the considerably increased value of the stock-in-trade—mostly, we should imagine, of a readily realisable nature. Investments are about £44,000 higher at £4,331,871.

Liabilities and Assets of Co-operative Wholesale Society, Ltd. (Banking Department).

LIABILITIES.

Dec.	Reserve £	% *	Deposits and Current Accounts £	% *	Profit Balance £	% *	Total Banking Liabilities £	Paid-up Capital† £
1919	11,352	·1	10,778,816	99·6	29,945	·3	10,820,107	3,898,134
1918	1,759	—	10,530,500§	99·6	46,517	·4	10,578,776	3,195,737
1917	6,943	·1	9,636,481	99·6	26,483	·3	9,669,907	2,981,133
1916	430	—	9,214,494§	99·6	34,461	·4	9,249,385	2,658,774
1915	588	—	7,916,906§	99·6	28,776	·4	7,946,270	2,284,758
1914	143,984	2·1	6,833,094§	97·5	27,624	·4	7,004,702	2,130,959
1913	143,707	2·3	6,116,402§	97·3	27,737	·4	6,287,846	2,059,054

ASSETS.

Dec.	Cash, &c. £	% *	Investments £	% *	Advances, Loans, &c. £	% *	Land and Buildings £	% *	Total Banking Assets £	Trade Dept.—Balance owing (a) by or (b) to Banking Dept. £
1919	300,641	2·8	4,331,871	40·0	6,185,257‡	57·2	2,338	—	10,820,107	b4,723,287
1918	3,080,049	29·1	4,287,484	40·5	3,208,334	30·3	2,909	—	10,578,776	a1,324,466
1917	2,155,256	22·3	4,192,225	43·4	3,319,213‡	34·3	3,213	—	9,669,907	b 43,000
1916	1,738,544	18·8	4,660,614	50·4	2,846,720	30·8	3,507	—	9,249,385	a1,172,486
1915	1,028,345	13·0	4,704,441	59·2	2,210,367	27·8	3,117	—	7,946,270	a2,135,772
1914	1,215,535	17·4	4,361,537	62·3	1,424,318	20·3	3,312	—	7,004,702	a2,342,230
1913	1,523,187	24·2	3,868,081	61·5	893,071	14·2	3,507	·1	6,287,846	a2,446,520

* Per cent. of total Banking Liabilities or Assets. † Liable for trading commitments. ‡ Including balance owing by Trade Department.
§ Including balance owing to Trade Department.

COUTTS AND COMPANY.

(*See also* **National Provincial and Union Bank of England, Limited.**)

Office: 440 Strand, London, W.C. 2.

Coutts' Bank was registered as an unlimited Company on June 25, 1892, with a capital of £600,000, fully subscribed and paid up, in addition to which a reserve fund of £400,000 was provided by the partners. By taking over the business of Messrs. Robarts, Lubbock and Co., in July 1914, the Bank secured a seat in the London Clearing House. This amalgamation brought about a considerable increase in the busi-

Liabilities and Assets of Messrs. Coutts and Company.

LIABILITIES.

	Capital Paid up. £	Reserve. £	Total Capital and Reserve £	% *	Acceptances. £	% *	Deposits, &c. £	% *	Total Liabilities. £
1919 (Dec. 31) ...	800,000	700,000	1,500,000	7·0	690,207	3·2	19,153,247	89·8	21,343,454
1918 ,, ...	800,000	700,000	1,500,000	7·4	385,243	1·9	18,426,905	90·7	20,312,148
1917 ,, ...	800,000	700,000	1,500,000	8·0	404,500	2·1	16,852,100	89·9	18,756,600
1916 ,, ...	800,000	700,000	1,500,000	8·3	419,056	2·3	16,145,790	89·4	18,064,846
1915 ,, ...	800,000	700,000	1,500,000	9·9	243,914	1·6	13,385,762	88·5	15,129,676
1914 ,, ...	800,000	700,000	1,500,000	10·3	386,744	2·7	12,666,393	87·0	14,553,137
1913 (Jan.) ...	600,000	400,000	1,000,000	9·9	110,907	1·1	9,003,403	89·0	10,114,310
1910 ,, ...	600,000	400,000	1,000,000	10·7	337,487	3·6	[illegible] 8,031,263	85·7	9,368,750

ASSETS.

	Cash in Hand, &c. £	% *	Money at Call, &c. £	% *	Investments £	% *	Bills, Loans, and Advances £	% *	Liab. of Cust. for Acceptances. £	% *	Bank Premises Account £	% *	Total Assets. £
1919 (Dec. 31)	3,500,550	16·4	2,281,585	10·7	4,876,728	22·9	9,654,084	45·2	690,207	3·2	340,300	1·6	21,343,454
1918 ,,	3,616,010	17·8	3,912,011	19·3	4,057,905	20·0	8,000,679	39·4	385,243	1·9	340,300	1·6	20,312,148
1917 ,,	3,056,983	16·3	3,499,815	18·7	3,872,565	20·7	7,582,457	40·4	404,500	2·1	340,300	1·8	18,756,600
1916 ,,	2,956,354	16·4	3,463,018	19·2	4,498,354	24·9	6,387,814	35·4	419,056	2·3	340,300	1·8	18,064,846
1915 ,,	2,366,701	15·6	2,078,439	13·7	4,705,531	31·1	5,394,791	35·7	243,914	1·6	340,300	2·3	15,129,676
1914 ,,	2,064,965	14·2	2,334,407	16·0	3,313,773	22·8	6,112,948	42·0	386,744	2·7	340,300	2·3	14,553,137
1913 (Jan.)	1,160,387	11·5	1,704,307	16·9	2,488,213	24·6	4,430,496	43·8	110,907	1·1	220,000	2·1	10,114,310
1910 ,,	795,620	8·5	1,310,000	14·0	2,306,265	24·6	4,399,378	47·0	337,487	3·5	220,000	2·3	9,368,750

* Per cent. of Total Liabilities or Assets.

BANCO DE CHILE

94 GRACECHURCH STREET, E.C. 3

PAID-UP CAPITAL - - - -	$100,000,000	Chilian Dollars
RESERVE FUND - - - - -	58,000,000	
RESERVE LIABILITY OF SHAREHOLDERS - - - -	100,000,000	
RESERVE FUND IN GOLD OF 18d. -	5,000,000	

Head Offices—SANTIAGO & VALPARAISO.

BRANCHES.

Santiago (Estacion), Santiago (Matadero), Santiago (San Pablo), Santiago (Bella Vista), Valparaiso (Almendral), Ancud, Antofagasta, Arica, Chañaral, Chillan, Concepcion, Copiapó, Coquimbo, Curicó, Illapel, Iquique, La Calera, La Ligua, La Serena, Lebu, Los Andes, Los Anjeles, Mulchen, Nueva Imperial, Osorno, Ovalle, Pisagua, Puerto Montt, Quillota, Rancagua, Rengo, San Carlos, San Felipe, San Fernando, Tacna, Talca, Talcahuano, Taltal, Temuco, Tocopilla, Tomé, Traiguen, Valdivia, Vallenar, Vicuña, Viña del Mar.

The London Agency transacts every class of Banking business with Chile. Current Accounts also opened and Deposits received.

DAVID BURNS, Manager.



BANCO DI ROMA

ESTABLISHED 1880

CAPITAL PAID VP LIRE 150.000.000

HEAD OFFICE: ROME

PRINCIPAL BRANCHES ABROAD:

PARIS = LYONS = BARCELONA = MALTA

ALEXANDRIA = CAIRO = CONSTANTINOPLE

SMYRNA = LUGANO =

BRANCHES AND CORRESPONDENTS IN ALL TOWNS OF ITALY

CORRESPONDENTS OF THE ITALIAN TREASURY

EVERY DESCRIPTION OF BANKING BUSINESS TRANSACTED

LONDON BANKERS: COX & Co.

ness of Messrs. Coutts and Co., and the deposits rose from £8,792,208 in 1913 to £12,666,393 at the end of 1914. The paid-up capital was also increased from £600,000 to £800,000, and the reserve fund from £400,000 to £700,000. At the end of 1919 the capital and reserve remained unchanged, but current and deposit accounts showed a further expansion to £19,153,247. Acceptances on behalf of customers increased from £385,243 in 1918 to £690,207. In common with the practice now adopted by the other banks, the guarantee of £8,928 in respect of the Yorkshire Penny Bank, Limited, is no longer included in the liabilities, but shown as a footnote on that side of the balance sheet. Cash in hand and at the Bank of England, also money at call and short notice, have both decreased since 1918, the combined total at the end of December 1919 being £1,745,886 lower. Investments are £818,823 up as compared with the previous year. Bills discounted, loans, and advances stand at over a million and a half more than in 1918.

COX AND COMPANY.

Head Office: 16 Charing Cross, London, S.W. 1.

Cox and Company first made their appearance in the banking world in 1758; their business as private bankers has always been a very sound one, and when on May 4, 1909, they registered themselves as an unlimited company, they had a large following of Army officers for their principal clients. Their capital was then £350,000 in 2,500 Ordinary and 1,000 Preference shares of £100, all fully paid, and in addition to the subscribed and paid-up capital a reserve fund of £50,000 was provided by the partners. When the War started the capital stood at £450,000, and it remained at that figure until July 1918, when it was increased to £650,000, composed of 1,500 4% Cumulative Preference shares of £100 each and 5,000 Ordinary shares of £100 each. The total capital and reserve is £1,075,000, as compared with £530,000 on October 4, 1917.

In view of the enormous growth in the firm's business during the War, it was not surprising that they found it necessary to add to their capital. The need for the additional working resources is obvious when one examines the figures of the latest balance sheet, that dated September 30, 1919. Before the War the grand total of the balance sheet was a little over 4½ millions; it is now £24,171,163, the phenomenal increase being almost entirely due to the unprecedented expansion of our Army, most of the officers of which keep their accounts with Messrs. Cox, who act as their agents generally. The position occupied by the Bank during the War was, in fact, a sort of Paymaster-Generalship to the commissioned ranks in the Army. How great has been the expansion may be gauged from the deposits, &c., which in 1913 stood at £4,061,241, and, after increasing each year by leaps and bounds, now stand at £22,552,363, or £3,286,954 higher than in 1918.

Cash at bankers and in hand has reached the record total of £5,806,943; money at call and short notice is at £3,350,000, as compared with £4,583,334 for the previous period and £916,462 just after the War started. Advances and bills show an increase from £6,005,016 to £9,948,837 on the year. Investments, which are mostly in British Government and Indian and Colonial stocks, are £200,000 higher than in 1918. They include 340,909 "A" shares of £1 each, 10s. paid, in Cox and Co. (France), Limited, the authorised capital of which is £1,500,000, with £1,000,000 subscribed and £500,000 paid up.

Cox and Co., London, has branches at Bombay, Calcutta, Karachi, Rawal Pindi, Murree, and Srinagar (Kashmir), while its auxiliary, Cox and Co. (France), Limited, has its chief office in Paris, with branches at Boulogne, Havre, Marseilles, Rouen, Lyons, Bordeaux, Nice, Cologne, and Algiers.

The Bank's total liabilities to the public on September 30, 1919, amounted to £23,096,163.

EQUITABLE BANK.

(Formerly known as the Halifax Equitable Bank, Limited.)

Head Office: Halifax.

The Equitable Bank, Limited, is essentially a "People's Bank." It was established in 1900, and, as its head office is in Halifax, was called the Halifax Equitable Bank; in view, however, of the wider sphere for which it soon commenced to cater, the name was changed in 1913 to its present title. Its business has continued to expand year by year, and not even the lean period experienced by most institutions in 1914 checked its career. In presenting their annual balance sheet on January 23, 1920, the directors congratulated the shareholders on the fact that the Bank was in a sound and prosperous condition, and they had experienced none of the inconveniences which had been publicly stated as the reasons for other banks' amalgamating. The assets have more than trebled since 1914. The profit for 1919, after providing for all contingencies, was £6,220, which, with £2,149 brought forward, would have sufficed for a distribution of £8,369. An interim dividend of 1s. 7 1-5d. per share was paid in July last, and a final dividend at the same rate in January 1920, making 16% for the year, subject to income tax. The actual profit earned was a record one, and over 60% higher than in the previous year. The authorised capital of the Bank in 1917 was £50,000, in 10,000 £4 shares and 10,000 £1 shares, and the issued capital stood at £34,800, in 7,200 £4 shares, £1 paid, and 6,000 £1 shares, fully paid, making a total paid-up capital of £13,200, increased in the succeeding year to £13,500. But in order to extend still further the Bank's capacity for rendering useful service in the reconstruction and development of the business of the town of Halifax

Liabilities and Assets of Messrs. Cox and Company.

LIABILITIES.	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Bills for Collectn. and Acceptances. £	% *	Deposits, &c. £	% *	Total Liabilities. £
1919, Sept. 30	650,000	425,000	1,075,000	4·4	543,800	2·3	22,552,363	93·3	24,171,163
1918, Oct. ...	650,000	425,000	1,075,000	5·2	447,641	2·1	19,265,409	92·7	20,788,050
1917 „ ...	450,000	80,000	530,000	3·0	256,624	1·4	16,921,409	95·6	17,708,033
1916 „ ...	450,000	80,000	530,000	3·8	215,445	1·5	13,391,872	94·7	14,137,317
1915 „ ...	450,000	80,000	530,000	4·7	505,007	4·4	10,303,958	90·9	11,338,965
1914 „ ...	450,000	80,000	530,000	8·4	288,115	4·6	5,479,212	87·0	6,297,327
1913 „ ...	450,000	80,000	530,000	11·3	82,086	1·7	4,061,241	87·0	4,673,327
1910 „ ...	350,000	50,000	400,000	9·8	8,941	·2	3,681,004	90·0	4,089,945

ASSETS.	Cash in Hand, &c. £	% *	Money at Call, &c. £	% *	Investments. £	% *	Advances and Bills. £	% *	Liab. of Customers for Acceptances, &c. £	% *	Bank Premises, &c. £	% *	Total Assets. £
1919, Sept 30 ...	5,806,943	24·0	3,350,000	13·9	4,203,449	17·4	9,948,837	41·1	543,800	2·3	318,134	1·3	24,171,163
1918, Oct. ...	5,384,198	25·9	4,583,334	22·0	4,002,743	19·3	6,005,016	29·1	447,641	2·2	315,118	1·5	20,788,050
1917 „ ...	3,919,552	22·1	3,718,333	21·0	2,357,237	13·4	7,202,945	40·6	256,624	1·4	253,342	1·5	17,708,033
1916 „ ...	2,892,083	20·5	3,000,093	21·2	1,909,800	13·5	5,895,664	41·7	215,445	1·5	224,231	1·6	14,137,317
1915 „ ...	2,126,744	18·7	1,630,785	14·4	2,581,247	22·8	4,279,665	37·8	505,007	4·4	215,517	1·9	11,338,965
1914 „ ...	1,236,420	19·7	916,462	14·6	903,529	14·3	2,773,754	44·0	288,115	4·6	179,047	2·8	6,297,327
1913 „ ...	742,277	15·9	460,677	9·9	751,548	16·1	2,457,286	52·6	82,086	1·7	179,453	3·8	4,673,327
1910 „ ...	540,024	13·2	360,000	9·0	1,004,798	24·5	1,996,986	48·8	8,941	·2	179,196	4·3	4,089,945

* Per cent. of Total Liabilities or Assets.

TOTAL ASSETS
EXCEED
£17,000,000



TOTAL CLAIMS PAID
OVER
£93,000,000

FIRE. LIFE. ACCIDENT. MARINE.

ANNUITIES, LEASEHOLD REDEMPTION, BURGLARY, FIDELITY GUARANTEE, MOTOR CAR, PLATE GLASS, PERSONAL ACCIDENT, WORKMEN'S COMPENSATION, SICKNESS, LIVE STOCK, LOSS OF PROFITS, ETC.

FIRE: The large resources of the Company give absolute security, and the magnitude of its business enables it to accept Insurances upon the most favourable terms.

LIFE: The Large Reversionary Bonus of 35/- per Cent. per Annum was declared as at 31st December, 1918, and has been consistently maintained for 43 years.

ACCIDENT: All classes of business transacted at moderate rates. The Householder's Combined Domestic Policy in issued, insuring, in one policy, against Fire, Burglary and Liability for Domestic Servants.

MARINE: Every description of Marine Insurance transacted. For rates apply to any of the Company's Offices.

Head Office:
1 DALE ST., LIVERPOOL.

London Chief Office:
1 CORNHILL, E.C.

BRANCHES and AGENCIES in all Parts of the WORLD.

PRUDENTIAL ASSURANCE COMPANY LIMITED.

ESTABLISHED 1848.

CLASSES OF BUSINESS TRANSACTED.

LIFE.
FIRE.
ACCIDENT.
BURGLARY.
MOTOR CAR.
MOTOR CYCLE.
THIRD PARTY.
PLATE GLASS.
LIFT.
INDEMNITY.
FIDELITY GUARANTEE.

FUNDS EXCEED £110 MILLIONS.
CLAIMS PAID £170 MILLIONS.

CHIEF OFFICE: 142 HOLBORN BARS, E.C.

and district, it was decided at the annual meeting on January 24, 1919, to increase the nominal capital of the Bank to £200,000 and to issue 26,500 additional shares of £2 each, £1 paid up, the issue price being fixed at 45*s.* per share. On December 31 last the paid-up capital therefore stood at £40,000.

The amount of new business has been so considerable in 1919 that the figures show a substantial increase. From £5,421 in 1900 the deposits have grown to £826,870, an increase over last year of £268,028, which is a very satisfactory expansion, especially when one remembers that the business is mostly among people of small means. The first £1,000 was put to reserve in 1905; this year the reserve fund stands at £50,000, having been augmented from the premia on the issue of new shares. Cash in hand, at call, &c., is £278,806, and investments are up from £234,705 to £360,563, represented by British War Loans, ational War Bonds, and short-term investments, which have all been written down to market price on December 31 last.

Profits of the Equitable Bank, Limited.

Year to Dec. 31	Net Profit	Div. Earned	Div. Paid	Tax	Special Allocations	Carried Forward
	£	%	%	£	£	£
1919... ...	6,220	15·55†	13·35†	5,340	—	3,029
1918... ...	3,867	28·64	16	2,160	1,000	2,149
1917... ...	3,361	25·46	15	1,980	1,000	1,442
1916... ...	3,348	25·36	15	1,980	1,000	1,061
1915... ...	3,084	23·54	12½	1,692	1,100	693
1914... ...	2,332	17·80	11·9	1,561	1,000	401
1913... ...	2,535	19·35	11·6	1,530	1,000	630

† Calculated on increased capital as at end of year.

Liabilities and Assets of the Equitable Bank, Limited.

LIABILITIES. Dec. 31	Capital Paid up.	Reserve Fund.	Total Capital & Reserve.		Deposits and Current Accounts.		Profit & Loss.		Total Liabilities.
	£	£	£	%*	£	%*	£	%*	£
1919...	40,000	50,000	90,000	9·7	826,870	89·6	6,229	·7	923,099
1918...	13,500	15,575	29,075	4·9	558,842	94·4	4,296	·7	592,213
1917...	13,200	14,200	27,400	5·4	474,121	93·9	3,432	·7	504,953
1916...	13,200	13,200	26,400	6·6	370,913	92·6	3,161	·8	400,474
1915...	13,100	12,000	25,100	7·4	311,122	91·8	2,721	·8	338,943
1914...	13,100	11,000	24,100	8·8	248,887	90·5	2,187	·7	275,174
1913...	13,100	10,000	23,100	9·9	208,952	89·1	2,417	1·0	234,469
1910...	6,000	4,300	10,300	7·0	136,423	92·0	1,463	1·0	148,186

ASSETS. Dec. 31	Cash in Hand, at Call, &c.		Investments.		Bills of Exchange.		Advances, Loans, &c.		Total Assets.
	£	%*	£	%*	£	%*	£	%*	£
1919...	278,806	30·2	360,563	39·1	—	—	283,730	30·7	923,099
1918...	179,283	30·3	234,705	39·7	—	—	178,225	30·0	592,213
1917...	192,868	38·2	121,850	24·1	—	—	190,235	37·7	504,953
1916...	126,924	31·7	103,887	25·9	22,463	5·6	147,200	36·8	400,474
1915...	137,418	40·6	62,039	18·3	16,861	4·9	122,625	36·2	338,943
1914...	102,212	37·1	28,346	10·3	4,891	1·8	139,725	50·8	275,174
1913...	96,404	41·1	—	—	5,063	2·1	133,002	56·8	234,469
1910...	93,216	62·9	—	—	—	—	54,970	37·1	148,186

* Per cent. of Total Liabilities or Assets.

FARROW'S BANK.

Head Office: 1 Cheapside, London, E.C. 2.

Farrow's Bank has an authorised capital of one million shares of £1 each, of which have been issued 26,486 shares fully-paid, and 673,514 shares 10*s.* paid. The reserve liability is £336,757, the amount called up £363,243, and the sum actually paid up £361,198. In the first instance the Bank was registered (on February 26, 1904), under the Industrial and Provident Societies Act, 1893, as Farrow's Credit Bank, Limited, but subsequently, on May 16, 1907, registered under the Joint Stock Companies Acts as Farrow's Bank, Limited. Including the head office in London, the Bank has 76 branches in the United Kingdom.

The accounts are made up to June 30, 1919. The net profit for the 1918-19 period, including the balance from last account, £6,190, amounted to £54,768, out of which was paid a dividend of 6% less income tax. In our table we include deposits, current and other accounts under one head at £3,488,642, which compares with a total of £2,517,805 on June 30, 1918; but taking the figures as they appear in the Bank's balance sheet, current and other accounts on June 30, 1918, amounted to £892,222, while on June 30 last they amounted to £1,308,113—an increase of about £400,000. In 1918 the deposit accounts amounted to £1,625,582, and in 1919 to £2,180,529, an increase of £554,947. Every deposit held by the Bank is subject to an agreed notice, and no such money can be withdrawn at call. During the twelve years in which the Bank has been incorporated under the Joint Stock Companies Acts the current accounts have gone up from £87,000 to £1,308,000, deposits from £78,000 to £2,180,000, and the total assets of the Bank from £226,285 to £3,986,865. Compared with 1918, cash in hand has increased from £216,000 to £357,000. Investments (excluding the reserve fund investments, now £118,500) have increased from £801,000 to £1,449,500, and advances to customers have grown from £1,806,000 to £1,989,393. The amount of the Bank's holdings in foreign securities is not separately shown in the balance sheet, but the Russian, German, and Austrian securities are taken at a figure not exceeding £89,000. The reserve fund has been raised from £93,500 to £118,500, the whole invested in Treasury Bills, War Loan, National War Bonds, 6% Exchequer Bonds, Consols, and India 3½% Stock.

Profits of Farrow's Bank, Limited.

Year ended June 30	Gross Profit.	Expenses.	Net Profit.	Div. Earned.	Div. Paid.	Tax.	Special Allocations.	Carried Forward.
	£	£	£	%	%	£	£	£
1919...	—	—	48,578	13·4	6	21,687	25,400	7,681
1918...	198,733	161,915	36,818	10·2	6	21,655	15,000	6,190
1917...	183,856	152,316	31,540	8·73	6	21,675	16,000	6,027
1916...	183,469	150,064	33,405	9·30	6	21,555	10,000	12,162
1915...	169,265	131,769	37,496	11·08	6	20,288	15,000	10,312
1914...	145,814	115,262	30,552	5·83	7	21,612	7,500	8,104
1913...	121,561	97,899	23,662	9·42	7	17,574	5,600	6,664

Liabilities and Assets of Farrow's Bank, Limited.

LIABILITIES. June 30	Capital Paid up.	Reserve Fund.	Total Capital and Reserve.		Deposit & Current Accounts, &c.		Profit Balance.		Total Liabilities.
	£	£	£	%*	£	%*	£	%*	£
1919...	361,198	118,500	479,698	12·0	3,488,642	87·5	18,525	·5	3,986,865
1918...	361,112	93,500	454,612	15·2	2,517,805	84·2	17,020	·6	2,989,437
1917...	360,935	78,500	439,435	17·6	2,033,420	81·7	16,850	·7	2,489,705
1916...	360,776	62,500	423,276	20·0	1,668,316	78·9	22,943	1·1	2,114,535
1915...	359,193	52,500	411,693	21·9	1,449,273	77·0	19,922	1·1	1,880,888
1914...	353,616	37,500	391,116	23·7	1,236,746	74·9	21,742	1·4	1,649,604
1910...	59,662	15,000	74,662	11·8	554,440	87·1	7,202	1·1	636,305

ASSETS. June 30	Cash in Hand, &c.		Investments.		Bills, Loans, and Advances		Bank Premises.		Total Assets.
	£	%*	£	%*	£	%*	£	%*	£
1919...	357,169	9·0	1,568,045	39·3	1,989,393	49·9	72,258	1·8	3,986,865
1918...	216,343	7·2	894,718	30·0	1,806,111	60·4	72,265	2·4	2,989,437
1917...	160,170	6·4	630,488	25·3	1,625,015	65·3	74,032	3·0	2,489,705
1916...	143,317	6·8	580,979	27·5	1,313,475	62·1	76,764	3·6	2,114,535
1915...	112,083	6·0	542,763	28·9	1,146,676	60·9	79,366	4·2	1,880,888
1914...	122,614	7·4	588,239	35·6	860,557	52·2	78,194	4·8	1,649,604
1910...	74,812	11·8	172,603	27·1	326,585	51·4	62,305	9·7	636,305

* Per cent. of Total Liabilities or Assets.

GLYN, MILLS, CURRIE AND COMPANY.

Office: 67 Lombard Street, London, E.C. 3.

This institution enjoys the distinction of being the largest single-office bank in the United Kingdom; it is also one of the oldest British banking establishments in existence. The precise date on which it started doing business is unknown, but it is on record that somewhere about the year 1754 the founders were carrying on the business of banking under the title of Vere, Glyn, Hallifax and Co. In 1797 we find the firm operating under the name of Glyn, Mills, Hallifax and Co., and in 1851 the Bank was known as Glyn, Mills and Co., this name being retained until 1864, when an amalgamation was effected with the firm of Currie and Co. (established in 1773), and from that period the house has carried its present title—Glyn, Mills, Currie and Co. It was the first of the private banks to adopt the joint-stock system of issuing balance sheets to the public. The Company was registered with unlimited liability on January 14, 1885.

The total paid-up capital of Glyn's is £1,000,000, and the reserve fund £500,000, no change in either figure having taken place since the registration of the Company in 1885. For many years there was a continual increase in deposits, especially from the year 1908. In 1914 they had reached a total of £19,422,903; the following year a fall of about £2,000,000 was recorded, which was more than recovered by 1916, and by 1917 the increase registered

THE KUHARA MINING CO.
LIMITED
(INCORPORATED IN JAPAN).

Producers and Exporters of Metals and Minerals.

CAPITAL - - - Yen 75,000,000

Head Office: OSAKA, JAPAN.

THE KUHARA TRADING CO.
LIMITED
(INCORPORATED IN JAPAN).

Importers and Exporters, Commission Agents and Shipping Business.

CAPITAL - - Yen 10,000,000 Head Office: OSAKA, JAPAN.

Sole Agent of the KUHARA MINING COMPANY, Ltd.

Branches and Agencies—LONDON: 60 MARK LANE, E.C. 3. Telephone: Avenue 925.

Tokio, Kobe, Yokohama, New York, San Francisco, Seattle, Paris, Lyons, Milano, Hamburg, Bombay, Calcutta, Batavia, Sourabaya, Singapore, Hongkong, Shanghai, Tsinan, Tientsin, Vladivostock.

YAMASHITA SHOTEN

General Import and Export Merchants

10 Kitakyutaro Machi, OSAKA, JAPAN.

Cable Address:
"KANEYAMA, OSAKA."

Codes used:
A B C, 5th, Bentley's and Lieber's Complete Phrase Code.

Liabilities and Assets of Glyn, Mills, Currie and Company.

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Acceptances. £	% *	Deposits. £	% *	Miscellaneous. £	% *	Total Liabilities. £
1919 ...	1,000,000	500,000	1,500,000	4·5	1,525,970	4·5	30,559,059	90·6	142,456	·4	33,727,485
1918 ...	1,000,000	500,000	1,500,000	5·2	982,739	3·4	26,346,874	91·0	137,736	·4	28,967,349
1917 ...	1,000,000	500,000	1,500,000	5·4	1,092,250	4·0	24,781,965	90·1	133,102	·5	27,507,317
1916 ...	1,000,000	500,000	1,500,000	6·6	1,068,479	4·7	19,992,138	88·1	128,330	·6	22,688,947
1915 ...	1,000,000	500,000	1,500,000	7·6	1,025,371	5·2	17,193,471	86·6	123,967	·6	19,842,809
1914 ...	1,000,000	500,000	1,500,000	6·9	571,268	2·6	19,422,903	89·5	119,229	·6	21,613,400
1913§ ...	1,000,000	500,000	1,500,000	7·5	1,352,023	6·7	17,194,359	85·3	104,745	·5	20,151,127
1910§ ...	1,000,000	500,000	1,500,000	7·7	1,332,398	6·9	16,590,994	85·1	65,159	·3	19,488,551

ASSETS. Dec. 31	Cash in Hand, &c. £	% *	Money at Call and at Short Notice. £	% *	Investments. † £	% *	Bills Discounted and Advances. ‡ £	% *	Liab. of Cust. for Acceptances. £	% *	Bank Premises. £	% *	Total Assets. £
1919 ...	5,467,410	16·2	6,638,750	19·7	9,986,983	29·6	9,738,372	28·9	1,525,970	4·5	370,000	1·1	33,727,485
1918 ...	4,800,548	16·6	6,605,000	22·8	10,747,764	37·1	5,461,298	18·8	982,739	3·4	370,000	1·3	28,967,349
1917 ...	4,650,405	16·9	8,120,000	29·5	7,363,751	26·8	5,091,911	21·5	1,092,250	4·0	370,000	1·3	27,507,317
1916 ...	3,880,343	17·1	6,019,000	26·5	5,621,418	24·8	5,729,707	25·2	1,068,479	4·7	370,000	1·7	22,688,947
1915 ...	3,181,023	16·0	3,337,200	16·8	5,659,895	28·5	6,269,320	31·6	1,025,371	5·2	370,000	1·9	19,842,809
1914 ...	4,055,473	18·7	5,023,000	23·3	3,637,722	16·8	7,955,937	36·8	571,268	2·6	370,000	1·8	21,613,400
1913§...	3,244,374	16·1	4,729,080	23·5	2,819,689	14·1	7,606,011	37·8	1,352,023	6·7	370,000	1·8	20,151,127
1910§...	2,775,805	14·2	4,716,594	24·2	3,730,334	19·1	6,563,220	33·6	1,332,398	6·9	370,000	2·0	19,488,551

* Per cent. of Total Liabilities or Assets. † British, Indian and Colonial Government securities. ‡ Including other securities.
§ Previous to 1914 the accounts were made up to January of each year.

was about £5,000,000. In 1919 the record total of £30,559,059 has been reached. The continuous expansion in deposits is also reflected on the assets side of the balance sheet; cash in hand, &c., at the close of the year 1919 was £2,286,387 in excess of that in 1915. The book value of investments, at £9,986,983, shows a decrease of £760,781 since 1918. The sum invested in 5% National War Bonds 1922 and 1923 is equal to the paid-up capital and reserve—£1,500,000. Securities of, or guaranteed by, the British Government stand at £8,443,250, while Colonial Government securities total £43,732. Bills discounted and advances made an impressive advance during 1919, reaching £9,738,372, as compared with £5,461,298 a year ago. Bank premises have stood at £370,000 since 1905.

The liabilities on account of acceptances, endorsements, &c. (covered by securities), not included in the balance sheet, amount to £1,525,970. Including this sum, the liabilities to the public on December 31, 1919, amounted to £32,085,029.

GUERNSEY BANKING COMPANY.

Head Office: 29 High Street, Guernsey.

THE Guernsey Banking Company was established in 1827. Its authorised capital is £250,000 in 5,000 shares of £50 each, on which £10 per share has been paid, making the paid-up capital £50,000. The reserve fund has now been restored to £60,000, at which it stood in 1915. The note circulation, which usually fluctuates between £38,000 and £40,000, on June 30 last was up to £48,504. The gross profit for the year then ended was £23,143, and the net profit £18,202, or £5,412 more than in 1918, the record profit year. On this occasion a dividend of 32*s.* per share was paid, equal to 16%, as against 15% last year and 13% paid for the previous 18 years. Of the Company's reserve fund, £40,000 is invested in War Loan, and the second reserve account has been increased by the allocation of £5,250 from the profits earned to June 30, 1919, to £25,000. A further £1,000 has been placed to pension fund, and £500 devoted to the payment of a war bonus to the staff, leaving the carry-forward at £4,238.

Profits of the Guernsey Banking Company, Limited.

Year ended June 30	Gross Profit £	Expenses £	Net Profit £	Dividend—Earned %	Dividend—Paid %	Dividend—Paid £	Special Allocat'ns £	Carried Forw'd £
1919 ...	23,143	4,941	18,202	36·40	16·80	8,400	6,750	4,238
1918 ...	17,065	4,275	12,790	25·58	15·75	7,875	4,600	1,186
1917 ...	15,704	3,605	12,099	24·20	13·65	6,825	5,251	871
1916 ...	15,059	3,575	11,484	22·97	13·65	6,825	4,013	848
1915 ...	14,404	3,320	11,084	22·16	13·65	6,825	4,532	202
1914 ...	13,690	3,248	10,442	20·88	13·65	6,825	3,500	475
1913 ...	13,519	2,990	10,529	21·06	13·65	6,825	3,775	358

HIBERNIAN BANK.

Head Office: College Green, Dublin.

THE establishment of this Irish Bank dates back to 1825, when it started business under the name of the Hibernian Joint Stock Company. Sixty years later, in 1885, the title was altered to its present form, registration with limited liability having been effected in 1881. The Head Office of the Bank is in Dublin, and at the present time there are 101 branches and agencies.

In 1872 the paid-up capital of the Bank was £375,000, in 1873 it was increased to £500,000, and there has been no change since that year. The authorised capital is £2,000,000, in 100,000 shares of £20 each; the amount paid up per share is £5.

The figures of the balance sheet for 1919, like those of the previous year, reveal steady progress. Deposits and credit balances have reached the record figure of £11,613,166, an increase of about £2,500,000 over those of December 31, 1918. This increase in deposits is accompanied by a substantial increase in the liquid assets—the cash, Treasury bills, and in-

Liabilities and Assets of The Guernsey Banking Company, Limited.

LIABILITIES. June 30	Capital Paid up. £	Reserve Funds. £	Total Capital and Reserve. £	% *	Notes in Circulation. £	% *	Deposits, &c. £	% *	Profit Balance. £	% *	Total Liabilities. £
1919... ...	50,000	60,000	110,000	14·6	48,504	6·4	581,690	76·9	16,237	2·1	756,431
1918... .	50,000	58,000	108,000	19·5	42,136	7·6	393,170	71·0	10,510	1·9	553,816
1917... ...	50,000	56,000	106,000	22·9	39,025	8·4	308,328	66·7	9,146	2·0	462,499
1916 .	50,000	55,000	105,000	22·8	39,076	8·5	309,404	67·1	7,572	1·6	461,052
1915... ...	50,000	60,000	110,000	23·3	39,731	8·4	317,371	67·4	3,877	·9	470,979
1914... .	50,000	60,000	110,000	23·8	37,531	8·1	306,465	66·4	7,650	1·7	461,646
1913...	50,000	60,000	110,000	25·4	37,785	8·8	276,988	64·0	7,808	1·8	432,581
1910... ..	50,000	60,000	110,000	25·5	38,700	9·1	275,045	63·8	7,176	1·8	430,921

ASSETS. June 30	Cash in Hand, &c. £	% *	Investments. £	% *	Bills Discounted. £	% *	Advances £	% *	Bank Premises, &c. £	% *	Total Assets. £
1919 ..	137,158	18·1	371,980	49·2	61,093	8·1	179,700	23·7	6,500	·9	756,431
1918 ...	158,493	28·6	174,127	31·4	9,369	1·7	205,327	37·1	6,500	1·2	553,816
1917 . . .	80,694	17·4	119,612	25·9	11,885	2·6	243,808	52·7	6,500	1·4	462,499
1916	57,250	12·5	130,048	28·2	12,268	2·6	254,986	55·3	6,500	1·4	461,052
1915 .	74,999	15·9	126,366	26·9	12,641	2·7	250,848	53·2	6,125	1·3	470,979
1914 . .	73,814	15·9	117,211	25·4	13,705	3·0	251,560	54·5	5,356	1·2	461,646
1913 .	63,745	14·8	85,594	19·8	13,977	3·2	264,265	61·0	5,000	1·2	432,581
1910 . .	55,003	12·8	91,048	21·1	14,103	3·2	265,797	61·7	5,000	1·2	430,921

* Per cent. of Total Liabilities or Assets.

THE NATIONAL BANK, LIMITED.

Head Offices—13-17 OLD BROAD STREET, LONDON, E.C. 2. ESTABLISHED 1835.

Capital Subscribed, £7,500,000. Paid up, £1,500,000. Rest, £800,000.

DIRECTORS.

SIR JOHN PURCELL, K.C.B., CHAIRMAN. | JAMES BLACKADER MEERS, Esq., C.B., DEPUTY-CHAIRMAN.

*RT. HON. FRANK T. BROOKE, D.L. [D.L.
RT. HON. ALEXANDER MONTGOMERY CARLISLE,
*SIR THOMAS HENRY GRATTAN ESMONDE, Bart.
*RT. HON. SIR WM. J. GOULDING, Bart., D.L.
*R. J. KELLY, Esq., K.C.
RT. HON. LORD MACDONNELL OF SWINFORD, G.C.S.I., K.C.V.O.
*THOMAS PATRICK MORRISSEY, Esq., J.P.
*SIR JOHN R. O'CONNELL, M.A.
*JAMES JOHN O'CONNELL, Esq.
PATRICK WALTER STAFFORD, Esq., LL.D.
CHARLES FREDERICK HIGGINSON, Esq.
(Hon. Director.)
*These Directors sit in Dublin.

Secretary—ALFRED LOCKYER. **Solicitors**—W. H. DUNNE, Esq., 7 Suffolk Street, Dublin; P. C. FAWCETT, Esq., 16 Old Broad Street, E.C. 2.

LONDON.—13 OLD BROAD ST., E.C. 2—C. F. HIGGINSON, *Manager*; F. W. CARR, STANLEY ARCHER, *Joint Sub-Managers.*

Baker Street.—23 Baker Street, W. 1 ... ... J. H. Sangway, *Manager.*
Bayswater.—68 Gloucester Gardens, Bishop's Rd., W.2 W. H. Bishop, „
Belgravia.—19 & 21 Grosvenor Gardens, S.W. 1 ...H. M. Bexfield, „
Camden Town.—189 High Street, N.W. 1 ... ...J. P. Gandy, „
Charing Cross.—9 and 10 Charing Cross, S.W. 1 ...A. V. P. Carroll, „
Harrow Road.—2 Elgin Avenue, W. 9 ... ...G. J. Wareham, „
Islington.—361 and 363 Goswell Road, E.C. 1 ... ...A. W. Davey, „
King's Cross.—286 Pentonville Road, N. 1 ... ...H. C. Ravner, *Manager.*
Leadenhall Street.—21 Leadenhall Street, E.C.3. ...George Costello, „
Notting Hill.—156 & 158 High Street, W. 11 ... ...W. J. Stephens, „
Oxford Street.—274 & 276 Oxford Street, W. 1 ...E. N. D. Crabb, „
Regent Street.—3 Regent Street, S.W. 1 ... ...H. E. Webster, „
Strand.—180 Strand, W.C. 2 ... ...J. H. Canvin, „
Willesden.—St. Mary's Road, Harlesden, N.W 10 ...George Oswin.

BRISTOL.—25-27 Clare Street, F. Blackburn, *Manager.*
CARDIFF CITY.—St. Mary Street, F. J. C. Lima, *Manager.*
CARDIFF DOCKS.—125 Bute Street, J. E. Leopard, *Manager.*
LIVERPOOL.—1 Water Street, J. E. Sparkes *Manager.*
NEWPORT (Mon.).—32 Commercial Street, J. A. H. Lewis, *Manager.*
MANCHESTER.—Spring Gardens, F. E. King, *Manager.* } S. Marrison,
SALFORD.—301 and 303 Chapel Street, A. H. B. Andoe, *Manager.* } *Sub-Manager.*
SWANSEA.—204 High Street ... ... W. M. Sterne, *Manager.*
PT. TALBOT & ABERAVON.—Station Street, H. A. Thomas, *Manager.*

IRELAND.

DUBLIN.—34 College Green ... J. J. O'Connell, *General Manager for Ireland*; D. W. Jackson, *Manager*; J. J. O'Loghlen, *Sub-Manager.*

And 113 Branches and 85 Sub-Offices throughout the Provinces.

THE NATIONAL BANK, LIMITED.

Current Accounts are opened and conducted in conformity with the practice of London Bankers. Current Account Customers have the usual facilities for the discounting of approved Bills, obtaining Loans upon negotiable Securities, depositing Bills, Coupons, &c., for collection, and of lodging with the Bank Deeds and other valuable property for safe custody. Every facility is afforded for the transmission of money and for the receipt and delivery of Stocks, Shares, &c., between Great Britain and Ireland. The Bank undertakes the collection of Dividends, Coupons, Annuities, Pensions, &c., for its Customers free of charge and transacts every description of Banking Business, including the Purchase and Sale of Stocks, Shares, Securities, &c.

Deposits in sums of £10 and upwards are received from the public at the current rate of interest allowed on such accounts, subject to seven days' notice of withdrawal. And at all Branches deposits from 1s. upwards are received under the head of "National Thrift."

Letters of Credit payable at the chief commercial cities and towns of the world are granted.

Circular Notes are issued by the Bank addressed to all and payable at any of the places on the Continent where the Bank has an Agent.

Ireland.—Drafts are granted on the numerous Branches of the Bank and Bills, &c., collected in the principal Cities and Towns in Ireland.

*** Every Official signs a Declaration of Secrecy as to the Accounts of Individuals and the affairs of the Bank generally. A. LOCKYER, *Secretary.*

BECKETTS' BANKS.

HEAD OFFICE - LEEDS.

DR. **BALANCE SHEET, 31st DECEMBER, 1919.** CR.

LIABILITIES.	£	s.	d.
To Deposits and Credit Balances, including Partners' Balances	10,746,947	0	4
Notes in Circulation	153,690	0	0
Liability on Undue Drafts and on Foreign Bills negotiated	525,432	2	2
Partners' Capital	600,000	0	0
	£12,026,069	2	6

ASSETS.	£	s.	d.	£	s.	d.
By Cash in hand, with the Bank of England, and at Call				1,669,866	12	3
English Treasury Bills				1,800,000	0	0
Investments—	£	s.	d.			
*National War Bonds, Exchequer Bonds, War Loan and Victory Bonds	3,386,610	0	0			
Leeds Corporation short-dated Bonds, India † Government Stocks, and other Securities	262,453	0	0			
				3,649,063	0	0
				£7,118,929	12	3
Advances to Customers and Bills Discounted				4,185,624	11	6
Bank Premises				196,082	16	7
Liability on Undue Drafts and on Foreign Bills negotiated, per Contra				525,432	2	2
				£12,026,069	2	6

*These Investments have been valued at or under prices current on 31st Dec., 1919, with the exception of National War Bonds, which have been taken at issue price.

† £80,000 India Stock is deposited with the East Riding County Council.

We have compared the above Balance Sheet with the Books at Head Office and Branches, and find the same correctly drawn up and in accordance therewith. We have examined the Bills and the Securities representing the Investments, and find them in order, and we have verified the correctness of the Cash Balances.

(Signed) TURQUAND, YOUNGS & CO., Auditors.

LEEDS, 8th January, 1920.

THE UNION BANK OF MANCHESTER,

ESTABLISHED 1836. LIMITED.

MEMBER OF THE "BARCLAY" GROUP OF BANKS.

Head Office - YORK STREET, MANCHESTER.

Over 130 Branches, covering the whole of Lancashire, Cheshire and the West Riding of Yorkshire, including

LIVERPOOL. LEEDS.
BRADFORD. SHEFFIELD.

The "Barclay" Group of Banks—
BARCLAYS BANK LIMITED.
THE BRITISH LINEN BANK (Scotland).
THE UNION BANK OF MANCHESTER, LIMITED.

Total Paid-up Capital and Reserve Funds exceed - - - - - - **£25,000,000**
Total Assets exceed - - - - - - - - - - - - **£375,000,000**

1,750 BRANCHES THROUGHOUT GREAT BRITAIN.

EVERY DESCRIPTION OF HOME AND OVERSEAS BANKING TRANSACTED.

FOREIGN DEPARTMENT. **SAVINGS DEPARTMENT.**

Liabilities and Assets of The Hibernian Bank, Limited.

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund. £	Investment Reserve. £	Total Capital and Reserve. £	% *	Deposits, &c. £	% *	Miscellaneous. £	% *	Profit Balance. £	% *	Total Liabilities. £
1919 ...	500,000	160,000	—	660,000	5·3	11,613,166	94·0	42,190	·4	37,296	·3	12,352,652
1918 ...	500,000	140,000	—	640,000	6·5	9,058,642	92·3	40,700	·4	27,192	·3	9,766,534
1917 ...	500,000	125,000	10,000	635,000	8·4	6,883,117	90·8	39,251	·5	27,587	·3	7,584,955
1916 ...	500,000	125,000	—	625,000	10·5	5,293,813	88·5	37,782	·6	25,379	·4	5,981,974
1915 ...	500,000	112,500	—	612,500	11·7	4,558,164	87·2	36,541	·7	18,754	·4	5,225,959
1914 ...	500,000	95,000	115,000	710,000	13·5	4,516,901	85·5	34,852	·6	18,022	·4	5,279,775
1913 ...	500,000	90,000	105,000	695,000	14·1	4,172,677	84·8	32,605	·7	17,672	·4	4,917,954
1910 ...	500,000	150,000	42,500	692,500	15·3	3,783,180	83·7	27,186	·6	19,547	·4	4,522,413

ASSETS. Dec. 31	Cash in Hand. £	% *	Investments. £	% *	Bills Discounted. £	% *	Loans and Advances. £	% *	Bank Premises Account. £	% *	Total Assets. £
1919 ...	1,485,146	12·0	6,038,880	48·9	†		4,685,237	37·9	143,389	1·2	12,352,652
1918 ...	1,120,497	11·5	4,507,880	46·2	1,577,438	16·1	2,418,645	24·7	142,074	1·5	9,766,534
1917 ...	2,117,868	27·9	1,687,791	22·2	1,531,974	20·2	2,106,192	27·8	141,130	1·9	7,584,955
1916 ...	1,503,864	25·1	1,478,102	24·7	618,505	10·4	2,239,229	37·4	142,274	2·4	5,981,974
1915 ...	675,971	12·9	1,489,765	28·5	660,798	12·6	2,256,363	43·2	143,062	2·8	5,225,959
1914 ...	843,005	16·0	1,275,585	24·1	704,826	13·4	2,313,840	43·8	142,519	2·7	5,279,775
1913 ...	388,573	7·9	1,237,232	25·1	780,193	15·9	2,368,471	48·2	143,485	2·9	4,917,954
1910 ...	279,451	6·2	1,173,380	26·0	800,581	17·7	2,132,104	47·1	136,897	3·0	4,522,413

* Per cent. of Total Liabilities or Assets. † Included with Loans and Advances.

vestments amounting in the aggregate to £8,186,045—an eminently satisfactory position. It is also satisfactory to note that, notwithstanding the abnormal conditions in Ireland and elsewhere, bills discounted (excluding Treasury bills), advances and loans, amounting to £3,944,107, show an increase of £986,194. At the half-yearly meeting in January last it was stated that steady and marked progress had been maintained, the business under all heads exhibiting satisfactory expansion.

From the profit and loss account it appears that the gross profits for last year showed an increase of £25,927, and the expenditure under all heads an increase of £18,428, as compared with 1918, with the result that net profits are better by £7,499. The increase in expenditure is largely attributable to revision of staff salaries and bonuses. The directors have been able, after passing £20,000 to the reserve fund, to pay an increased dividend of 8% per annum, and to carry forward £17,296 to next account, as against £9,692 brought in from the preceding year. The following statement shows the exact record since 1913:—

Profits of the Hibernian Bank, Limited.

Year to Dec. 31	Gross Profit £	Expenses £	Net Profit £	Div. Subject to Tax Earned %	Paid %	Paid £	Special Allocat'ns £	Carried Forward £
1919...	184,139	114,535	69,604	13·92	8·0	40,000	22,000	17,296
1918...	158,212	96,107	62,105	12·42	7·0	35,000	27,500	9,692
1917...	131,082	76,874	54,208	10·84	6·5	32,500	21,000	10,087
1916...	123,930	73,806	50,124	10·02	6·0	30,000	14,500	9,378
1915...	119,876	69,662	50,214	10·04	6·4	31,981	17,500	3,754
1914...	114,869	64,015	50,854	10·17	6·5	32,505	18,000	3,021
1913...	113,558	62,517	51,041	10·21	6·3	31,859	20,000	2,672

Above is a table giving the liabilities and assets for 1910, and from 1913 to 1919.

HOARE (CHAS.) AND COMPANY.

Office: 37 Fleet Street, London, E.C. 4.

THE figures of this old-established banking Company's balance sheet to July 7, 1919, show a further advance following the recovery during 1917-18 from the shrinkage in deposits, &c., noticed in previous accounts. The total capital and reserve stands, as it has done for many years past, at £485,000, but deposits have increased from £2,688,627 to £3,213,275. Cash in hand and at bankers shows an increase from £461,586 to £562,393, while money at call and short notice has soared from £110,000 to £320,000. Investments have nearly doubled the 1918 figure of £715,286, but loans, advances, and bills discounted are lower by £477,871 than in 1918. Bank premises still stand at £100,000. The Bank's liabilities and assets now total £3,698,275; on July 6, 1918, the amount was £3,173,627. Liabilities to the public on July 7 last were £3,213,275.

The accompanying table will give the reader a clear insight into the Bank's position.

ISLE OF MAN BANKING COMPANY.

Head Office: Douglas.

THE Isle of Man Banking Company, Limited, was established in 1865, and is incorporated under the Isle of Man Companies' Act. As its name suggests, its operations are principally confined to the Island, in which it has its head office at Douglas and seven branches at other places. The paid-up capital of the Bank in 1877 was £24,000; in 1880 it stood at £30,000, since when there has been no change. The authorised capital is £150,000 in 15,000 shares of £10 each, £2 per share paid up, so that the uncalled liability amounts to £8 per share. The Bank is, therefore, a comparatively small institution, but it has had another extraordinarily successful year, and the balance sheet presented on January 26, 1920, was the best ever placed before the shareholders of the bank, the figures exhibiting a sound and healthy position. The profits for 1919, at £18,299, are larger than those of the previous year by £3,300, and, consequently, the Bank has been able to increase its reserve fund by £10,000, as against £8,000 for 1918. The reserve now stands at £48,000, and the investment reserve at £40,000. £1,000 was used to write down the value of the Bank premises. For some years the dividend was at the rate of 15%; last year, by the payment of a bonus of 5%, the distribution was increased to 20%; this year the dividend and bonus is at the rate of 22½%. The following statement shows the profit recorded for the last seven years:—

Profits of the Isle of Man Banking Company, Limited.

Year ended Dec. 31	Net Profit £	Dividend Subject to Tax Earned %	Paid %	Paid £	Special Allocations £	Carried Forward £
1919	18,299	61·00	22½	6,750	11,000	3,828
1918	14,991	49·97	20	6,000	8,605	3,279
1917	12,355	41·18	15	4,500	7,500	2,893
1916	10,038	33·46	15	4,500	5,000	2,538
1915	9,197	30·65	15	4,500	4,500	2,000
1914	8,464	28·21	15	4,500	4,000	1,803
1913	8,610	28·70	15	4,500	4,400	1,839

Deposits, &c., at £1,727,995 are £421,126 up, as compared with 1918. The note issue of the Bank

Liabilities and Assets of Messrs. Charles Hoare and Company.

July 7	LIABILITIES. Total Capital and Reserve £	% *	Deposits, &c. £	% *	Total Liabilities and Assets. £	ASSETS. Cash in Hand & at Bankers. £	% *	Money at Call and at Short Notice. £	% *	Investments. £	% *	Loans, Advances and Bills Discounted. £	% *	Bank Premises Account. £	% *
1919	485,000	13·1	3,213,275	86·9	3,698,275	562,393	15·2	320,000	8·7	1,406,998	38·0	1,308,884	35·4	100,000	2·7
1918	485,000	15·3	2,688,627	84·7	3,173,627	461,586	14·5	110,000	3·5	715,286	22·6	1,786,755	56·3	100,000	3·1
1917	485,000	18·8	2,089,841	81·2	2,574,841	396,881	15·4	264,700	10·3	544,700	21·1	1,268,560	49·3	100,000	3·9
1916	485,000	17·2	2,348,755	82·8	2,833,755	414,805	14·7	428,000	15·1	844,142	29·8	1,046,808	36·9	100,000	3·5
1915	485,000	15·3	2,683,411	84·7	3,168,411	563,767	17·8	507,000	16·0	618,945	19·6	1,378,699	43·5	100,000	3·1
1914	485,000	15·0	2,752,753	85·0	3,237,753	492,704	15·2	496,000	15·3	719,513	22·2	1,429,536	44·2	100,000	3·1
1913	485,000	15·4	2,670,836	84·6	3,155,836	487,658	15·5	435,000	13·8	780,965	24·7	1,352,213	42·9	100,000	3·1
1910	485,000	14·7	2,818,680	85·3	3,303,680	506,826	15·3	420,000	12·8	1,012,082	30·6	1,264,772	38·3	100,000	3·9

* Per cent. of Total Liabilities or Assets.

THE NATIONAL SHAWMUT BANK OF BOSTON, MASSACHUSETTS



U.S.A.

Established 1837 *Cable Address: QUOSHAWMUT*

Capital - - - - - - - - - $10,000,000

Surplus and Undivided Profits over - $10,500,000

Transacts general Foreign Banking Business, and meets all modern financial needs of importers, exporters and bankers at home and abroad. Correspondence invited.

London Correspondents:
LONDON JOINT CITY AND MIDLAND BANK, LIMITED.
BARCLAYS BANK LTD. LLOYDS BANK LTD.

Commercial Bank of Spanish America, Limited

Head Office - - 9 BISHOPSGATE, LONDON, E.C. 2.

BRANCHES.

UNITED STATES -	New York (49 Broadway).	COLOMBIA - -	Barranquilla.
„ „	San Francisco (465 California St.).	„ - -	Bogota.
		„ - -	Medellin.
NICARAGUA - -	Managua.	VENEZUELA - -	Caracas.
ECUADOR - -	Guayaquil.	„ - -	Puerto Cabello.
„ - -	Manta.	PERU, RIO AMAZONAS - -	Iquitos.
GUATEMALA - -	Guatemala.	SALVADOR - -	San Salvador.
		„ - -	Sonsonate.

The Bank transacts General Banking Business in the above-mentioned countries; receives, sells, and makes Advances against consignments of produce of every description; issues Letters of Credit; collects Bills of Exchange; receives Deposits, and opens Accounts Current on terms which will be furnished on application. In conducting this class of business the Bank has had an experience of more than Thirty Years.

BANCO DE BILBAO.

ESTABLISHED 1857.

Head Office—BILBAO.

Branches: MADRID, VITORIA, PARIS, 27 RUE VIVIENNE (Place de la Bourse).

LONDON: 5 Bishopsgate.

Authorised Capital 100,000,000 pesetas. Paid-up Capital 51,000,000 pesetas.
Reserve Fund 54,000,000 pesetas.

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The London Branch has been established with a view to the development of Anglo-Spanish Commerce.

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Foreign Exchange, Stock Exchange, and banking business of every description carried out.

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Liabilities and Assets of The Isle of Man Banking Company, Limited.

LIABILITIES. Dec. 31.	Capital Paid up. £	Reserve Fund. £	Investment Reserve. £	Total Capital and Reserves. £	% *	Notes in Circulation. £	% *	Deposits, &c. £	% *	Profit Balance. £	% *	Total Liabilities. £
1919	30,000	48,000	40,000	118,000	6·1	88,643	4·5	1,727,995	89·0	7,578	·4	1,942,216
1918	30,000	38,000	40,000	108,000	7·1	84,174	5·6	1,306,869	86·8	7,029	·5	1,506,072
1917	30,000	30,000	40,000	100,000	8·5	68,395	5·8	1,006,172	85·3	5,143	·4	1,179,710
1916	30,000	23,000	45,500	98,500	9·2	63,086	5·9	909,097	84·5	4,788	·4	1,075,471
1915	30,000	33,000	—	63,000	6·3	57,850	5·8	873,807	87·5	4,250	·4	998,907
1914	30,000	38,000	—	68,000	6·9	38,649	3·9	879,425	88·4	8,053	·8	994,127
1913	30,000	38,000	—	68,000	6·8	25,488	·6	896,757	90·2	4,089	·4	994,334
1910	30,000	38,000	—	68,000	7·5	26,340	2·9	806,350	89·1	3,965	·5	904,655

ASSETS. Dec. 31	Cash in Hand and at Bankers. £	% *	Investments. £	% *	Bills Discounted, Advances, &c. £	% *	Bank Premises and other Assets. £	% *	Total Assets. £
1919	335,607	17·3	1,077,041	55·5	499,568	25·7	30,000	1·5	1,942,216
1918	283,328	18·8	830,297	55·1	361,447	24·0	31,000	2·1	1,506,072
1917	206,657	17·6	438,914	37·2	502,639	42·6	31,500	2·6	1,179,710
1916	222,204	20·7	406,706	37·8	414,561	38·5	32,000	3·0	1,075,471
1915	233,658	23·4	359,083	36·0	373,666	37·4	32,500	3·2	998,907
1914	232,561	23·4	370,374	37·3	358,433	36·0	32,759	3·3	994,127
1913	176,802	17·8	329,387	33·0	455,386	45·9	32,759	3·3	994,334
1910	123,019	13·6	377,636	41·7	370,425	41·0	33,575	3·7	904,655

* Per cent. of Total Liabilities or Assets.

shows an increase of £4,469, and stood on December 31 last at £88,643. Cash in hand, £335,607, is higher by £52,279; and investments, now standing at £1,077,041, have increased by the large sum of £246,744. Bills discounted and advances, £499,568, are £138,121 higher. Total assets amount to £1,942,216, which is £436,000 over the 1918 total. The figures have never approached anything like this level before.

Details of liabilities and assets under their respective headings are given above.

LANCASHIRE AND YORKSHIRE BANK.

Head Office: 43 Spring Gardens, Manchester.

Of the larger joint-stock banks the Lancashire and Yorkshire Bank is one of the youngest in point of age (it was registered on May 1, 1872), but one of the most important from the point of view of profits and progress. In 1873 the capital was £1,000,000, divided into 50,000 shares of £20 each; the present authorised capital is £4,000,000 in £20 shares. The subscribed capital in 1918 was £1,725,320, and the paid-up capital £862,660—that is, £10 per share, leaving £10 per share callable. Early in 1919 14,390 shares were allotted to shareholders at £27 10*s.* per share, being £10 for payment of capital and £17 10*s.* premium. The paid-up capital is thus increased to £1,006,560, and the reserve fund to £875,000 by addition of the premium and a further £23,175. This raises the fund well above the £655,000 at which it stood in 1915, when, owing to the severe depreciation in gilt-edged securities experienced by all banks, it had to be drawn on to the extent of £95,000, leaving a balance of £560,000.

For the year under review, after making provision for all eventualities, the Bank shows a profit of £216,410—that is, nearly £13,000 more than in 1918, and, by the addition to this sum of £86,878 brought forward, the accumulated profit reached the record figure of £303,288. Up to 1914 the Bank paid a steadily increasing dividend; then the rate of distribution was reduced from 17% to 16½%, followed by 16% for 1915 and 1916. For 1917, including a bonus of 2*s.* 8*d.* per share, the distribution rose to 17⅓%, while in respect of 1918, with 4*s.* bonus per share, 18% was divided. In 1919 an interim dividend of 16*s.* per share was paid in July, amounting to £80,524; a further dividend of 22*s.* per share, absorbing £110,721, also subject to income tax, was paid in January of this year. The amount carried forward to the new account, £88,867, is £2,000 more than last year.

The full record of profits since 1913 is given in the following table:—

Profits of the Lancashire and Yorkshire Bank, Limited.

Year ended Dec. 31	Net Profit £	Div. Earned %	Div. Subject to Tax Paid %	Div. Subject to Tax Paid £	Special Allocations £	Carried Forward £
1919 ...	216,410	21·50	19	191,246	23,175	88,867
1918 ...	203,984	23·64	18	155,279	20,000	86,878
1917 ...	191,032	22·14	17⅓	149,527	10,000	58,173
1916 ...	158,256	18·34	16	138,026	25,000	26,668
1915 ...	153,416	17·78	16	138,026	5,000	31,438
1914 ...	153,049	17·74	16½	142,339	5,000	21,048
1913 ...	165,263	19·15	17	146,652	15,000	15,328

The Bank's acceptances and other contingent liabilities, at £460,594, are £30,000 lower, and the totals of the balance sheet, £28,213,212, are over £4,000,000 more than at the end of 1918. On the assets side of the balance sheet, cash, investments and bills, at £17,305,801, represent a very handsome total. Advances are £3,693,007 higher than a year ago, and Bank property stands at £390,000.

The Bank is well represented in all the principal towns in Lancashire and Yorkshire, where it has 124 branches and agencies. It also has six branches in the Isle of Man, where the Bank is authorised to issue notes to the extent of £10,000. For the three years ending December 31, 1917, the note circulation was just under the authorised amount, but on December 31, 1919, it was £5,424 over, at £15,424.

Liabilities and assets for 1910 and the last seven years are as stated below; they form an interesting record of the Bank's progress:—

Liabilities and Assets of The Lancashire and Yorkshire Bank, Limited.

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Notes in Circulation. £	% *	Acceptances. £	% *	Deposits, Current Accounts, &c. £	% *	Profit Balance. £	% *	Total Liabilities. £
1919 ...	1,006,560	851,825	1,858,385	6.6	15,424	.1	460,594	1.6	25,656,046	90.9	222,763	.8	28,213,212
1918 ...	862,660	580,000	1,442,660	6·0	12,964	·1	491,118	2·0	21,690,616	91·0	193,144	·9	23,830,502
1917 ...	862,660	570,000	1,432,660	7·2	9,668	·1	203,990	1·0	18,075,553	91·0	148,688	·7	19,870,559
1916 ...	862,660	565,000	1,427,660	8·0	9,628	·1	529,892	2·9	15,773,293	88·3	120,681	·7	17,852,154
1915 ...	862,660	560,000	1,422,660	9·4	9,804	·1	227,860	1·5	13,364,669	88·3	105,451	·7	15,130,444
1914 ...	862,660	655,000	1,517,660	10·7	8,525	·1	142,438	1·0	12,320,790	87·5	95,061	·7	14,085,474
1913 ...	862,660	650,000	1,512,660	11·1	5,104	—	135,912	1·0	11,808,957	87·0	103,654	·9	13,566,287
1910 ...	862,660	635,000	1,497,660	12·9	5,123	—	74,840	·7	9,903,625	85·5	104,357	·9	11,585,605

ASSETS. Dec. 31	Cash in Hand and Money at Call, &c. £	% *	Investments. £	% *	Bills Discounted. £	% *	Loans and Advances. £	% *	Liab of Cust. for Acceptances. £	% *	Bank Premises Account. £	% *	Total Assets. £
1919 ...	5,441,125	19·3	6,291,051	22.2	5,600,626	19·9	10,076,816	35·6	460,594	1.6	390,000	1.4	28,213,212
1918 ...	6,762,991	28·4	4,618,799	19·4	5,208,785	21·9	6,363,809	26·7	491,118	2·0	385,000	1·6	23,830,502
1917 ...	4,592,590	23·1	4,347,445	21·8	3,587,038	18·1	6,754,496	34·0	203,990	1·0	385,000	2·0	19,870,559
1916 ...	4,862,517	27·3	4,718,824	26·4	1,055,096	5·9	6,309,325	35·4	529,892	2·9	385,000	2·1	17,852,154
1915 ...	2,768,118	18·3	4,875,824	32·2	474,956	3·1	6,398,686	42·3	227,860	1·5	385,000	2·6	15,130,444
1914 ...	3,048,540	21·6	3,084,426	21·9	1,163,725	8·3	6,258,345	44·4	143,438	1·0	385,000	2·8	14,085,474
1913 ...	3,170,486	23·3	2,358,952	17·3	1,547,956	11·4	5,968,884	44·0	135,912	1·0	385,000	3·0	13,566,287
1910 ...	2,287,779	19·7	2,513,549	21·7	602,713	5·2	5,721,724	49·4	74,840	·6	385,000	3·4	11,585,605

* Per cent. of Total Liabilities or Assets.

DEN DANSKE LANDMANDSBANK

HYPOTHEK-OG VEKSELBANK

Paid-up Capital :
100 Million Kroner.

Reserves :
45 Million Kroner.

COPENHAGEN (Denmark).

Telegraphic Address : Landmandsbank.

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Bandholm	Eskildstrup	Holbak	Kolind	Nordby	Roslev	Slangerup	Vejle
Bramminge	Farum	Hurup	Korsor	Nyborg	Rodby	Sonderho	Vestervig
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The Bank transacts every kind of legitimate Banking Business.

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London County Westminster and Parr's Bank, Ltd. London Joint City and Midland Bank, Ltd. British Bank of Northern Commerce, Ltd
Messrs. C. J. Hambro & Son. Barclays Bank Ltd. National Provincial and Union Bank of England, Ltd.

THE MITSUBISHI BANK, LTD.

(Incorporated in Japan.)

Subscribed Capital - - - Yen. 50,000,000
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President : BARON KOYATA IWASAKI.

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Maximum Assurance at Minimum Cost.

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FIRE. ACCIDENT. MARINE.

Assets exceed £800,000. Claims paid exceed £2,000,000.

LLOYDS BANK.

(*See also* **Lloyds and National Provincial Foreign Bank, Limited.**)

Head Office: 71 Lombard Street, London, E.C. 3.

As from July 1, 1918, the Capital and Counties Bank was absorbed by Lloyds Bank and its profits included in the figures of the latter. The Capital and Counties Bank, curiously enough, did not originate in London; it was first a country bank, with its head office in Southampton. It was established in 1834 with a capital of £300,000 divided into 6,000 shares of £50 each. In 1840 it commenced its policy of absorbing or amalgamating with other banks of lesser importance, and in the 30 years to 1907 had secured no fewer than 26 institutions. On the date of its absorption by Lloyds Bank the authorised capital was £10,000,000, and the subscribed capital £8,750,000 in £50 shares, on which £10 per share had been paid up, making the paid-up capital £1,750,000.

The establishment of Lloyds Bank as a joint-stock Company dates back to 1865. The nominal capital then was fixed at 40,000 shares of £50 each, of which 25,000 shares were issued, and not more than £12 10*s.* per share was to be called up. Lloyds Bank, as it happens, occupies the position of pioneer in the matter of bank amalgamations and absorptions, and it is reputed to have taken over more businesses than any other concern. Right throughout its career no opportunity has ever been lost for acquiring any sound banking establishment that might be available for extending and strengthening the influence of Lloyds Bank, Limited.

As we have said, the business of the Capital and Counties Bank was acquired in the first half of 1918, and during the year the amalgamation was successfully completed.

The Bank was also concerned with the London County Westminster and Parr's Bank and the Credito Italiano in the formation in 1916 of the British Italian Corporation in England, and the Compagnia Italo-Britannica in Italy, for promoting closer commercial and financial relations between this country and Italy.

During 1918 Lloyds also acquired 96.4% of the issued stock of the National Bank of Scotland, Limited, and 96% of the issued shares of the London and River Plate Bank, Limited, which figures have been increased during 1919 to 96.66% and 98.15% respectively. Last year also the Bank took over the West Yorkshire Bank, Limited, and opened new branches in Old Bond Street, W., at Barnard Castle, Berkhamsted, Carlisle, Croydon, Grantham, Herne Bay, Holyhead, Kendal, Knighton, Lewes, Penrith, Preston, Scarborough, Stourport, Teddington, Wallington, Whitehaven, and elsewhere. In addition, a large number of sub-branches were opened or reopened. During the year, too, the Bank invested £10,000 in fully-paid shares of the South Russia Banking Agency, Limited, a company formed by three of the principal banks and the British Trade Corporation, Limited, to assist in the development of British trade with South Russia. Shares have also been acquired in the Bank of British West Africa and the National Bank of New Zealand.

The authorised capital of Lloyds Bank at the end of 1919 was 1,200,000 shares of £50 each =£60,000,000; subscribed capital, 1,177,568 shares =£58,878,400; capital paid up, £8 per share =£9,420,544; while the reserve fund stood at £9,675,105.

In part consideration for the purchases of the stock of the National Bank of Scotland and the shares of the London and River Plate Bank, Limited, Lloyds issued, during 1918, 318,173 new shares at the rate of £25 each, representing a premium of £17 per share. Out of this premium the stock of the National Bank of Scotland and the shares of the London and River Plate Bank acquired were written down to £300 per £100 paid-up stock and £38 per share respectively, being approximately the prices at which they stood before their purchases by the Bank. The balance of the premium on the new shares of the Bank was carried to reserve fund, increasing it, with the appropriation of £660,460 out of the profit for the year, from £4,800,000 to £9,000,000.

On January 23, 1920, the directors issued a circular making the following recommendations:—

1. That an amount should be transferred from the Bank's reserve fund equal to £2 upon each of the existing shares, and should be credited to the amount of paid-up capital on such shares, making each £50 share £10, instead of £8, paid up.

2. That each of the £50 shares, with £10 paid up thereon, should thereafter be sub-divided into 10 shares of £5 each, with £1 paid up. Of the remaining £4 per share, £3 15*s.* would represent reserve liability—the proportion corresponding to the £37 10*s.* on the previous £50 shares.

3. That 2,500,000 new shares of £5 each should be created, and that 2,355,456 of such new shares should be offered in the first instance for subscription (by provisional allotment, with right of renunciation) to the existing shareholders at the rate of two new shares in respect of each share of £50 held, the new shares to be paid up to the extent of £1 per share, and to be issued at a premium of £1 2*s.* 6*d.* per share, making £2 2*s.* 6*d.* per share to be paid on acceptance thereof. Any of such new shares not claimed on or before March 10, 1920, by shareholders, or by the persons in whose favour they might renounce, were to be at the disposal of the directors, to allot and issue the same to such persons and generally upon such terms and conditions as they might determine.

4. The premium of £1 2*s.* 6*d.* per share to be added to the Bank's reserve fund, and, as the result of these arrangements and of the allocation to reserve fund out of the profits of 1919, the amount of the reserve fund, after the transfer referred to in paragraph 1, to be increased from its present figure, £9,675,105, to not less than £10,000,000, as against a paid-up capital of about £14,130,000.

These recommendations were adopted at a subsequent general meeting, and the effect of the scheme will be to add largely to the security of the current and deposit account customers of the Bank, in additional paid-up and unpaid capital and reserve fund.

The earlier paragraphs of the report in respect of 1919 deal with the distribution of the available balance of profit, which, after payment of salaries and special bonuses and allowances to the staff, including men on naval or military service, pensions, other charges and expenses, and the annual contribution to the provident and insurance fund, and making full provision for rebate, income tax, bad debts, contingencies, &c., was £2,876,303. To this has to be added £472,755 brought forward from the previous year, making a total of £3,349,058, these figures including the profit of the West Yorkshire Bank for the whole year. Out of this total an interim dividend of 14*s.* 6*d.* per share, being at the rate of 18½% per annum, and amounting, less income tax, to £572,377, was paid for the half-year ended June 30 last; £200,000 was placed to the Bank premises account and £1,150,000 to the special contingency account for writing down the Bank's investments; £50,000 was allocated to the staff widows' and orphans fund, and £150,000 added to the reserve fund.

After making these appropriations, there was a balance of £1,226,680 remaining, out of which was paid a dividend for the past half-year at the rate of 18½% per annum, amounting, less income tax, to £597,616, and a bonus of 3*s.* per share for the same period, also less income tax, amounting to £123,645, leaving a balance of £505,420 to be carried forward to the profit and loss account of the current year, as against £472,755 brought forward from 1918. The dividends and bonus

British Trade Corporation.

Incorporated by Royal Charter.

Telegrams—"TRABANQUE, LONDON." Telephone—LONDON WALL 2947-2948.

13 AUSTIN FRIARS, LONDON, E.C. 2.

CAPITAL: Authorised - £10,000,000 Subscribed and Paid up - £2,000,000

Governor ... THE LORD FARINGDON. Deputy-Governor ... SIR HENRY BABINGTON SMITH, G.B.E., K.C.B., C.S.I.

Manager: A. G. M. DICKSON. London Manager: P. C. WEST. Secretary: G. DE B. BROUNLIE.

The Corporation is prepared to assist in the development of the Trade of the British Empire in every part of the world, and offers exceptional financial facilities to British Manufacturers and Merchants for the increase of their export and import trade.

It has Agents and Correspondents in all parts of the world, and transacts Banking Business of every description.

It invites inquiries, and will endeavour, where necessary, to put expert advice at the disposal of correspondents regarding the financing of their foreign and overseas business.

Moneys received on fixed deposit. Terms on application.

Branches: BATOUM. BELGRADE. DANZIG.

Affiliated Companies—THE NATIONAL BANK OF TURKEY, Constantinople, and Branches.

THE TRADE INDEMNITY COMPANY, LIMITED. Established for the assistance of British Trade by the Insurance of Accounts.

HARRODS Limited

LONDON

CAPITAL—Authorised £3,700,000 CAPITAL—Paid up £3,100,000 RESERVE FUND— £1,288,670

DIRECTORS

Sir ALFRED J. NEWTON, Bart., Chairman Sir WOODMAN BURBIDGE, Bart., C.B.E., Managing Director
F. H. HARVEY-SAMUEL EDGAR COHEN Major H. K. NEWTON, O.B.E., M.P.
FRANK R. CHITHAM ALLAN HEPWORTH

Chief Accountant, ALLAN HEPWORTH Secretary, R. H. GRIFFITH Bank Manager, H. L. FRANCE

Banking Department

Current Accounts are opened for Shareholders and Customers or Friends introduced by them. Interest at the rate of 2½ per cent. per annum, paid annually in first week in January, allowed upon the minimum monthly balance, provided it is not under £20. No commission charged for keeping Accounts, but the opening lodgment must not be less than £10, nor the minimum balance less than £5.

Money is received on Deposit in sums of not less than £5 and up to £500, subject to seven days' notice of withdrawal. Amounts over £500 are received on special terms to be arranged.

Interest is allowed from date of deposit to date upon which withdrawal notice expires, and is paid half-yearly, viz., 30th June and 31st December.

Country and Foreign Drafts, Dividends, Coupons, Annuities, Pensions, etc., received and placed to credit. Drafts, Circular Notes and Letters of Credit obtained.

American and Canadian Express Cheques Cashed and Foreign Money Exchanged.

The Directors reserve to themselves the power to return Deposits or change the rate of Interest.

Head Office: BROMPTON ROAD, LONDON, S W 1

FARROW'S BANK LIMITED



HEAD OFFICE.

Authorised Capital £1,000,000
Shares Issued .. 700,000 Shareholders .. 4,000

Chairman: Mr. THOMAS FARROW.

Current Accounts opened and interest paid on approved Credit Balances. Deposits received at various rates and periods. Foreign Money exchanged and Drafts issued to all parts of the World. Stocks and Shares bought and sold. Trusteeships accepted. All descriptions of Banking Business, including the collection of Bills, Dividends, Annuities, etc., transacted.

Booklet free on application.

Head Office: 1 CHEAPSIDE, LONDON, E.C. 2.

Foreign and Stock Exchange Branch: 5 ANGEL COURT, LONDON, E.C. 2.
Branches throughout the United Kingdom.

A. H. & Co.

THE LONDON MERCHANT BANK, Ltd.

Subscribed Capital	£1,500,000
Paid-up Capital	750,000
Reserve Fund	350,000

F. LUBBOCK, *Chairman.* A. HARTER, *Manager.*
F. POOLE, *Secretary.*

OFFICE - - - - 38 Lombard Street, E.C. 3.

Clearing Agents: BANK OF ENGLAND; COUTTS & CO.
Telegraphic Address: "LONDOMERCH, THREAD, LONDON."

Liabilities and Assets of Lloyds Bank Limited.

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Acceptances. £	% *	Deposits and Current Accounts. £	% *	Profit Balance. £	% *	Total Liabilities. £
1919	9,420,544	9,675,105	19,095,649	5·1	32,079,843	8·5	324,711,756	86·1	1,226,680	·3	377,113,928
1918	8,954,056	9,000,000	17,954,056	6·0	14,764,992	4·9	266,808,139	88·7	1,158,300	·4	300,685,487
1917	5,008,672	4,000,000	9,008,672	4·6	10,375,536	5·4	174,068,047	89·7	629,898	·3	194,082,153
1916	5,008,672	3,600,000	8,608,672	5·0	11,207,870	6·5	151,368,307	88·2	447,638	·3	171,632,487
1915	5,008,672	3,600,000	8,608,672	5·8	9,497,082	6·4	130,017,379	87·5	487,120	·3	148,610,253
1914	5,008,672	3,600,000	8,608,672	6·4	6,226,218	4·7	117,657,945	88·5	515,914	·4	133,008,749
1913	4,208,672	3,000,000	7,208,672	6·8	7,462,309	7·0	91,511,992	85·8	435,976	·4	106,618,949
1910	4,171,600	3,000,000	7,171,600	7·6	8,227,468	8·7	78,116,468	83·2	433,927	·5	93,949,463

ASSETS. Dec. 31	Cash in Hand, &c. £	% *	Money at Call, &c. £	% *	Investments. £	% *	Bills Discounted. £	% *	Advances. £	% *	Liab. of Cust. for Acceptances. £	% *	Bank Premises. £	% *	Total Assets. £
1919 ...	57,587,215	15·2	14,621,756	3·9	75,765,779	20·1	57,491,864	15·3	135,763,591	36·0	32,079,843	8·5	3,803,880	1·0	377,113,928
1918 ...	48,767,706	16·2	15,570,978	5·2	62,522,683	20·8	74,340,196	24·7	81,072,135	27·0	14,764,992	4·9	3,646,797	1·2	300,685,487
1917 ...	34,684,836	17·8	7,191,892	3·7	37,760,074	19·4	39,901,359	20·6	61,466,709	31·7	10,375,536	5·4	2,701,746	1·4	194,082,152
1916 ...	38,115,549	22·2	6,430,338	3·8	41,882,390	24·4	15,306,653	9·0	55,856,841	32·5	11,207,870	6·5	2,832,846	1·6	171,632,487
1915 ...	30,419,416	20·4	3,964,170	2·7	42,825,433	28·9	4,042,326	2·7	55,008,883	37·0	9,497,082	6·4	2,852,943	1·9	148,610,253
1914 ...	24,634,181	18·5	10,072,645	7·6	16,373,142	12·3	13,420,193	10·1	59,439,647	44·7	6,226,218	4·7	2,842,723	2·1	133,008,749
1913 ...	16,176,860	15·2	8,617,330	8·1	10,456,561	9·8	10,829,874	10·1	50,871,241	47·7	7,462,309	7·0	2,204,774	2·1	106,618,949
1910 ...	14,104,395	15·0	5,498,865	5·8	11,709,417	12·5	8,758,707	9·3	43,741,880	46·6	8,227,468	8·7	1,908,731	2·1	93,949,463

* Per cent. of Total Liabilities or Assets.

Liabilities and Assets of The West Yorkshire Bank, Limited.

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Notes in Circulation. £	% *	Deposits, &c. £	% *	Acceptances. £	% *	Profit Balance. £	% *	Total Liabilities £
1918 ...	400,000	400,000	800,000	7·1	2,245	—	10,413,812	92·1	28,705	·2	64,175	·6	11,308,937
1917 ...	400,000	380,000	780,000	7·1	2,105	—	10,202,307	92·4	9,389	·1	50,985	·4	11,044,786
1916 ...	400,000	350,000	750,000	8·2	2,315	—	8,239,201	90·1	109,759	1·2	42,593	·5	9,143,868
1915 ...	400,000	400,000	800,000	9·4	2,320	—	7,622,297	89·5	51,005	·6	40,110	·5	8,515,732
1914 ...	400,000	400,000	800,000	10·8	2,315	—	6,482,201	87·6	69,810	1·0	42,656	·6	7,396,982
1913 ...	400,000	400,000	800,000	11·7	2,195	—	6,012,468	87·5	—	—	57,427	·8	6,872,090
1910 ...	400,000	400,000	800,000	12·6	3,845	·1	5,465,609	86·6	—	—	44,399	·7	6,316,853

ASSETS. Dec. 31	Cash in Hand, at Call, &c. £	% *	Investments £	% *	Bills. £	% *	Loans and Advances. £	% *	Liab. of Cust. for Acceptances. £	% *	Bank Premises. £	% *	Total Assets. £
1918 ...	2,216,914	19·6	1,831,621	16·2	1,721,211	15·2	5,402,441	47·8	28,705	·2	108,045	1·0	11,308,937
1917 ...	2,140,623	19·4	2,089,421	18·9	2,310,794	20·9	4,375,644	39·6	9,389	·1	118,915	1·1	11,044,786
1916 ...	1,752,892	19·2	2,107,146	23·1	1,461,738	15·9	3,593,418	39·3	109,759	1·2	118,915	1·3	9,143,868
1915 ...	1,351,635	15·9	2,205,895	25·9	953,536	11·2	3,834,746	45·0	51,005	·6	118,915	1·4	8,515,732
1914 ...	1,105,892	14·9	823,239	11·1	867,437	11·7	4,428,289	59·9	69,810	1·0	102,315	1·4	7,396,982
1913 ...	851,090	12·4	703,800	10·2	807,673	11·8	4,407,212	64·1	—	—	102,315	1·5	6,872,090
1910 ...	679,353	10·8	1,084,373	17·1	671,557	10·7	3,793,055	60·0	—	—	88,516	1·4	6,316,853

* Per cent. of Total Liabilities or Assets.

Liabilities and Assets of the Capital and Counties Bank, Limited.

LIABILITIES.	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Acceptances. £	% *	Deposits. £	% *	Profit Balance. £	% *	Total Liabilities. £
1917 (Dec. 31)	1,750,000	800,000	2,550,000	4·1	1,367,250	2·2	58,646,454	93·4	204,068	·3	62,767,772
1916 „	1,750,000	800,000	2,550,000	4·6	1,465,466	2·6	52,295,649	92·7	87,292	·1	56,398,407
1916 (June 30)	1,750,000	800,000	2,550,000	4·9	961,192	1·9	48,240,177	93·0	104,281	·2	51,855,650
1915 „	1,750,000	800,000	2,550,000	4·9	1,054,888	2·0	47,885,909	92·8	74,906	·2	51,565,703
1914 „	1,750,000	800,000	2,550,000	5·6	1,680,207	3·7	40,885,542	90·5	103,451	·2	45,219,200
1913 „	1,750,000	800,000	2,550,000	5·9	1,807,081	4·1	39,224,392	89·8	89,931	·2	43,671,404
1910 „	1,750,000	900,000	2,650,000	6·3	1,498,105	3·6	37,674,601	90·0	67,286	·1	41,889,992

ASSETS.	Cash in Hand, &c. £	% *	Money at Call, &c. £	% *	Investments. £	% *	Bills and Advances. £	% *	Liab. of Cust. for Acceptances. £	% *	Bank Premises. £	% *	Total Assets. £
1917 (Dec 31) ...	12,174,497	19·4	10,624,519	16·9	15,350,623	24·5	22,195,348	35·3	1,367,250	2·2	1,055,535	1·7	62,767,772
1916 „ ...	11,194,837	19·9	6,611,857	11·7	15,879,716	28·1	20,172,502	35·8	1,465,466	2·6	1,074,029	1·9	56,398,407
1916 (June 30) ...	8,877,893	17·1	3,830,721	7·4	15,984,090	30·8	21,128,377	40·7	961,192	1·9	1,073,377	2·1	51,855,650
1915 „ ...	9,336,489	18·1	8,583,264	16·7	8,542,676	16·5	22,982,131	44·6	1,054,888	2·0	1,066,255	2·1	51,565,703
1914 „ ...	6,347,859	14·0	6,517,391	14·4	5,369,613	12·0	24,258,657	53·6	1,680,207	3·7	1,045,473	2·3	45,219,200
1913 „ ...	6,191,936	14·2	5,033,562	11·5	5,840,688	13·4	23,751,522	54·4	1,807,081	4·1	1,046,614	2·4	43,671,404
1910 „ ...	5,913,828	14·1	6,538,947	15·6	6,025,382	14·4	20,885,892	49·8	1,498,105	3·6	1,027,838	2·5	41,889,992

* Per cent. of Total Liabilities or Assets.

Liabilities and Assets of The London and River Plate Bank, Limited.

LIABILITIES. Sept. 30	Capital Paid up. £	Reserve Fund. £	Capital and Reserve. £	% *	Deposits, &c. £	% *	Bills for Collection per Contra. £	% *	Acceptances. £	% *	Profit Balance. £	% *	Total Liabilities. £
1918 ...	1,800,000	2,000,000	2,800,000	8.6	32,567,677	74.0	4,713,792	10.7	2,467,445	5.6	491,251	1.1	44,040,165
1917 ...	1,800,000	2,000,000	3,800,000	10.1	26,202,327	69.9	3,782,746	10.1	3,272,377	8.7	455,357	1.2	37,514,307
1916 ...	1,800,000	2,000,000	3,800,000	11.4	22,033,271	66.3	3,324,085	10.0	2,722,288	11.2	352,959	1.1	33,232,603
1915 ...	1,800,000	2,000,000	2,800,000	11.1	22,000,208	64.4	3,503,321	10.2	4,481,372	13.1	398,676	1.2	34,183,577
1914 ...	1,800,000	2,000,000	3,800,000	11.7	19,913,072	61.5	4,148,844	12.8	4,129,310	12.8	401,159	1.2	32,392,385
1913 ...	1,800,000	2,000,000	3,800,000	9.5	23,432,461	58.9	5,956,582	14.9	6,088,587	15.3	552,189	1.4	39,829,819
1910 ...	1,200,000	1,300,000	2,500,000	7.0	23,998,840	67.5	3,624,351	10.2	5,023,128	14.1	423,753	1.2	35,570,072

ASSETS. Sept. 30	Cash in Hand. £	% *	Advances, Bills, Securities, &c. £	% *	Bills for Collection. £	% *	Liability for Acceptances. £	% *	Bank Premises, &c. £	% *	Total Assets. £
1918	12,762,067	29.0	23,762,521	54.0	4,713,792	10.7	2,467,445	5.6	234,340	.7	44,010,165
1917	9,491,504	25.3	20,637,108	55.0	3,782,746	10.1	3,273,377	8.7	329,572	.9	37,514,307
1916	8,267,246	24.9	17,586,054	52.9	3,324,085	10.0	2,722,288	11.2	332,930	1.0	33,232,602
1915	9,519,149	27.9	16,345,534	47.8	3,503,321	10.2	4,481,372	13.1	334,201	1.0	34,183,577
1914	10,799,963	33.3	12,994,414	40.1	4,148,844	12.8	4,129,310	12.8	319,854	1.0	32,392,385
1913	7,837,122	19.7	19,693,071	49.4	5,956,582	15.0	6,088,587	15.3	254,157	.6	39,829,819
1910	8,782,630	24.7	17,953,733	50.5	3,624,351	10.2	5,023,128	14.1	186,230	.5	35,570,072

* Per cent. of Total Liabilities or Assets.

together represent a distribution for the whole year of 20%, less income tax.

Turning to the balance sheet, we find on the liabilities side that the current, deposit, and other accounts amount to £324,711,756, an increase over 1918 of £57,903,617. Acceptances, &c., at £32,079,842, show an increase of £17,314,850, due to a large extent to the high price of cotton.

On the assets side, cash in hand and with the Bank of England, at £57,587,215, shows an increase of £8,819,509. Cash at call and short notice is less by £949,222; bills of exchange, £57,491,864, are lower by £16,848,332; War Loans and British Government securities represent £66,232,570—an increase of £12,602,248—and Indian, Colonial, railway, and other securities, £1,917,786, or about half a million more than before. Advances, &c., stand at £135,763,591, an increase of £54,691,456, and bank premises at £3,803,880, an increase of £157,083, caused by the amalgamation with the West Yorkshire Bank and the opening of new branches.

The returns of the affiliated banks, the National

THE
CLYDESDALE BANK
LIMITED.
Incorporated under Acts of Parliament.
ESTABLISHED 1838.

Head Office: GLASGOW.

Capital - - - -	£5,000,000
Capital Paid up - -	£1,000,000
Reserve Surplus Fund -	£1,200,000

Directors.

Sir JAMES BELL, Bart., C.B., of Montgreenan, Ayrshire *Chairman.*
HENRY ALLAN, Esq., 21 Bothwell Street, Glasgow, *Deputy-Chairman.*
ADAM PATERSON CROSS, Esq., 44 Bernard Street, Leith.
DAVID McCOWAN, Esq., Royal Exchange, Glasgow.
JOHN M. MACLEOD, Esq., C.A., M.P., 149 West George Street, Glasgow.
HUGH REID, Esq., C.B.E., LL.D., North British Locomotive Co., Ltd., Glasgow.
Sir ROBERT KING STEWART, K.B.E., of Murdostoun, Newmains.
WILLIAM P. URE, Esq., Balvaird, Helensburgh.
ARCHIBALD WALKER, Esq., Newark Castle, Ayr.
And, *ex officio*,
JOHN HENDERSON, *General Manager.*

WILLIAM LOCHHEAD, *Assistant Manager.*
FREDERICK TOD, *Secretary.*

London Office:
30 LOMBARD STREET, E.C. 3.

DAVID YOUNG, *Manager.* GEORGE REOCH WILSON, *Assistant Manager.*

WILLIAMS DEACON'S BANK LIMITED.

NOMINAL CAPITAL £10,000,000
Issued, 1,562,500 "A" Shares, £5 each, £1 paid.
312,500 "B" Shares, £1, fully paid.
PAID-UP CAPITAL £1,875,000
RESERVE FUND £900,000

London Office - - 20 Birchin Lane, E.C. 3
West-End Office, 2 Cockspur St., Charing Cross, S.W.1
Manchester Office - - - Mosley Street
and 135 other Offices, principally in the manufacturing districts of Lancashire, Yorkshire, Cheshire and Derbyshire.

SPECIAL WORKING ARRANGEMENTS FOR
FOREIGN EXCHANGE
AND
SHIPPING ADVANCES
WITH
FRANCE, SPAIN, PORTUGAL, NEW YORK, AND ALL PARTS OF SOUTH AMERICA.
Agency arrangements with our Colonies and all parts of the World.

Foreign Exchange, Shipping and Agency Dept.
Agency of the Anglo-South American Bank, Ltd.
Agency of the London and Brazilian Bank, Ltd.
YORK STREET, MANCHESTER

Agents for the British Overseas Bank, Ltd.

ALEXANDERS DISCOUNT
CO., LIMITED.
24 Lombard Street, E.C. 3.

Capital Subscribed	**£1,000,000**
Paid up	**550,000**
Reserve Fund ...	**215,000**

£100,000 in £10 (fully paid 6 per cent.) Preference Shares.
£900,000 in £10 Ordinary Shares (£5 paid).

DIRECTORS.

COLIN FREDERICK CAMPBELL, *Chairman.*
ROBERT ERNEST ALEXANDER.
GEORGE CLEVERLY ALEXANDER.
PHILIP PEMBROKE ALEXANDER.
AUSTIN EDWARD HARRIS.
Manager—F. NEWCOMB.
Secretary—A. K. BRUCE. *Assistant to Manager*—E. D. SPRING RICE.

Approved Mercantile Bills discounted. Loans granted on negotiable securities. Money received on deposit at call and short notices at current market rates, as advertised from time to time in the daily papers. For longer periods on specially agreed terms.

CHARTERED 1822.
THE
Farmers' Loan and Trust Co.

Head Office: 16, 18, 20 & 22 William St., New York.
Branch Office: 475 Fifth Avenue, New York.
Paris: 39 & 41 Boulevard Haussmann.

London:
15 COCKSPUR STREET, S.W.1.
26 OLD BROAD STREET, E.C.2.

DOMESTIC AND FOREIGN BANKING

CURRENT AND DEPOSIT ACCOUNTS
FOREIGN EXCHANGE
LETTERS OF CREDIT
COMMERCIAL CREDITS

Makes a speciality of the care and management of real and personal property in the United States and will act as Agent, Custodian, Trustee or Executor.

Member Federal Reserve System and New York Clearing House
United States Government Depositary.

Bank of Scotland and the London and River Plate Bank, have been very satisfactory, and out of their profits for the year large amounts have been set aside for increasing their paid-up capital and reserve; the Bank's position is improved thereby to the extent of £420,000 in all.

Profits of Lloyds Bank, Limited.

Year ended Dec. 31	Net Profit	Div. Earned	Subject to Tax—Paid		Special Allocations	Carried Forward
	£	%	%	£	£	£
1919	3,450,719‡	36·42†	20*	1,848,053	1,550,000	505,420
1918	2,767,793	30·91	20	1,424,042	1,160,460	472,755
1917	1,690,084	33·74	18½	907,824	600,000	289,465
1916	1,488,060	29·71	18½	907,824	580,000	107,205
1915	1,380,235	27·55	18½	907,824	470,000	106,969
1914	1,245,568	24·87	18½	907,824	310,000	104,558
1913	1,228,410	29·18	18½	762,822	465,000	76,814

* 9½% on £9,022,698; 19½% on capital at end of year, £9,420,514.
† Calculated on capital at end of year.
‡ Including profit of West Yorkshire Bank for whole year.

Profits of the West Yorkshire Bank, Limited.

Year ended Dec. 31	Net Profit	Div. Earned	Subject to Tax—Paid		Special Allocations	Carried Forward
	£	%	%	£	£	£
1918... ...	96,400	24·10	15	60,000	30,000	25,154
1917... ...	91,702	22·92	13⅓	53,333	30,000	18,753
1916... ...	75,897	18·97	13⅓	53,333	20,000	10,384
1915... ...	70,792	17·69	13⅓	53,333	20,000	7,821
1914... ...	65,074	16·26	13⅓	53,333	8,629	10,363
1913... ...	73,273	18·30	13.27	53,097	20,000	7,251

Profits of the Capital and Counties Bank, Limited.

Year to Dec. 31	Gross Profit	Expenses	Net Profit	Div. Earned	Subject to Tax—Paid		Special Allocat'ns	Carried Forward
	£	£	£	%	%	£	£	£
1917‡...1,146,808		750,032	396,776	22.67	14	245,000	35,000	204,067
1916*... 535,818		320,307	215,511	12·31	14	122,500	110,000	87,291
1916†...1,027,350		657,975	369,375	21·10	14	245,000	95,000	104,281
1915†... 917,689		581,234	336,455	19·22	14	245,000	120,000	74,906
1914†... 879,681		556,162	323,519	18·48	16	280,000	30,000	103,450
1913†... 938,526		523,362	415,164	23.72	16	280.000	130,000	89,931

* Six months to Dec. 31. † Year to June 30. ‡ Year to Dec. 31.

Profits of the London and River Plate Bank, Limited.

Year to Sept. 30	Gross Profit.	Net Profit.	Dividend Subject to Tax—Earned.		—Paid.	Special Allocations.	Carried Forward.
	£	£	%	%	£	£	£
1918 ...	881,579	400,394	22·2	15	270,000	100,000	323,751
1917 ...	781,070	334,599	18·6	15	270.000	Nil	293,357
1916 ...	633,531	263,445	14·6	15	270,000	28,663	228,758
1915 ...	678,234	285,469	15·8	15	270,000	29,653	260,976
1914 ...	660,691	221,565	12 3 15·96a		287,405	Nil	275,159
1913 ...	868,793	444,527	23 0 21 23a		382,300	Nil	306,189

(a) Paid free of tax: 1914, 15%; 1913, 20%.

LLOYDS AND NATIONAL PROVINCIAL FOREIGN BANK, LIMITED.

This institution was formed by Lloyds Bank Limited in 1911, under the title of Lloyds Bank (France) Limited, for the purpose of taking over the business of Messrs. Armstrong and Co., of Paris and Havre. In October 1917 the name of the Company was changed to Lloyds Bank (France) and National Provincial Bank (France) Limited, the directors of Lloyds Bank and the National Provincial having completed an arrangement by which the two Banks assumed the joint proprietorship. This somewhat cumbersome title has now been shortened to Lloyds and National Provincial Foreign Bank, Limited. The authorised capital was increased in 1917 to £1,200,000, the 24,000 £50 shares (all subscribed, with £480,000, or £20 per share, paid up and £720,000 callable) being held in equal proportions by the controlling institutions. The Bank, it will be remembered, opened a branch in the Hôtel Majestic, Paris, for the convenience of the British Delegates attending the Peace Conference. The head office is in London (at 31 Threadneedle Street), and it has branches at Paris, Biarritz (with a sub-branch at St. Jean de Luz), Bordeaux, Havre, Marseilles, Nice, Brussels and Antwerp, as well as at Cologne and Zurich. Premises, too, have just been secured for a branch in the West End of London, in the Haymarket.

LONDON AND LIVERPOOL BANK OF COMMERCE.

Head Office: 34 Old Broad Street, London, E.C. 2.

It is satisfactory to record that this Bank is beginning to recover the ground lost during the War years. The gross profit for last year is £43,060, which compares with £42,163 in 1918, £50,955 in 1914, and £65,996 in 1913. The net profit is £26,442, against £25,218 in 1918. The amount carried forward is £19,019, or £2,443 more than from the previous year. In July 1919 an interim dividend of 3*s.* per share, less income tax, was paid, and in January 1920 a dividend of 5*s.* per share, less income tax, brought the total distribution for the year of account to 4%.

The Bank's investments figure at about £2,000 more than they did twelve months ago. War Loans are valued at cost, and other investments at or under the prices ruling on December 31, 1919. The authorised capital of the Bank is £1,000,000, in shares of £10 each; the paid-up capital now stands at £600,000, in 60,000 shares of £10 each, fully paid. The reserve fund, in which there has been no alteration since 1914, stands at £170,000. Acceptances this year exhibit the greatest change. At the end of 1918 they, including Government advances, stood at £1,211,000. At the end of 1919, again including Government advances, which had not increased, they stand at £2,444,000. These figures show how with the coming of peace the recuperative process has set in. Deposits, at £317,584, compare with £278,255 in 1918. Cash in hand, &c., is some £4,500 up, while money at call and short notice is higher by £40,000.

Profits of the London and Liverpool Bank of Commerce, Limited.

Year ended Dec. 31	Gross Profit	Expenses	Net Profit	Div. Earned	Subject to Tax—Paid		Special Allocat'ns	Carried Forward
	£	£	£	%	%	£	£	£
1919] ...	43,060	16,618	[26,442	4·41	4·0	24.000	—	19,019
1918 ...	42,163	16,945	25,218	4·20	4·0	24,000	—	16,576
1917 ...	43,707	18,545	25,162	4·19	4·0	24,000	—	15,358
1916 ...	47,986	23,853	24,133	4·02	4·0	24,000	—	14,196
1915 ...	48,595	24,588	24,007	4·00	4·0	24.000	—	14,063
1914 ...	50,955	21,456	29,499	4·91	4·19	25,143	—	14,056
1913 ...	65,996	28,937	37,059	6·17	6·37	32,920	5,000	9,700

Liabilities and Assets of The London and Liverpool Bank of Commerce, Limited.

LIABILITIES. Dec. 31	Capital Paid up.	Reserve Fund.	Total Capital and Reserve		Acceptances		Deposits, &c.		Profit Balance		Total Liabilities.
	£	£	£	%*	£	%*	£	%*	£	%*	£
1919	600,000	170,000	770,000	21.7	2,444,113	68.6	317,584	8.9	29,519	.8	3,561,216
1918	600,000	170,000	770,000	33·7	1,211,013	52·9	278,255	12·2	27,171	1·2	2,286,439
1917	600,000	170,000	770,000	28·0	1,711,296	62·2	243,396	8·8	26,608	1·0	2,751,300
1916	600,000	170,000	770,000	29·4	1,614,318	61·8	205,133	7·8	25,634	1·0	2,615,085
1915	600,000	170,000	770,000	25·9	2,016,915	67·8	158,309	5·4	27,000	·9	2,972,224
1914	600,000	170,000	770,000	25·0	2,133,594	69·5	147,206	4·8	22,306	·7	3,073,106
1913	600,000	165,000	765,000	16·3	3,735,524	79·8	141,450	3·0	35,700	·9	4,677,674
1910	400,000	125,000	525,000	20·1	1,909,820	73·1	145,288	5·5	33,486	1·3	2,613,594

ASSETS. Dec. 31	Cash in Hands &c.		Money at Call, &c.		Investments		Bills Discounted, &c.		Liab. of Cust. for Acceptances		Office Furniture and Premises		Total Assets.
	£	%*	£	%*	£	%*	£	%*	£	%*	£	%*	£
1919 ...	53,856	1.5	240,000	6.8	454,573	12.8	368,574	10.3	2,444,113	68.6	100	—	3,561,216
1918 ...	49,318	2·1	200,000	8·8	452,499	19·8	373,509	16·4	1,211,013	52·9	100	—	2,286,439
1917 ...	52,470	1·9	195,000	7·1	318,582	11·6	473,852	17·2	1,711,296	62·2	100	—	2,751,300
1916 ...	48,768	1·9	190,000	7·2	282,238	10·8	479,661	18·3	1,614,318	61·8	100	—	2,615,085
1915 ...	49,308	1·7	220,000	7·5	—	—	685,401	23·0	2,016,915	67·8	100	—	2,972,224
1914 ...	67,156	2·2	380,000	12·3	—	—	492,256	16·0	2,133,594	69·5	100	—	3,073,106
1913 ...	62,291	1·3	585,000	12·6	—	—	294,759	6·3	3,735,524	79·8	100	—	4,677,674
1910 ...	42,493	1·6	360,000	13·8	—	—	301,181	11·5	1,909,820	73·1	100	—	2,613,594

* Per cent. of Total Liabilities or Assets.

THE
MUNSTER & LEINSTER BANK
LIMITED.

Head Office : CORK.

Subscribed Capital - -	**£1,000,000.**
Called-up Capital - -	**£400,000.**
Reserve Fund - - -	**£900,000.**

Directors :

RIGHT HON. SIR STANLEY HARRINGTON, P.C., CHARLES EUSTACE MURPHY, ESQ., THOMAS BARRY LILLIS, ESQ., JOHN MURPHY, ESQ., J.P., D.L., ALFRED ROBINSON MACMULLEN, ESQ

General Manager :
T. B. LILLIS.

London Agents :
NATIONAL PROVINCIAL AND UNION BANK OF ENGLAND, LIMITED.

Bills, Annuities, Coupons, and Dividends are collected in all parts of the United Kingdom and abroad, and every kind of Banking business is transacted on the usual terms at the Head Office and Branches.

The Purchase and Sale of Stocks and Shares are effected. Strong Rooms are provided for the custody of deeds and other property deposited by Customers of the Bank.

Executorships and Trusteeships.

The Bank, having the necessary powers, is prepared to undertake the offices of Executors and Trustees. Particulars of terms can be obtained from the Head Office and Branches.

The ANGLO-EGYPTIAN BANK, LIMITED.

Subscribed Capital	£1,800,000
Paid up - -	£600,000
Reserve Fund -	£720,000

Head Office: No. 27 Clement's Lane, Lombard Street, E.C. 4.

Branches :
ALEXANDRIA, CAIRO, BENI-SOUEF, MANSOURAH, PORT SAID, TANTAH, ZAGAZIG, KHARTOUM, MALTA, GIBRALTAR, JAFFA, JERUSALEM, HAIFA, and PORT SUDAN.

Bankers.
The Bank of England.
The London Joint City and Midland Bank, Ltd.

THE Bank transacts every description of Banking Business in Egypt, grants Letters of Credit, and affords facilities to Travellers proceeding to Egypt and elsewhere.

Deposits received for fixed periods at rates to be obtained on application.

On current accounts Interest at the rate of 2 per cent. per annum allowed on minimum monthly balances provided they do not fall below the sum of £200.

Telegraphic and Cable Address:—
"Chanbromac," London.

Telephone Nos.:—
3970-3972 London Wall.

MACAFEE & COMPANY
LIMITED.
5 COPTHALL COURT, LONDON, E.C. 2.

MERCHANT BANKERS.

CORRESPONDENTS IN ALL THE PRINCIPAL CITIES OF THE UNITED STATES AND CANADA.

Investment Securities. Foreign Exchange. Drafts on United States.

Imports and Exports Financed.

THE LANCASHIRE & YORKSHIRE BANK, LTD.
ESTABLISHED 1872.

CAPITAL - - - £4,000,000.

Subscribed Capital, £2,013,120. Paid-up Capital, £1,006,560. Reserve Fund, £875,000.

DIRECTORS.

The Right Hon. Lord COLWYN, CHAIRMAN
GEORGE COMBER, ESQ., DEPUTY-CHAIRMAN.

The Right Hon. Lord ARMAGHDALE.
The Right Hon. Lord EMMOTT, G.C.M.G., G.B.E.
CHARLES W. KEIGHLEY, Esq.
THOMAS NORTON, ESQ., C.B.E.
ALFRED WATKIN, ESQ.
JOSEPH WHEATLEY, ESQ.
HENRY WHITEHEAD, ESQ., M.V.O.

THOS. B. MOXON, ESQ., HONORARY DIRECTOR.
GENERAL MANAGER: F. W. RAMSBOTTOM.

Head Office—43 SPRING GARDENS, MANCHESTER.
Offices at LIVERPOOL, LEEDS, HUDDERSFIELD, BLACKBURN, BOLTON, BURNLEY, BURY, HALIFAX, OLDHAM PRESTON, ROCHDALE, and 118 Offices in other towns in Lancashire and Yorkshire.

LONDON COUNTY WESTMINSTER AND PARR'S BANK.

(*See also* **Ulster Bank.**)

Head Office: 41 Lothbury, London, E.C. 2.

THIS institution, which is one of the largest banks in the world, is, as its name implies, an amalgamation of the London and County Bank, the London and Westminster Bank, and Parr's Bank.

The London and Westminster Bank was the first joint-stock Bank established in London. It was formed in March 1834. The London and County Bank was established two years later, in 1836. The actual date of the formation of Parr's Bank is not quite certain; it is known to have been doing business as a private firm as long ago as 150 years, but as a joint-stock Company it apparently dates back no further than 1865. Separately, each of the banks before amalgamation had reached very important positions in the banking world. Each had extended its sphere by absorbing and amalgamating with smaller banking firms, and when the final amalgamation between the London County and Westminster Bank and Parr's Bank took place, in February 1918, the combined institutions were in a very strong position, both as regards branches, agencies, and correspondents. Financially, of course, they were very strong; at the end of 1917 the London County and Westminster held in current accounts and deposit accounts no less than £142,267,900, and Parr's Bank £68,631,000, a total of approximately £211,000,000. The London County and Westminster Bank had a paid-up capital of £4,138,005 and a reserve fund of £4,725,948, while Parr's paid-up capital was £2,423,530 and its reserve fund £2,100,000. On December 31, 1918, the authorised capital of the London County Westminster and Parr's Bank, Limited, was £30,000,000, in 1,500,000 shares of £20 each. The paid-up capital was £6,830,990, made up of:—

1,363,101 shares of £20 each, £5 paid.
891 shares of £20 each, £5 paid, issuable.
2,206 shares of £20 each, £5 paid, issuable against outstanding shares of Parr's Bank, Limited.

The reserve fund stood at £7,430,086 10*s*.

Early in 1919 the London County Westminster and Parr's Bank, Limited, arranged a further amalgamation, this time with the Nottingham and Notts Bank. The deposits of the latter Bank on December 31, 1918, amounted to about £7,000,000, representing a very valuable accession to the premier institution's connection. The agreement involved the issue of 48,000 shares of the London County Westminster and Parr's Bank, £20 each, £5 paid, thus adding another £240,000 to the Bank's capital. The actual terms for the acquisition of the Nottingham and Notts Banking Company, Limited, were two-thirds of one share of the London County Westminster and Parr's Bank (£20 each, £5 paid), together with a cash payment of 13*s*. 4*d*., for each share in the Nottingham and Notts Bank.

At the meeting on January 30, 1919, it was also resolved to offer to shareholders on the register of the London County Westminster and Parr's Bank on January 31, 1919, one new share of £1, fully paid, for each existing share which they then held, at a price of 35*s*., being £1 capital and 15*s*. premium. It was further agreed to issue, by way of bonus to the staff, one new share for each complete £20 of annual salary payable to them on December 31 previous. The provision for this share bonus, £140,000, was set aside from the year's profits. This amount was used to pay up £1 of capital on the number of shares required, and £1 per share was added to reserve. When these arrangements were complete, the capital account of the Bank stood as follows:—

Paid-up capital	**£8,503,718**
Reserve fund	**£8,750,000**

After paying interest to customers and all charges, making provision for bad debts and contingencies, allowing £300,347 for rebate on bills not due, the net profit for 1919 figures in the account at £2,455,007, which, with £377,560 brought forward from 1918, leaves available the sum of £2,832,567. This amount the directors appropriated as follows:—

	£
Interim dividend of 10 per cent. (less income tax) paid in August last on the £20 shares (£5 paid up)	494,969
A further dividend of 10 per cent. (less income tax), making 20 per cent. for the year on the £20 shares (£5 paid up)	494,969
A dividend of 6¼ per cent. on the £1 shares (less income tax)	62,682
To investment depreciation	1,000,000
To bank premises account	100,000
To the Bank War Memorial Fund (in accordance with resolution of general meeting, 30th January, 1919)	100,000
To reserve	165,721
Balance carried forward	414,226
	£2,832,567

Details of profits for the past seven years are shown in the following table:—

Profits of the London County Westminster and Parr's Bank.

Year to Dec. 31	Gross Profit £	Expenses £	Net Profit £	Div. Earned %	Subject to Tax—Paid %	Tax—Paid £	Special Allocat'ns £	Carried Forward £
1919 ...	--	—	2,906,130	34·17‡	20†	1,503,743	1,365,721	414,226
1918 ...	—	—	2,458,912	36·00	20	1,365,951	900,000	377,560
1917 ...	5,917,324	4,646,257	1,271,067	34·10	19	708,259	560,500	184,599
1916 ...	4,927,513	3,857,807	1,069,706	30·56	18	630,000	419,000	182,291
1915 ...	4,032,825	2,928,940	1,103,885	31·51	18	630,000	472,412	161,585
1914 ...	3,306,214	2,222,396	1,083,818	30·96	21¼	743,750	336,600	160,112
1913 ...	3,648,535	2,453,636	1,194,899	34·13	21¼	743,750	450,000	156,645

† On £7,070,990 of capital; on £1,132,728 (new £1 shares), 6¼%.
‡ Calculated on capital at end of year.

Profits of the Nottingham and Nottinghamshire Banking Company, Limited.

Year ended Dec. 31	Profit £	Div. Earned %	Subject to Tax—Paid %	Tax—Paid £	Special Allocations £	Carried Forward £
1917 ...	47,629	13·2	11·0	39,600	7,000	6,219
1916 ...	46,545	12·9	11·0	39,600	5,000	5,190
1915 ...	44,508	12·3	11·0	39,600	5,000	3,246
1914 ...	45,905	12·7	11·4	41,109	5,000	3,338
1913 ...	49,279	13·6	11·6	42,053	6,435	3,542

The balance sheet for 1919 exhibits some truly remarkable figures. Deposits increased during the year by about £42,000,000 (of which about £6,000,000 was due to the absorption of the Nottingham and Notts Bank) to considerably more than £304,000,000. Acceptances, at £23,704,366, are between two and three times the 1918 total of £9,276,488. On the assets side, cash in hand and at Bank of England is £58,766,910, against £47,476,604; money at call and short notice is 50% down at £18,794,487; investments are 30% higher at £65,058,988; bills discounted are down to £49,351,485 from £60,528,722, but advances are £128,090,983 against £80,973,192, showing the extent of the assistance given to expanding British commerce and industry. Bank premises are higher, at £3,029,166 instead of £2,930,338. The investments include War Loans and other securities of, or guaranteed by, the British Government (of which £1,190,613 is lodged for public accounts and for note issue in the Isle of Man), £59,848,908; Indian and Colonial Government securities, Indian Government guaranteed railway stocks, British corporation stocks, and British railway debenture stocks, £587,084; other investments, £1,863,698. Notes in circulation in the Isle of Man against the £1,190,613 lodged with the Government amount only to £18,351.

During the past year new branches were opened at Alton, Bexley Heath, Blackburn, Cardiff, Cardiff Docks, Caterham, Egham, Enfield, Hendon, Hull, Kettering, Liverpool, Neston, Newport (Mon.), Northampton, Norwich, Peckham, Peterborough, Plymouth, Stockport, Swansea, Walham Green, Walthamstow, Wood Green, Workington, 93 Fenchurch Street and 227c City Road; and on the Continent at Antwerp, Brussels, and Bilbao. A branch of the London County and Westminster Bank (Paris), Limited, has been established at Nantes.

We give our usual full details of the liabilities and assets of the Bank to date, also those of the Nottingham and Notts Bank to 1917.

STANDARD BANK
OF SOUTH AFRICA, LTD.

Bankers to the Government of the Union of South Africa in Cape Province; to the Imperial Government in South Africa; and to the Administration of Rhodesia.

Authorised Capital -	**£10,000,000**
Subscribed Capital -	**£6,250,000**
Paid-up Capital - -	**£1,562,500**
Reserve Fund - -	**£2,200,000**
Uncalled Capital - -	**£4,687,500**
	£8,450,000

BOARD OF DIRECTORS.

WILLIAM REIERSON ARBUTHNOT, Esq.
Sir DAVID MILLER BARBOUR, K.C.S.I., K.C.M.G.
EDWARD CLIFTON BROWN, Esq.
ROBERT E. DICKINSON, Esq.
JAMES FAIRBAIRN FINLAY, Esq., C.S.I.
HORACE PEEL, Esq.
WILLIAM SMART, Esq.
Rt. Hon. LORD SYDENHAM, G.C.S.I., G.C.M.G., G.C.I.E., [G.B.E.

Senior General Manager in South Africa—J. P. GIBSON.
Joint General Managers in South Africa—
NOEL JENNINGS. JOHN JEFFREY.

London Manager—FRANCIS SHIPTON. *Secretary*—HERBERT G. HOEY.

BANKERS:—THE BANK OF ENGLAND. LONDON COUNTY WESTMINSTER AND PARR'S BANK LTD.

Head Office: 10 Clements Lane, Lombard Street, London, E.C.4.

West End Branch: 17 Northumberland Avenue, W.C. 2
(adjoining the Royal Colonial Institute).

New York Agency: 68 Wall Street.
Rotterdam Branch: 15 Coolsingel. Amsterdam Branch: 69 Rokin.

Over 360 Branches, Sub-Branches and Agencies in—

CAPE PROVINCE.
NATAL.
ORANGE FREE STATE.
TRANSVAAL.
TANGANYIKA TERRITORY.
RHODESIA.
NYASALAND.
BASUTOLAND.
E. AFRICA PROTECTORATE.
UGANDA.
ZANZIBAR.
PORTUGUESE EAST AFRICA.
S.W. AFRICA PROTECTORATE.
BELGIAN CONGO.

BANKING BUSINESS OF EVERY DESCRIPTION transacted at all Branches and Agencies.
CURRENT ACCOUNTS opened on the usual terms, and **DEPOSITS RECEIVED** for fixed periods, at rates which may be ascertained on application.
SAVINGS BANK ACCOUNTS opened on terms, particulars of which may be obtained at Branches.
BILLS NEGOTIATED and **COLLECTED.**
DRAFTS issued, **MAIL** and **TELEGRAPHIC REMITTANCES** made.
LETTERS OF CREDIT and **COMMERCIAL CREDITS** established.
TRAVELLERS' LETTERS OF CREDIT issued, available in all parts of the world.
PURCHASE and **SALE** of Stocks and Shares effected.
DIVIDENDS, ANNUITIES, &c., received and **COUPONS COLLECTED.**
STRONG ROOMS provided for the safe custody of Securities and valuables of Customers.
ASSAY DEPARTMENT.—Gold, etc., and all Mineral Ores assayed and tested.
EXECUTOR and **TRUSTEE** business undertaken.

The Officers of the Bank are bound not to disclose the transactions of its Customers.

Liabilities and Assets of The London County Westminster and Parr's Bank, Limited.

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Notes. £	% *	Acceptances. £	% *	Deposits, &c. £	% *	Profit Balance. £	% *	Total Liabilities £
1919 ...	3,503,718	3,750,000	17,253,718	5·0	18,351	—	23,704,366	6·8	304,848,073	87·9	971,877	·3	346,796,385
1918 ...	6,830,990	7,430,086	14,261,076	5·0	17,263	—	9,276,488	3·2	263,129,887	91·5	855,730	·3	287,540,444
1917 ...	4,148,890	4,725,949	8,874,839	5·5	—	—	5,448,608	3·4	146,855,839	90·8	577,858	·3	161,757,144
1916 ...	3,500,000	4,000,000	7,500,000	5·5	—	—	6,978,683	5·2	120,367,660	88·9	497,291	·4	135,343,634
1915 ...	3,500,000	4,000,000	7,500,000	6·1	—	—	5,095,255	4·2	109,224,429	89·3	476,585	·4	122,296,269
1914 ...	3,500,000	4,250,000	7,750,000	6·8	—	—	4,276,068	3·8	101,428,373	89·3	531,987	·5	113,986,428
1913 ...	3,500,000	4,250,000	7,750,000	7·4	—	—	7,656,068	7·4	88,313,651	84·7	528,519	·5	104,248,238
1910 ...	3,500,000	4,050,000	7,550,000	8·3	—	—	5,178,996	5·7	78,151,229	85·5	506,229	·5	91,386,454

ASSETS. Dec. 31	Cash in Hand, &c. £	% *	Money at Call and at Short Notice £	% *	Investments. £	% *	Bills Discounted. £	%	Advances. £	% *	Liab. of Cust. for Acceptances £	% *	Bank Premises. £	% *	Total Assets. £
1919 ...	58,766,910	17·0	18,794,487	5·4	65,058,988	18·7	49,351,485	14·3	128,090,983	36·9	23,704,366	6·8	3,029,166	·9	346,796,385
1918 ...	47,476,604	16·8	36,970,158	12·8	49,384,942	17·1	60,528,722	21·0	80,973,192	28·1	9,276,488	3·2	2,930,338	1·0	287,540,444
1917 ...	25,197,730	15·6	26,983,535	16·7	37,249,439	23·0	24,288,394	15·0	40,800,159	25·2	5,448,608	3·4	1,789,279	1·1	161,757,144
1916 ...	32,385,400	23·9	7,871,420	5·7	35,945,054	26·6	14,336,443	10·6	36,117,330	26·7	6,978,683	5·2	1,709,304	1·3	135,343,634
1915 ...	23,350,542	19·0	5,141,897	4·2	35,732,925	29·2	11,351,684	9·3	39,941,302	32·7	5,095,255	4·2	1,782,664	1·4	122,296,269
1914 ...	22,524,904	19·8	5,654,033	4·9	14,847,092	13·0	18,369,284	16·1	46,617,341	40·9	4,276,068	3·8	1,717,106	1·5	113,986,428
1913 ...	13,757,107	13·2	12,382,899	11·9	8,913,517	8·5	15,800,195	15·1	44,089,226	42·3	7,656,068	7·4	1,649,226	1·6	104,248,238
1910 ...	11,054,781	12·1	13,388,672	14·6	9,835,237	10·8	14,210,139	15·6	36,143,786	39·6	5,178,996	5·6	1,574,843	1·7	91,386,454

* Per cent. of Total Liabilities or Assets.

Liabilities and Assets of The Nottingham and Nottinghamshire Banking Company, Limited.

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund. £	Special Additl. Reserve. £	Total Capital and Reserve. £	% *	Notes in Circulation. £	% *	Deposits, &c. £	% *	Profit Balance. £	% *	Total Liabilities. £
1917...	360,000	155,000	47,000	562,000	8·9	25,175	·4	5,690,371	90·2	33,019	·5	6,310,565
1916...	360,000	155,000	47,000	562,000	9·6	29,005	·5	5,249,190	89·4	29,990	·5	5,870,185
1915...	360,000	155,000	47,000	562,000	10·9	21,885	·4	4,560,319	88·3	23,046	·4	5,167,250
1914...	360,000	172,000	25,000	557,000	11·2	11,085	·2	4,399,831	88·2	23,138	·4	4,991,054
1913...	360,000	172,000	20,000	552,000	11·3	8,900	·2	4,315,829	88·0	25,842	·5	4,902,571
1910...	360,000	180,000	25,000	565,000	11·8	9,610	·2	4,180,415	87·4	27,801	·6	4,782,826

ASSETS. Dec. 31	Cash. £	% *	Investments. £	% *	Bills Discounted. £	% *	Advances. £	% *	Bank Premises and other Assets. £	% *	Total Assets. £
1917...	1,499,892	23·8	890,208	14·1	569,004	9·0	3,180,050	50·4	171,411	2·7	6,310,565
1916...	1,223,533	20·9	915,655	15·6	565,432	9·6	2,989,040	50·9	176,525	3·0	5,870,185
1915...	823,126	15·9	943,327	18·2	80,259	1·5	3,147,869	61·0	172,669	3·4	5,167,250
1914...	668,002	13·4	729,042	14·6	74,944	1·5	3,348,002	67·0	171,064	3·5	4,991,054
1913...	392,156	8·0	800,025	16·3	112,043	2·3	3,426,776	69·9	171,571	3·5	4,902,571
1910...	395,833	8·3	1,011,917	21·2	186,005	3·9	3,018,780	63·1	170,291	3·4	4,782,826

* Per cent. of Total Liabilities or Assets.

LONDON JOINT CITY AND MIDLAND BANK.

(*See also* **Belfast Banking Company, Limited, and Clydesdale Bank, Limited.**)

Head Office: 5 Threadneedle Street, London, E.C. 2.

THE figures of this concern combine those of the London City and Midland Bank and those of the London Joint Stock Bank, the business of the latter institution having been amalgamated with the London City and Midland Bank as from December 31, 1917.

The London City and Midland Bank is perhaps the most remarkable instance of a purely local and country concern being transformed into a large London Bank with a world-wide reputation. Its rise to greatness has, in a way, been the result of a long series of absorptions and amalgamations. The Bank was first established in 1836 as the Birmingham and Midland Bank, with a paid-up capital of £50,000. In its early days the progress in the matter of branches was comparatively slow, but from 1885 onwards its extension was more rapid. In 1888 14 branches were in operation, a year later the number was 28, mostly due to the absorption of another banking institution. In 1890 three further banks were taken over and the number of offices increased to 45. Its first great step forward was in 1891, when it absorbed the Central Bank of London, and thus became a recognised force in the London banking world. Since then the number of branches opened has steadily increased. Amalgamation with other banks has also been remarkable. The policy of the management seemed to be to keep abreast of the times by extending its sphere into places which promised a profitable field for its operations, and in taking over numerous other banks. That policy has been kept well to the fore—so much so, in fact, that the number of its branches now exceeds 1,400. The importance of the London City and Midland Bank increased year by year, and when in 1917 it was announced that the Bank had purchased from the shareholders of the Belfast Banking Company, Limited, the whole of the 200,000 shares of that institution, it was seen that the London City and Midland Bank was intent upon catering for even a wider field.

The capital at the end of 1917 was: authorised, £28,200,000; subscribed, £24,906,432; paid up (£2 10*s.* per share on 2,075,536 shares of £12 each), £5,188,840.

The London Joint Stock Bank came into existence in July 1836 with an authorised capital of £3,000,000 in 60,000 shares of £50 each. Its capital was increased from time to time as the business progressed, until, in December 1917, it stood at £20,000,000 authorised, in £100 shares; issued capital, £19,800,000; paid-up capital, £2,970,000.

Generally speaking, the London Joint Stock Bank was purely a London institution, and for many years no great extension in its branches was recorded; then in 1870 it commenced to absorb other and less important banking institutions, and from that time onwards not only did the branches and agencies of the Bank increase, but the business grew in proportion. The first balance sheet issued by the Bank showed deposits and acceptances to the amount of £594,192—in 1917 they stood at over £60,000,000!

The large liability on the shares of the London Joint Stock Bank was a constant source of complaint by its shareholders, who never seemed to get reconciled to an £85-per-share liability; and there is little doubt that it narrowed the market in the shares, and probably kept them at a lower market price than they were really worth. When, therefore, overtures were made by the London City and Midland Bank for the acquisition of the London Joint Stock Bank the first thing to which the directors gave their attention was this liability on the shares, and it is plain that the new arrangements made were a source of great satisfaction to the shareholders of the London Joint Stock Bank. For one share in the London Joint Stock Bank of £100, with a liability of £85, shareholders received four London City and Midland Bank £12 shares, with a liability of £9 10*s.*, thus making a total liability of £38, or a reduction of over 50% on their holding; the £38, moreover, was spread over four times as many shares,

ROYAL BANK OF SCOTLAND

Incorporated by Royal Charter, 1727.

Paid-up Capital, £2,000,000. Rest and Undivided Profits, £1,082,276.

Deposits - - £35,548,823.

Head Office - - - - ST. ANDREW SQUARE, EDINBURGH
Cashier and General Manager, A. K. WRIGHT. *Secretary*, J. B. ADSHEAD.

London Office - - - - - - - - 3 BISHOPSGATE, E.C. 2
WM. WALLACE, *Manager.*

Glasgow Office - ROYAL EXCHANGE SQUARE & BUCHANAN STREET
A. DENNISTOUN, *Agent.*

170 BRANCHES THROUGHOUT SCOTLAND

Every description of British, Colonial and Foreign Business transacted. Foreign Exchange.
CORRESPONDENCE INVITED.

The Union Bank of Scotland Ltd.

ESTABLISHED 1830.

SUBSCRIBED CAPITAL - - - - -	**£5,000,000**
PAID-UP CAPITAL - - - - -	**£1,000,000**
RESERVE FUND - - - - -	**£1,000,000**
DEPOSITS - - - - - - -	**£32,495,518**

Head Offices: GLASGOW: 191 INGRAM STREET. EDINBURGH: 64 GEORGE STREET.
With 159 Branches throughout Scotland.
LONDON OFFICE: 62 CORNHILL, E.C. 3. JOHN ALEXANDER, *Manager.*

Every description of **HOME AND FOREIGN** Banking Business transacted. Letters of Credit on all places abroad, and cable remittances arranged. Duties of Trustee and Executor undertaken.

This Bank is closely associated with **THE BRITISH OVERSEAS BANK LIMITED, 31 Lombard Street, London, E.C. 3, SPECIALLY ORGANISED FOR ALL FOREIGN BUSINESS,** and represents them at all its Offices in Scotland.

At London Office Current Accounts and other business conducted on the usual terms of London Banks. Deposits received at interest. NORMAN L. HIRD, *General Manager.*

COMMERCIAL BANK OF SCOTLAND LTD.

ESTABLISHED 1810.

Head Office:—EDINBURGH.

Capital (Subscribed) - - £5,500,000 **Paid up - - - - £1,750,000**
Reserve Fund - - - - £1,000,000 **Deposits - - - - £36,949,000**

ALEX. ROBB, *General Manager.* MAGNUS IRVINE, *Secretary.*

London Office: 62 Lombard Street, E.C. 3.

GEORGE S. COUTTS, *Manager.* JOHN F. SANDEMAN *Asst.-Manager.*

General Banking Business and every description of Foreign Exchange Business transacted.
Banking correspondents throughout the United Kingdom and in the principal Cities of the World.
With its 223 Branches and Sub-Offices throughout Scotland the Bank is in touch with every District, and in an exceptionally favourable position to deal with General Business and Agency Business for Colonial and Foreign Banks.

BAKER, DUNCOMBE & Co., Limited,

36 LOMBARD STREET, LONDON, E.C. 3.

BALANCE SHEET, 31st March, 1920.

Dr. LIABILITIES.	£ s. d.	£ s. d.
To Capital Account—		
16,000 fully paid "A" Shares of £5 each ...	80,000 0 0	
4,000 fully paid "B" Shares of £5 each ...	20,000 0 0	
		100,000 0 0
„ Reserve		70,000 0 0
„ Liability on Deposits and Loans and Bills Rediscounted (including Rebate and Sundry Accounts)		6,358,275 10 7
		£6,528,275 10 7

ASSETS.	£ s. d.	Cr. £ s. d.
By Investments—		
5% National War Bonds (£515,000), 5% War Loan 1929-47 (£50,000)		560 0 0
„ Bills Discounted (including Rediscounts)		5,863 590 3 7
„ Loans on Security and Sundry Accounts		9 383 0 0
Assets of the value of £6,391,112 14 4 are held by Bankers and others as cover for Liabilities *per contra.*		
„ Cash in Hand and at Bankers		99,102 7 0
		£6,528,275 10 7

HERBERT SAMUELSON, D. H. S. HOWARD, } *Directors.*

AUDITORS' REPORT TO THE SHAREHOLDERS OF BAKER, DUNCOMBE & Co., Limited.

In accordance with the provision of Section 115, Subsection 2, of the Companies (Consolidation) Act, 1908, we report to the Shareholders as follows:
1. We have audited the above Balance Sheet and have obtained all the information and explanations we have required.
2. We have examined the Securities, Bills, and Cash in Hand and verified those in the hands of various Banks.
3. We are of opinion that such Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us and as shown by the Books of the Company.

36 Walbrook, London, E.C. 4, 9th *April*, 1920. KEMP SONS SENDELL & CO. *Chartered Accountants.*

making them a much more marketable security than the old shares.

Undoubtedly the alliance with the London City and Midland Bank was a good thing for the Joint Stock Bank. In the ten years preceding the amalgamation the deposits of the London City and Midland Bank had been increased by no less than £167,000,000, and as the result of its adoption of a forward policy the Bank was seen to be making headway in every direction. The policy of the Joint Stock Bank was more conservative, but the joining of forces certainly brought together two institutions whose working promised to be, if anything, still more successful in the future.

The figures in the subjoined tables of liabilities and assets will show the position of each Bank at the date of the amalgamation, which it will be borne in mind is, together with the natural growth, responsible for the heavier totals under all heads. The immediate result of the absorption was to increase the London City and Midland Bank's capital by £1,980,000, which was given to the Joint Stock Bank shareholders, who for that amount handed to the London City and Midland Bank the capital and reserve of the Joint Stock Bank—£4,295,000. Consequently, after the provision of new capital, the balance left to the premier institution was £2,315,000. In addition both Banks contributed out of their "carry-forwards," amounting to £859,000, the sum of £511,000, which was added to the reserve fund of the London City and Midland Bank. These contributions to the reserve fund raised the percentage of reserve to capital to 94.6%; before the amalgamation it was only 84%.

As regards the shareholders of the London City and Midland Bank, Sir Edward Holden pointed out at the extraordinary general meeting on September 13, 1918, that the Bank could have paid its shareholders a much larger dividend than the 18% they had been accustomed to receive, but in furtherance of the policy of strengthening the Bank, from every point of view, they preferred to increase the capital of the Bank and to offer in increased capital what was considered a good return. He then announced the issue of one new share of £2 10*s*. at a price of £5 in respect of every seven old shares held at the time of issue. The new shares were fully paid, and the same dividend was to be paid on them as on the existing shares. The paid-up capital was thus increased to £8,417,335. The premium of £2 10*s*. per share was added to reserve, bringing that fund to £8,417,335.

But expansion did not cease here. In view of the growth of the Bank's business in Scotland, an agreement was entered into for a fusion of interests with the Clydesdale Bank, Limited, as from January 1, 1920. This was to be effected by issuing to the shareholders of the Clydesdale Bank, Limited, five of the London Joint City and Midland Bank's shares of £2 10*s*. each, credited as fully-paid, in exchange for each Clydesdale Bank share of £50 (£10 paid) transferred. The London Joint City and Midland's authorised capital has been increased by the creation of 1,500,000 new shares of £2 10*s*. each, of which approximately 500,000 shares are required to give effect to the above arrangement. It was decided to offer a further 500,000 of the shares, at the price of £5 per share, to the shareholders on the register on March 1, in the proportion of one new share for every eight shares then held, the premium of £2 10*s*. per share to be credited to the reserve fund. On the arrangement with the Clydesdale Bank being completed and the whole of the further 500,000 shares issued, the paid-up capital will amount approximately to £11,000,000 and the reserve fund to £11,000,000. The new shares rank for dividend *pari passu* with the existing shares.

The Rt. Hon. R. McKenna, speaking at the general meeting on January 29 last, first paid a tribute to the late Sir Edward Holden, under whose chairmanship the Bank had made such strides in its progress, and then proceeded to explain that the directors had desired to build up a strong capital and reserve because of the enormous growth in deposits since 1913, as shown by the following table:—

	£
December 31, 1913	93,834,000
„ „ 1914	125,733,000
„ „ 1915	147,751,000
„ „ 1916	174,621,000
„ „ 1917	220,552,000
„ „ 1918	334,898,000
„ „ 1919	371,742,000

No part of the increase in 1919 was due, he said, to amalgamation or causes other than the natural growth of business. But, large as the figures are in themselves, they neither reveal the real increase in business nor reflect the manner in which resources have been used for the reconstruction and rehabilitation of our industries. This will only become apparent when we examine the different items which constitute the assets and compare the figures of December last with those of 12 months earlier.

Acceptances, at £29,014,568, are up £15,868,719. These acceptances, with the exception of a small amount representing credits arranged by the Government for Allied Governments in connection with the exchanges, represent the movement of commodities to this and other countries. All are well secured.

On the other side of the balance sheet, cash in hand and at the Bank of England amounts to £60,216,796. In making a comparison between this year and last it must be borne in mind that the Government have paid off the money which they formerly borrowed from the banks through the Bank of England, and the money thus set free has been largely lent to trade. The percentage of cash and of money at call to the liabilities to depositors is, in consequence, reduced, and is brought back to a point more in keeping with peace conditions and practice.

Cheques on other banks in course of being cleared amount to £8,050,607, or £6,049,121 more than last year.

Money at call and short notice amounts to £18,439,152.

Investments are £67,303,428, against £61,600,652 in December 1918. War Loan investments are valued at under cost, and a large sum has been set aside out of profits to meet the depreciation which followed the rise in the Bank rate. Any further depreciation beyond that provision is amply covered by the internal resources of the Bank.

Bills of exchange, at £52,889,521, are £13,640,225 more than last year. There has been a marked increase in the supply of trade bills resulting from the resumption of international trade relations. Fine bank bills and good trade bills form the greater proportion of the holding; the balance is made up of Treasury bills with less than three months to run.

The next item in the balance sheet is advances on current and other accounts. On December 31 last £162,966,745 marked the extent of accommodation to trade and industry under this head.

Advances on War Loans represent advances made to customers for the specific purpose of enabling them to take up War Loans on their issue. The amount now outstanding on this account is £15,589,303, or a little more than last year. Now that peace is signed this item should disappear.

The remaining item to consider is Bank premises, which stands at £3,618,960. £250,000 has been appropriated from profits this year in reduction of the book value of properties.

Since the Bank acquired the shares of the Belfast Banking Company, as mentioned above, the reserve fund of that institution has been increased from £450,000 to £550,000, and deposits have increased from £9,500,000 to £17,000,000. But the fact which stands out is that advances to trade made by the

LONDON & BRAZILIAN BANK, LIMITED.

ESTABLISHED 1862.

Capital Subscribed - - £3,000,000
In 150,000 Shares of £20 each.
Capital Paid up - - - 1,500,000
Reserve Fund - - - 1,500,000

BANKING BUSINESS OF EVERY DESCRIPTION TRANSACTED IN

BRAZIL, ARGENTINE, URUGUAY, PORTUGAL.

CONTINENTAL TRADE FACILITIES.

PARIS BRANCH—5 Rue Scribe.

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NEW YORK—(Agency) 56 Wall Street.

The Bank issues **TRADE REPORTS** embracing Business Conditions and Opportunities for Expansion of Trade.

There are also extensive Files of **INFORMATION AND STATISTICS** at the disposal of Clients.

Agents in the United Kingdom.

MANCHESTER. WILLIAMS DEACON'S BANK, LTD., York Street (and Branches).
LIVERPOOL. BANK OF LIVERPOOL & MARTINS, LTD., 7 Water Street. (and Branches).
SCOTLAND. CLYDESDALE BANK, LTD., Glasgow (and Branches).
IRELAND. NORTHERN BANKING CO., LTD., Belfast (and Branches).

All enquiries should be addressed to:—

7 Tokenhouse Yard, London, E.C. 2.
(Head Office.)

English, Scottish & Australian Bank, Limited.

Head Office: 5 GRACECHURCH ST., E.C. 3.

Authorised Capital - -	**£3,000,000 0 0**
Subscribed Capital - -	**£1,078,875 0 0**
Paid-up Capital - - -	**£539,437 10 0**
Further Liability of Proprietors - - - -	**£539,437, 10 0**
Reserve Fund - - - -	**£585,000 0 0**

Board of Directors.

C. J. HEGAN, Esq., *Chairman.*
JOHN ANNAN BRYCE, Esq.
Hon. Sir JOHN A. COCKBURN, K.C.M.G.
JAMES JACKSON, Esq.
The Rt. Hon. Viscount KNUTSFORD.
JOHN PATERSON, Esq.
A. WILLIAMSON, Esq.
Sir FRED. W. YOUNG, M.P.

Manager—E. M. JANION.
Assistant Manager—JOS. GRIEVE.
Accountant—F. C. HOUNSFIELD.

Bankers.
BANK OF ENGLAND; LONDON COUNTY WESTMINSTER AND PARRS BANK, LIMITED.

Letters of Credit and Drafts on the Branches and Agencies of the Bank in Australia can be obtained at the Head Office, or through the Agents of the Bank in the Chief Provincial Towns throughout the United Kingdom.

Remittances made by **Telegraphic Transfer.**

Bills Negotiated or forwarded for **Collection.**

Banking and **Exchange** Business of every description transacted with Australia.

THE MERCHANTS BANK OF CANADA.

Established 1864.

Head Office: **MONTREAL.**

Paid-up Capital - -	**$8,300,020**	**(£1,707,819)**
Reserve Fund and Undivided Profits -	**$7,574,043**	**(£1,556,310)**
Total Assets (30th Nov., 1919) - -	**$200,000,000**	**(£41,095,890)**

A General Banking Business Transacted.

372 Branches throughout Canada, also an Agency in New York.

Special facilities for making Collections in Canada and the United States.

The Service Department of the Bank is at the disposal of the Manufacturers and others who desire information regarding factory sites, water powers, or other facilities in Canada.

Letters of Credit and Drafts issued available at all points in Canada and the United States.

Cable Transfers also made.

London Office: **53 CORNHILL.**

LONDON JOINT CITY & MIDLAND BANK LTD.

Head Office:

5 THREADNEEDLE STREET, LONDON, E.C. 2.

OVER 1,450 OFFICES IN ENGLAND & WALES

Subscribed Capital - -	£36,883,168
Paid-up Capital - - -	9,626,917
Reserve Fund - - -	9,626,917
Deposits (*Dec. 31st, 1919*) -	371,742,389

Overseas Branch:

65 & 66 OLD BROAD STREET, LONDON, E.C. 2.

AFFILIATED BANKS:

BELFAST BANKING COMPANY LIMITED
Over 100 Offices in Ireland

THE CLYDESDALE BANK LIMITED
Over 170 Offices in Scotland

Liabilities and Assets of The London Joint City and Midland Bank, Limited.

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Acceptances. £	% *	Deposits, &c. £	% *	Dividend Payable. £	% *	Profit Balance Carried Forward. £	% *	Total Liabilities. £
1919 ...	8,417,335	8,417,335	16,834,670	4·0	29,014,568	6·9	371,742,389	88·8	530,292	·1	726,852	·2	418,848,771
1918 ...	7,172,697	7,172,698	14,345,395	4·0	13,145,849	3·6	334,898,435	92·1	451,880	·1	675,098	·2	363,516,657
1917 ...	5,188,840	4,342,826	9,531,666	4·0	8,826,866	3·7	220,551,768	91·9	350,247	·1	733,785	·3	239,994,332
1916 ...	4,780,793	4,000,000	8,780,793	4·6	7,220,781	3·7	174,620,725	91·4	322,703	·2	243,538	·1	191,188,540
1915 ...	4,780,793	4,000,000	8,780,793	5·3	9,157,601	5·5	147,750,702	88·9	360,352	·3	113,598	—	166,163,046
1914 ...	4,780,793	4,000,000	8,780,793	6·1	7,210,915	5·1	125,732,736	88·2	394,415	·3	421,285	·3	142,540,144
1913 ...	4,348,650	3,700,000	8,048,650	7·4	6,162,612	5·7	93,833,580	86·4	391,378	·4	147,993	·1	108,584,213
1910 ...	3,989,237	3,590,314	7,579,551	8·6	6,461,941	7·4	73,414,510	83·5	359,031	·4	102,301	·1	87,917,334

ASSETS. Dec. 31	Cash in Hand, &c. £	% *	Money at Call, &c £	% *	Investments £	% *	Bills Discounted. £	% *	Advances. £	% *	Liab. of Cust. for Acceptances. £	% *	Bank Premises £	% *	Total Assets. £
1919...	68,267,403†	16·3	18,439,152	4·4	68,063,118	16·2	52,889,521	12·6	178,556,048	42·7	29,014,568	6·9	3,618,961	·9	418,848,771
1918...	63,756,372†	17·6	67,810,656	18·6	61,600,651	17·0	39,249,296	10·8	114,191,506	31·4	13,145,849	3·6	3,762,327	1·0	363,516,657
1917...	44,110,354†	18·3	31,003,560	13·0	37,007,453	15·4	35,052,992	14·6	81,155,897	33·8	8,826,866	3·7	2,837,210	1·2	239,994,332
1916...	47,973,686†	25·1	8,844,378	4·6	37,190,296	19·5	23,336,817	12·2	63,868,857	33·4	7,220,781	3·7	2,753,725	1·5	191,188,540
1915...	30,881,201†	18·6	8,651,258	5·2	38,829,434	23·4	9,961,546	6·0	65,921,541	39·7	9,157,601	5·5	2,760,465	1·6	166,163,046
1914...	33,196,159†	23·3	9,865,226	6·9	13,078,221	9·2	14,085,806	8·9	62,424,616	43·8	7,210,915	5·1	2,678,901	1·8	142,540,144
1913...	17,241,279	15·9	11,946,769	11·0	7,824,892	7·2	11,790,641	10·9	51,309.563	47·2	6,162,612	5·7	2,308,457	2·1	108.584.213
1910...	13,332,567	15·2	9,810,744	11·1	8,697,124	9·9	6,686,140	7·6	41,088,146	46·7	6,461,941	7·4	1,840,672	2·1	87,917,334

* Per cent. of Total Liabilities or Assets. † Includes holding of gold as follows: 1919 and 1918, £8,000,000; 1917, 1916, and 1915, £7,000,000; 1914, £8,000,000.

Liabilities and Assets of The London Joint Stock Bank, Limited.

LIABILITIES.	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Acceptances. £	% *	Deposits, &c. £	% *	Profit Balance. £	% *	Total Liabilities. £
1918 June 30 ...	2,970,000	1,325,000	4,295,000	6·6	2,541,301	3·9	58,293,200	89·1	273,928	·4	65,403,429
1917 Dec. 31 ...	2,970,000	1,325,000	4,295,000	6·5	2,947,107	4·5	58,182,376	88·5	273,928	·4	65,698,411
,, ...	2,970,000	1,125,000	4,095,000	7·2	3,582,701	6·3	49,078,252	86·2	198,824	·3	56,954,777
1915 ,, ...	2,970,000	1,125,000	4,095,000	8·1	2,559,610	5·1	43,686,502	86·4	218,776	·4	50,559,888
1914 ,, ...	2,970,000	1,125,000	4,095,000	8·5	3,122,446	6·5	40,653,102	84·5	252,156	·5	48,122,704
1913 ,, ...	2,970,000	1,125,000	4,095,000	9·1	3,153,328	7·0	37,637,045	83·4	225,676	·5	45,111,049
1910 ,, ...	2,970,000	1,100,000	4,070,000	10·2	2,040,741	5·1	33,612,502	84·2	197,300	·5	39,920,543

ASSETS.	Cash in Hand & at B. of Eng. £	% *	Money at Call and at Short Notice. £	% *	Investments. £	% *	Bills Discounted. £	% *	Loans and Advances. £	% *	Liab. of Cust. for Acceptances. £	% *	Bank Premises. £	% *	Total Assets. £
1918 June 30	10,101,548	15·6	2,158,560	3·3	16,354,599	25·0	17,315,284	26·4	15,919,973	24·3	2,541,301	3·9	1,012,165	1·5	65,403,429
1917 Dec. 31	11,087,649	16·9	2,150,395	3·3	13,145,029	20·0	19,880,150	30·3	15,468,529	23·5	2,947,107	4·5	1,019,552	1·5	65,698,411
1916 ,, ...	9,391,198	16·5	2,042,931	3·6	12,136,315	21·3	15,175,526	26·6	13,573,976	23·8	3,582,701	6·3	1,052,130	1·9	56,954,777
1915 ,, ...	6,578,122	13·0	2,294,466	4·5	12,943,783	25·6	9,482,765	18·7	15,656,795	31·0	2,559,610	5·1	1,044,347	2·1	50,559,888
1914 ,, ...	8,112,792	16·9	4,033,300	8·4	7,024,635	14·6	6,069,396	12·6	18,715,400	38·9	2,122,446	6·5	1,044,735	2·1	48,122,704
1913 ,, ...	5,996,668	13·3	5,644,476	12·5	6,260,705	13·9	6,811,871	15·1	16,218,749	35·1	3,153,328	7·0	1,025,252	2·2	45,111,049
1910 ,, ...	4,626,004	11·6	6,604,135	16·5	8,084,979	20·3	†	—	17,626,087	44·2	2,040,741	5·1	938,597	2·3	39,920,543

* Per cent. of Total Liabilities or Assets. † Included with Loans and Advances.

Belfast Bank since affiliation have more than doubled. Every penny of this money is lent in Ireland. It used to be alleged that the introduction of a British bank into Ireland would result in Irish deposits being used to finance British industries. Experience has proved that this charge was devoid of all foundation. With the resources of the British bank behind it the Belfast Bank has been able to give a much bigger proportion of assistance to Irish industries than it could have ventured to do on the basis of its own unaided resources. The fusion of interests with the Clydesdale Bank should prove no less complete and no less mutually beneficial than in the case of the Belfast Bank. The three institutions together will have in the three kingdoms a total of no fewer than 1,725 offices—1,454 in England and Wales, 157 in Scotland, and 114 in Ireland. In Scotland and in Ireland there is and will be independent control and management, but the three institutions have an earnest determination to co-operate in the development of banking business on the best lines.

Coming now to the profit and loss account, after making full provision for all bad and doubtful debts the net profits amount to £3,079,461, which, with £675,097 brought forward from last year, gives £3,754,558. The dividend, at the rate of 18%, less tax, absorbs £1,052,504; salaries and bonus to staff with H.M. Forces and bonus to other members of the staff account for £475,202; a special peace bonus to the staff cost £250,000; £1,000,000 goes to provide for depreciation of War Loans and future contingencies; as already mentioned, £250,000 has been placed to Bank premises redemption fund; and £726,852 is carried forward, which is £51,755 more than the amount brought forward.

Attached is our usual table of profits of the Bank from 1913 to 1919, and also a separate table showing the London Joint Stock Bank's profits to December 1917.

Profits of the London Joint City and Midland Bank, Ltd.

Year to Dec. 31	Net Profit £	Div. Earned %	Div. Subject to Tax Paid %	Div. Subject to Tax Paid £	Balance £	Special Allocat'ns £	Carried Forward £
1919 ...	3,055,331	36·3†	18·0‡	1,503,577	1,551,754	1,500,000	726,852
1918 ...	2,582,379	36·00	18·00	1,291,067	1,291,312	1,350,000	675,097
1917 ...	1,887,514	37·06	18·00	897,267	990,247	500,000	733,785
1916 ...	1,622,984	33·94	18·00	860,542	762,442	632,501	243,538
1915 ...	1,245,715	16·06	18·00	860,542	385,173	692,860	113,598
1914 ...	1,140,107	25·02	18·58	846,815	293,292	20,000	421,285
1913...	1,248,000	29·31	18·56	807,000	441,000	426,000	147,993

‡ 9% on £8,289,072 and 9% on capital at end of year—£8,417,335.
† Calculated on capital at end of year.

Profits of the London Joint Stock Bank, Limited.

Year to Dec. 31	Gross Profit £	Expenses £	Net Profit £	Div. Earned %	Div. Subject to Tax Paid %	Div. Subject to Tax Paid £	Special Allocat'ns £	Carried Forward £
1917...	1,143,545	531,440	612,105	20·6	10	297,000	240,000	125,428
1916...	1,049,354	500,706	548,648	18·4	10	297,000	271,600	50,324
1915...	996,602	453,132	543,470	18·3	10	297,000	265,000	70,276
1914...	896,987	443,808	453,179	15·2	11	326,700	100,000	88,806
1913...	949,622	429,115	520,507	17·5	10½	321,750	198,000	62,326

Incorporated in this notice will be found our usual table of liabilities and assets, those of the London Joint City and Midland Bank, Limited, being given to December 31, 1919, and those of the London Joint Stock Bank to June 30, 1918.

LONDON MERCHANT BANK.

Head Office: 38 Lombard Street, London, E.C. 3.

THE balance sheet of this Bank, which, as its name implies, is essentially a merchant bank and not a deposit institution (the deposits for 1919 amounted only to about £440,000), shows no striking differences when compared with that of the previous year. The acceptances on account of customers and advances under the Government scheme of September 5, 1914, are increased by £76,843. Liabilities on current and other accounts, &c., show only a small variation—an increase of £90,000. Staff pension fund is slightly up at £26,256, as compared with £25,410 in 1918, the increase representing the interest with which that fund has been credited as usual. On the assets side,

CHARTERED BANK OF INDIA, AUSTRALIA AND CHINA,

38 BISHOPSGATE, LONDON, E.C. 2.

Incorporated by Royal Charter.

CAPITAL - - - £2,000,000
RESERVE FUND - £3,000,000

COURT OF DIRECTORS.

Sir MONTAGU CORNISH TURNER, Chairman.
Sir DUNCAN CARMICHAEL.
THOMAS CUTHBERTSON, Esq.
Sir ALFRED DENT, K.C.M.G.
Sir WILLIAM HENRY NEVILLE GOSCHEN, K.B.E.
The Right Hon. LORD GEORGE HAMILTON, G.C.S.I.
WILLIAM FOOT MITCHELL, Esq.
JAMES MAXWELL GRANT PROPHIT, Esq.
LEWIS ALEXANDER WALLACE, Esq.

W. E. PRESTON, *Chief Manager.*
J. S. BRUCE, G. MILLER, } *Sub-Managers.*

AGENCIES AND BRANCHES.

AMRITSAR	HONG KONG	PENANG
BANGKOK	ILOILO	PUKET
BATAVIA	IPOH	RANGOON
BOMBAY	KARACHI	SAIGON
CALCUTTA	KLANG	SEREMBAN
CANTON	KOBE	SHANGHAI
CAWNPORE	KUALA LUMPUR	SINGAPORE
CEBU	MADRAS	SOURABAYA
COLOMBO	MANILA	TAIPING (F.M.S.)
DELHI	MEDAN	TAVOY
HAIPHONG	NEW YORK	TIENTSIN
HANKOW	PEKING	YOKOHAMA

BANKERS.

THE BANK OF ENGLAND.
THE LONDON JOINT CITY AND MIDLAND BANK, LIMITED.
THE LONDON COUNTY WESTMINSTER AND PARR'S BANK, LIMITED
THE NATIONAL PROVINCIAL AND UNION BANK OF ENGLAND LIMITED.
THE NATIONAL BANK OF SCOTLAND, LIMITED.

The Corporation buy and receive for collection Bills of Exchange, grant Drafts payable at the above Agencies and Branches, and transact general Banking business connected with the East. Deposits of money are received for fixed periods at terms which may be ascertained on application; interest payable half-yearly, 30th June and 31st December. On Current Accounts interest is allowed at 2 per cent. per annum on the minimum monthly balances provided they do not fall below £200.

THE CANADIAN BANK OF COMMERCE.

PAID-UP CAPITAL - - $15,000,000 (£3,082,192).
RESERVE FUND - - $15,000,000 (£3,082,192).

Head Office: TORONTO.

SIR EDMUND WALKER, C.V.O., LL.D., D.C.L., *President.*
SIR JOHN AIRD, *General Manager.*
H. V. F. JONES, *Assistant General Manager.*

Over 205 BRANCHES throughout CANADA and in the UNITED STATES and elsewhere (as below).

IN NEWFOUNDLAND.

BELLEORAM, GRAND BANK, HARBOUR BRETON, ST. JOHN'S, ST. PIERRE, MIQUELON (FRENCH POSSESSION).

IN THE UNITED STATES.

NEW YORK, SAN FRANCISCO, PORTLAND (OREGON), SEATTLE, and Agents in all large Cities.

IN MEXICO. MEXICO CITY.

IN THE WEST INDIES. HAVANA.

London Office: 2 LOMBARD STREET, E.C. 3.

CHARLES CAMBIE, *Manager.*
A. R. PHIPPS, *Assistant Manager.*

Canadian and United States Currency Bills and Notes bought and sold; Telegraphic Transfers made to all principal points in North America; Commercial and Travellers' Letters of Credit and Travellers' Cheques issued; Collections made at all points; a general Banking and Exchange business conducted with Canada Newfoundland, and the United States.

THE

Commercial Banking Company of Sydney,

LIMITED.

ESTABLISHED 1834.

INCORPORATED IN NEW SOUTH WALES.

Capital Paid up £2,500,000. 0. 0
Reserve Fund ...£2,120,000. 0. 0
Reserve Liability of Shareholders ...£2,500,000. 0. 0

Drafts payable on demand and Letters of Credit on Australasia are issued by the London Branch. Bills on Australasia negotiated or collected. Remittances cabled.

London Offices:

18 BIRCHIN LANE, LOMBARD STREET, E.C. 3.

F. A. SCRIVENER, *Manager.*

BANK OF ADELAIDE.

Incorporated by Act of Parliament, 1865.

Paid-up Capital	**£500,000**
Reserve Fund	**600,000**
	£1,100,000
Uncalled Capital	**125,000**
Reserve Liability of Proprietors	**625,000**
	£1,850,000

Head Office: ADELAIDE, SOUTH AUSTRALIA.

MELBOURNE OFFICE: 267 Collins Street.
SYDNEY OFFICE: 105 Pitt Street.

Bills on all the Australasian Colonies purchased or collected.
Drafts issued and **Remittances** cabled.
Deposits received for fixed periods at rates to be ascertained on application.

P. ARNOLD, O.B.E., *Manager.*
11 Leadenhall Street, London, E.C.3.

WESTERN AUSTRALIAN BANK

LONDON AGENCY.

ESTABLISHED 1841.

Paid-up Capital	**£250,000**
Reserve Fund	**700,000**
Reserved Profits	**32,970**
Reserve Liability of Shareholders	**250,000**

Head Office: PERTH, WESTERN AUSTRALIA.

Drafts issued, Remittances cabled, Bills negotiated or collected. Deposits received for fixed periods at rates to be ascertained on application, and all Banking and Exchange Business connected with Western Australia conducted through the London Agents,

The Bank of Adelaide,
11 Leadenhall Street, London, E.C. 3.

Liabilities and Assets of The London Merchant Bank, Ltd. (formerly the London and Hanseatic Bank, Ltd.)

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Current Accounts, &c. £	% *	Acceptances. £	% *	Staff Pension Fund. £	% *	Profit Balance. £	% *	Total Liabilities. £
1919 ...	750,000	350,000	1,100,000	30·3	439,237	12·1	1,988,340	54·7	26,256	·7	78,794	2·2	3,632,627
1918 ...	750,000	350,000	1,100,000	31·8	349,770	10·1	1,911,497	55·3	25,410	·7	73,311	2·1	3,459,988
1917 ...	750,000	350,000	1,100,000	30·2	328,306	9·0	2,131,601	58·7	24,406	·7	50,834	1·4	3,635,147
1916 ...	750,000	350,000	1,100,000	27·4	373,147	9·3	2,471,913	61·5	23,378	·6	48,005	1·2	4,016,443
1915 ...	750,000	350,000	1,100,000	26·2	161,326	3·8	2,877,205	68·4	22,300	·5	45,682	1·1	4,206,513
1914 ...	750,000	350,000	1,100,000	20·1	173,551	3·2	4,126,415	75·4	21,257	·4	47,943	·9	5,469,166
1913 ...	750,000	350,000	1,100,000	13·1	1,445,295	17·2	5,749,835	68·7	18,376	·2	64,891	·8	8,378,397
1910 ...	625,000	235,000	860,000	14·9	629,732	11·0	4,196,683	72·8	11,728	·2	67,051	1·1	5,765,194

ASSETS. Dec. 31	Cash in Hand and at Bankers. £	% *	Loans at Call and at Short Notice. £	% *	Investments. £	% *	Bills Receivable. £	% *	Current and Other Accounts, &c. £	% *	Total Assets. £
1919	46,944	1·3	186,000	5·1	114,921	3·2	150,741	4·1	3,134,018	86·3	3,632,627
1918	63,705	1·9	145,000	4·2	188,547	5·4	137,884	3·9	2,924,852	84·6	3,459,988
1917	54,484	1·5	160,000	4·4	250,500	6·9	121,748	3·3	3,048,415	83·9	3,635,147
1916	54,608	1·4	160,000	4·0	286,903	7·1	147,922	3·7	3,367,010	83·8	4,016,443
1915	39,272	·9	183,000	4·3	309,968	7·4	186,687	4·5	3,487,586	82·9	4,206,513
1914	47,639	·9	398,540	7·3	340,742	6·2	156,727	2·9	4,525,518	82·7	5,469,166
1913	52,867	·6	532,700	6·4	311,217	3·7	749,451	9·0	6,732,162	80·3	8,378,397
1910	42,765	·8	509,000	8·8	284,380	4·9	554,065	9·6	4,374,984	75·9	5,765,194

* Per cent. of Total Liabilities or Assets.

cash at bankers and in hand, with loans at call and short notice, show an increase of £24,240. In the securities there is a reduction of £73,620, the Bank having continued to take advantage of the opportunities that have presented themselves for realisation and written own investments to market price. Bills receivable is a fluctuating item and reveals a small increase of £12,857. Current and other accounts, which is the big item on the assets side of the account, shows an increase of £259,746. Last year it included shares taken over from the Public Trustee—an element no longer in evidence—so that the increase is really greater than appears. The net profit shows an improvement of £20,506 over that of the previous year, and, after payment of a dividend of 6% for the year, the Bank carried forward £52,544, an increase of £16,733.

Profits of the London Merchant Bank, Limited.

Year to Dec. 31	Gross Profit £	Expenses £	Net Profit £	Dividend Subject to Tax — Earned %	Paid %	Paid £	Special Allocat'ns £	Carried Forward £
1919...	91,058	29,325	61,733	8·23	6·0	45,000	—	52,544
1918...	66,899	25,672	41,227	5·50	5·0	37,500	—	35,811
1917...	68,843	28,513	40,330	5·37	5·0	37,500	—	32,085
1916...	67,366	27,543	39,823	5·31	5·0	37,500	—	29,255
1915...	66,744	27,755	38,989	5·19	5·0	37,500	—	26,932
1914...	78,278	29,468	48,810	6·51	6·5	48,758	—	25,443
1913...	126,328	35,489	90,839	12·92	8·49	59,734	27,000	25,391

MANCHESTER AND COUNTY BANK.

Head Office: 55 King Street, Manchester.

THE Manchester and County Bank was incorporated in 1862; the first branches were opened at Preston, Bacup, and Blackburn, and as showing how the business of the Bank has extended in Lancashire and contiguous counties, for which the Bank caters, it may be noted that 141 branches are now in full operation.

Originally the capital of the Bank was £3,500,000, of which £222,736 was paid up. Almost from the commencement the business of the Bank showed expansion, and in 1866 arrangements were made to absorb the Saddleworth Banking Company, an institution with an interesting local history, dating back to about 1760. For the purposes of this amalgamation it was decided to raise the capital of the Manchester and County Bank to £5,000,000. In 1871 the paid-up capital stood at £600,000, and in that year a further extension of the Bank's sphere of operations was seen in the absorption of the Bank of Stockport, an old-established banking institution with a capital of £60,000; the paid-up capital of the Manchester and County Bank was then increased to £660,000. In 1889 a bonus of £1 per share was given to shareholders by the simple expedient of transferring the amount required from the reserve to capital account, and by this step the paid-up capital was further increased to £704,000. In 1903 a similar bonus was given. In December 1896 a further addition to the Bank was made by amalgamation with the Bank of Bolton, and, following on this amalgamation, the authorised capital of the Manchester and County Bank was raised to £5,500,000. At this period the Bank's reserve exceeded its paid-up capital, the figures being: capital, authorised, £5,500,000; subscribed, £5,460,200; paid, £873,632; reserve fund, £880,000. At present the authorised capital and the subscribed capital remain unchanged, but paid-up capital stands at £1,092,040, in 273,010 shares of £20 each, £4 paid, while the reserve fund stands at £725,000. The reserve fund in 1910 was £1,060,000, but mainly by process of capitalisation of a portion of this amount the reserve was reduced in that year to £850,000, and, in order to provide a reserve for depreciation in investments, £250,000 was subsequently transferred to a separate fund, leaving the reserve fund at £600,000. Out of the profit balance of 1918 £40,000 was set aside to supplement the appreciation in market values which seemed to have set in, and £125,000 was re-transferred to the reserve proper, bringing it up to £725,000. The improvement, however, proved to be of brief duration, and the 1919 profit and loss account shows that a further £70,000 had to be allocated from profits to meet depreciation of investments, the special reserve against this contingency

Liabilities and Assets of The Manchester and County Bank, Limited.

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund. £	Investment Fund. £	Total Capital and Reserves. £	% *	Acceptances. £	% *	Deposits, &c. £	% *	Profit Balance. £	% *	Total Liabilities. £
1919 ...	1,092,040	725,000	125,000	1,942,040	6·6	3,012,230	10·3	24,071,009	82·3	225,818	·8	29,251,097
1918 ...	1,092,040	600,000	250,000	1,942,040	9·5	506,126	2·5	17,679,775	87·1	189,129	·9	20,317,070
1917 ...	1,092,040	600,000	250,000	1,942,040	11·0	1,017,700	5·8	14,505,740	82·2	186,266	1·0	17,651,746
1916 ...	1,092,040	600,000	250,000	1,942,040	11·7	1,299,795	7·8	13,181,813	79·4	183,539	1·1	16,607,187
1915 ...	1,092,040	700,000	150,000	1,942,040	14·0	428,594	3·0	11,431,430	82·0	141,302	1·0	13,943,366
1914 ...	1,092,040	850,000	—	1,942,040	14·4	369,452	2·7	11,047,391	82·0	121,282	·9	13,480,165
1913 ...	1,092,040	850,000	—	1,942,040	14·2	718,329	5·3	10,875,579	79·8	103,387	·7	13,639,335
1910 ...	928,234	1,060,000	—	1,988,234	16·3	728,268	6·0	9,339,025	76·7	119,538	1·0	12,175,065

ASSETS. Dec. 31	Cash in Hand, at Call & Short Notice, &c. £	% *	Investments. £	% *	Bills Discounted. £	% *	Loans and Advances. £	% *	Liab. of Cust. for Acceptances. £	% *	Bank Premises, &c. £	% *	Total Assets. £
1919... ...	7,430,129	25·4	4,899,579	16·8	3,232,383	11·0	10,376,776	35·5	3,012,230	10·3	300,000	1·0	29,251,097
1918... ...	5,434,490	26·7	3,810,278	18·8	4,139,006	21·8	5,852,170	28·8	506,126	2·5	275,000	1·4	20,317,070
1917... ...	4,343,306	24·6	3,745,212	21·2	1,778,692	10·1	6,491,836	36·8	1,017,700	5·8	275,000	1·5	17,651,746
1916... ...	4,191,087	25·2	4,391,012	26·5	1,759,190	10·5	4,699,803	28·3	1,299,795	7·8	275,000	1·7	16,607,187
1915... ...	2,717,817	19·5	4,646,457	33·3	704,393	5·1	5,171,105	37·1	428,594	3·1	275,000	1·9	13,943,366
1914... ...	4,272,078	31·7	1,877,738	14·0	1,401,835	10·4	5,284,062	39·2	369,452	2·7	275,000	2·0	13,480,165
1913... ...	3,373,193	24·7	1,765,882	12·9	1,983,745	14·5	5,573,186	40·9	718,329	5·3	225,000	1·7	13,639,335
1910... ...	2,919,953	23·9	1,578 340	13·0	1,479,335	12·1	5,259,169	43·3	728,268	6·0	210,000	1·7	12,175,065

* Per cent. of Total Liabilities or Assets.

CANADA.

THE DOMINION BANK.

Head Office: TORONTO.

TOTAL ASSETS, $143,505,000.

SIR E. B. OSLER, *President.* A. W. AUSTIN, SIR AUGUSTUS M. NANTON, *Vice-Presidents.*
C. A. BOGERT, *General Manager.*

London Branch—73 CORNHILL, E.C. 3.
S. L. JONES, Manager.

GENERAL BANKING BUSINESS TRANSACTED.
BILLS OF EXCHANGE, DEBENTURES AND COUPONS PURCHASED OR COLLECTED.
FUNDS TRANSFERRED BY DRAFT OR CABLE.
BRANCHES AND CORRESPONDENTS THROUGHOUT CANADA AND THE UNITED STATES.
NEW YORK AGENCY: 51 BROADWAY.

The National Bank of New Zealand,

LIMITED.

AUTHORISED CAPITAL - -	£3,000,000	PAID-UP CAPITAL - -	£1,000,000
SUBSCRIBED CAPITAL - -	£3,000,000	RESERVE FUND - - -	£1,000,000
UNCALLED CAPITAL - - - -	£2,000,000.		

Directors:

HON. W. PEMBER REEVES (*Chairman*).
JAMES H. B. COATES, Esq. HENRY F. FRESHWATER, Esq. ROBERT LOGAN, Esq.
CHARLES ELGAR, Esq. SIR AUSTIN E. HARRIS, K.B.E. LINDSAY ERIC SMITH, Esq.

Head Office:—17 MOORGATE STREET, LONDON, E.C. 2. Chief Office in New Zealand:—WELLINGTON.
Manager:—ARTHUR WILLIS. General Manager:—D. W. DUTHIE.

Branches and Agencies throughout New Zealand and Correspondents in all parts of the World.

The National Bank of New Zealand, Limited, issues DRAFTS and LETTERS of CREDIT, makes Telegraphic Transfers, opens Current Accounts, negotiates and collects Bills of Exchange. Receives Deposits of £50 and upwards for 1, 2 or 3 years at rates to be ascertained on application, and conducts every other description of banking business.

THE

ESTABLISHED 1858.



ESTABLISHED 1858.

OF AUSTRALASIA LIMITED

(With which is amalgamated THE COLONIAL BANK OF AUSTRALASIA, LTD.). (INCORPORATED IN VICTORIA).

Authorised Capital	£5,000,000	Reserve Fund	£1,200,000
Capital Paid up	2,000,000	Reserve Liability of Shareholders ...	828,000

Head Office - - - MELBOURNE.

The Bank is fully represented by branch establishments and agencies throughout Australia, New Zealand and Tasmania. BILLS on all parts of Australasia purchased and collected. DRAFTS and LETTERS OF CREDIT issued. MAIL AND TELEGRAPHIC TRANSFERS made at minimum current rates.

Local Directors—R. H. CAIRD Esq., J.P.; Hon. Sir ARTHUR L. STANLEY, K.C.M.G. *Manager*—ROBERT COTTON.

***London Office*—7 LOTHBURY, E.C. 2.**

AFRICAN BANKING CORPORATION, Ltd.

HEAD OFFICE: 63 LONDON WALL, E.C. 2.

Subscribed Capital - £2,000,000 Called-up Capital - £1,000,000
Reserve - - - - - £360,000

Board of Directors.

The Right Hon. the EARL OF SELBORNE, K.G., *Chairman.* ROBERT LITTLEJOHN, *Deputy-Chairman.*
STANLEY CHRISTOPHERSON. Sir GODFREY Y. LAGDEN, K.C.M.G. WILLIAM JAMES THOMPSON.
SOLOMON B. JOEL, J.P. The Right Hon. The EARL OF MIDLETON, K.P. GEORGE W. THOMSON, J.P.

Manager in London—J. M. WALLACE. **Secretary**—ALEXANDER DUNCAN. **General Manager in South Africa**—JAMES S. SHIEL.

Branches in South Africa.

Arcturus (Agency to Salisbury), Benoni, Bethlehem, Bloemfontein, Boksburg, Bulawayo, Burghersdorp, Calvinia, Cape Town, Cape Town (Long Street), Cape Town (Caledon Street), De Doorns (Agency to Worcester), Durban, Durban (Pine Street), Durbanville, East London, Flagstaff, Fransch Hoek, Gatcomal Germiston, Graaff Reinet, Grahamstown, Hermon, Idutywa, Jagersfontein, Jeppestown, Johannesburg, Johannesburg (President Street), West Johannesburg (Pritchard Street), Keiskama Hoek, Kimberley, King William's Town, Klipdam, Koffyfontein, Kokstad, Malmesbury, Molteno, Montagu, Moorreesberg, Mossel Bay, Nieuwoudtville, North End (Sub Branch to Port Elizabeth), Oudtshoorn, Paarl, Noorder Paarl (Sub Branch), Philadelphia (Sub Branch to Durbanvillee) Pietermaritzburg, Piquetberg, Plumstead (Sub Branch to Wynberg), Port Elizabeth, Porterville, Pretoria, Queenstown, Salisbury, Sea Point (Sub Branch to Cape Town), Shamva, Springs, Stanger, Stutterheim, Tweefontein, Transvaal, Umtata, Wellington, Whittlesea (Agency to Queenstown), Windhuk, Worcester and Wynberg

Agency in America: New York, 64 Wall Street. Agent—WM. LOGAN.

Every kind of approved Banking business is transacted at the Head Office and Branches. Current Accounts are opened, Drafts issued, Bills and Securities collected, the Sale and Purchase of Stocks, Shares, &c., undertaken, and Securities and Valuables received for Safe Custody. Deposits for fixed periods or at notice are received on terms and rates to be ascertained on application. The Bank undertakes Executor and Trustee Business. Every officer of the Bank is pledged to secrecy as to the business affairs of the Bank and its customers.

standing at £125,000.. The total of the Bank's investments appears as £4,899,579, or over £1,000,000 more than at the end of 1918.

The net profit for 1919 shows an increase of £33,956, at £240,371. Out of this, £70,000 was utilised as stated, and £163,806 went to provide dividends equal to 12*s.* per share, subject to tax. This amount is after making provision for bad and doubtful debts and payment of all expenses.

Profits of the Manchester and County Bank, Limited.

Year to Dec. 31	Net Profit	Div. Subject to Tax — Earned	Paid		Special Allocations	Carried Forward
	£	%	%	£	£	£
1919 ...	240,371	22·0	15	163,806	70,000	72,618
1918 ...	206,415	18·9	15	163,806	40,000	66,053
1917 ...	197,952	18·1	14½	154,706	40,000	63,443
1916 ...	188,093	17·2	13⅔	145,605	50,000	60,196
1915 ...	166,901	15·3	13⅔	145,605	—	67,708
1914 ...	171,042	15·6	13¾	150,155	—	46,413
1913 ...	193,929	17·7	14½	154,706	35,000	25,525

'Turning to the balance sheet, we find that acceptances show an increase of over 2½ millions sterling at £3,012,230, and deposits, &c., have increased by nearly £6,400,000 to £24,071,009. Cash in hand, at call, and at short notice is, at £7,430,129, two million pounds higher than in 1918. Bills discounted, at £3,232,383, are down by over a million sterling; loans and advances, however, have nearly doubled at £10,376,776.

MANCHESTER AND LIVERPOOL DISTRICT BANKING COMPANY.

Head Office: Spring Gardens, Manchester.

THIS Bank, as its name implies, is first and foremost a Lancashire institution. It has, however, an important London office in Cornhill, and also a foreign department at Spring Gardens, Manchester, so that its interests are not exclusively concerned with the home trade of Manchester and district; it also cares for the foreign operations of its clients. The Bank is a very old-established concern, having been formed in 1829 with a nominal capital of £3,000,000, in 30,000 shares of £100 each. Little is known of its early history, but by December 31, 1874, the paid-up capital was £905,000, and the reserve fund £571,774. In 1888, 9,500 new shares were issued, bringing the paid-up capital to £1,000,000, and the premium on this issue brought up the reserve to the same figure. Twenty-five thousand new shares were issued in 1900, raising the paid-up capital to £1,250,000, and the premium on this issue, £753,544, was added to the reserve fund. In 1902 the paid-up capital stood at £1,250,000, and the reserve £2,015,000. Accordingly, steps were taken to capitalise a portion of the reserves. To this end a payment of £2 per share was made to the shareholders, and at the same time a call of a like amount was made, to the payment of which the bonus might be applied. As the result of this transaction the paid-up capital was increased to £1,500,000, and the reserve fund was reduced to £1,750,000, the amount paid up per share being increased from £10 to £12. At the end of 1906 the reserve fund, which had received further additions, stood at £1,845,000, but in 1907 £185,000 was transferred from it to meet the depreciation on investments. The present subscribed capital is £9,480,000, in £15 shares, of which £1,896,000, or £3 per share, has been paid up, thus leaving a further liability of £2 callable and £10 reserved. The reserve fund, which at the end of 1910 stood at £1,750,000, has been drawn upon to meet further depreciation in investments, and subsequent transfers have resulted in the figure at which it now stands—£1,550,000.

Business in Lancashire and adjacent counties has been steadily fostered by the Bank ever since its inception, but this has not stopped it from amalgamating with or absorbing other institutions where necessary in the interests of its constituents. In 1907 the Bank acquired the old-established business of the Lancaster Banking Company; in 1863, a private banking firm—Lloyd, Entwisle, Bury and Jervis—was taken over. In 1892 the firm of Messrs. Brocklehurst and Company, of Macclesfield, was absorbed. In 1916 the Bank of Whitehaven was also purchased, and by this absorption the Manchester and Liverpool District Bank acquired a good connection with the Western border counties, in which the Bank of Whitehaven had nine branches How great has been the extension of business by the "District" Bank may be judged from the fact that in 1900 only 96 branches of the Bank were open; at the end of last year 291 were operating.

The figures for the years 1917 and 1918 showed a marked expansion in the affairs of the Bank, and those for 1919 indicate that the progress continues, both as regards profits and deposits. After making provision for bad and doubtful debts, and deducting £54,470 for bonus to staff paid within the year, the net profit for the year is £456,408, an increase of £30,233 over the figures for 1918. The amount of staff bonus paid in the previous year was £42,659. Including the balance brought forward from 1918, the sum available for distribution was £582,797, against £566,089 a year earlier. Out of this dividends amounting to 18⅓% per annum, or 11*s.* per share, have been paid. A year ago £100,000 was transferred to investment account and £126,389 carried forward. This year also £100,000 is carried to British Government securities account and £135,197 carried forward. Current, deposit, and other accounts, £59,108,850, show the record increase of £14,578,337, or nearly 33⅓%—partly due to inflation of values. For 13 successive years the Bank's deposits have shown a steady yearly increase, and a large part of this is due to the opening of branches in the suburban and agricultural districts served. Acceptances, £5,259,016, are over £3,500,000 higher than last time—due chiefly

Liabilities and Assets of The Manchester and Liverpool District Banking Company, Limited.

LIABILITIES.

Dec. 31	Capital Paid up. £	Reserve Fund. £	Inv. Deprec. Reserve. £	Total Capital and Reserve. £	%	Acceptances. £	%	Deposits. £	%	Profit Balance. £	%	Total Liabilities. £
1919...	1,896,000	1,550,000	—	3,446,000	5·1	5,259,016	7·7	59,108,850	86·8	308,997	·4	68,122,863
1918...	1,896,000	1,550,000	—	3,446,000	6·9	1,567,079	3·2	44,530,513	89·3	300,189	·6	49,843,781
1917...	1,896,000	1,250,000	300,000	3,446,000	7·2	3,261,935	6·9	40,592,886	85·3	305,814	·6	47,606,635
1916...	1,896,000	1,200,000	300,000	3,396,000	8·1	2,795,954	6·7	35,346,576	84·6	268,040	·6	41,806,570
1915...	1,896,000	1,410,000	200,000	3,506,000	10·1	2,010,542	5·8	28,666,699	81·2	281,470	·9	34,464,711
1914...	**1,896,000**	**1,610,000**	**—**	**3,506,000**	**10·5**	**3,052,961**	**6·2**	**27,412,987**	**82·6**	**219,048**	**·7**	**33,191,014**
1913...	1,896,000	1,600,000	—	3,496,000	10·8	2,688,757	8·3	25,916,689	80·2	216,724	·7	32,318,170
1910...	1,896,000	1,750,000	—	3,646,000	12·7	2,402,033	8·4	22,523,160	78·3	176,887	·6	28,748,079

ASSETS.

Dec. 31	Cash in Hand, &c. £	%	Money at Call & at Short Notice, &c. £	%	Investments. £	%	Bills Discounted. £	%	Advances. £	%	Liab. of Cust. for Acceptances £	%	Bank Premises, &c. £	%	Total Assets. £
1919...	9,725,270	14·3	3,357,570	4·9	10,676,119	15·7	15,432,706	22·7	23,172,182	34·0	5,259,016	7.7	500,000	·7	68,122,863
1918...	7,192,479	14·4	3,562,409	7·1	8,903,719	17·9	14,705,232	29·5	13,412,863	26·9	1,567,079	3·2	500,000	1·0	49,843,781
1917...	6,185,094	13·0	3,033,861	6.4	8,942,616	18·8	11,075,009	23·2	14,608,120	30·7	3,261,935	6·9	500,000	1·0	47,606,635
1916...	5,325,209	12·7	4,220,929	10·1	9,900,237	23·7	6,646,967	15·9	12,417,274	29·7	2,795,954	6·7	500,000	1·2	41,806,570
1915...	4,100,476	11·9	2,913,109	8·4	10,839,362	31·5	1,682,944	4·9	13,118,378	38·1	2,010,542	5·8	500,000	1·4	34,464,711
1914...	**3,601,142**	**10·8**	**3,793,922**	**11·5**	**4,502,552**	**13·5**	**4,762,626**	**14·4**	**13,977,811**	**42·1**	**3,052,961**	**6·2**	**500,000**	**1·5**	**33,191,014**
1913...	3,480,025	10·7	3,741,597	11·6	3,530,352	10·9	4,806,296	15·0	13,571,143	42·0	2,688,757	8·3	500,000	1·5	32,318,170
1910...	2,718,815	9·5	2,736,117	9·1	3,826,792	13·3	3,589,255	12·5	12,975,068	45·1	2,402,033	8·4	500,000	1·7	28,748,079

* Per cent. of Total Liabilities or Assets.

The Central Bank of India, Ltd.

ESTABLISHED 1911.

Head Office: BOMBAY.

Branches and Agencies:

LONDON, CALCUTTA, KARACHI, DELHI, AMRITSAR, LAHORE, JHARIA, AND LYALLPUR.

London Agents:

THE LONDON JOINT CITY AND MIDLAND BANK, LIMITED.

Subscribed Capital- Rs. 1,00,00,000
Paid-up Capital - Rs. 50,00,000
Reserve Fund - - Rs. 14,00,000

S. N. POCHKHANAWALA, Chief Manager.

THE COLONIAL BANK.

ESTABLISHED IN 1836.

Sanctioned by Royal Charter and under the Authority of Parliament.

Authorised Capital - - - - - - -	£5,000,000
Subscribed Capital - - - - - - -	£3,000,000
Paid-up Capital (to date) - - - - -	£900,000
Reserve Fund - - - - - - - -	£375,000

Directors:

CHARLES FREDERICK WOOD, Esq., *Chairman.*
CYRIL GURNEY, Esq., *Deputy-Chairman.*

COLIN ALGERNON CAMPBELL, Esq.
THOMAS DU BUISSON, Esq.
GILBERT W. FOX, Esq.
SIR EDWARD GOULDING, Bart., M.P.
SIR HERBERT HAMBLING.
OLIVER V. G. HOARE, Esq.
ARTHUR JOHN MCCONNELL, Esq.
ROBERT RUTHERFORD, Esq.
COLONEL CHAS. W. SOFER WHITBURN.

Auditor:

A. E. CUTFORTH, Esq., F.C.A. (Messrs DELOITTE, PLENDER, GRIFFITHS & CO.).

Joint General Managers: CHARLES H. HEWETT, E. HYSLOP BELL
Secretary: J. D. RACE.

Head Office and City Branch:

29 GRACECHURCH STREET, LONDON, E.C. 3.

MANCHESTER: 21 York Street. NEW YORK: 22 William Street,
HULL: 59 Whitefriargate. LIVERPOOL: 25 Castle Street,

WEST INDIES.

ANTIGUA—St. John's.
BARBADOS—Bridgetown. Speightstown.
DOMINICA—Roseau.
GRENADA — St. George's, Grenville, Carriacou (Grenadines).
JAMAICA—Kingston Falmouth, Montego Bay, Port Antonio, Savanna-la-Mar, Annotto Bay, Lucea, Morant Bay, Port Maria, St. Ann's Bay, May Peu.
ST. KITTS—Basseterre.
ST. LUCIA—Castries.
ST. VINCENT—Kingstown.
TOBAGO—Scarborough.
TRINIDAD—Port of Spain, San Fernando.

BRITISH GUIANA.

DEMERARA — Georgetown, Mahaica, Mahaicony.
BERBICE—New Amsterdam.
ESSEQUIBO — Henrietta, Suddie.

WEST AFRICA.

GAMBIA—Bathurst.
GOLD COAST — Accra, Seccondee, Winnebah, Nswam, Koforidua, Coomassie.
NIGERIA—Ibadan, Jos, Kano, Lagos, Ebute Metta, Onitsha, Port Harcourt, Zaria.
SIERRA LEONE—Freetown.
SENEGAL—Dakar (Agency).
CAMEROONS—Victoria.

GENERAL BANKING BUSINESS CONDUCTED.

Current Accounts are opened by the Bank in London and at its Branches. Interest at 2 per cent. per annum is allowed on Daily Balances in London. Deposits are received by the Bank in London and at its Branches subject to notice of withdrawal or special arrangement. Colonial and Foreign Exchange.—The Bank issues Letters of Credit, Drafts on Demand, Telegraphic Transfers, negotiates approved Bills of Exchange, receives Bills for Collection, buys Foreign Coupons. Imports and Exports.—The Bank offers special facilities for financing essential Imports and Exports.

BANK OF NEW SOUTH WALES

ESTABLISHED IN 1817

LONDON OFFICE:

29 Threadneedle Street, E.C.2.

Paid-up Capital	£4,000,000
Reserve Fund	3,200,000
Reserve Liability of Proprietors	4,000,000
	£11,200,000

Aggregate Assets, 30th September, 1919, £67,036,249 9 2

The London Office issues drafts on demand on its Head Office and branches in Australia, New Zealand, Tasmania, Fiji, and Papua, and on its Correspondents in Tasmania. Makes Mail and Cable Transfers. Negotiates and Collects Bills of Exchange. Arranges Wool and other Produce Credits. Receives deposits for fixed periods on terms which may be known on application, and conducts every description of Australasian banking business.

H. MELDRUM, *Acting Manager.*

THE

Union Bank of Australia

LIMITED.

Established 1837. Incorporated 1880.

Authorised and Issued Capital ...		£7,500,000
Paid-up Capital, £2,500,000 Reserve Fund, £2,570,000	Together	5,070,000
Reserve Liability of Proprietors ...		5,000,000
Total Issued Capital and Reserves ...		£10,070,000

DIRECTORS:

HENRY P. STURGIS, Esq., *Chairman.*

The Rt. Hon. LORD CARMICHAEL, G.C.S.I.
The Right. Hon. THE EARL OF CHICHESTER.
JOHN DENNISTOUN, Esq.
HUGH D. FLOWER, Esq.
The Rt. Hon. LORD HILLINGDON.
S. R. LIVINGSTONE-LEARMONTH Esq.
WILLIAM R. MEWBURN, Esq.
ROBERT C. NESBITT, Esq.
FRED. G. PARBURY, Esq.
The Hon. EDMUND W. PARKER.
Sir WESTBY B. PERCEVAL, K.C.M.G.

HEAD OFFICE:

71 CORNHILL, LONDON, E.C.

Manager—W. J. ESSAME. *Assistant Manager*—W. A. LAING.

Branches throughout Australia and New Zealand, viz.:

In VICTORIA	42
,, SOUTH AUSTRALIA ..	14
,, NEW SOUTH WALES ..	38
,, WESTERN AUSTRALIA ..	21
,, QUEENSLAND	19
,, TASMANIA	3
,, NEW ZEALAND	44
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Drafts upon the Branches are issued by Head Office, and may also be obtained from the Bank's Agents throughout England, Scotland, and Ireland.

Commercial and Circular Travelling Credits issued available throughout the World.

Telegraphic Remittances are also made.

Bills on the Australian States and Dominion of New Zealand are purchased or sent for collection.

Deposits are received at Head Office at rates of interest and for periods which may be ascertained on application.

to acceptances for cotton, which were over £3,000,000 more than last year.

On the other side of the balance sheet the assets were: Cash in hand and at the Bank of England, £9,725,270—in round figures an increase of £2,500,000. Bills of exchange amount to £15,432,706, an increase of £727,500; in this figure are included Treasury bills. Investments—£10,676,119—are approximately a million and three-quarters sterling higher. Advances on current account—£23,172,182—show an increase of nearly £10,000,000, due practically entirely to industrial demands. The Bank, while maintaining a steady dividend for its shareholders, never loses sight of its tradition of a high duty towards the community it serves.

Bank property remains at the same figure—£500,000. The total resources—£68,122,863—are the highest ever shown by the Bank, and the strength of these resources, it is stated, lies in the very large number of small accounts maintained.

Special mention might be made of the Bank's foreign department, which specialises in the financial facilities required by exporters and importers. The growth of this business has been so great in recent years that the Bank was obliged to open separate premises adjoining the head office in Spring Gardens, Manchester. In addition, they have working arrangements with numerous foreign, colonial, and other banks.

In this connection it might be noted that the Bank pays special attention to the education of its staff. The head of its foreign department and other members of its staff hold the B.Com. degree of Manchester University, and every assistance is given to members of the staff to utilise the lectures on banking and kindred subjects given in the University.

Profits of the Manchester and Liverpool District Banking Company, Limited.

Year to Dec. 31	Gross Profit £	Expenses £	Net Profit £	Dividend Subject to Tax—Earned %	Dividend Subject to Tax—Paid %	Dividend Subject to Tax—Paid £	Special Allocations £	Carried Forward £
1919 ...	—	—	456,408	24·1	18⅜	347,600	100,000	135,197
1918 ...	—	—	426,175	22·5	17⅝	339,700	100,000	126,389
1917 ...	—	—	419,574	22·1	17½	331,800	50,000	139,914
1916 ...	672,821	283,557	389,264	20·5	17½	331,800	70,000	102,140
1915 ...	625,623	244,819	380,804	20·1	17½	331,800	—	114,676
1914 ...	623,318	242,579	380,739	20·1	18·1	344,532	20,000	65,672
1913 ...	620,232	221,243	398,989	21·0	18·6	352,354	40,000	49,465

MERCANTILE BANK OF SCOTLAND.

Head Office: 53 West Regent Street, Glasgow.

Before the War this small Scottish Bank was making a sufficiently prosperous turnover to enable it to pay a tax-free dividend of 5%; since 1914, however, its operations have been badly handicapped, and in consequence no dividends have been paid for the last five years. Accounts are made up to March 31, 1919, and in the report submitted at the general meeting held on December 31 last the revenue for the year 1918-19 was shown to have amounted to £5,568, and the expenditure, including interest on deposits, to £6,173. There was thus a deficit on the year of £605. As against this sum, however, and the adverse balance of £490 brought forward on profit and loss account, £2,379 was recovered in respect of income tax for the three years to March 31, 1918, which would have left a balance at credit of profit and loss account of £1,284. The directors, however, deemed it advisable to appropriate £1,000 of this sum towards depreciation upon the investments, carrying forward the balance of £284 to next year. The results of the Bank's trading continued to be unfavourably affected by the method of levying income tax, but a claim for recovery is being made for last year, and it is hoped that repayment of a substantial sum will be obtained.

Profits of the Mercantile Bank of Scotland.

Year ended March 31	Gross Profit £	Expenses £	Net Profit £	Div. Subject to Tax—Earned %	Div. Subject to Tax—Paid %	Div. Subject to Tax—Paid £	Special Allocat'ns £	Carried Forward £
1919...	7,947†	6,173	1,774	12·6	Nil	—	1,000	284
1918...	5,009	5,583	Dr.574	—	Nil	—	—	Dr.490
1917...	5,446	6,071	Dr.625	—	Nil	—	—	84
1916...	6,589	5,993	596	4·23	Nil	—	500	709
1915...	8,108	6,664	1,444	10·26	Nil	—	1,500	613
1914...	8,259	6,695	1,564	11·11	5·3	746	750	669
1913...	7,808	6,286	1,522	10·82	5·3	746	750	601

† Including £2,379 income tax recovered and recoverable.

Liabilities and Assets of the Mercantile Bank of Scotland, Limited.

LIABILITIES. March	Capital Paid up. £	Reserve. £	Total Capital and Reserve. £	Reserve. %	Deposits and Current Accounts. £	Deposits and Current Accounts. %	Bank Overdraf. &c. £	Bank Overdraf. &c. %	Profit Balance. £	Profit Balance. %	Total Liabilities. £
1919	14,070	5,000	19,070	9·8	174,575	90·0	94†	—	283	·2	194,020
1918	14,070	5,000	19,070	11·9	141,445	88·1	94†	—	—	—	160,609
1917	14,070	5,000	19,070	13·3	114,261	79·6	10,015	7·0	179	·1	143,525
1916	14,070	9,250	23,320	14·4	137,539	85·1	—	—	838	·5	161,697
1915	14,070	10,500	24,570	13·3	159,368	86·3	—	—	774	·4	184,712
1914	14,070	10,500	24,570	12·7	168,283	86·7	—	—	1,178	·6	194,031
1911	14,070	8,250	22,320	12·2	158,403	87·2	—	—	976	·8	181,699

ASSETS. March	Cash in Hand, &c. £	Cash in Hand, &c. %	Invests. £	Invests. %	Advances, Bills Discounted, &c. £	Advances, Bills Discounted, &c. %	Office Furniture, &c. £	Office Furniture, &c. %	Total Assets. £
1919	24,392	12.6	119,970	61.8	49,421	25.5	237	·1	194,020
1918	27,788	17·3	94,058	58·6	38,041	23·7	232	·4	‡160,609
1917	5,879	4·1	93,984	65·5	43,420	30·2	242	·2	143,525
1916	17,566	10·8	96,099	59·4	47,672	29·5	360	·3	161,697
1915	17,792	9·7	112,569	61·0	53,974	29·0	377	·3	184,712
1914	29,532	15·2	104,857	54·1	59,257	30·5	385	·2	194,031
1911	22,658	12·4	93,391	51·4	65,392	36·0	258	·2	181,699

* Per cent. of Total Liabilities or Assets.
† Unpaid dividends. ‡ Includes profit and loss debit of £490.

MUNSTER AND LEINSTER BANK.

Head Office: Cork.

The Munster and Leinster Bank, Limited, came into being in September, 1885; it started by taking over the business of the old Munster Banking Co., from the creditors of which Bank was purchased their interest in 33 branches. The Munster and Leinster Bank, however, commenced its operations with 12 offices, and opened the remaining 21 branches a short time afterwards. Five years later, the number of branches had increased to 48, another five years saw the number at 55, and so rapid was the expansion that practically every twelvemonth found a larger number of offices of the Bank doing a profitable business. In 1911, 82 offices were open, and so well chosen were the districts in which the Bank was represented that the number of clients showed an annual increase. At the end of December 1919 the list of branches and sub-branches totalled 136.

The first balance sheet showed the paid-up capital to be £137,723. By 1890 it had increased to £199,510, and the reserve fund stood at £150,000. The paid-up capital has since been increased to £400,000, at which figure it now stands. £200,000 of this capital was issued in the latter half of last year, at a total premium of £450,000, which amount, with £15,000 out of profits, was added to reserve, bringing the total of that fund up to £900,000.

For some years up to 1917 the Bank had paid a steady dividend of 16% per annum. This was followed by distributions of 16½% and 17½% in respect of 1917 and 1918. For the year 1919 the profits of the Bank were considerably higher than in the previous year, the net amount having risen from £104,253 to £141,834, and two half-yearly dividends at the rate of 20% for the year were paid—the second on the doubled capital.

Obligations to clients in respect of deposits and current accounts again show very remarkable expansion. In 1917 the increase exhibited over the preceding twelve months, £2,655,904, was the largest ever recorded: in 1918 and 1919 fresh successive records were achieved, for whereas at the end of December 1917 the figures were £11,714,416, 1918 left them at £15,916,896, and in 1919 they rose to £20,604,443, or more than £4,500,000 higher. The increase is due mainly to the continuance of high prices for every kind of agricultural produce. It may be taken, speaking

THE EQUITABLE TRUST COMPANY OF NEW YORK.

Head Office :
37 WALL STREET, NEW YORK.
ALVIN W. KRECH, President.

New York Branches :
222 BROADWAY. 355 MADISON AVENUE.

Paris Branch :
23 RUE DE LA PAIX.

Capital, Surplus and Undivided Profits (Feb. 28th, 1920), $27,662,079 - £7,184,955.

Member of the Federal Reserve System.

LONDON BRANCH :
3 KING WILLIAM ST., E.C.4.

THE CHASE NATIONAL BANK OF THE CITY OF NEW YORK, 57 BROADWAY.

CAPITAL - - -	**$15,000,000**
SURPLUS AND PROFITS	**$21,735,000**
DEPOSITS (Feb. 28, 1920)	**$362,174,000**

OFFICERS.

A. BARTON HEPBURN, *Chairman of the Advisory Board.*
ALBERT H. WIGGIN, *Chairman of the Board of Directors.*

EUGENE V. R. THAYER, *President.*

Vice-Presidents :
SAMUEL H. MILLER — GERHARD M. DAHL.
EDWARD R. TINKER. — REEVE SCHLEY.
CARL J. SCHMIDLAPP.
ALFRED C. ANDREWS, *Cashier.*

DIRECTORS.

A. BARTON HEPBURN.

HENRY W. CANNON.	EDWARD T. NICHOLS.
ALBERT H. WIGGIN.	NEWCOMB CARLTON.
JOHN J. MITCHELL.	FREDERICK H. ECKER.
GUY E. TRIPP.	EUGENE V. R. THAYER.
JAMES N. HILL.	CARL J. SCHMIDLAPP.
DANIEL C. JACKLING.	GERHARD M. DAHL.
CHARLES M. SCHWAB.	ANDREW FLETCHER.
SAMUEL H. MILLER.	WILLIAM B. THOMPSON.
EDWARD R. TINKER.	REEVE SCHLEY.

ACCOUNTS RECEIVED FROM

Banks, Bankers, Corporations, Firms or Individuals on favourable terms; Drafts and Letters of Credit issued; Documentary Bills negotiated, and Banking Business transacted in all parts of the World. We invite Correspondence.

Through its Trust Department the Bank offers facilities as Trustee under Corporate Mortgages and Indentures of Trust; Depositary under reorganisation and other agreements; Custodian of Securities and Fiscal Agent for Corporations and Individuals; Executor under Wills and Trustee under Testamentary Trusts; Trustee under Life Trusts.

MELLON National Bank PITTSBURGH, PENNSYLVANIA, U.S.A.

Statement of Condition at the Close of Business, February 28, 1920.

RESOURCES.	
Loans and Discounts	$50,981,521.40
United States Obligations	27,715,250.05
Other Bonds and Investments ...	29,203,930.48
Overdrafts	52.74
Cash and Due from Banks	19,691,406.09
Total	$127,592,160.76

LIABILITIES.		
Capital		$5,000,000.00
Surplus and Undivided Profits ...		4,903,270.10
Reserves		3,545,058.05
Borrowed from Federal Reserve Bank		17,041,000.00
Circulating Notes		4,930,700.00
Deposits { Individuals	$51,693,071.18	
Deposits { Banks	27,875,809.46	
Deposits { Government	1,598,251.97	
		91,172,132.61
		$127,592,160.76

Cable Address: "Mellonson, Pittsburgh."

Thorough facilities for every phase of banking. Direct connections with all parts of the United States.

London Agents: National Provincial and Union Bank of England, Limited.

GOLDMAN, SACHS & CO.

60 WALL STREET, NEW YORK.

137 So. La Salle Street, CHICAGO. — **60 Congress Street, BOSTON.**

14 Montgomery Street, SAN FRANCISCO. — **421 Chestnut Street, PHILADELPHIA.**

Members of New York and Chicago Stock Exchanges.

Commercial Paper. Securities bought and sold on commission. Foreign Exchange.

Commercial & Travellers' Letters of Credit available in all parts of the world

Liabilities and Assets of The Munster and Leinster Bank, Limited.

LIABILITIES. Dec. 31.	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	%	Deposits. £	%	Profit Balance. £	%	Total Liabilities. £
1919	400,000	900,000	1,300,000	5·9	20,604,413	93·9	52,235	·2	21,956,678
1918	200,000	400,000	600,000	3·6	15,916,897	96·2	30,000	·2	16,546,897
1917	200,000	315,000	515,000	4·2	11,714,416	95·3	55,897	·5	12,285,313
1916	200,000	300,000	500,000	5·2	9,058,512	94·5	27,802	·3	9,586,314
1915	200,000	320,003	520,003	6·4	7,569,544	93·0	48,923	·6	8,138,467
1914	200,000	342,500	542,500	6·9	7,208,716	92·5	41,904	·6	7,793,120
1913	200,000	330,000	530,000	7·2	6,766,711	92·2	38,064	·6	7,334,775
1910	200,000	320,000	520,000	8·4	5,649,525	91·0	34,844	·6	6,204,369

ASSETS. Dec. 31	Cash in Hand and with other Banks. £	%	Money at Call and at Short Notice. £	%	Investments. £	%	Bills Discounted. £	%	Advances. £	%	Bank Premises Account. £	%	Total Assets. £
1919	2,151,844	9·8	1,602,101	7·3	7,438,798	33·9	4,779,277	21·8	5,892,809	26·8	91,849	·4	21,956,678
1918	2,349,073	14·2	1,000,000	6·0	6,047,732	36·6	3,380,445	20·4	3,684,775	22·3	84,872	·5	16,546,897
1917	1,591,479	13·0	1,550,000	12·6	2,242,042	18·2	3,725,195	30·3	3,091,838	25·2	84,789	·7	12,285,313
1916	1,399,504	14·6	458,788	4·8	2,387,896	24·9	2,392,812	24·9	2,863,255	29·9	84,029	·8	9,586,314
1915	1,426,947	17·5	399,189	5·0	2,440,579	30·0	941,151	11·6	2,850,559	35·0	79,742	·9	8,138,467
1914	843,166	10·8	1,329,842	17·1	1,766,965	22·6	994,766	12·8	2,780,180	35·7	78,198	1·0	7,793,120
1913	520,944	7·1	1,303,237	17·7	1,710,299	23·3	979,620	13·4	2,749,069	37·5	71,606	1·0	7,334,775
1910	475,198	7·7	1,175,144	18·9	1,470,499	23·7	887,496	14·3	2,145,401	34·6	50,631	·8	6,204,369

* Per cent. of Total Liabilities or Assets.

roughly, to represent the savings for the past year of the Bank's customers among the farming class, and is a clear indication of the confidence of the public in the position and stability of the Bank.

On the other side of the balance sheet the figures are equally satisfactory. Cash in hand and with other banks stands at £2,151,844, against £2,349,073 in 1918. Money at call and short notice is up by £600,000 from £1,000,000. Investments now stand at £7,438,798, as against £6,047,732. Bills discounted, £4,779,277, include £3,850,000 in Government Treasury bills. Advances on securities and on current accounts amount to £5,892,809, as against £3,684,775 for 1918. Bank premises are scheduled at £91,849, as compared with £84,872 at the end of the previous year. The carry-forward to the new profit and loss account is £24,234.

The following statement shows the profits earned and distributed since 1913:—

Profits of the Munster and Leinster Bank, Limited.

Year to Dec. 31	Net Profit £	Div. Subject to Tax—Earned %	Div. Subject to Tax—Paid %	Div. Subject to Tax—Paid £	Special Allocations £	Carried Forward £
1919	141,834	[35·46†	20·0‡	60,000	75,000	24,234
1918	104,253	52·12	17·5	35,000	70,000	17,400
1917	80,345	40·17	16·5	33,000	45,000	18,147
1916	67,479	33·73	16·0	32,000	35,000	15,802
1915	67,452	33·73	16·0	32,000	35,000	15,323
1914	58,874	29·43	16·0	32,000	25,000	14,871
1913	55,938	27·96	16·0	32,000	27,000	12,997

† Paid-up capital doubled in second half-year.
‡ 10% on £200,000 and 10% on £100,000.

NATIONAL BANK.

Head Offices: 13-17 Old Broad Street, London, E.C.2.

This Bank, six of whose directors sit in Dublin, first started business at Carrick-on-Suir in January 1835. As a commencement the authorised capital was £1,000,000 in £50 shares, and on December 31, 1835, the paid-up capital amounted to £374,000. New shares were issued from time to time, and powers taken to increase both the authorised and paid-up capital. In 1862 the capital paid up stood at £600,000; in 1863 at £700,000; in 1864, £900,000. In the course of the year 1864 it was decided to withdraw from the reserve fund £300,000 for the purpose of issuing as a bonus 10,000 shares. As the result of this distribution, on December 31,1865, the paid-up capital amounted to £1,500,000, at which figure it stands at the present day. The subscribed capital is £7,500,000. The serious financial crisis of 1866 resulted in severe losses to the National Bank, among other financial institutions, and in consequence it became necessary to make heavy inroads upon the reserve fund, no less than £500,000 having to be withdrawn. Since that period, however, strenuous efforts have been made to bring the reserve up to a level consistent with the amount of the paid-up capital, and it is very satisfactory to note from the balance sheet of December 31, 1919, that the Rest, or undivided profits (represented by Government securities), amounts to £800,000, whilst there is also a special reserve for depreciation in investments (Government securities), amounting to £180,000. As compared with 1918 the latter reserve is unchanged, and the Rest £65,000 higher. When addressing the shareholders in January, the Chairman of the Bank stated that a considerable market depreciation of the Bank's investments had been provided for out of profits and at once written off; while the auditors' certificate also sets forth that the remaining depreciation on all securities other than War Loan (scheduled at cost) and securities repayable at par at fixed dates, was fully covered by the £180,000.

In the case of the National Bank it is rather interesting to note that its business has been almost entirely built up by the opening of branches. Nothing in the nature of the present-day amalgamations has ever taken place in the history of the Bank, and the only instance of another business being taken over was in 1847, when the National Bank absorbed the London & Dublin Bank. There has been a steady increase in the number of branches opened:—in 1901, 114 branches were in operation; in 1911, 137 were open; while in 1919 the total had increased to 219. The chief office in Ireland is at 34 College Green, Dublin, but the Head Office of the Bank is in Old Broad Street, London.

Notes in circulation on December 31 last exhibited an expansion of over £1,000,000 for the past year, and the present large total of £4,365,871, pointing, as it does, to increased activity in business, must be regarded as further evidence of Ireland's prosperity. In 1917 there was an expansion in deposits and current accounts of nearly 4 millions sterling. In 1918 a new record was established, the increase being no less than £6,900,000, and in 1919 a further advance of £6,555,517 is shown, the total amount being £34,825,774.

On the assets side of the account, the first item, cash in hand, has increased by £1,524,000, and in money at call and short notice the figures are larger by £535,000. The investments, consisting of Government securities and Corporation, Railway and other stocks, show an increase of £1,685,000. This amount is represented by additions to the Bank's holdings in National War Bonds and Funding Loan. Advances on securities have gone up by £3,208,000, of which sum £2,000,000 was advanced in the English Provincial and Metropolitan branches, pointing to a large development in that section of the Bank's business. There is also an increase in bills discounted of £819,000. Bank premises account shows an increase of £29,315. As at the end of December 1919 the aggregate means stood at over £42,000,000, marking an expansion of appreciably more than £8,000,000 on the year.

KANSALLIS-OSAKE-PANKKI

(National Joint Stock Bank)

FINLAND.

Established in 1889.

Head Office: Helsingfors (Helsinki).

Branches at 120 places in Finland.

Capital and Reserves
Fmk. 148,000,000

Deposits and Current Accounts (December 31, 1919)
Fmk. 902,000,000

EVERY KIND OF BANKING AND EXCHANGE BUSINESS TRANSACTED.

Telegraphic Address: Kansallispankki, Helsingfors.

THE
Sumitomo Bank, Limited,
OSAKA, JAPAN.

ESTABLISHED 1912.

(Successors to the Sumitomo Bank.)

Capital Subscribed	**Yen**	**70,000,000.00**
Paid-up Capital -	**Yen**	**30,000,000.00**
Reserve Fund -	**Yen**	**8,720,000.00**
Deposits (31 Dec., 1919)	**Yen**	**348,000,000.00**

BARON K. SUMITOMO, President.
K. YUKAWA, Esq., Managing Director.
T. KANOH, Esq., ,, ,,
S. YOSHIDA, Esq., ,, ,,
N. YATSUSHIRO, Esq., ,, ,,

Home Branches.—Tokyo, Yokohama, Nagoya, Kyoto, Kobe, Hyogo, Onomichi, Niihama, Kure, Hiroshima, Yanai, Shimonoseki, Moji, Kokura, Wakamatsu, Hakata and Kurume.

Foreign Branches.—Shanghai, Hankow, Bombay, London, New York San Francisco, Seattle, and Honolulu (Agency).

London Bankers.—Lloyds Bank Limited.

Correspondents in all important places at Home and Abroad.

The Bank buys, sells and receives for collection Drafts and Telegraphic Transfers; issues **Commercial and Travellers' Letters of Credit** available in all important parts of the world, besides doing general Banking Business.

LONDON OFFICE:
87, GRACECHURCH STREET, E.C.3.
K. OHDAIRA, Manager.

Hongkong and Shanghai Banking Corporation.

CAPITAL, ALL PAID UP	$15,000,000
SILVER RESERVE	$23,000,000
STERLING RESERVE, held in London ...	£1,500,000
RESERVE LIABILITY OF PROPRIETORS...	$15,000,000

Head Office - - - HONGKONG.
Chief Manager: N. J. STABB.

BRANCHES AND AGENCIES:
Amoy, Bangkok, Batavia, Bombay, Calcutta, Canton, Colombo, Foochow, Hankow, Harbin, Hongkew (Shanghai), Ipoh, Johore, Kobe (Hiogo), Kuala Lumpur, London, Lyons, Malacca, Manila, Nagasaki, New York, Peking. Penang, Rangoon, Saigon, San Francisco, Shanghai, Singapore, Sourabaya, Tientsin, Tsingtao, Vladivostok, Yloilo, Yokohama.

COMMITTEE IN LONDON:
Sir Charles Addis, *Chairman*.
Hon. Cecil Baring. C. A. Campbell.
David Landale. Sir George Sutherland.
A. M. Townsend. C. F. Whigham.

MANAGERS IN LONDON:
SIR CHARLES ADDIS. H. D. C. JONES.
Sub-Manager, John MacLennan. Accountant, W. M. Blackie.

9 GRACECHURCH STREET, LONDON, E.C.

TRADE MARK.

MITSUI BUSSAN KAISHA, Ld.

MITSUI & CO., Ltd. (In Europe and America)

General Merchants and Shipowners.

Capital Paid up - - Y.100,000,000
Reserve Fund - - - 48,630,000

HEAD OFFICE: 1 Suruga-cho, Tokyo.

LONDON OFFICE: 31-33 Lime Street, London, E.C.3.

OTHER BRANCHES AND AGENTS:
Manchester, Hamburg, Lyons, Marseilles, New York, San Francisco, Seattle, Portland, Dallas, Buenos Ayres, Manila, Bombay, Calcutta, Karachi, Singapore, Bangkok, Rangoon, Batavia, Sourabaya, Samarang, Sydney, Hongkong, Canton, Amoy, Foochow, Shanghai, Hankow, Newchwang, Tientsin, Peking, Tsingtau, Dairen, Antunghsein, Mukden, Tieling, Changchun, Vladivostock, Harbin, Seoul, Chemulpo, Fusan, Yokohama, Nagoya, Osaka, Kobe, Moji, Wakamatsu, Kuchinotsu, Nagasaki, Karatsu, Miike, Otaru, Taipeh, Keelung, Tainan, Takow, etc., etc.

Liabilities and Assets of The National Bank, Limited.

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund. £	Investment Reserve. £	Total Capital and Reserve. £	%	Notes in Circulation. £	%	Acceptances. £	%	Deposits, &c. £	%	Profit Balance. £	%	Total Liabilities. £
1919...	1,500,000	780,000	180,000	2,460,000	5·8	4,365,871	10·3	523,280	1·2	34,825,774	82·3	159,790	·4	42,334,715
1918...	1,500,000	665,000	180,000	2,345,000	6·8	3,238,154	9·4	277,600	·9	28,270,257	82·4	157,113	·5	34,288,124
1917...	1,500,000	500,000	220,000	2,220,000	8·2	2,778,116	10·3	452,197	1·7	21,333,322	79·3	129,867	·5	26,913,802
1916...	1,500,000	500,000	115,000	2,115,000	9·4	2,724,009	12·0	225,000	1·0	17,421,129	77·1	122,379	·5	22,607,517
1915...	1,500,000	500,000	30,000	2,030,000	9·5	2,306,267	10·8	175,000	·8	16,726,703	78·2	146,307	·7	21,384,277
1914...	1,500,000	425,000	—	1,925,000	9·9	1,887,335	9·7	304,233	1·5	15,293,800	78·3	127,507	·6	19,537,875
1913...	1,500,000	450,000	—	1,950,000	10·8	1,344,039	7·5	197,526	1·1	14,455,593	80·0	116,116	·6	18,063,274
1910...	1,500,000	505,000	75,000	2,080,000	12·3	1,255,023	7·4	105,908	·6	13,381,296	79·0	104,711	·7	16,926,968

ASSETS. Dec. 31	Cash in Hand, &c. £	%	Money at Call, Loans, &c. £	%	Investments. £	%	Bills Discounted. £	%	Loans and Advances. £	%	Liab. of Cust. for Acceptances. £	%	Bank Premises. £	%	Total Assets. £
1919...	6,318,733	14·9	12,976,920	30·7	6,587,819	15·6	3,906,307	9·2	11,585,182	27·4	523,280	1·2	436,483	1·0	42,334,715
1918...	4,791,897	14·0	12,441,504	36·3	4,902,230	14·2	3,087,337	9·0	8,377,388	24·4	277,600	·9	407,168	1·2	34,288,124
1917...	4,469,544	16·6	6,588,750	24·5	4,548,993	16·9	2,810,684	10·5	7,709,912	28·7	452,197	1·7	303,422	1·1	26,913,802
1916...	3,854,296	17·0	4,377,341	19·4	4,580,801	20·3	2,421,451	10·7	6,846,696	30·3	225,000	1·0	301,932	1·3	22,607,517
1915...	3,201,281	15·0	2,947,063	13·8	4,627,640	21·7	3,265,169	15·2	6,863,649	32·1	175,000	·8	304,175	1·4	21,384,277
1914...	2,924,862	14·9	2,997,505	15·3	2,671,422	13·6	3,456,202	17·9	6,887,058	35·3	504,233	1·5	296,593	1·5	19,537,875
1913...	2,241,882	12·4	3,147,883	17·4	2,360,769	13·1	3,150,421	17·5	6,672,092	36·9	197,526	1·1	289,701	1·6	18,063,274
1910...	2,050,284	12·1	2,506,766	14·8	2,448,285	14·5	3,285,553	19·4	6,232,696	36·8	105,908	·6	297,476	1·8	16,926,968

Per cent. of Total Liabilities or Assets.

The following table shows the Bank's profit record since 1913:—

Profits of the National Bank, Limited.

Year to Dec. 31	Gross Profit £	Expenses £	Net Profit £	Div. Earned %	Subject to Tax %	Paid £	Special Allocat'ns £	Carried Forward £
1919 ...	659,530	361,853	297,677	19·8	12	180,000	115,000	26,790
1918 ...	609,950	284,454	325,496	21·7	12	180,000	145,000	24,113
1917 ...	491,870	229,382	262,488	17·4	10	150,000	110,000	23,617
1916 ...	427,132	209,497	217,635	14·5	10	150,000	70,000	21,129
1915 ...	474,602	195,646	278,956	18·5	10	150,000	130,000	23,494
1914 ...	415,494	196,447	219,047	14·6	10	150,000	65,000	24,538
1913 ...	391,328	194,021	197,307	13·1	10	150,000	50,000	20,491

NATIONAL BANK OF SCOTLAND.

(*See also* Lloyds Bank Limited.)

Head Office: Edinburgh.

TOWARDS the end of 1824 there sprang up in Scotland a laudable desire to give an impetus to the development of banking there, and as a result several proposed banking companies were early in the field with plans. Consequent on negotiations between the competitors for public support, a union of the companies was effected in the following January, and on March 21, 1825, the combined enterprise was finally constituted under the name of one member of the group—the National Bank of Scotland. The nominal capital was fixed at £5,000,000, in £10 shares, and at first only £500,000 of the capital was issued. It remained at this figure until 1843, when the Bank increased its paid-up capital from £500,000 to £1,000,000, at which it at present stands in the balance sheet under the heading of "Capital stock of the Bank." As the subscribed capital is £5,000,000, and the called-up capital £1,000,000, the uncalled capital is £1,000,000 and the reserve liability £3,000,000.

Practically from the date of its establishment the affairs of the National Bank of Scotland have made steady progress; moreover, the extension of its business is in no way connected with amalgamations, for it has taken over only three small Scottish banking houses during the course of its career. In 1900 it owned 114 branches, in 1909 124 branches, and has now 132 offices open for business. Further, during 1918, in order to provide increased facilities in connection with foreign exchange and all other classes of overseas business, a specially equipped foreign department was opened at the Glasgow office.

It will also be remembered that in October 1918, with a view to facilitating business between England and Scotland, and the extension of facilities for British overseas trade, arrangements were entered into by Lloyds Bank Limited for a union of interests with the National Bank of Scotland. The price paid to the stockholders of the National Bank by Lloyds was £350 (made up of 11 shares of Lloyds Bank and £75 National War Bonds) per £100 paid stock, together with a sum of £5 10*s.* in lieu of accrued profits.

The accounts are as on November 1, 1919, and this, the second report issued since the working arrangement was entered into with Lloyds Bank, shows that the highly satisfactory expansion noted last year has continued, notwithstanding the remarkable growth of the previous two or three years. In 1915 the grand total of the balance sheet was £24,785,429, in 1916 £28,884,657, in 1917 £34,472,144, in 1918 £37,131,051, while in 1919 the total reached £41,370,381. Cash in hand, notes, &c., stand at £5,236,080, as compared with £4,095,277 in 1918. Investments are £11,922,405, as against £8,923,913, British Government securities having been increased from £8,064,927 to £11,219,927 by the increase of National War Bond holdings and the purchase of Victory Loan. Bills discounted have been reduced from £9,044,846 to £5,912,875, Treasury bills included under this heading standing at £4,202,000, as against £7,823,500 a year ago. Advances, &c., figure at £11,333,127, as compared with £7,961,900 at the end of 1918. Premises owned are now scheduled at £634,400; a year ago they were at £622,250.

On the liabilities side there is again a remarkable

Liabilities and Assets of The National Bank of Scotland, Limited.

LIABILITIES. Nov. 1	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	%	Notes in Circulation. £	%	Acceptances. £	%	Deposits, &c. £	%	Profit Balance. £	%	Total Liabilities. £
1919...	1,000,000	1,000,000	2,000,000	4·8	3,248,797	7·9	1,444,468	3·5	34,398,023	83·1	279,093	·7	41,370,381
1918 ...	1,000,000	900,000	1,900,000	5·2	3,167,678	8·5	1,127,175	3·0	30,748,370	82·8	187,828	·5	37,131,051
1917 ...	1,000,000	800,000	1,800,000	5·2	2,254,494	6·6	1,173,909	3·4	29,060,779	84·3	182,962	·5	34,472,144
1916 ...	1,000,000	700,000	1,700,000	5·9	1,851,085	6·4	1,150,511	3·9	24,001,896	83·1	181,165	·7	28,884,657
1915 ...	1,000,000	800,000	1,800,000	7·2	1,531,533	6·2	763,774	3·1	20,485,728	82·6	204,394	·9	24,785,429
1914 ...	1,000,000	900,000	1,900,000	8·4	1,098,453	4·8	1,210,380	5·4	18,162,755	80·3	257,482	1·1	22,629,070
1913 ...	1,000,000	900,000	1,900,000	8·8	910,084	4·2	1,019,688	4·8	17,473,946	81·2	204,938	1·0	21,508,656
1910 ...	1,000,000	900,000	1,900,000	9·7	836,720	4·2	705,162	3·7	15,969,907	81·2	254,250	1·2	19,666,039

ASSETS. Nov. 1	Cash and Notes in Hand, &c. £	%	Money at Call, &c. £	%	Investments. £	%	Bills Discounted. £	%	Advances. £	%	Liab. of Cust. for Acceptances. £	%	Bank Premises, &c. £	%	Total Assets. £
1919...	5,236,080	12·7	4,887,026	11·8	11,922,405	28·8	5,912,875	14·3	11,333,127	27·4	1,444,468	3·5	634,400	1·5	41,370,381
1918...	4,095,277	11·0	5,355,690	14·4	8,923,913	24·0	9,044,846	24·4	7,961,900	21·5	1,127,175	3·0	622,250	1·7	37,131,051
1917...	4,324,005	12·6	2,699,733	7·8	7,072,247	20·5	10,535,118	30·6	8,068,032	23·4	1,173,909	3·4	599,100	1·7	34,472,144
1916...	3,520,895	12·1	3,383,792	11·7	7,201,751	25·0	6,825,213	23·8	6,201,195	21·5	1,150,511	3·9	601,000	2·0	28,884,657
1915...	2,408,556	9·9	2,997,935	12·1	7,746,123	31·3	2,216,423	9·0	7,988,018	32·2	763,774	3·1	604,600	2·4	24,785,429
1914...	2,036,110	9·0	3,621,697	16·0	3,234,862	14·3	2,297,940	10·1	9,621,181	42·5	1,210,380	5·4	606,600	2·7	22,629,070
1913...	1,823,180	8·5	3,824,857	17·8	3,047,798	14·1	2,971,177	13·8	8,214,326	38·1	1,019,688	4·8	607,650	2·9	21,508,656
1910...	1,491,932	7·5	3,515,914	16·9	3,178,596	16·2	2,034,205	10·3	8,524,830	42·3	705,162	3·7	612,400	3·1	19,666,039

Per cent. of Total Liabilities or Assets.

THE MECHANICS & METALS NATIONAL BANK

OF THE CITY OF NEW YORK.

ESTABLISHED 1810.

CAPITAL (Fully paid) - $10,000,000
SURPLUS & UNDIVIDED PROFITS - - - $15,000,000
DEPOSITS - - - $200,000,000

This Bank receives accounts of banks, bankers, corporations, firms, and individuals on favourable terms, and grants to its depositors every facility consistent with prudent and conservative banking methods. Correspondence invited.

FOREIGN DEPARTMENT.

Finances exports and imports, buys and sells foreign exchange, telegraphic transfers, etc., and makes collections on all parts of the world.

London Agents: London Joint City and Midland Bank, Ltd.; London County Westminster and Parr's Bank, Ltd. Barclays Bank Ltd.

ANGLO-BALTIC AND MEDITERRANEAN BANK, Ltd.

Subscribed Capital ... £1,002,500

Chairman - - - Sir THOMAS WILTON.

The Bank numbers amongst its shareholders numerous Banking and Commercial institutions abroad, and is exceptionally well equipped for the care of Overseas Banking business of all descriptions, including transactions for shipowners. Explanatory booklet on application.

P. V. SHERWIN, *Managing Director.*

92 CANNON STREET, LONDON, E.C. 4.

Telegrams—"Angabalti, Cannon, London."
Cables—"Angabalti, London."

Telephones—City 7338-9.
Foreign Exchange—City 6194.

B. W. BLYDENSTEIN & Co.

55-56 THREADNEEDLE STREET, E.C. 2.

ESTABLISHED IN LONDON, 1858.

BANKERS & DISCOUNTING AGENTS.

ALL BANKING AND DISCOUNT BUSINESS TRANSACTED. SPECIAL FACILITIES FOR BUSINESS WITH HOLLAND. FORWARD CONTRACTS IN DUTCH GUILDERS.

THE BANK OF CHOSEN.

CAPITAL SUBSCRIBED - Yen 80,000,000.
CAPITAL PAID UP - - - Yen 50,000,000.
Head Office - - - SEOUL, CHOSEN (KOREA).

BRANCHES:

CHOSEN—Chemulpo, Pyengyang, Wonsan, Taiku, Fusan, Chinnampo, Kunsan, Mokpo, Ranam, Hoilyong, Seishin. MANCHURIA—Antung, Mukden, Tiehling, Liaoyang, Ryojun (Port Arthur), Dairen, Yingkow (Newchwang), Changchun, Harbin, Fuchiatien, Szupingchieh, Chengchiatun, Kaiyuan, Kirin, Lungchingtsun. JAPAN—Tokyo, Osaka, Kobe, Shimonoseki. CHINA—Shanghai, Tsingtao, Tientsin, Tsinan. EASTERN SIBERIA—Vladivostock. NEW YORK AGENCY—Equitable Building, New York City.

LONDON BANKERS:

LONDON JOINT CITY AND MIDLAND BANK, LTD. | GUARANTY TRUST COMPANY OF NEW YORK.

London Representative Mr. T. Mukai, Gresham House, London, E.C.2.

Every description of General Banking and Exchange Business Transacted.

increase in deposits, &c., which now stand at £34,398,023. The note circulation shows an increase of £81,119 on the year, the total being £3,248,797.

The gross profit for the past year, as shown in the table, was £641,240, as against £564,326 in 1918: but expenses are up from £234,859 to £266,575, so the net profit, at £374,665, is not so high as it otherwise would have been. The balance carried forward is £167,093, as compared with £72,429 brought in. The dividend of 16% per annum, less tax, is the same as for the previous four years. All bad and doubtful debts and depreciation on the Bank's investments have been provided for, £10,000 has been applied in reduction of heritable property account, £10,000 carried to officers' pension fund and £100,000 to reserve fund, which now amounts to £1,000,000.

Profits of the National Bank of Scotland, Limited.

Yr. to Nov. 1	Gross Profit £	Expenses £	Net Profit £	Div. Subject to Tax—Earned %	Div. Subject to Tax—Paid %	Div. Subject to Tax—Paid £	Special Allocat'ns £	Carried Forward £
1919...	641,240	266,575	374,665	37·46	16	160,000	120,000	167,093
1918...	564,326	234,859	329,467	32·94	16	160,000	160,000	72,429
1917...	517,826	189,229	328,597	32·85	16	160,000	160,000	62,962
1916...	474,062	183,544	290,518	29·05	16	160,000	140,000	54,365
1915...	443,017	172,584	270,433	27·04	16	160,000	135,000	63,847
1914...	416,925	168,949	247,976	24·79	18	180,000	15,000	88,414
1913...	407,439	164,889	242,550	24·25	18	180,000	60,000	35,438

NATIONAL DISCOUNT COMPANY.

Office: 35 Cornhill, London, E.C. 3.

The National Discount Company, Limited, was provisionally registered February 8, 1856, completely registered April 8, 1856, and incorporated under the Joint Stock Companies Act September 27, 1856. The subscribed capital is £4,233,325, in 169,333 shares of £25 each. The capital paid up, £5 per share, amounts to £846,665. The Company discounts mercantile bills, grants loans on securities, and receives money on deposit, also makes investments and sales of all descriptions of British securities. The large business done may be gathered from the fact that its total assets on December 31 last amounted to £33,788,827. On the same date the liabilities to the public were:—

Deposits, &c.	£23,208,102
Bills re-discounted	9,151,250
	£32,359,352

being thus nearly £6,000,000 higher than in 1918.

The figures shown in the 1919 balance sheet constitute a record under the principal heads, and, in spite of the unexpected rise in the Bank Rate in November, profits were very good. Gross profits, at £621,970, showed an increase of £146,289, and net profits, at £165,529, were up £16,576. At the annual general meeting the Chairman spoke of the desire of some shareholders to have the share liability reduced. He mentioned the difficulty of devising a suitable scheme, and asked the shareholders to be patient a little longer.

Profits of the National Discount Company, Limited.

Year to Dec. 31	Net Profit £	Div. Subject to Tax—Earned %	Div. Subject to Tax—Paid %	Div. Subject to Tax—Paid £	Special Allocations £	Carried Forward £
1919 ...	165,529	19·5	12·00	101,600	64,000	47,250
1918 ...	148,953	17·6	11·50	97,367	50,000	47,320
1917 ...	105,016	12·4	11·00	93,133	—	45,735
19.6 ...	85,731	10·1	10·00	84,666	—	33,852
1915 ...	91,360	10·7	10·00	84,666	—	32,789
1914 ...	93,301	11·0	10·50	88,893	—	26,093
1913 ...	110,032	13·0	10·62	89,911	20,000	21,685

NATIONAL PROVINCIAL AND UNION BANK OF ENGLAND.

(*See also* **Lloyds and National Provincial Foreign Bank, Limited, and Coutts and Co.**).

Head Office: 15 Bishopsgate, London E.C. 2.

This Bank is an amalgamation as from January 1, 1918, of the National Provincial Bank of England and of the Union of London and Smiths Bank. The National Provincial, formed in 1833, was successful in building up a very fine business by opening branches in various parts of the country, particularly in the manufacturing districts of the North and the Midlands.

As is well known, the Union Bank of London was one of the oldest London banks, and, although it really was not established until 1839, it can claim through one of its constituent institutions to date back to 1688. The Union, of course, in addition to its valuable London connection, had a large business in the Western counties and a considerable foreign business. Unlike the National Provincial, however, a good deal of its expansion was due to the absorption of important private and other banks.

The paid-up capital of the combined institutions is £7,806,864; uncalled capital, £5,504,576; reserve liability, £26,622,880, making the total subscribed capital £39,934,320. The reserve fund, invested in British Government securities, is £7,239,041; the shareholders number about 33,000.

The business of the Bradford District Bank was amalgamated with that of the National Provincial and Union Bank of England, Limited, as from December 31, 1917, and that of the Sheffield Banking Company, Limited, as from December 31, 1918. Further, the National Provincial and Union Bank established a branch in West Smithfield by acquiring the premises formerly occupied by Messrs. W. and J. Biggerstaff and Company. The individuality of this old firm of bankers is preserved, and the National Provincial has taken over the whole of the staff. It will be remembered that Biggerstaffs were established as long ago as 1790.

Finally, in December last it was announced that an agreement had been entered into whereby the old-established and well-known private bank of Coutts and Company was to be fused with the National Provincial and Union Bank as at the end of the year, without, however, any change taking place in the management of the private institution. To provide for this and the continued expansion of the bank business

Liabilities and Assets of The National Discount Company, Limited.

LIABILITIES.

Dec. 31	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve £		Deposits, &c. £		Bills Rediscounted. £		Profit Balance £		Total Liabilities. £
1919 ...	846,665	500,000	1,346,665	4 0	23,208,102	68 7	9,151,250	27 1	82,810	·2	33,788,827
1918 ...	846,665	500,000	1,346,665	4 8	18,296,919	65·1	8,388,687	29 9	82,880	·2	28,115,151
1917 ...	846,665	450,000	1,296,665	4 0	21,545,990	66 3	9,597,240	29 5	83,835	·2	32,523,730
1916 ...	846,665	450,000	1,296,665	5 0	17,105,822	66 2	7,361,649	28 5	65,602	·3	25,829,738
1915 ...	846,665	505,000	1,351,665	7 9	11,905,906	70 0	3,705,488	21·7	68,241	·4	17,031,300
1914 ...	846,665	505,000	1,351,665	8 0	13,197,142	78 1	2,285,166	13 5	64,546	·4	16,898,819
1913 ...	846,665	505,000	1,351,665	5 9	15,935,754	69 2	5,656,538	24 6	64,018	·3	23,007,975
1910 ...	846,665	450,000	1,296,665	6·9	14,441,233	76·6	3,051,121	16 2	62,229	·3	18,851,248

ASSETS.

Dec.	Cash on Hand &c. £		Loans on Call, Short and Fixed Dates, &c. £		Investments, &c. £		Bills Discounted, &c. £		Bank Premises. £		Total Assets. £
1919 ...	577,067	1 7	1,811,933	5·4	1,472,785	4 3	29,824,042	88 3	100,000	·3	33,788,827
1918 ...	515,646	1 8	1,659,155	5 8	2,368,187	8·4	23,491,363	83 6	100,000	·4	28,115,151
1917 ...	675,424	2 1	2,616,473	8·0	1,153,225	3 6	28,000,608	86 1	100,000	·2	32,523,730
1916 ...	[illegible]	1 9	2,096,902	8·1	1,068,140	4 0	22,104,645	85 6	100,000	·4	25,829,738
1915 ...	644,141	2 7	488,187	2 3	1,375,907	8·1	14,702,812	86 3	100,000	·6	17,031,300
1914 ...	427,866	2 5	828,592	4·9	1,851,192	11·0	13,690,459	81 0	100,000	·6	16,898,819
1913 ...	503,251	2·2	765,965	3 3	1,851,125	8 0	19,785,594	86·0	100,000	·5	23,007,975
1910 ...	311,670	1·6	1,028,953	8·7	2,631,868	14 0	14,178,757	75 2	100,000	·5	18,851,248

Per cent. of Total Liabilities or Assets.

TRADE WITH THE NEAR EAST.

THE BANK OF ATHENS extends **special facilities** to **Manufacturers, Exporters,** and **Importers** for business with the Near East.

The Bank has Offices in all the principal towns in GREECE, also in EGYPT, Cairo, Alexandria and PORT SAID, in CYPRUS, Limassol and NICOSIA, in CONSTANTINOPLE, and in SMYRNA.

Inquiries from interested parties are invited.

BANK OF ATHENS.

PAID-UP CAPITAL : **£1,920,000.** (£1 - Drs. 25)

Head Office : ATHENS. London Office : 22 FENCHURCH STREET, E.C. 3.

Manchester Office : PORTICO BUILDING, 57 MOSLEY STREET.

UNION DE BANQUES SUISSES.

Winterthur. Basle. **ZURICH.** St. Gall. Aarau.

Lichtensteig

Geneva, Lausanne, La Chaux-de-Fonds, Montreux, Vevey, etc., etc.

Capital fully paid - - Frs. 70,000,000

Reserves - - - - Frs. 15,000,000

Every description of Banking Business transacted.

BANQUE POPULAIRE SUISSE

ESTABLISHED 1869.

Central Office - - BERNE.

MAIN BRANCHES : Basel, Berne, Bienne, Fribourg, Geneva, Lausanne, Locarno, Montreux, St. Gall, St. Imier, Winterthur, Zurich. 39 Branches and Agencies throughout Switzerland.

Paid-up Capital and Reserves, Francs 94,000,000

Every Kind of Banking Business Transacted by Central Office and Branches.

Current Deposits and Savings Accounts Opened. Collection of Coupons, of Clean and Documentary Drafts. Cash and Documentary Credits Opened. Purchases and Sales of Securities undertaken. Mail and Cable Transfers to any part of the world. Letters of Credit and Travellers' Cheques Issued and Paid.

Foreign Exchange Business.

Please write for our Collection Tariff and List of Correspondents in Switzerland.

BANQUE DE L'UNION PARISIENNE.

7 rue Chauchat, PARIS.

CAPITAL :
Authorised - Fr. 200,000,000
Issued - Fr. 100,000,000
RESERVES - Fr. 53,394,013

The Bank conducts Banking Business of every description in France and Foreign Countries.

London Correspondents : London County Westminster and Parr's Bank, Limited (Lothbury); London Joint City and Midland Bank, Limited; Swiss Bank Corporation; Credito Italiano; Banque Belge pour l'Etranger.

Liabilities and Assets of The National Provincial and Union Bank of England, Limited.

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Acceptances. £	% *	Deposits, &c. £	% *	Profit Balance. £	% *	Total Liabilities. £
1919	7,806,864	7,239,041	15,045,905	5·5	5,968,448	2·2	251,751,125	92·1	630,859	·2	273,396,337‡
1918	5,476,884	4,850,000	10,326,884	4·8	3,891,343	1·8	200,864,639	93·2	487,318	·2	215,570,184
1917	3,000,000	2,100,000	5,100,000	4·2	1,982,964	1·7	112,597,468	94·0	182,932	·1	119,863,364
1916	3,000,000	1,800,000	4,800,000	4·4	3,032,252	2·8	100,218,765	92·7	98,221	·1	108,149,238
1915	3,000,000	2,000,000	5,000,000	5·6	1,810,301	2·1	81,589,601	92·2	96,777	·1	88,496,679
1914	3,000,000	2,000,000	5,000,000	6·2	683,164	·9	74,916,018	92·8	93,027	·1	80,692,209
1913	3,000,000	2,000,000	5,000,000	6·8	824,240	1·1	67,882,423	92·0	91,985	·1	73,798,648
1910	3,000,000	2,150,000	5,150,000	7·2	1,114,643	1·6	65,142,782	91·1	96,379	·1	71,503,804

ASSETS. Dec. 31	Cash in Hand, &c. £	% *	Money at Call and at Short Notice. £	% *	Investments. £	% *	Bills Discounted. £	% *	Advances. £	% *	Liab. of Cust. for Acceptances. £	% *	Bank Premises, &c. £	% *	Total Assets. £
1919 ...	35,685,632	13·1	10,997,504	4·0	53,531,285	19·6	23,943,769	8·8	140,361,887	51·3	5,968,448	2·2	2,907,812	1·0	273,396,337‡
1918 ...	33,576,002	15·6	13,221,591	6·1	44,925,251	20·9	39,060,649	18·1	78,298,859	36·3	3,891,343	1·8	2,596,489	1·2	215,570,184
1917 ...	17,294,994	14·4	8,100,946	6·8	42,402,960	35·4	49,256,957†	41·1	—	—	1,982,964	1·7	824,543	·6	119,863,364
1916 ...	16,450,067	15·2	5,493,340	5·1	40,437,646	37·4	41,802,722†	38·7	—	—	3,032,252	2·8	843,211	·8	108,149,238
1915 ...	11,365,362	12·8	4,653,895	5·2	30,974,115	35·0	38,832,289†	43·9	—	—	1,810,301	2·1	860,717	1·0	88,496,679
1914 ...	16,125,106	19·9	3,449,059	4·3	14,361,027	17·8	45,238,795†	56·1	—	—	683,164	·9	835,058	1·0	80,692,209
1913 ...	10,816,205	14·6	7,400,188	10·0	12,975,849	17·6	41,018,260†	55·6	—	—	824,240	1·1	763,906	1·1	73,798,648
1910 ...	9,891,941	13·8	4,666,112	6·5	16,681,976	23·3	38,509,802†	53·9	—	—	1,114,644	1·6	639,329	·9	71,503,804

* Per cent. of Total Liabilities or Assets. † Including Loans. ‡ Includes figures of Sheffield Banking Company, Limited.

Liabilities and Assets of The Sheffield Banking Company, Limited.

LIABILITIES. Dec. 31	Capital Paid up. £	Surplus Fund. £	Total Capital and Reserve. £	% *	Acceptances. £	% *	Deposits, &c. £	% *	Profit Balance. £	% *	Total Liabilities. £
1918	404,075	315,925	720,000	9·3	—	—	6,930,385	89·3	26,537	·4	7,676,922
1917	404,075	305,925	710,000	10·5	—	—	6,034,190	89·2	23,604	·3	6,767,794
1916	404,075	295,925	700,000	11·0	—	—	5,630,997	88·7	17,408	·3	6,348,405
1915	404,075	295,925	700,000	14·0	—	—	4,293,553	85·8	10,148	·2	5,003,701
1914	404,075	295,925	700,000	15·3	48,000	1·0	3,816,566	83·3	16,191	·4	4,580,757
1913	404,075	295,925	700,000	15·6	44,000	1·0	3,680,380	82·3	49,969	1·1	4,474,349
1910	404,075	300,000	704,075	17·1	69,500	1·7	3,312,414	80·2	41,415	1·0	4,127,404

ASSETS. Dec. 31	Cash in Hand, &c. £	% *	Investments. £	% *	Bills Discounted. £	% *	Loans and Advances. £	% *	Liab. of Cust. for Acceptances. £	% *	Bank Premises and other Assets. £	% *	Total Assets. £
1918 ...	2,966,029	38·6	1,164,500	15·2	1,387,797	18·1	2,083,596	27·1	—	—	75,000	1·0	7,676,922
1917 ...	2,089,929	30·9	2,574,000	38·0	123,588	1·8	1,903,577	28·1	—	—	76,700	1·2	6,767,794
1916 ...	2,198,235	34·6	2,543,000	40·1	192,287	3·0	1,335,883	21·1	—	—	79,000	1·2	6,348,405
1915 ...	1,267,882	25·3	1,465,500	29·3	223,979	4·5	1,969,340	39·4	—	—	77,000	1·5	5,003,701
1914 ...	1,174,905	25·7	785,210	17·2	199,531	4·3	2,301,611	50·2	48,000	1·0	71,500	1·6	4,580,757
1913 ...	1,289,235	28·8	514,050	11·5	413,487	9·2	2,148,177	48·1	44,000	1·0	65,400	1·4	4,474,349
1910 ...	1,100,244	26·6	546,407	13·2	257,063	6·2	2,086,228	50·6	69,500	1·7	67,962	1·7	4,127,404

* Per cent. of Total Liabilities or Assets.

Liabilities and Assets of The Bradford District Bank, Limited.

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Acceptances. £	% *	Deposits, &c. £	% *	Profit Balance. £	% *	Total Liabilities. £
1917	344,000	330,000	674,000	6·6	150,153	1·5	9,235,167	91·1	82,814	·8	10,142,134
1916	344,000	320,000	664,000	7·0	853,081	9·0	7,837,758	83·0	88,610	1·0	9,443,449
1915	344,000	310,000	654,000	8·4	230,107	3·0	6,824,795	87·7	68,896	·9	7,777,798
1914	344,000	300,000	644,000	9·7	240,553	3·6	5,712,589	85·8	57,358	·9	6,654,500
1913	344,000	280,000	624,000	9·8	224,280	3·5	5,474,773	85·8	60,352	·9	6,383,405
1910	344,000	255,000	599,000	10·9	280,330	5·1	4,582,745	83·3	38,190	·7	5,500,265

ASSETS. Dec. 31	Cash in Hand and at Call, &c. £	% *	Investments. £	% *	Bills Discounted. £	% *	Loans and Advances. £	% *	Liab. of Customers for Acceptances. £	% *	Bank Premises, &c. £	% *	Total Assets. £
1917 ...	2,229,265	22·0	1,358,684	13·4	2,871,087	28·3	3,388,678	33·4	150,153	1·5	144,267	1·4	10,142,134
1916 ...	1,920,232	20·3	1,525,653	16·2	1,565,619	16·6	3,429,627	36·3	853,081	9·0	149,246	1·6	9,443,449
1915 ...	846,646	10·9	1,557,031	20·0	1,135,654	14·6	3,864,989	49·7	230,106	3·0	143,372	1·8	7,777,798
1914 ...	1,053,584	15·8	457,814	6·9	1,273,209	19·1	3,486,527	52·4	240,553	3·7	142,813	2·1	6,654,500
1913 ...	1,209,387	19·0	382,836	6·0	1,099,909	17·2	3,324,745	52·1	224,280	3·5	142,248	2·2	6,383,405
1910 ...	1,187,378	21·6	427,879	7·8	1,057,215	19·2	2,449,994	44·5	280,330	5·1	97,469	1·8	5,500,265

* Per cent. of Total Liabilities or Assets.

generally the shareholders, in February, sanctioned an increase of the authorised capital by £9,000,000 (to £60,000,000), in £5 shares, to be fully paid up.

The number of Metropolitan branches of the Bank is now 62 and of country branches and agencies over 800, while premises have been acquired in a large number of places with a view to opening new branches as soon as conditions permit.

The figures of the National Provincial and Union Bank of England are now very much larger than those of previous years as the result of the amalgamations, the combined capital and reserve on December 31 last amounting to no less than £15,045,905, as against £5,100,000 in 1917. The reserve alone stands at £7,239,041. Deposits, naturally, show a very large increase. Twenty-eight years ago deposits stood at £40,000,000, with a capital and reserve of £3,670,000. At present the deposits are £251,751,125, with a capital and reserve as stated above.

On the assets side, cash in hand, &c., is £35,685,632, against £33,576,002 in 1918, while money at call and at short notice is down from £13,221,591 to £10,997,504. Investments are some 8½ millions higher at £53,531,285. Bills discounted are lower by about 15 millions at £23,943,769, but compared with the loans, &c., of 1918 (including Stock Exchange loans under Treasury Minute of October 31, 1914) £78,298,859, advances on current and other accounts, and against War Loans, stand at £140,361,887.

The accompanying statements of liabilities and assets show the position of the Bank for the year 1910, and also for the years 1913-1919. We also give similar figures for the Bradford District Bank and the Sheffield Banking Company to December 31, 1917 and 1918 respectively.

The net profit of 1919, as shown by our table, was £2,265,484, and out of thus sum dividends amounting to 16% per annum, less tax, have been paid. £500,000 has been transferred to reserve fund, £350,000 to pension fund, £150,000 placed to contingencies, and a balance carried forward of £630,859.

Profits of the National Provincial and Union Bank of England, Limited.

Year to Dec. 31	Net Profit £	Div. Subject to Tax — Earned %	Div. Subject to Tax — Paid %	Div. Subject to Tax — Paid £	Special Allocations £	Carried Forward £
1919 ...	2,265,484	29·02‡	16†	1,121,942	1,000,000	630,859
1918 ...	1,821,383	33·25	16	876,301	850,000	487,318*
1917 ...	1,214,711	40·49	16	480,000	650,000	182,932
1916 ...	1,179,444	39·31	16	480,000	698,000	98,221
1915 ...	931,586	31·05	16	480,000	447,836	96,777
1914 ...	681,042	22·70	16	480,000	200,000	93,027
1913 ...	870,174	29·00	18	540,000	330,000	91,985

* Includes £209,304 undivided profit of 1917 of Union of London and Smiths Bank brought into account.

† 8% on £6,217,416 and 8% on £7,806,864—the capital at the end of the year. ‡ Calculated on capital at end of year.

For Banking Business in Finland use

A/B. NORDISKA FÖRENINGSBANKEN

(O/Y. POHJOISMAIDEN YHDYSPANKKI

(Established by amalgamation of Förenings-Banken in Finland and Nordiska Aktiebanken för Handel och Industri).

Capital and Reserves: Fmks. 180,000,000.

HEAD OFFICE: HELSINGFORS. Fifty-one Branches all over the country.

Telegraphic Address: UNITAS.

EVERY KIND OF BANKING BUSINESS TRANSACTED.

AKTIEBOLAGET GÖTEBORGS BANK

Amalgamated with Stockholms Discontobank

GÖTEBORG (SWEDEN) **STOCKHOLM**

ESTABLISHED IN 1848

Telegraphic Address: GÖTABANK. 60 Branch Offices.

Paid-up Capital and Reserves, Kr. 70,000,000.

Every description of Banking and Exchange business transacted.

London Agents:
LONDON COUNTY WESTMINSTER AND PARR'S BANK, LTD., LOMBARD STREET,
BRITISH BANK OF NORTHERN COMMERCE, LTD.

MARX & Co.'s BANK

(Formerly Marx & Co., Established 1869).

Head Office: ROTTERDAM. Branch: THE HAGUE.

Capital Paid up - Fls.12,000,000.

Board of Directors:

J. A. Loeff, Ex-Minister of Justice, President.

J. Rypperda Wierdsma, Managing Director Holland-America Line.

A. C. Mees, Managing Director Internationale Crediet- & Handels vereeniging, "Rotterdam."

A. J. Marx, Registrar at the Court of Justice, Amsterdam.

Managing Directors:

P. J van Ommeren, Jonkheer D. F. Reuchlin,
S. S. Bosman, Jr.

Managers of Branch at The Hague:

Baron O. Bentinck. J. F. van der Maesen.

Banking Business of Every Description.

London Bankers:

LONDON COUNTY WESTMINSTER & PARR'S BANK, LIMITED, LOMBARD STREET, E.C.

BANCA COMMERCIALE ITALIANA, OLD BROAD ST., E.C.

LLOYDS BANK LIMITED, 17 CORNHILL, E.C.

LONDON JOINT CITY & MIDLAND BANK, LIMITED, 65-66 OLD BROAD STREET, E.C.

BERGENS PRIVATBANK

BERGEN & KRISTIANIA.

Established 1855.

Capital, fully paid Kr. 30,000,000

Reserve Funds - „ 39,000,000

Capital & Funds - Kr. 69,000,000

LONDON AGENTS:

LONDON JOINT CITY & MIDLAND BANK, LTD.

C. J. HAMBRO & SON.

THE BRITISH BANK OF NORTHERN COMMERCE, LTD.

BARCLAYS BANK, LTD.

Branches:

Eidsvold, Hokksund i Eiker, Lillestrom, Lunner, Odda, Sandviken pr. Kristiania, Solheimsviken-Bergen, Sundalsoren, Sorumsand, Vestfossen.

EVERY DESCRIPTION OF BANKING BUSINESS.

Profits of the Sheffield Banking Company, Limited.

Year ended Dec. 31	Net Profit	Div. Subject to Tax — Earned	Paid — %	Paid — £	Special Allocations	Carried Forward
	£	%	%	£	£	£
1918	85,085	21·05	16	64,652	17,500	26,537
1917	84,848	20·99	16	64,652	14,000	23,604
1916	75,412	18·66	16	64,652	3,500	17,408
1915	72,569	17·96	15	60,611	18,000	10,149
1914	70,241	17·38	15	60,611	3,000	16,191
1913	72,181	17·86	15	60,611	9,925	9,561

Profits of the Bradford District Bank.

Year to Dec. 31	Net Profit	Dividend Subject to Tax — Earned	Paid — %	Paid — £	Special Allocations	Carried Forward
	£	%	%	£	£	£
1917 ...	83,504	24·27	13·75	47,300	27,000	38,076
1916 ...	81,083	23·57	13·75	47,300	42,000	28,872
1915 ...	74,376	21·62	13·75	47,300	12,000	37,089
1914 ...	68,849	20·01	13·93	47,950	12,000	22,013
1913 ...	70,408	20·46	13·93	47,950	22,000	13,114

NORTHAMPTONSHIRE UNION BANK.

Head Office: Northampton.

This institution was established in 1836, and incorporated on April 20, 1880. The head office is at Northampton, and it has 11 branches in various surrounding towns, together with 13 sub-branches, the business done with a total of 25 offices being very satisfactory.

The capital authorised is £1,200,000, in 40,000 shares of £30 each; 36,000 of these shares, upon which £11 has been paid, have been issued, making the total paid-up capital £396,000, or nearly double what it was in 1880, £205,989.

The Bank has a guarantee fund amounting to £293,000, also an investment reserve of £205,000. The guarantee or reserve fund has been built up by steady allocations from surplus profits. At the end of 1913 it amounted to £404,000, or £8,000 in excess of the paid-up capital. In view, however, of the heavy fall in the value of securities since the War, various sums have been from time to time transferred to the investment reserve, and, according to the directors' report, investments stand below the quoted market prices at December 31, 1919. At the general meeting on February 5 last the Chairman mentioned that the necessary provision for depreciation of investments had been a serious burden, but he hoped that much of it would be recovered in the future. Investments now figure at £1,763,401, and consist of Consols, Local Loans stock, War Loans, Bank of England stock, Indian Guaranteed and English Railways, and other investments; £27,000 Consols are stated to be lodged for public accounts.

Deposits, &c., this year again show a marked expansion, rising from £5,607,334 to £6,240,601. The note circulation, at £1,820, is unchanged from 1918. Cash in hand, &c., is higher at £757,357; bills of exchange stand at £611,217, as against £176,335, while loans and advances are up from £2,447,135 to £4,027,522.

Our usual statement of liabilities and assets is annexed; it shows the figures for 1910, and from 1913 to 1919.

The profits of the Bank have been satisfactorily maintained, the net profit for 1919 amounting to £83,747, as against £74,090, but the carry-forward is reduced from £11,057 to £10,404. In the first half of 1919 £13,000 was carried to guarantee fund, and at the end of the year another £12,000.

The profit record of the Bank since 1913 is as follows:—

Profits of the Northamptonshire Union Bank, Limited.

Year ended Dec. 31	Net Profit	Div. Subject to Tax — Earned	Paid — %	Paid — £	Special Allocations	Carried Forward
	£	%	%	£	£	£
1919	83,747	21·14	15·00	59,400	25,000	10,404
1918	74,090	18·71	13·64	54,000	26,000	11,057
1917	73,937	18·67	13·64	54,000	10,000	16,966
1916	72,385	18·28	13·64	54,000	20,000	7,029
1915	69,637	17·58	13·64	54,000	25,000	8,644
1914	72,610	18·33	14·18	56,149	—	18,007
1913	64,032	16·17	12·31	48,735	15,000	1,546

NORTHERN BANKING COMPANY.

Head Office: Belfast.

This Irish bank, which was established on August 1, 1824, is the last of the three Irish banks having their head offices in Belfast to retain its independence. The other two, the Belfast Banking Company and the Ulster Bank, have both been absorbed by London institutions, the former by the London Joint City and Midland Bank, and the latter by the London County Westminster and Parr's Bank.

The constitution of the Northern Banking Company differs somewhat from that of the other Irish banks. The directors are all managing directors, and devote their whole time to their duties as such, added to which a committee of shareholders is appointed at each annual meeting. The Bank has 198 branches and agencies, and during 1918 a foreign department with widespread agencies was established.

Accounts are made up to August 31, 1919, and the net profits for the year show an increase over those of the preceding year of £8,400, the amount being £115,151. As will be seen from our table, profits have been steadily increasing since 1913, and as a matter of fact those for 1919 are the highest in the history of the Bank. The dividends paid for the year were 16¼% upon the "A" shares and 8⅛% on the "B" shares, in each case less income tax. The rates for last year were 14⅛% on the "A" shares and 7 1/16% upon the "B." £42,537 was carried forward to the new account, as against £27,370 on the last occasion.

As explaining the differences in the shares, it may be noted that the authorised and subscribed capital up to last year was £2,500,000, of which £500,000 was paid up, £350,000 consisting of "A" shares and £150,000 of "B" shares. At first the shares were of the nominal value of £50 each, but in order to increase their marketability they were split into the nominal value of £10. £2 per £10 share has been paid up. The "B" shares receive half the dividend paid on the

Liabilities and Assets of The Northamptonshire Union Bank, Limited.

LIABILITIES. Dec. 31	Capital Paid up.	Guarantee Fund.	Investment Reserve.	Total Capital and Reserves.		Notes in Circulation.		Deposits, &c.		Profit Balance.		Total Liabilities.
	£	£	£	£	%	£	%	£	%	£	%	£
1919... ...	396,000	293,000	205,000	894,000	12·4	1,820	—	6,240,601	86·8	54,804	·8	7,191,225
1918... ...	396,000	264,000	205,000	865,000	13·3	1,820	—	5,607,334	85·9	54,057	·8	6,528,211
1917... ...	396,000	254,000	195,000	845,000	14·9	1,840	—	4,757,885	84·1	53,967	1·0	5,658,692
1916... ...	396,000	254,000	175,000	825,000	16·2	1,840	—	4,195,551	82·7	54,029	1·1	5,076,420
1915... ...	396,000	304,000	100,000	800,000	17·0	1,840	—	3,840,842	81·7	60,644	1·3	4,703,326
1914... ...	396,000	404,000	—	800,000	18·6	1,856	—	3,451,954	80·3	45,007	1·1	4,298,811
1913... ...	396,000	404,000	—	800,000	20·0	1,855	—	3,160,546	79·0	36,034	1·0	3,998,435
1910... ...	396,000	384,000	—	780,000	20·7	1,884	·1	2,957,816	78·4	30,359	·8	3,770,059

ASSETS. Dec. 31	Cash in Hand, &c.		Investments.		Bills of Exchange		Loans and Advances.		Bank Premises.		Total Assets.
	£	%	£	%	£	%	£	%	£	%	£
1919	757,357	10·5	1,763,401	24·5	611,217	8·5	4,027,522	56·0	31,728	·5	7,191,225
1918	658,954	10·1	3,209,409	49·2	176,335	2·7	2,447,135	37·5	36,378	·5	6,528,211
1917	640,906	11·3	2,741,633	48·5	189,183	3·3	2,050,382	36·2	36,638	·7	5,658,692
1916	538,722	10·6	2,549,104	50·2	131,442	2·6	1,820,190	35·9	36,962	·7	5,076,420
1915	476,346	10·1	2,131,371	45·3	175,246	3·8	1,884,232	40·0	36,331	·8	4,703,326
1914	468,970	10·9	1,207,202	28·1	442,495	10·3	2,144,309	49·9	35,835	·8	4,298,811
1913	336,339	8·4	1,075,219	27·0	329,078	8·2	2,222,382	55·5	35,417	·9	3,998,435
1910	278,470	7·4	1,176,499	31·2	296,305	7·8	1,985,711	52·7	33,074	·8	3,770,059

* Per cent. of Total Liabilities or Assets.

STOCKHOLMS ENSKILDA BANK

N.B.—BANK WITH UNLIMITED LIABILITY.

Established 1856.

STOCKHOLM.

CAPITAL (entirely paid up) - Kr. 31,500,000

RESERVE FUNDS „ 48,500,000

Banking and Exchange Business of every description.

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C. J. HAMBRO & SON.

AMSTERDAMSCHE BANK.

Head Office - - AMSTERDAM

BRANCHES at Rotterdam, Almelo, Amersfoort, Arnhem, Bergen-op-Zoom, Deventer, Dordrecht, Eindhoven, Enschede, Groningen, Haarlem, The Hague, Leeuwarden, Leiden, Maastricht, Schiedam, Tilburg, Utrecht, Zutfen.

AGENCIES at Alkmaar, Delft, Heerlen, Helmond, Hoorn, Raamsdonksveer, Oosterhout.

CAPITAL - Fl.44,541,100 (£3,711,755)
(Issued and fully paid up)

RESERVE - Fl.30,350,000 (£2,529,166)

SPECIAL RESERVE - Fl. 2,000,000 (£166,666)

MANAGING DIRECTORS:
F. S. VAN NIEROP. P. HOFSTEDE DE GROOT.
H. A. VAN NIEROP. A. J. VAN HENGEL.
F. T. DE GREVE.

DEPUTY MANAGING DIRECTOR:
D. ANDRESON.

BANQUE BELGE POUR L'ETRANGER

Societe Anonyme.

(Filiale de la Société Générale de Belgique.)

CAPITAL - Frs. 50,000,000
RESERVES - Frs. 12,027,956

Head Office: Brussels, 66 Rue des Colonies.
LONDON OFFICE: 2 BISHOPSGATE, E.C. 2.
Agent: Manchester, 31 Mosley Street.

LONDON COMMITTEE: Messrs. J. S. HASKELL, A. F. BUXTON, G. GRINNELL MILNE, Sir WM. GARSTIN, G.C.M.G., EMILE FRANCQUI, CHEVALIER DE WOUTERS.

And at PARIS, COLOGNE, BUCAREST, CAIRO, ALEXANDRIA, TANTAH, SHANGHAI, TIENTSIN, PEKING.

Affiliated Bank: Banco de Cartagena, Spain and Morocco.

CORRESPONDENTS IN ALL PARTS OF THE WORLD.

All kinds of Banking Business undertaken.

Particular attention given to Exchange Transactions with all countries.

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The Bank has DIRECT AGENTS IN ALL BELGIAN TOWNS, and will be pleased to furnish information relating to the reopening of commercial activity.

Apply: The Manager,
2 Bishopsgate, E.C. 2.

ITALO-BELGIAN BANK.

(Banque Italo-Belge Société Anonyme.)

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Called and Paid-up Capital - Fcs. 26,000,000
Reserve and Available Surplus- Fcs. 19,000,000

Head Office:
ANTWERP.

London Agency:
50 OLD BROAD STREET, E.C. 2.

Branches:
FRANCE—Paris.
ARGENTINE—Buenos Ayres.
BRAZIL—Sao Paulo, Rio de Janeiro, Santos, Campinas.
URUGUAY—Montevideo. CHILI—Valparaiso.

Correspondents in all the Principal Places in South America.

The Bank transacts every description of Banking Business. Bills and Documentary Bills negotiated, advanced upon, or sent for collection. Drafts, Letters of Credit, and Cable Transfers issued on Branches and Correspondents.

Telegrams: **"Itabelban, Ave, London."**
Telephone: **London Wall 1157, 1158.**

Liabilities and Assets of the Northern Banking Company, Limited.

LIABILITIES. Aug. 31	Capital Paid up. £	Reserve Fund. £	Investment Reserve. £	Total Capital and Reserves. £	Total Capital and Reserves. %	Notes in Circulation. £	Notes in Circulation. %	Deposits, &c. £	Deposits, &c. %	Miscellaneous. £	Miscellaneous. %	Profit Balance. £	Profit Balance. %	Total Liabilities. £
1919 ...	500,000	400,000	185,000	1,085,000	6·5	2,472,011	14·8	13,014,325	77·9	82,165	·5	42,538	·3	16,696,039
1918 ...	500,000	300,000	185,000	985,000	7·3	2,043,604	15·1	10,361,605	76·8	79,471	·6	27,369	·2	13,497,049
1917 ...	500,000	260,000	185,000	945,000	9·4	1,355,851	13·6	7,610,176	76·0	75,453	·8	23,935	·2	10,010,415
1916 ...	500,000	230,000	185,000	915,000	10·1	1,258,942	13·8	6,875,169	75·2	73,585	·8	20,268	·1	9,142,964
1915 ...	500,000	230,000	155,000	885,000	10·7	926,826	11·2	6,418,633	77·1	71,808	·8	20,106	·2	8,322,373
1914 ...	500,000	230,000	130,000	860,000	11·4	828,394	10·9	5,811,803	76·6	70,206	·9	17,763	·2	7,588,166
1913 ...	500,000	230,000	110,000	840,000	11·4	737,023	10·0	5,687,238	77·5	65,995	·9	14,052	·2	7,344,308
1910 ...	500,000	275,000	30,000	805,000	12·7	624,944	9·9	4,834,552	78·1	59,575	·9	28,392	·4	6,352,463

ASSETS. Aug. 31	Cash in Hand, &c. £	Cash in Hand, &c. %	Investments. £	Investments. %	Bills, Loans and Advances. £	Bills, Loans and Advances. %	Bank Premises Account £	Bank Premises Account %	Total Assets. £
1919 ...	3,570,428	21·4	6,419,033	38·4	6,576,578	39·4	130,000	·8	16,696,039
1918 ...	3,039,796	22·5	4,620,493	34·2	5,716,760	42·4	120,000	·9	13,497,049
1917 ...	2,386,099	23·9	3,258,326	32·5	4,253,990	42·5	112,000	1·1	10,010,415
1916 ...	1,847,653	20·2	3,283,573	35·9	3,896,738	42·6	115,000	1·3	9,142,964
1915 ...	1,431,627	17·2	3,421,139	41·1	3,354,607	40·3	115,000	1·4	8,322,373
1914 ...	1,666,413	21·9	2,036,586	26·9	3,770,167	49·7	115,000	1·5	7,588,166
1913 ...	1,233,890	16·8	2,047,968	27·9	3,949,450	53·8	113,000	1·5	7,344,308
1910 ...	1,021,963	16·1	1,750,186	27·6	3,477,314	54·7	103,000	1·6	6,352,463

* Per cent. of Total Liabilities or Assets.

"A" shares, and in the event of liquidation rank equally with the latter.

By special resolution passed at an extraordinary general meeting held in July last, and subsequently confirmed, an increase of the capital by 100,000 shares of £10 each, £2 paid up, was authorised. Of these shares 50,000 have been issued and taken up at £5 per share, payable in two half-yearly instalments on September 1, 1919, and March 1, 1920. Instalments to the amount of £70,000 paid in advance have been added to reserve. 3,060 new shares were allotted to 110 members of the staff on similar terms. The authorised capital now stands at £3,500,000, of which £600,000 has been paid up. The reserve fund by March 1920 had been increased to £665,000.

Coming to the balance sheet, we find that the paid-up capital and reserves amounted on August 31 last to £1,085,000, of which £185,000 was investment reserve. Notes in circulation amounted to £2,472,011, and, like those of most other Irish banks, have increased heavily each year since the War. Deposits, &c., were up by £2,652,720 to £13,014,325, revealing the rapid expansion in the Bank's business.

Profits of the Northern Banking Company, Limited.

Year ended Aug. 31	Net Profit £	Dividend Subject to Tax — Earned on Total Capital %	Paid — Total Capital %	Paid — "A" Sh. %	Paid — "B" Sh. %	Amt. £	Special Allocat'ns £	Carried Forward £
1919 ...	115,151	23.03	13.81	16.25	8.12	69,062	30,921	42,538
1918 ...	106,751	21·35	12·04	14·16	7·08	60,208	43,108	27,370
1917 ...	95,235	19·04	11·05	13·00	6·50	55,250	36,318	23,935
1916 ...	86,642	17·32	11·05	13·00	6·50	55,250	31,230	20,268
1915 ...	83,891	16·78	11·05	13·00	6·50	55,250	26,298	20,106
1914 ...	78,643	15·72	10·85	12·77	6·38	54,255	20,677	17,763
1913 ...	73,732	14·74	10·83	12·74	6·37	54,159	21,253	14,052

On the assets side of the balance sheet, cash in hand, &c., figures at £3,570,428, as against £3,039,796 in 1918, while investments are nearly £2,000,000 more at £6,419,033. Included in the investments are £4,698,173 in British War issues and Exchequer bonds; other British Government securities amount to £626,831. Bills, loans and advances also show a heavy increase at £6,576,578, £400,000 consisting of British Government Treasury bills. Bank premises account stands at £130,000—an increase of £10,000. The total assets of the Bank are £16,696,039, an increase of £3,198,990 over those of the preceding year.

NORTH OF SCOTLAND AND TOWN AND COUNTY BANK.

Head Office: Aberdeen.

THIS Bank, as its name implies, is an amalgamation of the North of Scotland Bank and the Town and County Bank, Limited, which took place in May 1908. Both banks had their head offices in Aberdeen. The latter was established in 1825, under the title of the Aberdeen Town and County Banking Company, Limited, while the North of Scotland Bank was formed in Aberdeen in 1836. In January 1907 the subscribed capital of the Town and County Bank was £1,260,000, divided into 36,000 shares of £35 each, of which £7 per share, or £252,000, was paid up. Its reserve fund was £135,000 and the amount of its deposits £3,046,856.

The paid-up capital of the North of Scotland Bank at the date of the amalgamation was £400,000; on September 30, 1907, its deposits stood at £4,500,000. The subscribed capital of the North of Scotland and Town and County Bank is now £3,260,000, its paid-up capital £652,000. The shares are £20 each, £4 of which is paid up, leaving £4 callable and £12 reserved.

The Bank has a fine record of progress behind it, and since the amalgamation good and increasing dividends have been paid. There was, however, a slight falling off in profits in 1916, and a reduction in the dividend from 13.07% to 12½%, but since then the recovery has been rapid. The following year the dividend was increased to 13½%, the profit, £126,799, being the highest ever recorded. Even so, the figures for 1918 were better still, for the profit, at £159,259, was some £32,500 higher. The profit and loss account for 1919 shows, however, an even more favourable result with a profit increased by £21,505 to £180,764. The note issue, too, shows steady expansion, from £903,000 in 1914 to £2,513,000 in 1919. The chairman of the general meeting held on November 7 last remarked that the figures showed the increased amounts required for the settlement of transactions in cash instead of by cheque, and also in the money carried by the public for personal purposes.

The following analysis of the profit and loss accounts since 1913 gives a full statement of the position:—

Profits of the North of Scotland and Town and County Bank, Limited.

Year ended Sept. 30	Net Profit £	Div. Subject to Tax — Earned %	Paid — %	Paid — £	Special Allocat'ns £	Carried Forward £
1919 ...	180,764	27·72	16·00	104,320	67,000	88,460
1918 ...	159,259	24·43	14·75	96,170	110,000	79,016
1917 ...	126,799	19·45	13·50	88,020	47,500	125,926
1916 ...	122,648	18·81	12·50	81,500	—	134,647
1915 ...	126,627	19·42	13·07	85,204	—	93,499
1914 ...	122,877	18·84	13·60	88,713	—	52,076
1913 ...	114,470	17·55	13·27	86,548	25,500	17,912

Coming to the balance sheet, we find notes in circulation have increased by £399,679 during the year. Deposits, as in the case of most other banking institutions, continue to show large expansion. On September 30 last they stood at £21,099,312, as compared with £17,527,339 in 1918.

Cash in hand, &c., remains about the same, at £3,431,551. Investments are up from £8,261,543 to £10,408,138. Bills discounted, advances, &c., have increased by nearly two million pounds to £11,001,243, inclusive of £4,550,000 in Treasury bills, against a previous £5,000,000. Bank premises, &c., stand at £247,390, as compared with £264,822 in the last balance sheet. The total assets amount to £25,088,322.

We give herewith our usual table of liabilities and assets.

The IMPERIAL BANK OF PERSIA

25 Abchurch Lane, London, E.C. 4.

Incorporated by Royal Charter, 1889.

Capital, fully paid up	£650,000
Reserve	£250,000
Reserve Liability of Proprietors	£1,000,000

Bankers:
Messrs. Glyn, Mills, Currie & Co.
London County Westminster and Parr's Bank Ltd.
Lloyds Bank Ltd.

OFFICES AND AGENCIES:

Ahwaz, Bagdad, Birjand, Bombay, Bunder Abbas, Bushire, Busreh, Hamadan, Ispahan, Kazvin, Kerman, Kermanshah, Meshed, Mohammerah, Nasratabad (Seistan), Resht, Shiraz, Sultanabad, Tabriz, Teheran (Chief Office), Yezd.

This Bank is prepared to transact Banking Business of every description in and connected with Persia and Mesopotamia; and in London grants Drafts, Telegraphic Transfers and Letters of Credit, and negotiates and collects Bills on Persia and the Near East.

Banque d'Orient,

ATHENS.

ESTABLISHED 1904.

Capital Subscribed and Paid up	Frs. 25,000,000
In fully-paid Shares of 125 frs.	
General Reserve	349,651·45

Branches:
Smyrna, Salonica, Alexandria, Cairo.

Agencies:
Metelin, Serres, Pergame, Zagazig, Soma.

Telegraphic Address: "Orientbank, Athens."

London Agents:

C. J. Hambro and Son; London County Westminster and Parr's Bank Limited (Lombard Street); Swiss Bank Corporation; London Joint City and Midland Bank Ltd.; Barclays Bank; Comptoir National d'Escompte de Paris.

BANK OF ROUMANIA LIMITED.

Founded *1866.*

Head Office: 27 Throgmorton Street, LONDON, E.C. 2.

Branch: 11 Calea Victoriei, BUCAREST.

Directors:
THE EARL OF BESSBOROUGH, K.P., C.V.O., C.B.
E. W. H. BARRY, Esq.
THE VISCOUNT GOSCHEN.
GENERAL THE HON. SIR H. A. LAWRENCE, K.C.B.
P. NAVILLE, Esq.

Bankers:
BANK OF ENGLAND.
MESSRS. GLYN, MILLS, CURRIE & CO.

A General Banking Business with Roumania is conducted, and correspondence from those having interests in that country is invited.

THE EASTERN BANK LIMITED.

Head Office:
4 CROSBY SQUARE, LONDON, E.C.3.

Authorised Capital (200,000 shares of £10 each)	**£2,000,000**
Paid up Capital	**£765,242**
Reserve Liability of Shareholders	**£1,197,468**
Reserve Fund	**£220,000**

BOARD OF DIRECTORS.

The Right Hon. LORD BALFOUR OF BURLEIGH, K.T. (Chairman).
Sir EDWARD SASSOON, Bart.
Sir JAS. LEIGH-WOOD, K.B.E., C.B., C.M.G.
JAMES H. BATTY, Esq.
G. BROMLEY-MARTIN, Esq.
EMILE FRANCQUI, Esq.
J. S. HASKELL, Esq.

Branches:
AMARA, BAGDAD, BASRA, BASRA CITY, BOMBAY, CALCUTTA, COLOMBO, HILLAH, MOSUL.

The Bank issues Drafts, Telegraphic Transfers and Letters of Credit, negotiates and collects Bills of Exchange, and transacts Banking and Agency Business in connection with the East.

Deposits are received for 1, 2 or 3 years at 5 per cent. per annum, and for shorter periods at rates which can be ascertained on application. On Current Accounts interest is allowed at 2 per cent. per annum on the minimum monthly balances.

F. H. SUTTON, Manager.

Liabilities and Assets of The North of Scotland and Town and County Bank, Limited.

LIABILITIES. Sept. 30	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	%	Notes in Circulation. £	%	Deposits, &c. £	%	Profit Balance. £	%	Total Liabilities. £
1919	652,000	600,000	1,252,000	5·0	2,513,741	10·0	21,099,312	84·1	223,269	·9	25,088,322
1918	652,000	500,000	1,152,000	5·5	2,114,062	10·0	17,527,339	83·3	254,624	1·2	21,048,025
1917	652,000	452,500	1,104,500	6·7	1,546,002	9·4	13,594,161	82·5	230,884	1·4	16,475,547
1916	652,000	452,500	1,104,500	7·7	1,354,308	9·4	11,809,448	81·7	182,528	1·2	14,450,784
1915	652,000	452,500	1,104,500	9·2	1,054,560	8·9	9,617,862	80·8	129,156	1·1	11,906,078
1914	652,000	452,500	1,104,500	10·1	903,277	8·3	8,771,273	80·7	92,826	·9	10,871,876
1913	652,000	435,000	1,087,000	10·4	791,178	7·5	8,504,752	81·3	84,161	·8	10,467,091
1910	652,000	387,500	1,039,500	11·4	749,368	8·2	7,260,912	79·6	74,788	·8	9,124,568

ASSETS. Sept. 30	Cash in Hand, &c. £	%	Investments. £	%	Loans to London Bankers. £	%	Bills Discounted, Advances, &c. £	%	Bank Premises, &c. £	%	Total Assets. £
1919...	3,431,551	13·7	10,498,138	41·5	—	—	11,001,243	43·8	247,390	1·0	25,088,322
1918...	3,400,181	16·1	8,261,543	39·3	—	—	9,121,479	43·3	264,822	1·3	21,048,025
1917...	2,602,003	15·8	4,767,669	29·0	429,375	2·6	8,422,193	51·1	254,307	1·5	16,475,547
1916...	2,282,059	15·8	3,718,810	25·8	552,342	3·8	7,641,260	52·9	256,313	1·7	14,450,781
1915...	1,664,056	14·0	3,758,611	31·6	805,588	6·7	5,420,957	45·6	256,866	2·1	11,906,078
1914...	1,451,213	13·3	1,951,542	18·0	1,886,790	17·3	5,323,849	49·0	258,482	2·4	10,871,876
1913...	1,246,251	11·9	1,817,257	17·4	2,019,000	19·3	5,120,847	48·9	263,736	2·5	10,467,091
1910...	1,152,881	12·7	1,788,269	19·6	903,227	9·9	5,003,917	54·8	276,274	3·0	9,124,568

* Per cent. of Total Liabilities or Assets.

PROVINCIAL BANK OF IRELAND.

Head Office: 8 Throgmorton Avenue, London, E.C. 2.

THIS old-established Irish Bank, which was formed as long ago as 1825, has its Head Office in London in Throgmorton Avenue, and has 127 branches and sub-branches in Ireland. The authorised and subscribed capital is £4,080,000. The paid-up capital, in which there has been no change for the past 38 years, stands at £540,000, and the reserve fund at £435,000. At the end of 1914 and 1915 the reserve stood at £375,000, but in consequence of the depreciation in investments during those anxious years it was found necessary, not only to make substantial provision out of profit to meet the reduction in values, but also, in 1916, to reduce the reserve to £330,000. In view of the absence of depreciation in 1917 the reserve was restored to its former figure of £375,000; in 1918 it was strengthened still further by £40,000 to £415,000, and in July 1919 another £20,000 was added. In December last £20,000 was applied to writing down investments.

A comparison of the present balance sheet with that of a year ago shows that notes in circulation have risen by £40,606, and now stand at £2,305,557. Deposits, &c., have advanced from £11,816,700 to £14,802,721, showing the largest increase in the Bank's history, which it is well to notice was spread throughout the whole of the branches. The net result of the harvest, and the prices obtained generally for Irish cattle and produce, greatly benefited farmers, and they were able to record another satisfactory year.

The Bank, looking to its increased obligations to the public, has strengthened its liquid resources, and cash in hand, &c., now stands at £2,314,460, while money at call and at short notice is at £1,105,000. The investments, too, show the large increase on the year of £800,000, the total being £6,591,207. The item of bills discounted and advances to customers is also up about two millions as compared with December 1918, but at that date there was recorded a decrease of about a million. Bank premises are shown in the balance sheet at £17,000 more than a year ago.

Gross profits stand at £305,780 in our table, as against £276,853 previously, but net profits, at £112,998, are lower by about £6,000, following on the general increase in the expenses of management, in addition to which further bonuses have been paid to the Bank's officers, making the total so distributed in 1919 £32,296. The dividend paid was 13½%, less income tax—the same as in 1918. The carry-forward is £15,825, as compared with £17,728 in 1918.

Profits of the Provincial Bank of Ireland, Limited.

Year to Dec. 31	Gross Profit £	Expenses £	Net Profit £	Div. Earned %	Subject to Tax—Paid— %	£	Special Allocations £	Carried Forward £
1919...	305,780	192,782	112,998	20·9	13½	72,900	42,000	15,825
1918...	276,853	158,213	118,640	22·0	13½	72,900	47,000	17,728
1917...	256,504	127,355	129,149	23·9	12½	67,500	58,000	18,989
1916...	243,381	121,634	121,747	22·5	12½	67,500	51,000	15,340
1915...	231,980	110,429	121,551	22·5	12½	67,500	63,000	12,093
1914...	220,591	110,925	109,666	20·3	12½	67,500	35,000	21,043
1913...	214,506	104,426	110,080	20·3	12½	67,500	42,000	13,877

ROYAL BANK OF IRELAND.

Head Office: Foster Place, Dublin.

THE Royal Bank of Ireland, which was established in 1836, is the smallest of the Irish banks. Its authorised capital is £1,500,000, divided into 30,000 shares of £50, on each of which £10 has been paid, making the paid-up capital £300,000. There have not been many increases of capital since its inception; in 1860 the amount paid up was £209,175, and by 1870 it had reached £300,000, since when there has been no change whatever. The reserve fund amounts to £63,000. On August 31, 1915, the reserve stood at £116,000, and there was also an investment reserve of £115,000. Owing to the widespread depreciation in investments experienced from 1914 to 1916, it became necessary to utilise the latter fund for the purpose of providing for the depreciation, and now,

Liabilities and Assets of The Provincial Bank of Ireland, Limited.

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	%	Notes in Circulation. £	%	Deposits, &c. £	%	Profit Balance. £	%	Total Liabilities. £
1919 ...	540,000	435,000	975,000	5·4	2,305,557	12·7	14,802,721	81·7	41,340	·2	18,124,618
1918 ...	540,000	415,000	955,000	6·3	2,264,951	15·0	11,816,700	78·4	43,242	·3	15,079,893
1917 ...	540,000	375,000	915,000	7·7	1,717,577	14·5	9,168,958	77·4	44,301	·4	11,845,836
1916 ...	540,000	330,000	870,000	8·7	1,638,755	16·4	7,457,207	74·5	40,652	·4	10,006,615
1915 ...	540,000	375,000	915,000	9·8	1,655,355	17·6	6,757,577	72·1	40,359	·5	9,368,291
1914 ...	540,000	375,000	915,000	10·3	1,151,927	13·0	6,752,422	76·1	51,629	·6	8,870,978
1913 ...	540,000	360,000	900,000	11·0	790,530	9·7	6,427,172	78·8	45,658	·5	8,163,360
1910 ...	540,000	360,000	900,000	12·3	737,628	10·1	5,608,973	77·0	46,423	·6	7,293,024

ASSETS. Dec. 31	Cash in Hand, &c. £	%	Money at Call & at Short Notice, &c. £	%	Investments. £	%	Bills and Advances. £	%	Bank Premises, &c. £	%	Total Assets. £
1919	2,314,460	12·8	1,105,000	6·1	6,591,207	36·4	7,994,247	44·1	119,704	·6	18,124,618
1918	2,120,873	14·0	945,270	6·3	5,790,235	38·4	6,121,281	40·6	102,234	·7	15,079,893
1917	1,435,938	12·1	622,500	5·2	2,534,876	21·4	7,148,896	60·4	103,626	·9	11,845,836
1916	1,365,756	13·7	833,000	8·3	2,475,120	24·7	5,225,432	52·2	107,307	1·1	10,006,615
1915	1,205,704	12·9	791,600	8·4	2,685,732	28·6	4,579,257	48·9	105,998	1·2	9,368,291
1914	1,045,881	11·8	439,900	4·9	2,483,434	28·0	4,798,837	54·1	102,926	1·2	8,870,978
1913	680,546	8·3	475,000	5·9	2,153,423	26·4	4,752,497	58·2	101,894	1·2	8,163,360
1910	358,470	5·0	529,063	7·2	2,327,788	32·0	3,970,751	54·4	106,952	1·6	7,293,024

* Per cent. of Total Liabilities or Assets.

BANQUE FEDERALE

SOCIÉTÉ ANONYME
(Established in 1863)

GENEVA, SWITZERLAND.

BRANCHES in Basle, Berne, La Chaux de Fonds, Lausanne, Saint Gall, Vevey and Zurich.

Paid-up Capital and Reserve Funds, Frs. 63,400,000.

Banking Business of every description transacted.

Bills discounted and collected.

Drafts and Letters of Credit issued.

Telegraphic Transfers effected.

First-class Swiss Bonds bought and sold.

Correspondence invited.

Banco Italiano del Uruguay

MONTEVIDEO (Uruguay).

ESTABLISHED 1887.

Manager - - ALEXANDRE TALICE.

Capital Authorised - -	$5,000,000
Capital Subscribed & Paid up	$3,000,000
Reserve Fund - $1,200,000	$1,700,000
Provision Fund - $500,000	

Head Office:
MONTEVIDEO, CERRITO STREET, 428.

Branches - PAYSANDU and MERCEDES.

Agents in all the principal Cities and Towns in Uruguay.

LONDON AGENTS:—N. M. Rothschild and Sons; Baring Brothers and Company, Ltd.; Crédit Lyonnais; Comptoir National d'Escompte de Paris; London County Westminster and Parr's Bank, Ltd.; Swiss Bank Corporation; A. Rüffer and Sons; Credito Italiano; Banca Commerciale Italiana; London Joint City and Midland Bank Ltd.; Guaranty Trust Company of New York; Equitable Trust Company of New York; Barclays Bank Ltd.; Anglo South American Bank Ltd.

THE
RUSSO-ASIATIC BANK

Incorporated by Russian Government Decree.

CAPITAL (Authorised) - -	Rbls. 65,000,000
CAPITAL (Subscribed) - -	Rbls. 55,000,000
CAPITAL (Subscribed by the Chinese Government)	Kouping Taels 3,500,000
RESERVE FUNDS - - -	Rbls. 30,157,172

Head Office at Petrograd.

Branches at all the principal Towns in Russia, Manchuria, Siberia, Central Asia, and China; also at Paris, Bombay, Hong Kong, Yokohama and Kobe. The number and geographical position of the Bank's branches, &c., place it in a unique position for financing British trade with all parts of the World. Interest (paid quarterly) allowed on Fixed Deposit and on Current Accounts at Rates to be learnt on application. Banking and Foreign Exchange business transacted of every description.

CHANTREY INCHBALD,
LONDON MANAGER,
64 Old Broad Street, London, E.C. 2.

Bank of British West Africa Limited.

Established 1894.

Bankers to the Governments of the Colonies of the GAMBIA, SIERRA LEONE, GOLD COAST and NIGERIA.

Authorised and Subscribed - -	£2,000,000
Called-up Capital - - -	£800,000
Reserve - - - - -	£378,750

Directors:

The Rt. Hon. The Earl of Selborne, K.G., G.C.M.G., P.C. (Chairman).
Clifford B. Edgar, Esq., M.P. ... J. W. Beaumont Pease, Esq., J.P.
D. Q. Henriques, Esq., J.P. ... Sir Owen Philipps, G.C.M.G., M.P.
George Miller, Esq. ... Sir H. Babington Smith, G.C.H.B.E. K.C.B., C.S.I.
W. F. Moore, Esq. ... ... Mazzini Stuart, Esq., J.P.
Geo. W. Neville, Esq. ... ... O. Harrison Williams, Esq.

HEAD OFFICE:
17 & 18 LEADENHALL STREET, LONDON, E.C.3.

General Manager ... ... Leslie Couper, C.M.G.
Asst. Managers ... ... G. A. Lester, D. W. Paterson.
Secretary ... ... G. B. Bennett.

Liverpool Office: 25 WATER STREET.
Bradford Office: 17 IVEGATE.
Manchester Office: 106-108 PORTLAND STREET.
New York Office: 100 BEAVER STREET.

Branches—West Africa.

GAMBIA—Bathurst ... ... SIERRA LEONE—Freetown
LIBERIA—Monrovia. Sherbro.
GOLD COAST and ASHANTI—Accra, Axim, Bekwai, Cape Coast, Coomassie, Dunkwa, Kotoridua, Nsawam, Saltpond, Seccondee, Tarquah, Winnebah.
TOGOLAND Lome ... ... NIGERIA Abeokuta, Calabar, Ebute Metta, Forcados, Ibadan, Jos, Kaduna, Kano, Lagos, Lokoja, Onitsha, Port Harcourt, Warri, Zaria.
CAMEROONS Duala ... ... FERNANDO PO Santa Isabel.
CANARY ISLANDS—Las Palmas. MOROCCO—Casablanca, Fez, Marrakech, Mazagan, Rabat, Sefti, Tangier.
EGYPT—Alexandria.

Agencies throughout West Africa - Morocco—Egypt.

Liabilities and Assets of The Royal Bank of Ireland, Limited.

LIABILITIES. Aug. 31	Capital Paid up. £	Reserve Fund. £	Investment Reserve. £	Total Capital and Reserves. £	% *	Deposits, &c. £	% *	Miscellaneous. £	% *	Profit Balance. £	% *	Total Liabilities. £
1919 ...	300,000	63,000	—	363,000	9·7	3,338,435	89·3	23,560	·6	14,793	·4	3,739,788
1918 ...	300,000	122,500	—	422,500	12·0	3,056,361	86·5	20,532	·6	33,467	·9	3,532,860
1917 ...	300,000	112,500	—	412,500	15·5	2,196,459	82·4	22,612	·9	33,100	1·2	2,664,671
1916 ...	300,000	100,000	—	400,000	15·5	2,113,051	82·1	23,794	·9	38,601	1·5	2,575,446
1915 ...	300,000	116,000	115,000	531,000	19·6	2,116,905	77·9	25,151	·9	41,713	1·6	2,714,769
1914 ...	300,000	106,000	115,000	521,000	20·2	1,998,522	77·3	27,861	1·1	37,089	1·4	2,584,472
1913 ...	300,000	106,000	105,000	511,000	20·0	1,976,350	77·5	29,024	1·1	38,301	1·4	2,554,675
1910 ...	300,000	150,000	50,000	500,000	21·2	1,792,016	76·0	31,843	1·4	32,555	1·4	2,356,414

ASSETS. Aug. 31	Cash in Hand, at Call, &c. £	% *	Investments. £	% *	Bills Discounted. £	% *	Advances. £	% *	Bank Premises. £	% *	Total Assets. £
1919 ...	278,793	7·5	1,719,838	46·0	114,190	3·0	1,589,143	42·5	37,824	1·0	3,739,788
1918 ...	517,893	14·7	1,235,444	34·9	504,179	14·3	1,242,604	35·2	32,740	·9	3,532,860
1917 ...	319,912	12·0	845,544	31·3	128,442	4·8	1,338,773	50·2	32,009	1·2	2,664,671
1916 ...	263,974	10·2	993,047	38·6	140,030	5·4	1,147,428	44·6	30,967	1·2	2,575,446
1915 ...	131,184	4·9	1,116,919	41·1	197,266	7·3	1,238,433	45·6	30,967	1·1	2,714,769
1914 ...	202,833	7·8	878,555	34·0	180,022	7·0	1,292,095	50·0	30,967	1·2	2,584,472
1913 ...	131,066	5·1	888,555	34·8	189,001	7·4	1,315,086	51·5	30,967	1·2	2,554,675
1910 ...	185,793	7·9	892,615	37·9	201,943	8·5	1,055,426	44·8	20,637	·8	2,356,414

* Per cent. of Total Liabilities or Assets.

from the 1919 report, it appears that, although £30,309 has been allocated from profits, the reserve fund has had to be depleted by one-half. This enables the directors to state that the investments have been taken at their market values as at August 30, 1919.

The item of current and deposit accounts at the end of August stood at £3,338,435, as against £3,056,361 in 1918, an increase of about £282,000.

Cash in hand, &c., shows a decrease of £239,100, at £278,793. Investments are up to £1,719,838, from £1,235,444. Bills discounted are at £114,190, against £504,179, the item of £400,000 in Treasury bills having disappeared. Advances are about £346,000 higher at £1,589,143. Bank premises are about £5,000 up at £37,824, and altogether the assets stand at £3,739,788. We give above our usual comparative statement of assets and liabilities.

The profits earned this year are again very good and testify to the healthy condition of trade and commerce in Ireland, despite the unsettled political conditions. Net profits were £52,359, out of which a dividend was paid of 8%, and after the appropriation of £30,309 to reserve the balance carried forward was £6,393.

Profits of the Royal Bank of Ireland, Limited.

Year to Aug. 31	Gross Profit £	Interest & Expenses £	Net Profit £	Div. Subject to Tax—Earned %	—Paid— %	£	Special Allocations £	Carried Forw'd £
1919...	—	—	52,359	17·45	8	24,000	30,309	6,393
1918...	113,570	69,078	44,492	14·83	10	30,000	14,500	8,342
1917...	109,385	70,699	38,686	12·89	10	30,000	13,500	8,350
1916...	101,769	58,068	43,701	14·57	10	30,000	14,000	13,164
1915...	103,028	57,591	45,437	15·14	10	30,000	15,000	13,463
1914...	100,335	60,485	39,850	13·28	10	30,000	10,000	13,026
1913...	102,683	61,731	40,952	13·65	10	30,000	11,000	13,176

ROYAL BANK OF SCOTLAND.

Head Office: St. Andrew Square, Edinburgh.

THE Royal Bank of Scotland was established in 1727. Prior to that date the Bank of Scotland had held the field free from competition for over 30 years. The capital with which the Royal Bank started its career was one of the curiosities of old-time finance—it stood at £111,347 19*s.* $10\frac{5}{12}$*d.* In March 1773 its capita was increased by £38,652 0*s.* $1\frac{7}{12}$*d.*, thus getting rid of the odd shillings and pence and fractions of a penny, and making the capital £150,000. A year later the Bank obtained its fourth charter, which authorised a further increase in capital to £300,000; and so it went on; every few years, as the business prospered, further powers were taken to increase the capital, until at the end of 1829 a new charter was obtained by which the Bank was authorised to increase its capital to £2,000,000. This power was exercised in 1831 by taking £100,000 from reserve fund and making a call of £400,000 on the proprietors. Since that time no change has taken place in the capital.

The head office of the Bank is at Edinburgh, and it has 171 branches, including its London office.

In 1865 the reserve stood at £1,030,621, and it remained at that figure until 1910. In 1910 a sum of £50,000 was appropriated for the purpose of meeting the depreciation on investments, and of this sum £17,056 was taken from reserve, thereby reducing it to £1,013,565. No further alteration took place until 1913, when the reserve was reduced to £960,630. In 1915 inroads were made into it in order to meet the depreciation in investments, and for two years it stood at £800,986. During the last three years it has been found possible to add to the reserve and bring it up to £1,082,276.

The figures for 1919 show that the Bank again had a prosperous year. Deposits increased by fully £6,000,000 to more than double what they were in 1914; and it is satisfactory to note that the increase was widely distributed over the Bank's branches. The notes in circulation at the end of the financial year (October 11) amounted to £3,637,299—a large increase upon the previous year, caused doubtless by high prices and the increased scale of wages and remuneration generally, and the practical absence of gold coin as a circulating medium. Cash in hand, &c., rose from £4,849,075 to £5,158,547, while money at call and at short notice showed an increase of £1,422,804 and stood at £5,783,604. Investments are up by £5,000,000 at £12,766,093, of which £11,926,714 is in British Government securities, 50% thereof maturing during the next five years. Bills discounted have decreased by over £3,000,000 to £9,486,656, the item including British Treasury bills which more than account for the drop. Advances are up nearly £4,000,000 to £9,951,706.

The usual statement of liabilities and assets is shown in close proximity hereto.

The net profits for the year have been entirely satisfactory, amounting to £391,806 (or £26,303 more than last year). The usual ample provision for bad and doubtful debts has been made. A sum of £20,000 was again written off bank buildings and heritable property, a further substantial addition was made to the pension fund reserve, and, after providing for the usual dividend of 10% per annum—plus, on this occasion, a bonus of 1%, subject to tax—also applying £70,000 to investment account, the balance of £51,805 was added to reserve.

In his speech at the annual general court of proprietors, held on November 26, the Chairman described in some detail the extended arrangements made to provide for the foreign requirements of customers and the establishment of important working relations involving new connections of a valuable kind.

The following profit table shows our usual comparative figures:—

Profits of The Royal Bank of Scotland.

Year to Oct.*	Gross Profit. £	Expenses. £	Net Profit. £	Dividend, subject to Tax.—Earned. %	—Paid.— %	£	Special Allocations. £	Carried Forward.† £
1919 ...	694,735	302,929	391,806	19·59	11	220,000	120,000	1,082,276
1918 ...	622,304	256,801	365,503	18·27	10	200,000	50,000	1,030,471
1917 ...	594,243	240,262	353,981	17·70	10	200,000	40,000	914,968
1916 ...	601,047	220,127	380,920	19·04	10	200,000	180,920	800,986
1915 ...	519,562	202,705	316,857	15·84	10	200,000	276,500	800,986
1914 ...	475,033	195,392	279,641	13·98	11	220,000	59,641	960,630

* Date varies from 9th to 14th. † Being free Rest or undivided Profits.

ESTABLISHED 1809.

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ASSURANCE COMPANY

LIMITED.

FOR THE YEAR ENDING
DEC. 31, 1919:

ANNUAL INCOME
exceeds £5,400,000

ASSETS
exceed £17,300,000

CLAIMS PAID
exceed £30,000,000

CHIEF OFFICE:
OXFORD STREET, MANCHESTER.

Liabilities and Assets of The Royal Bank of Scotland.

LIABILITIES. Oct.	Capital Paid up. £	Rest. £	Total Capital and Reserve. £	% *	Notes in Circulation. £	% *	Acceptances. £	% *	Deposits, &c. £	% *	Profit Balance. £	% *	Total Liabilities. £
1919... ...	2,000,000	1,082,276	3,082,276	7·0	3,637,299	8·2	347,588	·8	36,916,284	83·8	84,000	·2	44,067,447
1918... ...	2,000,000	1,030,471	3,030,471	8·4	3,266,556	9·0	193,925	·5	29,738,769	81·9	70,000	·2	36,299,721
1917... ...	2,000,000	914,968	2,914,968	8.9	2,590,251	7·9	335,034	1·0	26,948,907	82·0	75,000	·2	32,864,160
1916... ...	2,000,000	800,986	2,800,986	10·0	2,091,083	7·5	540,333	1·9	22,489,605	80·3	75,000	·3	27,997,007
1915... ...	2,000,000	800,986	2,800,986	11·3	1,640,239	6·6	442,193	1·8	19,724,974	79·9	87,396	·4	24,695,788
1914... ...	2,000,000	960,629	2,960,629	13·5	1,233,729	5·6	394,266	1·8	17,275,571	78·6	112,500	·5	21,976,695
1913... ...	2,000,000	960,630	2,960,630	13·6	1,041,019	4·8	319,454	1·5	17,235,014	79·6	113,000	·5	21,669,117
1910... ...	2,000,000	1,013,565	3,013,565	16·3	976,860	5·3	204,614	1·1	14,196,790	76·7	110,000	·6	18,501,829

ASSETS. Oct.	Cash in Hand, &c. £	% *	Money at Call, at Short Notice, &c. £	% *	Investments. £	% *	Bills Discounted. £	% *	Advances. £	% *	Liab. of Cust. for Acceptances. £	% *	Bank Premises, &c. £	% *	Total Assets. £
1919	5,158,547	11·7	5,783,604	13·1	12,766,093	29·0	9,486,656	21·5	9,951,706	22·6	347,588	·8	573,253	1·3	44,067,447
1918	4,849,075	13·4	4,360,800	12·0	7,766,285	21·4	12,566,316	34·6	5,971,123	16·4	193,925	·5	592,197	1·7	36,299,721
1917	3,930,482	11·9	4,184,063	12·7	7,005,120	21·3	9,921,963	30·2	6,876,240	21·0	335,034	1·0	611,258	1·9	32,864,160
1916	3,097,167	11·0	3,882,937	13·9	7,224,669	25·8	7,187,370	25·7	5,444,364	19·5	540,333	1·9	620,167	2·2	27,997,007
1915	3,119,279	12·6	3,256,317	13·2	7,959,894	32·2	2,964,757	12·0	6,329,741	25·7	442,193	1·8	623,607	2·5	24,695,788
1914	2,277,832	10·4	2,872,477	13·0	4,438,583	20·2	3,363,187	14·8	8,106,401	36·9	394,266	1·8	623,949	2·9	21,976,695
1913	1,609,336	7·4	3,858,101	17·8	4,013,517	18·5	4,291,103	19·8	6,956,287	32·1	319,454	1·5	621,319	2·9	21,669,117
1910	1,402,607	7·6	3,177,043	17·2	3,529,051	19·1	2,642,761	14·3	6,908,848	37·3	204,614	1·1	636,905	3·4	18,501,829

* Per cent. of Total Liabilities or Assets.

ULSTER BANK.

(*See also* **LONDON COUNTY WESTMINSTER & PARR'S BANK.**)

Head Office: Waring Street, Belfast.

THE Ulster Bank, which is now the foster-child of the London County Westminster and Parr's Bank, Limited, dates back to 1836. Its Head Office is in Belfast, and it has 236 branches and agencies throughout Ireland. The affiliation to the London County Westminster took place in October 1917. The authorised and issued capital is £3,000,000, in £15 shares, of which £500,000, or £2 10*s.* per share, has been paid up. Under the terms of the purchase the London County Westminster and Parr's gave two-thirds of a share in their Bank, £5 paid, and £2 10*s.* in cash for each Ulster Bank share, thus involving the issue to Ulster Bank shareholders of 133,333⅓ new London County Westminster shares of £20 each, £5 paid, together with a cash payment of £500,000.

Taken in connection with what is shown under the heading of the London County Westminster and Parr's Bank, it remains to be said that the Ulster Bank has had a successful year. The net profits of the Bank for the 12 months ending November 29 last, after deduction of income tax, are returned at £174,817. Dividends for the past year at the rate of 21¼% per annum, amounting to £106,250, less income tax, have been paid. £10,000 has been appropriated to the officers' superannuation fund, and in addition the directors have presented a bonus to the officers and superannuated officers amounting to £20,300. This is in addition to a bonus to the staff totalling £13,941 for the year 1919. The balance remaining, £103,875, is carried forward to undivided profits account. All ascertained bad and doubtful debts have been written off or fully provided for.

Profits of the Ulster Bank, Limited.

Year ended	Net Profit £	Div. Subject to Tax Earned %	Div. Subject to Tax Paid %	Div. Subject to Tax Paid £	Special Allocations £	Carried Forward £
1919 (Nov. 29)	186,392	37·28	21·25	106,250	85,000	103,875
*1918 (Nov. 30)	224,984	45·00	21·25	132,812	20,000	108,733
1917 (Aug. 31)	153,783	30·75	21·25	106,250	34,000	36,561
1916 ,,	147,842	29·56	21·25	106,250	34,000	23,028
1915 ,,	141,145	28·23	21·25	106,250	35,000	15,436
1914 ,,	121,820	24·36	21·28	106,430	26,000	15,541
1913 ,,	128,137	25·62	21·24	106,194	17,000	26,151

* 15 months.

Coming to the balance sheet, it will be noticed that the notes in circulation are down from £4,804,918 to £4,492,374. Deposits are over 4½ million pounds higher.

On the assets side, cash in hand, &c., is at £6,234,530, as compared with £6,222,771; investments are up from £9,533,541 to £11,274,698, out of which no less than £9,714,771 is in securities of or guaranteed by the British Government. Bills, loans, and advances are about 2½ million pounds more than the total for the previous 12 months, which may be taken as indicative of the growth of Irish industry.

The table below gives liabilities and assets for the year 1910 and from 1913 to 1919.

UNION BANK OF MANCHESTER.

(*See Also* **Barclays Bank, Ltd.**)

Head Office: York Street, Manchester.

THE Union Bank of Manchester is the second oldest Manchester bank, being nearly seven years younger than the District Bank. It was established in 1836. Since the date of its opening the Bank's business has continued to expand from year to year, and in proportion to the increase in its affairs it has widened its

Liabilities and Assets of The Ulster Bank, Limited.

LIABILITIES.	Capital Paid up. £	Reserve Fund. £	Div. Guarantee Fund. £	Total Capital and Reserves. £	% *	Notes in Circulation £	% *	Deposits, &c £	% *	Profit Balance £	% *	Total Liabilities. £
1919, Nov. 29	500,000	700,000	—	1,200,000	4·2	4,492,374	15·8	22,661,708	79·6	103,875	·4	28,457,957
1918 ,, 30	500,000	650,000	50,000	1,200,000	5·0	4,804,918	19·9	18,063,976	74·7	108,734	·4	24,177,628
1917, Aug. 31	500,000	650,000	50,000	1,200,000	7·0	2,883,831	16·8	13,052,572	76·0	36,562	·2	17,172,965
1916 ,,	500,000	650,000	50,000	1,200,000	7·7	2,417,188	15·7	11,738,971	76·4	23,028	·2	15,379.187
1915 ,,	500,000	650,000	50,000	1,200,000	8·8	1,709,803	12·6	10,702,063	78·5	15,436	·1	13,627,302
1914 ,,	500,000	650,000	50,000	1,200,000	9·5	1,426,489	11·3	9,970,823	79·1	15,541	·1	12,612,853
1913 ,,	500,000	650,000	50,000	1,200,000	9·9	1,221,042	10·1	9,684,098	79·8	26,150	·2	12,131,290
1910 ,,	500,000	650,000	50,000	1,200,000	11·3	1,042,394	9·8	8,318,552	78·5	37,091	·4	10,598,037

ASSETS.	Cash in Hand, &c. £	% *	Investments. £	% *	Bills, Loans and Advances. £	% *	Bank Premises. £	% *	Total Assets. £
1919, Nov. 29 ...	6,234,530	21·9	11,274,698	39·6	10,948,729	38.5	Nil	—	28,457,957
1918, ,, 30 ...	6,222,771	25·7	9,533,541	39·4	8,421,316	34·9	Nil	—	24,177,628
1917, Aug. 31 ...	4,173,029	24·3	4,424,383	25·7	8,575,553	50·0	Nil	—	17,172.965
1916 ,, ...	3,706,924	24·1	4,484,752	29·2	7,187,511	46·7	Nil	—	15,379,187
1915 ,, ...	2,758,126	20·2	4,897,598	36·0	5,971,578	43·8	Nil	—	13,627,302
1914 ,, ...	2,563,904	20·3	2,883,892	22·9	7,165,057	56·8	Nil	—	12,612,853
1913 ,, ...	1,919,257	15·8	2,892,534	23·9	7,319,499	60·3	Nil	—	12,131,290
1910 ,, ...	1,617,327	15·3	2,797,132	26·4	6,183,578	58·3	Nil	—	10,598,037

* Per cent. of Total Liabilities or Assets.

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LIMITED.

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Reserve for Unexpired Liability - £1,447,349

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ARTHUR BURNS. MONTAGUE EVANS.

Head Office:
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£1 - 15 - 0 per Cent.

was granted. On the basis of a Compound Bonus of £1 15s. per cent. per annum a policy of £1,000 would be increased in 35 years (the expectation of life for a proposer aged 30) to.....£1,784
whereas the total premiums paid by the policy-holder on the whole-life scale would only amount to.....£906

BONUS YEAR ... 1920.

London Office - 1 Threadneedle Street, E.C.
Head Office - 35 St. Vincent Place, Glasgow.

sphere of operations, first through the extension of branches, later by the absorption of and amalgamation with other banks. Its first purchase of another bank was in July, 1888, when it took over the private banking house of J. Sewell and Nephew; since then the business of a number of other banks has been purchased, the latest acquisition being the East Morley and Bradford Deposit Bank, Limited, which was absorbed in 1918. The business of this Bradford institution was carried on at two branches in Bradford and one at Saltaire, and the transfer is reported to have been carried through with entirely satisfactory results. The consideration for the transfer was that for every £1 share in the East Morley and Bradford Deposit Bank the shareholders received 10*s*. The total amount paid to the shareholders was £15,000.

It will be remembered that the Union Bank of Manchester purchased about three years ago the Halifax and District Permanent Banking Company, and by that means obtained an entry into the West Riding of Yorkshire, acquiring branches at Halifax, Bradford, Huddersfield, Keighley, Leeds, and Sheffield, the business of which has developed in a highly satisfactory manner.

The Union Bank of Manchester has now 130 branches. The nominal capital of the Bank is now £2,500,000, with £1,500,000 issued, in 300,000 shares of £5 each, and £750,000 paid up. Early in 1918 the paid-up capital stood at £550,000 in £25 shares, £11 paid up. During the year it was considered advantageous to divide the £25 shares into shares of smaller denomination, but as the actual sum paid up was not easy of division, it was decided, by payment of a bonus of 30*s*. a share, to increase the sum paid up per share to £12 10*s*. This enabled each share to be divided into five shares of £5 each, £2 10*s*. paid up, representing, of course, a considerable increment to the shareholders, though they did not have the option of taking cash. An issue later in the year of a further 50,000 £5 shares, £2 10*s*. paid up, at a premium of £2 10*s*., increased the paid-up capital to £750,000, and the reserve fund (to which the whole of the premium was carried) to £525,000.

On November 8, 1919, the shareholders were circularised to the effect that an agreement had been entered into with Barclays Bank Limited, under the terms of which Barclays Bank offered to the shareholders in the Union Bank of Manchester four and thirteen-twentieths (4 13/20ths) "B" shares in Barclays Bank of £1 each, credited as fully paid up (ranking *pari passu* with the other "B" shares of that Bank) for each £5 share £2 10*s*. paid up in the Union Bank of Manchester. Assenting shareholders of the Union Bank of Manchester were to be entitled to the half-year's dividend on their present holdings for the period ending December 31, 1919, and the £1 fully-paid "B" shares of Barclays Bank were to rank for dividend as from the same date. Assenting shareholders of the Union Bank of Manchester who by reason of the amounts of their holdings therein became entitled to a fraction of a share in Barclays Bank were not entitled to claim an allotment of such fraction, but in lieu thereof were to be paid cash for such fraction, at the rate of £2 10*s*. for each fully-paid £1 "B" share. In this way about 99% of the shares of the Union Bank of Manchester are now held by Barclays Bank.

We give our usual table of liabilities and assets in order to indicate the progress of the Bank for several years past. The net profit this year is again very satisfactory, amounting to £232,248, against £220,722 for 1918. During the year £50,000 has been added to bank premises account.

Profits of the Union Bank of Manchester, Limited.

Yr. to Dec. 31	Gross Profit	Expenses	Net Profit	Div. subject to Tax Earned	Div. subject to Tax Paid	Allocations	Carried Forward
	£	£	£	%	%	£	£
1919 ...	485,599	253,351	232,248	30·96	20·00	150,000	85,000	15,918
1918 ...	373,190	152,468	220,722	29·43	20·00	137,500	80,000	18,670†
1917 ...	298,848	145,594	153,254	27·86	18·18	100,000	38,500	40,448
1916 ...	252,046	113,561	138,485	25·18	16·13*	88,710	50,000	25,694
1915 ...	212,245	100,757	111,488	20·27	12·50	68,750	25,000	25,919
1914 ...	185,941	86,122	99,819	18·15	12·50	68,750	35,000	8,182
1913 ...	189,463	80,775	108,688	19·76	12·50	68,750	48,000	12,113

* Dividend paid was 12½%, free of income tax.

† After allowing for transfer from Income Tax Account of £50,000 and the transfer of £75,000 to Capital Account.

During 1919 deposits increased from £15,212,193 to £25,378,022, acceptances from £1,150,084 to £3,896,157, and investments from £4,212,890 to £4,417,171. Cash in hand, &c., at £3,050,848 on December 31 compared with £2,393,458, while loans and advances showed the enormous advance of over £12,000,000, proving that the Bank was doing its share in financing the reviving industries of its district.

UNION BANK OF SCOTLAND.

Head Office: Ingram Street, Glasgow.

The Union Bank of Scotland, Limited, as its name implies, is a union of a number of other banks. As the Union Bank of Scotland it was actually established in 1830, but as a number of its constituent institutions were in operation long before that date, the Bank can claim to have been started many years earlier. As a matter of fact no fewer than 12 distinct banking houses were merged in the Union Bank of Scotland, the most prominent being the Glasgow Union Banking Company. Indeed, the latter institution may be said to be the forerunner of the Union Bank, for it was in 1843, when the Glasgow Union took over the Thistle Bank, the Paisley Union Bank, and the business of Sir William Forbes, J. Hunter and Co., that the title of the Bank was changed to the Union Bank of Scotland.

In this connection it is interesting to note that the Bank recently acquired two portraits by Raeburn, the one by purchase and the other by gift from the Chairman, Lord Glenconner. They are fine portraits, one being of Sir William Forbes and the other of his son. Sir William Forbes, sixth Baronet of Pitsligo, was originally apprenticed to Messrs. John Coutts and Co., in Edinburgh, and continued his connection with

Liabilities and Assets of The Union Bank of Manchester, Limited.

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Acceptances. £	% *	Deposits. £	% *	Profit Balance. £	% *	Total Liabilities. £
1919	750,000	575,000	1,325,000	4·3	3,896,157	12·7	25,378,022	82·8	68,418	·2	30,667,597
1918	750,000	525,000	1,275,000	7·2	1,150,084	6·5	15,212,193	85·9	71,170	·4	17,708,447
1917	550,000	355,000	905,000	7·0	901,654	6·9	11,127,088	85·5	77,948	·6	13,011,690
1916	550,000	355,000	905,000	7·8	1,556,936	13·4	9,117,392	78·3	60,069	·5	11,639,397
1915	550,000	355,000	905,000	10·3	764,545	8·7	7,053,582	80·4	54,709	·6	8,777,836
1914	550,000	355,000	905,000	11·0	665,556	8·1	6,594,015	80·4	39,334	·5	8,203,905
1913	550,000	350,000	900,000	11·2	674,181	8·4	6,428,858	79·9	44,483	·5	8,047,523
1910	550,000	370,000	920,000	13·5	596,344	8·9	5,213,193	77·0	37,498	·8	6,767,035

ASSETS. Dec. 31	Cash in Hand, at Call, &c. £	% *	Investments. £	% *	Bills. £	% *	Loans and Advances. £	% *	Liab. of Customers for Acceptances. £	% *	Bank Premises, &c. £	% *	Total Assets. £
1919... ...	3,050,848	10·0	4,417,171	14·4	1,302,541	4·2	17,600,880	57·4	3,896,157	12·7	400,000	1·3	30,667,597
1918... ...	2,393,458	13·5	4,212,890	23·8	4,093,485	23·1	5,508,530	31·1	1,150,084	6·5	350,000	2·0	17,708,447
1917... ...	1,715,031	13·2	1,876,180	14·4	3,105,205	23·9	5,113,620	39·3	901,654	6·9	300,000	2·3	13,011,690
1916... ...	2,048,042	17·6	2,366,536	20·3	1,376,968	11·8	3,999,731	34·4	1,556,936	13·4	291,184	2·5	11,639,397
1915... ...	821,664	9·4	2,166,738	24·7	520,747	5·9	4,204,289	47·9	764,545	8·7	299,853	3·4	8,777,836
1914... ...	1,341,255	16·4	736,095	9·0	718,005	8·8	4,440,240	54·1	665,556	8·1	299,754	3·6	8,203,905
1913... ...	1,592,993	19·8	801,779	10·0	795,345	9·9	3,884,297	48·2	674,181	8·4	298,927	3·7	8,047,523
1910... ...	1,119,546	16·5	829,969	12·2	622,628	9·2	3,304,644	48·8	596,344	8·9	293,904	4·4	6,767,035

* Per cent. of Total Liabilities or Assets.

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Its Policy Contract, with Guaranteed Loan and Surrender Values, is the most liberal in the Life Assurance market, and its Bonuses to Policyholders have not been surpassed.

The Company has enjoyed the almost unique experience of increasing its bonuses since the war commenced, and with the return of normal times its profit-earning power must be enormously strengthened, and be greatly in excess of anything previously experienced.

At the end of last year the Company carried forward over £1,500,000 of undivided surplus. The Company also transacts annuity business on the most favourable terms.

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Reply to MANAGER, Canada Life Office, Canada Life Building, King Street, Cheapside, London, E.C. 2.

Liabilities and Assets of The Union Bank of Scotland, Limited.

LIABILITIES. April	Capital Paid up. £	Reserve. £	Total Capital and Reserve. £	% *	Notes in Circulation. £	% *	Acceptances. £	% *	Deposits, &c. £	% *	Profit Balance. £	% *	Total Liabilities £
1920 ...	1,000,000	1,000,000	2,000,000	5·1	3,480,280	8·8	907,566	2·3	32,906,366	83·3	205,576	·5	39,499,788
1919 ...	1,000,000	1,000,000	2,000,000	6·1	2,987,221	9·2	418,547	1·3	26,931,733	82·7	214,801	·7	32,552,302
1918 ...	1,000,000	900,000	1,900,000	6·6	2,535,731	8·8	373,726	1·3	23,773,368	82·5	220,452	·8	28,803,277
1917 ...	1,000,000	800,000	1,800,000	8·1	1,895,883	8·5	955,362	4·3	17,438,844	78·1	221,286	1·0	22,311,375
1916 ...	1,000,000	800,000	1,800,000	8·5	1,594,494	7·5	691,890	3·3	16,916,264	79·5	261,456	1·2	21,264,104
1915 ...	1,000,000	800,000	1,800,000	8·4	1,217,971	5·6	401,846	1·9	17,849,839	82·4	260,883	1·2	21,530,539
1914 ...	1,000,000	1,000,000	2,000,000	9·7	945,432	4·6	889,972	4·3	16,595,042	80·3	220,010	1·1	20,650,456
1910 ...	1,000,000	1,000,000	2,000,000	12·4	866,795	5·3	246,364	1·5	12,932,983	79·7	174,212	1·1	16,220,354

ASSETS. April	Cash in Hand, &c. £	% *	Money at Call & at Notice. £	% *	Investments. £	% *	Bills Discounted. £	% *	Loans and Advances. £	% *	Liab. of Cust. for Acceptances. £	% *	Bank Premises, &c. £	% *	Total Assets. £
1920...	4,258,644	10·8	4,338,481	11·0	9,947,705	25·2	9,872,241	25·0	9,636,515	24·4	907,566	2·3	538,636	1·3	39,499,788
1919...	3,362,649	10·3	3,816,321	11·7	7,875,340	24·2	10,640,358	32·7	5,885,432	18·1	418,547	1·3	553,655	1·7	32,552,302
1918...	3,163,005	11·0	3,272,810	11·4	6,708,027	23·3	9,644,132	33·5	5,169,037	17·9	373,726	1·3	472,540	1·6	28,803,277
1917...	2,348,179	10·5	2,317,049	10·4	6,554,555	29·4	2,071,117	9·3	7,617,116	34·1	955,362	4·3	447,997	2·0	22,311,375
1916...	1,755,536	8·3	3,780,048	17·8	7,281,138	34·2	2,005,749	9·4	5,293,765	24·9	691,890	3·3	455,978	2·1	21,264,104
1915...	1,570,532	7·3	4,427,429	20·5	4,948,724	23·0	3,166,319	14·7	6,560,531	30·5	401,846	1·9	455,158	2·1	21,530,539
1914...	1,231,406	6·0	4,009,781	19·4	3,617,892	17·5	3,787,380	18·3	6,667,542	32·3	889,972	4·3	446,483	2·2	20,650,456
1910...	1,071,191	6·1	3,519,181	22·2	3,396,544	21·0	2,596,235	16·0	4,973,432	30·6	246,364	1·5	417,104	2·6	16,220,354

* Per cent. of Total Liabilities or Assets.

them until the dissolution of the firm in 1773. After that date, the well-known London end of the firm, Coutts and Co., had an entirely separate existence. The Edinburgh house continued until 1843 as Sir William Forbes, James Hunter and Co., and of this firm Sir William was senior partner until his death in 1806. He was not only prominent as a banker, but held a leading position in Edinburgh during the latter part of the eighteenth century. He was intimate in literary society in London, and was a special friend of Dr. Johnson, whom he entertained on his Scottish tour. The testimony of Scott is that "he was unequalled in the degree of individual affection entertained for him by his friends as well as in the general respect and esteem of Scotland at large." The acquisition of the portraits of this gentleman and his son forms a fitting link with the past.

In the course of years various other banking houses were absorbed by the Union Bank of Scotland, and when in April 1882 it was registered as a Limited Company, 127 branches were actually doing business. Up to October 30, 1917, the constitution of the Bank was embodied in a contract of co-partnership framed in 1830. This, of course, had been modified and altered from time to time, but many of the old regulations were cumbrous and inconvenient, while certain provisions had become entirely obsolete. To remedy this the Bank received powers in October 1917 to substitute for the contract of 1830 a memorandum and articles of association in the modern form under the provisions of the Companies (Consolidation) Act, 1908. At the same time the Bank extended its powers in other directions, including the right to conduct business abroad.

The latter is probably the most interesting innovation made by the Bank, and in the successful establishment of a foreign exchange department the hope was entertained that the Bank would ultimately be able to make it part and parcel of a much broader and more comprehensive scheme than had previously been attempted. In pursuance of this idea the Bank became an important shareholder in the British Overseas Bank, which was established soon after under the chairmanship of the former general manager of the Union Bank of Scotland.

It will be seen from the accounts that the figures in respect of the financial year to April 1, 1920, show an all-round expansion and a very satisfactory profit. Deposits, &c., are up from £26,931,733 to £32,906,366, and notes in circulation increased by half a million pounds to £3,480,280.

On the assets side, cash in hand, &c., is nearly a million pounds higher at £4,258,644, money at call is up from £3,816,321 to £4,338,481. Investments, £9,378,234 of which are in British Government securities, have increased from £7,875,340 to £9,947,705. Bills discounted during the previous two years showed considerable expansion, for in 1917 they stood at £2,071,117, by 1918 they had increased to £9,644,132, and in April 1919 they stood at £10,640,358. This year they have declined to £9,872,241, but the reduction is entirely due to a smaller holding of British Treasury bills. Loans and advances are nearly £4,000,000 up at £9,636,515. Bank premises, &c., are down from £553,655 to £538,636. The total assets amount to £39,499,788.

Profits of the Union Bank of Scotland, Limited.

Yr. to April 1	Gross Profit £	Expenses £	Net Profit £	Div. Subject to Tax Earned %	Div. Subject to Tax Paid %	Div. Subject to Tax Paid £	Special Alloctns. £	Carried Forw'd. £
1920...	657,903	347,129	310,774	31·08	16	160,000	170,000	35,576
1919...	575,236	290,887	284,349	28·43	15	150,000	140,000	54,801
1918...	520,078	240,912	279,166	27·92	15	150,000	130,000	60,462
1917...	462,779	212,949	249,830	24·98	15	150,000	140,000	61,266
1916...	419,645	199,072	220,573	22·05	15	150,000	70,000	101,456
1915...	409,582	183,709	225,873	22·58	15	150,000	20,000	100,883
1914...	388,295	178,408	209,887	20·99	15	150,000	50,000	45,010

The profit for the year, after providing for rebate of interest and for all bad and doubtful debts, amounts to £310,775, to which has to be added the balance from last year, £54,801, making together £365,576. The directors have applied to bank offices £10,000, to heritable property yielding rent £10,000, to securities and investments £140,000; and they recommended payment of a dividend at the rate of 16% per annum (an increase of 1%), which, together with income tax deducted, amounts to £160,000; to pensions and allowances fund is added £10,000; and the balance carried forward to next year is £35,576.

The Bank's rest, or surplus profit, stands at £1,000,000 exclusive of the balance in profit and loss account above referred to. All the Bank's securities have been written down to the market price at April 1, 1920, with the exception of the holding in 5% War Loan Stock 1929/1947, which has been valued at the net cost. The payment of bonuses to the staff was continued until the end of 1919, when salaries were considered by the Board and readjusted on a substantially increased basis to meet present conditions.

UNION DISCOUNT CO. OF LONDON.

Office: 39 Cornhill, London, E.C. 3.

The Union Discount Company has been in existence just over 35 years. It was established in April 1885 with a capital of £1,000,000 to take over the goodwill of the deposit and discount business, with approved assets, of the General Credit and Discount Company, Limited, and the United Discount Corporation, Limited. In 1888 the authorised capital was increased to £1,300,000, in 1899 to £1,500,000, and on January 22, 1914, to £2,000,000. The paid-up capital in 1913 was £750,000; in 1914 it was raised to £850,000, 20,000 shares having been issued at a premium of £5 per share, and the £100,000 resulting from the premium placed to the credit of reserve fund. In January 1919, the sanction of the Treasury having been obtained, the Company decided to issue the remaining 30,000 of the 50,000 new shares authorised by the shareholders at the general meeting on January 22, 1914. These were offered in February 1919 to shareholders proportionately to their existing holdings, at

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ANNUAL REPORT
For Year ending 15th November, 1919.

PRINCIPAL RESULTS.

New Policies Issued	£2,262,231
Claims Paid	1,038,103
Annual Revenue	1,663,196
Funds	14,104,273

New Business effected was £930,977 in excess of the amount in 1918

The Chairman, Mr. A. R. C. PITMAN, W.S., in moving the adoption of the Report, stated:

"The results of the year's operations can only be regarded as highly "satisfactory. It will be seen from the Report that the New Business "for 1919 has exceeded that for 1918 by nearly £1,000,000. A large "portion of the increase in New Business arose in the United "Kingdom—the actual amount effected there being £1,345,000, the "largest yet recorded in the history of the Company.

"The amount of the Company's Funds now invested in British "Government Securities exceeds £[illegible] and of this a sum of "over £[illegible] represents Bonds with only short periods to run to "the redemption dates.

"I would also remind you that the Investigation takes place at the "close of the current year. The figures of New Business to date are "well ahead of those of last year, and there is every reason to "anticipate that the final results for the current year will be extremely "gratifying."

Copies of the Report will be sent on application; also the following leaflets setting forth particulars of new and attractive schemes:—"The Public Schools' Policy"—"Life Assurance for Women"—Death Duties.

NEW AND IMPROVED ANNUITY RATES.

The Standard Life Assurance Co.
HEAD OFFICE: 3 George Street, Edinburgh.
LONDON: 83 King William Street, and 3 Pall Mall East, S.W. 1.
DUBLIN: 59 Dawson Street.

Liabilities and Assets of The Union Discount Company of London, Limited.

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund. £	Prov. Reserve Fund. £	Total Capital and Reserve. £	% *	Loans and Deposits, &c. £	% *	Bills Re-discounted. £	% *	Profit Balance. £	% *	Total Liabilities. £
1919 ...	1,000,000	1,000,000	132,138	2,132,138	5·3	31,137,172	77·5	6,723,646	16·7	185,025	·5	40,177,981
1918 ...	850,000	850,000	130,303	1,830,303	5·3	27,821,434	80·3	4,823,455	13·9	168,271	·5	34,643,463
1917 ...	850,000	825,000	124,508	1,799,508	6·0	23,670,206	78·6	4,450,768	14·8	166,486	·6	30,086,968
1916 ...	850,000	800,000	119,150	1,769,150	6·7	19,596,981	74·5	4,765,204	18·2	157,471	·6	26,288,806
1915 ...	850,000	800,000	113,976	1,763,976	7·3	18,117,452	74·9	4,155,122	17·2	139,693	·6	24,176,243
1914 ...	850,000	800,000	108,968	1,758,968	8·2	16,433,338	76·5	3,113,506	14·5	172,574	·8	21,478,386
1913 ...	750,000	700,000	99,147	1,549,147	4·9	20,892,160	66·2	8,966,329	28·4	152,665	·5	31,560,301
1910 ...	750,000	600,000	71,928	1,421,928	5·7	17,163,143	68·5	6,321,697	25·3	126,617	·5	25,033,385

ASSETS. Dec. 31	Cash at Bankers. £	% *	Loans at Call and at Notice, &c. £	% *	Investments. £	% *	Bills Discounted, &c. £	% *	Bank Premises and other Assets. £	% *	Total Assets. £
1919 ...	1,173,981	2·9	1,307,943	3·3	3,796,422	9·5	33,722,215	83·9	177,420	·4	40,177,981
1918 ...	1,065,677	3·1	2,491,569	7·2	4,249,108	12·3	26,658,578	76·9	178,531	·5	34,643,463
1917 ...	1,043,251	3·5	362,273	1·2	2,655,404	8·8	25,870,040	86·0	156,000	·5	30,086,968
1916 ...	1,040,703	4·0	807,554	3·1	1,975,879	7·5	22,308,714	84·9	156,556	·5	26,288,806
1915 ...	965,685	4·0	576,082	2·4	2,184,397	9·1	20,290,883	83·9	159,196	·6	24,176,243
1914 ...	918,652	4·3	980,741	4·6	2,786,719	12·9	16,642,280	77·5	149,994	·7	21,478,386
1913 ...	886,338	2·9	954,500	3·0	2,213,542	7·0	27,366,216	86·7	139,705	·4	31,560,301
1910 ...	829,556	3·3	1,782,289	7·1	3,449,238	13·8	18,854,427	75·3	117,875	·5	25,033,385

* Per cent. of Total Liabilities or Assets.

a premium of £5, with £5 paid up per share. The amount received for the premium, viz. £150,000, was placed to the reserve fund as before, and the capital and reserve now stand as follows:—

	£
Authorised and subscribed capital	2,000,000
Paid-up capital	1,000,000
Reserve fund	1,000,000

The statement of the Company's affairs for the year ending December 31, 1919, is again satisfactory. The balance-sheet figures show a large expansion in nearly all directions. Deposits, loans, &c., have increased materially, having risen from £27,821,434 to £31,137,172. Bills re-discounted are also nearly 40% higher at £6,723,646, which almost brings them back to the figures ruling before the war. Investments are £452,686 lower, £50,000 having been taken from the year's profits to meet depreciation of Government securities. Cash at bankers is some £100,000 higher than in 1918, but loans at call and at short notice stand at £1,307,943, as against last year's total of £2,491,569. The item for buildings, &c., is practically unchanged at £177,420. Our usual statement of liabilities and assets is given above.

The net profit for the year after all deductions amounted to £198,715, as against £152,191 in 1918, and after payment of dividends equal to 14%, less income tax, plus a bonus of 1*s.* per share, free of tax, the balance carried forward amounted to £126,025, as compared with £121,096 the previous year.

Profits of the Union Discount Company of London, Limited.

Year to Dec. 31	Gross Profit £	Expenses £	Net Profit £	Div. Subject to Tax. Earned %	Paid %	Paid £	Special Allocat'ns £	Carried Forward £
1919 ...	212,658	13,943	198,715	19·87†	14·28†	143,786	50,000	126,025
1918 ...	169,621	17,430	152,191	17·91	14·43	122,643	25,000	121,096
1917 ...	176,225	20,378	155,847	18·33	14·33	121,833	25,000	116,548
1916 ...	165,389	19,809	145,580	17.13	14·29	121,468	10,000	107.534
1915 ...	192,885	30,893	161.992	19·06	13·00	110.500	80,000	93,421
1914 ...	171,989	41,277*a*	130,712	16·34	13·45	107,698	—	121,929
1913 ...	188,701	39,544	149,157	19·88	13·27	99,557	35,000	98,915

(*a*) Includes £1,565 for interest at 5 % on new shares for broken period.
† On increased capital.

WILLIAMS DEACON'S BANK.

Head Office: Mosley Street, Manchester.

Williams Deacon's Bank may be said to have attained the important place it now occupies in the banking world both through the expansion of its business and through the absorption of other banking concerns. Its forerunner was the Manchester and Salford Bank, which was established in 1836. Then, in 1874, the important firm of Heywood Brothers and Company, of Manchester, was taken over. A few years later the business of Hardcastle, Cross and Co., of Bolton, was acquired, and in 1881 the Bank was made still larger by the absorption of Clement Royds and Co., of Rochdale. The most important event in the annals of the institution, however, was the acquisition of Messrs. Williams Deacon and Co., of Birchin Lane, London, for it was this step which transformed a purely Lancashire Bank into one of first-rate importance. Further extensions have followed; a noteworthy amalgamation was that in 1906, when Williams Deacon's Bank took over the business of the Sheffield and Rotherham Joint Stock Bank.

The capital of the Bank, like that of so many other similar institutions, has grown in magnitude with the importance of the business. At the end of the first year's operations the paid-up portion was £252,100; in 1853 it amounted to £282,300, and it has since been increased from time to time as circumstances demanded. A curious feature of the Bank's increase in capital has been the capitalisation of profits; for many years a capital bonus addition was given to shareholders besides the dividend, and these various bonuses to the shareholders continued regularly from 1859 to 1874. In the latter year the amount paid up per share was £8, and the total capital £600,000. At the end of 1918 the capital stood at £7,812,500, in 156,250 £50 shares, of which £8 per share was paid up, giving a paid-up capital of £1,250,000. The reserve fund was £850,000. At the general meeting on January 30, 1919, it was resolved to increase the authorised capital from £7,812,500 to £10,000,000, the new capital to consist of (1) 237,500 "A" shares of £5 each (of which £1 was to be paid up, £1 callable, and £3 reserved); (2) and 1,000,000 "B" £1 shares fully paid, 312,500 of which were to be issued to shareholders forthwith, the price of issue being £2 per share. It was also resolved at the meeting to capitalise £312,500 of the reserve fund by paying up £2 on each of the old shares, thus making them £10 paid up, and leaving a further liability of £10 callable and £30 reserved. Finally, it was proposed to split the existing shares into 10 of £5 each, £1 paid, and in January of this year the Chairman announced the completion of the scheme thus: "Our nominal capital shows an increase of £2,187,500, and our issued capital, by a bonus payment of £2 per share on the old capital and the creation of £312,500 new "B" shares, an increase of £625,000; in addition, the denomination of the old capital has been changed from £50 each, £10 paid, to £5 each, £1 paid, thus giving effect to the resolutions passed last year. . . . We have every reason to be thankful we split our shares and obtained this new capital when we did, as every penny of it has been most effectively employed, and incidentally the circle of our shareholders has been very largely widened. We have over 800 more shareholders than we had 12 months since, and that is a source of added strength."

Business last year was good all round for the banks, and Williams Deacon's figures show a most satisfactory record of expansion and progress. Deposits alone again reveal a fresh high-water mark, and at £37,047,806 show an increase of £5,210,387 over the previous year, itself a record. Acceptances show an increase of no less than £1,208,993, due to the higher value of cotton.

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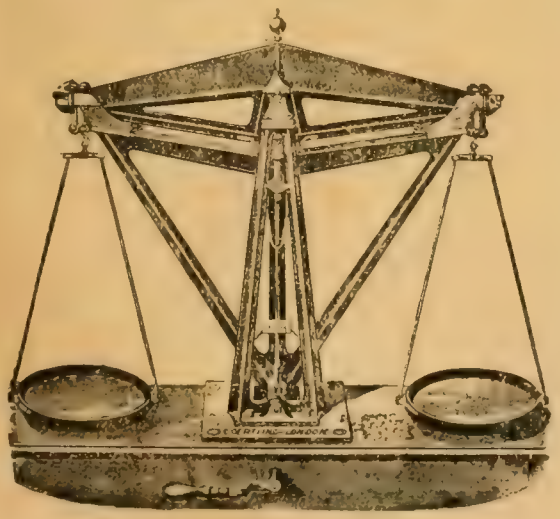
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Liabilities and Assets of Williams Deacon's Bank, Limited.

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Acceptances. £	% *	Deposits, &c. £	% *	Profit Balance. £	% *	Total Liabilities. £
1919 ...	1,875,000	900,000	2,775,000	6·6	2,150,023	5·1	37,047,806	88·0	138,997	·3	42,111,826
1918 ...	1,250,000	850,000	2,100,000	6·0	941,030	2·7	31,837,419	91·0	129,319	·3	35,007,768
1917 ...	1,250,000	750,000	2,000,000	6·2	1,443,159	4·5	28,494,564	88·9	110,091	·4	32,047,814
1916 ...	1,250,000	650,000	1,900,000	6·8	1,327,834	4·8	24,488,104	88·0	107,002	·4	27,822,940
1915 ...	1,250,000	650,000	1,900,000	8·4	623,665	2·8	19,887,797	88·4	102,299	·4	22,513,761
1914 ...	1,250,000	650,000	1,900,000	9·1	407,502	1·9	18,381,581	88·1	163,988	·9	20,853,071
1913 ...	1,250,000	650,000	1,900,000	9·6	549,556	2·8	17,220,479	87·0	129,537	·6	19,799,572
1910 ...	1,250,000	750,000	2,000,000	11·1	737,494	4·1	15,187,287	84·1	120,994	·7	18,045,775

ASSETS. Dec. 31	Cash in Hand, &c. £	% *	Money at Call, &c. £	% *	Investments. £	% *	Bills Discounted. £	% *	Loans & Advances. £	% *	Liab. of Cust. for Acceptances. £	% *	Bank Premises. £	% *	Total Assets. £
1919...	6,690,600	15·9	2,779,453	6·6	7,904,150	18·8	3,213,947	7·6	18,902,291	44·9	2,150,023	5·1	471,362	1·1	42,111,826
1918...	5,641,141	16·1	5,909,730	16·9	6,586,806	18·8	5,549,519	15·8	9,943,798	28·4	941,030	2·7	435,744	1·3	35,007,768
1917...	6,193,199	19·3	2,541,770	8·0	6,130,644	19·1	5,100,816	15·9	10,179,796	31·8	1,443,159	4·5	458,430	1·4	32,047,814
1916...	5,921,012	21·3	1,928,508	6·9	6,780,830	24·4	4,846,938	17·4	6,540,785	23·5	1,327,834	4·8	477,033	1·7	27,822,940
1915...	3,356,432	14·9	1,347,270	5·9	7,090,885	31·5	1,911,111	8·5	7,712,871	34·3	623,665	2·8	471,527	2·1	22,513,761
1914...	2,949,932	14·1	3,314,042	15·9	3,360,104	16·1	2,784,057	13·4	7,577,651	36·4	407,502	1·9	459,783	2·2	20,853,071
1913...	3,042,373	15·4	2,418,332	12·2	2,464,867	12·4	4,599,039	23·2	6,274,778	31·7	549,556	2·8	450,627	2·3	19,799,572
1910...	2,316,092	12·8	1,698,536	9·4	2,679,715	14·8	4,309,415	23·9	5,869,378	32·5	737,494	4·1	435,145	2·4	18,045,775

* Per cent. of Total Liabilities or Assets.

With regard to the assets, cash in hand, &c., is up by £1,049,459, but money at call, &c., is down from £5,909,730 to £2,779,453. Investments are about a million-and-a-half up, British Government securities having increased by over a million, and other investments by some £176,000. Bills discounted show a decrease of £2,335,572, accounted for by smaller holdings of British Treasury bills. Loans and advances almost doubled, showing the enormous increase of nearly £9,000,000; they reflect the tremendous demand for trade facilities, coupled with the effect of high prices. Bank premises account shows an increase of £35,000. The Bank is continuing to provide in advance for renewals and extension of premises, and is very well satisfied with results in the way of more numerous accounts.

Coming to the profit and loss account, it will be seen from our table that the net profit is at £399,481, as compared with £319,191 for the previous year. On the considerably increased capital—higher as it is by 50%—dividends equal to 12½%, subject to tax, have been paid, as against 14⅛% in the previous year.

The gross profit is not shown in the present balance sheet. The balance carried forward is £19,952.

Profits of Williams Deacon's Bank, Limited.

Year to Dec. 31	Gross Profit £	Expenses £	Net Profit £	Div. Subject to Tax—Earned %	Div. Subject to Tax—Paid— %	£	Special Allocatn's £	Carried Forward £
1919 ...	—	—	399,481	21·31	12½	234,375	175,000	19,952
1918 ...	678,999	359,808	319,191	25·54	14⅛	185,156	125,000	29,846
1917 ...	579,894	281,979	297,916	23·83	14	175,000	120,000	20,811
1916 ...	510,342	230,155	280,187	22·41	14	175,000	100,000	17,895
1915 ...	437,415	199,367	238,048	19·04	14	175,000	125,000	12,708
1914 ...	398,824	177,343	221,481	17·72	14½	181,250	—	74,660
1913 ...	410,721	167,435	243,287	19·22	15	187,500	55,000	34,429

The Bank has now about 140 branches and sub-branches, and reference was made at the meeting to the acquisition of important freeholds in London and 70 other places.

We give our usual details of liabilities and assets.

YORKSHIRE PENNY BANK.

Head Office: 2 Infirmary Street, Leeds.
London Office: 26 King Street, E.C. 2.

The business and goodwill of the old Yorkshire Penny Bank was acquired by the present Company on August 29, 1911. The authorised capital is £1,250,000, in 250,000 shares of £5 each, £3 paid. All the shares were issued in 1911 at £6 per share, £3 per share being premium. This makes the paid-up capital £750,000, and the reserve, derived from premia, is also £750,000. The uncalled capital is £500,000.

The proprietors of the Bank are: Barclays Bank, Beckett and Company, Lloyds Bank, the London Joint City and Midland Bank, the Manchester and County Bank, Manchester and Liverpool District Banking Company, National Provincial and Union Bank of England, Williams Deacon's Bank, and others.

There are in all 120 offices, mostly in Yorkshire.

Deposits, &c., reached high-water mark on June 30, 1915, when they stood at the high total of £20,821,658; they then fell away for a year or two, but since June 1917 have been steadily mounting up again, until on December 31 last they reached the record total of £27,708,165. Against these deposits the Bank held on December 31, 1919, cash in hand, &c., amounting to £6,685,107, and investments, including £776,103 in 4% War Stock, £1,920,750 in 4% National War Bonds, £3,827,650 in 5% National War Bonds, £196,000 in British Government Exchequer Bonds, with Local Loans Stock, £11,200, and other securities £2,523,874, making a total of £9,255,577. British Treasury Bills, and securities repayable within one year, accounted for £8,324,921, and loans and advances for £3,891,478.

Liabilities and Assets of The Yorkshire Penny Bank, Limited.

LIABILITIES.	Capital Paid up. £	Reserve Fund. £	Total Capital —and Reserve— £	% *	Deposits and other —Accounts.— £	% *	Total Liabilities. £
1919, Dec. 31	750,000	750,000	1,500,000	5·1	27,708,165	94·9	29,208,165
June 30	750,000	750,000	1,500,000	5·4	26,086,358	94·6	27,586,358
1918, Dec. 31	750,000	750,000	1,500,000	6·1	23,014,201	93·9	24,514,201
June 30	750,000	750,000	1,500,000	6·7	20,772,184	93·3	22,272,184
1917, Dec. 31	750,000	750,000	1,500,000	7·3	19,123,840	92·7	20,623,840
June 30	750,000	750,000	1,500,000	8·0	17,372,474	92·0	18,872,474
1916, Dec. 31	750,000	750,000	1,500,000	7·0	19,785,923	93·0	21,285,923
June 30	750,000	750,000	1,500,000	7·2	19,355,066	92·8	20,855,066
1915, June 30	750,000	750,000	1,500,000	6·7	20,821,658	93·3	22,321,658
1914, June 30	750,000	750,000	1,500,000	6·7	20,720,689	93·3	22,220,689

ASSETS.	Cash in Hand, with Bank of Eng., &c. £	% *	Investments. £	% *	Bills Discounted. £	% *	Loans and Advances. £	% *	Bank Purchase Account. £	% *	Bank Premises. £	% *	Total Assets. £
1919, Dec. 31 ...	6,685,107	22·9	9,255,577	31·7	[illegible]	28·5	[illegible]	13·3	600,000	2·1	451,082	1·5	29,208,165
June 30...	10,829,809	39·3	[illegible]	30·5	[illegible]	12·0	[illegible]	14·4	[illegible]	2·2	451,082	1·6	27,586,358
1918, Dec.31 ...	7,237,957	29·5	7,256,279	29·6	4,795,341	19·6	4,173,542	17·0	600,000	2·5	451,082	1·8	24,514,201
June 30...	5,074,594	21·0	5,529,099	24·8	6,150,542	27·6	4,867,067	21·9	600,000	2·7	451,082	2·0	22,272,184
1917, Dec.31 ...	3,930,286	19·1	6,626,798	32·1	3,856,190	18·7	5,160,006	25·0	600,000	2·9	450,560	2·2	20,623,840
June 30...	4,159,334	22·0	6,790,295	36·0	1,248,002	6·6	5,618,375	29·8	600,000	3·2	450,560	2·4	18,872,474
1916, Dec.31 ...	3,444,436	16·2	6,840,438	32·1	4,504,745	21·2	5,445,358	25·6	600,000	2·8	450,946	2·1	21,285,923
June 30...	3,356,905	16·1	7,389,612	35·4	3,895,322	18·7	5,164,281	24·8	600,000	2·9	450,946	2·1	20,855,066
1915, June 30...	3,474,519	15·5	8,687,733	38·9	4,400,950	19·7	4,709,544	21·1	600,000	2·8	448,912	2·0	22,321,658
1914, June 30...	3,306,588	14·9	11,672,362	52·5	1,656,696	7·5	4,539,622	20·4	600,000	2·7	445,421	2·0	22,220,689

* Per cent. of Total Liabilities or Assets.

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BANKING NOTES.

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With the great amalgamations that have occurred and the ramification of banking interests, with bankers whose business is essentially of a totally different character from that of the old-established English bankers, it might be well worth the while of bankers to consider what it is possible for them to do in the furtherance of increased production. Now, one of the most alarming features of the present time is the steady growth of the note circulation in all the principal countries of the world. Turning up the latest returns available, published in our own issue of last week, we find that the note circulation of the Bank of England was over 111 millions. This was accompanied by a currency note circulation of over 312 millions. In the pre-War period the note circulation of the Bank of England was only a little over 28½ millions. There were no "Bradburys" in existence, and in their place we had a gold currency estimated at something between 50 and 100 millions sterling. Now, this is not peculiar to England. If it were one might say that there was something wrong with our system. But if we take the Bank of France, she had a note circulation shortly before the War of 267 millions. She had at the end of last week a note circulation of 1,530 millions. The Bank of Germany had a note circulation of 94½ millions before the War. She has a note circulation of 2,300 millions to-day. The changes in the system of banking in the United States since the War have been so great that no good purpose would be served by comparing the figures. There are, in fact, no figures in existence that would make an intelligible comparison possible. We should have to indulge more or less in theorising, which is objectionable in discussing a subject of this nature.

Practically, the Bank of England circulation has multiplied four times over, and, in addition, we have more than three times the amount of depreciated "Bradburys" in circulation, as against one-third of gold currency which circulated at par in all countries of the world in the pre-War period. Now, we have shown, we hope to the reader's satisfaction, that, in the proper sense of the term, this immense amount of currency does not really represent what is understood by "inflation," if one means by the term "inflation" the issue of some form of more or less valueless currency for the purpose of financing a more or less fictitious trade. There has, as far as we know, been nothing of this kind done by any of the great Governments either on the Entente side or on the enemy side during the period of the War. As far as one can see, the great growth in the currency has been legitimate to this extent: that the currency has been issued in consonance with the demands of bankers in order to pay the increased costs of production of the limited quantity of materials which it has been possible to produce under existing conditions. It is merely a way of showing or a form of expression illustrating the extravagant cost of the limited supply of materials which it has been necessary to ration amongst the various populations of the world, and particularly of Europe.

To say that it constitutes inflation in the sense that the goods are not worth the money is, in a sense, only talking nonsense, because, inasmuch as there is a shortage and there are no means of getting the goods except at these extravagant prices, no good purpose is served by saying that the currency is inflated for the purpose of obtaining them. To charge three guineas for a pair of boots that were only worth 12*s.* 6*d.* on the pre-War basis may be extravagant, may even be shameful; but no good purpose is served by saying that the currency is inflated to obtain for three guineas a pair of boots that are only worth 12*s.* 6*d.*, unless we are in a position to define what we mean by "worth"; and, even if we are, is any good purpose served unless we can show that some enterprising bootmaker has, in fact, arisen who will provide us with 12*s.* 6*d.* boots on the conditions which he did in the pre-War period?

The real difficulty is, therefore, the extreme scarcity of commodities throughout the world. During the past five years there has been terrible waste, terrible extravagance, and very little production; and, whereas in normal times the producer in an economic sense feeds himself out of what he produces, in the abnormal period through which we have recently passed an undue proportion of the population, far from feeding themselves out of their own production, were destroying upon a lavish scale what was produced for them; and, in addition, in so far as they worked, were merely producing for the purpose of further destruction. Now it is perfectly evident that no good purpose would be served by restricting the currency in any way or making any effort for the purpose of restricting the currency until the trader can be found who will sell 12*s.* 6*d.* boots for 12*s.* 6*d.* It would be utterly unreasonable to deprive the banks of the means of giving their customers the three guineas necessary to pay for those extravagantly dear boots.

The only real remedy for the existing state of things is to produce upon a greatly increased scale. Now that is very easy to say, but as a practical proposition it can only be done, and done effectively, where there are exceptional facilities for production. Europe will gradually, no doubt, settle down; and it

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seems reasonably certain that she will have to depend more or less upon herself for the great bulk of her food. But that can only come about as the various populations cease from Bolshevism and devote themselves to peaceful industry. Until such time as they can do that there will be nothing but trouble before Europe. The banks manifestly cannot prevent the Bolshevists from assassinating one another while they continue the desire to do so. But there are great fields both in the British Empire and outside the British Empire where production could be stimulated, and stimulated to an enormous extent if the banks could devise some method whereby they could assist the promotion of industry in those various countries.

In the recent attempted flight between Egypt and the Cape of Good Hope vast areas of tropical Africa, forming part of the British Empire, were shown capable of yielding enormous quantities of produce, and it is evident that these tropical areas, if they were properly drained and made sanitary, would produce, unit for unit, out of all proportion to the return obtainable in countries like our own or the principal countries in Europe. Then there is the whole of South America. Very little of South America is really cultivated. The continent is practically twice the size of Europe all told, it is naturally far more fertile, and it has only a population equal, roughly, to that of these small islands. Now it is perfectly evident that money invested in increasing the productivity of South America would be money which would return in a very short time, perhaps in the course of three or four years, the whole amount of the investment.

The rich lands of tropical South America are capable of yielding enormous quantities of produce which are urgently needed at the present time. Practically nobody is occupying these vast estates, because until recently it was not practicable to cultivate them owing to the prevalence of various tropical diseases, amongst which the most notable were yellow fever and malaria. Now that we know how to deal with the principal tropical diseases, and are coming more and more to understand the causes which bring about seven or eight others with which medical science is acquainted, it is becoming easier and easier for the white man to settle in the tropical areas of the world. And if his enterprise is assisted by adequate finance it should be possible, at a comparatively early date, to so stimulate production as to bring down prices to quite as low a level as they were at in the pre-War period.

It has to be remembered that present prices are purely artificial. There is an extravagant demand, due to causes into which we have not space here to enter, for food, raw materials, and various commodities which have been destroyed and are being now consumed upon a wholly extravagant scale. With increased production these extravagant values will gradually adjust themselves and bring about a more reasonable relation between price or currency values and commodity values. Now to what extent the banks can assist in bringing about increased production each bank or group of banks must, of course, decide for itself. The banks alone are in possession of the facts which will enable them to ascertain to what extent it would be safe and just to their depositors to assist in promoting enterprise with a view to increasing actual new production, as distinct from financing the shipments, for example, of tobacco from Virginia to Liverpool. That is an exceedingly useful function performed by the banks, but in itself it will never bring about a reasonable adjustment between commodity and monetary values. What is really wanted is assistance which will enable those capable of producing immense quantities of food and raw materials within a reasonable time to increase that production until commodities and money values will automatically adjust themselves.

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Telegraphic Address: NATDIS, STOCK, LONDON. Telephones { No. 1484 AVENUE (2 lines). No. 11948 CENTRAL.

Subscribed Capital	...	**£4,233,325**
Paid-up Capital ...	...	**846,665**
Reserve Fund ...	...	**500,000**

Directors.

SIR SIGISMUND F. MENDL, K.B.E., Chairman.
LAWRENCE E. CHALMERS, Deputy-Chairman.
FREDERICK W. GREEN.
THE RT. HON. F. LEVERTON HARRIS.
COL. THE HON. SIDNEY PEEL, D.S.O., M.P.
CHARLES D. SELIGMAN.
WALTER J. HERIOT.
PHILIP H. WADE.

Manager.
PHILIP H. WADE.

Sub-Manager.
FRANCIS GOLDSMITH.

Secretary.
CHARLES H. COUGH.

Auditors.
FRANCIS W. PIXLEY, (Jackson, Pixley & Co.)
SIR ALBERT WYON, K.B.E. (Price, Waterhouse & Co.)

Bankers.
BANK OF ENGLAND.
NATIONAL PROVINCIAL AND UNION BANK OF ENGLAND, LIMITED.

Approved Mercantile Bills Discounted.

Money received on Deposit at Call and Short Notice, and Interest allowed at the Current Market Rates; and for longer periods upon specially agreed terms.

Loans granted upon Negotiable Securities.

Investments and Sales of all descriptions of British nd Foreign Securities effected. All communications n this subject to be addressed to the Manager.

The Mercantile Bank of India, Limited.

Head Office—

15 Gracechurch Street, London, E.C. 3.

Capital Authorised & Subscribed £1,500,000
Capital Paid up £750,000
Reserve Fund & Undivided Profits £846,430

Branches—
INDIA, BURMAH, CEYLON, STRAITS SETTLEMENTS, CHINA, and PORT LOUIS (MAURITIUS).

The Bank buys and sells Bills of Exchange, issues Letters of Credit and Circular Notes, and transacts Banking and Agency Business in connection with the East, on terms to be had on application.

FIXED DEPOSIT RATES
will be quoted on application.

On CURRENT ACCOUNTS Interest is allowed at 2 per cent. per annum on daily balances.

LONDON & RIVER PLATE BANK LIMITED

FOUNDED 1862.

OVERSEAS TRADE

Paid up Capital & Reserve Fund £4,140,000.

LONDON. Manchester.

Branches in Argentina, Uruguay, Brazil, Chile, Paraguay, Colombia, France, Belgium and Portugal, and Agencies in the United States.

Agents throughout South America in all important centres where Branches are not established.

THE BANK IS AFFILIATED WITH

LLOYDS BANK LIMITED.

Paid up Capital & Reserve Fund approximately £24,000,000.

WITH WHICH BANK IS ALSO AFFILIATED

THE NATIONAL BANK OF SCOTLAND LIMITED.

Paid up Capital & Reserve Fund - £2,100,000.

The Three Banks provide over 1,650 Branches in all the principal Trade Centres in **Great Britain, South America and on the Continent.**

ALL KINDS OF BANKING BUSINESS TRANSACTED.

The Branches in South America keep the London Office well informed on all local trade matters.

Correspondence invited through

HEAD OFFICE:

7, PRINCES STREET, LONDON, E.C. 2.

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The Statist

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